



To: Mayor Dickson and Elected Officials
From: Jan Schmidt
Date: November 13, 2014
Subject: Proposed Ordinance Initiative Petition and Potential Budget Impact

Work Session Overview

The November 17th work session will be devoted to discussion of the proposed ordinance related to “2A” and implications if the Council were to adopt or the voters were to approve it.

We first want to attempt to understand the restrictions, terminology, data tracking and reporting requirements of the initiative. Secondly, we would like both the council and public to understand their choices before casting a “yes” or “no” vote. Implementation of the proposed ordinance directs a larger percentage of city sales tax to capital expenditures. That means a smaller percentage would be available in future years for operating expenditures. We will spend some time discussing what these terms mean and begin to consider what cuts to the operating budget might be made to implement the petition.

To help guide our discussion of a plan to reduce operating costs should the proposed restrictions go into effect, staff completed an analysis of the costs of general services in each department. These are rough approximations of total burdened costs for general services. The amounts were derived primarily based on estimates of staff time provided by each department head. Where significant non-personnel costs associated with certain services exist, the allocations were adjusted to better reflect the total cost. Our objective for providing this data is that you gain a better understanding of the work performed by each department, an estimate of the associated costs, and preliminary assessment of potential changes. Keep in mind that 71% of the operating costs in the general fund are personnel. Nearly any significant change will have an effect on personnel.

Meeting Objective

Council and the public are better informed about the impact of passage of the proposed ordinance initiative in preparation for casting a vote.

Discussion Outline

- I. Initiative Summary (see full text in this work session packet)
 - a. At least 75% of all “2A” funds shall be used to replace, repair or improve streets and the water or sewer lines underlying or running along those streets, and to replace, repair, improve or newly install or construct sidewalks, street curbs, gutters, or storm drainage systems underlying or running along those streets.
 - i. No portion of expenditures allowed on Vandaveer Ranch

- ii. Expenditures shall be capital expenditures
 - iii. Annual budget shall identify projects and costs for upcoming fiscal year, present fiscal year and prior fiscal year
- b. Remainder, if any, for maintenance, routine repair, and upkeep of the city's streets, sidewalks, curbs, gutters, water lines, sewer lines and storm drainage systems
- c. Specific accounting by project – statement of the separate cost for each and every specific portion of work for each and every project and the street along which such work is done

II. Implementation Questions / Discussion Points

- a. Different definition of streets than what currently exists in the Salida Municipal Code (SMC)
- b. Definition of terms used – eg. “repair” versus “maintenance”
- c. General Fund versus Water and Wastewater Enterprise Fund
- d. Funds may never be used for used for capital projects at Vandaveer or any other future subdivisions annexed or developed in the community
- e. Costs are not defined (eg. direct, indirect, personnel) for the specific accounting by project
- f. Data tracking for each and every specific portion of work in a capital project
 - i. Examples of costs – tons of asphalt, time tracking by personnel, equipment costs, financing costs, grant administration
 - ii. Impact on employee productivity
 - iii. Consider licensing and maintenance costs for “project accounting” software application
 - iv. Consider impact and cost for payroll processing with project tracking
- g. What does “held in trust” mean?
- h. Language regarding “capital expenditures” is not consistent with SMC 4-3-50(a) which addresses the City's 2% sales tax

III. Summary of current voter imposed restrictions on sales tax:

- a. Currently, 42.7% of total city sales tax used for capital
 - i. Salida spends 2-3x more on capital than average for Colorado municipalities due to these restrictions on sales tax, placing significant constraints on the operating budget (refer to comparison data)
 - ii. Staffing levels and compensation continue to be operating challenges with the current allocations
- b. 44% of 2% city sales tax restricted for capital expenditures and capital improvements
 - i. 35% is transferred to a “Capital Improvement” reserve account and is used to provide streets and other capital improvements or to pay debt service on bonds or other obligations of the City issued to provide for such capital improvements
 - ii. 9% is transferred to a “Capital Expenditures” reserve account and used for the purchase of machinery and equipment that is greater than \$500 with a useful life in excess of one year.
 - iii. 1% is transferred to an “Economic Development” reserve account to be used economic development within the city.

- iv. Up to 8% is placed in a “Contingency” reserve in any calendar year when such fund is less than 15% of the City's General Fund Operating Budget, it being the intent to maintain a Contingency Fund which, in any year, is equal to 15% of the General Fund Operating Budget. The Contingency Fund can be utilized by the City Council to cover unbudgeted, unforeseen reductions in revenue collections or unusual expenditures outside the scope of normal operations.
- c. 100% of 1% city sales tax “used for funding construction, operation, maintenance, and repair of roads and other public infrastructure of the City.” (ballot language)
 - i. Currently 40% of 1% is being budgeted for capital streets projects
 - ii. Difference from 40% to 75% = \$521,325

IV. Current budget example (proposed 2015 budget)

- a. Total city sales tax revenue projected for 2015 = \$4,468,600
- b. 42.7% of 3% sales tax used for capital = \$1,906,700
- c. Total capital spending = \$3,692,400 (\$1.26 million for streets)
- d. Grants and contributions for capital - \$1,114,100
- e. Net cost to City - \$2,578,300
 - i. City sales tax - \$1,906,700
 - 1. Capital Improvement portion of 2% - \$1,042,800
 - 2. Capital Expenditure portion of 2% - \$268,100
 - 3. Capital portion of 1% (“2A”) – \$595,800
 - ii. Capital Reserves - \$421,600
 - iii. Fees in Lieu Reserves - \$70,000
 - iv. Occupation Tax on Lodging Revenue - \$180,000

V. Alternative sales tax restriction on special election ballot

- a. Current language for sales tax restrictions is complicated and confusing
- b. Petition would add more complexity and data tracking requirements
- c. Repeal and reenactment of modified restrictions on full 3% could eliminate confusion and inconsistencies in language
- d. Considerations:
 - i. How much flexibility should elected officials have in determining priorities in a given year versus strictly defined spending priorities?
 - ii. How much is “right” amount for capital versus operating? (\$2.58 million in 2015)
 - iii. How much is “right” amount for streets? (\$1.26 million in 2015)

VI. Budget Reduction Strategies / Considerations

- a. Across the board (Refer to “General Government Services” chart in this packet)
 - i. Pros – Services are not completely eliminated; often the easiest, most expedient approach; gives some flexibility to each department head
 - ii. Cons – Does not protect services deemed to be highest priority; remaining scope of services may be poor quality; defers maintenance, training and investments for the future

- b. Strategic or Targeted (Refer to “Estimated Cost of Services” worksheets for each department in this packet)
 - i. Pros – Activities most critical are maintained; helps ensure services that remain are done well
 - ii. Cons – Forces difficult decisions about services to eliminate
- c. Restructure the organization
 - i. Pros – May eliminate “overhead” costs
 - ii. Cons – Lack of expertise, loss of institutional knowledge; disruption to current operations
- d. Combination of the above
- e. Understand choices related to cost cutting
 - i. Services organizations = employees
 - ii. Cutting some services also removes associated revenue
 - iii. Refer to cost tables and charts to better understand different services provided
- f. Consider timeframe over which cuts must be made
- g. Consider consequences of cuts

VII. Next steps

- a. Approach to evaluating potential cuts to operating budget
- b. Alternate ballot language
- c. Does council want to consider additional revenue opportunities – new or increased taxes, fees, rate increases, etc.?

WARNING: IT IS AGAINST THE LAW:

For anyone to sign any initiative or referendum petition with any name other than his or her own or to knowingly sign his or her name more than once for the same measure or to knowingly sign a petition when not a registered elector who is eligible to vote on the measure.

DO NOT SIGN THIS PETITION UNLESS YOU ARE A REGISTERED ELECTOR AND ELIGIBLE TO VOTE ON THIS MEASURE. TO BE A REGISTERED ELECTOR, YOU MUST BE A CITIZEN OF SALIDA, COLORADO AND REGISTERED TO VOTE.

Do not sign this petition unless you have read or have had read to you the proposed initiative or referred measure or the summary in its entirety and understand its meaning.

SUMMARY OF INITIATIVE

This is an initiative concerning funds raised by the 1% city sales tax enacted by Ballot Measure 2A at the 2008 General Election and adopted by Ordinance No. 34 in the Series of 2008. This initiative would amend the allocation of 2A Funds beginning in the 2015 fiscal year as follows: At least 75% of all 2A funds shall be used to replace, repair or improve streets, and the water or sewer lines underlying or running along those "streets," and to replace, repair, improve or newly construct sidewalks, street curbs, gutter, or storm drainage systems underlying or running along those "streets." "Streets" are defined as existing dedicated public roads within the City of Salida that provide lawful motor vehicle access to adjacent properties.

No portion of the aforementioned expenditures shall be used to install or construct sidewalks, water lines, street curbs, gutters, and / or storm drainage systems primarily serving the portion of the city commonly known as the "Vandaveer Ranch." Additionally, any and all of the aforementioned expenditures shall be capital expenditures.

The remainder, if any, of the 2A funds not spent in accordance with the foregoing statements shall be budgeted, allocated and expended solely for maintenance, routine repair, and upkeep of the city's streets, sidewalks, curbs, gutters, water lines, sewer lines and storm drainage systems.

Each annual budget shall be prepared to include each project to be replaced, repaired, improved, installed or constructed in the upcoming fiscal year, with specific accounting by project of estimated costs. There shall also be "specific accounting by project" during the present fiscal year of all sums spent to date and of the prior fiscal year of all sums spent that year.

"Specific accounting by project" is defined as, at a minimum, a statement of the separate cost for each and every specific portion of work for each and every project and the street along which such work is done.

The following persons represent the proponents of the petition in all matters affecting the petition, and all notices or information concerning the petition shall be mailed to them:

- (1) Rodney "Rod" Farney, 1115 J St., Salida, CO, 81201
- (2) Billy Carlisle, 208 Mesa Court, Salida, CO, 81201

FULL TEXT OF THE PROPOSED ORDINANCE:

ORDINANCE NO. _____
(Series of _____)

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SALIDA, COLORADO, AMENDING SECTION 4-3-50(b) OF THE SALIDA MUNICIPAL CODE REGARDING THE DISPOSITION OF THE PROCEEDS OF THE ONE PERCENT (1.0%) INCREASE IN SALES TAX IMPOSED BY ORDINANCE NO. 34, SERIES OF 2008



Petition Section No. (printer's proof)

WHEREAS, in 2008, Salida voters approved Ballot Initiative 2A, codified as Ordinance No. 34, Series of 2008, imposing an additional one percent (1.0%) sales tax in the City of Salida;

WHEREAS, voters want to reaffirm and continue the additional one percent (1.0%) sales tax imposed by Ordinance No. 34, Series of 2008;

WHEREAS, Section 4-3-50(b) of the Salida Municipal Code has provided that the money raised by the one percent (1.0%) increase in sales tax imposed by Ordinance No. 34, Series of 2008 (money known as "2A funds") "shall be used for funding construction, operation, maintenance, and repair of roads and other public infrastructure of the City";

WHEREAS, a sometimes large percentage of 2A funds has been spent on general operating expenses of the City, or on public infrastructure items other than roads, sidewalks, curbs and gutters, water lines, sewer lines and storm drainage systems;

WHEREAS, voters desire that 2A funds be spent on replacing, repairing and improving streets, sidewalks, water and sewer lines along those streets, and installing, constructing, improving or repairing sidewalks, curbs, gutters and storm drainage systems along those streets, and on maintenance, routine repair and upkeep of such items in the City;

WHEREAS, voters are aware of applicable law regarding timelines for scheduling and voting on municipal ballot initiatives and are also aware that the City's budget can be and is amended from time to time when needed;

WHEREAS, the provisions of C.R.S. §§ 37-45.1-107, 31-15-708(1)(a), 31-15-709(1)(a) and / or other applicable law allow the City to construct and maintain water and sewer lines with money from the General Fund notwithstanding the separate existence and operation of the City's Water and Wastewater Enterprise Funds

NOW THEREFORE BE IT ORDAINED BY THE CITY COUNCIL AND / OR THE LAWFUL VOTERS OF THE CITY OF SALIDA, COLORADO:

- Section 1. The aforementioned recitals are hereby fully incorporated herein.
- Section 2. Section 4-3-50(b), Salida Municipal Code shall be repealed an instant before 12:00 a.m. on January 1, 2015.
- Section 3. Section 4-3-50(b), Salida Municipal Code, shall, as of 12:00 a.m. on January 1, 2015, be reenacted, modified and amended to read as follows:



4-3-50. Disposition of revenue.

- ...
- (b) Commencing with fiscal year 2015, the proceeds of the one percent (1.0%) increase in sales tax imposed by Ordinance No. 34, Series of 2008 (hereinafter "2A funds") shall be used as follows:
- (1) At least seventy-five percent (75%) of 2A funds shall be budgeted, allocated and expended solely to:
 - (A) replace, repair or improve streets and the water or sewer lines underlying or running along those streets;
 - (B) replace, repair, improve or newly install or construct sidewalks, street curbs, gutters, or storm drainage systems underlying or running along those streets.
 - (2) The remainder, if any, of 2A funds not spent pursuant to Sec. 4-3-50(b)(1) shall be budgeted, allocated and expended solely for maintenance, routine repair, and upkeep of the city's streets, sidewalks, curbs, gutters, water lines, sewer lines and storm drainage systems.
 - (3) Any and all expenditures made pursuant to Sec. 4-3-50(b)(1) shall be capital expenditures. "Streets" as used in Sec. 4-3-50(b)(1) are defined as existing dedicated public roads within the City of Salida that provide lawful motor vehicle access to adjacent properties.
 - (4) At the end of each fiscal year, any excess 2A funds shall be held in trust for future use for the same purposes at the same allocations stated in Section 4-3-50(b)(1) and (2) above.
 - (5) With respect to 2A funds spent on the projects listed in Sec. 4-3-50(b)(1), each annual budget prepared and adopted pursuant to C.R.S. §§ 29-1-103, -105 and -108 shall identify:
 - (A) each project to be replaced, repaired, improved, installed or constructed in the upcoming fiscal year, with a specific accounting by project of estimated costs;
 - (B) each project undertaken during the present fiscal year, with a specific accounting by project of all sums spent to date; and,
 - (C) each project undertaken in the prior fiscal year, with a specific accounting by project of all sums spent that year.
 - (6) "Specific accounting by project" is defined as, at minimum, a statement of the separate cost for each and every specific portion of work (i.e. - curb and gutter, storm drainage system, water line, sewer line, sidewalk and / or nature and type of street work) for each and every project, and the street along which such work is done.



Petition Section No. (printer's proof)

- (7) No portion of Sec. 4-3-50(b)(1) expenditures shall be used to install or construct sidewalks, water lines, sewer lines, street curbs, gutters and / or storm drainage systems primarily serving the "Vandaveer Ranch," said Ranch including any parcel of land described in "Exhibit A" of the deed recorded September 1, 2004 in the offices of the Clerk and Recorder of Chaffee County, Reception No. 346022.
- (8) Any and all Sec. 4-3-50(b)(1) expenditures shall be made through, and accounted for within, capital expenditures of the City's General Fund.



ARTICLE III
Sales Tax

4-3-50. Disposition of revenue.

(a) Thirty-five percent (35%) of proceeds received from the two-percent sales tax imposed by the City shall be pledged to the Sales Tax Capital Improvement Fund to be used to provide streets and other capital improvements or to pay debt service on bonds or other obligations of the City issued to provide for such capital improvements. All other revenue shall be allocated as follows:

(1) Nine percent (9%) shall be allocated to a Capital Expenditures Fund to be used for the purchase of machinery and equipment that is greater than five hundred dollars (\$500.00) with a useful life in excess of one (1) year.

(2) One percent (1%) shall be allocated to an Economic Development Fund to be used as approved by the City Council for economic development within the City.

(3) Up to eight percent (8%) shall be allocated to a Contingency Fund in any calendar year when such fund is less than fifteen percent (15%) of the City's General Fund Operating Budget, it being the intent to maintain a Contingency Fund which, in any year, is equal to fifteen percent (15%) of the General Fund Operating Budget. The Contingency Fund can be utilized by the City Council to cover unbudgeted, unforeseen reductions in revenue collections or unusual expenditures outside the scope of normal operations.

(4) All other revenue collected from the City sales tax shall be allocated to the General Fund for operating expenditures.

(b) The proceeds of the one percent (1.0%) increase in sales tax imposed by Ordinance No. 34, Series of 2008 shall be used for funding construction, operation, maintenance, and repair of roads and other public infrastructure of the City.

4-3-50. Disposition of revenue.

Alternative amendment:

(a) _____(xx.xx%) of proceeds received from the three-percent sales tax imposed by the City shall be restricted for capital spending as defined in the City's Capitalization Policy for Financial Reporting.

(b) Any proceeds from the three-percent sales tax received and not spent within the same fiscal year shall be held in a restricted Capital Reserve account until appropriated for capital spending as defined in the City's Capitalization Policy for Financial Reporting in a future year.

Repeal the following (existing language):

~~(a) Thirty five percent (35%) of proceeds received from the two percent sales tax imposed by the City shall be pledged to the Sales Tax Capital Improvement Fund to be used to provide streets and other capital improvements or to pay debt service on bonds or other obligations of the City issued to provide for such capital improvements. All other revenue shall be allocated as follows:~~

~~(1) Nine percent (9%) shall be allocated to a Capital Expenditures Fund to be used for the purchase of machinery and equipment that is greater than five hundred dollars (\$500.00) with a useful life in excess of one (1) year.~~

~~(2) One percent (1%) shall be allocated to an Economic Development Fund to be used as approved by the City Council for economic development within the City.~~

~~(3) Up to eight percent (8%) shall be allocated to a Contingency Fund in any calendar year when such fund is less than fifteen percent (15%) of the City's General Fund Operating Budget, it being the intent to maintain a Contingency Fund which, in any year, is equal to fifteen percent (15%) of the General Fund Operating Budget. The Contingency Fund can be utilized by the City Council to cover unbudgeted, unforeseen reductions in revenue collections or unusual expenditures outside the scope of normal operations.~~

~~(4) All other revenue collected from the City sales tax shall be allocated to the General Fund for operating expenditures.~~

~~(b) The proceeds of the one percent (1.0%) increase in sales tax imposed by Ordinance No. 34, Series of 2008 shall be used for funding construction, operation, maintenance, and repair of roads and other public infrastructure of the City.~~

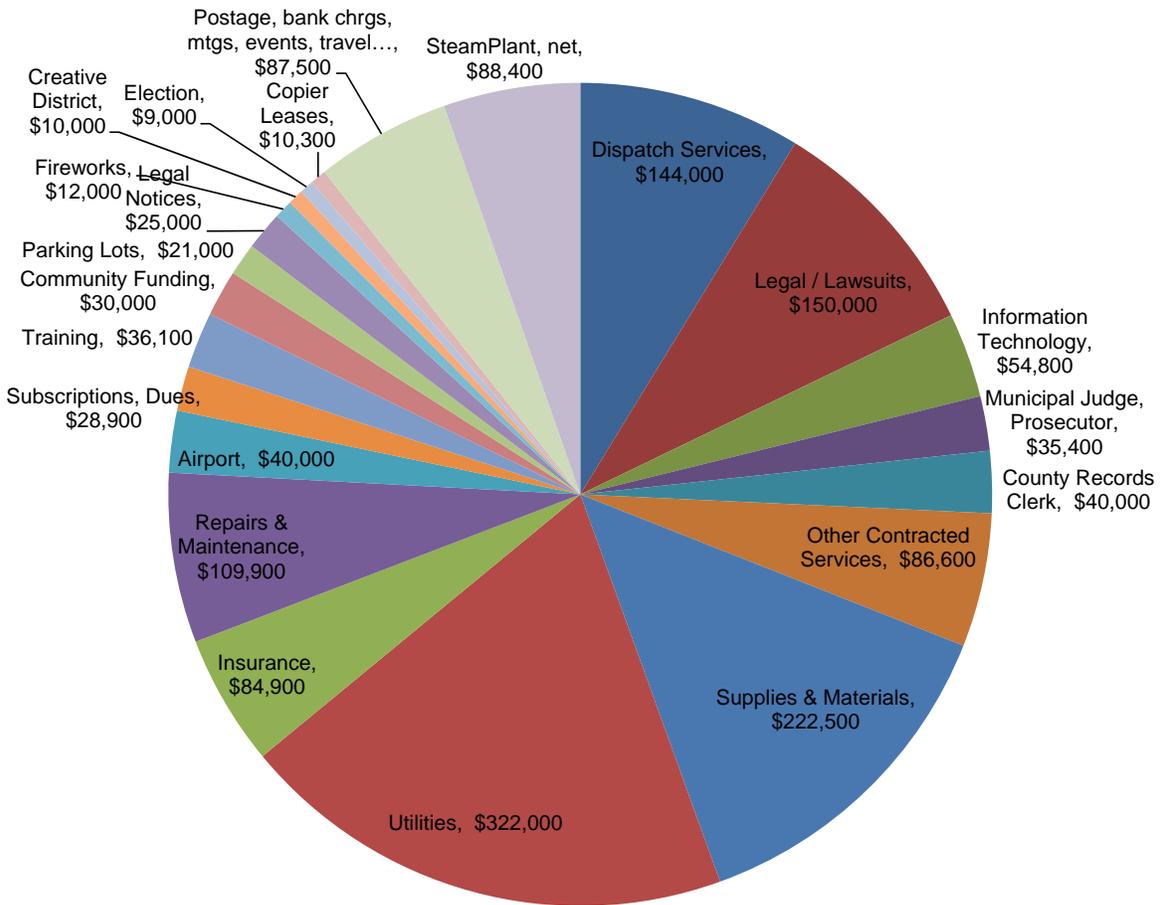
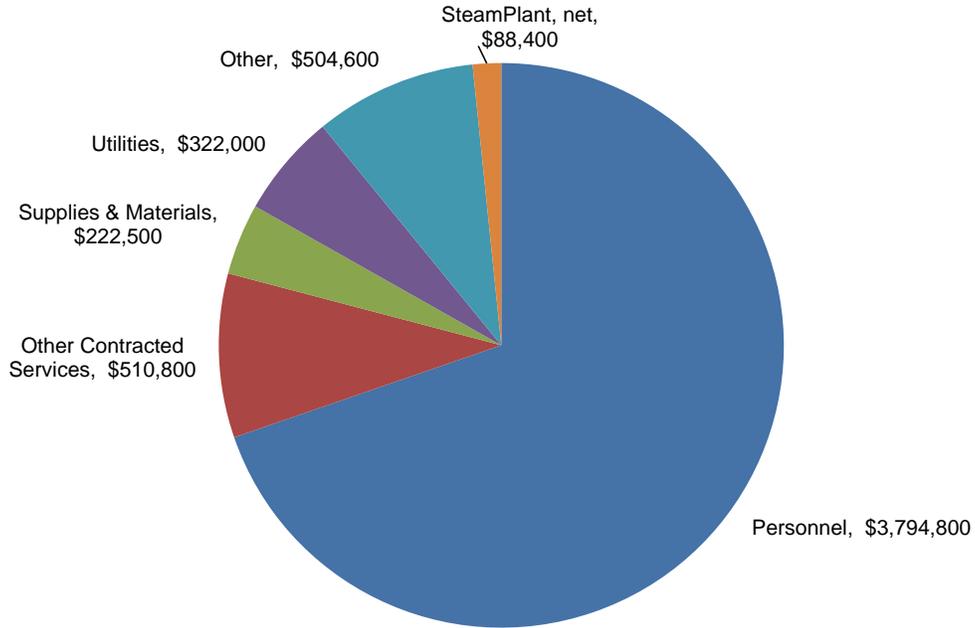
**General Government Services
Proposed 2015 Budget**

Department:	Administration	Community Development	Public Safety		Public Works		Pool & Recreation	Other	Total General Fund	SteamPlant Fund
Costs and Cost Recovery for Government Services	Liquor, marijuana & arborists licensing, birth & death certificates, municipal court, public communication, intergovernmental facility management, payroll, accounts payable, budgeting, financial reporting, human resources, legal, cash management / treasury, insurance, records management, task force & public meeting coordination and other general government and administrative services	Land use and zoning administration and enforcement, administrative review of development plans, subdivision exemptions, building permits & sign permits, long range and current planning, historic preservation; works with Planning Commission, Historic Preservation Commission & Regional Planning Commission	24/7 police protection, vehicle, bicycle and foot patrol, crime prevention and law enforcement, vehicle identification number inspections, special event support, school safety programs, DUI awareness program, drug task force, regional preparedness, E911 board representation	24/7 professional fire response (structural and wildland), emergency medical services, hazardous material response, technical rescue (ice, swift water, confined space, high and low angles), installation of smoke detectors, inspections and plans reviews, code enforcement, Fire prevention and CPR classes, fireworks shows, regional preparedness, SAFPD coordination	Operation, maintenance and improvement of streets, walkways, public buildings, parking lots, storm sewer system, regulatory signage, street lights, and other public infrastructure; works with Tree Board	Operation, maintenance and improvement of parks, public restrooms, playground equipment, park structures, trails and open space; works with Tree Board and budgets for tree plantings, maintenance and removals, as needed.	Swimming pool, lessons, fitness & recreation programs, activities and special events for community members of all ages, manage capital projects, serve as community liaison with outside organizations (chamber of commerce, small business association, etc.) and Recreation Advisory Board	Community funding grant program, airport operating subsidy, Creative District, municipal prosecutor, municipal judge, hot springs water source and other city owned property not currently in use for basic municipal purposes	All departments have substantial involvement with public communication, council meetings, special task forces, website updates, grant writing and administration, as well as special community events	The hub of Salida's Creative District, this event facility is used for a wide variety of visual and performing arts, conferences, training sessions and private event. The SteamPlant Event Center recovers approx 75% of its costs through rental charges and other sales. The General Fund subsidizes the remainder.
Personnel - salaries/wages, taxes, medical insurance, retirement, workers compensation	\$ 399,400	\$ 184,200	\$ 1,288,200	\$ 843,700	\$ 472,300	\$ 183,500	\$ 423,500	\$ -	\$ 3,794,800	\$ 246,900
Contracted services - legal, IT, engineering services, municipal judge, prosecutor, physician advisor, audits, etc.	179,000	16,400	196,000	37,400	16,800	2,300	22,500	40,400	510,800	3,600
Supplies and materials - consumable items for operations, including for internal repair & maintenance of city property	7,500	2,100	59,800	32,700	54,100	19,000	47,300	-	222,500	39,000
Utilities - electricity (including street lights), natural gas, water, sewer, telephone, broadband	24,900	100	28,800	3,800	131,000	49,500	71,900	12,000	322,000	32,100
Other operating costs - property insurance, printing legal notices, parking lot leases, repairs & maintenance, fireworks, election costs, etc.	180,700	14,700	31,200	37,900	68,000	20,500	69,600	82,000	504,600	27,800
Total department operating costs	\$ 791,500	\$ 217,500	\$ 1,604,000	\$ 955,500	\$ 742,200	\$ 274,800	\$ 634,800	\$ 134,400	\$ 5,354,700	\$ 349,400
Direct operating revenue	38,000	26,000	75,000	85,000	38,000	-	435,600	-	697,600	261,000
Cost Recovery Percentage	5%	12%	5%	9%	5%	0%	69%	0%	13%	75%
Net Cost	\$ 753,500	\$ 191,500	\$ 1,529,000	\$ 870,500	\$ 704,200	\$ 274,800	\$ 199,200	\$ 134,400	\$ 4,657,100	\$ 88,400
Percentage of Total Net Cost	16%	4%	33%	19%	15%	6%	4%	3%	100%	2%
Cost Recovery Percentage	5%	12%	5%	9%	5%	0%	69%	0%	13%	75%
Full-time Equivalents	5.20	3.00	17.00	11.00	7.20	3.90	12.00	-	59.30	5.62
Avg budened personnel cost per FTE	\$ 76,808	\$ 61,400	\$ 75,776	\$ 76,700	\$ 65,597	\$ 47,051	\$ 35,292	\$ -	\$ 63,993	\$ 43,932
Net services cost per FTE	\$ 110,481	\$ 63,833	\$ 89,941	\$ 79,136	\$ 97,806	\$ 70,462	\$ 16,600	\$ -	\$ 78,535	\$ 15,730

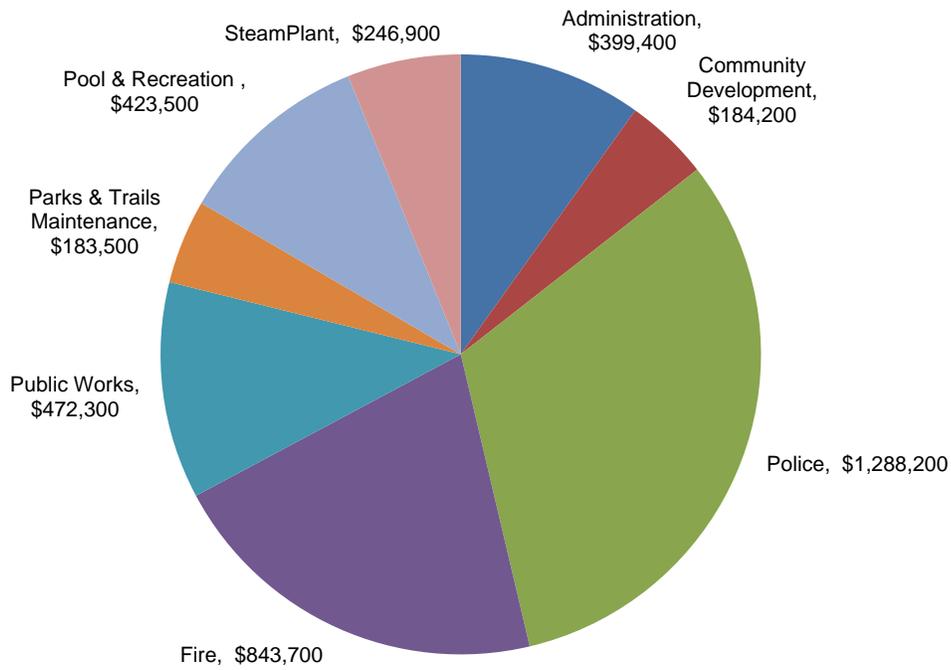
Notes:
100% of legal services and property / casualty insurance for the general fund is reflected in the administration department.
Full-time equivalent employees are based on an annual work schedule of 2,080 hours for all employees except firefighters who work 2,904 hours.

Transfer from operations to capital if "2A" petition passes \$ 521,325
Percentage of current net operating budget 11.2%
Percentage of current general fund FTEs 13.7%

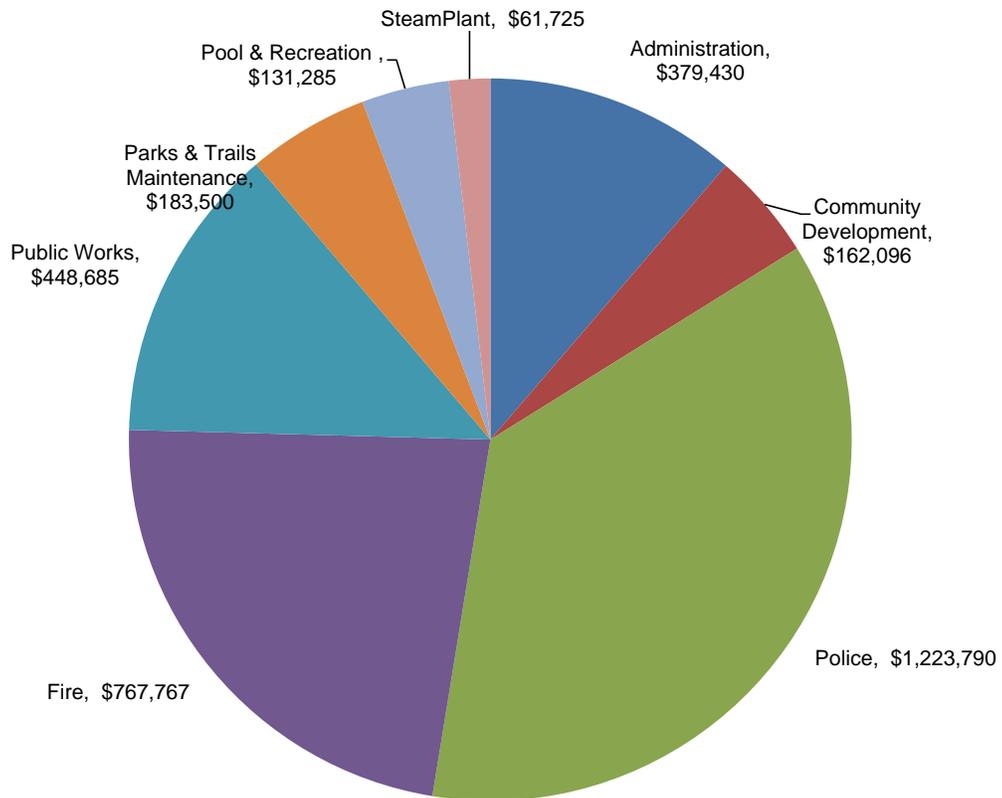
General Fund Operating Expenditures



Personnel Costs by Department



Personnel Costs Net of Cost Recovery



Estimated Cost of General Services Administration (all funds)

Major Area of Department Services	Time Spent	Budget	Notes
		\$ 1,034,100	
Council meetings	14.9%	\$ 153,822	Agendas, packet prep, attendance, minutes, official records, code revisions, etc.
Intergovernmental	1.4%	\$ 14,219	Meetings and communications with Chaffee County and other agencies outside of the city
Public information	11.1%	\$ 115,044	Website, press releases, Channel 10, YouTube, city news column, calendars, etc.
Customer Service	4.3%	\$ 43,949	General phone calls, in person questions, data requests, etc.
Open Records requests	3.4%	\$ 34,901	This category was nearly non-existent until 2012
Budget & financial reports	8.8%	\$ 90,484	Include long-range planning and year end audit
Payroll	3.8%	\$ 38,779	Bi-weekly payroll processing for 100 - 140 employees; includes processing benefits, garnishments, etc.
Business Licensing	3.4%	\$ 34,901	Liquor, Marijuana, Arborists, Vending, etc.
Vital Stats	1.4%	\$ 14,219	\$18k revenue. Birth & death certificates, final disposition paperwork, req'd training, audits, etc.
Invoicing	8.6%	\$ 89,191	Water, sewer, misc services
Cash receipts	2.8%	\$ 28,438	Citywide: utilities, court, public works, fire dept, police transports, lab, etc.
Accounts Payable	4.9%	\$ 50,412	Credit apps, set up and pay vendors, process 1099s, resolve coding questions, etc.
Human Resources	5.0%	\$ 51,705	Recruiting, background checks, new hire / termination paperwork, set up in ADP, benefits administration
Property / Casualty Insurance	9.3%	\$ 95,654	Renewal application, filing claims, liability certificate requests, etc.
Records	3.8%	\$ 38,779	Includes contract management and document retention
Grants	5.0%	\$ 51,705	Research available grants, complete applications, present, compliance reporting, etc. Cost recovery >100%
Finances	0.6%	\$ 6,463	Cash management, financing capital projects, investments, etc.
OLT	2.1%	\$ 21,975	Process returns, late notices, agent paperwork, audits, correspondence, searching vacation rental sites for non-compliance
Facilities	1.9%	\$ 19,389	Improvement projects, tenant leases, manage keys, signage, reserve meeting rooms, order supplies, sort/deliver mail, etc.
NRC	0.6%	\$ 6,463	City Administrator serves as board secretary. Also includes processing bills.
Elections	1.9%	\$ 19,389	
Special Events	1.4%	\$ 14,219	

Totals 100.0%

Personnel Costs as a percent of total operating costs: 50%

What services or specific tasks could you discontinue or change?

Please note that more analysis and reporting will be required if petition passes.

We could execute meetings differently to improve efficiency.

We could do less public communication.

Shop for other insurance carriers.

Remodel city hall to limit customer interaction.

Only accept electronic payments.

Eliminate grants.

Monthly versus bi-weekly payroll.

Curtail participation in community / civic events.

Discontinue licensing of arborists and peddlers.

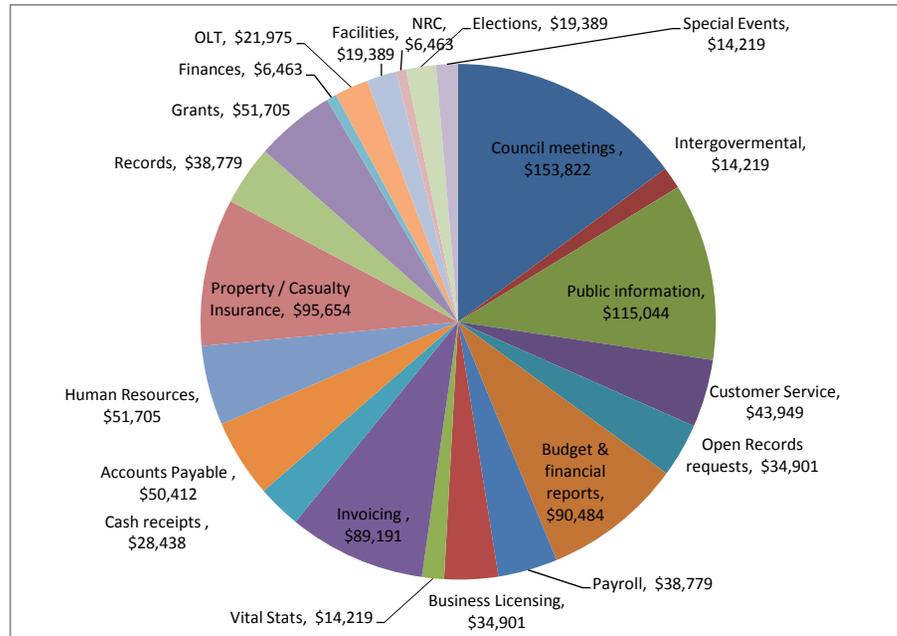
Eliminate local inspections of businesses selling liquor.

Vital Stats could be handed to the county (net loss)

Scale back training, subscriptions, etc.

PLEASE NOTE:

The costs in this report are estimates based primarily on the percentage of staff time in each area. It is not possible to exactly calculate the cost of services with existing data.



**Estimated Cost of General Services
Community Development**

Major Area of Department Services	Time Spent	Budget	Notes
Long-range planning	2.0%	\$ 4,350	More in some years; high volume of current planning in 2014
Development Plan Review	15.0%	\$ 32,625	Admin, Limited, and Major impact **
Subdivision Review	15.0%	\$ 32,625	Subdivision Exemptions, Limited and Major Impact review **
Project Management	5.0%	\$ 10,875	RFQ/RFP preparation and management, Wayfinding, Bike Routes/Safe School, and Salida River Trail design build **
Historic Preservation	5.0%	\$ 10,875	Project Management -- Guideline development, Plans review and H.P. Commission **
Building permits	35.0%	\$ 76,125	Plans review, project inspections, and coordination with County Building Dept.
Signs	1.0%	\$ 2,175	Permit review and inspection
Grants	2.0%	\$ 4,350	Research available grants, complete applications, compliance reporting, etc. Higher in some years.
Comp Plan	1.0%	\$ 2,175	Compliance and periodic updates to the city's comprehensive plan
Community Survey	1.0%	\$ 2,175	Conducted every two years
Municipal Code	2.0%	\$ 4,350	Community support and compliance with Property Maintenance Code; other code enforcement
Transportation	1.0%	\$ 2,175	Regional Transportation -- Chaffee County, CDOT **
Customer service	15.0%	\$ 32,625	General Information Requests, Mapping, and GIS **
Totals		<u>100.0%</u>	

Personnel Costs as a percent of total operating costs: 85%

What services or specific tasks could you discontinue or change?

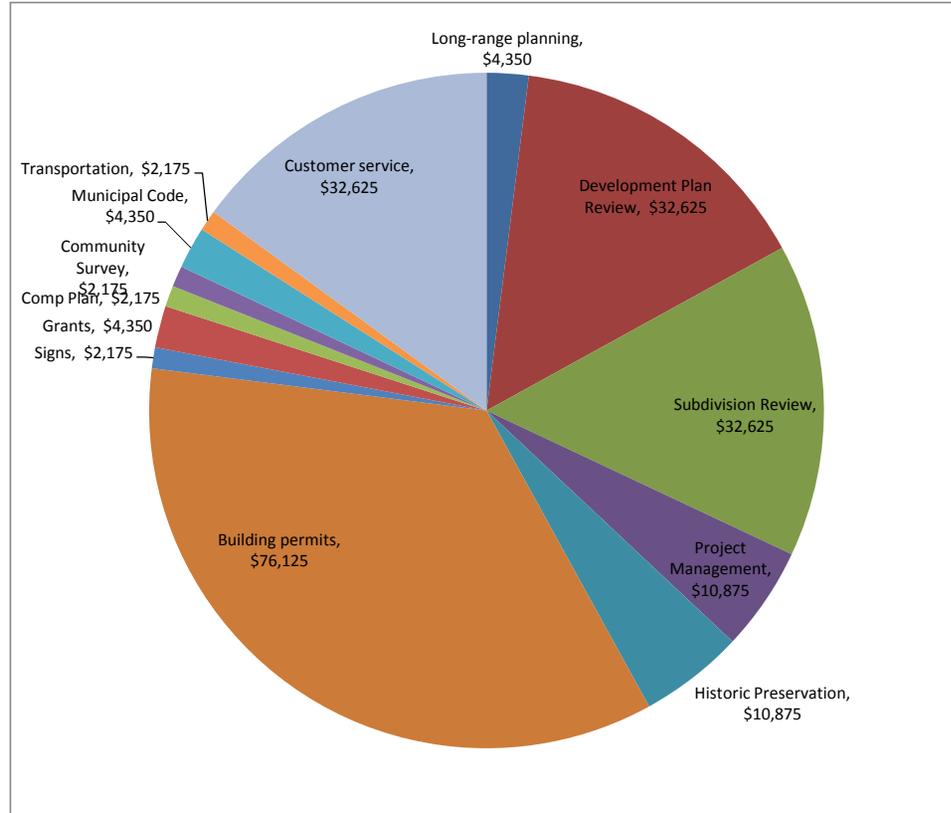
Historic Preservation, regional planning, some community projects
Application fees could be increased

PLEASE NOTE:

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** Denotes obligations with a significant public hearing/ meeting component; generally 5% of total time allocated.

Limited Cost Recovery for review and building permit work
Cost recovery for time spent on grants is well in excess of incurred.



Estimated Cost of General Services

Police

Major Area of Department Services	Time Spent	Budget	Notes
		\$ 1,604,000	
Traffic enforcement	12.0%	\$ 192,480	
Calls for Service	26.0%	\$ 417,040	Dispatched, direct phone calls, walk-ins
Investigations	15.0%	\$ 240,600	Death, Assaults, Burglaries, Thefts, etc.
Evidence	1.0%	\$ 16,040	Property/ Evidence Custody-Handling
Report Writing	15.5%	\$ 248,620	
Court	1.0%	\$ 16,040	Testify, Preparation, Case management
Drug Task Force	0.5%	\$ 8,020	2 Officers assigned/ work with County+DA
Code Enforcement	3.0%	\$ 48,120	Enforce All Codes / Animals, Parking, Ordinances
Training	1.0%	\$ 16,040	FTO/ Certifications, In Service
Special Events	2.8%	\$ 44,912	FibArk, Pro Bike, 4th July, Bike Events, Etc
Meetings	1.4%	\$ 22,456	Council, Planning, Muni Court Security, Mng Mtg
City Licensing	0.3%	\$ 4,812	Alcohol, Marijuana licensing/Applications/Inspect
Crime prevention	0.7%	\$ 11,228	Safety Programs, Halloween, Bike, Shop with a Cop, etc
Bicycle/Foot Patrol	1.0%	\$ 16,040	
Agency Assist	0.4%	\$ 6,416	CSP, County, Transports on alcohol/mental
Facility Management	0.9%	\$ 14,436	Budget, Supplies, Repairs, Short/Long Planning
Policy	0.5%	\$ 8,020	Write & review policy, compliance & updates
Patrol Neighborhoods	17.0%	\$ 272,680	Business & house checks, crime prevention
Totals	100.0%		

Personnel Costs as a percent of total operating costs: 80%

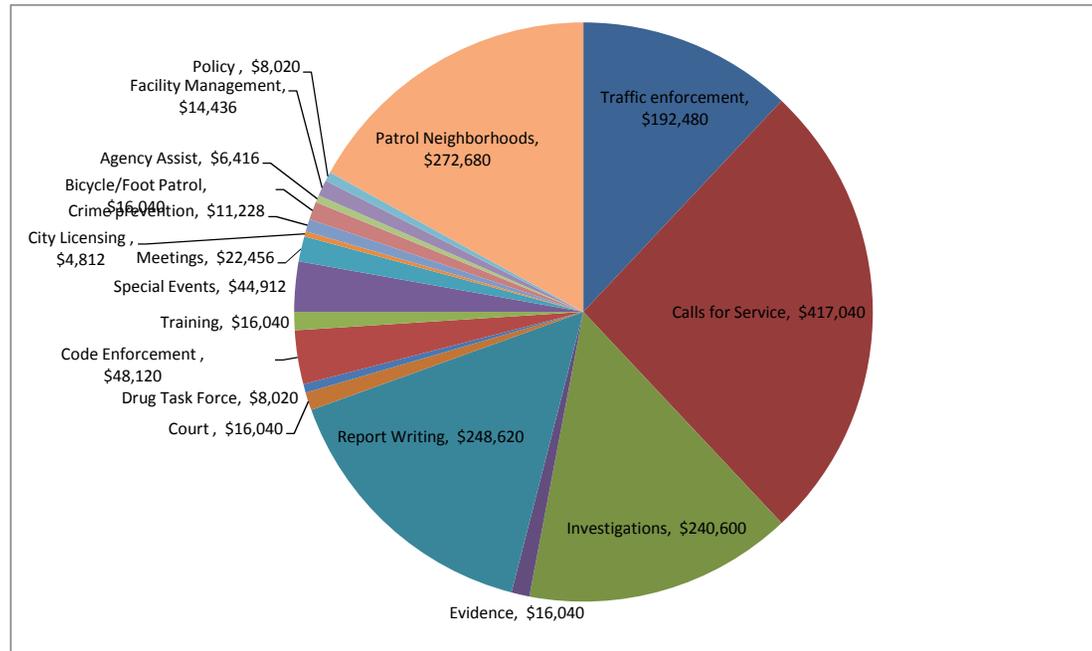
What services or specific tasks could you discontinue or change?

- Safety Programs
 - DUI Awareness Programs
 - Liquor/ Marijuana License Apps- inspections
 - Council Meetings/ Planning Meetings - Officer security
- *** Note: I do not agree with cutting Public Safety Programs or services. The Public loses.

PLEASE NOTE:

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Formula used- 16 officers @ 2080 hr each to arrive at apprx. percentage of time . Includes Code Officer in 16 total



Estimated Cost of General Services

Fire

Major Area of Department Services	Time Spent	Budget	Notes
		\$ 955,500	
Structural fire response	2.5%	\$ 23,888	
Wildland fire response	3.5%	\$ 33,443	
Emergency medical services	17.0%	\$ 162,435	
Technical rescue	2.5%	\$ 23,888	Swift water, ice, confined space, high and low angle
Hazardous Conditions	11.3%	\$ 107,972	Gas leaks, downed power lines, haz mat, etc.
Public service/assistance	3.0%	\$ 28,665	Call response (2%); Smoke detector installation (0.4%); Controlled burn stand bys (0.3%); Home inspections (0.3%)
Business inspections	5.0%	\$ 47,775	Partial cost recovery
Business plans review	3.0%	\$ 28,665	Partial cost recovery
Code Enforcement	0.5%	\$ 4,778	
Instructing	1.6%	\$ 15,288	Fire prevention classes in schools and businesses (1.2%) and CPR classes for other city staff (0.4%)
Fireworks	0.6%	\$ 5,733	Plan, order, set up and discharge fireworks displays for the 4th of July and Parade of Lights
South Ark fire response	6.2%	\$ 59,241	\$70,000 received through an IGA
Citizen complaints and special requests	0.8%	\$ 7,644	
Investigations	0.8%	\$ 7,644	
Wildland mitigation	0.3%	\$ 2,867	Perform assessments for property owners
Fire Cistern and Hydrants	1.0%	\$ 9,555	Repair and maintenance
Wildfire Deployment	1.6%	\$ 15,288	Full cost recovery
Civic Events	2.8%	\$ 26,754	Parades, FiBArk, US Pro Challenge, 9Health Fair, etc.
Cleaning	3.0%	\$ 28,665	Daily cleaning of living area and truck bays with supplies (no outside janitorial assistance)
Apparatus R&M	9.0%	\$ 85,995	Apparatus daily checks, repair & maint (9%) and hose, ladder and pump testing (1%); required to maintain ISO rating
Training	7.0%	\$ 66,885	Training required to maintain certification's required
Emergency Preparedness	3.0%	\$ 28,665	Plans for Chaffee and Fremont Counties
Standby	12.0%		Firefighters work 24 hour shifts and are ready to respond to any call 24/7
Volunteer programs	2.0%	\$ 19,110	Reserve Firefighter and High School COOP Programs
Totals	100.0%		

Personnel Costs as a percent of total operating costs: 88%

What services or specific tasks could you discontinue or change?
pending

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We spend an average of 28:50 minutes per incident and that does not include initiating the report for FireHouse

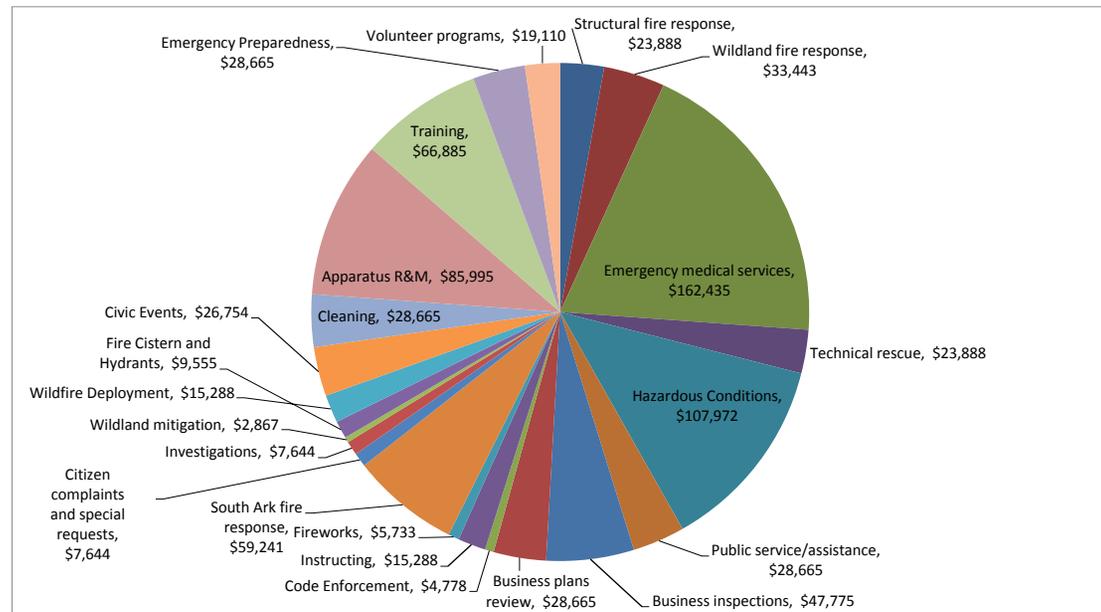
Dollar Value Saved vs. Loss Analysis in 2014 YTD:

Total Value: \$1,063,626

Total Loss: \$126,540

Total Saved: \$937,086 or 88.10%

Salida property owners pay lower insurance premiums because we have a professional fire department. The ISO rating was reduced from a 6 to a 4 in 2002. Results of the 2014 audit are not yet available. ISO ratings of 1 to 10 are given to fire departments across the country.



Estimated Cost of General Services

Public Works

Major Area of Department Services	Time Spent	Budget	Notes
Capital improvement projects	15.0%	\$ 111,330	Planning, contracts, monitoring
Streets repair	24.2%	\$ 179,612	Pot holes, crack sealing
Sidewalk repair	5.0%	\$ 37,110	
Emergency preparedness	2.6%	\$ 19,404	Required FEMA training, meetings
Emergency response	2.0%	\$ 14,553	
Parkway tree maintenance	5.2%	\$ 38,808	
Street sweeping	5.9%	\$ 43,659	
Snow removal	7.8%	\$ 58,212	
Painting curbs	8.4%	\$ 62,345	
Painting crosswalks	5.2%	\$ 38,808	
Clearing storm drains	3.9%	\$ 29,106	
Repairs & maintenance at city facilities	13.1%	\$ 97,020	
USFS contract	1.6%	\$ 11,875	\$12k in revenue
Totals	100.0%		

Personnel Costs as a percent of total operating costs: 64%

What services or specific tasks could you discontinue or change?

Sidewalk repair is homeowner responsibility per the Salida Municipal Code
Reduce painting, street sweeping

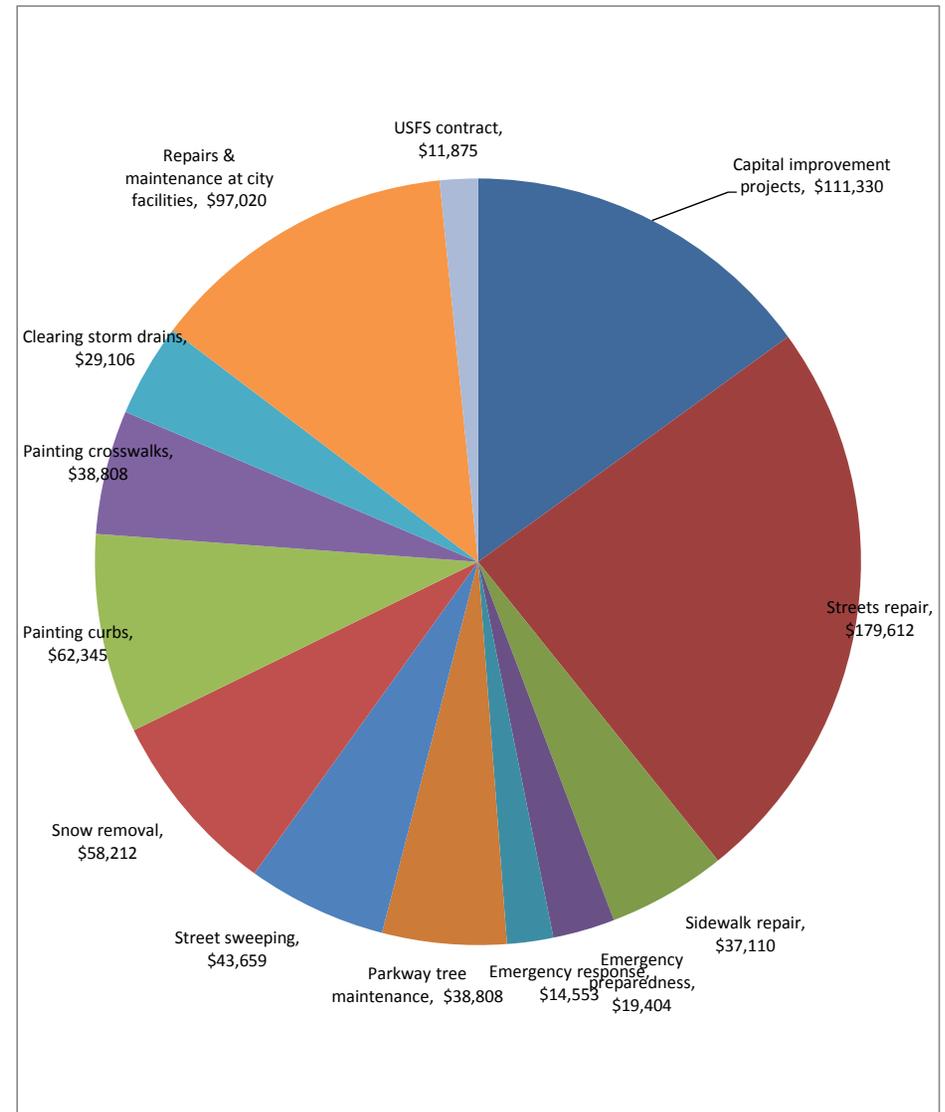
Notes:

Absorbed into the cost of these services are administrative and customer service tasks, which take an estimated 23.5% of staff's time:

Council meetings / work sessions (agendas, packet prep, attendance, minutes, etc.)	5.0%
Intergovernmental meetings & communication	2.0%
Public information (website, press releases, city news column, etc.)	5.0%
General Customer Service (phone calls, in person questions, data requests, etc.)	2.0%
Open Records requests	2.0%
Budget preparation and monitoring	5.0%
Long-range planning	2.5%

PLEASE NOTE:

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Estimated Cost of General Services

Parks

Major Area of Department Services	Time Spent	Budget	Notes
		\$ 274,800	
Lawn mowing, fertilizing	25.0%	\$ 68,700	Over 15 acres of parks
Irrigation	20.0%	\$ 54,960	Repairs, maintenance and monitoring of watering systems (5%); water bills for parks are over \$40,000 annually
Public bathrooms	13.0%	\$ 35,724	Daily cleaning
Trash	12.0%	\$ 32,976	Empty 90 trash up to 4x per week (est 6,500 + empties); refill doggie bag dispensers on trails
Flowers	2.0%	\$ 5,496	Plant and hand water flowers and downtown trees
Vandalism	5.0%	\$ 13,740	This is a routine occurrence that costs the taxpayers
Signs, picnic tables, benches	3.0%	\$ 8,244	Re-paint and repair or replace as needed
Snow removal	3.0%	\$ 8,244	Clear snow from trails and sidewalks in parks; 29,750 feet of trails
Tree maintenance	3.0%	\$ 8,244	Excludes city neighborhood (parkway) trees
Event support	4.0%	\$ 10,992	Deliver barricades, cones, event fencing, etc. for various community events, parades, etc.
Capital projects	5.0%	\$ 13,740	RFPs, contractor meetings, monitoring projects, etc.
Planning / Financial	3.0%	\$ 8,244	Long range planning, budgeting, invoice coding, etc.
Customer service	2.0%	\$ 5,496	In person questions, data requests, phone calls, intergovernmental communications, meetings, etc.
Totals	<u>100.0%</u>		

Personnel Costs as a percent of total operating costs: 67%

What services or specific tasks could you discontinue or change?

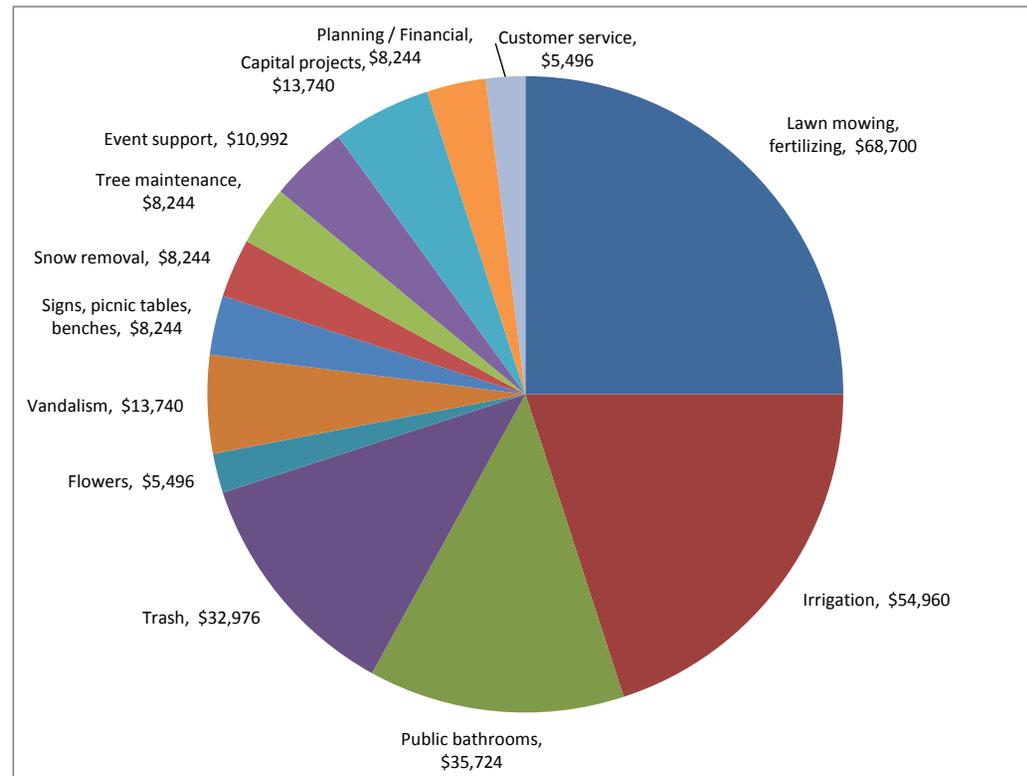
Xeroscape parks, disposition of parks

Consider other funding sources (downtown development district, charge more for events, etc.)

PLEASE NOTE:

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Cost estimates were adjusted to reflect major non-personnel costs (water and chemical fertilizers).



**Estimated Cost of General Services
Recreation**

Major Area of Department Services	Time Spent	Budget \$	Notes
Department Wide			
Communications / Marketing	3.5%	\$ 22,218	Daily communication with customers by telephone, in-person, through Public Service Announcements, website, social media, printed media, campaigns, signage, advertising
Financial	3.5%	\$ 22,218	Financial management including budget development and monitoring, processing payables
Community Liaison	3.0%	\$ 19,044	Participation in outside community organizations, ribbon-cuttings, free city and community events
Long-range planning	2.0%	\$ 12,696	Planning of maintenance, replacement, repair and new projects. Public meetings and participation
Capital projects	2.0%	\$ 12,696	RFP's, review design documents, interview contractors, construction meetings, monitoring project, punch list, etc.
SteamPlant	2.0%	\$ 12,696	Oversee SteamPlant Operations and supervise staff
Volunteers	3.5%	\$ 22,218	Rec Advisory Board Monthly meetings, prepare work schedule and reporting; KORE instructors, paperwork, training
Recreation (beyond Aquatic Center)			
Recreation Programs	11.0%	\$ 69,828	Planning, promoting, staffing and executing
Races and Special Events	2.5%	\$ 15,870	Planning, promoting, permitting, fundraising, staffing and executing
Aquatic Center			
Pool safety	20.0%	\$ 126,960	Lifeguarding, training, supply stocking. Required training: CPR, First Aid Daily monitoring, maintenance of pool operating systems, repairs to operating systems, work with contractors if necessary. Certified
Pool Operations and Maintenance	20.0%	\$ 126,960	Swimming Pool Operator
Custodial	7.0%	\$ 44,436	Daily cleaning & disinfecting of locker-rooms, public areas, vacuuming of pools, trash
Front Desk Operations	15.0%	\$ 95,220	Point of sales, admissions, deposits, registrations, pro-shop inventory, phones, customer service
Lessons / Classes	5.0%	\$ 31,740	Private, public swim lessons, planning, promoting and executing (2%), Fitness classes (1.5%), Longfellow lessons (1%) Required training: CPR, First Aid, Water Safety Instructor, Fitness Instructor, Rec Trac (POS system)
		<u>100.0%</u>	

Personnel Costs as a percent of total operating costs: 67%

What services or specific tasks could you discontinue or change?

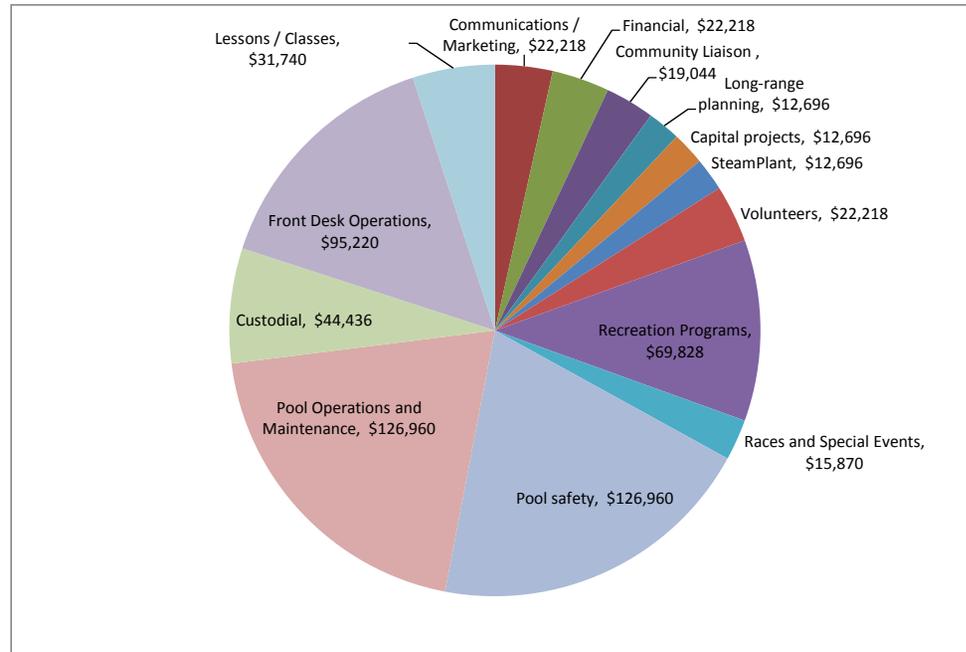
- Consider reduced hours
- Current cost recovery is 65% to 70%
- Could consider other revenue sources

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At a minimum, CPR and First Aid training certifications are required of all employees. Much more extensive training and certifications are required for lifeguarding, fitness instruction, teaching and pool operations (eg. chemical use, etc.)

Pool is open 7 days a week, generally from 6am to 8pm
350 days per year.



**Estimated Cost of General Services
Other**

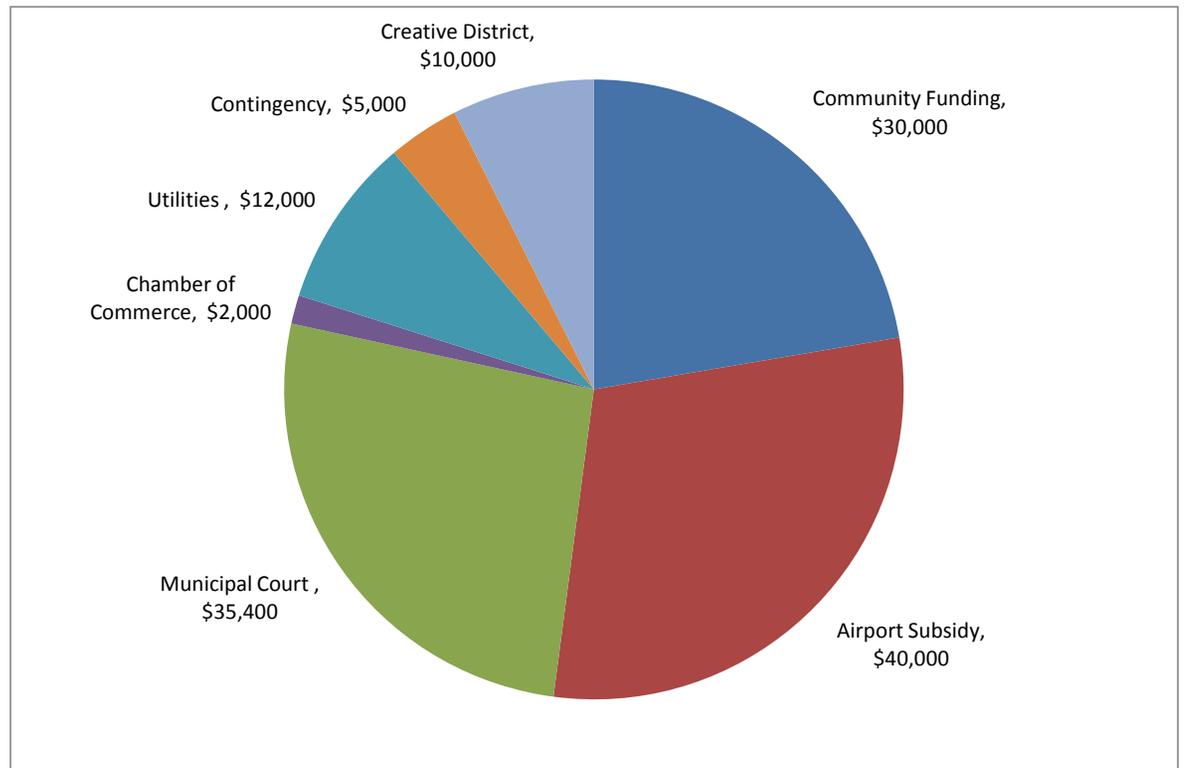
Major Area of Department Services	Budget		Notes
		\$	
		134,400	
Community Funding	22%	\$ 30,000	Awarded to various local non profit organizations
Airport Subsidy	30%	\$ 40,000	Paid to Chaffee County
Municipal Court	26%	\$ 35,400	Judge and prosecutor who do not report to city staff
Chamber of Commerce	1%	\$ 2,000	Membership dues
Utilities	9%	\$ 12,000	For Salida Musuem / Chamber building and Tenderfoot Hill communications tower
Contingency	4%	\$ 5,000	For special project consulting
Creative District	7%	\$ 10,000	Grant funded
	100%	\$ 134,400	

What services or specific tasks could you discontinue or change?

- Reduce community funding
- Work with Chaffee County to reduce airport subsidy

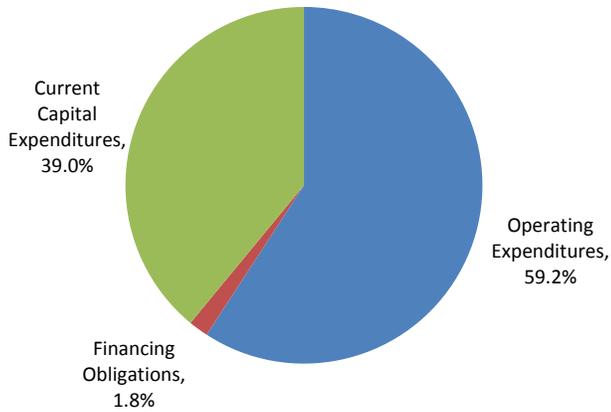
Notes

There are no employees in this department.



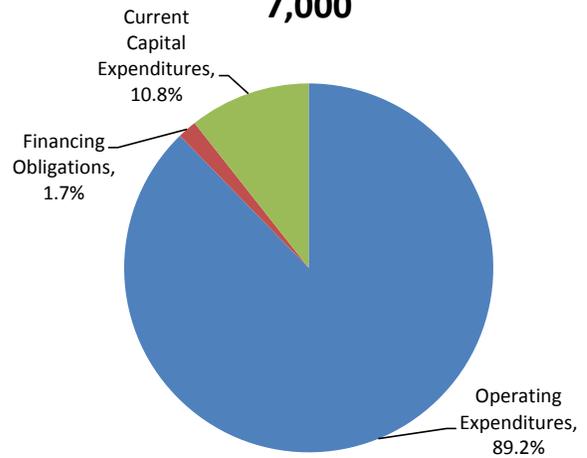
General Fund

Salida - 2015 Proposed Budget

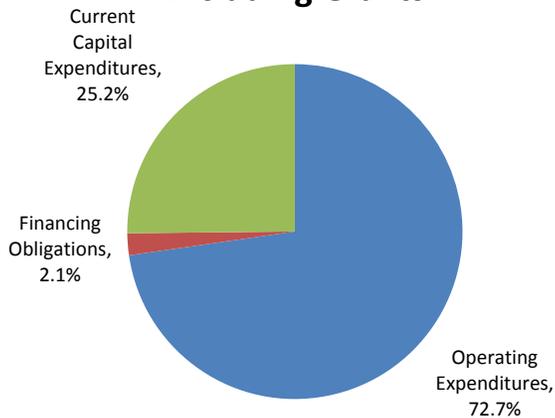


Based on the following comparative data, as a percentage of total spending Salida invests between 2.7 and 3.6 times as much as other Colorado municipalities on capital purchases and improvements. Without grants, this figure is 1.7 to 2.3 times as much.

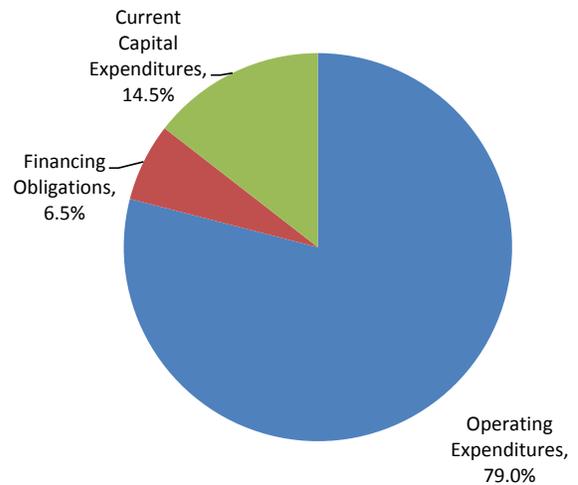
Colorado Cities and Towns with Populations between 4,000 and 7,000



Salida - 2015 Proposed Budget Excluding Grants



Colorado Municipalities in RubinBrown Public Sector Report



Salida - After Petition Excluding Grants

