

**MINUTES
LAKEWOOD CITY COUNCIL
STUDY SESSION MEETING**

1:00 p.m.

August 24, 2009

Minutes are not a verbatim transcription, but rather an attempt to capture the intent of the speaker by the City Clerk.

ITEM 1 – CALL TO ORDER

Mayor Murphy called the meeting to order at 1:00 p.m. in the Council Chambers, Lakewood Civic Center, 480 S. Allison Parkway, Lakewood, Colorado.

ITEM 2 – ROLL CALL

Those present were: Mayor Bob Murphy, Presiding

Diana Allen
Doug Anderson
Karen Kellen
Sue King
Debbie Koop
Ed Peterson
Tom Quinn

Absent: Cindy Baroway
Adam Paul
Vicki Stack

Staff in attendance: Mike Rock, City Manager
Paul Kennebeck, Deputy City Attorney

Full and timely notice of this Study Session had been given and a quorum was present.

ITEM 3 – PRESENTATION – 2009 REVISED/2010 PROPOSED BUDGET

Mayor Murphy stated that this is the Annual Budget Session where tonight's discussion will be centered on the 2009 Revised/2010 Proposed Budget for the City of Lakewood.

He extended compliments to Staff for the great job they did on the proposed budget.

Mike Rock, City Manager, said the Budget Session is the single most intensive study session held annually. We're in difficult financial times, but hopefully, we'll see a turn-around. The budget shows our best effort in reflecting substantial cost cutting and fine tuning. It takes great effort to manage both the expenditures and investments and

we've worked hard on cost containment and revenue development. In this budget, we have reduced the base to reflect the down-turn we've seen. We project zero growth for the next 12 months; we've eliminated vacant positions, managed travel at every level; and delayed/deferred expenditures where possible.

In speaking about reserves and fund balances, he noted that the State requires a reserve of three percent and our actual projection is over 20% or \$19.3 million. Our end of the year fund balance was 20.4% or \$19.4 million.

Larry Dorr, Director of Finance, noted that in keeping with the City's commitment of "transparency in government" gave an explanation of the budget, and noted that the annual proposed budget is available on line for public viewing at www.lakewood.org.

He presented the budget timeline along with some 80 PowerPoint slides. He noted that the Budget and Audit Committee met and previewed all the details of the budget and that management of the budget is an ongoing project.

Each month, he gives a status report (revenues, expenditures, as compared to projections) of the City's financial position to Council, the Mayor, Budget and Audit Committee and Management Team. The budget is guided by Council's commitment to citizens and core community values, and it sets goals and objectives that communicate with the public. He explained the budget process and the makeup of the Budget and Audit Committee (three Council members and three citizen representatives). He reviewed budget practices and requirements and highlighted the difference between governmental funds and proprietary funds.

He noted that the majority of the City's monies are in the General Fund. Results of 2008 showed revenues exceeded the budget by \$1,483,000, and at the end of 2008, we had \$24,300,000 in revenues.

In speaking about the General Fund Income, Sales and Use Tax makes up most of the General Fund (59%). Most of the General Fund Expenses (72%) are in operating personnel. He briefly spoke about items that have increased, i.e. park maintenance, water, public defender, retiree health costs, street lights, and electricity.

He compared the General Fund Spending for 2008, 2009 and 2010.

Jay Hutchison, Director of Public Works, spoke about Capital Improvements and Preservation Programs (CIPP). He gave highlights of grants applied for and noted that there have been eight additions to the CIPP—six are new transportation projects and one new drainage project. There are no deletions from the plan. He briefly talked about the West Corridor Light Rail Coordination that includes, but not limited to, bike

bridges for Wadsworth and Kipling; local drainage improvements; trails, bike paths and sidewalks for C-470 trail extension, CDBG sidewalks at 14th, Wadsworth, and Sheridan; and sidewalks at 13 other locations.

He gave an update on the American Recovery and Reinvestment Act. Eight grants were applied for—four had dollar amounts listed; two are still in the works; and two were not funded.

Larry Dorr spoke about Tabor Refund and noted that in 2008 all revenue was under limit and 2008 property tax exceeded limit.

He extended a “thank you” to all Management Team members and staff who assisted with this presentation.

Mayor Murphy recessed the meeting at 2:15 p.m.

Mayor Murphy reconvened the meeting at 2:43 p.m.

Councilman Quinn asked about Risk Management and its current trend.

Larry Dorr stated that Risk Management insures for accidents, injuries and damage to property and he explained what measures the City has in place in this regard. Expenditures have come under budget with a substantial savings to the City.

Councilwoman Allen shared opinions from two members of the Budget and Audit Committee, encouraging the City to watch the sales tax numbers.

Mike Rock mentioned that cuts are not temporary. There is a process involved when it comes to dismantling programs. If there are recommendations for cuts, the cuts should remain. Staff will do some research and make suggestions for program dissemination choices in the event the economy does not get better.

During discussion, some Council members extended thanks to the Budget and Audit Committee and Staff for the great job they did on preparing the budget.

Mayor Murphy thanked all City of Lakewood employees for their part in getting the budget done and noted that our fund balance for 2010 is slightly more than forecasted.

ITEM 4 – ADJOURNMENT

There being no further business to come before the Council; Mayor Murphy adjourned the meeting at 3:33 p.m.

Submitted by:

Margy Greer, City Clerk