

General Services

General Services Summary

	2010 Actual	2011 Appropriated	2012 Recommended
General Fund			
Agencies			
General Services Administration	\$991,733	\$787,000	\$831,000
Purchasing	1,708,475	2,180,500	2,119,300
Facilities Management	15,120,355	16,939,400	16,365,900
Energy Management	27,919,303	29,257,700	26,730,200
Total	\$45,739,865	\$49,164,600	\$46,046,400
Expenditures			
Personnel Services	\$8,729,694	\$8,912,534	\$9,200,492
Services and Supplies	35,970,622	39,058,276	35,752,553
Capital Expenditures	0	0	0
Internal Services & Misc.	1,039,549	1,193,790	1,093,355
Total General Fund	\$45,739,865	\$49,164,600	\$46,046,400
Internal Service Funds			
Central Services	\$3,887,302	\$3,148,500	\$3,136,200
Total	\$3,887,302	\$3,148,500	\$3,136,200
Expenditures			
Personnel Services	\$272,189	\$178,116	\$183,741
Services and Supplies	3,592,448	2,938,771	2,928,913
Capital Expenditures	0	0	0
Internal Services & Misc.	22,665	31,613	23,546
Total Internal Service Funds	\$3,887,302	\$3,148,500	\$3,136,200
Special Revenue Funds			
General Government	\$12,557,949	\$14,210,343	\$14,528,708
Culture and Recreation	39,898,784	41,119,300	41,694,600
Total Special Revenue Funds	\$52,456,734	\$55,329,643	\$56,223,308
Personnel Complement			
General Fund	157.9	142.3	138.6
Internal Service Funds	9.4	3.0	3.0
Special Revenue Funds	66.5	62.5	71.8
Total Personnel Complement	233.8	207.8	213.3
Capital Improvements			
Capital Improvement Funds		\$2,015,000	\$1,795,000
Entertainment and Cultural Funds		2,735,280	2,407,000
Bond Project Funds		3,229,368	0
Grant/Other Project Funds		\$1,059,300	801,240
Total Capital Improvements		\$9,038,948	\$5,003,240

General Services

Departmental Summary

Mission

The mission of the Department of General Services is provide services from a centralized location and to provide the highest quality and value-added support services to all its customers, both internal and external, which will result in improved levels of service and efficiency in operations.

Executive Overview

The Department of General Services improves citywide processes by consolidating services within a centralized organization. The Department performs a variety of functions including: management and repair of City facilities; coordination of energy and sustainability initiatives; procurement of citywide goods and services; negotiation and management of the City's printing and copier contracts; and delivery of interoffice mail. General Services also maintains and hosts a wide array of public events in Denver's theaters and arenas.

Services are provided through the following programs (please refer to the Program Inventory for program descriptions):

- Administration
- Energy Management
- Facilities Management
- Purchasing (Citywide)

Arts and Venues Denver

- Administration (Arts and Venues Denver)
- Marketing (Arts and Venues Denver)
- Arenas (Arts and Venues Denver)
- Denver Performing Arts Complex (Arts and Venues Denver)
- Colorado Convention Center (Arts and Venues Denver)
- Arts Program Development (Arts and Venues Denver)

Departmental Strategies and Initiatives

- Administration – provides management and policy direction, fiscal management, internal agency support, and guidance for the entire department. It also oversees the citywide Records Management Program.
- Energy Management – Reduce citywide energy consumption and demand through the implementation of industry-wide best practice strategies such as establishing building based energy budgets, tracking, monitoring and reporting energy data to end users, and implementing an enhanced Preventative Maintenance (PM) program that identifies system degradation early.
- Facilities Management – Increase efficiency in the delivery of facility operations and maintenance services Citywide through coordination with other City agencies and improve management practices by identifying and analyzing costs by facility and service type.
- Facilities Management – Provide facility management services for the new Better Denver bond-related Safety Department Crime Lab Building – anticipated to open April 2012.
- Purchasing (Citywide) - Provide leadership to ensure City agencies partner with the local business community.
- Purchasing (Citywide) – Leverage centralized administration of procure to pay services to increase collaboration between agencies, vendors, and the Purchasing Division. Coordinate with Technology Services and City Controller to accomplish upgrade to the City's financial system (PeopleSoft version 9.1).

Departmental Summary

- Central Services (citywide) – Ensure successful migration of all City agencies printing to the State of Colorado in order to achieve targeted savings and customer service satisfaction.
- Arts and Venues Denver – Promote local arts through the creation and implementation of a successful business model that includes the promotion, management and operations of cultural venues.

General Services

General Services Administration

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Agency Description

General Services Administration plans, directs and monitors the activities of the operating divisions of the Department of General Services, including Facilities Management, Purchasing, Energy Management, Central Services, and Arts and Venues Denver. General Services Administration assists with policy formulation and the overall strategic management of the Department, evaluates administrative and operational functions and reviews business processes, thereby ensuring optimal use of available resources.

Program Descriptions

Administration includes key activities such as policy development and direction, establishment of agency goals, objectives and guidelines, contract management, and public education and media relations. Additionally, this agency's administration program manages the citywide records program and mail delivery, provides a liaison to the Denver Metro Convention and Visitor's Bureau, and provides support to the Arts and Venues Denver division.

Budget Highlights	2010	2011	2012	\$	%
	<u>Actual</u>	<u>Appropriated</u>	<u>Recommended</u>	<u>Change</u>	<u>Change</u>
<u>Expenditures</u>					
General Fund by Type					
Personnel Services	\$879,916	\$645,742	\$692,163	\$46,421	7.2%
Services and Supplies	97,852	125,195	125,195	0	0.0%
Capital Equipment	0	0	0	0	0.0%
Internal Services and Misc.	13,963	16,063	13,642	(2,421)	(15.1%)
	\$991,733	\$787,000	\$831,000	\$44,000	5.6%
General Fund by Activity					
Office of the Manager	\$461,227	\$635,875	\$723,748	\$87,873	13.8%
Financial	258,009	59,286	12	(59,274)	(100.0%)
Human Resources	141,752	0	0	0	0.0%
Mail Delivery	<u>130,743</u>	<u>91,839</u>	<u>107,240</u>	<u>15,401</u>	<u>16.8%</u>
	\$991,733	\$787,000	\$831,000	\$44,000	5.6%
Special Revenue Fund by Activity (Estimated)					
Marketing (Citywide)	\$12,539,382	\$14,062,669	\$14,484,549	\$421,880	3.0%
Total Program Expenditures	\$13,531,115	\$14,849,669	\$15,315,549	\$465,880	3.1%
<u>Personnel Complement</u>					
General Fund (Budgeted)					
Office of the Manager	5.25	6.25	6.25	0.00	0.0%
Financial	4.65	1.00	0.00	(1.00)	(100.0%)
Human Resources	3.00	0.00	0.00	0.00	0.0%
Mail Delivery	<u>4.00</u>	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>	<u>0.0%</u>
	16.90	8.25	7.25	(1.00)	(12.1%)

Significant Budget Changes by Program**Administration**

- An increase of \$97,500 in personnel services due to vacancy savings related to a community projects manager position that was held vacant for 2011 being added back in for the 2012 budget.
- An increase of \$47,000 for mail delivery services due to vacancy savings in 2011 but added back in for the 2012 budget.
- A decrease of \$84,500 and 1.0 FTE in personnel services primarily due to a safety and hygiene professional that transferred to Facilities Management.

The budgeted vacancy savings is \$5,654. The budgeted furlough savings is \$9,097.

Capital Equipment

None.

General Services

Purchasing

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Agency Description

Purchasing uses its expertise in negotiation, competitive bid solicitations, term contracts, cooperative procurement strategies and bid exceptions management to implement procurement best practices and efficiencies that benefit the City. Purchasing provides opportunities to qualified, responsible firms to participate in the City's procurement of goods and services. Purchasing oversees the disposal of surplus personal property.

Program Descriptions

The **Purchasing** (citywide) program goal is to procure goods and services at the best possible value for City agencies. It educates City agencies and the vendor community in purchasing processes and procedures and provides citywide administration for the procurement card and travel card programs. Purchasing also manages surplus property activities, including the personal property donation process for non-profits, and also oversees the disposal of surplus personal property (includes lost, abandoned and confiscated property) through sealed bid sales, auctions and on-site sales, and moving and auctioneering services.

Strategic Initiatives

- Leverage technology to improve ease of use for casual users, reduce procurement costs and risks, improve compliance, optimize spend analysis and increase the use of the City's financial system for purchases.
- Leverage outreach with vendor associations to increase interest in procurement opportunities.
- Leverage Procurement Cards (P-Card) to increase efficiencies in transactions for services that do not benefit from the use of a purchase order.
- Continue building the partnerships with key agencies to enhance and maximize resources and create efficiencies in processes and procedures.

Performance Measures

	2009	2010	2011	2012
	Actual	Actual	Estimated	Objective
Purchasing (Citywide)				
Cost Savings	\$3,088,713	\$3,090,052	\$3,500,000	\$4,000,000
Average days requisition to purchase order	8.14	6.28	5.00	4.00
Number of Purchase Orders	2,787	5,581	12,000	15,000
Number of annual master purchase orders	478	476	476	500
Spend on Purchase Orders	\$72,792,163	\$66,029,883	\$103,403,045	\$130,000,000
Spend on Non-PO Vouchers	\$187,978,872	\$190,099,281	\$140,531,841	\$130,000,000
Spend on Procurement Cards	\$8,318,255	\$10,374,668	\$16,500,000	\$30,000,000

Performance Context

- The Procure to Pay (P2P) system was implemented in 2010 and an overall a significant performance improvement is anticipated.

- **Cost Savings** is one of the best indicators of an effective procurement function and measures its contribution to cost reduction. This amount is the estimated difference between market price of products and the actual price paid by the City.
- **Average days requisition to purchase order** indicates the efficiency in the process by tracking the time from an agency’s request (requisition) and when a PO is sourced to a vendor (PO).
- **Number of annual master purchase orders** indicates the effectiveness of Purchasing’s ability to aggregate purchases for common items in order to generate cost savings. Master purchase orders allow one bid to cover commonly used and recurring items to be covered under one agreement.
- Increasing the **Number of Purchase Orders** under the management of Purchasing is an indicator of successful P2P implementation. The more purchases that come through Purchasing means that the more of the City’s purchases benefit from citywide discounts.
- **Spend on non-PO vouchers and (P-Card)** are the only other alternatives to a Purchase Order for procurement. These measures will establish benchmarks for optimizing the efficiency of the procurement process by driving transactions to the appropriate procurement method.

Budget Highlights	2010	2011	2012	\$	%
	Actual	Appropriated	Recommended	Change	Change
<u>Expenditures</u>					
General Fund by Type					
Personnel Services	\$1,417,901	\$1,803,910	\$1,740,985	(\$62,925)	(3.5%)
Services and Supplies	273,155	351,132	351,132	0	0.0%
Capital Equipment	0	0	0	0	0.0%
Internal Services and Misc.	<u>17,417</u>	<u>25,458</u>	<u>27,183</u>	<u>1,725</u>	<u>6.8%</u>
	\$1,708,475	\$2,180,500	\$2,119,300	(\$61,200)	(2.8%)
General Fund by Activity					
Administration	\$301,767	\$320,911	\$322,408	\$1,497	0.5%
Procurement	1,090,196	1,419,767	1,361,383	(58,384)	(4.1%)
Surplus Property	<u>316,511</u>	<u>439,822</u>	<u>435,509</u>	<u>(4,313)</u>	<u>(1.0%)</u>
	\$1,708,475	\$2,180,500	\$2,119,300	(\$61,200)	(2.8%)
<u>Personnel Complement</u>					
General Fund (Budgeted)					
Administration	3.00	3.00	3.00	0.00	0.0%
Procurement	17.00	20.00	20.00	0.00	0.0%
Surplus Property	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>0.00</u>	<u>0.0%</u>
	22.00	25.00	25.00	0.00	0.0%

Purchasing

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Budget Highlights	2010	2011	2012	\$	%
	<u>Actual</u>	<u>Appropriated</u>	<u>Recommended</u>	<u>Change</u>	<u>Change</u>
<u>Revenue</u>					
General Fund					
Misc. General Government	\$1,433,212	\$520,200	\$918,300	\$398,100	76.5%
Fines and Forfeits	<u>3,864,672</u>	<u>3,928,600</u>	<u>4,150,600</u>	<u>222,000</u>	<u>5.7%</u>
	\$5,297,884	\$4,448,800	\$5,068,900	\$620,100	13.9%

Significant Budget Changes by Program

Purchasing (Citywide)

- A net decrease of \$62,900 in personnel services primarily due to turnover.
- A revenue increase of \$360,000 from the sale of surplus City vehicles and heavy equipment. The 2011 auction revenue was lower than usual due to fewer vehicles available for sale.
- A revenue increase of \$200,000 from auction of confiscated and unclaimed vehicles, due to an anticipation that the City will be able to collect more vehicles in 2012.
- A revenue increase of \$60,100 primarily due to devoting a staff buyer to an enhanced rebate purchasing strategy.

The budgeted vacancy savings is \$17,339. The budgeted furlough savings is \$28,961.

Capital Equipment

None.

Agency Description

Energy Management (EM) provides energy management and consultation in the design, construction and operation of building systems in all City buildings. It also monitors and pays the City's utility bills and tracks energy data for use in building performance reporting. EM manages the energy accounts and efficiency initiatives for City government operations and serves as the center for energy management for building operations including energy procurement, performance tracking, improved operations and maintenance, and building retrofits. EM is leading the effort to accomplish the City's goal of reducing its energy consumption and greenhouse gas (GHG) emissions. Approximately half the utility expenses are for operating more than 200 City facilities. The other half of the expenses pay Xcel Energy for the operation and maintenance of the streetlight and traffic signal system.

Program Description

The **Energy Management** program goal is to fulfill the City's commitment to minimize energy consumption, contain energy expenditures and reduce greenhouse gas emissions in the City buildings. The Energy Management team achieves these goals using a data driven approach to decision making. To facilitate the decision-making, the team utilizes industry best practices. Following are the descriptions of each activity:

- **Energy Accounting:** Uses a web-enabled database and reporting system that allows for monitoring the City's energy use and costs at the building level and agency level. The system provides energy consumption and cost information for data analysis. Ninety percent of the utility bills (by cost) are electronically transferred using Electronic Data Interchange (EDI) with Xcel Energy.
- **Benchmarking:** Energy benchmarking provides a detailed understanding of building energy use that allows energy efficiency efforts to be targeted for the greatest impact. The benchmarking tool measures the total energy consumed in a building and adjusts for other operational factors such as location and year of construction. Benchmarking allows for comparisons among buildings, which enables strategic decision making.
- **Total Cost of Ownership (TCO)** is a comprehensive and objective analysis used for decision-making purposes regarding capital expenditures during the lifetime of a physical asset. Capital expenditure decisions occur at every lifecycle phase, which includes programming, design, construction, operations, maintenance, repairs and utilization. Implementing a TCO analysis process for all City capital projects links capital spending to long-term operating affordability.
- **Energy Efficient Operations and Maintenance:** A best-practice operation and maintenance (O&M) program increases the efficiency of facility staff, improves building operational practices, and reduces utility costs. Implementing a best-practice O&M program can reduce facility energy use by 5-20 percent without significant capital investment. EM works closely with the various facility management teams in the City to ensure the City O&M program accounts for the relationship between O&M and energy use.

Additionally, EM monitors, tracks, and pays the City's costs for the street lighting system, which is owned, operated and maintained by Xcel Energy. The streetlights are a fixed cost to the City that is regulated by the Public Utilities Commission (PUC). Street lighting is a public service that contributes to neighborhood livability and safety of the transportation system. Street lighting illuminates hazards in the right-of-way and improves driver, cyclist, and pedestrian safety. Other street lighting expenses are included in the budgets of Public Works and Parks and Recreation for the installation of new streetlights and non-routine maintenance of existing streetlights.

Strategic Initiatives

- Establish a citywide Energy Team made up of *energy champions* from each of the agencies responsible for managing its facilities. The energy champion will be responsible for tracking and communicating performance using data provided by the web-based energy accounting system.

Energy Management

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- Develop total cost of ownership guidelines to ensure citywide consideration of long-term or life-cycle operating costs.
- Identify organizational activities that affect O&M and building-energy use, and incorporate a long-range perspective into these related activities.
- Develop an energy commissioning activity that will ensure that new buildings operate as intended and that building staff are prepared to operate and maintain building systems and equipment. The complex systems in many of the City’s larger buildings require a systematic approach and a broad skill set from an engineering professional. Industry data shows that an ongoing commissioning program results in an initial 20 percent energy cost savings. If the team remains in place, the persistence of those savings continue each year.

Performance Measures

	2009	2010	2011	2012
	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>	<u>Objective</u>
Energy Use Index (EUI) kBtu/sq ft				
General Services Team	87	76	72	69
Sheriff’s Department Team	198	190	181	172
Parks and Recreation Team	171	161	153	146
Denver Public Libraries Team	115	110	105	100

Performance Context

- **The Energy Use Index (EUI)** is a measure of the total energy consumed per square foot of a building. It includes electricity consumption and any other fuels used to operate the building such as natural gas, steam, etc. The EUI allows facility managers and operators to compare the building’s energy intensity to other similar buildings across their portfolio. The EUI gives a sense of relative energy use and can help teams identify realistic targets for energy consumption.
- The performance target for **energy use** is to reduce energy consumption per square foot of City building space by 1 percent per year through 2015.

Budget Highlights

	2010	2011	2012	\$	%
	<u>Actual</u>	<u>Appropriated</u>	<u>Recommended</u>	<u>Change</u>	<u>Change</u>
Expenditures					
General Fund by Type					
Personnel Services	\$180,536	\$137,764	\$180,018	\$42,254	30.7%
Services and Supplies	27,169,750	28,414,612	25,842,992	(2,571,620)	(9.1%)
Capital Equipment	0	0	0	0	0.0%
Internal Services and Misc.	<u>569,015</u>	<u>705,324</u>	<u>707,190</u>	<u>1,866</u>	<u>0.3%</u>
	\$27,919,303	\$29,257,700	\$26,730,200	(\$2,527,500)	(8.6%)
General Fund by Activity					
Administration	\$27,919,303	\$174,531	\$459,151	\$284,620	163.1%
Utilities	0	16,629,965	14,240,246	(2,389,719)	(14.4%)
Street Lights	<u>0</u>	<u>12,453,204</u>	<u>12,030,803</u>	<u>(422,401)</u>	<u>(3.4%)</u>
	\$27,919,303	\$29,257,700	\$26,730,200	(\$2,527,500)	(8.6%)

Energy Management

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Budget Highlights	2010	2011	2012	\$	%
	Actual	Appropriated	Recommended	Change	Change
Special Revenue Fund by Activity (Estimated)					
Energy Management	\$18,567	\$147,674	\$44,159	(\$103,515)	(70.1%)
Total Program Expenditures	\$27,937,870	\$29,405,374	\$26,774,359	(\$2,631,015)	(9.0%)
Personnel Complement					
General Fund (Budgeted)					
Administration	4.00	2.00	2.34	0.34	17.0%
Special Revenue Fund (Estimated)					
Energy Management	0.50	0.50	0.00	(0.50)	(100.0%)
Total Personnel Complement	4.50	2.50	2.34	(0.16)	(6.4%)
Revenue					
General Fund					
Misc. General Government	\$2	\$0	\$0	\$0	0.0%
Internal Svc & Indirect Charges	<u>145,550</u>	<u>3,642,500</u>	<u>200,000</u>	<u>(3,442,500)</u>	<u>(94.5%)</u>
	\$145,552	\$3,642,500	\$200,000	(\$3,442,500)	(94.5%)

Significant Budget Changes by Program

Energy Management

- An increase of \$40,300 and 0.34 FTE in personnel services primarily due to the ending of grant funding for an energy manager position.
- An increase of \$759,000 in services and supplies due to increases in rates.
- An increase of \$449,300 in services and supplies due to a rate increase for sewer and storm drainage utilities.
- An increase of \$430,100 in services and supplies due to utility costs associated with new buildings coming online. These buildings include the Crime Lab, the Stapleton Library branch, and the Westside Library.
- A decrease of \$3,442,500 in services and supplies due to a change in billing that results in direct billing to City enterprise funds.
- A decrease of \$601,700 in services and supplies for utility costs primarily due to implementing best practices in building operations to identify cost-effective operational improvements.
- A decrease of \$95,000 in service and supplies for electricity costs due to the implementation of a PC management program that will automatically turn off employee PCs in the evening hours.
- A decrease of \$52,800 in service and supplies due to various savings reductions.

Energy Management

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- A decrease of \$18,000 in service and supplies in electricity costs due to removing streetlights from the Denver Performing Arts Center garage and utilizing garage lights to illuminate the area.
- A decrease of \$3,442,500 in revenue due to changing the accounting of utility costs for City enterprise funds. In 2012, these expenses will be budgeted and paid directly by the enterprise agencies, without passing through the General Fund.

No vacancy savings are budgeted for 2012. The budgeted furlough savings is \$3,076.

Capital Equipment

None.

Agency Description

Facilities Management (FM) is responsible for the management, operation, maintenance and minor improvements of select City buildings and facilities. FM responds to the everyday needs of building occupants, keeps building systems operational and maintains electrical, mechanical, structural and architectural components. FM is currently responsible for 122 City buildings totaling over five million square feet.

Program Description

The **Facility Management** program goal is to preserve the long term value of City's assets, maximize the life of building equipment, achieve total cost efficiency through life cycle cost analysis, conserve energy and meet tenant requirements while ensuring a safe and comfortable environment. The maintenance program consists of five teams, including a facility manager, trade staff and custodial personnel. Each team is responsible for identifying and resolving client needs, efficiently operating equipment and performing preventive and planned maintenance, repair and emergency work. Effective management of facility assets is critical to sustainability, increased service levels, and improvements in equipment and building performance. The team's responsibilities are as follow:

- Team A – City and County Building, the Denver Justice Center and Van Cise-Simonet Detention Facility
- Team B – Human Services facilities
- Team C – Public Works facilities
- Team D – Safety Department facilities (except jails and fire stations)
- Team E – Wellington E. Webb Municipal Office Building, Minoru Yasui Plaza, and 200 West 14th Avenue building.

The program is also responsible for providing security and other contract services. Furthermore, FM administers several contracted maintenance services and conducts special event set-ups. FM, in conjunction with the Public Works Department, collaborates to develop and implement capital improvement and maintenance plans to ensure the longevity and efficiency of City facilities.

Strategic Initiatives

- Re-evaluate current operating standards in every City facility to ensure that existing equipment operates as efficiently as possible.
- Continue to implement an effective preventative maintenance program that will keep equipment operating at optimal efficiency. The program includes the use of an automated work order software system that will enable greater efficiencies. This initiative will align citywide facility management functions with industry best practices.
- Explore implementing a coordinated citywide Facility Management Program, which would increase efficiencies. There are currently six City agencies performing facility management functions: General Services, Arts and Venues, Sheriff, Parks and Recreation, Wastewater and Libraries. This initiative will create a citywide Facility Management Program that will create standardization across agencies.
- Maximize service delivery methods for all services by pursuing the most efficient resource mix for custodial and other services. This resource mix includes internal staffing along with contract services. Using the right combination of resources will reduce costs and improve service delivery.

Facilities Management

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Performance Measures	2009 Actual	2010 Actual	2011 Estimated	2012 Objective
Facilities Management				
Percent of preventative maintenance work orders completed in the month due	86%	98%	99%	100%
Average number of days to complete repair work orders	18	16	13	10
Average number of days to complete service work orders	33	28	25	22
Number of Agencies participating in citywide Facility Management Peak Performance	N/A	N/A	0	3

Performance Context

- **Preventative maintenance** enables facilities to reach their scheduled full life expectancy when performed on schedule according to operations and maintenance manuals or manufacturer recommended specification. The average life expectancy for a building (before major systems need replacement) is approximately 25 years, assuming preventative maintenance is performed. The more preventative maintenance that is completed on-schedule, the more likely the facility will reach its life expectancy, which should equate to low deferred maintenance. Increasing deferred maintenance could create major building system malfunctions, which increase unanticipated building cost.
- **Facility Management Peak Performance** – The objective of this initiative is to standardize facility maintenance services and maximize energy performance in all city owned facilities.
- **Work orders** track preventative and corrective maintenance and other work on the building's systems. **Service orders** track requests for tenant-related work such as set-ups, security, custodial, etc.

Budget Highlights	2010 Actual	2011 Appropriated	2012 Recommended	\$ Change	% Change
Expenditures					
General Fund by Type					
Personnel Services	\$6,251,338	\$6,325,118	\$6,587,326	\$262,208	4.1%
Services and Supplies	8,429,863	10,167,337	9,433,234	(734,103)	(7.2%)
Capital Equipment	0	0	0	0	0.0%
Internal Services and Misc.	<u>439,153</u>	<u>446,945</u>	<u>345,340</u>	<u>(101,605)</u>	<u>(22.7%)</u>
	\$15,120,355	\$16,939,400	\$16,365,900	(\$573,500)	(3.4%)
General Fund by Activity					
Administration	\$663,510	\$824,040	\$791,599	(\$32,441)	(3.9%)
Team A	14,357,023	16,115,360	3,088,913	(13,026,447)	(80.8%)
Team B	0	0	2,104,479	2,104,479	0.0%
Team C	0	0	1,849,600	1,849,600	0.0%
Team D	0	0	3,018,746	3,018,746	0.0%
Team E	0	0	3,163,323	3,163,323	0.0%
Team A - Justice Center	<u>99,821</u>	<u>0</u>	<u>2,349,240</u>	<u>2,349,240</u>	<u>0.0%</u>
	\$15,120,355	\$16,939,400	\$16,365,900	(\$573,500)	(3.4%)

Facilities Management

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Budget Highlights	2010 Actual	2011 Appropriated	2012 Recommended	\$ Change	% Change
<u>Personnel Complement</u>					
<u>General Fund (Budgeted)</u>					
Administration	4.00	4.00	5.00	1.00	25.0%
Team A	111.00	103.00	21.00	(82.00)	(79.6%)
Team B	0.00	0.00	28.00	28.00	0.0%
Team C	0.00	0.00	10.00	10.00	0.0%
Team D	0.00	0.00	27.00	27.00	0.0%
Team E	0.00	0.00	9.00	9.00	0.0%
Team A - Justice Center	<u>0.00</u>	<u>0.00</u>	<u>4.00</u>	<u>4.00</u>	<u>0.0%</u>
	115.00	107.00	104.00	(3.00)	(2.8%)
<u>Revenue</u>					
<u>General Fund</u>					
Use Charges	\$249	\$0	\$0	\$0	0.0%
Misc. General Government	3,413	0	0	0	0.0%
Internal Svc & Indirect Charges	1,413,242	1,655,000	1,600,000	(55,000)	(3.3%)
Charges for Services	<u>60</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0.0%</u>
	\$1,416,964	\$1,655,000	\$1,600,000	(\$55,000)	(3.3%)

Significant Budget Changes by Program

Facilities Management

- An increase of \$84,500 and 1.0 FTE in personnel services due to transferring the safety and hygiene professional transferred from the Administration division.
- An increase of \$65,000 and 1.0 FTE in personnel services. This includes a HVAC mechanic position. The expenditure for this position will be offset by an equal reduction to contract services.
- An increase of \$158,500 in services and supplies due to new and renovated buildings coming on-line in 2012 including the crime lab and the Police Administration Detention Facility.
- A decrease of \$389,100 and 5.0 FTE in personnel primarily due to the abolishment of vacant positions, which includes five custodians. This includes a savings of \$231,400 in 2012 and a savings of \$157,700 in 2011 due to implementing the proposal in 2011. The duties of these positions will be absorbed by existing staff.
- A decrease of \$92,300 in personnel services due to delaying the start of hiring new staff for the new Crime Lab building coming online in 2012. The building will be opening later than originally planned; thereby saving funds already budgeted for staff. This includes a savings of \$17,000 in 2012 and \$75,300 in 2011 due to implementing the proposal in 2011.
- A decrease of \$550,800 in services and supplies due to contract security expenses owing to modified services and increased efficiencies. This includes a savings of \$330,500 in 2012 and \$220,300 in 2011 due to implementing the proposal in 2011.
- A decrease of \$500,000 in services and supplies in building materials. This includes savings of \$250,000 in 2012 and \$250,000 in 2011 due to implementing the proposal in 2011.
- A decrease of \$411,800 in services and supplies due to contract custodial expenses owing to modified services and increased efficiencies. This includes a savings of \$247,100 in 2012 and \$164,700 in 2011 due to implementing the proposal in 2011.

Facilities Management

3082000

- A decrease of \$110,500 in internal services due to a reduction in workers' compensation expenses.

The budgeted vacancy savings is \$66,787. The budgeted furlough savings is \$106,467.

Capital Equipment

None.

General Services

Central Services

3060000

Agency Description

Central Services is an Internal Service Fund that provides citywide administrative support services either directly or through contracting for printing, copy machine acquisition and mail services.

Program Description

The **Office Support Services** program goal is to provide printing and copier services and supplies as well as citywide mail delivery and postage. The following is a list of additional activities associated with the program:

- The Printing Production section provides the management and liaison services between City agencies and the State of Colorado's Central Services division that provides graphics, printing and bindery functions for City agencies, which includes design, high quality printing, cutting, collating, padding, folding, punching, binding, and delivery. The goal is to maximize the use of this contract because cost savings are so significant.
- The Copy Machines section manages the City's competitively bid contracts for multifunction copier equipment for printing, scanning and faxing. Services include researching new copy machine technologies, making recommendations on new machines or upgrades, verifying vendor invoices and tracking each machine's monthly volume for billing purposes.
- The Mailroom/Postage section serves as central receiving and shipping of packages for the Webb Building, as well as processes inter office mail and metered mail for city Agencies and bills them for their usage.

Strategic Initiatives

- Continue to develop the liaison role between city agencies and external vendors to assist in achieving greater efficiencies.

Performance Measures

	2009	2010	2011	2012
	<u>Actual</u>	<u>Actual</u>	<u>Estimated</u>	<u>Objective</u>
Administration				
Percent of city agencies participating on the State partnership printing	NA	NA	65%	80%
Percent of copy machines under citywide bid	98%	98%	99%	99%

Performance Context

- Rather than providing direct printing services as in years prior to 2011, the City Central Services currently manages and operates the city printing agreement with the State of Colorado Central Services print shop (a five year contract) and provides liaison services to city agencies, ensuring proper fulfillment of their printing needs. This measure is an indication of how the new printing services are being utilized by city agencies.
- Central Services currently manages **copy machine** bids that provide copiers at negotiated prices below market value. This measure is an indication of how the bids are being utilized by city agencies.

Central Services

3060000

Budget Highlights	2010	2011	2012	\$	%
	Actual	Appropriated	Recommended	Change	Change
<u>Expenditures</u>					
Internal Service Fund by Type					
Personal Services	\$272,189	\$178,116	\$183,741	\$5,625	3.2%
Services and Supplies	3,592,447	2,938,771	2,928,913	(9,858)	(0.3%)
Capital Equipment	0	0	0	0	0.0%
Internal Services and Misc.	<u>22,664</u>	<u>31,613</u>	<u>23,546</u>	<u>(8,067)</u>	<u>(25.5%)</u>
	\$3,887,302	\$3,148,500	\$3,136,200	(\$12,300)	(0.4%)
Internal Service Fund by Activity					
Administration	\$108,767	\$108,012	\$55,874	(\$52,138)	(48.3%)
Stationary Stores	0	3,700	3,700	0	0.0%
Printing Production	731,520	0	52,596	52,596	0.0%
Copy Machines	2,339,121	2,089,413	2,090,497	1,084	0.1%
Mailroom/Postage	<u>707,892</u>	<u>947,375</u>	<u>933,533</u>	<u>(13,842)</u>	<u>(1.5%)</u>
	\$3,887,302	\$3,148,500	\$3,136,200	(\$12,300)	(0.4%)
Personnel Complement					
Administration	4.35	2.00	1.00	(1.00)	(50.0%)
Reproduction Center	1.00	0.00	0.00	0.00	0.0%
Printing Production	3.00	0.00	1.00	1.00	0.0%
Copy Machines	<u>1.00</u>	<u>1.00</u>	<u>1.00</u>	<u>0.00</u>	<u>0.0%</u>
	9.35	3.00	3.00	0.00	0.0%
Revenue					
Use Charges	\$668,007	\$0	\$0	\$0	0.0%
Internal Svc & Indirect Charges	3,162,935	3,197,000	3,197,000	0	0.0%
Charges for Services	<u>87</u>	<u>8,000</u>	<u>0</u>	<u>(8,000)</u>	<u>(100.0%)</u>
	\$3,831,029	\$3,205,000	\$3,197,000	(8,000)	(0.2%)

Significant Budget Changes by Program

Office Support Services

- There are no significant changes for 2012.

No vacancy savings is budgeted for 2012. The budgeted furlough savings is \$2,924.

Capital Equipment

None.

General Services

Arts and Venues Denver Special Revenue Fund

15815-3050000

Agency Description

Arts and Venues Denver (AVD) is a new agency created in June 2011 through a merger between Theatres and Arenas and the Denver Office of Cultural Affairs. The Arts and Venues division enhances Denver's quality of life and economic vitality through premier public venues, artworks, cultural programming and entertainment opportunities. Arts and Venues Denver facilities host a wide array of public and private events including:

- Concerts
- Productions presented by Denver's performing arts groups and national touring companies
- A wide array of cultural activities including films and lectures and sporting events including rodeos
- Popular and family entertainment programs
- Conventions, trade shows and consumer shows

These high profile venues are well-known regionally, nationally and internationally, and provide a substantial, positive economic impact to the Denver metropolitan area. In hosting these events, Arts and Venues Denver serves diverse customer groups, including promoters, producers, performers, patrons, and members of the general public who attend performances.

Arts and Venues Denver generates revenue primarily through the rental of its facilities; commissions on concessionaires; parking fees; and reimbursements of labor costs such as for stagehands and ushers. Other sources of revenue include corporate sponsorship and advertising sales.

Program Descriptions

Arts and Venues Denver seeks to maintain current quantity, quality and diversity of programming in its venues and events. It also, seeks to ensure the longevity of the City's \$1.1 billion investment in its venues through prudent capital management. AVD manage the City's Public Art program and serves as chief advocate for the City's arts programs and economic development in the creative sector. AVD seeks innovative ways to grow revenue and reduce expenses at the Colorado Convention Center to make the venue fully self-sustaining. AVD includes the following programs:

Administration includes key activities such as policy development and policy direction, establishment of agency goals and objectives, purchasing, contract management, public education and media relations, financial management, including budgeting and accounting, and coordination of capital improvements. Additionally, this agency's administration program books and contracts events as well as oversees operation of the Colorado Convention Center through the administration of the City's management agreement with a private company charged with the day-to-day running of the Center.

Marketing assists in increasing the utilization of the facilities and generating new revenue by promoting cultural tourism and developing corporate sponsorships. The marketing division is charged with promoting the facilities' brands and marketing the facilities in local, regional, national and international markets.

The **Colorado Convention Center (CCC)** program is one of the country's largest and most successful convention, trade show, and business meeting facilities. The facility has a significant impact on the region's economy and generates substantial lodgers' taxes, sales and use taxes, and employment opportunities in the private sector. The facility is managed by a private company charged with the day-to-day operation of the Center. The City provides funding for operating expenses that exceed revenues in a separate special revenue fund.

The **Arenas** program manages two of the largest City-owned, single unit spaces: The *Denver Coliseum* and *Red Rocks Amphitheatre and Visitor Center*.

- The historic *Denver Coliseum* opened in December 1951 and is used for circus performances, family entertainment shows, concerts, motor sporting events, conventions and the National Western Stock Show and Rodeo. The permanent seating capacity is 8,100 with maximum seating capacity of 10,474.

- *Red Rocks Amphitheatre* is an acoustically perfect, critically acclaimed, natural open-air amphitheatre set in the Rocky Mountain foothills. It hosts approximately 85 events a year including the annual Easter Sunrise Service, graduation ceremonies, dozens of concerts and other events. There is general admission seating for 9,450 in 70 tiered rows. The Red Rocks Visitor Center is a tourism destination with a restaurant, event space, exhibits and gift shop. The Trading Post at Red Rocks is designated as an official Colorado Welcome Center.

The **Denver Performing Arts Complex** (DPAC) is a world-renowned, state-of-the-art performing arts center covering 12 acres. It includes the following venues:

- The *Quigg Newton Denver Municipal Auditorium* houses the 2,225-seat *Ellie Caulkins Opera House*, a lyric hall for opera and ballet; the Chambers Grant Salon, a gathering space featuring a performance stage; and the critically acclaimed Kevin Taylor's at the Opera House, a restaurant with banquet facilities, and the Studio Loft, a multi-function rehearsal and special event space for up to 350 patrons. The Ellie Caulkins Opera House is the home of Opera Colorado and the Colorado Ballet, as well as touring Broadway musicals, plays, concerts and other activities.
- *Boettcher Concert Hall* is the home of the Colorado Symphony Orchestra and is also used for popular concerts and other activities. The hall is designed "in-the-round" for orchestral performances and accommodates 2,709 patrons.
- The *Temple Hoyne Buell Theatre* is used primarily by Denver Center Attractions for Broadway touring shows and by other promoters for musical and theatrical productions. The theatre seats 2,846.
- *The Galleria* is the open space pedestrian area within the complex that is also used for outdoor exhibitions, performances, festivals and civic gatherings.
- The *Sculpture Park* is adjacent to the complex and maintained and booked by Arts and Venues Denver. It can be used for outdoor concerts and events.
- *Limelight Supper Club and Lounge* offers pre-theatre dinner service and post-theatre bistro fare and dessert options. A joint venture between Kevin Taylor Restaurant Group, Centerplate, and the Division of Arts and Venues Denver, Limelight is at the heart of the action in Denver's Theatre District.
- DPAC also houses the *Helen Bonfils Theatre Complex*, which includes the Stage, Space, Jones and Ricketson Theatres, plus the Seawell Ballroom, and the Garner Galleria Theatre. All of these venues are located in City-owned buildings that are under a long term lease to the Denver Center for the Performing Arts (DCPA). The DCPA, a non-profit arts organization not affiliated with Arts and Venues Denver, produces shows in and manages these venues.
- The *Crossroads Theatre* is a 100-seat theatre, leased by Arts and Venues Denver and located at 2590 Washington Street, in the heart of the historic Five Points neighborhood. This venue has served small, independent performing arts groups and the Five Points community since 2007.

Following the merger with the Denver Office of Cultural Affairs, **Arts Program Development** advances the arts and culture through activities such as the City Free Concert Series, Doors Open Denver, One Book One Denver and the Mayor's Awards for Excellence in the Arts. It also administers the One Percent for Public Arts program and ensures the on-going maintenance of the City's collection of over 300 pieces of public art. Arts Program Development also serves as the liaison for Film and Special Event permitting and runs the Create Denver Initiative in an effort to support Denver's economy by cultivating nonprofit and commercial cultural enterprises and fosters a community that attracts, cultivates and mobilizes the creative spirit.

Strategic Initiatives

- Continue to merge the resources and map out synergies with the previous Denver Office of Cultural Affairs (DOCA) for better provision of programs and services.
- Create a strategic plan for the redevelopment of the Denver Coliseum including both the venue itself and the broader community issues around the Coliseum and National Western Stock Show.
- Recruit for a restaurant or other retailer in to fill the vacant space adjacent to Convention Center to fulfill the revenue potential of the Center’s space.
- Enhance contract management for management of venues to assure effective and efficient operation of the venues.
- Complete upgrades to McNichols building for mid-2012 re-opening and develop facilities and program plan for successful public activation of the building and Civic Center Park.
- Integrate administrative support for Denver County Cultural Council and Tier III Scientific and Cultural Facilities District (SCFD) organizations into Arts and Venues Denver to efficiently support cultural support of the community.
- Continue attempts to recruit CHL hockey teams to play in the Coliseum, which would bolster the venue’s financials.
- Promote various performing arts groups and the historic Five Points community by creating a successful business model at Crossroads Theatre.
- Broaden the reach of the *One Percent for Art* program by improving public access and awareness of all aspects of the program from art selection through installation and maintenance.
- Leverage a small investment in cultural economic development into the creation and support of a vital cultural sector through technical assistance, promotion and loan programs.
- Ensure broad access to arts and culture through direct programming of cultural heritage festivals and literacy programs and sponsorship of additional free public events.

Performance Measures

	2009	2010	2011	2012
	Actual	Actual	Estimated	Objective
Convention Center				
Attendance	818,105	865,961	951,224	910,000
FDA tax receipts	\$554,119	\$465,228	\$525,000	\$500,000
Events held	268	246	330	320
Event Days	574	537	652	640
Denver Performing Arts Complex				
Boettcher Concert Hall				
Attendance	165,085	150,592	175,000	180,000
Seat occupancy rate	53%	54%	59%	55%
FDA tax receipts	\$387,506	\$472,002	\$490,000	\$500,000
Events held	114	102	110	121

Performance Measures	2009 Actual	2010 Actual	2011 Estimated	2012 Objective
Buell Theatre				
Attendance	479,395	420,657	400,000	453,000
Seat occupancy rate	70%	72%	78%	76%
FDA tax receipts	\$2,737,510	\$2,183,482	\$2,000,000	\$2,200,000
Events held	242	190	180	210
Ellie Caulkins Opera House (ECOH)				
Attendance	151,654	158,231	140,000	140,000
Seat occupancy rate	54%	63%	60%	57%
FDA tax receipts	\$408,419	\$555,308	\$490,000	\$500,000
Events held	126	113	105	111
Crossroads Theatre				
Attendance	N/A	4,299	6,000	8,600
Seat occupancy rate	N/A	27%	34%	50%
FDA tax receipts	N/A	\$1,699	\$3,500	\$3,500
Events held	N/A	135	145	180
Arenas				
Red Rocks Amphitheatre				
Attendance	450,931	550,836	550,000	550,000
Seat occupancy rate	64%	69%	66%	68%
FDA tax receipts	\$1,514,283	\$2,145,476	\$2,000,000	\$2,000,000
Events held	74	85	88	86
Denver Coliseum				
Attendance	469,844	370,410	370,000	386,000
Seat occupancy rate	36%	31%	35%	39%
FDA tax receipts	\$799,505	\$646,230	\$650,000	\$650,000
Events held	125	115	100	95
Arts Program Development				
Number of free summer concerts produced internally	2	4	2	3
Number of free summer concerts supported	12	12	12	12
Free summer concert series attendance	28,000	48,000	30,000	50,000
One Book, One Denver program participation	36,000	50,000	32,000	50,000
Public art pieces commissioned/completed	25	21	25	20
Percent of total event capacity used	88%	87%	88%	90%
Total annual attendance at program events	110,000	148,000	110,000	160,000
Website user sessions	137,600	144,000	175,000	200,000
Percent of cultural micro-loans repaid	100%	83%	80%	80%
Percent of start-ups and existing businesses receiving loans that are successful/operational one year later	100%	83%	80%	80%

Performance Context

- The **Facilities Development Admission (FDA)** is a 10 percent tax collected on all tickets sold at City owned venues, including all Arts and Venues Denver facilities. The surplus FDA tax funds capital improvement expenditures.
- The **Seat Occupancy Rate** accounts for attendance divided by the facilities seating capacity multiplied by the number of events held to obtain a ratio that reflects the usage of the facility. (*Seat Occupancy Rate = attendance / (facility seating capacity x events held at facility)*). The seating capacity listed below is the maximum

capacity in each venue and does not reflect variations at each venue that depend on seating reductions due to stage configuration, orchestra configuration, ticket sales, etc.

<u>Venue</u>	<u>Seating Capacity</u>
Boettcher	2,709
Buell Theatre	2,846
ECOH Seating	2,225
Red Rocks	9,450
Denver Coliseum	10,474
Crossroads Theatre	120

- **ECOH** events do not include the **Chambers Grant Salon**.
- The **Crossroads Theatre** was added in 2010 to the portfolio of assets. Crossroads does have some free events and low cost events, so although attendance is expected to increase, it may not increase revenue.
- **Red Rocks Amphitheatre** events do not include attendance at events held in the **Red Rocks Visitor’s Center**.
- Total **percent of event capacity** refers to the ratio of attendees to capacity at cultural program event.
- **Free summer concerts produced internally** are managed by the City and **free summer concerts supported** are concerts to which the City provides a financial contribution.
- The **cultural micro-loan program** is part of the *Create Denver Initiative* aimed at the creative sector. The goal is to make loans in the amount of \$5,000-\$30,000 to creative entrepreneurs. The program is administered by the Office of Economic Development using funds from a revolving loan fund seeded with federal Housing and Urban Development dollars.

Budget Highlights

	2010	2011	2012	\$	%
	<u>Actual</u>	<u>Appropriated</u>	<u>Recommended</u>	<u>Change</u>	<u>Change</u>
<u>Expenditures</u>					
Special Revenue Fund by Type (Appropriated)					
Personnel Services	\$4,429,998	\$5,488,316	\$5,760,208	\$271,892	5.0%
Services and Supplies	11,306,372	12,880,789	14,192,332	1,311,543	10.2%
Capital Equipment	155,770	210,000	387,687	177,687	84.6%
Internal Services and Misc.	2,208,709	2,300,195	704,373	(1,595,822)	(69.4%)
	\$18,100,852	\$20,879,300	\$21,044,600	\$165,300	0.8%
Special Revenue Fund by Activity (Appropriated)					
Administration	\$1,331,906	\$1,382,681	\$1,445,960	\$63,279	4.6%
Marketing	1,007,840	1,406,675	1,301,719	(104,956)	(7.5%)
Program Development	0	783,200	955,914	172,714	22.1%
Arenas	8,252,773	8,661,506	8,504,971	(156,535)	(1.8%)
Denver Performing Arts Complex	<u>7,508,331</u>	<u>8,645,238</u>	<u>8,836,036</u>	<u>190,798</u>	<u>2.2%</u>
	\$18,100,852	\$20,879,300	\$21,044,600	\$165,300	0.8%
<u>Expenditures</u>					
Special Revenue Fund by Activity (Estimated)					
Administration	\$15,000	\$0	\$0	\$0	0.0%

Arts and Venues Denver

15815-3050000

Budget Highlights	2010	2011	2012	\$	%
	Actual	Appropriated	Recommended	Change	Change
Arenas	41,252	50,000	50,000	0	0.0%
Convention Center (AVD)	20,086,069	20,100,000	20,200,000	100,000	0.5%
Cultural Program Development (AVD)	0	20,000	20,000	0	0.0%
Performing Arts Center (AVD)	<u>1,655,610</u>	<u>70,000</u>	<u>380,000</u>	<u>310,000</u>	<u>442.9%</u>
	\$21,797,932	\$20,240,000	\$20,650,000	\$410,000	2.0%
Total Program Expenditures	\$39,898,784	\$41,119,300	\$41,694,600	\$575,300	1.4%

Personnel Complement

Special Revenue Fund (Budgeted)

Administration	11.00	11.00	12.00	1.00	9.1%
Marketing	3.00	3.00	4.00	1.00	33.3%
Program Development	0.00	0.00	8.75	8.75	0.0%
Arenas	10.00	10.00	9.00	(1.00)	(10.0%)
Denver Performing Arts Complex	<u>42.00</u>	<u>38.00</u>	<u>38.00</u>	<u>0.00</u>	<u>0.0%</u>
	66.00	62.00	71.75	9.75	15.7%

Revenue

Special Revenue Fund (Appropriated)

Use Charges	\$20,470,453	\$20,046,100	\$20,885,900	\$839,800	4.2%
Miscellaneous Transfers	0	0	47,700	47,700	0.0%
Misc. General Government	<u>208,438</u>	<u>105,000</u>	<u>111,000</u>	<u>6,000</u>	<u>5.7%</u>
	\$20,678,891	\$20,151,100	\$21,044,600	\$893,500	4.4%

Significant Budget Changes by Program

- An increase of \$1,654,700 in services and supplies, offset by \$1,575,800 in internal services due to changing the accounting of utility costs. The agency will pay them directly out of the special revenue fund instead of through an internal service fund.

Arts Program Development

- A net increase \$931,300 in personnel and 9.0 FTE as a result of the merger of the Denver Office of Cultural Affairs General Fund operations into Theaters and Arenas Special Revenue Fund to create Arts and Venues Denver. This change occurred in mid-2011 and reflects an increase in the 2011 budget of \$783,200 and a 2012 increase of \$631,900.
- An increase of \$47,700 and 0.75 FTE due to the transfer of a program administrator from City Council.

No vacancy savings is budgeted for 2012. The budgeted furlough savings is \$83,491.

Capital Equipment

Item	Quantity	New/Replacement
Audio/Video Equipment	6	Replacement
Pallet Jack	1	Replacement
Miscellaneous Minor Equipment		Replacement

Technology Services