

**FINANCE MEMORANDUM**  
**#09-06**

**DATE:** April 23, 2009

**TO:** Honorable Mayor Kathleen M. Novak and City Council Members

**FROM:** Bill Simmons, City Manager *WMS*  
Shawn Cordsen, Finance Director *SC*

**SUBJECT:** Budget Reduction Ordinance CB-1688

**UPDATE:**

In response to the current economic environment, staff is recommending the following expenditure reductions:

General Fund	\$ 943,456
Water & Wastewater Fund	332,712
Stormwater Fund	3,000
Sanitation Fund	74,664
<hr/> Total	<hr/> \$ 1,353,832

The primary intent of the above reductions was to reduce General Fund expenditures by an amount equal to 10% of the anticipated General Fund sales tax collections (approximately \$900,000). Each department was asked to reduce their non-personnel operating budget by at least 10%, with the exception of the Utilities and Police departments which were asked to reduce their budgets by about 5%. In addition, a number of vacant positions spread throughout the organization will intentionally be left unfilled for the remainder of the year as an additional cost savings. Staff will continue to monitor the financial condition of the organization while seeking additional opportunities to reduce expenditures and if possible enhance revenues.

Additional information regarding the recommended reductions has been attached for review. Upon approval, staff will update the 2009 Budget Document to incorporate all changes, including those made to the Capital Improvement Program. Staff estimates that the revised document will be available by May 1, 2009.

**STAFF REFERENCE:**

If Councilmembers have any comments or questions, you may contact Shawn Cordsen at [scordsen@northglenn.org](mailto:scordsen@northglenn.org) or at 303-450-8719.

SPONSORED BY: MAYOR NOVAK

COUNCILMAN'S BILL

ORDINANCE NO.

No. CB-1688  
Series of 2009

\_\_\_\_\_  
Series of 2009

A BILL FOR A SPECIAL ORDINANCE AMENDING THE 2009 BUDGET RECOGNIZING REVENUES AND APPROPRIATING EXPENDITURES BY APPROPRIATION AMENDMENT, FOR THE PAYMENT OF THE COSTS AND EXPENSES OF THE MUNICIPAL GOVERNMENT, AGENCIES AND OFFICES OF THE CITY OF NORTHGLENN, COLORADO, FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2009.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF NORTHGLENN, COLORADO, THAT THE 2009 BUDGET SHALL BE AMENDED AS FOLLOWS:

**Section 1.     Appropriation amendments, transfer of appropriations and recognition of revenues.**

- (a) **General Fund.** Amend the 2009 General Fund budget to reduce expenditure appropriations in the amount of \$943,456.00.
- (b) **Water & Wastewater Fund.** Amend the 2009 Water & Wastewater Fund budget to reduce expenditure appropriations in the amount of \$332,712.00.
- (c) **Stormwater Fund.** Amend the 2009 Stormwater Fund budget to reduce expenditure appropriations in the amount of \$3,000.00.
- (d) **Sanitation Fund.** Amend the 2009 Sanitation Fund budget to reduce expenditure appropriations in the amount of \$74,664.00.

**Section 2.     The City Council of the City of Northglenn, Colorado, hereby finds and declares that in making appropriations provided by this ordinance:**

- (a) No appropriation for debt service has been reduced or transferred.
- (b) No appropriation has been reduced below any amount required by law to be appropriated.
- (c) No appropriation has been reduced by more than the unencumbered balance thereof.
- (d) In the case of each transfer of all or part of any unencumbered appropriation, such transfer has been requested and approved by the City Manager.
- (e) In the case of each reduction of an appropriation, the City Manager has rendered his

report and recommendations thereon and has requested and approved such reduction.

- (f) In the case of the appropriation amendment, the City Manager has certified that there are funds available for appropriation.

**Section 3. This Ordinance and each part, provision and section thereof, shall take effect on \_\_\_\_\_ of April, 2009.**

INTRODUCED, READ AND ORDERED POSTED THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2009.

\_\_\_\_\_  
KATHLEEN M. NOVAK  
Mayor

ATTEST:

\_\_\_\_\_  
JOHANNA SMALL, CMC  
City Clerk

PASSED ON SECOND AND FINAL READING THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2009.

\_\_\_\_\_  
KATHLEEN M. NOVAK  
Mayor

ATTEST:

\_\_\_\_\_  
JOHANNA SMALL, CMC  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
COREY Y. HOFFMAN  
City Attorney

**GENERAL FUND  
BUDGET AMENDMENT**

	<b>2009 Adopted Budget</b>	<b>2009 Proposed Budget Reduction 4/23/09</b>
<b>Revenues</b>		
Taxes:		
Property	3,209,594	3,209,594
Sales (Net of ESTIP)	8,982,500	8,982,500
Use Taxes	1,816,556	1,816,556
Other Tax	270,500	270,500
Franchise Fees	1,219,300	1,219,300
Licenses and Permits	330,428	330,428
Intergovernmental	1,333,500	1,333,500
Charges for Services	1,303,122	1,303,122
Fines and Forfeitures	1,737,082	1,737,082
Investment Earnings	350,000	350,000
Miscellaneous	150,000	150,000
<b>Total Revenues</b>	<b>20,702,582</b>	<b>20,702,582</b>
<b>Expenditures</b>		
Legislative	734,620	688,058
Administrative	790,302	762,502
Planning & Development	1,813,168	1,665,207
Police	7,872,738	7,716,914
Parks, Recreation & Culture	3,425,789	3,274,204
Public Works	1,580,374	1,247,845
Finance	2,414,836	2,379,776
Management Services	1,493,865	1,447,730
<b>Total Expenditures</b>	<b>20,125,692</b>	<b>19,182,236</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>576,890</b>	<b>1,520,346</b>
<b>Other Financing Sources (Uses)</b>		
Intergovernmental To CIP	840,000	840,000
Capital Improvements	-	-
Transfer to CIP	(1,331,702)	(1,331,702)
Transfer to CIP - Previous Funds	(501,837)	(501,837)
Transfer to CIP - Capitalize	-	-
Transfer to Vehicle Replacement	-	-
Transfer to Debt Service	(260,000)	(260,000)
NURA Advance Repayment	-	-
Proceeds from Property Sales	-	-
NNDC Funding	-	-
Contingency	(200,000)	(200,000)
<b>Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>(876,649)</b>	<b>66,807</b>
<b>Beginning Funds Available</b>	<b>6,039,145</b>	<b>6,039,145</b>
<b>Less: Reserves/Designations</b>		
25% Operating Reserve	(5,081,423)	(4,845,559)
Skate Park Designation	(100,000)	(100,000)
<b>Ending Funds Available</b>	<b>(18,927)</b>	<b>1,160,393</b>

**WATER AND WASTEWATER - OPERATING FUND  
BUDGET AMENDMENT**

	<b>2009 Adopted Budget</b>	<b>2009 Amended Budget 2/12/09</b>	<b>2009 Proposed Budget Reduction 4/23/09</b>
<b>Revenues</b>			
Intergovernmental	5,100	5,100	5,100
Charges for Services	8,390,264	8,390,264	8,390,264
Investment Earnings	100,000	100,000	100,000
Miscellaneous	-	-	-
<b>Total Revenues</b>	<b>8,495,364</b>	<b>8,495,364</b>	<b>8,495,364</b>
<b>Expenditures</b>			
Legislative	75,000	75,000	75,000
Administrative	270,781	270,781	190,262
Utilities	4,363,336	4,363,336	4,363,336
Public Works	1,202,122	1,202,122	990,760
Finance	2,354,015	2,354,015	2,315,184
Management Services	178,930	178,930	176,930
<b>Total Expenditures</b>	<b>8,444,184</b>	<b>8,444,184</b>	<b>8,111,472</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>51,180</b>	<b>51,180</b>	<b>383,892</b>
<b>Other Financing Sources (Uses)</b>			
Capital Improvements	-	-	-
Transfer to CIP	(360,000)	(449,500)	(449,500)
Transfer to CIP - Previous Funds	(30,000)	(30,000)	(30,000)
<b>Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>(338,820)</b>	<b>(428,320)</b>	<b>(95,608)</b>
<b>Beginning Funds Available</b>	<b>1,153,844</b>	<b>1,153,844</b>	<b>1,153,844</b>
<b>Ending Funds Available</b>	<b>815,024</b>	<b>725,524</b>	<b>1,058,236</b>

**STORMWATER FUND - OPERATING  
BUDGET AMENDMENT**

	<b>2009 Adopted Budget</b>	<b>2009 Proposed Budget Reduction 4/23/09</b>
<b>Revenues</b>		
Charges for Services	430,000	430,000
Investment Earnings	25,000	25,000
<b>Total Revenues</b>	<b>455,000</b>	<b>455,000</b>
<b>Expenditures</b>		
Utilities	114,263	114,263
Public Works	155,025	152,025
<b>Total Expenditures</b>	<b>269,288</b>	<b>266,288</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>185,712</b>	<b>188,712</b>
<b>Other Financing Sources (Uses)</b>		
Capital Improvements	-	-
Transfer to CIP	(40,000)	(40,000)
Transfer to CIP - Previous Funds	(60,000)	(60,000)
<b>Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>85,712</b>	<b>88,712</b>
<b>Beginning Funds Available</b>	<b>518,140</b>	<b>518,140</b>
<b>Ending Funds Available</b>	<b>603,853</b>	<b>606,853</b>

**SANITATION FUND - OPERATING  
BUDGET AMENDMENT**

	<b>2009 Adopted Budget</b>	<b>2009 Proposed Budget Reduction 4/23/09</b>
<b>Revenues</b>		
Charges for Services	1,533,800	1,533,800
Fines and Forfeitures	-	-
Investment Earnings	55,000	55,000
<b>Total Revenues</b>	<b>1,588,800</b>	<b>1,588,800</b>
<b>Expenditures</b>		
Public Works	1,749,038	1,676,374
Finance	252,169	250,169
<b>Total Expenditures</b>	<b>2,001,207</b>	<b>1,926,543</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(412,407)</b>	<b>(337,743)</b>
<b>Other Financing Sources (Uses)</b>		
Capital Improvements	-	-
Transfer to CIP	-	-
Proceeds from Property Sales	-	-
<b>Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses</b>	<b>(412,407)</b>	<b>(337,743)</b>
<b>Beginning Funds Available</b>	<b>1,638,467</b>	<b>1,638,467</b>
<b>Ending Funds Available</b>	<b>1,226,059</b>	<b>1,300,723</b>

**City of Northglenn  
Budget Appropriation Reductions**

**2009 General Fund Budget Appropriation** **\$ 22,419,231**

**Operating Cost Reductions**

Legislative	\$ (23,890)
Administration	(27,800)
Finance	(6,000)
Central Services	(20,330)
Management Services	(21,467)
Parks, Recreation & Cultural Services	(49,290)
Planning & Development	(85,000)
Police	(23,240)
Public Works	(311,100)
<b>Subtotal</b>	<b>\$ (568,117)</b>

**Personnel Cost Reductions**

City Clerk: Deputy City Clerk	Recruitment In Progress
Finance: Controller	Position filled 02-02-2009
Finance: Director of Finance	Position filled 02-09-2009
Management Services: Court Clerk	No Recruitment Planned
Parks & Recreation: Director of Parks & Rec.	Recruitment In Progress
Planning & Development: Housing/Grant Admin.	No Recruitment Planned
Police Department: Police Officer	No Recruitment Planned
Police Department: Police Officer	No Recruitment Planned
Police Department: Administrative Specialist	No Recruitment Planned
Public Works: Director of Public Works	Recruitment In Progress
<b>Subtotal</b>	<b>\$ (375,339)</b>

<b>Total Reductions</b>	<b>\$ (943,456)</b>
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**Proposed General Fund Budget Appropriation** **\$ 21,475,775**



**City of Northglenn**  
**General Fund Budget Appropriation Reductions**

**Legislative**

<i>City Council</i>	(19,820)	Remove undesignated budget allotment - \$19,820
<i>City Clerk</i>	(4,070)	General operating reductions - \$4,070
<b>Legislative Total</b>	<u>(23,890)</u>	

**Administrative**

<i>City Manager</i>	(4,800)	Eliminate Auto Allowance - \$4,800
<i>Public Communications</i>	(29,000)	Cancel "Eye on Northglenn" - \$17,000; Initiate Bulk Mail Process - \$12,000
<i>CIP Design &amp; Engineering</i>	6,000	Telemetry for traffic lights - (\$6,000)
<b>Administrative Total</b>	<u>(27,800)</u>	

**Finance**

<i>Revenue Collection</i>	(5,500)	Reduce contracted sales tax audit activity - \$5,500
<i>Risk Management</i>	(500)	Remove conference allocation - \$500
<b>Finance Total</b>	<u>(6,000)</u>	

**Central Services**

	(12,000)	Reduce computer replacement program - \$12,000
	(5,000)	Remove over estimated audit costs - \$5000
	(3,330)	Cancel employee appreciation luncheon - \$3,330
<b>Central Services Total</b>	<u>(20,330)</u>	

**Management Services**

<i>Human Resources</i>	(5,967)	Reduced long-term employee award program - \$1,000; Renegotiated EAP expenditure - \$4,267; Reduce conference allocation - \$700
<i>Municipal Court</i>	(9,500)	General operating expenditure reductions - \$9,500
<i>Information Technology</i>	(6,000)	Technology repair services absorbed in-house - \$6,000
<b>Management Services Total</b>	<u>(21,467)</u>	

**City of Northglenn**  
**General Fund Budget Appropriation Reductions**

**Parks, Recreation & Cultural Services**

*PRC Boards & Commissions*

(1,000) General operating expenditure reductions - \$1,000

*Aquatics*

(8,000) Reduced printing services bid - \$8,000

*Recreation Center*

(23,290) Decreased school use fee - \$8,700; Reduce Sunday operating hours - \$1,590;  
Postpone tile reglazing - \$13,000

*Generation Based Recreation*

(1,000) General operating expenditure reductions - \$1,000

*Theatre & Arts*

(1,000) General operating expenditure reductions - \$1,000

*Parks Operations*

(15,000) Reduction of overtime - \$15,000

**Parks, Recreation & Cultural Services Total**

(49,290)

**Planning & Development**

*Building Inspection & Permits*

(35,000) Reduction in abatement services - \$35,000

*Emergency Grants*

(10,000) Elimination of emergency grant program - \$10,000

*Neighborhood Services*

(40,000) Reduction in abatement services - \$40,000

**Planning & Development Total**

(85,000)

**Police**

*Administration*

(9,296) General operating expenditure reductions - \$9,296

*Support Operations*

(12,944) General operating expenditure reductions - \$12,944

*NSA*

(1,000) General operating expenditure reductions - \$1,000

**Police Total**

(23,240)

**Public Works**

*Administration*

(800) General operating expenditure reductions - \$800

*Streets*

(185,200) General operating expenditure reductions - \$1,200;  
Eliminate streetsweeper replacement \$184,000

*Facilities Maintenance*

(6,500) General operating expenditure reductions - \$6,500

*Fleet*

(66,000) Reduction in estimated cost of gasoline - \$66,000

(52,600) Reduction in estimated cost of diesel - \$52,600

**Public Works Total**

(311,100)

**Grand Total**

(568,117)

**City of Northglenn  
Budget Appropriation Reductions**

**2009 Water & Wastewater Fund Budget Appropriation** **\$ 23,147,934**

**Operating Cost Reductions**

Finance	(20,000)
Central Services	(5,000)
Management Services	(2,000)
Public Works	(31,900)
<b>Subtotal</b>	<b>\$ (58,900)</b>

**Personnel Cost Reductions**

City Manager: Logistics Manager	No Recruitment Planned
Finance: Controller	Position filled 02-02-2009
Finance: Director of Finance	Position filled 02-09-2009
Finance: Meter Reader	Position filled 01-31-2009
Public Works: Director of Public Works	Recruitment In Progress
Public Works: IP/Backflow Specialist	Recruitment In Progress
Public Works: Lab Analyst	No Recruitment Planned
Public Works: MSW I	No Recruitment Planned
Public Works: MSW I	No Recruitment Planned
<b>Subtotal</b>	<b>\$ (273,812)</b>

<b>Total Reductions</b>	<b>\$ (332,712)</b>
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**Proposed Water & Wastewater Fund Budget Appropriation** **\$ 22,815,222**

**City of Northglenn**  
**Water & Wastewater Fund Budget Appropriation Reductions**

**Finance**

<i>Meter Reading</i>	<u>(20,000)</u>	Eliminate vehicle replacement - \$20,000
<b>Finance Total</b>	<b>(20,000)</b>	

**Central Services**

<i>Central Services Operation</i>	<u>(5,000)</u>	Remove over estimated audit costs - \$5,000
<b>Central Services Total</b>	<b>(5,000)</b>	

**Management Services**

<i>Information Technology</i>	<u>(2,000)</u>	Reduce computer supply purchases - \$2,000
<b>Management Services Total</b>	<b>(2,000)</b>	

**Public Works**

<i>Administration</i>	(1,200)	General operating expenditure reductions - \$1,200
<i>Facilities Maintenance</i>	(2,000)	General operating expenditure reductions - \$2,000
<i>Distribution, Collection &amp; Transmission</i>	<u>(28,700)</u>	Reduce pipeline materials - \$15,000; Reduce road construction materials - \$13,700
<b>Public Works Total</b>	<b>(31,900)</b>	

**Grand Total**

<u><u>(58,900)</u></u>
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**City of Northglenn  
Budget Appropriation Reductions**

<b>2009 Stormwater Fund Budget Appropriation</b>	<b>\$</b>	<b>369,288</b>
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**Operating Cost Reductions**

Public Works		(3,000)
<b>Total Reductions</b>	<b>\$</b>	<b>(3,000)</b>

<b>Proposed Stormwater Fund Budget Appropriation</b>	<b>\$</b>	<b>366,288</b>
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**City of Northglenn**  
**Stormwater Fund Budget Appropriation Reductions**

<b>Public Works</b>	
<i>Streets</i>	<u>(3,000)</u> General operating expenditure reductions - \$3,000
<b>Public Works Total</b>	<u>(3,000)</u>
<b>Grand Total</b>	<u><u>(3,000)</u></u>

**City of Northglenn  
Budget Appropriation Reductions**

**2009 Sanitation Fund Budget Appropriation** **\$ 2,001,207**

**Operating Cost Reductions**

Finance	(2,000)
Public Works	(61,950)
<b>Subtotal</b>	<b>\$ (63,950)</b>

**Personnel Cost Reductions**

Public Works: Director of Public Works	Recruitment In Progress
<b>Subtotal</b>	<b>\$ (10,714)</b>

<b>Total Reductions</b>	<b>\$ (74,664)</b>
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**Proposed Sanitation Fund Budget Appropriation** **\$ 1,926,543**

**City of Northglenn**  
**Sanitation Fund Budget Appropriation Reductions**

**Finance**

*Admin & Accounting*

**Finance Total**

(2,000) Remove over estimated audit costs - \$2000

**(2,000)**

**Public Works**

*Administration*

(300) General operating expenditure reductions - \$300

Reduce Polycart purchases - \$40,000; Reduce operating supplies - \$1,100;

Reduce conferences - \$750; Reduce landfill charges - \$15,000;

*Sanitation*

(61,650) Reduce operating costs - \$800; Reduce overtime - \$4,000

**Public Works Total**

**(61,950)**

**Grand Total**

**(63,950)**