

In the recent Voice of Golden (Vol 10, Number 9) - A number of statements were made about Golden's financial condition, debt, and expenditures. The implication was that Golden was in poor financial condition, wasting taxpayer money, over leveraged in their debt, and all around poor management by the City of taxpayer funds. Nothing could be further from the truth. The following is what you weren't told:

VOG: City Manager "Advised taking no steps to reduce city spending during this economic downturn".

In October 2008, the City Manager instituted an immediate soft hiring freeze. In the 2009-2010 budget presented to City Council in October 2008, planned projects were deferred, travel and training budgets were restricted and department requests were significantly reduced and tight controls were incorporated on new spending. Read the section titled "**Tactical Budget Response**" in the **2009-2010 Budget** <http://www.cityofgolden.net/files/budget2009-2010.pdf>

On July 23, 2009, Public Works Director Dan Hartman presented to City Council a report of completed major Capital Items <http://www.goldenwire.net/pdf/2009/2009-projectreport.pdf> showing the original 2009 budget, the June 3rd revised estimates and the amounts committed as of that date. You will note that the amount uncommitted (saved) for the completed projects was \$730,952 from the revised budget. If that isn't "reduced spending", what is it?

VOG: The City of Golden is about \$50 million in debt

At the end of 2008, the debt was about \$47.2 million. For the same reasons most people borrow money to invest in a home, the City borrowed money to upgrade our storm drainage system, water supply system, build new City shops, build a new fire station and build a golf course. The storm drainage, water supply, fire station and city shops are all long-range investments to maintain or improve the quality of life and the services Golden citizens expect and want. Unless you play golf, Golden citizens do not pay anything for the golf course. The fees paid by golfers cover the golf course expenses (principal, debt service and operation). The asset value of all of these investments will increase with time and be worth more when they are paid off than when they were purchased. Golden's asset to liability ratio is 3.4 to 1, far better than most major, very successful corporations.

VOG: City continues spending in excess of income.

In 2008, Golden increased their overall fund reserves to 24.5% and the City's General Fund ended with a balance reserve of 29.1%, knowing that they may have to spend some of the reserves in 2009-2010 to maintain the current level of service it's citizens expect. This far exceeds the guideline reserves of 10-20% set in Resolution 1606, approved by Council November 10, 2005. During good economic times, the City continually increases the reserve for future use. During bad economic times, the City may draw from those reserves to maintain the current level of services. With the reduction of tax revenues and the reduction of expenditures during 2009, the reserve will remain at about 24.5% reserve.

VOG: City spent \$1.8 million dollars to put arches and other frills on Hwy 58 Bridge.

CDOT would only build a standard bridge, so to provide better pedestrian improvements and a gateway bridge to the City; the City's participation was needed. After much discussion and input with citizens, five options were put forward. One very simple bridge with minimally pedestrian sidewalks attached, one that looked like a boxy railroad truss bridge, neither of these received much public support, but were the cheapest. The other three included the arch truss that was built, and two more expensive center tower suspension bridges that look a little like the Brooklyn Bridge and were a slight favorites with the public during the input process. Council chose the

Arch option, partially because they preferred the design and partially because it cost less. The cheapest alternative would have cost the city about \$1.6 million, and had contractual problems with CDOT. The arch truss was built for \$300,000 more than the cheapest design, to provide pedestrian improvements and a gateway bridge to the City. Citizens differ on whether this was a wise expenditure or a waste of money.

VOG: Approved contract for a Hwy 93 Sound Wall for \$600,000.

The noise wall was awarded for \$600,000 including a 9½ % contingency. The actual award was \$548,934 and the City worked with the contractor to lower the cost to the current price of \$537,881, a 10% reduction from the original contract. A new "T" feature was installed on top of the big wall to reduce the height of the wall, reduce cost and reduce the sound level. The big sound wall has lowered the sound level along SH 93 from over 70 to 57 decibels and the smaller sound wall from near 70 to around 60 decibels. This has dramatically improved the quality of life for the residents behind the walls and should improve their property values.

VOG: Approved contract for energy efficiency improvements for \$1,183,691 with the same company that performed the energy review.

The competitively bid energy performance contract had six bidders. McKinstry was awarded the contract. The energy performance audit results provided by McKinstry itemized energy improvements with guarantees for the savings estimated. The City selected those items, which were economically justified with a reasonable payback time-period. The City then required McKinstry to competitively bid all subcontracts for the actual work to be performed. With a \$500,000 energy impact grant from the Colorado Department of Local Affairs, a \$25,000 grant from the Governor's Energy Office, the City only paid about \$650,000 with City funds. The final contract came in \$7,884 under budget with the projected energy cost savings of \$82,500 per year. The City's payback is about 7 years, far less than the life of the investment.

VOG: Accepted a bid from another museum that was \$100,000 higher per year.

Based on a review and recommendations of an independent group of museum experts, the City awarded the contract to Friends of the Astor House. Subsequent to the awarding the contract, the City renegotiated a lower contract amount due on the deteriorating economic conditions. Per the assessment of the museum experts, the Friends proposal was the superior proposal.