



TOWN BOARD SPECIAL MEETING

November 7, 2022 - 5:30 PM

Town Board Chambers, 301 Walnut Street, Windsor, CO 80550

To view Town Board meeting broadcasts, visit
www.windsorgov.com/MeetingsOnDemand.

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

1. Utility Rates and Fees Follow-up - J. Humphries, Administrative Services Director
2. Budget Follow-up Questions - D. Moyer, Finance Director; K. Gannon, Budget Analyst
3. Windsor Chamber and Economic Development Department Update - S. Miller, Economic Development Director
4. Future Meeting Agenda

C. EXECUTIVE SESSION

1. An Executive Session Pursuant to Colorado Revised Statutes § 24-6-402 (4)(f)(I) to Discuss Personnel Matters Involving the Annual Performance Review of Shane Hale, Town Manager, and where Mr. Hale has not Requested an Open Meeting (Shane Hale, Town Manager)
2. An Executive Session Pursuant to Colorado Revised Statutes § 24-6-402 (4)(f)(I) to Discuss Personnel Matters Involving the Annual Performance Review of Ian D. McCargar, Town Attorney, and where Mr. McCargar has not Requested an Open Meeting (Ian D. McCargar, Town Attorney)

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.



MEMORANDUM

Date: November 7, 2022
To: Mayor and Town Board
From: Jessica Humphries, Admin Services Director
Re: Utility Rates and Fees Follow-up - J. Humphries, Administrative Services Director
Item #: B.1.

Background / Discussion:

At the October 17th work session, staff and Stantec Consulting presented the Town Board with an update to the rate models for water, sewer, and stormwater. Below is a summary of each utility rate update presented as well as plant investment fees for all three utilities.

Water Rates

Annually, staff evaluates the water rate structure during the budgeting process. For the last four years, Stantec Consulting has worked with staff to develop a rate model to evaluate all the variables required to provide a secure and resilient water supply for residents and businesses. Stantec and staff recommend increasing rates by a total of 9% to fund operations and maintenance of the current system, as well as fund the capital improvements required to continue securing our water supply for the future. Using our established rate model, the monthly water rate will be effective February 1, 2023, and will be reflected on the March 1, 2023 utility bills.

Sewer Rates

Annually, staff evaluates the sewer rate structure during the budgeting process. For the last three years, Stantec Consulting has assisted in updating rates/fees for the sewer fund. The intent of the model is to provide Town staff and the Town Board with long-range financial planning tools to ensure growth pays for growth; services are appropriately funded long-term; mandates are addressed, and infrastructure is updated and maintained in a timely manner. Stantec and staff recommend increasing the flat rate/base fee and the commodity charge per 1000gal for the sewer system by 10% for 2022. Using the established rate model, the rate increase would be reflected on the February 1, 2023 utility bills.

Stormwater Rates

This year, staff engaged Stantec Consulting to assist with creating a rate model for stormwater. The intent of the model is to provide Town staff and the Town Board with long-range financial planning tools to ensure growth pays for growth; infrastructure is updated and maintained in a timely manner; mandates are addressed, and services are appropriately funded long-term. Stantec and staff recommend increasing the Operations and Maintenance Rate as well as the Monthly Basin Improvement Rate under the Monthly Basin User Fee by 3%. Using the established rate model, the rate increase would be reflected on the February 1, 2023, utility bills.

Plant Investment Fees (Water & Sewer) and Impact Fee (Stormwater Basin)

In the model, the plant investment fees for both water and sewer, as well as the impact fee for the stormwater are escalated by the CCI index of 2.25%. Staff is proposing the PIFs and the impact fee for 2023 is increased by the same amount. The new fees would be effective January 1, 2023.

Staff will bring forth resolutions and ordinances as appropriate for consideration at the November 14, 2023 regular Town Board meeting.

Financial Impact:

Relationship to Strategic Plan:

Recommendation:

CC:

Attachments:

1. Water, Sewer, Stormwater Presentation--Stantec



Town of Windsor, CO

Town Board

2023 Rate Study Update

October 17, 2022





Agenda

1. Water Fund
2. Sewer Fund
3. Storm Drainage Fund

What Has Changed Since Last Rate Study?

For the water and sewer funds,

- Updated 2021 **actual** revenues and expenses and ending fund balances
- Updated from 2022 original budget to **2022 year-end projections**
- Incorporated **2023 proposed budget**
- Updated to most recent **5-year Capital Improvement Plan** for FY 2023-2027
- **Validated** key assumptions with staff
- Developed a storm drainage fund model

Utility's Financial Goals

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



Water Fund

Key Drivers of the Water Rate Projection

Treatment Costs	Water Treatment Cost Projection • New treatment plant to cost \$35M in 2030 • \$8.4M in PIF payments for current capacity to Greeley & NWCWD for FY23 • \$4.1M for potable water purchases in FY23
Growth	Growth projection equal to 80% of expected new permits
NISP	Timing of NISP project, currently beginning debt service payments in 2027 • Project cost increased to \$2B • Estimated annual payment of \$10.7M in FY 2027

Account Growth Projections

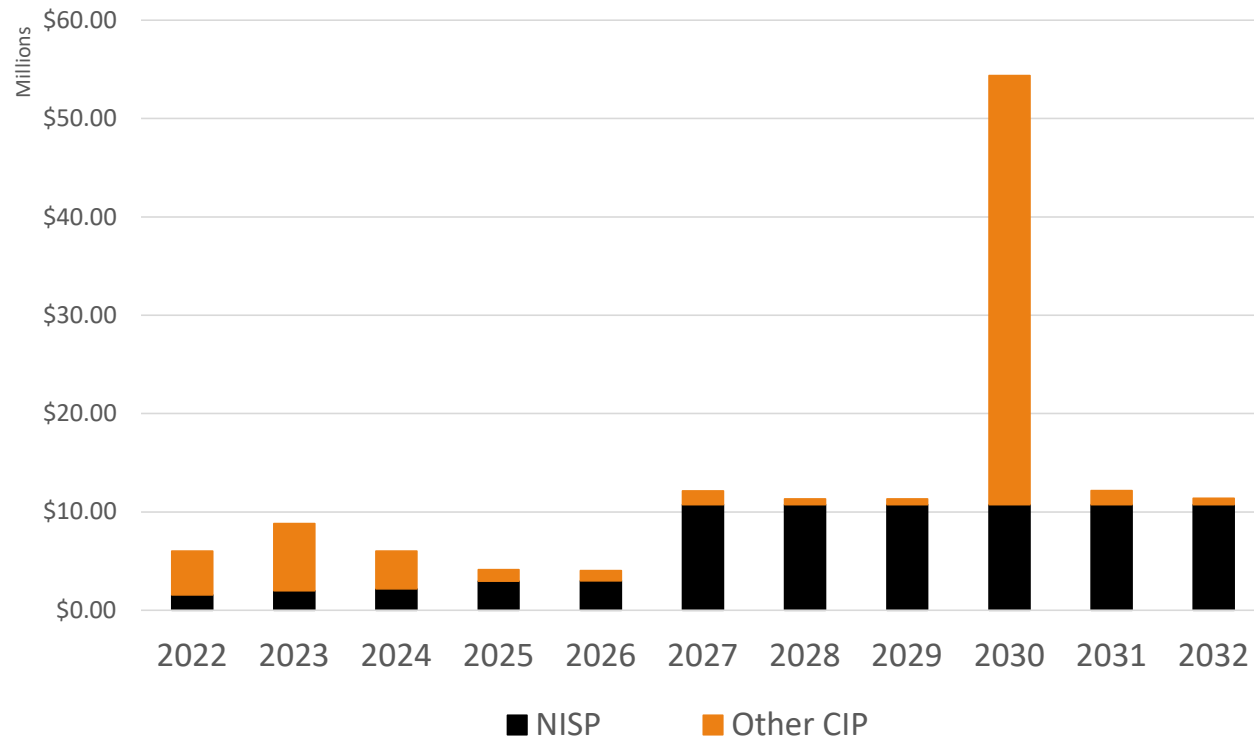
- Growth estimates updated to be consistent with economic development reports
- Growth applies for water, sewer, and storm drainage funds

Growth Area	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031	FY 2032
Raindance - 500 x MF & 2,292 x SF	300	52	-	-	-	-	-	-	-	-	-
Ptarmigan - 108 x SF Remaining	50	58	-	-	-	-	-	-	-	-	-
Water Valley - 84 x SF Remaining	84	-	-	-	-	-	-	-	-	-	-
Fossil Creek Meadows - 260 x SF	55	85	90	30	-	-	-	-	-	-	-
Greenspire - 53 x SF & 93 x TH	146	-	-	-	-	-	-	-	-	-	-
Village East - 131 x SF	-	131	-	-	-	-	-	-	-	-	-
Great Western	-	-	200	200	200	200	200	-	-	-	-
Poudre Heights - 226 x SF	26	40	40	40	40	40	-	-	-	-	-
Prairie Song - 1,448 x SF & 550 X Multi	13	285	200	150	150	150	150	150	150	150	150
Overland - 691 x Mixed Use	-	-	-	-	-	100	100	100	100	100	100
Total	674	651	530	420	390	490	450	250	250	250	250
Total @ 80% Growth	539	521	424	336	312	392	360	200	200	200	200

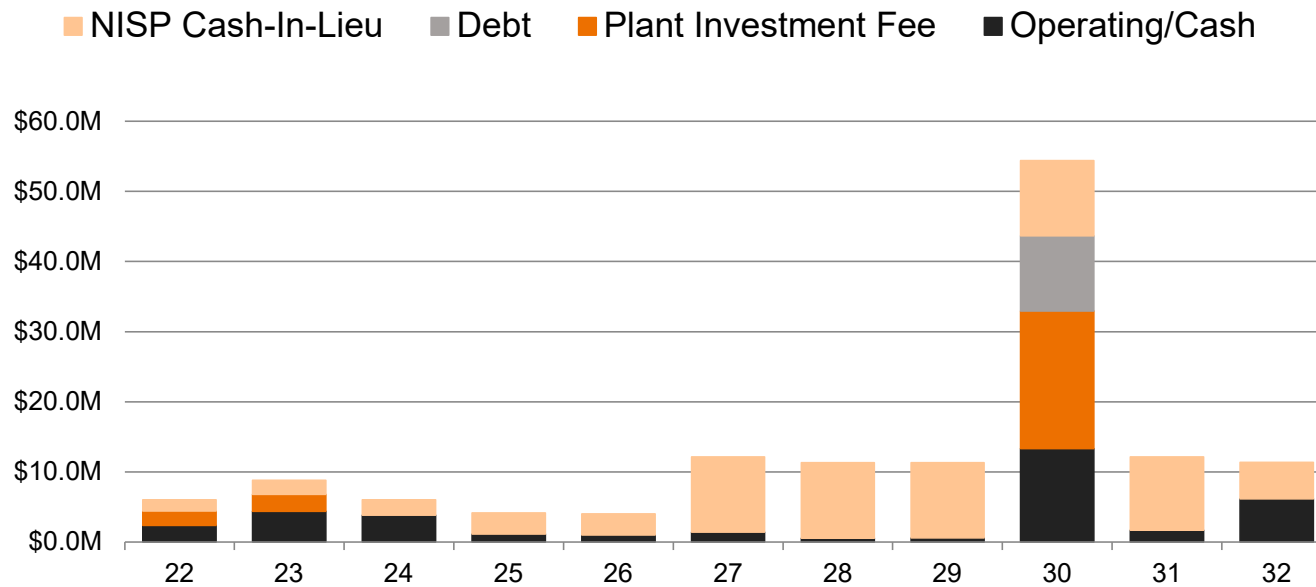
Note: 80% growth execution is applied through 2032

NISP/Capital Project Costs Projection

- FY 2022 - 2026 NISP costs are for design & engineering
- Other Capital includes Water Line Replacement and other R&R projects
- \$35M Regional Water Treatment Plant in 2030

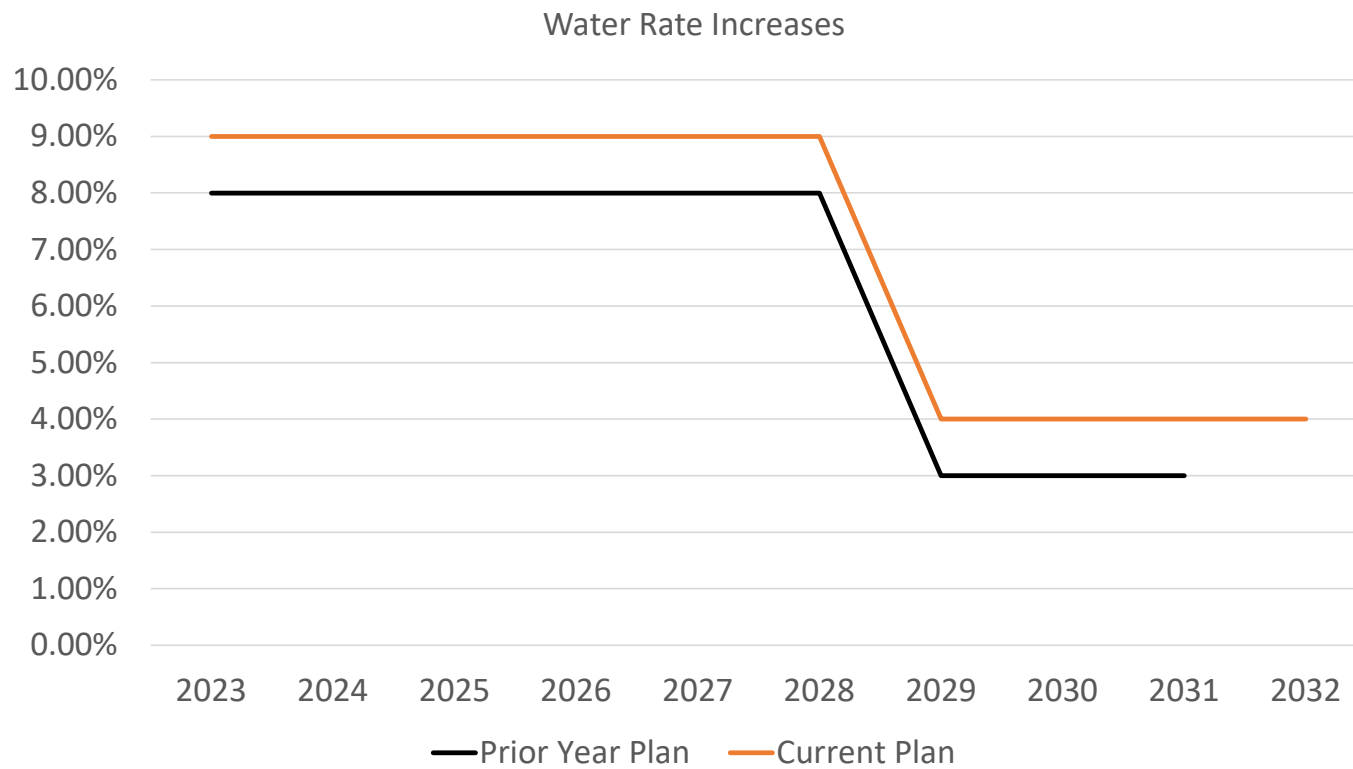


CIP Funding by Type



Note: Cost escalation is applied to budgeted capital project costs

Water Fund Rate Projection

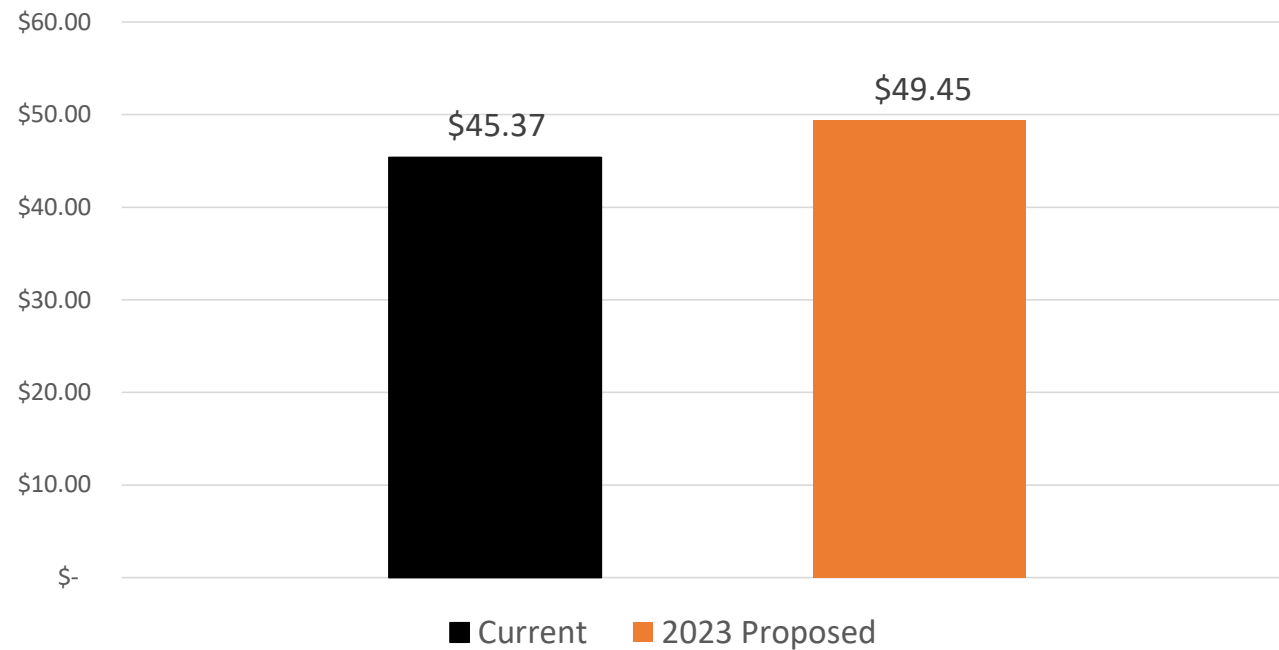


Water Fund Scenario Summary

	Prior Update	Current Update
Rates	8.0% annual rate increases from FY 2021-2028 3.0% inflationary increases from FY 2029-2031	9.0% annual rate increases from FY 2023-2028 4.0% inflationary increases from FY 2029-2032
Growth Execution	80% Growth Execution	80% Growth Execution
NISP	NISP funded by mix of cash and debt	NISP all debt financed

Water

Single Family Monthly Bill Impacts



Note: Assumes 5 kgal of usage



Sewer Fund

Key Drivers of the Sewer Rate Projection

Capital Plan

Sewer Plant Biosolids Handling Improvements in process

- **\$18M** spend in FY 2022-2023, source from 2022 revenue bond

New Wastewater Treatment Plant design and construction begins in FY 2023

- **\$35M** spend over 10-year CIP plan, bonds to be issued in FY 2025

Growth

- Growth projection equal to **80%** of expected new permits

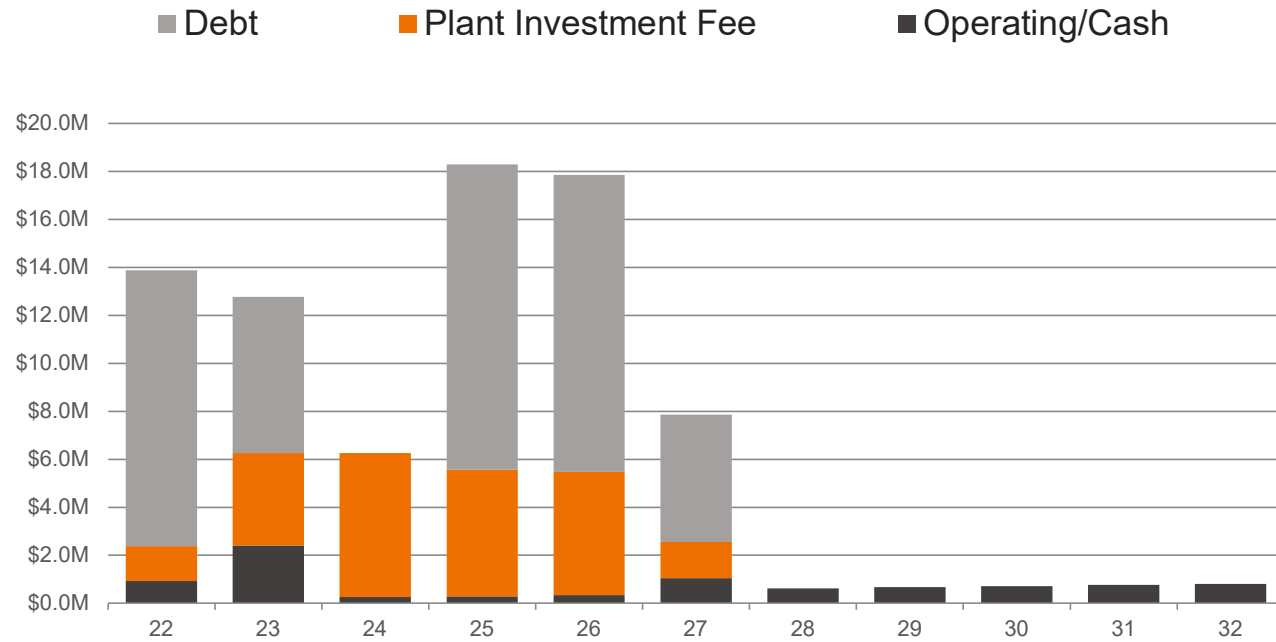
Sewer Fund Rate Projection



Sewer Fund Scenario Summary

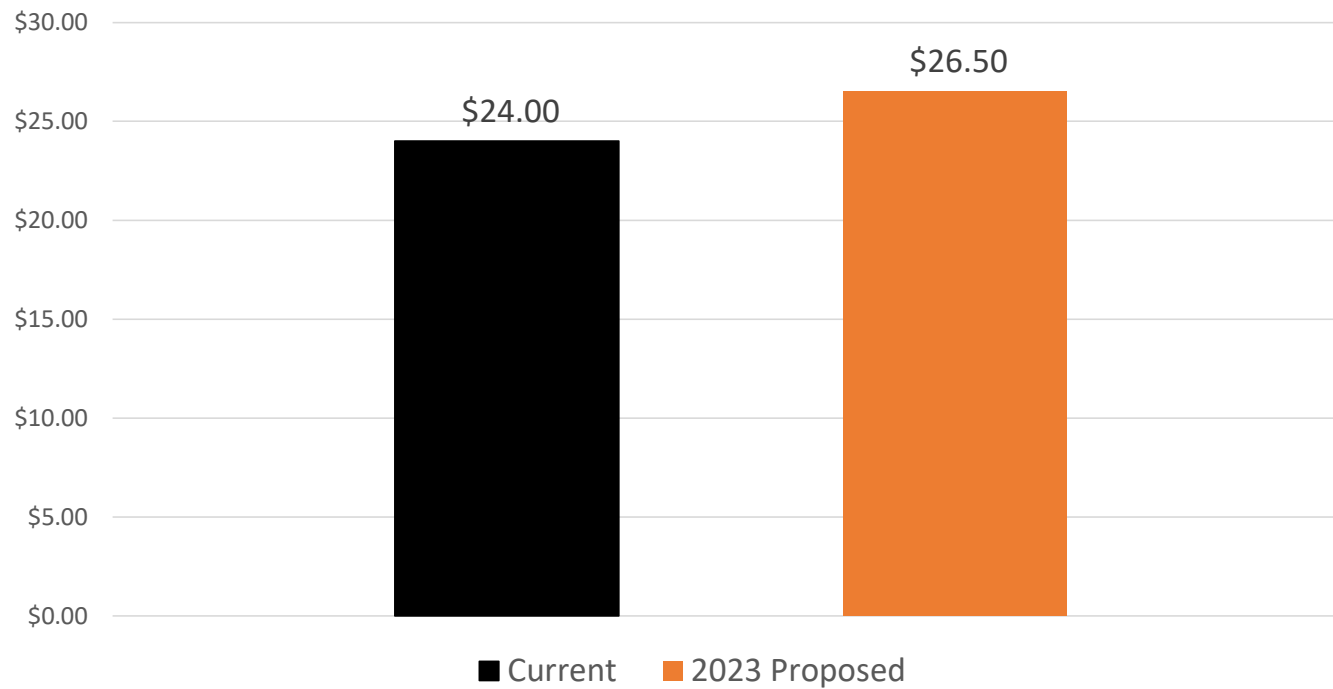
	Prior Update	Current Update
Rates	10.0% annual rate increases through FY 2026 No rate increases in FY 2027 and beyond	10.0% annual rate increases from FY 2023-2027 3.0% inflationary increases from FY 2028-2032
Growth Execution	80% Growth Execution	80% Growth Execution

CIP Funding Sources



Note: Cost escalation is applied to budgeted capital project costs

Single Family Monthly Bill Impacts



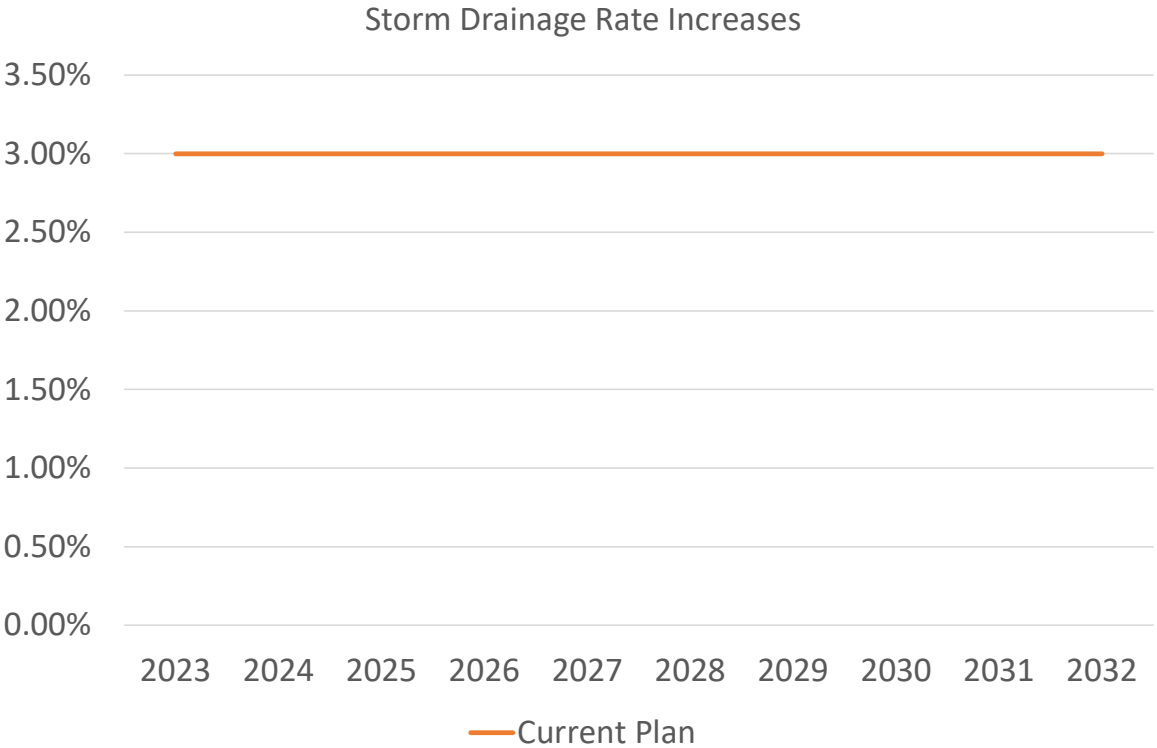


Storm Drainage Fund

Key Drivers of the Storm Drainage Rate Projection

Pay As You Go	The storm drainage fund pays for capital projects using reserves; avoids debt
O&M	Additional 1 FTE starts in 2024
Growth	Growth for the storm drainage fund is tied to growth of the Water Fund accounts 80% of projected growth through 2032

Storm Drainage Fund Rate Projection

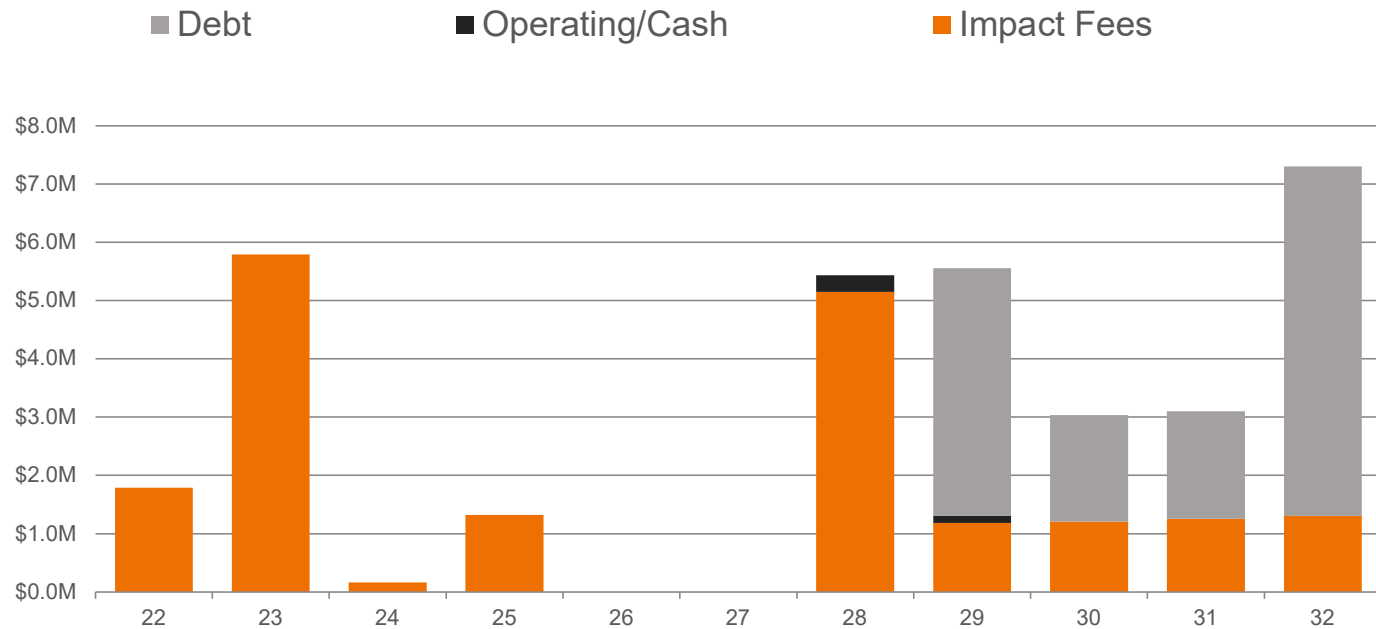


Storm Drainage Fund Scenario Summary

	Current Update
Rates	3.0% annual rate increases over the projection period from FY 2023-2032
Growth	Growth for the storm drainage fund is tied to growth of the water fund accounts

Note: Rate increases greater than 3.0% might be needed to cover large capital expenses beginning in FY 2028. Better long-term capital estimates will occur over the next 12-18 months at which point the storm drainage model can be re-evaluated.

CIP Funding Sources

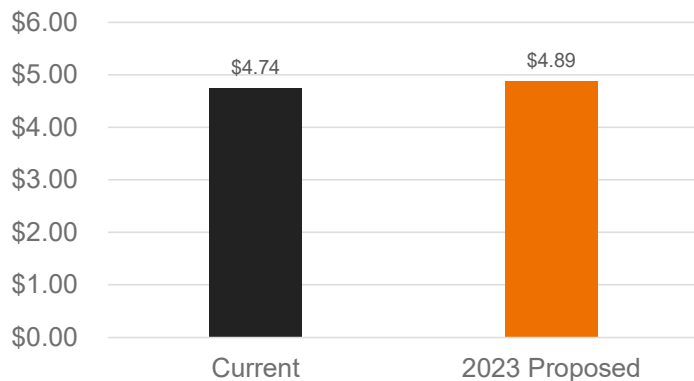


Note:

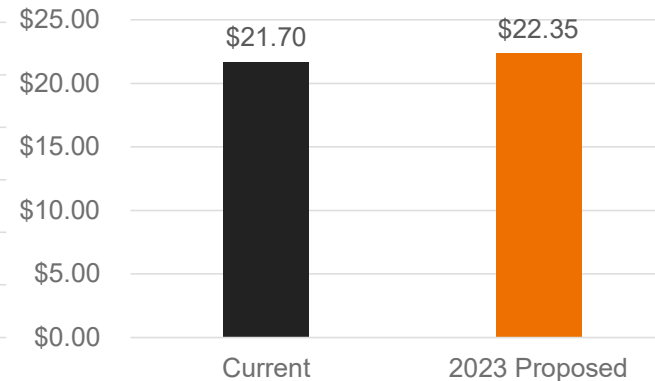
- Cost escalation is applied to budgeted capital project costs
- Debt is only shown to demonstrate future funding needs. The Town does not plan to use debt to fund projects in the storm drainage fund at this time.

Bill Impacts

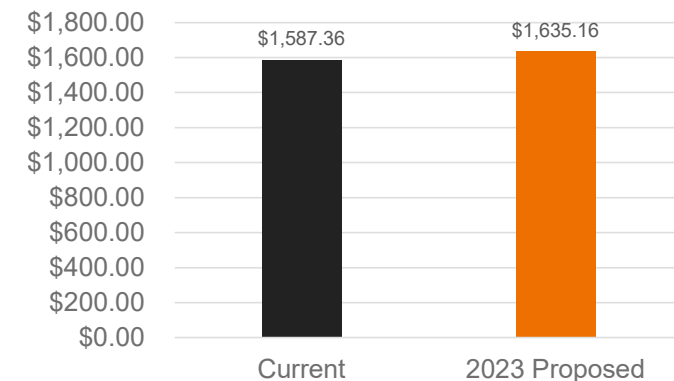
Typical Single Family Residential:
Monthly Storm Drainage Charges



Commercial Example: Monthly Storm
Drainage Charges



Industrial Example: Monthly Storm
Drainage Charges



Note:

- Residential assumes 6,600 sf, 40% impervious area
- Commercial assumes 35,201 sf, 64% impervious area
- Industrial assumes 3,169,900 sf, 52% impervious area

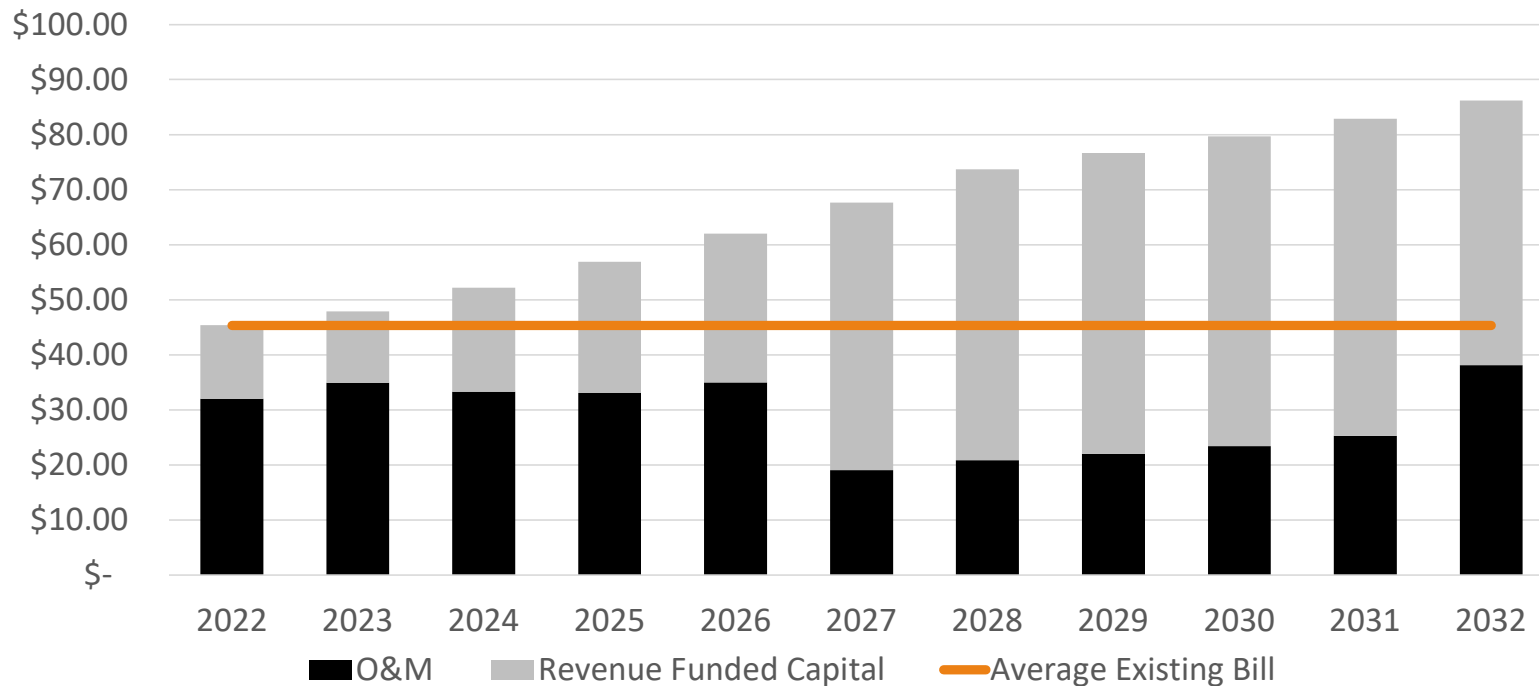


Board Discussion & Feedback



O&M and Capital Portion of Average Water Bill

Avg. Bill based on 5kgal





MEMORANDUM

Date: November 7, 2022
To: Mayor and Town Board
From: Dean Moyer, Finance Director
Re: Budget Follow-up Questions - D. Moyer, Finance Director; K. Gannon, Budget Analyst
Item #: B.2.

Background / Discussion:

The Town Board has been presented with and have met to discuss the 2023 CIP (October 3) as well as the 2023 operational budget (October 15). At the writing of this memo, Staff hasn't received any follow-up questions from anyone on the Town Board, but we wanted to give everyone one more chance to ask any questions prior to it being placed on the agenda for adoption at the end of the month.

Financial Impact:

Relationship to Strategic Plan:

Recommendation:

CC:

Attachments:



MEMORANDUM

Date: November 7, 2022
To: Mayor and Town Board
From: Stacy Miller, Economic Development Director
Re: Windsor Chamber and Economic Development Department Update - S. Miller, Economic Development Director
Item #: B.3.

Background / Discussion:

This is a presentation from the Windsor Chamber of Commerce and the Economic Development Department. Through the American Rescue Act Plan (ARPA), the town board approved financing for a tourism promotion and marketing of Windsor.

ARPA Funding in the amount of \$250,000 was dispersed to the Chamber of Commerce to partner with the Town in its COVID-19 economic recovery efforts, by providing services to enhance and supplement the activities of other key community partners in this effort. The chamber is working to boost the local economy and aid in economic recovery following the effects of COVID-19 by pursuing the following goals and programs: serve, support, promote and engage with all the Towns' restaurants, retail shops, galleries, and cultural attractions, assisting them to reimagine how their business will pivot and continue to exist in the "new" economy as affected by COVID-19. The Windsor Chamber will promote Windsor as a must-see travel destination within the northern Colorado area by encouraging NoCo area residents to eat, drink, shop and play in Windsor. They will manage regional promotion of campaigns such as "Discover Windsor" – tagline: (Small Enough to be Quaint, Big Enough to be a Destination), and other forthcoming initiatives to elevate Windsor as a destination for regional retail spending and use of amenities. The Chamber will use a mix of digital, print, broadcast, direct mail, and grassroots initiatives.

Along with funding Tourism and Marketing efforts through the Chamber, the Town Board also funded two new software programs for economic development efforts. Placer Software is the industry leader in accurate, reliable, and compliant location analytics. Internally, they help us to create location strategies to see who the town's best customers are and how they behave. SizeUp is the second software program approved and they help small business customers with the market research and business intelligence they need to succeed. It is very similar to an economic gardening program, SizeUp enables businesses in strategic decision-making moments in the business' lifecycle, increase acquisition of new customers, retain existing customers, and compare workforce costs and growth projections with similar businesses, locally, regionally and across the United States.

Economic development staff will also be providing an update on all the new and updated collateral materials developed this year as well as a quick snapshot of the current prospect report.

Financial Impact:

Relationship to Strategic Plan:

Recommendation:

CC:

Attachments:



MEMORANDUM

Date: November 7, 2022
To: Mayor and Town Board
From: Shane Hale, Town Manager
Re: Future Meeting Agenda
Item #: B.4.

Background / Discussion:

Financial Impact:

Relationship to Strategic Plan:

Recommendation:

CC:

Attachments:

1. 2022 Future Meetings Agenda



FUTURE TOWN BOARD MEETINGS

November 14, 2022 5:30 p.m.	Town Board Work Session Board/Manager/Attorney Monthly Meeting CO2 Sequestration Discussion NFRMPO: LinkNoCo Transit Study Recommendations
November 14, 2022 7:00 p.m.	Town Board Regular Meeting
November 21, 2022 5:30 p.m.	Town Board Work Session Town Attorney Executive Search Firm Interviews
November 28, 2022 5:30 p.m.	Town Board Work Session Meet the Board Economic Development Incentives Update
November 28, 2022 7:00 p.m.	Town Board Regular Meeting
December 5, 2022 5:30 p.m.	Town Board Work Session Water Surcharge Policy Discussion
December 12, 2022 5:30 p.m.	Town Board Work Session Board/Manager/Attorney Monthly Meeting
December 12, 2022 7:00 p.m.	Town Board Regular Meeting
December 19, 2022	Canceled
December 26, 2022	Canceled – Christmas Holiday

Future Work Session Topics

- DDA Entertainment District
- Telecom Code (Pending FCC Rules)
- Regional Water Treatment Plant Site Update
- Weld RE-4 School Land Dedication/Cash in lieu of Land Update
- Energy Plan Update (December 12th) **Can we push to January? (JT & SM)**
- Windsor Energy Action Plan Update (January 23rd)