TOWN OF WINDSOR COLORADO

TOWN BOARD SPECIAL MEETING

November 18, 2019 - 4:30 PM
1st Floor Conference Room, 301 Walnut Street, Windsor, CO 80550

AGENDA

A. CALL TO ORDER

1. Roll Call
2. Review of Agenda by the Board and Addition of Items of New Business to the Agenda for Consideration

B. BOARD DISCUSSION ITEMS

1. 2020 Budget Final Review
2. Water Rates Presentation
3. Storm Drainage Fund Fee Increase

C. EXECUTIVE SESSION

1. An executive session pursuant to C.R.S. § 24-6-402 (4)(f)(I) to discuss personnel matters concerning the Town Attorney and Town Manager, under circumstances where neither the Town Attorney nor Town Manager has requested an open meeting.
2. An executive session pursuant to C.R.S. § 24-6-402 (4)(f)(I) to discuss personnel matters concerning the Town Prosecutor, under circumstances where the Town Prosecutor has not requested an open meeting.

D. ADJOURN

The Town of Windsor will make reasonable accommodations for access to Town services, programs, and activities and will make special communication arrangements for persons with disabilities. Please call (970) 674-2400 by noon on the Thursday prior to the meeting to make arrangements.

TOWN OF WINDSOR COLORADO

MEMORANDUM

Date: November 18, 2019
To: Mayor and Town Board
Via: Shane Hale, Town Manager
From: Dean Moyer, Director of Finance & Shane Hale, Town Manager
Re: 2020 Budget Final Review
Item #: B.1.

ATTACHMENTS:

- 2020 Budget Handout

SPECIAL WORKSESSION

NOVEMBER 18, 2019

2020 PROPOSED BUDGET

CONDENSED SUMMARY

TOWN OF WINDSOR, COLORADO

JANUARY 1, 2020 – DECEMBER 31, 2020

1 **Town of Windsor 2020 Proposed Budget Overview**

Fund	Projected Beginning Balance	Proposed Revenues	Proposed Expenditures	Projected Ending Balance
General Fund	$ 14,559,785	$ 25,430,369	$ 23,967,428	$ 16,022,726
Park Improvement Fund	12,252,015	2,445,857	6,262,503	8,435,369
Conservation Trust Fund	1,155,814	1,565,733	1,171,500	1,550,047
Capital Improvement Fund	12,427,897	15,788,447	19,666,218	8,550,126
*** Community Rec Center Fund**	614,739	1,448,309	1,716,655	346,393
Community Rec Center Expansion Fund	9,278,072	5,623,209	3,898,726	11,002,555
Water Fund O & M	8,915,074	5,833,047	5,497,849	9,250,272
Water Fund PIF	10,698,761	2,385,787	30,000	13,054,548
Water Fund PIF NISP	(883,675)	173,033	2,425,000	(3,135,642)
Water Fund Raw Water	1,305,661	1,674,019	-	2,979,680
Water Fund / Non-Potable	(1,492,612)	397,253	1,042,999	(2,138,357)
Sewer Fund O & M	2,410,407	2,518,541	2,467,652	2,461,296
Sewer Fund PIF	11,275,356	2,070,414	2,386,331	10,959,439
Storm Drain Fund O & M	904,749	592,959	414,256	1,083,452
Storm Drain Fund PIF	3,576,888	1,727,952	2,693,557	2,611,283
Fleet Management Fund	(69,465)	1,994,879	1,920,879	4,535
Information Technology Fund	33,356	2,532,739	2,532,740	33,355
Facilities Services Fund	111,601	827,360	825,741	113,221
Windsor Building Authority Fund	344,580	292,459	290,160	346,879
Economic Development Incentive Fund	0	354,000	354,000	0
All Funds Total	**$ 87,419,004**	**$ 75,676,366**	**$ 79,564,193**	**$ 83,531,178**

**The Community Recreation Center Fund is non-compliant with the reserve balance policy, anticipated expenditures exceeding anticipated revenues by $.27M, leaving a reserve balance deficit of $.33M. You will note that the CRC Expansion Fund has a projected 2020 ending fund balance of $11,002,555, approximately $9M above the 20% fund balance. In order to be compliant with each ballot question, the Town keeps these funds separate. However, when considered in their totality, the overall fund balance is well over the Board's established limits, and there is no cause for concern in the CRC fund. Staff intends to work with bond counsel next year to determine if there is another legal way to comply with the ballot language while simultaneously accounting for the funds in a less confusing way.*

COMMUNICATIONS
BUDGET TRANSMITTAL MESSAGE

The 2020 budget has been prepared to deliver high quality services to the taxpayer; both in operations and in capital investments, without issuing debt or increasing taxes. Personnel requests are strategic—focusing on public safety, succession planning, organizational efficiency, security, and quality of life.

The following is a table of basic statistics for the Town Budget. Revenue resources include both estimated beginning Fund Balance and revenues for fiscal year 2020.

REVENUE RESOURCES		
General Fund	$	39,990,154
Park Improvement Fund		14,697,872
Conservation Trust Fund		2,721,547
Capital Improvement Fund		28,216,344
Community / Recreation Center Fund		2,063,048
Water Fund		29,006,348
Sewer Fund		18,274,718
Storm Drainage Fund		6,802,548
Community Recreation Center Expansion Fund		14,901,281
Fleet Management Fund		1,925,414
Information Technology Fund		2,566,095
Facilities Services Fund		938,961
Windsor Building Authority		637,039
Economic Development Incentive Fund		354,000
TOTAL ALL FUNDS	**$**	**163,095,371**

ESTIMATED EXPENDITURES		
General Fund	$	23,967,428
Park Improvement Fund		6,262,503
Conservation Trust Fund		1,171,500
Capital Improvement Fund		19,666,218
Community / Recreation Center Fund		1,716,655
Water Fund		8,995,848
Sewer Fund		4,853,983
Storm Drainage Fund		3,107,823
Community Recreation Center Expansion Fund		3,898,726
Fleet Management Fund		1,920,879
Information Technology Fund		2,532,740
Facilities Services Fund		825,741
Windsor Building Authority		290,159
Economic Development Incentive Fund		354,000
TOTAL ALL FUNDS	**$**	**79,564,193**

REVENUE

Revenues for the Town are anticipated to continue to be buoyant, particularly with Property Taxes, Construction Use Taxes and Plant Investment Fees. Staff is however, cognizant of the possibility of a dip in the economic cycle and believe that current healthy fund balances, together with restrained expenditure patterns, will accommodate any temporary shortfall in actual revenues. Staff will continue to monitor revenue and align proposed capital spending if required.

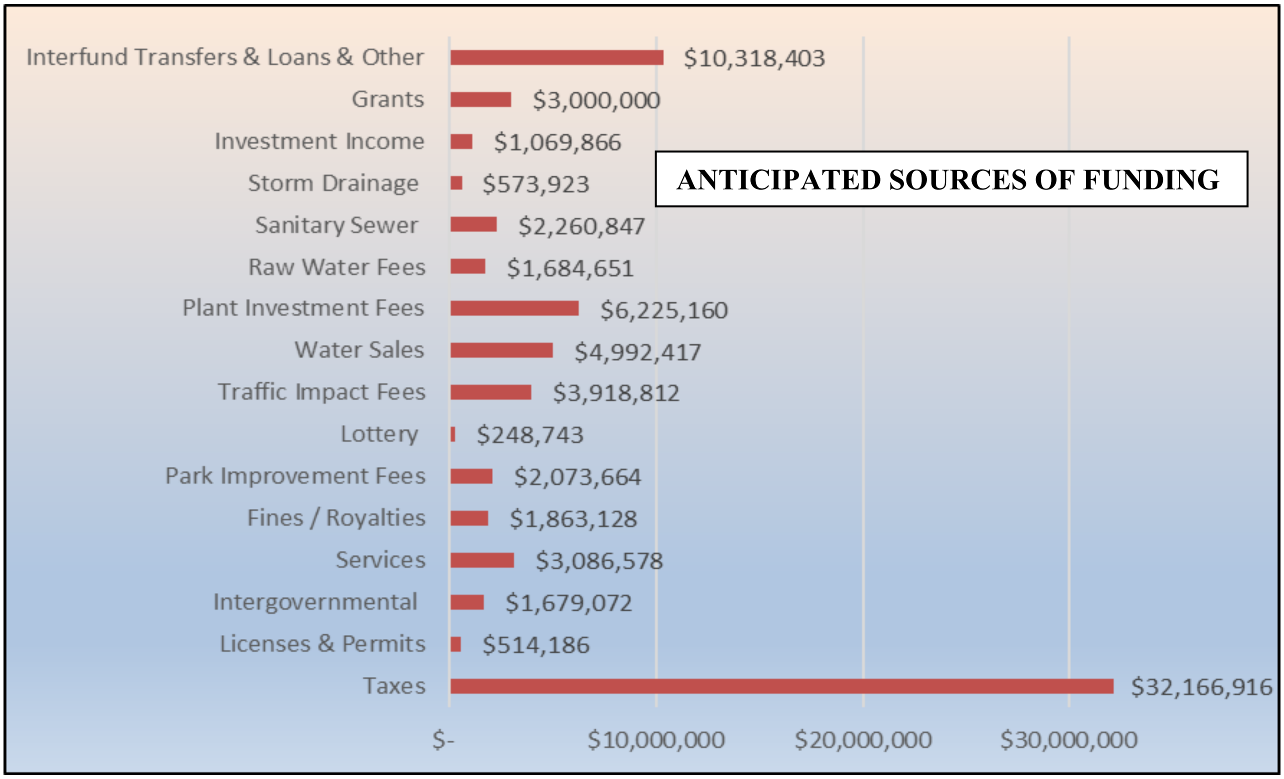
REVENUE BY FUND		2020 BUDGET
General Fund	$	25,430,369
Park Improvement Fund		2,445,857
Conservation Trust Fund		1,565,733
Capital Improvement Fund		15,788,447
Community / Rec Center Fund		1,448,309
Water Fund		10,463,139
Sewer Fund		4,588,955
Storm Drainage Fund		2,320,911
Community / Rec Center Expansion Fund		5,623,209
Fleet Management Fund		1,994,879
Information Technology Fund		2,532,739
Windsor Building Authority Fund		292,459
Facility Services Fund		827,360
Economic Dev. Incentive Fund		354,000
TOTAL ANTICIPATED REVENUES	**$**	**75,676,366**

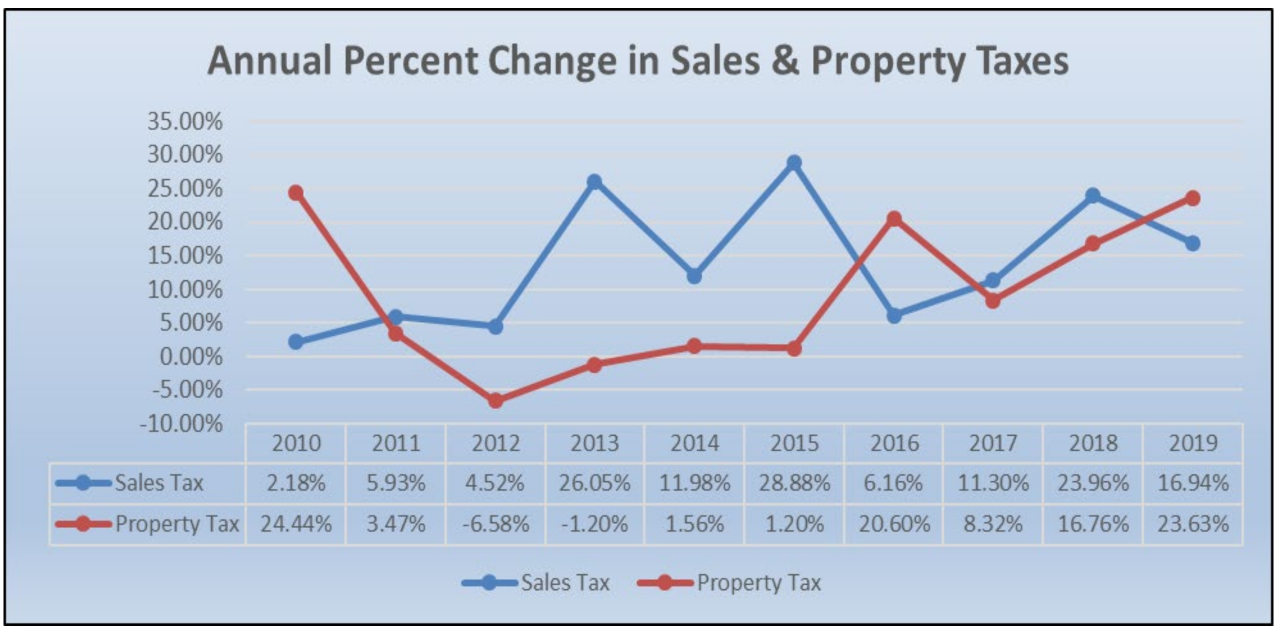
REVENUE SOURCE		2020 BUDGET
Taxes	$	32,166,916
Licenses & Permits		514,186
Intergovernmental		1,679,072
Services		3,086,578
Fines / Royalties		1,863,128
Park Improvement Fees		2,073,664
Lottery		248,743
Traffic Impact Fees		3,918,812
Water Sales		4,992,417
Plant Investment Fees		6,225,160
Raw Water Fees		1,684,651
Sanitary Sewer		2,260,847
Storm Drainage		573,923
Investment Income		1,069,866
Grants		3,000,000
Interfund Transfers & Loans & Other		10,318,403
TOTAL ANTICIPATED REVENUES	**$**	**75,676,366**

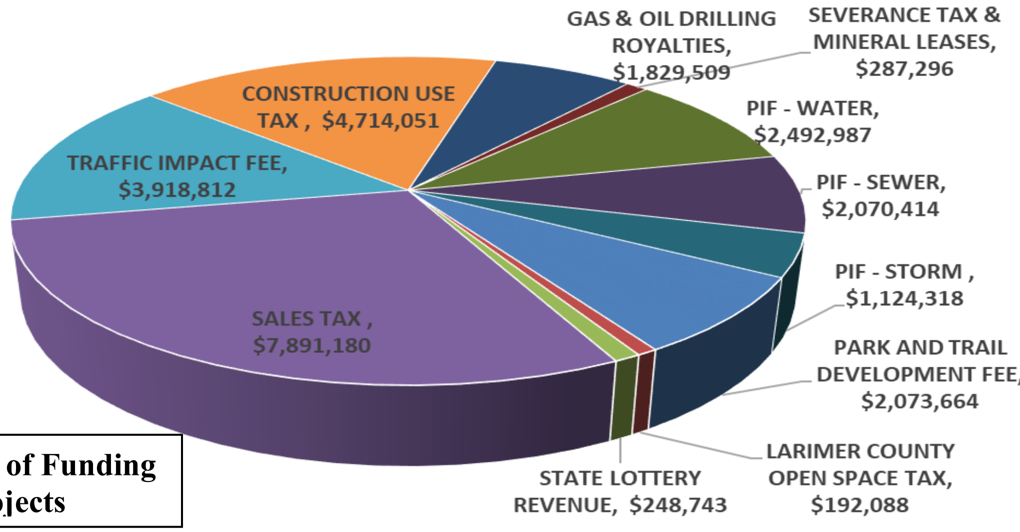
A comparison of total budgeted revenues by year appears in the following table, along with a chart that displays the annual percentage changes in the Town's largest revenue sources, sales and property taxes.

REVENUE SOURCE	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 BUDGET	2020 PROPOSED	% CHANGE SINCE 2016
Taxes	$ 22,287,920	$ 23,920,157	$ 26,445,490	$ 27,775,114	$ 32,166,916	44.3%
Licenses & Permits	401,511	523,174	617,873	507,286	514,186	28.1%
Intergovernmental Rev	1,279,104	1,383,131	1,780,145	1,470,733	1,679,072	31.3%
Services	1,608,395	2,914,798	2,986,310	2,835,489	3,086,578	91.9%
Fines / Royalties	164,689	177,932	2,310,773	1,739,999	1,863,128	1031.3%
Collections for Other Gov	304,579	655,184	523,430	654,626	465,868	53.0%
Park Improvement Fees	2,919,637	3,275,172	4,061,605	2,849,151	2,073,664	-29.0%
Lottery Funds	242,301	232,427	248,831	243,058	248,743	2.7%
Traffic Impact Fees	1,735,957	2,273,489	3,851,266	3,299,109	3,918,812	125.7%
Water Sales	4,067,508	4,037,494	4,263,283	4,353,892	4,992,417	22.7%
Plant Investment Fees	7,379,477	5,430,202	5,448,586	6,406,260	6,225,160	-15.6%
Raw Water Fees	8,339,594	4,350,033	3,620,516	1,860,384	1,684,651	-79.8%
Sanitary Sewer Service	2,053,558	2,172,479	2,209,330	2,130,920	2,260,847	10.1%
Storm Drainage Service	336,827	361,585	527,523	373,347	573,923	70.4%
Interest/Investment Income	658,214	702,057	1,101,176	957,573	1,069,866	62.5%
Grants	5,420,286	1,526,595	192,282	2,035,549	3,000,000	-44.7%
Interfund Transfers & Miscellaneous	5,409,439	6,483,605	15,753,148	8,000,337	9,778,535	80.8%
Sale of Assets	46,887	29,000	351,638	1,039,559	74,000	57.8%
TOTAL REVENUES	**$ 64,655,883**	**$ 60,448,514**	**$ 76,293,205**	**$ 68,532,385**	**$ 75,676,366**	**17.0%**

Note: Table excludes development-driven accepted infrastructure


ANTICIPATED SOURCES OF FUNDING
Interfund Transfers & Loans & Other $10,318,403
Grants $3,000,000
Investment Income $1,069,866
Storm Drainage $573,923
Sanitary Sewer $2,260,847
Raw Water Fees $1,684,651
Plant Investment Fees $6,225,160
Water Sales $4,992,417
Traffic Impact Fees $3,918,812
Lottery $248,743
Park Improvement Fees $2,073,664
Fines / Royalties $1,863,128
Services $3,086,578
Intergovernmental $1,679,072
Licenses & Permits $514,186
Taxes $32,166,916
$-
$10,000,000
$20,000,000
$30,000,000


Annual Percent Change in Sales & Property Taxes
35.00%
30.00%
25.00%
20.00%
15.00%
10.00%
5.00%
0.00%
-5.00%
-10.00%
2010 2011 2012 2013 2014 2015 2016 2017 2018 2019
Sales Tax 2.18% 5.93% 4.52% 26.05% 11.98% 28.88% 6.16% 11.30% 23.96% 16.94%
Property Tax 24.44% 3.47% -6.58% -1.20% 1.56% 1.20% 20.60% 8.32% 16.76% 23.63%
Sales Tax
Property Tax



Major Sources of Funding for Capital Projects

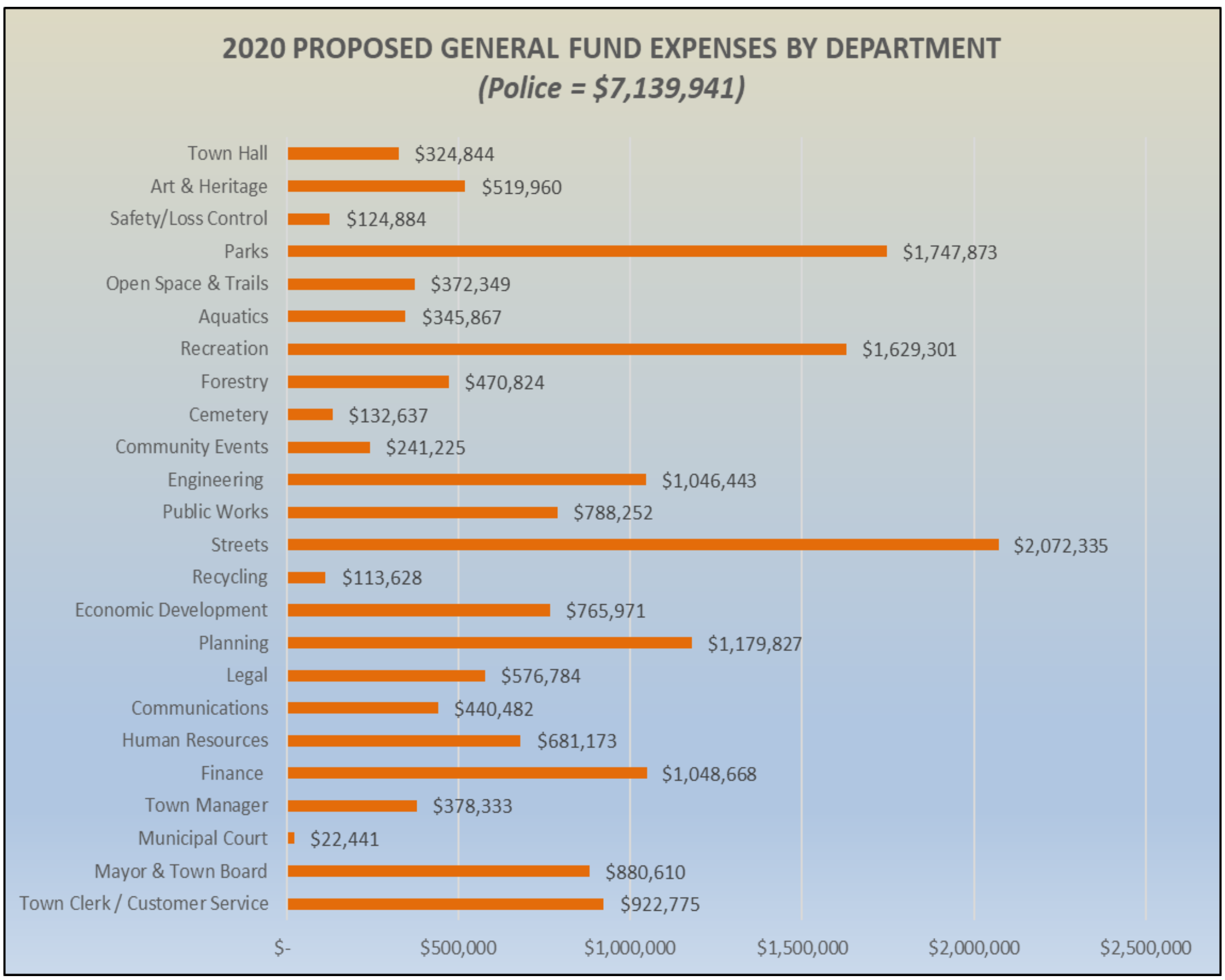
EXPENDITURES

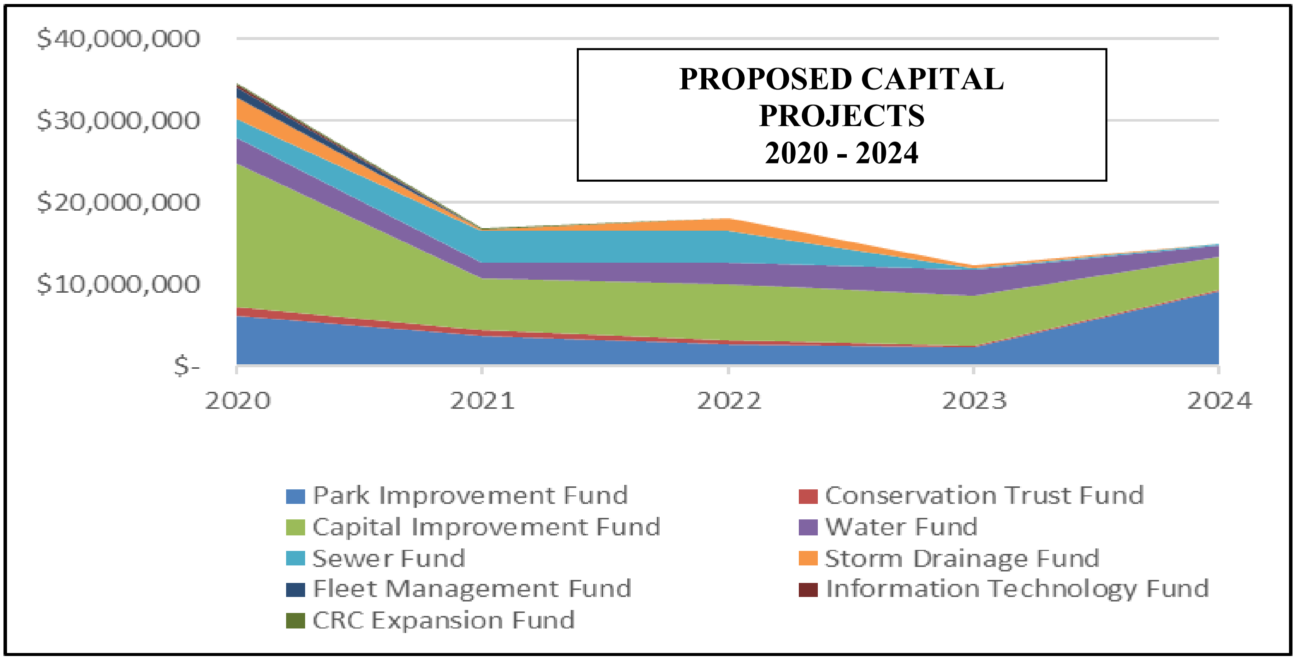
The total expenditures of all funds in the proposed 2020 budget are $79,564,193. This is an increase of .28% from the 2019 budget. By category, our largest expense remains in Capital Outlay, consisting of $34.5M or 43.4% of the overall budget. This is followed by Personnel at $19.6M (24.6%), Operations & Maintenance at $13.5M (16.9%) and Debt Service/Inter-fund Transfers at $11.96M (15.0%). In addition to the afore-mentioned 2020 expenditure proposals, Staff is anticipating approximately $6M in uncompleted capital projects will be carried forward into 2020 from 2019. Major projects and approximate amounts, that will be carried forward include; SH 392 Widening at LCR 5 ($2.5M), SH 257/Eastman Park Drive Intersection Improvements ($1.4M), Construction of the Parks Maintenance Facility ($1M), Blower Replacement at the Wastewater Treatment Plant ($.59M), and the Kyger Trail Development at CR 13 ($.5M).

TOWN OF WINDSOR - 2020 BUDGET
ALL FUND EXPENDITURE BREAKDOWN BY CATEGORY

EXPENSE CATEGORY	2016 ACTUAL	2017 ACTUAL	2018 ACTUAL	2019 BUDGET	2019 PROJECTED	2020 PROPOSED
Personnel	$ 10,712,188	$ 12,696,233	$ 13,963,297	$ 17,793,188	$ 16,602,337	$ 19,605,064
Operation & Maintenance	11,454,041	14,664,024	15,693,150	23,512,327	22,830,139	13,476,572
Debt Service & Interfund Transfers	7,842,171	30,392,361	8,585,237	10,602,574	10,843,348	11,961,646
Capital Outlay	43,878,241	26,046,682	27,861,901	27,439,088	25,078,952	34,520,911
Total Expenditures	**$ 73,886,640**	**$ 83,799,301**	**$ 66,103,585**	**$ 79,347,177**	**$ 75,354,776**	**$ 79,564,193**
Personnel	14.5%	15.2%	21.1%	22.4%	22.0%	24.6%
Operation & Maintenance	15.5%	17.5%	23.7%	29.6%	30.3%	16.9%
Debt Service & Interfund Transfers	10.6%	36.3%	13.0%	13.4%	14.4%	15.0%
Capital Outlay	59.4%	31.1%	42.1%	34.6%	33.3%	43.4%
Total Expenditures	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Fund	2020 Proposed Operating Expenses	2020 Proposed Capital Expenses	2020 Proposed Total Expenses
General Fund	$ 23,967,428	$ -	$ 23,967,428
Park Improvement Fund	$ 140,583	$ 6,121,920	$ 6,262,503
Conservation Trust Fund	$ 18,000	$ 1,153,500	$ 1,171,500
Capital Improvement Fund	$ 2,255,180	$ 17,411,038	$ 19,666,218
Community / Rec Center Fund	$ 1,716,655	$ -	$ 1,716,655
Water Fund	$ 5,781,348	$ 3,214,500	$ 8,995,848
Sewer Fund	$ 2,566,495	$ 2,287,488	$ 4,853,983
Storm Drainage Fund	$ 539,148	$ 2,568,665	$ 3,107,813
CRC Expansion Fund	$ 3,757,726	$ 141,000	$ 3,898,726
Fleet Management Fund	$ 645,879	$ 1,275,000	$ 1,920,879
Information Technology Fund	$ 2,184,950	$ 347,790	$ 2,532,740
Windsor Building Authority Fund	$ 290,159	$ -	$ 290,159
Facility Services Fund	$ 825,741	$ -	$ 825,741
Economic Dev. Incentive Fund	$ 354,000		$ 354,000
Grand Totals	**$ 45,043,292**	**$ 34,520,901**	**$ 79,564,193**





2020 PROPOSED MAJOR CAPITAL PROJECTS			
FUND	FUNDING SOURCE	PROJECT	PROPOSED FOR 2020
Park Improvement Fund	Community Park Fees	CP Diamond Valley Park - Buildout Contingency	$ 4,000,000
Capital Improvement Fund	Sales & Use Tax	Street Maintenance Program - Seal, Overlay & Concrete Replacement	2,731,818
Capital Improvement Fund	Road Improvement Fees	Street Oversizing LCR5 @ Ptarmigan 4th	2,690,000
Water	Plant Investment Fees	Northern Integrated Supply Project (NISP)	2,425,000
Storm Drainage	Plant Investment Fees	Chestnut St. to Eastman Park Dr. Drainage Improvements	2,359,800
Capital Improvement Fund	Road Improvement Fees	Street Oversizing LCR5 North of SH 392	1,690,000
Capital Improvement Fund	Road Improvement Fees	Street Oversizing Harmony Rd between LCR13 & LCR15	1,565,000
Park Improvement Fund	Community Park Fees	Phase 1 of Riverwalk and South Side Master Plan	1,501,920
Park Improvement Fund	Conservation Trust Fund	Windsor Trail System - Upgrades & Installation of New Trails & Amenities	1,400,000
Fleet Management	Sales & Use Tax	New & Replacement Vehicle Acquisitions	1,275,000
Capital Improvement Fund	Sales & Use Tax	Quick Win Project -7th Street Multimodal Corridor Improvements	1,250,000
Capital Improvement Fund	Road Improvement Fees	Street Oversizing LCR5 at Fossil Creek Ranch	1,061,000
Capital Improvement Fund	Sales & Use Tax	Transportation Reserve	1,000,000
Sewer	Plant Investment Fees	Sewer Line Oversizing - Poudre Heights	1,000,000
Sewer	Plant Investment Fees	Sewer Plant modifications - Biosolids handling improvements	900,000
Capital Improvement Fund	Sales & Use Tax	Traffic Signal Installation - Crossroads Blvd. & New Liberty	695,000
Capital Improvement Fund	Sales & Use Tax	Walnut Street Bikeway Improvements	625,000
Water	User Fees	Water Line Replacement - Cottonwood & Cypress Court	550,000
Capital Improvement Fund	Sales & Use Tax	Town Hall Remodel & Security Upgrades	500,000
Capital Improvement Fund	Sales & Use Tax	Street Oversizing Harmony Rd between LCR13 & LCR15 - Medians	355,000
Capital Improvement Fund	Sales & Use Tax	SH 392 and 7th Street Intersection Multimodal Safety	325,000
Capital Improvement Fund	Sales & Use Tax	Rennovation of Eaton House into Business Incubator	300,000
Capital Improvement Fund	Sales & Use Tax	Left Turn Treatment Analysis at CR 13 and SH 392	300,000
Sewer	Plant Investment Fees	Sewer Interceptor - North Extension easements	255,628
Capital Improvement Fund	Sales & Use Tax	Air Quality Monitoring	250,000
Conservation Trust Fund	Conservation Trust Fund	Poudre Trail - Upgrades & Installation of New Trails & Amenities	220,000
Park Improvement Fund	Community Park Fees	Diamond Valley Park - Athletic Equipment & Fixtures	220,000
Capital Improvement Fund	Sales & Use Tax	Street Oversizing LCR5 North of SH 392 - Medians	210,000
Storm Drainage	Plant Investment Fees	10th St Drainage Improvements	208,875
Capital Improvement Fund	Road Improvement Fees	SH 392 Improvements - WCR 13 to 17th Street	150,000
Capital Improvement Fund	Sales & Use Tax	Eastman Park Corridor Study	150,000
CRC Expansion	Sales & Use Tax	Community Recreation Center Expansion - Replacements & Updates	141,000
Conservation Trust Fund	CO Parks & Wildlife Funding	OS Kodak Watchable Wildlife Area - Archery Range Expansion	133,000
Capital Improvement Fund	Sales & Use Tax	CR 17 and Riverplace Drive Pedestrian Crossing Determination & Installation	125,000
		PROPOSED COST OF MAJOR CAPITAL PROJECTS IN 2020	$32,563,041

Similar to 2019, transportation improvements are receiving a large percentage of attention in the 2020 budget. Approximately $16.6M, or 48% of the entire capital budget is dedicated to road improvements, pedestrian safety, and increasing road capacities. Parks and trails improvements will cost $7.7M, keeping a focus on one of the Town's Strategic Plan priorities, quality of life upgrades for the Town's residents. On the Utilities front, $2.8M is being set aside for the Northern Integrated Supply Project (NISP) obligations, $2.6M for drainage improvements, and $.9M for the design of required modifications at the sewer plant.

As displayed in the chart below, the long-term capital needs of the Town are numerous;

Fund	Long-Term Community Capital Projects	LT Cost
Water	Northern Integrated Supply Project (NISP)	$ 92,455,351
Water	Regional Water Treatment Plant	$ 77,000,000
CRC Expansion	New Recreation Center	$ 35,000,000
Park Improvement	CP Tacincala Park	$ 16,200,000
Conservation Trust	Windsor Trail System	$ 12,000,000
Storm Drainage	Law Basin Master Plan Channel - Phase 1	$ 8,367,387
Capital Improvement	CP Chimney Park	$ 7,575,000
Capital Improvement	OS Acquisition	$ 6,000,000
Storm Drainage	Law Basin Master Plan Channel - Phase 3	$ 5,143,536
Capital Improvement	Town Hall Re-Model & Annex	$ 5,000,000
Storm Drainage	Law Basin Master Plan Channel - Phase 2	$ 4,468,660
Capital Improvement	Phase 1 of Riverwalk and South Side Master Plan	$ 4,000,000
Capital Improvement	CP Eastman Park	$ 3,000,000
Park Improvement	NP Wayne Miller	$ 2,800,000
Park Improvement	CP Boarwalk Park	$ 1,425,000
Park Improvement	OS Kyger	$ 1,410,000
Park Improvement	NP Fossil Creek	$ 1,100,000
Conservation Trust	OS Kodak Watchable Wildlife Area	$ 1,000,000
Capital Improvement	Cemetery Restoration / Improvements	$ 853,721
Water	Water Line Replacement	$ 600,000
Park Improvement	NP Highland Meadows Park	$ 550,000
Capital Improvement	Poudre River Diversion	$ 500,000
Park Improvement	NP Coyote Gulch Park	$ 415,000
Park Improvement	NP Aberdour Circle Park	$ 400,000
Water	Windsor Lake	$ 380,000
Park Improvement	NP Northern Lights Park	$ 360,000
Capital Improvement	NP Poudre Heights Park	$ 360,000
Capital Improvement	Art & Heritage Center Elevator	$ 355,000
Capital Improvement	NP Brunner Farm Park	$ 335,000
Park Improvement	NP Bison Ridge Park	$ 260,000
Conservation Trust	Poudre Trail	$ 250,000
Park Improvement	NP Founders Green Park	$ 200,000
Park Improvement	NP Covenant Park	$ 100,000
Park Improvement	NP Windsor Village Park	$ 60,000
Capital Improvement	NP Windsor West Park	$ 60,000
	Total - Long Term Capital Needs	**$ 289,983,655**

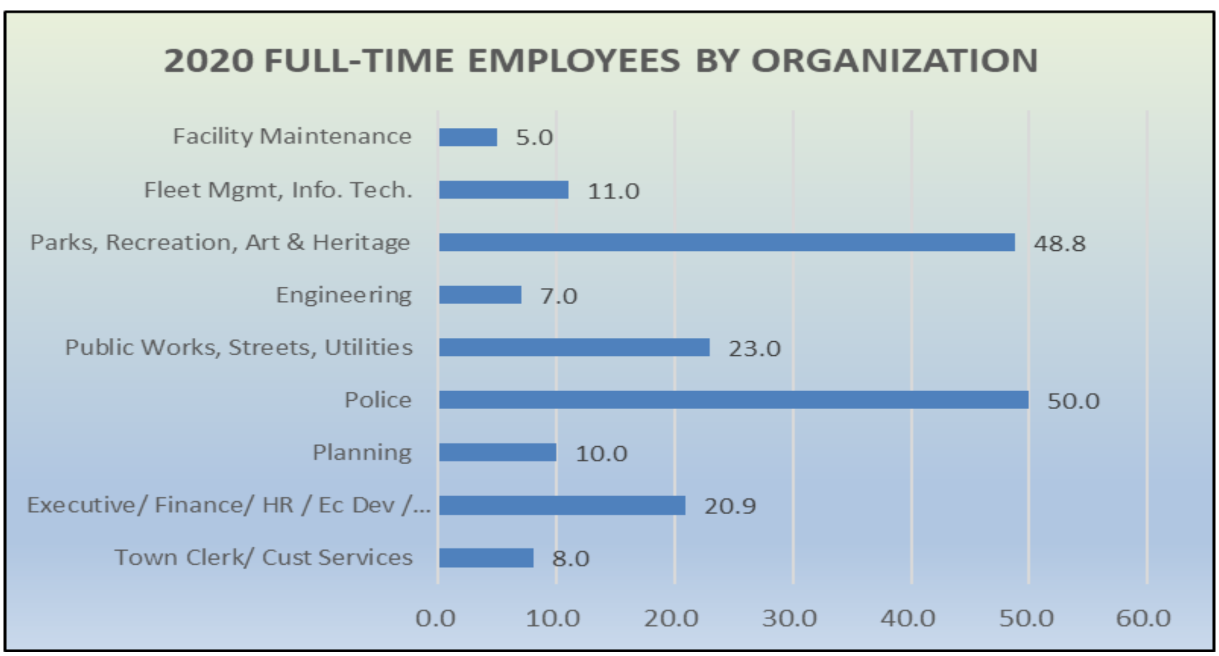
PERSONNEL

The Town continues to experience significant growth resulting in increased demand for services and support, as well as a need for specialized skill sets among employees. The growth is impacting every department in nearly every facet of the services we provide, leaving the Town wanting in staffing and facilities. There were many considerations that have gone into the below recommendations, but include public safety, efficient service delivery, high quality of life, employee turnover, employee burnout, customer expectations, workload, and long-term sustainability. Each request was judged on its own merits, and every effort was made to work with each Department Head to understand their needs while balancing the needs of the entire organization.

A summary of new full-time positions (11.0 FTE) for the 2020 Budget year is as follows;

- New Position-Finance-Payroll Clerk - Finance
- New Position-Human Resources-Human Resources Technician
- New Position-Communications-Communications Coordinator
- Reclassification-Communications-PT Visual Media Coordinator to FT Visual Media Coordinator
- New Position-Planning-Permit Technician / Admin Support - Planning
- New Position-Planning-Planning Technician
- New Position-Police-Patrol Officer
- New Position-Police-Patrol Officer (Overhire)
- New Position-Streets-Equipment Operator / Storm Drainage Technician
- New Position-Open Space-Open Space & Trails Technician (New Title)
- New Position-Sewer-WWTP Operator C

If all of the full-time positions are approved during the budget process, the employee roster will be as follows:



MEMORANDUM

Date: November 18, 2019
To: Mayor and Town Board
Via: Shane Hale, Town Manager
From: John Thornhill, Community Development Director
Re: Water Rates Presentation
Item #: B.2.

ATTACHMENTS:

- Water Rates Presentation - Stantec

Stantec

Town of Windsor, CO

Water Rate Study 2020 Update

Agenda

1. Overview
2. Key Drivers
3. Water Fund Scenarios

Overview

What Has Changed Since Last Rate Study?

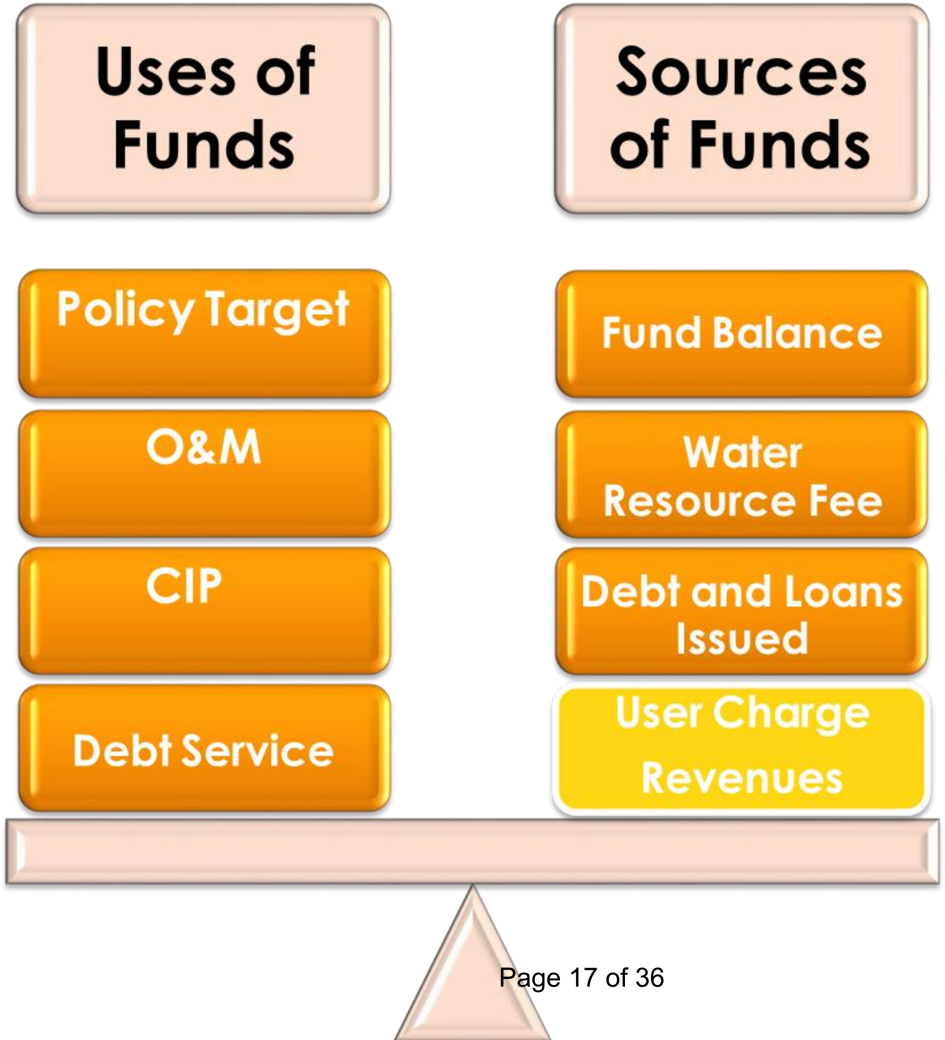
- Update 2018 actual revenues and expenses
- Update from 2019 original budget to 2019 final budget
- Incorporate 2020 proposed budget
- Update to most recent 10- year Capital Improvement Plan for FY 2019-2028

Projects category: R&R projects, water acquisition, NISP, and WTP

- Validated key assumptions with staffs
- Re-evaluate water rate scenarios

Overview

When we balance the plan we can show future costs, rates, and impacts from policies



Overview

Utility's Financial Goals

- Maintain debt service coverage at target level – 120%
- Maintain adequate reserve requirements
  - Water – 90 days cash on hand to maintain bond ratings
- Minimize rate impacts to rate payers
- Growth pays for growth
- Adequately fund water resource needs

Key Drivers of the Water Rate Projection

Growth

Growth projection was evaluated at various levels

- 80%, 90%, and 100%

Mill Levy

Treatment Cost Projection for NWCWD

- Doesn't Pass – 5 years of 10% increase from FY 2020 – 2024. Then 3% annual escalation thereafter

NISP

Timing of NISP project

- NISP project delay until FY 2023
- NISP project delay until FY 2024

** Assumptions for Scenario 1 are labeled in orange text*

Growth Projection

Growth Projections

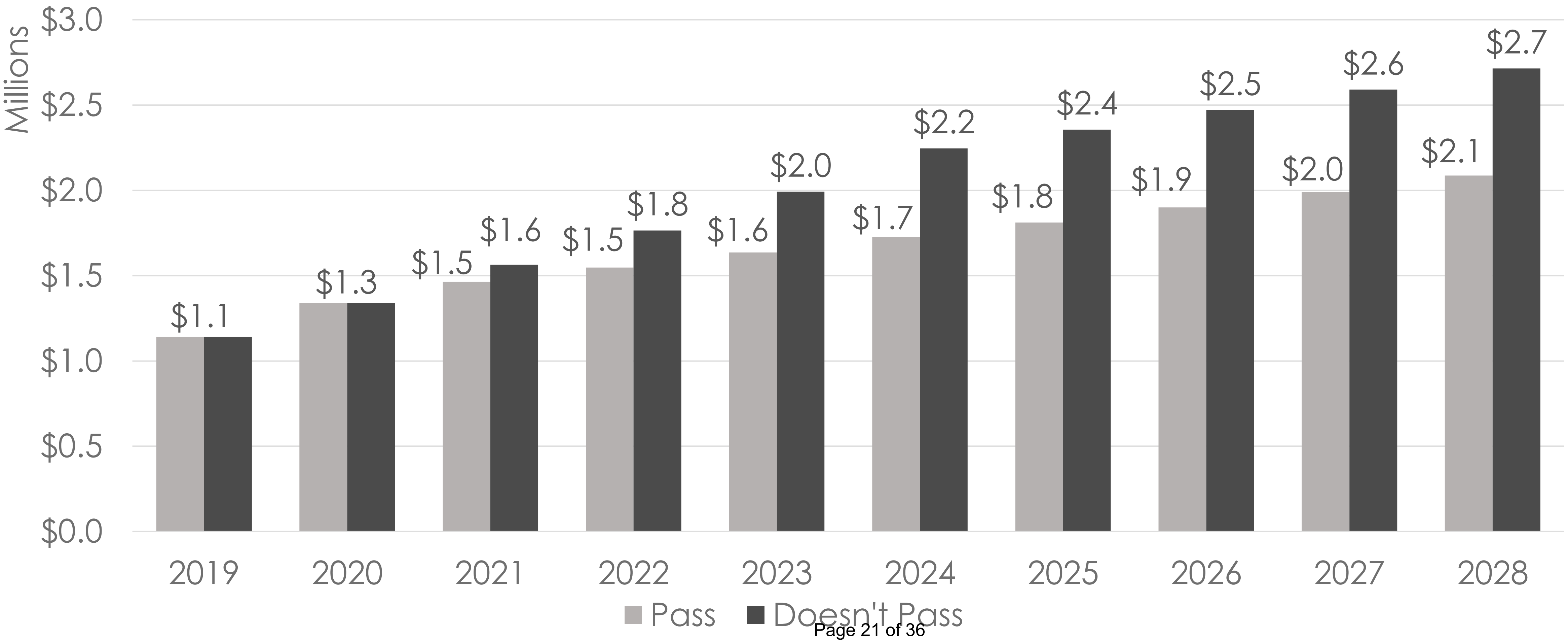
- Growth estimates consistent with economic development reports, as of Aug 2019 – 4.62% (both platted and non-platted)

Growth Area	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
RainDance SFE's	640	640	640	291	291	291	-	-	-	-
Other New Developments	40	41	41	18	18	18	232	232	232	232
Total	**680**	**680**	**680**	**309**	**309**	**309**	**232**	**232**	**232**	**232**
Total @ 95% Growth	**680**	**646**	**646**	**294**	**294**	**294**	**220**	**220**	**220**	**220**
Total @ 80% Growth	**680**	**544**	**544**	**247**	**247**	**247**	**186**	**186**	**186**	**186**

***Note**: 95% growth execution is applied to the annual growth projection units within scenario 1*

Treatment Costs Projection

NWCWD Treatment Costs Projection



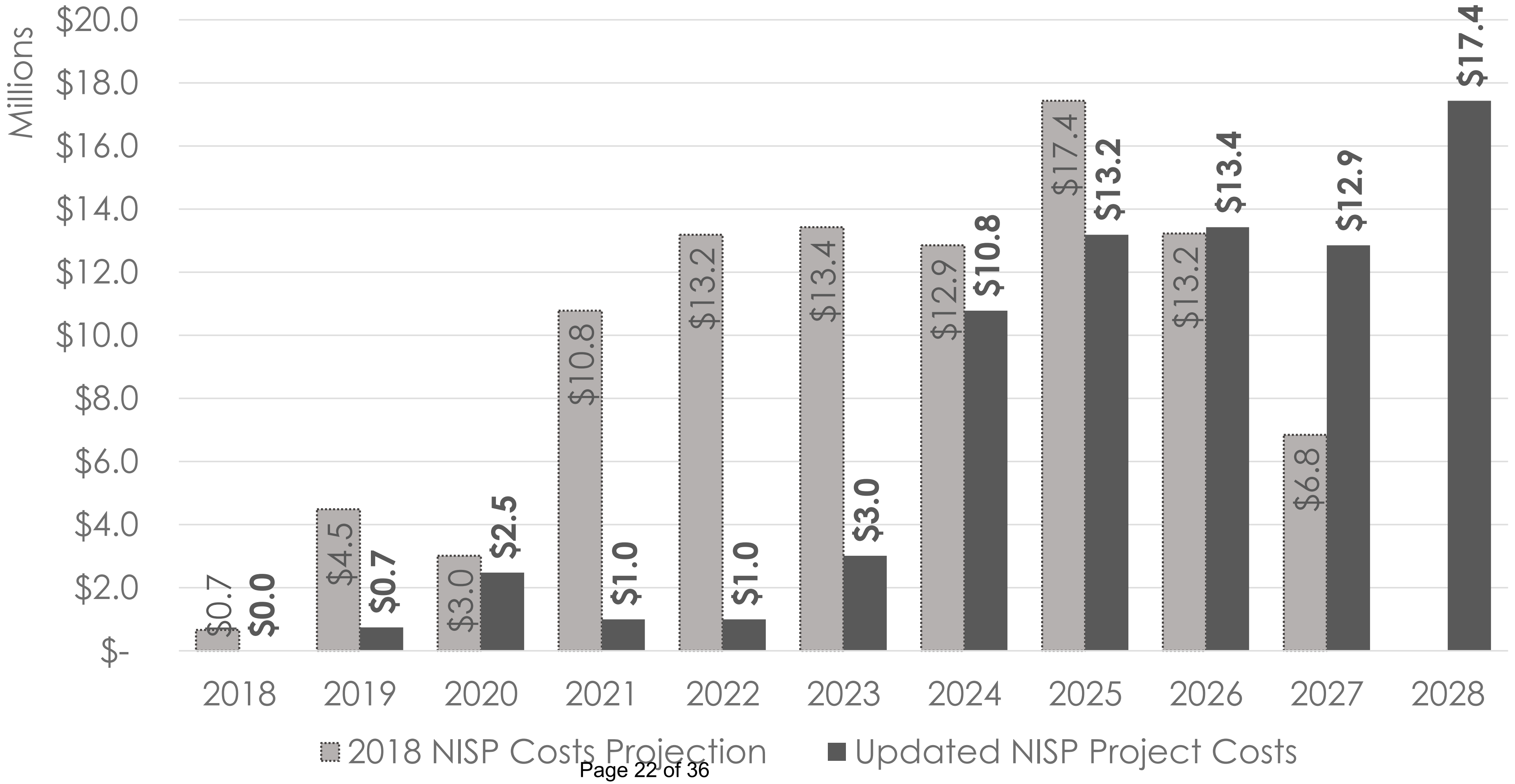
NISP Project Costs Projection

Update since last year:

1. NISP is delayed 3 years until FY 2023

2. FY 2019 - 2022 costs are annual NISP related O&M costs

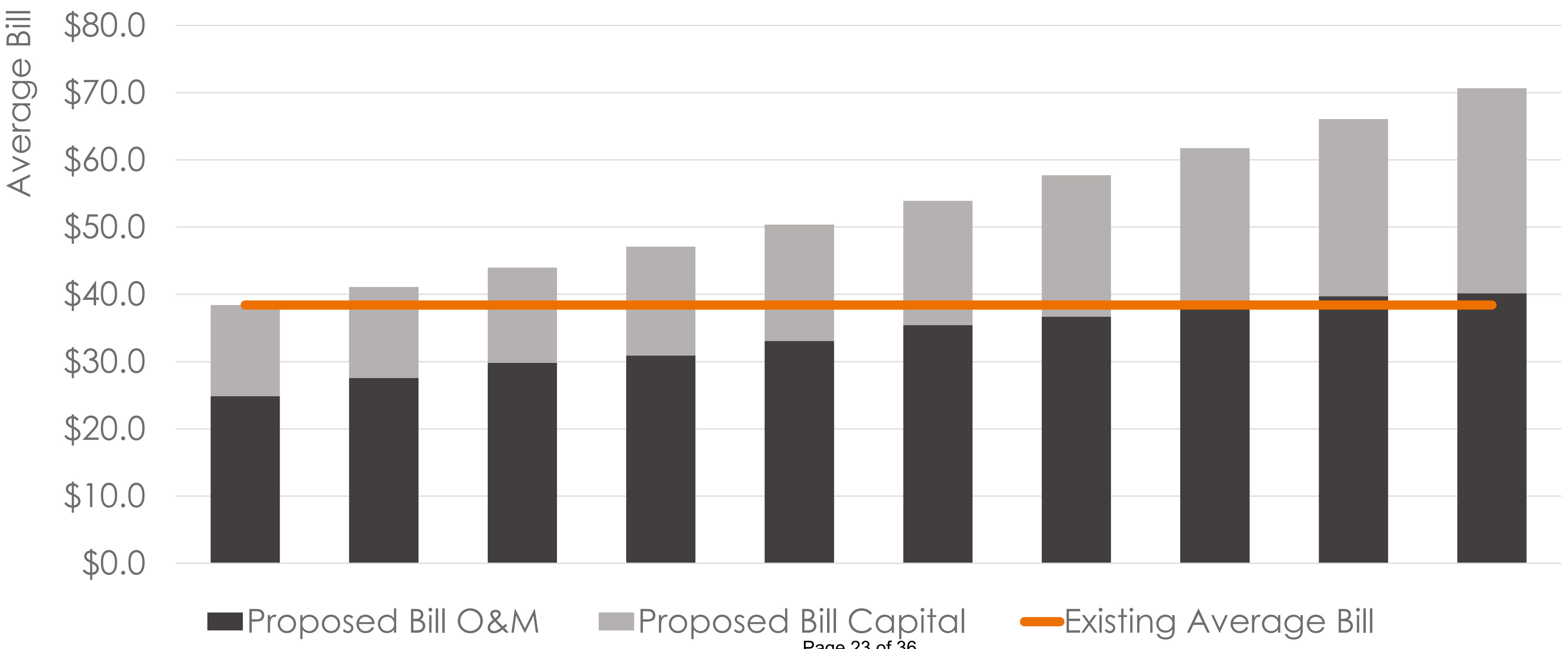
Results in more time to build the reserve up to fund NISP costs



Average Bill

O&M and Capital Portion of Average Bill

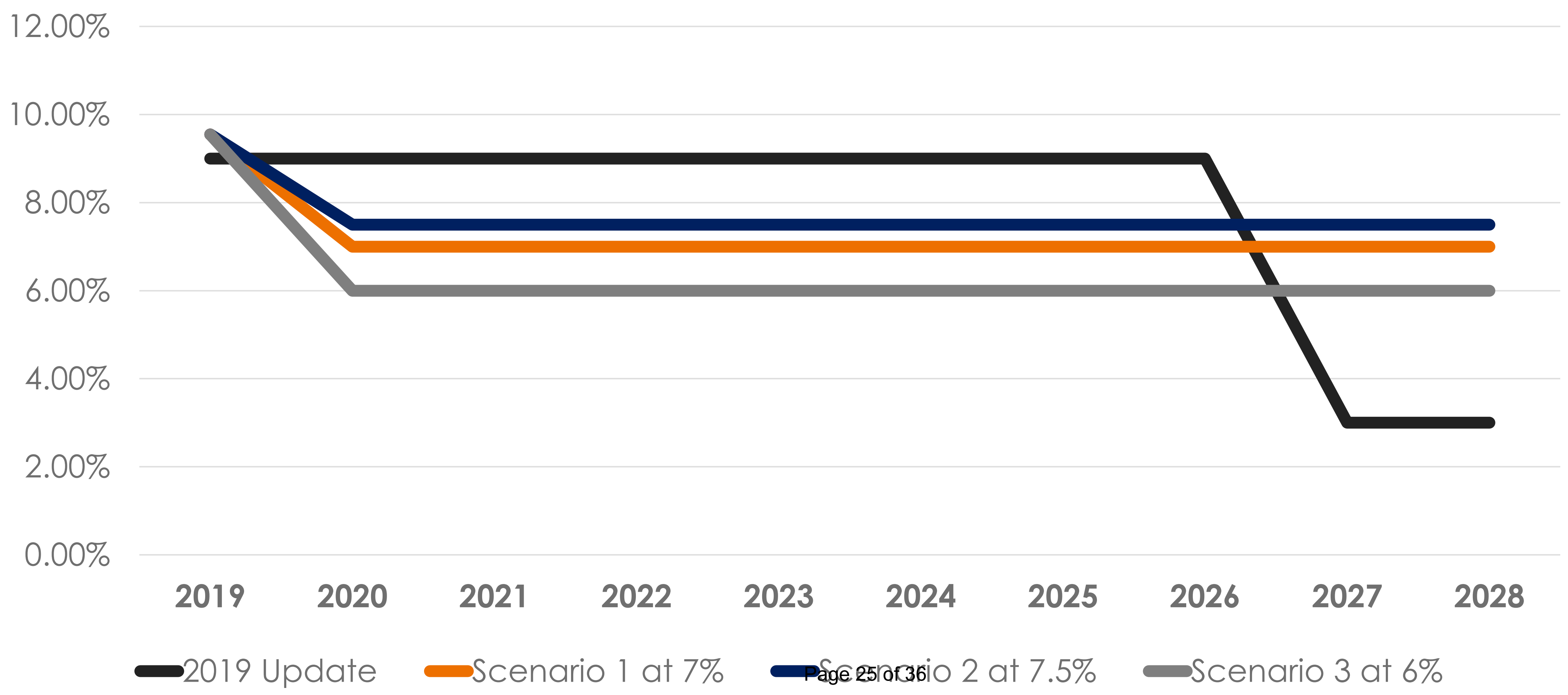
Avg. Bill based on 5kgal



Scenarios

Scenarios

Water Fund Rate Projection



Water Fund Scenario Summary

	Scenario 1	Scenario 2	Scenario 3
Rates	7% annual rate increases from FY 2020-2028	7.5% annual rate increases from FY 2020-2028	6% annual rate increases from FY 2020-2028
Growth Execution	95% Growth Execution	80% Growth Execution	100% Growth Execution
NISP	NISP starts in FY 2023	NISP starts in FY 2023	NISP starts in FY 2024

Board Direction

MEMORANDUM

Date: November 18, 2019
To: Mayor and Town Board
Via: Shane Hale, Town Manager
From: Janine Hegeman, Stormwater Coordinator
Re: Storm Drainage Fund Fee Increase
Item #: B.3.

Background / Discussion:

The Storm Drainage Fund is by classification, a self-funding enterprise of the Town of Windsor. Revenues in general, must be adequate to pay for both operating and capital expenditures.

Financial Impact:

Due to increased capital and operating requirements, staff is requesting the following rate increases:

1. Monthly Basin User Fee – that portion that funds future development (impervious multiplier of .00072), staff is requesting an increase of 1.8%.

2. Monthly Basin User Fee - that portion that funds O&M expenses (impervious multiplier of .0002), staff is requesting an increase of 15% to the multiplier.

3. Staff also requests that the New Growth Basin Impact Fee be increased by 1.8%. This increase meets the current minimum review standard under Section 13-3-80(a) of the Town's Charter, of a two-year moving average of the Colorado Construction Cost Index.

Requested increases to the Monthly Basin User Fee will generate $23,837 for O&M funding and $10,298 for capital funding in 2020. Additionally, annual collections thereafter will be compounded with the higher base impervious multipliers. The requested increase to the New Growth Basin Impact Fee will generate between $17,000 and $28,000.

Recommendation:

Staff recommends that the Board approve and adopt the requested increases to the Monthly Basin User Fee and the New Growth Basin Impact Fee.

ATTACHMENTS:

- Memorandum - Storm Drainage Fund Fee Increase

MEMORANDUM

Date: October 9, 2019
To: Water Sewer Board Members
Via: Shane Hale
From: Janine Hegeman, Stormwater Program Coordinator
Re: Storm Drainage Fund Fee Increase

Overview

The Storm Drainage Fund is by classification, a self-funding enterprise of the Town of Windsor. Revenues in general, must be adequate to pay for both operating and capital expenditures. Under the current revenue structure, funds are received under four methods of collection;

1. Operations & Maintenance Base Fee of $2.20 per account per month – funds O&M expenses and paid by all customers.
2. Monthly account fee of $1 – funds mosquito control / mitigation efforts and paid by all customers.
3. New Growth Basin Impact Fee – funds future development projects and received via the building permit process that is paid by developers.
4. Monthly Basin User Fee – based on square footage of impervious area of account-holder property and funds both future development and O&M expenses. Paid by all customers.

Due to increased capital and operating requirements, staff is requesting the following rate increases:

1. Monthly Basin User Fee – that portion that funds future development (impervious multiplier of .00072), staff is requesting an increase of 1.8%.

2. Monthly Basin User Fee - that portion that funds O&M expenses (impervious multiplier of .0002), staff is requesting an increase of 15% to the multiplier.

3. Staff also requests that the New Growth Basin Impact Fee be increased by 1.8%. This increase meets the current minimum review standard under Section 13-3-80(a) of the Town's Charter, of a two-year moving average of the Colorado Construction Cost Index.

RATE TYPE	CURRENT PER Sq. FOOT MULTIPLIER		PROPOSED PER Sq. FOOT MULTIPLIER		PERCENTAGE INCREASE	2020 ADDITIONAL REVENUE	
Monthly Basin User Fee - O&M	$	0.0002	$	0.00023	15.00%	$	23,837
Monthly Basin User Fee - Development	$	0.00072	$	0.000733	1.80%	$	10,298
New Growth Basin Imapact Fee	$	0.2206	$	0.2246	1.80%	$17,000 - $28,000	

Rationale for Increases

1. Shortfall in Funding for Future Development:

For the 2020 budget cycle it has been determined that an increase is warranted due to the Fund's short-term capital requirements ($4.8M) for the Chestnut Street and 10th Street drainage projects and long-term community needs ($18M) for the Law Basin Channel. With an anticipated drawdown of $2.6M for capital projects in 2020, and uncertainty over the inflows of future New Growth Basin Impact Fees, staff believe that it is imperative that the Town not fall behind significantly in its ability to fund future storm drainage needs. As such, staff is recommending; a) that the impervious multiplier of the Monthly Basin Improvement Rate, be increased by 1.8% (as determined by the CCI 2-year average increase) from .00072 to 000733, and b) that the New Growth Basin Impact Fee be similarly increased by 1.8%

The projected results and effects of an increase to the Monthly Basin Improvement Rate on customer classes is noted as follows;

TOWN OF WINDSOR COLORADO

PER CUSTOMER AVERAGE		
Customer Class	**Average Monthly Increase**	**Average Annual Increase**
Bus Dual System	$ 0.50	$ 5.95
In Town Bus	$ 0.46	$ 5.48
In Town Church	$ 0.47	$ 5.68
In Town Ind	$ 2.34	$ 28.06
In Town Res	$ 0.05	$ 0.58
In Town School	$ 2.01	$ 24.15
Res Dual System	$ 0.05	$ 0.60
Sewer-Storm Drain	$ 0.07	$ 0.88
Storm Drain Only	$ 0.07	$ 0.87
Projected Increase for 2020 = $10,298		

The projected increase of $10,298 for 2020, is anticipated to be further enhanced with a 3% annual increase in customer accounts, and together with regular annualized increases, provide over $90,000 in additional revenue for the Town's storm drainage requirements over the next ten years.

The effect of a 1.8% increase in the New Growth Basin Impact Fee is a projected increase of between $17,000 and $28,000 in 2020 receipts, depending on the calculation methodology used – 3-year average (2016-2018) or prorated 2019 actuals.

2. Shortfall in Funding for O&M Expenses:

Staff is also requesting an increase of 15% in the impervious multiplier of the O&M portion of the Monthly Basin User Fee, increasing it from .00020 to .00023. In the near term, as shown below, O&M needs will not be fully funded under current conditions;

Revenues	2020	2021	2022	2023	2024	2025
Current (2020) Revenue Projections for Operations & M	$ 509,864					
*Mosquito Control	$ (135,493)					
**Interest Income	$ (50,000)					
Normalized Revenues for Operations & Maintenance	$ 324,371					
Plus 3% Annual Increase for New Accounts		$ 334,102	$ 344,125	$ 354,449	$ 365,082	$ 376,035

Expenses	2020	2021	2022	2023	2024	2025
Current (2020) Expense Projections for Operations & M	$ 423,381					
*Mosquito Control	$ (91,432)					
Normalized Expenses for Operations & Maintenance	$ 333,969					
Plus 3% Annual Inflationary Increase		$ 343,988	$ 354,308	$ 364,937	$ 375,885	$ 387,162
Plus Additional $10k Annual Allowance for MS-4 Program		$ 353,988	$ 364,308	$ 374,937	$ 385,885	$ 397,162
Projected Annual Variance		**$ (19,886)**	**$ (20,183)**	**$ (20,488)**	**$ (20,803)**	**$ (21,127)**

* Mosquito Control expenses will increase in future years and any surplus will be minimized.
** Interest Income will reduce significantly as capital projects reduce the fund balance.

The reasons for the projected shortfall are threefold:

1. An increase in O&M expenses brought about by additional staffing (Equipment Operator - .50 FTE)
2. Lower interest income due to increased capital activity resulting in a lesser fund balance
3. Additional required-resources due to the implementation of the MS-4 Program

Staff estimate that an additional $20,000 will be needed in 2020, and a 15% increase will generate approximately $24,000. Specifically, the anticipated effects of the increase are as follows;

PER CUSTOMER AVERAGE				
Customer Class		Average Monthly Increase		Average Annual Increase
Bus Dual System	$	1.15	$	13.77
In Town Bus	$	1.06	$	12.68
In Town Church	$	1.10	$	13.16
In Town Ind	$	5.41	$	64.96
In Town Res	$	0.11	$	1.34
In Town School	$	4.66	$	55.91
Res Dual System	$	0.12	$	1.40
Sewer-Storm Drain	$	0.17	$	2.03
Storm Drain Only	$	0.17	$	2.02
Projected Increases for 2020 = $23,837				

Financial Impact

Requested increases to the Monthly Basin User Fee will generate $23,837 for O&M funding and $10,298 for capital funding in 2020. Additionally, annual collections thereafter will be compounded with the higher base impervious multipliers. The requested increase to the New Growth Basin Impact Fee will generate between $17,000 and $28,000.

Recommendation

Staff recommends that the Board approve and adopt the requested increases to the Monthly Basin User Fee and the New Growth Basin Impact Fee.

MEMORANDUM

Date: November 18, 2019
To: Mayor and Town Board
Via: Shane Hale, Town Manager
From:
Re:
Item #: C.1.

MEMORANDUM

Date: November 18, 2019

To: Mayor and Town Board

Via: Shane Hale, Town Manager

From:

Re:

Item #: C.2.