

TOWN OF CASTLE ROCK

PROPOSED 2016 BUDGET

INTRODUCTION TO COUNCIL AND THE COMMUNITY
OCTOBER 20, 2015



STEPS TO ADOPTION

PROCESS HIGHLIGHTS

Posted online and provided to Council:

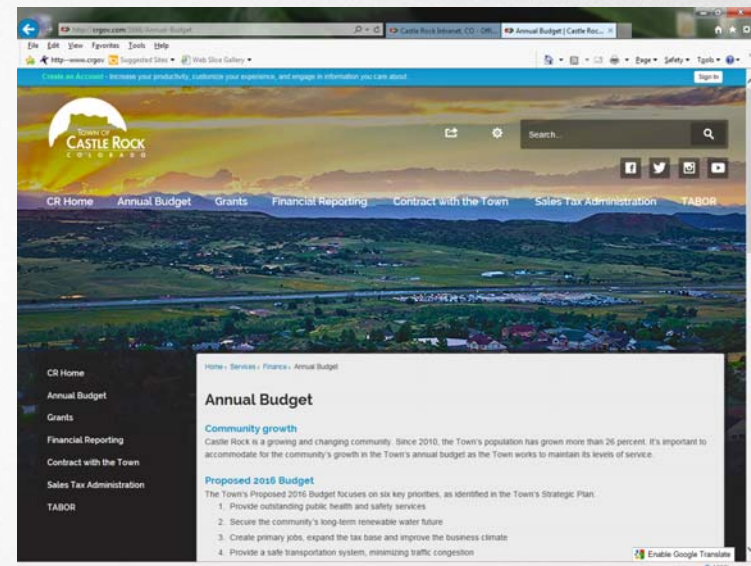
- Proposed 2016 Budget
- Budget in Brief
- Budget Message
- Revenue and expenditure details
- Draft 2016-2018 Balanced Financial Plan
- Draft 2016-2020 Capital Improvement Program

Introduction of Proposed 2016 Budget

October 20 (tonight)

First and second readings scheduled

November 3 and December 1, respectively



View the budget documents online:

CRGOV.COM/2016BUDGET
CRGOV.COM/TRANSPARENCY

CORE PRIORITIES

HOW THEY'RE CONTINUED IN THE PROPOSED 2016 BUDGET



PUBLIC SAFETY

- Addition of four patrol officers and one animal control officer, \$498,000 (ongoing)
- Continuation of emergency radio replacement program, \$313,000 (continues until 2017)
- Building improvements at Stations 154 and 155, \$250,000
- Design of new Crystal Valley Fire Station, \$246,000
- Addition of training officer and vehicle tech in Fire Department, \$230,000 (ongoing)
- Acquisition of body-worn cameras, \$166,000, plus \$97,000 annually
- Addition of technical coordinator to manage applications, \$100,000 (ongoing)



LONG-TERM WATER

- Participation in WISE partnership, \$13.4 million
- Construction of East Plum Creek diversion structure, \$9.2 million
- Advanced treatment technology at Plum Creek Purification Facility, \$7.2 million
- Progress on Alternative Source of Supply project, \$4.5 million
- System improvements, including a filter upgrade at Ray Waterman Treatment Plant, \$3.1 million
- Stormwater stabilization projects, \$2.8 million
- Addition of GIS tech, stormwater project manager, two maintenance techs and a water quality tech, \$419,000 (ongoing)



ECONOMIC DEVELOPMENT

- Promenade financing agreement implementation, \$5.27 million
- Continued implementation of DDA TIF fund, \$2.14 million
- Loan for the Move, \$900,000
- 2016 service contracts for EDC, \$180,550, and DDA, \$140,760
- Capacity to accomplish additional projects
- Development Services Enterprise continues adjusting to market conditions to ensure core service levels are met

CORE PRIORITIES

HOW THEY'RE CONTINUED IN THE PROPOSED 2016 BUDGET



TRANSPORTATION

- Completing North Meadows Extension, \$9.48 million
- Pavement Maintenance Program, \$6.97 million
- Improvements at Plum Creek/Perry and Wilcox, \$3.05 million
- Design of I-25/Crystal Valley interchange, \$1.5 million
- Addition of traffic signals at Hwy 86/Black Pine and at Ridge Road shopping center, \$460,000



PARKS AND RECREATION

- Improvements at Butterfield and Metzler parks, \$741,000
- Improvements at Red Hawk Ridge, \$650,000, and the addition of an assistant food and beverage manager, \$70,000 (ongoing)
- Operations for the amphitheater and millhouse at Miller Park, \$54,500, and continued improvements at the park, \$175,000
- Restructuring Parks Maintenance staff, \$56,000 (ongoing)

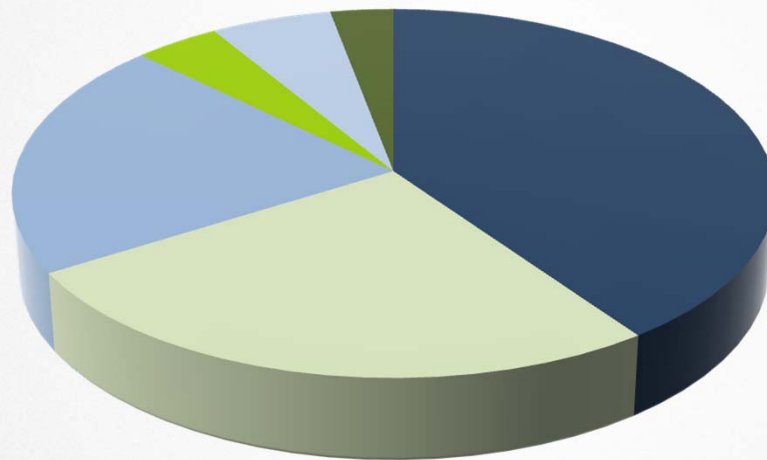


COMMUNITY CHARACTER

- Enhanced Starlighting decorations, \$250,000
- 2016 service contracts for the Chamber, \$99,720; DMA, \$55,600; and Museum, \$71,000
- Video production and community marketing, \$90,000
- Addition of special events specialist, \$84,000 (ongoing)
- Various projects to ensure updated Vision and Master Plan policies are implemented for the built environment

PROPOSED BUDGET

REVENUES AND EXPENDITURES



- Capital: 40.1%
- Personnel: 26.1%
- Services/other: 20.9%
- Transfers: 4.1%
- Debt service: 5.8%
- Supplies: 3%

TOTAL REVENUES

\$158,787,161, including revenue associated with \$3.4 million in payment on interfund loans

TOTAL EXPENDITURES

\$191,326,591, including \$95.6 million for capital improvements, debt service and transfers and \$95.7 million for operations

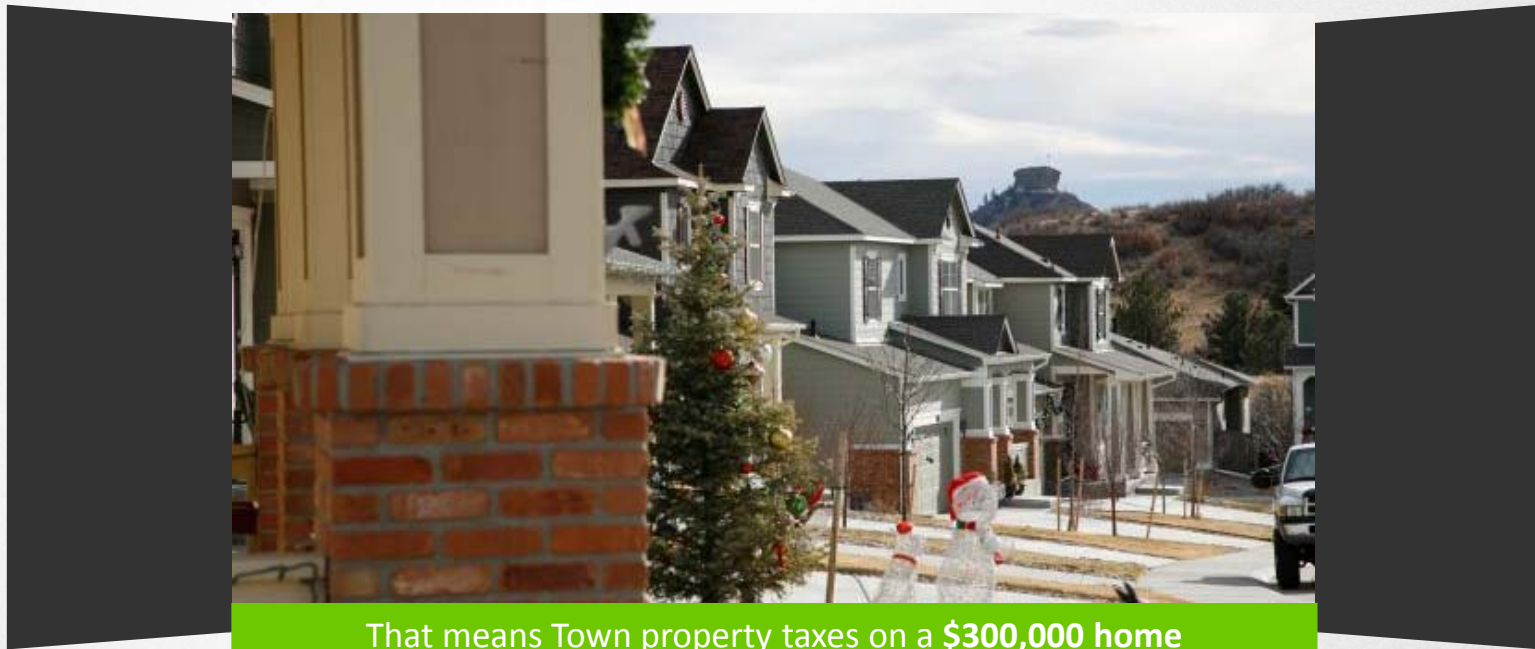
Difference of \$32,539,430, due to the planned use of reserves for capital purposes, the vast majority of which is associated with long term water initiatives and the completion of the North Meadows Extension project. The Town is able to accomplish these projects because it has intentionally saved money for them in previous years

A CHANGING, GROWING COMMUNITY

Key level of service driver	2010	2015 (projected)	Percent increase
Population	46,261	58,608	26.69%
Total Utility Accounts	13,500	18,762	38.98%
Total Lane Miles	531	613	15.44%
Developed Park Acres	265	351	15.44%
Police calls	52,376	73,045	39.46%
Fire/EMS calls	3,758	5,150	37.04%
Single-family/multifamily building permits	376/0	750/139	99.47%/13,900.00%
Full-time employees	348	416	19.54%

PROPERTY TAX

PLANNED DECREASE TO 1.473 MILLS FROM 1.703 MILLS



That means Town property taxes on a **\$300,000 home** would go down to about **\$35 annually** from a previous \$40

2015 PROPERTY TAX

HOW THE TOWN'S TAX COMPARES

ENTITY	TAX RATE	TAX AMOUNT
DC SCHOOL DISTRICT	48.277	\$1,140.79
DOUGLAS COUNTY GOV'T	19.774	\$467.26
DC LIBRARIES	4.0320	\$95.28
TOWN OF CASTLE ROCK	1.7030	\$40.24
CHERRY CREEK BASIN	0.5000	\$11.82
CEDAR HILL CEMETERY	0.1870	\$4.42
METRO DISTRICTS (VARIOUS)	up to 79.146	up to \$3,630.02

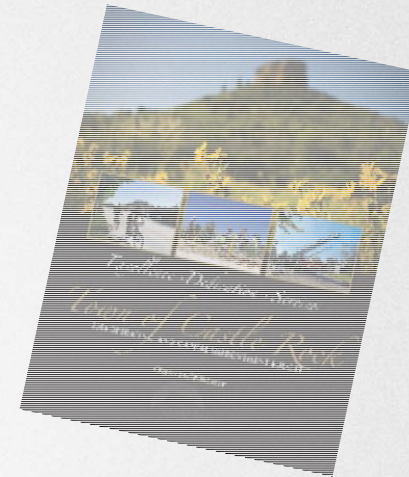
BUDGET HIGHLIGHTS

NO TAX INCREASES

No tax increases or new taxes proposed. The only increase in the cost of Town services the average resident can expect in 2016 is a 76 cent-per-month utility bill increase related solely to funding long-term water projects

BALANCED BUDGET

Annual operating revenues exceed operating expenditures, meaning the proposed budget is balanced; no TABOR surplus is anticipated in 2016



SUSTAIN OPERATING RESERVES

Operating and debt reserves are maintained in all funds consistent with Town Council policies, as is the emergency TABOR reserve; as proposed, the General Fund is projected to end 2016 with an unobligated reserve of \$6.4 million after meeting reserve requirements

REVENUE FORECASTING

Revenue estimates

- **Sales tax** revenue year-end estimate of 5.5% in 2015 and projections of 3.6% in 2016, 10% in 2017 and 6.4% in 2018
- **New building permit** projections of 750 single-family/139 multifamily in 2015 and forecasting 700/316 in 2016, 700/100 in 2017 and 700/192 in 2018

USE RESERVES FOR PROJECTS

The 2016 Budget includes planned use of capital reserves. Major one-time uses of reserves within the proposed budget include water resources projects totaling \$36.53 million and transportation projects totaling \$16.4 million

MAJOR INITIATIVES

VEHICLES Adding seven vehicles and replacing 33 vehicles to provide continued safety and efficiency in Town operations, \$2.74 million	OFFICE SPACE Opportunities for Downtown office space for the Development Services Department, \$2.5 million	CUSTODIAL SERVICE Transition from contracted to in-house custodial service to ensure appropriate service levels, \$150,000
TECHNOLOGY Enhancement of fiber infrastructure, \$237,000; fleet management software upgrade, \$110,000; and security-related technology improvements, \$77,500	IMPACT FEE STUDY Could lead to recommended fee increases; a 10.5 percent increase in Utilities' water system development fees is included in this budget	EMPLOYEE INVESTMENT Provides market-competitive pay and benefits, incl. average 3.75% performance-based pay increases and a health care cost increase of up to 8%

OUTSTANDING ITEMS

COUNCIL DIRECTION NEEDED

FESTIVAL PARK

Council direction is needed regarding whether to include funding for an initial phase, or the entire project, estimated to cost \$5 million, to redesign Festival Park in the 2016 Budget or 2016-2018 Balanced Financial Plan

SNOW SPORTS LOAN

Council needs to consider this \$2.7 million request amid competing funding priorities and direct staff if and how to incorporate funding for this project

SERVICE CONTRACTS

Council needs to determine 2016 funding levels; staff has included the amount each organization requested, up to a 5 percent increase, within the 2016 Budget



FUTURE PLANS

ITEMS OF NOTE IN THE THREE-YEAR PLAN AND FIVE-YEAR CIP

<p>LONG-TERM WATER</p> <p>Continued Alternative Source of Supply progress, \$12.6 million in 2017 and \$4.4 million in 2018; and continued WISE participation, \$1 million in 2018</p>	<p>PAVEMENT MAINTENANCE</p> <p>\$8.59 million in 2017 and \$8.26 million in 2018</p>	<p>CRYSTAL VALLEY FIRE STATION</p> <p>Construction, \$6.26 million in 2017, and operations costs beginning in 2018 \$2 million (ongoing)</p>	<p>VEHICLES/EQUIPMENT</p> <p>\$4.35 million in 2017 and \$4.08 million in 2018</p>
<p>NEIGHBORHOOD PARK</p> <p>\$2 million in 2018</p>	<p>TRAFFIC IMPROVEMENTS</p> <p>Reconstruction of Meadows Pkwy, \$1.67 million in 2017; and traffic signal system improvements, \$600K in 2017 and \$230K in 2018</p>	<p>POLICE POSITIONS</p> <p>2017: two officers (\$200K) and a sergeant (\$184K), all ongoing</p> <p>2018: two officers (\$202K), two dispatchers (\$174K) and one detective (\$105K), all ongoing</p>	<p>TECHNOLOGY POSITIONS</p> <p>One each in 2017 and 2018, both cost \$108,000 (ongoing)</p>

FUTURE ISSUES

PART OF ONGOING PLANNING

TRANSPORTATION NEEDS

Several surface transportation projects need to be completed, beyond what the Transportation Capital Fund can support; financial solutions are required to address this top community concern

FUTURE FIRE STATIONS

Trends suggest another fire station may be needed within the next 10 years – constructing and operating another station may be a financial challenge for the Town, and community discussion will be needed

OTHER NEEDS

Needs that were not included in the budget, including general government staffing and special events initiatives, remain and should be considered for implementation as resources allow

ADDITIONAL PRIORITIES

As the community continues to grow, requests for additional services are likely; prioritization of resources will be essential to ensure Castle Rock remains a high-quality community

SPACE NEEDS

Next-level priorities include space for Parks Maintenance and Facilities personnel; expansion of the Service Center and fleet bays; and development of a permanent public safety training facility – funding constraints exist

PUBLIC AND COUNCIL COMMENT

REGARDING PROPOSED 2016 BUDGET?

FIRST READING SCHEDULED FOR NOVEMBER 2, 2015