

PUBLIC HEARING

PROPOSED 2024 BUDGET

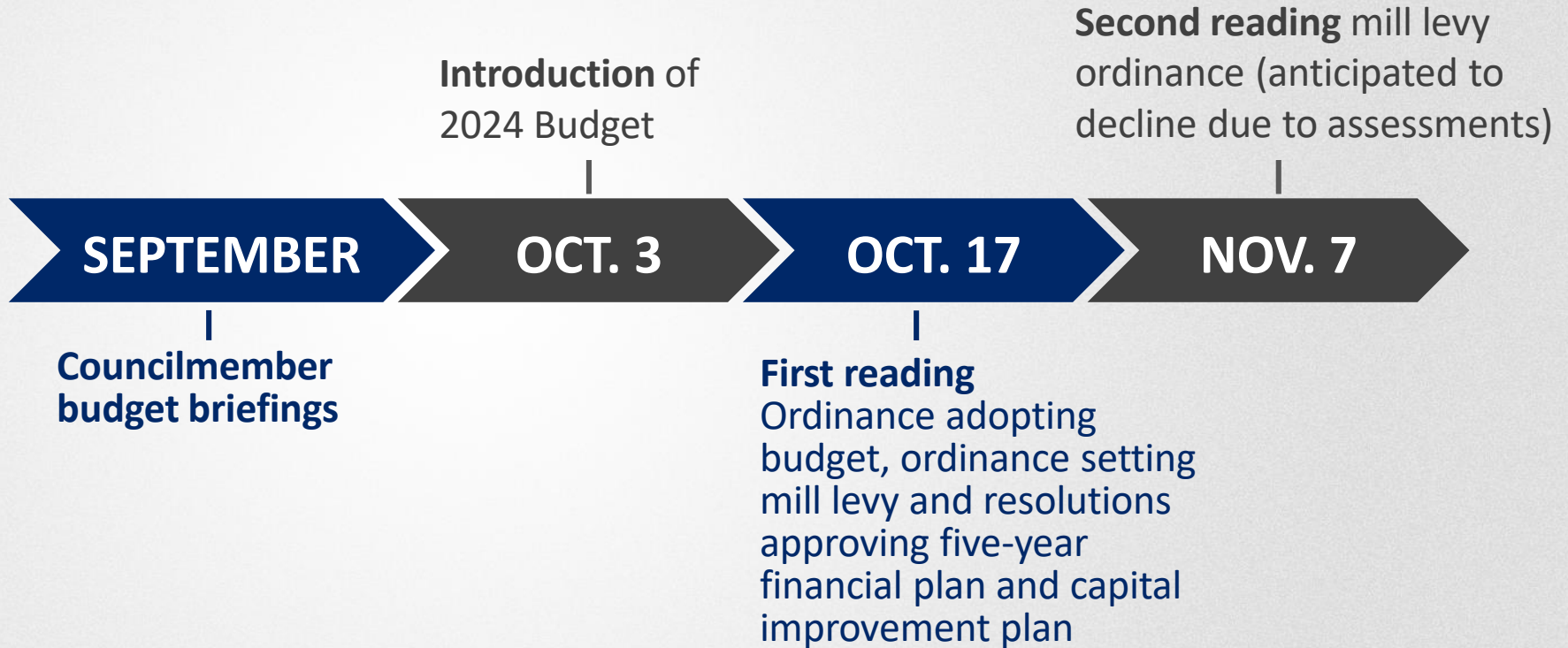
DAVID L. CORLISS, TOWN MANAGER
OCTOBER 17, 2023



BUDGETS REFLECT PRIORITIES



BUDGET CALENDAR



MANAGE TOWN FINANCES CONSERVATIVELY



- Five-year Balanced Financial Plan (BFP) maintains out-year growth in public safety
- 3% sales tax growth – retail sales tax growth is key for Town operations
- 400 annual building permits – reduced impact fee revenues
- Other Town operations show little program growth

TOWN'S ANNUAL MILL LEVY

- Town Charter limits annual Town property tax revenue growth to 5.5%
- Town property tax mill levy will go down from current 1.139 mills

2005	2006	2007	2008	2009-2015	2016-2017	2018-2019	2020-2021	2022-2023	2024 preliminary
1.895	1.896	1.898	1.705	1.703	1.474	1.330	1.196	1.139	0.920

- A 46% reduction over the last decade

2022 TABOR ‘SURPLUS’

Given the factors that contributed to the 2022 TABOR surplus and voters’ approved uses of the funds, staff is proposing transferring from two sales tax-receiving funds – General Fund in the amount of \$2,767,698 and Transportation Fund in the amount of \$7,456,093 – into the TABOR fund funds to retain and spend as voters approved in the following manner:

2022 funding for transportation (roads):	\$2,767,698
2022 funding for public safety:	\$2,246,276
Proposed funding for Crystal Valley Interchange:	\$5,209,817
TOTAL:	\$10,223,791

Regarding the CVI expenditures, staff anticipates that additional development exaction in the CVI area will occur in the future.

ENSURE OUTSTANDING PUBLIC SAFETY



- **Three new Police positions are in the Proposed 2024 Budget:** a dispatcher, an Investigations sergeant and a Community Response Team officer
- **Three firefighter/EMT positions are also in the proposed budget**
- The proposed budget includes **\$1.5 million to design the future Fire Station 156 in northeastern Castle Rock**, which is expected to go under construction in 2025
- The **Police and Fire departments' emergency radios are also budgeted to be replaced** in 2024, at a total cost of \$2.5 million
- Various other **equipment and operational cost increases** are included for the two departments, totaling nearly \$900,000

CONTINUED...

ENSURE OUTSTANDING PUBLIC SAFETY



- Sales tax and retail growth is key to supporting public safety – growing retail and sales tax opportunities
- Police and Fire merit step program provides 7.5% increase for sworn personnel moving to top of range
 - Retirement costs for Police 11.25%; for Fire, retirement costs go from 13.5% in 2024 to 15.5% in 2028
- Range movement of 2%, with non-public safety employees eligible for up to 4.5% merit increase
- Design of Fire Station 156 is included in the Proposed 2024 Budget at \$1.5 million

ENSURE OUTSTANDING PUBLIC SAFETY



CRFD staffing

2016	2017	2018	2019	2020	2021	2022	2023	2024*	2025**	2026**	2027**	2028**
80.50	81	93	94	94	94	98	102	105	108	111	114	117

- Over a 30% increase from 2016 to 2024

CRPD staffing

2016	2017	2018	2019	2020	2021	2022	2023	2024*	2025**	2026**	2027**	2028**
95.38	97.50	104.75	109.75	111.75	111.75	118.75	125.5	129.5	132.5	135.5	138.5	141.5

- Over a 36% increase from 2016 to 2024

**recommended; **recommended five-year plan*

ENHANCE OUR ROADS



- Crystal Valley interchange and related road construction
- Four Corners improvement 2023-2024
- Crowfoot Valley Road improvements northeast of Knobcone Drive
- Pavement Maintenance Program (PMP) concentrated in west Meadows area – funding challenges to keep up with needs
 - 2024 Budget continues shift in sales tax allocation toward public safety with reduction in PMP
- Ridge Road, Plum Creek Parkway improvements scheduled for completion by end of 2023
- Right of way acquisition for Fifth Street, continued planning on Wolfensberger widening
- Reduced building permits translates to less impact fee revenue and fewer capital projects

SECURE OUR WATER FUTURE



- **Overall rate increase of 4%**, system development charges increase as well
- Long-term water projects planned in 2024 include **expansion of the Plum Creek Water Purification Facility**, water rights acquisition and additional infrastructure within the Cherry Creek Basin and for the WISE project
- Proposed Water projects for 2024 include **continuing to implement advanced metering infrastructure** and upgrading pumping and control system equipment; one additional control system (SCADA) position and the addition of a landscape designer are also proposed
- **Sellars Gulch stabilization and storm sewer rehabilitation projects** are proposed, along with an update to the Town's Watershed Master Plan.
- **Sewer rehabilitation is planned in the Young American area**, along with an upsizing of the Plum Creek gravity sewer (interceptor)

MAINTAIN STRONG PARKS AND RECREATION



- \$10 million is included in the Proposed 2024 Budget as a potential down payment for a **future sports development center** – formal approval of this project remains pending
- \$4.75 million is included in the Proposed 2024 Budget for **open space acquisition**, which emerged as a priority in the 2023 community survey
- **Updates to the pool, flooring and toddler area at the Miller Activity Complex** are proposed for 2024, along with HVAC upgrades at the Recreation Center
- One additional Parks Maintenance position is proposed for 2024, to be **paid using proceeds of the Town's voter-approved lodging tax**
- At Red Hawk Ridge Golf Course, a \$1 increase to the golf cart rental fee is proposed, which would be used toward **funding new golf carts**; new maintenance equipment and clubhouse upgrades are also proposed

SUPPORT ECONOMIC DEVELOPMENT



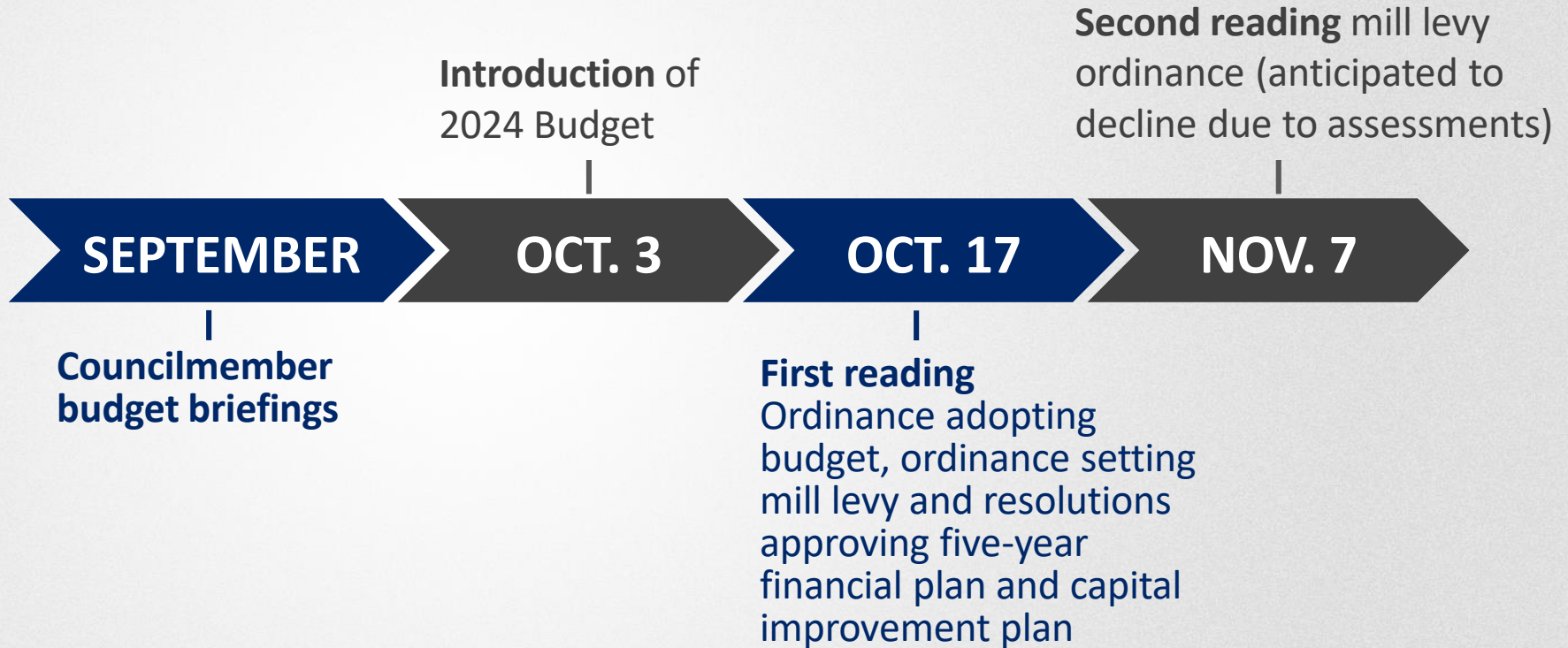
- Downtown and economic development support continues

PRESERVE OUR COMMUNITY CHARACTER

- Funding for Cantril improvements included in budget
- Funding for open space opportunities



BUDGET CALENDAR





QUESTIONS?

PROPOSED MOTION:

"I move to approve the Ordinance as introduced, on first reading."

ALTERNATE MOTIONS:

"I move approve the Ordinance, with the following changes: ____."

"I move to continue this item to the Council meeting on [Date], to allow time for: ____."

2022 TABOR 'SURPLUS'

In anticipation of strong 2022 Town revenues that exceeded the TABOR revenue cap in 2022, staff recommended — and Council approved — four budget amendments to increase spending for Police, Fire and Transportation (roads) that qualify as TABOR surplus expenses, which totaled \$5,013,974:

Fire: \$1,636,646 – Apparatus for Station 156, training, software, training tower repairs (security and access, window coverings, doors and engineering for compliance with stormwater) and pay adjustments

Police: \$609,630 – Pay adjustments, three new officers, computer hardware

Transportation (roads): \$2,767,698 – Capital projects (traffic study improvements and Craig and Gould project), bridge maintenance, pay adjustments, vehicles and an asphalt truck

OTHER ITEMS & ISSUES OF NOTE

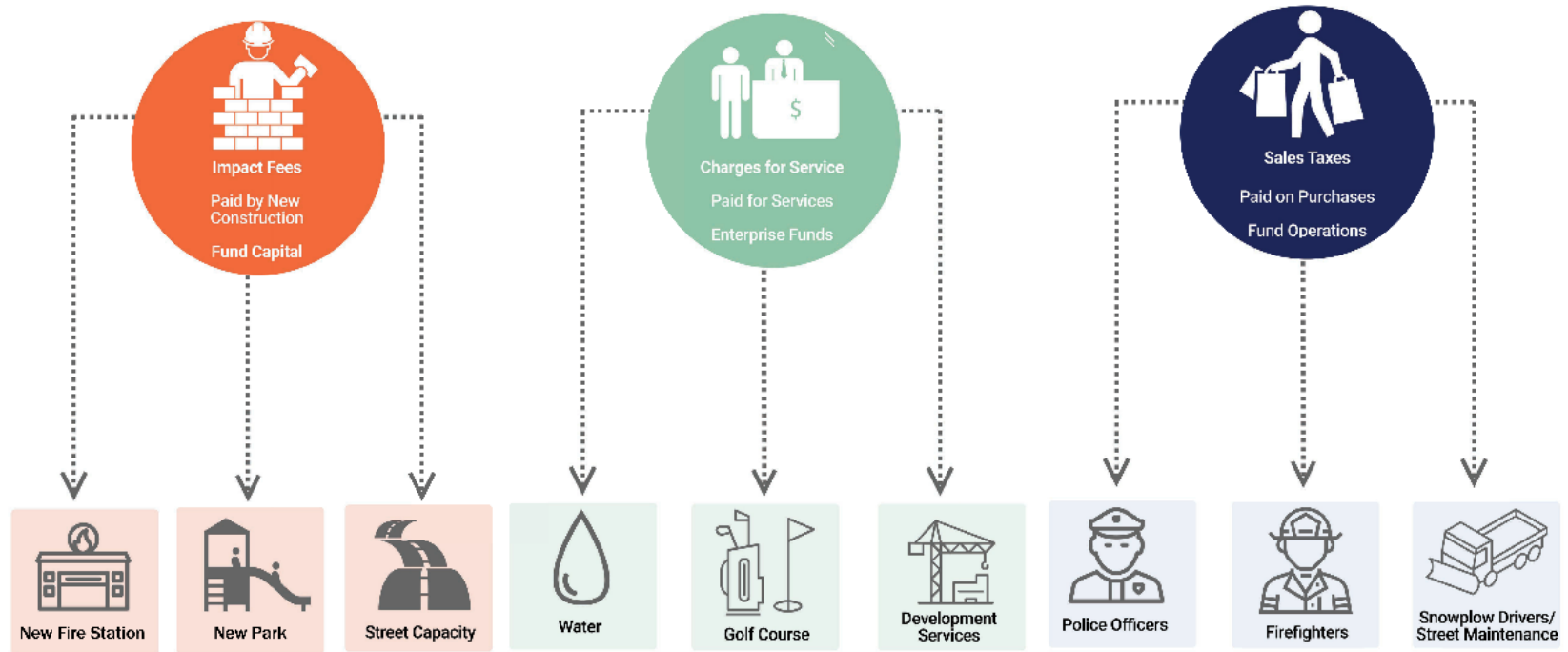
- If necessary Brickyard entitlements are in place and funding is in place, start of new Sports Development Center on the Brickyard site
- \$4.75 million in General Fund fund balance set aside for open space acquisition
- Strong need, but not budgeted to add staffing in Town Manager's Office; instead, reclassification of the Special Projects Manager to Assistant Town Manager – staffing similar to area communities
- Increase quarterly Council Community Grant Fund from \$2,000 per quarter to \$4,000 per quarter, total of \$16,000 per year
- The Town started collecting bag fee revenue in accordance with state law in 2023 – we receive 60% of the 10¢ fee for disposable bags
 - Staff estimated \$50,000 for bag fee revenues in 2023, and \$21,333 has been collected for the first two quarters of the year
 - Bag fee revenue will be used as allowed in state law – \$2,000 will be used to purchase reusable bags that will be distributed during Town events and the remainder used to support recycling costs at Town parks and buildings

STRATEGIC & LONG TERM

- Sales tax dominance – without an alternative revenue source, sales tax growth is essential for public safety departments
- Capital projects slowed as building revenue slows – interest rates and approaching build out
- Future open space funding uncertain / maintenance funding for aging infrastructure

TOWN OF CASTLE ROCK

Review of the Town's finance structure:



[Watch a video that explains this slide](#)

* The Community Center Fund, which supports the Rec Center and MAC, receives both charges for service and sales tax revenue