

Capital Projects Fund

Project requests for 2017:

Public Works

Street rehabilitation	\$2,500,000
Traffic signal improvements	400,000
Curb, gutter, sidewalk improvements	300,000
Concrete improvements	200,000
Bridge improvements	50,000
Downtown Infrastructure Improvements.....	50,000

Public Safety

Fire*

Mobile Data Terminal replacement	33,000
RMS Laptop replacement.....	24,500
Staff vehicles	90,000
Fire Engine	726,150
Aerial Replacement	1,400,000
Thermal Imaging Cameras	16,400
SCBA Replacements	37,000
Medical Equipment replacement.....	14,360

Police

Radio Replacements.....	63,490
E-911 Radio Replacements	117,190

General

Technology	450,790
Building improvements	70,000
Fleet vehicles and equipment	711,000
Fleet equipment.....	50,000

Capital Projects Total **\$7,303,880**

*Part of these costs will be paid by the fire partners.



2017 Budget in Brief

After many hours of meetings, the city manager and city department director's have created a budget for the City of Littleton. The budget consists of 14 funds and enterprises as listed below.

Expenditures by Fund/Enterprise:

General Fund	\$62,603,040
Capital Projects	9,029,410
Conservation Trust	190,000
Consolidated Special Revenue	677,350
Grants	1,085,750
Open Space	1,499,770
Impact Fees	8,780
Sewer	17,670,870
Emergency Medical Transport	3,977,110
Storm Drainage	649,030
South Metro Communication Center	1,614,060
Geneva Village	133,000
Employee Insurances	9,421,440
Property and Liability Insurance	940,120
Total	\$109,499,730



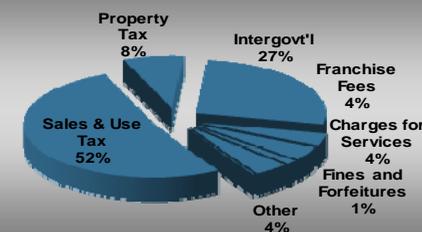
General Fund

Overview

Through October 2016, the city experienced a 5% upward fiscal trend in General Fund revenues as compared to 2015. The city's 2017 retail sales tax projected growth of 4.3% appears to be in line with past trends. State economists are forecasting continued retail sales tax growth of 5.8% into 2017.

The city's updated 2016 five-year financial projections show that without new or expanded revenues, the General Fund operating expenditures will continue to increase faster than the growth in revenue. With this challenge, staff continues reviewing the city's operations for efficiencies and improvements in providing city services within current budget constraints. This year's budget sets the stage for council and community conversation as to the level of investment to make in the community infrastructure not just in 2017, but more importantly, in the years to follow. It will be essential for the city to critically examine and align the priorities of citizens with the limited resources for future budgets. New revenue options or opportunities must also be evaluated and a priority based discussion considered as a strategic approach to managing our long-term financial stability.

2017 Revenues



General Fund Revenues

General Fund revenues are mainly derived from sales and use taxes, property taxes, fees for services and contractual service agreements. The sales and use tax rate in Littleton is 3% which amounts to 80% of total tax revenues and 52% of total revenues. The property tax mill levy remains at 6.662 mills per \$1,000 of assessed value and has not changed since 1991. This equates to \$4,949,000 in property tax revenues.

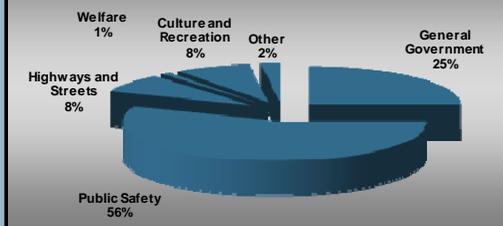
Intergovernmental revenues are the second largest source of revenue for the city; the largest component of which are the expenditure reimbursements per fire contracts with Littleton Fire Protection District and Highlands Ranch Metro District.

General Fund Expenditures

Daily operations such as police, fire, street maintenance, planning, code enforcement, economic development, library, museum and other general government expenditures are paid from the city's General Fund. In addition, the General Fund includes support services such as city council, city attorney, city manager, communications and marketing, human resources, information services, finance, facilities management and city clerk.

Personnel costs amount to approximately 77% of total General Fund expenditures. In addition, \$925,000 is proposed to be transferred to the Capital Projects Fund.

2017 Expenditures by Function



Conservation Trust Fund

The city receives a distribution of state lottery funds for open space and recreation purposes. Park land maintenance and South Platte Park management are budgeted at \$150,000 for 2017 with pedestrian crossings estimated at \$40,000 in 2017.

Consolidated Special Revenue Fund

This fund pays for a wide variety of special activities that do not fit within normal operating budgets. Some activities include monies received from South Metro Drug Task Force and wildland fire activities. It also includes funds for cable television equipment and assistance to victims of crime. These revenues and expenditures vary from year to year. The budgeted expenditures in 2017 are \$677,350.

Grants Fund

The city receives grants throughout the year. Grants expected to be received in 2017:

- Federal grants - \$971,750
- State and local grants - \$114,000

Open Space Fund

The city receives share-back funding of open space monies from Arapahoe and Jefferson Counties. There are projects budgeted in 2017 totaling \$1,499,770 such as improvements at Progress Park, Charlie Emley Park, Promise Park Playground and Elati Playground. Also included is \$238,000 for South Platte Park management.



Impact Fee Funds

In 2014, the city began collecting six types of impact fees: police, fire, facilities, library, museum, and transportation. These fees are legally restricted to funding capital projects resulting from new growth within the city. In 2017, due to various development projects, \$1,132,240 is anticipated to be collected from impact fee revenues; budgeted expenditures are \$8,780.

Sewer Utility Enterprise

This enterprise is the largest of this type which provides for the city's 50% share of funding for the Littleton/Englewood Wastewater Treatment Plant. This is a regional facility that serves approximately 300,000 people in the southwest Denver region. The plant is managed by the City of Englewood under a joint agreement with the City of Littleton.

Revenues are derived from tap fees collected from new development and user charges for existing customers. Tap fee revenues have been significantly lower in recent years as a direct result of the economy and lack of growth in the area. For 2017, the City Council approved a 2.0% rate increase for user fees. Expenditures are projected to be 25% higher than 2016 due to increased capital expenditures and plant operating expenditures.

Emergency Transport Enterprise

Littleton Fire Rescue provides emergency medical transport and collects fees for this service. Revenues in this enterprise vary from year to year. Revenues of \$3,847,950 and expenditures of \$3,977,110 are estimated for 2017.

Storm Drainage Fund

This fund accounts for construction and maintenance of storm sewer facilities and detention ponds within the city limits. Service fees are collected from land-owners within the city to fund these services. Total expenditures in 2017 are budgeted at \$649,030 with revenues of \$794,820.

South Metro Communication Center Fund

The City of Littleton provides emergency medical dispatch service to Littleton Fire Rescue and Cunningham Fire Protection District. More than two-thirds of the operating revenue for the center is generated from contracts with the city's partners. There is an annual amount transferred from the General Fund for the city's portion of these expenditures. Total revenues in 2017 are budgeted at 1,262,370 with expenditures of \$1,614,060.

Geneva Village Fund

This fund accounts for the operation of a 28 apartment community for disabled and senior citizens located on the Littleton Center campus. The city does not receive any federal or state subsidies related to this program. Rental payments allow for this fund to be self-supportive. There are no significant improvements scheduled for 2017.

Budget Process

The budget process for 2017:

9/19/2016	Council Budget Session
9/20/2016	Council Budget Session
9/21/2016	Council Budget Session
10/18/2016	Public Hearing - First Reading for 2017 Appropriation
11/01/2016	Public Hearing - Second Reading for 2017 Appropriation
12/15/2016	Certification of Mill Levy to County Commissioners

Insurance Funds

For budgeting purposes, the city maintains four insurance funds:

- Employee Health Insurance
- Employee Life AD&D, Long and Short Term Disability, and Unemployment
- Workers Compensation Insurance
- Property and Liability

In 2012, the city assembled a compensation committee that reviewed all employee compensation components including health and created recommendations and priorities for future benefits. In June 2014, this committee brought a five-year compensation plan to the city council with a request to support the plan via a resolution. This plan was approved and will be phased in over five years or less, depending on city resources.

In 2017, health insurance premiums are slightly decreasing (0.7%) and are expected to hold steady in 2018. The estimated 2017 ending fund balance is \$1.4 million. Health premiums fund claim payments and help maintain adequate claim reserves.

For all other insurances, expenditures in 2017 are estimated to be \$161,530 or 10% higher than the 2016 adopted budget amount. This is largely due to higher claims from property and liability damages and long term disability premiums.

The city maintains a reserve of approximately \$1,600,000 related to workers compensation and property and liability claims as recommended by an actuarial.

For more information about the City of Littleton's 2017 Annual Budget, call the finance department at 303-795-3765.

Additional budget information is available on the city website at littletongov.org.