CITY OF

CASTLE PINES

2018 BUDGET

CITY OF CASTLE PINES
COLORADO

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CITY LEADERSHIP

December 2017

CITY COUNCIL AND TREASURER

Mayor
Jeffrey Huff

Mayor Pro Tem
Tera Radloff,
Ward 1

Councilmember
Melissa Coudeyras,
Ward 1

Councilmember
Ben Price,
Ward 2

Councilmember
Joshiah Dodge,
Ward 2

Councilmember
Geoff Blue,
Ward 3

Councilmember Vacant, Ward 3

Treasurer Gregg Fisher

CITY STAFF

City Manager ..... Don Van Wormer

City Attorney ..... Linda Michow

Municipal Judge ..... Louis Gresh

Community Development Director ..... Sam Bishop

Public Works Program Manager ..... Brad Meyering

City Clerk ..... Sharon Washington

Deputy Treasurer ..... Tammy Deglow

Police Services ..... Douglas County Sheriff's Office

Communications ..... Slate Communications

INTRODUCTION

The City of Castle Pines' 2018 budget complies with the requirements set forth in C.R.S. 29.1.103 and serves as:

- A Financial Plan
- An expression of priorities
- A tool for accountability
- A communication device
- A blueprint for providing city services

CITY OF CASTLE PINES VISION STATEMENT

Enhance our unique character by ensuring excellent infrastructure, safe neighborhoods, a strong sense of community, and conscientious development that balances open space, residential, and commercial uses.

6 Goals that Support the Vision Statement

1	**Revenue and Fiscal Health**	Create an accurate projection of future costs and revenues based on reasonable assumptions.
2	**Infrastructure**	Further develop and implement the long-term capital Improvement Program.
3	**Economic Development**	Proactively influence the vitality of Castle Pines gateway commercial area.
4	**Parks, Trails, and Open Space**	Provide a comprehensive parks, trails, and open space system throughout the City that promotes regional connectivity.
5	**Transparency & Accountability**	Be transparent and accountable.
6	**Community**	Create opportunities and physical places to foster a sense of belonging and personal investment in Castle Pines.

2018 BUDGET OVERVIEW

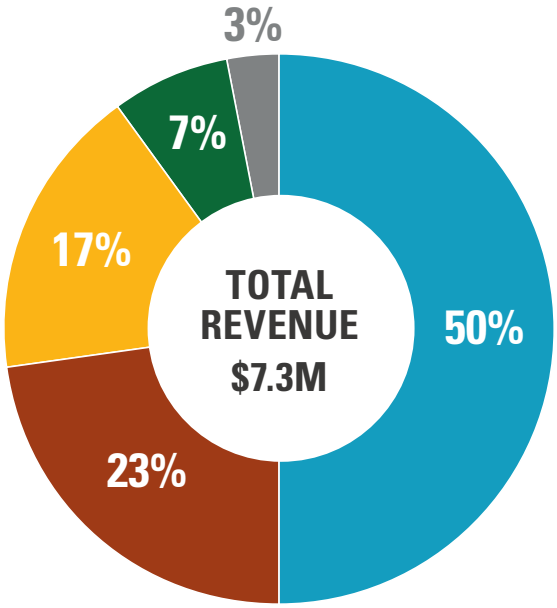
The 2018 budget reflects the goals developed by the City's leadership. Projects, initiatives, and changes budgeted for 2018 meet some or all of the established goals.

In addition to funds budgeted for specific projects and initiatives, significant resources are allocated to provide excellent services to our residents. City services include, but are not limited to, the following:

- Public safety and law enforcement
- Capital road projects and yearly maintenance
- Planning and zoning
- Finance and budgeting
- Building permitting and inspections
- Municipal court
- Park management
- Liquor and other licenses
- Administrative functions

Beginning Estimated Fund Balance	**$6,123,260**
Projected Total Revenue	$7,290,785
Proposed Total Expenditures (includes transfers)	$8,072,827
Estimated Net Change in Combined Fund Balances	($782,042)
Estimated End of Year Fund Balance	**$5,341,218**

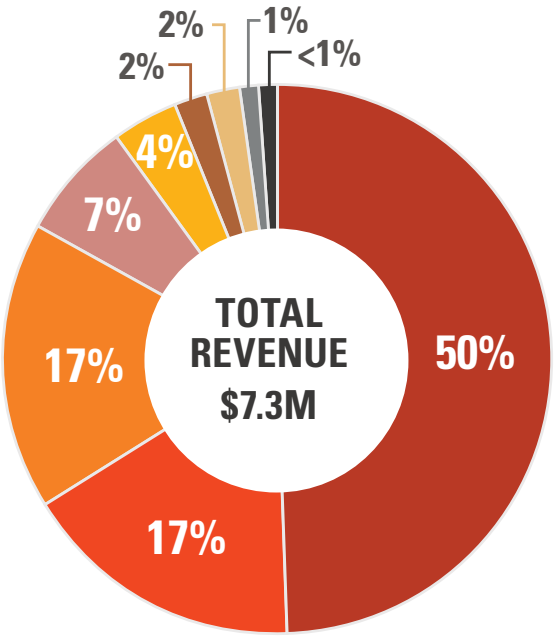
City revenues are generated from a variety of sources and are apportioned into five categories:



Taxes:	$3,645,724
Charges for Services:	$1,653,165
Intergovernmental:	$1,267,896
Franchise Fees:	$491,000
Fines and Forfeiture + License and Permits:	$233,000

TAX REVENUE – $3,645,724

Tax revenues comprise approximately 52% of the estimated 2018 proposed budget. Taxes by source include:



Taxes	$3.6M
State & County Payments	$1.3M
Building Permits & Inspections	$1.2M
Utility Franchise Fees	$491K
License & Permits	$317K
Other Revenue	$123K
Planning, Zoning & Review Fees	$111K
Court Fines	$72K
Park & Event Fees	$31K

TAX REVENUE OVERVIEW

Property Tax / Law Enforcement
$865,724

- A county-wide 4.5 mills is collected for law enforcement purposes. The city share of the mill levy is allocated for law enforcement/public safety purposes.

2016 Assessed Value	$169,604,810
2017 Assessed Value	$192,383,190
Increase of $22,778,380 = additional $102,998 in Property Tax	

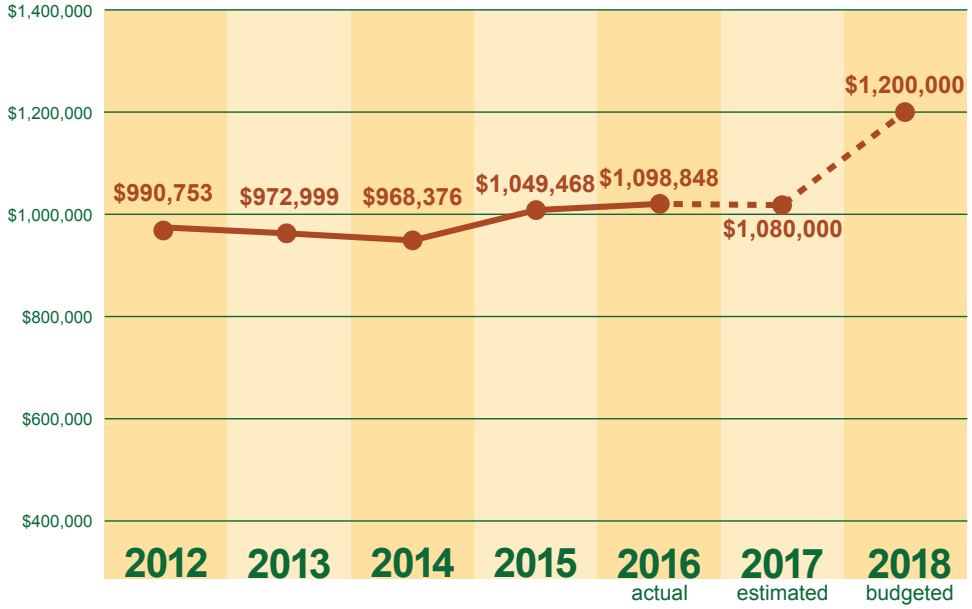
Specific Ownership Tax / Law Enforcement – 2.75%
$65,000

- For law enforcement purposes.
- A property tax assessed on motor vehicles. Paid for annually when the vehicle is registered.

Sales Tax – 2.75%
$1,200,000

- Tax assessed on non-consumable items (groceries excluded).
- Since 2014, sales tax revenue has increased yearly by an average of 6.75%.

SALES TAX CHART



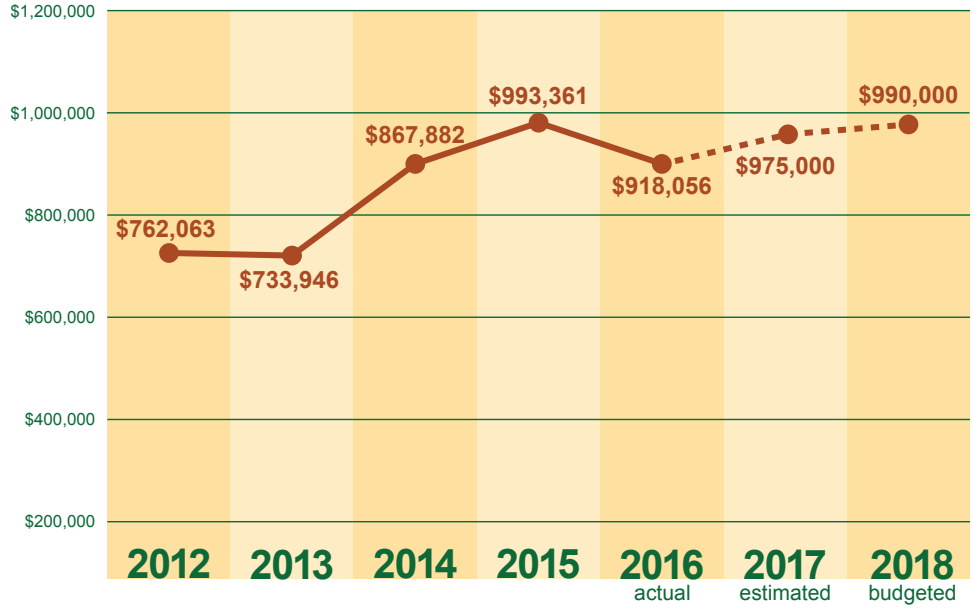
Use Tax: Building materials – 2.75%
$525,000

- A 2.75% tax on material purchased outside the city used for construction projects within the city.
- This tax is collected when building permits are issued.
- $525,000 is the projected revenue in 2018 and is an increase of $148,281 over 2017 due to the estimated construction of 85 houses in the Castle Pines Valley Subdivision.

Use Tax – Automobile
$990,000

- A one-time tax paid on the purchase/lease of a vehicle and collected by Douglas County when the vehicle is registered. Payment is then sent to the City.

USE TAX – AUTO CHART



FRANCHISE FEES AND INTERGOVERNMENTAL REVENUE

FRANCHISE FEE REVENUE – $491,000

Franchise fees are collected from utility providers such as gas, electric, and cable that utilize city right-of-way for infrastructure purposes. These fees are generally a small percentage of the company's revenue generated from customers located within city limits.

INTERGOVERNMENTAL REVENUE – $1,267,896

Money received by federal, state, or other local governments as prescribed by law or intergovernmental agreements.

Intergovernmental agreements include:

Road & Bridge Mill Levy	**$432,862**	Counties typically assess a county-wide mill levy collected specifically for road maintenance. The county shares back with municipalities 50% of the mill levy collected within the city.
Highway Users Tax	**$287,034**	Money generated by the state-wide gas tax are reallocated to the Colorado Department of Transportation (CDOT), counties and municipalities. Municipal share backs are based upon total lane miles and vehicles registered within the city.
County Sales/Use Tax Share Back	**$346,000**	The City receives 30% of Douglas County's 1% sales tax collected on in-city sales.
Cigarette Tax	**$6,000**	Allocated by the state based upon population.
Motor Vehicle Registration Fees	**$40,000**	The amount of money generated by a resident's yearly vehicle registration.
State Energy Distributions	**$5,000**	Money received from the state's Mineral Leasing Fund based on the number of employees from energy related companies living within the city's jurisdiction.
Grants	**$95,000**	Federal, state, or grants received by other governmental agencies.

FINES, FORFEITURES, LICENSE & PERMIT FEE REVENUE

REVENUE FROM FINES, FORFEITURES, LICENSE AND PERMIT FEES – $113,500

Revenue generated by municipal court (primarily from traffic offenses); and fees associated with business and sales tax licenses, contractor licenses, and liquor licenses.

Business and Sales Tax License Fees	$4,000
Contractor License Fee	$34,000
Liquor License Fees	$3,500
Court Fines	$72,000

REVENUE FROM SERVICES – $1,653,165

Revenue generated by fees charged for services provided by the city representing approximately 20% of the city's total revenue.

Charges include:

- General Government Revenue
- Credit Card Fees
- Building Plan Review Fees
- Planning and Zoning Fees
- Building Permits & Inspections
- ROW (Right-of-Way) and GESC (Grading, Erosion, and Sediment Control) Fees
- Douglas County Use Tax Collection Fee

2018 EXPENDITURES

The city's 2018 budget is a balanced budget as defined by state statute. Expenditures do not exceed total revenues plus the city's fund balance. The current administration's policy is to budget expenses below anticipated revenues and to not spend down fund balances unless for specific purposes approved by City Council.

2018 EXPENDITURE HIGHLIGHTS

These expenditures reinforce the City's commitment to road maintenance, public safety, recreation, and storm water management.

$800K Gateway improvements	$2.9M Street maintenance, repair, and snow plowing	$878K Public safety	
$700K Lagae intersection improvements	$100K Rueter-Hess Reservoir capital contribution	$80K Storm water operations manual and fee study	$57K Elk Ridge Park surveillance equipment

THE CITY HAS FIVE DISTINCT FUNDS IN WHICH TO SPEND AND TRANSFER MONEY. THEY ARE:

- GENERAL FUND
- PARKS FUND
- CONSERVATION TRUST FUND
- CAPITAL IMPROVEMENT FUND
- CAPITAL PROJECT FUND

GENERAL FUND SUMMARY

Estimated Beginning Fund Balance	**$4,501,534**
Revenues	$7,194,785
Expenditures	$3,790,216
Transfers to Other Funds	$4,041,355
Fund Balance	**$3,864,748**

PARKS & RECREATION FUND SUMMARY

Purpose: To accurately reflect revenue and expenditures associated with park maintenance and special events.

Revenue: Event and Use Fees, and General Fund Transfer.

Estimated Beginning Fund Balance	**$205,746**
Revenues	$31,000
Transfers from General Fund	$422,281
Transfers from Conservation Trust Fund	$0
Expenditures • Park Maintenance • City Events • Weed Mitigation • $100K Rueter-Hess Recreation Capital Investment • Security System	$558,284
Fund Balance	**$100,473**

CONSERVATION TRUST FUND SUMMARY

Purpose: Align with state requirement for accurate accounting of revenue and expenditures of Conservation Trust money.

Revenue: State lottery disbursement.

Fund Balance	**$381,076**
Revenues	$65,000
Expenditures	$0
Fund Balance	**$446,076**

CAPITAL IMPROVEMENT & PROJECTS FUNDS

CAPITAL IMPROVEMENT FUND

Transfer Into Capital Projects Fund: $3,619,074

Fund Balance: $873,196

CAPITAL PROJECTS FUND

Expenditures: $3,724,327

- $1,824,327: Pavement Management
- $400K: Concrete Repair
- $800K: Gateway Improvements
- $700K: Lagae Improvements

CAPITAL IMPROVEMENT FUND SUMMARY

Purpose: Repository of funds to be utilized for current and future year capital improvements and acquisitions.

Revenue: Transfer from General Fund reserves.

Estimated Beginning Fund Balance	**$873,196**
Estimated Transfers from General Fund	$3,619,074
Estimated Ending Fund Balance	**$873,196**

CAPITAL PROJECTS FUND SUMMARY

Purpose: Expenditure fund for capital projects or acquisitions.

Revenue: Transfer from Capital Improvement Fund.

Estimated Beginning Fund Balance	**$105,253**
Estimated Transfers from Capital Improvement Fund	$3,619,074
Estimated Expenditures	$3,724,327
Estimated Ending Fund Balance	**$0**

TABOR RESERVE

To comply with state statute, the city is required to set aside, or restrict, 3% of yearly expenditures plus the net fund change, and be used only in case of emergency.

For 2018, the TABOR reserve = $236,335.