

# **CityWorks 101**

## **Budget...What Does it Mean?**



# Budget 101

- How we Budget
- Where the Money Comes From
- How the Money is Spent
- The Road Ahead—2010-11 Budget

# What is the budget?

- The budget is a blueprint for the type and mix of services provided to the community
- It carries out our vision—The Results that Citizens Want and Need
- Two-year (biennial) budget allows us to do long range strategic/financial planning
- It must be balanced

# 4 Questions That Matter

- What results matter most to our citizens?
- How much revenue is available?
- How much should we spend to achieve each result?
- How can we BEST deliver the results that citizens expect?

# Community Priorities

- Economic Health
- Environmental Health
- Neighborhood Livability
- Cultural and Recreational Opportunities
- Safe Community
- Transportation
- High Performing Government

# Budgeting for Outcomes:

- Focuses on top priorities
- Transparency in decision making
- More public involvement
- Accountability
  - Results-oriented
  - Data-driven
- Encourages innovation

# City Sources of Revenue

- Sales & Use Taxes
- Property Taxes
- User Fees
- Impact & Development Fees
- Grants
- State and Federal Funds

## 2008 BASE SALES TAX RATE COMPARISONS

Fort Collins, at only 3%, has one of the lowest sales tax rates of any community in the region.

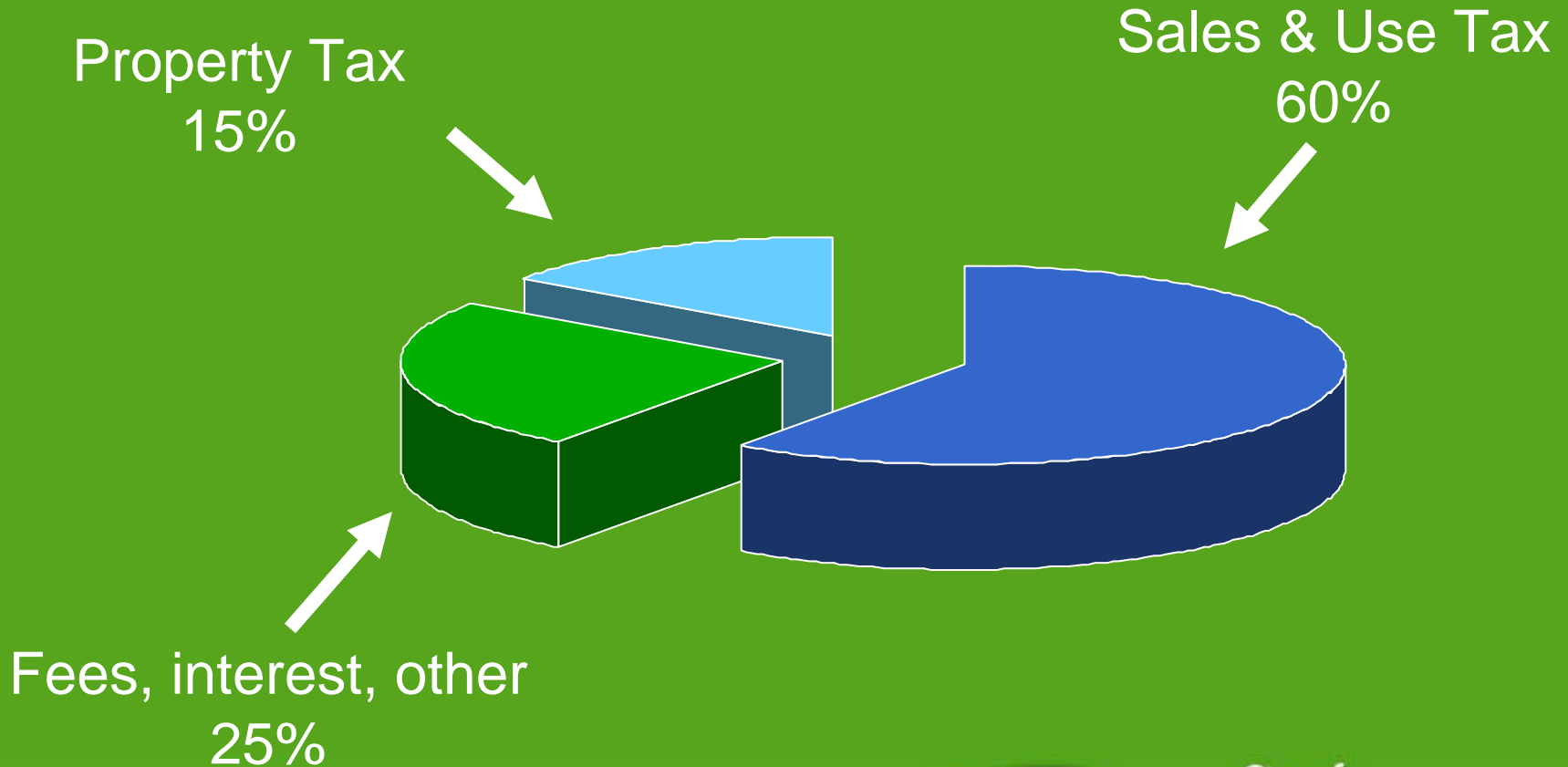
Broomfield	4.15%
Northglenn	4.00%
Aurora	3.75%
Denver	3.62%
Castle Rock	3.60%
Cherry Hills Village	3.50%
Englewood	3.50%
Arvada	3.46%
Boulder	3.41%
Windsor	3.20%
Littleton, Loveland & <b>FORT COLLINS</b>	3.00%
Colorado Springs	2.50%



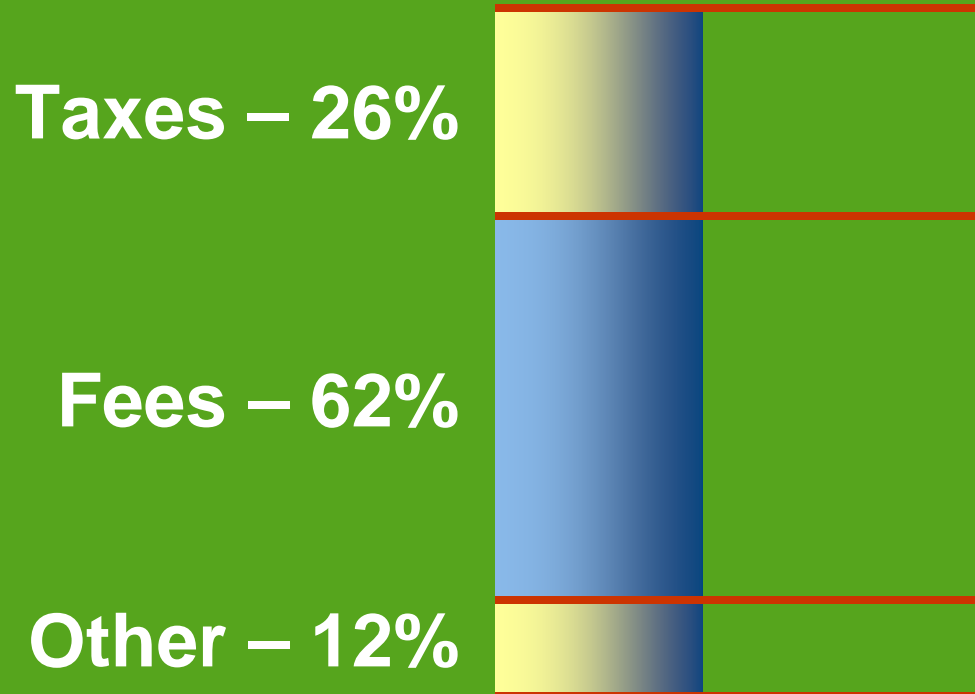
# Type of Fees Collected

- User Fees
  - Recreation
  - Lincoln Center
  - Golf
- Impact Fees
  - Capital Expansion
  - Park land
- Utility Rates

# General Fund Revenue Sources



# Total Revenue



# Spending Requirements

- Funds are limited
- Must have a balanced budget
- Certain revenues must be used for designated expenditures
- Must maintain reserves

# Spending – Restrictions

## Restricted Revenues

- Utility Fees
- User Fees
- Voter Dedicated Taxes
- Impact Fees
- Some Reserves

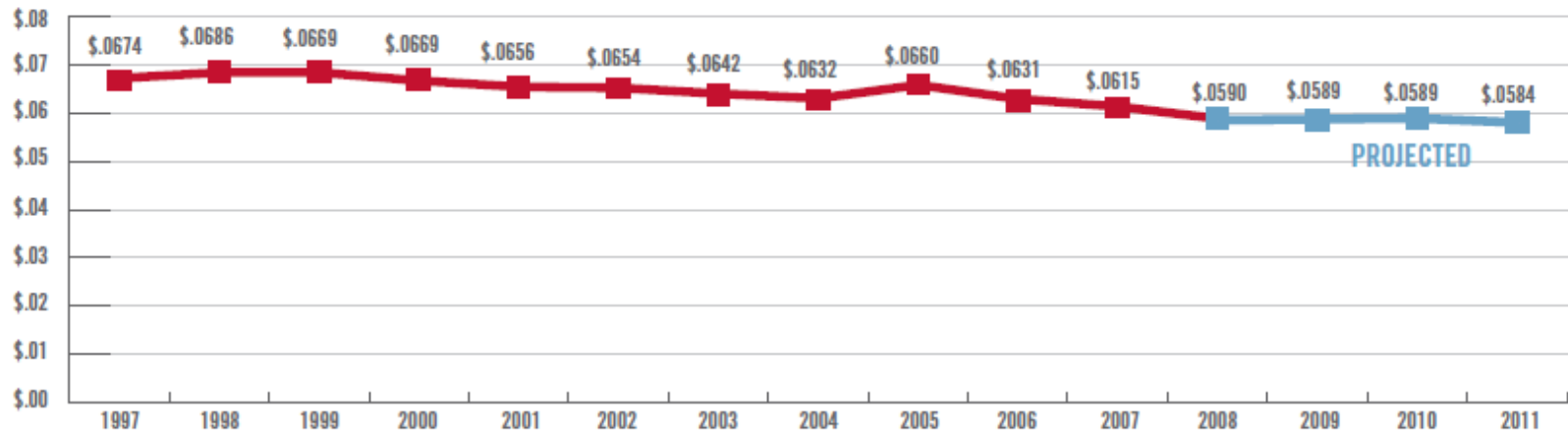
# Some Reserve Funds

- Cover debt
- Cover emergencies
- Cover revenue shortfalls in down economy
- Save for major replacements

# Spending – General Fund

- Money that is used to fund general services
- Council must decide which services receive funding

# Price of Government



Less than 6 cents  
of your dollar goes  
to pay for City services.

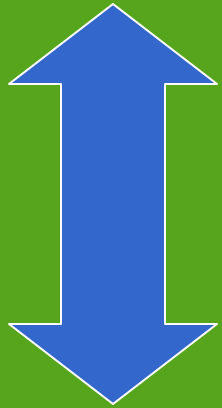


0 10¢ 20¢ 30¢ 40¢ 50¢ 60¢ 70¢ 80¢ 90¢ \$1

# The Challenge

*Unneeded services*

Harm to business,  
economy, taxpayers

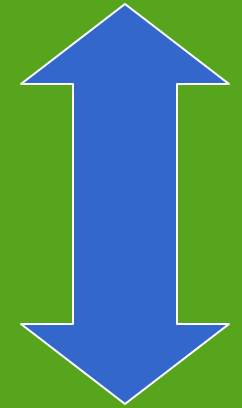


Quality City  
Services



Low Cost Gov't

Lower costs



*Inadequate services*

Harm to business,  
economy, taxpayers

Higher costs

# 2010-2011 Budget Themes

- Economic slowdown is significantly impacting the City
  - General fund revenue down \$5.6 million
    - Sales & Use tax
    - Development review related revenue
    - Investment Earning
  - Transportation revenue down \$4.7 million

# 2010-2011 Budget Themes

Focus On:

- Customer Service
- Sustainability
- Innovation