



# APPENDIX

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## GLOSSARY

### A

#### Accrual Basis of Accounting

The basis of accounting by which revenues are recorded when earned and expenditures are recorded as soon as they result in liabilities for benefits received.

#### Ad Valorem Tax

A tax based on value (e.g., a property tax).

#### Adopted

The Budget as approved by the City Council.

#### Allocation

Funds that are apportioned or designated to a program, function, or activity.

#### American Recovery and Reinvestment Act of 2009

\$787 billion economic stimulus package enacted by the United States Government in February of 2009.

#### Appropriation

A specific amount of money authorized by the City Council for an approved expenditure.

#### Assessed Valuation

A dollar value placed on real estate or other property within the City, as certified by the Arapahoe County Assessor, as a basis for levying property taxes.

#### Asset

Resources owned or held by a government, which have monetary value.

#### Authorized Positions

Employee positions, which are authorized in the adopted Budget, to be filled during the year.

#### Automobile Use Tax

An Automobile Use Tax of 2.5 percent is collected by Arapahoe County Treasurer on auto purchases made outside of City limits by citizens residing in Centennial.

### B

#### Backloading

The deferral of principal and/or interest payments to a later period.

#### Balanced Budget

A Budget in which planned expenditures do not exceed forecasted revenues plus fund balance, including surpluses.

#### Basis of Budgeting

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated Budgets are adopted at the fund level for each fund.

#### Beginning/Ending Fund Balance

Unencumbered resources available in a fund from the prior/current year after payment of the prior/current year expenses.

#### Budget

An annual financial plan of operation that identifies revenues, types and levels of services to be provided, and the amount of funds that can be spent. The City's Budget encompasses one calendar year. In practice, the term "Budget" is used two ways: it designates the financial plan presented for adoption ("proposed") or the final plan approved by City Council ("adopted").

#### Budget Calendar

The schedule of key dates or milestones, which the City follows in the preparation and adoption of the Budget.

#### Budget Message

A general discussion of the preliminary/adopted Budget presented in writing as part of, or supplement to, the Budget document. Explains principal Budget issues against the background of financial experience in recent years and presents recommendations made by the City Manager.

#### Budgetary Control

The control or management of a government in accordance with the approved Budget for the purpose of keeping expenditures within the limitations of available appropriations and resources.

#### Building Materials Use Tax

The Building Materials Use Tax applies to anyone who is performing construction work, which requires a City building permit. The tax is estimated and paid directly to the City prior to the issuance of the building permit. The estimated tax due is 2.5 percent of the material costs.

#### Building Permit Revenue

Building permit revenue is revenue collected through the issuance of permits for building construction projects, including permits for such things as electrical, plumbing, mechanical, and sign permits. The revenue is typically one-time revenue and is reported in the Land Use Fund.

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### C

#### Capital Assets

Assets of significant value and having a useful life beyond one year. Capital assets can be intangible (e.g. easements, water rights, etc.) or tangible (e.g. land, equipment, etc.).

#### Capital Expenditures

Expenditures, which should result in the increase of asset accounts, although they may result indirectly in the decrease of a liability.

#### Capital Improvement Fund (CIF)

Capital Improvement Funds account for resources used for the maintenance, acquisition, construction, and related services of capital infrastructure.

#### Capital Improvement Program (CIP)

A multi-year financial plan containing proposed construction of physical assets, such as streets, curbs, gutters, trails, parks and sidewalks. The Capital Improvement Program is comprised of projects included in the following funds: Capital Improvement, Open Space, and Conservation Trust Fund.

#### Capital Outlay

Equipment and infrastructure with a value of \$5,000 or more and an estimated useful life of more than one year, such as automobiles and traffic signals.

#### Capital Projects

A capital project maintains, improves or adds new City assets.

#### Cartegraph Software

Computer software program used to track inquiries, work request and orders currently for Public Works and Code Compliance projects within the City of Centennial.

#### Centennial Urban Redevelopment Authority (CURA)

Tax increment financing for public improvements in an urban renewal area.

#### Colorado Municipal League (CML)

The Colorado Municipal League is a non-profit, non-partisan organization that represents Colorado's cities and towns collectively in matters before the state and federal government and provides a wide range of information services to assist municipal officials in managing their governments.

#### Community Development Block Grants (CDBG)

Funds established to account for revenues from the federal government and expenditures as prescribed

under the Community Development Block Grant program. The City's CDBG program is administered through Arapahoe County.

#### Comprehensive Annual Financial Report (CAFR)

Financial report organized by fund, which provides a balance sheet that compares assets with liabilities and fund balance. The CAFR is also an operating statement that compares revenues with expenditures.

#### Conservation Trust Fund (CTF)

Accounts for lottery proceeds received from the State of Colorado. Spending is restricted and the City's share is determined by population data and the existence of special recreations districts.

#### Contingency

An appropriation of funds to cover unforeseen events that occur during the fiscal year, such as federal mandates, shortfalls in revenue, and similar eventualities.

#### Continuing Appropriations or Carryovers

Funding approved in the current Budget but not expended during a particular fiscal year. These appropriations are carried forward into the next fiscal year for their original intended purpose.

#### Contracted Services

Includes services contracted by the City to enhance operations or perform specific tasks or programs.

#### Contractual Services

This term designates those services acquired on a fee basis, a fixed-time contract basis from outside sources.

#### Cost Allocation

A method used to charge costs to other funds.

#### Council-Manager Form of Government

An organizational structure in which the Mayor and City Council appoint an independent City Manager to be the chief operating officer of a local government. In practice, a City Council sets policies and the City Manager is responsible for implementing those policies effectively and efficiently.

### D

#### Debt

An amount owed to a person or organization for funds borrowed. Debt can be represented by a loan note, bond, mortgage or other form stating repayment terms and, if applicable, interest requirements. These different forms all imply intent to pay back an amount owed by a specific date, which is set forth in the repayment terms.

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### Debt Service Fund

A fund established to account for the financial resources used for the payment of long-term debt (i.e., principal, interest, and other related costs).

### Deficit

(1) The excess of the liabilities of a fund over its assets  
(2) The excess of expenditures over revenues during an accounting period, or in the case of proprietary (Enterprise) funds, the excess of expenses over revenues during an accounting period.

### Department

A department is a component of the overall City organization. Often including multiple Divisions, it is headed by a director and has established a specific and unique set of goals and objectives to provide services to the citizens and organization (e.g., Community Development, Public Works, etc.).

### Depreciation

(1) Expiration in the service life of fixed assets attributable to wear and tear, deterioration, inadequacy and obsolescence (2) The portion of the cost of a fixed asset charged as an expense during a particular period. In accounting for depreciation, the cost of a fixed asset, less any salvage value, is prorated over the estimated service life of such an asset, and each period is charged with a portion of such cost. Through this process, the entire cost of the asset is ultimately charged off as an expense.

### Designated Reserves

The City Council has determined that additional reserves be established to provide for unforeseen reductions in revenues in the current year if Budgeted revenues are less than actual revenues, and expenditures including encumbrances, are greater than actual. Council has established a minimum of ten percent of fiscal year spending for operating reserves.

### Development Fees

Charges for specific services related to development activity including building permits, right-of-way permits and plan review fees.

### Disbursement

The expenditures of monies from an account.

### Division

An organizational sub-unit of a department. Each Division has a unique set of goals and objectives functioning within the department.

## E

### Employers Council

A non-profit membership organization, founded in 1939, designed to partner with employers to maintain effective employer/employee relationships. A "one-stop shopping" resource for members in the areas of human resource management, employment law, surveys, and training.

### Encumbrance

A legal obligation to expend funds for an expenditure that has not yet occurred.

### Energy Efficiency and Conservation Block Grant

Federal block grant money given to local governments for the purpose of implementing energy saving programs.

### Enterprise Fund

A fund type established to account for total costs of selected governmental facilities and services that are operated similar to private enterprises.

### Estimate

Represents the most recent estimate for current year revenue and expenditures. Estimates are based upon several months of actual expenditure and revenue experience. Estimates consider the impact of unanticipated price changes or other economic factors.

### Expenditure

The actual spending of funds set aside by appropriation for identified goods and/or services.

### Expense

Charges incurred (whether paid immediately or unpaid) for operations, maintenance, interest or other charges.

## F

### Fee

A general term used for any charge levied for providing a service or performing an activity.

### Fiduciary Funds

Fiduciary Funds are either Trust Funds or Agency Funds. Trust Funds are used to account for assets held by the government in a trustee capacity. Agency Funds are used to account for assets held by the government as an agent for individuals, private organizations, and other governments and/or funds.

### Fines

Monies received by the City that are paid by citizens who have violated City and/or state laws.

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### Fiscal Policy

A government's policies with respect to revenues, spending, and debt management as these relate to government services, programs and capital investments. Fiscal policy provides an agreed-upon set of principles for the planning and programming of government Budgets and their funding.

### Fiscal Year

A twelve-month period of time designated as the Budget year. The City's fiscal year is the calendar year January 1 through December 31.

### Full-Time Equivalent (FTE)

A position converted to the decimal equivalent of a fulltime position based on 2,080 work hours per year. For example, a part-time Typist Clerk working 20 hours per week would be equivalent to one-half of a full-time position, or 0.5 FTE.

### Fund

A set of inter-related accounts to record revenues and expenditures associated with a specific purpose.

### Fund Balance

The amount of financial resources available for use, derived from unencumbered resources available in a fund from the prior/current year after payment of the prior/current year expenditures.

## G

### General Fund

The primary fund used by the City for which revenues and expenditures are not legally restricted for use. Examples of departments operating within the General Fund include the City Manager's Office and Finance.

### General Improvement District (GID)

A public entity created according to Colorado Revised Statutes that provides specific services to a limited geographic area.

### Generally Accepted Accounting Principles (GAAP)

Uniform minimum standards used by state and local governments for financial recording and reporting that have been established by the accounting profession through the Governmental Accounting Standards Board (GASB).

### Geographic Information System (GIS)

A Geographic Information System is a computer system capable of assembling, storing, manipulating, and displaying geographically referenced information (e.g., data identified according to their locations).

### Government Finance Officers Association (GFOA)

An association for finance professionals designed to promote the management of governments by identifying and developing financial policies and best practices. The association promotes these policies and practices through education, training and leadership.

### Governmental Accounting Standards Board (GASB)

The Governmental Accounting Standards Board (GASB) was organized in 1984 by the Financial Accounting Foundation (FAF) to establish standards of financial accounting and reporting for state and local governmental entities.

### Grant

Contributions of cash or other assets from a governmental agency or other organization to be used or expended for a specific purpose, activity or facility.

## H

### Highway Users Tax Fund (HUTF)

State collected, locally shared revenue distributed monthly among state, counties, and municipalities. HUTF revenues are derived from a motor fuel tax and various motor vehicle registration, title, and license fees and taxes.

### Human Resource Information System (HRIS)

A system that allows an employer to track, report, and analyze all employee data from application to end-of-employment.

## I

### Infrastructure

Facilities and structures that support the daily life and growth of the City, including streets, traffic signals, bridges, and curb/ gutters.

### Interest Income

Interest income is the amount of revenue earned on investments and cash deposits. The guidelines for generating this source of revenue are found in the investment policies of the City.

### Interfund Transfer

A transaction that occurs between funds for a specific purpose as approved by the appropriate authority.

### Intergovernmental Agreement

A legal agreement describing tasks to be accomplished and/or funds to be paid between government agencies.

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### Intergovernmental Revenue

Revenues levied by one government but shared on a predetermined basis with another government or class of governments.

## L

### Land Development Code

Provides guidelines that support the City's vision, strategies and action steps in order to address City Services, Community Quality of Life/Citizen Engagement, Economic Health and the Environment.

### Leadership in Energy and Environmental Design (LEED)

Certified buildings constructed in environmentally friendly ways ("green"). The LEED Green Building Rating System is a nationally accepted benchmark established by the U.S. Green Building Council.

### Levy

To impose taxes, special assessments, or charges for the support of City activities.

### Licenses and Permits

A revenue category that accounts for recovering costs associated with regulating business activity.

### Line Item

Funds requested and/or appropriated on a detailed or itemized basis.

### Long-term Debt

Debt with a maturity of more than one year after the date of issuance.

## M

### Master Plan

A planning guide that provides a framework for general department direction and large-scale projects with multiple elements. A master plan outlines appropriate measures for development and sustainability, generally over five to ten year intervals and may include: public input through meetings, focus groups, and citizen surveys; programming, inventory, and Budgetary analysis; service and gap analysis; and goals and recommendations to meet future needs.

### Mill Levy

A figure established by the City and used to calculate property tax. A mill is one-tenth of a cent; thus, each mill represents \$1 of taxes for each \$1,000 of assessed value.

### Mission Statement

A broad statement that describes the reason for existence of an organization or organizational unit, such as a department.

### Modified Accrual Basis of Accounting

The basis of accounting by which revenues are recorded when they are both measurable and available. Expenditures are recorded when a liability is incurred.

## O

### Objective

Describes an outcome to be accomplished in specific well-defined and measurable terms that is achievable within a specific timeframe. Generally, departmental programs have objectives.

### Operating Budget

The annual appropriation of funds for program costs, which include salaries, benefits, maintenance, operations, and capital outlay items.

### Operating Revenue

Funds that the government receives as income to pay for ongoing operations. It includes such items as taxes, fees from specific services, interest earnings, and grant revenues. Operating revenues are used to pay for day-to-day services.

### Ordinance

A formal legislative enactment by the governing body (City Council) of a municipality. If it is not in conflict with any higher form of law, an Ordinance has the full force and effect of law within the boundaries of the municipality to which it applies.

## P

### Performance Measures

Statistical measures, which are collected to show the impact of dollars spent on City services.

### Personnel Services

An expenditure category that captures expenses related to employee compensation, such as salaries and benefits.

### Program

Represents major areas or support functions; defined as a service provided to citizens, other departments, or other agencies.

### Program Budget

A Budget, which allocates money to the functions or activities of a government rather than to specific items of cost or to specific departments.

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## GLOSSARY

### Property Tax

A tax levied by the City on the assessed valuation of all taxable property located within the City calculated using the mill levy.

### Proposed Budget

The Budget presented to City Council by the City Manager by September 15 each year prior to their adoption of the Budget document.

## R

### Reappropriation

A specific amount of money authorized by City Council for an approved expenditure during a previous period and carried forward to the subsequent year; also known as a carryover expenditure.

### Reserve

An account, which sets aside a portion of a fund's balance for some future use. These funds are not available for appropriation or expenditure except when qualifying events occur.

### Revenue

Funds received from the collection of taxes, fees, permits, licenses, interest, and grants during the fiscal year.

### Risk Management

Protects the assets of the City and provides a safe work environment for City employees.

### RSS Feed

An electronic format to deliver regularly changing web content.

## S

### Sales Tax

The City of Centennial collects a 2.5 percent tax annually on sales of tangible personal property and specific services. Sales taxes are collected by the retailer and are reported directly to the City as a provision of the Home Rule Charter approved in 2008.

### Service Level

Services or products which comprise actual or expected output of a given program. Focus is on results, not measures of workload.

### Special Revenue Funds

Special Revenue Funds account for revenue sources that are legally restricted for special purposes.

### Specific Ownership Tax

The Specific Ownership Tax is paid by owners of motor vehicles, trailers, semi-trailers and trailer-coaches in lieu of all ad valorem taxes on motor vehicles.

## T

### Tax Increment Financing (TIF)

Tax increment financing is a technique for financing a capital project from the stream of revenue generated by the project.

### Taxpayer's Bill of Rights (TABOR)

Colorado voters approved an amendment to the Colorado Constitution that placed limits on revenue and expenditures of the State and all local governments in 1992.

### Transfers

Authorized exchanges of money, positions, or other resources between organizational units or funds.

### Trust Funds

Funds used to account for assets held by a government in a trustee capacity for individual, private organizations, other governments, and/or other funds.

## U

### Undesignated Reserves

Article X, Section 20 of the Colorado Constitution requires a three percent reserve for emergencies. The use of this reserve is restricted to the purpose for which it was established and can be used solely for declared emergencies.

### Unencumbered Balance

The amount of an appropriation that is neither expended nor encumbered. It is essentially the amount of money still available for future purposes.

### Urban Renewal Area

A designated area with boundaries established for the purpose of eliminating blighted areas within the City. This designation makes the area eligible for various funding and allows for development or redevelopment.

### Use Tax

A tax levied by the City on the retail purchase price of tangible personal property and some services purchased outside the City, but stored, used, or consumed within the City.

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## ACRONYMS

### A

AAA	Area Agency on Aging
AASHTO	American Association of State Highway and Transportation Officials
ACSO	Arapahoe County Sheriff's Office
ACWWA	Arapahoe County Water and Wastewater Authority
ADA	Americans with Disability Act of 1990
AMPO	Association of Metropolitan Planning Organizations
APA	American Planning Association
APCD	Air Pollution Control Division
APRD	Arapahoe Park and Recreation District
ARMA	American Records Management Association
ARRA	American Recovery and Reinvestment Act of 2009
ASP	Administrative Site Plan
AUC	Arapahoe Urban Corridor
AWO	Applicant Work Order
AVL	Automatic Vehicle Location

### B

BID	Business Improvement District
BMPs	Best Management Practices
BOA	Centennial Board of Adjustment (appeals of zoning issues)
BOCC	Board of County Commissioners
BOR	Board of Review
BRE	Business Revitalization and Expansion
BST	Bituminous Surface Treatment

### C

C.R.S.	Colorado Revised Statutes
CAAA	Clean Air Act Amendments
CAFR	Comprehensive Annual Financial Report
CAMTA	Colorado Association of Municipal Tax Auditors
CBD	Central Business District
CC&R	Conditions, Covenants and Restrictions
CCBP	Central Centennial Boundary Plan
CCI	Colorado Counties Inc.
CCIC	Colorado Crime Information Center
CCSD	Cherry Creek School District
CDBG	Community Development Block Grant
CDOT	Colorado Department of Transportation
CDPHE	Colorado Department of Public Health and Environment
CenCON	Centennial Council of Neighborhoods
CERT	Citizen's Emergency Response Team
CFR	Code of Federal Regulations
CGFOA	Colorado Government Finance Officers Association
CIF	Capital Improvement Fund
CIP	Capital Improvement Program
CIRSA	Colorado Intergovernmental Risk Sharing Agency
CIT	Crisis Intervention Team
CLOMR	Conditional Letter of Map Revision
CMAQ	Congestion Mitigation/Air Quality
CMC	Certified Municipal Clerk
CMCA	Colorado Municipal Clerks Association

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## ACRONYMS

CML	Colorado Municipal League
CMRS	Commercial Mobile Radio Service
CoC	City of Centennial
Comp Plan	Comprehensive Plan
COPS	Centralized Organization for Police Selection
CORA	Colorado Open Records Act (a law governing documents)
CPTED	Crime Prevention Through Environmental Design
CQL	Community Quality of Life
CTF	Conservation Trust Fund
CUP	Conditional Use Permit
CURA	Centennial Urban Redevelopment Authority
CWA	Clean Water Act
CWO	City Work Order
CWP	Clean Water Plan

### D

DBE	Disadvantaged Business Enterprise
DEF/PROS	Deferred Prosecution
DEIS	Draft Environmental Impact Statement
DFT	Default Judgment
DISM	Dismissal
DJ	Deferred Judgment
DMCC	Denver Metro Chamber of Commerce
DMV	Department of Motor Vehicles (Colorado)
DOL	Department of Labor
DOLA	Department of Local Affairs (a state of Colorado department)
DOR	Department of Revenue (Colorado)
DOT	Department of Transportation (Colorado)
DRC	Design Review Committee
DRCOG	Denver Regional Council of Governments

### E

E&D	Elderly & Disabled
EA	Environmental Assessment
ECCV	East Cherry Creek Valley (Water and Wastewater District)
ECU	Environmental Crimes Unit
EECBG	Energy Efficiency and Conservation Block Grant
EIG	Engineering Infrastructure Group
EIS	Environmental Impact Statement
EPA	Environmental Protection Agency

### F

FAA	Federal Aviation Administration
FASB	Financial Accounting Standards Board
FASTER	Funding Advancements for Surface Transportation and Economic Recovery
FCC	Federal Communications Commission
FCPA	Fair Campaign Practices Act
FDP	Final Development Plan
FEIS	Final Environmental Impact Statement
FEMA	Federal Emergency Management Agency
FHWA	Federal Highway Administration

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## ACRONYMS

FIRE	Firefighter Interregional Recruitment and Employment
FONSI	Finding of No Significant Impact
FP	Final Plat
FSA	Flexible Spending Account
FTA	Failure to Appear
FTA	Federal Transit Administration
FTE	Full Time Equivalent
FTP	Failure to Pay
FTP	File Transfer Protocol
FY	Fiscal Year

### G

GAAP	Generally Accepted Accounting Principles
GASB	Government Accounting Standards Board
GESC	Grading, Erosion and Sediment Control
GFOA	Government Finance Officers Association
GID	General Improvement District (a type of City owned special district)
GIS	Geographic Information System
GMTC	Greater Metro Telecommunications Consortium
GOCO	Great Outdoors Colorado
GWV or GV	Greenwood Village

### H

HB	House Bill
HIP	Home Improvement Program
HOA	Homeowners' Association
HOT Lanes	High-Occupancy Toll Lanes
HOV	High-Occupancy Vehicle
HRIS	Human Resource Information System
HUTF	Highway Users Tax Fund
HVAC	Heating, Ventilation and Air Conditioning

### I

IBC	International Building Code (adopted in Centennial)
ICMA	International City/County Management Association
IFC	International Fire Code (adopted in Centennial)
IGA	Intergovernmental Agreement
IIMC	International Institute of Municipal Clerks
IPA	Integrated Assessment Plan
IRC	International Residential Code (adopted in Centennial)
IREA	Intermountain Rural Electric Association
ISDS	Individual Sewage Disposal System
ISTEA	Intermodal Surface Transportation Efficiency Act
IT	Information Technology
ITE	Institute of Traffic Engineers
ITS	Information Technology System
ITS	Intelligent Transportation Systems

### J

JARC	Job Access/Reverse Commute
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# ACRONYMS

### K

KPM Key Performance Measurement

### L

L&E Location & Event  
LDC Land Development Code (same as Land Use Code)  
LEED Leadership in Energy and Environmental Design  
LID Local Improvement District  
LLA Centennial Liquor Licensing Authority  
LLC Limited Liability Company  
LOC Letter of Credit (form of security to ensure performance)  
LOMR Letter of Map Revision  
LOS Level of Service  
LPS Littleton Public Schools  
LRT Light Rail Transit  
LUC Land Use Committee  
LUF Land Use Fund

### M

MCAA Metro City Attorneys Association  
MDP Master Development Plan  
MIS Major Investment Study  
MMC Master Municipal Clerk  
MOA Memorandum of Agreement  
MOU Memorandum of Understanding  
MPO Metropolitan Planning Organization  
MS Minor Subdivision  
MSA Metropolitan Statistical Area  
MTC Model Traffic Code  
MU-PUD Mixed Use Planned Unit Development  
MUD Mixed Use Development  
MUTCD Manual of Uniform Traffic Control Devices  
MVIC Metro Vision Issues Committee (DRCOG)

### N

NAAQS National Ambient Air Quality Standards  
NARC National Association of Regional Councils  
NEPA National Environmental Policy Act  
NFRMPO North Front Range Metropolitan Planning Organization  
NFRWQPA North Front Range Water Quality Planning Association  
NHS National Highway System  
NIMS National Incident Management System  
NLC National League of Cities  
NPDES National Pollution Discharge Elimination System  
NRVC Non Resident Violators Compact  
NTMP Neighborhood Traffic Management Plan

### O

O&M Operations and Maintenance  
OMA Colorado Open Meetings Law (laws governing the conduct of meetings)  
OS Open Space

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## ACRONYMS

### P

P&Z	Planning and Zoning
PB	Plea Bargain
PCI	Pavement Condition Index
PDA	Personal Digital Assistant
PDP	Preliminary Development Plan
PFA	Public Finance Agreement
PnR	Park-n-Ride
POA	Property Owners Association (like an HOA)
PP	Preliminary Plat
PPACG	Pikes Peak Area Council of Governments
PSA	Professional Service Agreement
PT	Part Time
PTC	Pre-Trial-Conference
PUD	Planned Unit Development
PWO	Position Work Order
PY	Prior Year

### R

RAQC	Regional Air Quality Council
REA	Rural Electric Association (an electric company like Xcel)
RF	Outside Referral
RFI	Request for Information
RFP	Request for Proposal
RFQ	Request for Qualifications
RI/RO	Right In/Right Out
RMA	Retail Market Analysis
ROD	Record of Decision
ROW	Right-of-Way
RP	Replat
RPP	Regional Priorities Program
RSA	Regional Statistical Area
RTC	Regional Transportation Committee (DRCOG)
RTD	Regional Transportation District
RTP	Regional Transportation Plan

### S

SB	Senate Bill
SEBP	Southeast Business Partnership
SEMSWA	Southeast Metro Storm Water Authority
SGMD	SouthGlenn Metropolitan District
SIA	Subdivision Improvement Agreement (type of contract)
SID	Special Improvement District
SIP	State Implementation Plan for Air Quality
SOE	Stay of Execution
SPIMD	Southeast Public Improvement Metropolitan District
SSPRD	South Suburban Parks and Recreation District
STAC	State Transportation Advisory Committee
STIP	State Transportation Improvement Program
STP	State Transportation Program
SUCTSC	Southeast Urban Corridor Transportation Steering Committee
SUP	Special Use Permit

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# ACRONYMS

### T

TABOR	Taxpayer's Bill of Rights
TAC	Transportation Advisory Committee
TAZ	Traffic Analysis Zone
TCM	Traffic Control Measures
TDM	Transportation Demand Management
TES	Traffic Engineering Service Application
TIF	Tax Increment Financing
TIP	Transportation Improvement Program
TIPS	Training Intervention Procedures (liquor licensing class)
TIS	Traffic Impact Study
TLRC	Transportation Legislative Review Committee
TMA	Transportation Management Area
TMO/TMA	Transportation Management Organization/Transportation Management Association
TMP	Traffic Management Plan
TOD	Transit Oriented Development
TPR	Transportation Planning Region
TRC	Technical Review Committee
TSSIP	Traffic Signal System Improvement Program
TTC	Trial to Court

### U

UDFCD	Urban Drainage and Flood Control District
UGB/A	Urban Growth Boundary/Area
UPWP	Unified Planning Work Program (DRCOG)
URA	Urban Renewal Authority, Urban Redevelopment Authority
USR	Use by Special Review

### V

V/C	Volume to CapaCity Ratio
VAC	Vacation of Easement
VMT	Vehicle Miles Traveled

### V

WEPC	Water and Environmental Planning Committee
WQCC	Water Quality Control Commission
WQCD	Water Quality Control Division (part of CDPHE)

### Y

YTD	Year to Date
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# COUNCIL RESOLUTIONS

## BUDGET ADOPTION

### CITY OF CENTENNIAL, COLORADO

#### RESOLUTION NO. 2019-R-51

#### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CENTENNIAL, COLORADO ADOPTING THE CITY OF CENTENNIAL 2020 PROPOSED BUDGET AND APPROPRIATING SUMS OF MONEY

WHEREAS, pursuant to Section 11.5 of the Centennial Home Rule Charter and Section 2-2-130(b)(3) of the Centennial Municipal Code, the City Manager of the City of Centennial shall cause to be prepared and shall submit to the Council the annual City budget; and

WHEREAS, the City is authorized by Section 11.13 of its Home Rule Charter and Section 29-1-108, C.R.S., to establish its annual budget and to make transfers and appropriations of budgeted funds; and

WHEREAS, the City Manager prepared and submitted a proposed budget for Fiscal Year 2020 (“2020 Budget”) to the City Council for the Council’s consideration in accordance with the Home Rule Charter for the City of Centennial and applicable law; and

WHEREAS, the 2020 Budget remains in balance, as required by the Colorado State Budget Law (Section 29-1-103, C.R.S.) and the Home Rule Charter; and

WHEREAS, upon due and proper notice, published in accordance with Section 29-1-106, C.R.S., the 2020 Budget was open for inspection by the public at the Centennial Civic Center, 13133 East Arapahoe Road, Centennial, Colorado, and a public hearing was held on November 5, 2018, at the City of Centennial Civic Center, 13133 East Arapahoe Road, Centennial, Colorado; and

WHEREAS, interested citizens of the City were given the opportunity to file or register any objections to the 2020 Budget; and

WHEREAS, the City Manager shall present a separate resolution to the City Council for its consideration prior to any applicable deadline for setting of a mill levy in accordance with law.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Centennial:

**Section 1. 2020 Budget.**

- A. The 2020 Budget for the City of Centennial as presented to the City Council is hereby approved and adopted and shall be known as the 2020 Budget for the City. The 2020 Budget is incorporated into this Resolution as if set out in full. Attached to this

# COUNCIL RESOLUTIONS

## BUDGET ADOPTION

Resolution as Exhibit A is an “All City Funds Summary” summarizing the 2020 Budget financial resources, financial uses, and funds available for the City. Copies of the 2020 Budget shall be made available for public inspection upon request in the office of the City of Centennial City Clerk.

- B. Reserves have been or are hereby established in order to meet the requirement for emergency reserves required under Article X, Section 20 of the Colorado Constitution (“TABOR”).
- C. The 2020 Budget, as hereby approved and adopted, shall be certified by the Mayor to all appropriate agencies and is made a part of the public records of the City of Centennial.
- D. Nothing herein shall prevent or preclude the City Council from amending or otherwise modifying the adopted 2020 Budget as may be permitted by law.

### **Section 2. 2020 Appropriations.**

Appropriations for 2020 are hereby approved for the City and are identified in the 2020 Budget All City Funds Summary, Exhibit A, as “2020 Financial Sources/Uses.”

### **Section 3. Committed Fund Balances**

Per Administrative Policy 2010-AP-06 and Governmental Accounting Standards Board Statement 54, Committed Fund Balance is hereby designated in the Capital Improvement Fund at \$2,000,000 as of December 31, 2020. The Committed Funds are within the amount of the “2020 Ending Fund Balance” for the Capital Improvement Fund as presented on Exhibit A. These funds are not appropriated and are specifically committed for city building acquisition or major repairs to city buildings. These committed funds cannot be used for any other purpose unless the City Council takes further action by resolution or ordinance.

Per Administrative Policy 2010-AP-06 and Governmental Accounting Standards Board Statement 54, Committed Fund Balance is hereby designated in the Street Fund at \$20,000,000 as of December 31, 2020. The Committed Funds are within the amount of the “2020 Ending Fund Balance” for the Capital Improvement Fund as presented on Exhibit A. These committed funds cannot be used for any other purpose unless the City Council takes further action by resolution or ordinance. These funds are not appropriated and are specifically committed for:

# COUNCIL RESOLUTIONS

## BUDGET ADOPTION

<b>Street Fund Committed Purpose</b>	<b>2020 Committed Fund Balance</b>
County Line widening project	\$5,000,000
Fund the widening of County Line Rd from University Ave to Broadway Ave	
Sidewalk segments in CIP	5,000,000
Fund completing sidewalk segments identified in the City's ten-year Capital Improvement Program	
Arapahoe Big Dry Creek road crossing	4,500,000
Fund the replacement of the Arapahoe Road crossing of Big Dry Creek and any related right-of-way acquisition or flood plain mitigation.	
Infrastructure replacement	2,000,000
Fund replacement of existing infrastructure owned and maintained by the city, including but not limited to streets, sidewalks, street lights, signal lights and bridges.	
Intersection improvements	2,000,000
Fund signal lights and associated infrastructure as warrants are approved, along with other safety improvements.	
Undergrounding utilities	1,000,000
Fund undergrounding overhead utilities.	
Emergency capital repairs	500,000
Fund infrastructure or other capital improvement, emergency repairs if appropriated funds are insufficient.	
<b>Total Street Fund</b>	<b>\$20,000,000</b>

In addition, Open Space fund balance will have a total Commitment of \$7,339,100 as of December 31, 2020. The Committed Funds are within the “2020 Ending Fund Balance” for the Open Space Fund as presented on Exhibit A. These committed funds cannot be used for any other purpose unless the City Council takes further action by resolution or ordinance. These funds are not appropriated and are specifically committed for:

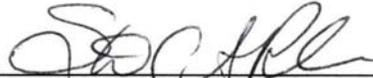
<b>Open Space Fund Committed Purpose</b>	<b>2020 Committed Fund Balance</b>
Lone Tree Creek Trail (net of County allocation)	\$450,000
Remaining city cost to fund the three trail phases, net of the County's IGA Allocation of \$4,500,000.	
Arapahoe County IGA – Dove Valley	3,000,000
City's funding obligation for Dove Valley improvements per IGA.	
Centennial Center Park Master Plan	3,610,600
Fund the multi-phased Centennial Center Park Master Plan project.	
Long-Term Reserve per policy	278,500
Reserve established by Council Policy 2018-CCP-01 which is 10% of annual open space tax funds.	
<b>Total Open Space Fund</b>	<b>\$7,339,100</b>

# COUNCIL RESOLUTIONS

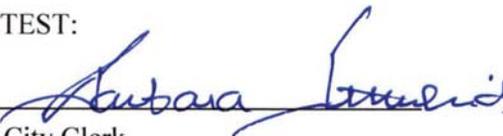
BUDGET ADOPTION

**Section 4.** This Resolution shall be effective immediately upon adoption.

ADOPTED by an affirmative vote of a majority of the City Council in accordance with Section 11.13(a) (3) of the City's Home Rule charter with a vote of 9 in favor and 0 against this 4<sup>th</sup> day of November, 2019.

By:   
Stephanie Piko, Mayor

ATTEST:

By:   
City Clerk

APPROVED AS TO FORM:

  
For City Attorney's Office

# 5

## APPENDIX

# COUNCIL RESOLUTIONS

### BUDGET ADOPTION

#### City of Centennial 2020 Financial Sources/Uses

Exhibit A

Fund	2020 Beginning Fund Balance	2020 Financial Sources	2020 Financial Uses	2020 Ending Fund Balance
<b>General Fund</b>	<b>\$ 29,774,202</b>	<b>\$ 65,237,760</b>	<b>\$ 70,682,130</b>	<b>\$ 24,329,832</b>
<b>Special Revenue Funds</b>	<b>\$ 16,326,654</b>	<b>\$ 48,565,170</b>	<b>\$ 30,712,170</b>	<b>\$ 34,179,654</b>
<i>Open Space Fund</i>	13,022,121	3,175,000	7,436,000	8,761,121
<i>Conservation Trust Fund</i>	3,304,533	710,000	540,000	3,474,533
<i>Street Fund</i>	-	44,680,170	22,736,170	21,944,000
<b>Capital Improvement Fund</b>	<b>\$ 47,504,119</b>	<b>\$ 1,500,000</b>	<b>\$ 26,630,120</b>	<b>\$ 22,373,999</b>
<b>Enterprise Fund</b>	<b>\$ 214,900</b>	<b>\$ 5,191,300</b>	<b>\$ 5,256,300</b>	<b>\$ 149,900</b>
<i>Land Use Fund</i>	-	4,891,300	4,891,300	-
<i>Fiber Fund</i>	214,900	300,000	365,000	149,900

# COUNCIL RESOLUTIONS

CITY OF CENTENNIAL MILL LEVY RATE

**CITY OF CENTENNIAL,  
COLORADO**

**RESOLUTION NO. 2019-R-63**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CENTENNIAL,  
COLORADO TO SET THE 2019 MILL LEVY**

WHEREAS, pursuant to the Centennial Home Rule Charter, a proposed budget shall be presented to the Council on or before September 20th of each year; and

WHEREAS, the City Manager timely prepared and submitted a proposed budget for Fiscal Year 2020 (“Budget”) to the City Council for the Council’s consideration; and

WHEREAS, upon due and proper notice, published in accordance with Sections 29-1-108 and 29-1-109, C.R.S., the proposed Budget was open for inspection by the public at the City of Centennial Civic Center, 13133 East Arapahoe Road, Centennial, Colorado, and a public hearing was held on November 4, 2019, at the City of Centennial Civic Center, 13133 East Arapahoe Road, Centennial, Colorado; and

WHEREAS, in accordance with applicable law, following the public hearing on November 4, 2019, the City Council approved the 2020 Budget and made necessary appropriations by Resolution 2019-R-51; and

WHEREAS, the funds necessary to meet projected appropriations for Fiscal Year 2020 equal the amount of \$70,682,130; and

WHEREAS, the 2019 net valuation for assessment of real property within the City, as certified by the Arapahoe County Assessor, is \$2,492,840,167; and

WHEREAS, Section 11.8 of the Centennial Home Rule Charter requires the City Council to fix the amount of tax levy annually.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Centennial, Colorado as follows:

**TO SET MILL LEVY**

1. That for the purpose of meeting general operating expenses of the City during the 2020 budget year, there is hereby levied a tax of 4.982 mills plus 0.020 mills for abatements and refunds upon each dollar of total valuation for assessment of all taxable property within the City, to raise \$12,469,187 in revenue, of which 1% will be paid to the Arapahoe County Treasurer as a collection fee.

# COUNCIL RESOLUTIONS

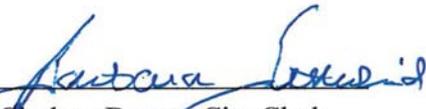
CITY OF CENTENNIAL MILL LEVY RATE

2. That the Mayor of the City is hereby authorized and directed to immediately certify to the County Commissioners of Arapahoe County, Colorado, the mill levy for the City as hereinabove determined and set.

ADOPTED by a vote of 9 in favor and 0 against this 16th day of December, 2019.

By:   
Stephanie Piko, Mayor

ATTEST:

By:   
City Clerk or Deputy City Clerk

APPROVED AS TO FORM:

  
For City Attorney's Office

# COUNCIL RESOLUTIONS

### CITY OF CENTENNIAL MILL LEVY RATE

TO: County Commissioners of Arapahoe County, Colorado

For the year 2019, the \_\_\_\_\_ City Council \_\_\_\_\_ of the  
(governing body)

\_\_\_\_\_ City of Centennial \_\_\_\_\_ hereby certifies a total levy of \_\_\_\_\_ 5.002 \_\_\_\_\_ mills  
(unit of government)

to be extended by you upon the total assessed valuation of \$ \_\_\_\_\_ 2,492,840,167 \_\_\_\_\_

to produce \$ \_\_\_\_\_ 12,469,187 \_\_\_\_\_ in revenue.

The levies and revenues are for the following purposes:

	LEVY	REVENUE
1. General Operating Expense	_____ 4.982 _____ mills	\$ _____ 12,418,457 _____
2. Refund / Abatements	_____ 0.020 _____ mills	\$ _____ 50,730 _____
3. Temporary Tax Credit or Rate Reduction (minus)	< _____ > mills	\$ < _____ >
SUBTOTAL	_____ 5.002 _____ mills	\$ _____ 12,469,187 _____
4. General Obligation Bonds and Interest		
a. See attached description	_____ mills	\$ _____
b. See attached description	_____ mills	\$ _____
SUBTOTAL	_____ mills	\$ _____
5. Contractual Obligations Approved at election	_____ mills	\$ _____
a. See attached description	_____ mills	\$ _____
b. See attached description	_____ mills	\$ _____
SUBTOTAL	_____ mills	\$ _____
6. Capital Expenditures levied pursuant to 29-1-301(1.2) or 29-1-302(1.5) CRS.	_____ mills	\$ _____
7. Other (specify)	_____ mills	\$ _____
TOTAL	_____ 5.002 _____ mills	\$ _____ 12,469,187 _____

Contact Person: \_\_\_\_\_ Doug Farmen, Finance Director \_\_\_\_\_ Daytime Telephone Number \_\_\_\_\_ 303-754-3225 \_\_\_\_\_

Signed \_\_\_\_\_  \_\_\_\_\_ Title \_\_\_\_\_ Mayor \_\_\_\_\_

# COUNCIL RESOLUTIONS

ANTELOPE GID BUDGET ADOPTION

**BOARD OF DIRECTORS  
FOR THE  
ANTELOPE WATER SYSTEM GENERAL IMPROVEMENT DISTRICT  
CENTENNIAL, COLORADO**

**RESOLUTION NO. 2019-AGID-R-01**

**A RESOLUTION ADOPTING THE ANTELOPE WATER SYSTEM  
GENERAL IMPROVEMENT DISTRICT 2020 PROPOSED BUDGET  
AND APPROPRIATING SUMS OF MONEY**

WHEREAS, the City of Centennial organized the Antelope Water System General Improvement District (“District”) and authorized the imposition of an ad valorem property tax within the District; and

WHEREAS, pursuant to Section 31-25-609, C.R.S., the City Council for the City of Centennial serves as the ex officio board of directors of the District and, by practice and convenience, the administrative staff of the City serves as the administrative staff of the District; and

WHEREAS, in accordance with Section 2-2-130(b)(4) of the Centennial Municipal Code, the City Manager of the City of Centennial, in the capacity as the Executive Director of the District, is required to cause the preparation and submission to the City Council of the annual City budget of City-owned and controlled districts, and the City Manager has submitted a proposed District 2020 Budget (“2020 Budget”) to the City Council acting as the Board of Directors of the District; and

WHEREAS, it is not only required by law but also necessary to appropriate the revenues provided in the 2020 Budget for the purposes described below, as more fully set forth in each such budget, so as not to impair the operations of the District; and

WHEREAS, the 2020 Budget remains in balance, as required by law; and

WHEREAS, upon due and proper notice, published in accordance with Sections 29-1-106 and 29-1-109, C.R.S., the proposed 2020 Budget was open for inspection by the public at the Centennial Civic Center, 13133 East Arapahoe Road, Centennial, Colorado, and a public hearing was held on November 4, 2019, at the City of Centennial Civic Center, 13133 East Arapahoe Road, Centennial, Colorado; and

WHEREAS, interested electors of the District were given the opportunity to file or register any objections to the 2020 Budget; and

WHEREAS, the Executive Director shall present a Resolution to the Board of Directors prior to any applicable deadline for setting of a mill levy in accordance with law.

# COUNCIL RESOLUTIONS

## ANTELOPE GID BUDGET ADOPTION

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Antelope Water System General Improvement District:

**Section 1. 2020 Budget.**

- A. The 2020 Budget for the Antelope Water System General Improvement District as presented to the Board of Directors is hereby approved and adopted and shall be known as the 2020 Budget for the District. The 2020 Budget is incorporated into this Resolution as if set out in full. Attached to this Resolution is a “2020 Financial Sources/Uses General Improvement Districts Funds” summarizing the financial resources, financial uses, and funds available for the District. Copies of the 2020 Budget shall be made available for public inspection upon request in the office of the City of Centennial City Clerk.
- B. Reserves have been or are hereby established in order to meet the requirement for emergency reserves required under Article X, Section 20 of the Colorado Constitution (“TABOR”).
- C. The Budget, as hereby approved and adopted, shall be certified by the Chairperson of the District to all appropriate agencies and is made a part of the public records of the District and the City of Centennial.
- D. Nothing herein shall prevent or preclude the Board of Directors of the District from amending or otherwise modifying the adopted 2020 Budget as may be permit by law.

**Section 2. 2020 Appropriations.**

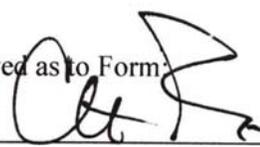
Appropriations for 2020 are hereby approved for the District and are identified in the 2020 Budget and the attached “2020 Financial Sources/Uses General Improvement Districts Funds” as “2020 Financial Uses.”

**Section 3.** This Resolution shall be effective immediately upon adoption.

ADOPTED by a vote of 9 in favor and 0 against this 4<sup>th</sup> day of November, 2019.

By:   
Chairperson of the District

ATTEST:  
By:   
Secretary to District

Approved as to Form  
By:   
Attorney for District

# COUNCIL RESOLUTIONS

## ANTELOPE GID BUDGET ADOPTION

### City of Centennial

#### 2020 Financial Sources/Uses General Improvement Districts Funds

The following chart summarizes the financial resources, financial uses, and funds available for all General Improvement District funds.

Fund	2020 Beginning Fund Balance	2020 Financial Sources	2020 Financial Uses	2020 Ending Fund Balance
<b>Special Revenue Funds</b>	<b>\$ 178,285</b>	<b>\$ 230,000</b>	<b>\$ 245,350</b>	<b>\$ 162,935</b>
<i>Antelope GID</i>	<i>80,350</i>	<i>165,500</i>	<i>190,950</i>	<i>54,900</i>
<i>Cherry Park GID</i>	<i>97,935</i>	<i>64,500</i>	<i>54,400</i>	<i>108,035</i>
<i>Foxridge GID</i>	<i>297,623</i>	<i>77,500</i>	<i>57,750</i>	<i>317,373</i>
<i>Walnut Hills GID</i>	<i>643,468</i>	<i>109,000</i>	<i>114,150</i>	<i>638,318</i>

# COUNCIL RESOLUTIONS

ANTELOPE GID MILL LEVY RATE

**BOARD OF DIRECTORS  
FOR THE  
ANTELOPE WATER SYSTEM GENERAL IMPROVEMENT DISTRICT  
CENTENNIAL, COLORADO**

**RESOLUTION NO. 2019-AGID-R-02**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
ANTELOPE WATER SYSTEM GENERAL IMPROVEMENT DISTRICT  
TO SET THE 2019 MILL LEVY**

WHEREAS, the City of Centennial organized the Antelope Water System General Improvement District (“District”) and authorized the imposition of an ad valorem property tax within the District; and

WHEREAS, pursuant to Section 31-25-609, C.R.S., the City Council for the City of Centennial serves as the *ex officio* board of directors of the District (“Board”) and, by practice and convenience, the administrative staff of the City serves as the administrative staff of the District; and

WHEREAS, the City Manager of the City of Centennial is required to cause the preparation of and submission to the City Council of the annual City budgets and budgets of City-owned and controlled districts; and

WHEREAS, the City Manager submitted a proposed District 2020 Budget (“Budget”) to the Board; and

WHEREAS, upon due and proper notice, published in accordance with Sections 29-1-108 and 29-1-109, C.R.S., the proposed Budget was open for inspection by the public at the City of Centennial Civic Center, 13133 East Arapahoe Road, Centennial, Colorado, and a public hearing was held on November 4, 2019, at the City of Centennial Civic Center, 13133 East Arapahoe Road, Centennial, Colorado; and

WHEREAS, interested electors of the District were given the opportunity to file or register any objections to the proposed Budget; and

WHEREAS, following the public hearing, the Budget was adopted by the Board on November 4, 2019; and

WHEREAS, the amount of money available for 2020 Financial Uses is \$190,950; and

WHEREAS, the 2019 net valuation for assessment of real property within the District, as certified by the Arapahoe County Assessor, is \$6,315,140.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Antelope Water System General Improvement District:

# COUNCIL RESOLUTIONS

ANTELOPE GID MILL LEVY RATE

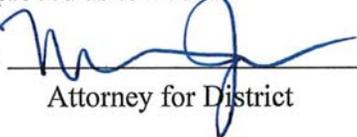
### TO SET MILL LEVY

1. That for the purpose of meeting general operating expenses and debt service payments of the District during the 2020 budget year, there is hereby levied a tax of 0.951 mills for General Operating Expenses, plus 23.594 mills for General Obligation Bond and Interest, for a total mill levy of 24.545 upon each dollar of total valuation for assessment of all taxable property within the District, to raise \$155,000 in revenue, of which 1.5% will be paid to the Arapahoe County Treasurer as a collection fee.
2. That the Chairperson of the District is hereby authorized and directed to immediately certify to the County Commissioners of Arapahoe County, Colorado, the mill levy for the District as hereinabove determined and set.

ADOPTED by a vote of 8 in favor and 0 against this 16<sup>th</sup> day of December, 2019.

By:   
 Vice Chairperson of the District

ATTEST:  
 By:   
 Secretary to District

Approved as to Form:  
 By:   
 Attorney for District

# 5

## APPENDIX

# COUNCIL RESOLUTIONS

### ANTELOPE GID MILL LEVY RATE

TO: County Commissioners of Arapahoe County, Colorado

For the year 2019, the \_\_\_\_\_ Board of Directors \_\_\_\_\_ of the  
(governing body)

Antelope Water System General Improvement District hereby certifies a total levy of 24.545 mills  
(unit of government)

to be extended by you upon the total assessed valuation of \$ 6,315,140

to produce \$ 155,000 in revenue.

The levies and revenues are for the following purposes:

	LEVY	REVENUE
1. General Operating Expense	<u>0.951</u> mills	\$ <u>6,000</u>
2. Refund / Abatements	_____ mills	\$ _____
3. Temporary Tax Credit or Rate Reduction (minus)	< _____ > mills	\$ < _____ >
SUBTOTAL	<u>0.951</u> mills	\$ <u>6,000</u>
4. General Obligation Bonds and Interest		
a. See attached description	<u>23.594</u> mills	\$ <u>149,000</u>
b. See attached description	_____ mills	\$ _____
SUBTOTAL	<u>23.594</u> mills	\$ <u>149,000</u>
5. Contractual Obligations Approved at election	_____ mills	\$ _____
a. See attached description	_____ mills	\$ _____
b. See attached description	_____ mills	\$ _____
SUBTOTAL	_____ mills	\$ _____
6. Capital Expenditures levied pursuant to 29-1-301(1.2) or 29-1-302(1.5) CRS.	_____ mills	\$ _____
7. Other (specify)	_____ mills	\$ _____
TOTAL	<u>24.545</u> mills	\$ <u>155,000</u>

Contact Person: Doug Farnen, Finance Director Daytime Telephone Number 303-754-3325

Signed  Title Vice Chair

# COUNCIL RESOLUTIONS

## ANTELOPE GID MILL LEVY RATE

PLEASE SUBMIT THE FOLLOWING INFORMATION FOR EACH GENERAL OBLIGATION BOND:

Purpose of Issue Construct Water System Series 2016  
 Date of Issue March, 2016 Coupon Rate Varies (2.00% - 5.000%)  
 Maturity Date 2035  
 Levy: 23.594 Revenue: \$149,000

(Show here and on line 4 of Page 1)

**Please submit the following information for each contractual obligation:**

Title \_\_\_\_\_  
 Date of Approval \_\_\_\_\_ Principal Amount \_\_\_\_\_  
 Maturity Date \_\_\_\_\_  
 Levy: \_\_\_\_\_ Revenue: \_\_\_\_\_

(Show here and on line 5 of Page 1)

The above information is required by 32-1-1603 C.R.S.

# COUNCIL RESOLUTIONS

CHERRY PARK GID BUDGET ADOPTION

**BOARD OF DIRECTORS  
FOR THE  
CHERRY PARK GENERAL IMPROVEMENT DISTRICT  
CENTENNIAL, COLORADO**

**RESOLUTION NO. 2019-CPGID-R-01**

**A RESOLUTION ADOPTING THE CHERRY PARK GENERAL  
IMPROVEMENT DISTRICT 2020 PROPOSED BUDGET AND  
APPROPRIATING SUMS OF MONEY**

WHEREAS, the City of Centennial organized the Cherry Park General Improvement District (“District”) and authorized the imposition of an ad valorem property tax within the District; and

WHEREAS, pursuant to Section 31-25-609, C.R.S., the City Council for the City of Centennial serves as the ex officio board of directors of the District and, by practice and convenience, the administrative staff of the City serves as the administrative staff of the District; and

WHEREAS, in accordance with Section 2-2-130(b)(4) of the Centennial Municipal Code, the City Manager of the City of Centennial, in the capacity as the Executive Director of the District, is required to cause the preparation and submission to the City Council of the annual City budget of City-owned and controlled districts, and the City Manager has submitted a proposed District 2020 Budget (“2020 Budget”) to the City Council acting as the Board of Directors of the District; and

WHEREAS, it is not only required by law but also necessary to appropriate the revenues provided in the 2020 Budget for the purposes described below, as more fully set forth in each such budget, so as not to impair the operations of the District; and

WHEREAS, the 2020 Budget remains in balance, as required by law; and

WHEREAS, upon due and proper notice, published in accordance with Sections 29-1-106 and 29-1-109, C.R.S., the proposed 2020 Budget was open for inspection by the public at the Centennial Civic Center, 13133 East Arapahoe Road, Centennial, Colorado, and a public hearing was held on November 4, 2019, at the City of Centennial Civic Center, 13133 East Arapahoe Road, Centennial, Colorado; and

WHEREAS, interested electors of the District were given the opportunity to file or register any objections to the 2020 Budget; and

WHEREAS, the Executive Director shall present a Resolution to the Board of Directors prior to any applicable deadline for setting of a mill levy in accordance with law.

# COUNCIL RESOLUTIONS

## CHERRY PARK GID BUDGET ADOPTION

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Cherry Park General Improvement District:

**Section 1. 2020 Budget.**

- A. The 2020 Budget for the Cherry Park General Improvement District as presented to the Board of Directors is hereby approved and adopted and shall be known as the 2020 Budget for the District. The 2020 Budget is incorporated into this Resolution as if set out in full. Attached to this Resolution is a “2020 Financial Sources/Uses General Improvement Districts Funds” summarizing the financial resources, financial uses, and funds available for the District. Copies of the 2020 Budget shall be made available for public inspection upon request in the office of the City of Centennial City Clerk.
- B. Reserves have been or are hereby established in order to meet the requirement for emergency reserves required under Article X, Section 20 of the Colorado Constitution (“TABOR”).
- C. The Budget, as hereby approved and adopted, shall be certified by the Chairperson of the District to all appropriate agencies and is made a part of the public records of the District and the City of Centennial.
- D. Nothing herein shall prevent or preclude the Board of Directors of the District from amending or otherwise modifying the adopted 2020 Budget as may be permit by law.

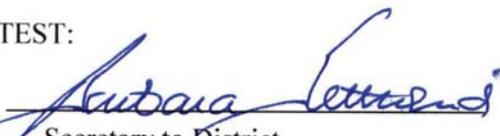
**Section 2. 2020 Appropriations.**

Appropriations for 2020 are hereby approved for the District and are identified in the 2020 Budget and the attached “2020 Financial Sources/Uses General Improvement Districts Funds” as “2020 Financial Uses.”

**Section 3.** This Resolution shall be effective immediately upon adoption.

ADOPTED by a vote of 9 in favor and 0 against this 4<sup>th</sup> day of November, 2019.

By:   
Chairperson of the District

ATTEST:  
By:   
Secretary to District

Approved as to Form.  
By:   
Attorney for District

# COUNCIL RESOLUTIONS

## CHERRY PARK GID BUDGET ADOPTION

### City of Centennial

#### 2020 Financial Sources/Uses General Improvement Districts Funds

The following chart summarizes the financial resources, financial uses, and funds available for all General Improvement District funds.

Fund	2020 Beginning Fund Balance	2020 Financial Sources	2020 Financial Uses	2020 Ending Fund Balance
<b>Special Revenue Funds</b>	<b>\$ 178,285</b>	<b>\$ 230,000</b>	<b>\$ 245,350</b>	<b>\$ 162,935</b>
<i>Antelope GID</i>	<i>80,350</i>	<i>165,500</i>	<i>190,950</i>	<i>54,900</i>
<i>Cherry Park GID</i>	<i>97,935</i>	<i>64,500</i>	<i>54,400</i>	<i>108,035</i>
<i>Foxridge GID</i>	<i>297,623</i>	<i>77,500</i>	<i>57,750</i>	<i>317,373</i>
<i>Walnut Hills GID</i>	<i>643,468</i>	<i>109,000</i>	<i>114,150</i>	<i>638,318</i>

# COUNCIL RESOLUTIONS

CHERRY PARK GID MILL LEVY RATE

**BOARD OF DIRECTORS  
FOR THE  
CHERRY PARK GENERAL IMPROVEMENT DISTRICT  
CENTENNIAL, COLORADO**

**RESOLUTION NO. 2019-CPGID-R-02**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
CHERRY PARK GENERAL IMPROVEMENT DISTRICT TO SET  
THE 2019 MILL LEVY**

WHEREAS, the Board of County Commissioners of Arapahoe County previously organized the Cherry Park General Improvement District (“District”) and authorized the imposition of an ad valorem property tax within the District; and

WHEREAS, following incorporation of the City of Centennial, governance of the District was transferred by the County to the City by operation of law; and

WHEREAS, pursuant to Section 31-25-609, C.R.S., the City Council for the City of Centennial serves as the *ex officio* board of directors of the District (“Board”) and, by practice and convenience, the administrative staff of the City serves as the administrative staff of the District; and

WHEREAS, the City Manager of the City of Centennial is required to cause the preparation of and submission to the City Council of the annual City budgets and budgets of City-owned and controlled districts; and

WHEREAS, the City Manager submitted a proposed District 2020 Budget (“Budget”) to the Board; and

WHEREAS, upon due and proper notice, published in accordance with Sections 29-1-108 and 29-1-109, C.R.S., the proposed Budget was open for inspection by the public at the City of Centennial Civic Center, 13133 East Arapahoe Road, Centennial, Colorado, and a public hearing was held on November 4, 2019, at the City of Centennial Civic Center, 13133 East Arapahoe Road, Centennial, Colorado; and

WHEREAS, interested electors of the District were given the opportunity to file or register any objections to the proposed Budget; and

WHEREAS, following the public hearing, the Budget was adopted by the Board on November 4, 2019; and

WHEREAS, the amount of money available for 2020 Financial Uses is \$54,400; and

WHEREAS, the 2019 net valuation for assessment of real property within the District, as certified by the Arapahoe County Assessor, is \$16,209,412.

# COUNCIL RESOLUTIONS

## CHERRY PARK GID MILL LEVY RATE

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Cherry Park General Improvement District:

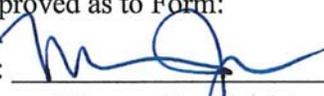
**TO SET MILL LEVY**

1. That for the purpose of meeting general operating expenses of the District during the 2020 budget year, there is hereby levied a tax of 4.437 mills less a temporary rate reduction for Budget Year 2020 of 0.872 mills for a total mill levy of 3.565 upon each dollar of total valuation for assessment of all taxable property within the District, to raise \$57,787 in revenue, of which 1.5% will be paid to the Arapahoe County Treasurer as a collection fee.
2. That the Chairperson of the District is hereby authorized and directed to immediately certify to the County Commissioners of Arapahoe County, Colorado, the mill levy for the District as hereinabove determined and set.

ADOPTED by a vote of 8 in favor and 0 against this 16<sup>th</sup> day of December, 2019.

By:  \_\_\_\_\_  
 Vice-Chairperson of the District

ATTEST:  
 By:  \_\_\_\_\_  
 Secretary to District

Approved as to Form:  
 By:  \_\_\_\_\_  
 Attorney for District

# 5

## APPENDIX

# COUNCIL RESOLUTIONS

### CHERRY PARK GID MILL LEVY RATE

TO: County Commissioners of Arapahoe County, Colorado

For the year 2019, the \_\_\_\_\_ Board of Directors \_\_\_\_\_ of the  
(governing body)

\_\_\_\_\_ Cherry Park General Improvement District \_\_\_\_\_ hereby certifies a total levy of \_\_\_\_\_ 3.565 \_\_\_\_\_ mills  
(unit of government)

to be extended by you upon the total assessed valuation of \$ \_\_\_\_\_ 16,209,412 \_\_\_\_\_

to produce \$ \_\_\_\_\_ 57,787 \_\_\_\_\_ in revenue.

The levies and revenues are for the following purposes:

	LEVY	REVENUE
1. General Operating Expense	_____ 4.437 _____ mills	\$ _____ 71,921 _____
2. Refund / Abatements	_____ _____ mills	\$ _____
3. Temporary Tax Credit or Rate Reduction (minus)	< _____ 0.872 _____ > mills	\$ < _____ 14,134 _____ >
SUBTOTAL	_____ 3.565 _____ mills	\$ _____ 57,787 _____
4. General Obligation Bonds and Interest		
a. See attached description	_____ _____ mills	\$ _____
b. See attached description	_____ _____ mills	\$ _____
SUBTOTAL	_____ _____ mills	\$ _____
5. Contractual Obligations Approved at election	_____ _____ mills	\$ _____
a. See attached description	_____ _____ mills	\$ _____
b. See attached description	_____ _____ mills	\$ _____
SUBTOTAL	_____ _____ mills	\$ _____
6. Capital Expenditures levied pursuant to 29-1-301(1.2) or 29-1-302(1.5) CRS.	_____ _____ mills	\$ _____
7. Other (specify)	_____ _____ mills	\$ _____
TOTAL	_____ 3.565 _____ mills	\$ _____ 57,787 _____

Contact Person: \_\_\_\_\_ Doug Farmen, Finance Director \_\_\_\_\_ Daytime Telephone Number \_\_\_\_\_ 303-754-3225 \_\_\_\_\_

Signed \_\_\_\_\_  \_\_\_\_\_ Title \_\_\_\_\_ Vice Chair \_\_\_\_\_

# COUNCIL RESOLUTIONS

FOXRIDGE GID BUDGET ADOPTION

**BOARD OF DIRECTORS  
FOR THE  
FOXRIDGE GENERAL IMPROVEMENT DISTRICT  
CENTENNIAL, COLORADO**

**RESOLUTION NO. 2019-FRGID-R-03**

**A RESOLUTION ADOPTING THE FOXRIDGE GENERAL  
IMPROVEMENT DISTRICT 2020 PROPOSED BUDGET AND  
APPROPRIATING SUMS OF MONEY**

WHEREAS, the City of Centennial organized the Foxridge General Improvement District (“District”) and authorized the imposition of an ad valorem property tax within the District; and

WHEREAS, pursuant to Section 31-25-609, C.R.S., the City Council for the City of Centennial serves as the ex officio board of directors of the District and, by practice and convenience, the administrative staff of the City serves as the administrative staff of the District; and

WHEREAS, in accordance with Section 2-2-130(b)(4) of the Centennial Municipal Code, the City Manager of the City of Centennial, in the capacity as the Executive Director of the District, is required to cause the preparation and submission to the City Council of the annual City budget of City-owned and controlled districts, and the City Manager has submitted a proposed District 2020 Budget (“2020 Budget”) to the City Council acting as the Board of Directors of the District; and

WHEREAS, it is not only required by law but also necessary to appropriate the revenues provided in the 2020 Budget for the purposes described below, as more fully set forth in each such budget, so as not to impair the operations of the District; and

WHEREAS, the 2020 Budget remains in balance, as required by law; and

WHEREAS, upon due and proper notice, published in accordance with Section 29-1-106, C.R.S., the proposed 2020 Budget was open for inspection by the public at the Centennial Civic Center, 13133 East Arapahoe Road, Centennial, Colorado, and a public hearing was held on November 4, 2019, at the City of Centennial Civic Center, 13133 East Arapahoe Road, Centennial, Colorado; and

WHEREAS, interested electors of the District were given the opportunity to file or register any objections to the 2020 Budget; and

WHEREAS, the Executive Director shall present a Resolution to the Board of Directors prior to any applicable deadline for setting of a mill levy in accordance with law.

# COUNCIL RESOLUTIONS

## FOXRIDGE GID BUDGET ADOPTION

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Foxridge General Improvement District:

**Section 1. 2020 Budget.**

- A. The 2020 Budget for the Foxridge General Improvement District as presented to the Board of Directors is hereby approved and adopted and shall be known as the 2020 Budget for the District. The 2020 Budget is incorporated into this Resolution as if set out in full. Attached to this Resolution is a “2020 Financial Sources/Uses General Improvement Districts Funds” summarizing the financial resources, financial uses, and funds available for the District. Copies of the 2020 Budget shall be made available for public inspection upon request in the office of the City of Centennial City Clerk.
- B. Reserves have been or are hereby established in order to meet the requirement for emergency reserves required under Article X, Section 20 of the Colorado Constitution (“TABOR”).
- C. The Budget, as hereby approved and adopted, shall be certified by the Chairperson of the Board of Directors of the District to all appropriate agencies and is made a part of the public records of the District and the City of Centennial.
- D. Nothing herein shall prevent or preclude the Board of Directors of the District from amending or otherwise modifying the adopted 2020 Budget as may be permitted by law.

**Section 2. 2020 Appropriations.**

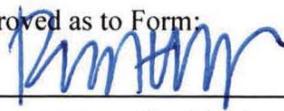
Appropriations for 2020 are hereby approved for the District and are identified in the 2020 Budget and the attached “2020 Financial Sources/Uses General Improvement Districts Funds” as “2020 Financial Uses.”

**Section 3.** This Resolution shall be effective immediately upon adoption.

ADOPTED by a vote of 9 in favor and 0 against this 4<sup>th</sup> day of November, 2019.

By:   
Chairperson of the District

ATTEST:  
By:   
Secretary to District

Approved as to Form:  
By:   
Attorney for District

# COUNCIL RESOLUTIONS

## FOXRIDGE GID BUDGET ADOPTION

### City of Centennial

#### 2020 Financial Sources/Uses General Improvement Districts Funds

The following chart summarizes the financial resources, financial uses, and funds available for all General Improvement District funds.

Fund	2020 Beginning Fund Balance	2020 Financial Sources	2020 Financial Uses	2020 Ending Fund Balance
<b>Special Revenue Funds</b>	<b>\$ 178,285</b>	<b>\$ 230,000</b>	<b>\$ 245,350</b>	<b>\$ 162,935</b>
<i>Antelope GID</i>	<i>80,350</i>	<i>165,500</i>	<i>190,950</i>	<i>54,900</i>
<i>Cherry Park GID</i>	<i>97,935</i>	<i>64,500</i>	<i>54,400</i>	<i>108,035</i>
<i>Foxridge GID</i>	<i>297,623</i>	<i>77,500</i>	<i>57,750</i>	<i>317,373</i>
<i>Walnut Hills GID</i>	<i>643,468</i>	<i>109,000</i>	<i>114,150</i>	<i>638,318</i>

# COUNCIL RESOLUTIONS

FOXTRIDGE GID MILL LEVY RATE

**BOARD OF DIRECTORS  
FOR THE  
FOXTRIDGE GENERAL IMPROVEMENT DISTRICT  
CENTENNIAL, COLORADO**

**RESOLUTION NO. 2019-FRGID-R-04**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF THE  
FOXTRIDGE GENERAL IMPROVEMENT DISTRICT TO SET THE  
2019 MILL LEVY**

WHEREAS, the Board of County Commissioners of Arapahoe County previously organized the Foxridge General Improvement District (“District”) and authorized the imposition of an ad valorem property tax within the District; and

WHEREAS, following incorporation of the City of Centennial, governance of the District was transferred by the County to the City by operation of law; and

WHEREAS, pursuant to Section 31-25-609, C.R.S., the City Council for the City of Centennial serves as the *ex officio* board of directors of the District (“Board”) and, by practice and convenience, the administrative staff of the City serves as the administrative staff of the District; and

WHEREAS, the City Manager of the City of Centennial is required to cause the preparation of and submission to the City Council of the annual City budgets and budgets of City-owned and controlled districts; and

WHEREAS, the City Manager submitted a proposed District 2020 Budget (“Budget”) to the Board; and

WHEREAS, upon due and proper notice, published in accordance with Sections 29-1-108 and 29-1-109, C.R.S., the proposed Budget was open for inspection by the public at the City of Centennial Civic Center, 13133 East Arapahoe Road, Centennial, Colorado, and a public hearing was held on November 4, 2019, at the City of Centennial Civic Center, 13133 East Arapahoe Road, Centennial, Colorado; and

WHEREAS, interested electors of the District were given the opportunity to file or register any objections to the proposed Budget; and

WHEREAS, following the public hearing, the Budget was adopted by the Board on November 4, 2019; and

WHEREAS, the amount of money available for 2020 Financial Uses is \$57,750; and

WHEREAS, the 2019 net valuation for assessment of real property within the District, as certified by the Arapahoe County Assessor, is \$36,424,227.

# COUNCIL RESOLUTIONS

## FOXTRIDGE GID MILL LEVY RATE

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Foxridge General Improvement District:

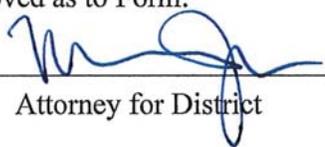
**TO SET MILL LEVY**

1. That for the purpose of meeting general operating expenses of the District during the 2020 budget year, there is hereby levied a tax of 2.151 mills less a temporary rate reduction for Budget Year 2020 of 0.309 mills for a total mill levy of 1.842 upon each dollar of total valuation for assessment of all taxable property within the District, to raise \$67,093 in revenue, of which 1.5% will be paid to the Arapahoe County Treasurer as a collection fee.
2. That the Chairperson of the District is hereby authorized and directed to immediately certify to the County Commissioners of Arapahoe County, Colorado, the mill levy for the District as hereinabove determined and set.

ADOPTED by a vote of 8 in favor and 0 against this 16th day of December, 2019.

By:   
 \_\_\_\_\_  
 Vice Chairperson of the District

ATTEST:  
 By:   
 \_\_\_\_\_  
 Secretary to District

Approved as to Form:  
 By:   
 \_\_\_\_\_  
 Attorney for District

# COUNCIL RESOLUTIONS

## FOXRIDGE GID MILL LEVY RATE

TO: County Commissioners of Arapahoe County, Colorado

For the year 2019, the \_\_\_\_\_ Board of Directors \_\_\_\_\_ of the  
(governing body)

\_\_\_\_\_ Foxridge General Improvement District \_\_\_\_\_ hereby certifies a total levy of \_\_\_\_\_ 1.842 \_\_\_\_\_ mills  
(unit of government)

to be extended by you upon the total assessed valuation of \$ \_\_\_\_\_ 36,424,227 \_\_\_\_\_

to produce \$ \_\_\_\_\_ 67,093 \_\_\_\_\_ in revenue.

The levies and revenues are for the following purposes:

	LEVY	REVENUE
1. General Operating Expense	_____ 2.151 _____ mills	\$ _____ 78,348 _____
2. Refund / Abatements	_____ _____ mills	\$ _____
3. Temporary Tax Credit or		
Rate Reduction (minus)	< _____ 0.309 _____ > mills	\$ < _____ 11,255 _____
>		
SUBTOTAL	_____ 1.842 _____ mills	\$ _____ 67,093 _____
4. General Obligation Bonds and Interest		
a. See attached description	_____ _____ mills	\$ _____
b. See attached description	_____ _____ mills	\$ _____
SUBTOTAL	_____ _____ mills	\$ _____
5. Contractual Obligations Approved at election	_____ _____ mills	\$ _____
a. See attached description	_____ _____ mills	\$ _____
b. See attached description	_____ _____ mills	\$ _____
SUBTOTAL	_____ _____ mills	\$ _____
6. Capital Expenditures levied pursuant to 29-1-301(1.2) or 29-1-302(1.5) CRS.	_____ _____ mills	\$ _____
7. Other (specify)	_____ _____ mills	\$ _____
TOTAL	_____ 1.842 _____ mills	\$ _____ 67,093 _____

Contact Person: \_\_\_\_\_ Doug Farmen, Finance Director \_\_\_\_\_ Daytime Telephone Number \_\_\_\_\_ 303-754-3325 \_\_\_\_\_

Signed \_\_\_\_\_  \_\_\_\_\_ Title \_\_\_\_\_ Vice - Chair \_\_\_\_\_

# COUNCIL RESOLUTIONS

WALNUT HILLS GID BUDGET ADOPTION

**BOARD OF DIRECTORS  
FOR THE  
WALNUT HILLS GENERAL IMPROVEMENT DISTRICT  
CENTENNIAL, COLORADO**

**RESOLUTION NO. 2019-WHGID-R-01**

**A RESOLUTION ADOPTING THE WALNUT HILLS GENERAL  
IMPROVEMENT DISTRICT 2020 PROPOSED BUDGET AND  
APPROPRIATING SUMS OF MONEY**

WHEREAS, the City of Centennial organized the Walnut Hills General Improvement District (“District”) and authorized the imposition of an ad valorem property tax within the District; and

WHEREAS, pursuant to Section 31-25-609, C.R.S., the City Council for the City of Centennial serves as the ex officio board of directors of the District and, by practice and convenience, the administrative staff of the City serves as the administrative staff of the District; and

WHEREAS, in accordance with Section 2-2-130(b)(4) of the Centennial Municipal Code, the City Manager of the City of Centennial, in the capacity as the Executive Director of the District, is required to cause the preparation and submission to the City Council of the annual City budget of City-owned and controlled districts, and the City Manager has submitted a proposed District 2020 Budget (“2020 Budget”) to the City Council acting as the Board of Directors of the District; and

WHEREAS, it is not only required by law but also necessary to appropriate the revenues provided in the 2020 Budget for the purposes described below, as more fully set forth in each such budget, so as not to impair the operations of the District; and

WHEREAS, the 2020 Budget remains in balance, as required by law; and

WHEREAS, upon due and proper notice, published in accordance with Sections 29-1-106 and 29-1-109, C.R.S., the proposed 2020 Budget was open for inspection by the public at the Centennial Civic Center, 13133 East Arapahoe Road, Centennial, Colorado, and a public hearing was held on November 4, 2019, at the City of Centennial Civic Center, 13133 East Arapahoe Road, Centennial, Colorado; and

WHEREAS, interested electors of the District were given the opportunity to file or register any objections to the 2020 Budget; and

WHEREAS, the Executive Director shall present a Resolution to the Board of Directors prior to any applicable deadline for setting of a mill levy in accordance with law.

# COUNCIL RESOLUTIONS

## WALNUT HILLS GID BUDGET ADOPTION

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Walnut Hills General Improvement District:

**Section 1. 2020 Budget.**

- A. The 2020 Budget for the Walnut Hills General Improvement District as presented to the Board of Directors is hereby approved and adopted and shall be known as the 2020 Budget for the District. The 2020 Budget is incorporated into this Resolution as if set out in full. Attached to this Resolution is a “2020 Financial Sources/Uses General Improvement Districts Funds” summarizing the financial resources, financial uses, and funds available for the District. Copies of the 2020 Budget shall be made available for public inspection upon request in the office of the City of Centennial City Clerk.
- B. Reserves have been or are hereby established in order to meet the requirement for emergency reserves required under Article X, Section 20 of the Colorado Constitution (“TABOR”).
- C. The Budget, as hereby approved and adopted, shall be certified by the Chairperson of the District to all appropriate agencies and is made a part of the public records of the District and the City of Centennial.
- D. Nothing herein shall prevent or preclude the Board of Directors of the District from amending or otherwise modifying the adopted 2020 Budget as may be permit by law.

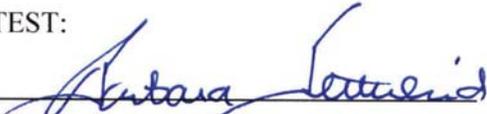
**Section 2. 2020 Appropriations.**

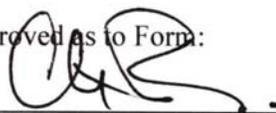
Appropriations for 2020 are hereby approved for the District and are identified in the 2020 Budget and the attached “2020 Financial Sources/Uses General Improvement Districts Funds” as “2020 Financial Uses.”

**Section 3.** This Resolution shall be effective immediately upon adoption.

ADOPTED by a vote of 9 in favor and 0 against this 4<sup>th</sup> day of November, 2019.

By:   
Chairperson of the District

ATTEST:  
By:   
Secretary to District

Approved as to Form:  
By:   
Attorney for District

# COUNCIL RESOLUTIONS

## WALNUT HILLS GID BUDGET ADOPTION

### City of Centennial

#### 2020 Financial Sources/Uses General Improvement Districts Funds

The following chart summarizes the financial resources, financial uses, and funds available for all General Improvement District funds.

Fund	2020 Beginning Fund Balance	2020 Financial Sources	2020 Financial Uses	2020 Ending Fund Balance
<b>Special Revenue Funds</b>	<b>\$ 178,285</b>	<b>\$ 230,000</b>	<b>\$ 245,350</b>	<b>\$ 162,935</b>
<i>Antelope GID</i>	<i>80,350</i>	<i>165,500</i>	<i>190,950</i>	<i>54,900</i>
<i>Cherry Park GID</i>	<i>97,935</i>	<i>64,500</i>	<i>54,400</i>	<i>108,035</i>
<i>Foxridge GID</i>	<i>297,623</i>	<i>77,500</i>	<i>57,750</i>	<i>317,373</i>
<i>Walnut Hills GID</i>	<i>643,468</i>	<i>109,000</i>	<i>114,150</i>	<i>638,318</i>

# COUNCIL RESOLUTIONS

WALNUT HILLS GID MILL LEVY RATE

**BOARD OF DIRECTORS  
FOR THE  
WALNUT HILLS GENERAL IMPROVEMENT DISTRICT  
CENTENNIAL, COLORADO**

**RESOLUTION NO. 2019-WHGID-R-02**

**A RESOLUTION OF THE BOARD OF DIRECTORS OF WALNUT  
HILLS GENERAL IMPROVEMENT DISTRICT TO SET THE 2019  
MILL LEVY**

WHEREAS, the Board of County Commissioners of Arapahoe County previously organized the Walnut Hills General Improvement District (“District”) and authorized the imposition of an ad valorem property tax within the District; and

WHEREAS, following incorporation of the City of Centennial, governance of the District was transferred by the County to the City by operation of law; and

WHEREAS, pursuant to Section 31-25-609, C.R.S., the City Council for the City of Centennial serves as the *ex officio* board of directors of the District (“Board”) and, by practice and convenience, the administrative staff of the City serves as the administrative staff of the District; and

WHEREAS, the City Manager of the City of Centennial is required to cause the preparation of and submission to the City Council of the annual City budgets and budgets of City-owned and controlled districts; and

WHEREAS, the City Manager submitted a proposed District 2020 Budget (“Budget”) to the Board; and

WHEREAS, upon due and proper notice, published in accordance with Sections 29-1-108 and 29-1-109, C.R.S., the proposed Budget was open for inspection by the public at the City of Centennial Civic Center, 13133 East Arapahoe Road, Centennial, Colorado, and a public hearing was held on November 4, 2019, at the City of Centennial Civic Center, 13133 East Arapahoe Road, Centennial, Colorado; and

WHEREAS, interested electors of the District were given the opportunity to file or register any objections to the proposed Budget; and

WHEREAS, following the public hearing, the Budget was adopted by the Board on November 4, 2019; and

WHEREAS, the amount of money available for 2020 Financial Uses is \$114,150; and

WHEREAS, the 2019 net valuation for assessment of real property within the District, as certified by the Arapahoe County Assessor, is \$37,908,349.

# COUNCIL RESOLUTIONS

## WALNUT HILLS GID MILL LEVY RATE

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Walnut Hills General Improvement District:

### TO SET MILL LEVY

1. That for the purpose of meeting general operating expenses of the District during the 2020 budget year, there is hereby levied a tax of 3.112 mills less a temporary rate reduction for Budget Year 2020 of 0.791 mills for a total mill levy of 2.321 upon each dollar of total valuation for assessment of all taxable property within the District, to raise \$87,985 in revenue, of which 1.5% will be paid to the Arapahoe County Treasurer as a collection fee.
2. That the Chairperson of the District is hereby authorized and directed to immediately certify to the County Commissioners of Arapahoe County, Colorado, the mill levy for the District as hereinabove determined and set.

ADOPTED by a vote of 8 in favor and 0 against this 16th day of December, 2019.

By:   
 Vice-Chairperson of the District

ATTEST:  
 By:   
 Secretary to District

Approved as to Form:  
 By:   
 Attorney for District

# 5

## APPENDIX

# COUNCIL RESOLUTIONS

### WALNUT HILLS GID MILL LEVY RATE

TO: County Commissioners of Arapahoe County, Colorado

For the year 2019, the \_\_\_\_\_ Board of Directors \_\_\_\_\_ of the  
(governing body)

\_\_\_\_\_ Walnut Hills General Improvement District \_\_\_\_\_ hereby certifies a total levy of \_\_\_\_\_ 2.321 \_\_\_\_\_ mills  
(unit of government)

to be extended by you upon the total assessed valuation of \$ \_\_\_\_\_ 37,908,349 \_\_\_\_\_

to produce \$ \_\_\_\_\_ 87,985 \_\_\_\_\_ in revenue.

The levies and revenues are for the following purposes:

	LEVY	REVENUE
1. General Operating Expense	_____ 3.112 _____ mills	\$ _____ 117,970 _____
2. Refund / Abatements	_____ mills	\$ _____
3. Temporary Tax Credit or Rate Reduction (minus)	< _____ 0.791 _____ > mills	\$ < _____ 29,985 _____ >
SUBTOTAL	_____ 2.321 _____ mills	\$ _____ 87,985 _____
4. General Obligation Bonds and Interest		
a. See attached description	_____ mills	\$ _____
b. See attached description	_____ mills	\$ _____
SUBTOTAL	_____ mills	\$ _____
5. Contractual Obligations Approved at election	_____ mills	\$ _____
a. See attached description	_____ mills	\$ _____
b. See attached description	_____ mills	\$ _____
SUBTOTAL	_____ mills	\$ _____
6. Capital Expenditures levied pursuant to 29-1-301(1.2) or 29-1-302(1.5) CRS.	_____ mills	\$ _____
7. Other (specify)	_____ mills	\$ _____
TOTAL	_____ 2.321 _____ mills	\$ _____ 87,985 _____

Contact Person: \_\_\_\_\_ Doug Farmen, Finance Director \_\_\_\_\_ Daytime Telephone Number \_\_\_\_\_ 303-754-3225 \_\_\_\_\_

Signed \_\_\_\_\_  \_\_\_\_\_ Title \_\_\_\_\_ Vice - Chair \_\_\_\_\_



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# CITY MANAGER'S AUTHORIZED EXPENDITURES

## CITY OF CENTENNIAL, COLORADO

### RESOLUTION NO. 2019-R-64

#### A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CENTENNIAL, COLORADO, AUTHORIZING THE CITY MANAGER TO EXECUTE CERTAIN CONTRACTS ON BEHALF OF THE CITY FOR SERVICES AND GOODS DURING THE CALENDAR YEAR 2020

WHEREAS, the City of Centennial is a home rule municipality governed by the Centennial Home Rule Charter; and

WHEREAS, Section 8.4(e) of the Centennial Home Rule Charter authorizes the City Council to delegate duties to the City Manager; and

WHEREAS, Sections 2-2-130(b)(1) and 2-2-130(c)(1) of the Centennial Municipal Code place limits on the authority of the City Manager to approve certain contracts on behalf of the City but contemplates that the City Council may delegate additional contracting authority to the City Manager by resolution in excess of the limits set forth in those respective Municipal Code Sections; and

WHEREAS, the City Council annually budgets and appropriates funds for the performance of certain projects and services contracts; and

WHEREAS, with approval of the 2020 budget, the City Council intends for the City to complete certain projects or enter into certain agreements for services, identified in the document titled "Requested Expenditures Over the City Manager's Approval Amount" attached hereto as **Attachment A** (the "2020 Projects"); and

WHEREAS, City Council has approved a maximum budget amount for each of the 2020 Projects (the "Budgeted Amount"); and

WHEREAS, the Budgeted Amount for each of the 2020 Projects exceeds the contracting authority of the City Manager; and

WHEREAS, the City Council desires to delegate authority to the City Manager to execute intergovernmental agreements, contracts, orders and other documents necessary or desirable to complete the performance of the services and/or acquisition of goods for the 2020 Projects as long as the aggregate compensation payable by the City to the relevant contractor(s) or consultant(s) is within the Budgeted Amount for each 2020 Project.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Centennial, Colorado, that:

**Section 1.** The City Council authorizes the City Manager to execute, on behalf of the City of Centennial, such intergovernmental agreements, contracts, order, and other documents

# CITY MANAGER'S AUTHORIZED EXPENDITURES

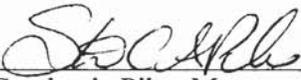
necessary or desirable to contract for the performance of services and/or acquisition of goods for the 2020 Projects identified in **Attachment A**, provided that:

- The contract, agreement, order or other document is for a project or services contract identified in **Attachment A**; and
- The contract amount is within the Budgeted Amount established by the City Council for such project as reflected in Attachment A, or such contract provides a special authorization to make purchases for good or services which are budgeted and appropriated; and
- The contract has been processed in accordance with the City approved purchasing policy for the purchase of goods and services.

**Section 2.** The City Council shall indemnify, hold harmless, and defend the City Manager in the exercise of the authority granted by this Resolution provided that such exercise is made in a reasonable and good faith manner and such exercise is within the scope of the City Manager's duties and authorities as the chief administrative official of the City of Centennial.

**Section 3.** This Resolution shall take effect immediately upon its approval by the City Council and such authority shall remain valid and effective until December 31, 2020 or the project is completed whichever is later.

Adopted by a vote of 9 in favor and 0 against, this 16th day of December, 2019.

By:   
Stephanie Piko, Mayor

ATTEST:

Approved as to Form:

By:   
City Clerk or Deputy City Clerk

By:   
For City Attorney's Office

# CITY MANAGER'S AUTHORIZED EXPENDITURES

### Attachment A: Requested Expenditures over the City Manager's Approval Amount

Public Works		
	Description	2020 Budget
Street Rehabilitation Program	Treatments for streets identified in the pavement management program, including pavement reconstruction, mill and overlay, surface treatments, and concrete repairs, as well as other similar treatments.	\$7,500,000
University Sidewalk Infill	Completing several missing sections of sidewalk on University Blvd.	\$950,000
County Line Road/Quebec Southbound Right Turn Lane	Construction for new southbound to westbound right turn lane from Quebec Street to County Line Road.	\$900,000
Materials – Snow Removal	Materials used under the Public Works contract for road operations and maintenance.	\$600,000
County Line Road Widening Acquisition	Joint project with Douglas County to widen County Line Road to 4 lanes. 2020 budget is for right-of-way and easement acquisition, or other similar expenses.	\$500,000
Orchard Road Trail (includes \$330,000 from Open Space Fund)	Construction of new sidewalk on the south side of Orchard Rd from Palos Verdes Park to Quebec Street - jointly funded with Open Space Fund.	\$830,000
Concrete Backlog	Funding to address the existing backlog of concrete repair requests for sidewalks and ramps.	\$525,000
<b>TOTAL</b>		<b>\$11,805,000</b>
Community Development		
	Description	2020 Budget
Animal Services Contract - Humane Society of the Pikes Peak Region	Extension of the Animal Services Contract with the Humane Society of the Pikes Peak Region for 2020.	\$690,000
<u>Regional Partnership Projects – SSPRD Intergovernmental Agreement</u>	<u>Intergovernmental agreement with SSPRD for the following projects:</u>	\$239,000
Signage and Wayfinding (\$26,500)	Design of uniform trail wayfinding signage for major trails within the City of Centennial.	
Walnut Hills Elementary School Ballfield Renovation (\$120,000)	Plan, design, and relocate the existing ballfield. Provide ADA access to the new ballfield location as well as the existing tennis courts and shelter.	
Foxhill Playground Renovation (\$92,500)	Renovation of the existing playground with new play equipment, replacement of the shade pavilion, picnic tables, and benches.	
<u>Regional Partnership Projects – APRD</u>	<u>Intergovernmental agreement with APRD for the following projects:</u>	\$185,000
Lookout Park & Pool (\$185,000)	Project includes installation of new terraces and steps, additional seating, plantings and shade, and educational signage.	
<b>TOTAL</b>		<b>\$1,114,000</b>
Communications		
	Description	2020 Budget
Community Activities – Team Player Productions or similar vendor	Contract for community event planning and coordination.	\$215,000
<b>TOTAL</b>		<b>\$215,000</b>
Finance		
	Description	2020 Budget
CIRSA	Renewing the City's property and casualty insurance services for 2020.	\$420,000
Auditing Services	Renewing the City's sales tax auditing services for 2020.	\$200,000
<b>TOTAL</b>		<b>\$620,000</b>
Office of Technology & Innovation		
	Description	2020 Budget
Information Technology Staffing Services	Task orders related to information technology staffing services, such as network operations, technical writing, IT support, or other areas of specialized technical expertise.	\$165,000
Software System Maintenance - Tyler Technologies	Operations and maintenance costs for previously purchased software systems from Tyler Technologies. Three systems (Court, Land Use, and Finance) that exceed the City Manager's authority in aggregate.	\$195,000
<b>TOTAL</b>		<b>\$360,000</b>
<b>Total for All Requests</b>		<b>\$14,114,000</b>



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# PURCHASING POLICY

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CITY OF CENTENNIAL, COLORADO  
13133 East Arapahoe Road, Centennial, Colorado 80112

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**ADMINISTRATIVE POLICY  
No. 2013-AP-01**

**CENTENNIAL PURCHASING POLICY**

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**I. AUTHORITY:**

The City Manager is authorized to promulgate administrative policies pursuant to Section 2-2-130(b)(7) of the City of Centennial Municipal Code subject to ratification of such policy by the City Council. Specific authority to adopt a purchasing policy is set forth therein. The City Manager is authorized to adopt administrative directives outlining purchasing procedures consistent with this policy.

The City Manager is also authorized to execute certain contracts on behalf of the City within limits as set forth in Section 2-2-130(b) of the Centennial Municipal Code. If approved by City Council, Section 2-2-130(b) of the Centennial Municipal Code permits delegation by the City Manager of contract approval authority. Ratification of this policy by the City Council authorizes the City Manager to delegate the approval of contracts, agreements and purchase orders for goods and services (a) up to \$30,000 to Department Directors if such delegation is in writing signed by the City Manager and sufficient funds have been budgeted and appropriated by the City Council and (b) up to \$5,000 to Department Directors or Division Managers provided that sufficient funds have been budgeted and appropriated by the City Council.

**II. PURPOSE OF POLICY:**

To provide for the fair and equitable treatment of all persons involved in public purchasing by the City, to maximize the purchasing value of public funds, to standardize the City's purchasing rules and regulations for orderly and efficient administration, to provide safeguards for maintaining a procurement system of quality and integrity, and to foster effective, broad-based competition to ensure that the City receives best value.

**III. SCOPE:**

This policy governs the procurement of all materials, equipment, construction and services required by the City and shall apply to purchases made for the City by City employees and by contractors for the City acting as purchasing agents for the City if the City pays directly for the procured goods or services.

**IV. DEFINITIONS:**

Consistent with this policy, the City Manager is authorized to assign definitions to specialized terms used in this policy. Other words or terms used in this policy shall have their general meaning as defined by the Merriam Webster on-line Dictionary, <http://www.merriam-webster.com/>

# PURCHASING POLICY

V. POLICY:

**1.0 Responsibility and Delegation.** The City Manager is responsible for the City's purchasing system. As such, the City Manager is authorized to delegate and to adopt policies and procedures through directives or otherwise, consistent with this Policy, to implement and further the purchasing processes of the City.

**2.0 Pre-Procurement Requirements.**

**2.1 Procurement Classifications.** The following procurement classifications shall determine the procurement method and approvals required.

**PROCUREMENT CLASSIFICATION 1: Small Purchase Procurement.** Small purchase procurement is used for the purchase of goods and services **up to \$5,000** and such purchases require only that the City staff member making the purchase ensures that a reasonable and adequate number of price checks or quotes is made by email, personal inspection, or discussions with vendors to ensure a quality product or service is obtained and best value is determined.

**PROCUREMENT CLASSIFICATION 2: Simplified Procurement.** Simplified Procurement is utilized for simple purchase activities of goods and services of **over \$5,000 up to \$30,000**. A reasonable and adequate number of price checks or quotes of no less than three (3) should be solicited by email, personal inspection, or discussions with vendors to ensure a quality product or service is obtained and best value is determined. Prior to commencing any purchase classified as Simplified Procurement, the proposed purchase and process shall be reviewed by the Purchasing Manager.

**PROCUREMENT CLASSIFICATION 3: Formal Procurement.** Formal Procurement is utilized for purchase activities of goods and services of **\$30,000 and over** and requires a competitive sealed process such as an Invitation for Bid (IFB), Reverse Auction or Request for Proposal (RFP) process. Prior to commencing any purchase classified as Formal Procurement, the proposed purchase and process shall be reviewed by the Purchasing Manager.

**2.2 Valuing Procurement for Purpose of Proper Classification and Permissible Renewals/Extensions.**

- (a) Purchases shall not be artificially divided to circumvent the procurement classification and associated procurement process.
- (b) If numerous items are being purchased from one vendor on a single order, the aggregate price is the determining factor with regard to procurement classification.
- (c) In determining procurement value when purchasing services by contract, the following guidelines shall be used:
  - (1) If services are provided on a lump sum basis, the lump sum amount shall determine the value of the procurement. If lump sum services are compensated on an annual basis (instead of on a one-time basis) the procurement value shall be determined by multiplying the annual lump sum amount by the number of years in the term (not to include optional renewal terms contemplated by the contract).

## PURCHASING POLICY

- (2) If services are provided on a time and materials basis, the value of the procurement shall be determined by multiplying the annual maximum or not-to-exceed compensation by the number of years in the term (not to include optional renewal terms contemplated by the contract).
  - (3) If a contract is for fees to be retained by a vendor (such as banking agreements) and not actual expenditures of the City (no additional checks or payments are issued to the vendor), an estimate of the cost to the City (retained fees) shall provide the basis for procurement value determination. If the estimate is erroneous, actual cost shall be used for determining value at renewal time or when resoliciting for such services.
  - (4) The Finance Department shall have the ultimate authority to determine final procurement value for any contract or other form of purchase agreement.
- (d) Contracts may be extended, renewed or amended to extend or renew without further procurement action or additional approvals only if:
- (1) The soliciting document contemplated amendment or optional renewal terms; and
  - (2) the contract specifically recognized that renewal or amendment was an option; and
  - (3) approval of the contract was at the level that would be required for the contract adding in the additional compensation payable due to the extension, renewal or amendment; and
  - (4) any additional services or service scope change are reasonably related to the services contracted for in the original contract; and
  - (5) the aggregate dollar value of the compensation payable under the term and the renewal or extension term(s) (with or without additional compensation for reasonably related additional services) does not equal a value greater than a threshold amount for an elevated procurement classification level (ex. 2 year contract for \$10,000/year can be renewed for additional one year term as the value of the term (\$20,000) plus the renewal (\$10,000) equals \$30,000 and does not reach the Classification 3 threshold).

### 2.3 Exemptions to Formal Procurement.

- (a) Procurement Classification 1 and 2 purchases do not require formal procurement processes.
- (b) Regardless of dollar amount, the following purchases are exempted from the requirement to engage in formal procurement processes:
  - (1) Cooperative Purchases. Purchases made cooperatively with other units government such as the State of Colorado and government cooperative groups utilizing extended awards from other governmental agencies;
  - (2) Piggybacked Purchases. Purchases made by piggybacking on prices, bids and offers made to other units of government such as the State of

# PURCHASING POLICY

Colorado or other counties, municipalities or special districts when agreeable by the vendor and the Purchasing Manager determines such approach is in the best interests of the City;

- (3) Government Contracts. Purchases/contracts with federal, state and local government and political subdivisions of the state;
- (4) Published Materials. Purchases of magazines, books, publications and periodicals;
- (5) Sole Source. In conformity with a procedure to be promulgated by the City Manager that provides for management level review, purchases of supplies, products or services indispensable to the City for which there is only one source practicably or reasonably available, which exemption requires satisfaction of the following criteria:
  - a. The vendor is the original equipment supplier/manufacturer and similar parts or equipment are not available from another manufacturer; or
  - b. The vendor is the only source of equipment, materials or goods compatible with or conforming to City-owned equipment, materials or goods and addition of nonconforming equipment, materials or goods would require the expenditure of additional funds; or
  - c. No other equipment, materials or goods are available that can meet the specialized needs of the department or perform the intended function; or
  - d. Detailed justification is available which reasonably establishes that the vendor is the only source practicably available to provide the item or service required; or
  - e. The product, equipment or service is functionally superior to all other competitive products.
- (6) Professional Services. In conformity with a procedure to be promulgated by the City Manager that provides for management level review, contracts for professional services from certain professional, technical and expert service providers which exemption requires satisfaction of the following criteria:
  - a. The service provider has such required specialized knowledge, skill, reputation and/or experience to satisfy the specialized needs of the department or City; and
  - b. the service provider provides services recognized as professional in nature by licensure, certification or other specialized training such as accountants, actuaries, appraisers, architects, attorneys, business consultants, business development managers, specialized engineers, public relations professionals, public finance professionals, recruiters, researchers, real estate brokers, or translators.
- (7) Emergency Purchases. In conformity with a procedure to be promulgated by the City Manager that provides for City Manager review, purchases

# PURCHASING POLICY

made in an emergency, which exemption required the following circumstances:

- a. dangerous condition, potentially dangerous condition, or immediate need for supplies, equipment or services exists requiring the purchase to protect the public safety, health or welfare of citizens when in imminent jeopardy; or
- b. immediate repair is necessary to prevent further damage to public property, machinery or equipment; or
- c. the functioning and operation of a City department would be seriously hampered or delayed through use of the normal purchasing process; or
- d. equipment breakdown or act of God threatens to terminate essential services.

(8) Hardship Waiver. In conformity with a procedure to be promulgated by the City Manager that provides for management level review, a hardship waiver shall be granted when formal procurement is deemed not to be in the best interest of the City because, due to circumstances beyond the reasonable control of the person or department requesting the waiver:

- a. the process may cause unavoidable time delay or unavoidable hardship for a department of the City; or
- b. the process may cause undue expense for the City.

(9) Fine Art. The material qualifies as an object of fine art;

(10) Materials Conformity. A particular material is required to match materials currently in use by the City.

(11) OEM Parts. Original Equipment Manufacturer (OEM) repair parts purchased from the source vendor.

(12) Original Provider Maintenance and Support. Annual maintenance and service agreements when the terms of the original purchase specify that the original provider performs ongoing maintenance.

(13) Additional Materials or Services. Procurement resulting from a formal procurement process may be used as the basis for the negotiated purchase of additional quantities of the same materials or services at any time; provided, however, that subsequent procurement is expressly limited to the specific terms, conditions and pricing established by the original procurement.

### 3.0 Final Procurement Expenditures Approvals.

The following table indicates the authority level required for final expenditure approval dependent on the nature of the expenditure:

# PURCHASING POLICY

Procurement Process Classification	Purchasing Range	Procurement Process	Procurement Approval Required By:
1	\$0 - \$5,000	Small Purchase	Department Director ( <b>and for Contracts, including POs, only</b> , Purchasing Manager)
2	Over \$5,000 to \$30,000	Simplified Procurement	Department Director <b>and</b> Purchasing Manager
3	Over \$30,000 to maximum City Manager Approval Amount*	Formal Procurement	Department Director <b>and</b> Purchasing Manager <b>and</b> City Manager. Purchasing Manager shall determine whether City Attorney approval shall also be required.
	Over City Manager Approval Amount*	Formal Procurement	Department Director <b>and</b> Purchasing Manager <b>and</b> City Manager <b>and</b> City Attorney <b>and</b> City Council For Procurement Classification 3 procurements over the City Manager Approval Amount* the required procurement level may be deemed satisfied if the City Council approves by resolution authority of the City Manager to execute the applicable contract in an amount over the City Manager Approval Amount.

*\*\*“City Manager Approval Amount” shall mean either (a) \$300,000 for public works or capital improvements related purchases, or (b) \$150,000 for all other purchases. If a purchase amount is identified and authorized in the relevant annual City Council budget approval resolution, neither of these limits shall apply but the limit for City Manager Approval Amount for such purchases shall be the amount identified in such resolution.*

**VI. EFFECTIVE DATE:**

This policy shall be effective upon adoption by the City Council of a ratifying resolution.

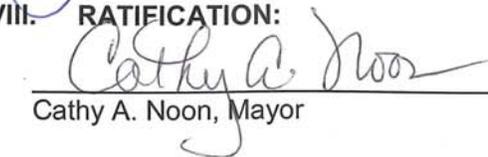
# PURCHASING POLICY

**VII. APPROVAL:**

  
\_\_\_\_\_  
John H. Danielson, City Manager

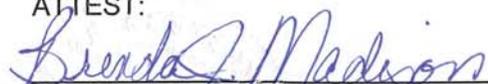
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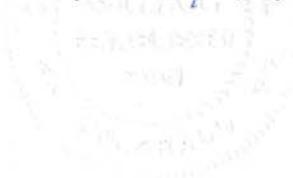
**VIII. RATIFICATION:**

  
\_\_\_\_\_  
Cathy A. Noon, Mayor

**Resolution No. 2013-R-71**  
11/8/13  
\_\_\_\_\_  
Date

**ATTEST:**

  
\_\_\_\_\_  
City Clerk or Deputy City Clerk



# PURCHASING POLICY

CITY OF CENTENNIAL, COLORADO  
13133 East Arapahoe Road, Centennial, Colorado 80112

**ADMINISTRATIVE DIRECTIVE  
No. 2018-FD-AD-03**

**ADOPTION OF DECEMBER 2018 PURCHASING POLICY MANUAL**

**I. AUTHORITY:**

Per Administrative Policy 2013-AP-01 governing purchasing by the City (“Purchasing Policy”), (approved by City Council by Resolution 2013-R-71), the processes for which are set forth in a “Purchasing Policy and Procedure Manual” dated November 2013 (subsequently amended in September 2014) (“Manual”) the City Manager is responsible for the City’s purchasing system. (Section 1.6 of Manual). The City Manager desires to approve an updated (December 2018) edition of the Manual which incorporates Administrative Policy 2018-FI-AD-01 and incorporates requirements for any procurement involving the expenditure of federal funds in a new Appendix B to the Manual.

**II. PURPOSE OF DIRECTIVE:**

The purpose of this directive is to approve an updated (December 2018) edition of the Manual which incorporates Administrative Policy 2018-FI-AD-01 and incorporates requirements for any procurement involving the expenditure of federal funds in a new Appendix B to the Manual.

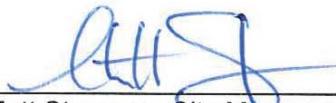
**III. ADOPTION OF 2018 PURCHASING POLICY AND PROCEDURES MANUAL**

The December 2018 Purchasing Policy and Procedures Manual for the City in form attached hereto as Attachment A is hereby adopted and shall replace and supersede any prior editions of such manual. The forms and processes and directives described therein do not affect the competitive bidding and approval requirements as approved by Administrative Purchasing Policy 2013-AP-01 of the City as approved by City Council by Resolution 2013-R-71.

**IV. EFFECTIVE DATE:**

This directive shall be effective upon the signature of the City Manager.

**V. APPROVAL:**

  
\_\_\_\_\_  
Matt Sturgeon, City Manager

12/20, 2018  
\_\_\_\_\_  
Date

# PURCHASING POLICY

## APPENDIX B

### Procurement Policies and Procedures for Federally Funded Programs

#### Reference 2 CFR 200.318-326

**1. Purpose of procurement standards.** These standards establish procedures for City of Centennial (“City”) procurement of supplies and other expendable property, equipment, and services utilizing federal funds. All departments and operations of the City expending federal grant monies shall adhere to these standards, as follows, as they may be amended or supplemented over time. In the event the federal government regulations that govern procurement policies and procedures for federally funded programs or for procurements made with federal funds, these standards and procedures will be deemed automatically amended to conform to such requirements.

**2. Code of conduct.** No employee, officer, or agent shall participate in the selection, award, or administration of a contract or purchase order if a real or apparent conflict of interest would be involved. Such a conflict would arise when the employee, officer, or agent, any member of his or her immediate family, his or her partner, or an organization which employs or is about to employ any of the parties indicated herein, has a financial or other interest in the entity selected for an award. The officers, employees, and agents of the City shall neither solicit nor accept gratuities, favors, or anything of monetary value from contractors, or parties to sub agreements except for where the financial interest is not substantial, or the gift is an unsolicited item of nominal value. Members of the City Council shall comply with all relevant fiduciary duties, including those governing conflicts of interest, when they vote upon matters related to procurement contracts in which they have a direct or indirect financial or personal interest. Officers, employees, directors, and agents of the City shall be subject to disciplinary actions for violations of these standards. This code of conduct supplements the City’s Official Code of Ethics.

**3. Competition.** Procurement transactions shall be conducted in a manner to provide, to the maximum extent practical, open and free competition. The City shall be alert to organizational conflicts of interest as well as noncompetitive practices among contractors that may restrict or eliminate competition or otherwise restrain trade. To ensure objective contractor performance and eliminate unfair competitive advantage, contractors that develop or draft specifications, requirements, statements of work, invitations for bids and/or requests for proposals shall be excluded from competing for such procurements. Awards shall be made to the bidder or offeror whose bid or offer is responsive to the solicitation and is most advantageous to the City, price, quality and other factors considered. Solicitations shall clearly set forth all requirements that the bidder or offeror shall fulfill in order for the bid or offer to be evaluated by the City. All bids or offers may be rejected when it is in the City’s interest to do so. In all procurement, the City shall avoid practices that are restrictive of competition. These include but are not limited to:

- (a) Placing unreasonable requirements on firms in order for them to qualify to do business
- (b) Requiring unnecessary experience and excessive bonding;
- (c) Noncompetitive pricing practices between firms or between affiliated companies;
- (d) Noncompetitive awards to consultants that are on retainer contracts;
- (e) Organizational conflicts of interest;
- (f) Specifying only a brand name product instead of allowing an equal product to be offered and describing the performance of other relevant requirements of the procurement; and
- (g) Any arbitrary action in the procurement process.

## PURCHASING POLICY

### 4. Methods of Procurement to be followed.

- (a) Procurement by Micro-purchases. Micro-purchase is the acquisition of supplies or services under \$3,500. To the extent practicable, the City must distribute micro-purchases equitably among qualified suppliers. Micro-purchases may be awarded without soliciting competitive quotations if the City considers the price to be reasonable.
- (b) Procurement by Small Purchase Procedures. Small purchase procedures are those relatively simple and informal procurement methods for securing services, supplies, or other property that do not cost more than \$150,000 (OMB memo dated June 20, 2018 M-18-18). If small purchase procedures are used, price or rate quotations must be obtained from an adequate number of qualified sources.
- (c) Procurement by Sealed Bids (formal advertising). Bids are publicly solicited, and a firm fixed price contract (lump sum or unit price) is awarded to the responsible bidder whose bid, conforming with all the material terms and conditions of the invitation for bids, is the lowest in price. The sealed bid method is the preferred method for procuring construction, if the conditions in paragraph (c)(1) of this section apply.
  - (1) In order for sealed bidding to be feasible, the following conditions should be present:
    - (i) A complete, adequate, and realistic specification or purchase description is available;
    - (ii) Two or more responsible bidders are willing and able to compete effectively for the business; and
    - (iii) The procurement lends itself to a firm fixed price contract and the selection of the successful bidder can be made principally on the basis of price.
  - (2) If sealed bids are used, the following requirements apply:
    - (i) Bids must be solicited from an adequate number of known suppliers, providing them sufficient response time prior to the date set for opening the bids, for state, local and tribal governments, the invitation for bids must be publicly advertised;
    - (ii) The invitation for bids, which will include any specifications and pertinent attachments, must define the items or services in order for the bidder to properly respond;
    - (iv) All bids will be opened at the time and place prescribed in the invitation for bids, and for local and tribal governments, the bids must be opened publicly;
    - (v) A firm fixed price contract award will be made in writing to the lowest responsive and responsible bidder. Where specified in bidding documents, factors such as discounts, transportation cost, and life cycle costs must be considered in determining which bid is lowest. Payment discounts will only be used to determine the low bid when prior experience indicates that such discounts are usually taken advantage of; and
    - (v) Any or all bids may be rejected if there is a sound documented reason.
- (d) Procurement by Competitive Proposals. Competitive proposals are normally conducted with more than one source submitting an offer, and either a fixed price or cost-reimbursement type contract is awarded. It is generally used when conditions are not appropriate for the use of sealed bids. If this method is used, the following requirements apply:

# PURCHASING POLICY

- (1) Requests for proposals must be publicized and identify all evaluation factors and their relative importance. Any response to publicized requests for proposals must be considered to the maximum extent practical.
  - (2) Proposals must be solicited from an adequate number of qualified sources;
  - (3) The City agency must have a written method for conducting technical evaluations of the proposals received and for selecting recipients;
  - (4) Contracts must be awarded to the responsible firm whose proposal is most advantageous to the program, with price and other factors considered; and
  - (5) The City must use competitive proposal procedures for qualifications-based procurement of architectural/engineering (A/E) professional services whereby competitors' qualifications are evaluated and the most qualified competitor is selected, subject to negotiation of fair and reasonable compensation. The method, where price is not used as a selection factor, can only be used in procurement of A/E professional services. It cannot be used to purchase other types of services though A/E firms are a potential source to perform the proposed effort.
- (e) Procurement by Noncompetitive Proposals. Procurement by non-competitive proposals is procurement through solicitation of a proposal from only one source and may be used only when one or more of the following circumstances apply:
- (1) The item is available only from a single source;
  - (2) The public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation;
  - (3) The Federal awarding agency or pass-through entity expressly authorizes noncompetitive proposals in response to a written request from the City; or
  - (4) After solicitation of a number of sources, competition is determined inadequate.

**5. Procurement procedures.**

- (a) All procurement by the City shall comply, at a minimum, with the requirements of subsections (i), (ii), and (iii) below:
  - (i) the City avoids purchasing unnecessary items.
  - (ii) Where appropriate, an analysis is made of lease versus purchase alternatives to determine which would be the most economical and practical procurement.
  - (iii) Solicitations for goods and services provide for all of the following.
    - (A) A clear and accurate description of the technical requirements for the material, product or service to be procured. In competitive procurements, such a description shall not contain features which unduly restrict competition.
    - (B) Requirements which must be fulfilled and all other factors to be used in evaluating proposal submitted in response to solicitations.

## PURCHASING POLICY

- (C) A description, whenever practicable, of technical requirements in terms of functions to be performed or performance required, including the range of acceptable characteristics or minimum acceptable standards.
  - (D) When relevant, the specific features of "brand name or equal" descriptions that are to be included in responses submitted to solicitation.
  - (E) The acceptance, to the extent practicable and economically feasible, of products and services dimensioned in the metric system of measurement.
  - (F) Preference, to the extent practicable and economically feasible, for products and services that conserve natural resources and protect the environment and are energy efficient.
- (b) All necessary affirmative steps shall be made by the City to utilize small businesses, minority-owned firms, women's business enterprises, and labor surplus area firms, whenever possible. The City shall take all of the following steps to further this goal.
- (i) Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
  - (ii) Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
  - (iii) Dividing total requirements, when economically feasible, into smaller tasks or any quantities to permit maximum participation by small and minority businesses, and women's business enterprises.
  - (iv) Establishing delivery schedules, where the requirements permit, which encourage participation by small and minority businesses, and women's business enterprises;
  - (vi) Using the services and assistance, as appropriate, of such organizations as the Small Business Development Agency of the Department of Commerce; and
  - (vii) Requiring the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in paragraphs (i) through (v) of this section.
- (c) The type of procuring instruments used (e.g., fixed price contracts, cost reimbursable contracts, purchase orders, and incentive contracts) shall be determined by the City but shall be appropriate for the particular procurement and for promoting the best interest of the program or project involved. The "cost-plus-a-percentage-of-cost" or "percentage of construction cost" methods of contracting shall not be used.
- (d) Contracts shall be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of the proposed procurement. Consideration shall be given to such matters as contractor integrity, record of past performance, financial and technical resources or accessibility to other necessary resources.
- (e) Debarment and Suspension - No contract shall be made to parties listed on the General Services Administration's List of Parties Excluded from Federal Procurement or Nonprocurement Programs in accordance with E.O.s 12549 and 12689, "Debarment and Suspension." Contractors with awards that exceed the small purchase threshold shall provide the required certification regarding its exclusion status and that of its principal employees.
- (f) Contracts shall be made only with responsible contractors who possess the potential ability to perform successfully under the terms and conditions of the proposed procurement. Consideration shall be given to

## PURCHASING POLICY

such matters as contractor integrity, record of past performance, financial and technical resources or accessibility to other necessary resources.

- (g) Debarment and Suspension - No contract shall be made to parties listed on the General Services Administration's List of Parties Excluded from Federal Procurement or Nonprocurement Programs in accordance with E.O.s 12549 and 12689, "Debarment and Suspension." Contractors with awards that exceed the small purchase threshold shall provide the required certification regarding its exclusion status and that of its principal employees. Contractors with multiple year contracts will be checked against the GSA list at each renewal time.
- (h) To foster greater economy and efficiency, and in accordance with efforts to promote cost- effective use of shared services across the Federal Government, the City is encouraged to enter into state and local intergovernmental agreements or inter-entity agreements where appropriate for procurement or use of common or shared goods and services.
- (i) The City is encouraged to use Federal excess and surplus property in lieu of purchasing new equipment and property whenever such use is feasible and reduces project costs.
- (j) The City is encouraged to use value engineering clauses in contracts for construction projects of sufficient size to offer reasonable opportunities for cost reductions. Value engineering is a systematic and creative analysis of each contract item or task to ensure that its essential function is provided at the overall lower cost.
- (k) The City must ensure that all prequalified lists of persons, firms, or products which are used in acquiring goods and services are current and include enough qualified sources to ensure maximum open and free competition. Also, the City must not preclude potential bidders from qualifying during the solicitation period.

**6. Procurement of Facilities or Land Special Requirements.** There are no proposals expected for this activity. If such an activity is proposed in the future this section will be updated prior to any such procurement.

**7. Cost and price analysis.** Some form of cost or price analysis shall be made and documented in the procurement files in connection with every procurement action in excess of the Simplified Acquisition Threshold (48 CFR Subpart 2.1) as Adjusted and currently at \$150,000. Price analysis may be accomplished in various ways, including the comparison of price quotations submitted, market prices and similar indicia, together with discounts. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability and allowability.

**8. Procurement records** - Procurement records and files for purchases in excess of the Micro purchase threshold as fixed at 48 CFR Subpart 2.1 (currently \$3,500) shall include the following at a minimum: (a) basis for contractor selection, (b) justification for lack of competition when competitive bids or offers are not obtained, and (c) basis for award cost or price.

**9. Contract administration.** A system for contract administration shall be maintained to ensure contractor conformance with the terms, conditions and specifications of the contract and to ensure adequate and timely follow up of all purchases. The City shall evaluate contractor performance and document, as appropriate, whether contractors have met the terms, conditions and specifications of the contract.

**10. Contract provisions.** The City shall include, in addition to provisions to define a sound and complete agreement, the following provisions in all contracts. The following provisions shall also be applied to subcontracts.

- (a) Contracts more than the Simplified Acquisition Threshold shall contain contractual provisions or conditions that allow for administrative, contractual, or legal remedies in instances in which a contractor violates or breaches the contract terms and provide for such remedial actions as may be appropriate.

## PURCHASING POLICY

- (b) All contracts in excess of the Simplified Acquisition Threshold shall contain suitable provisions for termination by the City, including the manner by which termination shall be affected and the basis for settlement. In addition, such contracts shall describe conditions under which the contract may be terminated for default as well as conditions where the contract may be terminated because of circumstances beyond the control of the contractor.
- (c) For contracts dealing with construction or facility improvements the City shall comply with all requirements imposed by its funding sources (and the government regulations applicable to those funding sources) with regard to construction bid guarantees, performance bonds, and payment bonds.
- (d) All negotiated contracts (except those for less than the Simplified Acquisition Threshold) awarded by the City shall include a provision to the effect that the City shall have access to any books, documents, papers and records of the contractor which are directly pertinent to a specific program for the purpose of making audits, examinations, excerpts and transcriptions.
- (e) All contracts, including small purchases, awarded by the City and their contractors where the source of the funds, directly or indirectly, is the federal government, shall contain the following procurement provisions as applicable.
  - (i) Equal Employment Opportunity - All contracts, when funded in whole or part by monies derived from the Federal government (either directly or indirectly), shall contain a provision requiring compliance with E.O. 11246, "Equal Employment Opportunity," as amended by E.O. 11375, "Amending Executive Order 11246 Relating to Equal Employment Opportunity," and as supplemented by regulations at 41 CFR part 60, "Office of Federal Contract Compliance Programs, Equal Employment Opportunity, Department of Labor."
  - (ii) Copeland "Anti-Kickback" Act (18 U.S.C. 874 and 40 U.S.C. 276c) - All contracts in excess of \$2000 for construction or repair, when funded in whole or part by monies derived from the Federal government (either directly or indirectly) shall include a provision for compliance with the Copeland "Anti-Kickback" Act (18 U.S.C. 874), as supplemented by Department of Labor regulations (29 CFR part 3, "Contractors and Subcontractors on Public Building or Public Work Financed in Whole or in Part by Loans or Grants from the United States"). The Act provides that each contractor or sub recipient shall be prohibited from inducing, by any means, any person employed in the construction, completion, or repair of public work, to give up any part of the compensation to which he is otherwise entitled. The recipient shall report all suspected or reported violations to the Federal awarding agency.
  - (iii) Davis-Bacon Act, as amended (40 U.S.C. 276a to a-7) - **When required by Federal program legislation**, all construction contracts awarded by the recipients and sub recipients of more than \$2000 shall include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 276a to a-7) and as supplemented by Department of Labor regulations (29 CFR part 5, "Labor Standards Provisions Applicable to Contracts Governing Federally Financed and Assisted Construction"). Under this Act, contractors shall be required to pay wages to laborers and mechanics at a rate not less than the minimum wages specified in a wage determination made by the Secretary of Labor. In addition, contractors shall be required to pay wages not less than once a week. The recipient shall place a copy of the current prevailing wage determination issued by the Department of Labor in each solicitation and the award of a contract shall be conditioned upon the acceptance of the wage determination. The recipient shall report all suspected or reported violations to the Federal awarding agency.
  - (iv) Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333) - All contracts in excess of \$2000 for construction contracts and in excess of \$2500 for other contracts that involve the

## PURCHASING POLICY

employment of mechanics or laborers, when funded in whole or part by monies derived from the Federal government (either directly or indirectly), shall include a provision for compliance with Sections 102 and 107 of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-333), as supplemented by Department of Labor regulations (29 CFR part 5).

- (v) Rights to Inventions Made Under a Contract or Agreement - Contracts or agreements for the performance of experimental, developmental, or research work, when funded in whole or part by monies derived from the Federal government (either directly or indirectly), shall provide for the rights of the Federal Government and the recipient in any resulting invention in accordance with 37 CFR part 401, "Rights to Inventions Made by Nonprofit Organizations and Small Business Firms Under Government Grants, Contracts and Cooperative Agreements," and any implementing regulations issued by the awarding agency.
- (vi) Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.), as amended - Contracts and sub grants of amounts in excess of \$100,000, when funded in whole or part by monies derived from the Federal government (either directly or indirectly), shall contain a provision that requires the recipient to agree to comply with all applicable standards, orders or regulations issued pursuant to the Clean Air Act (42 U.S.C. 7401 et seq.) and the Federal Water Pollution Control Act as amended (33 U.S.C. 1251 et seq.). Violations shall be reported to the Federal awarding agency and the Regional Office of the Environmental Protection Agency (EPA).
- (viii) Byrd Anti-Lobbying Amendment (31 U.S.C. 1352) - Contracts for an amount above \$100,000, when funded in whole or part by monies derived from the Federal government (either directly or indirectly), shall include a certification by the contracting parties that they have not and will not use Federal appropriated funds to pay any person or organization for influencing or attempting to influence an officer or employee of any agency, a member of Congress, officer or employee of Congress, or an employee of a member of Congress in connection with obtaining any Federal contract, grant or any other award covered by 31 U.S.C. 1352. and to further require disclosure of any lobbying with non-Federal funds that takes place in connection with obtaining any Federal award.
- (ix) Third party contracting requirements (FTA Circular 4220.1F) - This circular sets forth the requirements a grantee (CITY) must adhere to in the solicitation, award and administration of its third-party contracts. Provisions of this circular will be added to all operating contracts utilizing formula funds for operating assistance. formula funds for operating assistance.



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# FINANCIAL POLICIES

## REVENUE POLICY

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CITY OF CENTENNIAL, COLORADO  
13133 East Arapahoe Road, Centennial, Colorado 80112

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ADMINISTRATIVE POLICY  
No. 2019-AP-02  
(a revision of 2010-AP-02)

### REVENUE POLICY

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#### I. AUTHORITY:

Section 11.1 of the City's Home Rule Charter authorizes the City to raise revenue, including taxes, rates, fees, licenses, tolls, penalties, and charges, in accordance with applicable limitations in the Colorado Constitution, including the limitations of the Taxpayer Bill of Rights (TABOR).

Section 2-2-130(b)(6) and (7) of the City's Municipal Code authorizes the City Manager to develop City administrative financial policies consistent with all federal, state and local laws, and subject to ratification of the policy by the City Council.

#### II. PURPOSE OF POLICY:

This policy provides the framework for the overall revenue management, including general structure and limitations.

#### III. SCOPE:

This policy applies to all City funds and includes the General Improvement Districts and Centennial Urban Redevelopment Authority.

#### IV. DEFINITIONS:

**Budget** – A complete financial plan that identifies Revenues, types and levels of services to be provided, and the amount of funds that can be spent. The City's budget encompasses one calendar year, but a biennial budget may be adopted by City Council.

**Cost Allocation** – For financial purposes, the process of identifying, aggregating, and charging costs based on underlying assumptions among departments and/or funds.

**Fee** - A general term used for any charge levied for providing a service or performing an activity.

**Fines** - Monies received by the City that are paid by citizens who have violated City and/or state laws.

# FINANCIAL POLICIES

## REVENUE POLICY

Fiscal Year – A twelve-month period designated as the Budget year, which for the City is the calendar year January 1 through December 31.

Grant - Contributions of cash or other assets from a governmental agency or other organization to be used or expended for a specific purpose, activity, or facility.

Intergovernmental Revenue - Revenues levied by one government but shared on a predetermined basis with another government or class of governments or funding received from another government as reimbursement for costs incurred.

Revenue – Funds received from the collection of taxes, fees, permits, licenses, interest, grants, and other miscellaneous sources during the Fiscal Year.

### V. POLICY:

#### A. General Structure:

The City strives to maintain a strong, diverse, and balanced Revenue structure, recognizing that a dependence on any individual Revenue source may cause Revenue yields to be vulnerable to economic cycles. All Revenues are conservatively projected for budgetary purposes and are monitored regularly as amounts are received. Revenues which are considered to be "one-time" resources are used to fund one-time expenditures, including capital projects, or may be included in fund balance. These Revenue sources are not relied upon for future year, or ongoing, expenditures. Similarly, Revenues with unpredictable receipt patterns are projected conservatively, and any amount collected in excess of the amount projected may be applied to the fund balance.

The City's Revenue sources includes Taxes, Fees, Interest Earnings, Intergovernmental Revenue, Grants, Fines, and other sources.

Taxes are levied and collected by the City pursuant to state and City laws. The amount of any tax levied shall not exceed the rate or levy allowed by law or voter approval. Other Revenues derived from taxes imposed by other entities shall be collected by the City in accordance with established distribution formulas and methodologies.

Fees are established by City Council through ordinance or resolution or agreed upon pursuant to a contract or agreement. All Fees are reviewed periodically for propriety and consistency with any relevant agreements.

In accordance with the Charter, City Council shall determine the amount of any Fee, with the exception of franchise fees, by considering the costs incurred by the City in providing the service for which the Fee is charged. Fees for services are established based upon the full cost of the service provided, including both direct and indirect costs incurred by the City. Fees may be charged based upon a Cost Allocation method that most accurately reflects the cost of providing a service.

Investment earnings are based on amounts credited to City accounts and funds, based on the principal balance invested in accordance with the City's investment policy.

Grant Revenues are collected based upon awards received from applications submitted. These revenues are only budgeted when the grant is awarded.

# FINANCIAL POLICIES

## REVENUE POLICY

### ***B. Revenue Guidance:***

The City recognizes the importance of reviewing Revenue sources to align with the City's delivery of municipal services. The City's Revenue structure and receipts can be influenced by many determinants such as federal and state laws, citizens' preferences for local services, intergovernmental relations, and the City's policies towards new growth and economic development. The City utilizes five (5) guidelines to make decisions within its authority and ability to initiate or modify the types and amounts of revenue it receives:

1. Maintain stable Revenue sources to the extent possible: The City will monitor current review sources for variability. The Revenue forecast will be adjusted as necessary to accommodate unanticipated increases and declines.
2. Maintain a diversified mix of Revenue sources: The City recognizes that becoming too dependent upon one Revenue source would make Revenue streams more vulnerable to economic cycles. Staff will monitor dependency on sales and use tax to ensure an over-reliance does not occur.
3. Cultivate Revenue sources that are equitable among citizens: As much as is possible and feasible, City services that benefit specific users should be paid for by Fees and charges to preserve the use of general taxes to meet the cost of broader public services. The City will review Fees and other charges for services to ensure that Revenues are keeping pace with the cost of providing such service.
4. Generate adequate Revenue to maintain service levels in line with citizen expectations.
5. Maintain healthy reserves. The City will maintain healthy reserves by adhering to State mandated reserve and internal fund balance reserve policies.

### ***C. Financial Forecasting (Using Economic Indicators):***

The City has four major sources of Revenue aside from Intergovernmental Revenue—property tax, sales/use tax, building fees, and franchise fees—all of which are affected by changes in the local, State, or national economies. Economic data shall be evaluated from multiple sources to analyze short- and long-term revenue trends. A variety of indicators shall be considered such as housing market trends, interest rates, strength of tourism industry, retail sales, unemployment rates, consumer confidence measures, the Consumer Price Index (CPI), and others.

#### Short-Term Revenue Projections

Short-term Revenue projections shall be based on the current economic conditions, legislation, and fiscal policy changes. The current economic indicators will assist in developing the growth rate for each major Revenue category. Short-term Revenue projections shall support budgetary and policy decisions for the current and upcoming fiscal year.

# FINANCIAL POLICIES

## REVENUE POLICY

Long-Term Revenue Projections

Long-term Revenue forecasting used for the outlook shall be based on analysis of the historical Revenue trends for each individual Revenue source. The historical trend analysis shall include, at minimum, a five-year performance history for each major Revenue source. In addition to the historical trend analysis and review of current economic conditions, the City shall consider potential legislative changes when forecasting the major Revenue growth rates.

**D. Limitations:**

The City shall remain in compliance with all applicable Revenue limitations including compliance with the Taxpayers Bill of Rights (TABOR), as supplemented by state law and interpreted by Colorado courts, in addition to any applicable restrictions on use of funds for specific purposes.

**VI. EFFECTIVE DATE:**

This policy shall be effective upon signature.

**VII. APPROVAL:**

  
\_\_\_\_\_  
Matt Sturgeon, City Manager

12-11-19  
\_\_\_\_\_  
Date

**VIII. RATIFICATION:**

RESOLUTION NO. \_\_\_\_\_

\_\_\_\_\_  
Stephanie Piko, Mayor

\_\_\_\_\_  
Date

**ATTEST:**

\_\_\_\_\_  
Barbara Setterlind, City Clerk

\_\_\_\_\_  
Date

# FINANCIAL POLICIES

## EXPENDITURE POLICY

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CITY OF CENTENNIAL, COLORADO  
13133 East Arapahoe Road, Centennial, Colorado 80112

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ADMINISTRATIVE POLICY  
No. 2019-AP-03  
(a revision of 2010-AP-03)

### EXPENDITURE POLICY

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#### I. AUTHORITY:

Section 2-2-130(b)(6) and (7) of the City's Municipal Code authorizes the City Manager to develop City administrative financial policies consistent with all federal, state and local laws, and subject to ratification of the policy by the City Council.

#### II. PURPOSE OF POLICY:

This policy provides the framework for the overall classification and management of City Expenditures.

#### III. SCOPE:

This policy applies to all City funds and includes the General Improvement Districts and Centennial Urban Redevelopment Authority.

#### IV. DEFINITIONS:

**Appropriation** – A specific amount of money authorized by the City Council for identified goods and/or services for operating, capital and debt service.

**Budget** – A complete financial plan that identifies Revenues, types and levels of services to be provided, and the amount of funds that can be spent. The City's budget encompasses one calendar year but a biennial may be adopted by City Council.

**Capital Assets** – Assets of at least \$5,000 value and having a useful life beyond one year.

**Capital Improvement Fund** – A City Fund funded by dedicated Revenue sources, transfers from the General Fund, or grant funds and may be used for the acquisition, replacement, construction, major repairs, and related services of Capital Assets.

**Capital Project** – A project that maintains, improves, or adds new City Capital Assets or Infrastructure.

**Department** - A Department is a component of the overall City organization. Often including multiple Divisions, it is headed by a director and has established a specific and unique set of goals and objectives to provide services to the citizens and organization (e.g. Public Safety, Public Works, etc.).

# FINANCIAL POLICIES

## EXPENDITURE POLICY

Division – An organizational sub-unit of a Department. Each Division has a unique set of goals and objectives functioning within the Department.

Expenditure – The actual spending of financial resources set aside by Appropriation.

Fund – A set of inter-related accounts to record cash and other financial resources, in addition to all related liabilities and residual balances or equity, which may be segregated for the purpose of specific activities or objectives.

### V. POLICY:

#### A. Classification:

1. City Fund Types (As established and managed by the Governmental Accounting Standards Board) Fund accounting is generally used for accounting purposes. Each Fund is established by the City Council per Municipal Code Chapter 4, Article 8, for a specific purpose and is considered a separate accounting entity. All City funds are classified within a Fund Type:

General Fund - the General Fund is the general operating Fund of the City. It is used to account for all resources and expenditures except those required to be accounted for in another Fund.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted or committed to Expenditures for specified purposes other than debt service or Capital Projects.

Debt Service Funds - Debt Service Funds are used to account for financial resources that are restricted, committed, or assigned to Expenditures for principal and interest.

Capital Project Funds - Capital Project Funds are used to account for resources that are restricted, committed, or assigned to Expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets (i.e. the City's Capital Improvement Fund is a Capital Projects Fund Type).

Enterprise Fund - Enterprise Funds account for activities which are similar to those found in the private sector. Financial activity is reported in essentially the same manner as in commercial accounting where net income and capital maintenance are measured.

2. Expenditure Classifications City expenditures are classified and reported within these classifications:

Personnel Services - includes salaries for full-time and part-time employees, overtime pay, insurance, retirement, and other costs related to the City's employees. The compensation plan is intended to provide all employees with fair and equitable pay and to provide a uniform system of payment.

Contracted Services - includes services contracted by the City to enhance operations or perform specific services or projects, such as engineering, auditing, consulting or

# 5 APPENDIX

## FINANCIAL POLICIES

### EXPENDITURE POLICY

other professional service.

Other Services & Supplies - includes administrative Expenditures such as office supplies, subscriptions, professional development, utility charges, and operating leases.

Capital Asset (Outlay) - include land, buildings, infrastructure, vehicles and certain office equipment that are Capital Assets. Capital Expenditures increase asset accounts.

Capital Expenditures may be recorded in any City Fund. When making capital purchases, the financial impacts for future years, including repairs and maintenance to the asset are considered in addition to the feasibility of purchases that may create cost savings in future years.

**B. Expenditure Monitoring:**

Expenditures will be monitored by Staff and City Council per City Budget Policy.

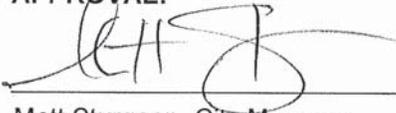
**C. Multi-Year Financial Projections:**

Expenditure projections will be based on an established set of assumptions and updated each year. The projections will include inflationary projections. Expenditure classifications will be refined and customized for more accurate financial projections in reporting to the City Council and citizens.

**VI. EFFECTIVE DATE:**

This policy shall be effective upon signature.

**VII. APPROVAL:**

  
\_\_\_\_\_  
Matt Sturgeon, City Manager

12-11-19  
\_\_\_\_\_  
Date

**VIII. RATIFICATION:**

**RESOLUTION NO.** \_\_\_\_\_

\_\_\_\_\_  
Stephanie Piko, Mayor

\_\_\_\_\_  
Date

**ATTEST:**

\_\_\_\_\_  
Barbara Setterlind, City Clerk

\_\_\_\_\_  
Date

# FINANCIAL POLICIES

## BUDGET POLICY

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CITY OF CENTENNIAL, COLORADO  
13133 East Arapahoe Road, Centennial, Colorado 80112

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**ADMINISTRATIVE POLICY**  
**No. 2019-AP-04**  
**(a revision of 2010-AP-04)**

**BUDGET POLICY**

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**I. AUTHORITY:**

Part 1 of Title 29 of the Colorado Revised Statutes requires the adoption of an annual budget by local governments, including home rule cities, and identifies specific requirements and obligations for budgeting.

Article XI of the Home Rule Charter provides direction on the financial management of the City, including the process for development, adoption, and management of the budget.

Section 2-2-130(b)(6) and (7) of the City's Municipal Code authorizes the City Manager to develop City administrative financial policies consistent with all federal, state and local laws, and subject to ratification of the policy by the City Council. Articles 7 and 8 of Chapter 4 of the Municipal Code concern the financial affairs of the City, establishing the Centennial Budget Committee and identifying budgetary funds.

**II. PURPOSE OF POLICY:**

This policy provides the financial framework for allocating resources responsibly among competing needs. The budget process guides consistent financial decision-making through budget development, review, adoption, and management. This policy reflects the principles and practices that have allowed the City to maintain financial stability and sustainability through economic downturns and uncertainties. The City considers its vision and mission, strategic planning, performance measurements, long-term fiscal stability and sustainability, and delivery of quality services to the community in the budgeting process.

**III. SCOPE:**

This policy applies to all City funds, and to City-managed General Improvement District and Centennial Urban Redevelopment Authority funds.

**IV. DEFINITIONS:**

Adopted Budget – The Budget as finally approved by the City Council.

Appropriation – A specific amount of money authorized by the City Council for identified goods and/or services for operating, capital and debt service.

## FINANCIAL POLICIES

### BUDGET POLICY

Balanced Budget – A Budget in which planned Expenditures do not exceed forecasted Revenues plus Fund Balance, including surpluses.

Biennial budget – A two-year Budget.

Budget – A complete financial plan that identifies Revenues, types and levels of services to be provided, and the amount of funds that can be spent. The City's budget encompasses one calendar year, but a Biennial budget may be adopted by City Council.

Budget Team – a team of City staff as assigned by the City Manager, including the City Finance Director.

Capital Improvement Program – A multi-year financial plan as required and defined by Home Rule Charter Section 11.15 and containing proposed construction of physical assets such as Infrastructure, trails, parks and public buildings as well as other non-Infrastructure Capital Assets such as information technology systems.

Centennial Budget Committee (CBC) – The committee as established by Section 4-7-10 of the Centennial Municipal Code, the purpose of which is to promote citizen involvement in the budgeting decisions of the City by having the committee study all phases of the Budget and make recommendations and reports to City Council about those studies.

Contingency – An Appropriation of funds to cover unforeseen expenditures and shortfalls in Revenue that occur during the Fiscal Year as required for the General Fund by Home Rule Charter Section 11.10, and which may be established for other funds.

Enterprise Funds – An accounting for activities which are similar to those found in the private sector. Financial activity is reported in essentially the same manner as in commercial accounting where net income and capital maintenance are measured.

Expenditure – The actual spending of financial resources set aside by Appropriation.

Fiscal Year – A twelve-month period designated as the Budget year, which for the City is the calendar year January 1 through December 31.

Full Accrual Basis of Accounting – The basis of accounting by which Revenues are recorded when earned and Expenditures are recorded when a liability is incurred, regardless of the timing of related cash flows.

Fund – A set of inter-related accounts to record cash and other financial resources, in addition to all related liabilities and residual balances or equity, which may be segregated for the purpose of specific activities or objectives.

Fund Balance – The net amount of financial resources of a governmental fund that are further classified by constraints on how resources may be spent.

General Fund – The primary Fund used by the City accounting for all financial resources except those accounted for in another fund.

Infrastructure – Facilities and structures that support the daily life and growth of the City, including streets, traffic signals, bridges, and curb/gutters, and which have a much longer

# FINANCIAL POLICIES

## BUDGET POLICY

useful life term, and specifically excluding information technology systems which have a shorter useful life.

Leadership Team – A managerial staff team as assigned by the City Manager.

Modified Accrual Basis of Accounting – The basis of accounting by which Revenues are recorded when they are both measurable and available and Expenditures are recorded when a liability is incurred.

Operating Budget – The annual Appropriation of funds for program costs, which include salaries, benefits, maintenance, operations, and capital outlay items.

Proposed Budget – The Budget presented by the City Manager to City Council for consideration.

Reserve – The minimum amount set aside as a portion of a Fund's Budgetary Fund Balance for some future use and not available for Appropriation or Expenditure except when qualifying events occur in accordance with the City's Fund Balance and Reserve Policy.

Revenue – Funds received from the collection of taxes, fees, permits, licenses, interest, grants, and other miscellaneous sources during the Fiscal Year.

Special Funds – The several funds established by ordinance in accordance with Home Rule Charter Section 11.11 in order to hold or use money for special purposes, such funds, along with their revenue sources, uses and other restrictions, being described in Section 4-8-20 of the Centennial Municipal Code..

Strategic Plan – A document used to communicate the organizational goals, the actions needed to achieve those goals and all of the other critical elements of the strategic plan. City Resolution 2019-R-17 defines the critical elements of the City's strategic plan.

## V. POLICY:

### A. Budgeting Requirements:

The City prepares its Budget on a Fiscal Year basis. The goal of the Budget process is a structurally balanced Budget that does not rely on Reserves or the use of one-time revenues to fund ongoing Expenditures, while ensuring that actual Expenditures do not exceed approved Appropriations.

The Budget is generally prepared in accordance with Governmental Accounting, Auditing, and Financial Reporting (GAAFR) requirements, generally accepted accounting principles (GAAP), and the Governmental Accounting Standards Board (GASB) requirements, in addition to the guidelines of the Government Finance Officers' Association of the U.S. and Canada (GFOA).

The Budget parallels the City's governmental accounting basis. The Modified Accrual Basis of Accounting is used for all Fund operations and fund financial statements, except for the Enterprise Funds, which generally use the Full Accrual Basis of Accounting. The City accounts for Revenues and Expenditures if collected or incurred within 60 days of the end of the Fiscal Year. The government-wide financial statements are reported using the full accrual basis of accounting.

# FINANCIAL POLICIES

## BUDGET POLICY

In accordance with Home Rule Charter Section 11.7, the Adopted Budget contains the following:

- an estimate of anticipated Revenue from all sources for the ensuing year;
- an estimate of the General Fund cash surplus at the end of the current fiscal year or of the deficit to be made up by Appropriation;
- the estimated Expenditures necessary for the operation of the departments, offices and agencies of the City;
- debt service requirements for the ensuing Fiscal Year;
- an estimate of the sum required to be raised by the tax levy for the ensuing Fiscal Year and the rate of levy necessary to produce such sum; and
- a balance between the total estimated Expenditures, including any deficit to be met and monies set aside for public improvements and total anticipated Revenue plus any surplus.

In addition, all estimates shall be in detail showing Revenues by source and Expenditures by departments, organizational units, activities, and object, showing comparative figures for the last completed fiscal year, and comparative figures for the current year.

The budget process is structured each year to achieve the fiscal and policy goals for the upcoming year while adhering to the timeline defined in the City Charter. The budget process is composed of the following phases:

- Budget Development
- Budget Review
- Budget Adoption, and
- Budget Management

Each of these phases is more fully defined by this policy.

### **B. Phases of Budget Development:**

#### **1. Budget Development Phase**

During the Budget Development phase, Council and City Staff work together to consider strategic objectives that may impact the budget and to establish the process by which the City Manager will develop the Proposed Budget.

##### *i. Strategic Planning:*

The City uses strategic planning to identify its goals and effectively allocate and manage the resources necessary for achieving them. The City Strategic Plan provides a framework for the strategies and activities of the departments.

City Council works to develop and refine their strategic planning and vision through a review of community needs and desired services. During a series of workshops, City Council identifies goals and strategies that provide direction for City Staff to develop budget proposals for consideration.

# FINANCIAL POLICIES

## BUDGET POLICY

### ii. *Development of the Proposed Budget:*

Following the development of goals and strategies by Council, the City Manager, with the Budget Team,) establishes the budget process, philosophy, and key deadlines for the upcoming Budget year. These items are communicated to all City departments.

All Revenues are conservatively projected for budgetary purposes. Revenues which are considered to be "one-time" resources are used to fund one-time expenditures, including capital projects, or may be included in fund balance. These Revenue sources are not relied upon for future year budgets, or ongoing, expenditures. Similarly, Revenues with unpredictable receipt patterns are budgeted conservatively. Grant revenues are not budgeted until the award of the grant.

Each department director is responsible for developing such director's respective department's preliminary budget for consideration by the City Manager. Preliminary budgets should consider the direction provided by Council, the City Manager, and the Budget Team in budget development. Preliminary budgets are submitted to the Leadership Team and the City Manager for review.

It is the responsibility of the City Manager, Finance Director, and the Leadership Team to thoroughly review each department's preliminary operating and capital budget in order to determine the financial impact of each budget request on the overall budget. The City Manager develops a Proposed Budget that is responsive to the City Council's vision.

Pursuant to Section 11.5 of the Home Rule Charter, the City Manager presents a Proposed Budget for the ensuing Fiscal Year to the City Council on or before September 20th of each year. The City Manager's Proposed Budget is a matter of public record and is open to the public for inspection.

The Proposed Budget provides a complete financial plan for each Fund of the City and includes appropriate financial statements for each Fund type showing comparative figures for the last completed Fiscal Year, adopted figures for the current year, comparative anticipated figures (revised) for the current year, and recommendations for the ensuing year.

The budget process shall weigh all competing requests for City resources within expected fiscal constraints. Requests for new operating expenditures made outside the annual budget process shall be discouraged. New initiatives shall be financed by reallocating existing City resources to programs and services with the highest priorities or through new revenue sources.

### 2. Budget Review Phase:

The Budget Review phase ensures Council has opportunity to discuss the Proposed Budget in order to further refine their vision and provide direction, prior to Budget Adoption.

# FINANCIAL POLICIES

## BUDGET POLICY

i. *Budget Workshops*

Following the presentation of the Proposed Budget to Council, budget workshops are scheduled. These budget workshops are intended to:

- Allow for the City Manager and Staff to present additional detail as may be necessary; and
- Provide Council an opportunity to discuss points of interest.

Direction provided at the budget workshops is used to develop revisions as may be necessary for the Proposed Budget prior to Adoption.

ii. *Multi-Year Financial Projections*

Multi-year financial projections will be made in accordance with the City's Revenue and Expenditure policies.

3. Budget Adoption Phase

In accordance with Home Rule Charter Section 11.12, on or before the fifteenth (15th) day of December, the City Council shall adopt a Balanced Budget and appropriations by resolution for the ensuing Fiscal Year. Budget adoption requires a public hearing, and adoption of an ordinance or resolution by an affirmative vote of the majority of City Council.

4. Budget Management Phase

During the Budget Management phase, City Staff is expected to effectively and transparently manage public resources. Monitoring and control may be exercised by department directors, the City Manager, or the Council.

i. *Budgeting Control*

Control of budgeted Expenditures is exercised at the Fund level. Department directors are responsible for all Expenditures made against appropriated funds within their respective departments. The Finance Department may allocate resources within a Fund for the purposes of monitoring and control, with the City Manager's written consent and quarterly notification to Council for the following:

- All Intrafund or project transfers; and
- All transfers from personnel services line items.

ii. *Appropriations and Amendments*

After commencement of the Fiscal Year, the amounts appropriated for the proposed Expenditures in the Adopted Budget are deemed appropriated for each purpose as specified. The Expenditures of City funds cannot exceed the budgeted Appropriations for the respective Fund. The Adopted Budget can be amended to increase, decrease, or transfer amounts between Funds if:

- the transfer is made from a Fund in which the amount appropriated exceeds the amount needed to accomplish the purpose specified by the Appropriation; or

## FINANCIAL POLICIES

### BUDGET POLICY

- the purpose for which the funds were initially appropriated no longer exists; or
- the transfer, if applicable, includes a subsidy of funding from one Fund to support program needs of another Fund; and
- in all cases, the transfer is approved by City Council through resolution following a Public Hearing.

#### *iii. Supplemental Appropriation(s).*

On recommendation by the City Manager, and in accordance with Home Rule Charter Section 11.13, City Council can make supplemental Appropriations for unanticipated Expenditures required by the City not to exceed the actual and anticipated annual Revenues. No Appropriation can be made which exceeds the Revenues, Unreserved Fund Balance, or other funds anticipated or available except for emergencies endangering the public peace, health or safety after the adoption of the Adopted Budget.

Council may approve for Expenditure any anticipated Revenue that will be received during the Fiscal Year. Such Revenue may be generated from grants, issuance of bonds, or the implementation of a new fee.

#### *iv. Budget Decrease(s).*

The Budget may be decreased below approved levels during the Fiscal Year. Changes in service demands, economic conditions, and City Council goals and reductions may cause such Budget reductions. If the City Manager directs Budget reductions, Council will be informed immediately and may take action as deemed necessary to prevent or minimize any deficit through resolution. If the circumstances leading to the reduction in Budget changes, the Appropriation may be made available for Expenditure.

#### *v. Encumbrances and Lapsed Appropriations*

Departments shall only encumber funds that will be spent in the current Fiscal Year. Departments shall review encumbrances throughout the year and unspent encumbrances will close at the end of the fiscal year. All Appropriations not spent at the end of the Fiscal Year lapse into the Fund Balance. Exceptions to this policy shall be considered at year-end for encumbrances related to major, non-recurring projects or contractual obligations such as consultant services for which work has begun and the project or deliverable remains a priority but will not be completed until after year-end. These exceptions shall be approved by Council resolution as a Supplemental Appropriation.

#### *vi. Budget Monitoring*

The department directors have the responsibility to monitor their respective department's budget on a regular basis.

The Finance Department provides a financial report comparison of year-to-date budgetary status in relation to the annual Budget at least quarterly to the City Council in accordance with Home Rule Charter Section 8.6. Accompanying such

# FINANCIAL POLICIES

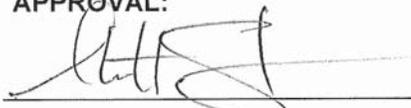
## BUDGET POLICY

report is (a) a contract authority report listing all open contracts in excess of \$99,000 (per Municipal Code Section 2-2-130 (b)); and (b) a report of any transfers from any Contingency accounts as approved by the City Manager.

**VI. EFFECTIVE DATE:**

This policy shall be effective upon signature.

**VII. APPROVAL:**

  
\_\_\_\_\_  
Matt Sturgeon, City Manager

12-11-19  
\_\_\_\_\_  
Date

**VIII. RATIFICATION:**

RESOLUTION NO. \_\_\_\_\_

\_\_\_\_\_  
Stephanie Piko, Mayor

\_\_\_\_\_  
Date

**ATTEST:**

\_\_\_\_\_  
Barbara Setterlind, City Clerk

\_\_\_\_\_  
Date

# FINANCIAL POLICIES

## FUND BALANCE AND RESERVE POLICY

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CITY OF CENTENNIAL, COLORADO  
13133 East Arapahoe Road, Centennial, Colorado 80112

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ADMINISTRATIVE POLICY  
No. 2019-AP-06  
(a revision of 2010-AP-06)  
FUND BALANCE AND RESERVE POLICY

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**I. AUTHORITY:**

Section 2-2-130(b) (6) and (7) of the City's Municipal Code authorizes the City Manager to develop City administrative financial policies consistent with all federal, state and local laws.

**II. PURPOSE OF POLICY:**

This policy provides the framework for the overall fiscal management of the City.

**III. SCOPE:**

This policy applies to all City Fund Balances and Reserves. This policy does not apply to general improvement districts or any urban renewal authority budgets managed by the City.

**IV. DEFINITIONS:**

Appropriation – A specific amount of money authorized by the City Council for identified goods and/or services for operating, capital and debt service.

Budgetary Fund Balance – Fund Balance at an individual fund level that differs from Generally Accepted Accounting Principles (GAAP) Fund Balance which includes entity wide Fund Balance on the financial statements.

Expenditure – The actual spending of financial resources set aside by Appropriation.

Fiscal Year – A twelve-month period of time designated as the budget year. The City's fiscal year is the calendar year January 1 through December 31.

Fund – A set of inter-related accounts to record cash and other financial resources, in addition to all related liabilities and residual balances or equity, which may be segregated for the purpose of specific activities or objectives.

Fund Balance – The net amount of financial resources of a governmental fund that are further classified by constraints on how resources may be spent.

# FINANCIAL POLICIES

## FUND BALANCE AND RESERVE POLICY

GASB – Governmental Accounting Standards Board.

General Fund – The primary Fund used by the City accounting for all financial resources except those accounted for in another fund.

Reserve – The minimum amount set aside as a portion of a Fund's Budgetary Fund Balance for some future use and not available for Appropriation or Expenditure except when qualifying events occur in accordance with the City's Fund Balance and Reserve Policy. The Reserve amount is calculated as 25% of annual operating expenditures.

Revenue – Funds received from the collection of taxes, fees, permits, licenses, interest, grants, and other miscellaneous revenues during the Fiscal Year.

Street Fund – A City Fund funded by restricted City and state Revenue sources as well as transfers from the City's General Fund, grants, and/or developer contributions or other Revenues and may be used, without limitation, for street, sidewalk, traffic signal, street light, curb/gutter construction (infrastructure) and maintenance.

Target Level – The City's annual desired Reserve levels for total Fund Balance.

### V. POLICY:

#### A. Overview

In budgeting, Revenue projections are conservative and authorized Expenditures are closely monitored. In stable economic times, the combination of these two strategies typically leads to Revenue collections higher than actual Expenditures. The accumulation of these Reserves protects the City from unanticipated increases in Expenditures or unforeseen reductions in Revenue, or a combination of the two, allowing for continuity of operations and the prudent financing of capital construction and asset maintenance.

The City shall maintain adequate levels of Reserve to mitigate risks (e.g. Revenue shortfalls and unanticipated Expenditures). Reserves shall be set aside within each of the General and Street Fund, which funds are not available for Appropriation or Expenditure except when qualifying events occur.

The methodology and reporting of Reserves within each of the General and Street Fund may change from year to year, based either upon requirements of GASB or by City Council.

Meeting Reserve levels for each of the General Fund and the Street Fund is required by this policy, while meeting Target Levels for each of the General Fund and the Street Fund is a goal under this policy.

Council's established Target Level for each of the General and Street Fund may be higher in any given Fiscal Year depending on budget situations, Revenue and/or Expenditure volatility, and other considerations. General and/or Street Fund Reserves in excess of the policy Reserve may be used to fulfill Council priorities.

# FINANCIAL POLICIES

## FUND BALANCE AND RESERVE POLICY

### ***B. Fund Balance Classifications (established by GASB)***

There are five different classifications of Fund Balance established by GASB that the City recognizes in its annual budgeting process:

#### ***1. Nonspendable Fund Balance***

Amounts within a Fund that cannot be spent because they are either not in spendable form, or legally or contractually required to be maintained intact such as items that are not expected to be converted to cash, including inventories and prepaid Expenditures.

#### ***2. Restricted Fund Balance***

The spending constraints placed on the use of Restricted Fund Balance are externally imposed by creditors, grantors, contributors, laws or regulations, or imposed by law through constitutional provisions or enabling legislation. For example, the Fund Balances of the Open Space and Conservation Trust Funds are reported as restricted as the use of those resources are restricted for specific uses as defined by Arapahoe County and the State of Colorado, respectively.

TABOR Emergency Reserves are a required component of Restricted Fund Balance mandated by Article X, Section 20, of the Colorado Constitution, which has several limitations. TABOR requires local governments to set aside three percent (3%) or more of fiscal year spending (as defined by TABOR and excluding bonded debt service) to be used for declared emergencies only. Emergencies are not well defined by TABOR except to exclude economic conditions, revenue shortfalls, or salary/fringe benefit increases. TABOR Emergency Reserves are included in the Restricted Fund Balance for each Fund and the use is restricted solely for declared emergencies.

TABOR also limits annual revenue by limiting fiscal year spending, but these provisions are inapplicable to City Funds as a result of voter approved waivers in 2006 and 2012.

#### ***3. Committed Fund Balance***

The Committed Fund Balance for each Fund cannot be used for any other purpose unless the City Council removes or changes the specified use by taking the same formal action it employed to previously commit those amounts. This classification also incorporates contractual obligations to the extent that existing resources in the Fund have been specifically committed for use in satisfying those contractual requirements.

#### ***4. Assigned Fund Balance***

The intent to assign funds to an Assigned Fund Balance is expressed by City Council through an informal action or Council can delegate the authority to express intent to a committee, the City Manager or other City official on a case by case basis.

#### ***5. Unassigned Fund Balance***

The General Fund is the only City Fund that can have an Unassigned Fund Balance.

# FINANCIAL POLICIES

## FUND BALANCE AND RESERVE POLICY

**C. Use and Replenishment of Reserve(s)**

The City will only utilize resources that will drop Fund Balance below the Reserve level when approved by the City Council and when one or more of these qualifying events occur:

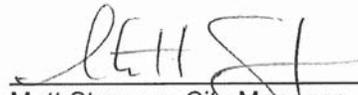
1. Economic recession
2. Drastic Revenue shortfall
3. Early retirement of debt
4. Emergencies, natural disasters and/or litigation
5. Capital asset acquisition, construction and/or improvement projects

If Fund Balance falls below the Reserve, the City Manager will present a plan to the City Council when presenting the ensuing annual budget that would restore the Fund Balance level as soon as economically practical.

**VI. EFFECTIVE DATE:**

This policy shall be effective upon signature.

**VII. APPROVAL:**

  
\_\_\_\_\_  
Matt Sturgeon City Manager

12-11-19  
\_\_\_\_\_  
Date

**VIII. RATIFICATION:**

**RESOLUTION NO.** \_\_\_\_\_

\_\_\_\_\_  
Stephanie Piko, Mayor

\_\_\_\_\_  
Date

**ATTEST:**

\_\_\_\_\_  
Barbara Setterlind, City Clerk

\_\_\_\_\_  
Date

# FINANCIAL POLICIES

## INVESTMENT POLICY

CITY OF CENTENNIAL, COLORADO  
13133 East Arapahoe Road, Centennial, Colorado 80112

**ADMINISTRATIVE POLICY**  
**No. 2019-AP-08**  
**(a revision of 2017-AP-01)**

**INVESTMENT POLICY**

**I. AUTHORITY:**

Section 2-2-130(b)(6) and (7) of the City's Municipal Code authorizes the City Manager to develop City administrative financial policies consistent with all federal, state and local laws, and subject to ratification of the policy by the City Council.

In addition, Section 2-2-130 of the City's Municipal Code provides authority to the City Manager to approve and process all documentation and tasks necessary to conduct the financial affairs of the City including, but not limited to, all operations associated with banking and investment of the City funds.

**II. PURPOSE OF POLICY:**

This policy addresses the methods, procedures, and practices which must be exercised to ensure effective and judicious fiscal and investment management of the City's funds, including the funds of certain districts whose finances are managed by the City, and to ensure that the investment program is operated in conformance with governing legislation and other legal requirements.

**III. SCOPE:**

This Policy shall apply to all of the City's funds, including the following:

**A. General Fund:**

The General Fund is the primary operating fund of the City. The fund contains the following listed major reserves which can be invested for a longer-term:

- Emergency Reserve as required by the Taxpayer Bill of Rights (TABOR), which must equal 3% of expenditures.

# FINANCIAL POLICIES

## INVESTMENT POLICY

- Operating Reserves as established by City Council policy set aside for emergency City Operations.

**B. Special Funds:**

- Capital Improvement Program Funds consisting of financial resources to be used for the acquisition and construction of capital equipment and facilities consistent with applicable fund use restrictions.
- City Enterprise Funds, consisting of financial resources used for operations that are financed and operated in a manner similar to private business enterprises. These funds are generated through fees for land use services, building department applications, and contractor licensing.
- Any other fund as created by City Council.

**C. Special Assessment and City-Managed Funds:**

- Special assessment and City-managed funds such as the City managed general improvement districts and the Centennial Urban Renewal Authority.

**D. Debt Service Funds:**

- Antelope General Improvement District Debt Service Fund to be used by the District for debt repayment.

**E. Pooled Investments:**

Cash shall be pooled for investment purposes for the General, and unrestricted resources of the Capital Improvement Funds. The investment income derived from the pooled investment account shall be allocated to the contributing funds based upon the proportion of the respective average daily balances relative to the total pooled balance in the investment portfolio.

**IV. DEFINITIONS:**

See attached Exhibit A for definitions.

**V. POLICY:**

**A. INVESTMENT OBJECTIVES**

The City's and Districts' funds shall be invested in accordance with all applicable City policies and codes, Colorado statutes, and Federal regulations, and in a manner designed to accomplish the following objectives, which are listed in priority order:

# FINANCIAL POLICIES

## INVESTMENT POLICY

1. *Safety*

Investments shall be undertaken to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.

a. Credit Risk

The City will minimize credit risk, which is the risk of loss of all or part of the investment due to the failure of the security issuer or backer, by:

- Limiting investments to the types of securities listed in Section V, Sub-Section E of this Policy.
- Pre-qualifying and conducting ongoing due diligence of the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business in accordance with Section V, Sub-Section G of this Policy.
- Diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

b. Interest Rate Risk

The City will minimize interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:

- Structuring the investment portfolio so that security maturities match cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
- Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting individual security maturity as well as the average maturity of the portfolio in accordance with this Policy (see Section V, Sub-Section F).

2. *Liquidity*

The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). Alternatively, a portion of the portfolio may be placed in money market mutual funds or local government investment pools which offer same-day liquidity for short-term funds.

3. *Return*

The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on

# FINANCIAL POLICIES

## INVESTMENT POLICY

investment is of secondary importance compared to the safety and liquidity objectives described above. The core investments are limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Securities shall generally be held until maturity with the following exceptions:

- A security with declining credit may be sold early to minimize loss of principal;
- Selling a security and reinvesting the proceeds would improve the quality, yield, or target duration in the portfolio; or
- Unanticipated liquidity needs of the portfolio require that the security be sold.

### B. DELEGATION OF AUTHORITY

The City Manager shall:

- determine the appropriate proportion of the City's portfolio to be invested after considering comment and input from the Investment Committee;
- be vested with ultimate responsibility for managing the City's investment program and for implementing this Policy;
- have the ability to further delegate the authority to conduct investment transactions and to manage the operation of the investment portfolio to other specifically authorized staff members.
- designate the Finance Director as the primary delegate to execute the investment program in accordance with this Policy, and the Finance Director may delegate such authority to the Deputy Finance Director in the absence of the Finance Director, and no other person may engage in an investment transaction except as expressly provided under the terms of this Policy;
- establish procedures and internal controls for the operation of the City's investment program, designed to prevent loss of public funds due to fraud, error, misrepresentation, and imprudent actions;
- have the ability to engage the services of outside investment advisors with respect to the City's investment program in either a discretionary or non-discretionary capacity, so long as it can be demonstrated that these services produce a net financial advantage or necessary financial protection of the City's financial resources; and
- in the absence of outside investment advisors, routinely monitor the contents of the portfolio, the available markets, and the relative safety of competing instruments, and shall price the portfolio monthly.

### C. PRUDENCE

The standard of prudence to be used for managing the City's investment program is the "prudent investor" standard applicable to a fiduciary, which states that a prudent investor "shall exercise the judgment and care, under circumstances then prevailing, which men of prudence, discretion, and intelligence exercise in the management of the property of another, not in

# FINANCIAL POLICIES

## INVESTMENT POLICY

regard to speculation but in regard to the permanent disposition of funds, considering the probable income as well as the probable safety of capital." (Colorado Revised Statutes §15-1-304, Standard for Investments.)

The City's overall investment program shall be designed and managed with a degree of professionalism that is worthy of the public trust. The City recognizes that no investment is totally without risk and that its investment activities are a matter of public record. Accordingly, the City recognizes that occasional measured losses may occur in a diversified portfolio and shall be considered within the context of the overall portfolio's return, provided that adequate diversification has been implemented and that the sale of a security is in the best long-term interest of the City.

The City Manager or his/her delegate and other authorized persons acting in accordance with established procedures and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided abnormal risk or credit events are reported to the City Council.

### D. ETHICS AND CONFLICTS OF INTEREST

Officers and employees involved in the investment process shall:

- refrain from personal business activity that could conflict with proper execution and management of the City's investment program or that could impair their ability to make impartial investment decisions;
- disclose any material interests in financial institutions with which they conduct business;
- disclose any personal financial/investment positions that could be related to the performance of the investment portfolio;
- refrain from undertaking personal investment transactions with the same individual with which business is conducted on behalf of the City; and
- otherwise comply with any applicable City Code of Ethics.

### E. AUTHORIZED SECURITIES AND TRANSACTIONS

All investments will be made in accordance with the Colorado Revised Statutes as follows: C.R.S. §§ 11-10.5-101, *et seq.* Public Deposit Protection Act; C.R.S. §§ 24-75-601, *et seq.* Funds - Legal Investments; C.R.S. § 24-75-603, Depositories; and C.R.S. § 24-75-701, Local governments – authority to pool surplus funds. Any revisions or amendments of these provisions will be automatically made part of this Policy.

This Policy further restricts the investment of City and Districts' funds to the following types of securities and transactions:

1. U.S. Treasury Obligations: Treasury bills, Treasury notes, Treasury bonds, and Treasury STRIPS, or those securities for which the full faith and credit of the United States is pledged for the payment of principal and

# FINANCIAL POLICIES

## INVESTMENT POLICY

interest, with maturities not exceeding five years from the date of trade settlement.

2. U.S. Government Agency and Instrumentality Securities: Any security issued by, fully guaranteed by, or for which the full credit of the following is pledged for payment: the Federal Farm Credit Bank, the Federal Land Bank, the Federal Home Loan Bank, the Export-Import Bank, the Government National Mortgage Association, the World Bank, or any entity or organization that is not listed in this paragraph but that is created by, or the creation of which is authorized by, legislation enacted by the United States Congress and that is subject to control by the federal government that is at least as extensive as that which governs an entity listed in this paragraph. Subordinated U.S. Government Agency or Instrumentality securities are not permissible under this Policy.

Securities shall be rated at least AA- or the equivalent at the time of purchase by at least two NRSROs and have maturities not exceeding five years from the date of trade settlement.

For securities authorized in this section, the City shall limit the combined total of investments to no more than 90% of the total portfolio and 30% per issuer.

3. Corporate or bank (negotiable CD) security with a maturity not exceeding five years from the date of trade settlement, issued by any corporation or bank organized and operating within the United States. The debt must be rated at least AA- or the equivalent at the time of purchase by at least two NRSROs. These rating requirements first apply to the security being purchased and second, if the security itself is unrated, to the issuer, provided the security contains no provisions subordinating it from being a senior debt obligation of the issuer. The aggregate investment in corporate debt or bank security shall not exceed 50% of the City's investment portfolio, and no more than 5% of the City's investment portfolio may be invested in the obligations of any one issuer. At no time shall the aggregate investment in corporate debt or bank security, commercial paper, certificates of deposit, and banker's acceptances exceed 50% of the City's total investment portfolio.

4. Brokered Certificates of Deposit with a maturity not exceeding five years from the date of trade settlement and issued by any domestic bank. Allowable brokered CDs must be issued by a FDIC-insured bank and be U.S. dollar-denominated with a par value and accrued interest within the FDIC coverage amount (thereby, fully insured by FDIC). For obligations authorized in this section, the City shall limit the combined total of investments to no more than 25% of the City's investment portfolio, and no more than 5% of the City's investment portfolio may be invested in the obligations of any one issuer.

5. Time Certificates of Deposit with a maturity not exceeding five years from the date of trade settlement in any FDIC insured state or national bank located in Colorado that is an eligible public depository as defined in C.R.S.

# FINANCIAL POLICIES

## INVESTMENT POLICY

§ 11-10.5-103. Certificates of deposit that exceed FDIC insurance limits shall be collateralized as required by the Public Deposit Protection Act. In addition, at the time of purchase, issuing banks shall meet the credit criteria set forth in the section of this investment policy, "Selection of Banks." For obligations authorized in this section, the City shall limit the combined total of investments to no more than 50% of the City's investment portfolio, and no more than 20% of the City's investment portfolio may be invested in the obligations of any one issuer.

6. Commercial Paper issued by domestic corporations with an original maturity of 270 days or less from the date of trade settlement that is rated at least A-1 or the equivalent at the time of purchase by at least two NRSROs and rated not less by all NRSROs that rate the commercial paper. If the commercial paper issuer has senior debt outstanding, it must be rated at least AA- or the equivalent at the time of purchase by at least two NRSROs. The aggregate investment in commercial paper shall not exceed 25% of the City's investment portfolio, and no more than 5% of the City's investment portfolio may be invested in the obligations of any one issuer. At no time shall the aggregate investment in corporate debt, commercial paper, and banker's acceptances exceed 50% of the City's total investment portfolio.

7. Repurchase Agreements with a termination date of 180 days or less, collateralized by U.S. Treasury obligations or Federal Instrumentality securities listed above with a final maturity not exceeding ten years. For the purpose of this section, the term "collateral" shall mean purchased securities under the terms of the PSA Bond Market Trade Association Master Repurchase Agreement as modified by the City's Master Repurchase Agreement Annex. The purchased securities shall have a minimum market value including accrued interest of 102 percent of the dollar value of the transaction. Collateral shall be held in the City's third-party custodian bank as safekeeping agent, and the market value of the collateral securities shall be marked-to-the-market daily.

Repurchase Agreements shall be entered into only with dealers that have executed a Master Repurchase Agreement with the City and are recognized as Primary Dealers by the Federal Reserve Bank of New York, or have a Primary Dealer within their holding company structure. Primary Dealers approved as Repurchase Agreement counterparties shall have a short-term credit rating of at least A-1 or the equivalent and a long-term credit rating of at least A or the equivalent by each NRSRO that rates the firm.

8. Eligible Banker's Acceptances with maturities not exceeding 180 days from the date of trade settlement, issued by FDIC insured state or national banks. Banker's Acceptances shall be rated at least A-1 or the equivalent at the time of purchase by at least two NRSROs. If the issuing bank has senior debt outstanding, it must be rated at least AA- or the equivalent at the time of purchase by at least two NRSROs and rated not less by all NRSROs that rate the bank. The aggregate investment in banker's acceptances shall not exceed 10% of the City's investment

# FINANCIAL POLICIES

## INVESTMENT POLICY

portfolio, and no more than 5% of the City's investment portfolio may be invested in the obligations of any one issuer. At no time shall the aggregate investment in corporate debt, commercial paper, and banker's acceptances exceed 50% of the City's total investment portfolio.

9. Local Government Investment Pools organized pursuant to C.R.S. § 24-75-701 *et seq.* and that have a rating of AAAm/AAAf or the equivalent by one or more NRSROs. 100% of the City's investment portfolio may be invested in Local Government Investment Pools.

10. Money Market Mutual Funds operated in accordance with Rule 2a-7 under the federal "Investment Company Act of 1940", as amended, or any successor regulation under that act regulating money market funds. The funds must have an investment policy or objective which seeks to maintain a stable net asset value of \$1.00 per share and have a rating of AAAm or the equivalent by one or more NRSRO. 50% of the City's investment portfolio may be invested in Money Market Mutual Funds.

11. Interest Bearing Bank Accounts in any FDIC insured state or national bank located in Colorado that is an eligible public depository as defined in C.R.S. § 11-10.5-103. Amounts deposited that exceed FDIC insurance limits shall be collateralized as required by the Public Deposit Protection Act. In addition, at the time of deposit, the bank shall meet the credit criteria set forth in the section of this investment policy, "Selection of Banks."

12. Municipal Bonds with a maturity not exceeding five years from the date of trade settlement, issued by a state or local governments with a final maturity not exceeding five years from the date of trade settlement. Such obligations of Colorado issuers (or any political subdivision, institution, department, agency, instrumentality, or authority of the state) shall be rated at least "A-" or the equivalent at the time of purchase by at least two NRSROs. Such obligations of any other governmental entity shall be rated at least "AA-" or the equivalent at the time of purchase by at least two NRSROs. For obligations authorized in this section, the City shall limit the combined total of investments to no more than 15% of the City's investment portfolio, and no more than 5% of the City's investment portfolio may be invested in the obligations of any one issuer.

The foregoing list of authorized securities and transactions shall be strictly interpreted. Any deviation from this list must be pre-approved by the City Council.

The City may, from time to time, issue bonds, the proceeds of which must be invested to meet specific cash flow requirements. In such circumstances and notwithstanding the paragraph immediately above, the reinvestment of debt issuance or related reserve funds may, upon the advice of Bond Counsel or financial advisors, deviate from the provisions of this Investment Policy with the formal approval of the City Council.

# FINANCIAL POLICIES

## INVESTMENT POLICY

### F. INVESTMENT DIVERSIFICATION

#### 1. *Diversification*

It is the City's policy to diversify its investment portfolio. In order to eliminate risk of loss resulting from the excess concentration of investments in a specific maturity, issuer, or class of securities, all cash and cash equivalent assets in City funds shall be diversified by maturity, issuer, and security type. Diversification strategies shall be determined and revised periodically by the Investment Committee/City Manager or Finance Director.

In establishing specific diversification strategies, the following general policies and constraints shall apply: Portfolio maturities shall be staggered to avoid undue concentration of assets in a specific maturity sector. Maturities selected shall provide for stability of income and reasonable liquidity.

#### 2. *Maximum Maturities*

To the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Under this policy, the City will not directly invest in securities maturing more than five (5) years from the date of purchase or in accordance with governing legislation. The City shall adopt weighted average maturity limitations consistent with the investment objectives.

Reserve funds and other funds with longer-term investment horizons may be segregated into a long-term "core" investment portfolio and invested in securities exceeding five (5) years if the maturities of such investments are planned to coincide as nearly as practicable with the expected use of funds.

#### 3. *Competitive Bids*

All investment transactions shall be conducted competitively with authorized broker/dealers. At least three broker/dealers shall be contacted for each transaction and their bid or offering prices shall be recorded. If the City is offered a security for which there is no readily available competitive offering, quotations for comparable or alternative securities will be documented. The competitive transaction requirement is not applicable for new issue security offerings or direct purchases from an issuer.

### G. SELECTION OF BANKS, DEPOSITORIES AND BROKER/DEALERS

The City Manager or Finance Director shall maintain a list of FDIC insured banks approved to provide depository and other banking services for the City. To be eligible, a bank shall qualify as an eligible public depository as defined in C.R.S § 11-10.5-103. In addition, a list will be maintained of approved security broker/dealers selected by creditworthiness and/or other factors, such as FINRA broker check.

# FINANCIAL POLICIES

## INVESTMENT POLICY

In the event that an external investment advisor is used to assist with the management of assets, the investment advisor's approved broker dealer list shall be kept on file and reviewed annually for changes, and that advisor will also maintain sufficient competitive bid tabulation records.

All financial institutions and broker/dealers who desire to become qualified for investment transactions must supply the following as appropriate:

- Audited financial statements demonstrating compliance with state and federal capital adequacy guidelines;
- Proof of Financial Industry Regulatory Authority (FINRA) certification (not applicable to Certificate of Deposit counterparties);
- Proof of state registration;
- Completed broker/dealer questionnaire (not applicable to Certificate of Deposit counterparties);
- Certification of having read and understood and agreeing to comply with the City's investment policy;
- Evidence of adequate insurance coverage.

### H. SAFEKEEPING AND CUSTODY

The City Manager or his/her delegate shall approve one or more financial institutions to provide safekeeping and custodial services for the City. A City approved safekeeping agreement shall be executed with each custodian bank. The City's safekeeping banks shall qualify as eligible public depositories as defined in C.R.S. § 11-10.5-103.

The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery versus payment basis. Ownership of all securities shall be perfected in the name of the City. Sufficient evidence to title shall be consistent with modern investment, banking and commercial practices.

All investment securities purchased by the City shall be delivered by either book entry or physical delivery and shall be held in third-party safekeeping by the City approved custodian bank, its correspondent bank or the Depository Trust Company (DTC).

The City's custodian shall be required to furnish the City a list of holdings on at least a monthly basis, and safekeeping receipts or customer confirmations shall be issued for each transaction.

### I. PERFORMANCE BENCHMARKS

The investment portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints for eligible securities, and cash flow requirements. Investment performance of funds designated as core funds and other non-operating funds that have a long-term (greater than 12

# FINANCIAL POLICIES

## INVESTMENT POLICY

months maturity) investment horizon will be compared to an index comprised of U.S. Treasury or Government securities. The appropriate index will have a duration and asset mix that approximates the portfolios and will be utilized as a benchmark to be compared to the portfolios total rate of return. Examples of an appropriate index are as follows: the ICE BofAML 1-3 Year Government & Corporate AA Index, the ICE BofAML 1-5 Year Government & Corporate AA Index, and S&P LGIP Index.

### J. REPORTING

The Investment Committee, the membership of which is set by ordinance, will submit to the City Council, at least semi-annually, a report listing the investments held by the City, the current market value of the investments and performance results. The report shall include a summary of investment earnings during the period.

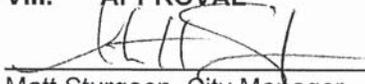
### VI. POLICY REVISIONS

This Investment Policy shall be reviewed at least annually by the Investment Committee and may be amended by the City Council as conditions warrant.

### VII. EFFECTIVE DATE

This Policy shall be effective upon signature.

### VIII. APPROVAL

  
\_\_\_\_\_  
Matt Sturgeon, City Manager

12-11-19  
\_\_\_\_\_  
Date

### IX. RATIFICATION:

\_\_\_\_\_  
Stephanie Piko, Mayor

Resolution No. \_\_\_\_\_  
\_\_\_\_\_  
Date

# FINANCIAL POLICIES

## INVESTMENT POLICY

### Exhibit A

#### INVESTMENT POLICY DEFINITIONS

**Accrued Interest** - The accumulated interest due on a bond as of the last interest payment made by the issuer.

**Agency** - A debt security issued by a federal or federally sponsored agency. A government-sponsored enterprise (GSE) is a type of federal agency created by the United States Congress. GSEs include the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage (Freddie Mac), the Federal Home Loan Bank and the Federal Agricultural Mortgage Corporation (Farmer Mac) and are not backed by the same guarantee as federal government agencies. In contrast, the Government National Mortgage Corporation (Ginnie Mae) is a federal agency in which their debt is backed by the full faith and credit of the federal government.

**Banker's Acceptances** - A draft or bill of exchange accepted by a bank or trust company. The accepting institution guarantees payment of the bill, as well as the issuer.

**Bid** - The indicated price at which a buyer is willing to purchase a security or commodity.

**Book Value** - The value at which a security is carried on the inventory lists or other financial records of an investor. The book value may differ significantly from the security's current value in the market.

**Brokered Certificates of Deposit** - A brokered certificate of deposit is a bank security offered through a financial intermediary. Brokered CDs are considered investments and not deposits and, as such, are not subject to collateralization under the Colorado Public Deposit Protection Act.

**Callable Bond** - A bond issue in which all or part of its outstanding principal amount may be redeemed before maturity by the issuer under specified conditions.

**Call Risk** - The risk to a bondholder that a bond may be redeemed prior to maturity.

**Centennial Urban Renewal Authority** - The urban renewal authority formed by the City in 2005 pursuant to the Colorado Urban Renewal Law, the funds of which are managed by the City and subject to this Policy.

**Collateralization** - Process by which a borrower pledges securities, property, or other deposits for the purpose of securing the repayment of a loan and/or security.

**Commercial Paper** - An unsecured short-term promissory note issued by corporations, with maturities ranging from 2 to 270 days.

**Coupon Rate** - The annual rate of interest received by an investor from the issuer of certain types of fixed-income securities. Also known as the "interest rate."

**Credit Quality** - The measurement of the financial strength of a bond issuer. This measurement helps an investor to understand an issuer's ability to make timely interest payments and repay the loan principal upon maturity. Generally, the higher the credit

# FINANCIAL POLICIES

## INVESTMENT POLICY

quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality ratings are provided by nationally recognized rating agencies.

**Credit Risk** - The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

**Current Yield (Current Return)** - A yield calculation determined by dividing the annual interest received on a security by the current market price of that security.

**Delivery Versus Payment (DVP)** - A type of securities transaction in which the purchaser pays for the securities when they are delivered either to the purchaser or his/her custodian.

**Discount** - The amount by which the par value of a security exceeds the price paid for the security.

**Districts** – The General Improvement Districts in the City created pursuant to Sections 31-25-601 through 31-25-633 of the Colorado Revised Statutes the funds of which are managed by the City and subject to this Policy

**Diversification** - A process of investing assets among a range of security types by sector, maturity, and quality rating.

**Duration** - A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security. This calculation is based on three variables: term to maturity, coupon rate, and yield to maturity. The duration of a security is a useful indicator of its price volatility for given changes in interest rates.

**Fair Value** - The amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**Federal Funds (Fed Funds)** - Funds placed in Federal Reserve banks by depository institutions in excess of current reserve requirements. These depository institutions may lend fed funds to each other overnight or on a longer basis. They may also transfer funds among each other on a same-day basis through the Federal Reserve banking system. Fed funds are considered to be immediately available funds.

**Federal Funds Rate** - Interest rate charged by one institution lending federal funds to the other.

**FINRA** – Financial Industry Regulatory Authority. An independent, not-for-profit organization authorized by Congress to regulate the U.S. broker/dealer industry. This organization oversees brokerage firms, monitors the U.S. equities markets, detects potential fraud, and protects investors. FINRA has authority to discipline brokers and resolve investor disputes.

**Government Securities** - An obligation of the U.S. government, backed by the full faith and credit of the government. See "Treasury Bills, Notes, and Bonds."

**Interest Rate** - See "Coupon Rate."

# FINANCIAL POLICIES

## INVESTMENT POLICY

**Interest Rate Risk** - The risk associated with declines or rises in interest rates which cause an investment in a fixed-income security to increase or decrease in value.

**Internal Controls** - An internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse. The internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that 1) the cost of a control should not exceed the benefits likely to be derived and 2) the valuation of costs and benefits requires estimates and judgments by management. Internal controls should address the following points:

1. **Control of collusion** - Collusion is a situation where two or more employees are working in conjunction to defraud their employer.
2. **Separation of transaction authority from accounting and record keeping** - By separating the person who authorizes or performs the transaction from the people who record or otherwise account for the transaction, a separation of duties is achieved.
3. **Custodial safekeeping** - Securities purchased from any bank or dealer including appropriate collateral (as defined by state law) shall be placed with an independent third party for custodial safekeeping.
4. **Avoidance of physical delivery securities** - Book-entry securities are much easier to transfer and account for since actual delivery of a document never takes place. Delivered securities must be properly safeguarded against loss or destruction. The potential for fraud and loss increases with physically delivered securities.
5. **Clear delegation of authority to subordinate staff members** - Subordinate staff members must have a clear understanding of their authority and responsibilities to avoid improper actions. Clear delegation of authority also preserves the internal control structure that is contingent on the various staff positions and their respective responsibilities.
6. **Written confirmation of transactions for investments and wire transfers** - Due to the potential for error and improprieties arising from telephone and electronic transactions, all transactions should be supported by written communications and approved by the appropriate person. Written communications may be via fax if on letterhead and if the safekeeping institution has a list of authorized signatures.
7. **Development of a wire transfer agreement with the lead bank and third-party custodian** - The designated official should ensure that an agreement will be entered into and will address the following points: controls, security provisions, and responsibilities of each party making and receiving wire transfers.

**Investment Advisor - Discretionary** - Investment advisors are used by public entities to assist their internal finance and treasury officers with managing their portfolios by offering resources that the public entities typically are unable to obtain on their own. Independent investment advisors use their professional expertise to enhance the safety and performance of their clients' investment portfolios. Investment advisors are able to make broad recommendations as to the guidelines and best practices that should be used to structure a well-managed investment program. An investment advisor can also provide its clients with general recommendations as to the types of securities that provide opportunity in the current investment environment.

# FINANCIAL POLICIES

## INVESTMENT POLICY

**Investment Committee** – The City committee formed in accordance with the requirements of and for the purposes set forth in Section 11.16 of the City's Home Rule Charter and ordinance(s) implementing the same.

**Investment Manager - Non-discretionary** - In a non-discretionary investment management relationship, it is agreed that decisions concerning investments subject to the Agreement between the client and the investment manager shall be made by the client's authorized representative with the assistance of the manager. Independent investment managers develop comprehensive investment programs while enhancing the performance of their clients' investment portfolios through market access, professional expertise, and performance measurement and compliance. The approval of the client is required prior to the execution of any investment transaction for the Advisory Account. The investment managers will buy or sell securities and place orders for the execution of such transactions with or through such brokers, dealers, or issuers as the managers may select, subject to approval by the client.

**Investment Company Act of 1940** - Federal legislation which sets the standards by which investment companies, such as mutual funds, are regulated in the areas of advertising, promotion, performance reporting requirements, and securities valuations.

**Investment Policy** - A concise and clear statement of the objectives and parameters formulated by an investor or investment manager for a portfolio of investment securities.

**Investment Portfolio ("Portfolio")** - The aggregate balance of the City's securities, commercial paper, corporate debt, certificates of deposit, money market mutual funds, and other authorized securities. The Portfolio excludes City deposit accounts and local government investment pool balances.

**Investment-grade Obligations** - An investment instrument suitable for purchase by institutional investors under the prudent person rule. Investment-grade is restricted to those obligations rated BBB or higher by a rating agency.

**Liquidity** - An asset that can be converted easily and quickly into cash.

**Local Government Investment Pool (LGIP)** - An investment by local governments in which their money is pooled as a method for managing local funds.

**Mark-to-market** - The process whereby the book value or collateral value of a security is adjusted to reflect its current market value.

**Market Risk** - The risk that the value of a security will raise or decline as a result of changes in market conditions.

**Market Value** - Current market price of a security.

**Material Interest** - Any investment, or other financial interest, equal to or greater than 5% of an individual's total investment or financial portfolio.

**Maturity** - The date on which payment of a financial obligation is due. The final stated maturity is the date on which the issuer must retire a bond and pay the face value to the bondholder. See "Weighted Average Maturity."

# FINANCIAL POLICIES

## INVESTMENT POLICY

**Money Market Mutual Fund** - Mutual funds that invest solely in money market instruments (short-term debt instruments, such as Treasury bills, commercial paper, bankers' acceptances, repos and federal funds).

**Mutual Fund** - An investment company that pools money and can invest in a variety of securities, including fixed-income securities and money market instruments. Mutual funds are regulated by the Investment Company Act of 1940 and must abide by the following Securities and Exchange Commission (SEC) disclosure guidelines:

1. Report standardized performance calculations
2. Disseminate timely and accurate information regarding the fund's holdings, performance, management and general investment policy
3. Have the fund's investment policies and activities supervised by a board of trustees, which are independent of the adviser, administrator or other vendor of the fund
4. Maintain the daily liquidity of the fund's shares
5. Value their portfolios on a daily basis
6. Have all individuals who sells SEC-registered products licensed with a self-regulating organization (SRO) such as FINRA
7. Have an investment policy governed by a prospectus which is updated and filed by the SEC annually

**Nationally Recognized Statistical Rating Organization (“NRSRO”)** – A nationally recognized statistical rating organization (NRSRO) is a credit rating agency that issues credit ratings that the Securities and Exchange Commission (SEC) permits other financial firms to use for certain regulatory purposes. There are ten NRSROs the most common of which include Standard & Poor’s, Moody’s Investors Service, or Fitch Ratings. Shown below are the long-term ratings equivalents:

### LONG-TERM RATINGS

Standard & Poor's	Moody's Investors Service	Fitch Ratings
AAA	Aaa	AAA
AA+	Aa1	AA+
AA	Aa2	AA
AA-	Aa3	AA-
A+	A1	A+
A	A2	A
A-	A3	A-

**Net Asset Value** - The market value of one share of an investment company, such as a mutual fund. This figure is calculated by totaling a fund's assets which includes securities, cash, and any accrued earnings, subtracting this from the fund's liabilities and dividing this total by the number of shares outstanding. This is calculated once a day based on the closing price for each security in the fund's portfolio. (See below.)  $[(\text{Total assets}) - (\text{Liabilities})] / (\text{Number of shares outstanding})$

# FINANCIAL POLICIES

## INVESTMENT POLICY

**Negotiable Certificates of Deposit**— A negotiable certificate of deposit (NCD) is a bank security. Negotiable CDs are considered investments and not deposits and, as such, are not subject to collateralization under the Colorado Public Deposit Protection Act.

**No Load Fund** - A mutual fund which does not levy a sales charge on the purchase of its shares.

**Offer** - An indicated price at which market participants are willing to sell a security or commodity. Also referred to as the "Ask price."

**Par** - Face value or principal value of a bond, typically \$1,000 per bond.

**Premium** - The amount by which the price paid for a security exceeds the security's par value.

**Prime Rate** - A preferred interest rate charged by commercial banks to their most creditworthy customers. Many interest rates are keyed to this rate.

**Principal** - The face value or par value of a debt instrument. Also may refer to the amount of capital invested in a given security.

**Prospectus** - A legal document that must be provided to any prospective purchaser of a new securities offering registered with the SEC. This can include information on the issuer, the issuer's business, the proposed use of proceeds, the experience of the issuer's management, and certain certified financial statements.

**Prudent Person Rule** - An investment standard outlining the fiduciary responsibilities of public funds investors relating to investment practices.

**Reinvestment Risk** - The risk that a fixed-income investor will be unable to reinvest income proceeds from a security holding at the same rate of return currently generated by that holding.

**Repurchase Agreement (repo or RP)** - An agreement of one party to sell securities at a specified price to a second party and a simultaneous agreement of the first party to repurchase the securities at a specified price or at a specified later date.

**Reverse Repurchase Agreement (Reverse Repo)** - An agreement of one party to purchase securities at a specified price from a second party and a simultaneous agreement by the first party to resell the securities at a specified price to the second party on demand or at a specified date.

**Rule 2a-7 of the Investment Company Act** - Applies to all money market mutual funds and mandates such funds to maintain certain standards, including a 13- month maturity limit and a 60-day average maturity on investments, to help maintain a constant net asset value of one dollar (\$1.00).

**Safekeeping** - Holding of assets (e.g., securities) by a financial institution. Fees may be charged for this service by a third-party safekeeping institution.

**Swap** - Trading one asset for another.

# FINANCIAL POLICIES

## INVESTMENT POLICY

**Total Return** - The sum of all investment income plus changes in the capital value of the portfolio. For mutual funds, return on an investment is composed of share price appreciation plus any realized dividends or realized and unrealized capital gains. This is calculated by taking the following components during a certain time period. (Price Appreciation) + (Dividends paid) + (Capital gains) = Total Return

**Treasury Bills** - Short-term U.S. government non-interest bearing debt securities with maturities of no longer than one year and issued in minimum denominations of \$1,000. Auctions of three- and six-month bills are weekly, while auctions of one-year bills are monthly. The yields on these bills are monitored closely in the money markets for signs of interest rate trends.

**Treasury Notes** - Intermediate U.S. government debt securities with maturities of one to 10 years and issued in denominations ranging from \$1,000 to \$1 million or more.

**Treasury Bonds** - Long-term U.S. government debt securities with maturities of ten years or longer and issued in minimum denominations of \$1,000. Currently, the longest outstanding maturity for such securities is 30 years.

**Uniform Net Capital Rule** - SEC Rule 15C3-1 outlining capital requirements for broker/dealers.

**Volatility** - A degree of fluctuation in the price and valuation of securities.

**"Volatility Risk" Rating** - A rating system to clearly indicate the level of volatility and other non-credit risks associated with securities and certain bond funds. The ratings for bond funds range from those that have extremely low sensitivity to changing market conditions and offer the greatest stability of the returns ("S1" by S&P; "S-1" by Fitch) to those that are highly sensitive with currently identifiable market volatility risk ("S6" by S&P, "S-6" by Fitch).

**Weighted Average Maturity (WAM)** - The average maturity of all the securities that comprise a portfolio. According to SEC rule 2a-7, the WAM for SEC registered money market mutual funds may not exceed 60 days and no one security may have a maturity that exceeds 397 days.

**Yield** - The current rate of return on an investment security generally expressed as a percentage of the security's current price.

**Yield-to-call (YTC)** - The rate of return an investor earns from a bond assuming the bond is redeemed (called) prior to its nominal maturity date. **Yield Curve** - A graphic representation that depicts the relationship at a given point in time between yields and maturity for bonds that are identical in every way except maturity. A normal yield curve may be alternatively referred to as a positive yield curve.

**Yield-to-maturity** - The rate of return yielded by a debt security held to maturity when both interest payments and the investor's potential capital gain or loss are included in the calculation of return.

# FINANCIAL POLICIES

## INVESTMENT POLICY

**Zero-coupon Securities** - Security that is issued at a discount and makes no periodic interest payments. The rate of return consists of a gradual accretion of the principal of the security and is payable at par upon maturity.

# FINANCIAL POLICIES

## DEBT POLICY

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CITY OF CENTENNIAL, COLORADO  
13133 East Arapahoe Road, Centennial, Colorado 80112

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ADMINISTRATIVE POLICY  
No. 2019-AP-05  
(a revision of 2010-AP-05)

DEBT POLICY

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### I. AUTHORITY:

Article XII of the City's Home Rule Charter ("Charter"), entitled "Bond Indebtedness," authorizes the City to borrow money or enter into other obligations and issue securities or other evidences of such obligations in such form and manner as determined by the City Council to be in the best interests of the City subject to the applicable limitations in the Colorado Constitution, including limitations as set forth in the Taxpayer's Bill of Rights ("TABOR").

Article XII of the City's Charter does not limit bonded indebtedness; rather, it is left to the discretion of the City Council subject to the constitutional requirements of TABOR or other constitutional provisions.

According to Article X, Section 20 of the Colorado Constitution, TABOR requires voter approval in advance for the "creation of any multiple fiscal year direct or indirect district Debt or other financial obligation whatsoever" [TABOR(4)(b)]. The exceptions to this provision are:

1. refinancing bonded debt at a lower interest rate
2. adding new employees to the pension plan
3. pledging adequate present cash reserves irrevocably, to be held for payment in all future fiscal years

Section 2-2-130(b)(6) and (7) of the City's Municipal Code authorizes the City Manager to develop City administrative financial policies consistent with all federal, state and local laws, and subject to ratification of the policy by the City Council.

### II. PURPOSE OF POLICY:

This policy provides a functional tool for debt management and capital planning in a conservative and prudent manner. The policy establishes conditions for the issuance of debt and provides the framework for minimizing the City's debt service and issuance costs, retaining the highest possible credit rating, and maintaining full and complete financial disclosure and reporting. This policy may also ensure the most adequate use of the City's resources to meet its commitments to provide needed services and capital assets to the citizens of the City, and to maintain sound financial management practices.

# FINANCIAL POLICIES

## DEBT POLICY

### III. SCOPE:

This policy applies to all general obligation debt issued by the City, and any other form of obligation of indebtedness. This policy does not apply to general improvement districts or any urban renewal authority budgets managed by the City.

### IV. DEFINITIONS:

**Backloading** - The deferral of principal and/or interest payments to a later period.

**Bond** – A fixed income instrument used by municipalities and others to finance projects and operations and that represents a loan made by an investor to the borrower to include the details of the loan and its payments, such as the end date when the principal of the loan is due to be paid to the bond holder and the terms for variable or fixed interest payments that will be made by the borrower.

**Capital Assets** – Assets of at least \$5,000 value and having a useful life beyond one year.

**Capital Project** - A project that maintains, improves, or adds new City Capital Assets or Infrastructure.

**Certificates of Participation (COP's)** - A type of financing where an investor purchases a share of the lease revenues of a program rather than the bond being secured by those revenues. COPs are secured by lease revenues.

**Debt** - An amount owed to a person or organization for funds borrowed. Debt can be represented by a loan note, bond, mortgage or other form stating repayment terms and, if applicable, interest requirements. These different forms all imply intent to pay back an amount owed by a specific date, which is set forth in the repayment terms.

**Debt Service** – Annual re-payments of principal and interest to pay back a Debt.

**Financial Advisor** – An independent professional consultant assisting the City with financing options and providing guidance for debt structure, timing of debt issuance, possible debt refunding and other types of financial analysis.

**Fund** - A set of inter-related accounts to record cash and other financial resources, in addition to all related liabilities and residual balances or equity, which may be segregated for the purpose of specific activities or objectives.

**General Obligation Bonds** – Bonds issued on behalf of the City for any public capital purpose, repaid by a separate mill levy, and subject to voter approval.

**Infrastructure** - Facilities and structures that support the daily life and growth of the City, including streets, traffic signals, bridges, and curb/gutters, and which have a much longer useful life term, and specifically excluding information technology systems which have a shorter useful life.

**Interfund** - A transaction that occurs between Funds for a specific purpose as approved by the appropriate authority.

# FINANCIAL POLICIES

## DEBT POLICY

Lease Purchase – an acquisition transaction whereby the asset is rented and is used as collateral for the lease payments and the lease purchaser has an exclusive right of first refusal for later purchase of the asset at the conclusion of a term of lease payments. TABOR does not require voter approval for lease purchase transactions.

Refunding -the process of retiring or redeeming an outstanding bond issue at maturity by using the proceeds from a new Debt issue.

Revenue Bonds – A type of issued municipal debt, the principal and interest of which is paid only by the revenues of a specific project that is financed by the issuance of the bonds.

### V. POLICY:

#### **A. Purpose and Use of Debt:**

Debt may be issued for Capital Assets when it is an appropriate means to achieve a fair allocation of costs between current and future beneficiaries, or in the case of an emergency. Generally, except for Interfund Borrowing - loans for short-term cash flow needs, Debt shall not be issued for projects due to a budgetary shortfall at the time of acquisition or construction, or for operating deficiencies.

The City may consider long term financing for the acquisition, maintenance, replacement, or expansion of physical assets and/or Infrastructure only if the asset has a useful life of at least five years, unless otherwise approved by City Council. In addition, Debt shall not be issued for periods exceeding 100% of the economic or useful life or average useful lives of the project or projects to be financed or thirty years, whichever is less, unless approved by City Council.

#### **B. Debt Types and Structure:**

The following types of Debt may be issued by the City:

- Direct Debt - debt payable from general revenues, including capital leases
- Revenue Bonds - debt payable from a specific pledged revenue source
- Conduit Debt- debt payable by third parties for which the government does not provide credit or security (i.e. Private Activity Bonds)
- Other Types of Hybrid Debt- debt payable from special revenues or containing other unique security pledges
- Bonds or other allowable debt to re-finance existing debt(s)
- Other Debt - any other type of debt as deemed appropriate by City Council, such as COPs or lease purchases on a case by case basis and consistent with financial prudence

## FINANCIAL POLICIES

### DEBT POLICY

Debt shall generally be structured for the shortest period of time to allow for the fair allocation of costs to current and future beneficiaries or users of the asset. In addition, Debt shall be structured to achieve the lowest possible net cost to the City given market conditions, the urgency or importance of the Capital Project or Capital Asset, and the nature and type of security provided. Moreover, the City shall structure Debt with level principal and interest costs over the life of the Debt; however, as described below, Back-loading may be considered.

The City may issue Debt that pays a variable interest rate according to a pre-determined formula or results from a periodic remarketing of the securities, consistent with State law and covenants of pre-existing Debt, and in consideration of market conditions and advice of the City's financial advisor.

Back-loading will be considered only in the following circumstances:

- natural disasters or extraordinary or unanticipated external factors make the short term cost of the Debt prohibitive
- the benefits derived from the Debt issuance can clearly be demonstrated to be greater in the future than in the present
- any other circumstance in which City Council deems Back-loading appropriate

#### **C. Refinancing/Refunding Debt:**

Periodic reviews of all outstanding Debt shall be performed to determine Refunding opportunities. Factors to be considered to determine if savings are sufficient to warrant a Refunding shall include:

- the length of time until the call date,
- the structure of the refunding Debt and
- expectations of future interest rates.
- restructuring will allow Debt service to more closely match project revenues during the early years of the project's operation

Refunding of outstanding debt will only be done if there is an economic gain regardless of whether there is an accounting gain or loss, or a subsequent reduction or increase in cash flows. The net present value savings shall be at least 3%, and preferably 5% or more. In an advanced Refunding (before the call date), the ratio of present value savings to the negative arbitrage costs should be at least 2:1. Refundings with lesser or negative savings shall not be considered unless there is a compelling public policy objective.

#### **D. Creditworthiness:**

The City is committed to ensuring that actions within its control are prudent and responsive and seeks to maintain the highest possible credit rating for all categories of short and long-term Debt that can be achieved without compromising delivery of City services and achievement of City goals. The City recognizes that external economic, natural, or other events may, from time to time, affect the creditworthiness of its Debt.

# FINANCIAL POLICIES

## DEBT POLICY

***E. Debt Limitations and Capacity:***

The City shall maintain outstanding Debt limits at levels consistent with City Council direction, or other constitutional provisions.

Debt capacity will be evaluated by the annual dollar amount paid in Debt service and the total amount outstanding with the goal to maintain the City's overall issuer rating at the very highest rating, AAA. Parameters may be different for General Obligation and Revenue bonds.

***F. Debt Administration and Process:***

1. Sale of Securities.

Generally, Bonds shall be sold to the highest and best bidder for cash at public sale, or at private sale, after advertisement for public sales, and to the best advantage of the City. The City Council shall have the option to authorize a private or negotiated sale without advertisement for public sale if the City Council determines that such sale would be to the best advantage of the City. If sold through competitive sale, bids shall be awarded on a true interest cost basis, provided other bidding requirements are satisfied and subject to the right of the City to waive defects and irregularities in bids, or to reject any and all bids.

The final terms and conditions for a Bond sale or other debt obligation will be specified in the enabling legislation.

If a competitive sale is selected by City Council, underwriters may be required to post a good faith deposit. For all negotiated sales, underwriters may be required to demonstrate sufficient capitalization and experience related to the debt issuance.

Every issuance of securities to the public by the City shall be made pursuant to a disclosure document prepared with the assistance of counsel, as selected by City Council. In addition, the City may retain external bond counsel for all publicly offered Debt issues. All publicly offered Debt issued by the City will include a written opinion by bond counsel affirming that the City is authorized to issue the Debt, that the Debt creates a binding obligation, stating that the City has met all state constitutional and statutory requirements necessary for issuance, and determining the Debt's federal and state income tax status.

The City may retain a financial advisor through a professional services selection process administered by City staff. If deemed appropriate, separate or additional financial advisors may be retained for their particular expertise for a specific transaction or project. Generally, the City's financial advisor shall not be allowed to participate as an underwriter in the competitive or negotiated sale of any of the City's securities for which it has acted within the prior six months as the City's financial advisor.

Compensation for bond counsel, disclosure counsel, underwriter's counsel, or other special counsel, financial advisors, and other financial services will be consistent with industry standards.

## FINANCIAL POLICIES

### DEBT POLICY

The City may select other service providers (e.g. escrow agents, verification agents, trustees, arbitrage consultants, etc.) as necessary to meet legal requirements and minimize net City debt costs. The selection and retention of such providers will be made consistent with the City's purchasing policy.

#### 2. Markets.

The City shall make use of domestic capital markets when the conditions best fit the City's financing needs.

#### 3. Credit Enhancements.

The City may enter into agreements with commercial banks or other financial entities for the purpose of acquiring letters of credit, municipal bond insurance, or other credit enhancements that will provide the City with access to credit under the terms and conditions as specified in such agreements when their use is judged cost effective or otherwise advantageous. Any such agreements shall be approved by the City Council.

#### 4. Financial Disclosures.

The City shall provide full and complete financial disclosure, and cooperate fully with rating agencies, underwriters of its securities, institutional and individual investors, City departments and agencies, other levels of government, and the general public to provide clear, comprehensible, and accurate financial information. In addition, the City shall meet secondary disclosure requirements on a timely and comprehensive basis. The Finance Department shall be responsible for ongoing disclosure to established national information repositories and for maintaining compliance with applicable disclosure standards promulgated by state and national regulatory bodies.

#### 5. Investment of Borrowed Funds.

The City acknowledges its ongoing fiduciary responsibilities to actively manage the proceeds of Debt issued for public purposes in a manner that is consistent with State statute and City policy.

#### 6. Federal Arbitrage Rebate Requirement.

The Finance Department shall maintain a system of record keeping and reporting to meet the arbitrage rebate compliance requirements of the federal Internal Revenue tax code applicable to particular issuances of City securities.

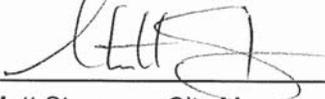
### VI. EFFECTIVE DATE:

This policy shall be effective upon signature.

# FINANCIAL POLICIES

## DEBT POLICY

**VII. APPROVAL:**

  
 \_\_\_\_\_  
 Matt Sturgeon, City Manager

12-11-19  
 \_\_\_\_\_  
 Date

**VIII. RATIFICATION:**

RESOLUTION NO. \_\_\_\_\_

\_\_\_\_\_  
 Stephanie Piko, Mayor

\_\_\_\_\_  
 Date

**ATTEST:**

\_\_\_\_\_  
 Barbara Setterlind, City Clerk

\_\_\_\_\_  
 Date

# FINANCIAL POLICIES

## CAPITAL IMPROVEMENT PROGRAM POLICY

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**ADMINISTRATIVE POLICY**  
**No. 2019-AP-07**  
**(a revision of 2010-AP-07)**  
**CAPITAL IMPROVEMENT PROGRAM POLICY**

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**I. AUTHORITY:**

Section 11.15 the City's Home Rule Charter requires the City Manager to prepare and submit to the City Council an annually updated multi-year capital program no later than the date of submission of the annual Proposed Budget.

Section 2-2-130(b)(6) and (7) of the City's Municipal Code authorizes the City Manager to develop City administrative financial policies consistent with all federal, state and local laws, and subject to ratification of the policy by the City Council.

**II. PURPOSE:**

This policy guides the creation and annual update of the City's Capital Improvement Program to protect and grow the City's significant financial investment in infrastructure, public facilities, and other capital assets and improvements.

**III. SCOPE:**

This policy applies to the City's Capital Improvement Program which includes the Capital Improvement Fund, Street Fund, Open Space Fund, Conservation Trust Fund and any new capital fund as approved by the City Council.

**IV. DEFINITIONS:**

ADA – Americans with Disabilities Act of 1990; a federal civil rights law, Title II of which protects qualified individuals with disabilities from discrimination on the basis of disability in services, programs, and activities provided by state and local government entities.

Adopted Budget – The Budget as finally approved by the City Council.

Appropriation – A specific amount of money authorized by the City Council for identified goods and/or services for operating, capital and debt service.

Biennial budget – A two-year Budget.

Budget – A complete financial plan that identifies Revenues, types and levels of services to be provided, and the amount of funds that can be spent. The City's budget encompasses one calendar year but a biennial may be adopted by City Council. In practice, the term "budget" is used two ways: it designates the financial plan presented for adoption ("Proposed"), or the final plan approved by City Council ("Adopted").

## FINANCIAL POLICIES

### CAPITAL IMPROVEMENT PROGRAM POLICY

**Capital Improvement Fund** – A City Fund funded by dedicated Revenue sources, transfers from the General Fund, or grant funds and may be used for the acquisition, replacement, construction, major repairs, and related services of Capital Assets.

**Capital Improvement Program** – A multi-year financial plan as required and defined by Home Rule Charter Section 11.15 and containing proposed construction of physical assets such as Infrastructure, trails, parks and public buildings as well as other non-Infrastructure Capital Assets such as information technology systems.

**Capital Project** – A project that maintains, improves, or adds new City Capital Assets or Infrastructure.

**Conservation Trust Fund** – A City Fund funded by the City's share of State Lottery proceeds, grants, investment earnings, or other funding received and uses are restricted generally to recreational Capital Asset acquisition and maintenance.

**Encumbrance** – A fiscal obligation that reserves budget for a specific contract or project.

**Expenditure** – The actual spending of financial resources set aside by Appropriation.

**Fund** – A set of inter-related accounts to record cash and other financial resources, in addition to all related liabilities and residual balances or equity, which may be segregated for the purpose of specific activities or objectives.

**General Fund** – The primary Fund used by the City accounting for all financial resources except those accounted for in another fund.

**Infrastructure** – Facilities and structures that support the daily life and growth of the City, including streets, traffic signals, bridges, and curb/gutters, and which have a much longer useful life term, and specifically excluding information technology equipment with a useful life of less than five years.

**Open Space Fund** – A City fund funded through the City's share of the Arapahoe County Open Space sales tax, grants, investment earnings, or other funding received, uses of which are restricted generally to parks and trails acquisition and maintenance.

**Proposed Budget** – The Budget presented by the City Manager to City Council for consideration.

**Revenue** – Funds received from the collection of taxes, fees, permits, licenses, interest, grants, and other miscellaneous revenues during the Fiscal Year.

**Street Fund** – A City Fund funded by restricted City and state Revenue sources as well as transfers from the City's General Fund, grants, and/or developer contributions or other Revenues and may be used, without limitation, for street, sidewalk, traffic signal, street light, curb/gutter construction (infrastructure) and maintenance.

**Strategic Plan** – A document used to communicate the organizational goals, the actions needed to achieve those goals and all of the other critical elements of the strategic plan. City Resolution 2019-R-17 defines the critical elements of the City's strategic plan.

# FINANCIAL POLICIES

## CAPITAL IMPROVEMENT PROGRAM POLICY

### V. CAPITAL PLANNING OBJECTIVES:

Planning for capital maintenance and improvements is prudent financial management and an important complement of the City's economic development program and Strategic Plan. Capital Assets and Infrastructure are important legacies that serve current and future generations. A sound multi-year Capital Improvement Program that clearly identifies capital needs, funding options, and operating budget impacts is necessary to adequately address current and long-term needs.

The first step in capital planning is identifying needs based on the City's asset life cycle for major Capital Assets. The Capital Asset life cycle should include costs to operate, maintain, administer and renew or replace the Capital Asset. In addition, the City will utilize adopted City plans such as the Strategic Plan, comprehensive plan, facility master plans and regional plans to identify capital needs.

When developing the Capital Improvement Program, the City will prioritize capital requests, considering:

- Health and Safety – Priority should be given to high risk safety issues that require a Capital Project to remedy
- Asset Preservation – Capital Assets that require renewal or replacement based on Capital Asset life cycles
- Service/Asset Expansion/Addition – Infrastructure improvements needed to support the City's policies, plans and studies
- Funding availability – Some level of priority should be given to projects that leverage City funds against external funds (grant funds or cost-sharing from other entities)

In this process, consideration will be given to:

- Coordination opportunities with related entities;
- Incorporating input and participation from major stakeholders and the general public;
- The impact on operating budgets resulting from Capital Projects;
- Applying analytical techniques, as appropriate, for evaluating potential Capital Projects (e.g. net present value, payback period, cost-benefit analysis, life-cycle costing, cash flow modeling);
- Preserving existing capital infrastructure before building new facilities;
- Incorporating ADA improvements within new street and sidewalk construction projects; and
- Using a rating system to facilitate decision making.

The Capital Improvement Program will be developed to ensure its feasibility. The Capital Improvement Program should:

- Anticipate expected Revenue and Expenditure trends including operating impacts;
- Include cash flow projections;
- Comply with all financial policies;
- Recognize appropriate legal constraints;
- Consider and estimate funding amounts from all appropriate funding

# FINANCIAL POLICIES

## CAPITAL IMPROVEMENT PROGRAM POLICY

alternatives;

- Consider sources and uses for debt service;
- Ensure reliability and stability of identified funding sources;
- Evaluate affordability of the financing strategy;
- Include projects that are high quality and low maintenance;
- Include a procedure for accumulating necessary capital reserves for both new and replacement purchases; and
- Be monitored by City staff with reporting to the City Council in accordance with City Charter Section 11.15.

### VI. POLICY:

#### **A. Funding Overview:**

Annually, a multi-year Capital Improvement Program Budget shall be prepared and submitted to the City Council no later than the date of submission of the proposed annual Budget. The estimated cost for each Capital Project shall include inflationary projections and funding sources for each Capital Project shall be identified. Any contingent funding source shall not be included in the Capital Improvement Program Budget until it becomes reasonably apparent that such funding will be available.

Routine operating and maintenance costs which do not add to the value or useful life of a particular Capital Asset shall not be included as a capital Expenditure in the Capital Improvement Program Fund but will be included in operating budget financial projections.

Although the majority of Capital Projects may be included in the Capital Improvement Program, other projects may be funded from the General Fund or any other Fund as deemed appropriate by the City Manager.

Remaining Encumbrances in capital improvement projects at year-end shall be re-appropriated in the subsequent budget year. The project estimates for the current and subsequent budget years will be communicated to the City Council prior to budget adoption.

#### **B. Project Contingency:**

If sufficient funding exists, the City Council may approve a 'Project Contingency' account in the Capital Improvement Program Fund annual budget. This contingency account may fluctuate from year to year but shall be targeted at 10% of accumulated capital project budgets within any of the funds that make up the Capital Improvement Program. This contingency account shall only be utilized and transferred to specific project accounts for any of these purposes:

1. Project overruns of up to 25% of the Adopted Capital Project budget and shall be supported by an approved change order
2. Grant match opportunities
3. Unanticipated (unbudgeted) construction projects
4. Emergency capital repairs

Example: A street Capital Project has an original budget of \$1 million. In the middle of construction, the City determines a change order of \$200,000 is required. Since the change

# FINANCIAL POLICIES

## CAPITAL IMPROVEMENT PROGRAM POLICY

order amount is 20% of the project budget, the City Manager may move funds from the Project Contingency account to that specific street Capital Project account.

Transfers from the contingency account to other projects require City Manager and/or City Council approval. These transfers will be reported to the City Council on a quarterly basis. The contingency account will be appropriated annually and not automatically roll to the next year's budget.

**C. Reporting Requirements:**

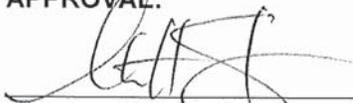
In accordance with Section 11.15 of the City's Home Rule Charter, the following information, at a minimum, will be provided in the annual Capital Improvement Program:

1. A clear general summary of its contents;
2. Identification of the long-term goals of the City;
3. A list of all Capital Projects which are proposed to be undertaken during the fiscal years next ensuing, with appropriate supporting information as to the necessity for each;
4. Cost estimates and recommended time schedules for each improvement or other capital Expenditure;
5. The method of financing each capital Expenditure;
6. The estimated annual cost of operating and maintaining the facilities to be constructed or acquired;
7. A commentary on how the plan addresses the environmental and economic sustainability of the City and the regional community of which it is a part; and
8. The methods to measure outcomes and performance of the capital plan related to the long-term goals of the community.

**VII. EFFECTIVE DATE:**

This policy shall be effective upon signature.

**VIII. APPROVAL:**

  
\_\_\_\_\_  
Matt Sturgeon, City Manager

12-11-19  
\_\_\_\_\_  
Date



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