BOULDER CITY COUNCIL MEETING
MUNICIPAL BUILDING, 1777 BROADWAY
Tuesday, August 4, 2015
6 PM

AGENDA

1. **CALL TO ORDER AND ROLL CALL**

   A. **Declaration** regarding **Modern Slavery and Climate Change- The Commitment of the Cities**

   B. Report from **Audit Committee regarding 2014 Comprehensive Annual Financial Report**

2. **OPEN COMMENT and COUNCIL/STAFF RESPONSE (limited to 45 min.)**
   Public may address any city business for which a public hearing is not scheduled later in the meeting (this includes the consent agenda and first readings). After all public hearings have taken place, any remaining speakers will be allowed to address Council. All speakers are limited to three minutes.

3. **CONSENT AGENDA** (to include first reading of ordinances) Vote to be taken on the motion at this time.

   A. Consideration of a motion to approve the **minutes** for the **April 14, 2015** City Council **Special Meeting**

   B. Consideration of a motion to approve the **minutes** for the **May 5, 2015** City Council **Regular Meeting**

   C. Consideration of a motion to approve the **minutes** for the **May 19, 2015** City Council **Regular Meeting**

   D. Consideration of a motion to approve the **minutes** for the **May 28, 2015** City Council **Special Meeting**

   E. Consideration of a motion to approve the **minutes for the June 16, 2015** City Council **Regular Meeting**

   F. Consideration of a motion to approve the **minutes for the July 28, 2015** City Council **Regular Meeting**

   G. Consideration of a motion to **approve the City Manager's signature, Jane Brautigam,** on an **Interlocal Agreement** for the Edward Byrne Memorial Justice Assistance Grant **(JAG) Program Award**

H. Consideration of a motion to **adop**t **Resolution No. 1162** a**ccepting** the City of Boulder's **2014 Comprehensive Annual Financial Report** and Independent Auditor's Reports

I. Consideration of a motion to **approve Resolution No. 1163 authorizing** the City of Boulder to execute a public approval certificate relating to the issuance of **Private Activity Bonds by the Housing Authority of Boulder**, D/B/A Boulder Housing Partners for the purpose of **financing its Project Renovate program**

J. Introduction**, first reading** and consideration of a motion to order published by title only **Ordinance No. 8063** approving **supplemental appropriations to the 2015 Budget**

K. Introduction, **first reading,** and consideration of a motion to order published by title only, **Ordinance No. 8064 placing** before the voters at the November 3, 2015 general election **a ballot measure amending the Boulder Home Rule Charter** by adding a provision **requiring sub-community planning** and setting forth related details

L. Introduction, **first reading**, and consideration of a motion to order published by title only, **Ordinance No. 8065 submitting to the electors** of the City of Boulder at the general municipal coordinated election to be held **on Tuesday, November 3, 2015**, **the question** of, shall City of Boulder taxes be increased by up to $350 thousand annually (in the first full fiscal year) and by whatever amounts as may be collected annually thereafter by **the imposition of a tax on short term rentals** not already taxed as hotel, motel or other public accommodations to fund administration, enforcement and the creation of additional affordable housing and giving approval for the collection, retention and expenditure of the full tax proceeds and any earnings relating to this tax notwithstanding any state revenue or expenditure limitation; and setting forth related details.

M. Introduction, **first reading** and consideration of a motion to order published by title only, **Ordinance No. 8066** repealing and reenacting Section 4-1-8 "Insurance Required," B.R.C. 1981, to **update insurance requirements** under the **Boulder Revised Code** in response to changes to the Colorado governmental Immunity Act and in insurance industry practices, and setting forth related details

N. Consideration of a motion to call a **Special Meeting** of the Boulder City Council on **August 11, 2015 at 5:30 PM** for the purpose of **Phase I Environment Assessment of the Boulder Community Hospital** in the City Council Chambers, 1777 Broadway.

4. POTENTIAL CALL-UP CHECK IN

Opportunity for Council to indicate possible interest in the call-up of an item listed under 8-A.

ORDER OF BUSINESS

5. PUBLIC HEARINGS
Note: Any items removed from the Consent Agenda will be considered after any City scheduled Public Hearings.

A. Consideration of a motion to **approve the South Boulder Creek Flood Mitigation Plan**

B. Introduction, **first reading,** and consideration of a motion to order published by title only, **Ordinance No. 8067 submitting to the** registered **electors** of the City of Boulder at the regular municipal coordinated election to be held **on Tuesday, November 3, 2015, the question of authorizing** the city council to establish **an Occupation Privilege Tax,** effective January 1, 2016; giving approval for the collection, retention, and expenditure of the full tax proceeds and any related earnings, notwithstanding any state revenue or expenditure limitation; and setting forth the effective date, ballot title, amendments to chapter Title 3. B.R.C. 1981 and related details

6. MATTERS FROM THE CITY MANAGER

7. MATTERS FROM THE CITY ATTORNEY

8. MATTERS FROM MEMBERS OF COUNCIL

A. Potential Call-Ups - none

9. PUBLIC COMMENT ON MATTERS
Public comment on any motions made under Matters

10. FINAL DECISIONS ON MATTERS Action on motions made under Matters

11. DEBRIEF Opportunity for Council to discuss how the meeting was conducted-5 min

12. ADJOURNMENT
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interpretación o cualquier otra ayuda con relación al idioma para esta junta, por favor comuníquese al (303) 441-1905 por lo menos 3 negocios días antes de la junta.

Electronic presentations to the city council must be pre-loaded by staff at the time of sign up and will NOT be accepted after 3:30 p.m. at regularly scheduled meetings. Electronic media must come on a prepared USB jump (flash/thumb) drive and no technical support is provided by staff.

THE CITY OF BOULDER
CITY COUNCIL PRODEEDINGS
April 14, 2015

1. **CALL TO ORDER AND ROLL CALL**
Mayor Appelbaum called the April 14, 2015 Special City Council meeting to order at 9:47 PM in Council Chambers.

Those present were: Mayor Appelbaum and Council Members Cowles, Jones, Karakehian, Morzel, Plass, Shoemaker, Weaver and Young

2. **AGENDA ITEM**

A. IN THE MATTER OF THE POTENTIAL LANDMARKING OF 747 12TH STREET, THE PUBLIC HEARING SHALL BE CLOSED AND ADDITIONAL EXPARTE DISCLOSURES PRESENTED AS RESULT OF SITE VISITS ON MARCH 30 AND APRIL 1 WITH THE OPPORTUNITY FOR RESPONSE BY THE APPLICANT AND THE PROPERTY OWNERS OF 747 12TH STREET.

Council Member Cowles recused himself from this item

City Attorney Carr explained the timeline and rules for this landmarking issue.

Council was asked to disclose any *exparte* disclosures from the Sit visit to the property.

Mayor Appelbaum did not go on the tour.

Council Member Weaver – Went on second day of the tour and learned theories about when different additions were put on the house and saw the overall condition of the house. There were side conversations with many people including the owners. He had received emails that contained historic information that needed to be disclosed to the public.

Council Member Jones – Went on the same tour that Council Member Weaver was on and concurred with his statements. Specifically the windows and porches, when they went in and the state of the condition of the house. The yard, the big tree and the garage were also toured.

Council Member Morzel – Went on the same tour but did not have anything to add. Did talk to the owner but nothing specific about the house. She had read some emails that need to be disclosed. Left tour early and looked at tree.

Council Member Shoemaker – Went on a different tour. Had a similar experience and had side conversations with neighbors and owners. Saw interior of

home and learned that the walls had been moved at various points in time and also saw the garage.

Council Member Young – On same tour as Council Member Shoemaker and had nothing to add but did receive one email that had a link to *An American Experience* (a PBS show) that she watched.

Council Member Karakehian – Went on same tour as Council Member Shoemaker and walked yard and saw the garage and had open conversations with neighbors and owner.

Council Member Plass – Also went on first tour and agreed with comments from Council Member Shoemaker.

Council Member Shoemaker asked City Attorney Carr if emails should be forwarded to him. Council Member Morzel communicated directly with Dan Corson who is with History Colorado. Mr. Corson later communicated with all council members. City Attorney Carr asked if anything new was learned in the emails.

City Clerk swore in applicant, Kate Remley, 646 Pearl Street, Vice Chair of the Landmarks Board, representing Landmarks Board. Addressed *ex parte* comments on condition of the house and learning more about substance of the history of house. She pointed out that deferred maintenance cannot be considered in deliberations per B.R.C. Section 9-11-23. Discussed B.R.C. 9-11-2. Pointed out that alternatives to demolition were available.

Council Member Morzel asked if the Landmarks Board attended a tour. Ms. Remley said they did their own site survey individually but were not invited to view the interior.

City Clerk swore in Adrian Sopher, 1731 15th Street. Submitted some options to City Attorney's office. Asked the City Attorney to address extension of time and how long this whole process will take if another public hearing is set. Talked about the four options that were presented.

City Attorney Carr said he anticipated that City Council would vote on the landmarking one way or the other and a public hearing would not need to be reopened. If there was a reopening it would be to allow people to respond to *ex parte* communications that are unavoidable between now and then.

Council Member Shoemaker asked if staff responds to the question he had which was to send everyone a copy of the application of national register. City Attorney Carr said his preference is to give people a chance to respond to it and anything else the Council was considering and dealing with it on May 28th.

Mayer Appelbaum moved, seconded by Council Member Karakehian to close the public hearing. The motion carried 8:0, with Council Member Cowles recused. Vote was taken at 10:15 PM.

B. CONSIDERATION OF A MOTION TO CALL A SPECIAL MEETING FOR THE PURPOSE OF HOLDING AN EXECUTIVE SESSION REGARDING MUNICIPALIZATION.

Mayer Appelbaum moved, seconded by Council Member Jones, to call a special meeting on April 20, 2015 for the purpose of holding an executive session regarding municipalization. The motion carried 9:0 at 10:17 PM.

Council chose May 7 for the dinner with Boulder County Commissioners.

3. **ADJOURNMENT**

There being no further business to come before Council at this time, BY MOTION REGULARLY ADOPTED, THE MEETING WAS ADJOURNED on April 14, 2015 at 10:21 PM.

Approved this 4th day of August, 2015.

APPROVED BY:

_____

Matthew Appelbaum
Mayor

ATTEST:

_____

Alisa D. Lewis,
City Clerk

THE CITY OF BOULDER
CITY COUNCIL PROCEEDINGS
May 5, 2015

1. CALL TO ORDER AND ROLL CALL

Mayor Appelbaum called the May 5, 2015 Special City Council meeting to order at 6:06 PM in Council Chambers.

Those present were: Mayor Appelbaum and Council Members Cowles, Jones, Karakehian, Morzel, Plass, Shoemaker, Weaver and Young.

A. 2015 Declaration of Boulder Historic Preservation Month

Council Member Plass presented this declaration.

B. 2015 Declaration in Support of US Transportation Mayor's Challenge for Safer Streets, Safer People

Mayor Pro Tem Jones presented this declaration.

2. OPEN COMMENT and COUNCIL/STAFF RESPONSE – 6:15 PM

1. Kevin Cook, Vista Village resident, voiced disapproval of action from the park owner.
2. Anne Tapp, SPAN Executive Director, thanked Council for the support over the years and shared some statistics regarding their services to domestic violence victims.
3. Mary Lou Stenger, Vista Village resident, asked Council to take action to protect the mobile home owners.
4. Chelsea Canada, External Affairs for CU Government, spoke about housing issues in Boulder, specifically the timeline for student rentals beginning almost a year prior to the school year impacting available housing for freshmen. She urged Council to consider an ordinance similar to that in Ann Arbor, MI.
5. Molly Greacen, spoke in support of the Bee Safe resolution banning the use of neonicotinoid pesticides.
6. David Wheeler, spoke in support of the Bee Safe resolution.
7. Kathie Joyner, spoke about the South Boulder Creek flood mitigation work. She felt the meetings with CU, WRAB and OSMP have been very encouraging. She urged Council to address the issue before the end of the summer.
8. Elmar Dornberger, spoke in regards to South Boulder Creek mitigation noting that the residents still do not feel safe. He asked Council to support their neighborhood.
9. Justin Riley, Co-founder of Boulder Food Park, wanted to establish a Food Truck Park on Valmont and 28th St. He asked for Council support.
10. Robert McHugh, spoke about Vista Village issues and urged Council not to buy into the "stall tactics" of the park owner.

11. Charles W. Howe, spoke about South Boulder Creek Flood mitigations and agreed that the meetings with CU and the city have been good. He expressed that options were still being considered.
12. Jarvie Worshester, owner of Quality Inn and struggling with the law of "500 foot limitation from a university" requirement for a liquor license. He requested an amendment to lower the 500 foot limit from Naropa.
13. Jean Gehring, Vista Village resident, asked Council what the home owners are supposed to be doing with Harvey Miller, owner of the park. She identified the fear of the home owners and urged Council to move forward with the draft ordinance.
14. Tanya Petty, Vista Village resident, agreed with the comments of the previous speaker and questioned the next steps.
15. Loren Pahlke, spoke about problems with the multi-use path on the west side 28th Street regarding new development on Bluff Street and urged action before the construction ends.
16. Mary Kate Willett, New Vista Village Mobile home owner of two months, who had no idea she wouldn't be able to sell her home since it was made in 1966.
17. Jerry Allen, Vista Village resident, just sold his home and had an issue with the parker owner contacting his potential buyer about other units. He was still waiting for approval from the park.
18. Kathleen Motylenski, member of the South Boulder Creek flood mitigation action group, thanked the Council for its support.
19. Bonnie Garland, Vista Village resident, asked Council to take action by adopting an ordinance to protect the mobile home park.
20. Ed Byrne, urged Council to call-up the height modification request for 2030 Vassar Drive.
21. Alfred S. LeBlang supported the comments of Chuck Howe regarding the South Boulder Creek Flood mitigation.
22. Andrew J. O'Connor spoke regarding the photo red light issue and wanted to correct the information provided to Council by the City Attorney.
23. Ryan Riley, Colorado Pest Control Association Board Member, spoke in opposition to the resolution with concern about pests that cannot be controlled without use of certain chemicals.
24. Scott Brown spoke in support of the Bee Safe resolution.
25. Matthew Patrick spoke regarding the Boulder Food Park project and asked for Council's support.
26. Elizabeth Allen spoke regarding Vista Village and reminded Council not to trust Harvey Miller. She urged Council to take action.
27. Timothy Petty spoke in support of the Bee Safe resolution and of its importance to the Boulder community. He urged larger fines for those in violation.

Staff Response – 7:25 PM

City Manager Jane Brautigam announced the 1st meeting in August for South Boulder Creek mitigation.

City Attorney Tom Carr stood by his comments regarding photo red lights and updated Council on Vista Village issues.

Council Member Morzel wanted the mobile home ordinance to come forward sooner.

Council Member Young advised bringing back the ordinance after Council recess.

Council Member Weaver advised bringing the ordinance back after recess and that it was important to make sure the check list was complete.

Council Member Jones agreed that the legal aid portion should move forward next week and the ordinance could come back after the recess.

Council Member Cowles agreed that the ordinance was a city wide issue not just a Vista Village matter. He added that other matters were pending before Council and the action that Council took has made things better in the interim.

Council Member Plass asked about the request from Quality Inn for an exemption of the 500 ft rule.

Council agreed to schedule this under Matters from the City Attorney when staff can provide addition information on options.

Council Member Jones thanked people for supporting the Bee Safe resolution.

Council Member Morzel suggested looking at the "Ann Arbor" ordinance regarding pre-rental precedents and current processes.

3. CONSENT AGENDA

A. CONSIDERATION OF A MOTION TO ADOPT RESOLUTION NO. 1159 CONCERNING THE USE OF NEONICOTINOID PESTICIDES IN THE CITY OF BOULDER

B. SECOND READING AND CONSIDERATION OF A MOTION TO ADOPT ORDINANCE NO. 8044 APPROVING SUPPLEMENTAL APPROPRIATIONS TO THE 2015 BUDGET

C. INTRODUCTION, FIRST READING AND CONSIDERATION OF A MOTION TO ORDER PUBLISHED BY TITLE ONLY ORDINANCE NO. 8046 APPROVING ANNUAL CARRYOVER AND SUPPLEMENTAL APPROPRIATIONS TO THE 2015 BUDGET

D. INTRODUCTION, FIRST READING AND CONSIDERATION OF A MOTION TO

ORDER PUBLISHED BY TITLE ONLY ORDINANCE 8045 AMENDING TITLE 6, "HEALTH SAFETY AND SANITATION," B.R.C. 1981 TO ADD UNIVERSAL ZERO WASTE REQUIREMENTS

Council Member Cowles moved, seconded by Council Member Jones to approve items 3A-3D on the consent agenda. The motion carried 9-0 with Council Member Jones recused on item 3D at 7:52 PM.

4. **CALL-UP CHECK IN** Opportunity for Council to indicate possible interest in the call-up of an item listed under 8-A.

ORDER OF BUSINESS

5. PUBLIC HEARINGS

A. CONSIDERATION OF A MOTION TO APPROVE THE PURCHASE OF THE ROBERT OLIVER PARCEL CONSISTING OF 11.61 ACRES OF LAND, ALL MINERAL RIGHTS AND ONE SHARE OF HOWARD DITCH WATER LOCATED AT 5893 BASELINE RD. FROM JAMES C. BISH III FOR $1,000,000 FOR OPEN SPACE AND MOUNTAIN PARKS PURPOSES AND AN ADDITIONAL $22,000 IS RECOMMENDED TO BE AUTHORIZED FROM THE ACQUISITION BUDGET FOR IMMEDIATE NEEDS FOR FENCING, DITCH CULVERTS AND IRRIGATION INFRASTRUCTURE IMPROVEMENTS; 7:53 PM.

The presentation of this item was provided by Jim Schmidt, property agent for Open Space Mountain Parks.

There being no further comment, the public hearing was closed.

Council Member Young moved, seconded by Council Member Cowles, to approve the purchase of the Robert Oliver parcel consisting of 11.61 acres of land, all mineral rights and one share of Howard Ditch water located at 5893 Baseline Rd. from James C. Bish III for $1,000,000 for Open Space and Mountain Parks purposes plus an additional $22,000 authorized from the acquisition budget for immediate needs for fencing, ditch culverts and irrigation infrastructure improvements. The motion carried 9:0 at 8:05 PM.

B. SECOND READING AND CONSIDERATION OF A MOTION TO ADOPT ORDINANCE NO. 8041 TO REZONE THE PROPERTY LOCATED AT 1900 FOLSOM STREET, FROM BUSINESS TRANSITIONAL – 2 TO BUSINESS REGIONAL – 1, CONSISTENT WITH THE BOULDER VALLEY COMPREHENSIVE PLAN LAND USE DESIGNATION OF GENERAL BUSINESS; 8:06 PM.

The presentat

The public hearing was opened:

1. Adrian Sopher, 1731 15th Street, explained that the zoning of this area was an anomaly on the east side of Folsom, and could only be handled as a mixed used project.
2. John Volkmar, 607 Forest Avenue, purchased the property and wanted to bring it into compliance and increase its value.

There being no further speakers the public hearing was closed.

Council Member Young moved, seconded by Council Member Cowles to adopt Ordinance No. 8041 to rezone the property located at 1900 Folsom Street, from Business Transitional – 2 to Business Regional – 1, consistent with the Boulder Valley Comprehensive Plan Land Use Designation of General Business. The motion carried 9:0 at 8:20 PM.

C. CONTINUATION OF THE SECOND READING AND MOTION TO ADOPT ORDINANCE NO. 8034 AMENDING THE CAPITAL FACILITIES IMPACT FEE IN SECTION 4-20-62, "AND CHAPTER 8–9, B.R.C. 1981 BY THE ADDITION OF A NEW AFFORDABLE HOUSING LINKAGE FEE ON NON-RESIDENTIAL DEVELOPMENT, AND SETTING FORTH RELATED DETAILS; 8:21 PM.

The presentation of this item was provided by Deputy Director of Community Sustainability and Planning, Susan Richstone.

The public hearing on this item was opened at 8:52 PM.

1. Andrew Bush, expressed that he thought Council had the "cart was before the horse" or the ordinance before the public participation on this issue. He explained that the property owners were not present because of the lack of formal public process as well as other key stakeholders. He encouraged doing a new and current study for the linkage fee and cities implement these fees collect over the average life of the lease and based on submittals and not approvals.
2. Dick Harris, represented PLAN Boulder County and enthusiastically supported the ordinance for affordable housing,
3. Bill Holicky, served on the Affordable Housing Task Force, explained that it would be really hard to reach the affordable housing goal until the affordable housing tax was supported on a broad based stand point. This was a community issue not a growth issue. The other issue was how to assess the linkage fee to developers and small business owners.
4. Angelique Espinoza, Public Affairs Director for the Boulder Chamber of Commerce, and also served on the Affordable Housing Task Force explained the gap between affordable housing, availability and how the market was very complicated problem. She requested consideration not only on the impacts of development to the community but also the contributions that development brings. She suggested delaying the fees, completing the study and creating possible exemptions for the fees in certain cases.
5. Adrian Sopher, spoke for his client, Scott Holton Development Properties, and

was about ready to resubmit the site review for his project. He was concerned about the housing and office space implementation and cost of the linkage fees. He requested clarification on the fees prior to adoption as his project will take a big hit.

There being no further speakers the public hearing was closed at 9:10 PM.

Council Member Plass moved, seconded by Council Member Weaver to adopt Ordinance No. 8034 amending the capital facilities impact fee in Section 4-20-62, "and Chapter 8–9, B.R.C. 1981 by the addition of a new affordable housing linkage fee on non-residential development, and setting forth related details.

Questions of Council Members:

Asst City Attorney, **David Gehr** explained the tech doc trigger associated with this project, Pg 122, had a phase in for building permits, adding the tech doc provision.

Council Member Morzel asked about the phase-in application fee. Susan Richstone answered that the impact fee should be collected as close to actual impact so that the money mitigates the impact. Council Member Morzel supported the motion and agreed that the head tax is a separate item.

Council Member Jones needed additional clarity on what the impact fees would be if the project had some affordability measures with it.

Assistant City Attorney, David Gehr responded that the approach possibly might be to have an affordable housing credit to comply.

Council Member Cowles thought it should be phased in. He was concerned about the impact on small business developers that wanted to expand. Speakers Sopher, Holicky and Bush were saying let's approach this in a different way. He thought a head tax was the way to go or wait until the study was done.

Council Member Karakehian considered this a mistake and rushing would be wrong. This was not the "Boulder Way." He wanted a middle-of-the-road-option that would give the projects already started a fair chance.

Council Member Young thought that there are impacts regardless. She commented about the head tax and explained that the amount would depend on the rate on an annual basis.

Council Member Shoemaker was concerned that this would increase the value of properties. He agreed that it needs to wait and possibly go with a head tax. The affordable housing needed to be addressed through head tax or development fees.

Mayor Appelbaum remarked that the impact of development fees were not a way to calculate growth. This limited sphere could do a reasonably good job of measuring the impact by capturing some portion of growth related to capital components, but the current fees were based on an older study. Should we wait for the next update? He stated that there is never a good time to start the trigger point. The head tax and the impact fees were very different items. Head tax was employment related and had different purposes than impact fees.

Council Member Plass wanted to find the "sweet spot" for everyone. He suggested drawing up a reasonable balance and bringing fairness to people who have projects already in the pipeline. The Head tax item was a separate topic.

Council Member Weaver offered a friendly amendment, accepted by the mover of the motion, to include Amendment 3 (h) Housing Excise Tax as presented on Packet Page 123.

Assistant City Attorney, David Gehr would prepare the ordinance with the amendments.

Vote was taken on the motion to adopt Ordinance No. 8034 amending the capital facilities impact fee in Section 4-20-62, "and Chapter 8–9, B.R.C. 1981 by the addition of a new affordable housing linkage fee on non-residential development, as amended with the Housing Excise Tax Credit and setting forth related details. The motion carried 9:0 at 10:20 PM.

Staff continued the presentation for the preparation of new studies and move forward with an RFP to do the work.

City Manager, Jane Brautigam reminded Council that at the Study Session the direction was come back before Council recess with figures from the head tax as a revenue generating mechanism. Staff was not doing any calculations that would come from the work of a consultant.

Mayor Appelbaum asked what types of things could the head tax fund? He wanted some information before the break. He was interested in the study of the consultants and best practices and would like to use the information to assist in the comprehensive look at fees.

Council Member Weaver suggested making a list of the types of things the city needs and then seeing if the revenue would support it.

Council Member Cowles advised the RFP to include the approach of looking for new ideas.

Council Member Young wanted the RFP to include input of cutting edge methodologies.

Council asked to look at the RFP when it was ready. The RFP (Request for Proposal) would be sent to Council via a web link or a copy for viewing. Deputy Director of Community Planning and Sustainability Susan Richstone asked for additional comments or suggestions from Council via email.

Chris Meschuck responded Council regarding the bid process. He used a vendor named Rocky Mountain Bid Net which had a cost for membership. Therefore, he would provide a duplicate copy on the website for Council and for public accessibility.

6. MATTERS FROM THE CITY MANAGER - none

7. MATTERS FROM THE CITY ATTORNEY - none

8. MATTERS FROM MEMBERS OF COUNCIL

Council chose to address the items in the following order instead of A-E as listed on the agenda.

E. CHAUTAU

Council Member Karakehian suggested that he would send an electronic update to Council.

Mayor Appelbaum moved, seconded by Council Member Plass to suspend the rules and continue the meeting. The motion carried 8-0 with Council Member Karakehian opposed at 10:49 PM.

A. POTENTIAL CALL-UP -10:49 PM

1. POTENTIAL CALL-UP OF SITE REVIEW FOR HEIGHT MODIFICATION AT 2030 VASSAR STREET

No action was taken on this item.

B. APPOINTMENT OF TWO COUNCIL MEMBERS TO THE BVCP COMMITTEE- 10:58 PM

Mayor Appelbaum moved, seconded by Council Member Morzel to appoint Council Member Cowles and Council Member Weaver as members to the BVCP Committee. The motion carried 9-0 at 10:58 PM.

C. NOD OF FIVE FOR FOOD TRUCK OPTIONS ON RAYBACK SITE- 10:59 PM

Council Member Karakehian recused himself due to a conflict of interest within 50 ft. from this area.

Mayor Appelbaum suggested allowing the City Manager to explore options and come back to Council with ideas.

Council Member Morzel suggested an ordinance to apply to this specific site.

Council Member Plass recommended putting something in place so that the trucks could operate during the season.

City Attorney Tom Carr noted that exceptions to policy will need time. He recommended discretion regarding special requests involving the City Manager making exceptions to ordinances adopted by Council.

Council Member Weaver suggested that if the other business owners are in agreement with the food truck then maybe that would give the City Manager special privilege to act.

Council Member Cowles suggested trying a mobile vendor pilot program for at least a month to see if it worked.

Council Member Young realized that there would most likely be a liquor license application and so neighborhood outreach would be required. This would allow the neighborhood to weigh in on the idea of the vendors in the area.

Council Member Jones responded that she met with the group and thought that this was a cool project in a part of town that could really use it.

City Manager, Jane Brautigam wanted to do a pilot project for the summer as long as the restaurants within 150 ft approved. She did not want bureaucracy to stand in the way of the citizens' request to provide this service to the community.

A Nod of Five was given from council in order to bring the item back to Council with options of implementation as soon as possible at 11:10 PM.

D. RTD UPDATE -11:11 PM

Mayor Appelbaum gave the update that RTD will collaborate and work with staff on this issue and study**.** He discussed some of the fees related to the changes incurred by RTD. He announced some coalition meeting dates, May 19th and that the actual vote will take place on May 26th. Thanked the public and other members for attending some of the meetings. He would still work on some scheduling and other applied services with RTD. He talked to the Vice Chancellor of CU about eco passes and services of RTD as the university is the largest purchaser of bus fares. The data and study needs to

be accurate, valid and fair for all the users.

Council Member Karakehian reiterated that this was a big issue. He thanked the Mayor for his hard work and appreciated Boulder's response.

9. PUBLIC COMMENT ON MATTERS - none

10. FINAL DECISIONS ON MATTERS- none

11. DEBRIEF - none

12. ADJOURNMENT

There being no further business to come before Council at this time, BY MOTION REGULARLY ADOPTED, THE MEETING WAS ADJOURNED on May 5, 2015 at 11:24 PM.

Approved this 4th day of August, 2015.

APPROVED BY:

_____
Matthew Appelbaum
Mayor

ATTEST:

_____
Alisa D. Lewis,
City Clerk

THE CITY OF BOULDER
CITY COUNCIL PROCEEDINGS
May 19, 2015

1. CALL TO ORDER AND ROLL CALL

Mayor Pro Tem Jones called the May 19, 2015 regular City Council meeting to order at 6:04 PM in Council Chambers.

Those present were: Mayor Pro Tem Jones and Council Members Cowles, Karakehian, Morzel, Plass, and Young. Mayor Appelbaum and Council Members Shoemaker and Weaver were absent.

A. DECLARATION FOR THE GAMM'S DONATION TO THE DAIRY CENTER FOR THE ARTS AND DAIRY CENTER PRESENTATION BY BILL OBERMEIER

Executive Director, Bill Obermeier provided an overview of the planned renovations for the Dairy Center. The declaration to Gordon and Grace Gamm was presented by Council Member Cowles.

Mayor Pro Tem Jones announced a special recruitment for a vacancy on the Landmarks Advisory Board open through 5 PM on June 8th and directed the public to visit www.bouldercolorado.gov/boardsandcommissions for information and applications.

Council Member Plass made the motion, seconded by Council Member Young, to amend the agenda by adding items 1B, 6B, 8C, 8D, and 8E. The motion carried 6:0 at 6:24 PM.

Council Member Karakehian made the motion, seconded by Council Member Morzel to table Agenda Item 7A until the June 2, 2015 City Council meeting. The motion carried 6:0 at 6:25 PM.

B. UPDATE ON RAIN EVENT WEEKEND OF 5-8 THROUGH 5-10 MATTER FROM CITY MANAGER

2. OPEN COMMENT and COUNCIL/STAFF RESPONSE

1. Judd Golden supported a Citizen Review Board for the Boulder Police Department
2. Andre Houssney, local farmer, supported the Local Food movement and the Local Food Trucks.
3. Hank Grant, represented the Local Food Truck businesses, asked for the allowance within 150 feet of residential zone, businesses to stay open until 10 PM and to allow more than four food trucks in one location.
4. Susan Graff spoke in support of allowing the flexibility of the Food Truck program in Boulder this summer.

5. Al LeBlang, a Frazier Meadows resident, thanked staff for the excellent flood mitigation proposal and asked that Council do everything possible to move forward.
6. Susan Connelly, from the Civic Use Pad task Force IV, reminded Council of the intent work provided by Task Force IV and urged Council support for the letter of intent for the Civic Use Pad.
7. Melissa Kristl spoke in support of passing a mobile home ordinance as previously requested.
8. Bruce Thompson, a Frasier Meadows resident, urged quick action on South Boulder Creek for flood mitigation.
9. Barry Satlow, Boulder ACLU representative, asked for an independent Boulder Police Review Board.
10. Dick Leupold, President of the Frasier Meadow Common Community, asked for action to take place as soon as possible on flood mitigation efforts.
11. Patrick McAteer spoke in support of taking action swiftly on the proposed flood mitigation efforts for South Boulder Creek.
12. Kathie Joyner, member of the South Boulder Creek Action Group, expressed appreciation for support of the recommended flood mitigation plan and urged that it be moved forward as soon as possible.
13. Rick Mahan spoke for speedy action in the implementation of flood mitigation efforts.
14. Darren O'Connor expressed that he recently observed a police officer misinform a homeless person of their rights in Boulder.
15. Gus Bootle, owner of the Cajun Creole food truck, voiced support for the Boulder Food Truck Park.
16. Kevin Cook, Vista Village resident, urged Council to take action on the mobile home ordinance and requested that the RFP for legal assistance be issued.
17. Matt Wallace voiced support of the Food Truck Park.

Staff Response:

City Attorney, Tom Carr delivered the status of the RFP for legal assistance and the date it would come back to Council

City Manager, Jane Brautigam reminded Council of the flood mitigation discussion on August 4th. The RFP will go out the end of the week for a consultant to assist with the Police Review Board.

3. CONSENT AGENDA

A. CONSIDERATION OF A MOTION TO APPROVE THE MINUTES FOR THE JANUARY 20, 2015 CITY COUNCIL MEETING

B. CONSIDERATION OF A MOTION TO APPROVE THE MINUTES FOR THE MARCH 30, 2015 CITY COUNCIL SITE VISIT TO 747 12TH STREET

C. CONSIDERATION OF A MOTION TO APPROVE THE MINUTES FOR THE APRIL 01, 2015 CITY COUNCIL SITE VISIT TO 747 12TH STREET

D. CONSIDERATION OF A MOTION TO APPROVE THE MINUTES FOR THE APRIL 20, 2015 CITY COUNCIL EXECUTIVE SESSION

E. CONSIDERATION OF A MOTION TO APPROVE THE MINUTES FOR THE APRIL 21, 2015 CITY COUNCIL MEETING

F. CONSIDERATION OF A MOTION TO APPROVE A LETTER OF INTENT (LOI) BETWEEN THE CITY OF BOULDER, THE CENTRAL AREA GENERAL IMPROVEMENT DISTRICT (CAGID) AND ST. JULIEN PARTNERS LLC REGARDING THE DEVELOPMENT OF THE CIVIC USE PAD

G. SECOND READING AND CONSIDERATION OF A MOTION TO ADOPT ORDINANCE NO. 7989 AMENDING THE 9TH AND CANYON URBAN RENEWAL PLAN IN ORDER TO FACILITATE A CIVIC USE.

H. CONSIDERATION OF A MOTION TO APPROVE A TWENTY-YEAR RIGHT-OF-WAY LEASE FOR ENCROACHMENTS (TWO RETAINING WALLS AND ONE UNDERGROUND SNOWMELT SYSTEM) LOCATED AT 1060 5TH STREET (REV2014-00025).

I. CONSIDERATION OF A MOTION TO AUTHORIZE THE CITY MANAGER TO EXECUTE AN AGREEMENT IN THE FORM THAT IS GENERALLY DESCRIBED IN THE ATTACHMENT TO THIS MEMO RELATED TO THE DISBURSEMENT OF FUNDS ASSOCIATED WITH THE "COMMUNITY, CULTURE, AND PUBLIC SAFETY" SALES AND USE TAX TO FUND IMPROVEMENTS FOR THE DAIRY CENTER FOR THE ARTS LOCATED AT 2590 WALNUT STREET, BOULDER

J. THIRD READING AND CONSIDERATION OF A MOTION TO ADOPT ORDINANCE NO. 8034 AMENDING THE CAPITAL FACILITIES IMPACT FEE IN SECTION 4-20-62, "AND CHAPTER 8-9, B.R.C. 1981 BY THE ADDITION OF A NEW AFFORDABLE HOUSING LINKAGE FEE ON NON-RESIDENTIAL DEVELOPMENT, AND SETTING FORTH RELATED DETAILS

Council Member Karakehian opposed this item.

K. SECOND READING AND CONSIDERATION OF A MOTION TO ADOPT ORDINANCE NO. 8046 APPROVING SUPPLEMENTAL APPROPRIATIONS TO THE 2015 BUDGET; AND

CONSIDERATION OF A MOTION TO ADJOURN FROM THE BOULDER CITY COUNCIL AND CONVENE AS THE CENTRAL AREA GENERAL IMPROVEMENT DISTRICT BOARD OF DIRECTORS (CAGID)

L. CONSIDERATION OF A MOTION TO ADOPT RESOLUTION NO. 271 AMENDING THE 2015 DOWNTOWN COMMERCIAL DISTRICT FUND (FORMERLY CENTRAL AREA GENERAL IMPROVEMENT DISTRICT FUND (CAGID))
BUDGET; AND

CONSIDERATION OF A MOTION TO ADJOURN FROM THE CAGID BOARD OF DIRECTORS AND CONVENE AS THE UNIVERSITY HILL GENERAL IMPROVEMENT DISTRICT (UHGID) BOARD OF DIRECTORS

M. CONSIDERATION OF A MOTION TO ADOPT RESOLUTION NO. 195 AMENDING THE 2015 UNIVERSITY HILL COMMERCIAL DISTRICT FUND (FORMERLY UNIVERSITY HILL GENERAL IMPROVEMENT DISTRICT FUND (UHGID)) BUDGET; AND

CONSIDERATION OF A MOTION TO ADJOURN FROM THE UNIVERSITY HILL GENERAL IMPROVEMENT DISTRICT BOARD OF DIRECTORS (UHGID) AND TO RECONVENE AS THE BOULDER CITY COUNCIL

N. INTRODUCTION, FIRST READING AND CONSIDERATION OF A MOTION TO ADOPT EMERGENCY ORDINANCE NO. 8047 ADOPTING SUPPLEMENT NO. 123, WHICH CODIFIES PREVIOUSLY ADOPTED ORDINANCE NOS. 8015, 8030, 8035, AND 8042, AND OTHER MISCELLANEOUS CORRECTIONS AND AMENDMENTS, AS AN AMENDMENT TO THE BOULDER REVISED CODE, 1981

O. INTRODUCTION, FIRST READING AND CONSIDERATION OF A MOTION TO ORDER PUBLISHED BY TITLE ONLY, ORDINANCE NO. 8048 AMENDING SECTION 9-6-5, "TEMPORARY LODGING, DINING, ENTERTAINMENT, AND CULTURAL USES," B.R.C. 1981, BY PROVIDING THE CITY MANAGER WITH AUTHORITY TO WAIVE REQUIREMENT THAT MOBILE FOOD VEHICLES BE 150 FEET FROM RESTAURANTS IF THE RESTAURANTS APPROVE, WAIVING THE REQUIREMENT FOR PLANNING BOARD REVIEW OF THIS ORDINANCE AND SETTING FORTH RELATED DETAILS

Council Member Plass moved, seconded by Council Member Young, to approve Consent Agenda Items 3A through 3O with direction to staff to bring back two options on Item 3O at second reading. The motion carried 6:0 with Council Member Karakehian opposed to item 3J and Members Appelbaum, Shoemaker and Weaver absent. The vote was taken at 8:05 PM.

4. CALL-UP CHECK IN Opportunity for Council to indicate possible interest in the call-up of an item listed under 8-A.

No interest was expressed in calling-up agenda item 8A-1

ORDER OF BUSINESS

5. PUBLIC HEARINGS

A. CONCEPT PLAN REVIEW AND COMMENT: REQUEST FOR CITIZEN, STAFF AND CITY COUNCIL COMMENT ON A PROPOSAL TO ANNEX AND REDEVELOP THE PROPERTY LOCATED AT 96 ARAPAHOE AVE. WITH A COMBINATION OF SINGLE FAMILY, DUPLEX AND ATTACHED DWELLING UNITS. A TOTAL OF NINE DWELLING UNITS ARE PROPOSED CONSISTING OF SIX MARKET RATE UNITS AND THREE AFFORDABLE UNITS THAT WOULD BE DEVELOPED ON-SITE UPON ANNEXATION AND ESTABLISHMENT OF AN INITIAL ZONING OF RESIDENTIAL MEDIUM – 3 (RM-3), CONSISTENT WITH THE BOULDER VALLEY COMPREHENSIVE PLAN (BVCP) LAND USE DESIGNATION OF MEDIUM DENSITY RESIDENTIAL; 8:05 PM

The presentation on this item was provided by Senior Planner, Elaine McLaughlin and Programs Manager, Jeffrey Yegian, Senior Planner, James Hewat and Development Review Manager, Charles Ferro.

Applicant Jonathon Warner, architect was allowed ten minutes to address his concept plan.

There being no speakers the public hearing was closed.

Council Discussion:

Council Member Young wanted to see the house on the property remain a duplex and not become a single family dwelling. She was concerned about the amount of fill added to the terrace area and the berm. She explained that a more suburban style development would promote the need to utilize vehicles. She agreed with Planning Board comments and suggested a reduction in the number of the allocated 26 parking spaces.

Council Member Karakehian indicated approval with what was presented and addressed the need for the affordability percentage to increase. He disagreed with the parking spaces reduction. He believed it was important for residents to have adequate parking, 26 parking spaces for the 9 units was congruent with current code for single family detached building, because parking would accommodate those living at the residence plus create availability for visitors. He explained that the initial drawings would not work. He needed to have a mixture of natural materials and stone.

Mayor Pro Tem Jones was interested in the style of natural materials, rock, and the rustic look of the canyon because it would add to the beneficial overall look and feel of the community.

Council Member Plass expressed interest in different material options but wanted more compatibility between newer and existing structures. He viewed the benefits package in 2 parts: affordable housing and landmarking. In affordable housing, a higher affordability percentage was needed. In landmarking concerns, he would like to preserve the Anderson ditch, as a boundary and buffer for the landmark features to prevent becoming an "island." He advised offering different materials as an effort for the new buildings to be more "sympathetic" to the surroundings.

Council Member Morzel urged the owner to go up to Broadway and Poplar to view the development there. This was an example of a better style suited to the historical flavor of the site. She wanted to keep the character of the neighborhood and smaller buildings and wanted staff to work with the developer to increase the affordable housing percentage. She thanked the applicant for putting the option of the higher density and building "green" but did not favor the suburban feel.

Council Member Cowles discussed the Willow Brook development just outside of the city limits for a good architectural possibility template and asked for an increase in affordable units. Willow Brook also offered good examples for architectural style that was modern and connected to the land. This would be a great place for the community to see how the integration of housing and landscape could work together.

Direction of Council was to express appreciation for the options provided regarding high density. Council did not support the high density option but favored the medium density option.

6. MATTERS FROM THE CITY MANAGER

A. UPDATE ON THE TRANSFER OF OWNERSHIP OF 4525 PALO PARKWAY TO BOULDER HOUSING PARTNERS TO DEVELOP AFFORDABLE HOUSING ON THE 3.2 ACRE SITE 9:40 PM

City Manager Brautigam informed council that, as promised, staff was reporting back to Council that the city was ready to move forward on the contract for the transfer of property to develop affordable housing units.

B. DIRECTION OF SECURITY INTEREST FOR THE MUSEUM OF BOULDER 9:42 PM.

Council directed staff to being this back with a five years security interest.

7. MATTERS FROM THE CITY ATTORNEY

A. REPORT OF THE CITY ATTORNEY REGARDING FEBRUARY 19, 2015 PLANNING BOARD MEETING; 9:56 PM

Council asked that this item come back on the June 2, 2015 agenda.

8. MATTERS FROM MEMBERS OF COUNCIL

A. Potential Call-Ups

LANDMARK ALTERATION CERTIFICATE TO REMOVE A SECOND-STORY GAMBREL ROOF AT THE REAR ADDITION AND, IN ITS PLACE, TO CONSTRUCT A 529 SQ. FT. SECOND STORY AT THE CONTRIBUTING HOUSE AT 801 MAXWELL AVE. IN THE MAPLETON HILL HISTORIC DISTRICT, PER SECTION 9-11-18 OF THE BOULDER REVISED CODE (HIS2015-00080)

No action was taken on this item.

B. UPDATE FROM COUNCIL EMPLOYEE EVALUATION COMMITTEE – 9:57PM

Mountain States would be providing Council with the multi-rater and evaluation forms on May 26th. They would be due back two weeks from then.

C. DISCUSSION AND DIRECTION WITH RESPECT TO POSSIBLE CHANGES TO MARIJUANA REGULATIONS- 10:00 PM

City Attorney suggested bringing something back in the third quarter of 2015.

D. UPDATE ON BALLOT ISSUES PER REQUEST FROM COUNCIL MEMBER WEAVER; 10:05 PM

Direction was to move forward in scheduling the Charter Committee Meeting where the requests from Council would be reviewed and prepared for the measures and then come back to Council for filtering.

E. REQUEST FROM MAYOR TO ATTEND A MEETING IN ROME IN JULY; 10:16 PM

This request was in response to an invitation for the Mayor to attend a meeting on July 21st at the Vatican in Rome, Italy for Climate commitment based on cities that have worked on such projects.

Council consensus was to approve the trip and asked CAC to reschedule the July 21st City Council meeting.

9. PUBLIC COMMENT ON MATTERS - none

10. FINAL DECISIONS ON MATTERS: - none

11. DEBRIEF - none

12. ADJOURNMENT

There being no further business to come before Council at this time, BY MOTION REGULARLY ADOPTED, THE MEETING WAS ADJOURNED on May 19, 2015 at 10:25 PM.

Approved this ____day of _____ 2015.

APPROVED BY:

_____

Matthew Appelbaum
Mayor

ATTEST:

_____
Alisa D. Lewis,
City Clerk

THE CITY OF BOULDER
CITY COUNCIL PROCEEDINGS
May 28, 2015

1. CALL TO ORDER AND ROLL CALL

Mayor Appelbaum called the May 28, 2015 City Council Special meeting to order at 6:04 PM in Council Chambers.

Those present were: Mayor Appelbaum and Council Members Cowles, Jones, Karakehian, Morzel, Plass, Shoemaker, Weaver and Young

2. PUBLIC HEARINGS

A. CONTINUATION OF THE SECOND READING AND CONSIDERATION OF A MOTION AND ADOPTING ORDINANCE NO. 8029 DESIGNATING THE BUILDING AND PROPERTY AT 747 12TH ST., TO BE KNOWN AS THE COWGILL PROPERTY, AS AN INDIVIDUAL LANDMARK UNDER THE CITY'S HISTORIC PRESERVATION ORDINANCE; 6:05 PM

Council Member Cowles recused himself from this item.

All participants were sworn in by the City Clerk as this was a quasi-judicial matter. The presentation for this item was provided by James Hewat, Senior Historic Preservation Planner.

Council was asked to disclose any e*xparte* communications:

Both **Council Members Morzel and Young** disclosed that they had attended an event and spoke with Kurt, but not regarding this property.

Potential Options for inclusion included:
1. Landmarking the Property
2. Landmark Portion of Property as proposed by Owner/Prospective Owner
3. Landmark Property with Modified Ordinance to Assure Maximum FAR, Allow Garage Relocation, and Describes Areas of Flexibility for New Construction
4. Owner/Prospective Buyer Withdraws Demolition Application, Requests that the City Council Will Deny the Landmark Designation Application

Adrian Sohper, 1731 15th Street, represented the owners/prospective owner, was allowed to address the Council. He noted that his client still preferred demolition of the building as the first choice. That was not clear in the staff memo.

Owner representative/ Potential Owner- John Volkmar, 607 Forest Avenue, spoke that it would be approximately a 4000 sq ft. structure fitting nicely on the property. This was in response to a question Council asked regarding the sq footage of the proposed house.

Deborah Yin– Chair of the Landmarks Board; Spoke for herself. Restated the rationale for landmarking and discussed that Option 1 would be the most beneficial to the City's historical preservation values. This would allow the program to shape the develop and permit compatible additions to the area. She spoke about the square footage FAR and height of the primary structure.

The Public Hearing was opened (Quasi-Judicial Hearing)

1. Geneva Rechert, 740 12th Street,supported landmarking of the property
2. Martha Campbell, 750 12th Street, supported landmarking of the property
3. Fran Sheets, 520 Marine Street, spoke in support of landmarking 747 12th Street
4. Abby Daniels, Historic Boulder, 1123 Pearl Street, presented the supportive position of Historic Boulder for Landmarking the property
5. Ann Scarboro, 735 12th Street, supported landmarking the property
6. Jyotsna Raj, 863 14th Street, spoke to the social history behind the location and the inhabitants and supported landmarking
7. Kristen Lopez, 10790 N. 49th Street, Longmont, one of the owners, requested Council support for option 2 but if not 2 then 4.
8. Caitlin Berube-Smith, Board Member for Historic Boulder spoke in support of the landmarking
9. John Volkmar, 607 Forest Ave., as potential owner of the property spoke to stabilize the neighborhood and avoid creating yet another rental unit
10. Bev Potter, 3201 11th Street, spoke in support of option 1- the landmarking

There being no further comments the public hearing was closed.

Council Discussion:

Council Member Plass indicated support for landmarking Option 1 but could also support Option 3.

Council Member Weaver supported Option 1 and Option 3.

Council Member Young supported Option 1 and Option 3.

Council Member Shoemaker disagreed, noting that a very high standard must be met to landmark over the objections of the owners.

Mayor Appelbaum shared Council Member Shoemaker's concerns. He supported Option 2.

Council Member Morzel noted the Landmark Board voted unanimously to recommend the landmarking for this property. She agreed with Option 1 and indicated stabilizing the neighborhood was very important and would likely be achieved through landmarking.

Council Member Karakehian opposed landmarking and agreed with comments by Council Member Shoemaker.

City Attorney Carr interrupted Council with a due process issue. An email from Bev Potter to the Council on April 10th was not disclosed and several Council Members indicated that their decision was impacted by the information in that email. The owners of the property did not receive this information and therefore a lack of due process existed. Mr. Carr indicated that the email was two pages with an eight page attachment. He recommended that the Council continue the item to the next meeting in order to allow the owners an opportunity to review and respond to the information. The owners' representative did not want to waive their right.

City Council Member Plass moved, seconded by City Council Member Jones to continue the item and direct the Council Agenda Committee to reschedule at an appropriate time. The motion carried 8:0, as Council Member Cowles was recused. The vote was taken at 7:57 PM.

B. SECOND READING AND CONSIDERATION OF A MOTION TO ADOPT ORDINANCE NO. 8040 AMENDING TITLE 9, "LAND USE CODE," B.R.C. 1981, TO ALLOW MEDICAL OR DENTAL CLINICS OR OFFICES AND ADDICTION RECOVERY FACILITIES AS A CONDITIONAL USE IN THE INDUSTRIAL GENERAL (IG) ZONING DISTRICT NEAR BOULDER COMMUNITY HEALTH (BCH), FOOTHILLS CAMPUS;7:58PM

The presentation on this item was provided by Planner II, Jeff Hirt. He indicated that in general, the community supported the code change with a mixed opinion on where the medical offices should be located.

The Public Hearing was opened:

1. Peter Aweida, spoke in support of area C proximity for the Medical offices because there is no direct route from areas A & B. He was concerned about displacement and adding another "use" instead of changing a "use" in the zoned area.

There being no further comments the public hearing was closed.

Council Member Weaver supported staff being closest to the hospital and wanted to keep areas A & B as professional offices in accordance with Boulder County. He warned there will be an impact on existing businesses.

Council Member Young discussed the building at 47th & Pearl with interest in medical providers.

Council Member Karakehian asked when this item would be coming back to Council, which was early 2016. Spoke that the Marijuana businesses have moved hundreds of square footage of light industrial use out of the area and pay the highest rental space prices. In the future maybe a balance can be found between industrial and office space?

Council Member Plass supported the idea of A & B for Phase 1 right now.

Council Member Morzel agreed with Council Member Plass and supported the motion.

Council Member Jones supported the motion.

Council Member Cowles spoke about "uses" changing over time. He was concerned about the loss of industrial uses but wants the hospital to intensify its uses and not let new spaces take over specialized businesses. He was concerned this would raise rent in the area too.

Mayor Appelbaum supported the motion. He was concerned about the process of adding zoning and not intensifying the hospital area.

Council Member Plass moved, seconded by Council Member Morzel to approve on Second reading and consideration of a motion to adopt Ordinance No. 8040 amending Title 9, "Land Use Code," B.R.C. 1981, to allow medical or dental clinics or offices and addiction recovery facilities as a conditional use in the Industrial General (IG) zoning district near Boulder Community Health (BCH), Foothills Campus. The motion carried 9-0. The vote was taken at 8:29 PM.

C. REQUEST FOR COUNCIL DIRECTION REGARDING STRATEGIES TO SUPPORT MORE EFFECTIVE ENFORCEMENT OF EXISTING OCCUPANCY LIMITS IN BOULDER; 8:30 PM

City Attorney, Tom Carr opened the presentation. He introduced Brian Holms, Senior Planner to answer Council questions.

The Public Hearing was opened.

1. Jill Lester, 1421 Cedar Avenue, was concerned about accurate information, supported an administrative solution, wanted good neighbors and more parking options.

2. Samuel Schramski, was concerned this issue was counter-productive to the housing workshop discussions and affordable housing.

There being no further speakers the public hearing was closed.

Council Member Weaver supported visible signage of the laws on occupancy limits to be posted where the landlord, tenant and enforcement could see it on the rental units.

Council Member Karakehian asked what was driving the occupancy limits? Was it conditions on the Hill? Improvements were made on the Hill with good changes so far. Transparency and clarity were very important ideals. He supported larger fines for over-occupancy violations but did not want to purposely displace persons. He approved of how Ft. Collins had managed their program.

Council Member Jones wanted assurance this issue was not about making changes to the existing occupancy limits in Boulder. She concluded this was the first step in the housing issue.

Mayor Appelbaum requested more information from staff regarding a fundamental base of the existing rental implementation, enforcement and records of licensees. The process would need to be clear, transparent and not include option #6, as well as bring the non-conforming units along in the process. He wanted staff to look into the Ft. Collins Occupancy Limits model.

Council Member Plass supported Options 1-5, not sure about Option 7, definitely not Option 6. He recommended increased transparency during this process.

Council Member Cowles noted that transparency was vital, supported Options 1-5. He had concerns about Affirmative Defense. He asserted over-occupancy violations and penalties should be imputed against the landlord.

Council Member Young supported Options 1-4 and Option 5 to the extent that it didn't displace people. She valued the chart that CAO put together.

Council Member Morzel supported Options 1-4, and 5 but cautious about the idea of displacing persons. She approved of the Ft Collins model, especially the idea of both parties signing a statement acknowledging the correct number of tenants.

Council Member Shoemaker was concerned about the impact on housing prices and affordability from over-occupied homes.

Direction of Council was to bring back a partial ordinance in support of options 1, 2, 3, and 4 including more information about 5, 7 and eliminating option 6 at 9:45 PM.

3. ADJOURNMENT

There being no further business to come before Council at this time, BY MOTION REGULARLY ADOPTED, THE MEETING WAS ADJOURNED on May 28, 2015 at 9:50 PM.

Approved this 4th day of August, 2015.

APPROVED BY:

ATTEST:

_____
Matthew Appelbaum
Mayor

_____
Alisa D. Lewis
City Clerk

THE CITY OF BOULDER
CITY COUNCIL PROCEEDINGS
June 16, 2015

1. CALL TO ORDER AND ROLL CALL

Mayor Appelbaum called the regular June 16, 2015 City Council meeting to order at 6:05 PM in the Council Chambers.

Those present were Mayor Appelbaum and Council Members: Cowles, Jones, Karakehian, Morzel, Plass, Shoemaker, Weaver and Young.

2. OPEN COMMENT and COUNCIL/STAFF RESPONSE

1. Bruce Thompson, resident of Frasier Meadows and the South Boulder Creek Flood Mitigation, supported action of flood mitigation.
2. Laura Tyler, member of the South Boulder Creek Action Group, supported flood mitigation.
3. Elizabeth Patterson, member of the Boulder Chamber of Commerce, commented on the Zero Waste ordinance and would like to have input in the City Manager rules.

Staff Response:
City Manager Brautigam provided an update regarding the City Manager Rule related the Zero Waste Ordinance indicating that outreach with the Chamber of Commerce, Boulder Tomorrow, Western Disposal, the County and Eco-Cycle had taken place. Staff expected the rule to be posted for public comment sometime mid-summer.

3. CONSENT AGENDA

A. CONSIDERATION OF A MOTION TO APPROVE THE MINUTES FOR THE JANUARY 15, 2015 SPECIAL MEETING

B. CONSIDERATION OF A MOTION TO ACCEPT THE APRIL 14, 2015 CITY COUNCIL STUDY SESSION SUMMARY ON THE FINANCIAL UPDATE AND POTENTIAL BALLOT ISSUES

C. CONSIDERATION OF A MOTION TO ACCEPT THE APRIL 28, 2015 CITY COUNCIL STUDY SESSION SUMMARY REGARDING THE UNIVERSITY HILL REINVESTMENT STRATEGY UPDATE

D. CONSIDERATION OF A MOTION TO ACCEPT THE MAY 12, 2015 CITY COUNCIL STUDY SESSION SUMMARY REGARDING BOULDER ENERGY FUTURE

E. CONSIDERATION OF A MOTION TO ACCEPT THE MAY 12, 2015 CITY COUNCIL STUDY SESSION SUMMARY REGARDING THE COMMERCIAL & INDUSTRIAL ENERGY ORDINANCE

F. CONSIDERATION OF A MOTION TO ACCEPT THE MAY 12, 2015 CITY COUNCIL STUDY SESSION SUMMARY REGARDING RESILIENT BOULDER- PHASE I SUMMARY AND PHASE II PRELIMINARY FOCUS AREAS

G. CONSIDERATION OF A MOTION TO MOVE THE REGULARLY SCHEDULED MEETING OF THE BOULDER CITY COUNCIL ON JULY 21ST TO JULY 28, 2015

H. CONSIDERATION OF A MOTION TO AUTHORIZE THE CITY MANAGER TO EXECUTE AN AGREEMENT IN THE FORM THAT IS GENERALLY DESCRIBED IN THE ATTACHMENT TO THIS MEMO RELATED TO THE DISBURSEMENT OF FUNDS ASSOCIATED WITH THE "COMMUNITY, CULTURE, AND PUBLIC SAFETY" SALES AND USE TAX TO FUND IMPROVEMENTS FOR THE BOULDER HISTORICAL SOCIETY'S MUSEUM OF BOULDER LOCATED AT 2205 BROADWAY, BOULDER

I. CONSIDERATION OF A MOTION TO APPROVE THE DISPOSAL OF AN INTEREST IN OPEN SPACE LANDS PURSUANT TO BOULDER CITY CHARTER SECTION 177 THROUGH THE GRANT EASEMENTS TO PUBLIC SERVICE COMPANY OF COLORADO FOR OVERHEAD POWER LINES ALONG THOMAS LANE AND ON THE T.H.P. OPEN SPACE PROPERTY, AS DESCRIBED IN ATTACHMENT D, CONDITIONED UPON PUBLIC SERVICE COMPANY OF COLORADO EXECUTING A QUIT CLAIM DEED IN A FORM ACCEPTABLE TO THE CITY TERMINATING WHATEVER RIGHTS AND INTEREST IT MAY HAVE TO THE LOWER BIG BLUESTEM POWER LINE ACCESS ROUTE

J. CONSIDERATION OF A MOTION TO APPROVE RESOLUTION NO. 1161 DECLARING THE CITY OF BOULDER'S OFFICIAL INTENT TO PARTICIPATE IN A FUTURE ISSUANCE OF WATER AND SEWER REVENUE BONDS AND TO REIMBURSE ITSELF FOR CAPITAL EXPENDITURES UNDERTAKEN IN ADVANCE OF SUCH FINANCING MADE FROM THE WATER AND WASTEWATER FUNDS, INCLUDING, WITHOUT LIMITATION, ARCHITECTURAL, ENGINEERING, APPRAISAL, SURVEYING, ACQUISITION, SITE PREPARATION AND OTHER COSTS INCIDENTAL TO THE COMMENCEMENT OF CONSTRUCTION OF THE FINANCED PROJECT

K. THIRD READING AND CONSIDERATION OF A MOTION TO ADOPT ORDINANCE NO. 8045 AMENDING TITLE 6, "HEALTH SAFETY AND SANITATION," B.R.C. 1981 TO ADD UNIVERSAL ZERO WASTE REQUIREMENTS

L. INTRODUCTION, FIRST READING CONSIDERATION OF A MOTION TO PUBLISH BY TITLE ONLY, AND ADOPT AS AN EMERGENCY MEASURE ORDINANCE NO. 8051 AUTHORIZING THE ISSUANCE BY THE CITY OF BOULDER, COLORADO, OF ITS STORM WATER AND FLOOD MANAGEMENT REVENUE BONDS, SERIES 2015, IN THE AGGREGATE PRINCIPAL AMOUNT OF $22,845,000 ~~23,235,000~~ FOR THE PURPOSE OF PROVIDING FUNDS TO FINANCE STORM WATER AND FLOOD MANAGEMENT IMPROVEMENTS BY THE UTILITY AND PAY THE COSTS OF ISSUANCE OF THE SERIES 2015 BONDS; PRESCRIBING THE FORM OF SAID SERIES 2015 BONDS; PROVIDING FOR THE SALE OF SAID SERIES 2015 BONDS; PROVIDING FOR THE PAYMENT AND REDEMPTION OF SAID SERIES 2015 BONDS FROM AND OUT OF THE REVENUES DERIVED DIRECTLY OR INDIRECTLY BY THE CITY FROM THE STORM WATER AND FLOOD MANAGEMENT FEE BILLED TO CUSTOMERS OF THE CITY'S WATER AND SEWER SYSTEMS; PROVIDING OTHER DETAILS AND APPROVING OTHER DOCUMENTS IN CONNECTION WITH SAID SERIES 2015 BONDS; AND DECLARING AN EMERGENCY AND PROVIDING THE EFFECTIVE DATE HEREOF

M. INTRODUCTION, FIRST READING AND CONSIDERATION OF A MOTION TO ORDER PUBLISHED BY TITLE ONLY ORDINANCE NO. 8052 SETTING THE BALLOT TITLE OF AN INITIATED AMENDMENT TO THE BOULDER CHARTER REGARDING CITY COUNCIL COMPENSATION, AND SETTING FORTH RELATED DETAILS

Amendments for item 3M included: Approving Introduction, First Reading and publishing by title only Ordinance 8053-Option B in memo and Approving Introduction, First Reading and publishing by title only Ordinance 8054- Option C in memo. City Attorney wanted the additional options listed as successive ordinances.

Council Member Weaver moved, seconded by Council Member Karakehian to approve the consent agenda items 3A (3A correct minor typo) through 3M (3M with amendments). The motion carried 9-0, with Item 3K approved 8-0 with Council Member Jones recused. The vote was taken at 6:26 PM.

4. POTENTIAL CALL-UP CHECK IN

Opportunity for Council to indicate possible interest in the call-up of an item listed under 8-A.

ORDER OF BUSINESS

5. PUBLIC HEARINGS

A. CONSIDERATION OF A MOTION TO ADOPT ON SECOND READING AS AN EMERGENCY MEASURE AND ORDER PUBLISHED BY TITLE ONLY ORDINANCE NO. 8043 AMENDING CHAPTER 10-12 "MOBILE HOMES" ADDING A NEW SECTION 10-12-25 "LIMITATION ON PARK OWNER'S RIGHT TO PROHIBIT SALES," ADDING A NEW SECTION 10-12-26 "LIMITATION ON THE REQUIRED UPGRADES TO EXISTING MOBILE HOMES," AMENDING SECTION 10-12-2 TO ADD DEFINITIONS, AMENDING SECTION 10-12-3 TO MAKE SECTION 10-12-25 APPLICABLE TO ALL MOBILE HOME PARKS AMENDING SECTION 10-12-4 TO PROVIDE FOR ADMINISTRATIVE REMEDIES AND SETTING FORTH RELATED DETAILS; 6:28 PM

The presentation of this item was provided by City Attrorney Tom Carr.

The public hearing was opened:

Jerry Allen, resident of Vista Village, supported the ordinance.

1. Elizabeth Allen, resident of Vista Village, supported the ordinance.
2. Tanya Petty, resident of Vista Village, supported the ordinance.
3. Brad Olsen, Attorney of Harvey Miller, opposed the ordinance.
4. Kathy Newland, resident and manager of Vista Village, opposed the ordinance.
5. Kevin Cook, resident of Vista Village, supported the ordinance.
6. Christian Hendrickson, Attorney for the Rocky Mountain Home Association, opposed the ordinance, wanted all the stakeholders to meet and discuss. He voiced that 85% of these people were left out submitting input.
7. Geoffrey Herden, resident of Vista Village, supported the ordinance.
8. Stephan Rohr, resident of Vista Village, supported the ordinance.

9. Mary Kate Willett, resident of Vista Village, supported the ordinance.
10. Mai Lowantel-Beare, previous resident of Vista Village, supported the ordinance.
11. Jean Gehring- POOLING, resident of Vista Village, supported the ordinance.
12. Lloyd Roller, previous resident of Vista Village, went to the Board of Health to get safe and sanitary conditions for the park. He supported the ordinance.

There being no further comments the public hearing was closed.

Council Member Weaver indicated he thought the ordinance was close enough to enforce the rules. He commented that it was hard to get to the truth between the park owner and the mobile home owners. He thought the ordinance could be salvaged and that there was time to tweak the ordinance as necessary.

Council Member Plass had concerns with 10-12-25 D and 10-12-2, which was the maintenance requirement. He voiced that it was a hard situation to sort through. These concerns would need to be addressed to move forward.

Council Member Cowles responded that differences did not have to be solved between the parties in order to approve the ordinance. He had concerns about 10-12-25d and 10-12-26.

Council Member Jones supported moving forward and adopting the ordinance so that something was in place for the residents.

Mayor Appelbaum was resolved to put "something" in place. The intent was not to take on all the issues. He also had concerns regarding 10-12-25d and 10-12-26.

Council Member Young asked if the change to Mr. Olsen's version was adopted, would it be sufficient to pass that evening with the change of (d)?

Council Member Morzel supported changing 10-12-26 and 10-12-2. She suggested adding "reasonable" to the wording.

Council Member Karakehian remarked that it didn't make sense to pass something in a rush if it still needed to be worked on and would need to involve the other affected park owner. He suggested working with the 2nd reading ordinance and coming back with changes as a third reading at a later meeting.

Council Member Young noted that the RFP came back and there was a firm willing to work with the residents of Vista Village.

<u>Council Member Morzel moved, seconded by Council Member Weaver to approve on second reading and order published by title only Ordinance No. 8043 amending</u>

Chapter 10-12 "Mobile Homes" adding a new Section 10-12-25 "Limitation on Park Owner's Right to Prohibit Sales," adding a new Section 10-12-26 "Limitation on the Required Upgrades to Existing Mobile Homes," amending Section 10-12-2 to add definitions, amending Section 10-12-3 to make Section 10-12-25 applicable to all mobile home parks, amending Section 10-12-4 to provide for administrative remedies and setting forth related details; and to amend the ordinance by striking through Section10-12-26, adding Section 10-12-25 (c) and (d) as proposed by the City Attorney, removing the emergency language, and adopting attachment (b) in the memo. Third reading will be at the July 28, 2015 regular meeting. The motion carried 9-0. The vote was taken at 8:04 PM**.**

B. CONSIDERATION OF A MOTION TO:
1. ACCEPT THE BOULDER CIVIC AREA MASTER PLAN; 8:06 PM

Public Works Project Coordinator Joanna Crean and Development Review Manager for Public Works Edward Stafford provided a presentation regarding the Civic Area Master Plan.

Council asked about suggestions to move the Bandshell. Would moving the Bandshell, be the same as demolishing it? Council affirmed the need for a structural assessment.

Senior Urban Designer, Sam Assesfa responded that an assessment had been completed and structurally the Bandshell was sound enough to move. The Landmarks Board would assess it under different requirements and metrics.

Council Member Young asked that the Human Relations Commission work with staff and the Master Plan. She urged careful consideration be part of the Bandshell relocation and a commitment to provide adequate civic parking within the bounds of the Transportation Master Plan.

The consensus of Council was to approve the Civic Master Plan and it determined the Bandshell needed a functional and proper location.

Council Member Karakehian moved, seconded by Council Member Jones to accept the Boulder Civic Area Master Plan. The motion carried 9-0 at 10:32 PM.

2. DIRECT STAFF TO INITIATE DISCUSSIONS WITH BOULDER COMMUNITY HEALTH REGARDING THE BROADWAY PROPERTY, PURSUE FINANCING OPTIONS, AND CONDUCT A MORE DETAILED SPACE PROGRAMMING ANALYSIS USING THE COUNCIL FEEDBACK ON THE MUNICIPAL SERVICES LOCATION OPTIONS; 10:33 PM

Bob Eichem, Chief Financial Officer discussed the Three Financial components: Purchase Site, Use/Re-development, Operating costs for the Boulder Community Hospital.

Danica Powell, representative of Boulder Business Consultants, gave a presentation regarding the options of the Boulder Community Hospital.

The public hearing was opened:

1. Joseph de Raismes, Boulder Center for the Performing Arts, supported the Civic Area Master Plan.
2. Margot Brauchil, resident, supported the Civic Area Master Plan.
3. Steve LeBlang, resident, supported the purchase the Boulder Community Hospital.
4. Francoise Poinsatte, resident, supported the purchase of the Boulder Community Hospital.
5. Roger Lewis, resident, supported the purchase of the Boulder Community Hospital.
6. Kate Remley, resident and member of Landmarks Board, supported the preservation of the Bandshell.
7. Auja Apitz, resident, supported the purchase of the Boulder Community Hospital.
8. David Adamson, resident, supported the purchase of the Boulder Community Hospital.
9. Ed Byrne, resident; supported the purchase of the Boulder Community Hospital.

There being no further comment, the public hearing was closed.

Council Member Karakehian advised against making an offer. The price needed to be established and an appraisal should be done.

Council Member Shoemaker did not feel comfortable with the decision process and the rushed timing. He suggested not moving forward without an appraisal.

Council Member Morzel did not like the rushed timing and wanted to make a good business decision. She wanted an appraisal and possibly a public vote via bonds. The City still had some control through zoning in this matter.

Council Member Young would like to partner with the hospital and work out a good process for the building and the community.

Mayor Appelbaum, disappointed in the lack of partnership, did not believe an appraisal would be useful.

Council direction was to pursue this discussion with BCH and express disappointment on the lack of partnership. There will be 2 by 2 discussions with Council members from the City Attorney's Office for negotiation purposes in order to direct staff in creating an offer.

<u>Council Member Jones moved, seconded by Council Member Plass to direct staff to initiate discussions with Boulder Community Health regarding the Broadway property, pursue financing options, and conduct a more detailed space programming analysis using the council feedback on the Municipal Services Location options. The motion carried 9-0. The vote was taken at 11:12 PM.</u>

3. CONSIDERATION OF A MOTION TO REQUEST COUNCIL SUPPORT ON RECOMMENDED ACTION TO ADDRESS CITY OFFICE SPACE NEEDS IN ORDER TO IMPROVE CUSTOMER SERVICE; 11:13 PM

City Manager, Jane Brautigam discussed the need for additional space. The office space option for the Finance department would include the leasing of space at 1800 Broadway.

Council Member Karakehian moved, seconded by Mayor Pro Tem Jones to support recommended action to address city office space needs in order to improve customer service. The motion carried 9-0. The vote was taken at 11:15 PM.

6. MATTERS FROM THE CITY MANAGER

7. MATTERS FROM THE CITY ATTORNEY

A. REPORT OF THE CITY ATTORNEY REGARDING FEBRUARY 19, 2015 PLANNING BOARD MEETING; 11:16 PM

Mayor Appelbaum moved, seconded by Council Member Cowles to release the confidential report and emails regarding the February 19, 2015 Planning Board Meeting.

8. MATTERS FROM MEMBERS OF COUNCIL

A. Potential Call-Ups

1. Concept Plan Review of a proposal for the expansion and renovation of an existing automobile sales and service facility at 2465 48th Court (Larry H. Miller Toyota), Case No. LUR2015-00026

No action was taken on this item.

9. PUBLIC COMMENT ON MATTERS - none

10. FINAL DECISIONS ON MATTERS

Vote was taken on the motion to release the confidential report and emails regarding the February 19, 2015 Planning Board Meeting. The motion carried 9-0. The vote was taken at 11:32 PM.

11. DEBRIEF - none

12. ADJOURNMENT

There being no further business to come before Council at this time, BY MOTION REGULARLY ADOPTED, THE MEETING WAS ADJOURNED on June 16, 2015 at 11:33 PM.

Approved this 4th day of August, 2015.

APPROVED BY:

_____
Matthew Appelbaum
Mayor

ATTEST:

_____
Alisa D. Lewis
City Clerk

THE CITY OF BOULDER
CITY COUNCIL PROCEEDINGS
July 28, 2015

1. CALL TO ORDER AND ROLL CALL

Mayor Pro Tem Jones called the July 28, 2015 regular City Council meeting to order at 6:04 PM in Council Chambers.

Those present were: Mayor Pro Tem Jones and Council Members Cowles, Morzel, Plass, Weaver and Young. Mayor Appelbaum and Council Member Karakehian arrived at 7:13 PM. Council Member Shoemaker was absent

A. DECLARATION REGARDING MODERN SLAVERY AND CLIMATE CHANGE- THE COMMITMENT OF THE CITIES – This item was delayed to a future meeting

B. Declaration regarding **Americans with Disabilities Act** Awareness Day

2. OPEN COMMENT and COUNCIL/STAFF RESPONSE (limited to 45 min.)

1. David Martus – Opposed to the removal of the bandshell from the Civic Area. Spoke to its historical significance.
2. Carolyn Bninski – Spoke on opposition to the Trans-Pacific partnership (TPP) which was going forward to a vote in the next week.
3. Martha McPherson – 4809 Branding Dr. also spoke in opposition to the TPP
4. Mark Gerwing – 1530 Lee Hill Drive – regarding the Civic Area Plan, opposed to moving the historic bandshell.
5. Kristen Lewis- Board Member of Historic Boulder also spoke in opposition of moving the bandshell.
6. Dick Leupold – President of Frasier Meadows Retirement Community- on behalf of the residents, encouraged council to review the DVD prepared for council relating to the impacts of the 2013 flood.
7. Crif Crawford – Spoke to the information that was provided to council on the DVD that was distributed relating to the 2013 flood and its aftermath. He requested council review the DVD prior to the August 4 meeting.
8. Kathryn Barta- Historic Preservation architect spoke to the importance of the bandshell and the condition of the structure.
9. Leonard May – Planning Board member speaking as an individual in support of maintaining the bandshell in place.
10. Caitlin Berjbe-Smith – former Historic Boulder Board Member expressed grave concern at the potential of moving the band shell, noting that by moving the structure it would lose any ability to qualify for state historic his
11. Finnius Ingalls – resident since 1987 and property owner speaking to the request for Out-of-City Water to 4400 Peach Crt.. Outlined the history of the request and indicated he hoped for a resolution to a process that had spanned many years.
12. Tony Garbellotto – Raised concerns regarding the “right sizing” of Folsom and urged council to reconsider its decision.

Council Response:
Council Member Morzel thanked those who came and supported keeping the band shell in the Civic Area.

3. **CONSENT AGENDA** (to include first reading of ordinances) Vote to be taken on the motion at this time. (Roll Call vote required) **(15 min)**

   A. CONSIDERATION OF A MOTION TO APPROVE THE MINUTES FOR THE MARCH 3, 2015 CITY COUNCIL REGULAR MEETING

   B. CONSIDERATION OF A MOTION TO APPROVE THE MINUTES FOR THE JUNE 1, 2015 CITY COUNCIL EXECUTIVE SESSION

   C. CONSIDERATION OF A MOTION TO APPROVE THE MINUTES FOR THE JUNE 2, 2015 CITY COUNCIL REGULAR MEETING

   D. CONSIDERATION OF A MOTION TO APPROVE THE MINUTES FOR THE JUNE 9. 2015 CITY COUNCIL SPECIAL MEETING

   E. CONSIDERATION OF A MOTION TO APPROVE THE MINUTES FOR THE JUNE 15, 2015 CITY COUNCIL SPECIAL MEETING

   F. CONSIDERATION OF A MOTION TO APPROVE THE MINUTES FOR THE JULY 14, 2015 CITY COUNCIL SPECIAL MEETING

   G. CONSIDERATION OF A MOTION TO ACCEPT THE APRIL 28, 2015 CITY COUNCIL STUDY SESSION SUMMARY REGARDING THE ACCESS MANAGEMENT PARKING STRATEGY (AMPS) UPDATE

   H. CONSIDERATION OF A MOTION TO ACCEPT THE JUNE 9, 2015 CITY COUNCIL STUDY SESSION SUMMARY REGARDING BOULDER VALLEY COMPREHENSIVE PLAN (BVCP)/RESILIENCE

   I. CONSIDERATION OF A MOTION TO ACCEPT THE JUNE 9, 2015 CITY COUNCIL STUDY SESSION SUMMARY REGARDING HOUSING BOULDER

   Council Member Morzel amended this item.

   J. CONSIDERATION OF A MOTION TO APPROVE A TWENTY-YEAR RIGHT-OF-WAY LEASE FOR TWO ENCROACHMENTS (AWNINGS) LOCATED AT 1505 PEARL STREET (REV2014-00022)

   K. CONSIDERATION OF A MOTION TO AUTHORIZE THE CITY MANAGER TO ENTER INTO AN AGREEMENT ALLOWING THE CITY OF BOULDER FIRE RESCUE

DEPARTMENT AND THE USDA FOREST SERVICE TO EXCHANGE PERSONNEL FOR MUTUAL BENEFIT OF WILDLAND FIRE MANAGEMENT

L. CONSIDERATION OF A MOTION TO CALL THE FOLLOWING SPECIAL MEETINGS OF THE BOULDER CITY COUNCIL:

1. **THURSDAY, AUGUST 6, 2015 AT 6 PM IN THE CITY COUNCIL CHAMBERS LOCATED AT 1777 BROADWAY, AND**
2. **THURSDAY, AUGUST 27, 2015 AT 6:30 PM IN THE CITY COUNCIL CHAMBERS LOCATED AT 1777 BROADWAY**

M. INTRODUCTION, FIRST READING AND CONSIDERATION OF A MOTION TO ORDER PUBLISHED BY TITLE ONLY ORDINANCE NO. 8055 SETTING THE BALLOT TITLE FOR AN INITIATED AMENDMENT TO THE BOULDER CHARTER, AND SETTING FORTH RELATED DETAILS (LIBRARY)

N. INTRODUCTION, FIRST READING, AND CONSIDERATION OF A MOTION TO ORDER PUBLISHED BY TITLE ONLY, ORDINANCE NO. 8056 SUBMITTING TO THE ELECTORS OF THE CITY OF BOULDER AT THE REGULAR MUNICIPAL COORDINATED ELECTION TO BE HELD ON TUESDAY, NOVEMBER 3, 2015, THE QUESTION OF WHETHER TO EXTEND THE UTILITY OCCUPATION TAX ON PUBLIC UTILITY COMPANIES THAT DELIVER ENERGY TO CUSTOMERS IN THE FORM OF ELECTRICITY AND GAS THAT WAS PASSED BY THE VOTERS PURSUANT TO ORDINANCE NO. 7751 (AS AMENDED BY ORDINANCE NO. 7808) AT THE RATE $4.1 MILLION DOLLARS, BEGINNING JANUARY 1, 2011 BE EXTENDED FROM DECEMBER 31, 2017 DECEMBER 31, 2022; SETTING FORTH THE BALLOT TITLE; MAKING CONFORMING CHANGES TO THE BOULDER REVISED CODE; AND SETTING FORTH RELATED DETAILS

O. INTRODUCTION, FIRST READING, AND CONSIDERATION OF A MOTION TO ORDER PUBLISHED BY TITLE ONLY, ORDINANCE NO. 8057 SUBMITTING TO THE REGISTERED ELECTORS OF THE CITY OF BOULDER AT THE REGULAR MUNICIPAL COORDINATED ELECTION TO BE HELD ON TUESDAY, NOVEMBER 3, 2015, THE QUESTION OF WHETHER TO EXTEND THE CLIMATE ACTION PLAN TAX THAT WAS APPROVED BY THE VOTERS IN NOVEMBER 2006 AND IMPLEMENTED BY THE CITY COUNCIL IN CHAPTER 3-12, B.R.C. 1981, (AS AMENDED IN 2012 BY ORDINANCE 7884) CURRENTLY SET TO EXPIRE MARCH 31, 2018, FOR THE PURPOSES FOR IMPLEMENTING PROGRAMS TO INCREASE RENEWABLE ENERGY USE, REDUCE EMISSION FROM MOTOR VEHICLES, AND TAKE OTHER STEPS TOWARD THE GOAL OF REDUCING GREENHOUSE GAS EMISSIONS; SETTING FORTH THE BALLOT TITLE; MAKING CONFORMING CHANGES TO THE BOULDER REVISED CODE; AND SETTING FORTH RELATED DETAILS

P. INTRODUCTION, FIRST READING AND CONSIDERATION OF A MOTION TO ORDER PUBLISHED BY TITLE ONLY, ORDINANCE NO. 8058 DESIGNATING THE BUILDING AND PROPERTY AT 2245 PINE ST., TO BE KNOWN AS THE RAVENSCRAFT HOUSE, AS AN INDIVIDUAL LANDMARK UNDER THE CITY'S HISTORIC PRESERVATION ORDINANCE

Q. INTRODUCTION, FIRST READING, AND CONSIDERATION OF A MOTION TO ORDER PUBLISHED BY TITLE ONLY ORDINANCE NO. 8059 AMENDING CHAPTER 11-1 "WATER UTILITY," B.R.C 1981, AND AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT RELATING TO THE PROVISION OF OUT-OF-CITY WATER SERVICES WITH THE OWNER OF 4400 PEACH COURT

Council Member Morzel pulled this item from the Consent Agenda

This item was taken up at 11:24PM
Council member Morzel

R. INTRODUCTION, FIRST READING AND CONSIDERATION OF A MOTION TO ORDER PUBLISHED BY TITLE ONLY, ORDINANCE NO. 8060 VACATING AND AUTHORIZING THE CITY MANAGER TO EXECUTE A DEED OF VACATION TO VACATE A PORTION OF A SIDEWALK EASEMENT AT 2460 IRIS AVENUE

S. INTRODUCTION, FIRST READING AND CONSIDERATION OF A MOTION TO ORDER PUBLISHED BY TITLE ONLY ORDINANCE NO. 8061 APPROVING A SUPPLEMENTAL APPROPRIATION FOR THE STORM WATER AND FLOOD MANAGEMENT REVENUE BONDS, SERIES 2015, IN THE AGGREGATE PRINCIPAL AMOUNT OF $23,317,855, FOR THE PURPOSE OF PROVIDING FUNDS FOR STORM WATER AND FLOOD MANAGEMENT IMPROVEMENTS AND FOR THE COSTS OF ISSUANCE OF THE SERIES 2015 BONDS

Council Member Plass moved, seconded by Council Member Cowles to approve Consent Agenda items 3A – 3S with item 3I amended and 3Q removed.

Council Member Morzel moved to table item3Q. The motion failed 3:5 with Council Member Morzel, Weaver and young voting in favor, Council Member Shoemaker absent. Vote was taken at 7:26 PM.

Vote was taken on the motion to approve Consent Agenda items 3A – 3S with item 3I amended and 3Q removed. The motion carried 8:0 at 7:30 PM. Council Member Shoemaker was absent.

4. POTENTIAL CALL-UP CHECK IN - none

ORDER OF BUSINESS

5. PUBLIC HEARINGS

Note: Any items removed from the Consent Agenda will be considered after any City scheduled Public Hearings.

7:20-7:30 PM

A. CONSIDERATION OF A MOTION TO APPROVE THE PURCHASE OF APPROXIMATELY 12.5 ACRES OF LAND, MINERAL ESTATE, TWO HOUSES AND ASSOCIATED OUTBUILDINGS FROM THE ERNEST J. COLEMAN TRUST FOR $950,000, ALONG

WITH $50,000 FOR IMMEDIATE PROPERTY IMPROVEMENTS, BOTH FOR OPEN SPACE AND MOUNTAIN PARKS PURPOSES AND THE DISPOSAL OF APPROXIMATELY 2.28 ACRES OR LESS OF THAT LAND INCLUDING THE TWO HOUSES AND ASSOCIATED OUTBUILDINGS LOCATED AT 5678 AND 5688 BASELINE ROAD. THE DISPOSAL WILL INCLUDE NEGOTIATION OF AN ACCEPTABLE PURCHASE PRICE AND APPROPRIATE ENCUMBRANCES ON THE DISPOSED PROPERTY TO PROTECT THE OPEN SPACE VALUES OF THE REMAINING PARCEL. THE DISPOSAL PORTION OF THIS AGENDA ITEM IS PURSUANT TO SECTION 177 OF THE BOULDER CITY CHARTER – 7:32 PM.

The presentation for this item was presented by Open Space Mountain Parks Director Tracey Winfree.

There being no speakers the public hearing on this item was closed.

Council Member Jones moved, seconded by Council Member Morzel, to approve the purchase of approximately 12.5 acres of land, mineral estate, two houses and associated outbuildings from the Ernest J. Coleman Trust for $950,000, along with $50,000 for immediate property improvements, both for Open Space and Mountain Parks purposes and the disposal of approximately 2.28 acres or less of that land including the two houses and associated outbuildings located at 5678 and 5688 Baseline Road. The disposal will include negotiation of an acceptable purchase price and appropriate encumbrances on the disposed property to protect the open space values of the remaining parcel. The motion carried 8:0 at 7:52 PM with Council Member Shoemaker absent.

B. CONSIDERATION OF A MOTION TO ACCEPT THE UPPER GOOSE AND TWOMILE CANYON CREEK FLOODPLAIN MAPPING STUDY UPDATE, SUBMIT THE STUDY TO FEMA, AND DIRECT STAFF TO CONSIDER AND USE THE RESULTS OF THE STUDY IN THE REGULATION OF ALL ANNEXATIONS AND DEVELOPMENT PROPOSALS DURING THE INTERIM PERIOD WHILE FEMA IS REVIEWING THE RESULTS OF THE STUDY. – 7:52 PM

The presentation for this item was provided by Utilities Planner II Kristin Dean and Engineering Project Manger Kurt Bauer.

The public hearing was opened:

1. Steve Hoge, 1300 Hawthorne – supported moving this forward to FEMA as soon as possible.
2. Len Berg - also encouraged approval of the study and submitting it to FEMA.

There being no further speakers the public hearing was closed.

Council Member Cowles moved, seconded by Council Member Weaver, to accept the Upper Goose and Twomile Canyon Creek Floodplain Mapping Study update, submit the study to FEMA, and direct staff to consider and use the results of the study in the regulation of all annexations and development proposals during the interim period while FEMA is reviewing the

results of the study. The motion carried 8:0 at 8:31 PM. Council Member Shoemaker was absent.

C. **Third reading** and consideration of a motion to **adopt Ordinance No. 8043** amending chapter 10-12 **"Mobile homes,"** adding a new section 10-12-25 "Limitation on Park Owner's Right to Prohibit Sales," amending section 10-12-2 to add definitions, amending section 10-12-3 to make section 10-12-25 applicable to all mobile home parks, amending section 10-12-4 to provide for administrative remedies and setting forth related details **– 8:32 PM**

The presentation for this item was provided by City Attorney Tom Carr.

The public hearing was opened:

1. Dena Hanold – Ochard Grove accidental resident, spoke to the joy of living in a close knit community. Urged support as proposed by City Attorney
2. Kit Bascom – Orchard Grove home owner for 15 years. She also urged adoption of the porposed ordinance
3. Jennifer Torres – 12 year old resident of Orchard Grove. Asked council to pass the ordinance.
4. Sharon Posa- Vista Village resident –supported City Attorney proposal
5. Randall Schroth – 29 year resident of Vista Village – Urged council action to protect the
6. Patricia Pearson – 4500 19th Street, Boulder Meadows – 12 year resident. Supported the proposed ordinance.
7. Giorgran Zekay – 54 year resident, thanked council for addressing this issue. Supported the ordinance.
8. Kevin Cook- urged adoption of the ordinance with option D expressing the need to have meaningful penalties and enforcement.
9. Veronica Castro – 5000 Butte, expressed appreciation for the management and appreciated having a healthy place for their children to be raised.
10. Brad Olsen – representing Harvey Miller. Indicated support for the proposal by the City Attorney.
11. Rodolfo Castro – Expressed appreciation for the management of Vista Village
12. Marion McClain – Property Manager of Orchard Grove indicated that there was a home improvement loan program for home owners and thought there was a good rapport with the residents.
13. Steve Peyton – Spoke to the deficiencies of pre-Hud homes and the need for cash buyers for those homes.
14. Kathy Newland – property manager for Vista Village thanked everyone for participating in this process.
15. Robert McHugh
16. Sam Alschuler – Spoke to the challenge of this process and expressed surprise and hope that there was the potential for a positive outcome.
17. Tawny Peyton – Executive Director for the Mobile Home Industry. Remained focused on pre-HUD homes and the

18. Jean Gehring – Spoke to her background in social services and the fact that couldn't have succeeded in that field without being able to live in a mobile home. She voiced support for the proposal by City Attorney Carr.
19. Ishbel Dickens – president of the National Mobile Home Association. Spoke to the need of a strong educational and enforcement component of the ordinance.
20. Jerry Allen – Former resident of Vista Village- -supported getting the ordinance adopted.
21. David Inglis – supported the proposed ordinance.
22. Christian H. Hendrickson- representing the Rocky Mountain Home Association voiced support for the Carr amendment.
23. Octaviao A Luna – new home owner in Orchard Grove, wanting to provide a good home for his family. Bought it with the hope of being able to sell and buy a bigger home if his family grows.
24. Tina Fields – Concerned about maintenance versus improvements. Asked for glaring clarity for protection against animosity. Also shared that she experienced the burden of the cost of removing a dead tree. Can the ordinance be retroactive? What were the safety plans for pre-HUD homes?
25. Foster Goodwill – Thanked the council for all its efforts to resolve such a difficult and complex issue. Having reasonable entry requirements listed would be helpful.
26. Fenne Hommo – Expressed her appreciation for the work and supported the revised version. Suggested incorporating the recommendation of Ishbel Dickens
27. Elizabeth Allen – Urged council to adopt the ordinance tonight. The comments and stories were real and the people need to be protected.

There being no further speakers the public hearing was closed.

Council Member Morzel moved, seconded by Council Member Young, to adopt Ordinance No. 8043 by emergency as amended and including the emergency language provided on the lime colored handout. The motion carried 8:0, Council Member Shoemaker absent. The vote was taken at 11: 15 PM

3A. INTRODUCTION, FIRST READING, AND CONSIDERATION OF A MOTION TO ORDER PUBLISHED BY TITLE ONLY ORDINANCE NO. 8059 AMENDING CHAPTER 11-1 "WATER UTILITY," B.R.C 1981, AND AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT RELATING TO THE PROVISION OF OUT-OF-CITY WATER SERVICES WITH THE OWNER OF 4400 PEACH COURT

Council Member Morzel pulled this item from the Consent Agenda and it was taken up at 11:24PM

The public hearing was opened:

1. Finnius Ingalls – noted that left hand was orifinally approached but the city then approached him indicating it would prefer to provide water. He wants to get this resolved so he can complete his project.

2. Lance Woody- thanked council for its work

There being no further speakers, the pblic hearing was closed.

Mayor Appelbaum moved, seconded by Council Member Plass to introduce and order published by title only Ordinance No. 8059 amending Chapter 11-1 "Water Utility," B.R.C 1981, and authorizing the City Manager to execute an agreement relating to the provision of out-of-city water services with the owner of 4400 Peach Court. The motion carried 8:0, Shoemaker absent at 11:56 PM

6. **MATTERS FROM THE CITY MANAGER** - none

7. **MATTERS FROM THE CITY ATTORNEY** - none

8. **MATTERS FROM MEMBERS OF COUNCILB -** none

   A. **Potential Call-Ups -** none

9. **PUBLIC COMMENT ON MATTERS** (15 min.) - none

10. **FINAL DECISIONS ON MATTERS:** - none

11. **DEBRIEF** - none

12. **ADJOURNMENT**
    There being no further business to come before Council at this time, BY MOTION REGULARLY ADOPTED, THE MEETING WAS ADJOURNED on July 28, 2015 at 11:57 PM.

    Approved this 4th day of August, 2015.

APPROVED BY:

_____
Matthew Appelbaum
Mayor

ATTEST:

_____
Alisa D. Lewis,
City Clerk

CITY OF BOULDER
CITY COUNCIL AGENDA ITEM

MEETING DATE: August 4, 2015

AGENDA TITLE: Consideration of a motion to approve the City Manager's signature, Jane Brautigam, on an Interlocal Agreement for the Edward Byrne Memorial Justice Assistance Grant (JAG) Program Award

PRESENTER/S
Jane S. Brautigam, City Manager
Greg Testa, Chief of Police
Bridget Pankow, Police Finance Manager

EXECUTIVE SUMMARY

The purpose of this Interlocal Agreement is to obtain funds applied for through the Edward Byrne Memorial Justice Assistance Grant (JAG) Program Award to be distributed to the City of Boulder, the City of Longmont and the County of Boulder. The City of Boulder Police Department will receive $21,982 to purchase equipment that will enhance the department's ability to prevent and reduce crime while maintaining community and officer safety.

STAFF RECOMMENDATION

Suggested Motion Language:
Staff requests council consideration of this matter and action in the form of the following motion:

Motion to authorize the city manager to approve and sign the JAG Program Award.

COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS

This agreement may minimize economic, environmental and social impacts by providing a more efficient means to solve crime.

OTHER IMPACTS

- Fiscal – $21,982 awarded to the Boulder Police Department
- Staff time is part of the normal work plan.

BOARD AND COMMISSION FEEDBACK

None

PUBLIC FEEDBACK

None

BACKGROUND

Equipment to be purchased with the JAG Grant is as follows:

Training Door multi-purpose: The training door will be used to teach officers and fire department personnel breaching techniques required in the event of a forced entry. These may occur, in the event of a non-responsive citizen in a medical emergency, or in a burning building, where officers are often the first to arrive on the scene.

Four (4) Cisco Catalyst 3560CX-12PD-S Switch: These switch boxes will be used to connect the body worn cameras to the city network to enable the upload of the video on to the server.

Three (3) Vizio 60" Televisions: The televisions will be used with a projector in the Incident Command Center (ICC) to monitor and coordinate police efforts during an emergency response, such as floods, fires and large events.

Casio 3D Ready DLP Projector: The projector will be used with the three televisions in the ICC to monitor and coordinate efforts to an emergency response.

L3x320 Thermal Imager: The thermal imager can detect human activity to over 2,000 feet away. The technology allows officers the ability to see in conditions such as dust, smoke and complete darkness. This can help officers locate victims as well as suspects in adverse conditions.

ProLaser4 LIDAR: This traffic safety LIDAR has an increased range, multiple event recall and is balanced to prevent fatigue. The use of this equipment encourages citizens to obey and observe posted speed limits, which helps prevent accidents.

One-Handed Tourniquets: These one handed tourniquets allow officers, often first on the scene, to completely occlude blood flow in the event of a traumatic wound with significant hemorrhage, which can save lives, including their own.

ANALYSIS
Staff is recommending council approve the city manager's signature, Jane Brautigam, on the Interlocal Agreement for the City of Boulder's Police Department to receive funds from the JAG Program Award.

MATRIX OF OPTIONS
None

ATTACHMENT
A. Interlocal Agreement between the City of Boulder, the City of Longmont and the County of Boulder

GMS Application Number: 2015-H2633-CO-DJ

The State of Colorado
County of Boulder

Interlocal Agreement
Between the City of Boulder, the City of Longmont, and the County of Boulder

Bureau of Justice Assistance FY 2015 Local Solicitation
Edward Byrne Memorial Justice Assistance Grant (JAG) Program Award

This agreement is made and entered into this ___day of _____, 2015, by and between the City of Boulder, acting by and through its governing body, the City Council, the City of Longmont, acting by and through its governing body, the City Council and Mayor, and the County of Boulder, acting by and through its governing body, the County Commissioners, witnesseth:

WHEREAS, each governing body, in performing governmental functions or in paying for the performance of governmental functions here under, shall make that performance or those payments from current revenues legally available to that party: and

WHEREAS, each governing body finds that the performance of the Agreement is in the best interests of all parties, that the undertaking will benefit the public, and that the division of costs fairly compensates the performing party for the services or functions under this agreement: and

WHEREAS, the City of Boulder applied for and expects to receive an allocation of $43,268, of which $21,982 will be for the City of Boulder Police Department from the GMS Application Number:2015-H2633-CO-DJ: and

WHEREAS, the City of Boulder agrees to provide the City of Longmont $21,286 from the GMS Application Number: 2015-H2633-CO-DJ: and

WHEREAS, the City of Boulder, the City of Longmont and the County of Boulder believe it to be in their best interests to reallocate the JAG funds from GMS Application Number: 2015-H2633-CO-DJ.

NOW THEREFORE, the City of Boulder, the City of Longmont and the County of Boulder agree as follows:

Section 1

City of Boulder agrees to pay the City of Longmont a total of $21,286 of JAG funds.

GMS Application Number: 2015-H2633-CO-DJ

Section 2

The City of Longmont agrees to use $21,286 for the Law Enforcement Program, through the City of Longmont Police Department, by August 31, 2018.

Section 3

City of Boulder agrees to pay the county of Boulder a total of $.00 of JAG funds.

Section 4

County of Boulder agrees to use $.00 for the 2015 Program until August 31, 2018.

Section 5

Each party to this agreement will be responsible for its own actions in providing services under this agreement and shall not be liable for any civil liability that may arise from the furnishing of the services by the other party.

Section 6

The parties to this Agreement do not intend for any third party to obtain a right by virtue of this Agreement.

Section 7

By entering into this agreement, the parties do not intend to create any obligations express or implied other than those set out herein; further, this Agreement shall not create any rights in any party not a signatory hereto.

GMS Application Number: 2015-H2633-CO-DJ

City of Boulder,

_____
Jane S. Brautigam
City Manager

County of Boulder,

_____
Deb Gardner
Chair, Board of County Commissioners

City of Longmont

_____
Dennis Coombs
Mayor

APPROVED AS TO FORM:

_____
City Attorney

CITY OF BOULDER
CITY COUNCIL AGENDA ITEM

MEETING DATE: August 4, 2015

AGENDA TITLE: Consideration of a motion to adopt Resolution No. 1162 accepting the City of Boulder's 2014 Comprehensive Annual Financial Report and Independent Auditor's Reports

PRESENTERS
Jane S. Brautigam, City Manager
Bob Eichem, Chief Financial Officer
Cheryl Pattelli, Director of Finance
Duane Hudson, Controller
Ron Gilbert, Assistant Controller

EXECUTIVE SUMMARY

This agenda item provides council the ability to consider a motion to adopt a resolution (Attachment A) accepting the City of Boulder's 2014 Comprehensive Annual Financial Report (CAFR) and Independent Auditor's Reports. As described below, the auditors expressed a clean opinion on the CAFR indicating that the financial statements accurately reported the financial position and operations of the city for the year ended December 31, 2014. In addition, City Council's Audit Committee met with the Auditors on July 30, 2015 and forwarded the CAFR on to the full City Council for consideration. For ease of review of auditor comments, a single document has been compiled listing the entire comments and managements responses. This management response letter is included as Attachment C.

STAFF RECOMMENDATION

Suggested Motion Language:
The 2015 City Council Audit Committee recommended that the 2014 CAFR be forwarded to the full City Council for official consideration and acceptance in the form of the following motion:

Motion to adopt Resolution No. 1162 accepting the City of Boulder's 2014 Comprehensive Annual Financial Report and Independent Auditor's Reports.

COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS

- Economic: The city is required by Sections 12 and 105 of the City Charter and Chapter 2-2-7 B.R.C., 1981, the city's bond ordinances and many different governmental agencies to have an annual audit of the city's financial statements and various grant programs. This audit is a combined "single audit" designed to satisfy all of those requirements. Failure to have an audit would be a violation of these requirements and can negatively impact future interest rates on city borrowings, as well as grant eligibility of the city.
- Environmental: Each year, the Finance Department encourages individuals and entities to access the CAFR through the city's web site and provides hard copies of the report only as needed. Over the last few years, this effort has succeeded in reducing the number of hard copy reports printed, saving thousands of sheets of paper. In addition, the actual bound financial report is prepared using recycled paper to help minimize the impact on the environment. There are no other direct environmental implications of accepting the CAFR and the auditor's reports.
- Social: The users of the financial statements of the city have a variety of purposes and needs. These users include the public, legislative and oversight bodies, grantor agencies, investors and creditors, and management. Because of the specialized needs of these report users, the financial statements include a variety of financial information and extensive note disclosures. This detailed information is provided to increase transparency of the use and stewardship of the financial resources of the city.

OTHER IMPACTS

- Fiscal: The BKD, LLP fees for the 2014 audit are $75,000. The appropriation for these costs is included within the annual operating budget of the Finance Department.
- Staff time: Staff time for this process is included within the Finance Department's regular annual work plan.

BOARD AND COMMISSION FEEDBACK

The auditors met with the City Council Audit Committee on July 30, 2015. Present were committee members Lisa Morzel, Macon Cowles and University of Colorado Professor David Frederick. Committee member Andrew Shoemaker had a conflict with the meeting and met with staff during the prior week to review the audit report. The committee recommended that the 2014 audit be forwarded to full council.

BACKGROUND

Based on the city charter the City Council is required to appoint an independent auditor to make a thorough and complete annual examination and audit of all the financial accounts of the city, as summarized in the Comprehensive Annual Financial Report (CAFR). This independent auditor also reports and makes recommendations regarding the results of that examination, as communicated in the "Compliance Section" of the CAFR. The 2014 audit has been completed and the City Council Audit Committee met with the city's independent auditors, BKD, LLP, and city staff to discuss the CAFR.

This is the fourth year that BKD, LLP has performed the audit of the city. BKD, LLP was appointed by the City Council in October 2011, after a lengthy and detailed selection process, to perform the annual audit of the city records for the year ended December 31, 2011, with four optional renewals for subsequent years. At the conclusion of the 2014 engagement, BKD, LLP informed City staff they will not be exercising the final year of their optional renewal to perform the 2015 financial audit due to financial considerations. The auditors expressed a clean opinion on the comprehensive annual financial report, indicating that the financial statements accurately reported the financial position and operations of the city for the year ended December 31, 2014. The auditors also issued reports on internal controls and compliance with laws and regulations as required by various grant programs, laws and regulations. These reports are found in the "Compliance Section" of the CAFR, starting on page 257.

ANALYSIS

The Comprehensive Annual Financial Report (CAFR) is prepared annually to meet certain legal and regulatory requirements including the City Charter and various State Statutes. In order to satisfy these requirements, the document becomes rather long and very detailed.

The CAFR for fiscal year ending December 31, 2014 is 274 pages long and broken into five distinct sections. With such a large document, it can be difficult to know where to start. The following provides a brief overview of the sections and identifies areas of particular interest within each section the user may wish to review.

Introductory Section:
The Introductory Section includes the Letter of Transmittal starting on page 5 which is a very useful document to read. This letter provides general information on the city as well as information useful in assessing the current and future financial position of the city.

Financial Section:
The Financial Section includes the audit opinion, management's discussion and analysis of the financial statements, the basic financial statements for the city, and the notes to the financial statements.

The Auditor's Opinion found on pages 17, 18 and 19 is a "clean" opinion, indicating that the financial statements included in the 2014 CAFR are properly and fairly presented in all material respects.

Management's Discussion and Analysis, pages 21 to 36, provides a broad analysis of the city's finances. It includes discussion and analysis of changes from 2013 to 2014 for the government wide financial statements, as well as General Fund budgetary highlights, changes in capital assets and the debt of the city, and various other significant matters.

The basic financial statements, pages 39 to 67, provide information on specific funds or groups of funds. Budget to actual reports for the three largest governmental funds (General Fund, Open Space and Mountain Parks Fund and Transportation Fund) are presented on pages 48 to 51. Budget to actual reports for the other governmental funds are included in a subsequent section.

The Enterprise Fund financial statements, including the utility funds, Boulder Municipal Property Authority, Downtown Commercial District (formerly CAGID), and other non-major enterprise funds are presented on pages 52 to 63.

The Pension Trust Fund financial statements which include the "Old Hire" Police Defined Benefit Plan and the "Old Hire" Fire Defined Benefit Plan are presented on pages 66 to 67. Details by individual plan are included in Note U in the Notes to the Financial Statements, pages 118 to 133. Additional information is included as required supplementary information on pages 143 to 153.

The Notes to the Financial Statements, pages 71 to 141, contain detailed information on the various accounts, activities, and policies of the city. Of particular interest is Note A – Summary of Significant Accounting Policies. This note includes a wealth of information about the city's reporting entity, why some organizations are included within the financial statements and others are not, various policies and practices used to account for city operations, and definitions for some of the accounting terms used within the report. The other notes provide additional disclosures about specific accounts or occurrences during the year. A table of contents for the notes is provided on page 70 for ease of reference.

Combining and Individual Statements:
This section provides detailed financial statements for funds not separately included within the Basic Financial Statements in the previous section. Balance sheets, operating statements and budget to actual statements are included on a fund by fund basis. Also included on pages 218 and 219 is a detailed schedule of the outstanding long term debt of the city by governmental or business type activity.

Statistical Section:
The statistical section provides information on how the city's financial position has changed over time, the city's ability to generate its own revenues, the current debt burden and the ability to issue additional debt, various demographic and economic information and operating information to help assess the size of city operations. A detailed table of contents on page 223 further explains the schedules included in this section.

Compliance Section:
The final section of the CAFR starting on page 257 presents information on the city's federal grants and awards and the state highway finance report. Included within this section are the auditors' reports on internal controls and compliance with the various grant requirements.

By reading the Letter of Transmittal, Management's Discussion and Analysis, and Note A of the Notes to the Financial Statements, the user will have a good overview of city operations for 2014 and a basic understanding of the statements. The user can then delve more deeply into specific funds or operations as desired.

As part of the year end process, an audit is preformed of the CAFR and city financial operations. The 2014 audit has been completed and the City Council Audit Committee has met with the city's independent auditor, BKD, LLP, and city staff to discuss the CAFR, including the auditor compliance reports and management responses.

When findings or other recommendations are made by the auditors, management is given the opportunity to respond to each finding or recommendation. The findings and recommendations of the 2014 audit, found within the compliance reports, are about compliance with specific grant requirements, internal controls (processing controls that safeguard the assets of the city or help maintain compliance with laws or regulations) and the adequacy of the controls. A primary attribute of any control is that the cost of the control should not exceed the benefit of the control. Therefore, management always takes into consideration the extent of the risk of the internal control not doing what it should and the cost of implementing more stringent controls.

Representatives of BKD, LLP presented their audit results to the City Council Audit Committee. The compliance and internal control findings, recommendations, and city responses thereto are included as Attachment C to this memorandum. These will be evaluated again during the 2015 audit for any continuing concerns or problems. In addition to formal findings, the auditors made other formal comments and suggestions in a separate management letter, which includes city responses, included as Attachment C.

After due discussion and consideration, the City Council Audit Committee forwarded the CAFR, including the compliance reports to the full City Council for consideration at the August 4th council meeting.

ATTACHMENTS

ATTACHMENT A	Proposed Resolution
ATTACHMENT B	Independent Auditor's 2014 Schedule of Findings
ATTACHMENT C	Independent Auditor's 2014 Management Letter with City Responses
ATTACHMENT D	2014 Comprehensive Annual Financial Report (Available in City Council Office, Central Records, Central Library Reference Desk, and online at www.bouldercolorado.gov under Finance Department, Financial Reporting)

ATTACHMENT A

RESOLUTION NO. 1162

A RESOLUTION ACCEPTING THE CITY OF BOULDER'S 2014 COMPREHENSIVE ANNUAL FINANCIAL REPORT AND INDEPENDENT AUDITOR'S REPORTS

WHEREAS, Sections 12 and 105 of the Charter and Chapter 2-2-7 B.R.C., 1981, require the City Council, by resolution, to appoint an auditor, who is a certified public accountant licensed to practice in the State of Colorado and is well informed regarding governmental accounting and auditing; and

WHEREAS, the auditor is required to make a thorough and complete examination and audit of all the financial accounts of the City, report thereon and make recommendations regarding the results of that examination; and

WHEREAS, based upon review of the 2014 Comprehensive Annual Financial Report, Independent Auditor's Reports and discussions with city staff and BKD, LLP, the City's Independent Auditor, the City Council Audit Committee recommends that City Council officially accept the:

- 2014 Comprehensive Annual Financial Report, and
- 2014 Independent Auditor's Reports

NOW THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF BOULDER, COLORADO, HEREBY ACCEPTS THE 2014 COMPREHENSIVE ANNUAL FINANCIAL REPORT AND INDEPENDENT AUDITOR'S REPORTS.

APPROVED this 4th day of August, 2015.

_____
Mayor

ATTEST:

_____
City Clerk on behalf of the
Director of Finance and Record

BKD LLP
CPAs & Advisors

1700 Lincoln Street, Suite 1400 // Denver, CO 80203-4514
303.861.4545 // fax 303.832.5705 // bkd.com

Honorable Mayor, Members of City Council
and Audit Committee
City of Boulder
Boulder, Colorado

As part of our audits of the financial statements and compliance of City of Boulder, Colorado (the City) as of and for the year ended December 31, 2014, we wish to communicate the following to you.

Auditor's Responsibility Under Auditing Standards Generally Accepted in the United States of America and the Standards Applicable to Financial Audits Contained in *Government Auditing Standards* Issued by the Comptroller General of the United States and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*

An audit performed in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations* is designed to obtain reasonable, rather than absolute, assurance about the financial statements and about whether noncompliance with the types of compliance requirements described in OMB Circular A-133 that could have a direct and material effect on a major federal program occurred. In performing auditing procedures, we establish scopes of audit tests in relation to the financial statements taken as a whole. Our engagement does not include a detailed audit of every transaction. Our engagement letter more specifically describes our responsibilities.

These standards require communication of significant matters related to the financial statement and compliance audits that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process. Such matters are communicated in the remainder of this letter or have previously been communicated during other phases of the audit. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.

Audits of the financial statements and compliance do not relieve management or those charged with governance of their responsibilities. Our engagement letter more specifically describes your responsibilities.

Praxity MEMBER GLOBAL ALLIANCE OF INDEPENDENT FIRMS

Qualitative Aspects of Significant Accounting Policies and Practices

Significant Accounting Policies

The City's significant accounting policies are described in Note A of the audited financial statements.

Alternative Accounting Treatments

We had discussions with management regarding alternative accounting treatments within accounting principles generally accepted in the United States of America for policies and practices for material items, including recognition, measurement and disclosure considerations related to the accounting for specific transactions as well as general accounting policies, as follows:

- No matters are reportable

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. The following areas involve significant areas of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates:

- Pension asset
- Liability for other postemployment benefits
- Liability for claims incurred but not reported
- Liability for pollution remediation obligation
- Accounts receivable and allowance for doubtful accounts
- Useful lives of capital assets
- Compensated absences

Financial Statement Disclosures

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- No matters are reportable

Audit Adjustments

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments which, in its judgment, are required to prevent the financial statements from being materially misstated. Some adjustments proposed were not recorded because their aggregate effect is not currently material; however, they involve areas in which adjustments in the future could be material, individually or in the aggregate.

Areas in which adjustments were proposed include:

Proposed Audit Adjustments Recorded

- Accrual of accounts payable
- Reclassification of receivable balances to the proper category

Proposed Audit Adjustments Not Recorded

- Attached is a summary of uncorrected misstatements we aggregated during the current engagement and pertaining to the latest period presented that were determined by management to be immaterial, both individually and in the aggregate, to the financial statements as a whole

Auditor's Judgments About the Quality of the City's Accounting Principles

During the course of the audit, we made the following observations regarding the City's application of accounting principles:

- During 2014, the City adopted Governmental Accounting Standards Board Statement (GASB) No. 67, *Financial Reporting for Pension Plans, an amendment of GASB Statement No. 27.* The adoption of GASB 67 resulted in additional footnote disclosures; however, there was no impact on the financial statements.

Disagreements with Management

The following matters involved disagreements which if not satisfactorily resolved would have caused a modified auditor's opinion on the financial statements:

- No matters are reportable

Significant Issues Discussed with Management

Prior to Retention

During our discussion with management prior to our engagement, the following issues regarding application of accounting principles or auditing standards were discussed:

- No matters are reportable

During the Audit Process

During the audit process, the following issues were discussed or were the subject of correspondence with management:

- No matters are reportable

Difficulties Encountered in Performing the Audit

Our audit requires cooperative effort between management and the audit team. During our audit, we found significant difficulties in working effectively on the following matters:

- There was significant difficulty in determining the proper population of expenditures incurred within the FEMA program for compliance testing

Other Material Written Communications

Listed below are other material written communications between management and us related to the audit:

- Management representation letter (attached)
- SAS 115 report (management letter)

This letter is intended solely for the information and use of the Audit Committee, the Honorable Mayor, Members of City Council and others within the City and is not intended to be and should not be used by anyone other than these specified parties.

BKD, LLP

June 16, 2015

City of Boulder

ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflects the effects on the financial statements if the uncorrected misstatements identified were corrected.

Governmental Activities (Government-Wide Statements)

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Total Assets	835,551,000		835,551,000	
Total Liabilities	(167,295,000)	(1,359,687)	(168,654,687)	0.81%
Total Net Position	(668,256,000)	1,359,687	(666,896,313)	-0.20%
General Revenues & Transfers	(173,914,000)		(173,914,000)	
Net Program Revenues/ Expenses	133,502,000	(754,160)	132,747,840	-0.56%
Change in Net Position	(40,412,000)	(754,160)	(41,166,160)	1.87%

Client: City of Boulder

Period Ending: December 31, 2014

Governmental Activities (Government-Wide Statements)

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

Description	Financial Statement Line Item	Factual (F) / Judgmental (J) / Projected (P)	Assets DR	Assets (CR)	Liabilities DR	Liabilities (CR)	General Revenues & Transfers DR	General Revenues & Transfers (CR)	Net Program Revenues/ Expenses DR	Net Program Revenues/ Expenses (CR)	Net Position DR	Net Position (CR)	Net Effect on Following Year: Change in Net Position DR	Change in Net Position (CR)	Net Effect on Following Year: Net Position DR	Net Position (CR)
To post turnaround effect of PY payroll tax portion of compensated absence accrual		F	0		0		0			(1,941,805)	1,941,805		0		0	
	Beginning Net Position										1,941,805					
	Expenses									(1,941,805)						
To record adjustment for accounts payable not accrued at YE		Sum of all fund level amounts	0			(138,907)	0			138,907	0		0		0	
	Accounts Payable (Factual)					(138,907)										
	Expense									138,907						
To record projected adjustment for accounts payable not accrued at YE		Sum of all fund level amounts	0			(1,220,780)	0			1,220,780	0			(138,907)		138,907
	Accounts Payable (Projected)					(1,220,780)										
	Expense									1,220,780				(138,907)		138,907
To record prior year effect of accounts payable not accrued in the correct period		Transportation Fund Amt	0			0	0			(172,042)	172,042		0		0	
	Expense									(172,042)						
	Beginning Net Position										172,042					
Total passed adjustments				0		(1,359,687)		0		(754,160)	2,113,847			(138,907)		138,907

Impact on Change in Net Position	**(754,160)**
Impact on Net Position	**1,359,687**

City of Boulder

ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflects the effects on the financial statements if the uncorrected misstatements identified were corrected.

Business Type Activities (Government-Wide Statements)

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Total Assets	508,939,000		508,939,000	
Total Liabilities	(90,751,000)		(90,751,000)	
Total Net Position	(418,188,000)		(418,188,000)	
General Revenues & Transfers	(2,479,000)		(2,479,000)	
Net Program Revenues/ Expenses	(16,601,000)	(220,205)	(16,821,205)	1.33%
Change in Net Position	(19,080,000)	(220,205)	(19,300,205)	1.15%

Client: City of Boulder

Period Ending: December 31, 2014

Governmental Activities (Government-Wide Statements)

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

Description	Financial Statement Line Item	Factual (F) / Judgmental (J) / Projected (P)	Assets DR	Assets (CR)	Liabilities DR	Liabilities (CR)	General Revenues & Transfers DR	General Revenues & Transfers (CR)	Net Program Revenues/ Expenses DR	Net Program Revenues/ Expenses (CR)	Net Position DR	Net Position (CR)	Net Effect on Following Year: Change in Net Position DR	Change in Net Position (CR)	Net Effect on Following Year: Net Position DR	Net Position (CR)
To post turnaround effect of PY payroll tax portion of compensated absence accrual		F		0		0		0		(220,205)		220,205		0		0
	Beginning Net Position											220,205				
	Expenses									(220,205)						
Total passed adjustments				0		0		0		(220,205)		220,205		0		0

Impact on Change in Net Position	**(220,205)**
Impact on Net Position	**0**

City of Boulder

ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflects the effects on the financial statements if the uncorrected misstatements identified were corrected.

General Fund

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Total Assets	86,969,000	(136,489)	86,832,511	-0.16%
Total Liabilities	(35,897,000)	(955,900)	(36,852,900)	2.66%
Total Fund Balance	(51,072,000)	1,092,389	(49,979,611)	-2.14%
Revenues	(118,855,000)	(312,249)	(119,167,249)	0.26%
Expenditures	104,415,000	279,296	104,694,296	0.27%
Change in Fund Balance	(8,630,000)	(32,953)	(8,662,953)	0.38%

Client: City of Boulder

Period Ending: December 31, 2014

General Fund

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

Description	Financial Statement Line Item	Factual (F), Judgmental (J) Projected (P)	Assets DR	Assets (CR)	Liabilities DR	Liabilities (CR)	Revenues DR	Revenues (CR)	Expenditures DR	Expenditures (CR)	Fund Balance DR	Fund Balance (CR)	Net Effect on Following Year: Change in Fund Balance DR	Change in Fund Balance (CR)	Net Effect on Following Year: Fund Balance DR	Fund Balance (CR)
To record adjustment for over accrual of property tax revenue		F		(136,489)		136,489		0		0		0		0		0
	Property Tax Receivable			(136,489)												
	Deferred Inflow					136,489										
To record deferred inflow related to notes receivable.		F		0		(813,093)		0		0		813,093		0		0
	Fund Balance											813,093				
	Deferred Inflow					(813,093)										
To record adjustment for accounts payable not accrued at YE		F		0		(36,222)		0		36,222		0		(36,222)		36,222
	Accounts Payable (Factual)					(36,222)										
	Expense									36,222				(36,222)		36,222
To record projected adjustment for accounts payable not accrued at YE		P		0		(243,074)		0		243,074		0		0		0
	Accounts Payable (Projected)					(243,074)										
	Expense									243,074						
To record effect of over-accrual of Liquor Occupation Taxes in the PY.		F		0		0		(312,249)		0		312,249		0		0
	Beginning Fund Balance											312,249				
	Revenue							(312,249)								

Total passed adjustments	(136,489)	(955,900)	(312,249)	279,296	1,125,342	(36,222)	36,222

Impact on Change in Fund Balanc	**(32,953)**
Impact on Fund Balance	**1,092,389**

City of Boulder

ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflects the effects on the financial statements if the uncorrected misstatements identified were corrected.

Open Space and Mtn Parks

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Total Assets	31,450,000		31,450,000	
Total Liabilities	(1,414,000)	(246,390)	(1,660,390)	17.43%
Total Fund Balance	(30,036,000)	246,390	(29,789,610)	-0.82%
Revenues	(29,259,000)		(29,259,000)	
Expenditures	27,513,000	246,390	27,759,390	0.90%
Change in Fund Balance	(13,139,000)	246,390	(12,892,610)	-1.88%

Client: City of Boulder

Period Ending: December 31, 2014

Open Space and Mtn Parks

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

Description	Financial Statement Line Item	Factual (F), Judgmental (J) Projected (P)	Assets DR	Assets (CR)	Liabilities DR	Liabilities (CR)	Revenues DR	Revenues (CR)	Expenditures DR	Expenditures (CR)	Fund Balance DR	Fund Balance (CR)	Net Effect on Following Year: Change in Fund Balance DR	Change in Fund Balance (CR)	Net Effect on Following Year: Fund Balance DR	Fund Balance (CR)
To record adjustment for accounts payable not accrued at YE		F	0			(38,526)	0			38,526	0			(38,526)		38,526
	Accounts Payable (Factual)					(38,526)										
	Expense									38,526				(38,526)		38,526
To record projected adjustment for accounts payable not accrued at YE		P	0			(207,864)	0			207,864	0			0		0
	Accounts Payable (Projected)					(207,864)										
	Expense									207,864						
Total passed adjustments				0		(246,390)		0		246,390		0		(38,526)		38,526

Impact on Change in Fund Balanc	**246,390**
Impact on Fund Balance	**246,390**

City of Boulder

ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflects the effects on the financial statements if the uncorrected misstatements identified were corrected.

Transportation

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Total Assets	22,390,000		22,390,000	
Total Liabilities	(5,994,000)	(266,622)	(6,260,622)	4.45%
Total Fund Balance	(16,396,000)	266,622	(16,129,378)	-1.63%
Revenues	(34,475,000)		(34,475,000)	
Expenditures	29,927,000	(402)	29,926,598	
Change in Fund Balance	(4,139,000)	(402)	(4,139,402)	0.01%

Client: City of Boulder

Period Ending: December 31, 2014

Transportation

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

Description	Financial Statement Line Item	Factual (F), Judgmental (J) Projected (P)	Assets DR	Assets (CR)	Liabilities DR	Liabilities (CR)	Revenues DR	Revenues (CR)	Expenditures DR	Expenditures (CR)	Fund Balance DR	Fund Balance (CR)	Net Effect on Following Year: Change in Fund Balance DR	Change in Fund Balance (CR)	Net Effect on Following Year: Fund Balance DR	Fund Balance (CR)
To record prior year effect of accounts payable not accrued in the correct period		F	0		0		0			(172,042)		172,042	0		0	
	Expense									(172,042)						
	Beginning Fund Balance											172,042				
To record projected adjustment for accounts payable not accrued at YE		P	0			(266,622)	0			266,622		0	0		0	
	Accounts Payable					(266,622)										
	Expense									266,622						
To record effect of asset additions recorded in 2014 that relate to PY activity		F	0		0		0			(93,703)		93,703	0		0	
	Capital Outlay (Factual)									(93,703)						
	Beginning Fund Balance											93,703				
To record effect of projected asset additions recorded in 2014 that relate to PY activity		P	0		0		0			(1,279)		1,279	0		0	
	Capital Outlay (Projected)									(1,279)						
	Beginning Fund Balance											1,279				
Total passed adjustments			0			(266,622)	0			(402)		267,024	0		0	

Impact on Change in Fund Balanc	**(402)**
Impact on Fund Balance	**266,622**

City of Boulder

ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflects the effects on the financial statements if the uncorrected misstatements identified were corrected.

2011 Capital Improvement

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Total Assets	12,894,000		12,894,000	
Total Liabilities	(2,059,000)	(269,839)	(2,328,839)	13.11%
Total Fund Balance	(10,835,000)	269,839	(10,565,161)	-2.49%
Revenues	(49,000)		(49,000)	
Expenditures	23,193,000	(10,200)	23,182,800	-0.04%
Change in Fund Balance	23,144,000	(10,200)	23,133,800	-0.04%

Client: City of Boulder

Period Ending: December 31, 2014

2011 Capital Improvement

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

Description	Financial Statement Line Item	Factual (F), Judgmental (J) Projected (P)	Assets DR	Assets (CR)	Liabilities DR	Liabilities (CR)	Revenues DR	Revenues (CR)	Expenditures DR	Expenditures (CR)	Fund Balance DR	Fund Balance (CR)	Net Effect on Following Year: Change in Fund Balance DR	Change in Fund Balance (CR)	Net Effect on Following Year: Fund Balance DR	Fund Balance (CR)
To record prior year effect of accounts payable not accrued in the correct period		F	0			(10,000)	0			10,000	0			(10,000)		10,000
	Accounts Payable (Factual)					(10,000)										
	Expense									10,000				(10,000)		10,000
To record projected adjustment for accounts payable not accrued at YE		P	0			(259,839)	0			259,839	0			0		0
	Accounts Payable (Projected)					(259,839)										
	Expense									259,839						
To show effect of capital asset disposal for PY duplicated addition		F	0			0	0			(280,039)		280,039		0		0
	Expense									(280,039)						
	Beginning Fund Balance											280,039				
Total passed adjustments			0			(269,839)	0			(10,200)		280,039		(10,000)		10,000

Impact on Change in Fund Balanc	**(10,200)**
Impact on Fund Balance	**269,839**

City of Boulder

ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflects the effects on the financial statements if the uncorrected misstatements identified were corrected.

Water Utility

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Current Assets	35,856,000		35,856,000	
Non-Current Assets	209,946,000		209,946,000	
Current Liabilities	(7,119,000)		(7,119,000)	
Non-Current Liabilities	(22,650,000)		(22,650,000)	
Current Ratio	5.037		5.037	
Total Assets	245,802,000		245,802,000	
Total Liabilities	(29,769,000)		(29,769,000)	
Total Net Position	(216,033,000)		(216,033,000)	
Operating Revenues	(22,917,000)		(22,917,000)	
Operating Expenses	19,693,000	(88,340)	19,604,660	-0.45%
Nonoperating Revenues (Exp)	(2,894,000)		(2,894,000)	
Change in Net Position	(8,942,000)	(88,340)	(9,030,340)	0.99%

Client: City of Boulder
Period Ending: December 31, 2014

Water Utility

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

Description	Financial Statement Line Item	Factual (F), Judgmental (J) Projected (P)	Assets: Current DR (CR)	Assets: Non-Current DR (CR)	Liabilities: Current DR (CR)	Liabilities: Non-Current DR (CR)	Operating Revenues DR (CR)	Operating Expenses DR (CR)	Nonoperating Revenues (Exp) DR (CR)	Net Position DR (CR)	Net Effect on Following Year: Change in Net Position DR (CR)	Net Effect on Following Year: Net Position DR (CR)
To post turnaround effect of PY payroll tax portion of compensated absence accrual		F	0	0	0	0	0	(88,340)	0	88,340	0	0
	Beginning Fund Balance									88,340		
	Expenses							(88,340)				
Total passed adjustments			0	0	0	0	0	(88,340)	0	88,340	0	0

Impact on Change in Net Position	**(88,340)**
Impact on Net Position	**0**

City of Boulder

ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflects the effects on the financial statements if the uncorrected misstatements identified were corrected.

Wastewater Utility

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Current Assets	13,579,000		13,579,000	
Non-Current Assets	98,249,000		98,249,000	
Current Liabilities	(3,498,000)		(3,498,000)	
Non-Current Liabilities	(40,442,000)		(40,442,000)	
Current Ratio	3.882		3.882	
Total Assets	111,828,000		111,828,000	
Total Liabilities	(43,940,000)		(43,940,000)	
Total Net Position	(67,888,000)		(67,888,000)	
Operating Revenues	(13,982,000)		(13,982,000)	
Operating Expenses	13,319,000	(96,776)	13,222,224	-0.73%
Nonoperating Revenues (Exp)	(1,443,000)		(1,443,000)	
Change in Net Position	(2,244,000)	(96,776)	(2,340,776)	4.31%

Client: City of Boulder
Period Ending: December 31, 2014

Wastewater Utility

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

Description	Financial Statement Line Item	Factual (F), Judgmental (J) Projected (P)	Assets: Current DR (CR)	Assets: Non-Current DR (CR)	Liabilities: Current DR (CR)	Liabilities: Non-Current DR (CR)	Operating Revenues DR (CR)	Operating Expenses DR (CR)	Nonoperating Revenues (Exp) DR (CR)	Net Position DR (CR)	Net Effect on Following Year: Change in Net Position DR (CR)	Net Effect on Following Year: Net Position DR (CR)
To post turnaround effect of PY payroll tax portion of compensated absence accrual		F	0	0	0	0	0	(96,776)	0	96,776	0	0
	Beginning Fund Balance									96,776		
	Expenses							(96,776)				
			0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0
			0	0	0	0	0	0	0	0	0	0
Total passed adjustments			0	0	0	0	0	(96,776)	0	96,776	0	0

Impact on Change in Net Position	**(96,776)**
Impact on Net Position	**0**

City of Boulder

ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflects the effects on the financial statements if the uncorrected misstatements identified were corrected.

Stormwater & Flood Management

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Current Assets	16,125,000		16,125,000	
Non-Current Assets	75,819,000		75,819,000	
Current Liabilities	(1,380,000)		(1,380,000)	
Non-Current Liabilities	(1,179,000)		(1,179,000)	
Current Ratio	11.685		11.685	
Total Assets	91,944,000		91,944,000	
Total Liabilities	(2,559,000)		(2,559,000)	
Total Net Position	(89,385,000)		(89,385,000)	
Operating Revenues	(5,602,000)		(5,602,000)	
Operating Expenses	4,776,000	(7,880)	4,768,120	-0.16%
Nonoperating Revenues (Exp)	(2,051,000)		(2,051,000)	
Change in Net Position	(4,655,000)	(7,880)	(4,662,880)	0.17%

Client: City of Boulder

Period Ending: December 31, 2014

Stormwater & Flood Management

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

Description	Financial Statement Line Item	Factual (F), Judgmental (J) Projected (P)	Assets: Current DR (CR)	Assets: Non-Current DR (CR)	Liabilities: Current DR (CR)	Liabilities: Non-Current DR (CR)	Operating Revenues DR (CR)	Operating Expenses DR (CR)	Nonoperating Revenues (Exp) DR (CR)	Net Position DR (CR)	Net Effect on Following Year: Change in Net Position DR (CR)	Net Effect on Following Year: Net Position DR (CR)
To post turnaround effect of PY payroll tax portion of compensated absence accrual		F	0	0	0	0	0	(7,880)	0	7,880	0	0
	Beginning Fund Balance									7,880		
	Expenses							(7,880)				
Total passed adjustments			0	0	0	0	0	(7,880)	0	7,880	0	0

Impact on Change in Net Position	**(7,880)**
Impact on Net Position	**0**

City of Boulder

ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflects the effects on the financial statements if the uncorrected misstatements identified were corrected.

CAGID

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Current Assets	7,784,000		7,784,000	
Non-Current Assets	26,432,000		26,432,000	
Current Liabilities	(1,803,000)		(1,803,000)	
Non-Current Liabilities	(10,569,000)		(10,569,000)	
Current Ratio	4.317		4.317	
Total Assets	34,216,000		34,216,000	
Total Liabilities	(12,372,000)		(12,372,000)	
Total Net Position	(21,844,000)		(21,844,000)	
Operating Revenues	(5,136,000)		(5,136,000)	
Operating Expenses	5,890,000	(22,409)	5,867,591	-0.38%
Nonoperating Revenues (Exp)	2,023,000		2,023,000	
Change in Net Position	(1,477,000)	(22,409)	(1,499,409)	1.52%

Client: City of Boulder

Period Ending: December 31, 2014

CAGID

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

Description	Financial Statement Line Item	Factual (F), Judgmental (J) Projected (P)	Assets: Current DR (CR)	Assets: Non-Current DR (CR)	Liabilities: Current DR (CR)	Liabilities: Non-Current DR (CR)	Operating Revenues DR (CR)	Operating Expenses DR (CR)	Nonoperating Revenues (Exp) DR (CR)	Net Position DR (CR)	Net Effect on Following Year: Change in Net Position DR (CR)	Net Effect on Following Year: Net Position DR (CR)
To post turnaround effect of PY payroll tax portion of compensated absence accrual		F	0	0	0	0	0	(22,409)	0	22,409	0	0
	Beginning Fund Balance									22,409		
	Expenses							(22,409)				
Total passed adjustments			0	0	0	0	0	(22,409)	0	22,409	0	0

Impact on Change in Net Position	**(22,409)**
Impact on Net Position	**0**

City of Boulder

ATTACHMENT

This analysis and the attached "Schedule of Uncorrected Misstatements (Adjustments Passed)" reflects the effects on the financial statements if the uncorrected misstatements identified were corrected.

Aggregate Remaining

QUANTITATIVE ANALYSIS

	Before Misstatements	Misstatements	Subsequent to Misstatements	% Change
Total Assets	216,192,000		216,192,000	
Total Liabilities	(28,147,000)	(387,884)	(28,534,884)	1.38%
Total Fund Balance	(188,045,000)	387,884	(187,657,116)	-0.21%
Revenues	(71,799,000)		(71,799,000)	
Expenditures	73,641,000	121,879	73,762,879	0.17%
Change in Fund Balance	(4,841,000)	121,879	(4,719,121)	-2.52%

Client: City of Boulder

Period Ending: December 31, 2014

Aggregate Remaining

SCHEDULE OF UNCORRECTED MISSTATEMENTS (ADJUSTMENTS PASSED)

Description	Financial Statement Line Item	Factual (F), Judgmental (J) Projected (P)	Assets DR (CR)	Liabilities DR (CR)	Revenues DR (CR)	Expenditures DR (CR)	Fund Balance DR (CR)	Net Effect on Following Year: Change in Fund Balance DR (CR)	Net Effect on Following Year: Fund Balance DR (CR)
To post turnaround effect of prior year payroll tax portion of compensated absence accrual		F	0	0	0	(20,930)	20,930	0	0
	Beginning Fund Balance						20,930		
	Expenses					(20,930)			
To post the turn around effect of prior year passed adjustment for over accrual of accounts payable		F	0	0	0	81,698	(81,698)	0	0
	Beginning Fund Balance						(81,698)		
	Expenses					81,698			
To record deferred inflow related to notes receivable.		F	0	(90,344)	0	0	90,344	0	0
	Fund Balance						90,344		
	Deferred Inflow			(90,344)					
To record effect of over depreciation on a duplicated capital asset		F	0	0	0	166,810	(166,810)	0	0
	Beginning Fund Balance						(166,810)		
	Depreciation Expense					166,810			

To record effect of expensing asset out of CIP that was added in a prior year		F	0	0	0	(116,295)	116,295	0	0
	Beginning Fund Balance						116,295		
	Expense					(116,295)			
To record effect of accounts payable not accrued in the correct period		F	0	(54,159)	0	54,159	0	(54,159)	54,159
	Accounts Payable (Factual)			(54,159)					
	Expense					54,159		(54,159)	54,159
To record projected adjustment for accounts payable not accrued at YE		P	0	(243,381)	0	243,381	0	0	0
	Accounts Payable (Projected)			(243,381)					
	Expense					243,381			
To record effect of asset additions recorded in 2014 that relate to PY activity		F	0	0	0	(107,638)	107,638	0	0
	Capital Outlay (Factual)					(107,638)			
	Beginning Fund Balance						107,638		
To record effect of projected asset additions recorded in 2014 that relate to PY activity		P	0	0	0	(179,306)	179,306	0	0
	Capital Outlay (Projected)					(179,306)			
	Beginning Fund Balance						179,306		
Total passed adjustments			0	(387,884)	0	121,879	266,005	(54,159)	54,159

Impact on Change in Fund Balanc	**121,879**
Impact on Fund Balance	**387,884**

City of Boulder
Finance Department
1777 Broadway
Boulder CO 80301
303-441-3057

June 16, 2015

BKD, LLP
Certified Public Accountants
1700 Lincoln Street, Suite 1400
Denver, Colorado 80203

We are providing this letter in connection with your audit of our financial statements as of and for the year ended December 31, 2014 and your audit of our compliance with requirements applicable to each of our major federal awards programs as of and for the year ended December 31, 2014. We confirm that we are responsible for the fair presentation of the financial statements in conformity with accounting principles generally accepted in the United States of America. We are also responsible for adopting sound accounting policies, establishing and maintaining effective internal control over financial reporting, operations and compliance, and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm, to the best of our knowledge and belief, the following:

1. We have fulfilled our responsibilities, as set out in the terms of our engagement letter dated October 8, 2014 for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America.

2. We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

4. We have provided you with:

   (a) Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters.

(b) Additional information that you have requested from us for the purpose of the audit.

(c) Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.

(d) All minutes of meetings of the governing body held through the date of this letter.

(e) All significant contracts and grants.

5. All transactions have been recorded in the accounting records and are reflected in the financial statements.

6. We have informed you of all current risks of a material amount that are not adequately prevented or detected by entity procedures with respect to:

(a) Misappropriation of assets.

(b) Misrepresented or misstated assets, liabilities or net position.

7. We believe the effects of the uncorrected financial statement misstatements summarized in the attached schedule are immaterial, both individually and in the aggregate, to each reporting units' financial statements taken as a whole.

8. We have no knowledge of any known or suspected:

(a) Fraudulent financial reporting or misappropriation of assets involving management or employees who have significant roles in internal control.

(b) Fraudulent financial reporting or misappropriation of assets involving others that could have a material effect on the financial statements.

9. We have no knowledge of any allegations of fraud or suspected fraud affecting the City received in communications from employees, customers, regulators, suppliers or others.

10. We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America. We understand that the term related party refers to an affiliate; management, and members of their immediate families, component units; and any other party with which the entity may deal if it can significantly influence, or be influenced by, the management or operating policies of the other. The term affiliate refers to a party that directly or indirectly controls, or is controlled by, or is under common control with us.

11. Except as reflected in the financial statements, there are no:

    (a) Plans or intentions that may materially affect carrying values or classifications of assets and liabilities.

    (b) Material transactions omitted or improperly recorded in the financial statements.

    (c) Material gain/loss contingencies requiring accrual or disclosure, including those arising from environmental remediation obligations.

    (d) Events occurring subsequent to the balance sheet date through the date of this letter requiring adjustment or disclosure in the financial statements.

    (e) Agreements to purchase assets previously sold.

    (f) Restrictions on cash balances or compensating balance agreements.

    (g) Guarantees, whether written or oral, under which the City is contingently liable.

12. We have disclosed to you all known instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements.

13. We have disclosed to you all known actual or possible litigation and claims whose effects should be considered when preparing the financial statements. The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.

14. Adequate provisions and allowances have been accrued for any material losses from:

    (a) Uncollectible receivables.

(b) Reducing obsolete or excess inventories to estimated net realizable value.

(c) Purchase commitments in excess of normal requirements or above prevailing market prices.

15. Except as disclosed in the financial statements, we have:

(a) Satisfactory title to all recorded assets, and they are not subject to any liens, pledges or other encumbrances.

(b) Complied with all aspects of contractual and grant agreements, for which noncompliance would materially affect the financial statements.

16. We have not been designated as a potentially responsible party (PRP or equivalent status) by the Environmental Protection Agency (EPA) or other cognizant regulatory agency with authority to enforce environmental laws and regulations except as described in Note M relating to the Marshall Landfill and Note T relating to the Valmont Butte Allied Piles Site.

17. With regard to deposit and investment activities:

(a) All deposit, repurchase and reverse repurchase agreements and investment transactions have been made in accordance with legal and contractual requirements.

(b) Disclosures of deposit and investment balances and risks in the financial statements are consistent with our understanding of the applicable laws regarding enforceability of any pledges of collateral.

(c) We understand that your audit does not represent an opinion regarding the enforceability of any collateral pledges.

18. The participants' data that we provided the actuary for the Old Hire Fire and Old Hire Police pension plans (the Plans) for the purposes of determining the respective actuarial present values of accumulated Plan benefits and other actuarially determined amounts in the financial statements were complete.

19. We agree with the actuarial methods and assumptions that the actuary used for funding purposes and for determining accumulated Plan benefits and know of nothing that would make such methods or assumptions inappropriate in the circumstances.

20. We acknowledge that we are responsible for compliance with applicable laws, regulations and provisions of contracts and grant agreements.

21. We have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that have a direct and material effect on the

determination of amounts in our financial statements or other financial data significant to the audit objectives.

22. We have identified and disclosed to you any violations or possible violations of laws, regulations and provisions of contracts and grant agreements whose effects should be considered for recognition and/or disclosure in the financial statements or for your reporting on noncompliance.

23. We believe we are in compliance with all aspects of the Taxpayer's Bill of Rights (Article X, Section 20 of the Colorado Constitution, or TABOR).

24. We have taken or will take timely and appropriate steps to remedy any fraud, abuse, illegal acts or violations of provisions of contracts or grant agreements that you or other auditors report.

25. We have a process to track the status of audit findings and recommendations.

26. We have identified to you any previous financial audits, attestation engagements, performance audits or other studies related to the objectives of your audit and the corrective actions taken to address any significant findings and recommendations made in such audits, attestation engagements or other studies.

27. We have provided our views on any findings, conclusions and recommendations, as well as our planned corrective actions with respect thereto, to you for inclusion in the findings and recommendations referred to in your report on internal control over financial reporting and on compliance and other matters based on your audit of the financial statements performed in accordance with *Government Auditing Standards*.

28. With regard to federal awards programs:

    (a) We have identified in the schedule of expenditures of federal awards all assistance provided (either directly or passed through other entities) by federal agencies in the form of grants, contracts, loans, loan guarantees, property, cooperative agreements, interest subsidies, commodities, insurance, direct appropriations or in any other form.

    (b) We have identified the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* regarding activities allowed or unallowed; allowable costs/cost principles; cash management; Davis-Bacon Act; eligibility; equipment and real property management; matching, level of effort, earmarking; period of availability of federal funds; procurement and suspension and debarment; program income; real property acquisition and relocation assistance; reporting; subrecipient monitoring; and special tests and provisions that are applicable to each of our federal awards programs. We have identified to

you our interpretation of any applicable compliance requirements subject to varying interpretations.

(c) We are responsible to understand and comply with the requirements of laws, regulations, contracts and grants applicable to each of our federal awards programs and have disclosed to you any and all instances of noncompliance with those requirements occurring during the period of your audit or subsequent thereto to the date of this letter of which we are aware. Except for any instances of noncompliance we have disclosed to you, we believe the City has complied with all applicable compliance requirements.

(d) We are responsible for establishing and maintaining effective internal control over compliance to provide reasonable assurance we have administered each of our federal awards programs in compliance with requirements of laws, regulations, contracts and grants applicable to those programs.

(e) We have made available to you all contracts and grant agreements, including any amendments, and any other correspondence or documentation relevant to each of our federal awards programs and to our compliance with applicable requirements of those programs.

(f) The information presented in federal awards program financial reports and claims for advances and reimbursements is supported by the books and records from which our financial statements have been prepared.

(g) Amounts claimed or used for matching were determined in accordance with the applicable OMB Circular regarding cost principles.

(h) We have monitored any subrecipients to determine that they have expended federal awards in accordance with applicable laws and regulations and have met the audit and other requirements of OMB Circular A-133.

(i) We have taken appropriate corrective action on a timely basis after receipt of any subrecipient's auditor's report that identified findings and questioned costs pertaining to federal awards programs passed through to the subrecipient by us.

(j) We have considered the results of any subrecipient's audits received and made any necessary adjustments to our books and records.

(k) We have disclosed to you any communications from grantors and pass-through entities concerning possible noncompliance with the applicable compliance requirements for each of our federal awards programs, including any communications received from the end of the period of your audit through the date of this letter.

(l) We have identified to you any previous compliance audits, attestation engagements and internal or external monitoring related to the objectives of your compliance audit, including findings received and corrective actions taken to address any significant findings and recommendations made in such audits, attestation engagements or other monitoring.

(m) Except as described in the schedule of findings and questioned costs, we are in agreement with the findings contained therein and our views regarding any disagreements with such findings are consistent, as of the date of this letter, with the description thereof in that schedule.

(n) We are responsible for taking corrective action on any audit findings.

(o) The summary schedule of prior audit findings correctly states the status of all audit findings included in the OMB Circular A-133 section of the prior audit's schedule of findings and questioned costs and any uncorrected open findings included in the prior audit's summary schedule of prior audit findings as of the date of this letter.

29. The financial statements disclose all significant estimates and material concentrations known to us. Significant estimates are estimates at the balance sheet date which could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets for which events could occur which would significantly disrupt normal finances within the next year. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

30. The supplementary information required by the Governmental Accounting Standards Board, consisting of management's discussion and analysis and other postemployment benefit and pension information has been prepared and is measured and presented in conformity with the applicable GASB pronouncements, and we acknowledge our responsibility for the information. The information contained therein is based on all facts, decisions and conditions currently known to us and is measured using the same methods and assumptions as were used in the preparation of the financial statements. We believe the significant assumptions underlying the measurement and/or presentation of the information are reasonable and appropriate. There has been no change from the preceding period in the methods of measurement and presentation.

31. With regard to supplementary information:

(a) We acknowledge our responsibility for the presentation of the supplementary information in accordance with the applicable criteria.

(b) We believe the supplementary information is fairly presented, both in form and content, in accordance with the applicable criteria.

(c) The methods of measurement and presentation of the supplementary information are unchanged from those used in the prior period.

(d) We believe the significant assumptions or interpretations underlying the measurement and/or presentation of the supplementary information are reasonable and appropriate.

(e) If the supplementary information is not presented with the audited financial statements, we acknowledge we will make the audited financial statements readily available to intended users of the supplementary information no later than the date such information and the related auditor's report are issued.

Cheryl Patelli, Director of Fiscal Services

Bob Eichem, Chief Financial Officer

Duane Hudson, Controller

BKD LLP
CPAs & Advisors

1700 Lincoln Street, Suite 1400 // Denver, CO 80203-4514
303.861.4545 // fax 303.832.5705 // bkd.com

Honorable Mayor, Members of City Council,
Audit Committee and Management
City of Boulder
Boulder, Colorado

In planning and performing our audit of the financial statements of **CITY OF BOULDER** (the City) as of and for the year ended December 31, 2014, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance that all deficiencies, significant deficiencies or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements of the City's financial statements on a timely basis. A deficiency in design exists when a control necessary to meet a control objective is missing or an existing control is not properly designed so that, even if the control operates as designed, a control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or when the person performing the control does not possess the necessary authority or competence to perform the control effectively.

A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis.

A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Praxity MEMBER GLOBAL ALLIANCE OF INDEPENDENT FIRMS

We observed the following matters that we consider to be material weaknesses, significant deficiencies, or deficiencies.

MATERIAL WEAKNESSES

No matters are reportable related to controls over financial reporting.

SIGNIFICANT DEFICIENCIES

Refer to the Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*.

DEFICIENCIES

Capital Assets

During our testing of capital asset additions, we noted several items that were added as capital assets in the current year that were actually acquired in previous years. As a part of the City's year-end procedures, an internally determined materiality threshold is utilized to decide whether to capitalize each capital asset. The errors noted in testing, while individually were below the City's internal threshold, exceeded the audit threshold and as such led to a proposed adjustment.

We recommend that the City implement a mechanism to track all invoices determined to be below the internally established materiality threshold. This will enable the City to better analyze on an individual and aggregate level the overall materiality of unrecorded payables and related capital assets. In addition, we noted that significant efforts were made by City staff towards reviewing all capital asset activity for proper accounting which resulted in clean up entries, which were selected during the audit process, relating to numerous capital projects. We encourage those continued efforts until all capital projects are thoroughly reviewed and deemed appropriately capitalized.

Managements Response:

As part of the accounts payable determinations relating to capital activities, we must use a materiality threshold in order to start closing the books and begin the year-end process in a reasonable timeframe. Numerous invoices continue to come in months after the year-end, making this internal materiality approach necessary. However, due to the time and cost necessary to track all of the small invoices that are received after year-end, a detailed tracking mechanism is not deemed an efficient use of time. To help alleviate any concerns, we will reduce our materiality threshold and monitor subsequent payments more closely.

Central Finance continues to constantly monitor and evaluate projects identified by the departments as capital asset projects. In some instances, the nature and scope of the project changes over time, or the full scope of the project is not completely known until much later. This results in Central Finance having to capitalize the construction that is in process. At a later date, changes can be made so the project is not completed in the original context or the project changes and it is no longer capital in nature. When monitored more closely as is now being done, these cleanup items become more frequent. Even after the cleanup of existing assets is completed, this process is expected to continue to be a challenge, although to a much lesser degree.

Grant Tracking & Schedule of Federal Expenditures Preparation

In recent years, it has become increasingly difficult for City staff to identify federal expenditures, specifically related to the Highway Planning and Federal Emergency Management Agency (FEMA) programs, to include on the schedule of federal expenditures (SEFA). Adjustments were required to the current year SEFA to correct for errors made in prior years. Additionally, in our testing of grant receivable balances, we noted grant receivable accounts that were improperly categorized and required reclassification entries to correct. The City utilizes a system of Organizational Cost Accounts (OCAs) to track all grant related activity (expenditures, revenues, receivables, etc.), however this system does not seem to be consistently applied across all grants.

We would recommend the City implement a grant tracking system that can be applied to all grants to make expenditure determinations for SEFA preparation easier and help ensure all applicable account balances are properly stated at year-end.

Managements Response:

Central Finance is confident that the new accounting system's grant tracking and accounting capabilities will improve this process. At the same time, we have to recognize that a one-size fits all solution, which may seem to work well on paper, does not work well in a complex organization that is very decentralized. Systems cannot be so restrictive and limiting that they paralyze the processing of reporting and payments. Balance must be achieved that addresses the complexity of the different types of grants and the appropriate level of controls that need to be in place. During implementation of the new accounting system, hundreds of staff hours were spent working with departments to identify the best methods to track their projects and grants. Because of the necessity to meet the varying needs of the departments, the SEFA report will still require careful analysis and preparation but it should be more efficient than the prior accounting system. How efficient will be known as the reports are prepared and analyzed. Staff will continue to work with the departments to identify the best grant tracking methods to meet their needs and ours.

OTHER MATTER

Our audit procedures are designed primarily to enable us to form an opinion on the financial statements and, therefore, may not bring to light all weaknesses in policies and procedures that may exist. However, this matter is offered as a constructive suggestion for the consideration of management as part of the ongoing process of modifying and improving accounting controls and the financial and administrative practices and procedures. We can discuss this matter further at your convenience and may provide implementation assistance for changes or improvements.

Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*

This statement amends the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, and Statement No. 50, *Pension Disclosures*, as they related to governmental employers that account for pensions provided through trusts, or equivalent arrangements, that meet certain criteria. The statement includes guidance for accounting for participating employers in single-employer and multiple-employer defined-benefit pension plans, cost-sharing plans, defined-contribution plans and plans with insured benefits. More specifically, Statement 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. Statement 68 also enhances accountability and transparency through revised and new note disclosures and

required supplementary information. This standard will be effective for the City's year ended December 31, 2015.

* * * * *

The City's written responses to the deficiencies, and other matter identified in our audit have not been subjected to the auditing procedures applied in the audit of the financial statements and compliance with major federal programs, and accordingly, we express no opinion on them.

This communication is intended solely for the information and use of the Honorable Mayor, City Council, Audit Committee and Management, and is not intended to be and should not be used by anyone other than these specified parties.

BKD, LLP

June 16, 2015

CITY OF BOULDER, COLORADO

Comprehensive Annual Financial Report

For the fiscal year ended

December 31, 2014

Prepared by the Finance Department

Contents printed on recycled paper.

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CITY OF BOULDER, COLORADO

Comprehensive Annual Financial Report

December 31, 2014

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City of Boulder
Finance Department
1777 Broadway
Boulder CO 80301
303-441-3057

June 16, 2015

To: Members of the City Council,
City Manager Jane Brautigam and the Residents of the City of Boulder

Both the City of Boulder Charter and State law require that an audit of city financial records be conducted each year by an independent certified public accountant. Such an audit has been performed and this report is being published as part of the requirement for the fiscal year ended December 31, 2014.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls that has been established for this purpose. Because the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free from any material misstatements.

BKD, LLP, has issued an unmodified ("clean") opinion on the City of Boulder's financial statements for the year ended December 31, 2014. The independent auditor's report is located at the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The City of Boulder is located in north central Colorado, approximately 25 miles northwest of Denver via the Denver-Boulder Turnpike (U.S. 36). The city is located at the base of the foothills of the Front Range of the Rocky Mountains at an altitude of 5,354 feet. Nestled at the foot of the Rockies, Boulder has a special beauty that is complemented by its diverse culture. Boulder has a diverse economy that is supported by computer, aerospace, scientific and research firms, the University of Colorado, and several federal laboratories.

Superior educational and cultural resources make Boulder a fulfilling place to live, work, and play. The city encompasses approximately 25.8 square miles and is the county seat of Boulder

County. The population of the city according to a 2014 estimate made by the City of Boulder is 102,420.

The City of Boulder is a municipal corporation duly organized and existing under the laws of the State of Colorado. In particular, the city is a home rule city and adopted a charter pursuant to Article XX of the Constitution of the State of Colorado by vote of the electorate on October 30, 1917.

The council/manager form of government was adopted in the city's charter and has been in operation since January 1918. The City Council, an elected body of nine members, is the policy-making arm of the government. Eight of the members of the City Council are elected for staggered four-year terms and one is elected for a two-year term, with five council members elected in November of each odd-numbered year. A City Manager, appointed by the City Council, serves as the city's chief administrative officer.

The city provides a full range of services. These services include police and fire protection; cultural and recreational facilities and events; open space and mountain parks acquisition and maintenance; environmental services; housing and human services; construction and maintenance of highways, streets and infrastructure; water, wastewater, and stormwater/flood control utilities; and parking facilities and services.

Certain parking facilities and transportation management services are provided through legally separate entities, Downtown Commercial District, University Hill Commercial District, Boulder Junction Authority General Improvement District-Transportation Demand Management, and the Boulder Junction Improvement District. In addition, acquisition and construction of certain city properties and facilities is provided by Boulder Municipal Property Authority. These separate entities function, in essence, as separate departments of the City of Boulder, are governed by the City Council acting as the Board of Directors, and have therefore been included as blended components of the City of Boulder’s financial statements.

Budgetary Process

The City Charter includes provisions for proper budgeting, fiscal control, and auditing. It requires the establishment and maintenance of a budgetary control system for general operations. The objective of budgetary control is to ensure compliance with legal provisions embodied in the annual appropriated budget, approved by the City Council, which serves as the foundation of the city’s financial planning and control. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established at the fund level. The city budgets revenues and expenditures/expenses for all funds except the two Old Hire Pension Trust Fiduciary Funds and the Gifts and Contributions Fund.

The city has implemented an annual budget process and adopts the coming year’s budget by December 1, as provided by state law. The City of Boulder Charter established the time limits pertaining to the adoption of the budget. The budget process and schedule of development is designed to fit within the Charter mandate and to allow for active and early participation by the City Council, with an emphasis on public input. The city’s budget is developed throughout the year, but the bulk of the effort occurs during a nine month period beginning in February and ending in October. The budget and annual Appropriation Ordinances for the ensuing term are

generally adopted in October during public hearings.

Any budget revisions affecting fund totals are adopted in a supplemental appropriation ordinance approved by the City Council. The City Council may make additional appropriations or budgetary transfers during the fiscal year for unanticipated revenues received by the city. City management, with the approval of the Central Budget Office, may also transfer budgeted amounts within a fund without City Council approval. All appropriations lapse at year end.

Detailed budget to actual comparisons are provided in this report for the General Fund and all annually budgeted special revenue and capital project funds.

FACTORS AFFECTING FINANCIAL CONDITION

Original projections for sales and use tax revenues for 2014 expected a 3.50% increase from 2013. Actual sales and use tax revenues for the City increased by 6.24% over 2013. During 2014, Retail Sales Tax was up 5.76%, Business/Consumer Use Tax was up 25.38%, Construction Use Tax was down 9.11%, and Motor Vehicle Use Tax was up 11.14%. Recreational marijuana was a new revenue source in 2014 contributing to the 5.76% increase in the Retail Sales Tax. Excluding both the revenues from recreational and medical marijuana, retail Sales Tax Revenue would have had a more modest increase of 4.85%. The decrease in the Construction Use Tax is primarily due to a number of large one-time projects in 2013 compared to 2014. The Business/Consumer Use Tax and Motor Vehicle Use Tax continued to trend higher as the City continued to recover from the 2007-2009 Great Recession.

Sales and use tax revenues in 2014 made up approximately 47% of the General Fund, 97% of the Open Space and Mountain Parks Fund and 70% of the Transportation Fund total revenues.

The property tax base for 2014 was appraised at the 2013 actual value. The assessed valuation for property within the City of Boulder increased from $2.567 billion in 2013 to $2.599 billion in 2014, or 1.25%. Taxes levied against the 2014 assessed valuation will be collected in 2015. In November 2008, the voters within the City of Boulder approved a ballot question which removed the remaining TABOR restriction on property tax revenues for 2009 and beyond. This increase in retained taxes was limited to .5 mills per year until the full amount of the existing tax levy of 11.981 mills was restored and retained. During 2012, the remaining TABOR limitation was fully eliminated.

Projections for the Future

According to The Colorado Outlook Report, released March 18, 2015, economic growth in Colorado is expected to continue its solid momentum into 2015. Growth is expected to slow modestly from its current pace as noted by the Office of State Planning and Budgeting (OSPB). This is partially due to a slowdown in the oil and gas industry as a result of the sharp drop in oil prices.

> The national economy's expansion has reached a solid and steady pace, with continued strong job gains. Colorado job growth in 2014 was at its highest pace and as a result, unemployment is near the low levels reached during the last expansion before the Great Recession.

Colorado's strong growth is due to the state's diverse set of industries, many of which are tied to information and technology, a large part of economic growth in today's economy. A continued increase in new business is also boosting growth. Colorado is also experiencing strong tourism activity. As a result of this and other factors, many indicators show that Colorado continues to be among the top performing economies in the nation.

The change in March 2015 year-to-date sales and use tax revenue, including use tax compared to March 2014 is as follows:

TAX CATEGORY	% CHANGE IN REVENUE Increase/(Decrease)	% OF TOTAL
Sales Tax	8.21%	75.35%
Business/Consumer Use Tax	26.38%	10.38%
Construction Use Tax	36.59%	11.48%
Motor Vehicle Use Tax	2.72%	2.79%
Total Sales & Use Tax	**12.40%**	**100.00%**

The following information analyzes the results of the above sales and use tax chart:

- Retail Sales Tax – Actual retail receipts are up by 8.21%. A portion of this increase was due to late tax return filings by some food stores resulting in collection of two filing periods during the month of January. The increase also can be attributed to a 7.5% rise in sales at eating places and a 3.0% increase in general retail.
- Business/Consumer Use Tax – Revenues are up by 26.38%. This category can be volatile as it is associated primarily with the amount and timing of purchase of capital assets by businesses in the city and the amount and timing of audit revenue.
- Construction Use Tax – This category is up by 36.59%. This increase is due primarily to construction use tax paid for some large projects.
- Motor Vehicle Use Tax is up by a modest 2.72%. Vehicles purchased by Boulder citizens, regardless of where in the state the vehicle is purchased, generate use tax revenues for the city. 2014 was a strong year for motor vehicle sales. Although flat in January and February of 2015, sales were up by 6.96% in March.

In the future, as revenues continue to recover, any proposed increases in expenditures will be evaluated based on Priority Based Budgeting, a decision making tool which helps the city make strategic recommendations regarding priorities for current and future funding changes. By using the Priority Based Budgeting process, existing financial policies and the six-year planning model for operations, the city will be able to maintain targeted fund balances, redirect any funding increases to the highest priority areas and ensure that operating revenues exceed ongoing operating expenditures each year.

The actual percentages for 2013 and 2014, along with the 2015 sales tax projections for the City of Boulder and statewide forecasts from the Colorado Office of State Planning and Budgeting are as follows:

Forecast	2013 Actual	2014 Actual	2015 Projected
Base Sales/Use Tax - City of Boulder	7.56%	6.24%	3.13%
Denver-Boulder-Greeley Consumer Price Index	2.80%	2.80%	1.80%
Statewide Retail Sales Trade Growth	4.50%	6.80%	4.90%
Statewide Personal Income Growth	3.50%	5.80%	5.10%

THE IMPORTANCE OF SOUND STRATEGIC PLANNING

The following narrative was extracted from the City Manager's message found in the 2015 Annual Budget, Volume I:

The 2015 Recommended Budget has been developed in support of adopted strategic plans and community and council priorities, and focuses on continuing to build community sustainability and resilience, while implementing key initiatives. Our organization's collaborative approach ensures that the city will maintain an efficient, effective and transparent government that delivers the highest outcomes as identified by the Boulder community.

Boulder's revenues and expenditures will be closely monitored throughout 2015, and department budgets will continue to be reviewed and analyzed to better identify potential savings and improved efficiencies in how services are delivered. The leadership team and I are committed to meeting the goals of City Council and to ensuring that high-quality services and innovation remain a community hallmark. The 2015 Recommended Budget allocates resources, recognizing these commitments, while exercising strong fiscal responsibility to the community.

MAJOR INITIATIVES

Current economic conditions and long-term structural budget problems require that the City of Boulder conduct business in a new way, evaluate what services and programs can be provided, continue to focus on being as efficient as possible, and refine processes and systems to work with staffing levels that can be sustained over time. In order to address these economic and structural realities, a Priority Based Budgeting approach was implemented as part of the 2011 budget process and was continued in 2012 and 2013. Starting in 2014, Priority Based Budgeting was the sole framework used in all decisions to determine the set of services and programs that were provided to the community.

The 2015 Capital Improvements Program (CIP) includes proposed funding of $69.8 million for 99 projects. The entire six-year (2015-20) CIP includes proposed funding of $361.4 million for 157 projects. CIP funding varies year to year depending on the type and cost of projects recommended for funding in that year and the amount of external funding received. Some of the most significant capital expenditures included within the six-year plan are as follow: (i) acquisition and development of open space lands totaling $45.1 million; (ii) parks and recreation projects totaling $14.8 million including development of new community parks, repairs and deficiency corrections, and renovation and enhancement of existing facilities; (iii) $41.7 million

in transportation system improvements including improvements to 28th Street and the implementation of the City's Transportation Master Plan; (iv) $106.7 million for water utility fund capital projects including capital enhancement of the Barker Dam Outlet, Betasso Water Treatment Facility, and Waterline Replacement; (v) $67.6 million for wastewater utility fund projects including wastewater treatment plant rehabilitation projects and Goose Creek Sanitary Sewer Interceptor rehabilation; (vi) $60.0 million for stormwater and flood management utility fund projects including Wonderland Creek and South Boulder Creek flood mitigation projects.

Planned capital expenditures will be financed using revenues from current rates and charges, plant investment and connection fees, bond proceeds from a $49.0 million bond sale in March 2012, and future rate and fee increases.

On September 11 through September 18, 2013 an epic flood impacted cities across the Front Range of Colorado, including the City of Boulder. The significant damage and displacement from these historic rains have challenged the city's functions, residents, and businesses at unprecedented levels. The September 2013 flood had a threefold impact on the City of Boulder's CIP. As a direct result of the flood, some previously planned projects have either been deferred or are no longer relevant. In some cases, funding previously identified for regular CIP projects has been used to cover the cost of flood repair and recovery, and new or different funding sources will need to be identified to complete high priority projects within the needed time frame. Finally, the information learned from the flood has led to reprioritization of CIP projects. In the CIP, this is reflected in new projects, changes in timing of projects, and changes in scope of projects.

The City of Boulder capital improvement program is available online on the city's website (www.bouldercolorago.gov) under the Finance Department budget page.

Additional information concerning the September 2013 flood can be found on the city's website (www.bouldercolorado.gov) under the City of Boulder homepage.

OTHER FINANCIAL INFORMATION

Debt Ratings

During 2014, the city's general obligation credit ratings were established as Aa1 by Moody's Investors Service and AAA by Standard & Poor's. The primary reasons cited in the past for these high rating levels have been the general strength of the Boulder economy, its distinctiveness from the general Denver metropolitan economy, and the lesser reliance of the city's General Fund on sales taxes when compared with other Colorado municipalities.

CERTIFICATE OF ACHIEVEMENT

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the city for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2013. This was the twenty-fifth consecutive year that the city has achieved this prestigious award and the thirty-second year in total. In order to be awarded a Certificate of Achievement, a

government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

In addition, the city also received the GFOA's Distinguished Budget Presentation Award for its 2014 budget document. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

Another important accomplishment for the City of Boulder is the Award for Outstanding Achievement for producing a Popular Annual Financial Report (PAFR) for the fiscal year ended December 31, 2013. This is again only valid for a period of one year and is awarded by the GFOA. This report is a useful tool for residents to obtain a greater understanding of the role of the city's government. The intent is to provide a report that is informative and easy to understand.

We are proud of this continuing commitment to provide complete and reliable information to the residents of the City of Boulder.

ACKNOWLEDGMENTS

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire Finance Department staff. We would like to express our appreciation to all members of the department who assisted and contributed in its preparation. We also thank the Mayor, City Council Members, City Council Audit Committee Members, and the City Manager for their interest and support in planning and conducting the financial operations of the city in a responsible and progressive manner.

Respectfully submitted,

Duane Hudson

Duane Hudson, CPA
Controller

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Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Boulder
Colorado

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2013

Jeffrey R. Emer

Executive Director/CEO

CITY OF BOULDER, COLORADO

Principal Elected and Administrative Officials

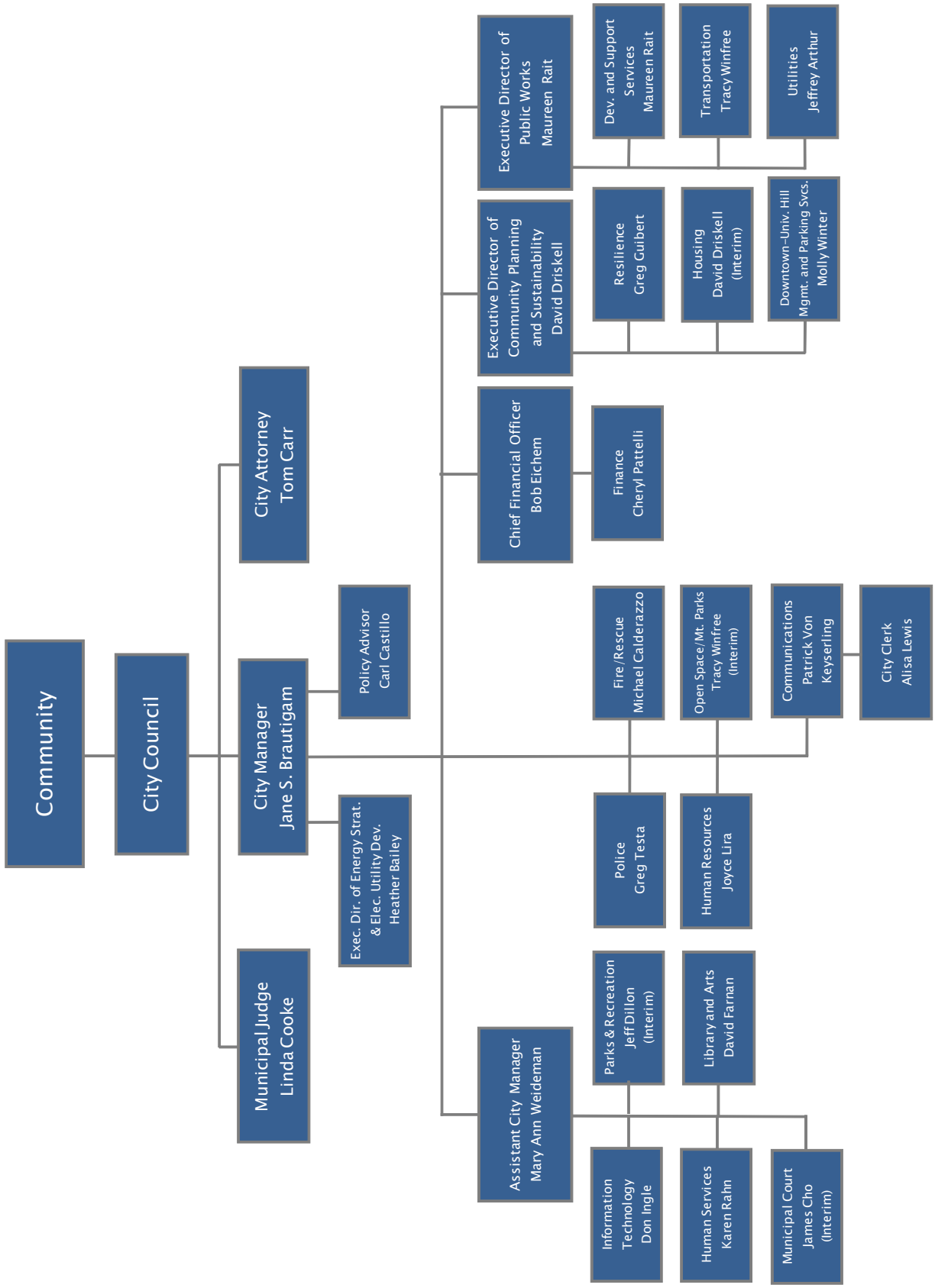
At December 31, 2014

Mayor and City Council

Mayor:	Matthew Appelbaum
Mayor Pro Tem	Suzanne Jones
Council Members:	Macon Cowles George Karakehian Lisa Morzel Tim Plass Andrew Shoemaker Sam Weaver Mary Young

Administrative

City Manager:	Jane Brautigam
Deputy City Manager:	Mary Ann Weideman
Chief Financial Officer:	Bob Eichem
Director of Fiscal Services:	Cheryl Pattelli
Controller:	Duane Hudson


Community
City Council
City Attorney
Tom Carr
City Manager
Jane S. Brautigam
Policy Advisor
Carl Castillo
Exec. Dir. of Energy Strat.
& Elec. Utility Dev.
Heather Bailey
Municipal Judge
Linda Cooke
Executive Director of
Public Works
Maureen Rait
Dev. and Support
Services
Maureen Rait
Transportation
Tracy Winfree
Utilities
Jeffrey Arthur
Executive Director of
Community Planning
and Sustainability
David Driskell
Resilience
Greg Guibert
Housing
David Driskell
(Interim)
Downtown-Univ. Hill
Mgmt. and Parking Svcs.
Molly Winter
Chief Financial Officer
Bob Eichem
Finance
Cheryl Pattelli
Fire/Rescue
Michael Calderazzo
Open Space/Mt. Parks
Tracy Winfree
(Interim)
Communications
Patrick Von
Keyserling
City Clerk
Alisa Lewis
Police
Greg Testa
Human Resources
Joyce Lira
Assistant City Manager
Mary Ann Weideman
Parks & Recreation
Jeff Dillon
(Interim)
Library and Arts
David Farnan
Information
Technology
Don Ingle
Human Services
Karen Rahn
Municipal Court
James Cho
(Interim)

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BKD LLP
CPAs & Advisors

1700 Lincoln Street, Suite 1400 // Denver, CO 80203-4514
303.861.4545 // fax 303.832.5705 // bkd.com

Independent Auditor's Report

Honorable Mayor and Members of City Council
City of Boulder, Colorado
Boulder, Colorado

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Boulder, Colorado (the City), as of and for the year ended December 31, 2014 and the related notes to the basic financial statements, which collectively comprise the City's basic financial statements listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Praxity MEMBER GLOBAL ALLIANCE OF INDEPENDENT FIRMS

Honorable Mayor and Members of City Council
City of Boulder, Colorado

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Boulder, Colorado as of December 31, 2014, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparisons (budgetary basis) for the General Fund, Open Space and Mountain Parks Fund, and Transportation Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note Z to the financial statements, in 2014, the City adopted GASB Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension/other post-employment benefits information listed in the table of contents be presented to supplement the basic financial statements. Such information, although not part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund statements and schedules and other supplementary information, including the schedule of expenditures of federal awards required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and local highway finance report as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Honorable Mayor and Members of City Council
City of Boulder, Colorado

Other Information

Our audit was conducted for the purpose of forming opinions on the basic financial statements as a whole. The introductory and statistical sections listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2015, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

BKD, LLP

Denver, Colorado
June 16, 2015

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City of Boulder, Colorado

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2014

This section of the City of Boulder's (the city) financial statements provides a narrative overview and analysis of its financial activities for the year ended December 31, 2014. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal at the front of this report and the city's financial statements, which follow this section. All amounts within this comprehensive annual financial report are expressed in thousands of dollars unless otherwise indicated.

Financial Highlights

- The assets and deferred outflows of resources of the city exceeded its liabilities and deferred inflows of resources at the close of 2014 by $1,086.4 million ($668.3 million in governmental activities net position and $418.1 million in business-type activities net position). Of the governmental activities net position total, $112.6 million, or 17%, is unrestricted and may be used to meet the city's ongoing obligations to the public and creditors. Similarly, $72.8 million, or 17%, of business-type activities net position is unrestricted.

- Total net position of the city increased $59.5 million, or 6%, compared to 2013. Net position of the city's governmental activities increased $40.4 million, which represents an increase of 6% from 2013. Net position of the city's business-type activities increased $19.1 million, or 5%, from 2013.

- Total revenues, excluding transfers and extraordinary items, increased $32.7 million, or 12%, to $304.3 million compared to 2013. Governmental activities revenues increased $21.7 million, or 10%, to $233.7 million, while revenues of business-type activities increased $11.0 million, or 18%, to $70.6 million compared to 2013.

- The total expenses of all the city's programs, excluding transfers and extraordinary items, increased $17.2 million, or 7%, to $245.7 million compared to 2013. The expenses of governmental activities programs increased $14.6 million, or 8%, to $194.2 million, while the expenses of business-type activities increased $2.6 million, or 5%, from 2013 to $51.5 million.

- As of December 31, 2014, the city's governmental funds reported a combined ending fund balance of $155.1 million. Approximately 60%, or $93.5 million, is unrestricted fund balance and, therefore, available for spending at the city's discretion within the purposes specified for the city's funds.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the city's basic financial statements. The city's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements – The government-wide financial statements are designed to provide readers with a broad overview of the city's finances, in a manner similar to a private-sector business.

The ***statement of net position*** presents information on all of the city's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the city is improving or deteriorating.

The ***statement of activities*** presents information showing how the city's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (for example, uncollected taxes and earned, but unused vacation leave).

Both the statement of net position and statement of activities distinguish functions of the city that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the city include general government, administrative services, public safety, public works including streets and transportation, planning and development services, culture and recreation, open space and mountain parks, housing and human services and interest on long-term debt. The business-type activities of the city include water utility, wastewater utility, storm water and flood management, parking facilities and services and the Boulder Municipal Property Authority's acquisition of open space and parks property.

Fund financial statements – A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The city, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the city can be divided into three categories: governmental funds, proprietary funds and fiduciary (Pension Trust) funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable

resources available at the end of the fiscal year. Such information may be useful in evaluating the city's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the city's near-term financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

Proprietary funds. Proprietary funds are generally used to account for services for which the city charges customers – either outside customers or internal units or departments of the city. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The city maintains the following two types of proprietary funds:

- **Enterprise funds** are used to report the same functions presented as business-type activities in the government-wide financial statements. The city uses enterprise funds to account for the operations of the Water Utility, Wastewater Utility, Storm Water and Flood Management and Downtown Commercial District funds. These are considered to be major funds of the city. In addition, the University Hill Commercial District, Boulder Municipal Property Authority and Boulder Junction GID are accounted for as non-major enterprise funds.

- **Internal Service funds** are used by the city to account for the costs of acquiring, operating and maintaining certain types of equipment and facilities, costs for city-wide insurance programs and funding for certain governmental fund compensated absences liabilities. Because these services predominantly benefit governmental rather than business-type functions, the assets and liabilities of the internal service funds have been included within governmental activities in the government-wide financial statements. Internal service funds are combined into a single, aggregated memo presentation in the proprietary fund financial statements. The internal service funds consist of Telecommunications, Property and Casualty Insurance, Workers' Compensation Insurance, Compensated Absences, Fleet, Computer Replacement, Equipment Replacement and Facility Renovation and Replacement. Individual fund data for the internal service funds is provided in the form of *combining statements* in the "Combining and Individual Statements" section.

Fiduciary funds are used to account for the accumulation of resources to be used for retirement annuity payments at appropriate amounts and times in the future. Resources are contributed by employees and the city at amounts determined by biennial actuarial studies and by State law.

Notes to the Financial Statements – The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other information – In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the city's progress in

funding its obligation to provide pension benefits to its police and firefighters and provide healthcare benefits for retirees.

The combining statements referred to earlier in connection with non-major governmental funds and internal service funds are presented immediately following the required supplementary information on pensions. Included are budgetary comparison schedules for all annually budgeted non-major special revenue and capital project funds.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of the city's financial position. Our analysis below focuses on the net position and changes in net position of the city's governmental and business-type activities.

Table 1 - Net Position (dollars in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Current and other assets	$ 264,189	$ 253,372	$ 78,644	$ 74,583	$ 342,833	$ 327,955
Capital assets	571,112	540,161	427,152	423,821	998,264	963,982
Total assets	835,301	793,533	505,796	498,404	1,341,097	1,291,937
Deferred outflows of resources	250	360	3,143	3,720	3,393	4,080
Noncurrent liabilities	113,256	111,718	85,882	97,203	199,138	208,921
Other liabilities	23,025	23,851	3,656	3,830	26,681	27,681
Total liabilities	136,281	135,569	89,538	101,033	225,819	236,602
Deferred inflows of resources	31,014	30,480	1,213	1,983	32,227	32,463
Net position:						
Invested in capital assets	494,209	480,321	345,149	331,096	839,358	811,417
Restricted	61,410	33,822	269	265	61,679	34,087
Unrestricted	112,637	113,701	72,770	67,747	185,407	181,448
Total net position	$ 668,256	$ 627,844	$ 418,188	$ 399,108	$ 1,086,444	$ 1,026,952

Table 1 presents an analysis of the city's net position as of December 31, 2014. The city's assets exceeded its liabilities by $1,086.4 million at the close of the current fiscal year. By far the largest portion of the city's net position (77%) reflects its investment of $839.3 million in capital assets (for example, land, buildings, transportation infrastructure, machinery and equipment, utility plant in service and underground drainage facilities), less any related debt used to acquire those assets that is still outstanding. The city uses these capital assets to provide services to the public; consequently, these assets are *not* available for future spending. Although the city's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the city's net position, $61.7 million (6%), represents resources that are subject to restrictions as to how they may be used. The remaining balance of unrestricted net position, $185.4 million (17%), may be used to meet the city's on-going obligations to the public and creditors.

At the end of the current fiscal year, the city reported positive balances in all three categories of net position, both for the government as a whole as well as for its separate governmental and business-type activities. Net investment in capital assets increased $27.9 million, or 3%, compared to 2013. This increase is mainly the result of capital project costs related to 2011 Capital Improvement Bond projects. Road pavement and road reconstruction also contributed to the increase in 2014. Restricted net position increased $27.6 million, or 81%, compared to 2013. This was largely due to the issuance of Open Space Acquisition Bonds, Series 2014 for a par amount of $10,000,000. The $4.0 million, or 2%, increase in unrestricted net position during 2014 was due in large part to an increase in unrestricted sales and use taxes in the General Fund of $4.1 million as a result of a 0.15 percent rate increase.

It is important to note that approximately $46.7 million in governmental unrestricted net position arises from the net position of the city's internal service funds, discussed above in "Overview of the Financial Statements – Proprietary Funds." Although it is highly unlikely that these funds will be liquidated, in the event that they are, the distribution of the net position of these funds would result in a portion of these unrestricted net positions being liquidated to unrestricted net position of governmental activities and unrestricted net position of business-type activities.

Analysis of Changes in Net Position

As can be seen from *Table* 2, the city's net position increased by $59.5 million during 2014. This increase is explained in the governmental and business-type activities discussion below.

Governmental Activities

Net position of governmental activities increased by $40.4 million during 2014, accounting for 68% of the total increase in the city's net position. This increase was $8.6 million more than the $31.8 million increase in net position in 2013.

Revenues during 2014 increased by $21.8 million compared to 2013. The continuing strength of the economy, a 0.15 percent sales and use tax rate increase beginning in 2014, $0.8 million from a new recreational marijuana tax and one time construction projects all contributed to a $12.1 million rise in sales and use taxes. Other taxes increased by $1.8 million primarily due to an increase of $1.5 million in development excise taxes and $0.4 million of new recreational marijuana excise taxes. Charges for services increased $2.2 million primarily due to an increase in city impact fees. Operating and capital grant revenue increased by $6.4 million and $1.3 million, respectively, compared to 2013 primarily due to FEMA reimbursements for 2013 flood damage.

Expenses increased $14.6 million in 2014 compared to 2013. Administrative Services expenses rose $3.3 million because of additional salary and computer software costs partially due to large software replacement projects. A $1.9 million increase in Housing and Human Services expenses was related to increased development projects in 2014 as compared to 2013, such as Bridge

House's Ready to Work and Employment Center. Public Works expenses increased $9.8 million primarily due to increased spending on engineering consultants for projects, materials and supplies, repairs and maintenance and salaries and benefits as compared to 2013. Much of this can be attributed to non-capital flood repairs and cleanup.

Charts 1 and *2* illustrate the city's governmental expenses and revenues by function and its revenues by source. As can be seen in *Chart 1*, Public Safety is the largest function based on expenses (26%), followed by Public Works (19%) and Culture and Recreation (16%). General revenues such as sales and use taxes, property and other taxes are not shown in *Chart 1* by program, but are used to support program activities citywide and included in *Chart 2*. For governmental activities overall, without regard to program, sales and use taxes are the largest single source (50%), followed by charges for services (17%) and property taxes (13%).

Table 2 - Changes in Net Position (dollars in thousands)

	Governmental		Business-type		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Program revenues:						
Charges for services	$ 39,616	$ 37,438	$ 50,132	$ 49,603	$ 89,748	$ 87,041
Operating grants and contributions	12,213	5,824	-	138	12,213	5,962
Capital grants and contributions	8,906	7,630	17,983	6,498	26,889	14,128
General revenue:						
Sales and use taxes	116,316	104,136	-	118	116,316	104,254
Property taxes	30,353	29,434	2,013	1,976	32,366	31,410
Other taxes	23,858	21,184	66	904	23,924	22,088
Interest and investment earnings	906	755	324	301	1,230	1,056
Miscellaneous revenue	1,437	1,678	65	91	1,502	1,769
Gain on sale of capital assets	99	3,878	-	-	99	3,878
Total revenues	233,704	211,957	70,583	59,629	304,287	271,586
Program expenses (includes indirect expenses allocation):						
Governmental activities:						
General Government	22,406	22,857	-	-	22,406	22,857
Administrative Services	7,655	4,387	-	-	7,655	4,387
Public Safety	50,662	50,468	-	-	50,662	50,468
Public Works	37,406	27,558	-	-	37,406	27,558
Planning and Development Services	6,041	6,087	-	-	6,041	6,087
Culture and Recreation	30,819	30,749	-	-	30,819	30,749
Open Space and Mountain Parks	16,774	16,023	-	-	16,774	16,023
Housing and Human Services	19,795	17,937	-	-	19,795	17,937
Interest on long-term debt	2,679	3,532	-	-	2,679	3,532
Business-type activities:						
Water Utility	-	-	22,644	22,599	22,644	22,599
Wastewater Utility	-	-	14,703	13,916	14,703	13,916
Stormwater and Flood Management	-	-	6,812	4,461	6,812	4,461
Parking Services	-	-	6,892	6,853	6,892	6,853
Property and Facility Acquisition	-	-	463	1,118	463	1,118
Total expenses	194,237	179,598	51,514	48,947	245,751	228,545
Excess before extraordinary items and transfers	39,467	32,359	19,069	10,682	58,536	43,041
Extraordinary items	956	1,888	-	-	956	1,888
Transfers	(11)	(1,630)	11	1,630	-	-
Increase in net position	40,412	32,617	19,080	12,312	59,492	44,929
Net position, beginning of year	627,844	595,987	399,108	387,723	1,026,952	983,710
Restatement for change in accounting principle	-	(760)	-	(927)	-	(1,687)
Net position, beginning of year, as restated	627,844	595,227	399,108	386,796	1,026,952	982,023
Net position, end of year	$668,256	$627,844	$418,188	$399,108	$ 1,086,444	$ 1,026,952

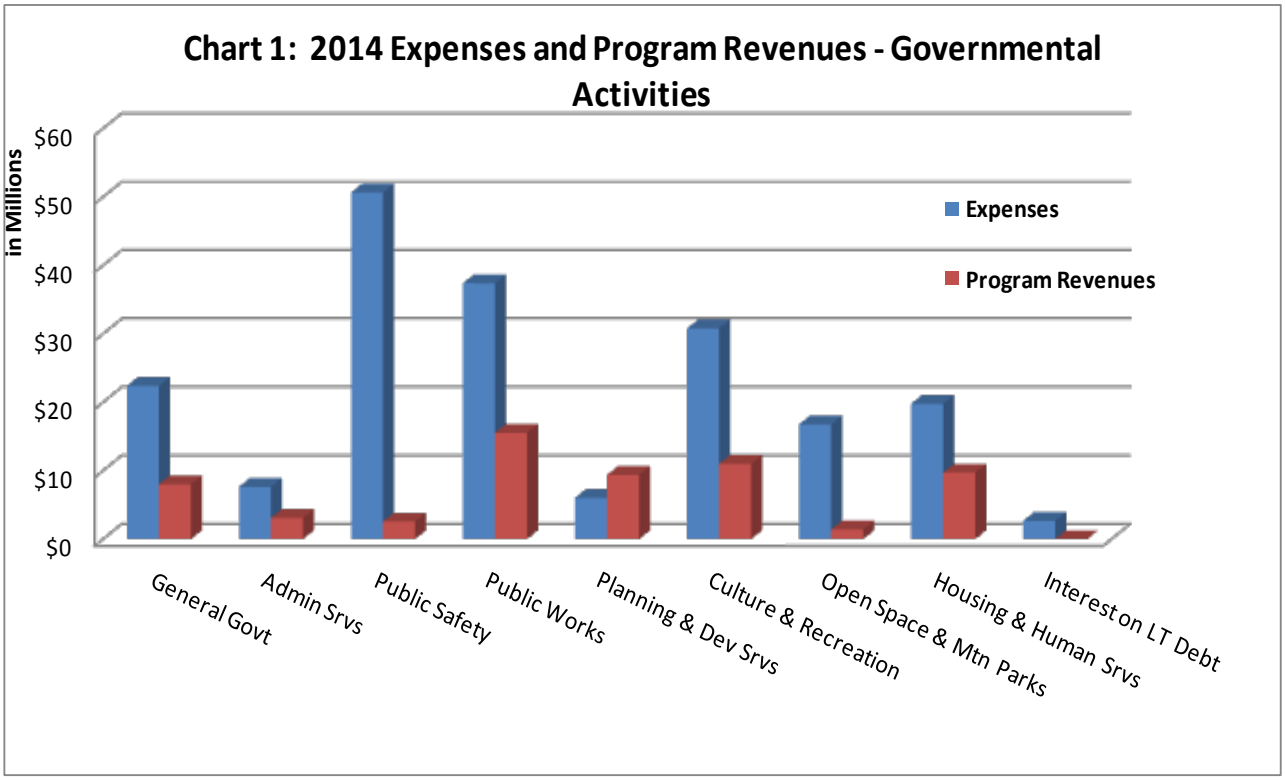


Chart 1: 2014 Expenses and Program Revenues - Governmental Activities
in Millions
$60
$50
$40
$30
$20
$10
$0
Expenses
Program Revenues
General Govt
Admin Srvs
Public Safety
Public Works
Planning & Dev Srvs
Culture & Recreation
Open Space & Mtn Parks
Housing & Human Srvs
Interest on LT Debt

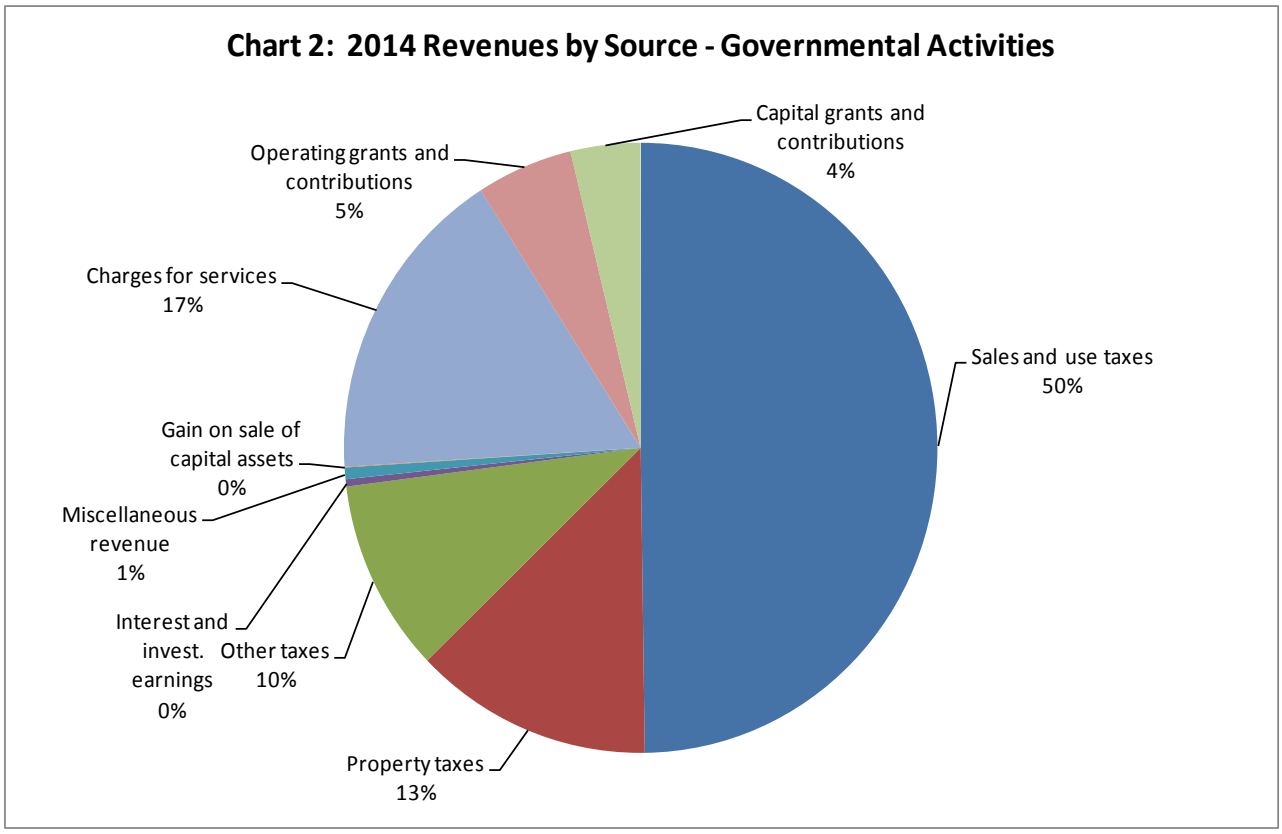


Chart 2: 2014 Revenues by Source - Governmental Activities
Capital grants and contributions 4%
Operating grants and contributions 5%
Charges for services 17%
Sales and use taxes 50%
Gain on sale of capital assets 0%
Miscellaneous revenue 1%
Interest and invest. earnings 0%
Other taxes 10%
Property taxes 13%

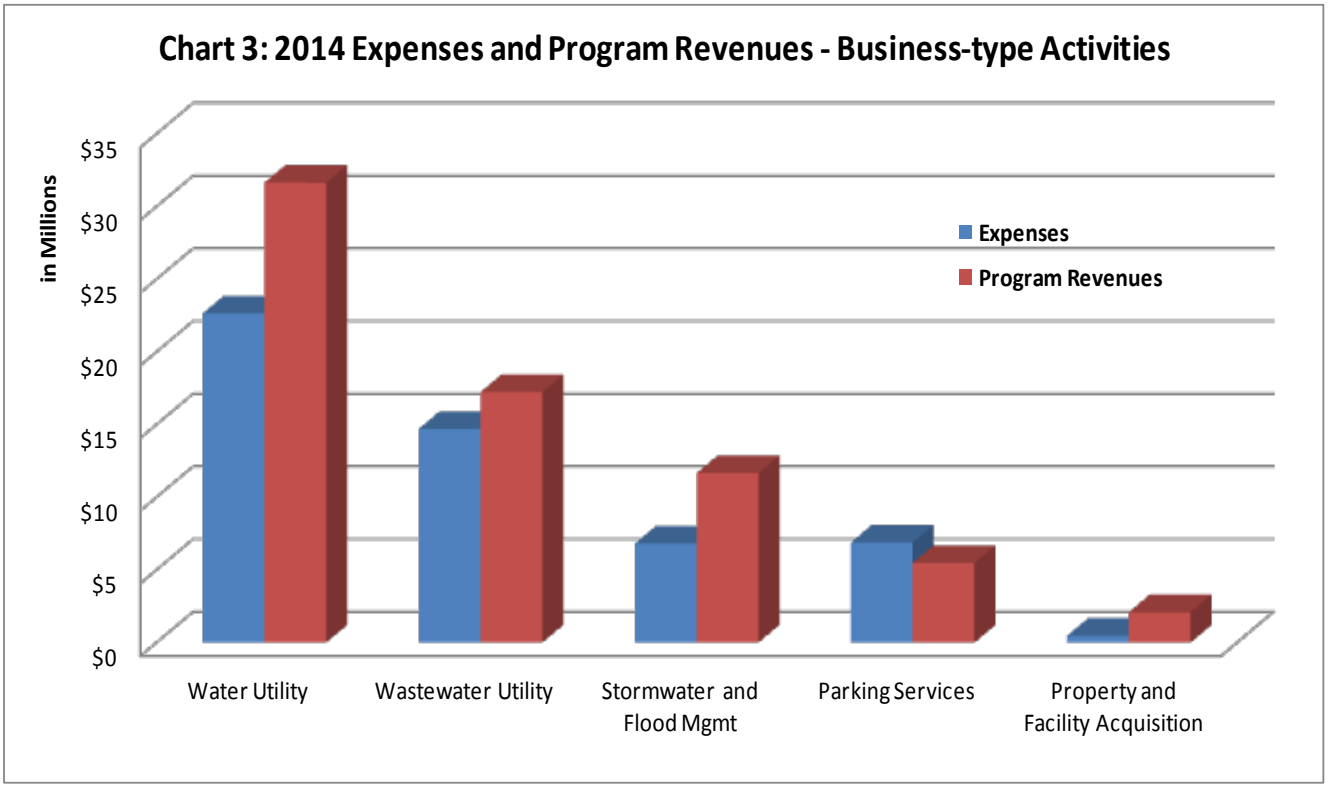
Business-type Activities

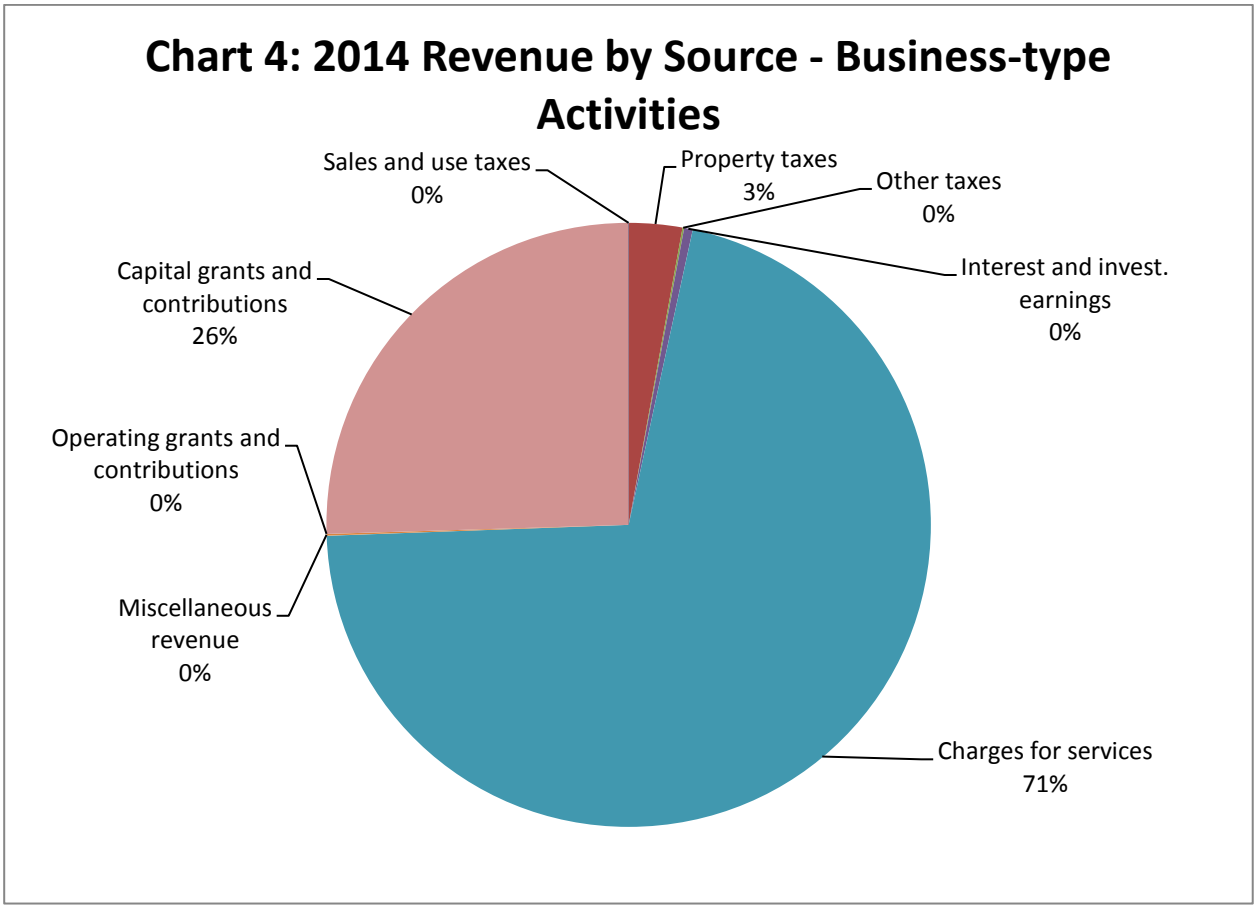
Net position in business-type activities increased $19.1 million in 2014. This increase was $7.7 million more than the $11.4 million increase in net position in 2013.

Total business-type revenues increased $11.0 million, or 18%, compared to 2013. Capital grants and contributions increased by $11.5 million in 2014 mainly due to FEMA reimbursements for 2013 flood damage.

Expenses of business-type activities increased by $2.6 million, or 5% compared to 2013, mainly because of flood recovery work.

As can be seen from *Charts 3* and *4*, the city's water utility and wastewater utility activities account for the majority of its business-type activities, representing 73% of total business-type activities expenses. Charges for services provide the largest share of revenues (71%), followed by capital grants and contributions (26%) and property taxes (3%).





Financial Analysis of the City's Funds

As noted earlier, the city uses fund accounting to ensure and demonstrate compliance with finance-related requirements.

Governmental Funds

The focus of the city's governmental funds is to provide information on near-term inflows, outflows and balances of resources that are available for spending. Such information is useful in assessing the city's financing requirements. In particular, unrestricted fund balance may serve as a useful measure of the city's net resources available for spending at the end of the fiscal year. Types of governmental funds reported by the city include the General Fund, Special Revenue Funds, Debt Service Funds and Capital Project Funds.

As of December 31, 2014, the city's governmental funds reported combined ending fund balances of $155.1 million, an increase of $5.8 million, or 4%, from the prior year. The fund balance of the General Fund increased $8.6 million to $51.1 million at December 31, 2014. General Fund revenues grew by $7.6 million, primarily because of overall improvements in the economy. Increased consumer spending, a 0.15 percent sales tax rate increase and a new recreational marijuana tax led to a $4.1 million rise in sales and use taxes. In addition, intergovernmental revenues increased by $2.0 million as a result of FEMA reimbursements. Fund expenditures decreased by $6.4 million for a variety of reasons. The accounting treatment starting in 2014 for the reallocation of administration costs to other departments led to a $3.7

million decrease in General Government. Administrative Services decreased $3.3 million also due to the new accounting treatment of the reallocation of administrative costs to other departments. Housing and Human Services decreased $2.8 million mainly due to reduced projects completed in 2014 as compared to 2013. Public Safety expenditures increased $2.1 million mainly due to increased personnel costs and the purchase of materials and equipment.

The Open Space and Mountain Parks Fund's fund balance increased $13.1 million in 2014. Revenues grew by $0.7 million due to a $1.7 million increase in sales and use taxes from increased economic activity offset by a $1.2 million decrease in intergovernmental revenue. In 2013, the City had received $1.3 million for an endangered species mitigation grant for land acquisition. Expenditures decreased by $3.2 million because of fewer real estate acquisitions in 2014 as compared to 2013 and a $1.8 million reduction in debt service payments, largely due to payoff of the 2009 Open Space Acquisition Sales Tax Revenue Refunding Bonds in 2013.

The fund balance of the Transportation Fund rose by $4.1 million in 2014. Revenues increased by $9.5 million while expenditures increased by $9.1 million. Transportation receives funding from CDOT for infrastructure projects as they are completed. Due to the 2013 flood, some of the transportation projects originally scheduled for 2013 were completed in 2014. Revenue was also impacted as many of the planned projects not completed in 2013 were continued into 2014 and received reimbursement from CDOT in 2014.

The fund balance for the 2011 Capital Improvement Fund fell $23.1 million during 2014. This decrease is a result of $23.1 million in bond related capital expenditures.

Other governmental fund balances grew by $3.1 million. This increase was primarily due to a $2.3 million rise in impact fees received during 2014 in the Capital Development fund as compared to 2013. This increase was a result of more residential and business construction projects being completed in the city during 2014 as compared to 2013.

Approximately $93.5 million or 60% of the combined ending fund balance in the governmental funds constitutes unrestricted fund balance available for spending at the city's discretion within the purposes specified for each of the funds. The remainder of fund balance is either non-spendable or restricted to indicate that it is not available for new spending because it has already been committed for specific purposes. This non-spendable or restricted fund balance is comprised of: (1) fund balance not in spendable form such as prepaid expenses, inventory for consumption, and permanent endowments - $0.3 million; (2) limitations imposed on use of funds by external laws and regulations - $12.5 million; (3) restrictions for capital projects - $12.3 million; (4) restrictions for future development - $33.8 million; (5) restricted for expenditure on lottery authorized parks and recreation projects - $1.8 million and (6) restrictions placed on the funds by donors - $0.9 million.

The General Fund is the primary operating fund of the city. At the end of 2014 the unrestricted fund balance of the General Fund was $49.3 million, while total fund balance was $51.1 million. Unrestricted fund balance includes fund balance committed by city council, assigned by city management, and unassigned fund balance as disclosed in the Governmental Funds Balance Sheet. As a measure of the General Fund's liquidity, it is useful to compare unassigned fund balance to total fund expenditures and transfers out. In 2014, unassigned fund balance of $39.1 million represents 35% of total general fund expenditures and transfers out of $112.6 million.

General Fund unassigned fund balance as a percentage of total expenditures and transfers out was 24% in 2013.

The Open Space and Mountain Parks Fund and the Transportation Fund are special revenue funds, with 100% of their fund balance either restricted or assigned. With the exception of negative fund balances which must be reported as unassigned, special revenue funds do not have unassigned fund balances since the act of accounting for the revenues within a special revenue fund assigns them to that fund's purpose. The Open Space and Mountain Parks Fund revenues are derived from sales taxes approved by the voters and other restricted revenue sources. 100% of the fund balance for Open Space and Mountain Parks Fund is restricted for acquisition and maintenance of the city's open space. The total fund balance of the Open Space and Mountain Parks Fund was $30.0 million at December 31, 2014, an increase of $13.1 million from 2013. The Transportation Fund's revenue sources are generally restricted except for investment income. As of December 31, 2014, the Transportation Fund's restricted fund balance was $6.9 million and $9.5 million was assigned for special purposes. The total Transportation fund balance was $16.4 million at December 31, 2014, a $4.1 million increase from 2013.

The 2011 Capital Improvement Fund is a capital project fund. The fund balance is restricted to capital projects. Capital project funds do not have unassigned fund balances, similar to special revenue funds. Interest income, the only significant revenue source of the 2011 Capital Improvement Fund, declined due to lower fund balances and lower interest rates in 2014. The total fund balance of the 2011 Capital Improvement Fund at December 31, 2014 was $10.8 million, a $23.1 million decrease from 2013.

In the 2014 budget year, the City Council established a minimum target for unassigned General Fund balance of 15% of expenditures and transfers out, excluding expenditures funded by grants. This minimum undesignated fund balance is available for emergency purposes, stabilization of funding of programs during periods of temporary revenue declines or temporary funding of programs to allow for controlled reductions in expenditures in periods of extended or permanent revenue reductions. The target amount of 15% was met in 2014.

Proprietary Funds

As already discussed, the city's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

As of December 31, 2014, the unrestricted net position of the Water Utility Fund was $33.4 million, the Wastewater Utility Fund was $12.3 million, the Storm Water and Flood Management Fund was $15.5 million, the Downtown Commercial District Fund was $6.3 million and the non-major enterprise funds was $1.1 million. The total increase in net position for the proprietary funds was $18.8 million. Factors concerning the changes in these funds have already been addressed in the discussion of the city's business-type activities.

General Fund Budgetary Highlights

The city's final budget differs from the original budget in that it contains carry-forward appropriations for various programs and projects and supplemental appropriations approved

during the fiscal year. The final budget for General Fund appropriations including transfers out for 2014 was $18.5 million greater than the original budget. The primary reasons for this difference are related to the following increases:

- $2.1 million for recreational marijuana education and enforcement
- $2.0 million for community housing assistance projects
- $1.3 million for library automated materials handling system
- $0.7 million for economic vitality flex rebate program
- $0.5 million for education access cable television channel
- $0.5 million for city office space relocation
- $0.4 million for flood recovery consulting contract
- $0.4 million for various information technology projects
- $0.3 million for police off duty overtime
- $0.3 million for wild land fire services reimbursement
- $0.3 million for education excise tax grants
- $0.3 million community oriented policing services

On a basis consistent with the adopted budget, actual revenues and transfers in were $5.6 million, or 5%, more than the final budget. Actual expenditures and transfers out were $16.3 million, or 12%, less than the final budget. The net effect of these differences along with the extraordinary item was a favorable variance in actual revenues and expenditures to the fiscal year-end budgeted fund balance of $22.9 million. The primary factors contributing to this favorable variance include the following:

- $1.7 million more in intergovernmental and licenses, permits and fines than budgeted due to economic activity and significant construction projects
- $1.0 million flood insurance claim recovery
- $2.5 million less in expenditures for community planning & sustainability purchases
- $1.3 million less in expenditures related to technology services
- $3.4 million less in expenditures related to community housing assistance program
- $1.9 million less in expenditures related to public safety
- Various smaller variances in both revenue and expenditures

Capital Assets and Debt Administration

Capital Assets

As can be seen from *Table 3*, the city's investment in capital assets for its governmental and business-type activities as of December 31, 2014 amounts to $998.3 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, park facilities, transportation infrastructure, utility plant in service and undergrounds, water rights, underground drainage facilities, machinery, equipment and vehicles. The net increase in the city's investment in capital assets was $34.3 million (4%) from 2013. Net capital assets of governmental activities increased $30.9 million (6%) and those of business-type activities increased $3.4 million (1%).

Table 3 - Capital Assets, Net of Depreciation (dollars in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
Land and easements	$ 282,810	$ 277,523	$ 62,676	$ 62,476	$ 345,486	$ 339,999
Buildings	54,808	57,721	25,889	27,112	80,697	84,833
Improvements other than buildings	42,431	39,206	3,446	3,084	45,877	42,290
Infrastructure	108,614	99,387	-	-	108,614	99,387
Utility plant in service and undergrounds	-	-	315,895	320,401	315,895	320,401
Machinery, equipment and vehicles	21,855	20,480	5,751	6,610	27,606	27,090
Construction in progress	60,594	45,844	13,495	4,138	74,089	49,982
Total	$ 571,112	$ 540,161	$ 427,152	$ 423,821	$ 998,264	$ 963,982

Some of the major capital asset activities during 2014 included the following:

Governmental activities:

- Construction in progress of several transportation infrastructure projects, including: Pearl Parkway Multi-Use Path and Junction Place Bridge at Goose Creek and Arterial road reconstruction - $8.6 million
- Completion of Airport Ramp - $1.2 million
- Construction in progress for new Wild-Land Fire Facility and Main Library renovation - $4.2 million
- Construction and completion of Mesa Memorial Park and Elks Neighborhood Park - $2.8 million
- Several land acquisitions by OSMP – $4.9 million
- Installation of automated material handling system and new radio frequency identification (RFID) to be completed February 2015 at Main Library - $0.7 million
- Completion of several transportation infrastructure projects including Pearl Parkway: South side of Pearl, and SH 93 widening - $3.3 million
- Completion of road pavement repairs and road reconstruction - $7.7 million
- Completion of Mesa Memorial Park and Elks Neighborhood Park - $2.5 million
- Parks and Recreation facility renovations - $ 1.8 million
- New vehicle purchases - $3.0 million
- Recognition of $15.8 million in depreciation expense

Business-type activities:

- Waterline Rehabilitation - $3.2 million
- Flood mitigation projects by Water, Wastewater and Storm Water - $6.7 million
- CAGID Garage Improvements - $0.6 million
- Completion of Gunbarrel storage tank structural steel rehabilitation - $.7 million
- Recognition of $12.1 million in depreciation expense

Additional information on the city's capital assets can be found in Note I to the Financial Statements.

Debt Administration

Table 4 summarizes the city's bonded debt as of the end of 2014 and 2013. At December 31, 2014, the city had total bonded debt (including certificates of participation) of $164.5 million. Of this amount, $90.4 million consisted of general obligation debt backed by the full faith and credit of the city. Another $66.3 million represents bonds secured solely by specified revenue sources (revenue bonds and certificates of participation). The remaining $7.8 million relates to pension obligation bonds. The pension obligation bonds are not backed by either specified revenue sources or taxes. The decreases in the bonds this year are directly related to payments that the city makes on a semi-annual basis. During 2014, the city issued $10 million of Open Space Acquisition General Obligation Bonds, Series 2014.

Table 4 - General Obligation Bonds, Revenue Bonds and Certificates of Participation Outstanding (dollars in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government	
	2014	2013	2014	2013	2014	2013
General obligation bonds	$ 79,610	$ 77,717	$ 10,778	$ 12,390	$ 90,388	$ 90,107
Revenue bonds	-	1,378	66,341	74,385	66,341	75,763
Pension obligation bonds	7,812	8,176	-	-	7,812	8,176
Total bonded debt	$ 87,422	$ 87,271	$ 77,119	$ 86,775	$ 164,541	$ 174,046

The city's general obligation credit rating is Aa1 by Moody's Investor Services, Inc. and AAA by Standard & Poor's Corporation. Under the City Charter, the city's general obligation debt issuances are subject to a legal limitation based on 3% of the total assessed value of real and personal property. The city's general obligation debt is issued as sales tax revenue bonds enhanced by a general obligation pledge of the full faith and credit of the city. The city does not currently levy an ad valorem property tax for debt service even though authorized to do so. As a result, all bonded debt is considered to be self-supporting and the ratio of net bonded debt supported solely by property taxes to assessed valuation is zero.

Additional information on the city's bonded debt can be found in Note O to the Financial Statements.

Other Significant Matters

Governmental Activities

The city suffered from severe flood conditions in September 2013. The current damage estimate to the city's infrastructure is $28 million. The city received $1.0 million in insurance reimbursements during 2014 and this is included in the extraordinary item line of the financial statements. In 2013 and 2014, in governmental activities only, the city incurred $9.6 million of flood related expenditures. The city expects to be reimbursed for 87.5% (75% FEMA, 12.5% State) of FEMA eligible expenses. Not all of the $28 million will be eligible for FEMA reimbursement.

Valmont Butte Allied Piles Site (Valmont Butte) – In 2011, the city presented a voluntary cleanup plan to the Colorado Department of Public Health and Environment (CDPHE). This plan was approved under the Colorado Voluntary Cleanup Program (VCUP). As required by CDPHE, site remediation actions in Valmont Butte started August 31, 2011 with an extended completion date of December 31, 2013. As of December 31, 2013, the city had expended a total of $2.5 million on Valmont Butte cleanup with no additional liability remaining for continued cleanup responsibilities. The city does have some lingering monitoring responsibilities until closeout is finalized by the State.

Business-type Activities

As described above, the city suffered from severe flood conditions in September 2013. In 2013 and 2014, in business-type activities only, the city incurred $9.1 million of flood related expenditures. The city expects to be reimbursed for 87.5% (75% FEMA, 12.5% State) of FEMA eligible expenses. Not all of the flood repair costs will be eligible for FEMA reimbursement.

Contacting the City's Financial Management

This financial report is designed to provide the public, taxpayers, customers, investors and creditors with a general overview of the city's finances and to show the city's accountability for the funds and assets it receives. If you have questions about this report, or need additional financial information, contact the Assistant Controller of the City of Boulder Finance Department at 1777 Broadway, Boulder, CO 80302.

BASIC FINANCIAL STATEMENTS

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CITY OF BOULDER, COLORADO

Statement of Net Position

December 31, 2014

(Amounts in 000's)

	Governmental Activities	Business-type Activities	Total
Assets:			
Equity in pooled cash and cash equivalents	$ 8,962	$ 3,089	$ 12,051
Investments	173,212	59,926	233,138
General property tax receivable	31,014	1,213	32,227
Sales tax receivable	12,954	-	12,954
Notes receivable	903	299	1,202
Other receivables (See Note H)	9,143	9,550	18,693
Restricted investments	18,659	4,338	22,997
Inventory of materials and supplies	69	229	298
Other assets	434	-	434
Prepaid net pension obligation	8,839	-	8,839
Capital assets (net of accumulated depreciation):			
Land and easements	282,810	62,676	345,486
Buildings	54,808	25,889	80,697
Improvements other than buildings	42,431	3,446	45,877
Infrastructure	108,614	-	108,614
Utility plant in service and undergrounds	-	315,895	315,895
Machinery, equipment and vehicles	21,855	5,751	27,606
Construction in progress	60,594	13,495	74,089
Total assets	835,301	505,796	1,341,097
Deferred outflows of resources	250	3,143	3,393
Liabilities:			
Accounts and accrued liabilities:			
Vouchers and accounts payable	8,046	1,966	10,012
Contracts and retainage payable	1,501	673	2,174
Accrued liabilities	4,609	3,468	8,077
Internal balances	5,271	(5,271)	-
Other liabilities	2,846	1,129	3,975
Unearned revenue	752	-	752
Water rights liability	-	1,691	1,691
Noncurrent liabilities:			
Due within one year	10,790	10,574	21,364
Due in more than one year	102,466	75,308	177,774
Total liabilities	136,281	89,538	225,819
Deferred inflows of resources:			
Property Taxes	31,014	1,213	32,227
Net position:			
Net investment in capital assets	494,209	345,149	839,358
Restricted for:			
Legally restricted	12,500	169	12,669
Capital projects	12,283	100	12,383
Development	33,816	-	33,816
Lottery funds	1,788	-	1,788
Donor restrictions	923	-	923
Endowment	100	-	100
Unrestricted	112,637	72,770	185,407
Total net position	$ 668,256	$ 418,188	$ 1,086,444

The accompanying notes are an integral part of this statement.

CITY OF BOULDER, COLORADO

Statement of Activities

Year ended December 31, 2014

(Amounts in 000's)

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
Governmental activities:				
General Government	$ 22,406	$ 7,262	$ 752	$ -
Administrative Services	7,655	676	2,412	-
Public Safety	50,662	2,273	291	-
Public Works	37,406	4,474	3,460	7,620
Planning & Development Services	6,041	8,640	753	-
Culture and Recreation	30,819	9,358	649	975
Open Space and Mountain Parks	16,774	475	634	311
Housing and Human Services	19,795	6,458	3,262	-
Interest on long-term debt	2,679	-	-	-
Total governmental activities	194,237	39,616	12,213	8,906
Business-type activities:				
Water utility	22,644	22,950	-	8,697
Wastewater utility	14,703	13,979	-	3,255
Stormwater and flood management	6,812	5,637	-	6,027
Parking facilities and services	6,892	5,475	-	4
Property and facility acquisition	463	2,091	-	-
Total business-type activities	51,514	50,132	-	17,983
Total government	$ 245,751	$ 89,748	$ 12,213	$ 26,889

General revenues:
- Taxes:
  - Sales and use taxes
  - General property taxes
  - Accomodation taxes
  - Franchise taxes
  - Specific Ownership & Tobacco taxes
  - Excise taxes
- Interest and investment earnings
- Miscellaneous
- Gain on Sale of Capital Assets

Transfers

Extraordinary item

Total general revenues, transfers and extraordinary item

Change in net position

Net position, beginning of year

Net position, end of year

The accompanying notes are an integral part of this statement.

	Net (Expense) Revenue and Changes in Net Assets		
	Governmental Activities	Business-type Activities	Total
	$ (14,392)	$ -	$ (14,392)
	(4,567)	-	(4,567)
	(48,098)	-	(48,098)
	(21,852)	-	(21,852)
	3,352	-	3,352
	(19,837)	-	(19,837)
	(15,354)	-	(15,354)
	(10,075)	-	(10,075)
	(2,679)	-	(2,679)
	(133,502)	-	(133,502)
	-	9,003	9,003
	-	2,531	2,531
	-	4,852	4,852
	-	(1,413)	(1,413)
	-	1,628	1,628
	-	16,601	16,601
	(133,502)	16,601	(116,901)
	116,316	-	116,316
	30,353	2,013	32,366
	6,443	-	6,443
	12,226	-	12,226
	1,954	66	2,020
	3,235	-	3,235
	906	324	1,230
	1,437	65	1,502
	99	-	99
	(11)	11	-
	956	-	956
	173,914	2,479	176,393
	40,412	19,080	59,492
	627,844	399,108	1,026,952
	$ 668,256	$ 418,188	$ 1,086,444

CITY OF BOULDER, COLORADO

Balance Sheet

Governmental Funds

December 31, 2014

(Amounts in 000's)

Assets and Deferred Outflows of Resources	General Fund	Open Space & Mountain Parks Fund	Trans-portation Fund	2011 Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Equity in pooled cash and cash equivalents	$ 2,265	$ 1,008	$ 831	$ 165	$ 2,332	$ 6,601
Investments	43,338	19,593	16,146	3,205	45,115	127,397
Receivables:						
General property taxes	28,652	-	-	-	2,362	31,014
Sales and use taxes	6,162	3,180	2,710	-	902	12,954
Accounts	1,991	34	558	-	217	2,800
Notes	813	-	-	-	90	903
Accrued interest	98	53	34	6	94	285
Intergovernmental	1,464	588	1,851	133	1,883	5,919
Other	1	-	-	-	-	1
Total receivables	39,181	3,855	5,153	139	5,548	53,876
Due from other funds	522	54	259	-	242	1,077
Advances to other funds	235	-	-	-	-	235
Inventory of materials and supplies	23	-	1	-	45	69
Restricted assets:						
Investments for special purposes	1,268	35	-	-	1,066	2,369
Investments for capital projects	-	-	-	9,385	-	9,385
Investments for debt service	-	6,905	-	-	-	6,905
Total restricted assets	1,268	6,940	-	9,385	1,066	18,659
Other assets	137	-	-	-	-	137
Total assets	86,969	31,450	22,390	12,894	54,348	208,051
Deferred outflows of resources						
Total deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	$ 86,969	$ 31,450	$ 22,390	$ 12,894	$ 54,348	$ 208,051

The accompanying notes are an integral part of this statement.

Liabilities, Deferred Inflows of Resources and Fund Balances	General Fund	Open Space & Mountain Parks Fund	Trans-portation Fund	2011 Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Liabilities:						
Accounts and accrued liabilities:						
Vouchers and accounts payable	$ 1,336	$ 441	$ 1,729	$ 1,103	$ 2,604	$ 7,213
Contracts and retainage payable	-	-	520	795	124	1,439
Accrued salaries, wages and amounts withheld from employees	2,510	260	249	29	657	3,705
Due to other funds	610	104	-	-	433	1,147
Advances from other funds	1,648	-	-	-	235	1,883
Other liabilities	105	-	1,767	-	726	2,598
Unearned revenue	528	21	162	-	41	752
Total liabilities	6,737	826	4,427	1,927	4,820	18,737
Deferred inflows of resources:						
Property tax	28,652	-	-	-	2,362	31,014
Grants and other deferrals	508	588	1,567	132	387	3,182
Total deferred inflows of resources	29,160	588	1,567	132	2,749	34,196
Fund balances:						
Nonspendable:						
Prepaid	137	-	-	-	-	137
Inventory	23	-	1	-	45	69
Endowment	100	-	-	-	-	100
Restricted for:						
Legally restricted	1,028	-	6,938	-	4,534	12,500
Capital projects	177	-	-	10,835	1,271	12,283
Development	-	30,001	-	-	3,815	33,816
Lottery funds	-	-	-	-	1,788	1,788
Donor restrictions	276	35	-	-	612	923
Committed to:						
Affordable housing	-	-	-	-	15,868	15,868
Transportation projects	-	-	-	-	1,327	1,327
Assigned to:						
Special purposes	9,495	-	9,457	-	17,539	36,491
Contractual obligations	707	-	-	-	-	707
Unassigned	39,129	-	-	-	(20)	39,109
Total fund balances	51,072	30,036	16,396	10,835	46,779	155,118
Total liabilities, deferred inflows of resources and fund balances	$ 86,969	$ 31,450	$ 22,390	$ 12,894	$ 54,348	$ 208,051

CITY OF BOULDER, COLORADO

Reconciliation of the Governmental Funds Balance Sheet
to the Government-wide Statement of Net Position

December 31, 2014

(Amounts in 000's)

Total governmental fund balances		$ 155,118
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not financial resources and are not reported in the funds.		
Capital assets - governmental funds	842,771	
Accumulated depreciation - governmental funds	(332,621)	
Net book value of capital assets in governmental funds		510,150
Accumulated difference between the actual pension contributions expensed in the governmental funds and the actuarially determined annual pension cost expensed in the government-wide statements.		
Police prepaid net pension obligation	$ 5,186	
Fire prepaid net pension obligation	3,653	8,839
Internal service funds are used by management to charge the costs of insurance, capital asset replacement and other activities to individual funds. The majority of the assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		93,334
Long-term liabilities, including bonds payable and bonds interest payable, are not due and payable in the current period and therefore are not reported in the funds.		(102,367)
Because the focus of governmental funds is on short-term financing, some assets will not be available to pay for current-period expenditures. Those assets (for example, receivables) are offset by unearned revenues in the governmental funds and thus are not included in fund balance.		
Special assessments receivable	8	
Intergovernmental revenues	3,174	3,182
Net position of governmental activities		$ 668,256

The accompanying notes are an integral part of this statement.

CITY OF BOULDER, COLORADO

Statement of Revenues, Expenditures and Changes in Fund Balances

Governmental Funds

Year ended December 31, 2014

(Amounts in 000's)

	General Fund	Open Space & Mountain Parks Fund	Trans-portation Fund	2011 Capital Improvement Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
Taxes:						
Sales and use taxes	$ 55,457	$ 28,426	$ 24,177	$ -	$ 8,256	$ 116,316
General property taxes	28,041	-	-	-	2,312	30,353
Accomodation taxes	6,443	-	-	-	-	6,443
Franchise taxes	10,410	-	-	-	1,808	12,218
Specific ownership & tobacco taxes	1,954	-	-	-	-	1,954
Excise taxes	790	-	-	-	2,445	3,235
Charges for services	4,374	147	-	-	18,425	22,946
Sale of goods	350	-	32	-	211	593
Licenses, permits and fines	6,151	77	-	-	6,585	12,813
Intergovernmental	3,732	105	9,683	-	4,668	18,188
Leases, rents and royalties	214	272	98	-	2,067	2,651
Interest and investment earnings	251	105	69	49	212	686
Other	688	127	416	-	838	2,069
Total revenues	118,855	29,259	34,475	49	47,827	230,465
Expenditures:						
Current:						
General Government	14,831	-	-	-	1,725	16,556
Administrative Services	6,773	-	-	-	-	6,773
Public Safety	50,196	84	-	-	-	50,280
Public Works	6,052	-	29,927	-	2,343	38,322
Planning & Development Services	58	-	-	-	5,956	6,014
Culture and Recreation	13,768	-	-	-	16,655	30,423
Open Space and Mountain Parks	90	20,117	-	-	226	20,433
Housing and Human Services	7,466	-	-	-	17,098	24,564
Capital outlay	-	-	-	23,193	3,937	27,130
Debt service payments:						
Principal	2,920	4,405	-	-	2,100	9,425
Interest	2,261	816	-	-	128	3,205
Base rentals to Boulder Municipal Property Authority	-	2,091	-	-	-	2,091
Total expenditures	104,415	27,513	29,927	23,193	50,168	235,216
Excess (deficiency) of revenues over (under) expenditures	14,440	1,746	4,548	(23,144)	(2,341)	(4,751)
Other financing sources (uses):						
Sale of capital assets	1	6	-	-	-	7
Bonds issued	-	10,000	-	-	-	10,000
Premium on bonds issued	-	123	-	-	-	123
Transfers in	1,444	1,264	63	-	5,563	8,334
Transfers out	(8,211)	-	(472)	-	(139)	(8,822)
Total other financing sources (uses)	(6,766)	11,393	(409)	-	5,424	9,642
Extraordinary item:						
Flood insurance recoveries	956	-	-	-	-	956
Net change in fund balances	8,630	13,139	4,139	(23,144)	3,083	5,847
Fund balances, beginning of year	42,442	16,897	12,257	33,979	43,696	149,271
Fund balances, end of year	$ 51,072	$ 30,036	$ 16,396	$ 10,835	$ 46,779	$ 155,118

The accompanying notes are an integral part of this statement.

CITY OF BOULDER, COLORADO

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-wide Statement of Activities

Year ended December 31, 2014

(Amounts in 000's)

Net change in fund balances - total governmental funds		$ 5,847
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.		
Governmental Activities capital asset additions	$ 48,234	
Governmental Activities capital asset deletions	(2,653)	
Internal Service Funds capital asset additions	(5,794)	
Internal Service Funds capital asset deletions	2,294	
Governmental funds capital asset depreciation expense	(9,523)	32,558
Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.		(1,946)
Some revenues reported in the statement of activities are not available as current financial resources and, therefore, are not reported as revenues in governmental funds. Examples are revenues from special assessments, property taxes and notes receivable.		
Special assessments - Public Works	8	
Intergovernmental revenue	2,385	2,393
Internal service funds are used by management to charge the costs of insurance, capital asset replacement and other activities to individual funds. A portion of the net revenue of the internal service funds is reported with governmental activities.		
Allocation of net profit		1,752
The decrease in the prepaid net pension obligation resulting from contributions greater than the annual required contribution is not a financial resource and is not reported in the funds.		(192)
Change in net position of governmental activities		$ 40,412

The accompanying notes are an integral part of this statement.

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CITY OF BOULDER, COLORADO

Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget and Actual
(Budgetary Basis)

General Fund

Year ended December 31, 2014
(Amounts in 000's)

	Budgeted amounts		Actual	Variance with final budget - Positive
	Original	Final	amounts	(Negative)
Revenues:				
Taxes:				
Sales and use taxes	$ 50,216	$ 52,216	$ 55,457	$ 3,241
General property taxes	28,050	28,050	28,041	(9)
Accomodations taxes	6,010	6,010	6,443	433
Franchise taxes	10,628	10,701	10,410	(291)
Specific ownership & tobacco taxes	1,667	1,667	1,954	287
Excise taxes	150	150	790	640
Charges for services	4,586	4,747	4,374	(373)
Sale of goods	89	130	350	220
Licenses, permits and fines	6,153	6,174	6,151	(23)
Intergovernmental	1,253	2,011	3,732	1,721
Leases, rents and royalties	239	239	214	(25)
Interest and investment earnings	458	458	595	137
Other	419	1,858	688	(1,170)
Total revenues	109,918	114,411	119,199	4,788
Expenditures:				
Current:				
General Government	14,618	20,989	15,054	5,935
Administrative Services	6,133	8,519	6,618	1,901
Public Safety	50,511	52,486	50,681	1,805
Public Works	5,123	6,606	6,085	521
Planning & Development Services	46	206	57	149
Culture and Recreation	12,603	14,969	13,862	1,107
Open Space and Mountain Parks	81	81	84	(3)
Housing and Human Services	9,406	12,285	7,380	4,905
Debt service payments:				
Principal	2,920	2,920	2,920	-
Interest	2,192	2,192	2,192	-
Total expenditures	103,633	121,253	104,933	16,320
Excess (deficiency) of revenues over (under) expenditures	6,285	(6,842)	14,266	21,108

(continued)

The accompanying notes are an integral part of this statement

	Budgeted amounts		Actual	Variance with final budget -
	Original	Final	amounts	Positive (Negative)
Other financing sources (uses):				
Sale of capital assets	-	-	1	1
Transfers in	7,232	7,268	8,056	788
Transfers out	(14,145)	(15,064)	(15,064)	-
Total other financing sources (uses)	(6,913)	(7,796)	(7,007)	789
Extraordinary item:				
Flood insurance recoveries	-	-	956	956
Net change in fund balance	$ (628)	$ (14,638)	8,215	$ 22,853
Encumbrances, end of year			893	
Fund balance, beginning of year, basis of budgeting			43,568	
Fund balance, end of year, basis of budgeting			52,676	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			59	
Accrued salaries, wages and amounts withheld from employees			(2,015)	
Change in prepaid assets			(19)	
Due to other funds			172	
Notes receivable			813	
Advances from other funds			(614)	
Fund balance, end of year, GAAP basis			$ 51,072	

CITY OF BOULDER, COLORADO

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

Open Space and Mountain Parks Fund

Year ended December 31, 2014

(Amounts in 000's)

	Budgeted amounts Original	Budgeted amounts Final	Actual amounts	Variance with final budget - Positive (Negative)
Revenues:				
Taxes:				
Sales and use taxes	$ 26,296	$ 26,296	$ 28,426	$ 2,130
Charges for services	-	-	147	147
Licenses, permits and fines	-	-	77	77
Intergovernmental	-	15	105	90
Leases, rents and royalties	325	325	272	(53)
Interest and investment earnings	325	325	108	(217)
Other	-	37	127	90
Total revenues	26,946	26,998	29,262	2,264
Expenditures:				
Current:				
Public Safety	84	84	84	-
Open Space and Mountain Parks	20,513	34,784	21,447	13,337
Debt service payments:				
Principal	4,405	4,405	4,405	-
Interest	816	816	816	-
Base rentals to Boulder Municipal Property Authority Debt Service Fund	1,501	2,092	2,091	1
Total expenditures	27,319	42,181	28,843	13,338
Excess (deficiency) of revenues over (under) expenditures	(373)	(15,183)	419	15,602
Other financing sources (uses):				
Sale of capital assets	-	-	6	6
Proceeds from bonds	-	10,000	10,000	-
Premium on bonds issued	-	123	123	-
Transfers in	1,264	1,264	1,264	-
Total other financing sources (uses)	1,264	11,387	11,393	6
Net change in fund balance	$ 891	$ (3,796)	11,812	$ 15,608
Encumbrances, end of year			1,366	
Fund balance, beginning of year, basis of budgeting			17,037	
Fund balance, end of year, basis of budgeting			30,215	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			32	
Accrued salaries, wages and amounts withheld from employees			(211)	
Fund balance, end of year, GAAP basis			$ 30,036	

The accompanying notes are an integral part of this statement.

CITY OF BOULDER, COLORADO

Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

Transportation Fund

Year ended December 31, 2014

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with final budget - Positive
	Original	Final	amounts	(Negative)
Revenues:				
Taxes:				
Sales and use taxes	$ 17,967	$ 22,467	$ 24,177	$ 1,710
Sale of goods	-	-	32	32
Intergovernmental	10,326	26,576	9,683	(16,893)
Leases, rents and royalties	100	100	98	(2)
Interest and investment earnings	45	45	81	36
Other	292	552	416	(136)
Total revenues	28,730	49,740	34,487	(15,253)
Expenditures:				
Current:				
Public Works	30,949	58,379	34,270	24,109
Total expenditures	30,949	58,379	34,270	24,109
Excess (deficiency) of revenues over (under) expenditures	(2,219)	(8,639)	217	8,856
Other financing sources (uses):				
Transfers in	-	63	63	-
Transfers out	(472)	(472)	(472)	-
Total other financing sources (uses)	(472)	(409)	(409)	-
Net change in fund balance	$ (2,691)	$ (9,048)	(192)	$ 8,856
Encumbrances, end of year			4,378	
Fund balance, beginning of year, basis of budgeting			12,388	
Fund balance, end of year, basis of budgeting			16,574	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			21	
Accrued salaries, wages and amounts withheld from employees			(199)	
Fund balance, end of year, GAAP basis			$ 16,396	

The accompanying notes are an integral part of this statement.

CITY OF BOULDER, COLORADO

Statement of Net Position

Proprietary Funds

December 31, 2014

(Amounts in 000's)

	Water Utility Fund	Wastewater Utility Fund	Stormwater and Flood Management Fund
Assets:			
Current assets:			
Equity in pooled cash and cash equivalents	$ 1,603	$ 575	$ 541
Investments	31,127	11,162	10,507
Receivables:			
General property taxes	-	-	-
Accounts	282	18	-
Charges for services	1,319	1,259	688
Notes - current installments	-	-	-
Accrued interest	69	24	23
Intergovernmental	994	491	4,354
Total receivables	2,664	1,792	5,065
Due from other funds	177	46	11
Advances to other funds	61	-	-
Inventory of materials and supplies	224	4	1
Other assets - prepaid expenses	-	-	-
Total current assets	35,856	13,579	16,125
Noncurrent assets:			
Advances to other funds	594	-	-
Notes receivable - less current installments	-	-	-
Restricted assets:			
Investments for bond reserves	2,935	670	325
Investments for capital projects	99	-	-
Total restricted assets	3,034	670	325
Capital assets:			
Land and easements	20,970	1,633	16,288
Buildings	1,382	2,331	764
Improvements other than buildings	131	392	965
Infrastructure	-	-	-
Utility plant in service	283,182	142,171	-
Undergrounds - drainage facilities	-	-	69,503
Vehicles	2,814	2,317	1,207
Machinery and equipment	2,245	1,230	345
	310,724	150,074	89,072
Less accumulated depreciation	(108,568)	(56,616)	(21,730)
	202,156	93,458	67,342
Construction in progress	3,621	1,733	8,141
Total capital assets, net of accumulated depreciation	205,777	95,191	75,483
Total noncurrent assets	209,405	95,861	75,808
Total assets	245,261	109,440	91,933
Deferred outflows of resources			
Deferred loss on refunding	541	2,388	11
Total deferred outflow of resources	541	2,388	11
Total assets and deferred outflows of resources	$ 245,802	$ 111,828	$ 91,944

The accompanying notes are an integral part of this statement.

Downtown Commercial District	Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
$ 328	$ 42	$ 3,089	$ 2,361
6,300	830	59,926	45,815
1,133	80	1,213	-
-	-	300	5
-	-	3,266	-
-	146	146	-
13	11	140	92
5	-	5,844	41
1,151	237	10,909	138
3	104	341	27
2	-	63	145
-	-	229	-
-	-	-	297
7,784	1,213	74,557	48,783
13	-	607	848
-	153	153	-
309	-	4,239	-
-	-	99	-
309	-	4,338	-
2,333	21,452	62,676	117
38,496	6,433	49,406	87,117
5,912	58	7,458	8,611
-	-	-	468
6	-	425,359	-
-	-	69,503	-
97	83	6,518	31,644
1,397	247	5,464	10,693
48,241	28,273	626,384	138,650
(22,334)	(3,479)	(212,727)	(79,344)
25,907	24,794	413,657	59,306
-	-	13,495	1,656
25,907	24,794	427,152	60,962
26,229	24,947	432,250	61,810
34,013	26,160	506,807	110,593
203	-	3,143	120
203	-	3,143	120
$ 34,216	$ 26,160	$ 509,950	$ 110,713

(continued)

CITY OF BOULDER, COLORADO

Statement of Net Position,
continued

Proprietary Funds

December 31, 2014

(Amounts in 000's)

	Water Utility Fund	Wastewater Utility Fund	Stormwater and Flood Management Fund
Liabilities:			
Current liabilities:			
Accounts and accrued liabilities:			
Vouchers and accounts payable	$ 1,150	$ 319	$ 420
Contracts and retainage payable	343	124	206
Accrued salaries, wages and amounts withheld from employees	275	164	67
Accrued interest	79	129	4
Accrued claims liability	-	-	-
Due to other funds	-	-	41
Advances from other funds	-	-	-
Other liabilities	690	123	280
General obligation bonds payable	-	-	-
Revenue bonds payable	4,510	2,565	345
Revenue notes payable (current portion)	-	-	-
Capitalized lease obligations	-	-	-
Compensated absences payable	72	74	17
Total current liabilities	7,119	3,498	1,380
Noncurrent liabilities:			
Accounts and accrued liabilities:			
Accrued landfill cleanup liability	-	2,474	-
Accrued claims liability	-	-	-
Future water rights	1,691	-	-
Advances from other funds	-	-	-
General obligation bonds payable (net of premium)	-	-	-
Revenue bonds payable (net of premium)	20,331	37,482	1,108
Revenue notes payable	-	-	-
Capitalized lease obligations	-	-	-
Compensated absences payable	521	403	41
Retiree health care benefit	107	83	30
Total noncurrent liabilities	22,650	40,442	1,179
Total liabilities	29,769	43,940	2,559
Deferred inflows of resources:			
Property tax	-	-	-
Total deferred inflows of resources	-	-	-
Net position:			
Net investment in capital assets	182,575	55,618	73,921
Restricted for:			
Legally restricted - emergency reserve	-	-	-
Capital projects	100	-	-
Unrestricted	33,358	12,270	15,464
Total net position	$ 216,033	$ 67,888	$ 89,385

The accompanying notes are an integral part of this statement.

	Downtown Commercial District	Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
	$ 70	$ 7	$ 1,966	$ 833
	-	-	673	62
	47	7	560	51
	118	104	434	54
	-	-	-	946
	-	-	41	257
	-	2	2	-
	28	8	1,129	248
	1,540	-	1,540	-
	-	-	7,420	-
	-	1,451	1,451	-
	-	-	-	547
	-	-	163	21
	1,803	1,579	15,379	3,019
	-	-	2,474	-
	-	-	-	1,136
	-	-	1,691	-
	-	13	13	-
	9,238	-	9,238	-
	-	-	58,921	-
	-	5,727	5,727	-
	-	-	-	8,827
	146	34	1,145	48
	52	5	277	33
	9,436	5,779	79,486	10,044
	11,239	7,358	94,865	13,063
	1,133	80	1,213	-
	1,133	80	1,213	-
	15,419	17,616	345,149	50,913
	163	6	169	-
	-	-	100	-
	6,262	1,100	68,454	46,737
	$ 21,844	$ 18,722	413,872	$ 97,650
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			4,316	
Net position of business-type activities			$ 418,188	

CITY OF BOULDER, COLORADO

Statement of Revenues, Expenses and Changes in Fund Net Position

Proprietary Funds

Year ended December 31, 2014

(Amounts in 000's)

	Water Utility Fund	Wastewater Utility Fund	Stormwater and Flood Management Fund
Operating revenues:			
Charges for services	$ 22,917	$ 13,982	$ 5,602
Leases, rents and royalties	-	-	-
Total operating revenues	22,917	13,982	5,602
Operating expenses:			
Personnel	6,677	4,508	1,606
Non-personnel	7,332	5,202	2,001
Depreciation	5,684	3,609	1,169
Total operating expenses	19,693	13,319	4,776
Operating income (loss)	3,224	663	826
Nonoperating revenues (expenses):			
Interest and investment earnings	176	56	40
Leases, rents and royalties	32	-	36
Intergovernmental revenue	-	-	-
General property taxes	-	-	-
Specific ownership & tobacco taxes	-	-	-
Interest expense	(1,080)	(1,218)	-
Contribution expense - future water rights	(1,474)	-	-
Gain (loss) on disposition of capital assets	(555)	(286)	(2,128)
Other, net	7	5	1
Total nonoperating revenues (expenses)	(2,894)	(1,443)	(2,051)
Income before capital contributions and transfers	330	(780)	(1,225)
Capital contributions	8,697	3,255	6,026
Transfers in	181	-	-
Transfers out	(266)	(231)	(146)
Changes in net position	8,942	2,244	4,655
Total net position, beginning of year	207,091	65,644	84,730
Total net position, end of year	$ 216,033	$ 67,888	$ 89,385

The accompanying notes are an integral part of this statement.

	Downtown Commercial District	Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities - Internal Service Funds
	$ 5,136	$ 149	$ 47,786	$ 20,047
	-	2,091	2,091	-
	5,136	2,240	49,877	20,047
	1,472	279	14,542	2,834
	2,889	308	17,732	9,803
	1,529	179	12,170	6,302
	5,890	766	44,444	18,939
	(754)	1,474	5,433	1,108
	31	21	324	220
	189	-	257	20
	3	-	3	-
	1,956	57	2,013	-
	63	3	66	-
	(263)	(320)	(2,881)	(347)
	-	-	(1,474)	-
	(7)	-	(2,976)	158
	51	-	64	221
	2,023	(239)	(4,604)	272
	1,269	1,235	829	1,380
	-	-	17,978	157
	1,525	425	2,131	754
	(1,317)	(161)	(2,121)	(276)
	1,477	1,499	18,817	2,015
	20,367	17,223		95,635
	$ 21,844	$ 18,722		$ 97,650
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds			263	
Change in net position of business-type activities			$ 19,080	

CITY OF BOULDER, COLORADO

Statement of Cash Flows

Proprietary Funds

Year ended December 31, 2014

(Amounts in 000's)

	Water Utility Fund	Wastewater Utility Fund	Stormwater and Flood Management Fund
Cash flows from operating activities:			
Receipts from customers and users	$ 22,975	$ 13,922	$ 5,290
Receipts from interfund services provided	-	-	-
Other receipts	7	39	-
Other payments	(19)	-	(33)
Payments to suppliers	(6,463)	(3,451)	(1,614)
Payments to employees	(5,740)	(4,533)	(1,564)
Payment for interfund services used	(1,974)	(1,877)	(651)
Net cash provided by operating activities	8,786	4,100	1,428
Cash flows from noncapital financing activities:			
Payments from other funds on due from (due to) balances	-	-	-
Payments to other funds on due from (due to) balances	(177)	(5)	(11)
Payments from other funds on advances	59	-	-
Payments to other funds on advances	-	-	-
Leases, rents and royalties	32	-	36
Intergovernmental revenue	-	-	-
General property taxes	-	-	-
Specific ownership & tobacco taxes	-	-	-
Transfers in	-	-	-
Transfers out	(266)	(231)	(146)
Net cash provided (used) by noncapital financing activities	(352)	(236)	(121)
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(6,049)	(2,033)	(7,942)
Proceeds from sale or transfer of property and equipment	-	-	-
Contractual payment - future water rights	(2,037)	-	-
Principal paid on notes payable, bonds payable and capitalized lease obligations	(4,360)	(2,475)	(335)
Interest paid on notes payable, bonds payable, and capitalized lease obligations	(1,089)	(1,669)	(49)
Payment received on note receivable due from County for sale of land	-	-	-
Capital contributions	7,295	2,435	1,478
Net cash (used) for capital related financing activities	(6,240)	(3,742)	(6,848)

The accompanying notes are an integral part of this statement.

Downtown Commercial District	Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
$ 5,192	$ 2,284	$ 49,663	$ 253
-	-	-	19,798
68	-	114	221
-	(1)	(53)	-
(2,222)	(209)	(13,959)	(9,150)
(1,427)	(270)	(13,534)	(2,857)
(705)	(97)	(5,304)	(1,087)
906	1,707	16,927	7,178
640	-	640	123
-	-	(193)	(79)
1	-	60	140
-	(1)	(1)	-
189	-	257	20
3	-	3	50
1,956	57	2,013	-
63	3	66	-
1,525	425	1,950	754
(1,317)	(161)	(2,121)	(95)
3,060	323	2,674	913
(244)	-	(16,268)	(5,162)
-	-	-	73
-	-	(2,037)	-
(1,495)	(1,771)	(10,436)	(514)
(349)	(363)	(3,519)	(331)
-	139	139	-
-	-	11,208	23
(2,088)	(1,995)	(20,913)	(5,911)

(continued)

CITY OF BOULDER, COLORADO

Statement of Cash Flows,
continued

Proprietary Funds

Year ended December 31, 2014

(Amounts in 000's)

	Water Utility Fund	Wastewater Utility Fund	Stormwater and Flood Management Fund
Cash flows from investing activities:			
Purchase of investment securities	$ (18,573)	$ (6,433)	$ (5,890)
Proceeds from sale and maturities of investment securities	12,982	4,991	9,281
Interest on investments	122	38	33
Net cash provided in investing activities	(5,469)	(1,404)	3,424
Net (decrease) in cash and cash equivalents	(3,275)	(1,282)	(2,117)
Cash and cash equivalents, January 1	4,878	1,857	2,658
Cash and cash equivalents, December 31	$ 1,603	$ 575	$ 541

The accompanying notes are an integral part of this statement.

Downtown Commercial District	Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
$ (3,593)	$ (451)	$ (34,940)	$ (24,909)
1,263	306	28,823	17,583
18	22	233	149
(2,312)	(123)	(5,884)	(7,177)
(434)	(88)	(7,196)	(4,997)
762	130	10,285	7,358
$ 328	$ 42	$ 3,089	$ 2,361

(continued)

CITY OF BOULDER, COLORADO

Statement of Cash Flows,
continued

Proprietary Funds

Year ended December 31, 2014

(Amounts in 000's)

	Water Utility Fund	Wastewater Utility Fund	Stormwater and Flood Management Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:			
Operating income (loss)	$ 3,224	$ 663	$ 826
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:			
Depreciation	5,684	3,609	1,169
Other nonoperating revenues (expenses)	7	5	1
Change in assets and liabilities:			
(Increase) decrease in assets:			
Accounts receivable	823	757	182
Charges for services receivable	(765)	(817)	(494)
Intergovernmental receivables	-	-	-
Due from other funds	-	-	-
Inventory of materials and supplies	(63)	-	(1)
Other assets - prepaid expenses	-	-	-
Increase (decrease) in liabilities:			
Vouchers and accounts payable	(319)	(69)	(263)
Accrued salaries, wages and amounts withheld from employees	105	34	24
Accrued claims liability	-	-	-
Other liabilities	-	(57)	-
Other liabilities - refundable deposits	(19)	34	(34)
Compensated absences	92	(72)	13
Retiree health care benefit	17	13	5
Total adjustments	5,562	3,437	602
Net cash provided by operating activities	$ 8,786	$ 4,100	$ 1,428
Noncash investing, capital and financing activities:			
Assets acquired through:			
Capital contributions:			
From governmental funds	$ -	$ -	$ -
From internal service funds	181	-	-
Other	416	354	363
Financed through accounts, contracts and retainage payable	1,296	198	435
Amortization of bond premium	(102)	(761)	(11)
Amortization of deferred loss on bond refundings	180	348	5
Assets transferred to other funds	-	-	-
Increase in fair value of investments	46	16	15
	$ 2,017	$ 155	$ 807

The accompanying notes are an integral part of this statement.

Downtown Commercial District	Nonmajor Enterprise Funds	Total Enterprise Funds	Governmental Activities Internal Service Funds
$ (754)	$ 1,474	$ 5,433	$ 1,108
1,529	179	12,170	6,302
51	-	64	221
56	-	1,818	22
-	-	(2,076)	-
-	-	-	(18)
-	44	44	-
-	-	(64)	-
-	-	-	(115)
(38)	2	(687)	(491)
15	1	179	(14)
-	-	-	179
-	(1)	(58)	-
17	-	(2)	-
22	7	62	(22)
8	1	44	6
1,660	233	11,494	6,070
$ 906	$ 1,707	$ 16,927	$ 7,178
$ -	$ -	$ -	$ 134
-	-	181	-
-	-	1,133	-
18	-	1,947	(326)
(117)	-	(991)	-
45	-	578	-
-	-	-	(181)
9	1	87	61
$ (45)	$ 1	$ 2,935	$ (312)

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FIDUCIARY FUNDS

Pension Trust Funds account for the accumulation of resources to be used for retirement annuity payments at appropriate amounts and times in the future. Resources are contributed by employees and the City at amounts determined by biennial actuarial studies and by State law.

The City of Boulder has the following pension trust funds:

Police Pension Fund – to account for retirement annuity payments for the City's police officers.

Fire Pension Fund – to account for retirement annuity payments for the City's fire fighters.

CITY OF BOULDER, COLORADO

Statement of Fiduciary Net Position

Pension Trust Funds

December 31, 2014

(Amounts in 000's)

Assets:		
Equity in pooled cash and cash equivalents	$	3
Investments:		
U.S. Treasuries		254
U.S. Agencies & Instrumentalities		650
Time Deposits		3
Mutual Funds		16,987
Equity Securities		5,090
Local Government Investment Pools		3
Money Market Funds		530
Real Estate Investment Trust		660
Corporate Bonds		103
Other		676
Receivables:		
Accrued interest		12
Total assets		24,971
Liabilities:		
Accounts and accrued liabilities:		
Accrued pensions payable		77
Net position restricted for pensions	$	24,894

The accompanying notes are an integral part of this statement.

CITY OF BOULDER, COLORADO

Statement of Changes in Fiduciary Net Position

Pension Trust Funds

Year ended December 31, 2014

(Amounts in 000's)

Additions:		
Pension contributions:		
City of Boulder	$	369
Employees		2
Total contributions		371
Investment earnings		1,041
Less investment expense		(72)
Net investment earnings		969
Total additions		1,340
Deductions:		
Benefits		3,071
Administrative		25
Total deductions		3,096
Net (decrease) in net position		(1,756)
Net position restricted for pensions:		
Beginning of year		26,650
End of year	$	24,894

The accompanying notes are an integral part of this statement.

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NOTES TO THE FINANCIAL STATEMENTS

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

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City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Boulder, Colorado (the city) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. A summary of the city's significant accounting policies follows:

1. Reporting Entity

The city is a municipal corporation duly organized and existing under the laws of the State of Colorado. It is a home rule city and adopted a charter pursuant to Article XX of the Constitution of the State of Colorado by vote of the electorate on October 30, 1917. The council/manager form of government was adopted in the city's charter and has been in operation since January 1918. The City Council, an elected body of nine members, is the policy-making arm of the government. Eight of the members of the Council are elected for staggered four-year terms and one is elected for a two-year term, with five council members elected in November of each odd-numbered year. A City Manager, appointed by the Council, serves as the city's Chief Administrative Officer.

In accordance with the Codification of Governmental Accounting and Financial Reporting Standards, the basic financial statements include all funds, organizations, agencies, boards, commissions and authorities for which the city is financially accountable. The city has also considered all other potential organizations for which the nature and significance of their relationships with the city are such that exclusion would cause the city's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a majority of an organization's governing body, and 1) the ability of the city to impose its will on that organization or 2) the potential for that organization to provide specific benefits to or impose specific financial burdens on the city.

Blended component units, although legally separate entities, are in substance part of the city's operations and so data from these units are combined with data of the primary government. Each discretely presented component unit, on the other hand, is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the city and the primary government.

Based upon the application of these criteria the city has identified five blended component units and no discretely presented component units. Each of these component units has a December 31 year-end and is included in the accompanying financial statements.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Reporting Entity (Continued)

Blended Component Units

Downtown Commercial District and University Hill Commercial District (the Districts) – These Districts provide parking facilities and services to citizens and are public subdivisions of the State of Colorado, administered by the City Council of the City of Boulder in an ex-officio capacity as its Board of Directors. The Districts operate under a formal budget adopted in conjunction with the budget of the city. The Districts are reported as blended component unit Enterprise Funds (proprietary funds); no separate financial statements are issued. In 2007, the Central Area General Improvement District was renamed the Downtown Commercial District and the University Hill General Improvement District was renamed the University Hill Commercial District. The funds were renamed to more appropriately reflect the broad purpose that the operations had come to serve over the last few years.

Boulder Municipal Property Authority (the Authority) – The Authority is responsible for the acquisition and construction of certain city properties and facilities and is a nonprofit corporation and instrumentality of the city, administered by the City Council of the City of Boulder in an ex-officio capacity as its Board of Directors. The Authority operates under a formal budget adopted in conjunction with the budget of the city. The Authority's activities are reported as a blended component unit Enterprise Fund (a proprietary fund); no separate financial statements are issued.

Boulder Junction Access GIDs – In November 2010, two Access General Improvement Districts (GID) were established in the phase one area of Boulder Junction in order to implement the transit-oriented development goals of the City of Boulder. The two GID's are administered by the City Council of the City of Boulder in an ex-officio capacity as its Board of Directors. These services will be provided entirely to the primary government of the city and city management has operational responsibility for the GIDs . The two access districts were created to provide for shared, unbundled parking and for travel demand management programs. The Boulder Junction Access GID – Travel Demand Management (TDM) fund is accounted for as a special revenue fund while the Boulder Junction Access GID – Parking is accounted for as an enterprise fund. These are both reported as blended component units and do not issue separate financial statements.

Related Organizations

A related organization is an organization for which the city appoints a voting majority of the board but for which the city is not financially accountable, either because the city does not impose its will upon the organization or a financial benefit or burden relationship does not exist. These related organizations are not included within the city's financial reporting entity.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

1. Reporting Entity (Continued)

Related Organizations (Continued)

The following two organizations have been identified as related organizations.

Boulder Housing Partners is a separate related organization whose primary purpose is to develop, acquire, subsidize and manage housing units for low to moderate income families and elderly persons and to provide tenant support services.

Downtown Boulder Business Improvement District is a separate related organization whose primary purpose is to provide promotion, marketing, enhanced maintenance and management functions for the district.

2. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the city and its blended component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment, including administrative department allocations of expenses based upon a formal cost allocation plan. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The *government-wide financial statements* and *proprietary fund and fiduciary fund financial statements* are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recorded as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The fiduciary funds recognize plan member contributions in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the city considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Sales and use taxes, property taxes when budgeted for, other taxes, charges for services, intergovernmental revenues when eligibility requirements are met, and interest and investment earnings associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. The portion of special assessments receivable due within the current fiscal period is also considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The city reports the following major governmental funds:

General Fund – The General Fund is the city's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Open Space and Mountain Parks Fund – This special revenue fund accounts for the acquisition and maintenance of greenbelt land and parks. Financing is provided by sales taxes and the issuance of long-term bonds and notes payable.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Transportation Fund – This special revenue fund accounts for the construction, operation and maintenance of all major thoroughfares, local streets, bikeways, walkways and city-owned parking. Financing is provided by sales taxes, the city's share of the County Road and Bridge tax, State Highway Users' tax, State Auto Registration fees and Federal and State reimbursements through the Colorado Department of Transportation.

2011 Capital Improvement Fund – This capital projects fund accounts for the projects and improvements throughout the city approved by the voters in 2011. These improvements are funded by General Fund Bonds (Capital Improvement Projects) Series 2012.

The city reports the following major enterprise funds:

Water Utility Fund – This enterprise fund was established to finance and account for the acquisition, operation and maintenance of water facilities and services. It is predominately self-supported by user charges but also receives revenues from hydroelectric sales and plant investment and connection fees.

Wastewater Utility Fund – This enterprise fund was established to finance and account for the acquisition, operation and maintenance of wastewater facilities and services. It is predominately self-supported by user charges but also receives revenues from surcharge fees, cogeneration sales, and plant investment and connection fees.

Stormwater and Flood Management Fund – This enterprise fund was established to finance and account for the acquisition, operation and maintenance of stormwater and flood management facilities and services. It is predominately self-supported by user charges but also receives revenues from the Urban Drainage District and plant investment fees.

Downtown Commercial District – This district provides parking facilities and services to citizens in the downtown Boulder area. It is predominately self-supported by user charges but also receives general property and other tax revenues.

Additionally, the city reports the following fund types:

Internal service funds are established to finance and account for services and/or commodities required by other funds, on a cost reimbursement basis. The city has funds that account for the costs of acquiring, operating and maintaining certain types of equipment and facilities, costs for city-wide insurance programs and funding for certain governmental fund compensated absences liabilities.

Pension trust funds account for the accumulation of resources to be used for retirement annuity payments for the city's police officers and fire fighters.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes, interest and investment earnings, and miscellaneous revenues.

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water Utility Fund, Wastewater Utility Fund, Stormwater and Flood Management Fund and Downtown Commercial District are charges to customers for sales and services. The Water Utility Fund also recognizes as operating revenue the portion of tap fees intended to recover the cost of connecting new customers to the system. Operating revenues in the blended component unit Boulder Municipal Property Authority are received from the city in the form of base rentals on open space and parks property. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

4. Budgets

Budgets are adopted on a budgetary basis as described in Note C. The city budgets revenues and expenditures/expenses for all funds except Fiduciary Funds and the Gifts and Contributions Fund. Pension Trust Fiduciary Funds each have an independent board, which review all expense, refund, disability and investment transactions. The Gifts and Contributions Fund does not have an adopted budget as control over expenditures is provided by the Library Foundation. All annual appropriations lapse at year ended December 31, 2014.

The budget of the city is a detailed operating plan, which identifies estimated costs and results in relation to estimated revenues and represents a process through which policy decisions are made, implemented and controlled. The City Charter requires that the city establish a budgetary system for general operations and prohibits expending funds for which there is no legal appropriation.

Local city code states that total expenditures for each fund cannot exceed the amount appropriated. The fund is, therefore, the level of control on which expenditures may not legally exceed appropriations. In the Enterprise Funds, budgeting at the operating, capital and debt service expense level provides further control.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

4. Budgets (Continued)

Although appropriations lapse at year-end, subsequent year's appropriations provide authority to complete transactions involving encumbrances outstanding at year-end. The City Charter stipulates that, at any time after the adoption of the annual appropriation ordinance and after at least one week's public notice, the City Council may transfer unused fund balances appropriated for one purpose to another purpose and may by ordinance appropriate available revenues not included in the annual budget. This provision does not apply to the Water Utility Fund, Permanent Parks and Recreation Fund or Library Fund. Available fund balances not required for operations and capital improvements during the year are included in the annual appropriations ordinance. This is done to ensure that excess funds are available for use if the need arises after the adoption of that ordinance. Council approval is still required to transfer unallocated amounts to active operating or capital improvement budgets.

5. Equity in Pooled Cash and Cash Equivalents/Cash and Cash Equivalents

The city utilizes the pooled cash concept whereby cash balances of each of the city's funds are pooled and invested by the city in short-term certificates of deposit, money market deposit accounts, mutual funds, local government investment pools and United States Treasury obligations.

The investment pool is used to maximize interest income while protecting principal. Securities are selected according to their risk, marketability and diversification. Income earnings or losses arising from the investment of pooled cash are allocated to the various funds based on their respective daily average equity in pooled cash.

At year-end, cash in bank accounts, cash on hand, cash held by trustees, certificates of deposit (with an original maturity date less than 90 days) and money market deposit accounts, but not to include restricted cash, are classified as Equity in Pooled Cash and Cash Equivalents. All other securities within pooled cash are reclassified for reporting purposes to investments.

6. Investments

In addition to the cash and cash equivalents mentioned in Note A5, the city authorizes investments in the securities below for the general pooled investments. The Fire and Police Pension Boards adopt and establish separate investment policies for each of the Pension Trust Funds. The city's authorization for general pooled investments is more restrictive than Colorado State statutes and allows the following types of investments:

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

6. Investments (continued)

- Bonds or other interest-bearing obligations of the United States of America or its agencies thereof and Local Government Investment Pools that invest therein.
- Repurchase agreements and reverse repurchase agreements.
- Obligations secured by first liens on real estate or by pledge of specific income or revenue and issued, insured, or guaranteed by an agency or instrumentality of the United States government or State of Colorado.
- Commercial paper (with a rating at the time of purchase in its highest rating categories by one or more nationally recognized rating organizations).
- Eligible bankers acceptances.
- Money market mutual funds (with a rating at the time of purchase of at least AAAm by Standard and Poor's or Aaa by Moody's).
- Corporate Bonds, rated at least AA by Standard & Poor's or Aa2 by Moody's. Authorized corporates shall be limited to corporations organized and operated within the United States with a net worth in excess of $250,000,000.

The city records long-term investments at fair value in accordance with GASB Statement No. 31 using quoted market prices. Short-term investments are reported at cost, which approximates fair value. Pension fund real estate investments are stated at an estimated market value using an annual external appraisal service hired by the real estate company's management team. Other pension fund investments for which market quotations are not readily available are valued at their fair values as determined by the custodian with the assistance of a valuation service. The city authorizes the purchase and sale of investments, except for those held in the Pension Trust funds, which are controlled by the Fire and Police Pension Boards as trustees.

Since many of the city monies are designated for specific uses, maturities are selected to coincide with the periods these monies will be spent. For those securities sold prior to maturity, the specific identification method is used in determining gain or loss. Investment earnings are recorded when earned since they are measurable and available.

The city invests in two external local government investment pools, COLOTRUST and CSAFE, which are not SEC-registered. These pools are short-term money market funds organized in conformity with Part 7 of Article 75 of Title 24, Colorado Revised Statutes, subject to enforcement by the Colorado Securities Commissioner. The fair value of the position in the pools is the same as the value of the pool shares.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7. Interfund Receivables/Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., short term interfund loans) or "advances to/from other funds" (i.e., long term interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

8. Inventories

Inventories of a material amount are maintained in the General Fund for postage, the Transportation Fund for material supply, the Recreation Activity Fund for golf course clubhouse merchandise and the Water Utility Fund for materials supply. These inventories are valued at lower of cost or market, using the first-in, first-out (FIFO) method. The costs of these inventories are recorded as expenditures when consumed rather than when purchased. All other inventories in the city are considered immaterial and are expensed when purchased.

9. Restricted Assets

Pooled and nonpooled investments restricted for specified uses by gift, fee, grant and retainage requirements are classified as "restricted assets" in the General and Special Revenue Funds. Pooled investments and cash held by paying agents have been restricted in the Capital Project and Enterprise Funds for future capital improvements in compliance with bond ordinances. Additional pooled investments in the Open Space & Mountain Parks and Enterprise Funds have been restricted for debt service bond reserves in compliance with bond ordinances.

10. Capital Assets

All capital assets, including "Public Domain" infrastructure capital assets such as bridges, streets and sidewalks are reported in the applicable governmental or business-type activities columns in the government-wide and proprietary fund financial statements. Capital assets are defined as assets with an initial, individual cost of more than $5,000 ($50,000 for infrastructure) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost. Donated assets are valued at fair value on the date donated. The city does not capitalize historical treasure or works of art. Costs incurred for the purchase or construction of capital assets for governmental activities are recorded as capital outlay expenditures in the governmental funds.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

10. Capital Assets (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets, net of any related interest income, is included as part of the capitalized value of the assets constructed for business-type activities. Interest capitalized in 2014 totaled $146,009.

Depreciation of all exhaustible capital assets is charged as an expense against operations. Accumulated depreciation is reported on the government-wide financial statements. Depreciation has been provided over the estimated useful lives using the straight-line method.

The estimated useful lives are as follows:

Buildings	10-50 years
Improvements other than buildings	20 years
Infrastructure	20-75 years
Utility plant in service	30-40 years
Undergrounds	30-75 years
Machinery, equipment and vehicles	3-20 years

The costs of normal maintenance and repairs that do not add to the value of the capital asset or materially extend the asset's life are not capitalized. Improvements are capitalized and depreciated over the remaining life of the capital asset, as applicable.

Upon sale or retirement of a capital asset, the cost and related accumulated depreciation, if applicable, are eliminated from the respective accounts and any resulting gain or loss is included in the results of operations.

11. Compensated Absences

Upon termination or retirement, all unused vacation pay, unused sick pay based on certain service requirements, an appreciation bonus dependent upon employee length of service, and compensation time per the police employees contract, must be paid to the employee. These compensated absences are recognized when earned in proprietary fund types and when due in governmental fund types. A liability for these amounts is reported in the government-wide financial statements when earned.

12. Deferred Outflows/Inflows of Resources

A deferred outflow of resources is a consumption of net position by the city that is applicable to a future reporting period and a deferred inflow of resources is an acquisition of net position by the city that is applicable to a future reporting period. Both deferred inflows and outflows are reported in the statement of net position but are not recognized in the fund financial statements as revenues and expenditures until the period(s) to which they relate.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

12. Deferred Outflows/Inflows of Resources (Continued)

Under the modified accrual basis of accounting, revenues and other fund financial resources are recognized in the period in which they become both measurable and available. Assets recorded in the fund financial statements for which the revenues are not available are reported as a deferred inflow of resources.

Deferred outflows of the entity consist of a deferred charge on refunding in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Deferred inflows of resources consist of property taxes receivable and reimbursement based grants, as applicable in the government-wide and fund financial statements.

13. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are amortized over the life of the bonds using the effective interest rate method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, losses on refunding, as well as bond issuance costs in the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances and losses on debt refunding are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, and debt principal payments are reported as debt service expenditures.

Debt service for the major utility funds is paid from monies provided by those funds. The blended component unit Boulder Municipal Property Authority pays debt service from revenues received from the city in the form of base rentals on open space and parks property.

14. Fund Balances and Net Position

In the governmental funds financial fund statements, there are five categories of fund balances that have been used. These include nonspendable, restricted, committed, assigned and unassigned.

Nonspendable – this category pertains to any fund equity that has permanent limitations on it. This includes prepaid expenditures, inventory, and endowments. These items cannot be converted to cash and, therefore, are not an available resource for the city.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

14. Fund Balances and Net Position (Continued)

Restricted – funds are reported as restricted when constraints are imposed by creditors, grantors, laws or regulations of other governments, or by law through constitutional provisions or enabling legislation. Any constraint imposed by an outside entity on the use of funds for a specific purpose results in the fund balance being shown as restricted.

Committed – Any formal action, ordinance or resolution, of City Council, the highest level of decision making authority, which places constraints on the use of funds to a specific purpose is categorized as committed fund equity. Actions to remove the constraints, regardless if they were imposed by an ordinance or a resolution, would require the same level of difficulty needed to place constraints on the use of funds to a specific purpose.

Assigned – This category is used when the intent of the city is to use the funds for a specific purpose. The City Manager or Chief Financial Officer of the city may assign fund balance to specific purposes pursuant to the general authority granted within the City Charter Articles V & VI.

Unassigned – This classification is for fund balance that does not meet the criteria for inclusion in one of the other four classifications.

Order of spending: When expenditures are incurred that can use funds from more than one classification, the city will generally determine the order which the funds are used on a case-by-case basis, taking into account any applicable requirements of grant agreements, contracts, business circumstances, or other constraints. If no other constraints exist, the order of spending of resources will be restricted, committed, assigned and lastly, unassigned.

The fund balance of certain special revenue and capital project funds have been restricted where the fund was created through legislation that includes a legally enforceable restriction on the use of revenues (Note S).

In the government-wide and proprietary funds financial statements, there are three categories of net position used. These include net investment in capital assets, restricted and unrestricted.

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net investment in capital assets, excludes unspent bond proceeds. Unspent bond proceeds as of December 31, 2014 totaled $20,528,977 consisting of $2,934,796 for the Water Utility Fund, $670,139 for the Wastewater Utility Fund, $324,984 for the Stormwater and Flood Management Fund, $309,094 for the Downtown Commercial District Fund, and $16,289,964 for Capital Bond Proceeds.

Fiduciary funds report net position held in trust for pension benefits.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

1. Explanation of Certain Differences Between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Position

The city includes a reconciliation between fund balance-total governmental funds and net position-governmental activities as reported in the government-wide statement of net assets.

One element of that reconciliation explains that "capital assets used in governmental activities are not financial resources and are not reported within the funds." The details of this difference are as follows (amounts in 000's):

	Governmental Fund Capital Assets	Internal Service Fund Capital Assets	Total Capital Assets - Governmental Activities
Land and easements	$ 282,693	$ 117	$ 282,810
Buildings	27,481	87,117	$ 114,598
Improvements other than buildings	64,478	8,611	$ 73,089
Infrastructure	403,782	468	$ 404,250
Machinery, equipment and vehicles	5,401	42,337	$ 47,738
Construction-in-progress	58,936	1,656	$ 60,592
Total capital assets	842,771	140,306	983,077
Less accumulated depreciation	(332,621)	(79,344)	(411,965)
Capital assets, net	$ 510,150	$ 60,962	$ 571,112

Another reconciling item explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this difference are as follows (amounts in 000's):

General obligation bonds	$ 79,610
Taxable obligation bonds	7,812
Capital Lease, excluding internal service funds	46
Compensated absences, excluding internal service funds	12,408
Deferred Outflows, excluding internal service funds	(130)
Retiree health care benefits payable, excluding internal service funds	1,822
Interest payable, excluding internal service funds	799
Governmental fund long-term liabilities	$ 102,367

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE B – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (CONTINUED)

2. Explanation of Certain Differences Between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities

The city includes a reconciliation between net changes in fund balances-total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation states that "debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This amount is the net effect of these differences in the treatment of long-term debt and related items."

The details of the $1,946 decrease from changes in the treatment of long-term debt and related items are as follow (amounts in 000's):

Debt issued or incurred:	
Issuance of General Obligation Bonds	$(10,000)
Premiums received on new issuances	(123)
Increase in compensated absences	(2,758)
Increase in retiree health care benefit	(677)
Total debt issued or incurred	(13,558)
Principal repayments or reductions	
Repayments	9,390
Amortization of debt premium	582
Bond Payments	9,972
Capital lease obligation	35
Decrease in compensated absences, excluding Internal Service Funds	1,273
Decrease in retiree health care benefit, excluding Internal Service Funds	389
Total principal repayments or reductions	11,669
Other long term liabilities	
Change in accrued interest payable	34
Amortization of deferred loss on refunding	(91)
Total other related items	(57)
Net adjustment to increase net changes in fund balances – total governmental funds to arrive at changes in net position of governmental activities – debt and related items	$ (1,946)

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE C – LEGAL COMPLIANCE – BUDGETS

City management, with the approval of the Budget Office, may transfer budgeted amounts within a fund without City Council approval. Excluded are transfers between operating, capital and debt service budgets in the Enterprise Funds. The City Manager must approve increases and decreases to appropriations and estimated revenues in the Internal Service Funds.

The amended budget appropriations changed from the original appropriations adopted by the City Council. Some of the more significant changes are summarized below:

1) $4,456,000 increase to the Transportation Fund from CDOT RAMP (Responsible Acceleration of Maintenance and Partnerships) funding to extend the SH 119 / Diagonal reconstruction project.

2) $4,500,000 increase in the Transportation Fund from new Transportation Sales and Use Tax revenues to be used for pavement maintenance, routine maintenance, Transit / TDM / Planning, adding additional capacity to improve Multi-modal system and to replenish operating reserve due to 2013 flood expenditures.

3) $2,000,000 increase in the General Fund for enforcement, administration, training, education and contingency funding for unexpected costs related to non-medical marijuana.

4) $1,000,000 increase in the Open Space and Mountain Parks Fund from fund balance to provide additional in 2014 for repairs and reconstruction of infrastructure damaged during the 2013 flood.

5) $800,000 increase in the Water Utility Fund from fund balance within the Water Fund for increased main replacement funding.

6) $414,077 increase to Facility Renovation and Replacement Fund for additional work on the Boulder Main Library.

The city's basis of budgeting differs from GAAP in several ways:

GAAP expenditures *not* treated as expenditures using the basis of budgeting:

- All fund types – adjustment to accrued salaries, wages and amounts withheld from employees, adjustment to compensated absences, adjustment to accrued interest payable (certain debt).
- Proprietary fund types – depreciation and amortization of deferred charges, bond premiums and deferred refunding losses, capital assets reassigned to other funds.

Expenditures using the basis of budgeting *not* treated as GAAP expenditures:

- All fund types – encumbrances, payments on advances from other funds, intrafund transfers, adjustments to accrued interest payable (certain debt).

NOTE C – LEGAL COMPLIANCE – BUDGETS (CONTINUED)

- Proprietary fund types – capital outlay including capital assets acquired through issuance of long-term lease purchase revenue notes, principal retirement, reduction in deferred credit, refunding of debt.

GAAP revenues *not* treated as revenues using the basis of budgeting:

- All fund types – fair market value adjustment to investments.

Revenues using the basis of budgeting *not* treated as GAAP revenues:

- Proprietary fund types – long-term debt proceeds.

Non-compliance:

As of December 31, 2014, the City had three funds in deficit fund balance non-compliance as follows:

Airport Fund	$ 13,000
Community Development Fund	5,000
HOME Fund	2,000

The Community Development Fund and the HOME Fund had two small grant receivables which were not received within 60 days of year end. As a result, the revenue for these two receivables is reported as deferred inflows of resources in the amount of $5,000 and $2,000 respectively. This deferral of revenue resulted in a negative fund balance in these same amounts since the related payroll payables were recognized as expenditures while the corresponding revenue was deferred.

The Airport Fund also had a small negative fund balance in the amount of $13,000. The Airport Fund had significant projects ongoing at year end, resulting in a large unexpected accounts payable at December 31, 2014. This unexpected large accounts payable accrual resulted in a temporary negative fund balance in the Airport Fund.

NOTE D – LEGAL COMPLIANCE – TABOR

The voters of Colorado at the general election held in the State on November 3, 1992 approved an amendment to the Colorado Constitution (Article X, Section 20 “The Taxpayer’s Bill of Rights” or TABOR). The language of TABOR applies to the State and all local governments, including the city.

TABOR generally requires that the voters of the city approve any new tax, increase of an existing tax, property tax mill levy increase, assessed valuation ratio increase, tax extension or tax policy change of the city that results in an increase in taxes. TABOR also limits increases in the city’s property tax revenue over the prior year to the rate of inflation plus the net percentage change in the actual value of all real property in the city from construction of improvements and additions to taxable real property, unless otherwise approved by the voters. In addition to revenue limits, TABOR also limits increases in the city’s spending over the prior year to the rate of inflation plus the net percentage change in the actual value for all real property in the city from construction of improvements and additions to taxable real

NOTE D – LEGAL COMPLIANCE – TABOR (CONTINUED)

property, unless otherwise approved by the voters. The initial base years for this limit on spending increases by the city are the 1992 fiscal year of the city and 1991 property taxes collected in 1992. Any revenues collected in excess of these limits on spending and property tax revenue are required to be refunded during the next fiscal year.

On November 2, 1993, the voters within the City of Boulder approved a ballot question which authorizes the city to collect, retain and expend the full proceeds of the city's sales and use tax, admissions tax, accommodations tax and nonfederal grants notwithstanding any TABOR restrictions.

At the November 8, 1994 election, the voters approved an increase in the city's trash tax and also approved an education excise tax. Both of these ballot issues included language which allowed the city to collect and spend the full proceeds of the tax and any interest earnings thereon.

On November 5, 1996, the voters within the City of Boulder approved a ballot question by a vote of 21,832 to 16,170 which removed the TABOR restriction on all revenues (except property tax) and expenditures of the city, eliminated the emergency reserve requirements, and authorized the collection, retention and expenditure of all revenues of the city free from current revenue and expenditure limitations and from any limitations that may be enacted in the future without the amendment of the City Charter by the electors of the city.

On November 4, 2008, the voters within the City of Boulder approved a ballot question which removed the remaining TABOR restriction on property tax revenues collected in 2009 and beyond. The increase in retained taxes starting in tax collection year 2009 will be limited to 1/2 mill per year until the full amount of the existing city property tax levy of 11.981 mills is restored and retained, which occurred in 2012.

TABOR remains in full effect for the blended component units Downtown Commercial District and University Hill Commercial District.

TABOR is very complex and open to interpretation. However, at December 31, 2014, the city believes it was in compliance with TABOR (see Note L).

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE E – DEPOSITS AND INVESTMENTS

At December 31, 2014, the city had the following in cash and investments (in 000's):

Cash and deposits	$ 12,054
Investments	281,091
Total	$ 293,145

Cash and investments are reported in the financial statements as follows (in 000's):

Citywide Investments	
Equity in pooled cash and cash equivalents	$ 12,051
Investments	233,138
Restricted investments	22,997
	268,186
Fiduciary Fund Investments	
Equity in pooled cash and cash equivalents	3
Investments	24,956
	24,959
Total	$ 293,145

Deposits

Custodial Credit Risk – Deposits. For deposits, this is the risk that in the event of a bank failure, the city's deposits may not be returned. Title 2, Chapter 10 of the Boulder Revised Code (1981) requires that depositories belong to the FDIC and qualify as a depository of public funds in the state under the Colorado Public Deposit Protection Act (PDPA) as defined in 24-75-603, C.R.S. As of December 31, 2014, all financial institutions holding deposits for the City of Boulder have been identified as eligible public depositories under PDPA by the State of Colorado Division of Banking. PDPA requires that any amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

At December 31, 2014, the city had cash on hand of $25,000. In addition, at December 31, 2014, the carrying amount of the city's deposits at JPMorgan Chase was $12,023,810 while the bank statement balance was $14,881,463. On November 9, 2010, the FDIC issued a final rule to implement Section 343 of the Dodd-Frank Wall Street Reform and Consumer Protection Act that provided temporary unlimited deposit insurance coverage for noninterest-bearing transaction accounts at all FDIC insured depository institutions. The insurance coverage went into effect on December 31, 2010, and expired on December 31, 2012, leaving $250,000 of the city's operating accounts under FDIC coverage and $14,631,463 properly collateralized under the Public Deposit Protection Act.

Investments – Citywide (excludes Fiduciary Funds)

As of December 31, 2014, the city had the following investments:

Investment Type	Fair Value (000's)
Local Government Investment Pools	$ 19,033
U.S. Treasuries	67,835
U.S. Instrumentalities	160,269
Time Deposits	8,998
Total	$ 256,135

Credit Risk – Investments. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Title 2, Chapter 10 of the Boulder Revised Code (1981) limits the city's investment activity to specific types of investments as disclosed in Note A6. Rating requirements for Federal Instrumentality securities are not addressed within the code but it does limit investments in commercial paper to issues with a credit rating of at least A-1 by Standard and Poor's or P-1 by Moody's. Credit rating requirements for eligible banker's acceptances are not addressed. Local government investment pools and money market mutual funds must have a rating at the time of purchase of at least AAAm by Standard and Poor's or Aaa by Moody's. Corporate bonds must have a credit rating of at least AA by Standard & Poor's or Aa2 by Moody's.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Citywide (excludes Fiduciary Funds) (Continued)

As of December 31, 2014, the city held investments with the following credit ratings:

Issuer	Fair Value (000's)	Ratings: Standard & Poors	Ratings: Moody's
U.S. Instrumentalities			
FHLB	$ 48,015	AA+	Aaa
FNMA	54,483	AA+	Aaa
FFCB	21,057	AA+	Aaa
FHLMC	36,714	AA+	Aaa
Local Government Investment Pools	19,033	AAAm	N/A

Interest Rate Risk – Investments. For investments, this is the risk that changes in interest rates will adversely affect fair market values. In accordance with Title 2, Chapter 10 of the Boulder Revised Code (1981) the weighted average maturity of the city's portfolio shall at no time exceed five years. As of December 31, 2014, the weighted average maturity of the city's pooled investment portfolio was 1.61 years as detailed in the following chart:

Investment Type	Fair Value (000's)	Weighted Average Maturity (years)
U.S. Treasuries	$ 67,835	2.13
FHLB	48,015	1.61
FNMA	54,483	1.22
FFCB	21,057	1.41
FHLMC	36,714	2.33
Time Deposits	8,998	1.04
Local Government Investment Pools	19,033	0.00
Total fair value	$ 256,135	
Portfolio weighted average maturity		1.61

Custodial Credit Risk – Investments. This is the risk that, in the event of the counterparty's failure, the city will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. In accordance with the Boulder Revised Code, the city utilizes a third-party safekeeping arrangement with JP Morgan Chase, N.A. to minimize custodial credit risk.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Citywide (excludes Fiduciary Funds) (Continued)

As of December 31, 2014, the city is invested in Colorado Government Liquid Asset Trust Plus (COLOTRUST Plus), Colorado Government Liquid Asset Trust Prime (COLOTRUST Prime) and the Colorado Surplus Asset Fund Trust (CSAFE), investment vehicles established for local government entities in Colorado to pool surplus funds. The pools are regulated by the Colorado Securities Commissioner. These pools operate similar to a money market fund and each share is equal in value to $1.00. Investments of the pools consist of U.S. Treasury bills, notes and note strips, commercial paper allowed by state statute and repurchase agreements collateralized by U.S. Treasury securities and or U.S. Instrumentalities. A designated custodial bank provides safekeeping and depository services to the pools in connection with the direct investment and withdrawal functions of the pools. Securities owned by the pools are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the specific pool.

The above investment pools and money market mutual funds are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Concentration of Credit Risk – Investments. Concentration of credit risk is the risk of loss attributed to the concentration of the city's investment in a single issuer. The Boulder Revised Code does not specifically address concentration of credit risk. 5% or more of the city's investments were held by the following issuers as of December 31, 2014:

Issuer	Fair Market Value (in 000's)	Percentage of Total Portfolio
Federal Home Loan Bank	$ 48,015	19%
Federal Farm Credit Bureau	21,057	8%
Federal National Mortgage Association	54,483	21%
Federal Home Loan Mortgage Corporation	36,714	14%

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Fiduciary Funds

As of December 31, 2014, the Police and Fire Pension Funds had the following investments:

Investment Type	Fair Value (in 000's)	Maturities in Years <1	1-2	3-5	5-10	>10
Local Government Investment Pools	$ 3	$ 3	$ -	$ -	$ -	$ -
U.S. Treasuries	254	1	6	12	100	135
U.S. Instrumentalities and Agencies	650	91	14	194	351	-
Time Deposits	3	2	1	-	-	-
Corporate Bonds	103	-	103	-	-	-
Subtotal	$ 1,013	$ 97	$ 124	$ 206	$ 451	$ 135
Money Market Funds	530					
Mutual Funds	16,987					
Equities	5,090					
Real Estate Investment Trust	660					
Other	676					
Total	$ 24,956					

Credit Risk – Pension Investments. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The "Old Hire" Police Pension Fund investment policy was revised on October 9, 2012 and adopted on December 10, 2012. The "Old Hire" Fire Pension Fund investment policy was revised on September 2013, and formally adopted on November 18, 2013. The "Old Hire" Police Pension Fund has a risk tolerance of no more than a 16.5% annual loss, with a statistical confidence level of 95%. The "Old Hire" Fire Pension Fund has a risk tolerance of no more than a 19.9% annual loss, with a statistical confidence level of 95%.

At December 31, 2014 the pension funds held investments with credit ratings as follows:

Issuer	Fair Value (000's)	Ratings: Standard & Poors	Moody's
Local Government Investment Pools	$ 3	AAAm	N/A
U.S. Instrumentalities and Agencies	650	AA+	Aaa
Corporate Bond – JPMorgan Chase	103	A	A3

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Fiduciary Funds (Continued)

Concentration of Credit Risk – Pension Investments. Concentration of credit risk is the risk of loss attributed to the concentration of the city's investment in a single issuer. The "Old Hire" Police Pension Fund investment policy states that equity holdings in any one company should not exceed more than 15% of the fair value of the Fund's assets and that not more than 25% should be invested in any one industry. Fixed Income Portfolio Securities, other than U.S. government or agency securities, cannot exceed 10% by any one issuer. At December 31, 2014, no single issuer held more than 10% of either pension fund's portfolio.

In the revised investment policy, which was effective November 2014, the "Old Hire" Police Pension Fund, Long-Term Account, has a specified risk tolerance not to exceed a 16.5% loss in any year. To maintain a 95% confidence level that this performance level is met, the board selected the following asset classes and allocations for each class:

Asset Allocation	Lower Limit	Strategic Allocation	Upper Limit
Domestic Large Cap	19%	31%	35%
Domestic Small Cap Core	1%	4%	7%
International Equity	9%	12%	15%
Emerging Markets	0%	4%	6%
Domestic Fixed Income	24%	27%	30%
Floating Rate Corporate Loans	6%	9%	12%
High Yield	0%	3%	6%
Real Estate	2%	5%	8%
Commodities	2%	5%	8%

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Fiduciary Funds (Continued)

In the revised investment policy, which was adopted on November 18, 2013 , the "Old Hire" Fire Pension Fund, Long-Term Account, has a specified risk tolerance not to exceed a 19.9% loss in any year. To maintain a 95% confidence level that this performance level is met, the board selected the following asset classes and allocations for each class:

Asset Allocation	Lower Limit	Strategic Allocation	Upper Limit
Domestic Large Cap	25%	28%	31%
Domestic Mid Cap	2.5%	5.5%	8.5%
Domestic Small Cap	2.5%	5.5%	8.5%
International Equity	10%	13%	16%
Emerging Markets	1%	4%	7%
Domestic Fixed Income	24%	27%	30%
Floating Rate Corporate Loans	5%	8%	11%
High Yield	1%	4%	7%
Commodities	2%	5%	8%

At December 31, 2014 the asset class allocations were within the maximum limits.

Investment concentrations in one organization that represent over 5% of each "Old Hire" pension plan's fiduciary net position are as follows:

"Old Hire" Police Pension Fund

Issuer	Fair Market Value (in 000's)	Percentage of Total Portfolio
Eaton Vance Floating Mutual Fund	$ 1,186	9%
Fidelity Total Bond Fund	1,048	8%
Artisan International Fund	828	6%
Brandes International Equity Fund	732	5%
Principal US Property Separate Account real estate	660	5%

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE E – DEPOSITS AND INVESTMENTS (CONTINUED)

Investments – Fiduciary Funds (Continued)

"Old Hire" Fire Pension Fund

Issuer	Fair Market Value (in 000's)	Percentage of Total Portfolio
Eaton Vance Floating Mutual Fund	$ 999	9%
Fidelity Total Bond Fund	1,540	14%
Metropolitan West Mutual Fund	1,544	14%
Artisan International Fund	764	7%
Artisan Mid Cap Equity Fund	599	5%
Brandes International Equity Fund	695	6%
Diamond Hill Small Cap Mutual Fund	565	5%
Dodge & Cox Stock Fund	954	9%
Harbor Cap Appreciation Fund	946	9%
Vanguard 500 Index Fund	950	9%

Custodial Credit Risk – Pension Investments. This is the risk that, in the event of a counterparty's failure, the city will not be able to recover the value of its investments. The "Old Hire" Police Pension Fund investment policy states that a custodian bank will maintain possession of securities owned by the Fund. The "Old Hire" Fire Pension Fund's investment policy was revised to require a custodian bank to maintain possession of securities in September 2008. All of the pension securities, with the exception of the Principal RESA account, are held by the Fund's third party custodian, Charles Schwab Institution, in the pension's name.

Interest Rate Risk – Pension Investments. This is the risk that changes in interest rates will adversely affect the portfolio's fair market value. The "Old Hire" Police Pension Fund investment policy specifies a targeted rate of return of 7.5%, for its long-term account. The "Old Hire" Fire Pension Fund investment policy specifies a targeted rate of return of 7.5% for its long-term account.

Taxable Pension Obligation Bonds. In order to allow the city to establish more predictable pension obligation payment schedules for firefighters and police officers hired before April 8, 1978, taxable pension obligation bonds were issued on October 26, 2010. Proceeds of $5,469,000 and $3,531,000 were deposited into money market mutual funds for the "Old Hire Police" and "Old Hire Fire" pension fund accounts, respectively. These deposits are held by a third-party custodian, Charles Schwab Institutional, in each pension's name.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE F – PROPERTY TAXES RECEIVABLE

Property taxes for the city are levied by the City Council and certified to Boulder County for collection by December 15 of each year. These taxes attach as an enforceable lien on property as of January 1 of the succeeding year and are payable in full by April 30 or in two installments by June 15 in the year of collection.

Property taxes levied in 2014 for collection in 2015 of $28,652,000 in the General Fund, $37,000 in the Special Revenue Funds, $2,325,000 in the Capital Projects Funds and $1,213,000 in the Enterprise Funds, are included in receivables and deferred inflows at December 31, 2014. These taxes are classified as deferred inflows since they are not normally available to the city until mid-2015 and are budgeted for in 2015.

NOTE G – NOTES RECEIVABLE

The December 31, 2014 balance in "notes receivable" included two long-term notes receivable. The following summarizes the notes receivable and the amounts due within one year (amounts in 000's):

	Governmental Activities		Business-type Activities	
Type of note receivable	Current	Noncurrent	Current	Noncurrent
Land Sale to Boulder County	$ -	$ -	$ 146	$ 153
HHS Construction Loan	-	903	-	-
	$ -	$ 903	$ 146	$ 153

NOTE H – OTHER RECEIVABLES

The City of Boulder recognizes various receivables when earned. Revenues are recognized as appropriate based on the measurement focus and basis of accounting as discussed in Note A. An allowance for doubtful accounts is recognized as appropriate based upon management's estimate of the collectability of the various receivables. No allowance is provided for utility service charges since delinquent amounts are certified as a lien against the property billed and are expected to be fully collectible. As of December 31, 2014, no allowance for doubtful accounts was recognized.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE H – OTHER RECEIVABLES (CONTINUED)

The December 31, 2014, balance in "other receivables" contains the following detail (amounts in 000's):

Type of Note Receivable	Governmental Activities	Business-type Activities	Total
Accounts	$ 2,805	$ 300	$ 3,105
Charges for services	-	3,266	3,266
Accrued interest	377	140	517
Intergovernmental	5,960	5,844	11,804
Other	1	-	1
	$ 9,143	$ 9,550	$ 18,693

NOTE I – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014, was as follows (amounts in 000's):

Governmental Activities:

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Capital assets not being depreciated:					
Land and easements	$ 277,523	$ 5,267	$ 20	$ -	$ 282,810
Construction in progress	45,844	29,606	(14,382)	(474)	60,594
Total capital assets, not being depreciated, net	323,367	34,873	(14,362)	(474)	343,404
Capital assets being depreciated:					
Buildings	114,043	1,102	510	(1,057)	114,598
Improvements other than buildings	66,876	2,077	4,135	-	73,088
Infrastructure	389,329	6,039	8,880	-	404,248
Machinery and equipment	43,878	4,143	837	(1,120)	47,738
Total capital assets, being depreciated	614,126	13,361	14,362	(2,177)	639,672
Less accumulated depreciation for:					
Buildings	56,322	3,656	-	(188)	59,790
Improvements other than buildings	27,670	2,987	-	-	30,657
Infrastructure	289,942	5,692	-	-	295,634
Machinery and equipment	23,398	3,489	-	(1,004)	25,883
Total accumulated depreciation	397,332	15,824	-	(1,192)	411,964
Total capital assets, being depreciated, net	216,794	(2,463)	14,362	(985)	227,708
Governmental activities capital assets, net	$ 540,161	$ 32,410	$ -	$ (1,459)	$ 571,112

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE I – CAPITAL ASSETS (CONTINUED)

During 2014, the city had intangible assets of $14.0 million that are included in land and easements in governmental activities above.

Business-type Activities:

	Beginning Balance	Increases	Transfers	Decreases	Ending Balance
Capital assets not being depreciated:					
Land and easements	$ 62,476	$ 200	$ -	$ -	$ 62,676
Construction in progress	4,138	10,026	(662)	(7)	13,495
Total capital assets, not being depreciated	66,614	10,226	(662)	(7)	76,171
Capital assets being depreciated:					
Buildings	49,190	204	24	(12)	49,406
Improvements other than buildings	6,751	150	558	-	7,459
Utility plant in service and undergrounds	490,227	7,649	80	(3,095)	494,861
Machinery and equipment	11,952	252	-	(223)	11,981
Total capital assets, being depreciated	558,120	8,255	662	(3,330)	563,707
Less accumulated depreciation for:					
Buildings	22,078	1,441	-	(2)	23,517
Improvements other than buildings	3,667	346	-		4,013
Utility plant in service and undergrounds	169,826	9,383	-	(243)	178,966
Machinery and equipment	5,342	1,000	-	(112)	6,230
Total accumulated depreciation	200,913	12,170	-	(357)	212,726
Total capital assets, being depreciated, net	357,207	(3,915)	662	(2,973)	350,981
Business-type activities capital assets, net	$ 423,821	$ 6,311	$ -	$ (2,980)	$ 427,152

In 2014, the city capitalized $146,009 of eligible interest costs in the business-type activities capital assets.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE I – CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the city as follows (amounts in 000's):

Governmental Activities:		
General Government	$	63
Administrative Services		825
Public Safety		139
Public Works		11,824
Culture and Recreation		2,483
Open Space and Mountain Parks		375
Housing & Human Services		65
Community Sustainability		50
Total depreciation expense – Governmental Activities	$	15,824
Business-type Activities:		
Water Utility	$	5,684
Wastewater Utility		3,609
Stormwater and Flood Management		1,169
Parking Facilities and Services		1,565
Property and Facility Acquisition		143
Total depreciation expense – Business-type Activities	$	12,170

NOTE J – RISK MANAGEMENT

Property and Casualty Insurance – The city has structured its property and casualty insurance as a self-insurance program since April 15, 1986. The Plan included an Annual Aggregate and Specific Stop Loss coverage through April 15, 1990. Under the current structure, the city pays the first $100,000 of each loss on property claims with an annual aggregate of $200,000. Except for those which are flood or earthquake which have a $200,000 deductible and utility facilities which have a $500,000 deductible. The city pays $500,000 each claim on third-party liability claims; and $10,000 each loss on crime. According to Colorado State law, the city has the protection of governmental immunity above $150,000 per person, $600,000 per occurrence. Excess insurance coverage over this maximum has been purchased through a private insurance carrier in the amount of $10,000,000 per liability claim with an annual aggregate policy limit of $10,000,000, except for public officials, which is on a claims-made basis. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

The City Council has established a reserve policy for the Property and Casualty Fund with a goal of fully funding an actuarially calculated liability as of the end of the prior year at the 80% confidence level. An actuarial study will be completed every two years in order to determine the appropriate reserve levels. As of December 31, 2014, the reserve exceeded this goal by $3,993,000. The next actuarial study will be performed in the first quarter of 2015 and will address claims as of December 31, 2014.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE J – RISK MANAGEMENT (CONTINUED)

In 1997, an internal service fund was established to account for the Property and Casualty funds. Claims paid during the year and estimated to be paid at year-end are charged to this fund. The estimated year-end claims payable is based on the results of an actuarial study.

Changes in the estimated claims payable for the Property and Casualty Insurance Fund during the years ended December 31, 2013 and 2014, were as follows (amounts in 000's):

	2013	2014
Estimated claims payable January 1	$ 1,010	$ 720
Current year claims and changes in estimates	(43)	312
Claim payments	(247)	(199)
Estimated claims payable December 31	$ 720	$ 833
Claims payable due within one year	$ 167	$ 171

Workers' Compensation Insurance – Through December 31, 1992, the city purchased Workers' Compensation Insurance through the Colorado Compensation Insurance Authority. The city received authorization to become self-insured effective January 1, 1993. In 1993, an Internal Service Fund was established to account for these insurance activities. The city hired a third-party administrator to handle claims and estimate reserves. Under the current structure, the city pays the first $450,000 of each workers' compensation claim. The estimated reserves at December 31, 2014, have been established through the completion of an actuarial study and recorded as a liability in the Workers' Compensation Insurance Fund. Benefits are mandated by State Statute. Settled claims have not exceeded commercial insurance coverage in any of the past three fiscal years.

The City Council has established a reserve policy for the Workers' Compensation Insurance Fund with a goal of fully funding an actuarially calculated liability as of the end of the prior year at the 80% confidence level. An actuarial study will be completed every two years in order to determine the appropriate reserve levels. As of December 31, 2014, the reserve exceeded this goal by $219,000. The next actuarial study will be performed in the first quarter of 2015 and will address claims as of December 31, 2014.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE J – RISK MANAGEMENT (CONTINUED)

Changes in the estimated claims payable for the Workers' Compensation Insurance Fund during the years ended December 31, 2013 and 2014, were as follows (amounts in 000's):

	2013	2014
Estimated claims payable January 1	$ 1,162	$ 1,183
Current year claims and changes in estimates	973	936
Claim payments	(952)	(870)
Estimated claims payable December 31	$ 1,183	$ 1,249
Claims payable due within one year	$ 762	$ 775

NOTE K – ACCRUED LIABILITIES

The December 31, 2014, balance in "accrued liabilities" contains the following detail (amounts in 000's):

Type of Accrued Liability	Governmental Activities	Business-type Activities	Total
Accrued salaries, wages and amounts withheld from employees	$ 3,756	$ 560	$ 4,316
Accrued interest	853	434	1,287
Accrued liability – landfill cleanup	-	2,474	2,474
	$ 4,609	$ 3,468	$ 8,077

NOTE L – PROPERTY TAX OVERCOLLECTION LIABILITY

The 2013 mill levy for the City of Boulder for taxes collected in 2014 resulted in an excess of the TABOR (see Note D) allowable property tax revenues by $23,115. The 2014 mill levy for taxes collected in 2015 was voluntarily reduced to compensate for this overcollection.

The balance of remaining overcollections are recorded as an "other liability" in the following funds (amounts in 000's):

Fund	Net Overcollection
Downtown Commerical District	$ 17
University Hill Commercial District	6
	$ 23

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE M – ACCRUED LIABILITY – LANDFILL CLEANUP

Until the late 1980s the city operated the Marshall Landfill. Around the time of the landfill's closure, the city was threatened by a lawsuit by the Department of Justice (DOJ) and the US Environmental Protection Agency (EPA) concerning the cleanup of Marshall Landfill, which is a designated Superfund site. The city was designated a potentially responsible party (PRP) pursuant to the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended by the Superfund Amendment and Reauthorization Act of 1986. The city and certain other PRPs negotiated a proposed consent decree with the DOJ and the EPA, and on May 17, 1988, City Council approved that decree.

The EPA, city and other PRPs subsequently signed the consent decree, which required the settling parties to implement remedial measures at Marshall Landfill for the purpose of cleaning up contaminated groundwater. This included the construction, operation and maintenance of a treatment facility and monitoring system.

The total cost of the cleanup was estimated to be approximately $5.0 million for capital construction and $0.8 million for engineering costs. Under the PRP agreement, which set forth the cost-sharing arrangements for the cleanup, the city's share was estimated at 30% or approximately $1,740,000. This amount, plus $210,000 for project management, contingency, legal and miscellaneous costs, was recorded in the Wastewater Utility Fund. Bonds were issued in 1992, and the proceeds restricted to pay these costs.

This judgment payable was satisfied in 1993 and an additional estimated liability equal to the net present value of average annual expenses of $250,000, or $2,926,595, was recorded for the city's estimated share of operating the treatment facility over the subsequent 20 years. The reasonableness of the average annual expense level is reviewed annually by city engineers and is based on typical operation, maintenance, analytical, and engineering costs of the Marshall Landfill site with adjustments made for inflation and equipment replacement.

The EPA and the Colorado Department of Public Health and Environment (CDPHE) approved a shutdown plan for the Marshall Landfill on November 30, 2004. The shutdown involves mothballing the current treatment facility for three years while the groundwater quality is monitored. The treatment facility must be maintained for the three-year period in a manner that allows start up, if deemed necessary.

The plan provided that if, at the end of three years, no concentrations of contaminants above the shutdown standards occur in the wells and surface water sites that are approved as points of compliance, the treatment plant can be removed. After the treatment facility is removed, an approved long-term monitoring plan will be implemented. The demolition plan would require continued monitoring for the foreseeable future, but at a reduced frequency than was currently in effect. In addition to long-term water sampling and analysis at the points of compliance, the landfill cover or cap would have to be maintained indefinitely.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE M – ACCRUED LIABILITY – LANDFILL CLEANUP (CONTINUED)

The 2005 Marshall Landfill budget of $240,000 was sufficient for all 2005 shutdown, mothballing, sampling and analysis, cap maintenance, and abandonment/encasement of obsolete monitoring wells. Annual costs during the three years (2005-2007) of the three-year shutdown period did not exceed $150,000.

The final shutdown and demolition plan was submitted to EPA and CDPHE in 2008 and the city is awaiting a final determination about the removal of the treatment facility. If the EPA and CDPHE agree to demolition of the facility and long-term monitoring, the annual costs should be less than $100,000. However, the actual annual costs will not be determined until EPA and CDPHE approve the final plan.

Funds to pay any future costs associated with this will be allocated through the collection of wastewater user charges. The December 31, 2014, balance in the "accrued landfill cleanup liability" is $2,474,000.

NOTE N – FUTURE WATER RIGHTS

Under a water allotment contract with the Municipal Subdistrict, Northern Colorado Water Conservancy District (Subdistrict), the city has available 37/480 of the water units available through the Windy Gap Project (a water diversion project on the Colorado River). In 1991, the city sold 43 of its original 80 units to the City of Broomfield for a total of $23,724,500. Under the sales agreement, the city received its final annual payment in 1993. The Raw Water Master Plan recommended that Windy Gap Project supplies be sold due to the high incremental cost of maintaining this portion of the raw water supply. When voting to approve the sales agreement, the City Council also moved that the proceeds be used for the acquisition of replacement water supplies capable of meeting multiple objectives, including diversification of municipal water supply sources, drought protection and maintaining instream flows.

Bonds issued by the Subdistrict in connection with construction of the project totaled $119,280,000 after refunding in 1993. The bonds are not liabilities of the city since the city has an option annually to elect to either pay its share of the debt service and operating costs of the Subdistrict or to request the Subdistrict levy taxes directly through the County Assessor against property owners within the boundaries of the city to pay such costs and expenses. Under its contract, the city will never have ownership of the project, including the water rights.

The city's commitment to pay the annual costs and expenses associated with the acquisition and maintenance of its future water rights continues to be for the original 80 units as follows:

2015	1,655,004
2016	1,697,958
2017	1,700,125

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE N –FUTURE WATER RIGHTS (CONTINUED)

Unearned revenue in the original amount of $10,504,192 at 7% interest was recorded in 1992 in the Water Utility Fund to cover the principal portion of the debt service costs for the 43 units sold to the City of Broomfield. The December 31, 2014 balance was $1,690,593.

NOTE O – LONG-TERM DEBT

The following balances and changes in long-term debt are for the year ended December 31, 2014 (amounts in 000's):

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds	$ 77,717	$ 10,000	$ (8,107)	$ 79,610	$ 8,295
Taxable pension obligation bonds	8,176	-	(364)	7,812	360
Revenue bonds	1,378	-	(1,378)	-	-
Total bonds payable	87,271	10,000	(9,849)	87,422	8,655
Capital lease purchase agreements	9,969	-	(549)	9,420	583
Compensated absences	11,014	2,758	(1,295)	12,477	606
Estimated claims payable (Note J)	1,903	1,248	(1,069)	2,082	946
Retiree health care benefit	1,561	677	(383)	1,855	-
Governmental activities long-term debt	$ 111,718	$ 14,683	$ (13,145)	$ 113,256	$ 10,790

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Business-type activities:					
Bonds payable:					
General obligation bonds	$ 12,390	$ -	$ (1,612)	$ 10,778	$ 1,540
Revenue bonds	74,385		(8,044)	66,341	7,420
Total bonds payable	86,775	-	(9,656)	77,119	8,960
Lease purchase revenue notes	8,949	-	(1,771)	7,178	1,451
Compensated absences	1,246	319	(257)	1,308	163
Retiree health care benefit	233	101	(57)	277	-
Business-type activities long-term debt	$ 97,203	$ 420	$ (11,741)	$ 85,882	$ 10,574

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE O – LONG-TERM DEBT (CONTINUED)

General Obligation Bonds

The city issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities. These bonds, therefore, are reported in the proprietary funds if they are expected to be repaid from proprietary revenues. In addition, general obligation bonds have been issued to refund other general obligation bonds. General obligation bonds are direct obligations and pledge the full faith and credit of the city. In addition, many of the general obligation bonds of the city have a pledge of specific revenues. See Note X for pledged revenue information.

General obligation bonds outstanding at December 31, 2014, are as follows (amounts in 000's):

Purpose	Interest Rates Outstanding	Amount Outstanding	Original Amount
Governmental activities	2.00% - 5.50%	$ 66,310	$ 85,115
Governmental activities – refunding	2.00% - 4.00%	8,565	24,240
Business-type activities – refunding	2.00% - 4.00%	10,315	15,005
		$ 85,190	$ 124,360

Annual debt service requirements to maturity for general obligation bonds are as follows (amounts in 000's):

	Governmental Activities		Business-type Activities		Debt Requirements
Year Ending December 31	Principal	Interest	Principal	Interest	to Maturity
2015	$ 8,295	$ 2,697	$ 1,540	$ 311	$ 12,843
2016	6,440	2,442	1,590	272	10,744
2017	6,660	2,221	1,645	221	10,747
2018	6,235	1,991	1,705	169	10,100
2019	4,665	1,771	720	115	7,271
2020-2024	15,135	6,892	3,115	238	25,380
2025-2029	18,185	3,843	-	-	22,028
2030-2034	9,260	652	-	-	9,912
Total liability	74,875	22,509	10,315	1,326	109,025
Plus bond premium	4,735	-	463	-	5,198
Net liability	$ 79,610	$ 22,509	$ 10,778	$ 1,326	$ 114,223

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE O – LONG-TERM DEBT (CONTINUED)

Taxable Pension Obligation Bonds

The city also issues bonds where the city does not pledge any revenues nor has any obligation to levy any new or increased tax for the payment of debt service. These bonds are issued for the purpose of funding ongoing required pension obligations.

Taxable pension obligation bonds outstanding at December 31, 2014, are as follows (amounts in 000's):

Purpose	Interest Rates Outstanding	Amount Outstanding	Original Amount
Governmental activities	2.00% - 5.00%	$ 7,720	$ 9,070

Annual debt service requirements to maturity for the Taxable Pension Obligation Bonds are as follows (amounts in 000's):

	Governmental Activities		Debt Requirements
Year Ending December 31	Principal	Interest	to Maturity
2015	$ 360	$ 327	$ 687
2016	370	316	686
2017	380	305	685
2018	395	292	687
2019	410	278	688
2020-2024	2,305	1,130	3,435
2025-2029	2,845	587	3,432
2030	655	33	688
Total liability	7,720	3,268	10,988
Plus bond premium	92	-	92
Total liability	$ 7,812	$ 3,268	$ 11,080

Revenue Bonds

The city also issues bonds where the city pledges income derived from the acquired or constructed assets to pay debt service. See Note X for pledged revenue information. In addition, revenue bonds have been issued to refund other revenue bonds.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE O – LONG-TERM DEBT (CONTINUED)

Revenue Bonds (Continued)

Revenue bonds outstanding at December 31, 2014, are as follows (amounts in 000's):

Purpose	Interest Rates Outstanding	Amount Outstanding	Original Amount
Business-type activities	2.00% - 5.00%	10,525	55,225
Business-type activities – refunding	2.00% - 4.125%	50,185	79,660
		$ 60,710	$ 134,885

Annual debt service requirements to maturity for revenue bonds are as follows (amounts in 000's):

	Governmental Activities		Business-type Activities		Debt Requirements
Year ending December 31	Principal	Interest	Principal	Interest	to Maturity
2015	$ -	$ -	$ 7,420	$ 2,547	$ 9,967
2016	-	-	7,445	2,276	9,721
2017	-	-	6,860	1,988	8,848
2018	-	-	7,130	1,698	8,828
2019	-	-	5,900	1,397	7,297
2020-2024	-	-	19,395	3,776	23,171
2025-2029	-	-	5,910	545	6,455
2030	-	-	650	22	672
Total liability	-	-	60,710	14,249	74,959
Plus bond premium	-	-	5,631	-	5,631
Total liability	$ -	$ -	$66,341	$ 14,249	$ 80,590

Lease Purchase Revenue Notes

The Boulder Municipal Property Authority (BMPA) has issued notes where BMPA pledges income, received from the City of Boulder and derived from base rentals of open space and parks property, to pay debt service. These notes are a debt of BMPA, not of the City of Boulder, but are included as a blended component unit of the city (Note A.1). Lease purchase revenue notes outstanding at December 31, 2014, are as follows (amounts in 000's):

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE O – LONG-TERM DEBT (CONTINUED)

Lease Purchase Revenue Notes (continued)

Purpose	Interest Rates Outstanding	Amount Outstanding	Original Amount
Business-type activity	3.25 - 7.00%	$ 7,178	$ 14,469

Annual debt service requirements to maturity for lease purchase revenue notes are as follows (amounts in 000's):

Year Ending December 31	Business-type Activities Principal	Business-type Activities Interest	Debt Requirements to Maturity
2015	$ 1,451	$ 283	$ 1,734
2016	1,401	217	1,618
2017	848	154	1,002
2018	650	118	768
2019	569	94	663
2020-2023	2,259	185	2,444
Total liability	$ 7,178	$ 1,051	$ 8,229

Capital Lease Purchase Agreements

Banc of America Leasing & Capital, LLC – On September 27, 2010, the city entered into a lease purchase agreement with Banc of America Leasing & Capital, LLC. Proceeds of $1,500,000 are being used for capital lease improvements, which include installing solar photovoltaic systems.

All American Investment Group, LLC - On October 25, 2010, the city entered into a capital lease agreement with All American Investment Group, LLC. On January 25, 2012, the city refinanced this lease which included a total of $6,401,534 and an additional $3,241,230 borrowed for a total lease obligation of $9,642,764. The interest rate on this lease is fixed at 2.65%. The refinanced lease extended the life to 2027 with payments continuing to occur in January, April, July, and October. As a result of the refunding, the book value of the assets and liabilities were reduced by $392,250.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE O – LONG-TERM DEBT (CONTINUED)

Capital Lease Purchase Agreements (continued)

Bank of the West – on February 5, 2013, the city entered into a capital lease agreement with Bank of the West. Exercise equipment was purchased at a cost of $105,783, to be used by Parks and Recreation customers for overall wellness purposes.

Capital lease purchase agreement obligations outstanding as of December 31, 2014 are as follows (amounts in 000's):

Purpose	Interest Rates Outstanding	Amount Outstanding	Original Amount
Governmental activities	2.65 - 4.93%	$ 9,420	$ 10,857

Annual debt service requirements to maturity for capital lease payments are as follows (amounts in 000's):

Year Ending December 31	Governmental Activities Principal	Governmental Activities Interest	Debt Requirements to Maturity
2015	$ 583	$ 314	$ 897
2016	594	293	887
2017	631	272	903
2018	684	249	933
2019	739	225	964
2020-2024	4,490	685	5,175
2025-2027	1,699	62	1,761
Total liability	$ 9,420	$ 2,100	$ 11,520

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE O – LONG-TERM DEBT (CONTINUED)

Compensated Absences

The city has accrued, as a liability to current employees, the following amounts of accumulated unused vacation and sick pay, appreciation bonus and compensation time at December 31, 2014 (amounts in 000's):

	Governmental Activities	Business-type Activities
Accrued vacation	$ 8,610	$ 818
Accrued sick pay	1,290	102
Accrued appreciation bonus	2,281	388
Accrued compensation time	296	-
	$ 12,477	$ 1,308

The liability attributable to the governmental funds is recorded as a governmental activities noncurrent liability. It is estimated that $606 of governmental activities and $163 of business-type activities liabilities will be paid in 2015. Governmental liabilities relating to General, Library, Recreation Activity, Community Development and HOME Fund employees are liquidated out of the Compensated Absences Internal Service Fund. Liabilities relating to employees of all other governmental funds are liquidated out of the associated fund.

Arbitrage Liability

Kutak Rock Arbitrage Consulting LLC made calculations for the city to determine if any of the bond issues dated since January 1, 1986, had a liability for rebatable arbitrage at December 31, 2014. These calculations were made taking into consideration the investment instructions, the no arbitrage certificate and the relevant portions of the trust indenture for each of the bond issues. As of December 31, 2014, there is no arbitrage liability.

Refunded Bonds

The city has, at various times in prior years, entered into advance refunding transactions whereby a portion of the proceeds of the refunding bonds were placed in irrevocable escrow accounts and invested in direct, noncallable governmental obligations that, together with the interest earned thereon, will provide amounts sufficient for future payment of all interest and principal on the old bonds. The likelihood of the earnings and principal maturities of the governmental obligations not being sufficient to pay the defeased bond issue appears remote. Accordingly, the escrow accounts and outstanding defeased bonds are not included in the accompanying financial statements. At December 31, 2014, there is $27,055,000 of principal outstanding on defeased bonds.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE O – LONG-TERM DEBT (CONTINUED)

Lease of Criminal Justice Center

During prior years, the city used $1,035,000 of Revenue Sharing Funds towards the cost of construction of the Criminal Justice Center built by Boulder County. The city negotiated an agreement with Boulder County on July 17, 1975, whereby the city leased, for an initial period of 30 (thirty) years, a 20,000 square foot portion of the Center at no additional cost to the city.

This lease was replaced on January 1, 1990, with an agreement whereby the County purchased 15,000 square feet of the city's leasehold interest in the Center and whereby the city, for a one-time payment of $139,538, will lease an additional 2,000 square feet from the County for a period ending at the same time as the original 30 year lease. On March 30, 2005, the city exercised the option to renew its leasehold interest at the Criminal Justice Center for an additional 30 years.

Lease of Public Library Space at the Meadows on the Parkway

The city entered into a lease dated as of September 21, 1988, with Foothills Associates, Inc. for 7,812 square feet to house the Meadows branch of the Boulder Public Library at the Meadows on the Parkway shopping center. The lease agreement was renewed according to the terms of the original agreement which provided the city with the option to extend the lease upon the same conditions for an additional period of time equal to the total period of time that Safeway or the comparable anchor tenant is a tenant at the shopping center. The city pays no rent to Foothills Associates, Inc. but does pay its pro rata share of various common expenses as set forth in the lease agreement.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE P – INTERFUND RECEIVABLES/PAYABLES, AND TRANSACTIONS

Generally accepted accounting principles require disclosure of certain information concerning individual funds.

Due To/From Other Funds

The composition of interfund receivable and payable balances as of December 31, 2014 is as follows (amounts in 000's):

Receivable Fund	Payable Fund	Amount
Planning & Development Services	General	2
.25 Cent Sales Tax	General	62
Climate Action Plan Tax	General	1
Open Space & Mountain Parks	General	54
Airport	General	19
Transportation	General	259
Perminant Parks and Recreation	General	12
Water Utility	General	177
Wastewater Utility	General	5
Stormwater and Flood Management	General	11
CAGID	General	3
Fleet	General	5
Boulder Junction Improvement Fund	Capital Development	146
BMPA Debt Service	Open Space & Mountain Parks	104
General	CDBG	268
General	Home	19
Waste water	Storm Water	41
General	Property and Casulty Insurance Fund	41
General	Fleet	194
Facility Renovation and Replacement	Fleet	22
		$ 1,445

The more significant interfund receivable/payable balances are amounts due from General Fund to Transportation Fund and General Fund due to Water Utility Fund for FEMA grant revenue receipts originally posted to the General Fund, Capital Development Fund due to Boulder Junction Improvement Fund for building permit revenues pertaining to Boulder Junction, Open Space and Mountain Parks due to Boulder Municipal Property Authority for accrued interest on debt, CDBG Fund due to General Fund for temporary working capital and Fleet Fund due to General Fund for temporary working capital. All balances will be repaid within one year.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE P – INTERFUND RECEIVABLES/PAYABLES, AND TRANSACTIONS (CONTINUED)

Advances To/From Other Funds

The composition of interfund advances receivable and payable balances as of December 31, 2014, is as follows (amounts in 000's):

Receivable Fund	Payable Fund	Amount
General Fund	Airport Fund	$ 235
Water Fund	General Fund	655
Fleet Fund	General Fund	993
Downtown Commerical District	Boulder Junction Access GID - Parking	15
		$ 1,898

The Airport Fund owes the General Fund $235,000 at December 31,2014. This advance will be repaid over 6 years with annual payments beginning in 2014.

The General Fund owes the Water Utility Fund $655,319 at December 31, 2014, for funding the purchase of land from the Water Utility Fund for development of a new fire training center in 2009. This advance will be repaid over 15 years with 60 equal quarterly payments including 5% interest beginning in 2009.

The General Fund owes the Fleet Fund $144,460 for funding assistance in the implementation of new parking technology and $848,053 for the Valmont Butte Remediation at December 31, 2014. The parking technology advance will be repaid over 10 years with 40 equal quarterly payments including 5% interest beginning in 2008. The Valmont Butte Remediation advance will be repaid over 10 years with 40 equal quarterly payments beginning in 2012 with an interest rate of 0.75%.

The Boulder Junction Access GID - Parking owes the Downtown Commercial District $14,533 at December 31, 2014. This advance will repaid over 10 years with 10 equal annual payments beginning 2012. The interest rate is 2.50%.

Interfund Transactions

There are various types of interfund transactions which occur between funds. The following information describes the city's 2014 transfers (amounts in 000's). All funds made quarterly payments to the General Fund for indirect expenses, primarily administrative, such as legal, human resources, finance and information technologies.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE P – INTERFUND RECEIVABLES/PAYABLES, AND TRANSACTIONS (CONTINUED)

Interfund Transactions (Continued)

	TRANSFERS OUT				
TRANSFERS IN	**General Fund**	**Transpor-tation**	**Nonmajor Govern-mental**	**Water Utility**	**Wastewater Utility**
General Fund	$ -	$ 28	$ 11	$ 53	$ 18
Open Space & Mountain Parks	1,103	-	-	-	-
Transportation	63	-	-	-	-
Nonmajor Governmental	4,341	444	128	213	213
Water Utility	-	-	-	-	-
Downtown Commercial District	1,525	-	-	-	-
Nonmajor Business-type	425	-	-	-	-
Internal Service Funds	754	-		-	-
Total transfers	$ 8,211	$ 472	$ 139	$ 266	$ 231

	TRANSFERS OUT (Continued)				
TRANSFERS IN	**Stormwater & Flood Management**	**Downtown Commercial District**	**Nonmajor Business-type**	**Internal Service Funds**	**TOTAL**
General Fund	$ 17	$ 1,317			$ 1,444
Open Space & Mountain Parks	-	-	161	-	1,264
Transportation	-	-	-	-	63
Nonmajor Governmental	129	-	-	95	5,563
Water Utility	-	-	-	181	181
Downtown Commercial District	-	-	-	-	1,525
Nonmajor Business-type	-	-	-	-	425
Internal Service Funds	-	-	-		754
Total transfers	$ 146	$ 1,317	$ 161	$ 276	$ 11,219

NOTE Q – RELATED PARTY TRANSACTIONS

Boulder Housing Partners is a separate related organization as explained in Note A1. During 2014, Boulder Housing Partners received grant funding of $1,395,700 from the city. These grants were awarded to Boulder Housing Partners in a competitive application process. In addition to the grant funding above, Boulder Housing Partners received other operating assistance and support in 2014 totaling $29,570.

During 2014, Boulder Housing Partners participated in the city's employee benefit plans including health care, dental, life, and vision insurance options, etc. for the benefit of its employees. Boulder Housing Partners reimbursed the city for the full cost of these benefits. There was no receivable from Boulder Housing Partners at December 31, 2014.

NOTE R – REVOLVING LOAN PROGRAM

During 2000, the city entered into an agreement with Funding Partners for Housing Solutions, Inc. (FP) for operation of a revolving loan fund to assist home buyers' purchases of homes located in the City of Boulder. Under this agreement, the city approves the loan applications and FP administers the revolving loan program by providing all legal documents, coordination with Fannie Mae and FHA programs, monitoring and servicing of the outstanding loans, and revolving the loan funds back into new loans. The city provided a total of $709,654 in 2000, 2001, and 2009 as the seed funding for this revolving loan program. Beginning in 2011, the agreement with FP is subject to annual renewal. If the agreement for the revolving loan program is terminated, FP will assign and return all outstanding loans and program balances over to the city.

NOTE S – RESTRICTED NET POSITION AND SIMILAR FUND BALANCE LIMITATIONS

TABOR Emergency Reserves: At December 31, 2014, net position for Business-type Activities of $162,500 and $6,071, respectively, were restricted in the Downtown Commercial District and University Hill Commercial District for TABOR emergency reserves.

Restricted Net Position and Similar Fund Balance Restrictions: Restricted net position and fund balances have been classified into the following broad categories. Net position identified as Legally Restricted are restricted by external sources such as grantors and tax ballot language. Net position identified as Debt Service are restricted by bond ordinances for future debt service. Net position restricted for Capital Projects includes revenues restricted for capital acquisition projects. Development restrictions are largely revenues, such as impact fees or special tax proceeds limited to specific operations or purposes, such as acquisition, development and maintenance of parks and open space lands and trails. Lottery Funds are restricted by state statute for specific projects as defined within the Colorado Constitution Article XXVII for parks, recreation and open space projects. Donor Restrictions are limitations placed upon the use of proceeds by the original donor.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE T – COMMITMENTS AND CONTINGENCIES

1. Litigation

A number of claims against the city are pending for injuries received, tax and assessment appeals, water applications and rights, and other miscellaneous cases. In the opinion of management and legal counsel, the final settlement of these matters will not have a material adverse effect on the financial statements of the city.

Valmont Butte Allied Piles Site Voluntary Cleanup Agreement (VCUP) – The city presented a voluntary cleanup plan to the Colorado Department of Public Health and Environment (CDPHE). This plan was approved under the Colorado Voluntary Cleanup Program. As required by CDPHE, site remediation actions in the VCUP started by August 31, 2011 with an extended completion date of December 31, 2013. As of December 31, 2013, the city has expended a total of $2.5 million on Valmont Butte cleanup with no additional liablility remaining for continued cleanup responsibilities. The city will have ongoing monitoring responsibilities for a few more years but no expected cleanup costs.

2. Single Audit

The city follows the single audit concept under the provisions of the Single Audit Act of 1984, as amended in 1996. A single audit appendix is a part of the comprehensive annual financial report. Under the single audit concept, one audit is performed which satisfies the requirements of all Federal agencies. The city has received State and Federal grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to a request for reimbursement to grantor agencies for expenditures disallowed under the terms of the grant. The city's management believes disallowances, if any, will be immaterial.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE T – COMMITMENTS AND CONTINGENCIES (CONTINUED)

3. Construction Commitments

At December 31, 2014, city funds were obligated under contractual commitments for various construction or equipment acquisition projects as follows (000's):

Fund	Contractual Commitments
General	$ 741
Open Space	1,365
Transportation	4,378
2011 Capital Improvement	4,582
Total Major Funds	11,066
Total Non- Major Governmental Funds	2,755
Total Governmental Funds	$ 13,821
Water Utility	$ 2,197
Wastewater Utility	617
Stormwater & Flood Management	1,384
CAGID	340
Total Major Enterprise Funds	4,538
Non-Major Enterprise Funds	14
Total Enterprise Funds	$ 4,552
Total Internal Service Funds	$ 1,404

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE U – PENSION AND RETIREMENT PLANS

The city's employees are covered under five separate retirement plans and two deferred compensation plans (Note V). Regular contributions (not including disciplinary pay contributions) to the various plans, shown both in dollars and percent of covered payroll, are as follows (amounts in 000's):

Number of Active Full-time Employees	Plan	Employee Contributions		City Contributions	
		Dollars	Percentage	Dollars	Percentage
1,411	PERA	$ 5,232	8.000%	$ 8,983	13.700%
0	Old Hire Police	1	2.000%	305	
0	Old Hire Fire	1	7.833%	64	
173	Police and Fire Money Purchase – Police employees	824	6.200%	1,836	13.800%
110	Police and Fire Money Purchase – Fire employees – International Association of Firefighters	731	8.000%	1,188	13.000%
5	ICMA 401(a)	86	8.000%	148	13.700%
4	ICMA 457	14	8.000%	5	13.700%
	Totals	$ 6,889		$ 12,529	

Covered employees should refer to pension plan documents and legislation for detail plan descriptions and benefits.

City Administered Pension Plans

Of the above pension plans, the city administers two defined benefit single employer pension plans, the "Old Hire" Police Defined Benefit Plan and the "Old Hire" Fire Defined Benefit Plan. Although a small amount of the assets of these two plans are pooled for investment purposes, each of these two plan's assets may be used only for the payment of benefits to the members of that plan, in accordance with the terms of the plan.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

Membership of each plan consisted of the following at January 1, 2014, the date of the latest actuarial valuation:

	"Old Hire" Police Defined Benefit Plan	"Old Hire" Fire Defined Benefit Plan
Retirees & Beneficiaries receiving benefits	43	42
Terminated plan members entitled but not yet receiving benefits	6	5
Active plan members	1	1
Total	50	48

The city's annual pension costs and net pension obligation for the two plans for the year ended December 31, 2014 are as follows (amounts in 000's):

	"Old Hire" Police Defined Benefit Plan	"Old Hire" Fire Defined Benefit Plan
Annual required contributions (ARC)	$ 182	$ -
Interest on net pension obligation (NPO)	(390)	(287)
Adjustment to ARC	571	485
Annual Pension Cost	363	198
City contributions	(305)	(64)
Increase in NPO	58	134
Net pension obligation (prepaid) beginning of year	(5,244)	(3,787)
Net pension obligation (prepaid) end of year	$ (5,186)	$ (3,653)

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

Three Year Trend Information (amounts in 000's)

Fiscal Year	Annual Pension Cost (APC)	City Contributions	Percentage of APC Contributed	Net Pension Obligation (Prepaid)
"Old Hire" Police Defined Benefit Plan				
2014	$ 363	$ 305	84%	$ (5,186)
2013	424	222	52%	(5,244)
2012	388	222	57%	(5,404)
"Old Hire" Fire Defined Benefit Plan				
2014	$ 198	$ 64	32%	$ (3,653)
2013	305	159	52%	(3,787)
2012	345	162	47%	(3,965)

The “Old Hire” Police Defined Benefit Plan and the “Old Hire” Fire Defined Benefit Plan financial statements as of December 31, 2014, are included in the City of Boulder Comprehensive Annual Financial Report under the heading of Fiduciary Fund Types; no separate financial statements are issued. This information by plan follows.

Plan net position as of December 31, 2014, is as follows (amounts in 000’s):

	"Old Hire" Police Defined Benefit Plan	"Old Hire" Fire Defined Benefit Plan
Assets:		
Equity in pooled cash and cash equivalents	$ 1	$ 2
Investments		
U.S. Treasuries	242	12
U.S. Instrumentalities	621	29
Time Deposits	1	2
Mutual Funds	6,166	10,821
Equity Securities	5,090	-
Local Government Investment Pools	1	2
Money Market Funds	301	229
Real Estate Investment Trust	660	-
Corporate Bonds	103	-
Other	676	-
Accrued Interest	12	-
Total assets	13,874	11,097
Liabilities:		
Accrued pensions payable	44	33
Net position restricted for pensions	$ 13,830	$ 11,064

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

The changes in plan net position for December 31, 2014, were as follows (amounts in 000's):

	"Old Hire" Police Defined Benefit Plan	"Old Hire" Fire Defined Benefit Plan
Additions:		
Pension contributions:		
City of Boulder	$ 305	$ 64
Employees	1	1
Total contributions	306	65
Investment earnings	670	371
Less investment expense	(36)	(36)
Net investment income	634	335
Total additions	940	400
Deductions:		
Benefits	1,529	1,542
Administrative	13	12
Total deductions	1,542	1,554
Net (decrease) in net position	(602)	(1,154)
Net position restricted for pensions:		
Beginning of year	14,432	12,218
End of year	$ 13,830	$ 11,064

1. "Old Hire" Police Defined Benefit Plan

Plan Description – Full-time police officers hired prior to April 8, 1978, are members of the City of Boulder "Old Hire" Police Defined Benefit Plan (Plan), a single-employer defined benefit pension plan. The Plan is closed to any new participants. The Plan covers two groups – "Employees" and "Former Members".

Former Members – This group includes employees whose employment with the employer terminated prior to January 1, 1987. They are covered by the retirement benefits provided under Colorado Revised Statutes, Title 31, Article 30.5 as modified by Chapter 9, Title 2 of the Boulder Revised Code, 1981. However, the Trust Fund established by the Plan Document is obligated to pay all benefits to these employees.

Employees – The City of Boulder "Old Hire" Police Defined Benefit Plan and Trust Agreement (Plan Document) was established by the City Council on November 3, 1987 by Ordinance 5086. This Plan Document was effective retroactive to January 1, 1987, and superseded and replaced the retirement benefits that had previously been provided under Colorado Revised Statutes, Title 31, Article 30.5 as

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

1. "Old Hire" Police Defined Benefit Plan (Continued)

modified by Chapter 9, Title 2 of the Boulder Revised Code, 1981. The provisions of this Plan Document apply solely to employees whose employment with the employer terminates on or after January 1, 1987.

Board of Trustees - Management of the plan is vested in the five member Board, which consists of one citizen at large, the Mayor and the Chief Financial Officer of the City, and two retired beneficiaries of the plan (retired police officers).

Benefits – For members retiring or terminating after March 10, 1999, the retirement pension is equal to 2.60% of final salary times full years of participation up to 25 years, plus .5% of final salary for each full year of participation service over 25 years up to 27 years, providing a maximum pension of 65%. The Plan permits early retirement after 10 years of credited service with reduced benefits. Members may elect to receive their pension benefits in the form of joint, survivor annuities, or a lump-sum payment calculated on the basis of the UP-1984 Mortality table. This election can be made prior to retirement in order to provide a pension payable to the surviving spouse or beneficiary if the member dies after reaching normal retirement age and before retirement. On termination, members may receive a refund of their contributions without interest. This refund of contributions paid waives future rights to any benefits.

The minimum monthly benefits for *Former Members* are: $875.50 for those receiving a disability retirement and $515.00 for those receiving a beneficiary retirement.

The Board of Trustees can make benefit change recommendations to the City Manager who must then present the changes to the City Council for ultimate approval. City policy dictates that no pension benefit increase can be given if there is an unfunded liability in the plan.

Deferred Retirement Option Plan (DROP) Program – During 1999, a DROP provision, retroactive to January 1, 1998, was added to the Plan. This enables an active member, who is eligible to retire, to elect to have their employee contributions, annual pension benefits and interest thereon, directed to a separate account for up to five years prior to retirement. The city's share of pension contributions is excluded from the employee's DROP account but continues to be allocated to the Plan. The annual pension benefit is initially calculated as of the date of the election of the DROP.

The pension benefit in subsequent years will include any benefit increases granted by the Board to retirees and widows. Upon retirement, the member begins to receive pension payments in the form of an annuity and the cumulative assets in the DROP account are paid to him in a lump-sum. As of December 31, 2014, there are no current police employees who have elected the DROP and all DROP balances have been disbursed.

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

1. "Old Hire" Police Defined Benefit Plan (Continued)

Death and Disability Benefits – *Employees and Former Members* - Effective January 1, 2007, the widow of a participant who commenced employment prior to January 1, 1980, is eligible for a benefit of the greater of (a) one-third of the monthly salary paid by the city to a first class firefighter at the date of the participant's death; (b) one-third of the monthly salary paid by the city to a first class firefighter at the date of the participant's termination or (c) one-half of the Normal Retirement Pension received by the participant at the date of such participant's death. In no event shall the amount be less than the Board established minimum widow benefit which is currently $515.00 per month. Benefits for disability retirees who retired prior to January 1, 1987, are eligible for a minimum benefit of $875.50 per month.

Dependent children of the employee are eligible for $30 per month, if there is no surviving spouse. Benefit payments to beneficiaries continue if the widow of a deceased member remarries.

When any member dies, regardless of whether active, retired or terminated, the surviving spouse or the estate of the deceased member shall receive a one-time death benefit of $100.

Contributions and Funding Policy – The Plan is a joint-contributory retirement plan operating on an actuarial reserve basis. Per the Plan Document, the contribution requirements of the plan members and the city are established and may be amended by the Boulder Police Officers Association collective bargaining agreement in effect for the payroll period concerned. Contributions of 2.0% of covered payroll are currently required from both the city and employees. The city must also contribute an additional annual payment necessary to make the plan actuarially sound as defined by Section 3.02 of the plan document with no maximum specified. In 2014, the city contributed $304,977 to meet the actuarially calculated contribution requirement which exceeded the state mandated requirement. Administrative expenditures are recorded when incurred and are financed by the Plan.

Actuarial Present Value of Accumulated Plan Benefits – Accumulated Plan benefits are those future periodic payments, including lump-sum distributions, that are attributable under the Plan's provisions the service members have rendered. Accumulated plan benefits include benefits expected to be paid to (a) retired or terminated members or their beneficiaries, (b) beneficiaries of members who have died, and (c) present members or their beneficiaries. Benefits under the Plan are based on members' compensation. Benefits payable under all circumstances - retirement, death, disability, and termination of employment – are included, to the extent they are deemed attributable to employee service rendered to the valuation date.

An actuarial study was prepared at January 1, 2014 and rolled forward to December 31, 2014. It is the "Old Hire" Police Defined Benefit Plan Board of Trustees' policy to have an actuarial study prepared every two years or whenever a benefit change is being considered.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

1. "Old Hire" Police Defined Benefit Plan (Continued)

The significant actuarial assumptions used in the valuation as of January 1, 2014, included the following:

- Actuarial Cost Method – entry age normal actuarial cost method.
- Amortization Method and Remaining Period – Closed, level dollar amortization of unfunded actuarial liability over the remaining amortization period which is 16 years.
- Actuarial Valuation Method – Determined by calculating an expected value equal to the prior year's market value of assets, plus cash flows of contributions and benefit payments for the year and assuming a 7.50% interest return. The difference between this expected value and the actuarial market value is recognized over three years. The resulting value is limited to between 80% and 120% of the market value of assets.
- Investment Rate of Return– 7.5% compounded annually, net of expenses.
- Inflation Rate – 2.75% compounded annually.
- Salary Increases – None assumed.
- Retirement Age – Not applicable. All participants are retired or are on the DROP list.
- Retiree Mortality – Sex-distinct RP-2000 mortality for annuitants projected by Scale AA to 2017.
- Minimum Death Benefit – A minimum death benefit of $515 per pay period is used.
- First Class Firefighter Salary – The highest negotiated First Class Firefighter Salary is used to calculate death benefits. For 2014, this is projected to be $2,886 per pay period.
- Marriage Rates – 90% active participants are assumed to be married. Male spouses are assumed to be three years older than their female spouses. Actual marital status is used for retirees.
- Form of Payment – All active participants are assumed to elect the normal form of payment.

The significant changes in actuarial assumptions and methods as of January 1, 2014 included the following:

- First Class Firefighter Salary was increased from $2,802 to $2,886 per pay period to reflect the current highest negotiated rate.

Funded Status and Funding Progress – As of January 1, 2014, the most recent actuarial valuation date, the plan was 88.8% funded. The actuarial accrued liability for benefits was $15,380,119 and the actuarial value of assets was $13,655,904, resulting in an unfunded actuarial accrued liability (UAAL) of $1,724,215. The covered payroll (annual payroll of active employees covered by the plan) is not applicable since there are no active employees except for the DROP employee. In October 2010, City of Boulder Taxable Pension Obligation Bonds were issued and $5,469,000 of additional funding was deposited into the plan to decrease the UAAL for the future.

Historical Trend Information – The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

1. "Old Hire" Police Defined Benefit Plan (Continued)

Pension Plan Investments – The investment policies and fair value determination policies are disclosed above in Notes A and E. For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 4.59%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The plan's investment policies, including fair value determination, concentration of credit risk information, and asset allocation is included in Note E – Deposits and Investments.

Long Term Expected Rate of Return – The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per the actuary's investment consulting practice as of December 31, 2014.

Asset Class	Long-Term Expected Geometric Real Rate Of Return
Domestic Large Cap	4.0%
Domestic Small Cap	4.4%
International Equity	4.4%
Emerging Markets	4.9%
Domestic Fixed Income	2.1%
Floating Rate Corporate Loans	3.0%
High Yield	4.1%
Real Estate	3.5%
Commodities	2.2%

Discount Rate – The discount rate used to measure the total pension liability was 7.5%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

1. "Old Hire" Police Defined Benefit Plan (Continued)

Net Pension Liability – The components of the net pension liability of the City at December 31, 2014 were as follows:

Total Pension Liability	$	14,955,507
Fiduciary Net Position		13,830,000
Net Pension Liability	$	1,125,507
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		92.47%

Sensitivity Analysis – The following presents the net pension liability of the City of Boulder, calculated using the discount rate of 7.5%, as well as what the City of Boulder's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net Pension Liability	$ 2,408,164	$ 1,125,507	$ 18,680

2. "Old Hire" Fire Defined Benefit Plan

Plan Description - The city's full-time firefighters hired prior to April 8, 1978, are members of the City of Boulder "Old Hire" Fire Pension Benefit Plan (Plan), a single employer defined benefit pension plan. The Plan is closed to any new participants. The Plan covers two groups: "Employees" and "Former Members".

Employees – The city established The City of Boulder "Old Hire" Fire Defined Benefit Plan and Trust Agreement (Plan Document) in 2002. This Plan Document was effective retroactive to January 1, 2000, and superseded and replaced the retirement benefits that had previously been provided under Colorado Revised Statutes, Title 31, Article 30.5 as modified by Chapter 9, Title 2 of the Boulder Revised Code, 1981. The provisions of this Plan Document apply solely to employees whose employment with the employer terminates on or after January 1, 2000.

Former Members – This group includes employees whose employment with the employer terminated prior to January 1, 2000. They are covered by the retirement benefits provided under Colorado Revised Statutes, Title 31, Article 30.5 as modified by Chapter 9, Title 2 of the Boulder Revised Code, 1981.

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

2. "Old Hire" Fire Defined Benefit Plan (Continued)

However, the Trust Fund established by the Plan Document is obligated to pay all benefits to these employees.

Board of Trustees - Management of the plan is vested in the six member Board, which consists of one citizen at large, the Mayor and the Chief Financial Officer of the City, and three retired beneficiaries of the plan (retired firefighters).

Benefits – Members aged 50 with 20 years of credited service are entitled to annual pension benefits equivalent to 50% of monthly compensation at the date of retirement. The Plan Document provides for an additional retirement benefit of 2% per year for each additional year of service after 20 years of service, credited after September 1, 1987, and attainment of age 50, up to a maximum of 10% prior to January 1, 2000. Beginning January 1, 2000, and on each successive January 1, all actives, who are eligible for normal retirement (age 50 and 20 years of service) are to receive a 3% increase of final salary, up to a maximum of 65% of final salary. On termination, members may receive a refund of their contributions without interest. This refund of contributions paid waives future rights to any benefits.

The minimum benefits for *Former Members* are: $875.50 per month for those receiving a normal or disability retirement and $515.00 per month for those receiving a beneficiary retirement.

The Board of Trustees can make benefit change recommendations to the City Manager who must then present the changes to the City Council for ultimate approval. City policy dictates that no pension benefit increase can be given if there is an unfunded liability in the plan.

Deferred Retirement Option Plan (DROP) Program – During 2000, a DROP provision was added to the Plan. This enables an active member, who is eligible to retire, to elect to have their employee contributions, annual pension benefits and interest thereon, directed to a separate account for up to five years prior to retirement. The city share of pension contributions is excluded from the employee's DROP account but continues to be allocated to the Plan. The annual pension benefit is initially calculated as of the date of the election of the DROP.

The pension benefit in subsequent years will include any benefit increases granted by the Board to retirees and widows. Upon retirement, the member begins to receive pension payments in the form of an annuity and the cumulative assets in the DROP account are paid to him in a lump-sum. As of December 31, 2014, there are no current Fire employees who have elected the DROP and all DROP balances have been disbursed.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

2. "Old Hire" Fire Defined Benefit Plan (Continued)

Death and Disability Benefits

Employees and Former Members – Effective January 1, 2007, the widow of a retiree who retired prior to January 1, 1990, is eligible for a benefit of the lessor of one-third of the monthly salary paid by the city to a first class firefighter at the date of the member's death or earlier retirement or the Board established minimum widow benefit which is currently $515.00 per month. Benefits for normal or disability retirees who retired prior to January 1, 2000, are eligible for a minimum benefit of $875.50 per month. Dependent children of the employee are eligible for $30.00 per month, if there is no surviving spouse. Benefit payments to beneficiaries continue if the widow of a deceased member remarries.

Employees – The benefits of active employees as of January 1, 1990, include a widow's benefit equal to 100% of the active employees retirement benefit. This benefit change was approved during 1990 and is fully-funded by employee contributions.

When any member dies, regardless of whether active, retired or terminated, the surviving spouse or the estate of the deceased member shall receive a one-time death benefit of $100.

Contributions and Funding Policy – The Plan is a joint-contributory retirement plan operating on an actuarial reserve basis. Per the "Old Hire" Fire Defined Benefit Pension Plan, the contribution requirements of the plan members and the city are established and may be amended by the International Association of Fire Fighters, Local #900 collective bargaining agreement in effect for the payroll period concerned. Contribution rates during 2014 were 2.451% and 7.833% of covered payroll for the city and employees, respectively. City contributions must be at least equal to employee contributions. The city must also contribute an additional annual payment necessary to make the plan actuarially sound as defined by Section 3.02 of the plan document with no maximum specified. In 2014, the city contributed $64,207 to meet the actuarially calculated contribution requirement which exceeded the state-mandated requirement. Administrative expenditures are recorded when incurred and are financed by the Plan.

Actuarial Present Value of Accumulated Plan Benefits - An actuarial study was prepared at January 1, 2014 and rolled forward to December 31, 2014. It is the Fire Pension Board policy to have an actuarial study prepared every two years or whenever a benefit change is being considered.

The significant actuarial assumptions used in the valuation as of January 1, 2014 included the following:

- Actuarial Cost Method – Entry age normal actuarial cost method.
- Amortization Method and Remaining Period – Closed, level dollar amortization of unfunded actuarial liability over the remaining amortization period which is 12 years.
- Asset Valuation Method – The market value of assets.
- Investment Rate of Return – 7.5% compounded annually, net of expenses.
- Inflation rate – 2.75% compounded annually.

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

2. "Old Hire" Fire Defined Benefit Plan (Continued)

- Salary Increases – None assumed.
- Retirement Age – Not Applicable – All participants are retired.
- Retiree Mortality – Sex-distinct RP-2000 mortality for annuitants projected by Scale AA to 2017.
- Minimum Death Benefit – A minimum death benefit of $515 per pay period is used.
- First Class Firefighter Salary – The highest negotiated First Class Firefighter Salary is used to calculate death benefits. For 2014, this is projected to be $2,886 per pay period.
- Marriage Rates – Male spouses are assumed to be three years older than their female spouses. Actual marital status is used for retirees.
- Form of Payment – All active participants are assumed to elect the normal form of payment.

The significant changes in actuarial assumptions and methods as of January 1, 2014 included the following:

- First Class Firefighter Salary was increased from $2,802 to $2,886 to reflect the current highest negotiated rate.

Funded Status and Funding Progress – As of January 1, 2014, the most recent actuarial valuation date, the plan was 103.3% funded. The actuarial accrued liability for benefits was $11,831,797 and the actuarial value of assets was $12,218,000, resulting in an overfunded actuarial accrued liability (UAAL) of $386,203. The covered payroll (annual payroll of active employees covered by the plan) was $0 and the ratio of the UAAL to the covered payroll was not applicable since all participants were retired as of January 1, 2014. In October 2010, City of Boulder Taxable Pension Obligation Bonds were issued and $3,531,000 of additional funding was deposited into the plan to decrease the UAAL for the future.

Historical Trend Information – The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multi-year trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the AALs for benefits.

Pension Plan Investments – The investment policies and fair value determination policies are disclosed above in Notes A and E. For the year ended December 31, 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 2.90%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested. The plan's investment policies, including fair value determination, concentration of credit risk information, and asset allocation is included in Note E – Deposits and Investments.

Long Term Expected Rate of Return – The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per the actuary's investment consulting practice as of December 31, 2014.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

2. "Old Hire" Fire Defined Benefit Plan (Continued)

Asset Class	Long-Term Expected Geometric Real Rate Of Return
Domestic Large Cap	4.0%
Domestic Mid Cap	4.2%
Domestic Small Cap	4.4%
International Equity	4.4%
Emerging Markets	4.9%
Domestic Fixed Income	2.1%
Floating Rate Corporate Loans	3.0%
High Yield	4.1%
Commodities	2.2%

Discount Rate – The discount rate used to measure the total pension liability was 7.5%. The plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

Net Pension Liability – The components of the net pension liability of the City at December 31, 2014 were as follows:

Total Pension Liability	$	11,072,222
Fiduciary Net Position		11,064,000
Net Pension Liability	$	8,222
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		99.93%

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

2. "Old Hire" Fire Defined Benefit Plan (Continued)

Sensitivity Analysis – The following present the net pension liability of the City of Boulder, calculated using the discount rate or 7.5%, as well as what the City of Boulder's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate.

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net Pension Liability (Asset)	$ 884,299	$ 8,222	$ (751,285)

3. Public Employees Retirement Association (PERA)

Plan Description – The City of Boulder contributes to the Local Government Division Trust Fund (LGDTF), a cost-sharing multiple-employer defined benefit pension plan administered by the Public Employees' Retirement Association of Colorado (PERA). The LGDTF provides retirement and disability, post-retirement annual increases, and death benefits for members and their beneficiaries. All employees, except firefighters, police officers and certain management employees that work directly for the City Manager are members of the LGDTF. Those employees excepted from PERA are covered by other plans described in this Note. Title 24, Article 51 of the Colorado Revised Statutes (CRS), as amended, assigns the authority to establish benefit provisions to the State Legislature. PERA issues a publicly-available Comprehensive Annual Financial Report that includes financial statements and required supplementary information for the LGDTF. That report may be obtained online at www.copera.org or by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado, 80203, or by calling PERA at (303) 832-9550 or 1-800-759-PERA (7372).

Funding Policy – The City of Boulder is required to contribute member and employer contributions to PERA at a rate set by statute. The contribution requirements of plan members and the City of Boulder are established under Title 24, Article 51, Part 4 of the CRS, as amended. The contribution rate for members is 8.0% and for the City of Boulder is 13.7% of covered salary. A portion of the City of Boulder's contribution (1.02% of covered salary) is allocated for the Health Care Trust Fund (HCTF) (see Note W – Other Postemployment Benefit Plans (OPEB) than Pensions). Also included within the 13.7%, the City of Boulder is required to pay an amortization equalization disbursement (AED) equal to 2.20% of the total payroll for the calendar year 2014 (2.20% of total payroll was also the rate for calendar years 2013 and 2012) and a supplemental amortization equalization disbursement (SAED) equal to 1.50% of total payroll for the calendar year 2014 (as well as for 2013 and 2012).

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

3. Public Employees Retirement Association (PERA) (Continued)

If the City of Boulder rehires a PERA retiree as an employee or under any other work arrangement, it is required to report and pay the employer contribution rate on the amounts paid for the retiree. As of January 1, 2011, the employee is also required to pay the 8.0% contribution rate on any wages earned.

For the years ending December 31, 2014, 2013, and 2012, the City of Boulder's contributions to the LGDTF, were $10,023,137, $9,027,975, and $8,425,590, respectively, equal to their required contributions for each year.

4. Police and Fire Money Purchase Pension Plan

The city's full-time police officers and firefighters hired on or after April 8, 1978, are covered by the Police and Fire Money Purchase Plan (Plan), an Internal Revenue Code Section 401(a) plan. This Plan is a single-employer defined contribution plan that was established by the City Council effective January 1, 1983. The Plan is administered by a Board of Trustees comprised of two elected Boulder Police Department employees, two elected Boulder Fire Department employees and one appointed member who is not an employee of either the Police or Fire departments and has business and/or investment experience within the community. The contribution levels are established at the time of labor negotiations and are detailed in the bargaining unit agreements for information only.

The Boulder Police Benevolent Association negotiated an economic agreement with the city which is in effect through December 31, 2014. The city's contribution requirement for the year ended December 31, 2014, was 13.8%,of covered payroll. The dollar amount of the city's contributions was $1,763,793 in 2014. The employee contributions were 6.2%, or $792,429, of covered payroll.

The International Association of Firefighters, Local #900, negotiated an economic agreement with the city, which was in effect through December 31, 2016. The city's contribution requirement for the year ended December 31, 2014, was 13% of covered payroll, or $1,141,981. The employee contributions were 8% of covered payroll, or $702,758.

City contributions and interest forfeited by employees who leave employment before five years of service are first used for administrative charges and second to reduce the city's current period contribution requirement. All participants may make additional contributions of up to 25% of their salary or $30,000, whichever is less.

NOTE U – PENSION AND RETIREMENT PLANS (CONTINUED)

4. Police and Fire Money Purchase Pension Plan (continued)

Benefits – An employee is eligible to receive benefits upon death, disability or normal retirement. Benefits are paid out of the employee's individual account. This account is made up of: 100% of the employee's contributions; 100% of the employer contributions if the employee terminates because of death, disability or normal retirement, or a lesser percent based on the vesting schedule in the plan document if the employee terminates for another reason; and the interest earnings either positive or negative, over the term of the employee's employment with the city. Benefits are distributed at the discretion of the administration committee either in a lump-sum or over the employee's life expectancy or 10 years, whichever is less.

Death and Disability Benefits – If an active member dies or becomes disabled (but is not eligible for an age and service retirement) while employed, the member's spouse and dependent children will receive survivor benefits or the member will receive benefits under the State Fire and Police Pension Association (FPPA). See description under Fire and Police Pension Association below.

The Police and Fire Money Purchase Plan issues a publicly available annual financial report that includes financial statements and required supplementary information. That report may be obtained by writing to City of Boulder Fire and Police Money Purchase Plan, 1805 33rd Street, Boulder, Colorado, 80301.

NOTE V – DEFERRED COMPENSATION PLANS

The Colorado Revised Statutes allow any city to exempt the City Manager and key management staff who report directly to the City Manager or the City Council from membership in the Public Employees Retirement Association, provided each such person has executed a trust agreement and deferred compensation employment agreement with the International City Management Association Retirement Corporation (ICMA-RC), an Internal Revenue Code Section 401(a) plan. The assets of these two plans are held in a trust account and therefore are not reflected on the City of Boulder financial statements.

In addition to ICMA-RC, City Council authorized the establishment of a deferred compensation program for city employees. T. Rowe Price, through a bid process, was selected as administrator of the program. Deferred compensation is not available for withdrawal by employees until termination, retirement, death or unforeseeable emergency. The assets of this plan are held in a trust account and therefore are not reflected on the City of Boulder financial statements.

In the opinion of the city's legal counsel, the city has no liability for losses under the plans but does have the duty of due care that would be required of an ordinary prudent investor.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE W – OTHER POSTEMPLOYMENT BENEFIT PLANS (OPEB) THAN PENSIONS

1. Public Employees Retirement Association (PERA) Health Care Trust Fund

Plan Description – The City of Boulder contributes to the Health Care Trust Fund (HCTF), a cost-sharing multiple-employer healthcare trust administered by PERA. The HCTF provides a health care premium subsidy to PERA participating benefit recipients and their eligible beneficiaries. Title 24, Article 51, Part 12 of the CRS, as amended, assigns the authority to establish the HCTF benefit provisions to the State Legislature. PERA issues a publicly available Comprehensive Annual Financial Report that includes financial statements and required supplementary information for the HCTF. That report may be obtained online at www.copera.org or by writing to Colorado PERA, 1301 Pennsylvania Street, Denver, Colorado, 80203 or by calling PERA at (303) 832-9550 or 1-800-759-PERA (7372).

Funding Policy – The City of Boulder is required to contribute at a rate of 1.02%, of covered salary for all PERA members as set by statute. No member contributions are required. The contribution requirements for the City of Boulder are established under Title 24, Article 51, Part 4 of the CRS, as amended. The apportionment of the contribution to the HCTF is established under Title 24, Article 51, Section 208 of the CRS, as amended.

The City of Boulder's contributions to HCTF for the years ending December 31, 2014, 2013, and 2012 were $746,248, $671,828; and $627,054, respectively, equal to their required contributions for each year.

2. Fire and Police Pension Association (FPPA) Death and Disability Plan

All full-time police officers and firefighters are covered by the Fire and Police Pension Association (FPPA), a multiple-employer cost-sharing plan for pre-retirement death and disability. To date contributions to the plan have been determined and budgeted by the State legislature. State law provided that these contributions would continue in diminishing amounts until 1994. The State requires employees hired on or after January 1, 1997, to contribute 2.6% of salary. The city pays the 2.6% for all affected police officers and firefighters. In 2014, 2013, and 2012, the city paid $355,887, $320,527, and $297,687, respectively, equal to their required contributions for each year.

FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information. That report may be obtained online at www.fppaco.org or by writing to Fire and Police Pension Association of Colorado, 5290 DTC Parkway, Suite 100, Greenwood Village, Colorado, 80111-2721 or by calling FPPA at (303) 770-3772 or 1-800-332-3772.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE W – OTHER POSTEMPLOYMENT BENEFIT PLANS (OPEB) THAN PENSIONS (CONTINUED)

3. City of Boulder Retiree Health Care Benefit Plan

Plan Description – The City of Boulder administers a single-employer defined benefit healthcare plan (the Retiree Health Care Benefit Plan). The city provides health care insurance coverage to current and future retirees of the city who retire with a PERA or city provided pension and have 12 years of service with the city. Employees who terminate or retire prior to meeting the eligibility requirements for retiree healthcare benefits are not eligible to participate in the program. The Retiree Health Care Benefit Plan is not covered within a trust fund and does not issue a publicly available financial report.

Funding Policy – The Retiree Health Care Benefit Plan is funded on a pay-as-you-go basis with retirees paying 100% of the blended health insurance premium for the retiree and dependents. Benefit provisions are established by city management. The benefit provided by the Retiree Health Care Benefit Plan is made up entirely of the implicit rate subsidy which results from both the retirees and the active employees paying the same insurance premiums.

Annual OPEB Cost and Net OPEB Obligation – The city's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years.

The following table shows the components of the city's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the city's net OPEB obligation (amounts in 000's):

Annual required contribution (ARC)	$	777
Interest on prior year net OPEB obligation		67
Adjustment to ARC		(66)
Annual OPEB cost		778
Contributions made		440
Increase in net OPEB obligation		338
Net OPEB obligation – beginning of year		1,794
Net OPEB obligation – end of year	$	2,132

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE W – OTHER POSTEMPLOYMENT BENEFIT PLANS (OPEB) THAN PENSIONS (CONTINUED)

3. City of Boulder Retiree Health Care Benefit Plan (Continued)

The city's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 and the two preceding years were as follows:

Fiscal Year	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
2012	$ 602	56.0%	$ 1,631
2013	$ 603	73.0%	$ 1,794
2014	$ 778	56.6%	$ 2,132

Funded Status and Funding Progress – As of January 1, 2013, the most recent actuarial evaluation date, the actuarial accrued liability for benefits was $8,280,910, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the plan) was $78,172,630, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 10.6%.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions – Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

An actuarial study was prepared at January 1, 2013. It is the plan's policy to have an actuarial study prepared every two years.

NOTE W – OTHER POSTEMPLOYMENT BENEFIT PLANS (OPEB) THAN PENSIONS (CONTINUED)

3. City of Boulder Retiree Health Care Benefit Plan (Continued)

The significant actuarial assumptions used in the valuation as of January 1, 2013, included the following:

- Actuarial Cost Method – Projected Unit Credit cost method.
- Amortization Method – Open, level percent of pay over 30 years
- Discount Rate – 3.75% per annum.
- Inflation – 2.5% per annum.
- Wage Growth – 3.0% per annum.
- Administrative Expense – Claims expense is included in the premiums charged by the city's health insurance carrier. No other OPEB program expenses are included in this valuation.
- Retirement – Age and service eligibility requirements for PERA (Management and BMEA employees) and city provided pensions (Fire and Police).
- Mortality –
  - Healthy Lives – RP-2000 Combined Healthy Mortality Table projected to 2021 using Scale AA.
  - Disabled Lives – RP-2000 Disabled Mortality Table projected to 2021 using Scale AA.
- Election of Retirement Coverage – All current retired participants are assumed to continue health care coverage. 25% of future eligible retired participants are assumed to participate upon retirement.
- Probablilty of Spouse Coverage – 50% of future retirees who elect coverage are assumed to elect spousal coverage upon retirement.
- Health Care Cost Trend – Using the Getzen Model, the trend rate starts at 10.8% for 2013 and trends downward to a rate of 4.5% in 2083.
- Amortization Period – The unfunded actuarial accrued liability is amortized over 30 years using an open level percent of pay method.

The significant changes in actuarial assumptions and methods as of January 1, 2013 included the following:

- Updated claims and premiums to experience and plan changes.
- The trend assumption was updated using the Getzen Trend Model.
- A lapse assumption was added at age 65 to reflect anticipated plan experience.
- The withdrawal and retirement decrement rates were updated to better reflect anticipated plan experience.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE X – PLEDGED REVENUES

Water and Sewer Revenues Pledged

The city has pledged future water and sewer customer revenues, net of specified operating expenses, to repay $59,280,000 in outstanding water and sewer system revenue bonds. Proceeds from the bonds provided financing for the construction of capital assets or refunded other revenue bonds issued for that purpose. The bonds are payable solely from water and sewer customer net revenues and are payable through 2030. Annual principal and interest payments on the bonds are expected to require approximately 50% of net revenues (as defined by the bond ordinances). The total principal and interest remaining to be paid on the bonds at December 31, 2014 is $73,420,450. Principal and interest paid for the current year and total customer net revenues were $9,592,075 and $18,862,000, respectively.

Stormwater and Flood Management Revenues Pledged

The city has pledged future stormwater and flood management fund revenues, net of specified operating expenses, to repay $1,430,000 in outstanding stormwater and flood management revenue bonds. Proceeds from the bonds provided financing for the construction of capital assets or refunded other revenue bonds issued for that purpose. The bonds are payable solely from stormwater and flood management fund revenues and are payable through 2018. Annual principal and interest payments on the bonds are expected to require less than 42% of net revenues (as defined by the bond ordinances). The total principal and interest remaining to be paid on the bonds at December 31, 2014 is $1,538,600. Principal and interest paid for the current year and total customer net revenues were $384,600 and $1,905,000, respectively.

Open Space Sales Tax Revenues Pledged

The city has pledged future sales and use tax revenues generated by the .88% sales and use tax levies of the Open Space Fund to repay $25,410,000 in outstanding open space bonds. Proceeds from the bonds provided financing for the acquisition of open space land or refunded other bonds issued for that purpose. The $25,410,000 of bonds are payable from the Open Space Fund sales tax revenues and are also backed with a pledge of the full faith and credit of the city. These bonds mature through 2034. In 2019, .48% of the total .88% sales tax levy will expire, which will materially decrease pledged revenues. Annual principal and interest payments on the bonds are expected to require less than 39% of pledged sales tax revenues. The total principal and interest remaining to be paid on the bonds at December 31, 2014 is $30,222,030. Principal and interest paid for the current year and total pledged sales tax revenues were $5,221,113 and $28,426,000, respectively.

NOTE X – PLEDGED REVENUES (CONTINUED)

25 Cent Parks Acquisition and Recreation Sales Tax Revenues Pledged

The city has pledged future sales and use tax revenues of the .25 Cent Sales Tax Fund to repay $2,130,000 in outstanding bonds. Proceeds from the bonds provided financing to refund the Parks Acquisition Bonds, Series 1999, which refunded the Parks Acquisition Bonds, Series 1996 used to acquire and develop park lands. The bonds are payable from the sales tax revenues of the .25 Cent Sales Tax Fund and are also backed with a pledge of the full faith and credit of the city. These bonds mature through 2015, the year the .25% sales tax levy expires. Annual principal and interest payments on the bonds are expected to require less than 40% of pledged sales tax revenues. The total principal and interest remaining to be paid on the bonds at December 31, 2014 is $2,193,900. Principal and interest paid for the current year and total pledged sales tax revenues were $2,190,850 and $8,057,000, respectively.

Downtown Commercial District Revenues Pledged

The city has pledged a portion of future sales tax revenues to repay $6,545,000 in outstanding bonds issued by the City of Boulder Central Area General Improvement District (CAGID), now known as the Downtown Commercial District, to finance an underground parking garage located at 9th Street and Canyon Boulevard (TIF bonds). These TIF bonds are payable from the Parking Garage Net Revenues, incremental property tax revenues of the tax increment area and incremental sales and accommodations tax revenues.

In addition, the city has pledged future net revenue derived by CAGID from the operation of its properties to repay $3,770,000 in other general obligation bonds outstanding. These bonds are payable from the net operating revenues generated by operations of the District's parking structures.

Both the TIF bonds and the other general obligation bonds are backed with a pledge of the full faith and credit of CAGID. These bonds mature through 2023. Annual principal and interest payments on the outstanding bonds are expected to require less than 39% of pledged revenues. The total principal and interest remaining to be paid on the bonds at December 31, 2014 is $11,641,000. Principal and interest paid for the current year and total pledged revenues were $1,844,650 and $4,587,000, respectively.

Boulder Municipal Property Authority Revenues Pledged

The Boulder Municipal Property Authority (BMPA) pledged as security for certificates of participation and lease purchase notes (debt) the base rental revenues received from the city's various funds and operations. As of December 31, 2014, BMPA currently has $7,178,506 in outstanding debt used primarily to provide funding for acquisition of land for Parks and Open Space purposes. The city appropriates each year, from various revenue sources, base rental expenses in amounts sufficient to cover the principal and interest requirements on BMPA's debt. In accordance with state statutes, the appropriation by the city is subject to annual renewal at discretion of the City Council. BMPA has pledged, as the sole security for the bonds, the annual base rental revenues received from the city. Total

NOTE X – PLEDGED REVENUES (CONTINUED)

Boulder Municipal Property Authority Revenues Pledged (Continued)

principal and interest remaining on the debt is $8,229,503 with annual requirements ranging from $1,451,336 in 2015 to $539,342 in 2021. The base rental revenues received each year equal the debt service requirements on BMPA's debt, averaging $3,955,272 over the last 14 years. For the current year, principal and interest incurred by BMPA and the total base rental revenues pledged were $2,135,133 and $2,135,133, respectively.

Trash Tax Revenues

On August 16, 1994, the city passed the 1994 Ordinance approving the 1994 Election Question which authorized the city to raise its trash tax to a rate not to exceed a maximum per month of $3.50 for residential customers and a maximum of $0.85 per cubic yard per month for commercial customers. At a special municipal election held on November 8, 1994, the voters of the city approved the 1994 Election Question authorizing the maximum trash tax rates and authorizing the city under TABOR to issue not to exceed $6,000,000 of bonds payable from the city's trash tax revenues and additionally secured by the full faith and credit of the city, for the purpose acquisition of interests in land and constructing, operating and maintenance of municipal solid waste recycling and composting facilities. On December 15, 2009, $6,000,000 in General Obligation Waste Reduction Bonds were issued. As of December 31, 2014, there are currently $4,750,000 in outstanding Waste Reduction Bonds. Total principal and interest remaining as of December 31, 2014 is $6,335,825. The bond ordinance requires quarterly transfers of trash haulers tax to cover the current year's debt service. For the current year, principal and interest paid and total pledged revenues were $428,288 and $428,288, respectively.

General Fund Bonds (Capital Improvement Projects)

The city has pledged any and all legally available funds and revenues of the General Fund of the city, up to the full amount of principal of, interest on and premium, if any, due in each year, for the punctual payment of the principal of, interest on and premium, if any, due in connection with the maturity of or redemption of the Series 2012 Bonds as the same respectively became due and payable. These bonds were issued March 22, 2012 in the amount of $49,000,000 with a net premium of $5,829,997. As of December 31, 2014, $42,585,000 in bonds remain outstanding. The principal and interest remaining to be paid on the bonds at December 31, 2014 is $58,632,150. Principal and interest paid for the current year and total General Fund pledged revenues were $3,994,700 and $3,994,700, respectively.

NOTE Y – EXTRAORDINARY ITEM

During the period of September 11 to September 18, 2013, the city of Boulder experienced a major flood event resulting in significant damage to insured property. The City received $955,995 in insurance proceeds for covered damages from this event which is recognized in the General Fund as extraordinary income for the year ended December 31, 2014. This is in addition to $1,887,706 in insurance proceeds received for the year ended December 31, 2013.

City of Boulder, Colorado

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

December 31, 2014

NOTE Z – CHANGE IN ACCOUNTING PRINCIPLES

The city adopted Governmental Accounting Standards Board Statement 67 (GASB 67) *Financial Reporting for Pension Plans, an amendment of GASB Statement No. 25*, in 2014 which has as its objective improving the usefulness of pension information included in the general purpose external financial reports of state and local governmental pension plans for making decisions and assessing accountability.

Adoption of GASB 67 for the Old Hire Fire and Old Hire Police defined benefit plans, presented as persion trust funds, had no effect on net position restricted for pensions or net increase in net position. It did, however, change the requirements for information disclosed in the notes to the financial statements and information required to be presented as Required Supplementary Information (RSI) that are included within this financial report.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF BOULDER, COLORADO

Required Supplementary Information

Schedule of Funding Progress

Police Pension Fund

Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability Entry Age (b)	Total Unfunded (Overfunded) Actuarial Accrued Liability (1) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2010	1/1/2010	10,394,413	16,663,370	6,268,957	62.4%	124,228	5046.3%
2012	1/1/2012	14,051,067	16,057,253	2,006,186	87.5%	130,326	1539.4%
2014	1/1/2014	13,655,904	15,380,119	1,724,215	88.8%	-	NA

(1) In October 2010, the City of Boulder issued pension obligation bonds and invested $5,469,000 of the proceeds into the Police Pension Fund, in addition to the regular annual contribution. This contribution was reflected in the actuarial evaluation as of January 1, 2012.

(2) As of January 1, 2014, there are no active participants in the plan. Participants in an approved DROP plan are not considered active employees for purposes of the actuarial calculations. Therefore, there is no covered payroll in the table above but employee contributions to their DROP account continued.

CITY OF BOULDER, COLORADO

Required Supplementary Information

Schedule of Funding Progress

Fire Pension Fund

Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability Entry Age (b)	Total Unfunded (Overfunded) Actuarial Accrued Liability (1) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2010	1/1/2010	9,493,000	13,681,074	4,188,074	69.4%	-	NA
2012	1/1/2012	11,884,000	13,142,256	1,258,256	90.4%	-	NA
2014	1/1/2014	12,218,000	11,831,797	(386,203)	103.3%	-	NA

(1) In October 2010, the City of Boulder issued pension obligation bonds and invested $3,531,000 of the proceeds into the Fire Pension Fund, in addition to the regular annual contribution. This contribution was reflected in the actuarial evaluation as of January 1, 2012.

(2) As of January 1, 2010, there are no active participants in the plan. Participants in an approved DROP plan are not considered active employees for purposes of the actuarial calculations. Therefore, there is no covered payroll in the table above but employee contributions to their DROP account continued.

CITY OF BOULDER, COLORADO

Required Supplementary Information

Schedule of Employer Contributions

Police and Fire Pension Funds

	Police Pension Fund (Note 1)			Fire Pension Fund (Note 2)		
Fiscal Year	Annual Required Contributions	Actual City Contributions	Percentage Contributed	Annual Required Contributions	Actual City Contributions	Percentage Contributed
2005	362,824	369,722	101.9%	109,541	118,183	107.9%
2006	302,812	369,386	122.0%	133,792	141,313	105.6%
2007	302,812	473,695	156.4%	133,792	313,944	234.7%
2008	403,366	471,474	116.9%	197,099	314,422	159.5%
2009	403,366	470,892	116.7%	197,099	314,770	159.7%
2010	634,924	5,984,894	942.6%	479,444	3,874,297	808.1%
2011	188,544	191,945	101.8%	60,510	64,510	106.6%
2012	219,204	221,807	101.2%	156,888	161,800	103.1%
2013	237,055	221,966	93.6%	97,999	159,119	162.4%
2014	181,916	304,977	167.6%	-	64,207	NA

Note 1: Benefits were increased as of January 1, 2007. A special actuarial study was performed to determine the cost of these benefit changes, and an additional $104,000 was budgeted beginning in 2007 to fully fund them.

Note 2: Benefits were increased as of January 1, 2007. A special actuarial study was performed to determine the cost of these benefit changes, and an additional $306,000 was budgeted beginning in 2007 to fully fund them.

Note 3: In October 2010, the city of Boulder issued pension obligation bonds and invested $5,469,000 of the proceeds into the Police Pension Fund and $3,531,000 of the proceeds into the Fire Pension Fund, in addition to the regular annual contributions. These contributions were reflected in the actuarial evaluation as of January 1, 2012.

Note 4: In 2014, there was an updated actuary report completed for the Police Pension Fund. As a result of this updated report, the 2013 annual required contribution amount was updated from the amount previously presented. While new information indicates less than 100% contributed, the City's 2013 contributions exceeded the annual required contribution amount available at the time they were made.

CITY OF BOULDER, COLORADO

Required Supplementary Information

Schedule of Funding Progress

Boulder Retiree Health Care Benefit Plan

Fiscal Year	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability Entry Age (b)	Total Unfunded (Overfunded) Actuarial Accrued Liability (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2009	1/1/2009	$ -	$ 7,616,068	$ 7,616,068	-	$ 85,687,119	8.9%
2011	1/1/2011	$ -	$ 6,747,489	$ 6,747,489	-	$ 82,956,844	8.1%
2013	1/1/2013	$ -	$ 8,280,910	$ 8,280,910	-	$ 78,172,630	10.6%

CITY OF BOULDER, COLORADO

Required Supplementary Information

Schedule of Changes in Net Pension Liability
and Related Ratios

Police Pension Fund

Fiscal Year Ending December 31,

	2014
Total Pension Liability	
Service cost	$ -
Interest on total pension liability	1,097,208
Effect of plan changes	-
Effect of economic/demographic (gains) or losses	7,180
Effect of assumption changes or inputs	-
Benefit payments	(1,529,000)
Net change in total pension liability	(424,612)
Total pension liability, beginning	15,380,119
Total pension liability, ending (a)	$ 14,955,507
Fiduciary Net Position	
Employer contributions	$ 305,000
Member contributions	1,000
Investment income net of investment expenses	635,000
Benefit payments	(1,529,000)
Administrative expenses	(14,000)
Net change in plan fiduciary net position	(602,000)
Fiduciary net position, beginning	14,432,000
Fiduciary net position, ending (b)	13,830,000
Net pension liability, ending (a) - (b)	$ 1,125,507
Fiduciary net position as a % of total pension liability	92.47%
Covered payroll	N/A
Net pension liability as a % of covered payroll	N/A

Note to Schedule:
No active members are covered by this plan; therefore, payroll information is not applicable.

CITY OF BOULDER, COLORADO

Required Supplementary Information

Schedule of Employer Contributions

Police Pension Fund

Fiscal Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2005	$ 362,824	$ 370,000	$ (7,176)	$ 162,535	227.64%
2006	302,812	370,000	(67,188)	172,409	214.61%
2007	302,812	473,000	(170,188)	172,409	274.35%
2008	403,366	472,000	(68,634)	184,130	256.34%
2009	403,366	471,000	(67,634)	184,130	255.80%
2010	661,414	5,985,000	(5,323,586)	124,228	4817.75%
2011	188,544	152,000	36,544	129,818	117.09%
2012	219,204	222,000	(2,796)	130,326	170.34%
2013	237,055	222,000	15,055	35,965	617.27%
2014	181,916	305,000	(123,084)	N/A	N/A

Note to Schedule:

Full actuarial valuations are performed biannually on even years. Covered payroll data shown for 2005, 2007, and 2009 are based on the respective prior year's amounts.

See Notes to Required Supplementary Information for other significant methods and assumptions.

CITY OF BOULDER, COLORADO

Required Supplementary Information

Schedule of Investment Returns

Police Pension Fund

Fiscal Year Ending December 31,	Net Annual Money-Weighted Rate of Return
2014	4.59%

CITY OF BOULDER, COLORADO

Required Supplementary Information

Schedule of Changes in Net Pension Liability
and Related Ratios

Fire Pension Fund

Fiscal Year Ending December 31,

	2014
Total Pension Liability	
Service cost	$ -
Interest on total pension liability	830,605
Effect of plan changes	-
Effect of economic/demographic (gains) or losses	(48,180)
Effect of assumption changes or inputs	-
Benefit payments	(1,542,000)
Net change in total pension liability	(759,575)
Total pension liability, beginning	11,831,797
Total pension liability, ending (a)	$ 11,072,222
Fiduciary Net Position	
Employer contributions	$ 64,000
Member contributions	1,000
Investment income net of investment expenses	335,000
Benefit payments	(1,542,000)
Administrative expenses	(12,000)
Net change in plan fiduciary net position	(1,154,000)
Fiduciary net position, beginning	12,218,000
Fiduciary net position, ending (b)	11,064,000
Net pension liability, ending (a) - (b)	$ 8,222
Fiduciary net position as a % of total pension liability	99.93%
Covered payroll	N/A
Net pension liability as a % of covered payroll	N/A

Note to Schedule:
No active members are covered by this plan; therefore, payroll information is not applicable.

CITY OF BOULDER, COLORADO

Required Supplementary Information

Schedule of Employer Contributions

Fire Pension Fund

Fiscal Year Ending December 31	Actuarially Determined Contribution	Actual Employer Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contribution as a % of Covered Payroll
2005	$ 109,541	$ 118,000	$ (8,459)	$ 378,793	31.15%
2006	133,792	141,000	(7,208)	236,830	59.54%
2007	133,792	314,000	(180,208)	236,830	132.58%
2008	197,099	314,000	(116,901)	161,644	194.25%
2009	197,099	315,000	(117,901)	161,644	194.87%
2010	497,098	3,874,000	(3,376,902)	N/A	N/A
2011	60,510	104,000	(43,490)	N/A	N/A
2012	156,888	162,000	(5,112)	N/A	N/A
2013	97,999	159,000	(61,001)	N/A	N/A
2014	-	64,000	(64,000)	N/A	N/A

Note to Schedule:

Full actuarial valuations are performed biannually on even years. Covered payroll data shown for 2005, 2007, and 2009 are based on the respective prior year's amounts.

See Notes to Required Supplementary Information for other significant methods and assumptions.

CITY OF BOULDER, COLORADO

Required Supplementary Information

Schedule of Investment Returns

Fire Pension Fund

Fiscal Year Ending December 31,	Net Annual Money-Weighted Rate of Return
2014	2.90%

CITY OF BOULDER, COLORADO

Required Supplementary Information

Notes to Required Supplementary Information

Actuarial Assumptions

	"Old Hire" Police Defined Benefit Plan (See Note U)	"Old Hire" Fire Defined Benefit Plan (See Note U)	Retiree Health Care Benefit Plan (See Note W)
Actuarial valuation date	1/1/2014	1/1/2014	1/1/2013
Actuarial cost method	Entry age normal	Entry age normal	Projected unit credit
Amortization method	Closed level dollar	Closed level dollar	Open level percent of pay
Remaining amortization period	16 years	12 years	30 years
Asset valuation method	3-year smoothing	market value of assets	NA - nonfunded plan
Investment rate of return	7.5%	7.5%	NA - nonfunded plan
Inflation rate	2.75%	2.75%	2.5%
Salary increases	None assumed	None assumed	3.0%
Administrative Expense	NA	NA	Claims expense is included in the premiums charged by the city's health insurance carrier.
Retirement age	NA - no actives	NA - no actives	Age and service eligibility requirements for PERA (Management and BMEA employees) and city provided pensions (Fire and Police)
Retiree mortality	Sex-distinct RP-2000 mortality for annuitants by Scale AA to 2017	Sex-distinct RP-2000 mortality for annuitants by Scale AA to 2017	Healthy lives use RP2000 Combined Healthy Mortality Tabe proejct to 2021 using Scale AA. Disabled Lives use RP2000 Disabled Mortality Table projected to 2021 using Scale AA.
Election of retirement coverage	NA	NA	All current retired participants are assumed to continue health care coverage. 25% of future eligible retired participants are ssumed to participate upon retirement.
Probability of spouse coverage	NA	NA	50% of future retirees who elect coverage are assumed to elect spousal coverage upon retirement
Minimum death benefit	$515 per payperiod	$515 per payperiod	NA
First class firefighter salary	$2,886 per payperiod	$2,886 per payperiod	NA
Marriage rates	Actual for retirees	Actual for retirees	NA
Health care cost trend	NA	NA	Using the Getzen Model, the trend rate starts at 10.8% for 2013 and trends downward to a rate of 4.5% in 2083.
Form of payment	Normal payment method	Normal payment method	NA

Changes in Assumptions: There were no changes to actuarial assumptions of methods in the valuation reports referenced above during the year or as a result of implemention of Governmental Accounting Standards Board Statement 67 except as disclosed below. This includes changes of benefit terms, changes in the size or composition of the population covered by the benefit terms or the use of different assumptions. The few significant changes include:

First class firefighter salary	Increased from $2,802 to $2,886 per pay period	Increased from $2,802 to $2,886 per pay period	NA
Claims and premiums	NA	NA	Updated claims and premiums to expericence and plan changes
Trend assumptions	NA	NA	Trend assumptions were updated using the Getzen Trend Model
Lapse assumption	NA	NA	Lapse assumption was added at age 65 to reflect anticipated plan experience.
Withdrawal and retirement rates	NA	NA	Withdrawal and retirement decrement rates were updated to better reflect anticipated plan experience.

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GENERAL FUND DETAILS

In 2011, the City of Boulder implemented GASB Statement No. 54 which refined what qualifies for inclusion as a Special Revenue Fund. Two former Special Revenue Funds did not meet the new requirements and have been combined with other general governmental operations into the General Fund. As a result, beginning in 2011 the General Fund is comprised of the following three separate sub-funds:

Core General Fund – to account for all financial resources of the general government except those accounted for in another fund.

Library Fund - to account for the operations of the City-owned library and branches. Financing is provided by general property taxes and General Fund contributions.

Community Housing Assistance Program (CHAP) Fund - to account for property tax, a housing excise tax and fees to be used to increase the supply of affordable housing in Boulder.

CITY OF BOULDER, COLORADO

Combining Balance Sheet

General Fund

December 31, 2014

(Amounts in 000's)

Assets and Deferred Outflows of Resources	Core General Fund	Library Fund	Community Hsg Asst Prgm Fund	Total General Fund
Equity in pooled cash and cash equivalents	$ 1,946	$ 116	$ 203	$ 2,265
Investments	37,184	2,213	3,941	43,338
Receivables:				
General property taxes	25,722	860	2,070	28,652
Sales and use taxes	6,162	-	-	6,162
Accounts	1,985	-	6	1,991
Notes	-	-	813	813
Accrued interest	86	4	8	98
Intergovernmental	1,464	-	-	1,464
Other	1	-	-	1
Total receivables	35,420	864	2,897	39,181
Due from other funds	522	-	-	522
Advances to other funds	235	-	-	235
Inventory of materials and supplies	23	-	-	23
Restricted assets:				
Investments for special purposes	1,268	-	-	1,268
Other assets	137	-	-	137
Total assets	76,735	3,193	7,041	86,969
Deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	$ 76,735	$ 3,193	$ 7,041	$ 86,969

Liabilities, Deferred Inflows of Resources and Fund Balance	Core General Fund	Library Fund	Community Hsg Asst Prgm Fund	Total General Fund
Liabilities:				
Accounts and accrued liabilities:				
Vouchers and accounts payable	$ 1,241	$ 90	$ 5	$ 1,336
Accrued salaries, wages and amounts withheld from employees	2,319	182	9	2,510
Due to other funds	610	-	-	610
Advances from other funds	1,648	-	-	1,648
Other liabilities	105	-	-	105
Unearned revenue	528	-	-	528
Total liabilities	6,451	272	14	6,737
Deferred inflows of resources:				
Property tax	25,722	860	2,070	28,652
Grants and other deferrals	508	-	-	508
Total deferred inflows of resources	26,230	860	2,070	29,160
Fund balances:				
Nonspendable:				
Prepaid	137	-	-	137
Inventory	23	-	-	23
Endowment	100	-	-	100
Restricted:				
Legally restricted	1,028	-	-	1,028
Capital projects	177	-	-	177
Donor restrictions	276	-	-	276
Assigned:				
Special purposes	2,477	2,061	4,957	9,495
Contractual obligations	707	-	-	707
Unassigned	39,129	-	-	39,129
Total fund balances	44,054	2,061	4,957	51,072
Total liabilities, deferred inflows of resources and fund balances	$ 76,735	$ 3,193	$ 7,041	$ 86,969

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CITY OF BOULDER, COLORADO

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances

General Fund

Year ended December 31, 2014
(Amounts in 000's)

	Core General Fund	Library Fund	Community Hsg Asst Prgm Fund	Eliminations	Total General Fund
Revenues:					
Taxes:					
Sales and use taxes	$ 55,457	$ -	$ -	$ -	$ 55,457
General property taxes	25,175	845	2,021	-	28,041
Accomodations taxes	6,443	-	-	-	6,443
Franchise taxes	10,410	-	-	-	10,410
Specific ownership & tobacco taxes	1,954	-	-	-	1,954
Excise taxes	445	-	345	-	790
Charges for services	4,225	143	6	-	4,374
Sale of goods	69	-	281	-	350
Licenses, permits and fines	6,151	-	-	-	6,151
Intergovernmental	3,701	25	6	-	3,732
Leases, rents and royalties	207	7	-	-	214
Interest and investment earnings	170	13	68	-	251
Other	563	125	-	-	688
Total revenues	114,970	1,158	2,727	-	118,855
Expenditures:					
Current:					
General Government	14,831	-	-	-	14,831
Administrative Services	6,773	-	-	-	6,773
Public Safety	50,196	-	-	-	50,196
Public Works	6,052	-	-	-	6,052
Planning & Development Services	58	-	-	-	58
Culture and Recreation	5,594	8,174	-	-	13,768
Open Space and Mountain Parks	90	-	-	-	90
Housing and Human Services	6,603	-	863	-	7,466
Debt service payments:					
Principal	2,920	-	-	-	2,920
Interest	2,261	-	-	-	2,261
Total expenditures	95,378	8,174	863	-	104,415
Excess (deficiency) of revenues over (under) expenditures	19,592	(7,016)	1,864	-	14,440
Other financing sources (uses):					
Sale of capital assets	1	-	-	-	1
Transfers in	1,444	6,587	-	(6,587)	1,444
Transfers out	(14,378)	(414)	(6)	6,587	(8,211)
Total other financing sources (uses)	(12,933)	6,173	(6)	-	(6,766)
Extraordinary item:					
Flood insurance recoveries	956	-	-	-	956
Net change in fund balances	7,615	(843)	1,858	-	8,630
Fund balances, beginning of year	36,439	2,904	3,099	-	42,442
Fund balances, end of year	$ 44,054	$ 2,061	$ 4,957	$ -	$ 51,072

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

Core General Fund

Year ended December 31, 2014

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with final budget - Positive
	Original	Final	amounts	(Negative)
Revenues:				
Taxes:				
Sales and use taxes	$ 50,216	$ 52,216	$ 55,457	$ 3,241
General property taxes	25,182	25,182	25,175	(7)
Accomodations taxes	6,010	6,010	6,443	433
Franchise taxes	10,628	10,701	10,410	(291)
Specific ownership & tobacco taxes	1,667	1,667	1,954	287
Excise taxes	-	-	445	445
Charges for services	4,466	4,609	4,225	(384)
Sale of goods	89	130	69	(61)
Licenses, permits and fines	6,153	6,174	6,151	(23)
Intergovernmental	1,253	1,980	3,701	1,721
Leases, rents and royalties	230	230	207	(23)
Interest and investment earnings	303	303	205	(98)
Other	363	1,717	563	(1,154)
Total revenues	106,560	110,919	115,005	4,086
Expenditures:				
Current:				
General Government	14,618	20,989	15,054	5,935
Administrative Services	6,133	8,519	6,618	1,901
Public Safety	50,511	52,486	50,681	1,805
Public Works	5,123	6,606	6,085	521
Planning & Development Services	46	206	57	149
Culture and Recreation	5,388	5,826	5,570	256
Open Space and Mountain Parks	81	81	84	(3)
Housing and Human Services	7,106	7,975	6,518	1,457
Debt service payments:				
Principal	2,920	2,920	2,920	-
Interest	2,192	2,192	2,192	-
Total expenditures	94,118	107,800	95,779	12,021
Excess (deficiency) of revenues over (under) expenditures	12,442	3,119	19,226	16,107

	Budgeted amounts Original	Budgeted amounts Final	Actual amounts	Variance with final budget - Positive (Negative)
Other financing sources (uses):				
Sale of capital assets	-	-	1	1
Transfers in	646	682	1,469	787
Transfers out	(13,725)	(14,644)	(14,644)	-
Total other financing sources (uses)	(13,079)	(13,962)	(13,174)	788
Extraordinary item:				
Flood insurance recoveries	-	-	956	956
Net change in fund balance	$ (637)	$ (10,843)	7,008	$ 17,851
Encumbrances, end of year			741	
Fund balance, beginning of year, basis of budgeting			38,571	
Fund balance, end of year, basis of budgeting			46,320	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			52	
Accrued salaries, wages and amounts withheld from employees			(1,857)	
Change in prepaid assets			(19)	
Transfers to (from) other funds			172	
Advances from other funds			(614)	
Fund balance, end of year, GAAP basis			$ 44,054	

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

Library Fund

Year ended December 31, 2014

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with final budget - Positive
	Original	Final	amounts	(Negative)
Revenues:				
Taxes:				
General property taxes	$ 843	$ 843	$ 845	$ 2
Charges for services	120	138	143	5
Intergovernmental	-	31	25	(6)
Leases, rents and royalties	9	9	7	(2)
Interest and investment earnings	15	15	19	4
Other	56	141	125	(16)
Total revenues	1,043	1,177	1,164	(13)
Expenditures:				
Current:				
Culture and Recreation	7,215	9,143	8,292	851
Total expenditures	7,215	9,143	8,292	851
Excess (deficiency) of revenues over (under) expenditures	(6,172)	(7,966)	(7,128)	838
Other financing sources:				
Transfers in	6,586	6,586	6,587	1
Transfers out	(414)	(414)	(414)	-
Total other financing sources (uses)	6,172	6,172	6,173	1
Net change in fund balance	$ -	$ (1,794)	(955)	$ 839
Encumbrances, end of year			152	
Fund balance, beginning of year, basis of budgeting			3,010	
Fund balance, end of year, basis of budgeting			2,207	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			3	
Accrued salaries, wages and amounts withheld from employees			(149)	
Fund balance, end of year, GAAP basis			$ 2,061	

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

CHAP Fund

Year ended December 31, 2014

(Amounts in 000's)

	Budgeted amounts Original	Budgeted amounts Final	Actual amounts	Variance with final budget - Positive (Negative)
Revenues:				
Taxes:				
General property taxes	$ 2,025	$ 2,025	$ 2,021	$ (4)
Excise taxes	150	150	345	195
Charges for services	-	-	6	6
Sale of goods and capital assets	-	-	281	281
Intergovernmental	-	-	6	6
Interest and investment earnings	140	140	371	231
Total revenues	2,315	2,315	3,030	715
Expenditures:				
Current:				
Housing and Human Services	2,300	4,310	862	3,448
Total expenditures	2,300	4,310	862	3,448
Excess (deficiency) of revenues over (under) expenditures	15	(1,995)	2,168	4,163
Other financing uses:				
Transfers out	(6)	(6)	(6)	-
Total other financing sources (uses)	(6)	(6)	(6)	-
Net change in fund balance	$ 9	$ (2,001)	2,162	$ 4,163
Fund balance, beginning of year, basis of budgeting			1,987	
Fund balance, end of year, basis of budgeting			4,149	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			4	
Notes receivable			813	
Accrued salaries, wages and amounts withheld from employees			(9)	
Fund balance, end of year, GAAP basis			$ 4,957	

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MAJOR CAPITAL PROJECT FUND

2011 Capital Improvement – to account for the projects and improvements throughout the city approved by the voters in 2011. These improvements are funded by General Fund Bonds (Capital Improvement Projects) Series 2012. Only the budget-to-actual statement for this fund appears here. The other statements for this fund are included under the Financial Section tab.

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

2011 Capital Improvement Fund

Year ended December 31, 2014

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with final budget - Positive
	Original	Final	amounts	(Negative)
Revenues:				
Interest and investment earnings	$ 132	$ 132	$ 65	$ (67)
Total revenues	132	132	65	(67)
Expenditures:				
Capital outlay	-	33,700	27,758	5,942
Total expenditures	-	33,700	27,758	5,942
Excess (deficiency) of revenues over (under) expenditures	132	(33,568)	(27,693)	5,875
Net change in fund balance	$ 132	$ (33,568)	(27,693)	$ 5,875
Encumbrances, end of year			4,582	
Fund balance, beginning of year, basis of budgeting			33,967	
Fund balance, end of year, basis of budgeting			10,856	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			8	
Accrued salaries, wages and amounts withheld from employees			(29)	
Fund balance, end of year, GAAP basis			$ 10,835	

NONMAJOR SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for the proceeds of specific revenue sources (other than pension trusts, proprietary fund operations and revenues received for major capital projects) that are legally restricted for specified purposes. The City of Boulder has the following nonmajor special revenue funds:

Capital Development Fund - to account for development excise tax proceeds to be utilized for the acquisition, construction and improvement of facilities necessary to maintain the current level of public amenities such as police, fire, library, human services, municipal offices, streets, and parks and recreation.

Lottery Fund - to account for State Conservation Trust Fund proceeds to be utilized for the refurbishment, capital improvement and debt service on park acquisitions.

Planning & Development Services Fund – to account for revenues and expenditures related to development and building services functions.

Affordable Housing Fund - to account for cash in lieu financial contributions from developers and General Fund contributions committed to be used to construct, purchase and maintain permanently affordable housing units in Boulder.

.25 Cent Sales Tax Fund - to account for earmarked sales tax authorized by the voters in 1995 for parks and recreation operating and capital needs.

Recreation Activity Fund – to account for revenues and expenditures related to the provision of recreation, reservoir and golf course services/programs.

Climate Action Plan Tax Fund – to account for revenues and expenditures related to programs implemented to increase energy efficiency, increase renewable energy use, reduce emissions from motor vehicles and take other steps toward the goal of meeting the Kyoto Protocol.

Airport Fund - to account for the operations of the City-owned municipal airport. Financing is provided by grants, rents and leases which are required to be used for airport operations.

Transportation Development Fund - to account for development excise taxes to be utilized for the construction of transportation capital improvements related to new development and growth.

Transit Pass General Improvement District – to account for earmarked property tax authorized by the voters in 2000 to fund bus transit passes for participating neighborhoods.

BJAGID – TDM – to account for revenues and expenditures related to programs implemented by the Boulder Junction Authority General Improvement District to meet its Transportation Demand Management goals.

Gifts and Contributions Fund - to account for funds received from the Boulder Library Foundation for programs benefiting the city-owned library.

Community Development Fund - to account for funds granted by the Community Development Block Grant program administered by the Department of Housing and Urban Development.

HOME Fund - to account for funds granted by the HOME program administered by the Department of Housing and Urban Development.

NONMAJOR CAPITAL PROJECT FUNDS

The Capital Project Funds are established to account for financial resources to be utilized for acquisition, construction and improvement of capital assets (other than those financed by Proprietary Funds). The City of Boulder has the following nonmajor capital project funds:

Permanent Parks and Recreation Fund - to account for the construction of improvements to the City park systems and the maintenance thereof. Financing is provided by general property taxes, development excise taxes and park fees.

Fire Training Center Construction Fund – to account for the construction of a new fire training facility financed by a .15 cent sales tax approved by the voters in 2006 and funding provided by Boulder County.

Boulder Junction Improvement – to account for the development of a new "Boulder Junction" 160-acre site located around 30th and Pearl streets. It will be a regional transit-oriented, mixed-use neighborhood including a new regional bus and light rail terminal developed by Regional Transportation District (RTD). Funding is provided from a portion of the use taxes collected from development in the area.

CITY OF BOULDER, COLORADO

Combining Balance Sheet

Nonmajor Governmental Funds

December 31, 2014

(Amounts in 000's)

Assets and Deferred Outflows of Resources	Special Revenue	Capital Project	Total
Equity in pooled cash and cash equivalents	$ 2,124	$ 208	$ 2,332
Investments	41,083	4,032	45,115
Receivables:			
General property taxes	37	2,325	2,362
Sales and use taxes	902	-	902
Accounts	214	3	217
Notes	90	-	90
Accrued interest	85	9	94
Intergovernmental	1,823	60	1,883
Total receivables	3,151	2,397	5,548
Due from other funds	84	158	242
Inventory of materials and supplies	45	-	45
Restricted assets:			
Investments for special purposes	1,066	-	1,066
Total assets	47,553	6,795	54,348
Deferred outflows of resources	-	-	-
Total assets and deferred outflows of resources	$ 47,553	$ 6,795	$ 54,348
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities:			
Accounts and accrued liabilities:			
Vouchers and accounts payable	$ 2,508	$ 96	$ 2,604
Contracts and retainage payable	72	52	124
Accrued salaries, wages and amounts withheld from employees	633	24	657
Due to other funds	433	-	433
Advances from other funds	235	-	235
Other liabilities	726	-	726
Unearned revenue	41	-	41
Total liabilities	4,648	172	4,820
Deferred inflows of resources:			
Property tax	37	2,325	2,362
Grants and other deferrals	333	54	387
Total deferred inflow of resources	370	2,379	2,749
Fund balances:			
Nonspendable:			
Inventory	45	-	45
Restricted:			
Legally restricted	4,534	-	4,534
Capital projects	-	1,271	1,271
Development fees	3,815	-	3,815
Lottery funds	1,788	-	1,788
Donor restrictions	612	-	612
Committed:			
Affordable housing	15,868	-	15,868
Transportation projects	1,327	-	1,327
Assigned:			
Special purposes	14,566	2,973	17,539
Unassigned	(20)	-	(20)
Total fund balances	42,535	4,244	46,779
Total liabilities, deferred inflows of resources and fund balances	$ 47,553	$ 6,795	$ 54,348

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CITY OF BOULDER, COLORADO

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Governmental Funds

Year ended December 31, 2014

(Amounts in 000's)

	Special Revenue	Capital Project	Total
Revenues:			
Taxes:			
Sales and use taxes	$ 8,057	$ 199	$ 8,256
General property taxes	29	2,283	2,312
Franchise taxes	1,808	-	1,808
Excise taxes	1,395	1,050	2,445
Charges for services	17,832	593	18,425
Sale of goods	211	-	211
License, permits and fines	6,585	-	6,585
Intergovernmental	4,647	21	4,668
Leases, rents and royalties	2,067	-	2,067
Interest and investment earnings	194	18	212
Other	826	12	838
Total revenues	43,651	4,176	47,827
Expenditures:			
Current:			
General Government	1,725	-	1,725
Public Works	2,343	-	2,343
Planning & Development Services	5,956	-	5,956
Culture and Recreation	16,655	-	16,655
Open Space and Mountain Parks	226	-	226
Housing and Human Services	17,098	-	17,098
Capital outlay	-	3,937	3,937
Debt service payments:			
Principal	2,100	-	2,100
Interest	128	-	128
Total expenditures	46,231	3,937	50,168
Excess (deficiency) of revenues over (under) expenditures	(2,580)	239	(2,341)
Other financing sources (uses):			
Transfers in	5,253	310	5,563
Transfers out	(23)	(116)	(139)
Total other financing sources (uses)	5,230	194	5,424
Net change in fund balances	2,650	433	3,083
Fund balances, beginning of year	39,885	3,811	43,696
Fund balances, end of year	$ 42,535	$ 4,244	$ 46,779

CITY OF BOULDER, COLORADO

Combining Balance Sheet

Nonmajor Special Revenue Funds

December 31, 2014

(Amounts in 000's)

Assets and Deferred Outflows of Resources	Capital Development Fund	Lottery Fund	Planning & Development Services Fund	Affordable Housing Fund	.25 Cent Sales Tax Fund	Recreation Activity Fund
Equity in pooled cash and cash equivalents	$ 317	$ 88	$ 447	$ 800	$ 131	$ 109
Investments	6,148	1,703	8,682	15,527	2,538	1,955
Receivables:						
General property taxes	-	-	-	-	-	-
Sales and use taxes	-	-	-	-	902	-
Accounts	-	-	24	-	2	10
Notes	-	-	-	90	-	-
Accrued interest	12	3	17	32	6	4
Intergovernmental	-	40	5	-	262	1
Total receivables	12	43	46	122	1,172	15
Due from other funds	-	-	2	-	62	-
Inventory of materials and supplies	-	-	-	-	-	45
Restricted assets:						
Investments for special purposes	-	-	12	-	302	60
Total assets	6,477	1,834	9,189	16,449	4,205	2,184
Deferred outflows of resources	-	-	-	-	-	-
Total assets and deferred outflows of resources	$ 6,477	$ 1,834	$ 9,189	$ 16,449	$ 4,205	$ 2,184
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities:						
Accounts and accrued liabilities:						
Vouchers and accounts payable	$ -	$ 4	$ 89	$ 560	$ 228	$ 136
Contracts and retainage payable	-	-	-	-	18	-
Accrued salaries, wages and amounts withheld from employees	-	1	261	10	75	258
Due to other funds	146	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Other liabilities	-	-	693	11	17	-
Unearned revenue	-	-	-	-	5	36
Total liabilities	146	5	1,043	581	343	430
Deferred inflows of resources:						
Property tax	-	-	-	-	-	-
Grants and other deferrals	-	41	27	-	254	1
Total deferred inflows of resources	-	41	27	-	254	1
Fund balances:						
Nonspendable:						
Inventory	-	-	-	-	-	45
Restricted:						
Legally restricted	-	-	12	-	3,306	-
Development fees	3,815	-	-	-	-	-
Lottery funds	-	1,788	-	-	-	-
Donor restrictions	-	-	-	-	302	60
Committed:						
Affordable housing	-	-	-	15,868	-	-
Transportation projects	-	-	-	-	-	-
Assigned:						
Special purposes	2,516	-	8,107	-	-	1,648
Unassigned	-	-	-	-	-	-
Total fund balances	6,331	1,788	8,119	15,868	3,608	1,753
Total liabilities, deferred inflows from resources and fund balances	$ 6,477	$ 1,834	$ 9,189	$ 16,449	$ 4,205	$ 2,184

(continued)

Climate Action Plan Tax Fund	Airport Fund	Trans-portation Development Fund	Transit Pass General Improvement District	Boulder Junction Access GID - TDM	Gifts and Contributions Fund	Community Development Fund	HOME Fund	Total
$ 64	$ 13	$ 152	$ 1	$ 2	$ -	$ -	$ -	$ 2,124
1,249	252	2,958	25	46	-	-	-	41,083
-	-	-	9	28	-	-	-	37
-	-	-	-	-	-	-	-	902
169	9	-	-	-	-	-	-	214
-	-	-	-	-	-	-	-	90
3	1	6	-	-	1	-	-	85
2	1,117	-	-	-	1	305	90	1,823
174	1,127	6	9	28	2	305	90	3,151
1	19	-	-	-	-	-	-	84
-	-	-	-	-	-	-	-	45
-	-	-	-	-	692	-	-	1,066
1,488	1,411	3,116	35	76	694	305	90	47,553
-	-	-	-	-	-	-	-	-
$ 1,488	$ 1,411	$ 3,116	$ 35	$ 76	$ 694	$ 305	$ 90	$ 47,553
$ 254	$ 1,124	$ 6	$ -	$ -	$ 6	$ 32	$ 69	$ 2,508
-	54	-	-	-	-	-	-	72
16	5	-	-	-	-	5	2	633
-	-	-	-	-	-	268	19	433
-	235	-	-	-	-	-	-	235
-	5	-	-	-	-	-	-	726
-	-	-	-	-	-	-	-	41
270	1,423	6	-	-	6	305	90	4,648
-	-	-	9	28	-	-	-	37
2	1	-	-	-	-	5	2	333
2	1	-	9	28	-	5	2	370
-	-	-	-	-	-	-	-	45
1,216	-	-	-	-	-	-	-	4,534
-	-	-	-	-	-	-	-	3,815
-	-	-	-	-	-	-	-	1,788
-	-	-	-	-	250	-	-	612
-	-	-	-	-	-	-	-	15,868
-	-	1,327	-	-	-	-	-	1,327
-	-	1,783	26	48	438	-	-	14,566
-	(13)	-	-	-	-	(5)	(2)	(20)
1,216	(13)	3,110	26	48	688	(5)	(2)	42,535
$ 1,488	$ 1,411	$ 3,116	$ 35	$ 76	$ 694	$ 305	$ 90	$ 47,553

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CITY OF BOULDER, COLORADO

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Special Revenue Funds

Year ended December 31, 2014

(Amounts in 000's)

	Capital Development Fund	Lottery Fund	Planning & Development Services Fund	Affordable Housing Fund
Revenues:				
Taxes:				
Sales and use taxes	$ -	$ -	$ -	$ -
General property taxes	-	-	-	-
Franchise taxes	-	-	-	-
Excise taxes	2	-	-	-
Charges for services	2,930	-	1,916	5,909
Sale of goods	-	-	4	-
Licenses, permits and fines	-	-	6,347	-
Intergovernmental	-	975	17	-
Leases, rents and royalties	-	-	-	156
Interest and investment earnings	18	7	40	80
Other	-	-	109	20
Total revenues	2,950	982	8,433	6,165
Expenditures:				
Current:				
General Government	-	-	-	-
Public Works	82	-	-	-
Planning & Development Services	-	-	5,956	-
Culture and Recreation	-	481	-	-
Open Space and Mountain Parks	-	226	-	-
Housing and Human Services	-	-	4,862	9,913
Debt service payments:				
Principal	-	-	-	-
Interest	-	-	-	-
Total expenditures	82	707	10,818	9,913
Excess (deficiency) of revenues over (under) expenditures	2,868	275	(2,385)	(3,748)
Other financing sources (uses):				
Transfers in	517	-	2,931	240
Transfers out	(6)	-	-	-
Total other financing sources (uses)	511	-	2,931	240
Net change in fund balances	3,379	275	546	(3,508)
Fund balances, beginning of year	2,952	1,513	7,573	19,376
Fund balances, end of year	$ 6,331	$ 1,788	$ 8,119	$ 15,868

CITY OF BOULDER, COLORADO

Combining Statement of Revenues, Expenditures and Changes in Fund Balances, continued

Nonmajor Special Revenue Funds

Year ended December 31, 2014

(Amounts in 000's)

	.25 Cent Sales Tax Fund	Recreation Activity Fund	Climate Action Plan Tax Fund	Airport Fund	Trans-portation Development Fund
Revenues:					
Taxes:					
Sales and use taxes	$ 8,057	$ -	$ -	$ -	$ -
General property taxes	-	-	-	-	-
Franchise taxes	-	-	1,808	-	-
Excise taxes	-	-	-	-	1,393
Charges for services	22	7,052	-	3	-
Sale of goods	-	207	-	-	-
Licenses, permits and fines	65	173	-	-	-
Intergovernmental	179	29	10	1,123	-
Leases, rents and royalties	160	1,265	-	486	-
Interest and investment earnings	16	10	5	3	12
Other	303	329	-	-	18
Total revenues	8,802	9,065	1,823	1,615	1,423
Expenditures:					
Current:					
General Government	-	-	1,723	-	-
Public Works	490	-	-	1,711	60
Planning & Development Services	-	-	-	-	-
Culture and Recreation	5,846	10,255	-	-	-
Open Space and Mountain Parks	-	-	-	-	-
Housing and Human Services	-	-	-	-	-
Debt service payments:					
Principal	2,100	-	-	-	-
Interest	128	-	-	-	-
Total expenditures	8,564	10,255	1,723	1,711	60
Excess (deficiency) of revenues over (under) expenditures	238	(1,190)	100	(96)	1,363
Other financing sources (uses):					
Transfers in	-	1,561	-	-	-
Transfers out	-	(11)	-	-	(6)
Total other financing sources (uses)	-	1,550	-	-	(6)
Net change in fund balances	238	360	100	(96)	1,357
Fund balances, beginning of year	3,370	1,393	1,116	83	1,753
Fund balances, end of year	$ 3,608	$ 1,753	$ 1,216	$ (13)	$ 3,110

Transit Pass General Improvement District	Boulder Junction Access GID-TDM	Gifts and Contributions Fund	Community Development Fund	HOME Fund	Total
$ -	$ -	$ -	$ -	$ -	$ 8,057
11	18	-	-	-	29
-	-	-	-	-	1,808
-	-	-	-	-	1,395
-	-	-	-	-	17,832
-	-	-	-	-	211
-	-	-	-	-	6,585
-	-	-	972	1,342	4,647
-	-	-	-	-	2,067
-	-	3	-	-	194
-	-	45	2	-	826
11	18	48	974	1,342	43,651
-	2	-	-	-	1,725
-	-	-	-	-	2,343
-	-	-	-	-	5,956
-	-	73	-	-	16,655
-	-	-	-	-	226
-	-	-	979	1,344	17,098
-	-	-	-	-	2,100
-	-	-	-	-	128
-	2	73	979	1,344	46,231
11	16	(25)	(5)	(2)	(2,580)
4	-	-	-	-	5,253
-	-	-	-	-	(23)
4	-	-	-	-	5,230
15	16	(25)	(5)	(2)	2,650
11	32	713	-	-	39,885
$ 26	$ 48	$ 688	$ (5)	$ (2)	$ 42,535

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

Capital Development Fund

Year ended December 31, 2014

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with final budget - Positive
	Original	Final	amounts	(Negative)
Revenues:				
Taxes:				
Excise taxes	$ 138	$ 138	$ 2	$ (136)
Charges for services	427	427	2,930	2,503
Interest and investment earnings	40	40	18	(22)
Total revenues	605	605	2,950	2,345
Expenditures:				
Current:				
Public Works	67	179	82	97
Culture and Recreation	300	300	-	300
Total expenditures	367	479	82	397
Excess (deficiency) of revenues over (under) expenditures	238	126	2,868	2,742
Other financing uses:				
Transfers in	-	517	517	-
Transfers out	(6)	(6)	(6)	-
Total other financing sources (uses)	(6)	511	511	-
Net change in fund balance	$ 232	$ 637	3,379	$ 2,742
Fund balance, beginning of year, basis of budgeting			2,943	
Fund balance, end of year, basis of budgeting			6,322	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			9	
Fund balance, end of year, GAAP basis			$ 6,331	

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

Lottery Fund

Year ended December 31, 2014

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with final budget - Positive
	Original	Final	amounts	(Negative)
Revenues:				
Intergovernmental	$ 836	$ 836	$ 975	$ 139
Interest and investment earnings	1	1	9	8
Total revenues	837	837	984	147
Expenditures:				
Current:				
Culture and Recreation	493	1,311	490	821
Open Space and Mountain Parks	343	584	347	237
Total expenditures	836	1,895	837	1,058
Excess (deficiency) of revenues over expenditures	1	(1,058)	147	1,205
Net change in fund balance	$ 1	$ (1,058)	147	$ 1,205
Encumbrances, end of year			130	
Fund balance, beginning of year, basis of budgeting			1,510	
Fund balance, end of year, basis of budgeting			1,787	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			2	
Accrued salaries, wages and amounts withheld from employees			(1)	
Fund balance, end of year, GAAP basis			$ 1,788	

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

Planning & Development Services Fund

Year ended December 31, 2014

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with final budget - Positive
	Original	Final	amounts	(Negative)
Revenues:				
Charges for services	$ 1,919	$ 1,919	$ 1,916	$ (3)
Sale of goods	5	5	4	(1)
Licenses, permits and fines	4,221	4,266	6,347	2,081
Intergovernmental	-	1	17	16
Interest and investment earnings	100	100	50	(50)
Other	-	75	109	34
Total revenues	6,245	6,366	8,443	2,077
Expenditures:				
Current:				
Planning & Development Services	5,947	6,370	6,003	367
Housing and Human Services	4,571	5,021	4,941	80
Total expenditures	10,518	11,391	10,944	447
Excess (deficiency) of revenues over (under) expenditures	(4,273)	(5,025)	(2,501)	2,524
Other financing sources (uses):				
Transfers in	2,931	2,931	2,931	-
Total other financing sources (uses)	2,931	2,931	2,931	-
Net change in fund balance	$ (1,342)	$ (2,094)	430	$ 2,524
Encumbrances, end of year			168	
Fund balance, beginning of year, basis of budgeting			7,721	
Fund balance, end of year, basis of budgeting			8,319	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			11	
Accrued salaries, wages and amounts withheld from employees			(211)	
Fund balance, end of year, GAAP basis			$ 8,119	

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

Affordable Housing Fund

Year ended December 31, 2014

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with final budget - Positive
	Original	Final	amounts	(Negative)
Revenues:				
Charges for services	$ 1,004	$ 1,004	$ 5,909	$ 4,905
Leases, rents and royalties	156	156	156	-
Interest and investment earnings	30	30	155	125
Other	-	-	20	20
Total revenues	1,190	1,190	6,240	5,050
Expenditures:				
Current:				
Housing and Human Services	1,417	14,079	9,909	4,170
Total expenditures	1,417	14,079	9,909	4,170
Excess (deficiency) of revenues over (under) expenditures	(227)	(12,889)	(3,669)	9,220
Other financing sources (uses):				
Transfers in	240	240	240	-
Total other financing sources (uses)	240	240	240	-
Net change in fund balance	$ 13	$ (12,649)	(3,429)	$ 9,220
Fund balance, beginning of year, basis of budgeting			19,198	
Fund balance, end of year, basis of budgeting			15,769	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			19	
Notes receivable			90	
Accrued salaries, wages and amounts withheld from employees			(10)	
Fund balance, end of year, GAAP basis			$ 15,868	

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

.25 Cent Sales Tax Fund

Year ended December 31, 2014

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with final budget - Positive
	Original	Final	amounts	(Negative)
Revenues:				
Taxes:				
Sales and use taxes	$ 7,470	$ 7,470	$ 8,057	$ 587
Charges for services	-	-	22	22
Licenses, permits and fines	-	-	65	65
Intergovernmental	23	15	179	164
Leases, rents and royalties	-	-	160	160
Interest and investment earnings	20	20	20	-
Other	124	493	303	(190)
Total revenues	7,637	7,998	8,806	808
Expenditures:				
Current:				
Public Works	450	507	500	7
Culture and Recreation	4,897	7,739	6,572	1,167
Debt service payments:				
Principal	2,100	2,100	2,100	-
Interest	128	128	128	-
Total expenditures	7,575	10,474	9,300	1,174
Excess (deficiency) of revenues over (under) expenditures	62	(2,476)	(494)	1,982
Net change in fund balance	$ 62	$ (2,476)	(494)	$ 1,982
Encumbrances, end of year			723	
Fund balance, beginning of year, basis of budgeting			3,436	
Fund balance, end of year, basis of budgeting			3,665	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			1	
Accrued salaries, wages and amounts withheld from employees			(58)	
Fund balance, end of year, GAAP basis			$ 3,608	

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

Recreation Activity Fund

Year ended December 31, 2014

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with final budget - Positive
	Original	Final	amounts	(Negative)
Revenues:				
Charges for services	$ 6,800	$ 6,800	$ 7,052	$ 252
Sale of goods	198	198	207	9
Licenses, permits and fines	180	180	173	(7)
Intergovernmental	-	40	29	(11)
Leases, rents and royalties	1,150	1,150	1,265	115
Interest and investment earnings	11	22	12	(10)
Other	47	307	329	22
Total revenues	8,386	8,697	9,067	370
Expenditures:				
Current:				
Culture and Recreation	10,270	10,454	10,176	278
Total expenditures	10,270	10,454	10,176	278
Excess (deficiency) of revenues over (under) expenditures	(1,884)	(1,757)	(1,109)	648
Other financing sources (uses):				
Transfers in	1,561	1,561	1,561	-
Transfers out	-	(11)	(11)	-
Total other financing sources (uses)	1,561	1,550	1,550	-
Net change in fund balance	$ (323)	$ (207)	441	$ 648
Encumbrances, end of year			7	
Fund balance, beginning of year, basis of budgeting			1,512	
Fund balance, end of year, basis of budgeting			1,960	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			2	
Accrued salaries, wages and amounts withheld from employees			(209)	
Fund balance, end of year, GAAP basis			$ 1,753	

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

Climate Action Plan Tax Fund

Year ended December 31, 2014

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with final budget - Positive
	Original	Final	amounts	(Negative)
Revenues:				
Taxes:				
Franchise taxes	$ 1,840	$ 1,840	$ 1,808	$ (32)
Intergovernmental	-	-	10	10
Interest and investment earnings	6	6	7	1
Total revenues	1,846	1,846	1,825	(21)
Expenditures:				
Current:				
General Government	1,846	2,719	2,301	418
Total expenditures	1,846	2,719	2,301	418
Excess (deficiency) of revenues over (under) expenditures	-	(873)	(476)	397
Net change in fund balance	$ -	$ (873)	(476)	$ 397
Encumbrances, end of year			583	
Fund balance, beginning of year, basis of budgeting			1,124	
Fund balance, end of year, basis of budgeting			1,231	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			1	
Accrued salaries, wages and amounts withheld from employees			(16)	
Fund balance, end of year, GAAP basis			$ 1,216	

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

Airport Fund

Year ended December 31, 2014

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with final budget - Positive
	Original	Final	amounts	(Negative)
Revenues:				
Charges for services	$ 8	$ 8	$ 3	$ (5)
Intergovernmental	1,400	1,400	1,123	(277)
Leases, rents and royalties	536	536	486	(50)
Interest and investment earnings	4	4	3	(1)
Total revenues	1,948	1,948	1,615	(333)
Expenditures:				
Current:				
Public Works	2,015	2,015	1,986	29
Total expenditures	2,015	2,015	1,986	29
Excess (deficiency) of revenues over (under) expenditures	(67)	(67)	(371)	(304)
Other financing uses:				
Transfers out	-	(25)	(25)	-
Total other financing sources (uses)	-	(25)	(25)	-
Net change in fund balance	$ (67)	$ (92)	(396)	$ (304)
Encumbrances, end of year			276	
Fund balance, beginning of year, basis of budgeting			346	
Fund balance, end of year, basis of budgeting			226	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			1	
Accrued salaries, wages and amounts withheld from employees			(5)	
Advances from other funds			(235)	
Fund balance, end of year, GAAP basis			$ (13)	

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

Transportation Development Fund

Year ended December 31, 2014

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with final budget - Positive
	Original	Final	amounts	(Negative)
Revenues:				
Taxes:				
Excise taxes	$ 573	$ 573	$ 1,393	$ 820
Interest and investment earnings	4	4	13	9
Other	100	100	18	(82)
Total revenues	677	677	1,424	747
Expenditures:				
Current:				
Public Works	911	2,103	252	1,851
Total expenditures	911	2,103	252	1,851
Excess (deficiency) of revenues over (under) expenditures	(234)	(1,426)	1,172	2,598
Other financing uses:				
Transfers out	(6)	(6)	(6)	-
Total other financing sources (uses)	(6)	(6)	(6)	-
Net change in fund balance	$ (240)	$ (1,432)	1,166	$ 2,598
Encumbrances, end of year			192	
Fund balance, beginning of year, basis of budgeting			1,749	
Fund balance, end of year, basis of budgeting			3,107	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			3	
Fund balance, end of year, GAAP basis			$ 3,110	

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

Transit Pass General Improvement District

Year ended December 31, 2014

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with final budget - Positive
	Original	Final	amounts	(Negative)
Revenues:				
Taxes:				
General property taxes	$ 10	$ 10	$ 11	$ 1
Total revenues	10	10	11	1
Expenditures:				
Current:				
Public Works	15	15	-	15
Total expenditures	15	15	-	15
Excess (deficiency) of revenues over (under) expenditures	(5)	(5)	11	16
Other financing sources -				
Transfers in	4	4	4	-
Total other financing sources (uses)	4	4	4	-
Net change in fund balance	$ (1)	$ (1)	15	$ 16
Fund balance, beginning of year, basis of budgeting			11	
Fund balance, end of year, GAAP basis			$ 26	

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

Boulder Junction Access GID - TDM

Year ended December 31, 2014

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with final budget - Positive
	Original	Final	amounts	(Negative)
Revenues:				
Taxes:				
General property taxes	$ 131	$ 131	$ 18	$ (113)
Total revenues	131	131	18	(113)
Expenditures:				
Current:				
General Government	50	50	2	48
Total expenditures	50	50	2	48
Excess (deficiency) of revenues over (under) expenditures	81	81	16	(65)
Net change in fund balance	$ 81	$ 81	16	$ (65)
Fund balance, beginning of year, basis of budgeting			32	
Fund balance, end of year, GAAP basis			$ 48	

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

Community Development Fund

Year ended December 31, 2014

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with final budget - Positive
	Original	Final	amounts	(Negative)
Revenues:				
Intergovernmental	$ 684	$ 805	$ 972	$ 167
Other	-	-	2	2
Total revenues	684	805	974	169
Expenditures:				
Current:				
Housing and Human Services	684	1,682	979	703
Total expenditures	684	1,682	979	703
Net change in fund balance	$ -	$ (877)	(5)	$ 872
Fund balance, beginning of year, basis of budgeting			-	
Fund balance, end of year, GAAP basis			$ (5)	

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

HOME Fund

Year ended December 31, 2014

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with final budget - Positive
	Original	Final	amounts	(Negative)
Revenues:				
Intergovernmental	$ 811	$ 960	$ 1,342	$ 382
Total revenues	811	960	1,342	382
Expenditures:				
Current:				
Housing and Human Services	811	2,515	1,344	1,171
Total expenditures	811	2,515	1,344	1,171
Excess (deficiency) of revenues over (under) expenditures	-	(1,555)	(2)	1,553
Net change in fund balance	$ -	$ (1,555)	(2)	$ 1,553
Fund balance, beginning of year, basis of budgeting			-	
Fund balance, end of year, GAAP basis			$ (2)	

CITY OF BOULDER, COLORADO

Combining Balance Sheet

Nonmajor Capital Project Funds

December 31, 2014

(Amounts in 000's)

Assets and Deferred Outflows of Resources	Permanent Parks and Recreation Fund	Fire Training Center Construction Fund	Boulder Junction Improvement Fund	Total
Equity in pooled cash and cash equivalents	$ 68	$ -	$ 140	$ 208
Investments	1,314	4	2,714	4,032
Receivables:				
General property taxes	2,325	-	-	2,325
Accounts	3	-	-	3
Accrued interest	3	-	6	9
Intergovernmental	60	-	-	60
Total receivables	2,391	-	6	2,397
Due from other funds	12	-	146	158
Total assets	3,785	4	3,006	6,795
Deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	$ 3,785	$ 4	$ 3,006	$ 6,795
Liabilities, Deferred Inflows of Resources and Fund Balance				
Liabilities:				
Accounts and accrued liabilities:				
Vouchers and accounts payable	$ 59	$ -	$ 37	$ 96
Contracts and retainage payable	52	-	-	52
Accrued salaries, wages and amounts withheld from employees	24	-	-	24
Total liabilities	135	-	37	172
Deferred inflows of resources:				
Property tax	2,325	-	-	2,325
Grants and other deferrals	54	-	-	54
Total deferred inflow of resources	2,379	-	-	2,379
Fund balances:				
Restricted:				
Capital projects	1,271	-	-	1,271
Assigned:				
Special purposes	-	4	2,969	2,973
Total fund balances	1,271	4	2,969	4,244
Total liabilities, deferred inflows of resources and fund balances	$ 3,785	$ 4	$ 3,006	$ 6,795

CITY OF BOULDER, COLORADO

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Nonmajor Capital Project Funds

Year ended December 31, 2014

(Amounts in 000's)

	Permanent Parks and Recreation Fund	Fire Training Center Construction Fund	Boulder Junction Improvement Fund	Total
Revenues:				
Taxes:				
Sales and use taxes	$ -	$ -	$ 199	$ 199
General property taxes	2,283	-	-	2,283
Excise taxes	5	-	1,045	1,050
Charges for services	-	-	593	593
Intergovernmental	21	-	-	21
Interest and investment earnings	10	-	8	18
Other	4	-	8	12
Total revenues	2,323	-	1,853	4,176
Expenditures:				
Capital outlay	3,406	42	489	3,937
Total expenditures	3,406	42	489	3,937
Excess (deficiency) of revenues over (under) expenditures	(1,083)	(42)	1,364	239
Other financing sources (uses)				
Transfers in	110	-	200	310
Transfers out	(6)	-	(110)	(116)
Total other financing sources (uses)	104	-	90	194
Net change in fund balances	(979)	(42)	1,454	433
Fund balances, beginning of year	2,250	46	1,515	3,811
Fund balances, end of year	$ 1,271	$ 4	$ 2,969	$ 4,244

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

Permanent Parks and Recreation Fund

Year ended December 31, 2014

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with final budget - Positive
	Original	Final	amounts	(Negative)
Revenues:				
Taxes:				
General property taxes	$ 2,278	$ 2,278	$ 2,283	$ 5
Excise taxes	208	208	5	(203)
Intergovernmental	-	-	21	21
Interest and investment earnings	7	7	15	8
Other	20	20	4	(16)
Total revenues	2,513	2,513	2,328	(185)
Expenditures:				
Capital outlay	2,569	4,299	3,480	819
Total expenditures	2,569	4,299	3,480	819
Excess (deficiency) of revenues over (under) expenditures	(56)	(1,786)	(1,152)	634
Other financing sources (uses)				
Transfers in	-	110	110	-
Transfers out	(214)	(214)	(6)	208
Total other financing sources (uses)	(214)	(104)	104	208
Net change in fund balance	$ (270)	$ (1,890)	(1,048)	$ 842
Encumbrances, end of year			75	
Fund balance, beginning of year, basis of budgeting			2,266	
Fund balance, end of year, basis of budgeting			1,293	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			2	
Accrued salaries, wages and amounts withheld from employees			(24)	
Fund balance, end of year, GAAP basis			$ 1,271	

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

Fire Training Center Construction Fund

Year ended December 31, 2014

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with final budget - Positive
	Original	Final	amounts	(Negative)
Revenues:				
Total revenues	$ -	$ -	$ -	$ -
Expenditures:				
Capital outlay	-	42	42	-
Total expenditures	-	42	42	-
Excess (deficiency) of revenues over (under) expenditures	-	(42)	(42)	-
Net change in fund balance	$ -	$ (42)	(42)	$ -
Fund balance, beginning of year, basis of budgeting			46	
Fund balance, end of year, GAAP basis			$ 4	

CITY OF BOULDER, COLORADO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual
(Budgetary Basis)

Boulder Junction Improvement Fund

Year ended December 31, 2014

(Amounts in 000's)

	Budgeted amounts		Actual	Variance with final budget - Positive
	Original	Final	amounts	(Negative)
Revenues:				
Taxes:				
Sales and use taxes	$ 301	$ 301	$ 199	$ (102)
Excise taxes	573	573	1,045	472
Charges for services	506	506	593	87
Interest and investment earnings	5	5	10	5
Other	-	67	8	(59)
Total revenues	1,385	1,452	1,855	403
Expenditures:				
Capital outlay	1,544	3,214	942	2,272
Total expenditures	1,544	3,214	942	2,272
Excess (deficiency) of revenues over (under) expenditures	(159)	(1,762)	913	2,675
Other financing sources (uses)				
Transfers in	408	408	200	(208)
Transfers out	-	(110)	(110)	-
Total other financing sources (uses)	408	298	90	(208)
Net change in fund balance	$ 249	$ (1,464)	1,003	$ 2,467
Encumbrances, end of year			450	
Fund balance, beginning of year, basis of budgeting			1,513	
Fund balance, end of year, basis of budgeting			2,966	
Basis of budgeting to GAAP basis reconciliation:				
Fair market value adjustment to investments			3	
Fund balance, end of year, GAAP basis			$ 2,969	

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NONMAJOR ENTERPRISE FUNDS

Enterprise Funds are established to account for operations that are primarily funded through user charges to customers outside of the organization. The City of Boulder has the following Nonmajor Enterprise Funds:

Boulder Municipal Property Authority – to account for the acquisition and construction of certain city properties and facilities. Funding is derived from the issuance of lease purchase revenue debt. Debt service is paid with income received from the city in the form of base rentals that are derived from the acquired or constructed assets.

University Hill Commercial District Fund – this district provides parking facilities and services to the commercial district adjacent to the University of Colorado (CU) campus. It is predominately self-supported by user charges but also receives general property and other tax revenues.

Boulder Junction Access GID - Parking Fund - to account for revenues and expenditures related to programs implemented by the Boulder Junction Authority General Improvement District to meet its parking facility and service goals. It is predominately self-supported through property tax revenue approved by the voters.

CITY OF BOULDER, COLORADO

Combining Statement of Net Position

Nonmajor Enterprise Funds

December 31, 2014

(Amounts in 000's)

	Boulder Municipal Property Authority	University Hill Commercial District	Boulder Junction Access GID - Parking	Total Nonmajor Enterprise Funds
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents	$ -	$ 40	$ 2	$ 42
Investments	-	783	47	830
Receivables:				
General property taxes	-	33	47	80
Notes - current installments	146	-	-	146
Accrued interest	9	2	-	11
Total receivables	155	35	47	237
Due from other funds	104	-	-	104
Total current assets	259	858	96	1,213
Noncurrent assets:				
Notes receivable - less current installments	153	-	-	153
Capital assets:				
Land and easements	21,008	444	-	21,452
Buildings	6,433	-	-	6,433
Improvements other than buildings	-	58	-	58
Vehicles	-	83	-	83
Machinery and equipment	-	247	-	247
	27,441	832	-	28,273
Less accumulated depreciation	(3,217)	(262)	-	(3,479)
	24,224	570	-	24,794
Total capital assets, net of accumulated depreciation	24,224	570	-	24,794
Total noncurrent assets	24,377	570	-	24,947
Total assets	24,636	1,428	96	26,160
Deferred outflows of resources	-	-	-	-
Total assets and deferred outflows of resources	$ 24,636	$ 1,428	$ 96	$ 26,160

CITY OF BOULDER, COLORADO

Combining Statement of Net Position
continued

Nonmajor Enterprise Funds

December 31, 2014

(Amounts in 000's)

	Boulder Municipal Property Authority	University Hill Commercial District	Boulder Junction Access GID - Parking	Total Nonmajor Enterprise Funds
Liabilities:				
Current liabilities:				
Accounts and accrued liabilities:				
Vouchers and accounts payable	$ -	$ 7	$ -	$ 7
Accrued salaries, wages and amounts withheld from employees	-	7	-	7
Accrued interest	104	-	-	104
Advances from other funds	-	-	2	2
Other liabilities	-	8	-	8
Revenue notes payable (current portion)	1,451	-	-	1,451
Total current liabilities	1,555	22	2	1,579
Non-current liabilities:				
Advances from other funds	-	-	13	13
Revenue notes payable	5,727	-	-	5,727
Compensated absences payable	-	34	-	34
Retiree health care benefit	-	5	-	5
Total non-current liabilities	5,727	39	13	5,779
Total liabilities	7,282	61	15	7,358
Deferred inflows of resources:				
Property tax	-	33	47	80
Net position:				
Net investment in capital assets	17,046	570	-	17,616
Restricted for:				
Legally restricted	-	6	-	6
Unrestricted	308	758	34	1,100
Total net position	$ 17,354	$ 1,334	$ 34	$ 18,722

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CITY OF BOULDER, COLORADO

Combining Statement of Revenues, Expenses and Changes in Net Position

Nonmajor Enterprise Funds

Year ended December 31, 2014

(Amounts in 000's)

	Boulder Municipal Property Authority	University Hill Commercial District	Boulder Junction Access GID - Parking	Total Nonmajor Enterprise Funds
Operating revenues:				
Charges for services	$ -	$ 149	$ -	$ 149
Leases, rents and royalties	2,091	-	-	2,091
Total operating revenues	2,091	149	-	2,240
Operating expenses:				
Personnel	-	279	-	279
Non-personnel	-	305	3	308
Depreciation	143	36	-	179
Total operating expenses	143	620	3	766
Operating income (loss)	1,948	(471)	(3)	1,474
Nonoperating revenues (expenses):				
Interest and investment earnings	18	3	-	21
General property taxes	-	33	24	57
Specific ownership & tobacco taxes	-	2	1	3
Interest expense	(320)	-	-	(320)
Total nonoperating revenues (expenses)	(302)	38	25	(239)
Income (loss) before capital contributions and transfers	1,646	(433)	22	1,235
Transfers in	-	425	-	425
Transfers out	(161)	-	-	(161)
Changes in net position	1,485	(8)	22	1,499
Total net position, beginning of year	15,869	1,342	12	17,223
Total net position, end of year	$ 17,354	$ 1,334	$ 34	$ 18,722

CITY OF BOULDER, COLORADO

Combining Statement of Cash Flows

Nonmajor Enterprise Funds

Year ended December 31, 2014

(Amounts in 000's)

	Boulder Municipal Property Authority	University Hill Commercial District	Boulder Junction Access GID - Parking	Total Nonmajor Enterprise Funds
Cash flows from operating activities:				
Receipts from customers and users	$ 2,135	$ 149	$ -	$ 2,284
Other payments	-	(1)	-	(1)
Payments to suppliers	-	(207)	(2)	(209)
Payments to employees	-	(270)	-	(270)
Payment for interfund services used	-	(96)	(1)	(97)
Net cash provided (used) by operating activities	2,135	(425)	(3)	1,707
Cash flows from noncapital financing activities:				
Payments to other funds on advances	-	-	(1)	(1)
General property taxes	-	33	24	57
Specific ownership & tobacco taxes	-	2	1	3
Transfers in	-	425	-	425
Transfers out	(161)	-	-	(161)
Net cash provided (used) by noncapital financing activities	(161)	460	24	323
Cash flows from capital and related financing activities:				
Principal paid on notes payable, bonds payable and capitalized lease obligations	(1,771)	-	-	(1,771)
Interest paid on notes payable, bonds payable, and capitalized lease obligations	(363)	-	-	(363)
Payment received on note receivable due from County for sale of land	139	-	-	139
Net cash provided (used) for capital related financing activities	(1,995)	-	-	(1,995)
Cash flows from investing activities:				
Purchase of investment securities	-	(426)	(25)	(451)
Proceeds from sale and maturities of investment securities	-	304	2	306
Interest on investments	21	1	-	22
Net cash provided (used) in investing activities	21	(121)	(23)	(123)
Net (decrease) in cash and cash equivalents	-	(86)	(2)	(88)
Cash and cash equivalents, January 1	-	126	4	130
Cash and cash equivalents, December 31	$ -	$ 40	$ 2	$ 42

CITY OF BOULDER, COLORADO

Combining Statement of Cash Flows,
continued

Nonmajor Enterprise Funds

Year ended December 31, 2014

(Amounts in 000's)

	Boulder Municipal Property Authority	University Hill Commercial District	Boulder Junction Access GID - Parking	Total Nonmajor Enterprise Funds
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ 1,948	$ (471)	$ (3)	$ 1,474
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	143	36	-	179
Change in assets and liabilities:				
(Increase) decrease in assets:				
Due from other funds	44	-	-	44
Increase (decrease) in liabilities:				
Vouchers and accounts payable	-	2	-	2
Accrued salaries, wages and amounts withheld from employees	-	1	-	1
Other liabilities	-	(1)	-	(1)
Compensated absences	-	7	-	7
Retiree health care benefit	-	1	-	1
Total adjustments	187	46	-	233
Net cash provided (used) by operating activities	$ 2,135	$ (425)	$ (3)	$ 1,707
Noncash investing, capital and financing activities:				
Increase in fair value of investments	$ -	$ 1	$ -	$ 1
	$ -	$ 1	$ -	$ 1

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INTERNAL SERVICE FUNDS

The Internal Service Funds are established to finance and account for services and/or commodities required by other funds. The City of Boulder has the following Internal Service Funds:

Telecommunications Fund - to account for the costs of operating, acquiring and maintaining telecommunications equipment used by all City departments.

Property and Casualty Insurance Fund - to account for property and casualty insurance expenditures and reserves funded through cost allocation to all City departments.

Workers Compensation Insurance Fund - to account for and facilitate the monitoring of the City's self-insured workers compensation plan.

Compensated Absences Fund - to account for payments of compensated absences to employees of the General and Library Funds. Funding is received primarily from the General Fund.

Fleet Fund - to account for the costs of operating, acquiring and maintaining automotive equipment used by other City departments. Such costs are billed to the other departments.

Computer Replacement Fund - to account for the costs of acquiring and maintaining computer equipment used by other City departments. Such costs are billed to the other departments.

Equipment Replacement Fund - to account for the costs of acquiring equipment used by other City departments. Such costs are billed to the other departments.

Facility Renovation and Replacement Fund - to account for the costs of maintaining, renovating and replacing facilities within the City. Such costs are billed to the other departments.

CITY OF BOULDER, COLORADO

Combining Statement of Net Position

Internal Service Funds

December 31, 2014

(Amounts in 000's)

	Telecom-munications Fund	Property and Casualty Insurance Fund	Workers' Compensation Insurance Fund	Compensated Absences Fund
Assets:				
Current assets:				
Equity in pooled cash and cash equivalents	$ 80	$ 306	$ 147	$ 76
Investments	1,546	5,936	2,847	1,466
Receivables, net:				
Accounts	-	-	-	-
Accrued interest	3	12	6	3
Intergovernmental	-	-	-	-
Total receivables	3	12	6	3
Due from other funds	-	-	-	-
Advances to other funds	-	-	-	-
Other assets - prepaid expenses	-	297	-	-
Total current assets	1,629	6,551	3,000	1,545
Noncurrent assets:				
Advances to other funds, less current	-	-	-	-
Capital assets:				
Land and easements	-	-	-	-
Buildings	207	-	-	-
Improvements other than buildings	-	-	-	-
Infrastructure	-	-	-	-
Vehicles	-	-	-	-
Machinery and equipment	3,106	13	-	-
	3,313	13	-	-
Less accumulated depreciation	(2,030)	(7)	-	-
	1,283	6	-	-
Construction in progress	-	-	-	-
Total capital assets, net of accumulated depreciation	1,283	6	-	-
Total noncurrent assets	1,283	6	-	-
Total assets	2,912	6,557	3,000	1,545
Deferred outflows of resources:				
Deferred loss on refunding	-	-	-	-
Total deferred outflow of resources	-	-	-	-
Total assets and deferred outflows of resources	2,912	6,557	3,000	1,545

Fleet Fund	Computer Replacement Fund	Equipment Replacement Fund	Facility Renovation and Replacement Fund	Total
$ 629	$ 370	$ 238	$ 515	$ 2,361
12,211	7,184	4,626	9,999	45,815
4	-	-	1	5
24	15	9	20	92
18	-	-	23	41
46	15	9	44	138
5	-	-	22	27
145	-	-	-	145
-	-	-	-	297
13,036	7,569	4,873	10,580	48,783
848	-	-	-	848
-	-	-	117	117
2,381	-	108	84,421	87,117
1,437	-	-	7,174	8,611
-	-	-	468	468
31,644	-	-	-	31,644
27	4,110	3,255	182	10,693
35,489	4,110	3,363	92,362	138,650
(17,900)	(2,850)	(2,645)	(53,912)	(79,344)
17,589	1,260	718	38,450	59,306
-	-	-	1,656	1,656
17,589	1,260	718	40,106	60,962
18,437	1,260	718	40,106	61,810
31,473	8,829	5,591	50,686	110,593
-	-	-	120	120
-	-	-	120	120
31,473	8,829	5,591	50,806	110,713

CITY OF BOULDER, COLORADO

Combining Statement of Net Position
continued

Internal Service Funds

December 31, 2014

(Amounts in 000's)

	Telecom-munications Fund	Property and Casualty Insurance Fund	Workers' Compensation Insurance Fund	Compensated Absences Fund
Liabilities:				
Current liabilities:				
Accounts and accrued liabilities:				
Vouchers and accounts payable	38	3	20	-
Contracts and retainage payable	-	-	-	-
Accrued salaries, wages and amounts withheld from employees	4	11	6	
Accrued interest	-	-	-	-
Accrued claims liability (current portion)	-	171	775	-
Due to other funds	-	41	-	-
Other liabilities	-	-	-	-
Compensated absences payable (current portion)	-	-	-	-
Capitalized lease obligations (current portion)	-	-	-	-
Total current liabilities	42	226	801	-
Non-current liabilities:				
Capitalized lease obligations	-	-	-	-
Compensated absences payable	-	-	-	-
Accrued claims liability	-	662	474	-
Retiree health care benefit	2	3	3	-
Total non-current liabilities	2	665	477	-
Total liabilities	44	891	1,278	-
Net position:				
Net investment in capital assets	1,283	7	-	-
Unrestricted	1,585	5,659	1,722	1,545
Total net position	$ 2,868	$ 5,666	$ 1,722	$ 1,545

Fleet Fund	Computer Replacement Fund	Equipment Replacement Fund	Facility Renovation and Replacement Fund	Total
79	62	3	628	833
-	-	-	62	62
28	-	-	2	51
-	-	-	54	54
-	-	-	-	946
216	-	-	-	257
-	-	-	248	248
21	-	-	-	21
-	-	-	547	547
344	62	3	1,541	3,019
-	-	-	8,827	8,827
48	-	-	-	48
-	-	-	-	1,136
22	-	1	2	33
70	-	1	8,829	10,044
414	62	4	10,370	13,063
17,589	1,240	717	30,077	50,913
13,470	7,527	4,870	10,359	46,737
$ 31,059	$ 8,767	$ 5,587	$ 40,436	$ 97,650

CITY OF BOULDER, COLORADO

Combining Statement of Revenues, Expenses and Changes in Net Position

Internal Service Funds

Year ended December 31, 2014

(Amounts in 000's)

	Telecom-munications Fund	Property and Casualty Insurance Fund	Workers' Compensation Insurance Fund	Compensated Absences Fund
Operating revenues:				
Charges for services	$ 736	$ 1,610	$ 1,569	$ 730
Total operating revenues	736	1,610	1,569	730
Operating expenses:				
Personnel	151	340	238	880
Non-personnel	668	1,373	1,393	37
Depreciation	265	3	-	-
Total operating expenses	1,084	1,716	1,631	917
Operating income (loss)	(348)	(106)	(62)	(187)
Nonoperating revenues (expenses):				
Interest and investment earnings	6	24	11	6
Leases, rents and royalties	-	-	-	-
Interest expense	-	-	-	-
Gain (loss) on sale of capital assets	-	-	-	-
Other (net)	1	-	29	-
Total nonoperating revenues (expenses)	7	24	40	6
Income (loss) before capital contributions, and transfers	(341)	(82)	(22)	(181)
Capital contributions	-	-	-	-
Transfers in	340	-	-	-
Transfers out	-	-	(95)	-
Changes in net position	(1)	(82)	(117)	(181)
Total net position, beginning of year	2,869	5,748	1,839	1,726
Total net position, end of year	$ 2,868	$ 5,666	$ 1,722	$ 1,545

Fleet Fund	Computer Replacement Fund	Equipment Replacement Fund	Facility Renovation and Replacement Fund	Total
$ 8,343	$ 1,979	$ 935	$ 4,145	$ 20,047
8,343	1,979	935	4,145	20,047
1,099	-	30	96	2,834
2,352	1,042	101	2,837	9,803
2,208	529	243	3,054	6,302
5,659	1,571	374	5,987	18,939
2,684	408	561	(1,842)	1,108
85	30	17	41	220
-	-	-	20	20
-	-	-	(347)	(347)
109	23	(5)	31	158
27	18	-	146	221
221	71	12	(109)	272
2,905	479	573	(1,951)	1,380
157	-	-	-	157
-	-	-	414	754
(181)	-	-	-	(276)
2,881	479	573	(1,537)	2,015
28,178	8,288	5,014	41,973	95,635
$ 31,059	$ 8,767	$ 5,587	$ 40,436	$ 97,650

CITY OF BOULDER, COLORADO

Combining Statement of Cash Flows

Internal Service Funds

Year ended December 31, 2014

(Amount in 000's)

	Telecom-munications Fund	Property and Casualty Insurance Fund	Workers' Compensation Insurance Fund	Compensated Absences Fund
Cash flows from operating activities:				
Receipts from customers and users	$ 92	$ -	$ -	$ -
Receipts from interfund services provided	644	1,610	1,569	730
Other receipts	1	-	29	-
Payments to suppliers	(448)	(1,198)	(1,301)	-
Payments to employees	(148)	(334)	(235)	(891)
Payments for interfund services used	(235)	(177)	(45)	(37)
Net cash provided (used) by operating activities	(94)	(99)	17	(198)
Cash flows from noncapital financing activities:				
Payments from other funds on due from (due to) balances	-	-	57	-
Payments to other funds on due from (due to) balances	-	(57)	-	-
Payments from other funds on advances	-	-	-	-
Leases, rents and royalties	-	-	-	-
Intergovernmental revenue	-	-	-	-
Transfers in	340	-	-	-
Transfers out	-	-	(95)	-
Net cash provided (used) by noncapital financing activities	340	(57)	(38)	-
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Principal paid on capitalized lease obligation	-	-	-	-
Interest paid on capitalized lease obligation	-	-	-	-
Capital contributions	-	-	-	-
Net cash provided (used) for capital and related financing activities	-	-	-	-
Cash flows from investing activities:				
Purchase of investment securities	(841)	(3,227)	(1,548)	(797)
Proceeds from sale and maturities of investment securities	451	2,649	1,227	788
Interest on investments	3	16	6	4
Net cash provided in investing activities	(387)	(562)	(315)	(5)
Net (decrease) in cash and cash equivalents	(141)	(718)	(336)	(203)
Equity in pooled cash and cash equivalents, January 1	221	1,024	483	279
Equity in pooled cash and cash equivalents, December 31	$ 80	$ 306	$ 147	$ 76

Fleet Fund	Computer Replacement Fund	Equipment Replacement Fund	Facility Renovation and Replacement Fund	Total
$ 146	$ -	$ -	$ 15	$ 253
8,186	1,979	935	4,145	19,798
27	18	-	146	221
(2,222)	(976)	(140)	(2,865)	(9,150)
(1,123)	-	(30)	(96)	(2,857)
(475)	(49)	(19)	(50)	(1,087)
4,539	972	746	1,295	7,178
66	-	-	-	123
-	-	-	(22)	(79)
140	-	-	-	140
-	-	-	20	20
-	-	-	50	50
-	-	-	414	754
-	-	-	-	(95)
206	-	-	462	913
(2,843)	(178)	(65)	(2,076)	(5,162)
50	23	-	-	73
-	-	-	(514)	(514)
-	-	-	(331)	(331)
23	-	-	-	23
(2,770)	(155)	(65)	(2,921)	(5,911)
(6,639)	(3,906)	(2,515)	(5,436)	(24,909)
3,496	2,364	1,392	5,216	17,583
64	17	10	29	149
(3,079)	(1,525)	(1,113)	(191)	(7,177)
(1,104)	(708)	(432)	(1,355)	(4,997)
1,733	1,078	670	1,870	7,358
$ 629	$ 370	$ 238	$ 515	$ 2,361

(continued)

CITY OF BOULDER, COLORADO

Combining Statement of Cash Flows,
continued

Internal Service Funds

Year ended December 31, 2014

(Amount in 000's)

	Telecom-munications Fund	Property and Casualty Insurance Fund	Workers' Compensation Insurance Fund	Compensated Absences Fund
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:				
Operating income (loss)	$ (348)	$ (106)	$ (62)	$ (187)
Adjustments to reconcile net operating income (loss) to net cash provided (used) by operating activities:				
Depreciation	265	3	-	-
Other nonoperating revenues (expenses)	1	-	29	-
Change in assets and liabilities:				
(Increase) decrease in assets:				
Accounts receivable	-	-	-	-
Intergovernmental receivables	-	-	-	-
Other assets - prepaid expenses	-	(115)	-	-
Increase (decrease) in liabilities:				
Vouchers and accounts payable	(13)	3	(17)	-
Accrued salaries, wages and amounts withheld from employees	(1)	3	-	(11)
Accrued claims liability	-	113	66	-
Compensated absences	-	-	-	-
Retiree health care benefit	2	-	1	-
Total adjustments	254	7	79	(11)
Net cash provided (used) by operating activities	$ (94)	$ (99)	$ 17	$ (198)
Noncash investing, capital and financing activities:				
Assets acquired through:				
Capital contributions:				
From governmental funds	$ -	$ -	$ -	$ -
Financed through accounts, contracts and retainage payable	-	-	-	-
Assets transferred to other funds	-	-	-	-
Increase (decrease) in fair value of investments	2	8	4	2
	$ 2	$ 8	$ 4	$ 2

Fleet Fund	Computer Replacement Fund	Equipment Replacement Fund	Facility Renovation and Replacement Fund	Total
$ 2,684	$ 408	$ 561	$ (1,842)	$ 1,108
2,208	529	243	3,054	6,302
27	18	-	146	221
7	-	-	15	22
(18)	-	-	-	(18)
-	-	-	-	(115)
(345)	17	(58)	(78)	(491)
(5)	-	-	-	(14)
-	-	-	-	179
(22)	-	-	-	(22)
3	-	-	-	6
1,855	564	185	3,137	6,070
$ 4,539	$ 972	$ 746	$ 1,295	$ 7,178
$ 134	$ -	$ -	$ -	$ 134
-	20	-	(346)	(326)
(181)	-	-	-	(181)
16	10	6	13	61
$ (31)	$ 30	$ 6	$ (333)	$ (312)

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SUPPLEMENTARY SCHEDULES

CITY OF BOULDER, COLORADO

Supplementary Schedule

Combined Schedule of Long-Term Debt Payable

December 31, 2014

(Amounts in 000's)

	Interest rates %	Dates Issued	Dates Maturity	Authorized and issued	Outstanding	Current portion
Governmental Activities:						
Supported by sales tax revenues and other financing sources:						
General Obligation Bonds:						
Open Space Acquisition	4.00 - 5.50	6/20/06	8/15/19	$ 20,115	$ 8,975	$ 1,655
Premium on Bonds					55	
Open Space Acquisition Refunding	3.50 - 4.00	6/26/07	8/15/18	12,345	6,435	1,505
Premium on Refunding Bonds					11	
Open Space Acquisition Bonds	2.00 - 3.00	10/9/14	8/15/34	10,000	10,000	370
Premium on Bonds					121	
Parks, Recreation, Muni.,Cap., Imp., Ref.	2.00 - 3.00	9/16/09	12/15/15	11,895	2,130	2,130
Premium on Refunding Bonds					27	
Waste Reduction Bonds	2.00 - 4.00	12/15/09	12/01/29	6,000	4,750	250
Premium on Waste Reduction Bonds					45	
General Fund Cap. Imp. Projects Bonds	2.00 - 4.00	3/22/12	10/01/31	49,000	42,585	2,385
Premium on Cap. Imp. Projects Bonds					4,476	
				109,355	79,610	8,295
Taxable Pension Obligation Bonds	2.00 - 5.00	10/26/10	10/01/30	9,070	7,720	360
Premium on Pension Obligation Bonds					92	
				9,070	7,812	360
Capital Lease Purchase Agreements						
Banc of America Leasing & Capital, LLC	4.93	9/27/10	11/27/23	1,500	1,145	104
Suntrust Equipment Finance & Leasing Corp.	2.65	1/25/12	7/25/27	9,250	8,229	443
Bank of the West Equipment Lease	3.25	2/05/13	3/15/16	107	46	36
				10,857	9,420	583
Compensated Absences				-	12,477	606
Retiree Health Care Benefit (OPEB)				-	1,855	-
Estimated Claims Payable				-	2,082	946
Total Governmental Activities and total supported by sales tax revenues and other financing sources				$ 129,282	$ 113,256	$ 10,790
Business-type Activities:						
Supported by utility revenues:						
Revenue Bonds:						
Water and Sewer Revenue Refunding Bonds	2.00 - 4.00	2/22/11	12/01/21	18,335	12,510	1,600
Premium on Bonds					411	
Water and Sewer Revenue Refunding Bonds	3.00 - 3.75	5/01/05	12/01/16	7,900	1,630	800
Water and Sewer Revenue Refunding Bonds	4.00 - 4.125	7/10/07	12/01/19	25,935	10,290	2,110
Water and Sewer	3.50 - 5.00	11/15/05	12/01/15	45,245	2,145	2,145
Premium on Bonds				-	5	
Water and Sewer Revenue Refunding Bonds	4.00 - 5.00	11/20/12	12/01/25	24,325	24,325	-
Premium on Bonds				-	5,037	
Water and Sewer Revenue Bonds	2.00 - 3.00	10/12/10	12/01/30	9,980	8,380	420
Premium on Bonds					155	
Storm Water & Flood Mgmt Rev. Rfdg.	2.00 - 3.00	6/08/10	12/01/18	3,165	1,430	345
Premium on Bonds					23	
				134,885	66,341	7,420

(continued)

CITY OF BOULDER, COLORADO

Supplementary Schedule

Combined Schedule of Long-Term Debt Payable,
(continued)

December 31, 2014

(Amounts in 000's)

		Interest rates	Dates Issued	Dates Maturity	Authorized and issued	Outstanding	Current portion
Business-type Activities (Continued):							
Compensated Absences (estimated)					-	1,127	163
Retiree Health Care Benefit (OPEB) (estimated)					-	220	-
Total supported by utility revenues					134,885	67,688	7,583
Supported by parking revenues:							
General Obligation General Improvement District Bonds:							
Downtown Commercial District:							
Parking Facilities		2.00 - 3.00	11/28/12	8/15/23	7,275	6,545	655
Premium on Bonds						381	
Parking Facilities		3.00 - 4.00	5/14/09	8/15/18	7,730	3,770	885
Premium on Bonds						82	
					15,005	10,778	1,540
Compensated Absences					-	181	-
Retiree Health Care Benefit (OPEB)					-	57	-
Total supported by parking revenues					15,005	11,016	1,540
Supported by base rentals:							
Lease Purchase Revenue Notes:							
Boulder Municipal Property Authority:							
Open space acquisition:							
Foothills	Note 1997G	7.00	7/16/97	7/16/17	1,095	271	84
Gisle	Note 2005A	4.75	2/18/05	2/18/17	1,180	359	114
Hill	Note 2005B	4.75	4/05/05	4/05/15	910	111	111
Luchetta	Note 2005C	5.00	8/05/05	8/05/20	720	352	52
Boulder Valley	Note 2006A	5.00	6/16/06	6/16/16	3,550	855	417
Eisenberg	Note 2006B	5.00	6/07/06	6/07/16	1,206	290	142
Kolb, Edward H.	Note 2008AR-1	5.00	4/22/08	4/22/18	404	186	43
Vigil	Note 2008AR-2	5.00	4/22/08	4/22/18	404	186	43
E.R.T.L.	Note 2013A	3.25	10/31/13	10/31/23	5,000	4,568	445
					14,469	7,178	1,451
Total supported by base rentals					14,469	7,178	1,451
Total Business-type Activities					$ 164,359	$ 85,882	$ 10,574

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STATISTICAL TABLES

Statistical tables are presented to provide an historical financial review of and additional information about the City of Boulder. The various tables provide information useful in analyzing the existing financial position of the City as well as in identifying trends.

The source of the statistical information in the following tables is taken from the City's records unless otherwise noted.

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CITY OF BOULDER, COLORADO

Statistical Section
Index

December 31, 2014
(Unaudited)

The statistical section of the City's comprehensive annual financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information say about the City's overall financial health.

Contents	Page
Financial Trends	
These schedules contain trend information to help the reader understand how the City's financial performance and well being have changed over time.	
Net Position by Component	224
Changes in Net Position	226
Fund Balances - Governmental Funds	230
Changes in Fund Balances - Governmental Funds	232
Revenue Capacity	
These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax (or sales tax).	
Taxable Sales by Market Sector	234
Direct and Overlapping Sales Tax Rates	236
Largest Sales Tax Remitters by Market Sector	239
Debt Capacity	
These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.	
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Direct and Overlapping Debt	243
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Demographic and Economic Information	
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	
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Operating Information	
These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	
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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual report for the relevant year.

CITY OF BOULDER, COLORADO

Statistical Data

Net Position By Component

Last Ten Fiscal Years
(Unaudited)

(Accrual Basis of Accounting)
(Amounts in 000's)

	Fiscal Year				
	2005	2006	2007	2008	2009
Governmental activities:					
Net Investment in capital assets	$ 329,926	$ 343,319	$ 350,644	$ 363,896	$ 379,461
Restricted	47,497	63,452	56,833	59,456	58,197
Unrestricted	39,282	20,955	45,771	51,761	51,266
Total governmental activities net position	$ 416,705	$ 427,726	$ 453,248	$ 475,113	$ 488,924
Business-type activities:					
Net Investment in capital assets	$ 267,873	$ 269,527	$ 283,633	$ 295,936	$ 313,583
Restricted	213	220	228	234	242
Unrestricted	32,291	53,147	57,233	65,263	59,917
Total business-type activities net position	$ 300,377	$ 322,894	$ 341,094	$ 361,433	$ 373,742
Primary government:					
Net Investment in capital assets	$ 597,799	$ 612,846	$ 634,277	$ 659,832	$ 693,044
Restricted	47,710	63,672	57,061	59,690	58,439
Unrestricted	71,573	74,102	103,004	117,024	111,183
Total primary government net position	$ 717,082	$ 750,620	$ 794,342	$ 836,546	$ 862,666

Note: Fiscal year 2012 has not been restated for the effect of the adoption of GASB 65.

Fiscal Year				
2010	2011	2012	2013	2014
$ 395,174	$ 418,691	$ 458,372	$ 480,321	$ 494,209
51,815	30,256	35,096	33,822	61,410
69,024	86,439	102,519	113,701	112,637
$ 516,013	$ 535,386	$ 595,987	$ 627,844	$ 668,256
$ 310,791	$ 325,861	$ 325,883	$ 331,096	$ 345,149
249	254	257	265	269
65,547	67,166	61,583	67,747	72,770
$ 376,587	$ 393,281	$ 387,723	$ 399,108	$ 418,188
$ 705,965	$ 744,552	$ 727,155	$ 811,417	$ 839,358
52,064	30,510	81,581	34,087	61,679
134,571	153,605	174,974	181,448	185,407
$ 892,600	$ 928,667	$ 983,710	$ 1,026,952	$ 1,086,444

CITY OF BOULDER, COLORADO

Statistical Data

Changes In Net Position

Last Ten Fiscal Years
(Unaudited)

(Accrual Basis of Accounting)
(Amounts in 000's)

	Fiscal Year				
	2005	2006	2007	2008	2009
Expenses:					
Governmental activities:					
General Government	$ 7,632	$ 8,429	$ 9,846	$ 10,227	$ 9,945
Administrative Services	2,708	3,337	3,182	2,951	2,139
Public Safety	38,091	37,942	42,221	44,479	45,506
Public Works	28,773	32,657	36,030	30,966	32,634
Planning & Development Services	7,180	7,476	7,657	8,966	8,619
Culture and Recreation	24,357	25,901	26,573	27,961	27,478
Open Space and Mountain Parks	11,023	12,299	13,156	13,360	13,043
Housing and Human Services	11,692	14,720	10,420	13,983	14,745
Interest on long-term debt	4,016	4,137	3,872	3,530	2,820
Total governmental activities expenses	135,472	146,898	152,957	156,423	156,929
Business-type activities:					
Water utility	20,657	21,711	20,767	21,713	21,051
Wastewater utility	9,043	10,362	10,849	11,693	13,458
Stormwater and flood management	3,891	3,963	4,197	4,407	4,011
Parking facilities and services	5,223	5,374	5,549	6,228	7,385
Property and facility acquisition	1,460	1,411	1,316	1,150	1,009
Total business-type activities expenses	40,274	42,821	42,678	45,191	46,914
Total primary government expenses	175,746	189,719	195,635	201,614	203,843
Program revenue:					
Governmental activities:					
Charges for services:					
General Government	1,826	1,783	2,009	2,832	2,819
Administrative Services	116	98	112	268	205
Public Safety	1,075	990	1,426	1,640	1,706
Public works	928	719	890	909	803
Planning & Development Services	5,298	6,289	6,803	6,327	4,587
Culture and Recreation	7,341	8,057	8,589	9,069	8,448
Open Space and Mountain Parks	369	405	374	367	384
Housing and Human Services	1,529	1,527	1,328	3,671	2,608
Operating grants and contributions:	3,887	7,039	7,522	8,500	6,607
Capital grants and contributions	9,991	6,514	13,521	6,886	11,950
Total governmental activities program revenue	32,360	33,421	42,574	40,469	40,117
Business-type activities:					
Charges for services:					
Water utility	21,055	23,570	21,175	21,123	20,201
Wastewater utility	10,002	12,126	12,596	12,606	12,748
Stormwater and flood management	4,402	4,607	4,796	4,959	5,084
Parking facilities and services	3,607	3,808	4,231	4,319	3,939
Property and facility acquisition	5,090	4,444	4,540	4,042	3,455
Operating grants and contributions:	196	140	210	168	136
Capital grants and contributions:	6,738	6,618	4,812	10,703	8,408
Total business-type activities program revenues	51,090	55,313	52,360	57,920	53,971
Total primary government program revenues	83,450	88,734	94,934	98,389	94,088
Net (expense) revenue:					
Governmental activities	(103,112)	(113,477)	(110,383)	(115,954)	(116,812)
Business-type activities	10,816	12,492	9,682	12,729	7,057
Total primary government net expense	$ (92,296)	$(100,985)	$(100,701)	$(103,225)	$(109,755)

Fiscal Year				
2010	2011	2012	2013	2014
$ 12,431	$ 19,509	$ 16,625	$ 22,857	$ 22,406
1,678	1,892	2,627	4,387	7,655
45,819	47,391	49,693	50,468	50,662
30,542	30,844	33,110	27,558	37,406
8,248	5,665	5,555	6,087	6,041
27,200	28,140	28,112	30,749	30,819
13,548	14,863	13,040	16,023	16,774
16,580	13,060	14,431	17,937	19,795
2,285	2,290	2,984	3,532	2,679
158,331	163,654	166,177	179,598	194,237
20,921	21,223	21,925	22,599	22,644
12,885	13,948	13,776	13,916	14,703
4,454	4,790	4,523	4,461	6,812
7,602	6,570	7,303	6,853	6,892
860	724	479	1,118	463
46,722	47,255	48,006	48,947	51,514
205,053	210,909	214,183	228,545	245,751
3,512	2,941	7,593	7,546	7,262
191	142	548	1,163	676
1,874	1,748	1,629	1,652	2,273
1,122	2,095	1,730	2,070	4,474
5,421	5,862	7,473	7,710	8,640
8,121	8,386	9,041	9,015	9,358
425	479	506	423	475
5,775	1,401	13,303	7,859	6,458
7,338	6,154	6,911	5,824	12,213
8,381	7,679	9,260	7,630	8,906
42,160	36,887	57,994	50,892	60,735
21,633	22,940	24,592	23,269	22,950
12,688	12,955	13,013	14,267	13,979
5,080	4,896	5,167	5,537	5,637
4,162	4,324	4,483	4,905	5,475
3,447	5,178	2,336	1,625	2,091
169	151	181	138	-
5,610	8,411	5,175	6,498	17,983
52,789	58,855	54,947	56,239	68,115
94,949	95,742	112,941	107,131	128,850
(116,171)	(126,767)	(108,183)	(128,706)	(133,502)
6,067	11,600	6,941	7,292	16,601
$(110,104)	$(115,167)	$(101,242)	$(121,414)	$(116,901)

CITY OF BOULDER, COLORADO

Statistical Data

Changes In Net Position (Continued)

Last Ten Fiscal Years
(Unaudited)

(Accrual Basis of Accounting)
(Amounts in 000's)

	Fiscal Year				
	2005	2006	2007	2008	2009
General revenues and other changes in net assets:					
Governmental activities:					
Taxes:					
Sales and use taxes (a)	$ 76,624	$ 80,057	$ 88,403	$ 84,867	$ 85,457
Property taxes (a)	19,391	19,854	20,475	21,865	23,526
Other taxes (b)	15,686	14,053	14,791	-	-
Accomodation taxes	-	-	-	3,389	3,049
Franchise Taxes	-	-	-	9,131	9,121
Specific Ownership & Tobacco taxes	-	-	-	1,705	1,587
Excise Taxes	-	-	-	2,748	1,847
Interest and investment earnings	2,315	4,869	6,594	7,875	2,088
Miscellaneous (c)	5,125	5,002	6,752	5,025	5,286
Gain on Sale of Capital Assets	-	-	-	627	130
Transfers	3,439	663	(1,110)	587	(1,468)
Extraordinary Item	-	-	-	-	-
Total governmental activities	122,580	124,498	135,905	137,819	130,623
Business-type activities:					
Taxes:					
Sales and use tax increment (a)	46	85	99	94	83
Property taxes (a)	839	874	912	1,578	1,627
Property tax increment (a)	44	500	563	-	-
Other taxes (b)	433	664	766	-	-
Accomodation taxes	-	-	-	714	604
Specific Ownership & Tobacco taxes	-	-	-	63	55
Excess tax increment	-	(245)	(703)	-	-
Interest and investment earnings	1,585	5,215	5,796	5,583	1,257
Miscellaneous (c)	(390)	(159)	(25)	165	78
Gain on Sale of Capital Assets	-	-	-	-	80
Transfers	(3,439)	(663)	1,110	(587)	1,468
Extraordinary item	-	3,754	-	-	-
Total business-type activities	(882)	10,025	8,518	7,610	5,252
Total primary government	121,698	134,523	144,423	145,429	135,875
Changes in net assets:					
Governmental activities	9,103	14,115	25,522	21,865	13,811
Business-type activities	11,610	19,707	18,200	20,339	12,309
Total primary government	$ 20,713	$ 33,822	$ 43,722	$ 42,204	$ 26,120

(a) Starting in 2008, Sales and use tax is combined with Sales and use tax
The same applies to Property tax and Property tax increment.
(b) Starting in 2008, Other Taxes is reported separately as follows:
Accomodation taxes, Franchise Taxes, Specific Ownership & Tobaco Taxes and Excise Taxes
(c) Starting in 2008, Gain on Sale of Capital Assets is reported separately
from Governmental Activities Miscellaneous

Fiscal Year				
2010	2011	2012	2013	2014
$ 87,802	$ 92,627	$ 97,397	$ 104,136	$ 116,316
26,022	27,462	29,474	29,434	30,353
-	-	-	-	-
3,199	4,668	4,890	5,192	6,443
10,868	10,282	12,310	12,815	12,226
1,587	1,578	1,789	1,839	1,954
837	1,927	1,290	1,338	3,235
2,060	1,895	1,052	755	906
5,633	6,418	1,645	1,678	1,437
805	456	2,173	3,878	99
5,982	(1,208)	16,764	(1,630)	(11)
(1,535)	35	-	1,888	956
143,260	146,140	168,784	161,323	173,914
87	94	119	118	-
1,704	1,782	1,952	1,976	2,013
-	-	-	-	-
-	-	-	-	-
635	715	781	844	-
51	51	55	60	66
-	-	-	-	-
1,226	1,156	384	301	324
81	64	974	91	65
-	-	-	-	-
(5,982)	1,208	(16,764)	1,630	11
(1,024)	24	-	-	
(3,222)	5,094	(12,499)	5,020	2,479
140,038	151,234	156,285	166,343	176,393
27,089	19,373	60,601	32,617	40,412
2,845	16,694	(5,558)	12,312	19,080
$ 29,934	$ 36,067	$ 55,043	$ 44,929	$ 59,492

CITY OF BOULDER, COLORADO

Statistical Data

Fund Balances - Governmental Funds

Last Ten Fiscal Years
(Unaudited)

(Modified Accrual Basis of Accounting)
(Amounts in 000's)

	Fiscal Year				
	2005	2006	2007	2008	2009
General Fund:					
Reserved	$ 2,706	$ 2,784	$ 2,953	$ 2,928	$ 3,934
Unreserved	16,631	18,466	17,600	18,524	19,399
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total General Fund	$ 19,337	$ 21,250	$ 20,553	$ 21,452	$ 23,333
All Other Governmental Funds:					
Reserved	$ 10,228	$ 32,671	$ 10,662	$ 9,857	$ 17,774
Unreserved, reported in:					
Special revenue funds	37,616	29,772	38,995	57,409	38,605
Debt service funds	301	303	334	356	418
Capital projects funds	3,870	4,675	13,112	14,449	4,568
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other government funds	$ 52,015	$ 67,421	$ 63,103	$ 82,071	$ 61,365

(a) In 2011, reporting of fund balances was changed to meet the requirements of GASB 54.

Fiscal Year				
2010	2011 (a)	2012	2013	2014
$ 4,179	$ -	$ -	$ -	$ -
22,103	-	-	-	-
-	297	276	1,646	260
-	3,468	2,492	1,694	1,481
-	-	-	-	-
-	7,711	10,016	10,886	10,202
-	20,209	25,471	28,216	39,129
$ 26,282	31,685	38,255	42,442	51,072
$ 11,338	$ -	$ -	$ -	$ -
45,123	-	-	-	-
446	-	-	-	-
1,125	-	-	-	-
-	63	47	50	46
-	26,688	78,732	63,649	59,829
-	4,174	15,399	19,376	17,195
-	21,949	21,964	23,754	26,996
-	-	-	-	(20)
$ 58,032	$ 52,874	$ 116,142	$ 106,829	$ 104,046

CITY OF BOULDER, COLORADO

Statistical Data

Changes In Fund Balances - Governmental Funds

Last Ten Fiscal Years
(Unaudited)

(Modified Accrual Basis of Accounting)
(Amounts in 000's)

	Fiscal Year			
	2005	2006	2007	2008
Revenues:				
Taxes:				
Sales and use taxes	$ 76,624	$ 80,057	$ 88,403	$ 84,867
General property taxes	19,391	19,854	20,475	21,865
Other taxes (a)	15,686	14,053	14,791	-
Accomodation taxes	-	-	-	3,389
Franchise taxes	-	-	-	9,131
Specific Ownership & Tobacco taxes	-	-	-	1,705
Excise taxes	-	-	-	2,748
Charges for services	10,493	11,375	12,080	16,115
Sale of goods	1,635	738	2,993	329
License, permits and fines	9,337	9,830	10,259	9,910
Intergovernmental	9,956	14,252	19,842	15,192
Leases, rents and royalties	1,993	1,976	329	2,278
Interest and investment earnings	1,748	3,760	9,910	5,698
Other	1,648	1,335	15,192	1,567
Total revenues	148,511	157,230	194,274	174,794
Expenditures:				
General Government	9,291	9,722	11,705	11,838
Administrative Services	8,021	8,473	8,599	8,773
Public Safety	35,105	36,738	40,327	42,882
Public Works	23,374	27,950	34,479	29,204
Planning & Development Services	6,057	6,352	6,796	7,849
Culture and Recreation	22,977	23,412	24,179	26,195
Open Space and Mountain Parks	11,726	17,616	29,919	13,579
Housing and Human Services	9,925	13,602	10,431	12,736
Capital outlay	1,390	1,729	1,254	1,840
Debt service payments:				
Principal	8,322	8,439	8,899	10,331
Interest	3,961	4,102	3,817	2,552
Base rentals to Boulder Municipal Property Authority Debt Service Fund	5,090	4,444	4,540	4,042
Cost of issuance - refunding bonds	-	-	-	-
Total expenditures	145,239	162,579	184,945	171,821
Excess of revenues (under) expenditures	3,272	(5,349)	9,329	2,973
Other financing sources (uses):				
Sale of capital assets	-	-	-	-
Capital lease financing	-	-	-	-
Notes / loans payable issued	-	-	-	-
Bonds issued (including refunding bonds)	-	20,482	12,416	-
Premium on bonds issued	-	-	-	-
Transfers in	18,188	18,540	20,259	20,795
Transfers out	(16,052)	(16,354)	(17,948)	(18,706)
Payment to refunding bond escrow agent	-	-	(12,311)	-
Total other financing sources (uses)	2,136	22,668	2,416	2,089
Extraordinary Item				
Flood insurance recoveries	-	-	-	-
Net changes in fund balance	$ 5,408	$ 17,319	$ 11,745	$ 5,062
Debt service as a percentage of noncapital expenditures (b)	9.2%	8.8%	8.5%	8.3%

(a) Starting in 2008, Other Taxes is reported separately as follows:
Accomodation taxes, Franchise Taxes, Specific Ownership & Tobaco Taxes and Excise Taxe
(b) These percentages have been changed from prior year reports to more accurately reflect the Debt Servic
percentage of noncapital expenditures

	Fiscal Year				
2009	2010	2011	2012	2013	2014
$ 85,457	$ 87,802	$ 92,627	$ 97,397	$ 104,136	$ 116,316
23,526	26,022	27,462	29,474	29,434	30,353
-	-	-	-	-	-
3,049	3,199	4,668	4,890	5,192	6,443
9,121	10,858	10,295	12,310	12,815	12,218
1,587	1,587	1,578	1,788	1,839	1,954
1,847	837	1,927	1,290	1,338	3,235
13,982	17,239	14,015	27,030	22,670	22,946
318	812	368	628	863	593
8,716	10,956	10,518	11,918	12,156	12,813
15,589	17,043	13,647	16,420	13,348	18,188
2,148	2,240	2,346	2,433	2,365	2,651
1,392	1,445	1,416	879	563	686
1,914	1,208	2,869	1,792	1,556	2,069
168,646	181,248	183,736	208,249	208,275	230,465
11,294	13,852	18,122	18,568	20,161	16,556
8,749	8,597	8,504	9,149	10,024	6,773
43,273	53,972	45,123	47,825	48,202	50,280
32,276	31,970	29,558	22,178	27,896	38,322
7,460	7,118	7,551	4,370	4,659	6,014
27,029	26,352	26,839	25,677	28,089	30,423
10,396	11,199	15,978	12,055	22,521	20,433
13,443	15,308	12,022	13,384	20,226	24,564
12,417	9,785	4,077	29,111	19,218	27,130
11,561	9,895	9,715	10,549	11,201	9,425
2,930	2,406	2,398	3,025	3,549	3,205
3,454	3,452	5,178	3,452	1,625	2,091
-	28	104	28	-	-
184,282	193,934	185,169	193,934	217,371	235,216
(15,636)	(12,686)	(1,433)	(12,686)	(9,096)	(4,751)
84	24	17	24	257	7
-	-	-	-	107	-
5,441	-	-	-	-	-
30,685	9,203	-	9,203	-	10,000
1,016	-	-	-	-	123
20,745	21,638	22,576	21,638	20,371	8,334
(18,410)	(18,563)	(19,415)	(18,563)	(18,653)	(8,822)
(27,945)	-	-	-	-	-
11,616	12,302	3,178	12,302	2,082	9,642
-	-	(1,500)	-	1,888	956
$ (4,020)	$ (384)	$ 245	$ (384)	$ (5,126)	$ 5,847
8.7%	7.8%	8.6%	9.2%	8.1%	6.6%

CITY OF BOULDER, COLORADO

Statistical Data

Taxable Sales by Market Sector

Last Ten Fiscal Years
(Unaudited)

(Amounts in 000's)

Market Sector	2005	2006	2007	2008
Food Stores	$ 295,719	$ 305,797	$ 315,876	$ 329,727
Eating Places	264,788	281,966	306,927	321,062
Apparel Stores	69,535	71,349	79,051	82,966
Home Furnishings	81,784	80,872	85,709	80,115
General Retail	429,372	453,235	508,536	532,688
Transportation/Utilities	203,096	211,510	208,719	231,463
Automotive Trade	164,197	161,209	173,982	151,612
Building Material-Retail	58,356	87,678	91,274	90,428
Construction Use Tax	132,227	133,395	136,291	103,986
Construction Sales Tax	8,126	8,602	11,751	11,960
Consumer Electronics	49,663	54,812	69,954	61,953
Computer Related Business Sector	162,849	145,538	153,321	158,410
All Other	330,152	354,847	344,405	335,698
Refunds	(2,827)	(3,098)	(2,565)	(3,300)
Total Sales and Use Tax	$ 2,247,037	$ 2,347,712	$ 2,483,231	$ 2,488,768
Direct city sales tax rate	3.41%	3.41%	3.56%	3.41%
Food service sales tax	0.15%	0.15%	0.15%	0.15%
Total direct city sales tax	3.56%	3.56%	3.71%	3.56%

Source: Annual Sales and Use Tax Revenue Reports prepared by the City of Boulder Sales Tax Division.

Note: The City has an additional .15% sales tax on food service establishment collections. The food service sales tax is deposited into the General Fund and then the total is distributed to the Boulder Center for Conference Services and Cultural Affairs.

2009	2010	2011	2012	2013	2014
$ 328,338	$ 327,796	$ 359,707	$ 388,154	$ 397,482	$ 418,373
311,060	321,904	347,871	384,485	389,207	411,710
77,259	79,232	100,696	110,467	111,504	119,125
75,883	76,487	81,304	81,243	80,077	88,116
515,305	567,786	586,189	606,359	613,769	630,457
215,137	220,981	215,462	208,713	227,916	244,471
145,333	157,930	174,631	187,675	206,196	224,224
82,342	87,238	85,319	94,886	109,136	111,777
142,739	173,534	153,438	171,106	254,550	240,872
11,263	14,922	16,147	12,006	12,695	11,617
50,755	54,843	73,237	62,924	58,542	67,918
168,124	146,311	167,503	188,876	209,218	201,225
390,880	351,272	359,612	359,324	383,549	497,419
(8,349)	(5,396)	(4,781)	-	-	
$ 2,506,069	$ 2,574,840	$ 2,716,335	$ 2,856,218	$ 3,053,841	$ 3,267,304
3.41%	3.41%	3.41%	3.41%	3.41%	3.56%
0.15%	0.15%	0.15%	0.15%	0.15%	0.15%
3.56%	3.56%	3.56%	3.56%	3.56%	3.71%

CITY OF BOULDER, COLORADO

Statistical Data

Direct and Overlapping Sales Tax Rates

Last Ten Fiscal Years
(Unaudited)

	City Direct Rates									
Tax Year Levied	General Fund Sales Tax No Expiration	General Fund Sales Tax No Expiration	General Fund Sales Tax Expires 12/31/24	Open Space Sales Tax No Expiration	Open Space Sales Tax No Expiration	Open Space Sales Tax Expires 12/31/39	Transportation Sales Tax No Expiration	Transportation Sales Tax Expires 12/31/19	Parks & Rec & General Muni Sales Tax Expires 12/31/39	Parks Acquisition & Recreation Sales Tax Expires 12/31/35
2005	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	-	0.15%	0.25%
2006	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	-	0.15%	0.25%
2007	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	-	0.15%	0.25%
2008	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	-	0.15%	0.25%
2009	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	-	0.15%	0.25%
2010	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	-	0.15%	0.25%
2011	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	-	0.15%	0.25%
2012	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	-	0.15%	0.25%
2013	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	-	0.15%	0.25%
2014	1.00%	0.38%	0.15%	0.40%	0.33%	0.15%	0.60%	0.15%	0.15%	0.25%

Source: City Sales Tax Division and the Colorado Department of Revenue

Notes: Food services establishments collections are deposited into the General Fund and a check written for the total to the Boulder Center for Conference Services and Cultural Affairs.

Overlapping rates are those of local, county, regional and state governments that apply to sales within the City.

			Overlapping Rates						
Food Service Establishments Sales Tax No Expiration	Fire Training Center Sales Tax 2007 only	Total Direct	State of Colorado	Regional Transportation District	Cultural District	Ball Stadium District	Boulder County	Total Overlapping	Total Direct and Overlapping
0.15%	-	3.56%	2.90%	1.00%	0.10%	0.10%	0.65%	4.75%	8.31%
0.15%	-	3.56%	2.90%	1.00%	0.10%	0.10%	0.65%	4.75%	8.31%
0.15%	0.15%	3.71%	2.90%	1.00%	0.10%	0.10%	0.65%	4.75%	8.46%
0.15%	-	3.56%	2.90%	1.00%	0.10%	0.10%	0.65%	4.75%	8.31%
0.15%	-	3.56%	2.90%	1.00%	0.10%	0.10%	0.65%	4.75%	8.31%
0.15%	-	3.56%	2.90%	1.00%	0.10%	0.10%	0.80%	4.90%	8.46%
0.15%	-	3.56%	2.90%	1.00%	0.10%	0.10%	0.80%	4.90%	8.46%
0.15%	-	3.56%	2.90%	1.00%	0.10%	-	0.80%	4.80%	8.36%
0.15%	-	3.56%	2.90%	1.00%	0.10%	-	0.80%	4.80%	8.36%
0.15%	-	3.71%	2.90%	1.00%	0.10%	-	0.80%	4.80%	8.51%

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CITY OF BOULDER, COLORADO

Statistical Data

Largest Sales Tax Remitters by Market Sector

Current Year and Nine Years Ago
(Unaudited)

(Amounts in 000's)

	2005			2014		
Market Sector	Number Of Filers	Tax Liability	Percentage Of Total	Number Of Filers	Tax Liability	Percentage Of Total
Food Stores	4	$ 5,463	7.13%	4	$ 7,370	6.34%
Automotive Trade	1	2,055	2.68%	1	3,199	2.75%
Computer Related Business Sector	1	2,519	3.29%	1	2,588	2.22%
General Retail, Utilities, & Other	4	7,550	9.85%	4	10,402	8.94%
Total	10	$17,587	22.95%	10	$ 23,559	20.25%

Source: City of Boulder Sales Tax Division

Note: Individual sales tax payer information is confidential under Boulder Revised Code. Due to this, the names of the ten largest revenue payers are not available. Taxpayer information by industry for the ten largest payers is provided to present alternative information regarding the concentration of the city's sales tax revenue sources by industry.

CITY OF BOULDER, COLORADO

Statistical Data

Ratios of Net Outstanding Debt by Type

Last Ten Fiscal Years
(Unaudited)

(Amounts in 000's)

	Governmental Activities						Business-Type Activities	
Fiscal Year	General Obligation Bonds	Taxable Pension Obligation Bonds	Revenue Bonds	Revenue Notes Payable	Capitalized Lease Obligations	Loans Payable	General Obligation Bonds	Revenue Bonds
2005	60,375	-	10,850	69	-	3,500	25,643	116,899
2006	75,082	-	9,855	-	-	1,920	23,143	111,120
2007	67,755	-	8,810	-	-	1,536	20,431	101,792
2008	60,120	-	7,720	-	-	-	19,259	95,393
2009	58,410	-	6,614	-	-	500	18,071	88,780
2010	49,683	9,201	5,350	-	7,957	500	16,753	91,429
2011	41,746	8,881	4,054	-	7,763	250	15,350	84,861
2012 (b)	87,577	8,531	2,739	-	10,391	250	14,046	82,204
2013	77,717	8,176	1,378	-	9,969	-	12,390	74,385
2014	79,610	7,812	-	-	9,420	-	10,778	66,341

(a) Population information is presented in the Demographic and Economic Statistics schedule.

(b) 2012 amounts restated due to the implementation of GASB 65 (Items previously reported as assets and liabilities)

Note: Details regarding the City's outstanding debt may be found in the notes to the basic financial statements.

Business-Type Activities						
Revenue Notes Payable	Certificates Of Participation	Lease Purchase Revenue Notes	Total Primary Government	Market Value of Taxable Property	Percentage of Property Values	Per Capita (a)
113	3,485	17,776	238,710	15,071,496	1.58%	2,340.29
-	3,055	19,787	243,962	15,963,605	1.53%	2,391.78
-	2,605	16,869	219,798	16,088,279	1.37%	2,133.96
-	2,130	15,118	199,740	18,494,895	1.08%	1,920.58
-	1,635	13,024	187,034	18,685,545	1.00%	1,798.40
-	1,120	10,809	192,802	19,851,162	0.97%	1,987.65
-	575	6,739	170,219	19,992,416	0.85%	1,736.93
-	-	5,313	211,051	19,602,390	1.08%	2,089.61
-	-	8,949	192,964	19,676,353	0.98%	1,891.80
-	-	7,178	181,139	20,278,600	0.89%	1,741.72

CITY OF BOULDER, COLORADO

Statistical Data

Ratios of General Bonded Debt Outstanding

Last Ten Fiscal Years
(Unaudited)

(Amounts in 000's)

Fiscal Year	Governmental Activities General Obligation Bonds	Business-Type Activities General Obligation Bonds	Total	Taxable Sales	Percentage of Taxable Sales (a)	Per Capita (b)
2005	60,375	25,643	86,018	2,247,037	3.83%	843.31
2006	75,082	23,143	98,225	2,347,712	4.18%	962.99
2007	67,755	20,431	88,186	2,483,231	3.55%	856.17
2008	60,120	19,259	79,379	2,488,768	3.19%	763.26
2009	58,410	18,071	76,481	2,506,069	3.05%	735.39
2010	49,683	16,753	66,436	2,574,840	2.58%	684.91
2011	41,746	15,350	57,096	2,716,335	2.10%	582.61
2012 (c)	87,577	14,046	101,623	2,856,218	3.56%	1,006.17
2013	77,717	12,390	90,107	3,053,841	2.95%	883.40
2014	79,610	10,778	90,388	3,267,304	2.77%	869.12

(a) General bonded debt is repaid with sales tax revenues instead of property taxes. Taxable sales is used as a relevant basis for comparison.

(b) Personal income is not available at the City level; therefore, the Per Capita is used for this calculation as allowed.

(c) 2012 amounts restated due to the implementation of GASB 65 (Items previously reported as assets and liabilities)

Note: Details regarding the City's outstanding debt may be found in the notes to the basic financial statements.

CITY OF BOULDER, COLORADO

Statistical Data

Direct and Overlapping Debt

December 31, 2014
(Unaudited)

(Amounts in 000's)

Jurisdiction	Par value of net General Obligation debt outstanding (a)	Percentage applicable to City of Boulder (b)	Amount applicable to City of Boulder (c)
Boulder Valley School District RE-2	$ 324,125	53.01 %	$ 171,835
Boulder Central Area General Improvement District	10,778	100.00	10,778
Northern Colorado Water Conservancy District (NCWCD)	4,310	17.86	770
Boulder County	-	44.99	-
Urban Drainage and Flood Control District	-	6.87	-
Total Overlapping Debt			183,383
City Direct Governmental Activity Debt			96,842
Total Direct and Overlapping Debt			$ 280,225

(a) Source for net General Obligation debt outstanding: Boulder Valley School District, NCWCD, Boulder County, and Urban Drainage and Flood Control District

(b) Source for percentage applicable to City of Boulder: 2013 Abstract of Assessment and Summary of Levies (Boulder County Assessor's Office), NCWCD, UDFC and Boulder Valley School District RE-2.

(c) The City of Boulder's valuation is divided by each jurisdiction's valuation, with the exception of the Boulder Central Area General Improvement District, which is wholly within the City limits.

For 2014, each jurisdiction had the following valuations (in 000's):

The City of Boulder	$ 2,599,362
Boulder Valley School District	4,903,071
NCWCD	14,554,204
Boulder County	5,777,776
Urban Drainage & Flood Control	37,842,433

CITY OF BOULDER, COLORADO

Statistical Data

Legal Debt Margin Information

Last Ten Fiscal Years
(Unaudited)

(Amounts in 000's)

	2005	2006	2007
Debt limit	$ 59,120	$ 62,759	$ 62,838
Total net debt applicable to limit	-	-	-
Legal debt margin	$ 59,120	$ 62,759	$ 62,838
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%

(a) 2012 amounts adjusted due to the implementation of GASB 65
(Items previously reported as assets and liabilities)

Note: The total indebtedness of the City, payable solely from the proceeds of ad valorem taxes, shall not exceed 3% of assessed value of taxable property in the municipality. Indebtedness payable in whole or in part from other revenue sources, or is subject to annual appropriations therefrom by the Boulder City Council, is not included in this limitation. (Charter of the City of Boulder, Sec. 97.)

Legal Debt Margin Calculation for Fiscal Year 2014

Assessed value	$ 2,599,362
Debt limit - 3% of assessed value	77,981
Debt applicable to limit:	
Total bonded debt	90,388
Deductions allowed by law:	
Self-supporting General Obligation bonds	(90,388)
Total net debt applicable to limit	-
Legal debt margin	$ 77,981

2008	2009	2010	2011	2012 (a)	2013	2014
$ 72,496	$ 76,882	$ 76,981	$ 74,943	$ 75,021	$ 77,024	$ 77,981
-	-	-	-	-	-	-
$ 72,496	$ 76,882	$ 76,981	$ 74,943	$ 75,021	$ 77,024	$ 77,981
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

CITY OF BOULDER, COLORADO

Statistical Data

Pledged Revenue Coverage

Last Ten Years
(Unaudited)

(Amounts in 000's)

Pledged Water and Sewer Bonds

Fiscal year	Gross revenue (a)	Direct operating expense (b)	Net revenue available for debt service	Maximum annual debt service requirement	Coverage (c)
2005	37,657	19,633	18,024	10,325	1.75
2006	43,761	20,657	23,104	10,325	2.24
2007	42,081	21,205	20,876	10,037	2.08
2008	43,394	23,340	20,054	10,029	2.00
2009	39,151	21,633	17,518	10,029	1.75
2010	38,626	20,199	18,427	10,704	1.72
2011	41,412	23,026	18,386	10,615	1.73
2012	41,390	23,503	17,887	12,550	1.43
2013	42,526	24,347	18,179	12,379	1.47
2014	46,519	27,657	18,862	12,379	1.52

(a) Gross revenue as defined by applicable bond ordinances includes gross operating and nonoperating revenues, plant investment fees and special assessments in the Water Utility and Wastewater Utility Funds.

(b) Direct operating expense equals total operating expenses less depreciation and amortization expense. In 2004, all prior year direct operating expense totals were restated to include the portion of the annual payment to the Municipal Subdistrict, Northern Colorado Water Conservancy District, that reduces the deferred credit for future water rights in the Water Utility Fund.

(c) Prior to issuing additional parity bonds, the City must meet the following "facilities earnings test":

The annual gross revenue derived from the operation of the facilities for the fiscal year immediately preceding the date of the issuance of additional parity bonds must be sufficient to pay the annual operation and maintenance expenses of the facilities for that fiscal year, and, in addition, sufficient to pay an amount representing 125% of the combined maximum annual principal and interest requirements of the outstanding bonds, and any other bonds payable from and constituting a lien upon net income of the facilities, and the bonds proposed to be issued.

CITY OF BOULDER, COLORADO

Statistical Data

Pledged Revenue Coverage

Last Ten Years
(Unaudited)

(Amounts in 000's)

Stormwater and Flood Management Bonds

Fiscal year	Gross income (d)	Operating and Maintenance expense (e)	Net revenue available for debt service	Average annual debt service requirement	Coverage (f)
2005	4,734	2,586	2,148	639	3.36
2006	5,215	2,751	2,464	625	3.94
2007	5,537	2,969	2,568	625	4.11
2008	5,988	3,237	2,751	608	4.52
2009	5,362	2,945	2,417	563	4.29
2010	6,590	3,261	3,329	386	8.62
2011	5,185	3,341	1,844	386	4.78
2012	5,386	3,161	2,225	386	5.76
2013	5,708	3,279	2,429	386	6.29
2014	5,642	3,737	1,905	385	4.95

(d) Gross income as defined by applicable bond ordinances means all income and revenues derived directly or indirectly by the City from the Fees, including interest earnings on moneys in any fund or account created by the bond ordinance and includes all revenues earned by the City therefrom.

(e) Operating and Maintenance Expenses means all reasonable and necessary current expenses of the City paid or accrued, of operating, maintaining and repairing the Flood Control System. It does not include depreciation, capital replacements, or operating, maintenance or repair reserves.

(f) Prior to issuing additional parity bonds, the City must meet the following "fee test":

The annual gross income for the fiscal year immediately preceding the date of the issuance of additional parity bonds shall have been sufficient to pay the annual operation and maintenance expenses of the Flood Control System for said fiscal year, and, in addition, sufficient to pay an amount representing 125% of the combined average annual principal and interest requirements of the Outstanding Series 1998 Bonds of the City payable from and constituting a lien upon net income from the Fees and the bonds proposed to be issued.

CITY OF BOULDER, COLORADO

Statistical Data

Demographic and Economic Statistics

Last Ten Fiscal Years
(Unaudited)

(Amounts in 000's)

Fiscal Year Ended April 30	City of Boulder Population (a)	Boulder, Colorado Metropolitan Statistical Area			Unemployment Rate (e)(f)
		Population (b)	Total Personal Income (c)	Per Capita Income (d)	
2005	102	287	13,289	46.376	5.1%
2006	102	291	14,267	48.954	4.3%
2007	103	296	14,784	49.999	3.9%
2008	104	300	15,237	50.714	4.6%
2009	104	303	14,334	48.891	5.3%
2010	97	296	14,768	50.031	6.5%
2011	98	300	15,536	51.893	5.9%
2012	101	305	16,639	54.502	5.6%
2013	102	310	17,042	54.968	4.7%
2014	104	*	*	*	3.2%

(a) Source: City of Boulder Department of Community Planning & Sustainability. Estimates are based on January 1.

(b) Source: Colorado Department of Local Affairs, State Demography Office. Estimates are based on July 1.

(c) Source: U.S. Department of Commerce, Bureau of Economic Analysis, Table CA1-3

(d) Source: U.S. Department of Commerce, Bureau of Economic Analysis, Table CA1-3

(e) Source: Colorado Department of Labor and Employment (average annual rate for the City of Boulder).

(f) Source: Starting in 2008, amounts were based on Boulder Economic Council estimates. Annual 2013 rate not yet available so October 2013 rate was used.

* 2014 Boulder, Colorado Metropolitan Statistic Area not available

Note: Personal income information is not available for the City of Boulder. Boulder, Colorado Metropolitan Statistical Area population and personal income information was used.

CITY OF BOULDER, COLORADO

Statistical Data

Principal Employers

Current Year and Nine Years Ago
(Unaudited)

	2005			2014		
Employer	Employees	Rank	Percentage of Total County Employment (a)	Employees	Rank	Percentage of Total County Employment (a)
University of Colorado at Boulder	7,100	1	3.86%	7,755	1	3.83%
Boulder Valley School District	3,967	3	2.16%	4,412	2	2.18%
St. Vrain Valley School District	3,400	4	1.85%	3,500	3	1.73%
IBM Corporation	4,500	2	2.45%	2,800	4	1.38%
Ball Corporation	3,175	5	1.73%	2,800	4	1.38%
Boulder Community Hospital	2,500	8	1.36%	2,350	6	1.16%
Boulder County	-	-	-	1,923	7	0.95%
Oracle Corporation	-	-	-	1,900	8	0.94%
SCL Health System	-	-	-	1,900	8	0.94%
Covidien	-	-	-	1,800	10	0.89%
Level 3 Communications Inc.	2,050	9	1.11%	-	-	-
State of Colorado	2,846	6	1.55%	-	-	-
Sun Microsystems Inc	2,700	7	1.47%	-	-	-
Storage Technology Corp	2,000	10	1.09%	-	-	-
	34,238		18.63%	31,140		15.38%

Source: The Boulder County Business Report Book of Lists and Colorado Department of Labor and Employmen

(a) This list is the 10 largest employers in Boulder and Broomfield counties. Employment information specifi to the City of Boulder is not available for the years presented

CITY OF BOULDER, COLORADO

Statistical Data

Full-Time Equivalent City Employees By Functions/Programs

Last Ten Fiscal Years
(Unaudited)

	Full-Time Equivalent Employees			
Functions/Program	2005	2006	2007	2008
General Government:				
City Council	1.00	1.00	1.00	1.00
Municipal Court	17.00	17.00	18.50	18.50
City Attorney	18.75	18.75	19.70	18.65
City Manager- Administration	10.00	10.00	10.00	16.50
City Manager- Downtown & University Hill Mg	40.50	40.50	42.25	42.25
City Manager- Communications	11.50	11.50	11.50	6.00
Administrative Services:				
Human Resources	13.75	14.25	14.63	16.38
Finance	27.25	27.25	28.87	29.37
Information Technology	32.75	32.75	32.75	35.25
Public Safety:				
Police	263.25	263.25	269.25	273.25
Fire	111.33	111.33	111.33	111.33
Planning & Development Services:	64.71	64.74	69.36	72.56
Environmental Affairs:	6.00	6.00	5.50	9.50
Public Works:				
Administration	-	-	-	-
Fleet	16.90	16.90	16.87	16.87
Transportation	62.97	62.97	65.99	68.24
Utilities	150.44	150.44	154.93	155.18
Facility / Asset Management	13.51	13.51	13.58	14.58
Culture and Recreation:				
Parks and Recreation	149.22	145.25	144.62	145.82
Library	78.35	78.95	79.45	80.20
Arts	1.50	1.50	1.50	1.50
Open Space / Mountain Parks:	69.00	77.58	83.25	92.00
Housing and Human Services:	52.43	53.42	56.51	56.24
Total	1,212.11	1,218.84	1,251.34	1,281.17

Source: City of Boulder Summary of Standard FTE's per the annual budget document.

Note: Number of FTE's budgeted and approved for each fiscal year

	Full-Time Equivalent Employees				
2009	2010	2011	2012	2013	2014
1.00	-	-	-	-	-
18.00	16.25	16.25	16.25	18.16	18.13
18.65	18.65	18.65	20.15	20.20	21.20
16.50	14.30	11.80	12.68	12.00	12.00
42.25	42.25	42.25	42.25	42.25	42.25
6.00	4.00	5.50	6.50	6.50	6.50
					-
16.63	14.88	14.88	15.38	15.63	18.63
28.37	26.37	33.50	34.00	34.00	36.00
35.25	33.50	34.50	34.50	34.00	36.85
273.25	269.50	276.50	279.50	279.50	282.50
112.33	112.33	112.33	115.33	118.33	120.33
76.56	79.47	78.66	82.97	88.74	93.87
10.50	-	-	-	-	
-	-	-	-	2.74	2.74
16.87	14.87	14.82	14.82	14.77	14.77
68.69	67.10	59.28	59.52	59.78	60.09
156.23	155.90	154.84	154.84	153.59	154.17
14.58	14.58	14.68	14.68	14.73	14.84
146.99	139.24	126.12	126.37	128.37	127.37
79.95	76.95	75.45	75.13	74.14	76.26
1.50	1.50	1.50	2.00	3.25	3.25
91.00	90.50	85.60	89.60	91.60	95.35
57.42	56.10	53.39	46.73	48.34	48.91
1,288.52	1,248.24	1,230.50	1,243.20	1,260.62	1,286.01

CITY OF BOULDER, COLORADO

Statistical Data

Operating Indicators By Function/Program

Last Ten Fiscal Years
(Unaudited)

Function/Program	2005	2006	2007	2008
General Government:				
Municipal Court				
Traffic tickets processed	11,928	12,554	11,204	13,782
General summons processed	3,306	4,249	3,760	4,099
Animal summons processed	707	1,459	1,366	986
Arraignments	4,986	5,030	3,974	4,716
Court trials	185	150	114	93
Jury trials	6	4	6	9
Public Safety:				
Police				
Number of police officers	171	171	171	171
DUI arrests	1,115	1,163	989	1,089
Traffic summons	18,226	17,914	19,554	21,205
Total traffic accidents	3,644	3,552	3,641	3,242
Total calls for service	79,354	84,747	87,320	78,204
Fire				
Number of firefighters	95	95	95	95
Total annual responses	8,327	8,679	8,943	8,943
Percentage of responses within 6 minutes	85%	69%	80%	80%
Planning & Development Services:				
Number of applications received	5,689	5,642	5,920	5,781
Number of zoning and environmental code enforcement cases	3,920	3,260	4,515	3,000
Public Works				
Transportation				
Daily vehicle miles of travel in Boulder Valley	2.62 million	2.61 million	2.57 million	2.49 million
Culture and Recreation:				
Parks and Recreation				
Recreation center attendance	412,049	432,901	464,432	453,248
Outdoor pool attendance	41,406	41,558	58,954	58,643
Adult athletics participation	198,944	201,040	216,550	234,567
Recreation class enrollment	24,966	25,818	27,791	26,583
Reservoir attendance	117,194	91,207	57,408	48,713
Rounds of golf	48,052	47,966	48,384	49,360
Library				
Circulation of books, videos, tapes	1,088,504	1,109,619	1,183,717	1,274,299
Remote use of library resources online	737,227	1,630,945	2,028,526	1,792,633
Adults participating in cultural and educational programs	54,136	62,211	65,455	66,994
Attendance at outreach program activities	5,424	8,647	7,554	14,569
Arts				
Participants in Boulder Arts Resource	456	523	555	625
Housing Division:				
Number of permanently affordable housing units added on an annual basis	61	117	147	163

Source: City of Boulder departmental records.

2009	2010	2011	2012	2013	2014
13,260	17,433	17,181	15,681	12,464	10,998
4,510	4,351	6,028	6,498	5,871	4,466
1,055	870	1,318	1,635	1,340	1,074
5,543	5,218	5,437	5,810	5,049	4,341
98	87	69	63	84	61
8	8	20	12	16	23
171	171	173	173	173	176
781	767	674	706	592	583
15,304	18,394	17,530	16,547	18,438	12,530
3,405	3,222	3,328	3,183	3,598	3,449
77,745	76,383	81,218	91,675	107,519	108,279
96	96	96	96	96	96
9,730	9,535	10,111	10,293	11,203	9,910
72%	77%	76%	74%	78%	47%
5,532	6,309	5,888	6,488	7,727	6,115
2,821	1,995	2,145	706	809	821
2.46 million	2.49 million	2.34 million	2.34 million	2.40 million	2.89 million
428,682	422,200	628,639	725,000	736,138	727,531
83,335	88,303	83,707	77,441	74,175	75,597
237,292	236,950	250,372	175,543	181,752	161,652
26,671	22,201	21,794	23,092	23,417	29,451
36,582	42,688	330,205	238,265	227,935	156,034
43,348	38,293	39,440	43,974	36,872	41,494
1,354,742	1,363,545	1,384,900	1,446,816	1,449,679	1,305,894
669,217	806,770	804,998	748,917	752,629	840,954
37,319	33,175	33,298	31,063	23,999	25,737
5,796	4,525	4,185	5,312	4,429	4,650
677	678	718	737	NA	NA
84	100	24	18	236	141

CITY OF BOULDER, COLORADO

Statistical Data

Capital Asset Statistics By Function/Program

Last Ten Fiscal Years
(Unaudited)

Function/Program	2005	2006	2007	2008
Public Safety:				
Police				
Number of stations and annexes	3	3	3	3
Fire				
Number of stations	7	7	7	7
Public Works:				
Fleet Services				
Cars, Pickups, Vans, and Motorcycles	282	281	297	311
Fire Apparatus	11	11	11	11
Other Heavy Trucks and Equipment	493	490	477	658
Total Equipment in Fleet	786	782	785	980
Transportation				
Miles of streets	285	287	288	289
Number of street lights	4,525	4,562	4,567	4,608
Utilities - Water				
Number of water accounts	28,426	28,555	28,578	28,359
Average daily water production (000's)	17,326	18,187	16,458	16,900
Miles of water mains	441	449	451	451
Utilities - Sewer				
Miles of sanitary sewer mains	348	349	349	351
Miles of storm sewers	138	138	138	150
Culture and Recreation:				
Parks and Recreation				
Acres of urban parks	1,880	1,880	1,880	1,880
Library				
Number of libraries	4	4	4	4
Number of library items in collection	418,417	419,339	389,805	389,805
Open Space / Mountain Parks:				
Acres of mountain parks and open space	43,221	43,497	44,921	45,090

Source: City of Boulder departmental records.

2009	2010	2011	2012	2013	2014
4	3	4	4	5	5
7	7	7	7	7	7
343	355	347	312	328	377
22	15	14	14	14	14
594	585	607	677	720	704
959	955	968	1,003	1,062	1,095
292	293	293	295	295	295
4,638	4,678	4,689	4,742	4,766	4,811
28,458	28,519	28,619	28,759	28,747	28,829
15,400	17,300	17,000	17,600	15,737	15,692
458	461	463	463	462	463
350	375	355	355	355	356
124	183	186	153	152	153
1,880	1,880	1,800	1,800	1,800	1,800
4	4	4	4	4	5
403,960	405,034	392,506	390,427	413,740	412,824
45,091	45,130	45,405	45,591	46,632	45,518

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CITY OF BOULDER, COLORADO
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2014

Federal Grantor, Program Title, Project/Grant Number, and Program Year	Federal CFDA Number	Pass thru Entity Identifying Number	Federal Expenditures 1/1/14-12/31/14
Department of Agriculture:			
Passed through Colorado State Forest Service:			
CSFS Flagstaff Road			
Cooperative Forestry Assistance	10.664	5367470/5321280	$ 15,474
Department of Housing and Urban Development:			
Direct Programs:			
CDBG - Entitlement Grants Cluster:			
Community Development Block Grants/Entitlement Grants	14.218	N/A	1,015,634
HOME Investment Partnerships Program	14.239	N/A	1,308,343
Total Department of Housing and Urban Development			2,323,977
Department of Interior:			
Direct Program:			
Historic Preservation Fund Grants-In-Aid	15.904	N/A	1,500
Department of Justice:			
Direct Program:			
Bulletproof Vest Partnership Program	16.607	N/A	(2,600)
Public Safety Partnership and Community Policing Grants	16.710	N/A	59,964
Justice Assistance Grant (JAG) Cluster:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	62,147
Total Department of Justice			119,511
Department of Transportation:			
Highway Planning and Construction Cluster:			
Passed through Colorado Department of Transportation:			
Highway Planning and Construction	20.205	See Note 4	4,620,763
Passed through Regional Air Quality Council:			
Highway Planning and Construction	20.205	None provided	(10,621)
Total Department of Transportation			4,610,142

CITY OF BOULDER, COLORADO
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2014

Federal Grantor, Program Title, Project/Grant Number, and Program Year	Federal CFDA Number	Pass thru Entity Identifying Number	Federal Expenditures 1/1/14-12/31/14
Department of Veteran's Affairs:			
Direct Programs:			
United States Olympic Committee	64.xxx	N/A	54,914
Environmental Protection Agency:			
Passed through Colorado Department of Public Health and Environment:			
Nonpoint Source Implementation Grants			
Boulder Creek Watershed	66.460	13 FAA 56804	49,971
Department of Energy:			
Direct Programs:			
Conservation Resea Plug-in Hybrid Electric Vehicles	81.086	N/A	(9,892)
Department of Education:			
Passed through Boulder Valley School District:			
Twenty-First Century Community Learning Centers	84.287	None provided	46,106
Department of Health and Human Services:			
Passed through Colorado Department of Human Services:			
Temporary Assistance for Needy Families	93.558	None provided	6,255
Passed through Qualistar Early Learning:			
Child Care and Development Block Grant	93.575	None provided	35,119
Total Department of Health and Human Services			41,374
Department of Public Safety:			
Passed through Colorado Department of Public Safety:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	See Note 4	9,310,894
Total Federal Expenditures			**$ 16,563,971**

See Notes to Schedule of Expenditures of Federal Awards

CITY OF BOULDER, COLORADO
Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2014

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Boulder, Colorado for the year ended December 31, 2014. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other governmental agencies, is included in the schedule. The information in this schedule is presented in accordance with requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations.* Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the presentation of, the basic financial statements.

Note 2. Significant Accounting Policies

Revenue from federal awards is recognized when the City has done everything necessary to establish its right to revenue. For governmental funds, revenue from federal grants is recognized when it becomes both measurable and available. Expenditures of federal awards are recognized in the accounting period when the liability is incurred.

Note 3. Subrecipients

Of the federal expenditures presented in the schedule, the City provided federal awards to subrecipients as follows:

Program Title	Federal CFDA Number	Amount Provided to Subrecipient
CDBG - Entitlement Grants	14.218	$ 792,342
HOME Investment Partnerships Program	14.239	$ 1,232,690
Edward Byrne Memorial Justice Assistance Grant Program	16.738	$ 36,546
Highway Planning and Construction	20.205	$ 438,616

Note 4. Pass Through Entity Identifying Numbers

The pass through award numbers for the Highway Planning and Construction program were STU M110-064 (17000), STE M110-076 (18385), STU M110-077 (18386), STM M110-078 (18389), AQC M110-079 (18396), STU M110-080 (18397), AQC M110-081 (18405), AQC M110-082 (18575), SHO M110-084 (19062), SAR M110-085 (19075), TCSP M110-086 (19343), and AQC M110-087 (19478).

CITY OF BOULDER, COLORADO
Notes to Schedule of Expenditures of Federal Awards
Year Ended December 31, 2014

The pass through award numbers for the Disaster Grants – Public Assistance program were PW-00257, PW-00420, PW-00564, PW-00590, PW-00597, PW-00606, PW-00699, PW-00717, PW-00725, PW-00726, PW-00806, PW-00827, PW-00831, PW-00840, PW-00866, PW-00877, PW-00883, PW-00888, PW-00889, PW-00907, PW-00914, PW-00915, PW-00918, PW-00939, PW-00942, PW-00949, PW-00963, PW-01000, PW-01010, PW-01019, PW-01032, PW-01034, PW-01041, PW-01042, PW-01047, PW-01068, PW-01070, PW-01073, PW-01093, PW-01104, PW-01118, PW-01136, PW-01139, PW-01140, PW-01141, PW-01142, PW-01143, PW-01145, PW-01152, PW-01155, PW-01165, PW-01166, PW-01168, PW-01170, PW-01171, PW-01175, PW-01176, and PW-01180.

Note 5. 2013 Expenditures Reported in 2014 SEFA

The City received a 2014 pass-through grant from the Colorado Department of Public Safety; Division of Homeland Security and Emergency Management for the 2013 Colorado floods. The City incurred $3,997,975 of expenditures during 2013 which were not approved until 2014 and are therefore included in the 2014 schedule of expenditures of federal awards.

BKD LLP
CPAs & Advisors

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards*

Honorable Mayor and Members of City Council
City of Boulder Colorado
Boulder, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Boulder, Colorado (the City), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 16, 2015, that contained an emphasis of matter paragraph regarding adoption of a new change in accounting principle.

Internal Control Over Financial Reporting

Management of the City is responsible for establishing and maintaining effective internal control over financial reporting (internal control). In planning and performing our audit, we considered the City's internal control to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Praxity MEMBER GLOBAL ALLIANCE OF INDEPENDENT FIRMS

Honorable Mayor and Members of City Council
City of Boulder Colorado

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses as defined above. However, material weaknesses may exist that have not been identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as item 2014-001, that we consider to be a significant deficiency in internal controls.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards.*

City of Boulder, Colorado's Response to Findings

The City's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

We also noted certain matters that we reported to the City's management in a separate letter dated June 16, 2015.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

BKD, LLP

Denver, Colorado
June 16, 2015

BKD LLP
CPAs & Advisors

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303.861.4545 // fax 303.832.5705 // bkd.com

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance

Honorable Mayor and Members of City Council
City of Boulder Colorado
Boulder, Colorado

Report on Compliance for Each Major Federal Program

We have audited the compliance of the City of Boulder (the City) with the types of compliance requirements described in the OMB Circular A-133, *Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Praxity MEMBER GLOBAL ALLIANCE OF INDEPENDENT FIRMS

Honorable Mayor and Members of City Council
City of Boulder Colorado

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item 2014-002. Our opinion on each major federal program is not modified with respect to this matter.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Honorable Mayor and Members of City Council
City of Boulder Colorado

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified certain deficiencies in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2014-002 that we consider to be a material weakness.

The City's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

BKD, LLP

Denver, Colorado
June 16, 2015

CITY OF BOULDER, COLORADO
Schedule of Findings and Questioned Costs
Year Ended December 31, 2014

Section I – Summary of Auditor's Results

Financial Statements

1. Type of auditor's report issued:

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

2. Internal control over financial reporting:

   Material weakness(es) identified? ☐ Yes ☒ No

   Significant deficiency(ies) identified? ☒ Yes ☐ None Reported

3. Noncompliance material to the financial statements noted? ☐ Yes ☒ No

Federal Awards

4. Internal control over major programs:

   Material weakness(es) identified? ☒ Yes ☐ No

   Significant deficiency(ies) identified? ☐ Yes ☒ None Reported

5. Types of auditor's report issued on compliance for major programs:

   ☒ Unmodified ☐ Qualified ☐ Adverse ☐ Disclaimer

6. Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133? ☒ Yes ☐ No

CITY OF BOULDER, COLORADO
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2014

7. Identification of major programs:

Name of Federal Program or Cluster	CFDA Number
Disaster Grants – Public Assistance (Presidentially Declared Disasters)	97.036

8. Dollar threshold used to distinguish between Type A and Type B programs: $496,919

9. Auditee qualified as low-risk auditee?

☐ Yes ☒ No

CITY OF BOULDER, COLORADO
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2014

Section II – Financial Statement Findings

Reference Number	Finding
2014-001	**Finding:** Accounts Payable

Criteria: Internal controls over financial reporting should be in place to ensure the financial statements are fairly presented in accordance with accounting principles generally accepted (GAAP). Additionally, the City should have controls in place to properly record accounts payable balances to prevent a material misstatement in the financial statements.

Condition: During our search for unrecorded liabilities, it was noted that several invoices pertaining to 2014 were not accrued during year-end close procedures. Per testing performed, we identified approximately $798,000 of invoices not accrued, which affected multiple funds as well as government-wide statements. The City posted an audit adjust adjustment to the Transportation and 2011 Capital Improvement funds which represented approximately $651,000 of the invoices identified.

Cause: The City implemented a new accounting system effective January 1, 2015. Any invoice received after that date, had to be recorded in the new system in order to generate payment. Therefore, the City was relying on manual accruals for most of the invoices received after year-end. During the manual review process, these invoices were not identified and as such were not accrued.

Recommendation: We recommend the City ensure that system controls exist within the new system to assist in the proper accrual of invoices received after year-end. In addition, in situations in which system controls can not be relied upon, an alternative system of controls should be properly designed and operating to prevent potential material misstatements in the financial statements.

CITY OF BOULDER, COLORADO
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2014

Reference Number	Finding

Views of responsible officials and planned corrective actions:

Response: The City fully agrees with this recommendation. In the old accounting system, a manual review process by Central Finance existed to review large disbursements paid through the end of the audit (January through May) for expenses related to the prior year. With the implementation of the new system, more reliance was placed upon the departments that were paying the invoices to identify what expenses should be accrued back. A verification procedure by Central Finance similar to the old procedure designed to supplement the departments' review was not in place for the new system, resulting in not identifying these prior year costs. To correct this, Central Finance will implement a review procedure similar to the prior year process to supplement the reviews done by the departments to help identify prior year costs that should be accrued into the prior year as accounts payable.

Person responsible for implementing: Duane Hudson, Controller.

Implementation date: January 2016 (this is a year-end process).

CITY OF BOULDER, COLORADO
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2014

Section III – Federal Award Findings and Questioned Costs

Reference Number	Finding
2014-002	**Finding:** Reporting

CFDA No. 97.036 - Disaster Grants - Public Assistance (Presidentially Declared Disasters) Department of Homeland Security, Award Number FEMA-DR-4145-CO:14-L4145-054, Award Year 2014

Passed-through Colorado Department of Public Safety Division of Homeland Security and Emergency Management

Criteria: The City of Boulder (the City) is required to submit quarterly financial status and progress reports for each reporting period in which a grant/project is open. Such reporting should be accurate and based on actual results and supported by general ledger activity. In addition, federal expenditures should be easily identifiable in order to be accurately reported in the schedule of expenditures of federal awards.

Condition: We noted that the amount reported for total funds expended to date during the quarterly reporting process was based on estimates, as opposed to reporting actual amounts based on expenditures recorded in the general ledger. In addition, the process of identifying and reconciling expenditures to project work sheets is a very manual and time consuming process undertaken by City staff in an attempt to identify amounts for reimbursement and reporting in the schedule of expenditures of federal awards.

Questioned Costs: None.

Context: We tested five quarterly reports for the year ended December 31, 2014, noting the issues described above in each of the reports, in addition to significant difficulty reconciling single audit populations back to general ledger detail and other supporting records. The differences noted, while not warranting material noncompliance, were pervasive enough to indicate a material weakness in internal controls over the reporting compliance requirement.

Effect: The City inaccurately reported the total amount of expenditures incurred and the amounts reported could not be directly supported by the general ledger.

Cause: The City's process of identifying federal expenditures was not being utilized for this particular program, making it difficult to determine the appropriate amounts to be reported. During a portion of the year, the quarterly reports were completed based on the approved project worksheet, not necessarily general ledger activity or input from project mangers. Later in the year a process was put into place to obtain information from project managers directly, which did assist in the process, but still did not include a reconciliation to supporting general ledger activity. In addition, there was no secondary level of review or approval prior to reports being submitted.

CITY OF BOULDER, COLORADO
Schedule of Findings and Questioned Costs (Continued)
Year Ended December 31, 2014

Reference Number	Finding

Recommendation: We recommend that the new accounting system be utilized to the maximum extent possible to better identify federal expenditures within the chart of accounts. The Finance Department should implement policies and procedures to ensure that reports are reviewed prior to submission by an individual independent of the preparation process. In addition, financial fields of the report should be based on information that is either derived from, or supported by, the general ledger.

Views of responsible officials and planned corrective actions:

Response: Staff concurs with this finding. The initial few months after the September 2013 flood were very hectic and evolving. What was being requested for documentation by FEMA was not clear and changed as FEMA managers rotated in and out of recovery work. This was a large scale out of the ordinary event. Numerous departments and processes of the City were involved or impacted. Even after numerous inquiries of FEMA it was unclear at the beginning of 2014 exactly what FEMA required, and what projects or cleanup expenses should be included in one of the FEMA project schedules. Internally, all flood related costs were tracked using a project code, whether it was FEMA reimbursable or not. After the FEMA project schedules began to be formalized and approved by FEMA in 2014, procedures and processes were modified within the City to separately identify and report the FEMA eligible activities. This has enabled improved tracking and reporting of these flood recovery and repair activities. However, required quarterly reports had already been filed using the information available at the time they had to be filed, which was prior to these changes being made. The original reports, developed prior to knowing what would finally be required by FEMA, were compiled using detailed transaction spreadsheets instead of pulling all flood related expenses from the general ledger, which included both FEMA-eligible and ineligible expenses.

The initial modules of the new City finance software went live January 1, 2015. In the new system, FEMA expenses will be tracked using a project ledger allowing for detailed tracking of these types of grant expenses. In addition, review and approval of quarterly reports will now be conducted by an individual not involved in the report preparation. This should provide better controls over FEMA reporting activities.

Person responsible for implementing: Joel Wagner, Flood Recovery Coordinator.

Implementation date: June 2015.

CITY OF BOULDER, COLORADO
Summary Schedule of Prior Audit Findings
Year Ended December 31, 2014

Reference Number	Summary of Finding	Status
2013-001	Accounting for Compensated Absences The City should begin including all required salary-related items in the accrual for compensated absences, including those that may need to be manually calculated.	Implemented.
2013-002	Accounting for Capital Assets The City should implement a requirement that journal entries related to unusual, significant, or complex transactions, be reviewed by Finance Department management prior to posting.	Implemented.

Financial Planning 02/01
Form # 350-050-36

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT	City or County: City of Boulder YEAR ENDING : December 2014
This Information From The Records Of: City of Boulder	Prepared By: Jenna Pratt, Budget & Finance Analyst Phone: 303-441-3001

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Receipts from local sources:	
1. Local highway-user taxes	
a. Motor Fuel (from Item I.A.5.)	
b. Motor Vehicle (from Item I.B.5.)	
c. Total (a.+b.)	
2. General fund appropriations	4,070,815
3. Other local imposts (from page 2)	15,269,817
4. Miscellaneous local receipts (from page 2)	156,932
5. Transfers from toll facilities	0
6. Proceeds of sale of bonds and notes:	
a. Bonds - Original Issues	0
b. Bonds - Refunding Issues	0
c. Notes	0
d. Total (a. + b. + c.)	0
7. Total (1 through 6)	19,497,564
B. Private Contributions	0
C. Receipts from State government (from page 2)	3,592,363
D. Receipts from Federal Government (from page 2)	3,423,512
E. Total receipts (A.7 + B + C + D)	26,513,438

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT
A. Local highway disbursements:	
1. Capital outlay (from page 2)	18,793,918
2. Maintenance:	2,338,287
3. Road and street services:	
a. Traffic control operations	2,671,254
b. Snow and ice removal	1,311,722
c. Other	2,663,300
d. Total (a. through c.)	6,646,276
4. General administration & miscellaneous	4,880,975
5. Highway law enforcement and safety	3,400,684
6. Total (1 through 5)	36,060,140
B. Debt service on local obligations:	
1. Bonds:	
a. Interest	783,631
b. Redemption	1,080,018
c. Total (a. + b.)	1,863,650
2. Notes:	
a. Interest	0
b. Redemption	0
c. Total (a. + b.)	0
3. Total (1.c + 2.c)	1,863,650
C. Payments to State for highways	0
D. Payments to toll facilities	0
E. Total disbursements (A.6 + B.3 + C + D)	37,923,790

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)	20,947,224	0	1,080,018	19,867,206
1. Bonds (Refunding Portion)		0	0	
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
Transportation Funds	15,647,284	21,362,605	23,043,725	13,966,165	0
Capital Improvement Bond Fund (Street & Road)	10,866,378	0	9,729,232	1,137,146	0
General Fund (Street & Road)	0	5,150,833	5,150,833	0	0
Totals	**26,513,662**	**26,513,438**	**37,923,790**	**15,103,310**	**0**

Notes and Comments:

Transportation Funds include the Transportation, Transportation Development and Boulder Junction Improvement Funds. Balances for Transportation Funds reflected in Section V include balances not restricted for road and street purposes as transportation funding within the City of Boulder supports multi-modal transportation. In contrast, receipt and disbursement financial data only reflect road and street-related activity.

FORM FHWA-536 (Rev. 1-05) PREVIOUS EDITIONS OBSOLETE (Next Page)

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2014

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		**A.4. Miscellaneous local receipts:**	
a. Property Taxes and Assessments	4,213	a. Interest on investments	93,875
b. Other local imposts:		b. Traffic Fines & Penalities	63,057
1. Sales Taxes	13,223,413	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	1,807,472	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	234,719	g. Other Misc. Receipts	0
6. Total (1. through 5.)	15,265,604	h. Other	0
c. Total (a. + b.)	15,269,817	i. Total (a. through h.)	156,932
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		**D. Receipts from Federal Government**	
1. Highway-user taxes	2,468,510	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	0
b. Project Match		c. HUD	0
c. Motor Vehicle Registrations	264,480	d. Federal Transit Admin	0
d. Other - Hwy/Signal Maint Contract	363,306	e. U.S. Corps of Engineers	0
e. Other - CDOT	496,066	f. Other Federal (FHWA)	3,423,512
f. Total (a. through e.)	1,123,852	g. Total (a. through f.)	3,423,512
4. Total (1. + 2. + 3.f)	3,592,363	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs	30,769	0	30,769
b. Engineering Costs	1,678,151	4,016,775	5,694,926
c. Construction:			
(1). New Facilities	0	0	0
(2). Capacity Improvements	0	89,461	89,461
(3). System Preservation	738,647	8,043,928	8,782,575
(4). System Enhancement & Operation	3,870,540	325,648	4,196,188
(5). Total Construction (1) + (2) + (3) + (4)	4,609,187	8,459,037	13,068,223
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	6,318,106	12,475,812	18,793,918
			(Carry forward to page 1)

Notes and Comments:

FORM FHWA-536 (Rev.1-05) PREVIOUS EDITIONS OBSOLETE

CITY OF BOULDER
CITY COUNCIL AGENDA ITEM

MEETING DATE: August 4, 2015

AGENDA TITLE: Consideration of a Motion to Approve Resolution No.1163 Authorizing the City of Boulder to execute a public approval certificate relating to the issuance of Private Activity Bonds by the Housing Authority of Boulder, D/B/A Boulder Housing Partners for the purpose of financing its Project Renovate program.

PRESENTER/S:
Jane S. Brautigam, City Manager
David Driskell, Interim Housing Director
Jeff Yegian, Division of Housing Manager
Erin Poe, Assistant City Attorney
Kristin Hyser, Community Investment Program Manager

EXECUTIVE SUMMARY

Boulder Housing Partners (BHP) is seeking the City of Boulder's authorization to issue private activity bonds through the Colorado Private Activity Bond (PAB) Program to finance Project Renovate, BHP's recapitalization of its public housing portfolio. Project Renovate will result in the renovation and stabilization of 279 multifamily rental units housing Boulder's most economically vulnerable families, seniors, and individuals with disabilities.

STAFF RECOMMENDATION

Staff recommends City Council authorize the execution of the Resolution and the Public Approval Certificate relating to the issuance of Colorado PAB by BHP for the purpose of financing the Project Renovate Program. Authorization will enable BHP to issue Colorado PAB in a principal amount not to exceed $75,000,000 for the purpose of financing the acquisition and renovation of 279 units of multifamily housing to be owned and operated by BHP.

Suggested Motion Language:
Staff requests council consideration of this matter and action in the form of the following motion:

Motion to adopt a Resolution authorizing the City of Boulder, Colorado to execute a Public Approval Certificate for the City of Boulder, Colorado relating to the issuance of bonds by the Housing Authority of Boulder, Colorado, D/B/A Boulder Housing Partners for the purpose of financing the Project Renovate program.

COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS

- Economic – This specific request is issuing bonds from the Colorado PAB Program which is separate from the City of Boulder's bond cap. There is not a direct obligation of the municipality and no tax money or other municipal revenues are pledged for their retirement. Projects financed using PAB generate local economic activity including new income, jobs and tax revenues.
- Environmental –All of the properties supported through the use of PABs have undergone environmental review in accordable with 24 CFR Part 58 evaluating any negative environmental impacts on the users of the properties and surrounding properties.
- Social – The use of PAB in development financing reduces borrowing costs allowing the affordable housing developer to provide more and higher-quality affordable rental housing serving low income residents of Boulder.

BACKGROUND

Private Activity Bonds (PAB) are tax-exempt bonds that can be issued for specific purposes including the financing of residential rental projects. Annually the federal government grants allocations of bonding authority to each state. Through the state of Colorado PAB municipalities receive an annual allocation of PAB (referred to has PAB capacity or cap) that can be issued to an eligible project, assigned to another issuer, carried-forward for a future project or relinquished to the statewide balance. The statewide balance is available to local governments or state authorities (housing authorities) that want to borrow a large sum of money at a fixed rate repayable over a long period of time to finance a capital project.

Issuance of the PABs from the statewide balance requires the issuer, in this case BHP, to hold a public hearing to provide the general public the opportunity to comment on the proposed bonds and the project being financed. BHP held a public hearing on July 16, 2015. A report of this hearing is included in Attachment A. Following the hearing and before bonds are issued either the highest elected executive official or the legislative body of the jurisdiction where the project is located is required to approve the issuance of the bonds. Therefore BHP is requesting approval of the issuance of the bonds from City of Boulder City Council by adopting Resolution No. 1163 (Attachment B) and executing the Public Approval Certificate (Attachment C).

Colorado PABs from the statewide balance are separate from the City of Boulder's PAB cap. With BHPs request to issue using the Colorado PAB statewide balance they are not a direct obligation of the municipality and no tax money or other municipal revenues are pledged for their retirement. The project sponsor pays the principal and interest on the bonds and there is no recourse to the city in the event of default.

ANALYSIS

In 2013 and 2014, as a local housing authority, Boulder Housing Partners (BHP) received assignments from the Colorado statewide balance totaling $80 million of State of Colorado PAB. BHP is taking action to issue the PAB to finance Project Renovate. Project Renovate is the recapitalization of Boulder Housing Partners' (BHP's) public housing portfolio. BHP has received HUD approval to release these six properties from the asset restrictions of the public housing program and to provide significant rehabilitation using a 4% Low Income Housing Tax Credit (LIHTC) program and Private Activity Bond financing structure. Deep affordability for all residents will be preserved through new, project-based Section 8 contracts. The six sites house 279 of Boulder's most economically vulnerable families, seniors, and individuals with disabilities. The housing itself is a combination of single-family houses, multifamily housing in multi-story townhomes, senior apartment housing in a high-rise facility, and senior two-story apartment style housing. Rehabilitation will improve property livability and functionality for

residents, increase energy efficiency, and restore the assets' value and marketability within the community.

Constructed in the 1960s through the 1980s, BHP built its public housing portfolio utilizing funds from the US Department of Housing and Urban Development (HUD). HUD also provided an ongoing operating and capital subsidy for these public housing units, ensuring that this housing would be affordable to residents with the lowest incomes. However, HUD subsidies for public housing have decreased over past decades, limiting funds available for rehabilitation. Additionally, federal asset restrictions on public housing units prohibit these properties' ability to be collateralized, preventing BHP from taking out rehabilitation loans.

Full recapitalization of the public housing portfolio is one of BHP's top priorities. To achieve this goal, BHP applied for and received HUD approval to convert and rehabilitate its public housing through the Rental Assistance Demonstration (RAD) and Section 18 Disposition Programs. Under these programs, Project Renovate units will remain permanently affordable serving families and individuals earning less than 80% of AMI and will be required to remain permanently affordable. Once the recapitalization work is complete, the properties will be able to maintain appropriate levels of debt service and cash flow, which will provide reserves for the sites. BHP does not anticipate needing additional subsidy or grant money to operate the properties outside of the Section 8 contract provided under HUD's conversion programs. These HUD conversion programs explicitly recognize the under-subsidization and need for renovation of former public housing units. These programs are designed to address recapitalization issues through the LIHTC program, allowing local housing authorities to convert public housing into tax credit properties while utilizing private debt and soft funds to reposition these assets so that they can continue to perform and serve as housing for the lowest income families in these communities.

Prior to the issuance of the tax-exempt bonds by BHP, Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") requires that a public hearing be held in the jurisdiction where the project is located. Notice of such public hearing must be published at least 14 days prior to the date of the public hearing. BHP published the notice of public hearing in The Boulder Daily Camera on June 29, 2015 and conducted the public hearing on July 16, 2015. No one appeared at the public hearing. Section 147(f) of the Code also requires that the project and the issuance of the bonds be approved by either the highest elected executive official or the legislative body of the jurisdiction where the project is located.

BHP requests that the City Council approve the Resolution in order for it to comply with Section 147(f) of the Code. Adoption of the Resolution does not obligate the City to issue the bonds or make any payments with respect to the bonds. The bonds will not become an indebtedness or financial obligation of the City.

If the funds are not utilized for the intended use the assignment agreement with BHP will allow them to use the bonds for an alternative city-approved project as long as it shares the same purpose of creating multifamily housing. If in the event the PABs are not utilized, the bonds will expire within three years of being carried forward with no penalty to the municipality or its partners.

ATTACHMENTS

Attachment A: Report on the Public Hearing held July 16, 2015
Attachment B: Proposed Resolution to Execute the Public Approval Certificate
Attachment C: Public Approval Certificate

ATTACHMENT A

REPORT ON PUBLIC HEARING WITH RESPECT TO PROPOSED ISSUANCE OF NOT TO EXCEED $75,000,000 HOUSING AUTHORITY OF THE CITY OF BOULDER, COLORADO, D/B/A BOULDER HOUSING PARTNERS MULTIFAMILY HOUSING REVENUE BONDS (PROJECT RENOVATE) SERIES 2015

July 16, 2015

TO: City Council of the City of Boulder, Colorado

FROM: Betsey Martens, Executive Director, Boulder Housing Partners

I. Summary of Proposed Housing Authority of the City of Boulder, Colorado, d/b/a Boulder Housing Partners Multifamily Housing Revenue Bonds (Project Renovate), Series 2015

Issuer: Housing Authority of the City of Boulder, Colorado, d/b/a Boulder Housing Partners

Bond Issue: Not to Exceed $75,000,000 Housing Authority of the City of Boulder, Colorado, d/b/a Boulder Housing Partners Multifamily Housing Revenue Bonds (Project Renovate), Series 2015

Purchaser: FirstBank

Borrower: Boulder Communities LLLP, a Colorado limited liability limited partnership (or any other affiliate or subsidiary created by the Authority)

Bond Counsel: Kutak Rock LLP

Purpose of Issue: (a) Finance the acquisition, construction, equipping, renovation and rehabilitation of the following residential facilities: (i) 30 multifamily units at the multifamily property referred to as "Diagonal Court," located at 3265-3273 30th Street, Boulder, Colorado 80301; (ii) 53 multifamily units at the multifamily property referred to as "Kalmia," located at 3502-3522 Nottingham Court and 3500-3525 Arthur Court, Boulder, Colorado 80304; (iii) 43 multifamily units at the multifamily property referred to as "Manhattan," located at 660-690 Manhattan, Boulder, Colorado 80303; (iv) 50 senior multifamily units at the multifamily property referred to as "Northport," located at 1133 Portland Place, Boulder, Colorado 80304; (v) 95 senior multifamily units at the multifamily

property referred to as "Walnut Place," located at 1940 Walnut Place, Boulder, Colorado 80302; and (vi) 9 single family units located at 1620-1695 Hawthorne Avenue, Boulder, Colorado 80304 and 5 single family units located at 1650-1690 Iris Avenue, Boulder, Colorado 80304 (collectively, the "Facilities"); (b) funding certain reserve funds, if any; and (c) paying certain costs of issuing the Series 2015 Bonds (the "Project"). The Facilities will be owned, operated and principally used by the Borrower and will consist of the real property, improvements and equipment described above which are all located within the City of Boulder, Colorado.

Use of Proceeds: To finance a portion of the Project costs in an amount equal to the principal amount of the Series 2015 Bonds.

Documents & Security: The Series 2015 Bonds will be issued pursuant to a plan of finance that includes a Financing Agreement, by and among the Authority, the Borrower and the Purchaser. The proceeds of the Series 2015 Bonds will be loaned to the Borrower to finance the Project. The Borrower's obligation to make payments on the loan and the mortgages and related collateral securing that obligation are being assigned by the Authority to the Purchaser upon the Purchaser's payment of the purchase price for the Series 2015 Bonds. The Series 2015 Bonds do not constitute a debt or liability of the Authority or the City of Boulder, Colorado.

II. Report of Public Hearing

A public hearing was held with respect to the plan of finance and the issuance of the Series 2015 Bonds on July 16, 2015 at 10:00 a.m., Mountain Time, at the offices of Boulder Housing Partners, 4800 Broadway, Boulder, Colorado 80304. Notice of such hearing in the form attached hereto as Exhibit A was published on June 30, 2015 in the *Boulder Daily Camera*, a newspaper of general circulation in the locale of the Project. No one appeared to speak against the Project. The hearing was closed at approximately 10:30 a.m., Mountain Time.

By _____
Betsey Martens
Executive Director

EXHIBIT A

NOTICE OF PUBLIC HEARING CONCERNING THE ISSUANCE OF PRIVATE ACTIVITY BONDS BY THE HOUSING AUTHORITY OF THE CITY OF BOULDER, COLORADO, D/B/A BOULDER HOUSING PARTNERS, PURSUANT TO A PLAN OF FINANCE FOR RESIDENTIAL FACILITY PROJECTS FOR LOW-AND-MIDDLE INCOME FAMILIES OR PERSONS

NOTICE IS HEREBY GIVEN THAT the Housing Authority of the City of Boulder, Colorado, d/b/a Boulder Housing Partners (the "Authority"), will conduct a public hearing concerning the approval of a plan of finance that includes the issuance of its Multifamily Housing Revenue Bonds (Project Renovate), Series 2015 in a principal amount not to exceed $75,000,000 (the "Series 2015 Bonds") and the loan of the proceeds of the Series 2015 Bonds to Boulder Communities LLLP, a Colorado limited liability limited partnership (or any other affiliate or subsidiary created by the Authority and referred to herein as the "Borrower"), for the purpose of financing: (a) the acquisition, construction, equipping, renovation and rehabilitation of the following residential facilities: (i) 30 multifamily units at the multifamily property referred to as "Diagonal Court," located at 3265-3273 30th Street, Boulder, Colorado 80301; (ii) 53 multifamily units at the multifamily property referred to as "Kalmia," located at 3502-3522 Nottingham Court and 3500-3525 Arthur Court, Boulder, Colorado 80304; (iii) 43 multifamily units at the multifamily property referred to as "Manhattan," located at 660-690 Manhattan, Boulder, Colorado 80303; (iv) 50 senior multifamily units at the multifamily property referred to as "Northport," located at 1133 Portland Place, Boulder, Colorado 80304; (v) 95 senior multifamily units at the multifamily property referred to as "Walnut Place," located at 1940 Walnut Place, Boulder, Colorado 80302; and (vi) 9 single family units located at 1620-1695 Hawthorne Avenue, Boulder, Colorado 80304 and 5 single family units located at 1650-1690 Iris Avenue, Boulder, Colorado 80304 (collectively, the "Facilities"); (b) funding certain reserve funds, if any; and (c) paying certain costs of issuing the Series 2015 Bonds. The Facilities will be owned, operated and principally used by the Borrower and will consist of the real property, improvements and equipment described above which are all located within the City of Boulder, Colorado.

The Series 2015 Bonds will constitute a special limited obligation of the Authority payable solely from revenues derived by the Authority pursuant to a Financing Agreement, by and among the Authority, the Borrower and the purchaser of the Series 2015 Bonds and certain related loan documents under which the Borrower has repayment obligations to the Authority, and, by assignment, to the purchaser of the Series 2015 Bonds. All interested parties are invited to present comments at a public hearing regarding the plan of finance, the issuance of the Series 2015 Bonds and the Facilities being financed thereby. The public hearing will be held on July 16, 2015 at 10:00 a.m., Mountain Time, at the Authority's offices located at 4800 Broadway, Boulder, Colorado 80304. Written comments to be presented at the public hearing may be mailed to the Authority at 4800 Broadway, Boulder, Colorado 80304.

ATTACHMENT B

RESOLUTION NO. 1163

A RESOLUTION AUTHORIZING THE CITY OF BOULDER, COLORADO TO EXECUTE A PUBLIC APPROVAL CERTIFICATE RELATING TO THE ISSUANCE OF BONDS BY THE HOUSING AUTHORITY OF THE CITY OF BOULDER, COLORADO, D/B/A BOULDER HOUSING PARTNERS FOR THE PURPOSE OF FINANCING ITS PROJECT RENOVATE PROGRAM.

WHEREAS, the Housing Authority of the City of Boulder, Colorado, a Colorado city housing authority, d/b/a Boulder Housing Partners ("BHP") intends to issue its Multifamily Housing Revenue Bonds (Project Renovate), Series 2015 (the "Series 2015 Bonds") in a principal amount not to exceed $75,000,000 for the purpose of financing: (a) the acquisition, construction, equipping, renovation and rehabilitation of the following residential facilities: (i) 30 multifamily units at the multifamily property referred to as "Diagonal Court," located at 3265-3273 30th Street, Boulder, Colorado 80301; (ii) 53 multifamily units at the multifamily property referred to as "Kalmia," located at 3502-3522 Nottingham Court and 3500-3525 Arthur Court, Boulder, Colorado 80304; (iii) 43 multifamily units at the multifamily property referred to as "Manhattan," located at 660-690 Manhattan, Boulder, Colorado 80303; (iv) 50 senior multifamily units at the multifamily property referred to as "Northport," located at 1133 Portland Place, Boulder, Colorado 80304; (v) 95 senior multifamily units at the multifamily property referred to as "Walnut Place," located at 1940 Walnut Place, Boulder, Colorado 80302; and (vi) 9 single family units located at 1620-1695 Hawthorne Avenue, Boulder, Colorado 80304 and 5 single family units located at 1650-1690 Iris Avenue, Boulder, Colorado 80304 (collectively, the "Facilities"); (b) funding certain reserve funds, if any; and (c) paying certain costs of issuing the Series 2015 Bonds (the "Project"); and

WHEREAS, the Facilities will be owned, operated and principally used by Boulder Communities LLLP, a Colorado limited liability limited partnership (or any other affiliate or subsidiary created by BHP and referred to herein as the "Borrower") and will consist of the real property, improvements and equipment described above which are all located within the City of Boulder, Colorado (the "City") and will benefit the citizens of the City; and

WHEREAS, in connection with the adoption of this Resolution, BHP provided to the City Council a Report on Public Hearing, dated July 16, 2015 (attached hereto as Exhibit A) (the "Report on Public Hearing"), setting forth the details of BHP's compliance with the public notice and approval requirements of Section 147(f) of the Internal Revenue Code, as amended (the "Code") required in connection with the issuance of the Series 2015 Bonds; and

WHEREAS, based on its review of the Report on Public Hearing, the City Council desires to authorize the execution and delivery of a Public Approval Certificate as required under the Code in accordance with the terms set forth herein;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BOULDER, COLORADO, THAT

Section 1. To satisfy certain conditions required by the Code for the issuance of the Series 2015 Bonds by BHP to finance the Project, the City Council of the City of Boulder, Colorado (the "City Council"), hereby ratifies, acknowledges and approves the holding of the public hearing for the Series 2015 Bonds and the Project as described in the Report on Public Hearing and declares its intent to execute and deliver that certain Public Approval Certificate attached hereto as Exhibit B (the "Public Approval Certificate"). The Mayor of the City is authorized to enter into, execute and deliver documentation necessary to implement this Resolution, including but not limited to the Public Approval Certificate. In connection therewith, the Public Approval Certificate is hereby approved, including any such changes, modifications, additions and deletions therein as shall seem, to the Mayor of the City executing such document, necessary, desirable or appropriate.

Section 2. The City Council hereby finds, determines, recites and declares that neither the issuance of the Series 2015 Bonds by BHP nor the execution and delivery of the Public Approval Certificate shall constitute any multiple-fiscal year direct or indirect debt or other financial obligation whatsoever of the City, the State of Colorado (the "State") or any political subdivision of the State within the meaning of any provision or limitation of the State Constitution or statutes, and the Series 2015 Bonds shall not constitute or give rise to a pecuniary liability of the City or a charge against the City's general credit or taxing powers, or ever be deemed to be an obligation or agreement of any City Council member, officer, director, agent or employee of the City in such person's individual capacity, and none of such persons shall be subject to any personal liability by reason of the issuance of the Series 2015 Bonds.

Section 3. As the highest elected legislative body of the City, the City Council hereby ratifies, acknowledges and approves the issuance of the Series 2015 Bonds in the principal amount of not to exceed $75,000,000 and the financing of the Project on behalf of the Borrower.

Section 4. The City Council hereby finds, determines, recites and declares the City's intent that this Resolution constitute an official indication of the present intention of the City to take the actions described herein.

Section 5. All actions not inconsistent with the provisions of this Resolution heretofore taken by the City Council or any officer or employee of the City in furtherance of this delegation and the execution and delivery of the Public Approval Certificate are hereby ratified, approved and confirmed.

Section 6. All prior acts, orders or resolutions, or parts thereof, of the City in conflict with this Resolution are hereby repealed, except that this repealer shall not be construed to revive an act, order or resolution, or part thereof, heretofore repealed.

Section 7. If any section, paragraph, clause or provision of this Resolution shall be adjudged to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining sections, paragraphs, clauses or provisions of this Resolution.

Section 8. This Resolution shall take effect immediately upon its introduction and passage.

ADOPTED this August 4, 2015.

By _____
Mayor

Attest:

By _____
City Clerk

ATTACHMENT C

PUBLIC APPROVAL CERTIFICATE

NOT TO EXCEED $75,000,000
HOUSING AUTHORITY OF
THE CITY OF BOULDER, COLORADO,
D/B/A BOULDER HOUSING PARTNERS
MULTIFAMILY HOUSING REVENUE BONDS
(PROJECT RENOVATE)
SERIES 2015

WHEREAS, the purpose of this approval certificate is to satisfy the public approval requirement of Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code") in order to qualify the interest of the above-captioned bond issue (the "Series 2015 Bonds") for exclusion from provisions of the Code; and

WHEREAS, officials of the Housing Authority of the City of Boulder, Colorado, d/b/a Boulder Housing Partners (the "Authority"), have represented to the City Council of the City of Boulder, Colorado (the "City Council") that the proceeds of the Series 2015 Bonds will be loaned to Boulder Communities LLLP, a Colorado limited liability limited partnership (or any other affiliate or subsidiary created by the Authority and referred to herein as the "Borrower"), for the purpose of financing: (a) the acquisition and rehabilitation of the following residential facilities: (i) 30 multifamily units at the multifamily property referred to as "Diagonal Court," located at 3265-3273 30th Street, Boulder, Colorado 80301; (ii) 53 multifamily units at the multifamily property referred to as "Kalmia," located at 3502-3522 Nottingham Court and 3500-3525 Arthur Court, Boulder, Colorado 80304; (iii) 43 multifamily units at the multifamily property referred to as "Manhattan," located at 660-690 Manhattan, Boulder, Colorado 80303; (iv) 50 senior multifamily units at the multifamily property referred to as "Northport," located at 1133 Portland Place, Boulder, Colorado 80304; (v) 95 senior multifamily units at the multifamily property referred to as "Walnut Place," located at 1940 Walnut Place, Boulder, Colorado 80302; and (vi) 9 single family units located at 1620-1695 Hawthorne Avenue, Boulder, Colorado 80304 and 5 single family units located at 1650-1690 Iris Avenue, Boulder, Colorado 80304 (collectively, the "Facilities"); (b) funding certain reserve funds, if any; and (c) paying certain costs of issuing the Series 2015 Bonds (the "Project"); and

WHEREAS, the Facilities will be owned, operated and principally used by the Borrower and are all located within the boundaries of the City of Boulder, Colorado (the "City"); and

WHEREAS, officials of the Authority have represented to the City Council that a public hearing on behalf of the Authority was held by such officials at 10:00 a.m. Mountain Time on July 16, 2015 (the "Public Hearing") after a Notice of Public Hearing was published for the Public Hearing on June 30, 2015 in the *Boulder Daily Camera*, as evidenced by the affidavit of publication attached hereto as Exhibit A;

WHEREAS, officials of the Authority have represented to the City Council that after a reasonable public notice was given, the Public Hearing was held and that no objections were

raised with respect to the proposed issuance of the Series 2015 Bonds or the financing of the Project; and

WHEREAS, pursuant to a Resolution adopted by the City Council on August 4, 2015, the undersigned was authorized to sign this Public Approval Certificate on behalf of the City Council.

NOW, THEREFORE, based upon all of the foregoing, ON BEHALF OF THE CITY COUNCIL, I HEREBY CERTIFY THAT:

1. The City Council is the highest elected legislative body of the City; and

2. The officials of the Authority have informed the City Council of the purpose for which the Series 2015 Bonds are proposed to be issued and the proceedings of the Public Hearing, and have informed the City Council that no objections were raised with respect to the proposed issuance of the Series 2015 Bonds or the financing of the Project at the Public Hearing; and

3. On behalf of the City Council, I hereby ratify, acknowledge and approve the holding of a public hearing on the Series 2015 Bonds and the Project; and

4. For the sole purpose of qualifying the interest on the Series 2015 Bonds for exclusion from gross income of the owners thereof for federal income tax purposes pursuant to the applicable provisions of the Code, on behalf of the City Council, I hereby approve the issuance of the Series 2015 Bonds in the principal amount of not to exceed $75,000,000 and the financing of the Project on behalf of the Borrower.

IN WITNESS WHEREOF, the undersigned has set his hand as of August 4, 2015.

CITY OF BOULDER, COLORADO

By _____
Mayor of the City of Boulder, Colorado

Attest:

By _____
City Clerk on behalf of the
Director of Finance and Records

Approved as to form:

By _____
City Attorney

C I T Y O F B O U L D E R
CITY COUNCIL AGENDA ITEM

MEETING DATE: September 1, 2015

AGENDA TITLE: Introduction, first reading and consideration of a motion to order published by title only Ordinance No. 8063 approving supplemental appropriations to the 2015 Budget.

PRESENTERS:
Jane S. Brautigam, City Manager
Bob Eichem, Chief Financial Officer
Cheryl Pattelli, Director of Finance
Peggy Bunzli, Budget Officer
Elena Lazarevska, Senior Financial Analyst

EXECUTIVE SUMMARY

As described in the *Budget Philosophy and Process* section of the annual budget document, each year at least two supplemental ordinances (known as Adjustments to Base, where the "base" is the original annual budget) are presented to City Council for review and approval. Council receives what is often the first ordinance, the **Carryover and Budget Supplemental**, in April/May. In years where new initiatives are launched and other unique circumstances become apparent after annual budget approval, additional adjustments to base may be brought forward for council consideration. The proposed adjustments to the 2015 Budget included in this memo are an example of the latter scenario.

On July 14, 2015, the City Council approved the agreement in principle to purchase the Boulder Community Hospital Broadway campus for $40 million. This agreement specifies that the city provide initial earnest money deposit of $3 million. This packet includes budget supplemental for this earnest money deposit. A proposed ordinance is provided as **Attachment A** to this packet.

STAFF RECOMMENDATION

Suggested Motion Language:

Staff requests council consideration of this matter and action in the form of the following motion:

Motion to introduce and order published by title only Ordinance No. 8063 approving supplemental appropriations to the 2015 Budget.

COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS

This supplemental ordinance appropriates funding for a variety of citywide projects and services that positively affect economic, environmental or social sustainability in the community.

OTHER IMPACTS

- Fiscal: In the **General Fund**, this ordinance will appropriate $3,000,000 from fund balance. At an upcoming Council staff will bring forth a reimbursement resolution that would pay back the General Fund when the financing is completed for the purchase.

- Staff time for this process is allocated in the Budget Division's regular annual work plan.

ANALYSIS

The BCH Broadway campus encompasses 8.8 acres of property in a rough rectangle bordered by Broadway, Balsam, Ninth and Alpine plus the parking garage with retail space, and office building fronting the south side of Alpine west of Broadway and two vacant lots south of the office building. The city's main interest in acquiring the property is twofold. First, for this important site it is crucial that the development fits in with the community's goals and visions. Development must be carefully managed to preserve the neighborhood and manage carefully the growth associated with the property.

Second, the city leases space spread throughout the city for its employees. This practice is both expensive and inefficient. With the New Britain and Park Central buildings identified for removal in the Civic Area Master Plan due to flood hazards, the BCH Broadway campus provides an opportunity to build a modern, centrally located government facility that can consolidate many city office functions as well as public facing services.

The BCH Broadway campus includes the following:

- The hospital and associated grounds at 1100 Balsam;
- The Medical Pavilion at 1155 Alpine;
- The parking garage and retail space at 2655 Broadway;

- The Brenton Building at 1136 Alpine Street; and
- The two vacant lots associated with the Brenton Building at 1125 and 1135 North Street

Altogether, the buildings on these properties represent over 355,000 square feet of existing building space; and a three story parking structure as well as two large surface parking areas. The buildings continue to house medical uses and related activities, although overall utilization of the property has been reduced significantly since BCH relocated its emergency room and acute care functions to its Foothills campus location.

City staff has negotiated an agreement in principle with BCH to purchase the campus. The purchase price is $40 million. The purchase includes a non-refundable earnest money payment of $3 million, which was deposited in escrow on July 17, 2015.

Additional information regarding the financing of the BCH site can be found in the July 14, 2015 council packet:

https://www-static.bouldercolorado.gov/docs/20150714_Agenda_Packet-1-201507131520.pdf

ATTACHMENTS

A. Proposed Ordinance containing supplemental appropriations to the 2015 Budget

ORDINANCE NO. 8063

AN ORDINANCE RELATING TO THE FINANCIAL AFFAIRS OF THE CITY OF BOULDER, COLORADO, MAKING SUPPLEMENTAL APPROPRIATIONS FOR THE FISCAL YEAR ENDING DECEMBER 31, 2015 SETTING FORTH DETAILS IN RELATION TO THE FOREGOING.

WHEREAS, Section 102 of the Charter of the City of Boulder provides that: "At any time after the passage of the annual appropriation ordinance and after at least one week's public notice, the council may transfer unused balances appropriated for one purpose to another purpose, and may by ordinance appropriate available revenues not included in the annual budget;" and

WHEREAS, the City Council now desires to make certain supplemental appropriations for purposes not provided for in the 2015 annual budget; and,

WHEREAS, required public notice has been given;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BOULDER, COLORADO, that the following amounts are appropriated from additional projected revenues and from unused fund balances to the listed funds:

Section 1. General Fund

Appropriation from Fund Balance	$3,000,000

Section 2. The City Council finds that this ordinance is necessary to protect the public health, safety, and welfare of the residents of the City and covers matters of local concern.

Section 3. If any part or parts hereof are for any reason held to be invalid, such shall not affect the remaining portion of this ordinance.

Section 4. The Council deems it appropriate that this ordinance be published by title only and orders that copies of this ordinance be made available in the Office of the City Clerk for public inspection and acquisition.

INTRODUCED, READ, ON FIRST READING, AND ORDERED PUBLISHED BY TITLE ONLY this 4th day of August, 2015.

_____
Mayor

Attest:

_____
City Clerk

READ ON SECOND READING, PASSED, ADOPTED, AND ORDERED PUBLISHED BY TITLE ONLY this 18th day of August, 2015.

_____
Mayor

Attest:

_____
City Clerk

CITY OF BOULDER
CITY COUNCIL AGENDA ITEM

MEETING DATE: August 4, 2015

AGENDA TITLE: Introduction, first reading and consideration of a motion to order published by title only, Ordinance No. 8064 placing before the voters at the November 3, 2015 general election a ballot measure amending the Boulder Home Rule Charter by adding a provision requiring sub-community planning and setting forth related details.

PRESENTER/S
Jane S. Brautigam, City Manager
Tom Carr, City Attorney
David Driskell, Executive Director, Community Planning and Sustainability
Susan Richstone, Deputy Director, Community Planning and Sustainability
David Gehr, Deputy City Attorney

EXECUTIVE SUMMARY

The purpose of this council agenda item is to introduce a proposed ballot measure requiring sub-community plans. The measure originally proposed by council member Sam Weaver would require the creation of subcommunity and area plans to guide development decisions in the subcommunity or area. This agenda memorandum describes the proposal and responds to several questions posed by council members at the ballot measure study session on July 14, 2015. As a council member initiated ballot measure, staff is providing an analysis, but not making any recommendation on whether council should proceed with this measure.

STAFF RECOMMENDATION

Suggested Motion Language:
If council decides to proceed with this ballot measure, staff requests Council consideration of this matter and action in the form of the following motion:

Motion to order published by title only, introduce and adopt on first reading an ordinance amending the Boulder Home Rule Charter to require sub-community plans as part of major projects and setting forth related details.

COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS

- Economic: Subcommunity and area plans provide clarity on the desired development outcomes in a particular area, reducing uncertainty for property owners and businesses.
- Environmental: Subcommunity planning could incorporate more significant environmental protections in the planning process.
- Social: Allowing for more involvement in the planning process could increase community satisfaction with outcomes.

OTHER IMPACTS

Fiscal – Implementation of subcommunity planning on a large scale would be an unfunded mandate that would require budget adjustments in future budgets.

Staff Time–Subcommunity planning will require additional staff.

BOARD AND COMMISSION FEEDBACK

None

BACKGROUND

On June 9, 2015, Council Member Weaver posted a hotline message proposing a ballot measure on subcommunity planning. The proposed measure is incorporated into the proposed ordinance which is Attachment A. The city council requested the Community Planning and Sustainability Department to provide some analysis of the potential ballot item to change the charter to add language on subcommunity planning, specifically:

1. What are the pros and cons of a charter amendment, ordinance or other approach?
2. What is the Planning Department's view on the proposed charter change?
3. Thoughts on subcommunity vs. area plans and how these differ, and what components would be in each?
4. What does it take to do a plan of this type?
5. What are the areas of town that would benefit?

1. What are the pros and cons of a charter amendment, ordinance or other approach?

The Boulder Home Rule Charter is an organic document intended to provide a system of government based on identified principles. It for the most part structures through prohibiting actions that are not consistent with those principles and leaves implementation details to the City Council through its power to regulate. The charter is a high level document; details of particular policies and programs are more appropriately left to more specific work efforts and plans, ordinances, and the budgeting process.

The major benefits of a charter amendment would be providing assurance to the community that subcommunity and area planning will occur and would prioritize subcommunity and area planning. The major drawbacks are that a subcommunity and area planning program would need to be adequately funded, could result in other important planning priorities not being addressed, and would reduce the flexibility of future councils to set annual work program priorities if this is mandated. Additionally, in the proposed ballot issue's current form, the level of detail goes well beyond the level of detail provided in other sections of the charter and mandates very specific techniques to be used in preparing the plans.

The Charter

Section 78 of the charter sets forth the functions of what is referred to as the Planning Department (Attachment B). This currently includes: preparing and recommending a "general plan" as well as a list of what the general plan includes; a list of recommended capital improvements; a zoning plan; minimum housing ordinances and building codes; subdivision; and a few other responsibilities.

If the council chooses to place a charter amendment on the ballot for subcommunity and area planning, council could consider language more consistent with the level of detail and existing content in the current charter. Suggested language could be as follow:

> Prepare and recommend to the City Council subcommunity and area plans that provide a bridge between the broad policies of the comprehensive plan and site specific development proposals. Subcommunity and area plans determine the location, character, scale and mix of uses, density and intensity of development for a defined area. They shall be prepared in collaboration with affected neighborhoods and businesses, and will be subject to the annual planning work plan prioritization and resources.

The benefits of this would be to have language more consistent with the type of language currently found in the charter, would recognize the importance of subcommunity and area planning, and would provide flexibility to balance the preparation of subcommunity and area plans with other work plan priorities as opposed to mandating. The drawback is that it would not provide assurance to the community that subcommunity and area plans would be prepared in a timely manner.

The Boulder Valley Comprehensive Plan

The Boulder Valley Comprehensive Plan includes a section (Attachment C) on subcommunity and area plans that describes their purpose, scope and process. A short description of each of the existing plans is provided.

In 1989, the city hired the consulting firm of Freilich-Ogburn to review the city's development review system and make recommendations for needed changes. The consultant's report suggested that there was a gap in the city's mid-level planning; that Boulder has been successful in planning at the broad, comprehensive planning scale, and at the site-specific planning scale, but not at the "in-between," or mid-level planning -scale. As a result: nine sub-communities were identified and mapped, a section on Subcommunity and Area Planning was added to the Boulder Valley Comprehensive Plan, and the North Boulder Subcommunity Planning effort was initiated.

An alternative to amending the City Charter may be to review and consider potential changes to the Subcommunity and Area Planning section of the Boulder Valley Comprehensive Plan as part of the five year update that is currently underway. As part of that effort, areas could be identified and prioritized for future area planning efforts, establishing a work plan for implementing this section of the comprehensive plan over the next several years.

The benefits of this approach are that it would be consistent with using the Comprehensive Plan to define the implementing framework for the city's planning efforts and it would build on what is already in place. The drawback is that it does not mandate subcommunity and area planning, if this is council's goal.

Ordinance

Council also could implement more aggressive subcommunity planning through ordinance and budget. If council wishes to bind future councils to a particular program, council could propose the ordinance as a people's ordinance, which could be changed only by a vote of the people. Council also could adopt an ordinance through the normal legislative process. At the end of the day, the ability to prepare subcommunity and area plans comes down to citywide priorities and resources for planning efforts. For progress to be made on preparing subcommunity or area plans, it may be necessary to designate resources in the budget specifically to subcommunity and area planning.

It is also important to note that subcommunity and area plans need to be informed by larger citywide policies. So, as an example, if the city has a policy that affordable housing and diversity of housing types should be distributed throughout city and not disproportionately concentrated in only some areas of the city, it would not be appropriate for a subcommunity plan to say "no affordable housing."

2. What is the Planning Department's view on the proposed charter change?

Planning staff views subcommunity and area planning as essential to providing the guidance needed for site specific development proposals, to guide investments in capital improvements, and to establish other community desires and needs. Victor Dover emphasized this point last year when he spoke to council and the community about the need for area specific plans to develop a form based code. They create common understanding among all parties of expected changes in an area, provide neighborhoods and other affected stakeholders to help shape the future of their areas of the community, and determine the desired character, uses, and intensity of development in an area.

The challenge has been that area plans are significant work efforts and are resource intensive, and therefore need to be prioritized relative to other work plan efforts. Even if a provision is placed in the Charter, there would need to be adequate resources devoted to an area planning program in the department.

3. Thoughts on subcommunity vs. area plans and how these differ, and what components would be in each?

A subcommunity plan is a plan for a designated subcommunity, while an area plan addresses an area within an identified subcommunity. Boulder has identified nine planning subcommunities *(alphabetically)*:

1. Central Boulder
2. Crossroads
3. East Boulder
4. Gunbarrel
5. North Boulder
6. Palo Park
7. South Boulder
8. Southeast Boulder
9. University of Colorado

The BVCP identifies both the potential scope of subcommunity and area plans as well as criteria for prioritizing the selection of an area for a plan. The scope varies depending on the issues to be addressed. Subcommunity plans, due to the very large area encompassed, are by definition more extensive and complex efforts to undertake than area plans, which address a smaller area with a narrower set of issues and stakeholders. As an example, a key consideration in the development of the Transit Village Area Plan was the boundary for the planning area. The area started out much larger, and due to the concern for the time and effort that would be involved, among other considerations, the area was narrowed to the area of more imminent change.

Thus far, the city has completed one subcommunity plan and six area plans. Subcommunity and area plans are an extremely valuable tool for providing the guidance needed to ensure individual development proposals further the city's desired vision for an area. They have been a priority of the city's planning efforts, beginning with preparation of the North Boulder Subcommunity Plan in the early 1990's. Following the North Boulder Subcommunity Plan, zoning districts were developed and properties rezoned to implement the plan in addition to investments in public improvements. The plan has guided the development that has occurred in the area and is widely recognized by the community as having been crucial to the positive development outcomes in the area. Similar things can be said for each of the other area planning efforts.

Each of the seven plans has varied in scope, complexity and effort. The main challenge to completing additional plans has been related to the overall priority of area planning efforts relative to other planning issues and the time and resources plans usually take. A key criterion for selecting an area for a subcommunity or area planning effort is the amount of change anticipated. This was the driver for the North Boulder Subcommunity Plan and the Transit Village Area Plan. As part of the 2015 Major Update to the BVCP fact sheets and analysis have been prepared for each subcommunity (Attachment C). In addition to the North Boulder Subcommunity Plan, the city has completed the following area plans:

- Boulder Plaza Subarea Plan
- Boulder Transit Village Area Plan (Boulder Junction)
- Crossroads East Sunrise Center Area Plan
- Gunbarrel Community Center Plan
- Junior Academy Area Plan
- University Hill Area Plan

In addition to the area plans and the subcommunity plan, the city has adopted design guidelines for downtown and the regional center.

4. What does it take to do a plan of this type?

As is noted above, the subcommunity and area planning processes are labor and resource intensive, and all areas of the city may not need this level of planning effortThe proposed ballot measure includes language that would require specific methodologies for preparing subcommunity plans. Generally, the constraint is not the desire to use such practices, but the lack of time or resources to do so, as well as the need to prioritize and balance with other work efforts. For example, conducting a scientific survey of residents generally requires several months. The cost of such surveys varies depends upon the number of responses desired and the number of questions asked. In any case, this type of work tends to be expensive and take significant time. The North Boulder Subcommunity Plan was developed in five phases over a period of almost three years and then amended twice.

5. What are the areas of town that would benefit?

It is difficult to say which areas would benefit specifically without adequate time to evaluate the issues, development potential and other factors. The relative benefit/ priority of different areas is something that could be looked at as part of the BVCP Major Update, including whether the subcommunity level as opposed to targeting specific smaller areas would be a more desirable approach.

Conclusion

Subcommunity and area plans are a valuable part of a cohesive and comprehensive planning process. A subcommunity and area planning program requires significant resources and needs to be prioritized with other planning work plan efforts and priorities. It is for council and ultimately the citizens to decide whether the Charter should include a mandate that would elevate subcommunity and area planning over other city priorities.

Attachments

Attachment A: Proposed Ordinance
Attachment B: City Charter Sec. 78
Attachment C: Boulder Valley Comprehensive Plan section on Subcommunity and Area Plans

ORDINANCE NO. 8064

AN ORDINANCE SUBMITTING TO THE QUALIFIED ELECTORS OF THE CITY OF BOULDER AT THE REGULAR MUNICIPAL COORDINATED ELECTION TO BE HELD ON TUESDAY, NOVEMBER 3, 2015, THE QUESTION OF AMENDING THE CITY CHARTER TO REQUIRE SUBCOMMUNITY PLANS; SETTING FORTH THE BALLOT TITLE; AND SPECIFYING THE FORM OF THE BALLOT AND OTHER RELATED DETAILS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BOULDER, COLORADO:

Section 1. A regular municipal coordinated election will be held in the city of Boulder, county of Boulder and state of Colorado, on Tuesday, November 3, 2015.

Section 2. At that election, a question shall be submitted to the electors of the city of Boulder entitled by law to vote, that will allow voters to consider the following amendments to the Charter requiring subcommunity plans by adding a new Section 80a as follows:

Sec. 80a. – Subcommunity Plans

For purposes of this Section, "subcommunity" shall mean a contiguous area within the city limits of Boulder as reasonably demarcated by the City Council.

The City Council shall direct and oversee an ongoing subcommunity planning process managed by the City Manager and Planning Department staff. The goal of this program shall be to create and maintain subcommunity plans that shall be used to direct land development activities within the subcommunity. These subcommunity plans will not replace the zoning function, but will be used in conjunction with other City plans to help direct the location, form, uses, density, and intensity of development within the subcommunities. The factors that shall be considered when creating or updating a subcommunity area plan shall include but are not limited to:

(a) The existing character of residential neighborhoods and business districts in the subcommunity;
(b) The desired future character of residential neighborhoods and business districts in the subcommunity;
(c) Business services that exist within the subcommunity;
(d) Business services that do not exist but are desired within the subcommunity;

(e) Occupancy levels that exist within residential areas within the subcommunity;
(f) Occupancy levels that are desired within residential areas within the subcommunity;
(g) Development density that exists within residential and business areas within the subcommunity;
(h) Development density that is desired within residential and business areas within the subcommunity;
(i) Development intensity that exists within residential and business areas within the subcommunity;
(j) Development intensity that is desired within residential and business areas within the subcommunity;
(k) Building height that exists within residential and business areas within the subcommunity; and
(l) Building height that is desired within residential and business areas within the subcommunity.

Techniques that shall be used to determine the direction that residents and businesses within the subcommunity desire to pursue shall include, but not be limited to:

(a) Visualization of multiple alternatives for future development that communicate visually building location, massing, intensity, and density to residents and businesses within the subcommunity;
(b) Outreach meetings to discuss the results of the visualization exercises, as well as to exchange ideas regarding the subcommunity characteristics listed above;
(c) Scientific opinion polling of residents and businesses within the subcommunity to gauge the directions that the subcommunity members wish to pursue in the future; and
(d) Consideration by the Planning Board and City Council of the creation of form-based building codes that comport with the completed subcommunity plans in areas of the subcommunities that are reserved for the most intense development.

The purpose of including this Section in the City Charter is to engage and empower residents and businesses and to provide City Council, the Planning Board, and Planning staff with a clear mandate to proceed with initial and ongoing subcommunity planning in a series of timely, thorough, and public processes, and to direct the City Manager to deploy such resources and personnel as are required to accomplish these goals.

Section 3. The official ballot shall contain the following ballot title, which shall also be the designation and submission clause for the measure:

Ballot Question No. ___

Adding a Charter Provision to Require Subcommunity Plans

Shall the Charter be amended to make changes to require the city council and city manager to adopt and maintain subcommunity plans as specified in Ordinance No. 8064?

For the Measure ____ Against the Measure ____

Section 4. If a majority of all the votes cast at the election on the measure submitted are for the measure, the measure shall be deemed to have passed and the charter shall be amended as provided in this ordinance.

Section 5. The election shall be conducted under the provisions of the Colorado Constitution, the Charter and ordinances of the city, the Boulder Revised Code, 1981, and this ordinance, and all contrary provisions of the statutes of the state of Colorado are hereby superseded.

Section 6. The officers of the city are authorized to take all action necessary or appropriate to effectuate the provisions of this ordinance and to contract with the county clerk to conduct the election for the city.

Section 7. If any section, paragraph, clause, or provision of this ordinance shall for any reason be held to be invalid or unenforceable, such decision shall not affect any of the remaining provisions of this ordinance.

Section 8. This ordinance is necessary to protect the public health, safety, and welfare of the residents of the city, and covers matters of local concern.

Section 9. The City Council deems it appropriate that this ordinance be published by title only and orders that copies of this ordinance be made available in the office of the city clerk for public inspection and acquisition.

INTRODUCED, READ ON FIRST READING, AMENDED, AND ORDERED PUBLISHED BY TITLE ONLY this 4th day of August, 2015.

_____
Mayor

Attest:

_____
City Clerk

READ ON SECOND READING, PASSED, ADOPTED, AND ORDERED PUBLISHED BY TITLE ONLY this _____ day of _____, 2015.

_____
Mayor

Attest:

_____
City Clerk

Sec. 78. - Functions.

The planning department shall:

(a) Prepare and recommend to the city council a general plan, with necessary maps, plats, charts, and descriptive and explanatory materials, for the physical improvement and development of the city, including therein,

(1) The general location, character, and extent of streets, bridges, parks, waterways, and other public ways, grounds, and spaces;

(2) The general location of public buildings and other public property, within and without the city limits, including watersheds, water systems, reservoirs, sewer and drainage systems, facilities for the sanitary disposal of garbage and other wastes, airports, vehicle parking facilities, and all other public properties and facilities necessary for the proper development of the city;

(3) The general location and extent of public utilities, including public transportation facilities, whether publicly or privately owned;

(4) The removal, relocation, widening, extension, narrowing, vacation, abandonment, or change of use of existing or future public ways, grounds, spaces, buildings, property, or utilities;

(5) An adequate and equitable system of financing public improvements;

(b) Review the general plan periodically and recommend to the city council desirable amendments and additions to the plan;

(c) Submit annually to the city manager, not less than sixty days prior to the date for submission of the city manager's proposed budget to the city council, a list of recommended capital improvements to be undertaken during the forthcoming six-year period;

The list shall be arranged in order of preference, with recommendations as to which projects shall be completed each year. Each list of capital improvements shall be accompanied by a six-year capital budget indicating estimated costs and methods of financing all improvements;

(d) Prepare and recommend to the city council a zoning plan dividing the city into building districts or zones and regulating the uses of land and the height, area, bulk, and uses of public and private buildings and structures;

(e) Prepare and recommend to the city council minimum housing ordinances, building codes, and other measures necessary to promote the health, safety, and general welfare of the people of the city;

(f) Prepare and recommend to the city council regulations governing the process of land subdivision;

(g) Exercise control over all public improvements in accordance with the provisions of Section 80;

(h) Exercise control over platting, opening, and annexing subdivisions in accordance with the provisions of Sections 81 and 82;

(i) Cooperate with other governmental planning agencies on all planning matters affecting the city;

(j) Encourage proper planning by all departments of the city, request necessary assistance from other departments, and integrate, to the extent possible, the planning activities of other departments into the general plan of the city; and

(k) Within its budget appropriations, contract when necessary with city planners and other consultants for technical services.

(Amended by Ord. No. 1632 (1951), § 4, adopted by electorate on November 6, 1951.)

IV. Implementation

The Boulder Valley Comprehensive Plan policies provide overarching direction for planning, development and programs in the Boulder Valley. Implementation tools that translate the plan into action include:

- Subcommunity and Area Planning
- Master Plans
- Trails Map

Subcommunity and Area Planning

Subcommunity and area planning bridges the gap between the broad policies of the Boulder Valley Comprehensive Plan and site specific project review (development applications or city capital projects).

Subcommunity and area plans:

- Establish the official future vision of an area;
- Create a common understanding among residents, business and land owners, and city departments of expected changes in the area;
- Determine the appropriate density, character, scale and mix of uses in an area, and identify the regulatory changes needed to ensure or encourage appropriate development compatible with its surrounding area;
- Define desired characteristics of an area or neighborhood that should be preserved or enhanced;
- Define the acceptable amount of infill and redevelopment and determine standards and performance measures for design quality to avoid or adequately mitigate the negative impacts of infill and redevelopment and enhance the benefits;
- Identify the need and locations for new or enhanced pedestrian, bicycle and vehicular connections;
- Identify the need and locations for new public or private facilities, such as shopping, child care, schools, parks and recreation, library and transit facilities, so that daily needs are close to where people live and work and to contribute to the livability, enjoyment, and sense of physical and social identity of a subcommunity or area;
- Develop implementation methods for achieving the goals of the plan, which may include: neighborhood improvement, trail, park or street projects; changes to the land use regulations or zoning districts; or changes to the Comprehensive Plan Land Use Map.

Area plans typically address planning issues at a more detailed level than subcommunity plans. The planning horizon for subcommunity and area plans is the same as that for the Comprehensive Plan—15 years. The subcommunity and area planning process includes:

- Identifying opportunities to address Comprehensive Plan goals;
- Developing criteria for decision-making that balance local area interests with those of the broader community;
- Involving interested groups and individuals to identify issues and opportunities to be addressed by the plan and establish a common vision for the future;

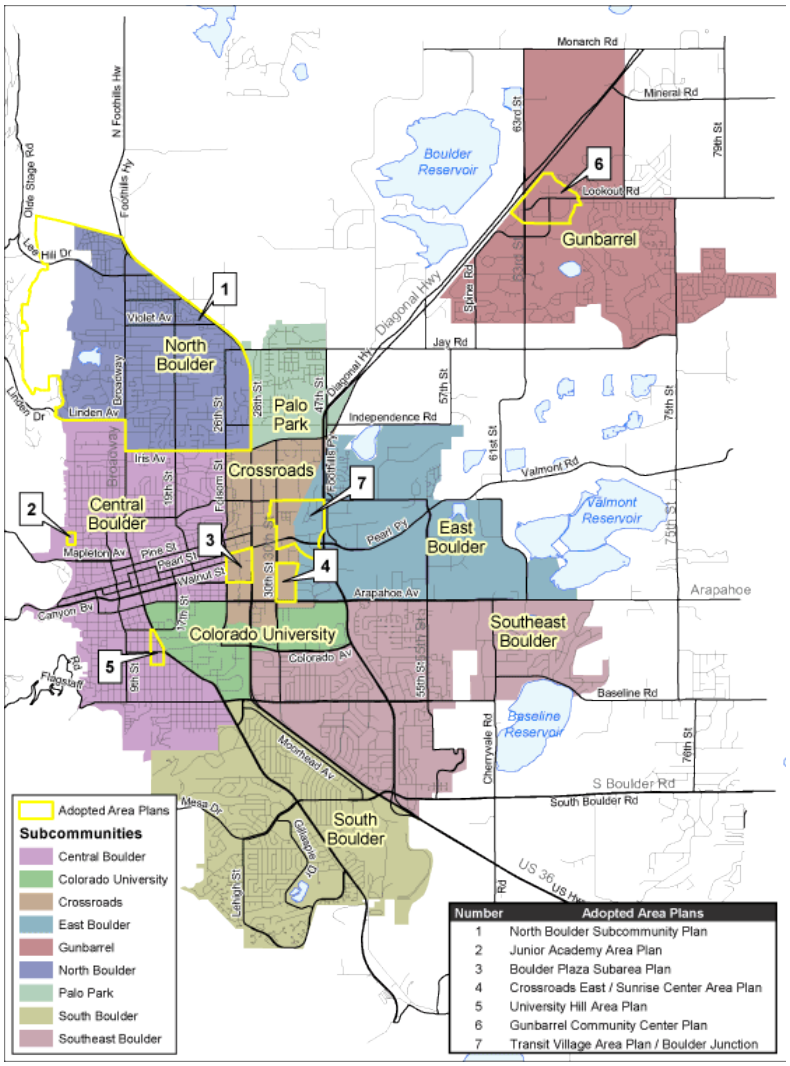
- Identifying a range of appropriate techniques for determining the priority of, and means of financing, plan elements; and
- Establishing a planning framework in which to review public projects, land use changes, and development proposals to implement or ensure compliance with the plan.

Boulder County is involved in the development of plans that affect land in Area II or III.

Subcommunity and area plans are adopted by Planning Board and City Council and amended as needed with the same legislative process as originally adopted.

Subcommunity Planning

There are nine subcommunity planning areas within the Service Area: Central Boulder, Crossroads, the University of Colorado, East Boulder, Southeast Boulder, South Boulder, North Boulder, Palo Park, and Gunbarrel.



When the subcommunity and area planning program was instituted in 1990, the idea was to develop plans for all of the subcommunities. The North Boulder Subcommunity Plan was the first because the area had the largest amount of vacant land in the city at the time and a significant amount of change was anticipated. As the city becomes more fully developed, the need for extensive planning at the

subcommunity planning level has lessened, and it is now thought that not all subcommunities will necessarily have subcommunity plans. If they do, they will address fewer issues than were tackled in the North Boulder Subcommunity Plan. It is anticipated that each subcommunity plan will be evaluated as needed and monitored annually through the Capital Improvements Program (CIP) and the Boulder Valley Comprehensive Plan Action Plan.

Area Planning

Area plans are developed for areas with special problems or opportunities that are not adequately addressed by comprehensive planning, subcommunity planning or existing land use regulations. Area planning is initiated as issues or opportunities arise.

Criteria for Selection

The criteria for selecting the priority for the development of subcommunity and area plans are:

- Extent to which the plan implements Boulder Valley Comprehensive Plan goals;
- Imminence of change anticipated in the area;
- Magnitude of an identified problem;
- Likelihood of addressing a recurring problem;
- Cost and time effectiveness of doing the plan; and
- Extent to which plan improves land use regulations, the development review process and the quality of public and private improvements.

Adopted Subcommunity and Area Plans

The city has adopted the following subcommunity or area plans:

- Boulder Plaza Subarea Plan, 1992
- North Boulder Subcommunity Plan, 1995
- University Hill Area Plan, 1996
- Crossroads East/ Sunrise Center Area Plan, 1997
- Gunbarrel Community Center Plan, 2004
- Transit Village Area Plan, 2007
- Junior Academy Area Plan, 2009

North Boulder Subcommunity Plan

The North Boulder Subcommunity Plan was adopted in 1995 to develop a vision for an area that had considerable development potential. The plan aims to preserve the present character and livability of the existing residential neighborhoods and ensure that future changes are beneficial to both the subcommunity and the city as a whole. A new mixed use village center along Broadway is envisioned to become the heart of subcommunity activity. New neighborhoods in the northern portion of the subcommunity are meant to create a strong edge to the city and an attractive entrance into Boulder.

Implementation of the Plan

The North Boulder Subcommunity Plan was the basis for re-zoning of a portion of the area in 1997. Five new zoning districts were created to implement the design guidelines in the plan, including: a business main street zone, patterned after historic 'Main Street' business districts; three mixed use zones that provide a transition between the higher intensity business 'Main Street' and surrounding residential or industrial areas; and a mixed density residential zone district. The plan also established a street and pedestrian/bicycle network plan, to which developing or re-developing properties must adhere.

Gunbarrel Community Center Plan

The Gunbarrel Community Center Plan, adopted in 2004 and amended in 2006, provides a blueprint for transitioning the Gunbarrel commercial area from mostly light industrial uses to a viable and vibrant, pedestrian-oriented commercial center serving Gunbarrel subcommunity residents and workers. This will involve: expanding the amount of retail and allowing more density in the retail area; adding new residential and some offices uses in proximity to the retail core; and providing more vehicular, pedestrian and bicycle connections to and from and within the center. The new connections will improve access, break down the existing "superblocks," provide better visibility to shops, and promote more pedestrian-scale architecture and outdoor spaces. Spine Road between Lookout and Gunpark roads will become the 'Main Street' for the retail area.

Implementation of the Plan

Implementation of the Gunbarrel Community Center Plan will occur over a long period of time through a combination of actions from both the public and private sectors. Business associations, such as the Gunbarrel Business Alliance, and neighborhood groups will play an important role in promoting collaboration to successfully implement the plan. Land use changes were made in the 2005 Boulder Valley Comprehensive Plan update to reflect the plan vision.

Transit Village Area Plan/ Boulder Junction

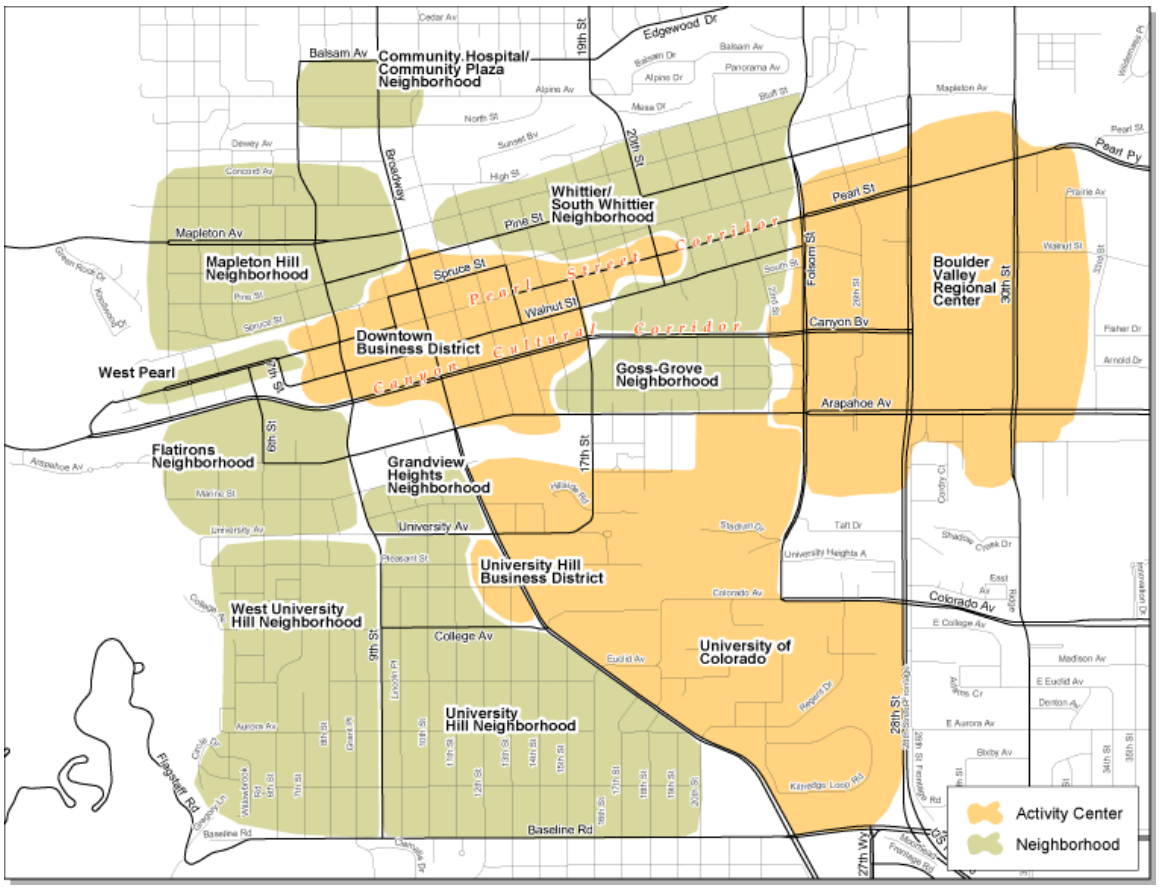
The Transit Village Area Plan guides development of an area that is within walking distance of a future transit hub near 30th and Pearl streets, which will provide regional and local bus and rail service. The plan recommends land use changes to transform this mostly industrial, low density, automobile-oriented area into a more urban, higher density, pedestrian-oriented environment, with a mixture of uses, including new retail and office, and new residential neighborhoods for a diversity of incomes and lifestyles. Many of the existing service commercial and industrial uses on the north and east side of the area, respectively, will continue. The plan also focuses on: developing new, high-quality public spaces and streets; creating a new home for the historic Union-Pacific train depot; and protecting and enhancing Goose Creek.

Implementation of the Plan

After adoption of the plan, the area was renamed Boulder Junction. Implementation will entail significant public investment in the transit facilities, the adjacent pocket park and civic plaza, the new north-south collector road, rehabilitation of the Depot, Goose Creek enhancements and the city-owned site at the northeast corner of the 30th and Pearl intersection. Property owners will contribute to construction of new streets, sidewalks and bicycle facilities when they develop their properties. In 2010 and 2011, land use and zoning changes were made on the west side of the area, and a general improvement district was formed to manage parking and provide Transportation Demand Management services. Land use changes and public improvements on the east side of the area will occur later, after substantial redevelopment of the west side.

Central Area

The Downtown, the University and the Boulder Valley Regional Center areas constitute the three primary activity centers within the Boulder Valley's central area.



Downtown

The Downtown is the heart of Boulder—a hub of civic, social, cultural, entertainment, spiritual, professional and commercial activity. The Pearl Street Mall provides a unique pedestrian experience, with surrounding historic residential neighborhoods, newer commercial and mixed use buildings, the city's civic center and Boulder Creek in close proximity. Several documents and districts work to maintain and enhance the Downtown environment:

- The **Downtown Urban Design Guidelines**, adopted in 1986 and revised in 2002 and 2011, guide the design quality of new construction and preservation and renovation projects located downtown.
- The **Central Area General Improvement District** (CAGID), formed in 1970, provides parking and related improvements and maintenance in a 35-block area encompassing the Downtown.
- The **Downtown Boulder Business Improvement District** (BID), formed in 1999, provides enhancements and services (economic vitality, marketing and enhanced maintenance) in the roughly the same area as CAGID to supplement services provided by the city.
- The **2005 Downtown Strategic Plan** recommends near-term strategies to keep Downtown Boulder vibrant and successful, for example, supporting small businesses and simplifying parking.

Boulder Valley Regional Center

The Boulder Valley Regional Center (BVRC) is a primarily commercial area, providing retail at a range of scales, restaurants, offices, and hotels in the geographic center of Boulder. There is also some high-

density housing, two parks and the Dairy Center for the Arts. The BVRC was established as an urban renewal district in 1979 to revitalize the area, with public improvements financed by bonds that were paid off in 2002. The following plans and guidelines continue to guide redevelopment and evolution of the area into a more attractive, pedestrian-, bicycle- and transit-friendly place:

- The **Boulder Plaza Subarea Plan,** 1992, and the **Crossroads/Sunrise Center Area Plan,** 1997, provide guidance on specific improvements to circulation, the public realm and building design in each area when redevelopment occurs.
- The **BVRC Transportation Connections Plan**, adopted in 1997 and updated in 1998 and 2002, shows where pedestrian, bicycle and vehicular transportation facilities should be constructed or improved through redevelopment or the Capital Improvements Program.
- The **BVRC Design Guidelines,** adopted in 1998, establishes design goals and guidelines for development proposals in the BVRC, including site layout, circulation, buildings, landscaping and open space, streetscape, and signs.

University of Colorado and University Hill

The University of Colorado-Boulder (CU-Boulder) is an important part of the Boulder Valley's intellectual, cultural, social and economic life. The University's plans for expansion are set forth primarily in these documents:

- The **Flagship 2030** strategic plan seeks to position CU-Boulder for global leadership in education, research, and creative works by the year 2030. It envisions an increase in the number of undergraduate, graduate and professional school students and a corresponding increase in faculty.
- The draft **2011 Campus Master Plan** will provide guiding principles for developing facilities over the next ten years in support of the Flagship 2030 vision. The plan proposes development of the East Campus (generally bounded by 30th Street, Colorado Avenue, Arapahoe Avenue, and Foothills Parkway) as a full campus, with higher density building and a broad mix of programs. The Williams Village property will also continue to be developed. Growth on Main Campus will be limited, and the South Campus will continue to be reserved as a land bank for future generations. The final plan is expected to be completed in 2011.

The University Hill business district, to the west of Main Campus across Broadway, serves both the university population and the surrounding neighborhood, with restaurants, shopping and entertainment. Efforts to revitalize and diversify uses on The Hill to include more housing, some office, a broader range of retail offerings and increased cultural activities are guided by the following:

- The **University Hill General Improvement District** (UHGID), created in 1970 and expanded in 1985, provides parking, maintenance and aesthetic improvements to the business district and also has played a leadership role in facilitating revitalization and redevelopment on The Hill.
- The 1996 **University Hill Area Plan** initiated streetscape improvements and land use regulation amendments to enhance the appeal and safety of public spaces, encourage mixed use development, and support and strengthen The Hill's pedestrian-oriented, urban village character
- Direction from City Council in 2010 to explore strategies for Hill revitalization, including creation of a **general improvement district for the surrounding high-density residential neighborhood** and an **"innovation district"** in the commercial area.

Surrounding Neighborhoods

Goals for specific Central Area neighborhoods near the Downtown and the University are as follows:

- The **Pearl Street Corridor** between 18th Street and Folsom links the Downtown with the BVRC. The corridor is half a block wide along both sides of Pearl Street and is separated from established residential neighborhoods by alleys. The vision for the corridor is an interesting and varied mix of uses, combining urban-density housing with small-scale retail uses and office space. The scale of new buildings will be sensitive in use and design to adjacent residential uses. The challenge is to strengthen the pedestrian environment along the street from Downtown to the BVRC and beyond to Boulder Junction.

- The **Community Hospital/Community Plaza neighborhood**, just north of the downtown along Broadway, includes the hospital, medical offices and two shopping centers. The design of commercial expansions and physical improvements in the area must incorporate special considerations to minimize impacts to adjacent residential neighborhoods.

CITY OF BOULDER
CITY COUNCIL AGENDA ITEM

MEETING DATE: August 4, 2015

AGENDA TITLE: AGENDA TITLE: Introduction, first reading and consideration of a motion to publish by title only Ordinance No. 8065 submitting to the electors of the City of Boulder at the General Municipal Coordinated Election to be held on Tuesday, November 3, 2015, the question of, shall City of Boulder taxes be increased by up to $350 thousand annually (in the first full fiscal year) and by whatever amounts as may be collected annually thereafter by the imposition of a tax on short term rentals not already taxed as hotel, motel or other public accommodations, to fund administration, enforcement and the creation of additional affordable housing and giving approval for the collection, retention and expenditure of the full tax proceeds and any earnings relating to this tax notwithstanding any state revenue or expenditure limitation; and setting forth related details.

PRESENTERS

Jane S. Brautigam, City Manager
Tom Carr, City Attorney
Bob Eichem, Chief Financial Officer
David Driskell, Executive Director of Community Planning and Sustainability
Maureen Rait, Executive Director of Public Works
Cheryl. Pattelli, Director of Finance
Alisa Lewis, City Clerk
Cheryl Pattelli, Director of Finance
Pat Brown, Revenue and Licensing Officer
Peggy Bunzli, Budget Officer
Elena Lazarevska, Senior Financial Analyst

EXECUTIVE SUMMARY

In preparation for the discussion of this agenda item city council members discussed the regulation and taxation of short term rentals (STR). The regulatory aspects and fee charges are also being considered and discussed by City Council under a separate timeline via a different agenda item (first discussed at the June 2, 2014 City Council meeting). This agenda memo considers the taxation of short term rental transactions. This topic was discussed as a potential 2015 ballot items in three previous meetings during 2015. The first was on February 10, the second April 14, and the third was on July 14. At the April meeting Council expressed interest in learning more about the possibility of placing a short term rental tax on the November 3, 2015 ballot.

The discussion by Council at the April 14 study session indicated there was interest in developing a new category of taxation in the Boulder tax code. The tax would be the same rate as the accommodations tax. The basis for the distinction of the short term rental tax and the accommodations tax is to recognize that short term rentals are based on a different business model and usually occur in residential style dwellings rather than commercial type buildings. Though these types of transactions have similarities to the hotel and motel accommodations tax they are expected to require more intense administration and compliance efforts. These transactions are part of a distinct and separate part of a new business segment sometimes called the sharing economy.

In addition to the tax aspect there is also the regulatory aspect. The latter was discussed by the City Council on June 2, 2015 and was passed on first reading. Second reading of both the regulatory ordinance and the tax ordinance are scheduled for August 27, 2015 in the City Council chambers. The projected income ranges from $150 to $350 thousand per in the first year. The amount is dependent on what would be made legal and subject to the tax. For Taxpayer Bill of Rights (TABOR) purposes the amount for first reading is set at the higher end. There is no penalty under TABOR if the revenue projection is not met.

STAFF RECOMMENDATION

Suggested motion language:
Staff requests council consideration of this matter and action in the form of the following motion:

Motion to introduce and order published by title only, Ordinance No. 8065 submitting to the electors of the City of Boulder at the General Municipal Coordinated Election to be held on Tuesday, November 3, 2015, the question of, shall City of Boulder taxes be increased by up to $350 thousand annually (in the first full fiscal year) and by whatever amounts as may be collected annually thereafter by the imposition of a tax on short term rentals not already taxed as hotel, motel or other public accommodations, to fund administration, enforcement and the creation of additional affordable housing and giving approval for the collection, retention and expenditure of the full tax proceeds and any earnings relating to this tax notwithstanding any state revenue or expenditure limitation; and setting forth related details.

COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS

- Economic:
  - A new tax on short term rentals would create an incremental economic impact equal to the amount of the tax increase approved by the voters and collected by staff. Any increase would be charged on all applicable transactions.
- Environmental:
  - The acts of placing or not placing a tax on the ballot will not have a direct impact on the environment. These impacts will be covered in the regulatory aspects of short term rentals that is scheduled to be discussed by the City Council at their August 27 special meeting.
- Social**:**
  - The acts of placing or not placing a tax on the ballot will not have a direct impact on the social aspects of the city. The results of the tax are expected to have impacts on available affordable housing for long term rentals. These impacts will be covered in the regulatory aspects of short term rentals that will be discussed by the City Council at their August 27 special meeting.

OTHER IMPACTS

- Fiscal: The new revenue collected would provide funding for new costs incurred for administration and compliance with the short term rental requirements. The actual revenue collected will depend on the scope of authorization of the regulatory ordinance. A more thorough discussion of this topic can be found below in the analysis section of the agenda memo.

- Staff time: The staff time needed to complete the background work for ballot items is included within the departmental work plans. If the item is placed on the ballot and is successful additional staff will be needed for implementation and ongoing services provided by the program. Once the scope of the tax is known the incremental costs can be specifically determined. If the tax is placed on the ballot and passed by the voters, a supplemental appropriation would be brought before Council for consideration and the costs would be specifically identified in the accompanying agenda memo.

PUBLIC FEEDBACK

There have been numerous e-mails submitted to Council Correspondence in regards to the taxation or lack of taxation of such businesses. Staff has received various inquiries regarding when council study sessions or meetings will be held. If council decides to move a ballot issue forward on first reading various methods will be used to obtain public feedback.

BACKGROUND and ANALYSIS

The following link leads to the Feb. 10 agenda packet when 2015 ballot items were considered by the City Council.
https://documents.bouldercolorado.gov/WebLink8/0/doc/127865/Electronic.aspx

As follow up to the February 18 meeting, more specific ballot topics were considered at the April 14 study session. The meeting and what was discussed at the study session can be found on the following video link labeled as agenda item number 2.
http://boulderco.granicus.com/MediaPlayer.php?view_id=2&clip_id=433

As currently being considered, a Short Term Rental tax would be levied on the rental amount charged for short term rental accommodations of less than thirty days. As was discussed at previous meetings this type of rental methodology comes from a new and developing economy market segment and is often called the sharing economy. Other types of sharing services that are becoming more common are vehicle and equipment sharing. The sharing model for STRs does not readily fit into the current definition of the accommodations tax and it is a unique and different type of economic transaction than a hotel or motel stay.

From a staff point of view, this is a compliance issue rather than a financial or revenue generating policy issue. These types of transactions are occurring illegally in many neighborhoods in the city and continue to proliferate. They are advertised in various forms of media and often on web sites. One of the most perplexing issues has been that if the city taxes these transactions the city will be taxing something that is illegal within the city and the city has not done this in the past. To address this issue City Council is also discussing the regulatory aspects of this issue in a separate discussion and legislative action.

There is a wide discrepancy in what advocates of this tax have projected it will produce and what staff has found the tax produces when checking with the mountain towns that have such a tax. Advocates believe it would generate several hundred thousand dollars per year. Previous information gathered from mountain communities that tax vacation rentals indicates the administrative burden for collecting the tax is great and the revenues received have been small in relation to the work required to collect the tax.

At the February 10 study session there appeared to be interest by Council in creating a new type of tax to cover these types of transactions that are occurring in the new service sharing economy. The tax rate would be tied to the same rate as the public accommodations tax rate. While this does not address the legal question of running this type of business it does make it a taxable transaction. As was discussed at the study session staff feels it would be best to consider having a separate type of tax for this new and fast evolving business segment. There are significant administrative differences in implementing and gaining ongoing compliance for this type of transaction if it is taxed. Therefore, staff feels it would be best to separate the taxation of these types of transactions from the accommodations tax transactions. Since this would be a new type of tax it would require voter approval.

Based on initial projections and based on start up time and expected challenges with compliance it is expected that if this ballot item would pass the first year of tax revenues will range from $150,000 to $350,000. The actual amount of revenues collected and new costs incurred will be impacted by the tax model that is placed on the ballot. That is, if the ordinance authorizing such rentals would be narrow in scope, such as owner occupied only, then new taxes collected would be toward the lower end of the projected range. If it allows such rentals by all forms of ownership then the revenue will be higher. On the expenditure side it is expected that if the scope is narrow there will be less administrative costs in the licensing area. However, it is expected that enforcement costs may still be higher due to continued illegal operations that would most likely occur. If the tax is placed on the ballot and passed staff will do everything possible to have educational materials, the software and administrative systems in place and operational by January 1. At the same time, it is reasonable to expect that the full impact would not be known until later in 2016. This is the pattern that developed when medical and then recreational marijuana started up and this new tax will have new start up similarities for tax, licensing and enforcement.

Staff would also recommend that if this item is placed on the ballot and if it were successful, no ongoing sharing percentage of these new revenues occur until there is a multi-year history of revenues collected and costs incurred by the city for this new program. Based on the discussion at the study session how much of the new costs will be recovered and via what type of license will become more clear as the regulatory aspect is discussed.

From conversations held with other entities that collect such a tax it is evident it will be more labor intensive and have higher administrative and collection costs than other taxes currently administered by the City. Until actual experience for collecting the tax occurs we will not know if there will be revenues in excess of costs incurred for administering the regulatory and administrative programs for the new program.

NEXT STEPS

If this ballot issue is passed on first reading staff will make in necessary changes if necessary and the item will be scheduled for second reading at the Council meeting on August 27 when the regulatory aspects of Short Term Rentals will also be considered by Council.

ATTACHMENT

A: Ordinance

ORDINANCE NO. 8065

(Short-Term Rental Tax)

AN ORDINANCE SUBMITTING TO THE ELECTORS OF THE CITY OF BOULDER AT THE SPECIAL COORDINATED ELECTION TO BE HELD ON TUESDAY, NOVEMBER 3, 2015, THE QUESTION OF WHETHER THE CITY OF BOULDER TAXES BE INCREASED BY UP TO FOUR HUNDRED THOUSAND DOLLARS ($400,000.00) ANNUALLY (IN THE FIRST FULL FISCAL YEAR) AND BY WHATEVER AMOUNTS AS MAY BE COLLECTED ANNUALLY THEREAFTER BY THE IMPOSITION OF A TAX ON SHORT-TERM RENTALS NOT ALREADY TAXED AS HOTEL, MOTEL OR OTHER PUBLIC ACCOMODATIONS, TO FUND ADMINISTRATION, ENFORCEMENT AND THE CREATION OF ADDITIONAL AFFORDABLE HOUSING AND GIVING APPROVAL FOR THE COLLECTION, RETENTION AND EXPENDITURE OF THE FULL TAX PROCEEDS AND ANY EARNINGS RELATING TO THIS TAX NOTWITHSTANDING ANY STATE REVENUE OR EXPENDITURE LIMITATION; AND SETTING FORTH RELATED DETAILS.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BOULDER, COLORADO:

Section 1. A municipal coordinated election will be held in the City of Boulder, county of Boulder and state of Colorado, on Tuesday, November 3, 2015, between the hours of 7 a.m. and 7 p.m.

Section 2. At that election, there shall be submitted to the electors of the City of Boulder entitled by law to vote the question of authorizing a short term rental tax on the lease or rental of dwelling units for periods of less than thirty days and spend the revenues generated from such tax notwithstanding any state revenue or expenditure limitations.

Section 3. The official ballot shall contain the following ballot title, which shall also be the designation and submission clause for the measure:

Ballot Question No. ___

Short-term Rental Tax

Shall City of Boulder taxes be increased by up to $400,000.00 annually (in the first full fiscal year) and by whatever amounts as may be collected annually thereafter by the imposition of a short-term rental tax on each lease or rental of any dwelling unit, not already taxed as a hotel, motel or other public accommodation in the amount of seven and one-half percent, to fund administration, enforcement and the creation of additional affordable housing from January 1, 2016;

And in connection therewith,

Shall the full proceeds of such taxes at such rates and any earnings thereon be collected, retained, and spent, as a voter-approved revenue change without limitation or condition, and without limiting the collection, retention, or spending of any other revenues or funds by the city of boulder under Article X Section 20 of the Colorado Constitution or any other law?

For the Measure____ Against the Measure____

Section 4. If such ballot question is approved by the voters, the following Chapter 3-15, "Short-Term Rental Tax," B.R.C. 1981, shall be adopted by the City Council effective January 1, 2016:

Chapter 15 Short-Term Rental Tax

3-15-1. - Legislative Intent.

The city council intends that every person who, for consideration, leases or rents any dwelling unit in the city for lodging purposes, other than a person subject to the provisions of Chapter 3-3 "Public Accommodations Tax," B.R.C. 1981, shall pay, and every person who furnishes for lease or rental any such dwelling unit shall collect, the tax imposed by this chapter.

The purpose of this tax is to level the playing field for short-term rentals by imposing a tax on the rental of dwelling units in private residences in an amount equal to that paid by hotels, motels and other public accommodations. It is council's intent that this program be self-sufficient. Proceeds from the tax will first be used to fund enforcement and administration of the short-term rental regulatory program. The conversion of residential dwelling units into short-term rentals can adversely affect the sully of affordable housing in Boulder. Accordingly, after administration expenses are met, any additional funds shall be placed in the city's affordable housing fund.

3-15-2. - Imposition and Rate of Tax.

There is and shall be paid and collected an excise tax of seven and one-half percent on the price paid for the leasing or rental of any dwelling unit for a period of thirty days or less. This tax does not apply to any person subject to Chapter 3-3 "Public Accommodations Tax," B.R.C. 1981.

3-15-3. - Liability for Tax.

(a) No lessee or renter of a dwelling unit, for any period of thirty days or less shall fail to pay, and no lessor or renter of such dwelling shall fail to collect, the tax levied by this chapter.
(b) The burden of proving that any transaction is not subject to the tax imposed by this chapter is upon the person upon whom the duty to collect the tax is imposed.

3-15-4. - Taxes Collected Are Held in Trust.

All sums of money paid by a person who leases or rents any dwelling unit as the short term rental tax imposed by this chapter are public monies that are the property of the city. The person required to collect and remit the short term rental tax shall hold such monies in trust for the sole use and benefit of the city until paying them to the city manager.

3-15-5. - Exempt Transactions.

The following entities and transactions are exempt from the duty to pay tax under this chapter but not the duty to collect and remit the tax levied hereby:

(a) The United States Government, the State of Colorado, its departments and institutions and the political subdivisions thereof including the city, when acting in their governmental capacities and performing governmental functions and activities, and when the government's obligation is paid for directly to the licensee by a purchase card or a draft or warrant drawn on the government's account; and
(b) Religious, charitable and quasi-governmental organizations but only in the conduct of their regular religious, charitable and quasi-governmental capacities, only if each such organization has obtained an exempt organization license under section 3-2-12, "Exempt Institution License," B.R.C. 1981, and furnishes the exempt tax license to the person who rents or leases a dwelling unit to the organization, and only if the

organization's obligations have been paid for directly by it to the short term rental tax licensee without reimbursement therefor.

(c) Burden of Proof for Exemptions. The burden of proving that any person or entity is exempt from payment of the short term rental tax under this section shall be on the person or entity claiming such exemption, and such proof shall be by a preponderance of evidence.

(d) Limitations. Nothing contained in this chapter shall be construed to empower the city to levy and collect the tax hereby imposed upon any taxpayer not within the taxing power of the city under the laws of the United States or the State of Colorado.

3-15-6. - Licensing and Reporting Procedure.

(a) Every person with a duty to collect the tax imposed by this chapter shall obtain a license to collect the tax and shall report such taxes collected on forms prescribed by the city manager and remit such taxes to the City on or before the twentieth day of the month for the preceding month or months under report.

(b) The city manager shall issue a short term rental tax license to persons who pay the fee prescribed by section 4-20-38, "Tax License Fees," B.R.C. 1981, and complete an application therefor stating the name and address of the person and the business and such other information as the manager may require. The license shall be numbered, show the name, residence, place and character of the business of the license of the licensee, and be conspicuously posted in the place of business for which it is issued. No short term rental tax license is transferable. The manager shall not issue a short term rental tax license until the zoning administrator has verified that the location of the business complies with the provisions of title 9, "Land Use Code," B.R.C. 1981. The license is effective until December 31 of the year of issue, unless sooner revoked.

(c) The license is valid so long as the business remains in continuous operation or the license is canceled by the licensee or revoked by the City.

(d) Whenever a business entity that is required to be licensed under this chapter is sold, purchased or transferred, so that the ownership interest of the purchaser or seller changes in any respect, the purchaser shall obtain a new short term rental tax license.

(e) The license may be revoked as provided in section 3-2-13, "Revocation of License," B.R.C. 1981.

3-15-7. - Maintenance and Preservation of Tax Returns, Reports and Records.

(a) The city manager may require any person to make such return, render such statement or keep and furnish such records as the manager may deem sufficient and reasonable to demonstrate whether or not the person is liable under this chapter for payment or collection of the tax imposed hereby.

(b) Any person required to make a return or file a report under this chapter shall preserve those reports as provided in section 3-2-18, "Taxpayer Duty to Keep Records, Provide Information and File Returns," B.R.C. 1981.

(c) The city manager shall maintain all reports and returns of taxes required under the chapter as provided in section 3-2-20, "Preservation of Tax Returns and Reports," B.R.C. 1981.

3-15-8. - Interest and Penalties for Failure to File Tax Return or Pay Tax.

(a) Penalties for failure of a person to collect the short term rental tax or to make a return and remit the correct amount of tax required by this chapter and procedures for enforcing such penalties are as prescribed in section 3-2-22, "Penalties for Failure to File Tax Return or Pay Tax (Applies to Entire Title)," B.R.C. 1981.

(b) Interest on overpayments and refunds is as prescribed in section 3-2-24, "No Interest on Overpayments and Refunds (Applies to Entire Title)," B.R.C. 1981.

3-15-9. - Refunds.

Refunds of taxes paid under this chapter are as prescribed in section 3-2-23, "Refunds (Applies to Entire Title)," B.R.C. 1981.

3-15-10. - Enforcement of Tax Liability.

(a) The short term rental tax imposed by this chapter, together with all interest and penalties pertaining thereto, is a first and prior lien on tangible personal property in which the person responsible to collect and remit the tax has an ownership interest, subject only to valid mortgages or other liens of record at the time of and prior to the recording of a notice of lien, as provided in subsection 3-2-27(c), B.R.C. 1981.

(b) The provisions of sections 3-2-27, "Tax Constitutes Lien," 3-2-29, "Sale of Business Subject to Lien," 3-2-30, "Certificate of Discharge of Lien," 3-2-31, "Jeopardy Assessment," 3-2-32, "Enforcing the Collection of Taxes Due (Applies to Entire Title)," 3-2-33, "Recovery of Unpaid Tax by Action at Law," 3-2-34, "City May Be a Party Defendant," 3-2-35, "Injunctive Relief," 3-2-36, "Obligations of Fiduciaries and Others," 3-2-37, "Violations of Tax Chapter," and 3-2-38, "Limitations," B.R.C. 1981, govern the authority of the city manager to collect the taxes, penalties and interest imposed by this chapter.

3-15-11. - Duties and Powers of City Manager.

The city manager is authorized to administer the provisions of this chapter and has all other duties and powers prescribed in section 3-2-17, "Duties and Powers of City Manager," B.R.C. 1981.

3-15-12. - City Employee Conflicts of Interest Prohibited.

No deputy, agent, clerk or other officer or employee of the City engaged in any activity governed by this chapter shall engage in the business or profession of tax accounting or accept employment with or without compensation from any person holding a short term rental tax license from the City for the purpose, directly or indirectly, of preparing tax returns or reports

required by the City, the State of Colorado, its political subdivisions, any other state or the United States, or accept any employment for the purpose of advising, preparing materials or data or auditing books or records to be used in an effort to defeat or cancel any tax or part thereof that has been assessed by the City, the State of Colorado, its political subdivisions, any other state, its political subdivisions or the United States.

Section 5. If a majority of all the votes cast at the election on the measure submitted shall be for the measure, the measure shall be deemed to have passed and shall be effective upon passage, and it shall be lawful for the City Council to provide for the amendment of its tax code in accordance with the measure approved.

Section 6. The election shall be conducted under the provisions of the Colorado Constitution, the charter and ordinances of the City, the Boulder Revised Code, 1981, and this ordinance, and all contrary provisions of the statutes of the state of Colorado are hereby superseded.

Section 7. The officers of the City are authorized to take all action necessary or appropriate to effectuate the provisions of this ordinance and to contract with the county clerk to conduct the election for the City.

Section 8. If any section, paragraph, clause, or provision of this ordinance shall for any reason be held to be invalid or unenforceable, such decision shall not affect any of the remaining provisions of this ordinance.

Section 9. This ordinance is necessary to protect the public health, safety, and welfare of the residents of the City, and covers matters of local concern.

Section 10. The council deems it appropriate that this ordinance be published by title only and orders that copies of this ordinance be made available in the office of the city clerk for public inspection and acquisition.

INTRODUCED, READ ON FIRST READING, AMENDED, AND ORDERED PUBLISHED BY TITLE ONLY this 4th day of August 2015.

_____
Mayor

Attest:

_____
City Clerk

READ ON SECOND READING, PASSED, ADOPTED, AND ORDERED PUBLISHED BY TITLE ONLY this_____ day of _____ 2015.

_____
Mayor

Attest:

_____
City Clerk

CITY OF BOULDER
CITY COUNCIL AGENDA ITEM

MEETING DATE: August 4, 2015

AGENDA TITLE: Introduction, first reading and consideration of a motion to order published by title only, Ordinance No. 8066 repealing and reenacting Section 4-1-8 "Insurance Required," B.R.C. 1981, to update insurance requirements under the Boulder Revised Code in response to changes to the Colorado Governmental Immunity Act and in insurance industry practices, and setting forth related details.

PRESENTERS:
Tom Carr, City Attorney
Hella Pannewig, Assistant City Attorney
Stewart Ellenberg, Risk Manager

EXECUTIVE SUMMARY:

The purpose of this item is to introduce for consideration the repeal and reenactment of Section 4-1-8, "Insurance Required," B.R.C. 1981. This code section sets forth the insurance requirements for permittees and licensees doing work or leasing property within the public right of way and other public property, as well as for persons applying for commercial licenses or permits within the city. The current language is outdated and does not reflect current practices within the insurance industry. Furthermore, the monetary insurance coverage requirements set forth in this section no longer protect the city to the full extent of the maximum liability that may be incurred by a local government for a single incident under the Colorado Governmental Immunity Act. The Colorado Governmental Immunity Act now caps liability for public entities at $350,000 for an individual claim and $990,000 for multiple claims arising under a single incident. The new code section is necessary in order for insurance requirements to align with current insurance industry practices and to reflect the monetary cap increases in the Colorado Government Immunity Act. The ordinance also amends other code sections with outdated insurance requirements and cleans up language that is duplicative and inconsistent with the updated Section 4-1-8.

STAFF RECOMMENDATION:

Suggested Motion Language:
Staff requests Council consideration of this matter and action in the form of the following motion:

Motion to introduce on first reading and order published by title only an ordinance repealing and reenacting Section 4-1-8 "Insurance Required," B.R.C. 1981, to update insurance requirements under the Boulder Revised Code in response to changes to the Colorado Governmental Immunity Act and in insurance industry practices, and setting forth related details.

COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS

- Economic: The proposed code change increases the amount of insurance coverage required to be carried by city licensees, permittees, and lessees which can help minimize the risk of loss to the City in circumstances beyond its control.
- Environmental: Not applicable
- Social: Not applicable

OTHER IMPACTS

- Fiscal: There are no budgetary impacts.
- Staff Time: Implementing this ordinance can be accomplished within existing work plans.

BACKGROUND AND ANALYSIS

Section 4-1-8, B.R.C. 1981, was originally adopted in 1992 and amended most recently in 1994. The purpose of this section is to ensure that city licensees and permitees carry insurance in amounts sufficient to protect both public and private property. This section governs all licenses and permits issued under Title 4, as well as to persons seeking to lease or do work in the public right-of- way on public easements under Title 8, Chapter 6. An update to this section is long overdue.

Currently, this section requires that all licenses issued under Title 4 carry public liability insurance with minimum limits of $150,000 for one person and $600,000 for any one accident, and public property damage insurance with a minimum limit of $100,000 for any one accident. Public liability insurance and public property damage insurance are no longer available on the insurance market. Current liability policies are now known as commercial general liability policies. Insurance cannot be purchased in $600,000 increments. The monetary insurance limits required under this section are also below the monetary liability caps set by the Colorado Governmental Immunity Act, which are now set at $350,000 for an individual claim and $990,000 for multiple claims arising under a single incident.

The proposed code language increases the amount of coverage and will require that any licensee and/or permitee carry general liability insurance with minimum limits of $1,000,000 per occurrence and a $2,000,000 aggregate. The proposed code language clearly states the minimum requirements of the insurance policy and the information to be set forth in the certificate of insurance. The proposed code language also provides the city manager with the discretion to modify any requirements of this section in order to protect the interests of the city. This code change will mirror the city's standard insurance requirements for many of its contracts, right-of-way permits, revocable licenses, leases and other city permits.

The new code language is necessary to align insurance requirements with current insurance industry practices and will reflect the monetary cap increases in the Colorado Government Immunity Act.

ATTACHMENTS:

Attachment A – Proposed Ordinance

ORDINANCE NO. 8066

AN ORDINANCE REPEALING AND REPLACING SECTION 4-1-8 "INSURANCE REQUIRED," B.R.C. 1981 TO UPDATE MINIMUM INSURANCE REQUIREMENTS FOR LICENSEES AND PERMITTEES, AND SETTING FORTH RELATED DETAILS.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BOULDER, COLORADO:

Section 1. Section 4-1-8, B.R.C. 1981 is repealed in its entirety and replaced with the following:

4-1-8. Insurance Required.

(a) Whenever insurance is required of a licensee or permittee under this title, such licensee or permittee shall at all times maintain in force worker's compensation insurance as required by state law and general liability insurance with minimum limits of $1,000,000 per occurrence and a $2,000,000 aggregate limit.

(b) Any licensee, permittee, or lessee who performs any activity on or any activity affecting city property, rights of way, easements, or grounds or any city-owned or city-contracted utility system shall carry the minimum insurance coverage provided for in subsection (a) of this section.

(c) Insurance shall:

(1) Provide primary coverage.
(2) Carry limits as provided in this section.
(3) Issue from a company licensed to do business in Colorado having an AM Best rating of at least A-VI.
(4) Be procured and maintained in full force and effect for duration of the license, permit, or lease.

(d) Any licensee, permittee, or lessee required to maintain insurance under subsection (b) of this section shall provide the city a certificate of insurance evidencing the existence of a valid and effective policy. The policy shall name the City of Boulder and its officials and employees as additional insureds to the limits required by this section. The certificate of insurance shall show the following:

(1) The limits of each policy, the name of the insurer, the effective date and expiration date of each policy, the policy number, and the names of the additional insureds.

(2) A statement that licensee, permittee, or lessee or its insurance broker shall notify the city of any cancellation or reduction in coverage within seven days of receipt of insurer's notification to that effect. The licensee, permittee, or lessee shall forthwith obtain and submit proof of substitute insurance in the event of expiration or cancellation of coverage.

(3) City of Boulder at 1777 Broadway, P.O. Box 791, Boulder, CO 80306 shall be listed as certificate holder.

(e) The city manager may modify or waive the requirements of this section if the manager finds that adequate insurance coverage is provided to protect the interests of the city, its employees and officials.

(f) The city manager may require insurance coverage in excess of the requirements of this section if the manager finds such coverage is necessary to protect the interests of the city, its employees and officials.

Section 2. Section 4-6-3, B.R.C. 1981 is amended to read:

4-6-3. - License Application.

....

(b) The applicant shall ~~provide~~ maintain insurance during the period of the license as required ~~evidence of insurance coverage required~~ by Section 4-1-8, "Insurance Required," B.R.C. 1981~~, and shall name the city as an insured party under the required policies of public liability insurance~~.

....

Section 3. Section 4-11-10, B.R.C. 1981 is amended to read:

4-11-10. - Kiosk Lease.

....

(k) The holder of a kiosk lease shall indemnify and hold harmless the city, its officers, employees and agents against any and all claims arising from any occurrence occasioned by the permitted use, and shall maintain insurance during the period of the lease ~~comprehensive general public liability and property damage insurance,~~ as required ~~prescribed~~ by ~~s~~Section 4-1-8, "Insurance Required," B.R.C. 1981~~, naming the city, its officers, employees and agents as insureds; providing that the insurance is primary insurance and that no other insurance maintained by the city will be called upon to contribute to a loss covered by the policy; and providing for thirty days' notice of cancellation or material change to the city~~.

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Section 4. Section 4-11-12, B.R.C. 1981 is amended to read:

4-11-12. - Mobile Vending Cart Permit.

....

(j) The holder of a mobile vending cart permit shall indemnify and hold harmless the city, its officers, employees and agents against any and all claims arising from any occurrence occasioned by the permitted use, and shall maintain insurance during the period of the permit ~~comprehensive general public liability and property damage insurance,~~ as ~~prescribed~~ required by ~~s~~Section 4-1-8, "Insurance Required," B.R.C. 1981~~, naming the city, its officers, employees and agents as insureds; providing that the insurance is primary insurance and that no other insurance maintained by the city will be called upon to contribute to a loss covered by the policy; and providing for thirty days' notice of cancellation or material change to the city~~.

....

Section 5. Section 4-11-17, B.R.C. 1981 is amended to read:

4-11-17. - Special Entertainment Permit.

....

(b) The holder of a special entertainment permit shall indemnify and hold harmless the City, its officers, employees and agents against any and all claims arising from any occurrence occasioned by the permitted use, and shall maintain insurance during the period of the permit ~~comprehensive general public liability and property damage insurance,~~ as ~~prescribed~~ required by ~~s~~Section 4-1-8, "Insurance Required," B.R.C. 1981~~, naming the City, its officers, employees and agents as insureds; providing that the insurance is primary insurance and that no other insurance maintained by the City will be called upon to contribute to a loss covered by the policy; and providing for thirty days' notice of cancellation or material change to the city~~. The city manager may waive all or any part of this insurance requirement if the special entertainment permit requirement is based solely on the height of the equipment used, if the applicant demonstrates to the manager's satisfaction a history of safety with respect to the use of such equipment, and if the manager concludes that the nature of the equipment and its use is such that harm to other mall users or to property other than that of the applicant is unlikely to occur.

....

Section 6. Section 4-18-3, B.R.C. 1981 is amended to read:

4-18-3. - Sidewalk Banner or Awning Permit Required.

....

(c) An applicant for a permit under this section shall maintain insurance during the period of the permit ~~file evidence of insurance~~ as required by S~~s~~ection 4-1-8, "Insurance Required," B.R.C. 1981~~, and shall name the City as an insured party under the required policies of public liability insurance~~.

....

Section 7. Section 6-1-17, B.R.C. 1981 is amended to read:

6-1-17. - Animals on Mall Prohibited.

....

(c) Notwithstanding the provisions of Subsection (a) of this section, an animal may be present on the mall in accordance with the terms of a permit issued under this subsection.

(1) Upon application in accordance with the procedure prescribed in Section 4-11-19, "Application Procedures," B.R.C. 1981, the city manager may issue such a permit, not exceeding three days in length, if the manager finds that:

....

(G) The applicant maintains insurance during the period of the permit ~~provides a certificate of public liability and public property damage insurance meeting the~~ as required~~ments~~ by ~~of~~ Section 4-1-8, "Insurance Required," B.R.C. 1981;

....

Section 8. Section 8-6-6, B.R.C. 1981 is amended to read:

8-6-6. - Requirements for Revocable Permits, Short-Term Leases and Long-Term Leases.

....

(b) Permit Required and Application Requirements: No person shall place, maintain or continue to use or maintain any encroachment in the public right of way or in a public easement unless such person has a revocable permit, short term lease or long term lease granted under this section; a revocable permit granted pursuant to city charter section 115; a current franchise agreement with the City; or a right to be in the public right of way pursuant to state law. An applicant for permission to encroach on public right of way or easement shall:

....

(2) File evidence of and maintain ~~the~~ liability insurance ~~required~~ meeting the requirements of ~~by s~~Section 4-1-8, "Insurance Required," B.R.C. 1981; ~~except that, for permits concerning land where the City's property interest is a utility easement only and that easement does not permit use by the general public for access or any other purpose, the maximum amount of insurance required shall be $100,000.00;~~ and

....

Section 9. Section 11-4-4, B.R.C. 1981 is amended to read:

11-4-4. - Special Airport Activity Permits.

....

(b) A nonprofit organization may apply to the city manager for a one day permit to conduct a special activity or exhibition relating to airport or aircraft activity at the Boulder Municipal Airport, by filing an application at least one week before the activity, paying a deposit of

$25.00, and maintaining insurance during the period of the permit as required by Section~~providing evidence of insurance coverage as prescribed by subsection~~ 4-1-8~~(b)~~, B.R.C. 1981.

….

Section 10. Section 11-4-6, B.R.C. 1981 is amended to read:

11-4-6. - Requirements for Air Carriers.

(a) No person shall operate an air carrier or regularly scheduled air taxi service from the Boulder Municipal Airport or use any facilities of the airport while operating such a carrier or service unless the carrier or service

~~(2) Each air carrier or air taxi service~~ has insurance coverage meeting the current minimum requirements of the ~~Civil Aeronautics Board~~Federal Aviation Authority, but in no event maintain insurance less than that required by Section 4-1-8, B.R.C. 1981~~less than public liability insurance with minimum limits of $150,000.00 for any one person and $600,000.00 for any one accident and public property damage insurance with a minimum limit of $100,000.00 for any one accident~~.

(b) Each air carrier or air taxi service using the Boulder Municipal Airport shall also comply with Section 4-1-8 (c) and (d), B.R.C. 1981~~file with the city manager a certificate signed by a qualified agent of an insurance company evidencing the existence of valid and effective policies of public liability and damage insurance required by paragraph (a)(2) of this section, the limits of each policy, the policy number, the name of the insurer, the effective date and expiration date of each policy, and a copy of the endorsement placed on each policy requiring ten days' notice by mail to the manager before the insurer may cancel the policy for any reason~~.

….

Section 11. This ordinance is necessary to protect the public health, safety, and welfare of the residents of the city, and covers matters of local concern.

Section 12. The City Council deems it appropriate that this ordinance be published by title only and orders that copies of this ordinance be made available in the office of the city clerk for public inspection and acquisition.

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INTRODUCED, READ ON FIRST READING, AND ORDERED PUBLISHED BY TITLE ONLY this 4th day of August, 2015.

.

_____
Mayor

Attest:

_____
City Clerk

READ ON SECOND READING, PASSED, ADOPTED, AND ORDERED PUBLISHED BY TITLE ONLY this 18th day of August, 2015.

.

_____
Mayor

Attest:

_____
City Clerk

K:\o-8066-1st rdg-2202.docx

C I T Y O F B O U L D E R
CITY COUNCIL AGENDA ITEM

MEETING DATE: August 4, 2015

AGENDA TITLE: Consideration of a motion to accept the South Boulder Creek Major Drainageway Flood Mitigation Plan.

PRESENTER/S
Jane S. Brautigam, City Manager
Maureen Rait, Executive Director of Public Works
Jeff Arthur, Director of Public Works for Utilities
Tracy Winfree, Director, Open Space and Mountain Parks
Annie Noble, Acting Principal Engineer for Flood and Greenways
Don D'Amico, Ecological Systems Supervisor, Open Space and Mountain Parks
Kurt Bauer, Engineering Project Manager
Kristin Dean, Utilities Planner II

EXECUTIVE SUMMARY

The purpose of this memorandum is to provide a summary of the South Boulder Creek Major Drainageway Flood Mitigation Planning Study, including the study recommendation, and to request a motion to accept the study. This mitigation study and staff recommendation is intended to address City Council feedback from the Sept. 30, 2014 study session.

The work completed since September 2014 has focused on developing flood mitigation concepts that address the concerns expressed by the City Council, Water Resources Advisory Board (WRAB), and Open Space Board of Trustees (OSBT) regarding the environmental and Open Space impacts associated with construction of a regional flood detention facility upstream of US 36. The updated study considers six additional flood detention options, as well as the original 2014 recommendation (now labeled as Option A). All seven options would prevent floodwaters from overtopping US 36 during a 100-year flood, but have varying impacts and costs. Per council's request, the alternatives consider shifting more impacts to the University of Colorado Boulder (CU) South Campus property to reduce impacts to sensitive environmental and Open Space areas. Staff has identified flood mitigation "Option D," which involves greater use of CU South Campus property and Colorado Department of Transportation (CDOT) right-of-way, as a preferred alternative to address both flood mitigation and environmental protection

objectives. Staff has had preliminary discussions with CU representatives on this preferred options and the university has indicated that they would want to have the opportunity to review additional technical details prior to making any commitment.

The study continues to include the two additional flood mitigation phases that were supported by WRAB, OSBT, and City Council in 2014. Phase II would include a stormwater detention facility at or near Manhattan Middle School, a small stormwater detention facility at the intersection of Foothills Parkway and Baseline Road, and modifications to Dry Creek Ditch No. 2. Phase III includes a stormwater detention facility at Flatirons Golf Course.

If City Council accepts the study and staff-recommended alternative, the next step would be for staff to pursue more detailed discussions with CU and CDOT about the use of their property for flood mitigation. Both entities have expressed a willingness to engage in further discussions. Funding for construction of a regional flood detention facility upstream of US 36 is currently identified in the 2018 Capital Improvement Program (CIP), pending completion of the associated design, permitting, property acquisition, and agreements. Funding for Phase II and Phase III is not identified in the six-year CIP. Staff will initiate a Community and Environmental Assessment Process (CEAP) following adoption of the study.

STAFF RECOMMENDATION

Staff requests council consideration of this matter and action in the form of the following motion:

> Motion to accept the South Boulder Creek Major Drainageway Flood Mitigation Plan, including Option D (single berm using Colorado Department of Transportation right of way and University of Colorado Boulder South Campus property) for "Regional Detention at US 36," along with the Phase II and Phase III downstream improvements, as the recommended comprehensive alternative to mitigate flood risks associated with South Boulder Creek.

COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS

- *Economic:* A total of 668 structures (515 within the city limits) and approximately 1,838 dwelling units within the city limits are located within the 100-year floodplain of South Boulder Creek (SBC), which had the greatest reported property damage from the September 2013 flood of all the city's 15 major drainageways. If the study recommendations are constructed and associated maps are updated, then approximately 411 structures and 1,721 dwelling units within the city limits would no longer be located in the 100-year floodplain. Approximately 104 structures and 117 dwelling units would remain in the floodplain within city limits, primarily on properties immediately adjacent to SBC. Structures removed from the floodplain would be less likely to be damaged from a flood and would also benefit from no longer being subject to mandatory flood insurance requirements. Flood insurance, however, is still recommended and would be available at a reduced rate after the

construction of this project. In 2014, the average annual rate for the 3,830 flood insurance policies within the City of Boulder was $760, including "preferred risk" policies for structures outside of the 100-year floodplain. Based on current average insurance rates, this project would save Boulder community members an estimated $1.3 million in annual flood insurance premiums. Flood insurance rates are expected to increase by 18 to 25 percent, on average, under recent federal changes implemented under the National Flood Insurance Program.

- *Environmental:* The Boulder Valley Comprehensive Plan and OSMP Charter emphasize the city's commitment to Open Space preservation. The proposed option (Option D) for regional flood detention upstream of US 36 using a berm constructed within CDOT right of way and on CU property will not permanently impact OSMP land. Other regional detention options would require some portion of the berm to be constructed on OSMP land. Option D is being recommended because it is recognized that OSMP land within the project area has some of the highest ecological values in the Boulder Valley. The project area on OSMP lies entirely within the South Boulder Creek State Natural Area (SBCSNA), which was designated by the State of Colorado in recognition of the statewide significance of this exceptional riparian and floodplain ecosystem – including the habitat of two federally threatened species: the Preble's Meadow Jumping Mouse (PMJM) and the Ute Ladies'- Tresses Orchid (ULTO); as well as tallgrass prairie, wetlands, habitat for declining grassland and riparian bird species, habitat for declining amphibians such as the Northern Leopard Frog, and habitat for declining native fish. Tallgrass prairie is considered one of the most endangered plant communities in the world, and OSMP land in the project area contains some of the highest quality remaining tallgrass prairie in the state and the region. Additionally, Boulder's ULTO population is one of the largest within the entire range for this threatened plant species. This area is also managed as part of one of the oldest and most productive agricultural landscapes on city Open Space. While previous flood mitigation options would have directly and permanently impacted these resources, construction of the recommended regional detention facility berm at US 36 (Option D) would not directly impact OSMP lands and associated resources. Minimal, temporary impacts to OSMP lands may be necessary for the construction of the flood berm. In times of flooding, a portion of Open Space lands behind the berm may be inundated, depending on the magnitude of the storm, and sediment deposition is likely to occur. This area is currently in the 100-year floodplain, which has resulted in inundation and sediment deposition during past floods. However, these effects may increase after construction of the berm. Newly deposited sediment may require management to avoid the establishment and spread of invasive plant species. Impacts to habitat as a result of additional sediment deposition may require restoration.

  Flood mitigation provides other environmental benefits such as minimizing the potential for sewer backups, reducing the release of manmade contaminates from damaged buildings, and reducing erosion and damage to natural environments that are not capable of conveying high velocity stormwater.

- *Social:* The flood hazards associated with SBC include significant risk to life, property and businesses, and have far-reaching impacts on the city's transportation and utility infrastructure. The SBC floodplain includes hundreds of residential structures, affordable housing, senior housing, medical facilities, and numerous

businesses. In addition, when US 36 overtops during major storms, this essential thoroughfare into and out of the city is closed. While construction of the study recommendation would temporarily cause disruption to local residents, businesses, and transportation routes, mitigating the flood hazards would advance the city's social sustainability goals and benefit a diverse set of community stakeholders by protecting them from the significant damage that can be caused from a large flood.

OTHER IMPACTS

- *Fiscal:* The project would be funded and constructed in three phases, with implementation of the study recommendations estimated to cost approximately $45 million total. Funding in the 2015-2020 Department of Public Works Utilities Division CIP budget for this project is $11.75 million. Staff will be recommending increasing the budget in the 2016-2021 CIP by $15 million (in 2018) to a total of $26.75 million, which would allow for the construction of either Phase I, or Phases II and III collectively. The city would also seek grant funding for this project. While Staff will endeavor to seek grants to offset the cost of the project, Staff does not anticipate securing grants that would fund a significant portion of the project.
- *Staff Time:* Time for completing the study is included in existing work plans. However, implementation of the recommended Option D will require additional staff time from multiple city departments including Public Works, Community Planning & Sustainability, Open Space & Mountain Parks, and Parks & Recreation.

BOARD AND COMMISSION FEEDBACK

Since 2010, the WRAB and OSBT have reviewed various alternatives for flood mitigation for South Boulder Creek. In August 2014, staff presented a recommendation to both WRAB and the OSBT for regional flood detention at US 36 (Phase I), along with downstream improvements (Phase II and III). Both boards supported proceeding with the downstream improvement phases of the project, but recommended investigating other alternatives for regional flood detention that would reduce or eliminate environmental and OSMP impacts. A summary of the SBC flood mitigation project, along with the board recommendations, was presented to City Council at a study session in September 2014. City Council supported the recommended downstream phases, but requested that additional regional detention alternatives be considered, including shifting impacts away from environmentally sensitive areas through greater use of the CU South Campus property.

In May 2015, staff presented seven options for regional flood detention upstream of US 36 to the OSBT and WRAB. Staff recommended Option D, which would construct a single berm located entirely within the existing CDOT right of way and on the CU South Campus. Both boards agreed and made the following motions.

May 13, 2015 OSBT Motion:

The Open Space Board of Trustees voted 4-0 to support staff's recommendation for City Council to accept the South Boulder Creek Major Drainageway Flood Mitigation Plan, specifically Option D (single berm using Colorado Department of Transportation Right of Way - and requiring no disposal of City of Boulder Open Space and Mountain Parks lands) which significantly lessens environmental impacts to Open Space Lands for Regional Detention at US 36. This is conditioned upon staff returning to the Open Space

Board of Trustees in the event staff determines construction will involve non-trivial impacts to Open Space.

The motion passed 4-0. Trustee Molly Davis was absent.

May 18, 2015 WRAB Motion:
The Water Resources Advisory Board voted to recommend that City Council accept the South Boulder Creek Major Drainageway Flood Mitigation Plan including Option D (single berm using Colorado Department of Transportation (CDOT) Right of Way) for 'Regional Detention at US 36' along with the Downstream Improvements as the recommended comprehensive alternative to mitigate flood risks associated with South Boulder Creek.

The motion passed 3-0. Board Members Ed Clancy and Mark Squillace were absent.

PUBLIC FEEDBACK
Along with the public meetings held before the WRAB and OSBT, the community has also had several opportunities to provide feedback at open houses (see **Attachment A**). Most of the comments received at the initial public meetings focused on concerns with any alternative that included the use of private property from unwilling sellers. Some community members expressed concerns about the proposed need for flood mitigation and the cost and impacts of the proposed alternatives. In response to this feedback, staff developed new alternatives for a flood detention facility that would use city Open Space property or the private property of owners that were willing to sell.

Public interest in the flood mitigation project changed greatly following the September 2013 flood, with many people voicing a desire to move forward with mitigation. The "South Boulder Creek Action Group," comprised primarily of residents in the Frasier Meadows area, has met with several City Council members, several WRAB members, and city staff to request that SBC flood mitigation efforts be moved forward as quickly as possible. The group also presented a 15-minute video at the OSBT's April 8, 2015 meeting. Approximately 65 residents from the Frasier Meadows area attended the April 27, 2015 WRAB meeting, as well as the May 2015 OSBT and WRAB meetings. Numerous residents spoke at these meetings and some also presented a video of the September 2013 flood. Prior to the May 13, 2015 OSBT meeting, staff was available to provide information to the public about the seven options for providing regional flood detention at US 36.

BACKGROUND
A timeline of events related to this mitigation study is included as **Attachment A.** The flood mitigation study was initiated in 2010, following the city's acceptance of revised floodplain maps for South Boulder Creek. The study is being funded by the city and the Urban Drainage and Flood Control District (UDFCD). The study area is depicted in **Attachment B**. However, the focus for mitigation is within the current incorporated city limits from just south of South Boulder Road through the "West Valley" to just north of Arapahoe Avenue. Staff determined that eliminating all flooding along the South Boulder Creek channel was infeasible, due to the significant environmental impacts that would result from the necessary channel modifications. Additional background information is

available at www.SouthBoulderCreek.com and in the draft South Boulder Creek Major Drainageway Plan. The Executive Summary of the draft mitigation plan is included as **Attachment C.**

Staff presented various project alternatives to the WRAB during a series of four meetings between March and December of 2010. The conceptual alternatives that were initially developed included a wide range of flood mitigation measures, and were subsequently screened based on input received at public and board meetings, hydraulic modeling, and field visits. The screening results were used to formulate 15 alternative plans. Concept-level sizing, configurations and costs were developed for each of these 15 plans, along with an estimate of likely benefits and environmental and social impacts. From this information, nine "Best Alternative Plans" were developed. These alternatives were presented at a second public meeting and to the WRAB in 2010. The WRAB recommended moving forward in evaluating the following four alternatives:

1. Maintaining the status quo;
2. High-hazard zone flood mitigation and critical facility protection;
3. Regional detention at US 36 with downstream improvements; and
4. Distributed regional flood detention.

During the September 2013 flood, South Boulder Creek overtopped US 36 and the property damage reported in the South Boulder Creek floodplain was the greatest of all the city's 15 major drainageways. Work on the flood mitigation project was put on hold to support the 2013 flood recovery efforts and floodplain development permitting for the US 36 Express Lanes project. Work began again following the 2013 flood and in August 2014, staff presented a recommendation to the WRAB and OSBT and to City Council at a study session. The recommended plan included moving forward with regional flood detention at US 36 with downstream improvements, with the following three phases (see **Attachment D:**

I. A regional stormwater detention facility at US 36;
II. West Valley improvements, including a stormwater detention facility at or near Manhattan Middle School, a small stormwater detention storage area at the intersection of Foothills Parkway and Baseline Road, and enlarging the capacity of Dry Creek No. 2 Ditch; and
III. A stormwater detention facility located at Flatirons Golf Course.

Both boards made motions to recommend that City Council accept the second and third phases of the recommended plan (downstream improvements), but did not support the Phase I regional detention concept without first evaluating other options to reduce impacts to OSMP property and environmental resources. In September 2014, City Council supported the recommended downstream phases, but requested that additional regional detention alternatives be considered, including shifting impacts away from environmentally sensitive areas through greater use of the CU South Campus property.

ANALYSIS

Phase I: US 36 Regional Detention

Based on feedback from the 2014 public process, staff has developed six new conceptual options for stormwater detention at US 36 (**Attachment E**). To avoid confusion with previously considered flood mitigation alternatives, the seven concepts for providing stormwater detention at US 36 are labeled as options A to G. Option A is the concept originally recommended by staff in September 2014, and Option D is the new staff-recommended option. The options include variations of single- and dual-berm detention systems. From a technical aspect, all of the new options effectively mitigate flooding from South Boulder Creek by preventing floodwaters from overtopping US 36 and causing flooding in the West Valley during a 100-year FEMA theoretical design storm (short duration flash flood). Compared to the 2014 recommended plan, all of the new options reduce impacts to environmental resources and Open Space. It is possible that a longer duration storm may result in greater floodwater volumes that could exceed the capacity of the flood detention facility.

Options B, C, and D modify the single-berm system first presented in 2014 (Option A), and these three options vary in the degree of fill and excavation. Only Option A would impact critical habitat along South Boulder Creek for the federally designated Preble's Meadow Jumping Mouse (PMJM). However, all other options except Option D would impact habitat occupied by PMJM (impacts to PMJM habitat from Option D have already been mitigated by CDOT as part of the US 36 Express Lanes project). **Attachment E** illustrates Options A through G and **Table 1.0** in **Attachment F** presents a comparison of analysis factors, including environmental impacts.

The three dual-berm options (Options E, F, and G) also include varying degrees of fill and excavation. The dual-berm detention system would require breaching the existing CU South Campus levee and constructing an open channel segment within the CU South Campus parcel. Staff has concerns with these three options because flood debris could block the breach in the levee, which would then prevent floodwaters from reaching the secondary detention basin.

Staff recommends moving forward with Option D (a single berm using CDOT right of way and CU South Campus land) as the concept for providing regional stormwater detention to prevent floodwaters from overtopping of US 36 during a 100-year flood. This alternative, estimated to cost $22 million to construct, will have no direct impact to OSMP lands and environmental resources as a result of the berm construction. The remaining five options for US 36 regional flood detention are not being recommended at this time, as they all have similar or greater berm and associated environmental impacts to OSMP lands. All other options, except for Option A, have a greater impact on the CU South Campus property. Additionally, all of the dual-berm options carry a higher cost and a lower benefit-to-cost ratio than the single-berm options (Option D has a benefit-to-cost ratio of 1.2).

Option D would modify the multi-use path that CDOT is currently constructing within land it owns. CDOT has already mitigated for environmental impacts for use of this land and therefore, staff anticipates little or no additional environmental mitigation would be

required. The CDOT multi-use path would need to be modified, including constructing walls and raising the path to a maximum height of nine feet above US 36 (it is currently being constructed at grade to approximately two feet lower than the highway).

Conceptually, the path and flood berm could fit within the existing CDOT right of way and CU South Campus land. Future design would confirm this assumption and identify any possible temporary impacts that would need to be mitigated during construction.

CDOT representatives have stated that should the ultimate US 36 configuration be constructed, additional lanes could be built on the north side of the existing highway and within their existing right of way. This would eliminate the need to remove and replace the path a second time, and would leave the berm unaffected. CDOT has also indicated in writing that they are agreeable to the city's request to consider developing an agreement to use a portion of the US 36 Phase 2 Bikeway located within CDOT right of way as a berm. CU staff has stated that they are willing to consider use of a portion of the CU South Campus for flood mitigation, with the understanding that significant further analysis is required in order to assess the full impacts to their property.

<u>Phases II and III: Downstream Improvements</u>
Phases II and III, as shown on **Attachment B**, were included in the recommended plan brought before the WRAB, the OSBT and council in 2014. Elements of these phases have not changed since then and are still being included in the recommended plan. The future CEAP may change the priority ranking of Phases II and III. A summary of each phase is described below.

Phase II: Improvements in the West Valley
The proposed facilities in the West Valley are intended to capture and convey locally generated storm flows and include:

- A 25 acre-foot detention pond constructed at or near Manhattan Middle School;
- An enlarged flood detention facility at the intersection of Baseline Road and Foothills Parkway;
- Increasing the height of the existing concrete retaining wall along Baseline Road east of Foothills Parkway; and
- Improvements to the New Anderson Ditch, Wellman Canal and Dry Creek Ditch No. 2.

The alignments of all these facilities take full advantage of existing publically owned lands and minimize the number of individual property owners impacted and impacts to known utility lines. The estimated conceptual-level cost of this phase is $11 million.

Phase III: Arapahoe Avenue Detention
The improvements at Arapahoe Avenue take advantage of the Flatirons Golf Course to provide 58 acre feet of floodwater storage that reduces the impact to downstream industrial and commercial properties. Two outlet channels below Arapahoe Avenue are proposed to convey attenuated flows downstream to outfalls of adequate capacity. There may be some unavoidable impacts to city-regulated wetlands at the outfall to the eastern discharge channel. While careful design will likely minimize impacts, the area may

require environmental mitigation. In addition, this alternative requires the acquisition of some private property. The estimated conceptual-level cost of this phase is $12 million.

Recommended Phasing
Staff recommends that regional flood detention at US 36 be prioritized as the first phase of mitigation since it would produce the greatest downstream benefits by removing 199 structures and 1,273 dwelling units from the floodplain. "Improvements in the West Valley" and "Arapahoe Avenue Detention" are currently labeled as Phase II and Phase III, respectively, but the future CEAP may change the priority and sequencing of the phases. **Table 2.0** in **Attachment F** summarizes the number of structures that would be removed from the floodplain following completion of Phase I, Phases II and III combined, and at completion of all three phases.

As requested by City Council at the September 2014 flood study session, staff has completed the cost per structure analysis depicted in **Table 3.0** in **Attachment F**. While the cost per structure is an important consideration in analyzing the mitigation alternatives, it is also important to assess the life safety issues that are inherent to the overall flooding problems associated with South Boulder Creek. Without controlling the water upstream of US 36, in a major storm, floodwaters will overtop this significant route into and out of Boulder, as well as other major transportation routes. There are currently 78,000 vehicle trips per day into and out of the city on US 36. Thus, Phase I regional flood detention is a critical component to not just protecting structures downstream, but for ensuring that one of Boulder's key travel routes remains open during a major storm and thus maintaining the overall resiliency of the city. Implementation of the South Boulder Creek Flood Mitigation Plan could also greatly reduce damages and costs to public infrastructure as a result of future floods.

MATRIX OF OPTIONS

City Council options for review and consideration of the flood mitigation plan include:

1. Accept the mitigation plan with the three recommended phases; or
2. Recommend changes or conditions before accepting the mitigation plan, including the priority of phasing; or
3. Accept a portion of the plan; or
4. Reject the mitigation plan.

Table 4.0 on the next page presents a summary of the potential options, along with associated next steps and outcomes.

Table 4.0: Summary of Matrix Options Including Next Steps and Outcomes

Council Decision	Environmental Process	CU Agreements	CDOT Agreements	Boulder Valley Comp. Plan Updates	Estimated Cost ($ millions)	Outcomes: # of Structures in the 100-Year Floodplain Within City Limits
Status Quo	None	None	None	None	$0	515
Phase II and III Approved but Phase I US 36 Detention not Approved	CEAP	None	None	None	$23	339
Staff-recommended Phase I Option D, with Phases II and III Approved	CEAP[1]/OSE[2]	Yes	Yes	Yes	$45	104
Any of Phase I Options A, C, B, E, F, or G with Phase II and III Approved	EA[3] or EIS[4]/OSE	Yes	No	Yes	$45-$54	104

1. Assumes Option D can be constructed with no impacts to threatened or endangered species or regulated wetlands.
2. Office of State Engineer (OSE) review and approval of the detention facility.
3. Environmental Assessment (EA).
4. Environmental Impact Statement

NEXT STEPS

If City Council supports the staff-recommended Option D, staff will pursue discussions with CU and CDOT about development of the necessary agreements for use of their properties. Staff would also continue to refine the engineering design concurrently with those discussions. The agreements would involve a community process and City Council approval. It is anticipated that council would be asked to consider funding for construction of Phase I through the 2018 budget process, pending completion of design, permitting, and property acquisition. Funding for Phase II and Phase III is not identified in the six-year CIP, but it is anticipated that staff would initiate the Community and Environmental Assessment Process (CEAP) process following adoption of the study.

ATTACHMENTS

A. Timeline of the South Boulder Creek Flood Mitigation Study
B. Study Area
C. Executive Summary of the Staff-Recommended Plan
D. Phasing Plan
E. US 36 Regional Detention Options A through G
F. Tables 1.0, 2.0 and 3.0

SOUTH BOULDER CREEK TIMELINE

1986: Floodplain mapping study.

1996: The University of Colorado commissioned a flood study as part of its due-diligence review to purchase the 315-acre site which is now called the CU-Boulder South Campus. During this evaluation, inaccuracies in the 1986 regulatory flood mapping were discovered. This study identified significant flood spills over US 36 that would impact east Boulder areas in what has subsequently been called the "West Valley Overflow" area. Studies commissioned by the city and the Urban Drainage and Flood Control District (UDFCD) revised the 100-year floodplain mapping.

April 17, 2007: City Council approved a motion authorizing the submittal of the flood study to FEMA.

January 1, 2008: City began regulating to the more restrictive of either the effective or revised mapping

1st Quarter 2010: Flood Mitigation Study initiated and CH2M Hill selected as the consultant.

December 21, 2009: WRAB Information Item

January 27, 2010: Project Workshop held to present and overview of the study goals and timeline along with a presentation and discussion of known constraints and potential conceptual solutions.

June 21, 2010: WRAB Information Item-6 sets of alternatives presented

December 14, 2010: 9 alternatives presented to WRAB. WRAB recommended moving forward with 4 alternatives

December 18, 2012: FEMA formally adopts South Boulder Creek Floodplain Maps

September 2013: Significant flooding throughout the city.

November 21, 2013: Post-flood open house

July 21, 2014: WRAB Information Item

August 18, 2014: Recommended plan presented to WRAB and Public Open House held

August 20, 2014: Recommended plan presented to OSBT

September 10, 2014: Recommended plan presented to OSBT

September 30, 2014: Recommended plan discussed with City Council at the Flood Study Session

May 13, 2015: OSBT Meeting and Public Open House

May 18, 2015: WRAB Meeting

VICINITY MAP

LEGEND

Structures within Revised Regulatory Floodplain

Revised Regulatory Floodplain

Streams, Creeks and Ditches

Streams, Creeks and Ditches

Boulder County

Notes:
1. Area of Interest
2. Revised regulatory floodplain impacts 1,253 structures

N

0 1,000 2,000 3,000 4,000 5,000
Feet

FIGURE 2-2
Revised Regulatory Floodplain
South Boulder Creek Flood Mitigation Report
South Boulder Creek Flood Mitigation Project

CH2MHILL

\\gecko\wbg\400168_South_Boulder_Creek_Phase_A\08_GIS\MapFiles\Report\Figure 4-4 Floodplain Figure.mxd

ES. Executive Summary

Purpose and Scope

This Major Drainageway Planning Study was initiated in early 2010 by the City of Boulder. The Urban Drainage and Flood Control District (District) was a financial participant in the project and assisted in providing oversight during the project execution.

South Boulder Creek is a major drainageway that conveys stormwater runoff from Eldorado Canyon southwest of the City of Boulder through the eastern portions of the City of Boulder. After leaving Eldorado Canyon and crossing Hwy 93 and US-36, South Boulder Creek follows several flow paths before reaching Boulder Creek. Development and other anthropogenic features subject the lower parts of the basin to periodic flooding because of overflows that propagate to one of the various flow paths. These overflows contribute to the flood hazard at areas far removed from the mainstem. In particular, much of the area known as the West Valley of South Boulder Creek (West Valley) lies along one of the historic low points and is subject to periodic flooding because of spills out of the main channel. The focus of this study is to address flooding problems in the lower portions of the basin within the City of Boulder, with a particular emphasis on the flooding problems through the area of the West Valley located within current incorporated City limits.

The project builds on the Flood Mapping Study (Mapping Study) completed by HDR Engineering, Inc. (HDR) in late 2008. That study produced floodplain maps. A Risk Assessment Report (HDR, May 2009) was also prepared that identified approximately $8.7 million dollars in annual damage from South Boulder Creek flooding and the addition of approximately 700 structures not previously identified as flood prone.

The focus of the Study is to define alternatives that address the flood problems in the West Valley, an area generally bounded by US-36 on the south, Mohawk Drive on the west, 55th Street on the east and Arapahoe Avenue on the North (Study Area). This area had been omitted from earlier flood maps prepared for the City. As such, much of the area was developed without consideration of the large flood threat from South Boulder Creek. The Study identifies drainage improvements that, in combination, provide the most beneficial means of addressing the identified flooding problems.

Planning Process

The process used to prepare the Study was designed to build a comprehensive master drainage plan using existing information, a suite of viable alternative elements and an evaluation of several alternative plans.

Existing information regarding the South Boulder Creek watershed was reviewed and stakeholders were engaged and asked to provide concerns and constraints. This information was used to develop a screening matrix to assess the effectiveness of the suite of potential solution approaches to address the identified problems. Alternatives elements that were patently infeasible, either for reasons of technical issues, cost, environmental issues, or public input were eliminated and the remaining elements were then assembled into alternative plans.

Fifteen alternative plans were developed to address the identified problems in a holistic way, recognizing the benefits of certain upstream improvements to control downstream flood threats. These alternatives included a Status Quo alternative that proposed no improvements but did include the enforcement of the City's floodplain management and development regulations. Other alternatives included various structural components that provided improved storage, collection, or conveyance of the flood flows, thereby reducing the flood threat. Sizing, alignments, and costs were determined for each of the alternatives for a variety of discharges. Benefits were estimated using information developed previously in the Risk Assessment. Other considerations important to the City, such as preservation of Open Space and habitat areas, minimizing disruption to the community or conforming to broader City Policies were included in the evaluation of the alternatives. This information allowed a direct comparison among the alternatives and provided a foundation for the selection of Best Alternative Plans.

The nine Best Alternative Plans, described in Table ES-1, represent those plans from among the studied alternative plans that were able to address the flood hazard the most effectively. In many cases, these plans were not necessarily the least costly or the ones with the fewest environmental or public issues; rather, they were the plans that provided the greatest benefit for the investment and were felt to have other issues that could be mitigated.

TABLE ES-1

Best Alternative Plans

Alternative	Description
1	Status Quo
2	High Hazard Zone containment with critical structure flood proofing
3	Regional Detention at US-36 with downstream storage and conveyance improvements through West Valley and along Dry Creek No. 2 Ditch
4	Regional Detention near Hwy-93 with downstream storage and conveyance improvements through West Valley and along Dry Creek No. 2 Ditch
5	Distributed Regional Detention with downstream storage and conveyance improvements through West Valley and along Dry Creek No. 2 Ditch
6	Mainstem flow containment with local West Valley improvements
7	Dry Creek No. 2 Ditch pipeline
8	Bear Canyon Creek pipeline
9	Nuisance – Level Flood Improvement Protection

The evaluations conducted for these early alternatives were summarized and presented to key stakeholders representing major landowners and public infrastructure within the basin as well as the public, City Open Space and Mountain Parks Board of Trustees (OSBT), and the Water Resources Advisory Board (WRAB).

Based on recommendations from the Water Resources Advisory Board (WRAB) and Open Space and Mountain Parks (OSMP) staff, the Best Alternative Plans were reduced to five Best Alternate Plans that were to be refined based on additional interests and issues that were identified as being important in the selection and implementation of a selected alternative. The five alternatives identified for further evaluation include:

- Status Quo
- High Hazard Zone Mitigation
- Regional Detention at US-36
- Distributed Regional Detention
- Bear Canyon Creek Pipeline

The evaluation of each of the Best Alternative plans included many considerations. In addition to the financial and flood control elements implicit in the evaluation of the alternatives, the stakeholder involvement identified a number of other considerations that were assessed during the evaluation process. These issues are summarized below. Table ES-2 presents a summary of the findings of the Best Alternative Plan evaluation.

Benefit-Cost Analysis - The aggregated costs for each of the Best Alternative Plans were compared to the computed flood reduction benefits to determine a Benefit-Cost relationship for the alternative. This ratio provides a simple numeric measure of the return on investment but is not the sole basis for recommendation of a particular alternative.

Water Quality - All of the alternatives will continue to incorporate the ongoing measures already in place within the City to control impacts to water quality. In general, alternatives employing natural channels and detention storage will provide greater water quality benefits.

Natural Environment – Boulder has a longstanding tradition of protecting and enhancing natural areas. Impacts on the natural environment have been evaluated as part of this analysis and a conceptual mitigation plan was developed for the engineering recommendation. Further analysis of impacts and refinement of corresponding mitigation measures would need to be conducted during design of the flood mitigation measures. In addition, areas of high groundwater are known

to exist along South Boulder Creek. A groundwater analysis would also likely be required during design of the flood mitigation measures.

Threatened and Endangered Species – The locations of threatened and endangered species consisting primarily of the orchid and the Preble's Meadow Jumping Mouse were investigated. The flood control measures proposed in the various Alternative Plans have been formulated to avoid these areas to the extent possible.

Open Space Lands - The alternatives identified in these plans were formulated to minimize the impacts to Open Space lands. However, since many of these lands fall in or near the conveyance areas of the channel, all impacts were unavoidable. The type and function of Open Space lands was considered in the layout of improvements associated with the Alternative Plans to limit physical improvements to the extent possible.

Social Impacts - Each of the projects, other than the Status Quo, has associated construction impacts that can generally be mitigated in the design and construction process. Efforts were made to minimize the potential permanent disruption to mature vegetation and existing sight lines.

The alignments identified for the various alternative plans were chosen to try to minimize the impact on private properties. Unfortunately, not all impacts to private property could be avoided. The costs for each of the plans include provisions for the purchase of easements or outright purchase of the property. The estimates are based on costs derived from the City's recent experience.

City Policies - During past studies of South Boulder Creek, the City identified guidelines that could be used as guidance in the development and evaluation of alternatives. Many of these reflect sound flood control principles while others reflect the collective interests of the community and its leadership. These issues, include avoiding channelization of South Boulder Creek, limiting the amount of private property necessary for the implementation of the alternatives, minimizing the use of large mainstem dams to control flooding, and a continued commitment to floodplain management are all incorporated to the extent possible.

TABLE ES-2
Best Alternative Plan Evaluation Summary

Alternative	Total Implementation Cost ($millions)	Present Worth of Benefits ($millions)	Benefit-to-Cost Ratio[1]	Plan Elements	Significant Considerations
Status Quo	$0.00	$0.00	0	Maintains systems and processes as they are today.	Provides no enhanced flood protection anywhere in the system.
High Hazard Mitigation	$0.14	$0.00	0	Includes grading changes to eliminate structures from the designated High Hazard Zone.	Provides no substantive enhancement to level of flood protection anywhere in the system.
Regional Detention at US-36	$46.91	$77.30	1.65	Detention pond at US-36 reduces US-36 overtopping threat and eliminates 100-year floodplain within West Valley. Local improvements in West Valley and at Arapahoe Avenue address local flood issues.	Meets defined objective of eliminating 100-year floodplain in West Valley. Some encroachment of facilities onto City-owned Open Space lands.
Distributed Regional Detention	$48.10	$75.90	1.58	Three detention ponds reduce US-36 overtopping threat to eliminate 100-year floodplain within West Valley and mitigate increased mainstem flows in channel downstream of US-36. Local improvements in West Valley and at Arapahoe Avenue address local flood issues.	Meets defined objective of eliminating 100-year floodplain in West Valley. Significant encroachment of facilities onto Open Space lands and into identified habitat areas.
Bear Canyon Creek Pipeline	$46.80	$58.00	1.24	Inlets and pipelines to capture and convey overflows from US-36. Local improvements in West Valley and at Arapahoe Avenue address local flood issues.	Generally addresses the objective of eliminating 100-year floodplain in West Valley with the exception of Apache Drive. Nominal impact to Open Space lands and identified habitat areas. Significant disruption to residential properties is expected during construction.

[1] These benefit to cost ratios were developed prior to the 2014 and 2015 refinements.

Recommended Plan

The Engineer's Recommended Plan is based on the described criteria and evaluations, and represents the Engineer's best judgment. However, the Engineer may not be aware of issues or objectives that transcend the flood control objectives defined at the project's outset. As such, the Engineer's Recommended Plan should be viewed as a starting point to help the City understand the flood control issues, objectives and solutions and to allow City decision makers to refine, revise and modify the plan as necessary to achieve the broader community interests of the project.

Based on the refined analysis of the selected Best Alternative Plans, the Regional Detention at US-36 Best Alternate Plan with Downstream Improvements was selected as the Engineer's Recommended Plan. The recommended plan includes a series of improvements to address the overtopping of US-36 and the flood concerns through the West Valley. This plan was selected because it removes approximately 411 structures and 1,721 dwelling units from the 100-year floodplain, achieving the goals set at the onset of the project. In addition, this alternative has the highest Benefit-Cost Ratio of any of the alternatives reviewed.

A review of a conceptual version of the Engineers Recommended Plan with the City of Boulder Staff, coordination with stakeholders including CDOT and Open Space and Mountain Parks (OSMP), indicated that a more in depth look at the location and design of the US-36 flood control facility was required. As a result, the US-36 detention berm was refined in early 2014 to understand the constraints, opportunities, and cost of this keystone element of the Engineers Recommended Plan. Specifically, the following items were addressed:

1. Options to minimize impacts to OSMP property
2. Ensure the flood control facility was compatible with the CDOT Phase I and Ultimate conditions construction plans for US-36
3. Understand and provide a conceptual mitigation plan for environmental impacts
4. Review geotechnical requirements for the site
5. Understand requirements for design and construction related to the Colorado State Engineers Office (SEO)
6. Refine the cost / benefit analysis to reflect refinements

A staff recommendation was presented in August 2014 to both WRAB and the OSBT and to City Council at a Study Session. The recommended plan included moving forward with regional detention at US-36 with downstream improvements, with the following phases:

I. A regional stormwater detention facility at US-36;

II. West Valley improvements including a stormwater detention facility at or near Manhattan Middle School, a small stormwater detention storage area at the intersection of Foothills Parkway and Baseline Road, and enlarging the capacity of Dry Creek No. 2 Ditch; and,

III. A stormwater detention facility located at Flatirons Golf Course.

Both Boards made motions to recommend that City Council accept the second and third phases of the recommended plan but did not support the Phase I regional detention concept without first evaluating other options to reduce impacts on OSMP property and other environmental impacts. In response to the direction given by council, six new options for detention at US-36 have been developed. The options include variations of single and dual berm detention systems. From a technical aspect, all options function to effectively mitigate flooding from South Boulder Creek in the same capacity. All of the options would eliminate overtopping of US-36 and subsequent flooding in the West Valley during a 100-year FEMA theoretical design storm (short duration flash flood event) and all of the options reduce impacts to environmental resources and to Open Space compared to the 2014 recommended plan. It should be noted that a longer duration storm might result in greater stormwater volumes that could exceed the capacity of the detention facility.

Three options have been developed that modify the single berm system presented in 2014. These options vary in the degree of fill and excavation. It should be noted that only the 2014 option would impact federally designated Preble's Meadow Jumping Mouse (PMJM) critical habitat along South Boulder Creek. However, all other options would impact habitat occupied by PMJM with the exception of the recommended option (impacts to PMJM habitat from this option have already been mitigated by CDOT).

Three dual berm options have been developed that also include varying degrees of fill and excavation. The dual berm detention system would require breaching the existing CU South levee and constructing an open channel segment within the CU South parcel. City staff has concerns with these options because debris could block the breach in the levee, which would then prevent water from reaching the secondary detention basin.

City staff recommends moving forward with the single berm on CDOT ROW and CU South Campus property as the concept for providing regional stormwater detention to prevent floodwaters from overtopping of US-36 during a 100-year design storm. This alternative, estimated to cost $22 million to construct, is expected to have minimal direct impact to OSMP lands and environmental resources from berm construction. The remaining options for US-36 regional detention are not being recommended at this time, as they all have similar or greater berm and associated environmental impacts to OSMP lands. All other options, except for the option presented in 2014, have a greater impact on CU's property. Additionally, all of the dual berm options carry a higher cost and a lower benefit to cost (B/C) ratio than the single-berm options (the recommended option has a B/C ratio of 1.2).

CDOT representatives have stated that should the ultimate US-36 configuration be constructed, additional lanes could be built on the north side of the existing highway and within their existing ROW. This would eliminate the need to remove and replace the path a second time, and would leave the berm unaffected. CDOT has also indicated in writing that they are agreeable to the city's request to consider developing an agreement to use a portion of the US-36 Phase 2 Bikeway located within CDOT ROW to function as a berm. CU staff has stated they are willing to consider use of a portion of the CU South Campus for flood mitigation, with the understanding that significant further analysis is required in order to assess the full impacts to their property.

The recommendations for downstream improvements did not change from 2014 and include Improvements in the West Valley and Stormwater Detention at Flatirons Golf Course.

Recommended Plan Elements

The following section presents the elements of the Engineers Recommended Plan. The Engineers Recommended plan is depicted in Figure ES-1, Engineers Recommended Plan.

US-36 Stormwater Detention Facility

The selected US-36 detention pond alignment and configuration is the ***US-36 Zoned Earthen Berm combined with the US-36 Ultimate Conditions ROW.*** The US-36 Detention facility provides 100-year protection from the overtopping flows of South Boulder Creek to downstream properties in the West Valley. The alternative combines excavation and fill to produce a configuration that minimizes the impacts to Open Space land and the University of Colorado (CU) South Campus and to minimize the potential visual impact by integrating the detention berm into existing Foothills Parkway overpass berm that is outside both the Ultimate Conditions ROW and the Phase 1 ROW. The recommended option would modify the multi-use path that CDOT is currently constructing within land it owns. CDOT has already mitigated for environmental impacts for use of this land and therefore staff anticipates little or no additional mitigation would be required. The multi-use path would need to be modified including constructing walls and raising the path to a maximum height of 9' above US-36 (it is currently being constructed at grade to approximately 2' lower than the highway). Conceptually the path and berm could fit within the existing CDOT ROW and CU South Campus. Future design would confirm this assumption and identify any possible temporary impacts that would need to be mitigated during construction.

Arapahoe Avenue Detention

The detention pond and associated outfall structures at Arapahoe Avenue take advantage of the Flatirons Golf Course to provide 58 AF of storage that reduces the impact to downstream industrial and commercial properties. This facility also helps to collect shallow floodwaters that overtop Arapahoe Avenue from the main stem of South Boulder Creek and the West Valley and convey them through two outlet channels below Arapahoe Avenue. The proposed west outfall will discharge flows to an existing flood channel that has adequate capacity while the east flood channel will require the

construction of an outfall conveyance to return water to the South Boulder Creek mainstem. Both of these outfalls will work in tandem with the detention to store and attenuate flows helping to alleviate flooding issues downstream of Arapahoe Avenue. There are some unavoidable impacts to City regulated wetlands that will require mitigation and the alternative requires the acquisition of some private property.

Improvements in the West Valley

Although the proposed detention at US-36 would eliminate the overtopping of US-36, flood mitigation measures are required within the West Valley. Recommended improvements in the West Valley are either in the form of small detention facilities that are used to capture and attenuate flows or improvements to existing conveyance infrastructure. These facilities and/or upgrades are required to convey the detained stormwater from the US-36 detention facility and to accommodate stormwater flows originating from the surrounding area (local basin contributions). The recommended improvements include:

- 25 AF of detention at or near Manhattan Middle School to capture locally generated flows that can be discharged to the existing downstream infrastructure minimizing additional downstream system improvements.
- 9 AF of detention at the intersection of Foothills Parkway and Baseline Road to collect flood flows at this intersection and discharge them to the channel parallel to Baseline Road, taking advantage of the capacity of the downstream system.
- 2 foot Extension of the concrete retaining wall of along Baseline Road east of Foothills Parkway to increase the conveyance capacity of the channel and thereby preventing overflow from entering the lower West Valley.
- Conveyance improvements to the New Anderson Ditch to prevent overflows from entering the West Valley and to convey additional flow that results from the increased hydraulic head generated by the storage above US-36.
- A turnout structure for the Wellman Canal, east of Foothills Parkway to allow flood flows from Bear Canyon Creek that enter the Wellman canal to be discharged back into the Bear Canyon Creek historic channel. This improvement is required to help eliminate flood flows overtopping the Wellman Canal from causing additional flood hazards through the West Valley.
- Increase the conveyance capacity of Dry Creek No. 2 Ditch channel in order to convey 420 cfs of flows down the Dry Creek No. 2 Ditch corridor.

Recommended Phasing

Phasing of the elements of the Recommended Plan provides an opportunity to distribute the cost of implementation over a longer time and allows the community to realize benefits from the individual aspects of the improvements without full plan implementation. The elements of the Recommended Plan do allow for a phased implementation. The discussion below summarizes a possible phasing approach. It should be noted that the estimated benefit to cost ratios presented are based on the phasing presented below. The benefit to cost ratio would need to be recalculated if a different phasing scenario is selected.

Priority 1 – US-36 detention:

US-36 Detention is the recommended first element to be implemented. This project element fulfils an important purpose of the project (reduce the flood hazard due to US-36 overtopping in the West Valley) without the need for extensive further investment. In doing so, the flood insurance burden associated with the South Boulder Creek 100-year flood for those properties in the West Valley is reduced and the residual flood threat in the West Valley is limited to flows generated from local storm basin contributions in the West Valley and flows discharged from the proposed US-36 Detention outfalls. The proposed US-36 Detention facility has a benefit-cost ratio of approximately 1.2 and an approximate capital cost of $22 million. Implementation of Phase I would result in an estimated 199 structures and 1,273 dwelling units to no longer be located within the 100-year floodplain.

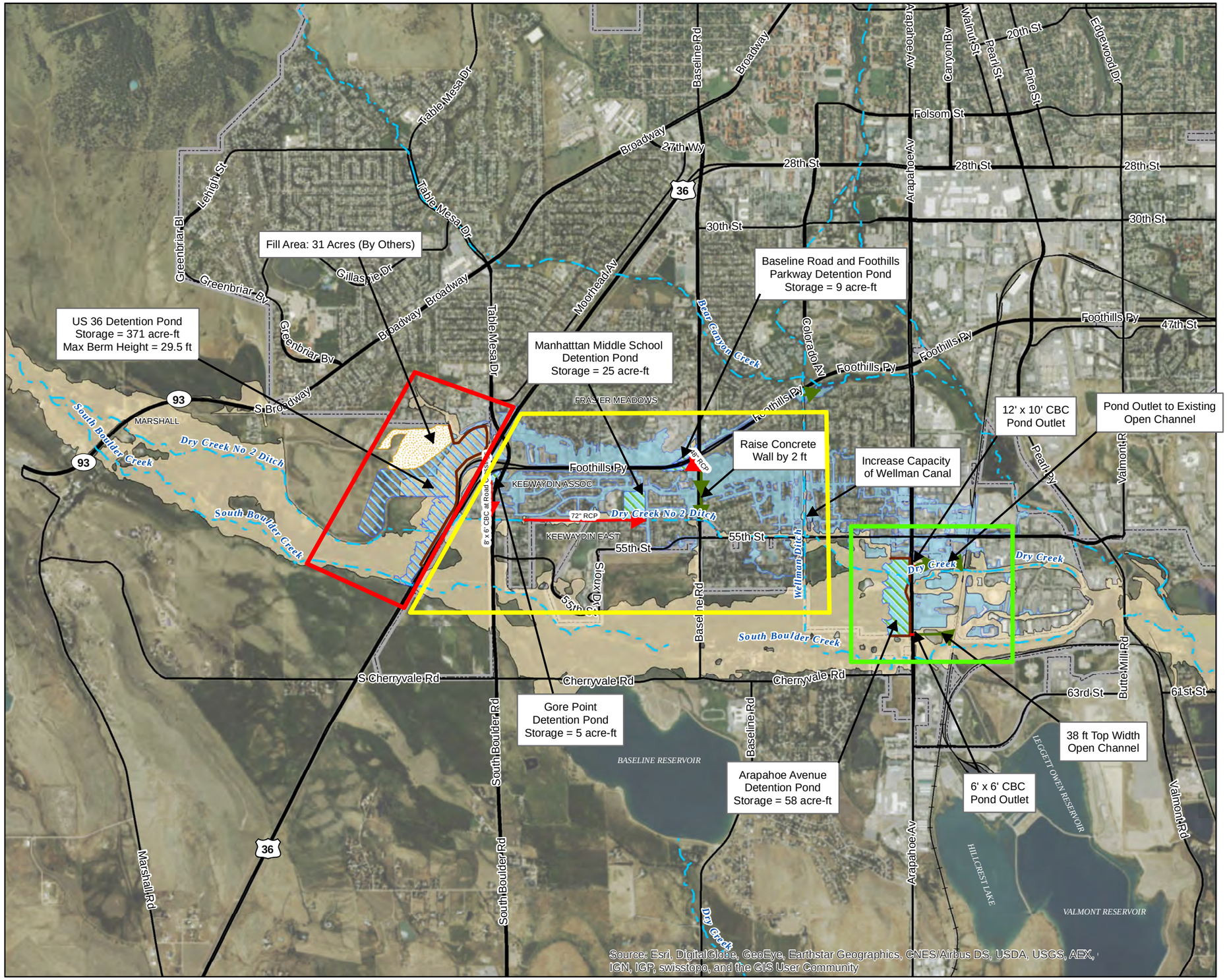
Priority 2 – Local West Valley Improvements

The improvements proposed in the West Valley address a number of different flood-related issues and are comprised of several smaller elements. These include local detention at Manhattan Middle School, Dry Creek No. 2 Ditch pipeline improvements, local detention at Baseline Road and Foothills Parkway, floodwall improvements along Baseline Road, improvements to the New Anderson Ditch and improvements to the Wellman Canal. The improvements to the other irrigation ditches are intended to prevent overflows and contain those flows in the original system. The West Valley Improvements can be constructed independently of any other improvements. In aggregate, these improvements are expected to cost $11.0 million to implement and result in a benefit-cost ratio of 3.2. Implementation of Phase II would result in an estimated 134 structures and 386 dwelling units to be removed from the 100-year floodplain.

Priority 3 – Arapahoe Avenue Detention

The Arapahoe Avenue detention pond and associated downstream improvements provide considerable flood relief to those properties below Arapahoe Avenue however; the floodplain reduction associated with these improvements is localized making this the last of the suggested implementation priorities. The improvements are estimated to cost $11.9 million and result in a benefit-cost ratio of 1.3. Implementation of Phase III would result in an estimated 42 structures and 6 dwelling units to be removed from the 100-year floodplain.

It should be noted that the City's Community Environmental Assessment Process (CEAP) for recommended Phases II and III might change the priority and sequencing of these phases. Implementation of the entire project would result in an estimated 411 structures and 1,721 dwelling units to be removed from the 100-year floodplain.



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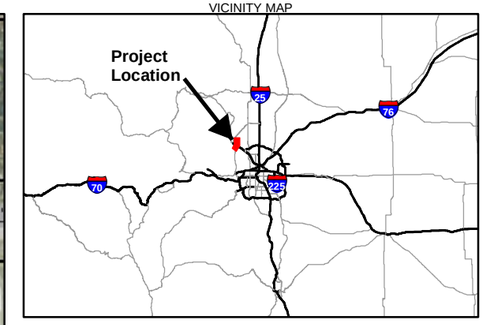

LEGEND

Conveyance Alignment

Category

- Open Channel Improvement
- Pipeline/Culvert Improvement
- US-36_Embankment
- Area of Fill (By Others)
- Streams, Creeks and Ditches
- Detention at US-36
- Local Detention
- Post Project Floodplain
- Existing Floodplain

Notes:

1. Phase 1 Improvements
   US-36 Detention
   B/C Ratio = 1.2
2. Phase 2 Improvements
   West Valley Improvements
   B/C Ratio = 3.2
3. Phase 3 Improvements
   Arapahoe Avenue Detention
   B/C Ratio = 1.3

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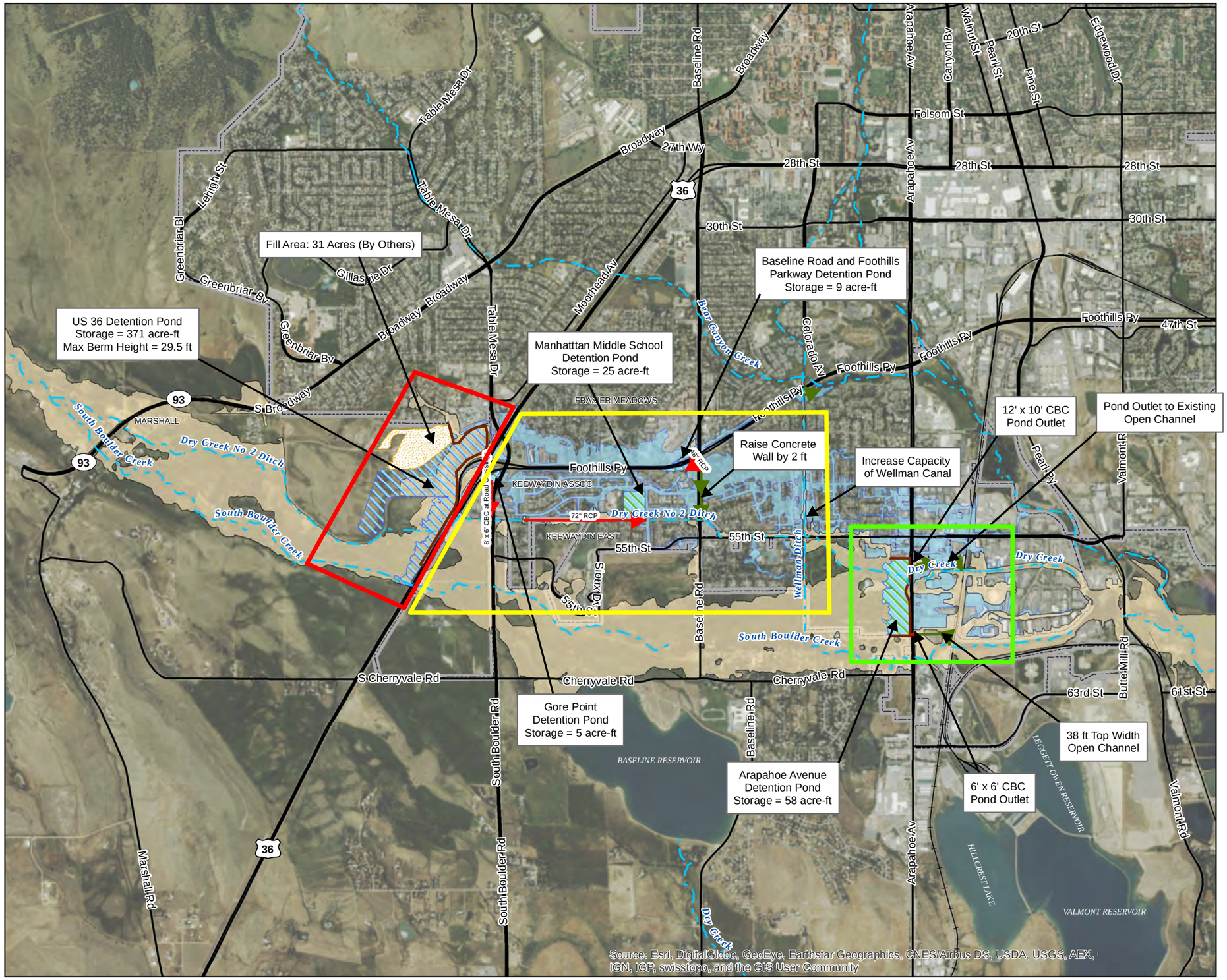
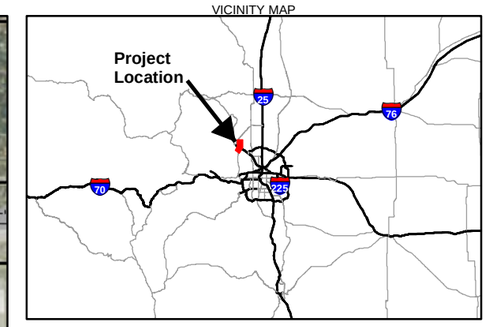
Feet



VICINITY MAP



LEGEND

Conveyance Alignment

Category

- Open Channel Improvement
- Pipeline/Culvert Improvement
- US-36_Embankment
- Area of Fill (By Others)
- Streams, Creeks and Ditches
- Detention at US-36
- Local Detention
- Post Project Floodplain
- Existing Floodplain

Notes:

1. Phase 1 Improvements
   US-36 Detention
   B/C Ratio = 1.2
2. Phase 2 Improvements
   West Valley Improvements
   B/C Ratio = 3.2
3. Phase 3 Improvements
   Arapahoe Avenue Detention
   B/C Ratio = 1.3

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Feet

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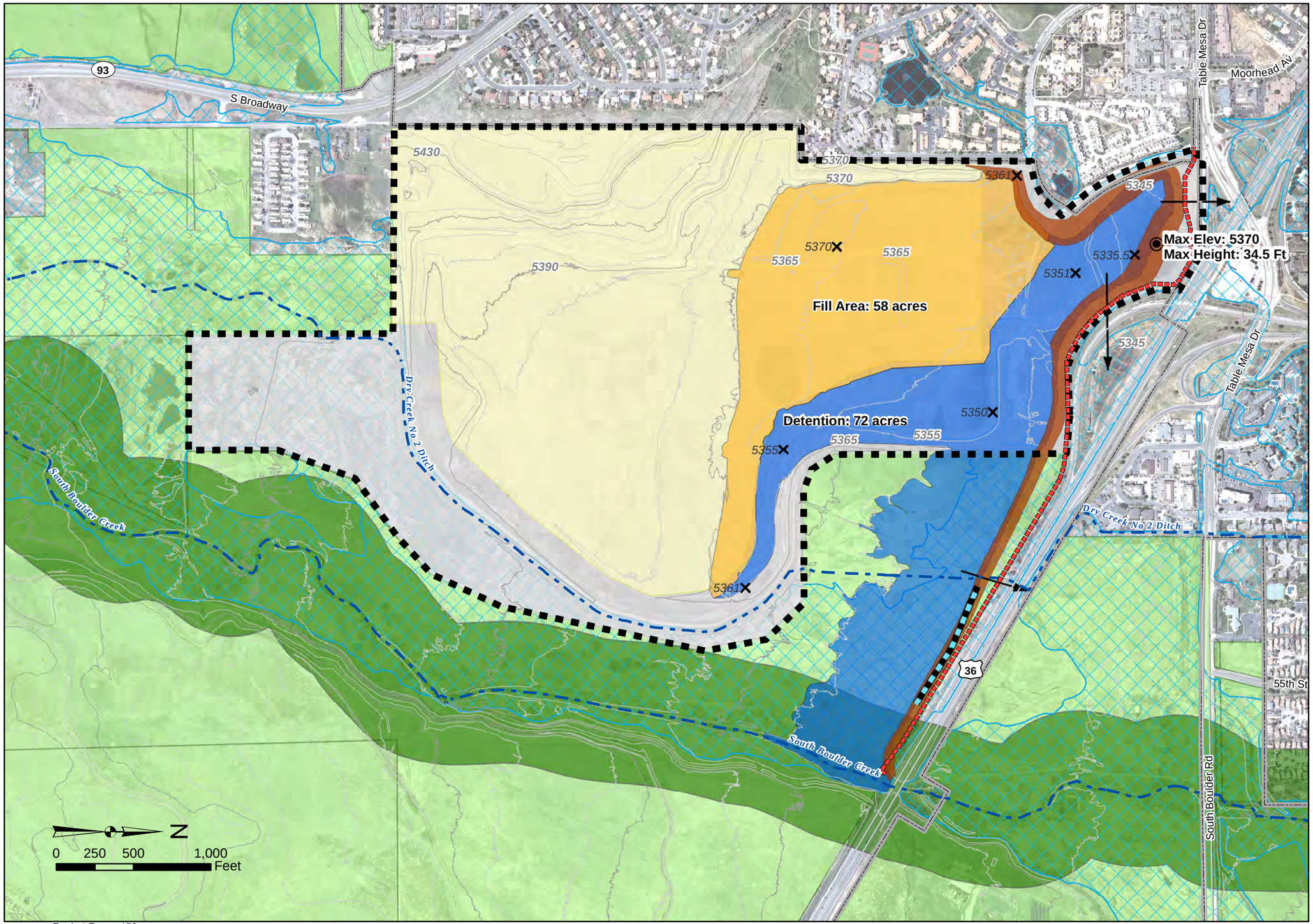
Stormwater Detention Upstream of US36

South Boulder Creek Flood Mitigation Project



Option A

Alternative presented to WRAB in 2014

Single Berm
No excavation
With fill
On CU and OSMP property
Max Berm Height 34.5ft

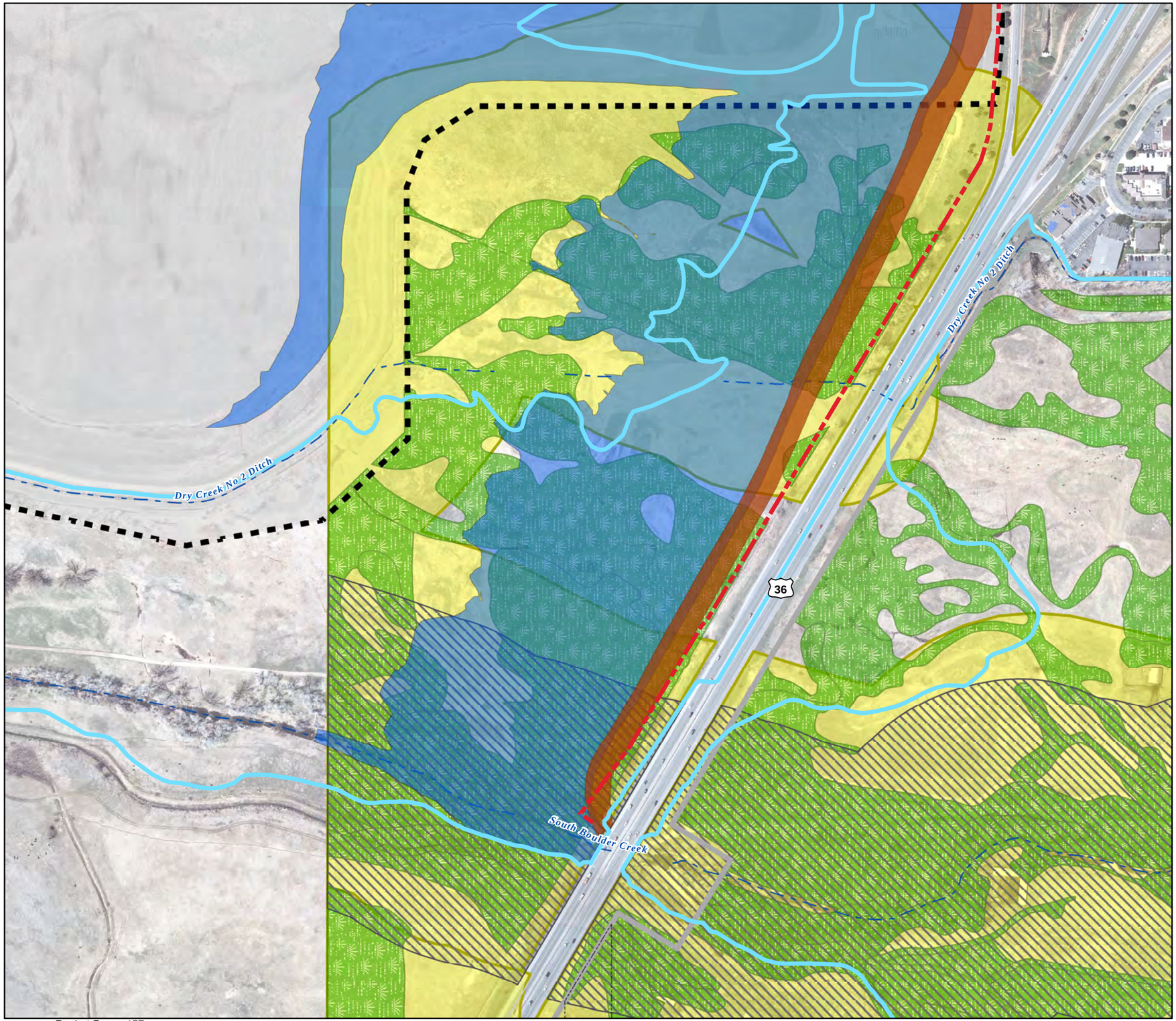
Description	Acres
Total CU Property	302
CU Property Impacted	56
CU Building Potential Impacted	6
OSMP Property Impacted	40

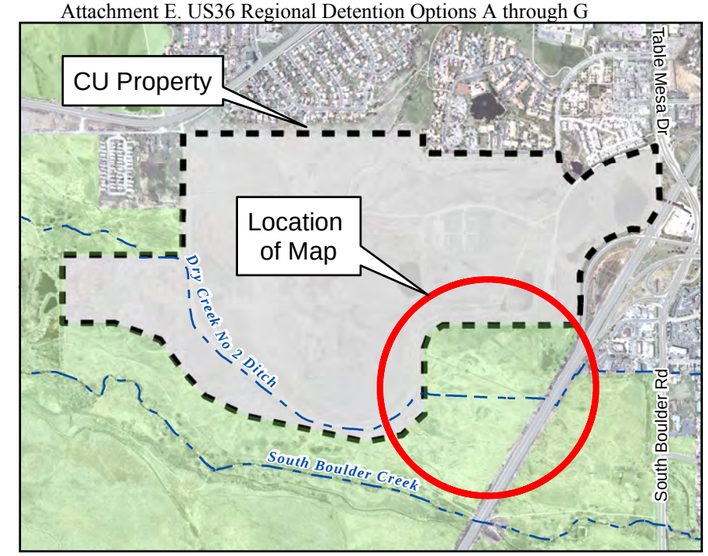
Proposed Conditions

- New Berm
- Pool Contained By Fill or Cut Slope
- Limits of Excavation
- Detention Pond Area
- Fill Area
- Out of 100yr Inundation
- Spot Elevation
- Max Berm Elevation
- Discharge Location
- Spillway

Existing Conditions

- Boulder City Limits
- CDOT Existing ROW
- CU Site Boundary
- OSMP Property
- Prebles Critical Habitat Area
- Effective 100 Year Floodplain
- 5 Foot Contours
- 10 Foot Contours





LEGEND

- CDOT Existing ROW
- CU Site Boundary
- New Berm
- Detention Pond Area
- Boulder City Limits
- Preble's Critical Habitat
- Preble's Conservation Zone
- OSMP Wetland Riparian Data
- Effective 100 Year Floodplain
- Streams, Creeks and Ditches

Option A: Proposed Berm

Approximate Maximum Width Base & Approximate Detention Pond Impacts to OSMP Land

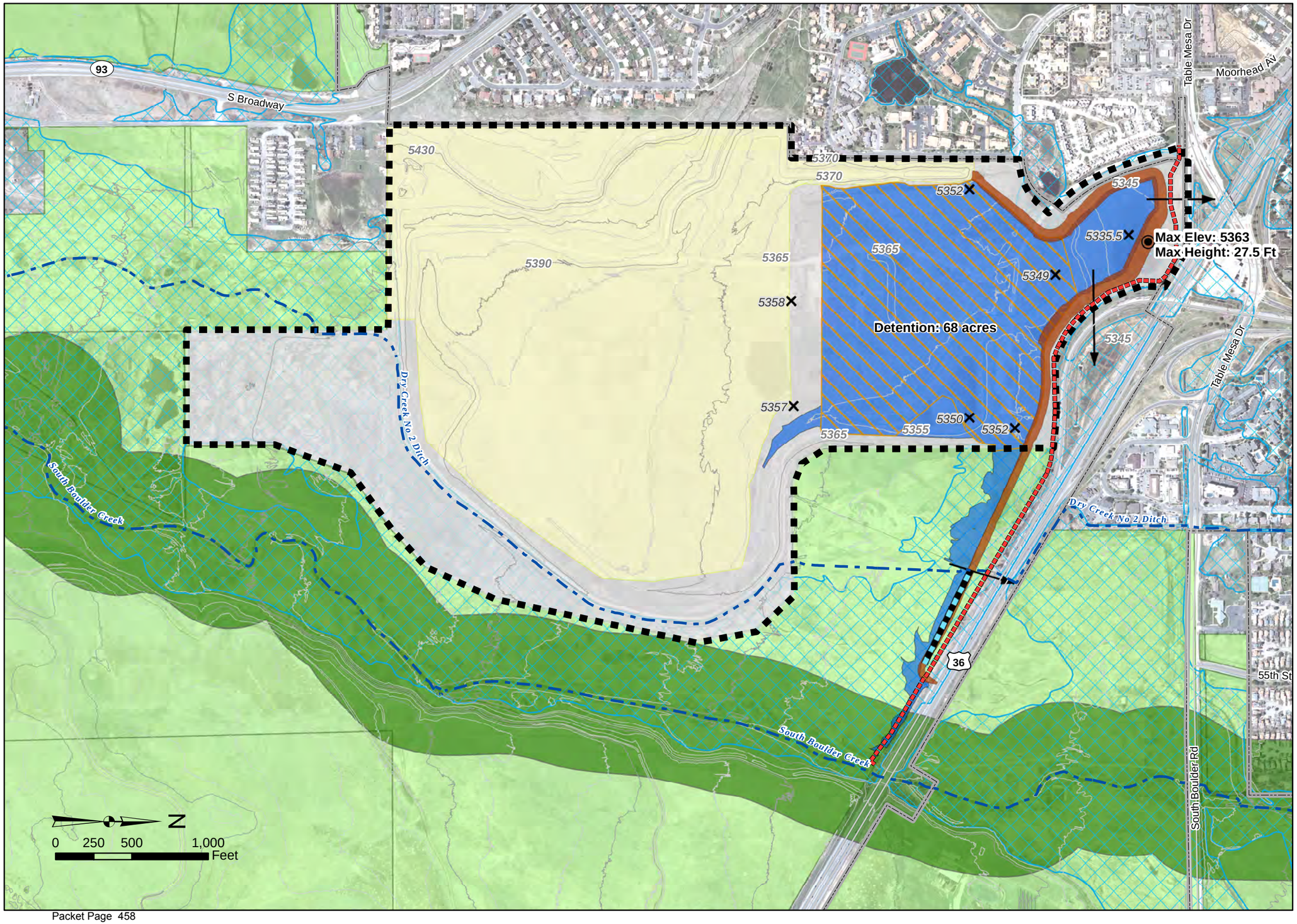
South Boulder Creek Flood Mitigation Project

N

0 125 250 500 750 1,000 Feet

Stormwater Detention Upstream of US36

South Boulder Creek Flood Mitigation Project



Option B

Single Berm
With excavation
No Fill
On CU and OSMP property
Max Berm Height 27.5ft
Berm length shortened to avoid critical habitat

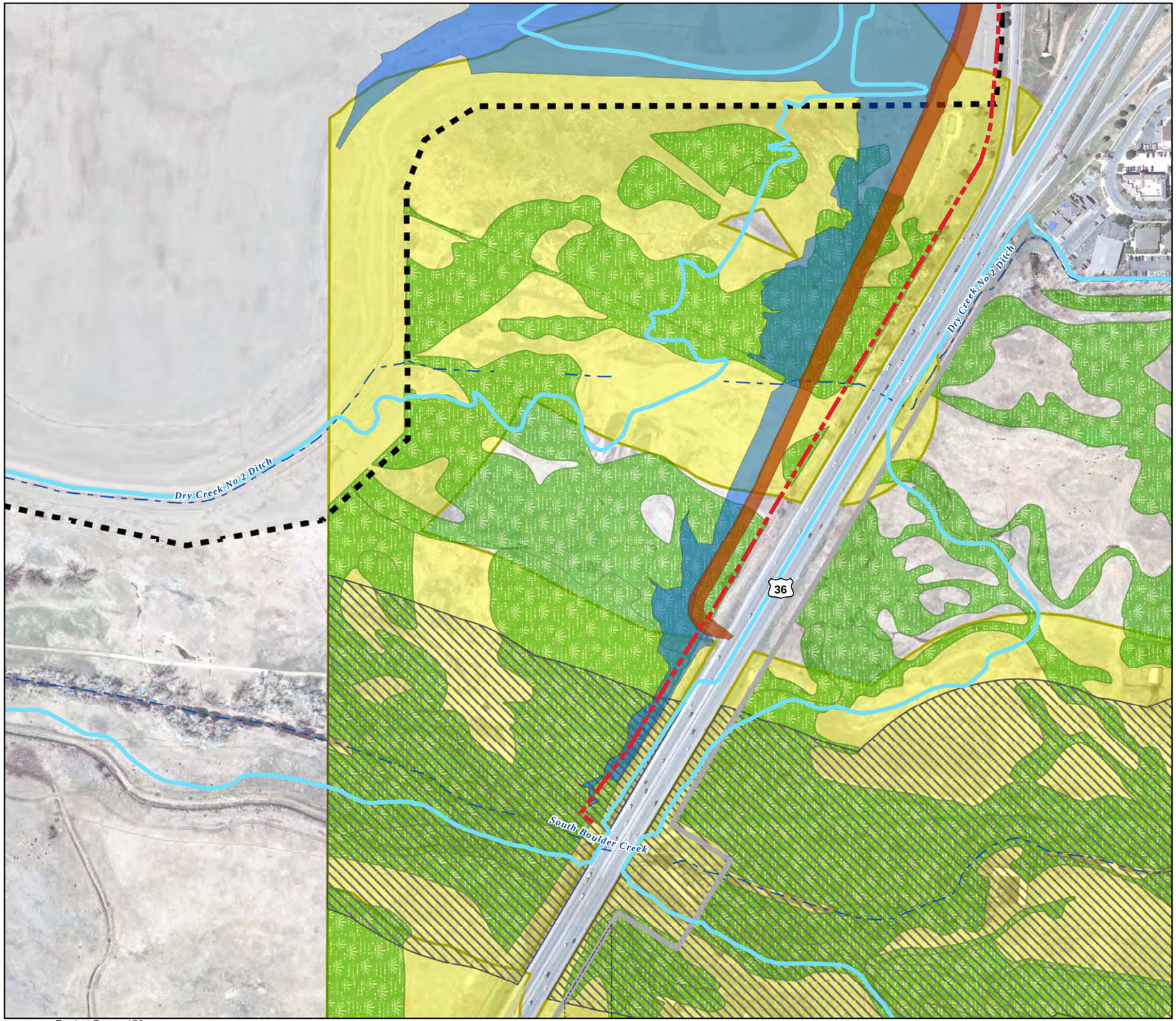
Description	Acres
Total CU Property	302
CU Property Impacted	90
CU Building Potential Impacted	36
OSMP Property Impacted	7

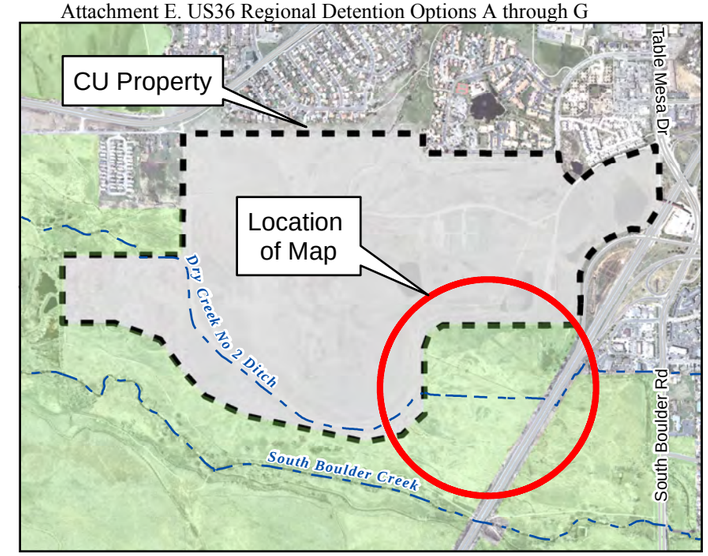
Proposed Conditions

- New Berm
- Pool Contained By Fill or Cut Slope
- Limits of Excavation
- Detention Pond Area
- Fill Area
- Out of 100yr Inundation
- Spot Elevation
- Max Berm Elevation
- Discharge Location
- Spillway

Existing Conditions

- Boulder City Limits
- CDOT Existing ROW
- CU Site Boundary
- OSMP Property
- Prebles Critical Habitat Area
- Effective 100 Year Floodplain
- 5 Foot Contours
- 10 Foot Contours





LEGEND

- CDOT Existing ROW
- CU Site Boundary
- New Berm
- Detention Pond Area
- Boulder City Limits
- Preble's Critical Habitat
- Preble's Conservation Zone
- OSMP Wetland Riparian Data
- Effective 100 Year Floodplain
- Streams, Creeks and Ditches

Option B: Proposed Berm

Approximate Maximum Width Base & Approximate Detention Pond Impacts to OSMP Land

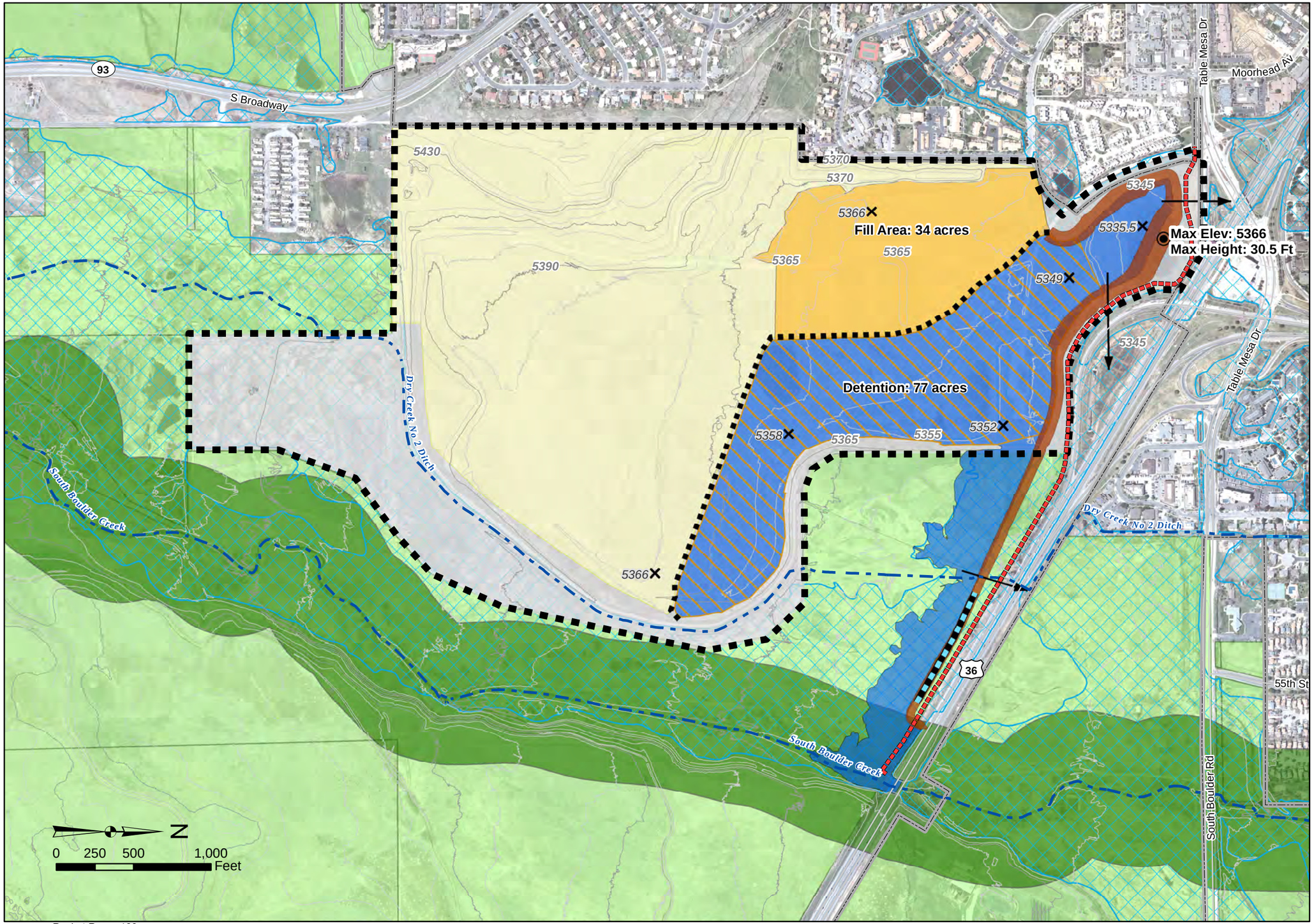
South Boulder Creek Flood Mitigation Project

N

0 125 250 500 750 1,000 Feet

Stormwater Detention Upstream of US36

South Boulder Creek Flood Mitigation Project



Option C

Single Berm
With excavation
With fill
On CU and OSMP property
Max Berm Height 30.5ft

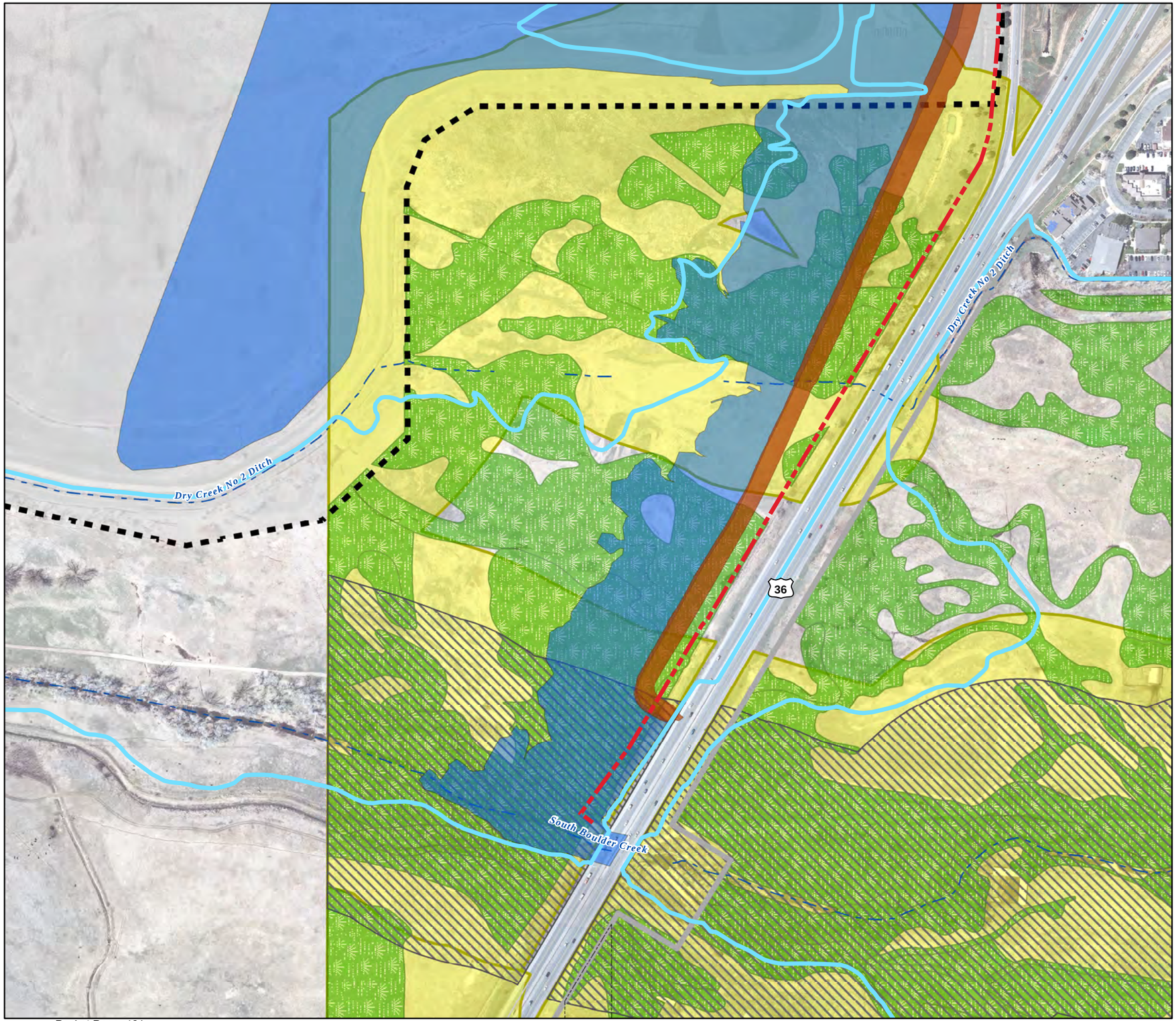
Description	Acres
Total CU Property	302
CU Property Impacted	80
CU Building Potential Impacted	30
OSMP Property Impacted	20

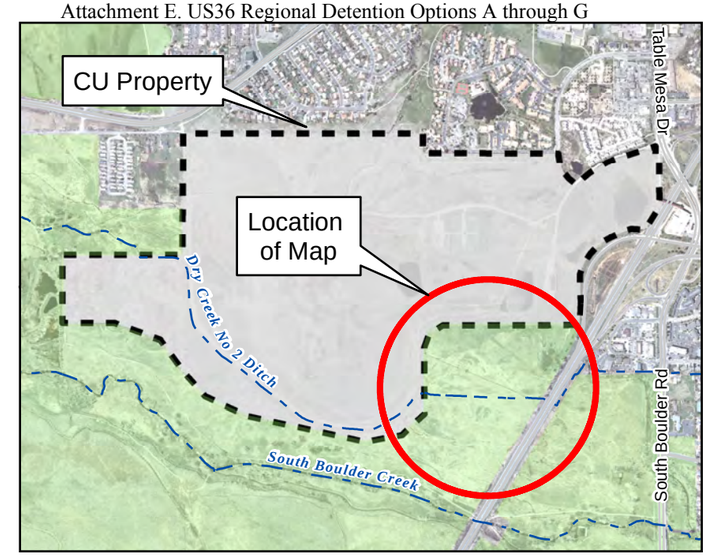
Proposed Conditions

- New Berm
- Pool Contained By Fill or Cut Slope
- Limits of Excavation
- Detention Pond Area
- Fill Area
- Out of 100yr Inundation
- Spot Elevation
- Max Berm Elevation
- Discharge Location
- Spillway

Existing Conditions

- Boulder City Limits
- CDOT Existing ROW
- CU Site Boundary
- OSMP Property
- Prebles Critical Habitat Area
- Effective 100 Year Floodplain
- 5 Foot Contours
- 10 Foot Contours





LEGEND

- CDOT Existing ROW
- CU Site Boundary
- New Berm
- Detention Pond Area
- Boulder City Limits
- Preble's Critical Habitat
- Preble's Conservation Zone
- OSMP Wetland Riparian Data
- Effective 100 Year Floodplain
- Streams, Creeks and Ditches

Option C: Proposed Berm

Approximate Maximum Width Base & Approximate Detention Pond Impacts to OSMP Land

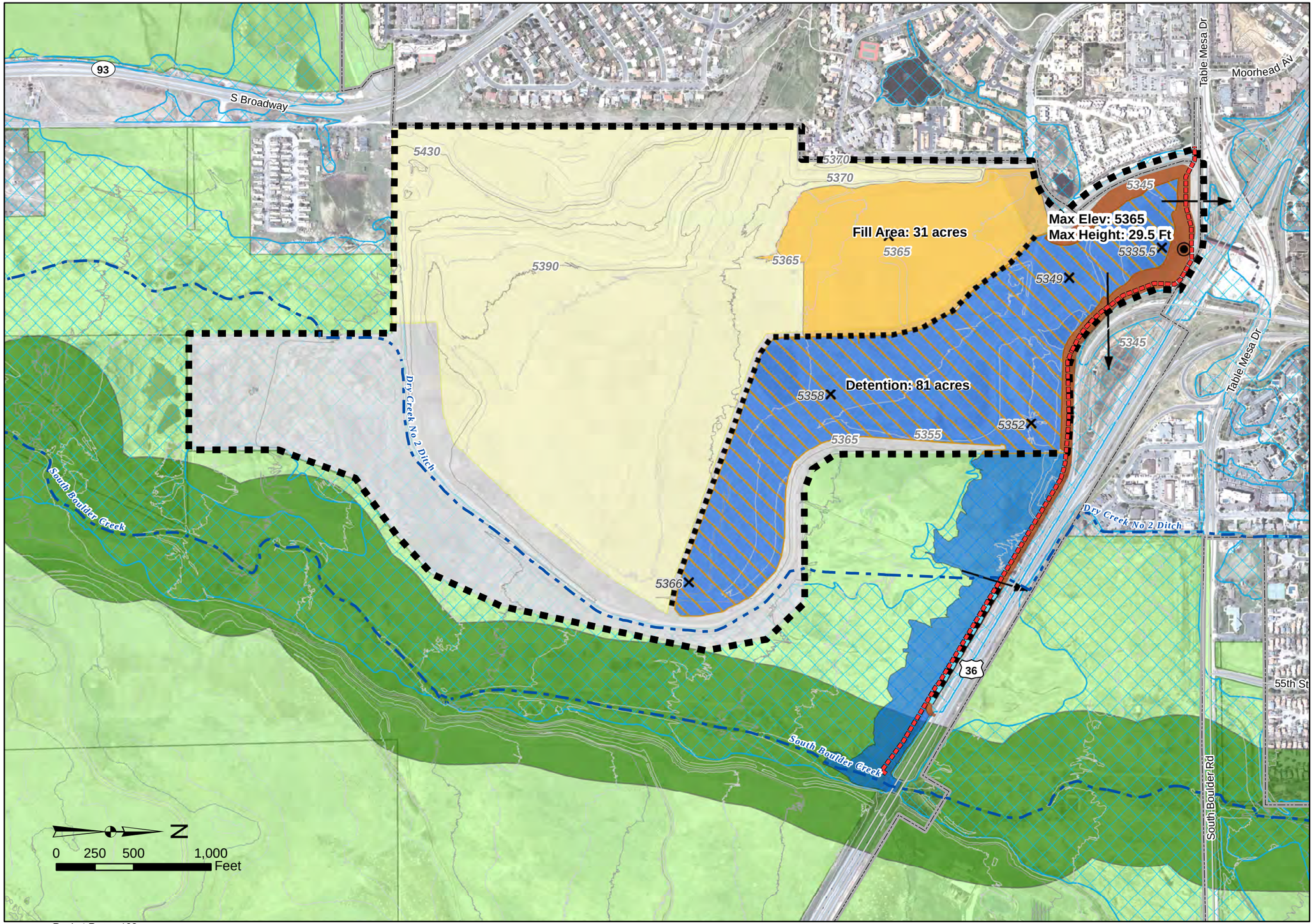
South Boulder Creek Flood Mitigation Project

N

0 125 250 500 750 1,000 Feet

Stormwater Detention Upstream of US36

South Boulder Creek Flood Mitigation Project



Option D

Single Berm
With excavation
With fill
On CU and OSMP property
In CDOT Existing ROW
Max Berm Height 29.5ft

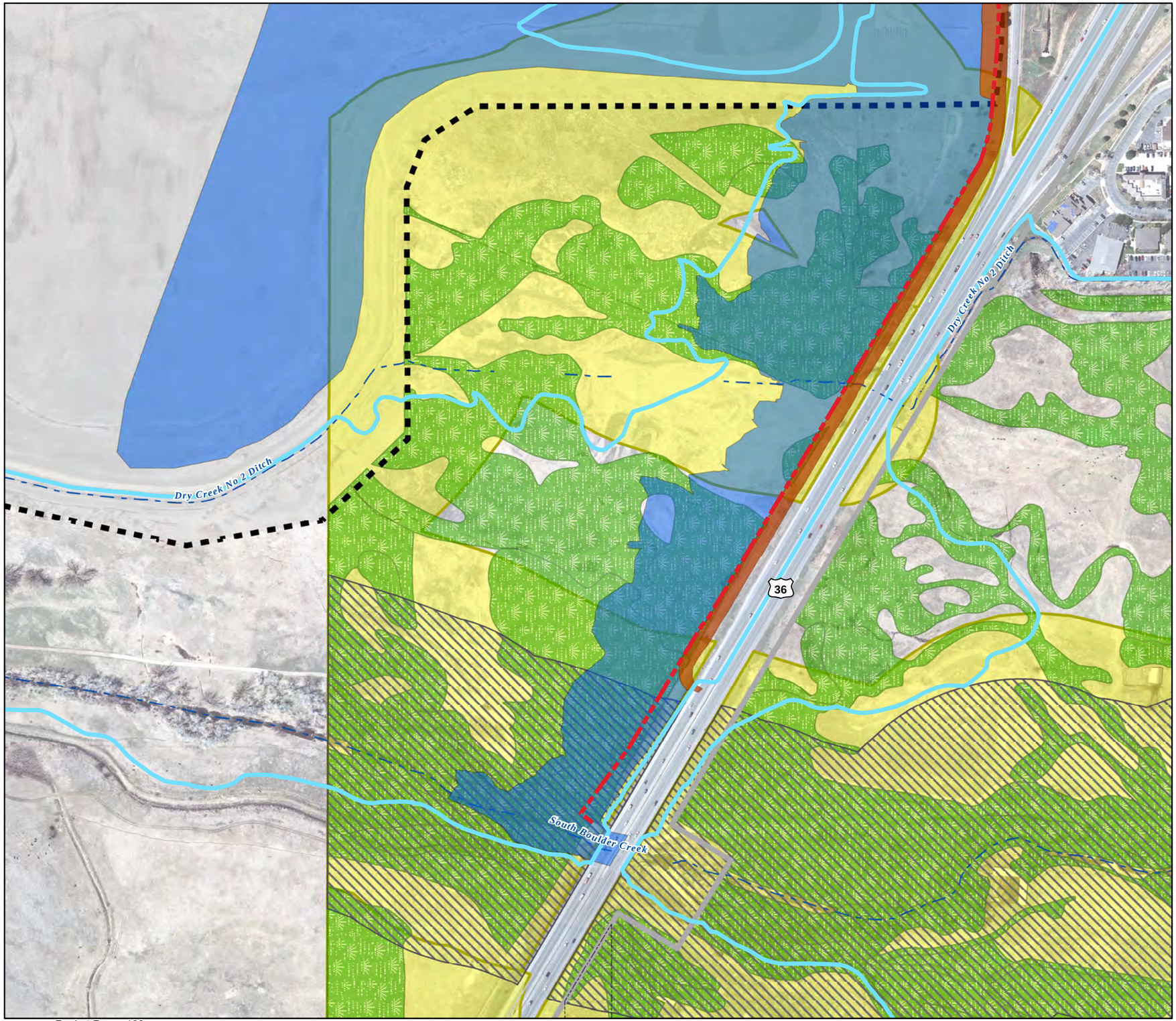
Description	Acres
Total CU Property	302
CU Property Impacted	78
CU Building Potential Impacted	30
OSMP Property Impacted	19

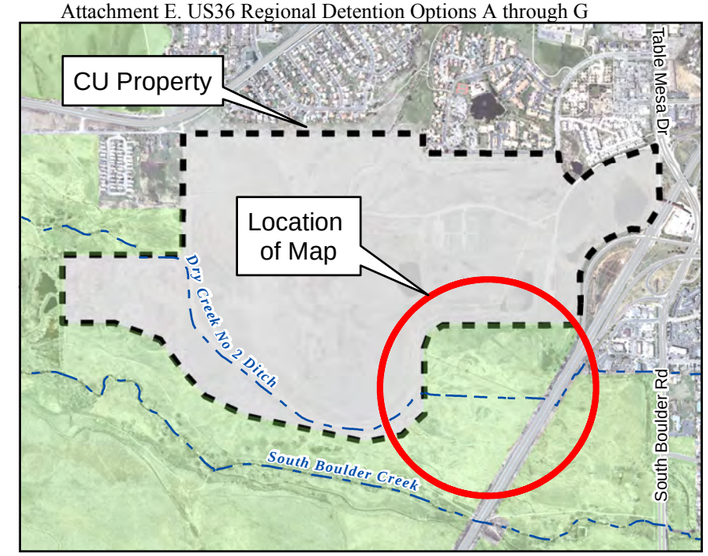
Proposed Conditions

- New Berm
- Pool Contained By Fill or Cut Slope
- Limits of Excavation
- Detention Pond Area
- Fill Area
- Out of 100yr Inundation
- Spot Elevation
- Max Berm Elevation
- Discharge Location
- Spillway

Existing Conditions

- Boulder City Limits
- CDOT Existing ROW
- CU Site Boundary
- OSMP Property
- Prebles Critical Habitat Area
- Effective 100 Year Floodplain
- 5 Foot Contours
- 10 Foot Contours





LEGEND

- CDOT Existing ROW
- CU Site Boundary
- New Berm
- Detention Pond Area
- Boulder City Limits
- Preble's Critical Habitat
- Preble's Conservation Zone
- OSMP Wetland Riparian Data
- Effective 100 Year Floodplain
- Streams, Creeks and Ditches

Option D: Proposed Berm

Approximate Maximum Width Base & Approximate Detention Pond Impacts to OSMP Land

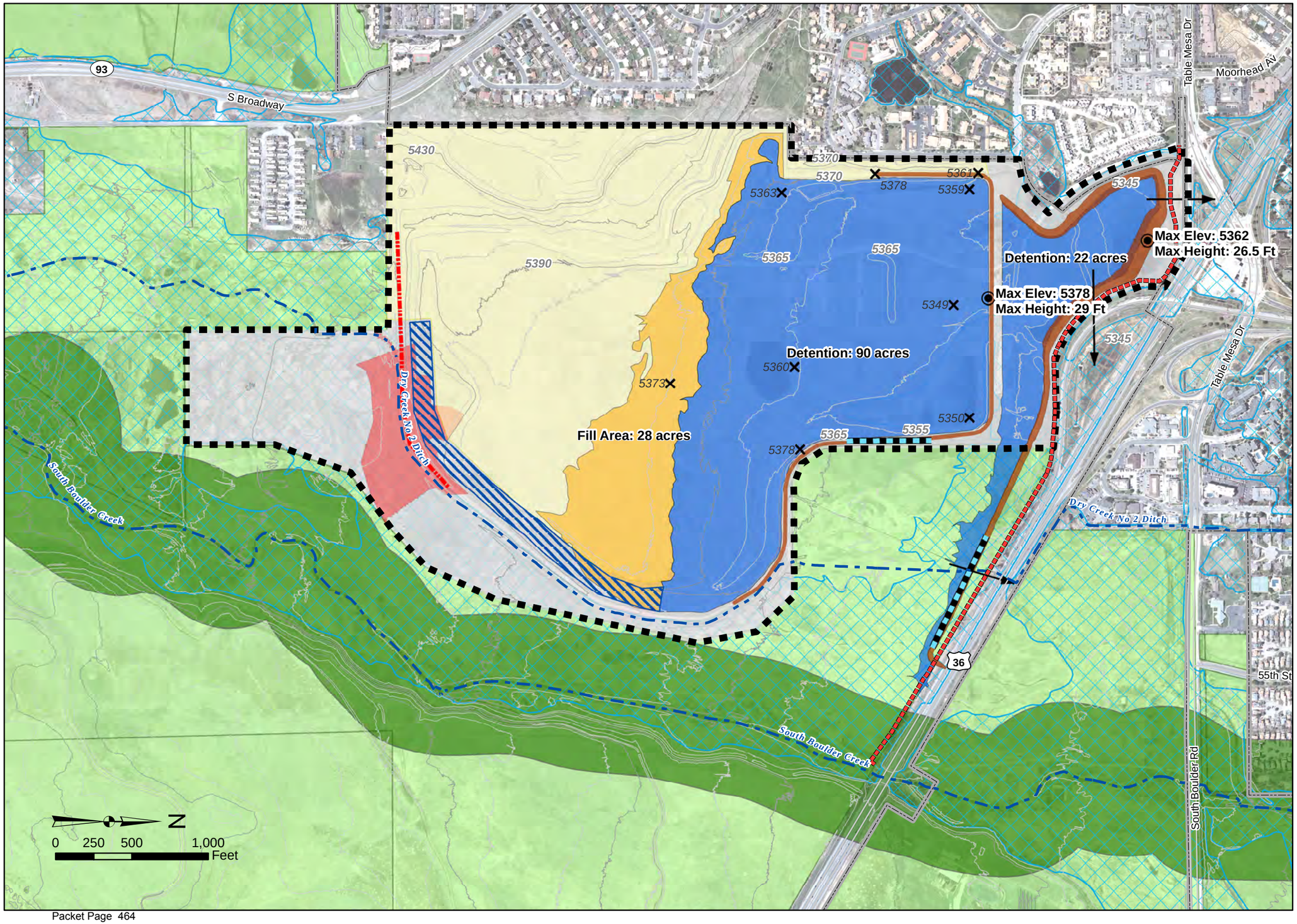
South Boulder Creek Flood Mitigation Project

N

0 125 250 500 750 1,000 Feet

Stormwater Detention Upstream of US36

South Boulder Creek Flood Mitigation Project



Option E

Dual Berm
No Excavation
No Fill
On CU and OSMP property
Max Berm Height 29ft and 26.5ft

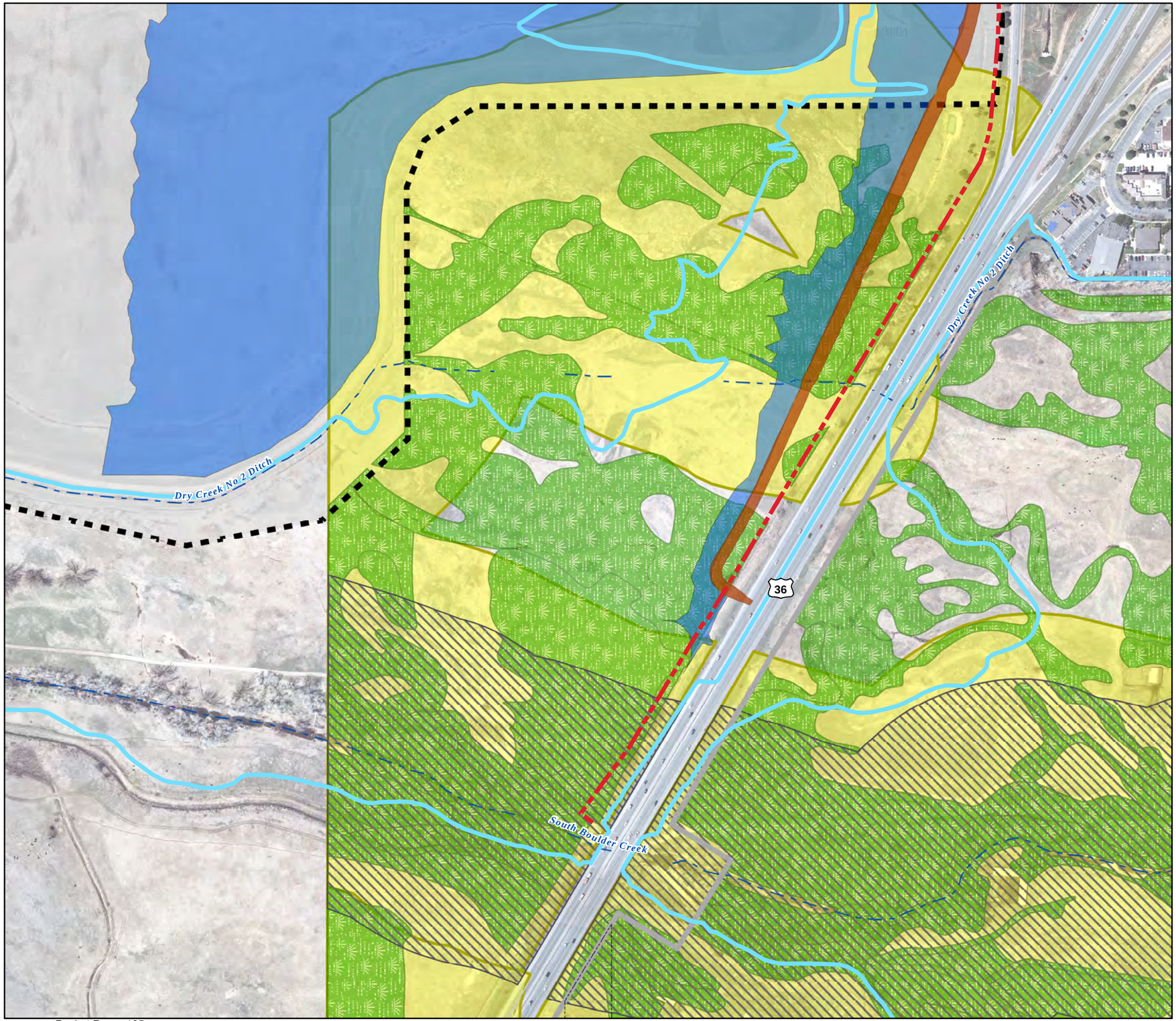
Description	Acres
Total CU Property	302
CU Property Impacted	142
CU Building Potential Impacted	73
OSMP Property Impacted	5

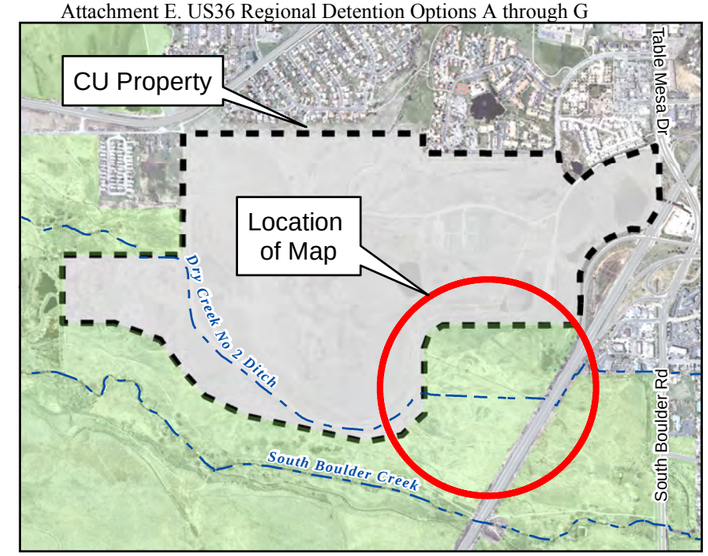
Proposed Conditions

- New Berm
- Limits of Excavation
- Detention Pond Area
- Fill Area
- New Channel
- Remove Existing Berm
- Lower Grade (Allows Flow to Pond)
- Out of 100yr Inundation
- Spot Elevation
- Max Berm Elevation
- Discharge Location
- Spillway

Existing Conditions

- Boulder City Limits
- CDOT Existing ROW
- CU Site Boundary
- OSMP Property
- Prebles Critical Habitat Area
- Effective 100 Year Floodplain
- 5 Foot Contours
- 10 Foot Contours





LEGEND

- CDOT Existing ROW
- CU Site Boundary
- New Berm
- Detention Pond Area
- Boulder City Limits
- Preble's Critical Habitat
- Preble's Conservation Zone
- OSMP Wetland Riparian Data
- Effective 100 Year Floodplain
- Streams, Creeks and Ditches

Option E: Proposed Berm

Approximate Maximum Width Base & Approximate Detention Pond Impacts to OSMP Land

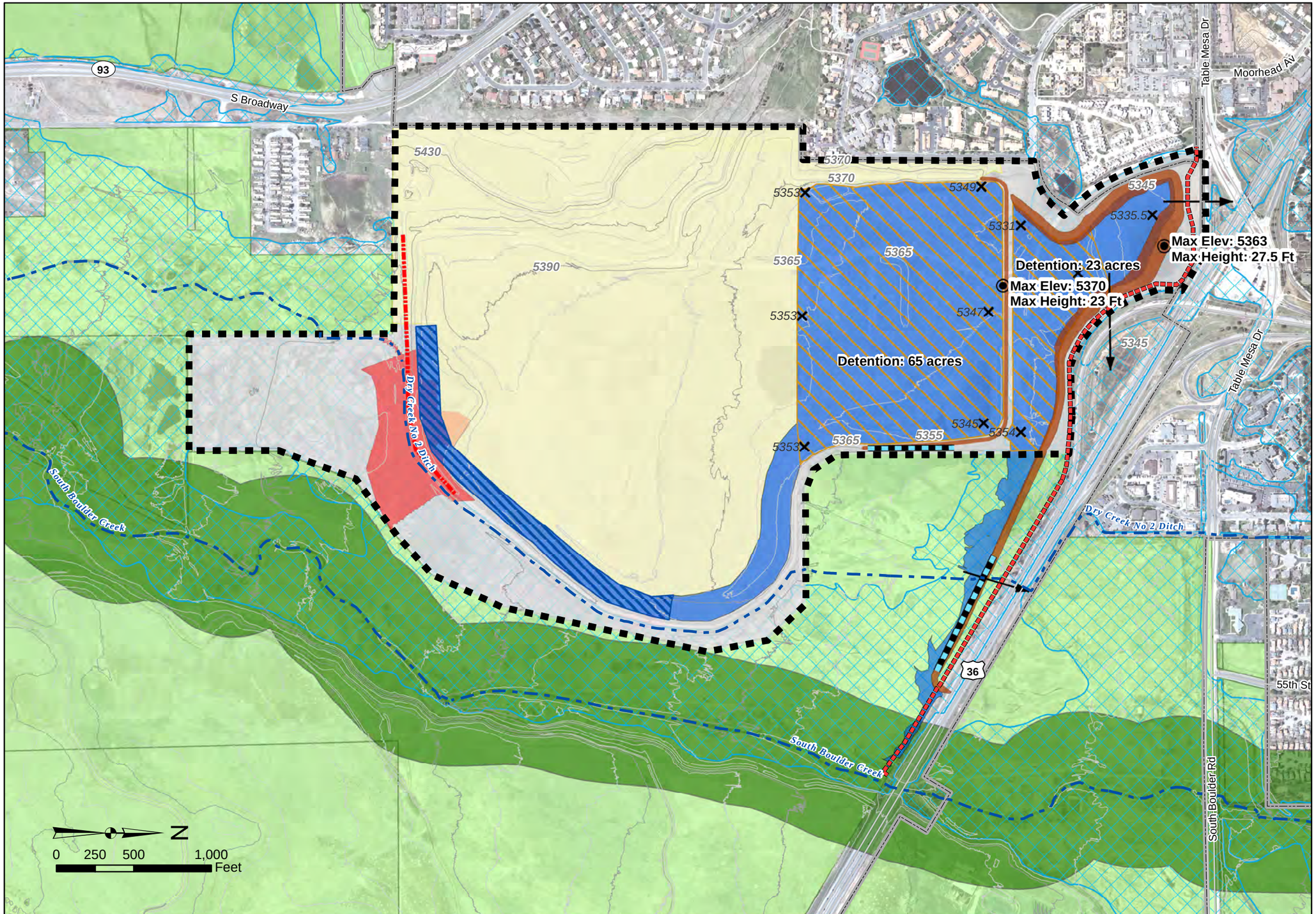
South Boulder Creek Flood Mitigation Project

N

0 125 250 500 750 1,000 Feet

Stormwater Detention Upstream of US36

South Boulder Creek Flood Mitigation Project



Option F

Dual Berm
With Excavation
No Fill
On CU and OSMP property
Max Berm Height 23ft and 27.5ft

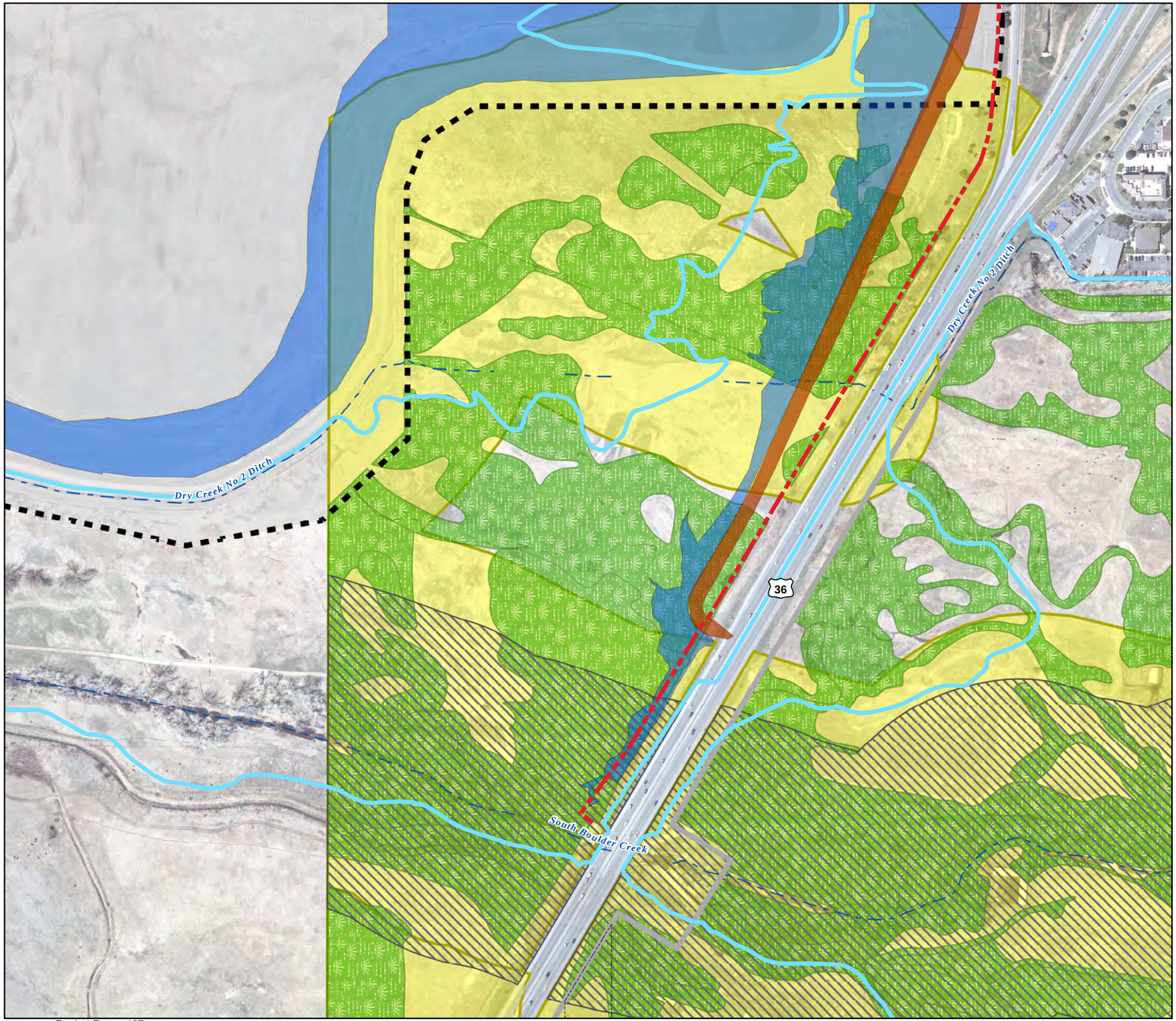
Description	Acres
Total CU Property	302
CU Property Impacted	100
CU Building Potential Impacted	41
OSMP Property Impacted	7

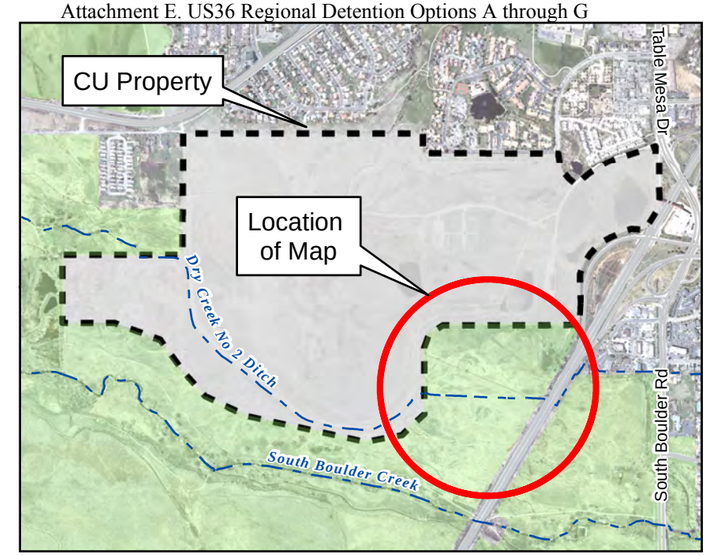
Proposed Conditions

- New Berm
- Limits of Excavation
- Detention Pond Area
- Fill Area
- New Channel
- Remove Existing Berm
- Lower Grade (Allows Flow to Pond)
- Out of 100yr Inundation
- Spot Elevation
- Max Berm Elevation
- Discharge Location
- Spillway

Existing Conditions

- Boulder City Limits
- CDOT Existing ROW
- CU Site Boundary
- OSMP Property
- Prebles Critical Habitat Area
- Effective 100 Year Floodplain
- 5 Foot Contours
- 10 Foot Contours





LEGEND

- CDOT Existing ROW
- CU Site Boundary
- New Berm
- Detention Pond Area
- Boulder City Limits
- Preble's Critical Habitat
- Preble's Conservation Zone
- OSMP Wetland Riparian Data
- Effective 100 Year Floodplain
- Streams, Creeks and Ditches

Option F: Proposed Berm

Approximate Maximum Width Base & Approximate Detention Pond Impacts to OSMP Land

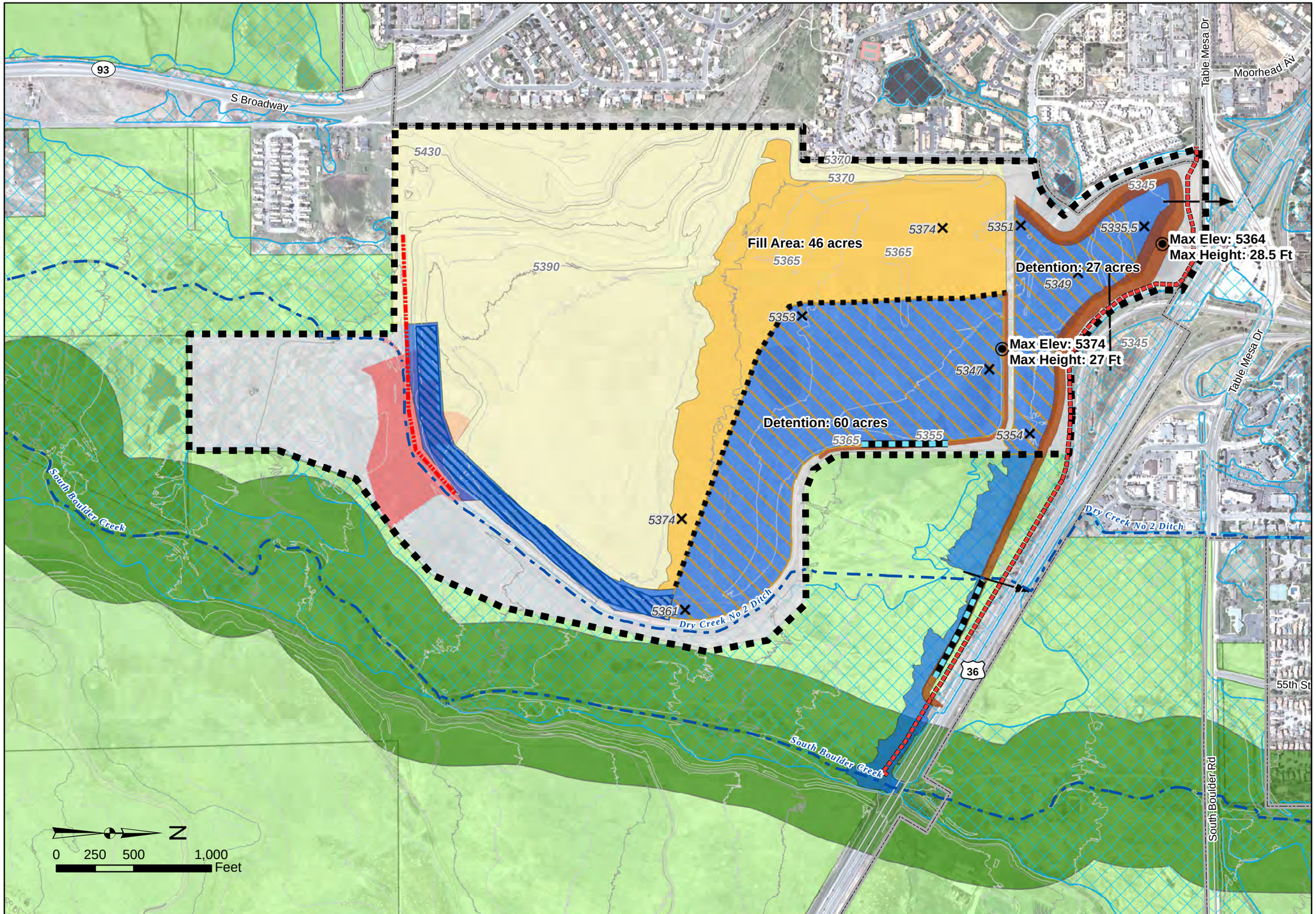
South Boulder Creek Flood Mitigation Project

N

0 125 250 500 750 1,000 Feet

Stormwater Detention Upstream of US36

South Boulder Creek Flood Mitigation Project



Option G

Dual Berm
With Excavation
With fill
On CU and OSMP property
Max Berm Height 27ft and 28.5ft

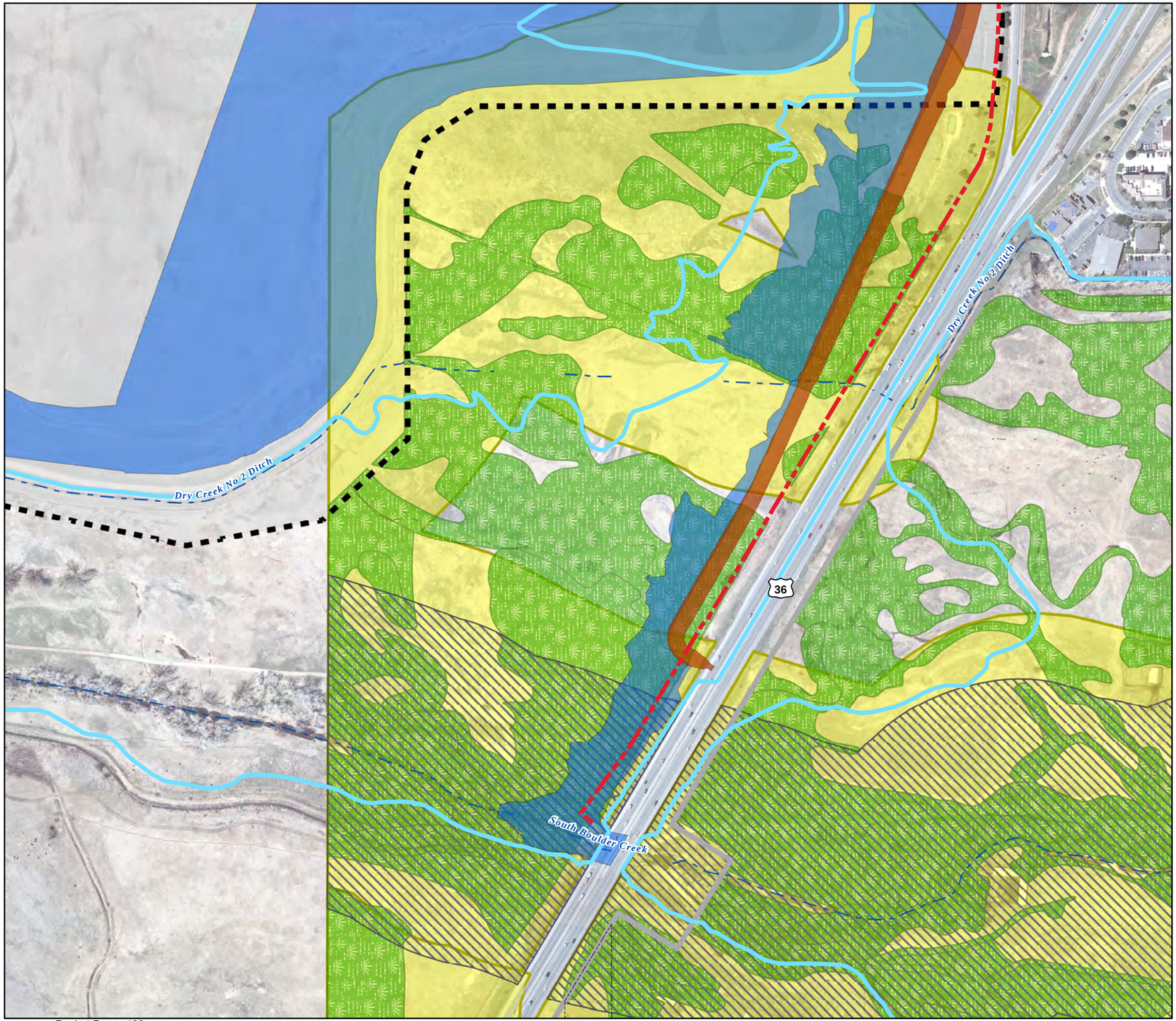
Description	Acres
Total CU Property	302
CU Property Impacted	99
CU Building Potential Impacted	43
OSMP Property Impacted	11

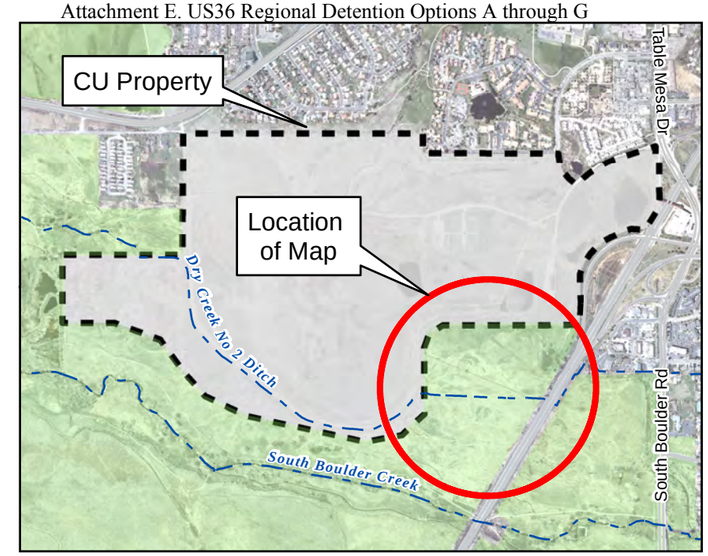
Proposed Conditions

- New Berm
- Pool Contained By Fill or Cut Slope
- Limits of Excavation
- Detention Pond Area
- Fill Area
- New Channel
- Remove Existing Berm
- Lower Grade (Allows Flow to Pond)
- Out of 100yr Inundation
- Spot Elevation
- Max Berm Elevation
- Discharge Location
- Spillway

Existing Conditions

- Boulder City Limits
- CDOT Existing ROW
- CU Site Boundary
- OSMP Property
- Prebles Critical Habitat Area
- Effective 100 Year Floodplain
- 5 Foot Contours
- 10 Foot Contours





LEGEND

- CDOT Existing ROW
- CU Site Boundary
- New Berm
- Detention Pond Area
- Boulder City Limits
- Preble's Critical Habitat
- Preble's Conservation Zone
- OSMP Wetland Riparian Data
- Effective 100 Year Floodplain
- Streams, Creeks and Ditches

Option G: Proposed Berm

Approximate Maximum Width Base & Approximate Detention Pond Impacts to OSMP Land

South Boulder Creek Flood Mitigation Project

N

0 125 250 500 750 1,000 Feet

Table 1.0: Summary Comparison of Conceptual Stormwater Detention Options Upstream of US 36

Green = lowest impacts of options compared
Yellow = medium impact relative to other options compared
Red = greatest impact of options compared

Option	Total Impacts to CU Parcel[1] (acres)	Total Berm impacts to OSMP (acres)	Total Detention on OSMP[2](acres)	Maximum Berm Height (feet)	Est. Cost ($millions)	Est. Benefit ($millions)	Est. Benefit to Cost Ratio
A – 2014 Option	56	5	35	34.5	24	26.5	1.1
B - Single Berm with Excavation	90	2	5	27.5	21.5	26.5	1.2
C – Single Berm with Excavation and Fill	80	3	17.5	30.5	22.5	26.5	1.2
D – Single Berm CDOT ROW	79	0	19	29.5	22	26.5	1.2
E- Dual Berm no Excavation	142	1	3.5	26.5	26	27[3]	1
F – Dual Berm with Excavation	100	2	5	27.5	31	27	0.9
G – Dual Berm with Excavation and Fill	99	0.5	8.5	28.5	34.5	27	0.8

[1] Includes berm footprint and detention storage area.
[2] Includes only the storage pool area, not the current 100-year floodplain area.
[3]The dual berm options do not reduce the floodplain downstream, but do reduce the flood depth in certain locations. Thus, the additional benefits from the dual berms reflect a decrease in damage from flooding, but it is still assumed that the structures in this area do experience some damage.

Table 2.0: Structures in the 100-Year Floodplain and Removed after Completion of Mitigation Phases

Structures & Dwelling Units within the 100-Yr Floodplain					Structures & Dwelling Units Removed after Project Completion					
					US-36		Phases II & III		Total	
	Residential	Non-Residential	Total	Dwelling Units	Structures	Dwelling Units	Struct-ures	Dwelling Units	Structures*	Dwelling Units
City	427	88	515	1,838	199	1,273	176	387	411	1,721
County	135	18	153		2		9		20	
Total	562	106	668	1,838	201	1,273	185	387	431	1,721

* Additional structures are removed when all three phases are completed.

Table 3.0: Mitigation Phases and Costs Per Structure and Dwelling Units within City Limits

	Phase I US 36 Only	Phase I Cost	Phase I Cost per Structure or Dwelling Unit	Phase 2 Only	Phase 2 Cost	Phase 2 Cost per Structure or Dwelling Unit	Phase 3 Only	Phase 3 Cost	Phase 3 Cost per Structure or Dwelling Unit	All Phases Structures and Dwelling units Removed	All Phases Cost	All Phases Cost per Structure or Dwelling Unit
Structures Removed	199	$22,000,000	$110,552	134	$11,000,000	$82,089	42	$11,900,000	$283,333	411	$44,900,000	$109,245
Dwelling Units Removed	1,273		$17,282	386		$28,497	6		$1,983,333	1,721		$26,089

CITY OF BOULDER
CITY COUNCIL AGENDA ITEM

MEETING DATE: August 4, 2015

AGENDA TITLE: INTRODUCION, FIRST READING, AND CONSIDERATION OF A MOTION TO ORDER PUBLISHED BY TITLE ONLY, ORDINANCE No. 8067 SUBMITTING TO THE QUALIFIED ELECTORS OF THE CITY OF BOULDER AT THE GENERAL MUNICIPAL COORDINATED ELECTION TO BE HELD ON TUESDAY, NOVEMBER 3, 2013, THE QUESTION OF AUTHORIZING THE CITY COUNCIL TO ADOPT AN OCCUPATIONAL PRIVILEGE TAX ON EMPLOYERS AND EMPLOYEES THAT ARE LOCATED OR WORK WITHIN THE CITY OF BOULDER AT THE RATE OF $$**** PER MONTH FOR EACH PERSON EMPLOYED BY AN EMPLOYER AND EACH EMPLOYEE BEGINNING JULY 1, 2016; SETTING FORTH THE BALLOT TITLE; AND SETTING FORTH RELATED DETAILS.

PRESENTER/S
Jane S. Brautigam, City Manager
Tom A. Carr, City Attorney
David Gehr, Deputy City Attorney
Bob Eichem, CFO
Cheryl Pattelli, Director of Finance
Pat Brown, Revenue and Licensing Officer
Liz Hanson, Economic Vitality Coordinator

EXECUTIVE SUMMARY
Included in the June 16 Council Agenda packet was an information packet item regarding an Occupational Privilege Tax (OPT) which is often referred to as a Head Tax. At the July 14, 2015 study session, staff was asked to bring forward a proposed ballot item for first reading that could be considered for discussion and potential implementation of such a tax in the City of Boulder. There are currently five cities in Colorado that have such a tax.

Tables 2, 3 and 4 reflect the amounts per one dollar of tax based on the various parameters that were discussed at the study session. The three items that will need to be decided by council before first reading can be completed. The rate per employee needs to

be set, the level of the exemptions (which can be found in tables 2, 3 and 4) and the total projected revenue that would be collected for a full year. and the total amount of revenue that is projected to be collected in the first year.

As was discussed at the study session, if the tax is placed on the ballot and is passed by the voters, the earliest the tax could be started would be July 1, 2016. This would provide time for an education program, the installation of new software, and the addition of staff to be trained and to administer the new tax. These costs are not included in Attachment C that covers the costs of various levels of an expanded Eco Pass program or other transportation uses of the revenue that would be generated by the new tax if it is placed on the ballot and is passed by the voters.

Ranges of the tax projected to be collected for a full year per one dollar of tax given exemptions ranging from $6,000 of income per year to $33,600 (50% of AMI) are $1.3 to $1.7 million combined per dollar of tax for both the employer and employee. In tables 2, 3 and 4 found in the background and analysis section, staff has run projections ranging from $2 to $5 dollars per month for employer and employee. Since the implementation would not begin until mid-year the first year of collections would need to be reduced by one half.

At the July 14 Council meeting it was requested that staff provide additional information regarding potential use of revenue from the tax for citywide Eco passes, middle and high school students and other transportation programs. This information can be found in **Attachment C.** Included in the attachment are concerns expressed by staff regarding the work to be completed by the Community-wide Eco Pass Policy Advisory and Technical Advisory Committees when compared to the timing of the implementation of the tax.

STAFF RECOMMENDATION

Suggested Motion Language:
Staff requests council consideration of this matter and action in the form of the following motion:

Motion to introduce and order published by title only Ordinance No. 8067 submitting to the registered electors of the City of Boulder at the general municipal coordinated election to be held on Tuesday, November 3, 2015, the question of authorizing the city council to adopt an occupational privilege tax on employers and employees that are located or work within the City of Boulder at the rate of $**** per month for each person employed by an employer and each employee beginning July 1, 2016; setting the ballot title; and setting forth related details.

COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS

- Economic – The economic impact of an Occupational Privilege Tax has differing views by different members of the community. Some feel strongly such a tax is needed to help offset the ongoing impact on transportation costs and

infrastructure. Others feel it will put the businesses in the City of Boulder at an operating disadvantage when competing with businesses located outside of Boulder that would not pay the tax.

- Environmental – The actual tax itself will not have an environmental impact on the city of Boulder. The taxes collected can be used to offset negative impacts that are incurred by the City.
- Social – The actual impact will depend on the level of income that would be exempt from the tax.

OTHER IMPACTS

- Fiscal – The actual fiscal impact will not be known until the employee and employer rates and exemptions are set in the ballot language. A more detailed impact analysis can be found within the background and analysis section of this memo.
- Staff time – Preparation of the ballot language and memo for the OPT has been absorbed in the staff work plan. If the tax is placed on the ballot and is passed by the voters an educational program would be developed and implemented. Additional staff and software changes will be needed to implement the administration of the tax.

BOARD AND COMMISSION FEEDBACK

The Community-wide Eco Pass Policy Advisory and Technical Advisory Committees have discussed the use of a head tax to fund the employee portion of a city or county-wide Eco Pass program. There has not been a specific recommendation by the committees.

PUBLIC FEEDBACK

Since the Council study session held on July 14, 2015 there have been numerous e-mails and other correspondence received by council and staff. Input has been both for and against the OPT. A website with commonly asked Questions and Answers has been created to receive business input. A summary of the themes of the input received can be found in **Attachment D.**

BACKGROUND AND ANALYSIS

Municipalities in Colorado are not permitted to collect an income tax. That right is reserved for the state. Cities may impose an occupational privilege tax (OPT). This is often referred to as a head tax because of the way it is imposed. Specifically, the OPT, in its pure form, imposes a flat dollar amount on each employee working within the boundaries of the municipality. In other words, it is a tax per head rather than a percent of income.

An OPT is currently in place in Denver, Aurora, Greenwood Village, Sheridan and Glendale. Table 1 illustrates the OPT rates paid by employees in their corresponding municipalities.

Table 1
Rate Paid by Employee Matched by Employer Unless Exempt

	City/County Denver	City of Aurora	Greenwood Village	Sheridan	Glendale
OPT Rate per Employee per Month	$5.75	$2.00	$2.00	$3.00	$5.00

At the April 14, 2014 study session, it was requested that staff provide background information prior to the City Council recess regarding the Occupational Privilege Tax, often referred to as a Head Tax. At the July 14 council study session the tax was a specific topic of discussion and staff received general direction to bring an ordinance for first reading forward for Council discussion and action. The full staff report can be found as **Attachment B**.

General direction that staff heard at the study session has been incorporated as the following in the proposed ballot question to be considered for first reading:

1. The ordinance should provide for Taxpayer Bill of Rights (TABOR) taxation authorization. The rates and first year revenue to be determined during first reading ordinance consideration.
2. The tax would be on the employer and employee unless there is an exemption.
3. Exempt 501(c) (3) and governments as an employer. The tax would apply to the employees of the governmental organization unless they fall under the income exemption.
4. Revenue generated to be used for transportation projects, limitation eco passes, capital improvements and transportation programs. Council members expressed in interest in ensuring that the revenue source be flexible in its use.
5. Tax to be effective in the 3rd quarter of 2016 and be a perpetual tax.
6. Use Denver ordinance as a model for implementation.
7. Create a low income worker exemption that includes some discretion for council to set the rate. The exemption rate should be higher than it currently is in other cities that have such tax. The exemption should be tied to a monthly income threshold.

Based on the input received staff further refined the revenue and expenditure projections.

Tables 2 through 4 are summaries of projected revenues based on rates per employee and various levels of income exemptions.

The projections have been made with government and 501 (C) (3) employers exempt. The employee pays the tax unless they fall under the exemption level. Based on the research completed by city staff, the percent of total employees for which the OPT tax has been paid in past years in cities that have the OPT have ranged from 79 to 86 percent, with an average of 82 percent. Based on this data the calculations of revenue produced with each dollar of tax rate have been adjusted to take this into account.

In Tables 3 and 4 below, staff has used rounded numbers when applying a percentage of AMI as an exemption per month. This is done for ease of administration for both the employer and the City. Table 3 is close to the $20,000 amount discussed by Council at the July 14 study session. None of the cities surveyed have escalation clauses in their ordinances. If an increase is contemplated it would need to be a ballot item in a future year. Staff does not recommend including an escalation clause as it makes ongoing administration more complex for both the employer and the City. If there is not an escalation clause, revenues will increase or decrease based on the number of jobs within the city that exceed the exemption level.

Table 2

Projected Revenue per Year at Various Rates with $500 exemption level/month.
Annualized income for exemption is $6,000.
The amount per $1 of tax is estimated to be approximately $850,000

OPT Rate	# of Workers	Employee Paid OPT	Employer Paid OPT less Government-Match	Estimated Annual OPT Paid	Estimated Annual OPT per $1
$2	93,972	$1,929,346	$1,485,010	$3,414,356	$,1,707,178
$3	93,972	$2,894,019	$2,227,515	$5,121,534	
$4	93,972	$3,858,692	$2,970,020	$6,828,712	
$5	93,972	$4,823,365	$3,712,525	$8,535,891	

Table 3

Projected Revenue per Year at Various Rates with $1,700 exemption level/month.
Annualized income for exemption is $20,400 or close to 30% of AMI.
The amount per $1 of tax is estimated to be approximately $760,000

OPT Rate	# of Workers	Employee Paid OPT	Employer Paid OPT less Government-Match	Estimated Annual OPT Paid	Estimated Annual OPT per $1
$2	84,682	$1,746,529	$1,302,193	$3,048,722	$1,524,361
$3	84,682	$2,619,793	$1,953,289	$4,573,082	
$4	84,682	$3,493,058	$2,604,386	$6,097,444	
$5	84,682	$4,366,322	$3,255,482	$7,621,804	

Table 4

Projected Revenue per Year at Various Rates with $2,800 exemption level/month.
Annualized income for exemption is $33,600 or close to 50% of AMI.
The amount per $1 of tax is estimated to be approximately $650,000

OPT Rate	# of Workers	Employee Paid OPT	Employer Paid OPT less Government-Match	Estimated Annual OPT Paid	Estimated Annual OPT per $1
$2	73,436	$1,525,201	$1,080,865	$2,606,066	$1,303,033
$3	73,436	$2,287,801	$1,621,297	$3,909,099	
$4	73,436	$3,050,402	$2,161,730	$5,212,132	
$5	73,436	$3,813,002	$2,702,162	$6,515,165	

NEXT STEPS
If council wishes to pursue placing the OPT on the November ballot and passes the attached ordinance on the first reading, a second reading will occur on Aug 18. If needed, a third reading would occur on Sept. 1. All ballot items must be passed on final reading by council by the first meeting in September to meet county deadlines for ballot measures.

ATTACHMENTS
A: Proposed Ordinance
B: Information Packet memo regarding the OPT included in the June 16 agenda packet.
C: Transportation Uses for Occupational Privilege Tax Revenue
D: Summarized input received via e-mail or website

ORDINANCE NO. _____

(Occupational Privilege Tax)

AN ORDINANCE SUBMITTING TO THE QUALIFIED ELECTORS OF THE CITY OF BOULDER AT THE SPECIAL MUNICIPAL COORDINATED ELECTION TO BE HELD ON TUESDAY, NOVEMBER 3, 2015, THE QUESTION OF AUTHORIZING THE CITY COUNCIL TO ADOPT AN OCCUPATIONAL PRIVILEGE TAX ON EMPLOYERS AND EMPLOYEES THAT ARE LOCATED OR WORK WITHIN THE CITY OF BOULDER AT THE RATE OF $$**** PER MONTH FOR EACH PERSON EMPLOYED BY AN EMPLOYER AND EACH EMPLOYEE BEGINNING JULY 1, 2016; SETTING FORTH THE BALLOT TITLE; AND SETTING FORTH RELATED DETAILS.

Section 1. A general municipal coordinated election will be held in the city of Boulder, county of Boulder and state of Colorado, on Tuesday, November 3, 2015.

Section 2. The official ballot shall contain the following ballot title, which shall also be the designation and submission clause for the measure:

BALLOT QUESTION NO. _____

EMPLOYER AND EMPLOYEE OCCUPATIONAL PRIVILEGE TAX

Shall city of Boulder taxes be increased $_____ annually in the first year and by whatever amounts are raised annually though an occupational privilege tax to be paid by persons employed and employers within the city limits of Boulder at a rate of $_____ per month, beginning on July 1, 2016, with such revenues collected used for purposes related to transportation including without limitation funding for transit passes, transportation programs, and transportation capital improvements; and

In connection therewith,

Shall the full proceeds of such taxes at such rates and any earnings thereon be collected, retained, and spent as a voter-approved revenue change without limitation or condition, and without limiting the collection, retention, or spending of any other revenues or funds by the city of Boulder under Article X Section 20 of the Colorado Constitution or any other law?

FOR THE MEASURE ____ AGAINST THE MEASURE ____

Section 3. If such ballot question is approved by the voters, the following Chapter 3-16, "Occupational Privilege Tax," B.R.C. 1981, shall be adopted by the City Council effective January 1, 2011:

Chapter 16 Occupational Privilege Tax

3-16-1 Legislative Intent.

The city council intends that a privilege and occupational tax be levied on employers within the city and employees that work in the city. The purpose of this tax is to increase the revenue base for the city to provide municipal improvements and services related to the transportation impacts that employment may cause to the community. Revenues from the tax shall be deposited in the general fund and shall be available to pay for the general expenses of government.

The city council recognizes that it cannot bind future city councils, it nonetheless declares its intention that sufficient revenues generated by this tax be appropriated by future city councils for transportation related programs, transit passes, and capital improvements with the remainder used to fund other governmental expenses including police, fire, libraries, transportation, and general government. Each council shall decide what constitutes sufficient funds. As used here, sufficient shall mean an amount determined by council to balance the revenue received with the established need in the community for programs to address the subjects identified above.

3-16-2 Definitions.

The following terms, words and phrases, as used in this chapter, shall have the following meaning unless the context clearly indicates otherwise:

"Employee" means any natural person who performs sufficient services for wages or other remuneration for any period of time in a calendar month to receive as compensation such services no less than $_____ upon a salary, wage, commission or other compensation basis, as long as any part of such services are performed within the city;

and is considered an employee for purposes of withholding federal income tax under the provisions of the Internal Revenue Code, as amended, and associated regulations.

"Employer" means any person, association, corporation (including a corporation not-for-profit), governmental administration, agency, arm, authority, board, body, branch, bureau, department, division, subdivision, section or unit, or any other entity, who or that employs one or more persons on a salary, wage, commission, or other compensation basis who owns a business located within the city as the term business is defined in this code.

3-16-3 Imposition and Rate of Tax.

(a) Occupational Privilege Tax. There is levied and shall be paid an occupational privilege tax of ____ dollars ($__.00) per month upon all employees and employers within the city.

(1) Employees. Each employee within the city shall pay an employee occupational privilege tax of ____dollars ($__.00) per month for each and every month in which such employee performs or offers work or services during a given calendar month for a business located within the city.

(2) Employers. Each employer shall pay an employer occupational privilege tax of ____ dollars ($__.00) per month for each and every employee for each and every month in which such employee performs or offers work or services during a given calendar month for a business located within the city. For the purposes of this chapter, "business" includes any lawful business, trade, occupation, profession, avocation, or calling of any kind having a fixed or transitory situs within the city.

(b) Additional Tax. This tax is in addition to all other taxes of any type or nature levied by the city.

(c) Owners, Partners, and Proprietors. Businesses with owners, partners or proprietors engaged in business located within the city are subject to the employer occupational privilege tax of ____ dollars ($__.00) per month for each owner, partner, or proprietor even if that person pays the employee tax through an employer at a different job. An Owner, Partner or Proprietor is not an Employee. All such persons are subject to the ta regardless of income.

3-16-4. Exemptions.

(a) Exempt persons or entities. The following persons or entities are exempt from the duty to pay tax under this chapter but not the duty to collect and remit the tax levied hereby:

(1) The United States Government, the State of Colorado, its departments and institutions and their political subdivisions, including the city, when acting in their governmental capacities and performing governmental functions and activities,

and when the government's obligation is paid for directly to the licensee by a purchase card or a draft or warrant drawn on the government's account; and

(2) Religious, charitable and quasi-governmental organizations but only in the conduct of their regular religious, charitable and quasi-governmental capacities, only if each such organization has obtained an exempt organization license under section 3-2-12, "Exempt Institution License," B.R.C. 1981.

(3) An employee, otherwise subject to taxation under the provisions of this chapter, who performs services within the city and one (1) or more other municipalities for a single employer may be exempt from payment of the city's employee occupational privilege tax if both of the following conditions are met in each calendar month for which an exemption is claimed:

(A) The number of hours of services such employee performs in another municipality exceeds the number of hours of services performed in the city; and

(B) Such employee has actually paid to the municipality in which the majority of hours of services were performed an employee occupational privilege tax substantially the same as the one that would have been imposed under this chapter.

(b) Burden of Proof for Exemptions. The burden of proving that any entity or employee is exempt from payment of the occupational privilege tax under this section shall be on the entity or employee claiming such exemption, and such proof shall be by a preponderance of evidence.

(c) Limitations. Nothing contained in this chapter shall be construed to empower the city to levy and collect the tax hereby imposed upon any taxpayer not within the taxing power of the city under the laws of the United States or the State of Colorado.

3-16-5 Employer Liable for Tax.

Each employer shall pay the tax imposed in Subsection 3-16-3, B.R.C. 1981 on every one of its employees. Each employer shall collect the tax from its employees.

3-16-6 Taxes Collected are Held in Trust.

All sums of money paid by a person imposed by this chapter are public monies that are the property of the city. The person required to collect and remit such taxes shall hold such monies in trust for the sole use and benefit of the city until paying them to the city manager.

3-16-7 Licensing and Reporting Procedure.

(a) License Required. Every person with a duty to collect the tax imposed by this chapter shall obtain the license required by Section 3-2-11, "Sales and Use Tax License," B.R.C. 1981, to collect the tax and shall report such taxes collected on form prescribed by the city manager and remit such taxes to the city on or before the twentieth day of the month for the preceding month or months under report.

(b) Sale, Purchase and Transfer Requirements. Whenever a business entity that is required to be licensed under this chapter is sold, purchased, or transferred, so that the ownership interest of the purchaser or seller changes in any respect, the purchaser shall obtain a new tax license.

(c) Revocation of License. The sales tax license may be revoked as provided in Section 3-2-13, "Revocation of License," B.R.C. 1981.

3-16-8 Maintenance and Preservation of Tax Returns, Reports, and Records.

(a) Records Required. The city manager may require any person to make such return, render such statement, or keep and furnish such records as the manager may deem sufficient and reasonable to demonstrate whether or not the person is liable under this chapter for payment or collection of the tax imposed hereby.

(b) Preservation of Records by Taxpayer. Any person required to make a return or file a report under this chapter shall preserve those reports as provided in Section 3-2-18, "Taxpayer Duty to Keep Records, Provide Information, and File Returns," B.R.C. 1981.

(c) Preservation of Records by City. The city manager shall maintain all reports and returns of taxes required under the chapter as provided in Section 3-2-20, "Preservation of Tax Returns and Reports," B.R.C. 1981.

3-16-9. - Interest and Penalties for Failure to File Tax Return or Pay Tax.

(a) Penalties. Penalties for failure of a person to collect the tax or to make a return and remit the correct amount of tax required by this chapter and procedures for enforcing such penalties are as prescribed in Section 3-2-22, "Penalties for Failure to File Tax Return or Pay Tax (Applies to Entire Title)," B.R.C. 1981.

(b) Interest. Interest on overpayments and refunds is as prescribed in Section 3-2-24, "No Interest on Overpayments and Refunds (Applies to Entire Title)," B.R.C. 1981.

3-16-10. - Refunds.

Refunds of taxes paid under this chapter are as prescribed in Section 3-2-23, "Refunds (Applies to Entire Title)," B.R.C. 1981.

3-16-11. - Enforcement of Tax Liability.

(a) First Lien. The tax imposed by this chapter, together with all interest and penalties is a first and prior lien on tangible personal property in which the person responsible to collect and remit the tax has an ownership interest, subject only to valid mortgages or other liens of record at the time of and prior to the recording of a notice of lien, as provided in Subsection 3-2-27(c), "Tax Constitutes Lien," B.R.C. 1981.

(b) Enforcement Provisions. The provisions of Sections 3-2-27, "Tax Constitutes Lien," 3-2-29, "Sale of Business Subject to Lien," 3-2-30, "Certificate of Discharge of Lien," 3-2-31, "Jeopardy Assessment," 3-2-32, "Enforcing the Collection of Taxes Due (Applies to Entire Title)," 3-2-33, "Recovery of Unpaid Tax by Action at Law," 3-2-34, "City May Be a Party Defendant," 3-2-35, "Injunctive Relief," 3-2-36, "Obligations of Fiduciaries and Others," 3-2-37, "Violations of Tax Chapter," and 3-2-38, "Limitations," B.R.C. 1981, govern the authority of the city manager to collect the taxes, penalties, and interest imposed by this chapter.

3-16-12. - Duties and Powers of City Manager.

The city manager is authorized to administer the provisions of this chapter, and has all other duties and powers prescribed in Section 3-2-17, "Duties and Powers of City Manager," B.R.C. 1981. The city manager is authorized to adopt rules and regulations to interpret, implement, and enforce the provisions of this chapter,

Section 4. If a majority of all the votes cast at the election on the measure submitted are for the measure, the measure shall be deemed to have passed, and the City Council authorized to make amendments to the Boulder Revised Code, 1981, to implement this measure.

Section 5. The election shall be conducted under the provisions of the Colorado Constitution, the Charter and ordinances of the city, the Boulder Revised Code, 1981, and this ordinance.

Section 6. The officers of the city are authorized to take all action necessary or appropriate to effectuate the provisions of this ordinance and to contract with the county clerk to conduct the election for the city.

Section 7. If any section, paragraph, clause, or provision of this ordinance shall for any reason be held to be invalid or unenforceable, such decision shall not affect any of the remaining

provisions of this ordinance. The tax established by this measure is intended to be authorized under any lawful means of taxation, including license taxation pursuant to city of Boulder Charter Section 122.

Section 8. This ordinance is necessary to protect the public health, safety, and welfare of the residents of the city, and covers matters of local concern.

Section 9. The City Council deems it appropriate that this ordinance be published by title only and orders that copies of this ordinance be made available in the office of the city clerk for public inspection and acquisition.

INTRODUCED, READ ON FIRST READING, AMENDED, AND ORDERED PUBLISHED BY TITLE ONLY this 4th day of August, 2015.

_____
Mayor

Attest:

_____
City Clerk

READ ON SECOND READING, PASSED, ADOPTED, AND ORDERED PUBLISHED BY TITLE ONLY this ____ day of _____ 2015.

_____
Mayor

Attest:

_____
City Clerk

ATTACHMENT B

CITY OF BOULDER
REQUESTED BACKGROUND INFORMATION FOR STUDY SESSION July 14, 2015

TO: Members of City Council

FROM: Jane S. Brautigam, City Manager
Tom Carr, City Attorney
David Gehr, Deputy City Attorney
Bob Eichem, Chief Financial Officer
Cheryl Pattelli, Director of Finance
Patrick Brown, Revenue and Licensing Officer

DATE: July 14, 2015

SUBJECT: Occupational Privilege Tax (OPT) aka Head Tax for Potential Ballot Item

I. PURPOSE

At the April 14, 2014 study session it was requested that staff provide background information prior to the City Council recess regarding the Occupational Privilege Tax, often referred to as a Head Tax. The topic will be one of the items discussed at the July 14 study session.

II. QUESTIONS FOR COUNCIL THAT ARE PROPOSED TO BE ASKED AT THE JULY 14 STUDY SESSION

Guidance is requested regarding, does council want staff to move forward with next steps to:

1. Place the question of an OPT on the November 2015 ballot?
2. If it is placed on the ballot, what should the rate of the tax be?
3. If it is placed on the ballot, what exemptions, if any should the city provide?
4. If it is placed on the ballot should the revenue received be used for general purposes of the city, or be dedicated for specific purposes?

III. BACKGROUND AND ANALYSIS

A. The Occupation Privilege Tax in Colorado

Municipalities in Colorado are not permitted to collect an income tax. That right is reserved for the state. Cities may impose an occupational privilege tax (OPT). This is often referred to as a head tax because of the way it is imposed. Specifically, the OPT, in its pure form, imposes a flat dollar amount on each employee working within the

boundaries of the municipality. In other words, it is a tax per head rather than a percent of income.

An OPT is currently in place in Denver, Aurora, Greenwood Village, Sheridan and Glendale. Table 1 illustrates the OPT rates paid by employees in their corresponding municipalities.

Table 1
Rate Paid by Employee

	City/County Denver	City of Aurora	Greenwood Village	Sheridan	Glendale
OPT Rate per Employee per Month	$5.75	$2.00	$2.00	$3.00	$5.00

In addition, the employer pays an equivalent tax for each employee they employ. For example, if an employer had a 100 employees and the OPT rate was $2 per month, the employer would deduct $2 per month from each employee's pay and match it with an employer contribution of $2 per employee, for a total OPT of $400 each month.

The OPT applies to anyone who works within the city. The OPT applies to all employees who are employed by the employer including contract employees.

None of the five entities have any type of mechanism that adjusts the rate up or down in future years. That is the rate does not change based on index of any kind.

Table 2 illustrates the total OPT that would be collected based on the tax rates in various cities. For illustrative purposes no exemptions are used.

Table 2
Example of Total Paid/ Month by Employee and Employer Based on Current Rates

	City/County Denver	City of Aurora	Greenwood Village	Sheridan	Glendale
# of Employees (for illustration only)	100	100	100	100	100
OPT Rate/Month	$5.75	$2.00	$2.00	$3.00	$5.00
Employee OPT/Month	$575	$200	$200	$300	$500
Employer OPT Match	$575	$200	$200	$300	$500
Total OPT Paid to City/Month	**$1,150**	**$400**	**$400**	**$600**	**$1,000**

The tax cannot be a disguised income tax therefore; the tax cannot vary based upon income level. However, a minimum income threshold can be imposed where no employee

making less than a certain amount is charged the OPT (neither the employer nor employee would pay the tax).

Table 3 provides the minimum monthly income threshold in each municipality that has the OPT:

Table 3
Income Threshold per Month below Which No OPT is Collected

	City/County Denver	City of Aurora	Greenwood Village	Sheridan	Glendale
Threshold Amount per Month	$500	$250	$250	$500	$750

Several of the aforementioned municipalities have exemptions in place for governmental employers. This is due to a previous Colorado Supreme Court case. Therefore, in the charts below the amount paid is the employee amount only and there is no governmental employers match.

Table 4 provides a matrix of these exemptions:

Table 4
Exemptions in Cities that Currently have an OPT

Entity	Religious Exemption	Governmental Exemption	Charitable Organizations Exemption*
City/County Denver	Employee pays OPT Employer does not pay OPT	Employee pays OPT Employer does not pay OPT	Employee pays OPT Employer does not pay OPT
City of Aurora	Employee pays OPT Employer does not pay OPT	No exemption**	Employee pays OPT Employer does not pay OPT
Greenwood Village	Employee pays OPT Employer does not pay OPT	No exemption**	Employee pays OPT Employer does not pay OPT
Sheridan	No exemption	Employee pays OPT Employer does not pay OPT	Employee pays OPT Employer does not pay OPT
Glendale	No exemption	No exemption**	No exemption

*If a non-profit organization is qualified by the United States Internal Revenue Service as a tax exempt organization under section 501(c)(3) of the United States Internal Revenue Code then it would be considered a Charitable Organization under the City's municipal code.

** In checking with the three cities that say they do not exempt government it was found that the federal government never pays the employer match. For state and other local governments there is no clear line of what entity pays it and which do not. It seems to be

more based on what the entity decides to do. City of Boulder staff feel the city should pay the employer match if an OPT is placed on the ballot and was approved by the voters.

B. Implementation of Occupation Privilege Tax in Boulder

While updated information has not been garnered from local businesses, the Blue Ribbon Commission I report stated that previous examinations of this tax in the City of Boulder identified three significant concerns that have been voiced:

1. It would place Boulder businesses at a competitive disadvantage to those in the region.
2. Governments do not have to pay the employer portion and Boulder has a significant government employment base.
3. There would be a negative impact on non-profit organizations.

Staff has also received some input that the stronger the correlation between the tax and what it pays for makes the tax more palatable.

If the City Council decides to place some form of this item on the ballot in November of 2015 there will be various opportunities to obtain updated input (council correspondence, letters, public hearings, etc.). Staff will also ensure that this memo is distributed and made available to those who will have an interest in the issue. If the item moves forward staff will also include the community sustainability assessments and impacts.

To project how much the tax would generate annually staff used employment information provided by the Colorado Department of Local Affairs (DOLA) Demography Department. A second resource used was information from the April 2015 Boulder Economic Council Market Profile. There is a difference in the number of jobs (375) in Boulder when comparing the two sources. Mainly it seems to be due to the timing of the reports. Staff has also been made aware of comments made by DOLA staff in meetings that there are closer to 80,000 jobs within the City of Boulder. To date staff has not been able to track down the backup documentation that supports this statement.
Table 5 illustrates job data received from DOLA. The report is as of the end of the fourth quarter of 2013. The categories of religious and charitable are included in various categories (Health Care, Social Assistance, and Other Services).

Table 5
Employees in Boulder per Industry Category

City of Boulder Industry	Employees	% of Employees
Agriculture, Mining, Utilities	313	0.3%
Construction	1,566	1.7%
Manufacturing	9,650	10.3%
Wholesale	2,982	3.2%
Retail	7,927	8.4%
Transportation & Warehousing	877	0.9%

Information	5,570	5.9%
Finance and Insurance	3,352	3.6%
Real Estate	1,279	1.4%
Professional, Scientific & Tech	14,546	15.5%
Mgt. of Companies	567	0.6%
Admin, Support & Waste Mgmt	3,003	3.2%
Educational Services	1,456	1.5%
Health Care & Social Asst	8,463	9.0%
Arts, Entertainment, & Recreation	1,864	2.0%
Accommodation & Food Service	9,290	9.9%
Other Services	2,745	2.9%
Undefined	11	0.0%
Federal Gov	652	0.7%
State Gov	8,929	9.5%
Local Gov	8,933	9.5%
Total	**93,972**	**100.0%**

Table 6 illustrates the annual **estimated** revenue stream from OPT by various OPT rates (rate is per employee/employer per month). The estimated OPT annual revenue is adjusted for exemptions and non-compliance (businesses that are not licensed and/or do not remit their tax).

Staff has made revenue projections using the most conservative case. That is, there is no employer match included for government, religious or non-profits when revenue projections were made to place in Table 6. If Council would like to have staff add them back it can do so for the July 14 study session.

Table 6
Projected Revenue per Year at Various Rates

OPT Rate	# of Workers	Employee Paid OPT	Employer Paid OPT less Government-Match	Estimated Annual OPT Paid
$2	93,972	$1,849,366	$1,485,010	$3,414,356
$3	93,972	$2,774,049	$2,227,515	$5,121,534
$4	93,972	$3,698,731	$2,970,020	$6,828,713
$5	93,972	$4,623,414	$3,712,525	$8,535,891

Based on the research completed by city staff the percent of total employees for which the OPT tax was paid ranged from 79 to 86 percent, with an average of 82 percent. Based on this data the estimated OPT revenue per $1 is projected to range from $825,000 to $890,000 annually. The average would generate $850,000 annually.

IV. NEXT STEPS

Based on council guidance provided at the July 14 study session, and questions received over the council recess staff will bring back more detailed information as requested. As with all ballot questions for 2015, the date by which the final reading of any ballot issue needs to be done is September 1. Due to the way the ballot calendar falls this year it is two weeks later than in most years.

ATTACHMENTS

Attachment A: Potential Uses for Occupational Privilege Tax
Attachment B: Estimated OPT Revenue projection work papers

Attachment C

Transportation Uses for Occupational Privilege Tax Revenue

On July 14, 2015, members of the Boulder City Council discussed potential uses of revenue raised by a possible Occupational Privilege Tax (OPT) or "head tax". In this discussion, there was support for using the funds for Transportation, and specifically for the Community-wide Eco Pass program by some council members. The rationale for this concept is that Boulder is an employment center and approximately half of individuals that work in Boulder live outside of the city and that this situation results in additional demand for local and regional transportation infrastructure, programs and services.

The Community-wide Eco Pass Policy Advisory and Technical Advisory Committees have discussed the use of a head tax to fund the employee portion of a city or county-wide Eco Pass program. For the City of Boulder, it was estimated that an employee-only pass program would cost about $5.86m per year. This cost includes both the Eco Passes and the mid-range estimate for additional transit service needed to meet the new demand and provide higher transit level of service. It was estimated that the cost to replace the fare box for an employee-only program is $5.38m and the additional transit service needs could range from approximately $340,000 to $940,000, with a mid-point of $476,000.

Currently, the Advisory Committees in partnership with RTD are working with consultants to further analyze transit level of service throughout the County, pass pricing, and possible finance mechanisms. It is anticipated that this work will be concluded in early 2016. After completion of the analyses, the Advisory Committees will engage in public outreach and stakeholder process to communicate the results and investigate the feasibility of implementation with the RTD Board and staff.

If OPT revenues are not used to fund an employee-only program or a portion of a larger program that includes employees, residents and university students, there are a variety of other transportation uses. For example, revenue from a head tax could be used to improve regional and local transit service or provide new or expanded transportation demand management or first and final mile programs.

Community-Wide Eco Pass Program Option

Purpose of Feasibility Study

In 2014, The City of Boulder and Boulder County partnered on a study to assess the feasibility of a community-wide Eco Pass program. Specifically, the feasibility study was designed to:

1. Formulate strategic objectives for a community-wide EcoPass
2. Develop demographic and geographic implementation scenarios
3. Estimate induced demand and program costs under each scenario

4. Analyze program benefits; and
5. Address implementation opportunities and challenges

The report can be obtained at: http://www.bouldercounty.org/doc/transportation/ecopassfeasibilitystudy.pdf

In terms of the larger context, the City and the County jointly conducted this study to examine the induced demand and program costs of increasing access to the Eco Pass, which is known to be one of the most effective transportation demand management (TDM) tools to encourage residents, employees and students to use transit. A county- or city-wide Eco Pass program would assist with meeting transportation and sustainability goals of reducing single-occupant vehicle trips, increasing transit mode share and improving air quality. Two community-wide programs already exist within Boulder County in Lyons and Nederland.

Three scenarios and two geographic areas were included in the study to examine various ways in which a community-wide Eco Pass could be designed:

- Scenarios include:
  - All residents, employees, university students
  - Residents only
  - Employees only
- Each scenario was studied in two geographic contexts:
  - City of Boulder only
  - All of Boulder County including the City of Boulder

Key Findings of the Feasibility Study

Transit ridership: Induced transit ridership from a community-wide EcoPass in Boulder County was estimated based on national and international research on fare elasticity, using examples of transit systems that have converted from cash-fare to fare-free systems.

Based on the study, it is estimated that transit ridership would increase significantly with the implementation of a community-wide pass. For Boulder County, the transit ridership increase would range from 26 percent for the employee only scenario to 62 percent for a program that provides Eco Pass to all resident, employees and students. For the City of Boulder, which already has high transit use, the range of transit ridership increases is from 21 percent for the employee only scenario to 38% for a program that provides Eco Pass to all residents, employees and students.

Table 1: Estimated increase in Transit Ridership Based on Induced Demand

Scenarios	Boulder County	City of Boulder
Scenario 1 (All)	62%	38%
Scenario 2 (Residents only)	57%	27%
Scenario 3 (Employees only)	26%	21%

Program Cost:

The cost to implement the various community-wide Eco Pass scenarios for Boulder County ranges from $7m for the first year for an employee only program to $21.5m for the first year for a program that covers all residents, employees and students. For the City of Boulder, the scenarios costs for the first year of the program ranges from $5.8m for employees only to $15m to provide Eco Passes to all.

Under the current business, college and neighborhood Eco Pass program, RTD receives approximately $8.5m per year from participants in the city and county. The majority of the total Eco Pass contracts are paid by the University of Colorado through its student and faculty/staff Eco Pass programs.

For the feasibility study, the program costs of each scenario were estimated by adding the cost of replacing existing revenue generated by each scenario group with the fully allocated cost of providing additional transit service in order to prevent overcrowding from induced demand. Fully allocated costs include operations, maintenance, capital and administrative costs that would be needed as part of any transit service increase. This cost methodology would protect RTD from unfunded service cost increases during the first year of implementation.

Table 2: Estimated Cost of Scenarios

Scenario	2011 RTD Revenue	Induced Demand Cost*	Estimated Total Program Cost
Boulder County			
Scenario 1 (All)	$18,217,059	$3,265,178	**$21,482,237**
Scenario 2 (Residents)	$15,131,422	$2,525,129	**$17,656,551**
Scenarios 3 (Employees)	$6,500,889	$573,580	**$7,074,468**
City of Boulder			
Scenario 1 (All)	$14,185,543	$956,246	**$15,141,789**
Scenario 2 (Residents)	$8,447,519	$727,536	**$9,175,055**
Scenarios 3 (Employees)	$5,388,194	$476,758	**$5,864,952**

* based on mid-range estimate of induced demand cost

Program Benefits: A core benefit of implementing a community-wide EcoPass would be an increase in transit ridership. Depending on the scenario, a County-wide program would result in an annual ridership increase of between 2.2 million (26 percent increase) and 5.2 million (62 percent increase). For comparison, in 2011 annual transit ridership on all Boulder County bus routes was 8.45 million.

The increase in transit ridership would mean fewer trips by automobile in Boulder County. Depending on the scenario, this would equate to a reduction of Vehicle Miles Traveled (VMT) between 13 million and 40 million per year under a County-wide program. The reduced VMT would also mean a reduction of GHG emissions. Depending on the scenario, the approximate reduction in GHG emissions from a County-wide EcoPass would be between 5 million and 15 million kilograms per year.

A community-wide EcoPass program in Boulder County would increase the number of people eligible for an EcoPass by between 130,000 and 270,000 depending on the scenario. The cost of the bus fare can be a significant barrier to using transit for many people.

A community-wide EcoPass would improve access to jobs by reducing the cost of commuting. The cost of commuting can be a barrier to low-wage earners. For those who can use transit to get to work, the cost of commuting would essentially become free.

The average cost of housing plus transportation per household consumes about 47% of the median household income in the Boulder County. The average household in Boulder County spends about $13,800 annually on transportation ($12,600 in the City of Boulder). A community-wide EcoPass program could significantly reduce these household transportation costs.

Implementation Options: Depending on the scenario and the geographical boundaries, there are a variety of ways in which community Eco Pass could be implemented with potential funding options including property taxes, sales taxes, occupational privilege tax (head tax), university student fees, and transportation system user fees such as parking fees or other funding mechanisms.

Current Analysis on the Community-wide Eco Pass

Following the feasibility study, the City and County partnered in organizing two advisory committees to continue the work on designing a community-wide Eco Pass program that would be acceptable to RTD. The Policy Advisory Committee (PAC) is made up of elected officials and high-level staff from the County and the municipalities within Boulder County. The role of the PAC is to set policy guidelines and make decisions based on input and data analysis from the Technical Advisory Committee.

Currently PAC and TAC are in the process of hiring outside consultants for the purpose of estimating transit level of service within the County which will inform the equitable pricing of Eco Passes and further analysis on potential funding mechanisms based on the various scenarios and possible pricing levels. It is expected that the analysis will be complete in early 2016 and the PAC and TAC will then develop recommendations in partnership with RTD and present them to the community. If the recommendations are supported by RTD and the City Council, it would be possible to place any tax measures on the 2016 ballot depending on the identified finance mechanisms.

Staff was asked to estimate the cost of providing Eco Passes to middle and high school students in the City of Boulder as a specific sub-population for a community-wide Eco Pass. The 2014 feasibility study did not estimate costs for middle or high school students. However, based on the average cost of a pass per resident in a resident-only for the City of Boulder scenario, the approximate cost per middle school or high school student would be $90 per year. For the 4,956 middle and high school students, the estimated total cost of the program would be $446,000.

The following items are in process and will need to be completed before final costs can be determined and the program implemented. Due to the status of these items, they raise concerns that Council should be made aware of as the discussion of the tax occurs. If the tax is dedicated only to the Eco-pass program the following needs to be taken into consideration.

1. The Community-wide Eco Pass analysis is not anticipated to be completed until 2016.
2. The Advisory Committees have not identified which scenario is the most feasible in terms of which populations would be eligible.
3. The Advisory Committees have not identified any recommended funding strategies based on which scenario is moved forward.
4. While RTD is a part of the process, we have no idea if they are willing or able to implement any community-wide Eco Pass program recommended by the Advisory Committees.

Table 3. 2015 Transit Buy-Ups

2015 City of Boulder - Current Transit Buy-Ups											
City of Boulder Sales Tax											
Route	Buy-Up Description	Service Runs		Metrics*		Service Hours		Hourly $		Days/year	Total Cost
-	-	Day	Times	Boards/hour	Subsidy/ boarding						
HOP**	Total cost of service (excludes cost of fuel, and reimbursements)	Weekday	7:00a-11:00p	26.6	$2.87	30,020	x	$77.75			**$2,334,055**
		Saturday	9:00a-11:00p								
		Sunday	10:00a-6:00p								
JUMP	Buy-up 10-minute frequency from 7a-6p; 15-min from 6p-8p; and 15-min on Saturday 12p-6:30p	Weekday	5:00a-10:30p	16.3	$4.78	2,125	x	$96.18			**$204,402**
		Saturday	7:30a-11:00p			712	x	$96.18			**$68,490**
		Sunday	8:30a-9:00p			-	-	-			
BOUND	Buy-up 10-minute frequency from 7a-7p; 15-min on Saturday 10a-6p	Weekday	5:30a-12:00a	46	$2.34	2,122	x	$96.18			**$204,046**
		Saturday	7:00a-11:30p			165	x	$96.18			**$15,822**
		Sunday	9:00a-9:30p			-	-	-			
Stampede	30% Local Match for Stampede Service Buy-up funded by 2012-2017 TIP	Weekday	7:00a-7:00p	33.4	$2.03	General contribution					**$5,318**
		Saturday	-								
		Sunday	-								
*According to RTD's 2013 Annual Performance Report										**Total**	**$2,832,132**
**Metrics based on Quarters 1 and 2 of 2015 HOP service											

Table 4. Potential Transit Buy-Ups

2016+ Potential Transit Buy Ups											
Route	Buy-Up Description	Service Runs		Metrics*		Effectiveness	Service Hrs		Hourly $		Days/ Yr	Total Cost
		Direction	Time	Boards/hour	Subsidy/ boarding							
Mid-day FF Express to BTC	Mid-day service - Weekday 60 min frequency	WB	10am - 3pm	33.5	$2.32	**High** - Reduced service as part of US 36 BRT service, proven demand	13	x	$ 123.95	x	255	**$410,894**
		EB	9am-3pm									
Mid-day Boulder Junction	Mid-day service - Weekday 30 min frequency	WB	10am - 3pm	33.3**	$5.50**	**High** - Would help to demonstrate ridership demand at Boulder Junction	26	x	$ 123.95	x	255	**$821,789**
		EB	9am-3pm									
Increased AB -Boulder skyride freq	Increased weekday frequency from 1 hr to 30min	WB	7am-7pm	21.1	$1.92	**Low** - RTD suggests long trip time makes buy-up more expensive	24	x	$ 123.95	x	255	**$758,574**
		EB	7am-7pm									
*Metrics are presented as existing route performance from RTDs 2013 Annual Performance Report												
**Performance for current Route HX											**TOTAL**	**$1,991,257**
											Current & Potential Combined Total	***$4,823,389***

Summarized input received via e-mail or website

Since the July 14 Study Session, city staff took steps to inform Boulder employers and employees that an Occupational Privilege Tax (OPT) that is also commonly called a Head Tax ballot issue is being considered by City Council. An informational **webpage** , with a frequently asked question list was posted and linked to the city's home page. An update email with a link to the new website was sent by city staff to over 200 contacts, primarily Boulder employers and employees, and local business organizations (Boulder Chamber, Latino Chamber, Boulder Economic Council, Boulder Tomorrow, Downtown Boulder Inc., Boulder Independent Business Alliance, Small Business Development Center, and Naturally Boulder). An update email was also sent to the members of the Downtown Management Commission, the University Hill Commercial Area Management Commission, the Boulder Junction Access Commission – Travel Demand Management, and the Boulder Junction Access District Commission – Parking. Many of the business organizations shared the information with their membership.

Comments that have been received are summarized below. Since there is not yet a proposed ordinance, broad outreach has not been conducted with Boulder residents and employees. However, e-mails and other forms of input have been received by Council and staff.

On July 24, city staff from Finance, Transportation and Economic Vitality met with the leadership of the Boulder Chamber and the Boulder Economic Council. The purpose of this meeting was for city staff to provide background information on the head tax proposal and updates on the current process, and to listen to feedback, questions, and concerns.

Key themes that city staff has heard since July 14, primarily from Boulder employers and business organizations include:

- The November 2015 ballot is too soon. It does not allow enough time for adequate research, public outreach and comment, and analysis of the best revenue uses. The business community wants to have a constructive conversation with the city but it is not possible in the current timeframe.
- Business growth has benefited Boulder in numerous ways: increased tax revenue, jobs for Boulder residents, and added value to Boulder as a brand and city.
- The only way the tax would be supported is if the revenues went to directly benefit Boulder employers and employees (EcoPasses and improved transit to Boulder from other cities were most often mentioned).
- Some question if it is clearly understood how much revenue the tax would generate.
- A 2005 study by CU's Business Research Division found that head taxes would affect lower and middle income employees the most.
- This could be a tipping point for businesses to consider leaving Boulder, following other policy decisions related to height limits, linkage fees, and energy/waste reduction.
- The name "Occupational Privilege Tax" implies that it is a privilege to work in Boulder.

TO: Members of Council
FROM: Danielle Sears, City Clerk's Office
DATE: August 4, 2015
SUBJECT: Information Packet

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1. CALL UPS

None.

2. INFORMATION ITEMS

A. 2016 Housing and Community Development Update

B. Boulder's Energy Future Update

3. BOARDS AND COMMISSIONS

A. Human Relations Commission—July 20, 2015

B. Library Commission—May 6, 2015

4. DECLARATIONS

None.

INFORMATION ITEM
MEMORANDUM

To: Members of City Council

From: Jane S. Brautigam, City Manager
David Driskell, Interim Housing Director
Jeff Yegian, Division of Housing Manager
Kristin Hyser, Community Investment Program Manager

Date: August 4, 2015

Subject: Update on 2016 Housing and Community Development Program Funding Requests

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EXECUTIVE SUMMARY

This Information Item is to inform City Council of affordable housing and community development funding requests the City of Boulder Division of Housing has received in response to the 2016 Notice of Funding Availability. The city received eight Affordable Housing applications requesting $5,156,813 and seven Community Development applications requesting $1,590,913. This Information Item will also include an overview of the funding decisions process.

FISCAL IMPACT

The funding awards under consideration and described in this Information Item will be made from the approved budgets of three dedicated funds – local Affordable Housing Funds (AHF) and Community Housing Assistance Program (CHAP) and federal Community Development Block Grant Funds (CDBG).

COMMUNITY SUSTAINABILITY ASSESSMENTS AND IMPACTS

Below is a list of sustainability outcomes and assessment criteria that will be considered in the 2016 fund round.

- Economic: Investing capital in affordable housing development and preservation stimulates the economy by creating and supporting jobs in construction fields; supporting businesses that supply construction trades; attracting and retaining employers and a skilled workforce; and increasing revenues for local communities through sales, income and property taxes, and fees.

- Environmental: An environmental review process is required for all projects receiving affordable housing and community development funds to ensure the proposed project does not negatively impact the surrounding environment and to ensure the property site itself will not have adverse environmental or health effects on end users. Furthermore, providing opportunities for people to live where they work reduces traffic and air pollution.

- Social: Affordable housing programs and community development activities positively impact the lives of many low income Boulder residents. Providing affordable housing choices to low income households builds stability and provides opportunities to work towards self-sufficiency. Capital investments in local agencies serving low income residents allows for heightened service provision.

BACKGROUND

The Division of Housing Funding Program ("Funding Program") provides financial assistance to affordable housing providers, nonprofit agencies and other city departments to facilitate the creation and preservation of affordable housing, support capital needs of community agencies and certain programs that serve low and moderate income households within the City of Boulder.

Each year funds are made available from the local Affordable Housing Funds (AHF), Community Housing Assistance Program (CHAP) and federal Community Development Block Grant (CDBG).

- AHF and CHAP funds are generated locally and were created to enable the City to further its commitment and support for the creation, preservation, and retention of affordable housing in Boulder.
- The City's annual CDBG grant allows the City to pursue CDBG's objective to develop viable communities by providing decent housing, a suitable living environment, and opportunities to expand economic opportunities principally for low and moderate income persons. CDBG is the only funding available for non-housing community development projects.

Funding allocations awarding AHF, CHAP and CDBG funds are guided by local priorities identified in several documents including: 2015-2019 Boulder/Broomfield Regional Consolidated Plan; Boulder County 10-Year Plan to Address Homelessness; the Boulder Valley Comprehensive Plan and the 2005-2015 Housing and Human Services Master Plan.

The 2016 Fund Round is managed by the Division of Housing and includes two categories – Affordable Housing and Community Development. Information regarding the 2016 Fund Round including application materials can be reviewed here. The Affordable Housing Funds will be awarded to partners pursuing the city's goal of having 10% of its residences as permanently affordable to low- and moderate-income people, primarily supporting the creation and preservation of affordable housing units. The Community Development funds support capital needs of agencies serving low income residents of Boulder and certain related programs. While this Information Item is specific to the 2016 Fund Rounds, funding is also available to partners throughout the year through the Opportunity Fund which is available to address time-sensitive requests.

All funding decisions follow the City of Boulder Funding Program Policies which can be reviewed here. In the case of Opportunity Fund requests this process may be expedited to accommodate the time-sensitive nature of the requests.

The 2016 Fund Round was launched in May 2015. The Fund Round is a competitive process with requests typically exceeding funds available. The receipt and review of application includes the following actions:

- Determination of funding availability for both affordable housing and community development activities.
- Release of Notice of Funding Availability sent to affordable housing providers and community agencies, posted on website and public notice included in the Daily Camera. All application materials are available on the city's website.
- Pre-Application meeting and one-on-one technical assistance sessions with potential applicants. Pre-Application session advertised to affordable housing providers and community agencies, posted on website and public notice included in the Daily Camera.

- Pre-Applications reviewed by staff to determine eligibility. Includes working with applicants to clarify questions or concerns regarding the applications.
- Applications submitted for review by staff and City Manager appointed advisory groups.
- Through Information Item, provide City Council list of applications received.
- List of applications received and under consideration posted on the city website.
- Affordable housing applications are reviewed by the Technical Review Group (TRG) and community development funding requests are reviewed by the Community Development Advisory Committee (CDAC). These two committees interview applicants and participate in deliberations leading to funding recommendations. Applicant interviews and funding recommendation deliberations are advertised on the city's website, are open to the public and include time for public comment. Written comments on applications are shared with the TRG and CDAC.
- Preliminary recommendations are shared with applicants and provided the opportunity to appeal the recommendations.
- Recommendations are submitted to the City Manager for review and approval.
- City Manager notifies City Council members of funding decisions five days prior to notification of fund award recipients.
- Fund award recipients notified.
- Funding decisions posted online.

ANALYSIS

The 2016 Affordable Housing and Community Development Fund Rounds will have $3.5 million available to support projects that will continue the City's progress toward its affordable housing goal and address the capital improvement needs of agencies serving low income households in Boulder.

2016 City of Boulder Affordable Housing Funding Applications

In 2016, there will be approximately $3 million available to support affordable housing activities. The 2016 Affordable Housing Fund Round applications include a mix of projects proposing to acquire properties to create new affordable, preserve existing affordable units and provide assistance in the form of owner-occupied housing rehabilitation and housing counseling. The 2016 Affordable Housing applications received include:

Applicant **Project**	**Activity**	**Funding Request**
Attention, Inc. Acquisition	Acquisition of land or building to create permanent supportive housing for runaway and homeless youth.	$1,000,000
Attention, Inc. Rehabilitation	Rehabilitation of the Adolescent Residential Care Facility providing housing for at-risk youth.	$50,173
Boulder County Housing Authority Housing & Financial Counseling	Provide housing and financial counseling and education to City of Boulder residents.	$60,000
Longs Peak Energy Conservation Rehabilitation	Support Mobile Home Repair Program, Home Rehabilitation Loan Program, and Architectural Barrier Removal Program	$125,000
Boulder Shelter for the Homeless Energy Efficiency Improvements	Energy efficiency improvements for 12 transitional housing units.	$21,640
Boulder Housing Partners Palo Park Development	Development of 44 units offering rental and homeownership to households earning between 30% - 60% AMI.	$2,500,000
Boulder Housing Partners Red Oak Park II Acquisition	Acquisition of 3000 Folsom (adjacent to Red Oak Park) to develop additional affordable housing units.	$1,350,000

Thistle Communities Engineering Services	Fund engineering services to pursue infrastructure improvements on the south side of Mapleton Mobile Home Park.	$50,000
TOTAL		***$5,156,813***

2016 Community Development Funding Applications

In 2016, there will be approximately $350,000 available to support community development activities. The 2016 Community Development Fund Round applications will address the capital needs of Boulder nonprofit organizations and provide microenterprise assistance and public services to low income Boulder residents. The 2016 Community Development applications received include:

Applicant **Project**	**Activity**	**Funding Request**
Acorn School for Early Childhood Education Capital Improvement	Replace aging windows at the Wilderness Early Learning Center with an energy efficient window product.	$110,913
Colorado Enterprise Fund (CEF) Operating Expenses	Support operating expenses in support of the provision CEF's comprehensive microenterprise and small business development program.	$50,000
Community Cycles Acquisition	Acquire 3390 Valmont Road to create Community Cycles Bike Shop.	$250,000
Family Resource Schools Public Services	Public Services	$105,000
Growing Gardens Capital Improvement	Build restroom facilities at the Local Farm Project site.	$60,000
Meals on Wheels Acquisition	Pre-development funds to support the architectural and engineering costs associated with creation of a new Meal on Wheels site.	$975,000
YMCA Capital Improvement	Convert outdoor water play area to a year round warm water therapy pool.	$40,000
TOTAL		***$1,590,913***

A list of applications received can be viewed here. Please contact Kristin Hyser, Community Investment Program Manager, at 303.441.4187 or Kate Masingale, Funding Administrator, at 303.441.3167 to receive copies of submitted applications.

Applications are currently being reviewed by staff, the TRG and CDAC including interviews and possible site visits starting in September. The schedule of the Fund Round interviews will be posted on the Division of Housing website here. The TRG and CDAC will deliberate and determine funding recommendations during these meetings. To inform the deliberations, City Council is invited to provide written comment to both the TRG and CDAC by September 9. Preliminary funding recommendations will be shared with applicants and provided the opportunity to appeal the funding recommendation. Final funding recommendations will be submitted to the City Manager for approval in early December. The City Manager will notify City Council members of the funding decisions prior to notification of applicants of final funding awards.

INFORMATION PACKET
MEMORANDUM

To: Members of City Council

From: Jane S. Brautigam, City Manager
Heather Bailey, Executive Director of Energy Strategy and Electric Utility Development

Date: August 4, 2015

Subject: Information Item: Boulder's Energy Future: Transition Plan and Budget Update

A. Transition Plan Update

The Transition Work Plan serves as a working tool for the city that will continue to be updated on a regular basis as regulatory and legal issues are addressed, tasks are refined, and work is completed. It is designed to manage the risks of acquisition while prioritizing the fundamentals of an electric utility: safety and reliability. The updated schedule overview dated June 28, 2015, is presented as **Attachment A**. Significant work and accomplishments completed since the last update to council include:

- Application to the Colorado Public Utilities Commission for transfer of assets submitted
- Request for proposal issued and response from Xcel Energy for power supply
- Qualification statements for ongoing operation and maintenance services received
- Work initiated on the Information Technology roadmap project
- District Court ruling upholding council decision on forming utility and dismissing Xcel's lawsuit
- Developed options for energy services
- Meetings with the Energy Services, Reliability and Safety, Rates and Resource Acquisition working groups
- Communication and outreach work, including a citywide mailer and digital education and awareness initiative
- Participation in a number of regional, national and international collaborations in support of the Boulder community's climate and energy goals (**Attachment B**)

Anticipated work during the third quarter of 2015 includes:

- Pursue application to the Colorado Public Utilities Commission for transfer of assets responding to Answer Testimony and discovery requests
- Evaluation of Xcel Energy response to power supply request for proposal
- Evaluation of qualification statements for ongoing operation and maintenance services
- Continue work on the Information Technology roadmap project
- Evaluate energy services options
- Continue to meet with the Energy Services, Reliability and Safety and Resource Acquisition working groups
- Communication and outreach work

B. Budget Update

The municipalization Transition Work Plan represents a significant undertaking. In particular, the legal and technical work necessary to prepare for the potential acquisition of the local distribution system and launch of a municipal utility will be a considerable investment. Recognizing this, in 2011, city voters approved an increase to the Utility Occupation Tax in the amount of $1.9 million a year. The use of this tax revenue has been allocated to the following categories:

- Legal services (PUC, condemnation and FERC Counsel)
- Consulting services related to municipalization and separation of Xcel Energy's (Xcel) system (engineering and appraisal services)
- Salary and benefits (executive director of Energy Strategy and Electric Utility Development)
- Purchased services and supplies (office space and supplies)

<u>2015 Budget</u>
The 2015 total budget of $7,880,327 is funded from the 2015 Utility Occupation Tax, $2,015,710; a one-time general fund request of $4,927,525 which will be repaid from future Utility Occupation Tax collections for 2016 and 2017; 2015 encumbrance carryover of $495,731; and 2015 Operating Carryover of $441,361. These funds will be allocated to support high priority tasks, salaries and benefits related to acquiring necessary assets and preparing to launch and operate an electric utility. Expenditures for 2015 total $937,868 and are below year to date budget targets.

The 2015 sources and uses for this effort are provided in the charts below.

2015 SOURCES	
2015 Utility Occupation Tax	2,015,710
2015 One-time General Fund Request	4,927,525
2015 Encumbrance Carryover	495,731
2015 ATB Carryover Request	441,361
TOTAL	***7,880,327***

2015 USES	2015 Revised Budget	Expenditures	Committed/ Encumbered	Balance
Staffing	**891,900**	**320,527**	**0**	**571,373**
Consulting and Contract Services - Transition Plan	921,500	40,964	0	880,536
Consulting and Contract Services - Legal and Regulatory	1,207,282	440,573	726,770	39,939
Consulting and Contract Services	**2,128,782**	**481,537**	**726,770**	**920,475**
Systems	**290,000**	**78,541**	**71,459**	**140,000**
Capital	**0**	**0**	**0**	**0**
Purchased Services and Supplies	**216,252**	**57,262**	**27,160**	**131,830**
Contingency	**343,998**	**0**	**0**	**343,998**
Subtotal	***3,870,932***	***937,868***	***825,389***	***2,107,675***
Future Planned Expenditures	**4,009,395**			
TOTAL	***7,880,327***			

Other staff resources assigned to this effort have been allocated within existing budgets and are separate from the $7,880,327 budget. This is in alignment with the overall priority of this effort and existing roles, responsibilities and funding, as well as the approach historically taken with other significant and cross-departmental city projects. As a reminder, an organizational chart showing those assigned to this project and their areas of focus is included as **Attachment C**. A list that includes staff working on this effort, the percentage of time spent in 2015 on the project and associated budget allocation is provided in **Attachment D**.

Attachments:
Attachment A: Transition Work Plan Schedule (Updated June 28, 2015)
Attachment B: Regional, National and International Collaboration
Attachment C: Organizational Chart
Attachment D: Staffing Resources

TRANSITION WORK PLAN SCHEDULE OVERVIEW

6/28/2015

TASK	2015			2016				2017				2018	2019
	QTR2	QTR3	QTR4	QTR1	QTR2	QTR3	QTR4	QTR1	QTR2	QTR3	QTR4		
DEFINITIONS													
DAY 1 - City takes ownership and begins customer billing													
DAY 2 - City completes interconnection construction													
LEGAL/REGULATORY													
PUC Process													
Condemnation Process													
FERC/NERC/WECC Compliance													
Perform NERC system compliance assessment; confirm proper registration,													
Identify and document filing requirements													
Develop Boulder compliance plan													
PLANNING & ENGINEERING													
Systems													
GIS													
SCADA													
Review Xcel SCADA information													
Evaluate SCADA communication protocol													
Implement SCADA system													
Modeling													
Policies/Procedures/Standards													
National Electrical Safety Code (NESC), Occupational Safety and Health Administration (OSHA), Environmental Protection Agency (EPA), "good utility practices,"													
Developer Standards													
Review Xcel Developer Standards													
Develop Boulder Developer Standards													
Interconnection Standards													
Review Xcel Interconnection Standards													
Develop Boulder Interconnection Standards													
Additional Facilities & Services													
Review Xcel Standards for Additional Facilities & Services													
Develop Boulder Standards for Additional Facilities & Services													
Impact Fees and Charges													
Review Xcel Impact Fees and Charges													
Develop Boulder Impact Fees and Charges													
Service Contracts for Large Customers													
Review Xcel Service Contracts for Large Customers													
Develop Boulder Service Contracts for Large Customers													
Substation, Transmission, Distribution Design Manuals													
Review Xcel Substation and Distribution Design Manuals													
Develop Boulder Substation and Distribution Design Manuals													
Substation and Distribution Materials and Construction Standards													
Review Xcel Substation and Distribution Materials and Construction Standards													
Develop Boulder Substation and Distribution Materials and Construction Standards													
Substation and Distribution System Planning Guidelines													
Review Xcel Substation and Distribution System Planning Guidelines													
Develop Boulder Substation and Distribution System Planning Guidelines													
Meter Maintenance & Testing Standards													
Review Xcel Meter Maintenance & Testing Standards													
Develop Boulder Meter Maintenance & Testing Standards													
Council approval of Engineering Policies (as needed)													
Planning & Engineering Studies													
System Map													
Review Xcel's System Map for Boulder system													
Issue RFP, Determine Contractor, Develop System Map and Inventory													
System Model													
Review Xcel's System Model for Boulder system													
Issue RFP, Determine Contractor, Develop System Model													

TRANSITION WORK PLAN SCHEDULE OVERVIEW

6/28/2015

TASK	2015			2016				2017				2018	2019
	QTR2	QTR3	QTR4	QTR1	QTR2	QTR3	QTR4	QTR1	QTR2	QTR3	QTR4		
Protective Device Coordination													
Review Xcel's Device Protection Schemes for Boulder system													
Issue RFP, Determine Contractor, Perform Coordination Study													
Arc Flash Analysis													
Review Xcel's Arc Flash study/incident energy levels for Boulder system													
Issue RFP, Determine Contractor, Perform Arc Flash Study													
Long Range Plan													
Review Xcel's Long Range Plan for Boulder System													
Issue RFP, Determine Contractor, Develop Long Range Plan													
CONSTRUCTION, OPERATIONS AND MAINTENANCE													
Evaluate construction & operations services to outsource													
RFQ for on-going services													
Issue RFPs for on-going services													
Negotiate contracts for on-going services													
Meter Reading													
Expand water meter reading operations or sub-contract; implement													
Locate and lease support facility space													
Office Space/Printing/Mail Room/Meeting Room (Construction)													
Indoor Warehouse													
Outdoor Warehouse/ Laydown Yard													
Transformer & Equipment Shop													
Vehicle & Equipment Shelters/Storage													
Meter Shop													
Substation Shop													
Vehicle Service & Maintenance													
Dispatch Center													
SCADA Operations Center													
Emergency Operations Center													
Systems													
Outage Management System													
Evaluate Outage Management Options													
Evaluate and Implement Outage Management or coordinate with Xcel													
Meter Data Management													
Review Xcel meter reading technical requirements and communication protocols OR contract with Xcel for meter reading													
Implement Meter Data Collection/Management System OR develop meter data transfer and system testing plan with Xcel													
Inventory													
Warehouse Stock													
Obtain list of unique or critical equipment specific to Boulder territory													
Determine warehouse inventory levels and purchasing requirements to meet scheduled and emergency work													
Stock Warehouse													
Meters													
Determine required metering inventory levels and purchasing requirements to replace meters as part of ongoing maintenance													
Stock meter shop													
Needs assessment for future meter replacement program (input into LRP); compatibility, functionality, etc.)													
Equipment/Tools													
Contract Crew Equipment													
Service Crew Equipment													
Meter Tech Equipment													
Vehicles													
Rolling Stock													
Personal Protective Equipment													

TRANSITION WORK PLAN SCHEDULE OVERVIEW

6/28/2015

TASK	2015			2016				2017				2018	2019
	QTR2	QTR3	QTR4	QTR1	QTR2	QTR3	QTR4	QTR1	QTR2	QTR3	QTR4		
Policies/Procedures/Standards (Construction & Operations)													
System Operations Procedures													
Review Xcel system operations standards													
Develop Boulder system operations procedures													
System Inspection, Maintenance, and Testing Procedures													
Review Xcel system inspection, maintenance, and testing standards and reports for 5 historical years													
Develop Boulder system inspection, maintenance, and testing procedures													
Vegetation Management Plan													
Review Xcel information on vegetation management requirements including clearing cycles and status of Boulder circuits.													
Evaluate existing City practices, determine expansion of City practices or develop separate plan, finalize Vegetation Management Plan													
Outage Response & Emergency Operating Plan													
Obtain SAIDI and SAIFI for Boulder circuits for the most recent 5 historical years													
Evaluate synergies with other City operations and finalize Outage Response & Emergency Operating Plan													
Council Approval of Construction & Operations Policies (as needed)													
Secure building and facility space of on-going services													
Vendor mobilization for on-going services													
POWER SUPPLY													
Policies/Procedures/Standards													
Risk Management Protocols													
REC & Carbon tracking protocols (with sustainability office)													
Resource Planning													
Integrated Resource Planning													
Determine IRP process including: participants, required data, frequency, approval process, need for consultants, etc													
Potential IRP Working Groups													
Colorado Renewable Energy Resource (RES) Compliance Plan													
Develop and implement RES compliance plan based on state requirements													
Load Forecast													
Review historical monthly retail load data, by customer class, from Xcel; adjust to delivery points													
Review historical DSM & EE energy/capacity displacement from Xcel programs													
Review historical generation from third-party owned generation (DG)													
Develop estimate of future generation/displacement from existing and anticipated city owned or third-party DSM/EE/DG for 10 year planning cycle													
Develop current and 10-year summer/winter energy and demand load profile by delivery point													
Evaluate Rocky Mountain Reserve Group participation													
Power Supply													
Power Supply Preliminary Evaluation (RFP Pre-Work)													
Power Supply Working Group													
Issue RFP for Power Supply and Transmission Service consultant													
Evaluate Boulder Distributed Generation Potential													
Perform local solar potential capacity analysis													
Create web based solar mapping platform utilizing Lidar or equivalent tool													
Perform Local generation potential capacity analysis (other generation resources, e.g. CHP, biomass, geothermal, etc)													
Establish Short and Long Term Power Supply RFP objectives that meet technical requirements for delivery, cost, environmental priorities and Utility of Future vision													
Contract for Power Supply													
Secure Power Supply and Transmission Service													
Issue RFP to Xcel Energy													
Evaluate Xcel Energy Proposal													
Issue RFP to thrid party providers													

TRANSITION WORK PLAN SCHEDULE OVERVIEW

6/28/2015

TASK	2015			2016				2017				2018	2019
	QTR2	QTR3	QTR4	QTR1	QTR2	QTR3	QTR4	QTR1	QTR2	QTR3	QTR4		
Receive responses and evaluate proposals for power supply													
Negotiate contract for power supply													
Council approval of Power Supply contract													
Implementation of power supply and transmission prior to Day 1													
Transmission Service and Agreements													
Determine appropriate transmission service													
Provide OATT Application													
Coordinate/negotiate agreements for transmission service													
Execute OATT agreements for transmission service													
CUSTOMER SERVICE													
Determine call center implementation approach													
Issue RFP for call center representative and outsource (if required)													
Billing/Collections Staff													
Expand current City operations for electric billing/collections													
Output Services Inc. (OSI) - printing and mailing bills and notices													
e-Complish/Chase Paymentech - process phone and online credit payments													
JP Morgan Chase - process check payments													
Vanco Services - electronic payments													
Systems													
Customer Information (CIS/Billing)													
Internal evaluation for CIS system requirements													
Contract with Advanced Utility to configure software for electric billing													
CIS system - Software programming implementation													
Clean Data													
Import Customer Account Information and CIS "live" testing with Call Center													
Review Customer Account Information													
Policies/Procedures/Standards													
Customer Service Policies													
Request Xcel's existing customer account policies and charges, deposits, credit checks, disconnection/reconnection, late payments, bill disputes, etc.													
Develop Customer Service policies													
Council approval of Customer Service Policies													
Key Accounts													
Establish criteria for Key Accounts													
Identify and Tag Key Accounts													
Develop Key Account Service Plan													
Customer Account Transition													
Communications and Customer Experience Working Group													
Develop/revise customer interface platforms and contact information (phone, email, website)													
Launch Customer Transition Communication													
ENERGY SERVICES													
Develop options for new 2015 Energy Services													
Develop plan and funding options for 2016 Energy Services													
Launch new 2016 Energy Services													
Existing (Xcel) Customer Programs- Billing Transition													
Obtain list of current and anticipated City customers participating in existing Xcel sponsored programs.													
Determine legacy Xcel customers that require program support and ongoing bill credits/compensation (if necessary).													
Incorporate billing methodology to continue credits/compensation to legacy Xcel program participants if necessary.													
Energy Services Development - Day 1													
Energy Services working group (energy efficiency and solar)													
Determine Energy Services objectives and preliminary design													
Develop Energy Services budget for 10-year planning cycle													

TRANSITION WORK PLAN SCHEDULE OVERVIEW

6/28/2015

TASK	2015			2016				2017				2018	2019
	QTR2	QTR3	QTR4	QTR1	QTR2	QTR3	QTR4	QTR1	QTR2	QTR3	QTR4		
Identify customer energy services needs													
Perform gap analysis from existing services													
Develop plan to institute energy services as of Day 1 and beyond													
Develop Energy Services													
Engage legal, marketing, customer service, operations, metering, billing, etc.													
Develop Rate Structures or Riders for input into rate development													
Establish Measurement and Verification Guidelines and Methodology													
Public process/Council approval													
Finalize Energy Services													
Market and Launch Day 1 Energy Services													
FINANCE & ACCOUNTING													
Resource (Capital) Planning and Financial Management System													
Modify/expand Tyler Munis Financial system for electric operation													
Accounting													
Modify/expand Tyler Munis Accounting system for electric operation													
FERC Accounting													
GASB Accounting													
Purchasing													
Asset Management													
Insurance													
Personnel Related Insurance - evaluate current self-insurance coverage and adjust as needed													
Equipment Related Insurance - evaluate current self-insurance coverage and adjust as needed													
Budget													
10-20 year Budget (preliminary/pro forma)													
10-20 year Budget (final for bond issuance)													
Refresh Budget (using final retail rates) for Charter Metrics													
Rates													
Retail Rate Working Group													
Issue RFP and choose contractor for Rate Analysis													
Develop Boulder Rates													
Identify Rate Components and preliminary rate structure													
Cost of Service Study													
Develop Rates (final for bond issuance)													
Public process/Council approval of rates													
Finalize Rates													
FINANCING													
BRIDGE LOAN													
Election													
Solicitation													
Council Process													
Bridge Loan Prep													
Bridge Loan Duration													
BONDING													
Bond Prep													
Issue RFP for Bond Underwriter													
Development of official statement													
Rating agency presentations													
Investor presentations/Drafting of disclosure documents													
Issue Bonds													
SUPPORT SERVICES													
Fleet Service Management System													
Administrative Policies													
Human Resources													
HR Staffing Assessment													

TRANSITION WORK PLAN SCHEDULE OVERVIEW

6/28/2015

TASK	2015			2016				2017				2018	2019
	QTR2	QTR3	QTR4	QTR1	QTR2	QTR3	QTR4	QTR1	QTR2	QTR3	QTR4		
Review/revise existing Personnel Policies following HR Staffing Assessment													
Information Technology													
Facilities													
Fleet													
Communications													
Interim Communications and Outreach													
Communication and Customer Experience Working Group													
Branding, Marketing & Communications Plan													
Evaluate need for branding and logo; develop preliminary budget													
Branding design; preliminary marketing/communication plan													
Public Process/Council approval of branding and logo													
Finalize branding and communication plan and budget; identify audience, format, content, and timing													
Launch branding and communication plan													
Accident Investigation Procedures													
Incorporate electric operations requirements into current procedures													
Establish/Adopt Safety Policies & Training Programs for electric operations													
INTER-DEPARTMENT ASSESSMENTS													
GOVERNANCE													
Governance Working Group													
Create Utility Advisory Board													
INTERCONNECTION CONSTRUCTION													

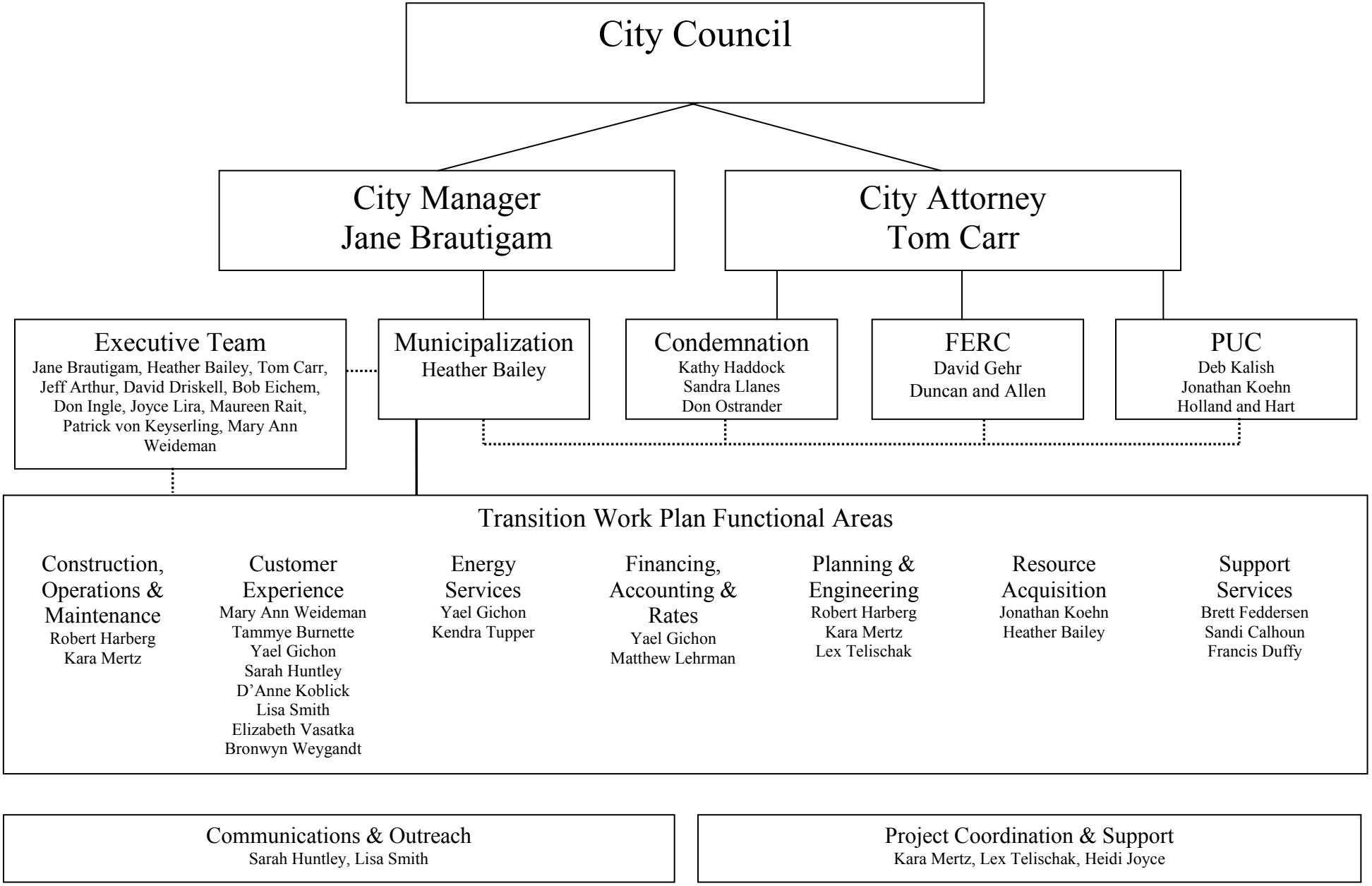
Regional, National and International Collaboration

Area of Collaboration	Relevant Activities in 2015
Legislative & Regulatory	• **Colorado Public Utilities Commission (PUC) Proceeding No. 14AL-0660E (2014 Rate Case)** Staff participated in the proceeding including the settlement discussions. • **Monitored Bills introduced in 2015 Legislative Session.** • **Colorado Public Utilities Commission (PUC) Proceeding No. 14R-0394EG (Rulemaking on Energy Data Access and Privacy Rules)**—Created a coalition of eight local governments to recommend rule changes to facilitate climate action planning; current redline of rules requires utilities to make available standard annual community energy reports for local governments; receiving assistance from the Energy Information Administration on statistical best practices for providing aggregated data. The Commission ruled on the proceeding on July 7, approving many of the City's recommendations such as removing the 15/15 rule for aggregated community energy reports. Concurrently, the Commission dismissed several of the more impactful recommendations made by Boulder and Denver that would have made it easier for communities to obtain energy usage data. • **In partnership with Boulder County, developed the Colorado Climate Future Coalition** to lead efforts to advocate for policy and regulatory changes that promote and support local decision making in pursuit of a low carbon energy future including those that would simultaneously promote community resilience, economic vitality and job creation.
Regional Technical and Outreach Working Groups	• **Colorado Climate Networking Steering Committee**—The Colorado Climate Network and the Colorado Municipal League are convening a statewide Local Resilience Project and the Northern Front Range Resiliency Project o help improve the resilience of Colorado local governments and local resources to possible climate change impacts. The Network released the final report available at: http://www.coclimatenetwork.org/resilience.htm • **Local Government Working Group on Public Utilities Commission Issues**—Developed strawman community energy report and participated in meetings with Xcel Energy technical staff to refine list of energy consumption and programmatic metrics that will be provided to local governments for climate and energy planning. • **Boulder Sustainability Alliance**—Representatives from CU Boulder, BVSD, Boulder County and the city have continued to meet to discuss sustainability related issues; particularly issues associated with energy. On May 4 the Alliance was the primary topic at the Town/Gown event at CU Boulder. Leadership from each of the four Alliance organizations spoke about efforts relate to climate, energy and sustainability. • **Boulder, Boulder County & City/County of Denver Collaboration—**Staff from the four agencies meet quarterly to discuss ongoing issues related to energy and climate, waste reduction and transportation alternatives. • **Colorado Clean Energy Cluster**—Colorado Clean Energy Cluster (CCEC) is a

	project-driven, nonprofit economic development organization aimed at growing primary jobs in Colorado in the area of clean energy through formal partnerships between clean energy companies, the public sector and higher education. The board is made up of cities, businesses and universities – the city's membership includes board seats for the city, Boulder Chamber, and the University of Colorado Boulder. The city is collaborating with CCEC on the following efforts: ▪ Organizing and tracking the local clean tech energy sector ▪ Identifying and developing high profile/high impact pilot projects that engages our local clean energy companies ▪ Ensuring the success of the Boulder Energy Challenge grant recipients ▪ Identify ways that the city can help our local clean tech innovators effectively network and export their products and services to larger regional/national/international markets. ▪ Colorado Climate Future Coalition
National Technical and Outreach Working Groups	• **American Council for an Energy Efficient Economy (ACEEE) Local Energy Efficiency Self-Scoring Tool**—Provided ACEEE with 2013 update of new activities, programs and policies the city engaged in beyond those previously submitted for 2012 and the beta release of the tool. • **iUrban Smart City Advisory Group**—Participated in two collaborative webinars with international advisory group members. • **USDN Utility-Data User Group**—Participated in bi-monthly webinars on topics from EPA Portfolio Manager to an overview of ACEEE tools and resources.
Conferences & Presentations	• February 24-23, Panel and Presentation at COSEIA Conference • March 5, Presentation at Law Seminars International Conference • March 12, Presentation to Gunbarrel Energy Future • March 17, Alliance for Sustainable Colorado Legislative Briefing • March 25-27, Planning Committee and Presentation at the Second Annual Maui Energy Conference • March 31, 2015, Presentation to CU Policy Class • April 20, Hosted presentation by Hubert Fechner head of Renewable Energy at the Inst. of Applied Science in Vienna • May 12-13 Carbon Neutral Cities Alliance, Vancouver • May 19, Presentation to Boulder Valley Rotary Club • May 20, Presentation to Leave Boulder County Out • May 27, American Antitrust Institute Presentation • June 18, Presentation to Boulder Economic Council • June 29, USDN Technical Microgrid Workshop, Boston • July 13, Vail Symposium Panel Presentation • July 14, Presentation to Boulder County Commissioners

ATTACHMENT C

Organizational Chart



ATTACHMENT D

Boulder's Municipalization Exploration Project

2015 Staffing Resources

January - June, 2015

Executive Director	Source of Funding	% of Time
Heather Bailey	Utility Occupation Tax	100
		$189,717 Utility Occupation Tax

Executive Team	Source of Funding	% of Time
Jeff Arthur	PW Utilities	2
Jane Brautigam	CMO Budget	5
Tom Carr	CAO Budget	8
David Driskell	CP&S Budget	4
Bob Eichem	Finance Budget	5
Don Ingle	IT Budget	9
Joyce Lira	HR Budget	3
Maureen Rait	PW Budget	5
Patrick von Keyserling	Communications Budget	2
Mary Ann Weideman	CMO Budget	7
		$54,556 Estimated Cost

Project Team	Source of Funding	% of Time
Sandi Calhoun	HR Budget	6
Carl Castillo	CMO Budget	<1
Kelly Crandall	CAP Budget	83 Through May 8
Francis Duffy	IT Budget	1
Brett Feddersen	IT Budget	10
David Gehr	CAO Budget	27
Yael Gichon	CAP Budget/General Fund	100
Kathy Haddock	CAO Budget	73
Robert Harberg	PW Budget/General Fund	73
Sarah Huntley	Communications Budget	35
Heidi Joyce	General Fund	100
Deb Kalish	CAO Budget	63
Jonathan Koehn	CP&S Budget	80
Sandra Llanes	CAO Budget	18
Kara Mertz	CP&S Budget	10
Cheryl Pattelli	Finance Budget	<1
Lisa Smith	General Fund	100
Lex Telischak	General Fund	100 Beginning May 2015
		$492,403 Estimated Cost

Support	Source of Funding	% of Time
Tammye Burnette	CMO Budget	<1
Marion Down	IT Budget	2
Daniel Fairchild	IT Budget	2
Elizabeth Hanson	CP&S Budget	4
Taylor Jacobs	PW Budget	1
Elesha Johnson	CMO Budget	4
D'Anne Koblick	General Fund	25
Sean Metrick	PW/CP&S Budget	<1
John Miller	General Fund	100 Through Feb. 2015
Laurie Nading	CAO Budget	30
Denise Noe	HR Budget	<1
Joanna Paradiso	P&DS Budget	3
Penn Richman	IT Budget	21
Emily Sandoval	General Fund	100 Beginning May 2015
Lindsay Sandoval	General Fund	100 Through May 2015
Kendra Tupper	CAP Budget	13
Elizabeth Vasatka	CAP Budget	6
Bronwyn Weygandt	PW Budget	2
		$76,278 Estimated Cost

$189,717 Utility Occupation Tax
$144,254 One-time General Fund Request
$479,094 Other Funding Sources

City of Boulder
BOARDS AND COMMISSIONS MEETING SUMMARY FORM

NAME OF BOARD/COMMISSION: Human Relations Commission

DATE OF MEETING: July 20, 2015

NAME/TELEPHONE OF PERSON PREPARING SUMMARY: Robin Pennington 303-441-1912

NAMES OF MEMBERS, STAFF AND INVITED GUESTS PRESENT:
Commissioners – Amy Zuckerman, Shirly White, Nikhil Mankekar, Emilia Pollauf, José Beteta
Staff – Carmen Atilano, Robin Pennington, Karen Rahn
Commissioners absent – None

WHAT TYPE OF MEETING (CIRCLE ONE) [REGULAR] [SPECIAL] [QUASI-JUDICIAL]

AGENDA ITEM 1 – CALL TO ORDER – The July 20, 2015 HRC meeting was called to order at 6 p.m. by **A. Zuckerman.** N. Mankekar arrived at 6:09 p.m.

AGENDA ITEM 2 – AGENDA ADJUSTMENTS – Add July 30, 2015 City Council Study Session on the West Fourmile area (Ponderosa MHP) planning grant as Action Item 5. B. Add 2016 Community Event Fund RFP as Discussion/Informational Item 6. E.

AGENDA ITEM 3 – APPROVAL OF MINUTES – The June 15, 2015 minutes were revised and will be brought back for approval at the August HRC meeting.

AGENDA ITEM 4 – COMMUNITY PARTICIPATION (non-agenda action items) – Community member Darren O'Connor addressed the commission regarding the Joe Harris case.

AGENDA ITEM 5 – ACTION ITEMS

A. Community Impact Fund – BMoCA – **N. Mankekar moved** to approve the BMoCA CIF application in the amount of $1,500. **J. Beteta seconded. Motion carries 5-0.**
B. West Fourmile area (Ponderosa MHP) planning grant Study Session – **J. Beteta** requested that the HRC take note of the social aspect of the possible annexation of the Ponderosa Mobile Home Park. Commissioners agreed to listen to the Study Session and discuss further at the August HRC meeting. No action was taken.

AGENDA ITEM 6 – DISCUSSION/INFORMATIONAL ITEMS

A. BCAR Forum July 23, 2015 - Community member Darren O'Connor addressed the commission regarding the upcoming community gathering on July 23, 2015 at 6 p.m. at the First Congregational Church in Boulder. Commissioners **S. White** and **N. Mankekar** tentatively agreed to attend.
B. Inclusive and Welcoming Community Work Plan – K. Rahn provided an update on the RFPs for review of the summons and arrest data and the Professional Standards Review Panel best practices, and the Community Survey and Assessment.
C. Living Wage Update – C. Atilano gave an update on work of the city staff committee on Living Wage.
D. Event Reports – **A. Zuckerman**, **J. Beteta** and **N. Mankekar** attended a rally on June 26, 2015 on the Pearl Street Mall following the Supreme Court decision on gay marriage. **N. Mankekar** attended a presentation on community policing in Longmont, and the June 15, 2015 City Council Public Hearing on mobile homes.
E. 2016 Community Event Fund RFP – C. Atilano gave an overview of the 2016 RFP schedule.

AGENDA ITEM 7 – IMMEDIATE ACTION ITEMS – None.

AGENDA ITEM 8 – Adjournment – **N. Mankekar moved** to adjourn the July 20, 2015 meeting. **E. Pollauf seconded**. **Motion carries 5-0.** The meeting was adjourned at 8:23 p.m.

TIME AND LOCATION OF ANY FUTURE MEETINGS, COMMITTEES OR SPECIAL HEARINGS: The next regular meeting of the HRC will be Aug. 17, 2015 in City Council Chambers, Municipal Building, 1777 Broadway.

CITY OF BOULDER
BOULDER, COLORADO
BOARDS AND COMMISSIONS MEETING
MINUTES

Name of Board/ Commission: Library Commission

Date of Meeting: May 6, 2015 in the Canyon Meeting Room, Main Library, 1001 Arapahoe Ave.

Contact Information Preparing Summary: Carrie Mills, 303-441-3106

Commission Members Present: Paul Sutter, Donna O'Brien, Alicia Gibb, and Tim O'Shea
Commission Members Absent: Joni Teter

Library Staff Present:

David Farnan, Director of Library & Arts
Jennifer Miles, Deputy Library Director
Aimee Schumm, eServices Manager
Beth Gallinger, Systems Librarian
Hillary Dodge, Meadows Branch Manager
Carrie Mills, Administrative Specialist II
Anna Lull, Meadows Branch Library Specialist

City Employees Present:

Glenn Magee, Facilities Design and Construction Manager

Public Present:

Susan Herbert
Kathy Turner
Diane Kleis
Deborah Ardila
Bill Sackett

Type of Meeting: Regular

Agenda Item 1: Call to Order and Approval of Agenda **[6:00 p.m., Audio 0:22 min]**

The meeting was called to order at 6:00 p.m. Sutter added Dodge to the agenda to discuss the Summer Reading Program. Dodge spoke after Agenda Item 4: Consent Agenda.

Agenda Item 2: Public Participation **[6:01 p.m., Audio 0:50 min]**

Sutter explained the public comment guidelines. Herbert addressed the need for a corner or branch library in Gunbarrel. She calculated that Gunbarrel residents were roughly 10 miles from the Reynolds Branch Library, 9 miles from the Main Library, 8 miles from the Meadows Branch Library, and 7 miles from the NoBo Corner Library. Turner followed, noting that Gunbarrel is expanding with nearly 800 apartments opening in the next couple months. Diane Kleis frequents the Main Library with her children and grandchildren. She cited the traffic as problematic. Further, Kleis expressed her willingness to do what is necessary to assist. Ardila, the daughter of Kleis, has lived in Gunbarrel for 15 years. She is excited by the idea and encouraged the commission to consider this. O'Brien referenced the impending five-year plan master plan update. The commissioners agreed that this topic would be discussed at length during the development of the plan.

Sackett urged the commissioners to approve the bulletin board policy at this meeting. Sackett, organizer of the Boulder Great Books group, hoped to use the bulletin boards to reach those who don't use the Internet. Also, Sackett asked if there was any discussion amongst the commission regarding the policy to not link to external websites through the Boulder Public Library website. Commissioners replied that they had not discussed this policy.

Agenda Item 3: Swearing-In of New Commissioner **[6:08 p.m., Audio 8:50 min]**

Gibb administered the oath to O'Shea, officially swearing him in as a library commissioner.

Agenda Item 4: Consent Agenda **[6:10 p.m., Audio 10:01 min]**

Item 3A, Approval of Apr. 8, 2015 minutes (p. 2-4)

O'Brien motioned to approve the minutes as written. Gibb seconded. Vote 4-0, unanimous.

Agenda Item 5: Summer Reading Program **[6:11 p.m., Audio 11:08 min]**

Dodge presented on the 2015 Summer Reading Program. She distributed some materials, found here: https://boulderlibrary.org/wp-content/uploads/2014/12/2015-May-LC-Handouts.pdf
She also showed a video produced by teens in the Teen Space, advertising the Summer Reading Program: http://teens.boulderlibrary.org/content/unmasked-2015-teen-summer-reading-program-may-30-july-25
The Summer Reading Program kicks off with events on Saturday, May 30, for all ages. There are three programs to target different age groups – pre-readers, children, and teens. Each age group has its own pamphlet and "missions." The superhero theme is replicated across age groups. Pre-readers will work through literacy activities with their caregivers. Children will track the number of books read or the total minutes spent reading. The teen program merges reading with maker activities. Staff worked to ensure the programs will be consistent at all locations, allowing participants to pick the branch that is most convenient. Prizes include sunglasses, spy pens, messenger bags, T-shirts, Whole Foods coupons, and more. Approximately 1,600 participated last year, and the goal for 2015 is 2,500. O'Brien expressed concern that there was not enough focus on reading for teens. Dodge mentioned that the maker kits included manuals and suggested reading lists. Ultimately, Dodge emphasized the importance of attracting teenagers to the programs, and not simply with a summer film series.

Agenda Item 6: Main Library Renovation Wrap-up (p. 5-6) **[6:37 p.m., Audio 37:20 min]**

Magee give a brief history of the renovation, beginning with the first facilities study that was published in 2008. He calculated that the final cost for the project was about $5 million spent over the last 7 years. By Magee's calculations, this was his 38th commission meeting. He concluded that this was one of the best projects he had ever been involved in. The commission paused the meeting briefly to celebrate Glenn Magee's dedication and eat cake.

Agenda Item 7: Review of the Discovery Layer **[7:04 p.m., Audio 49:18 min]**

Gallinger explained the new discovery layer, defining it as an overlay of the catalogue intended to show related materials that are not always catalogued, such as streaming media. She gave a brief overview of the process that led staff to Pika by Marmot, beginning with a RFP (Request for Proposals) in October 2014. Sutter appreciated Gallinger's presentation, especially in light of several patron complaints. Gallinger emphasized that the greatest benefit of Pika is the rapid response and solutions provided by the Marmot team to customer feedback and recognized needs. In response, O'Shea asked if there is external communication to patrons about continuous updates and progress based on feedback. Gallinger noted that Marmot makes introductory videos which we may be able to use.

Agenda Item 8: Review and/or approval of draft policies **[7:42 p.m., Audio 1:27:30 hr]**

Item 8A, Approval of Computer and Internet Use policy (p. 8-9)

Gibb asked if the statement from the American Library Association would be included, as seen in the previous draft. Farnan and Miles confirmed that it would be included. Sutter recommended grammatical changes to ensure clarity and continuity. Commissioners discussed expanding the introduction to include more information about the legal rationale behind the policy, but they ultimately elected to not include it. Following a question from Sutter regarding mechanisms for allowing blocked sites to be accessed, Miles assured that even if asked, staff would not provide access to pornographic material as the rules of conduct would prohibit patrons from visiting those sites. O'Shea recommended replicating some of the language used in the Connect Boulder disclaimer. Sutter moved to approve the policy with suggested changes, allowing for staff discretion. O'Brien seconded. Vote 4-0, unanimous.

Item 8B, Review of the updated Privacy Policy (p. 10-12)

Sutter recommended removing the asterisk and instead writing a catch-all line referring to the end of the document, which would reference the bottom of the page where a more in-depth explanation would sit. Sutter and O'Shea asked if computer search information is ever saved or connected to users. Miles agreed to find out if that was technologically possible with the current system. Commissioners recommended grammatical changes to ensure clarity and continuity. The commission asked to review this policy again at the next meeting to allow for feedback from all commissioners.

Item 8C, Review of the draft Community Bulletin Board Policy (p. 13)

Sutter asked if the community bulletin board was for publicizing events or to serve as a free speech venue. O'Brien asked if citizens could post statements or political material. Farnan explained that the board should serve as an avenue for public discourse, barring only illegal activity from posting. Farnan noted that the policy will cover all libraries, as staff anticipated posting bulletin boards at the Meadows and Reynolds branch libraries. Gibb moved to pass the policy with changes offered. O'Shea seconded. Vote 4-0, unanimous.

Agenda Item 9: Library Commission updated (from memo) **[8:26 p.m., Audio 2:11:16 hr]**

Item 9A, Future Agenda Items (p. 14-15)
Sutter and O'Brien will be unable to make the July 2015 Library Commission meeting. In light of the retreat scheduled in July, the commission decided to cancel the regularly scheduled July meeting.

Item 9B, Update on emails to Library Commission (p. 15-22, 25-26)
Sutter emphasized the correspondence with Julie Reiskin on behalf of Beth Emming. He explained that the letter was part of a larger document regarding the situation. Sutter met with Farnan upon receipt of the contents. Sutter contacted Reiskin and invited her, Emming, and any other representatives to meet with him and Farnan to discuss at greater length. Sutter had not yet received a reply. O'Brien appreciated the inclusion of all correspondence.

Item 9C, Commission Meetings Section of the Library Commissioner Handbook (p. 22-24)
O'Brien inquired about the possibility of proxy voting, noting that previous attempts have been denied due to city rules. O'Brien emphasized the importance of a written minority opinion in the event of split votes. Sutter hoped for the option for the majority opinion to submit a written statement. O'Brien acknowledged the viewpoint that the minutes inherently documented the majority viewpoint.

Item 9D, City Council Study Session on recommended changes to the City Charter (p. 24)
Farnan mentioned that the second reading is coming up soon.

Agenda Item 10: Library and Arts Director's Report **[8:42 p.m., Audio 2:27:50 hr]**

Item 10A, Downtown Boulder, Inc. & Library Partnership (p. 27)
Farnan cited difficulties in solidifying a liquor license for the Downtown Boulder, Inc. (DBI) cinema plan. He mentioned that DBI will likely drop the deal if a liquor license is not secured. Farnan explained that the Friday and Saturday night events would occur after the library is closed, but noted a conflict with the Thursday night events as they would begin while the library is still open to the public.

Item 10B, Website report (p. 27, 29-34)
Farnan presented the website report and will again in six months. The next meeting will include visitor, event attendance, and materials statistics.

Item 10C, Meeting Room Reservation System Updates (p. 27)
Farnan noted that the reservation system is taking longer than expected, but it is in the works.

Item 10D, Library Foundation Bylaws and Open Meeting Requirements (p. 27, 35)
Farnan presented the findings from the City Attorney's Office, which concluded that having three commissioners in attendance at the Library Foundation meetings would require an open meeting. Farnan urged commissioners to go to the foundation and discuss preferences and possibilities. On a related note, O'Brien provided an update on the Library Foundation's reorganization. The foundation has established four committees to help structure the group. They are considering the option of offering memberships to further tap into the community. Farnan and O'Brien remarked on the dramatic and positive shift.

Item 10E, Library Commission Retreat, July 11, 2015 (p. 28)
Farnan had not yet confirmed with Sharon Morris, but her facilitation is expected. He hoped to share articles with commissioners prior to the retreat to instill background prior to the meeting.

Agenda Item 11: Adjournment **[8:58 p.m., Audio 2:43:30 hr]**
There being no further business to come before the commission at this time, the meeting was adjourned at 8:58 p.m.

Date, Time, and Location of Next Meeting:
The next Library Commission meeting will be at 6 p.m. on Wed., June 3, 2015, in the Canyon Meeting Room at the Main Library, 1001 Arapahoe Ave., Boulder, CO 80302.

Commissioner Sutter approved these minutes on July 23, 2015; and Carrie Mills attested to this approval on July 23, 2015.

An audio recording of the full meeting for which these minutes are a summary, is available on the Library Commission web page at https://boulderlibrary.org/about/commission.html

Council Working Agreements

Council Process:

- The council will work on general discipline in being prepared to ask questions and make comments.
- The council asks the mayor to intervene if discussion on agenda items extends beyond a reasonable time frame.
- The council will engage in the practice of colloquy to fully explore the different sides of a specific point.
- The mayor will ask the city clerk to set the timer lights for council members if discussions begin to exceed efficient debate. Members should respect the lights as a time reminder, but will not be bound by them as absolute limits.
- Rather than restating a point, council members should simply say "I agree."
- The council agenda committee may, with advance notice, adjust each public speaker's time to two rather than three minutes during public hearings for items on which many speakers want to address the council.
- Council members will grant each other permission to mentor and support each other on how each person contributes to the goal of being accountable for demonstrating community leadership.
- In order to hear each other respectfully and honor the public, council will avoid body language that could convey disrespect, side conversations, talking to staff, whispering to neighboring council members, passing notes, and leaving the council chambers.
- Regarding not revisiting past discussions, the council should check-in with fellow members periodically to ensure that this is not an issue.
- During a council meeting, any form of electronic messages, including emails and texts, that relate to matters being considered and which arrived at any time during that meeting shall not be read by council members, nor shall any messages on matters under consideration be sent by council members.

Council Communication:

- Council members agree to keep quasi-judicial roles scrupulously separate between members of boards and members of council, avoid expressing ideas to board members on things coming before the board, and carefully disclose or recuse themselves when there is involvement with board members on a topic.
- Council agrees to e-mail the city manager about issues that they run into that staff or boards may be working on so that the manager can be actively involved in managing issues and keeping the full council informed well in advance of items coming before council for action.
- Members will keep the full council informed on issues from committees, public groups or other agencies that they are following, through hot line e-mails, brief verbal reports at the end of council meetings or other means.
- The council will find ways to support majority council decisions and adequately inform the public, through responsive letters that explain how divergent points of view were heard and honored in decisions, via standard e-mail responses for hot issues, by occasional council Letters to the Editor to clarify the facts, or by seeking out reporters after meetings to explain controversial decisions.

Council Committees:

- Council committee meetings will be scheduled to accommodate the council members on the committee.
- Notice of the times and places for each committee meeting will be noticed once per month in the Daily Camera.
- The council agenda will include time for reports from committees under Matters from Members of Council, noting that written communications from the committees are appropriate as well.

Selection of Mayor and Mayor Pro Tem:

- Council members will make a good faith effort to the select the mayor and mayor pro tem in an open and transparent process.
- After the council election, members seeking election as mayor or mayor pro tem should:
  - make their interest in the positions known to their fellow members as soon as possible;
  - focus their communication with other council members on the positive attributes the member brings to the positions; and
  - refrain from any negative remarks about any person seeking election as mayor or mayor pro tem.
- Nominated individuals' presentations may include, but need not be limited to the following:
  - the skills and attributes the member would bring to the mayoral position;
  - the member's ability to efficiently run council meetings, respect the views of the minority while allowing the majority to rule, and perform other mayoral duties;
  - how the member would represent the city and city council and mayor position at gatherings outside of city council meetings
  - how the member would serve on and appoint other council members to regional and national boards and commissions; and
  - how the member would promote trust of the community and other council members.
- Council members should work to avoid divisiveness by being inclusive during the mayoral selection process.

Agreed: Members of the Boulder City Council

Approved by Council: January 21, 2014

City of Boulder
2015 Work Plan

(Tentative as of December 16, 2014)

	Project		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Climate and Energy	Energy Future and Associated Projects	Council	CC: Open Access Transmission Tariff			
			SS: Power Supply	SS (2): Rates, Energy Services, Power Supply	Project update	Project update
			Budget update	Budget update	Budget update	Budget update
		Staff Activities	Municipalization Transition Plan	Municipalization Transition Plan	Municipalization Transition Plan	Municipalization Transition Plan
	Climate Commitment	Council		SS: Review interim goals, targets and strategies		
		Staff Activities	Launch action plan	Energy system transformation; blue print convening	Implementation based on action plan	Implementation based on action plan
Housing/Land Use Planning	Comprehensive Housing Strategy (Housing Boulder)	Council	Briefing	SS (2)		
		Staff Activities	Housing Matters launch event, engagement activities	Draft strategy development	Implementation based on adopted strategy	Implementation based on adopted strategy
	Sustainable Streets and Centers/ East Arapahoe	Council	SS: Direction of preferred scenario	SS : Draft plan and action plan		
				Next Corridor - 30th St or Colorado		
		Staff Activities	Develop East Arapahoe action plan			
	Resilience	Council	SS	Direction or IP	Direction or IP	Direction or IP
		Staff Activities	Develop scoping plan	Strategy analysis and development	Strategy analysis and development	Strategy analysis and development
	Boulder Valley Comprehensive Plan	Council		SS	Direction or IP	Direction or IP
		Staff Activities	Issues identification	Strategy analysis and development	Strategy analysis and development	Strategy analysis and development
Transportation	Transportation Master Plan Implementation	Council	Update and coordinate with BVCP		Update and coordinate with BVCP	
		Staff Activities				
	Regional Travel	Council		Briefing		Briefing
		Staff Activities	Staff and elected official activities ongoing			
	Access Management and Parking Strategy (AMPS)	Council		SS : Review options & Update; including recommendations for TDM tool kit for new development	Council action on TDM Tool Kit for new development	Recommendations including planning code changes
						SS: Review options and update
		Staff Activities	Ongoing work plan in 7 focus areas	Ongoing work plan	Ongoing work plan	Ongoing work plan
			Alternatives analysis and specific option development		Specific option development/refinements	
			Joint Board workshop & public engagement		Joint Board workshop & public engagement	

City of Boulder
2015 Work Plan

(Tentative as of December 16, 2014)

	Project		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Civic Area	**Civic Area Implementation**	**Council**	SS: Parkland Concepts Plan	CC: Approval of Concept Plan		
		Staff Activities	Outreach to community & partners; create delivery plan for spring, summer, fall events	Deliver spring events	Deliver summer activities and events	Review 2015 activation; compare lessons from 2014 and revise for 2016
			Draft of parkland concept plan options for public workshop, Boards, Council review	Board/Commission input on Concept Plan	Begin detailed design work on park improvements	Complete detailed design work for bidding
			Develop overall site master plan concepts, begin to formulate major capital projects	Initial feasibility planning on major capital projects	Continue to develop capital projects, identify potential partners, explore financing options	Continue to develop capital projects, identify potential partners, explore financing options
Local Food	**Sustainable Agriculture and Local Foods**	**Council**	IP and local meals for Council Pilot		Council consideration of Local Food Procurement Policy; Review and acceptance of Ag Resources Management Plan	Council consideration of Local Food Procurement Policy; Review and acceptance of Ag Resources Management Plan
		Staff Activities				
Livability	**University Hill Moratorium**	**Council**	SS: Review options		IP	
			CC: Public Hearing and Decision			
		Staff Activities	Recommendation & development of ordinances, changes and recommend other strategies to address Moratorium goals	Follow up on other strategies & coordination with Hill Reinvestment Strategy; incorporate strategies into other work plan		
			Board review & public engagement		Board review & public engagement	
	University Hill Reinvestment Strategy	**Council**		Direction on 14th Street redevelopment proposal		SS
				SS: Update on strategy		
		Staff Activities	Residential service district (RSD) pilot program	RSD pilot program	RSD pilot program	RSD pilot program
			Work plan implementation	Work plan implementation	Work plan implementation	On-going work plan implementation
			Establish benchmarks and evaluation criteria	Commercial district: Eco Pass Study & Commercial bear dumpsters	Implement volunteer program for clean up	Evaluate existing programs
				Integration of strategy recommendations from Moratorium	Research options for sustainable governance & funding	Develop options for sustainable governance & funding
			14th Street Lot public/private partnership redevelopment options re: work force affordable housing	14th Street Lot public/private partnership redevelopment options re: work force affordable housing		
			Stakeholder engagement	Stakeholder engagement	Stakeholder engagement	Stakeholder engagement
	Homeless Action Plan	**Council**	IP: 2014 Accomplishments	SS: As part of Human Services strategy update		IP - Services and Regional coordination update
		Staff Activities				
	Community Cultural Plan	**Council**	Council update and input on testing phase	Briefing	SS: Adoption of Community Cultural Plan	
		Staff Activities	Research phase complete. Drafting phase complete. Testing phase begins	Testing phase complete. Certification phase begins	Implementation begins. New public art policy drafting	Public Art Policy drafting

City of Boulder
2015 Work Plan

(Tentative as of December 16, 2014)

	Projects		1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Other	**Boulder Junction**	**Council**				
		Staff Activities	Ongoing redevelopment coordination	North Side of Pearl and Goose Creek bridge landscaping install. Bridge opens		Depot Square opens
	Capital Projects Activity	**Council**	Ongoing and Wastewater Collection System Rehabilitation program begins	Ongoing	SS: 2016-2021 CIP	Ongoing
		Staff Activities				
	CityWide Special Events	**Council**	Report on 2015 City Events			Summary of 2015 City Events
		Staff Activities	Implement new events application and internal review process	Refine systems as needed	Refine systems as needed	Improve events application for new online Landlinks System in 2016
	Community Broadband	**Council**	SS			SS
		Staff Activities	Broadband Action Group formation and consultant assessment	Consultant assessment continued	Consultant assessment continued	Present findings and recommendations
	Design Excellence	**Council**	SS: Staff Recommendations design tools/process changes	IP	CC: Draft recommendations/Adopt strategy	
		Staff Activities	Issues identification/ preliminary work on design tools/ process changes	Technical analysis /develop options	Draft recommendations	
			Public engagement	Boards/public engagement	Boards/public engagement	
	Flood-related Annexations	**Council**				
		Staff Activities	Flood Annexations - Individual	Flood Annexations - Old Tale Rd	Ongoing	Ongoing
	Human Services Strategy	**Council**		SS		Public Hearing
		Staff Activities				
	Flood Management	**Council**			IP: Stormwater Master Plan and Wastewater Collection System Master Plan consideration	
		Staff	Stormwater Master Plan and Wastewater Collection System Master Plan updates continue	Stormwater Master Plan and Wastewater Collection System Master Plan updates continue		
	Smoking Ban - Implementation	**Council**	CC: Second reading			
		Staff Activities	Education campaign	Enforcement begins	Monitor Outcomes	Monitor Outcomes
	Vacation Rental by Owner (VRBO)	**Council**	SS			
		Staff Activities	Research regulations and possible fees or taxes			

COUNCIL MEMBERS

Matthew Appelbaum	Mayor
Suzanne Jones	Mayor Pro Tem
Macon Cowles	Council Member
George Karakehian	Council Member
Lisa Morzel	Council Member
Tim Plass	Council Member
Andrew Shoemaker	Council Member
Sam Weaver	Council Member
Mary Young	Council Member

COUNCIL EMPLOYEES

Thomas A. Carr	City Attorney
Jane S. Brautigam	City Manager
Linda P. Cooke	Municipal Judge

KEY STAFF

Mary Ann Weideman	Assistant City Manager
Bob Eichem	Chief Financial Officer
Alisa D. Lewis	City Clerk
Patrick von Keyserling	Communications Director
David Driskell	Executive Director of Community Planning and Sustainability and Acting Director of Housing
Molly Winter	Downtown, University Hill Management & Parking Services Director
Heather Bailey	Executive Director of Energy Strategy and Electric Utility Development
Michael Calderazzo	Fire Chief
Joyce Lira	Human Resources Director
Karen Rahn	Human Services Director
Don Ingle	Information Technology Director
Eileen Gomez	Labor Relations Director
David Farnan	Library and Arts Director
James Cho	Municipal Court Administrator
Tracy Winfree	Open Space and Mountain Parks Director
Yvette Bowden	Parks and Recreation Director
Greg Testa	Police Chief
Maureen Rait	Executive Director of Public Works
Cheryl Pattelli	Director of Fiscal Services
Mike Sweeney	Acting Transportation Director
Jeff Arthur	Utilities Director

2015 City Council Committee Assignments

INTERGOVERNMENTAL ORGANIZATIONS

Beyond the Fences Coalition	Morzel, Plass (Castillo – staff alternate)
Boulder County Consortium of Cities	Young, Morzel (alternate)
Colorado Municipal League (CML) – Policy Committee	Jones, Cowles (Castillo – staff alternate)
Denver Regional Council of Governments (DRCOG)	Jones, Plass
Housing Authority (Boulder Housing Partners)	Shoemaker
Metro Mayors Caucus	Appelbaum
National League of Cities (NLC)	Appelbaum, Cowles
Resource Conservation Advisory Board	Morzel (at large seat), Plass
Rocky Flats Stewardship	Morzel, Plass (1st alternate), Castillo (2nd alternate)
University of Colorado (CU)/City Oversight	Cowles, Shoemaker, Weaver
US36 Mayors and Commission Coalition	Appelbaum
US36 Commuting Solutions	Karakehian, Morzel (alternate)
Urban Drainage and Flood Control District	Jones

LOCAL ORGANIZATIONS

Boulder Museum of Contemporary Art (BMoCA)	Young
Boulder Convention and Visitors Bureau	Plass, Cowles (alternate)
Dairy Center for the Arts	Jones
Downtown Business Improvement District Board	Weaver, Young

INTERNAL CITY COMMITTEES

Audit Committee	Cowles, Morzel, Shoemaker
Boards and Commissions Committee	Plass, Shoemaker
Boulder Urban Renewal Authority (BURA) Mayoral Appointment	Karakehian
Charter Committee	Karakehian, Morzel, Weaver
Civic Use Pad/ 9th and Canyon	Karakehian, Morzel, Young
Council Employees Salary Review	Cowles, Shoemaker
Council Retreat Committee	Jones, Morzel
Evaluation Committee	Morzel, Plass
Housing Strategy Process Sub-Committee	Morzel, Shoemaker, Young
Legislative Committee	Jones, Karakehian, Weaver
School Issues Committee	Morzel, Plass, Shoemaker

SISTER CITY REPRESENTATIVES

Jalapa, Nicaragua	Jones
Kisumu, Kenya	Morzel
Llasa, Tibet	Shoemaker
Dushanbe, Tajikistan	Weaver
Yamagata, Japan	Plass
Mante, Mexico	Young
Yateras, Cuba	Karakehian, Cowles (alternate)
Sister City Sub-Committee	Morzel, , Karakehian