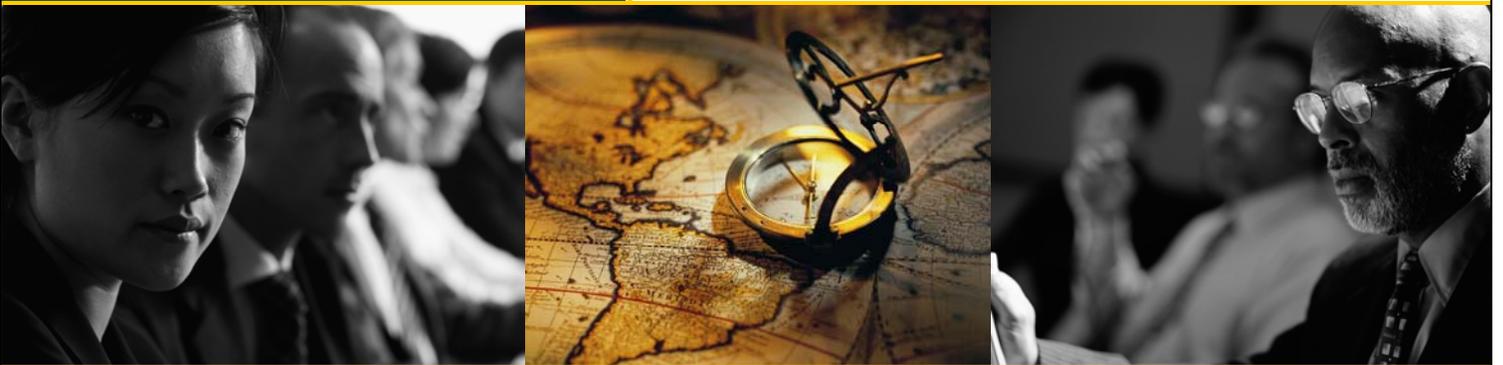


A Management Audit of the City of Fountain, Colorado

Final Report



Evergreen Solutions, LLC

February 2008



Evergreen Solutions, LLC

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Evergreen Solutions, LLC



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In February, 2007 the City of Fountain Colorado, located just south of Colorado Springs, began the process of conducting a comprehensive management review of City departments and services. The project was intended to focus on the organizational, operational, and financial efficiency and effectiveness of the City's operations.

The City of Fountain has approximately 27,000 residents (based upon economic development projections), and is a fast-growing residential and commercial community that is realizing the challenges to effectively administer and manage a high-growth period while operating in a fiscally responsible manner.

Methodology

Evergreen Solutions methodology for conducting the review was broken out into two distinct phases – Phase I (diagnostic review) and Phase II (in-depth analysis and review). The two phases included the following components:

Phase I

- reviewing existing reports and data sources;
- conducting a diagnostic assessment, including interviews with City leaders, Council Members, employees, and community/business leaders;
- conducting a confidential survey;
- establishing a Web site for survey input; and
- preparing a draft and final Phase I report with recommendations for Phase II areas.

Phase II

- conducting analyses with comparison Cities;
- visiting all City facilities;
- conducting the formal on-site review with a team of six Evergreen consultants; and
- preparing the draft and final reports.

Review of Existing Records and Data Sources

Initially, Evergreen consultants collected existing reports and data sources that provided us with recent information related to the various administrative functions and operations we would review in the City. Examples include, but are not limited, to the following:



- policies and administrative procedures;
- organizational charts;
- program and compliance reports;
- strategic and departmental plans;
- annual performance reports;
- independent financial audits;
- annual budget and expenditure reports;
- job descriptions;
- salary schedules; and
- employee handbook.

Data were analyzed from each of these sources and the information was used as a starting point for collecting additional data during our on-site visit.

Phase I Diagnostic Review

The Phase I diagnostic review of the City of Fountain was conducted during the week of March 26, 2007. Two Evergreen consultants interviewed City Council members, City leaders, department heads, employees, and community leaders concerning the management and operations of the City of Fountain.

Stakeholder Surveys

To secure the involvement and participation of all City of Fountain stakeholders, a survey with two separate vehicles was provided for input. Both a hardcopy and online survey instrument were developed and utilized by Fountain stakeholders. Through the use of anonymous surveys, employees, leaders, and community members were given the opportunity to express their views about the management and operations of the City.

Phase II Management Review

Subsequent to the completion of Phase I, a series of recommendations for Phase II analyses were adopted by Fountain City Council. In the Phase II review, a team of six consultants conducted the formal on-site review of the City of Fountain's operations during the week of August 20, 2007. As part of our on-site review, we examined the following systems and operations:

- Administrative and Organizational Leadership
- Financial Management



- Human Resources
- Public Safety (Fire, Police, EMS)
- Public Works
- Utilities

It is important to note that the areas reviewed were based on the Phase I approach, which sought to determine which City departments were most in need of Phase II review. The selection of these specific areas is not meant to infer that excluded departments (economic development, planning, courts) are not in need of staffing or improvement in management capacity, rather that the Council sought to emphasize the selected areas based upon the potential for generating the highest value for this review.

Prior to conducting the on-site review, each team member was provided with an extensive set of information about City of Fountain operations. During the on-site work, team members conducted a detailed review of the structure and operations in their assigned functional areas. All City of Fountain facilities were visited at least once.

Comparison Peers

For the purpose of any comparative analysis, Evergreen Solutions developed, with the assistance and approval of the City of Fountain, a group of six organizations that possessed similar demographic characteristics to the City of Fountain. Preliminary analysis examined these peer organizations to determine points of comparison, best practices, and operational needs for Fountain. The Colorado cities chosen for this analysis are:

- City of Louisville
- City of Commerce City
- City of Northglenn
- City of Brighton
- City of Parker
- City of Lafayette



Major Recommendations

In this section we include the major recommendations and commendations for each operational area.

Administrative and Organizational Leadership

The City of Fountain is governed according to its charter as a Council/Manager form of government, with a City Council developing policies and a City Manager running the administration of the City. Overall, the City Council and its leadership are committed to success, and genuinely seek to provide the City with positive value. As the City has experienced dramatic growth over the past 10 years, there has been a divergence of opinions on methods of success, and in the end the City finds itself in need of primary planning to further prioritize its infrastructure needs in the context of growth trends.

Primary recommendations include the following:

- Reduce time and resources utilized in production and distribution of Council packets through use of technology.
- Develop and implement a formal City Council orientation and training program.
- Implement a Volunteer Coordination Board to centralize and strategically address volunteerism within the City of Fountain.
- Reorganize the top level structure of the City of Fountain.
 - Develop a Department of Administrative Services, staffed by a Director of Administrative Services.
 - Reclassify the Finance, HR, and Technology departments into units, led by managers (as opposed to directors).
 - Streamline the organizational structure to have the Director of Administration report to the City Manager, with the Finance, HR, and Technology Managers reporting to the Director of Administrative Services.
- Commit to proper warehousing of critical historical records.
- Develop a comprehensive five-year strategic plan.
- Evaluate the prospect of a bond issue for capital needs in the City of Fountain.



Financial Management

Overall, the financial management capacity of the City needs to be more responsive to the needs of Council and more proactive in its focus – this would be representative in establishing revenue streams to maximize potential sources of revenue within the confines of TABOR restrictions, as well as through more regular reporting of fiscal information to Council within the context of planning, as opposed to simple “portrait painting”. In particular, improvement would involve a shift within the overall financial management “culture” within the City, involving substantive changes.

Primary recommendations include:

- Update financial forecasts based on current operating results for general fund revenue and expenditures as November 1, 2007 to be used to determine 2008 revenue budget.
- Implement a general fund budget development policy of base budgeting with proposed revenue and expenditure increases.
- Identify the financial requirements for infrastructure and service level increases over the next five years, next ten years and next twenty years so funding alternatives can be developed.
- Address TABOR ratchet-down effect through the implementation of impact-fees for new development.
- Consider a TABOR time-out ballot measure every two years.
- Develop a fund balance policy to give guidance to staff in managing activities and direct Director of Administrative Services to implement a management report to demonstrate oversight of the balance and assist in managing the budget process.
- Implement a financial management policy to adjust the revenue budget to reflect current revenue projections on a periodic basis.
- Implement a policy of recognizing areas that will not spend their budget in the current year and allow City Council to allocate those funds.
- Develop and implement a franchise agreement and tax policy giving direction to the City Manager to negotiate franchise agreements with all service providers on an equitable basis.



Human Resources Management

With respect to human resources management, the current staffing within the department is adequate to meet all of the objectives of a typical HR function, however many of the critical needs from an HR perspective are not being met. Basic infrastructure in many core components is lacking, and given the size of the City, there should be more progress made in the area of human resources than is present.

Primary recommendations include the following:

- Develop performance goals that are consistent with the Department’s Mission Statement.
- Construct an online customer satisfaction survey and administer the survey on an annual basis.
- Develop a comprehensive recruiting plan.
- Streamline the recruitment process for all employees.
- Develop a formal exit interview guide and conduct exit interviews with all employees that are terminating their employment with the City.
- Adopt an open-range system of compensation administration. Adoption of an open-range system would provide for additional flexibility and move the organization toward a culture that is more performance-oriented.
- Implement mandatory training for all supervisors and managers in performance evaluation.
- Develop a comprehensive City-wide Professional Development Master Plan.

Public Safety

The public safety operations within the City (police, fire, EMS) continue to struggle with the growth that the City has experienced over the past several years. As demands for service have increased, the City’s ability to appropriately fund public safety operations have, in some cases, come into competition with other infrastructure needs. As the City begins to address the comprehensive need for a strategic plan, public safety operations will inevitably be a critical component for prioritization.

Primary recommendations include the following:

- Develop a Fire and Police Strategic Plan
- Develop a Maximum Practical Capacity Plan for both Fire and Police Departments.
- Immediately develop a dispatch center action plan and staffing analysis.



- Create a full time Fire Training Officer position.
- Create a full time Fire Inspector position.
- Develop a detailed cost justification and cost benefit analysis report concerning the building of a new police facility.

Public Works

In several ways, the infrastructure of the Public Works Department has suffered the most visibly from the lack of capital planning. The most glaring and prominent example is the often cited streets budget, which is completely inadequate to meet the needs of the City.

Primary recommendations include the following:

- Implement the following staffing changes in the administrative area for public works:
 - Hire one full-time engineering technician to review development improvement plans and to provide engineering support for City projects;
 - Hire an additional full-time development inspector to help with the increased work load due to on-going growth; and
 - Change the employment status of the public works administrative assistant from part-time to full-time to help meet the increased administrative work load demands in the department.
- Conduct a facilities study to determine the long-term facility needs of the Public Works Department.
- Develop and implement a storm-water management program.
- Develop a comprehensive five-year strategic plan for public works departmental operations.
- Implement an electronic work order management system.
- Hire two additional park maintenance workers to meet the work load demands in the parks division.



Utilities

The Utilities Department within the City of Fountain is uniquely situated – the department functions as an enterprise fund. Consequently, the department’s revenue and spending is not subject to the limitations set forth by TABOR legislation. As a result, the Utilities department has been able to be much more proactive in revenue generation, infrastructure and capital planning, and leadership.

Primary recommendations include the following:

- Develop a succession plan to ensure management and leadership continuity of the City’s utility enterprise.
- Establish a subcommittee to provide greater oversight of utility system planning.
- Conduct a citywide cost allocation study to properly document direct and indirect costs associated with the utility enterprise fund.
- Create a position to manage the utilities conservation programs and coordinate energy and water supply planning.
- Conduct a 20-year strategic facilities master plan study.
- Implement an electronic work order management system in the electric division.
- The following organizational and management changes are recommended to improve operations within the customer service and utility billing division:
 - Implement the proposed organizational structure, functional alignments and staffing requirements identified below in Exhibit 7-15.
 - Reclassify the utility analyst position to that of collections supervisor to manage the collections function; reclassify the billing accountant position to that of consumer services supervisor to manage the consumer services functional area.
 - Develop a formal program for cross-training staff and rotating them in and out of the different functional areas. and
 - Set up and maintain a dedicated call center to manage telephone calls from customers.
 - Develop a written operational manual to clearly outline policies and procedures and to document work flow and processes.
- Utilize modern technology applications to improve customer service by upgrading to a more flexible customer information system that integrates with the City’s Finance Department, and implementing an I.V.R telephone system.



Implementation

The most critical aspect to success in the context of this management audit is developing positive momentum toward implementation. If the City does not proceed forward in a clearly thought-out, structured fashion to address the findings and recommendations contained within the report, then the investment made by the City in conducting the study will have been in vain. In light of the structure of many of the recommendations, their interrelated nature, and the need to address significant foundational elements at the top level, Evergreen Solutions has provided a series of implementation recommendations for the City Council and new City Manager to consider.

These recommendations include:

- **Implementation Recommendation 1** – In order to build a foundation for momentum toward success, Evergreen Solutions recommends that the Fountain City Council develop an ad-hoc committee to oversee the implementation of the management audit. This committee would be comprised of all current Council members as well as the new City Manager, and its sole purpose would be to ensure that the City recognizes true value for the investment it has made in this process.
- **Implementation Recommendation 2** – once established, the Committee would then be charged with overseeing the implementation of the Management Audit – this would involve establishing a master list of recommendations by department, working with Department Heads to separate recommendations by implementation type (immediate, short-term, long-term) and by implementation process (Internal Department Initiative, Administration Initiative, Council Action Initiative). Once the recommendations have been pulled together into a comprehensive format by type and process, the Committee would then begin the process of establishing prioritization of all recommendations. The Committee would develop full prioritization lists, along with specific action plans for each recommendation, which would then be formally adopted and ratified by the Fountain City Council.
- **Implementation Recommendation 3** – once the Committee submits a full implementation prioritization and action plan for all recommendations, the Committee should meet twice per month, on a regular and established basis, to review the progress of the implementation process. Once per month, each Department Head should be required to provide the Committee with a written update of the progress on recommendations specific to their department.
- **Implementation Recommendation 4** – maintaining broad-based community support is critical to success. As such, we would recommend that the City establish, in conjunction with its current Web site, a dedicated and clearly visible link on its home page to the Committee progress. The Web page should identify recommendations by department as well as priority status, and provide regular and ongoing updates to ensure that the community holds the City of Fountain accountable for turning the investment made in the Management Audit into tangible benefit.



Fiscal Impact Summary

In the course of completing this Management Audit, Evergreen Solutions consultants have made a large number of recommendations throughout all operational areas included in the review. Many recommendations can be accomplished within the context of existing resources to the City – thus being cost/revenue neutral. However, there are several recommendations that will have either a positive (revenue generation) or negative (investment required) fiscal impact on City operations. In the tables below, a summary of the recommendations that have either a positive or negative fiscal impact are included. It is important to note that in most cases, the actual fiscal impact will be dependent upon external factors outside of the control of the Audit.

Exhibit 1
City of Fountain Management Audit
Recommendations – Positive Fiscal Impact

Recommendation	2008	2009	2010	2011	2012
3-6: Implement non-Tabor Restricted Impact Fees.	\$500,000	\$550,000	\$600,000	\$650,000	\$700,000
3-10: Improve Revenue Budgeting	\$0	\$500,000	\$600,000	\$700,000	\$800,000
3-13: Establish Internal Service Funds	\$0	\$40,000	\$40,000	\$40,000	\$40,000
3-14: Improve Controls over salary allocation and develop appropriate charge-back mechanisms	\$25,000	\$50,000	\$50,000	\$50,000	\$50,000
3-15: Implement Equitable Franchise Fees	\$125,000	\$250,000	\$250,000	\$250,000	\$250,000
3-18: Improve Internal Control Environment	\$0	\$120,000	\$120,000	\$120,000	\$120,000
3-19: Control access to Legal Services	\$0	\$25,000	\$25,000	\$25,000	\$25,000
3-20: Implement a Loss Prevention Program	\$0	\$25,000	\$25,000	\$25,000	\$25,000
Total Positive Impact	\$650,000	\$1,560,000	\$1,710,000	\$1,860,000	\$2,010,000



Exhibit 2
City of Fountain Management Audit
Recommendations – Negative Fiscal Impact

Recommendation	2008	2009	2010	2011	2012
2-4: Increase Council member pay	(\$15,600)	(\$15,600)	(\$15,600)	(\$15,600)	(\$15,600)
2-7: Reorganize top-level structure of City management	(\$65,000)	(\$130,000)	(\$130,000)	(\$130,000)	(\$130,000)
2-11: Develop a comprehensive strategic plan	(\$35,000)	(\$0)	(\$0)	(\$0)	(\$0)
4-2: Place the current Human Resources support staff accelerated human resources training program.	(\$4,000)	(\$3,000)	(\$2,000)	(\$2,000)	(\$1,000)
4-10: Purchase a scanner and software and implement a phased scanning program for its Human Resources records.	(\$800)	(\$0)	(\$0)	(\$0)	(\$0)
5-2A: Public Safety Information Technology Expert	(\$25,000)	(\$0)	(\$0)	(\$0)	(\$0)
5-2B: IT Full Time Employee	(\$32,500)	(\$65,000)	(\$65,000)	(\$65,000)	(\$65,000)
5-5A: Existing Budget for 800 MHz Upgrade	(\$62,000)	(\$0)	(\$0)	(\$0)	(\$0)
5-5B: Mobile Radios and Microphones	(\$0)	(\$152,680)	(\$0)	(\$0)	(\$0)
5-5C: Quantar Repeaters	(\$0)	(\$91,500)	(\$0)	(\$0)	(\$0)
5-5D: Consoles	(\$0)	(\$49,000)	(\$0)	(\$0)	(\$0)
5-7: Traffic Signal/Warning Device	(\$10,000)	\$0	\$0	\$0	\$0
5-8: Traffic Signal Preemption System	(\$30,000)	(\$0)	(\$0)	(\$0)	(\$0)
5-10: Fire Training Officer position	(\$25,286)	(\$50,572)	(\$50,572)	(\$50,572)	(\$50,572)
5-11: Fire Training Inspector position	(\$25,286)	(\$50,572)	(\$50,572)	(\$50,572)	(\$50,572)



Exhibit 2
City of Fountain Management Audit
Recommendations – Negative Fiscal Impact (continued)

5-13A: Evidence Control – Staffing Requirement	(\$15,000)	Unknown	Unknown	Unknown	Unknown
5-13B: Evidence Control – Supplies	(\$2,800)	Unknown	Unknown	Unknown	Unknown
5-14: Evidence Custodian FTE	(\$22,225)	(\$44,450)	(\$44,450)	(\$44,450)	(\$44,450)
6-1: Staffing Additions in PW	(\$75,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)
6-3: Implement a storm-water management program	(\$135,042)	(\$270,084)	(\$270,084)	(\$270,084)	(\$270,084)
6-5: Implement an electronic work order management system	(\$11,482)	(\$11,482)	(\$11,482)	(\$11,482)	(\$11,482)
6-7: Develop Formal Training Program	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)
6-8: Implement improved streets maintenance budget	(\$300,000)	(\$450,000)	(\$550,000)	(\$650,000)	(\$750,000)
6-10: Staffing Additions in Parks	(\$37,500)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)
7-3: Conduct Cost Allocation Study	(\$25,000)	(\$0)	(\$0)	(\$0)	(\$0)
7-4: Create Utility Conservation Program Manager	(\$37,500)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)
7-5: Conduct a 20-year strategic facilities master plan study	(\$50,000)	(\$0)	(\$0)	(\$0)	(\$0)
7-6: Implement Electronic Work Order Management System	(\$25,000)	(\$0)	(\$0)	(\$0)	(\$0)
7-9A: Add Four Customer Service Representatives	(\$60,000)	(\$120,000)	(\$120,000)	(\$120,000)	(\$120,000)
7-9B: Reclassify Positions	(\$5,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)
7-9C: Enhance Phone System	(\$5,000)	(\$0)	(\$0)	(\$0)	(\$0)
Total Negative Impact	(\$1,147,021)	(\$1,823,940)	(\$1,629,760)	(\$1,729,760)	(\$1,828,760)



Conclusion

The process for completing this Management Audit was very time-consuming and involved for many within the City of Fountain. Special thanks should be given to Mayor Jeri Howells, Acting City Manager Dave Smedsrud, and especially City Clerk Sharon Mosley, without whom we could not have succeeded.



**CHAPTER 1:
INTRODUCTION AND METHODOLOGY**



Chapter 1

INTRODUCTION AND METHODOLOGY

In February, 2007 the City of Fountain, Colorado, located just south of Colorado Springs, began the process of conducting a comprehensive management review of City departments and services. The project was intended to focus on the organizational, operational, and financial efficiency and effectiveness of the City's operations.

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STAKEHOLDER SURVEYS

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- Financial Management
- Human Resources



- Public Safety (Fire, Police, EMS)
- Public Works
- Utilities

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1.2 COMPARISON PEERS

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- City of Louisville
- City of Commerce City
- City of Northglenn
- City of Brighton
- City of Parker
- City of Lafayette



1.3 OVERVIEW OF THE REPORT

The final report for this study consists of the following seven chapters:

- Chapter 1.0: Introduction and Methodology
- Chapter 2.0: Organizational and Administrative Leadership
- Chapter 3.0: Financial Management
- Chapter 4.0: Human Resources Management
- Chapter 5.0: Public Safety
- Chapter 6.0: Public Works
- Chapter 7.0: Utilities Operations
- Chapter 8.0: Implementation Plan



**CHAPTER 2:
ADMINISTRATIVE AND ORGANIZATIONAL
LEADERSHIP**



Chapter 2

***ADMINISTRATIVE AND
ORGANIZATIONAL LEADERSHIP***

A well defined governance structure, staff management, and planning process provide the foundation for effective and efficient delivery of services. The City Council and City Manager should function as a leadership team to meet citizens' needs. Effective leadership means that there is a clear delineation between setting goals, objectives, and policies for operations and implementing an effective management structure to accomplish those goals and objectives in a strategic manner. This chapter evaluates the effectiveness and efficiency of the City of Fountain's administrative and organizational leadership in the following areas:

- 2.1 Municipal Governance
- 2.2 Organizational Structure
- 2.3 Policies and Procedures
- 2.4 Strategic Planning

Many public organizations pursue success – very few actually achieve it. The mantra of performance measurement is a common theme throughout virtually all major local government organizations in the United States. Municipal organizations, at the dawn of the 21st Century, find themselves in the throes of a functional transformation that is impelling many municipal officials to adopt new ways to manage. The demographic migrations of the 1990s have altered the national landscape, creating new urban pockets throughout the Country. Even where municipalities remain rural, officials face increasing demands on their resources from local residents and from other tiers of government. Perhaps even more fundamental than the impact of demographics is the action of state governments to expand local functions. For example, the traditional short list of local functions for small to mid-sized city operations – public safety, public works, public health, and general government – has been lengthened considerably to include functions more typical of larger municipalities (culture and recreation, economic development, environmental protection, and human services). Furthermore, the devolution of programs from Washington, DC to the states has not stopped in the state capitals; many state governments pass the burden of program administration to municipal governments.

As the trends have, for progressive organizations, resulted in increased performance, customer satisfaction, and resource optimization, the challenge for the rest has been to adapt to the changing environment.



2.1 MUNICIPAL GOVERNANCE

The City of Fountain, Colorado was established as a Council-Manager form of government, with a City Council overseeing policy and budget approval and a City Manager responsible for the administration of City operations. As stipulated in the City Charter for Fountain:

The municipal government provided by this Charter shall be known as a form of Council-Manager government. Pursuant to the Charter provisions and subject only to limitations imposed by the State Constitution and by this Charter, all municipal responsibilities shall be vested in an elective Council which shall enact local legislation, adopt budgets, determine policies and appoint the City Manager, who shall execute the laws and administer the City government. All rights and powers of the City shall be exercised in the manner prescribed by this Charter, or in such manner as may be prescribed by ordinance, resolution, or other applicable law.

The Charter establishes a clear line of demarcation between the authority of the City Council and the responsibilities of the City Manager. The City Council, under the guidance of the Mayor, is responsible for enacting local legislation, adopting budgets, determining policies, and appointing the City Manager.

FINDING

The City of Fountain's City Council is made up of seven elected positions. There are three "wards" that elect Council members as determined by home location, three at-large Council positions, and the Mayor, who is elected at-large. Election terms are staggered within the City Council to ensure that there is a degree of institutional knowledge and consistency within the Council membership. Regular Council members, including the Mayor Pro-Temp (who presides over Council meetings in the Mayor's absence), are elected to four-year terms, with a term limit at two consecutive terms. The Mayor is elected to two-year terms, with a term limit at four consecutive terms. As stipulated in the City of Fountain Charter:

The Council shall consist of members elected both at-large and from Wards established within the City on the basis of population, and a Mayor elected as provided in Section 2.3(b) of this Charter. The number of Wards shall be set by ordinance. One Council Member shall be elected from each Ward, and additional Council Members shall be elected at-large, the number of which shall equal the number of Wards. The Council membership, including the Mayor, shall not exceed nine members. The term of office shall be four years and no member may serve more than two regularly elected, consecutive terms. On the first Tuesday in November, 1977, the first regular election under the provisions of this Charter shall be held at which time the Mayor and Council Members shall be elected as provided in this Charter. Commencing with the first regular Municipal election after the adoption of this Charter and at each succeeding regular election thereafter, the members of the Council shall be elected to overlapping terms of office. On the first Tuesday in November, 1979, and on the first Tuesday of



November of every odd numbered year thereafter, the expired terms shall be filled by electing the Council Members to four-year terms.

The term of a Council Member shall commence upon the taking of the oath of office at the first regular Council meeting held after the results of the election have been certified by the City Clerk. The terms shall continue for the period for which the member has been elected and until a successor shall have been elected and sworn or, in the case of a vacancy, until a successor is appointed and sworn. Nothing in this section shall be construed to conflict with the right of the electors to recall any elected official.

Section 2.3 – Mayor.

The Mayor shall be the presiding officer of the Council and the recognized head of the City government for all legal, dignitary, ceremonial, martial law and disaster emergency purposes. He shall preside at meetings of the Council, and shall have the same right and obligation to speak and vote therein as any member. All contracts, conveyances of interest in land, bonds, indentures, evidences of indebtedness, proclamations and all other legal documents shall be signed by the Mayor or as delegated by the Council. All resolutions and ordinances of the City shall be signed by the Mayor and attested by the City Clerk under the seal of the City. The Mayor shall exercise such powers and perform such other duties as are conferred and imposed upon him by this Charter or by ordinance.

The Fountain City Clerk’s Office is the certified election office for the City Council, and provides for all elections taking place within the City. In the past 12 months, the City Council has undergone a significant amount of change. Two mid-term vacancies occurred, requiring a special election to fill the positions for partial terms. The elections occurred without any issues related to the conduct of the voting and Council meetings continued throughout the process without issue.

COMMENDATION

The City of Fountain is commended for successfully conducting its elections, including a recent special election, in accordance with state law and local charter stipulations.

FINDING

The Fountain City Council conducts regular meetings twice per month, on the first and third Tuesday of each month. On the Friday prior to each meeting, the City Clerk’s Office prepares the Council agenda packet, including all supplemental materials and provides them to Council members, the City Manager, City Attorney, and numerous other City officials. Data provided by the City Clerk’s Office indicates that there are 11 full notebook packets prepared for Council members, two full packets prepared for the Finance Director and the City Clerk’s file, and 17 other packets prepared for department heads, news organizations, and the public. Each Friday prior to a Council meeting, City Clerk staff must physically compile all information, copy all



materials, organize all meeting materials, prepare notebooks and hard copy packets, and distribute to stakeholders. A review of several sample agenda packets reveal that the information compiled is, in many cases, several hundred pages. Consequently, a significant amount of time, resources, and money is spent in providing this information.

RECOMMENDATION

Recommendation 2-1:

Reduce time and resources utilized in production and distribution of Council packets through use of technology.

There is no substantive reason for all Council packets to be printed and distributed in hard copy. Interviews with City officials indicate that some Council members are uncomfortable with electronic copies and prefer hard copy notebooks. Special arrangements could be made for those requests; however they should be the exception – not the rule. The City possesses a high-capacity printer-scanner, which could easily be utilized for compiling all agenda materials into PDF format. From there, an electronic copy of the materials could be posted to the City’s Web site, where each department head or stakeholder would be able to access the agenda materials. As a courtesy to Council members, an electronic copy should be emailed as soon as it is available. Implementing this recommendation would save the City time as well as money, which is typically spent in reproduction and distribution costs.

FISCAL IMPACT

This recommendation can be implemented within existing resources.

FINDING

The City does not have a comprehensive orientation package or new member training for new Council members.

Interviews with numerous individuals indicated that while training opportunities are encouraged by the City, that Council members are left on their own to identify and obtain training. When a new Council member is elected, the City Clerk provides the individual with some information, including:

- Current year budget
- City charter
- Zoning ordinance
- Five year CIP (Capital Improvement Plan)
- Previous year audit report



- Council rules and regulations
- Comprehensive plan
- Colorado Municipal League information

There is no formal mentoring program and there is, no initiative to train new Council members on proper procedures, policies, roles, or responsibilities as a City Council member. In addition, there has not been a concerted effort on the part of the City or the Council to ascertain what training and development opportunities exist.

RECOMMENDATION

Recommendation 2-2:

Develop and implement a formal City Council orientation and training program.

In order to ensure continuity of service, it is critical that new Council members receive proper training and information on their roles, responsibilities, and opportunities in serving. The Colorado Municipal League is recognized nationally as one of the foremost municipal management organizations and is widely respected by its counterpart organizations throughout the United States. CML provides some of the more progressive training and development opportunities available to municipal leaders. One of CML's programs is the Elected Officials Leadership Training Program – a series of training tracks available for elected officials to expand their leadership potential. The Leadership Training Program is built on basic principals such as education, training, and networking. By attending CML-sponsored workshops and conference sessions, elected officials accrue credits on their way to achieving leadership honors. The program works as follows:

- Any municipal elected official may participate. This includes mayors, Council members, and trustees.
- There is no cost to enroll and the program is administered by CML.
- There are no minimum requirements or required courses. The participant selects the training that fits his or her specific interests and needs.
- Each participant has six years to complete any or all levels of the training program.

There are three levels of achievement in the Elected Officials Leadership Training Program:

- **Certificate Level** – Each participant who accumulates 30 credits by attending accredited CML training sessions will receive a framed certificate of achievement.
- **Leadership Level** – The second level in the program requires an accumulation of 60 credits. Once completed, the participant will receive a specially designed CML leadership pin.



- **Century Level** – The final level of the program requires an accumulated total of 100 credits. Participants who complete this level will receive a wall plaque.

After completing each level, Leadership Training Program participants will be recognized in CML publications and press releases will be provided to local media. Awards are presented at the recipient's district meeting or at the CML Annual Conference.

This is just one of a plethora of opportunities available through the Colorado Municipal League to strengthen and develop Fountain City Council members as they seek to make the most informed and valuable decisions on policy issues facing the community.

Ideally, the City Council would direct City staff to compile an ongoing directory and calendar of training opportunities, along with a database of activities by Council member. Council members should encourage one another to participate and when possible attend together.

FISCAL IMPACT

This recommendation can be implemented within existing resources.

FINDING

There is currently no conflict of interest form for Council members to complete upon being elected to Council.

The City Council members are not required to disclose any specific business interests that may come before Council for policy decisions, and are not specifically required to recuse themselves from decisions in which they may have a financial interest in. The City Charter provides a specific rule governing conflicts of interest:

Section 2.14 – Conflict of Interest.

The use of public office for private gain is prohibited. The City Council shall implement this prohibition by ordinance, the terms of which shall include, but not be limited to: acting in an official capacity on matters in which the official has a private financial interest clearly separate from that of the general public; the acceptance of gifts and other things of value; acting in a private capacity on matters dealt with as a public official; the use of confidential information; and appearances by City Officials before other city agencies on behalf of private interests.

RECOMMENDATION

Recommendation 2-3:

Develop a comprehensive disclosure and conflict of interest form to include in new Council member orientation packets.



While the Charter provision is certainly appropriate, the City should also reinforce the provision individually with each Council member.

Each and every Council member should be required to provide information on any business interests that they may have, and also provide notification of any family members or associates that may come before Council for specific business that would have a financial impact on the Council member. This information should be collected by the City Clerk and be readily available to ensure that Council members recuse themselves when a policy decision needs to be made that could potentially have a fiscal impact on a Council member’s business interests or family.

FISCAL IMPACT

This recommendation can be implemented within existing resources.

FINDING

City of Fountain Council members are the lowest paid in the State of Colorado.

Currently, the City of Fountain Council members receive a per-meeting stipend of \$25 per meeting attended. This includes the Mayor, who is responsible for directing the Council meetings. This rate of pay is the lowest of all Colorado municipalities, according to data supplied by the Colorado Municipal League. Exhibit 2-1 below shows the pay rates for peer cities where data were available.

**Exhibit 2-1
City of Fountain, Colorado
Comparison Council Member Pay Rates**

	Compensation Type	Council Member Pay
City of Commerce City	Annual	\$ 9,070
City of Lafayette	Annual	\$ 4,800
City of Louisville	Annual	\$ 3,000
City of Northglen	Annual	\$ 6,900
City of Parker	Annual	\$ 7,200
City of Fountain	per-meeting	\$ 25

Source: Colorado Municipal League, August 2007.

RECOMMENDATION

Recommendation 2-4:

Increase Fountain City Council pay rates to an annual stipend comparable with peer organizations.



While it should not be expected that individuals seek out a career in public service because of the pay, the City should seek to compensate its Council appropriately. Evergreen Solutions would recommend Council adopt the following pay system:

- Council Member - \$250 per month, \$3,000 per year
- Mayor - \$300 per month, \$3,600 per year

The preceding pay scale would allow the City to show that it values the service of its Council members enough to pay them an amount that reflects their role in City government, while also recognizing the fiscal limitations present.

FISCAL IMPACT

The 2008 proposed Fountain budget identifies a \$6,000 line item for Council salaries. The implementation of this recommendation would cost the City an additional \$15,600 per year.

Recommendation	2008	2009	2010	2011	2012
Increase Council member pay	(\$15,600)	(\$15,600)	(\$15,600)	(\$15,600)	(\$15,600)

FINDING

The Fountain City Council does not have a comprehensive agenda schedule for meetings.

The City Council publishes an agenda for each meeting, and currently utilizes Robert’s Rules of Order for the conduct of all meetings. A review of several agendas provided to Evergreen Solutions indicated the following agenda items:

- Call to order
- Pledge of Allegiance
- Roll Call
- Special Recognitions
- Public Input
- Consent Agenda
- Regular Agenda
- Executive Session (if appropriate)
- Staff Reports
- Acting City Manager Report
- Mayor and Council Time
- Adjourn



While the majority of the agenda is in line with Robert’s Rules of Order governing meeting procedures, there is not a New Business and Old Business section of the regular agenda. A Council member seeking to address a particular policy initiative or issue must alert the City Clerk prior to the agenda development, and then the issue is placed on the agenda.

RECOMMENDATION

Recommendation 2-5:

Include a New Business and Old Business section to the Regular Agenda.

Adding a New Business and Old Business section to the agenda will allow Council members to begin addressing issues in a set fashion, in specific compliance with procedures identified in Robert’s Rules of Order. Council members should have a mechanism within the Regular Agenda to bring up ideas, issues, challenges, and begin discussion of items that they feel are important and facing the community – especially when they may require specific Council policy or action.

FISCAL IMPACT

This recommendation can be implemented within existing resources.

FINDING

The City of Fountain does not coordinate volunteer activity effectively.

While there are significant opportunities for Council, City leaders/staff, and community members to volunteer their time to specific efforts within the City, there is no central mechanism of coordinating, tracking, or evaluating volunteerism within the City. Consequently, City Council are unable to ascertain how effective volunteer activities are within the City, where additional resources are needed, or even what the capacities and needs are.

RECOMMENDATION

Recommendation 2-6:

Implement a Volunteer Coordination Board to centralize and strategically address volunteerism within the City of Fountain.

Effective volunteerism is one of the hallmarks of progressive and successful municipal organizations – typically cities and counties are forced to provide more and more services with little growth in revenue generation. As a result, turning to volunteers is a growing avenue of resources. The City of Fountain should establish a Citywide Volunteer Coordination Board to develop as its first activity a comprehensive database of needs and resources to ensure that individuals and corporate interests can be effectively matched up with the proper activities.

FISCAL IMPACT

This recommendation can be implemented within existing resources.

2.2 ORGANIZATIONAL STRUCTURE

Successful municipal management starts with an effective organizational structure – a structure that reinforces the overall strategic direction of the City and allows specific leaders to concentrate on the most valuable aspects of their role. Conversely, an ineffective organizational structure can hamper a municipal government’s ability to address the needs of its citizens, plan for future growth and resource needs, and implement valuable and necessary strategic initiatives.

The current organizational structure of the City of Fountain, Colorado is provided on the following page in Exhibit 2-2.

The City’s administration is directed by the City Manager, who is appointed by the City Council. Article III of the Fountain City Charter outlines the specific details of the position of City Manager:

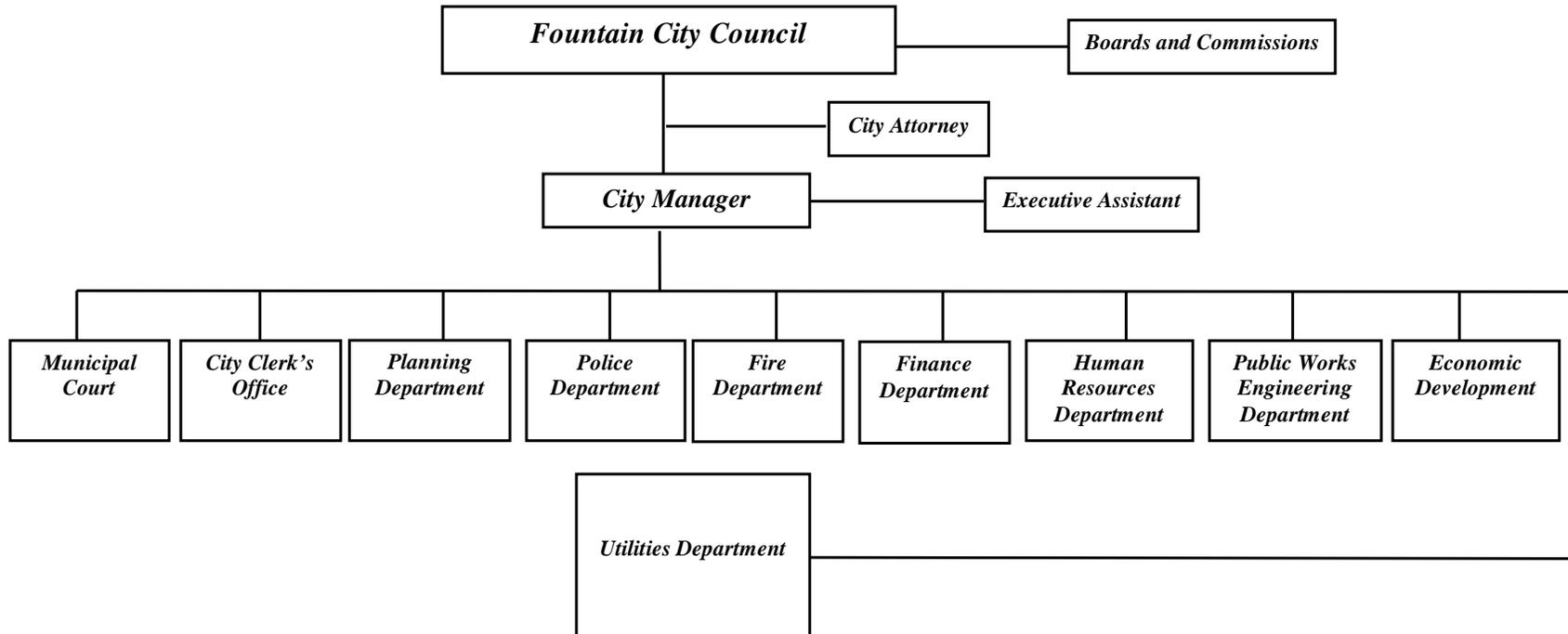
Section 3.1 City Manager: Appointment, Qualifications and Removal.

- (a) For the efficient performance of the administrative functions of the City, the Council shall by majority vote appoint a City Manager as soon as possible after adoption of this Charter and whenever a vacancy occurs in the position.*

- (b) The City Manager shall be selected with regard to his/her education, executive, and administrative abilities, experience and any other qualifications required for the successful accomplishment of the duties of the office which may be established by Council. Minimum requirements are a college degree or equivalent and five years experience relative to City Government. Such appointment shall be without definite term and shall be at an annual salary to be established by the Council. Neither the Mayor nor any other member of the Council shall be appointed to the position of City Manager during his/her term of office or within two years after the expiration of his/her term of office. Any person currently serving or selected and appointed for the position of City Manager after November 7, 1995 shall become a resident of the City of Fountain within six (6) months of his/her date of hire, and shall maintain that resident status within the City of Fountain during the entire term of their employment as City Manager for the City of Fountain. The City Manager shall devote his/her entire business time of the administration of the City, shall hold no other employment, full or part time, that interferes with his/her ability to fulfill his/her duties as City Manager and shall have no financial interest, direct or indirect, with any firm or corporation which may conduct commercial transactions with the City. (November 7, 1995) (November 7, 2006)*



**Exhibit 2-2
City of Fountain, Colorado
Current Organizational Structure**



Source: Created by Evergreen Solutions, August 2007

(c) It shall be the responsibility of the Council to judge the performance of duty of the City Manager, and it is within the discretion of the Council to establish such standards for the performance and execution of the duties of the office of the City Manager as it deems necessary. The City Manager may be removed for cause by majority vote of the Council. The Council shall then declare the position vacant, and shall proceed to fill the vacancy under the provisions of this Charter. The City Manager may request a public hearing and the opportunity to answer specific charges brought against him prior to his final removal from the office.

Section 3.2 – Absence of City Manager.

The City Manager may suggest, and the Council shall select by resolution, a Deputy City Manager to act in the absence of the City Manager or during a vacancy in the office. The position of Deputy City Manager may be filled either by a current employee as an additional duty or be a separate budgeted position. The Deputy City Manager shall, while acting in the capacity of the City Manager, have all the responsibilities, duties, functions, and authority of the office of City Manager. In the event of the incapacity or inability of the City Manager to act and of the Deputy City Manager to act instead of the City Manager, the City Clerk shall have all the responsibilities, duties, functions, and authority of the City Manager while so acting. (June 9, 1981) (November 5, 1985)

Section 3.3 – City Manager: Authority and Responsibilities.

The City Manager shall be the Chief Administrative Officer of the City Government, and shall be responsible to the Council for the proper and efficient administration and execution of the affairs of the City. His responsibilities shall include the following:

- (a) Laws – The proper enforcement of the laws and ordinances of the City, the policies and directives of the Council, and conformance to the applicable laws of the State of Colorado and the United States.*
- (b) Personnel – The preparation of and responsibility for a system of personnel administration, subject to approval by the Council, which provides for the recruitment, selection, appointment, transfer, promotion, evaluation, discipline and removal of all employees of the City; for the definition of their jobs and duties; for the establishment of appropriate wage and salary scales and classifications for the various positions of the City; for the proper supervision of the employees of the City and for the conformance of the system to applicable laws and regulations of the State of Colorado and the United States.*
- (c) Budget – The preparation of an annual budget to be submitted to the Council for approval and adoption as provided in this Charter, and for the proper administration of the budget after its adoption.*
- (d) Finance – The provision of a system of accounting that will reflect, within generally accepted accounting principles, the financial condition of*



the City; a system of financial reporting which demonstrates the current financial condition and future needs of the City; a comprehensive system of managing the financial resources of the City which provides that the funds of the City are held in securities and accounts which are properly insured as required by law and where feasible offers preference to chartered commercial banks, savings and loan institutions, and industrial banks, located within the City limits; and a system for the payment of funds for the debts of the City upon receipt of proper documentation.

(e) Purchasing – The establishment of a system for the acquisition of materials, equipment, supplies, and services for the City which will reflect cost effectiveness and a high quality of products and services. When feasible merchants and suppliers located within the City will be utilized and when required by law, the procedure of competitive public bidding or selective public bidding will be utilized.

(f) Departmental Supervision – The supervision and control over the operations, functions, duties, responsibilities, policies, regulations, rules and changes thereto of all of the departments and offices of the City and, subject to the advice and consent of the Council, for the creation, establishment, consolidation, division, or abolishment of departments and offices.

(g) City Representatives – The attendance at Council meetings and participation in an advisory capacity; serving as a non-voting member of any boards, committees, and commissions of the City both present and future which are established by action of the Council, or in an advisory capacity to such boards, committees, and commissions as determined within the discretion of the Council; when designated by the Council, representing the City as a voting member of any board, council, organization, committee, corporation, or other group to which the City has membership, but taking no action that would bind the City legally without the advice and consent of the Council.

(h) Other – The performance of such other duties as may be prescribed by this Charter, applicable laws and ordinances, or as are directed by the Council.

Section 3.4 – Relationship of City Council to Administrative Service.

No member of the Council shall dictate or interfere with the appointment or the duties of any officer or employee of the City, except as expressly provided in this Charter, nor shall any member of the Council prevent or interfere with any officer or employee of the City in the exercise of his judgment in the performance of his assigned municipal responsibilities. The Council and its members shall deal with the administrative service of the City solely through the City Manager, and neither the Council nor its members shall give orders or reprimands to any employee or subordinate of the City Manager. The City Manager shall be held accountable to the Council for his actions and those of his subordinates, and the



Council retains the prerogative of requiring the City Manager to make verbal or written reports concerning his activities, those of his subordinates, and the administrative service under his charge.

Currently, the City of Fountain is without a full-time City Manager. The previous City Manager resigned the position in late 2006. The City engaged a consulting firm to conduct an executive search for a new City Manager. For approximately 13 months, the Deputy City Manager, who is also the Director of the Planning Department, has served in a dual capacity – as Planning Director and Acting City Manager.

FINDING

From a non-service delivery administrative perspective, the City of Fountain is operating in an exceptionally lean manner.

When examining the administrative aspects of the City (internal functions – human resources, financial management, technology), the staffing model currently in use places the City in an extremely efficient state of operations. In examining the peer organizations, the average number of employees engaged in administrative, human resources, finance, and technology operations was 29 FTE. The current number of FTE in the City of Fountain performing comparable functions is 14 – far below the relative level of peer organizations. In addition, the benchmark ratio for administrative FTEs per population for the peer comparisons is 1:450 – one administrative FTE per each 450 residents in the City. For the City of Fountain, the ratio is 1:1,900.

COMMENDATION

The City of Fountain is commended for its ability to staff its non-service delivery functions in an efficient manner, allowing the highest possible level of service to be provided to public service delivery.

FINDING

As illustrated in the organization chart provided in Exhibit 2-2, the City Manager currently has all 10 department directors reporting directly to him. As a result, a significant portion of the City Manager's time and energy is spent in the administration of internal issues.

Given the size of the City of Fountain, the growth rate of the City over the past five years, and the projected growth rate over the next 10 years, the current organizational structure is presenting a challenge to the administration of the City. As the City continues to experience significant growth, the need for a visible external leader to represent the City's interests in an expanded capacity is critical. While the City Manager role should be progressive, visionary, and external, the current structure contributes to the exact opposite.



RECOMMENDATION

Recommendation 2-7:

Reorganize the top level structure of the City of Fountain.

Implementing this recommendation will involve three substantive components:

- Develop a Department of Administrative Services, staffed by a Director of Administrative Services.
- Reclassify the Finance, HR, and Technology departments into units, led by managers (as opposed to directors).
- Streamline the organizational structure to have the Director of Administration report to the City Manager, with the Finance, HR, and Technology Managers reporting to the Director of Administrative Services.

The recommended organizational structure is provided in Exhibit 2-3 on the following page. The overall goal of this recommendation is to establish a clear line of demarcation for the City Manager to be able to effectively lead the City into the next stage of its development and growth, as opposed to managing the City’s internal mechanisms. Responsibility, authority, and accountability over all internal operations (finance, HR, and technology) should be delegated to the Director of Administrative Services.

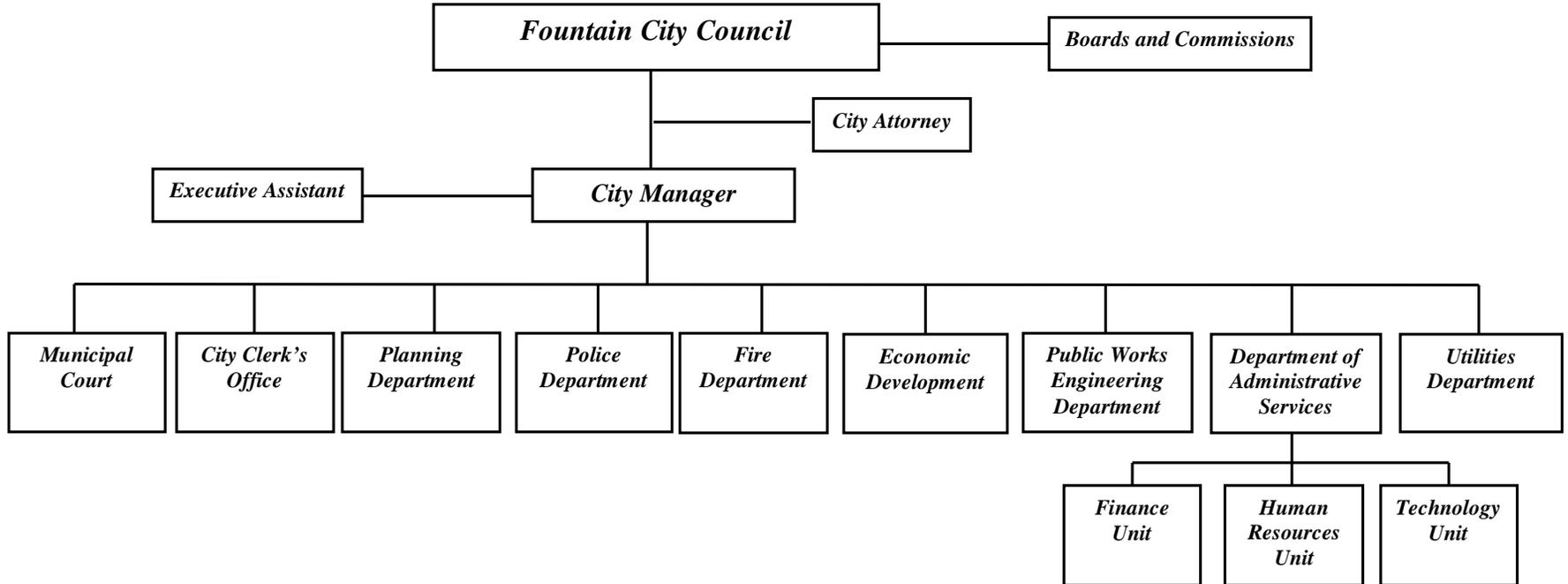
It is also important to note that this reorganization must be accompanied by clear and assertive delineations of responsibility between the Director of Administrative Services and manager-level positions. It should be the responsibility of the Director of Administrative Services to ensure that all Council requests related to finance, human resources, and technology are carried out expeditiously, and that accountability for conduct of performance is maintained at the manager level. It should be the right of the Council to make specific requests that relate to their roles as the City’s elected leaders, and it should be the responsibility of the Director of Administrative Services to ensure that all Council wishes are carried out in the absence of internal “office politics.”

FISCAL IMPACT

Implementing this recommendation will result in an additional Director-level staffing need, with a compensation level of approximately \$130,000, including salary and benefits.

Recommendation	2008	2009	2010	2011	2012
Reorganize top-level structure of City management	(\$65,000)	(\$130,000)	(\$130,000)	(\$130,000)	(\$130,000)

**Exhibit 2-3
City of Fountain, Colorado
Recommended Organizational Structure**



Source: Created by Evergreen Solutions, August 2007

2.3 POLICIES AND PROCEDURES

The most progressive and effective municipal organizations are those that not only have the vision to plan for their needs ahead of time, but which also clearly have a present-day perspective on their activities. This is done first and foremost through diligent adherence to documented policies, procedures, and regulations governing activities. Governing bodies set policies that guide the organization. Having a clear set of policies that are current and integrated or cross-referenced to current laws, rules, and regulations and available to every staff member is important to the overall organization of the City. Policies help the City protect itself against potential lawsuits and penalties from employees violating laws, rules or regulations.

Well-written and organized procedures guide employees in carrying out the City's policies in its various organizational units. Properly written procedures:

- implement and assure compliance with governing body policies as well as document the intent of those policies
- protect the institutional knowledge of an organization, so that as experienced employees leave, new employees have the benefit of the others' years of experience
- provide new employees with training
- offer a tool for evaluating employees based on their adherence to procedures

Administrative procedures should be formally documented, with each administrator being held responsible for creating and maintaining understandable and cross-referenced procedures.

FINDING

The City of Fountain maintains an Administrative Policy and Procedures Handbook that provides substantive information for Council and City leaders. However, the policy manual is not available as an electronic document on the City's Web site or Intranet.

RECOMMENDATION

Recommendation 2-8:

Develop policy manual as an electronic document and make it available to City staff on the Web site.

Implementation of this recommendation will serve as a catalyst to creating a culture of accountability within the City. City staff should be thoroughly knowledgeable of all policies, procedures, and regulations. This can only be accomplished when they are exposed to the guidelines on a regular basis.

FISCAL IMPACT

This recommendation can be implemented within existing resources.



FINDING

Regular Council meetings should provide a more structured and limited public input section.

As stipulated in City Ordinance 548, Section 14, a public input portion of the agenda is provided for in each regular Council meeting. The ordinance stipulates the following:

Each person addressing the Council shall step to the microphone, shall give his name and address in an audible tone of voice for the records, and unless further time is granted by the Council, shall limit his address to ten (10) minutes. All remarks shall be address to the Council as a body and not to any member thereof. No person, other than the Council and the person having the floor, shall be permitted to enter into any discussion, either directly or through a member of the Council without the permission of the Presiding Officer. No question shall be asked a Councilman except through the Presiding Officer.

RECOMMENDATION

Recommendation 2-8:

Limit public input to four minutes per person, with the City Clerk maintaining order for time limitations on all speakers.

While a public input component to the regular Council meetings is a commendable practice, the limitation is in need of revision. Allowing each individual wishing to address Council for 10 minutes serves as a serious impediment to getting the business of the Council conducted. In addition, this high a limit is not in line with best practices.

FISCAL IMPACT

This recommendation can be implemented within existing resources.

FINDING

The City Manager is responsible for management of the City, and is accountable to the City Council for his or her performance. As identified in Article III, Section 3.1.c of the City Charter:

(c) It shall be the responsibility of the Council to judge the performance of duty of the City Manager, and it is within the discretion of the Council to establish such standards for the performance and execution of the duties of the office of the City Manager as it deems necessary. The City Manager may be removed for cause by majority vote of the Council. The Council shall then declare the position vacant, and shall proceed to fill the vacancy under the provisions of this Charter. The City Manager may request a public hearing and the opportunity to answer specific charges brought against him prior to his final removal from the office.



The City Manager has typically been evaluated on an annual basis by Council, and the evaluation has been conducted in Executive Session. Exhibit 2-5, presented at the end of the Chapter, provides the evaluation form utilized by City Council in their evaluation of the City Manager. As the exhibit illustrates, the City Manager is evaluated on nine separate performance criteria:

1. Is effective as the City Council's Chief Executive Officer.
2. Proposes and institutes a process for long-range planning that engages the Council and community in positioning the City for success in future years.
3. Oversees the day-to-day operations and delegates both authority and responsibility to key personnel.
4. Develops, implements, and maintains the mission and vision of the City.
5. Works with department heads to improve the overall quality of operational programs.
6. Creates a positive image for the City both internally and externally.
7. Effectively resolves problems such that they do not develop into major conflicts.
8. Is respectful and responsive in dealing with City Council and individual Council members.
9. Keeps the Council informed about City operations and programs.

For each of the performance criteria, individual Council members evaluate the City Manager and rate him or her on a four-point scale, rating each element as unsatisfactory, basic, proficient, or distinguished. For each performance rating, an accompanying rating definition is provided as a guide. In addition, a comment section is provided for each element.

COMMENDATION

The City is commended for a City Manager evaluation tool that represents best practices in performance management.

FINDING

As the City has been working with an Acting City Manager for more than a year, an evaluation of the Acting City Manager has not been conducted. Interviews indicated that previous evaluations of the prior City Manager occurred in Executive Session, however the sessions were outside of the presence of the City Clerk. The evaluation forms were collected and tabulated, and then provided to the City Manager with notes.



RECOMMENDATION

Recommendation 2-9:

Ensure that the City Clerk is present for all Council sessions concerning the evaluation of the City Manager.

This recommendation is meant to serve as a check and balance on the evaluation system, in addition to ensuring proper record-keeping of evaluation documents.

FISCAL IMPACT

This recommendation can be implemented within existing resources.

FINDING

The City maintains a Web site up to date with important publications and documents.

The City of Fountain Web site, www.fountaincolorado.org, provides information on City Departments, contact information, and important notices. One section of the site, entitled the Document Center, offers pertinent information on all City issues. The Document Center organizes specific information by department or service, and provides easily attained electronic copies of Council agendas, City fee schedules, City Charter, economic development activities, utilities customer service information, and numerous other important documents. In addition, the site maintains a calendar of events containing all Council meetings and special events put on by the City.

COMMENDATION

The City of Fountain is commended for maintaining a useful Document Center on its Web site, where citizens can access important materials relating to City affairs.

FINDING

The City must improve its warehousing of important historical records.

Warehousing of critical historical records, including deeds, permits, and other important documents, is lacking and in need of significant improvement. Currently the City maintains hard copies of all historical records in the basement of City Hall, which is neither fire nor flood proof. The City Clerk maintains several filing cabinets in her office that are fire proof, but these only represent a small percentage of the documents in need of protection.

RECOMMENDATION

Recommendation 2-10:

Commit to proper warehousing of critical historical records.



Without a properly catalogued, maintained, and protected record of historical documents, the City of Fountain could easily find itself in a dire predicament. Should files be destroyed, stolen, or misplaced, there would be no remedy. Files requiring historical records should be kept in fire proof vaults or storage cabinets. In addition, the City should investigate electronic data warehousing of historical documents for preservation purposes.

FISCAL IMPACT

The fiscal requirements of this recommendation are largely dependent upon the approach that the City takes. Electronic data warehousing can be accomplished in a variety of methods, each with costs and benefits.

2.4 STRATEGIC PLANNING

At its core, the most critical component to organizational success in the 21st Century is effective strategic planning. Simply defined, strategic planning is an organization's process of defining its strategy, or direction, and making decisions on allocating its resources to pursue this strategy, including its capital and people.

New approaches to management in the public sector are imperative as governments grow in the new millennium. Market dynamics have created challenges for public organizations, with the emergence of the global economy, advances in technology, increased societal demands, and the need to provide more social services with fewer resources. As well, a widespread desire for increased organizational scrutiny has increased the pressure for change, given more accessible globalized information systems and heightened media attention critical of government inefficiencies in service delivery. Response mechanisms have emerged within the private market to meet these recent challenges but government organizations have been slower to respond. This is understandable, given fiscal constraints and the bureaucratic process axiomatic to governments. However, a new approach, which incorporates modern strategic planning and management tools, is necessary for the public sector to achieve improved performance and overall service quality.

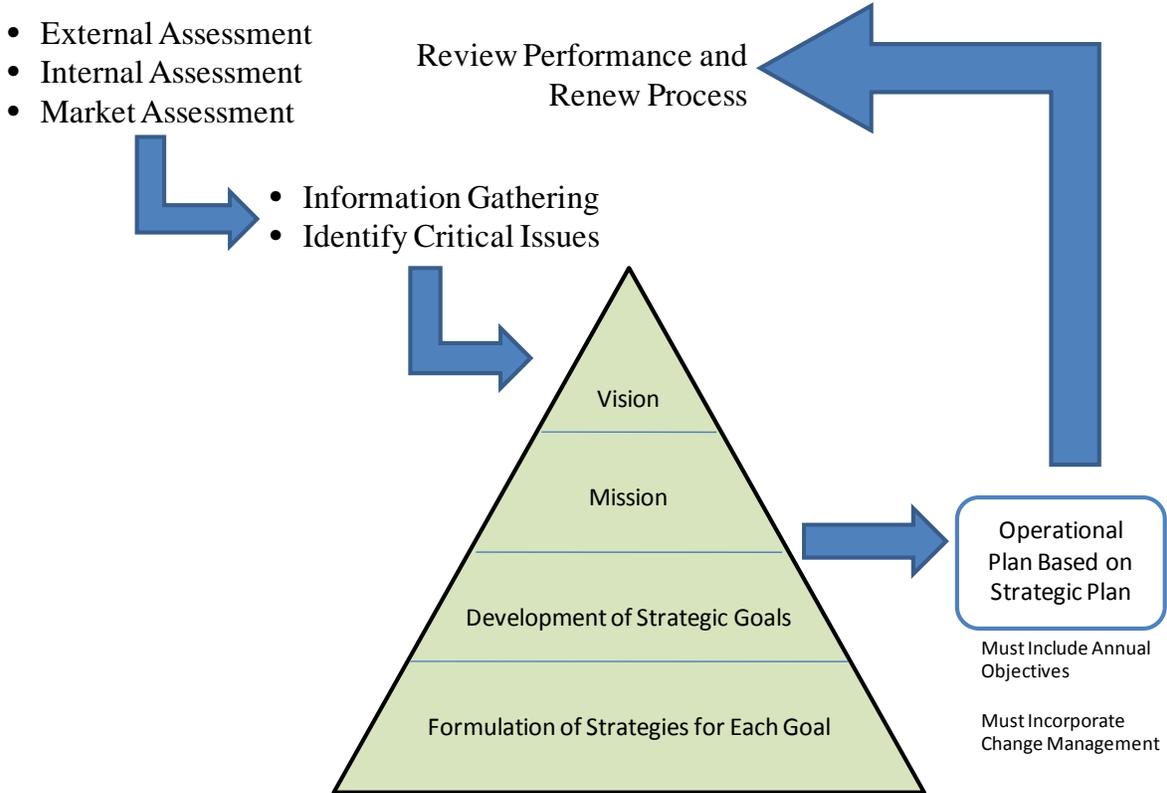
The guiding principles in any strategic planning process, whether in the public or private sector, are about understanding what changes are needed, how to implement and manage these changes, and how to create a roadmap for sustaining improvements that lead to better performance. The difficulty in strategic planning is the challenge of laying a foundation for success in the future while meeting today's challenges.

The primary tools available to organizations – for understanding, implementing, delivering and managing services and change – are outlined in Exhibit 2-4 presented on the following page.

The diagram presented is a brief overview of a common public sector strategic management model (with the addition of change management tools) used in the strategic planning process. This provides a dynamic method – not just a planning model – for evaluating the success of public sector organizations in meeting customer demands in the new public management.



**Exhibit 2-4
City of Fountain, Colorado
Overview of Strategic Planning Process**



Source: Created by Evergreen Solutions from Bryson, John M. *Strategic Planning for Public and Nonprofit Organizations*

The application of this model helps to identify the components for success and the capabilities of an organization in its strategic planning. As illustrated, the first step is information gathering, which identifies key market, industry and internal organizational trends and opportunities that will impact the organization (“market”, in the public sector contexts, refers to all relevant stakeholders). The organization’s ability to respond to these critical strategic issues and challenges is manifest in their vision and the mission statement describing what they do, with/for whom they do it, their distinctive competence and why they do it. The strategic goals and specific strategies for achieving these goals should be formulated in an operational plan that also addresses change management issues. From this point, a review of this process and performance should be ongoing.

FINDING

The City of Fountain Colorado is in critical need of a comprehensive five-year strategic plan.

The City of Fountain does not currently have a five year City-wide strategic plan that ties together all departments, administrative units, and leadership, and which links to the budget process between City Council and City Administration. Consequently, decisions are often made by Council based on insufficient or incomplete information, or on who can “shout the loudest.”

Without a comprehensive multi-year plan, departments are put into a competitive atmosphere – they are forced to compete with their own counterparts for scarce resources available. The Fire Chief is forced to compete with the Public Works Director, as opposed to council and departments collectively collaborating to identify priorities of the City and the most effective utilization of resources over a five-year period. As an example, the City recently procured a ladder truck for the Fire Department, and while the resource was certainly needed in the City, was it more important than some of the other capital improvements, notably in the Public Works Department, that are facing the City’s policymakers? Was a ladder truck more important than paved roads? Without a comprehensive planning process, the question is unanswerable.

RECOMMENDATION

Recommendation 2-11:

Develop a comprehensive five-year strategic plan.

This is, without question, the single most important and critical recommendation made in the context of the management review. The City’s lack of a comprehensive strategic plan is at the core of the majority of issues facing the City. The lack of resources affecting some departments, staffing priorities, organizational mission, the “battle” between essential services, administration, and quality of life initiatives, they all relate back to a vacuum created by the lack of a truly comprehensive strategic plan.

Initiating the planning process correctly is both critical, and challenging. A helpful resource to initiate the process is the book *Balanced Measures for Strategic Planning: A Public Sector Handbook*, by Kathleen Monahan. It would be advisable to first bring the key stakeholders together (City Council, City leaders, Department heads) and have them all read the publication, to ensure that everyone is working from the same perspective. From there, the City could follow one of two possible paths – City Council could develop an ad-hoc Strategic Planning Board to go through the process and develop the plan, or the City could engage a third-party consultant to work with Council and key stakeholders to develop the plan. With either approach, the plan should have both a macro-level approach (City-wide) while incorporating micro-level subcomponents (Department level). At the Department level, specific staffing models are critical to ensure that each Department is properly equipped to carry out the objectives set forth. The key to success is in establishing the plan, as well as the process itself, as a living and dynamic initiative.

FISCAL IMPACT

If the City approaches the process internally, the recommendation can be implemented within existing resources. Utilizing an external consultant to assist in the process will require a one-time fiscal expenditure of approximately \$35,000.

FINDING

The City of Fountain, despite significant growth in size, has not experienced corresponding growth in infrastructure.



As Chapter 3 will outline in detail, the City of Fountain has maintained a very modest growth in the size of its governmental structure, in terms of staff, general fund expenditures, and revenue generation. The City finds itself in critical need of resources to be able to manage growth – from a capital planning perspective, from a maintenance and operations perspective, and from an overall infrastructure perspective. It is clear that while the City is currently well below the limits set forth in its TABOR calculations (for revenue and expenditure growth), there is a need to deduce the best way to fund very important capital improvement needs. Each specific chapter within the remainder of the report outlines substantive resource needs for respective departments and services in the City. Prioritizing these needs will be an incredibly difficult process in the current fiscal environment.

RECOMMENDATION

Recommendation 2-12:

Evaluate, in conjunction with the implementation of Recommendation 2-11, the prospect of a bond issue for capital needs in the City of Fountain.

Being able to address the many capital needs of the City as it attempts to manage the significant growth experienced, as well as the projected future growth, will require an infusion of funds. It is highly likely that unless the City is able to address its capital needs through some form of outside financing, that the City will continue to find itself in the position of being unable to fund capital improvements at budget time. It is also the case that the City currently has an excellent credit rating, and would be able to secure a bond issue at a relatively inexpensive return.

FISCAL IMPACT

If the City determines to issue a municipal bond for capital improvement needs, there would be a positive fiscal impact dependent upon the amount of the bond issue. The amount would more than likely be several million dollars.



**Exhibit 2-5
City of Fountain, Colorado
City Manager Performance Evaluation Instrument**

Element 1: Is effective as the City Council’s Chief Executive Officer.			
Level of Performance			
Unsatisfactory	Basic	Proficient	Distinguished
City operational advice to the Council is unreliable, not grounded in practice or research. Leadership is ineffective. <input type="checkbox"/>	City operational advice to the Council is sporadic and at times inconsistent. Leadership is sufficient to assure the operation, but does not lead to growth and refinement for the city. <input type="checkbox"/>	City operational advice to the Council is consistent and of high quality. Advice is based upon sound rationale and provides the city with the direction necessary to enhance the quality of its programs. <input type="checkbox"/>	Advice is of the nature that the city’s programs are recognized and respected as models of high quality governmental practice. Recognition extends beyond the confines of the city. <input type="checkbox"/>
Comments: _____ _____ _____ _____ _____ _____			

Element 2: Proposes and institutes a process for long-range planning that engages the Council and community in positioning the City for success in future years.			
Level of Performance			
Unsatisfactory	Basic	Proficient	Distinguished
Little evidence of planning exists. What planning does take place is sporadic in nature.	Minimal planning is demonstrated. While basic operations continue to function, it is evident that a clear concise plan would improve the entire organization.	Planning is clearly evident. The plan guides and informs the actions of the city. Involvement of others is evident in the planning process and provides for the effective and efficient operations of the city.	A well-designed and articulated planning process is in place. Broad-based input by constituents is evident. The quality of the plan promotes the vision of the city to the extent goals and objectives are met and exceeded.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comments: _____ _____ _____ _____ _____ _____ _____			

Element 3: Oversees the day-to-day operations and delegates both authority and responsibility to key personnel.			
Level of Performance			
Unsatisfactory	Basic	Proficient	Distinguished
<p>The day-to-day operations are fraught with problems. Responsibility and authority is not delegated effectively.</p> <p style="text-align: right;"><input type="checkbox"/></p>	<p>Day to day operations run at an acceptable level. Frequent problems and difficulties are noted. Personnel are generally unsure of their task and responsibility.</p> <p style="text-align: right;"><input type="checkbox"/></p>	<p>The city operations run smoothly. Organization is evident; people in charge are proactive and are given appropriate support in carrying out their duties.</p> <p style="text-align: right;"><input type="checkbox"/></p>	<p>The city operations are effective and efficient. Problems are seldom noticed and when they occur are dealt with in an efficient manner. People are empowered to make decisions and take full responsibility. Efficiencies result in measurable savings to the city. Action is quick and not impeded by layers of bureaucracy.</p> <p style="text-align: right;"><input type="checkbox"/></p>
<p>Comments: _____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>			

Element 4: Develops, implements, and maintains the mission and vision of the City.			
Level of Performance			
Unsatisfactory	Basic	Proficient	Distinguished
No mission or vision is evident. The city seems to have no clear direction.	A mission statement is evident. The city sporadically aligns itself with the mission. There is evidence of a vision and direction, but is not always clear.	The city is clearly moving toward the realization of its mission. The city manager demonstrates leadership and insights in the pursuit of the mission.	The mission is evident to all constituents. The city manager provides a vision for the city that leads to higher levels of performance and achievement. The city is on the cutting edge of change and is becoming recognized as a leader in municipal circles.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comments: _____ _____ _____ _____ _____ _____ _____			

Element 5: Works with department heads to improve the overall quality of operational programs.			
Level of Performance			
Unsatisfactory	Basic	Proficient	Distinguished
There is little evidence of collaboration with department heads. The city manager is unaware and uninvolved with operational programs.	There is some evidence of involvement with department heads, but it is sporadic. The city manager provides adequate supervision of operation programs.	The city manager is actively involved with department heads, visiting departments, discussing operational programs and providing effective leadership and feedback to department heads.	The city manager provides insightful, knowledgeable and productive leadership to department heads such that clear and consistent growth is seen in operational programs. The city manager has a strong knowledge of city governance and utilizes this knowledge in supporting department heads.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comments: _____ _____ _____ _____ _____ _____ _____			

Element 6: Creates a positive image for the city both internally and externally.			
Level of Performance			
Unsatisfactory	Basic	Proficient	Distinguished
Morale is low. The city is seen as one that is stagnating and not improving	The city is seen as holding its own. Programs aren't improving, but neither are they declining. Morale is not seen as a positive factor.	The city's image is positive. Programs are improving. There is a sense of pride in city accomplishments. The community is proud of its city and so is the staff.	The city is seen as a regional model of excellence. Patrons are proud of their city and reputation extends beyond the confines of the city. Morale is high. There is a sense of efficacy that pervades the city.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<p>Comments: _____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>			

Element 7: Effectively resolves problems such that they do not develop into major conflicts.			
Level of Performance			
Unsatisfactory	Basic	Proficient	Distinguished
Problems are commonplace. Anger and hostility are a common outcome of these problems.	While problems are resolved, they often are dealt with by the City Council. Problems are sporadically taken care of at the source of origin.	Problems seldom reach the level of the City Council. Problems are consistently handled at the source and are resolved in a way that promotes cooperation and satisfaction. Council meeting are given over to the business of the city, and not burdened by quarrelsome problems.	The city is seen as a place where things work. There is a sense of confidence and trust that situations will always be resolved in a fair and equitable manner. Disputes and grievances are rare occurrences. People throughout the organization are empowered to solve problems. The city manager is skilled at finding workable solutions for difficult problems.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comments: _____ _____ _____ _____ _____ _____ _____			

Element 8: Is respectful and responsive in dealing with City Council and individual Councilmembers.			
Level of Performance			
Unsatisfactory	Basic	Proficient	Distinguished
Is defensive to criticism. Rejects suggestions for improvements. Fails to respond to directives, return calls or act upon requests.	Is sporadic in responding to requests. Gives minimal attention to concerns that are raised. Does not seek ways to improve in any consistent manner.	Is open to suggestions for improvement. Listens carefully to suggestions, responds quickly to concerns. Demonstrates a respect for each Council member and understands and supports the Council collectively and individually.	Encourages input from all sources. Listens to constituents and acts on their input. Clearly understands the leadership role of the City Council and responds in a prompt and enthusiastic manner to their wishes. Is supportive of the Council as individuals and respects the important role the Council plays in leading a city.
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Comments: _____ _____ _____ _____ _____ _____ _____			

Element 9: Keeps the Council informed about City operations and programs.			
Level of Performance			
Unsatisfactory	Basic	Proficient	Distinguished
<p>Does not share information. Surprises Council with information that is important for the operation of the city.</p> <p style="text-align: right;"><input type="checkbox"/></p>	<p>Shares information of a limited basis. Often withholds information that could be helpful to the city.</p> <p style="text-align: right;"><input type="checkbox"/></p>	<p>Information is shared in a timely manner. Personal, as well as written information, is clear and easy to understand. Communication is given in a manner such that the Council is never surprised or has insufficient data to make decisions.</p> <p style="text-align: right;"><input type="checkbox"/></p>	<p>All data and information is shared in a free flowing and continual manner. The Council has information, data and background on all issues readily available for its use. The city manager effectively anticipates the needs of the Council and has the necessary information ready for them.</p> <p style="text-align: right;"><input type="checkbox"/></p>
<p>Comments: _____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p> <p>_____</p>			

**CHAPTER 3:
FINANCIAL MANAGEMENT**



Chapter 3

FINANCIAL MANAGEMENT

Municipal organizations must practice sound financial management in order to maximize the effectiveness of limited resources and to plan for future needs. Effective financial management ensures that internal controls are in place and operating as intended, that technology is maximized to increase productivity and that timely reports help management reach its goals. This chapter reviews Finance, Procurement and Risk Management of the City of Fountain, Colorado (CFC) and includes seven major sections:

- 3.1 Strategic Thinking and Financial Planning
- 3.2 Labor Spending Limitation
- 3.3 Financial Status
- 3.4 Budget Process
- 3.5 Financial Operations and Cost Allocation
- 3.6 Procurement
- 3.7 Risk Management

The City of Fountain is part of a large metropolitan area, 84th largest in the U.S., and has experienced growth over the last three years of between 350 and 700 new houses annually. Understanding Fountain finances in conjunction with the impact of this growth is complex and numerous questions surface. Is growth being managed and is it paying for itself? Has the City invested in infrastructure improvements to adequately serve the current population and meet the needs of future? Are concerned community members and City Council members provided financial information in clear and concise manner, so they can make informed decisions concerning the future of the City?

Regardless of the current economic conditions, Fountain will continue to experience growth based on the current boundaries as established via annexation. The population has more than doubled from 90's levels of around 10,000.

The City of Fountain 2004 Basic Financial Statements in the Management's Discussion and Analysis states that the City experienced a record 448 housing and commercial starts during the year. The 2006 statements indicate Fountain experienced 510 housing and commercial starts during 2006 compared to 678 starts in 2005. An average of 545 new housing and commercial starts per year, well over the record level reported in 2004.

The Fort Carson Regional Growth plan indicates an expected increase of troops from a current level of 18,172 to over 28,000 troops by 2010. The impact of increased personnel being reassigned to Fort Carson due to the Base Realignment and Closure decision and the Department of Defense Transformation Initiatives will bring an estimated 15,000 family members to the area – all having a significant impact on the expectations of service delivery in the City, along with a need to ensure that adequate finances are available to address the growth trend over time.



For the fiscal years 2004, 2005, and 2006 the original revenue and expenditure budgets indicated that expenditures would exceed revenue by \$366,140, \$324,650 and \$152,756 respectively each year. A planned fund balance reduction of \$843,543 while actual fund balance increased by \$145,807, \$696,934 and \$488,761 respectively—an actual fund balance increase of \$1,331,502. The impact of this disconnect between budget and actual over the last three years was a \$2,175,502 change in fund; a plan to decrease fund balance each year while in reality it increased each year.

Actual revenue exceeded budgeted revenue in 2004, 2005, and 2006 by \$797,170, \$1,175,278 and \$1,452,297 respectively. Budgeted expenditures exceeded actual expenditures by \$270,421, \$538,715 and \$479,527 respectively. When revenue collected in excess of budget is added to actual spending under budget measures the unused fiscal resources each year of \$1,067,591, \$1,713,993 and \$1,931,824 respectively.

The City currently utilizes past practices that have been developed over numerous years to manage the finances, practices which have become obsolete. New methods and tools to manage and control financial activities need to be developed. Current practice does not predict:

- Local growth rate
- Sales tax revenue
- Housing starts

Currently financial management philosophy is to under budget revenue, budget reserves in departments for emergencies, maintain a fund balance in the impact fund, \$280,000 at the beginning of 2007. The rationale for this approach as explained by the City is that it does not matter since it will be budgeted next year.

The City was under the limitations imposed by TABOR for 2004 by \$246,194 and 2006 by \$938,131 and was over the limits in 2005 and refunded \$27,706 to citizens of Fountain. In 2005 the City collected revenue in excess of budget of \$1,175,278 and expenditures were \$538,715 less than budget. Assistance from a budget process and system to make decisions is critical when actual results vary this dramatically—it is extremely difficult to make informed decisions.

As the City moves into the future it must make numerous decisions concerning the future needs of the City. These decisions will generate passionate debate among the citizens of Fountain and City Council. These discussions require information concerning various alternatives available.

As the City continues to grow and change its financial management strategies need to be reviewed. This review will not only require involvement of staff, but City Council and citizen involvement. Informal policies and past practices must be codified, adopted by City Council and published so everyone understands how the City does business. The debate and discussion during the adoption process will allow citizens to participate in the financial management of the city.

City Council and the citizens of Fountain are ultimately responsible for the finances of the City. It is the responsibility of City staff to provide information so the citizens of fountain can make decisions concerning their future and accept ownership and responsibility for that future.



3.1 STRATEGIC THINKING AND FINANCIAL PLANNING

A framework for financial operations of the City of Fountain is as follows:

- **Administration** – The cost of administrative departments are split between the general fund, electric, and water funds.
- **Utilities** – Water and electric departments providing services to customers and it is expected that charges to those customer’s recover the full cost of operations.
- **Public Safety** – Police, fire and ambulance operations budgeted primarily in the general fund. Currently the ambulance operations is classified as an enterprise fund however the general fund has subsidized its operation every year since it inception.
- **Public Works** – Streets, parks and drainage operations. Predominate source of funding is the budget contained in the general fund.
- **Capital Improvements** – Infrastructure improvements whose expected useful life to the community spans multiple fiscal years. An established fund or identified funding source for capital activity does not exist.

Exhibit 3-1 below displays the TABOR growth percentage, percent that general fund revenue and expenditures increased and the percentage change in fund balance for the City of Fountain for 2004 through 2006 and projected change in 2007. These statistics are pulled from exhibits contained in this chapter.

**Exhibit 3-1
City of Fountain
Budget Overview Statistics**

	2004	2005	2006	2007
Tabor Growth	10.67%	11.34%	17.49%	16.64%
Revenue	-1.68%	15.76%	10.88%	2.10%
Expenditure	-4.48%	7.32%	14.09%	11.6%
Fund Balance	4.68%	21.37%	12.35%	-10.35%

Source: Created by Evergreen Solutions

As measured by TABOR, the City of Fountain has experienced double-digit growth each year since 2004. With the exception of 2004, revenues and expenditures increased in all years and the fund balance in the general fund increased in all years except the projection for 2007 indicates a decrease. See Exhibit 3-22 for additional analysis.



Exhibit 3-2 below compares General Fund activity for 2007 to preliminary 2008 budget revenues, expenditures and net change in fund balance. The 2007 revenue figure represents the original budget adopted by City Council, while the expenditures include all budget amendments. Budgeted expenditures exceed budgeted revenue by \$1,797,854, since the City does not adjust its revenue budget. However the trend over the last three years supports an assumption that actual revenue will exceed budgeted revenues and an estimate of \$693,298. Estimates of 2007 expenditures indicate spending could be as much as \$1,101,211 less than budget. Exhibit 3-3 and 3-4 on the following pages provide a detailed comparison of both budgeted and actual revenue and expenditures used in this analysis.

Exhibit 3-2
City of Fountain, Colorado
Projected Change in Fund Balance from 2007 to 2008

Description	2008	Change from 2007		2007
	Preliminary	\$	%	Projected
Total Revenue Budget	11,204,780	800,395	7.69%	10,404,385
Total Expenditures and Other Financing (Sources) Uses	11,354,860	(847,379)	-6.94%	12,202,239
Amount Expenditures Exceeds Revenue and Other Financing (Sources) Uses	(150,080)	1,647,774	-91.65%	(1,797,854)
Adjust Revenue Budget				393,810
Budget Savings				943,911
Beginning Fund Balance	3,987,195	(460,132)	-10.35%	4,447,327
Ending Fund Balance	3,837,115	(610,212)	-15.30%	3,987,195
Tabor Reserve (3% of Qualified Expenditures)	394,395	21,336	5.72%	373,059
Designated for park Improvements	1,119,000	250,000	28.77%	869,000
Designated for Subsequent Year		-	0.00%	
Revenue over amounts forecasted		-	0.00%	
Available to Spend	2,323,720	(421,416)	-15.35%	2,745,136

Source: Created by Evergreen Solutions



Exhibit 3-3
City of Fountain, Colorado
Revenue Comparison Current Budget to Projected 2007

Revenue	2007			Difference between Projected and Final Budget
	Final Budget	Actual October Y-T-D	Projected 2007	
Taxes				
Property Taxes	1,378,875	1,340,920	1,356,658	(22,217)
Sales Taxes	4,747,040	3,924,858	4,674,890	(72,150)
Use Taxes	1,230,460	1,047,924	1,272,959	42,499
Specific Ownership Taxes	175,380	143,910	188,928	13,548
Franchise Taxes	1,154,170	904,874	1,121,666	(32,504)
Motor Vehicle Registration	61,080	48,315	62,827	1,747
Cigarette Taxes	29,000	21,539	33,539	4,539
Total Taxes	8,776,005	7,432,340	8,711,467	(64,538)
Licenses and Permits				
Business Licenses	23,200	27,178	27,677	4,477
Animal Licenses	150	300	10	(140)
Telecommunications	13,990	13,758	13,379	(611)
Liquor Licenses	4,500	4,650	5,059	559
Street and Curb Permits	25,000	22,032	24,972	(28)
Total Licenses and Permits	66,840	67,918	71,097	4,257
Intergovernmental				
Highway Users Tax	414,990	344,799	452,528	37,538
Road and Bridge Fund	104,860	102,505	103,668	(1,192)
State and Local Grants	-	2,307	5,198	5,198
Federal Grants	44,100	41,919	45,171	1,071
Total Intergovernmental	563,950	491,530	606,566	42,616
Charges for Services				
Developer Fees	60,000	124,946	219,912	159,912
Park Fees	250,000	300,593	360,712	110,712
School District Juvenile Program	65,690	62,127	80,752	15,062
Off Duty Police Program	8,000	4,170	6,652	(1,348)
Cemetery	21,000	10,150	11,152	(9,848)
Communication	27,000	22,500	27,000	-
Miscellaneous	3,500	10,544	25,493	21,993
Total Charge	435,190	535,030	731,672	296,482
Fines and Forfeitures	352,500	304,843	354,896	2,396
Investment Income	180,000	129,528	231,200	51,200
Miscellaneous				
Rents	7,400	2,825	3,084	(4,316)
Sale of Equipment	-	6,286	6,286	
Police Miscellaneous	9,000	13,189	19,219	10,219
Other	13,500	33,940	62,709	49,209
Total Miscellaneous	29,900	56,240	91,297	55,111
Total Revenue	10,404,385	9,017,429	10,798,195	387,524

Source: Created by Evergreen Solutions



Exhibit 3-4
City of Fountain, Colorado
Expenditures Comparison Current Budget to Projected 2007

Expenditures	2007			Difference between Projected and Final Budget
	Final Budget	Actual October Y-T-D	Projected 2007	
General Government				
Legislative	192,750	176,710	186,546	(6,204)
Judicial	219,520	174,632	216,480	(3,040)
Economic Development	68,820	59,689	75,747	6,927
Election	15,000	3,682	10,471	(4,529)
Information Technology	574,274	334,519	472,949	(101,325)
Administration	668,025	481,666	565,705	(102,320)
Planning and Engineering	691,050	417,656	501,187	(189,863)
Total General Government	2,429,439	1,648,554	2,029,086	(400,353)
Public Safety				
Police	4,289,091	3,399,109	4,121,522	(167,569)
Fire	1,779,310	1,397,249	1,640,722	(138,588)
Total Public Safety	6,068,401	4,796,358	5,762,244	(306,157)
Public Works				
Highway and Streets	1,284,980	981,638	1,398,422	113,442
Facilities Maintenance	343,300	219,834	258,821	(84,479)
Total Public Works	1,628,280	1,201,472	1,657,243	28,963
Health and Welfare				
Code Enforcement	216,960	163,620	192,505	(24,455)
Cemetery	23,500	5,753	5,563	(17,937)
Total Health and Welfare	240,460	169,373	198,068	(42,392)
Culture and Recreation				
Parks	441,075	384,851	417,736	(23,339)
Community Building	-	4,362	5,491	5,491
Total Culture and Recreation	441,075	389,213	423,228	(17,847)
Capital Outlay	1,961,072	1,762,294	1,961,072	-
Debt Service	429,992	393,096	404,346	(25,646)
Total Expenditures	13,198,719	10,360,360	12,435,287	(763,432)
Other Financing (Sources) Uses				
Debt Issued	709,000	1,000,000	1,000,000	291,000
Transfers In	944,540	787,130	944,581	41
Transfers Out	(657,060)	(505,880)	(767,622)	(110,562)
Total Other Financing (Sources) Uses	996,480	1,281,250	1,176,959	180,479
Total Expenditures and Other Financing (Sources) Uses	12,202,239	9,079,110	11,258,328	(943,911)

Source: Created by Evergreen Solutions

The preliminary general fund revenue and expenditure indicate that expenditures will exceed revenues in 2008 by \$150,080 with a corresponding decline in fund balance. Exhibits 3-5 and 3-6 on the following pages compare projected 2007 revenues and expenditures to preliminary 2008 revenues and expenditures.



Exhibit 3-5
City of Fountain
Revenue Comparison 2008 Preliminary Budget, Current Budget and Projected 2007

Revenues	2008 Preliminary Budget	Budget Change 2007	2007 Current Budget	Projected 2007
Taxes				
Property Taxes	1,627,230	248,355	1,378,875	1,356,658
Sales Taxes	4,978,860	231,820	4,747,040	4,674,890
Use Taxes	1,571,320	340,860	1,230,460	1,272,959
Specific Ownership Taxes	199,640	24,260	175,380	188,928
Franchise Taxes	1,136,830	(17,340)	1,154,170	1,121,666
Motor Vehicle Registration	64,220	3,140	61,080	62,827
Cigarette Taxes	29,000	-	29,000	33,539
Total Taxes	9,607,100	831,095	8,776,005	8,711,467
Licenses and Permits				
Business Licenses	25,750	2,550	23,200	27,677
Animal Licenses	-	(150)	150	10
Telecommunications	17,590	3,600	13,990	13,379
Liquor Licenses	4,500	-	4,500	5,059
Street and Curb Permits	25,000	-	25,000	24,972
Total Licenses and Permits	72,840	6,000	66,840	71,097
Intergovernmental				
Highway Users Tax	427,440	12,450	414,990	452,528
Road and Bridge Fund	124,600	19,740	104,860	103,668
State and Local Grants	-	-	-	5,198
Federal Grants	14,000	(30,100)	44,100	45,171
Total Intergovernmental	566,040	2,090	563,950	606,566
Charges for Services				
Developer Fees	95,000	35,000	60,000	219,912
Park Fees	250,000	-	250,000	360,712
School District Juvenile Program	30,500	(35,190)	65,690	80,752
Off Duty Police Program	4,000	(4,000)	8,000	6,652
Cemetery	21,000	-	21,000	11,152
Communication	27,000	-	27,000	27,000
Miscellaneous	3,600	100	3,500	25,493
Total Charge	431,100	(4,090)	435,190	731,672
Fines and Forfeitures	376,000	23,500	352,500	354,896
Investment Income	127,500	(52,500)	180,000	231,200
Miscellaneous				
Rents	3,600	(3,800)	7,400	3,084
Sale of Equipment	-	-	-	6,286
Police Miscellaneous	-	(9,000)	9,000	19,219
Other	20,600	7,100	13,500	62,709
Total Miscellaneous	24,200	(5,700)	29,900	91,297
Total Revenue	11,204,780	800,395	10,404,385	10,798,195

Source: Created by Evergreen Solutions



Exhibit 3-6
City of Fountain
Expenditures Comparison 2008 Preliminary Budget, Current Budget and Projected 2007

Expenditures	2008 Preliminary Budget	Budget Change 2007	2007 Current Budget	Projected 2007
General Government				
Legislative	81,380	(111,370)	192,750	186,546
Judicial	249,140	29,620	219,520	216,480
Economic Development	69,500	680	68,820	75,747
Election	15,000	-	15,000	10,471
Information Technology	643,045	68,771	574,274	472,949
Administration	644,695	(23,330)	668,025	565,705
Planning and Engineering	604,300	(86,750)	691,050	501,187
Total General Government	2,307,060	(122,379)	2,429,439	2,029,086
Public Safety		-		
Police	4,556,665	267,574	4,289,091	4,121,522
Fire	1,867,535	88,225	1,779,310	1,640,722
Total Public Safety	6,424,200	355,799	6,068,401	5,762,244
Public Works		-		
Highway and Streets	1,105,535	(179,445)	1,284,980	1,398,422
Facilities Maintenance	279,040	(64,260)	343,300	258,821
Total Public Works	1,384,575	(243,705)	1,628,280	1,657,243
Health and Welfare		-		
Code Enforcement	230,080	13,120	216,960	192,505
Cemetery	19,000	(4,500)	23,500	5,563
Total Health and Welfare	249,080	8,620	240,460	198,068
Culture and Recreation		-		
Parks	445,550	4,475	441,075	417,736
Community Building	-	-		5,491
Total Culture and Recreation	445,550		441,075	423,228
Capital Outlay	251,695	(1,709,377)	1,961,072	1,961,072
Debt Service	474,310	44,318	429,992	404,346
Total Expenditures	11,536,470	(1,662,249)	13,198,719	12,435,287
Other Financing (Sources) Uses				
Debt Issued		(709,000)	709,000	1,000,000
Transfers In	895,200	(49,340)	944,540	944,581
Transfers Out	(713,590)	(56,530)	(657,060)	(767,622)
Total Other Financing (Sources) Uses	181,610	(814,870)	996,480	1,176,959
Total Expenditures and Other Financing (Sources) Uses	11,354,860	(847,379)	12,202,239	11,258,328

Source: Created by Evergreen Solutions



FINDING

The City of Fountain does not forecast preliminary general fund operating results for current year to be used in budget preparations. A comparison of the current revenue budget to current budgeted expenditures indicates that budgeted expenditures will exceed budgeted revenue. The City's current practice is not to adjust the revenue budget even though historically actual revenues have exceeded budgeted revenue. The City is expecting actual spending to be less than the budget of \$12,202,239. Salary savings could be close to \$500,000, which includes the salary for a City Manager while the under spend in non-salary accounts is not documented.

RECOMMENDATION**Recommendation 3-1:**

Update financial forecasts based on current operating results for general fund revenue and expenditures as November 1, 2007 to be used to determine 2008 revenue budget.

The City of Fountain is in the process of making budget decision for 2008 without adequate information. A preliminary budget for 2008 has been presented for consideration that indicates \$11,204,780 of revenue – an increase of \$800,395 from 2007 budgeted revenue. Evaluation and determination of the 2008 revenue budget needs to consider actual revenue trends.

Identification of new revenues by category for 2008 is a key element not only in determining the revenue increase for the budget but it establishes the maximum new spending without cutting prior year's budget. Expenditures can increase \$9,700 for every \$10,000 of new revenue. TABOR reserve gets the difference of \$300.

FISCAL IMPACT

This recommendation can be implemented within existing resources.

FINDING

The City's process for developing the 2008 budget does not document the changes from the prior year's budget. The process does not identify budget categories that have decreased from the prior year, items that were budgeted only for 2007, or budgeted at an increased amount for 2007. A decrease of an item budgeted in 2007 provides additional resources to be allocated in 2008. The City of Fountain does not have a process to control new spending to the extent of new revenues.

It is unclear how general fund revenue and expenditure budgets are developed. A preliminary budget has been presented that indicates that expenditures exceed revenues by \$150,080 and cuts need to be made. It is not clear what operational changes occurred from 2007 to result in a budget in 2008 where revenue exceeds expenditures by \$500,000.



RECOMMENDATION

Recommendation 3-2:

Implement a general fund budget development policy of base budgeting with proposed revenue and expenditure increases.

The starting point for the 2008 budget is the 2007 current budget adjusted for one-time expenditures that do not carry forward to the subsequent year's budget. The base budget includes approved full and part time employee at salary and benefits levels effective in 2007. The salary for employees includes increases for salary schedule advancement but does not assume cost of living increase, merit or benefits contribution increases.

Budgets for operating expenditures should at the same level as 2007. They should not include any increases for inflation. It is important that these budgets do not reflect any major purchases. Major purchases normally benefit the operations for several years and should be considered under the capital outlay budget process.

The detailed list of new revenues plus any budget reductions from the 2007 budget establishes a spending increase constraint. A detailed list of spending increase requests should be developed and categorized. Four basic categories would be salary and benefits, operating expenses, capital outlay and other. Requests in each category should be prioritized. Spending increases would be implemented to the extent that new revenue and reductions in prior year budgets provide resources allocated to that category.

FISCAL IMPACT

This recommendation can be implemented within existing resources.

FINDING

Exhibit 3-7 on the following page trends the City of Fountain head counts by department as displayed in the budget documents. According to the budget, staffing has increased 29.5 since 2004, an increase of 18.8 percent. Exhibit 3-8, at the top of page 3-12, details a total compensation budget of \$14,262,319 by department in 2007. Total compensation budgeted in the general fund is \$7,769,965. Total compensation comprises not only salary and longevity pay, but also includes health insurance, dental, vision, group life etc. It does not include the City's share of employment taxes. Establishing a constraint for employee compensation is a difficult task. Exhibit 3-9, on page 3-12, displays the cost impact of one through five percent increase in total compensation. Each one percent increases costs \$77,700. No mechanism exists to control the growth of total compensation. The preliminary 2008 budget included salary schedule, cost of living, merit and health insurance increases.



**Exhibit 3-7
City of Fountain
Employee FTE Count**

	2004	2005	2006	2007
Administration	17	15	15.7	12
Planning & Engineering				6.4
Court	1	1.75	1.75	1.75
Street	7.75	8.75	8.75	8.75
Code	2	2	2	2.5
Parks	5	5	5	6.5
Police	46	46	49	51
IT	2	2	2	3
Water	10.5	12.5	12.25	14.5
Fire	15	16	16	19.6
Ambulance	8	8	8	8
Fleet	5	5	5	5
Electric	24.5	25	25.75	32
Customer Service	11	11	12.25	12.25
Custodian	2	3	3	3
Total	156.75	161	166.45	186.25

Source: City of Fountain, Colorado

RECOMMENDATION

Recommendation 3-3:

Implement a compensation policy limiting growth in a single year to cost of living increase based on CPI plus two percent.

If the CPI is three percent, then \$233,099 is available – when added to the additional two percent of \$155,399; this results in a total increase of \$388,498. The City’s preliminary 2008 revenue budget, when compared to the 2007 revenue budget, indicates that revenue will increase \$800,395, resulting in 49 percent of the new revenue identified devoted to compensation. An additional \$30,000 of the new money is required to fund the employer matching taxes (four percent).

FISCAL IMPACT

This recommendation can be implemented within existing resources.



**Exhibit 3-8
City of Fountain
Employee Compensation**

Department	Total Compensation	Salaries	Benefits	% Benefits to Salaries
City Council	6,000	6,000	-	0.0%
Judicial	153,650	112,400	41,250	36.7%
Economic Development	-	-	-	0.0%
Information Technology	232,300	174,340	57,960	33.2%
Administration	412,280	319,340	92,940	29.1%
Planning & Engineering	422,230	336,500	85,730	25.5%
Police Department	3,881,690	2,845,320	1,036,370	36.4%
Fire Department	1,487,115	1,088,715	398,400	36.6%
Street Department	596,470	414,780	181,690	43.8%
Facilities Maintenance	140,690	106,270	34,420	32.4%
Nuisance Control	130,930	101,290	29,640	29.3%
Cemetery	2,000	2,000	-	0.0%
Parks Department	304,610	224,500	80,110	35.7%
Total General Fund	7,769,965	5,731,455	2,038,510	35.6%
Water	1,179,834	845,310	334,524	39.6%
Water - Admin	421,350	326,480	94,870	29.1%
Electric	3,423,830	2,567,050	856,780	33.4%
Electric - Admin	444,070	343,690	100,380	29.2%
Fleet Maintenance	444,300	319,230	125,070	39.2%
Ambulance	578,970	400,000	178,970	44.7%
Total	14,262,319	10,533,215	3,729,104	35.4%

Source: City of Fountain, Colorado

**Exhibit 3-9
City of Fountain
Cost of Total Compensation Increases**

	Total Compensation	Salaries	Benefits	% Benefits to Salaries
one percent	77,700	57,315	20,385	35.6%
two percent	155,399	114,629	40,770	35.6%
three percent	233,099	171,944	61,155	35.6%
four percent	310,799	229,258	81,540	35.6%
five percent	388,498	286,573	101,926	35.6%

Source: Created by Evergreen Solutions



FINDING

No mechanism exists to control the growth of operating expenses. The 2007 current budget includes \$3,180,202 of operating expenses. Currently, budgeting practice increases operating expenses without considering the increase in revenue due to inflation. No active cost savings initiatives were identified. The constant evaluation of business practices and processes utilized in the City of Fountain to determine the most effective and efficient method does not exist.

Sections 3.6 and 3.7, dealing with procurement and risk management, discuss in more detail business process redesign opportunities that control growth of operating expenses.

RECOMMENDATION

Recommendation 3-4:

Implement an operating expense policy limiting the growth in a single year to an amount that approximates the CPI.

A three percent increase in operating expenses is \$95,406, or approximately 12 percent of the new money. The cost of maintaining existing levels of service needs to be separated from the cost of increasing levels of service. Increases for operating expenses for increased service levels need to be identified separately and considered in the decision to increase service levels. Constraint of growth of operating expenses supporting existing service levels needs to be associated with revenue growth.

The constraints recommended for total compensation and operating expenses operate on the base budget. The constraints increase the current level of budget to maintain the current level of service being provided. The constraints do not allow for increased service levels. An increase level in service level requires increases in total compensation, operating expense and capital outlay.

FISCAL IMPACT

This recommendation can be implemented within existing resources.

FINDING

Of the \$800,395 new money currently identified, the above constraints on compensation and operating expenses utilize \$513,904—leaving \$286,491. The 2007 current budget has an existing capital outlay budget of approximately \$545,782, while the proposed 2008 budget recommends \$251,695 in capital outlay. Infrastructure needs for streets and city facilities compete with requests to increase service levels and expenditures to maintain current levels of equipment.



RECOMMENDATION

Recommendation 3-5:

Utilize remaining new money to expand service levels to the citizens in the areas of street maintenance and public safety.

The increases in revenues over the last three years are due to growth and the expected increase in revenue in 2008 is due to growth. The City of Fountain needs to dedicate a portion of this revenue to increase services to new citizens.

FISCAL IMPACT

This recommendation can be implemented within existing resources.

FINDING

The City of Fountain has not defined its long-term financial needs. A five-year capital plan has been included in the 2007 budget document that indicates that the City cannot meet its capital needs without a sales tax increase. The City has committed funds to a site for a new fire station but no funding source for the building or equipment has been identified.

Infrastructure and facilities needs have not been addressed and service level increases have not been defined. The first five recommendations only bring focus to the budget process. These recommendations do not address long term financial planning. The City of Fountain has not defined service level expectations for providing services to its citizens.

Annexation has occurred that has expanded the borders of the City. Facilities needs for public safety and City operations have not been identified. Increase staff needs to provide services have not been projected. A timeline when additional services are required has not been determined.

RECOMMENDATION

Recommendation 3-6:

Identify the financial requirements for infrastructure and service level increases over the next five years, next ten years and next twenty years so funding alternatives can be developed.

Determination of specific needs in the areas of public safety and infrastructure requires documentation. Documentation justifying additional personnel, operating expenses and capital equipment to improve service levels in public safety and street maintenance with a timeline for implementation is needed to evaluate potential funding sources.



Infrastructure needs for both street improvements and facilities with a timeline for construction are required to evaluate funding sources. Not enough information exists to determine the need for additional funding or recommend the best funding mechanism.

FISCAL IMPACT

This recommendation can be implemented within existing resources.

3.2 TABOR SPENDING LIMITATION

Since 1992, Colorado state government, and all municipal governments within the State, have been subject to fiscal limitations set forth by the Taxpayers Bill of Rights, more commonly referred to as TABOR. TABOR has had a substantial and significant impact on municipal government operations since its inception. TABOR marked a way to limit government growth by imposing binding limits on tax revenues and state spending. While most states operate with some tax and spending limits, Colorado's TABOR is the most restrictive limitation in the country. It controls the amount of revenue that can be collected and spent, as well as how and in which ways taxes can be raised. The only escape clause requires the approval of a majority of voters in referendum.

TABOR has resulted in budget reductions and, according to critics, a steady decline in the State's general fund appropriations and quality of life. State program like education, cultural enrichment, public works and healthcare have suffered negative implications. TABOR effectively limits the amount of revenue that a government can collect and keep by prescribing a formula for growth in spending and requiring all revenue in excess of that amount be returned to taxpayers. Any changes to fiscal policy require a majority vote of the people in referendum. This is intended to retain fiscal efficiency and resident participation in government.

In reference to restrictions on the types of taxes that can be proposed and implemented, TABOR specifically prohibits new real estate taxes, transfer taxes, local income taxes and state property taxes. Proponents argue that smaller government is better and decisions about taxation and spending should be made by the people. In theory, TABOR applies a direct, tinker-proof formula to limit the growth of state spending and forcing government to live within its means. This can be difficult when the hands of decision makers are tied during periods of economic downturn or sudden crisis.

There is a fear that the revenue limits of TABOR squeeze critical programs until they become ineffective and eventually disappear. At the same time, the limits of TABOR restrict the ability of government to respond to changing economic conditions and citizen needs in an effective and timely manner. The state of Colorado and many local municipalities are hamstrung by inflexible rules that make it unresponsive and less effective.

The ratcheting effect of the growth limit continually downsizes government, making cuts virtually permanent. When government experiences a temporary revenue shortfall during an economic downturn, TABOR makes it nearly impossible to restore program cuts in good



economic times. When revenues fall, the following year's spending limit on collections is still based on the allowed collections of the previous year. When revenues are less than the allowable limit, the ratchet down effect occurs with the lower revenue figure actually becoming the new base for calculating the next year's limit, and the TABOR limit is permanently reduced for several years. The result is that in years following a recession, allowed revenues will grow only from the worst revenue collection year from the recession to the extent commensurate to the rate of population growth and inflation.

According to the Colorado Municipal League, 496 ballot issues related to TABOR revenue and spending changes have been presented before the voters of municipalities between 1993 and 2006. Of these 496 instances, 87 percent have passed, thus changing, retracting or waiving the implications of the TABOR laws originally enacted in 1992.

Many local lawmakers encourage residents for relief from TABOR restrictions to meet specific needs. For example, last year in Pueblo County, voters approved a TABOR timeout that will provide nearly \$23 million to build a new health department building, help with road improvements and upgrades to city parks and recreation facilities. In off-year elections, often created specifically for TABOR related issues, voter participation remains particularly low. Often times these crucial fiscal decisions are made by as few as 20 percent of Colorado's registered voters.

The first three exhibits presented in this chapter, and Exhibits 3-10 through 3-13 (provided on the following pages), provide data required to determine percentage of "local growth" and calculate the percentage. The County Assessor must certify by August 25 of each year the asset valuation and may revise the valuation one time before December 10. The amounts listed in the Certification of Valuation column are provided by the County Assessor. Determination of net growth valuation and theoretical valuation of property, which was on the tax roll last are defined by statute.

The allowable revenue increase for 2004 is obtained by adding "local growth" of 10.7 percent to the 2004 CPI of 0.2 percent resulting in an increased revenue limit in 2005 of 10.9 percent. The 2003 revenue limit was \$8,314,473, when increased by 10.9 percent, caps 2004 revenue at \$9,212,436. City 2004 actual revenue was \$8,241,092. Consequently, the City of Fountain was \$971,344 (11.8 percent) under the TABOR revenue limit for 2004.

Under TABOR, the City of Fountain's allowable revenue could have increased \$897,963, or \$16,629 for inflation and \$881,334 for growth in 2004. The actual 2004 revenue was \$971,344 below the allowable revenue increase. The \$971,344 gap in foregone revenue was not raised to provide services to citizens in 2004, and is also unavailable for future generations of Fountain citizens. The actual revenue of \$8,241,092 in 2004 becomes the new revenue limit according to the formula used in calculating the limit for revenue in 2005.



Exhibit 3-10
City of Fountain
2004 Local Growth Calculation

Data required for the Tabor calculations	2004			
	Certification of Valuation	Determine net growth valuation	Determine the theoretical valuation of property which was on the tax roll last year	Percentage of "local growth"
Total actual value of all real property	827,329,477		827,329,477	
Construction of taxable real property	78,897,558			
Annexations/Inclusions	-			
Previously exempt property	675,923			
Taxable property omitted (from current year's CV)	464,856			
Additions		80,038,337		
Destruction of property improvements	53,153			
Previously taxable property	227,890			
Deletions		281,043		
Net valuation growth		79,757,294	79,757,294	10.67%
Theoretical value of property last year			747,572,183	

Source: City of Fountain and El Paso County Assessor

The allowable revenue increase for 2005 is obtained by adding "local growth" of 11.4 percent to the 2005 CPI of 2.1 percent, resulting in increase revenue limit in 2005 of 13.4 percent. The 2004 revenue limit of \$8,241,092, when increased by 13.3 percent, caps revenue at \$9,345,398 for 2005. The City of Fountain's 2005 actual revenue was \$9,539,686. Consequently, the City was slightly over the TABOR limit for 2005.

Under TABOR, Fountain's allowable revenue could increase \$1,205,063, or \$173,062 for inflation and \$938,484 for growth in 2005. The actual 2005 increase \$1,298,594 was above the maximum allowable increase. The overage was refunded to the citizens of Fountain via the utility billing system. The allowable revenue for 2005, not the actual revenue, is the new limit used in the calculating the limit for revenue in 2006.



Exhibit 3-11
City of Fountain
2005 Local Growth Calculation

Data required for the Tabor calculations	2005			
	Certification of Valuation	Determine net growth valuation	Determine the theoretical valuation of property which was on the tax roll last year	Percentage of "local growth"
Total actual value of all real property	984,298,148		984,298,148	
Construction of taxable real property	99,764,711			
Annexations/Inclusions	513,332			
Previously exempt property	118,889			
Taxable property omitted (from current year's CV)	222,611			
Additions		100,619,543		
Destruction of property improvements	7,051			
Previously taxable property	342,888			
Deletions		349,939		
Net valuation growth		100,269,604	100,269,604	11.34%
Theoretical value of property last year			884,028,544	

Source: City of Fountain and El Paso County Assessor

The allowable revenue increase for 2006 is obtained by adding "local growth" of 17.5 percent to the 2006 CPI of 3.6 percent resulting in increase revenue limit in 2006 of 21.1 percent. The 2005 limit was \$9,345,398 – when increased by 21.1 percent the resulting 2006 cap is \$11,317,276. The City of Fountain's actual 2006 revenue was \$10,577,440. The City was \$739,836 or 6.5 percent under the TABOR limit for 2006.

For 2006, under TABOR, the City's allowable revenue could have increased \$1,971,878 – \$336,434 for inflation and \$1,635,444 for growth. The actual 2006 increase of \$1,037,754 was \$739,836 below the allowable increase. Not only was the \$739,836 of available revenue not used to provide services to citizens in 2006, it is not available for future years. The actual spending of \$10,577,440 in 2006 becomes the baseline for subsequent years.



Exhibit 3-12
City of Fountain
2006 Local Growth Calculation

Data required for the Tabor calculations	2006			
	Certification of Valuation	Determine net growth valuation	Determine the theoretical valuation of property which was on the tax roll last year	Percentage of "local growth"
Total actual value of all real property	1,128,541,424		1,128,541,424	
Construction of taxable real property	164,077,568			
Annexations/Inclusions	4,478,143			
Previously exempt property	61,605			
Taxable property omitted (from current year's CV)	111,179			
Additions		168,728,495		
Destruction of property improvements	579,600			
Previously taxable property	121,088			
Deletions		700,688		
Net valuation growth		168,027,807	168,027,807	17.49%
Theoretical value of property last year			960,513,617	

Source: City of Fountain and El Paso County Assessor

The estimated allowable revenue increase for 2007 is obtained by adding actual "local growth" of 16.6 percent to an estimated 2007 CPI of 3.0 percent resulting in an increased revenue limit in 2007 of 19.9 percent. The 2006 revenue of \$10,577,440, when increased by 19.9 percent, results in a 2007 limit of \$12,682,350.

For 2007, the City's TABOR allowable revenue could increase \$2,104,910 – \$317,323 for inflation and \$1,755,855 for growth. The current budgeted 2007 revenue projection is \$10,798,195 – an increase of \$220,755. This results in a gap of 1,884,155 between what could be generated and what will actually be generated. The gap means that almost \$1.9 million in money will not be used to provide services to citizens in 2007; it will not be available for future generations of citizens. The actual revenue of \$10,798,195 in 2007 becomes the new revenue limit according to statute used in calculating the spending limit for 2008.



Exhibit 3-13
City of Fountain
2007 Local Growth Calculation

Data required for the Tabor calculations	2007			
	Certification of Valuation	Determine net growth valuation	Determine the theoretical valuation of property which was on the tax roll last year	Percentage of "local growth"
Total actual value of all real property	1,360,196,593		1,360,196,593	
Construction of taxable real property	194,888,575			
Annexations/Inclusions	61,075			
Previously exempt property				
Taxable property omitted (from current year's CV)	180,903			
Additions		195,130,553		
Destruction of property improvements	799,720			
Previously taxable property	287,568			
Deletions		1,087,288		
Net valuation growth		194,043,265	194,043,265	16.64%
Theoretical value of property last year			1,166,153,328	

Source: City of Fountain and El Paso County Assessor

FINDING

The City of Fountain is not managing the local growth component of TABOR to allow growth to pay for itself. TABOR defined local growth in 2004, 2005 and 2006 was 10.7 percent, 11.3 percent, and 17.5 percent, respectively, while actual revenue increases were two percent, 10.8 percent, and 15.7 percent for the past three years. In 2004 the City did not realize an available \$971,344, which was removed from its base and did not roll forward to the TABOR limit for 2005. When the \$971,344 is adjusted for growth and inflation it represents \$1,101,504 available revenue in 2005. The available 2005 revenue limit of \$9,345,398 would have increased to \$10,446,902.

If this increase was available to the City in 2005 there would **not** have been a TABOR refund. This \$1,101,504 of additional available revenue capacity in 2005 rolls forward to 2006 and when adjusted for growth and inflation it represents \$1,225,973 available potential revenue for 2006. In conclusion, the effect of a TABOR gap does not have a static result; the gap present in one



year compounds itself in subsequent years – this is what is commonly referred to as the “Ratchet-Down” effect, and is precisely what the City of Fountain is currently experiencing.

RECOMMENDATION

Recommendation 3-6:

Address TABOR ratchet-down effect through the implementation of impact-fees for new development.

City Council and senior management recognize that TABOR spending limitations, if managed, are not a limiting factor in assessing impact fees for growth and should assess impact fees to fund infrastructure improvements and increase service levels required by growth.

The City has paid consultants to conduct detailed impact fee studies for police, fire, and streets. These studies have identified the cost of infrastructure improvements required due to growth and have determined the appropriate per dwelling impact that should be collected for a new house.

The City of Fountain should identify services and infrastructure impacted by growth as identified by the consultants. Specific detail information concerning the cost of infrastructure improvement required due to growth over the next five years needs to be established. Impact of growth on service levels over the next five years needs to be established and the incremental cost by year to provide those services identified.

Each year based on the needs identified for growth impact on infrastructure and service levels an annual impact fee would be assessed. Impact fee assessment would be part of the annual budget process. Each year during the budget process needs can be identified and funding level established.

The City of Fountain has experienced local growth through annexation and new construction over the last three years. Annexation has increased property values within the City boundaries by \$4,991,475 and construction by \$342,739,837. Local growth as calculated by TABOR over the last three years was 39.5 percent.

FISCAL IMPACT

Estimates of impact fees are based on discussions with City staff and need to be supported by specific identification of projects.

Recommendation	2008	2009	2010	2011	2012
Implement non-Tabor Restricted Impact Fees.	\$500,000	\$550,000	\$600,000	\$650,000	\$700,000



RECOMMENDATION

Recommendation 3-7:

Consider a TABOR time-out ballot measure every two years.

While the current status of the City with respect to TABOR does not pose an imminent risk of refund status, a downturn in the economic condition, housing market, or local growth could have a dramatic effect on the City's ability to systematically address infrastructure needs. It is apparent from budgetary cycles that the City is close to operating at a bare minimum capacity, and a period of two or more years of economic recession could open up the City to a fiscal crisis, even without any dramatic increases in service levels.

By approaching this issue in the context of a public dialogue on a regular basis, the City Council and leaders of Fountain can engage the public, inform the community, and ensure that the City remains out in front of a serious fiscal issue.

FISCAL IMPACT

This recommendation can be implemented within existing resources.

3.3 FINANCIAL STATUS

The operating results for 2005 to the projected 2007 are provided in the following nine exhibits. Three different groups of exhibits trend the general fund operations.

- The first three exhibits, 3-14 through 3-16 trend changes in revenue
- The next three exhibits, 3-17 through 3-19 trend change in expenditures
- The last three exhibits, 3-20 through 3-22 provide analysis of fund balance

The exhibits begin with 2004 and progress to the 2007 projected results and detail the years being compared by category with the change and percentage change.

- Revenues in 2005 increased \$1,298,594 (15.8 percent), in 2006 increased \$1,037,754 (10.9 percent) and are projected to increase in 2007 by 370,918 (3.5 percent).
- Expenditures increased \$647,467 (7.3 percent) in 2005, in 2006 increased \$1,245,924 (14.1 percent), and are projected to increase in 2007 by 349,856 (four percent).
- Fund balance increased \$696,934 (21.4 percent) in 2005, in 2006 increased \$488,764 (12.4 percent) and is projected to decrease in 2007 by \$176,362 (four percent).

FINDING

The City of Fountain does not reconcile budget basis fund balance to actual fund basis at regular intervals. The ending budget basis fund balance presented in the 2006 basic financial statements



was \$1,425,163 compared to an actual fund balance of \$4,366,118. The 2007 budget book displays a beginning budget basis fund balance of \$3,166,300.

RECOMMENDATION

Recommendation 3-8:

Develop a fund balance policy to give guidance to staff in managing activities and direct Director of Administrative Services to implement a management report to demonstrate oversight of the balance and assist in managing the budget process.

Tracking anticipated fund balance in relationship to revenue and expenditures provides critical financial information for decision-making. It not only provides context for past, current and future revenue and expenditure fluctuations it provides understanding of City intentions for future use of any portion of it. Available-to-spend portion of the balance is a tool to assist City Council in managing the finances of the City and provides a buffer for aberrations in revenue and expenditure patterns. An unexpected loss of revenue or an unanticipated increase in expenditures in the short-term can be funded from the balance. Size of the available balance should be based on sensitive to revenue and expenditures to variations that would cause disruption of city services. The reserve should provide for orderly transition to the next budget cycle so necessary adjustments can be implemented.



Exhibit 3-14
City of Fountain
Change in Final Revenues 2005 from 2004

Revenue	2005		Change from 2004		2004	
	Actual	% of Total	\$	%	Actual	% of Total
Taxes						
Property Taxes	1,070,225	11.22%	51,825	5.09%	1,018,400	12.36%
Sales Taxes	5,400,967	56.62%	782,968	16.95%	4,617,999	56.04%
Use Taxes	-	0.00%	-	0.00%	-	0.00%
Specific Ownership Taxes	160,634	1.68%	2,096	1.32%	158,538	1.92%
Franchise Taxes	1,039,493	10.90%	160,706	18.29%	878,787	10.66%
Motor Vehicle Registration	55,415	0.58%	1,864	3.48%	53,551	0.65%
Cigarette Taxes	28,535	0.30%	(6,189)	-17.82%	34,724	0.42%
Total Taxes	7,755,269	81.29%	993,270	14.69%	6,761,999	82.05%
Licenses and Permits						
Business Licenses	22,425	0.24%	1,060	4.96%	21,365	0.26%
Animal Licenses	658	0.01%	886	388.60%	(228)	0.00%
Telecommunications	13,186	0.14%	488	3.84%	12,698	0.15%
Liquor Licenses	3,366	0.04%	(1,753)	-34.24%	5,119	0.06%
Street and Curb Permits	30,188	0.32%	(2,709)	-8.23%	32,897	0.40%
Total Licenses and Permits	69,823	0.73%	(2,028)	-2.82%	71,851	0.87%
Intergovernmental						
Highway Users Tax	374,969	3.93%	(6,268)	-1.64%	381,237	4.63%
Road and Bridge Fund	82,842	0.87%	3,972	5.04%	78,870	0.96%
State and Local Grants	17,244	0.18%	(92,755)	-84.32%	109,999	1.33%
Federal Grants	282,676	2.96%	86,022	43.74%	196,654	2.39%
Total Intergovernmental	757,731	7.94%	(9,029)	-1.18%	766,760	9.30%
Charges for Services						
Developer Fees	60,451	0.63%	1,199	2.02%	59,252	0.72%
Park Fees	358,993	3.76%	152,039	73.47%	206,954	2.51%
School District Juvenile Program	58,258	0.61%	51,849	809.00%	6,409	0.08%
Off Duty Police Program	14,399	0.15%	992	7.40%	13,407	0.16%
Cemetery	29,275	0.31%	9,425	47.48%	19,850	0.24%
Communication	27,000	0.28%	-	0.00%	27,000	0.33%
Miscellaneous	5,425	0.06%	384	7.62%	5,041	0.06%
Total Charge	553,801	5.81%	215,888	63.89%	337,913	4.10%
Fines and Forfeitures	237,048	2.48%	15,134	6.82%	221,914	2.69%
Investment Income	112,191	1.18%	69,390	162.12%	42,801	0.52%
Miscellaneous						
Rents	7,350	0.08%	85	1.17%	7,265	0.09%
Sale of Equipment	7,633	0.08%	2,467	47.75%	5,166	0.06%
Police Miscellaneous	10,432	0.11%	1,342	14.76%	9,090	0.11%
Other	28,408	0.30%	12,075	73.93%	16,333	0.20%
Total Miscellaneous	53,823	0.56%	15,969	42.19%	37,854	0.46%
Total Revenue	9,539,686	100.00%	1,298,594	15.76%	8,241,092	100.00%

Source: City of Fountain, Colorado Financial Statements



Exhibit 3-15
City of Fountain
Change in Final Revenues 2006 from 2005

Revenue	2006		Change from 2005		2005	
	Actual	% of Total	\$	%	Actual	% of Total
Taxes						
Property Taxes	1,226,635	11.60%	156,410	14.61%	1,070,225	11.22%
Sales Taxes	4,381,368	41.42%	(1,019,599)	-18.88%	5,400,967	56.62%
Use Taxes	1,498,375	14.17%	1,498,375	0.00%	-	0.00%
Specific Ownership Taxes	168,389	1.59%	7,755	4.83%	160,634	1.68%
Franchise Taxes	1,104,699	10.44%	65,206	6.27%	1,039,493	10.90%
Motor Vehicle Registration	58,274	0.55%	2,859	5.16%	55,415	0.58%
Cigarette Taxes	31,809	0.30%	3,274	11.47%	28,535	0.30%
Total Taxes	8,469,549	80.07%	714,280	9.21%	7,755,269	81.29%
Licenses and Permits						
Business Licenses	23,315	0.22%	890	3.97%	22,425	0.24%
Animal Licenses	5	0.00%	(653)	-99.24%	658	0.01%
Telecommunications	13,243	0.13%	57	0.43%	13,186	0.14%
Liquor Licenses	3,771	0.04%	405	12.03%	3,366	0.04%
Street and Curb Permits	26,650	0.25%	(3,538)	-11.72%	30,188	0.32%
Total Licenses and Permits	66,984	0.63%	(2,839)	-4.07%	69,823	0.73%
Intergovernmental						
Highway Users Tax	453,539	4.29%	78,570	20.95%	374,969	3.93%
Road and Bridge Fund	94,726	0.90%	11,884	14.35%	82,842	0.87%
State and Local Grants	25,327	0.24%	8,083	46.87%	17,244	0.18%
Federal Grants	158,287	1.50%	(124,389)	-44.00%	282,676	2.96%
Total Intergovernmental	731,879	6.92%	(25,852)	-3.41%	757,731	7.94%
Charges for Services						
Developer Fees	158,924	1.50%	98,473	162.90%	60,451	0.63%
Park Fees	395,705	3.74%	36,712	10.23%	358,993	3.76%
School District Juvenile Program	75,922	0.72%	17,664	30.32%	58,258	0.61%
Off Duty Police Program	13,414	0.13%	(985)	-6.84%	14,399	0.15%
Cemetery	26,165	0.25%	(3,110)	-10.62%	29,275	0.31%
Communication	27,000	0.26%	-	0.00%	27,000	0.28%
Miscellaneous	8,231	0.08%	2,806	51.72%	5,425	0.06%
Total Charge	705,361	6.67%	151,560	27.37%	553,801	5.81%
Fines and Forfeitures	322,799	3.05%	85,751	36.17%	237,048	2.48%
Investment Income	221,344	2.09%	109,153	97.29%	112,191	1.18%
Miscellaneous						
Rents	4,650	0.04%	(2,700)	-36.73%	7,350	0.08%
Sale of Equipment	9,445	0.09%	1,812	23.74%	7,633	0.08%
Police Miscellaneous	13,304	0.13%	2,872	27.53%	10,432	0.11%
Other	32,125	0.30%	3,717	13.08%	28,408	0.30%
Total Miscellaneous	59,524	0.56%	5,701	10.59%	53,823	0.56%
Total Revenue	10,577,440	100.00%	1,037,754	10.88%	9,539,686	100.00%

Source: City of Fountain, Colorado Financial Statements



Exhibit 3-16
City of Fountain
Change in Current Revenues Projected 2007 from 2006

Revenue	2007		Change from 2006		2006	
	Projected	% of Total	\$	%	Actual	% of Total
Taxes						
Property Taxes	1,356,658	12.56%	130,023	10.60%	1,226,635	11.60%
Sales Taxes	4,674,890	43.29%	293,522	6.70%	4,381,368	41.42%
Use Taxes	1,272,959	11.79%	(225,416)	0.00%	1,498,375	14.17%
Specific Ownership Taxes	188,928	1.75%	20,539	12.20%	168,389	1.59%
Franchise Taxes	1,121,666	10.39%	16,967	1.54%	1,104,699	10.44%
Motor Vehicle Registration	62,827	0.58%	4,553	7.81%	58,274	0.55%
Cigarette Taxes	33,539	0.31%	1,730	5.44%	31,809	0.30%
Total Taxes	8,711,467	80.68%	241,918	2.86%	8,469,549	80.07%
Licenses and Permits						
Business Licenses	27,677	0.26%	4,362	18.71%	23,315	0.22%
Animal Licenses	10	0.00%	5	91.08%	5	0.00%
Telecommunications	13,379	0.12%	136	1.03%	13,243	0.13%
Liquor Licenses	5,059	0.05%	1,288	34.16%	3,771	0.04%
Street and Curb Permits	24,972	0.23%	(1,678)	-6.29%	26,650	0.25%
Total Licenses and Permits	71,097	0.66%	4,113	6.14%	66,984	0.63%
Intergovernmental						
Highway Users Tax	452,528	4.19%	(1,011)	-0.22%	453,539	4.29%
Road and Bridge Fund	103,668	0.96%	8,942	9.44%	94,726	0.90%
State and Local Grants	5,198	0.05%	(20,129)	-79.48%	25,327	0.24%
Federal Grants	45,171	0.42%	(113,116)	-71.46%	158,287	1.50%
Total Intergovernmental	606,566	5.62%	(125,313)	-17.12%	731,879	6.92%
Charges for Services						
Developer Fees	219,912	2.04%	60,988	38.38%	158,924	1.50%
Park Fees	360,712	3.34%	(34,993)	-8.84%	395,705	3.74%
School District Juvenile Program	80,752	0.75%	4,830	6.36%	75,922	0.72%
Off Duty Police Program	6,652	0.06%	(6,762)	-50.41%	13,414	0.13%
Cemetery	11,152	0.10%	(15,013)	-57.38%	26,165	0.25%
Communication	27,000	0.25%	-	0.00%	27,000	0.26%
Miscellaneous	25,493	0.24%	17,262	209.72%	8,231	0.08%
Total Charge	731,672	6.78%	26,311	3.73%	705,361	6.67%
Fines and Forfeitures	354,896	3.29%	32,097	9.94%	322,799	3.05%
Investment Income	231,200	2.14%	9,856	4.45%	221,344	2.09%
Miscellaneous						
Rents	3,084	0.03%	(1,566)	-33.69%	4,650	0.04%
Sale of Equipment	6,286	0.06%	(3,159)	-33.45%	9,445	0.09%
Police Miscellaneous	19,219	0.18%	5,915	44.46%	13,304	0.13%
Other	62,709	0.58%	30,584	95.20%	32,125	0.30%
Total Miscellaneous	91,297	0.85%	31,773	53.38%	59,524	0.56%
Total Revenue	10,798,195	100.00%	220,755	2.09%	10,577,440	100.00%

Source: City of Fountain, Colorado Financial Statements



Exhibit 3-17
City of Fountain
Change in Final Expenditures 2005 from 2004

Expenditures	2005		Change from 2004		2004	
	Actual	% of Total	\$	%	Actual	% of Total
General Government						
Legislative	136,578	1.54%	4,735	0.05%	131,843	1.61%
Judicial	192,847	2.18%	30,367	0.34%	162,480	1.98%
Economic Development	22,120	0.25%	13,423	0.15%	8,697	0.11%
Election	10,075	0.11%	425	0.00%	9,650	0.12%
Information Technology	327,833	3.71%	69,205	0.78%	258,628	3.16%
Administration	1,032,806	11.68%	194,500	2.20%	838,306	10.23%
Total General Government	1,722,259	19.48%	312,655	3.54%	1,409,604	17.20%
Public Safety						
Police	3,344,366	37.82%	132,501	1.50%	3,211,865	39.19%
Fire	1,443,386	16.32%	152,690	1.73%	1,290,696	15.75%
Total Public Safety	4,787,752	54.14%	285,191	3.23%	4,502,561	54.94%
Public Works						
Highway and Streets	1,122,278	12.69%	260,466	2.95%	861,812	10.52%
Facilities Maintenance		-	-	0.00%		0.00%
Total Public Works	1,122,278	12.69%	260,466	2.95%	861,812	10.52%
Health and Welfare						
Code Enforcement	158,913	1.80%	12,634	0.14%	146,279	1.78%
Cemetery	8,033	0.09%	(4,542)	-0.05%	12,575	0.15%
Total Health and Welfare	166,946	1.89%	8,092	0.09%	158,854	1.94%
Culture and Recreation						
Parks	399,587	4.52%	76,640	0.87%	322,947	3.94%
Community Building	3,590	0.04%	(5,616)	-0.06%	9,206	0.11%
Total Culture and Recreation	403,177		71,024	0.80%	332,153	
Capital Outlay	477,689	5.40%	257,221	2.91%	220,468	2.69%
Debt Service	300,015	3.39%	14,517	0.16%	285,498	3.48%
Total Expenditures	8,980,116	101.55%	1,209,166	13.67%	7,770,950	94.82%
Other Financing Sources (Uses)						
Debt Issued	373,795	4.23%	363,378	4.11%	10,417	0.13%
Transfers In	518,935	5.87%	185,209	2.09%	333,726	4.07%
Transfers Out	(755,366)	-8.54%	13,112	0.15%	(768,478)	-9.38%
Total Other Financing Sources (Uses)	137,364	1.55%	561,699	6.35%	(424,335)	-5.18%
Total Expenditures and Other Financing Sources (Uses)	8,842,752	100.00%	647,467	7.32%	8,195,285	100.00%

Source: City of Fountain, Colorado Financial Statements



Exhibit 3-18
City of Fountain
City of Fountain Change in Final Expenditures 2006 from 2005

Expenditures	2006		Change from 2005		2005	
	Actual	% of Total	\$	%	Actual	% of Total
General Government						
Legislative	177,389	1.65%	40,811	0.46%	136,578	1.54%
Judicial	200,098	1.86%	7,251	0.08%	192,847	2.18%
Economic Development	26,675	0.25%	4,555	0.05%	22,120	0.25%
Election	9,769	0.09%	(306)	0.00%	10,075	0.11%
Information Technology	430,454	4.00%	102,621	1.16%	327,833	3.71%
Administration	984,284	9.16%	(48,522)	-0.55%	1,032,806	11.68%
Total General Government	1,828,669	17.01%	106,410	1.20%	1,722,259	19.48%
Public Safety						
Police	4,052,180	37.69%	707,814	8.00%	3,344,366	37.82%
Fire	1,623,180	15.10%	179,794	2.03%	1,443,386	16.32%
Total Public Safety	5,675,360	52.79%	887,608	10.04%	4,787,752	54.14%
Public Works						
Highway and Streets	1,412,797	13.14%	290,519	3.29%	1,122,278	12.69%
Facilities Maintenance	234,760	2.18%	234,760	2.65%		0.00%
Total Public Works	1,647,557	15.32%	525,279	5.94%	1,122,278	12.69%
Health and Welfare						
Code Enforcement	182,368	1.70%	23,455	0.27%	158,913	1.80%
Cemetery	8,730	0.08%	697	0.01%	8,033	0.09%
Total Health and Welfare	191,098	1.78%	24,152	0.27%	166,946	1.89%
Culture and Recreation						
Parks	725,963	6.75%	326,376	3.69%	399,587	4.52%
Community Building	5,071	0.05%	1,481	0.02%	3,590	0.04%
Total Culture and Recreation	731,034		327,857	3.71%	403,177	
Capital Outlay	-	0.00%	(477,689)	-5.40%	477,689	5.40%
Debt Service	346,206	3.22%	46,191	0.52%	300,015	3.39%
Total Expenditures	10,419,924	96.92%	1,439,808	16.28%	8,980,116	101.55%
Other Financing Sources (Uses)						
Debt Issued	(356,000)	-3.31%	(729,795)	-8.25%	373,795	4.23%
Transfers In	(667,410)	-6.21%	(1,186,345)	-13.42%	518,935	5.87%
Transfers Out	692,162	6.44%	1,447,528	16.37%	(755,366)	-8.54%
Total Other Financing Sources (Uses)	(331,248)	-3.08%	(468,612)	-5.30%	137,364	1.55%
Total Expenditures and Other Financing Sources (Uses)	10,751,172	100.00%	1,908,420	21.58%	8,842,752	100.00%

Source: City of Fountain, Colorado Financial Statements



Exhibit 3-19
City of Fountain
Change in Projected Expenditures 2007 from 2006

Expenditures	2007		Change from 2006		2006	
	Projected	% of Total	\$	%	Actual	% of Total
General Government						
Legislative	186,546	1.66%	9,157	0.10%	177,389	1.65%
Judicial	216,480	1.92%	16,382	0.19%	200,098	1.86%
Economic Development	75,747	0.67%	49,072	0.55%	26,675	0.25%
Election	10,471	0.09%	702	0.01%	9,769	0.09%
Information Technology	472,949	4.20%	42,495	0.48%	430,454	4.00%
Administration	565,705	5.02%	(418,579)	-4.73%	984,284	9.16%
Planning and Engineering	501,187					
Total General Government	2,029,086	18.02%	200,417	2.27%	1,828,669	17.01%
Public Safety						
Police	4,121,522	36.61%	69,342	0.78%	4,052,180	37.69%
Fire	1,640,722	14.57%	17,542	0.20%	1,623,180	15.10%
Total Public Safety	5,762,244	51.18%	86,884	0.98%	5,675,360	52.79%
Public Works						
Highway and Streets	1,398,422	12.42%	(14,375)	-0.16%	1,412,797	13.14%
Facilities Maintenance	258,821	2.30%	24,061	0.27%	234,760	2.18%
Total Public Works	1,657,243	14.72%	9,686	0.11%	1,647,557	15.32%
Health and Welfare						
Code Enforcement	192,505	1.71%	10,137	0.11%	182,368	1.70%
Cemetery	5,563	0.05%	(3,167)	-0.04%	8,730	0.08%
Total Health and Welfare	198,068	1.76%	6,970	0.08%	191,098	1.78%
Culture and Recreation						
Parks	417,736	3.71%	(308,227)	-3.49%	725,963	6.75%
Community Building	5,491	0.05%	420	0.00%	5,071	0.05%
Total Culture and Recreation	423,228		(307,806)	-3.48%	731,034	
Capital Outlay	1,961,072	17.42%	1,961,072	22.18%	-	0.00%
Debt Service	404,346	3.59%	58,140	0.66%	346,206	3.22%
Total Expenditures	12,435,287	110.45%	2,015,363	22.79%	10,419,924	96.92%
Other Financing Sources (Uses)						
Debt Issued	1,000,000	8.88%	1,356,000	15.33%	(356,000)	-3.31%
Transfers In	944,581	8.39%	1,611,991	18.23%	(667,410)	-6.21%
Transfers Out	(767,622)	-6.82%	(1,459,784)	-16.51%	692,162	6.44%
Total Other Financing Sources (Uses)	1,176,959	10.45%	1,508,207	17.06%	(331,248)	-3.08%
Total Expenditures and Other Financing Sources (Uses)	11,258,328	100.00%	507,156	5.74%	10,751,172	100.00%

Source: City of Fountain, Colorado Financial Statements



Exhibit 3-20
City of Fountain
City of Fountain Change in Fund Balance 2005 from 2004

Description	2005	Change from 2004		2004
	Actual	\$	%	Actual
Total Revenue Budget	9,539,686	1,298,594	15.76%	8,241,092
Total Expenditures and Other Financing (Sources) Uses	8,842,752	747,467	9.23%	8,095,285
Amount Expenditures Exceeds Revenue and Other Financing (Sources) Uses	696,934	551,127	377.98%	145,807
Beginning Fund Balance	3,261,629	145,807	4.68%	3,115,822
Ending Fund Balance	3,958,563	696,934	21.37%	3,261,629
Tabor Reserve (3% of Qualified Expenditures)	305,139	36,152	13.44%	268,987
Designated for park Improvements	398,000	34,000	9.34%	364,000
Designated for Subsequent Year	368,000	304,000	475.00%	64,000
Revenue over amounts forecasted	390,000	390,000	0.00%	
Available to Spend	2,497,424	626,782	24.44%	2,564,642

Source: City of Fountain, Colorado Financial Statements



Exhibit 3-21
City of Fountain
Change in Fund Balance 2006 from 2005

Description	2006	Change from 2005		2005
	Actual	\$	%	Actual
Total Revenue Budget	10,577,440	1,037,754	10.88%	9,539,686
Total Expenditures and Other Financing (Sources) Uses	10,088,676	1,245,924	14.09%	8,842,752
Amount Expenditures Exceeds Revenue and Other Financing (Sources) Uses	488,764	(208,170)	-29.87%	696,934
Beginning Fund Balance	3,958,563	696,934	21.37%	3,261,629
Ending Fund Balance	4,447,327	488,764	12.35%	3,958,563
Tabor Reserve (3% of Qualified Expenditures)	341,349	36,210	11.87%	305,139
Designated for park Improvements	648,000	250,000	62.81%	398,000
Designated for Subsequent Year	268,000	(100,000)	-27.17%	368,000
Revenue over amounts forecasted	441,000	51,000	13.08%	390,000
Available to Spend	2,748,978	202,554	8.11%	2,497,424

Source: City of Fountain, Colorado Financial Statements



Exhibit 3-22
City of Fountain
City of Fountain Change in Fund Balance 2007 from 2006

Description	2007	Change from 2006		2006
	Projected	\$	%	Actual
Total Revenue Budget	10,404,385	(173,055)	-1.64%	10,577,440
Total Expenditures and Other Financing (Sources) Uses	12,202,239	1,245,924	14.09%	10,088,676
Amount Expenditures Exceeds Revenue and Other Financing (Sources) Uses	-1,797,854	(2,286,618)	-467.84%	488,764
Adjust Revenue Budget	393,810	393,810		
Budget Savings	943,911	943,911		
Beginning Fund Balance	4,447,327	488,764	12.35%	3,958,563
Ending Fund Balance	3,987,195	(460,132)	-10.35%	4,447,327
Tabor Reserve (3% of Qualified Expenditures)	373,059	31,710	9.29%	341,349
Designated for park Improvements	869,000	221,000	34.10%	648,000
Designated for Subsequent Year		(268,000)	-100.00%	268,000
Revenue over amounts forecasted		(441,000)	-100.00%	441,000
Available to Spend	2,745,136	(3,842)	-0.14%	2,748,978

Source: City of Fountain, Colorado Financial Statements

FISCAL IMPACT

Exhibit 3-22 estimates the available fund balance to spend at December 31, 2007 of \$3,040,135.

- Fund balance available to spend is 3.8 times the 2008 revenue budget increase of \$800,395. Fund balance could be used to continue to fund City operations at the current service level without any increase in revenue for almost four years.
- Fund balance available to spend is 2.5 times of approximately ten percent, \$1,200,000, of total expenditure budget. Fund balance could be used to continue City operations at the current level if expenditures increased by ten percent unexpectedly for not quite three years.

A reserve of revenue growth projected for the next budget year of ten percent of budgeted expenditures should provide an adequate reserve to adjust City operations. Available fund balance of \$3,040,135 minus the greater of revenue budget increase or ten percent of expenditures is \$1,840,135.



3.4 BUDGET PROCESS

Two different revenue budget views from 2005 to the proposed 2008 are provided in the following series of exhibits. Each view provides a different perspective of how revenues are budgeted at the City of Fountain. The first group of revenue exhibits, 3-25 through 3-28, trend the growth of the general fund revenue. These exhibits begin with 2004 Final Budget and progress to the 2008 Preliminary Budget. Each exhibit details the years being compared detailed by category with the change and percentage change.

Currently the City does not amend the revenue side of the budget once adopted. The original revenue budget is the final budget. Budgeted revenue increased in 2005 by \$2,095,764 (28.2 percent), decreased in 2006 by \$314,546 (3.3 percent), increased in 2007 by \$1,179,245 (12.8 percent), and increased in 2008 (projected) by \$800,935 (7.7 percent).

The second series of revenue exhibits, 3-29 through 3-32, provide a comparison of budgeted to actual revenues 2004 through 2006 and budgeted to projected revenues for 2007. Each exhibit details by category the budgeted and actual amounts the difference and percentage different. In 2004, actual revenue exceeded budget by \$797,170 (10.7 percent); in 2005 actual revenue exceeded budget by \$1,175,278 (14.1 percent); in 2006 actual revenue exceeded budget by \$1,352,300 (14.7 percent).

The City of Fountain collected revenues in excess of the budgeted in 2005, as a result of this additional revenue City Council approved a supplemental appropriations in 2006 totaling \$390 thousand for street improvements and the purchase of public safety vehicles and equipment. During the 2005 City Council also approved supplemental appropriations of \$95,000 for the purchase of parkland and open space as well as \$50,000 for field improvements at Metcalfe Park. In 2006 the City Council approved supplemental appropriations for \$229,500 for field improvements at Metcalfe Park and \$190,000 for the community room at the new library.

FINDING

The City of Fountain does not adjust the revenue budget as additional information becomes available during the year. Since 2004, actual revenues have exceeded the original budget by \$797,170, \$1,175,278 and \$1,353,300 each year (more than 10 percent each year) and projections indicate that 2007 revenues will exceed the budget. The methodology used by the City to estimate revenues for subsequent years under estimates growth in revenues.

The current budget process is conservative, and does not necessarily recognize all available resources that can be budgeted. Based on the data presented in the audited financial statements, which are summarized in exhibits 3-23 and 3-24 the City has budgeted expenditures in excess of revenue budgeted. The existing practice is to conservatively budget revenue and in the subsequent year request budget amendments to spend the money.



Exhibit 3-23
City of Fountain, Colorado
Revenue and Expenditures – Actual Versus Projected
2004 – 2008

Category	2004	2005	2006	2007	2008
Revenue Budget	7,443,922	8,364,408	9,125,140	10,404,385	11,204,780
Original Expenditure Budget	7,810,062	8,689,059	9,277,896	10,669,517	11,354,860
Original Expenditures in Excess of Revenue	366,140	324,651	152,756	265,132	150,080
Final Expenditure Budget	8,365,706	9,381,467	10,568,203	12,202,239	
Expenditure Increase from Original Expenditure Budget	555,644	692,408	1,290,307	1,532,722	
Final Expenditures in Excess of Revenue	921,784	1,017,059	1,443,063	1,797,854	
Actual Revenue	8,241,092	9,539,686	10,577,437		
Actual Expenditures	8,095,285	8,842,752	10,088,676		
Actual Revenue in Excess of Actual Expenditures	145,807	696,934	488,761		

Source: Created by Evergreen Solutions, August 2007

The historical data supports this practice. The City's revenue projection could be as much as \$500,000 – \$750,000 underestimated, however, a conservative estimate would be \$150,000 – \$250,000.

Exhibit 3-23 displays financial indicators to measure the budget process and its relationship to actual financial activities. It demonstrates the problem with the budget process and the difficulty in recommending specific budget cuts. The original revenue and expenditure budgets for 2004 through 2007 all indicate that budgeted expenditures exceed budgeted revenues. The 2008 budget deficit is the smallest in the last five years.

A gap exists in the budget process. A base budget needs to be established that resembles the trends established from previous fiscal cycles and forecasts appropriately. The current budget process indicates that expenditures could exceed budgeted revenue by \$1,532,722. The reality is something different and subject to debate.



Exhibit 3-24 displays actual revenue is in excess of budgeted revenue, in addition to original expenditures in excess of revenue, expenditure increase from original expenditure budget. Actual revenue exceeded budgeted revenue in 2004 through 2006. Each year the amount the actual revenues exceeded the revenue budget was greater than the original expenditures in excess of revenue.

In each year the amount that actual revenue exceeded revenue budgeted was greater than the expenditures increase from original budget. In all years the fund balance increased.

Exhibit 3-24
City of Fountain, Colorado
Fund Balance Trend
2004 – 2008

Category	2004	2005	2006	2007	2008
Actual Revenue in excess of Revenue Budget	797,170	1,175,278	1,452,297		
Original Expenditures in Excess of Revenue	366,140	324,651	152,756	265,132	150,080
Expenditure Increase from Original Expenditure Budget	555,644	692,408	1,290,307	1,532,722	
Increase in Fund Balance	145,807	696,934	488,761		

Source: Created by Evergreen Solutions, August 2007

RECOMMENDATIONS

Recommendation 3-9:

Implement a financial management policy to adjust the revenue budget to reflect current revenue projections on a periodic basis.

The City of Fountain does adjust the expenditure budgets as necessary to reflect current spending. Since 2004, actual revenues have exceeded the original budget by \$797,170, \$1,175,278 and \$1,353,300 each year (more than 10 percent each year) and projections indicate that 2007 revenues will exceed the budget. Adjusting revenue for current revenue provides information required to assess the City's financial position.

FISCAL IMPACT

The current projected revenue, Exhibit 3-32, for 2007 indicates that actual revenue could exceed revenue budgeted by \$393,810.

Recommendation 3-10:

Adjust the revenue estimating process to more closely reflect actual revenue growth.



Since 2004, actual revenues have exceeded the original budget by \$797,170, \$1,175,278 and \$1,353,300 each year (more than 10 percent each year) and projections indicate that 2007 revenues will exceed the budget. The existing practice is to under budget revenue and in the subsequent year request budget amendments to spend the money. The historical data supports this practice. A conservative estimate is the 2008 revenue budget is understated from \$500,000 to \$750,000.

FISCAL IMPACT

Estimates for revenue are based on trend analysis presented in exhibit 3-23 and 3-24.

Recommendation	2008	2009	2010	2011	2012
Revenue Budgeting	\$0	\$500,000	\$600,000	\$700,000	\$800,000

FINDING

Two different expenditure budget views from 2004 to the proposed 2008 are provided in the following exhibits, presented at the end of this section for ease of viewing. Each exhibit provides a different perspective of how expenditures are budgeted at the City of Fountain. The first group of expenditure exhibits, 3-31 through 3-34, trend the growth of the general fund expenditures. These exhibits begin with 2004 Final Budget and progress to the 2008 Preliminary Budget. Each exhibit details the years being compared detailed by category with the change and percentage change.

Line item budget transfers are allowed within a fund with the approval of the City Manager. Any increases to the total fund expenditures must be approved by City Council. Budgeted expenditures increased in 2005 by \$1,015,761 (10.8 percent), increased in 2006 by \$1,186,736 (12.7 percent), increased in 2007 by \$942,986 (10.1 percent), and decrease in 2008 projections by \$847,379 (9.0 percent).

The 2004 budget was increased by \$155,000 for carryovers from the 2003 budget and the budget was amended for expenditures relating to the following state and federal grant awards:

- \$50,790 from a Community Development Block Grant for downtown infrastructure improvements
- \$30,390 from the Office of Juvenile Justice and Delinquency Prevention for the Crisis Intervention Team (CIT) and Follow Up for At Risk Youth project.
- \$3,008 from Bullet Proof Vest Partnership Program for vest purchase
- \$9,281 from Law Enforcement Assistance Fund (LEAF) for DUI enforcement
- \$103,164 for a Great Outdoors Colorado (GOCO) grant for open space acquisition



The 2005 budget was increased by \$64,000 in carryovers from the 2004 budget and the budget was amended for expenditures relating to the following state and federal grant awards:

- \$105,194 from FEMA for the Assistance to firefighters Grant for equipment purchases
- \$20,000 from the Office Juvenile Justice and Delinquency Prevention for the Crisis Intervention Team (CIT) and Follow Up for At Risk Youth.
- \$847 from Bullet Proof Vest Partnership Program for vest purchases
- \$7,650 from Law Enforcement Assistance Fund (LEAF) for DUI enforcement
- \$49,999 from FEMA for the Buffer Zone Protection Program for the purchase of 800 megahertz radio equipment
- \$19,343 from the Department of Homeland Security for Firefighter Hurricane Relief

The 2006 budget amendments included \$368,000 in carryovers from the 2005 budget. Additionally the budget was amended for expenditures relating to the following items:

- \$121,000 for temporary and part-time staffing needs
- \$90,000 for an additional transfer to the Ambulance Fund to subsidize the ambulance transport
- \$8,740 from Law Enforcement Assistance Fund (Leaf) for DUI enforcement
- \$2,500 from a local grant for fire equipment
- \$103,000 for miscellaneous items

The second series of expenditure exhibits, 3-35 through 3-38, provide a comparison of budgeted to actual expenditures 2004 through 2006 and budgeted to projected expenditures for 2007. Each exhibit details by category the budgeted and actual amounts, the difference, and percentage different. In 2004 budgeted expenditures exceeded actual expenditures by \$270,421 (3.2 percent), in 2005 budgeted expenditures exceeded actual by \$538,715 (5.7 percent) and in 2006 budgeted expenditures exceeded actual by \$479,527 (4.5 percent). The 2007 budget exceeds projected 2007 expenditures by \$1,101,211 (9.0 percent).

Variances from the 2004 final budget to actual expenditures worth noting include the following:

- Budget savings of \$112,038 was achieved by the police department due to vacant positions.
- Actual expenditures by public works were \$141,695 less than the final budget due to vacant positions and a delay in paving projects. Approximately \$64,000 of this budget savings was carried forward to the 2005 budget to complete projects.



- Actual expenditures by code enforcement were \$33,626 less than the final budget due to a vacant position and saving in various operating costs.
- Actual operating transfers to the Ambulance Fund were \$131,258 more than the final budget because a \$100,000 note payable and related accrued interest was assigned to the General Fund. In addition, \$20,800 more than estimated in the final budget was transferred to cover ambulance operations for 2004.

Variances from the 2005 final budget to actual expenditures worth noting include the following:

- Budget savings of \$259,000 were achieved by the police department due to vacant positions.
- Actual expenditures by public works were \$189,000 less than the final budget due to on-going construction projects. All of these budget savings were carried forward to the 2006 budget to complete projects.
- Actual expenditures by code enforcement were \$29,000 less than the final budget due to a vacant position and savings in various operation and capital costs.

Variances from the 2006 final budget to actual expenditures worth noting include the following:

- Budget savings of \$160,000 were achieved by the general fund through savings from vacant positions and operating savings. Approximately \$45,000 of this savings was carried forward to 2007 budget to complete information technology projects.
- Actual expenditures by public works were \$223,000 less than the final budget due to on-going construction projects. All of these budget savings were carried forward to the 2007 budget to complete projects.

FINDING

The City of Fountain does adjust the expenditure budget as additional information becomes available during the year. Since 2004, actual expenditures have been under the final expenditure budget by \$270,421, \$538,715 and \$479,527 (between 4.5 and 9.0 percent) each year and projections indicate that 2007 expenditures will exceed the budget. The methodology used by the City to estimate expenditures for subsequent years overestimates expenses.

RECOMMENDATION

Recommendation 3-11:

Implement a policy of recognizing areas that will not spend their budget in the current year and allow City Council to allocate those funds.

Projections for the current year indicate that the City of Fountain will be under budget. Estimated salary savings due to vacancies for the current year are almost \$500,000. Application



of budget policies should result in a balanced budget being prepared based on the prior year's budget and actual. A preliminary budget based on the prior year's adopted budget does imply:

- Staffing level is unchanged from the prior year with budget policy increases, cost of living increase plus two percent.
- Operating expenses at the same level as the prior year with budget policy increases of CPI.
- Specific identification of all changes outside of budget policy to increase staff and or operating expenses.

A direct relationship between increased revenue and increased spending needs to be made. If spending increase requests for the budget year exceed revenue increase then two choices exist:

- cut the spending increases until they do not exceed the new money
- cut existing spending and redirect those resources to the increases.

FISCAL IMPACT

The current projected expenditures, Exhibit 3-40 for 2007, indicates that actual expenditures could be \$943,911 less than budgeted expenditures.



Exhibit 3-25
City of Fountain
Change in Final Revenue Budget 2005 from 2004

Revenue	2005				2004	
	Final Budget	% of Total	\$	%	Final Budget	% of Total
Taxes						
Property Taxes	1,070,225	11.22%	39,325	3.81%	1,030,900	13.85%
Sales Taxes	5,400,967	56.62%	1,312,605	32.11%	4,088,362	54.92%
Use Taxes		0.00%	-			0.00%
Specific Ownership Taxes	160,634	1.68%	6,384	4.14%	154,250	2.07%
Franchise Taxes	1,039,493	10.90%	160,943	18.32%	878,550	11.80%
Motor Vehicle Registration	55,415	0.58%	4,345	8.51%	51,070	0.69%
Cigarette Taxes	28,535	0.30%	(4,745)	-14.26%	33,280	0.45%
Total Taxes	7,755,269	81.29%	1,518,857	24.35%	6,236,412	83.78%
Licenses and Permits						
Business Licenses	22,425	0.24%	1,205	5.68%	21,220	0.29%
Animal Licenses	658	0.01%	158	31.60%	500	0.01%
Telecommunications	13,186	0.14%	706	5.66%	12,480	0.17%
Liquor Licenses	3,366	0.04%	(1,134)	-25.20%	4,500	0.06%
Street and Curb Permits	30,188	0.32%	18,188	151.57%	12,000	0.16%
Total Licenses and Permits	69,823	0.73%	19,123	37.72%	50,700	0.68%
Intergovernmental						
Highway Users Tax	374,969	3.93%	(7,661)	-2.00%	382,630	5.14%
Road and Bridge Fund	82,842	0.87%	(18,468)	-18.23%	101,310	1.36%
State and Local Grants	17,244	0.18%	17,244			0.00%
Federal Grants	282,676	2.96%	164,176	138.55%	118,500	1.59%
Total Intergovernmental	757,731	7.94%	155,291	25.78%	602,440	8.09%
Charges for Services						
Developer Fees	60,451	0.63%	35,451	141.80%	25,000	0.34%
Park Fees	358,993	3.76%	333,993	1335.97%	25,000	0.34%
School District Juvenile Program	58,258	0.61%	52,488	909.67%	5,770	0.08%
Off Duty Police Program	14,399	0.15%	4,399	43.99%	10,000	0.13%
Cemetery	29,275	0.31%	8,275	39.40%	21,000	0.28%
Communication	27,000	0.28%	-	0.00%	27,000	0.36%
Miscellaneous	5,425	0.06%	1,925	55.00%	3,500	0.05%
Total Charge	553,801	5.81%	436,531	372.24%	117,270	1.58%
Fines and Forfeitures	237,048	2.48%	(107,852)	-31.27%	344,900	4.63%
Investment Income	112,191	1.18%	52,191	86.99%	60,000	0.81%
Miscellaneous						
Rents	7,350	0.08%	(50)	-0.68%	7,400	0.10%
Sale of Equipment	7,633	0.08%	7,633			0.00%
Police Miscellaneous	10,432	0.11%	(4,368)	-29.51%	14,800	0.20%
Other	28,408	0.30%	18,408	184.08%	10,000	0.13%
Total Miscellaneous	53,823	0.56%	21,623	67.15%	32,200	0.43%
Total Revenue	9,539,686	100.00%	2,095,764	28.15%	7,443,922	100.00%

Source: City of Fountain, Colorado Financial Statements



Exhibit 3-26
City of Fountain
Change in Final Revenue Budget 2006 from 2005

Revenue	2006		Change from 2005		2005	
	Final Budget	% of Total	\$	%	Final Budget	% of Total
Taxes						
Property Taxes	1,236,000	13.40%	165,775	15.49%	1,070,225	11.22%
Sales Taxes	4,136,940	44.84%	(1,264,027)	-23.40%	5,400,967	56.62%
Use Taxes	1,064,050	11.53%	1,064,050			0.00%
Specific Ownership Taxes	168,520	1.83%	7,886	4.91%	160,634	1.68%
Franchise Taxes	1,049,180	11.37%	9,687	0.93%	1,039,493	10.90%
Motor Vehicle Registration	55,850	0.61%	435	0.78%	55,415	0.58%
Cigarette Taxes	21,420	0.23%	(7,115)	-24.93%	28,535	0.30%
Total Taxes	7,731,960	83.81%	(23,309)	-0.30%	7,755,269	81.29%
Licenses and Permits						
Business Licenses	22,520	0.24%	95	0.42%	22,425	0.24%
Animal Licenses	150	0.00%	(508)	-77.20%	658	0.01%
Telecommunications	13,470	0.15%	284	2.15%	13,186	0.14%
Liquor Licenses	4,500	0.05%	1,134	33.69%	3,366	0.04%
Street and Curb Permits	18,000	0.20%	(12,188)	-40.37%	30,188	0.32%
Total Licenses and Permits	58,640	0.64%	(11,183)	-16.02%	69,823	0.73%
Intergovernmental						
Highway Users Tax	402,650	4.36%	27,681	7.38%	374,969	3.93%
Road and Bridge Fund	95,490	1.04%	12,648	15.27%	82,842	0.87%
State and Local Grants	-	0.00%	(17,244)	-100.00%	17,244	0.18%
Federal Grants	81,600	0.88%	(201,076)	-71.13%	282,676	2.96%
Total Intergovernmental	579,740	6.28%	(177,991)	-23.49%	757,731	7.94%
Charges for Services						
Developer Fees	60,000	0.65%	(451)	-0.75%	60,451	0.63%
Park Fees	200,000	2.17%	(158,993)	-44.29%	358,993	3.76%
School District Juvenile Program	75,900	0.82%	17,642	30.28%	58,258	0.61%
Off Duty Police Program	6,000	0.07%	(8,399)	-58.33%	14,399	0.15%
Cemetery	21,000	0.23%	(8,275)	-28.27%	29,275	0.31%
Communication	27,000	0.29%	-	0.00%	27,000	0.28%
Miscellaneous	3,000	0.03%	(2,425)	-44.70%	5,425	0.06%
Total Charge	392,900	4.26%	(160,901)	-29.05%	553,801	5.81%
Fines and Forfeitures	336,000	3.64%	98,952	41.74%	237,048	2.48%
Investment Income	100,000	1.08%	(12,191)	-10.87%	112,191	1.18%
Miscellaneous						
Rents	7,400	0.08%	50	0.68%	7,350	0.08%
Sale of Equipment	-	0.00%	(7,633)	-100.00%	7,633	0.08%
Police Miscellaneous	8,000	0.09%	(2,432)	-23.31%	10,432	0.11%
Other	10,500	0.11%	(17,908)	-63.04%	28,408	0.30%
Total Miscellaneous	25,900	0.28%	(27,923)	-51.88%	53,823	0.56%
Total Revenue	9,225,140	100.00%	(314,546)	-3.30%	9,539,686	100.00%

Source: City of Fountain, Colorado Financial Statements



Exhibit 3-27
City of Fountain
Change in Current Revenue Budget 2007 from 2006

Revenue	2007		Change from 2006		2006	
	Current Budget	% of Total	\$	%	Final Budget	% of Total
Taxes						
Property Taxes	1,378,875	13.25%	142,875	11.56%	1,236,000	13.40%
Sales Taxes	4,747,040	45.63%	610,100	14.75%	4,136,940	44.84%
Use Taxes	1,230,460	11.83%	166,410		1,064,050	11.53%
Specific Ownership Taxes	175,380	1.69%	6,860	4.07%	168,520	1.83%
Franchise Taxes	1,154,170	11.09%	104,990	10.01%	1,049,180	11.37%
Motor Vehicle Registration	61,080	0.59%	5,230	9.36%	55,850	0.61%
Cigarette Taxes	29,000	0.28%	7,580	35.39%	21,420	0.23%
Total Taxes	8,776,005	84.35%	1,044,045	13.50%	7,731,960	83.81%
Licenses and Permits						
Business Licenses	23,200	0.22%	680	3.02%	22,520	0.24%
Animal Licenses	150	0.00%	-	0.00%	150	0.00%
Telecommunications	13,990	0.13%	520	3.86%	13,470	0.15%
Liquor Licenses	4,500	0.04%	-	0.00%	4,500	0.05%
Street and Curb Permits	25,000	0.24%	7,000	38.89%	18,000	0.20%
Total Licenses and Permits	66,840	0.64%	8,200	13.98%	58,640	0.64%
Intergovernmental						
Highway Users Tax	414,990	3.99%	12,340	3.06%	402,650	4.36%
Road and Bridge Fund	104,860	1.01%	9,370	9.81%	95,490	1.04%
State and Local Grants	-	0.00%	-	#	-	0.00%
Federal Grants	44,100	0.42%	(37,500)	-45.96%	81,600	0.88%
Total Intergovernmental	563,950	5.42%	(15,790)	-2.72%	579,740	6.28%
Charges for Services						
Developer Fees	60,000	0.58%	-	0.00%	60,000	0.65%
Park Fees	250,000	2.40%	50,000	25.00%	200,000	2.17%
School District Juvenile Program	65,690	0.63%	(10,210)	-13.45%	75,900	0.82%
Off Duty Police Program	8,000	0.08%	2,000	33.33%	6,000	0.07%
Cemetery	21,000	0.20%	-	0.00%	21,000	0.23%
Communication	27,000	0.26%	-	0.00%	27,000	0.29%
Miscellaneous	3,500	0.03%	500	16.67%	3,000	0.03%
Total Charge	435,190	4.18%	42,290	10.76%	392,900	4.26%
Fines and Forfeitures	352,500	3.39%	16,500	4.91%	336,000	3.64%
Investment Income	180,000	1.73%	80,000	80.00%	100,000	1.08%
Miscellaneous						
Rents	7,400	0.07%	-	0.00%	7,400	0.08%
Sale of Equipment	-	0.00%	-		-	0.00%
Police Miscellaneous	9,000	0.09%	1,000	12.50%	8,000	0.09%
Other	13,500	0.13%	3,000	28.57%	10,500	0.11%
Total Miscellaneous	29,900	0.29%	4,000	15.44%	25,900	0.28%
Total Revenue	10,404,385	100.00%	1,179,245	12.78%	9,225,140	100.00%

Source: City of Fountain, Colorado Financial Statements



Exhibit 3-28
City of Fountain
Change in Proposed Revenue Budget 2008 from 2007

Revenue	2008		Change from 2007		2007	
	Proposed Budget	% of Total	\$	%	Final Budget	% of Total
Taxes						
Property Taxes	1,627,230	14.52%	248,355	18.01%	1,378,875	13.25%
Sales Taxes	4,978,860	44.44%	231,820	4.88%	4,747,040	45.63%
Use Taxes	1,571,320	14.02%	340,860		1,230,460	11.83%
Specific Ownership Taxes	199,640	1.78%	24,260	13.83%	175,380	1.69%
Franchise Taxes	1,136,830	10.15%	(17,340)	-1.50%	1,154,170	11.09%
Motor Vehicle Registration	64,220	0.57%	3,140	5.14%	61,080	0.59%
Cigarette Taxes	29,000	0.26%	-	0.00%	29,000	0.28%
Total Taxes	9,607,100	85.74%	831,095	9.47%	8,776,005	84.35%
Licenses and Permits						
Business Licenses	25,750	0.23%	2,550	10.99%	23,200	0.22%
Animal Licenses	-	0.00%	(150)	-100.00%	150	0.00%
Telecommunications	17,590	0.16%	3,600	25.73%	13,990	0.13%
Liquor Licenses	4,500	0.04%	-	0.00%	4,500	0.04%
Street and Curb Permits	25,000	0.22%	-	0.00%	25,000	0.24%
Total Licenses and Permits	72,840	0.65%	6,000	8.98%	66,840	0.64%
Intergovernmental						
Highway Users Tax	427,440	3.81%	12,450	3.00%	414,990	3.99%
Road and Bridge Fund	124,600	1.11%	19,740	18.83%	104,860	1.01%
State and Local Grants	-	0.00%	-		-	0.00%
Federal Grants	14,000	0.12%	(30,100)	-68.25%	44,100	0.42%
Total Intergovernmental	566,040	5.05%	2,090	0.37%	563,950	5.42%
Charges for Services						
Developer Fees	95,000	0.85%	35,000	58.33%	60,000	0.58%
Park Fees	250,000	2.23%	-	0.00%	250,000	2.40%
School District Juvenile Program	30,500	0.27%	(35,190)	-53.57%	65,690	0.63%
Off Duty Police Program	4,000	0.04%	(4,000)	-50.00%	8,000	0.08%
Cemetery	21,000	0.19%	-	0.00%	21,000	0.20%
Communication	27,000	0.24%	-	0.00%	27,000	0.26%
Miscellaneous	3,600	0.03%	100	2.86%	3,500	0.03%
Total Charge	431,100	3.85%	(4,090)	-0.94%	435,190	4.18%
Fines and Forfeitures	376,000	3.36%	23,500	6.67%	352,500	3.39%
Investment Income	127,500	1.14%	(52,500)	-29.17%	180,000	1.73%
Miscellaneous						
Rents	3,600	0.03%	(3,800)	-51.35%	7,400	0.07%
Sale of Equipment	-	0.00%	-		-	0.00%
Police Miscellaneous	-	0.00%	(9,000)	-100.00%	9,000	0.09%
Other	20,600	0.18%	7,100	52.59%	13,500	0.13%
Total Miscellaneous	24,200	0.22%	(5,700)	-19.06%	29,900	0.29%
Total Revenue	11,204,780	100.00%	800,395	7.69%	10,404,385	100.00%

Source: City of Fountain Finance Department



Exhibit 3-29
City of Fountain
Revenue Budget to Actual Comparison 2004

Revenue	2004			
	Final Budget	Actual	Difference from Budget	% Difference
Taxes and Assessments				
Property Taxes	1,030,900	1,018,400	(12,500)	-1.21%
Sales and Use Taxes	4,088,362	4,617,999	529,637	12.95%
Specific Ownership Taxes	154,250	158,538	4,288	2.78%
Franchise Taxes	878,550	878,787	237	0.03%
Additional Motor Vehicle Registration	51,070	53,551	2,481	4.86%
Cigarette Tax	33,280	34,724	1,444	4.34%
Total Taxes	6,236,412	6,761,999	525,587	8.43%
Licenses and Permits				
Business Licenses	21,220	21,365	145	0.68%
Animal Licenses	500	(228)	(728)	-145.60%
Telecommunications	12,480	12,698	218	1.75%
Liquor Licenses	4,500	5,119	619	13.76%
Street & Curb Permits	12,000	32,897	20,897	174.14%
Total Licenses and Perm	50,700	71,851	21,151	41.72%
Intergovernmental				
Highway Users Tax	382,630	381,237	(1,393)	-0.36%
Road & Bridge Fund	101,310	78,870	(22,440)	-22.15%
State and Local Grants		109,999	109,999	n/a
Federal Grants	118,500	196,654	78,154	65.95%
Total Intergovernmental	602,440	766,760	164,320	27.28%
Charges for Services				
Developer Fees	25,000	59,252	34,252	137.01%
Park Fees	25,000	206,954	181,954	727.82%
Juvenile Program School District	5,770	6,409	639	11.07%
Off Duty Police Program	10,000	13,407	3,407	34.07%
Cemetery	21,000	19,850	(1,150)	-5.48%
Communication	27,000	27,000	-	0.00%
Miscellaneous	3,500	5,041	1,541	44.03%
Total Charges for Services	117,270	337,913	220,643	188.15%
Fines and Forfeitures	344,900	221,914	(122,986)	-35.66%
Earnings on Investments	60,000	42,801	(17,199)	-28.67%
Miscellaneous				
Rents	7,400	7,265	(135)	-1.82%
Sale of Equipment		5,166	5,166	n/a
Police Miscellaneous	14,800	9,090	(5,710)	-38.58%
Other	10,000	16,333	6,333	63.33%
Total Miscellaneous	32,200	37,854	5,654	17.56%
Total Revenue	7,443,922	8,241,092	797,170	10.71%

Source: City of Fountain, Colorado Financial Statements



Exhibit 3-30
City of Fountain
Revenue Budget to Actual Comparison 2005

Revenue	2005			
	Final Budget	Actual	Difference from Budget	% Difference
Taxes and Assessments				
Property Taxes	1,076,000	1,070,225	(5,775)	-0.54%
Sales and Use Taxes	4,509,007	5,400,967	891,960	19.78%
Specific Ownership Taxes	153,600	160,634	7,034	4.58%
Franchise Taxes	1,010,604	1,039,493	28,889	2.86%
Additional Motor Vehicle Registration	54,225	55,415	1,190	2.19%
Cigarette Tax	33,280	28,535	(4,745)	-14.26%
Total Taxes	6,836,716	7,755,269	918,553	13.44%
Licenses and Permits				
Business Licenses	21,857	22,425	568	2.60%
Animal Licenses	150	658	508	338.67%
Telecommunications	12,965	13,186	221	1.70%
Liquor Licenses	4,500	3,366	(1,134)	-25.20%
Street & Curb Permits	18,000	30,188	12,188	67.71%
Total Licenses and Perm	57,472	69,823	12,351	21.49%
Intergovernmental				
Highway Users Tax	391,600	374,969	(16,631)	-4.25%
Road & Bridge Fund	83,055	82,842	(213)	-0.26%
State and Local Grants		17,244	17,244	n/a
Federal Grants	164,500	282,676	118,176	71.84%
Total Intergovernmental	639,155	757,731	118,576	18.55%
Charges for Services				
Developer Fees	30,000	60,451	30,451	101.50%
Park Fees	200,000	358,993	158,993	79.50%
Juvenile Program School District	55,365	58,258	2,893	5.23%
Off Duty Police Program	6,000	14,399	8,399	139.98%
Cemetery	21,000	29,275	8,275	39.40%
Communication	27,000	27,000	-	0.00%
Miscellaneous	3,400	5,425	2,025	59.56%
Total Charges for Services	342,765	553,801	211,036	61.57%
Fines and Forfeitures	413,700	237,048	(176,652)	-42.70%
Earnings on Investments	50,000	112,191	62,191	124.38%
Miscellaneous				
Rents	6,400	7,350	950	14.84%
Sale of Equipment		7,633	7,633	n/a
Police Miscellaneous	8,000	10,432	2,432	30.40%
Other	10,200	28,408	18,208	178.51%
Total Miscellaneous	24,600	53,823	29,223	118.79%
Total Revenue	8,364,408	9,539,686	1,175,278	14.05%

Source: City of Fountain, Colorado Financial Statements



Exhibit 3-31
City of Fountain
Final Revenue Budget to Actual Comparison 2006

Revenue	2006			
	Final Budget	Actual	Difference from Budget	% Difference
Taxes				
Property Taxes	1,236,000	1,226,635	(9,365)	-0.76%
Sales Taxes	4,136,940	4,381,368	244,428	5.91%
Use Taxes	1,064,050	1,498,375	434,325	40.82%
Specific Ownership Taxes	168,520	168,389	(131)	-0.08%
Franchise Taxes	1,049,180	1,104,699	55,519	5.29%
Motor Vehicle Registration	55,850	58,274	2,424	4.34%
Cigarette Taxes	21,420	31,809	10,389	48.50%
Total Taxes	7,731,960	8,469,549	737,589	9.54%
Licenses and Permits				
Business Licenses	22,520	23,315	795	3.53%
Animal Licenses	150	5	(145)	-96.67%
Telecommunications	13,470	13,243	(227)	-1.69%
Liquor Licenses	4,500	3,771	(729)	-16.20%
Street and Curb Permits	18,000	26,650	8,650	48.06%
Total Licenses and Permits	58,640	66,984	8,344	14.23%
Intergovernmental				
Highway Users Tax	402,650	453,539	50,889	12.64%
Road and Bridge Fund	95,490	94,726	(764)	-0.80%
State and Local Grants	-	25,327	25,327	n/a
Federal Grants	81,600	158,287	76,687	93.98%
Total Intergovernmental	579,740	731,879	152,139	26.24%
Charges for Services				
Developer Fees	60,000	158,924	98,924	164.87%
Park Fees	200,000	395,705	195,705	97.85%
School District Juvenile Program	75,900	75,922	22	0.03%
Off Duty Police Program	6,000	13,414	7,414	123.57%
Cemetery	21,000	26,165	5,165	24.60%
Communication	27,000	27,000	-	0.00%
Miscellaneous	3,000	8,231	5,231	174.37%
Total Charge	392,900	705,361	312,461	79.53%
Fines and Forfeitures	336,000	322,799	(13,201)	-3.93%
Investment Income	100,000	221,344	121,344	121.34%
Miscellaneous				
Rents	7,400	4,650	(2,750)	-37.16%
Sale of Equipment	-	9,445	9,445	n/a
Police Miscellaneous	8,000	13,304	5,304	66.30%
Other	10,500	32,125	21,625	205.95%
Total Miscellaneous	25,900	59,524	33,624	129.82%
Total Revenue	9,225,140	10,577,440	1,352,300	14.66%

Source: City of Fountain, Colorado Financial Statements



Exhibit 3-32
City of Fountain
Current Revenue Budget to Projected Comparison 2007

Revenue	2007			
	Final Budget	Projected 2007	Difference from Budget	% Difference
Taxes				
Property Taxes	1,378,875	1,356,658	(22,217)	-1.61%
Sales Taxes	4,747,040	4,674,890	(72,150)	-1.52%
Use Taxes	1,230,460	1,272,959	42,499	3.45%
Specific Ownership Taxes	175,380	188,928	13,548	7.72%
Franchise Taxes	1,154,170	1,121,666	(32,504)	-2.82%
Motor Vehicle Registration	61,080	62,827	1,747	2.86%
Cigarette Taxes	29,000	33,539	4,539	15.65%
Total Taxes	8,776,005	8,711,467	(64,538)	-0.74%
Licenses and Permits				
Business Licenses	23,200	27,677	4,477	19.30%
Animal Licenses	150	10	(140)	-93.63%
Telecommunications	13,990	13,379	(611)	-4.37%
Liquor Licenses	4,500	5,059	559	12.43%
Street and Curb Permits	25,000	24,972	(28)	-0.11%
Total Licenses and Permits	66,840	71,097	4,257	6.37%
Intergovernmental				
Highway Users Tax	414,990	452,528	37,538	9.05%
Road and Bridge Fund	104,860	103,668	(1,192)	-1.14%
State and Local Grants	-	5,198	5,198	n/a
Federal Grants	44,100	45,171	1,071	2.43%
Total Intergovernmental	563,950	606,566	42,616	7.56%
Charges for Services				
Developer Fees	60,000	219,912	159,912	266.52%
Park Fees	250,000	360,712	110,712	44.28%
School District Juvenile Program	65,690	80,752	15,062	22.93%
Off Duty Police Program	8,000	6,652	(1,348)	-16.85%
Cemetery	21,000	11,152	(9,848)	-46.90%
Communication	27,000	27,000	-	0.00%
Miscellaneous	3,500	25,493	21,993	628.38%
Total Charge	435,190	731,672	296,482	68.13%
Fines and Forfeitures	352,500	354,896	2,396	0.68%
Investment Income	180,000	231,200	51,200	28.44%
Miscellaneous				
Rents	7,400	3,084	(4,316)	-58.33%
Sale of Equipment	-	6,286	6,286	n/a
Police Miscellaneous	9,000	19,219	10,219	113.54%
Other	13,500	62,709	49,209	364.51%
Total Miscellaneous	29,900	91,297	61,397	205.34%
Total Revenue	10,404,385	10,798,195	393,810	3.79%

Source: City of Fountain, Colorado Financial Statements



Exhibit 3-33
City of Fountain
City of Fountain Change in Final Expenditures Budget 2005 from 2004

Expenditures	2005				2004	
	Final Budget	% of Total	\$	%	Final Budget	% of Total
General Government						
Legislative	149,780	1.60%	9,880	0.11%	139,900	1.67%
Judicial	201,189	2.14%	41,712	0.44%	159,477	1.91%
Economic Development	20,000	0.21%	10,000	0.11%	10,000	0.12%
Election	10,000	0.11%	4,000	0.04%	6,000	0.07%
Information Technology	394,658	4.21%	121,755	1.30%	272,903	3.26%
Administration	1,009,103	10.76%	193,419	2.06%	815,684	9.75%
Total General Government	1,784,730	19.02%	380,766	4.06%	1,403,964	16.78%
Public Safety						
Police	3,638,617	38.79%	314,714	3.35%	3,323,903	39.73%
Fire	1,462,959	15.59%	171,672	1.83%	1,291,287	15.44%
Total Public Safety	5,101,576	54.38%	486,386	5.18%	4,615,190	55.17%
Public Works						
Highway and Streets	1,303,909	13.90%	300,402	3.20%	1,003,507	12.00%
Facilities Maintenance		0.00%	-	0.00%		0.00%
Total Public Works	1,303,909	13.90%	300,402	3.20%	1,003,507	12.00%
Health and Welfare						
Code Enforcement	181,440	1.93%	1,535	0.02%	179,905	2.15%
Cemetery	18,075	0.19%	5,575	0.06%	12,500	0.15%
Total Health and Welfare	199,515	2.13%	7,110	0.08%	192,405	2.30%
Culture and Recreation						
Parks	399,772	4.26%	69,251	0.74%	330,521	3.95%
Community Building		0.00%	(7,296)	-0.08%	7,296	0.09%
Total Culture and Recreation	399,772	4.26%	61,955	0.66%	337,817	4.04%
Capital Outlay	654,333	6.97%	429,180	4.57%	225,153	2.69%
Debt Service	327,873	3.49%	43,693	0.47%	284,180	3.40%
Total Expenditures	9,771,708	104.16%	1,709,492	18.22%	8,062,216	96.37%
Other Financing Sources (Uses)						
Debt Issued	444,750	4.74%	444,750	4.74%	-	0.00%
Transfers In	518,935	5.53%	185,205	1.97%	333,730	3.99%
Transfers Out	(573,444)	-6.11%	63,776	0.68%	(637,220)	-7.62%
Total Other Financing Sources (Uses)	390,241	4.16%	693,731	7.39%	(303,490)	-3.63%
Total Expenditures and Other Financing Sources (Uses)	9,381,467	100.00%	1,015,761	10.83%	8,365,706	100.00%

Source: City of Fountain, Colorado Financial Statements



Exhibit 3-34
City of Fountain
Change in Final Expenditures Budget 2006 from 2005

Expenditures	2006		Change from 2005		2005	
	Final Budget	% of Total	\$	%	Final Budget	% of Total
General Government						
Legislative	192,766	1.82%	42,986	0.46%	149,780	1.60%
Judicial	208,315	1.97%	7,126	0.08%	201,189	2.14%
Economic Development	28,000	0.26%	8,000	0.09%	20,000	0.21%
Election	20,000	0.19%	10,000	0.11%	10,000	0.11%
Information Technology	487,115	4.61%	92,457	0.99%	394,658	4.21%
Administration	1,052,445	9.96%	43,342	0.46%	1,009,103	10.76%
Total General Government	1,988,641	18.82%	203,911	2.17%	1,784,730	19.02%
Public Safety						
Police	4,043,735	38.26%	405,118	4.32%	3,638,617	38.79%
Fire	1,652,320	15.63%	189,361	2.02%	1,462,959	15.59%
Total Public Safety	5,696,055	53.90%	594,479	6.34%	5,101,576	54.38%
Public Works						
Highway and Streets	1,613,571	15.27%	309,662	3.30%	1,303,909	13.90%
Facilities Maintenance	256,945	2.43%	256,945	2.74%		0.00%
Total Public Works	1,870,516	17.70%	566,607	6.04%	1,303,909	13.90%
Health and Welfare						
Code Enforcement	191,710	1.81%	10,270	0.11%	181,440	1.93%
Cemetery	23,500	0.22%	5,425	0.06%	18,075	0.19%
Total Health and Welfare	215,210	2.04%	15,695	0.17%	199,515	2.13%
Culture and Recreation						
Parks	804,020	7.61%	404,248	4.31%	399,772	4.26%
Community Building	-	0.00%	-	0.00%		0.00%
Total Culture and Recreation	804,020		404,248	4.31%	399,772	
Capital Outlay	-	0.00%	(654,333)	-6.97%	654,333	6.97%
Debt Service	369,781	3.50%	41,908	0.45%	327,873	3.49%
Total Expenditures	10,944,223	103.56%	1,172,515	12.50%	9,771,708	104.16%
Other Financing Sources (Uses)						
Debt Issued	356,000	3.37%	(88,750)	-0.95%	444,750	4.74%
Transfers In	667,410	6.32%	148,475	1.58%	518,935	5.53%
Transfers Out	(647,390)	-6.13%	(73,946)	-0.79%	(573,444)	-6.11%
Total Other Financing Sources (Uses)	376,020	3.56%	(14,221)	-0.15%	390,241	4.16%
Total Expenditures and Other Financing Sources (Uses)	10,568,203	100.00%	1,186,736	12.65%	9,381,467	100.00%

Source: City of Fountain, Colorado Financial Statements



Exhibit 3-35
City of Fountain
Change in Current Expenditures Budget 2007 from 2006

Expenditures	2007		Change from 2006		2006	
	Current Budget	% of Total	\$	%	Final Budget	% of Total
General Government						
Legislative	192,750	1.58%	(16)	0.00%	192,766	1.82%
Judicial	219,520	1.80%	11,205	0.12%	208,315	1.97%
Economic Development	68,820	0.56%	40,820	0.44%	28,000	0.26%
Election	15,000	0.12%	(5,000)	-0.05%	20,000	0.19%
Information Technology	574,274	4.71%	87,159	0.93%	487,115	4.61%
Administration	668,025	5.47%	(384,420)	-4.10%	1,052,445	9.96%
	691,050					
Total General Government	2,429,439	19.91%	440,798	4.70%	1,988,641	18.82%
Public Safety						
Police	4,289,091	35.15%	245,356	2.62%	4,043,735	38.26%
Fire	1,779,310	14.58%	126,990	1.35%	1,652,320	15.63%
Total Public Safety	6,068,401	49.73%	372,346	3.97%	5,696,055	53.90%
Public Works						
Highway and Streets	1,284,980	10.53%	(328,591)	-3.50%	1,613,571	15.27%
Facilities Maintenance	343,300	2.81%	86,355	0.92%	256,945	2.43%
Total Public Works	1,628,280	13.34%	(242,236)	-2.58%	1,870,516	17.70%
Health and Welfare						
Code Enforcement	216,960	1.78%	25,250	0.27%	191,710	1.81%
Cemetery	23,500	0.19%	-	0.00%	23,500	0.22%
Total Health and Welfare	240,460	1.97%	25,250	0.27%	215,210	2.04%
Culture and Recreation						
Parks	441,075	3.61%	(362,945)	-3.87%	804,020	7.61%
Community Building	-	0.00%	-	0.00%	-	0.00%
Total Culture and Recreation	441,075	3.61%	(362,945)	-3.87%	804,020	7.61%
Capital Outlay	1,961,072	16.07%	1,961,072	20.90%	-	0.00%
Debt Service	429,992	3.52%	60,211	0.64%	369,781	3.50%
Total Expenditures	13,198,719	108.17%	2,254,496	24.03%	10,944,223	103.56%
Other Financing Sources (Uses)						
Debt Issued	709,000	5.81%	353,000	3.76%	356,000	3.37%
Transfers In	944,540	7.74%	277,130	2.95%	667,410	6.32%
Transfers Out	(657,060)	-5.38%	(9,670)	-0.10%	(647,390)	-6.13%
Total Other Financing Sources (Uses)	996,480	8.17%	620,460	6.61%	376,020	3.56%
Total Expenditures and Other Financing Sources (Uses)	12,202,239	100.00%	1,634,036	17.42%	10,568,203	100.00%

Source: City of Fountain, Colorado Financial Statements



Exhibit 3-36
City of Fountain
Change in Proposed Expenditures Budget 2008 from 2007

Expenditures	2008		Change from 2007		2007	
	Proposed Budget	% of Total	\$	%	Current Budget	% of Total
General Government						
Legislative	81,380	0.72%	(111,370)	-1.19%	192,750	1.82%
Judicial	249,140	2.19%	29,620	0.32%	219,520	1.97%
Economic Development	69,500	0.61%	680	0.01%	68,820	0.26%
Election	15,000	0.13%	-	0.00%	15,000	0.19%
Information Technology	643,045	5.66%	68,771	0.73%	574,274	4.61%
Administration	644,695	5.68%	(23,330)	-0.25%	668,025	9.96%
Planning and Engineering	604,300	5.32%	(86,750)	-0.92%	691,050	7.37%
Total General Government	2,307,060	20.32%	(122,379)	-1.30%	2,429,439	18.82%
Public Safety						
Police	4,556,665	40.13%	267,574	2.85%	4,289,091	38.26%
Fire	1,867,535	16.45%	88,225	0.94%	1,779,310	15.63%
Total Public Safety	6,424,200	56.58%	355,799	3.79%	6,068,401	53.90%
Public Works						
Highway and Streets	1,105,535	9.74%	(179,445)	-1.91%	1,284,980	15.27%
Facilities Maintenance	279,040	2.46%	(64,260)	-0.68%	343,300	2.43%
Total Public Works	1,384,575	12.19%	(243,705)	-2.60%	1,628,280	17.70%
Health and Welfare						
Code Enforcement	230,080	2.03%	13,120	0.14%	216,960	1.81%
Cemetery	19,000	0.17%	(4,500)	-0.05%	23,500	0.22%
Total Health and Welfare	249,080	2.19%	8,620	0.09%	240,460	2.04%
Culture and Recreation						
Parks	445,550	3.92%	4,475	0.05%	441,075	7.61%
Community Building	-	0.00%	-	0.00%	-	0.00%
Total Culture and Recreation	445,550	3.92%	4,475	0.05%	441,075	
Capital Outlay	251,695	2.22%	(1,709,377)	18.22%	1,961,072	0.00%
Debt Service	474,310	4.18%	44,318	0.47%	429,992	3.50%
Total Expenditures	11,536,470	101.60%	(1,662,249)	17.72%	13,198,719	103.56%
Other Financing Sources (Uses)						
Debt Issued		0.00%	(709,000)	-7.56%	709,000	-3.37%
Transfers In	895,200	7.88%	(49,340)	-0.53%	944,540	-6.32%
Transfers Out	(713,590)	-6.28%	(56,530)	-0.60%	(657,060)	6.13%
Total Other Financing Sources (Uses)	181,610	1.60%	(814,870)	-8.69%	996,480	-3.56%
Total Expenditures and Other Financing Sources (Uses)	11,354,860	100.00%	(847,379)	-9.03%	12,202,239	100.00%

Source: City of Fountain Finance Department



Exhibit 3-37
City of Fountain
Expenditures Budget to Actual Comparison 2004

Expenditures	2004			
	Final Budget	Actual	Difference from Budget	% Difference
General Government				
Legislative	139,900	131,843	(8,057)	-5.76%
Judicial	159,477	162,480	3,003	1.88%
Economic Development	10,000	8,697	(1,303)	-13.03%
Election	6,000	9,650	3,650	60.83%
Information Technology	272,903	258,628	(14,275)	-5.23%
Administration	815,684	838,306	22,622	2.77%
Total General Government	1,403,964	1,409,604	5,640	0.40%
Public Safety				
Police	3,323,903	3,211,865	(112,038)	-3.37%
Fire	1,291,287	1,290,696	(591)	-0.05%
Total Public Safety	4,615,190	4,502,561	(112,629)	-2.44%
Public Works				
Highway and Streets	1,003,507	861,812	(141,695)	-14.12%
Facilities Maintenance				
Total Public Works	1,003,507	861,812	(141,695)	-14.12%
Health and Welfare				
Code Enforcement	179,905	146,279	(33,626)	-18.69%
Cemetery	12,500	12,575	75	0.60%
Total Health and Welfare	192,405	158,854	(33,551)	-17.44%
Culture and Recreation				
Parks	330,521	322,947	(7,574)	-2.29%
Community Building	7,296	9,206	1,910	
Total Culture and Recreation	337,817	332,153	(5,664)	-1.68%
Capital Outlay	225,153	220,468	(4,685)	
Debt Service	284,180	285,498	1,318	0.46%
Total Expenditures	8,062,216	7,770,950	(291,266)	-3.61%
Other Financing Sources (Uses)				
Debt Issued	-	110,417	110,417	
Transfers In	333,730	333,726	(4)	0.00%
Transfers Out	(637,220)	(768,478)	(131,258)	20.60%
Total Other Financing(Sources (Uses)	(303,490)	(324,335)	(20,845)	6.87%
Total Expenditures and Other Financing Sources (Uses)	8,365,706	8,095,285	(270,421)	-3.23%

Source: City of Fountain, Colorado Financial Statements



Exhibit 3-38
City of Fountain
Expenditures Budget to Actual Comparison 2005

Expenditures	2005			
	Final Budget	Actual	Difference from Budget	% Difference
General Government				
Legislative	149,780	136,578	(13,202)	-8.81%
Judicial	201,189	192,847	(8,342)	-4.15%
Economic Development	20,000	22,120	2,120	10.60%
Election	10,000	10,075	75	0.75%
Information Technology	394,658	327,833	(66,825)	-16.93%
Administration	1,009,103	1,032,806	23,703	2.35%
Total General Government	1,784,730	1,722,259	(62,471)	-3.50%
Public Safety				
Police	3,638,617	3,344,366	(294,251)	-8.09%
Fire	1,462,959	1,443,386	(19,573)	-1.34%
Total Public Safety	5,101,576	4,787,752	(313,824)	-6.15%
Public Works				
Highway and Streets	1,303,909	1,122,278	(181,631)	-13.93%
Facilities Maintenance				
Total Public Works	1,303,909	1,122,278	(181,631)	-13.93%
Health and Welfare				
Code Enforcement	181,440	158,913	(22,527)	-12.42%
Cemetery	18,075	8,033	(10,042)	-55.56%
Total Health and Welfare	199,515	166,946	(32,569)	-16.32%
Culture and Recreation				
Parks	399,772	399,587	(185)	-0.05%
Community Building		3,590	3,590	
Total Culture and Recreation	399,772	403,177	3,405	0.85%
Capital Outlay	654,333	477,689	(176,644)	
Debt Service	327,873	300,015	(27,858)	-8.50%
Total Expenditures	9,771,708	8,980,116	(791,592)	-8.10%
Other Financing Sources (Uses)				
Debt Issued	444,750	373,795	(70,955)	-15.95%
Transfers In	518,935	518,935	-	0.00%
Transfers Out	(573,444)	(755,366)	(181,922)	31.72%
Total Other Financing Sources (Uses)	390,241	137,364	(252,877)	-64.80%
Total Expenditures and Other Financing Sources (Uses)	9,381,467	8,842,752	(538,715)	-5.74%

Source: City of Fountain, Colorado Financial Statements



Exhibit 3-39
City of Fountain
Final Expenditures Budget to Actual Comparison 2006

Expenditures	2006			
	Final Budget	Actual	Difference from Budget	% Difference
General Government				
Legislative	192,766	177,389	(15,377)	-7.98%
Judicial	208,315	200,098	(8,217)	-3.94%
Economic Development	28,000	26,675	(1,325)	-4.73%
Election	20,000	9,769	(10,231)	-51.16%
Information Technology	487,115	430,454	(56,661)	-11.63%
Administration	1,052,445	984,284	(68,161)	-6.48%
Total General Government	1,988,641	1,828,669	(159,972)	-8.04%
Public Safety				
Police	4,043,735	4,052,180	8,445	0.21%
Fire	1,652,320	1,623,180	(29,140)	-1.76%
Total Public Safety	5,696,055	5,675,360	(20,695)	-0.36%
Public Works				
Highway and Streets	1,613,571	1,412,797	(200,774)	-12.44%
Facilities Maintenance	256,945	234,760	-22185	-8.63%
Total Public Works	1,870,516	1,647,557	(222,959)	-11.92%
Health and Welfare				
Code Enforcement	191,710	182,368	(9,342)	-4.87%
Cemetery	23,500	8,730	(14,770)	-62.85%
Total Health and Welfare	215,210	191,098	(24,112)	-11.20%
Culture and Recreation				
Parks	804,020	725,963	(78,057)	-9.71%
Community Building	-	5,071	5,071	
Total Culture and Recreation	804,020	731,034	(72,986)	-9.08%
Capital Outlay	-	-	-	
Debt Service	369,781	346,206	(23,575)	-6.38%
Total Expenditures	10,944,223	10,419,924	(524,299)	-4.79%
Other Financing Sources (Uses)				
Debt Issued	356,000	356,000	-	0.00%
Transfers In	667,410	667,410	-	0.00%
Transfers Out	(647,390)	(692,162)	(44,772)	6.92%
Total Other Financing(Sources (Uses)	376,020	331,248	(44,772)	-11.91%
Total Expenditures and Other Financing Sources (Uses)	10,568,203	10,088,676	(479,527)	-4.54%

Source: City of Fountain, Colorado Financial Statements



Exhibit 3-40
City of Fountain
Current Expenditures Budget to Projected Comparison 2007

Expenditures	2007			
	Final Budget	Projected 2007	Difference from Budget	% Difference
General Government				
Legislative	192,750	186,546	(6,204)	-3.22%
Judicial	219,520	216,480	(3,040)	-1.38%
Economic Development	68,820	75,747	6,927	10.07%
Election	15,000	10,471	(4,529)	-30.19%
Information Technology	574,274	472,949	(101,325)	-17.64%
Administration	668,025	565,705	(102,320)	-15.32%
Planning and Engineering	691,050	501,187	(189,863)	-27.47%
Total General Government	2,429,439	2,029,086	(400,353)	-16.48%
Public Safety				
Police	4,289,091	4,121,522	(167,569)	-3.91%
Fire	1,779,310	1,640,722	(138,588)	-7.79%
Total Public Safety	6,068,401	5,762,244	(306,157)	-5.05%
Public Works				
Highway and Streets	1,284,980	1,398,422	113,442	8.83%
Facilities Maintenance	343,300	258,821	(84,479)	-24.61%
Total Public Works	1,628,280	1,657,243	28,963	1.78%
Health and Welfare				
Code Enforcement	216,960	192,505	(24,455)	-11.27%
Cemetery	23,500	5,563	(17,937)	-76.33%
Total Health and Welfare	240,460	198,068	(42,392)	-17.63%
Culture and Recreation				
Parks	441,075	417,736	(23,339)	-5.29%
Community Building		5,491	5,491	0.00%
Total Culture and Recreation	441,075	423,228	(17,847)	-4.05%
Capital Outlay	1,961,072	1,961,072	-	0.00%
Debt Service	429,992	404,346	(25,646)	-5.96%
Total Expenditures	13,198,719	12,435,287	(763,432)	-5.78%
Other Financing (Sources) Uses				
Debt Issued	709,000	1,000,000	291,000	41.04%
Transfers In	944,540	944,581	41	0.00%
Transfers Out	(657,060)	(767,622)	(110,562)	16.83%
Total Other Financing (Sources) Uses	996,480	1,176,959	180,479	18.11%
Total Expenditures and Other Financing (Sources) Uses	12,202,239	11,258,328	(943,911)	-7.74%

Source: City of Fountain, Colorado Financial Statements



3.5 FINANCIAL ADMINISTRATION AND COST ALLOCATION

The City of Fountain utilizes various methodologies to allocate costs to service areas responsible for providing funding. General administration of the City is allocated between the General, Electric and Water Funds with the employee compensation being allocated on predetermined percentages ranging from 0 to 100 percent and operating expenses ranging from 0 to 100 percent.

Allocations for technology, facilities maintenance and fleet maintenance are based on direct costs incurred by a department with salaries, benefits and other expenses being allocated based on share of direct costs. The best example is the General Fund incurs 62.5 percent of the direct expenses of the fleet maintenance operations; consequently it is allocated 62.5 percent of all other expenses incurred by the operations.

Exhibit 3-41 below summarizes transfers between funds over the last three years. These transfers not only include technology, facilities maintenance and fleet maintenance but the subsidy to the Ambulance Fund and transfers from the Impact Fund. One time transfers from the KOA Special Improvement Fund and to the Crest Improvement District are also included.

Exhibit 3-41
City of Fountain
Fund Transfers 2004-2006

Receiving Fund	Purpose	Year	Total Received	General	Water	Electric	Ambulance	Impact
General	Technology, Facilities Maintenance Impact Fees	2006	667,410		148,630	220,020	4,010	294,750
		2005	518,935		136,120	171,470	6,345	205,000
		2004	333,726		91,032	109,176	2,268	131,250
Electric	Fleet Maintenance Costs	2006	681,975	559,455	80,920		41,600	
		2005	617,618	513,968	75,190		28,460	
		2004	531,672	437,220	69,216		25,236	
Electric	Close out of KOA Special Improvement Fund	2006	100,000			100,000		
Crest Improvement District	Repayment of prior disbursements	2005	146,788	146,788				
Ambulance	Subsidy	2006	132,707	132,707				
		2005	94,610	94,610				
		2004	331,258	331,258				

Source: City of Fountain, Colorado Basic Financial Statements



The Electric Fund advanced the Ambulance Fund \$100,000 in 2002 for the purchase of an ambulance. In 2004, repayment of this advance was assigned to the General Fund with the fund making annual payments of \$12,564, including interest accruing at five percent, through 2013.

FINDING

The Ambulance Enterprise Fund has required subsidies totaling \$558,575 over the last three years from the General Fund. These subsidies to operating costs do not include the advance repayment assigned to the General Fund in 2004 of \$37,692 over three years. The intent of an enterprise fund is to operate with the goal of recovering all costs of operations from the individuals who utilize the service. At the present time it does not appear that this activity can recover all costs from users of this service.

RECOMMENDATION

Recommendation 3-12:

Transfer the Ambulance Enterprise Fund into the General Fund as a separate department effective immediately and close the fund.

The ambulance service has been integrated into the essential cities services of public safety and it is not the intent of the City to operate this activity solely on fees collected from end users. The City is committed to this activity given the significant subsidy over the last three years.

FISCAL IMPACT

This recommendation can be implemented within existing resources.

FINDING

Fleet Maintenance, Facilities Maintenance, and Technology departments are providing services to other funds within the City of Fountain on a full cost recovery basis. All costs of operations are allocated to funds as indicated in Exhibit 3-41. The intent in operating these activities is to collect the cost of providing such service and allocating that service to each of the funds on a rational basis.

RECOMMENDATION

Recommendation 3-13:

Establish a departmental internal service fund comprised of fleet maintenance, facilities maintenance and technology.

By establishing this internal service fund, the City will be able to allocate actual costs incurred each year to the general, water and electric funds on a rational basis.

Each of these activities is currently budgeted in the general fund with direct cost categories for each customer department to collect the direct expenses associated with providing the service.



The ratio of any one department direct expenses to total direct expenses incurred by the activity is the ratio used to allocate budgeted salaries and benefits. This ratio is also used to allocate budgeted indirect operating costs.

FISCAL IMPACT

It is estimated that basing the allocation on actual costs versus budgeted cost would have saved the general fund approximately \$25,000 in fleet maintenance, \$10,000 in facilities maintenance and \$5,000 in technology. The fleet maintenance allocation to the general fund for 2006 was based on the budget which was \$25,000 greater than the actual expenditures, resulting in the general fund paying more than their fair share. The savings in the areas of facilities maintenance and technology are based on establishing a consistent method of collecting and allocating costs as opposed to the current practice of randomly charging items.

Recommendation	2008	2009	2010	2011	2012
Establish Internal Service Funds	\$0	\$40,000	\$40,000	\$40,000	\$40,000

FINDING

General administrative costs are not being allocated on a consistent basis across funds in the City. While the recommendation to implement a departmental service fund will improve those specific areas, the allocation of administrative costs to various funds is currently not well defined. In some cases the entire salary of a department is charged directly to an enterprise fund while all the operating expenses are charged to the General Fund. In other cases salaries and benefits for staff in the same department are charged directly to different funds using different percentage allocations. One staff member is charged at 50 percent to the General Fund, 30 percent to the Water fund, and 20 percent to the Electric Fund while another is charged at 33 percent to the General Fund, 33 percent to the Water Fund and 34 percent to the Electric Fund. There does not appear to be a consistently applied policy dictating rules governing cost allocation.

RECOMMENDATION

Recommendation 3-14:

Improve controls over salary allocation and develop charge-back mechanisms on a monthly basis for all split salaries.

The City of Fountain should utilize a consistent methodology for allocation of personnel to ensure proper General Fund planning. All general administrative staff and operating costs that are allocated between the general, water and electric fund should be charged directly to administrative departments in the general fund and then allocated to the water and electric funds on a monthly basis.



Collecting all administrative costs for each department in one location will document staff and operating activities. City council, staff and citizens perception is that City administrative costs are too high and administrative departments are over staffed. Charging all administrative costs to the general fund prior to allocation is a simple and not subject to interpretation.

The administrative costs should be distributed monthly on a consistent basis equally between the funds. The allocation of costs is then simple and subject to interpretation of why expenditures or staff salaries are charged. This allocation is for overhead, which does not vary with activity. The fiscal impact is estimated based on using an equal allocation and increased oversight by charging all items into a single location.

FISCAL IMPACT

It is unclear exactly how much the City is spending on administrative overhead due to the method currently used to record those expenditures. Approximately 80 percent of the savings are due to identifying all costs before allocation and using a consistent allocation percentage for all expenditures. The remaining 20 percent of the savings is a result of the increased oversight.

Recommendation	2008	2009	2010	2011	2012
Improve Controls over salary allocation and develop appropriate charge-back mechanisms	\$25,000	\$50,000	\$50,000	\$50,000	\$50,000

FINDING

In discussions with various City staff concerning revenue opportunities, it was mentioned that the City does not collect a franchise fee from all public utility service providers who provide services to locations within the City boundaries. The City of Fountain currently has franchise agreements in place and collects a four percent franchise tax with City Electric and Water Departments, Cable and Internet service providers. However, the City does not have franchise agreements in place with the Widefield and Security Water and Sanitation Districts for City citizens served. The City also does not have an agreement in place with the Fountain Sanitation District.

RECOMMENDATION

Recommendation 3-15:

Develop and implement a franchise agreement and tax policy giving direction to the City Manager to negotiate franchise agreements with all service providers on an equitable basis.

A franchise agreement defines roles and responsibilities of all parties and clearly defines the rate and method of payment to the City. Citizens who obtain services from Fountain Electric and



Water contribute to the operation of the City and the provision of essential services. Citizens who live within the City boundaries and receive services from Widefield and Security Water and Sanitation Districts, as well as the customers of Fountain Sanitation District, should be expected to contribute an equitable share.

FISCAL IMPACT

The estimated fiscal impact of equitable assessment and collection of franchise fees assumes that the City Manager will have the agreements in place by July 1, 2008.

Recommendation	2008	2009	2010	2011	2012
Implement Equitable Franchise Fees	\$125,000	\$250,000	\$250,000	\$250,000	\$250,000

3.6 PROCUREMENT

The City of Fountain Administrative Regulations, Policies, Statements and Procedures with a February 2007 date contain Bidding and Purchasing Policy and Procedures (BPPP). The document index does not indicate the issue date or any revision dates but does assign responsibility to the Finance Department. The BPPP section is 15 consecutively number pages, and on page 15 after the last section listed in the index in bold print is the following: “THIS DOCUMENT HAS NEVER BEEN OFFICIALLY ADOPTED. (02-02-96).”

A list of purchase orders issued between August 20, 2006 and August 20, 2007 titled Purchase Orders Status indicates that the City has issued approximately 161 purchase orders with an original amount totaling \$9,872,105.51. As of August 20, 2007 the City had made payments associated with those purchase orders of \$7,471,564.04, with the remaining \$1,912,291.89 pending delivery of goods and services to be disbursed. Purchase orders were issued for property and casualty insurance, workers compensation and one of the four firms providing legal services. Purchase orders are periodically issued for water costs and lease payments for equipment purchases. Numerous purchase orders also exist for street and drainage improvements.

Exhibit 3-40 below was prepared from Vendor Payment History reports provided by City staff. The Exhibit provides statistical data on vendors providing services to the City of Fountain, for greater than \$10,000 annually, that did so without a purchase order.

COMMENDATION

The City is commended for its on-line purchasing system that is user friendly. The system collects the required information to manage the procurement process. Staff understand and are able to easily utilize the system.



Exhibit 3-42
City of Fountain
Vendors Receiving \$10,000 Annually without a Purchase Order

Vendor	Service Received	Annual Amount
M.E.A.N.	Electric Power	11,865,186.45
Pacificare	Benefits - Health Insurance	1,394,448.37
City of Fountain Utilities	Utilities - Cost reimbursement	172,558.84
Aetna	Benefits - Dental Insurance	136,701.83
Standard Insurance Company	Benefits - Life/Disability Insurance	135,891.87
Quest	Telephone/Communications	97,191.77
Aquila	Gas	52,306.22
Nextel Communications	Telephone/Communications	43,507.01
Waste Management Inc	Trash Removal	19,237.71
Sprint	Telephone/Communications	16,155.82
Total		13,933,185.89

Source: Created by Evergreen Solutions

City of Fountain staff also provided a list of credit cards utilized by authorized employees. The list indicates location or person in possession of the card and in some cases rules of use and/or purpose.

FINDING

The City of Fountain does not have procurement procedures adopted by City Council to provide guidance to employees and it is unclear what, if any, oversight is being provided. The current policies that have not been adopted are out of date and do not reflect current operating procedures or facility control.

In addition, the City does not have procurement procedures adopted by City Council to provide guidance to concerning the use of credit cards.

Recent examples of how the City's lack of purchasing policies have negatively affected the City include a street sweeper that took an extremely long time to be delivered and a new ladder truck for the fire department. In addition, the recent legal situation concerning the contract covering the Heritage Maintenance District is also an example of how proper policies governing procurement could benefit the City.

RECOMMENDATION

Recommendation 3-16:

Review the Bidding and Purchasing Policy and Procedures (BPPP) as well as the policies governing the use of credit cards, and update the document for best purchasing practices and submit it to City Council for adoption.

Demonstrating to the public that the City is expending funds efficiently and effectively requires that everyone understand the process of providing goods and services to the City. Up to date



purchasing policies provide information to prospective vendors on how to do business with the City and conditions that must be met to be a qualified vendor to do business. The policies and procedures demonstrate to the public the due diligence process that the City uses before it purchases anything.

FISCAL IMPACT

This recommendation can be implemented within existing resources.

There will inevitably be cost savings achieved through more competitive procurement practices; however they are difficult to estimate because the City will still purchase the same goods and services from vendors.

FINDING

The City of Fountain does not have procurement procedures adopted by City Council to provide guidance concerning the telephone/communications services required. Service level required to perform job at a City facility should be considered as well if a legitimate needs exist to have remote communication service.

RECOMMENDATION

Recommendation 3-17:

Develop and submit procedures for telecommunication standards and procedures to City Council for their adoption and inclusion in BPPP.

FISCAL IMPACT

This recommendation can be implemented within existing resources.

3.7 RISK MANAGEMENT

Limiting potential loss of City of Fountain assets due to events that appear outside the control of City management is the concept of risk management. Resources of the City can be misused or used for the wrong purpose unless management utilizes policies and procedures to guide actions of staff. The risk management activity includes establishing and monitoring internal controls, managing legal compliance and insurance activities.

COMMENDATION

The City is commended for possessing prepared written procedures that document how they are to perform certain procedures and guide their actions. These procedures were available upon request.



COMMENDATION

The City is commended for ensuring that City staff are well trained on written procedures and understand how to perform assigned duties. Staff are cross-trained to perform other functions other those assigned to their primary position, which is a valuable attribute in a small work environment.

3.7.1 Internal Controls

FINDING

The City of Fountain staff has engaged in activities that expose the City to potential loss of revenue, failed to comply with state statutes or adhere to accounting standards. The City has also disregarded comments and concerns expressed by external auditors concerning activities.

As mentioned in the 2006, 2005 and 2004 Management Letter issued by the external auditors, the City of Fountain continues to lack consistent procedures to collect utility billings. The letter continues that the staff does not appear committed to following written collection policies and that this lack of collection procedures could cause the City to lose substantial revenues if no improvement occurs.

The external auditors acknowledged limitations in the utility billing system, which makes reporting and tracking customer payment plans difficult, however they do not believe the systems limitations create significant misstatements in the financial statements.

The 2004 Management Letter noted that during the audit process there were certain developer agreements entered into by the City that required reimbursement to third parties upon the collection of certain development fees. According to the audit the amount of reimbursements not recorded by the Finance Department were substantial prior to the developer initiating a request for payment. The external auditors in both 2004 and 2005 encouraged coordination between departments to ensure that the financial aspects of these agreements are recognized and the liability to the developer be recorded as the fees are collected rather than upon the reimbursement of the developer.

The 2006 external auditors proposed and the City agreed to make an adjustment to prior year audited financial statements of \$81,206, to properly report the advance from the Electric Fund to the General Fund in 2006.

Both the 2005 and 2004 Management Letters stated as part of the audit process that grant reports are not always filed in a timely manner. It further states that to minimize any delays in reimbursement requests be filed as soon as possible after satisfaction of the grant requirement.

The 2005 Management Letter expresses concerns over the completion of an actuarial study every two years to determine pension plan obligations as required by accounting standards. At that time it stated the City had not completed a study of the Volunteer's Firefighters' Pension Plan since January 1, 2001.



As reported in the 2006 basic financial statements during the year ended December 31, 2006, the Countryside Maintenance District Fund expenditures exceeded the amounts budgeted by \$4,202. In addition, the KOA Improvement District Fund was closed and the final transfer was not budgeted. These may be violations of State statutes.

As reported in the 2005 basic financial statements for the year ended December 31, 2005, the Ambulance Fund had actual expenditures in excess of budgeted expenditures of \$10,247, which may be a violation of State statutes.

As reported in the 2004 basic financial statements for the year ended December 31, 2004, the Volunteer Fire Fund and the Ambulance Fund had actual expenditures in excess of budgeted amounts of \$562 and \$8,195, respectively, which may be a violation of State statutes.

RECOMMENDATION

Recommendation 3-18:

Establish and commit to a zero tolerance policy concerning staff complying with City policies and procedures, accounting standards and State statutes.

Effective and efficient management and maintaining the public trust require that the City of Fountain comply not only with State and federal laws but that business is conducted according to standards set by the accounting profession and City Council. Management is responsible for setting the tone and maintaining an environment that allows City staff to conduct business in such a manner to demonstrate to the public that the City is a proper steward of public funds.

FISCAL IMPACT

This recommendation can be implemented within existing resources.

The items mentioned above, when combined with the current year Heritage Maintenance District internal control failure, indicates there would be a positive fiscal impact. Quantifying the financial impact of improving the internal control environment is difficult, however best practices would conservatively estimate that the City would be able to recognize a one percent positive fiscal impact from improving internal controls over financial management.

Recommendation	2008	2009	2010	2011	2012
Improve Internal Control Environment	\$0	\$120,000	\$120,000	\$120,000	\$120,000



3.7.2 Legal Services

The City of Fountain obtains legal services from several different firms. One firm provides the general counsel to the City, while several firms provide specialize support in the areas of human resources and public utilities. A review of vendor payment history and invoices paid for services indicates that the City of Fountain spent over \$350,000 in legal fees over the last twelve months.

FINDING

The City has no management procedure for controlling legal exposure and managing the access to legal services. The review of invoices revealed that almost anyone from the City can call attorneys and request advice about any subject.

RECOMMENDATION

Recommendation 3-19:

Implement a new policy governing who is authorized to contact legal counsel for services.

By implementing a strict policy concerning who has the authorization to contact legal counsel, the City Manager can ensure that the City is not expending money in legal services when a question may be answered internally. In addition, the City Manager could institute a schedule for periodic teleconference times with legal counsel that would address several issues at one time, or schedule half to full day sessions when legal counsel will be at the City offices to provide legal advice.

FISCAL IMPACT

This recommendation can be implemented within existing resources.

Focusing all legal questions through authorized individuals would not only reduce the frequency of contacts to attorney but would assist in reducing the City's exposure to unnecessary legal risk. Fountain senior management is responsible for complying with State and federal laws while conducting the business of the City. Without understanding what legal questions employees have, guidance and direction cannot be given to employees through policies and procedures.

The City of Fountain should be able to recognize a savings of approximately seven percent on legal expenses through more effective management of its outside counsel.

Recommendation	2008	2009	2010	2011	2012
Control access to Legal Services	\$0	\$25,000	\$25,000	\$25,000	\$25,000



3.7.3 Property and General Liability

The City of Fountain is a participating member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA) for property and casualty coverage. CIRSA is a risk-sharing pool of members who agree to conditions of membership, bylaws, coverage and/or excess/reinsurance coverage policies, and general policies adopted by the members. Types of coverage provided are property, liability and crime coverage. The City of Fountain has selected claims/occurrences deductible amounts of \$10,000 for general and auto liability and \$1,000 for property and auto physical damage.

Exhibit 3-43 below summarizes claim activity over the last three claim years. A review of the claims history reports indicate that claims have been paid and/or reserved an amount for alleged harassment by City Council members, alleged wrongful terminations (3), alleged due process violation and loss of benefits (4), alleged slander, alleged discrimination, alleged ADA non-compliance (2), alleged civil rights violation (4), alleged pattern of assault and harassment, 22 different claims that the City is responsible for the first \$10,000 of costs under its deductible selection. Note this does not include the City's legal fees.

In 2004, 2005 and 2006 the City had 16, 22 and 17 auto property claims open in each year, respectively. The City is responsible for the first \$1,000 under its deductible selection. Twenty-three (23) of the 55 open claims were under \$1000.

Exhibit 3-43
City of Fountain
Claim Activity – 2004-2006

Category	2004	2005	2006
Number of claims	77	86	81
Claims Paid	36	43	37
Liability	45,560	46,037	51,637
Legal	34,685	49,633	36,560
Other	8,562	61,240	9,973
Auto	29,901	37,879	18,714
Property	84,201	24,042	57,343
Total	202,910	218,831	174,227

Source: CIRSA Property/Casualty Year End Claim Reports

FINDING

The City of Fountain does not have a proactive risk management loss prevention program to limit exposure to unnecessary loss due to intentional or unintentional acts committed by City employees and city council members.



RECOMMENDATION

Recommendation 3-20:

Develop and implement a loss prevention program with the goal of eliminating the risk to the City of the 22 claims ranging from alleged harassment by City Council members to alleged pattern of assault and harassment.

A risk reduction goal for auto property is to reduce open claims by one third, or five claims.

Fountain senior management is responsible for complying with State and federal laws while conducting the business of the City. Policies and procedures should provide guidance to all staff concerning their conduct and it is management’s responsibility to provide adequate training and supervision to ensure City policies and procedures are followed.

FISCAL IMPACT

Over the last three years the City has made significant payments to claimants that could have been avoided, a conservative estimate of annual savings of \$20,000 in deductible savings.

In addition, implementation of a vehicle safety awareness program will reduce the frequency of accidents involving City vehicles. A reduction of five claims per year would yield an annual deductible savings of \$5,000.

Recommendation	2008	2009	2010	2011	2012
Loss Prevention Program	\$0	\$25,000	\$25,000	\$25,000	\$25,000



***CHAPTER 4:
HUMAN RESOURCES***



Chapter 4

HUMAN RESOURCES MANAGEMENT

Municipal government management is a labor-intensive undertaking: personnel costs typically consume the largest portion of the average municipal budget. Consequently, effective municipal governments place a major emphasis on human resources management. The employees of any municipal government are its most valuable asset. The recruitment, selection, orientation, training, salary, and benefits provided to the workforce contribute greatly to the effectiveness of the organization. Effective human resources management begins with the organization and direction of the HR function. Ultimately, the human resources function is a customer service function – staff must deal with applicants, current employees, and often times employees who have left the organization. In order to be able to deliver the proper level of support and assistance, the department must be organized and staffed appropriately, and have the right delineation of job responsibilities. Employees must know that if they have a question on a particular issue that is critical to their job, that the right person will be handling the issue for them in the department. Staff of the organization must feel confident in the abilities of the department to address all of the personnel-related issues and challenges that are common in a mid-sized municipal government.

Human resources management includes staffing analysis, recruiting, hiring, salary and benefits administration, and performance evaluation. Effective personnel management requires compliance with equal employment opportunity statutes and other applicable federal and state laws. Establishing fair and workable policies, procedures, and training programs are important to recruiting and retaining competent staff.

A well-organized Human Resources Department can help senior leaders meet the needs of employees and the data needs of municipal administration. By assigning clear responsibilities to staff in the Department, the City can effectively and efficiently deliver necessary services to ensure the sound management of human resources.

This chapter reviews Human Resources and human resources management of the City of Fountain (the City). The review is organized around the eight sections listed below:

- 4.1 Organization and Management
- 4.2 Policies and Procedures
- 4.3 Human Resources Records
- 4.4 Recruitment, Hiring and Retention
- 4.5 Compensation and Classification
- 4.6 Performance Assessment
- 4.7 Professional Development
- 4.8 Employee Relations



The City of Fountain is a small municipality that is dealing with many of the problems that small cities face as they experience growth. The City has approximately 182 employees serving a city of approximately 27,000 people. Human resources functions are performed by the Human Resources Department.

By nature, the Human Resources Department has dual responsibilities. In some circumstances, Human Resources serve as an employee advocate. They assist employees with questions related to pay, benefits, training, and dispute resolutions. However, Human Resources must also enforce City personnel policies and be a guardian of the City's resources. In essence, the Department must balance the needs of employees against the interests of management as expressed through the City's policies and procedures.

Employee perceptions of Human Resources often reflect the outcomes of their interactions with the department. For example, Human Resources are the primary contact with the service providers that administer the City's benefits programs. If an employee does not receive a favorable outcome in a benefit matter, the employee is likely to have a negative view of Human Resources, even though the decision may be outside the Department's control. Likewise, an employee may have a positive view of the department if a workmen's compensation claim is settled in his/her favor, even though the Human Resources Department does not make the final determination in the matter. Employees who do not get the answers they want often perceive of the Department as "anti-employee" regardless of how expediently or properly an action is decided. Such perceptions are inevitable for any Human Resources department that is responsibly administering policy.

4.1 ORGANIZATION AND MANAGEMENT

The effectiveness of personnel services delivered to employees is significantly influenced by the manner in which a human resources department is organized and managed. The organizational structure of a human resources department should be driven by the functions that it performs, and these functions should be periodically reviewed to ensure that the needs of organization are being effectively served.

Human resources functions are performed primarily by the Human Resources Director and an Administrative Assistant. The Human Resources Director reports directly to the Acting City Manager and by all accounts has sufficient access to the Acting City Manager to discuss any human resources issues that may arise. The organizational chart depicted in Exhibit 4-1 on the following page includes those job titles of City positions that perform human resources-related duties.

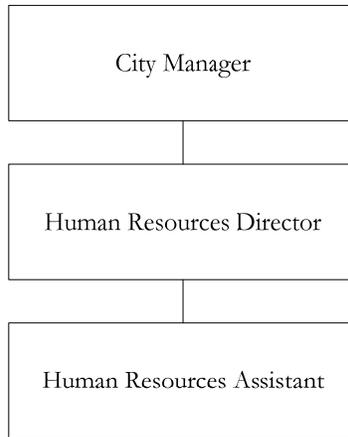
FINDING

The Human Resources Department is appropriately staffed.

The traditional benchmark figure for human resources staffing is one HR professional for every 100 employees served. This is also consistent with staffing analysis of peer organizations.



Exhibit 4-1
City of Fountain, Colorado
Organizational Structure – Human Resources Department



Source: City of Fountain, August 2007

Technological innovations in many areas of human resources management (such as on-line employment applications, benefits registration and performance evaluations) have improved productivity. As a result, some human resources organizations have adjusted their traditional benchmarks and now recommend a benchmark of one human resources professional for every 200 employees served.

Currently, the City of Fountain has two employees committed solely to human resources functions and approximately 182 employees. The ratio is thus 1:91. This ratio is fairly consistent with conventional benchmarks, particularly for a department that has not automated key functions and is still reliant on paper processes. Additionally, the department is still relatively new (the department has served as a distinct entity for less than 10 years) and new departments typically require staff to set up record-keeping functions.

RECOMMENDATION

Recommendation 4-1:

Maintain the existing staffing level.

At this time there is no reason for the City of Fountain to hire additional staff or reduce the staffing level within this department. The key to improved productivity and performance for this department lies in increased automation of routine processes. This will allow for more time for planning and expanded service levels.

FISCAL IMPACT

This recommendation can be accomplished within existing resources.

FINDING

Support staff in the Human Resources Department lacks the necessary Human Resources experience and training.

The current Director of Human Resources is well versed in Human Resources and possesses the necessary knowledge, skills, abilities and experience to lead the Human Resources Department. However support staff is not formally trained in human resources administration and as a result is limited to performing mostly clerical functions. While this work is important and necessary, nearly all substantive decisions and work fall to the Director. Additionally, if the Director is unavailable for an extended period of time, substantive decisions are deferred and work flow slows.

If support staff was better versed in Human Resources practices, the Director would have more time available for planning and shaping the department’s future direction. A number of Human Resources organizations have formal certification programs for human resources staff. These programs typically include attending classes in multiple areas of human resources practices and then sitting for certification tests. A professional development plan that included certification from a recognized Human Resources organization would be beneficial for human resources staff. Completion of such a course and subsequent certification from an organization such as SHRM or IPMA would demonstrate proficiency. Pending completion of such a course, it is imperative for the Director to begin an aggressive program to transfer human resource knowledge to support staff.

RECOMMENDATION

Recommendation 4-2:

Place the current Human Resources support staff on an accelerated human resources training program.

Training for the Human Resources support staff should initially be concentrated on basic Human Resources administration and then should be specialized as core knowledge increases.

Due to advances in distance-based learning, the cost of effective training has declined considerably. On-line courses, webinars and other web-based applications have reduced the cost of formal training. Additionally, a great deal of information is available through professional associations such as SHRM and IPMA. Completion of a certification program from such an organization would help demonstrate professionalism. Upon completion of such a course, the City could consider reclassifying existing staff to a Human Resources Representative and placing the classification in the proper place within the classification system.

FISCAL IMPACT

The fiscal impact of this recommendation should decrease over time. Given the current training needs, an initial investment of \$4,000 in the first year would be reasonable.

Recommendation	2008	2009	2010	2011	2012
Place the current Human Resources support staff accelerated human resources training program.	(\$4,000)	(\$3,000)	(\$2,000)	(\$2,000)	(\$1,000)

FINDING

The Human Resources Department does not have performance goals to accompany the Department’s Mission Statement.

Despite its small size, the Human Resources Department must perform numerous activities on a daily basis in order to fulfill its responsibilities. The Department has developed a Mission Statement to serve as an organizing theme. It is presented below.

Human Resources Mission Statement

To provide leadership and expertise in human resources management by maintaining excellent customer service to the City of Fountain departments and the public; recruiting qualified personnel for City departments; interpreting personnel policies and procedures; competently negotiating benefits; and maintaining the compensation and classification systems to provide equitable pay and consistent job classifications for employees.

Related to the mission statement, the Human Resources Department should develop a series of high-level goals. These goals should reflect the department’s most important objectives in the primary service delivery areas. To be meaningful, the goals must be measurable. Additionally, the goals must be reasonably attainable and within the Department’s ability to meet.

An example of a sample mission statement and accompanying performance goals are contained in Exhibit 4-2 on the following page.

RECOMMENDATION

Recommendation 4-3:

Develop performance goals that are consistent with the Department’s Mission Statement.

The development of annual performance goals will help the department prioritize service demands and keep work focused on the department’s primary needs and objectives. Lacking clearly stated goals, it is easy to get lost in routine day-to-day activities and ad-hoc special projects that may arise. While it is necessary to perform these tasks, this puts the department into a reactive rather than a proactive mode. Specifying goals and working to meet these goals will put the department on a proactive footing and help move the department forward on a more strategic basis.

FISCAL IMPACT

This recommendation can be accomplished within existing resources.

FINDING

Due to a lack of clearly stated goals, the Human Resources Department lacks sufficient accountability mechanisms.

Without performance goals, it is not possible to accurately measure the Department's performance in critical areas. By monitoring progress against the performance goals on a regular basis, the Department will be better able to track its progress and provide a higher level of service to the City's employees.

A series of performance metrics in each critical service area needs to be developed. Performance metrics should be reviewed on a regular basis and reported to the City Manager in an annual report of Department activities.

**Exhibit 4-2
Sample Performance Goals to Accompany Mission Statement**

Department Performance Goals
(To be Achieved By January 1, 2008)

1. The City will have an accurate and up-to-date Employee Handbook.
2. All job applications will be stored in an electronic database.
3. All non-classified job descriptions will be updated to reflect revised job responsibilities.
4. A market study will be done for all information technology job classifications.
5. A comprehensive benefits statement will be distributed to all employees.
6. A sign-out system will be implemented for all employee records.
7. Performance evaluation forms will be reviewed and updated as needed.
8. Professional development needs assessment surveys will be distributed to all staff.
9. Conflict resolution training will be offered to all front-line managers.

Sample

Source: Created by Evergreen Solutions, August 2007

RECOMMENDATION

Recommendation 4-4:

Regularly monitor progress against its performance goals and review overall performance on an annual basis.

After the performance goals are established, periodic status checks can be performed throughout the year. At the end of the year, the Department can review its performance internally and set the following year's goals.

FISCAL IMPACT

This recommendation can be accomplished within existing resources.

FINDING

The Human Resources Department does not conduct regular satisfaction surveys of City employees.

Customer satisfaction is an important goal for any internal service provider. For the City of Fountain, the customers are the City's employees. A key component in measuring the Department's success should be the overall satisfaction of the Department's customers in the key areas of service provision. At present, the Department does not collect this data.

RECOMMENDATION

Recommendation 4-5:

Construct an online customer satisfaction survey and administer the survey on an annual basis.

After the Department administers the survey and collects the results, the initial results can serve as a customer satisfaction baseline. Future survey results can be measured against the baseline and highlight potential trends in customer satisfaction.

The most accurate customer service information that any organization can receive is direct input from customers. A direct survey of the department's customers will provide this information. Customers can provide information about the full range of human resources activities from benefits registration to employee relations. The Human Resources Director can evaluate the survey results and address any perceived issues that may exist with the department. Without the survey data, the department will not know which areas employees believe need to be addressed.

FISCAL IMPACT

This recommendation can be accomplished within existing resources.



4.2 POLICIES AND PROCEDURES

Clearly stated policies and procedures are necessary for a number of reasons. They serve to clearly define expected behavior, spell out the consequences for violating these expectations, and outline the necessary steps for performing many critical tasks. Additionally, they serve as a reference point for employees and management and are a critical component in combating arbitrary actions that can result in litigation.

Internal standard operating procedures can also assist new employees in learning the proper way to perform work tasks and reduce employee uncertainty. Within the Human Resources Department, standard operating procedures are critical to reducing redundancy of effort, consistently applying City Human Resources policies, maintaining continuity of operations in the event of sudden or unexpected staff departure, and helping new employees navigate through multiple policies.

FINDING

The City of Fountain does not have an official Employee Handbook.

When City employees are hired, they are provided a copy of the City’s official policies and procedures. However, the policies and procedures provided are not collected and arranged in such a way as to facilitate understanding on the part of the employee. In other words, the document is not particularly “user friendly” or designed for quick access on the part of the employee.

RECOMMENDATION

Recommendation 4-6:

Create a distinct Human Resources Manual that is easy to navigate and distribute this manual in both hard copy and electronic format to all new employees.

Employee handbooks should be designed as a resource for all employees, with information they may need to refer to frequently in order to meet the terms and conditions of their employment. A typical City employee handbook includes basic information about the City, such as a staff directory, welcome from the Mayor, addresses and locations of City offices, general statistics about the City, the City’s mission, and annual goals, as well as an accounting of the City’s Human Resource policies.

An example of the Table of Contents of an Employee Handbook for the City is included in Exhibit 4-3 on the following page. As depicted in the exhibit:

- **Section 1** includes general information about the City and specific City Codes that help govern operations.



- **Section 2** provides brief descriptions of each department; this section helps direct employees to the appropriate staff member for specific questions and helps inform employees about programs and functions of each department/functional area.
- **Section 3** includes specific Human Resources policies and procedures.
- **Section 4** describes employee pay practices.
- **Section 5** discusses the employee benefits package.

The sample employee handbook included may contain more information than the City Employee Handbook would need. However, the categories included in the sample are important to include in the City Employee Handbook.

The Director of Human Resources should coordinate the creation of the Employee Handbook. This action would include generating some sections (e.g., Human Resources policies and procedures) and coordinating inclusion of others (e.g., staff directory, Mayor's welcome message).

FISCAL IMPACT

Development of the handbook can be done at no cost to the City if performed by existing Human Resources staff. However, should the City decide to purchase employee handbook development software to assist in the process, an additional cost of approximately \$200 would be incurred. Printing costs for the handbooks would depend on the volume of handbooks produced. An initial run of 200-300 copies would probably cost somewhere between \$1,500 and \$2,000.

Recommendation 4-7:

Collaborate with the IT Department to post the Employee Handbook online for employee reference.

Although all employees should be provided with an initial hard copy of the Employee Handbook, the Handbook should still be posted on-line for employee reference. Policies and procedures are not static, and any changes to the employee handbook can be updated on-line much more simply and cost efficiently on-line than through the redistribution of hard copies. When a change to policy occurs, all employees should receive an email notifying them of changes and employees should be directed to the on-line manual for reference.

FISCAL IMPACT

This recommendation can be accomplished within existing resources.



**Exhibit 4-3
Sample Employee Handbook
Table of Contents**

SECTION 1-- WELCOME TO THE CITY OF ____	SECTION 4--PAYROLL SERVICES
The City of _____ Council Meetings City Organizational Structure Department Phone Numbers Work Sites City Map Strategic Plan Goals Employment Practices Discrimination Policy Statement Prohibition of Harassment of Employees Code Of Conduct Confidential Records Access Clean Air Policy Bloodborne Pathogens Control Plan Hazardous Substances Weapons or Firearms on Work Site Drug Free Workplace Additional District References	Calculation of Salary Direct Deposit of Paychecks Overtime Pay for Contracted Employees Miscellaneous Payroll Deductions Stop Payment Procedure for Payroll Checks Uniform Allowances Calculation of Salary Direct Deposit of Paychecks
	SECTION 3--POLICIES AND PROCEDURES
	Accidents and Injuries at Work Appointment Instructions for New Employees Courier Mail Procedures and Guidelines Credit Union Employee Assistance Wellness Program Employee Recognition Programs Leaves of Absence How to Determine Leave Accrual Human Resources Records Reassignments Recreational Discount Cards Resignations Retirement Sick Leave Bank Suspension and Dismissal Transfers Travel Reimbursement Procedures Unpaid Leave and Employee Benefits Vacancy Advertisement Worker's Compensation Holidays Liability Insurance Unemployment Compensation Social Security Years of Experience Verification Emergency Closing Safety and Evacuation Procedures
SECTION 2--DEPARTMENTS AND SERVICES	SECTION 5--EMPLOYEE BENEFITS SUMMARY
Mayor's Office City Council City Manager Health Services Public Works Utilities Public Safety Technology Information Services Finance Department Purchasing Department Maintenance Department Transportation Department Planning & Policy Department Human Resources Risk Management Minority Business Enterprise Office	General Notice General Information Flexible Benefits Plan Non-Flexible Benefits Enrollment COBRA General Notice General Information Flexible Benefits Plan

Source: Created by Evergreen Solutions, August 2007

FINDING

Existing policies and procedures are in need of review and update.

The existing policies and procedures that are distributed to employees are not completely up-to-date and require review. For example, the Finance Department, not the Human Resources Department, is listed as the recommended primary employee contact for records reviews, payroll deduction requests, and other personnel matters. The Human Resources Department is not mentioned in the policies and procedures at all. Additionally, a number of policies are in need of update. Background and reference checks are not specifically mentioned in the section related to hiring. No references to HIPPA legislation is contained in the section on employee records.

Reviewing and updating existing policies and procedures is a critical component of effective human resources management. Policies are passed by ordinance, so changes to the policies will need to go through the ordinance process.

RECOMMENDATION

Recommendation 4-8:

Review all existing policies and procedures and document all relevant required changes.

The Human Resources Director should review the City’s existing policies and procedures and make recommendations on which policies are in need of update. After the review takes place, the Human Resources Director should consult with the City Manager and City Attorney on the proposed changes. Proposed changes should be brought to the City Council for changes to the ordinances to bring the policies and procedures up to date.

FISCAL IMPACT

This recommendation can be accomplished within existing resources.

FINDING

The Human Resources Department lacks an internal standard operating procedures manual.

A standard operating procedures manual documents the steps that are used to perform critical department work tasks. The manual (also sometimes referred to as a desk manual) serves as a safeguard in the event that the department loses critical Human Resources and helps maintain institutional memory. Additionally, the manual serves as an important resource for new employees.

Currently, the Department has a binder of collected communications and policies, which help to organize some activities. The binder also includes key steps for performing job related tasks. However, the binder is not well organized and would be of limited value to a new employee working in the human resources department. This collection of documents can serve as a starting

point to developing a formalized Standard Operating Procedure manual which will document the key steps necessary to perform for the Departments primary service areas.

RECOMMENDATION

Recommendation 4-9:

Create an internal standard operating procedure manual and make it available to all department personnel.

The Director of Human Resources should coordinate the compilation of the standard operating procedure manual. The manual should be arranged by topic and include the necessary steps to accomplish critical and frequently performed work tasks. The manual may not include all activities performed by the department since special projects frequently arise. However, it should include all tasks performed on a regular basis.

FISCAL IMPACT

This recommendation can be accomplished within existing resources.

4.3 HUMAN RESOURCES RECORDS

The maintenance of complete and accurate human resources records is one of the most critical responsibilities of a human resources department. Human resources are relied upon to produce reports, generate human resources statistics, and ensure the City maintains compliance with local, state, and federal regulations regarding human resources.

FINDING

The Human Resources Department does an acceptable job of record-keeping. Records are kept secure in a locked location with access limited to Human Resources personnel. The records are maintained in an orderly fashion and complete. Records are sorted according to the following criteria:

- General Personnel;
- Benefits;
- Medical;
- Background;
- Workers Compensation; and
- Job Posting.

COMMENDATION

The City of Fountain is commended for acceptable record keeping. Records are well organized, thorough and kept secure.



FINDING

The City does not scan Human Resources records and keep electronic copies.

Human resources records are critical documents. They contain the history of all human resources-related activities and serve as a critical line of defense against potential complaints and possible litigation. Given the importance of human resources records, the fragile nature of paper documents, and the reduced cost of electronic scanning devices, it is increasingly common for human resources departments to implement programs to scan human resources documents and maintain electronic filing systems. Electronic files can be kept both on-site (for desk-top access) and off-site (to serve as a critical back-up in the event of fire or other natural disaster).

RECOMMENDATION

Recommendation 4-10:

Purchase a scanner and appropriate software and implement a phased scanning program for its human resources records.

Scanning machines have become increasingly common and as they have become more popular within the market, the price has come down accordingly. Scanners come with a variety of features and prices range from \$250 to \$1,500. After a scanner is purchased, the Human Resources Department should designate Human Resources staff to scan all new Human Resources records first and then work toward scanning the records of all current employees.

FISCAL IMPACT

A practical, high-volume scanner and software should cost approximately \$800. Scanning can be done by current staff.

Recommendation	2008	2009	2010	2011	2012
Purchase a scanner and software and implement a phased scanning program for its Human Resources records.	(\$800)	\$0	\$0	\$0	\$0

4.4 RECRUITMENT, HIRING AND RETENTION

Employee recruitment, hiring, and retention are key functions for any Human Resources Department. To be effective in these critical areas, any Human Resources Department must be proactive and place an effective recruitment and retention plan in place and work toward achieving success against that plan. Recruitment of the most highly qualified individuals for open positions within the City, and then the retention of the “best and brightest” must be a top priority for the human resources function within the organization. Employment within a municipal organization (as well as all other forms of public service) has undergone a downward

trend in the perception among college graduates over the course of the last 20 years. Municipal governments must work to counteract that trend in order to ensure that the highest caliber of employee is available to fill available positions. In addition, there is a critical trend in public service throughout the United States—the need for effective workforce planning. As a growing majority of career civil servants begin to retire, many state and local governments are at the brink of experiencing a loss of, in many cases, decades of institutional knowledge. This “brain drain” will have dire effects on organizations not adequately prepared. Being appropriately prepared to deal with the changing needs over the next 10-20 years involves a need for effective workforce planning and a retention plan for employees that provides the organization with the tools to keep the most qualified and effective employees within the organization.

FINDING

The Human Resources Department does not have a formal recruitment plan in place.

At present, when recruitment needs arise, the Human Resources Director has developed informal protocols to recruit applicants. The City maintains a job posting file for every position that has needed to be filled since 2000. The file includes all the details regarding the recruitment process for that position such as all the advertising/recruiting sources (i.e., newspapers, websites), copies of the job posting, employment ads, related costs, interview questions, applications/resumes, etc. Thus the raw data for building a comprehensive recruiting plan is in place.

Essentially, the Human Resources Department has done a good job of collecting data related to past recruitment. However, there is no indication that the data has been systematically analyzed. A formal recruitment plan, based on analysis of past data, would facilitate future recruitment efforts.

RECOMMENDATION

Recommendation 4-11:

Develop a comprehensive recruiting plan.

For each of the City’s positions, the Human Resources Department should develop a list of recruiting venues. The Human Resources Department should work with Department Heads to compile this list. The Human Resources Department should then develop written guidelines for advertising jobs in multiple sources and locations (electronic and print). The list of recruiting venues and guidelines should be shared with all Department Heads.

The Human Resources Department should review past recruiting activities to determine which venues have been effective and efficient and review these on an on-going basis. Through effective analysis of past recruiting efforts and consultation with the departments, the Human Resources Department can put an effective recruiting plan in place and be prepared to immediately recruit when vacancies arise.

At a minimum, the Human Resources Department should collect information related to costs, employees successfully recruited, venues, time required to fill each vacancy and what recruiting



strategies have proven to be most effective. This information should be kept as one of the Department's performance metrics discussed in Recommendation 4-4.

Collection and analysis of recruitment data will help the City focus its recruitment efforts to those avenues that have proven to be most successful. For example, advertising in some professional publications can be costly, but if the City effectively recruits from these activities, it may be an efficient use of resources. Effective analysis of recruitment efforts will allow the City to more effectively use scarce recruitment resources and provide a greater return on investment.

FISCAL IMPACT

This recommendation can be accomplished within existing resources.

FINDING

The City does not have an employee referral program in place for critical recruiting needs.

The City of Fountain, like all employers, has certain classifications that pose recruiting challenges. Current employees can serve as a valuable source of information for recruiting these difficult-to-fill jobs. Many employers reward employees with some type of tangible reward when they refer an applicant to the employer and it results in a successful hire.

An effective referral program can reduce recruitment costs and build employee esteem and job satisfaction. Employee referral programs have proven to be effective recruitment devices and are generally low-risk, high-reward activities.

RECOMMENDATION

Recommendation 4-12:

Implement a referral program for critical classes to improve the number of applicants.

The Human Resources Department needs to work with Department Heads to identify critical recruitment needs. The Human Resources Director should lead this effort and work with Department Directors in identifying these classifications. The City would then need to determine the proper reward and criteria for what constitutes a successful hire. Once determined, the City would need to promote the program to current employees.

FISCAL IMPACT

Implementation costs would depend on the amount of the employee reward. However, outlays for the reward program would more than likely be offset by reduced recruitment costs.

FINDING

After candidates are identified, it takes too long to fill positions.



In nearly every government setting, it is common to hear that it takes too long to fill vacant positions. This is true for a variety of reasons. Local governments have rigorous procedures that they must follow during the hiring process, and the open nature of government does not allow for shortcuts. Private sector employers can typically move much faster to fill vacancies, and comparison between the private and public sectors is complicated by the different procedural steps that must be undertaken.

Hiring in the public sector is much more systematic and rule driven. Additionally, many jobs require background security checks and skills testing. The process inevitably takes longer in the public sector.

It is also common to place the blame for hiring delays on the Human Resources Department. However, the hiring process is just that, a process. While Human Resources play a prominent role, department personnel also play an integral role. They participate in the interview and selection process and must sign-off on all hiring decisions. Sometimes Human Resources acts expeditiously and processes the necessary paperwork but delays occur within the department that requested the hiring. Given the give and take involved in the hiring process, it is imperative that the Departments work with Human Resources to expedite the process and reduce the time it takes to fill positions.

RECOMMENDATION

Recommendation 4-13:

Streamline the recruitment process for all employees.

Since recruitment is a process that crosses over departmental bounds, a team-based approach is required to streamline the process. The Director of Human Resources should seek approval from the City Manager to form an ad-hoc committee of Department Directors to address this issue. The Committee needs to work to develop substantive recommendations to increase efficiency in the recruiting process. Different processes may be needed for different employee types. After the functional processes are developed, all parties need to be held accountable for performing their assigned tasks within whatever guidelines and deadlines are established. The Human Resources Director should document each hiring action and produce an annual report for review by City Officials. The report should include the length of time for each hire and a summary of deadlines met/missed by each department.

FISCAL IMPACT

This recommendation can be implemented within existing resources.

FINDING

The City cannot collect job applications online.

Currently, the City does post all vacancies on the City Web site. This is a fairly common method for cities to advertise vacancies. However, if a potential candidate is interested in applying for

the vacancy, there is no way for the applicant to fill out an on-line application. Applications must either be submitted through the mail or in person. While this would not have been uncommon 10 years ago, many potential applicants are now accustomed to filling out online applications and prefer the convenience the process offers. On-line applications open the recruitment process to a much wider pool of potential applicants and most jurisdictions that offer this feature have witnessed a dramatic surge in the number of applications and a noticeably more qualified pool of applicants. The City must adapt its application procedure to changes in technology and the growing computer savvy of the workforce.

RECOMMENDATION

Recommendation 4-14:

Implement an online application process on the City of Fountain’s Web site.

At minimum, the Human Resources Department needs to work with the IT Department to get an on-line application process implemented. The ability to receive on-line applications should increase both the quantity and quality of applications received and will reduce the number of paper applications that need to be processed.

The City also needs to consider whether a more advanced applicant tracking system would be beneficial. Off-the-shelf applicant tracking programs are readily available. They help manage the hiring process by automating the tracking of applications from receipt to determination. Human Resources staff and Department personnel would be able to access the system and get real-time information on the status of all current position openings and applications. Additionally, most programs store resume information and allow for queries based upon skills, certifications, education and experience. Prices vary widely, ranging from \$2,000 to \$20,000.

At this point in time, we do not believe that an advanced applicant tracking program is necessary. The City’s turnover rate is relatively low, and the amount of recruiting done on an annual basis is not extensive. The most critical need is making online applications accessible, and the City should be able to accomplish this with existing resources.

FISCAL IMPACT

This recommendation can be implemented within existing resources.

FINDING

The City does not conduct formal exit interviews.

The Human Resources Department does contact employees that are terminating their employment with the City. Generally, conversations are informal, but the Human Resources Director does obtain the reasons for employee separation. The Human Resources Director keeps a file that lists all employee separations and the reasons for these separations. Overall, the process is very similar to a formal exit interview.



Exit interviews are necessary for tracking the reasons for employee turnover. The data are useful for spotting trends and subsequently taking corrective action where possible.

RECOMMENDATION

Recommendation 4-15:

Develop a formal exit interview guide and conduct exit interviews with all employees that are terminating their employment with the City.

Essentially, this recommendation is simply designed to formalize and extend a process that is already taking place. Formalizing the process will allow for greater consistency and continuity in collecting information. Exit interviews are useful for more than just obtaining information about why employees are leaving City service. Departing employees are highly likely to provide candid assessments of what the City is doing well and what it is not doing well. As such, they can provide a wealth of information for potential improvements in City operations. Used in conjunction with employee surveys, a wealth of information can be obtained to improve operations. Additionally, the information obtained in the exit interviews can be used to help construct and refine the recruitment plan since departing employees provide valuable insight into what other organizations are doing and what the City needs to do to compete.

FISCAL IMPACT

This recommendation can be implemented within existing resources.

FINDING

The City of Fountain does not have a retention and succession plan in place.

Although the City does track the tenure of its employees in anticipation of recruiting vacancies, no formal retention and succession plan is in place. This will become a critical issue in the near future as a number of City employees reach retirement age.

RECOMMENDATION

Recommendation 4-16:

Identify critical areas where turnover is likely and work with the effected departments to develop a comprehensive retention and succession plan.

A retention and succession plan will help ease the transition from the current generation of “baby boom” employees to subsequent generations. Key components include identifying likely areas of transition, effective recruitment tools for the next generation of employees and a mentoring system for current employees to acclimate new employees to City operations.

Retention planning involves the use of strategic activities to keep employees satisfied with their employment situations. Essentially, retention is achieved through creating a positive work

environment, maintaining a competitive compensation structure, and demonstrating that the City can help employees achieve their career ambitions. This requires coordinating employee recognition, compensation, and professional development efforts to meet employee needs.

Succession planning is concerned with identifying those employees most likely to leave the organization and having a plan in place to replace them without causing undue burdens to the continuation of service. The City needs to identify whether any critical personnel are reaching retirement age and plan for training potential successors or being ready to actively recruit replacements. Due to demographic trends, many local governments across the nation are facing shortages of qualified employees and supervisors. The City needs to determine if it also will be facing these shortages and be prepared to act.

FISCAL IMPACT

This recommendation can be implemented within existing resources.

4.5 COMPENSATION AND CLASSIFICATION

The single most important aspect of the human resources function to the vast majority of employees will always be the salary and benefits component. Employees must feel as though they are being paid a competitive wage for the services that they provide to the organization, whether they are processing purchase orders, planning for new zoning regulations, or providing legal representation to the City. Concurrently, the organization must develop a clearly communicated compensation philosophy—municipal organizations are not for-profit private enterprises, and most treat their compensation packages accordingly. Employees must be aware of these factors and agree with the tenets of public service. With respect to benefits, the organization must be cognizant of the fact that true compensation includes not only salary, but also any additional benefits that the organization provides—health care coverage, retirement programs, paid leave, etc. Examining the City’s compensation necessitates looking at both the salary and the benefits offered.

A well constructed classification system will organize employees into proper job classifications according to the work performed. Classification systems must be regularly monitored because jobs often evolve due to changes in technology, evolving job skills, changing missions, reorganizations and the introduction of new jobs to the system.

FINDING

Classification of work is not reviewed on a regular basis in the City of Fountain.

Although the City does not have a large number of job classifications, it is important for the Human Resources Department to regularly work with Department Heads to review the work performed by employees on a regular basis. Although it may happen gradually, jobs do evolve over time. Employees are sometimes required to acquire additional duties, responsibilities and skills. Occasionally, technology changes can radically alter the manner in which work is



performed and even the level of work performed. This may necessitate the creation of new job classifications, or result in the consolidation of existing job classifications.

Currently, no system is in place to regularly review jobs. New jobs do get placed into the classification system, and occasional reclassification requests are performed. However, regular, cyclical review of all jobs is a necessary component of classification management and at present, no such systematic review is in place.

RECOMMENDATION

Recommendation 4-17:

Create and implement a plan to review all City jobs on a regular basis.

The Human Resources Department would work with Department Heads to regularly audit City jobs and ensure that each employee is properly classified based on the work performed. The Human Resources department could use an established point factor system, a customized point factor system, or another method for assessing job worth. Whatever method is used, classifications should be reviewed on a regular cycle, possibly in conjunction with the market reviews that are performed.

FISCAL IMPACT

This recommendation can be implemented within existing resources.

FINDING

City position descriptions are not reviewed on a regular basis and there is no plan in place to review position descriptions in a systematic and organized fashion.

The vast majority of the City's position descriptions were last revised in 1999. Thus they have not been updated in over eight years. In addition to missing possible changes in the duties performed, there is a very real possibility that some jobs have evolved to such an extent that they are improperly designated according to FLSA regulations. Major changes were made to the FLSA guidelines that were implanted in August, 2004. Although the City does maintain FLSA designations for each job classification, these designations may be incorrect if they are based on outdated data.

The City began a review of classification descriptions in 2007. The process was put on hold at the behest of the Acting City Manager until the position questionnaire form could be reviewed by the management team and revised by the HR Department to address specific employee and Councilmember concerns regarding the content, intent and wording of certain questions on the form. To date this task has not been completed.



RECOMMENDATION

Recommendation 4-18:

Complete the process of reviewing classification descriptions that was started in 2007.

In addition to completing the initial review, the City should create and implement a plan to review classification descriptions on a regular basis. Classification descriptions should be examined on a rotating two-year cycle. As classification descriptions are revised, they should be examined against the revised FLSA guidelines to ensure proper classification for exemption/non-exemption from overtime laws.

FISCAL IMPACT

This recommendation can be implemented within existing resources.

FINDING

City of Fountain Job descriptions are not placed online for employee review.

Employees and managers occasionally may need to review employee job descriptions. Questions may arise about job expectations and the nature of work that employees are expected to perform. In such an event, employees and managers would be required to contact the Human Resources Department to obtain copies of the job descriptions.

Given the current state of technology, it would take minimal effort to scan existing job descriptions and place them on line for immediate review. Additionally, prospective job applicants could also review the complete job descriptions and be better informed as to whether or not they want to apply for open positions.

RECOMMENDATION

Recommendation 4-19:

Work with the IT Department to scan existing job descriptions and place them online for review.

Job descriptions are the most basic documents that employees have to guide them in what the City expects them to do on a regular basis. However, even when employees are provided with these basic documents, they can be easily misplaced or lost.

The City can easily scan existing job descriptions and place these documents on line for current employees. This would eliminate the need for the Human Resources Department to send out replacement copies in hard copy format. Instead, the job descriptions would be online and available for all employees to reference at all times. The job descriptions could be arranged alphabetically or by department in a point and click menu format for easy access.

Online job descriptions would also be of benefit to potential job seekers. They could review the qualifications, work tasks, and related job information and make a more informed decision about whether or not they wanted to apply for vacant positions. This could potentially approve the quality of the applicant pool and reduce the number of potentially non-qualified applicants.

FISCAL IMPACT

This recommendation can be implemented within existing resources.

FINDING

Market studies are performed on a regular basis.

The City contracts with an outside consultant to perform market studies every two years. The data obtained from these studies allow the City to regularly update pay scales and remain competitive with the local labor market. Regular market review is a best practice and a necessary component of compensation management.

COMMENDATION

The City of Fountain is commended for performing regular market studies. These studies provide an accurate assessment of local market conditions and allow the City to remain competitive with the local market place.

FINDING

The City of Fountain uses a strict step plan approach to administer employee compensation in substitution for a more flexible open-range system that would be better suited to the City.

Step plans are a traditional means for administering compensation. Employees move progressively from one step to the next with each year of service accrued. This method of compensation administration limits flexibility and rewards tenure over performance.

While step plans do allow for consistency and generally make budgeting simpler, the step plan approach is not consistent with current trends in compensation administration. Many public sector organizations, and most private sector organizations, have moved away from step plans in favor of an open-range approach. Open-range systems are marked by establishing range minimums and maximums. Employee placement within the ranges is established by management based on employee experience, knowledge, skills and performance.

RECOMMENDATION

Recommendation 4-20:

Adopt an open-range system of compensation administration. Adoption of an open-range system would provide for additional flexibility and move the organization toward a culture that is more performance-oriented.

Step plans became prevalent during an era when employee movement was fairly uncommon. Employees entered the workforce and remained with an employer for long periods and frequently performed the same type of work for a number of years. Consequently, length of service became the predominant criterion driving pay differentials. Step plans, since they are based almost exclusively on time of service, were logical outgrowths of the length of service models.

However, as the nature and complexity of work has changed, step plans have become increasingly uncommon. In today's workforce, it is more common for organizations to establish a base pay range with minimum and maximum salaries. Typically, ranges are established by surveying the market. Managers are provided with greater flexibility in moving employees through the pay range depending upon acquired knowledge, skills, abilities, and performance. Adoption of open ranges removes the sense of entitlement that employees may have for simply serving an additional year. In an open-range system service time can be a factor in the location of employees within the pay range, but it would not be the only determining factor. As employee flexibility increases, so does the need to increase flexibility in compensation administration. Adoption of an open-range system would help the City move toward a more flexible and performance-driven culture.

FISCAL IMPACT

Initially, the move to an open-range system would be cost neutral. Long term costs would depend on how aggressively the City moves toward a performance-centered approach to compensation administration.

FINDING

The City spends approximately \$250,000 per year on a longevity program that was implemented to affect a problem not present in the City anymore.

Longevity pay is designed to reward longer tenured employees for extended services with the organization. From the standpoint of compensation theory, longevity pay has been justified as a tool to ensure the retention of the organization's most experienced and valued workers. However, as compensation management theory has evolved, longevity pay is now considered one of the least effective forms of compensation. Research has shown that the longer an employee has remained with an organization, the less likely that employee is to terminate employment. This is especially true in the public sector. Thus organizations that use longevity pay are basically providing compensation to retain the employees that are least likely to leave. Additionally, longevity pay has no connection with employee performance. An employee that has performed well for 10 years earns the same longevity bonus as an employee that has not performed well for 10 years.

The City of Fountain discontinued longevity pay for new employees in 1998 but continues to pay it for 42 employees that were employed at the time the City discontinued the policy. While the outlay for the longevity program will decrease over time through employee attrition, the continued expenditure of approximately \$250,000 per year is difficult to justify, particularly in light of the City's inability to regularly fund merit pay over the last five years.



RECOMMENDATION

Recommendation 4-21:

Phase out the longevity pay program.

The continued use of the longevity pay program in place is not consistent with best practices in compensation administration because it is not tied to performance and provides a retention incentive to those employees least likely to terminate employment. In addition, salary inequities are present in classifications where there exist incumbents receiving longevity and not.

It is widely understood that Fountain’s longevity program is a deeply ingrained program viewed positively by employees, leadership, and Council members. While a complete elimination of the program does not seem likely to be implemented, Evergreen Solutions would recommend a phase out approach that could follow one of the following two scenarios:

1. In 2008, add the amount of longevity pay to employees’ base salaries, and eliminate the program in 2009.
2. Offer employees a one-time “buy-out” of the program in 2008, whereby employees would receive between three and five years of longevity pay in one lump sum, and eliminate the program in 2009.

FISCAL IMPACT

The fiscal impact of this recommendation would depend upon the scenario by which the longevity program is phased out.

4.6 PERFORMANCE ASSESSMENT

All employees should strive to meet their full work potential. Performance assessment is a critical component in helping employees meet their full potential. Regular assessment and feedback are necessary to help employees understand work expectations and map out a path toward continuous improvement. Employees that are not regularly evaluated often lack direction and without evaluation and feedback, confusion often arises over the expectations that managers have for their employees.

FINDING

Annual performance evaluations are not conducted for all employees.

Performance evaluations are conducted only in years when the City Council has approved merit increases. This approach sends the message that performance evaluation is only significant and worthwhile when pay increases are available. While it is true that performance evaluation works best when performance is tied to compensation, the absence of available merit pay should not be a barrier to regular performance evaluation. Performance evaluation is critical for employees. It allows them to gain insight from their supervisors on what they are doing well and where their

performance requires improvement. Additionally, performance evaluation is essential for supervisors and is a critical feature for those situations when the City needs to make decisions related to employee promotion or discipline.

RECOMMENDATION

Recommendation 4-22:

Conduct performance reviews for all employees on an annual basis.

Department Directors, or their designees, should enforce annual completion of performance evaluations by all supervisory staff within their departments. This should be done regardless of whether or not merit pay increases are available. To ensure that evaluations are completed in a timely fashion for all employees, Department Directors should communicate to supervisors that timely and accurate completion of reviews for subordinate employees reflects on their capabilities as supervisors. To make this process more meaningful, the City should ensure that “timely completion of subordinate performance evaluations” is a performance measure for supervisors.

Data related to performance evaluations are great tools for gauging the overall success and performance of each department. This information is beneficial and informative to the City Council and the community and can be used by Department Heads and the City Manager to identify areas in which employees are performing above average and areas in which performance can be improved.

FISCAL IMPACT

This recommendation can be implemented within existing resources.

FINDING

In years when performance evaluations are conducted, the Human Resources Department does a commendable job of overseeing the process and documenting the results.

Performance evaluations are scheduled to be conducted in the month of the employee’s anniversary date. At the beginning of the year, the Human Resources Department sends out a schedule for employee review and provides reminders during regularly scheduled staff meetings. Results are recorded in an Excel data base and a hard copy of each review is kept in employee files.

COMMENDATION

The City of Fountain is commended for the administration of its performance evaluation process.

FINDING

The performance evaluation process is not automated.

Currently, the performance evaluation process is paper-based and, while the outcomes are tracked in an Excel database, the process is still relatively cumbersome. Given the advances in Web-based technology, an online performance evaluation system can be implemented easily and at virtually no cost. The advantages of an online evaluation system include:

- reduced administration time and cost;
- easily put in a searchable database format;
- ease of tracking missing evaluations;
- information easy to aggregate or disaggregate by employee type and location; and
- data easily searched for trends in evaluations.

RECOMMENDATION

Recommendation 4-23:

Implement an online performance evaluation system.

An online performance evaluation system will reduce implementation time by reducing redundancy in data entry. Results can be printed out for employee and supervisor signatures. The results of employee performance evaluation can be stored in electronic database which can be easily reviewed and queried.

FISCAL IMPACT

This recommendation can be implemented within existing resources and should have no fiscal impact. The City’s Information Technology staff, working with the Human Resources Director, should be able to implement this recommendation.

FINDING

Supervisors and managers are not provided with adequate training in performance evaluation.

Employee supervision is a critical part of any supervisor’s job. Performance evaluation is an extension of this supervisory responsibility. It is unreasonable to expect managers to effectively perform performance evaluation without providing them training and instruction in this activity. Training in conducting performance evaluation would help ensure consistency in scoring and assist supervisors in conducting more meaningful evaluations.

RECOMMENDATION

Recommendation 4-24:

Implement mandatory training for all supervisors and managers in performance evaluation.

The City Manager should require all supervisors and managers to participate in performance evaluation training. Training can be provided by a member of the Human Resources Department. Training should include, at minimum, the following topics:

- an introduction to the purpose and value of performance evaluation;
- a review of the performance evaluation documents;
- instruction on how to score employee reviews;
- instruction on how to include performance goals in the evaluation process; and
- information on how to use the performance evaluation process as part of a continuing improvement process.

FISCAL IMPACT

This recommendation can be implemented within existing resources.

4.7 PROFESSIONAL DEVELOPMENT

Professional development is a necessary component for building a more productive workforce. At present, professional development is a decentralized function. While Departments should certainly have a strong input into the professional development process, coordination of the process is necessary for tracking the success of professional development efforts and guiding employees to receive the proper training. Coordination of professional development belongs in the Human Resources Department.

FINDING

Professional development is decentralized and lacks planning and coordination.

Although the Human Resources Department retains information related to employee training completed, it does not coordinate the process or connect it with employee progression. Essentially, Human Resources acts more as a record keeper than a strategic partner. By working with the departments, Human Resources can help develop a training and professional development program for each job classification and work with the departments to ensure that employees are adding to their skill sets and growing professionally. This will lead to greater employee productivity and satisfaction and provide the City with a better trained work force.

Additionally, by becoming a strategic partner, Human Resources will become more familiar with the professional development programs and can better assess the value of programs offered and completed. Input provided to Human Resources can help the Department determine which training is most beneficial to employees as they seek advancement. This will help the City realize the best return on its professional development investment.

RECOMMENDATION

Recommendation 4-25:

Develop a comprehensive City-wide Professional Development Master Plan.

A comprehensive Professional Development Master Plan contains many features. However, the objective is building a better equipped work force through an emphasis on job related training. It is not necessary for the Human Resources Department to conduct all the training, but it should work with Departments to coordinate and lead the process. Among the required steps are:

1. Conduct an annual professional development survey of employees to determine what professional development offerings should be made.
2. Establish a yearly plan for briefing department heads, managers, and supervisors on the training offerings, options for additional courses, and potential future needs.
3. Provide an e-catalog that summarizes course offerings, linkages to current classifications, and career path options.
4. Implement a career ladder training program that would allow employees to train for higher level positions in the organization based on specific classification requirements.
5. Design and implement a behavioral skills training program that would improve the performance of current City employees.
6. Implement skills based training at the department level based on specific classification and functional area.
7. Implement a formal management skills training program to reinforce sound management training skills for current managers and promote advancement from within the organization.
8. Implement a two year cycle for reviewing training course offerings and curriculum with departmental leadership.

The eight steps identified above are all included as components of a comprehensive Professional Development Master Plan. To implement this plan, a great deal of cooperation between the Human Resources Department, acting as the lead change agent, and the City's Department Heads is required. Although ambitious in scope, if all the components are enacted the City will benefit by mapping out career paths for its employees, identifying the necessary skills and



training required for advancement within each job, and tracking what training programs produce the best results for the training offered. The end result will be a more efficient and coordinated employee development program and improved service delivery via a better trained and qualified work force.

The process must begin with a review of existing training offerings and a survey of employee needs. A direct survey of employees is a good beginning because it will establish a baseline of professional development demand. Input from managers and Department Heads is also a critical component. Once demand has been determined, it is then possible to match employee needs with potential training services providers. A list of potential course offerings can be drafted that will address professional development needs. These needs can include skills that are directly relevant to critical job skills, and can also include “soft skills” that relate to improving employee communication, management techniques, and customer service skills. Training can come from a wide range of sources including professional associations, paid training providers, conferences and symposiums, and an assortment of other venues. The Human Resources Department can also provide some training in matters that apply to City policy issues.

After training is provided, it is imperative that the Human Resources Department survey employees concerning the quality, relevance and value of training received. Training providers that are not providing quality services should be culled from the list of potential providers. Professional development activities that are completed need to continue to be documented and the records kept in employee personnel files.

FISCAL IMPACT

This recommendation can be implemented within existing resources.

FINDING

The City does not have a Tuition Assistance Program.

Continuing education is beneficial for employees because they can continue their professional development through formal education and apply what they learn in the work setting. Employers benefit from a more educated workforce. Studies have shown that organizations realize a \$10 return in productivity for every \$1 invested in employee education. Employers realize that their employees cannot necessarily afford rising tuition costs. Therefore many organizations have been putting tuition reimbursement programs in place.

RECOMMENDATION

Recommendation 4-26:

Explore with local colleges and other educational institutions the potential cost of establishing a tuition assistance program.



The key to maintaining a successful TAP is for employers to keep track of their programs successes or failures, such as the number of employees utilizing these benefits, how they are using it, and the amount that are actually obtaining degrees. Best practice data shows the key to developing a successful TAP include:

- Participating employees must be qualified for the plan.
- All providers must be approved by the City in advance.
- Courses must be directly or reasonably related to the employee’s present job or to a position into which the employee reasonably could progress.
- Courses must not interfere with the employee’s job responsibilities and must be taken on the employee’s own time.
- Reimbursement covers actual tuition and registration fees only.
- Employees must pass the courses taken to be eligible for reimbursement.

FISCAL IMPACT

There is no cost associated with exploring the feasibility of a tuition assistance program. Should such a plan be adopted, the cost would vary depending on the scope and details of the plan adopted.

4.8 EMPLOYEE RELATIONS

Employee relations typically fall under the domain of the Human Resources Department. Human Resources must play a central role in informing employees of proper workforce behavior and enforcing the policies put in place by the City to regulate that behavior.

FINDING

The City of Fountain has inconsistent policies in place regarding progressive discipline.

In section 2.14.280 of the City’s policies and procedures, the City specifies an implied progressive discipline policy. Potential steps are listed below:

2.14.280 Disciplinary Actions. City employees may be subject to the disciplinary actions as set forth below:

A. A verbal warning may be given by the department head or supervisor except in cases where the nature of the offense is considered serious enough to warrant a written warning, suspension, demotion or discharge. Verbal warnings should be documented in departmental personnel files noting the date of the warning, the offense, and other relevant information.

B. A written warning may be given by the department head or supervisor in an effort to improve employee performance. The individual should sign this warning and a copy should be given to him/her. The original shall be placed in the employee's personnel file. If the disciplined individual refuses to sign the warning, a witness should be secured to note the refusal by signing

in the appropriate place on the form. The department head or supervisor is required to explain the disciplined individual's right to file a complaint at the time the warning is given. A written warning should include a statement indicating that if the offense is repeated or any other offense occurs, the employee may be subject to additional disciplinary action, including discharge.

C. Suspension of three to ten working days without pay may be given for cause in an effort to improve employee performance. The department head or supervisor is required to explain the disciplined individual's right to file an appeal and grievance at the time the notice of suspension is given and the reasons for the suspension.

D. Demotion may occur when the department head or supervisor reduces for cause the classification of a permanent full-time employee to a lower position. The department head or supervisor is required to explain the disciplined individual's right to file an appeal and grievance at the time the notice of demotion is given and the reasons for the demotion.

E. Discharge may occur for cause at the discretion of the department head or supervisor. The department head or supervisor is required to explain to the employee the right to file an appeal and grievance at the time of the notice of termination is given and the reasons for the discharge. (Ord. 801 §1, 1988)

The series of progressive discipline steps listed above are consistent with a progressive discipline plan. However, in Section 2.14.270, the policies and procedures state “There is no express or implied right on the part of the employee to receive disciplinary action in a progressive order”. In essence, the City has laid out the components of a progressive discipline plan in its policies and procedures but has also stated that employees do not necessarily have recourse to the steps listed.

The policies and procedures listed above are confusing to both employees and managers. At minimum, the City needs to specify under which conditions employees are to be disciplined in a progressive fashion and under which conditions they are subject to more immediate disciplinary action.

RECOMMENDATION

Recommendation 4-27:

Design and implement a progressive discipline program and instruct managers on the proper use of progressive discipline.

Progressive discipline policies typically include four basic levels:

- Verbal warning accompanied by counseling
- Written warning
- Suspension without pay
- Termination



By adopting and implementing a progressive discipline policy, the City does not lose the right to terminate an employee immediately for the violation of serious offenses such as property theft or physical abuse. Rather, it provides a formal policy to guide disciplinary action for less serious offenses and provides a consistent and documented process to protect the City and employees from the arbitrary application of discipline.

FISCAL IMPACT

This recommendation can be implemented within existing resources.

FINDING

The City of Fountain effectively documents employee relations issues.

When employee discipline issues occur, the City has an effective grievance process in place. The Human Resources Department has effectively documented employee disputes and maintained the outcome of disputes in employee personnel records.

COMMENDATION

The City of Fountain is commended for its existing employee dispute process and the documentation of all such disputes.



**CHAPTER 5:
PUBLIC SAFETY**



Chapter 5

PUBLIC SAFETY

Of all services provided to citizens by local government, public safety has the most diverse, complex, and mission critical assignment. Public safety agencies such as fire, emergency medical services (EMS), and Police Departments must operate 24-hours a day, seven days a week, 365-days a year. Additionally, public safety operations occur in all environmental conditions such as weather (i.e., summer heat to winter blizzard), geographical (i.e., rural, mountainous to urban downtown), and lighting (i.e., pitch black night to daytime). Since there is an equal opportunity for virtually all types of incidents to occur any time of day or night, fire, EMS, and police resources must be on constant alert and trained, prepared, and ready to immediately respond to an event in a professional manner.

Public safety assignments range from life critical operations (i.e., 9-1-1 call center, life threatening medical emergencies, crimes in progress by armed suspects, house fire with occupants inside, traffic crash with injuries) to tasks that ensure the safety of a community (i.e., follow-up investigation of crimes committed, fire code inspection, traffic enforcement, community policing initiative, pre-fire planning, crime prevention). Public safety operations are not free and/or occur by magic. To successfully complete public safety operations, there is a mandatory requirement for an infrastructure, equipment, personnel, and training. The objective is to achieve a response and readiness balance between the minimum requirements to complete day-to-day operations and the less frequent but high-risk incidents that require advanced personnel, training and equipment (i.e., SWAT operation for an armed barricaded fugitive, search warrant for a methamphetamine lab, hazardous materials spill on an interstate/state/local roadway, commercial building structure fire).

While the role of public safety is similar in all cities and counties across the United States, every community establishes their own unique level of performance and standard of care that their fire, EMS, and Police Departments must accomplish. For example, a response time to a life-threatening event by fire, EMS, and police resources may be acceptable in some communities and not acceptable in other communities. Because public safety operations are unique to every community, successful public safety operations cannot occur without community involvement.

Public safety requirements are always evolving due to internal and external factors such as federal, state and local legislation, political issues; advancements in science and technology, funding issues, and community growth. For example, domestic security was not a major influence on public safety strategic plans or the development of fiscal year budgets in a pre-September 11,2001 world. Post-September 11, 2001, public safety departments must have a homeland security plan, understand the threat environment, be prepared to prevent and disrupt a terrorist attack and always be on alert to respond to and recover from a domestic security related incident.



Significant to the City of Fountain is the rate of growth that has occurred in the past decade and is predicted in future years. Growth has a direct impact on public safety operations. The growth issue combined with other factors demands that the City of Fountain establish a minimum standard of care required by City of Fountain public safety resources. This standard of care and any other recognized performance metrics will directly impact City of Fountain planning discussions to ensure the fire/EMS, and Police Departments have the appropriate infrastructure, equipment, personnel, and training to successfully accomplish the established minimum standard of care objectives.

This chapter reviews the City of Fountain police and Fire Departments and includes eight major sections:

- 5.1 Strategic Planning
- 5.2 Public Safety Technology and Information Management
- 5.3 Operations Management - Maximum Practical Capacity Plan
- 5.4 Public Safety Communications Center
- 5.5 Public Safety Radio System
- 5.6 Public Safety Procurement Process
- 5.7 Fire Department Operations
- 5.8 Police Department Operations

The City of Fountain public safety operation consists of a Fire Department and Police Department. City of Fountain Emergency Medical Services (EMS) is an enterprise operation that is incorporated into the Fire Department's structure and chain of command. The departments are managed by a Fire Chief and Police Chief respectively and both chiefs report to the City Manager.

The Fire Department has three fire stations of which each is managed by a Fire Captain. The Fire Department maintains 25 Full Time Employee (FTE) positions and 35 volunteer certified Fire Fighters. Incorporated into the FTE staff are support fire positions including a Fire Training Officer, Fire Inspector and other support personnel. Key fire support personnel have dual roles as a Fire Fighter assigned to a normal shift and the support position assignment. The same is true for the Fire Department's three specialty teams:

- Hazardous Materials (Haz Mat) Team – Fire Station #1
- Technical Rescue Team – Fire Station #2
- Wildland Fire Team – Fire Station #3

Emergency Medical Services is headquartered at Fire Station #1 and is managed by the Fire Station #1 Fire Captain position.

The Police Department has 40 Full Time Employee sworn personnel in addition to:

- Two Volunteer Reserve Officers



- Nine Dispatchers
- Three full-time and one part-time Records Section
- personnel

The Police Department is essentially separated into three divisions of which all report to a Deputy Police Chief:

- Support Services is managed by a Sergeant and is comprised of Communications, Records Section, DARE/SRO, Motor Officers, and Reserve Officers.
- Patrol Division is managed by a Lieutenant and is comprised of four Patrol Districts each with squads supervised by a Sergeant and Corporal. A Canine Officer is also assigned to the Patrol Division.
- Criminal Investigations Division is managed by a Sergeant and is comprised of the Major Crimes, Metro Vice and Narcotics and the Evidence Section.

The objective of the public safety management study included a review of:

- Organization and Staffing
- Leadership Capacity and Chain of Command
- Emergency Planning, Training and Preparedness
- Equipment and Support Operations
- Facilities
- Fleet Management
- Communications Management
- Resource Deployment
- Security Operations
- Safety Measures
- Training and Professional Development

Interviews were initially completed with City Council members, city management, the Police Chief, Fire Chief and Fire Captains. Subsequent to the interviews, a full day each was spent at the Police Department and Fire Department.



Prior to the fire and police sessions, a focus group schedule was developed with the Police and Fire Chief that consisted of the following areas:

- Information Technology
- Information Management
- Financial Management/Procurement
- Operations Management
- Strategic Planning
- Follow-Up Investigations
- Policy, Procedures and Training
- Specialized Areas

The City of Fountain is located in southern El Paso County adjacent to the City of Colorado Springs. The estimated population of El Paso County is approximately 550,000 with the population of the City of Fountain currently estimated at about 27,000. It is well documented that the City of Fountain has realized a significant growth rate with significant growth projected for future years. The City of Fountain's Economic Development Plan estimates a population increase to over 35,000 by the year 2015.

City of Fountain fire and police services have been directly impacted by the population growth. Documentation provided shows police calls for service have increased 122 percent from 2001 to 2006 (10,979 in 2001 to 24,452 in 2006). For the same time period, Fire/Emergency Medical Services calls for service increased by 48.5 percent (2,077 in 2001 to 3,085 in 2006).

The primary interview process for the Fire Department involved the Fire Chief and included a visit to all three fire stations and the City of Fountain's Fleet Department for a briefing on the new ladder truck.

The Police Department identified 25 members in advance ranging from the Chief of Police to Patrol Officers who were then assigned to participate in one or more of the eight previously articulated focus group sessions.

Both fire and Police Department personnel exhibited professionalism, enthusiasm, pride and care regarding their public safety assignment. The City of Fountain can be proud to know that fire and police personnel have a strong desire to provide an outstanding level of service to the citizens of Fountain. Fire and police personnel are to be commended for the "adapt, overcome, and improvise" attitude to provide professional public safety services to the citizens of Fountain.



As with all public safety entities, both fire and police management demonstrated their never ending attempt to balance immediate operational needs on a 24/7 basis with intermediate objectives and long-term plans.

5.1 PUBLIC SAFETY STRATEGIC PLANNING

There is abundant research that demonstrates the tangible benefit for public safety agencies to have a strategic plan. As stated in the book *Fire Department Strategic Planning – Creating Future Excellence* by Mark Wallace, “Strategic planning strives to create a vision near the beginning of its process to map out the qualitative shift in direction that the organization needs to create the vision of its ideal future. It’s a process to establish priorities, i.e., what must we do today to move the organization closer to the ideal future described as our vision...It provides a reference point for evaluating the progress of the department in pursuing its mission.”

Strategic planning has a direct positive impact on budget planning, operational planning, long-range planning and the establishment of priorities, goals and objectives. Strategic planning starts with an objective assessment of current Strengths, Weaknesses, Opportunities and Threats (SWOT analysis) and ends with innovative thinking and action plans to accomplish the vision of the department.

The level of growth for the City of Fountain is of such significance that a public safety strategic plan is mandatory to maintain a professional level of service to the community. The growth factor has to be incorporated into the planning, priority and operational decision processes occurring today. With population growth, change is inevitable. For example, the operational levels and workload capacity of the City of Fountain fire and Police Departments ten years ago is dramatically different from their current capabilities. Both departments have had to improve their ability to respond to the needs of the community.

Communities establish the level of service required from public safety agencies. While basic levels of service can be defined, each community establishes their own standard. For example, police response times of 45-minutes for non-emergency calls for service may be acceptable in some communities while other communities would evaluate that time delay as completely unacceptable. The same is true for public safety response to life threatening medical emergencies. Many communities establish the well-documented “five-minutes rule” for life-threatening medical emergencies as the measurement to gauge public safety performance. Strategic planning incorporates the needs and desire of the community into operational planning.

Strategic planning leads to the implementation of efficient and effective processes by all personnel, not just management. Personnel are encouraged to question the status quo and develop ideas that may improve services and reduce cost.

Strategic planning also forces public safety departments to make data-driven decisions versus an opinion not based on fact. As stated in the U.S. Department of Justice – Community Oriented Policing Services (COPS) study, “Good to Great” Policing: Application of Business Management Principles in the Public Sector, “It is not enough for data to be readily available. Managers need to be intimately familiar with the data and involved in the analysis and



assessment. Data should ‘belong’ to no one group in the organization...The power of problem-oriented policing begins with data that are used to identify a problem and ends with data that are used to determine whether the strategy designed to address the problem has been effective.”

FINDING

The City and Fountain fire and Police Departments attempt to maintain current policies, procedures and training curriculums to ensure professional services are delivered to the citizens of Fountain. While both departments have completed intermediate and long-term planning sessions, neither department has undertaken a strategic planning process, which is staff intensive and time consuming.

A primary component of a strategic plan would be the completion of a fire and police staffing analysis due to the previously described growth issue. A detailed staffing analysis is required to determine the precise staffing requirements of both the fire and Police Departments. Police realized a workload increase of 122 percent from 2001 to 2006 and fire 48.5 percent for the same time period.

An objective staffing analysis also provides an audit of current work processes and assignments. For example, in 2006, out of a total 3,085 incidents, 62.4 percent of the Fire Department’s call for service activity was Emergency Medical Services (EMS) related. Ranking the 2006 incidents in order demonstrate the type of workload the Fire Department respond to:

- Emergency Medical Services 1,926
- Service Calls/Alarms 586
- Customer Service Calls 196
- False Alarms 152
- Miscellaneous Fires 44
- Structure Fires 34
- Wildland Fires 26
- Vehicle Fires 20

Using the above information, a strategic plan would identify an emphasis on EMS responsibilities as the primary call for service activity for the Fire Department. A strategic plan would ensure this is the agreed upon direction for the Fire Department and would support this direction through budget, staffing, and operational objectives. For example, an objective of the strategic plan may determine that the highest priority for Full Time Employee (FTE) staffing is to ensure two Advanced Life Support (ALS) ambulances, staffed with a paramedic and Emergency Medical Technician (EMT) are operational on a 24/7 basis. This identified objective will become the roadmap for subsequent budget, staffing, and operational decisions.

Similar to identifying primary agency responsibilities, law enforcement agencies must ensure personnel are appropriately deployed for adequate coverage. The City of Fountain Police Department implemented a 12-hour patrol shift schedule in 2005 to ensure adequate staffing. While adequate patrol shift staffing is of primary concern, a strategic plan staffing analysis will also evaluate the impact a 12-hour shift has on patrol personnel. 12-hour shifts can negatively impact family life, morale and cause loss of focus near the end of a 12-hour shift. Options for alternative scheduling, such as four-day/10-hour shift, would identify the amount of staff required to accomplish that objective.

City of Fountain public safety departments would be able to demonstrate a positive Return on Investment for completing a strategic plan process as detailed analysis in the following areas are issues that are directly impacting public safety and city government decisions:

- Human Resources – Recruitment, retention, salary, benefits and succession planning
- Workload – Current activity and anticipated activity
- Facility Infrastructure – Current situation and anticipated requirements
- Operational and Support Services - Current situation, anticipated requirements and specialized services (i.e. Hazardous Materials for fire and SWAT for police)
- Vehicles/Apparatus – Current situation, replacement schedule and anticipated requirements
- Equipment - Current situation, replacement schedule and anticipated requirements
- Training – Current assessment, minimum mandatory annual requirements and specialized training needs

RECOMMENDATION

Recommendation 5-1:

Develop a Fire and Police Strategic Plan

Strategic planning is one of the most critical aspects of long-term success for municipal organizations possessing substantive infrastructure and capital needs. As stated in the book *Project Management: The Managerial Process* by Gray and Larson:

Strategic management is the process of assessing “what we are” and deciding and implementing “what we intend to be and how we are going to get there.” Strategy describes how an organization intends to compete with the resources available in the existing and perceived future environment...Strategic management provides the theme and focus of the future direction of the organization. It supports consistency of action at every level of the organization. It encourages integration because effort and resources are committed to common



goals and strategies...It is a continuous, iterative process aimed at developing an integrated and coordinated long-term plan of action. Strategic management positions the organization to meet the needs and requirements of its customers for the long term. With the long-term position identified, objectives are set, and strategies are developed to achieve objectives and then translated into actions by implementing projects. Strategy can decide the survival of an organization.

The core four activities of a strategic management process are:

- Review and define the organizational mission
- Set long-range goals and objectives
- Analyze and formulate strategies to reach objectives
- Implement strategies through projects

As demonstrated in the above fourth activity, strategy is implemented through projects. Every project should have a clear connection to the organization's strategy. It is the responsibility of management to ensure that all funds requested for projects contribute to the organization's mission.

The importance of a strategic plan is without debate. A strategic plan provides a detailed roadmap for an organization to achieve its desired goals. Without a strategic plan, there is no roadmap and the organization's final destination (i.e., goals and objectives) is without clarity and understanding.

Numerous professional public safety and government organizations such as the National Fire Academy (NFA), International Association of Chiefs of Police (IACP), state institutions and other entities offer strategic planning courses. The facilitation of strategic planning sessions can also be out-sourced to expert organizations.

FISCAL IMPACT

This recommendation can be implemented within existing resources.

5.2 PUBLIC SAFETY TECHNOLOGY AND INFORMATION MANAGEMENT

The implementation of various technologies and computer applications is an absolute requirement to ensure public safety agencies operate at maximum operational efficiency and effectiveness. The primary goal of technologies employed in the public safety arena is Information Management. A proper Information Management process ensures all personnel have access to accurate information in a timely manner, 24-hours a day so they can take the



appropriate action. Operational management research demonstrates that organizations that implement data driven processes and decisions have improved efficiencies and effectiveness.

Accurate data appropriately applied has tangible benefits that can be measured to demonstrate a return on investment. Utilizing the appropriate technologies and business processes, performance metrics can be developed for both the fire and Police Departments. These performance metrics will provide an accurate gauge on the success and/or failure of public safety initiatives and programs. Performance metrics, the core of performance-based budgeting, requires that the appropriate technologies be employed to accurately capture, assimilate, analyze and produce important statistical information.

There is no section or assignment in public safety that cannot be evaluated for operational improvements. Operational improvements can range from decreasing the response time to life-threatening emergencies to the appropriate allocation and deployment of personnel and equipment to saving valuable employee time during administrative processes such as report writing. As well as providing improvements to internal operations, appropriate information management processes have a tangible benefit to external customers, the citizens of Fountain, by providing enhanced public safety services and a quality work product.

Full Time Employee (FTE) hours of public safety personnel are a valuable commodity. A projected and actual Return on Investment (ROI) can be obtained from appropriately employed technologies and applications. An ROI can be measured as time saved for a specific position and a dollar value calculated using the median FTE per hour wage. Savings of FTE hours can demonstrate the cost efficiency of specific initiatives, the ROI for a specific technology investment and/or the improved service to the public by utilizing personnel at maximum capacity. Refer to section 5.3 – Maximum Practical Capacity Planning.

A Public Safety Technology Master Plan is a mandatory requirement in the development of appropriate information management processes for fire and Police Departments. The design of a Public Safety Technology Master Plan starts with a systems approach, viewing all public safety as a single entity.

FINDING

City of Fountain fire and police personnel utilize the currently employed applications as best as possible. The procurement of the current applications did not employ a Public Safety Technology Master Plan or systems approach. Decisions to purchase the current technology for both departments were made as funding and/or opportunities became available. The current applications provide some limited benefits to both departments. However, it is clear that some decisions over the past many years were made in isolation and not as a component of an overall plan. Significant improvement in public safety technologies employed is required. The current applications employed by fire and police are disparate systems, require redundant data entry processes and are inadequate to provide fire, police and City of Fountain management personnel with the information required to operate at maximum efficiency and effectiveness.



In the subsections that follow, an overview of each of the current technologies present within the City of Fountain's public safety infrastructure is provided.

5.2.1 Fire and Police Computer Aided Dispatch

City of Fountain fire and police resources are dispatched from a VisiCAD system purchased by a regional 9-1-1 board comprised of numerous public safety agencies in El Paso County. The VisiCAD system became operational in 2004. There appears to be no information sharing benefit, since the City of Fountain Communications Center does not have access to adjacent agency Computer Aided Dispatch data. This is specifically problematic as City of Fountain fire and police services often operate in the unincorporated county and the El Paso County Sheriff's Office occasionally operates in the City of Fountain. It is also noteworthy that the Colorado Springs Police Department does not utilize the VisiCAD application. There is a redundancy benefit as City of Fountain fire and police resources can be dispatched from a virtual dispatch center located in Colorado Springs if the Fountain Police Department had to be evacuated. Refer to section 5-4, Public Safety Communications for additional information.

As can be seen in Exhibit 5-1 and Exhibit 5-2, Computer Aided Dispatch (CAD) data was requested to analyze the workload of the fire and Police Departments.

The type of data requested is required for appropriate operations management. Interviews determined that there were serious limitations to the CAD application, Communications Center personnel have not received the appropriate training to mine CAD data and the majority of requested CAD reports were not obtainable. Personnel provided documentation that demonstrated requests for CAD administration training have been previously made and were denied by the governing 9-1-1 authority, although a future training session had been approved.

The need for actionable, accurate, and timely information is a significant issue for all public safety personnel. Everyone from the fire and Police Chiefs to their line personnel should have access to relevant data on a 24/7 basis to make educated decisions.

Interviews revealed additional weaknesses with the VisiCAD application, such as not providing historical data for vehicle license numbers. An historical record of a license number can reveal officer safety information and how many times the vehicle has been subjected to a traffic stop and for what reasons.

CAD fire and police workload documentation was provided along with previously published workload statistical reports. It is evident that the increased incident workload trend line for both departments replicates the City of Fountain growth. It is also clear that both departments have accurately published information concerning their increased workloads and correctly forecasted additional increases. Additional analysis of the data provided can be completed, albeit in a time consuming manner due to the limitations of the systems and/or current level of expertise in generating report queries.



**Exhibit 5-1
City of Fountain
Fire Department CAD Workload Data Requested**

All	Calls for Service (CFS) total FD 2004 – Year to Date CFS Activity - Total number by Nature of Call Total number CFS Activity - Time of Day Total number CFS Activity - Day of Week Total number CFS Activity – Day of Week and Time of Day combined CFS by Nature of call Priority Status (Emergency to Non-Emergency)
CFS by Fire Station (FS)	FS Breakdown - CFS total FD 2004 – Year to Date FS Breakdown - CFS Activity by Nature of Call FS Breakdown - Total number CFS Activity - Time of Day FS Breakdown - Total number CFS Activity - Day of Week Total FS Breakdown - Total number CFS Activity - Day of Week and Time of Day combined FS Breakdown - CFS by Priority Status (Emergency to Non-Emergency)
Location of Incident	Calls for Service (CFS) total FD 2004 - Year to Date by FD District FD District Breakdown CFS Activity - Total number by Nature of Call FD District Breakdown - Total number CFS Activity - Time of Day FD District Breakdown - Total number CFS Activity - Day of Week Total number CFS Activity - Day of Week and Time of Day combined FD District Breakdown - CFS by Nature of call Priority Status (Emergency to Non-Emergency)
Response Time FD	CFS Activity - Total FD Response time by Priority CFS Activity - Total FD Response time by Nature of call CFS Activity - Total FD Response time by Time of Day CFS Activity - Total FD Response time by Day of Week CFS Activity - Total FD Response time by Time of Day and Day of Week combined Range of Response times for Code 3 CFS Range by count in 30 second intervals of Response time for Code 3 CFS - Fastest to longest
Response Time by Fire Station	FS Breakdown CFS Activity - Response time by Priority FS Breakdown CFS Activity - Total FS Response time by Nature of call FS Breakdown CFS Activity - Total FS Response time by Time of Day FS Breakdown CFS Activity - Total FS Response time by Day of Week FS Breakdown CFS Activity - Total FS Response time by Time of Day and Day of Week combined

Exhibit 5-1 (continued)
City of Fountain
Fire Department CAD Workload Data Requested

Response Time by FD District/Location	FD District Breakdown CFS Activity - Response time by Priority FD District Breakdown CFS Activity - Total Response time by Nature of call FD District Breakdown CFS Activity - Total Response time by Time of Day FD District Breakdown CFS Activity - Total Response time by Day of Week FS Breakdown CFS Activity - Total Response time by Time of Day and Day of Week combined
Median Data	Median data (as compared to an average) for CFS activity if it is available
Time Duration of CFS	CFS Activity - Time out of Service by Nature CFS Activity - Time out of Service by Fire Station CFS Activity - Time out of Service by FD District
EMS Only CFS	EMS CFS total FD 2004 - YTD EMS CFS Activity - Total number by Nature of Call Total number EMS CFS Activity - Time of Day Total number EMS CFS Activity - Day of Week Total number EMS CFS Activity – Day of Week and Time of Day combined CFS by Nature of call Priority Status (Emergency to Non-Emergency)
EMS Incident Location	EMS FD District Breakdown CFS Activity - Total number by Nature of Call EMS FD District Breakdown - Total number CFS Activity - Time of Day EMS FD District Breakdown - Total number CFS Activity - Day of Week EMS Total number CFS Activity - Day of Week and Time of Day combined EMS FD District Breakdown - CFS by Nature of call Priority Status (Emergency to Non-Emergency)
EMS Response Time FD	EMS CFS Activity - Total FD Response time by Priority EMS CFS Activity - Total FD Response time by Nature of call EMS CFS Activity - Total FD Response time by Time of Day EMS CFS Activity - Total FD Response time by Day of Week EMS CFS Activity - Total FD Response time by Time of Day and Day of Week combined

**Exhibit 5-1 (continued)
City of Fountain
Fire Department CAD Workload Data Requested**

EMS Response Time by Fire Station	EMS FS Breakdown CFS Activity - Response time by Priority EMS FS Breakdown CFS Activity - Total FS Response time by Nature of call EMS FS Breakdown CFS Activity - Total FS Response time by Time of Day EMS FS Breakdown CFS Activity - Total FS Response time by Day of Week EMS FS Breakdown CFS Activity - Total FS Response time by Time of Day and Day of Week combined
Response Time by FD District Location	EMS FD District Breakdown CFS Activity - Response time by Priority EMS FD District Breakdown CFS Activity - Total Response time by Nature of call EMS FD District Breakdown CFS Activity - Total Response time by Time of Day EMS FD District Breakdown CFS Activity - Total Response time by Day of Week EMS FS Breakdown CFS Activity - Total Response time by Time of Day and Day of Week combined
Length of EMS CFS	EMS CFS Activity - Time out of Service by Nature EMS CFS Activity - Time out of Service by Fire Station EMS CFS Activity - Time out of Service by FD District
EMS Walk-In	Total FD Walk-In CFS Total Walk-in by Fire District Total time out of service for Walk-in for FD Total time out of service for Walk-in by District
Ambulance Data	Med1 and Med2 in-service percentage
Specialty Apparatus Workload	CFS Breakdown of specialty equipment, personnel and apparatus

Source: Created by Evergreen Solutions, August 2007

**Exhibit 5-2
City of Fountain
Police Department CAD Workload Data Requested**

CAD	List of all CAD Nature calls and dispositions
Police CAD Statistics	Calls for Service (CFS) total FD 2004 - YTD CFS Activity - Total number by Nature of Call Total number CFS Activity - Time of Day Total number CFS Activity - Day of Week Total number CFS Activity - Day of Week and Time of Day combined CFS by Nature of call Priority Status (Emergency to Non-Emergency)
CFS by Police District Officer	PD District Officer Breakdown - CFS total FD 2004 - YTD PD District Officer Breakdown - CFS Activity by Nature of Call PD District Officer Breakdown - Total number CFS Activity - Time of Day PD District Officer Breakdown - Total number CFS Activity - Day of Week Total PD District Officer Breakdown - Total number CFS Activity - Day of Week and Time of Day combined PD District Officer Breakdown - CFS by Priority Status (Emergency to Non-Emergency)
Location of Incident	Calls for Service (CFS) total PD 2004 - YTD by PD District PD District Breakdown CFS Activity - Total number by Nature of Call PD District Breakdown - Total number CFS Activity - Time of Day PD District Breakdown - Total number CFS Activity - Day of Week Total number CFS Activity - Day of Week and Time of Day combined PD District Breakdown - CFS by Nature of call Priority Status (Emergency to Non-Emergency)
Response Time PD	CFS Activity - Average PD Response time by Priority CFS Activity - Average PD Response time by Nature of call CFS Activity - Average PD Response time by Time of Day CFS Activity - Average PD Response time by Day of Week CFS Activity - Average PD Response time by Time of Day and Day of Week combined Range of Response times for Code 3 CFS Range by count in 30 second intervals of Response time for Code 3 CFS - Fastest to longest

**Exhibit 5-2 (continued)
City of Fountain
Police Department CAD Workload Data Requested**

Median Data	Median data (as compared to an average) for CFS activity if it is available
Response Time by PD District Officer	PD District Officer Breakdown CFS Activity - Response time by Priority PD District Officer Breakdown CFS Activity - Total FS Response time by Nature of call PD District Officer Breakdown CFS Activity - Total FS Response time by Time of Day PD District Officer Breakdown CFS Activity - Total FS Response time by Day of Week PD District Officer Breakdown CFS Activity - Total FS Response time by Time of Day and Day of Week combined
Response Time by PD District/Location	PD District Breakdown CFS Activity - Response time by Priority PD District Breakdown CFS Activity - Total Response time by Nature of call PD District Breakdown CFS Activity - Total Response time by Time of Day PD District Breakdown CFS Activity - Total Response time by Day of Week PD Breakdown CFS Activity - Total Response time by Time of Day and Day of Week combined
Time Duration of CFS	CFS Activity - Time out of Service by Nature CFS Activity - Time out of Service by PD District
CFS Held	Breakdown of all held calls for service: Time range call was held, Day of Week, Time of Day, Nature and District
Back-Up Units	Statistical data available and breakdown that demonstrates the workload of back-up units
Unincorporated County	Statistical data available that demonstrates the workload of responding to CFS in the unincorporated county
RMS	RMS statistic breakdown by nature if different than CAD
Arrests	Breakdown of arrest data
El Paso County Sheriff	CFS activity by El Paso County Sheriff in the City of Fountain

Source: Created by Evergreen Solutions, August 2007

5.2.2 Geographic Information System (GIS)

Interviews revealed that the VisiCAD Geographic Information System (GIS) mapping application is approximately 90 percent accurate for CAD data. The VisiCAD mapping application is maintained by the regional 9-1-1 board and El Paso County. The 9-1-1 VisiCAD mapping application has severe limitations (i.e., cannot zoom in) resulting in the mapping application not being used for mission-critical processes. Consequently, Communications Center personnel use a separate mapping application, Contact Map, for mission-critical processes. The Contact Map allows Communications personnel to search by address, but is not interfaced to the 9-1-1 VisiCAD application. This is a significant problem as CAD GIS/map data should be as close to 100 percent accurate as possible for the following reasons:

- During life threatening emergency 9-1-1 calls, it is imperative that the location of the 9-1-1 caller be immediately mapped to determine the precise location of the incident. Automatic Number Identification (ANI) and Automatic Location Identification (ALI) data is supplied via the Emergency Service Number (ESN) of the telephone being used to make the 9-1-1 call. FCC Phase I and Phase II regulations mandate cellular providers have also send ANI data and geographic location information usually in the form of longitude and latitude.
- Having the precise location of the incident improves the deployment of public safety resources (i.e., closest unit dispatching, establishment of a perimeter, etc.).
- Communications personnel must be proficient with two disparate mapping applications, a challenge that is not recommended for life critical operations. Clear and concise policies and procedures are required for emergency operations when seconds count. Having two disparate mapping applications is not recommended.

Additionally, interviews determined the 9-1-1 mapping application is not interfaced to the Spillman Records Management System (RMS). A single mapping application that can be used for both CAD and RMS data is the optimum solution for efficiency and effectiveness.

It was also determined that Patrol Officers and fire personnel rely on paper maps to locate streets and addresses. Manual paper processes are normally never timely, difficult to manage the vast amount of paper, cost inefficient as paper maps are constantly being generated and are inefficient (i.e., slow) to use in the field in low light conditions. The City of Fountain's growth is tremendous with new streets, residences and businesses being developed. Some documentation estimates an increase of 400 – 500 new homes in the City of Fountain per year. This is a significant number of new locations that public safety personnel may have to respond to in the pre-construction (i.e., land clearing), construction and post move-in phase. The most efficient and effective method of providing accurate mapping information to public safety personnel is through GIS data on Mobile Data Computers. Protocols should be established that ensure public safety GIS data is in synchronization with approved plans from Growth Management, Planning Department, Utilities and Code Enforcement.

Finally, because of the technical issues and limitations of the applications, the Police Department does not map criminal and workload activity to identify methods of operations, trends and



patterns and other intelligence that can positively impact the apprehension of criminals and/or the prevention of crimes.

5.2.3 Fire Records Management System

There is no interface from the VisiCAD application to the Fire Department's Affiliated Computer Services (ACS) FIREHOUSE Records Management System. All data that is collected in VisiCAD must be manually entered into FIREHOUSE for fire personnel. This manual data entry process utilizes valuable employee time, increases the propensity for data errors and limits the amount of Computer Aided Dispatch information that is transferred to the FIREHOUSE Records Management System.

A systems approach to public safety technology would ensure that data is only entered into the system one time and does not require redundant data entry processes. (The acronym OHIO – Only Handle It Once is often used to express this point.)

Full Time Employee (FTE) hours lost or saved can be calculated by multiplying the time lost or saved by the number of annual inputs. For example, the City of Fountain Fire Department responded to 2,928 incidents in 2006. If a correctly interfaced CAD and RMS could save 10 minutes per report that would equate to 29,280 minutes or 488 FTE hours per year. This number does not include additional benefits that could be calculated by an improved accurate report, reduced typographical errors, etc.

5.2.4 Pre-Fire Plans and Fire Hydrant Locations

Fire suppression apparatus require precise knowledge of fire hydrant locations and operational status of each hydrant. City of Fountain Utilities GIS personnel maintain a mapping file/directory of fire hydrant locations and printed maps are located in the fire stations.

Pre-fire plans provide valuable information to fire personnel concerning precise location information. Data include hours of operation, personnel inside the building, type of building construction, blueprints, sprinkler systems, chemicals and/or hazardous materials located inside the structure and other data. Currently there is only one Mobile Data Computer (MDC) for the Fire Department and that MDC is located in the Fire Chief's vehicle. The Fire Chief keeps a wealth of material in his vehicle for fire operations. The negative side is there is an unrealistic amount of dependence for the Fire Chief's vehicle to be on scene and no redundancy of this mission critical data if the Fire Chief's vehicle were to become incapacitated. More important, mission critical data should be available in virtually all Fire Department apparatus.

Pre-fire plans, fire hydrant locations and other mission critical data can easily be stored on Mobile Data Computers and electronically updated as needed to ensure accuracy.

5.2.5 Police Records Management System

A limited interface exists between the VisiCAD application and the Fountain Police Department's Spillman Records Management System. There are numerous documented problems with the Records Management System interface. The problems include missing or



incorrect critical data from the VisiCAD application. The missing and inaccurate data have a significant negative impact on the ability of police personnel to mine requisite data from the Records Management System. Examples of problems reported for resolution include:

- Status times are not displaying correctly in the Records Management System.
- Call type is not displaying in the Records Management System.
- Contact name is not displaying in the Records Management System.
- Responding officer is not displaying in the Records Management System.

As previously mentioned, there is no interface between the RMS geofile and the CAD geofile. Records Section personnel must manually revalidate police report address information that has already been validated by the CAD application. The Records Section loses valuable FTE time completing this redundant action and they are currently about four weeks behind schedule which does not produce accurate and timely data for police personnel.

Police personnel currently have a multi-process report writing procedure. While on scene, officers take notes on a pad and eventually transfer this data onto two systems. The multi-process also includes writing an incident report narrative on a Microsoft Word document and copying/pasting the narrative into the RMS at the police station. As previously articulated, FTE hours lost using redundant processes can be calculated.

The Police Department's goal is to transition to all reports being entered directly into the RMS starting in September 2007. An issue with this objective is the problem interface between the VisiCAD application and the Spillman RMS. No case number from CAD will be migrated to the RMS until the CAD case is closed. This would prevent personnel from completing an RMS report while on scene in the field.

Interviews revealed a significant proficiency issue regarding the subject matter expertise of the Records Management System. This is to be expected when an RMS is not completely incorporated in to the daily business practices of the Police Department. The more an application is used, the more proficient personnel will be with the application. In this instance, there are a myriad of technical and interface issues that prohibit total implementation.

It was also determined that the Police Department's Records Section does not employ an electronic document management (imaging) system and all records are archived manually. The manual archiving of documents is staff intensive both for the initial archiving/indexing process and retrieval. Manually archiving documents also creates an obvious storage capacity issue.

5.2.6 Police Property Records Impound System (PRIMS)

Police personnel use a standalone property and evidence application, Property Records Impound System (PRIMS), to document all impounded items. There is no interface between the PRIMS applications and the VisiCAD or Spillman Records Management System. This requires



redundant data entry by police personnel thereby losing valuable FTE hours per year. Because of the redundant data entry, the PRIMIS application has limited data queries.

The maintenance and chain of custody of property and evidence is a high liability issue for law enforcement agencies. There is essentially no room for error. Best practices by law enforcement agencies utilize a robust property and evidence application to receive, log, track, request for analysis, transfer to court, release and destroy property and evidence items in an accurate and timely manner.

5.2.7 Police Reportbeam Traffic Crash Application

The Police Department utilizes a ReportBeam brand traffic crash application that is not interfaced with any other police database. All traffic crash data resides on a server in Canada. As with the incident report application, redundant action is required to complete the process. Officers must first manually take notes and then utilize the ReportBeam application. A benefit of the ReportBeam application is that it saves traffic intersection diagrams, which saves Full Time Employee (FTE) hours. Personnel do not have to redraw an intersection that is already in the system. FTE hours saved can be calculated by measuring the average time a traffic diagram drawing takes multiplied by the number of diagrams produced per year.

Interviews revealed a formal quality control process for the diagrams is needed and the processing the traffic crash reports averages 3½ months behind.

The limitations of the ReportBeam application are significant. Not all police personnel have access to the data 24/7 and from the field. ReportBeam has limited queries and data mining capabilities. This has a direct negative impact on crime solving efficiencies and effectiveness, as traffic crash data is a valuable tool in solving crimes and improving the safety of the community. For example:

- A crime occurs and a suspect vehicle and/or license tag description is provided. The vehicle could have previously been involved in a traffic crash and a hit from the traffic crash database would reveal a solid lead.
- Traffic crash data combined with Computer Aided Dispatch workload data can reveal the City of Fountain's most dangerous intersections and the most common causes of traffic crashes at these locations. This information can be used to educate the public, establish traffic enforcement specific to the cause of crashes (i.e., running red light) and improve traffic engineering for these locations.

As illustrated through the preceding subsections, it is clear from the number and type of disparate and non-interfaced computer applications employed by the fire and Police Departments that a systems approach to public safety technology was not designed and implemented. Decisions to purchase, configure and implement the described computer applications were made either in isolation and/or the departments were placed in a 'use it or lose it' position and had no realistic alternative solution. However, just because a computer application is available does not mean that it will provide an overall benefit to the departments and meet the desired goals and



objectives. To maximize efficiency and effectiveness, it is imperative that technological objectives are aligned with and contribute to the organization's mission (i.e. strategic plan).

RECOMMENDATION

Recommendation 5-2:

Develop, in conjunction with an overall Public Safety Strategic Plan, a Public Safety Technology Master Plan.

City of Fountain Fire, Police, and Information Technology departments should create a Public Safety Technology Master Plan project. The goal of the project would be to identify all technologies and applications required by public safety personnel to maximize operational efficiencies and effectiveness. Using a systems approach, specific objectives should be identified that can have a measurable positive impact on public safety services. Objective examples may include:

- Improve Information Management
- Improve Operations Management
- Improve the quality of police and Fire Department work products
- Improve internal and external customer satisfaction
- Improve internal and external operational and administrative communication
- Improve safety for public safety personnel and citizens
- Measure the effectiveness of strategies and tactics in a timely manner
- Analyze the deployment of personnel and resources
- Enhance employee productivity
- Eliminate redundant and repetitive action
- Reduce operational risks
- Reduce and/or eliminate administrative time

The development of a Public Safety Technology Master Plan requires subject matter expertise for both fire and police business processes and public safety Information Technology systems. The onsite assessment revealed that City of Fountain fire and Police Departments have professional subject matter experts that can identify business process improvements. However, City of Fountain personnel do not have the requisite subject matter expertise for public safety



Information Technology systems and it is recommended that outside expertise be employed for this phase of the project.

Primary applications that should be examined include:

- Computer Aided Dispatch (CAD) for fire/EMS and police
- Automatic CAD integrated queries that connect to internal and external databases for queries such as stolen vehicle tag, vehicle tags related to a Be On The Lookout (BOLO), address history and safety/hazard warnings specific to an address or location name
- Geographical Information System (GIS) capable of mapping all geofile validated information from any of the system applications
- Automatic Vehicle Location (AVL) system integrated with the CAD application for closest unit dispatching
- Mobile Data Computer (MDC) laptops for fire and police vehicles
- Network applications that allow MDCs to connect to databases via Local Area Network (LAN), Wireless Local Area Network (802.11), Radio Frequency (800/700 MHz) or Cellular bandwidth
- Fire Records Management System (FRMS) with applicable modules for Emergency Medical Services, EMS billing, Incident Reports, Training, Inventory/Supplies and Scheduling
- Law Enforcement Records Management System (LRMS) with applicable modules for NIBRS/UCR, Incident Reports, Traffic Crash Reports, Case Management, Property and Evidence and Crime Analysis
- Report Generator applications that provide user friendly statistical, graphical and mapping reports from all primary applications
- Electronic Document Management System (EDMS) to image, archive and retrieve documents

A Technology Master Plan will also identify infrastructure requirements including:

- Location of a secure Computer Operations Room that will house all application servers
- Redundant servers for mission critical applications
- Data backup system and off site storage process
- Employment of an Uninterrupted Power Supply (UPS) for primary applications and backup generator system



- Fire suppression system that will not damage equipment in the Computer Operations Room

Finally, the Technology Master Plan should identify staffing and cost requirements related to the implementation of the Technology Master Plan. Appropriate staffing is required to ensure the system operates as designed. No system should be purchased without appropriate staffing. A full suite of public safety applications and products would require a minimum of one Full Time Employee (FTE). Project costs include:

- Computer Operations Room configuration
- Initial hardware purchase
- Initial application purchase
- Installation and configuration cost
- Training costs
- Recurring cost – Wireless network
- Recurring cost - Annual maintenance fee
- Warranty costs of hardware
- Replacement and repair costs
- Hardware and software upgrade costs
- Life expectancy of hardware and software – Refresh costs

No technologies should be purchased until a Technology Master Plan has been developed. An objective audit and assessment of current applications is required. Where applicable, currently utilized applications should be leveraged for maximum benefit.

To ensure maximum cost efficiency, the final plan should include an operational task list and projected schedule to completion. The project plan should identify any immediate business requirements that may require expenditures that are disparate from the long-term project objectives. Funding should not be expended on technologies that are not a component of the Technology Master Plan unless the procurement is demonstrated via a cost benefit analysis to be the correct decision. For example, a time constraint may be a justification to expend funding on a current application if the long-term solution may not be operational for an unacceptable period of time.



FISCAL IMPACT

The City of Fountain requires expert information concerning public safety Information Technology systems to develop a Technology Master Plan.

Recommendation	2008	2009	2010	2011	2012
Public Safety Information Technology Expert	(\$25,000)	\$0	\$0	\$0	\$0
IT Full Time Employee	(\$32,500)	(\$65,000)	(\$65,000)	(\$65,000)	(\$65,000)

5.3 OPERATIONS MANAGEMENT – MAXIMUM PRACTICAL CAPACITY PLAN

The efficient and effective allocation and deployment of public safety personnel and equipment has a direct impact on cost of operations. Maximum utilization of resources can reduce operational costs while improving public safety services to the community. As articulated in section 5.2 – Public Safety Technology and Information Management – accurate and timely data are required to effectively manage public safety personnel and resources.

As defined in the book *Operations Management for Competitive Advantage*; ‘capacity’ is defined as “the ability to hold, receive, store, or accommodate.” For business purposes, capacity is “viewed as the amount of output that a system is capable of achieving over a specific period of time.” In a service setting such as public safety, it is the number of customers that can be handled in a specific time period.

Capacity planning is divided into three time periods:

- Long range – Greater than one-year
- Intermediate range – Monthly to one-year
- Short range – Immediate, daily and weekly

Capacity, as in “the amount of resource inputs available relative to output requirements over a particular time period,” does not make a distinction between efficient and inefficient use of capacity. Obtaining a maximum output at the greatest efficiency and effectiveness possible is the objective of “maximum practical capacity” planning.

An important measure is the “capacity utilization rate, which reveals how close a firm is to its best operating point (that is, design capacity).” Capacity flexibility is having the “ability to rapidly increase or decrease production levels, or to shift production capacity quickly from one product or service to another.” Flexibility is achieved through a flexible organizational structure,



processes, workers and through strategies that use the capacity of the entire organization and/or other organizations.

Service capacity is specifically time and location dependant and it is subject to more volatile demand fluctuations, which have a direct impact on service quality. “Planning capacity levels for services must consider the day-to-day relationship between service utilization and service quality.”

Strategic capacity planning involves an investment decision that must match resource capabilities to a short, intermediate and long-term forecast. A requirement of strategic capacity planning is to ensure all business processes are examined to ensure maximum utilization of personnel. The need and request for additional staffing is directly related to the City of Fountain’s police and Fire Departments ability to demonstrate current staffing levels do not meet service level requirements even while operating at maximum efficiency and effectiveness.

Examples of a Maximum Practical Capacity objective include:

- Improve customer satisfaction at a reduced cost
- Improve quality of City of Fountain public safety services
- Maximize effectiveness of current staffing
- Effective utilization of all public safety personnel
- Ensure citywide coverage as best possible
- Reduce response times to calls for service
- Establish guidelines for held calls for service
- Reduce number and duration of held calls for service
- Improve public safety productivity

FINDING

The fire and Police Departments have implemented informal components of a maximum practical capacity plan. Given the problems associated with obtaining timely and accurate data plus funding limitations, both departments can be commended for their “adapt, overcome and improvise” attitude to providing professional public safety services.

No formal maximum practical capacity plan analysis has been conducted. While data mining is not optimum, some relevant data are available to provide both departments with actionable information that could improve their operational decision making processes.



RECOMMENDATION

Recommendation 5-3:

Develop a Maximum Practical Capacity Plan for both Fire and Police Departments.

Maximum Practical Capacity Planning starts with understanding all aspects of workload data as previously articulated. Accurate analysis of workload data can provide management with direction for the appropriate allocation and deployment of personnel and equipment.

For police operations, patrol schedules can be supplemented for high activity time periods (i.e., 9:00 p.m. to 12:00 a.m.) and reduced during non-peak periods (i.e., 3:00 a.m. to 6:00 a.m.). The same is true for day of week and other identified trend patterns. A more specific geographic assignment of personnel than a district may reduce response times and improve officer safety (i.e., back-up officer arrives faster).

As with police operations, fire operations could realize improved response times and services delivered through System Status Management (SSM). SSM is precisely allocating limited resources based on accurate data to meet a fluctuating demand. Research has demonstrated that public safety services can be improved at a reduced cost through the analysis of cyclical patterns of volume, type of activity and geographic demands matched with a time element.

Fire response times have a direct impact on the Insurance Service Office (ISO) rating for a community. Additionally, in life threatening medical emergencies, the arrival of Basic Life Support (BLS) or Advanced Life Support (ALS) personnel in five-minutes or less saves lives. Unlike police units, fire and Emergency Medical Service (EMS) vehicles frequently require an “out of chute time.” This is the time required for Fire Fighters and EMS personnel to gear-up, load into an apparatus/vehicle and leave the fire station. The Fire Chief advised there is no formal policy for the Fire Department’s “out of chute time” but it is known to be 60-seconds during waking hours and 90-seconds during sleeping hours. The Fire Department does not have a formal metric testing process to determine compliance with the Fire Chief’s direction.

If workload analysis determines that there is an 80 percent chance an ambulance will be dispatched on a Friday night from 10:00 p.m. to 12:00 a.m., SSM operations would demand the ambulance staff be operational (i.e., dressed in gear and vehicle activated) and assigned to a central area to reduce the response time of a call for service.

FISCAL IMPACT

The development of a Maximum Practical Capacity Plan requires expert knowledge and staff time for data analysis. The fire and Police Departments may require some external assistance if they are unable to free current personnel to complete this initiative.



5.4 **PUBLIC SAFETY COMMUNICATIONS CENTER**

The City of Fountain Police Department's communications center dispatches both fire and police services. A public safety dispatch center should be considered a "life critical" operation, which requires a higher standard than a mission critical operation. Public safety dispatch center personnel are responsible for ensuring 9-1-1 telephone calls for help from citizens are answered immediately and the correct action is taken. An added layer of complexity and workload is the fact that the City of Fountain dispatch center is responsible for emergency medical calls for service. To complete this assignment, the dispatch center follows the National Academy of Emergency Medical Dispatch Protocols. Additionally, dispatch personnel ensure fire and police resources are provided accurate information and act as the primary safety mechanism if a problem occurs.

FINDING

An examination of the dispatch center, the variety of tasks assigned to the dispatch center personnel, dispatch center staffing levels and workload identified a severe problem that requires immediate attention and resolution. The dispatch center has clearly become a central facility for a host of activities that are not related to the dispatching of public safety personnel. The intent of these assignments was to maximize available resources as much as possible. Utilizing resources at optimum capacity should always be a primary objective unless the optimization may reduce the quality of the work product for life and mission critical operations.

Numerous examples were provided that demonstrate cross-purposes that can have a severe negative impact on public safety operations. A high-level overview for what dispatcher center personnel are responsible includes:

- 9-1-1 police, fire and medical emergency telephone calls
- Police and fire radio activity
- Police administrative telephone number
- Police department walk-in services
- After-hours (4:30 p.m. to 8:00 a.m.) utilities workload including a telephone rollover that routes telephone calls to the utility departments to the public safety dispatch center during the aforementioned hours
- Other services

It is more common than not that there is a single dispatcher assigned to the dispatcher center. Interviews and a review of current schedules revealed that a single dispatcher is assigned on Tuesday, Wednesday and Thursday from 8:00 p.m. to 10:00 a.m. plus Saturday, Sunday and Monday from 12 midnight to 2:00 p.m. This does not include the negative impact on dispatch center operations when dispatcher personnel utilize sick, vacation or training time.



There are nine Full Time Employee (FTE) positions assigned to the Police Department dispatch center. On September 30, 2007, the current staffing level was six fully trained dispatchers, two dispatchers in training and one vacant position.

The public safety dispatch center requires a minimum staffing analysis and mandatory policy that ensure minimum operational staffing is obtained. Analyses of the life critical workload data that dispatch center personnel are responsible for (i.e., 9-1-1 calls for service, Emergency Medical Dispatching protocols and police and fire radio activity) demonstrate that a single dispatcher is not capable of providing the required level of service to the community and public safety personnel.

An example is directly related to the implementation of the City of Fountain's Emergency Medical Services (EMS) enterprise. EMS requires Emergency Medical Dispatching (EMD) protocols. EMD protocols are nationally accepted standards created to save lives. The cost impact is that EMD protocols require EMD certified dispatchers to stay on the telephone line with citizens who have called 9-1-1 with a medical emergency until public safety resources have arrived at the incident location. EMD protocols are often a time consuming process that essentially dedicates a dispatcher to only the EMS/EMD activity for a period of time. The dispatcher is unable to answer additional 9-1-1 calls for help, respond to police radio traffic or direct fire resources during the EMD event.

As previously articulated, information provided demonstrates that there are times when only a single dispatcher is working in the public safety dispatch center. In fact, examples were provided in which the dispatcher requested police and fire personnel to not contact the dispatch center via the radio system. Police and fire services have created work around solutions for this problem. On duty police personnel act as the "dispatcher" for each other. Upon being free for police and fire radio traffic, the dispatcher notifies police and fire personnel and eventually plays catch-up with the Computer Aided Dispatch (CAD) data for the police and fire activity that occurred while the dispatcher was unable to respond. Interviews revealed fire personnel often go to a different talk group when the dispatcher is busy and utilize another Fire Department's dispatch center for assistance. This is unsafe for both police and fire personnel and does not provide accurate police and fire CAD data for analysis.

Interviews and inspection of fire incident reports also revealed a conflict in the perception of how accurate the CAD data is regarding Fire Department response times. The Fire Department does not always utilize the CAD "arrived on scene" time for their FIREHOUSE incident reports as there is a belief that overloaded dispatch center does not log an apparatus as "arrived on scene" in a timely manner. Fire department custom allows Fire Fighters to estimate the "arrived on scene" time in their FireHouse incident report which may not withstand external scrutiny.

Nationwide, it is a common occurrence for public safety agencies to have difficulty maintaining reliable dispatch center staffing levels. A paradigm that may be involved is the perception that public safety dispatchers are not skilled employees but are an entry-level position. To be clear, public safety dispatchers require a great deal of operational and technological skill to successfully complete their assignment. Not answering a 9-1-1 medical emergency telephone call, mishandling a 9-1-1 emergency call, or missing police/fire radio traffic for help can have



grave consequences. Agencies have improved salaries and benefits to recruit applicants and implemented a variety of programs to retain dispatch employees.

Interviews and documentation demonstrated that seven City of Fountain public safety dispatchers have resigned from employment from 2005 to date to go to work for adjacent public safety dispatch centers (i.e., El Paso, Colorado Springs and Probation). Additional City of Fountain public safety dispatchers resigned from employment for the same reason prior to 2005. The cause and effect pattern for the retention problem is clear given the total staffing strength (nine FTE positions), rate and reasons of resignations.

There are multiple negative cost impacts in being unable to retain trained proficient employees. The original Return on Investment for training the employee is lost, institutional knowledge gained from working in the dispatch center is lost, an increase in monetary cost to operate the dispatch center if overtime is required to supplement the vacant position, a decrease in dispatch center employee morale due to the strain of the added workload and finally, the new cost of advertising, hiring and training a new dispatch center employee.

RECOMMENDATION

Recommendation 5-4:

Immediately develop a dispatch center action plan and staffing analysis

A minimum standard of care for dispatch center operations should be designed and implemented. Analysis should include prioritization of activities:

- Life-Critical – 9-1-1 calls, Emergency Medical Dispatching, police and fire radio traffic
- Mission-Critical – Administrative telephone line, police queries, adjustment of fire resources
- Administrative – After hours support services for walk in assistance, utilities, etc.

Minimum staffing requirements can be estimated through the calculation of historical workload activity and the assignments mandated as necessary to complete. Each assignment will have an impact on the staffing level required to successfully complete dispatch operations. Once an accurate historical workload picture is developed, anticipated future workload should be included in the calculation for short, intermediate and long-term planning. A back-up plan should be developed including the additional cross training of other police and fire personnel that may be required to temporarily work in a dispatch position to ensure the designated minimum staffing level is always maintained. (Note: The Police Department currently has some cross-trained employees and utilizes them when applicable). For example, as a temporary solution non-dispatch center police and fire personnel may be able to answer the administrative telephone lines and walk-in services while dispatchers focus on life critical operations. Analysis may also determine cost efficient non-public safety solutions of handling after-hours utility issues.



An area wide analysis of public safety dispatch center salaries, benefits, incentive programs (if applicable), training, and retention periods should be conducted. Previous to a long-term solution being developed and implemented, temporary solutions such as over-hiring dispatch center positions should be discussed. A staffing analysis will also identify positive and negative aspects of the current processes to attract, hire, train and retain dispatch employees.

FISCAL IMPACT

A dispatch center minimum staffing analysis initiative may or may not determine additional staff is required or costs incurred depending upon the policy decisions made concerning dispatcher center assignments. Fiscal impacts could be additional overtime for dispatch and non-dispatch personnel, over-hiring positions, increase in salary and benefits and increase in the number of dispatch center FTE positions. If implemented, there may be a fiscal impact for non-public safety responsibility for after-hours utilities traffic.

5.5 PUBLIC SAFETY RADIO SYSTEM

In public safety, the most important type of equipment and technology used to protect the safety of citizens, save lives, prevent property damage, maintain order, deploy fire, emergency medical and police resources, and ensure the safety of police and fire personnel is the public safety radio system. An adequate radio system is absolutely essential to ensure public safety personnel can properly communicate during all events from emergency situations to non-emergency operational activities. An abundance of research has been conducted and published mandating effective and interoperable radio communications systems for federal, state and local public safety organizations. After action reports of September 11, 2001 and other tragic events demonstrate the catastrophic consequences if public safety personnel cannot adequately communicate via a radio system.

FINDING

The City of Fountain fire and Police Departments utilize an 800 MHz voice radio system owned and operated by the Pikes Peak Regional Communications Network. Documentation shows in 1999, the City of Fountain originally refused to become an investor in the Pikes Peak Regional Communications Network when it was designed. The City of Fountain obtained fire and police access to the 800 MHz radio system in 2001 via a lease-use agreement. A review of the 'Participation Agreement' between the City of Fountain Police Department and the Pikes Peak Regional Communications Network signed in April 2001 shows the City of Fountain as a 'participant' user of the system with negligible authority or management control concerning the operational performance of the system. This is not unusual since the City of Fountain incurred no ownership costs in the design, construction and implementation of the 800 MHz radio system. The benefit of the 2001 lease-use agreement is the City of Fountain obtained access to a modern 800 MHz radio system at a reduced cost. The negative aspect is the City of Fountain cannot mandate minimum performance requirements such as minimum radio system coverage criteria and minimum audio quality standards.



Interviews and documentation with police personnel revealed a serious potentially life-threatening problem with the 800 MHz radio system. The Police Department has strong documentation concerning four specific problem areas:

- Geographic dead spots – Police personnel are unable to transmit or receive with their portable radios in identified areas in the City of Fountain.
- Inability to Communicate/Busy signals – It is a common occurrence for police personnel to be unable to transmit or receive due to radio activity by surrounding public safety agencies that overload the 800 MHz radio system.
- Non-serviceable radio consoles – The City of Fountain police and fire dispatch center is currently utilizing consoles that have exceeded their normal life-cycle, resulting in repairs of the consoles being extremely problematic. Additionally, the consoles are unable to utilize life-saving functions and features provided by the 800 MHz radio system, such as the emergency broadcast button on all police and fire portable radios that allows public safety personnel to call for help if they cannot talk.
- Inability for interoperability – The dispatch center consoles can only monitor one talk group at a time. The dispatch center cannot monitor any radio system traffic between police and fire personnel and other public safety agencies. Additionally, the dispatch center must “abandon” the primary police talk group to move to a separate talk group which is a severe officer safety problem

In February of 2007, the City of Fountain Police Department applied for an Edward Byrne Memorial Justice Grant to resolve the radio system problems. The Byrne grant proposal documentation precisely identifies the radio system problems, options for resolution and fiscal impacts. The information in the grant proposal matches the information obtained in focus group interviews. Items proposed for purchase included:

- Five Quantar Repeaters for an existing tower on the south east portion of the Pike Peak Regional Communications Network
- 40 800 MHz mobile radios
- 40 hand-held microphones for existing portable radios
- Three Dispatch center consoles

The following information was taken directly from the Byrne grant proposal:

Fountain Police Department has collaborated with the Pikes Peak Regional Communication Network (PPRCN) to address our communications needs. PPRCN and our administrative staff have discussed the needs of this department and have come up with a plan that would not only benefit this department, but also the needs of surrounding agencies.



The project has two primary goals. The first goal is to purchase new radios and to upgrade existing radios to obtain greater radio reception. The second goal is to improve existing radio towers and to install equipment needed to enhance the existing radio network for the City of Fountain as well as surrounding areas. The enhanced radio network would not only improve police coverage, but would also augment public works, utilities, Fire Departments, and ambulance service coverage throughout El Paso County.

The first objective of our first goal is to purchase and install mobile 800 MHz radios in each patrol vehicle. The mobile radios receive a stronger signal and provide a wider service area than the hand-held units. Studies conducted by the PPRCN show that mobile radios receive and transmit in a larger area with better coverage...the mobile radios will greatly enhance our communication capabilities. Provided that grant money is received, the mobile radios can be installed and operational within six months.

The second objective for our first goal is to purchase and install public safety microphones to enhance the effectiveness of our hand-held radios. The hand-held radio antennas are attached directly to the top of the radio. When the officer is wearing the hand-held radio and sitting in a patrol car, the antenna is positioned between the seat and the vehicle door. This does not allow a clear signal to the radios. The public safety microphones place the antenna on the officer's shoulder and provide for clearer signals. Provided grant money is received, public safety microphones can be installed on all hand-held radios and be operational in three months.

The third objective for our first goal is to purchase and install radio consoles for our dispatch center. The consoles would have the ability to monitor and directly respond to emergency button (EB) activations and provide the increased flexibility of the dispatch center to monitor and transmit on a wide array of channels. Provided grant money is received, three dispatch radio consoles can be installed and operational in twelve months.

The first objective of our second goal is to work with PPRCN to survey the existing radio site towers to establish which tower would prove most beneficial to raise the height of and add five Quantars (repeaters) to. The added height of the selected tower would allow for a clearer signal to be transmitted providing for greater coverage of the valleys and hills in the area. This would and eliminate most, if not all, of the dead spots in the area. It is expected that this objective will be met within three months.

The second objective of our second goal would be to actually raise the height of one tower to provide optimal range of radio signals. This work would begin after the first objective of the second goal was met and would be completed in nine months.



The third objective of our second goal is to install five repeaters to the taller tower. With the addition of the five repeaters, availability of air time would increase and busy signals would be decreased. The increased coverage would benefit not only this department but also the agencies that operate in the southern portion of El Paso County. Work on this objective would begin following completion of the first objective of our second goal and would be completed in nine months.

This department is dedicated to the success of this project and has budgeted \$62,000 for 800 MHz upgrades for 2007. We have also reached an agreement with the PPRCN in which they will contribute the land and existing tower for upgraded equipment. They will also fund all future maintenance needs for the tower site. Fountain will fund all future maintenance needs associated with the mobile radios.

RECOMMENDATION

Recommendation 5-5:

Immediately resolve identified problems with the public safety 800 MHz radio system.

The potential life-threatening seriousness of this issue cannot be over emphasized and requires immediate attention. The proposed solution made by the Pikes Peak Regional Communications Network engineering analysis are sound and consistent with public safety radio system best practices. At the time of this report, the Byrne grant proposal had been denied. It is recommended that the solutions proposed in the Byrne grant proposal be implemented even if external funding cannot be obtained.

FISCAL IMPACT

The Byrne grant proposal indicates the City of Fountain Police Department budgeted \$62,000 for 800 MHz radio system upgrades in the 2007 fiscal year.

Recommendation	2008	2009	2010	2011	2012
Existing Budget for 800 MHz Upgrade	(\$62,000)				
Mobile Radios and Microphones		(\$152,680)			
Quantar Repeaters		(\$91,500)			
Consoles		(\$49,000)			
Total		(\$293,180)			



5.6 **PUBLIC SAFETY PROCUREMENT PROCESS**

Best business practices mandate a cost benefit analysis and formal procurement process for major expenditures such as infrastructure, personnel, vehicles and equipment. Objective research in the form of a cost benefit analysis, cost justification and Return on Investment report demonstrate the positive and negative impacts of the requested purchase.

Formal policies and procedures are required in the procurement process to eliminate bias and subjectivity. Professional business practices attempt to remove human nature from the purchasing equation. For example, an advocate of a specific purchase request may not advertise all potential costs and risks associated with the project. Bringing attention to unforeseen costs and potential causes for failure may seem counterintuitive to an advocate of a purchase request yet it is imperative that the total costs and risks must be known by all decision makers involved in the process.

Formal processes also identify total recurring costs of a purchase (i.e., mandatory annual maintenance), impacts of costs such as staffing time required to implement the project, specialized training needed for staff, external expertise required, equipment and other costs.

Major expenditures should demonstrate the Return on Investment (ROI) for the expenditure in the form of performance metrics. All public safety work activity and services provided are measurable. An ROI includes an objective estimation of how the purchase and/or project will improve the organization in a precise manner. Policies and procedures should be developed that will ensure the identified areas for improvement are accurately measured and will be used to demonstrate the success or failure of the project if approved.

FINDING

A review of documentation provided and interviews with personnel revealed that there is no formal cost benefit analysis and procurement policy in place to ensure objective expenditure decisions.

Two examples will be used for this report, the Fire Department's purchase of a ladder truck and the Police Department's firearms qualification process. The objective of these examples is not to support or oppose the decision made. The objective of using these two examples is to provide clarity on best business practices concerning a major expenditure or decision to not expend funds.

Fire Department Ladder Truck Procurement Process

In June 2007, the Fire Department requested approval to purchase a 2006 Metz/Rosenbauer 102 feet Ladder/Rescue/Platform truck. Fire department personnel provided the documentation utilized to justify the purchase request. The cost justification included:

- The Fire Department's current height limitation with real building examples



- Improvement in the Insurance Service Office (ISO) rating for the City of Fountain if a ladder truck was in the Fire Department's inventory
- Cost comparison of a new ladder truck, used ladder truck, and demonstration ladder truck

The documentation provided was inadequate as related to best business practices. That is not to say that Fire Department personnel did not have the requisite information. The finding is that a formal process and final purchase request package to make an objective decision was not developed.

A high-level view of formal objective documentation for a purchase of this magnitude would include:

- Needs Assessment – Clearly defined objectives the purchase of a ladder truck will accomplish. As defined in the Fire Chief's Handbook (sixth edition) by Fire Engineering:
 - *What will be the primary function of the new vehicle?*
 - *What other functions will the apparatus need to function?*
 - *What physical characteristics or restrictions are critical for the new vehicle?*
 - *What features are preferred but are not necessarily required for the new vehicle?*
 - *How many persons will the apparatus normally need to carry and how many persons will it need to carry as a maximum?*
 - *Are there special operating conditions that the vehicle must meet?*
 - *Are there special requirements for carrying equipment or powering equipment?*
 - *What is the projected activity level of the vehicle?*
 - *What persons will be operating the apparatus?*
 - *How much funding is available for the purchase of the apparatus?*
- Workload analysis - Precise examples of calls for service the ladder truck would be used in a primary or secondary capacity (i.e., commercial, business, residential structure fires; water rescue, etc.)
 - Historical workload analysis related to the Needs Assessment. For example, a three-year history of the number of commercial, business, residential structure fires, water rescue, etc., to which the Fire Department responded.
 - Projected workload of the ladder truck utilizing historical workload analysis in addition to future growth implications.



- Performance metrics – Metrics that will be used to demonstrate the ladder truck is meeting the desired objectives. The metrics should use historical data plus new processes as applicable to accurately measure the effectiveness of a ladder truck into the Fire Department’s inventory.
- Collaboration assessment – Identify number, type and capacity of ladder trucks used by the surrounding Fire Departments and the utilization of mutual aid agreements and/or shared costs.
 - Document if the area has an adequate number of ladder trucks compared to workload and response time.
- Proposed policies and procedures to utilize a ladder truck – Identify how the ladder truck will be implemented by the City of Fountain Fire Department along with changes in current processes that will be required because of the inclusion of a ladder truck.
- National Fire Protection Association (NFPA) 1901 Standard for Automotive Fire Apparatus requirements – Minimum Specification Requirements of a ladder/platform truck
- Estimated total costs of a ladder truck:
 - Cost of ladder truck, delivery and configuration
 - Cost of equipment required for a ladder truck if not included in the purchase cost
 - Estimated annual cost to operate a ladder truck (i.e., fuel, maintenance)
 - Cost and FTE hour impact on city fleet department for training and equipment required to make a ladder truck operational and for annual maintenance
 - Annual maintenance fee to ladder truck vendor
 - Estimated time ladder truck will be out of service annually for maintenance
 - Estimated life-cycle of a ladder truck
 - Insurance cost
- Location costs – Identify fire station (strategic location based on anticipated workload) a ladder truck would respond from ensuring the fire station has the infrastructure to hold a ladder truck.
- Associated costs:
 - Minimum number of Fire Fighter Full Time Employee (FTE) staff required to operate the ladder truck



- Minimum number of Full Time Employee (FTE) staff required to ensure the ladder truck is operational on a 24/7 basis
- Estimated minimum training time (FTE hours) required to ensure proficiency of Fire Department personnel who will operate the ladder truck
- FTE reclassification – Identify any FTE positions that may require reclassification (i.e., increase in salary) due to specialized training
- Redundancy and succession plan to ensure if an individual FTE leaves the Fire Department, the operation of the ladder truck is maintained
- Implications of a ladder truck – For example, the inclusion of a ladder truck into the inventory will directly impact the City of Fountain’s water/fire hydrant system. Water department personnel should be included in the decision process to ensure the ladder truck can safely utilize the City of Fountain’s fire hydrant system:
 - Implications of using existing fire hydrant system – Ladder truck only
 - Implications of using a ladder truck in conjunction with a engine/pumper from the same hydrant
- Risk Assessment – Identify all risks and impacts associated with this project. For example:
 - Fire department manpower – Through various interviews there appeared to be confusion concerning the minimum number of Fire Fighters required to safely operate the ladder truck. Statements of one, two and up to four were made. The correct number is a minimum of four Fire Fighters (and more for some specialized operations). To obtain the minimum of four Fire Fighters, the Fire Department may have to send two fire engine companies (i.e., Fire Station #1 engine company and Fire Station #2 ladder truck) to operate a single ladder truck apparatus. The implication is the Fire Station #1 engine company is not available for service in the Fire Station #1 run area and additional personnel would be required to operate the Fire Station #1 engine that was on scene. This may be an acceptable practice. However, the actual impact should be known in advance of the purchase decision.
- Project schedule – Project manager, project task list and project schedule to full implementation.
- Insurance Service Office (ISO) rating – The ladder truck purchase proposal included information that the “*ISO rating cannot be lowered until a ladder truck is in place*” and “*Property insurance premiums can be lowered when the ISO rating is lowered.*” ISO information to support this statement should be included in the cost justification report:



- Current ISO rating for the City of Fountain and schedule for next ISO rating period
- Current calculations used to determine the ISO rating
- Documentation from ISO demonstrating the net effect a ladder truck would have on the ISO calculation
- Procurement process – The ladder truck purchase proposal included a cost comparison of the 2006 Metz/Rosenbauer 102 feet Ladder truck new, used and demonstration model. A cost justification report would show actual costs paid by other Fire Departments for this same apparatus to confirm the price provided by Metz was reasonable.

Police Firearms Qualification

Prior to 2005, the City of Fountain made a decision to not participate in a countywide law enforcement firearms qualification range for fiscal reasons. Interviews indicated that the initial cost for participation was \$25,000 with an unknown recurring cost. The decision to not participate has resulted in all sworn personnel making a 104 mile round trip to the Colorado Department of Corrections firearms range on a quarterly basis.

A cost benefit analysis would have calculated the cost of qualifying at the Colorado Department of Corrections firearms range versus the \$25,000 fee. Total costs calculated would include:

- Annual loss of Full Time Employee (FTE) hours traveling 2-hours to the firearms range
 - Normal qualification department total = 320-hours
 - SWAT qualifications would add to the 320-hours
- Overtime costs incurred traveling to and from the firearms range
- Fuel costs and wear on police vehicles
- Operational time lost by personnel who are traveling and not on active duty
- Physical, emotional, and morale impact on personnel making the 2-hour trip to the firearms range

A cost benefit analysis may have demonstrated that the \$25,000 fee to participate in the countywide firearms range was more cost efficient and operationally effective than having personnel travel 104 miles round trip for firearms qualifications.

RECOMMENDATION

Recommendation 5-6:

Implement a formal procurement and cost benefit analysis process.



It is the responsibility of government officials to ensure that taxpayers' dollars are expended as efficiently and effectively as possible. As the steward of tax generated revenue, it is mandatory that government officials ensure that the best business practices are employed to obtain the highest Return on Investment and value for funds expended.

Formal procurement and cost benefit analysis policies and procedures ensure City of Fountain personnel abide by the established guidelines. The expenditure of funds should be a clean and transparent process with all facts known, both positive and negative, to personnel in the decision making process. The removal of bias, subjectivity and emotion from the procurement process leads to improved decisions. The City of Fountain and its citizens will benefit from business decisions based on objective, accurate, and relevant information.

FISCAL IMPACT

This recommendation can be implemented within existing resources.

5.7 FIRE DEPARTMENT OPERATIONS

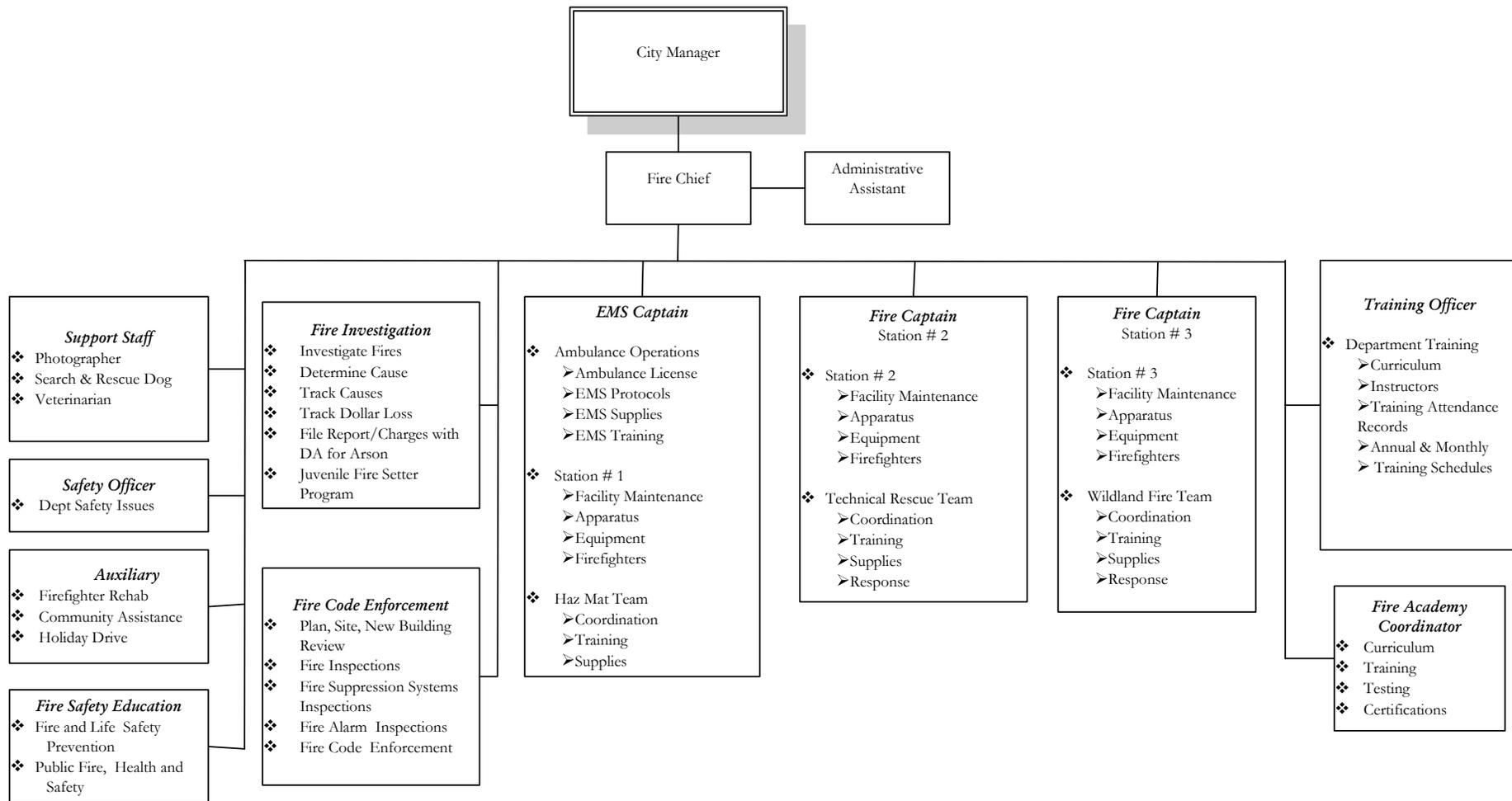
Exhibit 5-3, presented on the following page, illustrates the current organizational structure of the Fire Department

The Fire Department has three fire stations of which each is managed by a Fire Captain. The Fire Department maintains 25 Full Time Employee (FTE) positions and 35 volunteer certified Fire Fighters and is configured in the following manner:

- Fire Chief
 - Administrative Assistant
- Fire Training Officer (Line Fire Fighter)
 - Department Training
 - Department Fire Academy
- Fire Code Enforcement (Line Fire Fighter)
 - Fire Inspections and Fire Code Enforcement
 - Fire Investigations
- Fire Station #1
 - EMS Captain
 - EMS Protocols, Supplies, and Training
 - Ambulance Operations
 - Apparatus
 - Equipment



Exhibit 5-3 City of Fountain, Colorado Fire Department Organizational Structure



Source: Created by Evergreen Solutions, August 2007

- Fire Fighters
- Hazardous Materials Team
 - Coordination, Supplies, Training and Response
- Fire Station #2
 - Fire Captain
 - Apparatus
 - Equipment
 - Fire Fighters
 - Technical Rescue Team
 - Coordination, Supplies, Training and Response
- Fire Station #3
 - Fire Captain
 - Apparatus
 - Equipment
 - Fire Fighters
 - Wildland Fire Team
 - Coordination, Supplies, Training and Response

Interviews with fire personnel and review of documentation provided identified the following areas within the Fire Department that require attention.

5.7.1 Traffic Signal Warning Device and Emergency Vehicle Traffic Signal Preemption System

As articulated in previous sections, improving the response time of Fire Department emergency apparatus and personnel will have a direct positive impact on lives saved, injuries prevented and property saved. Additionally, the emergency operation of fire apparatus (i.e., exceeding the normal rules of the road) is considered a high-risk operation. Both public safety personnel and citizens are at risk when fire apparatus travel in a lights and siren mode. Due to their weight from water and equipment combined with inertia from speed, fire apparatus have a longer than normal stopping distance and are incapable of sudden maneuvers to avoid a crash. Added to this problem is the diverse manner in which citizens respond to emergency vehicles. Drivers often panic, freeze, immediately stop or swerve into adjacent lanes when an emergency vehicle approaches them.

Equipment and processes can be implemented to improve the response time of City of Fountain fire apparatus while reducing the level of risk during emergency vehicle operations. There are two distinct areas that response time and risk are affected by traffic:



- Exiting the fire station (also known as out of chute time)
- Traveling to the incident location

FINDING

Of the three City of Fountain fire stations, two fire stations present a potential hazard to fire personnel and citizens as fire apparatus exit the bays in emergency mode.

Fire Station #1 is located on Santa Fe Avenue (Highway 85). The roadway is four lanes and is a major north-south artery for the City of Fountain. There are no signaling devices to warn traffic of exiting fire apparatus. Southbound traffic does not have visual contact with exiting fire apparatus until 75 feet from the fire station. This is due to the fire station facing south, parallel to the roadway. Exiting fire apparatus at times wait up to one minute before they can safely exit onto the roadway.

Fire Station #2 is located on Fountain Mesa Road. The roadway is four lanes and a major artery for the City of Fountain. There are no signaling devices to warn traffic of exiting fire apparatus. Exiting fire apparatus at times wait up to one minute before they can safely exit onto the roadway. Fire personnel provided a traffic count that was conducted on Fountain Mesa Road on May 15 and 22, 2007, in front of the fire station, with the following results:

- NORTHBOUND: 8,181 and 8,927 vehicles per day
- SOUTHBOUND: 7,378 and 7,834 vehicles per day

Fire Station #3 is located on Camden Boulevard. This roadway is a secondary roadway and exiting the fire station has not been a problem for fire apparatus.

RECOMMENDATION

Recommendation 5-7:

Install a traffic signal/warning device at Fire Stations #1 and #2.

A traffic signal device would provide a cautionary warning, usually in the form of a flashing yellow light, that drivers are approaching a fire station. Fire personnel would activate the traffic signal/warning device for all calls for service that mandate an emergency operation (i.e., lights and siren) response. The traffic signal would stop traffic prior to fire apparatus exiting the fire station. A measurable Return on Investment for a traffic signal/warning device would include:

- Reduced risk to fire personnel, equipment and citizens as fire apparatus exit a fire station.
- Improved response time to life threatening emergency calls for service improves the ability to save lives, provide aid to injured citizens and prevent property damage.



- Reduction in fire apparatus response time has a direct positive impact on the Insurance Service Office (ISO) rating for the City of Fountain. ISO ratings impact fire insurance rates for residential and commercial property owners.

FISCAL IMPACT

The approximate cost for the City of Fountain to install a traffic signal/warning devices outside of Fire Stations #1 and #2 would be \$10,000.

Recommendation	2008	2009	2010	2011	2012
Traffic Signal/Warning Device	(\$10,000)	\$0	\$0	\$0	\$0

Recommendation 5-8:

Purchase and install an emergency vehicle traffic signal preemption system for applicable intersections.

Studies demonstrate a high percentage of emergency vehicle traffic crashes occur at intersections. Vehicles approaching an intersection with a green light are often oblivious to an approaching fire apparatus in emergency mode due to factors such as poor line-of-sight (i.e., obstructed view from buildings, topography and vehicles on the roadway) and the inability to hear an approaching siren (i.e., sound insulated vehicle, stereo volume, cell phone use). An emergency vehicle preemption system provides clear direction to intersection traffic by providing a green light for the fire apparatus and a red light for other traffic.

Utilizing traffic engineering expertise, Fire Department emergency operation workload statistics and anecdotal information from fire personnel, the City of Fountain should initiate a project to identify specific traffic signal intersections that are a potential danger to emergency vehicle operations. It should be noted that traffic signal preemption devices are typically utilized primarily for fire apparatus only due to the previously described their inability to quickly maneuver and/or stop.

Interviews provided anecdotal examples for this solution. As described by fire personnel, a significantly unsafe intersection in the City of Fountain for fire apparatus to cross in emergency mode is Mesa Ridge Parkway and Fountain Mesa Road. This intersection has a speed limit of 50 mph for east/west bound traffic. Compounding the problem is the fact that this intersection is located on top of a hill and east/west bound traffic does not have a clear visual of the intersection when approaching. It is also common occurrence for fire apparatus from Fire Stations #1 and #3 to travel against highway traffic signals when responding to emergency calls for service. Finally, intersection traffic congestion can be impacted by time of day (i.e., school drop-off and pick-up) and the result of a passing train.



A measurable Return on Investment for an emergency vehicle traffic signal preemption system includes:

- Improved response time to life threatening emergency calls for service.
- Reduced risk to fire personnel, equipment and citizens as fire apparatus travel in emergency mode.
- Reduced number of fire apparatus traffic crash incidents and near-miss crash incidents.
- Reduced impact of loss of mission critical apparatus/equipment as a result of a traffic crash.
- Reduced risk may result in reduced insurance costs.

FISCAL IMPACT

The estimated cost for the City of Fountain to purchase and install an emergency vehicle traffic signal preemption system to be used by designated fire apparatus is \$30,000.

Recommendation	2008	2009	2010	2011	2012
Traffic Signal Preemption System	(\$30,000)	\$0	\$0	\$0	\$0

5.7.3. Fire Operations Management

The City of Fountain Fire Department Response Code and Apparatus Response policy mandates multiple apparatus response for numerous types of calls for service. The intent of this policy is to ensure the appropriate number and type of fire apparatus, equipment and personnel are dispatched to a scene. While this policy has numerous positive impacts, there is an associated cost and operational impact. Fire calls for service are separated into specific categories. For example:

- Medical – Life-threatening medical emergency to non-life threatening
- Traffic Crash – Traffic crash with injuries and/or entrapment to no injuries or entrapment
- Fire Alarm – Residential and commercial
- Structure Fire – Residential, commercial, other
- Wild land/Brush Fire – Known brush fire to unknown fire/smoke (investigation)

Each type of call for service demands a specific type of response. Clearly, there are specific types of fire calls for service that mandate multiple apparatus, equipment and personnel be



dispatched to the incident while other types of calls for service do not require the same type of response.

The objective of Fire Department management should be to identify the appropriate balance in the deployment and allocation of personnel and equipment. As previously stated, the ability to make accurate data driven decisions concerning this issue is directly affected by the technology systems employed by the department. Policies and procedures must be developed and implemented in conjunction with data analysis.

Multiple factors impact the allocation, assignment and deployment of personnel and equipment. Factors include:

- Potential workload for a specific area
- Potential workload for a specific time frame
- Apparatus and equipment available
- Apparatus and equipment that are relevant to the anticipated workload
- Personnel available
- Training and qualifications of available personnel matched with the anticipated workload
- Strategic location of apparatus, equipment and personnel matched with the anticipated workload

It is common practice for Fire Department resources to be dispatched from two fire stations to a single incident for enumerated types of calls for service. The most common examples would be an ambulance and engine company or two engine companies dispatched to a single event. Depending upon the nature of the specific call for service and information known (or not known) at the time of dispatch, the response of multiple apparatus may or may not be appropriate. Since time is a critical factor in emergency situations and factual information is not always known at the time of dispatch, it is an appropriate policy to anticipate the severity of the situation and deploy resources in accordance with the anticipated severity level.

However, there is a cost to over-deploying resources. That is, sending multiple apparatus and personnel to an incident when they are clearly not required. The cost and operational impact include:

- Increased risk to apparatus, equipment, fire personnel and citizens while fire apparatus are operating in emergency mode.
- Potential increase in response time for a fire station reporting area when personnel and equipment are deployed to a different fire station reporting area. For example: The dispatching of an engine company from Fire Station #1 to an incident located in the reporting area for Fire Station #2 may increase the response time if an incident occurred



in the Fire Station #1 area while the Fire Station #1 engine company was deployed to the Fire Station #2 area.

- Operational costs such as fuel and use of apparatus (i.e., engine wear, transmission, tires).

Conversely, there is a valuable Return on Investment for developing improved policies and procedures related to the allocation and deployment of personnel and equipment:

- Decreased risk to apparatus, equipment, fire personnel and citizens by ensuring fire apparatus are only operating in emergency mode when applicable.
- Potential decrease in response time due to fire apparatus staying in their designated fire station reporting area.
- Potential for reduced operational costs for fuel and use of apparatus (i.e., engine wear, transmission, tires).

While the potential benefit for the appropriate utilization of personnel and resources is tangible and measurable, it does require expert knowledge of workload, equipment and personnel capabilities. Procedures must be developed that are flexible to a changing environment. The volunteer Fire Fighter program is an excellent example regarding improved procedures.

The City of Fountain Fire Department has an outstanding volunteer Fire Fighter program. All volunteers are graduates of the Fountain Fire Department Fire Academy and are Fire Fighter certified. The volunteers provide an important component to the overall abilities of the City of Fountain Fire Department. The outstanding benefit the volunteers provide to the City of Fountain is well documented. The implementation of new procedures in conjunction to the volunteer program could provide measurable benefits in fire operations management.

FINDING

Currently, there is no formal mechanism that changes the Apparatus Response policy in relationship to the number, qualification and/or location of volunteer Fire Fighters on active duty. Depending upon their qualifications, skill level and other factors, supplemental (volunteer) personnel should be assigned to an appropriate fire station based on a workload data driven decision.

The planned assignment of certified volunteer Fire Fighters and related change in the Apparatus Response policy would have a direct positive impact on the deployment and allocation of resources. Examples include:

- Fire Station #1 has four Fire Fighters (two full time employees and two volunteers). Previous to any changes in the Apparatus Response policy an 'X' call for service required an engine company from Fire Station #1 and an engine company from Fire Station #2. The addition of the two volunteer Fire Fighters at Fire Station #1 changes the Apparatus Response policy and only the one engine company from Fire Station #1 with four Fire



Fighters is deployed to the 'X' call for service. The apparatus, equipment, and personnel from Fire Station #2 are not required.

- A significant percentage of Fire Department calls for service activity are emergency medical incidents. Current Apparatus Response policy mandates the deployment of an ambulance and an engine company for most emergency medical incidents. The additional assistance of an Emergency Medical Technician (EMT) to the ambulance paramedic/EMT team is often required for several reasons including working a code (i.e., heart attack) event and/or driving the ambulance to the hospital while the EMT/paramedic team provide patient care in the back of the ambulance. For this type of incident, the volunteer Fire Fighter (EMT) can be assigned to the ambulance on initial deployment or respond to the scene in a quick response vehicle. Deploying an engine company to complete this assignment is not required.

RECOMMENDATION

Recommendation 5-9:

Assign volunteer personnel to provide the greatest benefit to fire operations. Update the Apparatus Response policy to provide flexibility when volunteers are on active duty.

The assignment and utilization of volunteer personnel requires professional planning processes. As previously described, historical workload data should be analyzed to forecast potential workload and qualified volunteer Fire Fighters assigned accordingly.

The assignment of volunteer Fire Fighters requires precise knowledge of each Fire Fighter's qualifications, skill level, strengths and weaknesses. The planning, tracking and codification of fire training information is the primary assignment of the Fire Training Officer.

Fire training is a key component to the success of the Fire Department. All personnel must be proficient with a wide variety of equipment, tactics and strategies. It is also imperative that the Fire Department be able to demonstrate professional training records for liability reasons. The fact that the City of Fountain Fire Department operates its own fire academy provides additional importance to the Fire Training Officer position.

Currently, the Fire Training Officer has numerous training related assignments while working full time online as a Fire Fighter. The Fire Training Officer's schedule is full of disruption from responding to calls for service during their shift to working a 24-hour shift which is not conducive to communication with all Fire Department personnel. It is also noteworthy that there is no over-time compensation allotted for the Training Officer outside the regular scheduled shifts (nine 24-hour shifts in a 28-day cycle). This limits the Training Officer's availability to respond in a timely manner to Fire Department training issues.

A cost justification analysis would demonstrate the City of Fountain Fire Department requires a full time Fire Training Officer position. The Fire Department does not have enough Full Time Employee (FTE) positions to take an FTE off the operational line for the Fire Training Officer position.



FISCAL IMPACT

This recommendation can be implemented within existing resources.

5.7.4 Fire Training Officer

As described in section 5.7.3, Fire Operations Management, the correct allocation and deployment of Fire Department personnel including volunteer Fire Fighters will improve the operational efficiency and effectiveness of the department.

FINDING

Fire fighter personnel, especially volunteer staff, cannot be appropriately deployed without fire management knowing their precise skills and certifications. The Fire Training Officer is assigned the responsibility to codify and disseminate all fire personnel training certifications, skills, and proficiencies. Fire management must have a clear and immediate understanding of the tasks that can be assigned to each individual Fire Fighter.

A volunteer Fire Fighter program has the ability to cause existing processes to be dynamic. As previously described, the capability of an engine company with only two FTE Fire Fighters assigned to it significantly improves when two volunteer Fire Fighters are added for a total of four Fire Fighters for the single engine company.

Fire departments respond to a wide array of events including:

- Medical emergency – Heart attack, illness, traumatic, physical injury
- Traffic crash – Entrapment, non-entrapment,
- Fire – Commercial, business, residential, vehicle, and wildland
- Alarm – Fire, smoke, natural gas, medic alert
- Special events – Hazardous materials, technical rescue

To successfully deliver professional services, fire personnel must maintain proficiency in a tremendous number of specialized areas. It is incumbent on fire management to appropriately plan, document, and execute all fire training sessions. Training programs must be relevant to the actual call for service activity realized by fire personnel and potential activity a specific environment may present.

Professional fire training business models demonstrate that fire training planning; documentation, and execution should be maintained by a single entity within the department to ensure maximum effectiveness of a training program. Additionally, professional risk management practices require accurate documentation of fire training programs due to Fire Department's being involved in high-risk and high-liability activities.



Interviews demonstrated that the City of Fountain Fire Department’s training officer does not have sufficient time and/or focus to successfully complete the tasks assigned to a Fire Training Officer. The current Fire Training Officer’s primary position is that of a line Fire Fighter and training assignments are considered a secondary role.

RECOMMENDATION

Recommendation 5-10:

Create a full time Fire Training Officer position.

Tangible benefits can be realized and measured by implementing a full time Fire Training Officer position. These benefits include:

- Improved coordination and scheduling of fire training programs.
- Development of a qualification and skills matrix of all FTE and volunteer Fire Fighters for appropriate active duty assignment.
- Increased attention to identifying and implementing training objectives
- Improved ability to focus on developing strategies and tactics for improving the quality and efficiency of fire training.
- Improved training documentation.
- Improved ability to supervise all training within the Fire Department to ensure training objectives are met and training is conducted consistently among the membership.
- Improved response to training related questions and concerns from department personnel and the public.
- Improved ability of the Training Officer to represent the Fire Department at county, state and national training meetings/conferences.
- Improved ability for the Training Officer to obtain, inspect and prepare prospective training sites to meet the National Fire Protection Agency standards which will allow for a safe and dynamic training environment.

FISCAL IMPACT

The City of Fountain Fire Department requires a full time Fire Training Officer position. Fire department documentation demonstrates a request for this FTE position as the equivalent of a Fire Captain with a salary range of \$21.07 - \$31.61 plus benefits.

Recommendation	2008	2009	2010	2011	2012
Fire Training Officer position	(\$25,286)	(\$50,572)	(\$50,572)	(\$50,572)	(\$50,572)



5.7.5 Fire Inspector

Equally important for a Fire Department's ability to respond to and suppress a fire is the prevention of a fire incident. A Fire Inspector conducts initial and follow-up inspections of the following structures:

- Business
- Educational
- Institutional
- Multi-family
- Single family
- Government
- Daycare
- Group care facility

Active and appropriate code enforcement and fire inspection prevent fire events and improve the safety of the Citizens of Fountain.

Pre-fire planning is also an important component of the Fire Department. Pre-fire plans provide responding fire personnel with relevant information to make accurate and quick operational decisions.

FINDING

Interviews and documentation provided revealed the Fire Department's Fire Inspector has a plethora of other responsibilities that negatively impact the fire inspection and pre-fire planning assignments. Of primary concern is the fact the Fire Inspector is a line Fire Fighter working a normal shift.

RECOMMENDATION

Recommendation 5-11:

Create a full time Fire Inspector position.

Extensive research demonstrates the tangible benefits received from fire inspection and pre-fire planning programs. Management should ensure an emphasis is placed on preventing fire events as well as improving the operational effectiveness of the Fire Department through accurate pre-fire plans. Fire department personnel understand the importance of the Fire Inspector position and completed a detailed FTE position cost justification report in January 2006.



FISCAL IMPACT

The City of Fountain Fire Department requires a full time Fire Inspector position. Fire department documentation demonstrates a request for this FTE position as the equivalent of a Fire Grade 12.

Recommendation	2008	2009	2010	2011	2012
Fire Training Inspector position	(\$25,286)	(\$50,572)	(\$50,572)	(\$50,572)	(\$50,572)

5.8 POLICE DEPARTMENT OPERATIONS

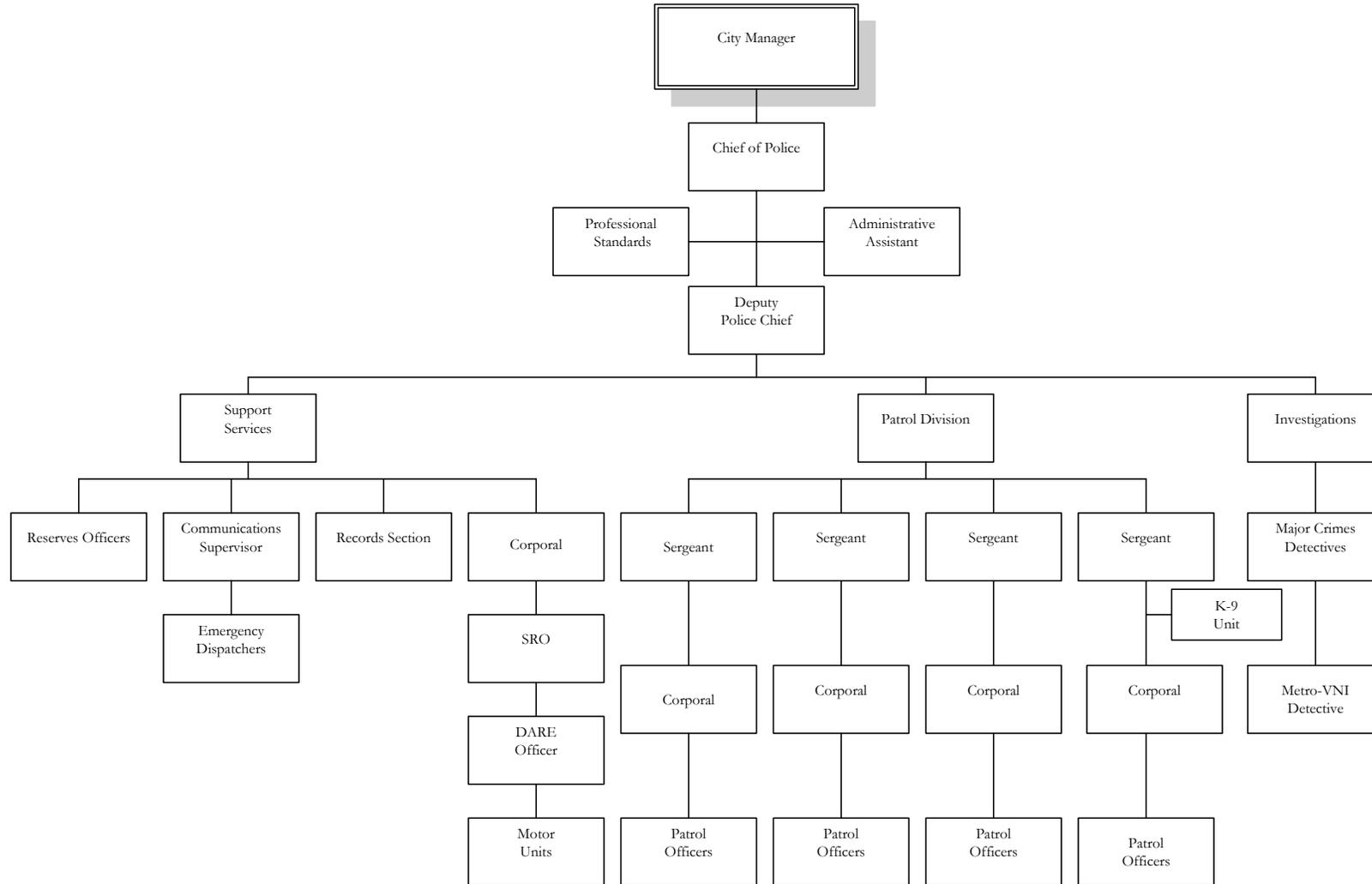
Exhibit 5-4, presented on the following page, demonstrates the organizational structure of the City of Fountain Police Department

The Police Department is comprised of 40 Full Time Employee (FTE) sworn officers and supervisors; two Volunteer Reserve Officers, nine FTE dispatchers, and three FTE and one part-time Records Section personnel. The department is configured in the following manner:

- Chief of Police
 - Professional Standards Sergeant
 - Administrative Assistant
- Deputy Chief of Police
 - Support Services Sergeant
 - Dispatch Center
 - Records Section
 - School Resource/DARE
 - Motorcycle/Traffic
 - Reserve Officers
 - Patrol Division Lieutenant
 - Four 12-hours shifts comprised of a Sergeant, Corporal and Officers
 - Canine
 - Investigations Sergeant
 - Major Crimes
 - Metro Vice, Narcotics, and Intelligence
 - Evidence Custodian



Exhibit 5-4 City of Fountain, Colorado Police Department Organizational Structure



Source: Created by Evergreen Solutions, August 2007

Population growth has a direct impact on public safety services. Public safety workload is directly related to the service, residential, business, industrial, and traffic populations of a community. While residential, business, industrial, and traffic populations are commonly understood, service population is defined as the number of people, vehicles, equipment, etc., that travel to and/or through a community on a 24/7 basis. This is especially true for the City of Fountain. For example, the construction of a residence or business may bring different workers, vehicles and equipment from areas outside the City of Fountain. The workers, vehicles and equipment bring potential risk for a public safety response such as traffic crash, crime victim, crime suspect, injury or fire. If an incident occurs involving any of these workers, vehicles or equipment, City of Fountain public safety will respond and manage the incident. This is a direct workload on City of Fountain public safety resources by Non-City of Fountain citizens. While every community is subject to a service population, the impact of a service population on a community can vary widely.

The significant growth of the City of Fountain is well documented, as is the forecast for future residential, business, and traffic growth. In relationship to section 5.1, Strategic Planning, the issue of planning for growth and the rise in population would clearly be an objective of a public safety strategic plan.

FINDING

While the operational staffing of the City of Fountain Police Department has increased as a result of the population growth, the Police Department infrastructure has not increased at an equal level. Operational capacity cannot be efficient and effective without the appropriate infrastructure to support the operations. This is best illustrated using a military example. Troops on the ground cannot be effective without the appropriate infrastructure and logistical support such as command posts, transportation/vehicles, fuel, maintenance support, food facilities, medical facilities, staging areas, equipment depots and so on.

The impact of the infrastructure problem is most evident when evaluating the Police Department building. The building, over 20-years in age, was sufficient to support police operations when it was originally built and for a period of future growth. However, at some point police operations surpassed the capabilities of the police headquarters building.

Interviews with Police Department personnel and documents produced demonstrate that problems associated to the poor building infrastructure have been previously identified and solutions provided. A visual inspection of the Police Department revealed some significant problems. The intent of this analysis is to identify some of the major problems at a high-level. Police department personnel provided precise examples concerning the type and number of police facility problems that require resolution.

5.8.1 Police Roll Call Room

Patrol operations are the backbone of all law enforcement agencies. It is imperative that actionable intelligence and information be provided to patrol personnel in an easily accessible and timely manner. The Police Department's roll call area is shared with prisoner holding cells,



Records Section, and is used for opposing purposes (i.e., citizens waiting for information, interviewing a victim of a crime, interviewing a criminal suspect, interviewing an arrestee, etc.).

Roll Call areas should be secure from citizens to allow the display of:

- Criminal Intelligence information
- Active Criminal Investigative information
- Domestic Security information
- Wanted Persons
- Be On The Lookout (BOLO) information
- Crime Trends and Patterns (i.e., methods of operation)

A Roll Call area should also provide a process in which patrol shifts and internal personnel can share relevant information. For example, a white board that provides timely information such as problem locations, active suspicious persons, etc., for each police district.

5.8.2 Prisoner Holding Cells

The designation of holding cells creates a higher legal requirement and national accreditation standards for a law enforcement agency. Holding cells can provide a valuable service related to the prisoner booking and interview process. Arrestees can be separated and/or located in a holding cell while other work is performed. There is an associated cost of the holding cell service provided. Additional risk is incurred due to the holding cells being located in close proximity to the Roll Call area and Records Section.

Interviews revealed that holding cells may be a necessary requirement for City of Fountain police personnel as the booking process at the El Paso County jail is problematic and time consuming. A September 27, 2007 memorandum from El Paso County Sheriff Terry Maketa to all El Paso County Law Enforcement Agencies warns “*the El Paso County Jail is very near maximum bed capacity and at various times throughout the week, particularly the weekends, there is extremely limited bed space.*” The memorandum continues that if an Emergency Population Control Measurement has to be implemented, “*arresting officers will not be granted access to the CJC Sally Port*” and that arrestees will only be taken based on a priority order (i.e., seriousness of crime).

The housing of subjects arrested by the City of Fountain Police Department is a core assignment of the El Paso County Sheriff’s Office. The extent of which all local governments within El Paso County are involved in the limited jail space problem is unknown. It is imperative the City of Fountain ensure they are involved in all pertinent discussions.



Until a permanent jail facility solution is implemented, the City of Fountain Police Department should ensure appropriate policies are implemented that prohibit the mixture of arrestees and citizens in the common Roll Call area.

Information was obtained that El Paso County was attempting a one-cent sales tax to build a new county jail. The building of a new county booking facility may eliminate the need for holding cells at the current police station and/or a future facility. A more cost efficient solution for a new facility may be the addition of secure interview rooms that have a different legal requirement than a holding cell.

5.8.3 Police Vehicle Impound Yard

Interviews and documentation provided demonstrated a significant security issue with the current location of the Police Department’s impound yard. A law enforcement agency’s impound yard should be kept in the same manner as the department’s property and evidence section. Vehicles in the impound yard may be returned to an owner, seized for forfeiture, and/or used as evidence in a criminal proceeding.

Research should be conducted to identify if temporary measures can be taken to improve the security of the impound yard. The inclusion of an appropriately designed impound yard should be included in any discussions concerning a new police headquarters building.

RECOMMENDATION

Recommendation 5-12:

Develop a detailed cost justification and cost benefit analysis report concerning the building of a new police facility.

The City of Fountain Police Department is in significant need of a new facility. Policy decisions are required to determine the functionality required by the City of Fountain. Access to citizens should be a component of the decision-making process. Citizens’ access police stations for numerous reasons including reporting crime, follow-up investigation, obtaining a police or traffic crash report, crime prevention and other reasons. Police station options include:

- Police Headquarters that will house all police operations and is easily accessible to the citizens of Fountain
- Separate police facilities using a substation model
- Co-locate fire and police resources at a new facility

Estimated growth information identified the majority of the population growth and increased density toward the Northern and Eastern quadrants of the City of Fountain. While the police headquarters does not have to be in the center of activity, close proximity to population density provides benefits for both operational response and citizen access.



While the three fire stations are strategically located throughout the City of Fountain, consideration for fire apparatus is mandatory if a new police facility is located near the Northeast area.

FISCAL IMPACT

The approximate size of a central headquarters facility is 20,000 square feet and is estimated to cost in the \$6 million range. In 2005, the Colorado Springs Police Department (CSPD) opened a new police substation (Stetson Hills) that although is somewhat larger, would be similar in scope to the City of Fountain's needs. The cost of the 31,000+ square feet CSPD facility was approximately \$6.2 million.

A substation police facility in which the Police Department would have a smaller headquarters building and maintain a regional substation(s) is also an option to consider. This would not alleviate the need for a new police headquarters building, but would reduce the size and cost in half to the 10,000-12,000 square foot range with a \$2 million to \$3 million cost. As the City of Fountain continues to grow, additional substations may or may not be required. Co-locating fire resources in these regional facilities would reduce the total public safety cost.

5.8.3 Police Property and Evidence Room

There are several areas within law enforcement that are considered high risk and/or high liability. The maintaining of property and evidence is a high liability area, specifically the storage of drugs, weapons, valuables (i.e., jewelry) and money. The size, location and security of the Property and Evidence Room are insufficient to maintain national accreditation standards. As with other areas, Police Department personnel have completed excellent work given the existing funding limitations. The property and evidence section requires immediate attention and improvement:

- External alarm (i.e., card reader) system that logs all personnel who enter into the property storage area.
- Internal security (i.e., motion detector) if the external lock is defeated and to ensure appropriate security of evidence.
- Area wide smoke/fire alarm system. Critical pieces of evidence are maintained in the storage area and should be protected accordingly.
- Room size – The dimensions required for a property and evidence room is directly related to the type of property and input and output of property and evidence items. Calculations can determine the net gain or loss of items on an annual basis. Destruction processes (i.e., drugs that can be destroyed per the prosecuting authority) consume FTE hours but benefit the room size needed to store the drugs.

The inspection also identified that the CID Sergeant/Evidence Custodian does not have access to the Police Property Records Impound System (PRIMS), Spillman Records Management System or Computer Aided Dispatch (CAD) application inside the evidence room to conduct the



necessary business practices to manage the impounded property and evidence items. Numerous valuable employee hours are lost annually by having the CID Sergeant leave the evidence room and to retrieve data from another location of the Police Department.

It should be noted that the Police Department has an outstanding detailed policy (501.30) concerning evidence collection, process, storage, purging, and destruction. The primary obstacle related to implementing policy 501.30 is insufficient Full Time Employee (FTE) hours.

RECOMMENDATION

Recommendation 5-13:

Develop and implement a property and evidence return and destruction process.

This is a high liability issue that requires immediate attention. Returning property to owners and the destruction of property and evidence is a time consuming process. Multiple personnel are required for the appropriate checks and balance to purge property from the evidence room. No single person should ever be allowed to purge items without a quality control component verifying work completed. Interviews determined there was an abundance of items that could be returned to owners if located. The return of stolen/missing property to the appropriate owner is a primary objective for all law enforcement agencies. The successful completion of this objective is important to the citizens of Fountain.

High liability items such as money, drugs, valuables, and weapons should receive priority attention. All monies that are not actual evidence should be deposited in a secure bank account and require a memorandum and two signatures to withdraw. Valuables such as expensive jewelry should be kept in a secure vault. Drugs and weapons that are no longer needed for court purposes should be destroyed per department policy and accepted standards.

Interviews and documentation provided demonstrated that police personnel understand the importance of a destruction process and have made previous proposals for FTE hours to complete such a process.

FISCAL IMPACT

City of Fountain police personnel have completed a proposal for an evidence destruction process that includes recommendations for the temporary re-assignment and/or overtime of required personnel, temporary storage units, postage to notify property owners, and the ability to connect to the PRIMS, RMS, and CAD applications from inside the property and evidence room. The estimated cost for this process is \$15,000 in manpower needs and \$2,800 for supplies that would be absorbed in the Police Department's current 2007 and 2008 fiscal year budgets. An unknown recurring cost to maintain an annual destruction process will be dependant upon policy decisions made concerning the evidence custodian position and other factors.



Recommendation	2008	2009	2010	2011	2012
Staffing Requirement from existing budget	(\$15,000)	Unknown	Unknown	Unknown	Unknown
Supplies	(\$2,800)	Unknown	Unknown	Unknown	Unknown

5.8.3 Property and Evidence Custodian

As previously described in section 5.2.6, Police Property Records Impound System (PRIMS), and 5.8.3, Property and Evidence Room, the management of a law enforcement agency's property and evidence section is mission critical and requires a high level of attention and quality control. While all areas of law enforcement are important, it is generally considered that there is zero room for error in two areas, 9-1-1 emergency calls for help and the management of a property and evidence section.

FINDING

The evidence custodian for the Police Department is the Criminal Investigative Division (CID) Sergeant who also has numerous other assignments that include:

- Supervises four Full Time Employee (FTE) CID detectives
 - Scheduling and on-call assignments
 - Major crimes investigations
 - CID case management
- Training for department personnel
- Liaison to numerous law enforcement agencies and participates on area committees

Initial evaluation of Police Department data demonstrates a strong likelihood that a Full Time Employee (FTE) Evidence Custodian position is required. It is clear that the current configuration of an FTE sharing CID supervisory and Evidence Custodian responsibilities cannot be maintained.

RECOMMENDATION

Recommendation 5-14:

Complete a cost justification report demonstrating the needs assessment and Return on Investment for an FTE Evidence Custodian position.

While a detailed staff analysis was not completed, every section assignment within the Police Department was assessed. The position assignment assessment included department objective, number of FTE's assigned, and anecdotal and statistical evaluation of the section/position's



workload. Given the workload and funding limitations, both the configuration of the department and the number of FTE’s assigned to each section appears appropriate. No assignments were found to be non-mission critical to the desired objective.

Best business practices demand that prior to requesting a new FTE position, all existing positions must be evaluated for their value to the overall mission and effectiveness in contributing to the organization’s mission objectives. There is no benefit to the organization by creating a deficit or problem through the re-positioning of a mission critical FTE to another mission critical assignment. The net result is the same since the organization is still short a mission critical FTE and therefore is not meeting a desired objective.

A review of all Police Department FTE positions did not identify an FTE position that could be re-assigned to this recommended new position.

FISCAL IMPACT

The approximate cost of an FTE position for an Evidence Custodian position is \$44,450.

Recommendation	2008	2009	2010	2011	2012
Evidence Custodian FTE	(\$22,225)	(\$44,450)	(\$44,450)	(\$44,450)	(\$44,450)



***CHAPTER 6:
PUBLIC WORKS***



Chapter 6

PUBLIC WORKS DEPARTMENT

Of all the departments that comprise a city or other municipal government organization, it is the responsibilities of the public works department that are felt most directly by its citizens. From ensuring public buildings are clean and safe, to maintaining public safety vehicles such as police cars and fire engines, to providing maintenance and upkeep of streets and roadways, and ensuring park facilities are clean and usable, the public works department impacts the lives of citizens on a daily basis. During times of emergencies, such as storms, blizzards, or any other crisis, the dedicated workers of public works labor for many extra hours, often at night, on weekends, and on holidays to keep the community safe and functioning properly.

It is easy to take for granted that the streets will be plowed in winter, right-of-ways will be mowed, and new subdivisions will be inspected to ensure compliance with city development standards. However, if issues such as these are not systematically maintained, the quality of life in any city or town would rapidly decline.

This chapter reviews the Public Works Department of the City of Fountain. It includes six major sections:

- 6.1 Organizational Structure
- 6.2 Departmental Planning and Management
- 6.3 Facilities Maintenance
- 6.4 Fleet Services/
- 6.5 City Streets/Drainage
- 6.6 City Parks/Open Space/Cemetery

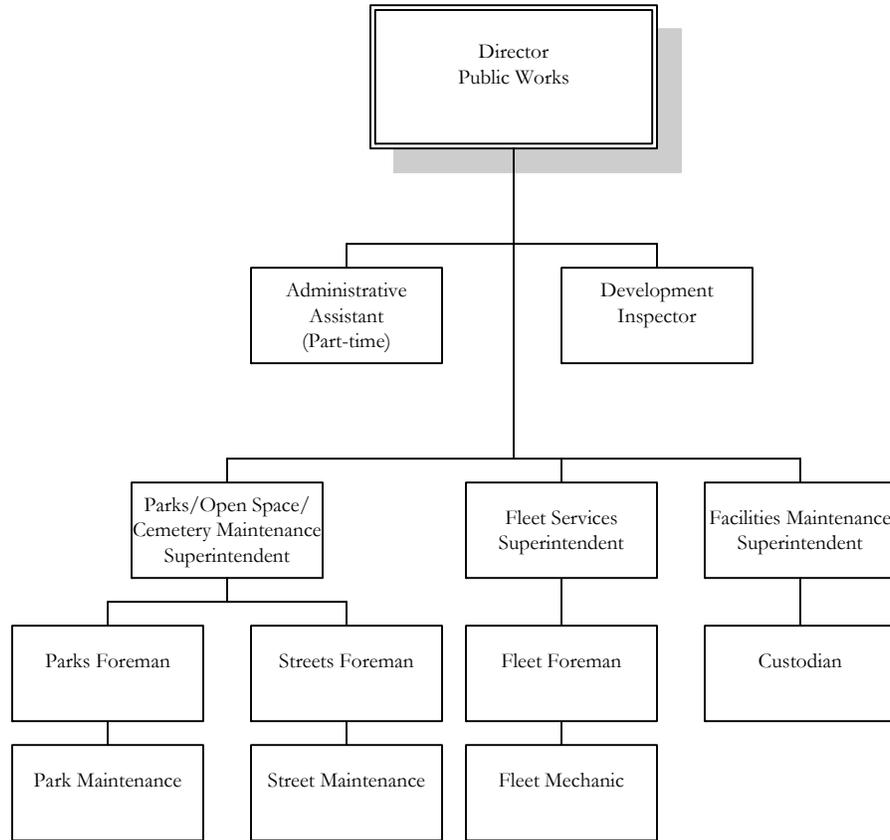
6.1 ORGANIZATIONAL STRUCTURE

The City of Fountain Public Works Department is organized into four functional areas: Facilities Maintenance, Fleet Services, Streets/Drainage, and Parks/Open Space/Cemetery. The current organizational structure is shown in Exhibit 6-1 on the following page.

Prior to the 2007 budget year, the budget for engineering-related services was not included in the overall public works budget. Most of the engineering work relating to plans review for public infrastructure studies, grading, and erosion control were contracted out. Presently, many of the tasks previously mentioned are now conducted in-house. Today, the Public Works Department is managed by a professional engineer, who oversees a staff of 21 employees and a 2007 budget of approximately \$4.7 million dollars.



Exhibit 6-1
City of Fountain, Colorado
Organizational Structure Public Works Department



Source: Created by Evergreen Solutions, August 2007

The Department Director reports to the City Manager and is responsible for organizing, planning and directing the major activities of the public works department. The Department Director performs professional and administrative civil engineering work in the planning and management of municipal facilities, streets, storm water drainage systems, parks, open space, cemetery maintenance, trails and sidewalks. The director has direct supervision responsibility for the following positions:

- Streets and Parks Superintendent;
 - Directs the day-to-day operations of the street and parks divisions by supervising crews, coordinating projects, and administrative matters.
- Fleet Services Superintendent;
 - Directs the day-to-day operations of the fleet maintenance divisions by supervising mechanics, coordinating vehicle repairs, and all divisional administrative functions.



- Facilities Maintenance Superintendent;
 - Directs the day-to-day cleaning and maintenance of all City-owned buildings by supervising staff, coordinating work assignments, and overseeing all divisional administrative functions.
- Development Inspector;
 - Performs technical office review and field inspection duties in the enforcement of grading, erosion control, street, and storm water drainage facility codes.
- Administrative Assistant;
 - Provides all administrative and clerical support to the Department Director.

FINDING

Existing staffing levels in the public works administrative area are not sufficient to support the current work load.

The Public Works Department for the City of Fountain has significant administrative responsibilities and duties such as reviewing and approving all public infrastructure studies for grading, erosion control, traffic, and coordinate all inspections and public improvement projects. As the only certified engineer in the department, the Public Works Director reviews and signs-off all such studies and projects. These tasks are in addition to his responsibility for managing the four divisions that make-up the City's public works department – parks, fleet, streets, and facilities maintenance.

The department has one full-time and one contract Development Inspector to handle inspections of new and existing structures and developments. With the level of development in the City, the staff is pressed to keep up.

In addition, based on interview comments from staff, there is some concern that some developers are not acquiring the proper permits before they start construction. Specifically, staff commented that on more than one occasion, development inspectors have come across construction projects in the field that they were previously unaware of, and upon further review of files and documents at City Hall, no building permits were ever issued for the projects in question. Undocumented building is a significant liability for any community for two reasons: first, the reason building codes exist and permits are required is to ensure structures within the community are built safely and securely to protect the public from harm; secondly, building permits and water tap fees that usually accompany construction projects are a significant revenue source for the City. Any unauthorized construction within the City could not only put other public in harms way, but it also represents a potential loss in revenue to the City.

The end result is very little time for the Director to focus on strategic planning, policy and procedure development, and managerial oversight of the subordinates that report directly to him or her. . Also, the notion of buildings and dwellings being constructed within the City's



boundary without proper building permit does present significant legal and liability issues for the City.

RECOMMENDATION

Recommendation 6-1:

Implement the following staffing changes in the administrative area for public works:

- Hire one full-time Engineering Technician to review development improvement plans and to provide engineering support for City projects;
- Hire an additional full-time Development Inspector to help with the increased work load due to on-going growth; and
- Change the employment status of the Public Works Administrative Assistant from part-time to full-time to help meet the increased administrative work load demands in the department.

The additional staffing resources will improve operations and have a positive impact on moral within the Public Works Department. Workload can be a critical factor in whether people decide to stay with an employer. When employees are repeatedly asked to handle multiple job functions and assume ever-increasing work loads, they often begin to feel overworked and under appreciated.

FISCAL IMPACT

The fiscal impact of hiring one full-time Engineering Technician, an additional Development Inspector, and changing the status of the Administrative Assistant from part-time to full-time is estimated to be \$150,000 per year.

Recommendation	2008	2009	2010	2011	2012
Staffing Additions in Public Works	(\$75,000)	(\$150,000)	(\$150,000)	(\$150,000)	(\$150,000)

6.2 DEPARTMENT PLANNING AND MANAGEMENT

6.2.1 *Facilities Planning*

Capital facilities involve expenditures of a non-recurring nature, designed to provide new or expanded government capacity for the delivery of public services. The primary objective is to guide the provision of major public facilities of large-size, fixed nature, and/or having a relatively long life within the limits of available public resources. Thus, providing capital facilities in the most effective and efficient manner must involve planning, programming, and financing, and debt administration.



Long-range planning of capital facilities typically lags behind other planning initiatives in government organizations. As governments began to assume greater responsibility for the provision of public services and facilities, only the most evident needs are usually addressed, and these needs often are dealt with in a somewhat haphazard fashion.

Long-range capital facilities planning provides a means of assuring that projects will be carried out in accordance with a well thought-out and defensible system of priorities that reflect both the public needs and the government's ability to pay. It promotes coordination among the various departments and agencies of the government and thereby helps circumvent overlapping or conflicting programs. It protects against undue influence by pressure groups that represent special interests, which may attempt to force the adoption of "pet projects" at the expense of more urgent or more meritorious improvements.

Through capital facilities planning, required bond issues or other revenue-produced measures can be foreseen and action taken before the need becomes too critical as to require emergency financing measures. Advanced planning is beneficial for a number of reasons, the first of which is that it extends the period of time available for the proper technical design of facilities. It also permits a continual, systematic appraisal of personnel and equipment needs, resulting in a number of economies. And finally, the planning of capital facilities may provide justification for advanced acquisition of properties needed for improvements, thereby taking advantage of lower market values.

Capital facilities planning should be built upon a continuous assessment of client and community preferences, an identification of goals and objectives, demographic estimates and economic forecasts, and projections of development expectations. Data on future community needs must be sufficiently reliable to justify decisions that involve relatively large, long-term commitments of financial resources.

FINDING

The Public Works Department is in need of additional space for staff and equipment storage. The Streets and Parks Divisions share space with the Water Division of the Utilities Department. The space is old, outdated and can not adequately support the number of staff assigned. Equipment that should be protected from the elements is sometimes left exposed in the weather because there is not a suitable building or covered storage area to park it under. A similar problem exists with the Fleet Division, which is currently housed with the Electric Division of the Utilities Department. The current space occupied by fleet services does not have the capacity to allow staff to park large equipment such as fire engines and ladder trucks inside. The mechanics typically work on such equipment outside. If they are able to squeeze a fire truck inside, it takes up the entire work area of the fleet shop, which means they can not accommodate other vehicles in need of repair until the fire truck is completed.

As the City has grown, additional staff resources and equipment have been added to meet the new service demands. Unfortunately, the City has not addressed its need for additional office and storage space. The result is employees working in conditions that are not conducive to



productivity, and increased operating costs to maintain the older facilities, some over 25 years old.

RECOMMENDATION

Recommendation 6-2:

Conduct a facilities study to determine the long-term facility needs of the public works department.

A facilities study would be an analysis and policy guideline to ensure effective use and orderly acquisition and development of a comprehensive public works facility. The need for improved public works facilities comes at a time when the Utilities Department is also addressing facility issues as part of its strategic planning initiatives. Ideally, the study would be a City-wide initiative that would strategically assess all facility space needs within the operation of City government.

FISCAL IMPACT

This recommendation can be implemented in the context of a broader facilities planning study recommended within the context of the Utilities Department.

6.2.2 Storm Water Management

Urban development has a profound influence on the quality of a community's waters. To start, development dramatically alters the local hydrologic cycle. The hydrology of a site changes during the initial clearing and grading that occur during construction. Trees, meadow grasses, and agricultural crops that intercept and absorb rainfall are removed and natural depressions that temporarily pond water is graded to uniform slope. Cleared and graded sites erode, are often severely compacted, and can no longer prevent rainfall from being rapidly converted into storm water runoff.

The situation worsens after construction. Roof tops, roads, parking lots, driveways, and other impervious surfaces no longer allow rainfall to soak into the ground. Consequently, most rainfall is converted directly to runoff. The increase in storm water can be too much for the existing natural drainage system to handle. As a result, the natural drainage system is often altered to rapidly collect runoff and quickly convey it away—using curbs and gutters, enclosed storm sewers, and lined channels. The storm water runoff is subsequently discharged to downstream bodies such as creeks, rivers, reservoirs, lakes, or estuaries.

Water quality is affected by the accumulation of trash, oil, and rubber from cars, fertilizers and pesticides applied to lawns, sediment from bare or poorly vegetated ground, and other pollutants entering streams, rivers and lakes. Inflow of sediment can cloud water, blocking sunlight from the submerged plants. Sediment also settles to the bottom of streams, clogging the gravel beds used by fish for laying their eggs. Nutrients, such as phosphorus and nitrogen, from fertilizers enter the water and promote unusually rapid algae growth. As this algae dies, its decomposition reduces or eliminates oxygen needed by fish, shellfish, and other aquatic life for survival.



These are all examples of non-point source pollution which is one of the major contributors to the degradation of a community's waterways. Storm water management practices help control non-point source pollution through the use of nonstructural and/or structural techniques to intercept surface runoff from developed areas, filter and treat this runoff, and then discharge it at a controlled rate. The overriding condition that governs the quality of storm water runoff is the amount of impervious surfaces located on an individual's property (driveways, roofs, carports, sidewalks, etc.). Storm water quality, however, is governed by the accumulation of pollutants on the entire surface area, regardless of whether it is grassed or paved. As the use of chemicals around the home such as fertilizers, pesticides, engine oils, deicing materials, and similar products increases, the more degraded the storm water runoff from one's property will be. Although the effect of one property on the quality and quantity of storm water runoff may seem insignificant, the cumulative impact from hundreds or thousands of yards across the state continues to be destructive to the water supply.

FINDING

The City of Fountain has not implemented a storm water management plan to comply with state and federal clean water regulations.

On November 16, 1990, the Environmental Protection Agency issued a final regulation on the control of storm water from municipal and industrial discharges. The regulation is meant to reduce the amount of pollutants entering streams, lakes and rivers.

The City requested and received a state-issued permit to treat storm water in 2003, but the City has yet to implement a plan, determine fees to fund the program, or hire staff to manage the activity. According to staff during our August 2007 on-site visit, the City must hire a consultant to conduct a storm water needs assessment.

RECOMMENDATION

Recommendation 6-3:

Develop and implement a storm water management program.

The implementation of this recommendation should be made with the following considerations:

- Establish a storm water management enterprise fund revenue source to cover the cost of implementing and maintaining the program; and
- Create the division of storm water management within the Public Works Department, and hire a Storm Water Manager, an Engineering Technician, two Storm Water Maintenance Technicians, and an Administrative Assistant to staff the division.

The Colorado Department of Public Health and Environment (C.D.H.E.) is responsible for administering the state's storm water management plan. State storm water requirements are modeled after the federal National Pollutant Discharge Elimination System (N.P.D.E.S.) program, which requires that storm water be treated to the maximum extent possible.



Colorado's N.P.D.E.S. program requires all construction sites disturbing more than one acre, many industrial sites, and all designated municipal separate storm water sewer systems to obtain permit coverage.

FISCAL IMPACT

The estimated fiscal impact of hiring employees to staff the division is estimated to be \$270,084 annually. By creating a functional storm water enterprise fund, the cost of the program – operational and staffing – will be paid by the fees generated from an assessment against all property inside the City limits. The City's general fund should not bear any of the costs. Below is a breakdown of proposed duties for each position and the estimated annual salary and benefits costs:

- Storm Water Manager

Duties and responsibilities – Manages the division of storm water management within the City's department of public works by developing and implementing a federal and state compliant storm water management program. Typical projects range from flood control, river design, stream grade control structures, dike systems, levees, stream channel restoration and/or rehabilitation, wetland and lake restoration, water shed issues and non-point source loading, and point source design.

Qualifications – Three to five years prior experience in storm water, water, or wastewater management; and a B.S. degree in civil or environmental engineering.

Estimated annual salary and benefits costs - \$89,500.

- Storm water Engineering Technician

Duties and responsibilities – Performs work within the storm water division of the department of public works, which includes the inspection of street construction, complaint investigation regarding construction and/or drainage or water quality problems, and reviews plats, development plans and other instruments to determine adherence to planning and construction regulations.

Qualifications – One to two years of engineering or construction experience, and an A.A. degree in civil or environmental engineering.

Estimated annual salary and benefits costs - \$63,295.

- Storm Water Maintenance Technician (2)

Duties and responsibilities – Performs a variety of semi-skilled and skilled maintenance work, and operates a variety of equipment in the construction, operation, repair, maintenance and replacement of storm water control facilities consisting of, but not limited to, inlets, catch basins, pipes, ditches, and detention basins and appurtenances.



Qualifications – One year of experience relating to the construction, repair and maintenance of storm water control and detention systems including the operation of related equipment, and a high school diploma or G.E.D.

Estimated annual salary and benefits costs - \$71,358.

- Administrative Assistant

Duties and responsibilities – Position is responsible for providing senior level administrative and secretarial services to the storm water division superintendent, receives phone calls and visitors, develops office procedures, maintains filing systems, prepares reports and various correspondences, schedules meetings and coordinates appointments.

Qualifications – Two to three years of advanced secretarial experience in the public arena, knowledgeable in office procedures and computer equipment and programs, excellent written and verbal skills, and an A.A. degree in secretarial science.

Estimated annual salary and benefits costs - \$45,931.

Recommendation	2008	2009	2010	2011	2012
Develop and implement a storm water management program	(\$135,042)	(\$270,084)	(\$270,084)	(\$270,084)	(\$270,084)

6.2.3 Performance Management and Planning

Performance measurement is a means of evaluating how well services are performed. It involves regular and continuous data collection and reporting on selected services or programs. Performance measures are generally reported as numeric indicators. Such indicators tell what was accomplished and at what cost, essentially what citizens receive for their tax dollars or fees. They also may be used to quantify worker productivity.

Cities can measure virtually any public works service. The following example activities – some of which may not be applicable to the City of Fountain – are candidates for performance measurement:

- 1) The number of garbage carts collected per day (week, month, year);
- 2) The tons of garbage collected;
- 3) The cost per household for garbage collection;
- 4) The number of citizen complaints associated with garbage collection;
- 5) The number of brush (and/or leaves) pickups per day (week, month, year);
- 6) Cubic yards or tons of brush (and/or leaves) collected;
- 7) Cost per household for brush (leaves) collection;
- 8) The number of citizen complaints associated with brush (leave) collection;



- 9) The miles of street resurfaced;
- 10) The cost per mile of street resurfaced;
- 11) The number of potholes repaired;
- 12) The number of citizen complaints associated with potholes;
- 13) The number of culverts cleaned;
- 14) Cost per culvert cleaned;
- 15) Miles of right-of-way mowed;
- 16) Cost per mile of right-of-away mowed; and
- 17) Miles of street swept.

There are four types of performance measures:

- 1) **Workload or Output Measures** – These measures indicate the amount of work performed or number of services received. Workload or output measures indicate what was done, but not how well it was done. For example: number of potholes repaired, or number of invoices processed.
- 2) **Efficiency Measures** – These measures show the relationship between the work performed and the resources required to perform the work. Efficiency measures are often expressed as unit costs. For example: cost per pothole repaired, or cost per garbage can collected.
- 3) **Effectiveness or Outcome Measures** – These measures reflect the quality of work performed. They tie together work, resources, and results. For example: water meters read per day with less than one percent error, or number of invoices processed without error within two days of receipt.
- 4) **Productivity Measures** – These measures combines efficiency and effectiveness. Productivity ties together work, cost, resources, and results. For example: unit cost per meter repair (effective meter repair means that the meter was not returned for further repair within six months); or unit cost of effective cold patch pothole repair (effective cold patch pothole repair means that the patch held up for at least three months).

FINDING

The lack of performance measures and workload data make planning operational improvements extremely difficult in the public works department.

The Public Works Department has a number of long-term dedicated employees and managers who have given the City many quality years of service. However, there is a mindset that exists in the department to “keep doing things the way we’ve always done them.”

Most of the managers and supervisors are products of the current system because they came up through the ranks. Their exposure to leadership and management practices are limited to what they have learned or experienced during their tenure with the City of Fountain.



This mentality is reflected in almost every aspect of operations in each of the four divisions that comprise public works: facilities maintenance, fleet services, streets, and parks. The divisions really do not have a clear understanding of how well their respective areas are performing because there are no objective standards or performance measures in place. So manager and supervisors have limited, or not very much, information or data to base suggestions or recommendations for changes to existing operations. The end result is a department that is more reactionary rather than proactive in its service delivery efforts.

RECOMMENDATION

Recommendation 6-4:

Establish key performance measures for the department and its four divisions.

The public works department is a significant part of overall City operations in terms of budget, customer service, number of employees, projects and essential functions. Without proper data and information to aid the decision-making process, the department can not effectively improve deliver of cost efficient services to the citizens of the City over the long-term.

FISCAL IMPACT

This recommendation can be implemented using existing resources.

6.2.4 Strategic Planning

Strategic planning determines where an organization is going over the next year or more, how it's going to get there, and how it will know if it achieved that goal or not. The focus of a strategic plan is usually on the entire organization, while the focus of a business plan is usually on a particular product, service, or program.

There are a variety of perspectives, models and approaches used in strategic planning. The way that a strategic plan is developed depends on the nature of the organization's leadership, culture of the organization, complexity of the organization's environment, size of the organization, expertise of planners, etc. For example, there are a variety of strategic planning models, including goals-based, issues-based, organic, scenario, etc. Goals-based planning is probably the most common and starts with establishing a focus on the organization's mission (and vision and/or values), goals to work toward the mission, strategies to achieve the goals, and action planning (who will do what and by when). Issues-based strategic planning often starts by examining issues facing the organization, strategies to address those issues, and action plans. Strategic planning might start by articulating the organization's vision and values and then action plans to achieve the vision while adhering to those values. Some planners prefer a particular approach to planning, e.g., appreciative inquiry. Some plans are scoped to one year, many to three years, and some to five to ten years into the future. Some plans include only top-level information and no action plans. Some plans are five to eight pages long, while others can be considerable longer.



FINDING

The current Public Works Director has been with the City for less than a year, and spends most of his time realizing and reacting to problems. Although there is an acknowledged need for a strategic plan in public works, it has been extremely difficult to devote time to the process. The Director's job is made more difficult because of the limited number of professional staff to assist with the engineering-related work, which requires the Director to be much more hands-on than would otherwise be prudent.

As stated previously, the City has experienced tremendous growth over the past decade and will continue to see its population increase. Public works is one of the departments that impact the lives of the community's citizens in numerous, very obvious ways. Now is the ideal time for the City Council, City Manager, and Public Works Director to take a broad prospective on what is the desired scope of the Department, where it goes, and how it gets there. Planning is critical in light of the continued growth and limited recourses of the City of Fountain.

RECOMMENDATION

Recommendation 6-5:

Develop a comprehensive five-year strategic plan for public works departmental operations.

Strategic planning serves a variety of purposes in an organization, including to:

- 1) Clearly define the purpose of the organization and to establish realistic goals and objectives consistent with that mission in a defined time frame within the organization's capacity for implementation.
- 2) Communicate those goals and objectives to the organization's constituents.
- 3) Develop a sense of ownership of the plan.
- 4) Ensure the most effective use is made of the organization's resources by focusing the resources on key priorities.
- 5) Provide a base from which progress can be measured and establish a mechanism for informed change when needed.
- 6) Bring together everyone's best and most reasoned efforts have important value in building a consensus about where the organization is going.

FISCAL IMPACT

This recommendation can be implemented within a broad City-wide strategic planning effort, as discussed in Chapter 2.



6.3 FACILITIES MAINTENANCE

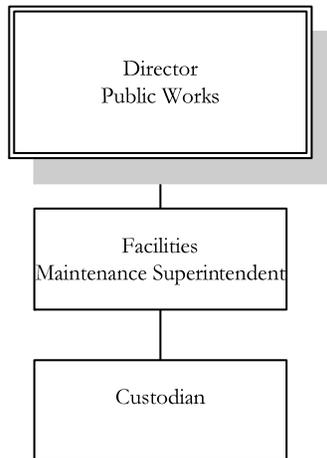
The most basic goal of Facility Management is to preserve and maintain all facilities in a manner that provides a safe environment for the facilities' functions. Essential elements of these objectives include a reduction in facility depreciation, equipment and structural failures, maintenance costs, and improved planning and scheduling of work.

The purpose of maintenance is to correct existing problems and, thereby, to prevent recurring or anticipated problems. This view of maintenance does not guarantee that problems will not occur, but it does provide a means to reduce downtime, incurred loss of utilization, and reduces emergency repairs.

Building maintenance management encompasses the following general responsibilities: planning and scheduling of maintenance, establishing a communication system, designing an organizational structure, developing training programs, establishing a performance measurement system and quality control function, developing an annual budget, maintaining a safe, secure, and accessible work environment.

The Facilities Maintenance Division of the Public Works Department is responsible for the daily cleaning, routine maintenance and necessary repairs to all municipal buildings. This includes not only general maintenance, such as vacuuming, waxing floors, emptying waste baskets, but also special tasks such as painting, equipment repair and preventive maintenance, and coordinating contract facility repair projects. The division is managed by the Facilities Maintenance Superintendent, who supervises a staff of two employees. The current organizational structure is shown below in Exhibit 6-2.

Exhibit 6-2
City of Fountain, Colorado
Organizational Structure Facilities Maintenance Division



Source: Created by Evergreen Solutions, August 2007



The Division Superintendent reports to the Public Works Department Director and is responsible for the planning, organizing, and directing the work of building maintenance crews in the maintenance and upkeep of all City-owned buildings. The superintendent supervises various activities such as carpentry, painting, plumbing, plastering, and mechanical equipment operation. The superintendent has direct supervision responsibility for the following positions:

- Facilities Custodian (2);
 - Performs routine cleaning of City-owned facilities.

FINDING

The Facilities Maintenance Division relies on an inefficient paper-based worker order management system to schedule and respond to work request.

Calls for service are generally received by the Administrative Assistant for the Public Works Department during normal business hours. She captures relevant information from the caller such as name, address and nature of the call. She also records the time and date of the call. Once this information is written down on a paper ticket (work order), the ticket is placed in the proper folder.

The superintendent checks the folders regularly throughout the day, and assigns work crews to handle the call. Although staff checks the folders regularly, it is fairly common for the administrative assistant to call or radio the appropriate staff person and give them the information needed to respond to the call. Calls for after hours and weekends are routed to the police department. The Police Dispatcher receives the call, takes the information and then contacts the person on-call in the Facilities Maintenance Division.

RECOMMENDATION

Recommendation 6-5:

Implement an electronic work order management system in the Facilities Maintenance Division.

An electronic work order system will provide a more efficient means to manage staff resources, monitor and control repair costs, and document departmental workload. Work can be grouped in facility locations to enhance the employees' productivity and response time to better meet the needs of the citizens. Work orders can be assigned, updated, reviewed, approved, and managed to create an efficient and responsive environment throughout the Public Works Department. Up-to-date information can now be captured and relayed to the managerial staff so decisions can be made based on real-time data instead of stale information. In addition, reports can be generated to assist the staff in identifying problem areas that need further attention.

FISCAL IMPACT

In order to implement this recommendation, the Facilities Maintenance Division will need the services of a part-time Administrative Assistant. The estimated fiscal impact is \$11,482.00.



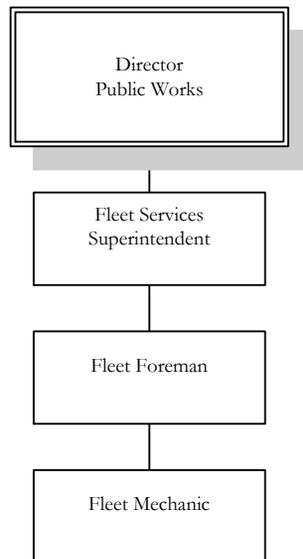
6.4 FLEET SERVICES

Equipment and fleet management involves effective management of equipment and fleet services by maintaining equipment and parts inventories, performing equipment inspections, scheduling preventive and normal maintenance, recording maintenance history, analyzing equipment costs and defining replacement cycles, drafting specifications, and procuring and maintaining all mechanized equipment. Automated or manual equipment or fleet management systems allow management to maintain cost accounts for personnel and equipment control and control daily maintenance work flow.

The Fleet Services Division of the Public Works Department is responsible for maintaining City-owned equipment and vehicles. The Fleet Division has a small, but fairly modern shop. The City fleet composition ranges widely. It is comprised of heavy equipment such as motor graders, fire engines; light equipment such as patrol cars, passenger vehicles and pick up trucks; and small engines such as mowers, chain saws, and portable generators. With the exception of transmission repairs, major body work, and large heavy equipment repairs, most repairs and maintenance is performed in-house.

The division is managed by the Fleet Services Superintendent, who supervises a staff of four employees. The current organizational structure is shown below in Exhibit 6-3.

Exhibit 6-3
City of Fountain, Colorado
Organizational Structure Fleet Services Division



Source: Created by Evergreen Solutions, August 2007

The Fleet Services Superintendent reports to the Division Director of the Public Works Department, and is responsible for the day-to-day operations of the division to ensure that all equipment and vehicles are properly maintained for the City departments. The superintendent has direct supervision responsibility for the following positions:



- Fleet Foreman;
 - Supervises mechanical staff in the Fleet Services Division, coordinates work assignments, and repairs equipment and vehicles.
- Mechanics (3);
 - Diagnoses mechanical problems, repairs and rebuilds equipment, orders as needed.

FINDING

The Fleet Services Division does not consistently utilize its electronic work order system.

The Fleet Services Division is the only division within the public works department that has an electronic worker order system. The Fleet Services Division utilizes the Q-Quest system to document repairs to equipment and vehicles. Below in Exhibit 6-4 is summary of work orders completed for fiscal years 2003 – 2006.

Exhibit 6-4
City of Fountain, Colorado
Summary of Work Orders 2003– 2006

Year	# Of Work Orders Completed
2003	262
2004	401
2005	248
2006	267
TOTAL	1,178

Source: City of Fountain Fleet Services Division, August 2007

The data shows a drastic increase in the number of work orders processed between 2003 and 2004. In fact, work orders increased over 50 percent in that one year period. If the 2004 data is excluded from the calculation, the division appears to have averaged about 259 completed worker orders over the three year period.

After speaking with divisional staff, it appears that the most likely cause of the disparity in the data from 2004 is inconsistent entry of work orders into the Q-Quest system for some, if not all, of the other years. Staff readily admit that they do not enter the vehicle information in the system as they should to ensure there is a proper repair history on each vehicle being serviced.

After a further review of the functionality of the Q-Quest system, it is clear that the fleet services staff are not maximizing its capability in terms of generating a broad spectrum of data on a given vehicle because staff does not take the time to enter the information.



RECOMMENDATION

Recommendation 6-6:

Develop a procedure to ensure that work order information is consistently entered into the electronic system.

There is a lot of valuable information the Fleet Services Division could access if it only entered the information into the Q-Quest system for each piece of equipment or vehicle that enters the shop for repair. Undoubtedly this information would serve useful to management when making decisions regarding management of the City's equipment and vehicle fleet.

FISCAL IMPACT

In order to implement this recommendation, the fleet division will need the services of a part-time Administrative Assistant. The estimated fiscal impact is \$11,482.

FINDING

The Fleet Services Division provides limited training and certification opportunities for its mechanics.

As the City purchases newer equipment and vehicles, the knowledge and skill needed to maintain and repair them will greatly increase, and will require mechanics with an understanding of the latest innovations and technology applications in the field of auto mechanics.

The City recently purchased a new ladder truck for the fire department. The truck is a very large and complicated piece of equipment. Considering that this is the only ladder truck the City currently has in service, should it break down, it would need to be placed back in service as quickly as possible. At present, the division does not have a mechanic on staff certified to work on this type of equipment.

RECOMMENDATION

Recommendation 6-7:

Develop a formal training program for mechanics to gain industry-recognized certifications.

Mechanical repair requires various endorsements such as U.S. Department of Transportation (D.O.T.) qualifications, air emissions certifications, commercial driver's license (C.D.L.) endorsements as required by type of equipment, and certifications or level of experience in line with the functions of the job such as, air conditioning, brakes, etc. A formal training program protects the City legally by ensuring qualified staff are making vehicle repairs. The benefit to employees is the additional skills and knowledge gained increases their value to the organization.



FISCAL IMPACT

The estimated fiscal impact associated with this recommendation is \$10,000.

Recommendation	2008	2009	2010	2011	2012
Develop Formal Training Program	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)

6.5 CITY STREETS/DRAINAGE

Street cleaning and maintenance is one of the most visible of all governmental activities. Consciously or unconsciously, residents allow their opinions of the effectiveness of the street maintenance and upkeep programs to influence their feelings towards their communities and local government. Street cleaning and maintenance management can also be described by the separate but related, elements of which it is composed: debris and litter collection (via street sweeping and/or flushing), litter control, disposal, resurfacing, crack sealing, seal coating, pothole patching, and signing and striping. Street cleaning and maintenance may be an essential element in the organization's storm water management program.

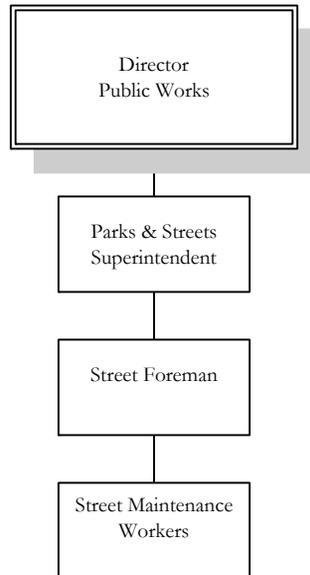
The goal of an effective street program is fourfold: 1) to develop and implement a plan that provides a level of service that will comply with applicable street cleaning and maintenance regulations and rules and that will complement the local political situation; 2) to protect the public health and the environment; 3) to provide a level of service that is convenient for residents while remaining cost efficient; and 4) to provide a level of service that can be implemented by the personnel, equipment, and facilities available to the organization. Factors that must be evaluated on a specific and an overall level include: capital, operating and maintenance costs, environmental and health factors, feasibility, legislative constraints, and administrative reliability.

The Street Division of the Public Works Department is responsible for cleaning and maintaining City-owned streets and right-of-ways. The division engages in activities such as debris and litter removal from streets, snow removal, tree trimming, pothole patching, concrete repair, street light maintenance, curb and cutter maintenance, traffic sign maintenance, and striping of streets. The division contracts out major street resurfacing projects, large concrete projects, and storm-drain repair. Virtually all other street maintenance and upkeep activities are performed in-house.

The division is managed by the Streets and Parks Superintendent, who reports to the Public Works Department Director. The superintendent directs the day-to-day operations of the street division by supervising staff, and coordinating projects and administrative matters. The superintendent also conducts inspections of construction sites for compliance with City codes and ordinances. Division staffing includes the superintendent and seven subordinate staff members. During the summer months the staffing is augmented by eight to ten seasonal workers. The current organizational structure is shown below in Exhibit 6-5 on the following page.



Exhibit 6-5
City of Fountain, Colorado
Organizational Structure Street Division



Source: Created by Evergreen Solutions, August 2007

The superintendent has supervision responsibility for the following positions:

- Street Foreman;
 - Supervises work crews in the street division, coordinates work assignments, and operates heavy equipment.
- Street Maintenance Worker (6);
 - Operates heavy equipment such as dump trucks, snow plows, backhoes, and graders. Performs maintenance duties such as asphalt overlay, traffic control stripping and storm drain maintenance.

FINDING

Current funding for street maintenance is insufficient to meet the needs of the community.

Street maintenance has not been a top priority within City government over the past decade. Deferred maintenance has been the rule, more often leading to extensive deterioration and the need for more substantial rehabilitation costs.

On the following page, Exhibit 6-6, is the maintenance priority based on the condition of existing City streets as reviewed in 2006:



Exhibit 6-6
City of Fountain, Colorado
2006 Maintenance Priority
Based on the Condition of Existing City Streets

Pavement Ratings	Total Miles
Priority # 1 – Poor	8.81
Priority #2 – Fair	35.55
Priority #3 – Good	44.62
TOTAL	88.98

Source: City of Fountain Public Works Department, August 2007

As shown in Exhibit 6-6, half of the City's 88.98 miles of existing streets are considered to be in fair to poor condition.

For the past few years the City has budgeted only approximately \$150,000 annually for street maintenance. In 2007, because of some carry-over funds from 2006, the City budgeted \$200,000. The funding allocated for 2007 addressed only two street maintenance projects.

A comparison of peer organizations and their respective 2007 street maintenance budgets is presented below in Exhibit 6-7. Of the six organizations surveyed, only one – the City of North Glenn – spends less than the City of Fountain on street maintenance-related activities.

The nationwide problem of long-term failure to invest in the upkeep of streets and roadways has been well documented in recent years. Today, there is a better understanding of the serious consequences of progressive deterioration in terms of road safety and general acceptance that a lack of effective maintenance will inevitably require even greater levels of investment at some future date. It has, moreover, become widely acknowledged that proper management of local street and road networks has potential to aid regeneration, with benefits for social inclusion, public health and the quality of the environment.

Exhibit 6-7
City of Fountain, Colorado
Street Maintenance Budget
Comparison of Peer Organizations

Organization	Miles of Paved Road	2007 Maintenance Budget	Cost Per Mile
City of Brighton, CO	119	\$1,200,000	\$10,084
Commerce City, CO	712	\$2,300,000	\$3,230
City of North Glenn, CO	126	\$129,000	\$1,024
City of Lafayette, CO	156	\$500,000	\$3,205
Town of Parker, CO	613	\$1,600,000	\$2,610
City of Louisville, CO	110	\$767,000	\$6,973
City of Fountain, CO	88.98	\$200,000	\$2,248
Benchmark Average	275	\$956,571	\$4,196

Source: Created by Evergreen Solutions, August 2007



RECOMMENDATION**Recommendation 6-8:**

Implement the proposed street maintenance budget schedule below in Exhibit 6-8:

**Exhibit 6-8
City of Fountain, Colorado
Proposed Street Maintenance Budget Schedule**

2008	2009	2010	2011	2012
\$300,000.00	\$450,000.00	\$550,000.00	\$650,000.00	\$750,000.00

Source: Created by Evergreen Solutions, August 2007

Note: The term street maintenance is defined as street resurfacing, rehabilitation and capital improvements such as traffic signal equipment.

Managing the community's streets and roads demands a comprehensive professional approach. Not only does the street and road system present a major capital investment, but also serves as a major means through which the public evaluates its government. If this investment is to be preserved, and safe and effective transportation provided to the public, positive and timely action must be taken by the leadership of the City for street and road maintenance.

FISCAL IMPACT

The estimated fiscal impact associated with this recommendation is outlined above in Exhibit 6-8.

FINDING

The Streets Division relies on an inefficient paper-based worker order management system to schedule and respond to work request.

Calls for service are generally received by the Administrative Assistant for the Public Works Department during normal business hours. She captures relevant information from the caller such as name, address and nature of the call. She also records the time and date of the call. Once this information is written down on a paper ticket (work order), the ticket is placed in the proper folder.

The superintendent or foremen checks the folders regularly throughout the day, and assigns work crews to handle the call. Although staff checks the folders regularly, it is fairly common for the Administrative Assistant to call or radio the appropriate staff person and give them the information needed to respond to the call. Calls for after hours and weekends are routed to the police department. The police dispatcher receives the call, takes the information and then contacts the person on-call in the Streets Division.



RECOMMENDATION

Recommendation 6-9:

Implement an electronic work order management system in the streets division.

An electronic work order system will provide a more efficient means to manage staff resources, monitor and control repair costs, and document departmental workload. Work can be grouped in facility locations to enhance the employees' productivity and response time to better meet the needs of the citizens. Work orders can be assigned, updated, reviewed, approved, and managed to create an efficient and responsive environment throughout the public works department. Up-to-date information can now be captured and relayed to the managerial staff so decisions can be made based on real-time data instead of based on stale information. In addition, reports can be generated to assist the staff in identifying problem areas that need further attention.

FISCAL IMPACT

In order to implement this recommendation, the Streets Division will need the services of a part-time Administrative Assistant. The estimated fiscal impact is \$11,842.

6.6 CITY PARKS/OPEN SPACE/CEMETARY

Trails, parks, and playgrounds are among the five most important community amenities considered when selecting a home, according to 2,000 recent homebuyers surveyed by the National Association of Home Builders and National Association of Realtors. Moreover, numerous studies conducted during the past 30 years have shown a direct correlation between a community's proximity to parks and greenways and increased property values, tax revenues and aesthetics to businesses and workers.

So it is not surprising that many communities envision park and recreation facilities as a key to economic vitality. A comprehensive and strategic plan for park and recreation facilities at the local, state or federal level can enhance opportunities for economic development in urban areas.

The following are some recommended administrative practices or guidelines that describe the critical elements necessary for an efficient parks division to accomplish its mission. The recommended practices and guidelines provide a framework for creating a parks division or for systematically conducting an objective evaluation of nearly any parks division, regardless of its size, location, services provided or organizational structure.

It is intended that such a framework and systematic approach can lead to significant improvements to the way a division does business. It also provides a method to identify and prioritize areas that need improvement.

- 1) **Parks, Grounds, Forestry** – Grounds management, whether in parks or simply around public buildings, involves a multitude of activities and tasks. Grounds personnel are responsible for all public grounds including maintenance and operations activities like mulching, mowing, transplanting, irrigating, inventorying, planting, pruning, etc.



- Landscaping serves three major functions: 1) to enhance a facility by blending concrete, stone or other building material into nature; 2) to provide “green space” that isolates man-made structures from each other to give an illusion of space or openness; and 3) to add value. Other aspects of landscaping are control of wind damage and the provision of shade and cooling for buildings, equipment, and open spaces. A reduction of dust and erosion in the area assists in keeping buildings clean.
 - A comprehensive landscape management plan or master plan should be developed to address operations, inspections, maintenance and inventory requirements, and future program improvements.
- Forestry encompasses the maintenance and operations activities related to trees and shrubs in the public right-of-way or on public property. Examples of these activities include forestry planning, inventorying species and their condition, planting, pruning, and removal of dead or diseased trees.
 - The tree inventory should include all trees within the right-of-way and on public grounds, and should be updated periodically. The inventory is necessary as a planning tool to schedule maintenance and disease treatment, determine areas for additional planting, locate unsafe conditions requiring removal, and to assess the value of the tree system as part of the organization’s fixed assets.
 - Formal tree ordinances should be adopted and are necessary to protect the community’s investment in its own street and public trees as well as its indirect interest in trees on private property. When properly maintained, trees contribute to higher property values (and increased property tax revenue) as well as a better quality of life. When neglected or ill treated, they become hazards and potential bases for lawsuits. At a minimum, the ordinance should require development of a street tree management plan and assignment of responsibility for the plan’s implementation to one individual or department. The ordinance also should include provisions for the enforcement of standards. The street tree management plan should detail the information concerning specifications, replacement policy, planting in or near utilities (both overhead and underground), species avoidance, maintenance, and removal.
 - Policies and standards should be defined for planting and pruning trees. Employees are trained to use specific methods derived from these policies and standards. Work sites should be periodically inspected for conformity to these practices. The frequency of planting and pruning is dictated primarily by species and variety of trees and shrubs, the length of the growing season, and the specifics of the design concept are also controlling factors.
 - A commitment must be made to fund and respond in a timely fashion to identifiable diseases and insects in public trees. Control programs may use any of the following methods: 1) Preventative – a scheduled chemical program designed to prevent significant damage; 2) Corrective – application of chemicals or



mechanical controls designed to eliminate observed problems; and 3) Integrated Pest Management – withholding any controls until pests demonstrate damage to plant materials or become a demonstrated irritant to the public.

- There are three general principals of turf management. First, no lawn is stable; it is either improving or declining in quality. Even when a lawn appears to be in good condition, there may be hidden problems that can manifest later. Second, with proper moisture and fertilizer, a lawn can be established, weeds will be crowded out, and grass will grow abundantly. Third, grass will not continue to grow in dense shade. There are a varieties of grass that tolerate varying degrees of shade, but none can tolerate shade caused by dense trees.
 - Turf mowing policies are utilized to determine mowing frequency or height standards determined either for all turf areas or by type of turf.
- Manual and automatic irrigation systems are commonly used. Frequency of use is variable depending on rainfall, temperature, growing season and demands of plant material. Attention paid to design, maintenance and inventory of the system assists in determining system effectiveness and techniques to conserve water.
 - Parameters are defined in order to outline the required design standards and ensure that the system meets local serviceability requirements with reasonable levels of maintenance. Identification of the landscaped and turf areas to be irrigated is important since irrigation is not universally installed in many regions. Aesthetics and costs of alternate watering techniques for water conservation are factors to consider in deciding whether to irrigate.
 - Seasonal maintenance is required to replace damaged portions of the irrigation system. Other maintenance and inspection practices are required to ensure functional systems. Backflow devices are installed, maintained and certified in accordance with local requirements.
- Playground equipment inspection and maintenance procedures should be thoroughly detailed and documented. The program should identify supervisory responsibility, a formal inspection plan, a maintenance plan, and training for maintenance personnel. Detailed records of maintenance activities may be documented to provide the history of inspections and repairs for individual pieces of equipment. Damaged or unsafe equipment should be replaced, repaired, or removed from service immediately. Long-range plans for renovation, refurbishment or replacement are developed and included in capital improvement plans.

The Parks Division of the Public Works Department is responsible for maintaining City-owned parks, streetscapes, and cemeteries. The division engages in activities such as debris removal, mowing, fertilizing turf, installing and maintaining irrigation systems, landscaping, and cleaning park facilities. During winter months, the division assists the Street Division with snow removal efforts.

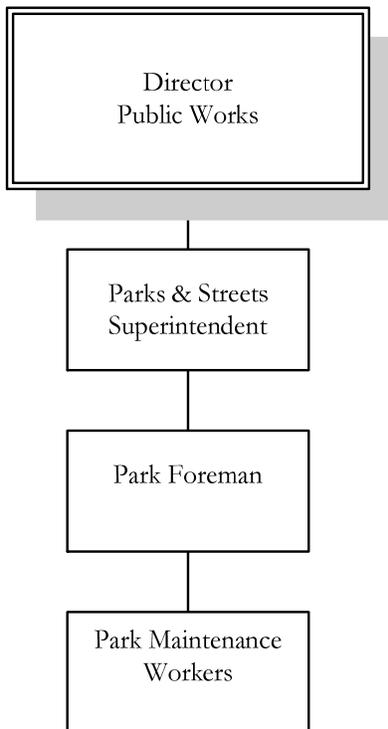


The division is managed by the Streets and Parks Superintendent, who reports to the Public Works Department Director. The superintendent directs the day-to-day operations of the Parks Division by supervising staff, and coordinating projects and administrative matters. The superintendent also conducts inspections of construction sites for compliance with City codes and ordinances. Division staffing includes the superintendent and three subordinate staff members. During the summer months the staffing is augmented by eight to ten seasonal workers. The current organizational structure is shown in Exhibit 6-9 below.

The superintendent has supervision responsibility for the following positions:

- Parks Foreman;
 - Supervises work crews in the Parks Division, coordinates work assignments, and operates heavy equipment.
- Park Maintenance Workers (2);
 - Operates heavy equipment, assists with snow removal, and performs landscaping duties such as mowing, pruning trees, and irrigation system maintenance.

Exhibit 6-9
City of Fountain, Colorado
Organizational Structure Parks Division



Source: Created by Evergreen Solutions, August 2007



FINDING

Existing staffing levels in the Parks Division are not sufficient to support the current work load.

The City’s Parks Division is responsible for maintaining the following seven parks:

- Metcalf Park: 36.29 acres with the following amenities:
 - Riding area
 - Four baseball fields
 - Basketball court
 - Skate-board park
 - Dog park
 - BMX track
 - Volleyball court
 - Playground equipment
 - Gazebo
 - Seven Pavilions
 - Restrooms

- Aga Park: 2.50 acres with the following amenities:
 - Baseball field
 - Tennis Court
 - Basketball Court
 - Playground equipment
 - Pavilion
 - Restrooms

- Fountain Mesa Park: 25.22 acres with the following amenities:
 - Playground equipment
 - Basketball court
 - Pavilions
 - Multi-purpose field
 - Walking/Bike trail
 - Restrooms

- Hibbard Park: four acres with the following amenities:
 - Playground equipment
 - Walking/Biking trail
 - Pavilion

- Conley Park: one acre with the following amenities:
 - Playground equipment

- Lindamood Park: 0.74 acres with the following amenities:
 - Playground equipment
 - Pavilions
 - Basketball court

- City Hall Plaza: 0.3 acres with the following amenities:
 - Dancing fountain



- Adams Open Space Park: 50 acres with the following amenities:
 - Walking
 - Biking trails

- Mayors Park: .25 acres with the following amenities:
 - Fountain

The City expects to bring an eighth park on-line in January 2008. Cumberland Green Park will be a six acre park with multi-purpose fields, trails, and other amenities. In addition to park maintenance, the division maintains the grounds of all municipal buildings, the cemetery, and several miles of landscaping for City right-of-ways and streetscapes. In all, the division is responsible for servicing over 250 acres of property - with a foreman and two park maintenance workers. Although the division receives eight to ten seasonal workers during summer months, it does not provide significant benefits because the individuals have little to no training in the areas the division needs assistance with, and their attendance is inconsistent. Many work for a few weeks and simply don't come back.

RECOMMENDATION

Recommendation 6-10:

Hire two additional Park Maintenance Workers to meet the work load demands in the Parks Division.

The additional staffing resources will improve operations and have a positive impact on moral within the Parks Division. Workloads can be a critical factor in whether people decide to stay with an employer. When employees are repeatedly asked to handle multiple job functions and assume ever-increasing working loads, they often begin to feel overworked and under appreciated.

FISCAL IMPACT

The estimated fiscal impact associated with this recommendation is \$75,000 per year.

Recommendation	2008	2009	2010	2011	2012
Staffing Additions in Parks Division	(\$37,500)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)

FINDING

The Parks Division relies on an inefficient paper-based worker order management system to schedule and respond to work request.



Calls for service are generally received by the Administrative Assistant for the Public Works Department during normal business hours. She captures relevant information from the caller such as name, address, and nature of the call. She also records the time and date of the call. Once this information is written down on a paper ticket (work order), the ticket is placed in the proper folder.

The superintendent or foremen checks the folders regularly throughout the day, and assigns work crews to handle the call. Although staff checks the folders regularly, it is fairly common for the Administrative Assistant to call or radio the appropriate staff person and give them the information needed to respond to the call. Calls for after hours and weekends are routed to the police department. The Police Dispatcher receives the call, takes the information and then contacts the person on-call in division.

RECOMMENDATION

Recommendation 6-11:

Implement an electronic work order management system in the parks division.

An electronic work order system will provide a more efficient means to manage staff resources, monitor and control repair costs, and document departmental workload. Work can be grouped in facility locations to enhance the employees' productivity and response time to better meet the needs of the citizens. Work orders can be assigned, updated, reviewed, approved, and managed to create an efficient and responsive environment throughout the public works department. Up-to-date information can now be captured and relayed to the managerial staff so decisions can be made based on real-time data instead of stale information. In addition, reports can be generated to assist the staff in identifying problem areas that need further attention.

FISCAL IMPACT

In order to implement this recommendation, the Parks Division will need the services of a part-time Administrative Assistant. The estimated fiscal impact is \$11,842.



**CHAPTER 7:
UTILITIES**



Chapter 7

UTILITIES DEPARTMENT

Managing municipal utilities has never been more challenging. Today's managers and elected officials are required to continuously implement new methods to reduce ongoing operating costs. At the same time, they must seek additional funding sources to replace aging infrastructure, and implement the expansions and technological improvements necessary to maintain efficient customer service and regulatory compliance. Utility managers are increasingly challenged to effectively utilize economic concepts to develop a practical cost management approach. This is critical to a utility's financial positioning, and affects its ability to access needed funding. On a broad scale, effective utility management helps an organization optimize operating efficiency, reduce operating costs, extend equipment life and establish a framework for continuous improvement.

The pressures of open market competition are also a reality. Utilities are often required to compete with domestic and foreign privatization forces for cost-effective operations and qualified personnel, and also with other municipalities for available funding sources and business growth opportunities. The key to meeting these challenges is adopting time-proven, quality cost-effective, and realistic business practices to better serve the public.

This chapter reviews the Utilities Department of the City of Fountain Colorado, and includes reaction to the Organization and Management of the Utilities Department, as well as the three major functional areas:

- 7.1 Organization and Management
- 7.2 City Electric
- 7.3 City Water
- 7.4 Customer Service and Utility Billing

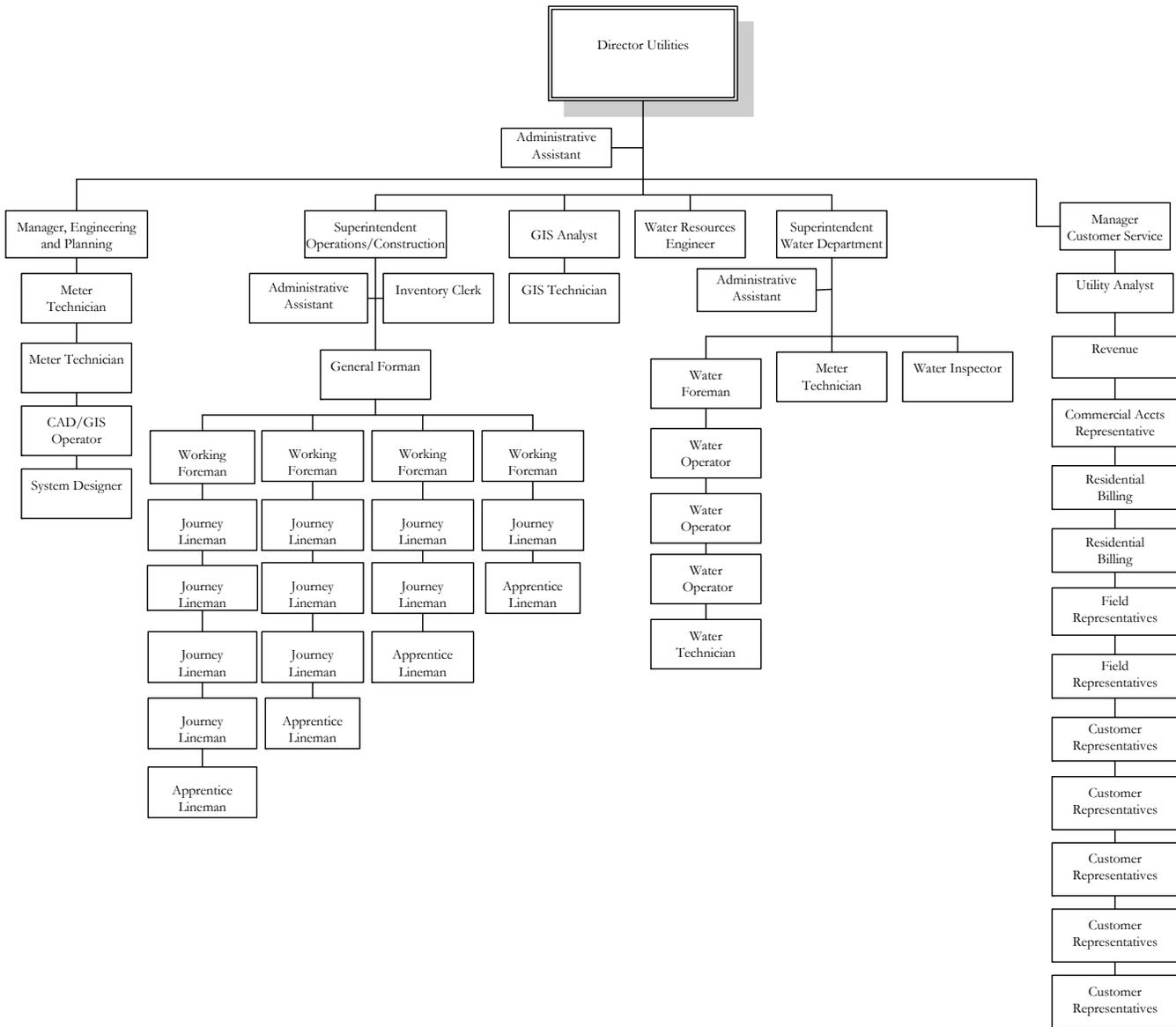
7.1. ORGANIZATION AND MANAGEMENT

The City of Fountain Utility Department is organized into three functional areas: City Electric, City Water and Customer Service and Utility Billing. The current organizational structure is shown on the following page in Exhibit 7-1.

In 2002, the City combined its electric enterprise and water enterprise into a combined enterprise under one administrator. Today, the enterprise or department is managed by a director and has 55 employees assigned. The system presently serves approximately 14,000 electric customers and approximately 6,000 water customers. The system provides electricity to all city residents, and those in the unincorporated communities of Widefield and Security in El Paso County. According to the 2007 City budget, the combined utility enterprise fund has an operating budget of approximately \$42 million dollars.



**Exhibit 7-1
Current Organization Structure
Utility Department**



Source: Created by Evergreen Solutions, August 2007



The Department Director reports to the City Manager and is responsible for developing and implementing utility-wide strategic business goals, plans, programs, and initiatives. The Utilities Department Director has direct supervision responsibility for the following positions:

- Administrative Assistant;
 - Provides all administrative and clerical support to the Utilities Department Director.
- Manager of Engineering and Planning;
 - Provides technical support for the construction, operation and maintenance of the electric system. Responsible for electric system engineering and distribution design standards.
- Superintendent of Electric Operations and Construction;
 - Directs and manages the tactical operations of the utility’s electric division, including recruitment and training of staff, planning and management of work, and administration of the division.
- GIS Analyst;
 - Duties involve utility system mapping, graphics, database design, and administration.
- Water Resources Engineer;
 - Provides technical support for the construction, operation and maintenance of the water system. Position also responsible for water system engineering and distribution design standards.
- Superintendent of Water Department; and
 - Performs technical and managerial functions related to water treatment and distribution. Position also coordinates planning, design, operations, and maintenance of these systems.
- Manager of Customer Service and Utility Billing.
 - Directs and manages all aspects of utility’s Customer Service and Billing Division, including recruitment and training of staff, planning and management of work, and administration of the division.

FINDING

The Utility Department as a whole is extremely well-managed and very proactive. Considering the population growth – the population increased from 14,944 in 1999 to 19,232 in 2004 – and



the ever-increasing demands for electricity and water, this department appears well prepared to address service needs now and well into the future.

COMMENDATION

The City of Fountain Utility Department is commended for its visionary leadership and strategic planning in the areas of water and electric.

FINDING

Since 2002 the Utility Department has implemented several technological improvements that have led to improved information and data collection, and thus decision-making. Below is a brief examination of three of the most significant technology systems implemented by the Utility Department.

The electric and water divisions within the City of Fountain Utility Department utilize a Supervisory Control and Data Acquisition (SCADA) system that allows operators at the main facility to monitor and control process that are distributed among various remote sites. For example, the SCADA system is used to monitor and control the City's entire electricity network; and water personnel utilize the SCADA system to manipulate water quantity and pressure of City-owned wells and water tanks, all from a central site.

The SCADA system saves time and money by eliminating the need for service personnel to visit each site for inspection, data collection/logging or make adjustments. Other benefits the SCADA system provides include:

- Reduced operational costs;
- Immediate knowledge of electric or water system performance;
- Improved system efficiency and performance;
- Increased equipment life;
- A reduction in the number of costly repairs;
- Frees up personnel for other important tasks; and
- Facilitates regulatory compliance through automated report generating.

A second technological enhancement currently in use in the utility department is G.I.S. or Geographic Information System management. G.I.S. is a collection of computer hardware, software, and geographic data for capturing, managing, analyzing, and displaying all forms of geographically referenced information.

G.I.S. allows users to link information or attributes to location data, such as people to addresses, or buildings to parcels or streets within a network. That information can be layered to give a better understanding of how it all works together. Layering combination can be selected based on what questions need to be answered.

The Utility Department has used its G.I.S. system to map all utility-related assets such as facilities, electric sub-stations, water lines, and fire hydrants. Because G.I.S. is a geographic data base, once the items are mapped, very detailed geographic descriptions are produced for each



items location. Additional functions such as queries, analysis, and editing can be done to the maps.

The third area of technology application that has proven to be very beneficial to the Utility Department is automated meter reading (A.M.R.). A.M.R. is the technology of automatically collecting data from water or energy metering devices (water, gas, or electric) and transferring that data to a central database for billing and/or analyzing. This means that billing can be based on actual consumption, giving customers better control of their use of electric energy, gas usage, or water consumption.

Although the City of Fountain has over 14,000 electric customers and roughly 6,000 water customers, all meters are read by one employee – thanks to the A.M.R. system. Without the automated meter reading system, the meter reading function would require the City to hire several full-time employees.

COMMENDATION

The City of Fountain Utility Department is commended for its use of technology applications in the Divisions of Electric, Water and Customer Service and Utility Billing.

A modern utility must continually look at technological innovation in order to improve service delivery, contain cost, and as a tool to aid the decision-making process. Considering the tremendous capital cost associated with running a utility enterprise, failure to take advantage of technology can cost a utility millions of dollars, which is ultimately passed on to its customers. The City of Fountain Utility Department has and continues to use technology as an effective means of managing its assets, controlling costs and improving service to customers.

In organizational development, succession planning is the process of identifying and preparing suitable employees through mentoring, training and job rotation, to replace key personnel – such as the Chief Executive Officer (C.E.O.) – within an organization as their terms expire. From the risk management aspect, provisions are made in case no suitable internal candidates are available to replace the loss of any key person. For example, it is not unusual for a private sector firm to insure the key person so that funds are available if she or he dies and these funds can be used by the business to cope with the problems before a suitable replacement is found or developed. Although such a practice is not common in the public sector, the idea of succession planning is a common practice in city or other municipal governments around the country.

Succession planning involves having senior executives periodically review their top executives and those in the next-lower level to determine several backups for each senior position. This is important because it often takes years of grooming to develop effective senior managers. There is a critical shortage in most organizations of good middle senior leaders.

A careful and considered plan of action ensures the least possible disruption to the person's responsibilities and therefore the organization's effectiveness. An effective succession plan clearly identifies the factors to be taken into account and the process to be followed in relation to retaining or replacing a key person.



FINDING

The City does not have a succession plan in place for the Utility Director position. In order to ensure minimal disruption to the utility operation and organization, a well-thought out succession plan is needed in the event the top position in the department becomes vacant.

The current director has been in place for approximately four years, and has done an exceptional job of managing the City of Fountain's utility operation. His experience, knowledge, and vision have enabled the City to meet the rising demand for services as the community experiences significant growth.

One of the essential ingredients for positive economic growth within any community is good infrastructure. Electric and water services are vital to both commercial and residential development. As mentioned earlier, the City has done a great job of long-term utility infrastructure planning to ensure future supplies of both electric and water resources. Many of the agreements recently completed or those currently in the negotiation stage will not actually be implemented for several years to come.

The current Utility Director has indicated that he plans to retire within the next four to five years. Presently, he is the only person on staff with a comprehensive knowledge of the entire utility operation – electric and water. Over the next four to five years many of the major capital improvement projects will be at various phases of construction – a critical time that requires an experienced leader to navigate the organizational and political issues that are sure to arise, and see the projects through to completion.

RECOMMENDATION**Recommendation 7-1:**

Develop a succession plan to ensure management and leadership continuity of the City's utility enterprise.

By addressing the future leadership issue now and developing a formal succession plan will ensure steady progress and implementation of the utility's strategic goals and plans. Ideally, this process will identify a successor within a reasonable time frame so the current director can spend the next few years developing his replacement. The ultimate goal will be to have a seamless leadership transition upon the retirement of the current director.

FISCAL IMPACT

The fiscal impact will be minimal if the City develops the succession plan internally.

FINDING

The City Council provides limited governance over the utility system's long-term planning efforts.



Governance in its widest sense refers to how an organization is run. It includes all processes, systems, and controls that are used to safeguard and manage assets. Whether it be a corporation or municipal government, the idea of fairness, transparency and accountability are fundamental to the success of any organization – perhaps even more so for a public entity.

Because of the tremendous growth that the City has experienced over the past few years, the Utilities Department has been very aggressive in securing future water rights and affordable electricity from various sources. The Utility Director has masterfully negotiated several partnerships and supply arrangements that should benefit the City for years to come. However, the elected officials, who are charged with establishing policy and management oversight for the entire organization, appear to have little involvement in the process.

An effective utility system is vital for both commercial and residential growth, and requires significant periodic capital outlays to ensure its viability. This is an area where the elected officials need to take a more active role in understanding issues that impact their utility system.

RECOMMENDATION

Recommendation 7-2:

Establish a subcommittee to provide greater oversight of utility system planning.

Better governance by City Council creates a strong future for the utility system by continuously steering toward a vision and making sure that day-to-day management is always lined up with the organization's goals. An effective City Council can positively improve both financial and social results, and make sure citizens' assets and funds continue to be used appropriately.

FISCAL IMPACT

There is no direct fiscal impact associated with this recommendation.

As an enterprise fund, the utilities operation within the City is designed to be self-supporting. In other words, the utility operation receives no direct funding for operations from the City's general fund. The rates that are paid by electric and water customers are established to ensure funding for current operations and future maintenance to the system.

It is a common practice for municipalities with an enterprise fund for utilities such as electric and water to transfer various support costs such as office space, fleet maintenance, etc. between its general fund and enterprise funds. As long as the cost or revenue transfers are in support of the enterprise fund, they are acceptable. On the following page, in Exhibits 7-2 and 7-3, are projected cost and revenue transfers from the City's 2008 budget.



**Exhibit 7-2
City of Fountain, Colorado
Transfers to General Fund**

Transfers to General Fund	Amount
From Water for IT	\$173,348
From Water for Bldg	\$68,012
TOTAL	\$241,360

Source: City of Fountain Finance Department, August 2007

**Exhibit 7-3
City of Fountain, Colorado
Transfers to Electric Fund**

Transfers to Electric	Amount
From General Fund for Fleet	\$649,562
From Water for Fleet	\$91,983
From Ambulance for Fleet	\$49,650
TOTAL	\$791,195

Source: City of Fountain Finance Department, August 2007

FINDING

The City Finance Department does not utilize cost allocation to determine the true cost (direct and indirect costs) of services provided to users of that service. Cost allocation procedures distribute accumulated indirect costs to the programs that benefit from the accumulated costs on the basis of percentages that represent a reasonable and equitable allocation base.

During a review of some cost assessments from the previous budget year, it appears that greater scrutiny needs to be exercised to ensure costs such as personnel or equipment are properly charged to the appropriate fund – be it enterprise or general fund.

Special care must be exercised to ensure that the costs being allocated are complete, agree with, or are reconciled to amounts reported in the City’s financial statements. In allocating indirect costs, the City must use actual costs and actual usage measures (e.g., labor hours) except when management believes that other estimates are more appropriate.

Regardless of the cost allocation methodologies used, all City cost allocation procedures should demonstrate the following characteristics:

- 1) Information – It shall provide the appropriate accounting information required by management to account for City programs as required by state law. In providing the required information, management shall give appropriate consideration to the cost of



obtaining and providing the information in relation to the benefits to be derived from the information.

- 2) Timeliness – It must produce program cost data on a timely basis.
- 3) Consistency – The cost identification and distribution methods selected will be applied consistently from period to period.
- 4) Accuracy – The information provided shall be as accurate as possible.
- 5) Audibility – Program costs must be fully audible (e.g., working papers must be retained showing program cost identification, accumulation, and distribution methods).

Costs that can be identified directly to a program and/or funding source (direct costs) must be charged directly to that program. Indirect costs should be distributed to programs and/or funding sources on the most equitable basis practical. The following are some typical program cost accounting accumulation categories and the typical equitable bases of distribution:

COST ACCUMULATION	TYPICAL EQUITABLE DISTRIBUTION BASE
Salaries and Wages	- Hours chargeable to each program
Operating Expenses and Equipment	- The most equitable basis (e.g., office space)
Service Unit Costs	- Machine hours or labor hours, etc.
Administration Costs	- Salaries and wages or total budgeted expenses

RECOMMENDATION

Recommendation 7-3:

Conduct a City-wide cost allocation study to properly document direct and indirect costs associated with the utility enterprise fund.

In order to ensure the accuracy and integrity of the utility enterprise fund, the City must conduct a cost allocation study to properly establish budgeting cost centers and to ensure cost transfers between the general and enterprise funds are appropriate and reasonable. By design the enterprise fund was established to ensure that those benefiting from the utility services pay for those services.



FISCAL IMPACT

The estimated cost of conducting a City-wide cost allocation study is \$25,000.

Recommendation	2008	2009	2010	2011	2012
Conduct Cost Allocation Study	(\$25,000)	\$0	\$0	\$0	\$0

The western United States has suffered through nine years of persistent drought. The drought combined with unprecedented population growth in several western states is placing stress on water supplies to support existing and projected populations in many areas.

The competition for water supplies has intensified between western states and between economic interests within states – such as agriculture and urban interests. In addition, climate change and political conflict are also forcing municipalities and utilities to find creative and often costly solutions to water shortages.

Several western cities and counties have reached, or have forecasted to reach, a population that can no longer be supported by existing water rights and water supplies. As a result, a growing number of cities and counties in the region are involved in efforts to acquire and transfer agricultural water rights from rural areas as far away as two hundred miles.

In Colorado, several Front Range municipalities have acquired water rights from the South Platte and Arkansas River Basins. The trend of urban areas seeking water rights from rural areas will intensify over the next decade. Utilities in high growth areas that will require additional water rights and water supplies will need to plan ahead for water rights acquisitions.

Much like our water supply, demands for energy and power are forcing utilities to practice conservation and seek alternative sources.

Today, 98 percent of Colorado’s energy is produced from fossil fuels – coal, oil, and natural gas. They are plentiful and inexpensive today, but their supply is finite and their use has serious environmental consequences. In contrast, clean energy resources are constantly replenished and economically advantage. Clean energy systems can be classified in two general categories: renewable energy and energy efficiency.

Renewable energy comes either directly or indirectly from the sun or from tapping the heat in the earth’s core. Sunlight, or solar energy, can be used directly for heating, cooling, lighting homes, generating electricity, and heating hot water.

The sun’s heat also causes temperature changes on the Earth’s surface and in the air, creating wind energy that can be captured with wind turbines. Sunlight causes plants to grow and is the source of all life. The organic matter that comes from plants and from animal waste is known as biomass. It can be used to produce electricity, transportation fuels, or chemicals for consumer products. The use of biomass for any of these purposes is called bioenergy.



Rain - created from water evaporating when exposed to sunlight, collected in rivers and streams - can be turned into electricity called hydropower. Geothermal energy taps the Earth's internal heat, carried by steam or hot water. It can generate electricity or be used directly to heat and cool buildings.

Finally, energy-efficient technologies minimize the energy used to perform work, whether it be running a car or lighting a home.

Renewable energy and energy efficiency benefit the entire community in several ways, through harming the environment less, positively impacting jobs and the economy, and providing an energy source that – unlike fossil fuels – won't run out.

In summary, population growth and demand are forcing utilities to not only conserve energy and water resources, but to simultaneously seek additional energy and water supplies, and, where possible, alternative resources as well.

FINDING

The City of Fountain has taken proactive steps to ensure a staple supply of energy and water for future years. For example, the City has entered into a contract with the Municipal Energy Agency of Nebraska (M.E.A.N.) to purchase electricity. Also, as a result of the M.E.A.N. contract, the City receives four percent of its energy requirements in the form of wind energy, which is an excellent example of so-called "green power."

For water, the City is conducting a 40-year master plan, and has partnered with the City of Colorado Springs and Security Water and Sanitation District in the Southern Delivery System Project, which is designed to bring in water from the Pueblo Reservoir.

Currently, the City has several water supply and water rights projects in various stages of development. As is the case in most western states, these projects are often politically sensitive and require a great deal of time and attention. Based on the number of projects underway and their significance, a dedicated staff person to provide oversight is needed. Also, it would be prudent from a business standpoint to incorporate the City's conservation efforts with the energy and water supply planning.

RECOMMENDATION

Recommendation 7-4:

Create a position to manage the utilities conservation programs and coordinate energy and water supply planning.

The primary responsibility of this position is to perform managerial and technical duties in the development, implementation and administration of electric and water conservation programs, water and electric supply planning, and duties related to water resource planning, environmental permitting, reporting, and compliance tracking.



FISCAL IMPACT

The estimated cost of hiring a manager of conservation and supply is \$75,000 per year for salary and benefits.

Recommendation	2008	2009	2010	2011	2012
Create Utility Conservation Program Manager	(\$37,500)	(\$75,000)	(\$75,000)	(\$75,000)	(\$75,000)

Capital facilities involve expenditures of a non-recurring nature, designed to provide new or expanded government capacity for the delivery of public services. The primary objective is to guide the provision of major public facilities of large-size, fixed nature, and/or having a relatively long life within the limits of available public resources. Thus, providing capital facilities in the most effective and efficient manner must involve planning, programming, and financing, and debt administration.

Long-range planning of capital facilities typically lags behind other planning initiatives in government organizations. As governments began to assume greater responsibility for the provision of public services and facilities, only the most evident needs are usually addressed, and these needs often are dealt with in a somewhat haphazard fashion.

Long-range capital facilities planning provides a means of assuring that projects will be carried out in accordance with a well thought-out and defensible system of priorities that reflect both the public needs and the government's ability to pay. It promotes coordination among the various departments and agencies of the government, and thereby helps circumvent overlapping or conflicting programs. It protects against undue influence by pressure groups who represent special interests, which may attempt to force the adoption of "pet projects" at the expense of more urgent or more meritorious improvements.

Through capital facilities planning, required bond issues or other revenue-produced measures can be foreseen and action taken before the need becomes as critical as to require emergency financing measures. Advanced planning extends the period of time available for the proper technical design of facilities and permits a continual, systematic appraisal of personnel and equipment needs, resulting in a number of economies. And finally, the planning of capital facilities may provide justification for advanced acquisition of properties needed for improvements, thereby taking advantage of lower market values.

Capital facilities planning should be built upon a continuous assessment of client/community preferences, an identification of goals and objectives, demographic estimates and economic forecasts, and projections of development expectations. Data on future community needs must be sufficiently reliable to justify decisions that involve relatively large, long-term commitments of financial resources.



FINDING

The Utility Department has a number of facility needs that must be addressed. Both the Electric and Water Divisions are housed in older facilities that can not adequately support the number of staff assigned. Equipment that should be protected from the elements is sometimes left exposed the elements because there is not a suitable building or hanger to park it under.

As the City as grown, additional staff resources and equipment have been added to meet the new service demands. Unfortunately, the City has not addressed its need for additional office and storage space. The result is employees working in conditions that are not conducive to productivity, and increased operating costs to maintain the older facilities, some over 25 years old.

The Customer Service and Utility Billing Division operates out of the first floor of City Hall. The area is small and provides little work space for Cashiers and Customer Service Representatives. Customers that have problems with their accounts - particularly those that are trying to make payment arrangements in order to avoid disconnection of service - are afforded virtually no privacy to handle such matters.

RECOMMENDATION

Recommendation 7-5:

Conduct a 20-year strategic facilities master plan study.

The strategic facilities master plan study is an analysis and policy guideline to ensure effective use and orderly acquisition and development of City facility and land assets. The strategic facilities master plan supports and perpetuates the strategic planning initiatives already underway in the Utility Department. Ideally, the study would not only address the facility needs of the utility operation, but general government as well. The strategic facility master plan would serve as a tool for prioritizing needs and establishing short-term and long-term strategic decisions. Once completed, the strategic facility master plan would be updated annually in conjunction with the department's capital improvement plan.

FISCAL IMPACT

The estimated fiscal impact of this recommendation is \$50,000 to \$75,000, however, the cost will be dependent on whether or not the study is expended to include all City departments.

72. ITY ELECTRIC

In the United States, there are over 2,000 public electric utilities serving an estimated 43 million customers. Public power entities include municipalities, state power agencies, and municipal marketing authorities. Municipal electric utilities are defined as those public power providers that are owned and operated by cities, towns, and counties. Other public power providers include public utility districts and stated-owned providers.



In the U.S., public electric utilities service approximately 14 percent of the total number of electricity customers. Of the remaining customers, 69 percent are serviced by investor-owned utilities, 12 percent by rural electric associations (REA's), and five percent by power marketers. Approximately 1,400 public electric utilities service communities with populations of less than 10,000. The largest municipal electric utility is the City of Los Angeles, which services over 1.4 million customers.

Under the existing system of regulation in Colorado, each incumbent electric utility is granted the right to be the sole provider of electric service for a specific area or areas in the state. In exchange for the right to be the sole provider, electric utilities are obligated to serve all customers in their service territory on a reliable basis. Rates charged under the existing regulatory structure must not be unduly discriminatory among different classes or groups, and preferences to any specific customer are prohibited. The rates charged are based upon cost of service, and, in some instances, performance based principals, where a utility is provided a reasonable opportunity to recover its prudently incurred costs, including the cost of capital associated with its investment in generation plant and other facilities. For investor-owned utilities, rates are established by the Colorado Public Utilities Commission (P.U.C.). For rural electric cooperative associations electing to do so under state law, rates are established by their board of directors without P.U.C. oversight. For municipal utilities serving inside municipal boundaries, the rates are established by their city councils. Rates for municipal utilities serving outside municipal boundaries also are established by their local governing body without P.U.C. approval, as long as the rates are the same inside and outside the city.

During the 1990's much debate took place throughout the country on whether the existing system of electric utility industry regulation should be changed. This debate has been referred to by many names: deregulation, restructuring, direct access, re-regulation, retail competition, retail wheeling, and others. Simply stated, retail competition generally permits end-user customers an opportunity to choose their electric supplier. That supplier, in turn, provides power to the end-use customers via the regulated distribution company. Under retail competition, rates reflecting generation supply would tend to change from cost-based rates to market-based rates. Significant legislative, regulatory, consumer, and industry debated has accompanied opening up the retail electricity market to competitive forces.

Depending on how it may be measured, over twenty states have made substantial changes to the laws that define the retail electric market in their states, setting their states' utilities on a course toward more open markets. Virtually every state that has not changed their laws has conducted some type of legislative or regulatory study of the issue. About half of America's population lives in states that have made a move to open their retail markets.

Following years of debate, the Colorado General Assembly created a 30-member Electricity Advisory Panel in 1999 to look at the effects of deregulation on electricity in the state of Colorado. The study concluded that opening up the Colorado market to retail competition would increase rates for most consumers, negatively impact low income consumers, and have a negative impact on the state's economy. Since the results of the advisory panel study were released, there have not been any significant developments in the state of Colorado to move toward deregulating the electric industry.



In Colorado, 29 public municipal electric utilities service approximately 17 percent of the state’s 2.3 million customers. Two investor-owned utilities service 60 percent of the customers, and 28 REA’s service 23 percent. A small percentage of the population is serviced by federal and facility systems.

The top five electric utilities in Colorado sell 75 percent of the total megawatt hours used in the state. Exhibit 7-4 is a listing of the top five electric utilities based 2005 retail electric sales data.

Xcel Energy alone provides 55 percent of the annual megawatt hours sold in the state. By comparison, the City of Colorado Springs Utilities sells nine percent, Intermountain Rural Electric Association sells four percent, Aquila sells four percent, and the City of Fort Collins Utilities sells three percent.

**Exhibit 7-4
Top Five Electric Utilities Based
2005 Retail Electric Sales Data**

Entity	Type of Provider
Xcel Energy	Investor-Owned
City of Colorado Springs Utilities	Municipal
Intermountain Rural Electric Association	Cooperative
Aquila, Inc.	Investor-Owned
City of Fort Collins Utilities	Municipal

Source: U.S. Dept. of Energy 2005 Statistics

On average, Colorado retail customers pay 6.31 cents per kilowatt hour if their provider is a public electric utility, 6.98 cents per kilowatt hour if they purchase their electricity from an investor-owned utility, and 7.54 cents per kilowatt hour if they receive their service from an REA.

Since the early 1990’s, city and county governments have made attempts, some successful and some not, to take ownership and control of their local electric, gas, and water utilities by municipalization of these utilities. The transfer of ownership and control of an electric utility is typically vehemently protested by the current provider and tends to be a controversial local issue.

According to the American Public Power Association (APPA), there have been 16 municipal electric utilities formed in the last ten years, 46 in the last 20 years, and 72 in the last 30 years. Some electric utilities have completed the transition from investor-owned to municipally-owned in a year or two, while a few of the hard-fought municipalization campaigns have taken seven or eight years to complete. The average length of time for the transition from an investor-owned utility to a municipally-owned is three to four years.

According to the “Benefits of Public Power Report” published by the American Public Power Association, the following advantages are offered by municipal electric utilities:

- Municipal electric utilities generally provide a profitable revenue source for the city, which serves to support both the utility and to provide other benefits to the citizenry.



- Greater emphasis of long term community goals as demonstrated by investment in the local infrastructure, energy conservation, renewable energy, pollution prevention, and safety.
- Lower electric prices by a national average of ten percent.
- Superior operational and customer service.
- Local ownership and accountability to the people served with no split allegiance between customers and stockholders.
- Enhanced local control and local employment.
- Equal or greater reliability.

The City of Fountain does not own any electrical generating facilities. Instead, the City has historically purchased electricity from Colorado Springs Utilities and distributed and sold electricity to its customers. The most recent contract with Colorado Springs Utilities expired in June 2005.

In anticipation of the Colorado Springs Utilities contract expiration, the City issued a power supply request for proposal in July 2004. After a careful review of all proposals, the City entered into a five-year contract with the Municipal Energy Agency of Nebraska (M.E.A.N.).

The Municipal Energy Agency of Nebraska is one of four organizations of N.M.P.P. Energy, a non-profit joint-action agency based in Lincoln, Nebraska. M.E.A.N. was formed in 1981 to provide communities long-term, reliable and economical power supply resources and utility-related services to its member communities. M.E.A.N. currently serves 66 communities in Colorado, Kansas, Iowa, Nebraska and Wyoming.

M.E.A.N. strives to keep its power supply economical to the communities it serves by maintaining a diverse mix of power supply resources. The agency owns or participates in a number of coal-fired and hydro-powered generating power plants. It also has renewable energy in its resource portfolio as it owns the M.E.A.N. Wind Project at Kimball, Nebraska; the first utility-scale wind farm in Nebraska. The organization also owns a share of the Ainsworth, Nebraska Wind Energy Facility.

In addition to providing wholesale power, M.E.A.N. also provides members services such as utility-related computer software support, commercial and industrial energy audits, cost of service/rate design studies, economic and community development assistance, power supply planning, dispatching and other electricity management-related services.

The organization is an advocate for the communities it serves and actively participates in regional and national organizations – both at the state and federal level. M.E.A.N. closely monitors federal legislation on issues such as transmission to ensure long-term transmission rights for its participating member communities.

The City's electric facilities are comprised of a 115 KV transmission system and a 12.47KV distribution system. The City owns and operates 2.64 miles of 115KV looped transmission and



82 miles of 12.47KV three phase main line. The two City-owned and operated substations are comprised of seven 115KV breakers and five 115KV to 12.47KV power transformers with total capacity of 88MVA. Twelve 12.47KV circuits serve the system. The City has roughly 13,511 residential meters and 752 commercial meters installed. The electrical system hit a peak of 38MW in July of 2003. In 2004, there was 197,000MWH sold. The City has a state of Colorado Public Utilities Commission electrical certificated service area of 24 square miles. Over the next five years, the City expects to spend \$7.3 million dollars in capital improvements for the electrical system.

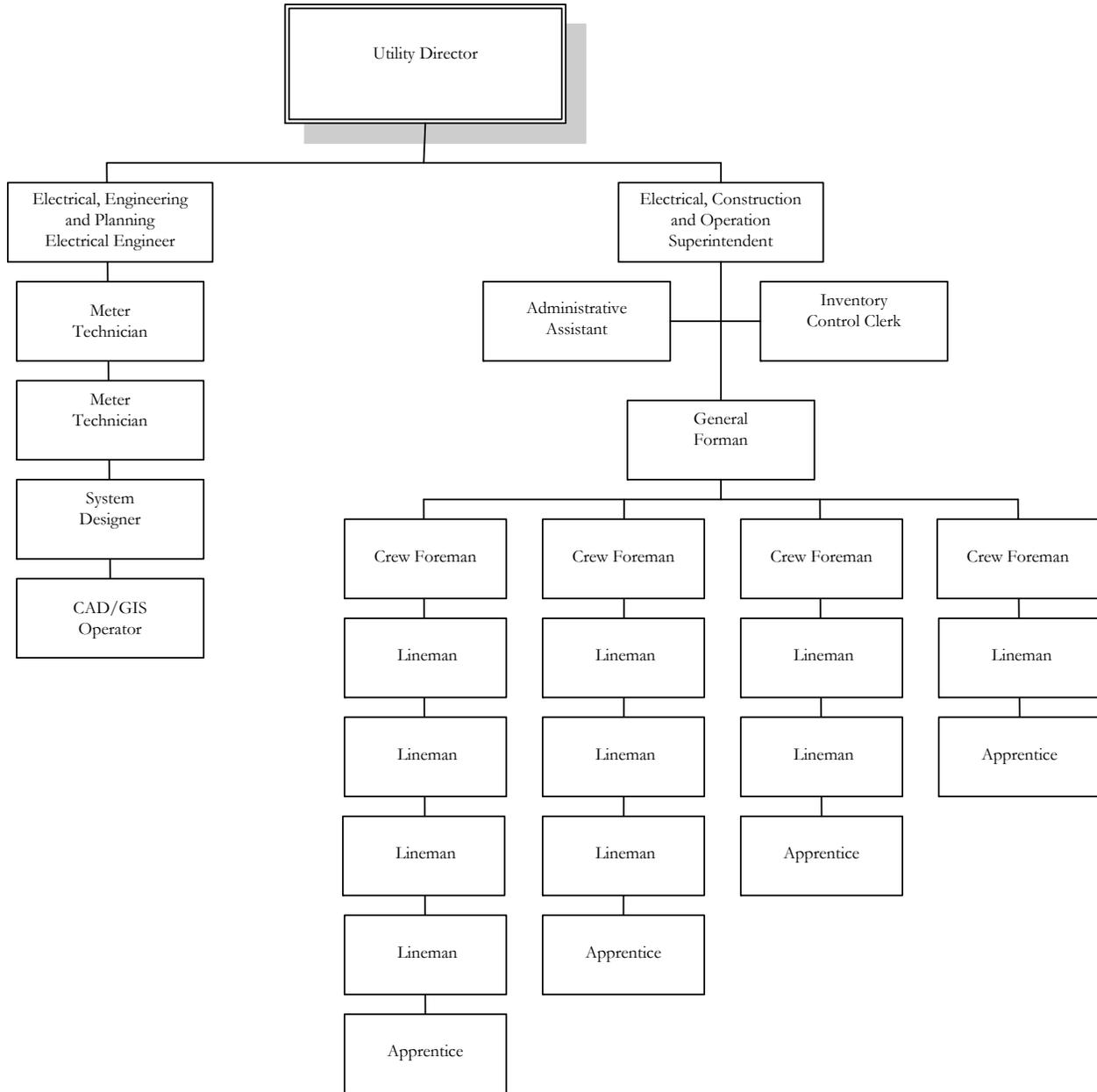
The Electric Division of the City of Fountain Utility Department has 27 employees and is divided into two functional areas: engineering and planning, and operation and construction. Exhibit 7-5 on the following page shows the current organizational structure for the division.

The engineering and planning area is managed by the Director of Planning and Engineering, who reports to the Utilities Department Director. The Director of Planning and Engineering is responsible for providing technical support for the construction, operation and maintenance of the electric system. Specific duties include overseeing electrical system design, and technical oversight for transmission, substation and distribution systems. The Director of Engineering and Planning has direct supervision responsibility for the following positions:

- System Designer;
 - Prepares electrical distribution system design, performs support activities in areas such as field engineering and quality control, and provides technical support to operations and construction area.
- CAD/GIS Technician;
 - Duties involve updating electric GIS database, computer-aided drafting, utility system mapping, and database administration.
- Meter Technician (2);
 - Responds to customer calls concerning service interruptions, meter/electrical usage discrepancies, tests, calibrates and repairs electrical usage meters, assists line crews as needed.
- The operation and construction area is managed by the Electric Superintendent, who reports to the Utility Department Director. The Electric Superintendent is responsible for operation, construction, and maintenance of the transmission, substation, and distribution system. The electric superintendent has supervision responsibility for the following positions:



**Exhibit 7-5
City of Fountain, Colorado
Electrical Division Current Organization Structure**



Source: Created by Evergreen Solutions, August 2007

- General Foreman;
 - Oversees the construction and maintenance of existing and new electric system components, schedules projects, assigns work crews, and coordinates project requirements with contractors, engineers, and developers.



- Crew Foreman (4);
 - Supervises day-to-day activities of assigned work crew in the construction and maintenance of electrical system projects.
- Lineman (10);
 - Performs duties such as installation, maintenance, and repair of all primary and secondary electric transmission and distribution lines.
- Apprentice Lineman (4);
 - Assists lineman with the installation, maintenance, and repair of electrical and transmission lines.
- Inventory Control Clerk;
 - Performs duties associated with controlling the perpetual inventory of supplies and equipment used throughout the operations of the electric division. Receipts, stocks and distributes materials, supplies and equipment as needed.
- Administrative Assistant;
 - Provides all administrative and clerical support to the Electric Superintendent.

The following tables provide work load and statistical data regarding the Electric Division. Exhibit 7-6 shows the five largest electric customers based on billed system revenue for 2004.

Exhibit 7-6
City of Fountain, Colorado
2004 Five Largest Electric Customers Based on Billed System Revenue

Customer	Billed 2004 Revenue
SCI (Computer Co.)	\$798,641.00
GHC (Grocery Distributor)	\$397,075.00
Wal-Mart	\$227,897.00
Safeway	\$121,109.00
El Paso County School District #3	\$96,758.00
TOTAL	\$1,641,480.00

Source: City of Fountain Utility Department, August 2007

The five customers in Exhibit 7-6 accounted for 13.4 percent of total billed revenue for 2004.

Exhibit 7-7 on the following page shows the number of residential and commercial electric meters installed for 2005 and 2006.



Exhibit 7-7
City of Fountain, Colorado
2005-06 Number of Residential and Commercial Electric Meters Installed

Month	2005	2006
January	66	58
February	76	45
March	73	72
April	64	49
May	49	52
June	83	58
July	68	101
August	103	20
September	50	39
October	33	26
November	51	30
December	39	21
TOTAL	755	571

Source: City of Fountain Utility Department, August 2007

Exhibit 7-8 shows the number of line locate tickets completed during the period of January – August 2007.

Exhibit 7-8
City of Fountain, Colorado
Number of Line Locate Tickets Completed During the Period of
January – August 2007

Month	Number of Line Locate Tickets Completed
January	30
February	10
March	12
April	10
May	12
June	20
July	10
August	20
TOTAL	124

Source: City of Fountain Utility Department, August 2007

Exhibit 7-9 on the following page provides a comparison of power purchases by the utility for the past three years.



Exhibit 7-9
City of Fountain, Colorado
Comparison of Power Purchases by the Utility
2004, 2005, and 2006

Month	2004	2005	2006
January	\$540,566.63	\$710,603.27	\$889,016.20
February	\$640,110.00	\$637,190.65	\$838,447.17
March	\$634,208.59	\$686,487.61	\$872,600.45
April	\$607,933.46	\$635,141.90	\$785,376.54
May	\$625,760.06	\$670,163.43	\$861,624.79
June	\$644,010.77	\$720,803.43	\$977,687.31
July	\$735,194.84	\$949,164.72	\$1,020,218.70
August	\$730,873.41	\$967,737.67	\$996,554.47
September	\$675,137.80	\$869,022.01	\$812,032.95
October	\$642,819.12	\$822,487.12	\$844,083.63
November	\$684,041.93	\$837,501.52	\$897,158.45
December	\$753,985.85	\$955,250.91	\$977,406.32
TOTAL	\$7,914,642.46	\$9,461,554.24	\$10,772,206.98

Source: City of Fountain Utility Department, August 2007

FINDING

The Electric Division relies on a paper-based worker order management system to schedule and dispatch work crews.

Calls for service are generally received by the Administrative Assistant for the Electric Division during normal business hours. She captures relevant information from the caller such as name, address, and nature of the call. She also records the time and date of the call. Once this information is written down on a paper ticket (work order), the ticket is placed in the proper folder. For example, a call regarding street lights would go in the streetlight folder, a down tree would go in the folder marked "tree limbs," etc.

The foremen or superintendent checks the folders regularly throughout the day, and assigns work crews to handle the call. Although staff checks the folders regularly, it is fairly common for the Administrative Assistant to call or radio the appropriate staff person and give them the information needed to respond to the call. Calls for after hours and weekends are routed to the police department. The Police Dispatcher receives the call, takes the information and then contacts the person on-call in the Electric Division.

As the City has annexed a number of parcels that are on the outer edges of the City limits, and the fact that the Electric Division provides services to unincorporated parts of El Paso County, the current system is not an effective means by which to manage resources.



RECOMMENDATION

Recommendation 7-6:

Implement an electronic work order management system in the Electric Division.

With an electronic work order system, administrative staff will no longer have to locate staff resources by phone to determine their location and work load. Employees can immediately determine the most efficient and best routes to take using the functionality of the system. Work can be grouped in geographic locations to enhance the employees’ productivity and response time to better meet the needs of the citizens. Work orders can be assigned, updated, reviewed, approved, and managed to create an efficient and responsive environment throughout the utilities department. Up-to-date information is now captured and relayed to the managerial staff so decisions can be made based on real-time data instead of state information. In addition, reports can be generated to assist the staff in identifying problem areas that need further attention.

FISCAL IMPACT

The estimated fiscal impact for this recommendation is 25,000.

Recommendation	2008	2009	2010	2011	2012
Implement Electronic Work Order Management System	(\$25,000)	(\$0)	(\$0)	(\$0)	(\$0)

7.3 CITY WATER

The history of the Colorado River mirrors the history of the American west. Competing water uses from the Colorado River system have defined Colorado for over 100 years. The legal right to divert and use water in Colorado has been deliberated and defined from the time of statehood in 1876. Article 16 of the Colorado constitution defines the water doctrine known as “prior appropriation,” which has stood the test of time as Colorado developed from a frontier western state to the modern era of the late 20th century. Since 1876, the constitution and subsequent water court rulings have governed the use, diversion, and storage using water in Colorado. “Prior appropriation shall give the better right as between those using the water for the same purpose” is a Colorado constitutional excerpt that is the basis for first in use, first in right doctrine of water appropriation. This Colorado water doctrine has become one of the legal foundations upon which water is governed, managed, and distributed in Colorado.

The Colorado Water Conservation Board (C.W.B.) oversees water and related issues in the state of Colorado. As part of the Department of Natural Resources, the C.W.B. is involved in many water management and policy issues in Colorado. The Colorado Division of Water Resources provides specific services to citizens of the state including administration of laws in accordance with court decrees and state legislation.



The State Engineer's Office in Colorado maintained extensive records on water usage, diversions and stream-flows for many years. Presently the state is divided into seven water divisions, with 80 districts. Two hundred professional staff members work together to administer Colorado's water according to the Colorado doctrine of prior appropriation, state law, water court decrees, and interstate compacts.

Colorado has the enviable position in the west as being a water producing state that has numerous mountain ranges from which the rivers are supplied. While the water provided by annual Colorado stream-flows is more than ample, the seasonal nature of stream-flows is not consistent with the demand by Colorado citizens for domestic, agricultural and industry uses. Nearly two-thirds of the annual water flow occurs during the late spring and early summer runoff. During the winter months of December, January, and February only three percent of annual flows occur.

Presently, Colorado reservoirs store the spring runoff from mountain snow-pack for use in the late summer and low flow winter months. This reserved water is stored for use throughout the year by down-stream users. In addition, water storage units along the Colorado River system provide flood control, recreational sports, excellent fishing, and hydro-electric power.

As a water-producing and exporting state, Colorado water leaving the state on an annual basis exceeds ten million acre feet. The main stem of the Colorado River west of Grand Junction provides nearly five million acre feet of that amount for down-stream users. The Colorado River Compact is the ruling document that was established after long negotiations between the seven states along the Colorado River 1922. Although the Colorado Compact formed the basis for the "Law of the River," much debate and deliberation was to follow the historic 1922 treaty. The state of Wyoming consistently challenged Colorado's right to divert headwaters stream-flow from the west to east slope of Colorado. After the U.S. Supreme Court ruled that the waters of the Colorado River would be governed according to the doctrine of Prior Appropriation, the Upper Basin states – Utah, New Mexico, Wyoming, and Colorado – became concerned that the Lower Basin states would be at an unfair advantage due to their more rapid development of water resources. As a result of complex negotiations between the states in a forum called the Colorado River Commission, the elements of the famous Colorado River Compact were forged between seven states along the Colorado River system.

In 1902, the U.S. Bureau of Reclamation (U.S.B.R.) was created as an agency of the federal government. Over the past 90 years the U.S.B.R. has been coordinating the planning, construction, and implementation of numerous water diversion and storage projects in the western United States. Irrigation projects throughout the west are based on contracts between the water users and the U.S.B.R. hydro-electric power revenues from the Colorado River Storage Projects are used to offset some of the costs of irrigation projects and repayment of contracts. Usually, water for domestic use is charged a higher rate than irrigation water in U.S.B.R. repayment contracts. The U.S.B.R. manages existing water reservoirs in the Colorado River systems that were contracted with federal financing. Colorado River system reservoirs that have federal financial obligations and are in the process of repayment to the federal government by water users and hydro-electric revenues are the ones managed by U.S.B.R. For example, Vallecito Lake north of Bayfield, Colorado, was completed in the early 1940's. In the early



1980's, the pine River Irrigation District paid off its U.S. government obligations and operates Vallecito Lake debt free.

In 1944, a treaty was signed with Mexico, providing them with 1.5 million acre feet annually from the Colorado River system. In 1948, the Upper Basin states agreed to a percentage appropriation of the waters of the Colorado River system. Colorado's share of the 7.5 million acre Upper Basin allotment was set at 51.75 percent. Subsequent negotiations among the seven Basin states and court decrees have quantified Colorado's share of the Colorado River system, which is estimated to be approximately 3.1 million acre feet of water per year.

As in the past, the Colorado River system continues to provide water to millions of residents of the Colorado Basin and generates economic benefits in direct and indirect ways. Indian water rights, endangered species, water quality, interstate conflicts, and environmental legislation are impacting the water users and states along the Colorado River. Over the past 100 years, the history of water in Colorado has helped shape the "Law of the River" throughout the Basin and the state.

The City of Fountain receives the majority of its water - 78 percent - from the Frying Pan-Arkansas project. The water is treated and delivered to the City from facilities owned by the Fountain Valley Authority (F.V.A.) by way of an intergovernmental agreement between the City and F.V.A. Under the intergovernmental agreement, the City is responsible for a 9.95 percent share of the fixed operations, maintenance, and capital improvement expenses of the F.V.A. The variable operation and maintenance expenses – chemical and pumping costs – are based on the City's percentage of delivered water from the total delivered water for the month for all participants. The City gets the rest of its water supply – 22 percent - from five groundwater wells that are owned by the City. The wells generate 4.3 million gallons of water per day. The well water is chlorinated at the wellhead. In recent years, the City has experienced reduced yields from these wells due to lower groundwater levels.

The Frying Pan-Arkansas project water is delivered through the Fountain Valley Conduit from the Pueblo Reservoir to the Goldfield Tank site. The City owns one booster station and jointly owns an additional booster station with the Widefield Water District; both are located at the Goldfield Tank site. There are an additional six water tanks that are jointly owned by the City, the Widefield District and the Fountain Valley Authority. The six tanks receive treated water from the Fountain Valley Authority. All of the tanks are interconnected, and through the use of small pump stations, water can be moved between the tanks as needed. The City as an additional three-million gallon tank located at the Southwest Tank site. The city also owns three pressure regulating stations, which are buried concrete vaults located throughout the water system. The City has approximately 100 miles of water line, and distributes roughly 2.8 million gallons of water per day to residents.

The City, along with the City of Colorado Springs Utility, and the Security Water and Sanitation District, are partners in the Southern Delivery project (SDS). The SDS is designed to transport raw water from the Pueblo Reservoir through a 66 inch diameter, 43-mile-long pipeline to the Jimmy Camp Creek Reservoir and Water Treatment Plant east of the City of Colorado Springs. A second pipeline will then transfer the treated water back to the City. Construction of the pipeline and water treatment plant is expected to be completed in 2010. The City expects to



receive 2,500 acre feet of water per year from the SDS pipeline. The new water treatment plant will produce 5.625 million gallons of treated water per day.

Below in Exhibit 7-10 are the five largest water customers based on 2004 billed revenues.

Exhibit 7-10
City of Fountain, Colorado
Five Largest Water Customers Based
On 2004 Billed Revenues

Customer	Billed 2004 Revenues
El Paso County School District #3	\$56,062.00
SCI (Computer Co.)	\$38,629.00
El Paso County School District #8	\$34,636.00
Crest Mobile Homes	\$25,910.00
Chancellors Mobile Homes	\$17,603.00
TOTAL	\$172,840.00

Source: City of Fountain Utility Department, August 2007

The five customers in Exhibit 7-10 accounted for 7.2 percent of total system billed revenue for water for 2004.

During the next five years, the City of Fountain's water system will undergo \$71.2 million dollars of capital improvements. The capital improvement projects are part of the water system's 40 year strategic plan, which was developed to assist the City with the long-range planning of its water supply, treatment, and distribution system. The City will issue bonds to finance the capital improvements to the system. The City of Fountain charges a one-time water tap fee to all contractors, builders, and property owners (residential or commercial) wanting to connect to the City's water supply system. This tap fee charge is based on the size of the meter to be used. Most residential users have a three-fourths inch meter, which is considered the standard. The revenues from water sales, connection and tap fees will be used to repay the bonds.

Exhibit 7-11 on the following page identifies the capital and operational and maintenance costs for the capital improvements recommended in the 40 year strategic plan. Exhibit 7-12 is a listing of current connection and tap fees.

The fees listed in Exhibit 7-12 reflect the cost for customers whose property is within the City limits. Those customers who wish to connect to the City's water supply, and their property is outside the Current City boundaries are subject to higher connection and tap fees.

A study was conducted of other Southern Front Range utilities to compare tap fee for a standard three-fourths inch meter. The study found that the City of Fountain's fee was in the lower range of tap fee rates on a comparison of an average property size between 9,000 and 11,000 square feet. Council approved a tap fee increase in 2005, and as a result the City of Fountain's fees are now near the mid-range of Southern Frontier utilities today.



Exhibit 7-11
City of Fountain, Colorado
Capital and Operational and Maintenance Costs for the Capital Improvements

Year	Capital Cost	O&M Cost
2006	\$4,885,000.00	\$0
2007	\$11,998,000.00	\$93,000.00
2008	\$13,577,000.00	\$1,227,000.00
2009	\$37,926,000.00	\$1,319,000.00
2010	\$16,995,000.00	\$1,371,000.00
2011	\$15,848,000.00	\$2,644,000.00
2012	\$13,386,000.00	\$2,907,000.00
2013	\$14,773,000.00	\$3,172,000.00
2014	\$3,601,000.00	\$4,314,000.00
2015	\$6,044,000.00	\$4,862,000.00
2006-2015 Subtotal	\$139,033,000.00	\$21,909,000.00
2016 – 2020	\$39,950,000.00	\$19,458,000.00
2021 – 2030	\$22,153,000.00	\$38,072,000.00
2031 – 2046	\$9,073,000.00	\$85,615,000.00
2016 – 2046 Subtotal	\$71,176,000.00	\$143,145,000.00
Total	\$210,209,000.00	\$165,054,000.00

Source: City of Fountain, 2006 Water Master Plan

Exhibit 7-12
City of Fountain, Colorado
Listing of Current Connection and Tap Fees

Tap Size	Tap Fee	Water Acquisition Fee	Total
¾"	\$9,412.00	\$5,600.00	\$15,012.00
1"	\$16,763.00	\$9,974.00	\$26,737.00
1¼"	\$26,186.00	\$15,578.00	\$41,764.00
1½"	\$36,980.00	\$22,003.00	\$58,983.00
2"	\$41,242.00	\$24,539.00	\$65,781.00
2½"	\$65,450.00	\$38,942.00	\$104,392.00
3"	\$96,356.00	\$57,331.00	\$153,687.00
4"	\$168,455.00	\$100,232.00	\$268,687.00
Each unit multifamily	\$5,367.00	\$3,136.00	\$8,503.00

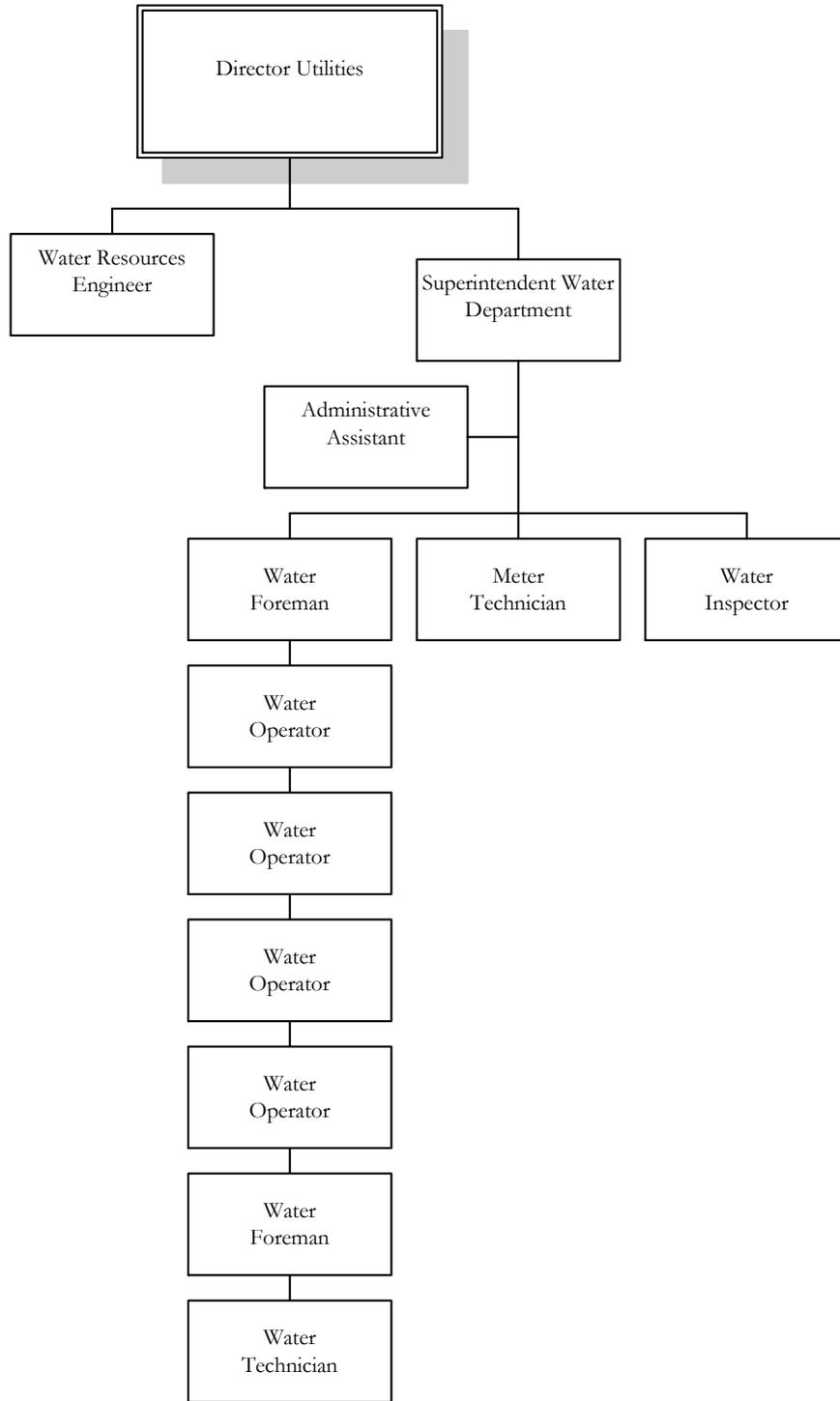
Source: City of Fountain Utility Department, August 2007

The Water Division of the City of Fountain Utility Department has ten employees. Exhibit 7-13 presented on the following page is the current organizational structure for the Water Division.

The Water Division is managed by the Water Superintendent, who reports to Utilities Department Director. The Water Superintendent is responsible for the technical and managerial functions related to the water treatment and distribution system. Specific duties include coordinating the planning, design, operations, and maintenance of these systems. The water superintendent has supervision responsibility for the following positions:



Exhibit 7-13
City of Fountain, Colorado
Current Organizational Structure Water Division



Source: Created by Evergreen Solutions, August 2007



- Water Foreman;
 - Supervises day-to-day activities of assigned water operators, coordinates construction and maintenance work schedules for water system projects.
- Water Operators (5);
 - Performs technical activities related to water treatment, including water sampling and analysis, inspects booster stations and water lines, and conducts system preventive maintenance.
- Water Inspector;
 - Performs inspections of new and existing water lines, monitors water quality, responds to customer connect and disconnect requests, and conducts system diagnostic checks.
- Meter technician;
 - Performs water meter installation and conversions, maintenance, responds to customer connect and disconnect requests.
- Administrative Assistant;
 - Provides all administrative and clerical support to the Water Superintendent.

FINDING

The City of Fountain does utilize a pay-for-learning program as a mechanism to provide an incentive to its water operators to enhance their job skills by obtaining advanced certifications.

The City currently employs five water operators that perform various duties related to monitoring and testing the water supply to ensure quality standards are met. Based on existing state requirements, the operators are only required to hold a Colorado class “D” water plant operator’s license.

The class “D” license is the lowest or minimum licensure required by the state. The state establishes skill requirements for water and wastewater treatment plant operators on an A to D scale based on the type and size of treatment facility. Presently, the operators that work for the City of Fountain only have to meet the minimum requirement because the City does not operate its own treatment plant. As stated previously, the City of Fountain relies on the Fountain Valley Authority system to treat the surface water it obtains from the Pueblo Reservoir, and the well water is disinfected before being pumped directly into the distribution system. As part of the City’s water master plan study, which was completed in 2006, the City will construct and operate a 5.625 million gallon per day water treatment plant. The plant is scheduled for completion in 2010. Under state guidelines, the new plant will be an “A” level treatment facility, which will require any operators working in the facility to be classified as level “A” level operators.



In order to maximize efficiency and productivity, the City would be wise to ensure that all operators acquire “A” certification by the time the new plant comes on-line. The implementation of a pay-for-learning program would be a great catalyst to encourage current staff to begin the process of advanced certification now.

Pay-for-learning programs in some form or fashion are fairly common among job classifications such as police officers, fire fighters, social workers, engineers, and plant operators. Many municipalities throughout the State of Colorado have similar programs in place.

RECOMMENDATION

Recommendation 7-7:

Implement a pay-for-learning program for Water Treatment Operators.

Pay-for-learning programs provide a flexible workforce, where production is not interrupted when employees are absent. Employees may have a greater sense of security because with the more skills they have the more valuable they are to the organization.

The employees may also work harder to obtain more skills to be more of an asset to the City. From the City’s perspective, an employee can be most productive when he/she possesses a broad range of skills.

FISCAL IMPACT

The fiscal impact will be dependent on how the City structures the program. For example, some organizations provide a small hourly increase for each additional certification obtained; others may give a lump sum bonus. Since the City only has five operators, the program could be initiated with as budget as little as \$2,500.

FINDING

Like the Electric Division, the Water Division also relies on a paper-based worker order management system to schedule and dispatch work crews.

Calls for service are generally received by the Administrative Assistant for the Water Division during normal business hours. She captures relevant information from the caller such as name, address and nature of the call. She also records the time and date of the call. Once this information is written down on a paper ticket (work order), the ticket is placed in the proper folder. For example, a call regarding a ruptured waterline would go in the water folder; a down tree would go in the folder marked “tree limbs”, etc.

The foremen or superintendent checks the folders regularly throughout the day, and assigns work crews to handle the call. Although staff check the folders regularly, it is fairly common for the Administrative Assistant to call or radio the appropriate staff person and give them the information needed to respond to the call. Calls for after hours and weekends are routed to the



police department. The Police Dispatcher receives the call, takes the information, and then contacts the person on-call in the Water Division.

There are three service providers providing water within the City limits, which can be somewhat confusing when deciding to dispatch a work crew because some customers call in falsely assuming that they are on the City's system. The current paper-based system does not provide an efficient and effective way to dispatch and manage resources.

RECOMMENDATION

Recommendation 7-8:

Implement an electronic work order management system in the Water Division.

With an electronic work order system, administrative staff will no longer have to locate staff resources by phone to determine their location and work load. Employees can immediately determine the most efficient and best routes to take using the functionality of the system. Work can be grouped in geographic locations to enhance the employees' productivity and response time to better meet the needs of the citizens.

Work orders can be assigned, updated, reviewed, approved, and managed to create an efficient and responsive environment throughout the utilities department. Up-to-date information is now captured and relayed to the managerial staff so decisions can be made based on real-time data instead of state information. In addition, reports can be generated to assist the staff in identifying problem areas that need further attention.

FISCAL IMPACT

The fiscal impact is \$25,000 as previously estimated in **Recommendation 7-7** because both the Electric and Water Divisions would utilize the same system.

7.4 CUSTOMER SERVICE AND UTILITY BILLING

Customer service is not merely customer relations or how nice frontline workers are to customers. Rather, satisfying or even delighting customers is the goal of excellent customer service. Because customers for different types of services have different needs, customer service strategies will differ and must be tailored to the target customer.

In the public sector, including utilities operations, good customer service generates satisfied or delighted customers. Satisfied customers lead to increased compliance, improved information exchange, improved relationships, increased trust, and, potentially decreased work loads or costs. For instance, police departments across the country have embraced the concept of community policing. Through community policing, police departments incorporate a customer focus as well as an attitude of partnership with customers to increase satisfaction and trust, and even reduce fear of crime in the community. Customers actually participate in addressing crime and disorder problems, thus reducing the workload on patrol officers.



In the private sector, good customer service leads to satisfied or delighted customers, which can generate customer loyalty, which in turn produces increased revenues and reduced costs. For example, during the early 1990's, IBM transformed itself into a customer-driven organization. From 1994-1999, customer satisfaction increased by 5.5 percent, revenue increased from \$63 billion to over \$80 billion, cost and expense savings exceed \$7 billion, and stock prices improved over 1,000 percent. (Source: Thompson Publishing, 2000).

The public and private sector customer service literature concurs on the process for delivering great customer service, even if outcomes differ. In the private sector, profit and growth are the outcomes, not goals. Profit and growth are generated by customer loyalty. Loyalty is generated by customer satisfaction. Customer satisfaction is the goal that companies should seek and focus on because high customer satisfaction produces customer loyalty and subsequently profit and growth. At this point, the public and private sectors converge – customer satisfaction is the goal.

Customer satisfaction is achieved by providing valued services and products, where value is the positive difference between customers' actual experiences and their service delivery expectations. Productive employees also create value. Employee productivity stems from employee loyalty, and loyalty is the product of employee satisfaction. Satisfaction is generated by high-quality support services – people, information, and technology – and by being empowered to provide value and resolve customer complaints. This customer service culture must be supported by leadership that emphasizes the importance of each customer and employee.

In most customer service literature, five guiding principals are adopted by public as well as private agencies delivering excellent customer service:

- 1) Embrace change and persistently strive to improve.
- 2) Continually ask the target customer what they want and then give it to them.
- 3) Empower, support, and reward frontline employees.
- 4) Harness the power of information.
- 5) Establish an enabling infrastructure.

In order to implement an effective customer service strategy, the following guidelines should be considered:

- Begin by identifying the target customers and by considering the point of purchase, point of service delivery or receipt, and point of consumption.
- Cluster or segment target customers based on their common behaviors, knowing that targeting the wrong customers can have adverse effects on the organization.
- Determine the priorities of various clusters of customers, knowing that the capabilities of the organization are crucial in addressing these priorities.



- When possible, focus on customers with high current or future value. (In the utilities business, this would be the commercial customers.) This does not mean that other customers will not receive good service, but it may mean that they will receive a different level of service. For example, airlines offer different levels of service for members of their frequent flier programs.
- Discourage non-target customers, those who are not likely to be satisfied by the services, and those to whom it is expensive to provide services, which is a necessary part of customer focus. For example, charge higher deposits for customers with poor credit histories.
- Determine what target customers want by asking them in person or as part of a mail or telephone survey.
- Determine how the target customers prioritize their “wants.” Generally, customers want convenience, quality products and services, variety or selection, low prices, and protection and security.
- Weigh how important the customer-identified “wants” are to the organization. Are the services something that the organization does, is capable of doing, or wants to pursue?
- Determine how well the organization can meet the customers’ “wants” in comparison with competitors or peers.
- Determine which “wants,” if performance were to be improved, would most impact the organization’s bottom line (profit, cost, loyalty, trust, or compliance).
- Utilizing the captured information, establish the organization’s customer-focused vision. The vision statement should be simple and may also identify what the company does not want to be.
- Live up to what is promised by concurrently developing and applying externally and internally oriented strategic service concepts that reflect the vision.
- Continually reflect on the vision and goals, and the way services are delivered to customers.
- Take into account the costs of providing services and ways to minimize those costs while implementing quality control. The service concept must be developed with the frontline employees at its center.
- Use advertising and/or educational strategies to set appropriate customer expectations.
- When planning, realize that control of information can take the place of assets. For example, improved technology can reduce the number of staff needed for a given function.



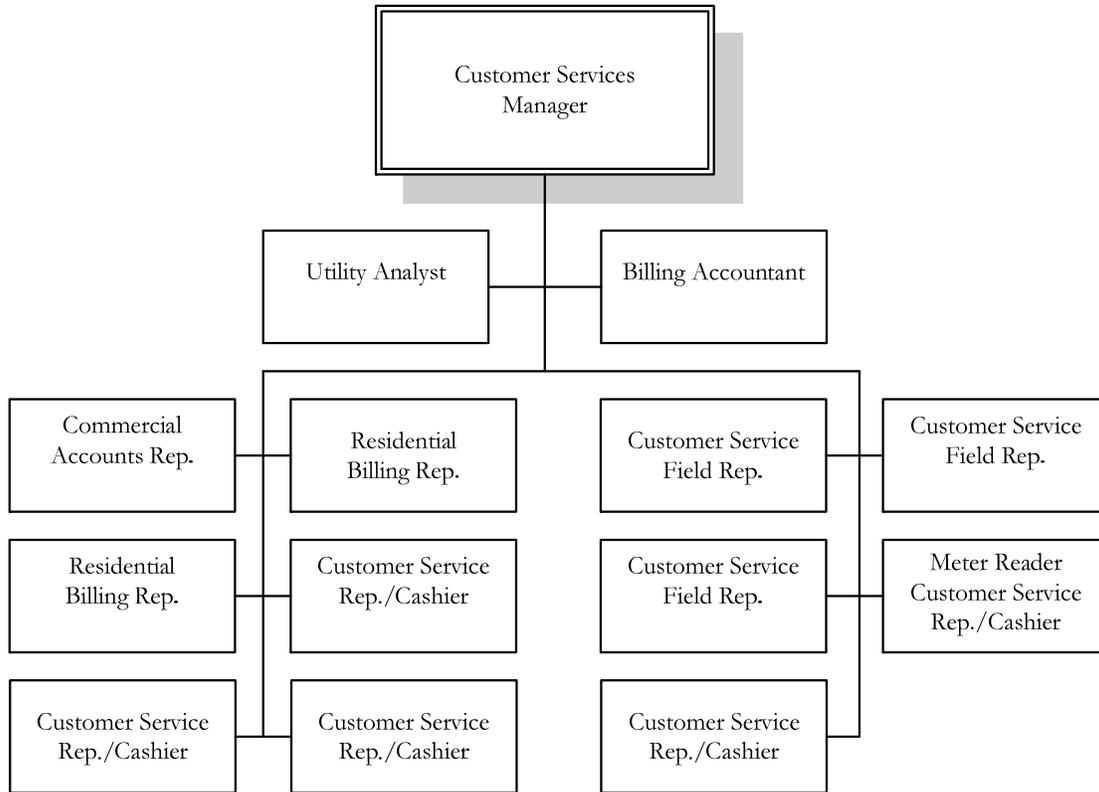
- Provide a feedback loop for incorporating customer comments and complaints into the planning process.
- Ensure that the complaint resolution strategy supports the customer-focused vision.
- Regularly measure customer satisfaction or delight in the products and/or services.
- Ensure that managers exhibit the organization's values.
- Identify employee groups important to implementing the externally-oriented service concept. Frontline employees are critical to this element.
- Identify the characteristics and needs of the employee groups and how well those needs are met.
- Focus on recruiting employees who support the customer service vision.
- Focus on employee training and development throughout employment.
- Empower frontline employees to do what it takes to satisfy the customer.
- Ensure that management supports employee decisions and judgment calls, even if this means that the cost of satisfying customers initially increases.
- In addition to skills and empowerment, equip frontline employees with the technology, information, and internal resources to do what it takes to satisfy the customer.
- Ensure that departments, divisions, and employees within the organization communicate.
- Develop cross-functional teams for operations and improvement tasks.
- Link all or part of employees' pay to good customer service performance, and offer rewards such as money, praise or other perks.
- Measure employee satisfaction regularly.

The Customer Service and Utility Billing Division of the City of Fountain Utility Department has 14 employees. Exhibit 7-14 shows the current organizational structure for the division.

The Customer Service and Utility Billing Division is managed by the Customer Service Manager, who reports to the Utilities Department Director. The Customer Service Manager is responsible for directing and managing all operational activities of the division, including recruitment, training, planning, and administration. Specific duties include developing work plans and schedules, assigning duties, evaluating staff performance, and developing divisional budgets. The customer service manager has supervision responsibility for the following positions:



**Exhibit 7-14
City of Fountain, Colorado
Current Organizational Structure Customer Service Department**



Source: Created by Evergreen Solutions, August 2007

- Customer Service Representative (5);
 - Receives customer payments, computer system input, reconciliation of monies for deposit, and performs customer relations activities in person or via telephone.
- Customer Service Field Representative (3);
 - Responsible for disconnecting, reconnecting and exchanging electric and water meters, obtaining start and final meter readings, customer account assistance in the field, checks and inspects meters to ensure proper operation.
- Commercial Account Representative (1);
 - Prepares and processes utility billing for all commercial rate accounts. This process involves customer billing generation and distribution, computer system input, reconciliation and disbursement, commercial account outreach and key account liaison functions, and assists with residential customer service overflow.



- Residential Billing Representative (2);
 - Prepares and process utility billing for all residential rate accounts. This process involves customer billing generation and distribution, computer system input, reconciliation and disbursement, and assists with residential customer service overflow.
- Utility Analyst (1);
 - Responsible for performing and coordinating computer-billing system maintenance, implementation, updates, and upgrades. This includes providing technical support, training and maintenance, implementation, collecting and analyzing data, and assisting with utility rate studies.
- Billing Accountant (1);
 - Responsible for preparing, collecting, and maintaining utility usage billing records for the City. This includes processing, record-keeping, reconciliation and reporting. Assumes the role of Division Manager in the absence of the customer Service Manager.

FINDING

The Customer Service and Utility Billing Division of the City of Fountain Utilities Department is plagued by a number of management, organizational and physical limitations.

The current organizational structure – as shown in Exhibit 7-14 – has all 13 staff members reporting directly to the Division Manager. This structure provides very little direction and guidance to staff, considering that the optimal span of control for anyone individual supervisor or manager is generally considered to be five to seven people.

The existing structure slows the decision-making process because all relevant decisions must be made by the Customer Service Manager. This often has a particularly negative impact on front-line operations, since staff sometimes do not have immediate access to the decision-maker for non-routine operational issues, which increases the transaction time for the customer, and leads to customer dissatisfaction. If he/she is not available, decisions - some critical - are often delayed until his/her return or availability. The current manager has little time to devote to proactive planning since most of his time is spent trying to provide direct day-to-day supervision to all 13 staff members.

Functionally, the current organizational structure does not segregate or group work tasks to create a smooth work flow process. For example, tasks that are considered front-end functions, those with direct customer links – walk-in payments, request for service, etc –should be structurally separated from those considered more back-end operations – billing and account maintenance.



It is also evident that there has been little to no cross-training of staff. Several employees have “customized” their duties to the extent that if they are out or unavailable no one else is equipped to step in. Case in point, during our on-site visit we requested various reports, which had to be generated from the customer information system, the person who had that responsibility had left employment with the City, and no one else in the division knew how to access the information. So in order to get the required information, the Division Manager had to contact the former employee and ask her to come in and generate the reports.

Other area of concern is the lack of written policies and procedures in the division. It is extremely difficult to properly train employees by relying on the “institutional” knowledge of existing employees rather than well-written, clear and concise operating policies and procedures. The current method of teaching and training staff leads to inconsistency and inefficiency. Good policies and procedures with effective illustration of processes is essential to implementing a cross-training program.

RECOMMENDATION

Recommendation 7-9:

The following organizational and management changes are recommended to improve operations within the customer service and utility billing division:

- **Implement the proposed organizational structure, functional alignments and staffing requirements identified below, and in Exhibit 7-15.**
- **Reclassify the Utility Analyst position to that of Collections Supervisor to manage the collections function; reclassify the Billing Accountant position to that of Consumer Service Supervisor to manage the consumer services functional area.**
- **Develop a formal program for crossing-training staff and rotating them in and out of the different functional areas.**
- **Set up and maintain a dedicated call center to manage telephone calls from customers.**
- **Develop a written operational manual to clearly outline policies and procedures and to document work flow and processes.**

The proposed organizational and management changes will enable the Customer Service Division to provide customers with fast and friendly assistance in a wide range of areas. These include establishing new service and getting answers to questions about billing or any of the programs offered by the City’s utility. Employees will benefit by the improved work flow, additional supervision and support and organization.

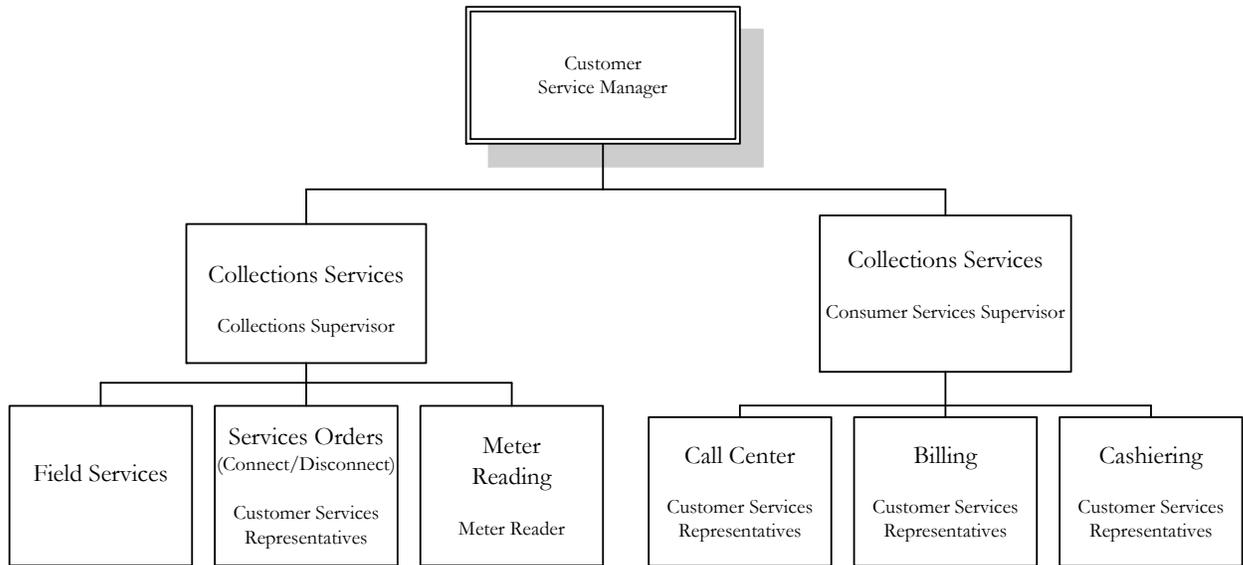
It is noted that in many peer organizations, field services staff and meter readers are assigned to utility operations rather than customer service. The City certainly has the option of maintaining such a reporting relationship as part of the overhaul restructuring of the customer service and utility billing function – particularly if it is working well.



FISCAL IMPACT

The cost of adding the four additional Customer Service Representatives is estimated to be \$120,000, which includes salary and benefits. The cost of reclassifying the Utility Analyst and Billing Accountant positions to supervisors is estimated at \$10,000. The cost to enhance the current phone system to support an internal call center is estimated at \$5,000.

**Exhibit 7-15
Proposal Organizational Structure
Customer Service and Utility Billing Division**



Source: Created by Evergreen Solutions, August 2007

Recommendation	2008	2009	2010	2011	2012
Add Four Customer Service Representatives	(\$60,000)	(\$120,000)	(\$120,000)	(\$120,000)	(\$120,000)
Reclassify Positions	(\$5,000)	(\$10,000)	(\$10,000)	(\$10,000)	(\$10,000)
Enhance Phone System	(\$5,000)	(\$0)	(\$0)	(\$0)	(\$0)

FINDING

Another issue that impedes the success of the Customer Service and Utility Billing operation is its lack of adequate work space. The current location on the first floor of City Hall provides limited work space for employees and virtually no area for customers - who sometimes have



unique or sensitive account issues - to discuss those issues with staff in a private and secure setting.

According to staff, the division processes 400 to 500 payments per day, makes over 50 payment arrangements per day, and handles 20 plus walk-in customers per day, which requires an area sufficient enough to accommodate that level of human traffic.

RECOMMENDATION

Recommendation 7-10:

Increase the work space for the Customer Service and Utility Billing division by way of relocation of the current office or by expanding and renovating existing space.

Improving the physical layout of the Customer Service and Utility Billing area will improve employee morale and productivity, in addition to enhancing customer satisfaction. Considering that for many citizens, the only time they may visit a City-owned facility is when they come by City Hall to pay their utility bill, a better or improved facility will paint a positive image for the City.

FISCAL IMPACT

It is difficult to estimate the actual cost of creating additional space because the City has more than one option; however the cost of architectural services to determine space needs and requirements is estimated to be approximately \$10,000 – \$15,000.

FINDING

The Customer Service and Utility Billing division must enhance its use of technology applications to improve operations and service delivery.

The Customer Service Division currently uses a system by Data West as its customer information system (C.I.S.). The current system was purchased and installed in the late 1990's, and does not provide the flexibility need to support a customer base of approximately 20,000.

The City's finance department utilizes a system manufactured by a company called the American Data Group (A.D.G.) for accounts receivable, accounts payable, fixed assets and general ledger functions. Operationally, the A.D.G. system does not totally integrate with the Data West system, which creates a major problem with regard to posting accurate account data. In order to ensure the balancing of the general ledger with accurate billing and account data from the utility system, the customer service and utility billing staff generate a separate spreadsheet, which is sent to finance where that information entered into the A.D.G. system.

In today's internet-driven society, customers want to use the convenience of the internet to pay bills and review their accounts information. For the utility, on-line bill pay improves cash flow, and reduces the level of walk-in payments.



Currently, the Customer Service and Utility Billing Division is unable to offer this valued customer-service feature to its customer base because the Data West system does not provide the organization that capability.

Another important technological tool not in use in the Customer Service and Utility Billing Division – although many modern utilities utilize as part of their comprehensive customer service strategy – is an interactive voice response telephone system (I.V.R.). I.V.R. is a phone technology that allows a computer to detect voice and touch tones using a normal phone call. The I.V.R. system can respond with pre-recorded or dynamically generated audio to further direct callers on how to proceed. I.V.R. systems can be used to control almost any function where the interface can be broken down into a series of simple menu choices. Once constructed, I.V.R. systems generally scale well to handle large call volumes.

RECOMMENDATION

Recommendation 7-11:

Utilize modern technology applications to improve customer service by upgrading to a more flexible customer information system that integrates with the City's Finance Department, and implementing an I.V.R. telephone system.

Greater use of technology will improve processes, customer satisfaction and reduce cost for the City over the long haul. As the City grows so does its base of utility customers, by making improvements now, the Customer Service and Utility Billing Division will be in a better position to handle the growth of its customer base in future years.

FISCAL IMPACT

As a general utility industry-utilized guideline, technology improvements are estimated to cost \$35.00 to \$40.00 per customer.

FINDING

The Customer Service and Utility Billing Division must improve its receivables collection and reduce the amount of annual bad debt.

The audit firm of Swanhorst & Company, LLC conducts the City's annual audit. The firm noted in 2003 and 2004 that the Customer Service and Utility Billing Division needed to develop better processes to improve receivables collection and take additional steps to reduce the amount of annually written off as bad debt. In Exhibit 7-16 is review of accounts receivables for August and September of 2007.



**Exhibit 7-16
City of Fountain, Colorado
Accounts Receivables
August and September of 2007**

August 2007 Accounts Receivable							
	0-30	31-60	61-90	91-120	120+	Total	% of A/R
Total	\$1,980,463.74	\$304,813.76	\$52,156.67	\$33,832.82	\$58,226.12	\$2,429,493.11	100.00%
	81.52%	12.55%	2.15%	1.39%	2.40%	100.00%	
Active	\$1,964,450.00	\$286,650.66	\$37,840.68	\$10,324.58	(\$3,992.22)	\$2,295,273.70	94.48%
	85.59%	12.49%	1.65%	0.45%	-0.17%	100.00%	
Inactive	\$16,013.74	\$18,163.10	\$14,315.99	\$23,508.24	\$62,218.34	\$134,219.41	5.52%
	11.93%	13.53%	10.67%	17.51%	46.36%	100.00%	

September 2007 Accounts Receivable							
	0-30	31-60	61-90	91-120	120+	Total	% of A/R
Total	\$2,007,775.50	\$341,745.71	\$72,321.30	\$18,925.36	\$48,294.58	\$2,489,062.45	100.00%
	80.66%	13.73%	2.91%	0.76%	1.94%	100.00%	
Active	\$1,993,519.30	\$323,254.11	\$51,015.01	\$9,063.22	(\$216.43)	\$2,376,635.21	95.48%
	83.88%	13.60%	2.15%	0.38%	-0.01%	100.00%	
Inactive	\$14,256.20	\$18,491.60	\$21,306.29	\$9,862.14	\$48,511.01	\$112,427.24	4.52%
	12.68%	16.45%	18.95%	8.77%	43.15%	100.00%	

Source: City of Fountain Utility Department, November 2007

For the month of August, the total value of accounts receivable was \$2,429,493.11. Inactive accounts receivable for August accounted for 5.52 percent of the total value of accounts receivable, or \$134,219.41 as shown in Exhibit 7-16. For September, the total value of accounts receivable was \$2,489,062.45. Inactive accounts receivable for September, were valued at \$112,427.24, or 4.52 percent of total accounts receivables for the month as shown in Exhibit 7-16.

Although there was some positive improvement during the August to September 2007 period as it relates to collecting inactive accounts receivable – a reduction of one percent relative to total receivables value for the two-month period – there is still work to be done in the area of overall receivables management.

Exhibit 7-17 shows the value of bad debt for years 2005 and 2006 for electric and water.



Exhibit 7-17
City of Fountain, Colorado
Value of Bad Debt for Electric and Water
2005 and 2006

DIVISION	2005	2006
Electric	\$112,219.00	\$125,460.00
Water	\$8,252.00	\$8,099.00
TOTAL	\$120,471.00	\$133,559.00

Source: City of Fountain Utility Department, August 2007

The amount of bad debt written off increased from a total of \$120,471 in 2005 to \$133,559 in 2006 – an increase of 10.9 percent. This is negative trend must be improved.

RECOMMENDATION

Recommendation 7-11:

Continue implementing the recommendations outlined in the June 2007 Swanhorst & Company Information Systems Review Report.

As noted in the referenced report, many of the issues regarding the division's poor performance in the area of accounts receivable collection and bad debt are due to a lack of written policies and procedures and poor internal controls. Many of the recommendations outlined in the report are standard procedures that are customarily utilized in utilizes of various sizes around the country. It is of great concern that the problems were first identified in 2003 and yet some of the most basic are still not completely implemented.

FISCAL IMPACT

There is no significant fiscal impact associated with the recommendations that govern policy and procedural development in the Swanhorst & Co. study.



***CHAPTER 8:
IMPLEMENTATION PLAN***



Chapter 8

IMPLEMENTATION PLAN

Over the course of the preceding seven chapters, Evergreen Solutions has outlined more than 90 separate recommendations for improving the operational efficiency and effectiveness of the City of Fountain, Colorado. Some of the recommendations are easy and straightforward to implement, without requiring significant discussion, debate, or Council-related action; some recommendations have specific staffing and resource components that will necessitate a thorough discussion prior to implementation; other recommendations will require specific Council action, such as a policy directive, ordinance, or resolution. Finally, there are some recommendations related to revenue generation that will require a thorough public dialogue to ensure that the community and citizens of Fountain are vested and supportive of the plan.

In all management reviews such as this, the real value comes not in making the recommendations, but in actually taking the study, which is conducted in a snapshot in time, and turning it into a dynamic process that propels the City forward. The successful implementation of the recommendation is where the true meaning lies – not in just stating the various issues and challenges facing the City.

With that in mind, how the City of Fountain chooses to begin the implementation process will be critical to developing momentum toward success. There are numerous ways to begin and sustain the implementation process for a management study of this nature, and the best path is largely dependent upon internal factors within the organization – structure of the City, Council support, need for broad-based community support, demographics, etc. Consequently, Evergreen Solutions makes a recommendation on implementation for each client specifically, and we attempt to provide the most viable alternative for implementation to ensure value and success over both the short and long terms.

Implementation Recommendation 1

As this review and audit began with dedicated Council support and action, it is apparent that the most effective vehicle for gaining momentum in the implementation phase will be through a dedicated Council effort. While there will be elements of the implementation in which the City may need to engage the involvement of department heads as well as community stakeholders to move forward in both the prioritization and implementation of study recommendations, the overall guiding force for audit implementation should rest in the hands of a competent and active City Council. In addition, with the acquisition of a new City Manager for Fountain, it will be critical to establish a new culture that stresses progress, success, and accountability. This culture must be implemented top-down in Fountain – beginning with the Council and new City Manager.



In order to build a foundation for this involvement, Evergreen Solutions recommends that the Fountain City Council establish an ad-hoc committee, consisting of all current Council Members, as well as the new City Manager, to oversee the implementation of the management study. This committee would have as its charge the prioritization, action planning, and successful implementation of audit recommendations.

In addition, the City Council could make the determination to contract with a third-party to provide facilitation and guidance to the Committee for a set period of time.

Recommended Timeline – This recommendation should be implemented by the end of February 2008. The Committee should have at least one formal meeting to begin its charge, identify meeting guidelines, and establish logistics before February 29, 2008.

Implementation Recommendation 2

Once established, the Committee would then be charged with overseeing the implementation of the Management Audit – this would involve establishing a master list of recommendations by department, working with Department Heads (as needed) to separate recommendations by implementation type (immediate, short-term, long-term) and by implementation process (Internal Department Initiative, Administration Initiative, Council Action Initiative). Once the recommendations have been pulled together into a comprehensive format by type and process, the Committee would then begin the process of establishing prioritization of all recommendations. The Committee would develop full prioritization lists, along with specific action plans for each recommendation, which would then be submitted to the Fountain City Council for adoption and ratification in regular session. Where more specific action is required (Council ordinance or resolution), that would be included in the action plan.

Recommended Timeline – This recommendation should be completed in two phases. By March 31, 2008, a full prioritization listing of all recommendations with implementation type and process should be submitted to Council. Specific action plans should be established by April 30, 2008.

Implementation Recommendation 3

Once the Committee submits a full implementation prioritization and action plan for all recommendations, the Committee should meet twice per month, on a regular and established basis, to review the progress of the implementation process. Once per month, each Department Head should be required to provide the Committee with a written update of the progress on recommendations specific to their department.

Recommended Timeline – This recommendation should be ongoing and would begin once the Committee identifies and establishes a set timeframe for its meetings.



Implementation Recommendation 4

Maintaining broad-based community support is critical to success. As such, we would recommend that the City establish, in conjunction with its current Web site, a dedicated and clearly visible link on its home page to the Audit Committee progress. The Web page should identify recommendations by department as well as priority status, and provide regular and ongoing updates to ensure that the community holds the City of Fountain accountable for turning the investment made in the Management Audit into tangible benefit.

Recommended Timeline – This recommendation should be ongoing and should be operational by May1, 2008.



***APPENDIX A:
PHASE I REPORT***



A Phase I Management Study for the City of Fountain, Colorado



Evergreen Solutions, LLC

May 4, 2007



Introduction and Methodology

Introduction

In February 2007, the City of Fountain, Colorado, retained Evergreen Solutions to conduct a Phase I Management Study of the City’s Operations. In conducting this study for the City, Evergreen Solutions was tasked with the following:

- analyzing the management and organizational structure of the City of Fountain;
- collecting preliminary data on City operations and organizational practices;
- establishing the fiscal status of the City;
- conducting a preliminary diagnostic review of City operations;
- identifying issue areas within City departmental and functional operations;
- developing a detailed set of protocols for an in-depth management review of City (to be called Phase II); and
- submitting a report and presentation outlining findings, issues, and recommendations for the Phase II approach.

A management study is, by definition, a challenging and intrusive process to undergo, however it is an extremely valuable exercise and tool for a City such as Fountain—the City has experienced a significant amount of growth and development over the past 10 years, and the growth projections for the City show it doubling in size within the next 7-10 years. Since 1995, the City has evolved tremendously from a strongly-rooted small rural City with an appealing sense of community to its residents to a more diffused and diverse City facing challenges and issues more indicative of a growing suburban community. These challenges include “personality changes” within the demographic of the City, fiscal limitations, organizational priority challenges, and a paradigm shift in the makeup of the City’s governing and administrative structure.

Evergreen Solutions, LLC employed best practice methods for conducting the study that maximized participation and result validity. The major tasks completed include:

- conducting a project start-up meeting;
- conducting orientation sessions with employees and City leaders;



- facilitating employee and supervisor focus group sessions;
- conducting interviews with City Council, department heads, and community members;
- collecting and reviewing anonymous surveys, completed online and in hard copy;
- analyzing existing organizational data;
- developing recommendations for the Phase II approach; and
- creating draft and final reports.

Background

Many public organizations pursue success – very few actually achieve it. The mantra of performance measurement is a common theme throughout virtually all major local government organizations in the United States. Municipal organizations, at the dawn of the 21st Century, find themselves in the throes of a functional transformation that is impelling many municipal officials to adopt new ways to manage. The demographic migrations of the previous century have altered the national landscape, creating new urban pockets throughout the country. Even where municipalities remain rural, officials face increasing demands on their resources from local residents and from other tiers of government. Perhaps even more fundamental than the impact of demographics is the action of state governments to expand local functions. For example, the traditional short list of local functions for county operations – public safety, public works, public health, and general government – has been lengthened considerably to include functions more typical of cities (culture and recreation, economic development, environmental protection, and human services). Furthermore, the devolution of programs from Washington, DC to the states has not stopped in the state capitals; many state governments pass the burden of program administration to municipal governments.

As the trends have, for progressive organizations, resulted in increased performance, customer satisfaction, and resource optimization, the challenge for the rest has been to adapt to the changing environment. The last decade has witnessed various alternatives to meet these needs including consulting, outsourcing, staff augmentation, and hybrid arrangements.

The external pressures on municipal governments require senior managers to search for changes in their organization, and changes in the way they deliver services. Some administrators have initiated change by:

- Conducting efficiency and effectiveness studies;
- Implementing financial management and reporting systems;
- Embracing new technology solutions;



- Demanding departmental strategic plans;
- Realigning organizational structures;
- Assessing alternative service delivery approaches; and
- Identifying cooperative service sharing opportunities.

In many instances there may be several departmental initiatives underway having similar objectives using dissimilar approaches. From a corporate perspective these "islands of improvement" fail to serve the organization as a whole. Conversely, there may be City-wide efforts that are intended to coordinate and leverage improvement investments across departments but fall short of their desired objectives. In our experience, what is missing is a common vocabulary and framework for planning, delivering, communicating and integrating the change process across the entire organization – a successfully managed improvement process.

Our Vision

Evergreen Solutions, LLC is committed to identifying and designing integrated improvement programs. We employ a proven methodology to assist our clients in leveraging their strategic initiatives by linking them to the fundamental operations of city governments. Using facilitated workshops, we work with our clients to:

- Profile their current service delivery offerings;
- Identify operational gaps and overlaps;
- Recommend achievable improvement strategies; and
- Link an organization vision with operational activities.

A service delivery "improvement framework" is essential for ensuring consistent thinking and effective communication. It also provides a change management foundation for integrating a host of complementary improvements such as:

- Performance Measurement;
- Comparative Analysis;
- Employee Work Plan Development;
- Employee Empowerment;



- Cooperative Sharing and Consolidation; and
- Evaluating Alternative Service Delivery Options.

Developing an Improvement Framework

Evergreen Solutions consultants possess a comprehensive understanding of government programs and services and the processes and resources used to deliver them. Using facilitated workshops, we create "service profiles" that reflect the existing service delivery practices and then map the services and processes to the organizational units that are accountable and responsible for delivering them. Once the "as-is" structure has been documented it can be easily analyzed and changed to test the likely impact of different decisions before actually implementing them. Many of the challenges facing government can be addressed by breaking them down into manageable pieces, improving each piece separately, and integrating them into the enterprise as a comprehensive solution.

Integrating Improvement Initiatives

Evergreens improvement framework provides the glue to integrate and manage multiple improvement initiatives, maximize corporate investment, and achieve the desired results. The following is a partial listing of opportunities and the benefits supported by an improvement framework.

- Alternative Service Delivery Assessments;
- Business Process Redesign;
- Organizational Structuring;
- Performance Measurement Development;
- Performance/Service Based Budgeting;
- Information System Plans and Architectures; and
- System Requirements.

Methodology

After contractual agreements were reached, Evergreen commenced with the Phase I Management Study. The methodology used by Evergreen was consistent with best practices in public sector organizational analysis and focused on Fountain's specific needs and issues. The following paragraphs highlight the approach that was used and the theoretical underpinnings behind the approach.



Project Kickoff and Orientation

At the onset of the project, Evergreen met with key stakeholders and discussed the project background, goals, methodology and potential outcomes. These discussions were critical in mapping out expectations, clarifying the processes used and understanding the fiscal environment in which any recommendations would be developed.

After the project kickoff meeting was held, Evergreen staff conducted orientation sessions with both City leaders and employees. These sessions allowed Evergreen staff to explain how the management study process works and employees' role in the process. Particular emphasis was placed on the participatory nature of the Evergreen Solutions methodology—through anecdotal data gathering in focus groups, interviews, and survey participation. Employees received instruction on how to participate in the focus groups, how to complete the survey, and the key role that employee participation plays in the overall process. At the end of the sessions, employees were able to ask questions about how the process works.

Review of Current Structure

Prior to examining the underlying challenges present in the City, it was necessary for Evergreen consultants to review the existing organizational structure present within the City of Fountain. Examination of the existing structure included a review of the following items:

- Organization charts
- Policies and Procedures Manual
- Budget documents
- Financial reports
- Existing studies
- Goals and objectives
- Accomplishments over the past several years

The purpose of the review was to obtain a solid understanding of the City's current organizational structure, a necessary first step in providing solutions for issues that are uncovered during the course of the study.

Qualitative Review

A key component in the Evergreen methodology is the use of qualitative tools to uncover perceptions and issues that are held by management and rank and file employees. In addition to interviews with key management personnel, Evergreen consultants use two primary tools to capture the thoughts and impressions of employees; department head interviews and employee



focus groups. The use of these tools provides our consultants with anecdotal data—non-statistical input used as a guide for further statistical analysis.

A vital part of all management studies is the participation of employees and supervisors in the outreach process via interviews and/or focus groups. This process cannot be overlooked for its ability to engage the employees, the individuals actually performing the work, and achieve buy-in from the people most qualified to offer anecdotal information and insight into the organization of work within the City. Involving employees in the process at this early stage provides them with valuable information about the process direct from the consulting team and in turn, the consulting team gains valuable insight into issues facing the City.

Employee Focus Groups

Employees were able to provide direct input through a series of employee focus groups. These focus groups were held early in the process and were useful in several ways. Focus groups allow employees to have a forum to have their issues and concerns heard. Employees do not always have the same perceptions as managers, and by hearing about employee concerns directly, Evergreen consultants were able to receive input they might not have otherwise received. Employees can also take satisfaction in the fact that their issues were heard and can have greater ownership in the study, thus improving employee confidence in the study's results. One hundred and thirty five City of Fountain employees participated in 26 one-hour focus groups.

Leadership and Community Interviews

City Council, senior level department leaders, and several community members were afforded the opportunity to be interviewed by Evergreen staff members on site. These interviews are intended to provide key stakeholders and constituents with an opportunity to voice their personal concerns regarding management issues observed in day-to-day operations of their respective departments and divisions, along with outside perspectives of City management from the community. A total of 43 interviews were conducted throughout the course of the onsite work.

Anonymous Survey

As a component of the process, City employees were provided the opportunity to submit comments, issues, challenges, and perceptions on City operations via an anonymous survey. The survey was offered to employees in two formats—both ensuring complete and total anonymity. Hard copies of the survey were posted in various locations in City Hall, and postage-paid response envelopes were provided for employees to send their completed surveys directly to Evergreen Solutions. In addition, the survey was posted to a secure Web site, which



employees could access via any computer with Internet capability. The surveys submitted online were transmitted directly to Evergreen Solutions.

Organization of the Report

Chapter two of the report provides a brief overview of the City of Fountain, including a narrative of the fiscal limitations placed on municipal governments in the State of Colorado due to the TABOR (Taxpayers Bill of Rights) law. Chapter 3 provides the anecdotal findings from the onsite research conducted by Evergreen consultants. Chapter 4 includes a series of recommendations to proceed with Phase II of the Management Study.





Chapter Two

Overview

In many ways, the current issues and challenges facing the City of Fountain can be traced back to its history and the environment within which it grew and developed. The City began as a rural outpost, founded in 1859 and incorporated in 1903. The City’s main focus was serving as a connecting stop between Canyon City and Denver. As far back as the City has existed, the railroad has served the area, and even played a role in the City’s development (potentially contributing to its inability to become the State capitol).

In Exhibit 1, the population trend for the City of Fountain is presented for the 10-year periods of 1910 through the present. As the Exhibit illustrates, the City has grown exponentially, especially in the recent past. With the exception of 1930 and 1940, which experienced slight population declines, population growth for the City has been in double, or even triple digits. The population figures for 1960, 1970, and 1980 all exhibited a greater than 100 percent growth rate from the previous census period.

Exhibit 1
City of Fountain, Colorado
Population Statistics, 1910—2007

Year	Population	Percent Change
1910	431	
1920	595	38.05%
1930	577	-3.03%
1940	571	-1.04%
1950	713	24.87%
1960	1,602	124.68%
1970	3,515	119.41%
1980	8,324	136.81%
1990	9,984	19.94%
2000	15,197	52.21%
2005	19,081	25.56%
2007*	22,500	17.92%

*estimate from Colorado Municipal League

In order to be able to understand the social, economic, and demographic environment in which the City of Fountain operates, it is helpful to know some key characteristics of the City. These specific pieces help to establish a framework for the City’s challenges, issues, and trends. Exhibits 2 and 3 on the following page provide the most recent demographic and economic data for the City of Fountain.



Exhibit 2
City of Fountain, Colorado
Economic Statistics

Economy	Fountain, Colorado	United States
Unemployment Rate	5.00%	4.60%
Recent Job Growth	1.58%	1.40%
Future Job Growth	17.60%	11.90%
Sales Taxes	6.90%	6.00%
Income Taxes	5.00%	5.02%
Income per Cap.	\$19,075	\$24,020
Household Income	\$50,102	\$44,684
ESTIMATED HOUSEHOLDS BY HOUSEHOLD INCOME		
Income Less Than 15K	8.41%	13.64%
Income between 15K and 25K	8.49%	11.21%
Income between 25K and 35K	13.22%	11.46%
Income between 35K and 50K	19.77%	15.84%
Income between 50K and 75K	27.79%	19.28%
Income between 75K and 100K	11.52%	11.53%
Income between 100K and 150K	8.45%	10.70%
Income between 150K and 250K	2.01%	4.43%
Income between 250K and 500K	0.30%	1.31%
Income greater than 500K	0.04%	0.61%
POPULATION BY OCCUPATION		
Management, Business, and Financial Operations	8.81%	13.61%
Professional and Related Occupations	14.04%	20.24%
Service	18.12%	14.75%
Sales and Office	29.02%	26.74%
Farming, Fishing, and Forestry	0.41%	0.74%
Construction, Extraction, and Maintenance	14.47%	9.48%
Production, Transportation, and Material Moving	15.14%	14.44%

Exhibit 3
City of Fountain, Colorado
Demographic Statistics—Housing

Housing	Fountain, Colorado	United States
Median Home Age	24	27
Median Home Cost	\$178,300	\$217,200
Home Appreciation	9.60%	9.80%
Homes Owned	69.92%	64.07%
Housing Vacant	3.35%	14.48%
Homes Rented	26.73%	21.45%
Property Tax Rate	\$6.72	\$13.28
OWNER-OCCUPIED HOUSING UNITS BY VALUE		
Less Than \$20,000	1.80%	3.01%
\$20,000 to \$39,999	1.98%	4.37%
\$40,000 to \$59,999	1.95%	5.74%
\$60,000 to \$79,999	2.76%	7.07%
\$80,000 to \$99,999	3.25%	8.41%
\$100,000 to \$149,999	44.31%	19.74%
\$150,000 to \$199,999	33.96%	14.06%
\$200,000 to \$299,999	8.90%	16.59%
\$300,000 to \$399,999	0.49%	8.21%
\$400,000 to \$499,999	0.47%	4.53%
\$500,000 to \$749,999	0.13%	4.75%
\$1,000,000 or more	0.00%	1.86%
HOUSING UNITS BY YEAR STRUCTURE BUILT		
1999 to October 2005	17.41%	10.15%
1995 to 1998	13.12%	6.69%
1990 to 1994	4.59%	6.70%
1980 to 1989	17.29%	14.75%
1970 to 1979	27.86%	17.11%
1960 to 1969	10.90%	12.78%
1950 to 1959	3.82%	11.64%
1940 to 1949	1.80%	6.64%
1939 or Earlier	3.22%	13.55%



With respect to the economic indicators within the City, presented in Exhibit 2, several factors should be highlighted. First is that the projection for future job growth in the City is significantly higher than the national average—substantiating the notion that Fountain is on the cusp of a genuinely aggressive growth period that will have a pronounced impact on the City’s direction and image for a prolonged period of years. Other economic indicators—such as the City’s unemployment rate, are mostly in line with national averages. The per capita income within the City is, however, 21 percent below the national average, which is a statistic that can have a specific negative impact on the effect of future growth in both the immediate and intermediate terms.

The income disparity is examined more closely in the middle section of Exhibit 2, highlighting the distribution of household income across various levels. The most notable differentials between the City of Fountain and national averages comes first in the \$25,000—\$75,000 levels, where the City outpaces the national average consistently—approximately 61 percent of Fountain’s households are within these levels, versus just 47 percent for the national average. By contrast, for household incomes in the \$100,000—\$500,000 levels, Fountain households have an 11 percent share, versus 16 percent national average.

These statistics are further reinforced when examining the occupational distribution among the population. Approximately 23 percent of Fountain’s population is engaged in the “management, business, and financial operations” or “professional and related occupations” categories, versus 34 percent at the national average. A substantially higher percentage of the City’s population is engaged in the “construction, extraction, and maintenance” occupational category, 14 percent for the City of Fountain contrasted to nine percent at the national average.

When examining housing statistics presented in Exhibit 3, several factors are notable. First is the property tax rate—Fountain’s tax rate is approximately half of the national average. In addition, a much larger percentage of Fountain’s housing units are in the \$100,000—\$200,000 ranges. More than 78 percent of the City’s houses are valued within this range, compared to just 34 percent for the national average. By contrast, 10 percent of the City’s housing units are valued greater than \$200,000, compared to 36 percent for the national average.

The Taxpayers Bill of Rights (TABOR)

Since 1992, Colorado state government, and all municipal governments within the State, have been subject to fiscal limitations set forth by the Taxpayers Bill of Rights, more commonly referred to as TABOR. TABOR has had a substantial and significant impact on municipal government operations since its inception—consequently an overview of TABOR and its various component regulations would be helpful to more adequately understanding the context in which Colorado municipal governments exist and serve their constituencies.

In 1992, a ballot initiative instated a series of constitutional amendments collectively known as the Taxpayer’s Bill of Rights. TABOR marked a way to limit government growth by imposing binding limits on tax revenues and state spending. While most states operate with some tax and spending limits, Colorado’s TABOR is the most restrictive limitation in the county. It controls the amount of revenue that can be collected and spent, as well



as how and in which ways taxes can be raised. The only escape clause requires the approval of a majority of voters in referendum.

TABOR has resulted in budget reductions and, according to critics, a steady decline in the state's general fund appropriations and quality of life. State program like education, cultural enrichment, public works and healthcare have suffered negative implications.

The Premise of TABOR

TABOR effectively limits the amount of revenue that a government can collect and keep by prescribing a formula for growth in spending and requiring all revenue in excess of that amount be returned to taxpayers. Any changes to fiscal policy require a majority vote of the people in referendum. This is intended to retain fiscal efficiency and resident participation in government.

TABOR prescribes that state government revenues cannot grow faster each year than inflation plus population growth, and local government revenues cannot grow faster each year than the net value of new construction plus the increase in inflation. This formula is based on the idea that government will only need to expand if it is providing services to a larger population or if the cost of providing services increases. It does not however take into consideration standard of living or other external factors.

In reference to restrictions on the types of taxes that can be proposed and implemented, TABOR specifically prohibits new real estate taxes, transfer taxes, local income taxes and state property taxes. Some believe this restraint is necessary. Proponents argue that smaller government is better and decisions about taxation and spending should be made by the people. In theory, TABOR applies a direct, tinker-proof formula to limit the growth of state spending and forcing government to live within its means. This can be difficult when the hands of decision makers are tied during periods of economic downturn or sudden crisis.

There is a fear that the revenue limits of TABOR squeeze critical programs until they become ineffective and eventually disappear. At the same time, the limits of TABOR restrict the ability of government to respond to changing economic conditions and citizen needs in an effective and timely manner. The state of Colorado and many local municipalities are hamstrung by inflexible rules that make it unresponsive and less effective.

The Ratchet Down Effect

The ratcheting effect of the growth limit continually downsizes government, making cuts virtually permanent. When government experiences a temporary revenue shortfall during an economic downturn, TABOR makes it nearly impossible to restore program cuts in good economic times.

When revenues fall, the following year's spending limit on collections is still based on the allowed collections of the previous year. When revenues are less than the allowable limit, the ratchet down effect occurs with the lower revenue figure actually becoming the new base for calculating the next year's limit, and the TABOR limit is permanently reduced for several years. The result is that in years following a recession, allowed revenues will



grow only from the worst revenue collection year from the recession to the extent commensurate to the rate of population growth and inflation.

TABOR's Implications on Programs

At the state level, TABOR has limited the overall growth of government, but not all programs have been impacted equally. Programs driven by federal mandates or long-term policy decisions have seemed to escape drastic impact. Medicaid and parole and sentencing laws are specific examples of these types of programs. This means that other programs, like public health and higher education, have borne a disproportionate share of the spending reductions and will continue to do so in the future. This dynamic has led advocates for specific issues to seek ways to protect their programs from the effects of TABOR. The most notable example of this is Amendment 23.

Proponents felt as though Colorado's education spending did not keep pace with inflation or the national average. Thus, in 2000, Coloradoans passed Amendment 23 mandating the creation of the State Education Fund specifically to bring more capital to K-12 education. Due to the Amendment stipulations, lawmakers are forced to reallocate funds from other state programs to meet the requirements of the State Education Fund if necessary. An increase in similar proposals would further marginalize programs that bear an increasing burden of cuts.

The restrictions of TABOR created multi-faceted reproductions, essentially cornering government leaders into making decisions about funding competing priorities as basic as healthcare and transportation. Lawmakers continuously scramble to pull together non-tax revenue, often through increased fees, to meet the challenge of funding state programs that comply with the constraining fiscal policies.

The trickle-down effect has in turn challenged local governments. As they receive less money from the state for local programs, they are too drawn into the complicated fiscal game of compiling a hodge-podge of non tax revenue to fulfill the local needs.

Overturning TABOR Locally

According to the Colorado Municipal League, 496 ballot issues related to TABOR revenue and spending changes have been presented before the voters of municipalities between 1993 and 2006. Of these 496 instances, 87 percent have passed, thus changing, retracting or waiving the implications of the TABOR laws originally enacted in 1992.

Many local lawmakers encourage residents for relief from TABOR restrictions to meet specific needs. For example, last year in Pueblo County, voters approved a TABOR timeout that will provide nearly \$23 million to build a new health department building, help with road improvements and upgrades to city parks and recreation facilities.

In off-year elections, often created specifically for TABOR related issues, voter participation remains particularly low. Often times these crucial fiscal decisions are made by as few as 20 percent of Colorado's registered voters.



A Timeout for TABOR

In 2005, Coloradoans voted in favor of Referendum C, allowing the state a “timeout” from TABOR until 2010. This period will allow the state time to catch up with losses that were incurred during the recession of the early 2000’s.

In essence, this lift halts the annual rebates to taxpayers as TABOR mandates excess revenue is returned to the people. It is projected that this lift from TABOR restrictions will generate an additional \$5.37 billion for the state; approximately \$1.6 billion more than forecasted when voters approved it.

Lawmakers have indicated they intend to direct the majority of these funds to health care, education, transportation and local fire and police pension programs. Road funding has been an issue of particular note and forecasts show at least \$1.2 billion flowing into roads during the five-year Referendum C period.

TABOR-like Measures in Other States

More than half of the 50 states have some variation of a tax and expenditure limitation. A review of the nation reveals key decisions related to recent TABOR initiatives, including:

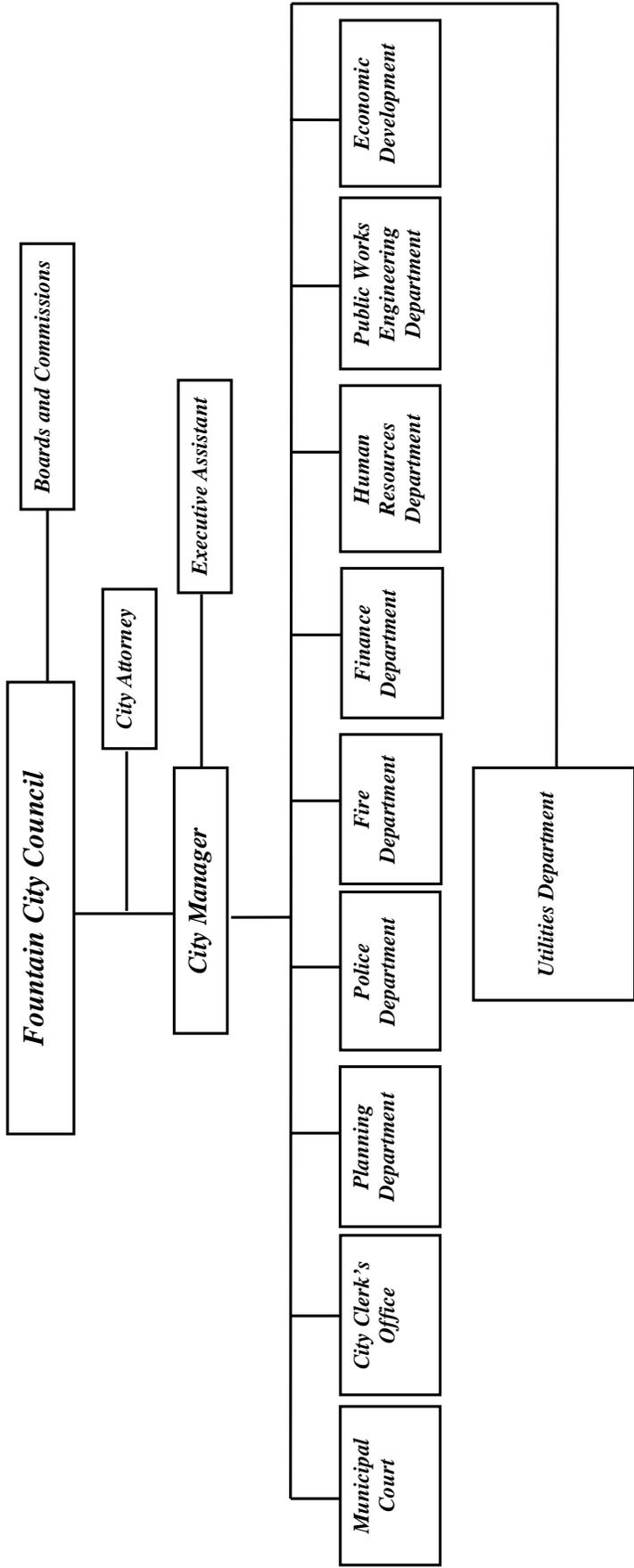
- In 2005, TABOR proposals were introduced in about half of the 50 states. Though none of these proposals were adopted, pro-TABOR efforts have feverishly continued;
- At present there are active efforts to enact TABOR-type laws in Ohio, Wisconsin, Maine, and Arizona in addition to many other states;
- During the 2006 elections, residents of Maine, Nebraska and Oregon overwhelmingly rejected restrictive TABOR-like measures in their states; and
- Oklahoma lawmakers introduced a TABOR-like initiative that has been modified to address some lessons learned from Colorado. The proposal is currently pending in the state Supreme Court.
- Colorado is only one of three states that calculate the limit based on the sum of the population growth and inflation. Further, Colorado and only one other state require the surplus to be refunded.

City Organizational Structure

The City of Fountain is organized as a Council-Manager form of government, with central administrative power resting in a City Manager. The current organizational structure of the City is included in Exhibit 4, presented on the following page.



Exhibit 4
City of Fountain, Colorado
City Organizational Structure



Chapter Three

Anecdotal Findings

The following chapter provides specific anecdotal information resulting from the research conducted on site while with the City of Fountain’s leadership, employees, and citizens. All information is provided in a manner so that specific comments can not be attributed to individuals or groups, and aggregated data are provided that illustrate major themes present in specific departments. Recommendations for Phase II activities resulting from the information provided in the subsequent sections are provided in Chapter Four of this report.

As previously indicated, 43 interviews with City leaders, department heads, and community members were conducted over the course of a one-week period on site. In addition, 26 focus groups provided employees of the City with an opportunity to provide anecdotal information. Further, anonymous surveys were used to provide a final mechanism for staff to provide input into Phase I of the process. The findings from those mechanisms are provided in the sections below.

General Findings

The City of Fountain is currently in the midst of a pronounced period of development. Over the past 10 years, the City has experienced a significant amount of growth, and the projections for the next 5-10 years are for an even greater influx of population—primarily associated with the possible redeployment of Fort Carson military families, but also related to the development and migration of the Colorado Springs corridor. As Fountain continues to be an attractive place to develop and build, the City will, especially in areas concentrated in the northern reaches, continue the overall growth trend.

As the City experiences this growth, the most commonly used term to describe the reaction was “growing pains.” The City is experiencing pronounced growing pains as a result of the growth, and this has been most vividly exhibited in the factioning of the City into two primary “constituent groups.” The first is a vocal group of community members who recall a period of time when the City was much smaller, less developed, and more tightly-knit as a community. This group has been, for the most part, the most averse to the dramatic changes taking place, especially within the overall organization, structure, and operational capacity of the City’s government. The second group is representative of those community members that have come to the City within the last 10 years, who have no long-term perspective of the City’s history, and who view Fountain as a residential community. There is a degree of crossover among opinion groups (some long-tenured City residents with progressive ideas, new residents with



more old-time view of the City). These two groups, as highlighted in their comments in focus groups as well as interviews, have in many cases very diverging opinions, perceptions, and attitudes toward the operation of City government, its role in the community, and the services it should provide. In some cases opinions intersect, but more often the perspectives are in such opposition that vocal, and in some cases passionate, objections arise between groups.

This sentiment has even crept into the scope of the management study Evergreen Solutions is conducting for the City. There are two diverging opinions on how the role of Evergreen Solutions can best serve the City—one opinion is that the role of the review is to determine where wasteful spending is occurring, where staff can be cut, and how to save fiscal resources through “trimming fat.” The other opinion is that the role of the study will be to identify the fact that the City is operating with resources that are woefully inadequate for its needs and mandates, and that the review will inevitably show the need for the City to either take a five-year “time out” on its TABOR restrictions, de-TABOR for a specific revenue stream (i.e. impact fees), or de-TABOR altogether. Both of these opinions are vocal, strong, and deeply rooted.

Differences notwithstanding, the single most consistent theme that was conveyed throughout the course of the research was the need to determine the most successful way to manage the growth that has occurred in the City of Fountain, and the growth that is yet to occur.

City Administration and Governance

The City of Fountain is run as a Council-Manager form of government, as stipulated by the City Charter. The City Council is the policy-making body, and is responsible for setting the policies and regulations by which the City operates administratively. The Council is also responsible for approving the City budget annually. The City’s administration is run by the City Manager, who is responsible for day-to-day management of City departments, personnel decisions, establishing leadership, and directing the planning effort of the City to accomplish the policies and goals set forth by the Council.

Specific Findings

- The City has been without a full-time City Manager since August of 2006, and will more than likely be more than a year without a full-time person in the position. This has been a tremendous deficiency cited throughout the interviews and focus groups. Overall consensus has been that the Acting City Manager has done a great job, but is not properly resourced to manage the effort—the Acting City Manager maintains his role as the Director of Planning, a City department that has felt the direct strain of development growth. The City is in clear need of a full-time Manager (the City has hired an executive search firm to conduct the search for a full-time manager).



- A significant amount of concern was raised throughout the interviews, focus groups, and surveys, regarding the interaction and distribution of responsibilities between the City Council and the City Manager—several comments were raised concerning the Council making decisions that were not in line with its responsibilities according to the City Charter.
- Several City leaders cited the need for restructuring at the top level. Currently, the City Manager position is functioning as an administrative director, as opposed to a City leader. Opinions generally favored the establishment of a full-time Deputy City Manager within the City. Perceptions were that the City’s organizational structure has too many direct reports to the City Manager, and as a result the City Manager is forced to spend an inappropriate amount of time on personnel management within the leadership of departments, as opposed to charting the City’s overall strategic direction and serving in a leadership capacity to reach the City’s goals.
- Concerns were raised regarding the amount paid to City Council members for their service to the City. The current rate, \$25 per session, has not been increased in many years and can be a detrimental reflection upon the Council. Data provided to Evergreen Solutions from the Colorado Municipal League indicates that Fountain’s Council pay may be the lowest in the State.
- While the City has several silo plans for specific functions or departments, there is currently no City-wide five-year strategic plan that highlights the overall mission, vision, goals, and objectives for the City as a whole. This void was cited on several occasions as impeding both the Council and the City administration in identifying top-level priorities and resource needs. As a result, the system that has evolved is one where those who “shout the loudest” receive the most resource attention.
- When discussing the vacancy within the City Manager position, several interview participants expressed concerns about the need to ensure that the most qualified person be hired, as opposed to the cheapest. Several department heads and City leaders expressed concern that there may be a desire to hire a manager for the lowest possible salary, and that this would result in the person not being the right fit for a progressive and growing city needing dynamic leadership.
- There is a wide-spread perception that communication between City Council, City Administration, and City employees, is lacking or non-existent. The communication gap leads to animosity, enmity, and in some cases a combative atmosphere between Council, City leaders, and staff. As an example, several department heads and employees commented that they are prohibited from



attending City Council meetings. Upon further investigation, it was determined that, in fact, no one is prohibited from attending a Council session, but credit for the time spent attending the sessions would no longer count toward compensatory time, unless an employee had a specific item on the meeting agenda, or a justifiable reason for attendance. The disconnect in the communication process has created a feeling of resentment over even the smallest issue.

City Finance

The City's financial operations are administered by the Finance Director, who oversees one accountant and one accounting clerk in the Finance Department. The Finance Department is responsible for directing the annual budgeting process, conducting consolidated annual finance reports (CAFR), and ensuring that the City's overall financial status is stable.

Specific Findings

- There is an overall concern surrounding internal controls within the Finance Department as a whole. While the audited financial statements have all been completed in accordance with Generally Accepted Accounting Principles and there have been no issues with respect to the fiscal status of the City, several comments arose that call into question whether or not appropriate internal controls are present to ensure that fiscal impropriety is not possible. One prominently highlighted example was the recent events surrounding the Heritage Maintenance District—while no impropriety was cited in an investigative audit, the issue itself underscores the need for proper internal controls.
- The City is in need of policies and procedures to govern its purchasing rules and regulations. Numerous interviews, focus groups, and surveys cited the lack of purchasing policies as a detriment to the City, creating a culture of potential abuse. There are no rules requiring RFPs, RFQs, or bidding procedures for specific purchase thresholds, nor any requirements mandating approval of invoices and proper chain of governance to ensure that commodities purchased or services billed have actually been performed. In addition, there is some level of confusion on who receives City credit cards, and what their purpose is. There does not seem to be a guiding policy on a purchase card system, or regulations governing credit cards issued by the City.
- At the department level, a number of participants cited micromanagement in the purchasing function by Finance (as well as Human Resources) as impeding Directors' abilities to effectively manage their units and departments. Several department heads, as well as department staff involved in purchasing, indicated that



the Finance Department staff direct department directors what to purchase and when, as opposed to letting them know whether they have the money to make a specific purchase—this is a direct result of the lack of purchasing policies and procedures to govern the overall process.

- Comments made throughout focus groups and interviews indicate a desire for more transparency in the budgeting process. As with any municipal government, the budgeting process starts and ends in very different places—in the initial phases of the process, departments commonly put together budget requests that will be refined, scoped down, evaluated against competing department requests, and prioritized. There is a perception among department-level staff and senior leaders that this process could be more transparent than it currently is, to be able to understand what requests are cut and why, and what the rationale is for the prioritizations made in the process.
- The 2007 fiscal year general fund budget for the City is approximately \$12.3 million. This works out to approximately \$560 per resident of the City—there is a perception that this figure is far below what other municipal governments expend in operations.
- The single largest fiscal expenditure of the City is personnel expenses (salaries and benefits for City employees). There is a divergence of opinions regarding the overall staffing level at the administration level. One level of perception held by some interview and focus group participants is that the City is overstaffed administratively and that the City is in a situation where there are “too many chiefs and not enough worker-bees.” Another perception voiced by some participants is that the City is adequately staffed administratively, but the effects of the TABOR restrictions have hurt the City’s ability to address other strategic needs, and consequently the City’s administrative staff bear the burden of the overspending perceptions.
- The City’s overall fiscal status with respect to TABOR was a very widely discussed issue throughout the focus groups, interviews, and survey responses. As with other issues facing the City, two diverging opinions are held—one is that TABOR is restricting the City’s ability to manage growth and provide necessary services. An example of this was a recent City effort to consider implementing impact fees for development—it was determined that implementing use fees would put the City over the TABOR ceiling, and force the City to refund the money to citizens, thereby making the idea moot. A contrasting opinion is that TABOR is a proper check and balance on municipal governments to ensure that they do not spend



outside their means and that government does not get “addicted” to implementing new taxes.

- The City currently maintains a strategic reserve of approximately 25 percent of the general fund budget—in the 2006-07 fiscal year the reserve was approximately \$3 million. This reserve was identified as the City’s “rainy day fund” and highlighted by many respondents as too high for a municipal government seeking to manage large-scale growth.
- Budget planning was cited by several department leaders as one of the areas that they would like to see improvement in the strategic application of. Several department heads highlighted that in the current process and environment, they are forced to advocate year after year for capital needs, where if there was a multi-year strategic effort with prioritization in place, they would know when specific resources would be granted and they could focus on operational components as opposed to never-ending lobbying for resources.
- A vast majority of interviewees, focus group participants, and survey respondents indicated that several departments and divisions are in dire need of fiscal resources—these include the Streets Division, which is currently operating on a budget of \$120,000 for maintenance of 81 miles of roads; Police, which shares facilities with the Fire Department; and Parks, which only has one foreman and two maintenance workers (although it is important to note that the Parks Department does utilize additional labor for peak periods).
- The City currently receives the majority of its operating fund revenues from two components—the sales tax and use tax, derived from automobile purchases and new construction materials purchases. Fountain has one of the lowest sales taxes in the State, and due to the fact that the City is primarily a residential community, the sales tax leakage is potentially very high. In addition, several participants noted that an examination should be made of the share of tax revenues that come from single large employers such as Wal Mart—if the City receives a substantial portion of its revenues from a limited number of sources, and those sources leave, the City would be in serious trouble fiscally.
- Budgets in the areas that provide services to community have not grown proportionately with the growth in population and geographic area served. Employees in public safety areas are responding to requests for services by themselves, without adequate backup and support, supervision and ability to communicate via radio. Employees in the public works area are asked to operate equipment that is in need of repair or operate equipment without proper training.



Human Resources Management

The City of Fountain’s human resources department is relatively new—up until six years ago the Finance Director handled all HR-related functions. In 2001, a full-time HR Director was established and currently the department contains the HR Director and one HR administrative assistant. The department is responsible for administering the advertisement and hiring of new employees to the City, and ensuring that personnel laws are adhered to and result in a safe, secure, and non-hostile work environment for all employees.

Specific Findings

- The human resources department was without question the most vocally discussed department throughout the focus groups, interviews, and surveys. It was apparent throughout the process that the department conjures strong feelings, opinions, and perceptions by Council, leadership, and employees with the City. Several participants questioned whether or not the current structure of the department and its focus is appropriate for the City at the present time.
- Numerous participants indicated that the hiring cycle for employees is extremely long and burdensome. Examples were cited of hiring cycles of up to 180 days, and several interviewees indicated that in many cases the City moved so slow on hiring that candidates assumed that they were not being considered and had moved on to positions with other employers.
- There is a lack of comprehensive and up-to-date personnel policies and procedures for the City of Fountain. This was cited by several interviewees and focus group participants as a critical issue from both an operational and legal perspective.
- Several interviewees and focus group participants indicated a concern of mission-creep on the part of the human resources department—that the department participates in, and in some cases leads, operational functions that are not in its purview to oversee.
- Overall, there is a strong, distinct, and pervasive sense of animosity that exists between Council, HR management, and employees in the City. This atmosphere has a tangible impact on the overall level of perceptions expressed by interview and focus group participants—and they are for the most part negative. It is unclear the degree to which personal feelings seep into professional judgments on the performance or staffing of the department.



- With respect to the administration of the compensation and benefits program, there were several concerns raised about the longevity bonus program provided by the City—the program was grandfathered out several years ago but still provides benefits to approximately 40 City employees and costs approximately \$250,000 per year in general fund resources (about two percent of the general fund budget).
- The Human Resources Department is perceived by most employees and some City leaders to be “anti-employee” and not supporting operations of the City. Employees feel policies are not consistently applied because they are not clearly documented and communicated. Several focus group participants noted that when challenged by employees the HR Department has communicated to employees if they don’t like it they have plenty of people who want the job.
- Current and accurate job descriptions are not available for employees and there is a perception that they are developed unilaterally by the Human Resources Department. Inaccurate job descriptions are being developed when a notice of vacancy is advertised. Responsibilities and duties included in job descriptions do not accurately reflect the activities being performed by employees.
- True employee insurance benefits management does not appear to exist. Problems exist with employees receiving benefits—ranging from medical benefits cards not working, employees not being setup in a timely manner, and processing prescription benefits. Employees have not been able to get assistance from the Human Resources Department in resolving issues and have gone to the State Insurance Commissioner to get action.
- There is a perception among employees and some department leaders that real compensation management is inconsistent. Annual increases, retirement, longevity, and sick and annual leave are applied differently depending on hire date and department. Up to four different salary levels may exist for individuals doing exactly the same job in the same department. New hires are often making more than existing employees leading to the feeling they would be better off quitting and being rehired. Individuals in different departments handling exactly the same duties are paid at different levels.
- Lack of attention to risk management activities associated with employee safety and training are creating workers’ compensation claims and potential long-term liabilities. Two different work locations might have sick building syndrome and City equipment and third-party property are being damaged. Inconsistent handling of workers’ compensation claims is not only creating employee frustration with the department, but also creating additional liability exposure for the City.



- Concerning professional development and workforce/succession planning, there is a consensus that professional development should be a priority for the City but that the emphasis on driving any programs is laid at the department director level. There is not a collective effort that is maintained to promote professional development activities City-wide, and true workforce/succession planning has not been a priority for the City.

Planning and Economic Development

With the growth trend over the last 10 years, coupled with the projection over the next several years, planning and economic development will both be critical aspects to successful growth management. It will be incumbent upon the City to address needs strategically with respect to new developments, permits, code compliance and enforcements, and provide a balance between effective enforcement and encouragement of continued investment. Fountain has made great strides over the past several years in attracting businesses to the City, bringing in residential development, and expanding its tax base. In order to ensure that future development continues to meet the needs of future growth, effective planning and dynamic economic development activities are critical.

Specific Findings

- There is a wide-spread feeling that the planning department has long been grossly understaffed. The overwhelming perception among City leaders and staff is that it is simply amazing that the planning department has been able to accomplish what it has given its level of resources. Recently the department has been able to add staff in part-time planner positions, but the lack of full-time planning professionals was cited in numerous interviews and focus groups as hampering the future potential of the City's growth.
- While there is a feeling that the planning department has been able to make strides in accommodating increasing workloads in the department, there were several comments provided by staff and some department heads that there may be a bottleneck present in the process of permitting due to the workloads present and the staff available.
- Given the budget restrictions set forth in the TABOR law, there is almost no money available for capital needs of the City. Given the level of growth projected in the City—according to the Pikes Peak Area Development Council, the permit applications of Fountain are comparable to Colorado Springs—the planning needs will be extraordinary, and there is no fiscal ability to manage it.



- With respect to economic development, there is a good deal of credit being given to the City’s economic development coordinator for playing the vital role of attempting to attract new businesses into the City and expand its economic base of activity. In addition to her full-time role with the City, the Economic Development Coordinator also serves on the City’s EDC (Economic Development Committee), which seeks to be a bridge between the City and the community from the economic perspective.

Public Safety

Public safety operations are typically the single most visible aspect of municipal management, and Fountain is not unique in that public safety operations are commonly the first to receive additional resources when needed. Public safety operations are also commonly the most metric-based functions within a municipal government—it is relatively easy to establish quantifiable metrics within public safety functions to establish benchmarks for successful resourcing—police officers per 1,000 citizens, crime rates, response times, fire dispatch times, etc.—all are measurable statistics that both City Council and the community can grasp and comprehend easily. Public Safety operations are contained in two separate departments within the City—Police and Fire.

Specific Findings—Police Operations

- Perceptions of the Police operation within the City are largely positive—common statements made by interviewees and focus group participants center around a perception that the police force accomplishes a great deal with relatively fewer resources than other municipal organizations.
- Currently, the Police Department utilizes a shared facility with a fire house—the facility is located in the Southwest corridor of the City. Comments with numerous interviewees indicate that both the facility and its location are not in any way suited for the growth trend in the City. The majority of the City’s residential growth has occurred in the Northern and Eastern quadrants, and the facility is past its maximum capacity.
- As an example of the need for a new police facility, several participants highlighted a glaring issue with the City’s jail—there are currently four cells that are not adequately separated to be able to isolate males, females, and juveniles. As a result, if a male is being held and an arrest is made of a female, the department will need to transfer one inmate to the County facility. This fact has derailed the department’s effort to gain national accreditation.



- According to statistics provided to Evergreen Solutions, the current staffing in the police department may be inadequate for the demographics and projections of the City—if the statistics hold true, the City may be short several police officers and will continue to drop below established national benchmarks for staffing.
- There is a perceived inability to spend encumbered budget funds as approved without interference from finance and/or human resources. Comments from Department leaders and staff indicate a level of frustration with current business processes as controlled by human resources and finance. The hiring and purchasing processes were the two most often cited areas where interference is felt.
- Comments specific to staffing related that the department perpetually operates with vacancies in dispatch and street patrol officers. The staffing short fall has created situations where there have not been enough officers to handle some situations. Dispatch is stretched too thin to provide service not only to Police but Fire, 911 and overflow calls after hours from the Utilities Department.
- Concerns were cited by several interviewees that the policies governing take-home vehicles for police department staff should be examined to see if the policies are comparable to other organizations—there is a perception that the policies may be costing the City a significant amount of money.
- Several leadership interviews identified a need to assess impact fees for police services, to ensure that growth was paying for itself, however, TABOR restrictions would not make impact fees feasible for the department—much of the revenues collected would have to be returned to citizens in the form of TABOR refunds.
- Staffing levels in the dispatch unit were cited as particularly poor. According to leadership interviews and some focus group participants, there will often be only one dispatcher on duty, where a shift may need three or four dispatchers.
- Interviewees as well as focus group participants cited a need for modernized communication equipment—concerns were raised about the department utilizing some equipment that was as many as 20 years old.
- While police staff have increased over the past several years, support staff have not increased in the department—several participants expressed the perception that more support staff were needed to address needs in the department.



Specific Findings—Fire Operations

- As with Police, there is a concern felt by several interviewees and focus group participants that the staffing level within the Fire Department is not meeting national benchmarks for a city the size of Fountain. The NFPA benchmark would have the department at 43 full-time firefighters at the present time—currently the department has 24 full-time and three part-time employees.
- Numerous interviewees, focus group participants, and survey respondents indicated that there is a need for a ladder truck for the Fire Department, but not the funds to purchase one. Citing examples for the need, participants noted that if the City Hall, or if Wal Mart (the largest provider of sales tax revenues to Fountain) were to have a fire, the City’s Fire Department would be unable to address the emergency and would have to call up to either the County or Colorado Springs for assistance.
- As an example illustrating the need currently facing the department, approximately one week prior to the on-site work with the City, a two-story house caught fire and the department was unable to assist. The responding station from Fort Carson took close to one hour to respond to the call and as a result the house was destroyed.
- Due to the fact that homeowners’ insurance rates are partially impacted by fire station locations (ISO rating), the lack of adequate coverage inevitably results in greater costs for property owners in the City.
- Several interviewees and focus group participants cited a need for an additional fire station to serve the eastern portion of the City.
- Several leadership interviews identified a need to assess impact fees for fire services, to ensure that growth was paying for itself, however, TABOR restrictions would not make impact fees feasible for the department—much of the revenues collected would have to be returned to citizens in the form of TABOR refunds.

Specific Findings—Emergency Management

- The City of Fountain decided, in 2005, to establish its own ambulance service. The previous provider, AMR (located in Colorado Springs) had response times that did not meet the City’s needs. Initial research indicated that the ambulance service would be an enterprise fund, and would at worst break even. This has not been the case.



- General fund subsidies for the ambulance service have risen consistently since its development, and now cost the City close to \$200,000 per year. The discrepancy between the projections and the actual figures was a result of underestimations of revenues, due to inadequate Medicaid reimbursements.
- While the ambulance service is taking up over 1.5 percent of the general fund budget, almost all interviewees, focus group participants, and survey respondents cited the service as a true value to the City and a service that should be maintained. There was, however, a commonly held opinion that a funding source other than general fund subsidization was needed.

Public Works and Utilities

Other than public safety operations the Public Works Department, responsible for the maintenance and condition of the roads within the City, is the next most visible function of City operations to the community. Public works employees are typically front-line employees who have a direct impact on citizens' daily experience. Within the City of Fountain, the utilities function comprises an Enterprise Fund, which is able to set rates and collect fees that are not constrained by the TABOR restrictions.

Specific Findings—Public Works

- The single most commonly repeated issue cited by interviewees, focus group participants, and survey respondents was the inadequate budget for the maintenance of roads in the City. The 2006-07 roads budget was approximately \$120,000—for about 81 miles of roads within the City. With this allocation the City is barely able to fill potholes on the existing roads, and is relatively unable to provide capital improvements for new roads.
- Overall the staffing levels within the department are perceived to be inadequate for City growth. The department is responsible for parks and recreation, and does so without a Parks Director—just a foreman and two maintenance workers, and additional targeted assistance from contract labor during peak periods.
- The fact that the Public Works Director also serves as the Chief City Engineer further reinforces the general perception that the City is not adequately staffed at the administrative levels to be able to manage the growth levels that will occur in future years.



- With the rise in development throughout the City, there is a significant increase in maintenance needs for public works (signage, street lights, drainage, etc.), however, there has been almost no corresponding increase in maintenance funds. Perceptions raised by several interviewees and focus group participants indicate that the TABOR restrictions have severely limited the City's ability to address this need. According to estimates provided during the research phase, the City has approximately \$1.2 million in maintenance needs per year, with just \$120,000 in its maintenance allocation.

Specific Findings—Utilities

- The performance of the Utilities Department, and specifically the Director, were consistently highlighted by interviewees and focus groups as one of the high points of the City's operation. Numerous interviewees expressed praise for the Utilities Director's progressiveness, leadership, and his foresight and aggressiveness in the acquisition of water rights for future City development.
- Perceptions regarding customer service within the utilities department noted were not positive—comments noted that staff could be more customer-service oriented and could develop better customer service skills. Proactive management seems to be lacking in providing training not only in the area of customer service, but also in seeking necessary skills in the area of financial management to promote efficiencies.
- There is not an automated interface between the utility system and the financial system and no operational changes have been instituted since implementation of a lock box system for revenue collection.
- As the main enterprise fund within the City of Fountain, and with a budget far surpassing the City's general fund, the utilities department is able to fund staffing and other needs in the City that the general fund can not—this aspect has led to a perception of haves and have-nots within City departments.

Other City Departments

The preceding sections provided anecdotal findings for City departments where significant and widespread perceptions existed and were expressed in on-site research. Several other departments within the City had a lower level of response or input. These departments are highlighted on the following page.



Information Technology

- The Information Technology Unit in the City generally received very positive feedback. Interviewees noted that the department is able to handle requests in a timely manner, especially considering that the department consists of just three staff. Feedback provided indicate that while the department is good at responding to user requests, longer-term priorities often get sidelined as a result of immediate needs. A recent example involved the development of the new City of Fountain Web site, which experienced delays due to inadequate time to spend in the development phase.
- Some concerns were raised regarding the specialization versus generalization of IT support services—that the current model of centralizing IT support sometimes has an adverse effect on select City departments.

City Clerk's Office

- The vast majority of comments regarding the City's Clerk office were quite positive—the department was lauded repeatedly as possessing extremely capable staff, who are committed to the highest degree of quality in the performance of their jobs.
- The only minor concern raised related to the question of whether or not the staffing in the department (one City Clerk, one Deputy City Clerk, and one administrative assistant) is appropriate for the size of the City and the department's current and projected workload. However, research indicates that the administrative assistant within the department splits her time with the Planning and Zoning department.

Municipal Courts

- The majority of comments regarding the municipal courts department were largely positive, and reflective of the nature of the court operation doing a great deal with little resources (one Court Administrator, one Deputy Clerk, and a part-time recorder).





Recommendations and Conclusions

It was the intent of the City of Fountain for the Phase I Management Study to identify anecdotal findings and establish recommendations for comprehensive reviews to be conducted in Phase II of the project. The recommendations that follow outline Evergreen Solutions proposed prioritization of Phase II activities and the focus of each component.

Priority 1 Needs

Recommendation I:

Conduct a Phase II Management Study of City of Fountain Organizational and Administrative Leadership

This Phase II Review should focus on the overall governance structure in place within the City, its implementation, staffing at the administrative level to accomplish City objectives, and the overall leadership staffing in the City. The subcomponents of the review would include the following:

- Governance Structure
- Policies and Procedures
- Organization and Management
- Departmental Management
- Legal Services
- Strategic Planning and Budgeting

Recommendation II:

Conduct a Phase II Management Study of City of Fountain Financial Management

This Phase II Review should focus on the overall leadership, staffing, and management of the financial operations of the City of Fountain. The subcomponents of the review would include the following:

- Financial Organization and Management
- Financial Performance
- Planning and Budgeting
- Internal and External Auditing
- Asset and Risk Management
- Purchasing, Contracting, and Warehouse
- Revenue Collection



Recommendation III:

Conduct a Phase II Management Study of City of Fountain Human Resources Management

This Phase II Review should focus on the overall leadership, staffing, and management of the human resources function of the City of Fountain. The subcomponents of the review would include the following:

- HR Organization and Management
- Policies and Procedures
- Personnel Records
- Hiring of Personnel
- Recruitment and Retention
- Compensation and Classification
- Performance Assessment
- Professional Development
- Labor and Employee Relations
- Employee Benefits

Priority 2 Needs

Recommendation IV:

Conduct a Phase II Management Study of City of Fountain Public Safety Operations

This Phase II Review should focus on the overall leadership, staffing, and management of the public safety function of the City of Fountain, including Police, Fire, and Emergency Management operations. The subcomponents of the review would include the following:

- Organization and Staffing
- Leadership Capacity and Chain of Command
- Emergency Planning, Training, and Preparedness
- Equipment and Support Operations
- Facilities
- Fleet Management
- Communications Management
- Resource Deployment
- Security Operations
- Safety Measures
- Training and Professional Development



Recommendation V:

Conduct a Phase II Management Study of Fountain Public Works Management

This Phase II Review should focus on the overall leadership, staffing, and management of the public works function of the City of Fountain. The subcomponents of the review would include the following:

- Organization and Staffing
- Policies and Procedures
- Road Maintenance
- Streets, Sidewalks, and Storm Drainage
- Refuse and Recycling
- Parking Services
- Park Facilities
- Planning and Maintenance
- Youth Programs

Priority 3 Needs

Recommendation VI:

Conduct a Phase II Management Study of City of Fountain Utilities Operations

This Phase II Review should focus on the overall leadership, staffing, and management of the utilities function of the City of Fountain, including water, electric, and customer service operations. The subcomponents of the review would include the following:

- Organization and Staffing
- Enterprise Fund Financial Management
- Budgeting and Planning
- Equipment and Support Operations
- Generation
- Transportation and Distribution
- Rights Acquisition
- Facilities
- Fleet Management
- Customer Service
- Safety Measures
- Training and Professional Development



Conclusions

While the City of Fountain is currently in the midst of a transition period and will experience what may be most accurately described as “growing pains” as it evolves from a small, rural community into a more developed residential City possessing a progressive infrastructure, the City should be commended for its proactive stance in seeking to assess and evaluate the needs, priorities, and strategic direction required to manage the change taking place.

While Evergreen Solutions has proposed a series of recommendations for different studies, it is important to note that several of the recommendations can be combined into a more comprehensive examination of several functional areas—our intent in dividing the reviews was solely to highlight our recommendations for specific priority areas. It is our intent, at the request of City Council, to propose methodologies and approximate costs for the elements of the Phase II plan, and to develop any required Request for Proposals to be issued for the Phase II review(s).



***APPENDIX B:
DATA REQUEST LISTS***



APPENDIX B

DATA REQUEST LISTS

The following preliminary data request list was provided to the City of Fountain prior to onsite review and evaluation activities.

Overall (O)		
Item #	Item	Notes
O-1	City Telephone/E-mail Directory.	
O-2	City Policy and Administrative Procedures Manuals.	Hard copy not necessary if available on-line
O-3	Benefits Rate for personnel.	Usually a percentage figure
O-4	Detailed organizational charts for current year and past two years for all major City functional areas.	Include charts for all departments under review
O-5	Excel file that includes listing of all City staff, including position title, salary, full- or part-time, and work location.	
O-6	Detailed budget information by functional area for the last three years.	
O-7	City Strategic Plan.	
O-8	Total City population and City staff numbers for each of the last three years.	Include by Department

Administration and Organizational Leadership (A)		
Item #	Item	Notes
A-1	Information on strategic planning efforts including mission, goals, objectives, and other performance measures. How often is the strategic plan reviewed and/or renewed? How does it guide daily operations?	
A-2	Brief history of City highlighting significant events in the life of the City that impact administration and operations today.	
A-3	Agenda for last five City Council meetings with backup materials.	Hard copy not necessary if available on-line
A-4	Minutes for last five Council meetings.	Hard copy not necessary if available on-line
A-5	List of City Council committees, membership, frequency of meeting, and purpose of the committee.	
A-6	Capital Improvement Plan, If applicable.	
A-7	Information by school regarding NCLB status for the past three years.	
A-8	List of City Manager's leadership team, cabinet or key group that provides administrative counsel and recommendations.	
A-9	Copies of agendas and minutes of most recent five regularly scheduled administrative meetings	
A-10	List of regular standing administrative-level committees and members by name and position, frequency of meeting & purpose.	
A-11	Staffing standards used by the City to determine any staffing allocations.	
A-12	Staffing allocations by City functional area.	



Legal Services (L)		
Item #	Item	Notes
L-1	List of the City's legal expenses for the past three years.	By category, function, department or other breakdown
L-2	Copies of current contracts with outside legal counsel.	
L-3	Records of competitive bidding for outside legal services for the past three years.	

Human Resources Management (H)		
Item #	Item	Notes
H-1	Personnel administrative procedures.	
H-2	Internal personnel department procedural manual.	
H-3	Employee handbooks.	Hard copy not necessary if available on-line
H-4	Job descriptions for all employees.	
H-5	Resignations, terminations, retirements over the past three years by employee categories.	
H-6	Staff absences by month for past three years with reasons (sick, personal, business, professional development) by employee category.	
H-7	Information on timekeeping systems in place by category of employee.	
H-8	Information on the approval process and monitoring of employee overtime (for eligible categories).	
H-9	Salary structures for employee categories (salary schedules).	
H-10	Results of any salary studies conducted in the last five years.	
H-11	Samples of personnel appraisal instruments and procedures for all categories of employees. How often is employee performance evaluated? Who is responsible for ensuring that all evaluations take place?	
H-12	Recruitment plan and recruitment statistics.	
H-13	Affirmative action plan.	
H-14	Retention plan and retention statistics.	
H-15	Information on staff development plan and activities for the past three years.	
H-16	Information on software and technology in personnel management.	



Collective Bargaining (C)		
Item #	Item	Notes
C-1	Listing of number of employee by type covered by which agreements.	
C-2	Copies of all agreements in place.	
C-3	Contact list for all association representatives.	

Financial Management (FIN)		
Item #	Item	Notes
FIN-1	Annual budget presented to the City Council for last three years.	
FIN-2	Annual expenditure reports for the last three years.	
FIN-3	Information on the process for developing the annual budget. How is it tied to the strategic plan? How do various stakeholders provide input?	
FIN-4	Information on the budget dissemination process. How does the public stay informed on budget matters?	
FIN-5	Annual external financial audits for last two years, including auditor's management letters.	
FIN-6	Internal audit plan and procedures.	
FIN-7	Sample of regular financial reports presented to City Council.	
FIN-8	City accounting manual.	
FIN-9	Information on staff training, staff development, cross-training, continuing education, and certification programs in finance and accounting functional areas.	
FIN-10	Information on software and technology in finance and budgeting.	
FIN-11	Information on payroll. What is the cycle? How often are special payrolls done?	
FIN-12	Statistics on the number of employees eligible for direct deposit and the number enrolled in direct deposit.	



Asset and Risk Management (AR)		
Item #	Item	Notes
AR-1	List of bank accounts. How are banks selected for City deposits?	
AR-2	Copy of current depository contract.	
AR-3	Procedures for monitoring daily cash balances and cash management.	
AR-4	End of month bank statement, reconciliation, and investments for each account for the months of January - June 2007.	
AR-5	Statement of bonded indebtedness and any information available on bond retirements.	
AR-6	Investment policies and procedures.	
AR-7	List of insurance policies carried by the City including general liability, vehicle, health, workers' comp, etc.	Include carrier, type of coverage, annual premiums, etc.
AR-8	Copies of insurance policies.	
AR-9	Annual reports on workers' compensation claims by employee category over the last five years.	
AR-10	Analysis of health claims.	

Procurement (P)		
Item #	Item	Notes
P-1	Purchasing policies and procedures.	Include bidding and contracting procedures.
P-2	Statistical information on number and type of purchase orders issued and requisitions filled, dollar amounts, invoices paid or any other information that is readily available about workloads	For the past three years if possible.
P-3	Statistics on the processing time for procurement activities	For the past three years if possible.
P-4	Copies of recent internal or external audits of procurement functions.	
P-5	Information on any purchasing and/or credit cards in use in the City including who is authorized to use, procedures for using, and activity oversight.	
P-6	Copies of cooperative purchasing agreements (if any).	
P-7	Location, size, and primary function for warehouse facilities in the City.	
P-8	Procedures for inventory and warehousing.	
P-9	Inventory, economic order quantity, or other management reports that show the number and type of supplies maintained in the warehouse, orders issues and requisitions filled, reorder quantities, frequency of shelve restocking, or other information that is readily available about workloads.	
P-10	Information on the fixed asset inventories and inventorying processes.	
P-11	Information on software and technology in procurement, fixed asset management, and warehousing.	



Public Safety (S)		
Item #	Item	Notes
PS-1	Strategic plan or applicable information	
PS-2	Mission and Vision statement if different from City	
PS-3	Policy Manual and Standard Operating Procedures	
PS-4	Crime and violence incident statistics by type	For the last five years
PS-5	Relevant statistical reports that demonstrate a breakdown of current workload (i.e., Fire/crime statistics, calls for service, response times, false alarms, identified impact areas)	
PS-6	FTE staffing and shift assignments by functional area and location.	How are officers assigned to particular schools?
PS-7	Sample of Safety Plans	
PS-8	Police and Fire operational boundaries (i.e., Assignment of operational units in a zone/beat, and fire run area)	
PS-9	Copies of security-related contracts (security guards, alarm response, drug-sniffing dogs, etc.)	
PS-10	Technology (radio communication system, software applications, mobile data computers, networks, etc.) currently employed and Technology Master Plan (roadmap)	
PS-11	Memorandums of Understanding or other interlocal agreements regarding public safety	
PS-12	Training records for safety personnel	
PS-13	Copies of crisis or disaster plans	
PS-14	Information on the performance goals and measures used in the department. How does the department assess efficiency and effectiveness?	
PS-15	List of fleet vehicles used in public safety, including year of purchase, cost, current, mileage, and deployment.	
PS-16	Relevant information related to any federal, state, or city audit	
PS-17	National or State accreditation information (if applicable)	
PS-18	Special Events that impact public safety	
PS-19	Domestic Security related information that is unique to Fountain and/or impacts public safety	
PS-20	Statistical data initiatives and reports (i.e., COMPSTAT, System Status)	
PS-21	State laws, and city and/or county ordinances that have a unique impact on public safety (i.e., false alarm ordinance, special enforcement requirements)	
PS-22	Significant department initiatives	
PS-23	Identified unique demands for public safety resources	
PS-24	Identified issues that require research	
PS-25	Infrastructure, fleet, and equipment inventory (high level)	
PS-26	Relevant current and/or planned training initiatives	
PS-27	Current inter-local agreements with El Paso County, Colorado Springs, or other governments agencies	



Information Technology (IT)		
Item #	Item	Notes
IT-1	Long-range technology plans for the City	
IT-2	Description of the system architecture of the City (platforms, WANs, LANs, operating systems etc.)	
IT-3	Inventory of computers (and other hardware) by Department	Totals by type is sufficient
IT-4	Inventory of major administrative software packages in use.	Please note primary functional area using each package
IT-5	Disaster recovery plan.	
IT-6	Information on technology training offered to City staff.	
IT-7	Information on methods used to assess satisfaction and usage of technology, including Web site hit statistics, checkout logs for laptop carts, etc.	

In addition to the above information, the tables on the following pages provide the methodology and categories covered during the onsite review phase for public safety. Both exhibits were provided to fire and police personnel in advance of onsite meetings.

Fire Department Evaluation List

Structure

Vision

Mission - Unified

Wildly Important Goals

Community Standards

Political Standard

Chain of Command

Goals and Objectives Defined

Current Objectives

Current Project

Long-Term Objectives

Decision Making - Lowest level

National Incident Management System (NIMS)



Strategic Plan

Value

National Accreditation - Comm Fire Accred (CFAI)

State Accreditation

Professional Organization - IAFC, National Fire Academy

Networking with other Agencies

Change Management Culture

Requirements

Federal

State

Local

Local Ordinance

Code Enforcement

Domestic Security

Private Industry

Environmental

Other



Insurance Grading

Insurance Service Office (ISO) - City Grade

Adjacent Grades

ISO Evaluation Cycle - Date Known

Can ISO be Used - Cost Benefit Analysis of Increase in Taxes vs. Homeowner Improvement

Public Protection Classification (PPC) Grade - Moderate

Public Protection Classification (PPC) Grade - Large

Basic Fire Flow (BFF) Calculations

Needed Fire Flow (NFF) - 3500 gpm

Total Number of Engine, Ladder, & Service Companies Required

Engine Company Distribution

Ladder/Service Company Distribution

ISO Equipment Credit - Engine, Ladder, or Service Company

ISO Equipment Testing Process

Staffing - On Duty Strength

Commercial Building Rating - Local Code

National Fire Protection Association Standards used in Business/ordinance Processes

Alarm Systems

Conflagration Hazard Areas/Buildings

Wildfire Susceptibility

Hydrant Management

Hydrant - GIS

Water System

Relationship with Utilities

Fire Suppression Rating Schedule (FSRS)

Fire Alarm

Receipt of Alarm

Operators

Alarm Dispatch Circuit Facilities



Fire Department

- Pumpers
- Ladder / Service Companies
- Distribution of Companies
- Pumper Capacity
- Department Staffing
- Training

Water Supply

- Supply Works; Fire Flow Delivery; Distribution of Hydrants
- Hydrants: Size, Type and Installation
- Hydrants: Inspection and Condition

Large Building Responsibility

- Smoke Detectors / Fire Alarms
- Sprinklers
- Construction Upgrade
- Fire Protection Improvements
- Local / Insurance Incentives
- Risk - Large Buildings Not Sprinklered
- State
- Local
- Local Ordinance
- Code Enforcement
- Domestic Security
- Private Industry
- Environmental
- Other



Fire Station Location

- Existing Locations
- Locations versus Operational Needs
- Location problems
- Growth Patterns
- Needs Assessment
- Building Infrastructure
- Partner with Police or other Departments

Fire Training

- Fire Academy Certification
- Training Staff
- Facilities
- Training Equipment
- Drill Towers
- Fire Buildings
- Smoke Rooms
- Flammable Liquid Pits
- Library
- Training Material

Pre-Fire Planning Inspections

- Commercial
- Industrial
- Institutional
- Primary Responsibility - Staff
- Location of Data
- Frequency Updated
- Training - Personnel Review of Pre-Plans



Budget

Funding Sources - Federal, State, Local, Grant

Line Item - Provide Necessary Data

Program

Performance Based - Results Oriented

Budget Development

Political Influence to Planning

Strategic Plan

Community Values and Needs

Staff Recommendation

Evaluation of Past Service Efforts

Technical Analysis

New Requirements

Marriage of Policies, Programs and Operational Procedures

Dashboard Measurements of Activities- Quarterly, etc.

Budget Administration - Fiscal Year / Capital Budget

Procurement

Formal Process

RFP

Contract Negotiation and Management

Mutual Aid

Mutual Aid Contracts

Inter-Local Agreements

Task Forces

Regional Operations

Real Life Environment - Team versus Competition



Technology

Technology Master Plan
Systems Approach
Technology Employed
Applications
Value - Chief to Line Level
Return on Investment
Procurement
Project Management

Information Management

Data Acquisition - Type of Reports
Data Storage
Access to Data
Data Analysis
Accuracy
Accountability
Data Sharing
Data Distribution
Value
Information Overload
Data Security - HIPPA



Communications Center

Telephone System - Lines In and Out

Playback

Mapping of 9-1-1 / Emergency Line

9-1-1 FCC Phase I & 2 Cellular

9-1-1 Data Dump to CAD

Call Taking

CAD - Fire Run Area

CAD - Zetron Type Fire Station/Unit Alert

Page/Radio Notification & Specialized Units

AVL

Closest Available Unit / Run Area

System Status Assignment

Dispatching

National Incident Management System (NIMS) Plain English

Multi-Agency Calls for Service - Traffic Crash

Updates

Mobile Data Computer Interface

Communications Center Staffing



Radio Communications

Type System

Age of System - Life Cycle

Owner/Manager of Radio System

Future Roadmap

Rebanding Issue

Agencies on Radio System

Portable Coverage

Mobile Coverage

Busies

Failures

Interoperability

Ease of Use

Features - ID, Help Button

Redundant Equipment

Continuity of Operations Plan

Recording System

Special Equipment Used - SWAT, Motorcycle

Wireless Data System

Type System

Equipment Required - Modem

Cellular Service

Coverage

Bandwidth

Failures

Interoperability

Ease of Use

Redundant Equipment

Continuity of Operations Plan



Operations Management

Uniformity in Processes by all Personnel
Efficient - Time Savings
Effective - Improved Work Product
Out of Chute Time
Response Time Improvement
Alarm Level and Response

Workload

Calls for Service Trend Pattern
Types of Activity
Workload Problems
Potential Workload Problem

Calls For Service

9-1-1
Transfers or Delays
Communications
Allocation and Deployment of personnel
Response Time
Incident Command
Incident and Resource Management
Call (Command) Closure

Company Operations

Engine Company
Ladder
Rescue
Service
Hazmat
High Angle
USAR



Administrative Services

Staffing

PIO

Training

Inventory

Supply Management

Non-Emergency Services

Staffing

Fire Inspection

Fire Prevention

Arson Investigation

Firefighter Equipment

Protective Gear

Self Contained Breathing Apparatus (SCBA)

Hazmat

Chemical/Biological Protection

Radio Gear

Emergency Location Equipment

Safety

Risk Assessment

Safety Officer

Accident Prevention

Office Communication

Formal

Informal

Personnel Assignments

Subsequent Shift

Equipment Issues - Apparatus Repair

Special Orders



Emergency Medical Services

EMT/Paramedic Training

Staffing

Personal Protection Equipment (PPE)

Vehicle

EMS Equipment

Allocation and Deployment

Workload

Activity

Response Times

Transport

Emergency Room

Medical Director

Human Resources

Personnel Strategy supportive of Organizational Strategy

Cross Functional

Specialized

Recruitment

Probation

Assignments

Opportunities

Promotion

Retention

Moral



New Apparatus Process

Needs Assessment

Primary function of new vehicle

Other functions of new vehicle

Physical characteristics or restrictions are critical for new vehicle

Mandatory specification

Features nice to have

Number of persons the vehicle will carry

Special operating conditions of the vehicle

Special mechanical requirements

Special technical requirements

Projected activity of new vehicle

Who will be assigned to operate the new vehicle

Training required

Potential cost

Funding source



Police Department Evaluation List

Structure

Vision
Mission - Unified
Wildly Important Goals
Mission
Community Standards
Political Standard
Chain of Command
Goals and Objectives Defined
Current Objectives
Current Project
Long-Term Objectives
Decision Making - Lowest level
National Incident Management System (NIMS)

Strategic Plan

Value
National Accreditation - CALEA
State Accreditation
Professional Organization
Networking with other Agencies
Change Management Culture

Requirements

Federal
State
Local
Local Ordinance
Code Enforcement
Domestic Security
Private Industry
Environmental
Other



Budget

Funding Sources - Federal, State, Local, Grant
Line Item - Provide Necessary Data
Program
Performance Based - Results Oriented
Budget Development
Political Influence to Planning
Strategic Plan
Community Values and Needs
Staff Recommendation
Evaluation of Past Service Efforts
Technical Analysis
New Requirements
Marriage of Policies, Programs and Operational Procedures
Dashboard Measurements of Activities- Quarterly, etc.
Budget Administration - Fiscal Year / Capital Budget

Procurement

Formal Process
RFP
Contract Negotiation and Management

Mutual Aid

Mutual Aid Contracts
Inter-Local Agreements
Task Forces
Regional Operations
Real Life Environment - Team versus Competition

Technology

Technology Master Plan
Systems Approach
Value
Technology Employed
Applications
Value - Chief to Line Level
Return on Investment
Procurement
Project Management



Information Management

Data Acquisition - Types of Reports
Data Storage
Access to Data
Data Analysis
Accuracy
Accountability
Data Sharing
Value
Data Distribution
Data Security
Information Overload

Communications Center

Telephone System - Lines In and Out
Playback
Mapping of 9-1-1 / Emergency Line
9-1-1 FCC Phase I & 2 Cellular
9-1-1 Data Dump to CAD
Call Taking
Police - Zone / Beat / Area
CAD
Page/Radio Notification & Specialized Units
AVL
Closest Available Unit / Run Area
System Status Assignment
Dispatching
National Incident Management System (NIMS) Plain English
Multi-Agency Calls for Service - Traffic Crash
Updates
Mobile Data Computer Interface
Communications Center Staffing



Radio Communications

- Type System
- Age of System - Life Cycle
- Owner/Manager of Radio System
- Future Roadmap
- Rebanding Issue
- Agencies on Radio System
- Portable Coverage
- Mobile Coverage
- Busies
- Failures
- Interoperability
- Ease of Use
- Features - ID, Help Button
- Redundant Equipment
- Continuity of Operations Plan
- Recording System
- Efficient - Time Savings
- Effective - Improved Work Product
- Special Equipment Used - SWAT, Motorcycle

Wireless Data System

- Type System
- Equipment Required - Modem
- Cellular Service
- Coverage
- Bandwidth
- Failures
- Interoperability
- Ease of Use
- Redundant Equipment
- Continuity of Operations Plan



Operations Management

Uniformity in Processes by all Personnel
Efficient - Time Savings
Effective - Improved Work Product
Holding Calls
Response Time Improvement
Alarm Level and Response

Workload

Calls for Service Trend Pattern
Types of Activity
Workload Problems
Potential Workload Problem

Calls For Service

9-1-1
Transfers or Delays
Communications
Allocation and Deployment of personnel
Response Time
Incident Command
Incident and Resource Management
Call Closure

Administrative Services

Staffing
PIO
Training
Inventory
Supply Management

Police Equipment

Basic - Uniform
Vehicle
Firearm
Protective Gear
Specialty
Radio Gear
Hazmat
Chemical/Biological Protection



Safety

Risk Assessment
Safety Officer
Accident Prevention

Support Services

Criminal Investigative Division
Workload
Solvability Factors
Forensic Capability
CID Unit Breakdown
Traffic Enforcement
DUI
Crime Prevention
Vice and Narcotics
SWAT

Office Communication

Formal
Informal
Personnel Assignments
Subsequent Shift
Equipment Issues
Special Orders

Human Resources

Personnel Strategy supportive of Organizational Strategy
Cross Functional
Specialized
Recruitment
Probation
Assignments
Opportunities
Promotion
Retention
Moral

