Town of Milliken
Colorado

Proposed

2015 ANNUAL BUDGET

Presented to:
Town of Milliken
Board of Trustees

Milt Tokunaga, Mayor
Linda Measner, Mayor Pro Tem
Linda Beck
LeRon Ehrlich
Jordan Jemiola
Ken Kidd
Lois Ann Onorato

Town of Milliken
2015 Budget Message

TO: MAYOR AND MEMBERS OF TOWN BOARD

We hereby submit, for your review and consideration, the proposed Operating and Capital Budget for all funds for the fiscal year beginning January 1, 2015.

The Budget represents one of the most important documents presented to the Town Board. It is designed to reflect the goals and objectives of the Board and establishes an action, operational and financial plan for the achievement of those goals and the delivery of Town's essential services. This Budget has been prepared to provide a comprehensive overview of all Town funds and services, and to give residents a better understanding of the Town's operating programs. In today's economic climate, every business and governmental organization functions with a unique set of challenges and circumstances based on its past decisions, current financial conditions, and the expectations established by their customers and constituents. We believe this budget proposal reflects the same well-planned, fiscally responsible approach to meeting these challenges that has served the Town well for many years.

Although we are considered to be well into an economic recovery from the Great Recession, it continues to be slow-going and fragile, with the exception of the oil and gas industry, which remains an important part of the Northern Colorado and Milliken economy. However, there is still a need to remain cautious and prudent as we strive to maintain and improve service performance, while investing in the growth and development of the Town in order to diversify its revenues and property tax base. Accordingly, the 2015 Budget continues the tradition of emphasizing a professional and conservative fiscal approach to serving the citizens of Milliken, while being mindful of its needs for the future.

The Town residents deserve and insist on quality municipal services provided in a productive, friendly, and efficient manner at the lowest possible costs. Our citizens also need to feel confident that the Town is effectively planning for the future to ensure the highest quality of life possible for the community. To meet this challenge, your Town Staff and Department Directors have approached the budget process with thoughtfulness, professionalism, and a sincere desire to meet the current and future needs of the Town.

Milliken, like many other municipalities in Colorado, is committed to providing excellent service, maintaining the integrity of our infrastructure and property values, and responsively attending to road repairs, public safety needs and expectations for the provision of quality community amenities. We are also committed to maintaining a healthy financial position so that we can be prepared for unexpected contingencies and maintain superior credit ratings for our bonds. We continue to emphasize cost control, cost avoidance, protection of infrastructure investments, increasing productivity through continuous process improvements, growing our tax base through development, and diversifying our revenues to protect our financial condition. At the same time we are paying attention to our human capital, our staff, and investing in them because the quality and stability of staff dictates the quality and effectiveness of the service we provide.

In order to provide you, and other readers, a meaningful context to guide your review of the 2015 Budget, we offer the following background and highlights:

Town of Milliken
2015 Budget Message

GOALS FOR 2015 BUDGET

The proposed Budget is designed to achieve the following objectives:

- Support the Pursuit of Board Goals and Objectives.
- Improve Service Levels and Provide the Staffing Required to Achieve Them.
- Estimate 2015 Revenues in Accordance with Current Economic Trends.
- Maintain Adequate Fund Balances to Protect the Town's Finances and Commitments.
- Invest in the Community to Improve the Quality of Life for Milliken Citizens.
- Invest in Community Infrastructure and Amenities to Help Diversify Future Revenues Sources.
- Prepare a Transparent Budget in a Format that Can Be Adequately Understood and Discussed.

BUDGET PROCESS AND BASIS

The Town Budget

The Town provides a wide variety of services to nearly 6,000 residents. Municipal services are financed through a variety of taxes, fees, charges for service, and intergovernmental assistance. In order to plan for the delivery of effective services and efficiently manage the revenues which support those services, the Town adopts a budget, or financial plan. Direction for the budget comes from many distinct sources. State law provides the basic legal requirements and timelines for the process. Board Goals and public input provide the policy direction to respond to the needs of the community, and Town Staff brings its professionalism and expertise in assessing the Town's needs in accordance with these directives. The fiscal year of the Town is the calendar year. The Town is required by statute to adopt and appropriate a budget on an annual basis. The Town uses the modified accrual accounting method for all funds except proprietary funds, which use the accrual method used by private business.

Budget Process

The intent of the annual budget process is to provide an opportunity to reflect on the level and effectiveness of providing for the present and future needs of the Town and then generate a sound financial and operational plan to serve the residents of the community. As a statutory Town, the Town of Milliken follows the State established time limits pertaining to the adoption of the budget.

During the development of the budget, various department managers are called upon to provide their experience and expertise in planning for, and meeting, the operational needs of the Town. In addition, the Town Board provides guidance during preparation through goal-setting meetings it convenes focusing on its objectives for the current year and beyond. Revenue projections for the coming year are compiled to estimate the resources available to provide for the Town. As the majority of Town revenues currently come from property taxes, the statutory limits on this revenue source are an important component of resource allocations. The Town Staff then works to integrate the needs of required operational service levels, the immediate goals adopted by the Board, and the future investments required to fulfill the long-term visions adopted by the Board. The Town Administrator's budget recommendation is submitted to Town Board before October 15th. The recommended budget is made available for public inspection at this time. At least two public hearings are held during the months of October and November before the final adoption of the budget. The budget for the ensuing budget term and the annual appropriation ordinance is adopted no later than December 14th.

Town of Milliken
2015 Budget Message

MILLIKEN FACTS

- Milliken was founded in 1910 and is part of Weld County, Colorado.
- Milliken is a statutory town that has a Board/Administrator form of government.
- The Town Board consists of six (6) Trustees who are elected for 4-year terms, and a Mayor who is elected for a 4-year term.
- On November 4, 2001, voters within the Town approved the collection, retention and expenditure of the full revenues generated by the Town commencing January 1, 2001, and subsequent years, notwithstanding the provisions of the TABOR Amendment, which otherwise limits the growth in Town revenue.
- In 2004, voters approved a .5% sales and use tax to fund the construction of a traffic signal at Hwy 257 and Hwy 60. In 2006, voters approved a mill levy increase to fund a new Police Station/Meeting House.
- Residential property is assessed at 7.96% of appraised value.
- Commercial property is assessed at 29% of appraised value.
- The Town/State has a combined sales tax rate of 5.4%.
- Milliken's sales tax rate is 2.5% (one of the lowest in the region), and the lowest in Weld County.

DEMOGRAPHICS

Population (2010 Census)	5,927
Median age	31.8
Average household size	3.06
Median household income	$68,228
Median home value	$171,400
Owner occupied homes	77.7%

TOWN ORGANIZATIONAL STRUCTURE

Town operations are organized into six departments:

Community and Economic Development
Public Works
Parks and Outdoors
Police
Finance
Administration

Each department has its own Mission Statement and primary functions, while operating as part of a team to provide the best possible service and support to the Town and its citizens.

Town of Milliken
2015 Budget Message

Community and Economic Development

Mission Statement: *"To promote economic development, quality growth, and a sense of place for the Town of Milliken."*

Functions:

- Promote Economic Development
- Promote Infrastructure Development
- Provide Information and Data Resources
- Review and Process Land Use Applications
- Facilitate and Coordinate Long Range Planning
- Building Services Oversight and Permit Processing.

Public Works

Mission Statement: *"To support and enhance a high quality of life for the Town's residents, businesses and visitors by providing well planned, environmentally sensitive, cost effective infrastructure and services to promote public health, personal safety, transportation, economic growth and civic vitality."*

Functions:

- Provide High Quality, Safe Drinking Water
- Maintain Water Treatment Plant and Infrastructure
- Provide a Well-maintained Wastewater Treatment Plant
- Maintain Wastewater Infrastructure
- Maintain 69.58 Lane Miles of Roadway Infrastructure
- Maintain Equipment, Street Signs, Traffic Lines, Sidewalks, and Gutters
- Snow Removal
- Street Cleaning

Parks & Outdoors

Mission Statement: *"To acquire, develop, operate, and maintain our parks and outdoor environment which enriches the quality of life for residents and visitors alike, and preserves it for future generations."*

Functions:

- Maintain Approximately 30 Acres of Parks and Park Facilities
- Maintain Approximately 62 Acres of Open Space and Lakes
- Maintain and Improve the 28 Acres of Right-of-Ways and Alleys
- Weed Control
- Manage a Tree Maintenance Program
- Maintain Irrigation Infrastructure

Police

Mission Statement: *"Enhance the quality of life within the Town by working closely with citizens in the development and delivery of professional police services."*

Functions:

- Protection of Life and the Prevention of Crime and Disorder.
- Through Emphasis on Community Policing, Build Partnerships and Seek Proactive Approaches and Innovative Solutions to Address Crime and Other Safety Issues.
- Work with Other Local Agencies to Evaluate and Regularly Update the Public Safety Response to Large-Scale Emergencies Through Advance Disaster Planning and Incident Command Procedures.
- Find Innovative Ways to Involve the Police Department in the Community.

Finance

Mission Statement: *"Protect the public interest through proper custody and accounting of public funds, help facilitate the achievement of the Town's goals and objectives through sound financial management, timely financial reporting and to serve the public, Town Board and staff efficiently and pleasantly as valued customers."*

Functions:

- Maintain Accurate Financial Records
- Utility Billing and Payment Processing
- Safeguarding of Assets
- Grant Management
- Monitor Investments and Debt
- Collect and Record Receipts for Taxes, Licenses, Fees, etc.
- Budget Preparation and Adherence to Budgetary Restrictions
- Purchasing of Goods and Services
- Payroll

Administration

Mission Statement: *"Provide prompt and courteous service to citizens, elected officials, and staff in the form of information, ordinances, resolutions, minutes, and record keeping protecting the Town's interest through communication and public education."*

Functions:

- Compile and Maintain the Records and Action of the Town Board and Planning Commission
- Directs the Management and Maintenance of all Town Records
- Administration of Municipal Elections
- Notary Services
- Liquor Licensing
- Courts Management
- Human Resources
- Risk Management
- Codify and Distribute Milliken Municipal Code and Supplements
- Issue Business Licenses, Dog licenses, Special Events Permits

Although each department has its own functions, the culture in the Town workforce today reflects a team effort to recognize our joint responsibility to provide service and support to our constituents, while creatively approaching the need to generate new revenue and reduce costs where it is reasonable and responsible to do so. At the same time, it is critically important to recognize that the residents of Milliken have high expectations as to the services they demand and expect the Town to deliver. These standards not only relate to their immediate need for emergency response but to their needs to protect their property values through responsible planning, smart growth, and maintenance programs that make Milliken a unique community, and to provide fiscally conservative and responsible leadership. Based on conditions found throughout Weld County and around the State of Colorado, the Town finds itself in a solid financial position today because of proactive leadership by elected officials and staff in support of past and present initiatives funded by the budget process.

TOWN FINANCIAL STRUCTURE

The Town, as do all governmental entities, accounts for its activities through the use of Funds, which are divided into two groups: Governmental Funds and Proprietary Funds. Governmental Funds are used to account for all, or most, of the Town's general activities, including the collection and disbursement of earmarked funds (Special Revenue Funds) and the Capital Projects Funds. The Town's Governmental Funds are the: General Fund, Grants Fund, Oil & Gas – 5.5% Exempt Fund, Street Fund, Capital Improvement Fund, Conservation Trust Fund, Impact Fees Fund, Debt Service Fund, KMB Fund, and Milliken Housing Authority Fund. Below are some of the highlights of the activities and proposals included in each fund in this proposed Budget for 2015. Proprietary Funds are used to account for activities for which a fee is charged, which provides the primary source of revenue for the fund. The funds operate much like a private business and record financial transactions on the accrual basis. The Town's Proprietary Funds are: Water Fund, Sewer Fund, and Trash Collection Fund.

GOVERNMENTAL FUNDS

General Fund

The primary fund for the Town is the General Fund. The General Fund revenues, including transfers, are estimated to increase from $4,135,642 in the 2014 Year-End Estimates to $4,269,880 in 2015. General Fund expenditures are projected to decrease $6,572 from $3,783,537 in the 2014 Year-End Estimates to $3,776,965 in 2015, creating an Operating Surplus in 2015 of $492,915 for Capital Improvement Investments.

Revenues

Property Tax. The Town's Total Taxable Assessed Valuation increased 10.9% ($7.34 million) in 2014, virtually all of which is attributable to oil and gas properties, and all of that increase is attributable to two new wells with a total assessed valuation of over $8 million. This increased the relative contribution of oil and gas properties from 49% to over 54% of Property Tax revenues for the Town. The constitutional limit of 5.5% in the growth of these revenues prevents the Town from realizing all of the potential income from this increase in assessed valuation. Accordingly, the Town has again applied for an exclusion from the 5.5% revenue limitation for new oil and gas property, which will allow for additional property tax revenues of $93,868 to be used for street improvements. Thus, the Mill Levy for General Operating Expenses will not change for 2015 and will stay at 28.623. This will increase General Fund property tax revenues about $260,000 over 2014. Based on the preliminary assessed valuations, however, the levy required for debt service will be reduced from 2.830 to 2.421, reducing our total Mill Levy to 31.044, from last year's 31.453. The increase in assessed valuation and the reduced debt service requirement combined to make this possible.

Sales and Use Taxes. The Town currently imposes a 2.5% Sales Tax on all applicable sales, which is collected by the State and remitted to the Town on a monthly basis. The base Sales Tax is 2%. The additional .5% was added to pay for the bond issued to construct the traffic light at the intersection of Highways 60 and 257. This bond matures in 2023. At 2.5%, Milliken has one of the lowest sales tax rates in Weld County, with 15 of the 27 municipalities in the county having rates from 3 to 4%, two at 2.5%, and 10 with a rate of 2%. In 2014, each 1% of Sales (and Use) Taxes will generate approximately $314,000. Based on current trends, we are projecting a 5.5% in increase

General Fund *Revenues*, Sales and Use Tax, continued

Sales and Use Tax revenue, which is being supported by healthy increases in Building and Vehicle Use taxes from the growth in construction activity and vehicle purchases.

Licenses and Permits. The Town issues several types of Licenses and Permits that yield about 6.7% of total General Fund Revenues. Licenses and Permit Fees are, generally speaking, fees for service and are intended to reflect the cost of administering specific activities and enforcing regulations related to those activities. Examples are Business Licenses, Soliciting Licenses, Pet Licenses, etc. The most significant of these permit fees, with respect to both revenues generated and enforcement/regulatory costs, are Building Permit Fees. These fees are directly related to building activity and have dramatically increased over the past year and are expected to increase again in 2015. For example, the Town issued just 12 building permits for new homes in 2012, which increased to 37 in 2013. We have already issued nearly 70 new construction permits in 2014 and are projecting at least 80 for 2015.

Charges for Services. Accounting for less than 2% of Total General Fund revenues, the primary sources of these funds are Oil and Gas Safety Inspection Fees and Vehicle Registration Fees. The remaining items include Development Fees, Abatement Charges, Facility and Park Rental Fees.

Fines and Forfeitures. Court Fines are the primary source of this revenue and represent less than 1% of all General Fund Revenues.

Intergovernmental. The major sources in this category are State Grants and the reimbursement from the school district for our School Resource Officer.

Contributions. The Town receives contributions for Beef and Bean Day and other events, in addition to an occasional general contribution.

Flood Grants and Reimbursements. This category was created in 2013 to separately record proceeds from our insurance company for flood-related claims and the Public Assistance Grants received through FEMA. It is expected that this category will expire in 2015. Any future flood-related grants, and related expenditures will be recorded through the Grants Fund.

Transfers In. The General Fund receives reimbursements from the Street Fund and the Enterprise Funds (Water, Sewer, and Trash) to cover the costs of direct labor and administration related to these activities and funded out of General Fund resources. The amount of these reimbursements are calculated each year based on the payroll costs of employees performing services for these funds and any other indirect costs appropriately allocated to these activities not otherwise paid directly out of these funds.

Expenditures

Administration. Headed by the Town Administrator, this department is charged with the oversight, management, administration, and execution of Board policy, State statutes, and Citizen Customer Service. This department includes the office and responsibilities of the Town Clerk, Human Resources, Risk Management, Code Enforcement, Finance, Accounting, Utility Billing, Communications, Information Technology, and Project Management. There are currently 8

General Fund *Expenditures*, Administration, continued

employees included in this department, including the Community Engagement Specialist, grant funded through 2015.

Municipal Court. The Town is statutorily required to operate and maintain a Municipal Court for the adjudication of local offenses and ordinance violations. In 2010, Milliken made the visionary decision to expand the role of the Municipal Court with the Community Court concept and received grant support to implement a new approach to community justice, which has distinguished the Town on a national basis. While the Court adjudicates traditional cases, it has also successfully encouraged defendants to participate in a more holistic restorative approach to justice that has proven to be one of the Town's more effective initiatives in community outreach and participation with members of the community who are not traditionally well-represented or served. The community services provided by Community Court staff make a significant contribution to creating a spirit of inclusiveness and support for Milliken's citizens. There are currently 1.5 salaried employees in this department. The judge and attorney are paid on a contractual basis.

Community Development. Planning, Land Use and Development oversight and administration, Building Permit issuance and administration, Building Code Enforcement, and Economic Development represent the majority of responsibilities and activities in this department. This past year has also seen a significant increase in grant funding, which has been developed through this department. There are currently 2 salaried employees in this department, which also oversees the Building Official, who is under contract.

Public Safety. With an emphasis on Community Policing, our Police Department is responsible for the protection of our citizens, their property, and the general order of the Town. Our department also takes the lead in Emergency Management. This department is now fully staffed with 10 employees.

Public Works and Facilities Maintenance. The Public Works Department has responsibility for providing quality water and sewer services to our citizens, and maintaining and improving our roads for the health, safety and well-being of our citizens and visitors. In addition, this department maintains Town buildings and facilities (other than Parks). This department currently has 5 employees many of whom are partially funded with transfers (reimbursements) from the Streets Fund and the Water and Sewer Funds. The current budget proposes the completion of the acquisition of a skid steer initiated in 2014, some additional physical improvements in Town Hall, the addition of a full-time person to be primarily responsible for the care and maintenance of Town Facilities, and half the cost of a part-time Administrative Assistant shared with the Parks Department. The addition of these two individuals should significantly improve the care and condition of all Town facilities, in addition to better utilizing Public Works Staff in their respective areas of expertise.

Parks. Quality of life and the environment lead the priorities of the Parks Department, responsible for the care and maintenance of our parks, Open Space and right-of-ways in the Town. This department currently has 4 employees. The current budget proposes the addition of the other half of the part-time position proposed in Public Works, in addition to the acquisition of two new mowers, which will significantly improve the efficiency of Parks staff and improve the overall look of the Town's Parks.

General Fund *Expenditures*, continued

Festivals and Programs. This "department" houses the expenses for Beef 'N Bean Day, the Festival of Lights, Halloween, Easter, and the other smaller events held throughout the year.

Capital Transfers/Fund Balance. The Board's desire to continue investing General Fund Surplus Operating Funds in Capital Improvements is reflected in this line item. $381,500 will be transferred in 2014 for major projects currently underway (Windmill Gateway, a Materials Storage Facility at Public Works, and the completion of Heritage House/Avila Park site improvements and landscaping) with additional funds proposed in 2015. The Board has authorized an adjustment to the Minimum Target Reserve from six months to three months, with an additional reserve for the first year commitment ($200,000) to support funding for a Filed House and Soccer Fields being constructed by the Thompson Rivers Parks and Recreation Department (TRPR). In addition to the budgeted operating surplus of $492,915, this decision has made over $1 million available for Capital Investments. The Proposed Budget includes an initial transfer of $826,725 for some major projects in Downtown Milliken and in the Town's parks, designed to enhance the community and attract additional investment. There also remains a reserve in the Fund Balance for a sewer project committed in a prior year that will be installed in the future.

Special Revenue - Grants Fund

The Town has been extremely fortunate to have been awarded a number of grants, many coming as a direct result of the Flood of 2013. This is in addition to the Great Outdoors Colorado (GOCO) grant received for the reconstruction of the Hillsboro Skate Park, completed in 2014. As a result, over $2 million in projects have been, or will be, completed during the period 2013-2016, including:

Downtown Design	Housing Needs Assessment
Hillsboro Skate Park	Major Sewer Line Reconstruction
Stormwater Master Plan	Tourism Marketing Grant
Milliken Comprehensive Plan Update	Sidewalk Gap Analysis

and significant trail construction, including the Milliken portion of the Milliken-Johnstown Trail. The Town has also received funding to support the employment of our Community Engagement Specialist for two years, ending in 2015.

Oil & Gas 5.5% Exempt Fund

This fund was established to segregate those monies received by the Town through its application for exemption from the revenue limitations for fist year oil and gas wells. The Board has approved the application for 2015, which has been submitted and should result in revenues of $93,868. The receipt of these revenues is conditional upon their application to the impact the oil and gas industry has on the Town and, thus, the Board has again elected to send 100% of these funds to the Streets Fund for road maintenance.

Street Fund

Intergovernmental. The Town receives tax revenues from the State of Colorado and Weld County for the specific purpose of funding road projects.

Street Fund, Intergovernmental, continued

HUTF. The Town receives a portion of the revenues received by the state's Highway Users Tax Fund (HUTF). By far, the largest source of revenue for this fund is the motor fuel tax levied on each gallon of fuel purchased in the state. Municipalities receive their allocation of these funds based on the weighted combination of (1) the number of registered vehicles in the municipality (80%) and (2) the relative number of miles of used and maintained roads within the municipality (20%). The Town reports the road miles each year for inclusion in this calculation.

Weld County Road and Bridge Tax. This tax is levied by Weld County and divided between the county (approximately 3/4) and the local municipalities (1/4), based on the relative tax revenues collected by each municipality. The Town receives most of these revenues prior to June, as the oil and gas companies usually pay 100% of their taxes in April, rather than is two payments like most residential property owners.

Transfers In. As noted above, 100% of the property taxes received by the Oil & Gas Tax Exempt Fund are transferred into the Street Fund to finance road maintenance and repairs.

In addition to the ongoing repair and maintenance of our roads, including snow plowing and removal, these funds are applied to major maintenance and repair items, such as crack sealing, chip and slurry sealing, milling and filling, and other items related to our long-term road maintenance plan. In accordance with that plan, 2015 is slated to have the following projects completed:

Mill and Fill – Broad Street. This project was estimated as part of our request for proposals in 2014 so that we could have an appropriate estimate for budgeting purposes in 2015. Accordingly, we have allocated $134,000 for this project in 2015.
Crack Sealing. We have allocated $64,000 for 40,000 lbs. of material for crack sealing with an emphasis on the Mad Russian and Colony Point subdivisions.
Infrared Patching. We have budgeted $16,500 for another 200 of these effective patches for 2015 on an as-needed basis when we review our specific needs in the spring and summer.
Bridge Deck – WCR 25. When this bridge was assessed after the flood of 2013, it was noted that the deck of this bridge needs to be re-surfaced, and we have allocated $25,000 for this project in 2015.
WCR 19 Reserve. Weld County has notified us that they are anticipating a reconstruction project on WCR 19 in 2015, a portion of which is Town-owned. We expressed our support for this project and see it as an opportunity to leverage county funds to lower the overall cost to the Town, and to work cooperatively on a project that will benefit our citizens. It is estimated that our portion of this project will amount to approximately $200,000. We have reserved the balance of the funds we have allocated thus far, after assigning our resources the projects noted above, and will make recommendations for further funding as we address other capital investments throughout the budget process.

Capital Improvement Fund

The Proposed Budget includes a number of major projects related to the improvement of Downtown and significantly upgrading a number of Parks in accordance with our Parks Capital Improvement Program. In accordance with the design work done as part of our Downtown Design Project, we are recommending an investment of $450,000 to reconstruct a substantial portion of the sidewalks downtown, including the installation of irrigation for the trees and anticipated landscape integral to the design. This proposal also

Capital Improvement Fund, continued
includes an additional $50,000 for sidewalks identified in the ongoing Gap Analysis funded by a Kaiser Permanente Grant and $85,000 for improvements to the parking area adjacent to Town Hall. Major improvements, including a restroom, are slated for Lola Park, added improvements to Dog Park, Mountain View Park and Ada Park in accordance with the Board's expressed priorities to improve Milliken Parks for our residents. These projects are funded substantially through transfers from the General Fund.

Conservation Trust Fund
Conservation Trust Funds are the portion of Lottery Proceeds constitutionally mandated to be distributed directly to local governments, based on population, for acquiring and maintaining parks, open space and recreational facilities. The Town receives distribution quarterly and the Proposed Budget includes a transfer of $66,000 of these funds to the Capital Improvement Fund to support the projects noted above.

Impact Fees Fund
The Town assesses Impact Fees on new development and construction within the Town to help fund the cost of providing the services and infrastructure affected by the new development. The Town currently assesses Impact Fees for:

Park Development	Drainage
Trails and Open Space	Police Infrastructure
Public Facilities Infrastructure	Administration Infrastructure
Streets	Centennial Farms Irrigation Line

In 2012, the Impact Fees Fund had a substantial deficit balance, which was remedied by a Board-appropriated transfer of $180,000 from the General Fund, putting the Fund back on track to finance future projects. The current and projected increase in construction activity has fueled significant growth in the fund's available resources, all of which are earmarked for the specific types of projects for which the fees were collected. The Proposed Budget transfers $200,000 of these funds to the Streets Fund to support the projects slated for 2015 and $65,000 to the Capital Improvement Fund from the Park Impact Fees to support the parks projects identified in that fund. Additional funds remain available to appropriate for projects yet to be identified and prioritized by the Board.

Debt Service Fund
These funds are restricted for debt service payments. A ½ penny sales tax is dedicated to the Hwy 60 & 257 traffic light bond and 2.421 Mills in property tax revenue is dedicated to the police building bonds. This Mill Levy is a reduction from the previous year, as this year's assessed valuations increased sufficiently to reduce this rate and still generate sufficient revenue to meet the amortization schedule for this debt.
The Town has experienced a steady increase in the Fund Balance of this fund as the result of receiving Sales and Use Taxes in excess of the debt service requirements for the bond issued for the traffic light at Highways 60 and 257. Staff is recommending that a thorough analysis of this fund balance be conducted, as the Town appears to have an opportunity to accelerate payments on the Traffic Light Bonds, which would help re-route more Sales and Use Tax to the General Fund. Staff will be making a future recommendation as to how to proceed on this effort once this analysis is complete.

KMB Fund
This fund has been established to segregate funding for the Keep Milliken Beautiful organization which is an affiliate of Keep America Beautiful. This fund is grant and donation driven.

Milliken Housing Authority Fund
This fund is considered a component unit of the Town, which is overseen by the Milliken Housing Authority. The limited funds available are utilized on an as-needed basis and the operation of the Dove Valley Housing Development is managed by the Loveland Housing Authority.

PROPRIETARY FUNDS

Water Fund
The Water Fund has benefitted from the cooler, wetter summer this year and, as such, delivered a greater operating surplus than originally expected. In addition, the efforts of Town Staff to more assertively manage the water supply from Greeley, continues to drive down Water Treatment costs. Although we are budgeting for a potentially drier year in 2015, this surplus is helping build reserves we will be utilizing to fund a Project Manager next year for the major projects anticipated by the Water and Sewer Master Plan Update recently completed. The adoption of the Master Plan and the recent implementation of the TRPR Field House project also caused a re-evaluation of the capital project schedule for 2014, reducing our estimates in this area to the completion of the Refresh Well and only the design, not construction of the Centennial Bypass Line. This latter project will be incorporated into a larger vision working on coordination with TRPR as the new landowner of this property.

The significant increase in capital funds available from our surge in Tap Fees and the publication of the updated Master Plan warrant special consideration of the capital projects to be funded over the next few years. Accordingly, we will be holding a separate Budget Meeting to discuss these options and have, withheld an "Infrastructure Improvements" recommendation from the Proposed Budget submitted at this point. A detailed discussion of the composition of the Fund Balance will also be part of this meeting so that the Board can make a more informed decision about allocating these capital resources. The most significant operational expenditures to note are the $45,000 allocated for the Project Manager, which is half of the $90,000 anticipated cost to be split with the Sewer Fund, and $15,000 for the replacement of a Pickup Truck, also to be shared with the Sewer Fund.

Sewer Fund
Some deferred expenses and operational savings also helped our projection for a projected surplus in 2014, which will help fund the operating deficit in 2015, tipped by the $45,000 allocation for a Project Manager. When we look at a detailed Fund Balance Analysis, referred to above, it will become clearer how much is available for capital projects and where the funding is coming from. As for operations, the major items in 2015 are the Project Manager, the replacement Pickup Truck, an allowance for emergency equipment rentals (not used in 2014), and the apparent increase in biosolids removal over a suppressed cost in 2014 from a diversion of sewage into the ponds during equipment repairs. It is worth noting, however, that we have successfully begun diverting the Town's biosolids for beneficial use through composting without incurring a substantial increase in costs.

Trash Collection Fund
This fund is designed primarily as a pass-through fund, as the charges are directly related to the fees charged by the Town's solid waste disposal contractor (currently, Waste Management), plus a small administrative charge, which is reimbursed to the General Fund. Charges are projected to increase approximately 2.75%, which is consistent with the contractual allowance of the Waste Management contract.

Working Document

The budget, as presented, represents the Town's financial plan to maintain and improve existing services, fund the goals articulated by the Town Board, and ensure adequate fund balances to maintain a strong financial position. The Budget is a working document that guides Staff and the Board in the care, custody, and management of the resources available to serve the needs of our citizens and will be amended as needed at the discretion and consideration of the Board.

Respectfully submitted,

Cheryl Powell
Interim Town Administrator

Patrick Murphy
Treasurer, Director of Accounting and Finance

Town of Milliken
Proposed Budget 2015

GENERAL FUND	2013 Actual	2014 Amended Budget	2014 Year-End Estimates	2015 Budget
Beginning Fund Balance	**$ 1,586,989**	**$ 1,883,529**	**$ 1,883,529**	**$ 1,854,134**
Revenues				
Taxes & Fees	2,574,911	2,832,226	3,010,286	3,324,630
Licenses & Permits	124,000	120,800	245,535	281,150
Charges for Services	69,304	71,300	80,950	81,950
Fines & Forfeitures	42,354	35,000	45,000	41,000
Intergovernmental	64,324	75,000	77,000	78,000
Earnings on Investment	7,574	9,190	5,430	5,250
Miscellaneous Revenue	95,917	25,000	60,291	8,900
Contributions	7,403	6,500	15,150	13,000
Flood Grants and Reimbursements	159,605	132,825	190,000	-
Transfers In	356,000	406,000	406,000	436,000
Total Operating Revenues	**3,501,392**	**3,713,841**	**4,135,642**	**4,269,880**
Expenditures				
Administration	650,493	870,473	851,286	919,235
Municipal Court	113,566	108,485	110,397	141,739
Community Development	290,884	348,817	413,881	437,869
Public Safety	805,233	909,128	939,606	892,090
Town Board	80,119	111,092	98,823	101,578
Public Works & Facilities Maint.	614,792	596,399	602,390	710,915
Parks	374,180	418,574	462,060	513,239
Festivals and Programs	45,731	58,600	62,344	60,300
Flood Recovery Costs	223,854	161,000	177,750	-
Transfers Out	6,000	65,000	65,000	-
Total Operating Expenditures	**3,204,852**	**3,647,568**	**3,783,537**	**3,776,965**
Excess (Deficiency) of Revenues and Other Sources over Expenditures	**296,540**	**66,273**	**352,105**	**492,915**
Capital Investment - Transfers Out	-	(381,500)	(381,500)	(826,725)
Ending Fund Balance	**$ 1,883,529**	**$ 1,568,302**	**$ 1,854,134**	**$ 1,520,324**
Miniumum Target Reserve	**1,602,426**	**1,823,784**	**1,891,769**	**944,241**
Reserved for Flood (2014-$100K), Franks (2014-2015-$102K), TRPR (2015)- $200K)	**102,000**	**202,000**	**202,000**	**302,000**
Available Funds	$ 179,103	$ (457,482)	$ (239,635)	$ 274,082

INITIAL WORKSHEET

Town of Milliken
Proposed Budget 2015

SPECIAL REVENUE - GRANTS	2013 Actual	2014 Amended Budget	2014 Year-End Estimates	2015 Budget
Beginning Fund Balance	$ 34,054	$ 57,676	$ 57,676	$ 175,539
Revenues				
Intergovernmental	107,402	949,400	769,800	968,515
Contributions	11,063	-	12,350	-
Transfers In	23,500	254,175	254,175	-
Total Operating Revenues	141,965	1,203,575	1,036,325	968,515
Expenditures				
Grant Expenditures	118,343	1,201,415	918,462	1,106,509
Transfers Out	-	-	-	-
Total Expenditures	118,343	1,201,415	918,462	1,106,509
Excess (Deficiency) of Revenues and Other Sources over Expenditures	23,622	2,160	117,863	(137,994)
Ending Fund Balance	$ 57,676	$ 59,836	$ 175,539	$ 37,545

Town of Milliken
Proposed Budget 2015

OIL & GAS 5.5% EXEMPTION FUND	2013 Actual	2014 Amended Budget	2014 Year-End Estimates	2015 Budget
Beginning Fund Balance	$0	$0	$0	$0
Revenues				
General Property Tax	114,143	143,934	143,934	93,868
Earnings on Investment	0	0	0	0
Total Operating Revenues	114,143	143,934	143,934	93,868
Expenditures				
Street Maintenance				
Tran Out - Streets Fund	114,143	143,934	143,934	93,868
Total Expenditures	114,143	143,934	143,934	93,868
Excess (Deficiency) of Revenues and Other Sources over Expenditures	0	0	0	0
Ending Fund Balance	$0	$0	$0	$0

Town of Milliken
Proposed Budget 2015

STREET FUND	2013 Actual	2014 Amended Budget	2014 Year-End Estimates	2015 Budget
Beginning Fund Balance	$ (9,940)	$ 91,368	$ 91,368	$ 39,012
Revenues				
Intergovernmental	239,271	225,680	252,625	249,414
Earnings on Investment	275	150	225	200
Transfers In	114,143	143,934	143,934	293,868
Total Operating Revenues	**353,689**	**369,764**	**396,784**	**543,482**
Expenditures				
Operations	142,381	288,300	289,140	392,300
Transfers Out	110,000	160,000	160,000	190,000
Total Expenditures	**252,381**	**448,300**	**449,140**	**582,300**
Excess (Deficiency) of Revenues Over Expenditures	**101,308**	**(78,536)**	**(52,356)**	**(38,818)**
Ending Fund Balance	$ 91,368	$ 12,832	$ 39,012	$ 194

Town of Milliken
Proposed Budget 2015

CAPITAL IMPROVEMENT FUND	2013 Actual	2014 Amended Budget	2014 Year-End Estimates	2015 Budget
Beginning Fund Balance	**$ 659,389**	**$ 358,343**	**$ 358,343**	**$ 203,333**
Revenues				
Intergovernmental	-	25,000	25,000	-
Earnings on Investment	96	75	40	-
Miscellaneous Revenue	14,793	-	-	-
Transfers In	-	381,500	381,500	826,725
Total Operating Revenues	**14,889**	**406,575**	**406,540**	**826,725**
Expenditures:				
Capital Outlay	207,585	665,000	463,550	1,026,725
Other	108,350	11,000	3,000	-
Transfers Out	-	95,000	95,000	-
Total Expenditures	**315,935**	**771,000**	**561,550**	**1,026,725**
Excess (Deficiency) of Revenues and Other Sources over Expenditures	**(301,046)**	**(364,425)**	**(155,010)**	**(200,000)**
Ending Fund Balance	**$ 358,343**	**$ (6,082)**	**$ 203,333**	**$ 3,333**

Town of Milliken
Proposed Budget 2015

CONSERVATION TRUST FUND	2013 Actual	2014 Amended Budget	2014 Year-End Estimates	2015 Budget
Beginning Fund Balance	$ 105,807	$ 55,220	$ 55,220	$ 36,555
Revenues				
Intergovernmental	30,871	31,000	30,000	30,000
Earnings on Investment	612	530	510	50
Contributions	-		-	
Transfers In	-	-		-
Total Operating Revenues	31,483	31,530	30,510	30,050
Expenditures				
Other	-	-	-	-
Capital Outlay	64,570	-	-	-
Transfers Out	17,500	49,175	49,175	66,000
Total Expenditures	82,070	49,175	49,175	66,000
Excess (Deficiency) of Revenues and Other Sources over Expenditures	(50,587)	(17,645)	(18,665)	(35,950)
Ending Fund Balance	$ 55,220	$ 37,575	$ 36,555	$ 605

Town of Milliken
Proposed Budget 2015

IMPACT FEES FUND	2013 Actual	2014 Amended Budget	2014 Year-End Estimates	2015 Budget
Beginning Fund Balance	$ 49,227	$ 141,911	$ 141,911	$ 270,043
Revenues				
Fees	118,197	118,000	231,600	264,300
Earnings on Investment	-	-	-	-
Transfers In	-	-	-	-
Total Operating Revenues	118,197	118,000	231,600	264,300
Expenditures				
Capital Porjects	25,513	65,500	58,468	-
Transfers Out	-	45,000	45,000	265,000
Total Expenditures	25,513	110,500	103,468	265,000
Excess (Deficiency) of Revenues and Other Sources over Expenditures	92,684	7,500	128,132	(700)
Ending Fund Balance	$ 141,911	$ 149,411	$ 270,043	$ 269,343

Town of Milliken
Proposed Budget 2015

WATER FUND	2013 Actual	2014 Amended Budget	2014 Year-End Estimates	2015 Budget
Beginning Fund Equity	**$ 17,481,797**	**$ 18,109,174**	**$ 18,109,174**	**$ 19,116,691**
Revenues				
Charges for Services	1,240,598	1,207,000	1,257,000	1,257,000
Miscellaneous Revenue	12,806	45,000	41,500	41,500
Transfer In	-	-	-	-
Total Operating Revenues	**1,253,404**	**1,252,000**	**1,298,500**	**1,298,500**
Expenses				
Operations and Maintenance	659,943	798,851	590,848	755,234
Capital Outlay	-	35,000	27,000	15,000
Depreciation	252,074	265,000	265,000	265,000
Transfer Out	115,000	115,000	115,000	115,000
Total Operating Expenses	**1,027,017**	**1,213,851**	**997,848**	**1,150,234**
Operating Income (Loss)	**226,387**	**38,149**	**300,652**	**148,266**
Non-Operating Revenues (Expenses)				
Interest Income	4,631	3,900	4,100	3,950
Tap Fees	367,560	313,200	630,000	720,000
Cash-in-Lieu Fees	26,102	-	54,600	32,000
Misc. Revenues	82,570	30,300	26,420	29,980
Capital Investment Refunds	(43,925)	-	-	-
Infrastructure Improvements	-	(684,000)	(250,000)	-
Interest Expense	(35,948)	(35,255)	(35,255)	(34,411)
Total Non-Operating Revenues (Expenses)	**400,990**	**(371,855)**	**429,865**	**751,519**
Increase (Decrease) in Fund Equity	**627,377**	**(333,706)**	**730,517**	**899,785**
Enterprise Adjustments to Fund Equity				
Increase in Net Assets from Capital Outlay	-	719,000	277,000	15,000
Adjusted Increase (Decrease) in Fund Equity	**627,377**	**385,294**	**1,007,517**	**914,785**
Ending Fund Equity	**$ 18,109,174**	**$ 18,494,468**	**$ 19,116,691**	**$ 20,031,476**

Debt Service Principle Appropriation	$ 16,766	$ 17,573	$ 17,573	$ 18,417

Town of Milliken
Proposed Budget 2015

SEWER FUND	2013 Actual	2014 Amended Budget	2014 Year-End Estimates	2015 Budget
Beginning Fund Equity	$ 5,379,146	$ 5,557,879	$ 5,557,879	$ 5,846,241
Revenues				
Charges for Services	918,876	925,000	925,000	930,000
Miscellaneous Revenue	-	18,000	23,500	23,500
Transfer In	-	-	-	-
Total Operating Revenues	918,876	943,000	948,500	953,500
Expenses				
Operations and Maintenance	351,058	469,655	397,273	509,333
Capital Outlay	-	25,000	25,000	35,000
Depreciation	324,029	335,000	325,000	325,000
Transfer Out	110,000	110,000	110,000	110,000
Total Operating Expenses	785,087	939,655	857,273	979,333
Operating Income (Loss)	133,789	3,345	91,227	(25,833)
Non-Operating Revenues (Expenses)				
Interest Income	3,790	3,250	3,250	3,300
Tap Fees	148,000	156,000	280,000	320,000
Misc. Revenues	5,664	4,800	12,390	14,160
Infrastructure Improvements	-	(328,000)	-	-
Flood Grants and Reimbursements	87,102	-	-	-
Flood Recovery Costs	(82,411)	-	-	-
Interest Expense	(117,201)	(123,505)	(123,505)	(118,687)
Total Non-Operating Revenues (Expenses)	44,944	(287,455)	172,135	218,773
Increase (Decrease) in Fund Equity	178,733	(284,110)	263,362	192,940
Enterprise Adjustments to Fund Equity				
Increase in Net Assets from Capital Outlay	-	353,000	25,000	35,000
Adjusted Increase in Fund Equity	178,733	68,890	288,362	227,940
Ending Fund Equity	$ 5,557,879	$ 5,626,769	$ 5,846,241	$ 6,074,181

Debt Service Principle Appropriation	$ 289,700	$ 295,137	$ 295,137	$ 300,603

Town of Milliken
Proposed Budget 2015

TRASH COLLECTION FUND	2013 Actual	2014 Amended Budget	2014 Year-End Estimates	2015 Budget
Beginning Fund Balance	$ 14,368	$ 19,093	$ 19,093	$ 20,593
Revenues				
Customer Revenues	292,597	295,000	300,500	308,764
Transfers In	-	-	-	-
Total Operating Revenues	292,597	295,000	300,500	308,764
Expenditures				
Operations	266,872	278,000	278,000	285,645
Miscellaneous Expenditures	-	-	-	-
Transfers Out	21,000	21,000	21,000	21,000
Total Expenditures	287,872	299,000	299,000	306,645
Excess (Deficiency) of Revenues and Other Sources over Expenditures	4,725	(4,000)	1,500	2,119
Ending Fund Balance	$ 19,093	$ 15,093	$ 20,593	$ 22,712

Town of Milliken
Proposed Budget 2015

DEBT SERVICE FUND	2013 Actual	2014 Amended Budget	2014 Year-End Estimates	2015 Budget
Beginning Fund Balance	$ 450,734	$ 554,171	$ 554,171	$ 554,171
Revenues				
Taxes	403,779	354,588	392,198	394,156
Earnings on Investment	865	680	690	750
Transfers In	-	-	-	-
Total Operating Revenues	404,644	355,268	392,888	394,906
Expenditures				
Debt Service				
Principal	170,000	170,000	170,000	175,000
Interest	130,907	124,212	124,212	117,413
Other	300	3,000	300	600
Transfers Out	-	-	-	-
Total Expenditures	301,207	297,212	294,512	293,013
Excess (Deficiency) of Revenues and Other Sources over Expenditures	103,437	58,056	98,376	101,893
Ending Fund Balance	$ 554,171	$ 612,227	$ 652,547	$ 656,064

Town of Milliken
Proposed Budget 2015

MILLIKEN HOUSING AUTHORITY FUND	2013 Actual	2014 Amended Budget	2014 Year-End Estimates	2015 Budget
Beginning Fund Balance	**$ 1,803,401**	**$ 1,812,943**	**$ 1,812,943**	**$ 1,822,843**
Revenues:				
Interest Income	10,362	-	9,900	9,400
Total Operating Revenues	**10,362**	**-**	**9,900**	**9,400**
Expenditures:				
Operating	820	-	-	-
Total Expenditures	**820**	**-**	**-**	**-**
Excess (Deficiency) of Revenues and Other Sources over Expenditures	**9,542**	**-**	**9,900**	**9,400**
Ending Fund Balance	**$ 1,812,943**	**$ 1,812,943**	**$ 1,822,843**	**$ 1,832,243**

Town of Milliken
Proposed Budget 2015

Keep Milliken Beautiful Fund	2013 Actual	2014 Amended Budget	2014 Year-End Estimates	2015 Budget
Beginning Fund Balance	$ 2,850	$ 2,895	$ 2,895	$ 2,895
Revenues				
Miscellaneous Revenue	45	-	-	-
Transfers In	-	-	-	-
Total Operating Revenues	45	-	-	-
Expenditures				
Operating	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues and Other Sources over Expenditures	45	-	-	-
Ending Fund Balance	$ 2,895	$ 2,895	$ 2,895	$ 2,895