



CITY OF GOLDEN

**REVENUE MANUAL
2019 AND 2020**

Prepared by

The Finance Department

INTRODUCTION

This manual provides information on the City's major revenues that are received primarily from outside sources. Major revenue sources are considered to be those with greater than \$100,000 received annually. Cumulatively, the 2019 projections for the revenues identified in this manual account for 93% of the total revenues anticipated to be received by the City.

Please note that an Administrative Service Fee charged by the General Fund to the various enterprise funds is one of the major revenues included in this manual. However, Interfund Transfers and Internal Service fund's charges to other funds are not included in this manual or in the calculation of percentage of total revenues. One-time grants and bond proceeds are not considered major revenues, but are included in the calculation of total revenues.

The information provided in this manual for each revenue source includes:

- Distribution – the fund or funds where the revenue is accounted for.
- Source – the source of the revenue stream.
- Collection – the basis for and the logistics of the collection of the revenue.
- Five Year Trend – includes actual collections for the prior four years and the projection for the current year.
- Forecast – the projected revenue for the next two years.
- Rationale – the basis for the forecasted revenues.

REVENUE SUMMARY

<u>Page #</u>	<u>Revenue Source</u>	<u>Fund</u>	<u>2019 Total</u>	<u>2020 Total</u>
4	Property Tax	General Fund	7,545,900	7,923,200
7	Sales Tax	2/3 General Fund, 1/3 SUT Fund	17,413,650	17,936,100
8	Use Tax	2/3 General Fund, 1/3 SUT Fund	3,399,000	3,500,970
9	Building Use Tax	2/3 General Fund, 1/3 SUT Fund	750,000	750,000
10	Audit Revenue	2/3 General Fund, 1/3 SUT Fund	450,000	450,000
11	Vendor Discounts	General Fund	435,340	448,400
12	Auto Ownership Tax	General Fund	500,000	500,000
13	Xcel Franchise Fee	General Fund	989,125	1,013,850
14	Cable Franchise Fee	General Fund	206,040	208,100
15	Building Permit Fees	General Fund	600,000	600,000
16	Fire Contracts	General Fund	348,000	355,000
17	Rec Fees/Field Rental	General Fund	112,000	116,000
18	Campground Rentals	General Fund	523,000	550,000
19	Trash Service	General Fund	610,000	616,000
20	Admin Service Fees	General Fund	931,900	957,000
21	Plan Check Fees	General Fund	300,000	300,000
22	Cigarette Tax	General Fund	101,000	100,000
23	Road & Bridge	General Fund	358,000	361,580
24	Court Fines & Fees	General Fund	716,000	722,900
25	Gaming Grant	General Fund	169,108	175,000
26	Investment Income	All Funds	739,500	779,100
27	Water Sales	Water Fund	5,600,000	5,880,000
28	Coors Water Sales	Water Fund	400,000	600,000
29	Water Development Fees	Water Fund	200,000	200,000
30	WW Sales	Wastewater Fund	2,424,000	2,545,200
31	WW Development Fees	Wastewater Fund	75,000	75,000
32	Drainage Fees	Storm Drainage Fund	1,227,720	1,028,200
33	Cemetery Fees	Cemetery Fund	504,000	504,000
34	Splash Admissions	Splash Aquatic Park Fund	373,500	422,500
35	GCC Admissions	Community Center Fund	882,000	910,000
36	GCC Program Fees	Community Center Fund	1,067,110	1,077,800
37	Fossil Trace Green Fees	Fossil Trace Golf Course Fund	2,010,000	2,010,000
38	Fossil Trace Cart Rentals	Fossil Trace Golf Course Fund	623,000	623,000
39	Fossil Trace Driving Range	Fossil Trace Golf Course Fund	100,000	100,000
40	Fossil Trace Merchandise	Fossil Trace Golf Course Fund	650,000	650,000
41	Fossil Trace F&B	Fossil Trace Golf Course Fund	145,000	150,000
42	Highway Users Tax	Capital Programs Fund	526,534	523,901
43	Open Space Tax	Open Space Fund	724,200	738,700
44	Lottery Funds	Conservation Trust Fund	202,909	204,938
45	DDA - Property Tax	DDA Fund	266,425	277,080
46	DDA - Tax Increment	DDA Fund	260,000	320,000
Total Major Revenue Sources			<u>55,458,961</u>	<u>57,203,519</u>

PROPERTY TAX REVENUE

Distribution: General Fund 100%

Source: Golden property owners.

Collection: The collection process begins with the Jefferson County Assessor's Office. Two types of property are valued by the Assessor's Office: 1) "real property" (land & buildings) and 2) "personal property" (business machines & equipment). Once market values are established, the Assessor's Office computes the assessed valuation of property based on State-legislated assessment percentages. Property is assessed at the end of one year, for collection in the following year. An eight year history of these assessment percentages is provided in the table below:

Assessment Percentages

<u>Property Class</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Real Property:								
Commercial	29.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00
Residential	7.96	7.96	7.96	7.96	7.96	7.96	7.96	7.20
Personal Property:	29.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00

City of Golden Assessed Valuations

Total assessed valuation (in millions) for the City of Golden for the past eight years is demonstrated by the following table:

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Assessed Valuation	\$421.3	\$419.5	\$426.8	\$444.6	\$454.3	\$518.6	\$535.8	\$607.6

Mill Levies for Golden Residents

Assessments are furnished to the Jefferson County Treasurer's Office. The Treasurer's Office issues property tax bills to every property owner based on the property's assessed valuation and the total mill levy which local governments have certified for the year. Within Golden, mill levies are certified by the City of Golden, Jefferson County, R-1 Jefferson County School District and the Urban Drainage & Flood Control District. A few Golden property owners also are subject to mill levies issued by the Golden Downtown General Improvement District (2.352), Pleasant View Water and Sanitation District (0.552), Pleasant View Metro District (7.000), Fairmont Fire Protection District (11.794), and since 2015, the Golden Downtown Development Authority (5.000).

Payment

Property owners pay property taxes to Jefferson County in either two installments due February 28 and June 15 or in one installment due April 30. Jefferson County wire transfers the City's property taxes directly to the City's main bank account on the 10th of the month following the month that the collection is processed by Jefferson County.

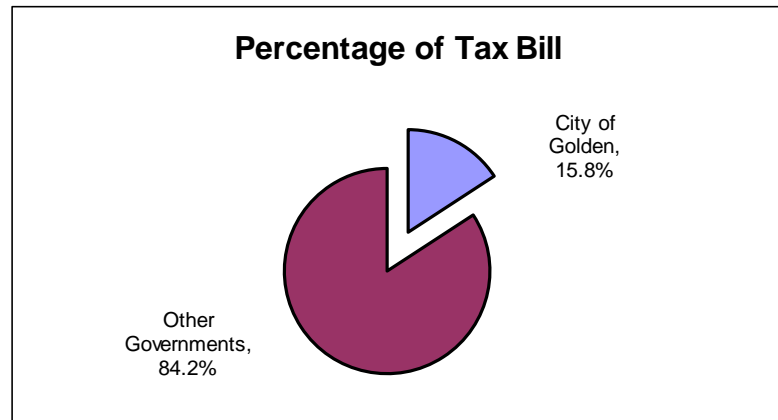
PROPERTY TAX REVENUE, continued

A five-year history of the mill levies which apply to all Golden taxpayers is provided in the table below:

Five Year Mill Levy History

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
City of Golden	12.340	12.340	12.340	12.340	12.340
Jefferson County	25.846	25.846	24.212	24.709	22.420
R-1 School District	50.369	50.165	47.487	45.941	42.878
Urban Drainage District	0.608	0.632	0.553	0.559	0.500
Total	<u>89.163</u>	<u>88.983</u>	<u>84.592</u>	<u>83.549</u>	<u>78.138</u>
City's % of Tax Bill	13.8%	13.9%	14.6%	14.8%	15.8%

City of Golden Percentage of Tax Bill



Computing the Property Tax Bill

The formulas used for computing property taxes are as follows:

$$\begin{aligned} \text{Assessed valuation} &= \text{Property market value} \times \text{Assessment ratio} \\ \text{Property tax} &= \text{Assessed valuation} \times \text{Mill Levy} / 1000 \end{aligned}$$

For the 2017 assessments paid in 2018, the owner of a home valued at \$400,000 would have paid \$355 in property taxes to the City of Golden and \$1,895 to the three other governments.

	<u>Golden</u>	<u>Other Governments</u>
Market value	\$ 400,000	\$ 400,000
x Assessment ratio	<u>7.20%</u>	<u>7.20%</u>
Assessed value	\$ 28,800	\$ 28,800
x Mill Levy	12.340	65.798
Divided by 1000	/1000	/1000
Property tax	\$355	\$1,895

Using the 29% business assessment percentage, a business with a 2017 market value of \$400,000 would have paid \$1,427 in property taxes to the City of Golden in 2018, and \$7,633 to the other three governments.

PROPERTY TAX REVENUE, continued

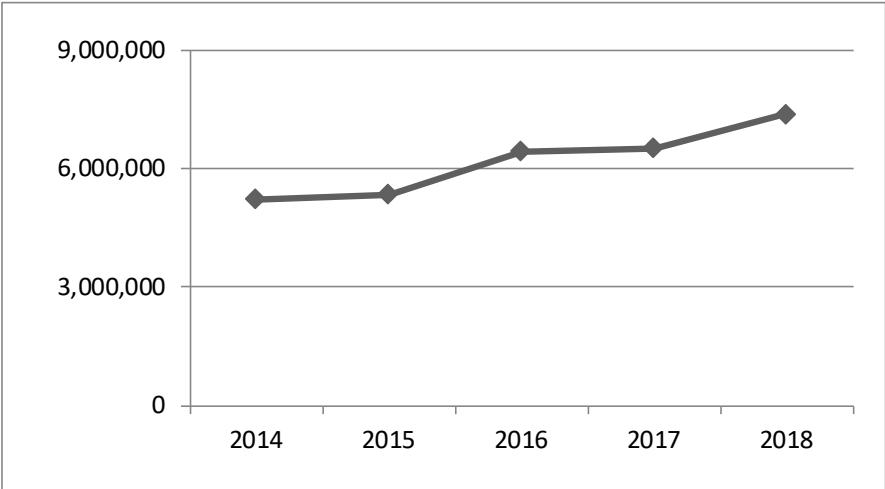
Legal Restrictions

The Taxpayer Bill of Rights (TABOR) Amendment to the Colorado Constitution limits property tax revenue growth to the amount collected the previous year, increased by the Denver-Boulder Consumer Price Index and a local growth factor. However, Golden citizens have voted to exempt the City from the revenue limit provisions of TABOR. TABOR also prohibits any increase to the mill levy except by election.

The Gallagher Amendment to the Colorado Constitution also restricts property tax growth in requiring the legislature to annually adjust the residential assessed valuation percentage to ensure that the proportion of residential to total State assessed valuation remains constant – residential properties pay 45% of the total property taxes, while commercial and industrial properties pay 55%. The residential assessment ratio noted in the table is a result of residential growth and market values rising relative to commercial market values. In order to maintain this proportional allocation, the residential property assessment percentage has declined from 21% in 1982 to the current level of 7.20%, while the non-residential property percentage has remained at 29%.

Finally, there is a statutory limitation which prohibits property tax revenue growth from exceeding 5.5% each year, adjusted for new construction, although it is generally held that home rule cities like Golden are exempt from this provision.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2014	5,216,038
2015	5,355,599
2016	6,429,541
2017	6,526,813
2018	7,381,000

Increases in even numbered years are partially due to the biennial property reassessment conducted by the County Assessor’s office. Recent residential and commercial construction has also contributed to the overall increase in revenues.

Forecast: 2019 \$7,545,900 2020 \$7,923,200

Rationale: Forecast for 2019 is based on preliminary valuation information for the County Assessor. The 5% increase in 2020 is based on the biennial reassessment, which should reflect the continued increase in the residential housing market, and new construction projects at Gateway Village, Interplaza, Coors Tech Center, and Corporate Center.

SALES TAX REVENUE

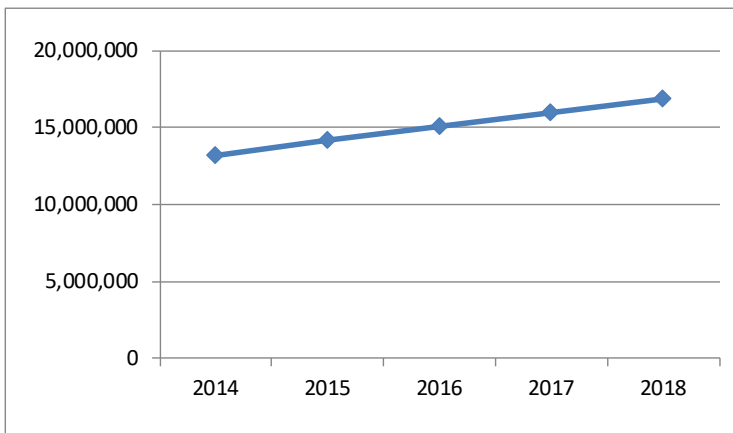
Distribution: General Fund 66.7%
Sales and Use Tax Capital Improvement (SUT) Fund 33.3%

Source: Visitors, residents and employees in Golden.

Collection: In 1979, the citizens of Golden voted to install a 2% sales and use tax. In 1991, the citizens voted to increase the sales and use tax rate to 3%, with the extra 1% to be earmarked for capital improvements. Sales tax is charged on certain services and all retail purchases including food.

As a home rule city, Golden collects and administers its own sales and use tax. Businesses remit tax to Golden on a monthly, quarterly or annual basis. Taxes collected are due to the City by the 20th of the month following collection. The City has established a lockbox for the efficient and secure deposit of sales and use tax monies. Returns are mailed directly to the bank, eliminating processing float. The City utilizes a number of enforcement procedures to collect from delinquent accounts including taxpayer education, delinquency notices, personal phone contact and visits, audits, summons to municipal court and seizures.

Five Year Trend:



<u>Year</u>	<u>General Fund</u>	<u>SUT Fund</u>	<u>Total</u>
2014	8,812,313	4,415,903	13,228,216
2015	9,492,395	4,701,838	14,194,233
2016	10,083,698	5,029,154	15,112,852
2017	10,651,432	5,326,047	15,977,479
2018	11,271,000	5,635,500	16,906,500

Sales tax revenues have shown strong, continued growth since the 2008/09 recession. In 2018, revenues are 0.8% above budget and 5.8% over 2017 through June sales. Projections for 2018 are to end the year at 2% over the 2018 budget, or 5.8% over 2017.

Forecast: **2019 \$17,413,650** **2020 \$17,936,100**

Rationale: Based on new retail establishments, increased population, small inflation increases, and increased remittances from on-line vendors, sales tax revenues are projected to continue to show a healthy increase, although leveling off some compared to the last 5 years. The forecast anticipates a 3% growth in Sales Tax for both 2019 and 2020.

USE TAX REVENUE

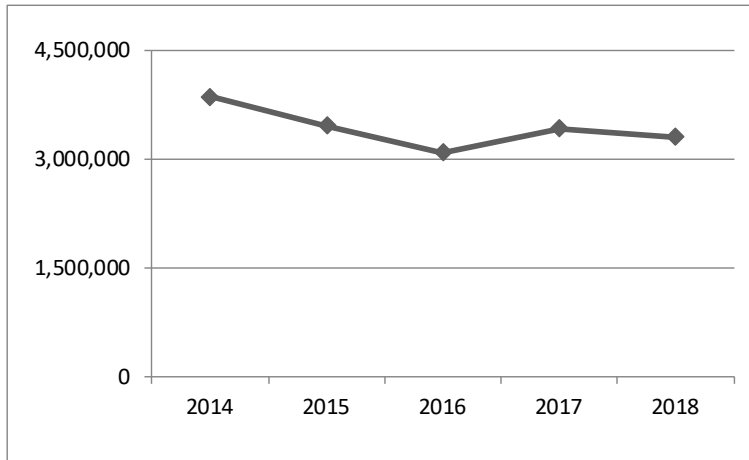
Distribution: General Fund 66.7%
Sales and Use Tax Capital Improvements Fund 33.3%

Source: Citizens and businesses in Golden, including automobile use tax collected and remitted by Jefferson County and use tax on business purchases remitted by Golden businesses.

Collection: In 1979, the citizens of Golden voted to install a 2% sales and use tax. In 1991, the citizens voted to increase the sales and use tax rate to 3%, with the extra 1% to be earmarked for capital improvements. Use tax is collected on purchases of items which are used in Golden and on which 3% local sales tax has not been paid to another jurisdiction.

Jefferson County collects automobile use tax and remits monthly to the City of Golden. Businesses remit tax to Golden on a monthly, quarterly or annual basis. Taxes are due to the City by the 20th of the month following purchase of the item. The City has established a lockbox for the efficient and secure deposit of sales and use tax monies. Returns are mailed directly to the bank, eliminating processing float. The City utilizes a number of enforcement procedures to collect from delinquent accounts including taxpayer education, delinquency notices, personal phone contact and visits, audits, summons to municipal court and seizures.

Five Year Trend:



<u>Year</u>	<u>General Fund</u>	<u>SUT Fund</u>	<u>Total</u>
2014	2,566,213	1,283,102	3,849,315
2015	2,302,920	1,151,142	3,454,062
2016	2,054,614	1,027,172	3,081,786
2017	2,277,497	1,136,122	3,413,619
2018	2,200,000	1,100,000	3,300,000

Use tax has fluctuated based on business investment, build out and new commercial development. The increases in 2014, 2015, and 2017 are a result of the improved economy and major facility improvements by a couple of large manufacturers in the City. While down compared to those years, 2016 and the projection for 2018 are still considered to be good amounts.

Forecast: **2019 \$3,399,000** **2020 \$3,500,970**

Rationale: Forecast anticipates a continued strong trend as seen in recent years (less the major improvements), with a 3% increase in 2019 and 2020 as businesses respond to the improving economy and increased consumer spending.

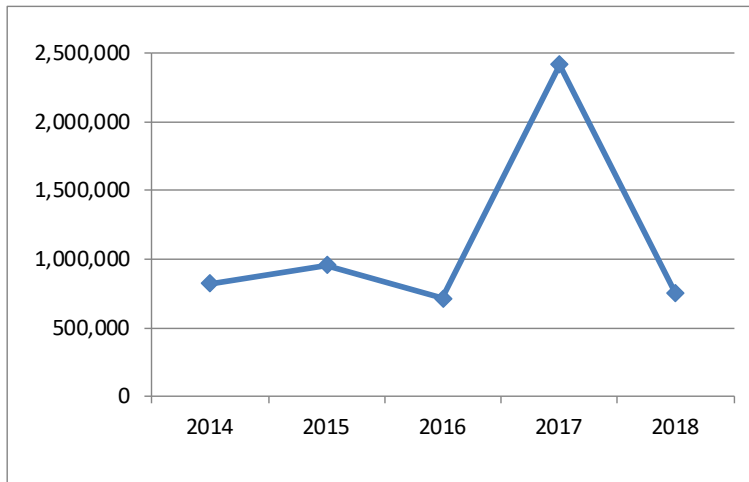
BUILDING USE TAX REVENUE

Distribution: General Fund 66.7%
Sales and Use Tax Capital Improvements Fund 33.3%

Source: Contractors, developers, Golden businesses and residents.

Collection: Building use tax is assessed at 3% of 50% of the estimated value of the construction project. Construction labor is typically not subject to use tax, and the City of Golden estimates that 50% of the building permit value is related to taxable materials, equipment, appliances, etc. Building use tax is estimated and collected by the Public Works Department at the time a building permit is obtained. Monies collected are deposited through the Finance Department.

Five Year Trend:



<u>Year</u>	<u>General Fund</u>	<u>SUT Fund</u>	<u>Total</u>
2014	546,468	273,248	819,716
2015	637,885	318,895	956,780
2016	474,816	237,372	712,188
2017	1,609,691	804,725	2,414,416
2018	500,000	250,000	750,000

Building Use Tax includes new residential construction and home improvements, as well as commercial construction and can fluctuate annually, primarily based on commercial construction. New residential construction is limited by a 1% growth cap. The increases in 2014 - 2015 are from new developments and expansions/relocations of existing businesses. The increase in 2017 is a combination of new construction and improvements (reroofs, etc.) as a result of a major hailstorm in May 2017.

Forecast: **2019 \$750,000** **2020 \$750,000**

Rationale: Forecast anticipates limited new residential building permits in 2019 and 2020, both well below the 1% growth cap, with some remodel and home improvement permits, and some commercial construction at Interplaza, Gateway Village, Coors Tech Center and Corporate Center.

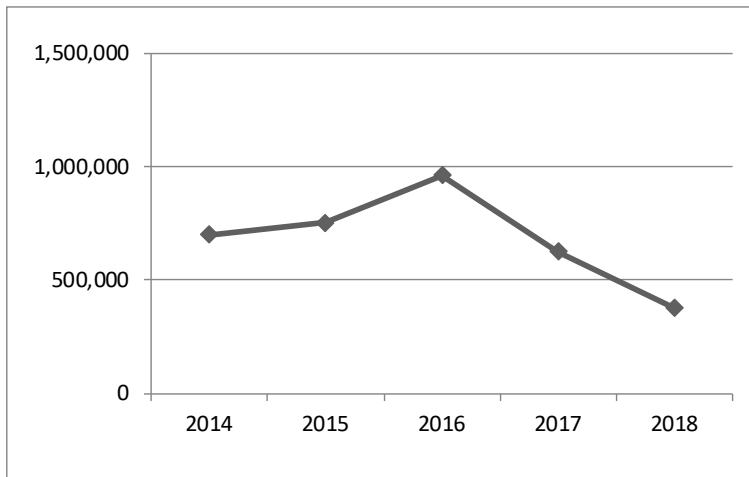
SALES & USE TAX AUDIT REVENUE

Distribution: General Fund 66.7%
Sales and Use Tax Capital Improvements Fund 33.3%

Source: Businesses doing business in Golden, also audits of construction projects for building use tax.

Collection: The City's audit program emphasizes taxpayer education and voluntary compliance. As a result, the City works with businesses which are delinquent or not remitting taxes to educate them on the correct way to calculate and remit sales and use tax. An audit may take 2 hours, or several months, to perform, depending on the complexity of the organization. Once the City completes an audit, it meets with the taxpayer to go over the audit assessment and make any appropriate adjustments or corrections. The taxpayer then has 30 days to pay the assessment, work out a settlement or payment plan, or protest the assessment. The City collects assessments through the Finance Department.

Five Year Trend:



<u>Year</u>	<u>General Fund</u>	<u>SUT Fund</u>	<u>Total</u>
2014	466,021	233,010	699,031
2015	522,417	229,924	752,341
2016	641,667	320,786	962,453
2017	416,725	208,328	625,053
2018	250,000	125,000	375,000

Audit revenues will fluctuate based on the size and number of audits, and the timing of collection. Audits are performed through on-site visits, by mail/e-mail correspondence (desk audits), or through the City's contract auditors, Revenue Recovery Group (RRG). Given that audits also result in on-going compliance, future audits of the same businesses are generally assessed at smaller amounts. Currently, the City has two audits in various stages of the appeal process. The amount, likelihood, and timing of collection on these audits is still unknown.

Forecast: **2019 \$450,000** **2020 \$450,000**

Rationale: Forecast is based on the continuation of the audit program with anticipated audits of several large businesses, re-engaging businesses for the next three-year audit period, and audits of larger construction projects. The forecast does not include any anticipated revenue from audits in litigation.

VENDOR DISCOUNT REVENUES

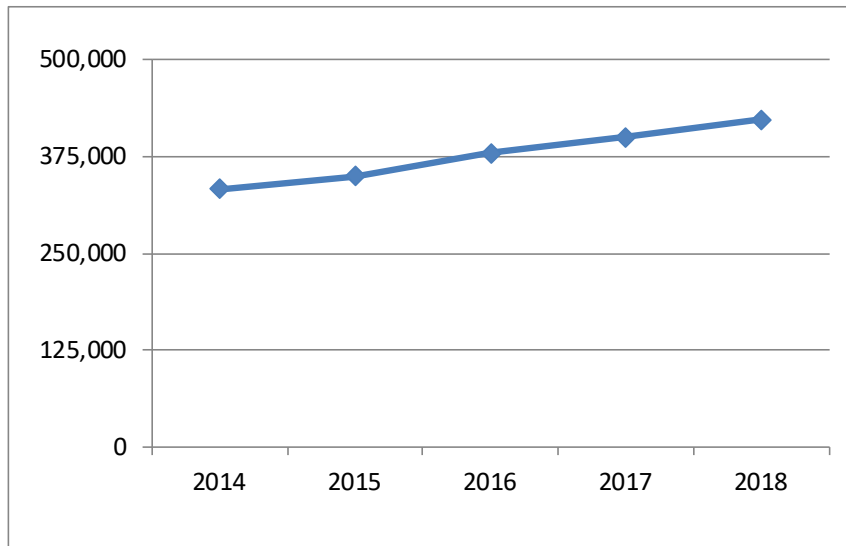
Distribution: General Fund 100%

Source: Visitors, residents and employees in Golden.

Collection: In 2001, City Council elected to temporarily waive the 2.5% vendor fee which was available to businesses that collect and remit Golden sales tax. The discount was calculated as 2.5% of sales tax collected if the tax was remitted to the City by its due date. City Council allocated the discount to cover the costs of city-wide economic development efforts. Council has continued to extend the program, currently approved through 2020.

As a home rule city, Golden collects and administers its own sales and use tax. Businesses remit tax to Golden on a monthly, quarterly or annual basis. Taxes collected are due to the City by the 20th of the month following collection. The City has established a lockbox for the efficient and secure deposit of sales and use tax monies. Returns are mailed directly to the bank, eliminating processing float. The vendor discount is calculated by staff and transferred by journal entry to a separate revenue account.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2014	332,593
2015	349,328
2016	379,359
2017	400,036
2018	422,700

Community marketing and economic development efforts have been focused on increased awareness of the Golden area businesses and awareness of community events. Programs include local advertising on radio, bus panels, and in newspapers; billboards at DIA; circulation of promotional coupons and mailers; and enhanced public relations and media attention on community events. Fluctuations correlate with Sales Tax revenues and timeliness of remittances.

Forecast: **2019 \$435,340** **2020 \$448,400**

Rationale: Forecast is proportional to the projected annual increases in sales tax revenue and the historical percentage compared to General Fund sales tax revenue.

AUTO OWNERSHIP TAX REVENUE

Distribution: General Fund 100%

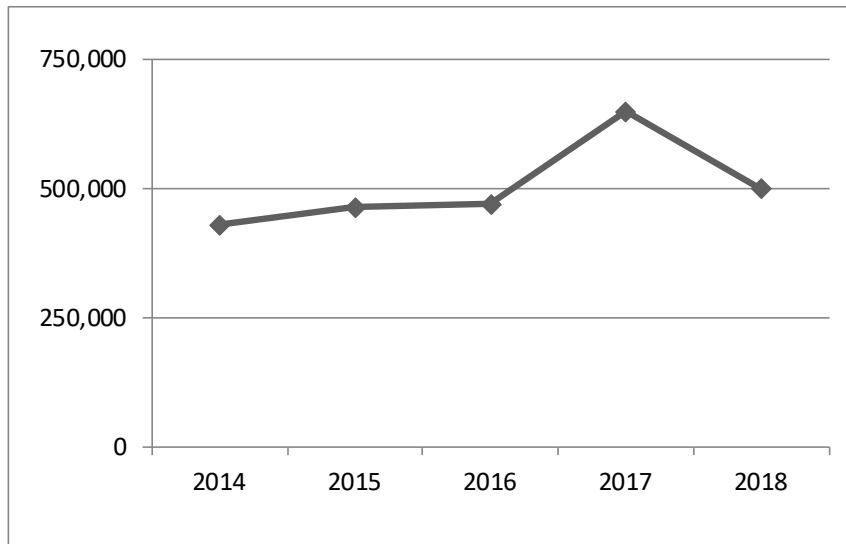
Source: Residents and businesses of Golden.

Collection: The State of Colorado establishes the statutory authority for collecting auto ownership tax. Vehicle owners pay auto ownership tax upon registration of the vehicle and annually thereafter to Jefferson County, which acts as a collection agent for the State. The amount of tax is based on the value of the vehicle. Jefferson County distributes the tax accordingly:

- (1) \$.50 of each ownership tax payment goes to the State of Colorado to maintain the motor vehicle computer system.
- (2) \$.50 of each ownership tax payment goes to Jefferson County's general fund to pay for clerical processing.
- (3) The remainder of the tax is distributed to Golden based on a percentage derived by comparing ad valorem (property) taxes collected by the county on behalf of the City to total ad valorem taxes collected for all taxing authorities in the county.

The City of Golden receives its share via wire transfer from Jefferson County into its main bank account on the 10th of the month following the month that the collection is processed by Jefferson County.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2014	429,915
2015	464,543
2016	470,758
2017	648,626
2018	500,000

The fluctuations are due to changes in the patterns of new car purchases and the value of the cars purchased. For the long term and with the City's 1% growth cap on residential permits, Golden is not growing as fast as other areas in the County. As a result, the percentage of ad valorem taxes for Golden compared to the rest of the County is declining from prior years. The recent increases are an indication of the improved economy, offsetting the decline in ad valorem taxes.

Forecast: **2019 \$500,000** **2020 \$500,000**

Rationale: Forecast anticipates stable revenue in 2019 and 2020. New car purchases and subsequent ownership tax is expected to increase to offset the declining percentage of ad valorem taxes.

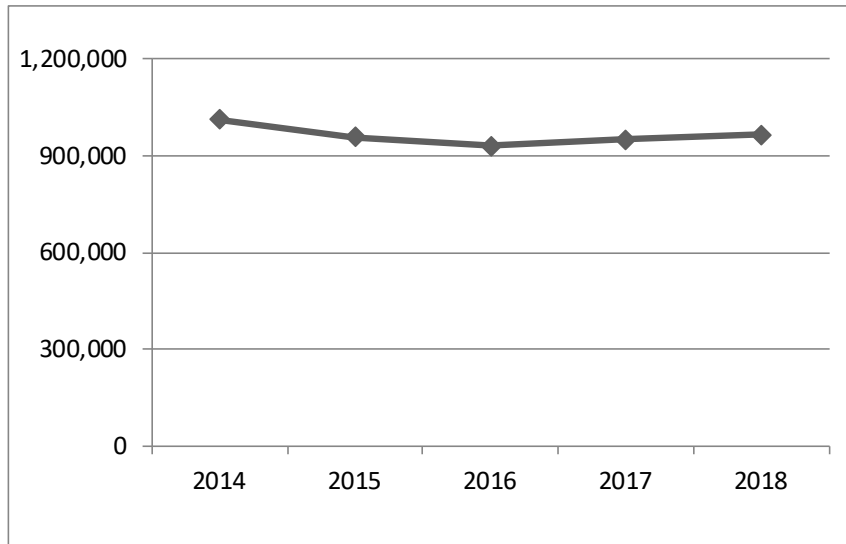
XCEL ENERGY FRANCHISE FEE

Distribution: General Fund 100%

Source: 3% of gross revenues received by Xcel Energy on sales of gas and electricity within the City.

Collection: Under the auspices of the franchise agreement with Xcel Energy, they are to remit to the City monthly payments no later than 30 days following the close of the month.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2014	1,010,966
2015	958,399
2016	930,312
2017	949,196
2018	965,000

Revenues fluctuate based on the combination of the number of customers, consumption, and utility rates. Several rate increases have occurred over the last few years. Consumption varies primarily with the severity of temperatures in the summer and winter months.

Forecast: **2019 \$989,125** **2020 \$1,013,850**

Rationale: Forecast anticipates a conservative increase of approximately 2.5% in both 2019 and 2020 to allow for an increase in the customer base, consumption, and/or rate increases.

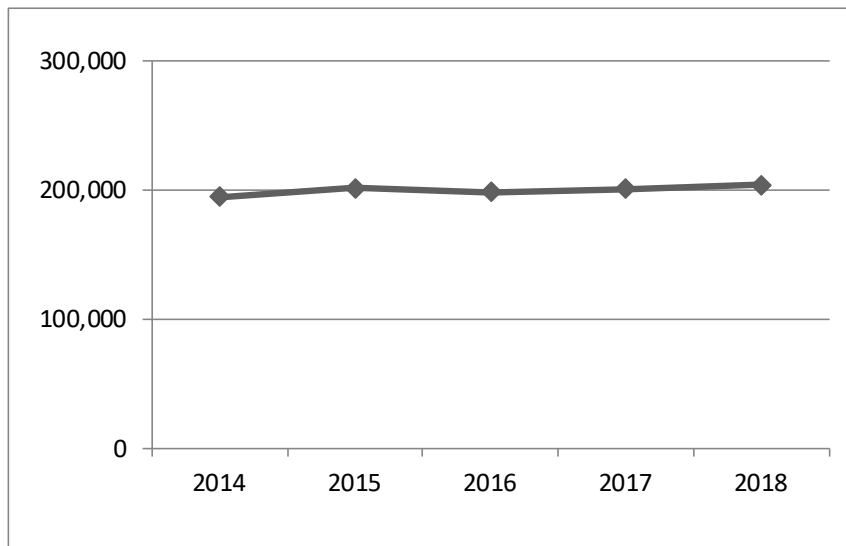
CABLE FRANCHISE FEE

Distribution: General Fund 100%

Source: 5% of gross revenues received by Comcast on sales of cable television within the City. The Franchise Agreement allows Comcast a right of way on/under City streets to operate its cable system in exchange for a fee charged on revenues from the Cable System.

Collection: Under the auspices of the franchise agreement with Comcast, they are to remit to the City quarterly payments no later than 30 days following the close of each quarter.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2014	194,975
2015	201,394
2016	198,874
2017	201,160
2018	204,000

The fluctuations reflect a generally stable or slightly declining customer base offset by the charges for the various program packages available along with periodic rate increases.

Forecast: **2019 \$206,040** **2020 \$208,100**

Rationale: Forecast anticipates 1% annual increases to allow for a stable customer base and minimal rate increases.

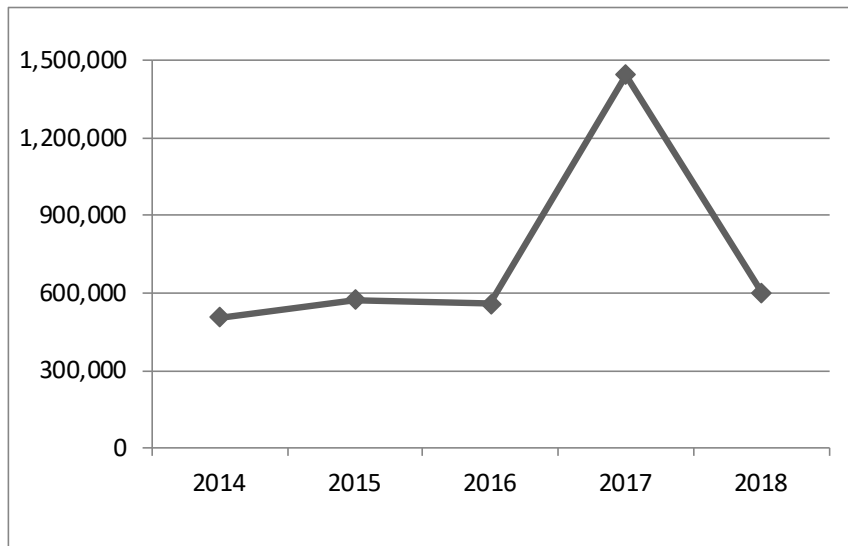
BUILDING PERMIT REVENUE

Distribution: General Fund 100%

Source: Contractors, Developers, Golden businesses and residents.

Collection: The building permit fee is determined by Public Works in accordance with the standard fee schedule based on total valuation of the construction project contained in the Uniform Building Code. The fee is paid at the time a building permit is obtained. Monies collected are deposited through the Finance Department. Additional fees are collected as determined through the audit of building projects.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2014	504,569
2015	574,243
2016	558,755
2017	1,442,391
2018	600,000

The impact of commercial construction can result in a fluctuation in revenues. New residential construction permits are declining as the City approaches residential build out. The increase in 2017 is a combination of new construction and improvements (reroofs, etc.) as a result of a major hailstorm in May 2017.

Forecast: **2019 \$600,000** **2020 \$600,000**

Rationale: Forecast anticipates stable revenue going forward based on typical remodels, basement finishes, etc., some new commercial at Gateway Village, Corporate Center and Coors Tech Center, and an occasional residential project.

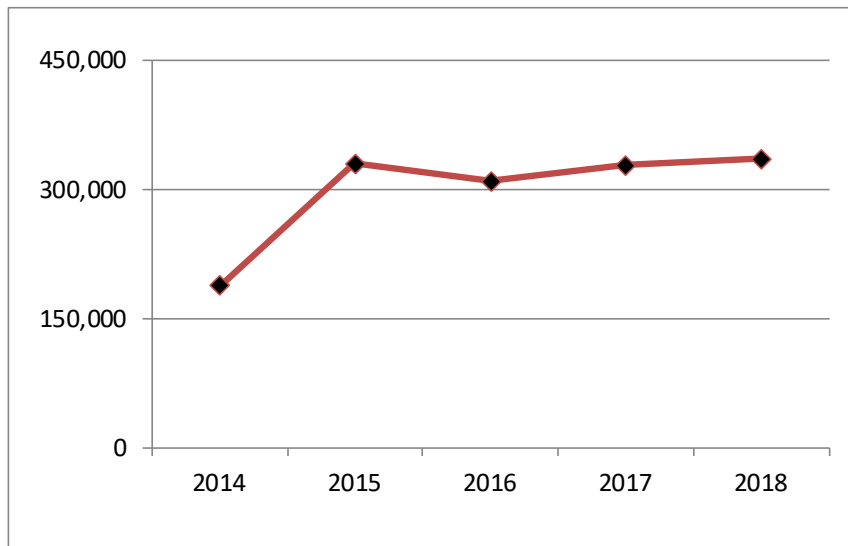
FIRE CONTRACT FEE REVENUE

Distribution: General Fund 100%

Source: Contracts with businesses, governments and residents for providing fire service out of the city limits.

Collection: The City establishes fees charged through negotiation with each property outside the city limits for which it provides fire service. The formula used as a basis for negotiations calculates the charge on the equivalent amount of property taxes the entity would pay to support the fire department if the entity was located within Golden. The City is paid on an annual basis through the Finance Department depending on the stipulations of the various contracts.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2014	188,592
2015	330,482
2016	309,648
2017	328,191
2018	335,800

Revenues are based on contracted amounts. Agreements are currently in place with Fairmount Fire District, CoorsTek, and one residential property.

Forecast: **2019 \$348,000** **2020 \$355,000**

Rationale: Forecast is based on the contracts with CoorsTek and the residential property, and a revenue sharing agreement with Fairmount Fire Protection District.

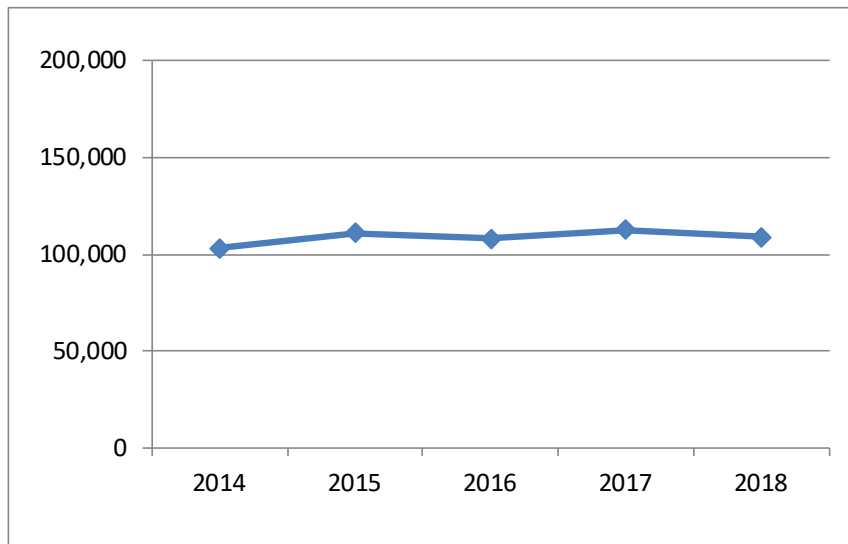
RECREATION FEES/FIELD RENTAL REVENUE

Distribution: General Fund 100%

Source: Fees paid by individuals and teams for programs offered by the Parks & Recreation Department for outdoor recreation activities, including: tennis, in-line hockey, softball, flag football, soccer, T-Ball, and baseball. Also includes field rental fees for programs and tournaments offered by outside agencies.

Collection: The City establishes fees charged per cost recovery policies established by the Parks & Recreation Department and approved by City Council. Monies are collected by the Parks & Recreation Department and deposited through the Finance Department.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2014	103,188
2015	111,143
2016	108,263
2017	112,566
2018	109,000

The increase beginning in 2015 is an indication of an improved economy and increased population in the area. The fluctuations from year-to-year are minor and could be explained by slight changes in demographics (age, etc.) and interests of the local population.

Forecast: **2019 \$112,000** **2020 \$116,000**

Rationale: Forecast anticipates a slight increase in revenues for 2019 and 2020 to coincide with the projected annual population increase and to allow for a modest fee increase.

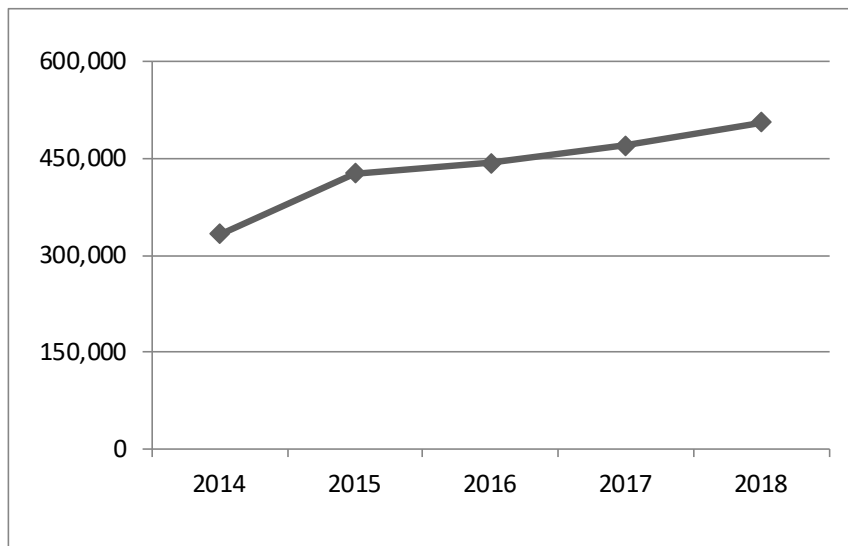
CAMPGROUND REVENUE

Distribution: General Fund 100%

Source: Visitors to Golden.

Collection: The Campground customer service representatives collect fees from campers and remit to the Finance Department for deposit. In 2003, the campground managers were replaced by customer service representatives and the hours of the campground office decreased.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2014	333,331
2015	426,479
2016	442,546
2017	470,246
2018	505,500

The Campground provides sites for campers, tents and trailers for daily, weekly or monthly rentals. Summer and winter alike, the Campground is often at capacity. Attendance has remained relatively stable from year to year. Fee increases were implemented in 2014, 2015, and 2017.

Forecast: **2019 \$523,000** **2020 \$550,000**

Rationale: Forecast is based on a facility upgrade in late 2018/early 2019 that will improve two sites to full service and add two more sites, and space rentals continuing to be at or near capacity year round. No fee increase is anticipated for 2019 or 2020.

TRASH/RECYCLE SERVICE FEES

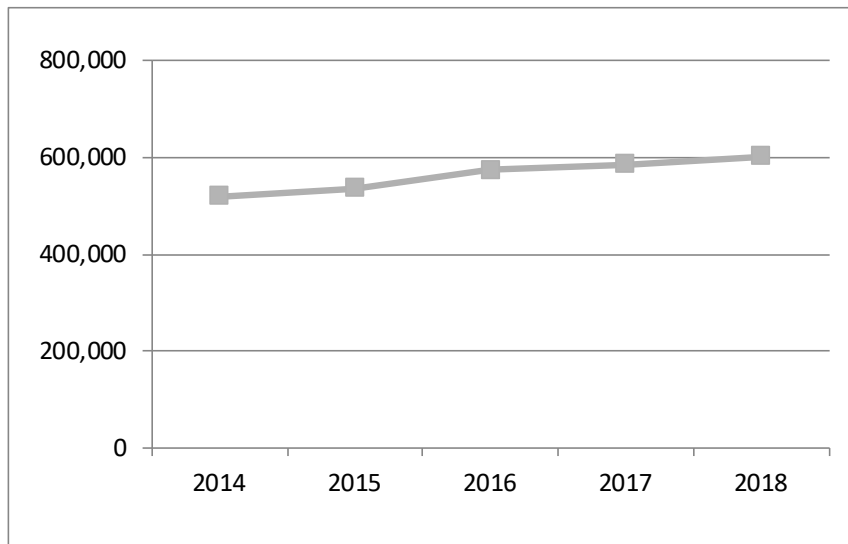
Distribution: General Fund 100%

Source: Residential Customers in Golden.

Collection: Beginning in 2010, the City contracted with a single hauler system to provide “pay as you throw” trash service and curbside recycling to the residential areas of the City. Participating customers are billed quarterly through the City’s utility bill, based on the size of trash container utilized.

Customers pay at the Finance Department, through the City Hall drop box, or through the mail. Mailed payments go directly to the City's bank through a lock box system.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2014	516,983
2015	534,800
2016	572,071
2017	583,917
2018	600,000

The trash service program began in September 2010. Over time, the program has seen periodic rate increases from the hauler that were passed on to the customers, as well as an increase in the customer base as some HOA’s in the City opted into the program.

Forecast: **2019 \$610,000** **2020 \$616,000**

Rationale: Forecast is based on a 3% increase that took effect in August 2018 and anticipates a 1% increase in 2020 to reflect changes to the customer base and a potential minimal fee increase.

ADMINISTRATIVE SERVICE FEE REVENUE

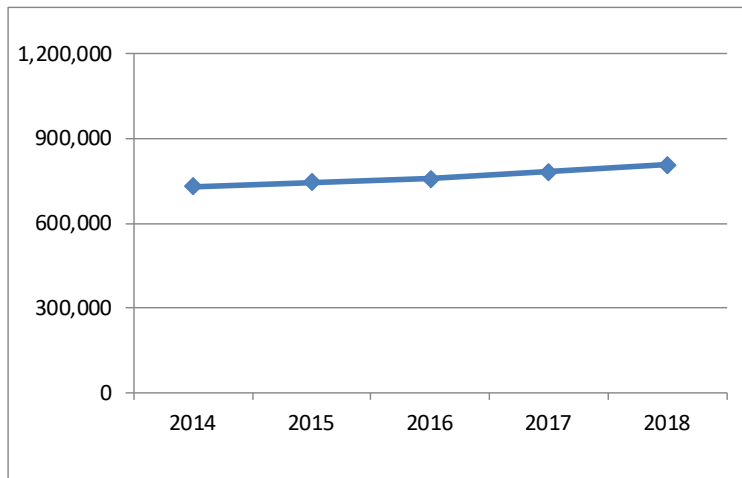
Distribution: General Fund 100%

Source: Enterprise Funds.

Collection: The amount of the service fee charged is determined during the City’s annual budget process. It is calculated based on the relative budget amount that each administrative department serves. The Finance Department effects the collection by transferring cash from the Water, Wastewater, Drainage, Cemetery, and Golf Course Funds to the General Fund on a monthly basis. The service fee is not charged to the enterprise funds that receive General Fund subsidies (Community Center, Splash, and Museum funds).

The fee is intended as a reimbursement for services which the General Fund provides to the enterprise operations including utility billing, payroll processing, accounting, policy making, human resources, general legal support, management and additional administrative duties.

Five Year Trend:



<u>Year</u>	<u>Utilities</u>	<u>Recreation</u>	<u>Total</u>
2014	729,552	89,592	819,144
2015	744,100	103,600	847,700
2016	757,300	107,200	864,500
2017	781,500	94,012	875,512
2018	806,000	92,500	898,500

Adjustments to the service fees are the result of increases in salary and benefit costs and additions to staffing levels. Adjustments are made in an effort to more accurately reflect the cost of administrative services provided. Recreation fees can fluctuate based on the actual cost recovery of various operations. Prior to 2017, the Splash Fund was covering its costs and paying a service fee.

Forecast: **2019 \$931,900** **2020 \$957,000**

Rationale: Revenue forecast based on an approximate 3% annual increase in the cost of General Fund services provided, and the addition of a service fee to the Cemetery Fund.

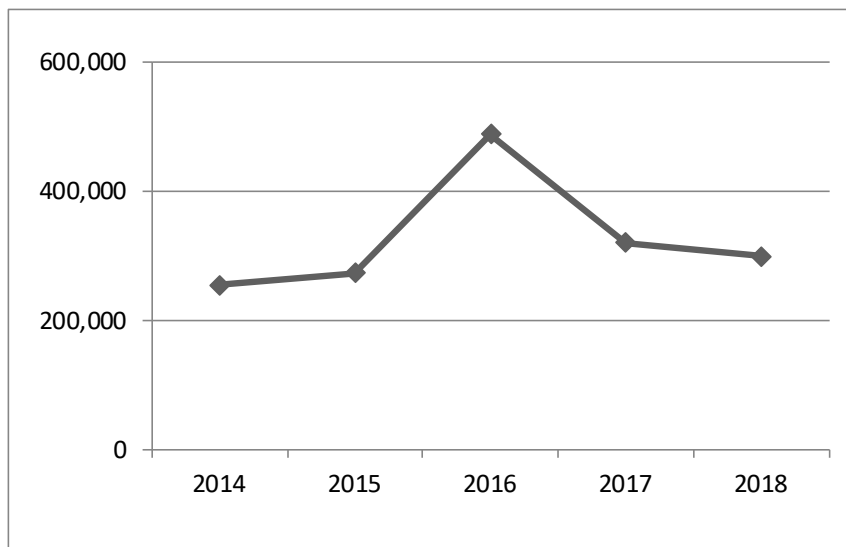
PLAN CHECK FEES

Distribution: General Fund 100%

Source: Contractors and developers.

Collection: The plan check fee is determined by Public Works and charged based on a fee schedule in accordance with the International Building Code. Fees are assessed for the review of plans for construction permit issuance. The fee is paid at the time the plans are reviewed. Monies collected are deposited through the Finance Department.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2014	254,777
2015	273,394
2016	488,054
2017	320,617
2018	300,000

Revenues will fluctuate based on the amount of commercial construction, new residential housing starts, and home improvements. Fees for plan reviews on residential construction are fairly stable based on the growth cap, although it can vary as developers bank their allocations in some years. Commercial activity has remained fairly consistent in recent years, with more activity in 2016.

Forecast: **2019 \$300,000** **2020 \$300,000**

Rationale: Forecast anticipates stable revenues at approximately 2017/2018 levels with some commercial activity and no proposed fee increases.

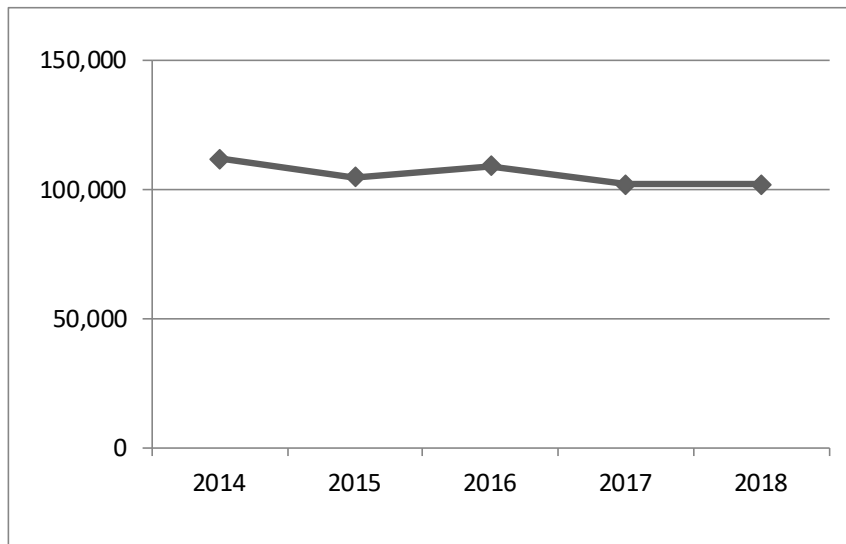
CIGARETTE TAX REVENUE

Distribution: General Fund 100%

Source: Cigarette smokers in Colorado.

Collection: The state imposes and collects a twenty cent per pack tax on cigarettes, 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.)

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2014	111,806
2015	105,011
2016	109,046
2017	102,019
2018	102,000

Revenues are decreasing as the number of smokers is declining, more cigarettes are purchased out-of-state and over the internet, and the City's percentage of state sales tax collections is declining as a result of greater growth in other areas of the state.

Forecast: **2019 \$101,000** **2020 \$100,000**

Rationale: Forecast is based on an anticipated decline of approximately 1% per year.

COUNTY ROAD AND BRIDGE REVENUE

Distribution: General Fund 100%

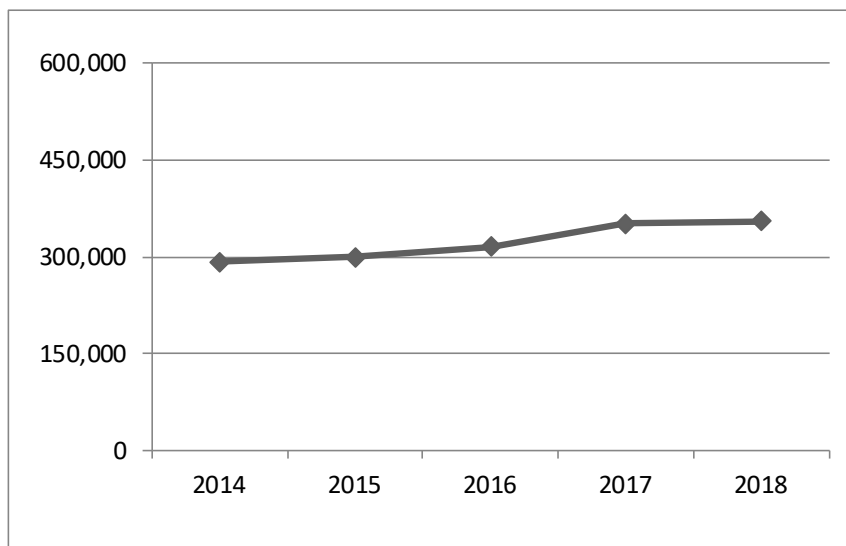
Source: Residents and businesses owning property in Jefferson County.

Collection: Jefferson County imposes a mill levy dedicated to road and bridge improvements throughout Jefferson County. Because Jefferson County's efforts only include unincorporated areas and the property tax is collected from all areas, the State requires that Jefferson County return one half of the road and bridge levy to each city. The formula used to compute the amount returned to Golden is as follows:

$$\text{County Road and Bridge Levy} \times \text{Total City Assessed Value} / 2 = \text{City Portion}$$

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

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2014	292,050
2015	299,195
2016	315,565
2017	351,466
2018	355,000

Limited new construction and the completion of the biennial property value reassessments in odd numbered years for the following year's collections have historically resulted in stable and slightly increasing revenues in prior years. Since 2010, the County has made annual adjustments to the portion of the mill levy attributable to road and bridge from the historical levy of 1.900 mills. The 2013 levy (collected in 2014) was 1.400 mills. The levy for 2015 was 1.248 mills. In 2016, the levy was increased to 1.348 mills. The levy was reduced again in 2017 to 1.222, offsetting some of the increase in assessed valuations.

Forecast: **2019 \$358,000** **2020 \$361,580**

Rationale: Forecast anticipates a 1% annual increase to allow for new construction, increases in property values, and changes in the levy.

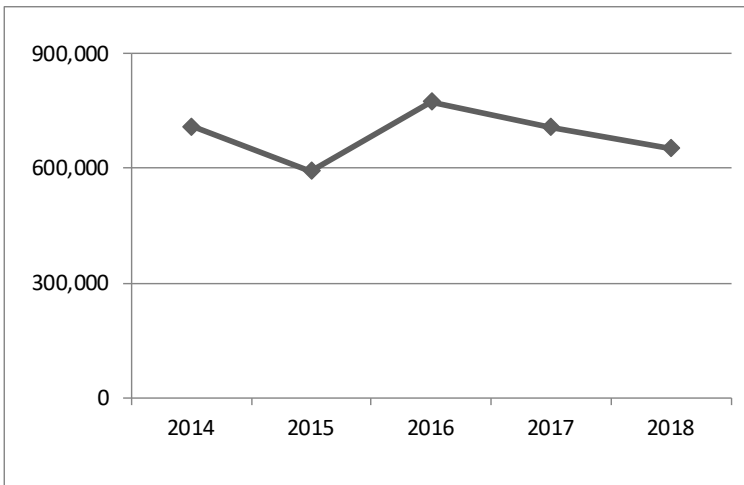
COURT FINES & FEES REVENUE

Distribution: General Fund 100%

Source: Tickets and citations issued by the Golden Police and fines adjudicated by the Golden Municipal Judge.

Collection: Tickets are paid through the mail and drop box or directly to the Finance Department. Regular court is held every Monday morning, and juvenile court is held the fourth Monday afternoon of every month. All collection efforts are made by the Golden Municipal Court, with the exception of parking fines which are collected through a third party administrator .

Five Year Trend:



<u>Year</u>	<u>Traffic</u>	<u>Other</u>	<u>Total</u>
2014	418,657	290,801	709,458
2015	269,875	323,260	593,135
2016	448,352	325,261	773,613
2017	423,535	283,483	707,018
2018	380,000	272,700	652,700

Court revenues are dependent on citations issued by the Police Department, enforcement priorities within the Department, and fines and court costs as administered by the Judge. Decreases in Traffic Revenue are typically a result of staffing levels (due to turnover or inactive duty) within the Department, such as in 2015.

Forecast: **2019 \$716,000** **2020 \$722,900**

Rationale: Revenue forecast for 2019 reflects full staffing and consistent parking and traffic enforcement activities. 2020 assumes a 1% approximate increase to allow for increased population and traffic volume in the City, and assumes the current staffing level in the Police Department.

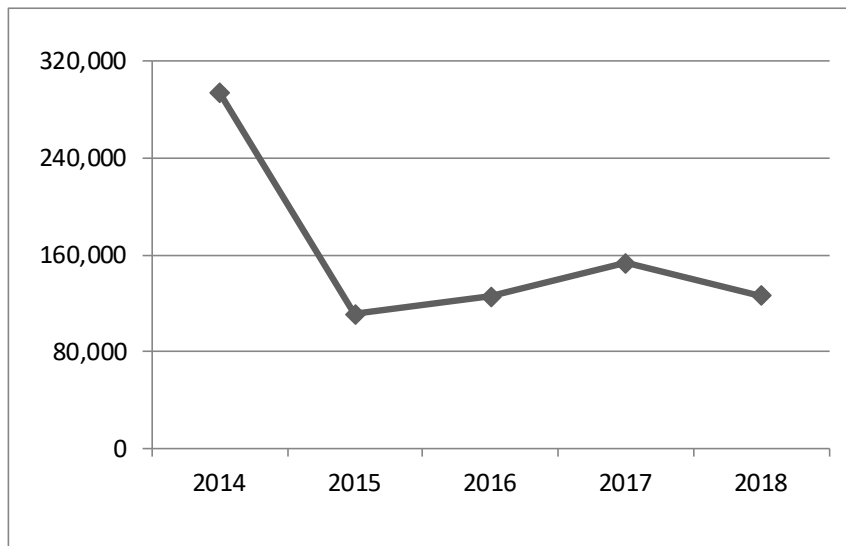
GAMING GRANT REVENUE

Distribution: General Fund 100% for operations, SUT Fund 100% for major capital items

Source: Gaming revenues remitted to the State of Colorado by casinos in the approved gaming communities.

Collection: The City is typically awarded a grant in the fall for the following year, after an application and interview process through the Colorado Department of Local Affairs. Revenue is received on a quarterly basis after the submittal of grant progress reports.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2014	293,368
2015	110,947
2016	125,470
2017	153,467
2018	126,461

Gaming Grant revenues are dependent on the number of police and fire calls for service that are gaming related, the cost per call for those services, one time capital equipment requests, and total funding available at the State level. The increase in 2014 is due to the award of 50% funding toward a new water rescue vehicle for the Fire Department (allocated to the SUT Fund).

Forecast: **2019 \$169,108** **2020 \$175,000**

Rationale: Revenue forecast for 2019 is based on the actual grant request submitted to the State of Colorado. 2020 assumes a slight increase to allow for increased call volume and increases in the police and fire department costs per call.

INVESTMENT INCOME

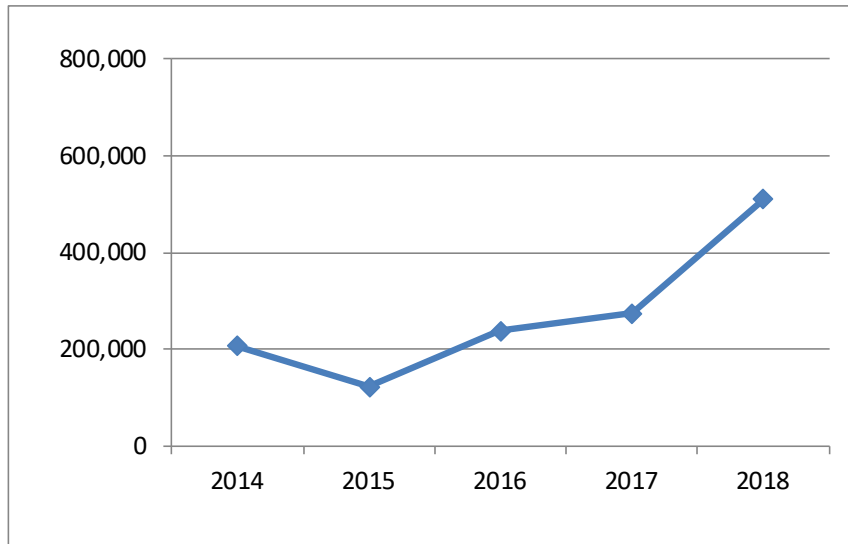
Distribution: All Funds on a pro rata basis to cash and investment balances held.

Source: Interest and investment income from investments made by the City. Interest revenues will vary based on rates and portfolio volume.

The City utilizes the services of an outside investment firm for investment recommendations. Securities authorized by the City Council’s approved investment policy do not include derivative products.

Collection: Investment maturities and earnings are set up for automatic wire transfers or deposit to the City's main bank account.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2014	207,396
2015	123,001
2016	237,544
2017	273,872
2018	509,900

The annual revenue is a result of portfolio size and annualized rate of return. Despite the City’s practice of holding all investments to maturity, GASB requires the City to adjust year-end investment income based on the fair value of the investments. The fair value rate fluctuates from year to year. The 2018 projected revenue is based on the amortized rate of return.

Forecast: **2019 \$739,500** **2020 \$779,100**

Rationale: Forecast based on anticipated cash balances in the individual funds and the amortized rate of return, and does not include any year-end fair value adjustments. Projected average yields are anticipated to increase slightly in 2019 and 2020 as interest rates continue to rise.

WATER SALES REVENUE

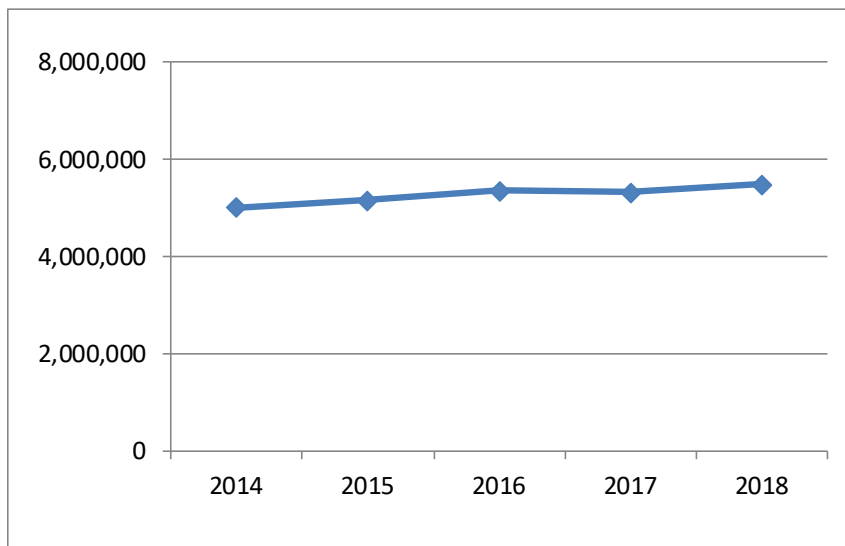
Distribution: Water Fund 100%

Source: Golden water customers.

Collection: The City water customers are divided into three segments. One-third of the City's water meters are read by the Public Works Department each month. Quarterly billings are issued by the Finance Department. Customers have until the end of the month to pay their bill. If a customer has failed to pay the bill by the 15th of the following month, then water service is shut off until the bill and reinstatement charges are paid.

Customers pay at the Finance Department, through the City Hall drop box, or through the mail. Mailed payments go directly to the City's bank through a lock box system.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2014	5,012,397
2015	5,170,067
2016	5,370,195
2017	5,328,496
2018	5,500,000

With very strong water rights and storage capacity, the City does not have any mandatory watering restrictions in place. Consumption generally increases each year, but may vary based on precipitation. Rates were increased 5% in 2014. A system-wide meter upgrade occurred in 2016 and 2017, resulting in more accurate readings.

Forecast: **2019 \$5,600,000** **2020 \$5,880,000**

Rationale: Forecast anticipates revenue will increase in 2019 from increases in the customer base. A 5% rate increase is anticipated for 2020.

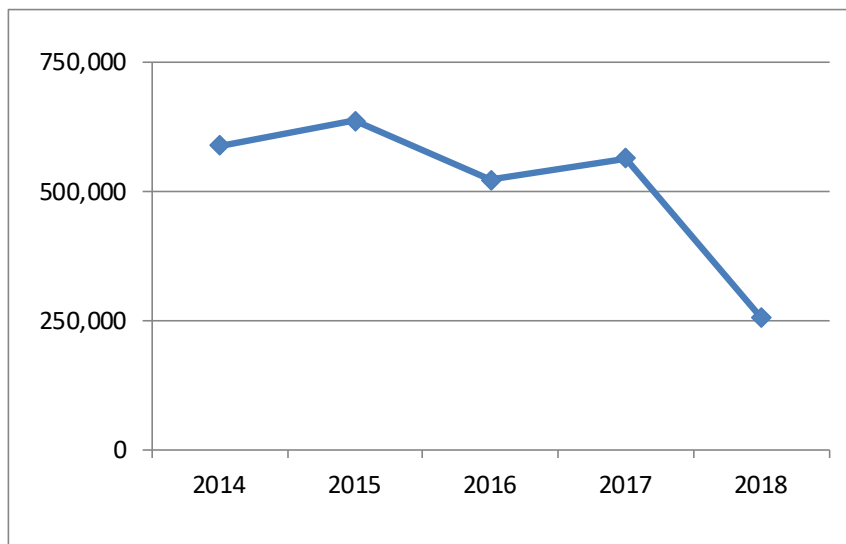
COORS WATER SALES REVENUE

Distribution: Water Fund 100%

Source: Coors Brewing Company.

Collection: Coors buys and uses all excess water which the City receives from the Henderson Mine. Additionally, Coors receives water under the terms of the Cosmic Settlement and a separate agreement with the City that includes reciprocal wastewater treatment services. It pays an amount per acre foot which differs according to the season of the year under this agreement. Coors remits to the City the amount it owes on a monthly basis.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2014	589,260
2015	637,185
2016	522,342
2017	564,658
2018	255,510

Fluctuations in revenues reflect availability of water to sell. With the completion of Guanella Reservoir 2004, the City is able to store water from its other water rights, potentially making more water available to Coors on a regular basis. The fluctuations since 2014 are due to timing and amount of water sold to Coors, as the cost can fluctuate during the year. The decrease in 2018 is due to drought like conditions, reducing the amount of water available to Coors.

Forecast: **2019 \$400,000** **2020 \$600,000**

Rationale: Forecast assumes lower revenue in 2019 to allow the City to replenish water levels at Guanella Reservoir and other storage facilities. 2020 assumes normal water sales to Coors.

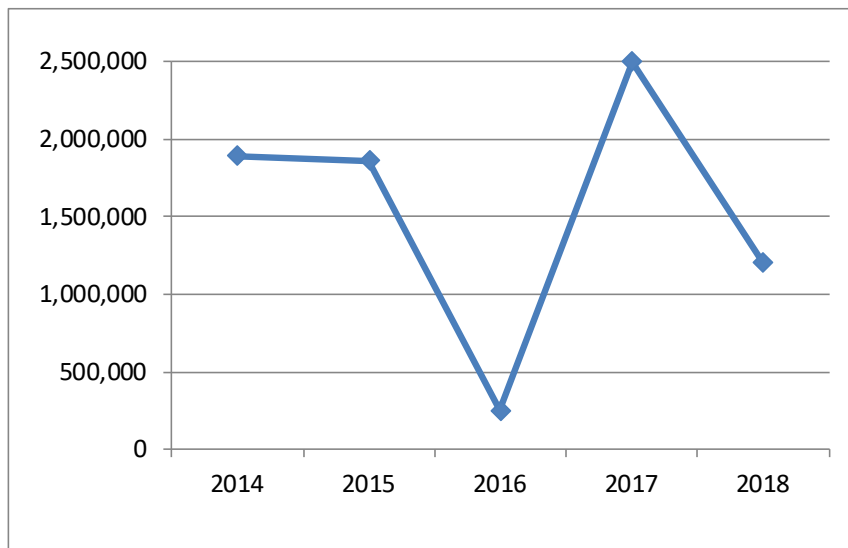
WATER DEVELOPMENT FEE REVENUE

Distribution: Water Fund 100%

Source: New residential and commercial development.

Collection: City of Golden Municipal Code requires that water development fees be paid at the time the building permit is issued. Public Works computes the amount owed and collects it from the developer. Public Works then remits the money to the Finance Department for recording and deposit.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2014	1,889,275
2015	1,859,159
2016	248,753
2017	2,499,371
2018	1,200,000

Historically, revenues have fluctuated depending on the amount of commercial construction and the banking of residential allocations from the one percent growth limit passed in 1995.

Forecast: **2019 \$200,000** **2020 \$200,000**

Rationale: Forecast assumes minimal issuance of residential permits as the City nears build out, and anticipates some commercial development in Interplaza, Gateway Village, Corporate Center and Coors Tech Center.

WASTEWATER SERVICE CHARGE REVENUE

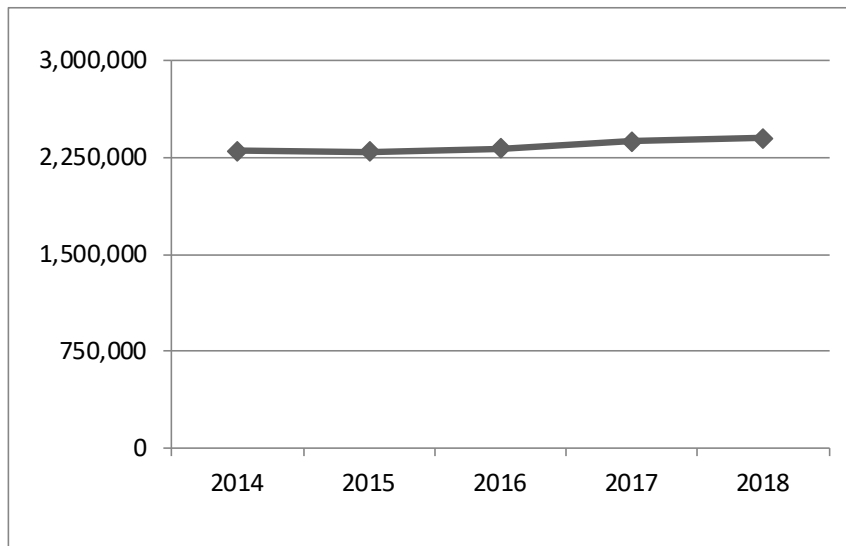
Distribution: Wastewater Fund 100%

Source: Golden wastewater customers.

Collection: Wastewater charges are placed on the same bill as the water charges. The bill is based on the quantity of water used by a residential customer during the winter quarter. Commercial customers' wastewater charges are based on the water they use each quarter. Quarterly billings are issued by the Finance Department. Customers have until the end of the month to pay the bill. If a customer has failed to pay the bill by the 15th of the following month, then water service is shut off until the bill and reinstatement charges are paid.

Customers pay at the Finance Department, through the City Hall drop box, or through the mail. Mailed payments go directly to the City's bank through a lock box system.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2014	2,303,560
2015	2,295,263
2016	2,320,394
2017	2,373,936
2018	2,400,000

Sewer charges had previously increased each year as residential and commercial customers were added to the system. Rates increased 10% in 2012, and 15% in 2013 and 2014. Previously, rates had not increased, and were actually reduced twice since 1994. Rates were held steady since 2014, deferring to a 5-year drainage surcharge and anticipated increases in water billings from the meter upgrade.

Forecast: **2019 \$2,424,000** **2020 \$2,545,200**

Rationale: Forecast anticipates an increase in consumption based charges for 2019, due to the water meter replacement program and increases in the customer base. A 5% rate increase is anticipated for 2020.

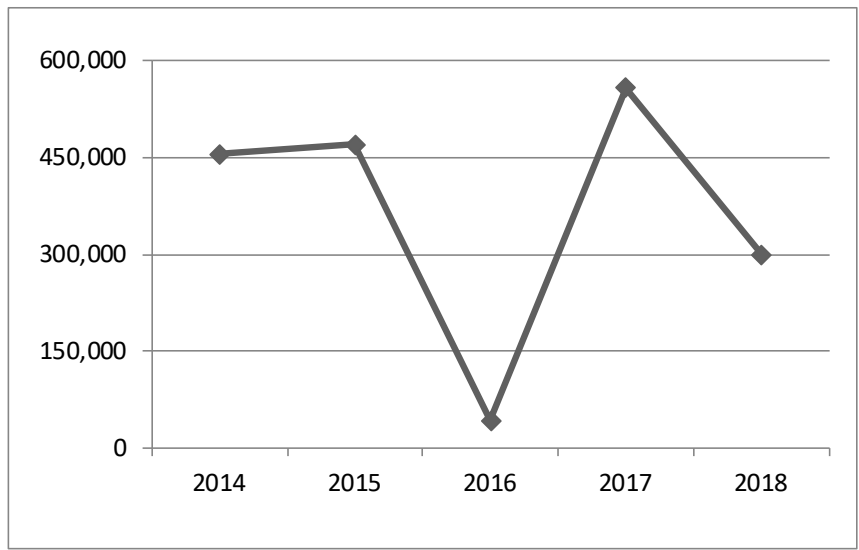
WASTEWATER DEVELOPMENT FEE REVENUE

Distribution: Wastewater Fund 100%

Source: New residential and commercial development.

Collection: City of Golden Municipal Code requires that wastewater development fees are paid at the time the building permit is issued. Public Works computes the amount owed and collects it from the developer. Public Works then remits the money to Finance for recording and deposit.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2014	455,338
2015	469,491
2016	43,348
2017	557,381
2018	300,000

Historically, revenues have fluctuated depending on the amount of commercial construction and the banking of residential allocations from the one percent growth limit passed in 1995.

Forecast: **2019 \$75,000** **2020 \$75,000**

Rationale: Forecast assumes minimal issuance of residential permits as the City nears build out, and anticipates some commercial development in Interplaza, Gateway Village, Corporate Center and Coors Tech Center.

DRAINAGE UTILITY FEE REVENUE

Distribution: Drainage Utility Fund 100%

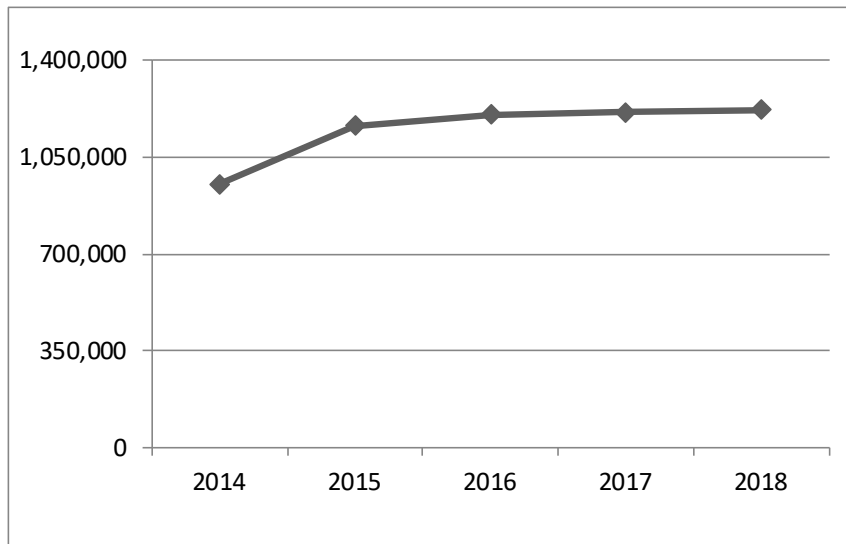
Source: Property owners within the City limits.

Collection: Drainage Utility fees are placed on the same bill as water/wastewater charges. The quarterly bill is based on an average of 2,000 sq. ft. of impervious area for residential customers, the average square footage multiplied by number of units for multi-residential customers up to 4 units and actual impervious area for multi-residential customers above 4 units and commercial customers. Impervious area constitutes any area that doesn't allow water/snow to be absorbed by the ground, *i.e.* sidewalks, rooftops, driveways, parking lots, etc.

Quarterly billings are issued by Finance. Customers have until the end of the month to pay the bill. If a customer has failed to pay the bill by the 15th of the following month, then water service is shut off until the bill and reinstatement charges are paid.

Customers pay at the Finance Department, through the City Hall drop box, or through the mail. Mailed payments go directly to the City's bank through a lock box system.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2014	953,694
2015	1,162,361
2016	1,203,065
2017	1,212,548
2018	1,220,000

Increasing Drainage Utility Fees are a result of residential / commercial construction and annexations. Residential construction is limited to the one percent growth cap. The initial fee was established in 1998, with the residential fee at \$3.20 per month. In 2009, the fee was to \$3.52. In 2015, Council approved 20% annual increase for a 5-year period.

Forecast: **2019 \$1,227,720** **2020 \$1,028,200**

Rationale: Forecast assumes the expiration of the 5-year increase at the end of 2019, plus a .5% per year increase in the base fee to allow for an increase in the customer base.

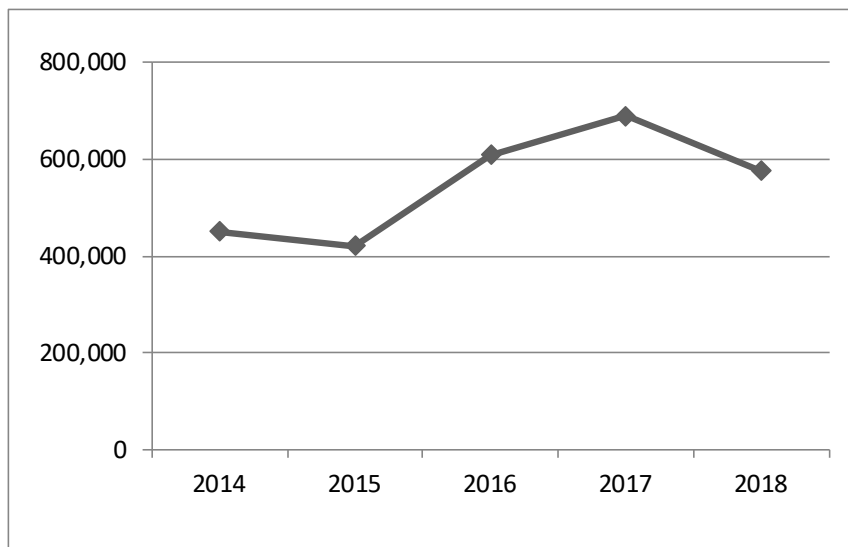
CEMETERY OPERATING REVENUE

Distribution: Cemetery Operating Fund 100%

Source: Customers of the Golden Cemetery

Collection: Fees include plot sales, vault settings, plot open and closing fees, memorial setting and columbarium fees. Fees are set on an annual basis by City Council. Fees are collected by the Golden Cemetery employees and remitted to Finance for recording and deposit.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2014	450,091
2015	421,794
2016	608,986
2017	688,884
2018	575,000

Cemetery revenues are demand based and are the result of requests for services. Modest fee increases have been approved during the 5-year period. In 2007, the cemetery began selling headstones and markers. In 2012, a memorial wall was installed as an additional service and source of revenue. The increases in 2016-2018 are higher than historical trends and may be indicative of a new level service at the Cemetery.

Forecast: **2019 \$504,000** **2020 \$504,000**

Rationale: Forecast conservatively anticipates levels of service closer to historical trends and includes a 4-5% increase in most fees for 2019.

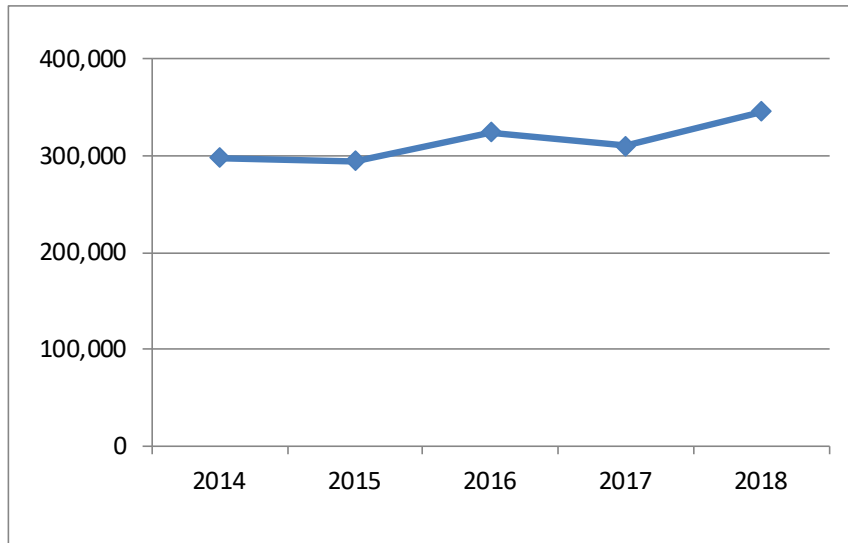
SPLASH AQUATIC PARK ADMISSION REVENUES

Distribution: Splash Aquatic Park Fund 100%

Source: Splash Aquatic Park users.

Collection: Collected over-the-counter at the Splash Aquatic Park and remitted to the Finance Department on a daily basis. Splash Aquatic Park users can pay either a Daily Admission Fee, purchase a punch card or a season membership. Splash is also available for rental. The Splash Aquatic Park is open Memorial Day weekend, generally through mid-to-late August.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2014	297,644
2015	294,408
2016	323,857
2017	310,453
2018	345,650

Revenues are primarily weather related. Low revenues are typically a result of cooler temperatures and more precipitation. Once school starts in August, revenues drop off as the loss of lifeguards reduces the hours of operation. 2016 also had a small fee increase.

Forecast: **2019 \$373,500** **2020 \$422,500**

Rationale: Forecast anticipates good weather, a modest increase in attendance, and a fee increase for admittance in both 2019 and 2020.

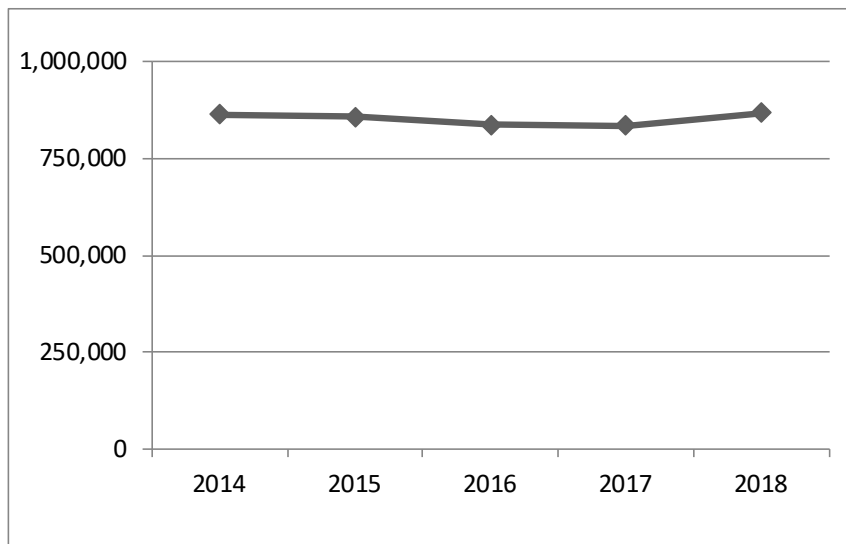
COMMUNITY CENTER ADMISSION REVENUE

Distribution: Community Center Fund 100%

Source: Users of the Community Center and corporations for employee wellness programs.

Collection: Community Center users can pay either a Daily Admission Fee, purchase a punch card or an annual membership. Fees are collected by phone registration, over-the-counter payments and direct payment (direct transfer through the Automated Clearing House (ACH) from the customer's bank account to the City's bank account). The fees are collected by Community Center staff and remitted to the Finance Department on a daily basis. The ACH payments are initiated by Finance on a monthly basis.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2014	862,683
2015	856,573
2016	837,495
2017	834,742
2018	867,000

Revenue from punch cards and annual memberships have declined in recent years, while daily use admissions have seen a small increase. A slight fee increase occurred in 2016.

Forecast: **2019 \$882,000** **2020 \$910,000**

Rationale: Forecast anticipates a minimal increase in attendance and a fee increase in 2020 to help cover rising operating costs.

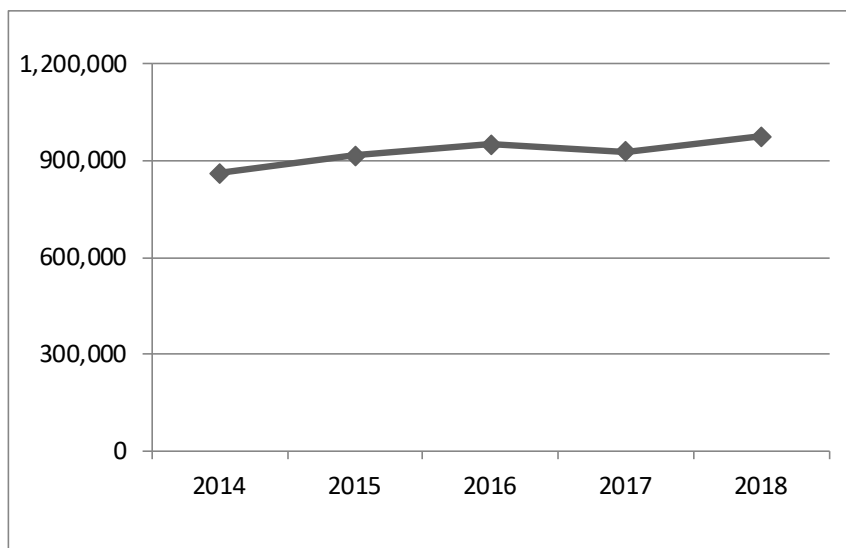
COMMUNITY CENTER PROGRAM FEES

Distribution: Community Center Fund 100%

Source: Recreation program fees paid by users of the Golden Community Center, including aquatics.

Collection: Collected by internet and phone registrations, over-the-counter payments, and by mail. The fees are collected by Community Center staff and remitted to the Finance Department on a daily basis.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2014	861,265
2015	915,959
2016	950,849
2017	927,414
2018	975,000

Higher Community Center Program revenues are the result of increased participation, new programs and fee increases. Programs are offered for youth and adults in fitness, aquatics, creative arts and personal development. The higher revenues in 2015 is partially the result of a fee increase.

Forecast: **2019 \$1,067,110** **2020 \$1,077,800**

Rationale: Forecast anticipates a 1% annual increase to allow for increased program attendance and new programs. A slight fee increase is also anticipated for 2019.

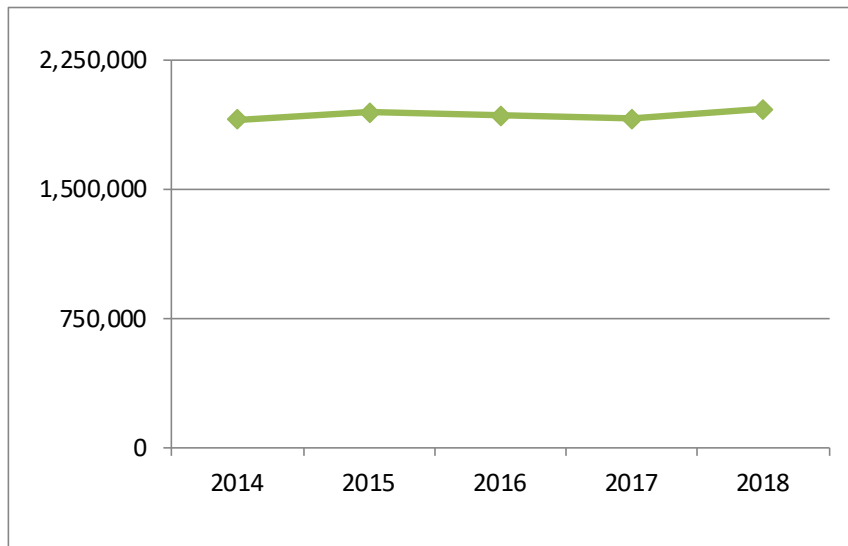
FOSSIL TRACE GOLF CLUB GREEN FEES

Distribution: Fossil Trace Golf Course Fund 100%

Source: Golf Course Customers. Fees vary for weekday versus weekend play, Golden resident versus County resident versus non-resident, with discounts for juniors and seniors.

Collection: Collected by over-the-counter payments. The fees are collected by the golf course staff and remitted to the Finance Department on a daily basis.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2014	1,905,813
2015	1,948,509
2016	1,929,854
2017	1,912,289
2018	1,965,000

To a certain extent, the number of rounds and subsequent revenue is weather related. Excellent weather in 2014 netted 36,382 18-hole equivalent rounds at \$52.38 per round, while 2015 saw rounds played drop to 35,094 at \$55.52 per round. Rounds in 2016 were 35,218 at \$54.80, with 35,422 rounds at \$53.99 for 2017. Beginning in 2018, the course implemented a premium fee for advanced reservations (beyond the typical 7-day reservation system) resulting in an overall higher cost per round. 2018 projects to approximately 35,400 rounds at \$55.51 per round.

Forecast: **2019 \$2,010,000** **2020 \$2,010,000**

Rationale: Forecast anticipates 35,000 18-hole equivalent rounds annually, at an average of \$57.43 per round, with a fee increase for County and non-resident players planned for 2019.

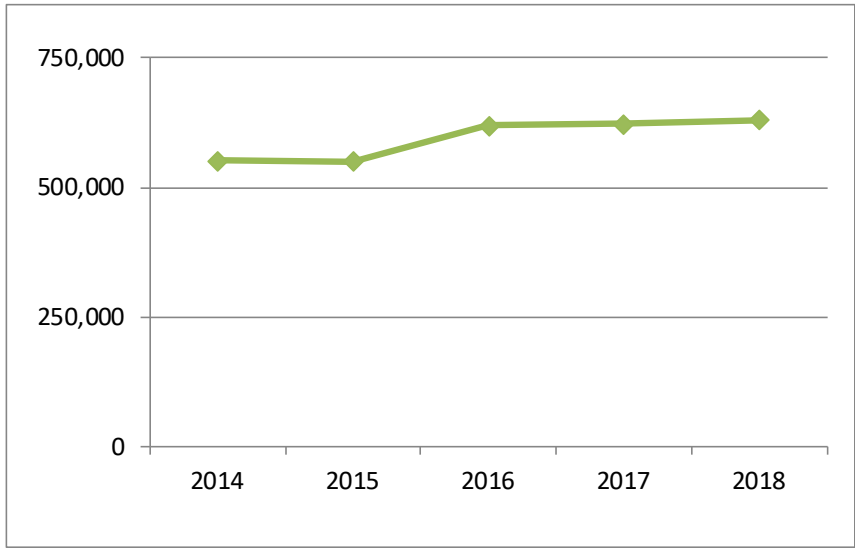
FOSSIL TRACE GOLF CLUB CART RENTAL FEES

Distribution: Fossil Trace Golf Course Fund 100%

Source: Golf Course Customers.

Collection: Collected by over-the-counter payments. The fees are collected by the golf course staff and remitted to the Finance Department on a daily basis.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2014	551,810
2015	550,031
2016	619,834
2017	623,474
2018	630,000

Revenue is made up of approximately 92% of the golfers riding in a golf cart. Historically cart fee revenue ranges from \$14.50 to \$15 per 18-hole equivalent round. A \$2 fee increase was implemented in 2016. Beginning in 2017, the cart fee was included in the total fee per player.

Forecast: **2019 \$623,000** **2020 \$623,000**

Rationale: Forecast based on \$17.80 revenue per projected 18-hole equivalent round, with no fee increase planned for 2019 or 2020.

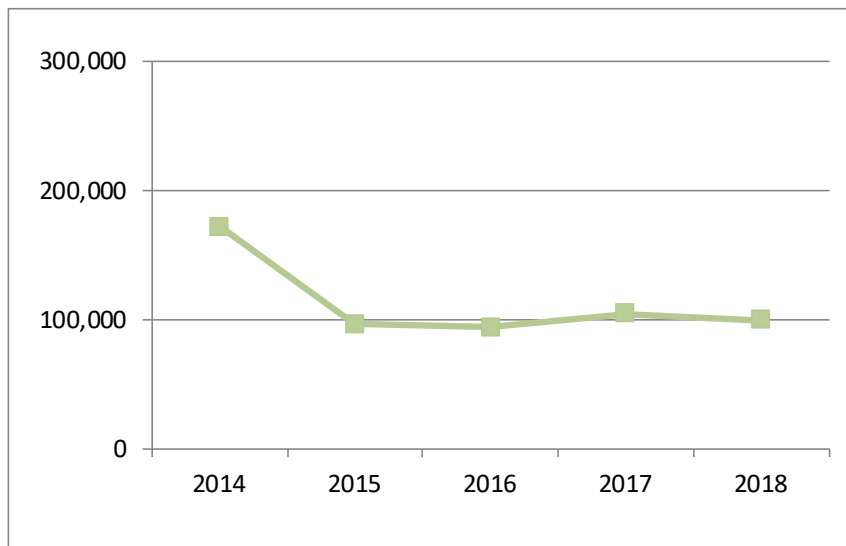
FOSSIL TRACE GOLF CLUB DRIVING RANGE FEES

Distribution: Fossil Trace Golf Course Fund 100%

Source: Golf Course Customers.

Collection: Collected by over-the-counter payments. The fees are collected by the golf course staff and remitted to the Finance Department on a daily basis.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2014	172,043
2015	96,835
2016	94,165
2017	104,715
2018	100,000

Prior to 2015, revenue historically ranged around 9% of annual green fee revenue. When weather conditions close the course for play, the range is still open with the use of the artificial grass mat and the percentage of driving range revenue increases. Beginning in 2015, complimentary range balls were provided for golfers playing 18 holes.

Forecast: **2019 \$100,000** **2020 \$100,000**

Rationale: Forecast based on approximately 5% of annual green fee revenue.

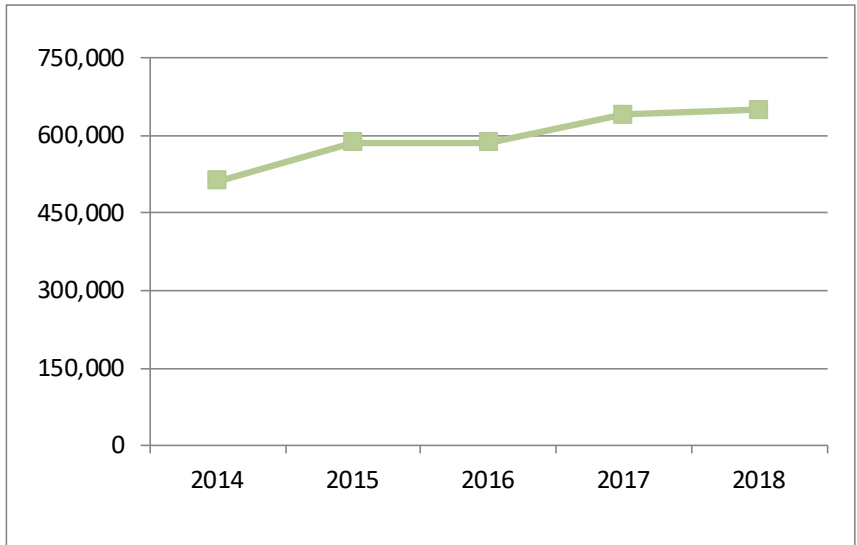
FOSSIL TRACE GOLF CLUB MERCHANDISE SALES

Distribution: Fossil Trace Golf Course Fund 100%

Source: Golf Course Customers.

Collection: Collected by over-the-counter payments. The fees are collected by the golf course staff and remitted to the Finance Department on a daily basis.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2014	512,517
2015	586,766
2016	585,743
2017	640,258
2018	650,000

Increases in revenue reflect the quality and variety of merchandise available, as well as the popularity of the course. Sales have increased from \$9.76 per 18-hole equivalent round in 2010 to \$18.08 in 2017. Sales are projected at \$18.36 per player for 2018.

Forecast: **2019 \$650,000** **2020 \$650,000**

Rationale: Forecast based on approximately \$18.50 in merchandise sales per projected 18-hole equivalent round.

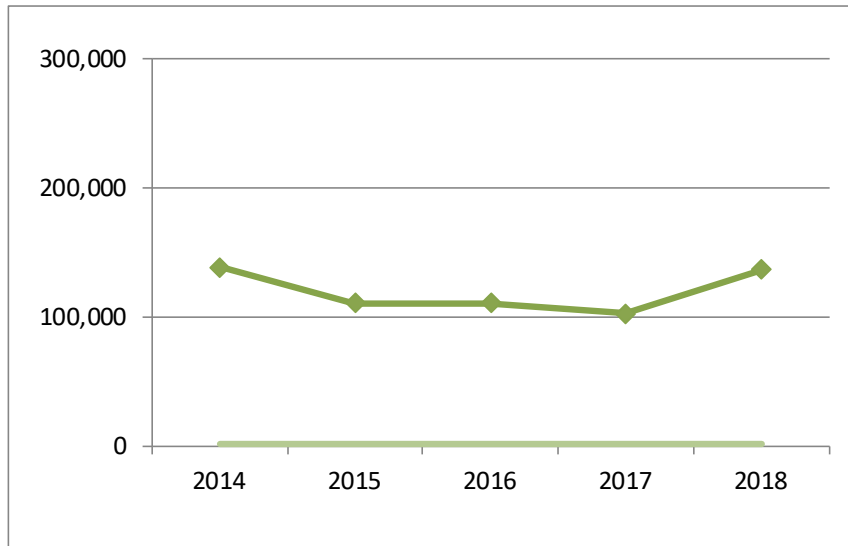
FOSSIL TRACE GOLF CLUB FOOD & BEVERAGE

Distribution: Fossil Trace Golf Course Fund 100%

Source: Golf Course, Restaurant, and Banquet Facility Customers.

Collection: The food and beverage operations consists of a dining area, banquet facilities, and beverage carts on the golf course. These operations are currently contracted with Schnepf’s restaurant. Schnepf’s collects payments from the customers and pays a percentage of the revenue to the City (collected by the Finance Department) on a monthly basis. The percentage of revenue paid to the City is set by a contract between the parties and varies based on the time of year.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2014	136,780
2015	108,749
2016	108,858
2017	100,787
2018	135,000

The majority of food and beverage sales are made to golf course customers and are directly impacted by the number of rounds played. Revenue has fluctuated with the number of rounds played. Renovations to the restaurant and banquet area in 2013 resulted in an increase of non-golf related use. A change in ownership and staff of Three Tomatoes Concessions has resulted in a decline in revenue since 2014. Three Tomatoes ceased operations at Fossil Trace in December 2016, with Schnepf’s Restaurant beginning operations in April 2017.

Forecast: **2019 \$145,000** **2020 \$150,000**

Rationale: Forecast anticipates slight increases in revenue as the success of Schnepf’s continues and should increase the number of receptions and other banquet events.

HIGHWAY USERS TAX REVENUE

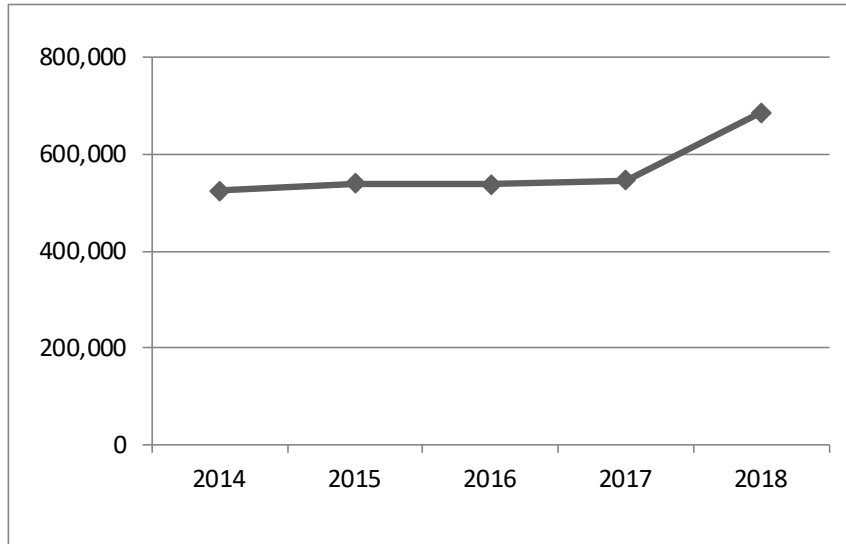
Distribution: Capital Programs Fund 100%

Source: Gasoline tax and related fees paid by Colorado motorists.

Collection: 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 Golden 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 next eleven cents of gasoline taxes are distributed to municipalities and may be spent only on road improvements including new construction, safety improvements, maintenance and capacity 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.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2014	524,827
2015	538,966
2016	537,558
2017	545,284
2018	685,597

Annexations and growth in other parts of the state create more sharing of revenue among municipalities and reduce Golden's proportionate share. Fluctuating gas prices and the use of more fuel efficient vehicles impact consumption. In 2018, the State made a one-time supplemental distribution.

Forecast: **2019 \$526,534** **2020 \$523,901**

Rationale: Forecast for 2019 based on projection provided by CML. 2020 anticipates a 0.5% annual decrease to reflect the ongoing reduction in Golden's proportionate share from population growth elsewhere in the state.

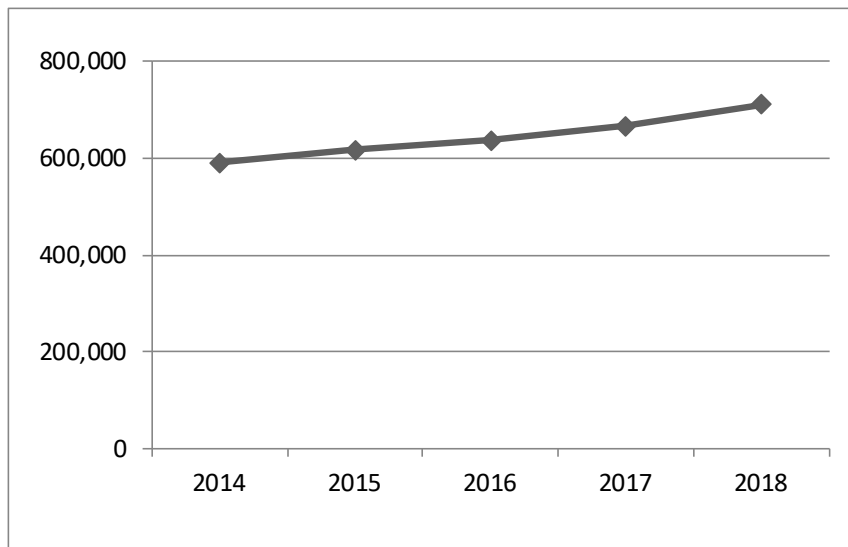
JEFFERSON COUNTY OPEN SPACE SALES TAX SHARED REVENUE

Distribution: Open Space Fund 100%

Source: .5% sales tax paid by citizens and visitors in Jefferson County.

Collection: The State of Colorado collects the sales tax from merchants on behalf of Jefferson County. The State remits to Jefferson County on a monthly basis. Jefferson County allocates Open Space funds between its fund for unincorporated sections of Jefferson County, municipalities, and special parks districts. Funds are received electronically directly to the City’s bank account on a monthly basis.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2014	589,895
2015	616,440
2016	637,196
2017	667,046
2018	710,000

Revenues provide funding for parks, trails and open space. Revenues have generally increased annually due to an improving economy in the County.

Forecast: **2019 \$724,200** **2020 \$738,700**

Rationale: Forecast anticipates a 2% annual increase, as overall County sales tax revenues are expected to slowly increase.

LOTTERY REVENUE

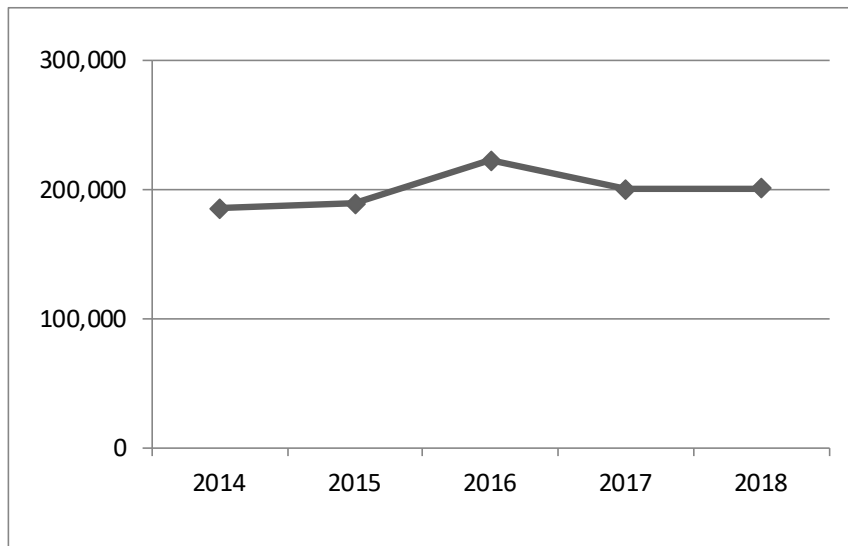
Distribution: Conservation Trust Fund 100%

Source: Customers who buy lottery and lotto tickets.

Collection: Lottery proceeds 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. Golden’s share is electronically transferred to the City’s depository bank account on December 1, March 1, June 1 and September 1.

Conservation trust funds can only be used for the acquisition, development and maintenance of new park and open space sites or for capital improvements and maintenance of a public site used for recreational purposes.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2014	185,876
2015	189,212
2016	222,633
2017	200,596
2018	200,900

As participation in the Lottery fluctuates, oftentimes based on the size of the prize, the revenues that filter down to the municipalities vary as well. Golden’s population is increasing at a slower rate than the rest of the state, which impacts the share of revenues received.

Forecast: **2019 \$202,909** **2020 \$204,938**

Rationale: Forecast anticipates a 1% annual increase to allow for increased population in the City and continued support of the Colorado Lottery.

DOWNTOWN DEVELOPMENT AUTHORITY – PROPERTY TAX

Distribution: Downtown Development Authority (DDA) Fund 100%

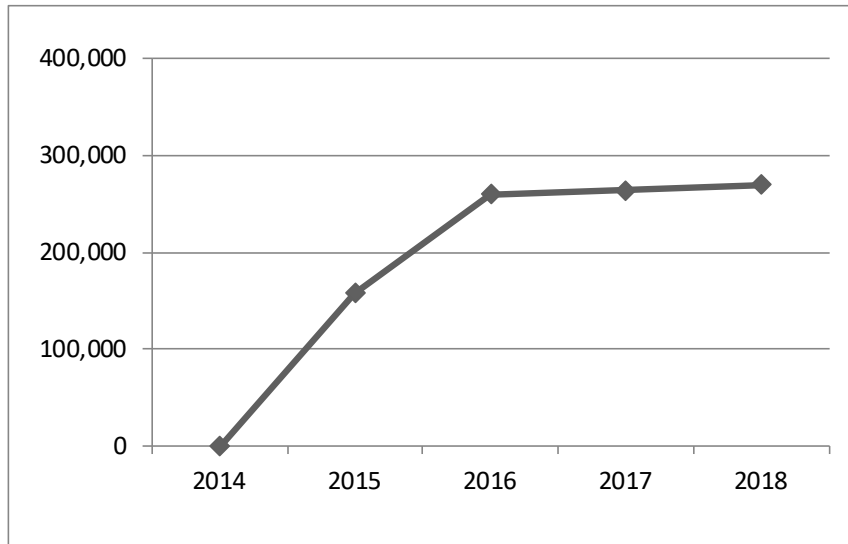
Source: Property Owners within the DDA Boundaries.

Collection: The collection process begins with the Jefferson County Assessor's Office. Two types of property are valued by the Assessor's Office: 1) "real property" (land & buildings) and 2) "personal property" (business machines & equipment). Once market values are established, the Assessor's Office computes the assessed valuation of property based on State-legislated assessment percentages. Property is assessed at the end of one year, for collection in the following year.

The mill levy, established with the formation of the DDA, is set at 5 mills.

Property owners pay property taxes to Jefferson County in either two installments due February 28 and June 15 or in one installment due April 30. Jefferson County wire transfers the City's property taxes directly to the City's main bank account on the 10th of the month following the month that the collection is processed by Jefferson County.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2014	0
2015	157,895
2016	260,172
2017	264,087
2018	270,000

The DDA was established by a vote of the impacted parties within the district and took effect Jan 1, 2015. Revenue increases should continue from the reassessment of base values in the downtown area.

Forecast: **2019 \$266,425** **2020 \$277,080**

Rationale: Forecast for 2019 is based on the preliminary valuation provided by the County Assessor. A 4% increase is anticipated in 2020 to allow for change in property values with the biennial reassessment by the County Assessor.

DOWNTOWN DEVELOPMENT AUTHORITY – TAX INCREMENT

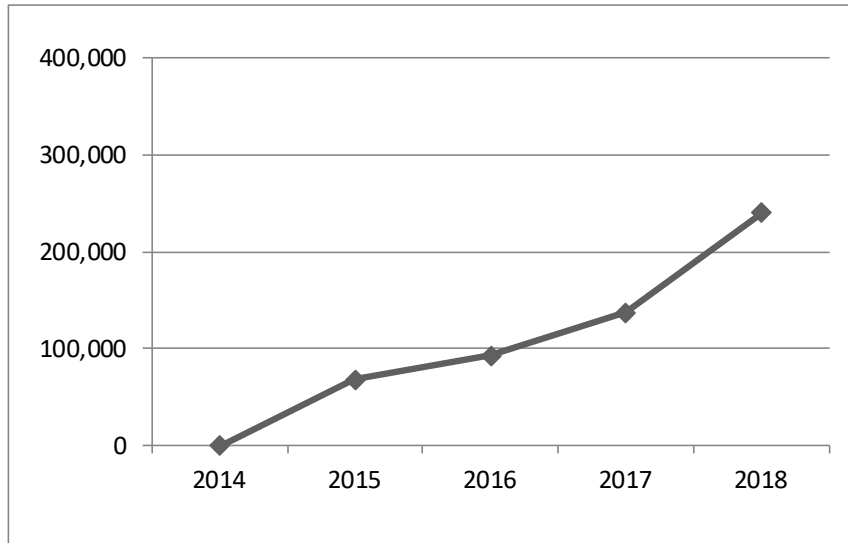
Distribution: Downtown Development Authority (DDA) Fund 100%

Source: Property Owners and customers of retail businesses within the DDA boundaries.

Collection: The collection process begins with the Jefferson County Assessor's Office. Two types of property are valued by the Assessor's Office: 1) "real property" (land & buildings) and 2) "personal property" (business machines & equipment). Once market values are established, the Assessor's Office computes the incremental difference in the assessed valuation of properties within the DDA area from the base values. The incremental differences are withheld from payments of general property taxes to the City, County and School District and remitted to the City on behalf of the DDA. Jefferson County wire transfers the City's property taxes directly to the City's main bank account on the 10th of the month following the month that the collection is processed by Jefferson County.

Similarly, the incremental portion of sales taxes collected by the City in the DDA area above the base year of 2014 are transferred from the City to the DDA on a quarterly basis.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2014	0
2015	68,147
2016	92,993
2017	137,115
2018	240,000

The DDA was established by a vote of the impacted parties within the district and took effect Jan 1, 2015. Revenue increases should continue from improvements and increased sales tax revenues in the downtown area.

Forecast: **2019 \$260,000** **2020 \$320,000**

Rationale: Forecast is based on known improvements and incremental reassessments on properties in the DDA area, along with a factor for increased sales tax revenues in the downtown area.