

# ORDINANCE ADOPTING THE 2019 BUDGET



## DATES:

Aug. 28: Public Budget Open House

Sept. 4: 1<sup>st</sup> Reading Budget

Sept. 18: -2<sup>nd</sup> and Final Reading Budget

-1<sup>st</sup> Reading Mill Levy

-2019-2021 Balanced Financial Plan

-2019-2023 Capital Improvements

Dec. 4: 2<sup>nd</sup> and Final Reading Mill Levy

# FINANCIAL PLANNING GOALS/INPUTS

## FINANCIAL PLANNING GOALS

- 1) Address top-priority and core services level-of-service issues as resources allow
- 2) Incorporate additional major priorities and projects in a responsible and conservative manner

## FINANCIAL PLANNING INPUTS

- Council actions and direction regarding strategic priorities
- 2017 Community Survey results
- Business cases submitted by departments
- 2018 EPS Impact Fee Report

# SALES TAX

- Annual growth is slowing down from 2017, likely to be 4.5% for 2018
- Sales Tax forecasted at 4% increase 2019 over 2018

## POSITIVE TRENDS:

- New retailers
- Continued strong residential growth

## CHALLENGING TRENDS:

- New outlet center in Thornton
- Area communities experiencing sales tax growth slow down

## STAFF PRESENTATION SCHEDULED SEPT. 4:

- Tax on food for home consumption issue

# ITEMS RECOMMENDED FOR FUNDING IN 2019 BUDGET





# ENSURING OUR PUBLIC SAFETY

IMPROVEMENTS ACCOMPLISHED; OTHER NEEDS EXIST



- Operate Fire Station 152 for a full year
- Add an Operations Assistant within the Fire Department
- Fund new auto extrication equipment, a pump-testing unit, a digital fire simulator, new data analytics software, and an update of the emergency operations center
- Add 2 Police Dispatchers, 1 Co-Responder Officer, and 1 School Resource Officer to start mid-2019; Change Crime Analyst from contract to FTE
- Not able to fund several other positions in 2019 (11 public safety FTEs req'd)

# ENHANCING OUR TRANSPORTATION



STREET MAINTENANCE AND CAPACITY BUILDING REMAIN STRONG –  
IMPACT FEE REVENUE IS KEY

- Strong annual Pavement Maintenance Program (\$14M)
- 2019 Capital Improvement Projects:
  - Plum Creek Parkway widening between Gilbert and Eaton
  - Design work on a roundabout at Crowfoot and Timber Canyon
  - Design/construction of a roundabout at Wilcox and South St.
- Add 2 Streets Operator positions, 1 GIS Asset Management Technician, 1 Signs and Markings Technician, and 1 Parts Clerk for Fleet

# ENHANCING OUR TRANSPORTATION

## SNOW REMOVAL OPERATIONAL CHANGES



- Current level of service requires a multidepartment response
- Roughly 18 lane miles per year are added to what the Town must plow
- Castle Rock Water is moving to 24/7 plant operations to meet levels of service
- Six additional drivers are needed to operate plows 24/7 (equipment available)
  - Parks: Two winter seasonal employees
  - Water: Two winter seasonal employees
  - PW: Convert two summer seasonal employees to full time
  - These positions can be used for other winter ops, like holiday lighting
  - Staff requests consensus for adding these positions before winter 2019

# MAINTAINING STRONG PARKS AND RECREATION



- Replace playground equipment and complete other park improvements
- Replace cardio equipment and the HVAC unit serving the Leisure Pool at the Recreation Center
- Design the next neighborhood park, which may be in Cobblestone Ranch/Liberty Village



Castle Rock Recreation Center



# IMPACT FEES

- An independent study of impact fees indicates a funding gap of about 53% between present impact fee revenues and the funding needed for future growth-related projects.
- If Council intends to remain faithful to the longstanding “growth pays for growth” philosophy, impact fees will be need to be increased to maintain levels of service as we add 2,000+ residents per year to our community.
- Staff is not recommending immediate adoption of EPS’ maximum supportable fees, but rather a four-year phase-in 15% the first year, 11.7% plus inflation in the second and third years and 7% plus inflation in year four.

**For 2019, this would represent a .37% increase on a home valued at \$450K**

# IMPACT FEES

- The recommended fees would allow the Town to construct additional roads, parks and other facilities to help keep pace with growth
  - This approach would provide funding for another fire station in 10-11 years; current impact fees would not support construction in that timeframe (**\$1.1M additional revenue est. 2019-2023**)

# TRANSPORTATION IMPACT FEE

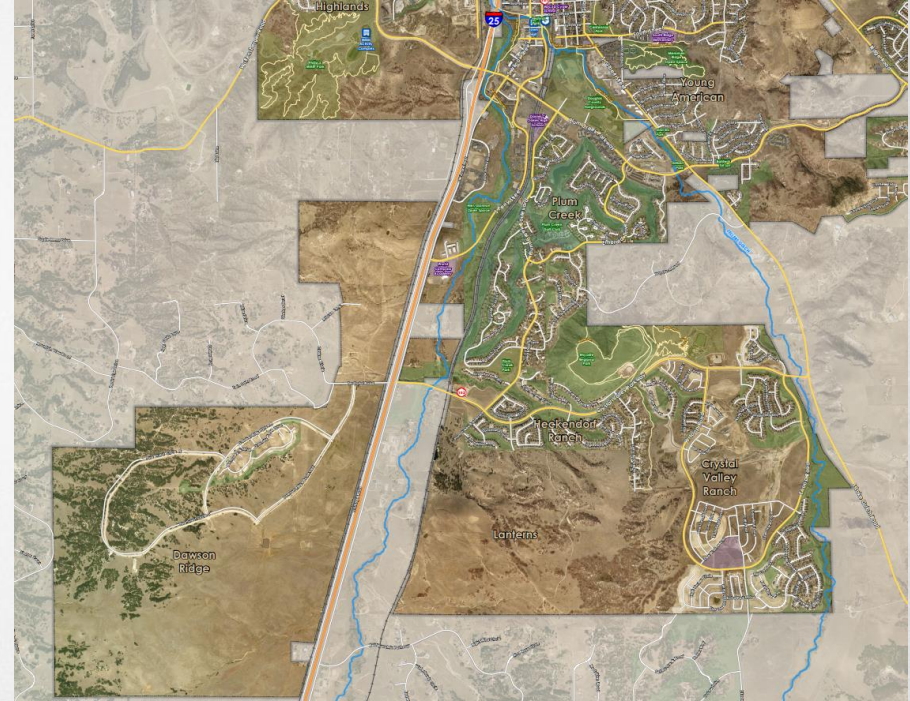
**\$9.5M additional capital revenue est. 2019-23 would advance these projects:**

	<i>Original timeframe</i>	<i>New timeframe</i>
Ridge Road widening	2021	2020
Plum Creek Pkwy widening	2022	2021
Hwy 86/Fifth St improvements	2023	2022
Wolfensberger Road widening	2024	2023
Prairie Hawk widening	2025	2023



# TRANSPORTATION IMPACT FEE

Even with the additional capital revenue, challenges would remain, including having a viable financing plan for the I-25/Crystal Valley Parkway interchange, if development is not on track in the area to contribute its share to the project





# PARKS AND REC IMPACT FEE

**\$8.9M additional capital revenue est. 2019-2023 would allow for construction of a new park every two to three years, as well as for accumulation of funding to construct a new indoor recreation facility in the next decade**

The next neighborhood parks are slated for these areas:

- Castlewood Ranch, near Flagstone Elementary School
- Cobblestone Ranch/Liberty Village, near the neighborhood pool
- Crystal Valley, at the south end of Loop Road
- Terrain, near the neighborhood pool and dog park

A study is planned for 2019 to identify indoor recreation facility needs and potential locations

# IMPACT FEES OVERVIEW

## PROPOSED FEES FOR A CASTLE ROCK AVERAGE 2,600-SQUARE-FOOT HOME

(rounded to the nearest whole dollar)

Fee	2018	2019	2020*	2021*	2022*	2023*
Parks and Recreation	\$3,303	\$3,720	\$4,789	\$6,033	\$6,726	\$6,726
Municipal Facilities	396	355	355	355	355	355
Fire	894	1,098	1,098	1,098	1,098	1,098
Police	362	542	542	542	542	542
Transportation	6,104	7,004	7,416	7,826	8,237	8,237
Total	\$11,059	\$12,719	\$14,200	\$15,854	\$16,958	\$16,958
Increase		\$1,660	\$1,481	\$1,654	\$1,104	\$0
% increase on \$450K home		.37%	.33%	.37%	.25%	0%

*\*Increases these years will be additionally adjusted to reflect inflation*

# OTHER ITEMS RECOMMENDED FOR FUNDING IN 2019 BUDGET



# SECURING OUR WATER FUTURE

## INFRASTRUCTURE IMPROVEMENTS AT CASTLE ROCK WATER



- Contribute to expansion of Plum Creek Water Reclamation Authority
- Expand the Plum Creek Water Purification Facility
- Continue the WISE, Plum Creek diversion and Chatfield Reallocation projects
- New deep well projects
- Add SCADA Analyst and a Water Plant Operator position
- Rates and Fees to be discussed later this evening



Plum Creek Water Purification Facility



# SUPPORTING ECONOMIC DEVELOPMENT



- Contribute \$1 million to Arapahoe Community College's Collaboration Campus project as approved by Council



# MANAGING TOWN FINANCES CONSERVATIVELY



- Add a 3/4-time Sales Tax Auditor position
- Fund employee compensation at an average 3.5 percent performance-based increase for general employees, with an average of 4 percent budgeted for sworn public safety personnel; also, budget for Town health premium increases at 8 percent, with a corresponding employee match

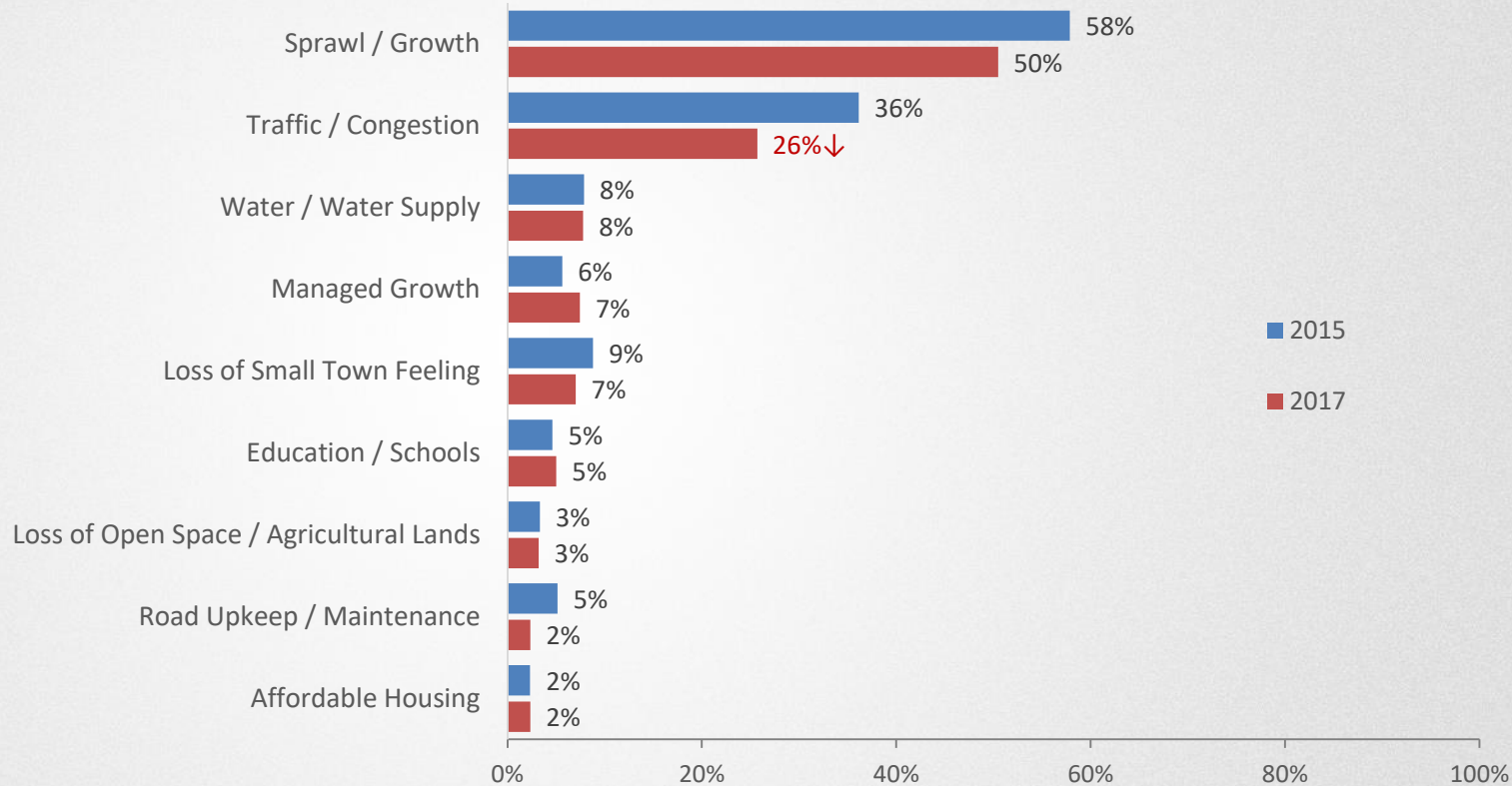
# BUDGET DEVELOPMENT PROCESS

- Presentation of the Proposed 2019 Budget and impact fees on **August 21**
- Presentation of the annual water rates and fees study also on **August 21**
- First reading of the budget ordinance is planned for **September 4**
- Second and final reading is planned for **September 18**
- First reading of the property tax mill levy ordinance also is planned for **September 18**, along with adoption of the 2019-2021 Balanced Financial Plan and the 2019-2023 Capital Improvement resolutions
- Second and final reading of the property tax mill levy ordinance is planned for **December 4**

The planned schedule leaves time for addressing any new issues that might arise during the course of the financial planning process.



# 2017 COMMUNITY SURVEY RESULTS





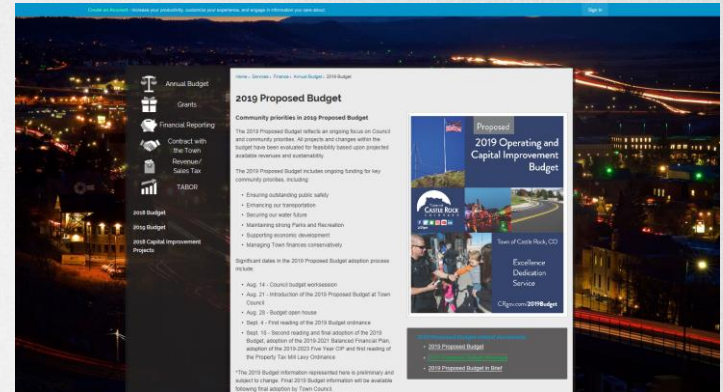
# BUDGET PROCESS

## POSTED ONLINE AND PROVIDED TO COUNCIL:

- Proposed 2019 Budget
- Budget in Brief
- Budget Message
- Revenue and expenditure details
- Draft 2019-2021 Balanced Financial Plan
- Draft 2019-2023 Capital Improvement Program

## FIRST AND SECOND READINGS SCHEDULED

- First reading: September 4
- Second reading: September 18



View the budget documents online:

**[CRGOV.COM/2019BUDGET](http://CRGOV.COM/2019BUDGET)**



# RECOMMENDED MOTION

## BUDGET ORDINANCE

*“I move to approve Ordinance No. 2018-029, an ordinance adopting the 2019 Budget for the Town of Castle Rock, Colorado (Second Reading)”*



# RECOMMENDED MOTION

## IMPACT FEE ORDINANCE

*"I move to approve Ordinance No. 2018-030, an Ordinance Amending Chapter 3.16 Adding a New Section 3.16.005 Entitled Authority; Amending Section 3.16.030 Adjusting the Development Impact Fees for Residential and Non-Residential Uses; and Adding a New Section 3.16.035 Entitled Inflation (Second Reading)"*

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