



BUDGET 2020

TOWN OF JOHNSTOWN

The Community That Cares

Table of Contents

Letter of Transmittal	1
Introduction	10
Town Government	11
Town Management	12
Organizational Chart	13
Boards and Commissions	14
Town Map	15
General Information	16
Financial Policies	24
Budget Overview	31
Fund Accounting	32
Fund Structure/Department Involvement by Fund	33
Governmental Funds	35
Proprietary Funds	37
Fiduciary Funds	37
Component Units	37
Notes and Assumptions	37
Total Combined Budget	38
Analysis of Fund Balance Changes	39
Summary of Capital Expenditures	41
Revenue Overview	45
Expenditure/Expense Overview	52
Debt Service and Financial Obligations	54
Long-Range Plan	55
Fund Summaries	59
General Fund	60
General Fund Department Summaries	66
Town Manager	67
Town Clerk	69
Town Council	71
Finance	73

Table of Contents

Building Inspections	75
Planning	77
Police	79
Public Works	81
Buildings	83
Special Revenue Funds	85
Street and Alley Fund	86
Conservation Trust Fund	93
Parks & Open Space Fund	100
Tax Allocation Fund	107
Capital Projects Fund	111
Library Fund	117
Recreation Center Fund	123
Fiduciary Funds	129
Cemetery Perpetual Fund	130
Proprietary Funds	134
Water Fund	135
Drainage Fund	142
Sewer Fund	149
Appendix	156



January 1, 2020

The Citizens of the Town of Johnstown
The Honorable Gary Lebsack and
Johnstown Town Council

Dear Citizens, Mayor Lebsack and Councilmembers of the Town of Johnstown:

It is my pleasure to present to you the January 1, 2020 – December 31, 2020 fiscal year budget approved and adopted by the Johnstown Town Council. The fiscal year budget is one of the most important processes and decisions the Town Council undertakes each year. The budget, which is compliant with state statute and follows the modified accrual method, outlines the direction, and presents the goals and outcomes that are to be achieved during the 2020 fiscal year. This document is a result of the clear direction provided by the Council and the hard work and diligence of both the Council and the Town Staff. The budget represents operational and maintenance objectives, capital improvements, and anticipates the future needs of the organization for the benefit of the citizens we proudly serve.

Budget Development and Purpose

The Town of Johnstown budget is developed through continued cooperation between the Citizens, Town Council, and Town Staff. All three are instrumental in the process and its success. The primary objectives in development of the budget are to naturally progress in a direction that achieves the mission of the organization and to provide and deliver the core services expected by the Citizens. It is critical that we listen to the Citizens throughout the year to understand their concerns and issues. To this extent, whenever possible, we want to implement their ideas and desires for the betterment of the community. It is under this premise that we develop the budget and make allocations with an assertive effort to meet or exceed Citizens' expectations.

Introduced into the 2020 budget and complementing the mission are the introduction of goals and objectives by both fund and when applicable by department. These measurable goals are focused to achieve one of four (4) primary goals for the community and/or the organization:

1. Improve the core services
2. Expand the core services
3. Strategically plan for the future objectives of the organization for the Citizen's benefit
4. Improve the quality of life for the community

The goals and objectives also provide the Town Council, Department Heads, and Staff with a measuring tool of how we are performing as an organization and what short and long-range goals we should be concerning ourselves with for the betterment of the community and the organization.

The 2020 budget development has been completely overhauled in a number of different ways. The necessary changes create an enhanced accountability and additional transparency to keep the local government accountable to the Citizens.

The most notable change is the establishment of various fund types and elimination of other fund

types. The Table 1 shown below, illustrates the funds that were in existence in the 2019 fiscal year and the funds that are established or continued starting in the 2020 fiscal year. This fund classification was approved as part of the Johnstown Municipal Code, Chapter 4: Revenues and Finance update.

<u>FUND CONSOLIDATION & RECLASSIFICATION</u>	
<u>FY 2019 Funds</u>	<u>FY 2020 Funds</u>
General Fund	General Fund
Street Maintenance Fund	Street & Alley Fund
Conservation Trust Fund	Conservation Trust Fund
Recreation Center Fund	Recreation Center Fund
Library Fund	Library Fund
Water Fund*	Water Fund*
Sewer Fund*	Sewer Fund*
Drainage Fund*	Drainage Fund*
Cemetery Perpetual Fund	Cemetery Perpetual Fund
Contingent Fund	Park & Open Space Fund
Johnson's Corner Improvement Fund	Tax Allocation Fund
Impact Fund	Capital Projects Fund
Equipment Replacement Fund	
Capital Projects Fund	
*Enterprise Funds	

While the budget is approved on a fund level, another significant change to the budget was a complete overhaul of the chart of accounts within each fund. This has now established account codes that are uniform across all funds for the individual line items in the budget. Also, with the establishment of the new account codes, we have removed line items which allowed for expenditures to be accessed by multiple departments. We opted to remove this non-department specific expenditure system and create the expenditures directly into the budgeting processes of the individual departments. It creates a more efficient set of accounting and direct accountability for each of the departments. This also creates more ownership in their respective budgets goals and objectives as they achieve throughout the fiscal year.

During the budget process this year, we queried all personnel and requested information detailing the percentage of work that they perform for the various funds. Based on the percentage of work performed for each fund type, their salaries were distributed accordingly by fund.

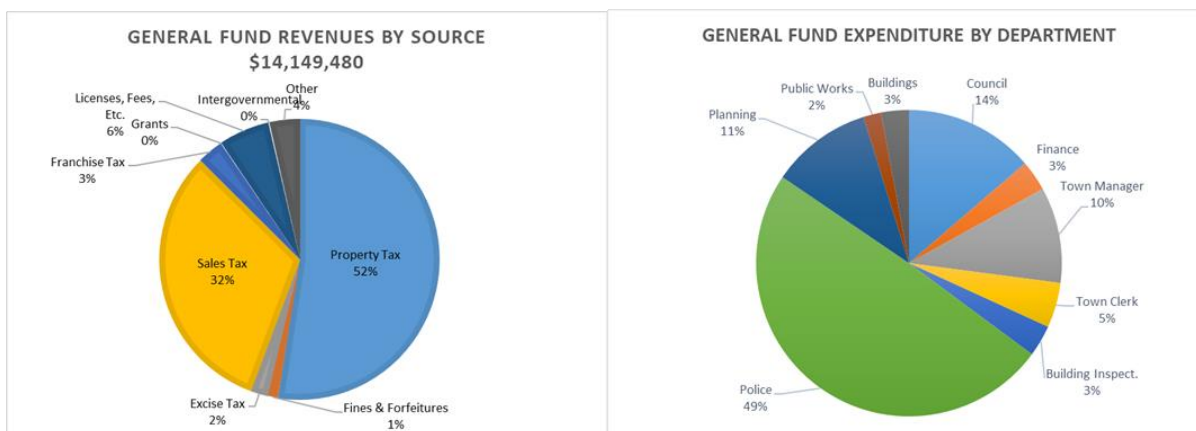
The final change in the budget which we will begin to report in 2021 will be Key Performance Indicators (KPI). As part of the budgetary process, staff was required to provide KPI's for the 2020 fiscal year. The KPI's will be measured starting this fiscal year and each year moving forward we will compare data on a running 3-year basis. As we move forward, these KPI's will indicate performance levels and be used to evaluate successes and needs within the various departments.

Described below is an overview of some of the more notable funds with a narrative that includes the anticipated revenues, approved expenditures, and the more notable items to be addressed within the respective funds.

General Fund

The general fund is the primary fund from which most departments operate. The general fund budget is balanced and does not require the use of the unreserved fund balance to match operating revenues and expenditures. In 2020, we anticipate that economic conditions will continue to be positive, but there are also key indicators that we have recently seen that causes pause from being too optimistic when determining revenues. For example, statewide, new housing permits have dropped by 5% compared to the year prior. Also, the current unemployment rate in the area is about 2.3%, based on which Metropolitan Statistical Area (MSA) you choose near us. While seeing a low unemployment rate may be a positive indicator of the economy, it also causes one to ask how many new jobs can be created and sustained in the area too. Consequently, we have anticipated a relatively flat line increase in revenues compared to the projections updated for fiscal year 2019.

The revenue sources for the general fund come from many different sources. It is critical to be as diversified as possible so that if one of the revenue items declines significantly, the overall impact does not extend into the Town's key operations. As a total, property and sales taxes collected by the Town represent approximately 84% of the revenue for the Town's General Fund Operations. While the total percentage of these two taxes is high compared to the balance of other revenue sources, we believe the proportionate share of each of these revenue sources provides for a secure financial position if the economy changes. All of the revenue sources are critical to maintaining the high level of core services and operations, which are provided to the general public.



Last year saw the introduction of a number of new department heads to the organization including a new Public Works Director, Finance Director, and Planning Director among additional positional staffing increases that occurred in 2019. These were critical hires necessary to meet the demands of the community and provide a stronger foundation for the organization to meet these needs. We expect this trend to continue in 2020. Staffing-up has been a priority of the Council to ensure that we are more timely and responsive to the needs of the community and businesses in Johnstown. While this trend will continue in future years, we must also be cognizant of the “needs” of the organization, not necessarily the “wants” in the organization. We must recognize and understand that the public trusts us to be responsible stewards, of the taxpayer dollars. Ensuring that we do not get too heavy on the staffing is a cornerstone of this responsibly and obligation.

We anticipate at the end of 2020 to have a healthy reserve fund balance that in future years will be utilized for community enhancements which we anticipate will be identified in the Council's upcoming retreat in March/April 2020.

- Revenues:
 - Total Revenues \$14,149,480
- Expenditures:
 - Total Expenditures \$7,135,480
 - Additional Transfers
 - I-25 Project - \$2M
 - Library Mill Levy - \$1,022,660
 - Recreation Center - \$600K
 - Tax Reimbursement - \$475K
 - Sewer Construction Loan - \$10M
 - Total Expenditures (including transfers) - \$21,233,140
- Staffing:
 - Accountant – 1 FTE
 - Communication Manager – 1 FTE
 - Economic Development Specialist – 1 FTE
 - Planner I – 1 FTE
 - Police Officers – 2 FTE
 - Receptionist – 0.25 FTE
- Capital:
 - 3 New Vehicle Purchases
 - 2 Police Vehicles
 - 1 Town Hall Vehicle
 - New Planning & Permitting Software
 - New HVAC System for Senior Center
 - Seal Coating of Various Parking Lots in Town
 - East Charlotte Avenue and Angove Avenue
 - Senior Center Parking Lot
 - Town Hall Parking Lot

Water Fund

The Water Fund is one of three enterprise funds we have in place at the Town. The difference between this fund and other funds not classified as an enterprise fund is how it operates and generates revenues. To be classified as an enterprise, the fund operates as a business having the right to issue its own revenue bonds and generates less than 10% of all revenue from state and local grants. It derives its revenue to operate from the service it provides, in this case, the sale of water service to the customer. This fund does not receive any revenue from property or sales tax.

While the water fund has a relatively healthy fund balance, it also has a number of challenges it will face in the coming years. The most notable challenge can be attributed to the feedback the Town receives during the summer months related to the odor and tastes of the water. While these elements do not impact the water quality, when measured by the requirements established and set by the Colorado Department of Health and Environment (CDPHE), they in the same instance do not create the best experience when drinking the water. To begin addressing this issue, we will begin a multi-year change in some of our processes to improve and mitigate this issue.

The changes to address the taste and odor issues will include the replacement of the Town's water filtration media, which is near its full life cycle in 2020. Also, we plan to evaluate and purchase a

new Granular Activated Carbon (GAC) filter at the Lone Tree Reservoir in 2021. Lastly, in 2022 we will change the location of our water intake at the Lone Tree Reservoir that delivers our water to the Water Treatment Plant. By moving this intake location further into the reservoir we will be able to access colder water that is not impacted by the nutrients that cause the water taste and odor issues. These improvements will cost an estimated \$5 million and will happen over multiple years. It is our belief and hope that this will have a significant improvement to the water quality.

Below is an overview of the water fund for 2020. While there is an obvious variance between revenues and expenditures in 2020, the majority of the variance is due to necessary capital improvements to the water distribution system.

- Revenues:
 - Total Revenues \$5,692,625
 - Includes Potential \$1M Grant (Federal Grant Dollars)
 - Water Base & Consumption Rate Change + 3%
- Expenditures:
 - Total Expenditures \$9,618,470
- Staffing:
 - Park/Collection & Distribution Supervisor – 0.33 FTE
 - Receptionist – 0.25 FTE
- Capital and Other Notable Projects:
 - New Water Town Construction with Water Trunk Line (\$5M)
 - Media Filtration Replacement
 - Columbine Water Line Replacement
 - Tank Vent Replacement
 - Home Supply Water Court Change Case
 - SCADA Implementation
 - Lone Tree Reservoir Pump House Upgrades

Sewer Fund

The Sewer Fund is the second enterprise fund in the Town and is responsible for the collection and treatment of the Town's wastewater. The Town operates two wastewater treatment plants and three lift stations in the system. The sewer fund has many significant challenges in the future. These challenges include the need to expand the treatment capacity of the Low Point Wastewater Treatment Plant (WWTP), replacement of the Central WWTP due to the lagoon system not being capable of meeting future treatment quality requirements, and expansion of the collection system, which is at or near capacity. Town Council and Staff are committed to addressing these issues and realities. These projects, with defined outcomes, are already in the planning stages and construction is expected to begin in 2020 on the collection capacity project. These critical projects, some of which are mandated by the state due to permitting requirements will help to ensure acceptance and management of future growth in our community.

- Revenues:
 - Total Revenues \$13,692,000
 - \$10M Loan from General Fund
- Expenditures:
 - Total Expenditures \$13,285,370
- Staffing:

- Park/Collection & Distribution Supervisor – 0.33 FTE
- Receptionist – 0.25 FTE
- Capital and Other Notable Projects:
 - New Gravity Collection Line to Central WWTP
 - Low Point WWTP Design Expansion
 - Central WWTP Aeration Project
 - Manhole Rehabilitation

Storm Water Fund

The Storm Water Fund is the third and final enterprise fund in the Town and is responsible for the maintenance, expansion and capital improvements of the storm water system. The storm water fund is an enterprise fund and receives its funding exclusively from monthly fees on storm water maintenance and impact fees from new development to manage newly introduced impervious surfaces. Expenditures planned in 2020 will be focused on areas of localized flooding in Downtown Johnstown.

- Revenues:
 - Total Revenues \$510,200
- Expenditures:
 - Total Expenditures \$1,004,000
- Staffing:
 - Maintenance Worker I – 0.25 FTE
 - Receptionist – 0.25 FTE
- Capital and Other Notable Projects:
- Curb and Gutter Improvements
 - Estes Avenue & N. 1st
 - Greeley Avenue
 - Municipal Storm Sewer Separation System Permit (MS4)

Conservation Trust Fund

The Conservation Trust Fund revenue is derived from monies funded by lottery sales. Funding is used for the acquisition, development, and maintenance of parks and recreational facilities on public land. The funds revenue is small when compared to the rest of the funds in the Johnstown Budget. The intent moving forward for this fund is to attempt to build up the finances in this fund, then perform projects that have high impact on the community at the various recreation sites.

This year the singular planned improvement is to install a pour in place at the Parish Park in downtown Johnstown. This will replace the existing mulch or engineering wood fiber currently in place with a more ADA compliant and enjoyable experience for our youth in the community. The expenditure for the pour in place is set at \$75,000.

Street and Alley Fund

The Street and Alley Fund was recently consolidated into a single fund and is responsible for the maintenance, expansion, and capital improvements of the transportation network. The fund this year will primarily be directed toward street maintenance and purchase of new capital equipment. One project that is planned in 2020 is the street pavement assessment. This study will allow us to

determine road conditions both on the surface and subsurface, specifically asphalt and subgrade thickness. The result of this study will enable the Town to be more proactive and better prioritize our pavement maintenance program. This critical information will allow us to better understand the needs and conditions of our roadways. The unknown answer though is directed at the question of how do we afford the roadway improvements when the revenue generated from our street maintenance fee is only \$350,000 annually? This question is posed because costs for roadway construction continue to increase at a disproportionate rate to our revenue. This challenge will need to be addressed in the coming year or years to find a suitable, long-term solution.

- Revenues:
 - Total Revenues \$5,705,650
 - Includes \$1.4M Grant for WCR 50 and LCR 14
 - Includes \$2M Transfer from General Fund
- Expenditures:
 - Total Expenditures \$10,968,550
- Staffing:
 - Maintenance Worker I – 0.75 FTE
- Capital and Other Notable Projects:
 - I-25 Expansion and Widening (\$6.25M)
 - WCR 50 and LCR 14 Improvements (\$2.05M)
 - New Street Sweeper
 - Pavement Maintenance Program (includes striping)
 - Solid Waste Contract Services (Trash)
 - Street Pavement Assessment Study
 - Estes Ave Reconstruction (between 1st and 2nd)

Park & Open Space Fund

The Park & Open Space Fund exists for the purposes of maintenance of the park, open space and trails system which includes both the neighborhood pocket parks and the regional park system. Revenues generated for this fund are very limited as parks are free services provided to citizens and designed to enhance the overall quality of life in the community. The funding to maintain the parks predominantly is provided through the franchise fees charged to our enterprise funds and a 0.5% open space and trails sales tax charged by Larimer County; a portion which is provided to the Town through an Intergovernmental Agreement (IGA). The Town currently has in place a shared Park & Trail Master Plan. Our intention is to continue implementing its recommendations this year and in the near future pursue a new master plan after completion of the comprehensive plan that will begin in 2020.

- Revenues:
 - Total Revenues \$895,517
 - Includes \$250K Grant
- Expenditures:
 - Total Expenditures \$1,186,750
- Staffing:
 - Park/Collection & Distribution Supervisor - 0.33
- Capital and Other Notable Projects:
 - Little Thompson River Trail Project
 - Hays Trail Project

- Columbarium Construction at Johnstown Cemetery
- Trail connectivity under I-25 between Johnstown and Loveland

Capital Projects Fund

The Capital Projects Fund derives its revenues from 1% use tax for all capital projects in the Town of Johnstown. In the past, this revenue was dedicated to the construction of a Library, the Senior/Community Center, and most recently the Recreation Center construction. The fund has a healthy fund balance and will continue to contribute to improving the Town with new amenities and capital projects in perpetuity.

- Revenues:
 - Total Revenues \$514,000
- Expenditures:
 - Total Expenditures \$2,479,700
- Capital and Other Notable Projects:
 - Aesthetic Improvements at I-25 and Highway 60 Interchange

Future Plans and Conclusion

As we move forward as an organization, it is critical to recognize and be responsive to the expectations and desires of the Citizens of Johnstown. Recognizing the vision and objectives established by the Mayor and Town Council, coupled with a comprehensive and strategic work program we have established a framework to meet the long-term goals and objectives for both the citizens and the organization. With the budget documents as a plan, we will continue to build upon our existing presence as a desired destination to retain and recruit businesses, value family, and create a quality of life in our community unmatched in Northern Colorado.

Special thanks should go to all department heads and their supervisors who were critical in evaluating revenues and budgeting expenses accordingly. It is refreshing that they recognize that we need to be accountable with the funds provided by the taxpayers and they have established operations, proposed improvement, and defined objectives that work within these limitations.

One selected individual, our Finance Director, Mitzi McCoy, should be commended and recognized for her dedication, preparation, and outstanding work on this budget in her first year with Johnstown. Her tireless work does not go unnoticed by me and I know the Mayor and Town Council for Johnstown.

I look forward to working with the Community, the Council and Staff to identify future direction, policy, and community betterment objectives desired by the Council throughout the fiscal year and I am confident this budget reflects your desired outcomes for the Citizens.

Best regards,


Matthew S. LeCerc
Town Manager



INTRODUCTION

INTRODUCTION

TOWN GOVERNMENT



Mayor Gary Lebsack



Mayor Pro Tem Chad Young



Councilmember Damien Berg



Councilmember Kevin Lemasters



Councilmember Troy Mellon



Councilmember Jesse Molinar, Jr.



Councilmember Amy Tallent

INTRODUCTION

TOWN MANAGER AND DEPARTMENT DIRECTORS

Matthew LeCerf

Town Manager

Marco Carani

Public Works Director

Mitzi McCoy

Finance Director

Kim Meyer

Planning Director

Brian Phillips

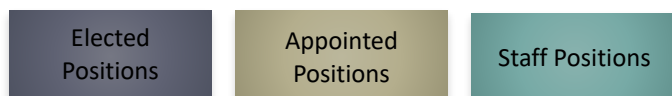
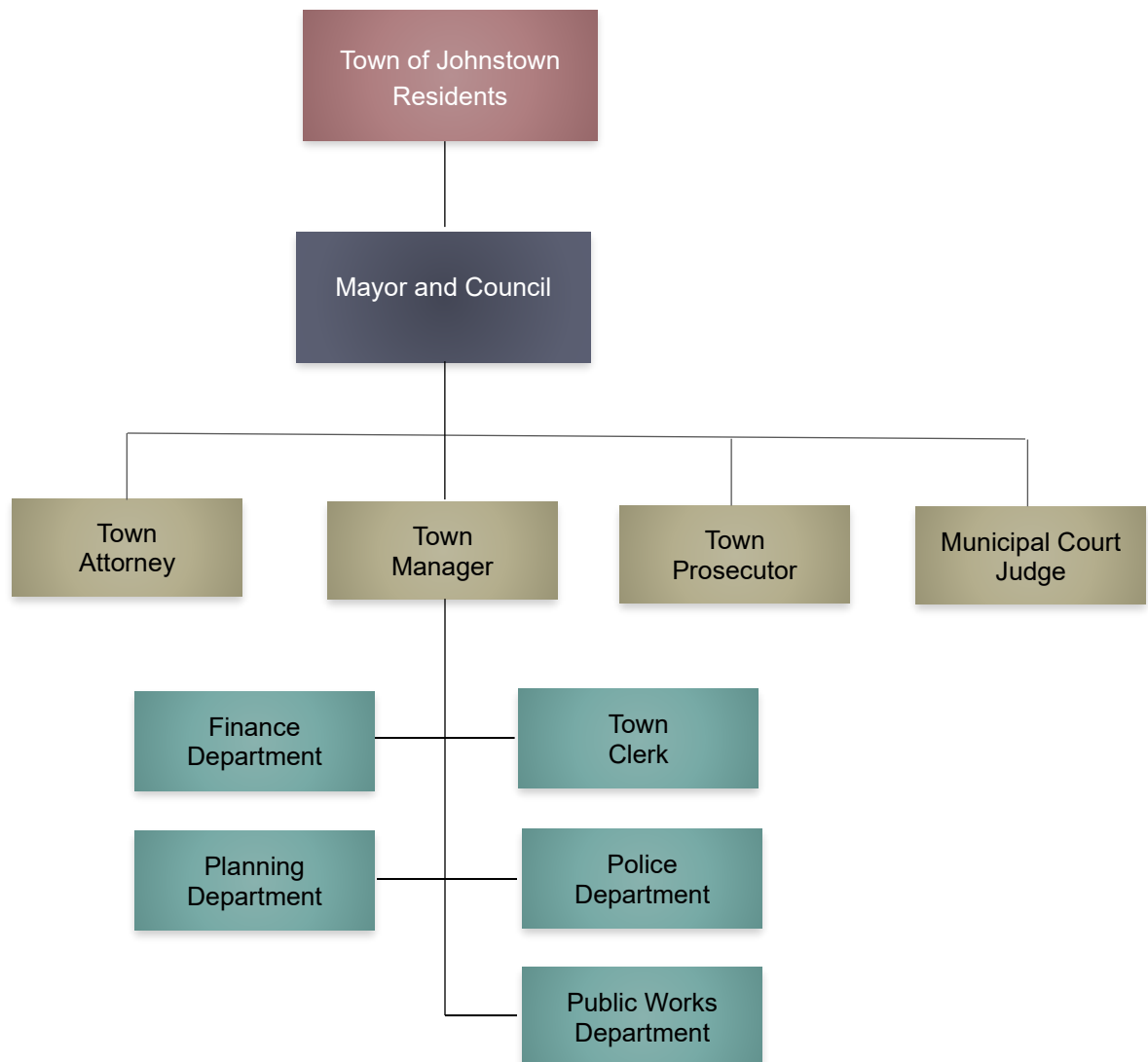
Police Chief

Diana Seele

Town Clerk

INTRODUCTION

ORGANIZATIONAL CHART



INTRODUCTION

BOARDS AND COMMISSIONS

Commissions at the Town of Johnstown serve in an advisory capacity to the Town Council.

Commissions have been established for the primary topics critical to the operation of Johnstown town government. Current Boards and Commissions for the Town of Johnstown include the following:

Cemetery Committee

Building Board of Appeals

Planning and Zoning Commission

Housing Authority

CITIZEN PARTICIPATION

Commissioners are appointed by the Town Council based on their personal and professional backgrounds relevant to the policy topic. The commission structure provides an excellent opportunity to gain community input in policy-making for the Town of Johnstown.

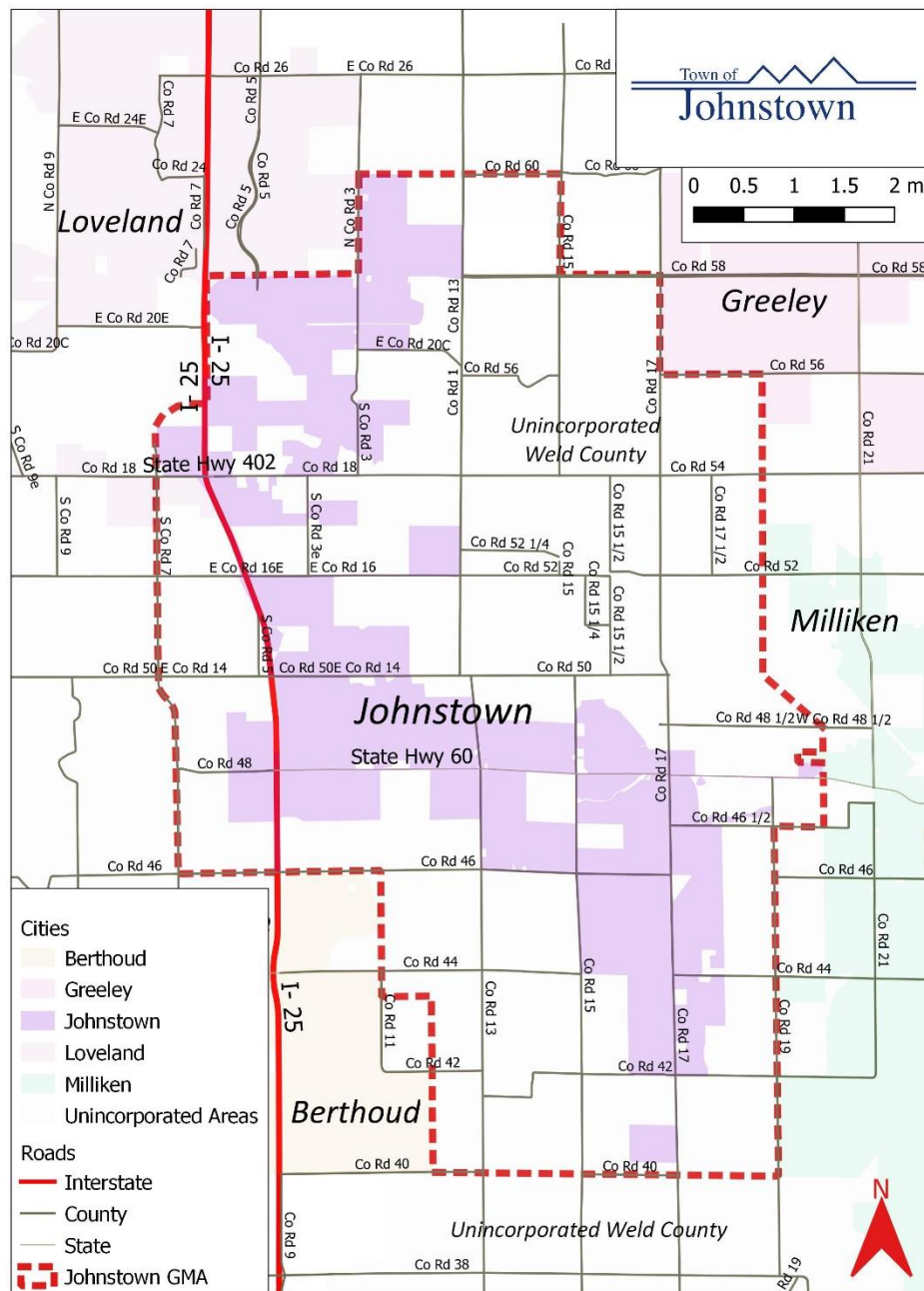
The Town of Johnstown greatly appreciates the efforts of citizen volunteers in studying special community issues, obtaining public comment on key projects, and offering recommendations to the Town Council on any number of matters.

STAFF REPRESENTATION

Most of the commissions are staffed by at least one designated member of the Town's professional staff. That staff member acts as a liaison and is responsible for providing information to the commission and overseeing and maintaining membership on the respective commission.

INTRODUCTION

LOCATION – TOWN MAP



INTRODUCTION

Johnstown at a Glance

ESTABLISHED

March 21, 1907

GOVERNMENT

Johnstown is a Home Rule Town operating under a Council-Manager form of government

COUNTY

Weld and Larimer Counties

SCHOOL DISTRICTS

Weld County School District RE-5J and
Thompson School District R2-J

LOCATION

Along Interstate 25 approximately 50 miles north of Denver, Colorado; 25 miles south of Fort Collins, Colorado; bordering Loveland, Windsor, Milliken, Berthoud and Greeley, Colorado

AREA

13.9 square miles

CLIMATE

Arid Steppe (cold) climate with a summer lasting approximately four months with an average daily high temperature above 79 degrees Fahrenheit. The winter season lasts for approximately three months with an average daily high temperature below 50 degrees Fahrenheit.

POPULATION

16,500 estimated



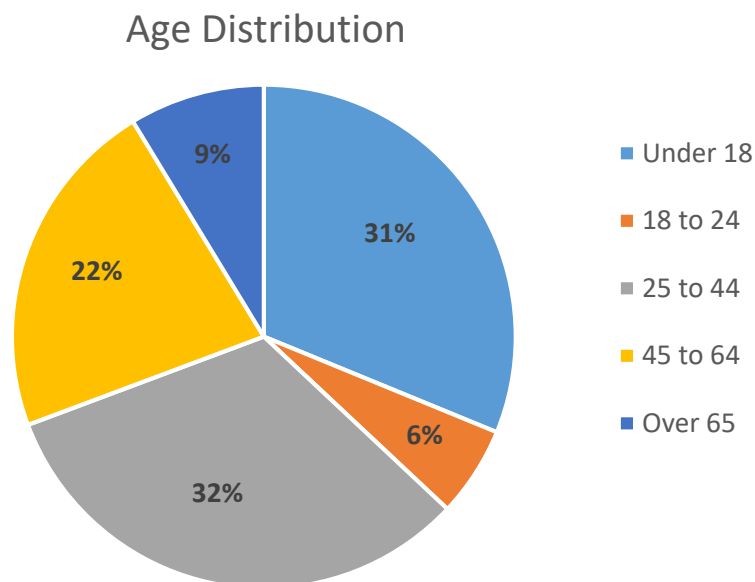
INTRODUCTION

HISTORY AND LOCATION

The Town of Johnstown was platted in 1902 and incorporated in 1907 and is located alongside of the majestic Rocky Mountains in northern Colorado. Johnstown is part of the Front Range Urban Corridor that stretches along Interstate 25 from Pueblo, Colorado north to Cheyenne, Wyoming. The Town is a Home Rule municipality comprised of 13.9 square miles of area, both east and west of Interstate 25, south of State Highway 34, and north and south of State Highway 60. Its current population of over 16,500 residents enjoy the town's central location which allows for easy access to shopping, dining, entertainment, hiking, biking, water sports, golf and numerous other outdoor activities.

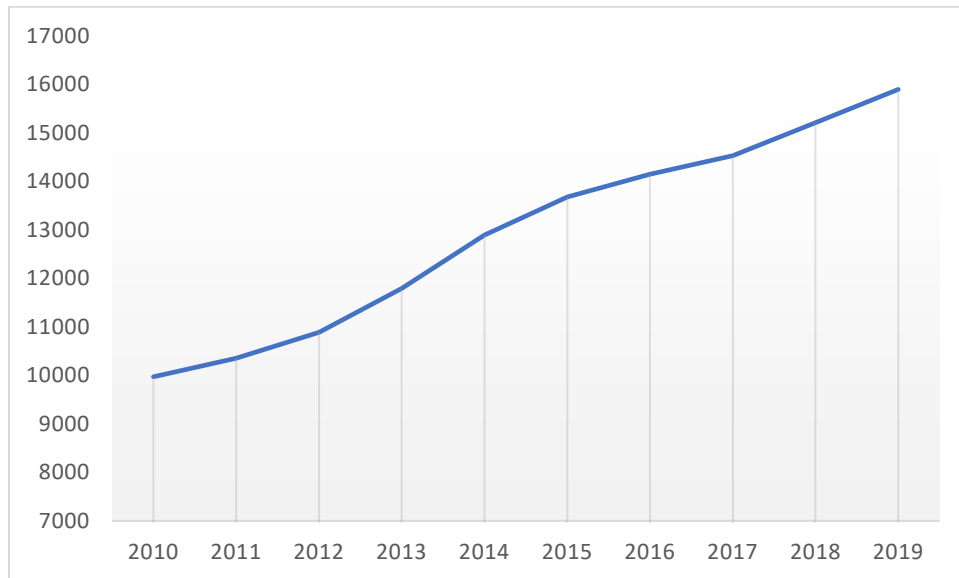
DEMOGRAPHICS

With a median age of 34.3, Johnstown has a young population that has grown more than 300% in the past ten years. The current population is approximately 16,590. 95.75% of persons over age 25 are high school graduates. 34.87% have a Bachelor's degree or higher, and 8.58% have a Graduate/Professional degree. The median income for a household is \$85,339.



INTRODUCTION

POPULATION



EMPLOYMENT BY INDUSTRY

Occupation	% of Workforce
Management, business, science and arts	35.4%
Service occupations	23.8%
Natural resources, construction, and maintenance	19.2%
Production, transportation and material moving	21.6%

MAJOR EMPLOYERS IN THE AREA

EMPLOYER	PERCENT OF TOTAL TOWN EMPLOYMENT
Scheels All Sports	2.6%
Johnson's Corner	1.0%
Swire Coca Cola	1.0%
High Country Beverage	.9%
Northern Colorado Rehab Hospital	.8%
Weld County School District RE5J	.7%

INTRODUCTION

SCOPE OF SERVICES

The Town of Johnstown provides the following major services:

- Public Safety
- Parks, Trails and Open Space
- Street Construction and Maintenance
- Municipal Court
- Town Facilities
- Administration and Finance
- Economic Development
- Community Development and Engineering
- Support Services
- Water Utility
- Sewer Utility
- Drainage Utility

EMPLOYEES AND BENEFITS

The Town currently has approximately 49 regular, full-time positions (exempt and non-exempt) for 2019. In addition, a varying number are employed on a seasonal/part-time basis. The Town of Johnstown neither recognizes nor bargains with any employee union.

The Town operates under a Performance-Based Pay System. A benchmark survey is conducted every two years using a variety of resources to establish a salary schedule. Employees are evaluated annually and are eligible at that time to receive salary adjustments based on their performance and as provided and approved in the budget. Actual salaries and benefits are calculated into the budget system assuming each authorized position is filled for the entire budget period.

Other benefits provided to Town employees include vacation leave, sick leave and paid holidays. Health care benefits include medical, dental, vision, and life insurance. The Town does offer pretax options on health care premiums which allow employees to realize tax savings.

The Town has established retirement plans for employees. Regular, full-time employees are eligible to participate in the plan. Employees are encouraged to make contributions up to the maximum allowed by law of the base wage under the plan. Employees of the Town that serve as sworn police officers are required to participate in a police pension plan.

INTRODUCTION

BUDGET PROCESS

The budget has been structured and prepared using the guidelines of the Governmental Finance Officers Association (GFOA). Two sources, Governmental Accounting, Auditing and Financial Reporting (GAAFR) and the Governmental Accounting Standards Board (GASB) guide the financial reporting and annual budget process. The Town of Johnstown prepares its budget on a calendar-year basis although a bi-annual budget is allowed in the home rule charter. The budget must be balanced or show a revenue surplus. “Balanced Budget” is defined as a “balance between total estimated expenditures and total anticipated revenues, including surpluses.” This means that the appropriated expenditures cannot exceed the sum of the revenues and beginning fund balance. The Town of Johnstown’s definition of a “Balanced Budget” complies with the statutory requirements for the State of Colorado located in C.R.S. 29-1-103 (2).

BUDGET TERM

The budget term begins the first day of January and ends on the last day of December.

BASIS OF BUDGETING

The budget parallels the methods of accounting used for the Town’s funds. Modified accrual basis is used for all governmental fund operations. Proprietary and fiduciary funds use full accrual basis. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available and expenditures are recorded when a liability is incurred except for debt service and compensated absences. The Town considers the revenue and expenditures if collected or incurred within 60 days of the end of the fiscal period. Under the full accrual basis of accounting, revenues are recorded when earned and expenditures are recorded when a liability is incurred without consideration of the timing of related cash flows. The basis of accounting used in the budget is the same as the basis of accounting used in the financial statements.

BUDGET RECOMMENDATION

Generally, the proposed budget provides a complete financial plan for each fund of the Town and includes appropriate financial statements for each type of fund showing comparative figures for the last completed fiscal year, comparative figures for the current year, and recommendations for the upcoming year. This year, due to a restructuring of funds, the old funds are not presented and the new fund structure is.

INTRODUCTION

BUDGET DEVELOPMENT PROCESS

Month	Residents	Mayor & Town Council	Town Administration
January	<p><u>Civic Engagement</u> Residents are encouraged to attend community events, including Town Council meetings to discuss how the Town should invest resources and focus to achieve outcomes.</p>	<p><u>Budget Guidance</u> Town Council holds goal setting sessions to identify priorities and level of service expectations for the upcoming budget year.</p>	
February			
March			
April			
May			
June			<p><u>Capital Improvement Plan</u> CIP Plan is updated</p>
July			<p><u>Town Manager identifies Budget Priorities</u> Town Manager defines priorities based on Council direction</p>
August			<p><u>Proposed Budget Development</u> Departments prepare proposals and make recommendations based on priority and service level. The Town Manager develops a balanced Proposed Budget within the Town Board guidance</p>
September		<p><u>Proposed Budget</u> is presented for consideration no later than October 15th.</p>	
October		<p><u>Budget Work Sessions</u> Town staff meets with the Town Council to provide background information on the Proposed Budget. The Town Council requests additional information on specific budget issues from staff.</p>	<p><u>Budget Response & Refinement</u> Town staff respond to inquiries from Town Council and make modifications as suggested</p>
November	<p><u>Budget Public Hearing(s)</u> Residents comment on the proposed budget and offer suggestions to the Town.</p>		
December		<p><u>Final Budget Adoption</u> The Town Council makes final decisions and adopts the Town of Johnstown Budget for the upcoming fiscal year. Must be completed no later than December 15th.</p>	

Note: This table does not include monthly Civic Engagement processes such as the Home Owner Association meetings, Chamber of Commerce meetings, etc.

INTRODUCTION

BUDGET PREPARATION

The budget process starts early each year at the Town Council goal setting sessions. During the goal setting sessions, the Town Council establishes goals and objectives for the upcoming year and provides direction to the Town Manager for future budgets.

In June, the Finance Department prepares core data, including salary information, health insurance information, workers' compensation information, general insurance and other allocated costs. This data is presented with current period data and revenue projections for both the current year as well as the upcoming year. The worksheets containing this data are then distributed to departments along with the Capital Improvement Plan worksheets, Capital Request Forms, Employee Education Request forms, and budget instructions.

Departments review Council goals and objectives and then meet internally to develop their budget requests. Each department must have their budget requests along with all other budget related forms submitted by the first week in July to the Finance department and the Town Manager. The Finance department compiles the documents and prepares them for the individual budget meetings between the Town Manager and the departments. The meetings usually take place early in the month of August. Upon conclusion of the meetings, decisions are made about what will be included in the Proposed Budget. The Proposed Budget document is submitted to the Town Council no later than the first Council meeting in October with work sessions as requested and determined necessary by the Council following the submittal.

PUBLIC HEARINGS

The Town Manager's proposed budget is a matter of public record and is open to the public for inspection. At a minimum one public hearing is held on the proposed budget. Appropriate notice of the time and place of the hearing is placed in a newspaper of general circulation.

ADOPTION OF BUDGET AND APPROPRIATION OF FUNDS

In accordance with state statutes, on or before the fifteenth (15th) day of December, the Town Council shall adopt a balanced budget by ordinance for the ensuing year. The Council appropriates sums of money, as it deems necessary, to defray all expenditures.

BUDGET AMENDMENTS

The Adopted Budget can be amended during the year by presenting the Town Council with a Resolution for approval. Generally, budget amendments are used for one-time items such as project related grants, or other one-time expenses that could not have been reasonably predicted during the budget process.

INTRODUCTION

SUPPLEMENTAL APPROPRIATION

The Town Council can make supplemental appropriations from actual and anticipated revenues and prior year reserves as long as the total amount budgeted does not exceed the actual or anticipated revenue total or the available reserve balance. No appropriation can be made which exceeds the revenues, reserves, or other funds anticipated or available except for emergencies due to accident or an unforeseen event arising after the adoption of the annual appropriation.

ENCUMBRANCE CARRYOVER

If a fund has unpaid purchase orders at the end of a fiscal year and a commitment for the expenditure of funds, those related appropriations are encumbered and carried over to the ensuing fiscal year as a reservation of fund balance. All other appropriations lapse at year-end.

BUDGET DECREASES

The budget can also be decreased below approved levels during the fiscal year. Changes in service demands, economic conditions, projected growth limits, and Council goals and direction may cause such budget reductions. Should the need arise, each service area is responsible for developing a plan to reduce expenses. If the Town Manager directs budget reductions, the Council will be informed immediately and the appropriations will be set aside through administrative action. While this administrative action does not lower the appropriations within a fund, expenditures are prevented. If the circumstances leading to the reduction in budget changes, the appropriation may be made available for expenditure.

LEVEL OF CONTROL AND BUDGET TRANSFERS

Control of expenditures is exercised at the fund level. Department Heads are responsible for all expenditures made against appropriations within their departments and may allocate resources within the fund. The Town may transfer appropriated monies between spending agencies within a fund or from one fund to another provided:

- The transfer is made from a fund in which the amount appropriated exceeds the amount needed to accomplish the purpose specified by the appropriation.
- The purpose for which the funds were initially appropriated no longer exists.
- A transfer may also include a subsidy of funding from one Fund to support program needs of another Fund.

FINANCIAL POLICIES

FINANCIAL POLICIES

REVENUE POLICIES

The Town of Johnstown strives to achieve and maintain a balanced and diverse revenue structure. Because Johnstown is a community that is continuing to grow and change, annual revenues can vary widely and fluctuate a great deal and cannot always be used year to year as a sound revenue base. Major revenue sources in the General Fund are sales/use tax, property tax, severance taxes, franchise charges, fines and forfeitures, and user fees and charges.

With regard to user fees, the amount of a fee shall not exceed the overall cost of providing the facility, infrastructure, or service for which the fee is imposed. In calculating the cost of fees, direct or indirect costs may be included. The Town reviews all fees for licenses, permits, fines, and other miscellaneous charges as part of the annual budgetary process.

EXPENDITURE POLICIES

The General Fund is comprised of eight departments or divisions, consisting of Town Council, Town Manager, Town Clerk, Finance, Building Inspections, Planning, Police, Public Works and Buildings. Each department can be further broken down into a variety of divisions and/or programs. Expenditures are classified as the following:

- Personnel Services
- Contract Services
- Commodity
- Other Charges
- Capital Outlay
- Debt Service

Personnel Services includes salaries for full-time and part-time employees, overtime pay, insurance, retirement, and other personnel related costs.

Contract Services includes services that are typically provided by an outside vendor such as SWAT team services, legal services, and audit services.

Commodity encompasses administrative costs such as office supplies, uniforms, small tools, ammunition, salt, sand and gravel, fuel and computers, to name a few.

Other Charges includes items such as insurance, memberships and subscriptions, costs associated with the K-9, and National Night Out, among others.

Capital Outlay consists of fixed assets over \$5,000 and a useful life of greater than one year. This expenditure area consists of major projects, land, buildings, and other infrastructure.

FINANCIAL POLICIES

TAXPAYERS' BILL OF RIGHTS (TABOR)

Colorado voters approved an amendment to the Colorado Constitution that placed limits on revenue and expenditures of the State and all local governments in 1992. Even though the limit is placed on both revenue and expenditures, the constitutional amendment ultimately applies to a limit on revenue collections. Growth in revenue is limited to the increase in the Denver-Boulder-Greeley Consumer Price Index plus Local Growth (new construction and annexation minus demolition). This percentage is added to the preceding year's revenue base, giving the dollar limit allowed for revenue collection in the ensuing year. Any revenue collected over the limit must be refunded in the subsequent year. Towns have the option of placing a ballot question before the voters asking for approval on retaining revenue over the limit. Federal grants and/or gifts to the Town are not included in the revenue limit. Town "Enterprise Funds" (Electric, Storm Water and Water) are exempt from the imposed limits.

On November 7, 2000, voters within the Town approved the collection, retention and expenditure of the full revenue generated by the Town commencing on January 1, 1999 and subsequent years. Therefore, the Town is not subject to the revenue limitations of the Tabor amendment.

RESERVES POLICY

A top priority of the Town Council is to maintain the fiscal health of the Town. Revenue projections are conservative and authorized expenditures are closely monitored. In stable economic times, the combination of these two strategies leads to revenue collections higher than actual expenditures. The accumulation of these reserves protects the Town from uncontrollable increases in expenditures or unforeseen reductions in revenue, or a combination of the two. It also allows for the prudent financing of capital construction and replacement projects.

Undesignated Reserves

Article X, Section 20 of the Colorado Constitution requires a three percent (3%) reserve for emergencies. The use of this reserve is restricted to the purpose for which it was established and can be used solely for declared emergencies.

Designated Reserves

The Town Council has determined that additional reserves be established to provide for unforeseen reductions in revenues in the current year if budgeted revenues are less than actual revenues, and expenditures including encumbrances, are greater than actual. The reserve minimum is equal to 150 days of approved General Fund operating expenditures.

FINANCIAL POLICIES

CAPITAL PROJECT FUNDS

The Town has a significant financial investment in streets, public facilities, parks, natural areas, and other capital improvements. The Town Council voiced a commitment to, and investment in, the Town's capital projects. Costs for the capital projects are estimated based on present value and funding sources are identified for each project. Operating and maintenance costs are identified at the time projects are approved. A variety of funding sources have been identified for capital improvements, including Conservation Trust Funds, Capital Projects Fund, bonds and a variety of grant funds.

DEBT POLICIES

The Town of Johnstown recognizes that the primary purpose of capital facilities is to support provision of services to residents. Using debt financing to meet the capital needs of the Town must be evaluated according to two tests: efficiency and equity. The test of efficiency equates to the highest rate of return for a given investment of resources. The test of equity requires a determination of who should pay for the cost of capital improvements. In meeting the demand for additional capital facilities, the Town strives to balance the load between debt financing and "pay as you go" methods. The Town realizes failure to meet the demands of growth may inhibit its continued economic viability, but also realizes that too much debt may have detrimental effects. Through the rigorous testing of the need for additional debt financed facilities and the means by which the debt will be repaid, the Town strikes an appropriate balance between service demands and the amount of debt.

Occasionally, the Town may use lease purchase financing for the provision of new and replacement equipment, and vehicles to ensure the timely replacement of these items. This strategy also decreases the impact of the cost to the user department by spreading the costs over several years. This method can also be used to acquire real property. The type of lease that the Town uses is termed a conditional sales lease or capital lease, in effect a purchase rather than a rental. For purposes of securing credit ratings and monitoring annual debt service as a percentage of operating expenditures, lease purchase financing is considered a long-term liability of the Town, although subject to annual appropriation, and therefore will be issued under the same conditions as long-term debt.

CASH MANAGEMENT AND INVESTMENT POLICIES

Colorado Law governs general provisions for the Town's investment strategies. The investment policy for the Town shall apply to the investment of all general and special funds of the Town of Johnstown over which it exercises financial control. The Town's objectives for cash management and investments are:

- Observe investment management objectives of safety, liquidity, and yield.
- Preservation of capital through the protection of investment principal.

FINANCIAL POLICIES

- Maintenance of sufficient liquidity to meet the Town's cash needs.
- Diversification of the types and maturities of investments purchased to avoid incurring unreasonable credit or market risk regarding a specific security, maturity periods, or institution.
- Maximization of the rate of return for prevailing market conditions for eligible securities.
- Conformance with all federal, state and other legal requirements.

The Town Council assigns responsibilities for the collection of Town funds and cash management functions to the Town Manager. The Finance Director is responsible for the investment of all funds. The standard of prudence to be used for managing the Town's assets is the "prudent man" standard of CRS 15-1-304 (CRS 24-75-601.1 (2)) rule which states, "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".

The Finance Director and designees are authorized to invest funds of the Town in accordance with the Town policies and Colorado Law in any of the following investments:

- U.S. Treasury Obligations: Treasury Bills, Treasury Notes, Treasury Bonds and Treasury Strips with maturities not exceeding five years from the date of purchase.
- Federal Instrumentality Securities: 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. If a Federal Instrumentality Security carries a rating lower than the highest category by any NRSRO, the security is eligible for purchase subject to the following limitations: the final maturity (from the date of trade settlement) may not exceed the statutory limit stated in C.R.S. 24-75-601 and the security must be rated at least AA- or the equivalent by at least two Nationally Recognized Statistical Rating Organization (NRSRO), and not less by any. Subordinated debt shall not be purchased. For securities authorized in this paragraph, the Town shall limit the combined total of investments to no more than 90 percent of the total portfolio and 30 percent per issuer.
- Commercial Paper issued by domestic corporations with maturities not exceeding 270 days from the date of purchase, which at the time of purchase is rated at least A-1, or the equivalent by at least two NRSROs, and rated not less by all NRSROs that rate the commercial paper. If the commercial paper issuer has senior debt outstanding, it must be rated at least AA, or the equivalent at the time of purchase by at least two NRSROs, and rated not less by all NRSROs that rate the issuer. The aggregate investment in commercial paper, banker's acceptances, and

FINANCIAL POLICIES

corporate debt shall not exceed 50% of the Town's investment portfolio, and no more than 5% of the Town's investment portfolio may be invested in the obligations of any one issuer.

- Corporate Debt 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 NRSROs, and rated not less by any NRSRO that rates it. The aggregate investment in corporate debt, commercial paper, and banker's acceptances shall not exceed 50% of the Town's investment portfolio, and no more than 5% of the Town's investment portfolio may be invested in the obligations of any one issuer.
- Local Government Investment Pools Pursuant to CRS 24-75-702 that 1) are "no-load" (no commission or fee shall be charged on purchases or sales of shares); 2) have a constant net asset value of \$1.00 per share; 3) limit assets of the pool to those 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 AAA or the equivalent by one or more NRSROs.
- Repurchase Agreements with a termination date of 180 days or less collateralized by U.S. Treasury obligations or Federal Instrumentality securities listed in a. and b. above with a final maturity not exceeding ten years. The purchased securities shall have a minimum market value including accrued interest of 102% of the dollar value of the transaction. Collateral shall be held by the Town's third-party custodian bank, and the market value of the collateral securities shall be marked-to-the market daily. Repurchase Agreements shall be entered into only with broker/dealers recognized as Primary Dealers by the Federal Reserve Bank of New York, or with firms that have a Primary Dealer within their holding company structure. Approved Repurchase Agreement counterparties if rated, shall have a short-term credit rating of at least A-1 or the equivalent and a long-term credit rating of at least A or the equivalent by each NRSRO that rates them.
- Non-Negotiable Certificates of Deposit with a maturity not exceeding one year in any FDIC insured state or national bank located in Colorado that is an eligible public depository as defined in CRS 11-10.5-103. Certificates of deposit that exceed FDIC insurance limits shall be collateralized as required by the Public Deposit Protection Act. In addition, at the time of purchase, issuing banks shall meet the credit criteria set forth in the section of this investment policy, "Selection of Banks".
- Eligible Banker's Acceptances with maturities not exceeding 180 days, issued by FDIC insured state or national banks. Banker's Acceptances shall be rated at least A-1, or the equivalent at the time

FINANCIAL POLICIES

of purchase by at least two NRSROs and rated not less by all NRSROs that rate the instrument. If the issuing bank has senior debt outstanding, it must be rate at least AA or the equivalent oat the time of purchase by at least two NRSROs and rated not less by all NRSROs that rate the bank. The aggregate investment in banker's acceptances, commercial paper, and corporate debt shall not exceed 50% of the Town's investment portfolio, and no more than 5% of the Town's investment portfolio may be invested in the obligations of any one issuer.

- Money Market Mutual Funds registered under the Investment Company Act of 1940 that: 1) are "no-load" (no commission or fee shall be charged on purchases or sales of shares); 2) have a constant net asset value of \$1.00 per share; 3) limit assets of the fund to those 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 AAA or the equivalent by one or more NRSROs.

RISK MANAGEMENT

The goal of the Town is to protect the assets of the Town and provide a safe work environment for the Town's employees. This goal is accomplished by planning for the negative consequences of any decision, process, or action by using risk control, risk retention, and risk transfer strategies. More specifically, the main features of this program are as follows:

- Delivering loss control programs such as defensive driving education, confined space entry education, safe lifting education, blood borne pathogens education, and a variety of other safety education measures to prevent or at least lessen the severity of workplace injuries, which saves money. Loss control also includes random audits of Town facilities to detect safety hazards in order to make services safe for the public.
- Reviewing Town contracts for the proper insurance requirements and to ensure the Town is properly designated on the contractor insurance policy.
- Monitoring changes in the law at the federal and state level to determine if any changes affect the way the Town delivers services, which in turn create a liability for the Town.
- Developing the financial resources to pay for expected and unexpected losses. At some point in the future, this might include managing a self-insurance fund to contain the cost of most losses and purchasing insurance policies to protect the Town against catastrophic losses.
- Complying with Colorado laws as they relate to operating a self-insurance program.
- Monitoring the exposure in all Town programs and services that may involve the Town in future liabilities.
- Establishing a Health and Safety Committee for employees.

BUDGET OVERVIEW

BUDGET OVERVIEW

FUND ACCOUNTING

Fund accounting is used both for budgeting and accounting purposes. Each fund is established for a specific purpose and is considered a separate accounting entity. The Council must approve or appropriate any expenditure from the various funds, including expenditures from reserves. The authorization is generally done prior to the beginning of each fiscal year, but can be done by the Town Council anytime during the year if funds are available. In government, “appropriate” or “appropriation” is used instead of “authorize” or “authorization”. All of the Town of Johnstown funds require appropriations before money can be expended.

It is important to note that the 2020 budget reflects a restructuring of the funds in an effort to increase transparency and simplify functions. Consequently, for this budget cycle, comparisons with previous years actuals do not provide users with an accurate representation of fund changes, so they are not included. In future budgets, comparisons, and analysis will be provided.

TOWN FUND TYPES

GOVERNMENTAL

- General Fund
- Special Revenue Funds

PROPRIETARY

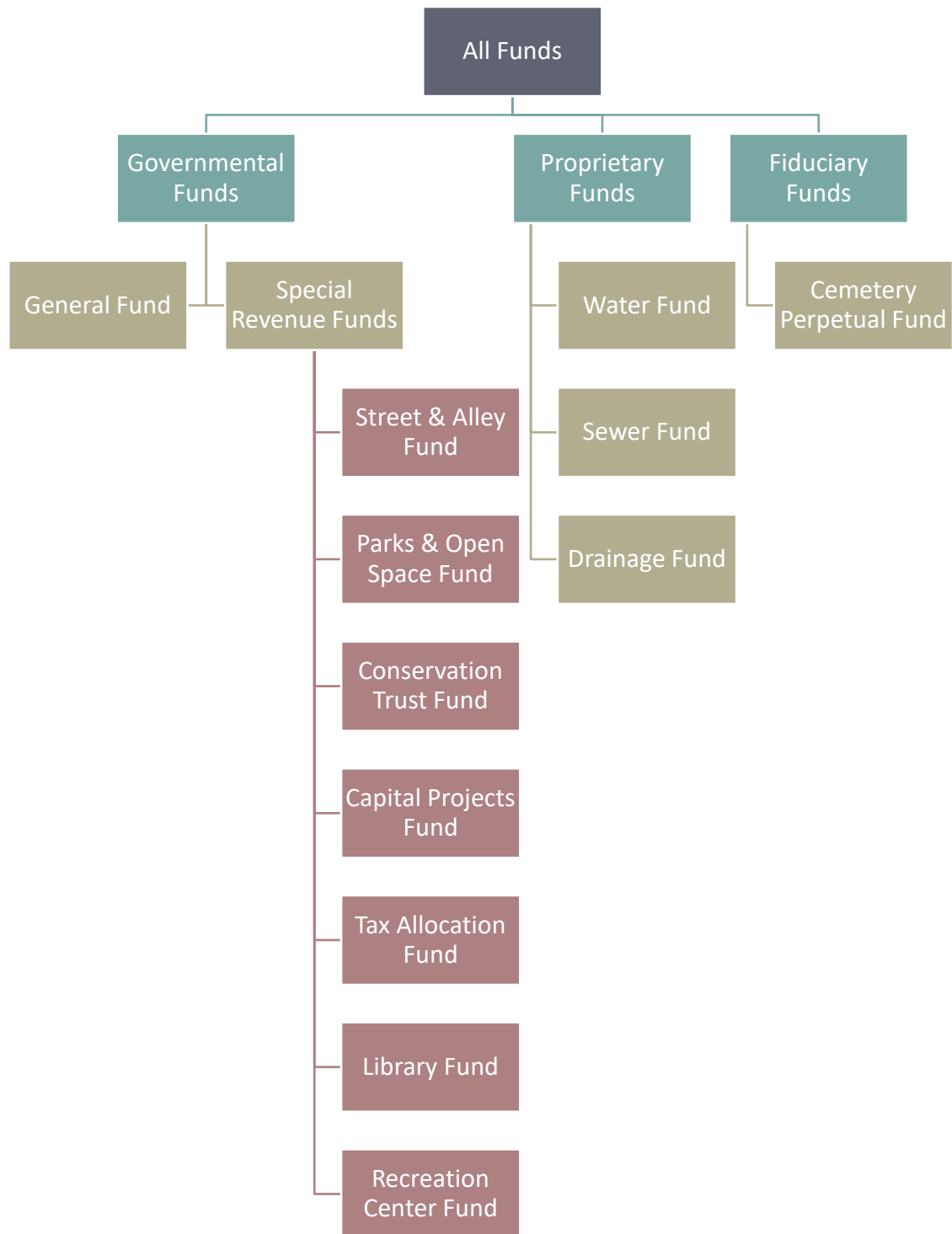
- Enterprise Funds
- Internal Service Funds

FIDUCIARY

- Trust and Agency Funds

BUDGET OVERVIEW

FUND STRUCTURE



BUDGET OVERVIEW

DEPARTMENT INVOLVEMENT BY FUND

The chart below lists each of the funds that the Town maintains and indicates which departments are financially active within each fund.

	Town Council	Town Mgr	Town Clerk	Finance	Planning	Public Works	Police	Buildings
Governmental Funds								
General Fund	X	X	X	X	X	X	X	X
Special Revenue Funds								
Conservation Trust Fund					X			
Park and Open Space Fund		X			X	X		
Street and Alley Fund		X		X		X		
Capital Projects Fund								
Tax Allocation Fund								
Library Fund								
Recreation Center Fund								
Proprietary Funds								
Water Fund		X		X		X		
Sewer Fund		X		X		X		
Drainage Fund		X		X		X		
Fiduciary Fund								
Cemetery Perpetual Fund								

BUDGET OVERVIEW

GOVERNMENTAL FUNDS

GENERAL FUND

The General Fund accounts for all transactions of the Town of Johnstown not accounted for in other funds and is the Town's primary operating fund. This fund represents an accounting for the Town's ordinary operations financed from taxes and other general revenues and is the Town's most significant fund in relation to overall expenditures. Special Revenue Funds are established for the purpose of accounting for monies received by the Town of Johnstown that are restricted in nature and can only be utilized for specific purposes. Financing is primarily provided by ad valorem property taxes, sales taxes and other taxes.

SPECIAL REVENUE FUNDS

Special Revenue Funds are established for the purpose of accounting for monies received by the Town of Johnstown that are restricted in nature and can only be utilized for specific purposes.

STREETS AND ALLEY FUND

This fund was established to account for resources used for the acquisition, construction, and maintenance of assets and capital facilities that are associated with alleys and roads in the Town of Johnstown. The revenues in this fund are primarily derived from motor vehicle related taxes, impact fees and grants.

CONSERVATION TRUST FUND

This fund was established as required by Section 31-25-220, Colorado Revised Statutes, 1973 to account for monies received from the State of Colorado for Conservation Trust Fund (lottery) purposes. Funding can be used for the acquisition, development, and maintenance of new conservation sites or for capital improvements or maintenance for recreational purposes on any public site. New conservation sites are defined in statute as being interests in land and water, acquired after establishment of a conservation trust fund, for park or recreation purposes, for all types of open space, including but not limited to flood plains, green belts, agricultural lands or scenic areas, or for any scientific, historic, scenic, recreation, aesthetic or similar purpose.

PARK AND OPEN SPACE FUND

This fund was established to account for resources used in the purchase of lands for additional parks and for the improvement and maintenance of existing parks and open space in the Town. Revenues for this fund are primarily impact fees, grants and transfers from other funds.

BUDGET OVERVIEW

TAX ALLOCATION FUND

The Tax Allocation Fund has been established to account for sales and use taxes that have been received from specific development areas where, written agreements exist between the Town and developer/s, and the Town has agreed to reimburse the developer/s for certain public improvements.

CAPITAL PROJECTS FUND

Created in 1989, the Capital Projects Fund was created to account for resources used for the acquisition, construction, and maintenance of assets and major capital facilities other than those financed by proprietary funds and trust funds. Revenue for this fund comes primarily from 1% of the use tax collected on building materials and construction materials utilized within the Town.

LIBRARY FUND

The Library Fund, provides a dedicated source of funds for construction, operation, maintenance, materials, equipment, programming, and outreach for the Library. The revenues for this fund are primarily from transfers from the Town of Johnstown General Fund and the High Plains Library District, user fines and fees, grants and contributions.

RECREATION CENTER FUND

In 2019, construction on the Johnstown Community Recreation Center started. The Town of Johnstown has partnered with the YMCA to operate the facility once construction is complete. This fund allows the Town to easily account for the transactions that are related to the operations and maintenance of this major asset. Revenue for this fund consists of transfers from the General Fund.

BUDGET OVERVIEW

PROPRIETARY FUNDS

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the Town Council has decided that periodic determination of net income is appropriate for accountability purposes. The Town has three qualified Enterprise Funds including Water, Sanitary Sewer, and Drainage. These funds provide different combinations of utility services to 5,455 customers.

FIDUCIARY FUNDS

CEMETERY PERPETUAL CARE FUND

The Cemetery Perpetual Care Fund was formed by Council to keep the principal funds safe and invested while allowing the investment income to be used to offset the maintenance costs of the cemetery. Fifteen percent of the monies and proceeds derived from the sale of lots and grave spaces, are what constitute the revenues in this fund.

COMPONENT UNITS

NONE

The Town of Johnstown does not currently have any authorities that are reported as component units.

NOTES AND ASSUMPTIONS

The following notes and assumptions were used to build the various detail budgets for revenues and expenditures and are applicable for all funds except in cases where specifically noted. The overall driving factors were established through joint efforts with the Town Manager, the Finance Department, and Town Council. Fund Balance is the excess or deficiency of the assets of a fund over its liabilities at any point in time. This is shown in the following schedules as Revenues minus Expenditures and plus Other Financing Sources (Uses) plus Beginning Fund Balance to derive the Ending Fund Balance.

BUDGET OVERVIEW

TOTAL COMBINED TOWN BUDGET

The 2020 Proposed Budget is balanced as defined in the introduction section of this document, with a “balance between total estimated expenditures and total anticipated revenues, including surpluses.” This means that the appropriated expenditures cannot exceed the sum of the revenues and beginning fund balance.

The budget shown below is a consolidated budget that contains all of the fund budgets for the organization.

2020 BUDGET - ALL FUNDS	General Fund	Special Revenue Funds	Capital Project Funds	Enterprise Funds	Trust and Agency Funds	Total All Funds	% of Total Rev. & Exp.
BEGINNING BALANCE:	35,143,373	29,504,674	10,124,058	28,935,891	125,195	103,833,191	
REVENUES:							
CHARGES FOR SERVICES	271,750	1,477,000	-	4,905,500	903	6,655,153	22.26%
FINES AND FORFEITURES	171,000	-	-	-	-	171,000	0.57%
PROPERTY TAXES	7,421,105	-	-	-	-	7,421,105	24.82%
SALES TAXES	4,500,000	1,124,716	529,000	-	-	6,153,716	20.58%
LICENSES AND PERMITS	550,450	134,817	-	2,631,125	-	3,316,392	11.09%
MISCELLANEOUS	489,200	193,400	-	358,200	100	1,040,900	3.48%
OTHER TAXES	709,975	632,000	-	-	-	1,341,975	4.49%
GRANTS	36,000	1,761,450	-	2,000,000	-	3,797,450	12.70%
TOTAL REVENUES	14,149,480	5,323,383	529,000	9,894,825	1,003	29,897,691	100.00%
OTHER SOURCES/USES:							
TRANSFERS IN	-	4,332,660	-	10,000,000	-	14,332,660	
TRANSFERS OUT	14,097,660	-	15,000	220,000	-	14,332,660	
TOTAL OTHER SOURCES/USES	(14,097,660)	4,332,660	(15,000)	9,780,000	-	-	
EXPENDITURES:							
PERSONNEL SERVICES	4,012,800	1,094,650	-	1,544,340	-	6,651,790	11.07%
CONTRACT SERVICES	1,300,550	2,671,250	9,700	2,351,550	-	6,333,050	10.54%
COMMODITY	339,130	312,500	-	587,550	-	1,239,180	2.06%
OTHER CHARGES	1,044,750	1,050,315	470,000	962,400	-	3,527,465	5.87%
CAPITAL OUTLAY	306,650	12,812,500	2,000,000	18,242,000	-	33,361,150	55.50%
IMPACT OUTLAY	131,600	8,869,000	-	-	-	9,000,600	14.97%
DEBT SERVICE	-	-	-	-	-	-	0.00%
TOTAL EXPENDITURES	7,135,480	26,810,215	2,479,700	23,687,840	-	60,113,235	100.00%
ENDING BALANCE:	28,059,713	12,350,502	8,158,358	24,922,876	126,198	73,617,647	

BUDGET OVERVIEW

ANALYSIS OF SIGNIFICANT CHANGES IN ANTICIPATED FUND BALANCE

The following analysis focuses on available fund balances of Town funds anticipated to increase or decrease by 10% or more.

	Anticipated FY 2020 Beginning Balance	Anticipated FY 2020 Ending Balance	Increase (Decrease)	Percent Change
General Fund				
Fund Balance Available for Appropriation	35,143,373	28,059,713	(7,083,660)	-20.2%

Discussion:

The anticipated General Fund Ending Fund balance decreases primarily due to a loan to the Sewer Fund (\$10,000,000). Transfers to the Library Fund (\$1,022,660), the Street Fund (\$2,000,000), the Recreation Center Fund (\$600,000) and the Tax Allocation Fund (\$475,000) also have an impact. The increased outflow of funds has been counterbalanced with increased revenues from property taxes and sales taxes. Despite the decrease in fund balance, this fund is financially healthy and has maintained more than the 150 days minimum reserves set by the Town Council.

	Anticipated FY 2020 Beginning Balance	Anticipated FY 2020 Ending Balance	Increase (Decrease)	Percent Change
Street and Alley Fund				
Fund Balance Available for Appropriation	8,463,136	3,200,236	(5,262,900)	-62.2%

Discussion:

The revenues and expenditures for this fund contain substantial grant revenues (\$1,426,650), as well as capital project costs associated with those grant revenues (\$2,050,000). Additional large outflows include a \$6,000,000 contribution to I-25 improvements, a \$50,000 reconstruction project on Estes, the purchase of a street sweeper for \$275,000, and other replacement equipment totalling \$24,500. Generally speaking, all other recurring revenues and expenses are relatively stable.

	Anticipated FY 2020 Beginning Balance	Anticipated FY 2020 Ending Balance	Increase (Decrease)	Percent Change
Conservation Trust Fund				
Fund Balance Available for Appropriation	0	9,900	9,900	

Discussion:

This fund's revenues are lottery funds from the state. The fund is restricted in both revenues and qualified expenditures. This fund has just recently been restructured and began with a zero balance. The capital project budgeted for this fund is a pour in place for Parish Park.

BUDGET OVERVIEW

	Anticipated FY 2020 Beginning Balance	Anticipated FY 2020 Ending Balance	Increase (Decrease)	Percent Change
Water Fund				
Fund Balance Available for Appropriation	17,994,830	14,068,985	(3,925,845)	-21.8%

Discussion:

In 2020, this fund anticipates and budgeted for substantial grant revenues (\$1,000,000). Operational expenditures show an increase based on a new plant operation contract (\$90,000). Capital expenditures for this fund include a Tank Vent replacement (\$65,000), media replacement (\$345,000), south water tower project (\$5,000,000), waterline improvements (\$111,000), motors for the pumphouse (\$400,000), SCADA (\$35,000), Lonetree project completion (\$102,000) and a replacement back hoe (\$35,000).

	Anticipated FY 2020 Beginning Balance	Anticipated FY 2020 Ending Balance	Increase (Decrease)	Percent Change
Drainage Fund				
Fund Balance Available for Appropriation	3,342,074	2,848,274	(493,800)	-14.8%

Discussion:

The decrease in fund balance in this fund is associated with capital expenditures. The 2020 budget includes expenditures of \$515,000 for a curb and gutter project on Estes, a trickle channel in Aragon Park, storm drains in the Greeley area, and completion of the Highway 60 improvements started in 2019.

	Anticipated FY 2020 Beginning Balance	Anticipated FY 2020 Ending Balance	Increase (Decrease)	Percent Change
Recreation Center Fund				
Fund Balance Available for Appropriation	12,000,000	100,000	(11,900,000)	-99.2%

Discussion:

This is a new fund for the 2019 Budget year. This fund tracks costs association with the construction and operation of the Johnstown Community Recreation Center that is set to open in late spring 2020. Expenditures in 2020 are primarily construction (\$12,000,000) related.

	Anticipated FY 2020 Beginning Balance	Anticipated FY 2020 Ending Balance	Increase (Decrease)	Percent Change
Capital Projects Fund				
Fund Balance Available for Appropriation	10,124,058	8,158,358	(1,965,700)	-19.4%

Discussion:

The decrease in fund balance in this fund is due to a budgeted \$2,000,000 expenditure for improvements to I-25.. This fund is utilized for construction and financing of capital projects. When there are no active projects, this fund's fund balance will steadily increase as the primary funding source is 1% of use taxes collected.

BUDGET OVERVIEW

SUMMARY OF CAPITAL EXPENDITURES

The following summary includes capital expenditures of Town funds that exceed \$100,000.

General Fund

Project Description	Capital Expenditure Amount	Recurring?
Planning Software Implementation	\$145,000	No

Discussion:

This capital expenditure is related to new planning and development software design and installation. While the initial cost of the software will not be recurring, there is an annual maintenance cost to the software that will be recurring.

Street & Alley Fund

Project Description	Capital Expenditure Amount	Recurring?
Improvements at I-25 - Interchange	\$6,250,000	No

Discussion:

The improvements to I-25 at Hwy 34 and Hwy 402 have been collectively funded by several communities/agencies. This project will widen I-25 to a 2+1 lane configuration in both directions, and changes the basic configuration of Hwy. 402. Johnstown will not have any financial responsibility to maintain the I-25, once the improvements have been completed. However, there are discussions between CDOT and Johnstown to devolve CDOT's interest of the Frontage Road to Johnstown.

WCR 50 Project	\$2,050,000	No
----------------	-------------	----

Discussion:

This project involves the paving a portion of WCR 50 that equates to approximately 3.6 additional lane miles of pavement. Currently the Town shares the cost of maintaining this road with both Larimer and Weld Counties. Once this project is complete the Town will take over ownership of the road. This will have a long-term impact on maintenance costs.

Street Sweeper	\$275,000	No
----------------	-----------	----

Discussion:

The street sweeper purchase will add a new piece of equipment to the Public Works fleet. This equipment is necessary as the Town continues to grow and there are more streets to maintain. The initial outlay of capital will not be recurring but there will be increased operational costs to fuel and maintain this machine.

BUDGET OVERVIEW

Parks and Open Space Fund

Project Description	Capital Expenditure Amount	Recurring?
Little Thompson Trail - Design and Construction	\$400,000	No

Discussion:

This new, nearly 1 mile section of trail is partially grant funded. There will be fairly minimal short and long term impacts to our operating budget to maintain this new trail once installed. Generally, we expect to see an increase in operating costs of only around 1% to 2%.

Capital Projects Fund

Project Description	Capital Expenditure Amount	Recurring?
I-25 Overpass Improvements	\$2,000,000	No

Discussion:

This project will improve the I-25 and Hwy 60 intersection. The financial impact to the Town on a long-term basis is undetermined at this time as the final design specifications will impact this. Generally, the Town does not expect a substantial increase in operational costs as a result of this project.

Water Fund

Project Description	Capital Expenditure Amount	Recurring?
Media Replacement	\$345,000	No

Discussion:

Replacement of the media at the water plant is a necessary expenditure every 15 to 20 years. This project should not increase our normal operational costs as it is a replacement of existing materials and will have the same maintenance requirements.

South Water Tower Project	\$5,000,000	No
---------------------------	-------------	----

Discussion:

This is for the design and construction of a water tower in the southern part of town. After construction is complete, additional maintenance costs will be realized for water testing and preventative maintenance at the tower. The increase is not expected to be material.

Waterline replacement - Columbine Avenue	\$104,000	No
--	-----------	----

Discussion:

The waterline along Columbine from Charlotte to N. 2nd Street will be replaced. As this is a replacement project, no additional impact to expenditures is anticipated.

BUDGET OVERVIEW

Water Fund

Project Description	Capital Expenditure Amount	Recurring?
Replace Motors at Pumphouse	\$400,000	No
<u>Discussion:</u> Motors have an operational life of approximately 15 to 20 years. For the first couple of years, the new motors will decrease operational costs as they require less maintenance. Those savings are not expected to be material.		
Lonetree Project	\$102,000	No
<u>Discussion:</u> The replacement of pumps and motors at the Lonetree facility began in 2019. As this is a replacement of existing equipment the impact to operational costs will be minimal.		

Drainage Fund

Project Description	Capital Expenditure Amount	Recurring?
Curb & Gutter - Estes and N. First	\$150,000	No
<u>Discussion:</u> Installation of a new curb, gutter and sidewalk at Estes and N. 1st to will improve drainage during storm events. Long-term financial impacts are minimal.		
Storm Drains on Greeley Avenue	\$280,000	No
<u>Discussion:</u> Installation of additional storm drains along Greeley Avenue will improve drainage in this flood prone area. Ongoing costs are limited to preventative maintenance and cleaning to keep them clear of debris.		

Sewer Fund

Project Description	Capital Expenditure Amount	Recurring?
Sewer Expansion Design- Carryover from 2019	\$445,000	No
<u>Discussion:</u> The sewer expansion design is a project that was started in 2019. This project will provide the Town with the information necessary to move forward with the expansion of the sewer infrastructure.		
Sewer Expansion to Central	\$10,000,000	No
<u>Discussion:</u> This project involves the installation of underground sewer infrastructure south of Hwy 60 to the Central Wastewater Treatment Plant. As this type of infrastructure typically lasts for upwards of 30 years, additional capital expenditures in the area is limited. Impacts to maintenance costs will occur as more customers utilize the lines.		

BUDGET OVERVIEW

Sewer Fund

Project Description	Capital Expenditure Amount	Recurring?
Aeration Project - Carryover from 2019	\$249,000	No

Discussion:

The installation of new aerators at the Central Wastewater Treatment Plant began in 2019 ensuring that the Town stays in compliance with state regulations. Operational costs should decline slightly as the new aerators are replacing inefficient and outdated blowers.

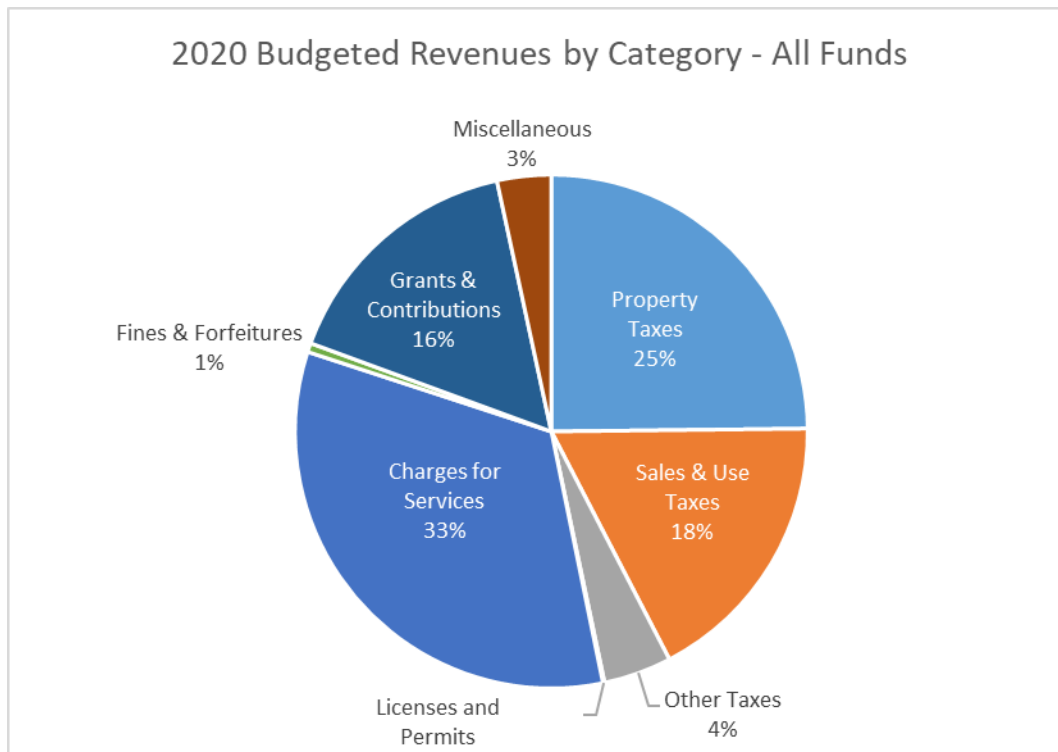
BUDGET OVERVIEW - REVENUES

REVENUE OVERVIEW

The Town strives to maintain a strong, diverse revenue base recognizing that a dependence upon any individual revenue source would make revenue yields more vulnerable to economic cycles. All revenues are conservatively projected and are monitored and updated as necessary. The Town utilized the Colorado Legislative Council as the primary source for forecasted Denver-Boulder-Greeley Consumer Price Index (CPI). Additionally, the Town considers reports published by economists in the Colorado State Office of Planning and Budgeting. The methodology used for each revenue type is further explained under each revenue type. The following table identifies the CPI for each year from 2015 to 2019 that were used in forecasting:

Year	2015	2016	2017	2018	2019
Consumer Price Index (CPI)	1.176%	2.772%	3.386%	2.731%	1.8%

The following chart consolidates and summarizes the Town's revenue by source:

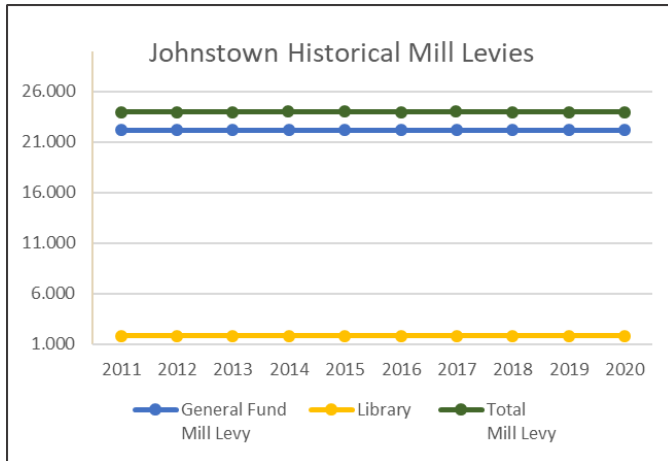


BUDGET OVERVIEW - REVENUES

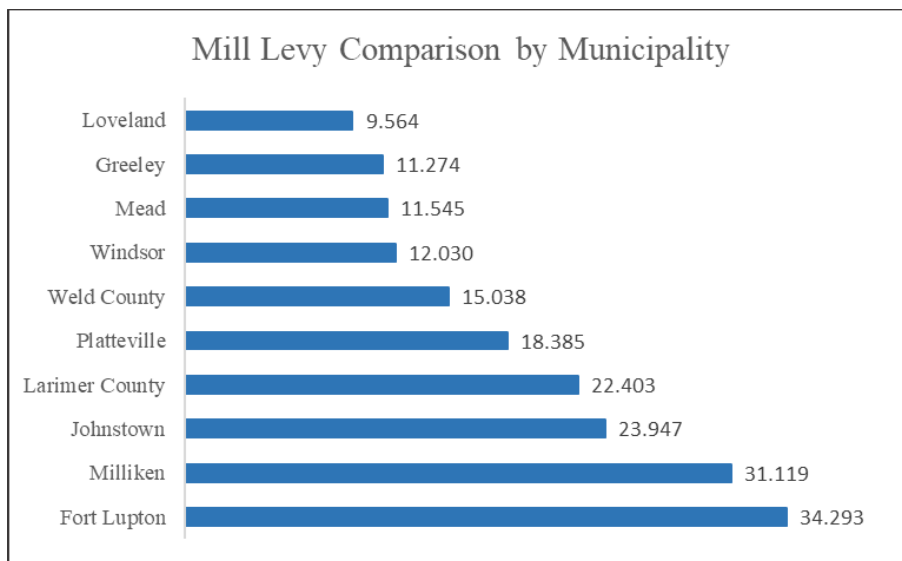
The following are descriptions of the Town's revenue resources, associated forecasting assumptions, and revenue trends.

PROPERTY TAX

Property taxes are levied on December 31, and attach as an enforceable lien on property as of January 1. Installation payments are due at the end of February and June 15th. Single payments are due on or before April 30th. Taxes are delinquent, if not paid, as of June 15th. If the taxes are not paid within subsequent periods, the property may be sold at a public auction. Weld and Larimer Counties bill and collect all of the property taxes and remits collections to the Town on a monthly basis after deducting a one percent (1%) collection fee.



The mill levy rate for Johnstown in 2020 will remain at 23.947 mills. One mill represents \$1 for every \$1,000 in assessed property value. Property tax is calculated by multiplying the mill levy by the assessed valuation of a property. Property Tax revenue is forecast each year based on assessed valuations as determined by the County Assessors and applying the Town's current mill levy rate.



BUDGET OVERVIEW - REVENUES

Property Tax Revenues by Category – Larimer and Weld Counties				
Category	2018 Budget Taxes Levied	2019 Budget Taxes Levied	2020 Budget Taxes Levied	% Change 2019 to 2020
Vacant Land	236,514	180,963	220,838	22.03%
Residential	2,739,640	2,855,453	3,404,994	19.25%
Commercial	1,488,968	1,870,653	2,339,529	25.06%
Industrial	362,871	411,932	475,172	15.35%
Agricultural	33,696	33,386	29,475	-11.71%
Oil & Gas	710,486	896,190	3,085,066	244.24%
State Assessed	120,785	122,831	132,525	7.89%
Total Revenue	5,692,961	6,371,409	9,687,599	

The changes in property tax revenues can vary substantially by category. One of the most volatile categories is Oil & Gas because the valuation depends on well production, which is calculated annually. For the 2020 budget, nearly all categories showed substantial increases as 2019 was a reassessment year so values were adjusted accordingly. The budget projections for property tax revenues are based on the Certification of Valuation which is provided annually by Weld and Larimer Counties. The Town does not make any adjustments to the calculations that they provide.

SALES TAX

The Town of Johnstown collects a three percent (3.0%) tax on sales of tangible personal property and specific services. Sales taxes are collected by the retailer and are reported to the State of Colorado on either a monthly, quarterly, or annual basis. The State then collects Johnstown's portion of the sales taxes and remits it to the Town monthly. All of the Town's sales tax goes into the General Fund.

Sales taxes are forecasted using historical trends for the past five years combined with knowledge of new businesses that are locating in the Town. While the businesses in Johnstown have been stable, sales tax revenue is often one of the first indicators when there is a downward shift in the economy. Consequently, the Town is conservative in the revenue estimates in this category in an effort to eliminate any serious shortfall.

BUDGET OVERVIEW - REVENUES

USE TAX

A use tax is levied as a complement to the Town sales tax at three percent (3.0%) and is imposed upon taxable purchases where a sales tax was not legally imposed. The Use Tax consists of two (2) types, the Building Material Use Tax and the Motor Vehicle Use Tax. Depending upon the type of transaction, the use tax may be paid upon issuance of a building permit, upon purchase/registration of a motor vehicle. All use tax totals 3.0 cents on every dollar and is collected by the Town or is collected and distributed by Weld and Larimer County. Use taxes are projected using trend analysis based on actual revenues received during the past seven years as well as knowledge of new housing developments and approximate timelines for that development. The Town based the 2020 budgeted figures on 125 new homes.

EXCISE TAX

Excise taxes are taxes on the sale, or production for sale, of specific goods or a tax on a good produced for sale, or sold, within a country or licenses for specific activities. In Johnstown, there are two such taxes, tobacco and severance.

Tobacco Products Tax - State of Colorado taxes wholesale distributors of tobacco products at the rate of 84 cents per pack. State tax stamps are issued to the distributors as evidence of payment. Each year an amount of State funds from the tax on tobacco products is distributed to counties and municipalities that do not impose any fee, license, or tax on cigarettes. The amount received is based on the proportion of State sales tax collected in each municipality. Tobacco tax revenue projections are calculated using trend analysis based on actual revenues over the past seven years.

Severance Tax - Colorado severance tax is imposed upon nonrenewable natural resources that are removed from the earth in Colorado. The tax is calculated on the gross income from oil and gas and carbon dioxide production. 70% of the tax money collected is used by the State to fund grant programs. The remaining 30% is divided and distributed to counties and local governments. The division is based on the residence of certain mineral and energy industry workers. Severance tax is difficult to project as the fluctuations from year to year can be substantial. Revenue projections for severance tax are forecasted using a combination of trend analysis as well as information that we receive from the oil and gas industry and other sources.

FRANCHISE CHARGES

The Town maintains two specific franchise charges, Cable Television Franchise Charge and Gas/Electric Franchise Charges.

BUDGET OVERVIEW - REVENUES

Cable Franchise - This fee is compensation for the benefits and privileges granted under the Franchise Agreement. The fees are in consideration of permission to use Town streets and rights-of-way for the provision of cable services. The franchise fee is three percent (3%) of the gross revenues. Revenue projection is completed using trend analysis.

Gas/Electric Franchise Charge - The Town currently has a franchise agreement with gas and electric service companies for the right to furnish, sell, and distribute electric and natural gas to residents and businesses within the community. The agreement provides them with access to public property to provide these services. In consideration for this franchise, the companies pay the Town a sum equal to three percent. Revenue projection is completed using trend analysis.

FINES AND FORFEITURES

The Municipal Court assesses fees to parties found guilty of any municipal offense through the court system. This category also includes revenues from police activities such as fingerprinting. These revenues are projected using trend analysis and actual data from the past seven years.

LICENSES AND PERMITS

Licenses and permits are established by ordinance to allow the Town to collect various licenses or permit fees. These licenses and permit fees allow the purchaser to perform or provide specific services or goods within the Town. There are several types of licenses and permits required within the Town. The following identifies the most significant license or permit fees.

Building Permit Fees – Building Permit Fees are based on the dollar valuation of the construction work to be performed. The valuation is determined using the cost per square foot published in the Building Safety Journal. Permit fees are established by ordinance and are budgeted based on local economic trends. Building Permit Fees are forecasted using current year's activity.

INTERGOVERNMENTAL REVENUES

Intergovernmental Revenues are transfers from any fund into another fund.

CHARGES FOR SERVICES

User based fees are established to help defray the cost of operations such as park rentals, trash collection, and charges for utilities.

BUDGET OVERVIEW - REVENUES

UTILITY CHARGES

Utility charges are user-based fees that are charged for the participation with the Town's utility services. Those services include water, sewer and storm water. These revenues are projected using trend analysis and knowledge of upcoming rate changes.

Water Charges – The water rates include both a base rate and a usage per thousand-gallon rate for water consumption. The residential base rate includes the first 3,000 gallons of usage and is used for system improvements and maintenance of existing infrastructure. The 2020 budget includes an increase in the base rate and a 3% increase in the usage rate.

Sewer Charges – The sewer rate for residential customers is billed at a flat rate. Commercial customers rates are calculated annually based on average usage from the months of December, January and February. The 2020 budget includes no increase in sewer rates for 2020.

Drainage Charges – Development decreases the ground surface that can absorb water, so the Town must accommodate this change by improving and increasing the drainage infrastructure to decrease the potential of flooding. The residential drainage rate is a flat rate that was calculated based on the average quantity of impermeable surface for each dwelling. Commercial properties are billed based on the impermeable surface directly related to their property. A rate increase is to be considered in spring 2020.

IMPACT FEES

Impact Fees are charged as a part of the building permit process and allow the Town to take into consideration the affect a new development will have on parks and open space, drainage and streets among others. Impact fees are forecast using the current year's activities. Impact fees in all funds were calculated based on an anticipated 125 new homes in the community in 2020.

OTHER REVENUES

The other revenue category includes revenue from investments, rents, insurance proceeds, reimbursement of expenses and other miscellaneous revenue sources. Trend analysis is used for forecasting these revenues.

GRANTS

Revenue from grant programs will be recorded here. The Town makes an effort to secure grant funding whenever possible. Grants that the Town has received in the past include law enforcement grants such

BUDGET OVERVIEW - REVENUES

as leaf and dui grants. Grant funds are budgeted based on knowledge of upcoming grant applications that have been submitted or awarded to the Town.

ROAD AND BRIDGE

Weld and Larimer Counties impose a separate countywide mill levy for construction and maintenance of roads and bridges. Funds are shared with local governments and are distributed based on the percent of assessed valuation to total countywide assessed valuation. Revenues are forecast using trend analysis.

HIGHWAY USER'S TAX

The Highway User's Tax Funds (HUTF) is a state collected, locally shared revenue. HUTF revenues are based on a variety of formulas that include revenues based on motor fuel taxes, driver's license, and motor vehicle registration fees. The HUTF is distributed monthly among the state, counties, and municipalities based on a formula that takes into account the number of vehicles registered and the miles of streets in each municipality relative to the same data in other municipalities. These funds may be spent on new construction, safety, reconstruction, improvement, repair and maintenance, and capacity improvements. These sources may not be used for administrative purposes. Highway User's Tax is forecast based on information provided by the state.

MOTOR VEHICLE REGISTRATION FEES

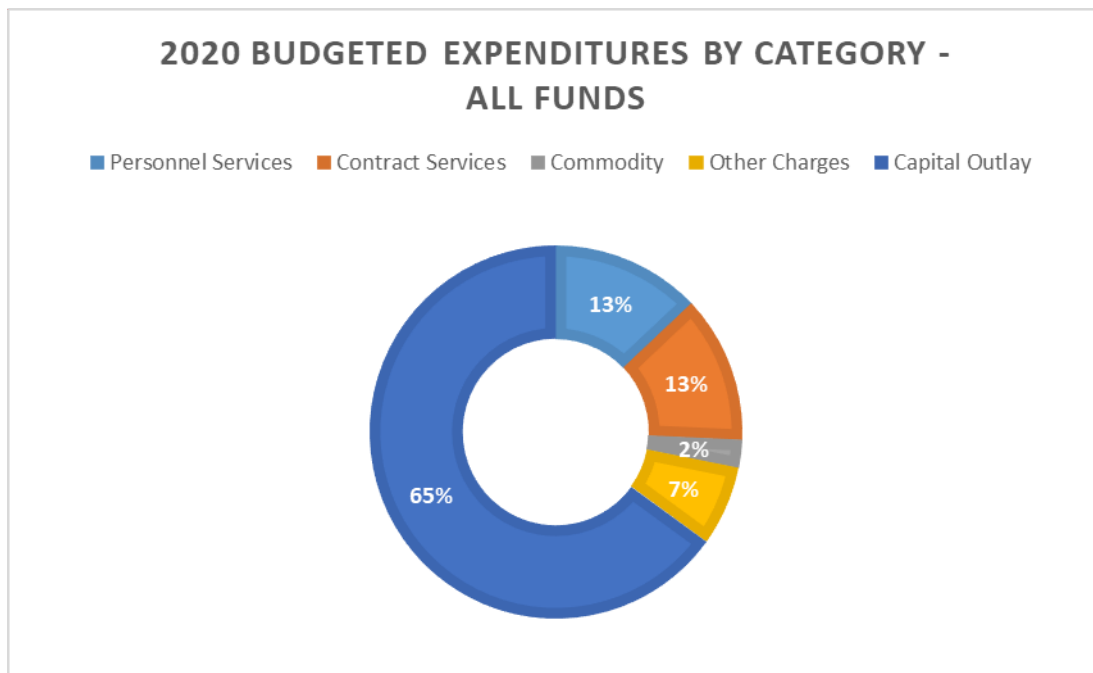
Motor Vehicle Registration Fees are state imposed on the registration of a vehicle. Fees are primarily based on the weight of the vehicle (as published by the manufacturer) and the age of the vehicle. In addition to the base fees, there are numerous add-on fees that are imposed. The revenue received by a county, or town is "actual" fees collected for the month based on the number and type of vehicles registered. Trend analysis is used to project future revenues.

BUDGET OVERVIEW - EXPENDITURES

EXPENDITURES/EXPENSE OVERVIEW

The Town of Johnstown categorizes the expenses in each fund by function. The categories of expenses include: Personnel Services, Contract Services, Commodity, Other Charges, Capital Outlay and Debt Service. Each category is detailed below.

The following chart consolidates and summarizes the Town's expenditures by category:



Note: The 2019 Budgeted Expenditures by Category chart includes transfers.

PERSONNEL SERVICES

This category includes all costs associated with Town personnel including salaries/wages, payroll taxes, unemployment taxes, health insurance, workers compensation insurance, and retirement contributions. Costs for this category are calculated by allocating each employees time and associated costs to the appropriate fund/funds. As a service-based entity, this is one of the largest expenses for the Town as a whole.

CONTRACT SERVICES

The contract services category includes all expenses that the Town incurs with businesses or individuals on a regular basis. Examples of such expenses include consulting services, engineering services, legal services, architectural services, infrastructure maintenance, concrete replacement, economic

BUDGET OVERVIEW - EXPENDITURES

development, crack sealing, street striping, billing services, utility bill printing, advertising, auditing, postage, copy machine maintenance, software maintenance, investment banking, etc.

COMMODITY

This category includes all items purchased in the normal course of business and includes items such as computers and software, fuel, general supplies, office supplies, small tools, small equipment, safety supplies, lab supplies, uniforms, meter supplies, vehicle supplies, ice slicer, mosquito control supplies, etc.

OTHER CHARGES

This category includes items that are one-time or miscellaneous expenses including, branding, commission grants, youth programming, general liability insurance, professional memberships, election expenses, community outreach, depreciation, plant investment fees, tax rebates, etc.

CAPITAL OUTLAY

Items expensed in this category must meet the requirements of a capital purchase. To qualify the item must have a purchase price that is \$5,000 or greater and must have a life expectancy of more than one year. Examples of costs in this category include large equipment such as fork lifts, commercial mowers, street sweepers, plow trucks, new parks, new buildings, building remodels, infrastructure expansions, new waterlines, playground equipment, new streets, new trails, bridges, street widening, etc.

DEBT SERVICE

Debt service items are costs associated with approved debt issuances for the Town. The debt can be the result of a bond issuance, lease purchase, or other contractual obligation. The Town currently allows the individual funds account for their individual debt and does not roll it all together in a debt service fund.

BUDGET OVERVIEW - DEBT

DEBT SERVICE AND FINANCIAL OBLIGATIONS

All of the Town of Johnstown's debt service and financial obligations will be appropriated each budget year.

LEGAL DEBT LIMIT

The Town of Johnstown is a Home Rule Municipality and as such, Section 13.6 of the Home Rule Charter states "Except as provided in this Charter, there shall be no limitation on the total amounts or other terms of securities the Town may issue or on the incurring of other debts or payment obligations by the Town." Comparatively, statutory municipalities are bound by the Colorado Revised Statutes which provide that general obligation indebtedness for all purposes shall not at any time exceed three percent (3%) of the actual value, as determined by the County Assessor, of the taxable property in the Town.

As of December 31, 2020, the Town has no general obligation debt outstanding.

LONG RANGE PLAN

LONG RANGE PLAN

The Town of Johnstown has completed a ten-year financial forecast in order to provide a long-term view of the General Fund's operating budget. The Town uses this multi-year financial forecasting as a planning and communication tool. The revenue and expenditure assumptions are updated annually to reflect current decisions made by the Town Council as well indicate current economic trends while anticipating future outcomes based on continuous monitoring of the economic climate in the area. The financial forecast model combines projections of future revenues and expenditures based on historical analysis and economic factors with planned improvements, expected changes, expirations of grants, and future changes in service delivery.

FORECAST ASSUMPTIONS

- Revenues
 - Property Tax Revenues have been projected using a conservative growth pattern for the next ten years. Revenues associated with Oil and Gas production have been estimated knowing normal trends for well production.
- Expenditures
 - The inflation factor used in the model for expenditures is 4.0% for all years.
 - Capital expenditures have been projected based on our current equipment schedules. Annual expenditure changes as the result of capital purchases, such as increases in insurance premiums after adding new vehicles to the fleet, have been factored in on an annual basis.
 - Staffing costs and staffing level increases have been projected based on the current level of growth in the community. One full-time police officer position has been added in each of the following years: 2021, 2023, 2025, 2026 and 2028. Additionally, one full-time planner was added in 2023, a full-time accountant was added in 2024 and a full-time deputy clerk was added in 2025.

ANALYSIS

The projections as presented, depicts stable revenues in the foreseeable future and expenditures increasing modestly each year. In 2020, existing fund balance will be utilized to balance the budget due to the large transfers of funds out the General Fund. While this is an acceptable approach from a statutory perspective, it is not ideal. Despite using fund balance to balance the budget in 2020, the Council's objective of maintaining a minimum of 150 days of operating costs in reserves is still being met. Large transfers have also been projected in 2021 and 2022 as there is a great deal of infrastructure work that needs to occur in other funds and internal loans may be the most cost-effective way of approaching these needs. This long-term projection helps to show the potential

LONG RANGE PLAN

resources that may be available and identify areas where additional resources are likely needed if the local residential growth trends remain the same as they have been in the recent past.

General Fund	2020 Projected	2021 Projected	2022 Projected	2023 Projected
Beginning Fund Balance*	35,143,373	28,059,713	25,265,052	22,758,581
<u>Revenues:</u>				
Taxes & Fees	12,631,080	12,453,202	12,652,060	12,854,783
Licenses & Permits	822,200	641,161	543,821	553,774
Fines & Forfeitures	171,000	166,000	168,000	162,000
Earnings on Investment	288,000	192,000	105,311	59,718
Miscellaneous Revenue	201,200	211,397	220,259	235,827
Grants & Contributions	36,000	19,333	22,759	26,597
<i>Transfers In</i>	0	0	0	0
Total Operating Revenues	14,149,480	13,683,093	13,712,210	13,892,698
<u>Operating Expenditures:</u>				
Town Manager	692,750	1,055,757	1,091,112	1,127,710
Town Clerk	328,850	239,277	247,914	256,873
Council	978,200	229,782	235,929	242,246
Finance	230,950	632,817	655,280	678,571
Planning	611,150	496,156	512,082	568,548
Building Inspections	236,200	267,772	277,121	286,811
Police	3,321,780	654,058	674,945	764,535
Public Works & Buildings	297,350	242,277	249,472	256,892
<i>Transfers Out</i>	14,097,660	11,516,660	11,977,326	2,456,419
Total Operating Expenditures	20,794,890	15,334,554	15,921,181	6,638,605
Net Operating Revenues (Loss)	(6,645,410)	(1,651,461)	(2,208,971)	7,254,094
<u>Capital Expenditures:</u>				
Administration	30,000	10,000	10,000	0
Finance	10,000	0	0	0
Courts Division	0	0	0	0
Legislative	0	0	0	0
Engineering	151,450	85,000	15,000	15,000
Planning	0	0	0	0
Police	200,300	1,048,200	272,500	246,000
Public Works & Buildings	46,500	0	0	0
Total Capital Expenditures	438,250	1,143,200	297,500	261,000
Net Change in Fund Balance	(7,083,660)	(2,794,661)	(2,506,471)	6,993,094
Ending Fund Balance	28,059,713	25,265,052	22,758,581	29,751,675

LONG RANGE PLAN

2024 Projected	2025 Projected	2026 Projected	2027 Projected	2028 Projected	2029 Projected
29,751,675	36,597,683	43,225,598	49,866,653	56,509,438	63,155,364
13,071,447	13,292,130	13,516,910	13,746,081	13,979,555	14,217,321
571,004	586,229	599,563	613,939	627,927	641,660
164,500	158,993	145,365	146,247	136,141	137,002
60,912	62,131	65,987	67,307	68,653	70,026
246,141	256,247	278,192	299,137	313,964	331,075
30,743	35,016	39,126	42,644	44,966	45,266
0	0	0	0	0	0
14,144,747	14,390,745	14,645,143	14,915,355	15,171,207	15,442,351
1,165,595	1,269,815	1,315,549	1,362,960	1,412,111	1,463,068
336,167	348,607	361,864	375,631	389,927	404,773
248,737	255,408	263,385	271,613	280,101	288,857
702,721	727,762	754,776	782,807	811,895	842,080
586,571	670,198	693,701	718,045	743,261	769,380
366,853	380,061	394,261	409,000	424,297	440,174
789,575	815,477	844,214	873,984	904,825	936,777
264,545	272,439	281,500	290,868	300,554	310,569
2,554,676	2,656,863	2,763,138	2,873,663	2,988,610	3,108,154
7,015,440	7,396,630	7,672,387	7,958,571	8,255,580	8,563,831
7,129,308	6,994,115	6,972,756	6,956,785	6,915,626	6,878,520
10,000	10,000	0	0	0	10,000
0	10,000	0	0	0	10,000
0	0	0	0	0	0
0	0	0	0	150,000	0
15,000	75,000	15,000	15,000	15,000	15,000
0	0	0	0	0	0
258,300	271,200	284,700	299,000	104,700	317,000
0	0	32,000	0	0	0
283,300	366,200	331,700	314,000	269,700	352,000
6,846,008	6,627,915	6,641,056	6,642,785	6,645,926	6,526,520
36,597,683	43,225,598	49,866,653	56,509,438	63,155,364	69,681,885

FUND SUMMARIES

GENERAL FUND

FUND SUMMARIES

General Fund

The General Fund accounts for all financial resources except those required by Federal, State or local regulation to be accounted for in another fund. The revenues and expenditures in this fund are accounted for using a modified accrual basis. Services that are included in the General Fund include, town administration, police protection, legal services, planning, engineering, human resources, and facility maintenance.

The 2020 Budget includes revenues of \$14,149,480, transfers out of \$14,097,660 and \$7,135,480 in expenditures. The most notable increase in revenues is the property tax revenues as a result of increasing oil and gas production in Larimer County. The transfers to other funds include a \$10,000,000 loan to the Sewer Fund for infrastructure expansion, \$1,022,660 for the Library support, \$600,00 for Recreation Center support, \$475,000 to meet contractual obligations in the Tax Allocation Fund, and \$2,000,000 to the Streets Fund for the I-25 project.



FUND SUMMARIES

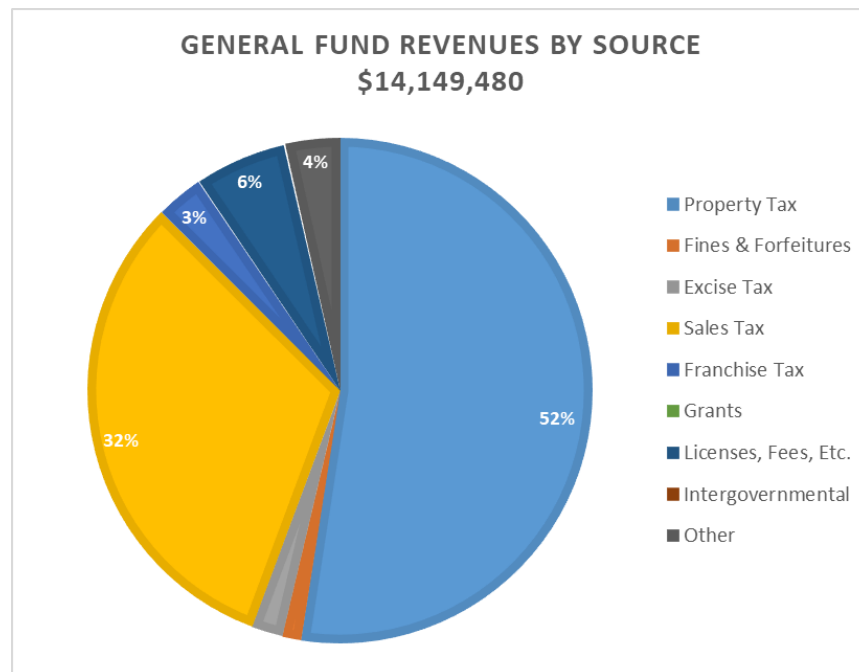
GENERAL FUND BUDGET

General Fund	2020 Adopted Budget
Beginning Fund Balance	35,143,373
<u>Revenues:</u>	
Taxes & Fees	12,631,080
Licenses & Permits	822,200
Fines & Forfeitures	171,000
Earnings on Investment	288,000
Miscellaneous Revenue	201,200
Grants & Contributions	36,000
<i>Transfers In</i>	<u>0</u>
Total Operating Revenues	<u>14,149,480</u>
<u>Expenditures:</u>	
Council	978,200
Town Manager	722,750
Town Clerk	338,850
Finance	230,950
Planning	762,600
Bldg Inspections	236,200
Police	3,522,080
Public Works & Buildings	<u>343,850</u>
Total Expenditures	7,135,480
<i>Transfers Out</i>	<u>14,097,660</u>
Total Expenditures & Transfers	<u>21,233,140</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures	<u>(7,083,660)</u>
Ending Fund Balance	<u>28,059,713</u>

FUND SUMMARIES

GENERAL FUND REVENUES

General Fund revenues are primarily made up of property taxes, excise taxes, licenses, fees, fines, grants, franchise taxes, donations, interest and other intergovernmental funds. Property taxes and sales taxes make-up 84 percent of the total revenues projected for 2020. The chart below shows the proportion of each major revenue source to the total General Fund Revenues.



The General Fund Revenue Sources table below lists the major revenue sources, as well as the amounts that are projected for 2020.

General Fund Revenue Sources		
Source	Amount	% of Total
Property Tax	7,421,105	52.4%
Fines & Forfeitures	171,000	1.2%
Excise Tax	284,835	2.0%
Sales Tax	4,500,000	31.8%
Franchise Tax	425,140	3.0%
Grants	15,000	0.1%
Licenses, Fees, Etc.	822,200	5.8%
Intergovernmental	21,000	0.1%
Other	489,200	3.5%

FUND SUMMARIES

GENERAL FUND EXPENDITURES

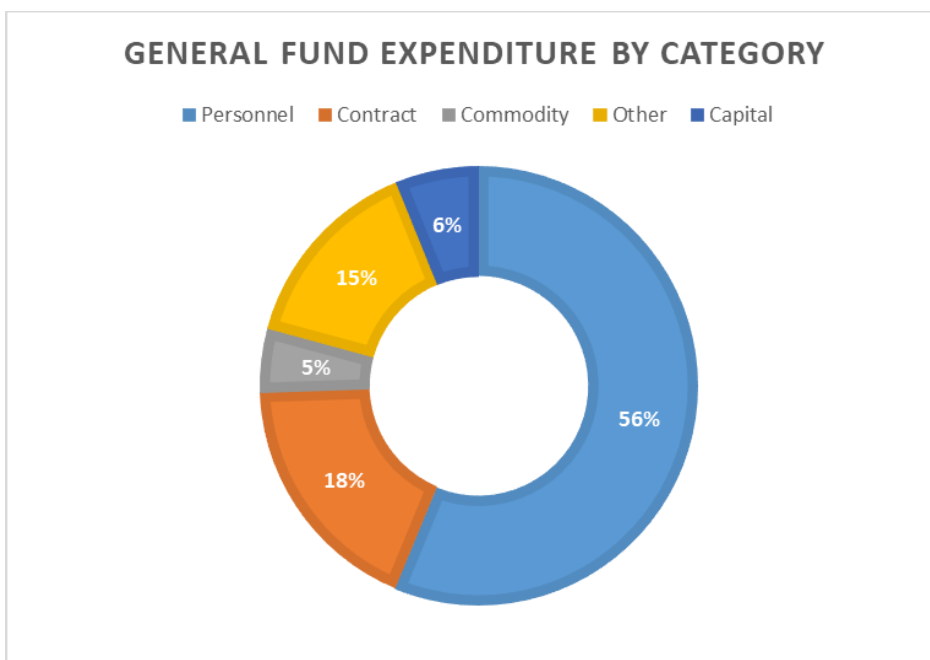
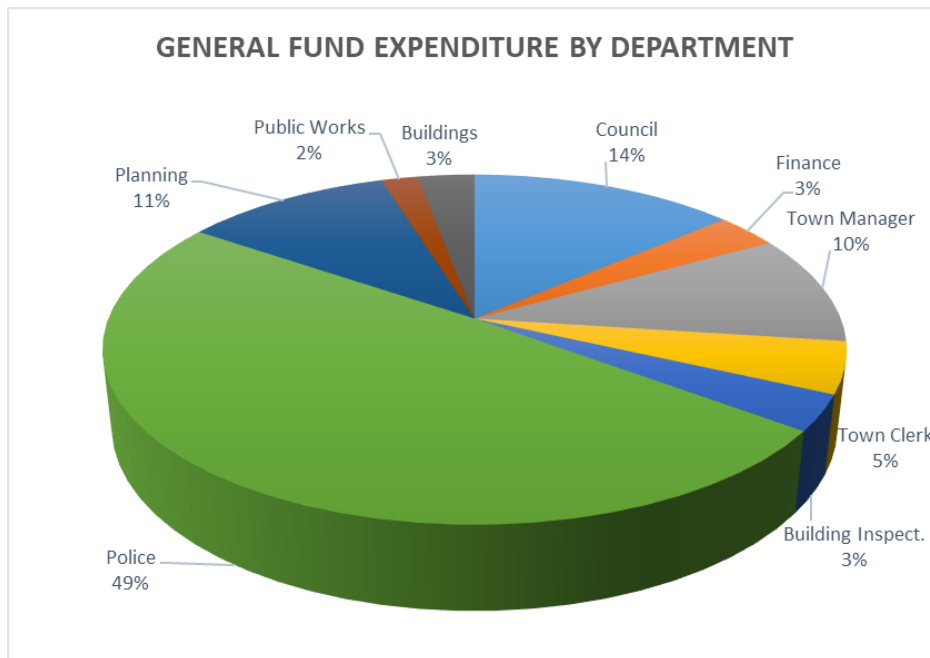
Expenditures in the General Fund are separated by department and/or division and then by category. The departments/divisions that exist in the General Fund are the Town Council, Town Manager, Town Clerk, Finance, Building Inspection, Police, Planning, Public Works and Buildings. The expense categories that are used include Personnel Services, Contract Services, Commodity, Other Charges, Capital Outlay and Debt Service. Capital outlay for the 2020 Budget includes an expense of \$30,000 for vehicle replacement, \$10,000 for copier replacement, \$151,450 for software development and implementation, \$120,000 for patrol vehicle replacements, \$46,600 for new police equipment, \$18,300 in facility costs, \$15,400 for cameras, \$27,000 for the HVAC system at the Senior Center, \$7,500 for an electronic gate and \$12,000 for parking lot patching and sealing.

GENERAL FUND EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Impact Outlay	Debt Service	Total
Council	25,800	168,000	30,000	754,400	978,200	---	---	---	978,200
Town Manager	348,650	162,300	23,000	158,800	692,750	30,000	---	---	722,750
Town Clerk	225,800	81,300	12,800	8,950	328,850	10,000	---	---	338,850
Finance	170,200	45,800	9,250	5,700	230,950	---	---	---	230,950
Planning	290,750	306,000	11,300	3,100	611,150	151,450	---	---	762,600
Bldg Inspections	72,950	159,600	2,750	900	236,200	---	---	---	236,200
Police	2,801,450	216,700	216,530	87,100	3,321,780	68,700	131,600	---	3,522,080
Public Works	77,200	24,650	17,000	7,300	126,150	7,500	---	---	133,650
Buildings	0	136,200	16,500	18,500	171,200	39,000	---	---	210,200
Totals	\$4,012,800	\$1,300,550	\$339,130	\$1,044,750	\$6,697,230	\$306,650	\$131,600	\$0	\$7,135,480

FUND SUMMARIES

The services that are provided by the General Fund are very labor intensive, especially with regard to police services and the expenditures reflect this with personnel costs making up 64% of the costs. The charts below detail the expenditures for the General Fund by department and by category.



FUND SUMMARIES

GENERAL FUND DEPARTMENT SUMMARIES

FUND SUMMARIES

TOWN MANAGER



Overview and Description

The Town Manager's Department consists of the Town Manager and the Executive Assistant. Together in the Town Manager's Office they are responsible for managing and coordinating the day to day operations of the Town and for the enforcement of all policies, laws, and ordinances. The Town Manager Department implements the Town Council's goals and objectives, and is responsible for the coordination of all municipal programs and services. In addition, the Town Manager makes recommendations to the Mayor and Council as appropriate during Council meetings concerning current and future needs of the Town, without the right to vote.

The 2020 Adopted Budget includes funding for two, new full-time positions, a Community Relations Manager and an Economic Development Specialist. In addition to those positions, funding was provided for branding activities, IT analysis, and a replacement vehicle.

TOWN MANAGER STAFFING – 2.95 FTE'S

Title	Allocation
Town Manager	.35
Executive Secretary	.60
Community Relations Manager	1.0
Economic Development Specialist	1.0

FUND SUMMARIES

TOWN MANAGER BUDGET

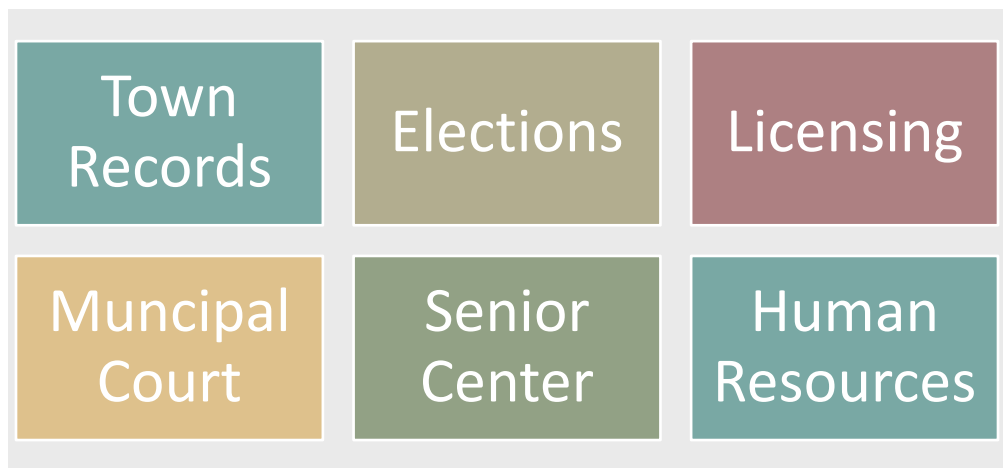
	2020 Budget
Town Manager	
Personnel Services	348,650
Contract Services	162,300
Commodity	23,000
Other Charges	158,800
Total Operating	692,750
Capital Outlay	30,000
Total Expenditures	722,750

TOWN MANAGER GOALS & ACCOMPLISHMENTS

<u>2019 Accomplishments</u>	<u>2020 Goals</u>
Secure \$1 million grant for WCR 50/LCR 14 and developed partnerships with Weld and Larimer County for cooperation on this project	Update the Town's Water and Sewer Ordinance and Fee Schedule
Creation of the Town's 10 Year Capital Improvement Plan	Begin construction of the Town's South Water Tower and Water distribution expansion
Identification of preliminary engineering for sewer capacity expansion	Evaluate change in funding for streets assessment to sales tax
Hiring 3 new department heads to help lead the organization	Begin Strategic Plan for Organizational Success
Negotiation and execution of a standard Oil and Gas Operation Agreement	Begin construction of the Town's Sanitary Sewer Expansion project in the basins north and south of Hwy 60

FUND SUMMARIES

TOWN CLERK



Overview and Description

The Johnstown Town Clerk is the custodian of records for the Town, including custody, access, archiving of public records and records retention. The Clerk's office is responsible for completing all open records requests in a timely manner and managing the process in which said requests are completed. The Town Clerk administers all municipal regular and coordinated elections as well as handles all licensing for the Town. The Town Clerk is also responsible for assembling the packets for Town Council meetings and documenting all meetings of the Council. Publication and recording are two other tasks managed by the Town Clerk.

The Town Clerk is also responsible for Human Resources functions including the day to day management and overall direction of the Town's human resource programs and activities. This includes payroll, benefit management, performance evaluation, worker's compensation, safety and risk management, personnel policies and procedures, recruiting, training, staffing and general liability insurance for the Town.

The clerk's office is also responsible for supervising the Municipal Court Clerk, Building Permit Technician and Senior Coordinator.

Notable items that were included in the 2020 Adopted Budget include new agenda management software, and a replacement copier.

FUND SUMMARIES

TOWN CLERK STAFFING – 2.40 FTE'S

Title	Allocation
Town Clerk	.70
Municipal Court Clerk	.70
Receptionist	.25
Receptionist	.25
Senior Coordinator	.50

TOWN CLERK BUDGET

	2020 Budget
Town Clerk	
Personnel Services	225,800
Contract Services	81,300
Commodity	12,800
Other Charges	8,950
Total Operating	328,850
Capital Outlay	10,000
Total Expenditures	338,850

TOWN CLERK GOALS & ACCOMPLISHMENTS

<u>2019 Accomplishments</u>	<u>2020 Goals</u>
Using Adobe Acrobat to build Council Packets	Develop and implement agenda management software
Codification of Ordinances 2015 – 1029	2020 Election
Development and implementation of Court software	Develop and install business licensing software
Evaluate health care options	Perform a bi-annual Municipal Code update
Continue to stabilize costs for employee benefits	Increase the score on the CIRSA audit in an effort to reduce costs to the Town
	Establish a process to collect unpaid fines

FUND SUMMARIES

TOWN COUNCIL



Overview and Description

The Johnstown Town Council is elected by the citizens of Johnstown and serves at the pleasure and with honor as the elected body representing the Citizen's and the Town's best interests. The Council is comprised of a Mayor and six (6) Trustees who are elected from the Town at large. Terms are four (4) years for each position and are staggered to ensure continuity and transfer of knowledge from previous Councils to standing Councils. The Town Council is responsible for setting the direction of the Town and adoption of the laws and policies of the Town.

Notable items in the 2020 Adopted Budget include a website update, education costs, AED's for Town facilities, a contribution for BBQ Day, funds for the downtown façade program, and a loan to Johnstown Housing Authority.

TOWN COUNCIL STAFFING – 0 FTE'S

Title	Allocation
Mayor	0
Mayor Pro Tem	0
Councilmember	0
Councilmember	0
Councilmember	0
Councilmember	0
Councilmember	0

FUND SUMMARIES

TOWN COUNCIL BUDGET

Town Council	2020 Budget
Personnel Services	25,800
Contract Services	168,000
Commodity	30,000
Other Charges	754,400
Total Operating	978,200
Capital Outlay	-
Total Expenditures	978,200

TOWN COUNCIL GOALS & ACCOMPLISHMENTS

<u>2019 Accomplishments</u>	<u>2020 Goals</u>
Identify needs and begin investigation of infrastructure expansion	Identify needs and if necessary, pursue ballot measures that meet community needs
Regional coordination and support of improvements to I-25	Conduct a Council retreat to identify goals and objectives for future years
Adopt updates to the Municipal Code	Continue to make water resources a priority
Intergovernmental agreements and grant funding for WCR50/LCR14 improvements	Identify growth areas and proactively address infrastructure concerns
Adoption of 10 Year Capital Plan	

FUND SUMMARIES

FINANCE



Overview and Description

The Finance Department provides financial support services throughout the Town including accounting, financial management and reporting, fiscal planning, treasury services, cash receipting, utility billing, purchasing, accounts payable, accounts receivable, debt management, development and monitoring of the annual operating budget, establishing and monitoring internal controls, operation of the call center for customer inquiries, preparing the Financial Reports, facilitating external audits and independent reviews and grant management.

The 2020 Adopted Budget includes one full-time Staff Accountant for the Finance Department.

FINANCE STAFFING – 1.50 FTE'S

Title	Allocation
Finance Director	.40
Accounting Clerk	.10
Accountant	1.0

FUND SUMMARIES

FINANCE BUDGET

Finance Budget	2020 Budget
Personnel Services	170,200
Contract Services	45,800
Commodity	9,250
Other Charges	5,700
Total Operating	230,950
Capital Outlay	-
Total Expenditures	230,950

FINANCE GOALS & ACCOMPLISHMENTS

<u>2019 Accomplishments</u>	<u>2020 Goals</u>
Design and implement an Accounts Receivable module	Develop, map, and implement new financial software for new fund structure and chart of accounts
Review and update Chapter 4, Revenue and Finances of the Municipal Code	Begin to build a framework for the future Comprehensive Annual Financial Report, including following up on Key Performance Indicators and statistical data.
Design and implement Comprehensive Financial Management Policies	Hire and train a new accountant
Design a new fund structure and new chart of accounts that increases transparency and ease of use	Put together an updated fee schedule
Review and improve cash receipting policies and procedures	Revise utility billing process, including a review Chapter 13, Utilities, of the Municipal Code for needed updates and clarification

FUND SUMMARIES

BUILDING INSPECTIONS



Overview and Description

The Building Inspection department ensures that construction in the Town is in compliance with the Town adopted building codes and manages tasks that include; conducting plan reviews, issuing building permits, conducting building inspections both during and after construction, issuing Certificates of Occupancy, and building code enforcement.

The Adopted 2020 Budget provides for contractual building inspection services and one-full time existing administrative employee.

BUILDING INSPECTION STAFFING – 1.0 FTE

Title	Allocation
Town Clerk (Supervisor)	0
Building Permit Technician	1.0

FUND SUMMARIES

BUILDING INSPECTION BUDGET

	2020 Budget
Building Inspections	
Personnel Services	72,950
Contract Services	159,600
Commodity	2,750
Other Charges	900
Total Operating	236,200
Capital Outlay	-
Total Expenditures	236,200

BUILDING INSPECTION GOALS & ACCOMPLISHMENTS

<u>2019 Accomplishments</u>	<u>2020 Goals</u>
Monitor building code updates and submit to the Council for adoption	Work closely with planning to design and implement new building permit module in new planning software
Implement new processes for building permit issuance	Monitor building codes for needed updates
Train a back-up permit technician	Promote building safety and education
	Begin digitalizing building permit files
	Continue to coordinate with planning for development review

FUND SUMMARIES

PLANNING



Overview and Description

Planning & Development provides guidance to the Johnstown Town Council, staff, businesses, citizens, and those interested in developing land on all matters of growth and development. The department meets with prospective and active developers to facilitate the review process and ensure compliance with Town plans, codes, and standards. The department coordinates the Planning & Zoning Commission and Board of Adjustment, by providing professional review and analysis, and administrative support for all land use cases. Staff performs daily services to respond to and research a wide variety of land use and community planning questions, inquiries, and requests for information from residents, developers, brokers, financial institutions, and similar. Planning & Development works closely with other Town departments, neighboring jurisdictions, and external agencies to further the long-term vision and mission of the Town.

The Planning Department 2020 Budget includes the addition of one full-time Planner I position, a Comprehensive Plan, GIS development continuation, and the design and implementation of software.

PLANNING STAFFING – 2.90 FTE'S

Title	Allocation
Planning Director	.9
Planner II	1.0
Planner I	1.0

FUND SUMMARIES

PLANNING BUDGET

Planning Budget	2020 Budget
Personnel Services	290,750
Contract Services	306,000
Commodity	11,300
Other Charges	3,100
Total Operating	611,150
Capital Outlay	151,450
Total Expenditures	762,600

PLANNING GOALS & ACCOMPLISHMENTS

<u>2019 Accomplishments</u>	<u>2020 Goals</u>
Initiated GIS Program development, staff training & SOPs	Final draft of updated Comprehensive Plan
Instituted on-call protocol for rapid response to customer inquiries	Expand GIS to include approved/as built recent projects
Updated review process and checklists for greater effectiveness and efficiency	Develop protocol to begin to connect GIS System to a Records Management system
Comprehensive Code Review to identify & prioritize future updates	Develop and implement new software for building permits, mapping, and planning
Developed goals for a new records management system with Clerk's office	Evaluate and streamline development related processes

FUND SUMMARIES

POLICE



Overview and Description

The Johnstown Police Department (JPD) is responsible for general public safety, prevention of crime, responding to and investigating crime, apprehension of those who commit crime, public order, traffic safety, criminal justice records, and safety education. The department is service oriented and serves the community by building partnerships to address crime and crime-related problems, which is commonly referred to as a community-oriented policing philosophy. JPD has two divisions, the Police Operations Division which oversees patrol services, oversight of investigations, and delivery of special operations support. The second component of JPD is the Police Administration Division. The administrative division provides executive leadership and management, maintains professional integrity through financial management of department resources, policy review and implementation services, planning, research and technical support to the department as a whole.

Important features of the 2020 Budget for the Police Department include the addition of 2 full-time police officers, bringing our sworn officer count to 24, 2 new police vehicles, 1 replacement police vehicle, 2 vehicle computers and new cameras. The Police budget also includes funding for the substation up at the intersection of I-25 and Hwy 34, and community events such as National Night Out, and Trick or Treat Street.

FUND SUMMARIES

POLICE STAFFING – 27.0 FTE'S

Title	Allocation
Police Chief	1.0
Commander	1.0
Lieutenant	1.0
Sergeant (4)	4.0
Officers (17)	17.0
Secretary	1.0
Records Clerk	1.0
Admin Part-time (2)	1.0

POLICE BUDGET

	2020 Budget
Police Budget	
Personnel Services	2,801,450
Contract Services	216,700
Commodity	216,530
Other Charges	87,100
Total Operating	3,321,780
Capital Outlay	200,300
Total Expenditures	3,522,080

POLICE GOALS & ACCOMPLISHMENTS

<u>2019 Accomplishments</u>	<u>2020 Goals</u>
Accomplished 2019 recruiting goals	Implement a K9 unit
Developed new scheduling system	Establish a traffic enforcement unit
Successful reorganization of evidence room	Develop body camera policy and program
Exceeded POST required training hours for all officers	Increase the use of technology to assist in criminal investigations and track expenditures
Evaluation of budget expenditures to streamline systems resulting in overall savings	Expand community outreach and education programs.

FUND SUMMARIES

PUBLIC WORKS



Overview and Description

The Public Works Department is committed to providing the highest level of service while maintaining a safe and reliable infrastructure for all members of the community. We strive to always seek innovative ways to improve, maintain and enhance public facilities in a cost-effective manner. The department supports the Town's strategic plans, and considers itself a developing partner in the growth and prosperity of the community.

The Adopted 2020 Budget provides for general operations and new electronic gate for the North side of the Public Works facility.

PUBLIC WORKS STAFFING – .55 FTE

Title	Allocation
Public Works Director	.30
Maintenance Supervisor	.25

FUND SUMMARIES

PUBLIC WORKS BUDGET

Public Works Budget	2020 Budget
Personnel Services	77,200
Contract Services	24,650
Commodity	17,000
Other Charges	7,300
Total Operating	126,150
Capital Outlay	7,500
Total Expenditures	133,650

PUBLIC WORKS GOALS & ACCOMPLISHMENTS

<u>2019 Accomplishments</u>	<u>2020 Goals</u>
Increase staffing and training to improve customer service	Improve planning and organization of tasks involving multiple funds to increase efficiencies
Eliminate surplus equipment	Reorganize department to improve supervision and address training needs
Installation and repair of inlet pipe at lake	Secure needed equipment and tools to perform necessary work
Improve communication and organization skills within department	Manage and improve safety programs
Road condition survey	

FUND SUMMARIES

BUILDINGS



Overview and Description

The Buildings Department is designed to manage the administrative, maintenance and utility costs for all of the Town facilities. This includes services such as HVAC maintenance and repairs, irrigation maintenance and repairs, custodial services, utilities, elevator maintenance and repair, fire system inspections, grounds maintenance, furniture for community center, flags, parking lot maintenance and sealing, and other miscellaneous building needs.

BUILDINGS BUDGET

Buildings	2020 Budget
Personnel Services	-
Contract Services	136,200
Commodity	16,500
Other Charges	18,500
Total Operating	171,200
Capital Outlay	39,000
Debt Service	-
Total Expenditures	210,200

FUND SUMMARIES

BUILDINGS GOALS & ACCOMPLISHMENTS

<u>2019 Accomplishments</u>	<u>2020 Goals</u>
Increase staffing and training to improve customer service	Improve regular road maintenance, including doing patching in-house
Eliminate surplus equipment	Utilize road master plan for road improvements
Installation and repair of inlet pipe at lake	Secure needed equipment and tools to perform necessary work
Improve communication and organization skills within department	Reorganize department to improve supervision and address training needs
Road condition survey	

SPECIAL REVENUE
FUNDS

STREET AND ALLEY FUND

FUND SUMMARIES

Street and Alley Fund

The Street and Alley Fund is responsible for the maintenance and preservation of over 85 centerline miles of paved roadways, Manual on Uniform Traffic Control Devices (MUTCD) compliance of regulatory and street signs, snow plowing, street sweeping, pest control, and gravel road maintenance. The Street and Alley Fund is a newly formed fund and 2020 will be its first budget year. Formerly, street functions were layered across multiple funds.

The Street and Alley Fund receives the majority of its funding from the collection of taxes and fees by Weld and Larimer Counties and the State of Colorado including the Highway User Tax Funds and the locally collected street maintenance fee. Taxes and fees that are collected by the Counties are forwarded to the Town on a monthly basis. Also included in the Street and Alley Fund are revenues and expenditures associated with residential trash collection services and road impact fees. Impact fees are collected at the time builders apply for a building permit for a new residence or business. These fees are used for the widening of arterial streets, improving intersections, installing traffic signal controls, or other improvement to Johnstown's transportation system driven by the increased demand of customers and areas served by Johnstown.

The Town is excited to have received a \$1,000,000 grant from DOLA for improvements to WCR 50/LCR 14. With cooperation and assistance from both Weld and Larimer Counties, substantial improvements will be made.



FUND SUMMARIES

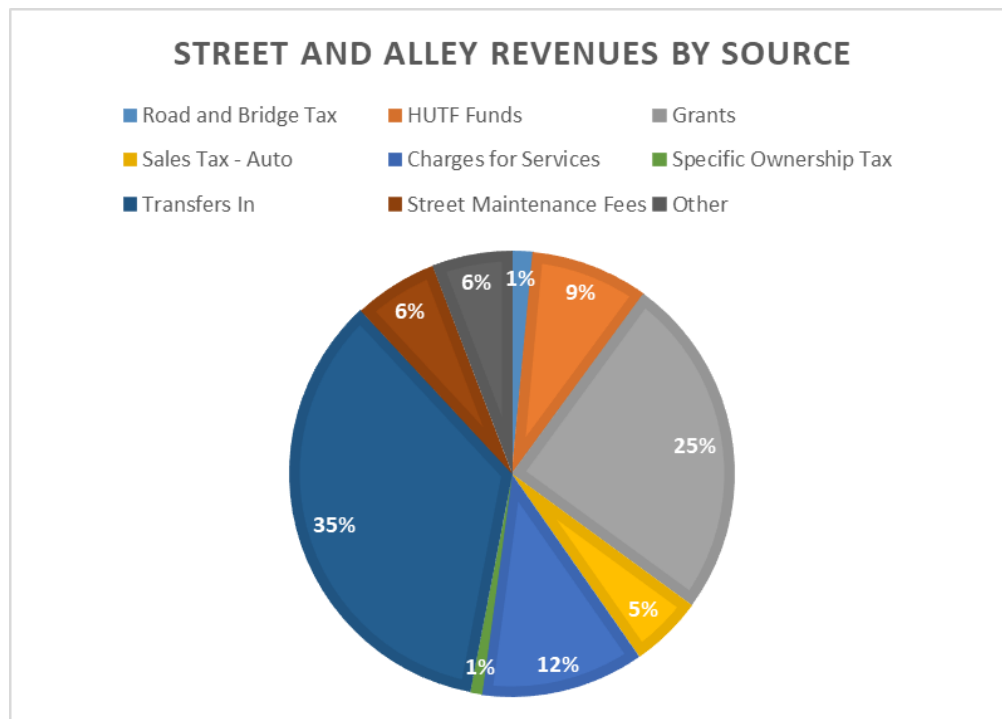
STREET AND ALLEY FUND BUDGET

	2020 Adopted Budget
Street and Alley Fund	
Beginning Fund Balance	8,463,136
<u>Revenues:</u>	
Taxes & Fees	1,191,000
Charges for Services	676,000
Intergovernmental	85,000
Earnings on Investment	27,000
Miscellaneous Revenue	300,000
Grants & Contributions	1,426,650
<i>Transfers In</i>	<u>2,000,000</u>
 Total Operating Revenues	 <u>5,705,650</u>
<u>Expenditures:</u>	
Operations	2,284,050
Capital	8,684,500
Debt Service	0
Transfers Out	<u>0</u>
Total Expenditures	10,968,550
 Total Expenditures & Transfers	 <u>10,968,550</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures	<u>(5,262,900)</u>
 Prior Period Adjustment	
Ending Fund Balance	<u>3,200,236</u>

FUND SUMMARIES

STREET AND ALLEY FUND REVENUES

Street and Alley Fund revenues are projected at \$5,705,650 in 2020 and are primarily made up of motor vehicle related taxes, impact fees, grants and transfers in. The transfer in from the General Fund for \$2,000,000 is to help offset the cost of improvements to I-25. The chart below shows the proportion of each major revenue source to the total Street and Alley Fund Revenues.



The Street and Alley Fund Revenue Sources table below lists the major revenue sources, as well as the amounts that are projected for 2020.

Street and Alley Fund Revenue Sources		
Source	Amount	% of Total
Road and Bridge Tax	85,000	1%
HUTF Funds	488,000	9%
Grants	1,426,650	25%
Sales Tax - Auto	300,000	5%
Charges for Services	676,000	12%
Specific Ownership Tax	50,000	1%
Transfers In	2,000,000	35%
Street Maintenance Fees	348,000	6%
Other	332,000	6%

FUND SUMMARIES

STREET AND ALLEY FUND EXPENDITURES

The Street and Alley Fund contains operating expenses of \$2,284,050, no debt expense, and capital outlay of \$8,684,500 with all of that being non-recurring. Public works is the only department that currently operates in the Street and Alley Fund. The 2020 Budget does include for the addition of the equivalent of .75 full-time employees.

STREET AND ALLEY FUND EXPENSE SUMMARY

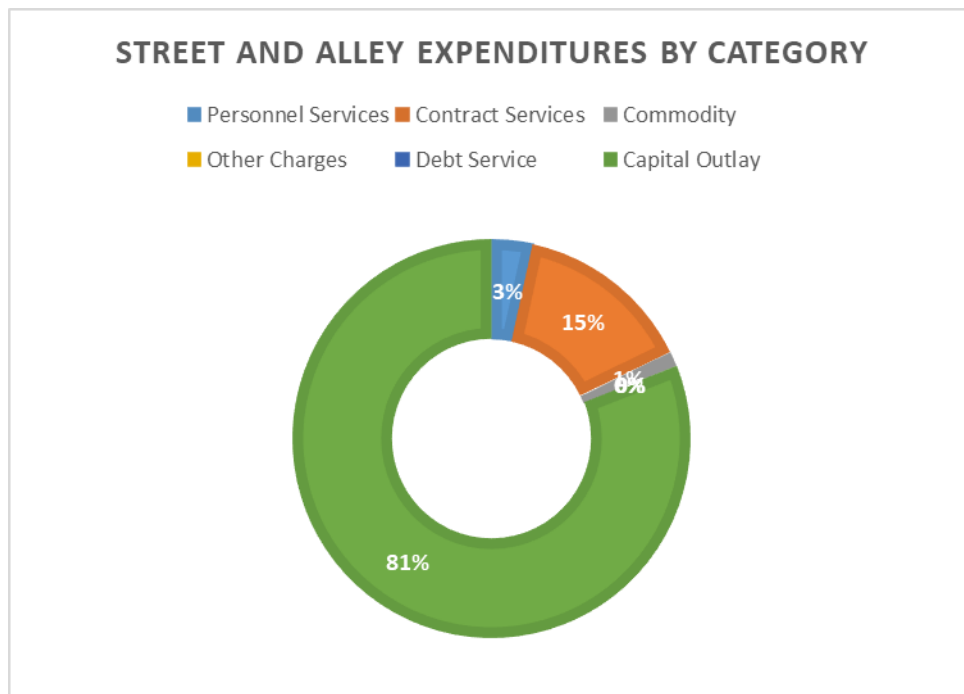
	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Impact Outlay	Debt Service	Total
Streets Fund	372,900	1,581,450	130,500	5,200	2,090,050	24,500	8,854,000	---	10,968,550
Totals	\$372,900	\$1,581,450	\$130,500	\$5,200	2,090,050	\$24,500	\$8,854,000	\$0	\$10,968,550

PROJECTS FUNDED IN 2020 BUDGET

- Improvements to I-25
- Improvements to WCR 50/LCR 14
- Improvements to Estes between N. 1st and N. 2nd
- New street sweeper
- New backhoe
- New dump trailer
- New box sander
- New paint striper

FUND SUMMARIES

The chart below details the expenditures for the Street and Alley Fund by category. Clearly in 2020 the biggest expenditure will be capital outlay which includes the costs for improvements to I-25 and to WCR 50/LCR 14.



STREET AND ALLEY FUND FULL TIME EMPLOYEES

Department	No. of Full Time Employees
Administration	.30
Operations	4.50
Total	4.80

FUND SUMMARIES

STREET AND ALLEY FUND GOALS AND ACCOMPLISHMENTS

<u>2019 Accomplishments</u>	<u>2020 Goals</u>
Increase installation of High Intensity Prismatic signs	Complete the improvements to WCR 50/LCR 14
Increase visibility of lane markers – restriping of 37.88 miles of road	Improve drainage area on Estes between N 1 st and N 2 nd streets
Reconstruction of Hawthorne Ct.	Increase sign maintenance for safety and visibility
Improve crosswalk visibility	Develop and implement a street sweeping schedule
Overlay project on 4 th St and Jay Ave.	Continue to develop street maintenance program



CONSERVATION
TRUST
FUND

FUND SUMMARIES

Conservation Trust Fund

The Conservation Trust Fund was established so that the Town is eligible to receive funds from State lottery proceeds. These revenues are distributed quarterly, on a per capita basis by the Department of Local Affairs. These funds are restricted in their use and can only be used for the acquisition, development, improvement and maintenance of new conservation sites, or for recreational purposes on a publicly owned site such as a park. The Conservation Trust Fund is not newly created, but it has been restructured beginning with the 2020 Budget. Prior to 2020 these funds have been used for general park maintenance and capital. Beginning in 2020, these funds will be used primarily for capital expenditures like new playground equipment, ADA compliant playground surfaces, replacement equipment, new park development, additional trees, landscaping improvements, etc.



FUND SUMMARIES

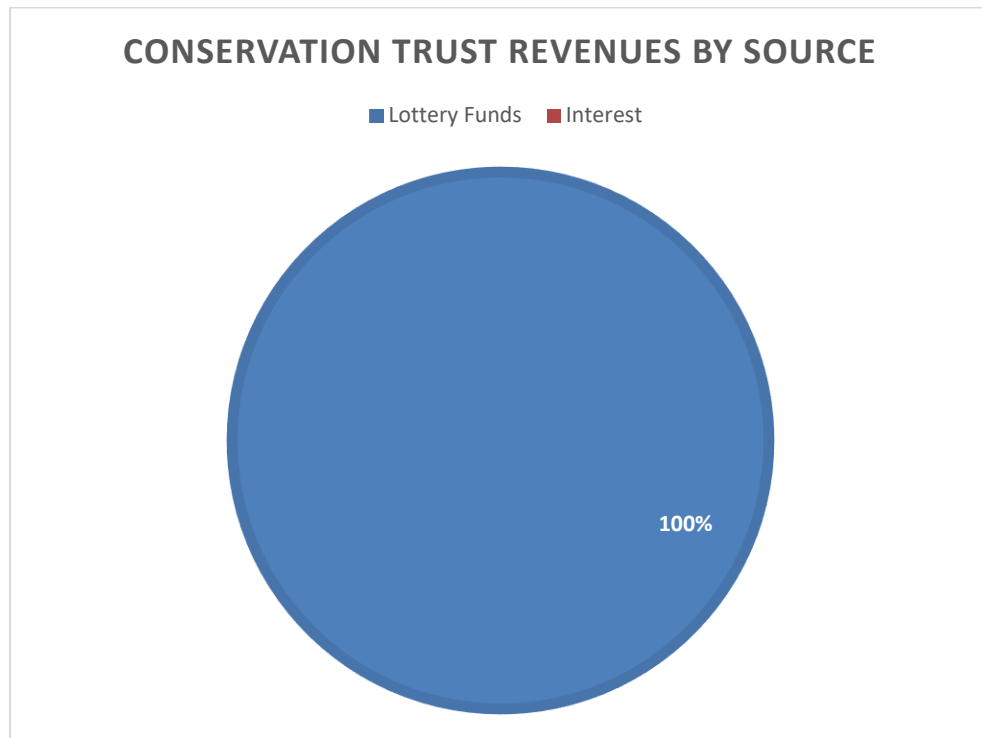
CONSERVATION TRUST FUND BUDGET

	2020 Adopted Budget
Conservation Trust Fund	
Beginning Fund Balance	0
<u>Revenues:</u>	
Intergovernmental	84,800
Miscellaneous Revenue	100
Grants & Contributions	0
<i>Transfers In</i>	<u>0</u>
Total Operating Revenues	<u>84,900</u>
<u>Expenditures:</u>	
Operations	0
Capital	75,000
Transfers Out	<u>0</u>
Total Expenditures	<u>75,000</u>
Total Expenditures & Transfers	<u>75,000</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures	<u>9,900</u>
Prior Period Adjustment	
Ending Fund Balance	<u><u>9,900</u></u>

FUND SUMMARIES

CONSERVATION TRUST FUND REVENUES

Conservation Trust Fund revenues come from State lottery proceeds and the interest that is earned on those funds as is illustrated below.



The Conservation Trust Revenue Sources table below lists the revenue sources, as well as the amounts that are projected for 2020.

Conservation Trust Fund		
Source	Amount	% of Total
Intergovernmental	84,800	99.88%
Interest	100	0.12%

FUND SUMMARIES

CONSERVATION TRUST FUND EXPENDITURES

The Conservation Trust Fund does not have any normal operating costs as this fund is primarily used for capital improvements. The capital outlay in this fund is \$75,000 which is nonrecurring and will be used to install ADA compliant playground surfaces in one park.

CONSERVATION TRUST FUND EXPENSE SUMMARY

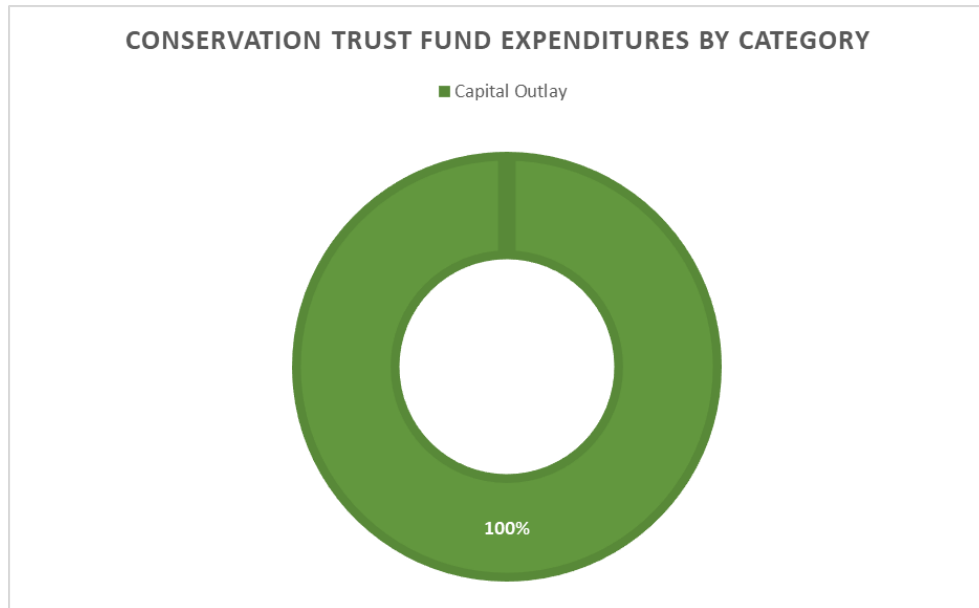
	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Conservation Trust	0	0	0	0	0	75,000	---	75,000
Totals	\$0	\$0	\$0	\$0	0	\$75,000	\$0	\$75,000

PROJECTS FUNDED IN 2020 BUDGET

- Pour in Place - Installation of ADA compliant surface in the playground in Parish Park

FUND SUMMARIES

The chart below details the expenditures for the Conservation Trust Fund by category. The only category of expenditure will be capital outlay which includes the costs for playground improvements.



CONSERVATION TRUST FULL TIME EMPLOYEEES

Department	No. of Full Time Employees
Administration & Operations	0
Total	0

FUND SUMMARIES

CONSERVATION TRUST FUND ACCOMPLISHMENTS AND GOALS

<u>2019 Accomplishments</u>	<u>2020 Goals</u>
Tree trimming in and around parks	Installation of new Pour in Place playground surface – Parish Park
New and replacement trees were planted	
New lawn mower was purchased for parks	
General parks maintenance	



PARKS AND
OPEN SPACE
FUND

FUND SUMMARIES

Parks and Open Space Fund

The Parks and Open Space Fund was created for the purchase, development, and maintenance of parks, the cemetery and open space throughout the Town. Currently the Town maintains over 45 acres of parks, 3.7 miles of trails, and 31 acres of Open Space. The facilities/parks that the Town maintains are shown in the chart below.

Facility Name	Location	Amenities
Clearview Park	257 Hawthorne	Playground, Picnic Shelter, Benches
Eddie Aragon Park	Castle Pines Ave.	Playground, Picnic Shelter, Benches, Basketball Court, Skate Park, Hockey Rink, Soccer Field
Hays Park	Country Acres Subdivision	Playground, Tot Lot equipment, Basketball Court, Volleyball Court, Picnic Shelters (2)
Lake Park	Rocksbury Lane	Playgrounds (2), Picnic Shelters (5), Walking Path, Fishing
Parish Park	Charlotte & Raymond	Playground, Picnic Shelters (2), Volleyball Court
Pioneer Ridge Park	Stroh Farm Subdivision	Playground, Picnic Shelters (2)
Rolling Hill Ranch Park	Rolling Hills Ranch Subdivision	Playground, Picnic Shelters (2), Picnic Tables, Restrooms
Sunrise Park	N. 6 th Street	Playground, Picnic Shelters (3), Walking Path



FUND SUMMARIES

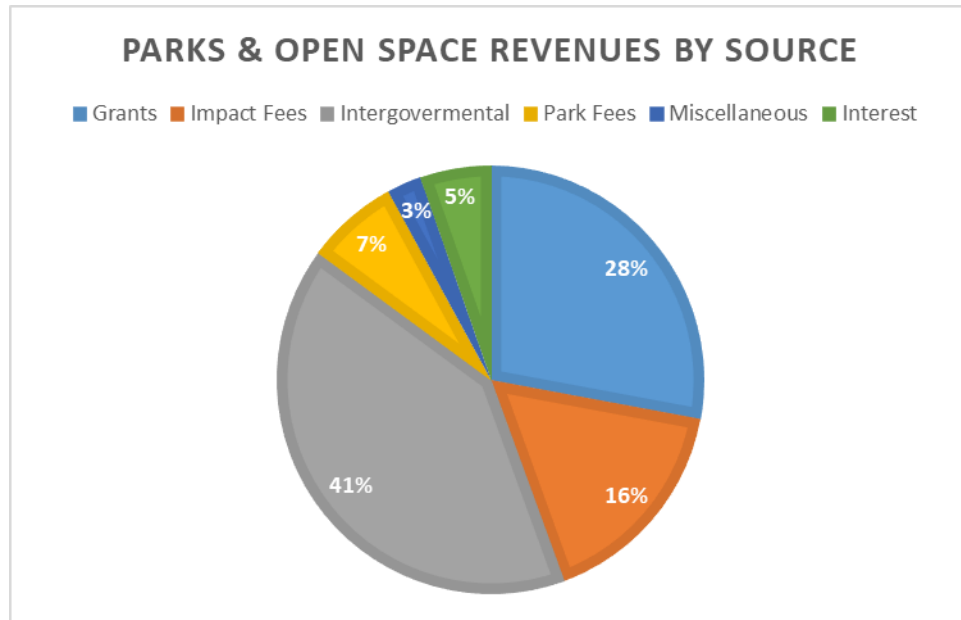
PARKS AND OPEN SPACE FUND BUDGET

Parks and Open Space Fund	2020 Adopted Budget
Beginning Fund Balance	5,544,616
<u>Revenues:</u>	
Taxes & Fees	5,117
Licenses & Permits	210,500
Charges for Services	200
Intergovernmental	144,000
Earnings on Investment	47,700
Miscellaneous Revenue	18,000
Grants & Contributions	250,000
<i>Transfers In</i>	<u>220,000</u>
Total Operating Revenues	<u>895,517</u>
<u>Expenditures:</u>	
Operations	458,750
Capital	728,000
Debt Service	0
Transfers Out	<u>0</u>
Total Expenditures	<u>1,186,750</u>
Total Expenditures & Transfers	<u>1,186,750</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures	<u>(291,233)</u>
Prior Period Adjustment	
Ending Fund Balance	<u>5,253,383</u>

FUND SUMMARIES

PARKS AND OPEN SPACE FUND REVENUES

Revenues for this fund are primarily impact fees, building permit park fees, grants and transfers from other funds.



The Park Improvement Fund Revenue Sources table below lists the revenue sources, as well as the amounts that are projected for 2020.

Parks and Open Space Fund Revenue Sources		
Source	Amount	% of Total
Grants	250,000	28%
Impact Fees	148,000	17%
Intergovernmental	364,000	41%
Park Fees	62,500	7%
Miscellaneous	23,317	3%
Interest	47,700	4%

FUND SUMMARIES

PARKS AND OPEN SPACE EXPENDITURES

The Parks and Open Space Fund shows operating expenses of \$458,750 and capital outlay of \$728,000. The services provided by this fund are labor intensive as illustrated below. The non-recurring capital outlay of \$728,000 will primarily fund new trail design and construction.

PARKS AND OPEN SPACE FUND EXPENSE SUMMARY

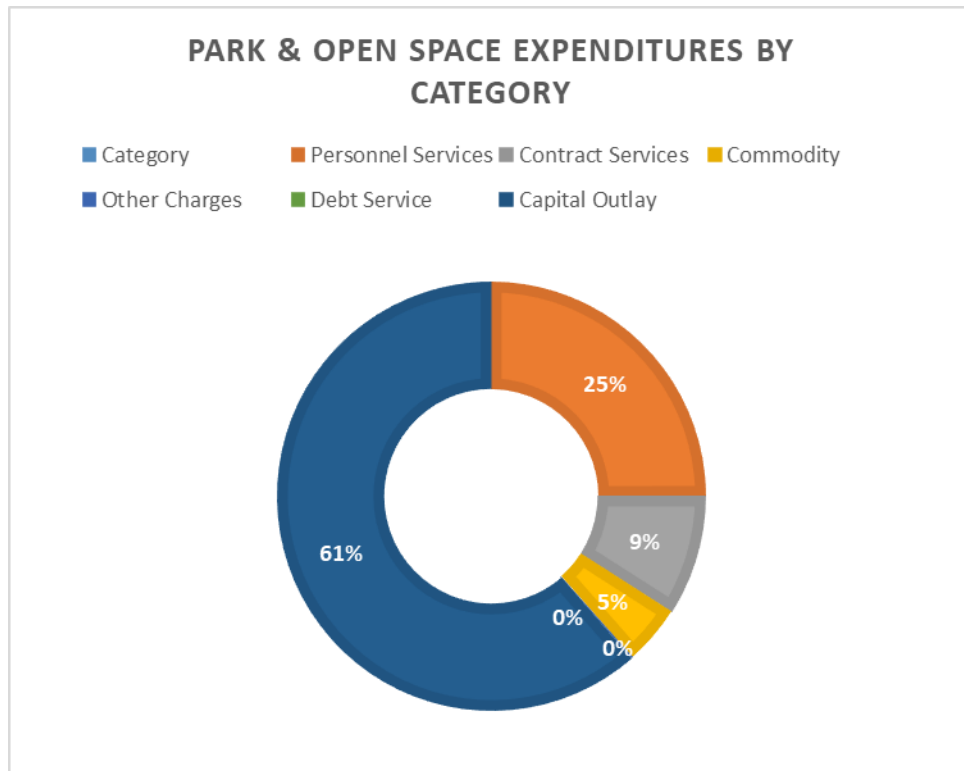
	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Impact Outlay	Debt Service	Total
Parks Fund	296,750	107,300	53,000	1,700	458,750	713,000	15,000	---	1,186,750
Totals	\$296,750	\$107,300	\$53,000	\$1,700	458,750	\$713,000	\$15,000	\$0	\$1,186,750

PROJECTS FUNDED IN 2020 BUDGET

- Trails – design and construction – Little T
- Trails – design – Big T
- Columbarium at cemetery
- Dump trailer
- Backhoe
- New playground equipment

FUND SUMMARIES

The chart below details the expenditures for the Parks and Open Space Fund category. Clearly in 2020 the biggest expenditure will be capital outlay which includes costs for several projects including trails and a columbarium at the cemetery.



PARKS AND OPEN SPACE FUND FULL TIME EMPLOYEES

Department	No. of Full Time Employees
Administration	.20
Operations	3.59
Total	3.79

FUND SUMMARIES

PARKS AND OPEN SPACE ACCOMPLISHMENTS AND GOALS

<u>2019 Accomplishments</u>	<u>2020 Goals</u>
Improve irrigation systems	Install new swing set in Parish Park
Training for backflow devices for employees	Organize and implement tree trimming schedule
Increased playground inspections	Training for a Certified Parks Inspector
Created parks management checklist for employees	Improve playground maintenance and inspection scores



TAX
ALLOCATION
FUND

FUND SUMMARIES

Tax Allocation Fund

The Tax Allocation Fund was created by the Town Council in 2019 to be utilized beginning in 2020. The fund was created with the intent of tracking the revenues and rebates of sales taxes associated with specific development areas, where, pursuant to the terms of written agreements between the Town and developer(s), the Town has agreed to reimburse the developer(s) for the cost of public improvements.

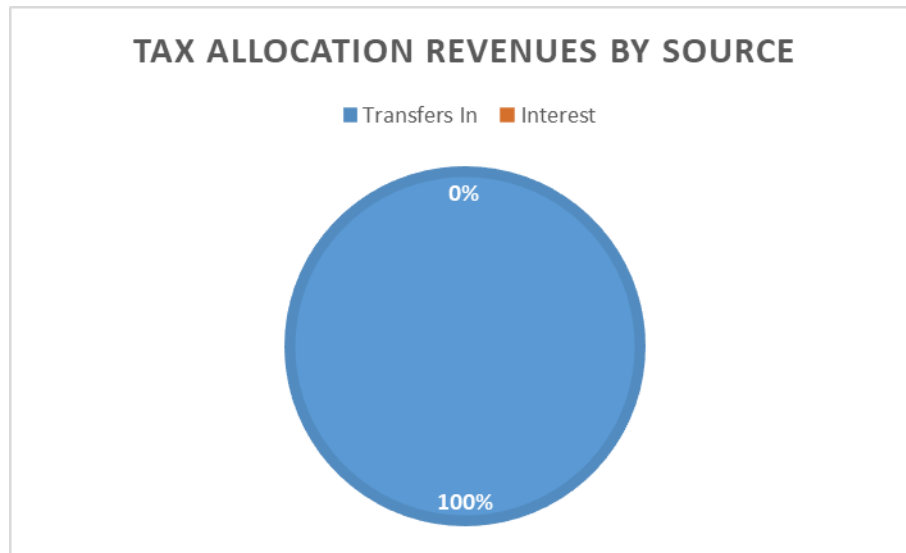
TAX ALLOCATION FUND BUDGET

Tax Allocation Fund	2020 Adopted Budget
Beginning Fund Balance	5,555
<u>Revenues:</u>	
Interest	100
<i>Transfers In</i>	<u>490,000</u>
Total Operating Revenues	<u>490,100</u>
<u>Expenditures:</u>	
Operations	490,000
Transfers Out	<u>0</u>
Total Expenditures	<u>490,000</u>
Total Expenditures & Transfers	<u>490,000</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures	<u>100</u>
Prior Period Adjustment	
Ending Fund Balance	<u>5,655</u>

FUND SUMMARIES

TAX ALLOCATION FUND REVENUES

Revenues for this fund come from transfers from sales taxes from specific areas of development. The sales tax is originally received by the General Fund and then transferred into this fund for reimbursements.



The Tax Allocation Fund Revenue Sources table below lists the revenue sources, as well as the amounts that are projected for 2020.

Tax Allocation Fund Revenue Sources		
Source	Amount	% of Total
Transfers In	490,000	100%
Interest	1,000	0%

FUND SUMMARIES

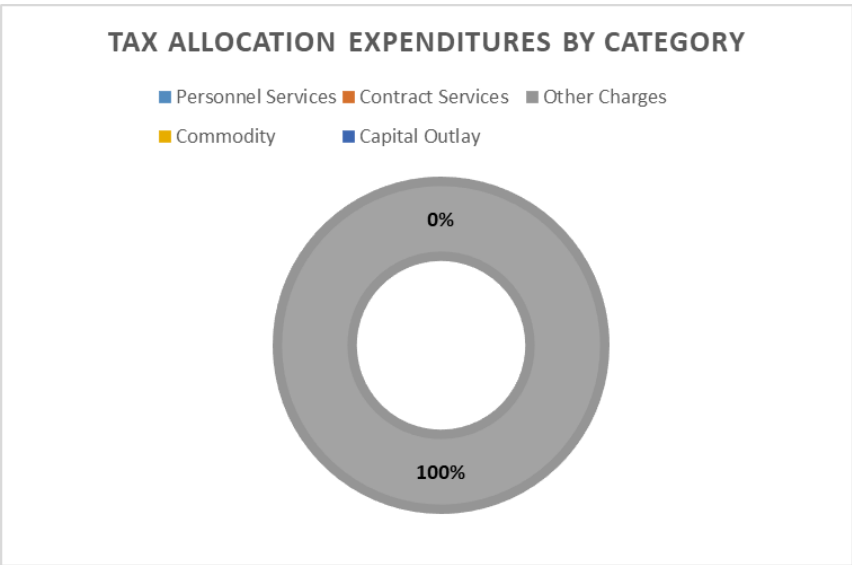
TAX ALLOCATION FUND EXPENDITURES

Expenditures in the Tax Allocation Fund include operating costs of \$490,000, capital outlay of \$0 and debt expenditures of \$0.

TAX ALLOCATION EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Tax Allocation	0	0	0	490,000	490,000	---	---	490,000
Totals	\$0	\$0	\$0	\$490,000	490,000	---	\$0	\$490,000

The chart below details the expenditures for the Tax Allocation Fund by category.



CAPITAL
PROJECTS
FUND

FUND SUMMARIES

Capital Projects Fund

The Capital Projects Fund was created to account for resources used for the acquisition, construction, and maintenance of assets and major capital facilities other than those financed by proprietary funds and trust funds. This fund was established to maintain a separate accounting of specific capital projects. Projects that may be included in this fund include streets, walkways, bridges, public buildings, public infrastructure and planning and engineering studies necessary to implement the above-mentioned capital facilities.



FUND SUMMARIES

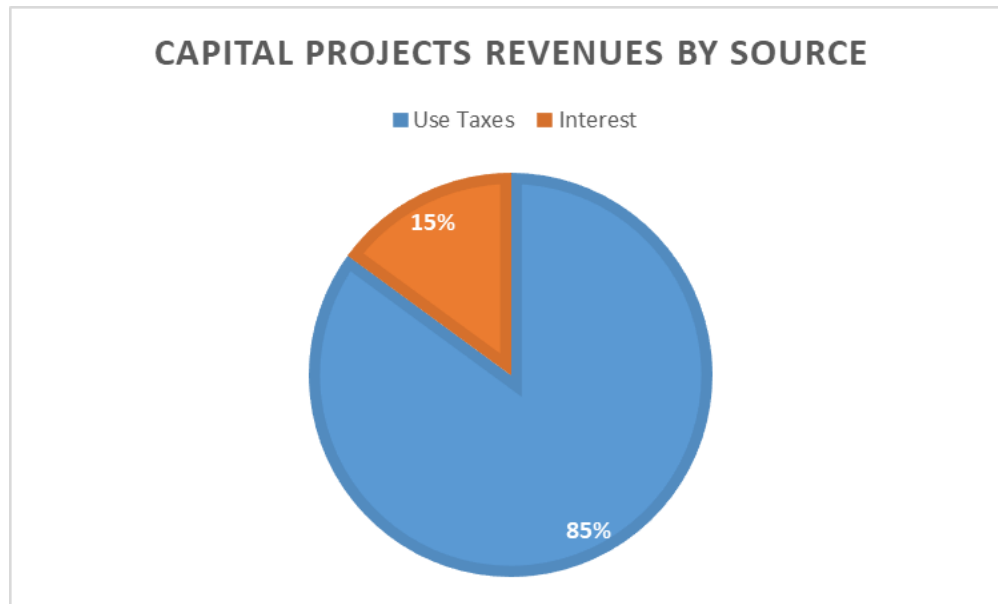
CAPITAL PROJECTS FUND BUDGET

	2020 Adopted Budget
Capital Projects Fund	
Beginning Fund Balance	10,124,058
<u>Revenues:</u>	
Taxes and Fees	450,000
Interest	79,000
<i>Transfers In</i>	<u>(15,000)</u>
Total Operating Revenues	<u>514,000</u>
<u>Expenditures:</u>	
Operations	479,700
Capital	2,000,000
Transfers Out	
Total Expenditures	<u>2,479,700</u>
Total Expenditures & Transfers	<u>2,479,700</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures	<u>(1,965,700)</u>
Prior Period Adjustment	
Ending Fund Balance	<u>8,158,358</u>

FUND SUMMARIES

CAPITAL PROJECTS FUND REVENUES

Revenues for this fund come from use taxes collected on building and construction materials utilized in the Town, and interest that is earned on those funds. The use tax rate that is committed to the Capital Projects Fund is one percent (1%).



The Capital Projects Fund Revenue Sources table below lists the revenue sources, as well as the amounts that are projected for 2020.

Capital Projects Fund Revenue Sources		
Source	Amount	% of Total
Use Taxes	450,000	85%
Interest	79,000	15%

FUND SUMMARIES

CAPITAL PROJECTS FUND EXPENDITURES

The expenditures in this fund are related to capital outlay and debt service only. Currently there are expenses for reimbursements to Larimer County for Larimer use tax collected by the Town and then remitted to Larimer County, reimbursements to developers for infrastructure developments and capital expense related to the overpass improvements on I-25.

CAPITAL PROJECTS FUND EXPENSE SUMMARY

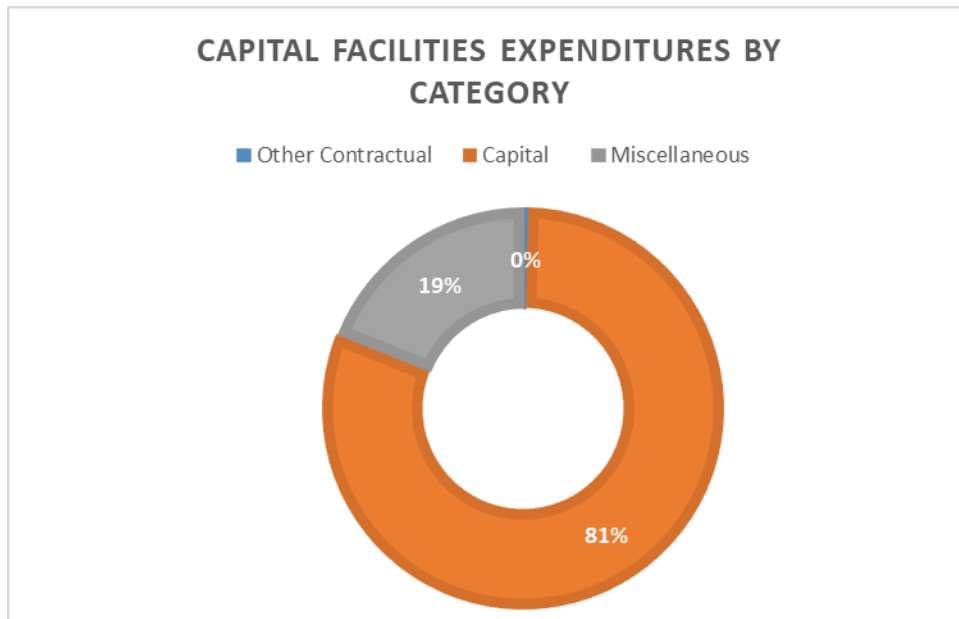
	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Capital Projects	0	9,700	0	470,000	479,700	2,000,000	---	2,479,700
Totals	\$0	\$9,700	\$0	\$470,000	479,700	\$2,000,000	\$0	\$2,479,700

ITEMS FUNDED IN 2020 BUDGET

- I-25 overpass improvements
- Use tax remittance to Larimer County
- Use tax reimbursement obligations
- Use tax audits

FUND SUMMARIES

The chart below details the expenditures for the Capital Projects Fund by category.



CAPITAL PROJECTS FUND FULL TIME EMPLOYEES

The Capital Projects Fund does not have any labor costs allocated.

LIBRARY FUND

FUND SUMMARIES

Library Fund

The Library Fund was created to account for the operation of the Glenn A. Jones M.D. Memorial Library. The library delivers quality services reflecting the informational, educational and recreational needs of the community. There is a vast collection of materials, services and programs for all ages and stages of life. The library operates 6 days a week and is closed on Sundays.

The library does have its own Board of Directors who meet every third Tuesday of the month at 7:00 pm. The Board of Directors operates independently of the Town Council and is responsible for compiling, reviewing and adopting the annual operating budget for the facility.

Notable items that have been included in the Library budget include \$250,000 for interior renovations, \$50,000 building maintenance, \$50,000 for books, \$10,000 in outreach and \$15,000 for programming.



FUND SUMMARIES

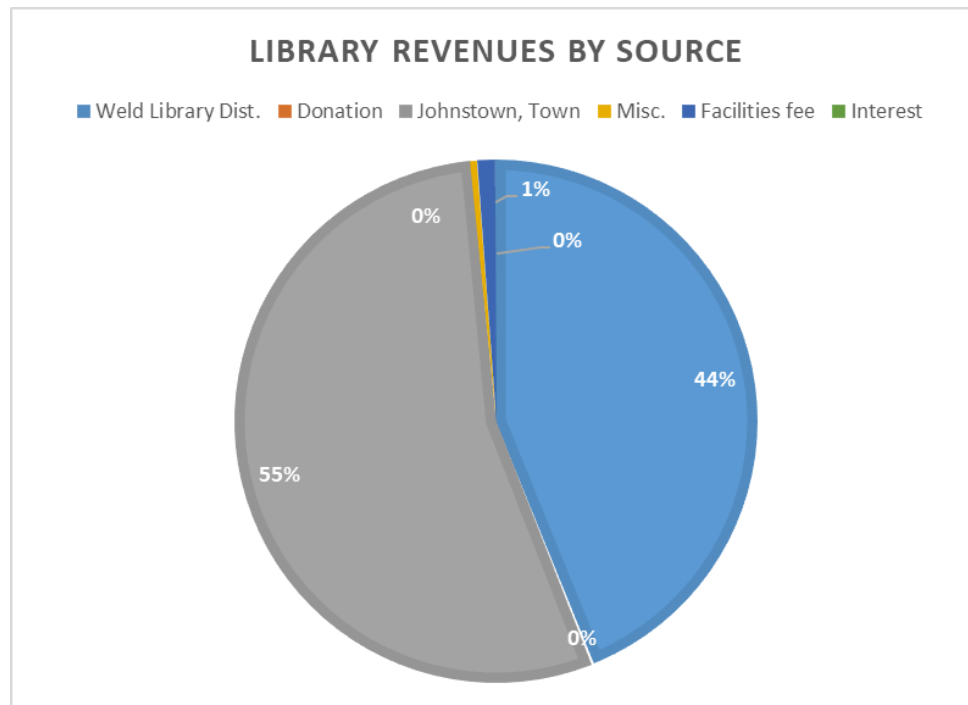
LIBRARY FUND BUDGET

Library Fund	2020 Adopted Budget
Beginning Fund Balance	3,491,367
<u>Revenues:</u>	
Taxes and Fees	20,000
Donations	3,500
Miscellaneous	7,500
Interest	1,500
<i>Transfers In</i>	<u>1,847,376</u>
 Total Operating Revenues	 <u>1,879,876</u>
<u>Expenditures:</u>	
Operations	1,589,915
Capital	0
Transfers Out	0
Total Expenditures	<u>1,589,915</u>
 Total Expenditures & Transfers	 <u>1,589,915</u>
 Excess (Deficiency) of Revenues and Other Sources over Expenditures	 <u>289,961</u>
 Prior Period Adjustment	
 Ending Fund Balance	 <u><u>3,781,328</u></u>

FUND SUMMARIES

LIBRARY FUND REVENUE

Revenues for this fund come from facilities fees, donations, interest, property taxes from Weld Library District, property taxes from the Town of Johnstown and other miscellaneous sources.



The Library Fund Revenue Sources table below lists the revenue sources, as well as the amounts that are projected for 2020.

Library Revenue Sources		
Source	Amount	% of Total
Weld Library Dist.	824,716	44%
Donation	3,500	0%
Johnstown, Town	1,022,660	54%
Misc.	7,500	0%
Facilities fee	20,000	1%
Interest	1,500	0%

FUND SUMMARIES

LIBRARY FUND EXPENDITURES

The expenditures in this fund are all related to the operation and maintenance of Glenn A. Jones M.D. Memorial Library.

LIBRARY FUND EXPENSE SUMMARY

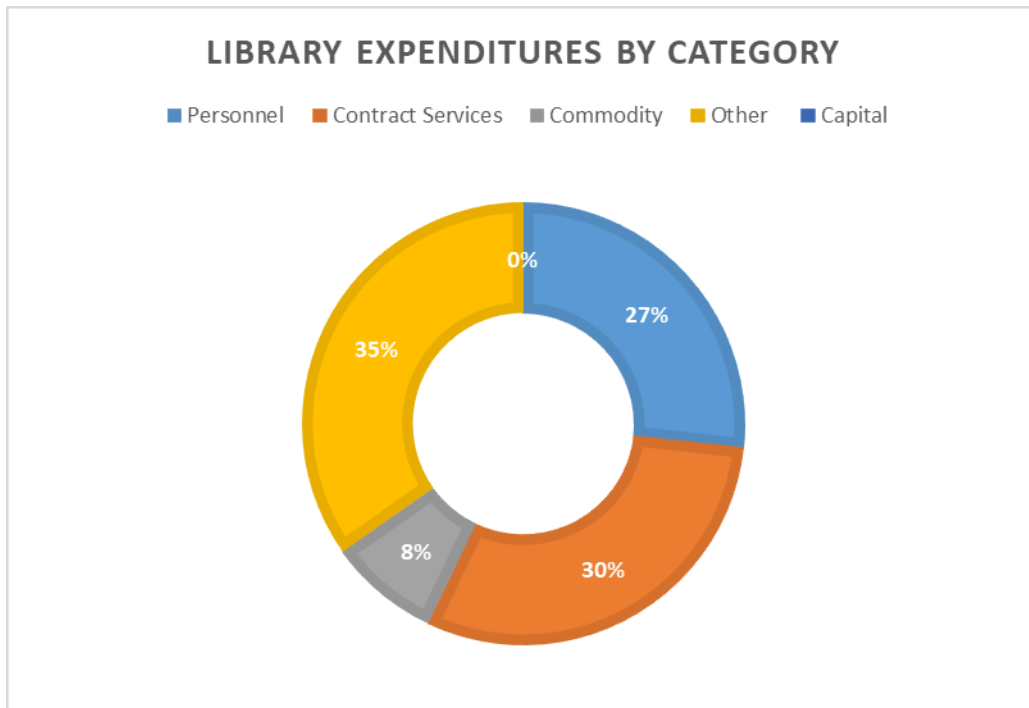
	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Library Fund	425,000	482,500	129,000	553,415	1,589,915	---	---	1,589,915
Totals	<u>\$425,000</u>	<u>\$482,500</u>	<u>\$129,000</u>	<u>\$553,415</u>	<u>1,589,915</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,589,915</u>

PROJECTS FUNDED IN 2020 BUDGET

- Interior renovation
- Building Maintenance

FUND SUMMARIES

The chart below details the expenditures for the Library Fund by category.



LIBRARY FUND FULL TIME EMPLOYEES

The Library personnel are not Town Employees so the Town does not include their personnel count.

RECREATION
CENTER
FUND

FUND SUMMARIES

Recreation Center Fund

The Recreation Center Fund was created in 2019 to account for the construction and operational costs associated with the Johnstown Community YMCA. Construction of the new facility is expected to be complete in May 2020. The facility will be 69,000 square feet fitness and community center. The facility is owned by the Town of Johnstown and operated by the YMCA of Northern Colorado.

As this is a new facility, there are no historical costs that can be utilized for comparisons. The 2020 Budget includes costs for completion of construction and a \$500,000 operating subsidy. The operating subsidy is a recurring expense.



FUND SUMMARIES

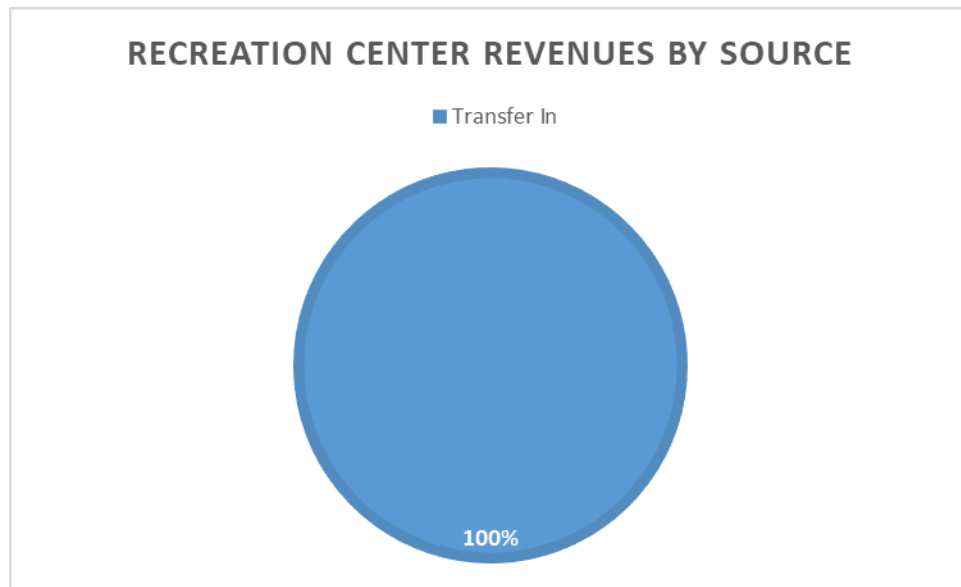
RECREATION CENTER FUND BUDGET

	2020 Adopted Budget
Recreation Center Fund	
Beginning Fund Balance	12,000,000
<u>Revenues:</u>	
Miscellaneous	0
Interest	0
<i>Transfers In</i>	<u>600,000</u>
Total Operating Revenues	<u>600,000</u>
<u>Expenditures:</u>	
Operations	500,000
Capital	12,000,000
Transfers Out	<u>0</u>
Total Expenditures	<u>12,500,000</u>
Total Expenditures & Transfers	<u>12,500,000</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures	<u>(11,900,000)</u>
Prior Period Adjustment	
Ending Fund Balance	<u>100,000</u>

FUND SUMMARIES

RECREATION CENTER FUND REVENUE

Revenues for this fund come exclusively from transfers from the Town of Johnstown General Fund.



The Recreation Center Fund Revenue Sources table below lists the revenue sources, as well as the amounts that are projected for 2020.

Recreation Center Revenue Sources		
Source	Amount	% of Total
Transfer In	600,000	100%

FUND SUMMARIES

RECREATION CENTER FUND EXPENDITURES

This fund has expenditures that are related to the recreation center. The \$12,000,000 expenditures are classified as nonrecurring capital outlay.

RECREATION CENTER FUND SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Rec Center Fund	0	500,000	0	0	500,000	12,000,000	---	12,500,000
Totals	\$0	\$500,000	\$0	\$0	500,000	\$12,000,000	\$0	\$12,500,000

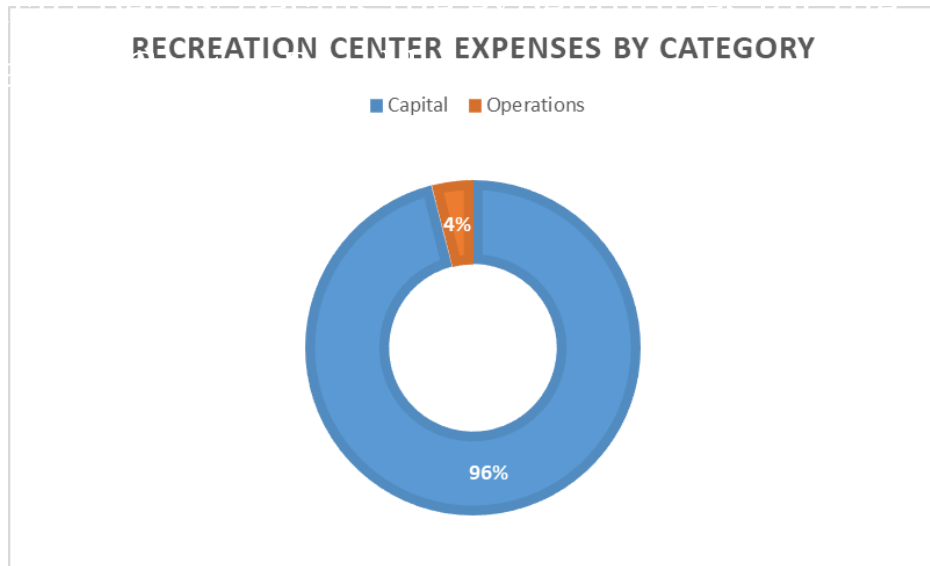
PROJECTS FUNDED IN 2020 BUDGET

- Construction completion



The chart below details the expenditures for the Recreation Center Fund by category.

FUND SUMMARIES



RECREATION CENTER FUND FULL TIME EMPLOYEES

The Recreation Center personnel are not Town Employees so the Town does not include their personnel count.

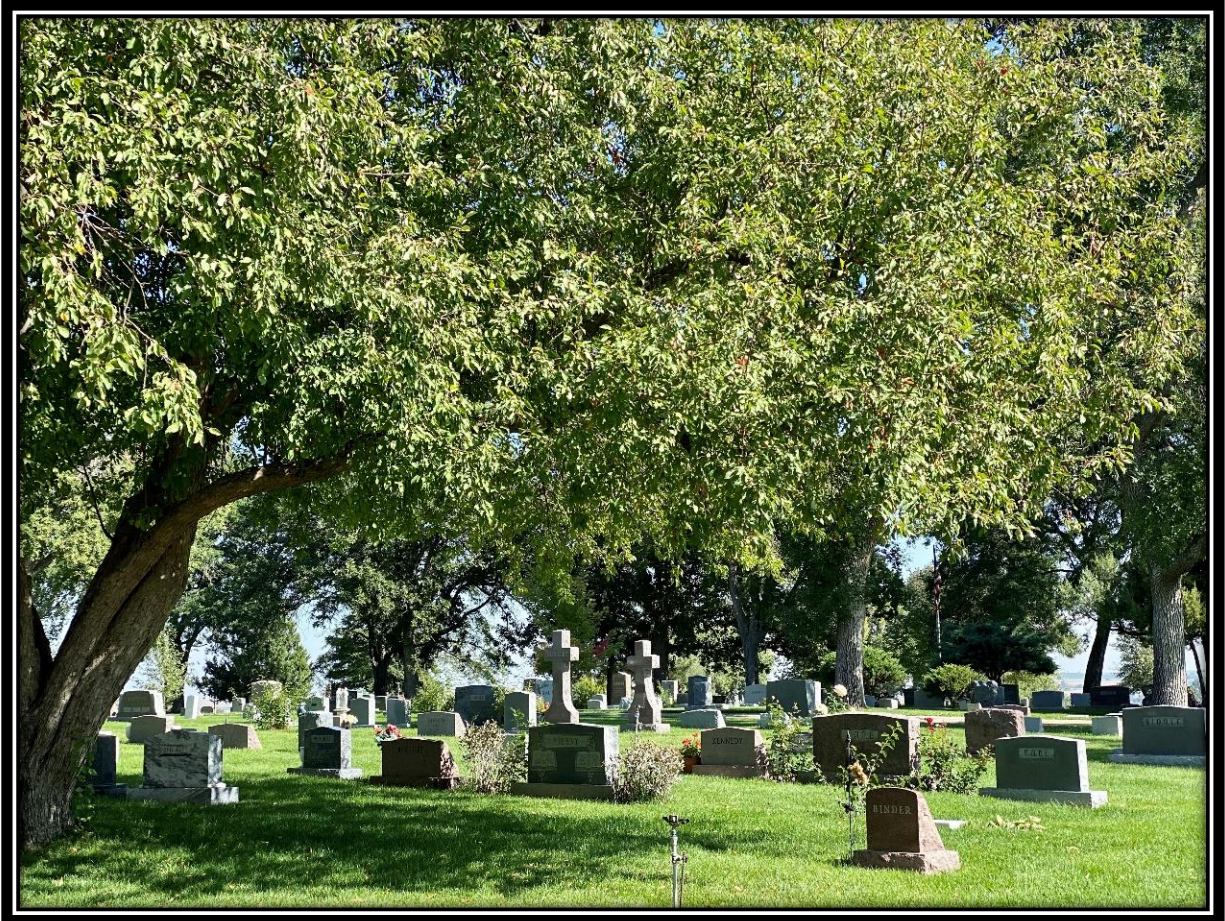
FIDUCIARY FUNDS

CEMETERY
PERPETUAL
FUND

FUND SUMMARIES

Cemetery Perpetual Fund

The Cemetery Perpetual Fund was established to conform with Article VI, Section 11 of the Town's Municipal Code. The Municipal Code specifies that 15% of the funds received from the sale of lots and grave spaces shall be held in the Cemetery Perpetual Fund. The funds held in the Cemetery Perpetual Fund cannot be utilized unless the Town Council deems it necessary. Interest that is earned on the principal funds may be used for cemetery maintenance.



FUND SUMMARIES

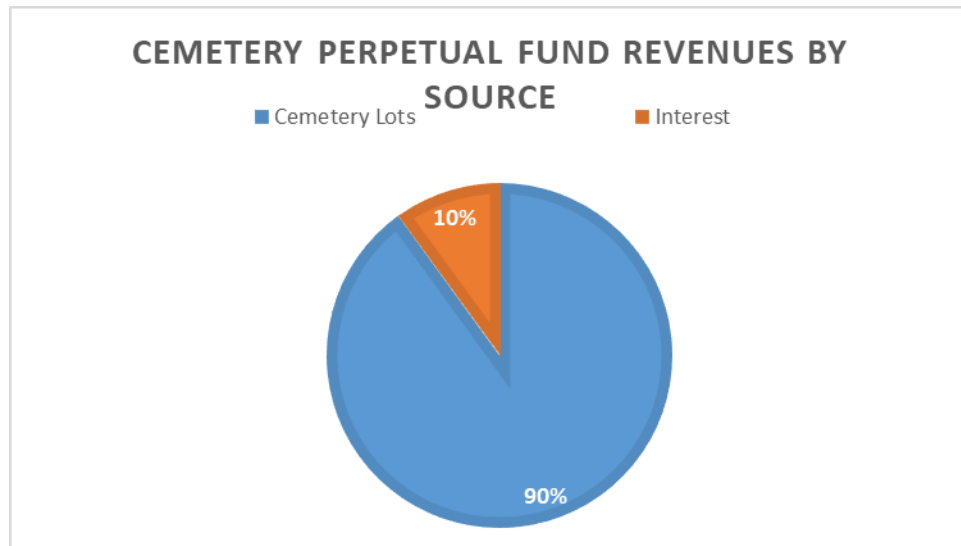
CEMETERY PERPETUAL FUND BUDGET

Cemetery Perpetual Fund	2020 Adopted Budget
Beginning Fund Balance	125,195
<u>Revenues:</u>	
Cemetery Lot Purchase	903
Interest	100
<i>Transfers In</i>	<u>0</u>
Total Operating Revenues	<u>1,003</u>
<u>Expenditures:</u>	
Operations	0
Transfers Out	<u>0</u>
Total Expenditures	0
Total Expenditures & Transfers	<u>0</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures	<u>1,003</u>
Prior Period Adjustment	
Ending Fund Balance	<u>126,198</u>

FUND SUMMARIES

CEMETERY PERPETUAL FUND REVENUES

Cemetery Perpetual Fund revenues are primarily made up of funds collected from sale of cemetery lots and interest. The chart below shows the proportion of each major revenue source to the total Cemetery Perpetual Trust Fund Revenues.



The Cemetery Perpetual Revenue Sources table below lists the major revenue sources, as well as the amounts that are projected for 2020.

Cemetery Perpetual Revenue Sources		
Source	Amount	% of Total
Cemetery Lots	903	90%
Interest	100	10%

CEMETERY PERPETUAL FUND EXPENDITURES

There are no expenditures budgeted for 2020.

PROPRIETARY
FUNDS

WATER FUND

FUND SUMMARIES

Water Fund

The Town of Johnstown Water Fund is an enterprise fund responsible for the production, operation, maintenance, and capital related items of all of the Town water distribution system. This includes the water treatment, repair and installation of lines into the system, reading of all meters for billing purposes, and monitoring the testing and compliance of the distribution system. The fund includes water tap fees collected at the time builders apply for a building permit for a new residence or business. These fees are used for the extension of waterlines or other improvement to Johnstown's water system driven by the increased demand by customers and areas serviced in Johnstown. A role of this fund, in recent years, has been to fund the development of a raw water irrigation system. This allows existing and future residents to use lower cost untreated irrigation water and preserve high quality mountain water supplies for potable water needs for the future demands of the water utility.



FUND SUMMARIES

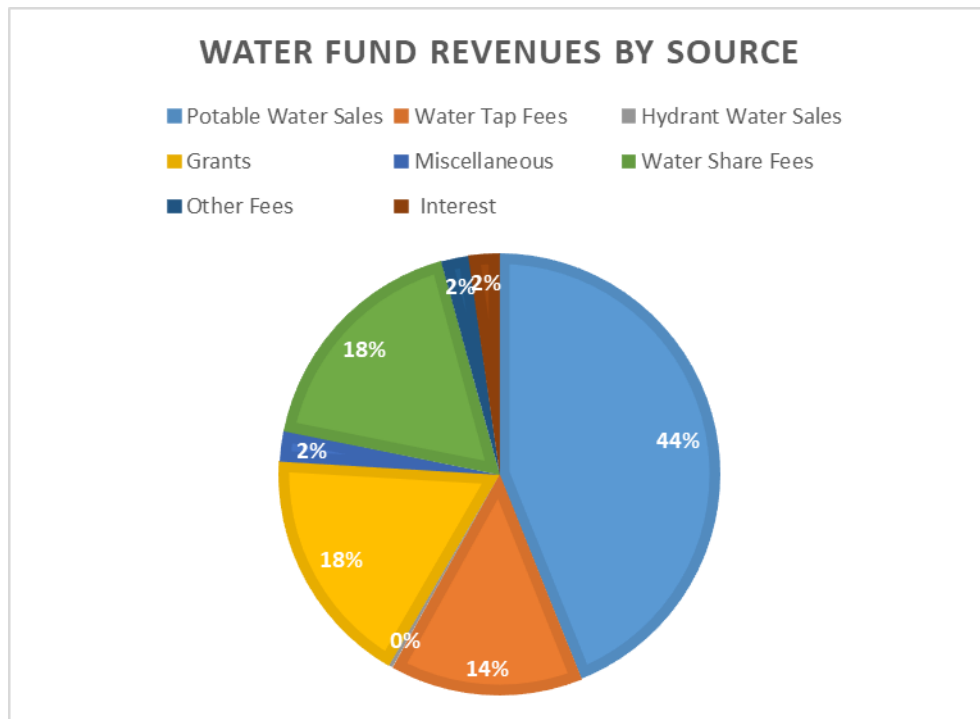
WATER FUND BUDGET

Water Fund	2020 Adopted Budget
Beginning Fund Balance	17,994,830
<u>Revenues:</u>	
Charges for Services	2,518,000
Miscellaneous Revenue	<u>2,500</u>
Total Operating Revenues	<u>2,520,500</u>
<u>Expenses:</u>	
Operations and Maintenance	2,430,470
Capital	6,853,000
Impact	0
Depreciation	335,000
Debt	0
<i>Transfers Out</i>	<u>0</u>
Total Operating Expenses	<u>9,618,470</u>
Operating Income (Loss)	<u>9,618,470</u>
<u>Non-Operating Revenues (Expenses)</u>	<u>-7,097,970</u>
Tap Fees	804,625
Capital Investment Fees	1,100,000
Misc. Revenues	1,141,500
Interest Expense	<u>126,000</u>
Total Non-Operating Revenues (Expenses)	<u>3,172,125</u>
Excess (Deficiency) of Revenues and Other Sources over Expenses	<u>-3,925,845</u>
Prior Period Adjustment	0
Ending Fund Balance	14,068,985

FUND SUMMARIES

WATER FUND REVENUES

Water Fund revenues are primarily made up of water sales to customers, development fees, tap fees, and hydrant water sales. The chart below shows the proportion of each major revenue source to the total Water Fund Revenues.



The Water Fund Revenue Sources table below lists the major revenue sources, as well as the amounts that are projected for 2020.

Water Fund Revenue Sources		
Source	Amount	% of Total
Potable Water Sales	2,500,000	44%
Water Tap Fees	804,625	14%
Hydrant Water Sales	18,000	0%
Grants	1,000,000	18%
Miscellaneous	126,500	2%
Water Share Fees	1,000,000	18%
Other Fees	117,500	2%
Interest	126,000	2%

FUND SUMMARIES

WATER FUND EXPENDITURES

The expenditures in this fund include operational costs of \$2,765,470 and capital outlay of \$6,853,000. Of the \$6,853,000 capital, \$880,000 is recurring with \$345,000 associated with media replacement for the water plant, \$35,000 for SCADA, \$35,000 for a backhoe, \$65,000 for tank vent replacement and \$400,000 for pumphouse motors. While these costs are technically recurring, the only cost that will recur on an annual basis is the costs associated with SCADA. The remaining \$5,973,000 is nonrecurring and is associated with water infrastructure and water shares.

WATER FUND EXPENSE SUMMARY

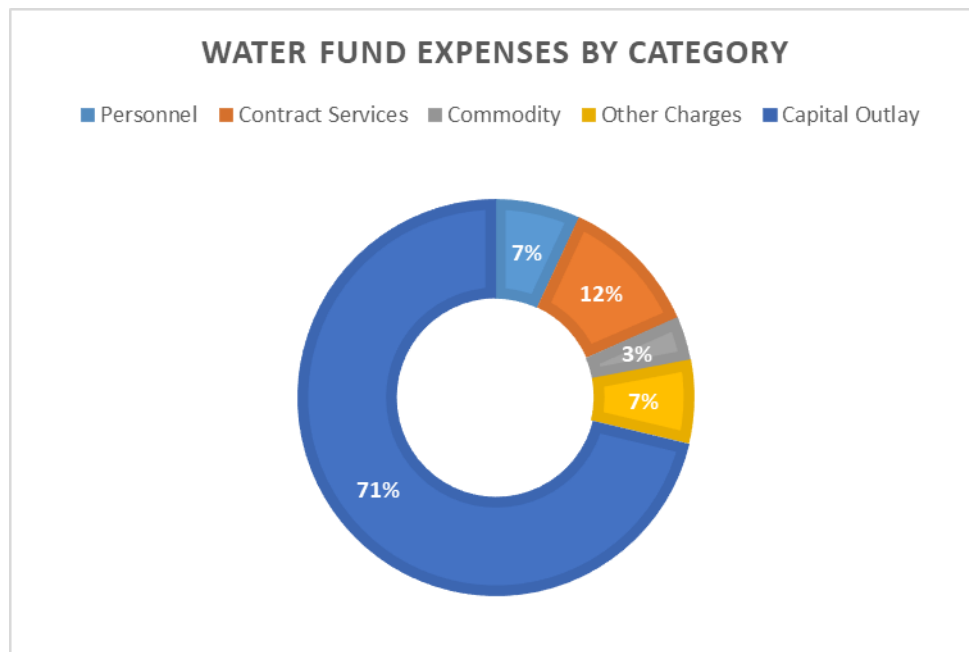
	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Water Fund	664,870	1,111,100	338,800	650,700	2,765,470	6,853,000	---	9,618,470
Totals	\$664,870	\$1,111,100	\$338,800	\$650,700	2,765,470	6,853,000	\$0	\$9,618,470

PROJECTS FUNDED IN 2020 BUDGET

- Tank vent replacement
- Lonetree fencing
- Media replacement
- South water tower project
- 4" waterline project – Columbine
- Pumphouse motors
- Lonetree project completion
- Backhoe purchase
- Water shares

FUND SUMMARIES

The chart below details the expenditures for the Water Fund by category. Clearly in 2020 the biggest expenditure will be for Capital Outlay which includes costs for the south water tower project.



WATER FUND FULL TIME EMPLOYEES

Department	No. of Full Time Employees
Administration	1.55
Operations	6.38
Total	7.93

FUND SUMMARIES

WATER FUND ACCOMPLISHMENTS AND GOALS

<u>2019 Accomplishments</u>	<u>2020 Goals</u>
Complete necessary repairs to restore functionality to north water tank	Create and organize a collection and distribution department to streamline operations
Develop a cross connection program	Replace media at the water plant
Improve maintenance of water plant	Improve security at the water plant and Lone tree
Complete state required reports within 6 months	Reduce state required reporting by controlling variances within the system
Implement Standard Operating Procedures for daily tasks	Improve staff training and certification levels



DRAINAGE FUND

FUND SUMMARIES

Drainage Fund

The Drainage Fund was established as a result of the creation of the Storm Water Utility in 2004 for the purpose of protecting people and property from harm and damage resulting from uncontrolled and unplanned storm water runoff, allowing the movement of emergency vehicles during flood events, and minimizing inconveniences to businesses and citizens from storm events. This is accomplished by funding the construction, operation and maintenance of the storm water system along with the administration of the Storm Water Utility. This fund is an enterprise fund which means it is primarily supported by monthly fees charged to customers.

The Drainage Fund is also responsible for the design and construction of capital improvements and the costs of capital equipment for the utility. Planned capital improvements are needed to serve new development and growth in the Town.



FUND SUMMARIES

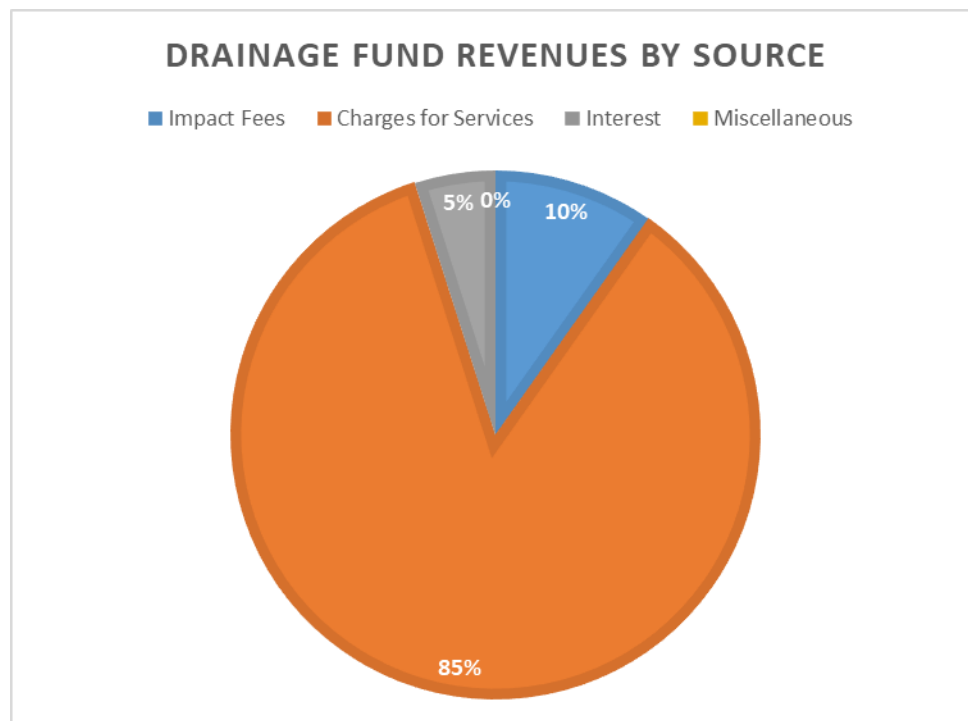
DRAINAGE FUND BUDGET

Drainage Fund	2020 Adopted Budget
Beginning Fund Balance	3,342,074
<u>Revenues:</u>	
Charges for Services	435,000
Miscellaneous Revenue	0
Total Operating Revenues	<u>435,000</u>
<u>Expenses:</u>	
Operations and Maintenance	482,000
Capital	515,000
Depreciation	7,000
Debt	
<i>Transfers Out</i>	<u>0</u>
Total Operating Expenses	<u>1,004,000</u>
Operating Income (Loss)	<u>1,004,000</u>
<u>Non-Operating Revenues (Expenses)</u>	<u>-569,000</u>
Capital Investment Fees	50,000
Misc. Revenues	0
Interest Expense	25,200
Total Non-Operating Revenues (Expenses)	<u>75,200</u>
Prior Period Adjustment	0
Ending Fund Balance	2,848,274

FUND SUMMARIES

DRAINAGE FUND REVENUES

Drainage Fund revenues are primarily made up of customer receipts, and impact fees. The chart below shows the proportion of each major revenue source to the total Drainage Fund Revenues.



The Drainage Fund Revenue Sources table below lists the major revenue sources, as well as the amounts that are projected for 2020.

Drainage Fund Revenue Sources		
Source	Amount	% of Total
Impact Fees	50,000	10%
Charges for Services	435,000	85%
Interest	25,200	5%
Miscellaneous	0	0%

FUND SUMMARIES

DRAINAGE FUND EXPENDITURES

Storm water expenditures for the 2020 Budget are both operating and capital in nature. The capital expenses of \$515,000 are nonrecurring and will fund downtown storm water projects, a trickle channel in Aragon Park and complete Hwy 60 drainage improvements.

DRAINAGE FUND EXPENSE SUMMARY

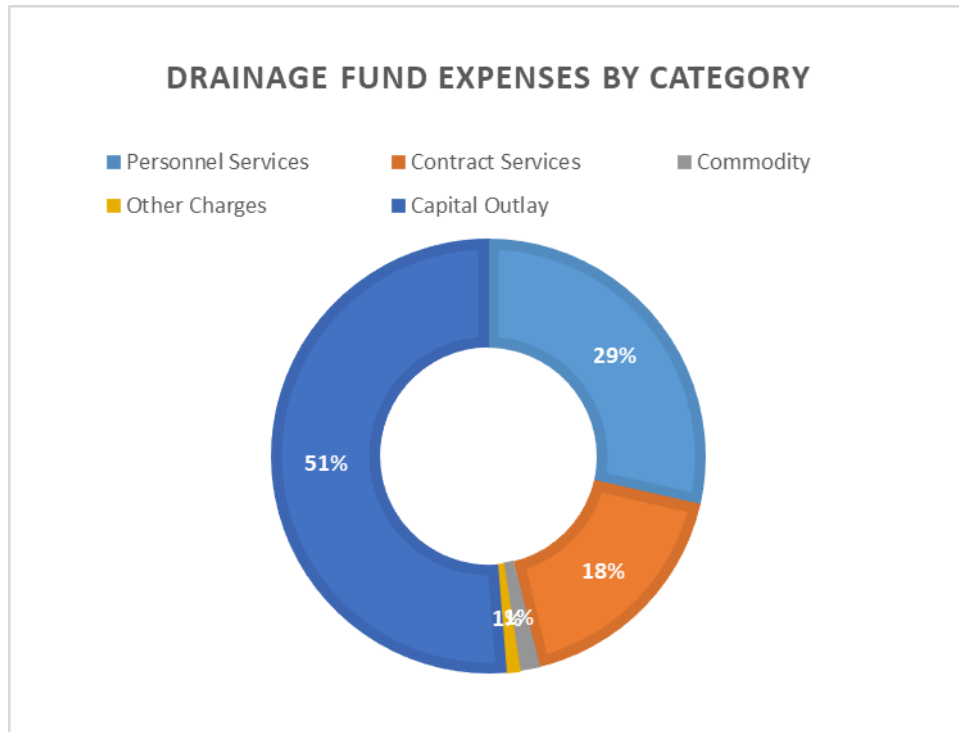
	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Drainage Fund	286,800	177,350	14,750	10,100	489,000	515,000	---	1,004,000
Totals	\$286,800	\$177,350	\$14,750	\$10,100	489,000	\$515,000	\$0	\$1,004,000

PROJECTS FUNDED IN 2020 BUDGET

- Curb and gutter project at Estes and N. 1st
- Trickle channel at Aragon Park
- Greeley area storm drains
- Hwy 60 drainage improvement completion

FUND SUMMARIES

The chart below details the expenditures for the Drainage Fund by category. This fund is fairly labor intensive and the 2020 expenditures reflect that.



DRAINAGE FUND FULL TIME EMPLOYEES

Department	No. of Full Time Employees
Administration	1.20
Operations	2.15
Total	3.35

FUND SUMMARIES

DRAINAGE FUND ACCOMPLISHMENTS AND GOALS

<u>2019 Accomplishments</u>	<u>2020 Goals</u>
Improve processes for plan reviews for drainage and storm water containment and discharge	Increase regular maintenance of drainage infrastructure
Identified community needs with regard to improved drainage	Improve Estes/Fremont flooding issues
	Work with developers to ensure that drainage plans for new development are adequate
	Compile maps of existing drainage infrastructure
	Install trickle channel in Aragon Park



FUND SUMMARIES

SEWER FUND

FUND SUMMARIES

Sewer Fund

The Town of Johnstown operates its own sewer fund that includes all revenues and costs associated with the Town's sanitary sewer system. The Town currently operates two wastewater treatment plants and maintains all sewer infrastructure. The sanitary sewer system currently only serves residents of the Town and in order to utilize the system, landowners must annex into the Town.

The Town has a number of ongoing operational and capital projects as well as ongoing long-term plans. A number of planned capital projects in this fund are regulatory driven and are included in the Town's Capital Improvement Plan. Funding for operations of the sewer fund is provided through rate payers who contribute monthly to the Sewer Fund. The Town currently has approximately 5,425 sewer customers.



FUND SUMMARIES

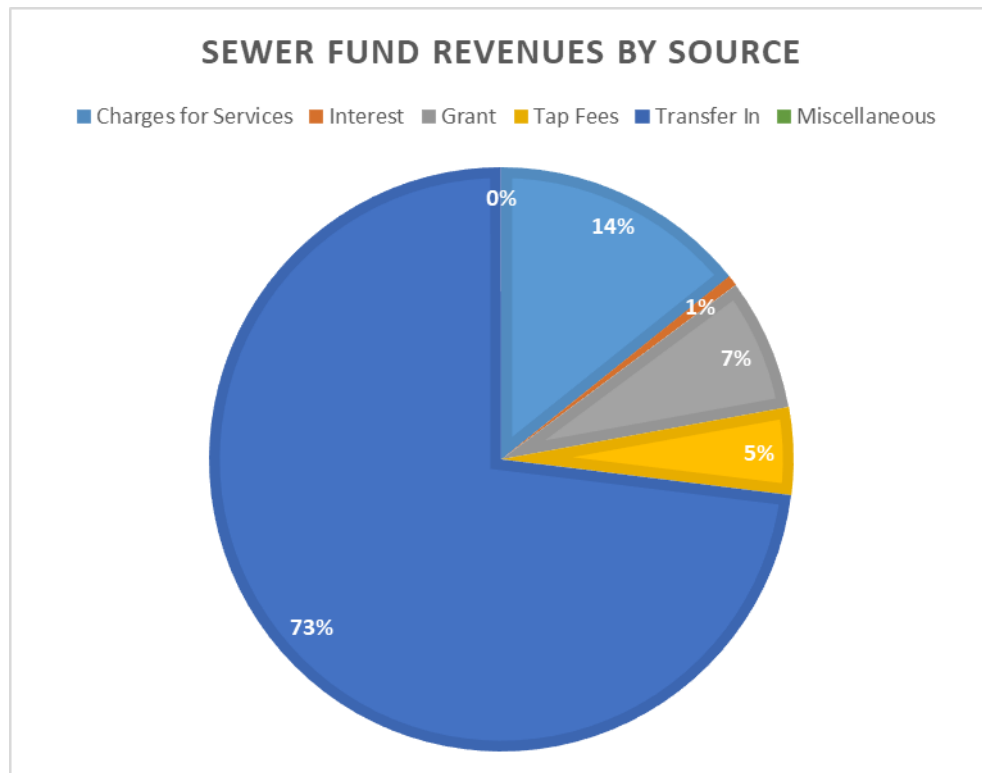
SEWER FUND BUDGET

Sewer Fund	2020 Adopted Budget
Beginning Fund Balance	7,598,987
<u>Revenues:</u>	
Charges for Services	1,950,000
Miscellaneous Revenue	0
Total Operating Revenues	<u>1,950,000</u>
<u>Expenses:</u>	
Operations and Maintenance	2,206,370
Capital	10,874,000
Depreciation	205,000
Debt	
<i>Transfers Out</i>	<u>0</u>
Total Operating Expenses	<u>13,285,370</u>
Operating Income (Loss)	<u>13,285,370</u>
<u>Non-Operating Revenues (Expenses)</u>	<u>-11,335,370</u>
Capital Investment Fees	660,000
Misc. Revenues	11,001,000
Interest Expense	81,000
Total Non-Operating Revenues (Expenses)	<u>11,742,000</u>
Prior Period Adjustment	0
Ending Fund Balance	8,005,617

FUND SUMMARIES

SEWER FUND REVENUES

Sewer Fund revenues are generally made up of customer receipts, tap fees, and grants. In 2020, there is a \$10,000,000 transfer into the Sewer Fund from the General Fund for needed infrastructure work.



The Sewer Fund Revenue Sources table below lists the major revenue sources, as well as the amounts that are projected for 2020.

Sewer Fund Revenue Sources		
Source	Amount	% of Total
Charges for Services	1,950,000	14%
Interest	81,000	1%
Grant	1,000,000	7%
Tap Fees	660,000	5%
Transfer In	10,000,000	73%
Miscellaneous	1,000	0%

FUND SUMMARIES

SEWER FUND EXPENDITURES

Expenditures in the Sewer Fund include operating costs of \$2,411,370, and capital outlay of \$10,874,000. The capital is classified as nonrecurring and will fund system upgrades and new infrastructure.

SEWER FUND EXPENSE SUMMARY

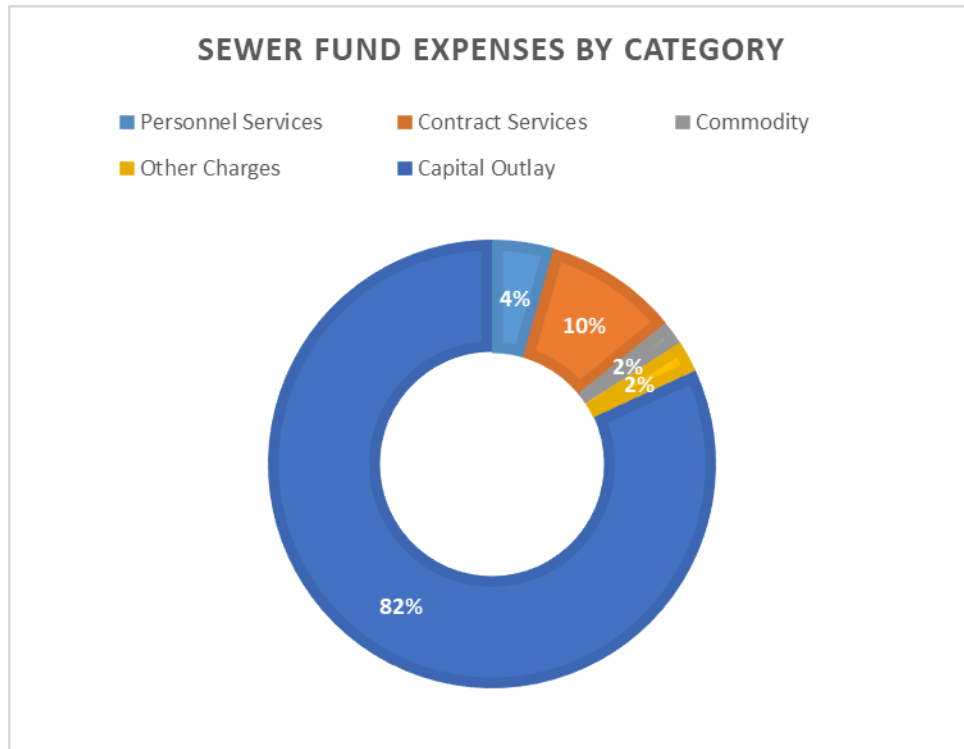
	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Sewer Fund	592,670	1,283,100	234,000	301,600	2,411,370	10,874,000	---	13,285,370
Totals	\$592,670	\$1,283,100	\$234,000	\$301,600	2,411,370	\$10,874,000	\$0	\$13,285,370

PROJECTS FUNDED IN 2020 BUDGET

- Chemical tank insulation
- Recirculate fans
- Replace indoor chemical lines
- Mixing pumps replacement
- Sludge pad and wet well improvements
- Gravity line to Central plant
- Sewer expansion at Low Point plant
- Aeration project
- Backhoe

FUND SUMMARIES

The chart below details the expenditures for the Sewer Fund by category. Clearly in 2020 the biggest expenditure will be capital, which includes the cost of new infrastructure.



SEWER FUND FULL TIME EMPLOYEES

Department	No. of Full Time Employees
Administration	1.50
Operations	5.28
Total	6.78

FUND SUMMARIES

SEWER FUND ACCOMPLISHMENTS AND GOALS

<u>2019 Accomplishments</u>	<u>2020 Goals</u>
Improved daily processes with new standard operating procedures	Maintain clean, free-flowing conditions in all sewer mains
Improved maintenance of wastewater treatment plants	Improve maintenance using new technologies when available
Shortened emergency response time	Provide 24-hour emergency response to all emergency calls
Improved security at treatment plants	Continue to improve security measures
Removed sludge	Work on plant expansion designs

APPENDIX

APPENDIX

Appendix

Glossary of Terms.....	158
Transfer Summary.....	161
Staffing Summary.....	162

APPENDIX

Glossary

ACCRUAL BASIS OF ACCOUNTING: The method of accounting under which revenues are recorded when they are earned and expenditures are recorded when goods and services are received.

APPROPRIATION: A legal authorization made by the Town Council to make expenditures for a specific purpose.

ASSESSED VALUATION: The estimated value placed on real and personal property by the appraiser for the County as the basis for levying property taxes. It is currently 7.96% of the market value.

ASSETS: Property owned that is regarded as having value

AUDIT: An official systemic inspection of an organizations accounts and of resource utilization.

BALANCED BUDGET: A balance between total estimated expenditures and total anticipated revenues, including surpluses.

BOND: A debt instrument that is generally used to borrow money for major capital projects, such as the construction of a building.

BUDGET: A financial plan of estimated expenditures for a given period of time and the estimated revenues that will fund them.

CAPITAL OUTLAY: Expenditures for the acquisition of capital assets. Capital items must cost more than \$5,000 and have an expected life of greater than 1 year.

COMMODITY: Items that are purchased in the normal course of business such as office supplies, tools, small equipment, vehicle supplies, etc.

CONTRACT SERVICES: Services that are handled through a contract-type arrangement. This includes legal fees, engineering design services, architectural services, infrastructure maintenance services, etc.

CPI: Consumer price index.

DEBT: A financial obligation resulting from borrowed money.

DEBT SERVICE: Payment of interest and principle due on long-term debt.

DEPARTMENT: Major unit of organization in the Town.

DEPRECIATION: The decrease in value of physical assets due to wear and tear, deterioration, action of physical elements, or obsolescence.

APPENDIX

DESIGNATED RESERVES: The portion of a fund's balance that is restricted for a specific purpose and is not available for appropriation.

DIVISION: Sub-unit of a department.

DOLA: Department of Local Affairs.

ENTERPRISE FUNDS: Funds that are self-supporting with the major revenue coming from user's fees.

ETS: Enterprise Technology Service

EXPENDITURES: Payment for goods or services, including operational expenses that require the current or future use of net current assets, debt and capital outlays.

FISCAL YEAR: The 12-month period to which the budget applies.

FUND: An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objectives.

FUND BALANCE: On-hand available cash balances which are realized in prior fiscal years less current liabilities and are available for designation as a funding source for future budget years.

GENERAL FUND: Accounts for resources not accounted for in another fund.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB): The authoritative accounting and financial reporting standard setting body for government entities.

GOVERNMENTAL FINANCE OFFICERS ASSOCIATIONS (GFOA): A professional association of approximately 17,500 state, provincial, and local government finance officers in the United States and Canada.

GOVERNMENTAL FUND: Used to account for the sources, uses, and balances of a government's general government financial resources and the related governmental fund liabilities.

GRANT: Money given by an organization, often a government, to be used for a specific purpose.

IT: Information technology.

LEAF: Law Enforcement Assistance Fund

LEASE PURCHASE: A financial arrangement that permits the Town to pay for the use of buildings and equipment over a period of time with a lease that ultimately allows a purchase at the end of lease.

APPENDIX

LEVY: To impose taxes, special assessments, or service charges for the support of city activities.

MEDIAN: A figure that lies at the midpoint of a frequency distribution. There are equal numbers above and below it.

MILL: A property tax rate which is based on the valuation of property. A tax rate of one mill produces one dollar of taxes on each \$1,000 of assessed valuation.

MODIFIED ACCRUAL ACCOUNTING: A basis of accounting in which expenditures are accrued and revenues are accounted for on a cash basis. This accounting technique is a combination of cash and accrual since expenditures are immediately incurred as a liability while revenues are not recorded until they are actually received or are "measurable" and available.

OPERATING BUDGET: The portion of the budget that pertains to daily operations providing basic governmental services. It includes items such as salaries, utilities and supplies.

OTHER CHARGES: One-time or miscellaneous expenses including things such as branding, commission grants, youth programming, general liability insurance, depreciation, etc.

PERSONNEL SERVICES: Salaries, wages, benefits and other employee related costs.

PROJECTION: Estimation of future revenues and/or expenditures.

PROPERTY TAX: Property taxes are levied on both real and personal property according to the property's assessed valuation and the tax rate applied.

PROPRIETARY FUNDS: Used to account for a government's continuing business-type organizations and activities.

REVENUE: Monies that the Town receives as income such as tax payments, fines, grants, and interest income.

SPECIAL REVENUE FUNDS: A fund that is used to account for resources which are restricted for a specific purpose.

TRANSFERS: Amounts transferred from one fund to another.

UNDESIGNATED RESERVES: The portion of a fund's balance that is not restricted for a specific purpose and is available for appropriation.

APPENDIX

TRANSFER SUMMARY

	Transfers In	From	Transfers Out	To
GENERAL FUND				
General Fund			600,000	Recreation Center Fund
General Fund			10,000,000	Sewer Fund
General Fund			2,000,000	Street & Alley Fund
General Fund			1,022,660	Library Fund
General Fund			475,000	Tax Allocation Fund
SPECIAL REVENUE FUNDS				
Recreation Center Fund	600,000	General Fund		
Sewer Fund	10,000,000	General Fund		
Street and Alley Fund	2,000,000	General Fund		
Library Fund	1,022,660	General Fund		
Tax Allocation Fund	475,000	General Fund		
Tax Allocation Fund	15,000	Capital Projects Fund		
Parks & Open Space	100,000	Water Fund		
Parks & Open Space	100,000	Sewer Fund		
Parks & Open Space	20,000	Drainage Fund		
Capital Projects Fund			15,000	Tax Allocation Fund
PROPRIETARY FUNDS				
Water Fund			100,000	Parks & Open Space
Sewer Fund			100,000	Parks & Open Space
Drainage Fund			20,000	Parks & Open Space

FUND TRANSFERS

Fund transfers are used in multiple funds that the Town uses on an annual basis. The transfers out of the General Fund are primarily used to offset contractual financial obligations. The transfer from the General Fund to the Sewer Fund is a loan that will be paid back in the future. The Parks and Open Space Fund is supported by revenues related to parks in addition to the transfers from the proprietary funds that serve as franchise fees. The transfer into the Tax Allocation Fund from the Capital Projects Fund represents a portion of use tax that is received into the Capital Projects Fund that is part of a contractual financial obligation to developers.

APPENDIX

STAFFING SUMMARY

Fund/Department	2020 Budget
Governmental Funds	
<u>General Fund:</u>	
Town Manager	2.95
Town Clerk	2.40
Finance	1.50
Planning	2.90
Police	27.00
Public Works	0.55
Building Inspection	1.00
Buildings	0.00
General Fund Total	38.30
Street & Alley Fund	4.80
Parks & Open Space Fund	3.79
Conservation Trust Fund	0.00
Tax Allocation Fund	0.00
Capital Projects Fund	0.00
Recreation Center Fund	0.00
Library Fund	0.00
Proprietary Funds	
Water Fund	7.93
Drainage Fund	3.35
Sewer Fund	6.78
Fiduciary Funds	
Cemetery Perpetual Fund	0.00
Total FTE's:	64.95

CHANGES TO FTE's IN 2020

There were nine full-time positions approved in the 2020 Budget. The positions added, Town wide include, two full-time Police Officers, one full-time Public Works Supervisor, one full-time Public Works Technician, one full-time Accountant, one full-time Receptionist, one full-time Community Relations Manager, one full-time Economic Development Specialist, and one full-time Planner. All positions are allocated to different funds based on the amount of time spent in each fund. The table above reflects the allocations of all employees.