

## AGENDA

Regular Meeting  
January 5, 2016 - 7:30 p.m.

City Council meeting packets are prepared several days prior to the meetings. This information is reviewed and studied by the Councilmembers, eliminating lengthy discussions to gain basic understanding. Timely action and short discussion on agenda items does not reflect lack of thought or analysis. An informational packet is available for public inspection on our website at [www.cityofevans.org](http://www.cityofevans.org) and posted immediately on the bulletin board adjacent to the Council Chambers.

Any agenda item labeled as a Public Hearing is a quasi-judicial matter which must be a fair and impartial tribunal where the City Council considers specific criteria concerning a particular person, property, or circumstance. An elected official sitting in a quasi-judicial capacity should not correspond or discuss any pending quasi-judicial matter with any member of the public or any of the parties involved in the matter—including e-mail correspondence or contact through any type of social media.

1. CALL TO ORDER

2. PLEDGE

3. ROLL CALL

Mayor:	John Morris
Mayor Pro-Tem:	Jay Schaffer
Council:	Laura Brown
	Mark Clark
	Sherri Finn
	Lance Homann
	Brian Rudy

4. AUDIENCE PARTICIPATION

*The City Council welcomes you here and thanks you for your time and concerns. If you wish to address the City Council, this is the time set on the agenda for you to do so. When you are recognized, please step to the podium, then state your name and address prior to speaking to Council. Your comments will be limited to two (2) minutes. The City Council may not respond to your comments this evening, rather they may take your comments and suggestions under advisement and your questions may be directed to the appropriate staff person for follow-up. Thank you!*

5. APPROVAL OF AGENDA

6. CONSENT AGENDA

- A. Approval of Minutes of the Regular Meeting of December 22, 2015
- B. Resolution No. 01-2016 – Designation of Public Place for the Posting of Notices of Public Meetings
- C. Resolution No. 02-2016 – Rescheduling June 21st, 2016 and August 2nd, 2016 City Council Meetings

7. OLD BUSINESS

- A. Public Hearing – Ordinance No. 642-16 – Adoption of Adjusted City Impact Fees (First Reading)

8. NEW BUSINESS

- A. Ordinance No. 643-16 – Repealing, Relocating, and Consolidating Provisions of the Evans Municipal Code Relating to Various Economic Incentives (First Reading)
- B. Resolution No. 03-2016 – Adopting the City of Evans Economic Incentive Policies
- C. Resolution No. 04-2016 – Adopting the City of Evans 2015 Financial Policies
- D. Resolution No. 05-2016 – Designating Certain Truck Routes within the City of Evans
- E. Resolution No. 06-2016 – Authorizing the Conduct of a Mail Ballot Election for the Regular Municipal Election scheduled for April 12, 2016
- F. Resolution No. 07-2016 – Approval of the South Platte River Restoration Master Plan
- G. Amendment to the Employment Agreement with the City Manager

9. REPORTS

- A. City Manager
- B. City Attorney

10. AUDIENCE PARTICIPATION (general comments)

*Please review the Audience Participation section listed at the beginning of the agenda for procedures on addressing City Council.*

11. EXECUTIVE SESSIONS

- A. For a Conference with the City Attorney for the Purpose of Receiving Legal Advice on Specific Legal Questions, Pursuant to C.R.S. 24-6-402(4)(b); and for the Purpose of Determining Positions Relative to Matters Subject to Negotiations, Developing Strategy for Negotiations, and Instructing Negotiators, Pursuant to C.R.S. 24-6-402(4)(e)

12. ADJOURNMENT

**CITY OF EVANS – MISSION STATEMENT**

**“To deliver sustainable, citizen-driven services for the health, safety, and welfare of the community.”**

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## COUNCIL COMMUNICATION

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**DATE:** January 5, 2016

**AGENDA ITEM:** 6.A

**SUBJECT:** Approval of the Minutes of December 22<sup>nd</sup> City Council Meeting

**PRESENTED BY:** City Clerk

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**AGENDA ITEM DESCRIPTION:**

Approval of minutes.

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**FINANCIAL SUMMARY:**

N/A

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**RECOMMENDATION:**

N/A

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**SUGGESTED MOTIONS:**

*"I move to approve the minutes as presented."*

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**MEETING MINUTES  
EVANS CITY COUNCIL  
December 22, 2015**

**CALL TO ORDER**

Mayor Morris called the meeting to order at 7:30 p.m.

**PLEDGE**

**ROLL CALL**

Present: Mayor Morris, Mayor Pro-Tem Schaffer, Council Members Brown, Finn, and Rudy

Absent: Council Members Clark and Homann

**AUDIENCE PARTICIPATION**

Fred Neal, 1614 38th Street, Evans, spoke to City Council about the need for politicians to be accessible for input from citizens. He discussed his frustration to find the Mayor's address and explained that the City Council Members needed to be more available.

Mayor Morris thanked Mr. Neal for his comments.

**APPROVAL OF AGENDA**

Mayor Pro-Tem Schaffer made the motion, seconded by Council Member Rudy, to approve the Agenda. The motion passed with all voting in favor thereof.

**CONSENT AGENDA**

- A. Approval of Minutes of the Regular Meeting of December 1, 2015**
- B. Ordinance No. 640-15 – Amending Title 10 of the Evans Municipal Code to Include a Parking Prohibition Related to Semi-trailers Containing Hazardous Materials, Addressing Restitution and Authorizing the Designation of Truck Routes (Second Reading)**

Mayor Pro-Tem Schaffer made the motion, seconded by Council Member Rudy, to approve the Consent Agenda. The motion passed with all voting in favor thereof.

**OLD BUSINESS**

**A. Resolution No. 39-2015 – Establishing 2016 Stormwater Utility Fees for Use of the Storm Water System of the City of Evans**

Fred Starr, Public Works Director, discussed the need for the Resolution to increase the Stormwater Utility Fees and explained that this fee would be removed from the annual City Fee Schedule and be amended by Resolution, which is the same method for amending water and wastewater fees.

Mayor Morris thanked Fred and spoke about his support for the increase.

Council Member Rudy made the motion, seconded by Council Member Finn, to adopt Resolution No. 39-2015 – Establishing 2016 Stormwater Utility Fees for the use of the Storm Water System of the City of Evans. The motion passed with all voting in favor thereof.

**NEW BUSINESS**

**A. Emergency Ordinance No. 641-15 – Amending Ordinance No. 607-14 and Appropriating Sum of Revenues and Fund Balances for the Amended 2015 City of Evans Budget**

Jacque Troudt, City Finance Manager, presented the Emergency Ordinance, to account for \$374,840 in revenue and expenses for a 2015 grant being received by the City's Wastewater Fund from the State Department of Local Affairs (DOLA).

Mayor Morris clarified the need for the emergency ordinance to get the adoption into the 2015 budget.

Ms. Troudt clarified that the emergency ordinance was necessary for the accounting to be clarified for these 2015 grant funds.

Council Member Brown made the motion, seconded by Council Member Rudy, to adopt Emergency Ordinance No. 641-15 – amending Ordinance No. 607-14 and appropriating sum of revenues and fund balances for the amended 2015 City of Evans Budget. The motion passed with all voting in favor thereof.

**B. Resolution No. 41-2015 – Authorizing the Public Works Director to Sign Applications and other Water Court Pleadings**

Scott Krob, City Attorney, spoke to Council for the need to adopt the resolution in order to authorize the City's Public Works Director to sign documents related to ongoing water court pleadings. Mr. Krob explained that this was necessary to expedite applications and other documents that were currently being requested from

the City.

Council Member Rudy asked what types of matters could be handled by Mr. Starr and what matters would require the City Council's approval.

Mr. Krob discussed some examples of what is currently being requested by the Water Court, but explained that anything significant would be approved by Council.

Mayor Morris clarified that this authority would be for applications and pleadings to the Water Court.

Mr. Krob explained that was correct and any actual conveyance or receipt of a water right, would need approval by the City Council.

Mayor Morris discussed his support for the resolution.

Council Member Finn made the motion, seconded by Council Member Brown, to approve Resolution No. 41-2015 – authorizing the Public Works Director to sign applications and other Water Court pleadings. The motion passed with all voting in favor thereof.

**C. Resolution No. 42-2015 – Approving an Intergovernmental Agreement with the Colorado Department of Transportation (CDOT) Regarding the Widening of 65<sup>th</sup> Avenue between 37<sup>th</sup> Street and the US Highway 34 Bypass**

Mr. Starr discussed grant funding provided by the Northern Front Range Metropolitan Planning Organization for improvements to 65<sup>th</sup> Avenue. Mr. Starr explained that this agreement requires an agreement with the Colorado Department of Transportation (CDOT).

Mayor Morris discussed his support for the project.

Council Member Brown asked if the intersection of 65<sup>th</sup> Avenue and 37<sup>th</sup> Street would be part of this project.

Mr. Starr, explained that the project begins at the north side of the 65<sup>th</sup> and 37<sup>th</sup> intersection and continues north on 65<sup>th</sup> until the street enters the City of Greeley.

Council Member Brown made the motion, seconded by Mayor Pro-Tem Schaffer, To adopt Resolution No. 42-2015 – approving an intergovernmental agreement with the Colorado Department of Transportation regarding the widening of 65<sup>th</sup> Avenue between 37<sup>th</sup> Street and the US Highway 34 Bypass. The motion passed with all voting in favor thereof.

**REPORTS**

**A. City Manager**

Aden Hogan, City Manager, updated the City Council about his schedule around the Holidays and explained that Chief Brandt would be the acting City Manager during his absence.

He also talked about the success of the recent City Photo contest, provided an update about building permits for single-family and commercial buildings in 2015, and discussed the decline of the oil and gas industry impacting commercial sales taxes for 2015.

#### **B. City Attorney**

Mr. Krob reserved his comments for the scheduled executive session.

#### **AUDIENCE PARTICIPATION**

Fred Neal, 1614 38th Street, Evans, spoke about problems with CDOT and snow removal in the City during a recent storm. He talked about the importance of infrastructure and the need to keep streets and intersections near Prairie Heights Middle School plowed.

#### **EXECUTIVE SESSIONS**

##### **A. For the Purpose of Discussing an Individual Personnel Matter Pursuant to C.R.S. 24-6-402(4)(f); and for the Purpose of Determining Positions Relative to Matters Subject to Negotiations, Developing Strategy for Negotiations, and Instructing Negotiators, pursuant to C.R.S. 24-6-402(4)(e)**

Mayor Pro-Tem Schaffer made the motion, seconded by Council Member Rudy, to adjourn into executive session for the purpose of discussing an individual personnel matter, pursuant to C.R.S. 24-6-402(4)(f).

The motion passed with all voting in favor thereof.

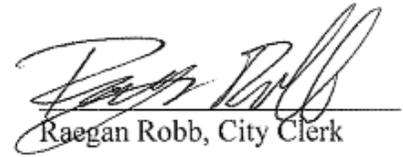
The City Council adjourned into executive session at 7:53 p.m.

The executive session convened at 9:46 p.m.

Mr. Krob entered into the record that the reason for the executive session was satisfied according to the referenced state law and covered under attorney-client privilege.

#### **ADJOURNMENT**

The regular meeting adjourned at 9:47 p.m.

  
Raegan Robb, City Clerk

DRAFT

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## COUNCIL COMMUNICATION

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**DATE:** January 5, 2016

**AGENDA ITEM:** 6.B

**SUBJECT:** Resolution No. 01-2016 - Designation of Public Place for the posting of notices of public meetings

**PRESENTED BY:** Raegan Robb, City Clerk

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**AGENDA ITEM DESCRIPTION:**

This Resolution fulfills an annual requirement, pursuant to C.R.S. 24-6-402, to designate a location for notices of all public meetings, which must be posted at least 24 hours prior to the meeting. This resolution designates the bulletin board at the entrance to the Evans City Council Chambers as the public posting place for the City of Evans.

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**FINANCIAL SUMMARY:**

N/A

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**RECOMMENDATION:**

Staff recommends adoption of the resolution.

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**SUGGESTED MOTIONS:**

*“I move to adopt Resolution No. 01-2016.”*

*“I move to deny the adoption of Resolution No. 01-2016.”*

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**CITY OF EVANS, COLORADO**

**RESOLUTION NO. 01-2016**

**DESIGNATION OF PUBLIC PLACE FOR THE POSTING OF NOTICES  
OF PUBLIC MEETINGS IN THE CITY OF EVANS**

**WHEREAS**, C.R.S. 24-6-402 states that any meetings at which the adoption of any proposed policy, position, resolution, rule, regulation, or formal action occurs or at which a majority or quorum of the body is in attendance, or is expected to be in attendance, shall be held only after full and timely notice to the public; and

**WHEREAS**, C.R.S. 24-6-402 provides that timely notice of any public meeting be posted in a designated public place within the boundaries of the local public body no less than 24 hours prior to the holding of any such meeting; and

**WHEREAS**, Section 3.13 of the Home Rule Charter requires the agenda for any regular meeting to be posted or published 24 hours in advance; and

**WHEREAS**, C.R.S. 24-6-402 states that all public bodies are required to designate annually the place or places where such public meeting notices are to be posted.

**NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EVANS, COLORADO:**

That notices of all public meetings requiring a minimum of 24 hours prior notice by posting at a designated public place pursuant to C.R.S. 24-6-402 shall be posted on the bulletin board at the entrance to the City Council Chambers, 1100 37<sup>th</sup> Street, Evans, Colorado.

**PASSED, APPROVED AND ADOPTED** at a regular meeting of the City Council of the City of Evans on this 5<sup>th</sup> day of January, 2016.

ATTEST:

CITY OF EVANS, COLORADO

\_\_\_\_\_  
City Clerk

By: \_\_\_\_\_  
Mayor

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## COUNCIL COMMUNICATION

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**DATE:** January 5, 2016

**AGENDA ITEM:** 6.C

**SUBJECT:** Resolution No. 02-2016 - Rescheduling June 21, 2016 and August 2, 2016 City Council Meetings

**PRESENTED BY:** Raegan Robb, City Clerk

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**AGENDA ITEM DESCRIPTION:**

For the purpose of the CML Annual Conference and National Night Out, it was recommended that the City Council meetings be rescheduled to the preceding Mondays. Therefore, the June 21, 2016 City Council meeting will occur on Monday, June 20, 2016 and the August 2, 2016 City Council meeting will occur on Monday, August 1, 2016.

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**FINANCIAL SUMMARY: N/A**

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**RECOMMENDATION:**

Adoption of Resolution No. 02-2016.

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**SUGGESTED MOTIONS:**

*"I move to adopt Resolution No. 02-2016."*

*"I move to deny the adoption of Resolution No. 02-2016."*

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**CITY OF EVANS, COLORADO**

**RESOLUTION NO. 02-2016**

**RESCHEDULING JUNE 21, 2016 AND AUGUST 2, 2016  
CITY COUNCIL MEETINGS**

**WHEREAS**, Section 3.13 of the Home Rule Charter of the City of Evans provides that times and numbers of regular City Council meetings shall be provided by ordinance and further that the City Council, may by resolution, change the time and place of any particular regular meeting, and

**WHEREAS**, Section 2.04.010 of the Evans Municipal Code provides that City Council meetings shall be on the first and third Tuesdays of every month, and

**WHEREAS**, the third Tuesday in the month of June, 2016 is the Colorado Municipal League Conference, and the first Tuesday in the month of August, 2016 is National Night Out.

NOW, THEREFORE BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF EVANS reschedules the June 21, 2016 City Council meeting to occur on Monday, June 20, 2016 and the August 2, 2016 City Council meeting to occur on Monday, August 1, 2016. These meetings will be held at 7:30 p.m. in Council Chambers, Evans Community Complex, 1100 37<sup>th</sup> Street, Evans, Colorado.

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council of the City of Evans on this 5<sup>th</sup> day of January, 2016.

CITY OF EVANS, COLORADO

By \_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

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## COUNCIL COMMUNICATION

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**DATE:** January 5, 2016

**AGENDA ITEM:** 7.A

**SUBJECT:** Ordinance No. 642-16 – Adoption of Adjusted City Impact Fees  
(1<sup>st</sup> Reading)

**PRESENTED BY:** Scott Krob, City Attorney  
Sheryl Trent, Economic Development Director  
Jessica Gonifas, Deputy City Manager

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### AGENDA ITEM DESCRIPTION:

In 2014, in the context of reviewing the proposed budget, the City Council directed staff to undertake a review of the City's methodology and approach to establishing impact fees and prepare a report and recommendation for possible modifications to the impact fee model. After a Request for Proposal process, the firm of Tischler-Bise was selected to undertake this review. Following several public work sessions, the City Council formally adopted the Impact Fee Study in October of 2015. A few changes have been made to that Study, and the final draft, dated November 16, 2015, is attached to and incorporated as a part of this Ordinance.

That study detailed the assumptions, calculations, methodology and findings to establish amended impact fees for:

- Fire/Rescue Services;
- Parks, Recreation and Trails;
- Transportation; and
- Wastewater Service.

One new fee is being proposed in the study: a Police Protection Services impact fee. Additionally, two fees could not be updated at this time due to master plans in progress: the Water impact fee and the Storm Water impact fee. At such time as those studies are completed we will update those fees with the City Council. Although the Tischler/Bise study addressed Waste Water impact fees, those fees are not included in this ordinance, but are being addressed by separate resolution, as Waste Water is an enterprise.

The Ordinance repeals certain sections of the existing Municipal Code and establishes a new Chapter 3.20: Impact Fees under Article 3: Revenue and Finance to consolidate all the impact fee provisions in one location. The ordinance also indicates that annual amendments to the impact fees will be made by resolution and adopted with the fee updates that occur after budget approval by the City Council.

While a red line of the old ordinance sections has been provided for your review, due to the large number of changes, the redline may be of limited use. This project entailed two main areas of focus:

- 1) Consolidating into one area repetitive language such as purpose, collection of fees, appropriate uses of fees, and so on. This eliminated redundancies and makes the code easier to read and more consistent for each fee.
- 2) Eliminating outdated or unnecessary sections of the code. As the Council has directed, staff is working on the code to make it more responsive to the needs of our business owners, and more adaptable and flexible where appropriate. Therefore some sections of the code that went into great detail are now less restrictive and the City Manager and City Council have a greater ability to discuss the needs of the developer.

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**FINANCIAL SUMMARY:**

The adoption of this ordinance also amends the code to reflect the fees as recommended in the study. In some cases those fees are higher and in some cases they are lower than current fees. The newly recommended Police Impact Fee will be an additional fee.

In general, Development Impact Fees continue to be a major source in support of the City's capital improvement plan, with several million in costs identified for specific projects and tens of millions in additional potential improvements. The annual budget does not anticipate annual impact fee revenues until they are received and audited. These revenues may be revised as the City re-assesses its growth plans, related infrastructure requirements and impact fee structure.

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**RECOMMENDATION:**

Staff recommends the following to City Council:

Approve Ordinance No. 642-16 adopting the new impact fees to be implemented when Ordinance No. 642-16 goes into effect and amended annually thereafter during the budget process by Resolution.

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**SUGGESTED MOTIONS:**

*"I move to approve Ordinance No. 642-16 on first reading."*

*"I move to deny Ordinance No. 642-16 on first reading."*

*"I move to deny the approval of Ordinance No. 516-11 on first reading."*

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~~CHAPTER 15.50 – Fire/Rescue Impact Fees~~

~~15.50.010 – Fire Stations and Apparatus – City Council authority.~~

The ~~City~~ Council may acquire, accept dedications and gifts of, develop and maintain fire stations and apparatus.

**Commented [ST1]:** This is general language that we kept, but not unique to each fee.

~~Need to add something about how the City can collect impact fees on behalf of the Fire District per the Service Agreement dated xxxxx~~

(Ord. 168-02)

~~15.50.020 – Purpose.~~

In order to provide or to assist in providing the financing required to acquire, develop and maintain fire stations and apparatus, the fire/rescue impact fees shall be established by the City Council by ordinance to be paid by property owners desiring to develop property with improvements.

**Commented [ST2]:** The purpose is now standard across all fees and not separated by each fee

(Ord. 168-02)

~~15.50.030 – Fire/rescue impact fee study.~~

The City commissioned a study in ~~July, 2002~~ dated November 16, 2015 to update the amounts charged by the Fire/Rescue Impact Fee.

**Commented [ST3]:** Council will note that the Impact Fee Study is referenced for all the fees now!

(Ord. 168-02)

~~15.50.040 – Calculation of fees.~~

The fees calculated in the ~~2002-2015~~ study are directly related to the capital requirements likely to be imposed on the Fire ~~Department~~ District in order to serve new growth at service levels consistent with those currently found in the community.

**Commented [ST4]:** Some version of this is standard across all the fees and is referenced by CRS.

(Ord. 168-02)

~~15.50.050 – Paid with building permit.~~

Fire/rescue impact fees shall be due when the building permit fee is paid.

**Commented [ST5]:** This is standard across all the fees, so you will note this language is included

(Ord. 168-02)

~~15.50.060 – Waiver authorized when.~~

The City Council may waive the requirement of the fire/rescue impact fees otherwise payable by any property owner who is willing to transfer to the City a parcel of land, if the City Council determines:

**Commented [ST6]:** Waiver are now addressed in general, not specifically to any impact fee.

- A. That the parcel of land is suitable for fire station location purposes;

- B. That the person otherwise obligated to pay the fire/rescue impact fee is the fee simple owner of the parcel and has marketable title thereto; and
- C. That the market value of the parcel exclusive of all liens and encumbrances is equal to or greater than the total fire/rescue impact fee that otherwise would be payable.

D. That the Fire District Board has taken formal action to approve of the waiver and has made a recommendation in writing to the City Council to do so.

(Ord. 168-02)

~~15.50.070~~ Disposition of funds.

- A. Except as hereinafter provided, all fire department impact fees shall be credited to a separate fund, to be known as the "Fire/Rescue Impact Assessment Fund."
- B. Nothing in this Chapter shall prohibit the City Council from appropriating funds from the general revenues of the City for acquisition, development and maintenance of fire stations and apparatus.

(Ord. 168-02)

~~15.50.080~~ Applicability of new fee amounts.

This fee shall apply to all building permits issued and paid for after the effective date of this ordinance. Any building permit application shall not be considered complete unless and until (1) all of the required information and submittal materials, in the amounts and dimensions required by this code, have been submitted to and received by the city department or official specified in this code; and (2) the Planning Division has certified the application as complete. The decision of the Planning Division with respect to completeness and applicability of submittal requirements shall be final.

(Ord. 168-02)

~~15.50.090~~ Eligibility for impact fee credits.

If developers construct or provide any fire/rescue facilities or equipment which would serve new growth within the City's impact fee study area ~~commissioned in July 2002~~ per the study dated November 16, 2015, they may apply to receive an appropriate credit equal to the dollar amount of the facilities or equipment provided, not to exceed the total amount of impact fees they would have been required to pay under the existing fee schedule.

(Ord. 168-02)

~~15.50.100~~ Fire/Rescue Department Impact Fees.

~~Effective January 1, 2014, the Fire/Rescue Impact Fees shall be as follows:~~

~~Fire/Rescue Department Impact Fees~~

<del>Each residential unit other than a motel or hotel.</del>	<del>\$805.00 per dwelling unit</del>
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**Commented [ST7]:** Again, the new language groups all the fees into their separate funds.

**Commented [ST8]:** Credits have been streamlined and made more responsive and adaptable to situations as posed by the developer. They are no longer unique to each fee,.

**Commented [ST9]:** Each fee is pulled out as listed in the new Impact Fee Study.

Nonresidential uses, but including a motel or hotel.*	\$0.46 per square foot of each floor level of the building area
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I'm thinking we just want to reference the study instead of list them in the ordinance? I don't really care.....

\*Exception: any detached accessory structure related to a single-family residential use.

Annually, the fees will be updated by Resolution to reflect inflation, as reflected in the Engineering News Record Construction Index.

(Ord. 577-13 §2; Ord. 529-11: 504-10: 477-09: 458-08: 417-07: 389-06: 357-05: 303-04: 245-03: 168-02; Ord. 544-12 §2)

~~15.50.110~~ Violation; penalty.

Any person who violates any of the provisions of this chapter is guilty of a violation of this chapter and shall be punished as provided in Section 1.16.010 of this Code.

(Ord. 168-02)

~~CHAPTER 15.52~~ Park Development Impact Fees

~~15.52.010~~ Parks and playgrounds — City Council authority.

The City Council may acquire, accept dedications and gifts of, develop and maintain areas for City parks, trails and open space.

(Ord. 181-02: 361-77)

~~15.52.020~~ Park fees - purpose.

In order to provide or to assist in providing the financing required to acquire, develop and maintain City parks, trails and open space, Park Impact Fees are established by the City Council by Ordinance REsolution to be paid by property owners desiring to develop property.

(Ord. 181-02: 1109-98: 901-94: 596-84: 361-77)

15.52.030 - Park impact fee study.

The City commissioned a Parks and Recreation Master Plan, which included an impact fee study in March of 2000, and an Impact Fee Study dated November 16, 2015 to update the amounts charged for the Park Development Impact Fee.

(Ord. 181-02)

**Commented [ST10]:** This is also common to all the Impact Fees, although the index might be different for each one as specified in the new ordinance.

**Commented [ST11]:** Violations are all grouped and not unique.

**Commented [ST12]:**

**Commented [ST13R12]:**

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~~15.52.040~~ Calculation of fees.

The fees calculated in the ~~2000-2015~~ study are directly related to the capital requirements likely to be imposed on the Parks and Recreation ~~Department services~~ in order to serve new growth at service levels consistent with those currently found in the community.

(Ord. 181-02)

15.52.045 - Park Development Impact Fees - schedule of amounts.

~~Effective January 1, 2014, the Park Development Impact Fees shall be as follows:~~

- ~~A. For each single-family dwelling, four thousand six hundred four dollars (\$4,604.00);~~
- ~~B. For each dwelling unit in a duplex, apartment building, or in any other residential structure other than a motel or hotel, four thousand six hundred four dollars (\$4,604.00);~~
- ~~C. For each space in a mobile home park or community, four thousand five hundred sixteen dollars (\$4,516.00);~~
- ~~D. Exception: Any detached accessory structures related to residential uses described in Subsections A through C as listed above shall be exempt from this fee.~~

Again, should we list them here? Or refer to the study?

(Ord. 577-13 §3; Ord. 544-12 §3; Ord. 529-11: 477-09: 458-08: 417-07: 391-06: 359-05: 302-04: 240-03: 183-02)

~~15.52.050~~ Park fees - paid with building permit.

Park fees shall be due when the building permit fee is paid.

(Ord. 181-02: 361 77)

~~15.52.060~~ Waiver authorized when.

~~The City Council may waive the requirement of park fees otherwise payable by any property owner who is willing to transfer to the city a parcel of land, if the City Council determines:~~

- ~~A. That the parcel of land is suitable for park purposes;~~
- ~~B. That the parcel of land is above and beyond the required park land dedication requirements as stipulated in Chapter 16.42 of this Code.~~
- ~~C. That the person otherwise obligated to pay the park impact fee is the fee simple owner of the parcel and has marketable title thereto; and~~
- ~~D. That the market value of the parcel exclusive of all liens and encumbrances is equal to or greater than the total park impact fee that otherwise would be payable.~~

(Ord. 181-02: 361 77)

15.52.070 - Disposition of funds.

- A. Except as hereinafter provided, all park fees shall be credited to a separate fund, to be known as the "Park Development Impact Fund."
- B. Nothing in this Chapter shall prohibit the City Council from appropriating funds from the general revenues of the City for acquisition, development and maintenance of parks, trails and open space.

(Ord. 181-02: 361 77)

~~15.52.080~~ Applicability of new fee amounts.

This fee shall apply to all building permits issued and paid for after the effective date of this fee adoption. Any building permit application shall not be considered complete unless and until (1) all of the required information and submittal materials, in the amounts and dimensions required by this code, have been submitted to and received by the city department or official specified in this code; and (2) the Planning Division has certified the application as complete. The decision of the Planning Division with respect to completeness and applicability of submittal requirements shall be final.

(Ord. 181-02)

~~15.52.090~~ Eligibility for impact fee credits.

If developers construct or provide any park facilities or equipment, utilizing acceptable design and construction methods approved by the Director of Parks and Recreation and adhering to any applicable sections of Chapter 16.42 of the Evans Municipal Code, which would serve new growth within the City, they may apply to receive an appropriate credit equal to the dollar amount of the facilities or equipment provided, not to exceed a total amount of a calculated percentage of impact fees they would have been required to pay under the existing fee schedule.

(Ord. 181-02)

~~15.52.100~~ Updating fees for inflation.

Annually, the fees will be updated and adjusted, by ordinanceresolution, to reflect inflation utilizing the most recent factor in the most recent period for which figures are available from the Consumer Price Index for the Denver-Boulder-Greeley area.

(Ord. 181-02)

~~15.52.110~~ Violation; penalty.

Any person who violates any of the provisions of this chapter is guilty of a violation of this Chapter and shall be punished as provided in Section 1.16.010 of this Code.

(Ord. 181-02: 842-92: 361-77)

~~CHAPTER 16.40—Parks~~

~~16.40.010—Administration of public parks by Director of Parks and Recreation—appointment.~~

The construction, development, planning, operation and maintenance of public parks in the City shall be under the administration of the Director of Parks and Recreation. The Director of Parks and Recreation shall be appointed by the City Manager.

~~(Ord. 1150-99; Ord. 768-90; Ord. 595-84)~~

~~16.40.020 Closed hours of parks designated.~~

~~All public parks within the City shall be closed to the public between the hours of 10:00 p.m. and 5:00 a.m.~~

~~(Ord. 652-86; Ord. 595-84)~~

~~16.40.030 Closed hours of parks posting notices.~~

~~The Director of Parks and Recreation shall post notices at the entrances of all City parks in conspicuous places therein in conformity with the provisions of this Chapter as to closing hours, sufficient to inform the public of the closing hours in such parks.~~

~~(Ord. 369-06; Ord. 595-84)~~

~~16.40.040 Closed hours of parks violation unlawful exceptions.~~

~~It is unlawful for any person to be within the parks between the hours of 10:00 p.m. and 5:00 a.m. unless travel on park streets therein is necessary for through traffic for those residing in areas adjoining such parks or unless on occasions or events of a public nature for which a permit has been previously granted by authority of the City. This prohibition shall not extend to persons employed within such parks or to persons who have obtained permission, in writing, from the Director of Parks and Recreation for entry into parks during such hours.~~

~~(Ord. 369-06; Ord. 1150-99; Ord. 652-86; Ord. 595-84)~~

~~16.40.050 Vandalism and interference with facilities or vegetation unlawful.~~

~~It is unlawful for any person to injure, damage, remove, deface or destroy any City park facility, tree, shrub, vine, flower or other property within any City park or to commit any act of vandalism therein.~~

~~(Ord. 595-84)~~

~~16.40.060 Orderly conduct required certain behavior prohibited.~~

~~All persons making use of any public park in the City shall at all times conduct themselves in an orderly manner and shall not disport themselves in a loud, boisterous or unseemly manner or in such fashion as to disturb, be offensive to or annoy other users of such park or residents adjacent thereto.~~

~~(Ord. 595-84)~~

~~16.40.070 Glass containers prohibited.~~

~~It is unlawful for any person to bring, use or possess a glass container in a public park within the City.~~

~~(Ord. 652-86)~~

~~16.40.080—Alcohol restricted—public parks and facilities.~~

~~It shall be unlawful for any person to serve, consume or have any open container of alcoholic beverages within the Riverside Park Ball Fields and the adjacent parking area without the issuance of a special permit. It is also unlawful for any person to serve, consume or have any open container of alcoholic beverage (except as permitted by Section 12-47-411(3.5), C.R.S., for vinous liquor) when on, in or using, by conveyance or otherwise, any public street, parking lot, alley, park, public place, avenue or sidewalk within the City, with the exception that alcoholic beverages with six percent (6%) or less alcohol content may be consumed in the parks of the City (outside the Riverside Park Ball Fields and adjacent parking area) and with the exception that alcohol may be consumed upon issuance of a special permit within the confines of the Evans Community Complex. (See also Subsections 5.08.230A and 5.08.230B of this Chapter). Any consumption of alcohol at the Evans Community Complex or within Riverside Park Ball Fields and its adjacent parking area will be restricted to approved City issued permit holders and such permit holders shall follow all rules and regulations set forth at the Complex and all other applicable laws pertaining to the consumption of alcohol in the City.~~

~~(Ord. 292-04; Ord. 022-00; Ord. 1044-97)~~

~~16.40.090—No smoking at Riverside Park Ball Fields.~~

~~As provided in Section 8.18.030 of this Code, and in order to reduce the levels of exposure to environmental tobacco smoke, smoking shall not be permitted and no person shall smoke in any area within the fenced area of the Riverside Park Ball Fields.~~

~~(Ord. 427-08)~~

~~16.40.100—No open fires.~~

~~It shall be unlawful for any person to start or maintain an open fire except in designated receptacles provided in the park by the City and except for persons employed within such parks by the City or to persons who have obtained permission, in writing, from the Fire Chief and the Director of Parks and Recreation.~~

~~(Ord. 1150-99; Ord. 768-90)~~

~~16.40.110—No boating or swimming—variance provision.~~

~~A.—It shall be unlawful for any person to use any type of boat, floatation device or inflatable boat on any City lake. It shall further be unlawful for any person to swim, wade or enter the water at any City lake.~~

~~B.—Application for a variance to this Section shall be submitted to the Parks and Recreation Commission. Such application shall include a statement setting forth the nature and extent of the requested variance, together with evidence supporting need for such variance. Once a completed application for a variance has been submitted to and heard by the Parks and Recreation Commission, its recommendation shall be forwarded to the City Council for consideration and final decision at the next regular council meeting.~~

~~(Ord. 1150-99; Ord. 768-90)~~

~~16.40.111—Dogs in parks.~~

~~It shall be unlawful for any dog to be in any public lake or body of water and will be considered a public nuisance when in any lake or body of water. Controlled dogs are allowed on City-owned parks, trails and open space. A controlled dog must be on a leash ten (10) feet or less in length, attached to the dog and held by or tied to a person (see also Section 6.04.020, "Control required - running at large prohibited" of this Code). Any owner, taking the animal upon any public way or other public property in the City, shall immediately remove or cause to be removed and lawfully dispose of all fecal matter left on such property by the animal (see also Section 6.04.130, "Animal defecation - owner responsibility" of this Code).~~

~~(Ord. 426-08; Ord. 369-06)~~

~~16.40.112 - Off-leash dog park.~~

~~Dogs may be allowed off-leash only within designated off-leash dog parks in the City. Dogs must be under voice control and in sight of the owner at all times and owners must follow all posted rules and regulations while in the dog park. Any owner, taking the animal in to any dog park, shall immediately remove or cause to be removed and lawfully dispose of all fecal matter left on such property by the animal.~~

~~(Ord. 426-08)~~

~~16.40.120 - Violation penalty.~~

~~Any person who violates any of the provisions of this Chapter is guilty of a violation of this Chapter and shall be punished as provided in Section 1.16.010 of this Code.~~

~~(Ord. 842-92; Ord. 768-90)~~

~~CHAPTER 16.42 - Regulations for Dedication of Land and/or Payment of Fees for Public Park Land in Subdivisions~~

16.42.010 - Intent.

This Section is intended to provide adequate sites for the location of public park land necessitated by the impacts created by new development. Such sites may be dedicated to the City or a homeowner's association for eventual construction and maintenance. The intent is to require appropriate mitigation in proportion to the impacts being created by new development. It is further the intent of this Section to have dedicated park land as the highest priority although a cash-in-lieu process is identified. An annexation agreement and/or developer's agreement, when appropriate, will outline the specific requirements pertaining to this Section and specifics as to land dedication and/or cash-in-lieu for land. This Section is in addition to park development impact fees, of which said fees are to be used for the design and construction of park lands.

(Ord. 370-06; Ord. 111-01; Ord. 045-00)

16.42.020 - General requirements.

The developer shall provide, at no cost to the City, for the construction of all roads adjacent to the park area being platted in conformance with the Comprehensive Plan, including all roads adjoining publicly dedicated park sites, traffic signalization to serve the site, extensions of all utilities to the site and other public infrastructure as required by the City Council. Security needed to ensure such improvements shall

**Commented [ST14]:** Staff is reviewing 16.42 as part of this discussion. The intent is to provide for streamlined procedures that are more responsive and adaptable to the needs of the development

be required prior to the issuance of any building permits. All park and trail development and facilities shall conform to the standards and criteria as outlined in the City of Evans Parks, Trails and Recreation Master Plan, as amended.

- A. Parks, trails and open land. Whenever land is proposed for residential subdividing, or if land is replatted which would add to, or change, the original residential impact, the developer shall provide land or cash-in-lieu of land for active and specialized recreation generated by the proposed use. In general, these lands shall be suitable for the development of active play areas, trails or in some instances to serve to preserve unique land forms or natural areas. Where no suitable land is available in a development, cash-in-lieu of land or the equivalent monetary value or the donation of recreation facilities may be substituted at the City's discretion. Additional dedication for open land may be required by the City if deemed necessary to preserve areas of special significance.
1. The following formula is used to calculate the minimum amount of land dedication required in residential developments by the City, which is deemed necessary to provide adequate land for parks. This formula is based upon a total of six and one-quarter (6.25) acres of developed park land per one thousand (1,000) population as recommended in the City of Evans Parks, Trails and Recreation Master Plan. Furthermore, for purposes of population impact, each residential unit is assumed to house an average of two and nine-tenths (2.9) individuals per unit (2000 U.S. Census figures).

3.5 ac of neighborhood with a minimum size of 6.0 acres or 2.75 ac of community parks with a minimum size of 25.0 acres:

Neighborhood Park = Dwelling units x 0.010 acres/unit

Community Park = Dwelling units x 0.0080 acres/unit

- B. The City reserves the right to adjust the acreage requirement between neighborhood and community park categories as deemed necessary to meet specific needs and to determine the amount of developed park acreage required based upon recommendations by the Parks and Recreation Department/ Commission.
1. Within nonresidential developments (commercial, industrial, etc.) provision of park facilities is encouraged.
  2. For the purposes of calculating the required dedication, existing dwelling units within a subdivision shall be excluded from the calculation of the park requirement.
  3. Land proposed for park dedication shall be clearly identified on any submitted plat including the number of acres for each site and the total acreage proposed for City park dedication within the project.
  4. The conveyance of dedicated park land to the City shall be by general warranty deed and title commitment and the title shall be free and clear of all liens and encumbrances, including real property taxes completed to the time of conveyance. Dedicated park land shall include the necessary water rights or other available water service to provide for irrigation and drinking water. Community and neighborhood park land shall be conveyed at the time of recordation of the final plat for the area served by the community and neighborhood parks as defined in the City of Evans Parks, Trails and Recreation Master Plan.
  5. The City shall assume all responsibility for development of all land dedicated for parks and trails, unless otherwise determined by the City and the developer. If the developer elects to develop the park, a park site master plan, as designed by a professional landscape architect, shall be submitted to the City for approval prior to the time of final plat submittal and will be identified in a developer's agreement. Upon approval of the park plan by the City, cost estimates and construction documents shall be submitted along with all other necessary information for construction. The park site shall be constructed in accordance with City standards and specifications and as outlined in an approved developer's agreement. In addition, the developer shall provide to the City a letter of credit until all of the improvements are completed.

(Ord. 370-06; Ord. 111-01; Ord. 045-00)

16.42.030 - Cash-in-lieu.

Cash-in-lieu for off-site land dedication may be used in cases in which the cash value of park land dedication and park development costs is deemed, by the City, to be more appropriate in satisfying the needs of the residents of the proposed development. Such cases include, but are not limited to, small developments not able to meet the minimum size requirement and developments which already have adjacent facilities that could be expanded to satisfy the need created by the proposed development. In those subdivisions where proposed regional trails are located, no cash-in-lieu of land will be accepted unless there is an acceptable alternate route, as determined by the City, which is compatible with the City of Evans Parks, Trails and Recreation Master Plan.

A. The cash-in-lieu for land dedication and park development costs fee shall be determined by the following process:

1. The City Parks and Recreation Department shall review all cash-in-lieu for land and recommend a course of action to the Building Division prior to the issuance of any building permits.
2. The City shall make a final determination of the method in which the dedication requirements shall be satisfied.
3. When cash-in-lieu for land dedication and park development costs is requested by the City, the following formula shall be used:

Total acreage for dedication	\$ Value/acre as determined	Dedication
as cash-in-lieu	by market value	\$ amount required

**Commented [ST15]:** This is a section that has been streamlined in the new ordinance and applied for various impact fees, not just one specific type

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4. When a combination of land and cash-in-lieu for land is requested by the City, the following formula shall be used:

Total park dedication in acres required as calculated by formula	(divided by)	Land acreage accepted	=	Total acreage for dedication as cash-on-lieu
Total acreage for dedication as cash-in-lieu	(multiplied by)	\$ Value/acre as determined by market value	=	Dedication \$ amount required

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5. The cash-in-lieu fee shall be equivalent to the full market value of the acreage required for park land dedication. Value shall be based on the anticipated market value of the land being developed after completion of platting and construction of public improvements. The City shall determine the value for each approved cash-in-lieu project. If the fee is disputed, the applicant shall submit a proposal for the cash-in-lieu fee and supply the information necessary for the City to evaluate the adequacy of the proposal. Such submittal shall include at least one (1) appraisal of similar property within the development being reviewed, paid for the developer, by a qualified appraiser approved by the City. The Parks and Recreation Department shall recommend, to the Building Division, a final cash-in-lieu amount to be collected by the City.

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6. The cash-in-lieu fee for single-family dwellings and duplexes will be prorated on a per unit basis at the time of final platting, final plan review or any subsequent replats, whichever indicates the greater proposed land use and final number of dwelling units to be constructed, and fees will be conveyed to the City prior to the issuance of any building permits.

7. The cash-in-lieu fee for multi-family housing will be prorated on a per unit basis at the time of the issuance of building permits, which indicates the final number of dwelling units to be constructed, and will be conveyed to the City at the time of issuance of each building permit within the development.

8. Cash-in-lieu fee collected is intended to be used to benefit the residents within the service area of the type of park for which the fees were collected (i.e., neighborhood park - one-half-mile radius; community park - two-mile radius). The City reserves the right to adjust the cash-in-lieu requirement between neighborhood and community park categories as deemed necessary to meet specific needs.

(Ord. 370-06; Ord. 111-01; Ord. 045-00)

16.42.040 - Disposal of land.

Disposing of park lands obtained through these dedication requirements shall be pursuant to requirements of state law and/or City Charter.

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(Ord. 370-06; Ord. 111-01; Ord. 045-00)

16.42.050 - Variations.

Commented [ST16]: This is an example of a section that has been streamlined to be more responsive and effective in implementation.

Credit towards park land dedication requirements may be considered for the following and as determined by the Parks and Recreation Department, the Planning Division, the Planning and Zoning Commission and the City Council:

A. Consideration may be given for meeting a portion of park land dedication requirements through the provision of specialized recreation facilities, provided that such facilities:

1. Are, and will remain, available to the general public;
2. Will meet a demonstrated public need; and
3. Replace or supplement facilities that would generally be provided by the City.

- B. Consideration may be given for meeting a portion of park land dedication requirements through dedication or purchase and subsequent dedication of off-site land (land not contiguous to the development), provided that such land:
  - 1. Will meet a demonstrated public need; and
  - 2. Meets the selection criteria for a neighborhood park, community park or trail as provided in Section 16.42.060 below.
- C. Consideration may be given for meeting a portion of park land dedication requirements through the provision of private open land if such land is restricted for park, recreation or open space purposes by conservation easement or restricted deed, provided that such land:
  - 1. Will meet a demonstrated public need; and
  - 2. Meets the selection criteria for a neighborhood park community park, trail or open land as provided in Section 16.42.060 below.
- D. Consideration may be given for meeting a portion of park land dedication requirements through the provision of park and recreation facilities by developers, special districts and homeowners' associations provided that such amenities:
  - 1. Will meet a demonstrated public need;
  - 2. Are, and will remain, available to the general public; and
  - 3. Meet the selection criteria for a neighborhood park, community park or trail as provided in Section 16.42.060 below.

(Ord. 370-06; Ord. 111-01; Ord. 045-00)

16.42.060 - Selection criteria.

- A. Community parks. Recommended guidelines for sizes of community parks are listed in the City of Evans Parks, Trails and Recreation Master Plan. Land may be considered for acceptance for community park land dedication requirements if all of the following criteria are met:
  - 1. Community parks shall have a two-mile service area radius and are a minimum of twenty-five (25) contiguous acres in size;
  - 2. Sufficient flat terrain is available to provide for the development of active recreation areas as deemed necessary to meet the needs of the respective service area;
  - 3. Land will not be considered for community park land dedication if it is an exclusive utility or other easement, public street right-of-way, pedestrian walkway required under other regulations or contains topographical or hazardous obstructions that would preclude development as a community park;
  - 4. Street frontage or permanent access to the park site, at two (2) or more points, with a minimum clear distance of three hundred (300) continuous linear feet each shall be provided for both vehicles and nonmotorized users;
  - 5. Only the upper one-fourth of detention areas, with maximum side slopes or berms of 6:1, adjacent to, or within, the park site may be applied toward the minimum acreage requirement;
  - 6. Fifty percent (50%) of oil wellhead and tank battery setback areas may be applied toward the minimum acreage requirement with the placement of the oil structures at the edge of any dedicated property affected. In the case of tank batteries, however, an additional three (3) acres, or a minimum of a total of twenty-three (23) contiguous acres, is necessary for park land dedication;

7. Areas to be dedicated shall offer natural and scenic quality and, ideally, can support both active and passive recreational activities for City residents; and
  8. Areas containing lakes, ponds or reservoirs may be considered, provided that such areas do not exceed fifty percent (50%) of the total dedication requirement and the area is contiguous to other land suitable for public park development.
- B. Neighborhood parks. Recommended guidelines for sizes of neighborhood parks are listed in the City of Evans Parks, Trails and Recreation Master Plan. Land may be considered for acceptance for neighborhood park land dedication requirements if all of the following criteria are met:
1. Shall be a minimum of six (6) contiguous acres in size;
  2. Neighborhood parks shall have a one-half-mile service area radius, however, the service area will not extend across arterial roadways, as determined by the proposed development and City of Evans Transportation Plan, as amended;
  3. Sufficient flat terrain is available to provide for development of active recreation areas as deemed necessary to meet the needs of the respective service area;
  4. Land will not be considered for local park land dedication if it is an exclusive utility or other easement, public street right-of-way, pedestrian walkway required under other regulations or contains topographical or hazardous obstructions that would preclude development as a neighborhood park;
  5. Detention or retention areas will not be considered as suitable neighborhood park land and may not be applied to the minimum park acreage requirement, however; detention or retention facilities may be considered as adjacent and additional public lands to the dedicated park land providing that any side slopes or berms do not exceed a maximum 4:1 slope;
  6. Fifty percent (50%) of oil wellhead and tank battery setback areas may be applied toward the minimum acreage requirement with the placement of the oil structures at the edge of any dedicated property affected; in the case of tank batteries, however, an additional three (3) acres, or a minimum of a total of seven (7) contiguous acres, is necessary for park land dedication; and
  7. Street frontage or permanent access to the park site, at two (2) or more points, with a minimum clear distance of one hundred fifty (150) continuous linear feet each shall be provided for both vehicles and nonmotorized users.

A neighborhood park site, when possible, should be considered for co-locating with an elementary and/or middle school site in order to benefit from shared facilities such as parking lots, access roads, play fields and other facilities, thereby reducing the overall acreage requirement by a factor equal to those shared facilities. Any such consideration must be approved by all parties involved, including the City of Evans, Weld County School District 6, Weld County and/or any others.

- C. Mini-parks. Recommended guidelines for sizes of mini-parks are listed in the City of Evans Parks, Trails and Recreation Master Plan. Land may be considered for a mini-park if all of the following criteria are met:
1. Mini-parks shall be accessible to all residents living within a one-quarter-mile radius;
  2. Mini-parks shall only be constructed in large lot subdivisions (2.5 acres per unit or larger) and in developed areas of town that are currently underserved, where no sites meeting the six-acre minimum size for a neighborhood park are available;
  3. Land will not be considered for a mini-park if it is an exclusive utility or other easement, public street right-of-way, pedestrian walkway required under other regulations or contains topographical or hazardous obstructions that would preclude development as a mini-park; and
  4. Street frontage or permanent access to the park site, at two (2) or more points, with a minimum clear distance of seventy-five (75) linear feet each shall be provided for both vehicles and nonmotorized users.

D. Trails. Partial credit may be given for trails toward the park and dedication requirements as determined by the Parks and Recreation Department, the Parks and Recreation Commission and the City Council. Provision of trails is considered a normal element of an appropriately planned development. The following are considerations for design criteria for trails:

1. Alignment provides linkages for the community to local parks, schools and other activity areas;
2. Alignment is identified in the City's Trails Master Plan or provides linkages for the community to regional parks, trails or open lands as specified in the City of Evans Parks, Trails and Recreation Master Plan;
3. Trails shall be designed to provide for easy, safe and secure usage and allow for sufficient easement or right-of-way to accommodate multiple uses; and
4. Land should not be considered for trail dedication acceptance if it is an exclusive utility or other easement, public street right-of-way, pedestrian walkway required under other regulations or contains topographical or hazardous obstructions that would preclude development of a trail.

(Ord. 370-06; Ord. 111-01; Ord. 045-00)

CITY OF EVANS, COLORADO

ORDINANCE NO. 642-16

AN ORDINANCE AMENDING THE EVANS CITY CODE BY CONFIRMING AND RE-ENACTING IMPACT FEES FOR TRANSPORTATION, PARKS, RECREATION AND TRAILS, AND FIRE/RESCUE SERVICES; ENACTING AND APPROVING A POLICE PROTECTION SERVICES IMPACT FEE; ESTABLISHING AND UPDATING THE SCHEDULES OF SUCH FEES; ESTABLISHING AND RE-ESTABLISHING PROCEDURES FOR IMPOSITION AND COLLECTION OF IMPACT FEES FOR DEVELOPMENT ACTIVITIES THAT GENERATE AN INCREASED NEED FOR ADDITIONAL CAPITAL FACILITIES; AND REPEALING, RELOCATING, AND CONSOLIDATING THE PROVISIONS RELATING TO THE VARIOUS IMPACTS FEES IN A NEW CHAPTER 3.20 OF THE EVANS CITY CODE

**WHEREAS**, the City Council of the City of Evans, Colorado, pursuant to Colorado statute and the Evans City Charter, is vested with the authority of administering the affairs of the City of Evans, Colorado; and

**WHEREAS**, the construction of proposed developments within the City places significant additional demands on the City's capital facilities used in providing transportation, parks recreation and trails, fire/rescue services, and police protection services; and

**WHEREAS**, the demand for providing transportation, parks recreation and trails, fire/rescue services, and police protection services is immediate upon development of residential and non-residential property though funding from tax revenues accrues well after the demand for services has been created; and

**WHEREAS**, the Evans City Council finds and determines that one of the primary roles of building, subdivision and development review is to ensure essential public services and facilities, and that in order to promote and protect the convenience, order, prosperity and welfare of present and future inhabitants of the City, a rational system for identifying growth-related costs incurred in providing new and expanded transportation, parks recreation and trails, fire/rescue services, and police protection services made necessary by development activity is necessary, and a fee structure therefore directly related to such costs and a method for collection of such fees, should be adopted; and

**WHEREAS**, the adoption of a requirement that developers of residential and non-residential developments pay transportation, parks recreation and trails, fire/rescue services, and police protection services impact fees as established and re-established herein will ensure that new development defrays the projected impacts on these capital facilities caused by the proposed development; and

**WHEREAS**, the Local Government Land Use Control Enabling Act of 1974 (the “Land Use Act”), Sections 29-20-101 et seq., C.R.S.; Article 23 of Title 31, and other applicable laws grant broad authority to the City to plan for and regulate the development of land on the basis of the impacts thereof on the community and surrounding areas; and

**WHEREAS**, provisions of the Land Use Act, including but not limited to Section 29-20-104.5, C.R.S. authorize local governments to establish impact fees or similar development charges related to land development activities as a condition of the approval of development permits, if such fees or charges are intended to defray the projected impacts on capital facilities caused by proposed development; and

**WHEREAS**, the City is authorized by Colorado constitutional and statutory authority and case law, as well as its own Charter, to regulate the development and use of land, and impose mitigation measures, including impact fees, upon proponents of land development activities if impacts related to the service demands created by the development are not adequately mitigated; and

**WHEREAS**, the City’s authority to impose impact fees is conditioned upon criteria that establish the extent of the impact on capital facilities and the fees necessary to defray the projected impacts on capital facilities; and

**WHEREAS**, pursuant to the authority set forth above, and for the purposes set forth above, the City has previously enacted streets, park facilities, and fire/rescue impact fees; and

**WHEREAS**, the City Council has determined that it is in the interest of the public health and safety, and necessary in order to provide capital facilities for police protection services associated with new development to impose a police protection services impact fee; and

**WHEREAS**, the City Council previously determined the need to update the City’s existing impact fees and to determine the amount for the new police protection services impact fee, and to accomplish those purposes retained the services of TischlerBise to perform a Fiscal Impact Fee Study, and

**WHEREAS**, on September 15, 2015 the City Council, following consideration of the matter, accepted the impact fee study from July 2015 performed by TischlerBise, and

**WHEREAS**, TischlerBise subsequently made minor revisions resulting in a study dated November 16, 2015, and such study results, as revised, are reflected in this ordinance and the revised study is accepted by this ordinance; and

**WHEREAS**, the methodologies and analyses used by TischlerBise for determining the amount necessary to defray the projected impacts on capital facilities caused by the proposed development are reasonable and sound; and

**WHEREAS**, all of the Capital Facilities planned for and included in the Impact Fee Study are services directly related to services the City is authorized to provide, have an estimated useful life of five years or longer, and are required by the Charter or general policy of the City pursuant to resolution or ordinance; and

**WHEREAS**, the Impact Fees to be imposed on proposed development are legislatively imposed, generally applicable to a broad class of property and are no greater than necessary to defray the projected impacts on capital facilities caused by proposed new development; and

**WHEREAS**, the City Council finds and determines that the amendments to the Evans City Code as contained herein, are necessary and designed for the purpose of promoting the health, safety, convenience, order, prosperity and welfare of the present and future inhabitants of the City of Evans and are consistent with the City's goals, policies and plans, including the City's master plan documents; and

**WHEREAS**, the City Council finds that the legislative action of adopting the provisions set forth in this ordinance is necessary to protect the health, safety and welfare of the City's residents and visitors.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF EVANS, COLORADO AS FOLLOWS:**

PART 1: ACCEPTANCE OF IMPACT FEE STUDY RESULTS. The Impact Fee Study: City of Evans, Colorado prepared by TischlerBise and dated November 16, 2015 is hereby accepted. Copies of the report shall be made available to the public for inspection at the City Clerk's office and copies may be provided upon appropriate request.

PART 2: AMENDMENT TO CITY CODE. The City Code of the City of Evans, Colorado (herein sometimes referred to as the "City Code") is hereby amended as follows:

- 1.1 Repeal of existing City Code provisions. The following provisions of the existing City Code are hereby deleted, with such deletions to become effective simultaneously with the additions and other amendments as set forth below:
  - a. Chapter 15.50, regarding Fire Protection Impact Fees;
  - b. Chapter 15.52, regarding Park Impact Fees; and
  - c. Chapter 12.20, regarding Street Impact Fees.
- 1.2 Section 1.04.010 of the City Code is amended by adding the following definitions:
  - (A) "Building Permit" means the development permit issued by the City before any building or construction activity can be initiated on a parcel of land.

- (B) “Capital Facilities” includes:
- (1) Buildings and facilities used for transportation, parks recreation and trails, fire/rescue services, and police protection services.
  - (2) Apparatus and equipment, including communications equipment, with an average useful life of at least five years, for transportation, parks recreation and trails, fire/rescue services, and police protection services.
  - (3) Excludes periodic or routine maintenance of facilities and equipment, personnel costs or operational expenses.
- (C) “Developer” means a person or entity that commences a Development creating the need for additional transportation, parks recreation and trails, fire/rescue services, or police protection services.
- (D) “Development” means any construction or expansion of a building, structure, or use, any change in use of a building or structure, or any change in the use of land, which creates or may create impacts on Capital Facilities for transportation, parks recreation and trails, fire/rescue services, or police protection services.
- (E) “Fire District” means the Evans Fire Protection District.
- (F) “Fiscal Impact Fee Study” means a study prepared by an outside engineer or consultant that mathematically calculates the fiscal impact of future demand for services on existing facilities of the City of Evans or within its boundaries.
- (G) “Impact Fee” means a fee established as provided in this Chapter that is intended to defray the projected impacts on Capital Facilities for streets, park recreation or trail facilities, fire/rescue services, or police protection services caused by proposed development within the City of Evans.
- (H) “TischlerBise Impact Fee Study” means the July 2015 Study accepted by the City Council on September 15, 2015.

1.3 The City Code is amended by adding a new Chapter 3.20 to the City Code entitled "Impact Fees", which shall provide as follows:

## Chapter 3.20

### IMPACT FEES

#### Sections:

- 3.20.010 - Title.
- 3.20.020 - Purpose and Intent.
- 3.20.030 - Imposition and Purpose of Specific Impact Fees.
- 3.20.040 - Impact Fee Amounts.
- 3.20.050 - Alternative Calculation Study.
- 3.20.060 - Time for Payment of Impact Fees, Entity to Whom Payment Shall be Made.
- 3.20.070 - Deposit and Use of Impact Fees.
- 3.20.080 - Credit for Improvements.
- 3.20.090 - Additional Guidelines for Park Credit Determinations.
- 3.20.100 - Additional Guidelines for Transportation Credit Determinations.
- 3.20.110 - Appeal of Credit Determinations.
- 3.20.120 - Unpaid Impact Fees.
- 3.20.130 - Prior Conditions and/or Agreements.
- 3.20.140 - Adjustment and Review of Impact Fees.
- 3.20.150 - Application.
- 3.20.160 - Judicial Review.

#### **3.20.010 – Title.**

The provisions of this Chapter shall be known and cited as the Evans Impact Fee Code.

#### **3.20.020 - Purpose and Intent.**

(A) The purpose of this Chapter is to:

- (1) Provide a rational system for identifying and mitigating growth-related costs associated with growth and development and the expansion of transportation, parks recreation and trails, fire/rescue services, and police protection services through Capital Facilities made necessary by development.
- (2) Ensure that the impact fees established by this Chapter are established at a level no greater than necessary to defray such impacts directly related to proposed development.

#### **3.20.030 - Imposition and Purpose of Specific Impact Fees.**

(A) Any Developer who seeks a approval for a Development which impacts or may impact Capital Facilities for transportation, parks recreation and trails, fire/rescue services, or police protection services, who has not already dedicated land or Capital Facilities to fully satisfy anticipated impacts of the proposed development, shall pay an impact fee in the manner and amount set forth in this Chapter.

(B) In order to provide or to assist in providing the financing required to develop, maintain, and provide Capital Facilities for transportation, parks recreation and trails, fire/rescue services, and police protection services, the impact fees in the amounts set forth below shall be paid to defray the projected impacts on Capital Facilities caused by the proposed development.

**3.20.040 – Impact Fee Amounts.**

(A) Transportation Impact Fees

Single Unit	\$4,328 per housing unit
2+ Unit	\$3,520 per housing unit
Manufactured Home	\$4,328 per housing unit
Commercial	\$5.62 per square foot of floor area
Office/Institutional	\$2.43 per square foot of floor area
Industrial/Flex	\$1.53 per square foot of floor area

(B) Park Facility Impact Fees

Single Unit	\$4,594 per housing unit
2+ Unit	\$3,587 per housing unit
Manufactured Home	\$3,569 per housing unit
Commercial	\$0.00 per square foot of floor area
Office/Institutional	\$0.00 per square foot of floor area
Industrial/Flex	\$0.00 per square foot of floor area

(C) Fire/Rescue Services Impact Fees

Single Unit	\$930 per housing unit
2+ Unit	\$726 per housing unit
Manufactured Home	\$723 per housing unit
Commercial	\$1.00 per square foot of floor area
Office/Institutional	\$0.39 per square foot of floor area
Industrial/Flex	\$0.25 per square foot of floor area

(D) Police Protection Services Impact Fees

Single Unit	\$274 per housing unit
2+ Unit	\$214 per housing unit
Manufactured Home	\$212 per housing unit
Commercial	\$0.28 per square foot of floor area
Office/Institutional	\$0.11 per square foot of floor area
Industrial/Flex	\$0.07 per square foot of floor area

**3.20.050 - Alternative Calculation Study.**

In lieu of computation of the Impact Fee in accordance with the schedules adopted pursuant to Section 3.20.040 above, the Developer may prepare and submit, to the Evans City Manager, a

site-specific Fiscal Impact Fee Study and calculation for the Development. The Fiscal Impact Fee Study submitted shall show the basis upon which the site-specific Impact Fee Study calculation was made, and such calculation shall reflect the same level of service and standards contemplated by the TischlerBise Fiscal Impact Fee Study. The site-specific Fiscal Impact Fee Study and calculation shall be prepared and presented by professionals qualified in their respective fields. The Evans City Manager or their designee shall consider the documentation submitted by the Developer. If the City Manager or their designee determines that an acceptable site-specific Fiscal Impact Fee Study and calculation has not been presented, the Developer shall pay the Impact Fee based upon the schedule set forth in Section 3.20.040 above. Determinations made by the City Manager or his designee pursuant to this section may be appealed to the City Council by filing a written request with the City Clerk within ten (10) days of the determination by the City Manager or their designee. Following the submittal of such request, the City Council shall hold a public hearing to determine prior to Development approval, the amount of the Impact Fee that shall be paid.

**3.20.060 - Time for Payment of Impact Fees, Entity To Whom Payment Shall Be Made.**

The owner of property shall pay the Impact Fees at the time a building permit is issued. All Impact Fees shall be paid to the Evans City Treasurer.

**3.20.070 - Deposit and Use of Impact Fees.**

All Impact Fees collected pursuant to this Chapter shall be deposited by the City or the Fire District in an interest-bearing account that clearly identifies the category, account, or fund of capital expenditure for which such charge was imposed. Each such category, account, or fund shall be accounted for separately. Any interest or other income earned on moneys deposited in said interest-bearing account shall be credited to the account. All Impact Fees shall be used exclusively for Capital Facilities for which they were collected. No Impact Fees shall be used for periodic or routine maintenance, personnel costs, or operational expenses. All Impact Fees will be collected and deposited in accordance with Part 8 of Article 1 of Title 29 of the Colorado Revised Statutes.

**3.20.080 - Credit for Improvements.**

The City Manager shall calculate the amount of any credit that shall be granted to any Developer for the amounts due or to become due for Capital Facilities installed, purchased, and paid for by such Developer when such Capital Facilities offset the need or amount of the Impact Fee that would otherwise be required. Any credit granted shall not exceed the total amount the Developer would have had to pay under the existing fee schedule.

**3.20.090 - Additional Guidelines For Park Credit Determinations.**

By way of illustration and not limitation, in making a determination of whether to grant credit for park facilities provided by a Developer, the City Manager may consider the following as non-binding guidelines:

- (A) Whether the park Capital Facilities utilize acceptable design and construction methods approved by the Director of Parks and Recreation.

- (B) Whether the park Capital Facilities adhere to the applicable sections of Chapter 16.42 of the Evans Municipal Code.
- (C) Whether the park Capital Facilities conform to the standards and criteria as outlined in the City of Evans Parks, Trails and Recreation Master Plan, as amended.

**3.20.100 - Additional Guidelines for Transportation Credit Determinations.**

By way of illustration and not limitation, in making a determination of whether to grant credit for transportation facilities provided by a Developer, the City Manager may consider the following as non-binding guidelines:

- (A) Whether the Developer has dedicated land for rights-of-way and the value of such dedication, which may be based on the most recent assessed value of the County Assessor or the fair market value of the property as established by an appraiser or by other reliable means.
- (B) Whether the Developer has constructed or agreed to construct transportation Capital Facilities and the value of such Capital Facilities based on complete engineering drawings, specifications, and construction costs estimates, or by other reliable means.
- (C) Whether the Developer has contributed to or agreed to contribute to the cost of transportation Capital Facilities and the value of such contribution based on actual construction costs or an estimate prepared by a professional engineer or other reliable means.
- (D) Whether the Developer has entered into an agreement with the City to construct off-site transportation Capital Facilities to the City's system and the value of such facilities.

**3.20.110 - Appeal of Credit Determinations.**

Determinations made by the City Manager or his designee pursuant to this section may be appealed to the City Council by filing a written request with the City Clerk within ten (10) days of the determination by the City Manager or their designee. Following the submittal of such request, the City Council shall hold a public hearing to determine prior to Development approval, the amount of credits to be granted.

**3.20.120 - Unpaid Impact Fees.**

The City reserves the right to withhold or revoke any permits, certificates, or other approvals for any land or building for which the payment of Impact Fees is delinquent.

**3.20.130 - Prior Conditions and/or Agreements.**

Any Developer who, prior to the effective date of this Chapter, agreed as a condition of development approval to pay Impact Fees shall be responsible for the payment of the fees under the terms of any such agreement, and the payment of such fees by the Developer will be offset against any Impact Fees due pursuant to the terms of this Chapter.

### **3.20.140 - Adjustment and Review of Impact Fees.**

The amount of all Impact Fees shall be reviewed and adjusted as follows:

- (A) Annually, the Impact fees for transportation, parks, recreation, and trails will be updated and adjusted, by resolution, to reflect inflation utilizing the most recent factor in the most recent period for which figures are available from the Consumer Price Index for the Denver-Boulder-Greeley area. Annually, the Impact fees for police protection services and fire/rescue services will be updated to reflect inflation, as reflected in the Engineering News Record *Construction Index*.
- (B) The City Council shall, annually, in conjunction with the presentation of Evans's proposed budget, consider any further adjustments to the Impact Fees.
- (C) City Council is encouraged to authorize and cause to be performed future Fiscal Impact Fee Studies on a regular basis to review the City's impact fees.

### **3.20.150 - Application.**

The requirements of this Chapter shall apply only within the jurisdiction and boundaries of the City of Evans. Only applicants who submit applications for development after adoption of the Impact Fee will be assessed such fee.

### **3.20.160 - Judicial Review.**

The Developer may seek a declaratory judgment to determine whether any Impact Fee assessed complies with state law requirements for the imposition of impact fees. The City shall allow the Developer, upon payment of the Impact Fee, to proceed with development of their property pursuant to the Development approval while the court reviews the validity of the Impact Fee.

PART 3: REPEAL. Any and all existing City Code provisions, ordinances or parts of City Code provisions or ordinances of the City of Evans covering the same matters as embraced in this Ordinance are hereby repealed and all City Code provisions, ordinances or parts of City Code provisions or ordinances inconsistent with the provisions of this Ordinance are hereby repealed; provided, however, that such repeal shall not affect or prevent the prosecution or punishment of any person for any act done or committed in violation of any City Code provision or ordinance hereby repealed prior to the taking effect of this Ordinance.

PART 4: SEVERABILITY. If any section, subsection, sentence, clause or phrase of this Ordinance is, for any reason, held to be invalid or unconstitutional, such decision shall not affect the validity or constitutionality of the remaining portions of this Ordinance. The City of Evans hereby declares that it would have adopted this Ordinance, and each section, subsection, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses and phrases thereof be declared invalid or unconstitutional.

PART 5: EFFECTIVE DATE. The provisions of this Ordinance shall become effective as of February 15, 2016.

**INTRODUCED AND PASSED AT A REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF EVANS ON THIS 5<sup>TH</sup> DAY OF JANUARY, 2016.**

**ATTEST:**

**CITY OF EVANS, COLORADO**

\_\_\_\_\_  
Raegan Robb, City Clerk

BY: \_\_\_\_\_  
John L. Morris, Mayor

**PASSED AND ADOPTED ON A SECOND READING THIS 9<sup>TH</sup> DAY OF JANUARY, 2016.**

**ATTEST:**

**CITY OF EVANS, COLORADO**

\_\_\_\_\_  
Raegan Robb, City Clerk

BY: \_\_\_\_\_  
John L. Morris, Mayor

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# COUNCIL COMMUNICATION

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**DATE:** January 5, 2016

**AGENDA ITEM:** 8.A

**SUBJECT:** ORDINANCE NO. 643-16 – AMENDING THE EVANS CITY CODE BY REPEALING, RELOCATING, AND CONSOLIDATING THE PROVISIONS RELATING TO VARIOUS ECONOMIC INCENTIVES

**PRESENTED BY:** Sheryl Trent, Economic Development Director

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## AGENDA ITEM DESCRIPTION:

As a part of our Evans Municipal Code Update as well as our continued improvements in working with our business community, staff is proposing that incentives be adopted by Resolution, which will create flexibility and responsiveness when dealing with new location and development in Evans. To create that responsiveness, the sections of the Evans Municipal Code that deal with economic incentives must be repealed, and then placed into the Economic Incentives Policy, and finally adopted by Resolution.

This Ordinance is the first step of repealing the three sections of the code that specifically address economic incentives: 3.17, 3.30 and 3.31. These sections were written into the proposed Economic Incentives Policy which is also on the agenda this evening.

A full copy of the code sections to be repealed is attached to this report.

Should the City Council approve this Ordinance a Resolution has also been proposed to adopt the Economic Incentive Policies. The Incentive Policies were reviewed in detail by both our business consultant and the Evans Economic Development Advisory Committee and includes the collective recommendations of these individuals. As a part of our business survey, several questions were asked around the issue of incentives and that feedback has also been incorporated.

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## FINANCIAL SUMMARY:

N/A

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## RECOMMENDATION:

Staff recommends approval of the Ordinance.

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## SUGGESTED MOTIONS:

*I move to adopt Ordinance No. 643-16.*

*I move to deny adoption of Ordinance No. 643-16.*

## CHAPTER 3.17 - Development Revenue Bonds

## 3.17.010 - Declaration of policy.

It is declared to be the policy of the City to encourage the location, relocation, or expansion of manufacturing, industrial, or commercial enterprises within the corporate limits of the City, and to that end to issue development revenue bonds pursuant to the 1967 County and Municipality Development Bond Act, as set forth in Section 29-3-101, et seq., C.R.S. This policy is adopted in furtherance of the primary objectives to mitigate the serious threat of extensive unemployment, to secure and maintain a balanced and stable economy, to ameliorate pollution and other environmental problems, and to provide for the public welfare. All such action provided under this policy, as set forth in Sections 3.17.020 and 3.17.030 below, shall be taken only when the same is exercised for the benefit of the inhabitants of the City and for the promotion of their safety, welfare, convenience and prosperity. In furtherance of the policy set forth in this Section, the City Council declares that:

- A. The City Council will make all necessary determinations of the desirability of projects and will not delegate this determination to any agent, contractor, or employee of the City.
- B. The City will not employ the provisions of the 1967 County and Municipality Development Revenue Bond Act to industries presently located in other parts of the State if the result of such act is to induce removal of these industries from their present location.
- C. The City will require information and proof of such matters necessary to establish the bona fide purposes of the applicant, while not unnecessarily divulging information to the competitive disadvantage of the applicant.
- D. The City Council will, in performing its duties, seek to protect and enlarge the good fiscal reputation of the City.
- E. Material supplied under the following sections of this Chapter shall become the property of the City and shall be public records.

(Ord. 605 85, 1985)

## 3.17.020 - City planning criteria.

- A. All proposed projects shall be in accordance with and shall meet the goals, concepts, and objectives for development as set forth in the City's comprehensive master plan.
- B. The property on which any such project is to be located must be within the corporate boundaries of the City, and such property must have affixed thereto a zoning district classification of the City which permits the proposed project use.
- C. The plans for the proposed project shall be in strict compliance with appropriate zoning and subdivision regulations of the City.
- D. The City Council will review and determine the adequacy of water and sewer services prior to approval.
- E. The proposed project plans shall be reviewed and analyzed by the City Council to determine necessary off site capital improvements including, but not limited to, streets, curbs, gutters, sidewalks, utility easements, water and sewer lines, and traffic control devices. Such analysis is for the purpose of determining the impact of such development upon other municipal services and

facilities. The determination of which parties shall bear the cost of any required off-site improvements shall be set forth in an agreement between all parties in interest prior to the consideration by the City Council of a resolution of intent to issue bonds for the project.

(Ord. 605 85, 1985)

### 3.17.030 - Application requirements.

In order to properly process and consider applications to issue bonds for projects set forth in this Chapter, certain criteria, procedures, guidelines, and requirements shall be followed and submitted by the applicants as set forth below:

- A. A written legal opinion directed to the City Council from an attorney who is a qualified municipal bond counsel, stating that the applicant's proposal falls within the intent and meaning of the Economic Development Revenue Bond Act. Bond counsel shall be selected by the applicant with the final approval of the City Council.
- B. Evidence that the proposed bond issue can be sold through an acceptable underwriter or to an experienced investor or group of investors.
- C. A written application containing the following information:
  1. A history of the applicant, including a description of its operations;
  2. Historical financial statistics of applicant for the last five (5) years or for the entire time it has conducted business. If the applicant is proposing co-signers or guarantors of the bond issue, this same historical financial data must be supplied for the co-signers or guarantors.
  3. A written report from the applicant's principal banker concerning the applicant's financial position and ability to meet the expense of the proposed bond issue. The applicant should also provide a Dunn and Bradstreet Report or other equivalent national rating of its financial position;
  4. Major customers of applicant and the annual sales to each for the preceding two (2) years;
  5. A resume of principals and key employees of applicant, including directors and officers, if the applicant is a corporation;
  6. The applicant's pro forma balance sheets, income statements, and cash flow projections for the next five (5) years, reflecting the proposed revenue bond issue;
  7. The applicant's prepared financial statements dated within sixty (60) days of the application date;
  8. Copies of the applicant's financial statements, either audited or otherwise satisfactory to the City Council, for the preceding five (5) years or the entire time during which the applicant has conducted business;
  9. Complete list of assets to be purchased or constructed and expenses incidental to the acquisition, including costs of the sale of the revenue bonds;
  10. A payment schedule or formula for retirement of the bonds and payment in lieu of taxes and cost of maintaining the project in good repair and properly insured;
- D. An initial application fee of five hundred dollars (\$500.00) to defray the costs of the City's analysis of the proposal as set forth in Section 3.17.040 below shall be tendered with the application.
- E. Other information specifically desired by the City Council not set forth above.

- F. The City Council, by majority vote, may waive specific information required in the written application for new concerns that have not been in operation for the last five (5) years. The City Council, however, may request additional information in lieu of the information waived.

(Ord. 605 85, 1985)

#### 3.17.040 - Council review of application.

At such time as the applicant has provided all of the required information and met all of the above stated requirements, the City shall conduct an analysis of the information and the suitability of the proposal for implementation under this Chapter.

- A. A City review team shall be responsible for analyzing the application and making recommendations to the City Council concerning the advisability of proceeding with the proposed bond issue. The review team shall consist of the City Manager, the City Planner, and the City Attorney. In addition, the review team may engage outside counsel for the purpose of rendering opinions and doing research on the proposed bond issue.
- B. The recommendation of the review team shall include an analysis of the impact of the development upon the City and upon any other interested city or county governments. The form of agreement for any required off-site improvements shall also be recommended by the review team of the City Council. The review team may recommend that certain conditions be placed upon the applicant to further insure the repayment of the bonds and may recommend that the applicant provide a guaranteed construction contract or a completion bond prior to undertaking the proposed project.
- C. At such time that the review team has presented its recommendation, impact analysis, and off-site improvement agreement to the City Council and to the applicant, the City Council shall schedule a public hearing for the purpose of discussing the application and considering public comment on the proposed bond issue. At the close of such public hearing, the City Council may determine whether or not to proceed to issue the bonds and shall adopt a resolution formally declaring its intent.
- D. If the City Council has considered the application and the report from the review team, has conducted a public hearing on the application, and has adopted a resolution of intent to issue the proposed bonds, it shall direct the review team to prepare the bond issue. The review team will work with the applicant and with an investment banker and bond counsel suitable to the applicant and to the City.

(Ord. 605 85, 1985)

#### 3.17.050 - Additional fees upon adoption of resolution of intent to issue.

- A. Upon adoption of the resolution of intent to issue the bonds, a fee in addition to the fees provided in Section 3.17.030.D above shall be assessed in the amount of one-half of one percent (0.5%) of the total face amount of the bond issue. Such fee shall be paid to the City within thirty (30) days of the date of such resolution to defray the cost of processing of the bond issuance and legal counsel.
- B. The minimum charge pursuant to Subsection A above shall be two thousand five hundred dollars (\$2,500.00) and the maximum charge shall be the sum of ten thousand dollars (\$10,000.00), and such fees shall be assessed regardless of whether or not such bonds are ever issued or sold.
- C.

If the City Council desires to engage a bond counsel in addition to the one engaged by the applicant, for the purpose of reviewing any documents, the fee of such bond counsel shall be payable by the applicant.

- D. The City Council may engage other outside experts for purposes of reviewing the application. The applicant shall be responsible for paying any fees charged by such outside experts for their services.

(Ord. 605 85, 1985)

#### CHAPTER 3.30 - Economic Development Incentive Plans

##### 3.30.010 - Economic development incentive plan established - calendar year basis.

- A. An economic development incentive plan is hereby established to encourage the location of new businesses and the expansion of existing businesses within the city, thereby stimulating the general economic well-being of the City, providing the foundation of funding required for the provision of City services and the direct general public welfare by benefiting every public and private sector through the generation of employment opportunities with the attendant increase of disposable income.
- B. The incentives described below shall be available to any new or expanding manufacturing, processing, distribution, retail, or research and development business, as defined in Subsection D of this Section that meets the following criteria and exclusions:
1. New or expanding business shall not include any corporate reorganization, sale of an existing business or resumption of business activities unless such business has been closed for at least the previous twelve (12) months.
  2. Eligible new or expanding business shall derive its principal source of income from manufacturing, processing, distribution, retail, and/or research and development activities.
  3. Eligible new or expanding business shall invest a minimum of one hundred thousand dollars (\$100,000.00) in a new or replacement building and/or equipment/machinery during the calendar year in which application is made for incentives.
  4. Eligible existing or new business shall employ or add a minimum of five (5) full-time or full-time equivalent employees during the first full year of operation in which application is made for incentives.
- C. The incentives described below shall be available to any new or expanding manufacturing, processing, distribution, retail, or research and development business, as defined in Subsection D below, that meets the following criteria and exclusions:
1. New or expanding business shall not include any corporate reorganization, sale of an existing business or resumption of business activities unless such business has been closed for at least the previous twelve (12) months.
  2. Eligible new or expanding business shall derive its principal source of income from manufacturing, processing, distribution, retail, and/or research and development activities.
  3. Eligible new or expanding business shall invest a minimum of one million dollars (\$1,000,000.00) in a new or replacement building and/or equipment/machinery during the calendar year in which application is made for incentives.
  4. Eligible existing or new business shall employ or add a minimum of forty (40) full-time or full-time equivalent employees during the first full year of operation in which application is made for incentives.

- D. The following definitions shall apply in determining the eligibility of companies for the economic development incentive plan:

*Development fees* include fees such as planning and zoning fees, building permit fees, drainage fees, and other similar fees.

*Distribution* means the temporary storage of tangible personal property for later dissemination.

*Full-time employee* means an employee of the firm which is expected in the normal course of employment to provide at least two thousand eighty (2,080) hours of compensation service during any consecutive twelve month period.

*Full-time equivalent* means any combination of seasonal or part-time employees whose compensated hours during a consecutive twelve-month period equals two thousand eighty (2,080) hours.

*Machinery and equipment* means those articles of tangible machinery or personal property exclusively used in the industrial manufacturing process, research and development, or computer hardware not used for word processing.

*Manufacturing or processing* means the operation of producing, in an industrial use, an item of tangible personal property different from and having a distinctive name, character, or use from raw or prepared materials.

*Research and development* shall mean those activities directly related to the development of an experimental or pilot model, a plant process, a product, a formula, an invention or similar property, and the improvement of already existing property of the type mentioned. Research and development shall not include ordinary testing or inspection of materials or products for quality control or those for efficiency surveys, management studies, consumer surveys, advertising, promotions or research related to literary, historical or similar projects.

*Retail* shall mean any business devoted primarily to the sale (as defined in Section 39-26-102 (11), C.R.S.) of tangible personal property or services to the general public.

- E. Incentives shall be available to businesses each calendar year in which the business constructs or expands, if such construction or expansion meets with the criteria, exclusions and definitions established in Subsections B and C above.

(Ord. 418-07; Ord. 294-04; Ord. 980-95; Ord. 777 90)

### 3.30.020 - Economic development incentive - waiver of fees.

- A. For businesses qualifying under Section 3.30.010 above, City development fees may be waived in an amount to be determined by the City Council, up to a maximum of twenty-five percent (25%) of the total development fee paid.
- B. The following fees shall not be waived: water and sewer plant investment fees, drainage fees, fire impact fees, street impact fees, park impact fees and that portion of the City sales and use tax collected that is dedicated for public safety (currently this rate is one-half percent (0.5%).

(Ord. 294-04; Ord. 980-95; Ord. 777 90)

### 3.30.030 - Economic development incentive - waiver of sales and use taxes.

City sales and use taxes for businesses qualifying under Section 3.30.010.B shall be waived, for the period of construction or expansion only, as follows:

- A. City sales and use taxes on construction materials, fixed equipment and machinery installation, or facilities lease may be waived up to twenty-five percent (25%) of the total paid to the City, up to a maximum waived of three hundred thousand dollars (\$300,000.00).
- B. City sales and use taxes on equipment and machinery, research equipment, and computer hardware not used for word processing, when the business investment for such equipment reaches a minimum of one hundred thousand dollars (\$100,000.00), may be waived up to twenty-five percent (25%) of the total paid to the City, up to a maximum waived of three hundred thousand dollars (\$300,000.00).

(Ord. 418-07; Ord. 294-04; Ord. 777 90)

### 3.30.035 - Economic development incentive - waiver of sales and use taxes.

City sales and use taxes for businesses qualifying under Section 3.30.010.C of this Chapter shall be waived, for the period of construction or expansion only, as follows:

- A. City sales and use taxes on construction materials, fixed equipment and machinery installation, or facilities lease may be waived up to twenty-five percent (25%) of the total paid to the City, up to a maximum waived of five hundred thousand dollars (\$500,000.00).
- B. City sales and use taxes on equipment and machinery, research equipment, and computer hardware not used for word processing, when the business investment for such equipment reaches a minimum of one hundred thousand dollars (\$100,000.00), may be waived up to twenty-five percent (25%) of the total paid to the City, up to a maximum waived of five hundred thousand dollars (\$500,000.00).

(Ord. 418-07; Ord. 294-04; Ord. 777 90)

### 3.30.040 - Documentation required - appeals.

- A. Businesses wishing to apply for the benefits of the economic development incentive plan shall submit to the City Manager all documentation necessary for determination of qualification for the plan. All plans must have final approval of the City Council.
- B. Any business aggrieved by a decision of the City Manager concerning eligibility or computation of waivers may submit in writing a request for hearing before the City Council. Such request must be filed with the City Clerk within ten (10) days after the mailing date of the City Manager's decision. Failure to submit a request within ten days shall be deemed a waiver of the right to a hearing. The decision of a majority of the entire City Council shall be final.

(Ord. 294-04; Ord. 777 90, 1990)

### 3.30.050 - Incentive payments.

The City Manager may negotiate for an incentive payment with any entity that establishes a new business facility, as defined in Section 39-22-508.2(3), C.R.S., but excluding the requirements in paragraph (b) of said subsection (3); or with any taxpayer who expands a facility, as defined in Section 39-22-508.2(2)(a), C.R.S. Such negotiations shall be within the guidelines of Section 31-15-903, C.R.S. In no instance shall any such negotiations result in an annual incentive payment or credit that is greater than fifty percent (50%) of the amount of taxes levied by the City upon the taxable personal property

directly attributable to such new construction or expansion at or within such new or expanded facility and used in connection with the operation of such new or expanded facility for the current property tax year. The term of any agreement made pursuant to the provisions of this Section shall not exceed ten (10) years. The County and local school district shall be informed of any such negotiations.

(Ord. 294-04; Ord. 980-95; Ord. 777 90)

#### 3.30.060 - Limitation.

No waiver of fees shall be permitted under the provisions of this Chapter unless the City Council first determines, by resolution, that the establishment or expansion of the particular business is expected to generate, within a reasonable period of time, but in no event greater than five (5) years, increased revenues to the City, in the form of taxes or otherwise, in an amount equal to or greater than the amount of the fees to be waived. The City Council may condition any such waiver of fees upon the provision of adequate security to ensure return.

(Ord. 294-04; Ord. 777 90)

#### 3.30.070 - No entitlement established.

The provisions of this Chapter shall not be construed as establishing any right or entitlement to the waiver of fees on the part of any applicant and the granting of any such waiver shall be entirely discretionary with the City Council.

(Ord. 294-04; Ord. 777 90)

### CHAPTER 3.31 - Enhanced Sales Tax Incentive Program ("ESTIP")

#### 3.31.010 - Title.

There is hereby established within the City an Enhanced Sales Tax Incentive Program ("ESTIP").

(Ord. 294-04; Ord. 927-94)

#### 3.31.020 - Purpose.

The purpose of the ESTIP created hereby is to encourage the establishment and/or substantial expansion of retail sales tax generating businesses within the City, thereby stimulating the economy of and within the City, thereby providing employment for residents of the City and others, thereby further expanding the goods available for purchase and consumption by residents of the City, and further increasing the sales taxes collected by the City, which increased sales tax collections will enable the City to provide expanded and improved municipal services to and for the benefit of the residents of the City, while at the same time providing public or public-related improvements at no cost, or at deferred cost, to the City and its taxpayers and residents.

(Ord. 294-04; Ord. 927-94)

#### 3.31.030 - Definitions.

As used in this Chapter and all Sections thereof, the following phrases shall have the following meanings:

*Owner or proprietor* shall mean the record owner of the property or operator of an individual business, or, in the case of a shopping center, the owner of the real property upon which more than one business is operated, provided that said owner (whether an individual, corporation, partnership or other entity) is the owner or lessor of the individual businesses operated thereon.

*Sales tax* shall mean the amount of City sales tax collected from the applicant.

(Ord. 294-04; Ord. 927-94)

#### 3.31.040 - Participation.

Participation in ESTIP shall be based upon approval by the City Council of the City of Evans, exercising its legislative discretion in good faith. Any owner or proprietor of a newly established or proposed retail sales tax generating business or location, or the owner or proprietor of an existing retail sales tax generating business or location which is proposed to expand substantially, may apply to the City for inclusion within the ESTIP provided that the new or expanded business is reasonably likely to generate sales taxes of at least ten thousand dollars (\$10,000.00) in the first year of operation or expansion.

(Ord. 294-04; Ord. 927-94)

#### 3.31.050 - City Council approval.

Approval by the City Council of an agreement implementing this ESTIP shall entitle the successful applicant to share in City sales taxes derived from applicant's property or business in an amount which shall not in any event exceed twenty-five percent (25%) of the City sales taxes; provided, however, that applicant may use said amounts only for public and/or public-related purposes such as those specified herein and which are expressly approved by the City Council at the time of consideration of the application. The time period in which said sales taxes may be shared shall not commence until all public or public-related improvements are completed, and shall be limited by the City Council, in its discretion, to a specified time, or until a specified amount is reached.

(Ord. 294-04; Ord. 927-94)

#### 3.31.060 - Uses for revenue to be public-related.

The uses to which said shared City sales taxes may be put by an applicant shall be strictly limited to those which are public or public-related in nature. For the purposes of this Chapter, public or public-related purposes shall mean public improvements, including but not limited to streets, sidewalks, curbs, gutters, pedestrian malls, street lights, drainage facilities, landscaping, decorative structures, statuary, fountains, identification signs, traffic safety devices, bicycle paths, off-street parking facilities, benches, restrooms, information booths, public meeting facilities, and all necessary, incidental, and appurtenant structures and improvements, together with the relocation and improvement of existing utility lines, and any other improvements of a similar nature which are specifically approved by the City Council and upon the City Council's finding that said improvements are public or public-related improvements.

(Ord. 294-04; Ord. 927-94)

#### 3.31.070 - Monthly increments for sales tax.

The City shall use the actual monthly City sales taxes collected by the applicant to determine the amount of shared City sales tax to be provided to the applicant, based upon the agreed terms; but in any event, the amount of the shared City sales tax shall not exceed twenty-five percent (25%) of the actual City sales tax received. The actual City sales taxes collected and used for determining that amount to be shared with the applicant shall not be from any dedicated sales tax such as the public safety sales tax, (currently at the rate of one-half of one percent [0.5%]).

(Ord. 294-04; Ord. 927-94)

#### 3.31.080 - Account created.

It is an overriding consideration and determination of the City Council that existing sources of City sales tax revenues shall not be used, impaired, or otherwise affected by this ESTIP. Therefore, it is hereby conclusively determined that only City sales taxes generated by the properties described in an application shall be subject to division under this ESTIP. It shall be the affirmative duty of the City Treasurer to account for all such "sales taxes" separately from the sales taxes generated by and collected from the other sales tax generating uses and businesses within the City and to provide an accounting system which accomplishes the overriding purpose of this Section. It is conclusively stated by the City Council that this Chapter would not be adopted or implemented but for the provisions of this Section.

(Ord. 294-04; Ord. 927-94)

#### 3.31.090 - Approval criteria.

A decision concerning an application for inclusion in this ESTIP shall be considered by the City Council, at a regularly scheduled City Council meeting, based upon the following criteria:

- A. The amount of City sales taxes that are reasonably to be anticipated to be derived by the City through the expanded or new retail sales tax generating business;
- B. The public benefits provided by the applicant through public works, public improvements, additional employment for City residents, etc.;
- C. The amount of expenditures that may be deferred by the City based upon public improvements to be completed by the applicant;
- D. The conformance of the applicant's property or project with the Comprehensive Plan and zoning ordinances of the City;
- E. The agreement required by Section 3.31.100 below having been reached, which agreement shall contain and conform to all requirements of said Section. Approval shall be by motion adopted by a majority of the entire City Council.

(Ord. 294-04; Ord. 927-94)

#### 3.31.100 - Agreement required.

Each application for approval submitted to the City Council shall be subject to approval by the Council solely on its own merits. Approval of an application shall require that an agreement be executed by the owner and the City, which agreement shall, at a minimum, contain:

- A. A list of those public or public-related improvements that justify the application's approval, and the amount that shall be spent on said improvements by the applicant;
- B.

The maximum amount of City sales taxes to be shared, and the maximum time during which said agreement shall continue, it being expressly understood that any such agreement shall expire and be of no further force and effect upon the occurrence of the earlier to be reached of the maximum time of the agreement (whether or not the maximum amount to be shared has been reached) or the maximum amount to be shared (whether or not the maximum time set forth has expired);

- C. A statement that this is a personal agreement that is not transferable and that does not run with the land;
- D. That this agreement shall never constitute a debt or obligation of the City within any constitutional or statutory provision;
- E. A provision that any City sales taxes subject to sharing shall be escrowed in the event there is a legal challenge to this ESTIP or the approval of any application therefore;
- F. An affirmative statement that the obligations, benefits, and/or provisions of this agreement may not be assigned in whole or in any part without the expressed authorization of the City Council, and further that no third party shall be entitled to rely upon or enforce any provision hereof;
- G. Any other provisions agreed upon by the parties and approved by the City Council.

(Ord. 294-04; Ord. 927-94)

### 3.31.110 - City Council intentions.

The City Council has enacted this ESTIP as a joint benefit to the public at large and to private owners/business operators for the purposes of: providing the City with increased sales tax revenues generated upon and by properties improved as a result of this Program; public improvements being completed by private owners through no debt obligation being incurred on the part of the City, and allowing applicants an opportunity to improve properties that generate sales activities and make those properties more competitive in the marketplace and further provide to the applicant additional contingent sources of revenues for upgrading said properties. The City Council specifically finds and determines that creation of this ESTIP is consistent with the City's powers as a home rule municipal corporation, and that exercise of said powers in the manner set forth herein is in furtherance of the public health, safety and welfare. Notwithstanding any provision hereof, the City shall never participate in a joint venture with any private entity or activity which participates in this ESTIP, and the City shall never be liable or responsible for any debt or obligation of any participant in ESTIP.

(Ord. 294-04; Ord. 927-94)

CITY OF EVANS, COLORADO

ORDINANCE NO. 643-16

AN ORDINANCE AMENDING THE EVANS CITY CODE BY REPEALING THE PROVISIONS RELATING TO VARIOUS INCENTIVES

**WHEREAS**, the City Council of the City of Evans, Colorado, pursuant to Colorado statute and the Evans City Charter, is vested with the authority of administering the affairs of the City of Evans, Colorado; and

**WHEREAS**, the City Council believes that a great city provides a strong and positive foundation for its business community; and

**WHEREAS**, the City Council strives to work collaboratively with our business community to ensure long-term positive outcomes for all parties; and

**WHEREAS**, economic incentive policies stimulate the general economic well-being of the City, thus providing the foundation of funding required for the provision of City services that benefit both the public and private sector; and

**WHEREAS**, economic expansion also generates employment opportunities that lead to higher quality of life and greater economic opportunities for residents of the City; and

**WHEREAS**, the City Council desires to improve flexibility of the City when working with the business community, and desires to direct City management personnel to follow standards for the prudent investment of City incentives; and

**WHEREAS**, the City Council concludes that such flexibility can best be accomplished by repealing the provisions of the City Code that relate to incentives and adopting such incentives by resolution rather than ordinance; and

**WHEREAS**, the City Council desires to provide economic incentive policies for the foundation of the City's long term financial sustainability and to encourage the location of new businesses and the expansion of existing businesses within the City; and

**WHEREAS**, the City Council finds and determines that the amendments to the Evans City Code as contained herein, are necessary and designed for the purpose of promoting the health, safety, convenience, order, prosperity and welfare of the present and future inhabitants of the City of Evans and are consistent with the City's goals, policies and plans, including the City's master plan documents; and

**WHEREAS**, the City Council finds that the legislative action of adopting the provisions set forth in this ordinance is necessary to protect the health, safety and welfare of the City's residents and visitors.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF EVANS, COLORADO AS FOLLOWS:**

**PART 1: AMENDMENT TO CITY CODE.** The City Code of the City of Evans, Colorado is hereby amended by repealing the following provisions of the existing City Code:

- a. Chapter 3.17, regarding Development Revenue Bonds;
- b. Chapter 3.30, regarding Economic Development Incentive Plans; and
- c. Chapter 3.31, regarding Enhanced Sales Tax Incentive Program (“ESTIP”).

**PART 2: SEVERABILITY.** If any section, subsection, sentence, clause or phrase of this Ordinance is, for any reason, held to be invalid or unconstitutional, such decision shall not affect the validity or constitutionality of the remaining portions of this Ordinance. The City of Evans hereby declares that it would have adopted this Ordinance, and each section, subsection, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses and phrases thereof be declared invalid or unconstitutional.

**INTRODUCED AND PASSED AT A REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF EVANS ON THIS 5<sup>TH</sup> DAY OF JANUARY, 2016.**

**ATTEST:**

**CITY OF EVANS, COLORADO**

\_\_\_\_\_  
Raegan Robb, City Clerk

BY: \_\_\_\_\_  
John L. Morris, Mayor

**PASSED AND ADOPTED ON A SECOND READING THIS 19<sup>TH</sup> DAY OF JANUARY, 2016.**

**ATTEST:**

**CITY OF EVANS, COLORADO**

\_\_\_\_\_  
Raegan Robb, City Clerk

BY: \_\_\_\_\_  
John L. Morris, Mayor

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# COUNCIL COMMUNICATION

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**DATE:** January 5, 2016

**AGENDA ITEM:** 8.B

**SUBJECT:** Resolution No. 03-2016 - Adoption of the Incentive Policies

**PRESENTED BY:** Sheryl Trent, Economic Development Director

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## AGENDA ITEM DESCRIPTION:

There are currently no policies in place regarding economic development incentives for businesses wanting to locate or expand in Evans. The Evans Municipal Code had some provisions (which are recommended to be removed and placed into these policies).

This resolution will adopt the Incentive Policies which are attached as part of the adoption process. A draft application has also been included in the packet for review. This process will allow for maximum flexibility and responsiveness for both staff and Council when considering a financial partnership with business owner.

Below is the intent and purpose of the Incentive Policies:

*The City of Evans believes that a great city provides a strong and positive foundation for its business community. We strive to work collaboratively with our business community to ensure long-term positive outcomes for all parties. To that end, Evans will only consider offering incentives for projects that are extraordinary, significantly enhance the community, and meet the goals and objectives of the City.*

*The projects most qualified for economic development incentives will be:*

- *Reflective of the core priorities and values of the City*
- *Strategic in accomplishing the City's long range vision and goals*
- *Performance based*
- *Responsive to the specific needs of the business*
- *Vital to Implementing the Master Plans and code in place*
- *Capable of producing a measurable return on investment with specific details*

*To further that approach, Evans has adopted this economic incentives policy in order to encourage the location of new businesses and the expansion of existing businesses within the City. Doing so stimulates the general economic wellbeing of the City, thus providing the foundation of funding required for the provision of City services that benefit both the public and private sector. Economic expansion also generates employment opportunities that lead to higher quality of life and greater economic opportunities for residents of the City.*

*The incentives described here may be available to any new or expanding manufacturing, processing, distribution, retail or research and development business that meet the criteria established for each incentive. Incentives shall be available to businesses each calendar year in which the business constructs or expands, if such construction or expansion meets with the criteria exclusion and definitions established for each incentive.*

The Incentive Policies were reviewed in detail by both our business consultant and the Evans Economic Development Advisory Committee and includes the collective recommendations of these individuals. As a part of our business survey, several questions were asked around the issue of incentives and that feedback has also been incorporated.

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**FINANCIAL SUMMARY:**

N/A

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**RECOMMENDATION:**

Staff recommends approval of the resolution.

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**SUGGESTED MOTIONS:**

*"I move to adopt Resolution No. 03-2016."*

*"I move to deny adoption of Resolution No. 03-2016."*



## Economic Development Incentive Application

Name of Business: \_\_\_\_\_

Project Title: \_\_\_\_\_

Thank you for your interest in investing in the City of Evans! If you have any questions about this form, please contact:

Sheryl Trent  
City of Evans Economic Development Director  
Evans Redevelopment Agency Executive Director  
[strent@evanscolorado.gov](mailto:strent@evanscolorado.gov)  
970-475-1112

We look forward to working with you to bring your business to Evans! Your request for economic development incentives will be reviewed along with your site plan and will follow our Economic Development Incentive Policies. Generally incentives are a part of a Development Agreement that addresses the development in total so that the City Council can make the best determination on incentives for each unique situation. The development review process is managed by the Community Development Department, so please refer any development questions to that team for response. Please see the City of Evans Economic Incentive Policy for more information on local, state and other incentives for which your business may qualify!

For Office Use only:

Date Received: \_\_\_\_\_

Date Revised: \_\_\_\_\_

Date Completed: \_\_\_\_\_

**BUSINESS INFORMATION**

Name of Business: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Name of Parent Company (if applicable): \_\_\_\_\_

Name of Applicant (authorized person signing the application): \_\_\_\_\_

Primary Contact for this Application: \_\_\_\_\_

Title: \_\_\_\_\_

Mailing Address (if different from above): \_\_\_\_\_

Telephone: \_\_\_\_\_ Fax: \_\_\_\_\_

Email: \_\_\_\_\_ Website: \_\_\_\_\_

Business Unit's Federal Employer Identification Number: \_\_\_\_\_

Business Unit's State Identification Number: \_\_\_\_\_

Business Unit's Tax Year (ex: Jan1 to Dec 31): \_\_\_\_\_

General Description of the Business:

Please attach a cover letter that includes:

- Statement of how the proposed business will maintain or enhance the quality of life and provide social, economic, or cultural benefits to the community.
- Statement that the business operation will not detract from the City's aesthetic environment (addresses odor, noise, water quality, smoke, heat, glare vibration, lighting, etc.).
- Economic impact analysis conducted by independent party (i.e. Upstate Colorado, SBDC, etc.).

**I hereby certify that the information included and attached to this application is true and correct.**

**Printed Name of Applicant**

**Signature of Applicant**

**Date**

**Project Overview**

Address/Location of Proposed Project:

In which area of Evans is the project located?

- Evans Riverside Neighborhood
- Highway 85 Corridor
- Other Neighborhood/location in Evans

Is your project in a designated Urban Renewal area (URA)?

(For more information go to: [http://www.evanscolorado.gov/sites/default/files/fileattachments/ura\\_map.pdf](http://www.evanscolorado.gov/sites/default/files/fileattachments/ura_map.pdf))

Is your project in a designated Enterprise Zone?

(For more information go to: <http://www.evanscolorado.gov/sites/default/files/fileattachments/enterprisezonemap.pdf>)

Which of the following best describes this business?

- New business to Colorado
- New business to Evans moving from (full address) \_\_\_\_\_
- Existing Evans business expanding at same location
- Existing Evans business relocating within city
- Existing Evans business improving existing property

Will this project require approvals from the City?

- Site Plan
- Building Permit
- Other (please describe)

**Project Description**

*Please provide a brief project description (facility function, relocation, expansion, consolidation, etc. below. Attach additional information as necessary)*

**Construction or Redevelopment Information**

- What is the type of construction (building code)? \_\_\_\_\_
- What is the total square footage of each building? \_\_\_\_\_
- What is the total estimated capital investment for project? \_\_\_\_\_
- What is the total land investment? \_\_\_\_\_
- What is the total building investment? \_\_\_\_\_
- What is the total of site improvements (landscaping, parking lot, etc)? \_\_\_\_\_
- Other \_\_\_\_\_

*Please note, the total of the land, building, site improvements and other must equal 100% of the total estimated investment)*

Will this project be phased? \_\_\_\_\_

If yes, what percentage will be in the first phase? \_\_\_\_\_

When will the first phase be complete? \_\_\_\_\_

What is the timing for the remaining phases? \_\_\_\_\_

From which of the following functions does the company derive 50+% of its income?

- Manufacturing
- Processing
- Distribution
- Research and development
- Aerospace
- Computer System/Software Development
- Tech Support
- Energy
- Retail
- Professional Services
- Other: \_\_\_\_\_

Primary NAICS code (if known) \_\_\_\_\_

**Sales Tax Information**

*The City of Evans charges a 3.5% sales tax*

What percent of annual gross income is from direct retail sales? \_\_\_\_\_

What is estimated annual TOTAL retail sales upon completion? \_\_\_\_\_

Is all of this estimated sales taxable by the City of Evans?

- Yes
- No (if not please explain)

At 3.5%, what amount of retail sales tax will be remitted to the City? \_\_\_\_\_

Will there be any use tax generated from construction or redevelopment?

If so, please list estimated amount from your building permit:

What amount of square footage is dedicated to retail sales? \_\_\_\_\_

**Creation of Jobs Information**

The City of Evans is interested in creating NEW full time jobs that meet the minimum salary and benefits of the Greeley/Evans MSA. Existing jobs being moved from another location in the MSA are not considered new. In some retail situations, FTE can be taken into consideration based on salary and benefit levels.

How many NEW jobs will be created as a result of this development? \_\_\_\_\_

FTE \_\_\_\_\_

What is the average wage in dollars of those jobs? \_\_\_\_\_

What is the average benefits for those jobs in percentage of wages? \_\_\_\_\_

## Indication of Interest in Incentives

**Please check the box next to any and all economic development incentives that your company/firm is planning to pursue. You can attach any additional information that you think would assist the City in understanding your incentive request. Please refer to the Economic Incentive Policy for specific details on each area.**

\_\_\_\_\_ Fee Reductions or Waivers: Reimbursement per Agreement

**Please contact the Community Development Department at (970) 475-1110 for a fee estimate for your project and attach that estimate to this request.**

Indicate your need for a fee reduction/waiver and what benefits your company firm are bringing to the community in exchange for a fee reduction or waiver. Attach further documentation as needed, but at a minimum which fees you would like to be reduced or waived and why.

\_\_\_\_\_ Sales and Use Tax Exemptions:

Please provide a list of the equipment, tools and components with associated costs that are eligible for this tax exemption.

\_\_\_\_\_ Enhanced Sales Tax Incentive Program (ESTIP): Reimbursement per Agreement

Provide documentation for sales taxes generation for the City of Evans (3.5% of annual) in the following annual amounts:

- In the Highway 85 Corridor: at least \$35,000
- In the Riverside Neighborhood: at least \$3,500
- Other areas of the City: at least \$10,000

**(This will be required to move forward with discussions on this incentive)**

Please list the public amenities that your project will provide as a result of this incentive

\_\_\_\_\_ Tax Increment Financing through Evans Redevelopment Authority (please specify URA)

Highway 85 Corridor URA

Riverside Neighborhood URA

\_\_\_\_\_ Personal Property Tax Credit

Please provide a list of the personal property and associated costs eligible for this credit.

\_\_\_\_\_ Creation of Jobs Rebate

Is your business:

- \_\_\_\_\_ Creating 10 or more net NEW FTE jobs specific to this development
- \_\_\_\_\_ Increasing employment by 10% (but not less than 1 new full-time employee)
- \_\_\_\_\_ Paying wages and benefits above the median income for the MSA

Please attach a list of jobs created by this investment by title and FTE, with wages and benefits by job title.

\_\_\_\_\_ Property Tax Credits

\_\_\_\_\_ Private Activity Bonds (Tax-Exempt Industrial Revenue Bonds)

\_\_\_\_\_ Discounted Purchase Price for Land owned by the City

\_\_\_\_\_ Matching Grants for Infrastructure Improvements (i.e. façade improvements, roads, relocation of utilities, capacity expansion of existing utilities, etc.).

\_\_\_\_\_ Evans Historic Main Street Storefront Improvement Program  
(this is only available on a few blocks of 39<sup>th</sup> Street in the Evans Riverside Neighborhood and requires a separate application, please go to: [insert link here](#))

Please see the City of Evans Economic Incentive Policy for more information on local, state and other incentives for which your business may qualify!

CITY OF EVANS, COLORADO

RESOLUTION NO. 03-2016

A RESOLUTION ADOPTING THE CITY OF EVANS  
ECONOMIC INCENTIVE POLICIES

**WHEREAS**, the City Council of the City of Evans, Colorado, pursuant to Colorado statute and the Evans City Charter, is vested with the authority of administering the affairs of the City of Evans, Colorado; and

**WHEREAS**, the City of Evans believes that a great city provides a strong and positive foundation for its business community; and

**WHEREAS**, the City strives to work collaboratively with our business community to ensure long-term positive outcomes for all parties; and

**WHEREAS**, economic incentive policies stimulate the general economic wellbeing of the City, thus providing the foundation of funding required for the provision of City services that benefit both the public and private sector; and

**WHEREAS**, economic expansion also generates employment opportunities that lead to higher quality of life and greater economic opportunities for residents of the City; and

**WHEREAS**, the City Council desires to improve flexibility of the City when working with the business community, and desires to direct City management personnel to follow standards for the prudent investment of City incentives; and

**WHEREAS**, the City of Evans, Colorado desires to provide economic incentive policies for the foundation of the City's long term financial sustainability and to encourage the location of new businesses and the expansion of existing businesses within the City

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EVANS, COLORADO:

1. The "City of Evans Economic Incentive Policies", attached hereto as Attachment A and by said reference incorporated herein, is hereby approved.

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council of the City of Evans on this 5th day of January, 2016.

ATTEST:

CITY OF EVANS, COLORADO

\_\_\_\_\_  
City Clerk

By \_\_\_\_\_  
Mayor



City of  
**Evans, Colorado**

ECONOMIC INCENTIVE  
POLICIES

**2015**

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Revised and Adopted  
12/15/15

# Table of Contents

- I. Overview .....3
  - A. Definitions .....3
  - B. Application Process .....4
  - C. Incentive Payments .....5
  - D. Targeted Areas .....5
  - E. Projects Eligible for Incentives .....6
- II. Available Incentives .....7
  - A. Fee Reductions or Waivers .....7
  - B. Waiver of Sales and Use Taxes .....8
  - C. Enhanced Sales Tax Incentive Program (ESTIP) .....8
  - D. Evans Redevelopment Agency Assistance .....9
  - E. Personal Property Tax Credit .....10
  - F. Creation of Jobs Rebate .....10
  - G. Property Tax Credits .....10
  - H. Private Activity Bonds (Tax-Exempt Industrial Revenue Bonds) .....10
  - I. Discounted Purchase Price for Land owned by the City .....10
  - J. Equipment Grant Program .....11
  - K. Evans Historic Main Street Storefront Improvement Plan.....11
- III. Other Services, Programs and Assistance .....13

- Appendix A: List of Possible Economic Development Incentives at County and State Level .....15
- Appendix B: List of Other Resources .....16
- Appendix C: Map of City of Evans Urban Renewal Areas.....18
- Appendix D: Map of Historic Evans Main Street SIP Area.....19

# Economic Development Policies

## I. Overview

The City of Evans believes that a great city provides a strong and positive foundation for its business community. We strive to work collaboratively with our business community to ensure long-term positive outcomes for all parties. To that end, Evans will only consider offering incentives for projects that are extraordinary, significantly enhance the community, and meet the goals and objectives of the City.

The projects most qualified for economic development incentives will be:

- Reflective of the core priorities and values of the City
- Strategic in accomplishing the City's long range vision and goals
- Performance based
- Responsive to the specific needs of the business
- Vital to implementing the Master Plans and code in place
- Capable of producing a measurable return on investment with specific details

To further that approach, Evans has adopted this economic incentives policy in order to encourage the location of new businesses and the expansion of existing businesses within the City. Doing so stimulates the general economic wellbeing of the City, thus providing the foundation of funding required for the provision of City services that benefit both the public and private sector. Economic expansion also generates employment opportunities that lead to higher quality of life and greater economic opportunities for residents of the City.

The incentives described here may be available to any new or expanding manufacturing, processing, distribution, retail or research and development business that meet the criteria established for each incentive. Incentives shall be available to businesses each calendar year in which the business constructs or expands, if such construction or expansion meets with the criteria exclusion and definitions established for each incentive.

## A. Definitions

- **Development fees** include fees such as planning and zoning fees, building permit fees, drainage fees, and other similar fees.
- **Distribution** means the temporary storage of tangible personal property for later dissemination.
- **Full-time employee** means an employee of the firm which is expected in the normal course of employment to provide at least two thousand eighty (2,080) hours of compensation service during any consecutive twelve month period.
- **Full-time equivalent** means any combination of seasonal or part-time employees whose compensated hours during a consecutive twelve-month period equals two thousand eighty (2,080) hours.
- **Impact Fees means** a fee levied upon a new or proposed development project to pay for all or a portion of the costs of providing public services infrastructure. These fees offset the impact of additional development and residents on the municipality's infrastructure and services, which include the city's water and sewer network, police and fire protection services, schools and libraries among others.
- **Machinery and equipment** means those articles of tangible machinery or personal property exclusively used in the industrial manufacturing process, research and development, or computer hardware not used for word processing.
- **Manufacturing or processing** means the operation of producing, in an industrial use, an item of tangible personal property different from and having a distinctive name, character, or use from raw or prepared materials.

- **Research and development** shall mean those activities directly related to the development of an experimental or pilot model, a plant process, a product, a formula, an invention or similar property, or the improvement of already existing property of the type mentioned. Research and development shall not include ordinary testing or inspection of materials or products for quality control or those for efficiency surveys, management studies, consumer surveys, advertising, promotions or research related to literary, historical or similar projects.
- **Retail** shall mean any business devoted primarily to the sale (as defined in Section 39-26-102(11), C.R.S.) of tangible personal property or services to the general public that generates sales tax payable to the City of Evans.

**Urban Renewal Areas:**

In addition, the Urban Renewal Agency for the City of Evans, the Evans Redevelopment Agency (ERA) works to eliminate urban blight and slums through activities such as slum clearance, redevelopment, rehabilitation and conservation. There are two Urban Renewal Areas in the City of Evans, the US 85 URA and the Historic Evans URA (See Appendix C) that can qualify for additional funding and specialized assistance from the ERA.

**B. Application Process**

Businesses wishing to apply for the benefits of the economic development incentive plan shall submit to the City Manager or designee all documentation necessary for determination of qualification for the plan. All plans must have final approval of the City Council. Please find a copy of the most current Application Form on our website.

The City will consider economic development incentives for businesses that submit a complete application and provide such additional information as may be reasonably requested.

**Application Review Procedures**

If the City of Evans’ staff determines the proposal is consistent with the City’s policies and that a positive economic benefit will occur, an Economic Incentive Agreement may be presented to the Applicant. The Incentive Agreement will become a part of the overall Development Agreement (if necessary) on the project. Upon final negotiations, the Agreement may be presented to the City Council for consideration of possible approval at a City Council meeting.

Presentation of an incentive request to a City Council does not guarantee award of an economic incentive.

The City Council reviews the analysis of the costs and benefits and receives comments from the Applicant and the general public at a public meeting. The Council will take formal action on the application and, if approved, will direct the preparation of a resolution setting forth the terms of the economic incentive agreement. Final approval shall be in the form of a resolution.

No economic incentive award is final or legally binding until full execution of a written agreement approved by City Council or its duly authorized delegate, as the same may be modified in accordance with any authority delegated by City Council.

All economic incentives or commitments included in any incentive agreement by City Council are subject to funding being budgeted, appropriated, and otherwise made available and do not constitute a multi-year fiscal obligation.

Any economic incentive or other commitment of City funds to an applicant in furtherance of this Incentive Policy must serve a public purpose, as determined by the City Council in its discretion, including but not limited to

providing significant cultural, social, and/or economic benefits to the Citizens of Evans in the form of jobs, economic development, increased tax revenues and cultural and social opportunities.

### **Monitoring Review**

Each year the Applicant will submit a report (per the Incentive Agreement) to the City for review. Since incentives are performance based, that report will drive any reimbursement agreed upon in the Resolution. Each incentive agreement shall be subject to an annual review by Staff to determine if the business continues to meet all eligibility criteria and remains in compliance with the terms and conditions of the resolution. The Economic Incentive Agreement may be terminated by the City Council if the business fails to continue to meet the Eligibility Criteria.

### **C. Incentive payments**

Per Colorado Statutes, the City Manager may negotiate for an incentive payment with any entity that establishes a new business facility or with any taxpayer who expands a facility, within the limits as defined in the Statutes. In no instance shall any such negotiations result in an annual incentive payment or credit that is greater than fifty percent (50%) of the amount of taxes levied by the City upon the taxable personal property directly attributable to such new construction or expansion at or within such new or expanded facility and used in connection with the operation of such new or expanded facility for the current property tax year. The term of any agreement made pursuant to the provisions of this Section shall not exceed ten (10) years.

### **No entitlement established:**

The provisions of this policy document shall not be construed as establishing any right or entitlement to the waiver of fees on the part of any applicant and the granting of any such waiver shall be entirely discretionary with the City Council.

### **D. Targeted Areas**

Business that fall into the following physical areas and/or meet the following classifications will be considered higher priority

- Businesses meeting the goals of the Highway 85 Master Plan and locating or expanding within the Highway 85 Plan Area
- Businesses meeting the goals of the Riverside Area Master Plan and locating or expanding within the Riverside Plans Area
- Businesses meeting the goals of the Riverside Area Master Plan and in the Riverside Town Center
- Business locating on and remediating a brownfield site
- Vacant, disrepair or non-code compliant sites - Business making significant improvements to existing buildings that have been long vacant, are in serious disrepair or are currently non- code compliant.
- Business owned by an Evans resident

### **E. Projects Eligible for Incentives**

The City of Evans may consider negotiating an incentive agreement for the following project types:

#### **Major Retail Development**

A major retail development may be considered for an incentive agreement if the proposed project:

- (1) Represents significant private-sector financial investment
- (2) Promotes a higher and better use of the property
- (3) Provides a positive fiscal and economic impact to the City

- (4) Adds new and unique tenants to the market and/or trade area
- (5) Mitigates any perceived or potential negative impacts to the surrounding area
- (6) Minimizes the impacts of consumer expenditure cannibalization from existing projects in the City

### **Major Primary Employment**

A new or existing “primary” employer engaged in manufacturing, distribution, research, and development or other business activity which exports more than 50% of their goods/services outside of Weld County.

A commercial development which includes a substantial primary employment component may be considered for an incentive agreement if the proposed project:

- (1) Represents significant private-sector financial investment
- (2) Provides quality employment opportunities for Evans’s citizens and the region
- (3) Demonstrates a positive direct and/or indirect fiscal and economic impact to the City
- (4) Mitigates any perceived or potential negative impacts to the surrounding area
- (5) Demonstrates a long-term commitment to the City

### **Annexation of Commercial or Mixed Use**

The City may provide incentives to enable the annexation of fully developed, partially developed or vacant land that is commercial or mixed-use in nature if the project/property:

- (1) Demonstrates reasonable potential for positive fiscal and economic benefits to the City
- (2) Is a geographically logical addition to the City?
- (3) Is reasonably served by the City and its service/infrastructure providers
- (4) Mitigates any perceived or potential negative impacts to the surrounding area

### **Redevelopment / Revitalization**

A redevelopment and/or revitalization project may be considered for an incentive agreement if the proposed project:

- (1) Meets and exceeds the goals and objectives of the Comprehensive Plan and amendments thereto
- (2) Represents new and significant financial investment
- (3) Provides a positive fiscal and economic impact to the City
- (4) Promotes a higher and better use of the property OR improves the financial performance and viability of the existing property
- (5) Is consistent with the community’s vision
- (6) Mitigates any perceived or potential negative impacts to the surrounding area and is respectful of existing adjacent property types

### **Exceeding Quality Design Standards**

The City may consider an incentive agreement if the proposed project represents superior quality and design aesthetics that substantially and significantly exceed the City’s current design standards.

### **Sustainable & Environmentally Conscious Development**

To promote long-term viability and sustainability in Evans’s urban form, the City may consider providing incentives for projects that are developed in a sustainable and environmentally conscious manner. Projects that promote pedestrian access and healthy living are considered especially important.

## II. Available Incentives

### A. Fee Reductions or Waivers by Reimbursement

Based on the type, nature and/or location of your business, the City may consider a reduction or waiver of our general fund permit fees such as plan review, building fees and more. For businesses that meet criteria below, development fees may be waived in an amount to be determined by the City Council, up to a maximum of twenty-five percent (25%) of the total development fee paid. This is performance based and any waiver agreement will be reimbursed at the successful completion of the project, usually deemed to be a full Certificate of Occupancy. This will be determined by any Incentive Agreement.

#### Limitation:

No waiver of fees shall be permitted under the provisions of this Chapter unless the City Council first determines, by resolution, that the establishment or expansion of the particular business is expected to generate, within a reasonable period of time, but in no event greater than five (5) years, increased revenues to the City, in the form of taxes or otherwise, in an amount equal to or greater than the amount of the fees to be waived. The City Council may condition any such waiver of fees upon the provision of adequate security to ensure return.

1. New or expanding business shall not include any corporate reorganization, sale of an existing business or resumption of business activities unless such business has been closed for at least the previous twelve (12) months.
2. Businesses simply relocating within the City of Evans are not eligible for fee reductions or waivers.
3. Eligible new or expanding business shall derive its principal source of income from manufacturing, processing, distribution, retail, and/or research and development activities.
4. Eligible new or expanding business shall invest a minimum of one hundred thousand dollars (\$100,000.00) in a new or replacement building and/or equipment/machinery during the calendar year in which application is made for incentives. (Businesses relocating to or expanding within the Riverside Neighborhood shall invest a minimum of \$50,000)
5. Eligible existing or new business shall employ or add a minimum of five (5) full-time or full-time equivalent employees during the first full year of operation in which application is made for incentives. (Businesses in the Riverside Neighborhood shall employ or add a minimum of three (3) full-time or full-time equivalent employees)

**The following fees shall not be waived:** Development impact fees for Parks, Recreation and Trails, Fire/Rescue, Police, Transportation, Storm water, Water and Wastewater. The portion of City sales and use tax that is dedicated for public safety (currently this rate is one-half percent (0.5%) is also ineligible.

In order to qualify for a fee reduction or waiver, you will need to indicate your need for a fee reduction/waiver and/or what benefits the company is bringing to the community in exchange for such fee reduction or waiver on the Application form. Possible benefits that the City is interested in supporting might include:

- Unique business type for community or local area (e.g. first franchise location in local trade area, craft industry, store specifically catering to the local community, etc.)
- Businesses locating or expanding within the Highway 85 URA
- Businesses locating or expanding within the Riverside URA
- Business locating on and remediating a brownfield site
- Business making significant improvements to existing buildings that have been long vacant, are in

serious disrepair or are currently non-code compliant.

- Business owned by Evans Resident

**B. Waiver of Sales and Use Taxes**

Certain City sales and use taxes for businesses that meet the criteria defined below shall be waived for the period of construction or expansion.

1. New or expanding business shall not include any corporate reorganization, sale of an existing business or resumption of business activities unless such business has been closed for at least the previous twelve (12) months.
2. Eligible new or expanding business shall derive its principal source of income from manufacturing, processing, distribution, retail, and/or research and development activities.
3. The amount of such waiver of sales and use taxes shall be defined per the table below

	Minimum Investment \$100,000 AND minimum of five (5) full time employees or five (5) full time equivalent employees during the calendar year for which application is made	Minimum Investment \$1,000,000 AND minimum of forty (40) full time employees or forty (40) full time equivalent employees during the calendar year for which application is made
Construction Materials, fixed equipment, machinery installation and/or facilities lease	Waiver up to 25% Maximum of \$300,000	Waiver up to 25% Maximum of \$500,000
Equipment and machinery, research equipment, and computer hardware (not used for word processing)	Waiver up to 25% Maximum of \$300,000 Minimum investment must exceed \$100,000	Waiver up to 25% Maximum of \$300,000 Minimum investment must exceed \$100,000

**C. Enhanced Sales Tax Incentive Program (ESTIP)**

The City of Evans has adopted an Enhanced Sales Tax Incentive Program for the purpose of encouraging the establishment and/or substantial expansion of retail sales tax generating businesses within the City. Such businesses serve to stimulate the economy of the City, provide employment for residents of the City, and further expand the goods available for purchase and consumption by residents of Evans. Increased sales tax collections will also enable the City to provide expanded and improved municipal services to and for the benefit of the residents of the City.

Participation in ESTIP shall be based upon approval by the City Council of the City of Evans. The following guidelines apply:

- Any owner or proprietor of a newly established, proposed or significantly expanding retail sales tax generating business or location may apply to the City for inclusion within the ESTIP provided that the new or expanded business is reasonably likely to generate sales taxes of at least ten thousand dollars (\$10,000.00) in the first year of operation or expansion.
- Businesses with the Highway 85 Corridor may apply for inclusion within the ESTIP provided that the new or expanded business is reasonably likely to generate sales taxes of at least thirty five thousand dollars (\$35,000.00) in the first year of operation or expansion.
- Businesses within the Riverside neighborhood as defined by the Riverside Area Master Plan and zoned RC may apply to the City for inclusion within the ESTIP provided that the new or expanded

business is reasonably likely to generate sales taxes of at least three thousand five hundred dollars (\$3,500.00) in the first year of operation or expansion.

A successful applicant will be able to share in City sales taxes derived from the business in an amount which shall not in any event exceed twenty-five percent (25%) of the City sales taxes collected, provided that all shared tax revenue is used only for public and/or public-related purposes (listed below) which are expressly approved by the City Council at the time of the agreement. Sales tax sharing may not commence until all public or public-related improvements are completed, and shall be limited in duration by the City Council to a specified time, or until a specified dollar amount is reached.

The use of shared sales tax by an applicant shall be strictly limited to uses which are public or public-related in nature. These public improvements include, but are not limited to, streets, sidewalks, curbs, gutters, pedestrian malls, street lights, drainage facilities, landscaping, decorative structures, statuary, fountains, identification signs, traffic safety devices, bicycle paths, off-street parking facilities, benches, restrooms, information booths, public meeting facilities, relocation and improvement of existing utility lines, and any other improvements of a similar nature.

A decision concerning an application for inclusion in this ESTIP shall be considered by the City Council based upon the following criteria:

- A. The amount of City sales taxes that are reasonably to be anticipated to be derived by the City through the expanded or new retail sales tax generating business;
- B. The public benefits provided by the applicant through public works, public improvements, additional employment for City residents, etc.;
- C. The amount of expenditures that may be deferred by the City based upon public improvements to be completed by the applicant;
- D. The conformance of the applicant's property or project with the Comprehensive Plan and zoning ordinances of the City;
- E. Acceptance of the ESTIP agreement as part of an Incentive Agreement

#### **D. Evans Redevelopment Agency Assistance**

The Evans Redevelopment Agency (ERA) can offer more options for local businesses to use funding for improvements. If your project falls into one of Evans' two Urban Renewal Areas (URA), there may be financing and other tools that can be applied to your construction. Please see Appendix C to see if your project falls into either URA.

The primary implementation strategy of the Agency is to provide selected developers with the financial assistance necessary to allow the redevelopment project to compete successfully in the market place (gap financing). When ERA partners with a private developer and provides assistance to help finance redevelopment of a blighted property in Evans, the main tool it uses is called tax increment financing or TIF. TIF is a mechanism to capture the net new or incremental property taxes that are created when a vacant or underutilized property is redeveloped and use those revenues to help finance the project.

Projects that generate sales tax revenue may also include the tax increment with the approval of the Evans City Council. A redevelopment agreement between ERA and the developer is negotiated that lays out the specifics for which developer incurred qualified expenses will be eligible for reimbursement as well as the total amount of increment that will be paid. A 25-year clock is set for each urban renewal project and that period begins with the approval of an urban renewal plan and the recording of the approved plan with Weld County Clerk and Recorder. TIF can be collected and disbursed as reimbursement for allowable expenses for a maximum of 25 years.

With TIF, underutilized property is redeveloped and use those revenues to help finance the project. The following is an example of how TIF works. Let's say that a developer approaches the City for assistance with a new commercial development. The currently underdeveloped site has an assessed value of \$900,000 and generates \$50,000 in property taxes. The developer applies for TIF funding from the City and the ERA issues TIF bonds to pay for a portion of the project costs. As a result of development, the assessed value of the property grows to \$5 Million and it generates \$350,000 in tax revenues. Evans is now able to capture the net incremental increase in revenue of \$300,000 thus paying back the initial investment it made. A similar approach can be used to capture sales tax as well.

#### **E. Personal Property Tax Credit**

Up to 50 percent of the City's levy on taxable personal property, used in connection with operation of the new or expanded business facility for current property tax year for up to 10 years. This is a Weld County managed incentive and potential applicants are encouraged to contact Weld County.

#### **F. Creation of Jobs Rebate**

A business must create 10 new Full Time Equivalent (FTE) jobs or have an increase of 10% (but not less than 1 new full-time employee) over the base number of persons employed at the facility to qualify for this credit. New jobs are defined as newly created positions in the Greeley/Evans MSA, and cannot simply be moved from another location in the region. The average annual wages paid to employees shall be greater than county average individual wage by industry (as documented by Colorado Department of Labor and Employment). The application form will have more details regarding this rebate.

#### **G. Property Tax Credits**

This is specific to the Enterprise Zone and more information is available from Upstate Colorado, who manages this program for Weld County. In short, up to the increment in real and personal property tax levy in current year above levy on same property in year prior to year in which Enterprise Zone was created. A business can be eligible for up to 10 years.

#### **H. Private Activity Bonds (Tax-Exempt Industrial Revenue Bonds)**

Locally sponsored by the county and municipal governing bodies, up to \$10 million of tax-exempt private activity bonds are available per qualified manufacturing project through the statewide allocation. Typically, tax-exempt bonds offer an interest rate 70% - 80% of the prime rate. Total project costs cannot exceed \$10 million. Bond proceeds can be used for land acquisition, site improvements, building construction, and purchase of machinery and equipment.

#### **I. Discounted Purchase Price for Land owned by the City**

Within the Highway 85 Corridor and the ERA established Project Area, if your project meets the goals and intent of the retail and commercial sales tax Master Plan, the City will consider this topic with City or ERA owned land.

#### **J. Equipment Grant Program**

This grant provides matching grant funding for business equipment purchases for Evans businesses, as follows, based on total equipment cost:

- 50/50 grant match up to \$5,000 based on lowest bid if using a non-Evans vendor
- 60/40 grant match up to \$10,000 based on lowest bid if using an Evans-based vendor
- This is a reimbursement program based on annual costs for the life of the equipment.

**Eligibility:**

In order to be eligible for the Equipment Grant Program you must be a licensed business in Evans for at least 12 months after purchase of equipment (partial reimbursement for expenses will occur after 12 months of operation based on a written agreement). Qualifying equipment purchases for the purposes of the grant program are defined as equipment used in the manufacture or production of a business's core product or service. This qualifying equipment must also have a useful life of at least five (5) years.

**K. Evans Historic Main Street Storefront Improvement Program**

The Evans Historic Main Street Storefront Improvement Program is intended to encourage Property owners and tenants to re-invest in and renovate the exteriors of their buildings. Revitalizing building facades is key to enhancing the visual appearance of the area and attracting new businesses and customers to the Main Street. The Historic Main Street is defined by the attached map showing boundaries for eligibility (see Appendix D).

**Eligibility**

The structure to be rehabilitated must be located in the designated area adjacent to 39<sup>th</sup> St. between Denver Street and Golden Street (See Appendix D). The applicant must be the owner, mortgagor, contract purchaser, or long-term lessee and must provide goods and/or services to the general public. The exterior of the property must meet all City of Evans Building Codes and the business and building exterior must conform to the City's zoning regulations. In the event that a violation is present, correction of the violation must be made prior to disbursement of the storefront grant. The correction of the violation, however, can be a part of the grant project. Any landowner whose business (or tenant's business) is a non-conforming use shall be ineligible for funding. For the purposes of this program, a storefront shall be considered to be 25 feet of street frontage, or larger. Applicants and their architects are encouraged to meet with staff prior to submitting an application.

**Use of Funds**

Work which qualifies for reimbursement includes significant long term improvements to the exterior of the building such as painting, cleaning, tuck pointing, facade repair, window repair or replacement, signage and other permanent improvements to the property consistent with the architectural integrity of the building or site. The types of projects would be the final determination of the Evans Economic Director but could and should include the improvements listed in the Reimbursement Schedule below.

Item	Reimbursement rate	Limit
Paint	90%	\$1,000
Fencing	75%	\$2,000
Awnings	75%	\$2,500
Planters/Street furniture	75%	\$2,000
Restoration to original exterior (sandblasting, removal of secondary siding materials etc.)	75%	\$5,000
Murals	75%	\$2,000
Landscaping	75%	\$3,000
Building lighting	75%	\$2,000
Historical renovation	50%	\$10,000
Windows/Doors	50%	\$5,000
Architectural drawings*	25%	\$500

\*Applicants who receive grants for drawings but do not undertake projects are required to submit all design documents to the City.

Funds may not be used for working capital or property, equipment, inventory acquisition, refinancing of existing debt, refinancing private funding, or routine maintenance, cleaning or repair.

**Note: Work performed prior to securing City approval does not qualify for reimbursement**

**Design:**

All designs are required to meet the City of Evans Municipal Code and adopted policies and Master Plans.

**Availability of Funds:**

The City of Evans has budgeted a limited amount of funds for the storefront program. Applicants will be reimbursed based on the availability of funds. In order to make funds available to as many applicants as possible, one half of the budgeted funds shall be available beginning the first of the year; the half plus any additional unused funds from the first half of the year will be available July 1.

**Application Process:**

1. The applicant contacts the City of Evans to determine eligibility of the project.
2. The applicant completes and submits a formal program application, along with a plan drawn to scale, elevations, if any, altered facade drawn to scale, and photographs of the existing condition.
3. The City of Evans will review the application for compliance with codes.
4. The City of Evans approves the application.
5. Applicant notified in writing of project approval.
6. Prior to renovation, the applicant secures any required building permits.
7. Applicant submits copies of paid bills and canceled checks to the City of Evans for reimbursement.
8. City inspects completed project to ensure that work was performed as outlined in application.
9. Applicant is reimbursed in the amount of the approved grant(s).

**Approval**

Applications will be reviewed in the order which they are received. Approval will be based on the following criteria: the condition of the existing structure, the value of the completed improvement, and the quality of the proposed design. Work may not be initiated before City of Evans approval of the application is granted.

**Performance Standards**

All projects will have certain performance standards that will need to be adhered to in order to qualify for reimbursement. Paint projects will have a performance standard of 45 days from the start date of the project to be completed. All other projects will have a performance standard of 60 days unless otherwise approved by the City of Evans in writing.

There are certain paint standards that must be followed based upon the surface to be painted, and those standards can be found in the attached information. Funds will only be dispersed for the project as long as the paint standards were adhered too. Please see the attachments for paint standards and product selection guide.

**Definition of Matching Funds**

It will be generally understood that storefront program will reimburse the applicant based on the Reimbursement Schedule. However If the applicant is financially unable to undertake the project without some sort of outside assistance, such assistance may be provided to the applicant at the discretion of the City of Evans. Furthermore the applicant must gain prior permission from the City of Evans, through a special application in order to receive assistance. This assistance will be given only if the applicant agrees to provide at his/her cost, the time, resources, or capital to "match" the grant received from Storefront Program. Matching "funds" from businesses could come from cash, time, in-kind services, equipment rental, or other types of help

but must be pre-approved prior to starting the project in order to qualify for reimbursement.

### **III. Other Services, Programs and Assistance**

#### **Business Concierge Service**

The City of Evans Business Concierge is a FREE service offered to Evans businesses to quickly connect you with an extensive network of resource partners and service providers to meet your unique needs as a thriving Evans business. Please contact the City to discuss your needs and get a quick referral.

#### **Xcel Energy Business Program**

Xcel Energy offers energy efficiency and energy management solutions to help businesses reduce operating costs and improve their bottom line. Rebate programs are available to Colorado business customers and preapproval may be required. Programs are listed in three categories:

- Studies and audit-based incentives
- Prescriptive rebate programs
- Custom rebate programs

For more information about Xcel Energy's rebate programs, visit [www.xcelenergy.com](http://www.xcelenergy.com) and be sure to take a look at the program application for qualifying options. To apply, please contact your account manager or the Business Solutions Center at (800) 481-4700 or [energy-efficiency@xcelenergy.com](mailto:energy-efficiency@xcelenergy.com).

#### **Colorado Business Assistance and Incentives**

##### **Advanced Industries Export Grant**

The Advanced Industries Export Grant is a Colorado financial assistance program for aspiring and current exporters in the Advanced Industries (Aerospace, Bio-science, Electronics, Energy and Natural Resources, Infrastructure, Engineering, Technology and Information and Advanced Manufacturing). Administered by the Colorado Office of Economic Development and International Trade (OEDIT), the grant program supports small and medium-sized business in the advanced industries and offset international business development and related marketing costs. The program encourages small and medium-sized Colorado businesses to develop export markets. For more information, visit <http://www.advancecolorado.com/international-business>.

##### **Bioscience Discovery Evaluation Grant**

The Bioscience Discovery Evaluation Grant program was created by the state legislature in 2006. Its purpose is to strengthen the bioscience industry and create quality jobs. Grants are provided to qualified technology transfer offices at Colorado nonprofit research institutions for advancing bioscience research toward commercialization. Grants are also available to qualified, early-stage Colorado bioscience companies that are commercializing technologies founded at one of the state's qualified research institutions. For more information please visit <http://www.advancecolorado.com/funding-incentives/financing>.

## Appendix A

### List of Possible Economic Development Incentives at County and State Level

The following incentives are available at the county and state level.

#### Weld County

**Revolving Loan Fund** – short term financing for a portion of project costs:

<http://www.upstatecolorado.org/business/weld-larimer-fund-page.php>

**Hiring assistance** – employee placement services, testing/screening, job fairs, etc.

<http://www.co.weld.co.us/Departments/HumanServices/EmploymentServices/EmploymentServices/index.html>

**Aims Community College** – Job training, Employment testing/assessment.

<http://www.aims.edu/>

#### State of Colorado

**Colorado Office of Economic Development and International Trade – OEDIT**

<http://www.advancecolorado.com/>

OEDIT's Funding and Incentives Wizard can help you find state level incentives and funding options. For more info go to:

<http://www.advancecolorado.com/funding-incentives/funding-incentives-wizard-0>

All incentives are listed here

<http://www.advancecolorado.com/funding-incentives/incentives>

All financing mechanisms are listed here

<http://www.advancecolorado.com/funding-incentives/financing>

**Enterprise Zone Tax Credits**

Portions of the City of Evans are designated as a Colorado Enterprise Zone (EZ), allowing qualifying businesses to take advantage of several tax credits. – More info at <http://www.upstatecolorado.org/business/enterprisezones-page.php>

**Colorado Housing and Finance Authority**

<http://www.chfainfo.com>

CHFA offers a broad range of programs that support economic growth in Colorado's urban and rural communities. This includes, business lending, support for affordable housing and education.

## Appendix B

### List of Other Resources

#### **University of Colorado – Denver**

Michael Tupa, RLA ASLA

University Technical Assistance Coordinator

CCCD University of Colorado Denver

970-305-7805, Office

303-478-9470, Cell

(This is a program whereby graduate level students contract, through a DOLA program, to help local organizations with a wide range of issues: architectural design elements, land use planning, tree surveys, historical preservation, and more)

#### **Department of Local Affairs - Main Street Program**

Stephanie Troller

Main Street Coordinator - Economic Development Specialist

P 303-864-7727 | C 303-476-8498

1313 Sherman St., RM 521, Denver, CO 80203

stephanie.troller@state.co.us | [www.dola.colorado.gov](http://www.dola.colorado.gov)

#### **DOLA Programs (list of services)**

<http://www.colorado.gov/cs/Satellite/DOLA-Main/CBON/1251590375313>

It's best to contact your DOLA Manager for your region to discuss opportunities

#### **Downtown Colorado Inc. (DCI)**

Katherine Correll

Executive Director

Downtown Colorado, Inc.

1420 Ogden St

Denver, CO 80218

303.282.0625

<http://www.downtowncoloradoinc.org/>

#### **USRDA**

<http://www.rd.usda.gov/co>

Key Programs

- Single Family Housing Guaranteed Loan Program
- Single Family Housing Direct Home Loans
- Single Family Housing Repair Loans & Grants
- Business & Industry Loan Guarantees
- Multi-Family Housing Direct Loans
- Multi-Family Housing Loan Guarantees
- Community Facilities Direct Loan & Grant Program
- Water & Waste Disposal Loan & Grant Program
- Rural Energy for America Program Energy Audit & Renewable Energy Development Assistance Grants

**Small Business Administration**

<https://www.sba.gov/>

(Check out the SCORE program for counseling)

**Small Business Development Centers**

<https://www.coloradosbdc.org/>

**Evans Chamber of Commerce**

2986 W 29<sup>th</sup> St #9, Greeley, Colorado 80631

**Phone:** (970) 330-4204

[www.evanschamber.org](http://www.evanschamber.org)

**Greeley Chamber of Commerce**

902 7<sup>th</sup> Ave, Greeley, Colorado 80631

**Phone:** (970) 352-3566

[www.greeleychamber.com](http://www.greeleychamber.com)

**University of Northern Colorado – Greeley, Colorado**

[www.unco.edu](http://www.unco.edu)

**Aims Community College – Greeley, Colorado**

[www.aims.edu](http://www.aims.edu)

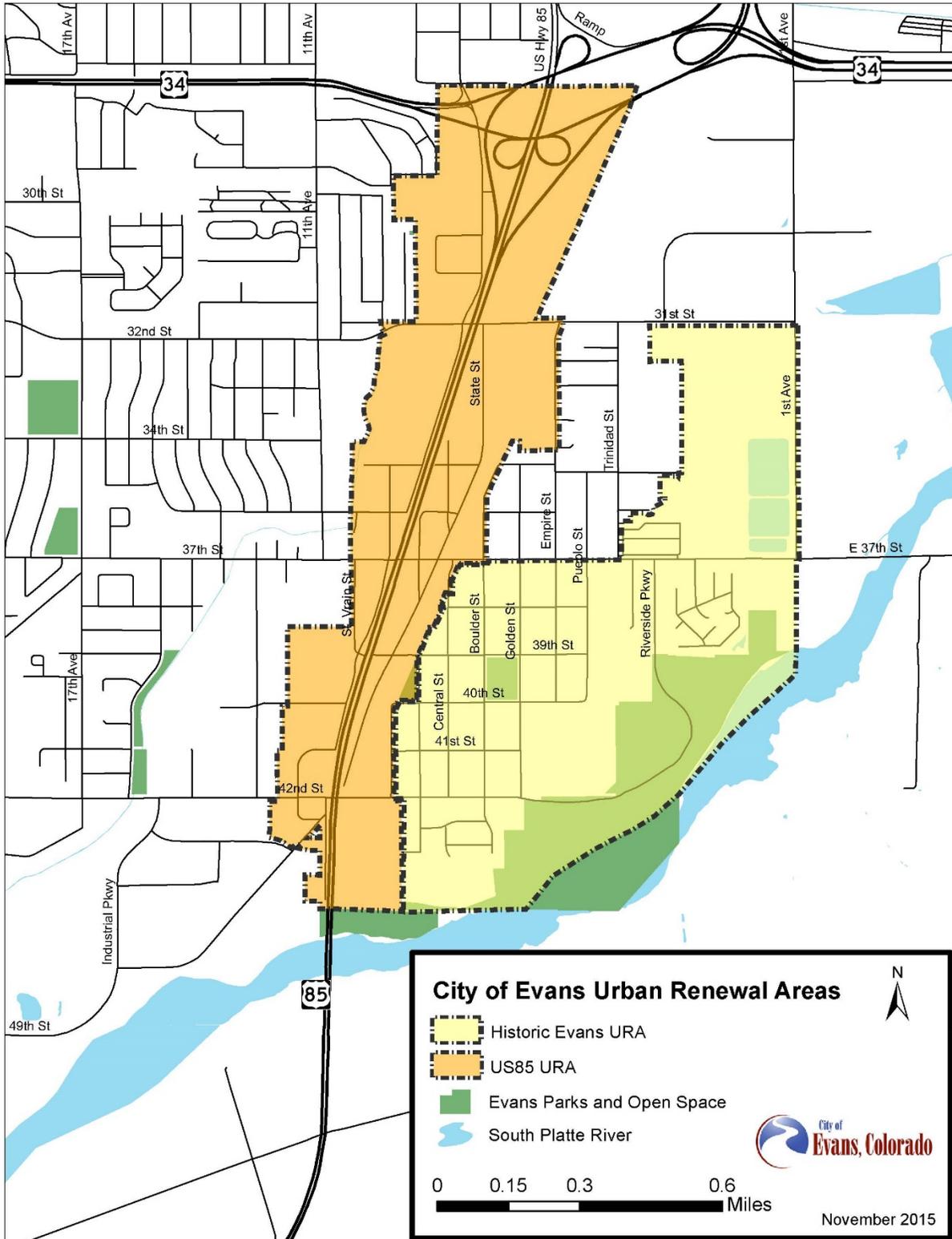
**High Plains Library District**

They often have great resources for businesses and grants

[www.mylibrary.us](http://www.mylibrary.us)

# Appendix C

## Map of Evans URA's



## Appendix D

### Map of Evans Historic Main Street CIP

#### Evans Historic Main Street Storefront Improvement Program (SIP): Property Eligibility Map



 SIP Boundary - Properties within this boundary are eligible for the SIP program so long as they meet the specific guidelines of the program.

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# COUNCIL COMMUNICATION

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**DATE:** January 5, 2016

**AGENDA NO.:** 8.C

**SUBJECT:** Resolution No. 04-2016 - Adopting the City of Evans 2015 Financial Policies

**PRESENTED BY:** Jacque Troudt, CPA, Finance Manager

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**AGENDA ITEM DESCRIPTION:**

The updated 2015 Financial Policies include a few minor cleanup, formatting and clarification items. Also included is an expansion of the purchasing guidance as it relates to purchasing limits, bids and contracts, and emergency procurement.

The Finance Committee recommends that these policies continue to be reviewed in detail every three years. If changes are warranted in the interim period, the committee will review those specific and necessary changes.

This resolution replaces Resolution No. 21-2013, adopted June 4, 2013.

The Financial Polices was reviewed in detail by the Finance Committee and includes the collective recommendations of this group.

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**FINANCIAL SUMMARY:**

N/A

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**RECOMMENDATION:**

Staff recommends approval of the resolution.

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**SUGGESTED MOTIONS:**

*"I move to adopt Resolution No. 04-2016."*

*"I move to deny adoption of Resolution No. 04-2016."*

# City of Evans Financial Policies



## I. Financial Planning Policies

### INTRODUCTION

A long range plan that estimates revenue and expenditure activity in the City as impacted by regional and national economies is necessary to support the Council and community in decisions they make regarding City services. This planning must recognize the effects of economic cycles on the demand for services and the City's revenues. Financial planning should be designed to ensure the delivery of needed services as defined by policy and the Comprehensive Plan.

### POLICIES

The financial planning and subsequent budgeting for all funds shall be based on the following policies:

1. Five-year plans - The City will prepare annually a five (5) year financial long range plan (LRP) for each fund. Each plan will include revenues, expenditures and other sources and uses with sufficient detail to identify trends and items with major impact.
2. Conservative revenue estimates - Revenue estimates should be prepared on a conservative basis to minimize the possibility that economic fluctuations could imperil ongoing service programs during the budget year.
3. Include contingencies - Expenditure estimates should anticipate contingencies that are foreseeable.
4. Include asset management plan (AMP) on LRPs - The five-year AMP plans will include equipment, major maintenance and associated expenses less than \$100,000. Major renovation or maintenance projects will be identified on long range plans.
5. Use proven methods - The City will constantly test both its planning methodology and use of planning tools in order to provide information that is timely, accurate and widely disseminated to ~~citizens-residents~~ and staff.
6. Economy - The City recognizes it is in a complex regional economic system. The City should have the capacity to evaluate and anticipate changes in both

regional and national economic systems in order to engage in strategic financial and management planning. The purpose of these plans will be to allow the Council and ~~citizens-residents~~ to evaluate the impact of the financial needs of these programs on the regional economy and to coordinate funding needs with all funds.

7. Department responsibilities - Department Directors and the Finance Department will share responsibility for the preparation of financial plans for operations and asset management needs. The City Manager requires a minimum of two reviewers of detailed work sheets used to generate the long range plans. The Finance Department will assist in developing appropriate systems to monitor and update the long range plans. Each department will meet with the Council to approve strategic policy, identify goals, and performance measures, at intervals determined by the City Manager.

8. Regular status reports - The Staff will continually update the long range plans when any significant change is anticipated. The Staff may distribute the long range plans to the Council at any time to inform the Council. The long range plans will be submitted to the Council for approval at least twice a year. The first update will follow the closing of the year and will include a final comparison of actual to budget for the completed year. The second report will be presented before the presentation of the annual budget and will include an update on the current budget and estimates.

9. Rate structure - The plans must disclose revenue assumptions including rate structures and consumption. The long range plans will include annual rate increases based on inflation unless the Council overrides this direction.

10. Staffing - The plans will identify staffing levels including justification for any changes.

11. Expenditures - The plans will include expenditures based on the service levels / policies and work load indicators (population, strategy, etc.) approved by the Council.

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# City of Evans Financial Policies



12. ~~Include +Reserves~~ - The plans will include reserves for operations, capital and debt service coverage as established in the Financial Policies and / or as required to issue bonds.

## II. Budget Policies

### INTRODUCTION

The Staff is responsible for preparing, managing and reporting on the City's annual budget. This function is in compliance with the Home Rule Charter and direction of the Council.

### A. GENERAL BUDGET POLICIES

The annual budget will be administered based on the following policies:

1. The Fiscal Year - The fiscal year of the City is the calendar year, January 1<sup>st</sup> through December 31<sup>st</sup>. The City may adopt budgets for a term of one or more fiscal years. The City Manager shall prepare and submit to the City Council on or before the 15<sup>th</sup> of October of each year a recommended budget covering, at a minimum, the next fiscal year. The purpose of the long range plans is to provide the City Council with a continuous budget update.

2. Present a balanced budget to the Council - The City will pay for all current expenditures with current revenues. The City will avoid budgetary procedures that balance current expenditures at the expense of meeting future years' expenses, such as postponing maintenance and other expenditures, accruing future years' revenues, or rolling over short term debt. The exceptions to this policy would be planned equipment purchases, operating maintenance and capital projects based on accumulated funding over the years.

3. Increase efficiency in all City operations - The City staff will identify programs to increase efficiency in order to provide for "long-term cost savings" to the City. This may include the use of technology, revised organizational structures or other tools which may be identified. Eliminating out-dated practices is encouraged.

4. Promote investment in our future - The City staff, wherever possible, will take a long term view of

investments (people and resources) and emphasize "quality" operations which encourage productivity for today and the future.

5. Share resources / services throughout the City - The City staff will explore ways to share staff, training resources and equipment / supplies in order to more effectively utilize resources.

6. Identify funding for new services or service levels - Proposals to add new services or increase existing services will be presented with revenue alternatives to fund or subsidize the new service levels. This includes initial costs and ongoing operations.

7. Asset Management Plan - The budget will provide adequate maintenance of capital plant and equipment and for their orderly replacement.

8. Employee programs - The City recognizes that employees are the most valuable asset of the organization and commits to fund this resource appropriately including adequate funding for all retirement systems, benefit packages and employee incentive programs including training.

9. Overhead allocations - The budget will include transfers or overhead allocations for expenditures / services in the General Fund that benefit other City funds. The formula for calculating this transfer or overhead allocation may include revenues, staff and or supplies and services. The formula shall be reviewed annually.

10. Fund Reserves - Cash reserve policies directly relate to fund accounting. Fund accounting is used as a control device to segregate financial resources and ensure that the segregated resources are used for their intended purposes. Cash reserves provide stability for operations and can cushion the impact to City programs during times of economic downturns. ~~Target Reserves targets~~ are established based on the type of Fund.

a. Operating funds will accumulate and maintain 3 months of operating reserves based on estimated personnel, supplies and services and AMP expenditures. Operating

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# City of Evans Financial Policies



reserves allow for the efficient management of cash flow and the opportunity to expand services or fund one time opportunities during the year. The Emergency Contingency Fund, is required by the City Charter, and includes the Colorado Tax Payer Bill of Rights (TABOR) reserves. The General Fund budget must also provide for a minimum of one month's operating reserves.

- b. Reserves for capital funds, including impact fee funds, are established based on the budgeting methodology. Capital fund budgets are based on the estimated current year ending cash balance for the next year. Subsequently the reserves are funded by the revenues restricted to capital funds. Capital projects may include a contingency for unexpected expenditures.
- c. Debt service fund reserves are based on required debt reserves established when debt is issued.
- d. Fund reserves - The first priority of the City will be to maintain target reserves by individual funds based on the above target. The City Council may identify specific reserves on an individual basis. When a cash reserve deficit exists the City Council will identify the specific fund to off set the deficit and a plan to increase the reserve in the fund.

11. Comprehensive Plan - The Financial Plan (Budget) and the Comprehensive Plan are considered the two key tools to provide a vision of the future and a method of accomplishing those goals. Based on the value of these two documents, the City will develop a methodology to cross reference both tools in order to accomplish the goals of the community as expressed through the City Council.

The Municipal code ~~—S~~should concur with Long Range Financial Plans and the Comprehensive Plan.

12. Grants to non-profit or community organizations  
~~z~~ - The City of Evans may provide grants to qualified

non-profit or community organizations that provide services within the City. A grant may not exceed \$10,000 per organization per year. Any funding provided to non-profit or community organizations beyond \$10,000 will not be considered a grant and must follow all other City purchasing policies.

## B. BUDGET PREPARATION

Each year the Staff will prepare the annual budget following these policies:

1. Council direction as goals - It is the responsibility of the Staff to prepare an annual budget to implement policy and accomplish the goals identified. Staff will identify the impact to the budget, including alternatives when new service levels are approved by the Council.

2. Budget schedule - The staff will present the Financial Policies by June, Revenue projections in July, Operations in August and Capital in September. The goal is approval of the Budget Ordinance and Revenue Rate Resolution at the first regular Council meeting in October which meets the requirements of the City Charter.

3. Revenue policies - The annual budget process is based on the initial revenue projections. Revenue projections will include rate review, annual inflation increases and frequency estimates. Existing revenue estimates start with a minimum of 75% of the projected trends based on the past year and year-to-date projections. Volatile and/or new revenue sources are estimated at a maximum of 50% of the prior year or industry projections.

4. Expenditure policies - Expenditure budget preparation begins with existing staff including any appropriate adjustments for, merit, and increased cost of benefits. Salary ranges and benefit packages should be periodically reviewed with comparable communities based on population, general fund tax revenues and comparable market.

Supplies and services should be constantly reviewed for efficiency and effectiveness, eliminating outdated programs and identifying appropriate ~~citizen-resident~~ service levels. The operating budget should include

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# City of Evans Financial Policies



the Asset Management Plan (AMP) to provide for the most effective delivery of services.

Debt is funded per required schedules including reserves.

Capital is budgeted based on priorities, available funding and estimated fund balances.

5. City Manager budget review - The City Manager will review the details of each proposed budget for efficiency and compliance with Council direction. Department Directors may include supplemental budget requests in the annual budget request to the City Manager and ultimately the Council.

6. Budget presentation - The annual budget document will be prepared based on guidelines identified by the Government Finance Officers Association (GFOA). Traditionally, this begins with an introduction to the budget followed by more detailed information presented by fund and department. The budget introduction includes a budget message and a highlights section identifying the major issues addressed by the City and how the budget is adopted to address those issues. Expenditures shall be presented by categories.

7. Citizen-Resident participation - The budget process will provide for the full participation of the public and ensure opportunities for public hearings and citizen-resident participation.

8. Public hearings - Open public hearings at regularly scheduled City Council meetings and work sessions as required by the Home Rule Charter ~~and~~ to provide citizens-residents additional opportunities for input regarding the proposed budget will be held.

9. State, Charter and other requirements - The City will adopt the budget in accordance to State, Home Rule Charter and other requirements and certify the mill levy to the County by the required date.

10. Grants - Groups requesting grants from the City of Evans shall provide a description of services provided within the City; current year organizational budget summary identifying revenues and

expenditures; financial statement for most recently completed fiscal year; list of Board of Directors and key officers, or active volunteers; and demonstration of non-profit status.

11. Funding subsidy - Funds that receive a subsidy from another fund, in addition to fees and charges or dedicated revenues will include a rationale for the subsidy; and a means for determining the annual level of that subsidy or conditions under which the subsidy should be eliminated.

## C. BUDGET MANAGEMENT

Council approval establishes the annual ~~budget limits~~budget limits. Authority for Departments to work within the limits approved by the Council is essential for efficient management of the City. Departments will not exceed the approved budget without the prior approval of the City Council. The budget will be managed based on the following policies:

1. Purchasing and accounting system - The City will maintain a system for monitoring the budget during the fiscal year. Adequate tools must be available to assist staff in managing the budget. The budget system will provide for budget approval before any expenditure is committed by City staff. This system shall also provide reports and query systems which will be used by the staff to prepare Council reports.

2. Council reports - Staff will prepare monthly reports for Council review. Additional reports will be presented in coordination with the annual budget process and financial audit. The Council report will include information on revenues and expenditures, comparing actual to budget, and performance measures related to service levels. The report shall follow the same format as the budget approval.

3. Level of approval - The Council will approve specific grants for qualified non-profit or community organizations.

In relationship to Department Budgets the Council will approve:

# City of Evans Financial Policies



- a. The number of full time positions and dollar amount for total regular staff, temporary staff and overtime by fund and category as defined by the LRP's.
  - b. The dollar amount for supplies and services for each fund and category as defined by the LRP's.
  - c. Each specific Capital request including start-up cost and ongoing maintenance.
  - d. The total of expenditures from each fund including transfers in and out.
4. Amending the approved budget - The staff may submit requests to amend the approved budget during the year. Additional requests will be made only after the staff has determined that no savings exists that can be transferred. Departments will provide information to the City Council during regular Council meetings. (Departments may not expend funds until after the City Council has approved the additional expenditure). The Finance Department will prepare appropriation ordinances officially amending the budget. Departments may expend funds after City Council approval and before adoption of the appropriation ordinance.
- a. Transfers of existing budget - The City Manager or Deputy City Manager may approve transfer of budget between Categories and Departments within a fund. The City Council must approve budget transfers between funds in the form of an ordinance.
  - b. Transfers between categories and programs - Department Directors may request City Manager or Deputy City Manager approval to transfer budget between categories (payroll, supplies & services, and capital) within a Department. The Manager will review requests to ensure compliance with the goals and objectives of the annual budget as approved by the City Council.
- c. Supplemental appropriation requests - Staff will prepare a prioritized list of one-time supplemental budget requests which will be reviewed by the Finance Committee, then presented to the City Council for final approval.
5. Budget savings - During the budget year, some expenditure savings can be realized by Departments. The City Manager or Deputy City Manager may allow transfers of savings to fund other identified needs within the department.
6. Encumbrance of Fixed Expenses - Predictable fixed expenditures will be encumbered on purchase orders in the first month of each year.
- D. INTERGOVERNMENTAL BUDGETS**  
Some costs of the City could be influenced by other governments, either because of duplication of services or mandates imposed by State and Federal governments.
- 1. Payment for services - The City will budget expenditures for grant-funded programs only after grant award or letter of commitment and only for the amount of grant award. City overhead or "indirect" costs for grant-funded programs will be included in all grant proposals, where permitted. All grants will be reviewed for long term impacts to the City.
  - 2. Outside involvement - The City will aggressively oppose State or Federal actions that mandate expenditures that the Council considers unnecessary. The City will pursue intergovernmental funding to support the incremental cost of those mandates.
  - 3. Intergovernmental agreements - The City will work with other governments to identify the jurisdiction most capable and appropriate to provide specific public services. When the City cannot transfer responsibility for service delivery, it will consider intergovernmental agreements and contracts for service delivery.
- E. STATE ~~OF~~ COLORADO AMENDMENT 1**

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# City of Evans Financial Policies



On November 3, 1992, the Citizens of the State of Colorado approved Amendment 1, aka The Tax Payers Bill of Rights (TABOR). Amendment 1 specifically and significantly addresses the following issues: 1) spending limitations (revenues), 2) operating reserves, 3) emergency reserves and 4) debt service.

On April 5, 1994, the Citizens of Evans approved the following revenue change in compliance with Amendment 1:

### City of Evans, Colorado

#### Amendment One Election Question

QUESTION #1 - SHALL THE CITY OF EVANS, COLORADO, WITHOUT INCREASING OR ADDING ANY TAXES OF ANY KIND, BE PERMITTED TO COLLECT, RETAIN, AND EXPEND THE FULL PROCEEDS OF THE CITY'S SALES AND USE TAX, ACCOMMODATIONS TAX, NON-FEDERAL GRANTS, FEES ON FISCAL YEAR SPENDING, INCLUDING WITHOUT LIMITATION THE RESTRICTIONS ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, FROM THE DATE OF JANUARY 1, 1993 AND THEREAFTER?

The City will be in compliance with the remaining requirements of Amendment 1 specifically including election, debt and reserve requirements. Considering the reasons behind the original approval of the Tabor Amendment (lack of trust in government), the City shall take an active role in ~~citizen~~-resident participation, communication and relationship building with our ~~citizens~~-residents in order to maintain and increase our level of trust and accountability. The City shall participate in regional and state-wide organizations because the actions of other municipalities or levels of government shall influence state-wide legislation which may impact Evans.

### III. Accounting, Auditing, & Financial Reporting Policies

#### INTRODUCTION

The City will maintain a system of financial management, control and reporting for all operations, departments and funds. This will ensure that overall City goals and objectives will be met and will instill confidence in ~~citizens~~-residents that the City is well managed and fiscally sound.

#### POLICIES

The Accounting, Auditing and Financial Reporting systems for the City will be based on the following policies:

1. Generally Accepted Accounting Principles (GAAP) - The City will maintain its accounting records and report on its financial condition and results of operations in accordance with State and Federal law and regulations, and GAAP.

2. The City will classify governmental fund balances as follows:

Non-spendable -- amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted -- amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed -- amounts that can be used only for specific purposes determined by a formal action of the City Council. The City Council is the highest level of decision making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by City Council.

Assigned -- amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the City's adopted policy, the City Manager or Deputy City Manager may assign amounts for specific purposes.

Unassigned -- all other spendable amounts.

3. Independent audit - An independent firm of certified public accountants will annually perform a financial and compliance audit of the City's financial statements as required by state statute. Their

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# City of Evans Financial Policies



opinions may be contained in the City's Comprehensive Annual Financial Report (CAFR), and the Report on Compliance with the Single Audit Act of 1984 (if required based on federal funding levels).

4. Internal auditing - To complete a full range of audit services, the City's Finance Department will supervise performance audits which review cash management, revenues, expenditures, purchasing and other areas that impact the City budget.

5. Accounting internal controls - The City will maintain an internal control structure consisting of three elements:

e.a. Control environment - Consisting of an "overall attitude and awareness of actions" as they influence the City. The management and staff shall consider all the financial implications of decisions, both current and long term.

f.b. Accounting system - An effective accounting system will result in the 1) identification and recording of all valid transactions, 2) description on a timely basis of the type of transaction in sufficient detail to permit proper classification of the transaction for reporting purposes, 3) recording of the transaction in the correct time period, and 4) Proper presentation of all transactions and related disclosures in the financial statements.

g.c. Control procedures - Consists of 1) Proper authorization of transactions and activities, 2) Adequate segregation of duties, 3) Adequate documents and records, 4) Adequate safeguards regarding access and use of assets and records, and 5) Independent checks on performance.

## A. ACCOUNTING STRUCTURE

All City funds and operations must work to achieve the City's mission and goals.

1. Number of funds - The City will minimize the number of funds, Departments, programs and account codes. The funds will be categorized by standard GAAP functional classifications and the creation of new funds will be approved by the City Council. The development of new funds, Departments, programs, and accounts will be recommended by the Finance Department and approved by the City Manager or Deputy City Manager.

2. Statement of purpose - Each fund in the City will have a Statement of Purpose which consists of:

- a. Intent - Purpose(s) of the fund.
- b. Revenue restrictions - Source(s) of revenues to the fund and descriptions of restriction.
- c. Contingency - Size and use of contingency, if any. Contingency levels shall be based on the uncertainties associated with the purposes of the fund or project.
- d. Reserves - Size and purpose of required reserves. Required reserves will be based on operating needs or debt needs and prudent management requirements.

## B. FINANCIAL REPORTING

Financial reports will provide direction and guidance in several areas;

- 1. Budgetary comparisons - Comparing actual financial results with the legally adopted budget.
- 2. Financial condition and results of operations - Assessing the changes in fund balances as a result of operations.
- 3. Compliance - Assisting in determining compliance with finance-related laws, rules and regulations.
- 4. Efficiency and effectiveness - Assisting in evaluating management and staff in efficiency and effectiveness.

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# City of Evans Financial Policies



5. Manager reports - The Finance Department will prepare reports at the end of April and each month thereafter identifying the difference between actual and budget for revenues and expenditures by fund. This requirement is also included in the Budget Policies. Reports will identify the current and projected variance in budget as well as progress on performance measures. These reports will be presented to the City Manager and may be included in Council updates.

### C. CHECK CONTROLS

The City will follow these policies related to check controls and the signing of checks:

1. Payment discounts - The City will take advantage of payment discounts to reduce expenditures when the rate offered is deemed favorable compared to the rate of investment income the City is earning on cash.

2. Invoice control - All invoices shall be mailed directly to the Finance Department and the vendor will reference an approved purchase order number.

3. Check preparation - No check will be prepared for approval without an authorized purchase order, compliance with the procurement procedure and adequate budget unless specifically identified in these policies.

4. Check requirements - In most cases the staff will be required to complete the following steps to obtain a check:

- a. Budget - Adequate budget must exist before staff considers a purchase.
- b. Requisition - Staff will complete a "requisition" which identifies the vendor, amount, description of purchase, use of items as it relates to the budget (account coding), and budget available. In accordance with established limits, authorized staff, Department Directors, Deputy City Manager, and/or City Manager approve requisitions based on efficiency, appropriateness and general financial and management practices.

c. Purchase order - Approved requisitions become purchase orders and only at this time can an order be placed with an "approved vendor". Vendors must be established as legitimate businesses meeting administrative and IRS requirements.

d. Invoices - Invoices are directed first to the Finance Department for entry into the accounting system for cash flow and cash discount reviews.

e. Department approval - After Finance Department entry, invoices are approved by Departments that the items or services ~~received~~ ~~were received~~ were acceptable.

f. Contracts - Major purchases may require following the procurement procedure (V.14.) which may include Council approval of the contract before a requisition can be completed.

5. Check register - The City Manager or Deputy City Manager reviews and approves the check register.

6. Distribute checks - Checks will be mailed following approval. Staff will copy and distribute to the Council the check register on a monthly basis.

### IV. Revenue Policies

#### INTRODUCTION

The City must consider its discretionary revenues as a group rather than in isolation. Both individual revenues and the total package must be viewed in the context of broader City goals. The City must be sensitive to the balance between the need for services and the City's ability to raise fees, charges and taxes to support City services. As much as is possible and feasible, City services that —benefit specific users should be paid for by fees and charges to provide maximum flexibility in use of general taxes to meet the cost of broader public services.

#### POLICIES

Revenues and rates in the LRP and annual budget will be based on the following policies:

# City of Evans Financial Policies



1. Specific use of services - Charges for services that benefit specific users should recover full costs, including all direct costs, indirect costs, depreciation on capital plant and equipment, and General Fund overhead. Departments that impose fees or service charges should prepare and periodically update cost-of-service studies for each such service. Competing City policies may dictate a subsidy of a portion of the costs of such services.
2. Diversify revenue - The City should strive to diversify its revenues in order to maintain needed services during periods of declining economic activity.
3. Recapture investment - The revenue structure should be designed to "recapture" for the City some of the financial benefits resulting from City sponsored programs or community investments.
4. Additional resources - The City will observe the following priorities in obtaining additional resources:
  - a. Use existing resources efficiently - The City will use as efficiently as possible all existing resources.
  - b. Collect existing revenues - The City will collect as efficiently as possible the resources to which it is already entitled. The city will minimize receivables and follow an aggressive policy of collecting receivables.
  - c. Revenues are consistent with City goals - The City will seek new resources, consistent with the policies in this document and other City goals.
5. Consider total revenue mix - The City will review revenue raising proposals in light of its total revenue mix in order to encourage economic sustainability and keep the City competitive.
  - a. City revenues impact - As part of the annual financial forecast or budget process, major revenue generating proposals will contain an evaluation of the impact on the community.
    - b. Total community in review - The evaluation should be based on prior year circumstances and includes all local taxation and fees.
    - c. Review each five years - At a minimum, such an evaluation shall be made at least once each five years.
6. Department responsibility - Department Directors will inform the Deputy City Manager or the City Manager of any revenue that varies from budget by 10% in any quarter. Department Directors will provide notice immediately and in the identified reports to the City Manager.
7. Use proven methods - The City will estimate its annual revenues by an objective, analytical process.
8. Use five year plans - The City will annually project revenues for the next five years.
9. Enterprise funds recover costs - The City will set fees, user charges and other revenues for each enterprise fund (Water, Sewer and Storm Drainage) at a level that supports the total direct and indirect cost of the activity including operating costs, system expansion, and major maintenance. Indirect costs include the cost of annual replacement needs due to depreciation of capital assets. Cost related to growth will be paid for by the growth.
  - a. Water Fund rates consist of base, variable, payment in lieu (PIL), and tap fee revenues. The base rate is established each year based on the annual fixed costs to maintain the system. The variable rate is established each year based on the costs to operate the system, i.e. the expenses vary with the level of water treated. PIL revenue is reserved for water right acquisition. Tap fee revenue is reserved for system expansion. Interest income is allocated to the category based on cash balance. Please note that special attention must be given to funding required reserves as they increase.
    - i. The water variable rate and tiers are established to encourage water conservation and the City Council will

# City of Evans Financial Policies



receive annual reporting on the specific number of customers who exceed tier 1 and tier 2.

- ii. Additionally the gallons consumed in tiers 2 and 3 should be identified and the corresponding revenue generated from this consumption will be considered “water conservation revenue”.

- b. The preceding –year’s revenue from both water conservation and major maintenance will be appropriated for expenditure once the amount is realized by the City Council. The City Manager or Deputy City Manager will report to the City Council projects identified for use of these funds.

10. Legal requirements - The City will maintain compliance with legal revenue restrictions as identified by voters, for special revenue funds and other restricted revenues.

## V. Operating Policies

### INTRODUCTION

When the other Financial Policies fail to address a specific issue, general operating policies will be reviewed for direction. In some cases these policies repeat what has already been stated in other areas, but that is only to emphasize the importance and value of that policy. The City must contain its expenditures to current revenues, establish and adequately fund reserves; regularly monitor and report on budget performance, evaluate the fiscal impact of new proposals, operate as efficiently as possible, and constantly review City services for appropriateness and effectiveness.

### POLICIES

The City shall follow these operating policies:

1. Current operating revenues to pay for current operating expenditures - Current operating revenues will exceed current operating expenditures. Each City fund budget must identify ongoing resources that at least match expected ongoing annual requirements. One-time cash transfers and ending balances in excess of reserves may be applied to reserves or to fund one-

time expenditures; they will not be used to fund on-going programs.

2. Do not restrict revenues - The City will not normally earmark discretionary revenues for specific purposes. This will preserve the ability of the Council to determine the best use of available revenues to meet changing service requirements.

3. Reserves - The City will establish reserves for emergencies, unforeseen needs of a non-recurring nature, operating maintenance, equipment replacement and capital projects. The nature of reserves for specific funds will be spelled out in the Statement of Purpose for each fund.

4. Financial controls - The Staff will maintain a system of financial monitoring and control. The major components of this system include:

- a. Fiscal Impact Analysis: The Staff will perform a fiscal impact analysis of each significant administrative or legislative action of the City or affiliated agencies. Where appropriate, the analysis will include the impact on the current budget and the LRP.
- b. Financial Accounting System and Periodic Status Reports: The Staff will prepare financial status reports on the revenues and expenditures to date and estimated year end balance as described in the Budget Policies.
- c. Budget Controls: The Finance Department will maintain a system of budgetary controls. These controls will assist Department directors in identifying actual to budget variances.

5. Review for efficiency and effectiveness - The City will continually review the efficiency and effectiveness of its services to reduce costs and improve service quality. This will include a review of all existing administrative procedures and software to eliminate exception based procedures, policies implemented to avoid compliance, special interest projects or programs that benefit less than the majority.

## City of Evans Financial Policies



- a. The City Manager will review professional services/consulting agreements for efficiency and effectiveness. The evaluation may include staffing options, ongoing knowledge of City operations, and consideration for additional services.
6. Recover cost of providing services - City operations will be run on a basis devoted to increase efficiency of service delivery or recover the cost of providing the service by a user fee or charge.
7. Cash reserves - The City will maintain cash reserves in order to avoid borrowing for general operating purposes.
8. Year-end/Year-end accruals - Other than as required by Generally Accepted Accounting Principles, the City will not increase accruals and non-cash enhancements to revenues in order to influence fund balances at year end.
9. Inventories - The City will maintain accurate inventories of capital assets, their condition, life span and cost.
10. Cash management systems - The Staff will develop, maintain and constantly seek to improve cash management systems which ensure the accurate and timely accounting, investment, and security of all cash assets. All cash received by the City Departments will be deposited ~~to the Finance Department~~ daily.
11. Competition and the service provided - The City must review programs periodically in order to reduce needless competition with other public and private providers and to insure the most cost-effective and efficient provision of services. The City will encourage competition with private providers by comparing the cost to provide services.
12. Resident/Citizen input - An effective and comprehensive periodic ~~Citizen-Resident~~ Service needs assessment will be conducted in order to ensure that City service priorities keep pace with the dynamic needs of the community. The result of this needs assessment will be considered for approval by the City Council and may become an integral part of the budget and financial planning of the City.
13. Internal loans - Loans made between funds may be charged interest.
14. Procurement Procedure - No order shall be placed by any City employee, contractor or representative that in any way encumbers or obligates the City until after that person has received an approved purchase order. The City will not be held responsible for any order placed by any employee, contractor or representative if the vendor has not received an approved purchase order before delivery of services or goods. The following policies will provide guidelines for all procurement:
  - a. Local preference - When all other factors are the same the City encourages staff to purchase locally provided the cost is within 10% of other bids on items up to \$25,000. Factors may include quality of product, quality of service, delivery, maintenance, and other issues which may be relevant.
  - b. Recycle - The City encourages recycling and environmental concerns. When all other factors are the same the City encourages staff to purchase recycled products provided the cost is within 10% of other bids on items up to \$25,000.
  - c. Purchase order approvals - Requests for purchase orders will be approved in accordance with the predetermined spending limits as outlined by the City Manager.
    - i. Exceptions - Purchases within preapproved spending authority may be made through the City purchasing card for items approved in the budget. The cost of processing purchase orders, invoices and checks for payments make it practical that small purchases be exceptions to the procurement procedure.
    - ii. Purchases for a single vendor which exceed the purchasing limits on an annual basis must be approved by the

# City of Evans Financial Policies



City Manager and reported to the City Council.

d. Purchasing Limits - The following purchasing limits are established:

Professional Services	
Amount	Approval
\$0 - <del>\$100,000</del>	Department Director
\$10,000.01 - <del>\$250,000</del>	Department Director + City Manager <u>3 written quotes</u>
<del>\$25,000.01 - \$50,000</del>	<del>Department Director + City Manager + 3 written quotes</del>
\$50,000.01 and up	Department Director + City Manager + RFP (competitively bid) + City Council

Supplies or Capital Projects	
Amount	Approval
\$0 - <del>\$100,000</del>	Department Director
<del>\$10,000.01 - \$25,000</del>	<del>Department Director + City Manager</del>
<del>\$25,000.01 - \$50,000</del>	Department Director + City Manager + 3 written quotes
<del>\$50,000.01 - \$100,000</del>	<del>Department Director + City Manager + 3 written quotes</del>
\$100,000.01 and up	Department Director + City Manager + RFP (competitively bid) + City Council

e. Bids and Contracts -The City recognizes the need to use outside sources for providing Professional Services, constructing Capital Projects (vendors & contractors) and for providing services for day-to-day operations and maintenance. The City requires staff to solicit bids for any purchase of goods over \$100K and proposals for services over \$50K per engagement or annually. This requirement may be waived by the City Manager for ongoing service contracts where the past experience related directly to the

City is a compelling reason to continue a service contract from year to year. Selection of vendors, contractors or consultants, may be based on past experience with the City, knowledge of the City and region, philosophy of the nature of the job, availability of time, quality of product, quality of service and material, maintenance, warranties, price and such other criteria as deemed appropriate for a particular public project. Once a vendor has been chosen, the City Council shall consider approval of the contract. Sole source purchases may be made if it has been determined that there is only one good or service that can reasonably meet the need and there is only one vendor who can provide the good or service. Written justification for the sole source purchase must be retained with support for the purchase.

When an invitation for bid (goods over \$100,000) or request for proposal (services over \$50,000) is required, a notice will be published in a local newspaper within 45 days and not less than 10 days from the bid deadline. The request shall include an adequate description of the scope of work to be completed, any specifics which may be required of the vendor, including the amount of any bid bond, all contractual terms, and conditions applicable to the public project. Bids shall be opened publicly at the time and place designated in the invitation for bids. The amount of each bid and such other relevant information as may be specified by rules, together with the name of each bidder, shall be entered on a record and open to public inspection. After the time of the award, all bids and requests for proposal documents shall be open to public inspection. The City shall not be obligated to select the lowest bidder, but shall select based on the established criteria in the invitation to bid or request for proposal. Bidders may be disqualified for past failure to follow proper change order processes. The City will use electronic means (i.e. internet,

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# City of Evans Financial Policies



email, etc) to inform potential vendors and may use technology to improve transparency and purchasing efficiencies for the City. All available means for advertising the invitation to bid shall be used to the extent possible, to encourage full and open competition.

When advertising for proposals with federal funding, guidance will be followed in CFR200.319 to ensure proper competition of project awards is encouraged. This also entails, for example, taking necessary affirmative steps to assure that the minority businesses, women's business enterprises, and labor surplus area firms are used when possible.

f. Emergencies - In the event of natural disasters, accidents or other emergencies where the health, safety or welfare of the community is at risk, the City shall comply with the procurement requirements to the extent practicable, but may be waived by the City Manager. The City Manager will notify the Council of any emergency immediately, identifying the nature of the emergency and any purchase which may be required. Forms required herein for the purpose of authorizing and acquiring goods or services necessary for the immediate preservation of life, health, safety, welfare or property during a local disaster or emergency conditions shall not require compliance with bidding requirements set forth in this Policy, and may be awarded on a sole-source basis. Documentation of procurement decisions in an emergency period is required to be retained, to support the urgency of the purchase and as justification for deviation of any City policy. Once the City is no longer operating in an emergency period, adherence to the approved procurement requirements is required. Careful consideration shall be given to procurement decisions made in an emergency period and when grant funds may be received. Federal procurement guidance currently available (at CFR200.319) indicates that purchases above the dollar threshold of a micro purchase, currently \$3,000, must also have three written quotes to support the cost

reasonableness of the purchase. If, at any time, a purchase may have a grant implication, purchaser shall follow the guidance.

- g. Travel - Consideration of the lowest cost to the City will be made when traveling for City business. When employees travel out of the County, they are required to use a City vehicle if available and practical. Only if no fleet vehicles are available will the City reimburse employees for mileage at the approved IRS rate with prior Department Director approval. Out-of-City per diem will be paid at the approved IRS reimbursement level. Per Diem is reimbursement for all meals and incidentals, no additional reimbursements will be approved. Lodging should be prepaid by City check or purchasing card when possible in order to avoid taxes. Lodging reimbursements may include one "reasonable" phone call home for each night you are out of City.
- h. Meals in City - The City shall restrict the purchase of meals locally to the following items, unless specifically approved by the City Manager or Deputy City Manager:
  - a.i. Work related meetings with outside officials with Department Director, Deputy City Manager or City Manager approval.
  - b.ii. Preparation for City-wide events on weekends (such as July 4th or Evans Fest).
  - e.iii. Manager and/or City Council members' meetings with media, ~~citizens~~residents, employees, Council and outside officials.
- i. Education and training - The City Council has approved in the Personnel Policies the desire to hire the best and most qualified staff available. To maintain the quality of the staff over time, the City will fund adequate participation in professional organizations and training. Recognizing the need for additional training, each Department Director will propose a budget which may

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# City of Evans Financial Policies



include participation at the national level for Department Directors and professionals. In addition to participation in national organizations, it may from time to time benefit the City to send employees to training out of the state. The staff will attempt to identify regional training programs or local programs when possible. The level of training and participation in organizations must be approved by Department Directors. Department Director training will be approved by the City Manager or Deputy City Manager and Deputy City Manager or City Manager training will be approved by the Mayor. All training must be included and funded in the annual budget.

- j. Education and training for Council and commissioners - The City is committed to professional and progressive leadership. In order to maintain the City's position as leaders in the community and region, it may be beneficial to provide training for the City Council and/or City sponsored Boards & Commissions regarding key management and or technical issues. Travel for these members will be included in the annual budget.
- k. Computers, software, & peripheral purchases - All City-wide computer, software, & peripheral related purchases must be approved by the Systems Administrator with final approval from the City Manager or Deputy City Manager.

## VI. Capital Planning & Budgeting Policies

### INTRODUCTION

The Capital Improvement Plan (CIP) has a significant impact on the image of the City. The following policies are designed to guarantee that current and future projects are maintained at a quality level and that capital projects do not restrict the City's ability to provide basic services. The City must preserve its current physical assets and plan in an orderly manner for future capital investments, including the operating

costs associated with these projects. In addition to amenity improvements, the City must make the capital investment needed to support and enhance the delivery of basic services. This commitment becomes even more important because the demands for basic services biases funding priorities toward the operating services (such as police officers and recreation programs) versus infrastructure (such as streets and buildings) which could be an issue in the future. Capital expenditures for purposes of financial reporting; include buildings, land, major equipment and other items which have a value of over \$5,000 and have a life greater than one year. Capital expenditures for purposes of budgeting; include buildings, land, major equipment and other items which have a value of over \$100,000 and have a life greater than one year.

### POLICIES

The planning, funding and maintenance of all capital projects shall be based on the following policies:

1. Bond rating - The City will maintain a strong bond rating that is consistent with other City goals. The City will maintain good communications with bond rating agencies about its financial condition. The City will follow a policy of full disclosure on every financial report and bond prospectus.
2. Five-year capital plans - Each Department with capital expenditures will develop and maintain five-year capital plans. This will include sources of funding and maintenance.
3. Citizen-Resident involvement - The CIP development process will provide for the full participation of any citizen-resident and or Committee appointed by City Council.
4. Details of plan - The City will prepare and update annually a City five-year CIP that identifies needs for capital replacement and additions. The CIP lists all anticipated capital expenditures, total estimated cost, the year in which it will be started, the amount expected to be expended in each year, and the proposed method of financing these expenditures. Methods of financing can include bonding,

## City of Evans Financial Policies



assessment districts, pay-as-you-go (e.g. taxes, current revenues, cash balances), or other.

5. Current capital budget - The City will prepare an annual Capital Budget which will include current year capital expenditures and sources of funds based on the current year of the Capital Improvement Plan.

6. Include future maintenance - As part of the annual Capital Budget, the City will identify and include full costs of future maintenance needs and operating costs of new capital facilities and equipment prior to funding as part of the annual Capital Budget. It is essential to recognize that many smaller projects can have a significant impact on the existing staff and maintenance levels when considering the total impact. All capital projects will identify the maintenance requirements in terms of staffing (hours per week) and Supplies & Services.

7. Identify project funding - The City staff will identify the estimated costs and funding sources for each capital project proposal before it is submitted to Council for consideration. This will include capital construction as well as ongoing maintenance.

8. Asset Management Plan (AMP) - The City will develop an AMP that protects capital investment and minimizes future maintenance and replacement costs. The City will maintain accurate information on the condition, life span use and replacement cost of their capital assets to assist in long term planning. The AMP will also indicate future major repairs and their costs, utility costs and other operating costs.

- a. Equipment replacement - The City will estimate its equipment replacement (items over \$5,000 with a life greater than one year). From this projection, a maintenance schedule will be developed and followed.
- b. Cash for equipment - Equipment replacement should be planned on a cash basis. Equipment should be replaced on a useful life basis considering optimum trade-in value and maintenance costs.

9. Planned funding - The budget will provide sufficient funding for adequate maintenance and scheduled replacement and enhancement of capital plant and equipment. Whenever the AMP identifies there is a significant discrepancy between the need to maintain/modernize City infrastructure or facilities and the funds available for such improvements, the City staff will prepare and present to Council a strategy for meeting such needs. The long range plans of the City will include all costs identified in the AMP.

10. Major Maintenance - Although the annual operating budget should provide for adequate maintenance of capital, plant, and equipment, eventually a major expenditure will be required. It is appropriate to consider these types of major expenditures when developing the capital improvement program.

11. Capital priority - In general, the following guidelines will be used to identify capital priorities: safety, complete existing projects, maintenance of existing capital facilities, extensions of existing systems and new projects. Maintenance should be given priority over acquisition of new facilities, unless a cost/benefit analysis indicates to the contrary. State, Federal and local mandates or new service demands may require acquisition of new facilities or new construction even when maintenance needs are not fully met. Unique opportunities may arise which should be considered as a priority particularly if there is community support for acquisition. Maintenance of facilities should take priority over operating programs if deferring maintenance will result in greater costs to restore or replace neglected facilities.

12. Consistency with City policies and impact on community - The City will identify the ongoing costs and benefits that may be associated with each capital project to determine its consistency with other city policies and the impact on the community as a whole.

13. Alternative funding - Assessment district financing is appropriate for those areas of the City that are retroactively installing physical plant features which are normally required by subdivision standards at the time of development or which have been

# City of Evans Financial Policies



funded by another assessment district. Such physical plant features include but not limited to, curb, gutters, sidewalks, street lights and sewers. Assessment districts are also appropriate in cases where these types of physical plant features are being upgraded for the benefit of property owners in the area. Unless otherwise directed by Council, assessment districts will include all costs associated with the project, including overhead and indirect costs, including but not limited to financing, and administrative costs. The City will take actions to ensure that financial risk to the City is minimized.

14. Long-term debt - is a liability that places a future contractual or other obligation against future revenues of the City. For example, long-term debt includes liabilities arising from bonds, lease purchase agreements and installment purchase contracts.

- a. Use for capital - The City will confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues.
- b. Life of debt not to exceed 75% of life of the project or acquisition - When the City finances capital projects by issuing bonds; it will pay back the bonds within a period not to exceed 75% of the expected useful life of the project.
- c. Debt restrictions - The City will not use long-term debt for current or annual operations. Debt that obligates future City Councils shall be approved consistent with City Charter and applicable State statutes.
- d. Legal debt limits - The City will review its legal debt limitation established by the Charter at least annually. Debt limits will be included in the statistics sections of the Financial Plan and Financial Report.
- e. Annual review - The City of Evans will conduct an annual review of its debt taking into consideration current market rates and future cash flows.

## VII. Investment Policies

### INTRODUCTION

The purpose of this investment policy is to establish guidelines for the purchase and sale of investments for all funds of the City of Evans.

#### Legality

The investment program for the City of Evans shall operate in conformance with federal, state, and other legal requirements, including the Colorado Revised Statutes sections 11-10.5-101 et seq. and 24-75-601 et seq., as amended, and City of Evans, Colorado Home Rule Charter VIII.

### POLICIES

This Investment Policy (the Policy) applies to the investment of all City of Evans (the City) funds, excluding the investment of employees' retirement funds. Proceeds from certain bond issues are covered by separate agreements.

#### Pooling of Funds

Except for cash in certain restricted and special funds, the City will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping, and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with City of Evans Home Rule Charter VIII and generally accepted accounting principles (GAAP). -:

### OBJECTIVE:

The primary objectives of investment activities, in priority order, shall be safety, liquidity, yield, and local considerations.

1. Safety - Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.
  - a. The City will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:
    - i. Limiting investments to the types of

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# City of Evans Financial Policies



- securities listed in Section 9 of this Policy.
  - ii. Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business in accordance with Section 6.57
  - iii. Diversifying the investment portfolio to minimize the impact of potential losses from any one type of security or from any one individual issuer.
- b. The City will minimize interest rate risk, the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:
- i. Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
  - ii. Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio in accordance with this policy.

2. Liquidity - The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). Alternatively, a portion of the portfolio may be placed in money market mutual funds or local government investment pools which offer same-day liquidity for short-term funds.

3. Yield - The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity

objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

4. Local Considerations - Where possible, funds may be invested for the betterment of the local economy or that of local entities within the State of Colorado. Included is the Local Considerations Investment Program that allows the City to accept proposals from eligible institutions in order to reward local financial institutions that can document their commitments to private economic growth and local housing investment. These respective institutions must be on the Public Deposit Protection Act list of qualified eligible financial institutions. The Evans City Council recognizes that our Local Considerations Investment Program might diminish investment yields.

#### 5. Standards of Care

a. Prudence -The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing the overall portfolio. The "prudent person" standard states that, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived". "Authorized City officials and employees acting in accordance with written procedures and this Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this Policy.

b. Ethics and Conflicts of Interest - Officers and employees involved in the investment process shall refrain from personal business activity

# City of Evans Financial Policies



that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

- c. Delegation of Authority - Authority to manage the program is derived from the City of Evans Home Rule Charter, Chapter VIII and granted to the City Treasurer who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this Policy. Procedures should include references to safekeeping, delivery vs. payment, investment accounting, wire transfer agreements and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the City Treasurer. The City Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

6. Authorized Broker/Dealers - To be eligible, a firm must meet at least one of the following criteria:

- ~~1~~.a. be recognized as a Primary Dealer by the Federal Reserve Bank of New York, or have a Primary Dealer within its holding company structure;
- ~~2~~.b. report voluntarily to the Federal Reserve Bank of New York, or
- ~~3~~.c. qualify under Securities and Exchange Commission (SEC) Rule 15c-3 (Uniform Net Capital Rule).

Broker/dealers will be selected by the City Treasurer on the basis of their expertise in public cash management and their ability to provide services for the City's account. Approved broker/dealers and the firms they represent shall be licensed to do business in the State of Colorado and as such are subject to the provisions of the Colorado Revised Statutes, including but not limited to CRS 24-75-601.

Each authorized broker/dealer shall be required to submit and annually update a City approved Broker/Dealer Information Request form which includes the firm's most recent financial statements. The City's Treasurer shall maintain each approved firm's most recent Broker/Dealer Information Request form. In the event that an external investment advisor is not used in the process of recommending a particular transaction for the City's portfolio, authorized broker/dealers shall attest in writing that they have received a copy of this policy.

## 7. Financial Institutions and Depositories -

As required by City of Evans Home Rule Charter Chapter VIII, Section 8.8, a list will be approved by the Evans City Council of financial institutions and depositories authorized to provide investment services. To be eligible, a bank shall qualify as an eligible public depository as defined in C.R.S 11-10.5-103.

## 8. Minority and Community Financial Institutions -

From time to time, the City Treasurer may choose to invest in instruments offered by minority and community financial institutions. In such situations, a waiver to certain parts of the criteria under Paragraph 1 may be granted. All terms and relationships will be fully disclosed prior to purchase and will be reported to the appropriate entity on a consistent basis and should be consistent with state or local law. These types of investment purchases should be approved by the Evans City Council in advance.

~~7~~9. Safekeeping & Custody - The City Council shall select one or more banks to provide safekeeping and custodial services for the City. A City approved Safekeeping Agreement shall be executed with each custodian bank prior to utilizing that bank's safekeeping services. To be eligible for designation

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## City of Evans Financial Policies



as the City's safekeeping and custodian bank, a financial institution shall qualify as a depository of public funds in the State of Colorado as defined in CRS 24-75-603 et seq.

Custodian banks will be selected on the basis of their ability to provide services for the City's account and the competitive pricing of their safekeeping related services.

The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery versus payment basis. It is the intent of the City that all securities be perfected in the name of the City. Sufficient evidence to title shall be consistent with modern investment, banking and commercial practices.

All investment securities ~~—~~ purchased by the City will be delivered by either book entry or physical delivery and will be held in third-party safekeeping by a City approved custodian bank, its correspondent bank or its Depository Trust Company (DTC) participant account.

All Fed ~~wireable~~ wireable book entry securities owned by the City shall be evidenced by a safekeeping receipt or a customer confirmation issued to the City by the custodian bank stating that the securities are held in the Federal Reserve system in a CUSTOMER ACCOUNT for the custodian bank which will name the City as "customer."

All DTC eligible securities shall be held in the custodian bank's Depository Trust Company (DTC) participant account and the custodian bank shall issue a safekeeping receipt evidencing that the securities are held for the city as "customer."

**810. Internal Controls** - The City Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse. Details of the internal controls system shall be documented in an investment procedures manual and shall be reviewed and updated by the City Treasurer annually. The internal control structure shall be designed to provide reasonable assurance that

these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

The internal controls structure shall address the following points:

- Control of collusion;
- Separation of transaction authority from accounting and recordkeeping;
- Custodial safekeeping;
- Avoidance of physical delivery securities;
- Clear delegation of authority to subordinate staff members;
- Written confirmation of transactions for investments and wire transfers; ~~and~~
- Development of a wire transfer agreement with the lead bank and third-party custodian.

Accordingly, the City Treasurer shall establish a process for an annual independent review of compliance with the Policy and its internal control procedures by an external auditor.

### **911. Suitable & Authorized Investments**

Investment Types - The following investments will be permitted by this Policy and are defined by state and local law, where applicable:

- U.S. Treasury bills, Treasury notes, Treasury bonds, and Treasury STRIPS with maturities not exceeding five years from the date of trade settlement;
- U.S. government agencies with a final maturity not exceeding five years from the date of trade settlement issued by the Government National Mortgage Association (GNMA);
- U.S. instrumentality obligations (debentures, discount notes, callable securities, step-up securities, and stripped principal or coupons) with maturities not exceeding five years from the date of trade settlement issued by the following only: Federal National Mortgage Association (FNMA), Federal Farm Credit Banks (FFCB), Federal Home Loan Banks (FHLB), and Federal Home Loan

## City of Evans Financial Policies



- Mortgage Corporation (FHLMC) ;
- Subordinated debt shall not be purchased;
  - Certificates of deposit and other evidences of deposit at financial institutions, with maturities not exceeding five years, in FDIC insured state or nationally chartered banks or savings banks. Certificates of Deposit exceeding the FDIC insured amount shall be collateralized in accordance with the Colorado Public Deposit Protection Act;
  - Repurchase agreements with maturities of 180 days or less collateralized by U.S. Treasury Obligations and Federal Instrumentality Securities listed above with the maturity of the collateral not exceeding ~~ten~~10 years. For the purpose of this section, the term collateral shall mean purchased securities under the terms of the City approved Master Repurchase Agreement. The purchased securities shall have a minimum market value including accrued interest of 102 percent of the dollar value of the transaction. Collateral shall be held in the City's custodian bank as safekeeping agent, and the market value of the collateral securities shall be marked-to-the-market daily.
  - Repurchase Agreements shall be entered into only with dealers who have executed a City approved Master Repurchase Agreement with the City and who are recognized as Primary Dealers by the Federal Reserve Bank of New York, or have a Primary Dealer within their holding company structure. The Chief Financial Officer shall maintain a copy of the City's approved Master Repurchase Agreement along with a list of the broker/dealers who have an executed Master Repurchase Agreement with the City. The City may utilize Tri-party Repurchase Agreements provided that the City is satisfied that it has a perfected interest in the securities used as collateral and that the City has a properly executed Tri-party Agreement with both the counterparty and custodian bank.
  - Corporate bonds with a maturity not exceeding three years from the date of trade settlement; issued by any corporation or bank organized and operating within the United States. The debt must be rated at least AA- or the equivalent by at least two Nationally Recognized Statistical Rating Organizations (NRSROs).
  - Money market mutual funds registered under the Investment Company Act of 1940 that 1) are "no-load" (i.e. no commission or fee shall be charged on purchases or sales of shares); 2) have a constant net asset value per share of \$1.00; 3) limit assets of the fund to securities authorized by state statute; 4) have a maximum stated maturity and weighted average maturity in accordance with Rule 2a-7 of the Investment Company Act of 1940; and 5) have a rating of AAAM or the equivalent.
  - Commercial Paper with maturities not exceeding 270 days from the date of trade settlement and rated at least A-1 or the equivalent at the time of purchase by at least two NRSROs. If the commercial paper issuer has senior debt outstanding, the senior debt must be rated by each service that publishes a rating on the issuer of at least A or the equivalent. Furthermore, the issuer's commercial paper program's size shall exceed \$200 million. Commercial paper may not exceed 20% of the Portfolio and no more than 5% may be invested with a single issuer.
  - Local government investment pools—, authorized under CRS 24-75- 702, that 1) are "no-load" (i.e. no commission or fee shall be charged on purchases or sales of shares); 2) have a constant net asset value per share of \$1.00; 3) limit assets of the fund to securities authorized by state statute; 4) have a maximum stated maturity and weighted average maturity in accordance with Rule 2a-7 of the Investment Company Act of 1940; and 5)

# City of Evans Financial Policies



have a rating of AAAm or the equivalent.

with authorized broker/dealers. At least three broker/dealers shall be contacted for each transaction and their bid and offering prices shall be recorded.

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~~12. Collateralization~~ - Where allowed by the Colorado Public Deposit Protection Act (PDPA) Section 11-10.5-101 et seq., full collateralization will be required on all demand deposit accounts, including checking accounts and non-negotiable certificates of deposit.

If the City is offered a security for which there is no other readily available competitive offering, then the Treasurer will document quotations for comparable or alternative securities.

## ~~130. Investment Parameters~~

a. Diversification - The investments may be diversified by:

- i. limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities);
- ii. limiting investment in securities that have higher credit risks;
- iii. investing in securities with varying maturities; ~~and~~
- iv. ~~continually continuously~~ investing a portion of the portfolio in readily available funds such as local government investment pools (LGIPs) or money market fund to ensure that appropriate liquidity is maintained to meet ongoing obligations.

~~141. Performance Benchmarks~~ - The investment portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles, taking into account prevailing market conditions, risk constraints for eligible securities, and cash flow requirements. The performance of the investment portfolio shall be compared to the average yield on the U.S. Treasury security that most closely corresponds to the investment portfolio's weighted average effective maturity. When comparing the performance of the investment portfolio, all fees involved with managing it shall be included in the computation of its rate of return net of fees.

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b. Maximum Maturities - To the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five years from the date of trade settlement in accordance with state statutes.

~~152. Reporting~~ - Monthly, the City Treasurer will submit to the City Council a report listing the investments held by the City, the current market value of the investments and performance results. The report shall include a summary of investment earnings during the period.

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~~163. Policy Considerations~~ - Any investment currently held that does not meet the guidelines of this Policy shall be exempted from the requirements of this Policy. At maturity or liquidation, such monies shall be reinvested only as provided by this Policy.

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as local government investment pools or money market funds to ensure that appropriate liquidity is maintained to meet ongoing obligations.

~~174. Approval of Investment Policy~~ - The investment policy shall be formally approved and adopted by resolution of the governing body of the City of Evans. Any future changes must be approved by the Evans City Council.

a. Competitive Bids - Each investment transaction shall be competitively transacted

## ~~185. Documentation to be maintained by the City Treasurer~~

- Internal Controls Procedures Manual;
- Listing of authorized personnel;

## City of Evans Financial Policies



- Relevant investment state statutes;
- Listing of authorized broker/dealers and financial institutions/depositories;
- Broker/Dealer Information form;
- Credit studies for securities purchased and financial institutions used;
- Safekeeping agreements;
- Wire transfer agreements;
- Sample investment reports,
- GFOA Recommended Policies.

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CITY OF EVANS, COLORADO

RESOLUTION NO. 04-2016

A RESOLUTION ADOPTING THE CITY OF EVANS FINANCIAL POLICIES  
(REPLACES RESOLUTION NO. 21-2013)

**WHEREAS**, the City of Evans, Colorado desires to provide financial policies for the foundation of the City's Financial Management system; and

**WHEREAS**, this resolution replaces Resolution No. 21-2013 adopted on June 4, 2013; and

**WHEREAS**, the City Charter specifies in Chapter VIII the general policies the City will follow regarding finance, budget, and audit; and

**WHEREAS**, the City Charter specifies in Section 4.8 (f) that "as directed by Council, the Treasurer may be in charge of investing any and all surplus City funds"; and

**WHEREAS**, the City Charter specifies in Section 4.8 (d) that "the Treasurer shall keep and deposit all monies or funds in such manner and only in such places as the Council may determine and shall report the same in detail to the City Manager"; and

**WHEREAS**, the City Charter specifies in Section 8.8 that "the Council shall designate depositories for City funds and shall provide for the regular deposit of all City monies. The Council shall provide for such security for City deposits as is authorized or permitted by statute"; and

**WHEREAS**, the City Council desires to improve investment flexibility of City funds in conformity with the prioritized investment objectives of safety, liquidity and yield; and desires to direct City management personnel to follow standards for the prudent care of City invested funds; and

**WHEREAS**, these financial policies incorporate an investment policy which is in conformity with C.R.S. 24-75-601 et. seq, as amended, concerning the lawful investment of public monies by Colorado local governments the Council expects to maximize its available assets; and

**WHEREAS**, all existing references to the Emergency Contingency Fund will remain in compliance with the City Charter in Section 8.7-1.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EVANS, COLORADO:

1. The "City of Evans Financial Policies", attached hereto as Attachment A and by said reference incorporated herein, is hereby approved.

2. Jessica Gonifas, Deputy City Manager/City Treasurer, or the successor in function, is the public entity/local government official empowered to invest the funds of the public entity's treasury pursuant to Section 4.8 (d) of the Evans City Charter, and is hereby designated the "Official Custodian" as that term is defined in Section 11-10.5-103, C.R.S., et. seq., as amended.

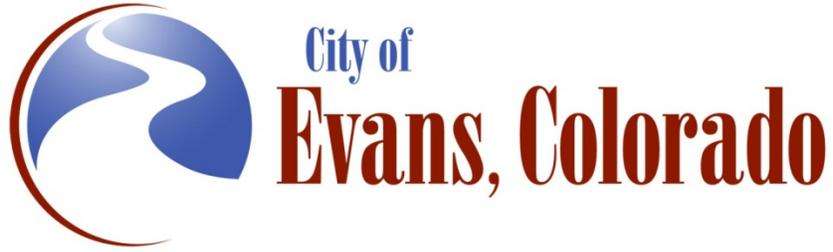
PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council of the City of Evans on this 5<sup>th</sup> day of January, 2016.

ATTEST:

CITY OF EVANS, COLORADO

\_\_\_\_\_  
City Clerk

By \_\_\_\_\_  
Mayor

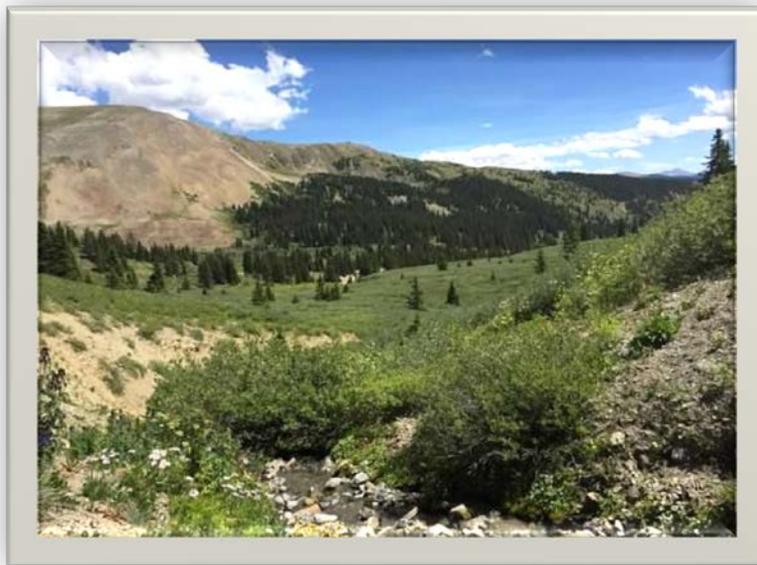


Financial  
Policies

December 15

2015

Revised and  
Adopted  
12/15/2015





# Table of Contents

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<b>I.</b>	<b>Financial Planning Policies .....</b>	<b>1</b>
	Introduction	
	Policies	
<b>II.</b>	<b>Budget Policies .....</b>	<b>2</b>
	Introduction	
	A. General Budget Policies	
	B. Budget Preparation	
	C. Budget Management	
	D. Intergovernmental Budgets	
	E. State of Colorado Amendment 1	
<b>III.</b>	<b>Accounting, Auditing, &amp; Financial Reporting Policies .....</b>	<b>6</b>
	Introduction	
	Policies	
	A. Accounting Structure	
	B. Financial Reporting	
	C. Check Controls	
<b>IV.</b>	<b>Revenue Policies .....</b>	<b>8</b>
	Introduction	
	Policies	
<b>V.</b>	<b>Operating Policies .....</b>	<b>10</b>
	Introduction	
	Policies	
<b>VI.</b>	<b>Capital Planning &amp; Budgeting Policies .....</b>	<b>14</b>
	Introduction	
	Policies	
<b>VII.</b>	<b>Investment Policies .....</b>	<b>16</b>
	Introduction	
	Policies	

## I. Financial Planning Policies

### INTRODUCTION

A long range plan that estimates revenue and expenditure activity in the City as impacted by regional and national economies is necessary to support the Council and community in decisions they make regarding City services. This planning must recognize the effects of economic cycles on the demand for services and the City's revenues. Financial planning should be designed to ensure the delivery of needed services as defined by policy and the Comprehensive Plan.

### POLICIES

The financial planning and subsequent budgeting for all funds shall be based on the following policies:

1. Five-year plans - The City will prepare annually a five (5) year financial long range plan (LRP) for each fund. Each plan will include revenues, expenditures and other sources and uses with sufficient detail to identify trends and items with major impact.
2. Conservative revenue estimates - Revenue estimates should be prepared on a conservative basis to minimize the possibility that economic fluctuations could imperil ongoing service programs during the budget year.
3. Include contingencies - Expenditure estimates should anticipate contingencies that are foreseeable.
4. Include asset management plan (AMP) on LRPs - The five-year AMP plans will include equipment, major maintenance and associated expenses less than \$100,000. Major renovation or maintenance projects will be identified on long range plans.
5. Use proven methods - The City will constantly test both its planning methodology and use of planning tools in order to provide information that is timely, accurate and widely disseminated to residents and staff.
6. Economy - The City recognizes it is in a complex regional economic system. The City should have the capacity to evaluate and anticipate changes in both

regional and national economic systems in order to engage in strategic financial and management planning. The purpose of these plans will be to allow the Council and residents to evaluate the impact of the financial needs of these programs on the regional economy and to coordinate funding needs with all funds.

7. Department responsibilities - Department Directors and the Finance Department will share responsibility for the preparation of financial plans for operations and asset management needs. The City Manager requires a minimum of two reviewers of detailed work sheets used to generate the long range plans. The Finance Department will assist in developing appropriate systems to monitor and update the long range plans. Each department will meet with the Council to approve strategic policy, identify goals, and performance measures, at intervals determined by the City Manager.
8. Regular status reports - The Staff will continually update the long range plans when any significant change is anticipated. The Staff may distribute the long range plans to the Council at any time to inform the Council. The long range plans will be submitted to the Council for approval at least twice a year. The first update will follow the closing of the year and will include a final comparison of actual to budget for the completed year. The second report will be presented before the presentation of the annual budget and will include an update on the current budget and estimates.
9. Rate structure - The plans must disclose revenue assumptions including rate structures and consumption. The long range plans will include annual rate increases based on inflation unless the Council overrides this direction.
10. Staffing - The plans will identify staffing levels including justification for any changes.
11. Expenditures - The plans will include expenditures based on the service levels / policies and work load indicators (population, strategy, etc.) approved by the Council.

12. Reserves - The plans will include reserves for operations, capital and debt service coverage as established in the Financial Policies and / or as required to issue bonds.

## II. Budget Policies

### INTRODUCTION

The Staff is responsible for preparing, managing and reporting on the City's annual budget. This function is in compliance with the Home Rule Charter and direction of the Council.

#### A. GENERAL BUDGET POLICIES

The annual budget will be administered based on the following policies:

1. The Fiscal Year - The fiscal year of the City is the calendar year, January 1<sup>st</sup> through December 31<sup>st</sup>. The City may adopt budgets for a term of one or more fiscal years. The City Manager shall prepare and submit to the City Council on or before the 15<sup>th</sup> of October of each year a recommended budget covering, at a minimum, the next fiscal year. The purpose of the long range plans is to provide the City Council with a continuous budget update.

2. Present a balanced budget to the Council - The City will pay for all current expenditures with current revenues. The City will avoid budgetary procedures that balance current expenditures at the expense of meeting future years' expenses, such as postponing maintenance and other expenditures, accruing future years' revenues, or rolling over short term debt. The exceptions to this policy would be planned equipment purchases, operating maintenance and capital projects based on accumulated funding over the years.

3. Increase efficiency in all City operations - The City staff will identify programs to increase efficiency in order to provide for "long-term cost savings" to the City. This may include the use of technology, revised organizational structures or other tools which may be identified. Eliminating outdated practices is encouraged.

4. Promote investment in our future - The City staff, wherever possible, will take a long term view of

investments (people and resources) and emphasize quality operations which encourage productivity for today and the future.

5. Share resources / services throughout the City - The City staff will explore ways to share staff, training resources and equipment / supplies in order to more effectively utilize resources.

6. Identify funding for new services or service levels - Proposals to add new services or increase existing services will be presented with revenue alternatives to fund or subsidize the new service levels. This includes initial costs and ongoing operations.

7. Asset Management Plan - The budget will provide adequate maintenance of capital plant and equipment and for their orderly replacement.

8. Employee programs - The City recognizes that employees are the most valuable asset of the organization and commits to fund this resource appropriately including adequate funding for all retirement systems, benefit packages and employee incentive programs including training.

9. Overhead allocations - The budget will include transfers or overhead allocations for expenditures / services in the General Fund that benefit other City funds. The formula for calculating this transfer or overhead allocation may include revenues, staff and or supplies and services. The formula shall be reviewed annually.

10. Fund Reserves - Cash reserve policies directly relate to fund accounting. Fund accounting is used as a control device to segregate financial resources and ensure that the segregated resources are used for their intended purposes. Cash reserves provide stability for operations and can cushion the impact to City programs during times of economic downturns. Target reserves are established based on the type of Fund.

- a. Operating funds will accumulate and maintain 3 months of operating reserves based on estimated personnel, supplies and services and AMP expenditures. Operating

reserves allow for the efficient management of cash flow and the opportunity to expand services or fund one time opportunities during the year. The Emergency Contingency Fund is required by the City Charter and includes the Colorado Tax Payer Bill of Rights (TABOR) reserves. The General Fund budget must also provide for a minimum of one month's operating reserves.

- b. Reserves for capital funds, including impact fee funds, are established based on the budgeting methodology. Capital fund budgets are based on the estimated current year ending cash balance for the next year. Subsequently the reserves are funded by the revenues restricted to capital funds. Capital projects may include a contingency for unexpected expenditures.
- c. Debt service fund reserves are based on required debt reserves established when debt is issued.
- d. Fund reserves - The first priority of the City will be to maintain target reserves by individual funds based on the above target. The City Council may identify specific reserves on an individual basis. When a cash reserve deficit exists the City Council will identify the specific fund to off set the deficit and a plan to increase the reserve in the fund.

11. Comprehensive Plan - The Financial Plan (Budget) and the Comprehensive Plan are considered the two key tools to provide a vision of the future and a method of accomplishing those goals. Based on the value of these two documents, the City will develop a methodology to cross reference both tools in order to accomplish the goals of the community as expressed through the City Council.

The Municipal code should concur with Long Range Financial Plans and the Comprehensive Plan.

12. Grants to non-profit or community organizations  
- - The City of Evans may provide grants to qualified

non-profit or community organizations that provide services within the City. A grant may not exceed \$10,000 per organization per year. Any funding provided to non-profit or community organizations beyond \$10,000 will not be considered a grant and must follow all other City purchasing policies.

## **B. BUDGET PREPARATION**

Each year the Staff will prepare the annual budget following these policies:

1. Council direction as goals - It is the responsibility of the Staff to prepare an annual budget to implement policy and accomplish the goals identified. Staff will identify the impact to the budget, including alternatives when new service levels are approved by the Council.
2. Budget schedule - The staff will present the Financial Policies by June, Revenue projections in July, Operations in August and Capital in September. The goal is approval of the Budget Ordinance and Revenue Rate Resolution at the first regular Council meeting in October which meets the requirements of the City Charter.
3. Revenue policies - The annual budget process is based on the initial revenue projections. Revenue projections will include rate review, annual inflation increases and frequency estimates. Existing revenue estimates start with a minimum of 75% of the projected trends based on the past year and year-to-date projections. Volatile and/or new revenue sources are estimated at a maximum of 50% of the prior year or industry projections.
4. Expenditure policies - Expenditure budget preparation begins with existing staff including any appropriate adjustments for merit and increased cost of benefits. Salary ranges and benefit packages should be periodically reviewed with comparable communities based on population, general fund tax revenues and comparable market.

Supplies and services should be constantly reviewed for efficiency and effectiveness, eliminating outdated programs and identifying appropriate resident service levels. The operating budget should include the Asset

Management Plan (AMP) to provide for the most effective delivery of services.

Debt is funded per required schedules including reserves.

Capital is budgeted based on priorities, available funding and estimated fund balances.

5. City Manager budget review - The City Manager will review the details of each proposed budget for efficiency and compliance with Council direction. Department Directors may include supplemental budget requests in the annual budget request to the City Manager and ultimately the Council.

6. Budget presentation - The annual budget document will be prepared based on guidelines identified by the Government Finance Officers Association (GFOA). Traditionally, this begins with an introduction to the budget followed by more detailed information presented by fund and department. The budget introduction includes a budget message and a highlights section identifying the major issues addressed by the City and how the budget is adopted to address those issues. Expenditures shall be presented by categories.

7. Resident participation - The budget process will provide for the full participation of the public and ensure opportunities for public hearings and resident participation.

8. Public hearings - Open public hearings at regularly scheduled City Council meetings and work sessions as required by the Home Rule Charter to provide residents additional opportunities for input regarding the proposed budget will be held.

9. State, Charter and other requirements - The City will adopt the budget in accordance to State, Home Rule Charter and other requirements and certify the mill levy to the County by the required date.

10. Grants - Groups requesting grants from the City of Evans shall provide a description of services provided within the City; current year organizational budget summary identifying revenues and

expenditures; financial statement for most recently completed fiscal year; list of Board of Directors and key officers, or active volunteers; and demonstration of non-profit status.

11. Funding subsidy - Funds that receive a subsidy from another fund, in addition to fees and charges or dedicated revenues will include a rationale for the subsidy; and a means for determining the annual level of that subsidy or conditions under which the subsidy should be eliminated.

## C. BUDGET MANAGEMENT

Council approval establishes the annual budget limits. Authority for Departments to work within the limits approved by the Council is essential for efficient management of the City. Departments will not exceed the approved budget without the prior approval of the City Council. The budget will be managed based on the following policies:

1. Purchasing and accounting system - The City will maintain a system for monitoring the budget during the fiscal year. Adequate tools must be available to assist staff in managing the budget. The budget system will provide for budget approval before any expenditure is committed by City staff. This system shall also provide reports and query systems which will be used by the staff to prepare Council reports.

2. Council reports - Staff will prepare monthly reports for Council review. Additional reports will be presented in coordination with the annual budget process and financial audit. The Council report will include information on revenues and expenditures, comparing actual to budget, and performance measures related to service levels. The report shall follow the same format as the budget approval.

3. Level of approval - The Council will approve specific grants for qualified non-profit or community organizations.

In relationship to Department Budgets the Council will approve:

- a. The number of full time positions and dollar amount for total regular staff, temporary staff

and overtime by fund and category as defined by the LRPs.

- b. The dollar amount for supplies and services for each fund and category as defined by the LRPs.
- c. Each specific Capital request including start-up cost and ongoing maintenance.
- d. The total of expenditures from each fund including transfers in and out.

4. Amending the approved budget - The staff may submit requests to amend the approved budget during the year. Additional requests will be made only after the staff has determined that no savings exists that can be transferred. Departments will provide information to the City Council during regular Council meetings. (Departments may not expend funds until after the City Council has approved the additional expenditure). The Finance Department will prepare appropriation ordinances officially amending the budget. Departments may expend funds after City Council approval and before adoption of the appropriation ordinance.

- a. Transfers of existing budget - The City Manager or Deputy City Manager may approve transfer of budget between Categories and Departments within a fund. The City Council must approve budget transfers between funds in the form of an ordinance.
- b. Transfers between categories and programs - Department Directors may request City Manager or Deputy City Manager approval to transfer budget between categories (payroll, supplies & services, and capital) within a Department. The Manager will review requests to ensure compliance with the goals and objectives of the annual budget as approved by the City Council.
- c. Supplemental appropriation requests - Staff will prepare a prioritized list of one-time supplemental budget requests which will be

reviewed by the Finance Committee, then presented to the City Council for final approval.

5. Budget savings - During the budget year, some expenditure savings can be realized by Departments. The City Manager or Deputy City Manager may allow transfers of savings to fund other identified needs within the department.

6. Encumbrance of Fixed Expenses - Predictable fixed expenditures will be encumbered on purchase orders in the first month of each year.

## D. INTERGOVERNMENTAL BUDGETS

Some costs of the City could be influenced by other governments, either because of duplication of services or mandates imposed by State and Federal governments.

1. Payment for services - The City will budget expenditures for grant-funded programs only after grant award or letter of commitment and only for the amount of grant award. City overhead or "indirect" costs for grant-funded programs will be included in all grant proposals, where permitted. All grants will be reviewed for long term impacts to the City.

2. Outside involvement - The City will aggressively oppose State or Federal actions that mandate expenditures that the Council considers unnecessary. The City will pursue intergovernmental funding to support the incremental cost of those mandates.

3. Intergovernmental agreements - The City will work with other governments to identify the jurisdiction most capable and appropriate to provide specific public services. When the City cannot transfer responsibility for service delivery, it will consider intergovernmental agreements and contracts for service delivery.

## E. STATE OF COLORADO AMENDMENT 1

On November 3, 1992, the Citizens of the State of Colorado approved Amendment 1, aka The Tax Payers Bill of Rights (TABOR). Amendment 1 specifically and significantly addresses the following

issues: 1) spending limitations (revenues), 2) operating reserves, 3) emergency reserves and 4) debt service.

On April 5, 1994, the Citizens of Evans approved the following revenue change in compliance with Amendment 1:

## City of Evans, Colorado

### Amendment One Election Question

QUESTION #1 - SHALL THE CITY OF EVANS, COLORADO, WITHOUT INCREASING OR ADDING ANY TAXES OF ANY KIND, BE PERMITTED TO COLLECT, RETAIN, AND EXPEND THE FULL PROCEEDS OF THE CITY'S SALES AND USE TAX, ACCOMMODATIONS TAX, NON-FEDERAL GRANTS, FEES ON FISCAL YEAR SPENDING, INCLUDING WITHOUT LIMITATION THE RESTRICTIONS ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, FROM THE DATE OF JANUARY 1, 1993 AND THEREAFTER?

The City will be in compliance with the remaining requirements of Amendment 1 specifically including election, debt and reserve requirements. Considering the reasons behind the original approval of the Tabor Amendment (lack of trust in government), the City shall take an active role in resident participation, communication and relationship building with our residents in order to maintain and increase our level of trust and accountability. The City shall participate in regional and state-wide organizations because the actions of other municipalities or levels of government shall influence state-wide legislation which may impact Evans.

## III. Accounting, Auditing, & Financial Reporting Policies

### INTRODUCTION

The City will maintain a system of financial management, control and reporting for all operations, departments and funds. This will ensure that overall City goals and objectives will be met and will instill confidence in residents that the City is well managed and fiscally sound.

### POLICIES

The Accounting, Auditing and Financial Reporting systems for the City will be based on the following policies:

1. Generally Accepted Accounting Principles (GAAP) - The City will maintain its accounting records and report on its financial condition and results of operations in accordance with State and Federal law and regulations, and GAAP.

2. The City will classify governmental fund balances as follows:

Non-spendable - amounts that cannot be spent either because they are in non-spendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.

Committed - amounts that can be used only for specific purposes determined by a formal action of the City Council. The City Council is the highest level of decision making authority for the City. Commitments may be established, modified, or rescinded only through ordinances or resolutions approved by City Council.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the City's adopted policy, the City Manager or Deputy City Manager may assign amounts for specific purposes.

Unassigned - all other spendable amounts.

3. Independent audit - An independent firm of certified public accountants will annually perform a financial and compliance audit of the City's financial statements as required by state statute. Their opinions may be contained in the City's Comprehensive Annual Financial Report (CAFR), and the Report on Compliance with the Single Audit Act of 1984 (if required based on federal funding levels).

4. Internal auditing - To complete a full range of audit services, the City's Finance Department will supervise performance audits which review cash management, revenues, expenditures, purchasing and other areas that impact the City budget.

5. Accounting internal controls - The City will maintain an internal control structure consisting of three elements:

- a. Control environment - Consisting of an "overall attitude and awareness of actions" as they influence the City. The management and staff shall consider all the financial implications of decisions, both current and long term.
- b. Accounting system - An effective accounting system will result in the 1) identification and recording of all valid transactions, 2) description on a timely basis of the type of transaction in sufficient detail to permit proper classification of the transaction for reporting purposes, 3) recording of the transaction in the correct time period, and 4) proper presentation of all transactions and related disclosures in the financial statements.
- c. Control procedures - Consists of 1) proper authorization of transactions and activities, 2) adequate segregation of duties, 3) adequate documents and records, 4) adequate safeguards regarding access and use of assets and records, and 5) independent checks on performance.

## A. ACCOUNTING STRUCTURE

All City funds and operations must work to achieve the City's mission and goals.

1. Number of funds - The City will minimize the number of funds, Departments, programs and account codes. The funds will be categorized by standard GAAP functional classifications and the creation of new funds will be approved by the City Council. The development of new funds,

Departments, programs, and accounts will be recommended by the Finance Department and approved by the City Manager or Deputy City Manager.

2. Statement of purpose - Each fund in the City will have a Statement of Purpose which consists of:

- a. Intent - Purpose(s) of the fund.
- b. Revenue restrictions - Source(s) of revenues to the fund and descriptions of restriction.
- c. Contingency - Size and use of contingency, if any. Contingency levels shall be based on the uncertainties associated with the purposes of the fund or project.
- d. Reserves - Size and purpose of required reserves. Required reserves will be based on operating needs or debt needs and prudent management requirements.

## B. FINANCIAL REPORTING

Financial reports will provide direction and guidance in several areas;

1. Budgetary comparisons - Comparing actual financial results with the legally adopted budget.

2. Financial condition and results of operations - Assessing the changes in fund balances as a result of operations.

3. Compliance - Assisting in determining compliance with finance-related laws, rules and regulations.

4. Efficiency and effectiveness - Assisting in evaluating management and staff in efficiency and effectiveness.

5. Manager reports - The Finance Department will prepare reports at the end of April and each month thereafter identifying the difference between actual and budget for revenues and expenditures by fund. This requirement is also included in the Budget Policies. Reports will identify the current and

projected variance in budget as well as progress on performance measures. These reports will be presented to the City Manager and may be included in Council updates.

## C. CHECK CONTROLS

The City will follow these policies related to check controls and the signing of checks:

1. Payment discounts - The City will take advantage of payment discounts to reduce expenditures when the rate offered is deemed favorable compared to the rate of investment income the City is earning on cash.
2. Invoice control - All invoices shall be mailed directly to the Finance Department and the vendor will reference an approved purchase order number.
3. Check preparation - No check will be prepared for approval without an authorized purchase order, compliance with the procurement procedure and adequate budget unless specifically identified in these policies.
4. Check requirements - In most cases the staff will be required to complete the following steps to obtain a check:
  - a. Budget - Adequate budget must exist before staff considers a purchase.
  - b. Requisition - Staff will complete a "requisition" which identifies the vendor, amount, description of purchase, use of items as it relates to the budget (account coding), and budget available. In accordance with established limits, authorized staff, Department Directors, Deputy City Manager, and/or City Manager approve requisitions based on efficiency, appropriateness and general financial and management practices.
  - c. Purchase order - Approved requisitions become purchase orders and only at this time can an order be placed with an "approved vendor". Vendors must be established as legitimate businesses meeting administrative and IRS requirements.

- d. Invoices - Invoices are directed first to the Finance Department for entry into the accounting system for cash flow and cash discount reviews.
  - e. Department approval - After Finance Department entry, invoices are approved by Departments that the items or services received were acceptable.
  - f. Contracts - Major purchases may require following the procurement procedure (V.14.) which may include Council approval of the contract before a requisition can be completed.
5. Check register - The City Manager or Deputy City Manager reviews and approves the check register.
6. Distribute checks - Checks will be mailed following approval. Staff will copy and distribute to the Council the check register on a monthly basis.

## IV. Revenue Policies

### INTRODUCTION

The City must consider its discretionary revenues as a group rather than in isolation. Both individual revenues and the total package must be viewed in the context of broader City goals. The City must be sensitive to the balance between the need for services and the City's ability to raise fees, charges and taxes to support City services. As much as is possible and feasible, City services that benefit specific users should be paid for by fees and charges to provide maximum flexibility in use of general taxes to meet the cost of broader public services.

### POLICIES

Revenues and rates in the LRP and annual budget will be based on the following policies:

1. Specific use of services - Charges for services that benefit specific users should recover full costs, including all direct costs, indirect costs, depreciation on capital plant and equipment, and General Fund overhead. Departments that impose fees or service

# City of Evans Financial Policies



charges should prepare and periodically update cost-of-service studies for each such service. Competing City policies may dictate a subsidy of a portion of the costs of such services.

2. Diversify revenue - The City should strive to diversify its revenues in order to maintain needed services during periods of declining economic activity.

3. Recapture investment - The revenue structure should be designed to "recapture" for the City some of the financial benefits resulting from City sponsored programs or community investments.

4. Additional resources - The City will observe the following priorities in obtaining additional resources:

- a. Use existing resources efficiently - The City will use as efficiently as possible all existing resources.
- b. Collect existing revenues - The City will collect as efficiently as possible the resources to which it is already entitled. The city will minimize receivables and follow an aggressive policy of collecting receivables.
- c. Revenues are consistent with City goals - The City will seek new resources, consistent with the policies in this document and other City goals.

5. Consider total revenue mix - The City will review revenue raising proposals in light of its total revenue mix in order to encourage economic sustainability and keep the City competitive.

- a. City revenues impact - As part of the annual financial forecast or budget process, major revenue generating proposals will contain an evaluation of the impact on the community.
- b. Total community in review - The evaluation should be based on prior year circumstances and includes all local taxation and fees.

c. Review each five years - At a minimum, such an evaluation shall be made at least once each five years.

6. Department responsibility - Department Directors will inform the Deputy City Manager or the City Manager of any revenue that varies from budget by 10% in any quarter. Department Directors will provide notice immediately and in the identified reports to the City Manager.

7. Use proven methods - The City will estimate its annual revenues by an objective, analytical process.

8. Use five year plans - The City will annually project revenues for the next five years.

9. Enterprise funds recover costs - The City will set fees, user charges and other revenues for each enterprise fund (Water, Sewer and Storm Drainage) at a level that supports the total direct and indirect cost of the activity including operating costs, system expansion, and major maintenance. Indirect costs include the cost of annual replacement needs due to depreciation of capital assets. Cost related to growth will be paid for by the growth.

- a. Water Fund rates consist of base, variable, payment in lieu (PIL), and tap fee revenues. The base rate is established each year based on the annual fixed costs to maintain the system. The variable rate is established each year based on the costs to operate the system, i.e. the expenses vary with the level of water treated. PIL revenue is reserved for water right acquisition. Tap fee revenue is reserved for system expansion. Interest income is allocated to the category based on cash balance. Please note that special attention must be given to funding required reserves as they increase.
  - i. The water variable rate and tiers are established to encourage water conservation and the City Council will receive annual reporting on the specific number of customers who exceed tier 1 and tier 2.

- ii. Additionally the gallons consumed in tiers 2 and 3 should be identified and the corresponding revenue generated from this consumption will be considered “water conservation revenue”.
  - b. The preceding years revenue from both water conservation and major maintenance will be appropriated for expenditure once the amount is realized by the City Council. The City Manager or Deputy City Manager will report to the City Council projects identified for use of these funds.
10. Legal requirements - The City will maintain compliance with legal revenue restrictions as identified by voters, for special revenue funds and other restricted revenues.

## V. Operating Policies

### INTRODUCTION

When the other Financial Policies fail to address a specific issue, general operating policies will be reviewed for direction. In some cases these policies repeat what has already been stated in other areas, but that is only to emphasize the importance and value of that policy. The City must contain its expenditures to current revenues, establish and adequately fund reserves; regularly monitor and report on budget performance, evaluate the fiscal impact of new proposals, operate as efficiently as possible, and constantly review City services for appropriateness and effectiveness.

### POLICIES

The City shall follow these operating policies:

1. Current operating revenues to pay for current operating expenditures - Current operating revenues will exceed current operating expenditures. Each City fund budget must identify ongoing resources that at least match expected ongoing annual requirements. One-time cash transfers and ending balances in excess of reserves may be applied to reserves or to fund one-time expenditures; they will not be used to fund ongoing programs.

2. Do not restrict revenues - The City will not normally earmark discretionary revenues for specific purposes. This will preserve the ability of the Council to determine the best use of available revenues to meet changing service requirements.

3. Reserves - The City will establish reserves for emergencies, unforeseen needs of a non-recurring nature, operating maintenance, equipment replacement and capital projects. The nature of reserves for specific funds will be spelled out in the Statement of Purpose for each fund.

4. Financial controls - The Staff will maintain a system of financial monitoring and control. The major components of this system include:

- a. Fiscal Impact Analysis: The Staff will perform a fiscal impact analysis of each significant administrative or legislative action of the City or affiliated agencies. Where appropriate, the analysis will include the impact on the current budget and the LRP.
- b. Financial Accounting System and Periodic Status Reports: The Staff will prepare financial status reports on the revenues and expenditures to date and estimated year end balance as described in the Budget Policies.
- c. Budget Controls: The Finance Department will maintain a system of budgetary controls. These controls will assist Department directors in identifying actual to budget variances.

5. Review for efficiency and effectiveness - The City will continually review the efficiency and effectiveness of its services to reduce costs and improve service quality. This will include a review of all existing administrative procedures and software to eliminate exception based procedures, policies implemented to avoid compliance, special interest projects or programs that benefit less than the majority.

- a. The City Manager will review professional services/consulting agreements for efficiency and effectiveness. The evaluation may

- include staffing options, ongoing knowledge of City operations, and consideration for additional services.
6. Recover cost of providing services - City operations will be run on a basis devoted to increase efficiency of service delivery or recover the cost of providing the service by a user fee or charge.
  7. Cash reserves - The City will maintain cash reserves in order to avoid borrowing for general operating purposes.
  8. Year-end accruals - Other than as required by Generally Accepted Accounting Principles, the City will not increase accruals and non-cash enhancements to revenues in order to influence fund balances at year end.
  9. Inventories - The City will maintain accurate inventories of capital assets, their condition, life span and cost.
  10. Cash management systems - The Staff will develop, maintain and constantly seek to improve cash management systems which ensure the accurate and timely accounting, investment, and security of all cash assets. All cash received by the City Departments will be deposited daily.
  11. Competition and the service provided - The City must review programs periodically in order to reduce needless competition with other public and private providers and to insure the most cost-effective and efficient provision of services. The City will encourage competition with private providers by comparing the cost to provide services.
  12. Resident input - An effective and comprehensive periodic Resident Service needs assessment will be conducted in order to ensure that City service priorities keep pace with the dynamic needs of the community. The result of this needs assessment will be considered for approval by the City Council and may become an integral part of the budget and financial planning of the City.
  13. Internal loans - Loans made between funds may be charged interest.
  14. Procurement Procedure - No order shall be placed by any City employee, contractor or representative that in any way encumbers or obligates the City until after that person has received an approved purchase order. The City will not be held responsible for any order placed by any employee, contractor or representative if the vendor has not received an approved purchase order before delivery of services or goods. The following policies will provide guidelines for all procurement:
    - a. Local preference - When all other factors are the same the City encourages staff to purchase locally provided the cost is within 10% of other bids on items up to \$25,000. Factors may include quality of product, quality of service, delivery, maintenance, and other issues which may be relevant.
    - b. Recycle - The City encourages recycling and environmental concerns. When all other factors are the same the City encourages staff to purchase recycled products provided the cost is within 10% of other bids on items up to \$25,000.
    - c. Purchase order approvals - Requests for purchase orders will be approved in accordance with the predetermined spending limits as outlined by the City Manager.
      - i. Exceptions - Purchases within preapproved spending authority may be made through the City purchasing card for items approved in the budget. The cost of processing purchase orders, invoices and checks for payments make it practical that small purchases be exceptions to the procurement procedure.
      - ii. Purchases for a single vendor which exceed the purchasing limits on an annual basis must be approved by the City Manager and reported to the City Council.

# City of Evans Financial Policies



- d. Purchasing Limits - The following purchasing limits are established:

<b>Professional Services</b>	
<b>Amount</b>	<b>Approval</b>
\$0 - \$10,000	Department Director
\$10,000.01 - \$50,000	Department Director City Manager 3 written quotes
\$50,000.01 and up	Department Director City Manager RFP (competitively bid) City Council

<b>Supplies or Capital Projects</b>	
<b>Amount</b>	<b>Approval</b>
\$0 - \$10,000	Department Director
\$10,000.01 - \$100,000	Department Director City Manager 3 written quotes
\$100,000.01 and up	Department Director City Manager RFP (competitively bid) City Council

- e. Bids and Contracts -The City recognizes the need to use outside sources for providing Professional Services, constructing Capital Projects (vendors & contractors) and for providing services for day-to-day operations and maintenance. The City requires staff to solicit bids for any purchase of goods over \$100K and proposals for services over \$50K per engagement or annually. This requirement may be waived by the City Manager for ongoing service contracts where the past experience related directly to the City is a compelling reason to continue a service contract from year to year. Selection of vendors, contractors or consultants may be based on past experience with the City, knowledge of the City and region, philosophy of the nature of the job, availability of time, quality of product, quality of service and material, maintenance, warranties, price and such other criteria as deemed appropriate for a particular public

project. Once a vendor has been chosen, the City Council shall consider approval of the contract. Sole source purchases may be made if it has been determined that there is only one good or service that can reasonably meet the need and there is only one vendor who can provide the good or service. Written justification for the sole source purchase must be retained with support for the purchase.

When an invitation for bid (goods over \$100,000) or request for proposal (services over \$50,000) is required, a notice will be published in a local newspaper within 45 days and not less than 10 days from the bid deadline. The request shall include an adequate description of the scope of work to be completed, any specifics which may be required of the vendor, including the amount of any bid bond, all contractual terms, and conditions applicable to the public project. Bids shall be opened publicly at the time and place designated in the invitation for bids. The amount of each bid and such other relevant information as may be specified by rules, together with the name of each bidder, shall be entered on a record and open to public inspection. After the time of the award, all bids and requests for proposal documents shall be open to public inspection. The City shall not be obligated to select the lowest bidder, but shall select based on the established criteria in the invitation to bid or request for proposal. Bidders may be disqualified for past failure to follow proper change order processes. The City will use electronic means (i.e. internet, email, etc) to inform potential vendors and may use technology to improve transparency and purchasing efficiencies for the City. All available means for advertising the invitation to bid shall be used to the extent possible, to encourage full and open competition.

When advertising for proposals with federal funding, guidance will be followed in CFR200.319 to ensure proper competition of project awards is encouraged. This also entails,

for example, taking necessary affirmative steps to assure that the minority businesses, women's business enterprises, and labor surplus area firms are used when possible.

- f. Emergencies - In the event of natural disasters, accidents or other emergencies where the health, safety or welfare of the community is at risk, the City shall comply with the procurement requirements to the extent practicable, but may be waived by the City Manager. The City Manager will notify the Council of any emergency immediately, identifying the nature of the emergency and any purchase which may be required. Forms required herein for the purpose of authorizing and acquiring goods or services necessary for the immediate preservation of life, health, safety, welfare or property during a local disaster or emergency conditions shall not require compliance with bidding requirements set forth in this Policy, and may be awarded on a sole-source basis. Documentation of procurement decisions in an emergency period is required to be retained, to support the urgency of the purchase and as justification for deviation of any City policy. Once the City is no longer operating in an emergency period, adherence to the approved procurement requirements is required. Careful consideration shall be given to procurement decisions made in an emergency period and when grant funds may be received. Federal procurement guidance currently available (at CFR200.319) indicates that purchases above the dollar threshold of a micro purchase, currently \$3,000, must also have three written quotes to support the cost reasonableness of the purchase. If, at any time, a purchase may have a grant implication, purchaser shall follow the guidance.
- g. Travel - Consideration of the lowest cost to the City will be made when traveling for City business. When employees travel out of the County, they are required to use a City vehicle if available and practical. Only if no

fleet vehicles are available will the City reimburse employees for mileage at the approved IRS rate with prior Department Director approval. Out-of-City per diem will be paid at the approved IRS reimbursement level. Per Diem is reimbursement for all meals and incidentals, no additional reimbursements will be approved. Lodging should be prepaid by City check or purchasing card when possible in order to avoid taxes.

- h. Meals in City - The City shall restrict the purchase of meals locally to the following items, unless specifically approved by the City Manager or Deputy City Manager:
- i. Work related meetings with outside officials with Department Director, Deputy City Manager or City Manager approval.
  - ii. Preparation for City-wide events on weekends (such as July 4th or Evans Fest).
  - iii. Manager and/or City Council members' meetings with media, residents, employees, Council and outside officials.
- i. Education and training - The City Council has approved in the Personnel Policies the desire to hire the best and most qualified staff available. To maintain the quality of the staff over time, the City will fund adequate participation in professional organizations and training. Recognizing the need for additional training, each Department Director will propose a budget which may include participation at the national level for Department Directors and professionals. In addition to participation in national organizations, it may from time to time benefit the City to send employees to training out of the state. The staff will attempt to identify regional training programs or local programs when possible. The level of training and participation in organizations must be approved by Department Directors. Department Director training will be approved by the City

Manager or Deputy City Manager and Deputy City Manager or City Manager training will be approved by the Mayor. All training must be included and funded in the annual budget.

- j. Education and training for Council and commissioners - The City is committed to professional and progressive leadership. In order to maintain the City's position as leaders in the community and region, it may be beneficial to provide training for the City Council and/or City sponsored Boards & Commissions regarding key management and or technical issues. Travel for these members will be included in the annual budget.
- k. Computers, software, & peripheral purchases - All City-wide computer, software, & peripheral related purchases must be approved by the Systems Administrator with final approval from the City Manager or Deputy City Manager.

## VI. Capital Planning & Budgeting Policies

### INTRODUCTION

The Capital Improvement Plan (CIP) has a significant impact on the image of the City. The following policies are designed to guarantee that current and future projects are maintained at a quality level and that capital projects do not restrict the City's ability to provide basic services. The City must preserve its current physical assets and plan in an orderly manner for future capital investments, including the operating costs associated with these projects. In addition to amenity improvements, the City must make the capital investment needed to support and enhance the delivery of basic services. This commitment becomes even more important because the demands for basic services biases funding priorities toward the operating services (such as police officers and recreation programs) versus infrastructure (such as streets and buildings) which could be an issue in the future. Capital expenditures for purposes of financial reporting include buildings, land, major equipment and other items which have a value of over \$5,000

and have a life greater than one year. Capital expenditures for purposes of budgeting include buildings, land, major equipment and other items which have a value of over \$100,000 and have a life greater than one year.

### POLICIES

The planning, funding and maintenance of all capital projects shall be based on the following policies:

1. Bond rating - The City will maintain a strong bond rating that is consistent with other City goals. The City will maintain good communications with bond rating agencies about its financial condition. The City will follow a policy of full disclosure on every financial report and bond prospectus.
2. Five-year capital plans - Each Department with capital expenditures will develop and maintain five-year capital plans. This will include sources of funding and maintenance.
3. Resident involvement - The CIP development process will provide for the full participation of any resident and or Committee appointed by City Council.
4. Details of plan - The City will prepare and update annually a City five-year CIP that identifies needs for capital replacement and additions. The CIP lists all anticipated capital expenditures, total estimated cost, the year in which it will be started, the amount expected to be expended in each year, and the proposed method of financing these expenditures. Methods of financing can include bonding, assessment districts, pay-as-you-go (e.g. taxes, current revenues, cash balances), or other.
5. Current capital budget - The City will prepare an annual Capital Budget which will include current year capital expenditures and sources of funds based on the current year of the Capital Improvement Plan.
6. Include future maintenance - As part of the annual Capital Budget, the City will identify and include full costs of future maintenance needs and operating costs of new capital facilities and equipment

prior to funding as part of the annual Capital Budget. It is essential to recognize that many smaller projects can have a significant impact on the existing staff and maintenance levels when considering the total impact. All capital projects will identify the maintenance requirements in terms of staffing (hours per week) and Supplies & Services.

7. Identify project funding - The City staff will identify the estimated costs and funding sources for each capital project proposal before it is submitted to Council for consideration. This will include capital construction as well as ongoing maintenance.

8. Asset Management Plan (AMP) - The City will develop an AMP that protects capital investment and minimizes future maintenance and replacement costs. The City will maintain accurate information on the condition, life span use and replacement cost of their capital assets to assist in long term planning. The AMP will also indicate future major repairs and their costs, utility costs and other operating costs.

- a. Equipment replacement - The City will estimate its equipment replacement (items over \$5,000 with a life greater than one year). From this projection, a maintenance schedule will be developed and followed.
- b. Cash for equipment - Equipment replacement should be planned on a cash basis. Equipment should be replaced on a useful life basis considering optimum trade-in value and maintenance costs.

9. Planned funding - The budget will provide sufficient funding for adequate maintenance and scheduled replacement and enhancement of capital plant and equipment. Whenever the AMP identifies there is a significant discrepancy between the need to maintain/modernize City infrastructure or facilities and the funds available for such improvements, the City staff will prepare and present to Council a strategy for meeting such needs. The long range plans of the City will include all costs identified in the AMP.

10. Major Maintenance - Although the annual operating budget should provide for adequate maintenance of capital, plant, and equipment, eventually a major expenditure will be required. It is appropriate to consider these types of major expenditures when developing the capital improvement program.

11. Capital priority - In general, the following guidelines will be used to identify capital priorities: safety, complete existing projects, maintenance of existing capital facilities, extensions of existing systems and new projects. Maintenance should be given priority over acquisition of new facilities, unless a cost/benefit analysis indicates to the contrary. State, Federal and local mandates or new service demands may require acquisition of new facilities or new construction even when maintenance needs are not fully met. Unique opportunities may arise which should be considered as a priority particularly if there is community support for acquisition. Maintenance of facilities should take priority over operating programs if deferring maintenance will result in greater costs to restore or replace neglected facilities.

12. Consistency with City policies and impact on community - The City will identify the ongoing costs and benefits that may be associated with each capital project to determine its consistency with other city policies and the impact on the community as a whole.

13. Alternative funding - Assessment district financing is appropriate for those areas of the City that are retroactively installing physical plant features which are normally required by subdivision standards at the time of development or which have been funded by another assessment district. Such physical plant features include but not limited to, curb, gutters, sidewalks, street lights and sewers. Assessment districts are also appropriate in cases where these types of physical plant features are being upgraded for the benefit of property owners in the area. Unless otherwise directed by Council, assessment districts will include all costs associated with the project, including overhead and indirect costs, including but not limited to financing, and administrative costs. The City will take actions to ensure that financial risk to the City is minimized.

14. Long-term debt - is a liability that places a future contractual or other obligation against future revenues of the City. For example, long-term debt includes liabilities arising from bonds, lease purchase agreements and installment purchase contracts.

- a. Use for capital - The City will confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues.
- b. Life of debt not to exceed 75% of life of the project or acquisition - When the City finances capital projects by issuing bonds; it will pay back the bonds within a period not to exceed 75% of the expected useful life of the project.
- c. Debt restrictions - The City will not use long-term debt for current or annual operations. Debt that obligates future City Councils shall be approved consistent with City Charter and applicable State statutes.
- d. Legal debt limits - The City will review its legal debt limitation established by the Charter at least annually. Debt limits will be included in the statistics sections of the Financial Plan and Financial Report.
- e. Annual review - The City of Evans will conduct an annual review of its debt taking into consideration current market rates and future cash flows.

## VII. Investment Policies

### INTRODUCTION

The purpose of this investment policy is to establish guidelines for the purchase and sale of investments for all funds of the City of Evans.

#### *Legality*

The investment program for the City of Evans shall operate in conformance with federal, state, and other legal requirements, including the Colorado

Revised Statutes sections 11-10.5-101 et seq. and 24-75-601 et seq., as amended, and City of Evans, Colorado Home Rule Charter VIII.

### POLICIES

This Investment Policy (the Policy) applies to the investment of all City of Evans (the City) funds, excluding the investment of employees' retirement funds. Proceeds from certain bond issues are covered by separate agreements.

#### *Pooling of Funds*

Except for cash in certain restricted and special funds, the City will consolidate cash and reserve balances from all funds to maximize investment earnings and to increase efficiencies with regard to investment pricing, safekeeping, and administration. Investment income will be allocated to the various funds based on their respective participation and in accordance with City of Evans Home Rule Charter VIII and generally accepted accounting principles (GAAP). :

### OBJECTIVE:

The primary objectives of investment activities, in priority order, shall be safety, liquidity, yield, and local considerations.

1. Safety - Investments shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. The objective will be to mitigate credit risk and interest rate risk.
  - a. The City will minimize credit risk, the risk of loss due to the failure of the security issuer or backer, by:
    - i. Limiting investments to the types of securities listed in Section 9 of this Policy.
    - ii. Pre-qualifying the financial institutions, broker/dealers, intermediaries, and advisers with which the City will do business in accordance with Section 6.
    - iii. Diversifying the investment portfolio to minimize the impact of potential losses from any one type of security or from any one individual issuer.

- b. The City will minimize interest rate risk, the risk that the market value of securities in the portfolio will fall due to changes in market interest rates, by:
  - i. Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
  - ii. Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio in accordance with this policy.

2. Liquidity - The investment portfolio shall remain sufficiently liquid to meet all operating requirements that may be reasonably anticipated. This is accomplished by structuring the portfolio so that securities mature concurrent with cash needs to meet anticipated demands (static liquidity). Furthermore, since all possible cash demands cannot be anticipated, the portfolio should consist largely of securities with active secondary or resale markets (dynamic liquidity). Alternatively, a portion of the portfolio may be placed in money market mutual funds or local government investment pools which offer same-day liquidity for short-term funds.

3. Yield - The investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the investment risk constraints and liquidity needs. Return on investment is of secondary importance compared to the safety and liquidity objectives described above. The core of investments is limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed.

4. Local Considerations - Where possible, funds may be invested for the betterment of the local economy or that of local entities within the State of Colorado. Included is the Local Considerations Investment Program that allows the City to accept proposals from eligible institutions in order to reward local financial

institutions that can document their commitments to private economic growth and local housing investment. These respective institutions must be on the Public Deposit Protection Act list of qualified eligible financial institutions. The Evans City Council recognizes that our Local Considerations Investment Program might diminish investment yields.

## 5. Standards of Care

a. Prudence -The standard of prudence to be used by investment officials shall be the "prudent person" standard and shall be applied in the context of managing the overall portfolio. The "prudent person" standard states that, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived". Authorized City officials and employees acting in accordance with written procedures and this Policy and exercising due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and the liquidity and the sale of securities are carried out in accordance with the terms of this Policy.

b. Ethics and Conflicts of Interest - Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program, or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business. They shall further disclose any personal financial/investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from

undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the City.

- c. Delegation of Authority - Authority to manage the program is derived from the City of Evans Home Rule Charter, Chapter VIII and granted to the City Treasurer who shall act in accordance with established written procedures and internal controls for the operation of the investment program consistent with this Policy. Procedures should include references to safekeeping, delivery vs. payment, investment accounting, wire transfer agreements and collateral/depository agreements. No person may engage in an investment transaction except as provided under the terms of this Policy and the procedures established by the City Treasurer. The City Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate officials.

6. Authorized Broker/Dealers - To be eligible, a firm must meet at least one of the following criteria:

- a. be recognized as a Primary Dealer by the Federal Reserve Bank of New York, or have a Primary Dealer within its holding company structure;
- b. report voluntarily to the Federal Reserve Bank of New York, or
- c. qualify under Securities and Exchange Commission (SEC) Rule 15c-3 (Uniform Net Capital Rule).

Broker/dealers will be selected by the City Treasurer on the basis of their expertise in public cash management and their ability to provide services for the City's account. Approved broker/dealers and the firms they represent shall be licensed to do business in the State of Colorado and as such are subject to the provisions of the Colorado Revised Statutes, including but not limited to CRS 24-75-601.

Each authorized broker/dealer shall be required to submit and annually update a City approved Broker/Dealer Information Request form which

includes the firm's most recent financial statements. The City's Treasurer shall maintain each approved firm's most recent Broker/Dealer Information Request form. In the event that an external investment advisor is not used in the process of recommending a particular transaction for the City's portfolio, authorized broker/dealers shall attest in writing that they have received a copy of this policy.

## 7. Financial Institutions and Depositories -

As required by City of Evans Home Rule Charter Chapter VIII, Section 8.8, a list will be approved by the Evans City Council of financial institutions and depositories authorized to provide investment services. To be eligible, a bank shall qualify as an eligible public depository as defined in C.R.S 11-10.5-103.

## 8. Minority and Community Financial Institutions -

From time to time, the City Treasurer may choose to invest in instruments offered by minority and community financial institutions. In such situations, a waiver to certain parts of the criteria under Paragraph 1 may be granted. All terms and relationships will be fully disclosed prior to purchase and will be reported to the appropriate entity on a consistent basis and should be consistent with state or local law. These types of investment purchases should be approved by the Evans City Council in advance.

## 9. Safekeeping & Custody -

The City Council shall select one or more banks to provide safekeeping and custodial services for the City. A City approved Safekeeping Agreement shall be executed with each custodian bank prior to utilizing that bank's safekeeping services. To be eligible for designation as the City's safekeeping and custodian bank, a financial institution shall qualify as a depository of public funds in the State of Colorado as defined in CRS 24-75-603 et seq.

Custodian banks will be selected on the basis of their ability to provide services for the City's account and the competitive pricing of their safekeeping related services.

The purchase and sale of securities and repurchase agreement transactions shall be settled on a delivery

versus payment basis. It is the intent of the City that all securities be perfected in the name of the City. Sufficient evidence to title shall be consistent with modern investment, banking and commercial practices.

All investment securities purchased by the City will be delivered by either book entry or physical delivery and will be held in third-party safekeeping by a City approved custodian bank, its correspondent bank or its Depository Trust Company (DTC) participant account.

All Fed wire able book entry securities owned by the City shall be evidenced by a safekeeping receipt or a customer confirmation issued to the City by the custodian bank stating that the securities are held in the Federal Reserve system in a CUSTOMER ACCOUNT for the custodian bank which will name the City as "customer."

All DTC eligible securities shall be held in the custodian bank's Depository Trust Company (DTC) participant account and the custodian bank shall issue a safekeeping receipt evidencing that the securities are held for the city as "customer."

10. Internal Controls - The City Treasurer is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft or misuse. Details of the internal controls system shall be documented in an investment procedures manual and shall be reviewed and updated by the City Treasurer annually. The internal control structure shall be designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived and (2) the valuation of costs and benefits requires estimates and judgments by management.

The internal controls structure shall address the following points:

- Control of collusion
- Separation of transaction authority from accounting and recordkeeping
- Custodial safekeeping
- Avoidance of physical delivery securities;

- Clear delegation of authority to subordinate staff members
- Written confirmation of transactions for investments and wire transfers
- Development of a wire transfer agreement with the lead bank and third-party custodian.

Accordingly, the City Treasurer shall establish a process for an annual independent review of compliance with the Policy and its internal control procedures by an external auditor.

## 11. Suitable & Authorized Investments

Investment Types - The following investments will be permitted by this Policy and are defined by state and local law, where applicable:

- U.S. Treasury bills, Treasury notes, Treasury bonds, and Treasury STRIPS with maturities not exceeding five years from the date of trade settlement
- U.S. government agencies with a final maturity not exceeding five years from the date of trade settlement issued by the Government National Mortgage Association (GNMA)
- U.S. instrumentality obligations (debentures, discount notes, callable securities, step-up securities, and stripped principal or coupons) with maturities not exceeding five years from the date of trade settlement issued by the following only: Federal National Mortgage Association (FNMA), Federal Farm Credit Banks (FFCB), Federal Home Loan Banks (FHLB), and Federal Home Loan Mortgage Corporation (FHLMC)
- Subordinated debt shall not be purchased
- Certificates of deposit and other evidences of deposit at financial institutions, with maturities not exceeding five years, in FDIC insured state or nationally chartered banks or savings banks. Certificates of Deposit exceeding the FDIC insured amount shall be collateralized in accordance with the Colorado Public Deposit Protection Act
- Repurchase agreements with maturities of

180 days or less collateralized by U.S. Treasury Obligations and Federal Instrumentality Securities listed above with the maturity of the collateral not exceeding ten years. For the purpose of this section, the term collateral shall mean purchased securities under the terms of the City approved Master Repurchase Agreement. The purchased securities shall have a minimum market value including accrued interest of 102 percent of the dollar value of the transaction. Collateral shall be held in the City's custodian bank as safekeeping agent, and the market value of the collateral securities shall be marked-to-the-market daily.

- Repurchase Agreements shall be entered into only with dealers who have executed a City approved Master Repurchase Agreement with the City and who are recognized as Primary Dealers by the Federal Reserve Bank of New York, or have a Primary Dealer within their holding company structure. The Chief Financial Officer shall maintain a copy of the City's approved Master Repurchase Agreement along with a list of the broker/dealers who have an executed Master Repurchase Agreement with the City. The City may utilize Tri-party Repurchase Agreements provided that the City is satisfied that it has a perfected interest in the securities used as collateral and that the City has a properly executed Tri-party Agreement with both the counterparty and custodian bank.
- Corporate bonds with a maturity not exceeding three years from the date of trade settlement issued by any corporation or bank organized and operating within the United States. The debt must be rated at least AA- or the equivalent by at least two Nationally Recognized Statistical Rating Organizations (NRSROs).
- Money market mutual funds registered under the Investment Company Act of 1940 that 1) are "no-load" (i.e. no

commission or fee shall be charged on purchases or sales of shares, 2) have a constant net asset value per share of \$1.00, 3) limit assets of the fund to securities authorized by state statute, 4) have a maximum stated maturity and weighted average maturity in accordance with Rule 2a-7 of the Investment Company Act of 1940, and 5) have a rating of AAAM or the equivalent.

- Commercial Paper with maturities not exceeding 270 days from the date of trade settlement and rated at least A-1 or the equivalent at the time of purchase by at least two NRSROs. If the commercial paper issuer has senior debt outstanding, the senior debt must be rated by each service that publishes a rating on the issuer of at least A or the equivalent. Furthermore, the issuer's commercial paper program's size shall exceed \$200 million. Commercial paper may not exceed 20% of the Portfolio and no more than 5% may be invested with a single issuer.
  - Local government investment pools, authorized under CRS 24-75- 702, that 1) are "no-load" (i.e. no commission or fee shall be charged on purchases or sales of shares), 2) have a constant net asset value per share of \$1.00, 3) limit assets of the fund to securities authorized by state statute, 4) have a maximum stated maturity and weighted average maturity in accordance with Rule 2a-7 of the Investment Company Act of 1940, and 5) have a rating of AAAM or the equivalent.
12. Collateralization - Where allowed by the Colorado Public Deposit Protection Act (PDPA) Section 11-10.5-101 et seq., full collateralization will be required on all demand deposit accounts, including checking accounts and non-negotiable certificates of deposit.
13. Investment Parameters
- a. Diversification - The investments may be diversified by:

- i. limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury securities)
  - ii. limiting investment in securities that have higher credit risks
  - iii. investing in securities with varying maturities
  - iv. continually investing a portion of the portfolio in readily available funds such as local government investment pools (LGIPs) or money market fund to ensure that appropriate liquidity is maintained to meet ongoing obligations.
- b. **Maximum Maturities** - To the extent possible, the City shall attempt to match its investments with anticipated cash flow requirements. Unless matched to a specific cash flow, the City will not directly invest in securities maturing more than five years from the date of trade settlement in accordance with state statutes.

Because of inherent difficulties in accurately forecasting cash flow requirements, a portion of the portfolio should be continuously invested in readily available funds such as local government investment pools or money market funds to ensure that appropriate liquidity is maintained to meet ongoing obligations.

- a. **Competitive Bids** - Each investment transaction shall be competitively transacted with authorized broker/dealers. At least three broker/dealers shall be contacted for each transaction and their bid and offering prices shall be recorded.

If the City is offered a security for which there is no other readily available competitive offering, then the Treasurer will document quotations for comparable or alternative securities.

14. **Performance Benchmarks** - The investment portfolio shall be designed to attain a market rate of return throughout budgetary and economic cycles,

taking into account prevailing market conditions, risk constraints for eligible securities, and cash flow requirements. The performance of the investment portfolio shall be compared to the average yield on the U.S. Treasury security that most closely corresponds to the investment portfolio's weighted average effective maturity. When comparing the performance of the investment portfolio, all fees involved with managing it shall be included in the computation of its rate of return net of fees.

15. **Reporting** - Monthly, the City Treasurer will submit to the City Council a report listing the investments held by the City, the current market value of the investments and performance results. The report shall include a summary of investment earnings during the period.

16. **Policy Considerations** - Any investment currently held that does not meet the guidelines of this Policy shall be exempted from the requirements of this Policy. At maturity or liquidation, such monies shall be reinvested only as provided by this Policy.

17. **Approval of Investment Policy** - The investment policy shall be formally approved and adopted by resolution of the governing body of the City of Evans. Any future changes must be approved by the Evans City Council.

18. **Documentation to be maintained by the City Treasurer**

- Internal Controls Procedures Manual
- Listing of authorized personnel
- Relevant investment state statutes
- Listing of authorized broker/dealers and financial institutions/depositories
- Broker/Dealer Information form
- Credit studies for securities purchased and financial institutions used
- Safekeeping agreements
- Wire transfer agreements
- Sample investment reports,
- GFOA Recommended Policies.

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## COUNCIL COMMUNICATION

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**DATE:** January 5, 2016

**AGENDA ITEM:** 8.D

**SUBJECT:** Resolution No. 05-2016 – A Resolution Designating Certain Truck Routes within the City of Evans

**PRESENTED BY:** Sheryl Trent, Economic Development Director  
Chad Reischl, City Planner

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**AGENDA ITEM DESCRIPTION:** Ordinance No. 640-15, approved on first reading December 1 and adopted on second reading on December 22, 2015 addressed three issues: (1) the inclusion of a provision in the Evans Municipal Code prohibiting a person from parking semi-trailers containing hazardous materials on City roads except under limited circumstances; (2) a provision in the Evans Municipal Code providing expressly that the Municipal Court Judge may award restitution when a person driving without insurance causes damage to a third party; and (3) the authority to designate truck routes by resolution.

As to the truck routes, after the floods in 2013, the City Council directed staff to complete a long range Master Plan for the areas in east Evans that were most directly affected by the flood event. The Evans Riverside Master Plan was adopted earlier in 2015. Part of that plan was a designation of truck routes on the east side of the City. The ordinance established the use of truck routes within the City with specific language and allowed for a resolution designating the location of the truck routes for flexibility and safety reasons.

Attached is a map showing the proposed truck route, which avoids 37<sup>th</sup> Street. Additional information is attached regarding signage of the route. The intent is to sign the new truck route as well as sign the prohibited areas for trucks and flag those signs for visibility. After 30 days the police department will begin educational enforcement (stopping illegal truck traffic, handing out maps and information) and after 90 days full enforcement will take effect.

This resolution establishes the truck route on the east side of the City in accordance with the Evans Riverside Neighborhood Master Plan. Additional truck routes may be recommended to the City Council in the future based on additional studies and safety considerations.

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**FINANCIAL SUMMARY:** The adoption of this resolution does not have any significant financial impact. Truck route signs will be installed and maintained, and the truck routes will be enforced by existing staff.

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**RECOMMENDATION:** Staff recommends the following to City Council:

Approve Resolution No. 05- 2016.

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**SUGGESTED MOTIONS:**

*“I move to approve Resolution No. 06-2016.”*

*“I move to deny Resolution No. 05-2016.”*

*“I move to amend Resolution No. 05-2016 by .....*

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CITY OF EVANS, COLORADO

RESOLUTION NO. 05-2016

A RESOLUTION ESTABLISHING THE RIVERSIDE  
NEIGHBORHOOD BYPASS TRUCK ROUTE

**WHEREAS**, the City Council of the City of Evans (“City”) adopted Chapter 10.05 of the Evans Municipal Code authorizing the establishment, implementation and regulation of truck routes in the City by Ordinance No. 640-15; and

**WHEREAS**, Section 10.05.030 provides that specific truck routes shall be established by City Council by resolution; and

**WHEREAS**, the City Council desires to establish a truck route to regulate truck traffic along the Highway 85 corridor, to be known as the Riverside Neighborhood Bypass Truck Route; and

**WHEREAS**, the City Council deems that establishment of the Riverside Neighborhood Bypass Truck Route is in the best interest of the citizens of the City.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EVANS, COLORADO, THAT**

1. The Riverside Neighborhood Bypass Truck Route is hereby established and shall be as follows:
  - A. Eastbound Truck Route: East on 31<sup>st</sup> Street thence South on 1<sup>st</sup> Avenue thence East on County Road 54.
  - B. Westbound Truck Route: North on 1<sup>st</sup> Avenue from County Road 54 thence West on 31<sup>st</sup> Street.
2. The Riverside Neighborhood Bypass Truck Route shall be implemented and regulated as set forth in Chapter 10.05 of the Evans Municipal Code.
3. This Resolution shall be effective on the effective date of Ordinance 640-15.

PASSED, SIGNED, APPROVED, AND ADOPTED this 5th day of January, 2016.

**CITY OF EVANS, COLORADO**

**ATTEST:**

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Raegan Robb, City Clerk

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John Morris, Mayor

Truck Route Sign Matrix				
Location	Location Details	New post	Components	notes
A	North side (for westbound traffic)	Y	Truck Route Use 1st Ave →	
B	North side (for westbound traffic)	N	Riverside Neighborhood Riverside Library↑ No Trucks over 10 Tons Empty Wt Tree City USA (existing)	remove all signs from existing sign, post new signs and salvaged tree city sign
C	West side (for south bound traffic)	N	←Truck Route	Place below existing "stop" sign
D	South side (for east bound traffic)	N	Truck Route To E Weld 54 →	Place below existing "stop ahead" sign
E	South side (for east bound traffic)	N	Riverside Neighborhood Riverside Library↑ No Parking anytime/tow away zone (existing)	remove all signs from existing sign, post new signs and salvaged parking signs
F	South side (for east bound traffic)	N	No Trucks over 10 Tons Empty Wt.	remove library signage, replace with No trucks sign
G	East side (for north bound traffic)	N	Right lane must turn right (existing) No Trucks over 10 Tons Empty Wt. ↗ Use 31st St. ↑	Place new signage below existing signs
H	East side (for north bound traffic)	Y	Truck Route to E. Weld 54 Use 31st St.	
I	East side (for north bound traffic)	N	Right Lane Must Turn Right (existing) Truck route to E Weld 54 ↗	Add sign below existing sign.
J	West side (for south bound traffic)	Y	Truck route to E Weld 54 Use 31st St.	
K	Temporary Signage	N	No Trucks over 10 tons Empty Wt. on east 37th St. Use 31st St.	

# Riverside Neighborhood Truck Route: Sign Locations

(see attached schedule for more details)



# Evans Riverside Truck Route Map



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## COUNCIL COMMUNICATION

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**DATE:** January 5, 2016

**AGENDA ITEM:** 8.E

**SUBJECT:** Resolution No. 06-2016 – Authorizing the conduct of a Mail Ballot Election for the City of Evans' Regular Municipal Election scheduled for April 12, 2016

**PRESENTED BY:** Scott Krob, City Attorney and Raegan Robb, City Clerk

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**AGENDA ITEM DESCRIPTION:**

This resolution authorizes the conduct of a Mail Ballot Election for the City's Municipal Election which is scheduled for April 12, 2016.

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**FINANCIAL SUMMARY:**

The 2016 Election budget has been set at \$35,000

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**RECOMMENDATION:**

Staff recommends adoption of the resolution.

---

**SUGGESTED MOTIONS:**

*"I move to adopt Resolution No. 06-2016."*

*"I move to deny the adoption of Resolution No. 06-2016."*

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CITY OF EVANS, COLORADO

RESOLUTION 06-2016

A RESOLUTION AUTHORIZING THE CONDUCT OF A MAIL BALLOT ELECTION FOR  
THE CITY'S REGULAR MUNICIPAL ELECTION SCHEDULED FOR APRIL 12, 2016

**WHEREAS**, pursuant to the requirements of the City's Home Rule Charter, a regular municipal election is to be conducted on April 12, 2016; and

**WHEREAS**, the City Council wishes to increase voter participation by utilizing mail ballots; and

**WHEREAS**, Section 31-10-102.7, C.R.S. permits a municipality to utilize the requirements of applicable state-wide municipal election law with respect to any municipal election; and

**WHEREAS**, the City Council wishes to follow the requirements of applicable state-wide municipal election law with respect to mail ballot elections for the April 12, 2016, Regular Municipal Election; and

**WHEREAS**, applicable state-wide municipal election law provides that the governing board of any political subdivision may determine that an election may be held by mail ballot; and

**WHEREAS**, staff has recommended that the City Council consider authorizing a mail ballot election for the April 12, 2016, Regular Municipal Election.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL FOR THE CITY OF EVANS, COLORADO:

Section 1. The City of Evans hereby adopts the mail ballot election provisions of the Uniform Election Code (C.R.S., Title 1, Article 7.5, also known as the "Mail Ballot Election Act"), or applicable state-wide municipal election law, pertaining to mail ballot elections for the conduct of the April 12, 2016, Regular Municipal Election.

Section 2. In the event a procedure for the election is not provided for in the Mail Ballot Election Act or applicable state-wide municipal election law, the City shall comply with the Municipal Election Code (C.R.S., Title 31, Article 10) or applicable City ordinances or regulations, as applicable.

Section 3. The Accu-Vote electronic system shall be used to record votes at said election.

Section 4. The City Clerk is hereby authorized to forthwith submit to the Secretary of State a proposed Mail Ballot Plan, which is filed in the City Clerk's Office, for conducting the mail ballot election pursuant to the Mail Ballot Election Act and to follow the other procedures in the Act with regard to the conduct of the election.

Section 5. The City Clerk is hereby authorized to appoint Election Judges for the April 12, 2016, Regular Municipal Election.

PASSED AND APPROVED at a regular meeting of the City Council of the City of Evans on this 5<sup>th</sup> day of January, 2016.

CITY OF EVANS, COLORADO

By: \_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

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## CITY COUNCIL COMMUNICATION

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**DATE:** January 5, 2016

**AGENDA ITEM:** 8.F

**SUBJECT:** Approval of Resolution No. 07-2016 Authorizing the Application for a planning Grant from the Colorado Department of Local Affairs for a feasibility study for the redesign of the Lower Latham Diversion Structure.

**PRESENTED BY:** Chad Reischl, City Planner

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### **PROJECT DESCRIPTION:**

Funded entirely by the Colorado Water Conservation Board, the Middle South Platte River Restoration Master Plan provides a comprehensive and integrated watershed approach to mitigating geomorphic and flood hazards, as well as ecosystem degradation impacts along a 20+ mile stretch of the South Platte River in Weld County Colorado following the 2013 flood event. The analysis presented in the master plan has been used to develop feasible projects along the corridor that will improve river function and reduce future flood risks to property and infrastructure.

The Master Plan was authored by CDM-Smith, an engineering firm out of Denver, CO and managed by flood recovery staff at the City of Evans. The planning process was executed in tandem with a public/stakeholder engagement process that included project identification and prioritization. The public process was used to build an alliance for project implementation and long-term ongoing maintenance and public outreach. It will be the task of this stakeholder group, the Middle South Platte River Alliance (MSPRA) to guide the implementation of this multi-jurisdictional project. The seven-member Steering Committee of MSPRA has recently approved the plan with a defined list of its priority projects several of which fall within the jurisdictional authority of the City of Evans.

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### **BACKGROUND:**

In mid-2014, the Colorado Water Conservation Board approached the City of Evans with the concept of creating a restoration master plan for a 20+ mile stretch of the South Platte River in Weld County. From the confluence of the St Vrain Creek to the Cache La Poudre River, this stretch of the South Platte was most heavily hit by the flooding in 2013 and CWCB wanted a master plan for this portion of the river similar to those it was funding on other nearby, flood affected rivers such as the Big and Little Thompson Rivers. CWCB would provide the funds for the project if Evans would manage the project and work toward creating a stakeholder alliance that would ultimately oversee the implementation of the plan. The City accepted the proposal

and began work on the study. The City hired CDM-Smith to do the analysis and engineering while staff began contacting landowners along the river and other local stakeholders.

Over the next few months, a stakeholder group began to come together and called themselves the Middle South Platte River Alliance. This group has met monthly for over a year now, and has been highly influential in providing input for the plan.

The restoration master plan performed a risk analysis of the entire 20+ mile stretch of the river. This risk assessment looked at the potential for flood damage and movement of the river as well as the severity of damage if and when flooding/movement occurs. The master plan also looked at current state of the natural environment along the river to see where and how environmental degradation has and is occurring and where it might make sense to apply restoration techniques to improve the natural systems of the river. From this risk assessment the plan determined the five highest priority reaches of the river. Two of these are directly south of Evans, one on either side of the Highway 85 Bridge.

In each of these high priority reaches, the master plan suggests projects that would help mitigate these risks. The plan also delineates a concept for restoring the river from the Highway 60 Bridge outside Milliken to the Highway 34 Bridge west of Greeley, generally the highest risk section of the river. This conceptual design was also given a cost estimate. The Alliance recognizes that this design is an ideal and highly costly scenario defined by the project engineer in response to demands put upon them by the CWCB. There is also some disagreement about the feasibility of the entire design from a functional, physical and fiscal standpoint. Therefore, the Alliance has put together a list of its 16 priority projects (see worksheet and project map included in your packet) that represent a smaller scope of work across the watershed. CDM-Smith has recently added this list to the master plan as an indication of the Alliance's more fiscally and physically restrained intention for the corridor.

While it will be the Alliance's responsibility for carrying out the master plan, we would appreciate your support for this document which was created and managed with City resources. Implementation of the master plan will require support from the multiple jurisdictions that exist within the plan's scope. The City of Evans has a significant vested interest in the flood restoration of the South Platte River within its City boundaries and urban growth area and many of the projects listed in the Master Plan fall within those boundaries. Adoption of the Master Plan indicates the City of Evans' support for the restoration work listed therein and the continued work of MSPRA to implement the plan. It also indicates our support for the Alliance and our willingness to work with them to fulfill the scope of work proposed in the master plan.

**FINANCIAL:**

Approval of the Master Plan does not, in and of itself, have any financial impacts on the city. As the Alliance moves forward, however, the City may from time to time be asked to assist fiscally or in kind with projects within its jurisdictional boundaries. Any such project will need to be vetted by the City and any costs to the city determined at that time.

**STAFF RECOMMENDATION:**

The City of Evans staff recommends that the City Council approve Resolution No. 07-2016 for

the Approval of the Middle South Platte River Restoration Master Plan.

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**SUGGESTED MOTIONS:**

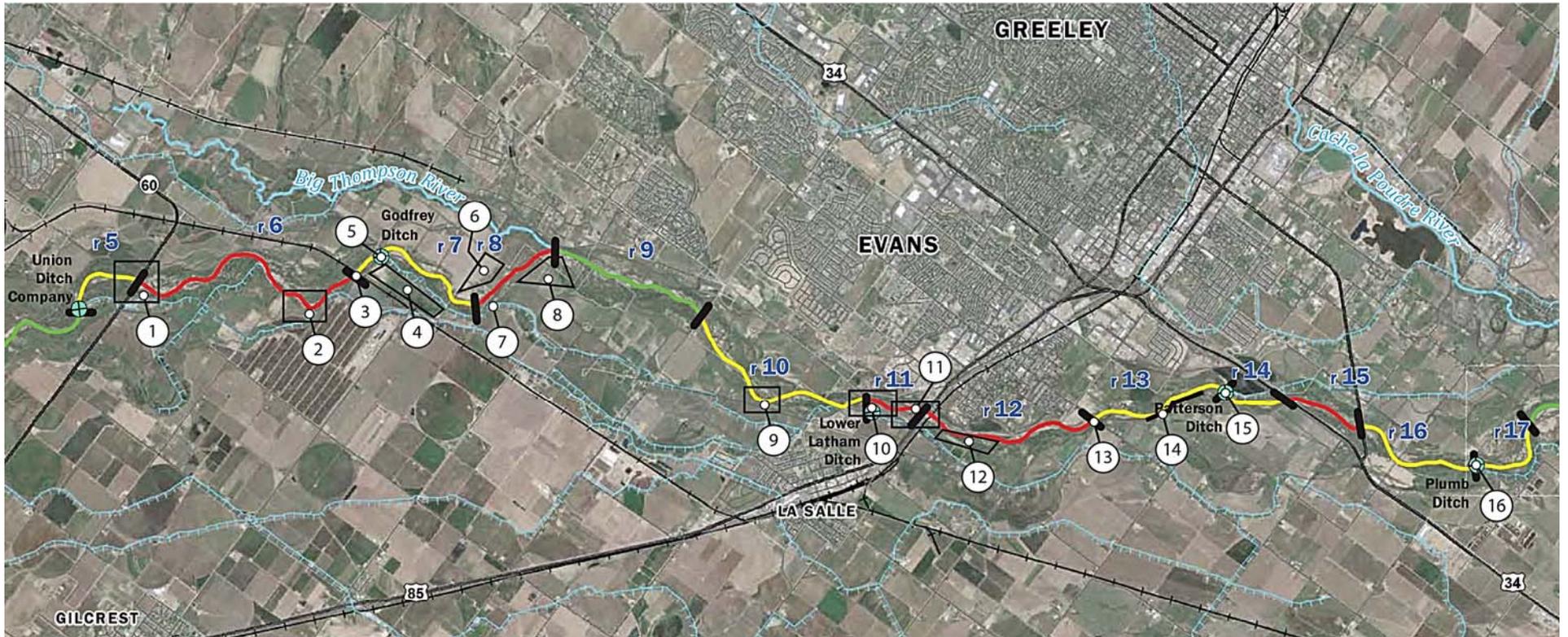
“I move to approve Resolution No. 07-2016.”

“I move to deny the adoption of Resolution No. 07-2016”

MSPRA Project Identification/Costs										
Ref #	Project	Reach(es)	MP Identifiers	Item	Cost	Subtotal	Design/Eng (12%)	Pjt plus Des/Eng	plus .25% cont.	potential partner
1	Sediment project at Hwy 60	5,6	N/A		\$ 250,000	\$ 250,000	\$ 30,000	\$ 280,000	\$ 350,000	
2	Water Quality at JBS	6	RA3-part	Realignment	\$ 600,000					JBS - CDPHE - EPA
			RF4	Riffle	\$ 145,000					
			RG2-part	Regrade/Reveg	\$ 168,000					
						\$ 913,000	\$ 109,560	\$ 1,022,560	\$ 1,278,200	
3	Debris Removal at RR Bridge	6,7			\$ 50,000	\$ 50,000	\$ 6,000	\$ 56,000	\$ 70,000	RR?
4	Sorin Wetland	7			\$ 100,000	\$ 100,000	\$ 12,000	\$ 112,000	\$ 140,000	Environmental org
5	Godfrey Diversion Replacement	7			\$ 750,000	\$ 750,000	\$ 90,000	\$ 840,000	\$ 1,050,000	Godfrey Ditch CO
6	RG-4 post gravel extraction	7,8	RG-4-part	Regrade/Reveg	\$ 225,000	\$ 225,000	\$ 27,000	\$ 252,000	\$ 315,000	Varra Companies
7	Godfrey Ditch Flood Gates	8			\$ 50,000	\$ 50,000	\$ 6,000	\$ 56,000	\$ 70,000	Godfrey Ditch CO
8	Big Thompson Pinch Point	8,9	RA6	Realignment	\$ 1,296,000					NRCS?
			RF6	Riffle	\$ 145,000					
			BM1	Berm	\$ 227,800					
			RG5-part	Regrade/Reveg	\$ 300,000					
						\$ 1,968,800	\$ 236,256	\$ 2,205,056	\$ 2,756,320	
9	Weld CO 394 project	10	RA7	Realignment	\$ 1,103,000					Weld CO
			RF7	Riffle	\$ 145,000					
			RF8	Riffle	\$ 145,000					
			Car bodies		\$ 69,000					
			BE5	Bank stabl'n	\$ 434,000					
						\$ 1,896,000	\$ 227,520	\$ 2,123,520	\$ 2,654,400	
10	Latham Ditch	10,11		Structure	\$ 750,000					Latham Ditch CO - SPR Roundtable
			BE7	Bank stabl'n	\$ 640,000					
			RA-8 Part.	Channel work	\$ 592,000					
				Regrade/Reveg	\$ 170,000					
						\$ 2,152,000	\$ 258,240	\$ 2,410,240	\$ 3,012,800	
11	Highway 85 Bridge	11,12	RA9-part	Channel work	\$ 448,000					CDOT
			BE8-part	Bank stabl'n	\$ 167,000					
				Debris	\$ 100,000					
			RF10	Riffle	\$ 145,000					
						\$ 860,000	\$ 103,200	\$ 963,200	\$ 1,204,000	
12	LaSalle WWTF - Bank protection, car body removal, water quality	12	RG12-part	create wetland	\$ 250,000					Town of LaSalle - CDPHE
				Car body replac.	\$ 100,000					
			BE-9+	Bank stabl'n	\$ 120,000					
						\$ 470,000	\$ 56,400	\$ 526,400	\$ 658,000	
13	37th St. Bridge	12,13		Debris/Sediment	\$ 100,000	\$ 100,000	\$ 12,000	\$ 112,000	\$ 140,000	City of Evans - Weld CO
14	Reach 13 Bank Clean-up	13		Car body replac.	\$ 83,000					???
			BE10-part	Bank stabl'n	\$ 730,000					
						\$ 813,000	\$ 97,560	\$ 910,560	\$ 1,138,200	
15	Patterson Diversion	13,14		Structure	\$ 750,000					Patterson Ditch CO
			BE11	Bank stabl'n	\$ 82,000					
						\$ 832,000	\$ 99,840	\$ 931,840	\$ 1,164,800	
16	Plum Ditch Diversion (#'s based on Paterson)	16,17	N/A	Structure	\$ 750,000					Plum Ditch Co
				Bank stabl'n	\$ 82,000					
						\$ 832,000	\$ 99,840	\$ 931,840	\$ 1,164,800	
Project Totals						\$ 12,261,800	\$ 1,471,416	\$ 13,733,216	\$ 17,166,520	
Land acquisition for conservation of floodplain where appropriate						\$ 250,000	\$ 30,000	\$ 280,000	\$ 350,000	
							Design/Eng/Plan	Base Price	High Estimate	
Grand Total							\$ 1,501,416	\$ 14,013,216	\$ 17,516,520	

# Key Plan for MSPRA Project Worksheet

Numbered Circles correspond to project numbers on previous sheet



CITY OF EVANS, COLORADO

RESOLUTION NO. 07-2016

A RESOLUTION ADOPTING THE MIDDLE SOUTH PLATTE RIVER RESTORATION  
MASTER PLAN

**WHEREAS**, the City Council of the City of Evans, Colorado, pursuant to Colorado statute and the Evans City Charter, is vested with the authority of administering the affairs of the City of Evans, Colorado;

**WHEREAS**, the City of Evans accepted funds from the Colorado Water Conservation Board for the creation of a master plan for the restoration of a twenty mile reach of the South Platte River heavily affected by the 2013 flood event, and

**WHEREAS**, the City of Evans hired CDM-Smith Engineering for the creation of the Middle South Platte River Restoration Master Plan, and

**WHEREAS**, the City of Evans has contributed significant input into the planning effort and has engaged a broad range of landowners and other local stakeholders in the process; and

**WHEREAS**, the City of Evans has worked to establish a stakeholder group, the Middle South Platte River Alliance (MSPRA) whose job it will be to manage and implement this restoration plan; and

**WHEREAS**, MSPRA has recently adopted the plan, including a list of priority projects many of which fall into the City's jurisdictional area, and

**WHEREAS**, implementation of the master plan will require support from the multiple jurisdictions into which the plan falls, and

**WHEREAS**, the City of Evans has a significant vested interest in the flood restoration of the South Platte River within its City boundaries and urban growth area and therefore maintains a significant presence on the Middle South Platte River Alliance, and

**WHEREAS**, adoption of the Master Plan indicates the City of Evans' support for the restoration work listed therein and the continued work of MSPRA to implement the plan,

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EVANS, COLORADO AS FOLLOWS:

1. The City Council hereby adopts the Middle South Platte River Restoration Master Plan.

PASSED AND ADOPTED AT A REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF EVANS ON THIS 5<sup>th</sup> DAY OF JANUARY, 2016.

ATTEST:

CITY OF EVANS, COLORADO

\_\_\_\_\_  
Raegan Robb, City Clerk

BY: \_\_\_\_\_  
John Morris, Mayor

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## CITY COUNCIL COMMUNICATION

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**DATE:** January 5, 2016

**AGENDA ITEM:** 8.G

**SUBJECT:** Amending Employment Agreement with City Manager, Aden Hogan, Jr.

**PRESENTED BY:** Scotty P. Krob, City Attorney

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**AGENDA ITEM DESCRIPTION:** The attached Employment Agreement with City Manager, Aden Hogan, Jr., is identical to the one that was approved by City Council on December 16, 2015, except for the change in salary as recommended for approval by City Council. There are no other changes to the Agreement. In addition, Council has indicated they anticipate approving a one-time lump sum bonus of \$5,000.

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**FINANCIAL SUMMARY:** The Amended Employment Agreement increases the City Manager's salary by 4% and approves a \$5,000 bonus.

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**RECOMMENDATION:** Approve the amended employment agreement and the \$5,000 lump sum bonus.

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**SUGGESTED MOTIONS:**

*“I move that we approve the Amended Employment Agreement with City Manager, Aden Hogan, Jr., along with the \$5,000 one-time bonus and authorize the Mayor’s signature on the Agreement.”*

*“I move to deny approval of the amended employment agreement and bonus.”*

---

## **CITY MANAGER AMENDED EMPLOYMENT AGREEMENT**

THIS AMENDED EMPLOYMENT AGREEMENT, made this 5th day of January, 2016, by and between the CITY OF EVANS (“Employer”), and ADEN HOGAN, JR. (“Employee”) supersedes all prior Agreements between the Parties including, but not limited to, that Agreement dated February 5, 2012.

The parties agree as follows:

1. **POSITION.** Employer agrees to continue the employment of Employee as its City Manager. Employee agrees to serve as City Manager in accordance with the attached position description labeled “Exhibit A.” The City Manager shall be a full-time employee (although exempt from the FLSA) and may engage in other business and employment activities, but only upon approval of a majority of the entire City Council. Employee shall perform the functions and duties specified under the City’s Charter and shall perform such other legal and proper duties and functions as the Employer shall assign. It is the intent of the Parties that the Manager’s employment is full-time employment. Participation in professional organizations and volunteer programs are encouraged provided they are consistent with the responsibilities of the City Manager for the City.

2. **SALARY.** Employer shall pay employee a salary of \$130,626.55 per year, effective January 15, 2016, which shall be payable in installments of pay periods at the same time as other employees of the City are paid. Employee shall be given an annual salary and performance evaluation, after which the Employer agrees to consider the base salary or bonuses and other benefits to Employee based upon the performance evaluation. Employee’s salary will be reviewed each November or December of every year of employment.

3. **BENEFITS.** Employer shall provide Employee the same holidays, group health, dental, life insurance, and disability as provided to all other employees, except as hereinafter modified. In addition to participation in the City’s standard 401k retirement plan, Employee shall be entitled to use a 457 Plan whereby Employer will contribute three percent (3%) of Employee’s gross income, including any bonuses awarded. Employer shall contribute three percent (3%) of the Employee’s gross income and in addition, match Employee’s contributions up to a maximum of four percent (4%), not to exceed the maximum permitted by the I.R.S into the City’s standard 401k plan. Employee shall be fully vested immediately upon such contributions into the 457 and 401k plans.

4. **VACATION/HEALTH LEAVE.** Based upon full-time employment, Employee shall accrue vacation leave at 12 hours/month and health leave at 8 hours/month. Employee shall not be entitled to a cash payment for unused health leave at the end of his employment.

5. **CAR/CELL PHONE ALLOWANCE.** Employee shall be paid an allowance of \$210.00 per pay period for use of his personal automobile and cell phone for Employer business. If Employee uses his own automobile for Employer business (outside 50 miles from his office at City Hall) the Employer shall reimburse Employee for the business use of his personal

automobiles on a per mile basis and at a rate equal to what Employer reimburses all other employees for business use of a personal automobile.

6. BUSINESS EXPENSES/PROFESSIONAL DUES. Employee shall be reimbursed for normal business expenses and professional dues related to Employee's continued professional development in the field of City Management/Administration but shall be limited to the annual approved budget amount by City Council. Employer agrees to budget and pay reasonable travel and subsistence expenses to Employee to enable him to attend annual conferences for the International City Management Association and the annual Colorado Municipal League conference.

7. HOURS OF WORK. It is understood that the position of City Manager requires attendance at evening meetings and occasionally a possible weekend meeting. It is understood by Employee that additional compensation and compensatory time shall not be permitted for such additional expenditures of time for the reason that Employee will be in an exempt position under the Fair Labor Standards Act (FLSA). It is further understood that Employee may absent himself from the office within "reasonable discretion" in consideration of these extraordinary time expenditures outside of normal working hours.

8. TERMINATION BENEFITS. Employee shall hold office at the pleasure of the majority of the City Council, be an "employee at will," and may be terminated at any time with or without cause, even in the event should Employee become totally and permanently disabled. In the event that Employee is terminated by the Employer, without cause, during such time that Employee is willing and able to perform the duties of City Manager, then in that event, Employer agrees to pay Employee a continuation of his normal salary at the last current rate for a period of six (6) months, to be paid out in installments during normal pay periods and not as a lump sum, from the date of termination to, including the health and dental insurance benefit at the election level, the date of termination, but no other benefits. Employee shall not be entitled to, nor shall he receive, such termination benefits in the event of voluntary resignation. In the event Employee voluntarily resigns his position with the City at any time during the term of this Agreement, Employee shall give the Employer at least one month written notice in advance. The Parties further agree and acknowledge that the City has established and shall maintain an adequate present cash reserve held for future payments if required in an amount sufficient to pay any termination benefits required by this Agreement. For the purpose of COBRA and the notification requirements, the last day of employment shall be the actual last day of employment and shall not include the extended period of any termination benefits.

In the event, however, that Employee is terminated for cause, the City shall have no obligation for termination benefits as provided above. As used herein, "cause" shall mean:

- (a) Conduct by Employee that is fraudulent or dishonest,
- (b) Employee's conviction of a felony or crime involving moral turpitude under any federal or state law, or
- (c) Failure by Employee in a material way to fulfill or comply with his obligations under this Employment Agreement. By way of example and not by limitation, should Employee not comply with the residency requirement set forth in paragraph 10 of this

Agreement and in the Home Rule Charter, or gross neglect of his duties, Employee shall be deemed to be terminated with cause and the termination benefits shall not apply.

9. ANNUAL EVALUATION. In November or December of each year, a majority of the members of the City Council or a committee appointed by a majority of the City Council shall evaluate the job performance of the Employee and as with the evaluation of other City employees, the evaluation is intended to provide Employee with an opportunity to meet with a majority of the members of the City Council or a committee appointed by a majority of the City Council to discuss his job requirements, areas of strength and weakness, and direction for improvement of his performance.

10. RESIDENCY. The Parties acknowledge that pursuant to the City's Home Rule Charter, Employee is obligated to reside in the City. Employee shall be required, under this Agreement, to reside within the City of Evans for the duration of his employment as City Manager so long as the City Charter requires such residency.

11. VENUE. This Agreement shall be construed and interpreted according to the laws of the State of Colorado and any action necessary to enforce, construe, or interpret this Agreement shall be maintained in the County of Weld, State of Colorado.

IN WITNESS WHEREOF, Employer has caused this Agreement to be signed and executed on its behalf by John Morris, Mayor, and Employee has signed this Agreement the day of and year first written above.

ATTEST:

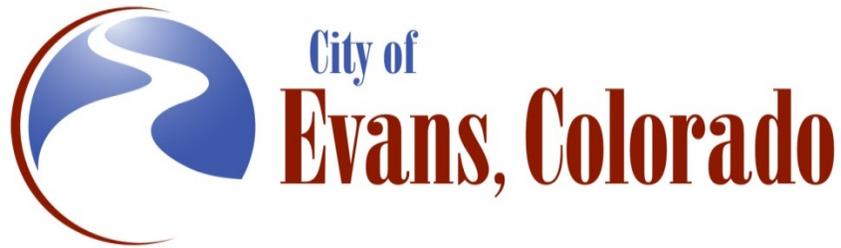
\_\_\_\_\_  
Raegan Robb, City Clerk

EMPLOYER:

By: \_\_\_\_\_  
John Morris, Mayor

EMPLOYEE:

\_\_\_\_\_  
Aden Hogan, Jr.



## City Manager - Monitoring Report

January 5, 2016

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*Below is a compellation of updates and projects that are either new or have changed since the last City Council meeting.*

### ➤ **Emergency Management**

- Staff is getting ready for Friday's functional exercise, which we will working with the State EOC and the Colorado National Guard. We encourage Council members if they are available to come and observe or participate. The exercise will start with a briefing at 8am in activates room and will be completed by 4pm.
- Staff is working with State officials to close out the generator projects. Projects were completed well under budget.

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## COUNCIL COMMUNICATION

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**DATE:** January 5, 2016  
**AGENDA ITEM:** 11.A  
**SUBJECT:** Adjournment to Executive Session

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**AGENDA ITEM DESCRIPTION:**

The City Council will adjourn into an executive session to determine positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators, pursuant to C.R.S. 24-6-402(4)(e).

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**FINANCIAL SUMMARY:**

N/A

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**RECOMMENDATION:**

N/A

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**SUGGESTED MOTIONS:**

*“I move to go into Executive Session for the purpose of determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators, pursuant to C.R.S. 24-6-402(4)(e).”*

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