

**CITY OF CENTENNIAL  
2002 REVENUES**

## **HIGHWAY USER'S TAX FUND (HUTF)**

**Distribution:** Capital Programs Fund 100%

**Source:** Gasoline tax and related fees paid by Colorado motorists

**Collection:**

The Highway User's Tax Fund (HUTF) is a state-collected, locally-shared revenue that is distributed on a monthly basis.

**Background:**

The formulas for calculating this revenue are very complicated. This is a gasoline tax revenue that is shared among the State, counties and cities. The formulas for allocating each share are different. The municipal share is allocated among individual cities by two formulas; one for the first seven cents of gas tax and the second for that portion above seven cents.

Both formulas use centerline road mileage and registered vehicles for each city. Mileage is weighted 20%. Registrations are weighted 80% are first applying a factor, which ranges from 0 to 2.0 times the registrations in the first formula, and which ranges from 0 to 2.6 times for the second formula.

Per Ms. Oleta Morales, Arapahoe County Information Services Department, and Mary Whitley, Arapahoe County Clerk and Recorder's Office, an estimated 115,184 vehicles are registered in the City of Centennial. And, per Shannon Carter, Arapahoe County Liaison, there are approximately 404 centerline road miles in the City of Centennial. These two data points were used to calculate the projected revenues from the HUTF source. Centennial will not be eligible to receive these funds until July 2002 and can expect to receive it's first allocation at that time.

**2002 BUDGETED REVENUES: \$2,828,355**

## **CIGARETTE TAX**

**Distribution:** General Fund 100%

**Source:** Cigarette smokers in Colorado

**Collection:**

The state imposes and collects a twenty cent per pack tax on cigarettes. The state distributes 27% of the proceeds to municipalities and counties according to the ratio of the state sales tax collected in the entity to the total state sales tax collected in the prior year. The state disburses the funds two months after they are collected. The percentage is certified annually by the Colorado Revenue Department and is paid on the 15<sup>th</sup> of each month.

**Background:**

According to Mr. Neil Tilquist and Ms. Valerie Horowitz of the Colorado Department of Revenue, cigarette tax revenue is collected based on a percentage share of state sales tax contributed by area in each fiscal year. Centennial's calculation for 2002 is set at a 12% rate or \$330,000. Revenues are collected and distributed by the State Department of Revenue on a monthly basis. Centennial's first distribution of these revenues should occur in March, and continue through to the end of the fiscal year in December 2002.

**2002 BUDGETED REVENUES: \$330,000**

## **LOTTERY REVENUE**

**Distribution:** Conservation Trust Fund 100%

**Source:** Customers who buy instant lottery tickets and lotto tickets

**Collection:**

Lottery proceeds are collected from retail merchants selling lottery products by the State of Colorado. Municipal lottery proceeds are distributed to municipalities based upon current population estimates prepared by the state demographer's office. Municipalities must first pass an ordinance to enable them to collect such lottery revenues. Therefore, on May 31, 2001, the City of Centennial passed Ordinance # 2001-36 thereby establishing entitlement to these revenues. CRS 29-21-101 provides broad flexibility to local governments in the expenditure of these funds for recreation and open space purposes. Lottery revenues must be accounted for as a separate line item and expenditures reported annually by filing a report with the Division of Local Government. Revenues are distributed quarterly.

**2002 BUDGETED REVENUES: \$609,000**

## **PROPERTY TAX REVENUE**

**Distribution:** General Fund 100%

**Source:** Centennial property owners

### **Collection:**

The collection process begins with the Arapahoe County Assessor's Office. Two types of property are valued by the Assessor's Office 1) "real property" (land & buildings) and 2) "personal property" (business machines & equipment). Once market values are established, the Assessor's Office computes the assessed valuation of property based on State-legislated assessment ratios.

Assessments are furnished to the Arapahoe County Treasurer's Office who then issues property tax bills to every property owner on the property's assessed valuation.

A 1% processing fee is deducted by the Arapahoe County Treasurer's office for processing costs and has been deducted from the overall total below.

### **Background:**

In Colorado, taxes may be levied by local governments against all privately owned real property (land and buildings), regardless of its use. In addition, taxes may be levied by local governments against all privately owned personal property that is used for business purposes. The tax system has two components: assessed valuation (the tax base) and mill levy (the tax rate).

Assessed valuation is established by the Assessor of the County in which the property is located. The Assessor first determines the market value of the property, then applies a percentage factor specified by state law to determine the assessed value. This year (2001), that percentage factor is 9.15% for residential property and 29% for commercial property. Therefore, if residential property has a market value of \$200,000, the assessed value would be 9.15% of that amount, or \$18,000. Similarly, if a commercial property has a market value of \$200,000, the assessed value would be 29% of that amount, or \$58,000.

The mill levy is determined by the local government. Because Centennial is a new local government, its mill levy will need to be approved by the voters. The City Council has proposed a mill levy of 4.982 mills for consideration by the voters at the election in November of 2001.

Until Centennial officially became a City, all real property and business personal property within what is now Centennial was subject to a mill levy of 4.982 mills by the Arapahoe Law Enforcement Authority (ALEA). ALEA was created for the purpose of providing sheriff's patrol services to the unincorporated areas of Arapahoe County. Now that Centennial is an official City, the ALEA mill levy will not apply within Centennial, regardless of whether Centennial establishes a mill levy.

The latest information from the Arapahoe County Assessor is that based on the County Assessor's December 2001 certification of value, the taxable assessed valuation of all real property and all business personal property for the City of Centennial is \$1,449,833,510. A mill levy of 4.982 mills applied to that assessed value would produce a tax of \$7,223,071. After deducting the County Assessor's 1% collection fee, the City should realize \$7,150,840 in property tax revenue.

Property taxes are billed in early January and are payable in two installments of 50% each by February 28 and June 15, or in one installment of 100% by April 30<sup>th</sup>. Virtually all of the property taxes received by the City will be received by the end of July of 2002. The County will remit the taxes collected in any month (less the collection fee) to the City in a lump sum payment during the following month. The vast majority of this money will be received by the City in three payments from the County, in March, May, and July of 2002.

All of the foregoing assumes that the voters will approve the property tax mill levy for Centennial in the November 2001 election. If that occurs, the tax will be imposed for the tax year 2001, and will be payable in 2002, on the schedule described above. If that does not occur, the City will not receive any property tax income in 2002.

**2002 BUDGETED REVENUES: \$7,150,840**

## **CABLE TELEVISION FRANCHISE REVENUE**

**Distribution:** General Fund

**Source:** 5% of gross revenues of the cable television franchisee

**Collection:**

The cable television franchisee imposes fees upon Centennial customers to comply with the franchise agreement.

**Background:**

Prior to incorporation Arapahoe County had a cable television franchise agreement with ATT Broadband in unincorporated areas of the County. The cable franchisee was required to impose a 5% fee upon residents and businesses of the unincorporated area, who subscribed to cable service. Upon incorporation the Centennial City Council negotiated an equivalent franchise agreement to replace the County's franchise within the City's limits. In effect residents and businesses of Centennial continued to pay the same franchise fees but ATT now remitted those revenues to the City rather than the County.

Based upon the most recent ATT Broadband rate increase and revenues received, monthly revenue is expected to average \$65,000.

**2002 BUDGETED REVENUES: \$ 780,000**

## NATURAL GAS & ELECTRIC FRANCHISE REVENUE

**Distribution:** General Fund

**Source:** 3% of gross revenues of the gas & electric utility franchisees

**Collection:**

The gas & electric franchisees, Excel Energy and Intermountain Rural Electric Association, impose a 3% fee upon Centennial customers to comply with the franchise agreement.

**Background:**

For this revenue to be realized franchise agreements with both Excel Energy and Intermountain REA must be negotiated and approved by the City Council. It is anticipated these agreements will become effective the beginning of April 2002.

Revenue estimates were developed from information provided by Tom Ashburn of Excel Energy and William Schroeder of Intermountain REA. The Centennial boundaries of both are still being determined. Estimates of the number of customers each serves has been provided in detail by Excel Energy and in gross by IREA. Similarly each utility has estimated annual revenues from each one percent franchise fee as follows:

	Customers		1% Revenue Fee	
	<u>Excel Energy</u>	<u>IREA</u>	<u>Excel Energy</u>	<u>IREA</u>
Electric Service			\$ 395,700	
\$104,000				
Residential	27,541	10,000		
Commercial	11,203			
Industrial				
	3			
Natural Gas Service				
		\$ 235,900	n/a	
Residential	35,588	0		
Commercial	2,231			
Industrial	28			

A full calendar year of revenue from this fee would be expected to yield \$2,206,800. However, to estimate revenues for the nine-month period, April - December 2002, the above estimates were adjusted for high natural gas consumption the first two months of the calendar year. It was estimated that 10% of the annual natural gas consumption occurs in each of these months. Otherwise, revenues are assumed to prorate equally over the remaining months of the calendar year even though it is apparent electric consumption has a summer peak.

**2002 BUDGETED REVENUES: \$1,632,000**

## **SALES AND USE TAX REVENUE**

**Distribution:** General Fund 100%

**Source:** Visitors, residents, and employees in Centennial

**Collection:**

On November 6, 2001 the citizens of Centennial approved a 1.5% sales tax to establish it's revenue base. Based on feedback and direction from citizens, the following items were exempted from sales tax:

1. Retail food (grocery store purchases)
2. Low emissions vehicles
3. Farm equipment
4. Sales by charitable organizations
5. Food from vending machines
6. Machinery and machine tools
7. Residential heating and lighting fuel

Therefore, the 1.5% sales tax applies to purchases of tangible goods typically sold at retail establishments.

A 1.5% use tax has also been affixed to building and construction materials and accounts for an estimated \$500,000 of the overall total.

**Background:**

Because Centennial is a new government that has not yet established its revenue base, it was necessary to work closely with the Department of Revenue (DOR) Taxpayer Services Division to calculate what revenues the City could hope to collect given voter approval to impose a 1.5% sales tax in November 2001.

By providing a data listing of all known businesses located in Arapahoe County, the FSBC and citizen volunteer John Mues were able to verify approximately 6,400 businesses as existing within the boundaries of Centennial. This data was then provided to the Department of Revenue, Taxpayer Services Division who then reconfirmed the locations and recalculated the number of businesses to be approximately 2,700. Based on this information, the DOR then ran a report in order to project revenues from these businesses in 2002.

The report provided by the DOR covered fiscal years 1998-1999, 1999-2000, and 2000-2001 through May 23, 2001 only. The report displayed state sales tax revenues collected by the Department from retailers that the City previously identified to the Department as having a business location within the city boundaries. The dollar values are based on the amount of state sales tax, penalties and interest collected (as opposed to amount owed). Retail, construction, agriculture, forestry, fishing, manufacturing, communications, gas and electric, wholesale, services, and real estate were among the categories of businesses included in the report.

Additionally, it was estimated that approximately \$83,000,000 in new building construction and sales of associated materials would likely occur within the City of Centennial in 2002 resulting in a proportional 1.5% revenue net of approximately \$500,000 due to imposition of a construction materials use tax.

Due to the recent economic downturn and desire to meet the cost of providing services in 2002, the city has chosen a conservative approach to calculating revenues from these sources for FY 2002.

**2002 BUDGETED REVENUES: \$16,000,000**

## **MOTOR VEHICLE REGISTRATION FEES**

**Distribution:** General Fund 100%

**Source:** Motor vehicle registration fees

**Collection:**

Motor vehicle fees are based on vehicle count. The city will receive \$1.50 per vehicle registration. The city will also receive an additional \$2.50 for all vehicles except for motorcycles, trailers, dealer, special motorized machines, or vehicles over 15,000 lbs.

The total number of vehicles qualifying for the \$1.50 fee is 115,184. The total number of vehicles qualifying for the \$2.50 fee is 94,850. Vehicle counts were derived from the State Motor Vehicle system, after the address update was performed for the City of Centennial.

The County Clerk and Recorder's Office collects a 5% processing fee from revenue received to offset the administrative costs incurred by their office.

**2002 BUDGETED REVENUES: \$410,000 – \$20,500 (processing fee)  
= \$389,500**

## **COURT FINES & FORFEITURE REVENUE**

**Distribution:** General Fund 100%

**Source:** Fines adjudicated by the Centennial Municipal Judge

**Collection:** Fines will be collected by the City Clerk beginning in July 2002.

### **Background:**

#### **Traffic Fines**

The estimates for the amount of revenue that Centennial will collect in 2002 was based on revenue collection figures provided by Grayson Robinson.<sup>1</sup> Approximately 80% of the fines written by the Arapahoe County Sheriff's Office should be attributable to Centennial. Since the municipal court will not be in session until July 2002, the revenue figures for 2002 are for a six month period.

#### **Zoning Violation Fines**

The City Council is currently considering enacting zoning ordinances that would impose fines on citizens for violations. No fee schedule has been adopted. If and when a fee schedule is adopted, revenue can be estimated. The revenue figure would also include fines for violations of "nuisance" ordinances Centennial may pass, such as excessive noise, barking dogs, etc. Cities of similar size in Colorado collect around \$10,000 per year for municipal code violations. Since Centennial has not yet adopted municipal code violation fee schedules, no estimate has been provided in this budget.

**2002 BUDGETED REVENUES: \$246,800**

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<sup>1</sup>See Exhibit E.

## **ROAD & BRIDGE SHAREBACK**

**Distribution:** Centennial Road and Bridge Fund (use of this money is limited to "construction and maintenance of roads and streets located within [Centennial's] corporate boundaries")

**Source:** The Centennial share of the Arapahoe County Road and Bridge Fund, which is funded in part by property tax paid by owners of real property and business personal property located within the City of Centennial

**Collection:** All of this revenue will be paid directly by Arapahoe County to the City, on the following schedule: 15% on April 15, 2002; 60% on July 15, 2002; 15% on October 15, 2002; and 10% on January 15, 2003. The payment amounts are subject to adjustment based on the actual property tax collections (by the County), refunds and abatements.

**Background:** Under Colorado law (Colorado Revised Statutes § 43-2-202 and -203), counties must establish a road and bridge fund consisting of the revenue derived from (1) the property tax levied by the county for road and bridge construction, maintenance and administration under C.R.S. § 43-2-203 (the "Property Tax Revenue"), (2) moneys received by the county from state or federal governments for expenditures on roads and bridges, and (3) any other moneys which may become available to the county for such purpose. From this fund, each municipality located in the county is entitled to receive an amount equal to 50% of the Property Tax Revenue accruing to the fund from the levy on all taxable property within the municipality's boundaries or, in lieu thereof, and only by agreement of the county and the municipality, the equivalent of such amount in the value of materials furnished or work performed by the county on roads and streets within the municipality. Centennial has not agreed to accept materials and work on roads and streets from Arapahoe County for 2002, so the City will receive money from the fund instead. Under C.R.S. § 43-2-202(4), "all moneys received by a municipality from the county road and bridge fund shall be credited to an appropriate fund and shall be used by such municipality only for construction and maintenance of roads and streets located within its corporate boundaries."

For the 2001 road and bridge property tax payable in 2002, Arapahoe County has established a property tax rate (mil levy) of .0904 mils. The latest information from the Arapahoe County Assessor is that the taxable assessed valuation for the City of Centennial is \$1,449,833,510. The .0904 mill levy applied to that assessed value will produce a tax of \$1,310,649. The City's share of this amount is 50%, or \$655,325. Assuming that about 1/5% of this amount will not be collectible in the year 2002 (because of refunds and abatements), the amount that will be collected by the County and paid to the City is estimated at \$654,119.

Based on the payment schedule described above, the City can expect to receive 15% of this revenue, or about \$98,118, on or about April 15, 2002; 60% of this revenue, or about \$392,471, on or about July 15, 2002; another 15% of this revenue, or about \$98,118, on or about October 15, 2002; and the last 10% of this revenue, or about \$65,412, on or about January 15, 2003.

**2002 BUDGETED REVENUES: \$654,119**

## **LAND USE REVENUES**

**Distribution:** Land Use Enterprise Fund (100%)

**Source:** Fees paid by applicants for land use approvals (zoning, development plans, etc.), building permits, building inspections and other land use services; contractor license fees; and allocation of \$50,000 in building materials use tax from the general fund

**Collection:** The City will collect the fees described above from applicants for land use approvals, building permits, building inspections, other land use services, and contractor licenses at the time of the application for the approval or license. The City will collect the estimated amount of the building materials use tax from applicants for building permits at the time of the application, subject to subsequent adjustment after the building materials have been purchased.

**Background:** The land use services for the City include all of the functions necessary to regulate the use of land within the City (the "Land Use Services"). Typically, these services are classified into three main areas: planning, zoning, and building.

The primary feature of the planning function is the review and processing of land use applications (rezonings, preliminary and final development plans, subdivisions, vacations).

The primary feature of the zoning function is the administration and enforcement of the City's zoning regulations.

The primary feature of the building function is the administration and enforcement of the City's building, electrical, plumbing and other codes. This function includes the issuance of building permits and certificates of occupancy.

One feature of the land use regulation process that differs from many other City service functions is that the process is fee-based - in other words, many of the "users" or "consumers" (land use applicants) must pay a fee to the City in return for receiving the services. These fees include building permit application fees, building inspection fees, and other land use application fees. In 2001, the City adopted the same fee schedule for all of the Land Use Services that is currently in place in Arapahoe County. Under an agreement with the City, Arapahoe County is collecting and retaining all of the fees paid pursuant to that schedule. From and after February 8, 2002, however, the City will have the right to collect a portion of those fees, and after August 7, 2002, the City will have the right to collect all of those fees. Therefore land use revenues are an element of the City's budget for 2002.

The philosophy under which the City is operating is that to the maximum extent possible, the Land Use Services should "pay their own way", meaning that the revenues from these services should offset all of the cost of providing the Land Use Services. The only exception to this philosophy is the cost of litigating zoning enforcement actions, which will be paid from the City's general fund.

Based on the foregoing, the conclusion of the Committee is that the City will receive \$2,688,125 in land use revenues during the period February 8, 2002, through December 31, 2002, in roughly equal increments monthly during that period. These revenues will consist of (1) \$1,824,375 in land development fees (planning and zoning applications), (2) \$93,750 in contractor license fees, (3) \$710,000 in building service fees (building permit and inspection fees), (4) \$10,000 in miscellaneous revenue, and (5) \$50,000 in the form of use tax receipts that are allocated to the land use budget. This revenue budget is based on the following assumptions:

1. Prior to February 8, 2002, the City will increase the fees for Land Use Services substantially, and generally in accordance with the fee schedule proposed by the City's contract provider of Land Use Services for 2002, URS/BRW, Inc., which is now under consideration by City Council. The City believes that land use applicants will be prepared to pay the increased fees if the Land Use Services are performed in a highly efficient and timely manner.

2. Prior to February 8, 2002, the City will adopt a licensing program for contractors that imposes a license fee for contractors doing business in the City, at a level that will be sufficient to produce the revenue budgeted.

3. During 2002, the City will allocate (transfer) \$50,000 of the receipts from its building materials use tax to the land use revenue budget.

4. The number of land use and building permit applications filed in the City in 2002 will be approximately 75% of the number of such applications filed in the City in the year 2000. If adverse economic circumstances, such as a recession in the local economy, occur during 2002, the number of applications could be lower than that number, because in the year 2000, the local economy and in particular the construction industry was very strong. A lower number of applications will mean lower revenue to the City.

**2002 BUDGETED REVENUES: \$2,688,125**

## **SPECIFIC OWNERSHIP TAX**

**Distribution:** General Fund 100%

**Source:** Residents and businesses of Centennial

**Collection:**

The State of Colorado establishes the statutory authority for collecting auto ownership tax (C.R.S. 42-3-107(23) & 42-3-107(7)). Car owners pay auto ownership tax upon registration of the vehicle and annually thereafter to Arapahoe County, which acts as collection agent for the State. The amount of tax is based on the value of the vehicle. Arapahoe County distributes the tax and assesses a 5% processing fee from each distribution accordingly.

**Background:**

Centennial's Specific Ownership tax revenue is based on expected revenue which is determined by the levy certified against the Assessed Property Value. After the certification of levies, a tax warrant roll is created and from that percentage the Specific Ownership Tax is determined for each taxing entity.

**2002 BUDGETED REVENUES: \$800,000 - \$8,000 (1% processing fee) = \$792,000**

## **LICENSES & FEES FOR SERVICE**

**Distribution:** General Fund

**Source:** Various non-land use licenses, permits and fees

**Collection:** Each fee has or will have separate collection procedures.

### **Background:**

The October 11th budget projected \$1,785,000 licenses and fees for services based upon the Centennial incorporation pro forma. Subsequently the Financial Services & Budget Committee learned very few such revenues were likely.

Two such sources related to public works services are street cut permits and sign sales. Activities that involve cutting a city street require a permit to assure satisfactory repair of the street and regulate the traffic impacts of such cuts. Most cuts are related to utility work. Street name and traffic control signs are sold primarily to developers of new subdivisions. Arapahoe County Development Services & Infrastructure Management estimates 2002 revenue of \$91,600 from street cut permits and \$10,000 from sign sales.

The City Council has considered several approaches to business licenses. The licensing objectives include promoting compliance with the City's sales tax, tracking all businesses in the community, licensing itinerant vendors to minimize unscrupulous activities and to insure such vendors are in compliance with tax, land use and other regulations. This will also help create a level playing field for permanent Centennial businesses.

A tentative business-licensing proposal is anticipated in this budget. It is based upon approximately 6,400 sales tax license addresses in the Colorado Department of Revenue database. A revenue estimate of \$320,000 is based upon a \$50 fee for a five year license.

**2002 BUDGETED REVENUES: \$ 421,600**

**Postscript:** Approximately ten days after City Council's December 13th adoption of this budget it became apparent most of the addresses in the Department of Revenues database relate to firms physically located outside the City but delivering goods into Centennial. Centennial has a use tax only on construction and building materials. Firms physically located in Centennial appear to number approximately 2,400 which will produce only 38% of the anticipated revenue. In addition the City Council has discussed an annual,

rather than five-year, licensing program with a lower fee. This matter is still under consideration.

## **INTEREST INCOME**

**Distribution:** All Funds on a pro rata basis to cash and investment balances held

**Source:** Interest and investment income from investments made by the City

**Collection:**

The City Treasurer recommends investment vehicles to the Council who then authorize the Treasurer to act per their direction.

**Background:**

Money Balances in the several funds will be invested in appropriate term safe securities. Amounts of earnings will be projected based on budgeted revenues, expenditures, their timing and financial conditions.

The current state of the US economy has led to an unprecedented series of interest rate reductions. Rates are at historical lows, and it is possible that little or no interest may be earned by the city in 2002.

**2002 BUDGETED REVENUES: \$30,000**

**CITY OF CENTENNIAL  
2002 BUDGETED EXPENSES**

**CITY OF CENTENNIAL  
LAW ENFORCEMENT – 2002 BUDGET  
DESCRIPTION OF SERVICES & EXPENSES**

**Overview**

Law Enforcement Services for the City of Centennial have always been envisioned as a contract service rather than a service created from scratch. This makes a great deal of sense based on the enormously complex structure required for a law enforcement department and the amount of capital equipment and human resources that would be required.

Contracting these services from the Arapahoe County Sheriff's Department is anticipated and makes a great deal of sense since this agency has 136 years of experience in the area that makes up the City of Centennial. They know the history, have created the relationships and currently patrol the streets and neighborhoods in Centennial.

Contracting with the Arapahoe County Sheriff's Department also allows us to take advantage of the economies of scale, logistic positioning and human capital that already exist within the department.

The short-term strategy for initiating these services is now being negotiated with County through an extension of the current IGA. It is hoped that we can have an IGA for the Sheriff's Department within the IGA for the County. This allows us to separate the services for the Sheriff's Department from other services at the County that might be shorter term. No RFQ/RFP process will be required at this time based on the anticipated successful completion of an extension of the IGA.

The long-term strategy will be based on the procedures set up by the City for all contract services. A longer term will be considered for the law enforcement services contract with annual renewal based upon available fund appropriations.

The Law Enforcement Services contract oversight function should be handled internally through the City Services Coordinator, with enough flexibility given to the department to act and react to situations as the need arises to protect the community.

Performance measurements will be set in place based on the agency maintaining an accreditation through the Commission on Accreditation for Law Enforcement Agencies (CALEA). The Arapahoe County Sheriff's Department currently holds this accreditation as well as two other accreditations.

All budget estimates presented were provided through Undersheriff Grayson Robinson, Captain Robert Lauderdale of Administrative Services, Charlie Robinson from ACSO Budget and Logistics and the ACSO Citizen Transition Team.

## DESCRIPTION OF SPECIFIC SERVICES

### Administration Division

The Administration Division is directly responsible for **Human Resources**, Fiscal Management, **Professional Standards** and Emergency Management

The Sheriff's Office is very committed to accreditation. The Office of Professional Standards ensures that the Sheriff's Office maintains current accreditation status. On June 21, 1993 the agency received one of the first National Sheriff's Association Triple Crown Awards. This award is given for achieving simultaneous accreditation from the American Correctional Association (ACA), and the National Commission for Correctional Healthcare (NCCHC) and the Commission on Accreditation for Law Enforcement Agencies (CALEA).

Note-Bold indicates direct costs to Centennial

**Administrative Division Budget (Full Year) - \$451,208. 3.5% of the LES Budget**

### Administrative Services Division

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The Administrative Services Division provides a variety of support to all Divisions of the Arapahoe County Sheriff's Office. This Division encompasses those functions of the Civil and Warrants Section, the **Records Section**, **Communications Section**, the **Information Management Section**, and the **Training**, Research and Development Section.

The Administrative Services Division is responsible for the services that include answering both emergency and non-emergency calls from citizens needing assistance; dispatching patrol deputies; collecting, recording and storing reports; processing civil and criminal paperwork; actively seeking wanted individuals; training all members of the agency; and coordinating all the telecommunications needs of the agency to include computer hardware and software.

Note-Bold indicates direct costs to Centennial

**Administrative Services Division Budget (Full Year) - \$2,031,551. 15.8% of the LES Budget**

### Investigation Division

The **Investigations Section** is commitment to Community Oriented Investigations. Investigators are assigned to a particular area or district and handle all types of cases. The cases vary from criminal mischief to homicide. There are

investigators who specialize in certain crimes such as child abuse, sex crimes, juvenile crimes, fraud, computer crimes and auto theft.

The Investigation Section is also involved with federal task forces that are located in the metro area. These task forces investigate narcotics violations and trafficking. We have an investigator assigned to each of the Metro Gang Task Force, the Front Range Drug Task Force and the South Metro Drug Task Force.

**The Crime Lab** consists of six senior laboratory technicians, one lab assistant and one sergeant, who are all highly trained and educated. The Crime Lab is responsible for crime scene processing, the collection and processing of evidence, document examination, laboratory analysis and film developing.

Additional sections within the Investigative Division are the Evidence Section, the Special Investigation Section, Crime Analysis Unit, the Victim Assistance Program, Bomb Squad, and the Environmental Crimes Unit.  
Note-Bold indicates direct costs to Centennial

**Investigation Division Budget (Full Year) - \$2,497,472. 19.1% of the LES Budget**

## **Patrol Division**

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**Patrol and Traffic Section** will provide law enforcement services to the residents of Centennial twenty-four hours per day, 365 days a year. There will be 78 street patrol deputies assigned to Centennial and an additional 5 traffic deputies concentrating on traffic patrol and accident investigations. The patrol will operate in organized in districts within the city.

Patrol division deputies will continue to refine and apply the principles of community policing by providing both proactive and reactive responses to our citizens. As part of their duties, patrol deputies gather information from the community during the course of their shift and this information is then passed on to other sections, task forces, or teams.

A recent survey conducted of Centennial residents indicated that one of their top concerns was extremely high traffic volume and the increasing number of traffic violators. Traffic unit members were selected and assigned Kawasaki 1000 police motorcycles. They also have unmarked Chevrolet Lumina available when inclement weather occurs. The locations selected for our traffic enforcement efforts are derived from a variety of sources. The primary source of feedback is provided from citizens who call into our Traffic Complain hotline.

**The Special Response Unit** is a team of specially trained deputies who are trained to handle events or circumstances outside of the normal scope of calls handled by the district deputies.

**The School Resource Officers** are assigned to a variety of schools in the city on both a full and part-time basis during the majority of their workday and also accommodate service requests from the community. They initiate criminal complaints, follow up investigations, traffic enforcement, and problem solving with the community and schools. They also attend school functions and events and monitor such programs as Crime Stoppers.

Additional sections within the Patrol Division are the Community Resource Unit, the Sheriff's Posse, Law Enforcement Explorers, the Patrol Impact Team and the Business Resource Officer.

**Patrol Division Budget (Full Year) - \$7,750,505. 61.2% of the LES Budget**

**TOTAL 2002 BUDGETED EXPENSES: \$11,800,077**

**CITY OF CENTENNIAL  
PUBLIC WORKS – 2002 BUDGET  
DESCRIPTION OF SERVICES & EXPENSES**

**Overview**

The Public Works services for the city of Centennial are the backbone of the municipal infrastructure. Some services, such as road construction and maintenance, are very visible types of public works. Other services, such as storm water management and water quality control, are nearly invisible. Public works generally includes street construction and maintenance, both short-term projects such as patching potholes, and long-term projects, such as the design and planning of transportation corridors.

In addition to roads, public works also involves maintaining the storm water runoff systems within the City.<sup>2</sup> Typically, these types of facilities are culverts, ditches, and large underground pipes that require constant inspection and maintenance. These facilities are designed to ensure that storms do not result in floods that cause property damage and personal injuries to citizens.

As of February 8, 2002, Centennial will be responsible for most of the highways and all of the streets within its borders.<sup>3</sup> After that date, it is anticipated that Arapahoe County will continue to provide public works to the citizens of the city through an intergovernmental agreement ("IGA"). The IGA, which is currently being negotiated, will extend the services through the county until at least the fall of 2003.

The Public Works Committee ("Committee")<sup>4</sup> believes that Centennial should strive to provide the best public works services at the best value. However, Centennial should not bid out services before thoroughly understanding the public works needs of the city. The Committee believes that Centennial will not understand the public works needs of its citizens enough to bid out the services to the private market for at least another two years. In the interim, the Committee recommends hiring a Public Works Coordinator<sup>5</sup> to oversee the IGA wherein the county continues to provide these services

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<sup>2</sup> This function does not include the provision of water to residents of the city, nor the construction/maintenance of sewer lines. Those functions are provided to citizens by separate sanitary districts, which are governed by elected bodies that receive revenue through property taxes or fees for services.

<sup>3</sup>The State Highways within Centennial are I-25, University Boulevard, Arapahoe Road from I-25 east to Parker Road, and Parker Road. County Line Road is now a state highway, but will revert to Douglas County and Centennial after it is improved. County Line Road from Colorado Boulevard to Pennsylvania Avenue is maintained by Douglas County, but Centennial will have to share the cost of any future improvements.

<sup>4</sup>Please see Exhibit C for a list of the Public Works Committee Members and Advisors.

<sup>5</sup>The salary estimate for the Public Works Coordinator was derived from the Colorado Municipal League's 2001 Management Compensation Report. The estimate is based upon the salaries of Public Works Directors of Arvada, Boulder, Lakewood, Pueblo, Thornton and Westminster (cities with population totals similar to Centennial). Note that the salary estimate excludes employee benefits. See Exhibit A-2.

and learn as much as possible about Centennial's public works requirements to prepare for bidding out services to the private market. The Committee intends to draft and disseminate an RFP for this position later this year.

All budget estimates presented were provided by Arapahoe County through: Dave Schmidt, Director of Development Services/ Infrastructure Management; Brian Weimer, Capital Improvement Program Manager; and, Shannon Carter, County Projects Director. All estimates are in 2002 dollars, using a 4% annual inflation factor. The Public Works budget is comprised of the Operating Budget and the Capital Improvement Program Budget.

The Operating Budget is presented in Exhibit A of this document. The estimates are based on a partial 2002 year, since the services are scheduled to begin on February 8, 2002.<sup>6</sup> Overhead costs are included in these figures.

The Capital Improvement Program (CIP) Budget and Synopsis are presented in Exhibit B of this document. The moneys expected to be contributed by other jurisdictions to some of Centennial's road and drainage projects are listed in the synopsis.<sup>7</sup>

This revised budget reflects a cut of \$637,600 or around a 4.2% reduction. The operating budget was cut by \$325,600 by delaying certain professional services<sup>8</sup> and moving back the starting date of Centennial's public works director.<sup>9</sup> A cut of \$312,000 was made to the Capital Improvement Program budget by reducing the intersection signalization line item.<sup>10</sup>

This budget reduction should not decrease current level of road maintenance services received by our citizens. No federal matching monies were lost in this budget revision. In order to make a 6% cut in the original Public Works budget, it would need to be reduced by \$913,621. This revised budget cut \$637,600. The Committee did not cut an additional \$276,021 because such a reduction would likely reduce the current level of service or result in the loss of a major CIP project.

Since the submission of the original budget, Centennial has learned it will be receiving additional HUTF revenue in 2002. The Arapahoe Board of County

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<sup>6</sup>The costs associated with professional services have not been discounted for a partial year, because most of this work is done by sub-contractors. See Exhibit A-1. The discount rate of 10.7% has been applied to all other services.

<sup>7</sup>Exhibit B-1 contains the CIP Budget Synopsis. Other sources of revenue, such as the Highway User Tax Fund (HUTF) and Road Shareback moneys, are not included in this document.

<sup>8</sup>The professional services of pavement evaluation, bridge evaluations, new sidewalk design and the design of the Colorado/Dry Creek intersection were delayed. See Exhibit A-1.

<sup>9</sup>The hiring date of the Public Works Coordinator was pushed back to July, 2002. This reduced the salary figure by \$40,500.

<sup>10</sup>The budget for installing new traffic signals was cut from \$500,000 to \$200,000. An additional cost savings of \$12,000 was realized due to the 4% inflation factor on the \$300,000 cut.

Commissioners has informally decided to share the county's HUTF monies with Centennial for the first four months of 2002. It is estimated that this share will be around \$583,000 and may be used as a credit for the road work if Council so elects and the BOCC formally decides to share these monies.

A revenue loss of \$105,881 has also been realized. Arapahoe County is reducing the amount of its mil levy dedicated to Road and Bridge. As a result, Arapahoe County will have less HUTF funds to share with the cities within its boundaries. Centennial was expecting to receive \$760,000 in a Road and Bridge Shareback in 2002. With the mil levy change, the city will most likely receive approximately \$654,119 in the Road and Bridge Shareback dollars. The net revenue gain for the Public Works budget is \$477,119.

Arapahoe County intends to charge Centennial a cost for administering the Public Works contract.<sup>11</sup> This amount has not yet been determined. If the net revenue gain, mentioned above, is applied to the \$276,021 left to cut to meet the 6% goal, the Public Works budget still has just over \$200,000 in surplus. The Committee does not expect that any additional charge for contract administration would exceed \$200,000.

#### **Explanation of projects and costs:**

The following synopsis describes each of the Centennial capital projects planned for 2002. Where other jurisdictions are expected to contribute financially to a project, that amount is noted. If it is possible for another jurisdiction to contribute to a project, the Committee plans to approach that jurisdiction when this budget is finalized. Projects scheduled for 2003 are also noted, as well as unfunded projects.

#### **Centennial 2002 CIP projects:**

##### **Arapahoe Road Reconstruction (Colorado-Holly)** \$511,000

This reconstruction project is scheduled to receive federal funds totaling \$2,044,000 and the funds will begin to be available on October 1, 2001.

There may be enough federal money left over from this project to include a design of the Colorado/Arapahoe intersection in 2002. This intersection is near Newton Middle School and is in need of expansion.

If the project is delayed, the federal funding will most likely be lost. Bryan Weimer stated that in rare instances an agreement can be worked out with another jurisdiction, but the timing usually makes this impossible.

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<sup>11</sup>The Committee expects that this cost would reflect a portion of Shannon Carter's and/or Dave Schmit's salary. It may also include a legal services component.

**Arapahoe/University Intersection Improvements**  
\$1,112,000

Federal funding for this project totals \$4,094,000 and the funds will begin to be available on October 1, 2001. Arapahoe County is currently doing the design of this project and construction is scheduled to begin in 2002.

It is interesting to note that although University is a state highway, the state is only contributing \$350,000 to this project. Bryan Weimer said it is very difficult to get the state to contribute money for non-expressway projects.

**Cherry Crest West Storm Drainage Improvement**  
\$325,000

Homes in this subdivision just west of University and south of Orchard are flooded during heavy rains. Arapahoe County is designing this project this year.

This project has \$325,000 of Urban Drainage matching funds available. Greenwood Village annexed homes in the northern half of this neighborhood in 1998 and may be willing to contribute to the cost.

**Arapahoe Road Widening (Waco-Himalaya)**  
\$700,000

This project is currently in the design phase. Arapahoe County has agreed to pay the cost of completing any phase of a road project that was started in 2001. The IGA contains this agreement and it applies even if the work of completing the phase extends past the IGA expiration date of February 8, 2002. Therefore, Arapahoe County will pay the cost of completing the design phase of this project. The city of Aurora has declined to participate in this project.

This project connects two segments of Arapahoe Road that have already been widened (Parker to Waco and Liverpool to Himalaya). The costs estimated in 2002 include right of way acquisition and utility relocation. Since the utility lines along the portions of Arapahoe already widened have been buried, it is assumed the lines along this stretch will also be buried. The estimates for these costs will be more accurate by the end of the year. The construction phase is expected to cost \$1.5 million and is scheduled for 2003.

The Regional Transportation Improvement District for this area is expected to pay \$1.8 million toward this project. This district covers the area east of Parker Road and is funded by a \$1,000 fee assessed for each new home built within its boundaries. Bryan Weimer estimates that the district held \$1.6 million as of June, 2001. Each month, the District receives about \$60,000. It is expected that the district will have more than \$1.8 million by next year. The Arapahoe County Board of County Commissioners knows that Centennial plans to spend this money out of the District's fund on this project. However,

future expenditures from this fund need to be negotiated with Arapahoe County. The District is funded by new housing, most of which is taking place in unincorporated Arapahoe County east of I-25, not in Centennial.

Arapahoe County plans to apply for federal funds for this Centennial project. The Denver Regional Council of Governments (DRCOG) distributes approximately \$15 million of federal moneys to municipalities in the metro area each year through the Transportation Improvement Program (TIP). Each project vying for federal money is assigned a number of points based on certain criteria. This project may gain points because it connects two already-widened segments and it is multi-jurisdictional. Also, it may receive a good score because of a favorable cost-benefit analysis.

However, DRCOG recently established a rule that projects already built would not be eligible for TIP money. Bryan Weimer plans to send a letter to DRCOG protesting DRCOG's decision to discontinue issuing reimbursements. The next application period for TIP projects is in November. If Centennial applied to receive federal moneys and was approved, the earliest the city could expect to receive a payment would be in 2005. Even if DRCOG allowed a reimbursement, only a portion of the cost would be likely to be reimbursed.

#### **Remedial Drainage**

\$155,000

This line item covers the cost of constructing minor new drainage structures.

#### **Piney Creek Ranches Storm Sewer Main Line**

\$100,000

This subdivision was built over 20 years ago and is north of Arapahoe Road, east of Parker. Piney Creek is a constant stream that divides the subdivision. The residents of about 24 homes must drive over Piney Creek for access. Three to four times per year, the creek floods and prevents vehicles from getting in or out for about 5 hours. The concern is that emergency vehicle could not access those homes during the period of flooding.

A new subdivision, Sienna, is being constructed just north of the 24 homes with the flooding problem. This new subdivision is in unincorporated Arapahoe County. A space (approximately 80 feet) has been left between the homes that currently has gravel and ends adjacent to the backyard of one of the Piney Creek residents. It is assumed that the space will be part of some sort of trail. It would be possible to access the 24 Piney Creek Ranch homes via this "trail" and through the backyard of one resident. The county staff is currently exploring the possibility of acquiring an easement through Sienna and

the Piney Creek backyard to gain emergency vehicle access in a time of flooding. Any such access would need to be approved by the fire department. It is estimated that an easement would cost about \$100,000.

Building a box culvert would cost about \$600,000 (excluding ROW acquisition). The county is currently designing a bridge that would withstand a "100 year" storm. Since the flooding has been a problem for at least five years, perhaps the county would be willing to contribute to the cost of building this structure.

The county staff proposed a \$270,000 line item for 2002 that would pay for a lesser structure that would not be as expensive, but it would only be a temporary solution. The Committee is not in favor of building a lesser structure, because it seems like "throwing good money after bad." If Centennial is going to build a bridge, it should build one that will withstand a "100 year flood."

This projects raises the question of whether Centennial is going to fund projects that protect human life or ones that merely enhance property values. Certainly, the inability of emergency vehicles to reach homeowners during a flood is a matter of public safety. In this case, this problem may be resolved through the acquisition of an easement to the north of Piney Creek Ranches. Building a \$600,000 bridge is a project that would mainly protect the property values of the 24 homes stranded during a flood. Should the cost of such a project be born by the homeowner's receiving the benefit, rather than every taxpayer in the city? The Committee recommends that the city council address this question. In the meantime, the county staff is working on obtaining an easement to the north for emergency access during a flood.

### **Intersection Signalizations**

\$200,000

This expenditure represents the costs associated with the construction and installation of traffic signals at intersections that warrant a light. Several signals within Centennial have met the traffic study warrants and are awaiting design and construction. These include:

Holly/Shopping Center (between Dry Creek and County Line)

Smoky Hill/Kirk Signal

Peakview/Syracuse Signal

Arapahoe/Clarkson Signal

Other signals will be added to this list as more intersections meet the requirements. When the design work is complete, the staff and Committee should use the warrant studies to determine the priority of signal installations.

The construction and installation of each signal costs about \$160,000 to \$200,000. Design costs are included in the Professional Services line item in the Operating Budget. Developers and fees from districts may pay part of the costs for signal installation, depending on the location of the intersection.

This line item is \$300,000 less than the original budget. However, the effect of this cut should be minimal. Bryan Weimer has stated that the operating budget probably includes about \$300,000 that may be used for signal installation.

**Obligation Transferred:** Havana/Peakview Intersection \$400,000

Under a SIA to be signed by AutoNation, the car dealership will pay the total cost of this improvement and for the extension of Peakview Ave. Centennial no longer has any funding obligations for this project.

**TOTAL \*2002 BUDGETED EXPENSES: \$14,694,920**

(\*NOTE: Calculations are based on a 10.9 month calendar year commencing February 8, 2002)

### **FUTURE CIP Projects:**

#### **2003 Budget:**

**Colorado Blvd. Widening** (County Line to Dry Creek)  
\$200,000 (Design Phase)

The design phase of this project has been re-scheduled for 2003. The design was originally scheduled for 2001, but \$200,000 was deferred so that Arapahoe County could give Centennial money for operating expenses. No federal funds are available for this project and contributions from other jurisdictions is unlikely. If this portion of Colorado is not re-constructed in the next three to four years, it will need to have rehabilitation work done.

This project's construction date has been moved to 2004 and is estimated to cost \$600,000. It can be constructed in two phases. The first phase, which would be paid for

by this line item, would include the northern part of Colorado between the Links entrance and Dry Creek. Additional turn lanes would be added to the Colorado/Dry Creek intersection. This segment would not incur much expense for right of way acquisition. The second phase (which is not funded at this time) could include the southern segment of Colorado. This segment would require moving retaining walls and a golf tee box that belongs to South Suburban. It is estimated that the second phase would be the more expensive of the two.

The Committee is concerned with the effect this project may have on traffic flow. By widening this short stretch of Colorado Blvd., the traffic flow on all of Colorado Blvd. may increase, meaning citizens in Cherry Knolls, Nob Hill, Ridgeview Hills North and others, will have an even harder time driving out of their neighborhoods onto Colorado. However, the design phase of this project can study the impact this improvement will have on traffic flow. This study should address the Committee's concerns before any money is spent on construction.

**Southwood Storm Water Improvement**

\$300,000

This project is south of Orchard and between Clarkson and Big Dry Creek.

**Piney Creek Storm Water Improvement (Parker-Buckley)**

\$325,000

Arapahoe County is working with Richmond Homes to contribute to this stabilization project.

**Little Creek Phase II Storm Water Improvement**

\$100,000

This stabilization project would be just east of Broadway and south of Arapahoe.

**Contribution to SE Corridor**

\$400,000

This amount assumes that Centennial will enter into the light rail IGA. The draft IGA indicates that Centennial's contribution will be \$1.5 million payable in seven years. Note that NO FUNDS HAVE BEEN ALLOCATED FOR 2002. Since the city's contribution is still being negotiated, we may need to adjust this figure.

**Bronco Parkway/Cherry Creek**

\$1,870,000

This major project will be a southern parallel to Arapahoe Road and

connect to Parker Road. Because it will be a reliever road for the traffic on Parker Road, it may be possible to ask the city of Parker to contribute to the cost.

The project is being designed now by Arapahoe County and the total construction cost is expected to reach \$7.5 million. The bridge has been approved to be 600 feet long. This has resulted in a cost savings of \$2 million for the entire project, which saved Centennial \$505,000. There is a slim likelihood of getting federal funding.

Arapahoe County and the Parker/Jordan Metro District and the Dove Valley Metro District have entered into an agreement splitting the cost of this project. The county is to pay half the cost and the districts are to pay the remainder. However, the county is now asking Centennial to pay 25% of the total construction cost in 2003.

### **Unfunded:**

#### **Arapahoe Road and Big Dry Creek**

No estimate

The bridge over Big Dry Creek east of University on Arapahoe will need to be replaced at some point. Bryan Weimer has included this in the TIP application process as part of the larger plan to increase Arapahoe Road to six lanes.

#### **Arapahoe/Holly Intersection**

\$5.5 million

The Arapahoe County staff have applied for federal money through the TIP process for this project in the past, and it scored very low. It is unlikely any federal funding would be available for this project. It is also unlikely that other jurisdictions would be willing to contribute.

#### **Arapahoe/Parker and I-25 Interchanges**

\$120 million (rough approximation)

Currently the Arapahoe County Board of Commissioners is talking with Congressional Representative Tom Tancredo and Senator Campbell to try to receive federal funding for these projects. The Committee recommends that the city council of Centennial be involved in these discussions.

The Arapahoe/Parker project is expected to cost \$60 million if it includes raised on and off ramps. Arapahoe Road from I-25 to Parker is a state highway. Aurora annexed the Arapahoe/Parker intersection and should be asked to contribute to the project. The city of Parker could also be asked to contribute to the Arapahoe/Parker interchange.

The city of Greenwood Village surrounds three-quarters of the Arapahoe/I-25 interchange and should be asked to contribute to its reconstruction. Although a light rail stop is planned to be added to the Arapahoe/I-25 interchange during T-REX, no intersection improvements are planned at this time. There is no official cost estimate at this time, but it is probably around the cost of constructing the Arapahoe/Parker interchange.

**Light Rail Pedestrian Walkway (Dry Creek and I-25)**  
\$600,000

This walkway would connect the light rail station to the East side of I-25. The cost of such a walkway has recently been estimated to be \$3.4 million. Arapahoe County will probably participate because this is a regionally significant project. Also, Arapahoe County has a signed agreement obligating ICG, a nearby telecommunications company, to pay \$800,000 toward the project. I believe that ICG has significant financial problems and I do not know how they may affect this agreement. Bryan Weimer is applying for federal money for this project through the TIP process.

**CITY OF CENTENNIAL  
LAND USE – 2002 BUDGET  
DESCRIPTION OF SERVICES & EXPENSES**

**Overview**

The Land Use services for the City of Centennial ("the City") include all of the functions necessary to regulate the use of land within the City (the "Land Use Services"). Typically, these services are classified into three main areas: planning, zoning, and building.

The primary feature of the planning function is the review and processing of land use applications (rezonings, preliminary and final development plans, subdivisions, vacations).

The primary feature of the zoning function is the administration and enforcement of the City's zoning regulations.

The primary feature of the building function is the administration and enforcement of the City's building, electrical, plumbing and other codes. This function includes the issuance of building permits and certificates of occupancy.

Detailed descriptions of each of these functions and their component elements are included in the "Scope of Services" section of the City's Request for Proposals for Land Use Services dated September 6, 2001, a copy of which is attached hereto as Exhibit A ("RFP").

The City assumed responsibility for its Land Use Services on May 8, 2001. Prior to that date, the City entered into an Intergovernmental Agreement with Arapahoe County ("the County") pursuant to which the County agreed to perform the Land Use Services for the period May 8, 2001, through February 8, 2002, in return for receipt of all land use fees and revenues associated with those services ("the IGA"). In addition, under the IGA the County retained the right, for the period from February 8, 2002, until August 7, 2002, to conduct building permit inspections, issue building permits and collect building permit fees for construction authorized by any City approval of a land use application that was granted prior to February 8, 2002.

In August of 2001, the City initiated a process to contract out the Land Use Services for the period commencing February 8, 2002. The first step in that process was a Request for Qualifications ("RFQ"). Five providers responded to the RFQ: Arapahoe County, Modus Management, URS/BRW, Inc., Colorado Inspection Agency, and P&D Consultants. The City determined that all five of these providers were qualified to submit a response to the RFP. The RFP was issued on September 6, 2001, with a response

deadline of October 1, 2001. Prior to the deadline, all five providers submitted a proposal in response to the RFP.

The City evaluated all of the responses to the RFP and chose three finalists for consideration: Arapahoe County, Modus Management and URS/BRW, Inc. After conducting extensive interviews with all three finalists and evaluating their proposals, the City Council, at its meeting on November 8, 2001, awarded the contract for Land Use Services to URS/BRW, Inc. Subsequently, the City negotiated a contract with URS/BRW, Inc. for those services; that contract was approved by the City Council at its meeting on January 17, 2002. In the course of those negotiations extensive discussion occurred about the proposed budget for Land Use Services, and URS/BRW, Inc. and the City reached agreement on budget figures for both revenues and expenses. These budget figures relate directly to the contract (i.e., payment to URS/BRW, Inc. under the contract is based upon work orders, which will include, for staff services, a base rate for the service with payment at a multiplier of that base rate, and the base rates for staff functions are reflected in the budget); the contract should be reviewed for a more complete and current understanding of that relationship.

## **BUDGET**

Attached hereto as Exhibit B is the City's budget for Land Use Services for 2002, with explanatory notes as follows.

### **A. Expenses**

The City has budgeted expenditures of \$2,688,125 for Land Use Services for the period January 1, 2002, through December 31, 2002. This amount consists of (1) \$1,821,500 for planning and zoning services, (2) \$639,000 for building services, (3) \$175,000 for special projects such as the creation of a new Comprehensive/Master Plan for the City, and (4) \$52,625 for contingency. The detail of these expenditures is shown on Exhibit B. Because URS/BRW, Inc. has agreed to defer the payment of its fees for the first three months of the contract period, these expenditures generally will commence in May of 2002. The deferred fees will be payable during the months of May through July of 2002, and thus expenses will be higher during that period (approximately double the "normal" monthly amount) than during the following months. The payments should be approximately equal during the remaining months of the year, subject to increases and decreases based on development activity.

In addition, and as a separate line item in the budget, the City has budgeted \$7,715 for Land Use Coordinator services for the period January 1, 2002, through February 8, 2002, after which date that position will be eliminated.

The expense budget is based on the following assumptions:

1. Administration and oversight of the contract for Land Use Services will be provided by the Committee, the City Council, the City Manager/City Services

Coordinator, and the City Attorney. Therefore the budget does not include funding for administration and oversight of the contract for Land Use Services by the City, because the funding for this function is included in other portions of the budget (City Council stipends, the contract cost of the City Manager/City Services Coordinator, and the legal services budget).

8. The Land Use Coordinator function currently being performed by Modus Management will be unnecessary after February 8, 2002, and therefore will be eliminated as of that date. February 8, 2002, is the date of expiration of the current contract between the City and Modus Management for the Land Use Coordinator services. For the period from January 1, 2002, through February 8, 2002, the City will pay Modus Management \$7,715 for its services under that contract.
3. Expenses for zoning enforcement litigation are included in the legal services portion of the budget, and therefore are not reflected in the expense figure listed above.
4. The number of land use and building permit applications filed in the City in 2002 will be approximately 75% of the number of such applications filed with the County in the year 2000 for projects that are now in the City. If adverse economic circumstances, such as a recession in the local economy, occur during 2002, the number of applications could be lower than that number, because in the year 2000, the local economy and in particular the construction industry was very strong. Under the City's contract with URS/BRW, Inc., a lower number of applications will mean a lower expense to the City, because the staffing for services can be reduced to reflect the lower demand.

## **B. Revenues**

One feature of the land use regulation process that differs from many other City service functions is that the process is fee-based - in other words, many of the "users" or "consumers" (land use applicants) must pay a fee to the City in return for receiving the services. These fees include building permit application fees, building inspection fees, and other land use application fees. In 2001, the City adopted the same fee schedule for all of the Land Use Services that is currently in place in the County. Under the IGA, the County is collecting and retaining all of the fees paid pursuant to that schedule, as described above. From and after February 8, 2002, however, the City will have the right to collect a portion of those fees, and after August 7, 2002, the City will have the right to collect all of those fees. Therefore land use revenues are an element of the City's budget.

The philosophy under which the City is operating is that to the maximum extent possible, the Land Use Services should "pay their own way", meaning that the revenues from these services should offset all of the cost of providing the Land Use Services. The only exception to this philosophy is the cost of litigating zoning enforcement actions, which will be paid from the City's general fund.

Based on the foregoing, the conclusion of the Committee is that the City will receive \$2,688,125 in land use revenues during the period February 8, 2002, through December 31, 2002, in roughly equal increments monthly during that period. These revenues will consist of (1) \$1,824,375 in land development fees (planning and zoning applications), (2) \$93,750 in contractor license fees, (3) \$710,000 in building service fees (building permit and inspection fees), (4) \$10,000 in miscellaneous revenue, and (5) \$50,000 in the form of use tax receipts that are allocated to the land use budget. The revenue budget is based on the following assumptions:

1. Prior to February 8, 2002, the City will increase the fees for Land Use Services substantially, and generally in accordance with the fee schedule proposed by URS/BRW, Inc. which is now under consideration by City Council. The City believes that land use applicants will be prepared to pay the increased fees if the Land Use Services are performed in a highly efficient and timely manner.
2. Prior to February 8, 2002, the City will adopt a licensing program for contractors that imposes a license fee for contractors doing business in the City, at a level that will be sufficient to produce the revenue budgeted.
3. During 2002, the City will allocate (transfer) \$50,000 of the receipts from its building materials use tax to the land use revenue budget.
9. The number of land use and building permit applications filed in the City in 2002 will be approximately 75% of the number of such applications filed in the City in the year 2000. If adverse economic circumstances, such as a recession in the local economy, occur during 2002, the number of applications could be lower than that number, because in the year 2000, the local economy and in particular the construction industry was very strong. A lower number of applications will mean lower revenue to the City.

**TOTAL 2002 BUDGETED EXPENSES: \$2,688,125**

**CITY OF CENTENNIAL  
ADMINISTRATIVE SERVICES – 2002 GENERAL GOVERNMENT BUDGET  
DESCRIPTON OF SERVICES & EXPENSES**

**Overview**

These staff positions will perform overall management, contracting, supervision, budgeting, finance, city clerk, administration and clerical support. These positions are expected to be direct employees of the City but may be contract employees as deemed appropriate. This budget includes only wages, related insurance and retirement benefits. Other costs of these positions, including travel, supplies, phones, memberships, mileage allowance, training and equipment, are in the operating expense budget.

The underlying philosophy is to keep employees to a minimum by contracting services and by combining functions where feasible. The employee positions anticipated here are defined in general terms to allow the City's future management maximum flexibility.

**Specific Expense Categories & Descriptions:**

The associated functions of accounting (\$24,000), auditing (\$8,000) and human resource administration (\$25,000), including payroll, are currently contracted out and are budgeted separately. Similarly, the municipal court budget for court administration (\$67,200) and records clerk services (\$23,100) and the public works budget for supervising engineer services (\$52,000) may be contracted out. If direct employees are considered for these services, consideration should be given to combining these with the professional staff or secretarial/support staff budgeted here.

The administrative staff is part of General Government costs. Other such budgeted costs include elected officials, legal services, municipal court, financial services, human resource services, elections, insurance, office space, furnishings, equipment, information technology & communications, legal publications and operating expenses. The combined total of these 2002 budgets is \$2,249,866.

The proposed administrative staff will be gradually employed as 2002 activity demands. The deputy city clerk and one of the secretarial/support positions are budgeted to begin the first of the year. The city manager position is budgeted to begin the fourth month with contracted city service coordinator services continuing through the first quarter. The other positions are budgeted for half to three-quarters of the year. However, the actual allocation and timing of the administrative staff budget will depend upon future management and policy judgments as well as the actual wage rates to be paid.

No revenues are projected for this budget account although there may be collections for copying, printing and similar services to customers.

**TOTAL 2002 BUDGETED EXPENSES:            \$1,172,726**

**CITY OF CENTENNIAL  
LEGAL SERVICES – 2002 GENERAL GOVERNMENT BUDGET  
DESCRIPTIONS OF SERVICES & EXPENSES**

**Overview**

The legal services for the City of Centennial ("the City") include all legal work necessary and/or appropriate (a) to enable the City to function within the requirements of law, (b) to enable the City to administer and enforce its ordinances and regulations, (c) to enable the City to create new ordinances and regulations that are legally enforceable, and (d) to ensure that all contracts for services are legally enforceable and properly protect the City's interests (collectively, the "Legal Services"). These services are essential to the functioning of the City.

The Legal Services will include the following types of legal work, with the most current estimated cost of service in 2002 provided by the current City Attorney, Bob Cole:

	<u>Estimate</u>
Contract Preparation	\$ 50,000
Elections (Charter)	30,000
Negotiate and Draft Services Agreements	50,000
Law Enforcement issues	8,000
Municipal Court (set up)	7,000
Liquor Authority	4,000
Public Works	28,000
Property and Facilities Acquisition and Disposal	60,000
Municipal Code Preparation	28,000
Council Meetings	45,000
Council Meeting Preparation	24,000
Budget and Financial Matters	14,000
Staff and Committee Meetings	42,000
Municipal Court Prosecutions	
(6/26/01 estimate: 20 hrs/wk for 26 weeks)	62,400
(12/06/01 estimate: 14 hrs/wk for 26 weeks)	46,300
Emergency Preparedness and Health	10,500
Advise Land Use Issues	40,000

Building and Fire Codes	10,500
Zoning Enforcement (12 cases)	100,000
Meetings with other Governments	28,000
Miscellaneous	50,000
	\$675,300

In addition, the City may require legal services for annexations, litigation other than zoning enforcement matters, employment issues (if the City hires employees), and municipal court set-up. Some of those services and their cost may be reflected in the miscellaneous line item above. The municipal court set-up cost was estimated by Bob Cole as \$7,000, and that figure should appear in the municipal court budget (it is not included in this budget proposal). The proposed budget accommodates the other types of services, however, as reflected in the miscellaneous category above and in the \$50,000 proposed below for payment to outside counsel for limited purposes, which probably would be litigation services.

The City assumed responsibility for its Legal Services on February 7, 2001. At that time, the City engaged Bob Cole and his firm, Collins, Cockrel & Cole, to act as City Attorney and to perform all Legal Services for the City, on an hourly fee basis. Prior to the incorporation of the City, Mr. Cole and his firm performed substantial legal work (approximately \$343,000 worth of services) for the Arapahoe Citizens for Self-Determination and the incorporation effort without receiving any compensation. Mr. Cole has advised the City Council that because the incorporation effort was successful, under state law the City now has a legal responsibility to pay for those services. Consequently, the City has included that amount as a separate line item in the 2002 budget, entitled "Incorporation expense". Thus it will not be addressed further in this narrative.

The City negotiated the engagement of Mr. Cole and his firm directly. The City did not invite other lawyers or law firms to make proposals to perform Legal Services for the City. To our knowledge, the City has not taken any action to study or pursue options for the provision of the Legal Services other than the engagement of Mr. Cole and, at the recommendation of Mr. Cole, the engagement of other firms on a very limited basis for specific litigation matters. As a result, at this time the City is not in the process of creating a Request for Proposals or any other system for competitive bidding on any portion of the Legal Services.

As described herein, for budget purposes the legal services subcommittee of the Financial Services and Budget Committee has undertaken an analysis of the cost of creating an in-house counsel function for the City. In the absence of specific direction from the City Council on this issue, the subcommittee did not want to presume the manner in which the Legal Services will be provided in 2002. Consequently, the proposed budget is designed to accommodate either a continuation of the relationship

with Mr. Cole, a competitive bidding process with outside firms for the Legal Services, or the creation of an in-house counsel function.

## **BUDGETING PROCESS & CONSIDERATIONS**

To develop a proposed budget, the Committee studied the Transition Team Pro Forma (updated in December of 2000), the cost estimates provided by Bob Cole for both 2001 and 2002, the actual billings from Bob Cole through October of 2001, the budget adopted by the City for 2001, the analysis prepared by citizen volunteers Bill Tanis, Mark Williams and Mike Yeonopolus of the cost of creating an in-house counsel system for the City (the "Tanis Report"), and information provided by the City of Lakewood about its contract for legal services with the law firm of Gorsuch, Kirgis. The Committee then evaluated all of this information to arrive at its figures for the proposed budget.

The information described above is as follows:

A. The Pro Forma estimated \$600,000 as the cost of legal services for the first full year of the City's operation, based on "budget analysis of similar cities". No explanation of this analysis was provided.

B. Mr. Cole's estimate of the cost of his legal services for 2001 (11 months), which was provided on February 21, 2001, was \$560,000, or approximately \$50,909 per month.

C. Through October of 2001, Mr. Cole's firm had actually billed the City a total of \$212,998, or an average of \$23,666 per month (approximately 46.5% of Mr. Cole's estimate) for legal services.

D. The budget adopted by the City for 2001 included a line item of \$354,330 for legal services, a figure that was based on (a) the fact that the payment of the legal services bill typically would occur in the second month after the services were performed, thereby enabling the City to budget only nine (9) months of payment instead of eleven (11), (b) the fact that Mr. Cole's bill for legal services for February 2001, which had been received at the time the budget was adopted, was \$26,312, and (c) the City's conclusion that the average monthly bill for legal services would be \$40,909 instead of \$50,909, based on the assumption that the City would incur expenses for these services at the rate of \$450,000 per year rather than \$560,000 per year.

E. Mr. Cole's revised estimate of the cost of his legal services for 2002, which was provided on December 6, 2001, was \$675,300.

F. The estimated first year cost of an in-house counsel function for the City, as set forth in the Tanis Report, was \$797,650. This figure contemplated the employment of six (6) attorneys, one (1) paralegal, and two (2) secretaries, and included the cost of the office facilities, technology, legal reference, insurance and supplies.

G. Lakewood contracts out virtually all of its legal services to the Gorsuch Kirgis firm, a large Denver law firm. The cost of Lakewood's legal services for the year 2000 was about \$1.6 million, and the cost for 1999 was about \$1.8 million. Lakewood has approximately the same population as Centennial.

The conclusion of the subcommittee is that the City will spend \$675,300 to provide Legal Services for the period January 1, 2002, through December 31, 2002, payable in approximately equal increments monthly during the entire year. This amount consists of (1) \$625,300 to be paid to the outside firm that performs the City Attorney function or for an in-house legal service function and (2) \$50,000 to be paid to other outside counsel engaged for limited purposes, such as specific litigation matters. The \$625,300 is \$50,000, or about 8%, less than Mr. Cole's estimate of the cost of his firm's services for 2002 (compared with actual experience for 2001 of the cost being more than 50% less than the estimate). The \$625,300 is about \$172,350, or about 21.6%, less than the estimate (including all support functions such as office facilities, insurance, etc.) in the Tanis Report for funding an in-house counsel function. Thus we believe that with an acceptable reduction in the scope of services, it could accommodate either method of providing the services. The City will need Legal Services for the entire year.

The proposed budget is based on the assumption that administration and oversight of the contract(s) for Legal Services will be provided by the City Council and the City Manager/City Services Coordinator and, in the case of outside counsel other than Bob Cole, by Mr. Cole. Therefore the proposed budget does not include funding for administration and oversight of the contract for Legal Services, because the funding for this function is included in other portions of the budget (City Council stipends, the contract cost of the City Manager/City Services Coordinator, and the legal services budget).

**TOTAL LEGAL SERVICES 2002 BUDGET: \$675,300**

**CITY OF CENTENNIAL  
INSURANCE SERVICES – 2002 GENERAL GOVERNMENT BUDGET  
DESCRIPTION OF SERVICES & EXPENSES**

**Overview**

Insurance coverage is a necessity for municipalities. Lawsuits are filed every day against cities. They range from claims that an uneven sidewalk caused a fall to allegations that a city snowplow hit a car. Some claims are genuine, while others are frivolous. Either way, a city must have attorneys spend time defending itself against legal actions. Insurance is an economical way for Centennial to handle inevitable lawsuits.

After the Centennial City Council took office, the Insurance Committee ("Committee") was formed to obtain coverage. The Committee soon learned that insurance providers use a municipality's past claims history to formulate price quotations. Since Centennial had no prior claims history, private excess liability carriers would not even propose to insure the new city.

The only viable option for Centennial was to obtain insurance through the Colorado Intergovernmental Risk Sharing Agency ("CIRSA"). This organization insures governmental entities in Colorado through an insurance pool. The city obtained property/casualty coverage and worker's compensation through CIRSA.<sup>12</sup> The city's elected officials received training on governmental liability and immunity.

Centennial has received preliminary quotes from CIRSA for 2002.<sup>13</sup> The numbers in this budget are based on the preliminary quotes. Final quotes may differ based on such factors as the number of CIRSA members for 2002 and the actual excess coverage obtained.<sup>14</sup>

All budget estimates were provided by CIRSA. The estimates in this revised version of the budget are \$23, 630.00 or 10.6% less than the numbers previously submitted. This reduction is due to a more accurate Centennial population assessment,<sup>15</sup> a lower figure for the cost of adding the Arapahoe County Sheriff's Office as an

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<sup>12</sup>The start date for the coverage was the day the City Council was sworn in, February 8, 2001. This policy expires on January 1, 2002.

<sup>13</sup>The renewed policy will run from January 1, 2002 through January 1, 2003. Because the city is so new, the Committee believes that no other entity will insure Centennial at a cost commensurate with CIRSA's rates.

<sup>14</sup>Centennial will be billed for its 2002 contribution on Jan. 1, 2002.

<sup>15</sup>The population figure previously given to CIRSA was 110,000 people. State Demographer Jim Wescott has stated that the more accurate figure for the population of Centennial is 100,755 people. This population change lowered the CIRSA property/casualty premium by \$16,486.00.

additional insured,<sup>16</sup> a lower estimate for worker's compensation insurance,<sup>17</sup> and a multi-pool incentive credit. In this budget, Centennial will be provided with property/casualty coverage, worker's compensation coverage and excess crime coverage.<sup>18</sup>

### **Specific coverages provided:**

#### **Property/Casualty**

CIRSA's preliminary quote for property/casualty insurance includes property and liability coverages.<sup>19</sup> The property coverage includes physical damage to automobiles. The liability coverage includes general liability, automotive liability, and public officials errors and omissions liability.

For the quote listed, Centennial must pay a deductible of \$2,500 per occurrence.<sup>20</sup> CIRSA will pay a maximum of \$250,000 per property damage claim. CIRSA will pay a maximum of \$1,000,000 per claim or occurrence of liability. In the case of a loss due to a crime, CIRSA will pay a maximum of \$150,000.<sup>21</sup>

#### **Adding Arapahoe County as an Additional Insured**

During the extended Intergovernmental Agreement ("IGA") negotiations, Arapahoe County asked that Centennial include the functions of the Arapahoe County Sheriff's Office and DSIM under their insurance policy. The Committee recommends

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<sup>16</sup>In the previous insurance budget, a figure of \$50,000 was given as the cost of adding the Arapahoe County Sheriff's Office as an additional insured. It was noted that that figure could increase or decrease by 15% based upon yet to be released payroll information. Undersheriff Grayson Robinson gave a payroll figure for all employees that will serve Centennial as \$8,534,489. CIRSA's quote was reduced by 8% to \$45, 893.00.

<sup>17</sup>Centennial has chosen a \$2,500.00 deductible for worker's compensation insurance. The previous worker's compensation estimate of \$2,243.00 was based on a \$500 deductible.

<sup>18</sup>CIRSA's Property/Casualty coverage includes Centennial-sponsored events like the Pancake Breakfast and Founder's Day celebrations. Therefore, additional coverage for events not sponsored by Centennial may not be necessary. This budget does not include the Special Events Coverage Option.

<sup>19</sup>Centennial receives a property/casualty multi-pool incentive credit of \$2,931.00 for 2002. The city has opted to apply this credit towards its 2002 Property/Casualty contribution. Since Centennial has had CIRSA coverage for less than a year, the city does not have any credit for its Loss Control Standards Audit Score. Next year, Centennial should receive some credit according to its audit score.

<sup>20</sup>The deductible for Centennial's 2001 CIRSA coverage was \$500 per occurrence, which meant that the city paid a higher premium.

<sup>21</sup>The Committee recommends that Centennial purchase Excess Crime Insurance.

that Centennial include Arapahoe County as an "additional insured" under its CIRSA policy to cover law enforcement and public works services done on behalf of the city.<sup>22</sup>

If Arapahoe County is an "additional insured" on Centennial's policy, CIRSA would cover property and casualty claims arising out of services rendered to the city by the Arapahoe County Sheriff's Office and DSIM.<sup>23</sup> The preliminary quote<sup>24</sup> is based on the value of the vehicles operated by the Arapahoe County Sheriff's Office<sup>25</sup> and the total payroll of the Sheriff's office.<sup>26</sup>

### **Worker's Compensation**

CIRSA's preliminary quote for worker's compensation insurance includes employer liability coverage.<sup>27</sup> CIRSA will pay a maximum of \$400,000 per claim. It is possible for Centennial to obtain worker's compensation coverage from another carrier.<sup>28</sup> However, no other carrier seemed able to match CIRSA's rates.

### **Excess Crime Coverage**

The Excess Crime Coverage Plan from CIRSA is optional. This plan includes employee dishonesty/faithful performance coverage, money and securities (loss Inside/Outside the Premises) coverage, forgery and alteration coverage. CIRSA will pay a maximum of \$2,000,000 per occurrence. The Committee recommends that Centennial purchase this excess coverage, since CIRSA's Property/Casualty coverage has a limit of \$150,000 per claim due to crime.

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<sup>22</sup>The current IGA, which expires on February 8, 2002, includes Arapahoe County as an additional insured.

<sup>23</sup>Under state law, Arapahoe County must provide all county employees with Worker's Compensation coverage.

<sup>24</sup>This revised quote is \$4,107.00 less than the previous budget.

<sup>25</sup>The value of the vehicles, \$800,000, was provided by Arapahoe County Facilities Director Bob Patterson.

<sup>26</sup>Arapahoe County Undersheriff Grayson Robinson estimated the total payroll of employees that will be serving Centennial to be \$8,534,489.00.

<sup>27</sup>Centennial receives a worker's compensation multi-pool incentive credit of \$20.00 for 2002. The city has opted to apply this credit towards its 2002 Worker's Compensation contribution. Since Centennial has had CIRSA coverage for less than a year, the city does not have any credit for its Loss Control Standards Audit Score. Next year, Centennial should receive some credit according to its audit score.

<sup>28</sup>A preliminary quote for worker's compensation coverage was obtained from the state-funded insurance carrier, Pinnocol. However, it was over \$3,000. Because Pinnocol receives governmental assistance, it may be able to undercut CIRSA's rate in the future.

**TOTAL 2002 BUDGETED EXPENSES: \$163,629.00**

**CITY OF CENTENNIAL  
ANIMAL CONTROL – 2002 GENERAL GOVERNMENT BUDGET  
DESCRIPTION OF SERVICES & EXPENSES**

**Overview**

Mission: To provide the highest level of service possible to the general public by maintaining an effective Animal Control Program through educating the community.

Description of duties: Capture and relocate/release nuisance wildlife, pick up and dispose of dead animals, educate the public concerning animal control laws and other information as it pertains to animals, impound/shelter animals, respond promptly to citizen complaints, enforce

Arapahoe County Animal Control Ordinances (Resolution 818-90) Copy Enclosed

Ms. Thompson relates the three major missions of enforcement of the county resolution relates to:

- a) running at large
- b) barking
- c) Licensing

In addition other services provided also include: Lending out animal traps for nuisance wildlife at no charge to residents for a period of seven days. Assist on small animal trapping (i.e. in window wells, fireplaces, but not in the chimney), capture and release of snakes ( only if they are confined, cannot hunt), hospitalize any sick pets (only after aggressively trying to locate owner) small budget amount to be paid to contracted with vetclinic for injured/sick emergent issues. Impound all stray animals (except cats) through utilization of contract lump sum with Colorado Humane Society, 2760 So. Platte River Drive East, Englewood, Colorado, current charges are \$48,000 per year. Note this was an increase from \$38,000 the past seven years. Arapahoe county does not have their own impound.

Other municipalities sharing in the use of the Colorado Humane Society Impound, are Englewood, Littleton, Sheridan, and possibly Cherry Hills Village. This service also includes the disposal service for dead animals, which are taken to the Colorado Humane Society. There is a charge to citizens for this service ranging from \$15- to \$100 depending upon weight of the dead animal, charged from the county.

Human resources assets include: Nine 9 employees by the County, including 1 one Supervisor, Ms. Thompson, Three 3 dispatchers, and Five 5 animal control officers. (Note the county is broken up into Quads (see-enclosed sheet). Areas where Animal control officers are working and responding to calls. The City of Centennial land area jurisdiction in Quads # 2,3,4,5,6,7,10 in total, and partial land area jurisdiction in Quads # 8,9,10,11, and none in Quads # 12 through 18.

This system of quads maximizes the efficiency of the patrolling animal control officers coordinated by the dispatchers on line. Note that three 3 animal control officers are on duty all the time 24 hours a day.

Wildlife pick up for big game is not the responsibility of the Animal Control Section, as these officers Do Not carry firearms. It must also be noted that Colorado Department of Wildlife are NOT readily available.

If emergency intervention is required for big game and firearm stunning or tranquilization, the Arapahoe County Sheriffs Office is notified after the injured animal is captured with the assistance of Animal Control, or Dept. of Wildlife.

### **Historical Cost Analysis:**

After meetings with Mr. Shannon Carter, and discussions with Mr. Patterson, and Ms. Thompson; further clarification in regards to the general overhead issues and charges to the city were itemized since the previous report. Additional Factors such as 2002 start date as of February 8<sup>th</sup> gave the city a reduction of 10.8% off the annual itemized costs. Also, the County is willing to reduce the total costs to the City by the retainment of the Offset Revenue Sources of Animal Licensure Revenue (not rabies), and Animal Control Fines = total estimate = \$25,000.00

### **General Overhead Direct Costs:**

-\$7501.00 charge to cover but Not pay directly Salary Workers Comp Overhead Expense.

-A percentage share of the fixed costs overhead with building rental \$56,000.00 and trash removal service \$9,200.00 and gas and electricity line item is \$25,240.00.

Grand Totalof these three line items= \$90.440.00

County wants to use 85% percentage (Note It is my belief that this should be around 75%, based on population percentage and not the previously measured call percentages since the population percentage is more fair and consistent with overhead costs.

Mr. Carter is negotiating with Mr. Patterson, on this point and seems to be in agreement that the 85% can be reduced to more accurately base on population percentages. For the year 2002, this figure will also be reduced 10.8% since the services calendar starts February 8<sup>th</sup>, 2002.

**Computation:**

Total individual calls assessed to Centennial at 85% of totals =	\$44,877
Routine Patrol Costs assessed to Centennial	\$156,740
Trap loan-out service	\$ 1,180
TOTAL=	\$202,797
LESS 10.8% START OF SERVICES Feb 8 <sup>th</sup>	-\$ 21,902
ADJUSTED TOTAL CALLS=	\$180,895
COUNTY KEEPS OFFSET REVENUES OF	\$25,000
WILL REDUCE COSTS OF CALLS	\$180,895
	<u>-\$ 25,000</u>
TOTAL NON OVERHEAD OPERATING COSTS:	\$155,895

Overhead Expenses: \$7,501 salary workers comp overhead (not paid directly to insurance)

\$90,440 total building rental, gas and electricity, trash

LESS 10.8% START OF SERVICES February 8<sup>th</sup> \$ 9,768 = \$80,672

PERCENTAGE OF CENTENNIAL @ 85% = \$68,571

(NOTE: This is currently being negotiated to a lower amount that is consistent with population percentage)

TOTAL ADJUSTED OVERHEAD EXPENSES \$7,501 + \$68,571= \$76,072

SUBTOTALS,	\$155,895
	<u>\$ 76,072</u>
GRAND TOTAL ANIMAL CONTROL =	\$231,967

(NOTE: If the offset costs were added back to the city the charges and costs would be a total of \$231,967 + \$25,000 = \$256,967, this is \$1533 less than the 6% budget reduction. Since we will let the county keep the offset revenue and bear the liability by reducing our costs by \$25,000; then the Costs are \$231,967, this is \$26,533 less than the 6% budget reduction.)

**TOTAL 2002 BUDGETED EXPENSES: \$231,967**

(\*NOTE: Calculations are based on a 10.9 month calendar year commencing February 8, 2002.)

**CITY OF CENTENNIAL  
MUNICIPAL COURT – 2002 GENERAL GOVERNMENT BUDGET  
DESCRIPTION OF SERVICES & EXPENSES**

**Overview**

Centennial citizens deserve to be served in an efficient and fair manner by their local court system. Establishing a municipal court is an important task for our new city. This new court is expected to be hearing cases by July of 2002. Centennial's municipal court will probably begin handling traffic tickets and other non-criminal offenses during weeknight or Saturday sessions.

Under state law, every city in Colorado must establish a municipal court. The Municipal Court Committee ("Committee") recommends that the Centennial establish its municipal court in two phases.

During Phase I, the court will handle non-criminal offenses, such as traffic violations. Phase I will probably begin in the summer of 2002. Until that time, the county court will continue to handle all traffic and zoning cases within the boundaries of Centennial. The municipal court will not handle criminal violations until Phase II. Because Phase II will require jail space and victim advocate services, it most likely will not begin for another two to three years.

The ordinances enforced in Phase I are expected to be those affecting citizens' quality of life. Issues such as barking dogs, parking and traffic will be addressed by these municipal ordinances.<sup>29</sup> Centennial has adopted Arapahoe County's land use ordinances and intends to adopt the county ordinances regarding other quality of life issues.

The scope of the jurisdiction of the municipal court may be limited by the city council. The city is not required to adopt assault, domestic violence or illicit drug laws because the state already has such laws. Such cases require a tremendous amount of resources and the city council may decide not to handle them on a municipal level.

The Committee has recommended that Centennial establish an official "Court of Record." All proceedings in such a court are recorded. Some municipal courts are not courts of record in order to save the cost of recording. However, recording the proceedings of a municipal court protects the citizens, judges and staff in case there is ever a question about what was said. Community confidence in the court system outweighs any monetary savings gained by not recording the proceedings.

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<sup>29</sup> Any fines associated with violations of these ordinances will not be levied until the municipal court is hearing cases. Therefore, fine estimates for 2002 are only for a six month period, beginning in July 2002.

The main costs of the municipal court during Phase I will be renting the facilities<sup>30</sup> and contracting with a judge, bailiff, prosecutor<sup>31</sup>, court administrator and records clerk. The Committee recommends that Centennial hold its municipal court in the rented city office space.<sup>32</sup> A long-term option is to share a new courthouse with the District and Arapahoe County courts near the Arapahoe County Justice Center. It is expected that Centennial can handle the Phase I caseload in two night court sessions per week or one Saturday session.<sup>33</sup>

The Committee intends to contract with a court administrator to start working full-time at the beginning of the year. A judge, prosecutor, bailiff and records clerk will be hired on a contract basis to begin work in July 2002, the scheduled start date of the municipal court.

The number of traffic and zoning cases expected to be handled by Centennial's municipal court were calculated by Arapahoe County Court Administrator Greg Langham and Zoning Director Tammy King. Compensation estimates for the judge, bailiff, court administrator and records clerk were derived from the Colorado Municipal League's 2001 Management Compensation Report and Total Compensation Report.<sup>34</sup> Centennial's contribution to participate in the Juvenile Assessment Center ("JAC") was based on figures provided by JAC Director Andy Lutz.<sup>35</sup> Undersheriff Grayson Robinson provided revenue estimates from traffic fines.<sup>36</sup>

The previous municipal court budget estimated expenses to be \$147,400.00. A \$7,000 legal cost associated with creating the municipal court was included in Municipal

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<sup>30</sup> The cost of renting facilities is not included in this report. It is expected that such rental costs will be included in the Facility Committee's budget.

<sup>31</sup> The costs associated with hiring a prosecutor are not included in this budget. The Legal Services budget includes a \$100,000 line item for this cost. City Attorney Bob Cole factored in the number of traffic appeals and zoning cases into this line item. All traffic cases in Centennial's municipal court are expected to be prosecuted by Arapahoe County Sheriff officers. The cost of this service has been included in the Law Enforcement Services budget. About 12 traffic cases per year are appealed to District Court. An attorney representing the city will need to handle those appeals. Also, it is estimated that the city will prosecute 12 zoning cases per year.

<sup>32</sup> Arapahoe County seems open to the idea of allowing Centennial to use its county courtrooms at night or on the weekend. However, no office space will be available for a city court clerk, so files and computers would have to be transported from the city offices to the courtroom on the days the court is in session. If the city took this option, it may be possible to use the county's recording system for cases, but the city would need to hire its own security service. The convenience of holding the court in a space near the city clerk's office seems to outweigh any advantage of using the county's courtrooms.

<sup>33</sup> This is based on Arapahoe County Court Administrator Greg Langham's estimate that Centennial will hear 1,800 traffic cases per year.

<sup>34</sup> The following cities with population totals similar to Centennial's were used for comparison: Arvada, Boulder, Fort Collins, Lakewood, Pueblo, Thornton and Westminster. The salary estimates exclude health and retirement benefits. See Exhibits A-C.

<sup>35</sup> See Exhibit D.

<sup>36</sup> See Exhibit E.

Attorney Bob Cole's budget. This \$7,000 cost has been moved over to the municipal court budget. Before the reduction, the total municipal court expenses were \$154,400.00.

The municipal court budget was reduced by \$10,000 or 6.5% by eliminating the line item for tenant improvements. The cost of creating a walk-up window and a security door in the clerk's office is expected to be included in the Facility Committee's budget.

### **Explanation of Expenses by Category:**

#### **Municipal Court Judge**

Centennial's Municipal Court Judge is expected to preside over two night court sessions per week in 2002. Arapahoe County Court Administrator Greg Langham has estimated that Centennial will prosecute approximately 1,800 traffic cases per year.<sup>37</sup> This means that roughly 18 traffic cases will be scheduled for each night court session.<sup>38</sup>

The Committee intends to contract with a judge to begin hearing cases in July 2002. Most likely, the candidate for the position will maintain a separate office for their law practice. Therefore, applicants will most likely not expect the city to provide private office space, nor a personal computer. Arapahoe County Court Administrator Greg Langham has estimated that Centennial's municipal judge's salary will be 10-15% of full-time. The salary for this position is based on the annual salaries of municipal judges in Colorado cities with similar population sizes.<sup>39</sup>

#### **Municipal Court Administrator**

A Municipal Court Administrator will need to spend several months getting the municipal court record systems and procedures in place before the court hears its first case. The Committee intends to contract with an administrator to begin work in January 2002.<sup>40</sup> During the ramp-up period before July, the administrator may have times during the day when he or she is not busy. It is expected that the administrator will pitch in to help in the general city office if this happens.

#### **Deputy City Clerk**

The Deputy City Clerk will assist the Municipal Court Administrator in handling traffic fines paid by mail or in person. Currently, the Arapahoe County Sheriff's Office employs two full-time clerks manage traffic fines for all of unincorporated Arapahoe

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<sup>37</sup> Undersheriff Grayson Robinson estimates that law enforcement officers will write about 3,700-4,000 traffic tickets in Centennial each year. The majority of these will be paid by mail. Approximately 12 zoning cases will also be scheduled for municipal court each year.

<sup>38</sup> Each of these 18 cases will not take the same amount of time. For example, several may be resolved before the scheduled court date.

<sup>39</sup> See Exhibit A.

<sup>40</sup> See Exhibit B.

County and Centennial.<sup>41</sup> Undersheriff Grayson Robinson estimates that 80% of those fines will be written in Centennial in 2002.

It is anticipated that the Deputy City Clerk will work 40 hours per week, beginning in July 2002.<sup>42</sup> Since the city's municipal court will be held at night, it may be prudent to have the Deputy City Clerk be present when court is in session. He or she would be in charge of the court files, announce the cases, and record the proceedings. The clerk's work hours during the day can then be reduced proportionately.

### **Bailiff**

The Committee recommends that Centennial protect the safety of the judge, the prosecutor, the clerk and its citizens in the courtroom by contracting with an armed guard. The bailiff would be on duty while the court is in session.<sup>43</sup>

The salary of the bailiff is based upon the annual salary of armed guards used in the District Court. The guards in the employ of Wackenhut get paid \$40,000 per year (including benefits). Since Centennial's night court will only be in session two nights per week, this annual salary was multiplied by a factor of .015 to approximate the salary of a city bailiff. This number was then divided by two, since the municipal court is scheduled to begin in July 2002.

### **Software**

The Municipal Court Administrator will need to use specialized computer software to keep track of cases and fines. The Committee is currently researching the cost of such software.

There are a variety of software packages available. The Colorado Association of Municipal Court Administrators ("CAMCA") may be of assistance in choosing an appropriate package.

### **Recording Equipment**

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<sup>41</sup>Undersheriff Grayson Robinson seems open to the idea of having the Arapahoe County Sheriff's Office employees handle Centennial's traffic tickets. This would need to be negotiated under the IGA. However, the Committee believes that it would be more efficient to have the city clerk manage the traffic tickets under a system developed by the Court Administrator in the city offices. Also, people paying fines in person would be connected to the same system as the people paying by mail.

<sup>42</sup>See Exhibit C.

<sup>43</sup>Most municipal courts in cities of similar size place a walk-through metal detector at the entrance. According to Captain Tom Bay of the Arapahoe County Sheriff's Office, a standard walk-through metal detector would cost about \$5,000. A more advanced detector that can detect certain metals used to make weapons costs about \$20,000. A hand-held metal detector costs \$25.00. The Committee recommends that the bailiff use a hand-held metal detector during this first year.

The Committee recommends that Centennial's municipal court be a "Court of Record." This means that all court sessions must be recorded. Laura Machen, who has been using specialized digital recorders for many years as a court reporter, estimates that Centennial will need to spend approximately \$6,000 to buy a new digital recorder, cords and six used microphones.<sup>44</sup>

### **Juvenile Assessment Center**

The goals of the Juvenile Assessment Center ("JAC") are to identify at-risk youth in the community, serve as a resource to the community and provide a single point of entry for law enforcement. It is a multi-agency program funded through a federal grant and serves Arapahoe, Douglas, Lincoln and Elbert counties.

When a law enforcement officer picks up a youth between the ages of 10 and 17, he or she can drop that young person off at the JAC. The officer has only minimal paperwork to complete before returning to the street. In the past, officers were tied up for hours waiting for a youth's parents to pick him or her up.

Once at the facility, the youth goes through an Initial Risk Assessment by an Intake Specialist. This assessment identifies at-risk behaviors and areas of concern. Family members are required to consult with the staff to develop a plan of action before taking the youth home. The staff then provides resource referrals to meet the youth's needs. The youth's school is notified of his or her contact with the JAC through an automated e-mail system.

Cities wishing to participate in this program make an annual payment that is used in getting federal grant money. The contribution is based on population. Aurora, which has a population twice that of Centennial, pays about \$20,000 each year to participate in the program. Aurora paid \$20,600 in 1999.<sup>45</sup> Aurora will probably pay around \$22,200 in 2002 (using a 4% per year inflation factor). If Centennial participates next year, it would probably be expected to pay around \$11,100.00.

Considering the many benefits of the JAC program, the Committee recommends that Centennial participate in this program next year.

**TOTAL 2002 BUDGETED EXPENSES: \$144,400**

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<sup>44</sup>Used digital recorders tend to be unreliable. Used microphones are reliable, unless dropped.

<sup>45</sup>See Exhibit D.

**CITY OF CENTENNIAL  
INFORMATION TECHNOLOGY – 2002 GENERAL GOVERNMENT BUDGET  
DESCRIPTION OF SERVICES & EXPENSES**

**Overview**

Centennial is striving to be a "virtual city." The municipal government will make every effort to provide easily accessible information to all citizens via the internet, television and a newsletter. A new and improved city website will be launched next year that will give accurate and timely information about city services and community events. A quarterly "Centennial Chronicle" newsletter will be printed to inform those citizens that are not on the internet. Also, it is hoped that next year's City Council Meetings will be broadcast on a local cable channel.<sup>46</sup>

To prepare the following 2002 budget, the Information Technology Services Committee ("Committee") investigated the computer and database needs of the City Council and the people who will be working in the city office. The Committee recommends that certain contract services begin to be provided to Centennial in January, 2002. After evaluating the city's technological needs, the Committee will develop Request For Proposals (RFPs) for vendors providing web hosting, web design, public relations and technical support. Council and citizen members will recommend vendor selections to the Council later this year.

The budget estimates were provided by contacting a number of private vendors. This revised budget is \$5,987.94 (or 6%) less than the previous budget. This reduction was obtained by reducing the number of hours the public relations firm will be spending each month on Centennial business.

**Specific expense categories & descriptions:**

**Internet Access and E-Mail**

The employees<sup>47</sup> in the city office of Centennial will require high-speed internet access.<sup>48</sup> Citizens regularly contact the city office via e-mail and all employees should

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<sup>46</sup>Centennial has free access to a television channel under its franchise agreement with AT&T Broadband. The Committee is investigating the possibility of having community college student interns video tape the council meetings and special events, edit and produce video tape coverage for broadcast and arrange for broadcast over public access television. The interns may also be able to produce and broadcast public access television notices from citizen groups.

<sup>47</sup>The term "employees" is used in this document to describe the people providing services out of the city office, whether they are employees in the legal sense or contractors.

<sup>48</sup>Monthly connection costs were based on estimates from Qwest, Rocky Mountain Internet, and Front Range Internet. The cost assumes that a maximum of 12 computers will be connected to the internet in the city offices.

have easy access to the city website. Currently, high-speed internet access to the city office is provided over a phone line.<sup>49</sup>

Each employee should have a computer<sup>50</sup> at his/her desk that is connected to the internet. Employees will be assigned an official e-mail address to use for city business.<sup>51</sup> The City Council regularly uses e-mail to communicate and members will be encouraged to sign up for an official address.

The cost estimates for high-speed internet access include a basic upgrade of modem speed. Once more than four employees are simultaneously using the internet in the office, the speed of the internet connection may be slowed. Each upgrade to double the connection speed will probably cost an additional \$30.00-\$40.00 per month.

### **Website Hosting**

Hosting a web site involves different functions.<sup>52</sup> The budget estimate of \$500 a month includes hosting, database maintenance, updates and website marketing.<sup>53</sup>

Hosting for a single site that "cannot fail" can run \$100,000 a month. What determines this cost is the amount of fail over the hosting company provides for its systems. For example, a site can be hosted on a single machine, with a single hard drive. If that drive breaks, the site will go down. If the power supply fails, if the operating system fails, if the machine gets hacked or gets a virus, if the power supply goes out, the web site will go down until that machine is fixed.

However, if the hosting company put the site on a machine with five hard drives and a drive fails, a warning will go off and the other drives in the machine continue to serve up the site. The administrator then plugs in a new drive for the failed drive and the site will not go down. Of course, the more systems that are redundant, the higher the cost.

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<sup>49</sup>High-speed internet access over a phone line is called "DSL." High-speed internet access could also be obtained over a separate cable. It is not yet known if that option will be available in the city's new office space. A one-time installation fee (approximately \$99.00) will be assessed to get internet access in the new city offices.

<sup>50</sup>The city of Greenwood Village donated 14 fairly new computers to Centennial. These computers are in good working condition and it is assumed that these computers will be sufficient to meet the needs of the city's employees next year. Therefore, no hardware costs are included in this budget.

<sup>51</sup>The cost of e-mail services for employees and city council members is included in the "Web Hosting" line item.

<sup>52</sup>Please see Exhibit A for a more detailed description of the functions performed by a web hosting company.

<sup>53</sup>Budget estimates for website hosting were based on providing free e-mail to the City Council. The estimates do not include the cost of offering free e-mail to homeowner's associations. Hannah, Webolutions, and Rapid Technologies provided estimates.

The hosting company should be able to provide Centennial with a way of tracking site activity. This information will be helpful when making decisions regarding the website. If no one is going to the website, the city should spend money getting him or her there, not building a bigger site that no one visits. If a particular section of the site is visited often, the city may want to expand the content of that section. The hosting company usually determines this reporting and it is important to select a vendor who will give the access and information Centennial will need to continue improving these services.

Database maintenance is included in the web hosting cost estimate. The hosting company can schedule their own back ups and there is some routine work that someone has to do on these systems. This maintenance should be done by the company who created the system.<sup>54</sup>

Routine site updates and web site marketing are also included in the budget estimate. The web hosting company should not have to spend a lot of time on maintenance, but may need to answer questions and make minor adjustments.<sup>55</sup> When someone types in "Centennial", the city's site should show up on the search engines. This marketing is very important and requires regular submissions.

### **Website Design and Implementation**

The goal of the city's website is to provide accurate and timely information with an updated and dynamic image. It needs to appeal to a diverse demographic audience. The site should be easy to navigate, straightforward and printable.

A city employee should be able to update certain content of the website at any time.<sup>56</sup> The site should have a single login area for anyone authorized to update content at the site.<sup>57</sup> The web administrator will have full access and it will be up to the City Council to determine who else receives access.<sup>58</sup>

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<sup>54</sup>It is assumed that the same company that provides the web hosting will also design and implement the city's web site. If two different companies do the work, the maintenance cost of \$500 per month will need to be split between the web hosting company and the company that designed the website.

<sup>55</sup>A well-designed site should not require a lot of maintenance.

<sup>56</sup>Certain portions of the website will have databases that Centennial can update at any time. The web hosting company or web design company will only have the ability to update sections with fairly static content, such as contact information. Please see a list of website sections with databases in Exhibit B.

<sup>57</sup>The employee designated as the "web administrator" is assumed to be an administrative assistant that also has general office duties. The amount of time necessary to update the information is expected to be around three hours per week. The Public Relations firm will be writing the actual content.

<sup>58</sup>Once the City Council has determined that someone is allowed the ability to change the city's website content, the web administrator will assign the login information.

The Committee believes the new Centennial site should have a number of features. For a complete description of features, please see Exhibit B.<sup>59</sup>

There are several other features that may be included in the site at a later time. Each of these components would cost additional money and were not included in this year's cost estimates. For example, an on-line forum could be made available for citizens to discuss certain topics. Another feature would be a database that would allow a citizen to type in his/her address and find out if he/she lives in Centennial and if so, who represents them on the City Council. A portal with weather, news, a calendar, address book and other personalized information could be provided so that a citizen could design his/her own home page. Land use information could also be provided.

Certain services that may be provided in the future include the ability to pay traffic tickets, apply for a building permit or reserve a picnic table on-line.<sup>60</sup> A constituent request section could be provided where a citizen could enter a request (e.g., fill certain pothole) and a database would track the steps toward resolution. Reports on constituent requests could then be generated that would provide a wealth of useful information.

### **Public Relations and Marketing**

The Committee recommends that the city hire a firm that could spend a little less than ten hours a week distributing clear, concise and accurate information about Centennial.<sup>61</sup>

The public relations firm would attend and report on city council meetings, special committee meetings, and city events. It would maintain fresh information and content in the media distribution channels for the city. The firm would be the central distributor of information to the public media network.

The public relations firm would also develop promotional materials and place media spots for the city. It could help develop a city look and "signature."<sup>62</sup>

The public relations firm would attend city council meetings, select committee meetings, city events, etc. with the expressed purpose of reporting the activity to the citizens in a creative and interesting way. It would then edit and publish the stories on

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<sup>59</sup>Budget estimates for website design and implementation were based on the features shown in this exhibit. Explorenet and Webolutions gave estimates.

<sup>60</sup>The ability to reserve picnic tables brings up the issue of having Centennial's technology compatible with the computer systems used by the special districts. Perhaps in the future, a citizen could reserve a library book, sign up for a class at the Goodson Recreation Center, find out what Peabody Elementary School is serving for lunch, and pay a traffic ticket in one visit to the Centennial web site.

<sup>61</sup>This line item is based on estimates from the public relations firm Anderson and Associates.

<sup>62</sup>Centennial plans to have a student contest to create a city logo. Once this logo is chosen, the PR firm could help promote it.

the website, city newsletter, CATV<sup>63</sup>, etc. Centennial's public relations representative would take photographs for publication and maintain the web site content. The firm would edit and supervise publication and distribution of the newsletter<sup>64</sup> and develop marketing collateral brochures. It would also accept reports and stories from citizens, and edit and distribute them to the media.

The public relations firm would be the city spokesperson for the public media network. It would maintain a city-centric view of all information distribution ensuring that council member's confidence is maintained and supported and city integrity maintained and represented.

### **IT Support/Software**

Employees in the city offices will need to have someone available to help with computer and database problems. The estimate for this line item is based on a contract support person working an average of five hours per week.<sup>65</sup>

It is also expected that city employees will need to purchase software upgrades in 2002. A company has agreed to donate computer software that tracks documents.<sup>66</sup>

**TOTAL 2002 BUDGETED EXPENSES: \$93,811.00**

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<sup>63</sup>Citizen's Access Television

<sup>64</sup>The cost of publishing 40,000 copies of a quarterly newsletter is included in the public relations line item. The cost of mailing the newsletters is not included.

<sup>65</sup>Aardvark Computers and SOHO Systems were contacted for this estimate.

<sup>66</sup>This PC Docs system is used by Arapahoe County. The Committee believes that donations should be accepted by the city, as long as quality and security are not sacrificed.