

Financial Master Plan Summary

The City of Loveland Charter requires, as a part of the budget submission, the 5-Year Capital Program. The Capital Program is located at the end of the budget document. As policy, staff has expanded this requirement to include operations expense and has developed the City of Loveland Financial Master Plan.

This Financial Master Plan is updated annually in conjunction with the budget process, or as needed during the year. The Plan is used for discussions with Council on policy priorities at the beginning of the budget process and provides a long-term planning tool for City departments for service development. It also forecasts the resources that will be available for service increases or improvements. The Plan is designed to insure that operating revenues for new services or new capital expansions will be available in future years to maintain new buildings or equipment or operate the expanded services after they have come online.

What is a Financial Master Plan?

- It is a multi-year planning instrument that enables the City to forecast the financial implications of emerging issues and trends and direct our resources to meet specific and achievable goals.
- It encompasses the policy direction and priorities of Council.
- It projects resources for the next five years and forecasts compliance with Amendment 1, also known as Taxpayers' Bill of Rights (TABOR), restrictions.
- It is a living document that enables management and Council to make funding decisions for service delivery and capital requests in a more predictable manner.
- It is a flexible guide to the future revenues and expenditures of the City.
- It is the basis for the development of future budgets.
- It notifies Council when projected revenues are insufficient to cover projected expenses for priority projects. In order to balance the budget, Council can make decisions based on a combination of the following options:
 - Cut projected operating or capital expenses by a critical review of departmental budgets;
 - Move projects or services funded in the plan to later years;
 - Increase revenue by increasing or enacting new fees or by proposing new taxes to voters;
 - Reduce the amount of required reserves; and/or,
 - Adjust the assumptions used in the forecast model.

The Special Revenue Funds are primarily capital in nature and have dedicated funding sources, as do the Enterprise Funds, so these fund groups are not included in the plan. The Internal Service Funds are funded through internal services charges. The General Fund portion is included within the operating budgets of the General Fund Departments. For these reasons, only the General Fund portion is discussed in this chapter.

The Plan may change significantly from year to year, due to changes in the local economy that impact the revenue stream, changes in Council policies or goals, or legislative changes at the state and federal level that impact service provision or available revenues.

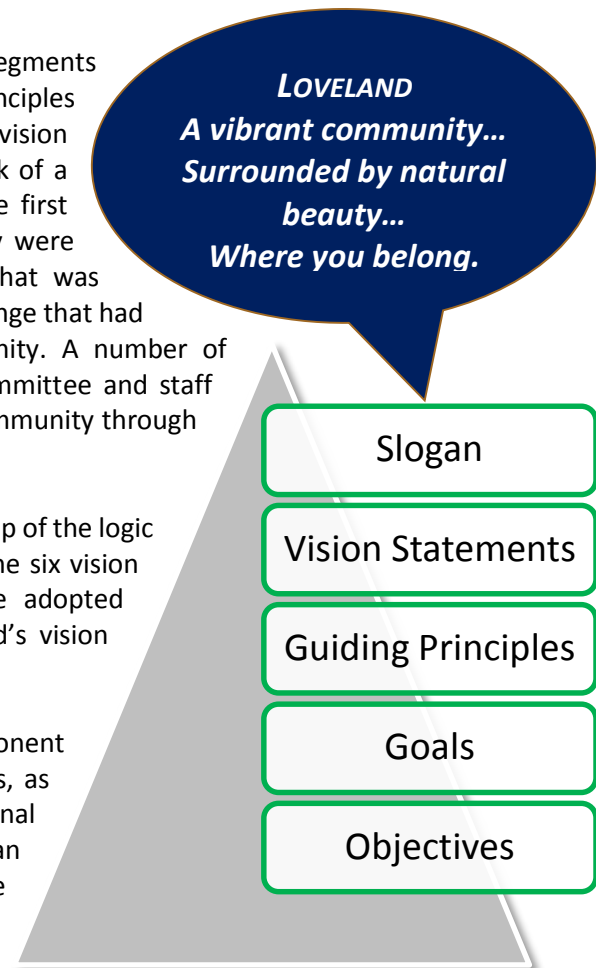
The City uses the Comprehensive Master Plan as its guiding document for financial planning. The vision statements and guiding principles of the Comprehensive Master Plan are shown below, followed by the Financial Master Plan for the General Fund.

City's Performance Measures

An extensive 15-month public process that incorporated all segments of the community amended vision statements and guiding principles of the Comprehensive Master Plan in 2004 and 2005. Those vision statements and guiding principles were founded in the work of a public process known as the Agenda for the 90's when the first slogan statement and vision statements for the community were developed. The 2004 public process captured the work that was applicable in the 90's and updated the statements for the change that had occurred to shape the 20-30 year vision for the community. A number of community volunteers driven by a 28 member steering committee and staff members invested 7,300 hours in setting the path for the community through 2030.

The City's performance measures were generated with the help of the logic model format and organized into six topic areas based on the six vision statements, as recommended to be amended, that were adopted previously by the City Council in 2002 along with Loveland's vision slogan.

Each topic area is further divided into functional or component areas most closely related to the adopted vision statements, as amended, and framed as guiding principles. These functional areas generally align with the elements outlined in the Plan Organizational Chart. The topic areas form the basis for the hierarchical organization (guiding principles, goals, objectives, etc.) incorporated into the general plan organizational framework.



Vision Statement 1: Loveland is a community that is characterized by welcoming neighborhoods with diverse housing opportunities that create a sense of individual belonging.

- *Guiding Principle 1:* Foster attractive development that enhances Loveland's built environment and encourage development that is sensitive to the distinctive character of Loveland.
- *Guiding Principle 2:* Encourage the development of a full range of housing types and a mix of housing densities throughout the city that are convenient to employment centers and quality public and private facilities and that meet the needs of all age and socio-economic groups.
- *Guiding Principle 3:* Formulate appropriate strategies and policies for geographic areas within Loveland needing redevelopment, renewal, and/or more detailed planning analysis, such as the Downtown, districts, corridors, neighborhoods, community separators, and transit-oriented developments.

Vision Statement 2: Loveland is a community that embraces the heritage and natural beauty of the region and values its strategic location.

- *Guiding Principle 4:* Preserve features of significant architectural, scenic, cultural, historical, or archaeological interest and promote awareness and appreciation of Loveland's heritage.
- *Guiding Principle 5:* Protect regional lands and lands within the Loveland Growth Management Area (GMA) that have important natural resource, recreational, agricultural, and viewshed values from encroachment by the human-built environment.

Vision Statement 3: Loveland is a well-planned and environmentally-sensitive community where all citizens are safe, secure and have equal access to services and amenities, including recreational and cultural activities.

- *Guiding Principle 6:* Ensure that the City's recreation facilities and programs, parks, trail system, and golf facilities and programs remain an integral part of the community through an abundance of offerings, both structured and unstructured, that satisfy the community's leisure-time needs.

- *Guiding Principle 7:* Provide for the cultural needs of Loveland’s citizens and visitors through a variety of cultural, visual and performing arts facilities, programs, and activities.
- *Guiding Principle 8A:* Provide, establish, and sustain innovative community policing programs in accordance with nationally-recognized accreditation standards and maintain the necessary facilities to enable those programs.
- *Guiding Principle 8B:* Protect life and property through adequate and strategically-located fire and rescue facilities coupled with a wide range of emergency fire and rescue-related services and programs.
- *Guiding Principle 8C:* Provide the necessary facilities and programs to protect the citizens of the Thompson Valley Health Services District through Thompson Valley Emergency Medical Services (EMS).
- *Guiding Principle 8D:* Sustain the policies, programs, and procedures related to hazards risk assessment and mitigation and engage in emergency preparedness planning through the integration of the City’s adopted emergency management notification and response procedures.
- *Guiding Principle 9:* Guide the development of the community within the Loveland Growth Management Area (GMA) in order to meet present and future needs, while protecting the health, safety, order, convenience, prosperity, energy and resource conservation, and the general welfare of the citizenry.

Vision Statement 4: Loveland is a community with an integrated system of technology, utility and transportation networks that support a vital economy; and that coordinates with the plans of other regional governmental entities.

- *Guiding Principle 10A:* Recognize Loveland’s importance and impact as a major urban area within the northern Colorado region and support regional multi-modal transportation options and air quality maintenance efforts.
- *Guiding Principle 10B:* Plan a safe, efficient, continuous, coordinated, and convenient multi-modal transportation system that serves the current needs of the community and establishes the foundation for a transportation system that is sustainable for future generations.
- *Guiding Principle 10C:* Formulate appropriate strategies and policies that ensure that the Fort Collins-Loveland Municipal Airport is developed and operated in a manner compatible with its surrounding land uses and community goals.
- *Guiding Principle 11A:* Ensure that the general government facilities necessary to support new development meet or exceed the level-of-service standards adopted by the City.
- *Guiding Principle 11B:* Ensure that the community water facilities necessary to support new development meet or exceed the level-of-service standards adopted by the City.
- *Guiding Principle 11C:* Ensure that the community power facilities necessary to support new development meet or exceed the level-of-service standards adopted by the City.
- *Guiding Principle 11D:* Ensure that the community wastewater facilities necessary to support new development meet or exceed the level-of-service standards adopted by the City.
- *Guiding Principle 11E:* Ensure that the community stormwater utility facilities necessary to support new development meet or exceed the level-of-service standards adopted by the City.
- *Guiding Principle 11F:* Encourage community investment in the most advanced communications technologies available in an effort to stimulate economic development and meet the current and future needs of citizens, business, and government.
- *Guiding Principle 12:* Encourage a pattern of compact and contiguous development that directs growth to where infrastructure capacity is available, or committed to be available in the future, and take into account the adopted plans of, and agreements with, adjacent local governments to the extent that they reflect extra-jurisdictional interests.

Vision Statement 5: Loveland is a community that is a continuously developing partnership of citizens, business, health, and educational communities; with a stable and diverse economic base that offers ample employment and business opportunities to all.

- *Guiding Principle 13:* Promote the adequate provision of employment opportunities in an effort to sustain the economic health of Loveland and the northern Colorado region.
- *Guiding Principle 14:* Foster a system of education that meets the needs of the entire community.

- *Guiding Principle 14A:* Foster a system of elementary and secondary education that meets the needs of the entire community by teaching basic skills and creativity/critical thinking, by creating a sense of safety and belonging, and by facilitating the school-to-life transition.
- *Guiding Principle 14B:* Foster the development of post-secondary education opportunities that meet the academic, career technical, and lifelong education needs of the entire community.
- *Guiding Principle 14C:* Provide adequate library facilities and services that serve as the information center of the community, are accessible and active in outreach to people of all ages and backgrounds, and provide a diverse collection of resources and services that informs, educates, entertains, culturally enriches, bridges the past to the future, and connects one community resource with another.
- *Guiding Principle 15:* Recognize that all levels of government, along with the nonprofit and private sectors, play an important role in creating and implementing those policies and practices that support the responsible growth and development of the community.

Vision Statement 6: Loveland is a community that encourages active public involvement and is responsive to the health and human services needs of its citizens.

- *Guiding Principle 16:* Ensure that Loveland is a healthy community whose citizens live a healthy lifestyle, are well-informed about health issues, and have access to preventive, medical, and mental health programs and services.
- *Guiding Principle 17:* Provide the needed network of human services and outreach to ensure that all citizens, including special populations, can achieve their full potential and be self-sufficient.
- *Guiding Principle 18:* Engage, empower, inform, and educate citizens through meaningful public participation processes that encourage community and stakeholder collaboration in the decision-making process.

Logic Models

Logic models are in a separate document. However, the logic model has been incorporated in the budget document by extracting the department and division end outcomes in the detail pages that follow the department tab. The guiding principles are cross referenced by using “GP - #, letter” to demonstrate the link between the strategic and operational planning.



General Fund Overview

The Finance Master Plan is General Fund specific and is very helpful with regard to planning for the financial position of this fund given a set of assumptions. The paragraphs below highlight the assumptions and are intended to assist the reader with understanding the basis for projecting the financial position of the General Fund over the next 10 years.

Forecast Assumptions

The forecast of the Consumer Price Index (CPI) and Local Growth Factor used for the TABOR limit are based on the historical average the City has experienced. Actual amounts are not known until the month of March following the end of an individual fiscal year. The forecasted growth rate for the CPI is 3.9% in 2016 and 3.0% for all years in the plan. The Local Growth Factor is forecasted to be 2.6% in 2016 and the remaining years of the Plan, representing the City's historical average.

Revenue Assumptions

- By State law, the Property Assessor is required to reassess all property values every two years to meet the requirements of the Gallagher Amendment to the State Constitution. Historically, the City has experienced growth in assessments of 5.8% in non-reassessment years and 13.6% in reassessment (Gallagher) years. The recession has resulted in lower than average changes in property values. For 2016, values are expected to increase 12.0% over 2015 amounts. The property tax revenues assume the millage rate (property tax rate) will remain the same throughout the Plan and revenues will increase by the same amount as the property assessments. These are currently forecasted at 12.0% in 2016, and 5.5% for the remaining years in the plan.
- The City's sales tax base for 2016 is projected to increase by 3.0% over the 2015 forecasted amount, 3.5% in 2017, and annually at 4.0% in the remaining years of the Plan. This represents the historical average sales tax revenue growth the City has experienced since 1997, if the peak growth years and the recession years are excluded.
- Building use taxes are projected to increase 3.0% in 2016, 3.5% in 2017, and 4.0% through the remaining years in the plan.
- Revenue from all other taxes increases 3.0% throughout the plan.
- Intergovernmental revenue increases at a rate of 2.5% annually.
- Charges for service increase by 3.5% each year of the Plan.
- PILT revenues increase 5.9% in 2016, in part due to projected rate and service charge increases in the enterprise funds. Based on the forecasts in the ten-year plans for the enterprises, this revenue increases, on average, 6.8% in the remaining plan years.
- Interest is calculated at 1.0% of the expected beginning balance in 2016 and grows to 1.0% by 2018.
- The TABOR excess projections are preliminary and will vary depending on the CPI and local growth percentage for each year and actual revenues.

Expense Assumptions

- The 2016 Budget is the Recommended Budget for the departments and serves as the basis for projecting all the future years' expenditures.
- Department base budgets in each of the following years are increased 3.5% from the previous year's amount, with any one-time allocations removed.
- The street construction General Fund portion is funded at the amount necessary to match the Capital Expansion Fee contribution. The source of the General Fund contribution is excess TABOR revenues the voters have allowed the City to retain.
- The operations impact of capital projects included in the Capital Program are introduced in the year when the impact is expected to begin and then escalated annually at the same percentage as the other departmental expenditures.

Required Reserve Assumptions

- The required balance includes the TABOR 3.0% Emergency Operating Reserve; an unfunded liability reserve of \$200,000; a Library Reserve of \$315,285; projected revenues which are above the TABOR cap and not currently designated toward specific projects; and the amount of Council Capital Reserve not currently designated for specific projects. The ability to keep and spend TABOR excess revenue and use this revenue for police, fire, street construction and maintenance, and parks construction and maintenance was approved by the voters in the November 2011 election. This approval expires at the end of the 2024 budget year.
- The TABOR 3.0% Emergency Operating Reserve is a requirement of Article X, Section 20 of the State Constitution, which mandates government reserve 3.0% of the current year operating costs, excluding bonded debt, to be used for declared emergencies only.
- The Unfunded Liability reserve provides resources in the event payouts for accrued leave or other unfunded liabilities exceed budgeted resources in any one year.
- The Library Reserve is for donations or endowments given to the Library that have not yet been appropriated.
- The Council Capital Reserve was established by ordinance in 2001. The ordinance requires setting aside 2.50% of all tax revenue under the TABOR revenue cap for capital projects.
- The City went under the TABOR limit beginning in 2010 and is expected to remain so in all but four years of the Plan (2013-2016). However, the projections are only under the limitation by a maximum of 1.7%, in any one year, with most years under by about 1.2%. Changes in the economy or a small return to the building growth experienced in prior years will result in the City being over the limitation.
- The Council approved a fund balance policy that places a target for unassigned fund balance to remain at 15% of the operating expense to keep funding available should there be a significant unexpected economic downturn. The funding act as a bridge to keep city services functioning until a process to determine how to bring expenditures back within the revenue stream was completed.

Analysis

The Plan, as presented, shows revenues exceed expenses in all out-years of the Plan. However, in 2015 the forecast shows expenditures exceeding revenues. In 2016 and 2017, the trend continues due to timing of capital expenditures. However, The Plan shows total resources exceeding expenditures in every year of the plan. It is important to note that this is a status quo plan, showing that the City can meet the existing service commitments. This methodology helps to show the potential amounts that may become available for increased expense due to growth or new Council service objectives. Some growth in expenses may be possible, but the scale of needs is larger than the surpluses. The City has identified the following projects to be fully or partially funded by TABOR excess reserves; Viestenz-Smith Mountain Park, Fire Apparatus Replacement, Fire Station 10 and Police Training Property & Facility. The Fire Service operations impact of capital improvements is included with Station 10 in 2019. The Police Department has completed a Staffing Plan. 2016 allocations are based on the results of this Plan at the Tier 2 level, but future year impacts have not been included at this time. Should the economy hold, the City may have the ability to fully fund the staffing plan beginning in 2018. The operating costs for the new Police Training Facility are scheduled in 2018. Policy issues outside of the Capital Program that are being discussed by staff are:

- Increasing Police Department staffing due to growth in the City based on the study and to operate a new training facility;
- Adequately continuing funding street rehabilitation due to the increase in new streets from past development;
- Increasing transportation funding to meet projected growth;
- Increasing staffing in all departments to maintain current service levels due to growth in the community;
- The Fire Strategic Plan identifies other service and staffing enhancements for firefighter safety and adequate response that are not in the current Financial Master Plan. While the Financial Master Plan has sufficient revenues to include the entire Fire Strategic Plan, doing so would limit the expansion of other services provided by the General Fund. These are future year policy decisions that should be made deliberately within the organizational context.

There may not be enough revenue in the Financial Master Plan to fully fund all of these policy objectives, particularly in the short term. The decisions to balance this diverse set of requests will need to be made within the available dollars shown in the Financial Master Plan to ensure the financial stability of the organization. As mentioned earlier, City Council and staff can change the scenario presented in this Plan by:

- Increasing revenue as compared to the current assumptions;
- Referring a ballot issue for new or increased taxes to the voters to cover the policy initiatives;
- Increasing the spacing between new capital projects to reduce new operating costs over the short term;
- A reduction in current programs; and/or,
- Reducing the scope of the Capital Program.

Finance Master Plan

	2014 Year end	2015 Adopted	2015 Revised	2016 Projected
Beginning Fund Balance	52,274,401	25,994,050	54,788,834	42,602,550
REVENUES				
Property Tax	7,534,147	7,602,000	7,602,000	8,514,240
Current Sales Tax Base	39,360,657	41,988,680	40,938,963	42,167,132
Use Tax	6,065,017	4,974,910	4,974,910	5,124,157
Other Taxes	3,284,980	2,815,690	2,815,690	2,985,662
Licenses & Permits	2,663,715	2,333,070	2,333,070	3,117,688
Fines & Forfeits	938,710	970,000	970,000	922,800
Intergovernmental	968,123	453,950	453,950	467,212
User Fees	4,196,782	4,151,000	4,151,000	4,309,545
Interest	740,989	347,350	347,350	328,430
Others	1,214,809	1,148,990	1,172,190	713,601
Internal Service Transfers General Fund	6,383,415	6,486,990	6,486,990	6,050,894
Internal Service Transfers Non- General Fund	4,420,711	4,936,290	4,936,290	5,031,043
PILT	5,847,209	6,297,920	6,299,756	6,669,850
Transfer from Power for Econ Development	81,560	84,410	84,410	82,191
Transfer from Lodging Tax	25,000	25,000	25,000	25,000
TOTAL REVENUES	\$ 83,725,825	\$ 84,616,250	\$ 83,591,569	\$ 86,509,445
TOTAL REVENUES & SOURCES	\$ 136,000,226	\$ 110,610,300	\$ 138,380,403	\$ 129,111,995
EXPENDITURES				
Legislative	162,625	153,590	153,590	144,678
Executive & Legal	2,246,175	2,458,290	2,488,290	2,538,172
City Clerk	599,214	688,780	700,021	682,856
Cultural Services	1,894,787	1,955,840	1,990,740	1,871,173
Development Services	3,739,677	4,064,170	4,756,109	4,055,001
Economic Development	5,071,156	1,191,400	1,470,532	1,146,521
Finance	4,686,909	4,888,570	4,915,725	5,146,315
Fire & Rescue	6,523	-	-	-
Human Resources	1,108,002	1,269,810	1,269,810	1,288,939
Information Technology	3,255,595	3,294,930	3,474,651	3,292,004
Library	3,043,028	3,167,350	3,221,771	3,161,114
Parks & Recreation	11,029,057	9,468,930	10,045,310	9,554,084
Police	18,410,618	19,341,890	19,722,370	20,048,591
Public Works	5,507,029	5,228,480	5,618,955	5,803,720
Water & Power River	-	-	-	-
Non-Departmental	968,125	596,520	585,587	845,381
Transfers	71,240	65,000	65,000	56,600
Business Incentive Program	1,764,440	450,000	450,000	-
City Contribution to Fire Authority	7,614,578	9,568,750	9,988,576	10,173,255
Contribution to Downtown Organization	-	-	-	500,000
Transit Operating Subsidy	822,110	1,152,380	1,152,380	1,242,667
Transportation Operating Subsidy	4,752,046	5,672,900	8,404,883	5,626,263
Contribution to Employee Benefits	-	-	-	5,342,782
Sunrise Health Center (not yet appropriated)	-	-	-	-
Stone Soup (not yet appropriated)	-	-	-	-
Art Space Loan (not yet appropriated)	-	-	-	-
TOTAL OPERATING EXPENDITURES	\$ 76,752,933	\$ 74,677,580	\$ 80,474,300	\$ 82,520,116
NET OPERATING REVENUES (LOSS)	\$ 6,972,892	\$ 9,938,670	\$ 3,117,269	\$ 3,989,329
CAPITAL				
Net Capital Expense	2,320,591	1,777,580	6,574,186	5,080,810
Street Construction Projects	382,619	571,000	571,000	546,000
Bridge program	224,115	100,000	100,000	100,000
Olsen Annexation	-	-	-	-
Internal Loan Repayment (Recreation an Fire CEF)	-	269,160	-	-
Early Repay of Fire CEF Internal loan	10,021	289,790	289,790	-
Evergreen loan repayment (2016 - 2025)	-	-	-	254,920
Early Repay of Recreation CEF Internal loan	10,576	400,000	669,160	-
Water Enterprise Principal Payment	752,983	750,000	750,000	750,000
Equipment Replacement	757,554	1,534,440	6,349,417	2,693,243
South Catalyst Project Land Purchase	-	-	3,218,877	-
TOTAL CAPITAL EXPENDITURES	\$ 4,458,459	\$ 5,691,970	\$ 15,303,553	\$ 9,424,973
NET CHANGE IN FUND BALANCE	\$ 2,514,433	\$ 4,246,700	\$ (12,186,284)	\$ (5,435,644)
Ending Fund Balance	54,788,834	30,240,750	42,602,550	37,166,906
Required Balance	21,928,512	11,548,073	19,064,330	17,679,211
NET SURPLUS (DEFICIT)	\$ 32,860,322	\$ 18,692,677	\$ 23,538,221	\$ 19,487,696
Reserve Policy Requirement (15% of Oper. Expense)	\$ 11,512,940	\$ 11,201,637	\$ 12,071,145	\$ 12,378,017
Amount Above (Under) Policy	\$ 21,347,382	\$ 7,491,040	\$ 11,467,076	\$ 7,109,678

2017 Projected 37,166,906	2018 Projected 36,560,827	2019 Projected 42,256,468	2020 Projected 48,554,821	2021 Projected 56,334,094	2022 Projected 65,029,827	2023 Projected 76,433,836	2024 Projected 89,017,338	2025 Projected 102,369,796
8,982,520	9,476,560	9,997,770	10,547,650	11,127,770	11,739,800	12,385,490	13,066,690	13,785,360
43,642,980	45,388,700	47,204,250	49,092,420	51,056,120	53,098,360	55,222,290	57,431,180	59,728,430
5,303,500	5,515,640	5,736,270	5,965,720	6,204,350	6,452,520	6,710,620	6,979,040	7,258,200
3,075,230	3,167,490	3,262,510	3,360,390	3,461,200	3,565,040	3,671,990	3,782,150	3,895,610
3,211,220	3,307,560	3,406,790	3,508,990	3,614,260	3,722,690	3,834,370	3,949,400	4,067,880
927,410	932,050	936,710	941,390	946,100	950,830	955,580	960,360	965,160
478,890	490,860	503,130	515,710	528,600	541,820	555,370	569,250	583,480
4,460,380	4,616,490	4,848,360	5,018,050	5,193,680	5,375,460	5,563,600	5,758,330	5,959,870
278,750	365,610	422,560	728,320	1,126,680	1,625,750	1,910,850	2,225,430	2,559,240
738,580	764,430	791,190	818,880	847,540	877,200	907,900	939,680	972,570
6,262,680	6,481,870	6,708,740	6,943,550	7,186,570	7,438,100	7,698,430	7,967,880	8,246,760
5,207,130	5,389,380	5,578,010	5,773,240	5,975,300	6,184,440	6,400,900	6,624,930	6,856,800
7,210,920	7,805,260	8,373,310	8,985,090	9,603,120	10,127,220	10,723,030	11,305,270	11,905,270
85,070	88,050	91,130	94,320	97,620	101,040	104,580	108,240	112,030
25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
\$ 89,890,260	\$ 93,814,950	\$ 97,885,730	\$ 102,318,720	\$ 106,993,910	\$ 111,825,270	\$ 116,670,000	\$ 121,692,830	\$ 126,321,660
\$ 127,057,166	\$ 130,375,777	\$ 140,142,198	\$ 150,873,541	\$ 163,328,004	\$ 176,855,097	\$ 193,103,836	\$ 210,710,168	\$ 228,691,456

144,678	144,678	144,678	144,678	144,678	144,678	144,678	144,678	144,678
2,627,010	2,718,960	2,814,120	2,912,610	3,014,550	3,120,060	3,229,260	3,342,280	3,459,260
706,760	731,500	757,100	783,600	811,030	839,420	868,800	899,210	930,680
1,936,660	2,004,440	2,074,600	2,147,210	2,222,360	2,300,140	2,380,640	3,003,960	3,109,100
4,196,930	4,343,820	4,495,850	4,653,200	4,816,060	4,984,620	5,159,080	5,339,650	5,526,540
1,186,650	1,228,180	1,271,170	1,315,660	1,361,710	1,409,370	1,458,700	1,509,750	1,562,590
5,326,440	5,512,870	5,705,820	5,905,520	6,112,210	6,326,140	6,547,550	6,776,710	7,013,890
-	-	-	-	-	-	-	-	-
1,334,050	1,380,740	1,429,070	1,479,090	1,530,860	1,584,440	1,639,900	1,697,300	1,756,710
3,407,220	3,526,470	3,649,900	3,777,650	3,909,870	4,046,720	4,188,360	4,334,950	4,486,670
3,271,750	3,386,260	3,504,780	3,627,450	3,754,410	3,885,810	4,021,810	4,162,570	4,308,260
9,888,480	10,234,580	10,728,790	11,134,820	11,564,540	11,994,300	12,414,100	12,888,590	14,039,690
20,750,290	21,826,550	22,590,480	23,381,150	24,199,490	25,046,470	25,923,100	26,830,410	27,769,470
6,006,850	6,217,090	6,504,980	6,732,650	6,968,290	7,212,180	7,464,610	7,859,120	8,134,190
-	-	-	-	-	-	-	-	-
874,970	905,590	937,290	970,100	1,004,050	1,039,190	1,075,560	1,113,200	1,152,160
56,600	56,600	56,600	56,600	56,600	56,600	56,600	56,600	56,600
-	-	-	-	-	-	-	-	-
10,130,490	10,370,070	11,908,520	12,420,670	12,908,170	13,329,190	14,005,430	14,561,070	15,070,710
500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000	500,000
1,286,160	1,331,180	1,377,770	1,425,990	1,475,900	1,527,560	1,581,020	1,636,360	1,693,630
5,823,180	6,026,990	6,237,930	6,456,260	6,682,230	6,916,110	7,158,170	7,408,710	7,668,010
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
\$ 79,455,168	\$ 82,446,568	\$ 86,689,448	\$ 89,824,908	\$ 93,037,008	\$ 96,262,998	\$ 99,817,368	\$ 104,065,118	\$ 108,382,838
\$ 10,435,092	\$ 11,368,382	\$ 11,196,282	\$ 12,493,812	\$ 13,956,902	\$ 15,562,272	\$ 16,852,632	\$ 17,627,712	\$ 17,938,822

6,539,330	1,404,410	1,114,600	786,100	1,419,400	681,400	705,300	729,970	6,222,500
929,600	421,000	413,000	387,000	390,800	558,500	586,500	620,500	990,500
100,000	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
254,920	254,920	254,920	254,920	254,920	254,920	254,920	254,920	254,920
-	-	-	-	-	-	-	-	-
750,000	750,000	750,000	750,000	750,000	-	-	-	-
2,467,321	2,842,411	2,365,410	2,536,519	2,446,049	2,663,443	2,722,410	2,669,864	2,666,854
-	-	-	-	-	-	-	-	-
\$ 11,041,171	\$ 5,672,741	\$ 4,897,930	\$ 4,714,539	\$ 5,261,169	\$ 4,158,263	\$ 4,269,130	\$ 4,275,254	\$ 10,134,774
\$ (606,079)	\$ 5,695,641	\$ 6,298,352	\$ 7,779,273	\$ 8,695,733	\$ 11,404,009	\$ 12,583,502	\$ 13,352,458	\$ 7,804,048
36,560,827	42,256,468	48,554,821	56,334,094	65,029,827	76,433,836	89,017,338	102,369,796	110,173,845
14,470,135	15,839,625	17,225,812	18,690,529	20,215,033	21,653,570	23,144,363	24,696,979	25,964,898
\$ 22,090,693	\$ 26,416,843	\$ 31,329,009	\$ 37,643,565	\$ 44,814,794	\$ 54,780,267	\$ 65,872,976	\$ 77,672,818	\$ 84,208,947
\$ 11,918,275	\$ 12,366,985	\$ 13,003,417	\$ 13,473,736	\$ 13,955,551	\$ 14,439,450	\$ 14,972,605	\$ 15,609,768	\$ 16,257,426
\$ 10,172,417	\$ 14,049,858	\$ 18,325,592	\$ 24,169,829	\$ 30,859,243	\$ 40,340,817	\$ 50,900,370	\$ 62,063,050	\$ 67,951,522

	2014 Year end	2015 Adopted	2015 Revised	2016 Projected
CALCULATION OF REQUIRED BALANCE				
TABOR Excess Reserves Beginning Bal (CAFR) 2003-2012	7,202,531	3,568,561	6,819,912	4,180,302
Projected Tabor Annual Excess	-	-	-	-
Fire Apparatus Replacement	-	-	(1,458,610)	(652,300)
Barnes Park Field Lighting	-	-	(610,000)	-
Fire General Spartan Engine	-	-	-	-
Police Records Management System	-	-	-	-
Viestenz-Smith Mountain Park	-	-	-	(76,877)
Street Construction	(382,619)	(571,000)	(571,000)	(546,000)
TABOR Excess Reserve Ending Balance 2003-2012	\$ 6,819,912	\$ 2,997,561	\$ 4,180,302	\$ 2,905,125
TABOR Excess Reserves Beginning Balance 2013	44,027	4,621,399	7,804,263	10,765,747
Projected Tabor Annual Excess	7,760,236	938,892	2,961,484	2,000,000
Viestenz-Smith Mountain Park	-	-	-	(2,788,733)
Fire Apparatus Replacement	-	-	-	-
Training Center Property	-	-	-	-
Fire Station 10	-	-	-	-
Police Training Facility	-	-	-	(537,500)
Street Construction	-	-	-	-
TABOR Excess Reserve 2013	\$ 7,804,263	\$ 5,560,291	\$ 10,765,747	\$ 9,439,514
TABOR Excess Reserve	\$ 14,624,175	\$ 8,557,852	\$ 14,946,049	\$ 12,344,639
TABOR 3% Emergency (3% of Expenses)	2,439,462	2,291,550	2,508,145	2,556,401
Council Contingency	100,000	-	100,000	100,000
Unfunded Liability	200,000	200,000	200,000	200,000
Equipment Replacement	250,000	-	250,000	250,000
Museum Programs	460,120	-	460,000	460,000
Police Donations	18,774	-	20,000	20,000
Library Reserve	315,285	125,031	315,285	125,031
Required Reserves	\$ 3,783,641	\$ 2,616,581	\$ 3,853,430	\$ 3,711,432
Council Special Projects Fund Beginning Balance	4,637,902	(8,080)	3,520,697	264,851
Annual Council Set-Aside (2.5% Tax Revenue)	1,129,990	1,340,670	1,317,267	1,358,289
South Catylist Project	(804,599)	-	(3,218,877)	-
Land Purchases	-	-	(665,736)	-
Downtown Improvements	-	-	(250,000)	-
Sunrise Health Center	-	-	-	-
Business Flood Relief Program	-	-	(93,500)	-
House of Neighborly Services	(500,000)	-	-	-
Arcadia Hotel	-	-	(125,000)	-
Lincoln Place	-	-	(220,000)	-
Intra-Fund Loan Repayment on Land Purchase	(942,597)	(958,950)	-	-
Council Special Projects Fund Ending Balance	\$ 3,520,697	\$ 373,640	\$ 264,851	\$ 1,623,140
REQUIRED BALANCE	\$ 21,928,512	\$ 11,548,073	\$ 19,064,330	\$ 17,679,211

2017 Projected	2018 Projected	2019 Projected	2020 Projected	2021 Projected	2022 Projected	2023 Projected	2024 Projected	2025 Projected
2,905,125	2,905,125	2,905,125	2,905,125	2,905,125	2,905,125	2,905,125	2,905,125	2,905,125
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
\$ 2,905,125	\$ 2,905,125	\$ 2,905,125	\$ 2,905,125	\$ 2,905,125	\$ 2,905,125	\$ 2,905,125	\$ 2,905,125	\$ 2,905,125
9,439,514	4,909,384	4,677,774	4,364,774	4,077,774	3,786,974	3,328,474	2,841,974	2,321,474
2,000,000	1,000,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
-	-	-	-	-	-	-	-	-
(684,920)	-	-	-	-	-	-	-	-
(695,610)	(695,610)	-	-	-	-	-	-	-
-	(115,000)	-	-	-	-	-	-	-
(4,220,000)	-	-	-	-	-	-	-	-
(929,600)	(421,000)	(413,000)	(387,000)	(390,800)	(558,500)	(586,500)	(620,500)	(990,500)
\$ 4,909,384	\$ 4,677,774	\$ 4,364,774	\$ 4,077,774	\$ 3,786,974	\$ 3,328,474	\$ 2,841,974	\$ 2,321,474	\$ 1,430,974
\$ 7,814,509	\$ 7,582,899	\$ 7,269,899	\$ 6,982,899	\$ 6,692,099	\$ 6,233,599	\$ 5,747,099	\$ 5,226,599	\$ 4,336,099
2,457,675	2,558,669	2,671,646	2,770,843	2,864,492	2,967,793	3,076,193	3,202,049	3,331,491
100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000	200,000
250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000	250,000
460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000	460,000
20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
125,031	125,031	125,031	125,031	125,031	125,031	125,031	125,031	125,031
\$ 3,612,706	\$ 3,713,700	\$ 3,826,677	\$ 3,925,874	\$ 4,019,523	\$ 4,122,824	\$ 4,231,224	\$ 4,357,080	\$ 4,486,522
1,623,140	3,042,920	4,543,026	6,129,236	7,781,756	9,503,411	11,297,147	13,166,040	15,113,300
1,419,780	1,500,106	1,586,210	1,652,520	1,721,655	1,793,736	1,868,893	1,947,260	2,028,977
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
\$ 3,042,920	\$ 4,543,026	\$ 6,129,236	\$ 7,781,756	\$ 9,503,411	\$ 11,297,147	\$ 13,166,040	\$ 15,113,300	\$ 17,142,277
\$ 14,470,135	\$ 15,839,625	\$ 17,225,812	\$ 18,690,529	\$ 20,215,033	\$ 21,653,570	\$ 23,144,363	\$ 24,696,979	\$ 25,964,898

As a result of the Great Recession, the City developed a Sustainability Calculation from the Financial Plan. From this work it became evident that the City budget had a structural imbalance. That is on-going expenses were exceeding revenues available for the appropriation of the on-going expenses. With input from the public, staff and Council a Sustainability strategy was developed in 2012 to ensure there was adequate revenue to meet on-going expenses without the use of reserves. The calculation of the General Fund budget structure, which is still used as a sustainability guide, is shown below.

Calculation of Annual Genral Fund Budget Structure

	2014 Actual	2015 Adopted	2015 Revised	2016 Projected
Revenue				
Total General Fund Revenue	\$77,342,410	\$78,129,260	\$77,104,579	\$80,458,551
Council Special Projects Fund Contribution	(\$1,129,990)	(\$1,340,670)	(\$1,317,267)	(\$1,358,289)
Tabor Reserve Contribution	\$7,760,236	\$938,892	\$2,961,484	\$2,000,000
Tabor 3% Contribution	(\$320,300)	\$147,912	\$147,912	(\$264,851)
Net General Fund Revenue	\$83,652,356	\$77,875,394	\$78,896,708	\$80,835,411
Expenses				
Operating Expense Less Equipment Replacement	\$62,959,682	\$60,850,310	\$63,915,047	\$63,700,910
Total Capital, Equipment Replacement and Transfers	\$11,868,295	\$13,032,250	\$25,375,816	\$22,193,285
Net General Fund Expense	\$74,827,977	\$73,882,560	\$89,290,863	\$85,894,195
Less Capital Funded by TABOR Reserves	(\$382,619)	(\$571,000)	(\$2,639,610)	(\$4,601,410)
Less Capital Funded by Council Capital Reserves	(\$2,247,195)	(\$958,950)	(\$4,573,113)	\$0
Less Capital Funded by Other reserves	(\$997,695)	(\$1,539,790)	(\$1,808,950)	(\$1,004,920)
Less Fund balance used to fund previously approved expenses in the Rollover Ordinance	(\$2,775,380)	\$0	(\$4,985,560)	\$0
Net General Fund Expense Less Reserves	\$68,425,088	\$70,812,820	\$75,283,630	\$80,287,865
Net Revenue less Net Expense	\$15,227,269	\$7,062,574	\$3,613,078	\$547,546

2017 Projected	2018 Projected	2019 Projected	2020 Projected	2021 Projected	2022 Projected	2023 Projected	2024 Projected	2025 Projected
\$83,627,580	\$87,333,080	\$91,176,990	\$95,375,170	\$99,807,340	\$104,387,170	\$108,971,570	\$113,724,950	\$118,074,900
(\$1,419,780)	(\$1,500,106)	(\$1,586,210)	(\$1,652,520)	(\$1,721,655)	(\$1,793,736)	(\$1,868,893)	(\$1,947,260)	(\$2,028,977)
\$2,000,000	\$1,000,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
\$98,726	(\$100,994)	(\$112,977)	(\$99,197)	(\$93,649)	(\$103,301)	(\$108,400)	(\$125,856)	(\$129,442)
\$84,306,526	\$86,731,980	\$89,577,803	\$93,723,453	\$98,092,036	\$102,590,133	\$107,094,277	\$111,751,834	\$116,016,481
\$65,526,548	\$68,049,928	\$71,808,408	\$74,442,508	\$77,135,708	\$79,824,628	\$82,823,148	\$86,495,568	\$90,217,838
\$18,707,111	\$13,587,511	\$13,070,230	\$13,153,389	\$13,975,899	\$13,158,533	\$13,564,920	\$13,876,924	\$20,053,014
\$84,233,659	\$81,637,439	\$84,878,638	\$87,595,897	\$91,111,607	\$92,983,161	\$96,388,068	\$100,372,492	\$110,270,852
(\$6,530,130)	(\$1,231,610)	(\$413,000)	(\$387,000)	(\$390,800)	(\$558,500)	(\$586,500)	(\$620,500)	(\$990,500)
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
(\$1,004,920)	(\$1,004,920)	(\$1,004,920)	(\$1,004,920)	(\$1,004,920)	(\$254,920)	(\$254,920)	(\$254,920)	(\$254,920)
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
\$76,698,609	\$79,400,909	\$83,460,718	\$86,203,977	\$89,715,887	\$92,169,741	\$95,546,648	\$99,497,072	\$109,025,432
\$7,607,917	\$7,331,071	\$6,117,085	\$7,519,476	\$8,376,149	\$10,420,392	\$11,547,629	\$12,254,762	\$73,822,558

Initial Capital Operating Impacts

The initial operating impacts of capital projects included in the Capital Program are shown below. The impacts are introduced in the year when they are expected to begin and then escalated annually in the Financial Master Plan at the same percentage as the other departmental expenditures.

Operating Impacts from the Capital Plan

Revenue

Project	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Service Center Expansion	-	-	-	-	-	-	-	-	-	-
Fire Station 2 additional engine	-	-	-	-	-	-	-	-	-	-
Fire Station 10 - Facilities Allocation	-	-	-	70,290	-	-	-	-	-	-
Museum Collections Storage - Facilities	58,000	-	-	-	-	-	-	-	-	-
Museum Expansion - Culture	-	-	-	-	-	-	-	-	540,000	-
Museum Expansion - Facilities Allocation	-	-	-	-	-	-	-	-	133,250	-
Fairgrounds Park Expansion - Parks	-	-	-	-	30,520	-	-	-	-	-
Loveland Sports Park - Parks	-	-	-	136,000	-	-	-	-	-	-
Neighborhood Parks - Parks	-	-	-	-	-	40,000	-	-	40,000	-
Kroh Park - Parks	-	-	-	-	-	-	25,000	-	-	-
Recreation Facility - Parks	-	-	-	-	-	-	-	-	-	700,000
Police Training Center - PD	-	-	350,000	-	-	-	-	-	-	-
Total	58,000	-	350,000	206,290	30,520	40,000	25,000	-	713,250	700,000