



Town Council Meeting Minutes - Draft

Mayor Jason Gray
Mayor Pro Tem Kevin Bracken
Councilmember Ryan Hollingshead
Councilmember Laura Cavey
Councilmember Desiree LaFleur
Councilmember Caryn Johnson
Councilmember Tim Dietz

Tuesday, February 23, 2021

5:00 PM

Town Hall Council Chambers
100 North Wilcox Street
Castle Rock, CO 80104
Phone in: (720) 650-7664
Meeting Code: 187 381 3833
www.CRgov.com/CouncilMeeting

All times indicated on the agenda are approximate. This meeting is open to the public and will be held in a virtual format in accordance with Town Council Meeting Special Procedures During Declared Disasters. Public may choose to attend in person at Town Hall, or electronically or by phone if preferred - remote participation is encouraged. This meeting will be hosted online and can be accessed at www.CRgov.com/CouncilMeeting, or phone in by calling (720) 650-7664, meeting code 187 381 3833 (if prompted for a password enter "Feb23Council"). All Town Council Meetings are also streamed online in real time at www.CRgov.com/WatchCouncil, and are broadcast for Comcast Cable subscribers on Channel 22 (please note there is a delay to the broadcast).

STUDY SESSION

CALL TO ORDER / ROLL CALL

Councilmember Cavey attended remotely.

Present: 7 - Mayor Gray, Mayor Pro Tem Bracken, Councilmember Hollingshead, Councilmember Cavey, Councilmember LaFleur, Councilmember Johnson, Councilmember Dietz

[ID 2021-020](#)

Study Session: Town Finances, Capital Improvement Plan

Town Finances:

Trish Muller, Director of Finance, introduced her finance team - Pete Managers, Revenue Manager; Chris Crieghton, Budget Manager; Karlee Suhanyi and Alex Thiel Budget Analysts; and Nicole Carner who will be focused on core services during COVID - specifically payroll, accounting, and accounts payable.

Muller provided an overview of the department structure - Accounting, Budget, and Revenue. Impact fees help pay for growth for capital projects like the new fire station, parks, etc. Charges for services come from the golf course, water bills, recreation center, etc. Sales tax goes into the general fund that helps pay for Police, Fire, pavement maintenance, etc. Property tax brings in about 2% to the general fund. Sales tax was up 7.6% over 2019 mainly due to grocery stores to make up for shortfalls in businesses that lost revenue. The budget for sales tax revenue in 2021 and 2022 is 4%, 3.5% in 2023 and 3% in future years. Food and general merchandise is the largest category then home and garden. Apparel and accessories was down 24% from 2019. Muller noted that 50% of our sales tax revenue comes from the north end of Town. Other sources of revenue include

development revenue from system development fees (water related), impact fees, and use tax for construction materials.

Mayor Gray asked Corliss to discuss the changes in the development fees. Corliss stated new homes pay around \$55,000 for the permit, impact fees, system development fees, and use tax. They have raised impact fees twice since he has been with the Town, and contrary to what the developers thought, it hasn't slowed down development. Impact fees must be used for capital items. Corliss noted that some municipalities charge excise tax vs. impact fees. Excise tax must be approved by voters, but then it can be used for anything.

Councilmember Johnson commented that property tax averages about \$41 per home per year and only goes to the general fund. Corliss noted that we have the lowest mill levy for a full service municipality on the front range.

Muller then gave an overview of debt. Some is from special revenue bonds issued to the public like the Transportation bonds that are approved by voters. Certificates of Participation can be issued without voter approval like was used for the Miller Activity Center. The Town retains a fund balance in the bank which is reserved and a revenue stabilization reserve for emergencies. Additionally the Town has investments of about \$210M.

Corliss stated there will be a 2021 Budget Amendment in April and Council will provide direction on priorities. There is a limit of a 5.5% increase in property taxes per year, and we many times have had to decrease our property tax mill levy. When we receive contributions from entities (i.e., if the County helps pay for the Crystal Valley Interchange), we have to factor that into our TABOR limit. We may need to ask voters to exempt funds we receive from other entities for these capital projects.

Mayor Pro Tem Bracken asked if we have insurance for natural disasters or business interruption insurance. Corliss stated we have casualty insurance for buildings, but not business interruption insurance as we would rely on federal and state resources. Muller noted that we do have catastrophic reserve funds of about \$2M.

Councilmember Johnson asked about ideas for different revenue streams. Corliss said staff is looking at property tax, lodging tax, and tobacco tax. Johnson confirmed that any tax increase would go to the voters. Corliss stated communities have talked about transportation fees as well. Johnson asked if we will do further surveys to focus on tax items. Corliss stated we may and noted that Castle Pines had a tax item for street maintenance that failed.

Mayor Pro Tem Bracken confirmed that the average property tax per home is very low and asked if we could do an educational piece. Corliss stated we have in the past and will do that as well.

Councilmember Hollingshead asked which bonds voters approve. Muller stated if we issue debt that obligates the Town for more than a year, we would have to have voter approval. Certificates of Participation like what was used for the Miller Activity Center are dependent on budgeting it each year. If not, the lessor can take

the property back from us. It is much like a mortgage on a building and we make those lease payments - it is a municipal obligation.

Councilmember LaFleur asked how much revenue would be generated by paid parking. Corliss stated the cost of enforcement would be factored in, so it would not be a huge money maker, but it does encourage circulation of traffic as people would not park as long.

Councilmember Cavey talked to Frank Gray and Kevin Tilson regarding a higher traffic impact fee for buildings downtown. Corliss stated they can look at it, but impact fees must be justified and use that revenue for targeted capital items.

Transportation Fund:

Dan Sailer, Public Works Director, stated that the Transportation Fund is funded by transportation impact fees and transfers of sales tax from the General fund. The Transportation Master Plan was completed for street and pedestrian improvements to accommodate full build out to 2040. \$250M in projects were identified. They also completed a Downtown Mobility Master Plan for pedestrian, bike, and traffic and identified capital projects and policy recommendations. Projected expenses of \$18M were identified. The Transit Feasibility Study is a phased implementation of transit estimated at \$2M per year for operating transit for full build. There is a funding challenge for new infrastructure and maintenance. They look for financial partners, and determine which projects may not be needed, which are needed sooner, or which can be delayed.

Sailer identified projects planned for the five year Capital Improvement Plan that will be in various stages such as the roundabout at Wilcox and South, Plum Creek Parkway widening Phase 2 between Eaton and Ridge adding 2 lanes, and the Crystal Valley interchange.

Councilmember LaFleur asked if the Crystal Valley Coalition terms are flushed out in the development agreement negotiation when discussing rezoning of the west side. Corliss said the east side has contributed previously.

Sailer noted further projects including the Four Corners project that has received some grant money and Douglas County will contribute \$1M for the construction phase, the 5th Street widening from Gilbert to Four Corners, the Crowfoot at Sapphire Point roundabout, Ridge Road widening, Wolfensberger widening from Red Hawk to Prairie Hawk and pedestrian connections to the future access to the MAC, and Crowfoot Valley Road widening.

Councilmember Cavey asked if we would partner with Castle Pines and Douglas County to widen Crowfoot. Sailer has had discussions with Douglas County to do that who will handle widening where we left off. Castle Pines have not been talked to yet. Cavey asked about Parker. Sailer has not spoken with them either. Cavey stated that this road affects all three jurisdictions and feels we could save money and come together to hire one contractor. Corliss will be meeting with regional managers next week and he will bring it up and inquire about the County's long-range plans on Crowfoot as well.

Sailer continued with additional projects of Prairie Hawk widening, I-25 south bound off ramp right turn lane at Plum Creek, Plum Creek widening from Wolfensberger to the MAC.

Corliss reminded Council that they can alter the 5 Year Capital Improvement Plan schedule. It was previously altered to save up for the North Meadows extension and for the Crystal Valley Interchange. Corliss noted that there are a number of projects that are not included in the 5 year CIP.

Mayor Gray noted that Councilmembers fight for their areas but weigh it against staff's recommendations. Gray asked if 5th Street was part of Douglas County. Sailer said a portion is in unincorporated Douglas County and they are communicating about a potential partnership. Gray asked if a mill levy increase is being considered for public safety and could we defer more money from the general fund to parks or roads. Corliss stated they continue to look at it and will also need additional funds for pavement maintenance and the Capital Improvement Plan.

Mayor Pro Tem Bracken asked why the project for Plum Creek Parkway west of I-25 fell off the list. Corliss stated the developer has responsibility for that up to the MAC. Sailer said they will coordinate when they plan to widen when we plan for Wolfensberger.

Councilmember Johnson inquired if there will be a mill levy increase for public safety and transportation as well. Corliss said they can look at that.

Corliss stated the powerpoints will be uploaded into Granicus and a study session is proposed in March for a Police and Fire presentation. In April a presentation will be given on the citizen survey, and April through June will present strategic priorities. Councilmember Johnson requested a 4th Tuesday for study sessions.

ADJOURN

Mayor Gray adjourned the meeting at 6:51 pm.

Submitted by:

Lisa Anderson, Town Clerk