

TIMELESS TRACKS

1980s music videos a hit at Noodles & More

STYLE 1E



STEAMBOAT PILOT & TODAY

SUNDAY, OCTOBER 5, 2008

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SAILORS PREPARE FOR STATE

Steamboat golfers have high expectations

SPORTS 1D



MATT STENSLAND/STAFF

Budget cuts forecast

City officials cite need to reduce 2009 spending in uncertain economy

There's always next year. For the second year in a row, city staffers and politicians alike are decrying unsustainable fiscal practices in the city of Steamboat Springs' proposed budget.

SUNDAY FOCUS

STORY BY BRANDON GEE

And for the second year in a row, budget season is poised to come and go with no major modifications to spending habits, but instead with a vow to make changes in time for the following year.

Last year, community support spending took center stage as former City Manager Alan Lanning and acting Finance Director Bob Litzau slashed that part of the budget by 30 percent to send a message to the Steamboat Springs City Council that it needed to bring "a larger internal focus to the budget process." Community support spending was not only restored, but it increased 6.27 percent.

This year, an expected decline in city revenues and a weakening national economy have brought urgency and

If you go

What: Steamboat Springs City Council budget retreat
When: 8 a.m. Tuesday
Where: Centennial Hall, 124 10th St.
Call: City offices at 879-2060 for more information

Agenda

8 a.m. Presentation of the proposed budget
8:30 a.m. Adoption of 2009 fiscal policies
9:45 a.m. General fund operations budget
10:45 a.m. Enterprise funds budgets
11:45 a.m. Internal services funds budgets
12:30 p.m. Five-year capital improvement program
1:30 p.m. Community Support Allocation Committee
2 p.m. Public comment
3:30 p.m. Review of revisions and amendments, wrap-up

poignancy to budget discussions. City Council already has directed tough budget cuts this year — including major reductions in community support spending. But the 2009 proposed budget continues the city's practice of spending more than it earns. Expenditures have exceeded

See **Budget**, page 12A

BUDGET HIGHLIGHTS

Affordable housing

The city's linkage and inclusionary zoning policies, enacted in 2007, are projected to garner \$463,287 in 2008. The city originally had budgeted \$1,030,864 in revenues for the Community Housing Fund in 2008. Developers of new construction pay the fees.

Compensation

Human Resources Manager John Thrasher is proposing a \$479,000 plan that would increase city employees' wages to a level more comparable to other municipalities. The plan also would partially fix a pay compression problem. An additional \$186,000 would need to be funded in 2010 to complete the compression fix.

Beyond our means

The general fund budget being proposed to City Council on Tuesday projects \$27.7 million in expenditures but only \$25.8 million in revenues. The plan would reduce the general fund balance by more than 15 percent. "Anybody can look at these numbers and see that's not sustainable," Councilwoman Cari Hermacinski said.

Sales tax

City accountants are projecting a 4 percent decrease in sales tax, the city's primary source of revenue. Although sales tax grew at less than 1 percent in 2002 and 2003, and is projected to do the same in 2008, a decrease is virtually unprecedented.

Just the basics

\$8 million, or 61 percent of the funds allocated for general fund capital improvements, would go toward public works projects. Allocations include \$1 million for U.S. Highway 40 improvements, \$2.1 million for downtown improvements and \$1.8 million for the New Victory Highway, which will be a major vest Steamboat artery to future development.

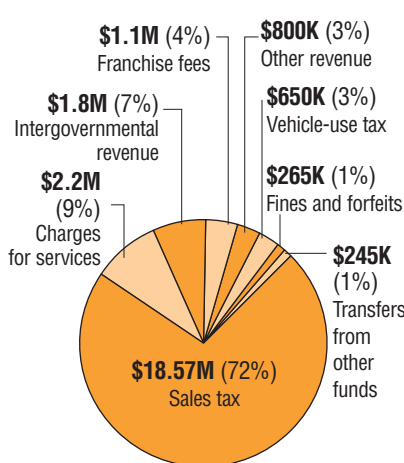
Capital cuts

Other capital projects have had their funding cut or postponed. The city will reduce funds budgeted for land acquisition from \$1.5 million to \$640,000. Ball field improvements will be funded at \$81,000 instead of \$1.3 million, and the \$555,000 that originally was budgeted for a new Steamboat Skate Park has been reduced to \$305,000, of which \$200,000 is expected to be raised by the skate park's proponents.

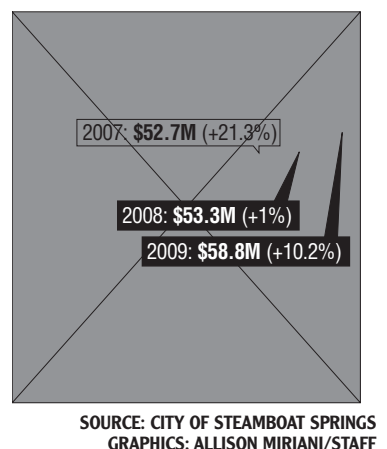
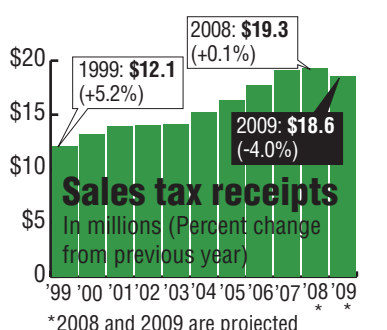
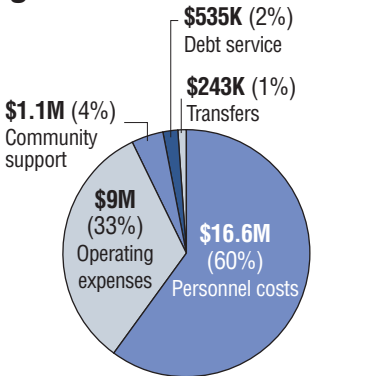
Proposed budget

The city of Steamboat Springs 2009 proposed budget will be presented to City Council on Tuesday. The all-day budget hearing begins at 8 a.m. Public comment is scheduled from 2 p.m. to 3:30 p.m. Once revisions and amendments are made, the budget will be adopted by City Council at a meeting later this year.

Projected 2009 revenues, general fund



Projected 2009 expenditures, general fund



SOURCE: CITY OF STEAMBOAT SPRINGS
GRAPHICS: ALLISON MIRIANI/STAFF

Better times ahead

Economist offers a brighter outlook amid difficult days

Blythe Terrell
PILOT & TODAY STAFF

STEAMBOAT SPRINGS

Economist Carl Steidtmann analyzed the financial crisis and gave a levelheaded forecast of the U.S. economy Friday morning, predicting a modest recession with a slow recovery that could start late next year.

Steidtmann was called on to deliver what local Vectra Bank President Bob Kuusinen jokingly called "a crystal-clear picture of where we're heading in the months and years ahead." Steidtmann, chief economist for Deloitte Research, spoke to more than 100 people at Vectra's Business for Breakfast event Friday at the Steamboat Grand Resort Hotel — while across the country, Congress debated and passed a \$700 billion bailout of the free-falling financial industry. President Bush signed the bill into law later in the day.

The past

The situation, Steidtmann stressed, is surprisingly stable. "If you'd told me a year ago that banks were going to lose half a trillion dollars and oil prices would be \$150 a barrel ... I would have told you there would be a very deep recession," Steidtmann said.

The economy has grown a couple of percentage points in recent quarters, he noted. But there are significant challenges.

The crisis arose largely as a result of investment bank balance sheet issues, he said. Large financial institutions were leveraging 30 times the amount of their equity. Much of that

See **Economy**, page 11A



JOHN F. RUSSELL/STAFF

Kate Sunderland, a media specialist at Soda Creek Elementary School, arranges boxes Monday afternoon inside the new school. Teachers and parents already have started making the move from Camp Soda Creek to the new facility just down the street.

Moving day arrives at Soda Creek

Students set to begin classes at new elementary school tomorrow

Zach Fridell
PILOT & TODAY STAFF

STEAMBOAT SPRINGS

As the seasons change and the air becomes crisp, Camp Soda Creek students and staff will migrate Monday to the new Soda Creek Elementary School, just blocks away from the temporary facility on Seventh Street.

The new school beckons young learners with fancy technology, bright spaces and the

promise of playground area to spare. The move is the result of several years of hard work.

The Steamboat Springs School District, under the leadership of former Superintendent Donna Howell, began a concentrated effort to fund and build a new school in the fall of 2005, with a series of public meetings to gather community input and support. The district also commissioned a community survey to

get more concrete feedback, which showed overwhelming support to keep the elementary school downtown. Countless hours of planning, review and campaigning followed. In November 2006, 60 percent of local voters approved Referendum 3D, a \$29.5 million bond issue to pay for the new Soda Creek and other improvement projects.

After little more than a year in the Camp Soda Creek tem-

porary classrooms, students and teachers are now on the verge of their first day in the new building.

"We have space!" said second-grade teacher Carol Fritz as she moved into her new classroom last week. "It's amazing how functional and gorgeous this building is all at once."

Fritz spent 23 years teaching

See **Soda Creek**, page 12A

PAGE DESIGNED BY CHRISTOPHER WOYTKO



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OUTSIDE

Cloudy with a couple of showers. High of 59.
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VIEWPOINTS

LAST WEEK: Do you support Triple Crown's new program that asks for concessions from local property managers? Results/5A

THIS WEEK: Do you think the current economic turmoil will hurt the tourism industry and sales tax revenues this winter in Steamboat?

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