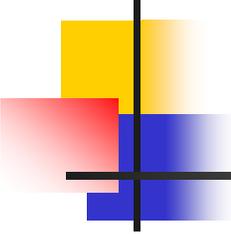


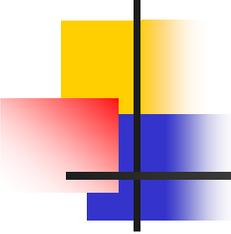
City of Boulder Financial Services Bridge





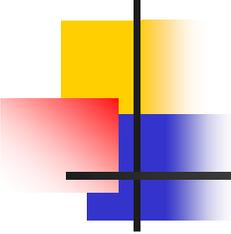
Finance

- Total Budget: \$5,757,918 (hand out)
- Total Staff: 28.37
- General Fund: \$2.45 MM (87% PE 13% NPE)
 - Essential: 89% of \$ and 83% staff
(**Best Practices**)
 - Desirable: 11% of \$ and 17% staff
 - Essential: ad hoc
 - Audit of Fund 118
 - Food and Travel reviews
 - New hire fire and police pension
 - Questions/Open Records/Other (many)



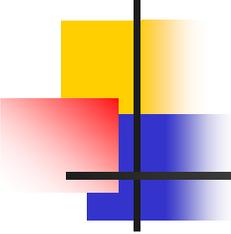
Management of the Department

- **Director:** Sales tax and **Revenue Mgmt**, Budget, Risk, Systems, Pensions (not all), Debt Management, Investments, Special Projects, Portfolio Management, Long Range Fiscal Planning, Anything else regarding finance (many)
- **Deputy Director/Controller** (Operations side of the department & Treasury Manager): Accounting, Financial Reporting, Capital projects, Cash Management/Banking, Receivables, Information Center, Purchasing, Accounts Payable, Internal controls, Training



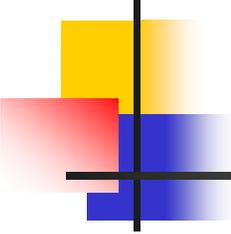
City of Boulder Sales/Use Tax

- The Revenue (Sales/Use Tax) Division consists of 6 employees:
 - Revenue & ST Operations Specialist
 - Revenue Compliance & Collection Agent
 - Revenue & Tax Business Information
 - 3 Tax Auditors
 - Monthly Sales and Use Tax Analysis & Reporting
- Revenue Officer position not filled transferred to Economic Vitality. Division head now is Finance Director**



Major Tasks

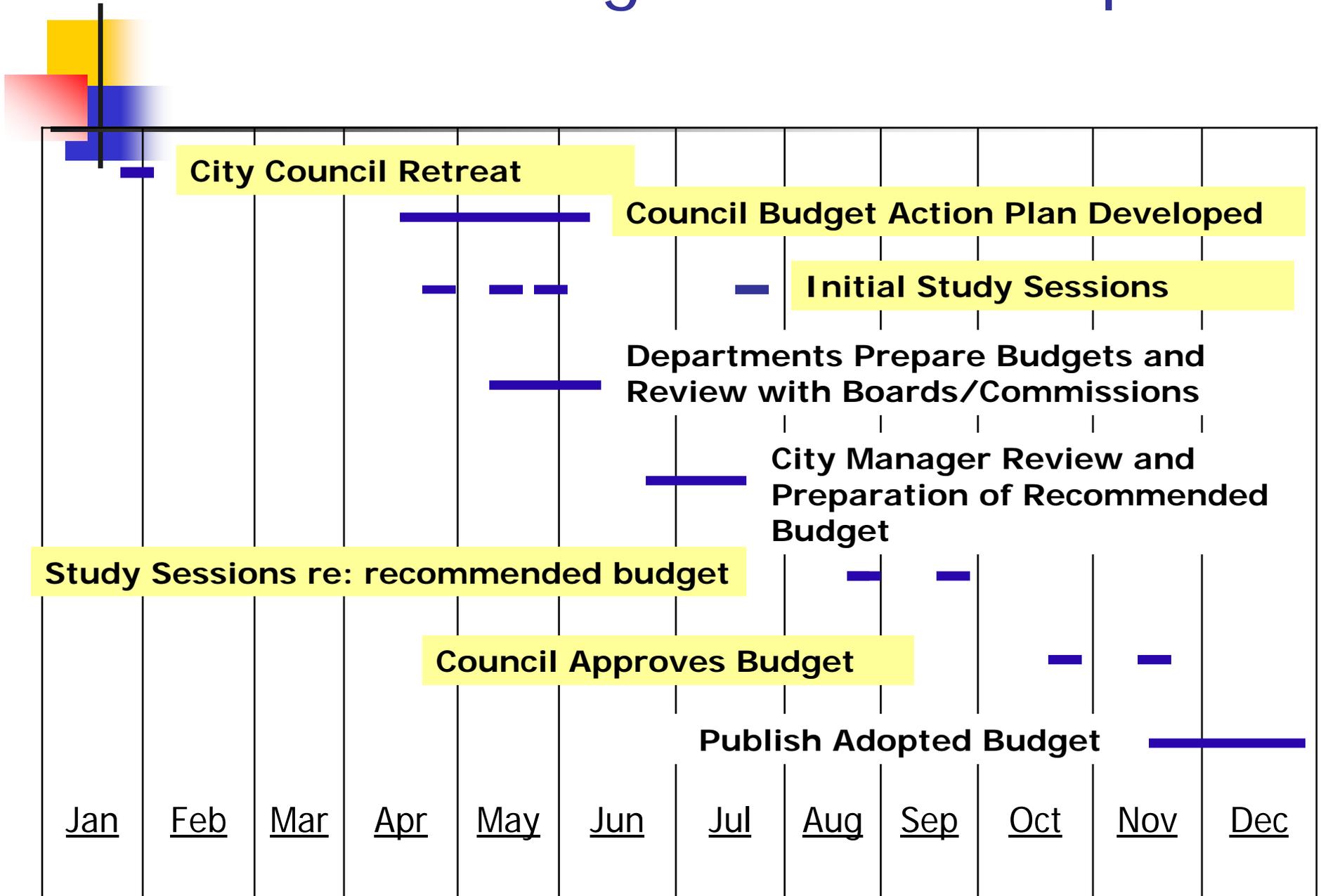
- Collect sales/use, accommodations & admission tax returns for about 8,500 accounts.
- Nearly 40% of the City's revenue is collected through the Sales Tax Division.
- Assessment notices and collection calls to delinquent taxpayers.
- Licensing and tax related phone calls. 100-150 new licenses each month.
- Each auditor averages 30 audits per year. Revenue ranges from \$300,000 to \$700K/Yr

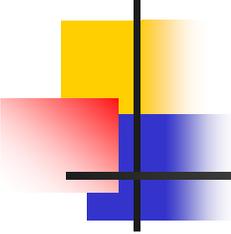


Budget - 3 employees

- To provide City Manager & City Council with financial information for decision-making by.....
 - Coordinating annual budget process
 - Monitoring ongoing revenues and expenditures
 - Identifying and making recommendations about financial issues
 - Blue Ribbon Commission Support

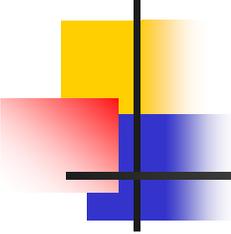
2009 Annual Budget Process - Update





Risk Management – Consolidation and Efficient

- Risk Manager and two staff
 - Property and Casualty \$1.6MM op expenses
 - Workers' Compensation & Safety \$1.7MM op expenses
 - Wellness: Team effort (HR/P&R/Fin)
 - Self Insurance
 - Property damage: \$100-500,000
 - Liability claims: \$250,000
 - Workers' Compensation: \$350,000
- Loss Prevention (prevent accidents)
- Loss Control (manage claim cost)
- Loss Financing (how we pay for losses)
- Actuarial studies and cost effectiveness



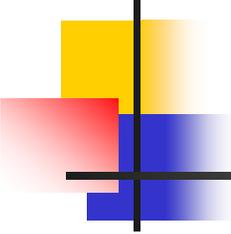
Systems – 2 employees

- A quasi-technical group - Bridges gap between functional users and technology needs
 - Hardware & software support (for Finance)
 - Reporting and Inquiry
 - Upgrades (ex: BFS, Discoverer)
 - Troubleshoot application/computer issues
 - Automate & streamline processes
 - Application Support (for Finance systems)
 - **Extracting information**

Treasury – 2 employees

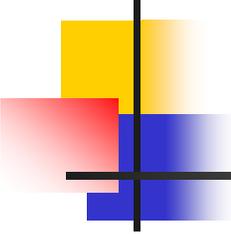
- Investments and Banking
Decentralized – 56 separate deposit locations
- Pooled Investments
 - Average amount invested is \$200 to \$215 million
 - Earned interest income of \$12.3 million in 2007
 - **Debt management services**
 - **Pension services – a challenge**





Treasury

- Armored car and courier service contracting
- Reconciles all banking activity
- Credit card processing assistance over 120,000 transactions annually
- 17,000 bank deposits/year Lockbox Services
- Electronic Payments
- Coin Vault Services Parking Meter Coin Counting
- Fraud Prevention Technologies
- Cash Management Services
- Debt continuing disclosure on \$200MM+

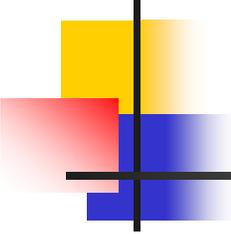


Accounts Payable – Pays the Bills

2 employees

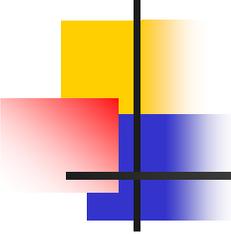
Accounts Payable:

- Payments and Imaging 2008
 - Checks: 24,000 avg \$3,500
 - Bcard transactions: 25,500 avg \$170
 - Active vendors 6,594



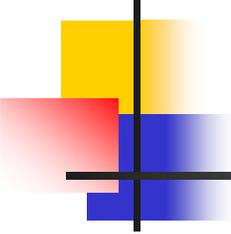
Capital Assets & Special projects - 1 employee

- Special projects for Director
- **GASB 34** Assets with useful life greater than one year and installed cost greater than \$5,000 are capitalized and depreciated.
- We currently track 3,608 assets which includes 814 vehicles.
- Total historical book value (2007)
 - Governmental Activities - \$427 million
 - Business Activities - \$408 million



Purchasing- 1 employee

- 750+ contracts and agreements each year
 - Request for Proposals for Services
 - Annual Pricing and Contract Agreement renewals
 - Pre-approved Consultant Agreement renewals
 - **Finished CU project to evaluate entire process**



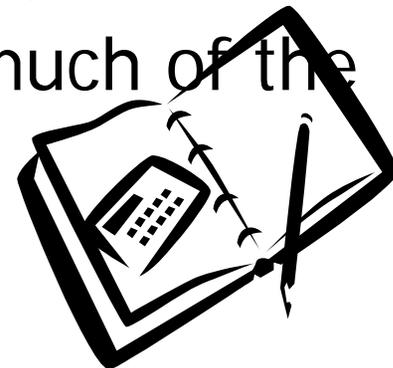
Receivables & Assessments

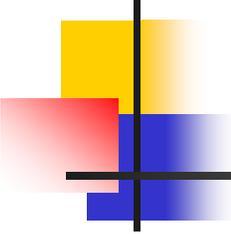
- One employee
 - Miscellaneous Accounts Receivable Billings
 - Special Assessment Billings
 - Coordinates NSF Check Processing
 - Reconciles Utility Receivable System to General Ledger System
 - Completes required statistical tables for annual report

Accounting & Financial Reporting - 1 employee



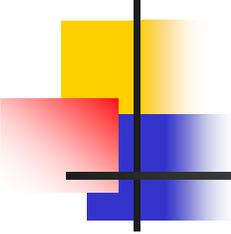
- Annual Audit-Independent Auditors
- City's accounting system - very decentralized
- Departments have greater control and flexibility
 - Organizing accounts by divisions, etc.
 - Tracking programs and projects
- Departments also have much of the input responsibilities





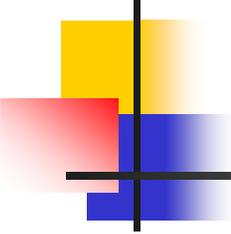
City's Information Center

- Pooled admin services - for all divisions (3.37 employees)
- Cross trained to extent can
 - Asst. to the Finance Director (will eliminate)
 - Central Mail Room (1.37)
 - Front Desk (1.0) Supports purchasing
 - Administrative Specialist Risk Mgt 1.0 HIPAA regulations (cross trained in all positions)



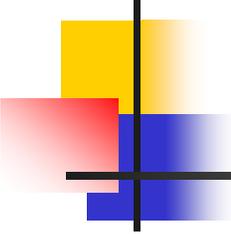
Effectiveness: Constant Continuous Improvement

- Brought investments in house \$140,000/year-no new staff
- No Sales Tax Administrator, \$100,000+/Year
- Reduction in annual payments to PC and WC. \$400,000/year
- Consolidated Risk Management to eliminate duplication and inefficiencies
- P/R was moved to HR for better customer service and to eliminate inefficiencies



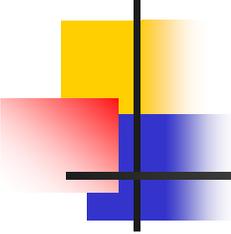
What Will We Eliminate

- 1% NPE
- Eliminate the Asst. to the Finance Director (= 3% subtotal of 4%)
- Eliminate permanently the Revenue Officer position (= 4% subtotal of 8%)
- Other positions that are even more difficult



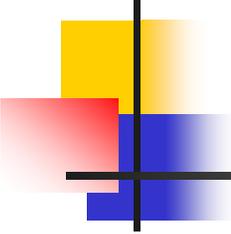
Finance Questions?

- Systems – the most effective way?
- Front desk, workload & duplication (CMO, Finance and Utilities)
- Some weak areas
 - Retirements and Reallocation & Outsourcing
 - How we build depth
- Old Hire Pensions-Market meltdown
- PERA – cost to get out prohibitive. Options:
 - Contract more services so PERA costs are less.
 - Establish districts or authorities that would not be in PERA. (Governance issues)



Citywide-How Can We Be More Efficient?

- Decentralization - What should be centralized and what should not? Current duplication.
- Other local governments have similar functions. *Past experiences.*
- Performance measures are outcome based. Metrics are used internally.
- Strategic plan
- Cost allocation:
 - drag for new workload
 - debt/pensions (not in cost allocation)



S C A M P E R from book Cracking Creativity by Michalko

- S Can we Substitute something?
- C Can we Combine it with something?
- A Can we Adapt it to something else?
- M Can we Modify or change it?
- P Can we Put it to other uses?
- E Can we Eliminate it?
- R Can we Rearrange it?

City of Boulder

Finance Office Overview

Department Head: Bob Eichen, (303) 441-1819 eichemb@bouldercolorado.gov

2009 Approved Finance Department Budget (Original)

	<u>General Fund</u>	<u>Prop & Casualty</u>	<u>Worker's Comp</u>
Operating Budget:	\$2,446,398	\$1,604,556	\$1,706,964
Capital Improvements: (if applicable)	0	0	0
Debt Service: (if applicable)	0	0	0
Number of FTE's:	24.37	1.50	2.50

Department Mission: The mission of the Finance Department is to provide responsive, professional and ethical administrative and fiscal services to meet the needs of the public, the City Council, and all departments of the city.

Division Responsibilities: Specific services provided by the Finance Department include: long-range financial planning and budgeting, accounting/auditing, risk management, accounts payable, accounts receivable, investment and cash management, debt issuance and management, financial reporting, purchasing, assessments, revenue collection, tax enforcement, and financial analyses.

Investment Philosophy: Beginning with the 2006 budget, the business plan was used to prioritize services. Prior to this analysis some of the essential and all of the desirable services were bordering on inadequate. After this analysis, it was determined that all remaining discretionary services should be eliminated and the resources should be reallocated to essential and desirable services. As a result essential and desirable services now meet standards. For example, resources in Finance were reallocated to provide support for the old hire fire and police pension programs, the debt management programs, staffing of the governmental accounting functions, staffing of long-range financial planning, additional quantitative and qualitative analysis, and improving the operations area of the department.

- 1.) **Essential Services** include those financial/budgetary functions that are legally mandated by federal or state law, City Charter or generally accepted accounting requirements for governmental agencies. Specifically, this service category reflects those processes which ensure the sound fiscal management of the municipal organization, such as strategic planning and budgeting, debt

issuance and management, financial reporting and accounting, purchasing, assessments, treasury management, and collections. In the General Fund, these programs represent 89% of the appropriation and 83% of the staffing in the general fund portion of Finance.

- 2.) **Desirable Services** reflect services that provide positive interaction with the public, efficient and effective business practices, provide financial information so departments can make sound fiscal decisions, enhance internal customer service, increase citywide efficiency and effectiveness, or generate cost savings due to centralization. Services in this category include financial inquiry and query reporting, the information center in the municipal building, and central mail services. In the General Fund, this category currently represents 11% of the appropriations and 17% of the staff in general fund portion of Finance.
- 3.) **Discretionary Services** on an ongoing basis have been eliminated in Finance. Resources were consolidated and transferred to meet acceptable service levels in the essential and desirable programs of the department. Project work that is requested that falls into this category is accomplished by either assigning finance staff members on an ad hoc basis or asking the requesting department to outsource the project.

Finance Department

BUSINESS PLAN BUDGET SUBMISSION
FISCALLY CONSTRAINED PLAN

2009 BUDGET

	A	B	C	D	E	F	G	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	
1																						
2																						
3																						
4																						
5																						
6																						
7																						
8	Dept	Fund	Rev	OCA	Program/Service	2009 Budget	FTE	%	Cost	FTE	Svc Std	%	Cost	FTE	Svc Std	%	Cost	FTE	Svc Std	1% Lowest	NOTES	
9																						
10	14	010		106000	Finance administration	443,109	2.00	82%	362,679	1.00	o	18%	80,430	1.00								Dir of Fin pos per charter; includes Assit to Dir (desired) & dept admin costs
11	14	010		106000	Old hire plans pension support			100%	0	0.00	o											Payment and administration of pensions is legally required
12	14	010		106000	Debt issuance & management			100%	0	0.00	o											Charter requirement Sec 97-98
13	14	010		106000	TABOR administration			100%	0	0.00	o											State constitutional requirement
14	14	010		701010	Financial planning & budget process	316,448	3.00	100%	316,448	3.00	o											Budget preparation is a charter requirement
15	14	010		803010	Financial reporting	247,081	1.75	100%	247,081	1.75	o											Financial reporting and audit is a charter requirement
16	14	010		801030	Purchasing	88,193	1.25	100%	88,193	1.25	o											Purchasing is a charter requirement
17	14	010		702020	Accounts receivable billing & collection	81,433	1.00	100%	81,433	1.00	o											Charter Requirement Sec 89 and 91
18	14	010		801020	Accounts payable support	180,642	2.50	100%	180,642	2.50	o											Charter Requirement Sec 89
19	14	010		702030	Cash mgmnt & investment portfolio mngmnt	159,510	1.25	100%	159,510	1.25	o											Charter Requirement Sec 89 and 91
20	14	010		702040	Banking service support	107,826	1.25	100%	107,826	1.25	o											Charter Requirement Sec 89 and 91
21	14	010		703010	Tax billing & collection	86,893	1.00	100%	86,893	1.00	o											Charter Requirement Sec 89 and 91
22	14	010	100%	703020& 703030	Tax enforcement & auditing	516,018	6.00	100%	516,018	6.00	o											Charter Requirement Sec 89 and 91
23	14	010		802020	Central mail pick-up & sorting	59,270	1.00					100%	59,270	1.00	o						25,084	Most cost effective way to process mail vs all depts coming to muny bldg
24	14	010		802020	Central mail delivery	9,189	0.37					100%	9,189	0.37	o							Most cost effective way to process mail vs all depts coming to muny bldg
25	14	010		802020	Municipal building reception	37,191	1.00					100%	37,191	1.00	o							Helping the public solve their problems & creates a positive image of the city
26	14	010		911010	BFS system management	88,857	1.00	100%	88,857	1.00	o											Charter Requirement Sec 90 & good business practice
27	14	010		911010	Other financial reporting & inquiry	86,735	1.00					100%	86,735	1.00	o							To provide information for all requests such as negotiations, community or media requests, open records requests and any other data needed.
28																						
29																						
30					General Fund Total	2,508,395	25.37		2,235,580	21.00			272,815	4.37								
31									89%	83%			11%	17%								
32																						
33																						
34																						
35	14	611			Risk Mgmt-Property & Casualty Ins.	1,598,752	1.50	100%	1,598,752	1.50	o											
36																						
37																						
38	14	612			Risk Mgmt-Worker Comp. Ins.																	
39					- Injury/return to work, ADA and	1,463,388	2.50	100%	1,463,388	2.50	o											
40					safety (includes claims pymt,																	
41					training, reporting, compliance, etc)																	
42					- Employee Wellness Program	243,110						100%	243,110	0.00	o							
43					(includes infury prevention and																	
44					training, EAP & fitness)																	
45																						
46					Worker Comp. Ins. Fund Total	1,706,498	2.50		1,463,388	2.50			243,110	0.00								
47																						
48																						

Boulder Fire Rescue
Presentation to the Blue Ribbon Commission
Phase II

January 22, 2009



Mission Statement

- Boulder Fire/Rescue strives to make Boulder a safe place to live and work



What we do

Fight structural
and wildland fires



Respond to medical
emergencies and
rescue situations



What we do

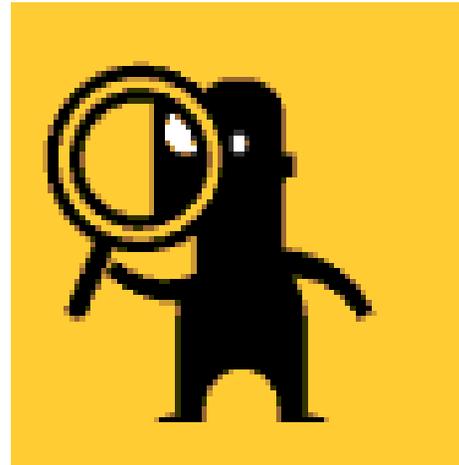
Respond to natural disasters



Provide fire-safety education for the public

What we do

Inspect local businesses and review plans for new commercial construction



Act as the designated emergency response authority for hazardous materials incidents



What we do

Protect over \$20 billion dollars worth of property in the city



What we do

Protect the 103,000 people of Boulder



Boulder Revised Code, Title 2-5-2

Authority of the Fire Department

Ordinance 4879, January 8, 1985

- Suppression and extinguishment of fires
- Provision of rescue and emergency medical services
- Provision of fire inspection and fire prevention services
- Management of hazardous material releases (also designated by Colorado State Statute)
- Planning and response to disasters and emergencies

How does Fire categorize its services?

- Essential Services
 - Provide for the health & safety of people and property; services not provided by another entity
- Desirable
 - Enhance essential services or improve quality of life (e.g., wildland fire mitigation, public safety education)
- Discretionary
 - Serve limited special interest purposes (e.g., regularly scheduled fire apparatus replacement – *needs to be reconsidered*)

How does Fire evaluate its services?

National response standards – **The importance of time!**

Fire emergencies

Medical emergencies

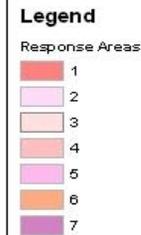
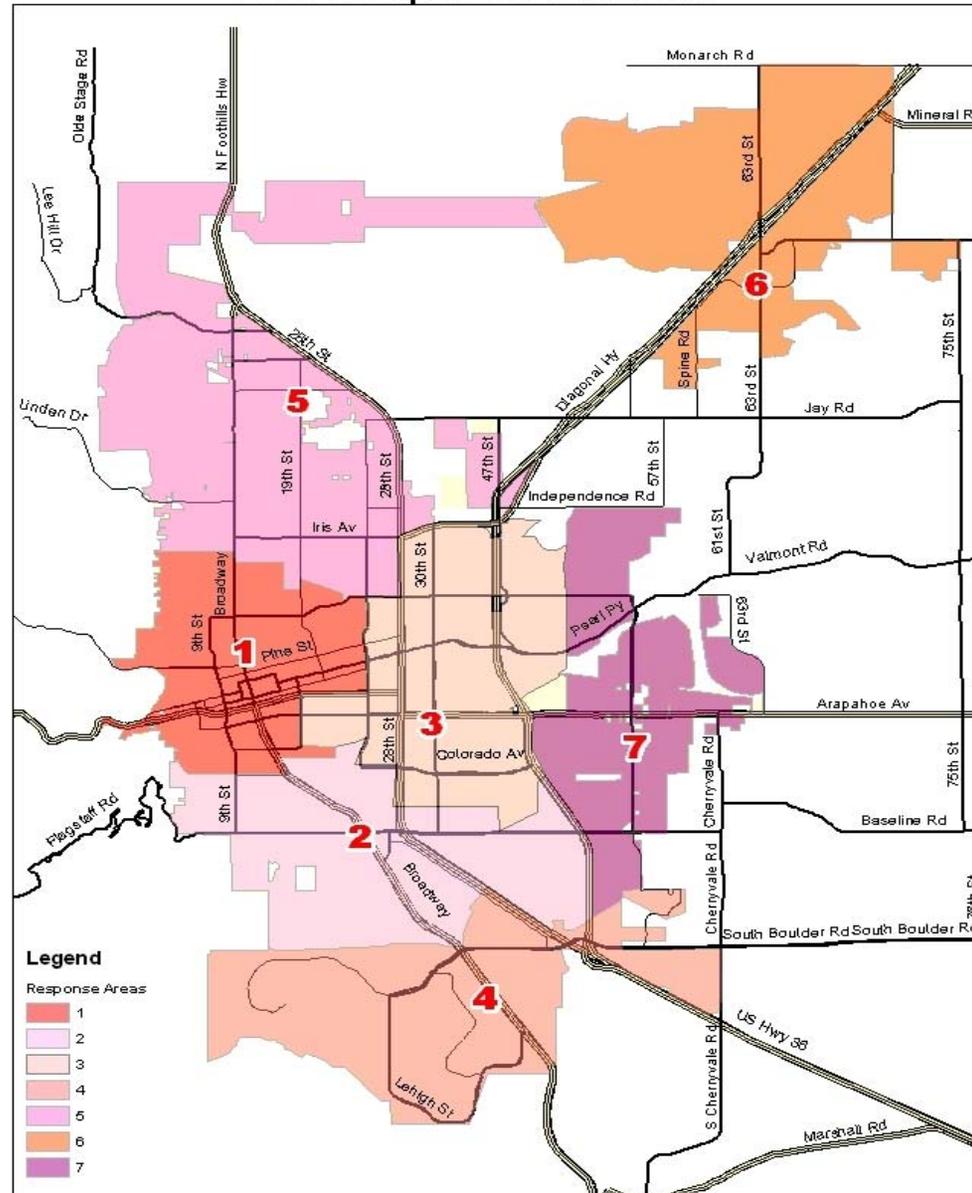
National and local measures of how we are doing

Impact of Insurance Services Office (ISO) rating –

History vs. today

Cost vs. benefit

Fire Response Districts



Map Date:
Jan 20, 2009

Boulder Fire Department



Service Standard Performance

<u>Standard</u>	<u>Performance in 2007</u>
1 st unit ≤ 6 minutes 90% of the time	79.8%
All units ≤ 11 minutes 90% of the time	83%
Annual fire deaths ≤ 1 per 100,000 population	0
Annual community fire injuries ≤ 10 per 100,000 population	7.2 per 100,000
Annual firefighter injuries < 1.0 per 100 fires and < 3.0 per 100 firefighters	1.2 per 100 fires 4.9 per 100 firefighters
Annual direct fire loss ≤ \$0.30 per \$1,000 actual value protected	\$0.27 per \$1,000 value protected
Annual cost of fire protection ≤ \$150 per capita and ≤ \$0.80 per \$1,000 actual value	\$121.35 per capita \$0.61 per \$1,000 value protected
Public Approval rating > 85%	82% rated FD Very Good or Good

What does our current performance mean?

We are gradually losing the battle with time.

- It is taking us longer to reach victims
- It takes us longer to assemble the personnel and equipment necessary to extinguish fires

We can expect our losses to increase

Other Regional Service Providers

Other city fire departments and fire protection districts in Boulder County

Boulder Emergency Squad, a volunteer rescue group, provides dive and other rescue services

Rocky Mountain Rescue provides mountain search & rescue

Other Regional Service Providers

Ambulance service, including Advanced Life Support and Transport is contracted with private provider

The fire training center is a regional facility partnering with the other fire departments in Boulder County

Mutual aid agreements are in place with neighboring fire departments in the event of a major emergency

Outsourcing or Partnering Opportunities

Partnering with other fire departments or fire protection districts

Partnering with volunteer organizations such as the Boulder Emergency Squad and the Rocky Mountain Rescue Group

Fire engine leasing & maintenance could be outsourced

Fire Protection District model could be used similar to Lakewood or Broomfield

Impact of Forced Reductions

Postpone fleet loan payment

Hold vacant positions open

Close Rescue Squad

Close Dive, Wildland, and Public Education
Teams

Close fire stations

Close seasonal wildland fire/mitigation crew

Close the public education program

Impact of Forced Reductions

Increased risk to public

Reduction in firefighter safety

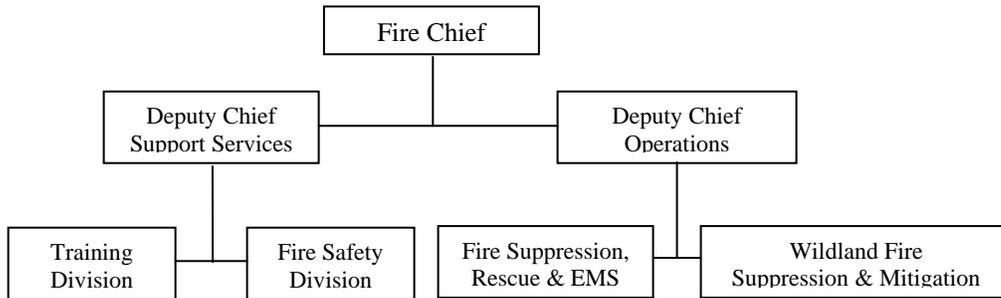
Questions?

City of Boulder

Fire Department Overview

Department Head: Larry D. Donner, (303) 441-3357, donnerl@bouldercolorado.gov

General Description of Department Structure:



The Fire Department operates eight (3-person) fire trucks out of seven fire stations

- Stations are located at strategic locations for rapid response to emergencies
- Equipment staffed seven days per week, 24 hours per day
- 25 firefighters are on-duty at any given time
- A two-person rescue squad also operates Monday through Thursday, 7 a.m. to 5 p.m.
- A seasonal wildland fire suppression/mitigation crew operates late spring through fall

Operating Budget: \$13,397,935
Number of FTE's: 111.33

GUIDING PRINCIPLES OR INVESTMENT STRATEGY

- 1.) **Essential Services** include those that directly provide for the health and safety of the people and property in the community. These services are not provided by another entity. These include response to emergencies within and around the City, and the support activities necessary to safely and efficiently mitigate those emergencies. Examples include; fire and emergency medical response, automobile, technical and water rescues, fire fighter training and fire safety inspections to comply with City and State regulations and ordinances. Replacement of aging fire vehicles is essential.
- 2.) **Desirable Services** include those that enhance essential services or improve quality of life in the Boulder community. Examples include wildland fire mitigation and public safety education designed to reduce the demand for emergency responses.

- 3.) **Discretionary Services** include those that serve limited special interest. Examples are funding of a regular fire apparatus replacement program and our smoke detector give away program funded through donations.

Department Mission: Boulder Fire/Rescue strives to make Boulder a safe place to live and work.

Division Responsibilities: The Boulder Fire Department responds to over 9,000 emergencies a year.

Emergency services include:

- Structure and wildland fire suppression
- Basic life support for Boulder's emergency medical system (EMS)
- Rescue for people trapped through a variety of circumstances
- Control and containment of hazardous material releases
- Swift water rescue and dive rescue

Fire safety and education services include:

- Code inspections for business properties
- Plan checks for new construction
- Arson investigations
- Counseling for children who misuse fire
- Public education programs for target audiences (young children, college students, and seniors)

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	
2	BUSINESS PLAN BUDGET SUBMISSION																						
3	FISCALLY CONSTRAINED PLAN																						
4	2009 BUDGET																						
5	1% Total = \$133,240																						
6																							
7																							
8	Fund Title	Fund #	Rev	OCA	Program/Service	Budget	FTE	%	Cost	FTE	Svc Std	%	Cost	FTE	Svc Std	%	Cost	FTE	Svc Std	1% Lowest Amount	1% Lowest Priority	NOTES	
9																							
10	General	10		101000	Administration	693,508	5.00	100%	693,508	5.00	-		0	0.00			0	0.00					
11	General	10		102000	Communications & Contracted Services	127,320	1.00	100%	127,320	1.00	o		0	0.00			0	0.00					
12					Office of Emergency Management				0	0.00	-			0	0.00			0	0.00				
13					Communications				0	0.00	o			0	0.00			0	0.00				
14	General	10		201000	Fire Control (includes wildland team)	11,038,203	95.00	100%	11,038,203	95.00	-		0	0.00			0	0.00			133,240	1	This will remove the "squad" from service and through attrition reduce the Fire Department staffing by 2 FTE's. The squad is staffed with a Lieutenant and an Engineer. The current authorized strength at the Lieutenant position is 25 FTE's and at Engineer is 28. The "squad" vehicle was placed in service in 1997 to help with excess call volume being experienced in the fire station 3 (30th and Arapahoe) response area. At that time the response area for fire station 3 was larger than today. Fire Station 7 in east Boulder had not yet been constructed. The idea of the squad was to respond to emergency medical calls in place of the fire engine at station 3 allowing the engine to be available for other emergencies.
15																							The squad operated Monday through Friday from 8am to 4 pm with 2 fire fighters. Today the squad continues to respond to medical emergencies. Fire station 7 has been operational since 2000 reducing the initial response area of the squad. The hours of operation have also change to Monday through Thursday from 7am to 5 pm. Confusion over the purpose of the squad has occurred in the past. The basic function of the vehicle and its crew is limited compared to that of a regular fire engine staffed with 3 fire fighters. It performs no special functions that are more than the capabilities of any of the City's regular 7 fire engines or 1 ladder truck. The City's single squad vehicle is located at fire station 3 and responds to 75% of its total annual calls (398 calls) in fire station 3's immediate response district. The squad has limited capability, limited hours of operation and limited staffing. It has outlived its usefulness and provides little value to the fire department or community.
16					Underwater Search and Dive Team	25,470		100%	25,470	0.00	-		0	0.00			0	0.00					
17	General	10		203003	Hazardous Materials Team	13,339		100%	13,339	0.00	-		0	0.00			0	0.00					
18	General	10		202000	Wildland Fire	498,880	2.67	100%	385,370	2.67	o			0	0.00			0	0.00				
19					Wildland Fire Mitigation								113,510										This is the 6 member seasonal wildland fire crew. The crew generally works from March through November and does forest thinning and fire mitigation work when not responding to wildland fires
20	Open Space	150		202001	Wildland Fire Open Space	78,722	0.66	100%	78,722	0.66	o		0	0.00			0	0.00					
21	General	10		204000	Training	270,679	2.00	100%	270,679	2.00	-		0	0.00			0	0.00					
22	General	10		300000	Fire Safety	606,933	5.00	100%	506,860	4.00	o		0	0.00			0	0.00					
23					Public Safety Education				0	0.00			100,067	1.00			0	0.00					This program provides safety education a wide range of community members from elementary school through the university. Also businesses, seniors and the disabled are provided programs.
24									0	0.00			0	0.00			0	0.00					
25																							
26																							
27	TOTALS					13,353,054	111.33		13,139,470	110.33			213,577	1.00			0	0.00					
28																							
29																							
30																							
31					Service Standards:																		
32					+	exceeds minimum acceptable service standards																	
33					o	meets minimum acceptable service standards																	
34					-	does not meet minimum acceptable service standards																	
35																							