

REVENUE MANUAL



AN EVALUATION OF MAJOR REVENUES 2012 - 2017

Prepared by

The Finance Department

INTRODUCTION

This manual provides information on the Town's major revenues that are received primarily from outside sources. Major revenues are greater than \$100,000 received annually. Cumulatively, the 2017 projections for the revenues identified in this manual account for 81% of the total revenues anticipated to be received by the Town.

Interfund Transfers are not included in this manual or in the calculation of percentage of total revenues.

The information provided in this manual for each revenue source includes:

- Distribution – the fund or funds where the revenue is accounted for.
- Source – the source of the revenue stream.
- Collection – the basis for and the logistics of the collection of the revenue.
- Five Year Trend – includes actual collections for the prior four years and the projection for the current year.
- Forecast – the projected revenue for the next two years.
- Rationale – the basis for the forecasted revenues.

PROPERTY TAX REVENUE

Distribution: General Fund 100%

Source: Parker property owners.

Collection: The collection process begins with the Douglas County Assessor's Office. Two types of property are valued by the Assessor's Office: 1) "real property" (land & buildings) and 2) "personal property" (business machines & equipment). Once market values are established, the Assessor's Office computes the assessed valuation of property based on State-legislated assessment percentages. Property is assessed at the end of one year, for collection in the following year. A nine year history of these assessment percentages is provided in the table below:

Assessment Percentages

<u>Property Class</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Real Property:										
Commercial	29.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00
Residential	7.96	7.96	7.96	7.96	7.96	7.96	7.96	7.96	7.96	7.96
Personal Property:	29.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00	29.00

Town of Parker Assessed Valuations

Total assessed valuation (in millions) for the Town of Parker for the past nine years is demonstrated by the following table:

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Assessed Valuation	\$493.6	\$556.0	\$582.4	\$597.0	\$603.6	\$559.4	\$564.6	\$568.2	\$577.9	\$667.8

Mill Levies for Parker Residents

Assessments are furnished to the Douglas County Treasurer's Office. The Treasurer's Office issues property tax bills to every property owner based on the property's assessed valuation and the total mill levy which local governments have certified for the year. Within Parker, mill levies are certified by the Town Of Parker (2.602), Douglas County Government (19.774), Douglas County Libraries (4.035), Douglas County Schools (42.439), Parker Fire Protection (9.406), Urban Drainage & Flood Control (0.608), and Cherry Creek Basin Water Quality (0.500). In addition, many Parker property owners also are subject to mill levies issued by the Parker Water & Sanitation (5.614), Cottonwood Water & Sanitation District (27.000), and various Metro Districts throughout the Town.

Payment

Property owners pay property taxes to Douglas County in either two installments due February 28 & June 15 or in one installment due April 30. Douglas County wire transfers the Town's property taxes directly to the Town's main bank account on the 10th of the month following the month that the collection is processed by Douglas County.

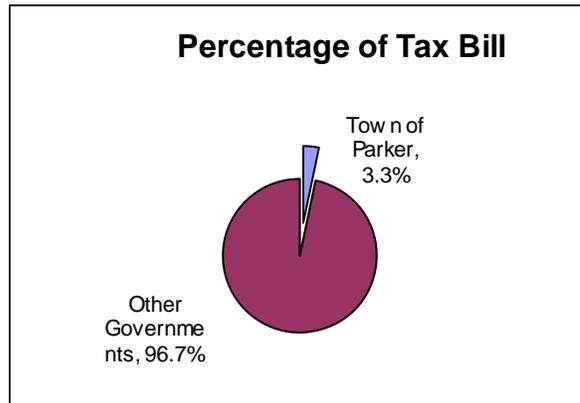
PROPERTY TAX REVENUE, continued

A five-year history of the mill levies which apply to all Parker taxpayers is provided in the table below:

Five Year Mill Levy History

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Town of Parker	2.602	2.602	2.602	2.602	2.602
Douglas County	19.774	19.774	19.774	19.774	19.774
Douglas County School District	48.788	48.727	48.727	48.727	42.439
Douglas County Libraries	4.040	4.068	4.029	4.032	4.035
Parker Fire Protection	14.276	14.220	13.096	13.053	9.406
Cherry Creek Basin Water	0.500	0.500	0.500	0.500	0.500
Urban Drainage District	0.623	0.657	0.608	0.632	0.632
Total	90.603	90.548	89.336	89.320	79.388
Town's % of Tax Bill	2.9%	2.9%	2.9%	2.9%	3.3%

Town of Parker Percentage of Tax Bill



Computing the Property Tax Bill

The formulas used for computing property taxes are as follows:

$$\begin{aligned} \text{Assessed valuation} &= \text{Property market value} \times \text{Assessment ratio} \\ \text{Property tax} &= \text{Assessed valuation} \times \text{Mill Levy} / 1000 \end{aligned}$$

For the 2015 assessments paid in 2016, the owner of a home valued at \$300,000 would have paid \$62 in property taxes to the Town of Parker and \$2,100 to the other governments.

	<u>Parker</u>	<u>Other Governments</u>
Market value	\$ 300,000	\$ 300,000
x Assessment ratio	7.96%	7.96%
Assessed value	\$ 23,880	\$ 23,880
x Mill Levy	2.602	89.336
Divided by 1000	/1000	/1000
Property tax	\$62	\$2,133

Using the 29% business assessment percentage, a business with a 2015 market value of \$300,000 would have paid \$226 in property taxes to the Town of Parker in 2015, and \$7,772 to the other governments.

SALES TAX REVENUE

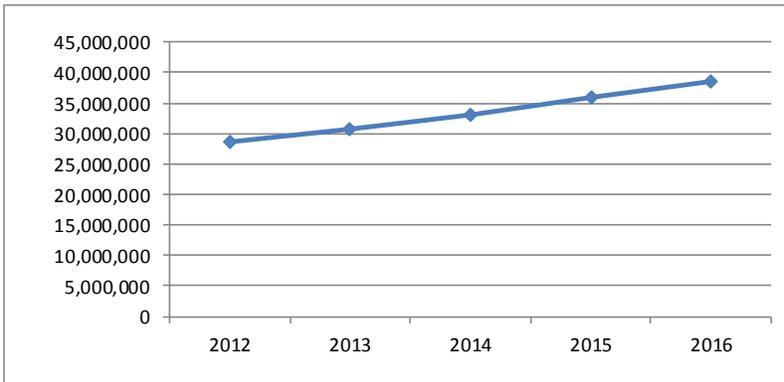
Distribution: General Fund 83%
Parks and Recreation Fund 17%

Source: Visitors, residents and employees in Parker.

Collection: In 1981, the citizens of Parker voted to install a 1% sales and use tax. In 1982, the citizens voted to increase the sales and use tax rate to 2.5%. In 1984 Parker became a home-rule municipality with power to self-govern in matters of local and municipal concern. In 1990, the citizens voted to increase the sales tax rate to the current level of 3%, with the extra .50% to be earmarked for parks and recreation improvements. Sales tax is charged on certain services and all retail purchases including food.

As a home rule Town, Parker collects and administers its own sales and use tax. Businesses remit tax to Parker on a monthly, quarterly or annual basis. Taxes collected are due to the Town by the 20th of the month following collection. The Town has established a lockbox for the efficient and secure deposit of sales and use tax monies. Returns are mailed directly to the bank, eliminating processing float. The Town utilizes a number of enforcement procedures to collect from delinquent accounts including taxpayer education, delinquency notices, personal phone contact and visits, audits, summons to municipal court and seizures.

Five Year Trend:



<u>Year</u>	<u>General Fund</u>	<u>P&R Fund</u>	<u>Total</u>
2012	23,952,885	4,790,577	28,743,462
2013	25,576,071	5,114,756	30,690,827
2014	27,510,421	5,502,274	33,012,695
2015	29,959,630	5,991,926	35,951,557
2016	32,100,000	6,420,000	38,520,000

Local retail sales growth, as evidenced by sales tax receipts, remained positive during the downturn. Sales tax, the Town's largest revenue source increased 7.00 percent in 2016 compared 2015, which in turn was 8.90 percent greater than 2015. The Town has a strong sales tax base and it continues to grow with the addition of new retail, restaurants and grocery throughout Parker.

Forecast: **2017 \$41,161,000** **2018 \$44,042,200**

Rationale: Sales tax revenues are projected to increase gradually. Forecast anticipates a 6.5% and 7.0% growth in Sales Tax for 2017 and 2018 respectively, allowing for population increases, inflation, and new commercial activity.

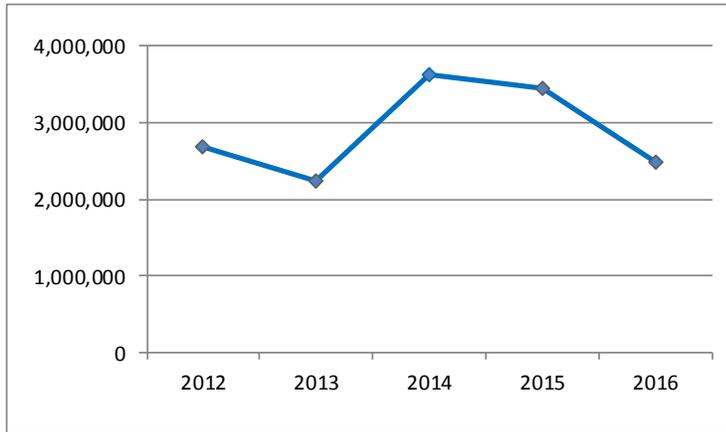
BUILDING USE TAX REVENUE

Distribution: Capital Improvements Fund 83%
Parks and Recreation Fund 17%

Source: Contractors, developers, Parker businesses and residents.

Collection: Building use tax is assessed at 4% (3% is Town of Parker and 1% is collected and remitted to Douglas County) on 50% of the estimated value of the construction project. Construction labor is typically not subject to use tax, and the Town of Parker estimates that 50% of the building permit value is related to taxable materials, equipment, appliances, etc. Building use tax is estimated and collected by the Building Department at the time a building permit is obtained. Monies collected are deposited through the Finance Department.

Five Year Trend:



<u>Year</u>	<u>Capital</u>		<u>Total</u>
	<u>P&R Fund</u>	<u>Improvement Fund</u>	
2012	447,086	2,234,997	2,682,084
2013	372,552	1,862,760	2,235,313
2014	588,370	3,030,938	3,619,308
2015	588,054	2,859,406	3,447,460
2016	430,930	2,043,192	2,474,122

Building Use Tax includes new residential construction and home improvements, as well as commercial construction and can fluctuate annually, primarily based on commercial construction. There was significant improvement in 2012 due to an increase in home construction and roofing permits caused by the summer hailstorm. New home construction continues to improve since it hit an all-time low of 43 single-family residential permits in 2009. New permits for 2014 totaled 347 and dipped slightly in 2015 to 312, but is still in line with historical averages. The significant spike in revenue is primarily attributable to new commercial projects, most notably the King Soopers Marketplace that opened in the fall of 2015.

Forecast: **2017 \$2,317,000** **2018 \$2,374,900**

Rationale: Forecast anticipates continued strong growth in new residential building permits in 2015 and 2016. However, residential growth is anticipated to be more in line with 2013 rather than 2014 in which several commercial projects the revenue figures. The projected spike in 2014 is due to the significant values of the commercial building permits issued in May 2014.

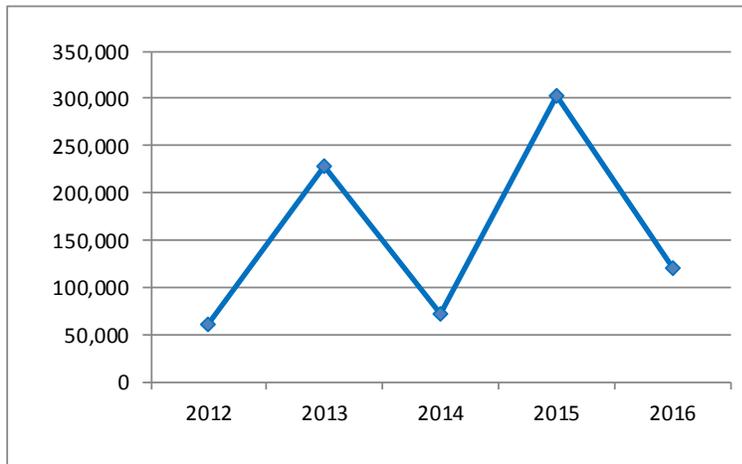
SALES & USE TAX AUDIT REVENUE

Distribution: General Fund 83%
Parks and Recreation Fund 17%

Source: Businesses doing business in Parker, also audits of construction projects for building use tax.

Collection: The Town's audit program emphasizes taxpayer education and voluntary compliance. As a result, the Town works with businesses which are delinquent or not remitting taxes to educate them on the correct way to calculate and remit sales and use tax. An audit may take 2 hours, or several months, to perform, depending on the complexity of the organization. Once the Town completes an audit, it meets with the taxpayer to go over the audit assessment and make any appropriate adjustments or corrections. The taxpayer then has 30 days to pay the assessment, work out a settlement or payment plan, or protest the assessment. The Town collects assessments through the Finance Department.

Five Year Trend:



<u>Year</u>	<u>General Fund</u>	<u>P&R Fund</u>	<u>Total</u>
2012	50,804	10,161	60,964
2013	190,348	38,211	228,559
2014	59,111	11,822	70,933
2015	251,581	50,316	301,898
2016	100,000	20,000	120,000

Audit revenues will fluctuate based on the size and number of audits, and the timing of collection. Audits are performed through on-site visits and by mail/e-mail correspondence (desk audits).

Forecast: **2017 \$300,000** **2018 \$300,000**

Rationale: Forecast is conservative and is based on the continuation of the audit program with anticipated audits of several large businesses and re-engaging businesses for the next three-year audit period. Projections for 2016 are down due to being staff vacancies. For 2017 and 2018, projections are increased in anticipation being fully staffed and number of audits that are engaged.

LODGING TAX

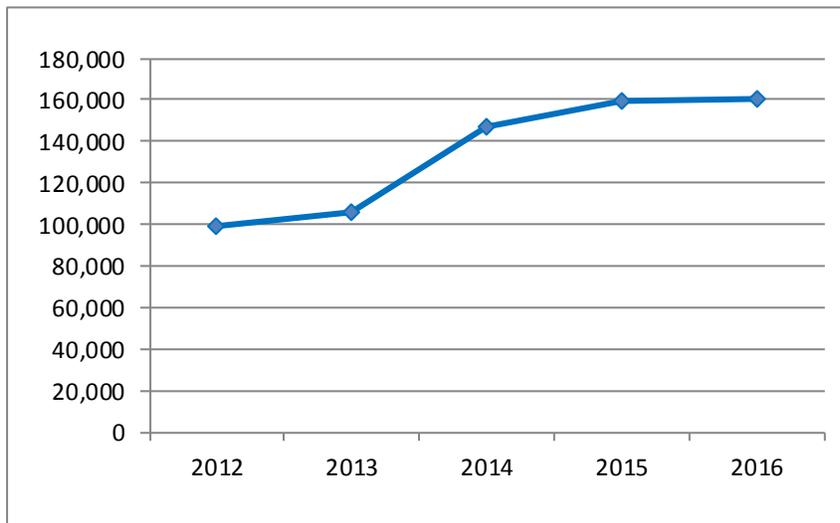
Distribution: General Fund 100%

Source: Visitors, residents and employees in Parker.

Collection: In 2003, the citizens of Parker voted to install a 3% lodging tax on the purchase price for lodging within the Town of Parker.

As a home rule Town, Parker collects and administers its own lodging. Vendors remit tax to Parker on a monthly and taxes collected are due to the Town by the 20th of the month following collection. The Town has established a lockbox for the efficient and secure deposit of lodging tax monies. Returns are mailed directly to the bank, eliminating processing float. The Town utilizes a number of enforcement procedures to collect from delinquent accounts including taxpayer education, delinquency notices, personal phone contact and visits, audits, liens on tangible personal property.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2012	99,149
2013	105,661
2014	146,500
2015	159,652
2016	160,000

Lodging tax revenues have rebounded from the economic recession that started late in 2008 and impacted the Town more significantly in 2009, the recovery in lodging tax was aided by a PGA event in 2010. The increase since 2013 is due to the LPGA Solheim Cup that continues to bring visitors to Parker from across the County and around the world.

Forecast: **2017 \$168,600** **2018 \$173,600**

Rationale: Forecast anticipates increasing revenue in 2017 and 2018, due to the addition of a new hotel in the Town that is anticipated to open in 2017.

SPECIFIC OWNERSHIP TAX REVENUE

Distribution: General Fund 100%

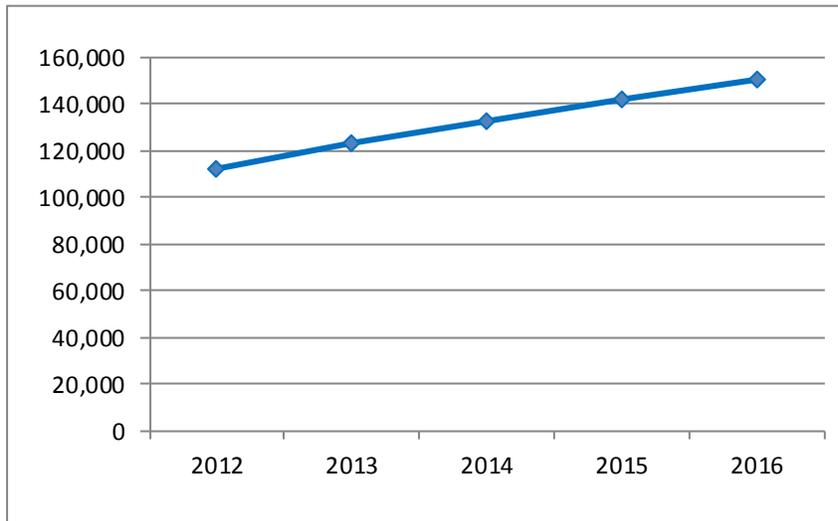
Source: Residents and businesses of Parker.

Collection: The State of Colorado establishes the statutory authority for collecting auto ownership tax. Specific vehicle ownership taxes are based on the year of manufacture and the original taxable value. The original taxable value is determined when the vehicle is new and does not change throughout the life of the vehicle. Taxable value for passenger vehicles is 85 percent of the MSRP (Manufacturer's Suggested Retail Price); for trucks the taxable value is 75 percent of the MSRP.

- (1) 46% of ownership tax is allocated to the school district.
- (2) 4% is allocated to law enforcement.
- (3) 21% to Douglas County Road & Bridge, Social Services, Debt Service, Capital Expenditures and the General Fund.
- (4) 29% is disbursed to a variety of other districts – which includes the Town of Parker.

The Town of Parker receives its share via wire transfer from Douglas County into its main bank account on the 10th of the month following the month that the collection is processed by Douglas County.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2012	111,537
2013	123,173
2014	132,680
2015	141,852
2016	150,000

With an improved economy, consumers are purchasing newer vehicles which accounts for the increase since 2012. Any fluctuations would be attributable changes in the patterns of new car purchases and the value of the cars purchased.

Forecast: **2017 \$155,400** **2018 \$162,600**

Rationale: Forecast anticipates stable revenue growth in 2017 and 2018. New car purchases and subsequent ownership tax is expected to increase as consumer confidence and the economy continue to improve.

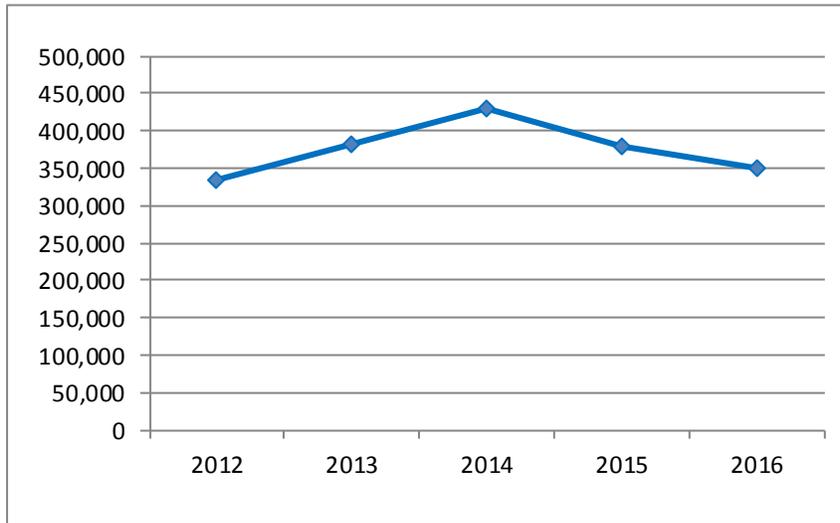
XCEL ENERGY FRANCHISE FEE

Distribution: General Fund 100%

Source: 3% of gross revenues received by Xcel Energy on sales of gas within the Town.

Collection: Under the auspices of the franchise agreement with Xcel Energy, they are to remit to the Town monthly payments no later than 30 days following the close of the month.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2012	335,072
2013	381,332
2014	429,204
2015	378,416
2016	350,000

Revenues fluctuate based on the combination of the number of customers, consumption, and utility rates. Several rate increases have occurred over the last few years. Consumption varies primarily with the severity of temperatures throughout the year.

Forecast: **2017 \$367,500** **2018 \$384,700**

Rationale: Forecast for 2016 anticipates a decrease due to relatively mild weather in the first part of the year. 2017 and 2018 anticipates an increase of approximately 5% to allow for an increase in the customer base, consumption, and/or rate increases.

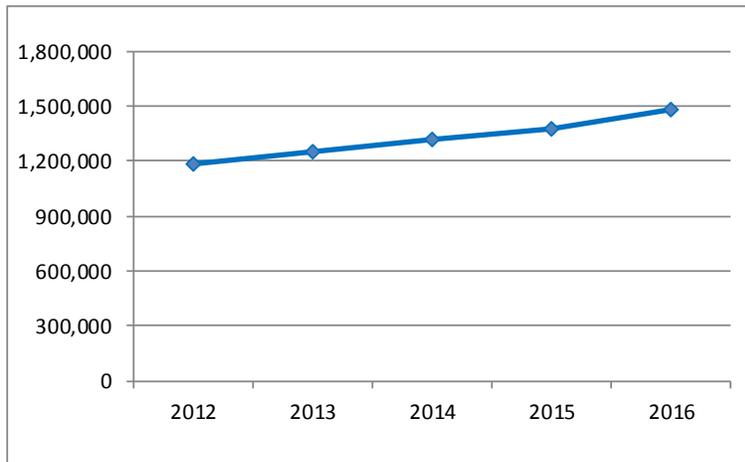
INTERMOUNTAIN RURAL ELECTRIC ASSOCIATION (IREA) EXCISE TAX

Distribution: General Fund 75%, Public Improvement Fund 25%

Source: 4% of gross revenues received by IREA on sales of electric power within the Town.

Collection: Under the auspices of the franchise agreement with IREA, they are to remit to the Town monthly payments no later than 30 days following the close of the month.

Five Year Trend:



<u>Year</u>	<u>General Fund</u>	<u>Public Imp Fund</u>	<u>Total</u>
2012	948,387	236,563	1,184,950
2013	1,032,692	221,201	1,253,893
2014	1,033,396	279,138	1,312,534
2015	1,075,865	293,760	1,369,625
2016	1,111,100	370,367	1,481,467

Revenues fluctuate based on the combination of the number of customers, consumption, and utility rates. Several rate increases have occurred over the last few years. Consumption varies primarily with the severity of temperatures in the summer and winter months.

Forecast: **2017 \$1,571,200** **2018 \$1,644,667**

Rationale: Forecast anticipates an increase between 5% and 6% in 2017 and 2018 to allow for an increase in the customer base, consumption, and/or rate increases.

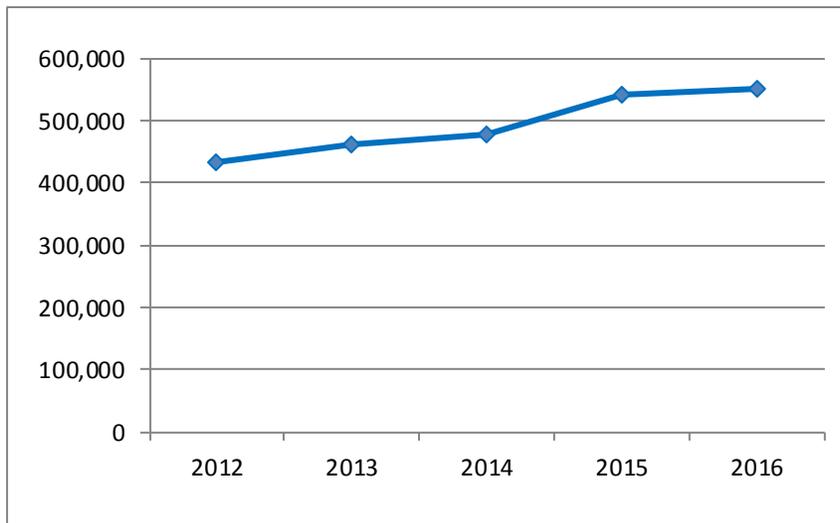
CABLE FRANCHISE FEE

Distribution: General Fund 100%

Source: 5% of gross revenues received by Comcast on sales of cable television within the Town. The Franchise Agreement allows Comcast a right of way on/under Town streets to operate its cable system in exchange for a fee charged on revenues from the Cable System.

Collection: Under the auspices of the franchise agreement with Comcast, they are to remit to the Town quarterly payments no later than 30 days following the close of each quarter.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2012	432,647
2013	459,839
2014	476,257
2015	541,098
2016	550,000

The fluctuations reflect changes in service base and rates.

Forecast: **2017 \$571,300** **2018 \$588,400**

Rationale: Forecast anticipates an increase of between 3% and 4% in 2017 and 2018 to allow for increased population subscribing to cable service, as well as periodic rate increases.

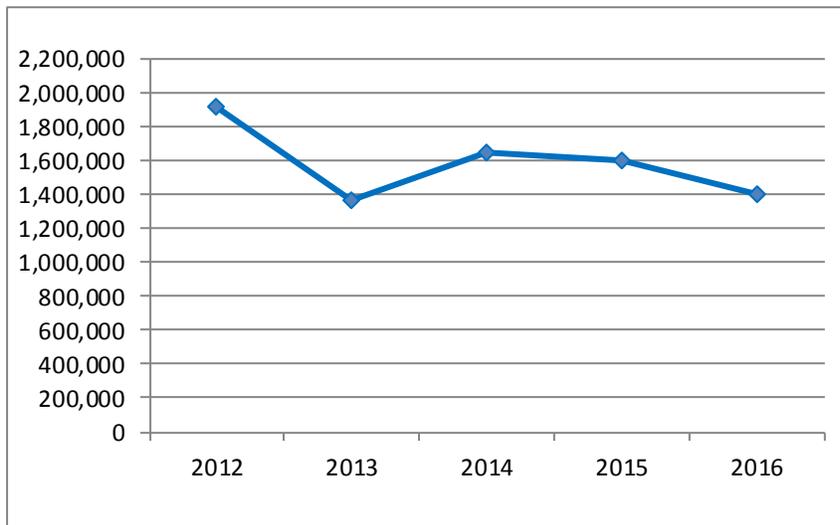
BUILDING PERMIT REVENUE

Distribution: General Fund 100%

Source: Contractors, Developers, Parker businesses and residents.

Collection: The building permit fee is determined by Public Works in accordance with the standard fee schedule based on total valuation of the construction project contained in the Uniform Building Code. The fee is paid at the time a building permit is obtained. Monies collected are deposited through the Finance Department. Additional fees are collected as determined through the audit of building projects.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2012	1,917,714
2013	1,368,297
2014	1,644,823
2015	1,594,755
2016	1,400,000

The impact of residential and commercial construction is reflected in the fluctuations in revenues. There was a significant increase in 2012 as the result of home construction and numerous re-roof permits due to a severe summer hail storm. The years of 2013 through 2016 show the normal ebb and flow of the construction within the Town. 2014 also saw an increase as the result of several major commercial permits.

Forecast: **2017 \$1,656,100** **2018 \$1,684,000**

Rationale: Forecast anticipates increased Building Permit revenue in 2017 and 2018 compared to historical averages. This is based on increased residential development throughout the Town with several major new developments planned to begin construction in 2017.

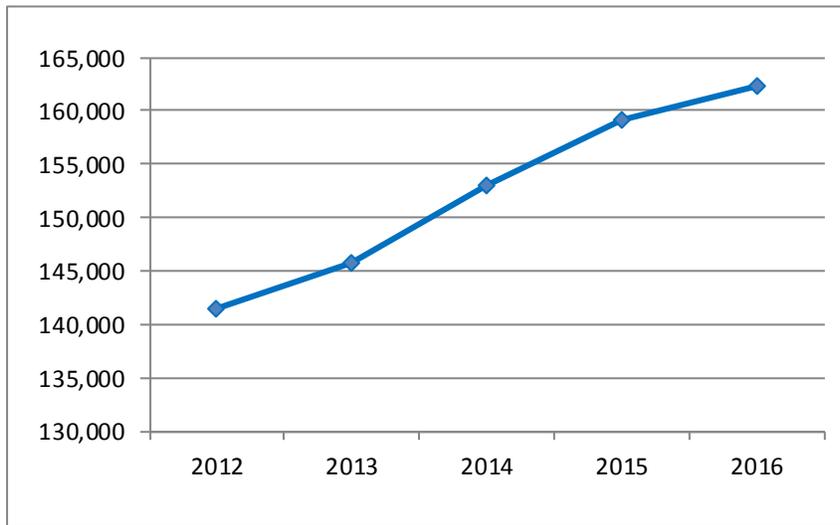
MOTOR VEHICLE REGISTRATION

Distribution: General Fund 100%

Source: Parker businesses and residents.

Collection: Douglas County Motor Vehicle offices title and register vehicles of residents of Douglas County, which includes the Town of Parker. Fees are assessed based on the vehicles trailer weight in pounds. The funds are allocated per statute between the State, Counties, and Cities/Towns based on a funding formula.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2012	141,467
2013	145,711
2014	152,935
2015	159,187
2016	162,300

Annexations and growth in other parts of the state create more sharing of revenue among municipalities and impact Parker's proportionate share. Changes in consumer preferences, consumer confidence, rising gas prices and the use of more fuel efficient vehicles also impact Parker's share.

Forecast: **2017 \$168,900** **2018 \$173,900**

Rationale: Forecast for 2017 based on estimates from the Colorado Municipal League (CML). Forecast for 2018 anticipates a 3% annual increase to reflect Parker's ongoing proportionate share from population growth in Parker and elsewhere in the state.

HIGHWAY USERS TAX REVENUE

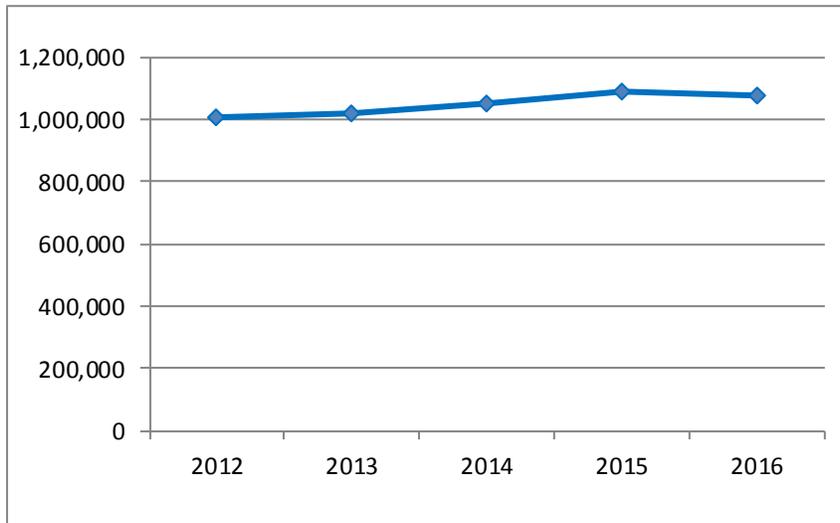
Distribution: General Fund 100%

Source: Gasoline tax and related fees paid by Colorado motorists.

Collection: The Highway Users Tax Fund (HUTF) is state-collected, locally-shared revenue that is distributed via electronic funds transfer on a monthly basis to the Town of Parker in accordance with the following formulas:

- 1) Basic Fund --- the first seven cents of gasoline taxes and the base amount of various motor vehicle registration, title and license fees. 9% of these revenues are distributed to municipalities. The basic fund monies may be spent on acquisition of rights-of-way for, and the construction, engineering, safety, reconstruction, improvement, repair, maintenance, and administration of streets, roads and highways.
- 2) Supplemental Fund --- 18% of the next eleven cents of gasoline taxes are distributed to municipalities and may be spent only on road improvements including new construction, safety improvements, maintenance and capital improvements.
- 3) 1989 Increase Fund --- 18% of the gasoline tax, registration fee and driver's license fee increases enacted in 1989 are shared with municipalities and can be used for the same purposes designated in (2) above.
- 4) 1995 Increase Fund --- 18% from a three-year phased reduction of the amount previously withheld by the state for administrative purposes which can be used for the same purposes designated in (2) above.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2012	1,006,558
2013	1,020,120
2014	1,047,973
2015	1,090,277
2016	1,078,700

Annexations and growth in other parts of the state create more sharing of revenue among municipalities and impact Parker's proportionate share.

Forecast: **2017 \$1,134,200** **2018 \$1,168,200**

Rationale: Forecast for 2017 based on estimates from CML. Forecast for 2018 anticipates a 3% annual increase to reflect the ongoing change in Parker's proportionate share from population growth elsewhere in the state.

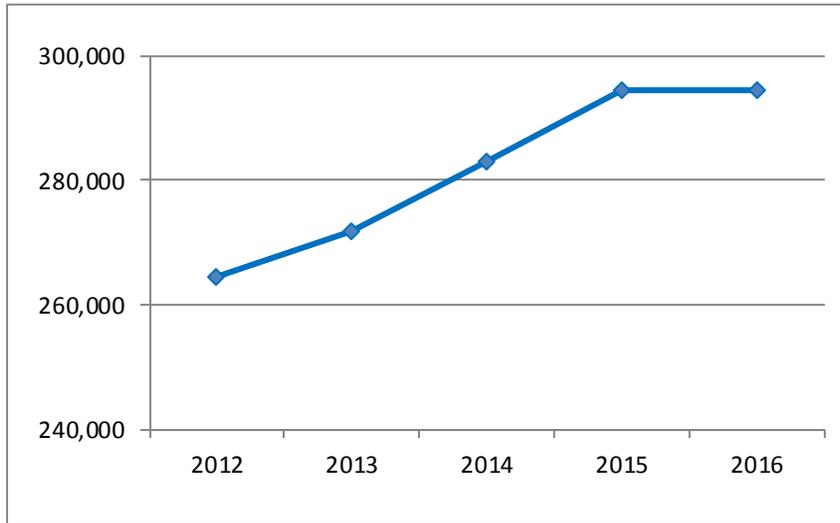
FASTER REVENUE

Distribution: Capital Programs Fund 100%

Source: Revenues generated from the Road Safety Surcharge, Oversize/Overweight Surcharge, Rental Car Surcharges, and late vehicle registration fees

Collection: Revenues are credited to the Highway Users Tax Fund (HUTF) and distributed per statute to the Colorado Department of Transportation, counties, and municipalities.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2012	264,515
2013	271,878
2014	282,848
2015	294,442
2016	294,300

FASTER, Funding Advancements for Surface Transportation and Economic Recovery was signed into law on March 2, 2009. The legislation generates increased revenues for statewide transportation improvements.

Forecast: **2017 \$306,100** **2018 \$315,200**

Rationale: Forecast for 2017 based on estimates from CML. Forecast for 2018 anticipates a 3% annual increase to reflect the ongoing change in Parker's proportionate share from population growth elsewhere in the state.

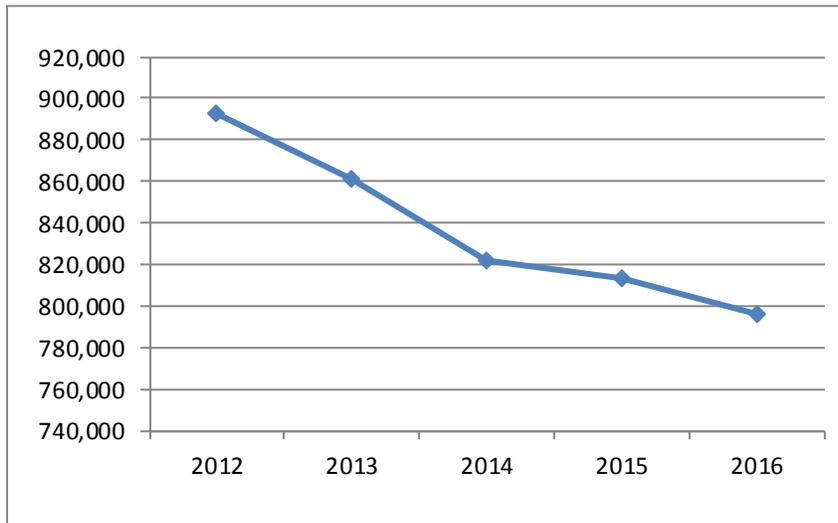
BUILD AMERICA BONDS INTEREST CREDIT

Distribution: General Fund 100%

Source: Federal Government.

Collection: Build America Bonds are taxable municipal bonds that carry special tax credits and federal subsidies for either the bond issuer or the bondholder; the program was created in 2009 as part of the American Recovery and Reinvestment Act. There are two types of Build America Bonds (often abbreviated as BABs): "Tax Credit BABs" and "Direct Payment BABs." In 2009, the Town issued taxable certificates of participation as Direct Payment BABs to fund the new police station and PACE center. The Town receives a federal subsidy of 35% of the interest paid on the Direct Payment BABs. Monies collected are deposited through the Finance Department.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2012	892,819
2013	860,677
2014	821,393
2015	813,069
2016	796,480

Interest payments on bonds steadily decrease as the outstanding debt is paid down. Since the revenue is tied directly to interest payments, the revenue will steadily decrease as well. In 2013, the Federal Government was required to cut spending due to sequestration. As a result, the exact percentage of cuts for BABs and other direct-pay bonds will be 8.7%, less than the 35% subsidy that is due to the Town.

Forecast: **2017 \$774,248** **2018 \$751,072**

Rationale: Forecast for 2017 and 2018 anticipates a decrease in the interest credit due pay down of debt and sequestration which began in the second half of 2013.

DEFICIT REDUCTION FEES

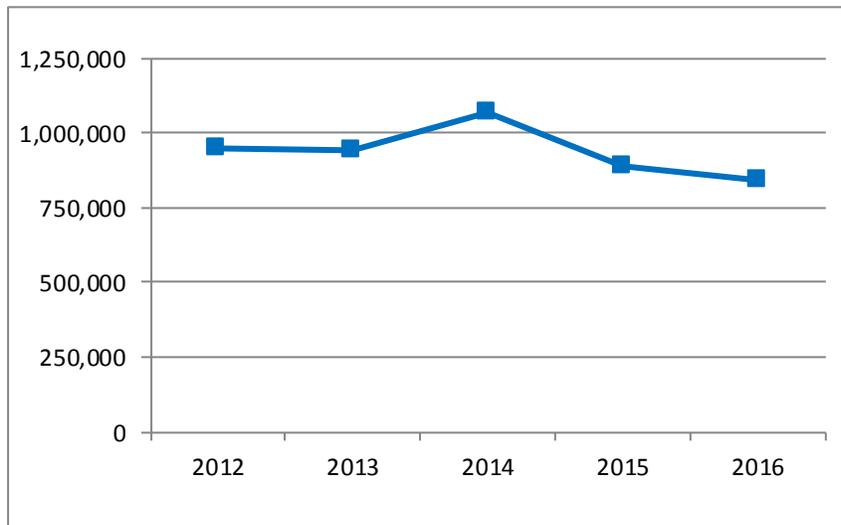
Distribution: General Fund 100%

Source: Contractors and developers.

Collection: The Town developed a fiscal impact model in 1998 that calculates the financial effect of proposed new developments on the Town's future operating budgets. The model looks at a 20-year projection of the revenues (property tax, sales tax, etc.) and the cost of services added by the proposed development (public safety, streets and parks maintenance, etc.). When there is a cumulative deficit for the 20-year period, a present value of the deficit is calculated. A development with a retail commercial component will have a lower or no deficit reduction fee depending on the retail versus residential mix. The fee is increased annually by inflation as measured by the Denver-Boulder Consumer Price Index (CPI). The deficit reduction fee is negotiated and agreed to by and between the developer of a proposed new development and the Town during the annexation process. Once agreed upon, the fee becomes a part of the annexation contract.

In an effort to spur development in the Town during the recession that began in 2008, Town Council passed a resolution to rebate 50% of deficit reduction fees; the program was extended several times by subsequent resolutions and ultimately expired on May 31, 2013.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2012	905,543
2013	898,295
2014	1,023,310
2015	846,441
2016	800,000

Revenues will fluctuate based on the amount of annual development.

Forecast: **2017 \$932,500** **2018 \$1,092,400**

Rationale: Forecast for 2016 anticipated a decrease from 2015 based on construction estimates. 2017 and 2018 anticipates an increase in residential development fees as more development is planned to occur in both years. Per Town Annexation Agreements, Deficit Reduction fees increase annually by the CPI. As of 2016, there are currently 900 lots remaining with deficit reduction fees associated with them totaling approximately \$8,500,000 in revenue that will be collected as houses are built on those lots.

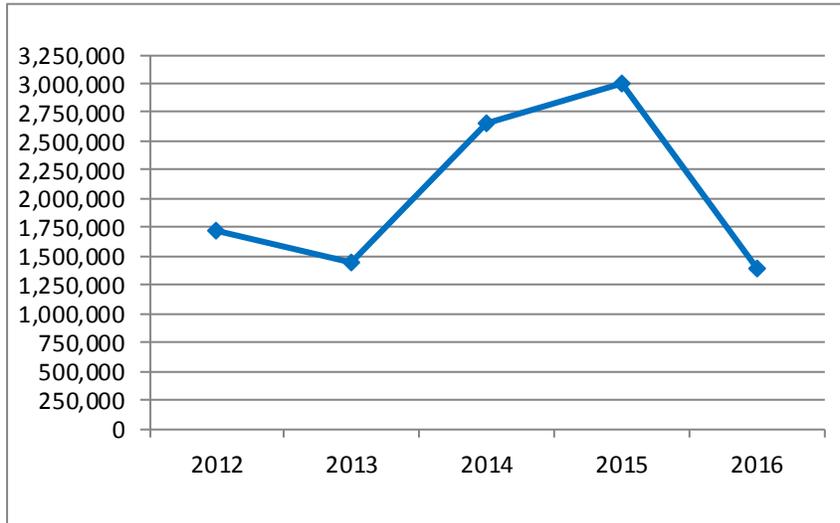
EXCISE TAX

Distribution: Excise Tax Fund 100%

Source: Contractors and developers.

Collection: Excise Tax is paid by the builder at the time a building permit is issued for a new residence or commercial structure. The fees are used to pay for capital projects, such as street improvements or parks that are needed for the new residents moving into the Town. The fees are only used for capital items and not to fund regular operations.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2012	1,715,587
2013	1,446,864
2014	2,655,816
2015	2,997,564
2016	1,390,000

Revenues will fluctuate based on the amount of annual development. The spikes in 2014 and 2015 revenue is primarily attributable to new commercial projects, most notably the King Soopers Marketplace that opened in the fall of 2015 and several multi-family projects throughout the Town. For 2015, 312 single-family permits, 23 multi-family permits and 13 commercial permits were issued with an average value of \$342,270, \$2,134,430 and \$3,257,900 respectively. 2016 anticipates 300 single-family permits, no multi-family permits and 15 commercial permits to be issued with an average value of \$364,000, \$0 and \$1,300,000 respectively. The amount of tax collected per unit is as follows and may be adjusted annually for inflation.

2017 Residential Construction:

- \$4,687 for each new single-family dwelling
- \$3,749 for each new attached dwelling (town homes and condominiums)
- \$3,397 for each new apartment dwelling

2017 Non-residential Construction (Commercial):

\$0.35 per square foot

Forecast: 2017 \$1,471,000 2018 \$1,515,100

Rationale:

Forecast for 2017 anticipates approximately 300 single-family permits and 15 commercial permits will be issued with an average permit value of \$374,800 and \$1,325,000 respectively. 2018 anticipates approximately 300 single-family permits and 15 commercial permits will be issued with an average permit value of \$386,000 and \$1,365,800 respectively. Per Town Ordinance, Excise tax increases annually by the CPI.

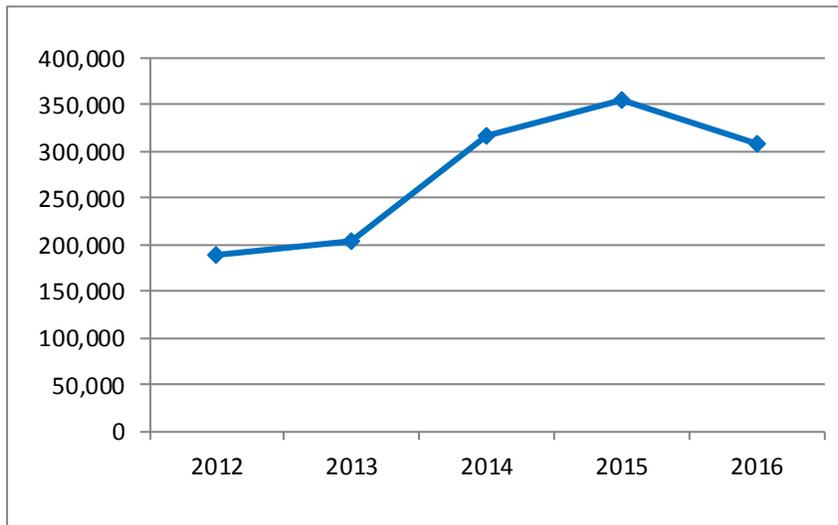
PLAN CHECK FEES

Distribution: General Fund 100%

Source: Contractors, developers and residents.

Collection: The plan check fee is determined by Public Works and charged based on a fee schedule in accordance with the International Building Code. Fees are assessed for the review of plans for construction permit issuance. The fee is paid at the time the plans are reviewed. Monies collected are deposited through the Finance Department.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2012	187,801
2013	203,909
2014	315,559
2015	354,067
2016	307,000

Revenues will fluctuate based on the amount of commercial construction, new residential housing starts, and home improvements. Fees for plan reviews on residential and commercial activity have remained fairly consistent in recent years, with some decline during the peak of the recession.

Forecast: **2017 \$373,800** **2018 \$385,000**

Rationale: Forecast for 2017 anticipates increased building activity as a major development in the southern portion of Town begins ramping up and 2018 is based on average revenues over the past several years with a slight increase for inflation.

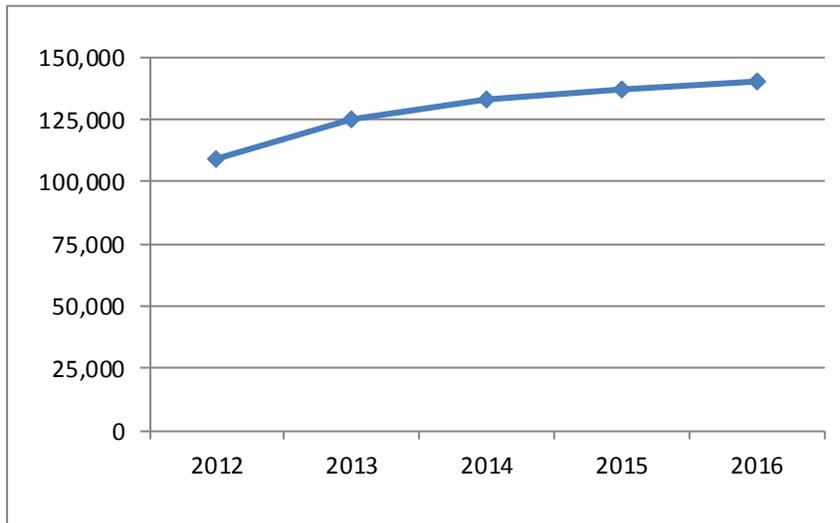
ENGINEERING REVIEW FEES

Distribution: General Fund 100%

Source: Contractors, developers and residents.

Collection: Engineering Review fees are assessed through a Chargeback Agreement which is executed as part of Development applications. The Engineering Review fees are collected to offset the costs associated with staff time spent reviewing development project submittals and performing construction inspections. These submittals typically include construction drawings, drainage reports, traffic studies, site plans, plats, easements and other technical documents. The construction inspections are focused on public improvements that are constructed as part of a development project. Staff keeps track of the time spent on each development project and invoices are generated through the Finance Department which are then mailed to the Applicant.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2012	108,570
2013	124,762
2014	132,688
2015	136,907
2016	140,000

Revenues will fluctuate based on the amount of development applications received. The Engineering Review fees declined during the peak of the recession, but are steadily climbing with the improvement in the economy and development industry.

Forecast: **2017 \$144,500** **2018 \$148,900**

Rationale: Forecast for 2017 anticipates an increase over 2016 due to increased development activity. 2018 is based on increased development activity over the few years with a slight increase for inflation and building growth.

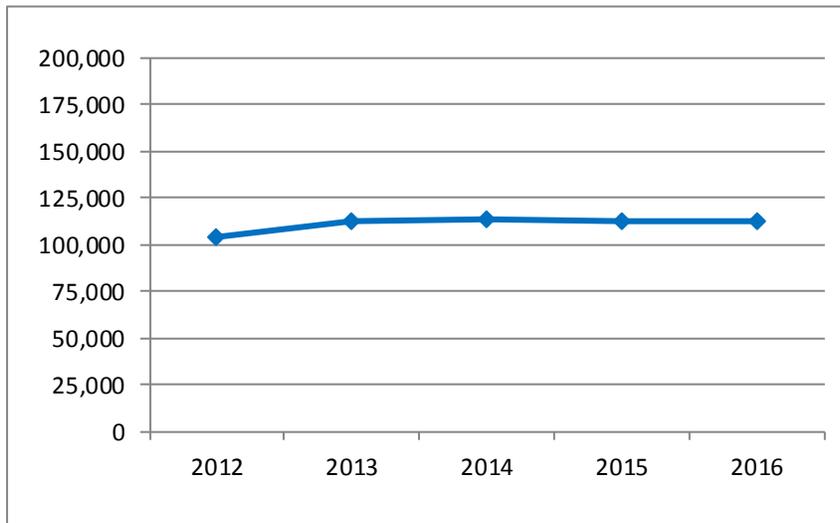
CIGARETTE TAX REVENUE

Distribution: General Fund 100%

Source: Cigarette smokers in Colorado.

Collection: The state imposes and collects a 4.2 cent tax per cigarette, of which 27% of the proceeds are distributed to municipalities and counties according to the ratio of the state sales tax collected in the entity to the total state sales tax collected in the prior year. The state disburses the funds two months after they are collected. (Note: Voters in Colorado approved an increase in the cigarette tax, effective January 1, 2005. However, the increase is earmarked for specific purposes and is not included in the distribution to municipalities and counties.)

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2012	104,096
2013	112,368
2014	112,842
2015	112,596
2016	112,100

Revenues had been declining over the last several years as the number of smokers declined and more cigarettes are purchased out-of-state and over the internet, as a result the Town's percentage of state sales tax collections declined due to greater growth in other areas of the state. However, 2013 saw a slight increase over 2012 and revenues have remained stable through 2016.

Forecast: **2017 \$110,400** **2018 \$109,300**

Rationale: Forecast is based on an anticipated decline of approximately 1% per year due to the assumption that the number of smokers in Parker will decline.

COUNTY ROAD AND BRIDGE REVENUE

Distribution: General Fund 100%

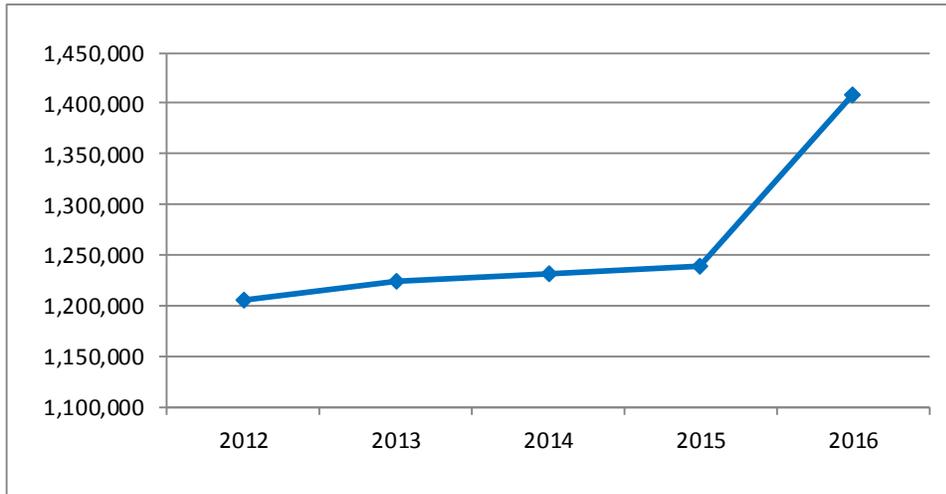
Source: Residents and businesses owning property in Douglas County.

Collection: Douglas County imposes a mill levy dedicated to road and bridge improvements throughout Douglas County. Because Douglas County's efforts only include unincorporated areas and the property tax is collected from all areas, the State requires that Douglas County return one half of the road and bridge levy to each Town. The formula used to compute the amount returned to Parker is as follows:

$$\text{County Road and Bridge Levy} \times \text{Total Town Assessed Value} / 2 = \text{Town Portion}$$

The money is distributed via electronic funds transfer on a quarterly basis to the Town of Parker.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2012	1,205,315
2013	1,223,658
2014	1,231,030
2015	1,238,675
2016	1,408,000

Limited new construction and the completion of the biennial property value reassessments in odd numbered years for the following year's collections have historically resulted in stable and slightly increasing revenues in prior years, with the exception of 2012 which was affected by reassessment based on values during the recession. The spike in 2016 is due to the property value reassessment that saw values climb by more than 15%.

Forecast: **2017 \$1,450,200** **2018 \$1,493,700**

Rationale: Forecast for 2017 is based on preliminary valuation information for the County Assessor. Information from the County Assessor suggests that assessed property values will increase approximately 8% on average.

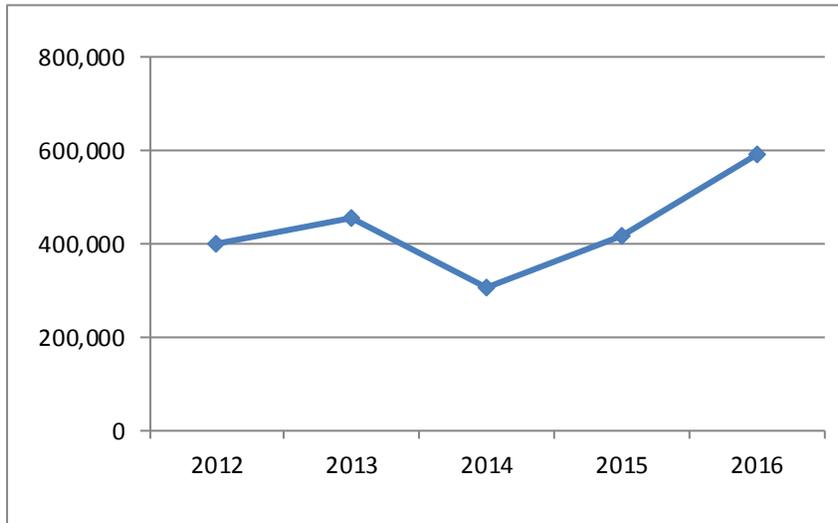
LONE TREE DISPATCH FEES

Distribution: General Fund 100%

Source: City of Lone Tree.

Collection: In 2007, the City of Lone Tree and the Town of Parker entered into an Intergovernmental Agreement (IGA) whereby, the Town of Parker would provide dispatch services to the City of Lone Tree and the City of Lone Tree pays the Town based on a percentage of incidents per billing cycle budget plus a 15% administration fee, a 35% allocation for Dispatch depreciation and capital outlays. In 2013, the fee billing was amended from being based on a percentage of incidents per billing cycle to a flat 35% fee based on the total operating budget of dispatch; all other items remained the same.

Five Year Trend:



<u>Year</u>	<u>Utilities</u>
2012	398,227
2013	453,065
2014	305,326
2015	414,615
2016	588,400

Revenue will fluctuate based on actual expenditures that occur in Dispatch.

Forecast: **2017 \$641,200** **2018 \$649,300**

Rationale: Revenue forecast is formulated based on 35% of the Dispatch operating budget plus a 15% administration fee, a 35% allocation for Dispatch depreciation and capital outlays, as per the Intergovernmental Agreement with the City of Lone Tree.

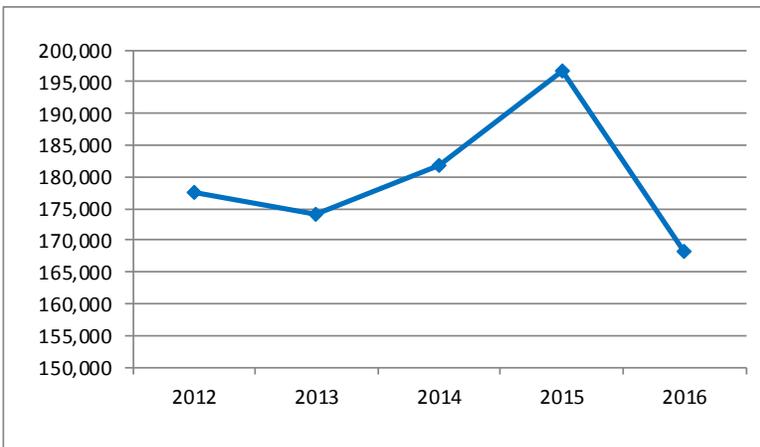
COURT FINES & FEES REVENUE

Distribution: General Fund 100%

Source: Tickets and citations issued by the Parker Police and fines adjudicated by the Parker Municipal Judge.

Collection: Tickets are paid through the mail, online or directly to the Court. Court arraignments are generally two times a month on Tuesdays and Court trials are generally once a month on Fridays. All collection efforts are made by the Parker Municipal Court.

Five Year Trend:



<u>Year</u>	<u>Court</u>	<u>DUI</u>	<u>Total</u>
2012	157,632	19,929	177,561
2013	148,881	25,121	174,002
2014	152,131	29,713	181,844
2015	159,887	36,860	196,747
2016	135,000	33,300	168,300

Court revenues are dependent on citations issued by the Police Department, enforcement priorities within the Department, and fines and court costs as administered by the Judge. Decreases in Traffic Revenue are typically a result of staffing levels (due to turnover or inactive duty) within the Department.

Forecast: **2017 \$204,300** **2018 \$207,700**

Rationale: Revenue forecast for 2017 assumes an increase from 2016 due to increased enforcement efforts, population and traffic volume in the Town, and assumes full staffing levels in the Police Department. 2018 anticipates an approximately 2% increase from to allow for increased population and traffic volume in the Town.

INVESTMENT INCOME

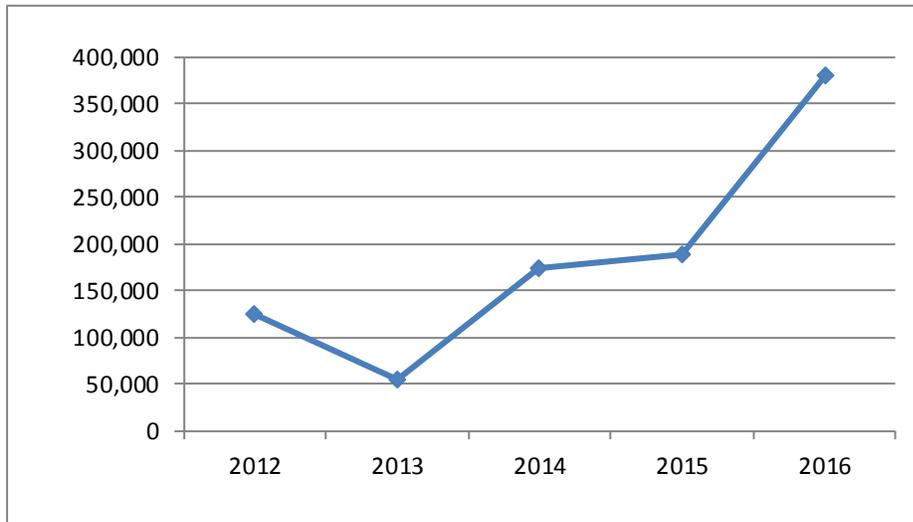
Distribution: All Funds on a pro rata basis to cash and investment balances held.

Source: Interest and investment income from investments made by the Town. Interest revenues will vary based on rates and portfolio volume.

The Town utilizes the services of a Wells Fargo Brokerage Services, for investment recommendations. Securities authorized by the Town Council's approved investment policy do not include derivative products.

Collection: Investment maturities and earnings are set up for automatic wire transfers or deposit to the Town's Local Government Investment Pool.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2012	125,381
2013	54,672
2014	172,717
2015	189,263
2016	379,620

At the December 16, 2008 Federal Reserve meeting the Fed cut the main U.S. interest rate to "a target range" between zero and 0.25. The Fed Funds target rate was held at historic lows in an effort to stimulate the economy through less expensive borrowing. The historically low rates for the last several years has impacted interest earning for the Town. In December 2015, the Fed increased rates 25 basis points moving the target range to 0.25% to 0.50%. As a result of this increase, the Town has recognized a moderate increase in interest earnings in 2016. The 2016 portfolio book value was \$54.5 million, of this \$38.4 million was invested in a Local Government Investment Pool with an annualized yield of only 0.61%; investments in US Agency securities, US Treasuries and money market mutual funds was \$16.1 million, with an average coupon rate of 1.19%.

Forecast: **2017 \$590,100** **2018 \$593,944**

Rationale: Forecast based on anticipated cash balances in the individual funds and projected average yields increasing to approximately 1.00% in 2017 and 1.50% in 2018.

STORMWATER UTILITY FEE REVENUE

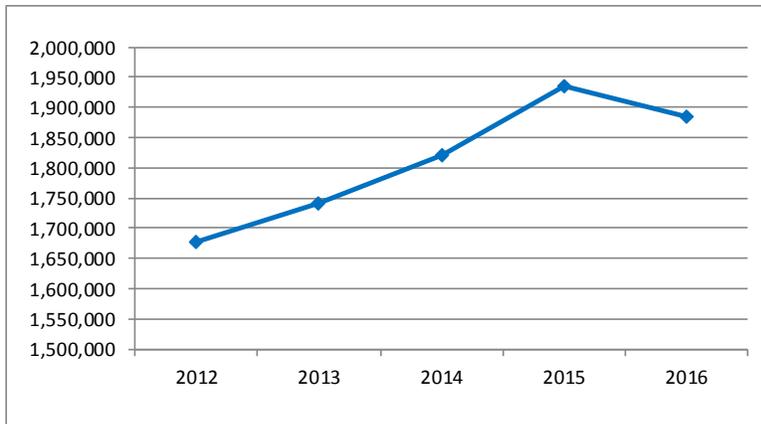
Distribution: Stormwater Utility Fund 100%

Source: Property owners within the Town limits.

Collection: Residential Stormwater Utility fees are a flat fee that is billed through the Water and Sanitation District in Parker in order to minimize administrative costs of collection and to make it easier for citizens to make their payment. Residents remit payments to the Water and Sanitation District. The District will then turn over the Stormwater fees to the Town. Customers in the Parker Water and Sanitation District pay the fee with their monthly bill. For residents in the Cottonwood Water and Sanitation District, the billing is bimonthly.

Stormwater Utility fees for commercial property are calculated based on impervious area and billed annually by the Finance Department. Impervious area constitutes any area that doesn't allow water/snow to be absorbed by the ground, *i.e.* sidewalks, rooftops, driveways, parking lots, etc. The invoices for each calendar year are sent out on Jan. 31. Payments are directly to the Town of Parker. If paid by Feb. 28, a two percent discount is allowed. If not paid early, the fee is due by April 30.

Five Year Trend:



<u>Year</u>	<u>Commercial Utility Fees</u>	<u>Residential Utility Fees</u>	<u>Total Utility Fees</u>
2012	703,429	973,026	1,676,455
2013	720,242	1,020,501	1,740,743
2014	750,388	1,071,241	1,821,630
2015	805,974	1,129,155	1,935,129
2016	835,132	1,050,000	1,885,132

Fees collected from each residence and business will provide funding to pay for construction of new and required drainage improvements, maintenance of existing eligible drainage facilities, monitoring and safeguarding stormwater quality, planning for, designing and constructing regional drainage improvements in cooperation with Urban Drainage and Flood Control District. Increasing Drainage Utility Fees are a result of residential / commercial construction, annexations and periodic fee increases. Single Family Residential (sfr) properties fees for 2013 were \$6.41 per month. For 2014 and beyond the fee will increase annually based on U.S. Labor Statistics Consumer Price Index. Commercial and Non-Residential Properties are calculated as follows: Monthly fee = (SFR fee) x (total impervious area of property in square feet) / 4000 square feet.

Forecast: **2017 \$1,905,000** **2018 \$1,968,500**

Rationale: Forecast includes an increase 3.0% for 2017 and 3.5% in 2018 to allow for an increase in rates and the customer base.

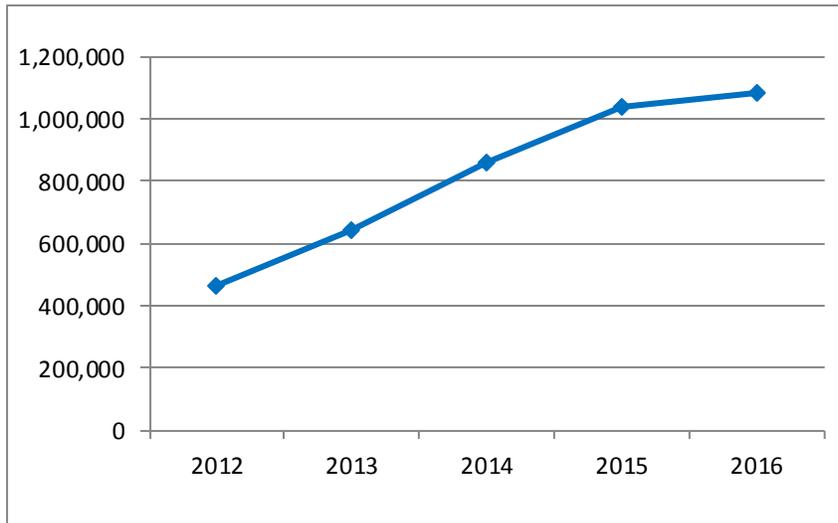
PARKER ARTS, CULTURE and EVENTS (PACE) TICKET REVENUE

Distribution: PACE Operating Fund 100%

Source: Customers of the PACE

Collection: Collected by internet and phone registrations, over-the-counter payments, and by mail. The fees are collected by PACE staff and remitted to the Finance Department for recording and deposit.

Five Year Trend:



<u>Year</u>	<u>Ticket Revenue</u>
2012	460,494
2013	641,040
2014	860,361
2015	1,038,757
2016	1,079,415

Ticket revenues are demand based and are the result of ticket sales for performances, such as concerts, plays and symphonies. In the Fall of 2011, the PACE center opened, the facility is approximately 50,000 square feet. This building includes a 536-seat theater, lobby, art gallery, event room, dance studio, media lab, classrooms, catering and teaching kitchen, dressing rooms and green room, administrative offices, outdoor 250-seat amphitheater and storage. As a result, Parker has seen a dramatic increase in the cultural offerings, created a community gathering place, enhanced the downtown area and impacted economic development.

Forecast: **2017 \$1,189,220** **2018 \$1,224,900**

Rationale: Forecast anticipates 10% increase based on demand for 2017 and an 3% increase in revenue for 2018.

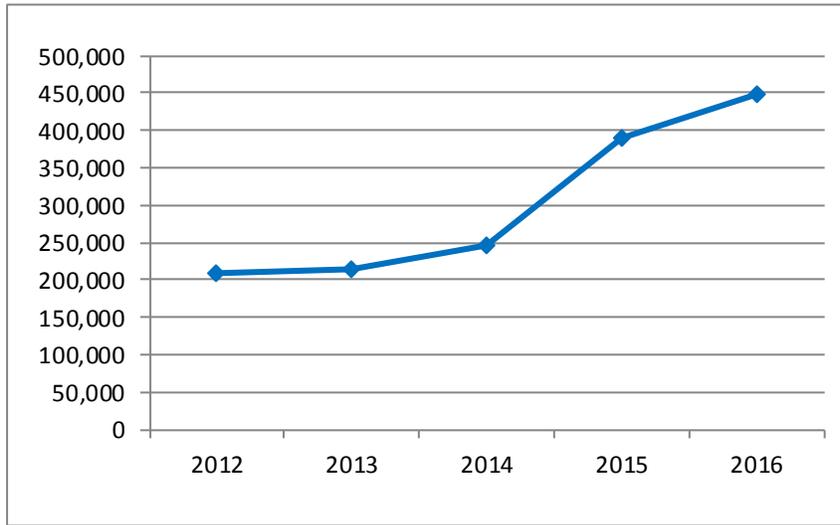
PARKER ARTS, CULTURE and EVENTS (PACE) CLASS REGISTRATION REVENUE

Distribution: PACE Operating Fund 100%

Source: Customers of the PACE

Collection: Collected by internet and phone registrations, over-the-counter payments, and by mail. The fees are collected by PACE staff and remitted to the Finance Department for recording and deposit.

Five Year Trend:



<u>Year</u>	<u>Class Registration</u>
2012	209,048
2013	214,259
2014	245,116
2015	390,642
2016	448,155

Class registration revenues are demand based and are the result of class registrations for arts and cultural classes for youth and adults at PACE and the Mainstreet Center. Course offerings include Theater Classes and Productions, Science, Digital Art, Dance, Music and Visual Art. The PACE Center includes a dance studio and five flexible classroom spaces including a media lab. The Mainstreet Center includes a dance studio, a small theater perfectly suited to teaching and smaller productions, and 12 classrooms. As a result of the opening of PACE, Parker has seen a significant increase in arts & culture educational offerings and demand continues to grow.

Forecast: **2017 \$412,385** **2018 \$424,245**

Rationale: Forecast anticipates continued revenue growth based on demand for 2017 and 2018.

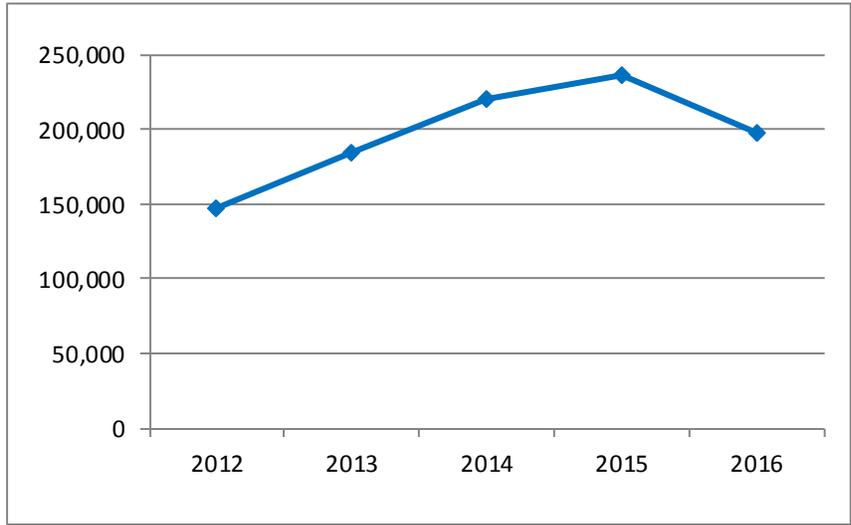
PARKER ARTS, CULTURE and EVENTS (PACE) FACILITY RENTALS

Distribution: PACE Operating Fund 100%

Source: Customers of the PACE

Collection: Collected by over-the-counter payments and by mail. The fees are collected by PACE staff and remitted to the Finance Department for recording and deposit.

Five Year Trend:



<u>Year</u>	<u>Rental Fees</u>
2012	146,799
2013	184,023
2014	220,686
2015	236,079
2016	196,912

Rental Revenue at PACE is demand based and the result of rentals in two specific areas. Theater entails all of the rentals that take place in the PACE theater. These range from plays and musicals to meetings and dance recitals. Event rentals involve the event room, west terrace, gallery and four classrooms. Events have included weddings and receptions, meetings, memorial services, classes and birthday parties. The PACE Center has filled a large void in the event rental space in Parker that has existed for quite some time. The theater rentals offer community and regional groups the opportunity to perform in a state of the art venue. Both rental areas have potential to increase.

Forecast: **2017 \$228,000** **2018 \$234,840**

Rationale: Forecast anticipates stable revenues for 2017 and 2018 due to continued marketing efforts and brand recognition.

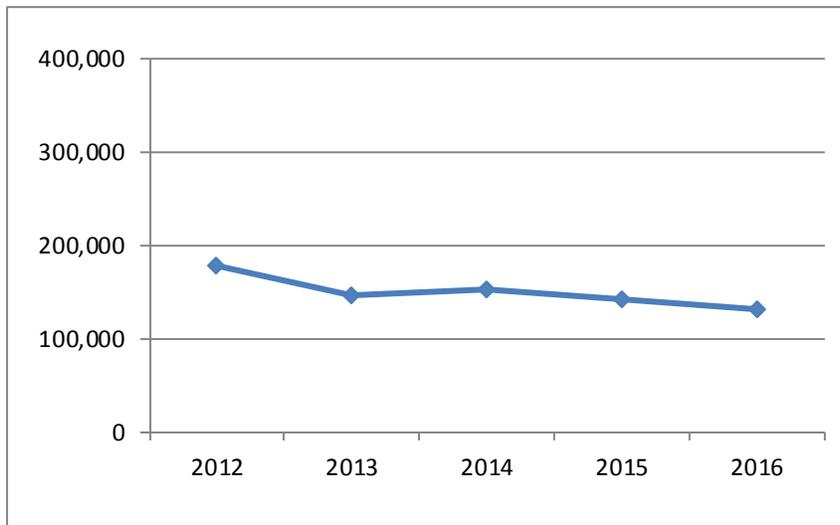
H2O'BRIEN POOL ADMISSION REVENUES

Distribution: Recreation Fund 100%

Source: H2O'Brien Pool users.

Collection: Collected over-the-counter at the H2O'Brien Pool, Parker Recreation Center and Parker Fieldhouse and remitted to the Finance Department on a daily basis. H2O'Brien Pool users can pay either a Daily Admission Fee, purchase a punch card, season membership or add a season pass to an existing membership. H2O'Brien is also available for rental. The H2O'Brien Pool is open Memorial Day weekend, generally through Labor Day.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2012	177,436
2013	146,270
2014	151,827
2015	141,931
2016	130,000

Revenues are primarily weather related. Warmer temperatures resulted in increased revenue in 2010-2012. Low revenues in 2013 and 2014 were a result of weather (cooler temperatures and more precipitation). Once school starts in August, revenues drop off as the loss of lifeguards reduces the hours of operation. The opening on the newly remodeled pool at the Parker Recreation Center impacted the 2016 season, but it is expected to stabilize as the "newness factor" wears off.

Forecast: **2017 \$147,000** **2018 \$147,000**

Rationale: Forecast for 2017 and 2018 anticipates average weather, but only a small increase in attendance due to remodel and new pool area at the recreation center.

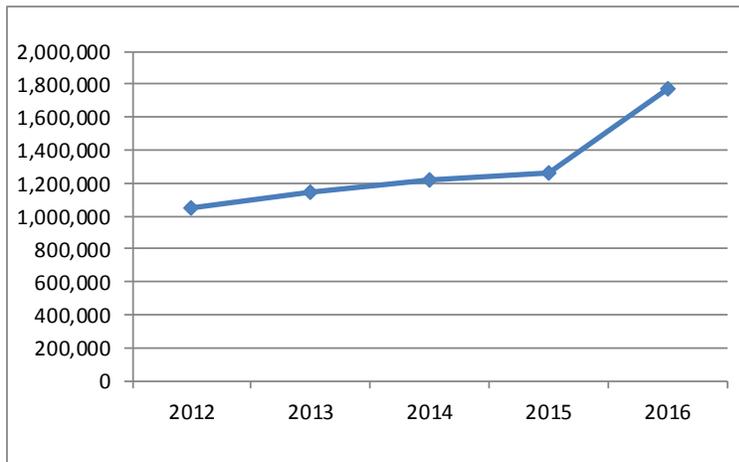
RECREATION ADMISSION REVENUE

Distribution: Recreation Fund 100%

Source: Users of the Recreation Center and Fieldhouse.

Collection: Recreation Center and Fieldhouse users can pay a daily admission fee, punch card or monthly memberships. Fees are collected by over-the-counter payments and direct payment (direct transfer through the Automated Clearing House – ACH - from the customer’s bank account to the Town’s bank account). The fees are collected by Recreation Center staff and remitted to the Finance Department on a daily basis. The ACH payments are initiated by recreation staff on a monthly basis.

Five Year Trend:



<u>Year</u>	<u>Daily Users</u>	<u>Annual Members</u>	<u>Total Admissions</u>
2012	254,606	798,545	1,053,151
2013	278,338	860,426	1,138,764
2014	254,424	964,202	1,218,626
2015	319,643	937,342	1,256,985
2016	330,000	1,445,000	1,775,000

As the economy improved following the recession, attendance increased, this combined with more marketing and a slight fee increase has resulted in higher admission revenue. Revenue increased significantly 2016 due to the remodel and expansion of the Recreation Center.

Forecast: **2017 \$1,515,000** **2018 \$1,675,000**

Rationale: Forecast anticipates 2017 and 2018 revenue increasing as a result of the completed remodel

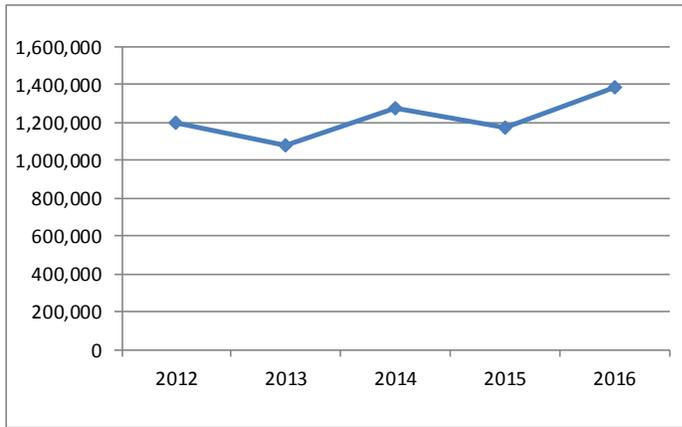
RECREATION SPORTS PROGRAM FEES

Distribution: Recreation Fund 100%

Source: Recreation sports program fees paid by participants in Parker organized sporting activities such as softball, basketball, flag football, kickball, soccer and several other programs.

Collection: Collected by internet and phone registrations, over-the-counter payments, and by mail. The fees are collected by Recreation Center staff and remitted to the Finance Department on a daily basis.

Five Year Trend:



<u>Year</u>	<u>Adult Program Fees</u>	<u>Youth Program Fees</u>	<u>Contracted Program Fees</u>	<u>Total Sports Fees</u>
2012	321,950	870,709	0	1,192,659
2013	302,406	775,413	0	1,077,818
2014	291,362	978,265	0	1,269,627
2015	253,360	919,518	0	1,172,878
2016	310,000	787,000	290,000	1,387,000

Higher recreation sports program revenues are the result of increased participation, new programs as the country emerged from the recession. Fees were also adjusted in most youth sports in the fall of 2012 for the 2012/2013 winter season, which resulted in increased revenues.

Forecast: **2017 \$1,200,000** **2018 \$1,200,000**

Rationale: Forecast anticipates consistent participation levels and no anticipated fee increases.

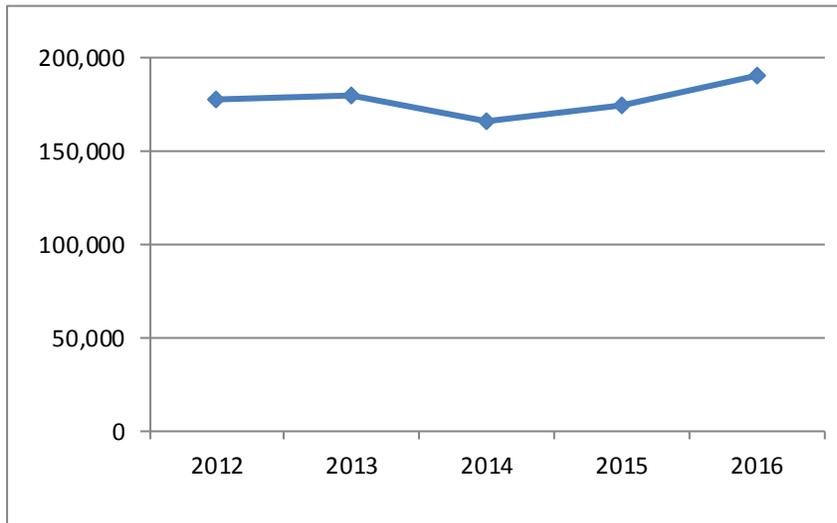
RECREATION SWIM LESSON FEES

Distribution: Recreation Fund 100%

Source: Recreation Center Customers. Private lessons are \$25 per half-hour. A five-lesson punch card is offered for \$110, a 10-lesson punch card for \$200. Private lesson punch cards may be shared between members of the immediate family. Group lessons are also available.

Collection: Collected by internet and phone registrations, over-the-counter payments, and by mail. The fees are collected by Recreation Center staff and remitted to the Finance Department on a daily basis.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2012	177,269
2013	179,069
2014	165,354
2015	173,633
2016	190,000

Parker Recreation's swim lesson program enhances the swimming abilities of participants of all skill levels. Teen and adult swim lessons are also available. Swim lessons take place at the Recreation Center Indoor Pool and at the H2O'Brien Pool in the summer.

Forecast: **2017 \$200,000** **2018 \$200,000**

Rationale: Forecast anticipates 2017 revenue increasing with the completion of construction that occurred with Recreation Center expansion project due to patrons utilizing the new pool areas and remaining stable in 2018.

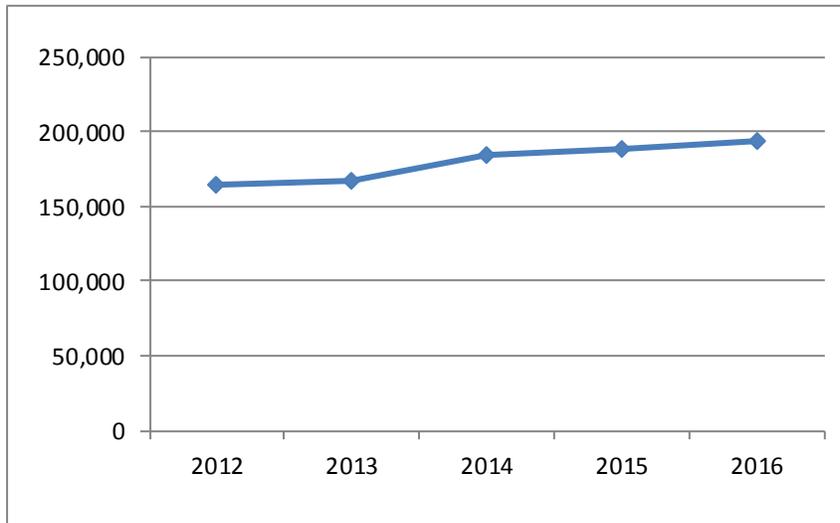
RECREATION SPECIALTY FITNESS FEES

Distribution: Recreation Fund 100%

Source: Recreation Center Customers.

Collection: Collected by internet and phone registrations, over-the-counter payments, and by mail. The fees are collected by Recreation Center staff and remitted to the Finance Department on a daily basis.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2012	164,519
2013	167,195
2014	184,627
2015	188,061
2016	194,000

Specialty Fitness includes activities such as TRX Suspension Training, Focus Interval Training and various other fitness programs. The increase in specialty fitness revenues from 2012 to 2016 is due to increased participation and new programs. The revenue decreased slightly in 2012 due to an increased number of patrons opting to purchase memberships that include free fitness classes versus paying additional fees for more specialized fitness classes. With completion of the Recreation Center expansion, there is more space available for fitness classes, as a result, revenues will likely remain comparable to 2016 with no anticipated fee increases.

Forecast: **2017 \$195,000** **2018 \$195,000**

Rationale: Forecast for 2017 and 2018 anticipates stable revenue due to continued popularity of the program.

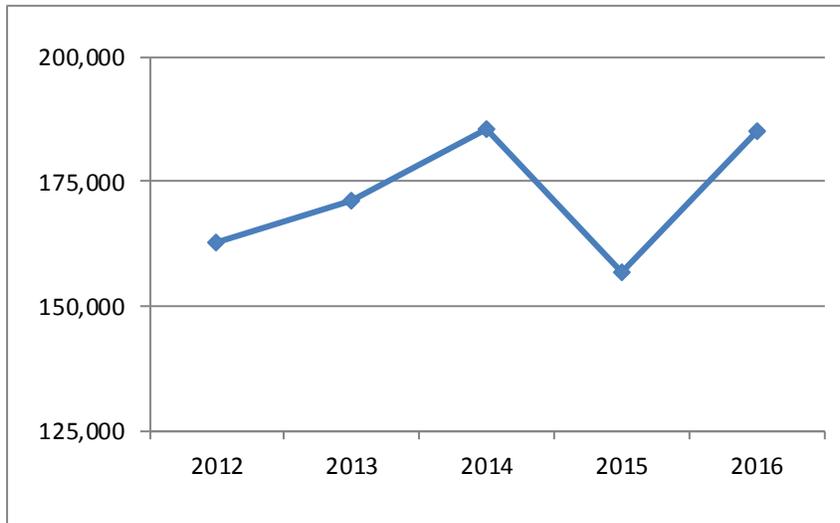
FIELDHOUSE FACILITY RENTAL FEES

Distribution: Recreation Fund 100%

Source: Fieldhouse Customers.

Collection: Collected by phone registrations and over-the-counter payments. The fees are collected by Fieldhouse staff and remitted to the Finance Department on a daily basis.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2012	162,716
2013	170,917
2014	185,383
2015	156,872
2016	185,000

Revenue declined from 2008 to 2011 due in part to the economic recession and started to rebound in 2012 as consumer confidence improved and the recession came to an end. The decrease in revenue in 2015 is attributable to limited facility availability due to the Recreation Center expansion that required the use of Fieldhouse space for recreation programs that would normally take place at the Recreation Center.

Forecast: **2017 \$190,000** **2018 \$190,000**

Rationale: Forecast flat but stable revenues in 2017 and 2018.

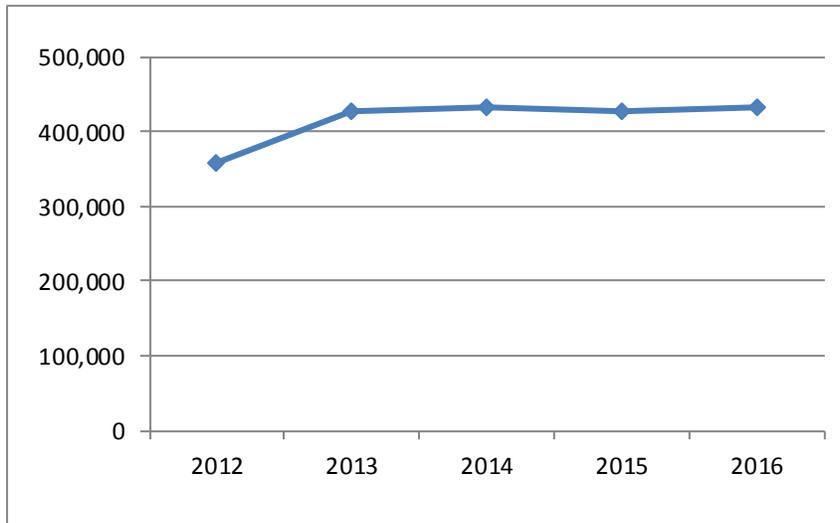
FIELDHOUSE DAY CAMP FEES

Distribution: Recreation Fund 100%

Source: Fieldhouse Customers.

Collection: Collected by phone registrations, over-the-counter payments, and by mail. The fees are collected by Fieldhouse staff and remitted to the Finance Department on a daily basis.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2012	357,435
2013	427,554
2014	431,652
2015	426,152
2016	431,000

Revenue increased dramatically since instituting the program due to high demand for this type of program. The increase in 2013 can be attributed to the expansion of the program to include before and after care programs. The program has been operating close to capacity for the past few years and revenue has remained stable.

Forecast: **2017 \$435,000** **2018 \$435,000**

Rationale: Forecast projects stable revenue in 2017 and 2018 due to continued high demand for the program.

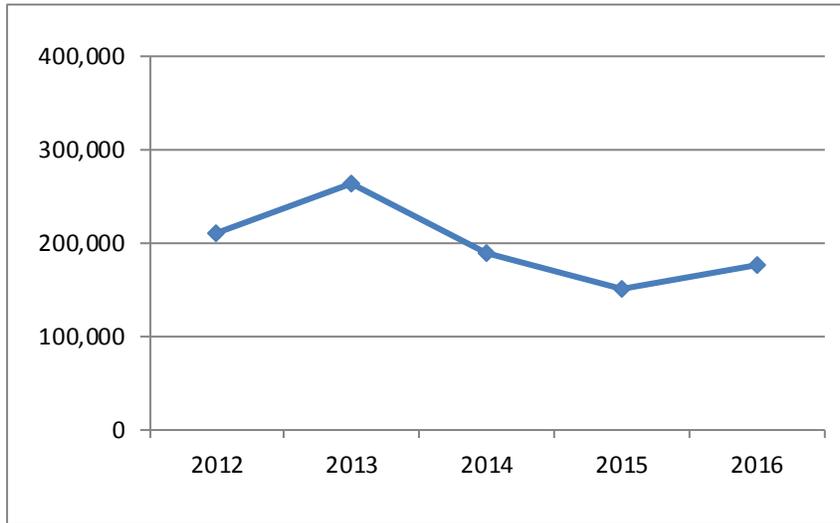
FIELDHOUSE SPORTS INSTRUCTION FEES

Distribution: Recreation Fund 100%

Source: Fieldhouse Customers.

Collection: Collected by internet and phone registrations, over-the-counter payments, and by mail. The fees are collected by Recreation Center staff and remitted to the Finance Department on a daily basis.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2012	210,263
2013	262,287
2014	189,307
2015	150,715
2016	175,000

The Parker Recreation Center expansion impacted venue availability for this program as many programs were relocated to the Fieldhouse due to space limitations at PRC, resulting in decreased revenues in 2015. With completion of the PRC expansion, revenue increased in 2016.

Forecast: **2017 \$175,000** **2018 \$175,000**

Rationale: The projection for 2017 and 2018 is flat but stable revenue.

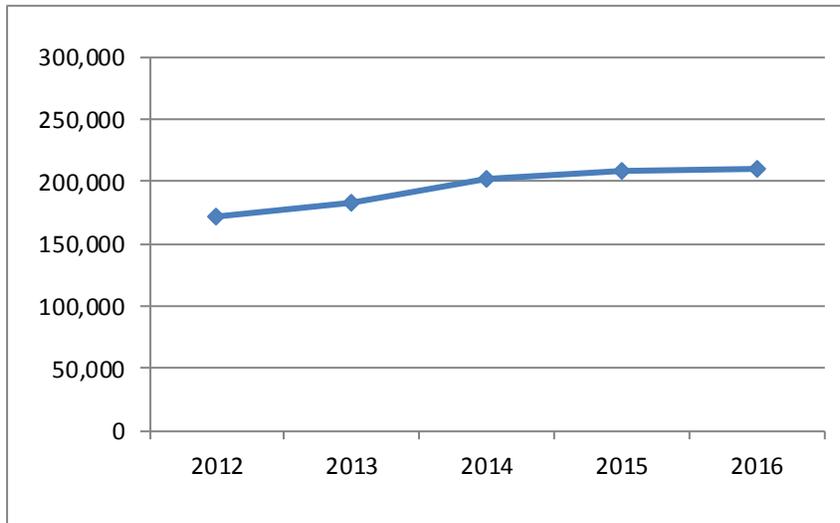
PERSONAL TRAINING FEES

Distribution: Recreation Fund 100%

Source: Recreation Customers.

Collection: Collected by internet and phone registrations, over-the-counter payments, and by mail. The fees are collected by Recreation Center staff and remitted to the Finance Department on a daily basis.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2012	170,747
2013	182,611
2014	202,389
2015	208,543
2016	210,000

Revenue has increased since instituting the personal training and is expected to level out as the demand for small group training increases, which is a more cost-effective option for those seeking more specialized instruction without the individual higher training cost. Also, personal training is typically not a service that the majority of participants continue throughout the year due to the high cost. Most patrons opt for a training package of 3 to 6 training sessions and either continue on their own with a facility membership or participate in free classes that are included with their membership. Fees were increased in 2013, which increased 2013 revenues slightly.

Forecast: **2017 \$210,000** **2018 \$210,000**

Rationale: Forecast projects level revenues in 2017 and 2018.

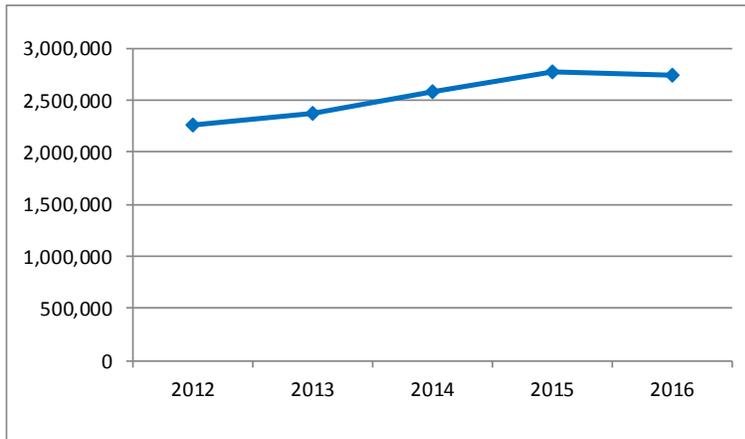
DOUGLAS COUNTY ROAD SALES TAX SHARED REVENUE

Distribution: Capital Improvement Fund 100%

Source: Sales and use tax paid by citizens and visitors in Douglas County.

Collection: Douglas County collects a 0.4 percent roads sales and use tax county-wide and then remits 75 percent of the amount collected within Parker town-limits to the Town. This revenue helps fund the construction of new road projects and is accounted for in the Public Improvements Fund. Funds are received electronically directly to the Town’s bank account on a monthly basis.

Five Year Trend:



	Sales Tax	Use Tax	Shared
<u>Year</u>	<u>Revenue</u>	<u>Tax Revenue</u>	<u>Sales & Use Tax Revenue</u>
2012	1,995,769	268,252	2,264,021
2013	2,140,103	223,531	2,363,634
2014	2,218,219	353,022	2,571,241
2015	2,413,380	352,832	2,766,212
2016	2,500,000	230,000	2,730,000

Although the county’s sales tax has a different base than the Town’s sales tax (it excludes tax on groceries and utilities), the shareback amount is estimated the same way as the Town’s sales tax. The use tax shareback is also estimated the same way as the Town’s use tax and is 16 percent of the Town’s use tax estimate.

Forecast: **2017 \$2,910,400** **2018 \$3,015,800**

Rationale: Forecast anticipates tax revenues to increase approximately 6% in 2017 and 4% in 2018 due to improved economy and new commercial businesses in the County.

LOTTERY REVENUE

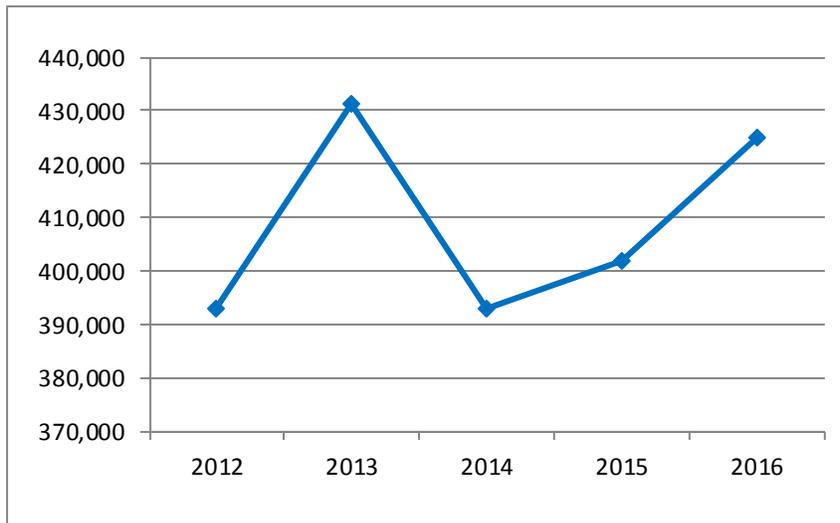
Distribution: Conservation Trust Fund 100%

Source: Customers who buy lottery and lotto tickets.

Collection: Lottery proceeds are collected from retail merchants selling lottery products by the State of Colorado. Municipal lottery proceeds are distributed to municipalities based upon current population estimates prepared by the State Division of Local Governments. Parker's share is electronically transferred to the Town's depository bank account on December 1, March 1, June 1 and September 1.

Conservation trust funds can only be used for the acquisition, development and maintenance of new park and open space sites or for capital improvements and maintenance of a public site used for recreational purposes.

Five Year Trend:



<u>Year</u>	<u>Revenue</u>
2012	392,828
2013	431,371
2014	392,734
2015	401,810
2016	425,000

As participation in the Lottery fluctuates, the revenues that filter down to the municipalities vary as well. Participation is related to disposable income, consumer confidence and marketing efforts of the Colorado Lottery.

Forecast: **2017 \$415,700** **2018 \$422,700**

Rationale: Forecast anticipates a relatively flat, steady revenue stream in line with historical averages.