GOVERNANCE 101
Statutory and home rule

Colorado cities and towns operate under provisions of Colorado state statutes (and are referred to as "statutory" cities and towns) unless voters adopt a municipal charter to become a "home rule" city or town.

Home rule is based on the theory that the citizens of a municipality should have the right to decide how their local government is to be organized and how their local problems should be solved. Municipal home rule derives its authority directly from the Colorado Constitution. It affords residents of cities and towns that adopt a local charter freedom from the need for state-enabling legislation and protection from state interference in "both local and municipal matters."

Municipal government structures in Colorado

The most common form of municipal government in Colorado is the council/manager system in which the municipality is administered by a professional manager hired by the elected body. The city council or board of trustees sets policy and adopts an annual budget for the municipality, while the city manager or town administrator is responsible for the day to day activities of municipal government, such as hiring staff and carrying out policy directives. In this system, municipal government is run more like a business with the manager in the role of chief executive officer.

Some municipalities, such as Colorado Springs, Denver, Leadville, and Pueblo, have established a strong mayor form of government. The mayor and city council are elected by the voters. The mayor serves as the chief executive who prepares the budget, hires and directs staff, and proposes ordinances for the municipality. The city council is the legislative body that debates and acts on ordinances, adopts a budget, and approves the mayor’s appointments.

In municipalities without a manager, the governing body itself must supervise and coordinate municipal administration, collectively or by division of responsibilities among members of the board of trustees. For example, one trustee or a committee of trustees may be responsible for supervision of street maintenance. Municipal employees are hired directly by the trustees and work under their direction.

Two Colorado municipalities, Ophir and Ward, operate under the town meeting form of government, in which policy decisions are made at an annual meeting of residents.

Georgetown is Colorado’s only municipality incorporated by a territorial charter granted prior to statehood.

Resources

For more information on the basics of municipal government, see the CML publication Colorado Municipal Government: An Introduction, available for purchase at www.cml.org/home/publications-news/bookstore.
Elected officials become caretakers of their community's public life. Their deeds can help strengthen local governance and problem solving in ways that make the future brighter. Their leadership can motivate people to work together for a common good — to transform goals and objectives into a positive reality. The job of the municipal governing body is frequently stated simply: Set public policy.

Sound policy decisions are the result of hard work. Policymaking in a municipality is complex. It requires a belief in the municipality, an understanding of its people, and a concept of what government is, does, could do, and should do.

Sound policy decisions result when elected officials possess determination, imagination, and devotion to the best interest of the public. A member of the governing body who cannot view public interest apart from personal interests is of little help in determining sound public policies.

Discovering what the people want may be difficult, and the people may not always agree. Elected officials will receive expressions of interest or protest in the form of emails, telephone calls, protest petitions, and comments at public meetings. However, these expressions may or may not reflect the desires or best interests of the community as a whole, as opposed to the strong desires of vocal special interest groups.

Elected officials should seek opinions and ideas from a wide spectrum of people through informal conversations, discussions with friends and business associates, and speaking engagements. One might assume that residents do not care how a problem is resolved unless they express themselves; however, it is important to always keep in mind that a few loud voices on a certain issue may be misleading. Much of the work by councilmembers and trustees is to seek public opinion, balance pressures from different interests, and determine what course public policy should take.

The public holds elected officials to a high standard. The public expects:

- Honesty
- Decisions that put the community first, rather than the interest of the public official
- An open, impartial, and fair decision-making process
- Respect for individual rights and community rights
- Accountability
- Forthrightness
- Decorum and professionalism
- Personal character and lawful personal behavior

Resources

CML occasionally offers a day-long workshop, Effective Governance for Elected Officials, which provides a valuable overview of your role as an elected official, including policy making and working with your fellow councilmembers or trustees. View a free recording of this workshop at www.cml.org/home/education-training/elected-officials under the New to Office tab.
Working with the public and the media

A well-informed public results in an improved flow of ideas and opinions, easier law enforcement, and increased understanding of the problems that face municipal government.

Ways to inform the public are a matter of common sense, and most of the techniques are obvious. Here is a partial listing:

- **Expand personal contacts.** Just as an elected official asks personal acquaintances and business associates for their opinions on issues, such contacts are equally useful to explain what the municipal government is trying to accomplish.

- **Use social media.** Many municipal officials are finding that communicating in this manner is a cost-effective and efficient way to reach citizens, many of whom have never before interacted with their city or town government. The benefits are vast: nearly free, easy to use, effective at spreading news beyond an initial audience — and it is where people already are. Your city or town may already have platforms you can utilize.

- **Encourage attendance at meetings.** Although citizens can find out easily when meetings of the governing body are held, members of the governing body should be sure that all meetings are given advance publicity to encourage attendance and that citizens have an opportunity to be heard.

- **Establish good relations with the media.** Members of the governing body may find that what they say makes news. Media can be of real assistance in letting the public know about government activities. Public information officers from Colorado municipalities offer the following guidance in working with the media: be honest; establish a good working relationship before a crisis or controversy; treat the media with respect; respond to media inquiries promptly; provide the facts of an issue in a short, understandable format; and email or make a direct call to a reporter with a priority story.

Of all levels of government, cities and towns enjoy the closest relationship with their constituents. For that relationship to be a positive one, municipal officials must establish and maintain effective methods of communication with citizens.
Budgeting basics

Each year the municipal governing body must adopt a budget and pass a spending appropriations ordinance for the coming year.

The budget document is a work plan converted to dollars and cents.

The budget consists of two parts: a carefully prepared estimate of revenues and a tabulation of the estimated amounts of money required to finance each activity listed.

In budgeting, the governing body makes important decisions about the work priorities of the municipality. Is a swimming pool more important than storm drains? Does the municipality need a new library more than it needs extra police officers? Should the potholes be filled or the street completely rebuilt? It is a process by which the governing body determines the community’s standard of living — what the community needs and wants, what it is willing and able to pay for, and what services it can expect to receive for its tax dollars.

A capital budget is a long-term plan for capital improvements. It usually is prepared along with the annual operating budget. After an estimate of revenue available for public improvements is prepared, a list is made of needed capital improvements in order of priority for the planning period. The planning period is generally for about five years, although there is frequently a general overall plan prepared for a longer period. Capital budgeting forces the municipality to prioritize the more important big purchases and capital improvements and helps provide a stabilized tax rate.

Sources of revenue

Municipalities have three primary local sources of revenue:

- **Sales tax** is levied on retail sales of tangible personal property and some services. **Use tax** is a sales tax levied on goods purchased outside the municipality, but stored, used, or consumed within the municipality.

- **Property tax** is levied based on the valuation of taxable property. The levy of one mill collects $1 per $1,000 of assessed value.

- **Fees** are charges imposed for the purpose of defraying the cost of a particular government service. Examples include recreation fees, facilities fees, impact fees and franchise fees.

All municipalities also share revenue from the Colorado Highway Users Tax Fund. These dollars are collected by the state from vehicle registrations and motor fuel sales and distributed by formula. Other state revenues shared with municipalities through either a formula or grant process include marijuana, cigarette, severance taxes, and lottery proceeds.

Resources

CML has published several publications that can be of assistance in understanding budgeting and sources of revenue: *Colorado Municipal Government: An Introduction, Municipal Taxes, Municipal User Charges and Fees,* and *TABOR: A Guide to Taxpayer Bill of Rights.*

Additionally, CML produced a five-minute video Take 5: Budget Basics that may be of interest, available for free at www.cml.org/home/publications-news/resource-detail/Take-5-Budget-Basics.
Counties, school districts, and special districts
Residents of a municipality are also residents of a county, a school district, and, in some cases, one or more special districts. It is to the benefit of residents that their representatives in the various local governments work in harmony and, when appropriate, coordinate their efforts. In some areas, local government officials periodically hold joint work sessions to discuss mutual concerns and to inform each other about priorities and projects. The Colorado Municipal League works closely with our counterparts (Colorado Counties Inc., Colorado Association of School Boards, and Special District Association of Colorado) on issues that impact the family of local government.

Intergovernmental agreements
Closer working relationships have led to a wide variety of intergovernmental agreements (IGAs) that provide joint provision of public services. To meet higher costs of service delivery, increased demand for service, and the demands for new services, municipalities are increasingly turning to shared services solutions.

State of Colorado
The Colorado Constitution is the ultimate authority for state law; thus, actions of all municipalities are always subject to it. Thus, some state legislation may control the activities of municipalities. Because of this, CML employs an advocacy team to lobby municipal interests before the Colorado General Assembly. The State of Colorado is a partner of local governments, most directly through the Department of Local Affairs (DOLA). DOLA provides both technical assistance and grants to cities and towns, as well as to counties and special districts.

United States of America
The federal government is the ultimate authority for national law, and CML is active in advocacy both directly with Colorado’s Congressional delegation as well as through the National League of Cities (NLC), CML’s national counterpart. Many federal agencies provide services and grants to local governments. Announcements of these opportunities frequently appear in the CML Newsletter.

Resources
Ethics
Some municipalities are governed by a locally adopted code of ethics, while others follow state law. The code of ethics in state statute specifies rules of conduct and violations that constitute a breach of fiduciary duty and the public trust.

Local government officials and employees shall not:

• disclose or use confidential information acquired in the course of their official duties to further substantially their personal financial interests;
• accept a gift of substantial value or a substantial economic benefit tantamount to a gift of substantial value (see Amendment 41 below);
• engage in a substantial financial transaction for their private personal gain with someone they inspect or supervise in the course of their official duties;
• perform an official act directly and substantially affecting its economic benefit to a business or other undertaking in which they either have a substantial financial interest or are engaged as counsel, consultant, representative; or agent; nor
• hold an interest in any contract entered into by the governing body.

Amendment 41
Municipal officials and their immediate family members are barred from accepting gifts with a value exceeding $65 from any one person in any calendar year. Exceptions include gifts from family and personal friends, campaign contributions, awards such as plaques and trophies, and food and beverage at events where the elected official is listed as part of the program. Amendment 41 does not apply to home rule municipalities that have adopted their own ethics code.

Conflict of interest
Elected officials are required to abstain from voting on any proposed or pending matter before the governing body when they have a personal or private interest in the matter.

When this situation arises, the official must disclose the interest to the governing body, not vote, and not attempt to influence the votes of other members of the governing body.

Generally, a personal or private interest is treated as a financial stake in the matter at hand. This standard is applied to avoid the appearance of impropriety among government officials. Officials should consult with their municipal attorney on questions of whether they have a personal or private interest in a matter.

Quasi-judicial proceedings
Quasi-judicial matters that come before a governing body (for example, zoning appeals) are based on constitutional due process requirements that call for a fair hearing before a neutral decision maker when individual property rights are at stake.

Three rules to keep in mind for quasi-judicial hearings:
• Follow the applicable legal criteria and apply those criteria to the evidence heard at the hearing to arrive at a decision.
• Refrain from "outside the hearing" contacts regarding a pending quasi-judicial matter.
• Do not participate in decisionmaking in a quasi-judicial matter in which you have a conflict of interest.

Resources
For more information on ethics and proper conduct, contact your municipal attorney, or contact CML legal staff at 303-831-6411 or 866-578-0936.


Other valuable resources can be found on the CML website (www.cml.org) under Topics & Key Issues > Ethics, including a Knowledge Now white paper and FAQ produced by CML.
Website

CML’s website, www.cml.org, is the municipal information hub.

Advocacy & Legal

Learn about the latest legislation, Colorado laws enacted, federal legislation, contact information for your legislator, policy development, amicus briefs, legal services, and ballot propositions. Read the blog "CML Legislative Matters" at www.cml.org/home/advocacy-legal/cml-legislative-matters.

Networking & Events

Find a calendar of upcoming events, such as the CML annual conference and outreach and district meetings. Also, learn about committees, districts and sections, listservs, and membership.

Education & Training

Access information about running for office, find training opportunities and materials, access other educational resources, and view free webinars on various topics.

Publication & News

Read various CML publications, such as the CML Newsletter, Colorado Municipalities, Knowledge Now, State of Our Cities & Towns, and Compensation Report. Learn about a specific municipality through the interactive Colorado Data map, and learn about Lessons on Local Government.

Topics & Key Issues

Look for information and news by topic, which range from affordable housing to water and wastewater.

Videos

CML produces videos to present training and information throughout the state. Videos range from the Take 5 series (learn five things or more in five minutes or less) to the 26-minute State of Our Cities & Towns, from one-hour webinars to full-day workshops. All can be found at www.cml.org.

Publications

CML regularly releases in-depth reports and reference guides, from a recent publication on community policing to affordable housing, fiscal conditions, beer and liquor, homelessness, ethics and liability, home rule, historic preservation, and more. Visit the online store at www.cml.org/home/publications-news/bookstore.

Periodicals

The biweekly CML Newsletter publishes breaking news, while the bimonthly Colorado Municipalities magazine provides in-depth knowledge and best practices. The Statehouse Report is emailed each week during the legislative session and contains policy information and a video report from CML lobbyists. Knowledge Now, a white paper series, features practical research on timely topics. For more information, visit www.cml.org/home/publications-news.

Training

More than 1,000 municipal officials participate in a CML training experience each year on a variety of cutting-edge topics in several formats, from in-person in Denver or on the road to webinars from the convenience of your computer. Webinars are even free for municipal officials (although registration is required). Learn more at www.cml.org. Trainings are affordable and, more importantly, valuable.

Annual conference

The CML annual conference offers dozens of educational sessions focusing on municipal issues in Colorado. Combined with valuable networking with fellow municipal officials, it is the premier event not to be missed. For details, visit www.cml.org/annual-conference.

MUNIversity

To recognize municipal elected officials who invest time and resources to increase their knowledge of municipal government and enhance their capacity to lead by attending CML events and trainings, CML formed the MUNIversity program. All elected officials from member municipalities are automatically enrolled in MUNIversity, with credits accumulated for each training attended. Find out more at www.cml.org/muniversity.