



State of Our Cities and Towns – 2015

Report for Colorado Municipal League

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STATE OF OUR CITIES AND TOWNS – 2015

REPORT FOR COLORADO MUNICIPAL LEAGUE

INTRODUCTION

Corona Insights is pleased to present *The State of Our Cities and Towns – 2015* report to the Colorado Municipal League. This report provides key findings from the 2015 survey of Colorado’s municipalities. Complete findings for all closed-ended questions follow, including graphs and tables showing results on economic development projects, resources, success stories, as well as revenue and fiscal challenges.

METHODOLOGY

RESEARCH DESIGN

The survey instrument was originally designed by Corona Insights with direction provided by the Colorado Municipal League (CML). The 2015 survey was significantly updated from the 2014 survey, which primarily investigated economic development strategies and projects. The 2015 survey delved into efficiencies in providing municipal services. Future surveys will similarly explore other municipal issues in greater depth. Questions about overall revenue and fiscal challenges from previous surveys were also asked in order to track several key issues over time.

DATA COLLECTION

The survey was sent by mail to each municipality, and respondents could either return the paper survey by mail or respond via an online option. One survey was sent to each municipality, and municipalities returned completed surveys directly to Corona Insights’ offices or via Corona’s online survey system with login information provided on the mailed survey. To boost response rates, CML staff made several attempts to contact non-responding municipalities. All data entry and cleaning was performed by Corona’s internal staff. The survey was administered from July 14, 2015 through August 31, 2015.

ANALYSIS

This report provides tables and graphs of responses for the CML State of Our Cities and Towns Survey. Responses are provided for all municipalities (i.e., Overall) and are also broken down for municipalities of different sizes (i.e., population less than 2,000, between 2,000 and 24,999, and 25,000 or greater). Results are often segmented by two different geographic regions of Colorado, defined by CML (i.e., Eastern Plains and Western Slope).

The municipality size categories are provided below with the response rate for each category. Size ranges used for segments are the same as last year.

Municipality Population	Number of Cities in Colorado 2010 Census	Number of Survey Responses: 2015	Response Rate
25,000 or Larger	25	16	64%
2,000 to 24,999	87	41	47%
Less than 2,000	159	55	35%
<i>Overall</i>	<i>271</i>	<i>112</i>	<i>41%</i>

REPORTING NOTES

When reading the following tables and graphs, please keep this in mind:

- ➔ All percentages refer to the raw percentage of survey respondents giving a particular response. Percentages have not been weighted to reflect the proportion of municipalities of each size. As a result, the ‘Overall’ results presented are the overall results of the survey respondents, and are not necessarily generalizable to the population of all municipal governments in the state. Weighting was not practical both because of the small sample size of the survey and because there is no way to determine whether those municipalities responding are representative of all municipalities of their size.
- ➔ On all graphs, labels of three percent (3%) and less are sometimes removed for ease of reading.
- ➔ On graphs that should sum to 100 percent, the labels occasionally may not add to 100 percent due to rounding or non-response.
- ➔ Graphs represent all responses unless otherwise noted.
- ➔ Comparing this year’s data to previous years’ data (or future years’ data) could be misleading depending on which municipalities respond in any given year. Due to the relatively small sample size, and possible large differences between municipalities, even a slight change in the makeup of responding municipalities could cause the numbers to change significantly. Comparisons should be approached on a question-by-question basis.

RESPONDING MUNICIPALITIES

One-hundred twelve (112) Colorado municipalities responded to the 2015 survey; 32 were classified in the Western Slope region and 32 were classified in the Eastern Plains region. Responding municipalities are listed below by size classification and region, if applicable. (CML designated region while Corona confirmed the appropriate population segment for each municipality.)

Municipalities with populations of less than 2,000

- | | |
|-------------------------------|-------------------------------------|
| > Akron - Eastern Plains | > Lake City - Western Slope |
| > Boone - Eastern Plains | > Larkspur |
| > Bow Mar | > Limon - Eastern Plains |
| > Brookside - Eastern Plains | > Log Lane Village - Eastern Plains |
| > Collbran - Western Slope | > Mancos - Western Slope |
| > Columbine Valley | > Manzanola - Eastern Plains |
| > Crawford - Western Slope | > Minturn - Western Slope |
| > Crestone | > Morrison |
| > Dolores - Western Slope | > Nederland |
| > Eckley - Eastern Plains | > Norwood - Western Slope |
| > Elizabeth - Eastern Plains | > Nucla - Western Slope |
| > Foxfield | > Olathe - Western Slope |
| > Fraser - Western Slope | > Ordway - Eastern Plains |
| > Georgetown | > Ouray - Western Slope |
| > Gilcrest | > Ovid - Eastern Plains |
| > Grover - Eastern Plains | > Pagosa Springs - Western Slope |
| > Hayden - Western Slope | > Peetz - Eastern Plains |
| > Holly - Eastern Plains | > Pritchett - Eastern Plains |
| > Hugo - Eastern Plains | > Raymer - Eastern Plains |
| > Julesburg - Eastern Plains | > Silver Plume |
| > Keenesburg - Eastern Plains | > Simla - Eastern Plains |
| > Kersey - Eastern Plains | > Springfield - Eastern Plains |
| > Kim - Eastern Plains | > Two Buttes - Eastern Plains |
| > Kiowa - Eastern Plains | > Vona - Eastern Plains |
| > Kit Carson - Eastern Plains | > Westcliffe |
| > Kremmling - Western Slope | > Williamsburg |
| > La Jara | > Yampa - Eastern Plains |
| > La Veta | |

Municipalities with population between 2,000 and 24,999

- > Aspen - Western Slope
- > Basalt - Western Slope
- > Bennett
- > Berthoud
- > Breckenridge - Western Slope
- > Castle Pines
- > Cedaredge - Western Slope
- > Cherry Hills Village
- > Craig - Western Slope
- > Eagle - Western Slope
- > Edgewater
- > Estes Park
- > Fort Morgan - Eastern Plains
- > Frederick
- > Frisco - Western Slope
- > Gypsum - Western Slope
- > Hudson - Eastern Plains
- > Lafayette
- > Lamar - Western Slope
- > Leadville
- > Lone Tree
- > Lyons
- > Manitou Springs
- > Meeker - Western Slope
- > Milliken
- > Monte Vista
- > New Castle - Western Slope
- > Palisade - Western Slope
- > Rangely - Western Slope
- > Rocky Ford - Eastern Plains
- > Severance
- > Silt - Western Slope
- > Snowmass Village - Western Slope
- > Steamboat Springs - Western Slope
- > Sterling - Eastern Plains
- > Superior
- > Telluride - Western Slope
- > Vail - Western Slope
- > Windsor
- > Woodland Park
- > Wray - Eastern Plains

Municipalities with populations of 25,000 or greater

- > Arvada
- > Aurora
- > Brighton
- > Broomfield
- > Centennial
- > Denver
- > Englewood
- > Fort Collins
- > Greeley
- > Lakewood
- > Longmont
- > Loveland
- > Parker
- > Thornton
- > Westminster
- > Wheat Ridge

KEY FINDINGS

The following key findings are presented in a similar order as the questions were asked in the survey.

EFFICIENCIES IN PROVIDING MUNICIPAL SERVICES

- ➔ **Most municipalities share services:** Ninety-three percent of responding municipalities indicated they share some type of service with another government, a private vendor, and/or a non-profit. (Q1, Q2, Q3)
- ➔ **Municipalities share services mostly with other governments:** Eighty-eight percent of municipalities share services with another government, whereas about two-thirds share with a private vendor, and half share with a non-profit. (Q1, Q2, Q3)
- ➔ **Services shared with other governments are most likely to be emergency services:** More municipalities share emergency services (dispatch, police, fire, and rescue) with other governments than share other services (wastewater /drinking water treatment, school resource officers, and street maintenance) with other governments. Other services mentioned frequently included building, water, and park maintenance and services (Q1).
- ➔ **Services shared with private vendors are most likely to be building inspection and maintenance.** On the low end, seven percent contracted transit with private vendors. Other services mentioned frequently included janitorial/cleaning, code enforcement, and street maintenance and services (Q2).
- ➔ **Services shared with non-profits are most likely to be economic development and marketing or tourism:** About half of municipalities share no services with non-profits. While not many respondents mentioned an “other” type of service, and there were no strong commonalities among these other responses (Q3).
- ➔ **Most municipalities save money and increase service quality when sharing services:** About one-third of respondents meet increased demand when sharing services, and one in five provide a new service. Other benefits from sharing services include access to expertise, continuation of services, and increased flexibility and efficiency. Larger cities are twice more likely than small towns to provide a new services via contract or agreement. (Q4).
- ➔ **Municipal costs typical don’t change due to sharing services:** About two-thirds of municipalities said their costs didn’t change due to shared services, and the remaining one-third of respondents were evenly split between cost decreases and cost increases. No towns in the Eastern Plains indicated costs decreased due to shared services (Q5).
- ➔ **Level of service likely to increase due to shared services:** More than half of municipalities have experienced level of service increases due to shared services. Larger municipalities are more likely than small ones to see increased levels of service (Q6).
- ➔ **The staff number typical does not change due to sharing services:** About three out of five municipalities said their staffing numbers didn’t shift or change at all due to shared services, and

another 16 percent said staffing numbers shifted, but total staffing didn't change. Most of the remaining 22 percent said total staffing decreased due to shared services (Q7).

- ➔ **Since 2010, the number of shared service agreements has generally remained the same or increased:** More than 90 percent of municipalities report the number of shared service agreements has remained the same or increased since 2010. Twenty percent of large municipalities (i.e., 25,000 or more) were unsure of the change in shared service agreements (Q8).
- ➔ **Large municipalities have the strongest interest in pursuing shared services:** About 95 percent of large municipalities (i.e., 25,000 or larger) have at least some interest in pursuing shared services in the next 12 months, compared to 56 percent of small towns (i.e., 2,000 or less). West Slope towns appear to have greater interest than Eastern Plains towns, although a large proportion of Eastern Plains towns are unsure of their interest (Q9).
- ➔ **Interest in pursuing shared services in the future correlate with previous experiences.** Respondents who are interested in pursuing shared services within the next 12 months are much more likely than those who are not interested to have saved money and increased quality of service by sharing services (Q4). Conversely, respondents who are not interested in pursuing shared services are much more likely than those who are interested to have experienced no municipal cost savings (Q5), no changes in the overall level of service (Q6), and no shifts or changes in staffing numbers (Q7). While these municipalities are not disproportionately experiencing negative outcomes, they are not seeing it make a positive difference either. In other words, it's the lack of expected benefit that seems to be driving their lack of interest in pursuing shared services in the future.
- ➔ **To increase efficiencies, municipalities are most likely to have streamlined processes for customers.** About half of respondents have streamlined processes, one-third have automated service delivery, and one-fifth have conducted performance-based budgeting. About 35 percent did not take any of the steps we measured (Q10).
- ➔ **Relatively few municipalities have a revenue sharing agreement:** Revenue sharing is most common for sales taxes shared with counties (24%), property taxes shared with counties (17%), sales taxes shared with other municipalities (14%), and property taxes shared with special districts (13%). Ninety-six percent of respondents share no revenues with marketing districts. Sharing of sales taxes and property taxes was more common than sharing development fees and lodging taxes (Q11).

MUNICIPAL REVENUE

- ➔ **More than half of municipalities feel their economy is better than it was in FY 2014.** Large and mid-sized cities are more likely than smaller towns to feel that their economy is better than it was in 2014. Western Slope towns are more likely than Eastern Plains towns to feel that their economy is better than last year. Indeed, almost half of Eastern Plains towns feel their economy is about the same. Fifteen percent of respondents indicated their municipal revenue is worse than 2014. Feelings of improvement in the economy have slowed a little compared to the 2014 survey results, when less than 10 percent indicated their municipal economy is worse than the previous year (Q12).
- ➔ **Feelings about municipal revenue differ by town size and region.** Feelings about the local economy and feelings about municipal revenue show a similar pattern, but feelings about municipal revenue differ much more by town size and region. For example, about 90 percent of large cities feel their revenues are better than last year, compared to about 35 percent of small towns (Q13).

- ➔ **Municipalities expect revenue to increase or stay the same:** For every category we tested, 80 percent or more of respondents said they expected revenue increases or that revenue would stay the same as 2014. They expect sale and use taxes to have the greatest increase, followed by property taxes and licenses, permits, and fees. While two-thirds of respondents believe state funding will not change, 16 percent believe it will decrease (Q14).
- ➔ **Similar to results from 2013 and 2014, unfunded street maintenance and improvement needs continues to be the greatest challenge.** Among all respondents, 55 percent indicate this as a major challenge and another 15 percent said it is a moderate challenge (Q15).

SECTION 1: PROVIDING MUNICIPAL SERVICES

Exhibit 1: Table and Graph
Shared Any Services by Any Other Entity and Specific Entity Types (based on Q1, Q2, Q3)

Shared Services by Entity Type						
	Overall	Municipal Population			Region	
		Less than 2,000	2,000 to 24,999	25,000 or more	Eastern Plains	Western Slope
Population Base	111	54	41	16	31	32
Share services with any other entity	93%	85%	100%	100%	81%	97%
Share with other governments	88%	77%	-	94%	73%	91%
Share with private vendors	66%	55%	78%	73%	45%	65%
Share with non-profits	47%	21%	62%	87%	29%	43%
Share no services	7%	15%	-	-	19%	3%

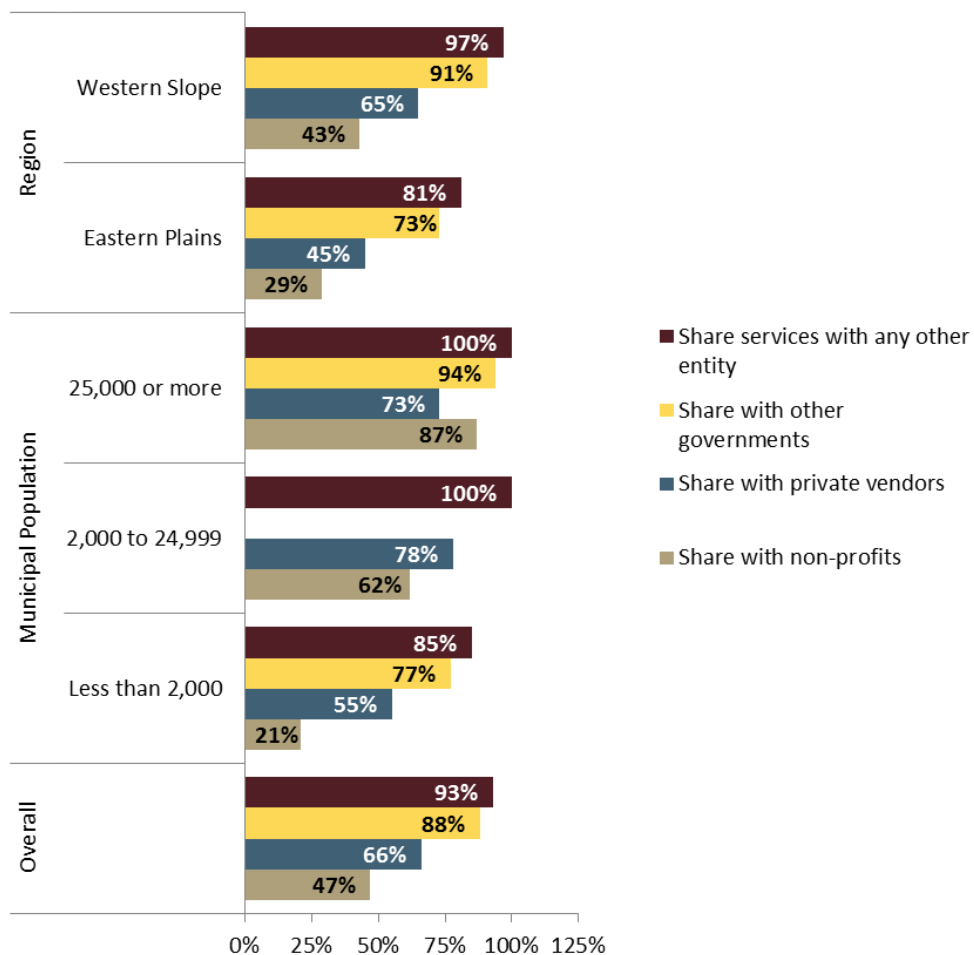


Exhibit 2: Table and Graph

Q1: In the past 12 months, has your municipality participated in the delivery of the following services in partnership through formal agreement with other governmental entities? This may be a new or existing agreement.

Delivered Services in Partnership or Agreement with Other Governments						
	Overall	Municipal Population			Region	
		Less than 2,000	2,000 to 24,999	25,000 or more	Eastern Plains	Western Slope
Population Base	110	53	41	16	30	32
Q1						
Emergency dispatch	45%	28%	68%	44%	23%	66%
General law enforcement (police)	44%	43%	46%	38%	33%	50%
Fire or rescue	34%	21%	41%	56%	13%	34%
School resource officers	22%	2%	29%	69%	3%	16%
Ambulance	22%	13%	29%	31%	13%	22%
Wastewater collection or treatment	22%	19%	24%	25%	13%	22%
Street maintenance	21%	19%	24%	19%	3%	31%
Other	20%	17%	20%	31%	17%	22%
Drinking water treatment facility	19%	15%	27%	13%	13%	16%
None of the above	12%	23%	-	6%	27%	9%

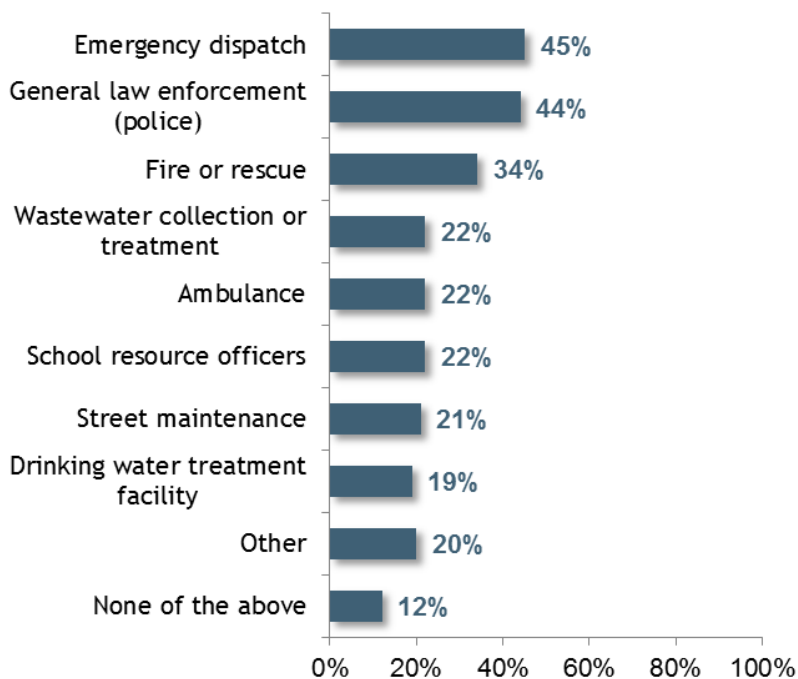


Exhibit 3: Table and Graph

Q2: In the past 12 months, has your municipality contracted any of the following services with private vendors? This may be a new or existing contract.

Contracted Services with Private Vendors						
	Overall	Municipal Population			Region	
		Less than 2,000	2,000 to 24,999	25,000 or more	Eastern Plains	Western Slope
Population Base	107	51	41	15	31	31
Q2						
Community building inspections	35%	35%	37%	27%	23%	26%
None of the above	34%	45%	22%	27%	55%	35%
Municipal building maintenance	32%	18%	39%	60%	16%	45%
Other	22%	14%	29%	33%	6%	32%
Park maintenance	17%	12%	20%	27%	10%	19%
Municipal fleet maintenance	14%	8%	15%	33%	10%	10%
Transit	7%	2%	10%	13%	-	3%

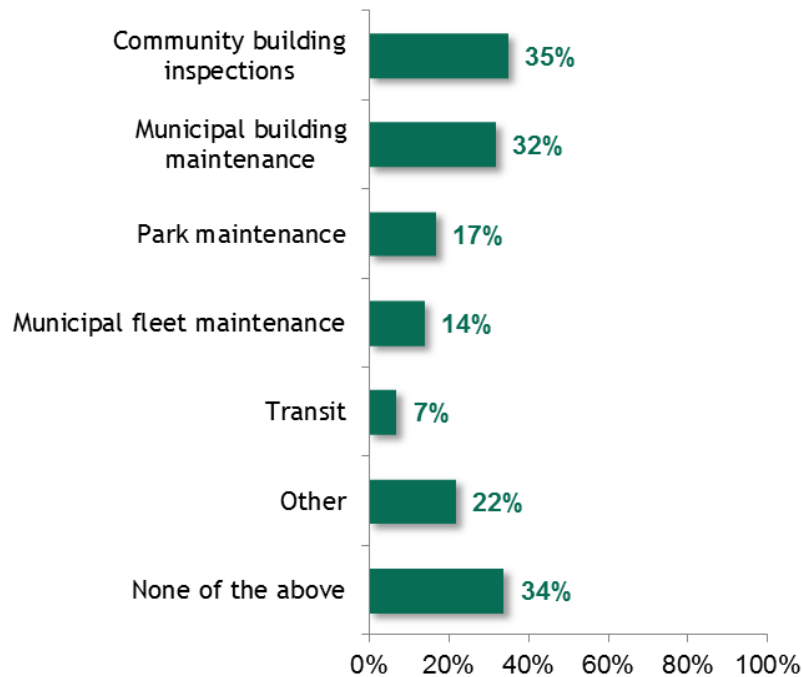
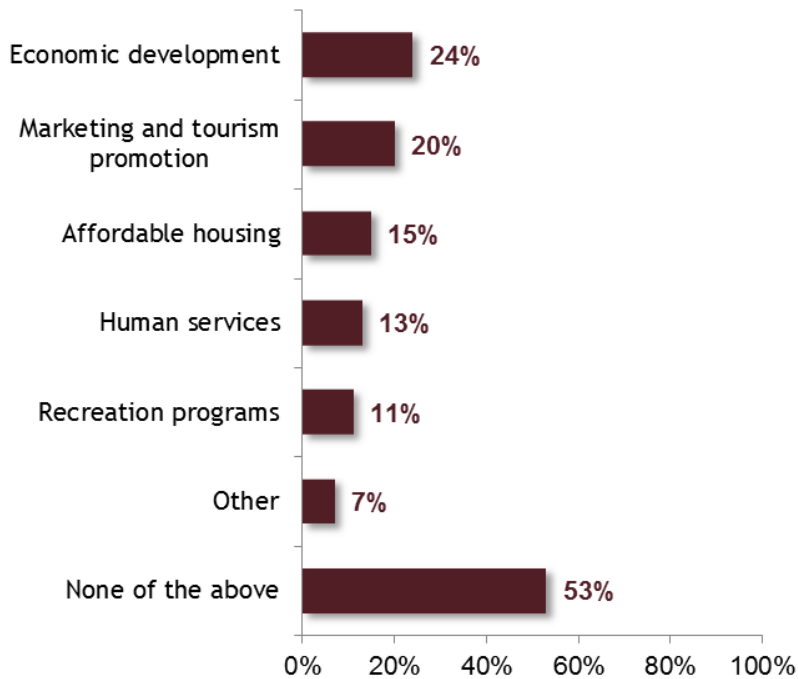


Exhibit 4: Table and Graph

Q3: In the past 12 months, has your municipality contracted any of the following services with non-profit agencies? This may be a new or existing contract.

Contracted Services with Non-Profits						
	Overall	Municipal Population			Region	
		Less than 2,000	2,000 to 24,999	25,000 or more	Eastern Plains	Western Slope
Population Base	102	47	39	16	28	30
Q3						
None of the above	53%	79%	38%	13%	71%	57%
Economic development	24%	11%	31%	44%	21%	17%
Marketing and tourism promotion	20%	9%	23%	44%	11%	23%
Affordable housing	15%	2%	15%	50%	4%	3%
Human services	13%	2%	13%	44%	-	10%
Recreation programs	11%	4%	10%	31%	4%	3%
Other	7%	4%	10%	6%	4%	13%

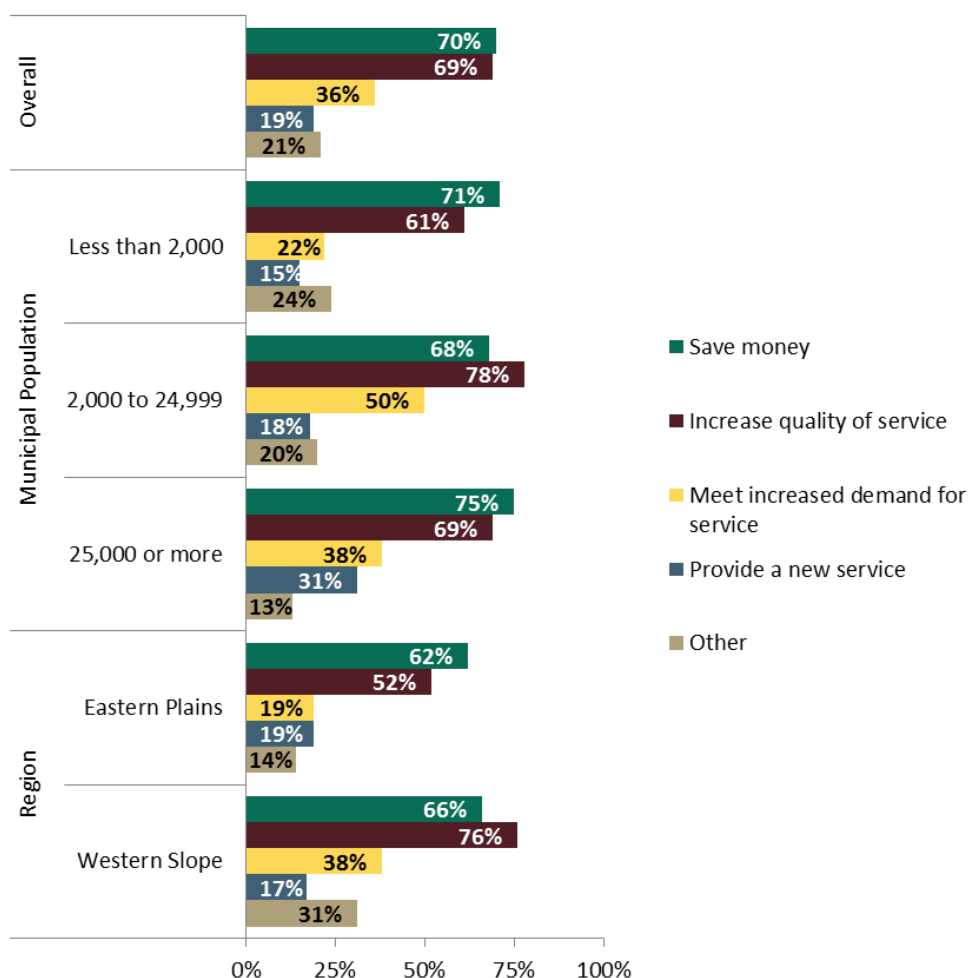


Questions 4 through 7 were only asked of municipalities that did provide any service by agreement or contract, as mentioned earlier in the survey.

Exhibit 5: Table and Graph

Q4: What were the primary results gained from entering into a shared service agreement or contract?

Primary Results Gained from Shared Services						
	Overall	Municipal Population			Region	
		Less than 2,000	2,000 to 24,999	25,000 or more	Eastern Plains	Western Slope
Population Base	97	41	40	16	21	29
Q4						
Save money	70%	71%	68%	75%	62%	66%
Increase quality of service	69%	61%	78%	69%	52%	76%
Provide a new service	19%	15%	18%	31%	19%	17%
Meet increased demand for service	36%	22%	50%	38%	19%	38%
Other	21%	24%	20%	13%	14%	31%

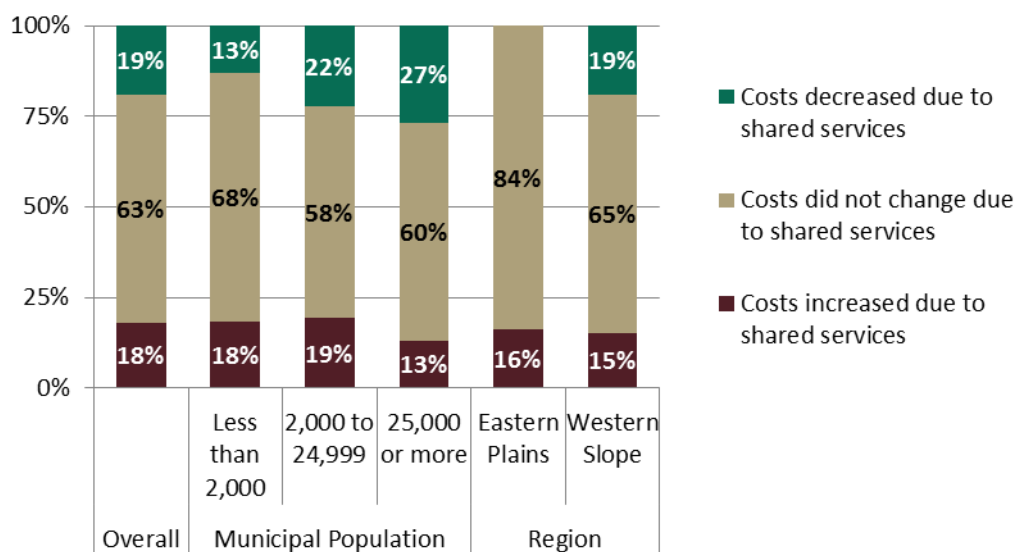


Questions 4 through 7 were only asked of municipalities that did provide any service by agreement or contract, as mentioned earlier in the survey.

Exhibit 6: Table and Graph

Q5: Have municipal costs changed due to entering into intergovernmental or non-profit agreements or private sector contracts for services in the past 12 months?

Municipal Cost Change Due to Shared Services						
	Overall	Municipal Population			Region	
		Less than 2,000	2,000 to 24,999	25,000 or more	Eastern Plains	Western Slope
Population Base	89	38	36	15	19	26
Q5						
Costs decreased due to shared services	19%	13%	22%	27%	-	19%
Costs did not change due to shared services	63%	68%	58%	60%	84%	65%
Costs increased due to shared services	18%	18%	19%	13%	16%	15%

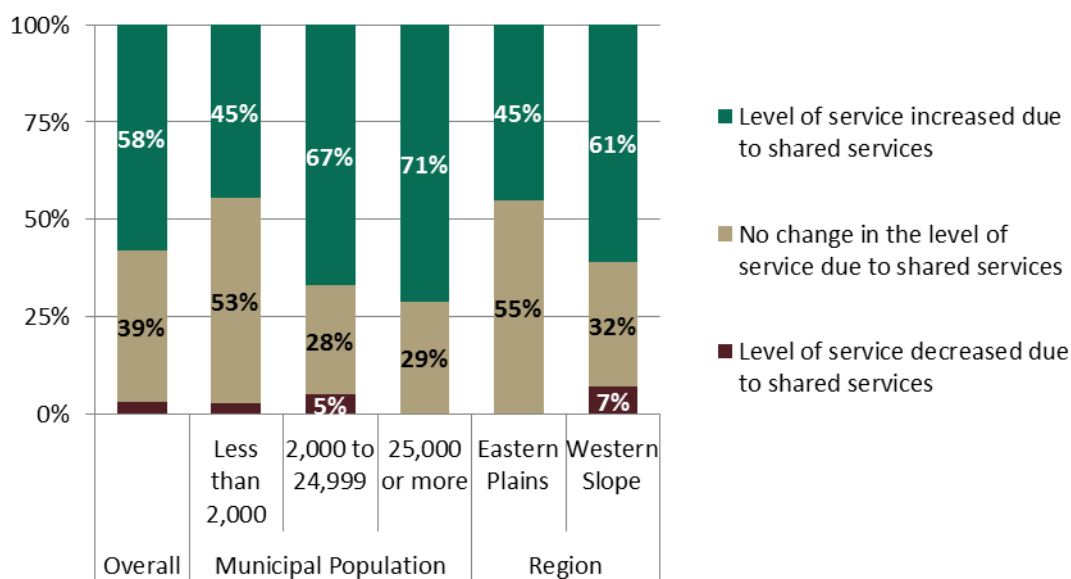


Questions 4 through 7 were only asked of municipalities that did provide any service by agreement or contract, as mentioned earlier in the survey.

Exhibit 7: Table and Graph

Q6: Has the overall level of service, either in quality or quantity, changed due to entering into intergovernmental or non-profit agreements or private sector contracts for services in the past 12 months?

Level of Service Change Due to Shared Services						
	Overall	Municipal Population			Region	
		Less than 2,000	2,000 to 24,999	25,000 or more	Eastern Plains	Western Slope
Population Base	93	40	39	14	20	28
Q6						
Level of service increased due to shared services	58%	45%	67%	71%	45%	61%
No change in the level of service due to shared services	39%	53%	28%	29%	55%	32%
Level of service decreased due to shared services	3%	3%	5%	-	-	7%



Questions 4 through 7 were only asked of municipalities that did provide any service by agreement or contract, as mentioned earlier in the survey.

Exhibit 8: Table and Graph

Q7: Have staffing numbers changed due to entering into intergovernmental or non-profit agreements or private sector contracts for service delivery in the past 12 months?

Staffing Change Due to Shared Services						
	Overall	Municipal Population			Region	
		Less than 2,000	2,000 to 24,999	25,000 or more	Eastern Plains	Western Slope
Population Base	97	42	40	15	22	29
Q7						
Staff numbers have not shifted or changed at all due to shared services	61%	74%	58%	33%	82%	52%
Staffing numbers have shifted in specific service areas, but total staffing has not changed	16%	12%	13%	40%	-	17%
Total staffing numbers <u>decreased</u> due to shared services	15%	7%	25%	13%	14%	21%
Total staffing numbers <u>increased</u> due to shared services	3%	2%	3%	7%	5%	3%
Other	4%	5%	3%	7%	-	7%

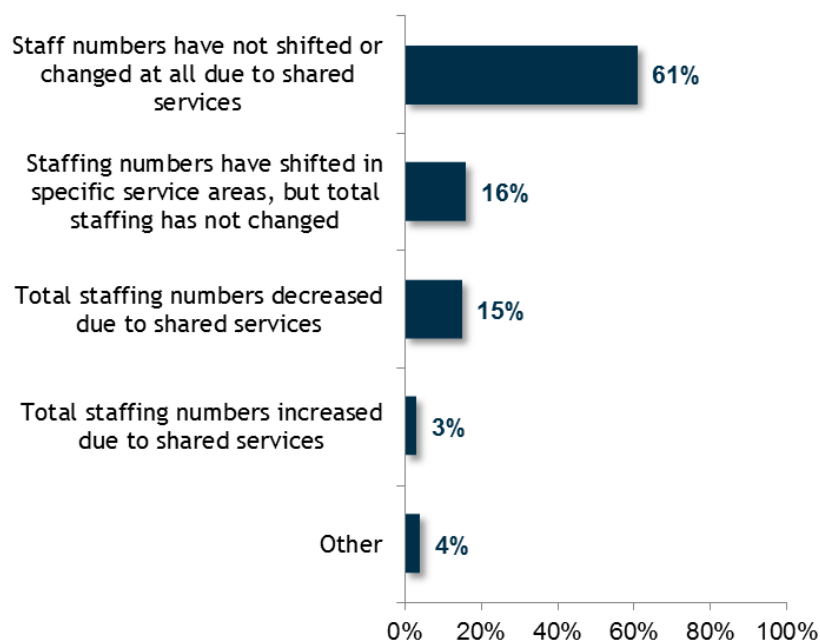


Exhibit 9: Table and Graph

Q8: Compared to 2010, has the total number of shared service agreements or contracts in your municipality changed? Shared service agreements and contracts include municipal intergovernmental and non-profit agreements and private sector contracts for services.

Changes in Shared Services Since 2010						
	Overall	Municipal Population			Region	
		Less than 2,000	2,000 to 24,999	25,000 or more	Eastern Plains	Western Slope
Population Base	110	54	41	15	31	32
Q8						
Number of shared service agreements has increased	43%	31%	54%	53%	23%	44%
No change in the number of shared service agreements	50%	59%	46%	27%	71%	50%
Number of shared service agreements has decreased	2%	4%	-	-	-	3%
Unsure	5%	6%	-	20%	6%	3%

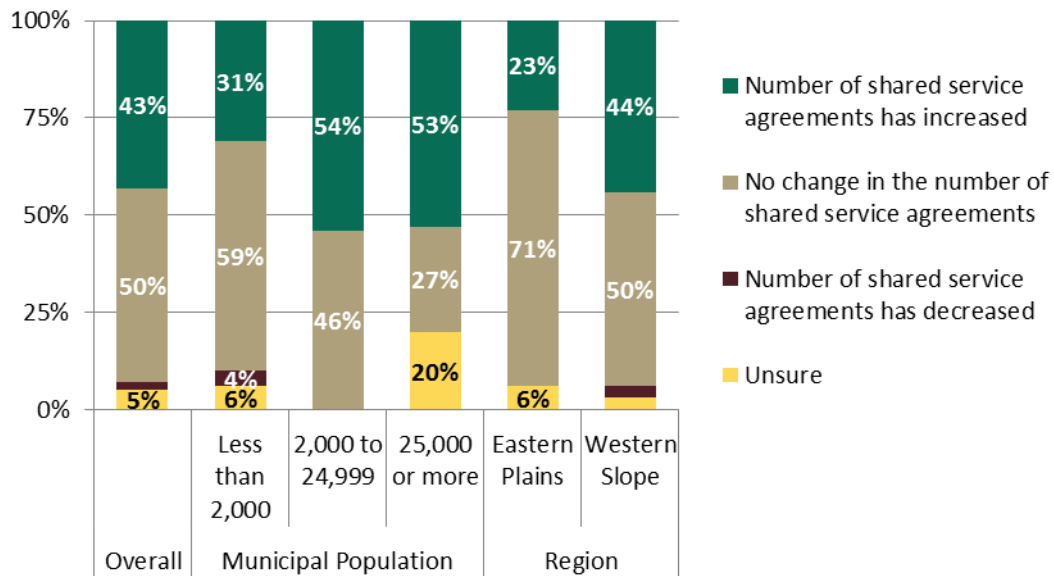
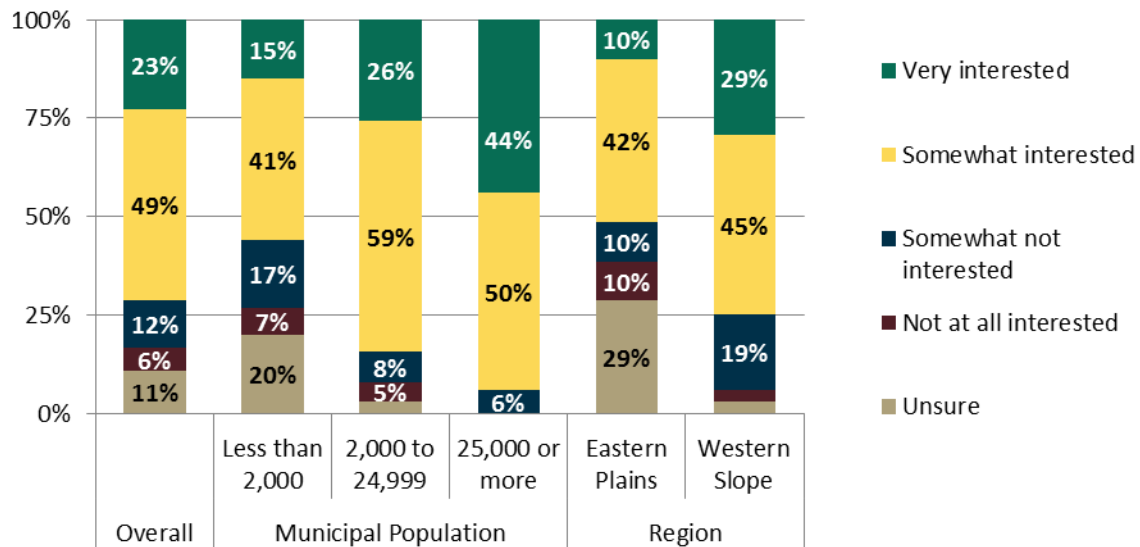
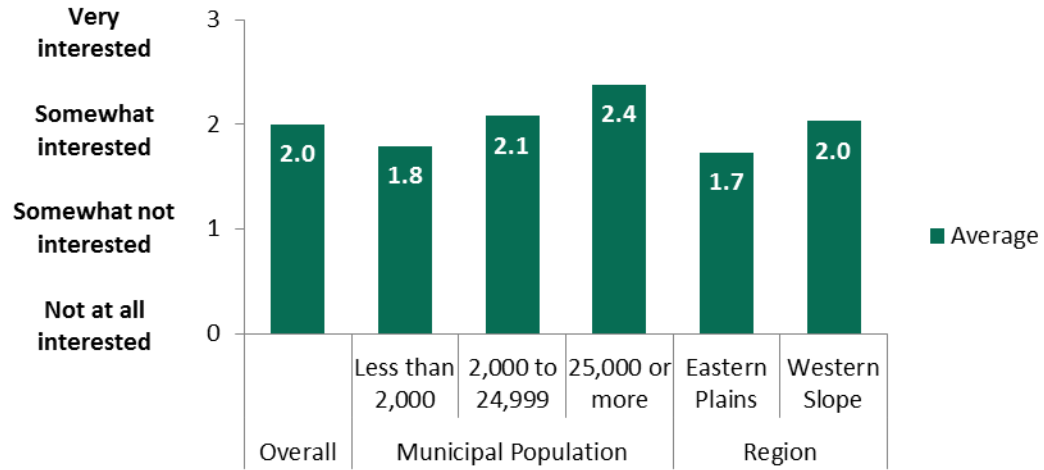


Exhibit 10: Table and Graphs

Q9: How would you rate your municipality's interest in pursuing intergovernmental or non-profit agreements or private sector contracts for service delivery in the next 12 months?

Interest in Pursuing Shared Services						
	Overall	Municipal Population			Region	
		Less than 2,000	2,000 to 24,999	25,000 or more	Eastern Plains	Western Slope
Population Base	109	54	39	16	31	31
Q9						
Very interested	23%	15%	26%	44%	10%	29%
Somewhat interested	49%	41%	59%	50%	42%	45%
Somewhat not interested	12%	17%	8%	6%	10%	19%
Not at all interested	6%	7%	5%	-	10%	3%
Unsure	11%	20%	3%	-	29%	3%
Average	2.0	1.8	2.1	2.4	1.7	2.0

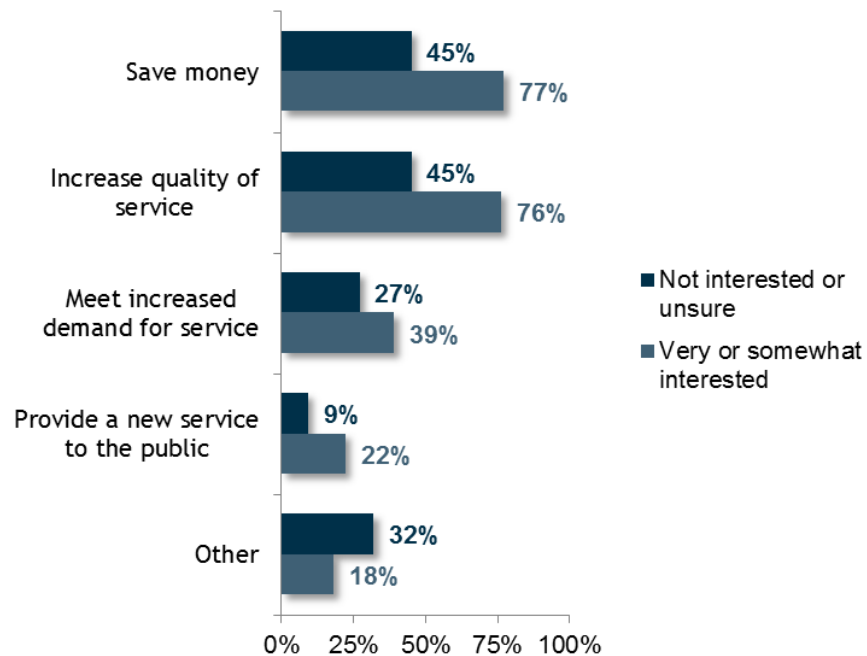




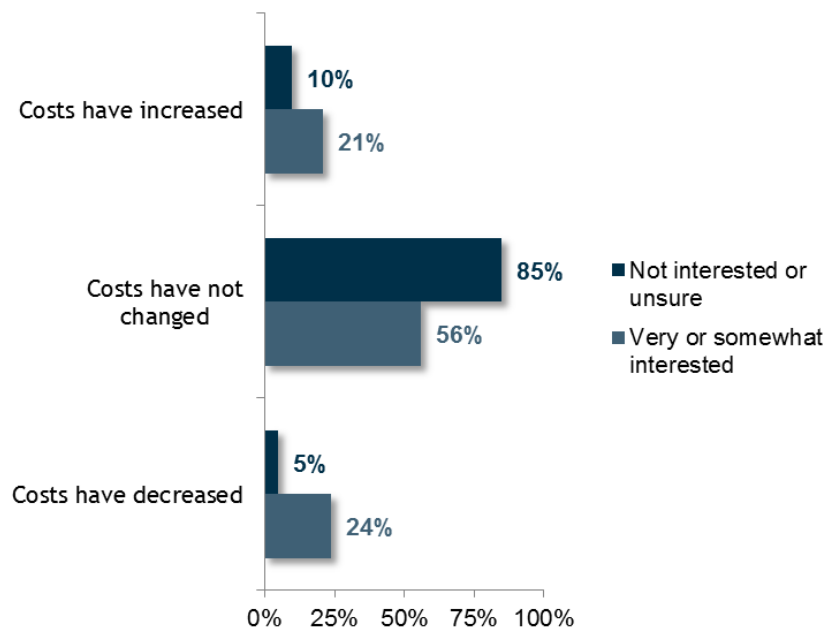
** Average scores were calculated by assigning numeric values to each response category: “Not at all interested” = 0, “Somewhat not interested” = 1, “Somewhat interested” = 2, and “Very interested” = 3*

Exhibit 11: Tables and Graphs
Outcomes from Shared Service Agreements (Q4 – Q7) by Interest in Pursuing Agreements in Next 12 Months (Q9)

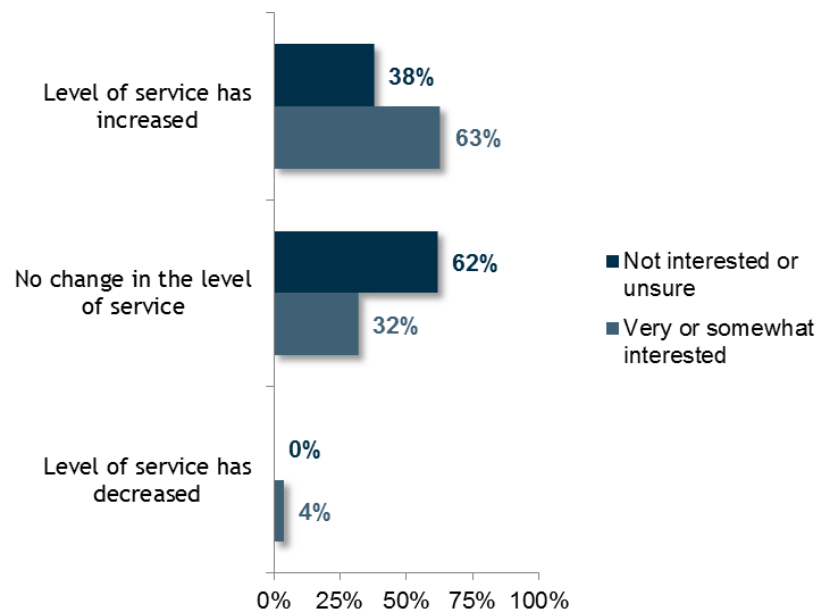
Gains from Sharing Services by Interest in Sharing Services		
	Interest in Pursuing Shared Services in Next 12 Months (Q9)	
	Very or somewhat interested	Not interested or unsure
Population Base	74	22
Q4		
Save money	77%	45%
Increase quality of service	76%	45%
Meet increased demand for service	39%	27%
Provide a new service to the public	22%	9%
Other	18%	32%



Municipal Cost Change by Interest in Sharing Services		
	Interest in Pursuing Shared Services in Next 12 Months (Q9)	
	Very or somewhat interested	Not interested or unsure
Population Base	68	20
Q5		
Costs have increased	21%	10%
Costs have not changed	56%	85%
Costs have decreased	24%	5%



Level of Service Change by Interest in Sharing Services		
	Interest in Pursuing Shared Services in Next 12 Months (Q9)	
	Very or somewhat interested	Not interested or unsure
Population Base	71	21
Q6		
Level of service has increased	63%	38%
No change in the level of service	32%	62%
Level of service has decreased	4%	-



Staff Change by Interest in Sharing Services		
	Interest in Pursuing Shared Services in Next 12 Months (Q9)	
	Very or somewhat interested	Not interested or unsure
Population Base	74	22
Q7		
Staffing numbers increased	4%	-
Staffing numbers have shifted, but total numbers have not changed	20%	5%
Staff numbers have not changed at all	55%	77%
Staffing numbers decreased	15%	18%
Other	5%	-

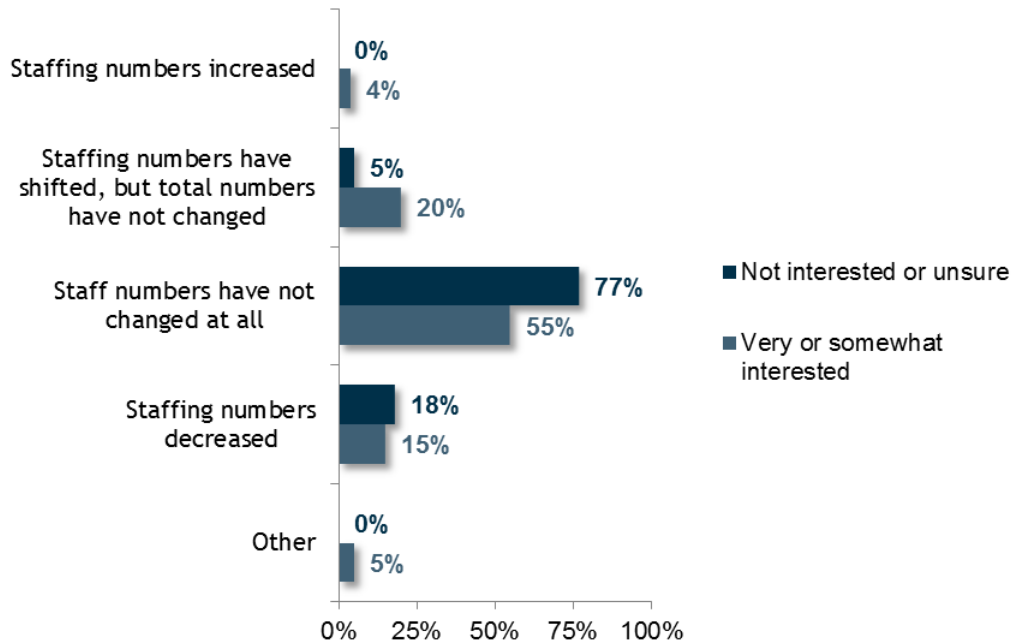


Exhibit 12: Table and Graph

Q10: Aside from these agreements, what steps have you taken to produce efficiencies in service delivery?

Other Steps Taken to Improve Efficiencies						
	Overall	Municipal Population			Region	
		Less than 2,000	2,000 to 24,999	25,000 or more	Eastern Plains	Western Slope
Population Base	108	52	40	16	29	32
Q 10						
Streamlined processes for customers	52%	27%	70%	88%	24%	50%
Automated service delivery	31%	8%	43%	75%	3%	41%
Conducted performance based budgeting	19%	12%	20%	44%	10%	16%
Hired outside efficiency consultants	9%	-	5%	50%	-	3%
Other	6%	4%	5%	19%	-	3%
None of the above	35%	62%	15%	-	69%	28%

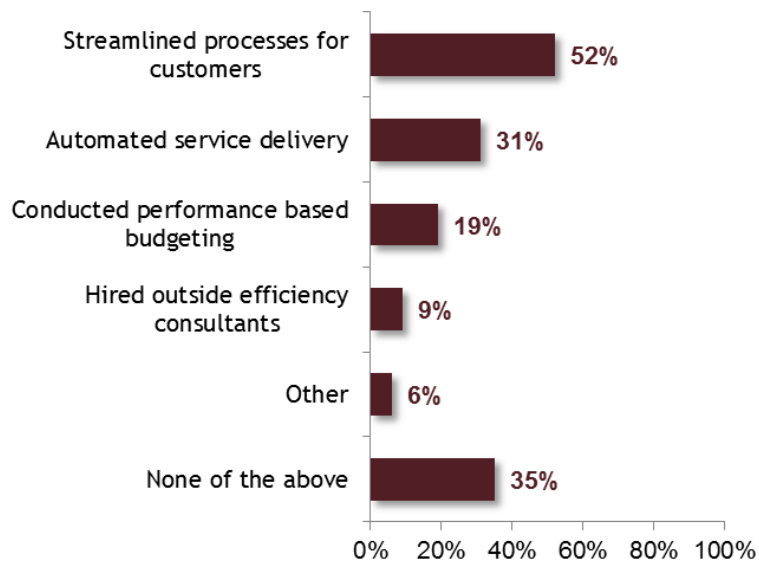
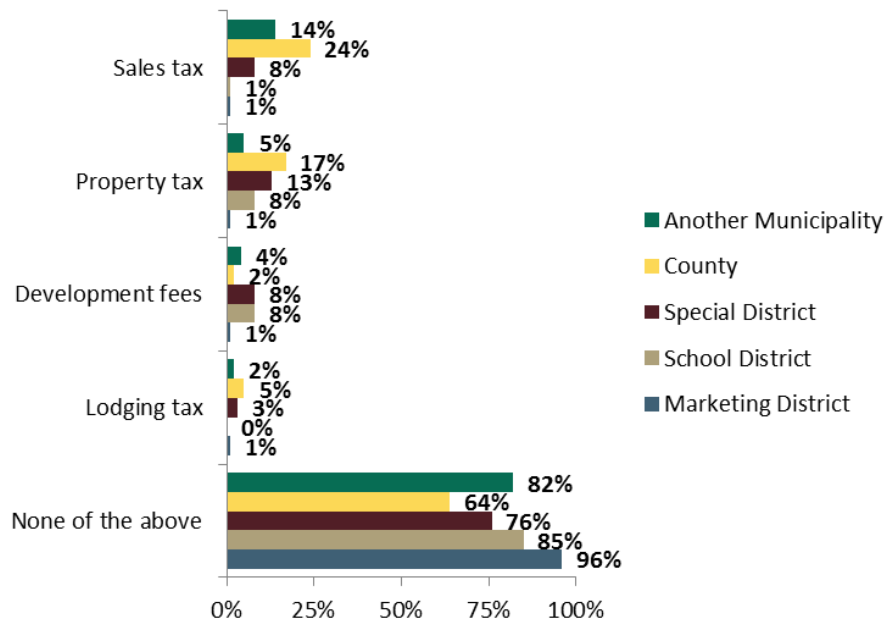


Exhibit 13: Table and Graph

Q11: Do you have any revenue sharing agreements with another taxing entity? If so, please specify what types of revenue are subject to the revenue sharing agreement with each type of entity. If “none”, please indicate “none” for that entity. You may select more than one type of revenue per entity.

Revenue Sharing					
	Overall				
	Another Municipality	County	Special District	School District	Marketing District
Population Base	100	104	98	93	91
Q 11					
Sales tax	14%	24%	8%	1%	1%
Property tax	5%	17%	13%	8%	1%
Development fees	4%	2%	8%	8%	1%
Lodging tax	2%	5%	3%	-	1%
None of the above	82%	64%	76%	85%	96%



* The number of respondents within each revenue type was too small for further segmentation.

SECTION 2: GENERAL MUNICIPAL REVENUE

Exhibit 14: Table and Graph

Q12: Do you feel the overall economy in your municipality is better or worse in FY 2015 compared to FY 2014?

Overall Feeling of the Economy						
	Overall	Municipal Population			Region	
		Less than 2,000	2,000 to 24,999	25,000 or more	Eastern Plains	Western Slope
Population Base	112	55	41	16	32	32
Q12						
Much better	17%	11%	22%	25%	6%	16%
Somewhat better	40%	29%	51%	50%	22%	50%
About the same	28%	38%	15%	25%	47%	22%
Somewhat worse	10%	15%	7%	-	9%	9%
Much worse	5%	7%	5%	-	16%	3%

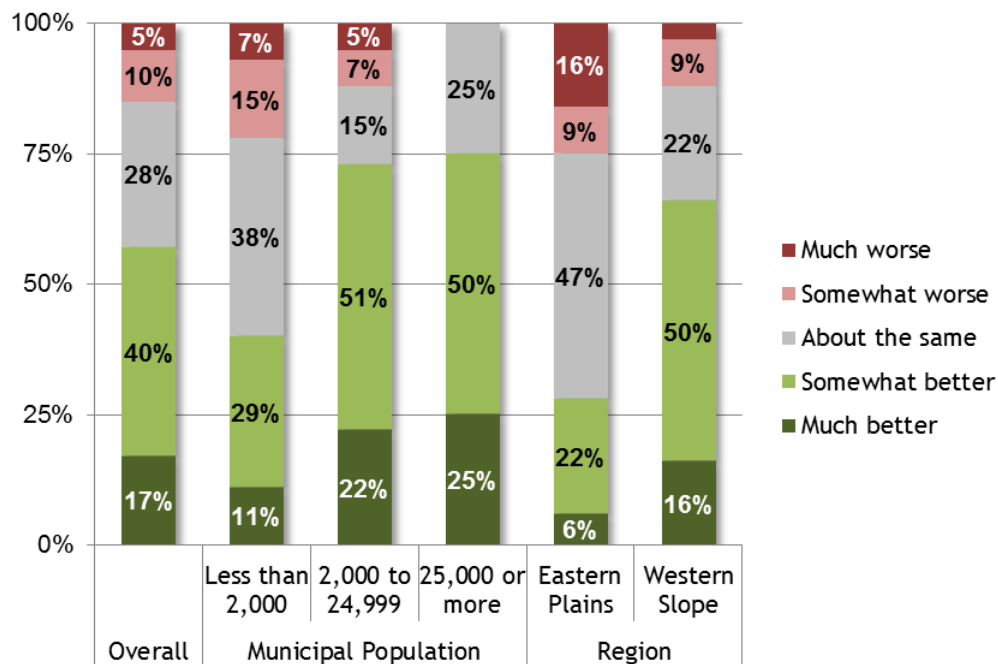


Exhibit 15: Table and Graph

Q13: Do you feel your municipality's revenue is better or worse in FY 2015 compared to FY 2014?

Overall Feeling of Municipality Revenue						
	Overall	Municipal Population			Region	
		Less than 2,000	2,000 to 24,999	25,000 or more	Eastern Plains	Western Slope
Population Base	112	55	41	16	32	32
Q 13						
Much better	16%	11%	22%	19%	6%	16%
Somewhat better	38%	24%	46%	69%	19%	38%
About the same	35%	49%	24%	13%	53%	34%
Somewhat worse	6%	9%	5%	-	6%	13%
Much worse	4%	7%	2%	-	16%	-

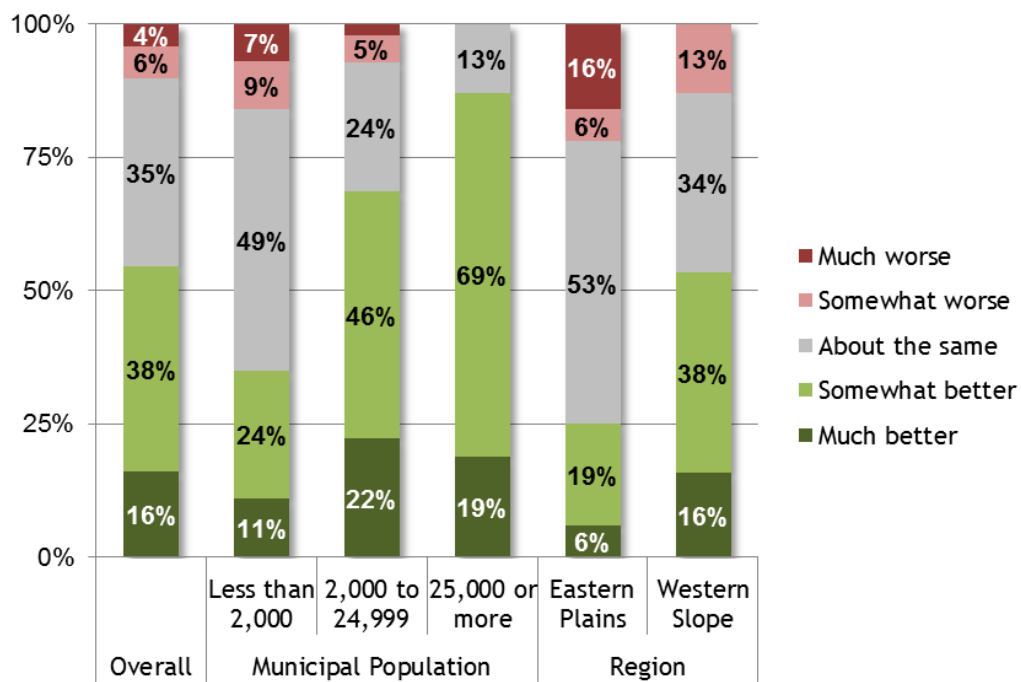


Exhibit 16: Tables and Graphs

Q14: For each of the following revenue categories, please first indicate whether you expect an increase, decrease, or no change for that source of revenue in 2015, and then indicate the estimated percent change from 2014.

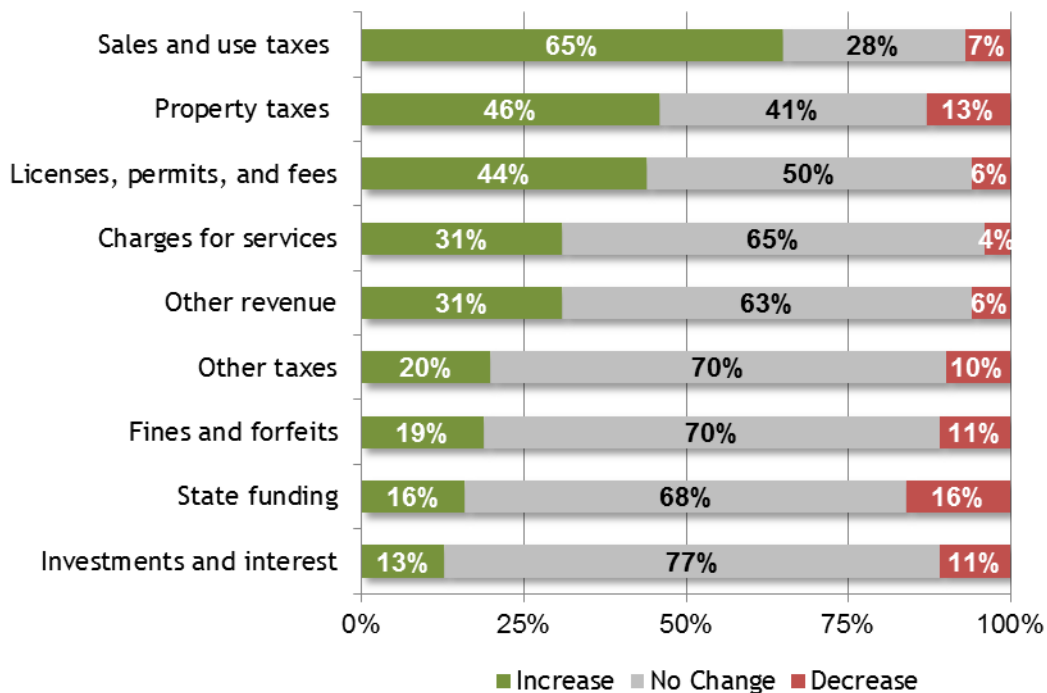
Revenue Changes by Source						
	Overall	Municipal Population			Region	
		Less than 2,000	2,000 to 24,999	25,000 or more	Eastern Plains	Western Slope
Sales and use taxes Include all municipal sales/use tax revenues and all shared revenues						
Increase	65%	47%	78%	93%	40%	77%
Decrease	7%	8%	10%	-	10%	6%
No Change	28%	45%	13%	7%	50%	16%
Property taxes Include general, capital expenditure, bond redemption and special fund property tax revenues.						
Increase	46%	39%	50%	60%	42%	41%
Decrease	13%	15%	10%	13%	16%	13%
No Change	41%	46%	40%	27%	42%	47%
State funding						
Increase	16%	15%	18%	13%	10%	16%
Decrease	16%	12%	21%	20%	14%	19%
No Change	68%	73%	62%	67%	76%	65%
Other taxes						
Increase	20%	12%	21%	47%	3%	26%
Decrease	10%	6%	13%	13%	3%	10%
No Change	70%	82%	66%	40%	93%	65%
Charges for services						
Increase	31%	22%	33%	60%	21%	37%
Decrease	4%	2%	3%	13%	3%	-
No Change	65%	76%	64%	27%	76%	63%
Licenses, permits, and fees						
Increase	44%	27%	59%	64%	24%	47%
Decrease	6%	4%	3%	21%	3%	-
No Change	50%	69%	38%	14%	72%	53%
Fines and forfeits						
Increase	19%	8%	23%	47%	7%	16%
Decrease	11%	14%	8%	13%	19%	6%
No Change	70%	78%	70%	40%	74%	78%

Continued from previous page...

Revenue Changes by Source						
	Overall	Municipal Population			Region	
		Less than 2,000	2,000 to 24,999	25,000 or more	Eastern Plains	Western Slope
Investment and interest income						
Increase	13%	6%	10%	40%	7%	10%
Decrease	11%	6%	10%	27%	7%	6%
No Change	77%	88%	79%	33%	86%	84%
Other revenue						
Increase	31%	22%	27%	67%	18%	14%
Decrease	6%	6%	9%	-	-	29%
No Change	63%	72%	64%	33%	82%	57%

* The number of responses varied for each item above, but slightly fewer than all respondents answered each question, except for "Other Revenue," which was answered by 35 respondents.

All Responding Municipalities (n ≈ 106)

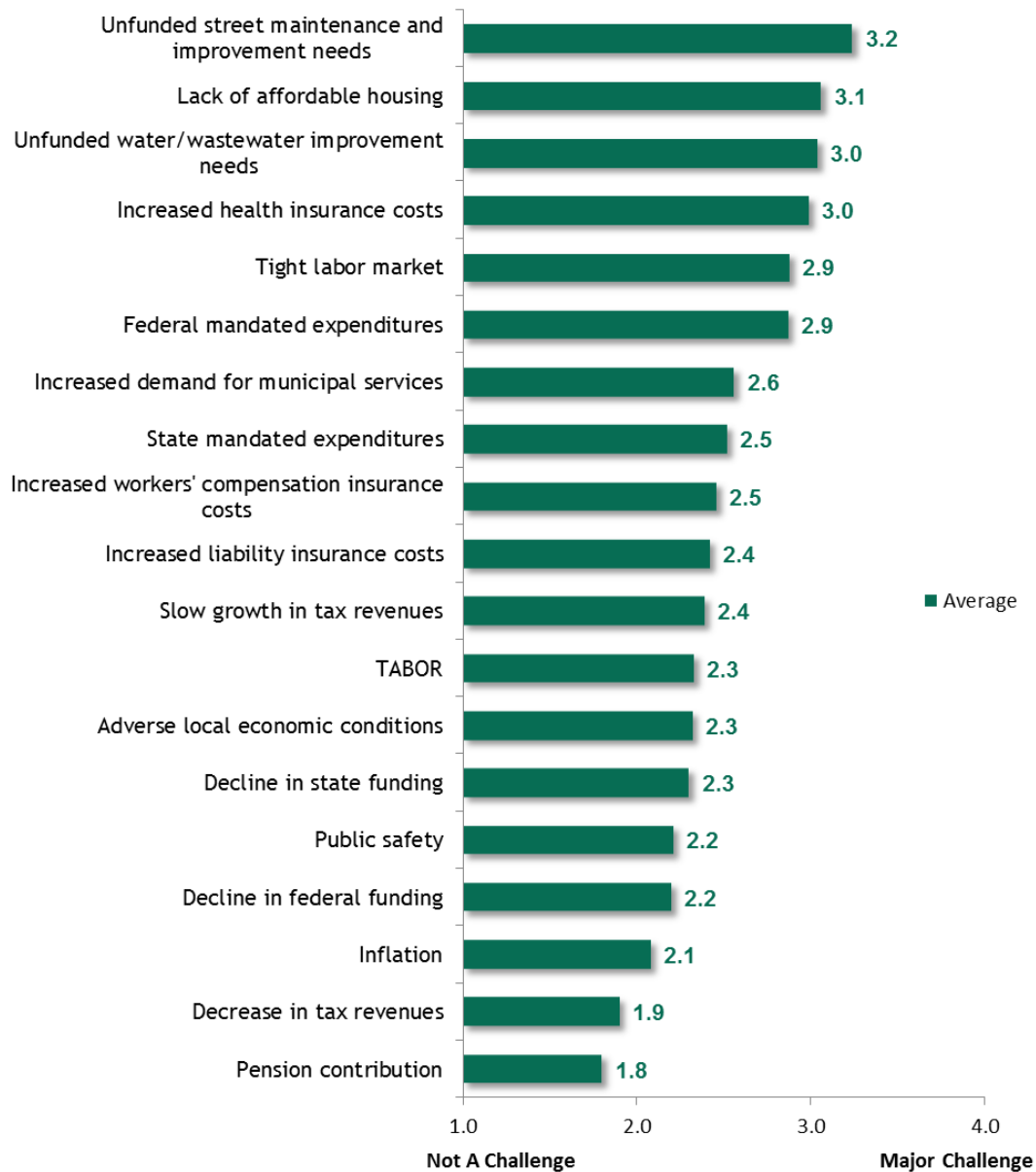


Average Percent <u>Increases</u> in Revenue							
	Number of Replies	Overall (Avg. %)	Municipal Population			Region	
			Less than 2,000 (Avg. %)	2,000 to 24,999 (Avg. %)	25,000 or more (Avg. %)	Eastern Plains (Avg. %)	Western Slope (Avg. %)
Sales and use taxes Include all municipal sales/use tax revenues and all shared revenues.	63	10	11	11	6	18	7
Property taxes Include general, capital expenditure, bond redemption and special fund property tax revenues.	42	11	12	13	4	16	11
State funding	13	57	9	113	10	13	173
Other taxes	17	5	6	5	5	-	6
Charges for services	28	9	17	4	6	18	4
Licenses, permits, and fees	38	14	22	12	9	33	10
Fines and forfeits	17	16	53	11	5	100	11
Investment and interest income	10	32	130	7	8	129	13
Other revenue	9	78	35	55	121	53	-

Average Percent <u>Decreases</u> in Revenue							
	Number of Replies	Overall (Avg. %)	Municipal Population			Region	
			Less than 2,000 (Avg. %)	2,000 to 24,999 (Avg. %)	25,000 or more (Avg. %)	Eastern Plains (Avg. %)	Western Slope (Avg. %)
Sales and use taxes Include all municipal sales/use tax revenues and all shared revenues.	7	15	17	14	-	19	9
Property taxes Include general, capital expenditure, bond redemption and special fund property tax revenues.	10	3	3	3	1	2	6
State funding	9	8	11	6	4	13	8
Other taxes	6	76	5	10	210	5	15
Charges for services	4	17	40	20	4	40	-
Licenses, permits, and fees	6	20	25	30	14	40	-
Fines and forfeits	8	22	28	20	12	28	-
Investment and interest income	8	12	34	4	4	34	2
Other revenue	2	18	15	20	-	-	18

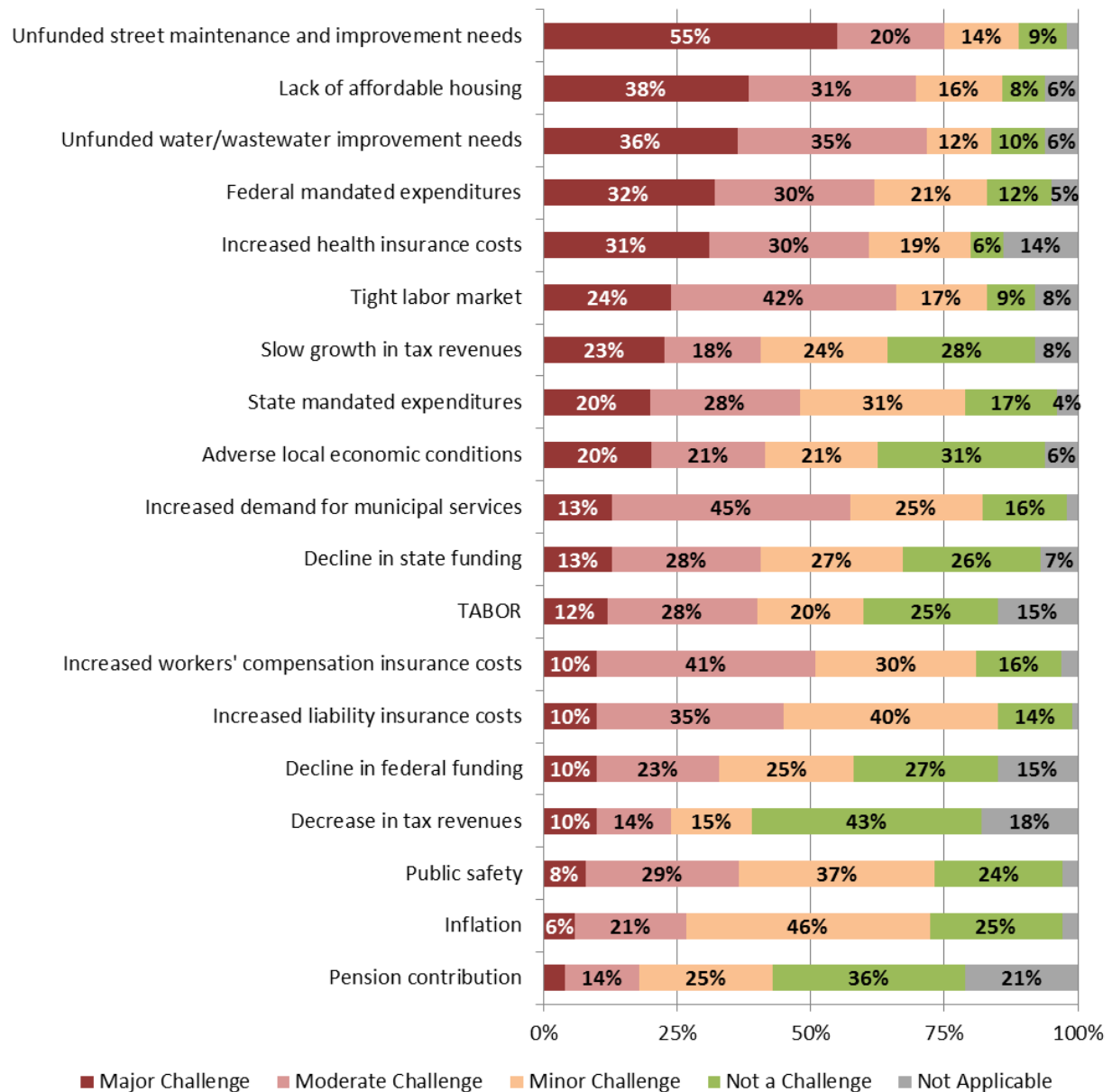
Exhibit 17: Graphs

Q15: Taking into account both the magnitude of the following issues and the ease or difficulty of addressing them, please rate the following potential fiscal challenges that your municipality may face in 2016. (All responding municipalities, n ≈ 106)



** Average scores were calculated by assigning numeric values to each response category: "Not A Challenge" = 1, "Minor Challenge" = 2, "Moderate Challenge" = 3, and "Major Challenge" = 4.*

Q15: Please rate the following potential fiscal challenges that your municipality may face in 2016.
(All responding municipalities, n ≈ 106)



APPENDIX A: SURVEY INSTRUMENT

The 2015 State of Our Cities and Towns survey follows. A cover letter from CML was also included.

2015 CML STATE OF OUR CITIES AND TOWNS SURVEY

MUNICIPAL INFORMATION

Please provide the following information.

Municipality: _____

Respondent's Name: _____

Title: _____

Address: _____

Telephone: _____

E-mail : _____



If you have any questions about survey content, please call Mark Radtke at CML (303) 831-6411 or mrادتke@cml.org. For technical assistance online, please contact Corona Insights at (303) 894-8246 or David@CoronaInsights.com

DEADLINE: August 7, 2015

Please send your completed questionnaire to the following address. You may also fill out the survey online.

Mail:

1580 Lincoln St., #600
Denver, CO 80203
(Envelope enclosed)

Online:

www.CoronaInsights.com/CML
Login: **yyyyy** (case sensitive)
Password: **xxxx**



SECTION 1: EFFICIENCIES IN PROVIDING MUNICIPAL SERVICES

To start, we would like to hear about steps your municipality has undertaken to increase efficiency, improve service, and/or lower costs in providing municipal services.

1. In the past 12 months, has your municipality participated in the delivery of the following services in partnership through formal agreement with other governmental entities? This may be a new or existing agreement. *Please check all that apply.*

- | | |
|---|---|
| <input type="checkbox"/> General law enforcement (police) | <input type="checkbox"/> Drinking water treatment facility |
| <input type="checkbox"/> Fire or rescue | <input type="checkbox"/> Wastewater collection or treatment |
| <input type="checkbox"/> School resource officers | <input type="checkbox"/> None of the above |
| <input type="checkbox"/> Emergency dispatch | <input type="checkbox"/> Other <i>Please list:</i> |
| <input type="checkbox"/> Ambulance | |
| <input type="checkbox"/> Street maintenance | |
-
-

2. In the past 12 months, has your municipality contracted any of the following services with private vendors? This may be a new or existing contract. *Please check all that apply.*

- | | |
|---|---|
| <input type="checkbox"/> Municipal building maintenance | <input type="checkbox"/> Community building inspections |
| <input type="checkbox"/> Municipal fleet maintenance | <input type="checkbox"/> None of the above |
| <input type="checkbox"/> Park maintenance | <input type="checkbox"/> Other <i>Please list:</i> |
| <input type="checkbox"/> Transit | |
-
-

3. In the past 12 months, has your municipality contracted any of the following services with non-profit agencies? This may be a new or existing contract. *Please check all that apply.*

- | | |
|--|--|
| <input type="checkbox"/> Recreation programs | <input type="checkbox"/> Human services |
| <input type="checkbox"/> Marketing and tourism promotion | <input type="checkbox"/> None of the above |
| <input type="checkbox"/> Economic development | <input type="checkbox"/> Other <i>Please list:</i> |
| <input type="checkbox"/> Affordable housing | |
-
-

If any service was provided by agreement or contract in Questions 1-3 above, please answer the following questions. Otherwise, skip to Question 8.

4. What were the primary results gained from entering into a shared service agreement or contract? *Please check all that apply.*

- | | |
|--|--|
| <input type="checkbox"/> Save money | <input type="checkbox"/> Other <i>Please list:</i> |
| <input type="checkbox"/> Increase quality of service | |
| <input type="checkbox"/> Provide a new service to the public | |
| <input type="checkbox"/> Meet increased demand for service | |
-
-

5. Have municipal costs changed due to entering into intergovernmental or non-profit agreements or private sector contracts for services in the past 12 months?

- | |
|--|
| <input type="checkbox"/> Yes, costs have <u>increased</u> due to these agreements or contracts |
| <input type="checkbox"/> Yes, costs have <u>decreased</u> due to these agreements or contracts |
| <input type="checkbox"/> Costs have <u>not changed</u> due to these agreements or contracts |

6. Has the overall level of service, either in quality or quantity, changed due to entering into intergovernmental or non-profit agreements or private sector contracts for services in the past 12 months?
- ☐ Yes, the level of service has increased due to these agreements or contracts
 - ☐ Yes, the level of service has decreased due to these agreements or contracts
 - ☐ No change in the level of service due to these agreements or contracts
7. Have staffing numbers changed due to entering into intergovernmental or non-profit agreements or private sector contracts for service delivery in the past 12 months?
- ☐ Yes, total staffing numbers increased due to agreements or contracts
 - ☐ Yes, total staffing numbers decreased due to agreements or contracts
 - ☐ Staffing numbers have shifted in specific service areas due to agreements or contracts, but total staffing levels have not changed
 - ☐ Staff numbers have not shifted or changed at all due to agreements or contracts
 - ☐ Other: Please describe: _____
8. Compared to 2010, has the total number of shared service agreements or contracts in your municipality changed? *Shared service agreements and contracts include municipal intergovernmental and non-profit agreements and private sector contracts for services.*
- ☐ Yes, the number of shared service agreements has increased since 2010
 - ☐ Yes, the number of shared service agreements has decreased since 2010
 - ☐ No change in the number of shared service agreements compared to 2010
 - ☐ Unsure
9. How would you rate your municipality's interest in pursuing intergovernmental or non-profit agreements or private sector contracts for service delivery in the next 12 months?
- ☐ Very interested
 - ☐ Somewhat interested
 - ☐ Somewhat not interested
 - ☐ Not at all interested
 - ☐ *Unsure*
10. Aside from these agreements, what steps have you taken to produce efficiencies in service delivery? *Please check all that apply.*
- ☐ Conducted performance based budgeting
 - ☐ Hired outside efficiency consultants
 - ☐ Automated service delivery
 - ☐ Streamlined processes for customers
 - ☐ None of the above
 - ☐ Other *Please list:* _____
11. Do you have any revenue sharing agreements with another taxing entity? If so, please specify what types of revenue are subject to the revenue sharing agreement with each type of entity. *If "none", please indicate "none" for that entity. You may select more than one type of revenue per entity.*

	Sales tax	Lodging tax	Property tax	Development fees	None of the above
Another municipality	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
County	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Special district	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
School district	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marketing district	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If there are other entities for which you have a revenue sharing agreement, or you share another type of revenue, please provide a brief explanation below.

SECTION 2: GENERAL MUNICIPALITY REVENUE

How is your municipality's financial situation? We want to know how your municipality is doing, economically and financially.

12. Do you feel the overall economy in your municipality is better or worse in FY 2015 compared to FY 2014?

☐ Much Better
 ☐ Somewhat Better
 ☐ About The Same
 ☐ Somewhat Worse
 ☐ Much Worse
 ☐ Don't Know

13. Do you feel your municipality's revenue is better or worse in FY 2015 compared to FY 2014?

☐ Much Better
 ☐ Somewhat Better
 ☐ About The Same
 ☐ Somewhat Worse
 ☐ Much Worse
 ☐ Don't Know

14. For each of the following revenue categories, please first indicate whether you expect an increase, decrease, or no change for that source of revenue in 2015, and then indicate the estimated percent change from 2014.

*Do not enter negative percents. If there was a decrease, please check the decrease box and then enter the amount. To calculate percent change, use the formula: **(2015 revenue – 2014 revenue)/2014 revenue x100**. For example, if your revenue was \$20,000 in 2014 and \$30,000 in 2015, the increase would be 50%.*

Revenue from...	Increase	Decrease	No Change	Percent Change in Revenue
Sales and use taxes <i>Include all municipal sales/use tax revenues and all shared revenues.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	____ %
Property taxes <i>Include general, capital expenditure, bond redemption and special fund property tax revenues.</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	____ %
State funding	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	____ %
Other taxes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	____ %
Charges for services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	____ %
Licenses, permits, and fees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	____ %
Fines and forfeits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	____ %
Investment and interest income	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	____ %
Other revenue: <i>Please describe:</i> _____ _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	____ %

15. Taking into account both the magnitude of the following issues and the ease or difficulty of addressing them, please rate the following potential fiscal challenges that your municipality may face in **2016**.

	Major Challenge	Moderate Challenge	Minor Challenge	Not A Challenge	Not Applicable
TABOR	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Slow growth in tax revenues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Decrease in tax revenues	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Decline in federal funding	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Decline in state funding	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Increased liability insurance costs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Increased health insurance costs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Increased workers' compensation insurance costs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Federal mandated expenditures (environmental requirements, ADA compliance, etc.)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
State mandated expenditures	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Increased demand for municipal services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Adverse local economic conditions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Inflation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Unfunded street/road maintenance and improvement needs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lack of affordable housing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Tight labor market	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Public safety	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Unfunded water/wastewater improvement needs	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Pension contribution	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

16. If you have any additional comments you would like to provide to CML regarding this survey or the state of your municipality, please provide them below.

You're finished!

Thank you for your participation!

DEADLINE: August 7, 2015

Please send your completed questionnaire in the enclosed envelope to:

**Corona Insights
1580 Lincoln St., #600
Denver, CO 80203**