



CITY OF
LONE TREE



**BUDGET
BOOK**

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Using the Budget Document

Each year, City Council discusses and deliberates priorities for the budget that will serve as the funding plan for policies, goals, and service levels. With guidance from City Council, the City Manager and staff prepare the annual budget. This document is a comprehensive decision-making tool that provides detail for the 2022 estimated budget and the 2023 adopted budget.

The City of Lone Tree prepares a modified programs-based budget. The Fund Summaries and Budget Message are found on pages 21-59, which provide fund summary information, revenue details, as well as program budgets that identify activities and financial detail for each City department based on generally accepted accounting principles.

In developing the budget, the City staff focuses on the Community Vision Statement which states: *Lone Tree is a premier Colorado community connected by great neighborhoods, vibrant public spaces, a beautiful natural environment, and thriving businesses.* Additionally, the organizational mission states: *We will achieve Lone Tree's community vision by doing things the best way, not just the expected way.* Along with the vision and mission statements, the City Manager committed to six Big Ideas. These six Big Ideas serve as the cornerstone of the strategic plan. In order to achieve the vision and mission, the City will be a national model for:

1. Our deep, active commitment to **public safety**
2. Our visionary **transportation** network
3. Our welcoming, connected, and resilient **community**
4. Our signature **cultural and recreational opportunities**, exceptional places, and beautiful natural environment
5. Our diverse and sustainable economy powered by **top-tier businesses**
6. Our commitment to building the best team to support innovative, customer-focused, and efficient **City government**

The City also identified a number of objectives that further define how we will achieve the Big Ideas. Collectively, the vision, mission, Big Ideas, and objectives form our strategic plan. The strategic plan serves as our guide as we set priorities, assign responsibilities, set schedules, and budget for operating and capital expenditures. The full strategic plan is located on pages 85-87 of this document.

The City utilizes a decentralized "bottom-up" approach in the development of the annual budget. Each Department is responsible for developing the financial data and narratives that are to be incorporated into the budget document. Guidelines and instructions are established by the Finance Department in cooperation with the City Manager's office and City Council's policy direction. The Finance Department coordinates and compiles all the budget information from the Departments into the final budget document that is presented by the City Manager to City Council for review, deliberation, and final approval.

There are five main sections to this document including: **Introduction and Overview**; **Financial Structure, Policy, and Process**; **Financial Summaries**; **Capital and Debt**; and **Departmental Information**.

Using the Budget Document

THE FIVE MAIN SECTIONS OF THIS DOCUMENT

1 INTRODUCTION & OVERVIEW

This section provides general information about the City including budget highlights from the City Manager, a list of Principal Officials, Lone Tree Facts, and a snapshot of the City's total budget, including revenues and expenditures for all funds. Additionally, there is a summary of the City's priorities for 2023 based in part on identified short-term factors influencing decision-making.

2 FINANCIAL STRUCTURE, POLICY & PROCESS

This section provides the citywide organizational chart, a description of the five City Funds and their structure, and how they relate to each department. Additionally, a discussion is presented on the basis of budgeting, the City's financial policies, and the budget process.

3 FINANCIAL SUMMARIES

This section provides supporting detail for the revenues and expenditures for all funds requiring appropriation. Additionally, the Budget Message provides detailed information about the City and each fund, as well as information on each revenue type, department expenditure information, capital expenditure information, debt and leases, compensation, benefits and staffing, as well as reserve funds.

4 CAPITAL & DEBT

This section outlines the City's capital expenditures and discusses the difference between routine and one-time capital expenditures. Additionally, the Capital Budget, as well as the City's five-year capital plan, which can be found starting on page 64, provides further details. Furthermore, the City's debt instruments are discussed, and the debt schedules are presented.

5 DEPARTMENTAL INFORMATION

This section informs the reader of employee counts by function/program. Additionally, department descriptions, along with unit goals and objectives are discussed.



INTRODUCTION & OVERVIEW

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INTRODUCTION & OVERVIEW

CITY MANAGER'S BUDGET HIGHLIGHTS

TO THE CITIZENS OF LONE TREE AND OTHER INTERESTED PARTIES:

I am pleased to present the City of Lone Tree's 2023 budget. The City Council and City Staff have worked diligently for several months in order to develop a plan that is fiscally responsible and allows the City to prioritize our Vision, Mission, and our Six Big Ideas. It is a plan that will help us achieve our vision of Lone Tree as *"a premier Colorado community connected by great neighborhoods, vibrant public spaces, a beautiful natural environment, and thriving businesses."* It will serve as both a policy document and a financial instrument that focuses on our work toward that vision.

The budget was formally adopted by the City Council by Resolution No. 22-55 on December 6, 2022.

BUDGET HIGHLIGHTS

This balanced budget reflects the City Council's objective to continue to maintain and enhance community connections and the high level of service our businesses and residents expect. To accomplish this, we continue to focus on our deep active commitment to public safety, commit time and investment in planning for the future, maintain and upgrade the City's existing core infrastructure, capture maximum value out of previous investments, and manage the City's operating and capital reserves responsibly.

The City's 2023 adopted budget reflects Council's desire for a fiscally sound budget that is built on conservative revenue projections, as well as discretionary and necessary expenditure levels, and required and reasonable reserves and designations. This adopted budget is in line with the City's long-term projections as prepared during the 2E temporary tax increase initiative to ensure fiscal stability over the next nine years.

WHAT TO EXPECT IN 2023

The coming year will bring several exciting opportunities including major investments in street overlay, traffic signalization improvements, road improvements, as well as storm drainage projects. A continued focus will also be placed on public safety to include new positions, increased training opportunities, and vehicle replacements to ensure our police officers have the necessary resources to perform their jobs effectively. The City will also partner with South Suburban Parks and Recreation on a variety

of capital projects and continued design work of the new Regional Park. Finally, a focus in 2023 will result in various community benefits such as bike and pedestrian improvements, increased Lone Tree Link Shuttle services, as well as City-funded community events. The City still sees immense benefits from contracting for or partnering on a wide variety of City services, ranging from trash removal to snow plowing to police dispatch. Contracting these services is still financially prudent compared to what they would cost in staffing and capital facilities and equipment.

SUMMARY OF REVENUES, EXPENDITURES AND RESERVES

- Total budgeted revenues for all City funds are approximately \$66.1 million.
- Taxes make up approximately 70.7% of total revenues. The primary source of this revenue is sales tax.
- Sales tax projections for 2023 are calculated conservatively with projections based on 2022 trends. Additionally, the 2023 budget includes known new retail/restaurants, along with known store closings.
- The City does not assess a mill levy for the collection of property taxes.
- Increases in other tax areas including lodging and admissions tax is a result of conservative projections based on current trends. Compared to 2022, the 2023 lodging tax is showing a 10% increase; however, this is still 6% below 2019 pre-pandemic levels. Compared to 2022, the 2023 admissions tax is showing an increase of about 1% and an increase of approximately 3% compared to 2019.
- Total budgeted expenditures for 2023 for all City funds are approximately \$67.8 million. Budgeted expenditures are projected to be paid from projected 2023 revenues received as well as prior years' accumulated fund balances.
- The operating budget maintains the same high-quality level for core services such as snow removal, trash and recycling services, and street maintenance.
- The budget for salaries and benefits includes several new positions as identified in the City's 5-year staffing plan, as well as the final salary adjustments resulting from the comprehensive compensation study that was completed in 2022.

- The 2023 Police Department budget for salaries and benefits include market adjustments to remain competitive with neighboring communities, the addition of three police officers to improve visible presence, continue to prioritize community policing including an additional school resource officer, ensure needed coverage, as well as succession planning efforts, and a non-sworn position that was added to meet the unfunded state mandate and increased demands set forth in the “DA Accountability” bill that passed in 2021.
- Leveraging partnerships is still a key component for the City to be able to fund large capital projects and we are excited for that continued support in 2023. Approximately 29% of total capital project funding has been secured from partnerships and grants, while about 71% is being funded by the City. Capital improvement projects in 2023 include:
 - o Acres Green Pedestrian / Bike Bridge
 - o Advancing Lincoln Avenue Design
 - o Annual Street Overlay and Traffic Signals
 - o C-470 Trail Connection to RTD Station
 - o Park Meadows Drive / Acres Green Intersection Rebuild
 - o City-Wide Bicycle Safety Study & Improvements
 - o RidgeGate Crosswalks
 - o Outdoor Pickleball Courts at the Lone Tree Rec Center
- A 27% working reserve has been included in the 2023 budget. This reserve is set aside for unanticipated revenue shortfalls or if unanticipated expenditures occur.
- An operational reserve has been established in 2023 for oversight purposes regarding the accumulation and usage of funds related to the one percent temporary tax increment approved by voters via ballot question 2E.
- Capital reserves have been established for capital replacement and new capital projects based on the City’s 5-year capital plan. The 2023 budget reflects the concentrated effort staff and City Council have made to begin increasing the City’s capital reserves for known future significant projects.

HOW TO USE THIS DOCUMENT

The *Budget Summary* section provides a brief summary on the priorities for 2023, budgeted revenues, expenditures, and ending fund balances for each of the City’s Funds, while the Budget Message section details information about services provided by the City; projected revenues and expenditures; and the City’s current debt and reserve funds included in the 2023 budget. In addition, we have included in the capital section specific details on each of the City’s larger capital projects.

I would like to acknowledge City Staff for their hard work, dedication, and forward-thinking and thank the Mayor and City Council for their strong public service commitment to the citizens of Lone Tree. The foundation they and their predecessors have laid has made Lone Tree what it is today, and their continued leadership promises to make 2023 a great year with many accomplishments. This budget is truly reflective of that remarkable group effort.

The City Council and I welcome any questions or comments concerning the 2023 budget and budget process.

Sincerely,



Seth Hoffman
City Manager

INTRODUCTION & OVERVIEW

LIST OF OFFICIALS

December 31, 2022

CITY COUNCIL

Mayor Jacqueline A. Millet, At-Large
Mayor Pro-Tem Wynne Shaw, District 1
Council Member Marissa Harmon, District 1
Council Member Mike Anderson, District 2
Council Member Cathie Frazzini, District 2



CITY OFFICIALS

City Manager Seth Hoffman
City Attorney Linda Michow
Municipal Judge Louis Gresh
Deputy City Manager Kristin Baumgartner
Finance Director Ulli Nierling
Public Works & Mobility Director Justin Schmitz
Community Development Director Kelly First
Chief of Police Kirk Wilson
Lone Tree Arts Center Executive Director Leigh Chandler
Economic Development & Public Affairs Director Jeff Holwell
Assistant City Manager Austin Good
City Clerk Rick Parsons
Communications Director Nate Jones



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Lone Tree
Colorado**

For the Fiscal Year Beginning

January 01, 2022

Christopher P. Morill

Executive Director

INTRODUCTION & OVERVIEW

LONE TREE FACTS

OVERVIEW

- Incorporated in November 1995.
- Became a Colorado Home Rule City on May 5, 1998.
- Council-Manager form of government where Council sets the City policy and the City Manager is responsible for City operations.
- City Council is made up of five Council members, including the Mayor, elected in non-partisan elections. Each member serves a staggered four-year term and represents one of the two districts within the City except for the Mayor, who serves as an at-large member.
- The City provides a full range of services including public safety, construction and maintenance of streets and other public infrastructure, planning and building permit and inspections, arts and cultural activities, financial management and municipal court services.

LOCATION

- Located in the southern Denver metropolitan area at the junction of C-470/E-470 and I-25.
- Comprises approximately 6,162 acres or 9.6 square miles.
- Located in northern Douglas County.

GENERAL POPULATION

- Population estimated at 15,000 as of December 31, 2022 (with a daytime population estimated at 30,000).
- Median household income of \$120,000.
- Median Age – 40.



ECONOMY

- Lone Tree is located on the Southeast I-25 Corridor and within the boundaries of the Denver South Economic Development Partnership, which includes 42 million square feet of office space and employment of more than 300,000 people.
- The City is home to the Park Meadows Retail Resort, Colorado's only retail resort with over 200 unique and national retailers and restaurants including Apple Store, Dillard's, LL Bean, Nordstrom, Macy's, and Tesla.
- RidgeGate is a 3,500-acre master-planned community located within the City and is home to the Lone Tree Recreation Center, the Lone Tree Arts Center as well as diverse retail, dining, office space, and residential uses. In late 2022, Shea Homes commenced phase one of constructing single family homes in the Lyric development.
- In 2021, Kiewit Infrastructure completed its new corporate campus at the Sky Ridge Station, adjacent to RTD Light-Rail. This facility employs over 2,000 engineers and related positions and the buildings will include a parking structure and 400,000 sq. ft of office space.
- In 2020 Cochlear Americas and Lockheed Martin opened offices in Lone Tree, adding 1,200 new jobs to our community.
- In 2016, Charles Schwab became Douglas County's largest private sector employer with an estimated 4,500 employees.
- The Lone Tree Entertainment District includes a movie theater, bowling alley, indoor skydiving, and numerous restaurants.
- Sky Ridge Medical Center opened in the City in 2003 and is a state-of-the-art regional medical facility located on 42 acres. In 2013, Sky Ridge began an estimated \$117 million expansion plan which added 90 beds, a women's center, a new medical office building, additional spine/ortho operating rooms, and a parking structure. The expansion was completed with the opening of its children's emergency room in 2016.
- The 2022 City sales tax rate of 2.8125 percent is among the lowest in Colorado.

PARKS, RECREATION AND CULTURE

- The City has an extensive trail system comprised of 34.5 miles in City limits.
- Lone Tree Golf Club and Tennis Center includes a championship Arnold Palmer-designed 18-hole public course, two championship/teaching tennis courts with terraced seating, a four-court tennis complex with lighted courts, and a pavilion with picnic tables and children's playground.
- Cook Creek Pool features a 4,600-square-foot outdoor leisure pool, 23-foot tower slide, zero depth entry, basketball and lesson area, and interactive water feature.
- Lone Tree Arts Center includes a 500-seat main stage theater with orchestra and balcony seating, an adaptable 150-225 seat event hall for intimate performances and events, and a 300-350 seat outdoor terrace theater.
- Each year the City features free summer concerts, community events, as well as the Annual Independence Day celebration featuring music, fireworks, and much more.

2022 HONORS AND AWARDS

- For the last 17 years, the City has been awarded the Government Finance Officers Association of the United States and Canada (GFOA) Certificate of Achievement for Excellence in Financial Reporting. The Certificate of Achievement is a national award recognizing conformance with the highest standards for the preparation of state and local government financial reports.
- For the last eight years, the City of Lone Tree has been the recipient of the Distinguished Budget Presentation Award for excellence in municipal budget reporting by the Government Finance Officers Association (GFOA). The award was first given for the City's 2015 budget, which was the first year the City applied for the award. This award represents a significant achievement by the City of Lone Tree and reflects the commitment of the City and staff to meet the highest principles of governmental budgeting.
- The Public Works Department received the 2022 APWA Colorado Award for Disaster or Emergency Construction for the Sky Ridge Bridge Emergency Repair Project.
- Public Works Service Specialist, Abby Meyer, received the 2022 APWA Colorado Award for Professional Manager of the year for her commitment to internal staff and external commitment to the community.
- The Lone Tree Arts Center received the Colorado Community Media's Best of Lone Tree 2022 Award.
- The Lone Tree Arts Center is Ranked 16th on Denver Business Journal's Denver-Area Tourist Attractions.



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INTRODUCTION & OVERVIEW

BUDGET SUMMARY

The objectives of this budget are to prioritize City funds in accordance with our Six Big Ideas, while also establishing adequate reserves for long-term financial stability for the City. The items discussed below reflect the short-term financial and operational factors that guided the development of the 2023 annual budget:

- Projected revenue streams
- Capital improvements to maintain current infrastructure
- Staffing priorities to maintain outstanding service levels to the community
- Target capital and operational reserve amounts and maintaining working reserve levels

The 2023 priorities share a couple of similarities with the priorities of 2022, such as making investments in community safety and maintaining current infrastructure. In addition, the 2023 budget includes expense priorities to continue to focus on making sure the City provides an exceptional level of service to our residents and businesses, investments in infrastructure projects, and to continue to look and plan for our future growth.

Changes between the proposed budget and the adopted budget include capital project rollover amounts that were accounted for in 2022, but due to the timing of completion wouldn't be finished until 2023.

The 2023 priorities are going to be funded with general fund revenues received during the year as well as local and regional partnerships and grants.

The City's main priorities in the 2023 budget are listed below with a majority of these continuing to be possible due to the voter approved one percent temporary sales and use tax increase:

- Maintain the same high level of service to our residents by providing exceptional customer service, trash removal and recycling at no charge, improved Link on Demand service, and a variety of City-sponsored community events, among other services.
- Continued focus on public safety with the addition of three new patrol positions to improve visible presence, continue to prioritize community policing including an additional school resource officer, ensure needed coverage, as well as succession planning efforts, salary market adjustments to remain competitive with neighboring communities, an increase in training opportunities, as well as a non-sworn position to meet the unfunded state mandate and increased demands set forth in the "DA Accountability" bill that passed in 2021.
- Sustained focus on excellent service levels with the anticipated growth east of I-25, with increased resources in consulting, staffing and inspection levels. A significant portion of these expenses are offset with fee revenue.

- Maintain or upgrade our existing core infrastructure, including street overlay, C-470 trail connection to RTD station, concrete panel replacement, storm sewer improvements, traffic signalization improvements, City-wide bicycle safety study & improvements, and Park Meadows Drive and Acres Green Intersection Rebuild.
- Design work will be continued for the Advancing Lincoln Avenue (I-25 / Lincoln Avenue Interchange) project, as well as the construction of the C-470 / Acres Green Pedestrian and Bike Bridge. Both projects were awarded significant grants and have additional partnership money to be able to leverage City dollars for these projects.
- Continued design work of the Regional Park, capital improvements at Cook Creek Pool and completion of the joint pickleball court project at the Lone Tree recreation center in partnership with South Suburban Parks and Recreation District.

REVENUES

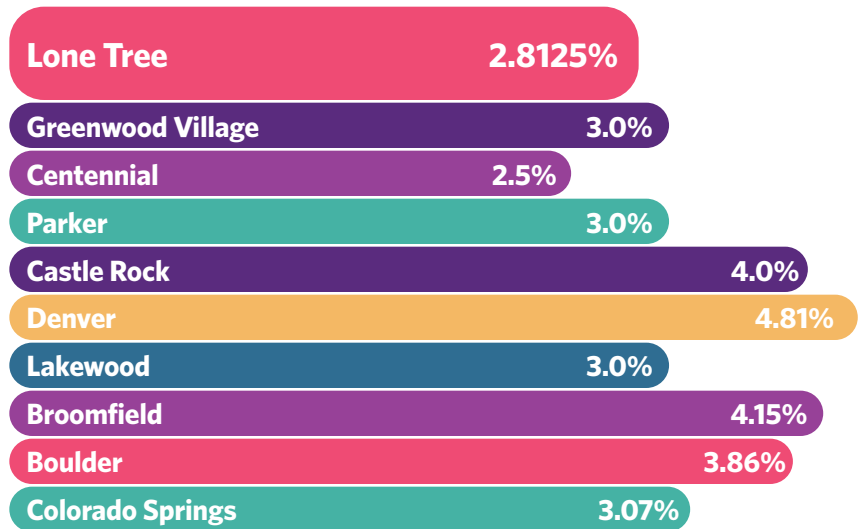
Total budgeted revenues for all City funds are \$66,093,737. This is an increase of 6.9 percent compared to 2022 estimated. This increase is largely the result of increases in tax projections, intergovernmental revenue, the Lone Tree Arts Center, and other revenue. The increase in tax projections is primarily due to a conservative increase in sales tax related to projected inflation rates, as well as new businesses that are projected to open during 2023. In addition, the 2023 use tax on building materials revenue shows an increase from the 2022 estimated, largely due to the new development east of I-25. Total taxes collected makes up approximately 70.7 percent of total revenue. The primary source of the City's tax revenue is sales tax. The increase in intergovernmental revenue is mainly due to the Acres Green Pedestrian and Bike Bridge and the C-470 Trail Connection to RTD Station projects which received significant grant and partnership funding. The increase in the Lone Tree Arts Center revenue is primarily due to the type of programming that is planned, including a theatrical production, which is represented in increased ticket revenue and corporate sponsorships. The increase in other revenue is due to interest income on City investments, as a result of higher interest rates and a higher investment balance.

The total sales and use tax rate for the City is 2.8125 percent of which .125 percent is pledged to bond repayment related to park and recreation improvements and .1875 percent is pledged to bond repayment related to the construction of the Lone Tree Arts Center. The sales and use tax increments that are pledged to the current City bonds will end on December 1, 2023, at which point the total City sales and use tax rate will be reduced to 2.5 percent. The City's comparative low sales tax rate makes it attractive for consumers to visit and shop in the City. The following table compares the City's sales tax rate with other communities along the Front Range.

BUDGET SUMMARY

Local Sales Tax Rate

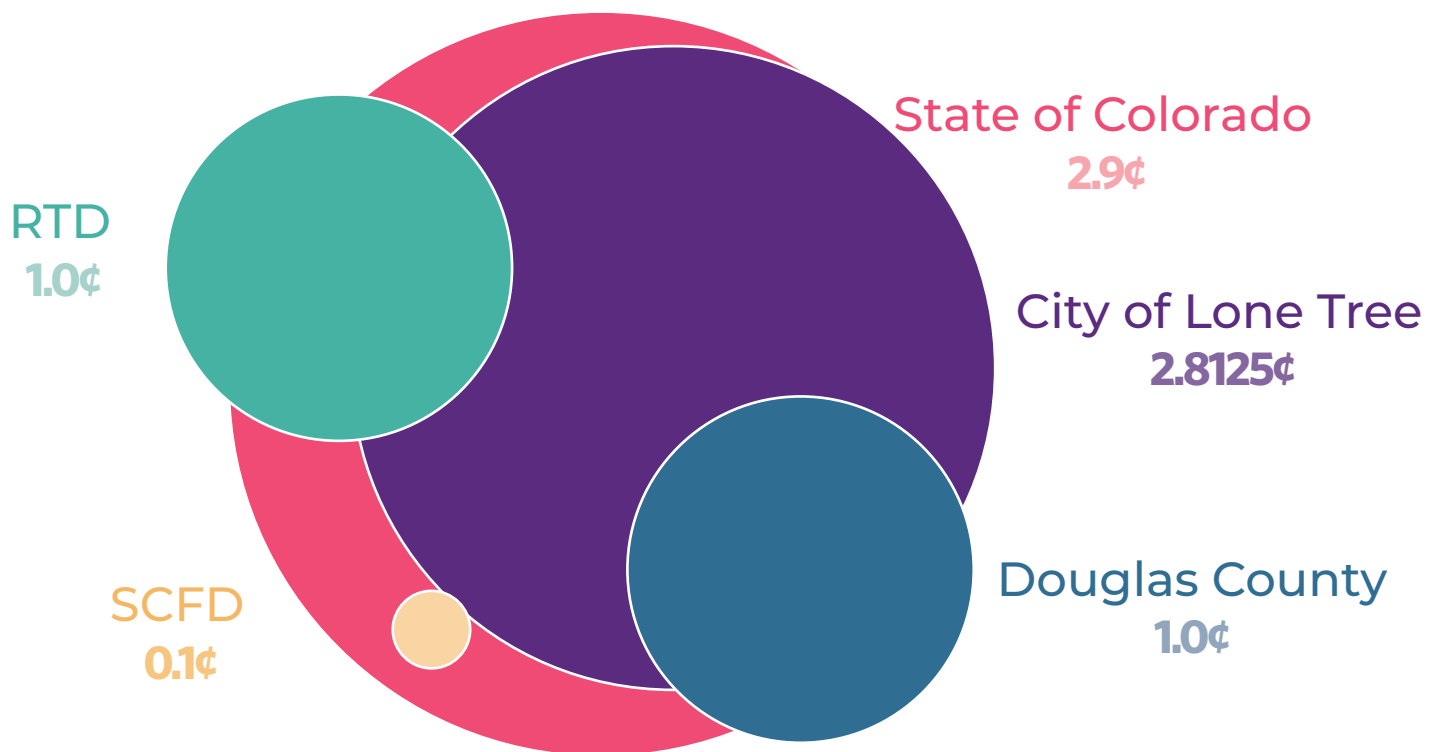
The following table compares the City's sales tax rate with other communities along the Front Range.



BUDGET SUMMARY

Sales Tax Distrubution

The total sales tax rate in the City of Lone Tree is 7.8125 percent. For every dollar you spend on retail purchases, you pay 7.8 cents in sales tax. Only 2.8 cents of this comes back to the City.



EXPENDITURES

The total budgeted expenditures for all City funds for 2023 are \$67,753,388. The net operating budget, which represents the funds needed for operating day-to-day services, excluding debt service and capital projects, increased by 16.8 percent in 2023 from 2022 estimated. Included in this increase are operating costs associated with new vehicles for the Police Department, deferred maintenance projects, increases in staffing to provide continued excellent service levels with the anticipated growth of the City, intergovernmental agreement increases for Police Department services with the Town of Parker, an increase in services for the Lone Tree Link Shuttle, an increase in sales and use tax shareback amounts based on higher revenue projections, and an increase in expenditures related to the Lone Tree Arts Center programming, which is also reflected in higher revenue projections. Additionally, the increase is due to general consulting costs, economic development activities, as well as contracted services.

The 2023 capital outlay budget shows a large increase from 2022 with some projects carrying over from 2022 and annual routine projects. The 2023 budget includes funding for capital projects including the C-470 trail connection to the RTD station, City-wide bicycle safety study & improvements, road overlay and reconstruction, Acres Green Pedestrian and Bike Bridge, RidgeGate Crosswalks, Park Meadows Drive and Acres Green Intersection Rebuild, and Advancing Lincoln Avenue (I-25/Lincoln Avenue Interchange) study.

The following table compares the 2021 actual, 2022 estimated and 2023 budgeted amounts for revenues, expenditures, and fund balance.

TOTAL BUDGET	2021 Actual	2022 Estimated	2023 Adopted	Percent Change
Beginning Fund Balance	\$ 25,676,444	\$ 34,227,116	\$49,161,061	43.7%

Revenues	\$46,171,630	\$61,802,386	\$ 66,093,737	6.9%
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EXPENDITURES

Operating	\$28,698,380	\$37,139,641	\$43,469,640	16.8%
Debt	\$ 2,775,900	\$ 2,861,500	\$ 2,936,500	2.6%
Capital	\$ 6,146,678	\$ 6,867,300	\$21,347,248	212.6%
Total	\$ 37,620,958	\$ 46,868,441	\$ 67,753,388	44.6%

Ending Fund Balance	\$ 34,227,116	\$ 49,161,061	\$ 47,501,410	-3.4%
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CHANGE IN ENDING FUND BALANCE	2022 Estimated Ending Fund Balance	2023 Adopted Ending Fund Balance	Change in Fund Balance	Percent Change
General Fund	\$43,325,012	\$47,001,549	\$ 3,676,537	8.5%
Cultural and Community Services Fund	\$ 625,296	\$ 499,861	(\$ 125,435)	-20.1%
Capital Improvement Fund	\$ 0	\$ 0	\$ 0	0%
Arts and Cultural Facilities Debt Service Fund	\$ 2,578,191	\$ 0	(\$2,578,191)	-100%
Park and Recreation Improvements Debt Service Fund	\$ 2,632,562	\$ 0	(\$2,632,562)	-100%
Total	\$ 49,161,061	47,501,410	(\$ 1,659,651)	-3.4%

In the General Fund, the percentage change from 2022 estimated to 2023 adopted is primarily due to an increase in projected revenues from sales tax.

The decrease in the Cultural and Community Services Fund from 2022 estimated to 2023 adopted is primarily due to the use of the fund balance for programming expenditures related to a theatrical production.

The Arts and Cultural Facilities Debt Service Fund shows a decrease from 2022 estimated to 2023 adopted due to a transfer to the Capital Improvement Fund for capital improvements at the Lone Tree Arts Center, as well as a transfer to the General Fund to close out the debt service fund after the last bond payment and the associated expiration of the incremental tax increase.

The Park and Recreation Improvements Debt Service Fund shows a decrease from 2022 estimated to 2023 adopted primarily due to a transfer to the General Fund for a joint pickleball court project with South Suburban Park and Recreation District, as well as a transfer to the General Fund to close out the debt service fund after the last bond payment and the associated expiration of the incremental tax increase.



FINANCIAL STRUCTURE, POLICY & PROCESS



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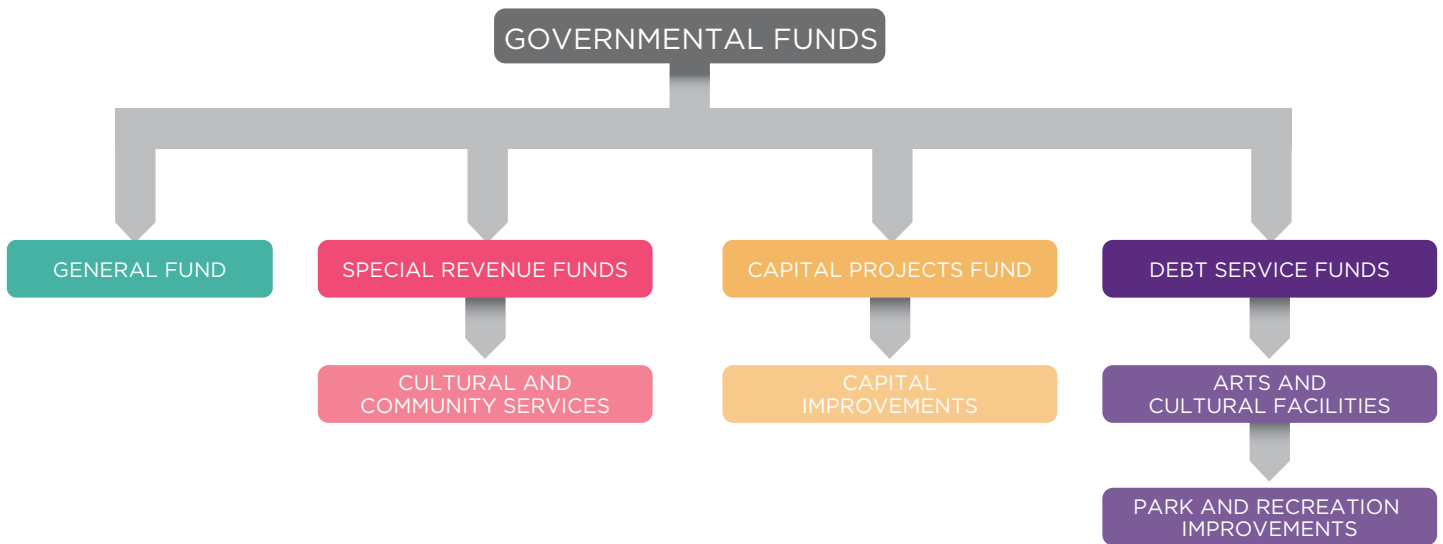
2

FINANCE STRUCTURE, POLICY & PROCESS DEPARTMENTAL STRUCTURE



2

FINANCE STRUCTURE, POLICY & PROCESS BUDGET FUND STRUCTURE



MAJOR FUND DESCRIPTIONS

General Fund

The **General Fund** is the City's primary operating fund. It accounts for all financial resources of the general government except those required to be accounted for in another fund.

Special Revenue Fund

The **Special Revenue Fund—Cultural and Community Services** is used to account for revenues and expenditures related to the operations of the LTAC, as well as other City-sponsored events and cultural services. Revenue reported in this fund include all sales at the LTAC, which include ticket sales and related fees, rental fees, concessions, donations and grants.

Capital Projects Fund

The **Capital Projects Fund—Capital Improvements Fund** is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlay.

NON-MAJOR FUND DESCRIPTIONS

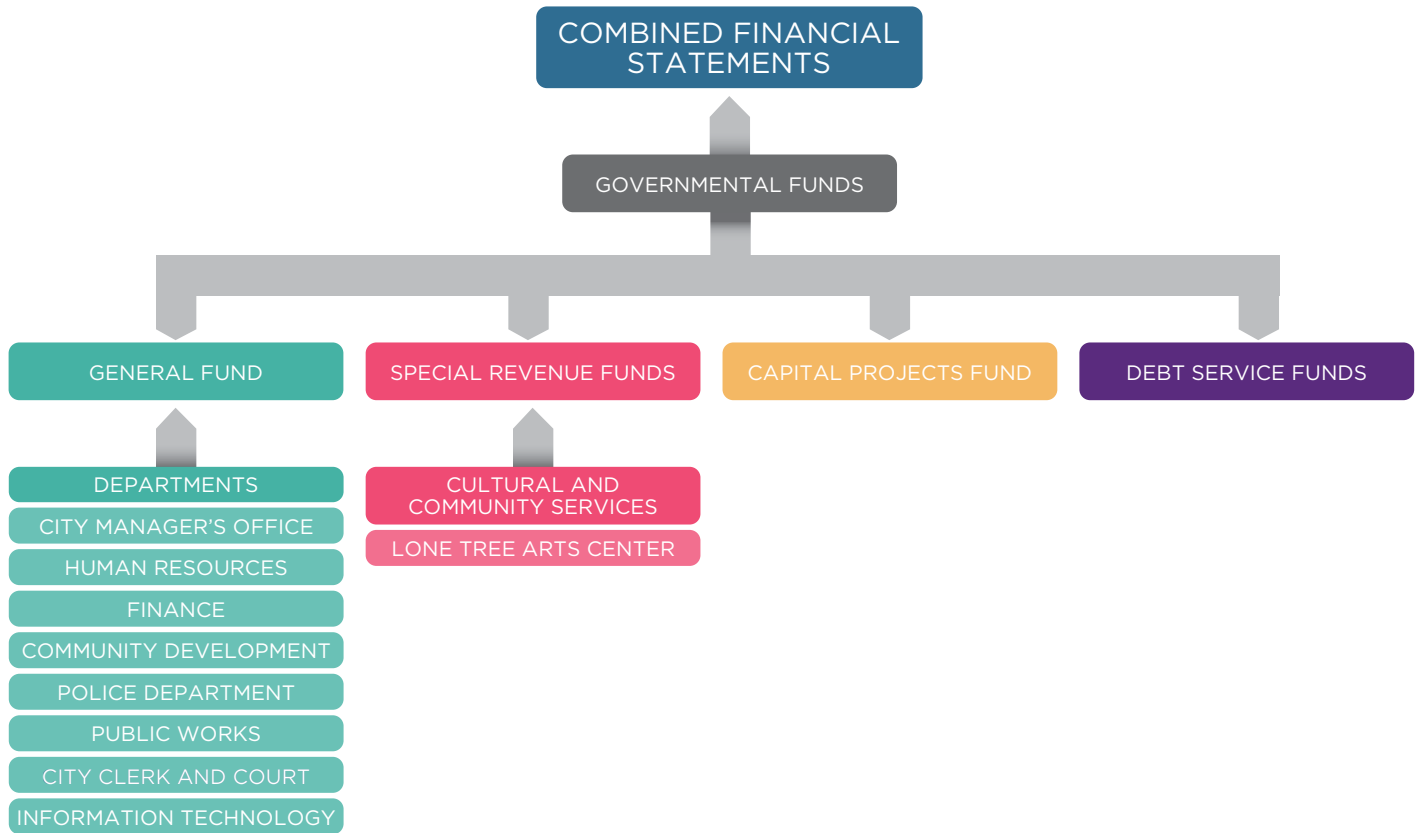
Debt Service Fund

The **Debt Service Fund—Arts and Cultural Facilities** is used to account for the resources accumulated and payments made for principal and interest on long-term debt related to arts and cultural facilities improvements.

The **Debt Service Fund—Park and Recreation Improvements** is used to account for the resources accumulated and payments made for principal and interest on long-term debt related to park and recreational improvements.

2

FINANCE STRUCTURE, POLICY & PROCESS **DEPARTMENT/FUND RELATIONSHIP**



FINANCE STRUCTURE, POLICY & PROCESS

ACCOUNTING, BUDGETING & FINANCIAL POLICIES

The City of Lone Tree, Colorado financial policies set forth the basic framework for the fiscal management of the City. These policies were developed within the parameters established by applicable provisions of the Colorado Revised Statutes and the City of Lone Tree City Charter. The policies are to be reviewed on an annual basis and modified to accommodate changing circumstances or conditions.

BASIS OF ACCOUNTING

The City's finances are accounted for in accordance with generally accepted accounting principles (GAAP) as established by the Governmental Accounting Standards Board (GASB).

The basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported in the financial statements. The government-wide financial statements are reported using the economic resource measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of when the cash is received.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Modified accrual accounting recognizes revenues when they become measurable and available. Measurable means that the dollar value of the revenue is known. Available means that it is collectible within the current period, or soon enough after the end of the current period to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within a reasonable period (typically within 60 days) following the end of the current fiscal period. The major sources of revenue susceptible to accrual are sales, use, lodging and admissions taxes, as well as partner contributions on capital projects. Additionally, payments for off-duty services and rental invoices from the Lone Tree Arts Center are susceptible to accrual. Generally, revenue items not listed above are considered to be measurable and available only when cash is received by the City. Expenditures, other than interest on long-term obligations, are recorded when the liability is incurred or the long-term obligation is due.

BASIS OF BUDGETING

Basis of budgeting refers to the methodology used to include revenues and expenditures in the budget. The City of Lone Tree budgets on a cash basis. The City does not budget for non-cash items such as depreciation and amortization. The revenues and expenditures are assumed to be collected or spent during the period appropriated. Using this assumption, the current year revenues are compared to expenditures to ensure that each fund has sufficient revenues to cover expenditures during the budget year, or that there are sufficient cash reserves in the fund to cover a revenue shortfall. The City's operating and capital budget, special revenue fund and all debt service funds are adopted on an annual basis (the fiscal year begins with the first day of January and ends on the last day of December) with all appropriations lapsing at fiscal year-end.

BASIS OF BUDGETING VS. BASIS OF ACCOUNTING

The basis of budgeting differs from the basis of accounting only by the assumptions that are made in regard to the timing of the recognition of revenues and expenditures. The budget assumes that all revenues and expenditures, as well as the associated cash, will be expended or received during the budget period. Conversely, the basis of accounting only recognizes revenues when they become both measurable and available, and expenditures when incurred. Cash is not necessarily received or expended at the same time. Additionally, compensated absences liabilities that are expected to be liquidated with expendable available financial resources are accrued as earned by employees with GAAP as opposed to being expended when paid on the budget basis.

BASIS OF PRESENTATION – FUND ACCOUNTING

The activities of the City are organized into separate funds that are designated for a specific purpose or set of purposes. Each fund is considered a separate accounting entity, so the operations of each fund are accounted for with a set of self-balancing accounts that comprise its revenues, expenses, assets, liabilities, and fund equity as appropriate.

The number and variety of funds used by the City promotes accountability but can also make municipal budgeting and finance complex. Therefore, understanding the fund structure is an important part of understanding the City's finances. The City of Lone Tree currently has five funds. Three of the City's funds are major funds, General Fund, Special Revenue Fund—Cultural and Community Services, and Capital Projects Fund—Capital Improvements; whereas the other two are non-major funds, Debt Service Funds—Arts and Cultural Facilities and Park and Recreation Improvements. Each fund is appropriated for annually.

BUDGET PHILOSOPHY

The budget is the long-range plan by which financial policy is implemented and controlled. The City Charter, Colorado Constitution, and Colorado State statutes provide the basic legal requirements and timelines for the City's budget process. Council goals, ordinances, and resolutions provide policy direction that respond to the needs and desires of the community.

The City considers the budget balanced when total expenditures are equal to total revenues. However, the budget is also balanced in situations where total expenditures are less than total revenues, which is technically a surplus. There are also instances when the City might plan to spend fund balances from previous years on one-time or non-routine expenditures, such as capital projects. The City considers the budget to be balanced in this case also, provided the funding from previous years is available, and a plan is in place to not build ongoing expenditures into this type of funding. For 2023, the City's budget is balanced with revenues and appropriated fund balances equaling expenditures, as well as beginning fund balance from capital reserves and other restricted funds.

Municipal services are funded through a variety of taxes, fees, charges for service, and intergovernmental assistance. Generally, the City:

- Utilizes conservative growth and revenue forecasts
- Appropriates the budget in accordance with the City Charter, the Colorado Constitution, and Colorado laws
- Adopts financial management policies that establish guidelines for financial plans
- Establishes budgets for all funds based on adopted policies and practices

- Organizes the budget so that revenues are related to expenditures, as much as possible
- Prepares a multi-year financial plan for capital improvements
- Manages the operating and capital budgets, with City Council approval
- Provides department directors with immediate access to revenue and expenditure information to assist their efforts in controlling annual expenditures against appropriations

BUDGET PROCESS & TIMELINE

The City of Lone Tree's 2023 budget provides the framework for providing services and programs to its approximate 15,000 citizens based on the delivery of core services. Municipal services for the City are financed through a variety of taxes, fees, intergovernmental revenues, charges for services and fines. In order to provide the services needed as well as efficiently allocate the revenues that support the services, the City adopts an annual budget.

The fiscal year of the City is the calendar year and the budget process occurs throughout most of the year.

The intent of the budget process is more than just a financial presentation of revenues and expenditures; instead, the most important step in the process is to formulate a sound operational plan to serve the residents of the City. The timeline for adoption of the budget is designed to meet the City Charter and state mandates, as well as to allow active and early participation by City staff and City Council. Additionally, City policies guide preparation and long-range planning during the budget process.

In May, City Council holds a budget retreat to discuss policy decision for the year with City staff. From May through August, the Management Team (consisting of the City Manager's Office, department directors and finance) hold meetings and collect information, and a draft budget is compiled. In Mid-September, Council work sessions are held, and a public draft of the budget is made available on the City's website by October 15th of each year. In November, a budget public hearing is held and in December the budget is adopted by City Council.

If during the year it is decided that a budget amendment is needed either due to budget transfers between funds, unanticipated revenues or revenues not assured at the time of budget adoption or revenues coming in lower than anticipated requiring revised appropriations pursuant to State Statute 29-1-109, the City will publish notice as required and conduct a public hearing and adopt a resolution for the budget amendment.

A chart showing the budget schedule is on the following page.

Budget Tasks	MONTH											
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
Council Retreat with City staff to discuss policy decision topics					○							
City staff collaborate on long-range planning, capital projects and goals for the budget year						○	○					
City staff collaborate and draft proposed Budget for City Council						○	○	○	○			
City Council work sessions with staff to review the Budget draft in detail									○			
Budget draft made available to the public on the City's website										○		
Budget public hearing											○	
Budget adoption												○
Budget booklet published and made available to the public	○											

PROCUREMENT PLANNING

All City purchases of goods or services are made in accordance with the State of Colorado Revised Statutes, Lone Tree City Charter and the City's Purchasing Guidelines.

FINANCIAL REPORTING

The City's accounting records are audited by an independent certified public accounting firm following the conclusion of each fiscal year in accordance with the City Charter and state law. The City Manager and Finance Director prepare an Annual Comprehensive Financial Report (ACFR) in accordance with generally accepted accounting principles (GAAP) as applicable to state and local governments established by the Governmental Accounting Standards Board (GASB) for governmental accounting and financial reporting principles. The ACFR shows the status of the City's finances on the basis of GAAP. The ACFR shows fund revenues and expenditures on both a GAAP basis and a budget basis for comparison purposes.

FUND BALANCE POLICIES

A top priority of the City Council is to maintain the fiscal health of the City. Revenue projections are conservative and authorized expenditures are closely monitored. In stable economic times, the combination of these two strategies leads to revenue collections higher than actual expenditures. The accumulation of these fund balances protects the City from uncontrollable increases in expenditures or unforeseen reductions in revenue or a combination of the two. It also allows for the prudent financing of capital construction and replacement projects. Fund balances provide for the temporary financing of unforeseen opportunities or needs of an emergency nature. The 2023 budget complies with all the City's policies listed on the next page.

Within the governmental funds, fund balances are reported based on financial reporting standards that establish criteria for classifying fund balances into specifically defined classifications to make the nature and extent of constraints more useful and understandable. The classifications comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances can be classified as nonspendable, restricted, committed, assigned, or unassigned.

FUND BALANCE CLASSIFICATIONS

- **Nonspendable Fund Balance** – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid amounts or inventory) or legally or contractually required to be maintained intact.
- **Restricted Fund Balance** – The portion of fund balance that is constrained to be used for a specific purpose by external parties (such as bondholders), constitutional provisions, or enabling legislation.
- **Committed Fund Balance** – The portion of fund balance that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, City Council. City Council will either pass an ordinance or resolution as the highest level of decision-making dependent on the subject matter.
- **Assigned Fund Balance** – The portion of fund balance that is constrained by the government's intent to be used for specific purposes, but is neither restricted nor committed. Intent is expressed by the City Council to be used for a specific purpose. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed. The City's Working Reserve Policy, as well as the Capital Reserve Policy, are shown as assigned fund balance in the Budget. See below for more information on these policies.
- **Unassigned Fund Balance** – The residual portion of fund balance that does not meet any of the criteria described above.

WORKING RESERVE POLICY

The City Council adopted a Working Reserve Policy or Unrestricted Fund Balance Policy in December 2011. This policy is included on page 109.

CAPITAL RESERVE POLICY

The City Council adopted a Capital Reserve Policy in December 2012 and amended this policy in December 2022. This policy is included on page 110.

DEBT MANAGEMENT POLICY

The City Council adopted a Debt Management Policy in July 2013. This policy is included on pages 111-112.

INVESTMENTS POLICY

The City Council adopted an Investments Policy in July 2013. This policy is included on pages 113-115.

BRICK FENCE REPLACEMENT RESERVE POLICY

The City Council adopted this reserve policy in December 2018. This policy is included on page 116.

CULTURAL AND COMMUNITY SERVICES FUND – FUND BALANCE RESERVE POLICY

The City Council adopted this reserve policy in January 2019. This policy is included on page 117.

OPERATIONAL RESERVE POLICY

The City Council adopted this reserve policy in December 2022. This policy is included on page 118.

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FINANCIAL SUMMARIES

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FINANCIAL SUMMARIES

SUMMARY—ALL FUNDS*Forecasted 2023 as adopted with 2021 Actuals and 2022 Estimated***Beginning Fund Balances****Revenue**

	2021 ACTUAL	2022 ESTIMATED	2023 ADOPTED
	\$25,676,444	\$34,227,116	\$49,161,061
Taxes	28,381,895	44,934,442	46,708,468
Franchise Fees	1,137,127	1,249,891	1,312,385
Intergovernmental	11,252,919	10,497,897	11,823,333
Licenses, Fees and Charges	1,948,433	2,214,057	2,510,185
Fines and Forfeitures	371,622	392,645	389,953
Arts Center	2,301,592	1,879,861	2,515,124
Other	778,042	633,593	834,289
Total Revenue	\$46,171,630	\$61,802,386	\$66,093,737

TRANSFERS IN

General Fund	799,085	40,000	4,180,011
Special Revenue Fund-Arts Center	864,340	1,494,969	1,496,300
Capital Projects Fund-Capital Improvements	-	-	15,187,610
Total Transfers In	1,663,425	1,534,969	20,863,921
Total Funds Available	\$73,511,499	\$97,564,471	\$136,118,719

Expenditures

General Government	4,544,590	5,338,687	6,671,904
Municipal Court	294,898	344,516	368,108
Community Development	1,143,417	1,517,184	2,117,995
Police Department	8,506,326	9,597,863	10,924,008
Public Works	5,570,249	7,218,876	8,344,691
Arts and Cultural	2,452,424	3,163,130	4,136,859
Parks and Recreation	102,354	103,250	103,250
Sharebacks	6,199,033	9,963,635	10,802,825
Capital Outlay	6,031,767	6,759,800	21,347,248
Debt Service	2,775,900	2,861,500	2,936,500
Total Expenditures	\$37,620,958	\$46,868,441	\$67,753,388

TRANSFERS OUT

General Fund	864,340	1,494,969	15,148,910
Debt Service Fund-Park and Recreation	-	-	2,867,610
Debt Service Fund-Arts and Cultural Facilities	114,911	40,000	2,847,401
Special Revenue Fund-Arts Center	684,174	-	-
Total Transfers Out	1,663,425	1,534,969	20,863,921
Total Appropriation	39,284,383	48,403,410	88,617,309

Ending Fund Balances

	\$34,227,116	\$49,161,061	\$47,501,410
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FINANCIAL SUMMARIES

SUMMARY—ALL FUNDS

Forecasted 2023 as adopted with 2021 Actuals and 2022 Estimated

Funds Reserved For:

Emergency Reserves (TABOR)
Prepaid Items
Emergency Disaster Management
Park Fee In Lieu of Land
Conservation Trust Fund
Brick Fence Replacement Reserve
Metropolitan Football Stadium District Shareback
RidgeGate Parkway Extension
Advancing Lincoln Avenue
Arts and Cultural
Debt Service-Arts and Cultural Facilities
Debt Service-Park and Recreation Improvements

Funds Designated For:

- Working Reserve
- Capital Reserve-Capital Projects
- Operational Reserve
- LTAC Reserve

Undesignated and Unreserved Funds

TOTALS

2021 ACTUAL	2022 ESTIMATED	2023 ADOPTED
1,091,966	1,550,000	1,607,000
157,826	290,000	290,000
163,740	174,387	178,149
285,640	285,640	285,640
469,528	557,401	645,275
2,024,905	2,781,941	3,531,941
-	1,010,137	1,010,137
39,839	-	-
912,579	514,548	-
306,096	625,296	499,861
2,071,913	2,578,191	2,414,901
2,242,251	2,632,562	1,765,110
5,011,000	6,486,000	7,676,000
18,765,659	28,990,784	15,564,465
-	-	11,438,758
684,174	684,174	594,174
-	-	-
\$34,227,116	\$49,161,061	\$47,501,410



FINANCIAL SUMMARIES

SIGNIFICANT CHANGES IN ANTICIPATED FUND BALANCE

The following analysis focuses on available fund balances of the City's major funds anticipated to increase or decrease by 10% or more.

GENERAL FUND	Anticipated FY23 Beginning Balance	Anticipated FY23 Ending Balance	Increase (Decrease)	Percent Change
Assigned for Working Reserve	\$ 6,486,000	\$ 7,676,000	\$ 1,190,000	18.3%
Assigned for Capital Reserve	\$ 28,990,784	\$ 15,564,465	\$(13,426,319)	-46.3%
Operational Reserve	\$ -	\$ 11,438,758	\$ 11,438,758	100%
LTAC Reserve	\$ 684,174	\$ 594,174	\$ (90,000)	-13.2%
Undesignated	\$ -	\$ -	\$ -	0%
Total Unreserved Fund Balance	\$ 36,160,958	\$ 35,273,397	\$ (887,561)	-2.5%

DISCUSSION:

The above table represents information for the General Fund only. The City's Special Revenue Fund and Debt Service Funds do not have unreserved fund balances.

The City's unreserved fund balance consists of the working reserve, the capital reserve, the operational reserve, the Lone Tree Arts Center (LTAC) reserve and undesignated funds. It is the City's policy to maintain a working reserve of at least 16.7% of the current year's budgeted operating expenditures with the goal of moving towards 30%. The 2022 estimated and 2023 adopted budgets include 27% in addition to the 3% TABOR reserve which is restricted. Additionally, the City's capital reserve policy states that the City needs to maintain adequate cash fund balances to help offset costs of future capital expenditures. The City believes that establishing and maintaining such reserves will assist the City to take greater advantage of the pay-as-you-go philosophy versus relying entirely or primarily on debt financing, which would require voter approval as the City currently does not have any bonding authority. An operational reserve was established in 2023 for oversight purposes regarding the accumulation and usage of funds related to the one percent temporary tax increment approved by voters via ballot question 2E. This was based on long-term financial projections that showed an accumulation of funds in early years and an intent to use such funds in later years. The LTAC reserve was established

to help fund future operating and/or capital expenditures at the Lone Tree Arts Center.

The increase in the working reserve is due to increased operating expenditures in 2023, as the reserve is kept at 27%. The decrease in the capital reserve and the increase in the operational reserve is mainly due to the updated capital reserve policy as well as the establishment of an operational reserve. The updated capital reserve policy removes the process of rolling over any excess funds, subsequent to year-end closing, of unanticipated accumulated fund balances to the City's capital reserve and places those funds in the newly established operational reserve, or as otherwise recommended by the City Manager. The amount of the capital reserve is based on the City's five-year capital plan and is targeted at 25% of the amount of the average aggregate projected cost over the five-year period for all of the projects based on the scheduled timing of the projects. The operational reserve policy states the City Manager will recommend the amount to contribute to the operational reserve based on available net revenue, less required contributions to any other reserves. The decrease in the LTAC reserve is due to certain maintenance projects at the Lone Tree Arts Center.

FINANCIAL SUMMARIES

GENERAL FUND*Forecasted 2023 as adopted with 2021 Actuals and 2022 Estimated***REVENUE DETAIL****Beginning Fund Balance****REVENUE****Taxes**

Sales Tax	21,609,568	37,087,464	38,664,525
Use Tax-Retail	644,499	821,667	876,000
Use Tax-Building Materials	1,085,478	1,438,111	1,824,000
Lodging Tax	1,145,417	1,476,358	1,623,994
Admissions Tax	254,286	345,149	348,600

Total Taxes

\$24,739,248	\$41,168,749	\$43,337,119
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Franchise Fees

Electric and Gas	900,249	1,012,984	1,063,633
Cable TV	236,878	236,907	248,752

Total Franchise Fees

\$1,137,127	\$1,249,891	\$1,312,385
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Intergovernmental

Highway Users Tax (HUTF)	389,237	358,249	361,019
Conservation Trust Fund (Lottery)	92,409	87,873	87,873
Cigarette Tax	134,946	74,381	133,886
County Road and Bridge Shareback	1,804,648	1,886,969	1,927,683
Douglas County Shareback-Transportation	2,396,391	2,326,220	2,413,998
Motor Vehicle Registration Fees	45,982	50,669	52,189
Regional Improvements Contribution-RRMD	234,103	256,297	276,930
Reimbursable Costs	3,827,388	2,700,664	248,643
Metropolitan Football District Shareback	-	1,010,137	-
COVID-19 Related One-time Funding	1,644,079	1,644,079	-
Grants	683,736	102,359	161,474

Total Intergovernmental

\$11,252,919	\$10,497,897	\$5,663,695
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FINANCIAL SUMMARIES

GENERAL FUND*Forecasted 2023 as adopted with 2021 Actuals and 2022 Estimated***REVENUE DETAIL** (Continued)**Licenses, Fees and Charges**

Sales and Use Tax and Business License Fees	44,197	15,416	43,937
Liquor License Fees	25,098	34,186	29,058
Single Use Bag Fee	-	-	150,000
Building Permit Fees	1,329,425	1,337,000	1,630,940
Planning and Zoning Fees	54,906	177,600	228,250
Engineering Fees	385,934	550,000	425,000
Other	108,873	99,855	3,000

Total Licenses, Fees and Charges**Fines and Forfeitures**

Court Fees	38,319	41,774	42,610
Vehicle and Other Code Violation Fines	322,212	338,250	334,470
Victims Assistance Surcharge	11,091	12,621	12,873

Total Fines and Forfeitures**Other**

Net Investment Income	9,343	210,125	412,655
Miscellaneous	420,317	89,493	97,253
Police Department Fees and Other Charges	168,186	148,819	151,443
Tenant Rental Income	179,050	152,760	103,529

Total Other**Total Revenue**

2021 ACTUAL	2022 ESTIMATED	2023 ADOPTED
44,197	15,416	43,937
25,098	34,186	29,058
-	-	150,000
1,329,425	1,337,000	1,630,940
54,906	177,600	228,250
385,934	550,000	425,000
108,873	99,855	3,000
\$1,948,433	\$2,214,057	\$2,510,185
38,319	41,774	42,610
322,212	338,250	334,470
11,091	12,621	12,873
\$371,622	\$392,645	\$389,953
9,343	210,125	412,655
420,317	89,493	97,253
168,186	148,819	151,443
179,050	152,760	103,529
\$776,896	\$601,197	\$764,880
\$40,226,245	\$56,124,436	\$53,978,217

TRANSFERS IN

Debt Service Fund-Park and Recreation	-	-	1,765,110
Debt Service Fund-Arts and Cultural Facilities	114,911	40,000	2,414,901
Special Revenue Fund-Arts Center	684,174	-	-

Total Transfers In**Total Funds Available**

-	-	1,765,110
114,911	40,000	2,414,901
684,174	-	-
\$799,085	\$40,000	\$4,180,011
\$62,978,741	\$85,771,292	\$101,483,240

FINANCIAL SUMMARIES

GENERAL FUND*Forecasted 2023 as adopted with 2021 Actuals and 2022 Estimated***EXPENDITURE DETAIL****General Government**

	2021 ACTUAL	2022 ESTIMATED	2023 ADOPTED
City Council Expenditures	23,449	44,500	44,000
City Council Stipend	68,627	72,745	73,071
Information Technology-Salary and Benefits	297,141	328,760	584,014
Human Resources-Salaries and Benefits	269,854	295,073	316,733
City Clerk-Salaries and Benefits	276,329	291,272	326,067
City Clerk	36,992	37,400	42,400
Human Resources	90,182	104,000	124,200
Information Technology	468,982	618,664	716,925
Insurance & Risk Management	417,740	526,835	581,929
Finance-Salaries and Benefits	629,365	680,806	864,127
Finance	49,577	146,600	160,392
Audit	33,400	35,000	45,000
City Manager's Office-Salaries and Benefits	1,080,602	1,193,801	1,355,869
Dues and Memberships	123,823	125,134	128,081
Legal-General	371,700	390,240	480,000
Legal-Special	28,627	30,000	30,000
Consulting	60,845	35,000	237,940
Community Support	21,481	42,257	175,556
Youth Initiatives	19,800	19,800	19,800
Housing Partnership	35,000	35,000	35,000
Communications	50,764	133,300	138,300
Economic Development	83,756	142,500	177,500
Miscellaneous	6,554	10,000	15,000
Total General Government	\$4,544,590	\$5,338,687	\$6,671,904

FINANCIAL SUMMARIES

GENERAL FUND*Forecasted 2023 as adopted with 2021 Actuals and 2022 Estimated***EXPENDITURE DETAIL** (Continued)**Municipal Court**

	2021 ACTUAL	2022 ESTIMATED	2023 ADOPTED
Municipal Judge	25,393	30,000	33,600
Legal	36,300	36,000	36,000
Administration	232,987	277,816	297,808
Office Supplies and Software	218	700	700
Total Municipal Court	\$294,898	\$344,516	\$368,108

Community Development

Salaries and Benefits	959,205	1,075,479	1,564,925
Contract Services	-	252,200	427,940
Field Supplies	1,349	1,700	4,620
Planning Commission	1,237	2,800	11,050
Plan Review and Other Inspections	63,080	50,000	45,000
Elevator Inspections	90,425	99,855	3,000
City Forestry Program	166	-	1,000
South Metro Partnership	20,944	20,000	30,000
Miscellaneous	7,011	15,150	30,460
Total Community Development	\$1,143,417	\$1,517,184	\$2,117,995

Police Department

Salaries and Benefits	6,926,126	7,628,502	8,672,463
Office and Administration	100,029	115,200	131,100
Uniforms and Equipment	162,537	268,004	219,235
Vehicles and Equipment	313,464	508,500	695,813
General Equipment	21,995	51,116	31,516
Intergovernmental Agreements	922,893	891,562	974,531
Training	45,322	108,000	156,000
Community Outreach and Miscellaneous	13,960	26,979	43,350
Total Police Department	\$8,506,326	\$9,597,863	\$10,924,008

FINANCIAL SUMMARIES

GENERAL FUND*Forecasted 2023 as adopted with 2021 Actuals and 2022 Estimated***EXPENDITURE DETAIL** (Continued)**Public Works**

	2021 ACTUAL	2022 ESTIMATED	2023 ADOPTED
Salaries and Benefits	1,213,903	1,302,026	1,556,576
Street Lighting	396,668	450,000	475,000
Street Maintenance	658,426	795,000	815,000
Drainage Maintenance	52,085	140,000	220,000
Street and Sidewalk Sweeping	54,000	60,000	60,000
Traffic Signal Energy Cost and Maintenance	161,146	257,000	275,000
Signal Timing	1,050	40,000	40,000
Snow Removal	1,026,295	1,375,000	1,450,000
Trash and Recycling Service	603,380	625,000	650,000
Household Hazardous Waste Program	8,448	2,500	7,000
Fence Maintenance	-	5,000	25,000
Materials and Equipment	1,780	10,000	11,000
EPA Phase 2 Drainage	2,423	2,400	2,500
Noxious Weeds Control	18,364	18,500	20,000
Signage and Striping	110,554	175,000	175,000
Accident Repairs	-	3,000	5,000
Public Works Facility Operations and Equipment	53,657	55,000	55,000
Software and Support	45,518	50,000	60,000
Mutt Mitts Contract	10,852	15,500	17,000
Miscellaneous	1,690	3,000	3,000
Public Works Vehicle Maintenance and Gas	24,183	28,000	30,000
Bridge Maintenance	28,564	60,000	50,000
Lone Tree Link	210,298	400,000	692,573
Contracted Services	49,090	279,000	575,000
Facilities	837,875	1,067,950	1,075,042
Total Public Works	\$5,570,249	\$7,218,876	\$8,344,691

FINANCIAL SUMMARIES

GENERAL FUND*Forecasted 2023 as adopted with 2021 Actuals and 2022 Estimated***EXPENDITURE DETAIL** (Continued)**Arts and Cultural**

Arts Center Capital Improvements

Total Arts and Cultural**Parks and Recreation**

Park and Recreation Improvements

Recreational Activities and Support

Total Parks and Recreation**Capital Outlay and Sharebacks**

Overlay / Reconstruction Projects

Traffic Signalization

City Office Building

Civic Center Capital Improvements

Concrete Panel Replacement

Storm Sewer Improvements

Phone System Replacement

Security Appliance

Network Equipment

RidgeGate Parkway Widening

Electric Vehicle Charging Stations

City-Wide Pedestrian Improvements

Happy Canyon Creek

Security Fencing for Officer & Equipment Safety

Advancing Lincoln Avenue

2021 ACTUAL	2022 ESTIMATED	2023 ADOPTED
114,911	107,500	-
\$114,911	\$107,500	-
100,000	100,000	100,000
2,354	3,250	3,250
\$102,354	\$103,250	\$103,250
1,858,170	2,550,000	-
587,385	21,000	-
105,879	83,000	-
-	10,000	-
-	675,000	-
151,490	150,000	-
43,644	-	-
-	65,000	-
-	90,000	-
321,276	-	-
-	25,000	-
1,140	-	-
-	150,000	-
-	205,000	-
485,452	1,300,000	-

FINANCIAL SUMMARIES

GENERAL FUND*Forecasted 2023 as adopted with 2021 Actuals and 2022 Estimated***EXPENDITURE DETAIL** (Continued)**Capital Outlay** (Continued)

Willow Creek at Park Meadows Drive
 Storm Drainage Study
 Acres Green Pedestrian and Bike Bridge
 Community Development Block Grant
 Skyridge Ave & I-25 Emergency Bridge Repair
 ERP Cloud Service
 Planning and Permit Software Upgrade
 Emergency Repairs
 City-Wide Bicycle Safety Study & Improvements
 RidgeGate Parkway Adaptative Signal Project
 Lincoln Avenue Joint and Approach Repair Project
 C-470 Trail Connection to RTD Station
 Retail Shareback
 RRMD Revenue Shareback-West Side
 Reimbursement of Sales Taxes to PMBID
 Reimbursement Property Taxes-PMBID for PMMD

Total Capital Outlay and Sharebacks**Total Expenditures**

2021 ACTUAL	2022 ESTIMATED	2023 ADOPTED
62,345	-	-
8,697	-	-
197,635	180,000	-
615,000	-	-
1,593,654	-	-
-	17,000	-
-	130,300	-
-	350,000	-
-	8,500	-
-	250,000	-
-	200,000	-
-	300,000	-
322,846	332,531	339,182
751,033	1,399,578	1,548,555
4,863,720	7,914,666	8,591,891
261,434	316,860	323,197
\$12,230,800	\$16,723,435	\$10,802,825
\$32,507,545	\$40,951,311	\$39,332,781

FINANCIAL SUMMARIES

GENERAL FUND*Forecasted 2023 as adopted with 2021 Actuals and 2022 Estimated***TRANSFERS OUT**

Special Revenue Fund-Arts Center
 Special Revenue Fund-Reestablish LTAC Reserve
 Special Revenue Fund-Annual Events
 Special Revenue Fund-Arts and Cultural Events
 Capital Projects Fund-Capital Improvements

Total Transfers Out**Total Appropriation****ENDING FUND BALANCE**

2021 ACTUAL	2022 ESTIMATED	2023 ADOPTED
616,246	799,036	1,019,273
-	329,548	-
209,646	330,514	359,877
38,448	35,871	117,150
-	-	13,652,610
\$864,340	\$1,494,969	\$15,148,910
\$33,371,885	\$42,446,280	\$54,481,691
\$29,606,856	\$43,325,012	\$47,001,549



FINANCIAL SUMMARIES

SPECIAL REVENUE FUND—CULTURAL & COMMUNITY SERVICES*Forecasted 2023 as adopted with 2021 Actuals and 2022 Estimated***Beginning Fund Balance****REVENUE****Lone Tree Arts Center****OPERATING**

Ticket Sales & Handling Fees	661,762	848,373	1,264,549
Rental Fees	57,482	124,564	131,300
Concessions and Catering	67,537	90,524	121,200
Labor Charge Backs	51,713	86,801	88,000
Miscellaneous	5,090	5,150	6,000

NON-OPERATING

Individual, Corporate and Foundation Contributions	330,716	356,986	542,075
Government Grants	425,378	348,288	342,000
COVID-19 Related One-time Funding	684,174	-	-

Total Lone Tree Arts Center

\$2,283,852	\$1,860,686	\$2,495,124
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Other

Annual Events	13,289	14,000	15,000
Arts and Cultural Events	4,451	5,175	5,000

Total Other

\$17,740	\$19,175	\$20,000
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Total Revenue

\$2,301,592	\$1,879,861	\$2,515,124
--------------------	--------------------	--------------------

TRANSFERS IN

General Fund-Lone Tree Arts Center	616,246	799,036	1,019,273
General Fund-Reestablish LTAC Reserve	-	329,548	-
General Fund-Annual Events	209,646	330,514	359,877
General Fund-Arts and Cultural Events	38,448	35,871	117,150

Total Transfers In

\$864,340	\$1,494,969	\$1,496,300
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TOTAL FUNDS AVAILABLE

\$3,327,783	\$3,680,926	\$4,636,720
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FINANCIAL SUMMARIES

SPECIAL REVENUE FUND—CULTURAL & COMMUNITY SERVICES*Forecasted 2023 as adopted with 2021 Actuals and 2022 Estimated***EXPENDITURES****Lone Tree Arts Center**

Administration	143,576	150,635	194,400
Programming	1,372,632	1,789,863	2,519,720
Marketing	300,233	475,822	516,254
Development	255,240	253,750	409,458

Total Lone Tree Arts Center

\$2,071,681	\$2,670,070	\$3,639,832
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Other

Annual Events	222,934	344,514	374,877
Arts and Cultural Events	42,898	41,046	122,150

Total Other

\$265,832	\$385,560	\$497,027
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Total Expenditures

\$2,337,513	\$3,055,630	\$4,136,859
--------------------	--------------------	--------------------

TRANSFERS OUT

Lone Tree Arts Center-General Fund

Total Transfers Out

684,174	-	-
\$684,174	-	-

Total Appropriation

\$3,021,687	\$3,055,630	\$4,136,859
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ENDING FUND BALANCE

\$306,096	\$625,296	\$499,861
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FINANCIAL SUMMARIES

CAPITAL PROJECTS FUND - CAPITAL IMPROVEMENTS*Forecasted 2023 as adopted with 2021 Actuals and 2022 Estimated***Beginning Fund Balance****REVENUE**

Grants
Reimbursable Costs

Total Revenue**TRANSFERS IN**

Transfer In-General Fund
Debt Service Fund-Park and Recreation
Debt Service Fund-Arts and Cultural Facilities

Total Transfers In**Total Funds Available**

2021 ACTUAL	2022 ESTIMATED	2023 ADOPTED
\$ -	\$ -	\$ -
-	-	5,234,638
-	-	925,000
-	-	\$6,159,638
-	-	13,652,610
-	-	1,102,500
-	-	432,500
-	-	\$15,187,610
-	-	\$21,347,248

EXPENDITURES**Public Works**

Overlay / Reconstruction Projects
Traffic Signalization
City Office Capital Improvements
Civic Center Capital Improvements
Concrete Panel Replacement
Storm Sewer Improvements
Vehicles
City-Wide Pavement Assessment
Happy Canyon Creek
Advancing Lincoln Avenue
Acres Green Pedestrian and Bike Bridge
Emergency Repairs
City-Wide Bicycle Safety Study & Improvements
C-470 Trail Connection to RTD Station
Park Meadows Drive and
Acres Green Intersection Rebuild
RidgeGate Crosswalks

Total Public Works

-	-	2,700,000
-	-	2,000,000
-	-	370,000
-	-	50,000
-	-	600,000
-	-	250,000
-	-	120,000
-	-	50,000
-	-	100,000
-	-	2,214,548
-	-	4,020,000
-	-	500,000
-	-	302,500
-	-	2,000,000
-	-	750,000
-	-	200,000
-	-	\$16,227,048

FINANCIAL SUMMARIES

CAPITAL PROJECTS FUND - CAPITAL IMPROVEMENTS*Forecasted 2023 as adopted with 2021 Actuals and 2022 Estimated***EXPENDITURES (CONT.)****Community Development**

Zoning Code Update	-	-	150,000
Vehicles	-	-	220,200
Code Enforcement Record System	-	-	25,000

Total Community Development

-	-	\$395,200
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City Manager's Office

ETIP Placeholder	-	-	3,000,000
Art Monument Signage	-	-	100,000

Total City Manager Office

-	-	\$3,100,000
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Parks and Recreation

Joint Recreational Projects with South Suburban	-	-	1,102,500
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Total Parks and Recreation

-	-	\$1,102,500
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Arts and Cultural

Arts Center Capital Improvements	-	-	522,500
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Total Arts and Cultural

-	-	522,500
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Total Expenditures

-	-	\$21,347,248
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TRANSFERS OUT

Transfer Out-General Fund	-	-	-
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Total Transfers Out

-	-	-
---	---	---

Total Appropriation

-	-	\$21,347,248
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ENDING FUND BALANCE

\$ -	\$ -	\$ -
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FINANCIAL SUMMARIES

DEBT SERVICES FUND—ARTS & CULTURAL FACILITIES*Forecasted 2023 as adopted with 2021 Actuals and 2022 Estimated***Beginning Fund Balance****REVENUE**

Sales Tax
 Use Tax-Retail
 Use Tax-Building Materials
 Net Investment Income
Total Revenue

2021 ACTUAL	2022 ESTIMATED	2023 ADOPTED
\$1,683,750	\$2,071,913	\$2,578,191
1,994,587	2,143,753	1,897,447
62,569	51,000	49,500
128,382	67,997	78,833
537	16,428	32,330
\$2,186,075	\$2,279,178	\$2,058,110

TRANSFERS IN

Transfer In-General Fund
Total Transfers In
Total Funds Available

-	-	-
\$ -	\$ -	\$ -
\$3,869,825	\$4,351,091	\$4,636,301

EXPENDITURES

Bond Interest
 Bond Principal
 Paying Agent Fees
 Contingency
Total Expenditures

187,600	127,800	63,800
1,495,000	1,600,000	1,720,000
400	600	600
-	4,500	4,500
\$1,683,000	\$1,732,900	\$1,788,900

TRANSFERS OUT

Transfer Out-General Fund
 Capital Projects Fund-Capital Improvements

Total Transfers Out**Total Appropriation****ENDING FUND BALANCE**

114,911	40,000	2,414,901
-	-	432,500
\$114,911	\$40,000	\$2,847,401
\$1,797,911	\$1,772,900	\$4,636,301
\$2,071,913	\$2,578,191	\$ -

FINANCIAL SUMMARIES

DEBT SERVICES FUND—PARKS & RECREATION IMPROVEMENTS*Forecasted 2023 as adopted with 2021 Actuals and 2022 Estimated***Beginning Fund Balance****REVENUE**

Sales Tax
 Use Tax-Retail
 Use Tax-Building Materials
 Net Investment Income
Total Revenue

2021 ACTUAL	2022 ESTIMATED	2023 ADOPTED
\$1,877,433	\$2,242,251	\$2,632,562
1,329,725	1,427,026	1,263,069
41,713	32,000	31,167
85,671	43,917	51,333
609	15,968	37,079
\$1,457,718	\$1,518,911	\$1,382,648

TRANSFERS IN

Transfer In-General Fund
Total Transfers In
Total Funds Available

-	-	-
\$ -	\$ -	\$ -
\$3,335,151	\$3,761,162	\$4,015,210

EXPENDITURES

Bond Interest
 Bond Principal
 Paying Agent Fees
 Contingency
Total Expenditures

152,500	105,500	54,500
940,000	1,020,000	1,090,000
400	600	600
-	2,500	2,500
\$1,092,900	\$1,128,600	\$1,147,600

TRANSFERS OUT

Transfer Out-General Fund
 Capital Projects Fund-Capital Improvements

Total Transfers Out**Total Appropriation**

-	-	1,765,110
-	-	1,102,500
-	-	\$2,867,610
\$1,092,900	\$1,128,600	\$4,015,210
\$2,242,251	\$2,632,562	\$ -

ENDING FUND BALANCE

FINANCIAL SUMMARIES

BUDGET MESSAGE**Services Provided**

On November 7, 1995, a majority of the qualified voters at a general election voted to incorporate the City of Lone Tree (the City). Following incorporation, on May 5, 1998, a majority of the qualified voters adopted a Home Rule Charter thereby granting the City all powers accorded to cities by the laws of the State of Colorado. The City provides numerous services to its residents including general government, municipal court, community development and building regulation, public safety, public works, arts and cultural and capital improvements.

Starting with the 2011 fiscal year, the City elected to account for all revenue and expenditures related to the Lone Tree Arts Center in a separate Special Revenue Fund. In 2013, City Council decided to expand the use of this fund to account for not only the Lone Tree Arts Center but also include other City programs focused on the arts and other types of community activities. Beginning with the 2014 budget, this fund is now referred to as the Cultural and Community Services Fund.

In addition to the General Fund and Special Revenue Fund described above, the City also has two separate Debt Service Funds, as well as a Capital Projects Fund that was created in the 2023 budget. The Debt Service Funds segregate monies related to the sales tax increases that were approved by City voters on May 6, 2008. Pursuant to that election, City voters authorized the issuance of indebtedness in an amount not to exceed \$18.5 million by increasing the rate of sales and use tax levied by the City by .1875 percent to be used to finance the cost of cultural facilities. Additionally, City voters authorized indebtedness in an amount not to exceed \$12.5 million by increasing the rate of sales and use tax levied by the City by .125

percent to be used to finance various park and recreational improvements. The increase in the sales and use tax rate for both initiatives commenced on July 1, 2008. In 2017, the City refunded these bonds acquiring a lower interest rate, while maintaining the bond terms, which produced a savings over the life of the bonds. Both bonds will be paid off on December 1, 2023, at which point the associated sales and use tax increments will sunset. The Capital Projects Fund created in 2023 is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlay. The separation of capital expenditures from the General Fund will provide more financial transparency by allowing users of the budget book and the City's financial statements to identify operational and capital trends more clearly.

The City's Budget does not include any component units, such as the Lone Tree Business Improvement District, the Park Meadows Business Improvement District, and the Lone Tree Arts Center Fund (501(c)(3)). A separate budget has been prepared for these entities.

The budget is in accordance with the TABOR Amendment limitations that were modified by the citizens at elections held in November 1999 and May 2008. Emergency reserves, required under TABOR, have been provided for.



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FINANCIAL SUMMARIES

BUDGET MESSAGE: REVENUES

The City diligently works to maintain a strong, diverse revenue base recognizing that a dependence upon any individual source makes revenues more vulnerable to economic cycles. All revenues are conservatively projected and are monitored and updated as necessary. The City uses historical trends, current trends, judgmental forecasting, and unique adjustments (i.e. new retail, new fees, data from a specific source, etc.) for its revenue projections.

The total revenues collected by the City are summarized in the following graph. Additionally, the major revenue sources are highlighted individually.

TOTAL REVENUES	2021 Actual	2022 Estimated	2023 Adopted
Taxes	\$28,381,895	\$44,934,442	\$46,708,468
Franchise Fees	\$ 1,137,127	\$ 1,249,891	\$ 1,312,385
Intergovernmental	\$11,252,919	\$10,497,897	\$11,823,333
Licenses, Fees and Charges	\$ 1,948,433	\$ 2,214,057	\$ 2,510,185
Fines and Forfeitures	\$ 371,622	\$ 392,645	\$ 389,953
Arts Center	\$ 2,301,592	\$ 1,879,861	\$ 2,515,124
Other	\$ 778,042	\$ 633,593	\$ 834,289
Total	\$ 46,171,630	\$61,802,386	\$66,093,737

FINANCIAL SUMMARIES

BUDGET MESSAGE: SALES TAX & USE TAX-RETAIL REVENUE

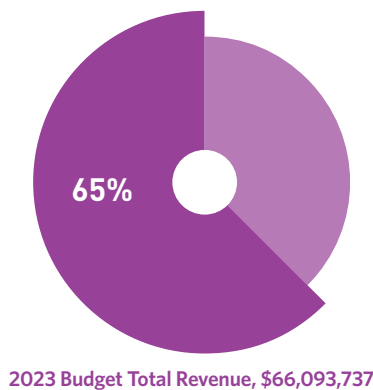
Source: The primary source of revenue for the City is sales tax and use tax - retail. The City assesses a 2.8125% sales tax (2.5% base tax, 0.125% for park and recreational improvements and 0.1875% for cultural facilities) on all taxable retail transactions, which includes the ten-year 1% sales and use tax rate increase resulting from the passage of Ballot Issue 2E on November 2, 2021. The tax is collected by the retail businesses and remitted to the City. The use tax on retail transactions is due upon the purchase of any tangible property on which sales tax was not paid. Use tax is included with the business' sales tax return. The 1% tax approved in 2021 is designated to fund vital City services, including repairing, maintaining, and improving City streets and aging infrastructure, maintaining service and response times for public safety, and maintaining and improving parks, trails and open space and is accounted for in the General Fund. The remaining base tax of 1.5% does not have restrictions on use other than to fund general City services in the General Fund and Cultural and Community Services Fund, whereas the 0.125% is allocated to the Debt Service Fund - Park and Recreation Improvements and 0.1875% is allocated to the

Debt Service Fund - Arts and Cultural Facilities. The 0.125% tax increment for park and recreational improvements and the 0.1875% tax increment for cultural facilities will sunset on December 1, 2023.

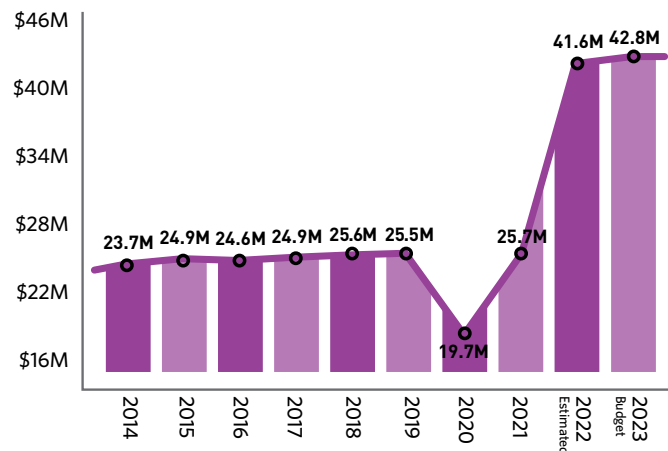
Rationale: Sales tax and use tax-retail revenue is estimated for 2023 using historical trends, current economic conditions, as well as projections based on expected new retail openings in the City and store closings, if any. Sales tax projections for 2023 are calculated conservatively. The overall projected increase in sales tax of 2.9% as well as the projected increase in use tax - retail of 5.7% are due anticipated inflation rates, as well as new businesses that are projected to open during 2023.

A considerable amount of time is spent projecting sales tax, since this is the City's primary revenue source. Projections are initially completed at the beginning of the budget process in June, based on actuals through May and again assessed and updated, if needed, in August through November (based on actuals for July through October).

Total Sales Tax & Use Tax - Retail Revenue:
\$42,781,708



Total Sales Tax & Use Tax - Retail Revenue
HISTORY & FORECAST



Trends: The increase from 2017 to 2018 is due to sales tax collections trending higher than in previous years with several factors impacting this change, including the OmniPark annexation and new businesses opening such as Fogo de Chao, Amazon 4 Star, and Hobby Lobby, as well as liquor sales at Costco. Additionally, Sierra did not open until late 2017, so a full year of activity is included in 2018. The drastic decrease from 2019 to 2020 is due to the global COVID-19 pandemic, where many vendors were ordered to close their facilities for a couple of months starting in March. Following the Governor's Order, vendors were allowed to reopen with restrictions in May; however, significant decreases in sales tax collections were still recorded in the second half of 2020 as a result of impacts on consumer confidence and a shift to online shopping. The increase from 2020 to 2021 is due to the slow recovery from the pandemic. 2021 to 2022 reflects the continued recovery from the pandemic as well as the one percent sales and use tax rate increase as a result of the passing of Ballot Issue 2E to increase the City's sales and use tax rate to 2.8125%. The increase from 2022 to 2023 reflects current trends, projected inflation rates and anticipated store openings in 2023.

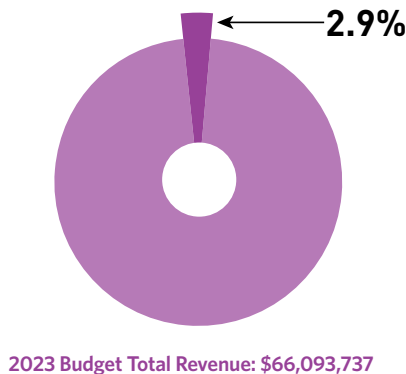
FINANCIAL SUMMARIES

BUDGET MESSAGE: USE TAX-BUILDING MATERIALS REVENUE

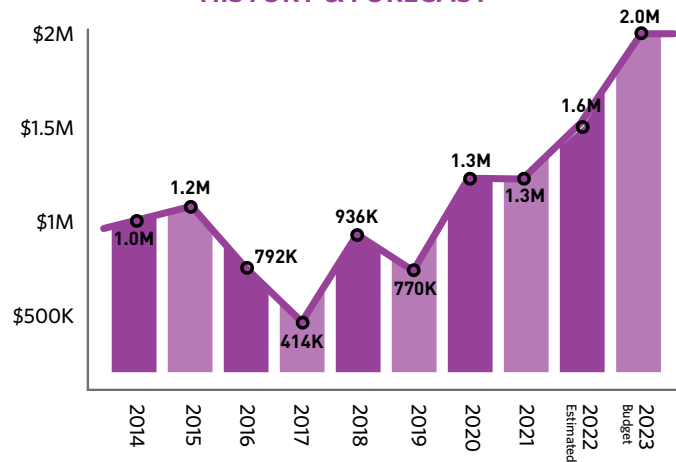
Source: The City assesses a 2.8125% use tax (2.5% base tax, 0.125% for park and recreational improvements, and 0.1875% for cultural facilities) for building construction materials, which includes the ten-year 1% sales and use tax rate increase resulting from the passage of Ballot Issue 2E on November 2, 2021. The use tax on building construction materials is collected by the City when a building permit is issued for the project. The 1% base tax approved in 2021 is designated to fund vital City services, including repairing, maintaining, and improving City streets and aging infrastructure, maintaining service and response times for public safety, and maintaining and improving parks, trails, and open space and is accounted for in the General Fund. The remaining base tax of 1.5% does not have restrictions on use other than to fund general City services in the General Fund and Cultural and Community Services Fund, whereas the 0.125% is allocated to the Debt Service Fund - Park and Recreation Improvements and 0.1875% is allocated to the Debt Service Fund - Arts and Cultural Facilities. The 0.125% tax increment for park and recreational improvements and the 0.1875% tax increment for cultural facilities will sunset on December 1, 2023.

Rationale: Use Tax - Building Materials revenue is estimated for 2023 using historical trends, current economic conditions, as well as projections based on anticipated construction projects and new businesses. The 2023 use tax-building materials budget reflects an increase compared to 2022 estimated due to the anticipated development east of I-25, which includes new retail, single family home developments, and new apartment complexes.

Total Use Tax - Building Materials Revenue:
\$1,954,167



Use Tax - Building Materials Revenue HISTORY & FORECAST



Trends: The amounts from 2014 to 2015 are related to significant development in the RidgeGate area of the City, specifically a new corporate campus (Charles Schwab), the hospital expansion, a large assisted living/nursing home project, and the construction of multiple single-family home communities. The decrease in 2017 is a result of no large-scale development projects. The increase in 2018 is due to some large new construction projects, specifically a new hotel and the expansion of Schwab. The increase in the 2020 projection is largely due to a couple of large projects including a second corporate campus building for Kiewit, as well as construction in a single-family residential home community. Activity for 2021 estimated includes the construction of two apartment projects. The increase from 2021 to 2022 is due to the one percent tax increase, as well as a new commercial building in RidgeGate and a new senior/assisted living project east of I-25. The increase from 2022 to 2023 is due to construction starting east of I-25, including a grocery store, retail space, a phased new residential single-family home community, and apartment complexes.

FINANCIAL SUMMARIES

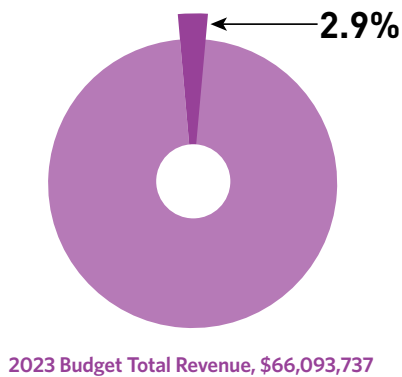
BUDGET MESSAGE: LODGING & ADMISSIONS TAXES REVENUE

Source: The City collects a lodging tax and an admission tax, which were approved by-election in November 1998. Lodging tax is a tax assessed on guest lodging in hotels located within the City limits at a rate of 6.0% to be charged on renting or leasing lodging accommodations for a period of 60 consecutive days or less since February 2001. Additionally, in February 2001, the City initiated a 4.0% admissions/event tax to be charged on every person who pays to gain admission to any place or event open to the public, as defined by City Ordinance. Venues subject to admissions tax, but not limited to, are movie theatres, golf courses, etc. Both types of tax do not have restrictions on use other than to fund general City services in the General Fund.

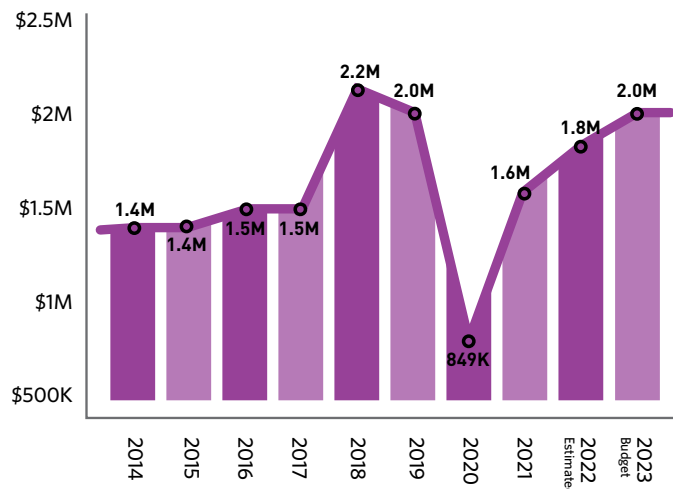
Rationale: Lodging Tax revenue is estimated to increase from 2022 based on current trends. However, this is still below 2019 levels. Historically, this tax has fluctuated year to year depending on travel patterns seen in business and personal travel. The recovery from the pandemic in lodging taxes has been much slower than other revenue streams, with 2022 estimated and 2023 projected amounts still below pre-pandemic levels.

Admissions Tax is estimated to increase slightly in 2023 based on current trends. Historically, the revenue generated from this tax has fluctuated from 1% to 7%, and to be conservative, the City budgets according to the lower end of the range.

Total Lodging & Admissions Taxes Revenue:
\$1,972,594



Lodging & Admissions Taxes Revenue HISTORY & FORECAST



Trends: The large increases in 2014 were due to the growth of the City, particularly with the construction of two additional lodging establishments. Additionally, the spike in 2014 includes a significant one-time payment from a vendor for adjustments to the prior year's remittances of admissions tax that were filed incorrectly. The large increase in 2018 is based on a lodging establishment located within the OmniPark area annexed into the City in 2017, as well as a new lodging establishment that opened in the middle of 2017. Revenue in 2020 is significantly lower than in 2019 largely due to the impacts of the COVID-19 pandemic. The increase from 2020 to 2021 is based on the gradual recovery of businesses from COVID-19 but is still projected to be below historical trends. The increase from 2021 to 2022, as well as from 2022 to 2023, is due to the continued recovery from the pandemic, but at a much slower rate than other revenue streams.

FINANCIAL SUMMARIES

BUDGET MESSAGE: FRANCHISE FEES REVENUE

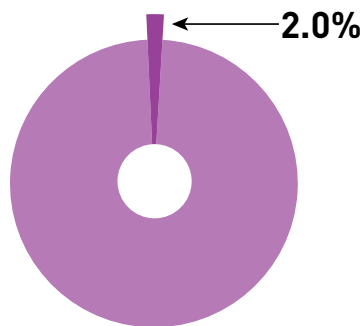
Source: Franchise fees are revenues derived from fees levied on companies in exchange for the right to use public right of way and otherwise operate as a franchise. Franchise fees for the City are generated from a negotiated franchise license with for gas and electric service in the City as well as cable franchise fees. Both types of franchise fees do not have restrictions on use other than to fund general City services in the General Fund. Franchise fees are submitted electronically to the City's bank account on a monthly or quarterly basis.

Rationale: The electric and gas franchise fee is based on 3.0% of gross revenue collected from customers in the City. Fees are estimated based on historical trends.

The cable franchise fee is at the rate of 5.0% for cable service provided to City residents.

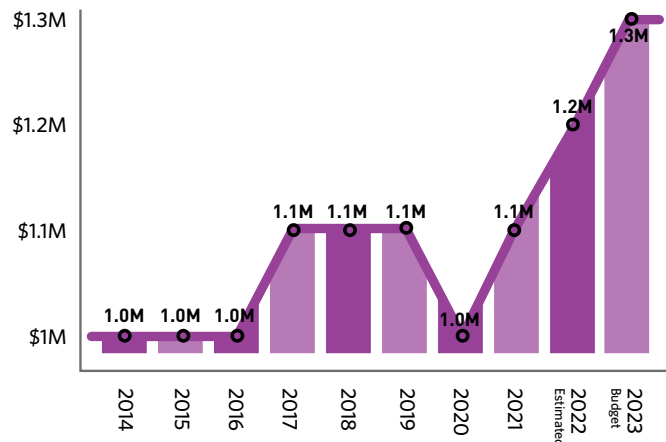
The electric and gas franchise fee and cable franchise fee are estimated to increase slightly in 2023 compared to 2022 estimated based on a conservative estimate as a result of 2022 activity and anticipated new growth east of I-25.

Total Franchise Fees Revenue:
\$1,312,385



2023 Budget Total Revenue, \$66,093,737

**Franchise Fees Revenue
HISTORY & FORECAST**



Trends: Fluctuations from year-to-year are due to changes in gross revenue received on usage of cable services and usage of electric and gas services. As the City continues to grow with more housing developments being built, this will generally cause this revenue to increase, as evidenced from 2012 through 2019. As the City gets ready for the expansion of housing developments east of I-25, these revenue sources should continue to trend upward. 2022 estimated compared to 2021 increased primarily due to increased gas prices. 2023 budget compared to 2022 estimated is expected to increase due to anticipated growth on the east side of I-25.

FINANCIAL SUMMARIES

BUDGET MESSAGE: INTERGOVERNMENTAL REVENUE

Source: Intergovernmental revenue consists of various sources of revenue that are received by the City from the State of Colorado or Douglas County that are listed below. These revenues are budgeted each year based on set factors and formulas and are somewhat stable for the City unless legislation is revised. These funds do have restrictions on use, except for the Cigarette Tax and the Motor Vehicle Registration Fees. The Sharebacks for Transportation and Road and Bridge funds as well as the Highway Users Tax must be spent on transportation projects, and the Conservation Trust Funds must be used for parks, recreation, or open space improvement/development. Additionally, the City receives reimbursable costs from partnering organizations on specific projects.

The **Highway Users Tax Fund (HUTF)** is state-collected, locally-shared revenue that is distributed via electronic funds transfer on a monthly basis to the City of Lone Tree in accordance with the following formulas:

- 1 **Basic Fund** — the first seven cents of gasoline taxes and the base amount of various motor vehicle registration, title and license fees. 9% of these revenues are distributed to municipalities. The basic fund monies may be spent on acquisition of rights-of-way for, and the construction, engineering, safety, reconstruction, improvement, repair, maintenance, and administration of streets, roads and highways.
- 2 **Supplemental Fund** — 18% of the amount above seven cents of gasoline taxes are distributed to municipalities and may be spent only on road improvements including new construction, safety improvements, maintenance and capital improvements.
- 3 **1989 Increase Fund** — 18% of the gasoline tax, registration fee and driver's license fee increases enacted in 1989 are shared with municipalities and can be used for the same purposes designated in (2) above.
- 4 **1995 Increase Fund** — 18% from a three-year phased reduction of the amount previously withheld by the state for administrative purposes which can be used for the same purposes designated in (2) above.

For Fiscal Year 2019-20 – SB 18-001 (Fix Colorado Roads Act) transfers \$150 million, of which \$22.5 million is transferred to the Highway Users Tax Fund (HUTF) for local governments and \$22.5 million is transferred to the Multimodal Transportation Options Fund (Multimodal Fund) administered by the State Transportation Commission. Municipalities will receive a total of \$11.25 million in additional revenue (transferred on July 1, 2019) dispersed through the HUTF. Municipalities will also be eligible for up to \$63.11 million in local government multimodal grants through the Multimodal Fund.

Conservation Trust Funds are from lottery proceeds that 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 Division of Local Governments. Lone Tree's share is electronically transferred to the City's bank account on a quarterly basis.

Cigarette Tax is a tax the state imposes and collects a 9.7 cent tax per cigarette, of which 27% of the proceeds are distributed 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. (Note: Voters in Colorado approved an increase in the cigarette tax, effective January 1, 2005. However, the increase is earmarked for specific purposes and is not included in the distribution to municipalities and counties.)

The **Douglas County Road and Bridge Shareback** is a mill levy imposed by Douglas County that is dedicated to road and bridge improvements throughout Douglas County. Because Douglas County's efforts only include unincorporated areas and the property tax is collected from all areas, the State requires that Douglas County return one half of the road and bridge levy to each municipality. The formula used to compute the amount returned to Lone Tree is as follows:

$$\text{(County Road \& Bridge Levy} \times \text{Total City Assessed Value)} \div 2 = \text{City Portion}$$

The money is distributed via electronic funds transfer on a quarterly basis to the City of Lone Tree.

FINANCIAL SUMMARIES

BUDGET MESSAGE: INTERGOVERNMENTAL REVENUE (CONT.)

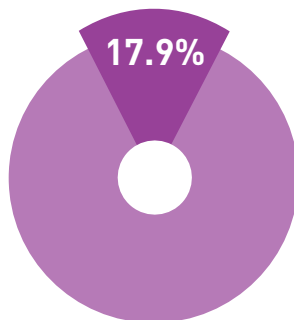
The **Douglas County Shareback for Transportation**, effective as of January 1, 2011, is based on the County who collects 0.4 percent roads sales and use tax (building materials) county-wide and then remits 75 percent of the amount collected within Lone Tree city-limits to the City (with the exception of the Park Meadows Retail Resort) and is to be used for transportation projects. This revenue helps fund the construction of new road projects. Funds are received electronically directly to the City's bank account on a monthly basis. This shareback will be in effect until December 31, 2030.

Douglas County Motor Vehicle offices title and register vehicles of residents of Douglas County, which include the City of Lone Tree. Fees are assessed based on the vehicles' weight in pounds. The funds are allocated per statute between the State, Counties, and Cities/Towns based on a funding formula.

Reimbursable Costs: In addition to the State and County revenue items above, the City also partners with other governmental entities including the Southeast Public Improvement Metropolitan District (SPIMD), Park Meadows Metropolitan District, Rampart Range Metropolitan District, Douglas County, Colorado Department of Transportation and various other entities for capital projects and shared maintenance costs. These amounts are reflected in the General Fund and the Capital Projects Fund under reimbursable costs for amounts received for City contracted projects and services.

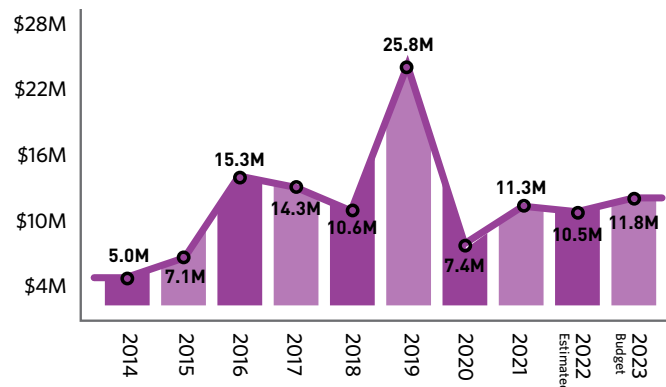
Rationale: Reimbursable Cost for 2023 is based on known capital projects where the City is partnering with other entities to fund the projects.

Total Intergovernmental Revenue:
\$11,823,333



2023 Budget Total Revenue, \$66,093,737

**Intergovernmental Revenue
HISTORY & FORECAST**



Trends: Intergovernmental revenues fluctuate year to year primarily due to reimbursable costs and projects that are being completed between the City and various partners. The significant increase from 2015 to 2016 is based on the contribution schedules listed in each agreement with the partnering organizations for two large capital projects including the Lincoln Pedestrian Bridge and the Southeast Light Rail Extension. The increase from 2018 to 2019 is the result of the RidgeGate Parkway Widening Project, which includes funding from Rampart Range Metropolitan District, Douglas County, Southeast Public Improvement Metropolitan District (SPIMD) and a grant from the Denver Regional Council of Governments. The increase from 2020 to 2021 is largely due to partnership funds for the Advancing Lincoln Avenue Design project (I-25/Lincoln Ave. Interchange), COVID-19-related one-time funding, and a pass-through grant. 2022 shows significant partnership funding for the C-470 Trail connection to the RTD Station project, the C-470 Trail over Acres Green Drive project, continued funding for the Advancing Lincoln Avenue Design project, COVID-19-related one-time funding, as well as a Metropolitan Football Stadium District shareback received from the sale of the Bronco franchise. The increase from 2022 to 2023 is mainly due to continued work on the Acres Green Pedestrian and Bike Bridge, C-470 Trail Connection to RTD Station, traffic signal improvements, and Advancing Lincoln Avenue projects which received significant grant and partnership funding.

FINANCIAL SUMMARIES

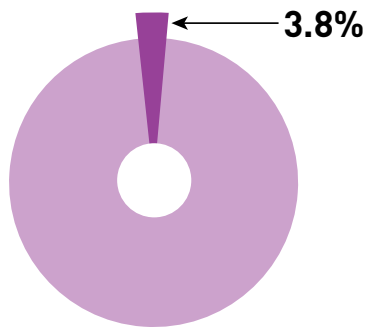
BUDGET MESSAGE: LICENSES, FEES & CHARGES REVENUE

Source: Licenses, fees and charges revenues consist of various fees including business license, liquor license, building permit, planning and zoning and engineering fees. Many of these fees are based on residential and commercial development within the City.

Rationale: The 2023 budget is estimated based on building permit information as well as information received from developers within the City. Historically, building permit fees are the primary component of this revenue source. This revenue source can fluctuate greatly depending on the development projects that are being completed in the City at any given time, so considerable time is spent projecting the building permit revenue based on information received from developers and the City's Community Development Department.

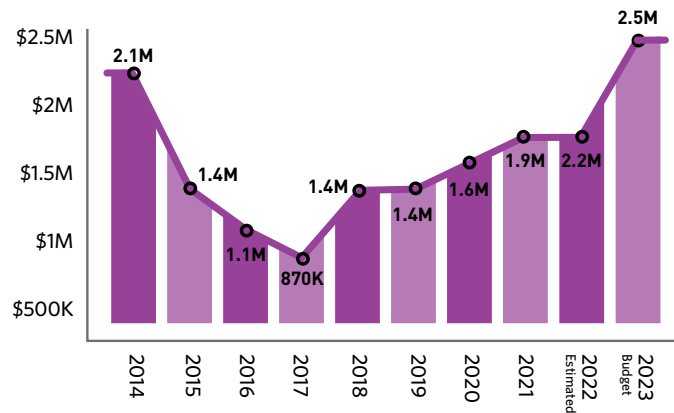
Additionally, the planning, zoning, and engineering fees are included in this revenue source. These fees are based on historical trends and the timing of construction projects. Historically, the revenues generated from the planning, zoning, and engineering fees fluctuate as the timing of development projects occur.

Total Licenses, Fees and Charges Revenue:
\$2,510,185



2023 Budget Total Revenue, \$66,093,737

Licenses, Fees and Charges Revenue
HISTORY & FORECAST



Trends: In 2015-2016 the amounts remained high due to the continued construction of single-family home communities, as well as the construction of a large, assisted living/nursing home. The decrease in 2017 is due to the timing of when fees were received for the larger projects of a new hotel, restaurant, and apartment complex. The project fees were received in 2016, but the majority of the work was completed in 2017. The year 2018 aligns more closely with historical trends, as a result of additional work on a corporate campus as well as a new hotel and medical office building. The increase in 2019 is due to a couple of large projects, including a corporate campus building and parking garage for Kiewit as well as an apartment building. The increase in 2020 is mainly due to a couple of large projects including a second corporate campus building for Kiewit, as well as construction in a single-family residential home community. In 2021, the projected amount was based on historical trends as well as the construction of two apartment projects. The increase from 2021 to 2022 was due to a new commercial building in RidgeGate and a new senior/assisted living project east of I-25. The increase from 2022 to 2023 is due to construction starting east of I-25, including a grocery store, retail space, a phased new residential single-family home community, and apartment complexes.

FINANCIAL SUMMARIES

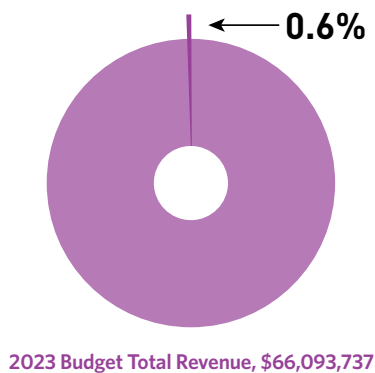
BUDGET MESSAGE: FINES & FORFEITURES REVENUE

Source: Fines and forfeiture revenue include court fees as well as vehicle and other code violation fines including Red Light ticket revenue.

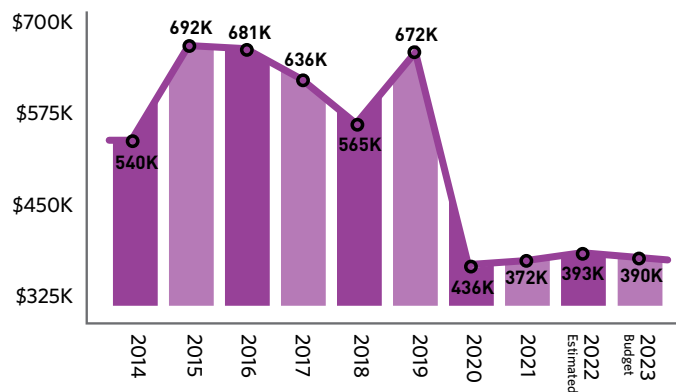
Rationale: The 2023 budget is estimated based on historical trends. Historically, this area can fluctuate, depending on the number and types of citations issued, as well as staffing levels in the police department. As a result of the

unprecedented COVID-19 pandemic, traveling patterns shifted due to an increase in remote work, particularly in 2020, but continuing into 2021 and 2022. The 2023 budget anticipates no major changes in court fees, vehicle, and other code violation fines to remain conservative on revenue projections.

Total Fines and Forfeitures Revenue:
\$389,953



Fines and Forfeitures Revenue
HISTORY & FORECAST



Trends: The increase from 2014 to 2015 is largely due to the red-light camera being operational for the full year and an increase in police presence throughout the City. The decrease experienced from 2016 through 2018 is largely due to the decrease in vehicle fines, which is primarily due to the Police Department not being fully staffed at different times throughout this period, as well as officers being pulled away from traffic enforcement to respond to other calls. The increase from 2018 to 2019 is due to the addition of two Traffic Enforcement Unit Officers, which increased enforcement efforts related to traffic violations in the City. The decrease in 2020 was primarily due to the COVID-19 pandemic, with a significant decrease in the volume of cars on City roads. The continued decrease in 2021 was due to fewer vehicle and other code violations being issued due to fewer vehicles on City roads than pre-pandemic levels, as well as two police officer positions being frozen to help offset revenue impacts from the pandemic. The increase from 2021 to 2022 was largely due to a higher volume of cars on City roads, as well as reinstating two positions within the police department. No major changes are anticipated from 2022 to 2023.

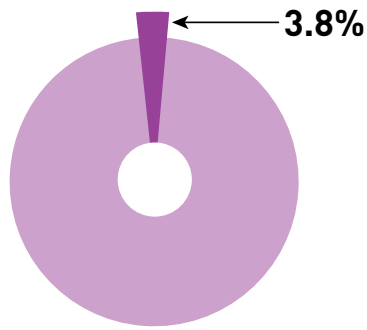
FINANCIAL SUMMARIES

BUDGET MESSAGE: LONE TREE ARTS CENTER REVENUE

Source: The revenues listed in the Special Revenue Fund – Cultural and Community Services Fund are associated with the operations of the Lone Tree Arts Center and include various ticket sales, handling fees, rental fees, concessions, and catering revenue as well as various estimated contributions and grants.

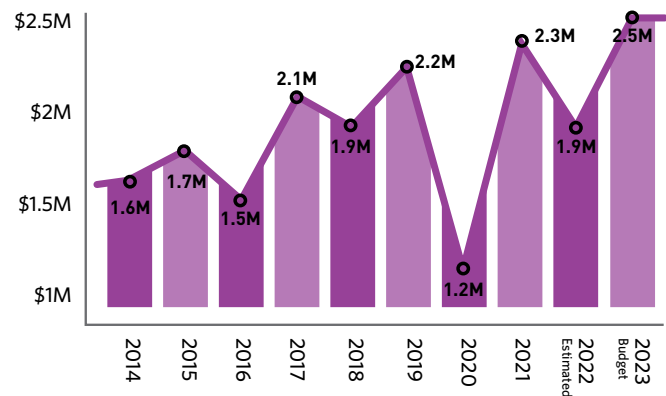
Rationale: The 2023 operating revenue generated from the Lone Tree Arts Center is estimated based primarily on the programming schedule and availability of space for event rentals while utilizing historical trends and past performances as a guide. The 2023 budget anticipates growth in programming, rentals, ticket sales, and contributed income. Although, growth is expected, a conservative approach was taken to account for historical trends.

Total Lone Tree Arts Center Revenue:
\$2,515,124



2023 Budget Total Revenue, \$66,093,737

**Lone Tree Arts Center Revenue
HISTORY & FORECAST**



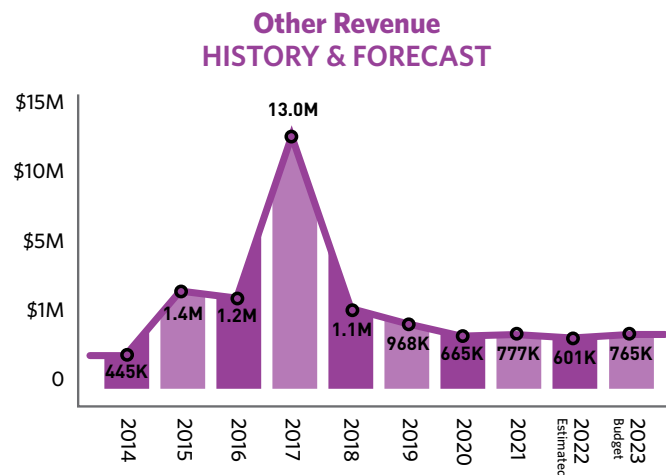
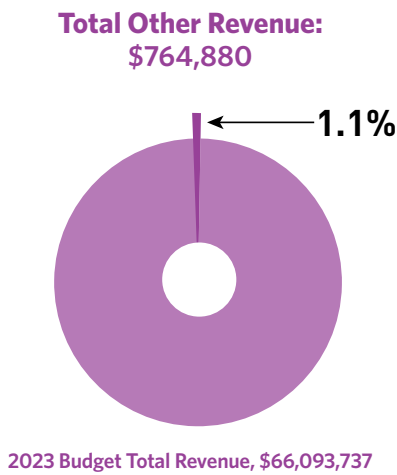
Trends: The decrease seen from 2015 to 2016 is due to the shifting of a musical performance from 2016 to the 2017 programming schedule, which resulted in decreased revenue, but is offset with decreased expenses. 2018 decreased from 2017 due to multiple factors including two concerts that were canceled due to unforeseen circumstances as well as lower-than-expected ticket sales for the large-scale spring performance. 2019 increased from 2018 and was more in line with 2017 due to more featured attraction performances, additional foundation contribution revenue with the formation of the 501(c)(3), and an increase in non-SCFD grant revenue. The decrease in 2020 is due to a significant drop in ticket sales revenue as a result of the COVID-19 pandemic, which caused the Arts Center to close from March through May, as well as restrictions on public gatherings. 2021 increased from 2020 due to a gradual recovery from the pandemic with virtual and creative performances in the first half of the year, with more traditional performances in the second half of the year. In addition, the Lone Tree Arts Center was the recipient of a one-time COVID-19 related grant. The decrease in 2022 was due to COVID-19-related grant funds received in 2021. 2023 increased from 2022 based on the programming schedule, which includes a multi-week theatrical performance, as well as anticipated increases in contributed income.

FINANCIAL SUMMARIES

BUDGET MESSAGE: OTHER REVENUE

Source: Various other revenue sources are anticipated to be received by the City including interest income, tenant rental income received by parties leasing space in the Municipal Office Building, police department fees, and miscellaneous revenue received.

Rationale: The 2023 budget is estimated based on historical trends and interest rates. Interest income is based on the average annual interest rate yield and the City's average balance. Tenant rental income is based on current tenants' lease terms. Police department fees and other charges are estimated based on off-duty contract billings and other funding agreements.



Trends: The significant increase in 2015 is due to a transfer from reserves to pay off the Certificates of Participation on the Municipal Office Building. The increase in 2017 is related to debt refinancing to benefit from interest savings. The decrease for 2019 is a result of the legal retainage recognition in 2018 as well as less tenant rental income as the City took over a current rental space to transform it into additional City office space. The decrease in 2020 is primarily due to the COVID-19 pandemic, which caused a decline in investment income as interest rates dropped; off-duty contract billings also decreased as demands for this service decreased due to COVID-19. The decrease in 2021 in comparison to 2020 is primarily due to low-interest rates in 2021. The decrease in 2022 estimated compared to 2021 is primarily due to a one-time rebate payment received from a benefits vendor in 2021. The 2023 budget increases primarily due to higher interest rates and a higher investment balance.

3

FINANCIAL SUMMARIES

BUDGET MESSAGE: EXPENDITURES

The 2023 Budget evaluates available resources and allocates revenues to a high level of service for general operations of the City and to fund the capital projects outlined in the five-year capital plan based on the City's priorities and guidance of City Council. The objective is to fund services and programs that are the most likely to achieve the strategic plan of the City.

The total expenditures incurred by the City are summarized in the following chart. Additionally, the major expenditure sources are highlighted individually.

TOTAL EXPENDITURES	2021 Actual	2022 Estimated	2023 Adopted
General Government	\$ 4,544,590	\$ 5,338,687	\$ 6,671,904
Municipal Court	\$ 294,898	\$ 344,516	\$ 368,108
Community Development	\$ 1,143,417	\$ 1,517,184	\$ 2,117,995
Police Department	\$ 8,506,326	\$9,597,863	\$10,924,008
Public Works	\$ 5,570,249	\$ 7,218,876	\$ 8,344,691
Arts and Cultural	\$ 2,452,424	\$ 3,163,130	\$ 4,136,859
Parks and Recreation	\$ 102,354	\$ 103,250	\$ 103,250
Sharebacks	\$ 6,199,033	\$ 9,963,635	\$10,802,825
Capital Outlay	\$ 6,031,767	\$ 6,759,800	\$21,347,248
Debt Service	\$ 2,775,900	\$ 2,861,500	\$ 2,936,500
Total	\$37,620,958	\$46,868,441	\$67,753,388

FINANCIAL SUMMARIES

BUDGET MESSAGE: GENERAL GOVERNMENT EXPENDITURES

Source: This area of the Budget includes Human Resources, Information Technology, Finance, City Clerk's Office, and the City Manager's Office. The Human Resources Department is responsible for providing services related to recruiting, hiring, and onboarding of new talent, employee training and administration of fringe benefits such as health insurance. The goal of the Information Technology department includes governance of the City's technological systems, maintenance of the infrastructure, and functionality of all systems. The success of Human Resources and Information Technology is measured by how seamlessly and effectively employees are able to provide services to citizens and businesses in the community. The City Clerk's office is responsible for maintaining official City records, conducting City elections, managing liquor licensing, and fulfilling open records requests under the Colorado Open Records Act (CORA). The goal of the City Clerk's Office is to provide exceptional customer service to the citizens and businesses of Lone Tree through timely, accurate, and courteous responses to inquiries and requests. Additionally, the City's Finance department includes sales tax administration and auditing, payroll processing and accounts payable as well as financial statement reporting, budget, and accounting records

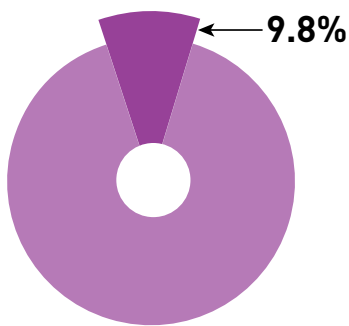
management. The goal of the Finance Department is to keep the City compliant with various state and federal requirements related to having up-to-date, accurate financial information.

The City Manager's Office facilitates the work of the City Council by developing and implementing the details of City Councils' goals and policies. The City Manager provides leadership in all areas of municipal services to the community in accordance with the City Charter and provides strategic vision and priorities of the organization through intergovernmental relationships, community outreach and communications, and economic development. The City Manager's Office staff also serves as liaisons between the City Council and City staff for carrying out service requests and supporting the many activities in which the City Council and the City Manager are engaged.

Other costs reflected under General Government include legal, insurance, and other City programs.

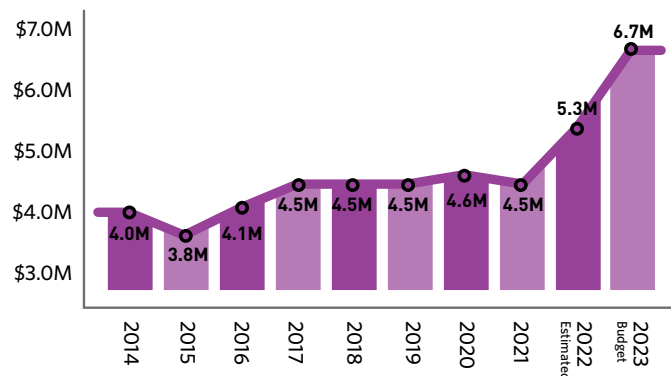
Rationale: 2023 estimates for General Government have been determined based on historical costs, and anticipated cost increases related to salary and benefits, legal and consulting costs, and insurance.

Total General Government Expenditures:
\$6,671,904



2023 Budget Total Expenditures, \$6,753,388

General Government Expenditures
HISTORY & FORECAST



Trends: The increase from 2015 to 2016 mainly includes three new positions in 2016, including the Deputy City Clerk, Capital Improvement Projects Manager, and IT Systems Specialist as well as a citizen survey. The increase in costs from 2016 to 2017 is attributable to multiple factors with the largest ones being increases in salary and benefit costs, specifically for new positions such as the Accounting Manager, Support Specialist, and Communications Manager, improvements to City buildings, consulting costs, budgeting software tool implementation and banking services fees. The decrease in 2019 is due to lower costs in legal fees as the City switched to a different law firm in September 2018, as the previous contract had ended. The increase in 2020 is related to an allocation for COVID-19-related expenses and an increase in consulting fees. The increase in 2021 is primarily related to salary and benefit costs, including merit increases, the vacancy of the Budget and Revenue Analyst position for most of the year in 2020, and the Graduate Management Fellowship position that was filled for seven months in 2021. The increase in 2022 compared to 2021 is due to reinstating employee training and professional development, as well as community support to pre-pandemic levels. In addition, the budget includes increases in salary and benefit costs related to merit increases, increases in technology costs related to computer hardware and software upgrades, significant increases in insurance costs, and increases in costs related to citizen communication and economic development activities. The increase in 2023 compared to 2022 is mainly due to increases in salary and benefit costs related to new positions, final salary adjustments resulting from the comprehensive compensation study that was completed in 2022, increases in contracted services for legal and consulting, a placeholder for grant matching opportunities, and increased economic development activities.

FINANCIAL SUMMARIES

BUDGET MESSAGE: COMMUNITY DEVELOPMENT EXPENDITURES

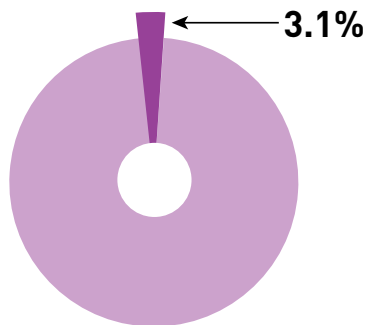
Source: The Community Development Department consists of the Planning Division, the Building Division and the Code Enforcement Division.

The Planning Division administers land-use projects including site improvement plans, subdivision plats, and zoning changes. The Planning Division also provides long-range planning services including the preparation and periodic update of various planning regulations and tools, as well as other services including those related to historic preservation, signage and identification programs, streetscape programs, and community facilities. The Building Division serves the community by administering the City's building codes to ensure all buildings are safe for occupancy. This is accomplished through reviewing building plans, issuing building permits, and conducting inspections. The Code Enforcement Division is responsible for working with our residents, business owners, and property owners to achieve a clean, safe and attractive community through enforcement of the City's zoning and nuisance regulations. This division also issues sign, banner, and temporary use permits.

It should also be noted that a majority of these costs are offset by building permit fees as well as licenses, fees, and other charges.

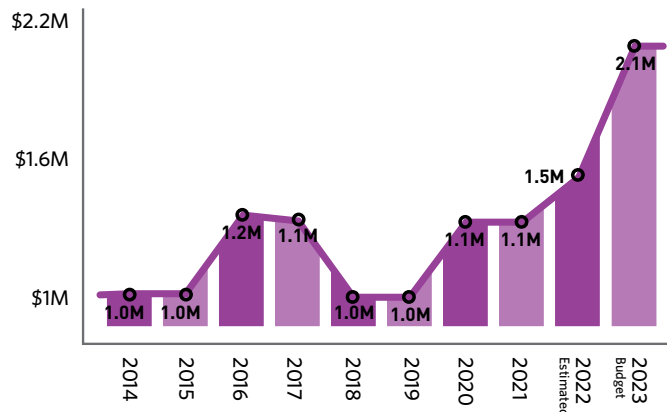
Rationale: The 2023 budget is based on historical trends. In addition, due to anticipated construction and development activity east of I-25, the budget includes costs related to contracted services and new positions to ensure the City can meet the demands related to growth. Historically, the overall expenditures for community development vary year to year, depending on the timing of construction and remodeling projects. The largest costs are for salary and benefits, building inspections, plan review, and electrical inspections. Many of the costs in the Community Development department are offset by revenues received.

Total Community Development Expenditures:
\$2,117,995



2023 Budget Total Expenditures, \$67,753,388

**Community Development Expenditures
HISTORY & FORECAST**



Trends: The increase in 2016 is due to contracted personnel costs related to building inspections, personnel changes in the building department, and plan review and electrical inspections. The decrease in 2018 is due to the transitioning of development review engineering costs being reallocated to public works as a result of bringing positions in-house. The increase in 2020 is primarily due to the addition of the Planner I position, as well as increased costs for elevator inspections due to a higher volume of elevators in the City. The increase in 2021 is primarily due to having a Planner I position that was hired in June of 2020 for a full year and an increase in plan review and elevator inspections. The increase in 2022 is due to reinstating a previously frozen position and an increase in contracted services to meet the demands related to the growth east of I-25. The increase in 2023 is due to contracted services for electrical inspections, as well as new positions to continue to provide excellent service levels related to the City's growth, as well as a continued focus on code enforcement efforts.

FINANCIAL SUMMARIES

BUDGET MESSAGE: POLICE DEPARTMENT EXPENDITURES

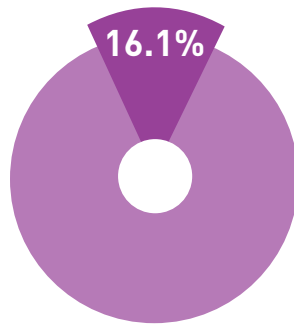
Source: The Police Department is dedicated to protecting, defending, and serving the residents, businesses, and visitors of Lone Tree. A commitment to maintaining a safe community can be seen through the City's community outreach programs and the implementation of local laws backed by the Police Department's commitment to community policing concepts.

The 2023 budget includes payroll and related benefit expenditures for a total of 70 full-time and 1 part-time employee. Additionally, the Police Department includes costs related to office and administration; uniforms; general equipment; vehicles and equipment based on the City's vehicle replacement plan;

training, recruitment, and testing; community outreach, and intergovernmental agreements with the Town of Parker for dispatch services and evidence processing and storage.

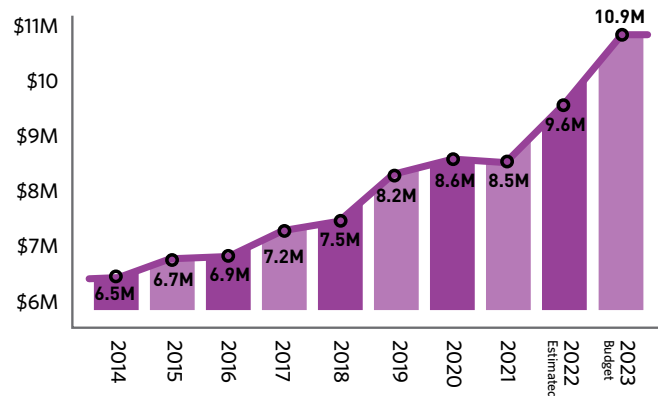
Rationale: The 2023 budget is based on historical trends, intergovernmental agreements with the Town of Parker, and the City's vehicle replacement plan. Historically, approximately fifty percent of the budgeted increases are due to increases in payroll and related benefit expenditures. Typically, the costs associated with all expenditures outside of payroll and related benefits and the intergovernmental agreements do not increase substantially year to year.

Total Police Department Expenditures:
\$10,924,008



2023 Budget Total Expenditures, \$6,753,388

**Police Department Expenditures
HISTORY & FORECAST**



Trends: The increase in 2019 is primarily due to adding three new full-time positions, including a Commander position and two Traffic Enforcement officers. These new positions will continue to contribute to the City's deep, active commitment to public safety with improved command oversight and better enforcement of high accident areas in the City. Finally, the increase includes costs related to the renegotiations with the Town of Parker to continue to provide dispatch, evidence storage, and fleet maintenance to the City. The increase in 2020 includes salary and benefit increases for a new part-time position, Project Assistant, to oversee the off-duty contracts with local businesses, as well as the Police Department pay structure being updated to lower the numbers of levels for police officers, corporals, and sergeants. This change allows the City to remain competitive in the market to increase the retention of officers. In 2020, the Police Department upgraded its body camera and taser equipment to meet the new Senate Bill 217 requirements. The slight increase in 2021 from 2020 is mainly due to the increase in intergovernmental agreements with the Town of Parker for dispatch services and evidence processing and storage because of no increase in the prior year. The slight increase in salaries and benefits is primarily due to the addition of a new Victim Advocate position that is 95% grant-funded. In addition, the 2021 budget includes the restructuring of two positions in the Police Department to create two Lieutenant positions with no impact on the overall employee count. This restructuring effort increases the number of night supervisors on the team for better service to the community and to reduce liability related to Senate Bill 217. The increase in salaries and benefits was partially offset by a hiring freeze of two officers which was the result of expense cuts due to impacts on revenues from COVID-19. The decrease in cost for vehicles and equipment is due to the deferral of multiple vehicle purchases due to expense cuts related to the pandemic. The increase in 2022 is due to reinstating the previously frozen police officer positions, a new police officer position joining the Douglas County Community Response Team, which offers services for mental health and substance abuse, an increase to the top out level of the pay step structure to keep the Police Department competitive with nearby municipalities, a new records/administrative technician position to comply with filing requirements outlined in Senate Bill 217, deferred vehicle replacements, firearm, and tactical gear replacements, and an upgrade to the Brazos e-ticketing system to comply with Senate Bill 217. The increase in 2023 is primarily due to the addition of three new patrol positions to improve visible presence, continue to prioritize community policing including an additional school resource officer, ensure needed coverage, as well as succession planning efforts, salary market adjustments to remain competitive with neighboring communities, an increase in training opportunities, a non-sworn position to meet the unfunded state mandate and increased demands set forth in the "DA Accountability" bill that passed in 2021, cost increases associated with the Town of Parker for dispatch and evidence storage services, as well as vehicle purchases that were ordered in 2022, but due to supply chain issues won't be received until 2023.

FINANCIAL SUMMARIES

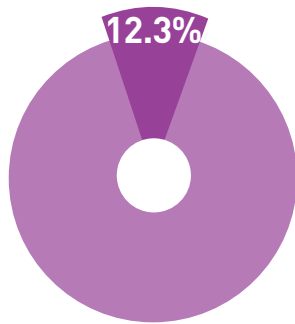
BUDGET MESSAGE: PUBLIC WORKS EXPENDITURES

Source: The Public Works Department is responsible for maintenance and repair of streets, storm drainage, open space, design, bidding and construction management of the City's capital improvement projects and snow removal services. Public Works also reviews plans and issues permits for all work within City rights-of-way and City owned property; maintains and operates the traffic signals within the City; provides facility maintenance for City buildings; coordinates improvements and construction with related entities including Douglas County, Park Meadows Metropolitan District, Southgate Districts, South Metro Fire Department, CDOT and responds to citizen requests and

concerns and represents the City on technical committees of numerous regional organizations. Additionally, solid waste pickup as well as recycling is provided to all single-family residents in the City.

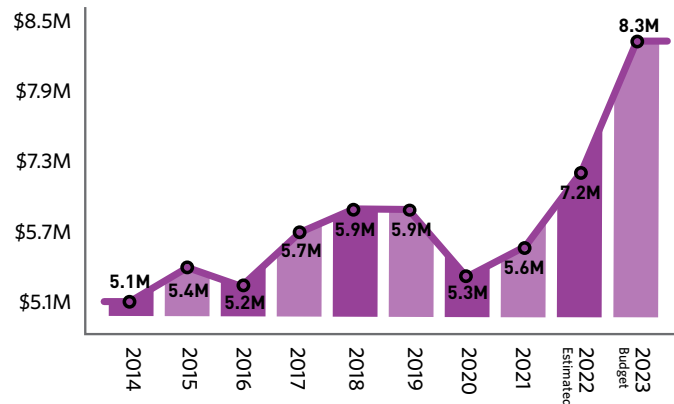
Rationale: The 2023 Budget is based on historical trends for the public works operation, facilities costs, and costs related to surveying and design. In 2019, the facilities division was moved under Public Works, this division was previously under Administrative Services. The history below has been updated to include facilities costs for comparative purposes.

Total Public Works Expenditures:
\$8,344,691



2023 Budget Total Expenditures, \$67,753,388

**Public Works Expenditures
HISTORY & FORECAST**



Trends: The spike shown from 2014 to 2015 is due to rate increases in contracting services for the public works department, snow removal, and signage and striping. The increase from 2017 to 2018 is due to higher snow removal costs as 2017 saw a mild winter and significant drainage maintenance work for storm sewer inlets. Additionally, the increase is due to shifting the Development Review Engineer costs from Community Development to Public Works. The increase from 2018 to 2019 is primarily a result of increased snow removal costs, as 2019 had a higher-than-normal demand for snow removal operations. The decrease from 2019 to 2020 is primarily due to cost-saving measures as a result of COVID-19 impacts on City revenues. This includes decreases in facilities costs, as repair and maintenance items were deferred. In addition, cost savings were achieved by a temporary suspension and reduced operation of the Lone Tree Link shuttle service. The increase in 2021 is due to restoring costs for signage and striping, drainage maintenance, and facilities-related costs for repair and maintenance back to historic trends. In addition, the increase includes costs related to the Lone Tree Link shuttle service being operational for a full year, but still at reduced capacity. Due to flattening revenue trends even prior to the pandemic, certain maintenance items were reduced in previous years. Due to the passing of ballot measure 2E, the 2022 budget includes priorities to meet the City's maintenance requirements. The increase in 2022 is largely due to traffic signal maintenance costs, snow removal, Lone Tree Link Shuttle, and consulting services. Specifically, the traffic signal maintenance costs are returning to pre-pandemic levels, snow removal is due to increased lane miles on RidgeGate Parkway, the Lone Tree Link shuttle service is returning to operational levels pre-pandemic as well as consulting services for on-call engineering design and construction service contracts to meet the demands related to the growth east of I-25, which is offset in increased fee revenue. The increase in 2023 is due to increased services for the Lone Tree Link Shuttle, as well as growth related increases including two new positions, increased cost for snow removal due to additional lane miles, and an increase in contracted engineering and consulting services, which is offset in increased fee revenue.

FINANCIAL SUMMARIES

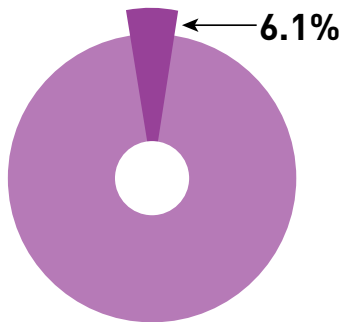
BUDGET MESSAGE: ARTS AND CULTURAL EXPENDITURES

Source: The Lone Tree Arts Center serves as a community resource, providing cultural and entertainment programming to residents of all ages, offering unique and affordable meeting services to local businesses and civic groups, and encouraging community participation by hosting a wide range of local performing arts groups. The Arts Center helps bring wider recognition to the City by drawing audiences and meeting attendees from throughout the seven-county metro Denver region. Additionally, Lone Tree Arts Center staff oversees the City's public art programs as well as implement community-wide events for Lone Tree residents including summer concerts and the Independence Day celebration.

Expenditures for the Lone Tree Arts Center include the administration, programming, marketing, development, annual City events, and arts and cultural events.

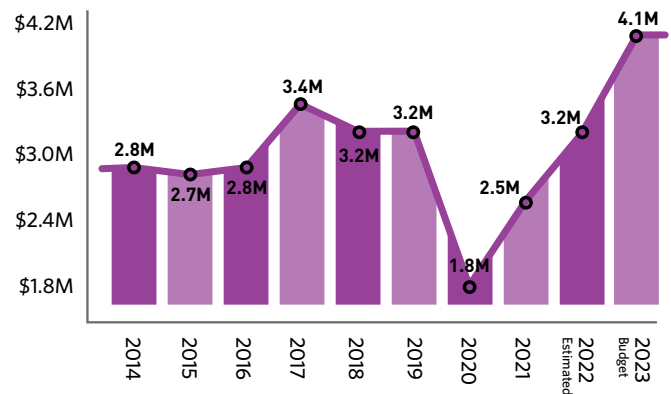
Rationale: The 2023 operating expenditures for the Lone Tree Arts Center are estimated based primarily on the programming schedule, which incorporates performances and events that are anticipated for the year and utilizes historical trends. The primary expenditures are related to programming and marketing costs, as well as payroll and related benefits.

Total Arts and Cultural Expenditures:
\$4,136,859



2023 Budget Total Expenditures, \$67,753,388

**Arts and Cultural Expenditures
HISTORY & FORECAST**



Trends: The increases from 2014-2019 is due to programming costs for contracted personnel, as the Arts Center transitioned from a presenting center to a presenting and producing center, as well as annual salary and benefit increases. Additionally, the increase from 2016 to 2017 is due to several popular performances, such as *Evita*, *Art Garfunkel*, and *Muscle Shoals*, which brought in strong ticket sales, which offset costs, but also increased expenditures for each performance. The large decrease in 2020 from 2019 is due to the impacts of the COVID-19 pandemic requiring the Arts Center to close their facility from March through May, as well as restrictions on the number of people at public gatherings. The increase in 2021 from 2020 is due to a gradual recovery from COVID-19 with virtual and creative performances in the first half of the year and more traditional performances in the second half of the year. The increase in 2022 compared to 2021 is primarily due to performances and events returning to pre-pandemic levels, as well as increased salary and benefits that include reinstating the previously frozen Rentals and Event Assistant position and the Assistant Technical Director position. The increase from 2023 compared to 2022 is largely due to costs associated with multiple public art projects throughout the City, as well as increases due to the programming schedule that includes a multi-week theatrical performance, which is anticipated to result in higher ticket revenue and corporate sponsorships.

FINANCIAL SUMMARIES

BUDGET MESSAGE: CAPITAL OUTLAY EXPENDITURES

Source: The City defines capital expenditures to be purchases over \$5,000 that have a useful life of over one year. To the extent funds are available and the need is established, the 2023 budget provides for reoccurring capital expenditure costs including street construction and overlay, City-owned building improvements, and traffic signalization improvements. Nonrecurring capital expenditures for 2023 are described below. All of these nonrecurring projects received significant partnership funds.

- **Acres Green Pedestrian and Bike Bridge — \$4,020,000**
The project will consist of the design and construction of a pedestrian/bicycle bridge overpass over Acres Green Drive to provide a seamless connection for the C-470 Regional trail along this corridor.
- **Advancing Lincoln Avenue — \$2,214,548**
The purpose of the Advancing Lincoln Avenue study is to develop a long-term vision for the I-25 interchange and the portion of the Lincoln Avenue Corridor between Park Meadows Drive and Oswego Street.
- **C-470 Trail Connection to RTD Station — \$2,000,000**
This project will design and construct a spur connection to the RTD's County Line Light Rail Station and Park Meadows Retail Resort from the high ease-of-use, shared C-470 regional trail, which stretches across Douglas County from the City of Littleton through to Arapahoe County.
- **Park Meadows Drive & Acres Green Intersection Rebuild — \$750,000**
This project will remove the badly damaged concrete approach road segments leading up to the Park Meadows Drive and Acres Green Drive intersection and repave this section with asphalt.

- **City-Wide Bicycle Safety Study & Improvements — \$302,500**

This project will improve pedestrian and bicycle areas at several priority locations that were identified by the City. This project is part of the safer streets program with the Colorado Department of Transportation.

- **RidgeGate Crosswalks — \$200,000**

This project is the second phase of the improvements to the crosswalks within the Ridgegate West area of the City of Lone Tree. This project will include improvements to the curb ramps and crosswalks to improve the visibility and long-term maintenance of several high-use pedestrian crossings and intersections.

Please see the capital expenditures section on page 61 for a summary of capital/fixed assets and their impact to the City's budget.

Also included in this section of the budget are amounts for reimbursement of sales taxes to Park Meadows Business Improvement District associated with the annexation of Park Meadows Mall, as well as pursuant to the RidgeGate annexation agreement. These tax sharebacks get reinvested in the area through improvements or used for bond repayment related to public infrastructure improvements.

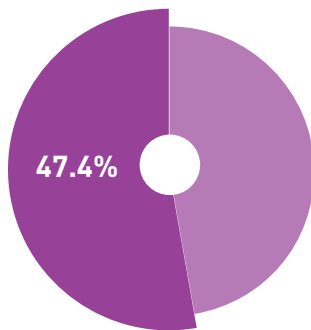
FINANCIAL SUMMARIES

BUDGET MESSAGE: CAPITAL OUTLAY EXPENDITURES (CONT.)

Rationale: The 2023 budget is based on scheduled capital projects for the year per the City's five-year capital plan. Capital projects were prioritized based on the assets remaining life, the community needs, staff recommendations, and at the guidance of City Council based on meeting the goals of the City's strategic plan. It should also be noted that approximately 29% of the 2023 capital project costs is offset by partnership funding and grant revenues.

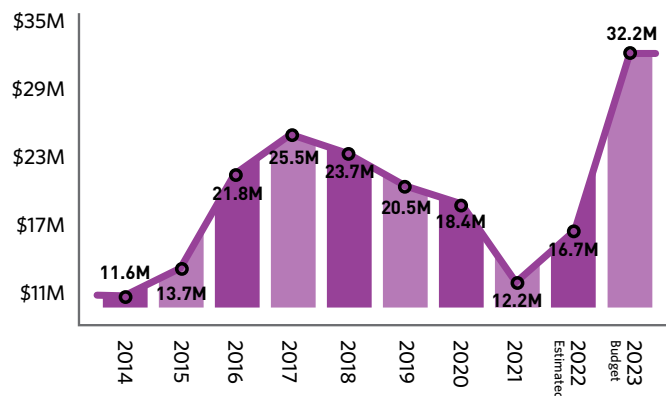
The reimbursement of sales taxes to Park Meadows Business Improvement District is calculated based on 50% of the sales tax remitted for retailers at Park Meadows Retail Resort per the annexation agreement. This agreement expires December 31, 2031 with an option to extend through December 31, 2036. Additionally, the sales tax reimbursement to Rampart Range Metro District is calculated based on 25% of the sales tax remitted for retailers within the RidgeGate area of the City. This agreement is tiered where the percentage reimbursed decreases every five years and expires on December 31, 2032.

Total Capital Outlay Expenditures:
\$32,150,073



2023 Budget Total Expenditures, \$67,753,388

**Capital Outlay Expenditures
HISTORY & FORECAST**



Trends: Fluctuations from year-to-year are based on the capital project plan for each year. Years 2016 and 2017 are significant due to several large projects, including the Southeast Light Rail Extension and the Lincoln Avenue Pedestrian Bridge. However, a significant portion of each of these projects involves funding from other partners. The decrease from 2017 to 2018 is due to the completion of the Lincoln Avenue Pedestrian Bridge in 2018. The decrease in 2020 from 2019 is due to the COVID-19 pandemic, which resulted in significant expense cuts due to impacts on City revenues. Multiple capital projects were deferred to future years, including overlay, traffic signalization improvements, and RidgeGate concrete crosswalk improvements. 2021 displays a significant decrease from 2020 largely due to the majority of the RidgeGate Parkway Widening project being completed in 2020. Additionally, only high-priority projects were approved for 2021 with continued anticipated impacts on revenues from the COVID-19 pandemic and uncertainties around future stable revenue streams. The increase in 2022 is due to reestablishing costs associated with maintaining infrastructure to pre-pandemic levels, which was possible due to the passing of ballot issue 2E, which increased the sales and use tax rate for ten years by one percent. In addition, the budget prioritized projects that received partnership funding and grant revenues including, Advancing Lincoln Avenue (I-25 & Lincoln Avenue Interchange Design), C-470 Trail Connection to RTD Station, Traffic Signalization, Acres Green Pedestrian & Bike Bridge, and City-Wide Bicycle Safety Study and Improvements. The increase related to sales tax reimbursements is mainly attributable to the one percent sales and use tax increase. The increase in 2023 is primarily due to several projects continuing from 2022 into 2023. These include Advancing Lincoln Avenue (I-25 & Lincoln Avenue Interchange Design), C-470 Trail Connection to RTD Station, Traffic Signalization, Acres Green Pedestrian & Bike Bridge, and City-Wide Bicycle Safety Study and Improvements. Additionally, new projects in 2023 include the Park Meadows Drive & Acres Green Intersection Rebuild and the RidgeGate Crosswalks project.

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FINANCIAL SUMMARIES

BUDGET MESSAGE: ADDITIONAL EXPENDITURES

The additional expenditure sources comprise many important functions of the City, but they do not comprise the major expenditures of the City and are therefore summarized below.

Municipal Court: Municipal court expenditures are based on the City's creation of a municipal court in 2002. Costs in this area consist of judge fees, legal fees, teen court and court clerks' salaries and benefits, as well as office supplies and software. Municipal Court expenditures are estimated to increase slightly in 2023 due to administrative costs.

Parks and Recreation: Parks and recreation services for the City are provided by the South Suburban Park and Recreation District (SSPRD). The 2023 budget includes City funds for several events including day events at Cook Creek Pool for City residents and tennis events at the tennis and park facility at the golf course. Also included in the budget for 2023 is the completion of the outdoor pickleball courts at the Lone Tree Recreation Center and capital improvements at Cook Creek pool, which are jointly funded by the City and SSPRD.

Debt Service: Principal and interest payments are provided based on the debt amortization schedule from the Series 2008A Sales and Use Tax Revenue Bonds (Recreation Projects) as well as the Series 2009 Sales and Use Tax Revenue Bonds (Cultural Facilities Projects). A portion of the 2008A Bonds and the 2009 Bonds were refunded with Series 2017A and 2017B Bonds, respectively.

The Series 2008A, 2009, 2017A, and the 2017B Bonds are the only debt instruments that the City has outstanding. The debt limit on the 2008A Bonds (Recreation Projects) is \$12,500,000 and \$18,500,000 for the 2009 Bonds (Cultural Facilities Projects). The City utilizes a pay-as-you go philosophy, so if additional debt issuances were considered, the City would require voter authorization to do so.

Additional details of the City's debt, as well as the current debt service schedules are included in the capital and debt section of the budget document.

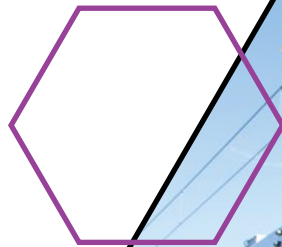
Compensation, Benefits and Staffing: Personnel-related expenses account for the largest operating portion of the City's budget; therefore, maintaining this investment is a high priority.

The City of Lone Tree's objective is to compensate employees for their performance and contribution to the City's goals. The City considers a number of factors in compensation, including overall organizational effectiveness and the need to attract and retain qualified, talented employees. The City recognizes that employees are critical to the success of the City and must attract and retain competent, professional, and results-oriented staff.

Therefore, the City's total compensation package of pay and benefits, within our ability to pay, is competitive with the market of other governmental and private employers in the Denver/Boulder area. The City supports skill development, increased knowledge, flexibility, customer service, communication, teamwork, and job results. The City rewards employees who meet the above performance objectives to help achieve the mission and adhere to the City's stated values.

Reserve Funds: The City has provided for an emergency reserve equal to at least 3% of the fiscal year spending for 2023, defined under TABOR, as well as an emergency disaster management reserve pursuant to an intergovernmental agreement with Douglas County estimated at .02% of the City's assessed value. Pursuant to bond restrictions, revenue received from the sales tax increases approved in 2008 by City voters which are pledged for payment of interest and principal payments on the 2008A, 2017A, 2009, and 2017B Bonds. Additionally, funds are also reserved for park and recreation improvements and related maintenance costs with City funds received from the State's Conservation Trust Fund as well as park fees which have been collected by developers in lieu of land dedication as a requirement under certain site improvement plans. Funds received in litigation from the brick fence repairs as well as contributions from the City and other partners for the replacement program are also categorized as reserved.

In addition to the funds reserved by the City pursuant to laws or other contractual obligations outlined above, the City has designated 27% of its operating costs as a working reserve to account for unanticipated revenue shortfalls, unanticipated expenditures, as well as to ensure stable tax rates for the City. The City also has designated certain funds as capital reserves specific to future capital maintenance costs and new capital projects. In addition, an operational reserve has been established in 2023 for oversight purposes regarding the accumulation and usage of funds related to the one percent temporary tax increment approved by voters via ballot question 2E.



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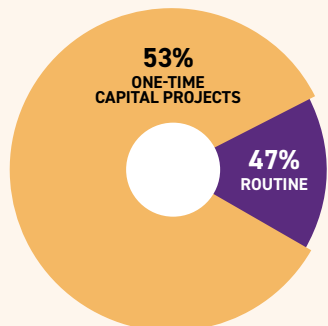
CAPITAL & DEBT



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CAPITAL & DEBT

CAPITAL EXPENDITURES

**One-Time Capital Projects**

Traffic Improvements	-
Transportation	\$8.7M
Roads (non-overlay)	-
Buildings	-
Other	\$100K

Total One-Time Capital Projects **\$8.8M**

Routine

Vehicles	\$729K
Technology	\$25K
Storm Sewer	\$250K
Buildings	\$893K
Roads (non-overlay)	\$1.4M
Street Overlay	\$2.7M
Other	\$2.0M

Total Routine **\$7.9M**

Total Capital

\$16,783,761

This section of the budget highlights the City's capital investments for 2023 that qualify to be capitalized and are therefore depreciated using the straight-line method over the assets' useful life. These amounts differ from the capital outlay described on pages 56-57, as the main budget document includes capital spending for various areas based on functionality. Additionally, tax shareback amounts are included under capital outlay, which would not be a depreciable asset. The capital/fixed asset section above focuses on showing all capital expenditures comprehensively, regardless of departmental function.

The City defines capital expenditures to be purchases over \$5,000 that have a useful life of over one year. The 2023 budget contains \$16,783,761 million in total capital expenditures. As displayed in the graph, (\$7,946,713 or 47%) are projects that are routine capital improvements. The remainder (\$8,837,048 or 53%) are one-time capital expenditures.

The funding source for capital projects, routine and one-time, are primarily from the general fund to the extent allowed based on projected revenues exceeding operating expenditures. In the event that revenues are not enough to cover capital projects contained within the capital replacement plan, the City maintains a capital reserve account to help offset the costs of capital replacement and project needs. The funds in the capital reserve can only be used by the City for capital projects and at no time shall the accumulated capital reserves be used for City operational costs. Additionally, the City frequently partners with other organizations to fund capital projects, including the Advancing Lincoln Avenue (I-25 & Lincoln Avenue Interchange Design), the bridge from the C-470 Trail to Acres Green Drive, and the C-470 Trail connection to the RTD station. Without these critical partnerships, the City would be limited on capital funding each year.

Additionally, the City receives sharebacks from Douglas County that can only be used for transportation and street/road improvements. The City also receives funds from the State of Colorado from lottery proceeds that can only be used for park and recreational improvements. The City currently has Sales and Use Tax Revenue Bonds that when excess revenues from sales and use tax are collected can be used specifically for arts and cultural improvements as well as park and recreational improvements.

The capital expenditures generally have a positive impact on the operating budget by helping to minimize unforeseen maintenance and repair costs associated with the City's infrastructure. The City takes a proactive and forward-thinking approach that addresses the City's needs through strategic investments. Additionally, the City's commitment to maintaining a capital reserve helps to minimize any negative impacts on the operating budget.

One-time capital projects and routine projects can be further broken down into expenditure categories. The table shows the expenditure categories by type of project. The paragraphs below describe the categories by providing additional detail on the types of projects that make up each category. Additionally, summary sheets begin on page 68 describing each of the significant nonrecurring capital projects that are included in the 2023 budget.

ONE-TIME CAPITAL PROJECTS

Traffic Improvements

The Public Works Department is responsible for the management of many capital projects in the City, including traffic improvements. Traffic improvements are primarily comprised of multiple intersection improvements to improve the flow of traffic. The 2023 budget includes projects that will ultimately assist with traffic improvement but have been categorized in the transportation section below.

Transportation

The City's continued investment to improve the transportation network throughout the City has been highlighted in previous years with the construction of multiple large projects. The 2023 budget includes the Acres Green pedestrian bike bridge, City-wide pedestrian bicycle study, C-470 trail connection to the RTD Station, RidgeGate Crosswalks, and the Advancing Lincoln Avenue study. These large-scale projects include partnership funding and funds contributed by the City.

Roads (non-overlay)

The Public Works Department is responsible for the management of all the capital projects related to street/road improvements in the City. The 2023 budget does not include funding for such improvements but has allocated funding to overlay.

Buildings

The 2023 budget does not include funding in this area due to the capital projects being completed this year on City buildings being considered routine, rather than one-time.

Other

The 2023 budget includes an art monument sign to display messaging in the City.

ROUTINE CAPITAL PROJECTS

Vehicles

The City's Police Department has a five-year replacement schedule for the police vehicles and emergency equipment installed within each vehicle. Those costs are included in the police department operating budget, but they are capitalized at year-end. Additionally, the City administration maintains a small number of vehicles for City business use. The 2023 budget includes three vehicles for Community Development, with one replacement vehicle and two vehicles for the Building Inspector position, and Code Enforcement position. Additionally, the 2023 budget includes three vehicles for the Public Works department.

Technology

The City's Information Technology Department conducts annual analyses to determine what hardware and software programs need to be purchased to ensure that the City is able to stay functioning efficiently. The 2023 budget accounts for a new record system for the Code Enforcement division. The 2023 budget also accounts for subscription-based services for software, which are not depreciable, so those costs are not included in this section.

Storm Sewer

The Public Works Department is responsible for maintaining and replacing storm sewer lines that are distressed. The City utilizes a proactive approach to try and detect issues before they arise by video inspecting all steel storm sewer lines in the City and formulating a replacement schedule when needed. The 2023 budget includes general storm sewer improvements throughout the City as needed.

Buildings

The City currently owns five facilities, which include the Municipal Office Building, Civic Center, the Lone Tree Arts Center, The Hub, and Public Works facility. The City is committed to investing each year in these facilities to ensure that visual quality is maintained, while also providing modern facilities that are operating efficiently and functionally for the needs of the City.

The 2023 budget incorporates improvements at the Municipal Office Building for office space improvements, carpet replacement, reception desk security upgrades, landscaping, and parking lot repairs.

Lastly, the 2023 budget includes improvements at the Lone Tree Arts Center, which include parking lot repairs, painting of certain areas in the facility, event hall revitalization, event hall projector replacement, event hall seating upgrades, an updated lobby lighting design, and office space improvements.

Roads (non-overlay)

The Public Works Department is responsible for the management of all of the capital projects related to street/road improvements in the City. The 2023 budget includes concrete panel replacements on Lincoln Avenue and the Park Meadows Drive and Acres Green Intersection remodel.

Street Overlay

The Public Works Department is responsible for the management of all of the capital projects related to street/road improvements in the City. Overlay occurs on a routine or reoccurring basis each year and is included in the 2023 budget as a result of the City's commitment to keeping the City's infrastructure system in good condition. Overlay is able to extend the useful life of the street and delay having to completely replace the existing street. While there are many streets that may need improvements each year, the City cannot perform major improvements on every road in one year due to the significant costs, so the City prioritizes streets that need improvements based on their structural quality and according to the remaining life of the street. A pavement assessment was completed during 2020 to help the City prioritize the roads that are most in need of repair, and a new roadway assessment will be conducted in 2023. In 2023, several streets are scheduled to be repaved. The details of which streets are included is outlined on page 68.

Other

The City has recurring capital projects that have varying focuses. The 2023 budget includes construction of a traffic signal at the intersection of Acres Green and Parkway Drive, which started in 2022 and is moving into 2023. In addition, the budget includes construction of a traffic signal at Acres Green Drive and County Line Road.

FIVE YEAR CAPITAL PLAN

The City has always had minimal debt and outside of the two voter-approved bonds to build the Lone Tree Arts Center and several Park and Recreation amenities in the City, all other capital projects are funded out of general revenues. To optimize new infrastructure investments as well as plan for annual capital maintenance demands, the City has developed a multi-year, needs-based capital plan. This planning document is updated annually to reflect current conditions and the financial position of the City. By reviewing the capital plan annually, the City can accommodate new projects, revisit ongoing projects, evaluate economic development opportunities and then develop a financial road map for the future. With lots of demands and competing needs, projects are prioritized based on leveraging funding partnerships and grants as well as the useful life of the assets. The five-year capital plan summarized on the next pages will be funded through government partnerships, grants, operating revenues from the general fund as well as the City's capital reserve.





CAPITAL & DEBT

FIVE YEAR CAPITAL PLAN

Projects

Facilities

Civic Center Improvements -
Carpet Replacement

Civic Center Improvements -
Council Chamber Design & Improvements

Civic Center Improvements -
Exterior Signage Replacement

Civic Center Improvements -
HVAC Unit Replacement

Civic Center Improvements -
Paint Interior, Exterior, and Touch Up

Civic Center Improvements -
Roof Replacement

Civic Center Improvements -
Window Coverings

LTAC Improvements - Arts Center Carpet
Replacement Entire Facility

LTAC Improvements -
Event Hall Floor Replacement

LTAC Improvements -
Flat Roof Replacement

LTAC Improvements - HVAC -
Fan & Pump Motors, Seals, Controllers

LTAC Improvements -
Admin Office Remodel

LTAC Improvements -
Painting Interior, Exterior, Touch Up

LTAC Improvements -
Parking Lot Reconstruction

LTAC Improvements -
Seating Lobby & Event Hall

LTAC Improvements - Window Coverings

Municipal Office Building -
Carpet Replacement

Municipal Office Building -
Elevator Modernization

Municipal Office Building -
Generator Overhaul

Municipal Office Building -
Glass, Glazing, Building Envelope

Municipal Office Building -
Hard Flooring

Municipal Office Building -
Landscape Replenishment

Municipal Office Building -
Office & Conference Room Furniture

Municipal Office Building -
Painting Interior, Exterior, Touch Up

Municipal Office Building -
Parking Lot Improvements

Municipal Office Building -
Reception Desks Security Update

2023	2024	2025	2026	2027	TOTAL
-	40,000	-	-	-	40,000
50,000	250,000	25,000	-	-	325,000
-	-	20,000	-	-	20,000
-	-	-	50,000	-	50,000
-	25,000	-	-	-	25,000
-	-	-	70,000	-	70,000
-	15,000	-	-	-	15,000
-	-	50,000	-	-	50,000
-	-	-	50,000	-	50,000
-	-	-	-	150,000	150,000
-	-	15,000	-	-	15,000
125,000	-	-	-	-	125,000
60,000	-	-	-	-	60,000
150,000	150,000	-	-	-	300,000
20,000	20,000	-	-	-	40,000
-	-	15,000	-	-	15,000
35,000	35,000	-	-	-	70,000
-	-	-	-	100,000	100,000
-	-	-	-	20,000	20,000
-	-	50,000	-	-	50,000
-	-	-	80,000	-	80,000
15,000	-	-	-	-	15,000
-	-	50,000	-	-	50,000
-	50,000	-	-	-	50,000
100,000	-	-	-	-	100,000
60,000	-	-	-	-	60,000

Projects (cont.)

	2023	2024	2025	2026	2027	TOTAL
Municipal Office Building - Renovation/Expansion	125,000	125,000	150,000	-	75,000	475,000
Municipal Office Building - Public Works Shop Divider Wall	35,000	-	-	-	-	35,000
Municipal Office Building - Window Coverings	-	-	25,000	-	-	25,000
Police Department & Public Works Facility (\$30M, Financed over 15 Years)	-	-	-	-	2,909,284	2,909,284
The Hub - Capital Improvements	-	-	15,000	-	50,000	65,000
Other Facilities Improvements	-	-	-	200,000	250,000	450,000
TOTAL	\$775,000	\$710,000	\$415,000	\$470,000	\$3,554,284	\$5,924,284

Public Works

Traffic Signals						
Acres Green/County Line	696,000	-	-	-	-	696,000
Acres Green/Parkway	900,000	-	-	-	-	900,000
Newly Warranted Signals	-	-	-	-	600,000	600,000
Park Meadows Drive Signal	-	-	-	675,000	-	675,000
Parkway/County Line	-	700,000	-	-	-	700,000
Upgrade of Fiber Network - Study	-	-	100,000	-	-	100,000
Upgrade of Fiber Network - Install	-	-	-	-	750,000	750,000
Willow/County Line	-	-	750,000	-	-	750,000
Acres Green Roadway and Pedestrian Improvements	4,020,000	-	-	-	-	4,020,000
Adaptive Traffic Signals	-	400,000	-	400,000	-	800,000
Brick Fence Reserve Contribution	750,000	750,000	750,000	750,000	-	3,000,000
Bridge Capital Maintenance	100,000	-	150,000	-	200,000	450,000
C-470 Trail Connection to RTD Station	2,000,000	300,000	-	-	-	2,300,000
CDOT Mobility Hub - City Contribution	-	250,000	750,000	-	-	1,000,000
City-wide Bicycle Safety Study & Improvements	302,500	50,000	50,000	75,000	-	477,500
City-wide Pavement Assessment	50,000	-	-	70,000	-	120,000
City-wide Pedestrian Safety Study & Improvements	-	50,000	50,000	75,000	-	175,000
Concrete Panel Replacement	600,000	500,000	525,000	550,000	575,000	2,750,000
Congestion Relief - Right Turn onto Yosemite from Car Toys	-	-	350,000	-	-	350,000
Emergency Repairs	500,000	500,000	500,000	500,000	500,000	2,500,000
Happy Canyon Creek	100,000	-	-	-	-	100,000
Storm Pipe Lining/Replacement	-	200,000	200,000	250,000	250,000	900,000
Advancing Lincoln Avenue Construction - City Contribution	-	-	-	4,000,000	4,000,000	8,000,000
Advancing Lincoln Avenue - Design	2,214,548	-	-	-	-	2,214,548
Advancing Lincoln Avenue - Final Design	-	2,000,000	2,000,000	-	-	4,000,000
Lincoln Avenue Joint and Approach Repair Project	-	-	-	-	-	-
Master Transportation Plan Design	-	-	75,000	-	-	75,000
Master Transportation Plan Implementation	-	100,000	200,000	200,000	200,000	700,000
Mill & Overlay Program	2,700,000	2,500,000	3,000,000	3,100,000	3,200,000	14,500,000
Park Meadows Drive and Acres Green Intersection Rebuild	750,000	-	-	-	200,000	950,000
RidgeGate Crosswalks Upgrades	200,000	-	-	400,000	-	600,000
Storm Sewer Improvements	250,000	200,000	250,000	250,000	300,000	1,250,000
Vehicles - Public Works	120,000	35,000	150,000	35,000	100,000	440,000
TOTAL	\$16,253,048	\$8,535,000	\$9,850,000	\$11,330,000	\$10,875,000	\$56,843,048



CAPITAL & DEBT

FIVE YEAR CAPITAL PLAN

Projects (cont.)

Police Department

	2023	2024	2025	2026	2027	TOTAL
Ballistic Vests & Rifle Plates	18,000	18,000	18,000	20,000	20,000	94,000
Cell Phone Forensics Software/Equipment	-	25,000	-	-	-	25,000
License Plate Reader Equipment	-	23,000	-	-	-	23,000
License Plate Reader Stagnant Cameras - Flock	-	20,000	-	-	-	20,000
Live Scan Replacement (Fingerprint Equipment)	-	15,000	-	-	-	15,000
Mobile Command Post	-	-	-	-	300,000	300,000
Motorized Parks/Open Space Bicycle Program	-	-	25,000	-	-	25,000
Tru-narc System Replacement	-	-	25,000	-	-	25,000
Rapid Deployment Drone	-	35,000	-	-	-	35,000
City Camera System	-	100,000	-	-	-	100,000
Other Capital Upgrades/Replacements	-	-	-	80,000	-	80,000
TOTAL	\$18,000	\$236,000	\$68,000	\$100,000	\$320,000	\$742,000

City Manager's Office

Art Monument Signage	100,000	-	-	-	-	100,000
ETIP Placeholder	3,000,000	-	-	-	-	3,000,000
TOTAL	\$3,100,000	\$-	\$-	\$-	\$-	\$3,100,000

Parks and Recreation

Joint Projects with South Suburban	1,052,500	250,000	125,000	125,000	125,000	1,677,500
Regional Park Contribution	-	-	4,000,000	4,000,000	-	8,000,000
Reuter Hess	100,000	100,000	100,000	100,000	100,000	500,000
TOTAL	\$1,152,500	\$350,000	\$4,225,000	\$4,225,000	\$225,000	\$10,177,500

Community Development

Community Department Vehicles	220,200	-	35,000	-	35,000	290,200
Code Enforcement Record System	25,000	-	-	-	-	25,000
Zoning Code/Comp Plan Update	150,000	250,000	-	-	-	400,000
TOTAL	\$395,200	\$250,000	\$35,000	\$-	\$35,000	\$715,200

Information Technology

IT Storage Infrastructure	-	-	-	124,500	-	124,500
LTCC AV Replacements (Projection and Audit Equipment, TV's, Microphones)	-	57,000	-	-	-	57,000
LTMB AV Replacements (TV's, Cameras, Audio, etc.)	-	-	29,800	-	-	29,800
Security Upgrades (Card Readers, Cameras, Storage, Lock Down Mechanism)	-	-	-	115,600	-	115,600
Aging Hardware Replacement (Wi-Fi Access Points, Switches, Other)	-	-	-	-	50,000	50,000
Network Equipment	75,000	-	-	-	-	75,000
Other IT Capital Upgrades/Replacements	-	-	50,000	-	50,000	100,000
TOTAL	\$75,000	\$57,000	\$79,800	\$240,100	\$100,000	\$551,900

Lone Tree Arts Center

Additional Moving Lights	-	-	80,000	-	-	80,000
Bar Coolers	-	-	-	5,000	-	5,000

Projects (cont.)

Lone Tree Arts Center

	2023	2024	2025	2026	2027	TOTAL
Black Soft Goods (Curtains that Frame Sides and Back of Stage)	-	-	-	25,000	-	25,000
Event Hall LED/Moving Lights	-	40,000	-	-	-	40,000
Event Hall Light Board Replacement	-	-	-	30,000	-	30,000
Event Hall Projector Replacement	105,000	-	-	-	-	105,000
Ice Machines	-	-	-	7,500	-	7,500
Lighting System - Mainstage Light Board Replacement	-	-	50,000	-	-	50,000
Lobby Lighting	10,000	50,000	-	-	-	60,000
Main Stage House Light LED Conversion - Dimmer Upgrade	25,000	-	-	-	-	25,000
Event Hall Revitalization	20,000	-	-	-	-	20,000
Main Theatre Projector	-	75,000	-	-	-	75,000
Reupholster Main Stage Seats	-	-	-	75,000	-	75,000
Terrace Theatre Chairs	-	8,000	-	-	-	8,000
Upgrade LTAC Website	7,500	-	-	-	75,000	82,500
Upgrade Stage Ladder and Loading Bridge	-	-	10,000	-	-	10,000
Wireless Microphone Replacements	-	-	-	-	15,000	15,000
Workspace/Office Renovations	5,000	-	-	-	-	5,000
Other Capital Upgrades/Replacements	-	-	-	-	50,000	50,000
TOTAL	\$172,500	\$173,000	\$140,000	\$142,500	\$140,000	\$768,000
TOTAL PROJECTED EXPENDITURE	\$21,941,248	\$10,311,000	\$14,812,800	\$16,507,600	\$15,249,284	\$78,821,932

Funds from other entities/ from restricted funds

	2023	2024	2025	2026	2027	TOTAL
Acres Green Roadway and Pedestrian Improvements - DRCOG	2,000,000	-	-	-	-	2,000,000
Acres Green/County Line Traffic Signal - CDOT	486,500	-	-	-	-	486,500
Acres Green/Parkway Traffic Signal - CDOT	645,000	-	-	-	-	645,000
Arts and Cultural Debt Service Funds	447,500	343,000	170,000	142,500	215,000	1,318,000
Bicycle & Pedestrian Safety Improvements - DRCOG & Douglas County	281,500	-	-	-	-	281,500
C-470 Trail Connection to RTD Station - DRCOG	1,600,000	-	-	-	-	1,600,000
C-470 Trail Connection to RTD Station - SPIMD	400,000	-	-	-	-	400,000
Advancing Lincoln Avenue - Douglas County (Reserved Amount)	892,910	-	-	-	-	892,910
Advancing Lincoln Avenue Design - DRCOG TIP Funding	71,638	-	-	-	-	71,638
Advancing Lincoln Avenue Design - SPIMD	500,000	-	-	-	-	500,000
Advancing Lincoln Avenue Final Design	-	2,000,000	1,000,000	-	-	3,000,000
Park & Recreation Debt Service Funds	1,052,500	250,000	757,555	757,555	-	2,817,610
Regional Park - Conservation Trust Fund / Park Fee In Lieu of Land	-	-	465,458	465,458	-	930,915
Reuter Hess from South Suburban	72,000	72,000	72,000	72,000	72,000	360,000
RidgeGate Crosswalks Upgrades - DRCOG & SPIMD	175,000	-	-	120,000	-	295,000
Grants for Traffic Signals	-	560,000	-	-	405,000	965,000
TOTAL OTHER FUNDS	\$8,624,548	\$3,225,000	\$2,465,013	\$1,557,513	\$692,000	\$16,564,073
TOTAL PROJECTED CITY COMMITMENT	\$13,316,700	\$7,086,000	\$12,347,788	14,950,088	\$14,557,284	\$62,257,859
CAPITAL RESERVE	\$15,564,465	\$14,983,861	\$16,130,932	\$15,467,056	\$14,333,105	



CAPITAL & DEBT

2023 ASPHALT OVERLAY PROGRAM

Category	Roads	Project Sponsor	City of Lone Tree
Project Name	2023 Concrete Replacement /Asphalt Overlay	Project Management	City of Lone Tree Public Works
Location(s)	Various	Total Project Cost	\$2,700,000
Estimated Start Date	04/01/23	2023 Estimated Cost	\$2,700,000
Estimated End Date	11/01/23	City of Lone Tree Cost	\$2,700,000

PROJECT DESCRIPTION

This project supports the annual roto-mill, overlay, and concrete repair contracts for the City of Lone Tree. Each year roadways are selected based on a roadway condition study with a focus on addressing the lowest-rated streets within the City.

PROJECT LOCATION

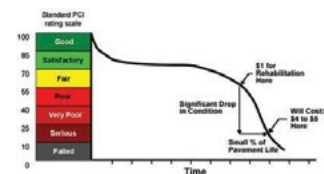
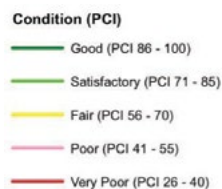
	Street	from	to
1	Park Meadows Dr	Yosemite	Acres Green
2	Ridgegate Cir	Ridgegate Parkway	Ridgegate Parkway
3	1st Street	Lincoln	bridge
4	Bellwether	Ridgegate Parkway	Ridgegate Cir
5	Ritenour Ct	all	all
6	Brooks Ln	Lone Tree Pkwy	Troons village Dr
7	Merideth Ct	cul de sac	cul de sac
8	Halstead	Bellwether ln	Ridgegate Cir
9	Kimmer	Yosemite	Park Meadows Dr
10	Forstrum	Kimmer dr	Yosemite
11	Teddy Ln	Kimmer dr	cul de sac
12	Bluffmont Drive	Crooked Stick	cul de sac
13	Blufftop Dr	Bluffmont Dr	Rivington Wy
14	Rivington Ct	All	all

FINANCIAL SUMMARY	Prior Funding	2023 Budget	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	TOTAL
EXPENDITURES							
Planning/Design		\$ 90,000					\$ 90,000
Construction		\$ 2,610,000					\$ 2,610,000
TOTAL		\$2,700,000					\$2,700,000
FUNDING SOURCES							
2022 Rollover		\$ 200,000					\$ 200,000
City of Lone Tree		\$ 2,500,000					\$ 2,500,000
TOTAL		\$2,700,000					\$2,700,000

BENEFITS

The 2020 City Wide Pavement Assessment performed in May 2020 prioritized the streets in accordance with a pavement condition index (PCI). The 2023 Overlay program will complete the work prioritized with this 2020 Study as we prepare for a new assessment in 2023.

When pavement conditions indexes get below 56, into the poor condition category, the rate of deterioration increases thus making the timeframe between fair and failing short. The cost of replacing failed pavement, as compared to milling and overlaying pavement, in fair condition or better, is approximately 4 times more expensive.





CAPITAL & DEBT

ADVANCING LINCOLN AVENUE

Category	Transportation	Project Sponsor	City of Lone Tree
Project Name	Advancing Lincoln Avenue	Project Management	City of Lone Tree Public Works
Location(s)	Lincoln Avenue from Oswego to Park Meadows Drive	Total Project Cost	\$4,000,000
Estimated Start Date	06/01/2021	2023 Estimated Cost	\$2,214,548
Estimated End Date	12/31/2023	City of Lone Tree Cost	\$750,000

PROJECT DESCRIPTION

The purpose of the Advancing Lincoln Avenue study is to develop a long-term vision for the I-25 interchange and the portion of the Lincoln Avenue Corridor between Park Meadows Drive and Oswego Street. The results of this study will be used to clearly identify the long-term safety and mobility needs for this segment of Lincoln Avenue, which will include improvements at the I-25 interchange, the nearby local intersections, and incorporates other improvements that enhance multi-modal opportunities, identifies environmental impacts, and proposes appropriate mitigation that will address both the regional and local community needs.

PROJECT LOCATION

This project focuses on Lincoln Avenue, from Park Meadows Drive to Oswego Street, including the I-25 interchange.

FINANCIAL SUMMARY	Prior Funding	2023 Budget	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	TOTAL
EXPENDITURES							
Planning/Design	\$ 1,785,452	\$ 2,214,548					\$4,000,000
Construction							
TOTAL	\$ 1,785,452	\$ 2,214,548					\$4,000,000
FUNDING SOURCES							
DRCOG TIP Funding	\$ 1,428,362	\$ 71,638					\$ 1,500,000
Douglas County	\$ 1,250,000						\$ 1,250,000
SPIMD		\$ 500,000					\$ 500,000
City of Lone Tree		\$ 750,000					\$ 750,000
Total	\$ 2,678,362	\$ 1,321,638					\$4,000,000

BENEFITS

The objective of this Project is to identify a preferred design alternative that will improve safety, reduce congestion, improve operations at the I-25 interchange and on Lincoln Avenue for all modes of transportation; and in order to implement a variety of multi-modal solutions it will require incorporating meaningful bicycle, pedestrian and transit elements to achieve this objective. In addition to congestion, currently, there is poor connectivity for bicyclists and pedestrians along this segment of Lincoln Avenue and there is limited access for these modes of transportation between the communities of Parker, Lone Tree, Highlands Ranch, and the Meridian Business Park

and proposed RidgeGate development that is located east of I-25 and south of Lincoln Avenue. The local agencies anticipate the need for rebuilding the I-25 interchange and a segment of Lincoln Avenue, and it is paramount that we integrate as many critical travel demand management (TDM) components as possible that will have a good return on our investment both initially as well as in the future and ensuring that the preferred alternative will readily accommodate future TDM elements. In 2023 the preferred alternative will be finalized.

CAPITAL & DEBT

ACRES GREEN PEDESTRIAN AND BIKE BRIDGE

Category	Transportation	Project Sponsor	City of Lone Tree
Project Name	Acres Green Pedestrian and Bike Bridge	Project Management	City of Lone Tree Public Works
Location(s)	Acres Green Drive and Parkway Drive	Total Project Cost	\$4,200,000
Estimated Start Date	06/01/21	2023 Estimated Cost	\$4,020,000
Estimated End Date	11/15/23	City of Lone Tree Cost	\$1,000,000

PROJECT DESCRIPTION

The project will consist construction of a pedestrian/ bicycle bridge overpass over Acres Green Drive to provide a seamless connection for the C-470 Regional trail along this corridor. The proposed bridge will connect to the existing trail crossing along C-470 and provide a safe means of crossing Acres Green Drive. Additional intersection improvements at Parkway Drive and Acres Green Drive will be constructed in coordination with the new pedestrian and bicycle bridge. This is a DRCOG Regional TIP awarded project led by the City of Lone Tree in partnership with Douglas County.

PROJECT LOCATIONS

The intersection of Acres Green Drive and Parkway Drive (C-470 overpass), north side of C-470 overpass, and south of the Acres Green Drive and Parkway Drive intersection along the C-470 regional trail.



FINANCIAL SUMMARY	Prior Funding	2023 Budget	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	TOTAL
EXPENDITURES							
Planning/Design	\$ 180,000						\$ 180,000
Construction		\$ 4,020,000					\$ 4,020,000
TOTAL	\$ 180,000	\$ 4,020,000					\$ 4,200,000
FUNDING SOURCES							
DRCOG TIP Funding		\$2,000,000					\$ 2,000,000
Douglas County	\$ 1,200,000						\$ 1,200,000
City of Lone Tree		\$ 1,000,000					\$ 1,000,000
TOTAL	\$ 1,200,000	\$ 3,000,000					\$ 4,200,000

BENEFITS

The C-470 Regional Trail currently crosses Acres Green Drive at an uncontrolled crossing with a multi-lane collector roadway. In addition, the four bridge piers reduce the visibility of the trail crossing for northbound vehicles on Acres Green Drive. This project will address existing safety concerns by providing a grade-separated crossing of Acres Green Drive for the very highly used C-470 Regional Trail along the north side of C-470.

This CDOT-owned and operated trail provides access to numerous employment, recreation, entertainment, and residential properties and serves as the main east-west connection for bicycles and other modes traveling east-west along this corridor and between the subregions.

Most of the regional trail is separated from vehicular traffic and grade separated from major roadway crossings to provide a connected, safe, and convenient regional route for all modes. Therefore, the at-grade crossing at Acres Green Drive is unexpected for trail users and cross traffic and is inconsistent with the use of this type of trail.



CAPITAL & DEBT

C-470 TRAIL CONNECTION TO RTD STATION

Category	Transportation	Project Sponsor	City of Lone Tree
Project Name	C-470 Trail Connection to RTD Station	Project Management	City of Lone Tree Public Works
Location(s)	Acres Green Drive and Parkway Drive	Total Project Cost	\$2,600,000
Estimated Start Date	02/15/22	2023 Estimated Cost	\$2,000,000
Estimated End Date	11/15/23	City of Lone Tree Cost	\$300,000

PROJECT DESCRIPTION

This multi-year project will design and construct a spur connection to the RTD's County Line Light Rail Station and Park Meadows Shopping Resort from the high ease-of-use, shared C-470 regional trail, which stretches across Douglas County from the City of Littleton through to Arapahoe County. The project includes secure bicycle parking adjacent to the light rail station with video surveillance provided by the Lone Tree Police Department.

PROJECT LOCATION

This bikeway project connects the C-470 trail, adjacent to the northwest corner of the C-470/I-25 interchange, to the RTD County Line RTD station, adjacent to the I-25 highway corridor. The total project distance is 1,730 feet.

FINANCIAL SUMMARY	Prior Funding	2023 Budget	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	TOTAL
EXPENDITURES							
Planning/Design	\$ 300,000						\$ 300,000
Construction		\$ 2,000,000	\$ 300,000				\$ 2,300,000
TOTAL	\$ 300,000	\$2,000,000	\$ 300,000				\$2,600,000
FUNDING SOURCES							
DRCOG Safer Streets Program		\$ 1,600,000					\$ 1,600,000
Douglas County	\$ 300,000						\$ 300,000
SPIMD		\$ 400,000					\$ 400,000
City of Lone Tree			\$ 300,000				\$ 300,000
TOTAL	\$ 300,000	\$2,000,000	\$ 300,000				\$ 2,600,000

BENEFITS

The C-470 trail connector to the RTD light rail station provides access to regional transit from the C-470 trail, providing a new grade-separated bikeway link between Highlands Ranch, Centennial, Lone Tree, Meridian Business Park, and Douglas County, and RTD's County Line Rail Station. This project improves bicycle safety by incorporating a transit connection that avoids roadways identified on the High Injury Network. In addition, this bikeway provides a new connection to the Park Meadows Shopping Resort, a regional shopping center, and employer. This bikeway project will include secure bicycle parking that will include video surveillance that will be monitored by the Lone Tree Police Department.

Douglas County bicyclists currently do not have a safe connection to the RTD Park Meadows light rail station. This project will complete a high-ease-of-use bikeway connection to regional transit and regional retail and employment while avoiding the high-injury roadways, such as the Yosemite Corridor, the C-470 and I-25 interchange, and County Line Road. An existing traffic signal at the intersection of Park Meadows Center Drive will be enhanced with new crosswalks, ADA ramps, and signal actuation, to accommodate the grade-separated bikeway connection. The trail will extend along Park Meadows Center Drive to the RTD light rail station, remaining grade-separated to avoid conflicts within the parking lot of the Park Meadows shopping resort.



CAPITAL & DEBT

2023 CONCRETE PANEL REPLACEMENT

Category	Roads	Project Sponsor	City of Lone Tree
Project Name	2023 Concrete Panel Replacement	Project Management	City of Lone Tree Public Works
Location(s)	Various	Total Project Cost	\$600,000
Estimated Start Date	06/01/23	2023 Estimated Cost	\$600,000
Estimated End Date	11/30/23	City of Lone Tree Cost	\$600,000

PROJECT DESCRIPTION

This project will allow for the removal and replacement of defective and damaged concrete roadway panels within the City of Lone Tree.

PROJECT LOCATION

This project will address the lowest rated concrete panels within the City.

FINANCIAL SUMMARY	Prior Funding	2023 Budget	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	TOTAL
EXPENDITURES							
Planning/Design		\$ 15,000					\$ 15,000
Construction		\$ 585,000					\$ 585,000
TOTAL		\$ 600,000					\$ 600,000
FUNDING SOURCES							
City of Lone Tree		\$ 600,000					\$ 600,000
TOTAL		\$ 600,000					\$ 600,000

BENEFITS

For several years the City of Lone Tree was able to contract the removal and replacement of concrete panels throughout the City to enhance safety, rideability, and improve the roadway conditions within the City. Over the past few years, this program was paused and many panels throughout the City have experienced accelerated degradation in that time. This project allows the City to address the deferred maintenance needs on our concrete roadway segments.

CAPITAL & DEBT

RIDGEGATE CROSSWALKS

Category	Roads	Project Sponsor	City of Lone Tree
Project Name	RidgeGate Crosswalk	Project Management	City of Lone Tree Public Works
Location(s)	Various	Total Project Cost	\$200,000
Estimated Start Date	Coordinated with Paving	2023 Estimated Cost	\$200,000
Estimated End Date	Coordinated with Paving	City of Lone Tree Cost	\$25,000

PROJECT DESCRIPTION

This project is the second phase of the improvements to the crosswalks within the Ridgegate West area of the City of Lone Tree. This project was awarded funding by the Denver Regional Council of Governments (DRCOG).

PROJECT LOCATION

Includes several pedestrian crossings within Ridgegate West that still have concrete or brick crosswalks that are in need of maintenance and improvements.

FINANCIAL SUMMARY	Prior Funding	2023 Budget	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	TOTAL
EXPENDITURES							
Planning/Design		\$ 25,000					\$ 25,000
Construction		\$ 175,000					\$ 175,000
TOTAL		\$ 200,000					\$ 200,000
FUNDING SOURCES							
DRCOG Safer Streets Program		\$ 150,000					\$ 150,000
SPIMD		\$ 25,000					\$ 25,000
City of Lone Tree		\$ 25,000					\$ 25,000
TOTAL		\$ 200,000					\$ 200,000

BENEFITS

This project will improve the visibility and long-term maintenance of several high use pedestrian crossings and intersections with the Ridgegate West area of the City of Lone Tree.



CAPITAL & DEBT

2023 TRAFFIC SIGNALIZATION

Category	Traffic Signals	Project Sponsor	City of Lone Tree
Project Name	Parkway & Acres Green Drive and Acres Green & County Line Traffic Signalization	Project Management	City of Lone Tree Public Works
Location(s)	1) Acres Green Drive & Parkway Drive 2) Acres Green Drive & County Line Road	Total Project Cost	\$1,617,000
Estimated Start Date	05/01/23	2023 Estimated Cost	\$1,596,000
Estimated End Date	11/15/23	City of Lone Tree Cost	\$485,500

PROJECT DESCRIPTION

Acres Green Drive and Parkway Drive

This CDOT HSSIP funded project will support the City of Lone Tree in installing a newly warranted traffic signal at the intersection of Acres Green and Parkway drive in coordination with the C-470 multi-modal trail bridge over Acres Green. These two projects are being designed together with the goal of having the same contractor selected to construct both projects.

Acres Green Drive and County Line Road

This CDOT HSSIP funded project will support the City of Lone Tree in upgrading an exiting span wire traffic signal at the intersection of Acres Green and County Line Road. This project will upgrade all the traffic signal components to current standards, improve pedestrian crossings, enhance safety, and update the striping and crosswalks.

PROJECT LOCATION

These projects are located at the intersection of Acres Green Drive and Parkway Drive, as well as Acres Green Drive and County Line Road.

FINANCIAL SUMMARY	Prior Funding	2023 Budget	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	TOTAL
EXPENDITURES							
Planning/Design							
Construction	\$ 21,000	\$ 1,596,000					\$ 1,617,000
TOTAL	\$ 21,000	\$ 1,596,000					\$ 1,617,000
FUNDING SOURCES							
CDOT		\$ 1,131,500					\$ 1,131,500
City of Lone Tree	\$ 21,000	\$ 464,500					\$ 485,500
TOTAL	\$ 21,000	\$ 1,596,000					\$ 1,617,000

**Note the 2023 cost of \$1,596,000 varies from the budgeted traffic signalization amount of \$2,000,000 due to the remaining amount being allocated for design work to upgrade the remaining span wire signals in the City.*

BENEFITS

Acres Green Drive and Parkway Drive

This project will install a newly warranted traffic signal at the intersection of Acres Green Drive and Parkway Drive. This new signal will improve safety and operations for all modes of travel and this important intersection. The pedestrian curb ramps will be updated to current standards with this project. The design of the new traffic signal will be coordinated with the new C-470 Trail Bridge over Acres Green Drive to ensure the visibility of the new signal indications.

Acres Green Drive and County Line Road

This project will install and provide numerous safety enhancements for drivers, pedestrians, and bikes on this intersection. This upgraded traffic signal will also reduce the number of maintenance calls at this span wire traffic signal that is well beyond its replacement life cycle. The pedestrian curb ramps will be updated to current standards with this project.



CAPITAL & DEBT

CITY-WIDE BICYCLE SAFETY STUDY & IMPROVEMENTS

Category	Roads	Project Sponsor	City of Lone Tree
Project Name	City-Wide Bicycle Safety Study & Improvements	Project Management	City of Lone Tree Public Works
Location(s)	*See Below	Total Project Cost	\$311,000
Estimated Start Date	April 2023	2023 Estimated Cost	\$302,500
Estimated End Date	July 2023	City of Lone Tree Cost	\$29,500

PROJECT DESCRIPTION

The City of Lone Tree has a variety of walking and bicycling opportunities, including sidewalks, bike lanes, and shared-use paths along Willow Creek. These recreational facilities also provide mobility options for those who bicycle and walk for transportation purposes and provide connectivity to new commercial and residential development projects within the City. These new developments are focused upon multimodal connections with the five light rail transit stations within the City of Lone Tree.

To meet this demand and requests from the community, Public Works is prioritizing pedestrian improvements at

key locations throughout the City by recommending the installation of Rapid Rectangular Flashing Beacons at existing trail crossings and high-activity crosswalks.

PROJECT LOCATION

This project includes the following six intersections: Willow Creek & Park Meadows Drive, RidgeGate Parkway at Commonwealth Street, Willow Creek at Heritage Hills Circle, Willow Creek at RidgeGate Circle and Belvedere Lane, Willow Creek at Lone Tree Parkway, and Willow Creek at Parkway Drive.

FINANCIAL SUMMARY	Prior Funding	2023 Budget	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	TOTAL
EXPENDITURES							
Planning/Design	\$ 8,500						\$ 8,500
Construction		\$ 302,500					\$ 302,500
TOTAL	\$ 8,500	\$ 302,500					\$ 311,000
FUNDING SOURCES							
DRCOG Safer Streets		\$ 281,500					\$ 281,500
City of Lone Tree	\$ 8,500	\$ 21,000					\$ 29,500
TOTAL	\$ 8,500	\$ 302,500					\$ 311,000

BENEFITS

The use of Rapid Rectangular Flashing Beacons can enhance existing unsignalized crosswalks with visually impactful safety improvements that have been proven to enhance driver yielding from 18% to 81% (FHWA 2009).

The installation at these locations is an indication to drivers that they expect bicycle and pedestrian activity and should be prepared to stop upon the activation of the flashing beacons. Education about these new safety devices will be made available through the City of Lone Tree website, social media, as well as local and regional media sources. "Branding" the trail system will help to set an expectation for people walking, bicycling, and driving.



CAPITAL & DEBT

PARK MEADOWS DRIVE & ACRES GREEN INTERSECTION REBUILD

Category	Roads	Project Sponsor	City of Lone Tree
Project Name	Park Meadows Drive & Acres Green Intersection Rebuild	Project Management	City of Lone Tree Public Works
Location(s)	Park Meadows Drive & Acres Green Intersection	Total Project Cost	\$750,000
Estimated Start Date	03/01/23	2023 Estimated Cost	\$750,000
Estimated End Date	08/01/23	City of Lone Tree Cost	\$750,000

PROJECT DESCRIPTION

The intersection of Park Meadows Drive and Acres Green Drive is in major need of repair work and has been identified as a critical maintenance issue within the City of Lone Tree. A significant amount of the concrete panels approaching the intersection have been patched many times and are now to the point of possible failure. In order to repair these panels, the City will be removing them, repairing the subgrade as needed, and replacing them with asphalt pavement. This work will be included as part of the 2023 overlay contract to reduce costs, minimize impacts, and to ensure the new asphalt will be consistent throughout this section of Park Meadows Drive.

PROJECT LOCATION

This work is focused on the approaches and intersection of Park Meadows Drive and Acres Green Drive.

FINANCIAL SUMMARY	Prior Funding	2023 Budget	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast	TOTAL
EXPENDITURES							
Planning/Design							
Construction		\$ 750,000					\$ 750,000
TOTAL		\$ 750,000					\$ 750,000
FUNDING SOURCES							
City of Lone Tree		\$ 750,000					\$ 750,000
TOTAL		\$ 750,000					\$ 750,000

BENEFITS

This intersection has received many complaints and concerns regarding roadway conditions and creates a significant maintenance concern for the City. This project will remove all the damaged panels and replace them with a more consistent and easier-to-maintain asphalt roadway, as was done on many other sections of Park Meadows Drive in the past.



CAPITAL & DEBT

DEBT & DEBT SERVICE SCHEDULES

On May 6, 2008, a majority of the qualified electors of the City authorized the issuance of indebtedness in an amount not to exceed \$18,500,000 and \$12,500,000 (legal debt limits), for sales and use tax revenue bonds for funding capital improvements for cultural facilities and park and recreation respectively. The voters also authorized a temporary sales and use tax rate increase of 0.1875 percent for arts and cultural facilities and 0.125 percent for park and recreation improvements effective July 1, 2008 through December 31, 2023 or until the full payment of such debt if occurring earlier.

In 2017, the City issued \$4,805,000 of Sales and Use Tax Revenue Refunding Bonds, Series 2017A at interest rates ranging from 2-5% to refund a portion of the outstanding Sales and Use Tax Revenue Bonds, Series 2008A whose

original purpose was to finance the construction of several park and recreation improvements including the Cook Creek Pool and tennis court facility at the Lone Tree Golf Club, as well as a portion of Prairie Sky Park. The purpose of the 2017 refunding was to reduce the interest rate paid on the 2008A Bonds. The terms of the bonds will remain the same with a payoff date of December 1, 2023. The revenue bond coverage for the Parks and Recreation Improvement Bonds are listed below for 2021 actuals, 2022 estimated, and 2023 adopted amounts. The 2023 budget includes a transfer to the general fund to close out the debt service fund after the last bond payment is made and the associated expiration of the incremental tax increase.

	Gross Revenue	Operating Expenses	Available for Debt Service	Principal Payment	Interest Payment	Total	Coverage
2021 Actual	\$ 1,457,718	\$400	\$ 1,457,318	\$ 940,000	\$ 152,500	\$ 1,092,500	133%
2022 Estimated	\$ 1,518,911	\$600	\$ 1,518,311	\$ 1,020,000	\$ 105,500	\$ 1,125,500	135%
2023 Adopted	\$ 1,382,648	\$600	\$ 1,382,048	\$ 1,090,000	\$ 54,500	\$ 1,144,500	121%

Additionally, in 2017, the City issued \$6,200,000 of Sales and Use Tax Revenue Refunding Bonds, Series 2017B at interest rates ranging from 3-4% to refund a portion of the outstanding Sales and Use Tax Revenue Bonds, Series 2009 whose original purpose was to finance the construction of the Lone Tree Arts Center. The purpose of the 2017 refunding was to reduce the interest rate paid on the 2009 Bonds. The terms of the bonds will remain the

same with a payoff date of December 1, 2023. The revenue bond coverage for the Arts and Cultural Improvement Bonds are listed below for 2021 actuals, 2022 estimated, and 2023 adopted amounts. The 2023 budget includes a transfer to the general fund to close out the debt service fund after the last bond payment is made and the associated expiration of the incremental tax increase.

	Gross Revenue	Operating Expenses	Available for Debt Service	Principal Payment	Interest Payment	Total	Coverage
2021 Actual	\$ 2,186,075	\$400	\$ 2,185,675	\$ 1,495,000	\$ 187,600	\$ 1,682,600	130%
2022 Estimated	\$ 2,279,178	\$600	\$ 2,278,578	\$ 1,600,000	\$ 127,800	\$ 1,727,800	132%
2023 Adopted	\$ 2,058,110	\$600	\$ 2,057,510	\$ 1,720,000	\$ 63,800	\$ 1,783,800	115%

Overall savings, as a result of the two refundings, are estimated at over \$600,000 during the remaining term of the debt.

The City utilizes a pay-as-you go philosophy, so if additional debt issuances were recommended, the City would need voter authorization to do so, as the City does not have any debt authorization.

The debt schedules for the 2017A and 2017B Sales Tax and Use Tax Revenue Bonds start below, as well as a description of the debt obligations.

**SERIES 2017A:
PARK AND RECREATION BONDS**

Year	Principal	Interest	Total
2023	\$ 1,090,000	\$ 54,500	\$ 1,144,500
TOTAL	\$1,090,000	\$ 54,500	\$ 1,144,500

Note: The 2017A Bonds mature on December 1, 2023.

Purpose of Issue	Refunding of the 2008A Bonds
Support Type	100% Self-Supported
Financial Classification	Revenue Bond
Interest Dates	June and December
Date of Issue	May 24, 2017
Interest Rate	2.00% to 5.00%
Amount of Issue	\$4,805,000
Bond Rating	AA+
Debt Limit	Not Applicable
Payoff Date	December 1, 2023
Paying Agent	UMB Bank Trust Operations

**SERIES 2017B:
ARTS AND CULTURAL BONDS**

Year	Principal	Interest	Total
2023	\$1,720,000	\$ 63,800	\$1,783,800
TOTAL	\$ 1,720,000	\$ 63,800	\$ 1,783,000

Note: The 2017B Bonds mature on December 1, 2023.

Purpose of Issue	Refunding of 2009 Bonds
Support Type	100% Self-Supported
Financial Classification	Revenue Bond
Interest Dates	June and December
Date of Issue	May 24, 2017
Interest Rate	3.00% to 4.00%
Amount of Issue	\$6,200,000
Bond Rating	AA+
Debt Limit	Not Applicable
Payoff Date	December 1, 2023
Paying Agent	UMB Bank Trust Operations



DEPARTMENTAL INFORMATION



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DEPARTMENTAL INFORMATION STRATEGIC PLAN

COMMUNITY VISION STATEMENT:

Lone Tree is a premier Colorado community connected by great neighborhoods, vibrant public spaces, a beautiful natural environment, and thriving businesses.

ORGANIZATIONAL MISSION STATEMENT:

We will achieve Lone Tree's community vision by doing things the best way, not just the expected way.

ORGANIZATIONAL CORE VALUES:

We are committed to Excellence through Integrity, Collaboration, and Innovation.

1 BIG IDEA

OUR DEEP ACTIVE
COMMITMENT TO
PUBLIC SAFETY.

2 BIG IDEA

OUR VISIONARY
TRANSPORTATION
NETWORK.

3 BIG IDEA

OUR WELCOMING,
CONNECTED, AND
RESILIENT COMMUNITY.

4 BIG IDEA

OUR SIGNATURE CULTURAL
AND RECREATIONAL
OPPORTUNITIES, EXCEPTIONAL
PLACES, AND BEAUTIFUL
NATURAL ENVIRONMENT.

5 BIG IDEA

OUR DIVERSE AND
SUSTAINABLE ECONOMY
POWERED BY TOP-TIER
BUSINESSES.

6 BIG IDEA

OUR COMMITMENT TO BUILDING
THE BEST TEAM TO SUPPORT
OUR INNOVATIVE, CUSTOMER-
FOCUSED, AND EFFICIENT CITY
GOVERNMENT.

ETHICAL STANDARDS:

STEWARDSHIP
HONESTY
ACCOUNTABILITY
RESPONSIBILITY
ENGAGEMENT

We will effectively oversee and safeguard our **resources**.
We will conduct ourselves in a straightforward and **truthful** manner.
We will be conscientious and **trustworthy** in our actions.
We will meet our **obligations and commitments**.
We will **work together** in a positive and meaningful way.

BIG IDEA 1

OUR DEEP ACTIVE COMMITMENT TO PUBLIC SAFETY.

Objectives

- 1.1 Engage Citizens and build strong business relationships that foster increased safety, awareness, and overall quality of life throughout the City.
- 1.2 Resource and enable dedicated law enforcement professionals who serve to protect life, property, and reduce crime by means of progressive policing.
- 1.3 Respond effectively to emergencies and disasters through community engagement, staff preparedness, and skilled communication.
- 1.4 Ensure safe accessible transportation network, buildings, public gatherings, and public spaces.

BIG IDEA 2

OUR VISIONARY TRANSPORTATION NETWORK.

Objectives

- 2.1 Provide and improve a multimodal, safe, reliable, and well maintained, transportation system.
- 2.2 Focus our transportation investments to provide accessibility and mobility for all ages and abilities of people who live, work, and visit our City.
- 2.3 Leverage strong community and regional partnerships to build an equitable and innovative network of transportation choices.

BIG IDEA 3

OUR WELCOMING, CONNECTED, AND RESILIENT COMMUNITY.

Objectives

- 3.1 Foster a distinctive and inclusive City that community members are proud to be part of.
- 3.2 Encourage a strong sense of place and active community relationships.
- 3.3 Advance Lone Tree as an innovative, adaptive, cohesive, and sustainable community through our developments, partnerships, and programs.

BIG IDEA 4

OUR SIGNATURE CULTURAL AND RECREATIONAL OPPORTUNITIES, EXCEPTIONAL PLACES, AND BEAUTIFUL NATURAL ENVIRONMENT.

Objectives

- 4.1 Uphold the City's top-ranked Arts Center as a cultural institution with a far-reaching reputation and one which serves as a catalyst for other community-based opportunities that are inclusive, interactive, celebratory, and educational.
- 4.2 Cultivate vibrant and innovative mixed-use districts and social gathering places for businesses and people.
- 4.3 Support high-quality recreational spaces that reinforce local character, integrate with the beautiful natural environment, and preserve open space.

BIG IDEA 5

OUR DIVERSE AND SUSTAINABLE ECONOMY POWERED BY TOP-TIER BUSINESSES.

Objectives

- 5.1 Attract and retain exceptional employers who call Lone Tree home.
- 5.2 Identify areas of opportunity that enhance economic health.
- 5.3 Increase local participation with the business community to drive economic sustainability.
- 5.4 Maximize regional partnerships that support local economic development.

BIG IDEA 6

OUR COMMITMENT TO BUILDING THE BEST TEAM TO SUPPORT OUR INNOVATIVE, CUSTOMER-FOCUSED, AND EFFICIENT CITY GOVERNMENT.

Objectives

- 6.1 Recruit, retain, and develop a diverse, professional team of staff and volunteers.
- 6.2 Empower and recognize a high-performing team by providing it the tools, resources, and environment for success.
- 6.3 Support community engagement with open, honest, and timely communication.
- 6.4 Foster a quality work culture where people model the core values of integrity, collaboration, innovation, and public accountability.
- 6.5 Embody a proactive and transparent approach to financial stewardship, which enhances the City's long-term fiscal stability.

The following department summaries outline accomplishments for 2022 and goals for 2023 that strive to continually work toward the goals as described above.

DEPARTMENTAL INFORMATION

STATISTICS—EMPLOYEES BY FUNCTION/PROGRAM

Function/Program

Full-Time Equivalent Employees

General Government

City Manager's Office

City Manager
Deputy City Manager
Economic Development Director
Administrative Services Director
Assistant City Manager
Communications Manager
Administrative Assistant
Management Analyst III
Management Assistant Fellowship
Information Technology
City Clerk

	2021	2022	2023
City Manager	1.00	1.00	1.00
Deputy City Manager	1.00	1.00	1.00
Economic Development Director	1.00	1.00	1.00
Administrative Services Director	1.00	-	-
Assistant City Manager	1.00	1.00	1.00
Communications Manager	1.00	1.00	1.00
Administrative Assistant	1.00	1.00	1.00
Management Analyst III	-	1.00	1.00
Management Assistant Fellowship	1.00	1.00	1.00
Information Technology	4.00	4.00	5.00
City Clerk	3.00	3.00	3.00

Finance

Finance Director
Senior Accounting Manager
Senior Accountant
Accounting Technician
Revenue and Licensing Clerk
Accounts Payable Assistant
Budget and Revenue Analyst
Human Resources

Finance Director	1.00	1.00	1.00
Senior Accounting Manager	1.00	1.00	1.00
Senior Accountant	1.00	1.00	2.00
Accounting Technician	1.00	1.00	1.00
Revenue and Licensing Clerk	1.00	1.00	1.00
Accounts Payable Assistant	0.25	0.25	0.25
Budget and Revenue Analyst	1.00	1.00	1.00
Human Resources	2.38	2.63	2.63

Municipal Court

Court Clerk
Teen Court Coordinator

Court Clerk	2.00	2.00	2.00
Teen Court Coordinator	1.00	1.00	1.00

Community Development

Planning
Code Enforcement
Building*

Planning	5.00	5.00	7.00
Code Enforcement	1.00	1.00	2.00
Building*	4.00	4.00	5.00

Arts & Cultural

Administration
Programming*
Marketing
Development
Events*

Administration	1.84	1.84	1.84
Programming*	15.08	15.08	15.08
Marketing	1.75	1.15	1.15
Development	2.33	2.33	2.33
Events*	1.00	1.60	1.60

Police

	2021	2022	2023
Chief	1.00	1.00	1.00
Commander	3.00	3.00	3.00
Lieutenant	2.00	2.00	2.00
Sergeant	9.00	9.00	9.00
Corporal	8.00	8.00	8.00
Investigations	5.00	5.00	5.00
Patrol *	22.00	22.00	25.00
Community Resource Officers	2.00	3.00	3.00
Police Service Coordinator	1.00	1.00	1.00
Support Services Manager	1.00	1.00	1.00
Crime Analyst /Administrative Assistant	1.00	1.00	1.00
Records	4.00	5.00	6.00
Community Safety Officers	3.00	3.00	3.00
Victim Services	2.00	2.00	2.00
Administrative Assistant - Off-Duty Contracts	0.25	0.25	0.25

Public Works

Director of Public Works and Mobility	1.00	1.00	1.00
Capital Projects Manager	1.00	1.00	1.00
City Engineer	1.00	1.00	1.00
Operations Manager	1.00	1.00	1.00
Field Inspector	1.00	1.00	1.00
Field Technician	1.00	1.00	1.00
Senior Project Engineer	-	-	1.00
Senior Service Specialist	1.00	1.00	1.00
Traffic Signal Technician	1.00	1.00	2.00
Mobility Manager	1.00	1.00	1.00
Facilities Manager	1.00	1.00	1.00
TOTAL	132.88	135.13	147.13

Note: The position change between 2021 and 2022 include a new Police Officer position joining the Douglas County Community Response Team, a Records Technician in the Police Department to comply with filing requirements set forth in Senate Bill 217, as well as changing a Human Resources position (HRIS Specialist) from 0.50 to 0.75 FTE. The position changes between 2022 and 2023 include a new GIS Administrator position in the Information Technology Department, a Senior Accountant in the Finance Department, four positions in Community Development to ensure continuation of high service levels related to growth and increased code enforcement challenges (Long-Range Senior Planner, Planning Technician, Building Inspector, and Code Enforcement Officer), three sworn officer positions in the Police Department to improve visible presence, continue to prioritize community policing including an additional school resource officer, ensure needed coverage, and succession planning efforts, a Discovery Specialist position in the Police Department to meet the unfunded state mandate and increased demands set forth in the "DA Accountability" bill that passed in 2021, and two new growth related positions in the Public Works Department to continue to provide excellent service levels to the community (Senior Project Engineer and Traffic Signal Technician).

* A total of five positions were not filled in 2021 due to a hiring freeze to offset impacts on revenues as a result of the COVID-19 pandemic. The approved FTE are reflected in the table above.

DEPARTMENTAL INFORMATION

CITY CLERK AND MUNICIPAL COURT

The City Clerk's office is responsible for maintaining official City records, conducting City elections, managing liquor licensing and fulfilling open records requests under the Colorado Open Records Act (CORA). The Municipal Court's responsibilities include the collection of fines, court fees and restitution, oversight of the City's teen court program, as well as the administration of the municipal court. The City Clerk and Municipal Court department provide exceptional customer service to the citizens and businesses of Lone Tree, as well as the defendants appearing in court through timely, accurate and courteous responses to inquiries and requests.

2022 HIGHLIGHTS:

City Clerk / Municipal Court Accomplishments:

- Passed the Colorado Bureau of Investigation audit of the Secure Document Delivery System for non-criminal background checks.
- Updated the security policy for secured areas to conform with CJIS standards.
- Assisted with November 8, 2022 Coordinated Election regarding SB-152.
- Implemented automated liquor license creation.
- Established process for online payments for liquor licensing.

Teen Court Accomplishments:

- General Legal Training: Collaborated with the Town of Castle Rock to train eight new youth volunteers to serve on Lone Tree teen court.
- Facilitated Teen Rights Day event focusing on restorative justice.
- Teen Court Coordinator and City Prosecutor collaborated to reform the Teen Court selection process.



GOALS FOR 2023:

Our Commitment to Building The Best Team to Support Our Innovative, Customer-Focused, and Efficient City Government

- Continue to pursue training and growth opportunities to ensure staff are familiar with best practices to reduce liability.
- Continue to move toward paperless filing with scan & shred procedures to reduce liability and improve file organization.
- Execute City Council redistricting if warranted in 2023 to accommodate projected City growth for future elections.
- Continue records destruction for old cases to reduce liability as well as to maintain organized files.
- Continue data analysis and process review for court operations to establish a baseline for court operations to assess needs.

PERFORMANCE MEASURES	2019 Measure	2020 Measure	2021 Measure	2022 Target	2022 Measure	2023 Target
# of Court Cases	1,432	908	1,250	1,100	1,016	1,100

EXPENDITURES	2022 Estimated Actuals	2023 Adopted Budget	Percent Change
Salaries/Wages/Benefits	\$ 521,088	\$ 569,875	9.4%
City Clerk	\$ 37,400	\$ 42,400	13.4%
Court	\$ 114,700	\$ 124,300	8.4%
Total	\$ 673,188	\$ 736,575	9.4%

The increase in salaries and benefits is due to annual merit increases, as well as final salary adjustments resulting from the comprehensive compensation study that was completed in 2022. The increase in City Clerk is due to a placeholder for elections, if needed. The increase in Court is due to an increase in Municipal Judge costs and Teen Court expenditures to return to previous operating levels.

DEPARTMENTAL INFORMATION

CITY MANAGER'S OFFICE

The City Manager's Office executes the direction and guidance of the City Council by developing and implementing Council's goals and policies, coordinating the City's intergovernmental relationships, and leading the City's community outreach and economic development efforts. The City Manager provides leadership in all areas of municipal services to the community in accordance with the City Charter, and provides professional management, strategic vision, and priorities for the staff and organization to promote excellence in the services we offer. The City Manager's Office staff members also serve as liaisons between the City Council and City staff for carrying out service requests, and support the many activities of the Mayor, the City Council, and the City Manager.

2022 HIGHLIGHTS:

Organizational Leadership and Management

- Updated regulations on open burning in the City.
- Completed comprehensive compensation study.
- Developed a five-year staffing plan.
- Created a sustainable calendar for "Coffee with Council" and other community engagement opportunities for City Council.

Public Outreach

- Returned to a Timberlines print edition.
- Coordinated State of the City and Town Hall event.
- Implemented the Text My Government Communications Tool for information sharing with citizens.
- Created a Council Smartsheet resource for effective communications on immediate community issues.

Partnerships and Negotiations

- Finalized the initial Regional Park Site Plan in partnership with South Suburban Parks and Recreation District.
- Formalized agreement with Rampart Range Metropolitan District on park maintenance responsibilities in relation to the City Center Sub Area Plan.
- Assisted Park Meadows Business Improvement District in successful ARPA grant funding request.
- Developed multiple intergovernmental agreements and memorandums of understanding with Douglas County.
- Held multiple Lone Tree Business Alliance events.
- Supported the Lone Tree BID, Park Meadows BID, and our business community.



GOALS FOR 2023:

Our Welcoming, Connected, and Resilient Community

- Implement smaller community events to continue to bring community members together in a less formal setting.
- Expansion of Lone Tree Business Alliance and implementation of local business support events, such as a local farmers' market or similar event.
- Partner with South Metro Fire Rescue to host wildfire mitigation (or similar topics of interest) community workshops.
- Relaunch business focused newsletter and promote local businesses through City of Lone Tree communication channels.

Our Diverse and Sustainable Economy Powered by Top-Tier Businesses

- Evaluate implementation of Entertainment District redevelopment strategy.
- Advancement of Lone Tree Central Village District & Lone Tree City Center.

Our Commitment to Building the Best Team to Support Our Innovative, Customer-Focused, and Efficient City Government

- Develop an innovation and process improvement training program for staff.
- Complete wildfire mitigation plan.
- Update COOP and emergency management plans.
- Complete City Council redistricting effort, if warranted, in 2023 to accommodate projected City growth for future elections.
- Investigate new grant opportunities.
- Enhance the City's legislative advocacy, stakeholder, and intergovernmental relations initiatives through continued partnerships and a new contract lobbyist.

EXPENDITURES	2022 Estimated Actuals	2023 Adopted Budget	Percent Change
Salaries/Wages/Benefits	\$1,191,801	\$1,353,869	13.6%
Dues & Memberships	\$ 125,134	\$ 128,081	2.4%
Community Support	\$ 97,057	\$ 230,356	137.3%
Communications	\$ 133,300	\$ 138,300	3.8%
Economic Development	\$ 142,500	\$ 177,500	24.6%
Legal	\$ 420,240	\$ 510,000	21.4%
Risk Management	\$ 526,835	\$ 581,929	10.5%
Miscellaneous	\$ 162,495	\$ 365,261	124.8%
TOTAL	\$2,799,362	\$3,485,296	24.5%

The increase in salaries and benefits is due to annual merit increases, as well as final salary adjustments resulting from the comprehensive compensation study that was completed in 2022. Community support shows an increase due to the addition of a placeholder for grant matching opportunities, which would be partially offset in the grant revenues. Economic Development shows an increase for an addition of a contracted lobbying consultant, as well as increased local business support and events. Legal shows an increase due to increased level of services, which are partially offset by fee revenues. Risk management shows an increase due to higher costs of premiums in 2023 for law enforcement liability coverage and property coverage. The increase in miscellaneous is primarily due to the cost of consulting for federal advocacy support related to the Advancing Lincoln Avenue project.

DEPARTMENTAL INFORMATION

COMMUNITY DEVELOPMENT

The Community Development Department is comprised of three divisions: Planning, Building, and Zoning Enforcement/City Forestry. This team of employees provides a wide range of professional services that contribute to a safe, connected, beautiful, and thriving City for today and generations to come.

Planning Division services generally fall into one of two categories: *Current Land-Use Projects* and *Long Range/Special Activities*. The former category includes day-to-day coordinating with customers on various land use issues and processing development applications through multiple stages of the review and development process. The latter category encompasses research, analysis, development, and implementation of programs, regulations, and policy proposals that guide the City's long-term growth and development.

Building Division services involve administering the adopted building codes to ensure all buildings are safe for occupancy. This is accomplished by reviewing building, electrical, mechanical, and plumbing plans, issuing permits, and conducting inspections. Services have expanded to include review and permitting of all permanent signs.

Zoning Enforcement/City Forestry services involve working with residents, business owners, and property owners to achieve a clean, safe, and attractive community through a compliance-driven approach to enforcement of the City's Zoning Code. The City Forestry arm of this position centers on community education and outreach to promote healthy trees. This division also administers permits related to temporary banners, uses and special events.

2022 HIGHLIGHTS:

- Completed in-house, comprehensive update to Chapter 16 of Municipal Code and update to Design Guidelines and Standards to position the City for clear, consistent processes and procedures for continued rapid growth and development
- Completed adoption of 2021 I-Codes including the energy code to foster a safe community and efficient government
- Facilitated recognition of Lone Tree as a Tree City USA for its 20th year and hosted a community Arbor Day event in partnership with South Suburban Park and Recreation and Lone Tree Elementary to foster community connectedness and a healthy environment
- Developed wildfire mitigation recommendations in keeping with the Comprehensive Plan, Douglas County Hazard Mitigation Plan, and community goals for a safer, more resilient community
- Building Division extended our virtual presence to include online payments, easing our customer's experience even further
- Significantly enhanced support for the Lone Tree Planning Commission through a hosted inaugural retreat/tour as well as offered various training and educational sessions
- Expanded online permitting software for the Planning and Building Division
- Comprehensive overhaul of the Community Development Department website pages to make information more accessible, searchable and relevant

GOALS FOR 2023:

Our Welcoming, Connected, and Resilient Community

- Manage an update to the City's Comprehensive Plan and Phase 2 code updates by procuring a qualified consultant and managing the internal and public community engagement processes (estimated 2-year process)

Our Commitment to Building the Best Team to Support Our Innovative, Customer-Focused, and Efficient City Government

- Meet demands for exponential growth, development, and redevelopment by continuing to leverage staff expertise, technology, and systems improvements to streamline workflows and maintain desired review times; and by adapting staff levels and/or contract services to meet the evolving demands and pace of growth

- Develop a pro-active, long-range planning strategy to ensure that planning efforts align with Council priorities and that we provide responsive, accurate, and outstanding services
- Prioritize staff recruitment and retention to attract and maintain the best staff, avoid disruption in service, account for succession planning, and keep up with training

PERFORMANCE MEASURES	2019 Measure	2020 Measure	2021 Measure	2022 Target	2022 Measure	2023 Target
Building Permits Issued	806	873	650	800	586	900
Building Inspections Conducted	4,279	4,169	4,000	4,500	4,460	5,000

EXPENDITURES	2022 Estimated Actuals	2023 Adopted Budget	Percent Change
Salaries/Wages/Benefits	\$1,075,479	\$1,564,925	45.5%
Planning	\$ 8,400	\$ 22,970	173.5%
Building	\$ 429,355	\$ 498,940	16.2%
Code Enforcement	\$ 3,950	\$ 31,160	688.9%
TOTAL	\$1,517,184	\$2,117,995	39.6%

The increase in salaries and benefits is due to annual merit increases, final salary adjustments resulting from the comprehensive compensation study that was completed in 2022, as well as multiple growth-related positions, including a Building Inspector, Code Enforcement Officer, Planning Technician, and Long-Range Senior Planner. The increase in planning is due to costs associated with the support for the Lone Tree Planning Commission through a hosted inaugural retreat/tour, as well as investments in trainings and educational sessions. The increase in building is due to contract services to meet the anticipated demands related to growth east of I-25, which is directly offset in fee revenues. The increase in code enforcement is due to contract services for property maintenance and abatement services. Many services in this department are offset with fee revenues.

DEPARTMENTAL INFORMATION

CULTURAL AND COMMUNITY SERVICES

The Lone Tree Cultural and Community Services Fund provides cultural and community programming to residents of all ages at the Lone Tree Arts Center (LTAC), as well as at public gathering places throughout the City. In addition, LTAC serves as an economic development driver for the City by offering unique and affordable meeting services to businesses and civic groups and by serving as a convening spot for regional leaders to discuss important issues facing our community. LTAC attracts wide recognition to the City by drawing audiences and meeting attendees from throughout the region. Services provided by the Cultural and Community Services Fund include performing and visual arts presentations, affordable programs for children and families, and community celebrations in local parks.

2022 HIGHLIGHTS:

- Presented 46 main stage performances, featuring national artists, wide cultural diversity, and prominent local artists such as blues legend Taj Mahal, Broadway star Chris Mann, Doo Wop Project, The Drifters, and our own artist-in-residence, Grammy-nominated saxophonist Gerald Albright
- Achieved the second highest number of subscribers (people who purchase three or more shows throughout the year) in Lone Tree Arts Center history
- Restored the Independence Day celebration to prior-year levels, allowing for greater community engagement and resumption of family activities with the Family Fun Park
- Presented a full lineup of other City events, including the resumption of our second summer concert at Sweetwater Park and a bigger Craftoberfest at Prairie Sky Park
- Focused on bringing in a more diverse range of rentals through community events like social gatherings, business meetings, non-profit organizations, wedding receptions, bar and bat mitzvahs, and the like
- Received a Douglas County Mill Levy Developmental Disability Grant that allowed us to partner with Easterseals Colorado to present the first-ever Demystifying Employment for People with Disabilities Corporate Panel and Job Fair



GOALS FOR 2023:

Our Signature Cultural and Recreational Opportunities, Exceptional Places, and Beautiful Natural Environment

- Return to producing a theatrical multi-week performance in the fall
- Return to pre-pandemic revenue and expenditure expectations to present remarkable artists, exciting and engaging work, diverse offerings, and a wide range of genres on our main stage
- Continue all multi-generational programs, including Seedlings, Passport to Culture, Arts in the Afternoon, Sensory Friendly programming, and SPARK!
- Expand the number of residencies, masterclasses, and workshops with visiting artists who engage the community with outreach programs
- Continue our partnership with Easterseals Colorado to present the second annual sensory-friendly job fair
- Garner increased contributed income support for community impact programs through new foundations and grants
- Continue to provide premier rental services for business meetings, social gatherings, and community performances
- Continue to offer premier City events for Lone Tree community members

PERFORMANCE MEASURES	2019 Measure	2020 Measure	2021 Measure	2022 Target	2022 Measure	2023 Target
Number of Performances	128	70	96	110	114	129
Number of Rental Days	138	41	106	150	164	145

EXPENDITURES	2022 Estimated Actuals	2023 Adopted Budget	Percent Change
Salaries/Wages/Benefits	\$1,689,840	\$1,887,748	11.7%
Development	\$ 30,164	\$ 116,134	285.0%
Programming	\$ 773,248	\$1,451,207	87.7%
Marketing	\$ 310,300	\$ 338,540	9.1%
Administration	\$ 8,038	\$ 11,730	45.9%
Arts and Cultural	\$ 22,540	\$ 95,900	325.5%
Annual Events	\$ 221,500	\$ 235,600	6.4%
TOTAL	\$3,055,630	\$4,136,859	36.7%

The increase in salaries and benefits is due to annual merit increases, as well as final salary adjustments resulting from the comprehensive compensation study that was completed in 2022. The increase in development is due to a development corporate event that is offset by contribution revenue. The increase in programming, marketing, and administration is primarily due to the programming schedule, which includes a multi-week theatrical performance. The programming schedule including a theatrical performance increases revenue projections substantially. The increase in arts and cultural is due to an increase in public art projects around the City, including utility box wraps, an interactive art project, an art mural on the pedestrian bridge, and a public art crosswalk.

DEPARTMENTAL INFORMATION

FINANCE

The Finance Department includes general accounting services, budgeting, payroll, tax administration and collection, business licensing, and auditing. The success of the Finance Department is measured by both meeting the needs of internal and external customers, as well as keeping the City compliant with the various state and federal requirements related to having up-to-date, accurate financial information.

- Implemented State Sales and Use Tax System (SUTS) tax return upload to the City's accounting system
- Moved accounting system to cloud service for more security and flexibility
- Updated 10-year projections of revenues, expenditures, and capital needs for long-range planning

2022 HIGHLIGHTS:

- Completed filing requirements for American Rescue Plan Act funds
- Developed a strategy on identifying businesses for sales and use tax audits with Revenue Recovery Group. Outsourcing this function has been a great success and Revenue Recovery Group has been a valuable resource to the City for Sales & Use Tax questions that arise
- Completed an outreach to businesses notifying them of the 1% temporary sales and use tax increase
- Completed the Single Audit Report for the fiscal year 2021, including eight federally funded programs, compared to one federally funded program in 2020
- Recommended updates to the Capital Reserve Policy and developed an Operational Reserve Policy for Council consideration
- Established a Capital Project Fund to track capital expenditures outside of the General Fund; this will allow users of the budget book and Annual Comprehensive Financial Report to better identify operational trends posted in the General Fund

GOALS FOR 2023:

Our Commitment to Building The Best Team to Support Our Innovative, Customer-Focused, and Efficient City Government

- Evaluate and implement investment strategies with the help of an investment advisory firm. This would include the identification of cash balances available for investment, as well investment opportunities that are in line with State requirements and the Council Amended Investment Policy
- Implement electronic payables solutions to offer more payment options to our vendors and decrease fraud risk
- Implement new Lease Standard, as required by the Government Accounting Standards Board
- Compliance and reporting requirements related to paid-off bonds

EXPENDITURES	2022 Estimated Actuals	2023 Adopted Budget	Percent Change
Salaries/Wages/Benefits	\$ 680,806	\$ 864,127	26.9%
Financial Services and Audit	\$ 203,600	\$ 215,392	5.8%
TOTAL	\$ 884,406	\$1,079,519	22.1%

The increase in salaries and benefits is due to annual merit increases, final salary adjustments resulting from the comprehensive compensation study that was completed in 2022, as well as the addition of a Senior Accountant position. The increase in Financial Services and Audit is primarily due to costs associated with the implementation of an electronic payables solutions to offer more payment options to our vendors and decrease fraud risk, which is offset in program revenues.

5

DEPARTMENTAL INFORMATION

HUMAN RESOURCES

The Human Resources Department defines success by how effectively and efficiently they provide excellent service to City staff through recruitment, administration of benefits and City-wide employee training. Additionally, the Human Resources Department serves to integrate the City's mission, vision, and Big Ideas into the City's culture.

2022 HIGHLIGHTS:

- Developed total compensation reports for staff to display personalized information including salary, City paid benefits, City paid retirement and PTO benefits
- Completion of a comprehensive City Compensation Survey
- Implemented Human Resources Information System 101 training sessions for staff and managers
- Increased Wellness Program participation to 43 participants and enhanced variety of programs/activities
- Completed Corporal and Sergeant promotional testing process
- YES! (Your Excellence Shows) Committee implemented a quarterly giving opportunity for staff, created "high five boards" for employee recognition, and organized fun employee events
- Conducted multiple department Emergenetics sessions to highlight team member strengths, improve communication, and outline the benefits of diverse and balanced teams
- Improved and streamlined onboarding process

GOALS FOR 2023

Our Commitment to Building The Best Team to Support Our Innovative, Customer-Focused, and Efficient City Government

- Continue to advance & improve Human Resources Information System (HRIS) usability, reporting and features, as well as offer advanced Ascentis training sessions
- Develop a City-wide training plan that includes leadership training, diversity & inclusion, and advanced use of Emergenetics
- Continue to offer strong recruitment strategies and implement new processes, as needed
- Offer more on-site information sessions for staff for benefits, wellness, retirement, etc.
- Continue to offer new wellness opportunities and encourage engagement in employee events
- Explore new (low-cost) employee benefit/recognition offerings

EXPENDITURES	2022 Estimated Actuals	2023 Adopted Budget	Percent Change
Salaries/Wages/Benefits	\$ 295,073	\$ 316,733	7.3%
Human Resources	\$ 104,000	\$ 124,200	19.4%
TOTAL	\$ 399,073	\$ 440,933	10.5%

The increase in salaries and benefits is due to annual merit increases, as well as final salary adjustments resulting from the comprehensive compensation study that was completed in 2022. Human Resources increased due to a focus on staff training and employee recognition opportunities, as well as RTD EcoPasses included as a new benefit to employees to promote sustainable options of transportation.

DEPARTMENTAL INFORMATION

INFORMATION TECHNOLOGY

The Information Technology Department defines success by how effectively and efficiently they provide excellent service to fellow employees. Additional success measures include governance of the City's technological systems, maintenance of IT infrastructure, functionality of all systems, and data security.

2022 HIGHLIGHTS:

- Partnered with facilities to make sure all IT needs were met for the Security Fence project for the police department. This included getting video and door security systems up to the newest versions
- Completed an audio-video upgrade in the Civic Center's main Council Chambers
- Completed process improvements regarding the setup of computers in police department vehicles
- Ensured that all hardware is covered by warranty and that formal replacement schedules are in place

GOALS FOR 2023:

Our Commitment to Building The Best Team to Support Our Innovative, Customer-Focused, and Efficient City Government

- Focus on security upgrades
- Perform City-wide upgrades to networking hardware and establish a replacement schedule
- Perform security assessment and implement strategies to address findings
- Implement secure data/backup solutions with regular testing

PERFORMANCE MEASURES	2019 Measure	2020 Measure	2021 Measure	2022 Target	2022 Measure	2023 Target
Number of IT Tickets Resolved	328	369	522	500	563	500

EXPENDITURES	2022 Estimated Actuals	2023 Adopted Budget	Percent Change
Salaries/Wages/Benefits	\$ 328,760	\$ 584,014	77.6%
Information Technology	\$ 618,664	\$ 716,925	15.9 %
TOTAL	\$ 947,424	\$ 1,300,939	37.3%

The increase in salaries and benefits is due to annual merit increases, final salary adjustments resulting from the comprehensive compensation study that was completed in 2022, as well as the addition of a GIS Administrator position. The increase in Information Technology is primarily due to additional software licenses for the police department, additional software maintenance and support related to new positions across departments, and a security assessment to identify areas of focus related to IT security best practices.

DEPARTMENTAL INFORMATION

POLICE DEPARTMENT

The Police Department provides dedicated service to the Lone Tree community, business partners, and thousands of daily visitors, and upholds the values of Community, Integrity, and Service. The Police Department's mission is "to serve and protect our diverse community by providing services with transparency, integrity, and compassion." We will continually strive to exceed the expectations of our community and foster a sense of belonging where residents and visitors feel safe.

The Police Department consists of 56 authorized sworn officers, 3 full-time community safety officers (CSOs), 11 civilian personnel, and multiple volunteers. The officers are distributed between multiple functions which include Patrol, Park Meadows Retail Resort Unit, Investigations Division, and Community Partnership Unit. CSOs respond to and investigate property crime calls for service, and assist with traffic accidents, parking violations, and many other non-emergency police functions. The CSOs are an innovative and cost-effective way to provide police services for non-emergency calls. The civilian staff supports the mission of the department in various ways which include the Records Department, Animal Control, and Victim Advocacy.

The Police Department is proud to have an excellent Volunteers in Police Services (VIPS) Program. The VIPS assists and supports the department through a variety of functions. The patrol VIPS assists officers with traffic accidents, traffic control, and other non-emergency situations. In addition, the patrol VIPS conduct routine neighborhood patrolling, vacation house checks, and parking enforcement. Our VIPS have logged a tremendous number of hours of service since 2007 and their service has been invaluable to the department and the community.

The VIPS also assists the Records Division, the Community Partnership Unit, the Investigations Division, and the Victim Advocate/Crime Prevention Unit.

2022 HIGHLIGHTS:

- Patrol added a Community Response Team (CRT) to its resources in 2022. This team is made up of a police officer and a mental health clinician. This team will respond to calls for service with a mental health component or follow up with individuals who could benefit from this type of service
- Discovery Specialist was added to investigations and is assisting with filing cases and ensuring each case meets the rigorous discovery requirements set forth by the District Attorney's Office
- LTPD was a VOCA Grant recipient to fund a victim advocate position for the next two years in the department

- The Victim Advocate continues to spearhead the Regional Advocate Crisis Response Team which includes training for all regional advocates and developing protocols for response to large-scale events
- LTPD added "Mikey" who is a golden retriever facility/therapy dog and is assigned to the Victim Advocate Unit. Mikey helps with officer wellness and assists with victim interaction
- The Community Partnership Unit (CPU) coordinated and hosted a Public Safety Open House for the public in June 2022
- CPU continues to provide on-site Crime Prevention through Environmental Design assessments for businesses, HOA's, and residents

GOALS FOR 2023:

Deep, Active Commitment to Public Safety

- Continue the implementation of Integrating Communications, Assessment and Tactics Training throughout the department to improve decision-making and de-escalation skills.
- Begin the implementation of jujitsu-style defense tactics program which was approved by the Colorado POST Board in 2022
- Patrol will work closely with the Douglas County Homeless Navigators to address homelessness in the City of Lone Tree
- Patrol leadership staff will look for ways to create learning and training opportunities for the next generation of leadership in the name of succession planning

Our Commitment to Building the Best Team to Support Our innovative, Customer-Focused, and Efficient City Government

- Continued focus on developing workflow improvement to adapt to the new requirements set forth by the District Attorney's Office on filing procedures and discovery accountability
- Provide enhanced training for detectives in the area of homicide, sexual assault, computer forensics, and crime scene investigation
- Improve overall wellness program and implement a Chaplain Volunteer Program
- Leverage technology to provide improved public safety using License Plate Reader technology, drones, and potential E-bikes

PERFORMANCE MEASURES	2019 Measure	2020 Measure	2021 Measure	2022 Target	2022 Measure	2023 Target
Person Crime Clearance Rate	85.4%	79.8%	80.1%	80.8%	92.31%	70%
Theft / Fraud Clearance Rate	61%	54.4%	47.3%	51.7%	53.96%	35%
Training Hours	6,020	4,541	5,080	5,200	6,240	10,000

EXPENDITURES	2022 Estimated Actuals	2023 Adopted Budget	Percent Change
Salaries/Wages/Benefits	\$7,628,502	\$ 8,672,463	13.7%
Office and Administration	\$ 115,200	\$ 131,100	13.8%
Uniforms and Equipment	\$ 268,004	\$ 219,235	(-18.2%)
Vehicles and Equipment	\$ 508,500	\$ 695,813	36.8%
General Equipment	\$ 51,116	\$ 31,516	(-38.3%)
Intergovernmental Agreements	\$ 891,562	\$ 974,531	9.30%
Training, Recruitment & Testing	\$ 108,000	\$ 156,000	44.4%
Community Outreach & Misc.	\$ 26,979	\$ 43,350	60.7%
TOTAL	\$9,597,863	\$10,924,008	13.8%

Overall, expenditures in the Police Department are increasing due to the City's commitment to public safety. The increase in salaries and benefits include the addition of three new patrol positions to improve visible presence, continue to prioritize community policing including an additional school resource officer, ensure needed coverage, and succession planning efforts, salary market adjustments to remain competitive with neighboring communities, as well as a non-sworn position to meet the unfunded state mandate and increased demands set forth in the "DA Accountability" bill that passed in 2021. The increase in office and administration is due to the replacement of office furniture and minor office space enhancements for better efficiency. The increase in vehicles and equipment is due to supply chain issues related to vehicle purchases that were ordered in 2022, but won't be received until 2023. The increase in intergovernmental agreements is due to contracted services with the Town of Parker for dispatch and evidence storage. The increase in training, recruitment, and testing is due to promotional testing costs for Corporals, Lieutenants and Commander positions, leadership development for succession planning efforts and costs related to defense training. The increase in community outreach is due to the addition of a community event to honor first responders.

DEPARTMENTAL INFORMATION

PUBLIC WORKS

The Public Works Department is made up of four areas including facilities, mobility, engineering, and operations. The vision of the Public Works Department is to provide an excellent, safe, connected multi-modal city that meets the needs of all our citizens, businesses, and visitors. The mission of the Department is to efficiently install, maintain, and operate the City of Lone Tree's infrastructure using innovative technologies that connect the City well beyond its borders. To achieve the vision and mission, Public Works is focused on six strategy initiatives listed below:

- Community Focused
- Enhance Mobility
- Efficient Project Delivery
- Leader in Innovation
- Operationally Excellent
- Connected City

2022 HIGHLIGHTS:

- Completed Phase 1 of the Advancing Lincoln Avenue project and developed a preferred alternative to proceeding through the National Environmental Policy Act (NEPA) process and initial design
- Selected a new vendor through an RFP process for the City's Link on-demand service
- Rebuilt the entrance retaining wall at the Municipal Building
- Successfully completed Civic Center parking lot re-sealing
- Installation of the security fence and automated vehicle gates for Police Department equipment and officer safety at the Municipal Building
- Completed design for the Colorado Department of Transportation (CDOT) and Denver Regional Council of Governments (DRCOG) Safer Main Streets C-470 trail connector project
- Completed design and started construction on the following projects:
 - C-470 Bike/Pedestrian Bridge at Acres Green Drive
 - CDOT Funded Acres Green Drive and Parkway Drive Traffic Signal
- Completed design and construction for the CDOT and DRCOG Safer Main Streets pedestrian safety improvement project (Rapid Rectangular Flashing Beacons), and the Yosemite Street storm pipe replacement project

- Reviewed development projects and infrastructure expansion projects totaling over \$20M of new infrastructure to support growth on the east side of the City

GOALS FOR 2023:

Our Visionary Transportation Network

- Advertise and begin construction of the C-470 trail connector project to the Park Meadows/County Line Road light rail train station
- Complete major construction of the C-470 Bike/Pedestrian Bridge at Acres Green project
- Complete construction of the Acres Green Drive and Parkway Drive Traffic Signal project
- Complete the design of the three remaining span wire traffic signals
- Complete construction of the RidgeGate crosswalk removal and replacement
- Complete concrete panel replacement for most critical panels
- Bid and conduct the triennial City-wide roadway assessment study
- Complete the Advancing Lincoln Avenue project and begin to identify future funding options

Our Commitment to Building the Best Team to Support Our Innovative, Customer-Focused, and Efficient City Government

- Increase preventative maintenance programs in all facilities
- Complete space improvements at the Municipal Building and the Lone Tree Arts Center

PERFORMANCE MEASURES	2019 Measure	2020 Measure	2021 Measure	2022Target	2022 Measure	2023 Target
Street Overlay (miles)	7.43	0.25	7.43	11.0	11.2	10.3
Traffic Signals	53	54	56	56	56	59
Storm Drainage (miles)	43.36	43.36	48.00	48.00	48.00	51.3

EXPENDITURES	2022 Estimated Actuals	2023 Adopted Budget	Percent Change
Salaries/Wages/Benefits	\$1,302,026	\$1,556,576	19.6%
Consulting and Surveying	\$ 279,000	\$ 575,000	106.1%
Trash and Recycling Service	\$ 625,000	\$ 650,000	4.0%
Street Lighting	\$ 450,000	\$ 475,000	5.6%
Street Maintenance	\$ 795,000	\$ 815,000	2.5%
Snow Removal	\$1,375,000	\$1,450,000	5.5%
Traffic Signal Maintenance	\$ 257,000	\$ 275,000	7.0%
Signage/Striping	\$ 175,000	\$ 175,000	0%
Lone Tree Link Shuttle	\$ 400,000	\$ 692,573	73.1%
Other Public Works Operations	\$ 492,900	\$ 605,500	22.8%
Facilities	\$1,067,950	\$1,075,042	0.7%
TOTAL	\$7,218,876	\$8,344,691	15.6%

The increase in salaries and benefits is due to annual merit increases, final salary adjustments resulting from the comprehensive compensation study that was completed in 2022, as well as the addition of a Senior Project Engineer and a Traffic Signal Technician position. The increase in consulting and surveying is due to the increased construction inspection needs to meet the demands related to growth east of I-25. This expense is directly offset by revenues. The increase in trash and recycling is due to an increase in cost for the service, as well as an increase in homes being serviced. The increase in street maintenance is due to an increase in cost for the service. The increase in snow removal is to maintain current service levels and to account for additional lane miles due to growth. The increase in traffic signal maintenance is due to meeting the City's maintenance needs, as well as an increase in energy costs. The increase in the Lone Tree Link Shuttle is due to increased service, with 25% of the total cost offset from partnership funding.

APPENDIX



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APPENDIX

GLOSSARY OF TERMS

A

Accrual Basis of Accounting – The method of accounting under which revenues and expenses are recorded at the time they are incurred as opposed to when cash is actually received or spent. For example, in accrual accounting, revenue that was earned in December, but not collected until January, is recorded as revenue in December.

Adopted Budget – Budget amounts approved by the City Council and the budget document which consolidates all operating and capital appropriations.

Amended Budget – The Amended Budget amounts include the original Adopted Budget for the fiscal year with revisions by way of Budget Amendments done and approved by City Council on a quarterly basis for all requesting funds and departments. This process is completed in compliance with the Town Charter requirements.

Amortization – Cost allocation of an intangible capital asset or fixed asset over the useful life of the asset for expiration in the service life of fixed assets. Additionally, amortization is the gradual reduction of a liability, such as debt, in regular payments over a specified amount of time.

Appropriation – Legal authorization granted by the City Council to make expenditures and incur obligations up to a specific dollar amount.

B

Bond – A bond is a written obligation to pay a specified sum of money (principal), at a specified date or dates in the future, called the maturity date, together with periodic interest payments at a specified interest rate.

Budget – A financial plan for a specified period of time (the fiscal year) that balances projected revenues and fund balance appropriations to estimated expenditures and operating transfer obligations. Upon approval by the City Council the adopted budget is the legal basis for expenditures in the budget year.

Budget Process – Requirements of the City Charter, Article XII Financial Matters, Section 5 Budget, Audit, Investments, “all applicable laws of the State of Colorado now or hereafter existing relating to budgets...for Colorado municipalities shall, to the extent not in conflict herewith, be followed by the City.

State Statute requires a proposed budget for the ensuing fiscal year shall be presented to City Council on or before the fifteenth day of October each year. Additionally, it requires that no later than the 15th day of December of each year, City Council shall adopt on final reading a resolution for the budget.

C

Capital Asset or Fixed Asset – An asset that is acquired, purchased, or constructed with a cost or fair market value (at the time of acquisition) greater than or equal to \$5,000 and a useful life of more than one year. Equipment, furniture, fixtures, artwork, buildings, land and infrastructure that have a useful life of more than one year and cost greater than \$5,000 are all examples of capital assets. The cost of a capital asset includes all amounts incurred to acquire the asset and any amounts that can be directly attributable to bringing the asset into working condition. Directly attributable costs include costs for delivery, site preparation, installation and professional services such as legal, architectural, engineering and project management.

Capital Expenditures – Expenditure for equipment, facilities, or infrastructure that will provide long-term service or other public benefits.

Capital Outlay – Money spent to acquire, maintain, repair, or upgrade capital assets.

Capital Plan – A budget plan for the improvement of facilities and infrastructure in which the resulting project involves the addition of a fixed asset or extends the useful life of an existing asset.

Capital Reserve – Funds set aside specifically by the City for capital projects, as contained within the ten-year capital projections, as they are constructed. These funds may also be used for unplanned and unanticipated capital purposes that may arise during the year.

Certificate of Participation – A form of financing which allows for the purchase of an asset over time. Certificates are sold to investors, and proceeds are then used by an outside party (the lessor) to acquire a capital asset on behalf of the City. The asset becomes the collateral for the certificates, and the City assumes ownership of the asset at the end of paying the full amount of the lease. Payments are subject to annual appropriation and do not constitute a long-term obligation under TABOR.

City Charter – The City operates under a Home Rule Charter, which has been framed in conformity with Article XX of the Colorado Constitution and the Municipal Home Rule Act of 1971. The City operates under a Council-Manager form of government.

Contingency – An appropriation of funds to cover unforeseen events that occur during the fiscal year.

D

Debt Service – Principal and interest due on long-term debt such as loans, notes and bonds incurred by the City.

Depreciation – Cost allocation of a capital asset or fixed asset over the useful life of the asset for expiration in the service life of fixed assets because of wear and tear, deterioration, action of physical elements, inadequacy or obsolescence.

E

Expenditure – Payment for goods or services, including operating expenses that require the current or future use of net current assets, debt and capital outlays.

F

Fiscal Year – A twelve-month accounting period to which the operating budget applies, which for the City begins on January 1 and ends December 31 of the same calendar year.

Full-Time Equivalent (FTE) – The conversion of staff time into the decimal equivalent. One full-time position (1.0 FTE) is defined as containing 2,080 hours; a part-time position (0.5 FTE) requires 1,040 work hours.

Fund – Accounting entity with a self-balancing set of accounts, which is segregated from other funds, to carry on specific activities or attain certain objectives. The funds used by the City are General Fund, Special Revenue Funds, and Debt Service Funds.

Fund Balance – Generally, fund balance is the difference between a fund's assets and liabilities. For a given year, on a budgetary basis, the beginning fund balance plus estimated revenue less budgeted expenditures equals ending fund balance. Maintaining an adequate fund balance is important for reasons that include having funds available for emergencies, unexpected events, and to maintain a strong financial position.

G

General Fund – The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in other funds. General Fund revenues include sales and use taxes, business licenses, building permits, intergovernmental and other types of revenue. This fund includes most of the basic operation services including police, community development, public works, finance, and general administration.

Grant – A contribution made from either the private sector to the City or by one governmental unit to another. The contribution is usually made to support a specified program, function or project.

H - N

Intergovernmental Agreement (IGA) – An agreement between two or more governments to cooperate in some specific way, i.e. working together on a streets project.

Infrastructure – Public domain fixed assets such as roads, bridges, streets, drainage systems and similar immovable assets.

Intergovernmental Revenues – Revenue from other governments, such as federal, state and county grants.

LTAC – Lone Tree Arts Center

O

Operating Budget – The portion of the budget that pertains to daily operations providing basic governmental services. The operating budget contains appropriations for such expenditures as personnel, supplies and materials.

Operating Expenditures – Those costs, other than capital improvements and debt service, necessary to support the primary services of the organization.

Ordinance – A formal legislative enactment by the governing body of the municipality. If it is not in conflict with any higher form of law, such as a state statute or constitutional provision, it has the full force and effect of law within the boundaries of the municipality to which it applies. The difference between an ordinance and a resolution is that the latter requires less legal formality and has a lower legal status. Ordinarily, the statutes or charter will specify or imply those legislative actions that must be by ordinance and those that may be by resolution. Revenue raising measures, such as the imposition of taxes, special assessments, and service charges, universally require ordinances.

P

Projection – Estimation of future revenues and expenditures based on past trends, current economic conditions and financial forecasts.

Proposed Budget – The recommended City budget is annually submitted by the City Administrator to City Council by October 15.

Q – R

Reserve – Funds set aside in the current and past years for the purpose of paying for capital needs, providing for obligations and liabilities, and meeting emergency needs.

Reserve Fund Balance – The portion of a fund's balance that is restricted for a specific purpose and is, therefore, not available for general appropriation.

Resolution – A special or temporary order of a legislative body: an order of a legislative body requiring less legal formality than an ordinance or statute.

Revenue – Income received by the City government in support of the government's program of services to the community. It includes items such as sales tax, use tax, intergovernmental, lodging tax, admissions tax, fees, user charges, and fines.

S

Sales Tax and Use Tax Revenue Bonds – A type of bond where the principal and interest is payable solely from and secured by an irrevocable pledge of the pledged revenues which primarily consist of the revenues derived from the City's sales and use tax imposed at a rate of 0.3125%.

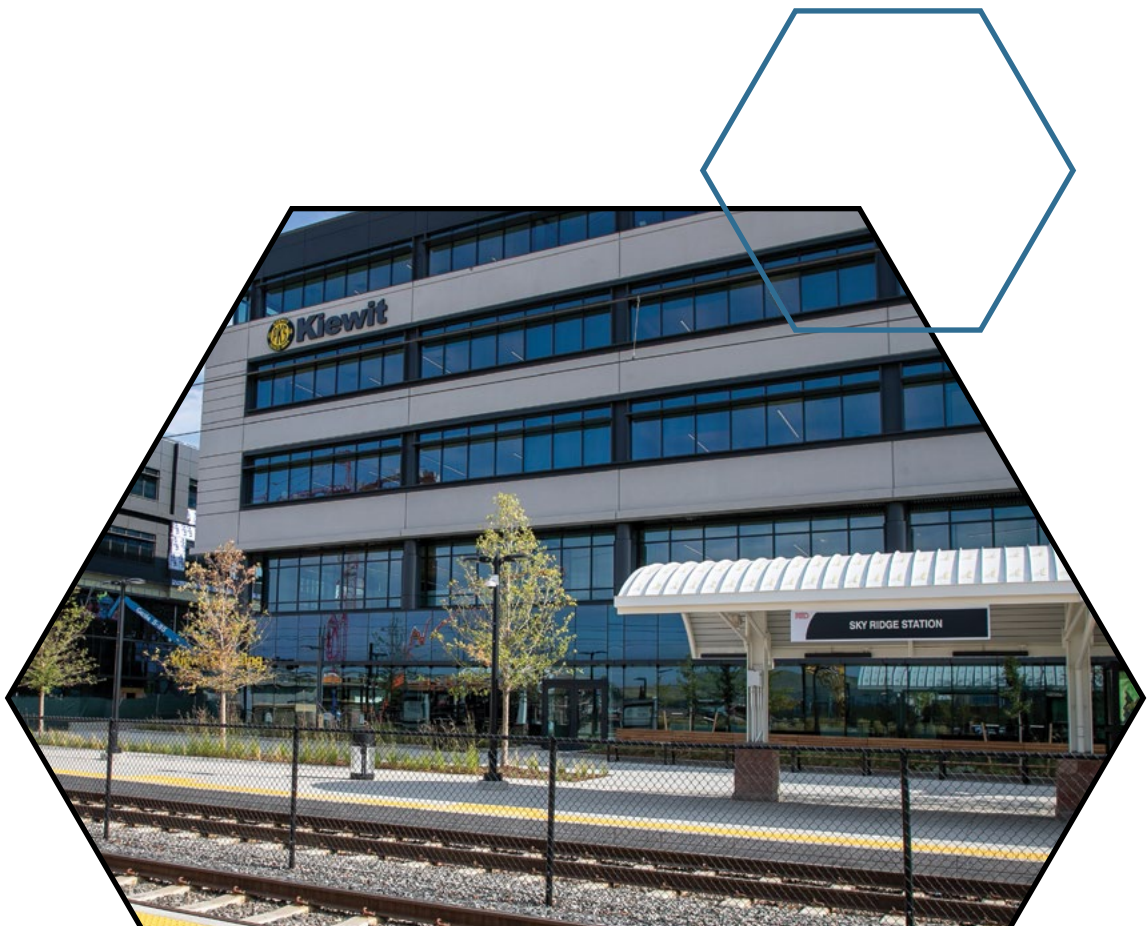
T

TABOR (Taxpayers Bill of Rights) – This amendment to the Colorado Constitution approved by voters in November 1992, which limits governmental mill levies, revenue, and expenditures. All new or increased taxes must be voted on by the public. Also, it establishes mandatory emergency reserves.

Transfers – The movement of monies from one fund to finance activities in another fund. The monies are considered a financing source for the receiving fund and a financing use for the originating fund. Transfers are at Council's discretion and for an appropriate purpose, such as to support other funds and legal debt service agreements.

U – Z

Unreserved Fund Balance – The portion of a fund's balance that is not restricted for a specific purpose and is available for general appropriation.



APPENDIX

WORKING RESERVE POLICYSUBJECT: **Working Reserve Policy**

CAP#: 11-01

ISSUE DATE: December 20, 2011

EFFECTIVE DATE: January 1, 2012

INTENT

It is essential that the City of Lone Tree (the City) maintain an adequate working reserve in order to mitigate current and future risks such as revenue shortfalls and unanticipated expenditures as well as to ensure stable tax rates. Furthermore, an adequate working reserve is a critical consideration to the City's long-term financial planning.

POLICY

In this regard, the City has established the following fiscal policy related to its working reserve.

MINIMUM AND TARGET LEVELS

The City will maintain a minimum working reserve balance of at least two months (16.7%) of the current year's budgeted operating expenditures. At the same time, the City will strive to achieve and maintain a 30.0% working reserve balance (which would include the 3% Emergency Reserve as required by TABOR) as part of its annual budget process.

USE OF FUNDS

While targeting to maintain an annual working reserve of 30.0%, the City understands that there may be circumstances which warrant that the City use these funds temporarily. The City has established the following instances where it may elect to use these funds:

- An economic downturn in which revenues are below budget
- Unexpected and unappropriated price increases to service and maintain current City operations
- Early retirement of indebtedness
- Unexpected and non-budgeted emergencies, natural disaster costs, and/or litigation
- Capital asset acquisition, construction and improvement projects

The use of the working reserve for any of the permitted circumstances described above will require an affirmative vote of eighty percent (80%) by members of City Council.

TERMS FOR REPLENISHING

In the event the City elects to use its working reserve in the aforementioned instances, the City will, concurrently in deciding to use its working reserve funds, establish a plan for replenishing the working reserve to its previous levels. When the working reserve is utilized, the City's priority will be to replenish the working reserve as soon as revenues are available.

POLICY REVIEW

The City's Finance Director will be responsible for reviewing the Working Reserve Policy semiannually in connection with the City's annual budgeting process and preparation of year-end financial statements to ensure that the City is maintaining an adequate working reserve level as established by this policy. Moreover, at least once every three years, the City Manager will review the policy and will make recommendations for revisions to the policy as deemed appropriate. Adoption and changes to this policy will require an affirmative vote of eighty percent (80%) by members of City Council.



James D. Gunning
James D. Gunning
Mayor

Jennifer Pettinger
Attest: Jennifer Pettinger
City Clerk

APPENDIX

CAPITAL RESERVE POLICY

SUBJECT: Capital Reserve Policy

ISSUE DATE: December 18, 2012

CAP#: 12-02

EFFECTIVE DATE: January 1, 2013

AMENDED: April 6, 2021, December 6, 2022

INTENT

The City of Lone Tree (the City) has determined that accumulating and maintaining capital reserves as part of its annual budgeting process helps ensure that the City maintains adequate cash fund balances to help offset costs of future capital replacement and project needs. The City believes that establishing and maintaining such reserves will assist the City to take greater advantage of the "pay as you go" philosophy versus relying entirely or mostly on debt financing. As such, the City will be able to minimize the costs related to debt borrowing which in turn will make future revenues available for other purposes rather than interest payments on debt. In this regard, the City has established the following fiscal policy as it relates to capital reserves.

POLICY

Capital Projects and Replacement Program

On an annual basis and concurrently with the City's budgeting process, City Finance will ensure that a five-year capital projections are compiled by soliciting information from the City staff which reflects significant, contemplated capital projects, the associated costs, and the projected timeframe for the projects. The projections will be used for long-term financial planning purposes only and will in no way be intended to obligate the City in any manner to building or constructing the capital projects contained within the projections.

Budgeting for Capital Reserve

Utilizing the five-year capital projections, the City will strive to fund a designated capital reserve fund balance within its budget that will be equal to at least twenty-five percent (25%) of the amount of the average aggregate projected cost over the five year period for all of the projects based on the scheduled timing of the projects.

Use of Funds

The capital reserve will be utilized by the City for capital projects, as contained within the five-year capital projections, as they are constructed. While it is the City's intent to only utilize its capital reserve for planned projects as contained in its five-year capital projections, it is understood that there may be unusual circumstances which may cause the City to desire to

use its capital reserve for unplanned and unanticipated capital purposes. In instances where such an event may occur, an affirmative vote of eighty percent (80%) by members of City Council will be required. At no time shall the accumulated capital reserve be used for City operational costs. Furthermore, should the City use its capital reserve for unplanned and unanticipated capital outlay purposes, the City will cause any such utilized reserve to be replenished within two years from the date of the reserve being drawn on.

Investing Capital Reserve Balances

As established in this policy, the City acknowledges that it will be accumulating a capital fund balance reserve that may and/or will not be used for an extended period of time. In order to maximize the City's investment earnings, City Finance will periodically, but no less than annually, analyze the capital reserve fund balance and recommend to Council various investment options available to the City. Any and all recommendations made by City Finance will adhere to state statutes regarding investments permitted by governmental entities. Investment revenue earned on long-term capital reserve balances will be used for costs incurred under this policy.

PROCEDURES

Policy Review

City Finance will be responsible for reviewing the Capital Reserve Policy on an annual basis in connection with the City's annual budgeting process to ensure that the City is maintaining an appropriate capital reserve as established by this policy. Moreover, on an annual basis, but at least once every three years, the City Manager will review the policy and will make recommendations for revisions to the policy as deemed appropriate. Adoption and changes to this policy will require an affirmative vote of eighty percent (80%) by members of City Council.



Jacqueline A. Millet
Jacqueline A. Millet, Mayor

ATTEST:

Rick Parsons
Rick Parsons, City Clerk

APPENDIX

DEBT MANAGEMENT

SUBJECT: Debt Management

CAP#: 13-03

ISSUE DATE: June 18, 2013

EFFECTIVE DATE: July 1, 2013

INTENT

The City of Lone Tree (City) understands the importance of long-range, financial planning in order to meet its capital asset needs. The following debt management policy establishes parameters on the issuance of debt to help ensure that the City maintains a sound debt position and that its credit rating is protected. As such, the policy allows for an appropriate balance between establishing debt limitations while also providing flexibility to respond to unforeseen circumstances and new opportunities. This policy applies to City derived revenues and revenues the City is entitled to receive. It is the intent of this policy to provide both a framework relating to current circumstances as they exist today as well as to address the City's future position relating to debt management.

POLICY

The City has established the following fiscal policy related to debt management.

Development of Long-Term, Financing Recommendations

The primary responsibility for developing long-term, financing recommendations rests with the City Manager. During the annual budget process, and at any other such times during the year in which the need may arise, the City Manager will work collectively with the City's Finance Director and any other deemed necessary City staff (the Internal Working Group) to determine if there is a need for long-term borrowing. As part of the determination process, the Internal Working Group shall review the financing needs outlined by the Capital Improvement Plan to analyze the future capital financing needs as compared with the City's currently available cash resources and projected revenues. The Internal Working Group will also provide recommendations regarding refunding and restructuring of existing debt.

Once determination is made by the Internal Working Group to pursue long-term financing, a refunding, or restructuring of debt, the City Manager or City Manager designee, shall prepare and present to City Council a resolution of intent to

issue, refund or restructure debt and authorization of City staff to proceed with the necessary preparations.

Capital Improvement Plan

On an annual basis and as part of the City's budgeting process, the City will prepare and/or update a ten (10) year Capital Improvement Plan (CIP) identifying capital projects that are part of the City's long-term strategic vision and economic development plan. The CIP forecast process should include the associated, estimated ongoing operations and maintenance costs of such capital assets so that the total costs of the projects are considered for budgeting and projection purposes.

Purpose of Debt

Incurrence of long-term debt will only be used for the purpose of financing capital assets, which include but are not limited to buildings, infrastructure, land acquisition and purchase of significant equipment. The City, under no circumstances, will issue debt or borrow funds to finance the City's on-going costs for operations and services.

The City will strive to maximize the pay- as-you-go approach for its capital projects expenditures (see Capital Reserves Policy). Debt financing will be considered when annual revenues and accumulation of capital cash reserves are not sufficient to provide the necessary funding for such projects within a timeframe deemed necessary or adequate by City Council.

Types of Debt

The types of debt instruments to be used by the City will include:

- General Obligation Bonds
- Revenue Bonds
- Short-term Notes
- Special or Local Improvement Bonds or Tax Increment Securities
- Any other legally recognized security approved by City Council and deemed advantageous to the City

In order to mitigate any uncertainty of annual debt payment amounts due, the City will strive, if deemed practical and beneficial, to secure a fixed rate structure when issuing debt. The City will consider a variable rate structure when market conditions favor this type of issuance, and when feasible, ensure there is a maximum interest rate provided within the variable rate structure. Credit enhancements will be used only in instances where the anticipated present value savings in terms of reduced interest expense exceeds the cost of the credit enhancement.

Level of Debt and Restrictive Provisions

The City will strive to limit its general obligation debt (i.e., where ad valorem property taxes are the main and underlying security pledged on the debt) so as not to exceed fifteen percent (15%) of the City's total assessed valuation as shown by the last preceding assessment received from the Douglas County 's Assessor's Office. Additionally, the City will strive to maintain its annual general obligation debt service costs (principal and interest) for its governmental activities at a level of no greater than fifteen percent (15%) of the City's governmental expenditures. Any debt issued by the City, other than general obligation debt, wherein other revenue sources serve as security on the debt (e.g., revenue bonds), will not have any specific debt level restrictions, provided that each of such issuances will be evaluated on a case by case bases so as to ensure that the City has adequately provided for conservative revenue projections relating to principal and interest repayment purposes.

The repayment terms of all debt issued by the City will not exceed the useful life of the capital assets financed. Additionally, the City will seek level or declining debt repayment schedules and will not issue debt that provides for a balloon principal payment reserved at the end of the term of the issue. Furthermore, the City will strive to obtain redemption terms that allow for the pre payment of debt without paying a redemption penalty.

Debt Issuance Practices

As part of its debt issuance process, the City will at all times manage its debt and sustain its financial position in order to secure and maintain an AA/ Aa2 (long-term) or higher bond rating.

The City will market its debt through the use of a competitive bid process when issuing general obligation debt. The competitive bid process will also be used for other debt issuances unless time, interest rates and/or other factors make it more favorable for the City to use a negotiated process.

If needed, the City will hire an independent financial advisor, and any other professional service provider (e.g. bond counsel), to assist in the

structuring of the debt transaction and to provide overall guidance throughout the process.

Guidelines for Refunding

The City shall consider refunding (advance and current refunding) outstanding debt whenever an analysis indicates the potential for net present value (NPV) savings of at least three percent (3%) can be achieved. The City shall also consider restructuring its existing debt in order to extend the payment terms to meet cash flow needs if deemed beneficial to the City's long-term financial and strategic planning . The City may also consider refunding outstanding bonds to remove existing restrictive covenants.

Post Issuance Management

The City will invest its debt proceeds in accordance with the City's investment policy and statutory requirements. Funds will be invested in instruments and with related maturities that will provide the liquidity needed to meet the cash flow needs of each project. In this regard, the City's Finance Director will prepare cash flow projections to determine the availability of funds to be invested and their respective required maturities.

The City will comply with all arbitrage rebate requirements as established by the Internal Revenue Service. Arbitrage will be calculated at the end of each fiscal year and interest earned on the investment of debt proceeds will be reserved to pay any penalties due. Secondary market disclosures requirements established within the terms of the debt transaction will be adhered to and filed on a timely basis.

The City's Finance Director will be responsible for managing the post issuance requirements listed above and/or cause any post issuance requirements to be completed.

POLICY REVIEW

The City Manager and the City's Finance Director will review the Debt Management Policy in connection with the City's annual budget process as well as the year-end audit process to ensure that the City is adhering to the framework outlined in this policy and will make recommendations to revise the policy as needed. Adoption and changes to this policy will require an affirmative vote by City Council.




James D. Gunning
Mayor


Attest: Jennifer Pettinger
City Clerk

APPENDIX

INVESTMENTS

SUBJECT: Investments

CAP#: 13-02

ISSUE DATE: June 18, 2013

EFFECTIVE DATE: July 1, 2013

INTENT

The City of Lone Tree (City) recognizes the need to adopt an investment policy to establish parameters and guidelines for the efficient management of the City's funds and for the purchase and sale of investments. This policy applies to the investments of all funds of the City. Except for funds held in trust or special funds that are otherwise specifically provided for, the City will consolidate the balances from all funds to maximize investment earnings and meet the liquidity requirements of the City subject to the primary objective of providing security of principal. Any and all investments made by the City must be allowable, as provided for, by state statute.

POLICY

The City has established the following fiscal policy related to investments.

Objectives

It is the policy of the City to invest idle public funds in a manner to meet the daily cash flow demands of the City with the primary objectives, in priority order, being: a) Safety of Principal b) Liquidity and c) Return on Investments.

A. Safety of Principal

Safety of principal is the foremost objective of the City's investment activities. Investments will be undertaken in a manner that seeks to ensure the preservation of principal in the overall investment portfolio. The objective will be to mitigate the following risks:

1. Credit Risk

The City will minimize credit risk, which is the risk of loss due to the failure of the investment issuer or backer. As such, the City shall place reliance upon nationally recognized credit rating agencies in evaluating credit risk of obligations not issued by the U. S. government and Federal Instrumentalities (Agencies and Government Sponsored Enterprises). Credit risk shall

be limited by restricting the credit ratings on securities that may be purchased and through diversification in order to reduce exposure to any one security type or issuer.

2. Interest Rate Risk

The City will minimize its interest rate risk, which is the risk that the market value of securities in the portfolio will fall due to the changes in market interest rates, by structuring the portfolio to meet the cash requirements of the City's ongoing operations, thereby mitigating the need to liquidate securities at a loss prior to maturity.

3. Concentration Risk

The City will minimize concentration of credit risk, which is the risk of loss due to having a significant portion of resources invested in a single issuer, by diversifying its investment portfolio so that the impact of potential losses from any one type of security or issuer will be minimized. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.

B. Liquidity

The investment portfolio shall remain sufficiently liquid to meet all of the City's operating requirements that may be reasonably anticipated. Investments shall be managed in order to avoid, although not prohibited, the sale of securities before their respective maturities to meet anticipated cash flow needs. Since all possible cash demands cannot be anticipated, the investment portfolio should contain a significant quantity of active secondary or resale markets. As such, at least twenty percent (20%) of the investment portfolio will be invested in overnight instruments, money market funds, Colorado local government pools, or in marketable securities which can be sold to raise cash within one day's notice.

C. Return on Investments

The investment portfolio shall be designed and managed with the objective of attaining a market rate of return throughout interest rate cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to safety of principal and liquidity. The core investments are limited to relatively low risk securities in anticipation of earning a fair, although lower, return relative to the risk being assumed.

Delegation of Authority

Authority to oversee and manage the City's investment program is granted to the City's Finance Director. Responsibility for the operation of the investment portfolio may be delegated to an investment officer, who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this investment policy. Procedures should include references to: safekeeping, delivery vs. payment, investment accounting, repurchase agreements, wire transfer agreements, and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this policy along with the procedures established by the investment officer. The investment officer will be responsible for all investment transactions undertaken and shall establish a system of controls to regulate the activities of any subordinate officials. Any investments with a maturity of two years or more shall be approved by Council.

Authorized Investments

The City's authorized investments shall consist of the following:

1. U.S. government obligations, U.S. government agency obligations and U.S. government instrumentality obligations that have a liquid market with a readily determinable market value.
2. Any U.S. dollar denominated corporate or bank debt issued by a corporation or bank which is organized and operated with the United States and has a net worth in excess of two hundred fifty million dollars; except that the notes evidencing the debt must mature within three years from the date of settlement and, at the time of purchase, the debt must carry at least two credit ratings from any of the nationally recognized credit agencies and must not be rated below "AA- or Aa3" by any credit rating agency. These may comprise of up to thirty percent (30%) of the book value of the City's investments at the time of purchase, with no more than five percent (5%) of the book value concentrated in any single obligor regardless of investment type.
3. Commercial paper rated A- 1, P- 1, or their equivalent by any nationally recognized credit rating agencies. Commercial paper shall not exceed thirty percent (30%) of the book value of the City's investment portfolio with no greater than ten percent (10%) exposure to any single issuer at the time of purchase.
4. Bankers Acceptances, the issuers of which are banks organized under U.S. laws or their parent companies, are rated A-1, P-1 or their equivalent by any nationally recognized credit rating agencies. Bankers acceptances shall not exceed thirty percent (30%) of the total par value of the City's investment portfolio.
5. Repurchase Agreements and Reverse Repurchase Agreement s may be done only with approved dealers with whom the City has signed a master agreement governing such transactions, and must mature within 90 days. U.S. Treasury, agency, or instrumentality securities must collateralize any such transactions, the market value of which shall be at least 102% of the funds invested in the transaction at inception, and not less than 100% of the funds invested during its life. Securities collateralizing such transactions shall be delivered to the purchaser or their securities' custodian.
6. General Obligations of any state of the United States, the District of Columbia, or any territorial possession of the United States or of any political subdivision, institution, department, agency, instrumentality, or authority of any such governmental entities. No security may be purchased pursuant to this paragraph unless, at the time of purchase, the security is rated in one of the three highest rating categories by any nationally recognized organization that regularly rates such obligations. General obligations shall not exceed fifty percent (50%) of the total par value of the City's investment portfolio.

7. Guaranteed Investment Contracts of domestically-regulated insurance companies having a claims-paying ability rating AA or its equivalent by any nationally recognized credit rating agencies.
8. Money Market Mutual Funds and Local Government Investment Pools as permitted by Colorado statute, provided that such funds are either registered with the SEC or rated AAA by any nationally recognized credit rating agency.

Interest Earnings

Investment income will be allocated to the various funds based on the respective participation of principal in the overall investment portfolio.

Investment Limitations

The City will adhere to the following investment limitations:

A. Diversification

The City's investments shall be diversified by:

1. Limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities)
2. Limiting investment in securities with higher credit risks
3. Investing in securities with varying maturities, and
4. Continuously investing a portion of the City's investment portfolio in readily available funds such as local government investment pools, money market funds, or overnight repurchase agreements to ensure that appropriate liquidity is maintained to meet the City's ongoing obligations.

B. Maturity

To the extent possible, the City shall attempt to match its investments with anticipated cash flow needs. Unless matched to a specific cash flow, the City will not directly invest in securities with maturities of more than five (5) years from the date of purchase.

C. Sale of investments prior to maturity

Investments may be sold prior to their maturity date if the City determines that it is in the best interest of the City to do so. Sales shall not be made to speculate upon future market trends. It is the City's intent to purchase and hold securities until maturity; however, from time to time, it may become necessary to sell a security at a loss in order to meet cash flow requirements or to take advantage of certain exchange advantages.

D. Derivatives

Securities which derive their value from an underlying asset, group of assets, reference rate, or index value are not permitted as an authorized investment under this policy.

Reporting of Investments

A report containing current investment activity and balances will be provided to City Council on a monthly basis.

POLICY REVIEW

The City's Finance Director and City Manager will review the Investment Policy annually in concert with the preparation of the City's year-end financial statements to ensure that the City is adhering to the framework outlined in this policy and will make recommendations to revise the policy as needed. Adoption and changes to this policy will require an affirmative vote by City Council.



James D. Gunning
James D. Gunning
Mayor

Jennifer Pettinger
Attest: Jennifer Pettinger
City Clerk

APPENDIX

BRICK FENCE REPLACEMENT RESERVE

SUBJECT: Brick Fence Replacement Reserve

CAP#: 18-04

ISSUE DATE: December 18, 2018

EFFECTIVE DATE: January 1, 2019

INTENT

To provide a reserve account to accumulate funding to replace the existing brick fences in the City at a future time. Due to the total project cost, as well as partner funding that is anticipated to be received over multiple years, segregating these funds is necessary..

POLICY

As the City does not have any current debt authorization, for large capital projects, accumulating funds over multiple years is necessary at times to be able to complete projects timely and efficiently.

PROCEDURES

1. The City will open an interest bearing account designated as the Brick Fence Reserve Fund (Project Account) in 2019.
2. The City will transfer the remaining litigation funds from the brick fence lawsuit of \$986,200 into that account.
3. Any partner contributions designated for this project will be deposited into the Project Account upon receipt.
4. Any amounts designated for this purpose by City Council during the budget process in any given year will be deposited into the Project Account by January 31st.
5. Interest earned on the deposited funds will remain in the Project Account and will be applied to the Brick Fence Replacement Project.
6. If the City Council would like to consider using the funds designated by this policy for a different purpose, an affirmative vote of eighty percent (80%) by members of City Council will be required and any partner funds would be returned immediately, including the proportionate amount of interest earned on those amounts.



Jacqueline A. Millet
Jacqueline A. Millet, Mayor

Jay Robb
Attest: Jay Robb, City Clerk

APPENDIX

CULTURAL AND COMMUNITY SERVICES FUND— FUND BALANCE RESERVE

**SUBJECT: Cultural and Community Services Fund-
Fund Balance Reserve Policy**

CAP#: 19-01

ISSUE DATE: January 30, 2019

EFFECTIVE DATE: February 19, 2019

INTENT

The Cultural and Community Services Fund is used to account for revenues and expenditures related to the operations of the Lone Tree Arts Center, as well as other City-sponsored events and cultural services. As a stand-alone governmental special revenue fund for the City, pursuant to Resolution 11-25, all funds in the Special Revenue Fund are committed to be used solely to fund the Lone Tree Arts Center and its programs. This policy is designed to outline procedures for when to allow fund balance accumulation, resulting in more consistent amounts being transferred from the General Fund from year to year.

POLICY

The Cultural and Community Services Fund is used to account for revenues and expenditures related to the operations of the Lone Tree Arts Center, as well as other City-sponsored events and cultural services. As a stand-alone governmental special revenue fund for the City, pursuant to Resolution 11-25, all funds in the Special Revenue Fund are committed to be used solely to fund the Lone Tree Arts Center and its programs. This policy is designed to outline procedures for when to allow fund balance accumulation, resulting in more consistent amounts being transferred from the General Fund from year to year.

PROCEDURES

At the end of each calendar year, a comparison will be completed between the approved budgeted amount of the General Fund transfer to the Cultural and Community Services Fund for Arts Center programming (exclusive of the transfers for annual events, arts and cultural events, park and recreation and economic development) and the actual transfer needed to cover the difference between revenues and expenditures for the year. If the budgeted transfer amount is greater than the actual transfer needed, the full budgeted

amount will be transferred and the variance will be maintained in the Cultural and Community Services Fund for future year's spending. Any accumulated fund balance will be committed to be used solely to fund the Lone Tree Arts Center and its programs.

POLICY REVIEW

The City's Finance Director will be responsible for reviewing this policy on an annual basis in connection with the City's annual budgeting process and reporting findings to the City Council to ensure that the City is maintaining appropriate reserves as established in this policy. Moreover, on an annual basis, but at least once every three years, the City Manager will review the policy and will make recommendations for revision to the policy as deemed appropriate.



Jacqueline A. Millet
Jacqueline A. Millet, Mayor

Jay Robb
Attest: Jay Robb, City Clerk

APPENDIX

OPERATIONAL RESERVE FUND

SUBJECT: Operational Reserve Policy
ISSUE DATE: December 6, 2022

CAP#: 22-02
EFFECTIVE DATE: January 1, 2023

INTENT

Due to the successful passing of ballot question 2E, which temporarily increases the City's Sales and Use Tax by one percent for ten years starting in 2022, long-term financial projections show an accumulation of funds in early years and an intent to use such funds in later years. Projections show that the temporary one percent tax rate increase will allow for a stable revenue stream over a ten-year period. To address fluctuations in years where operating and capital expenditures exceed revenues, it is essential to establish a reserve to ensure fiscal stability. For oversight purposes regarding the buildup and usage of these funds, the City of Lone Tree (the City) establishes an operational reserve in order to continue to provide vital City services to the community. With the goal of future fiscal stability, the City has established the following policy as it relates to the operational reserve.

POLICY**Budgeting for Operational Reserve**

On an annual basis and concurrently with the City's budgeting process, the City Manager will recommend the amount contributed to the operational reserve based on available net revenue, less required contributions to any other reserves. Moreover, the City will roll over any excess funds, subsequent to year-end closing, of unanticipated accumulated fund balances and will include any such excesses as part of the City's operational reserve, or as otherwise recommended by the City Manager depending on the accumulated balance and updated projections. In addition, the City Manager will recommend the use of operational reserve funds in years when operating and capital expenditures exceed revenues. This is anticipated, based on long-term financial projections which indicate contributions to the reserve in early years and the use of funds in later years. City Finance will be responsible for updating long-term projections and reporting findings to the City Council to ensure future fiscal stability. City Council will consider approval of the recommended contribution or usage of the operational reserve during the annual budget process.

Use of Funds

The City Manager will recommend the utilization of operational reserve funds in years where expenditures are exceeding revenues. The use of the operational reserve will require an affirmative vote of eighty percent (80%) by members of City Council.

Investing Operational Reserve Balances

As established in this policy, the City acknowledges that it will be accumulating an operational fund balance reserve. In order to maximize the City's investment earnings, City Finance will periodically, but no less than annually, analyze the operational reserve fund balance and recommend to Council various investment options available to the City. Any and all recommendations made by City Finance will adhere to state statutes regarding investments permitted by governmental entities and the Council adopted Investment policy.

POLICY REVIEW

City Finance will be responsible for reviewing the Operational Reserve Policy on an annual basis in connection with the City's annual budgeting process to ensure that the City is maintaining an appropriate operational reserve as established by this policy. Moreover, on an annual basis, but at least once every three years, the City Manager will review the policy and will make recommendations for revisions to the policy as deemed appropriate. In addition, City Council will review the operational reserve policy every five years to ensure that the policy is still in line with projections and that the policy is still serving the stated intent. Adoption and changes to this policy will require an affirmative vote of eighty percent (80%) by members of City Council.



Jacqueline A. Millet
Jacqueline A. Millet, Mayor

ATTEST:

Rick Parsons
Rick Parsons, City Clerk

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Vibrant
AS EVER!



CITY OF
LONE TREE

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