

2022 Castle Pines Budget



Foster
Community



Intentional
Development



Reliable and Safe
Infrastructure



Economic Strength



Financial Resiliency
and Vitality



High Performing
Operations



360 Village Square Lane, Suite B • Castle Pines, CO 80108
303-705-0200 • castlepinesco.gov

December 14, 2021

To the Honorable Mayor Radloff, City Council Members, and citizens of the City of Castle Pines,

INTRODUCTION

The time of year has come and once again I am very pleased to present and submit to you the annual budget for 2022. City staff carefully crafted this balanced budget to ensure that the excellent service delivery our community has come to expect under this City Council's policy direction is not only maintained but is enhanced in service of City Council's goals and priorities for 2022 and beyond.

I introduce this year's budget message with the City Vision and City Council's priorities and strategic objectives, all of which guided the development of this budget. Before that, I want to point out that this budget recognizes that of these, the highest priority has been and continues to be improving the City's roads. As you read through the budget, it will be apparent that staff continue to act on the Council and community's direction to repair our roads.

Considering the revenue available, the volume of road projects that can effectively and efficiently be managed, the continued delivery of all City services, and the inclusion and recognition of all City Council priorities, this budget allocates as much funding as possible to road improvements.

Funding directed towards road improvements increased significantly in 2018 and has averaged \$4.0 million annually through 2021 (see Figure 1). The 2022 budget more than double that at \$9.0 million. This will be funded with \$6.0 million of City funds and at the City's request, and thankfully, another \$3.0 million is expected to come from Douglas County. Of the \$9.0 million, \$8.0 million is estimated to continue the reconstruction and rehabilitation work on Castle Pines Parkway and Monarch Boulevard. Another \$1.0 million is estimated to continue the progress made on our local/collector streets.

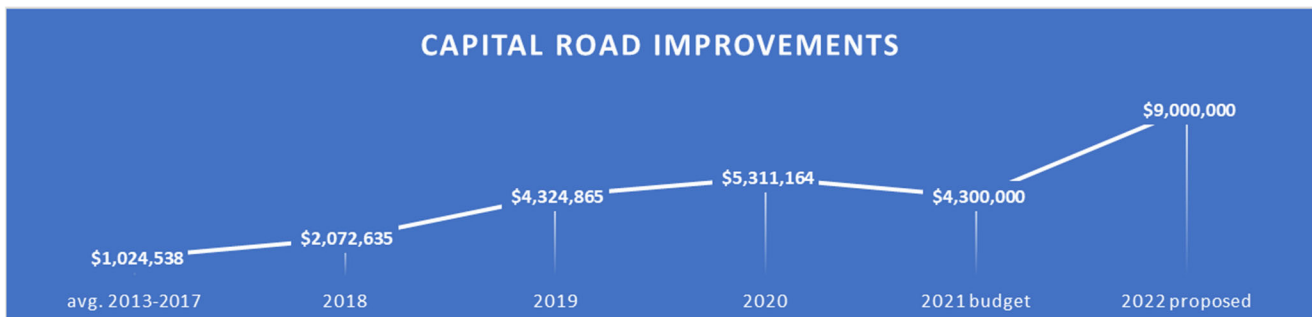


Figure 1. Capital Road Improvement Expenditures - 2013 to 2022

City Vision

Castle Pines is an inclusive and unified Colorado community that embraces our unique neighborhood character, creates outdoor and active lifestyle amenities, and supports conscientious development where we live, work, play, and shop.

City Council Priorities

Earlier this year, during their annual retreat, Council reaffirmed its goals and to provide greater policy direction to staff to implement the City Council's vision for the City, they established three fundamental concentration areas to focus on for the upcoming years: *Infrastructure Investment, Economic Development, and Creating a Sense of Place*. In alignment with those focus areas, City Council identified the following strategic priorities:

- Roads and Long-term Transportation Funding - Council acknowledges that our City roads have aged and investing in our existing infrastructure must be a top priority (*Infrastructure Investment, Creating a Sense of Place*)
- Economic Development - Council acknowledges that the success of our local business community is key to the success of the overall community (*Economic Development*)
- Communications Strategy - Council desires to continue improving communications and engagement (*Creating a Sense of Place*)
- Municipal Facility - Council acknowledges the need for municipal and civic space within the community (*Infrastructure Investment, Creating a Sense of Place*)
- Gateway Project - Council acknowledges that establishing gateways in and out of the City contributes to creating a sense of place and community (*Infrastructure Investment, Creating a Sense of Place*)
- Creating a Sense of Place that is Castle Pines - Council supports work that continues to build the community of Castle Pines and creating a place where residents - new and existing - can live, work, and play (*Creating a Sense of Place*).

City Council Strategic Objectives

In addition to the priorities established by City Council during their retreat, the following strategic objectives, which guided previous years' budgets, were also adhered to as the 2022 budget was developed.

- Reliable and Safe Infrastructure - Investing in existing infrastructure that protects the value of community assets while assuring future growth has the infrastructure necessary for long-term community quality of life.
- Foster Community - Building a connected community and encouraging development through sustainable events and other activities.
- Intentional Development - Attracting and adequately managing a diverse mix of commercial and residential development that meets the goals and vision of the community.
- Economic Strength - Ensuring a diverse commercial job and tax base and maximizing efficiency through innovation, regional partnerships, and other public-private opportunities.

- High Performing Operations - Valuing quality staff, delivering City services in an efficient and effective manner, and maintaining a focus on continuous improvement.
- Financial Resiliency and Vitality - Promoting a diverse tax base and efficient use of resources to ensure long-term economic sustainability while maintaining community service level expectations.

EXCELLENT FINANCIAL POSITION HEADING INTO 2022

The City's Vision, Priorities, and Strategic Objectives all provide direction towards developing the expenditure side of the budget. On the other side of the budget equation, forecasting revenues and balancing the expenditures with the revenue projections are just as important in developing the annual budget. The ultimate goal in creating an annual budget is to put together a plan for the upcoming year that will accomplish City Council's priorities and strategic objectives, maintain or enhance levels of service for the entire community, and most importantly, sustain the City's excellent financial position.

2020 - THE YEAR THAT WAS

Despite being in the throes of a global coronavirus pandemic for the better part of the year, the City's financial condition improved in 2020. In the end, City revenue significantly exceeded expectations and the fiscal impact from the pandemic on expenditures was minor.

The 2020 budget was developed before any mention or thought of a coming pandemic (the 2020 budget was approved in December 2019). News of the coronavirus pandemic started in January 2020 and by March, concern about the severity of the impact that the pandemic would have on government budgets, was on everyone's mind. Executive Orders from the Governor forced businesses to close and many citizens were ordered to stay at home. The pandemic along with the Governor's orders caused a multitude of financial uncertainties. The uncertainties were quickly resolved and in May, restrictions in place were eased and businesses and consumers adjusted to the pandemic-created "new norm."

Revenues rebounded and April was the only month to experience a decline in revenues (in relation to 2019). As it turned out, despite the pandemic, 2020 revenues far exceeded the budgeted amount, and fortunately, the City did not see a negative impact on the expenditure side. A combination of the City's home rule local sales tax collection ordinance along with a recent change in federal law enabling the City to receive sales tax from purchases made online and consumers making more online purchases both attributed to the increase in revenues. Ironically, the increase in consumers making their purchases online seems to have been caused (in part or even significantly) by the pandemic. Revenue also increased due to the construction of new homes, which was not impacted by the pandemic.

The pandemic did not impact City expenditures like it did other governments because the services that were the hardest hit are related to health and safety. The City contracts for law enforcement and other services (e.g., water, ambulance) are provided by separate entities. City pandemic-related expenditures (e.g., business assistance, protective supplies, signage) were reimbursed entirely by the federal CARES Act program, a significant portion of which the City used to support the local

businesses that were hardest hit by the pandemic restrictions placed on them by the State and the local health department.

2021 - CITY REVENUES EXCEL

City revenues continue to exceed initial budget projections in 2021. The year-end projections for 2021 revenues were developed based on revenue results through July 2021. For the same reasons mentioned in the 2020 recap above, sales tax and construction materials use tax revenue are the major reasons tax revenues were trending to surpass the budgeted amount by \$2.9 million.

Another unexpected boost to 2021 revenue is the receipt of the federal American Rescue Plan Act funds that were allocated to state and local governments across the United States. The City's share of this funding totaled \$2.7 million with one-half received in 2021 and the other half coming in 2022. City staff determined that the City's qualified use of this funding is to make up revenue lost because of the pandemic.

2022 - THE ANNUAL BUDGET

REVENUE PROJECTIONS

Staff is forecasting a healthy seven percent (7%) overall increase in revenue. This overall projection includes forecasts of some of the City's major revenues increasing 16.7%, which is based on population and inflation projections. As the City's population continues to grow, so do the revenues that are related to the population including sales tax, motor vehicle use tax, and franchise fees. Staff is projecting that the population will increase by 14.7%. These revenues are also affected by inflation, which is forecast at two percent (2.0%) by state economists (Colorado Legislative Council June Forecast). On the other hand, construction materials use tax is projected to decrease by five percent (5%) because new home construction in Castle Pines Town Center and Lagae Ranch is complete or nearing completion. Despite the decrease, this revenue is still very strong.

In addition to the ongoing revenues, there are several significant one-time revenues in the budget. As stated above, the City will receive the second half payment of \$1,352,600 from the federal American Rescue Plan Act. The budget also contemplates a \$3.0 million contribution from Douglas County for major road improvements as well as \$328,000 for the Happy Canyon Bridge project. A trail project in the Lennar neighborhood will be funded through a \$150,000 state grant and a \$150,000 developer contribution.

Proposed 2022 Annual Budget	Beginning Fund Balance	Revenue	Expenditures	Transfers In/(Out)	Ending Fund Balance
General Fund	\$ 4,692,307	\$ 17,493,000	\$ (10,250,600)	\$ (9,180,400)	\$ 2,754,307
Parks and Recreation Fund	589,106	376,500	(1,466,200)	800,400	299,806
Conservation Trust Fund	355,742	68,300	-	(350,000)	74,042
Capital Improvements Fund	717,181	3,453,000	(11,525,000)	7,450,000	95,181
Community Capital Investment Fund	3,042,000	-	-	1,280,000	4,322,000
Total All Funds	\$ 9,396,336	\$ 21,390,800	\$ (23,241,800)	\$ -	\$ 7,545,336

Table 1. 2022 Budget Summary

BUDGET HIGHLIGHTS

As illustrated in Table 1. A total of \$23,241,800 is for the 2022 budget and will be funded with current year revenue of \$21,390,800 plus \$1,851,000 use of fund balance (i.e., prior year revenue). Most of the budget is made up of capital improvement expenditures totaling \$12,420,300 (53%).

As mentioned above, the budget recognizes repair of our primary roads as the highest priority in 2022. As indicated in Chart 1, road capital improvements (39%) and road repairs (3%) make up 42% (\$9,750,000) of the total budget.

Chart 1. 2022 Budget

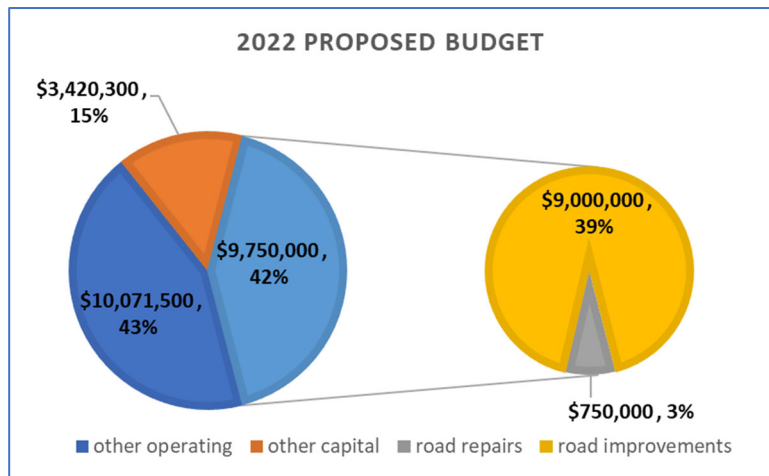
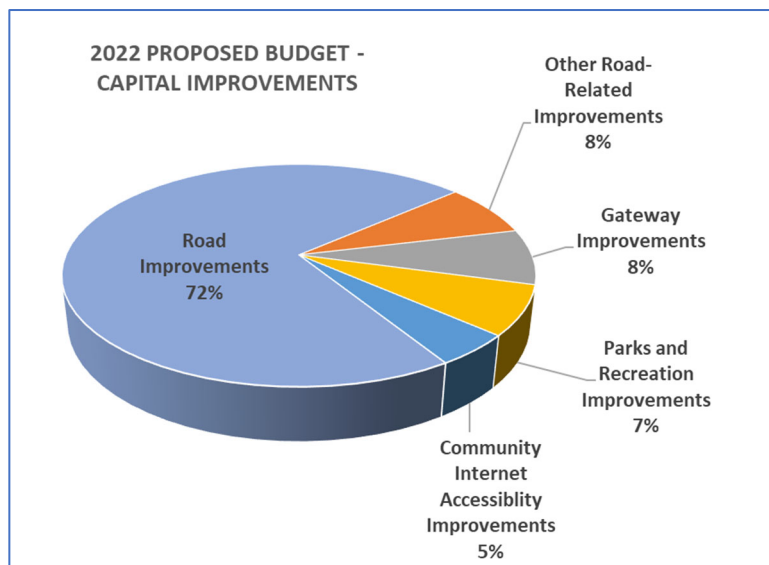


Chart 2. 2022 Capital Improvement Budget



Including roads, the \$12,420,300 (53%) budgeted for capital improvements is summarized as follows and in Chart 2.

- Roads - \$9,000,000 (72%)
- Other road-related - \$950,000 (8%)
- Gateway - \$1,000,000 (8%)
- Parks and Rec - \$895,300 (7%)
- Community Internet Accessibility (fiber conduit) - \$575,000 (5%)

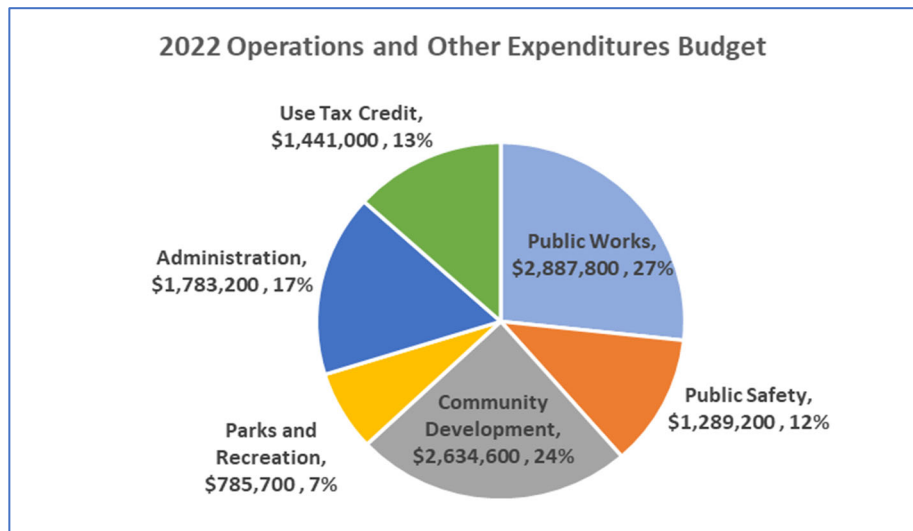
Operational and other expenditures total \$10,821,500 or 46% of the budget (other operating plus road repairs). See Chart 3.

Public Works is the largest percentage (\$2,887,800, 27%) of the operating budget and includes the \$750,000 in road repairs mentioned above plus \$465,000 in other repair and maintenance costs,

including those for curbs and gutters, sidewalks, pedestrian crossings, streetlights, traffic signals, street sweeping, striping, and signage. Another \$575,000 is budgeted for snow removal as well as \$80,000 for two (2) additional vehicles for Public Works staff.

Community Development is the second largest component (\$2,634,600, 24%) of operational expenditures and includes building department services (\$1,965,100) and economic development (\$161,900).

Chart 3. Operations Expenditures Budget



POLICY QUESTIONS

A total of \$12,565,400 of the total budget was requested in the form of policy questions, the majority of which was for capital improvements. City staff presented City Council a total of sixteen (16) Policy Questions during Council's budget study session held on Oct. 26 (see the Policy Questions section beginning on page 20). Staff received consensus from City Council to carry all these budget requests forward for consideration in adopting the proposed budget.

BUDGET HIGHLIGHTS

The budget also includes several new items including stipends for the newly elected City Council Members (\$43,400) and two City vehicles for the Public Works staff (\$80,000), as follows.

- Public Works stormwater position salary and benefits - \$98,400. Recruitment for this new position started in November. The budget impact is positive as contractor services will decrease at least dollar for dollar. In addition, this will increase City efficiency and improve customer service.
- Leased space for the Public Works department - \$44,900. Council approved the lease in 2021.
- Two (2) Public Works vehicles - \$80,000. Including the stormwater position mentioned above, the City has three (3) Public Works positions and only one (1) vehicle. Public Works employees are often driving throughout the City and a properly marked vehicle serves to identify the vehicle and the employee as they are conducting City business. In addition, the vehicles will eliminate the need for the employees to use their personal vehicles.
- Economic development activities - \$80,000. This is planned for general economic development activities as well as hiring a consultant to help the City explore and implement opportunities to partner on the redevelopment of the existing commercial area, including the former Safeway site.

CONCLUSION

I am excited to put this plan to action in 2022 and look forward to working with City Council and staff to accomplish all the priorities and objectives in the coming year.

The 2022 budget document is prepared following nationally recognized guidelines of the Distinguished Budget Presentation Award program criteria as developed by the Government Finance Officers Association.

The budget document is intended to serve as:

- A policy document that defines the key issues that shape the budget and outlines the financial and other policies that guide the City's operating and capital plans;
- A financial plan that describes and summarizes relevant information related to revenues, expenditures, debt services, and funds available for all City funds;
- An operations guide that highlights useful information on the nature, purpose, and accomplishments of the City's various organizational units; and,
- A communication tool to summarize and provide key information related to City resources, planning process, and budget outlook.

The 2021 annual budget document was prepared in accordance with nationally recognized guidelines and submitted to GFOA for an award and we are pleased to announce the following:

Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to **City of Castle Pines, Colorado**, for its Annual Budget for the fiscal year beginning **January 1, 2021**. To receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as a financial plan, as an operations guide, and as a communications device.

This award is valid for a period of one year only. We believe the 2022 budget document continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

New to the budget document will be Council-adopted financial policies. As a top priority, staff plans on completing a long-term financial plan and an enhanced capital improvement plan for City Council's consideration well before the 2023 budget process begins.

I commend our City staff for their hard work and diligence in developing the proposed financial plan for 2022 and thank you, City Council, for your input and support for all that we do.



Sincerely,

Michael Penny
City Manager



GOVERNMENT FINANCE OFFICERS ASSOCIATION

*Distinguished
Budget Presentation
Award*

PRESENTED TO

**City of Castle Pines
Colorado**

For the Fiscal Year Beginning

January 01, 2021

Christopher P. Morill

Executive Director

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City of Castle Pines Overview

CITY OF CASTLE PINES OVERVIEW

THE CITY OF CASTLE PINES

Following a successful election in 2007, the City incorporated in 2008. The newly formed City was 3.78 square miles (2,417 acres) and was entirely on the west of I-25. At that time, there were 3,681 homes, 272,000 square feet of commercial space, and the population was 10,360. See Figure 1.

In 2008, shortly after incorporation, 340 acres were rezoned to add 91 acres for parks, trails, and open space and six acres for a school site (American Academy). In addition, the rezoning planned for an additional 631 homes and 560,000 square feet of commercial, institutional, and community land uses.

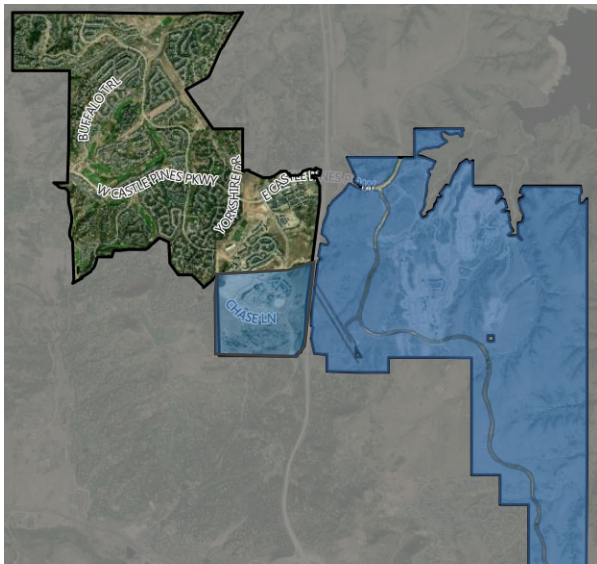


Figure 3. 2009 Annexations (blue)

In 2014, the City purchased land for donation to the Douglas County Library District and in 2016 the public library opened to serve the Castle Pines community. As part of the negotiated arrangement (10-year lease), City offices are temporarily located within the library.

Initially, the City incorporated as a statutory municipality under



Figure 2. 2008 Incorporation Boundary

The following year, in 2009, the City annexed 5.22 square miles (3,343 acres) of vacant land, east of I-25. This included 1,400 acres of open space, 50 acres for schools, 113 acres for parks and 20 acres for civic uses. The area planned for an additional 2,500 homes and 2.1 million square feet of mixed-use commercial space.

In 2009, the City also annexed 345 acres south of the original incorporation area adding 520 planned homes and 700,000 square feet of commercial space.



Figure 4. Castle Pines Library and City Office

Colorado law and in May 2019, residents overwhelmingly supported (over 70% voted in favor) becoming a home rule city and adopting the City's Home Rule Charter, giving Castle Pines residents more control over local government policies. Castle Pines operates as a council-manager form of government and the council consists of a mayor and six council members. Every odd-numbered year, three or four council seats, including the mayor, are up for election for a four-year term.

Today, the City, which is located 20 miles south of Denver in Douglas County, has a population of 12,500 residents with an expected buildout to 35,000 by 2040. Current plans for the City's long-term vision for economic development, housing, transportation, parks and recreation, land use and growth management can be found in the City's various guiding documents: Comprehensive Plan, Parks and Recreation Comprehensive Plan, Master Transportation Plan, Economic Action Plan, Wayfinding Plan, and Economic Development Action Plan.

Castle Pines is booming. With an amazing location, highly educated community, easy access to the Rocky Mountains and a government that supports and promotes strong businesses, it is one of the fastest-growing cities in Colorado. By choosing to live in Castle Pines, residents have invested in high-quality homes and lifestyle amenities. Castle Pines is an affluent and engaged community that is calling for more restaurants, retail options and services. Castle Pines is in the Douglas County School District, which has one of the highest graduation rates in the Denver Metro Area and Transitional Colorado Assessment Program (TCAP) results that outpace the state's average in all grades and content areas.

Castle Pines is home to several parks and has access to many outdoor opportunities. Elk Ridge Park is a beautiful outdoor activity center with a splash pad, turf field, several pavilions, and an outdoor fitness court all for the enjoyment and recreation of our community. In addition, the City partners and collaborates with other neighboring jurisdictions to expand even further our recreational activity and opportunities at the Rueter-Hess Reservoir.

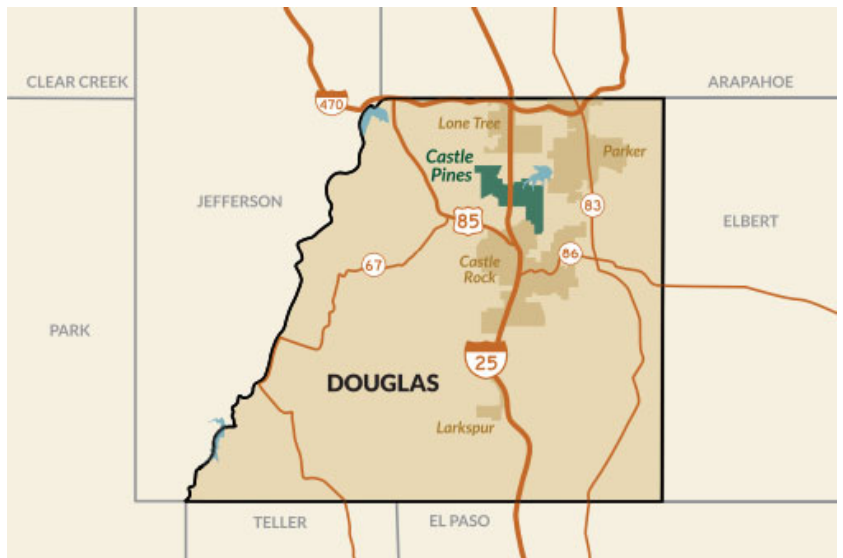


Figure 5. City Location

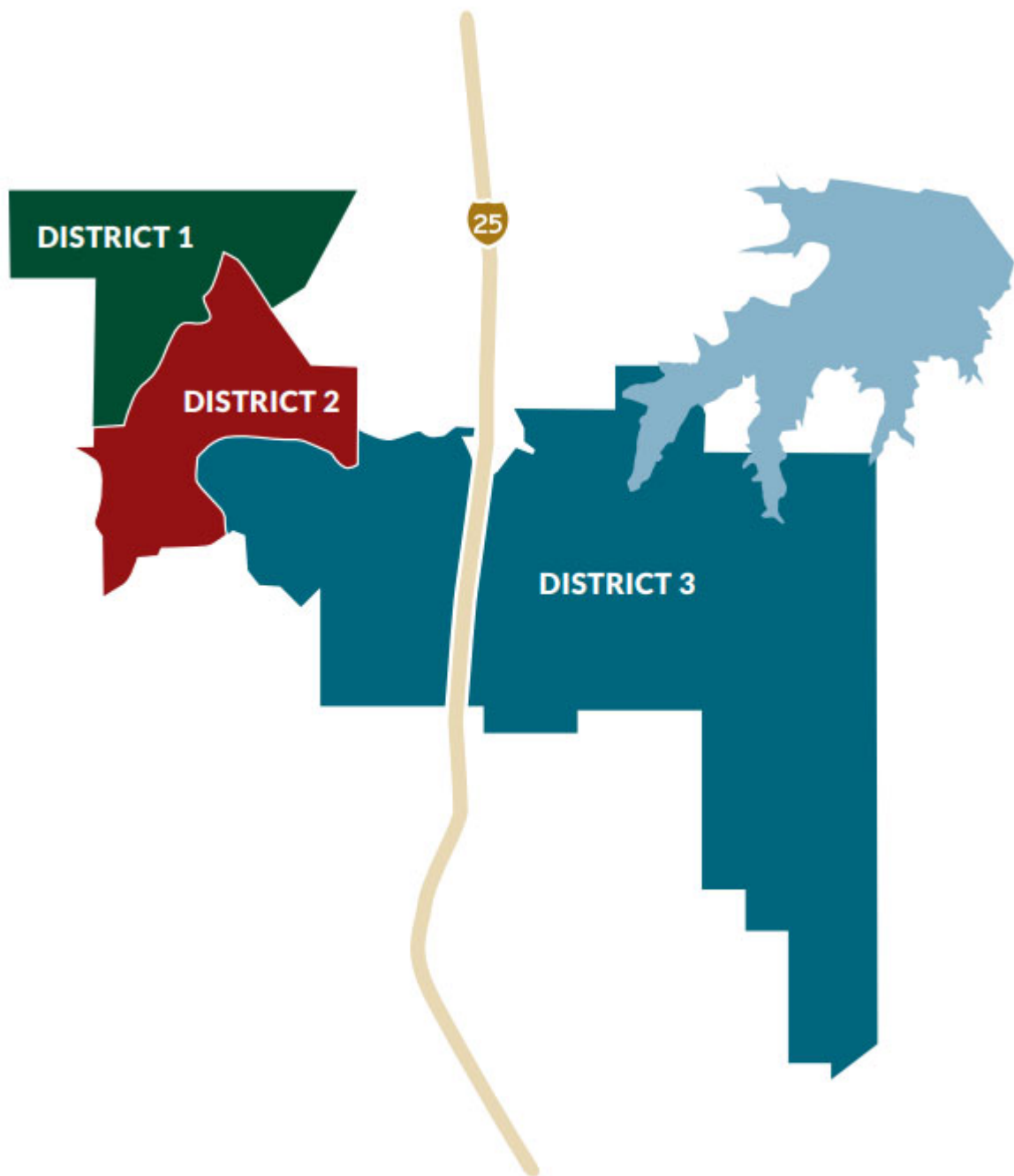


Figure 7. Rueter-Hess Reservoir

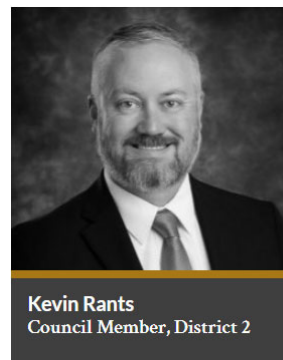
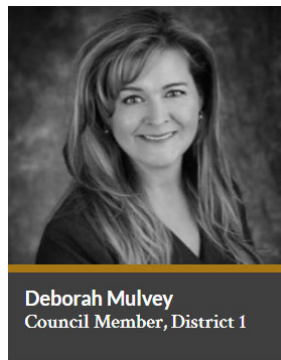
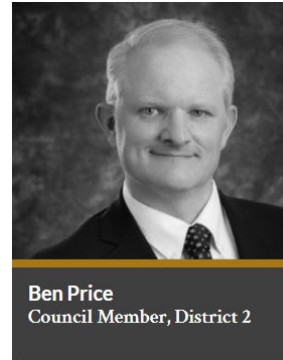
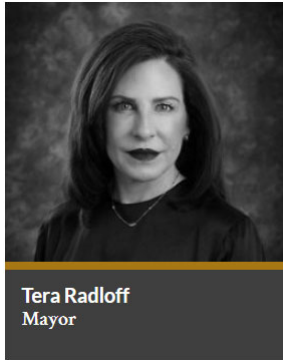


Figure 6. Elk Ridge Park

CITY MAP WITH COUNCIL DISTRICTS



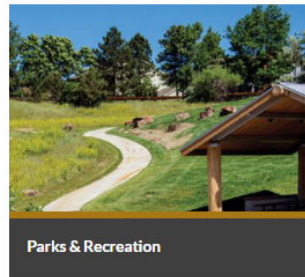
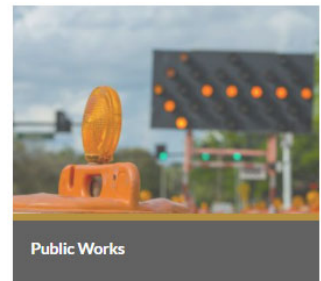
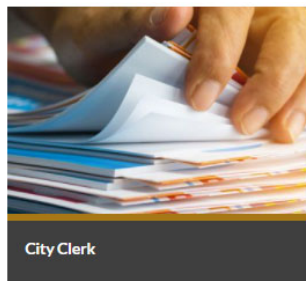
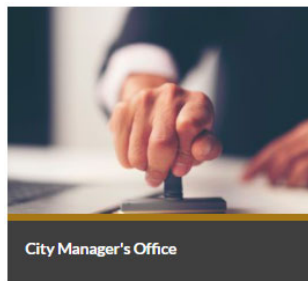
2021 CITY COUNCIL



2022 City Council

Mayor - Tracy Engerman
District 1 - Deborah Mulvey
District 1 - Chris Eubanks
District 2 - Ben Price
District 2 - Kevin Rants
District 3 - Roger Hudson
District 3 - Geoff Blue

CITY DEPARTMENTS



City Manager Michael Penny

City Clerk Tobi Duffey

Communication and Engagement Hannah Button

Community Development..... Sam Bishop

Finance/Human Resources Mike Farina

Public Works..... Larry Nimmo

Contracted Services

City Attorney Linda Michow, Michow Cox & McAskin

Court Clerk..... Karla McCrimmon

Municipal Judge..... Louis Gresh

Law Enforcement..... Douglas County Sheriff's Office

CITY ORGANIZATIONAL CHART AND POSITION COUNTS

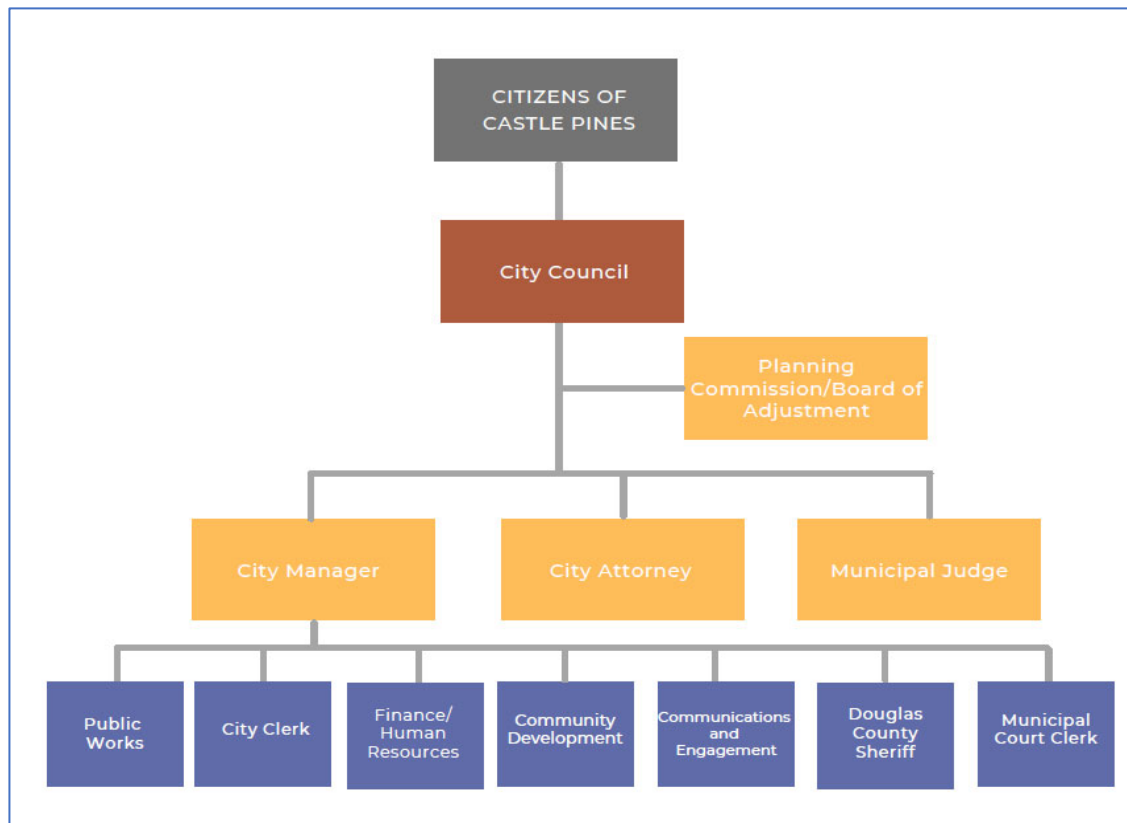


Figure 8

The City has 11.5 full-time equivalent (FTE) positions (see Table 2). In keeping with the original intent of the City incorporators, staffing is kept to a minimum. Each department contracts with consultants and contractors to provide their related services. For example, Public Works contracts for engineering, snow removal, streets maintenance and parks maintenance and Finance contracts for sales tax administration. Other departmental services are wholly contracted for including law enforcement, municipal court, and legal.

City Staff Positions by department (FTE)	2019	2020	2021	2022
City Manager				
City Manager	1.00	1.00	1.00	1.00
Management Analyst	1.00	1.00	1.00	1.00
Communications and Events				
Communications and Engagement Manager	0.00	0.00	1.00	1.00
Community Events Coordinator	0.25	0.50	0.50	0.50
City Clerk				
City Clerk	1.00	1.00	1.00	1.00
Deputy City Clerk	1.00	1.00	1.00	1.00
Community Development				
Community Development Director	1.00	1.00	1.00	1.00
Planner II	0.00	1.00	1.00	1.00
Finance and Human Resources				
Finance/HR Director	1.00	1.00	1.00	1.00
Public Works				
Public Works Director	1.00	1.00	1.00	1.00
Public Works Operations Manager/Engineer	0.00	1.00	1.00	1.00
Stormwater Coordinator	0.00	0.00	0.00	1.00
Total City FTE	7.25	9.50	10.50	11.50

Table 2

The City added a Stormwater Coordinator position in 2021 to reduce the cost of inspections provided by contractors and improve customer service and efficiency. Recruitment started in late 2021 and hire date is expected in 2022.

The image shows the exterior of a building with horizontal wood siding. Metal lettering is mounted on the wall. A large, light-brown, curved graphic element is overlaid on the left side of the image, partially obscuring the building's facade. The text on the wall reads:

DOUGLAS COUNTY LIBRARIES

CASTLE PINES

CITY OF CASTLE PINES

MUNICIPAL OFFICES

City Vision and Strategic Objectives

CITY VISION AND STRATEGIC OBJECTIVES

CITY VISION

Castle Pines is an inclusive and unified Colorado community that embraces our unique neighborhood character, creates outdoor and active lifestyle amenities, and supports conscientious development where we live, work, play, and shop.

STRATEGIC OBJECTIVES



Foster Community

Building a connected community and encouraging development through sustainable events and other activities.



Intentional Development

Attracting and adequately managing a diverse mix of commercial and residential development that meets the goals and vision of the community.



Reliable and Safe Infrastructure

Investing in existing infrastructure that protects the value of community assets while assuring future growth has the infrastructure necessary for long-term community quality of life.



Economic Strength

Ensuring a diverse commercial job and tax base and maximizing efficiency through innovation, regional partnerships, and other public-private opportunities.



Financial Resiliency and Vitality

Promoting a diverse tax base and efficient use of resources to ensure long-term economic sustainability while maintaining community service level expectations.



High Performing Operations

Valuing quality staff, delivering City services in an efficient and effective manner, and maintaining a focus on continuous improvement.

PRIORITIES

In 2021, City Council established three fundamental concentration areas to focus on for the upcoming years: *Infrastructure Investment, Economic Development, and Creating a Sense of Place*. In alignment with the focus areas, City Council identified the following strategic priorities.

- Roads and Long-term Transportation Funding - Council acknowledges that our City roads have aged and investing in our existing infrastructure must be a top priority (*Infrastructure Investment, Creating a Sense of Place*)
- Economic Development - Council acknowledges that the success of our local business community is key to the success of the overall community (*Economic Development*)
- Communications Strategy - Council desires to continue improving communications and engagement (*Creating a Sense of Place*)
- Municipal Facility - Council acknowledges the need for municipal and civic space within the community (*Infrastructure Investment, Creating a Sense of Place*)
- Gateway Project - Council acknowledges that establishing gateways in and out of the City contributes to creating a sense of place and community (*Infrastructure Investment, Creating a Sense of Place*)
- Creating a Sense of Place that is Castle Pines - Council supports work that continues to build the community of Castle Pines and creating a place where residents - new and existing - can live, work, and play (*Creating a Sense of Place*).



An aerial photograph of a suburban neighborhood. A wide, two-lane road with a double yellow line curves through the center of the image. To the left of the road is a large, light-colored building with a gambrel roof, resembling a barn or a large garage. To the right of the road are several houses, including a prominent two-story house with a dark roof and a large front porch. The landscape is dry and sandy, with some small trees and shrubs. A wooden fence runs along the edge of the property on the left. The entire image is framed by a teal graphic that curves around the top and right sides, leaving the bottom left corner open for text.

Budget Guidelines and Assumptions

BUDGET ASSUMPTIONS AND GUIDELINES

Many economic factors are considered when developing projections for revenues for the next fiscal year. The determination of projected revenues drives the decisions for the rate of financial growth in the overall City budget, including the pace of capital expenditures. Although the City's budget projections are mostly derived from local indicators and trends, factors also considered include economic indicators on the global, national, and state levels.

Globally, beginning in early 2020, the world was in the throes of a pandemic that economically and financially impacted nearly all citizens, businesses, and governments. The International Monetary Fund (IMF) reacted with the following headlines in their World Economic Outlook reports on growth projections.

April 2020 - The Great Lockdown

"The COVID-19 pandemic is inflicting high and rising human costs worldwide, and the necessary protection measures are severely impacting economic activity."

June 2020 - A Crisis Like No Other

"The COVID-19 pandemic has had a more negative impact on activity in the first half of 2020 than anticipated, and the recovery is projected to be more gradual than previously forecast."

October 2020 - A Long and Difficult Ascent, An Uncertain Recovery

"The global economy is climbing out from the depths to which it had plummeted during the Great Lockdown"

January 2021 - Policy Support and Vaccines Expected to Lift Activity

"Although recent vaccine approvals have raised hopes of a turnaround in the pandemic later this year, renewed waves and new variants of the virus pose concerns for the outlook."

The IMF statements accurately summed up how the City felt as we navigated 2020, prepared the 2021 budget, and now in preparation of the 2022 budget.

The IMF's July 2021 World Economic Outlook Update, the IMF projected that the world output could grow by 6.0 percent in 2021 and 4.9 percent in 2022. Their continuously improving projections are based on pandemic developments and changes in policy support (see Table 3).

By way of comparison, in June 2020's Outlook, the IMF projected the 2020 growth rate for the United States to be a decrease of 8.0 percent. The July 2021 report shows of 3.5 percent decrease. They also projected a 4.5 percent increase for 2021, which they've since updated to 4.9 percent.

Latest World Economic Outlook Update Growth Projections

(real GDP, annual percent change)	PROJECTIONS		
	2020	2021	2022
World Output	-3.2	6.0	4.9
Advanced Economies	-4.6	5.6	4.4
United States	-3.5	7.0	4.9
Euro Area	-6.5	4.6	4.3
Germany	-4.8	3.6	4.1
France	-8.0	5.8	4.2
Italy	-8.9	4.9	4.2
Spain	-10.8	6.2	5.8
Japan	-4.7	2.8	3.0
United Kingdom	-9.8	7.0	4.8
Canada	-5.3	6.3	4.5
Other Advanced Economies	-2.0	4.9	3.6

Table 3 - IMF, World Economic Outlook Update, July 2021

Nationally, in their July 2021 report, the Congressional Budget Office (CBO) projects real GDP to grow 7.4 percent in 2021 (up from 4.0 percent predicted in their July 2020 report) and 3.1 percent in 2022.

CBO's Economic Outlook for 2021 to 2025 projections, "which incorporate the assumptions that current laws (as of May 18) governing federal taxes and spending generally remain in place and that no significant additional funding or aid is provided—output exceeds its potential (maximum sustainable) level from 2021 to 2025, and demand for labor remains strong." Other economic indicator projections made by the CBO include the following.

- "Labor market conditions continue to improve. Employment grows quickly in the second half of 2021, reflecting increased demand for goods and services and the waning of factors dampening the supply of labor, including health concerns and enhanced unemployment insurance benefits. Employment surpasses its pre-pandemic level in mid-2022."
- "Inflation is higher than it has been since 2008 and then moderates. The growth rate of the price index for personal consumption expenditures (PCE) increases...in 2021, as increases in the supply of goods and services lag behind increases in the demand for them, adding to inflationary pressures. By 2022, supply adjusts more quickly, and PCE price inflation falls...during the year."
- "Interest rates on federal borrowing remain low but rise as the economy continues to expand. The Federal Reserve maintains the federal funds rate (the rate that financial institutions charge each other for overnight loans of their monetary reserves) near zero through late 2023 and then gradually raises that rate."

In the state, Colorado economists predict 2.0 percent inflation in 2022 for the Denver-Aurora-Lakewood area (3.1% for 2021). In addition, 2022 state-wide population is forecast to increase 1.0 percent (0.9% for 2021) and the unemployment rate is forecast at 4.2 percent (6.0% for 2021).

The Colorado Legislative Council staff report, June 2021 Economic and Revenue, states that "[T]he economy continues to recover from the pandemic recession, with public health restrictions and COVID-19 concerns easing amid the ongoing vaccine rollout. Even as a return to normalcy appears imminent, the economy continues to face challenges. Economic indicators point to supply and demand mismatches throughout the economy. While unemployment remains high in many service sector industries impacted most by the pandemic, employers in other industries report difficulty finding workers. Supply chain bottlenecks plague the manufacturing and homebuilding sectors, and transportation and energy prices have surged, while inflationary pressures across many other goods and services remain low. Consumers are emboldened with stimulus cash and ready to spend again, particularly on in-person services. Yet, businesses in many sectors need time to ramp up operations to meet the pent-up demand. Most of these mismatches are expected to abate during 2021 as health concerns continue to wane and businesses catch up with demand. While uncertainty remains elevated, many of the downside risks associated with the COVID-19 pandemic have eased over the past year."

Locally, the City's economy is primarily predicted using population growth, as measured by anticipated new home construction. Since 2019, the City has experienced rapid growth as the development of both the land east of I-25 and the southern area of the City on the west side of I-25 got underway. After only 99 permits were issued for new homes in 2018, the number jumped to 254 in 2019 and then 413 in 2020. In 2021, the total is on pace to reach 650 and 663 permits are estimated for 2022. With that, the City's population is estimated to increase 113.5% in 2021 and 114.7% in 2022.

The 2022 budget was prepared using the latest year-end projections of 2021 revenues, estimated population growth, and the state economists' projected inflation for 2022. Although the recent news of supply chain and employee shortages caused by the pandemic is on our mind, there has been no noticeable impact on City revenues over the past couple of months and therefore our budget estimates have not taken that into account. However, as would be the case in any circumstance, revenues and expenditures will be continually monitored for these and any other changes that may impact the budget and financial condition as we navigate through 2022. The resulting projections were reinforced by national and global expectations for the economy.

On the expenditure side, the 2022 budget considered City Council policy direction, the continuation of existing service levels, inflation, achieving a balanced budget, and meeting the City Council's 25 percent fund balance reserve requirement.

Based on the economic conditions, the City utilized the following to estimate 2022 projections for major revenues

Population growth: 14.7% City estimate in consultation with the development community.

Inflation: 2.0% state economists' June estimate.

Population growth plus inflation rate (PGI): 16.7%.

Year-end projections (YEP): Calculated using actual revenue through July 2021 plus estimates for the remaining months. Depending on the revenue, the remaining months were estimated as a percent increase over the prior year's monthly amount or the average monthly amount for the past 12 months.

COVID-19 Impact: As predicted in the 2021 budget, the impact to revenues leveled off as businesses and consumers adapted to the new normal of transacting business; therefore, our 2022 projections do not contemplate any COVID-19-related impact.

Property Tax Revenue: Calculated using Douglas County Assessor's Preliminary Certification of Valuation. This is a known number and is set once the assessor determines the assessed valuation (AV).

Sales Tax Revenue: YEP + PGI

Construction Materials Use Tax Revenue: Calculated using estimated new home construction activity provided by home builders and historical analysis of other permit types.

Motor Vehicle Use Tax Revenue: YEP + PGI

Franchise Fee Revenues: YEP + PGI

Highway Users Tax Fund Revenue: Estimates are provided by the Colorado Municipal League.

County Road and Bridge Property Tax Shareback Revenue: The projection is calculated using the same percentage used for the City's property tax projection.

County Roads Sales Tax Shareback: The projection is calculated using the same percentage used for the City's sales tax projection.

County Roads Motor Vehicle Use Tax Shareback Revenue: The projection is calculated using the same percentage used for the City's motor vehicle use tax projection.

County Construction Materials Tax Shareback Revenue: The projection is calculated using the same percentage used for the City's construction materials use tax projections.

Planning and Zoning Revenues: The projection is based on staff's analysis of expected development.

Building Permit Fees: The projection is based on the estimates of new home construction provided by homebuilders as well as staff's historical analysis of other permit types.

The following guidelines were followed as the budget was developed

- Focus on accomplishing City Council's established priorities and objectives
 - Roads and long-term transportation funding
 - Economic development
 - Communications strategy
 - Municipal facility
 - Gateway project
 - Creating a sense of place that is Castle Pines
- Maintain or enhance service delivery
- Keep employee compensation competitive
- Balance ongoing operational service levels with capital needs, demands, and community desires
- Maintain General Fund Ending Fund Balance at 25% of operating expenditures – policy reserve requirement

FINANCIAL AND BUDGET POLICIES

The City adopts financial policies to promote a strategic, long-term approach to financial management. The following formal and written financial policies are established to help the City:

- Institutionalize good financial management practices. Formal policies usually outlive their creators, and thus promote stability and continuity. They also prevent the need to re-invent responses to recurring issues.
- Clarify and set strategic intent for financial management. Financial policies define a shared understanding of how the City will develop its financial practices and manage its resources to provide the best value to the community.
- Define boundaries. Financial policies define limits on the actions staff may take. The policy framework provides the boundaries within which staff can innovate to realize the organizations strategic intent.
- Support good bond ratings and thereby reduce the cost of borrowing.
- Promote long-term and strategic thinking. The strategic intent articulated by many financial policies necessarily demands a long-term perspective from the City.
- Manage risks to financial condition. A key component to governance accountability is not to incur excessive risk in the pursuit of public goals. Financial policies identify important risks to financial condition.
- Comply with established public management best practices. The Government Finance Officers Association (GFOA), through its officially adopted Best Practices endorsement of National Advisory Council on State and Local Budgeting (NACLSB) budget practices and the GFOA Distinguished Budget Presentation Award Program, has recognized financial policies as an essential part of public financial management.

Objectives

The following policies are developed, designed, presented, adopted, and reviewed to provide written guidance to City officials when making financial decisions that will maintain a level of fiscal health that allows the City to continually deliver the services our citizens deserve and expect.

1. **General fund reserves.** Policies governing the amount to be held in reserve and conditions under which reserves can be used.
2. **Structurally balanced budget.** Policies that offer a distinction between satisfying the statutory definition and achieving a true structurally balanced budget.
3. **Revenues.** Policy guidance through the designing of efficient and effective revenue systems that guarantee the generation of adequate public resources to meet expenditure obligations.
4. **Capital.** Policies that cover the lifecycle of capital assets, including capital improvement planning, capital budgeting, project management, and asset maintenance.
5. **Operating budget.** Policies that describe essential features of the budget development process and form, as well as principles that guide budgetary decision making.
6. **Long-term financial planning.** A policy that commits the City to taking a long-term approach to financial health.
7. **Procurement.** Policies that are most essential for adoption by the governing board in order to encourage efficient, effective and fair public procurement.
8. **Grants.** Policies that deal with the administration and grants' process.
9. **Investment.** Policies that provide guidance on the investment of public funds, including permissible investment instruments, standards of care for invested funds, and the role of staff and professional advisors in the investment program.
10. **Debt.** Policies that govern the use of government debt, including permissible debt instruments, conditions under which debt may be used, allowable levels of debt, and compliance with continuing disclosure requirements.

Financial and Budget Policies (adopted by City Council Resolution No. 22-05)

1. General Fund Reserve Policies

Adequate reserve levels are a necessary component of the City's overall financial management strategy to mitigate current and future risks such as revenue shortfalls or unanticipated expenditures. Reserve levels are also a key factor in external agencies' measurement of the City's financial strength which results in favorable credit ratings and access to lower cost of financing.

A. 3-month reserve requirement: The City will strive to maintain the General Fund's budgeted fund balance at no less than three (3) months (25%) of regular General Fund operating expenditures. It is essential that the City maintain an adequate level of fund balance to mitigate current and future risks, including revenue shortfalls and unanticipated expenditures.

B. Use of required reserves:

- a. Use of the required reserves must be approved by the City Council through the annual budget process.
- b. Use of required reserves during the year must be approved by the City Council during a budget amendment process, which must occur within sixty (60) days of when the revenue shortfall or unanticipated expenditure(s) occur.
- c. Reserves may be used at the discretion of City Council to (a) provide temporary resources in the event of an economic downturn while expenditure reductions are implemented or alternative sources of revenue are determined; (b) provide resources to meet emergency expenditures in case of natural disasters or other catastrophic events; and (c) provide resources for one-time capital outlay expenditures, which include capital equipment as part of the capital improvement plan, or other one-time expenditures as determined by City Council.
- d. Any requested use of required reserves shall be accompanied by a plan to replenish them.

C. Replenishment of required reserves: Should City reserves fall below the 3-month reserve requirement threshold; the City will strive toward regaining the minimum threshold within the next budget cycle; however, recovery should take no longer than within the third budget cycle following such use. The plan for a longer-term replenishment of the reserves should be forecast in an updated City long-term financial plan. Sources that would typically be looked to for replenishment of the required reserves include nonrecurring revenues and budget or year-end surpluses.

D. Surplus funds: Funds that exceed the 3-month reserve requirement and the General Fund is brought into structural balance. A minimum of 10% of the surplus amount will be devoted to capital projects, including setting aside funds for future infrastructure and facility maintenance needs.

E. Taxpayer Bill of Rights (TABOR) reserve: Article X, Section 20 of the State Constitution requires a reserve of 3% of fiscal spending for emergencies. The TABOR reserve is included in the City's 3-month reserve requirement.

2. Structurally Balanced Budget Policies

The City is required by the City Charter to adopt a balanced budget (i.e., budgeted expenditures must not exceed available revenues and beginning fund balances). However, a budget that meets the statutory definition of a balanced budget might not be financially sustainable. For example, a balanced budget that uses fund balance (i.e., expenditures exceed revenues) or that relies on the use of nonrecurring resources to fund ongoing expenditures is not structurally balanced. A structurally balanced budget is one that supports financial sustainability for multiple years into the future.

While it is the City's intent to have flexibility on how to pursue and achieve a structurally balanced budget, the following should be closely observed when developing the annual budget and long-term financial plan.

- A. Ongoing expenses will be covered by ongoing revenues:** The City will strive to adopt a structurally balanced budget; wherein ongoing expenses will be covered by ongoing revenues. Ongoing revenues and ongoing expenses are those that can be expected to continue year after year.
- i. **Ongoing revenues** are the portion of the City's revenues that are reasonably expected to continue year to year, with some degree of predictability.
 - ii. **Ongoing expenses** are expenditures that are expected to be funded every year to maintain desired service levels.
- B. Create plan to achieve structurally balanced budget:** When adopting a structurally balanced budget is not feasible and the use of fund balance or use of non-recurring revenues are used to cover recurring operating expenditures that are necessary to maintain the quality or a defined level of service, the adopted budget shall include an explanation of the circumstances leading to this. In addition, a long-term financial plan shall demonstrate the strategy to achieve a future structurally balanced budget.

3. Revenue Policies

A. User charges and fees:

- i. The City will focus on imposing user charges and fees to help fund City services when those services especially benefit a particular group.
- ii. Established fees will be reviewed and updated periodically based on factors such as the impact of inflation, other cost increases, adequacy of cost recovery, use of services, and the competitiveness of current rates. The review should be performed in conjunction with a look at alternatives for cost reduction.
- iii. The following will be considered when setting user charges and fees.
 - Applicable laws and statutes, including the City's Home Rule Charter Article X, Sec. 10.3.
 - Identify the factors (affordability, pricing history, inflation, service delivery alternatives, and available efficiencies, for example) that may impact the pricing of goods and services.
 - Calculate the full cost of providing a service to provide a basis for setting the charge or fee. Full cost incorporates direct and indirect costs (including operations and maintenance), overhead, and charges for the use of capital facilities.
 - Determine whether the user charges and fees intend to recover the full cost of providing goods and services. If the full cost of a good or service will not be recovered, then an explanation for this deviation should be provided.
 - Benchmark individual fees and charges with those charged by comparable or neighboring jurisdictions can guide setting rates.
 - Utilize long-term forecasting in ensuring that charges and fees anticipate future costs in providing the service.
 - Provide information on charges and fees to the public. There should be opportunities for citizen feedback, particularly when new rates are introduced or when existing rates are changed. This includes the government's policy regarding full cost recovery, subsidies, and information about the amounts of charges and fees (current and proposed), both before and after adoption, and the anticipated impact of the new fee on providing the service in future years.

- B. Non-recurring and volatile revenues:** Identification of non-recurring revenues and volatile revenues should be made and those identified revenues should be directed towards one-time uses and away from ongoing

expenditures. Volatile revenues are those that are determined to exceed the normal expected growth rate for a particular revenue.

- C. New revenues and changes to revenue:** The City should continually seek to maintain a diversified and stable revenue base to prevent disruptive fluctuations in revenue yield. New revenues and changes to revenue (change the rate or base) must consider a) associated laws, stability of the revenue source, b) suitability to the program or purpose, c) fair distribution of burden as measured by ability to pay vs. the benefits received, d) acceptability by the community, e) economic competitiveness relative to other communities, f) costs to administer, and g) having minimal impact on private economic decisions.
- D. Revenue estimates:** Revenues will be estimated conservatively to avoid revenue shortfalls. However, care should be taken to accurately forecast revenue and thereby purposefully avoid underestimating revenue.
- E. Grants:** Grant funding is encouraged. Grants are an attractive form of funding because they offer the possibility to reduce reliance on taxes and fees drawn from the community. However, grants can harm the City's long-term financial position if they lead to implementation of an ongoing program that requires support from general tax dollars when the grant expires. SEE SECTION 8, GRANTS POLICIES.

4. Capital Asset Management Policies

- A. Capital Improvement Plan:** The City will create and annually update a Capital Improvement Plan (CIP) of no less than five (5) years in length to plan for and describe the capital investments the City intends to make over the multi-year period (applicable law: Section 10.14 of the City's Home Rule Charter).
 - i. Scope: For purposes of the CIP, capital outlay is distinguished from capital projects. Capital outlay includes only those projects or equipment purchases between \$5,000 and \$99,999 and having less than an estimated five years of useful life. All capital projects or equipment purchases at least \$100,000 and having five years of useful life will be included in the capital improvement planning process. These projects include capital maintenance items of \$100,000 or more, which increase the life of the existing asset.
 - ii. Project identification: Capital projects in the CIP should contain the asset's full lifecycle cost (purchase price, installation, operation, maintenance, upgrades, disposal, etc.), anticipated funding source, proposed timing, and relationship to other City-approved master plans.
 - iii. Operating budget impacts: Operating and maintenance costs must be considered for capital projects inclusion in the CIP.
- B. Capital asset renewal and replacement:** It is the City's policy to ensure that adequate resources are allocated to preserve existing infrastructure before targeting resources to build new facilities that also have operating and maintenance obligations. A renewal and replacement reserve will be established for capital assets and included in the CIP. The reserve amount should equal the greater of the average renewal and replacement needs of the asset over the coming five years or 2% of the current asset replacement value. Long-term forecasts will be developed to determine capacity to fund renewal and replacement reserves.

5. Operating Budget Policies

- A. Applicable law:** Article X of the City's Home Rule Charter and Chapter 4 of the Municipal Code set forth the requirements for the timeline, approval process, scope of the City's annual budget, and subsequent supplemental appropriations.
- B. Basis of budgeting:** The City's basis of budgeting will be the same as the basis used for governmental fund financial reporting under generally accepted accounting principles (GAAP) for all City funds.

- C. **Level of control:** The level of control for the budget will be at the fund level.
- D. **Link to long-term, strategic plans:** The annual budget will be developed in accordance with the policies and priorities set forth in the comprehensive plan, long-term financial plan, capital improvement plan, City Council goals, and the needs of the community.
- E. **Examine past spending patterns:** The City seeks to maximize the value the public receives through its spending. Accordingly, existing spending patterns will be examined to make sure they continue to provide value.
- F. **Maintaining existing services:** The City will make sure that it maintains the quality of existing core services before a new service is added unless there is an explicit decision to lower the quality of the existing services in favor of providing a new service.
- G. **Budget management:** Departments are responsible for managing their departmental budgets to ensure that actual expenditures will not exceed the appropriated amount. Due to circumstances beyond their control, it may become apparent that expenditures may exceed the approved budget. Departments must notify the finance department as soon as this is apparent. Appropriate steps must be taken, including reducing expenditures in other areas or requesting a supplemental appropriation.
- H. **Budget monitoring:** The finance department will monitor the overall budget-to-actual financial performance and will provide the status of the budget to the City Council monthly.
- I. **Budget amendments:** When actual conditions diverge from the original budget, City staff may request approval of a supplemental appropriation. Normally, supplemental appropriations will be considered mid-year or at the end of the year. City Council should be informed of the need for a supplemental appropriation when it is known.

6. Long-term Financial Planning Policies

- A. **Long-term Financial Plan:** City staff shall develop a long-term financial plan (LTFP) that forecasts operating expenditures and revenue for the next three to five years. The long-term financial plan will be updated prior to the start of the annual budget process.
- B. **Purpose of the long-term financial plan:** The purpose of the LTFP will be to analyze long-term trends and projections of revenue, expenditures, debt, and non-current liabilities to assure the preservation of the City's ongoing financial health (i.e., positive operating position for at least the coming five years) and to uncover potential long-term imbalances. City Council must be notified when there are potential long-term positive or adverse trends along with an analysis of these trends and possible solutions identified.

7. Procurement Policies

The City's Purchasing Policy was approved by City Council via Resolution No. 18-21. See Appendix.

8. Grants Policies

- A. **Grant applications:** All grant applications must have City Manager and Finance Director approval prior to submittal of the application. The following must be considered as part of the approval process.
 - i. Does the grant's purpose align with the vision, mission, goals, priorities, and strategic objectives of the City Council?
 - ii. Is there a specific need that the City is contemplating that could benefit from the grant being considered?

- iii. Will there be required or resulting on-going expenditures after the grant funding ends?
- iv. Does the City's grant application have a reasonable chance of success in relation to the application criteria and competitive nature of the grant?
- v. Will the financial and program reporting requirements of the grant be too administratively burdensome?

B. Grant Administration: Departments are responsible for the timely completion of all program reporting and other non-financial requirements of the grant. The Finance Department is responsible for the timely completion of all financial reporting requirements of the grant and ensuring the grant, associated expenditures, and matching requirements are included in the annual budget or the long-term financial plan, as applicable.

9. Investment Policies

The City's Investment Policy was approved by City Council via Resolution No. 18-17. See Appendix.

10. Debt Policies

Reserved. The City has yet to adopt a debt policy.

BUDGET APPROVAL PROCESS AND CALENDAR

BUDGET APPROVAL PROCESS

Early in the year, City Council and the City Manager discuss and set or reaffirm City Council's strategic priorities and goals. The City Manager and the Finance Director determine the budget assumptions and guidelines that will go into the revenue projections and setting expenditure baselines. City Council strategic goals and expenditure baselines are communicated to each department, as well as the budget timeline (i.e. budget calendar). Departments are instructed to justify all new budget requests and align new programs or projects with City Council strategic objectives. After departments have submitted their budget requests and current year-end projections to the Finance Department, the Finance Department compiles the departmental requests and aligns them with revenue projections. The City Manager and Finance Director review the draft budget for alignment with City Council strategic priorities and adjust as necessary to ensure a balanced budget and appropriate reserve is achieved. As this is done, the Finance Department also maintains a five-year long-range financial outlook to ensure that the City's financial health is sustained for years to come. Once the draft budget is complete, the City Manager submits and presents the proposed budget to City Council along and highlights new programs and projects as policy questions for City Council consideration. The proposed budget and appropriations are approved by resolution. When necessary, supplemental appropriations and amending the budget are presented to City Council for approval. In accordance with the City Charter, supplemental appropriations are approved by resolution and shall not exceed the amount by which actual and unanticipated revenues of the year exceed the revenues as estimated in the budget, unless the appropriations are necessary to relieve an emergency endangering the public peace, health, safety or property. The public is invited to attend the City Council budget study sessions and comment during the budget Public Hearing.

BUDGET CALENDAR

January 16 - City Council retreat - priority and goal setting

July 16 - baseline budget sent to departments - Finance

August 13 - budget requests due to Finance - Departments

September 17 - revenue projections completed - Finance

September 24 - department budget draft budget assembly completed – Finance

September 29 - review of draft budget completed - City Manager/Finance

September 30 - City Manager submits proposed budget to City Council (Charter required due date is 9/30)

October 26 - City Council Study Session – discussion of the proposed budget with City Council

December 14 - Regular City Council meeting

- Public Hearing and Resolution to adopt the 2022 Annual Budget (Charter deadline 12/15)
- Resolution to certify the City Mill Levy to County Commissioners (statutory deadline 12/15)



2022 Policy Questions

2022 POLICY QUESTIONS

Policy Question 1.

Does City Council support a 3.5% performance-based merit pay increase for staff? (\$45,400 - General Fund/Parks and Recreation Fund)

Related Council Strategic Objective:

High Performing Operations



Discussion:

- Surrounding Douglas County jurisdiction proposals are Castle Rock - 3.5%, Parker - 4.0%, Lone Tree - 3.5%, and Douglas County - 3.5%. On average, surveyed entities throughout Colorado are proposing 3.7%.
- Employees would be eligible to receive up to 3.5% performance-based merit pay increase.
- Merit increases are based upon met goals and overall performance-based evaluations.

Council Direction: City Council supported this policy question. Requested staff to report to Council the amount other cities approved in their final adopted budgets.

Policy Question 2.

Does City Council support the following proposed street-related capital improvements? (Capital Improvements Fund)

- a. Castle Pines Parkway reconstruction from Village Square Drive to Yorkshire Drive (\$6,000,000)
- b. Monarch Boulevard rehabilitation from Winterberry Place to the northern City limits (\$2,000,000)
- c. Local/collector street improvements (\$1,000,000)
- d. Traffic signal improvements (\$125,000)
- e. Pedestrian safety improvements (\$75,000)
- f. Happy Canyon bridge improvements (\$400,000)
- g. Monarch Boulevard landscaping (\$250,000)
- h. Street sign conversion (\$100,000)

Related Council Strategic Objectives:

Reliable and Safe Infrastructure



Related Council Priority Focus Areas:



Discussion: See the following pages for additional detail on each item above.

Council Direction: City Council supported the entire policy question.

Figure 9 illustrates the planned roadway improvements for Castle Pines Parkway for 2021 through 2026. Policy questions 2a and 2b are outlined in the map.

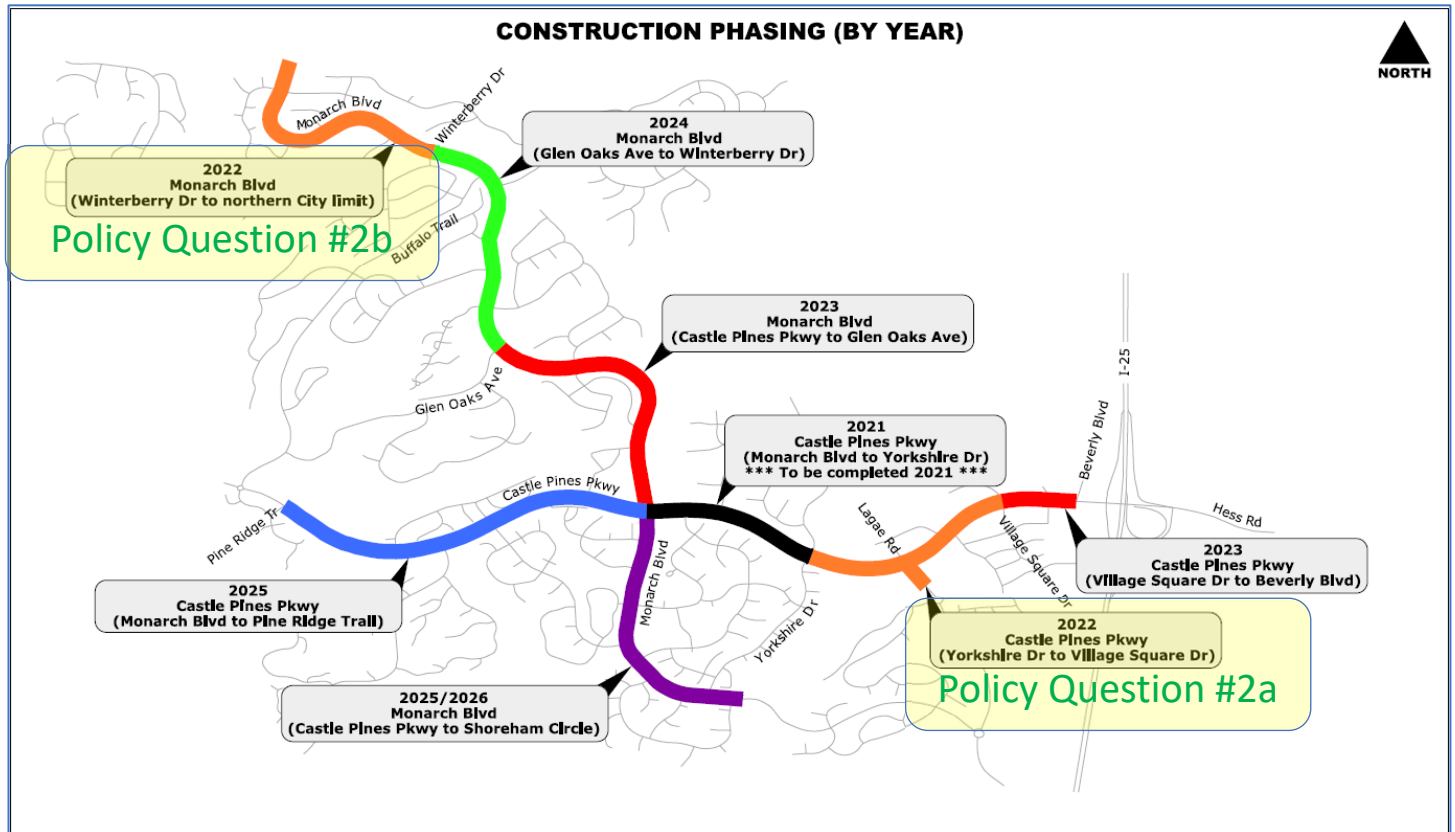


Figure 9. 2021-2026 Planned Major Arterial Roadway Improvements

Policy Questions 2a through 2c can be associated with the bucket diagram in the figure below (Figure 10).



Figure 10. City Road Capital Improvement Plan

Policy Question 2a.

Castle Pines Parkway reconstruction from Village Square Drive to Yorkshire Drive (\$6,000,000)

Discussion:

- Bucket 3
- Douglas County has expressed their willingness to partner with the City in 2022 and their \$3,000,000 contribution is included in the budget.
- This is in addition to the \$747,800 budgeted in 2021 for the Lagae/CPP intersection work – upgrades to the existing traffic signal to accommodate additional turn lanes.

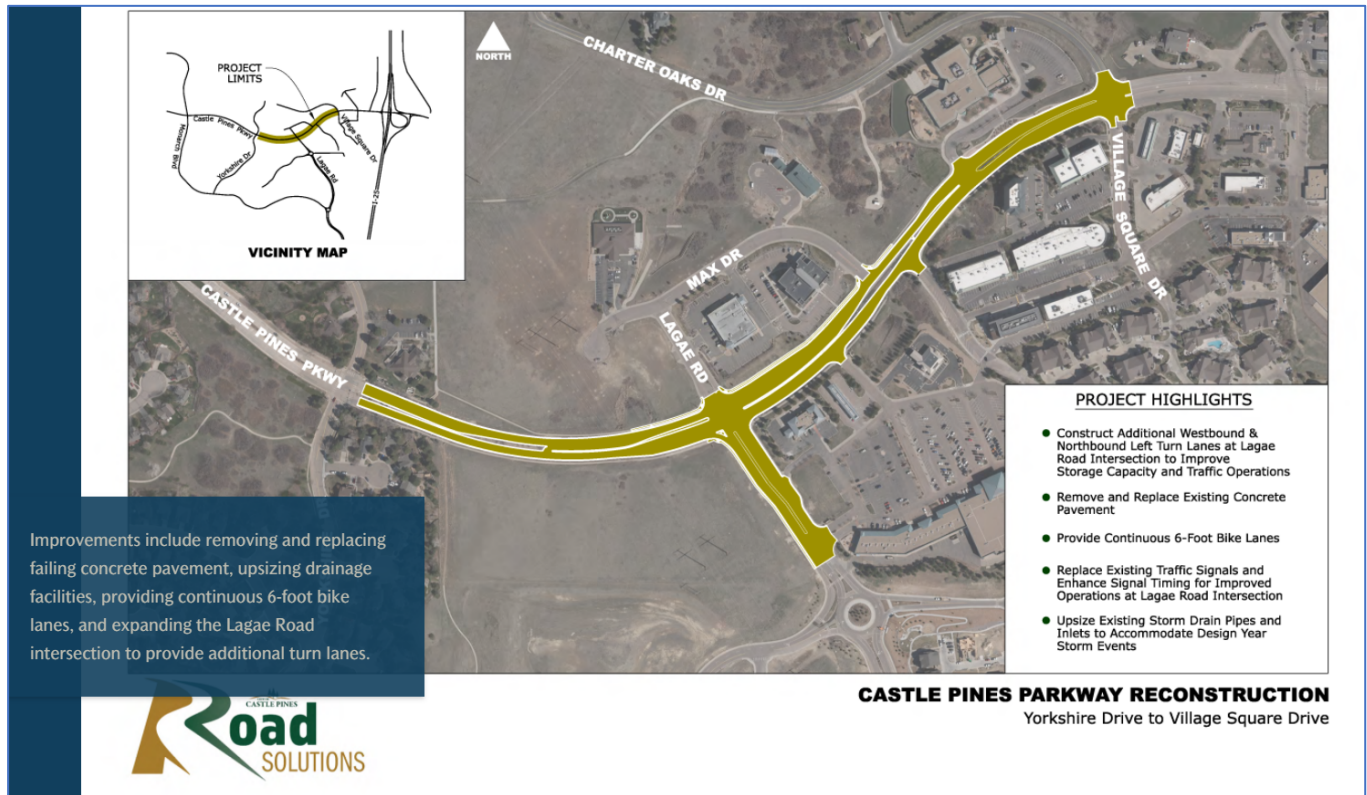


Figure 11. 2022 Castle Pines Parkway Project - map

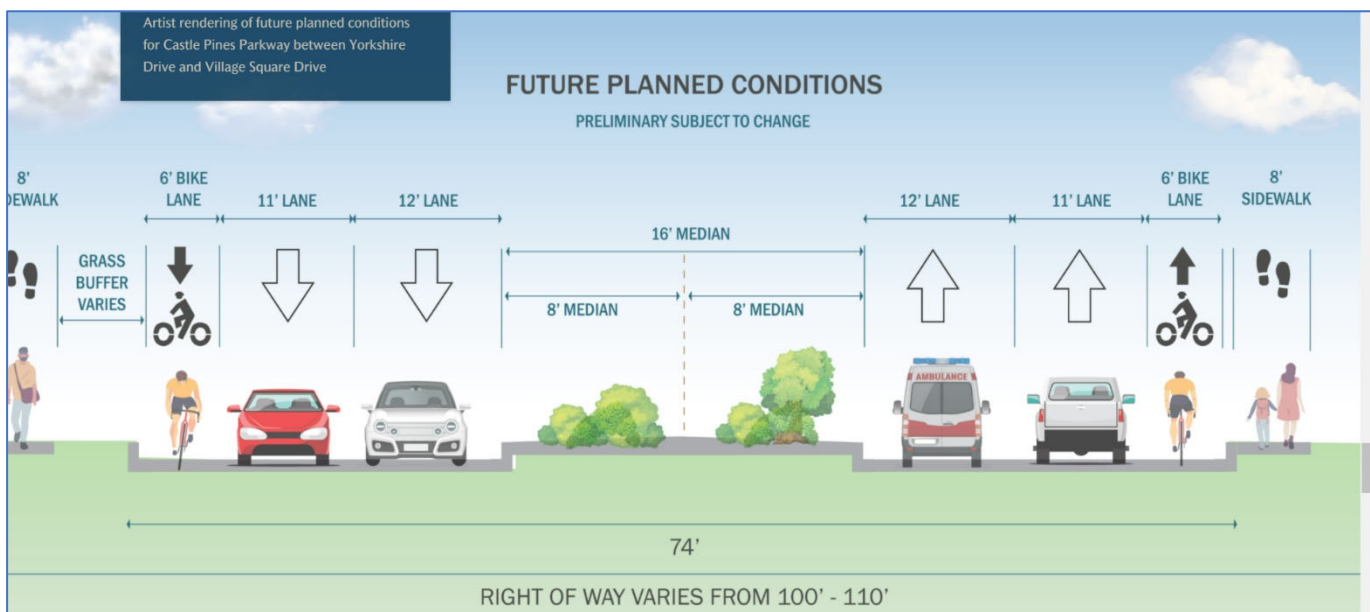


Figure 12. 2022 Castle Pines Parkway Project - future planned conditions

Policy Question 2b.

Monarch Boulevard rehabilitation from Winterberry Place to the northern City limits (\$2,000,000)

- Bucket 3
- This project will include drive lane surface improvements, bike lane improvements, and drainage improvements.

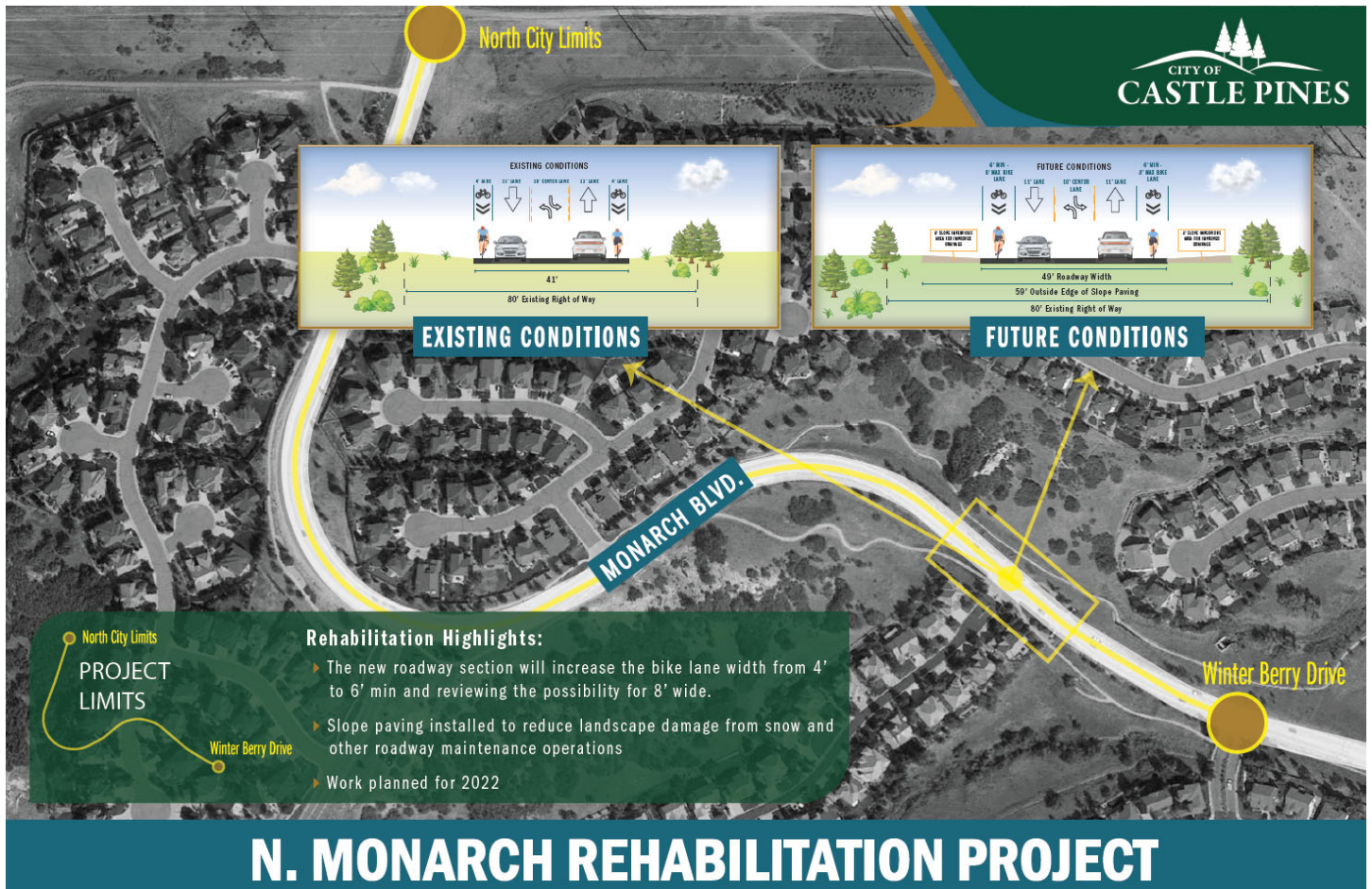


Figure 13. Monarch Rehabilitation Project map

Policy Question 2c.

Local/collector street improvements (\$1,000,000)

- Buckets 1 and 2
- Continue improving local and collector streets based on pavement condition index (PCI) standards.
- In 2021, \$1.3 million is budgeted to preserve the momentum generated towards improving local and collector streets. Due to supply chain shortages, staff expects most of this work will carry over into 2022.
- Nearly \$5 million allocated each year in 2019 and 2020.

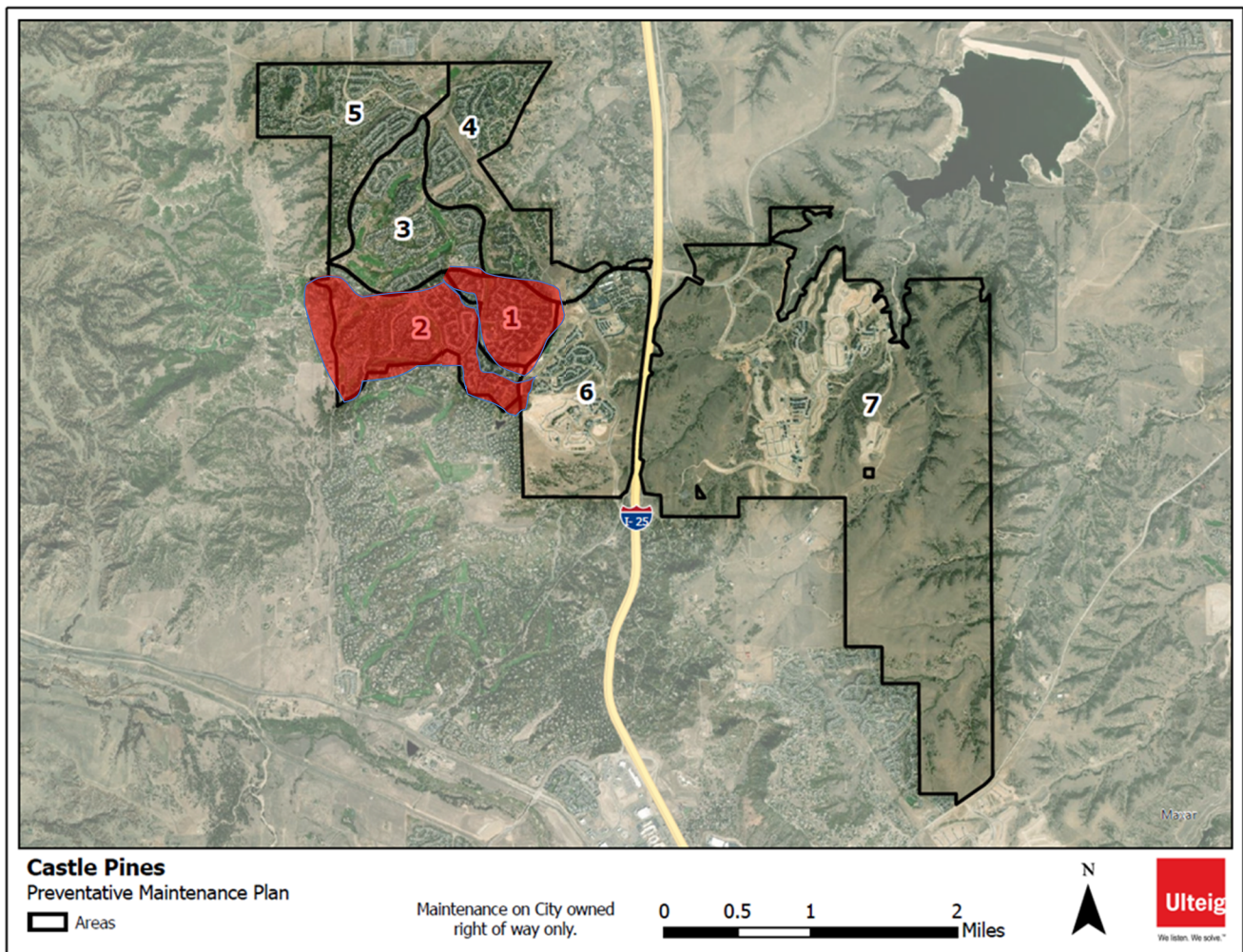


Figure 14. Local/Collector Improvements Planning Areas

Policy Question 2d.

Traffic signal improvements (\$125,000)

- Continue improvements to the 20-year-old traffic signal system.
- Additional improvements will assist in the long-term goals of tying the CDOT signals into the City's system and for better overall timing management of City signals.
- The City has allocated \$125,000 each year since 2019.
- In previous years, this funding has been used to upgrade cameras and controllers to provide full online access to traffic signal operations

Policy Question 2e.

Pedestrian safety improvements (\$75,000)

- Installation of a new Rectangular Rapid Flash Beacon (RRFB) at the Monarch Blvd. and Serena Ave./Tapadero Way intersection.
- In addition, staff will evaluate the addition of an RRFB to the Monarch Blvd. and Briar Dale Dr./Burggarten Drive intersection and other existing pedestrian crossings for safety improvements.
- The City has allocated \$75,000 to \$100,000 each year since 2019.

Policy Question 2f.

Happy Canyon bridge (\$400,000)

- This funding is requested to process the applications to CDOT and FHWA for their approvals necessary to change the Happy Canyon Bridge intersection at I-25.
- \$265,000 has been allocated to this project between 2020 and 2021.
- Staff expects to receive 50% of funding for these costs from the County and the proposed budget reflects \$200,000 in contributed revenue for 2022.

Policy Question 2g.

Monarch Boulevard landscaping (\$250,000)

- Improve and repair landscaping and irrigation along Monarch Boulevard from Yorkshire Drive to Shoreham Drive.
- The proposed budget reflects that half the cost (\$125,000) will be paid for by HOA 1.





Figure 15. Monarch Blvd Landscape Design

Policy Question 2h.

Street sign conversion (\$100,000)

- Remove and replace street signs (with Douglas County logo or no logo) so that all signs in the City are standardized and contain the City's current logo.



Figure 16. Street Sign Conversion Project

Policy Question 3.

Does City Council support City entrance gateway and landscape improvements from southbound I-25 off-ramp to Beverly Boulevard? (\$1,000,000 – Capital Improvement Fund)

Related Council Strategic Objectives:

Intentional Development



Related Council Priority Focus Areas:



Discussion:

- City entrance monument, pillars, and landscaping on the I-25 bridge and along Castle Pines Parkway from the southbound off-ramp exit to Beverly Boulevard.
- August 2019 - City Council approved and accepted the final concept design for branding, gateway entrance signage, and wayfinding signage.
- 2020 budget – Council approved \$364,000 for gateway monumentation on Monarch entering City.
- 2021 budget – Council did not approve \$1,000,000 requested for this project. However, Council approved a \$300,000 in a mid-year supplemental appropriation for final design, engineering, and CDOT application process.

Council Direction: City Council supported this policy question and requested that more detail be provided on the project before proceeding with construction.

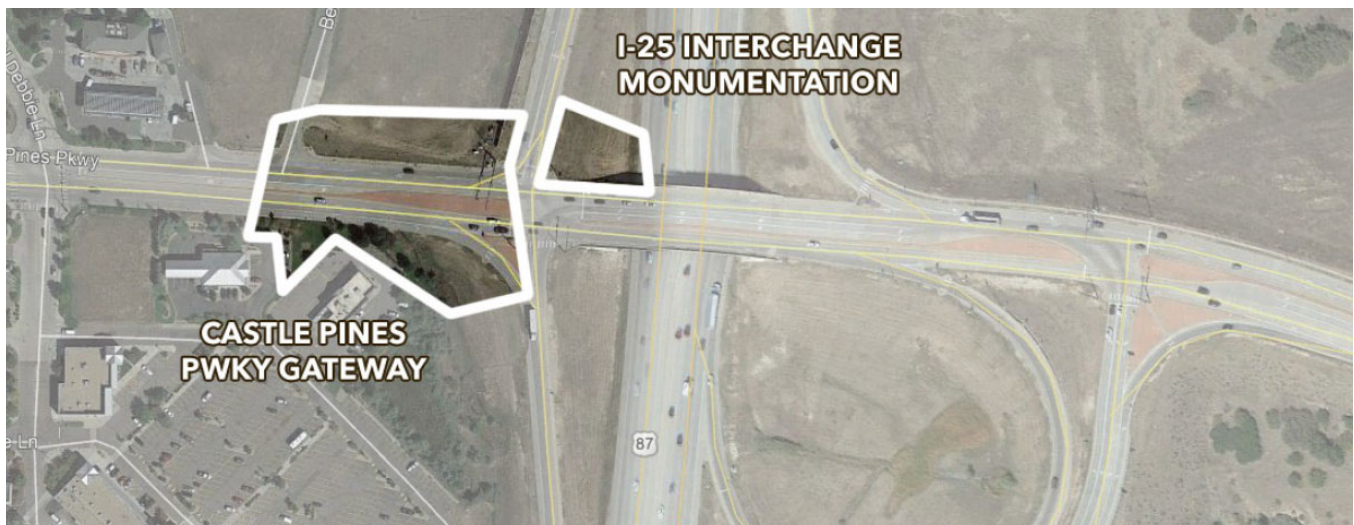


Figure 17. Map of Gateway Improvements location



Figure 18. Gateway Monument concept design



Figure 19. Gateway landscape design

Policy Question #4 – Does City Council support construction of pickleball courts with funding to come from assets transferred to the City from the dissolved Castle Pines Park Authority? (\$345,000 – Parks and Recreation Fund)

Related Council Strategic Objectives:

Foster Community



Related Council Priority Focus Areas:



ECONOMIC
DEVELOPMENT



CREATING A SENSE
OF PLACE

Discussion:

- This project is a priority of the Parks and Recreation Advisory Board (PRAB) and a goal for 2022. The PRAB reviewed their project proposal with City Council in a study session held in September.
- The project details are still in progress and before expenditure of these funds, the final details will be presented to City Council for approval.
- The proposed budget reflects that this project will be fully funded by the transfer of cash to the City from the dissolved Castle Pines Park Authority. The balance of the transferred funds from the Authority remaining will be \$158,452.
- City staff is looking at additional external revenue sources to assist in the funding for this project.

Council Direction: City Council supported this policy question and requested that more detail be provided on the project before proceeding with construction.

Policy Question #5 – Does City Council support construction of a regional 18-hole disc golf course with funding to come from the Conservation Trust Fund? (\$250,000 – Parks and Recreation Fund via the Conservation Trust Fund)

Related Council Strategic Objectives:

Foster Community



Related Council Priority Focus Areas:



ECONOMIC
DEVELOPMENT



CREATING A SENSE
OF PLACE

Discussion:

- This project is a priority of the Parks and Recreation Advisory Board (PRAB) and a goal for 2022. The PRAB reviewed their project proposal with City Council in a study session held in September.
- The project details are still in progress and before expenditure of these funds, the final details will be presented to City Council for approval.
- The proposed budget reflects that this project will be fully funded by a transfer from the Conservation Trust Fund (CTF). The City receives approximately \$70,000 each year from the state's CTF. The ending fund balance in the City's Conservation Trust Fund will be \$74,000.
- City staff is looking at additional external revenue sources to assist in the funding for this project.

Council Direction: City Council supported this policy question and requested that more detail be provided on the project before proceeding with construction.

Policy Question #6 – Does City Council support the construction of trail improvements within the North Pine Vistas Metro District Area (Lennar)? (\$300,000 – Parks and Recreation Fund)

Related Council Strategic Objectives:

Foster Community



Related Council Priority Focus Areas:



Discussion:

- This project is a priority of the Parks and Recreation Advisory Board (PRAB) and a goal for 2022.
- The North Pine Vistas Metro District (Lennar) neighborhood is an area within the City where no trails were required as a condition of development.
- City Council adopted (Aug. 2020) the Castle Pines Trails Master Plan, which specifically identifies trail improvements for this area. As such, City Council has identified these trail improvements as the top priority for installation.
- In 2021, staff applied for a Land and Water Conservation Fund Program grant through the Colorado Parks and Wildlife Division to offset one-half of the project's cost (awaiting results).
- The developer has agreed to contribute one-half of the project cost.

Council Direction: City Council supported this policy question.

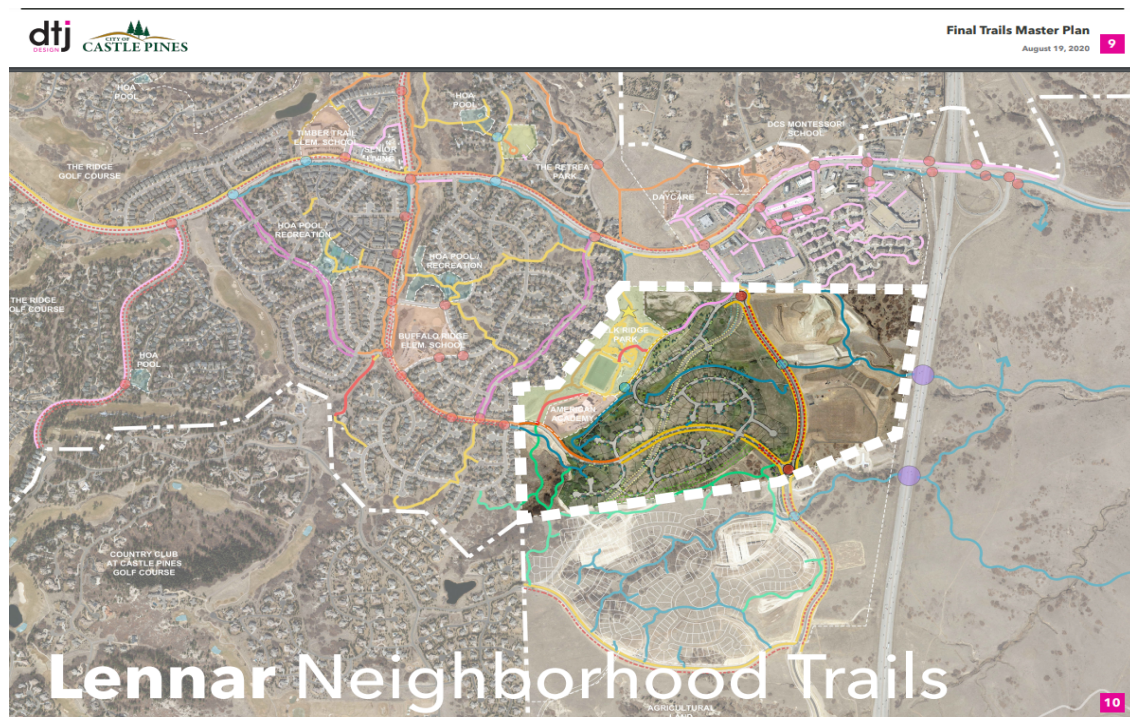


Figure 20. Map Lennar Neighborhood trails project

Policy Question #7 – Does City Council support the continued funding of capital improvements at Rueter-Hess Reservoir? (\$100,000 – Parks and Recreation Fund)

Related Council Strategic Objectives:

Foster Community



Related Council Priority Focus Areas:



ECONOMIC
DEVELOPMENT



CREATING A SENSE
OF PLACE

Discussion:

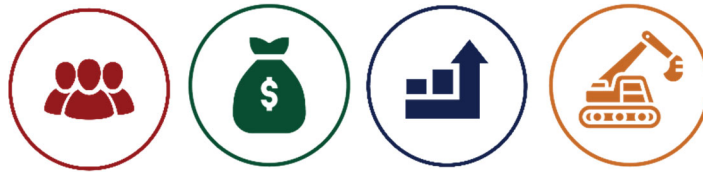
- City Council has supported this annual investment since 2017.
- Lone Tree, Parker, Castle Rock, Douglas County, and Parker Water and Sanitation District all contribute to varying degrees, as well.
- At the time of this proposal, the Rueter-Hess Recreation Authority has not finalized its 2022 budget.

Council Direction: City Council supported this policy question. Wants the Parks and Recreation Advisory Board to review the Rueter-Hess Recreation Authority's plan for 2022 before funds are released.

Policy Question #8 – Does City Council support the creation of a new fund for the purpose of setting aside funds for future capital asset purposes? (Community Capital Investment Fund)

Related Council Strategic Objectives:

Foster Community, Financial Resiliency and Vitality, Economic Strength,
Reliable and Safe Infrastructure



Related Council Priority Focus Areas:



Discussion:

- This fund will be used to set aside reserve funds that may be used for future capital asset purposes.
- Recognizing that future capital project needs will arise, creation of this new fund will demonstrate City Council's intentional setting aside of funds being saved for those projects.
- This is a savings account of unrestricted funds, and City Council could ultimately appropriate these funds for any purpose; although the intention is for Council-identified specific capital projects.

Council Direction: City Council supported this policy question.

Policy Question #9 – Does City Council support installing conduit under new roads? (\$575,000 – Capital Improvement Fund)

Related Council Strategic Objectives:

Foster Community, Economic Strength, Reliable and Safe Infrastructure



Related Council Priority Focus Areas:



Discussion:

- Install conduit for future fiber under 15,700 linear feet under arterial, collector, and residential roads as they are constructed on the east side of I-25.
- Installing conduit under new roads as they are built will significantly reduce the cost of installing fiber before the road is built rather than after the road is completed.
- We have five major internet providers, and they have all told Council they don't plan on making any significant capital investment in the community.
- The potential benefits of having an additional provider and true fiber to the home (such as 1gig true upload and download) can be an economic driver bringing quality businesses to the community as well as something that may help potential homeowners choose CP as their future home.
- It's an investment in our future as we know the drive and need for high-speed quality internet will only grow.

Council Direction: City Council supported this policy question.

Policy Question #10 – Does City Council support adding a credit card surcharge fee to payments made with a credit card? (\$108,000 revenue – General Fund)

Related Council Strategic Objectives:

Financial Resiliency and Vitality



Discussion:

- The City is charged a fee of approximately 3% of the credit card transaction.
- The chart below shows the credit card and banking fees since 2016.
- The large increase is due to the increase in the new home construction activity as builders are using a credit card to pay the building permit.
- A survey shows that many municipalities pass this cost along to the credit card user.

2016	2017	2018	2019	2020	2021
\$ 5,440	\$ 9,128	\$ 36,206	\$ 73,205	\$ 72,888	\$ 135,000

Council Direction: City Council supported this policy question.



Budget Overview

BASIS OF BUDGETING AND ACCOUNTING

The 2022 budget is comprised of five funds: General Fund, Parks and Recreation Fund, Conservation Trust Fund, Capital Improvement Fund, and Community Capital Investment Fund. All funds are appropriated.

The General Fund accounts for all government revenue and expenditures not specific to a particular fund.

The Parks & Recreation Fund accounts for all government revenue and expenditures associated with parks and recreation operations, maintenance, and capital purposes. The primary source of revenue comes from the General Fund. Funds from the Conservation Trust Fund may be used at Council direction.

The Conservation Trust Fund accounts for all government revenue and expenditures associated with state lottery disbursements and may only be used for parks and recreation maintenance or capital purposes.

The Capital Improvements Fund accounts for capital improvements or acquisitions. The primary source of revenue comes from the General Fund.

The Community Capital Investment Fund accounts for the setting aside and accumulation of funds reserved for future capital asset purposes. The primary source of revenue comes from the General Fund and is typically funds that are more than the General Fund's 25% reserve policy requirement. Other funds may be one-time revenues that City Council desires to save for specific future capital projects.

Basis of budgeting refers to the methodology used to include revenues and expenditures in the budget. Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current year or soon enough thereafter to pay liabilities of the current year. The City's basis of budgeting is the same as the basis of accounting for all funds.

ORGANIZATIONAL CONTEXT

Since its incorporation in 2008, the City of Castle Pines provides municipal services through a unique model that employs a limited staff who manage and oversee independent contractors. The City Council appoints a City Manager who is responsible for the provision of the following services: public safety (police and building inspection), public works (streets and parks), community development, economic development, public communication, and community events. The City Manager also supervises the following administrative and support services: city clerk, court clerk, finance, human resources, information technology, and legal services. In addition to the City Manager, the City Council appoints a municipal judge and city attorney.

Going into 2022, City staff consists of 11 full-time positions and one part-time position. The following city staff positions provide direct management and oversight of City operations: City Clerk, Community Development Director, Finance/Human Resources Director, Public Works Director, and Communications and Engagement Manager. In addition to the department heads, the City has the following employee positions: Planner II, Administrative Assistant, Management Analyst, Public Works Operations Manager/Engineer, and Community Events Coordinator (PT). A Stormwater Coordinator position was added in late 2021.

Under City staff supervision, services provided by contractors include law enforcement (Douglas County Sheriff), municipal court, building permitting and inspection, street improvements and maintenance, park maintenance, development review, information technology, sales tax administration and enforcement, and public information and communication.

OVERVIEW OF FUNDS

Table 4 summarizes the 2022 Annual Budget. Total revenues are \$21,390,800 and total expenditures are \$23,241,800. Total expenditures exceed total revenues by \$1,851,000 and the total fund balance of all funds will decrease from \$9,411,436 to \$7,560,436. The net decrease in the City's total fund balance and each individual fund is due to the significant amount of capital improvement expenditures being invested in the City's roads, parks, and trails.

Proposed 2022 Annual Budget	Beginning Fund			Transfers	Ending Fund
	Balance	Revenue	Expenditures	In/(Out)	Balance
General Fund	\$ 4,692,307	\$ 17,493,000	\$ (10,250,600)	\$ (9,180,400)	\$ 2,754,307
Parks and Recreation Fund	589,106	376,500	(1,466,200)	800,400	299,806
Conservation Trust Fund	355,742	68,300	-	(350,000)	74,042
Capital Improvements Fund	717,181	3,453,000	(11,525,000)	7,450,000	95,181
Community Capital Investment Fund	3,042,000	-	-	1,280,000	4,322,000
Total All Funds	\$ 9,396,336	\$ 21,390,800	\$ (23,241,800)	\$ -	\$ 7,545,336

Table 4. 2022 Annual Budget summary

See page 37 for a description of the five funds the City uses including the new Community Capital Investment Fund. Chart 4 illustrates the City's fund structure and the total expenditure budget for each fund. The hierarchy display illustrates how the Parks and Recreation Fund, Capital Improvements Fund, and the Community Capital Investment Fund depend on the General Fund as these funds are primarily funded by transfers from the General Fund. The Parks and Recreation Fund may also be funded by a transfer from the Conservation Trust Fund. Expenditures are typically not recorded in the Conservation Trust Fund or the Community Capital Investment Fund. Instead, funds are transferred out of these two funds to the other funds when used for a specific expenditure.

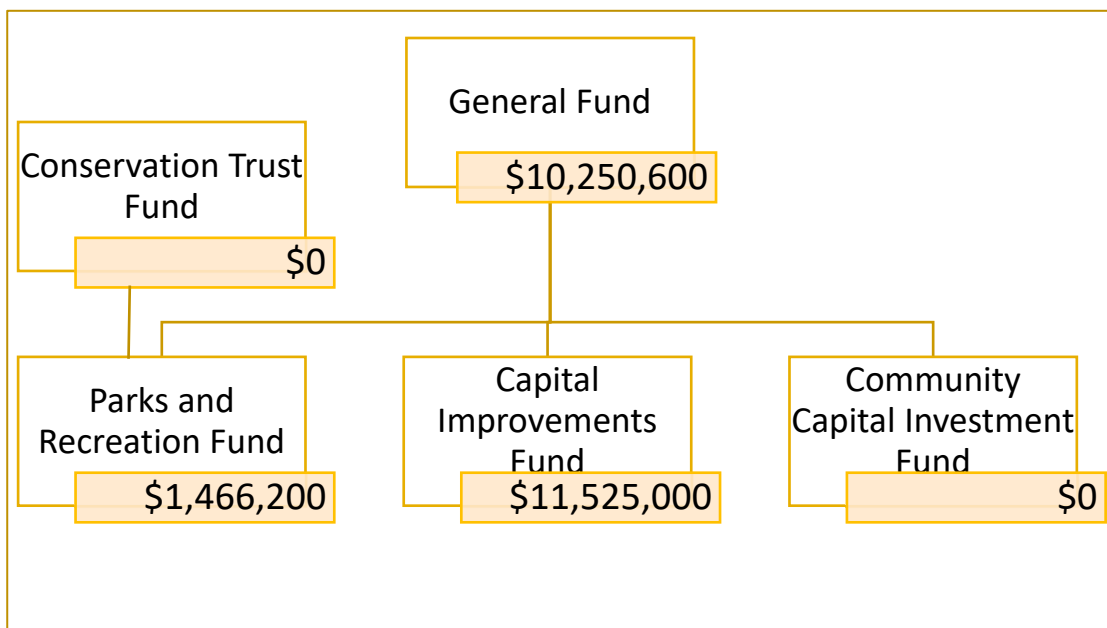


Chart 4. City Funds Hierarchy

DEBT: The City does not have outstanding debt and therefore, there are no debt service funds or debt accounted for in any of the City's funds.

BUDGET HIGHLIGHTS

2021 Revenue Year-end Projections

2021 Revenue Budget Comparisons	2021 Original Budget	2021 Supplemental Appropriation	2021 Amended Budget	2021 Year-end Projection	\$ Difference	% Diff
Property Tax	\$ 1,009,200	\$ -	\$ 1,009,200	\$ 1,009,200	\$ -	0%
Specific Ownership Tax	86,400	-	86,400	94,700	8,300	10%
Sales Tax	2,393,800	575,000	2,968,800	3,170,000	201,200	7%
Construction Materials Use Tax	2,091,200	1,501,200	3,592,400	3,825,600	233,200	6%
Motor Vehicle Use Tax	1,000,000	-	1,000,000	1,371,100	371,100	37%
Franchise Fees	530,600	-	530,600	546,600	16,000	3%
Licenses and Permits	84,400	-	84,400	260,100	175,700	208%
Highway Users Tax Fund	259,200	-	259,200	271,800	12,600	5%
Motor Vehicle Registration Fees	41,500	-	41,500	41,500	-	0%
Road and Bridge Prop Tax Shareback	497,100	-	497,100	497,100	-	0%
Roads Sales Tax Shareback	107,600	-	107,600	138,300	30,700	29%
Roads Motor Vehicle Use Tax Shareback	118,300	-	118,300	162,600	44,300	37%
Construction Materials Use Tax Shareback	267,500	-	267,500	443,600	176,100	66%
Planning and Zoning	205,000	-	205,000	238,900	33,900	17%
Building Permit Fees	1,612,100	1,000,100	2,612,200	2,564,000	(48,200)	-2%
Public Works Fees	250,000	-	250,000	250,000	-	0%
Court Fines	60,000	-	60,000	74,700	14,700	25%
Other ongoing revenue	94,100	-	94,100	101,100	7,000	7%
Total General Fund Ongoing Revenue	\$ 10,708,000	\$ 3,076,300	\$ 13,784,300	\$ 15,060,900	\$ 1,276,600	9%
Federal Grants	-	-	-	1,352,600	\$ 1,352,600	>500%
Total General Fund Revenue	\$ 10,708,000	\$ 3,076,300	\$ 13,784,300	\$ 16,413,500	\$ 2,629,200	19%
Note: Excludes the stormwater pass-through \$6,000,000 (neither the revenue nor expenditure will occur)						
Parks and Recreation Fund	\$ 423,500	-	423,500	\$ 520,800	\$ 97,300	23%
Conservation Trust Fund	\$ 60,000	-	60,000	\$ 68,300	\$ 8,300	14%
Capital Improvements Fund	\$ 2,625,000	4,461,000	7,086,000	\$ 7,086,000	\$ -	0%
Community Capital Investment Fund	\$ -	-	-	\$ 3,042,000	\$ 3,042,000	>500%

Table 5 - 2021 Revenue Budget Comparison

General Fund

Heading into 2022, revenue projections for 2021 were updated. As Table 5 indicates, total General Fund revenues are exceeding original budget expectations by \$5,705,500. The 2021 budget was amended mid-year and revenue projections for sales tax, construction materials use tax, and building permit fees were increased by \$3,076,300. Sales tax and construction materials use tax are expected to further exceed the amended budget amount by \$201,200 and \$233,200, respectively. Year-end projections for other revenues add another \$842,200, including \$371,100 from motor vehicle use taxes. On top of all that, the City's receipt of federal American Rescue Plan Act of 2021 funding added another \$1,352,600. The reason for the large differences between the 2021 Original Budget and the 2021 year-end projection amounts is explained as follows.

- Sales tax - Having already recognized the benefit of self-collection of City sales tax and assuming that the potential of a negative impact from COVID-19 was remote, sales tax revenue was still projected to increase a healthy 8.8% based on population growth and inflation. Staff believes that the better-than-

expected increase is due to citizens increasing their online purchasing. This coupled with the U.S. Supreme Court's Wayfair decision allow the City to receive the sales tax for those remote online purchases.

- **Construction materials use tax** - The original projection was based on an estimate of 455 new homes constructed provided by local home builders. We are on track to reach 650.
- **Motor vehicle use tax** - Motor vehicle use tax revenue was hit hard by the COVID-19 pandemic and as the 2021 budget was prepared it still had not recovered. Through November 2020, revenue was down 18% compared to the first eleven months in 2019. Finally, in December 2020 (up 59% over Dec. 2019), revenue improved dramatically and from January through October 2021 it was up 77%.

Parks and Recreation Fund - The year-end projection was increased by \$97,300 because the Parkland Mitigation Cash-in-Lieu fees collected over time were moved from the General Fund to the Parks and Recreation Fund. These revenues will be tracked as restricted fund balance until used.

Capital Improvements Fund - A mid-year supplemental appropriation increased the transfer to the Capital Improvements Fund from the General Fund to save funds that were greater than the General Fund policy reserve requirement for future capital projects.

Community Capital Investment Fund - With the creation of this new fund, funds that were transferred to the Capital Improvements Fund for the purpose of saving for future capital projects will now be saved and accounted for in the Community Capital Investment Fund. The \$3,042,000 year-end projection amount is a transfer of proceeds received from a developer to be used for a new municipal facility that were unspent due to the construction of the facility not moved forward in the budget process last year.

2021 Expenditure Year-end Projections

General Fund

The General Fund budget was amended mid-year increasing the General Fund budget by \$6,236,000 from \$9,992,600 to \$16,228,600 (see Table 6). The budget amendment was necessary due to the increased need for street repairs and greater than expected new home construction, which resulted in an increase in building department services and the construction materials use tax credit. With the positive results in revenues for the first half of the year and pandemic restrictions lifted, the community events budget was restored to accommodate a full event schedule. As mentioned in the General Fund revenue section, the transfer from the General Fund to the Capital Improvements Fund was increased by \$4,400,000.

Excluding the stormwater pass-through expenditure, which will not occur, year-end projections exceed the amended budget by \$390,900. As is customary, the City does a mid-year and year-end supplemental appropriations to cover unexpected expenditures. The year-end amendment is expected to cover professional services, office space, credit card fees, and business assistance. The amendment will also remove the stormwater pass-through budget.

Capital Improvements Fund - The budget was amended to carry over unspent 2020 budgeted funds for Lagae Road and Gateway improvements. The year-end projection is \$3,042,000 greater than the amended budget because of the transfer to the new Community Capital Investment Fund discussed in the revenue section above.

2021 Expenditure Budget Comparisons	2021 Original Budget	2021 Supplemental Appropriation	2021 Amended Budget	2021 Year-end Projection	\$ Difference	% Diff
Elected Officials	\$ 111,800	\$ -	\$ 111,800	\$ 95,200	\$ (16,600)	-15%
City Manager	182,900	-	182,900	188,700	5,800	3%
Inter/Non-departmental	289,700	-	289,700	502,500	212,800	73%
Communications	141,300	-	141,300	107,400	(33,900)	-24%
Legal Services	140,000	-	140,000	215,000	75,000	54%
Finance/Human Resources	323,100	-	323,100	379,200	56,100	17%
City Clerk	170,900	-	170,900	162,900	(8,000)	-5%
Municipal Court	41,200	-	41,200	41,500	300	1%
Public Safety	1,057,600	-	1,057,600	1,080,600	23,000	2%
Public Works	1,931,400	500,000	2,431,400	2,407,200	(24,200)	-1%
Community Development	1,817,700	815,100	2,632,800	2,576,700	(56,100)	-2%
Economic Development	733,900	445,900	1,179,800	1,292,600	112,800	10%
Community Events	123,100	75,000	198,100	184,700	(13,400)	-7%
Transfer to Parks and Recreation Fund	303,000	-	303,000	360,300	57,300	19%
Transfer to Capital Improvements Fund	2,625,000	4,400,000	7,025,000	7,025,000	-	0%
Total General Fund Expenditures	\$ 9,992,600	\$ 6,236,000	\$ 16,228,600	\$ 16,619,500	\$ 390,900	2%
Note: Excludes the stormwater pass-through \$6,000,000 (neither the revenue nor expenditure will occur)						
Parks and Recreation Fund	\$ 423,600	-	423,600	\$ 437,100	\$ 13,500	3%
Conservation Trust Fund	\$ 100,000	-	100,000	\$ 100,000	\$ -	0%
Capital Improvements Fund	\$ 4,950,000	847,800	5,797,800	\$ 8,839,800	\$ 3,042,000	52%

Table 6 - 2021 Expenditure Budget Comparisons

2022 Budget - Revenue

General Fund

The 2022 budgeted revenue is \$16,140,400, which is \$1,079,500 or 7% greater than the 2021 year-end projection. Sales tax, motor vehicle use tax, franchise fees, and Douglas County's shareback revenue (sales tax/motor vehicle use tax) are projected to increase 16.7% (adding \$914,600) based on estimated population growth plus inflation. Property tax and the related Douglas County shareback revenue are projected to add \$207,800 (14%) due to the growth in the City's total assessed valuation (from new homes). Credit card fees add another \$108,000 to the net increase in the projection. Although new home construction is expected to remain high, the projection for development-related revenues (construction materials use tax, the related Douglas County shareback, and building permit fees) is \$336,900 lower than the 2021 year-end projection.

Parks and Recreation Fund

The 2022 budgeted revenue is \$1,176,900, which is \$656,100 or 126% more than the 2021 year-end projection. The total revenue consists of a \$150,000 in grant funding and a \$150,000 developer contribution, which will be used to construct trail improvements. A \$350,000 transfer from the Conservation Trust Fund will be used to construct an 18-hole regional disc golf course (\$250,000) and to continue partnering (\$100,000) with the Rueter-Hess Authority. A transfer of \$450,400 from the General Fund will continue funding parks operations as well as add funding for consultant services for planning the use of an 85-acre property and for a major repair to the City's water feature in Elk Ridge Park.

2022 Revenue Budget	2021 Amended Budget	2021 end Projection	Year- Proposed Budget	2022 \$ Difference	% Diff
Property Tax	\$ 1,009,200	\$ 1,009,200	\$ 1,148,400	\$ 139,200	14%
Specific Ownership Tax	86,400	94,700	110,800	16,100	17%
Sales Tax	2,968,800	3,170,000	3,708,900	538,900	17%
Construction Materials Use Tax	3,592,400	3,825,600	3,637,000	(188,600)	-5%
Motor Vehicle Use Tax	1,000,000	1,371,100	1,604,200	233,100	17%
Franchise Fees	530,600	546,600	638,100	91,500	17%
Licenses and Permits	84,400	260,100	256,000	(4,100)	-2%
Highway Users Tax Fund	259,200	271,800	292,500	20,700	8%
Motor Vehicle Registration Fees	41,500	41,500	47,600	6,100	15%
Road and Bridge Prop Tax Shareback	497,100	497,100	565,700	68,600	14%
Roads Sales Tax Shareback	107,600	138,300	161,800	23,500	17%
Roads Motor Vehicle Use Tax Shareback	118,300	162,600	190,200	27,600	17%
Construction Materials Use Tax Shareback	267,500	443,600	421,700	(21,900)	-5%
Planning and Zoning	205,000	238,900	241,000	2,100	1%
Credit Card Fees	-	-	108,000	108,000	>500%
Building Permit Fees	2,612,200	2,564,000	2,437,600	(126,400)	-5%
Public Works Fees	250,000	250,000	250,000	-	0%
Court Fines	60,000	74,700	200,000	125,300	168%
Other ongoing revenue	94,100	101,100	120,900	19,800	20%
Total General Fund Ongoing Revenue	\$ 13,784,300	\$ 15,060,900	\$ 16,140,400	\$ 1,079,500	7%
Federal Grants	-	1,352,600	1,352,600	-	0%
Total General Fund Revenue	\$ 13,784,300	\$ 16,413,500	\$ 17,493,000	\$ 1,079,500	7%
Note: 2021 excludes the stormwater pass-through \$6,000,000 (neither the revenue nor expenditure will occur)					
Parks and Recreation Fund	\$ 423,500	520,800	1,176,900	\$ 656,100	126%
Conservation Trust Fund	\$ 60,000	68,300	68,300	\$ -	0%
Capital Improvements Fund	\$ 7,086,000	7,086,000	10,903,000	\$ 3,817,000	54%
Community Capital Investment Fund	\$ -	3,042,000	1,280,000	\$ (1,762,000)	-58%

Table 7 - 2022 Revenue Budget

Capital Improvements Fund

The 2022 budgeted revenues are \$10,903,000. Included in the 2022 budget is a \$3,328,000 contribution from Douglas County for major road improvements (\$3,000,000) plus a contribution towards initial planning efforts for improvements to the Happy Canyon bridge over I-25. A \$7,450,000 transfer from the General Fund is necessary to balance the Capital Improvement Fund budget.

Community Capital Investment Fund

The 2022 budgeted revenue is a \$1,280,000 transfer from the General Fund, which is the amount projected that the General Fund will exceed the 25% policy reserve requirement at the end of 2022.

2022 Budget - Expenditures

General Fund

The 2022 General Fund budget is \$19,431,000, which is \$2,811,500 or 17% greater than the 2021 year-end projection. The largest increases are described as follows.

- Public Safety - Most of the \$167,500 increase is related to the City's property tax. The City contracts law enforcement services to the Douglas County Sheriff's office, which is 100% funded through the City's property tax 4.5 mill levy.
- Public Works - The \$480,600 increase includes increased funding for snow removal, street-related repair and maintenance, a new stormwater coordinator position, and two vehicles.
- Economic Development - Most of the \$310,300 increase is due to an increase in the Canyon's use tax credit (\$225,900) and \$50,000 added for consultant services to help the City explore and implement economic development opportunities.
- Transfers to other funds - The revenue section above describes these transfers.

2022 Expenditure Budget	2021 Amended Budget	2021 Year-end Projection	2022 Proposed Budget	\$ Difference	% Diff
Elected Officials	\$ 111,800	\$ 95,200	\$ 160,100	\$ 64,900	68%
City Manager	182,900	188,700	199,900	11,200	6%
Inter/Non-departmental	289,700	502,500	491,900	(10,600)	-2%
Communications	141,300	107,400	144,600	37,200	35%
Legal Services	140,000	215,000	210,000	(5,000)	-2%
Finance/Human Resources	323,100	379,200	396,500	17,300	5%
City Clerk	170,900	162,900	180,200	17,300	11%
Municipal Court	41,200	41,500	41,100	(400)	-1%
Public Safety	1,057,600	1,080,600	1,248,100	167,500	16%
Public Works	2,431,400	2,407,200	2,887,800	480,600	20%
Community Development	2,632,800	2,576,700	2,472,700	(104,000)	-4%
Economic Development	1,179,800	1,292,600	1,602,900	310,300	24%
Community Events	198,100	184,700	214,800	30,100	16%
Transfer to Parks and Recreation Fund	303,000	360,300	450,400	90,100	25%
Transfer to Capital Improvements Fund	7,025,000	7,025,000	7,450,000	425,000	6%
Transfer to Community Capital Investment Fund	-	-	1,280,000	1,280,000	>500%
Total General Fund Expenditures	\$ 16,228,600	\$ 16,619,500	\$ 19,431,000	\$ 2,811,500	17%
Note: 2021 excludes the stormwater pass-through \$6,000,000 (neither the revenue nor expenditure will occur)					
Parks and Recreation Fund	\$ 423,600	\$ 437,100	\$ 1,466,200	\$ 1,029,100	235%
Conservation Trust Fund	\$ 100,000	\$ 100,000	\$ 350,000	\$ 250,000	250%
Capital Improvements Fund	\$ 5,797,800	\$ 8,839,800	\$ 11,525,000	\$ 2,685,200	30%

Table 8 - 2022 Expenditure Budget

Fund Balance - General Fund

Generally, fund balance is the difference between a fund's assets and liabilities. For budget purposes, the fund balance is displayed as the beginning fund balance plus estimated revenue less budgeted expenditures equals ending fund balance. Maintaining an adequate fund balance is important for reasons that include having funds available for emergencies, unexpected events and to maintain a strong financial position. The fund balance for the City's General Fund is displayed here. The fund balance for each fund can be found on the applicable pages for all the City's funds.

The 2022 year-end fund balance in the General Fund remains in a very healthy financial condition (see Table 8). The resulting fund balance is projected to total \$2,754,307, which is 26% of operating expenditures, and exceeds the policy reserve amount by \$99,057. The City's policy requires a 25% reserve, which is three months' worth of the budgeted operating expenditures. Best practice promoted by the Government Finance Officers' Association (GFOA) recommends a minimum balance of 2 months (16.7%).

2022 Ending Fund Balance Analysis	
Total Expenditures	\$ 19,431,000
Less: Capital Outlay	(8,810,000)
Total Operating Expenditures	<u>\$ 10,621,000</u>
25% - Required Reserve Policy	<u>\$ 2,655,250</u>
Ending Fund Balance	\$ 2,754,307
25% Required Reserve	2,655,250
Excess/(Short) of Required Reserve	<u>\$ 99,057</u>
Fund Balance Reserve %	26%



Budget Detail

GENERAL FUND

The General Fund is the City's primary operating fund and is used to account for services provided to the community: public works, public safety, municipal court, community development, economic development, community events, and communication. The General Fund also accounts for administrative and support services: city manager, city clerk, finance, human resources, legal, and information technology. The City also provides parks and recreation, and capital improvements through transfers from the General Fund to their respective funds.

General Fund	2020 Audited Actual	2021 Amended Budget	2021 Year-end Projection	2022 Proposed Budget	YEP to Budget Change	% Change
Beginning Fund Balance	\$ 5,249,408	\$ 4,898,307	\$ 4,898,307	\$ 4,692,307	\$ (206,000)	-4%
Revenue	14,402,248	19,784,300	16,413,500	17,493,000	1,079,500	7%
Expenditures	(10,595,948)	(14,900,600)	(9,234,200)	(10,250,600)	(1,016,400)	11%
Transfers Out	(4,157,000)	(7,328,000)	(7,385,300)	(9,180,400)	(1,795,100)	24%
Ending Fund Balance	4,898,708	2,454,007	4,692,307	2,754,307	(1,938,000)	-41%

REVENUE

% of budget	General Fund Revenue	2020 Audited Actual	2021 Amended Budget	2021 Year-end Projection	2022 Proposed Budget	YEP to Budget Change	% Change
58%	Taxes	\$ 6,689,690	\$ 8,656,800	\$ 9,470,600	\$ 10,209,300	\$ 738,700	8%
4%	Franchise Fees	480,371	530,600	546,600	638,100	91,500	17%
1%	Licenses and Permits	171,026	84,400	260,100	256,000	(4,100)	-2%
17%	Intergovernmental	1,634,160	1,302,000	2,915,600	3,040,200	124,600	4%
18%	Charges for Services	1,935,118	3,099,000	3,073,900	3,069,400	(4,500)	0%
1%	Fines and Forfeitures	96,084	60,000	74,700	200,000	125,300	168%
0%	Other Revenue	3,395,799	6,051,500	72,000	80,000	8,000	11%
100%	Total Revenue	\$ 14,402,248	\$ 19,784,300	\$ 16,413,500	\$ 17,493,000	\$ 1,079,500	7%

EXPENDITURES

% of budget	General Fund Expenditures	2020 Audited Actual	2021 Amended Budget	2021 Year-end Projection	2022 Proposed Budget	YEP to Budget Change	% Change
1%	Elected Officials	\$ 62,490	\$ 111,800	\$ 95,200	\$ 160,100	\$ 64,900	68%
1%	City Manager	178,234	182,900	188,700	199,900	11,200	6%
3%	Inter/Non-Departmental	752,118	289,700	502,500	491,900	(10,600)	-2%
1%	Communications	126,615	141,300	107,400	144,600	37,200	35%
1%	Legal Services	175,757	140,000	215,000	210,000	(5,000)	-2%
2%	Finance/Human Resource	265,778	323,100	379,200	396,500	17,300	5%
1%	City Clerk	147,778	170,900	162,900	180,200	17,300	11%
0%	Municipal Court	36,933	41,200	41,500	41,100	(400)	-1%
6%	Public Safety	1,030,368	1,057,600	1,080,600	1,248,100	167,500	16%
15%	Public Works	5,051,931	8,431,400	2,407,200	2,887,800	480,600	20%
13%	Community Development	1,921,179	2,632,800	2,576,700	2,472,700	(104,000)	-4%
8%	Economic Development	763,577	1,179,800	1,292,600	1,602,900	310,300	24%
1%	Community Events	83,190	198,100	184,700	214,800	30,100	16%
47%	Transfers Out	4,157,000	7,328,000	7,385,300	9,180,400	1,795,100	24%
100%	Total Expenditures	\$ 14,752,948	\$ 22,228,600	\$ 16,619,500	\$ 19,431,000	\$ 2,811,500	17%

GENERAL FUND - ELECTED OFFICIALS

DESCRIPTION

Council members make policy decisions on a variety of City issues, such as approving the annual City budget. They are given the authority to approve resolutions and enact and provide for the enforcement of ordinances, which are City laws. They also appoint the city manager, who serves the Council and citizens and is responsible for City staff and day-to-day management. Castle Pines is governed by a mayor and six City Council members. The City is divided into three districts of approximately 3,500 residents. Each district is represented by two City Council members with staggered four-year terms.

2022 BUDGET

	2020 Audited	2021 Adopted Budget	2021 Year-End Projections	2022 Adopted Budget	\$ Budget Change	% Budget Change
Elected Officials						
Compensation/Benefits	\$ 145	\$ 200	\$ 100	\$ 43,500	\$ 43,300	< 300%
Professional Services	3,621	3,600	2,400	5,000	1,400	39%
Supplies	5,708	12,800	8,900	15,400	2,600	20%
Other Operating	21,629	35,900	24,500	36,900	1,000	3%
Contributions	31,387	59,300	59,300	59,300	-	0%
Total Elected Officials	\$ 62,490	\$ 111,800	\$ 95,200	\$ 160,100	\$ 48,300	43%

2022 BUDGET HIGHLIGHTS

Compensation/Benefits - In 2020, City Council passed Ordinance 20-03, in accordance with the City's Home Rule Charter, that provides for future elected City Council Members and the Mayor to receive a monthly stipend. A Mayor and three Council Members were elected in November 2021 and are the first elected officials who are eligible to receive the monthly stipend.

GENERAL FUND - CITY MANAGER

DESCRIPTION

The City Manager is responsible for the general day-to-day oversight and management of the City of Castle Pines and is responsible for directing the development and implementation of the City's operating budget. The City Manager provides recommendations to the Mayor and City Council, implements policy decisions made by the City Council, participates in City Council meetings, anticipates future needs of the City, and serves as the general representative of the City.

2022 BUDGET

	2020 Audited	2021 Adopted Budget	2021 Year-End Projections	2022 Adopted Budget	\$ Budget Change	% Budget Change
City Manager						
Compensation/Benefits	\$ 173,704	\$ 170,800	\$ 176,000	\$ 186,500	\$ 15,700	9%
Supplies	1,701	3,700	3,800	3,900	200	5%
Other Operating	2,829	8,400	8,900	9,500	1,100	13%
Total City Manager	\$ 178,234	\$ 182,900	\$ 188,700	\$ 199,900	\$ 17,000	9%

2021 ACCOMPLISHMENT HIGHLIGHTS

- Enhanced City communications by bringing function in-house.
- Started multi-year reconstruction improvements on City's major arterials and secured \$3 million in funding for 2022 work from the County.
- Enhanced grant research and application efforts.
- Worked with developer and successfully bringing Life Time Fitness to the City.
- Facilitated the beginnings of the new Parks and Recreation Advisory Board.

CITY COUNCIL STRATEGIC PRIORITIES					
Reliable and Safe Infrastructure	Foster Community	Intentional Development	Economic Strength	High Performing Operations	Financial Resiliency and Vitality
SI	FC	ID	ES	PO	FR

2022 DEPARTMENTAL GOALS/OBJECTIVES HIGHLIGHTS

- Keep the momentum going from the past several years by moving forward \$9 million in major roadway improvements - **SI**.
- Continue improving communication with the development of a focused, integrated, and consistent strategy - **PO**.
- Develop short-term and long-term strategic plan for staff and our role in delivering on City Council strategic priorities - **PO**.
- Create the long-term financial road maps to forecast the City's financial ability to accomplish the goals, strategies, and desires of where the City wants to be and when it can get there - **FR**.
- Explore opportunities to redevelop and revitalize the Castle Pines Marketplace shopping center (Safeway site) - **ES**.
- Enhance City recreational offerings with the addition of a regional 18-hole disc golf course, update to the Parks and Recreation plan, including the programming of the future 75-acre park - **FC**.
- Begin the beautification of the community through the implementation of the Gateway project phase 1 - **FC**.

GENERAL FUND - INTERDEPARTMENTAL

DESCRIPTION

The Interdepartmental cost center accounts for expenditures that support the functions of all City departments and cannot efficiently be classified to a specific department (for example, administrative assistant position, tech support, central office supplies, postage) or those that are external to all departments (for example, contributions to other organizations).

2022 BUDGET

	2020 Audited	2021 Adopted Budget	2021 Year-End Projections	2022 Adopted Budget	\$ Budget Change	% Budget Change
Interdepartmental						
Compensation/Benefits	\$ 93,555	\$ 104,400	\$ 119,100	\$ 131,700	\$ 27,300	26%
Professional Services	143,309	47,600	117,000	162,700	115,000	242%
Supplies	27,978	24,600	37,600	33,200	100	35%
Other Operating	104,525	113,100	135,100	164,300	44,900	45%
Contributions	212	-	93,700	-	-	< 300%
Emergency Response	382,539	-	-	-	-	<300%
Total Interdepartmental	\$ 752,118	\$ 289,700	\$ 502,500	\$ 491,900	\$ 202,200	70%

2022 BUDGET HIGHLIGHTS

Professional Services - The 2022 budget includes funds for consultants who will assist the City with grant research and application, improving the City's mobile website accessibility, and a community survey.

Office Space - In 2021, the City needed additional office space because the existing capacity was insufficient. City Council approved a lease agreement for office space for the City's Public Works Department and the Building Department. The City entered into a separate agreement with the building services contractor for reimbursement of their proportionate share of the office space.

GENERAL FUND - COMMUNICATIONS

DESCRIPTION

The Communications Department is responsible for all aspects of the City communications and community events programs, including but not limited to media and public relations, marketing, internal and external communications, community outreach, and city-wide events.

2022 BUDGET

	2020 Audited	2021 Adopted Budget	2021 Year-End Projections	2022 Adopted Budget	\$ Budget Change	% Budget Change
Communications						
Compensation/Benefits	\$ -	\$ 95,300	\$ 47,100	\$ 89,500	\$ (5,800)	-6%
Professional Services	126,615	40,000	58,200	50,000	10,000	25%
Supplies	-	3,000	2,100	2,100	(900)	-30%
Other Operating	-	3,000	-	3,000	-	0%
Total Communications	\$ 126,615	\$ 141,300	\$ 107,400	\$ 144,600	\$ 3,300	2%

2021 ACCOMPLISHMENT HIGHLIGHTS

- A new Communications and Engagement Manager position was created, and the staff member was hired in April of 2021.
- Developed detailed communications plan and proactively communicated with HOAs and residents on the Castle Pines Parkway Reconstruction project between Yorkshire and Monarch.
- Developed an HOA Information page on website so residents can find info on HOAs.
- Worked closely with CDOT, Colorado Parks and Wildlife, Douglas County and the Town of Castle Rock to bring wildlife fencing project to I-25 in the Castle Pines region.
- Partnered with South Metro Fire Rescue to create wildfire mitigation plans by neighborhood.

CITY COUNCIL STRATEGIC PRIORITIES					
Reliable and Safe Infrastructure	Foster Community	Intentional Development	Economic Strength	High Performing Operations	Financial Resiliency and Vitality
SI	FC	ID	ES	PO	FR

2022 DEPARTMENTAL GOALS/OBJECTIVES HIGHLIGHTS

- Reach the broader Castle Pines community (those who may not already follow City communications channels) with important messaging - **FC, PO**.
- Advertise to attract investors and aid economic development - **ES**.
- Improve graphic design, videography, photography, communications, website, and public relations services - **PO**.
- Improve email marketing, surveying, creativity, and use of social media - **PO**.
- Implement a public engagement plan to sustain an informed public, seek understanding of community perspectives, tap into the collective intelligence of the community, and ensure transparency - **PO**.

GENERAL FUND - LEGAL SERVICES

DESCRIPTION

The City Attorney's office provides legal services to the City Council, boards, commissions, and administrative staff. This helps to enforce the law, avoid or mitigate risks associated with City operations, and protect the legal interests of the City of Castle Pines. In addition, legal services also include the following:

- Prosecution of criminal defendants
- Prosecution of Castle Pines code violations
- Provides civil defense council for the City and employees in administrative, county, state, and federal courts
- Represents the City in administrative hearings, county, state, and federal courts
- Prepares contracts and other legal documents.

2022 BUDGET

	2020 Audited	2021 Adopted Budget	2021 Year-End Projections	2022 Adopted Budget	\$ Budget Change	% Budget Change
Legal Services						
Professional Services	\$ 175,757	\$ 140,000	\$ 215,000	\$ 210,000	\$ 70,000	50%
Total Legal Services	\$ 175,757	\$ 140,000	\$ 215,000	\$ 210,000	\$ 70,000	50%

GENERAL FUND - FINANCE/HUMAN RESOURCES

DESCRIPTION

The Finance/Human Resources Department is responsible for the financial activities of the City. This includes administration of sales and use tax, all accounting functions (payroll, accounts payable, accounts receivable, and financial reporting), preparation of the annual budget, and managing city cash on hand (investments). Human resources duties include assisting with employee hiring, training, and administration of City-provided benefits (health insurance and retirement).

2022 BUDGET

	2020 Audited	2021 Adopted Budget	2021 Year-End Projections	2022 Adopted Budget	\$ Budget Change	% Budget Change
Finance/Human Resources						
Compensation/Benefits	\$ 118,905	\$ 126,700	\$ 137,600	\$ 145,000	\$ 18,300	14%
Professional Services	56,021	85,200	87,200	96,200	11,000	13%
Supplies	13,517	15,000	15,600	15,000	-	0%
Other Operating	77,335	96,200	138,800	140,300	44,100	46%
Total Finance/ Human Resources	\$ 265,778	\$ 323,100	\$ 379,200	\$ 396,500	\$ 73,400	23%

2022 BUDGET HIGHLIGHTS

Other Operating - Credit card fees have increased significantly with the increase in new home construction. To cover the cost of accepting credit cards, the City is adding a credit card fee surcharge.

2021 ACCOMPLISHMENT HIGHLIGHTS

- Major rewrite of the Employee Handbook
- Improved human resources recordkeeping, employee onboarding, and payroll processing with switch to new HR/Payroll online platform.
- Recruited and hired new Communications and Engagement Manager.
- Developed and implemented process to provide assistance to City restaurants during boil water advisory period.
- Studied and determined appropriate use of City's American Rescue Plan Act funding.

CITY COUNCIL STRATEGIC PRIORITIES					
Reliable and Safe Infrastructure	Foster Community	Intentional Development	Economic Strength	High Performing Operations	Financial Resiliency and Vitality
SI	FC	ID	ES	PO	FR

2022 DEPARTMENTAL GOALS/OBJECTIVES HIGHLIGHTS

- Lead creation of five-year long-range financial plan - **FR**.
- Lead creation of long-range capital improvement plan - **SI, FR**.
- Revise the City sales tax ordinance to incorporate Colorado Municipal Leagues model ordinance language, as part of a state-wide sales tax simplification effort - **FR**.
- Join the state's single point of remittance (SUTS) for sales tax collection as part of the sales tax simplification effort - **FR**.

GENERAL FUND - CITY CLERK

DESCRIPTION

Overall, the City Clerk's office works in partnership with the City Council, City Manager, and all other City departments. The City Clerk is responsible for the following: City Council agenda packet preparation, City Council meeting minutes preparation, liquor licensing, Elk Ridge Park permitting, records management program, legal notices, public records requests (CORA), election management, City liaison for municipal court, City municipal code maintenance.

2022 BUDGET

	2020 Audited	2021 Adopted Budget	2021 Year-End Projections	2022 Adopted Budget	\$ Budget Change	% Budget Change
City Clerk						
Compensation/Benefits	\$ 100,139	\$ 101,900	\$ 102,000	\$ 108,000	\$ 6,100	6%
Professional Services	25,385	17,500	17,000	17,500	-	0%
Supplies	21,000	48,100	39,700	48,100	-	0%
Other Operating	1,254	3,400	4,200	6,600	3,200	94%
Total City Clerk	\$ 147,778	\$ 170,900	\$ 162,900	\$ 180,200	\$ 9,300	5%

2021 ACCOMPLISHMENT HIGHLIGHTS

- Successfully trained new Administrative Assistant hired in December 2020.
- Coordinated Municipal election for the Mayor and Council Member seats along with subsequent recount.
- Successful implementation of Parks and Recreation Advisory Board Meetings.
- Initiated captioning services for City Council, Planning Commission, and Parks and Recreation Advisory Board meetings.

CITY COUNCIL STRATEGIC PRIORITIES					
Reliable and Safe Infrastructure	Foster Community	Intentional Development	Economic Strength	High Performing Operations	Financial Resiliency and Vitality
SI	FC	ID	ES	PO	FR

2022 DEPARTMENTAL GOALS/OBJECTIVES HIGHLIGHTS

- On-board new City Council Members.
- Promote Administrative Assistant to Deputy City Clerk and provide training for this new role - **PO**.

GENERAL FUND - MUNICIPAL COURT

DESCRIPTION

The Castle Pines municipal court is committed to the administration of justice with equality, fairness and integrity, in an expeditious and timely manner, for the people of the City of Castle Pines. The court seeks to provide equal access to justice, prompt and courteous service, independence and accountability of court actions, and to exercise case-management practices designed to facilitate the fair and timely disposition of cases. The court values equality and fairness, excellence of service, respect for the individual, and responsible use of resources, and strives to nurture public confidence and trust.

2022 BUDGET

	2020 Audited	2021 Adopted Budget	2021 Year-End Projections	2022 Adopted Budget	\$ Budget Change	% Budget Change
Municipal Court						
Compensation/Benefits	\$ 44	\$ 100	\$ 100	\$ 100	\$ -	0%
Professional Services	33,537	38,200	38,100	38,100	(100)	0%
Supplies	3,352	2,900	3,300	2,900	-	0%
Total Municipal Court	\$ 36,933	\$ 41,200	\$ 41,500	\$ 41,100	\$ (100)	0%

2021 ACCOMPLISHMENT HIGHLIGHTS

- Implemented a text reminder system for all defendants for court appearance, fines, and class due dates.

CITY COUNCIL STRATEGIC PRIORITIES					
Reliable and Safe Infrastructure	Foster Community	Intentional Development	Economic Strength	High Performing Operations	Financial Resiliency and Vitality
SI	FC	ID	ES	PO	FR

2022 DEPARTMENTAL GOALS/OBJECTIVES HIGHLIGHTS

- Implement new procedures due to impacts of new traffic legislation - **PO**.
- Implement a process to send unpaid tickets to collections - **PO**.
- Establish access to Colorado Crime Information Center - **PO**.
- Monitor pending bills in the state legislature that may affect the court.

GENERAL FUND - LAW ENFORCEMENT

DESCRIPTION

Law enforcement services are provided by the Douglas County Sheriff's Office through an annual Intergovernmental Agreement with the City of Castle Pines. Specifically, the Sheriff's Office provides the following functions.

- Reactive patrol to enforce laws and to respond to calls for service
- Proactive patrol to prevent and deter criminal activity
- Traffic patrol to enforce City traffic codes
- Investigation of crimes and the participation in the South Metro Drug Task Force
- Special operations services such as canine patrol, hostage negotiations, SWAT, and bomb disposal
- Communications services, including call receiving, dispatch, and reports
- Attendance and testimony in courts of appropriate jurisdiction and consultation with prosecuting attorneys
- Command support staff
- Administrative services including but not limited to planning and statistics, subpoena control, training, weapon permits, accounting, payroll, personnel, media relations, fleet control, radio maintenance, purchasing, records, internal investigations, and other services provided by other county agencies in support of the sheriff's office
- Emergency management and disaster services in the event of an emergency
- Liquor code compliance and enforcement and law enforcement liaison to liquor licensing authority

2022 BUDGET

	2020 Audited	2021 Adopted Budget	2021 Year-End Projections	2022 Adopted Budget	\$ Budget Change	% Budget Change
Public Safety						
Professional Services	\$ 1,030,368	\$ 1,057,600	\$ 1,080,600	\$ 1,248,100	\$ 190,500	18%
Total Public Safety	\$ 1,030,368	\$ 1,057,600	\$ 1,080,600	\$ 1,248,100	\$ 190,500	18%

2022 BUDGET HIGHLIGHTS

Professional Services - The City's entire property tax 4.5 mill levy is solely for law enforcement services, which are provided by the Douglas County Sheriff's Office. The increase in this expenditure is directly tied to the increase in property tax revenue.

CITY COUNCIL STRATEGIC PRIORITIES					
Reliable and Safe Infrastructure	Foster Community	Intentional Development	Economic Strength	High Performing Operations	Financial Resiliency and Vitality
SI	FC	ID	ES	PO	FR

2022 DEPARTMENTAL GOALS/OBJECTIVES HIGHLIGHTS

- Increase safety through increased traffic enforcement and return to 2019 levels. Traffic enforcement was drastically reduced in 2020 and 2021 due to COVID-19 pandemic - **PO**.

GENERAL FUND - PUBLIC WORKS

DESCRIPTION

- Develop and implement programs benefiting community safety and growth
- Pavement/roadway management - maintenance, repair, and reconstruction
- Snow and ice management
- Traffic analysis and traffic modifications
- Stormwater management (MS4 Permit)
- Right of way permits and grading and sedimentary erosion control (GESCC) permits
- Elk Ridge Park operations and maintenance
- Consulting and engineering oversight, construction document review, site inspections

2022 BUDGET

	2020 Audited	2021 Adopted Budget	2021 Year-End Projections	2022 Adopted Budget	\$ Budget Change	% Budget Change
Public Works						
Compensation/Benefits	\$ 144,959	\$ 194,900	\$ 205,100	\$ 317,000	\$ 122,100	63%
Professional Services	557,722	343,000	418,000	398,000	55,000	16%
Repair and Maintenance	1,115,407	1,860,400	1,729,100	2,033,000	172,600	9%
Supplies	18,955	27,800	50,400	54,500	26,700	96%
Other Operating	2,427	5,300	4,600	5,300	-	0%
Capital	-	-	-	80,000	80,000	< 300%
Pass-through	3,212,461	6,000,000	-	-	(6,000,000)	-100%
Total Public Works	\$ 5,051,931	\$ 8,431,400	\$ 2,407,200	\$ 2,887,800	\$(5,543,600)	-66%

2022 BUDGET HIGHLIGHTS

Compensation/Benefits - The City added a Stormwater Coordinator position in 2021 to reduce the cost of inspections provided by contractors and improve customer service and efficiency. Recruitment started in late 2021 and hire date is expected in 2022.

Repair and Maintenance -

Snow Removal - The snow removal budget was increased for new roads that will become the responsibility of the City in 2022.

Streets Repair/Maintenance - Additional funding was added to meet the needs for repairing City roads.

Capital - Adding 2 vehicles to the City fleet. There are three Public Works positions that operate in the field. The City has one vehicle, which is used by the Public Works Director. Two additional vehicles will allow all Public Works employees to use a properly identified City vehicle rather than their personal vehicle.

GENERAL FUND - PUBLIC WORKS (continued)

2021 ACCOMPLISHMENT HIGHLIGHTS

Engineering Division

- Issued a record number of right-of-way and GESC permits.
- Updated Public Works documents and website forms.
- Evaluated and implemented efficient initial and final acceptance procedures.
- Evaluated and implemented efficient ROW and GESC reviews and inspections.
- Implemented MS4 internal indicator inspections.
- Completed annual pond inspections.
- Developed Castle Pines roadway standards.
- Developed Castle Pines GESC Manual.
- Implemented GESC permit inspection fees.

Operations Division

- Maintenance of traffic calming devices to better serve community requests.
- Maintenance of storm sewer inlets and general ROW clean up.
- Repaired potholes with a primary focus on CPP and Monarch.
- Concrete curb, gutter, and sidewalk repairs focusing on sidewalk settlement around the storm inlets.
- Continue to develop more efficient sweeping and striping operations.
- Assisted with City events and public displays.

Traffic Division

- Efficient startup of school flashers with remote control system implementation.
- Completed sign installations on Monarch Boulevard, north of Castle Pines Parkway
- Installed additional speed signs.
- Installed new wildlife identification signs.
- Adoption of MTC and MUTCD standards.
- Utilization of traffic calming devices to obtain traffic counts and locational data.
- Installed new streetlights on Village Square Dr and Debbie Lane intersections.
- Implementation of locate services and maintenance of Castle Pines Parkway streetlights.

CITY COUNCIL STRATEGIC PRIORITIES					
Reliable and Safe Infrastructure	Foster Community	Intentional Development	Economic Strength	High Performing Operations	Financial Resiliency and Vitality
SI	FC	ID	ES	PO	FR

2022 DEPARTMENTAL GOALS/OBJECTIVES HIGHLIGHTS

- Approve and implement Castle Pines roadway standards and GESC Manual - **SI**.
- Onboard Storm Water Coordinator - **SI**.
- Evaluate and implement updated storm water regulations - **SI**.
- MS4 and Detention Pond mapping in the GIS system - **SI**.
- Manage all capital improvement projects - **SI**.
- Determine long-range capital improvement needs for forthcoming long-range Capital Improvement Plan - **SI**.
- Accept, develop, and implement the maintenance plans for the newly acquired open space tracts - **SI**.

GENERAL FUND - COMMUNITY DEVELOPMENT

DESCRIPTION

The Community Development Department is comprised of Building, Code Enforcement, and Planning and Zoning. The Building Division is responsible for the implementation and enforcement of building codes and standards, provides building permit services, plans examination, building inspections, and is responsible for the enforcement of the International Building Codes. The Code Enforcement Division is responsible for the enforcement of the City's Zoning Ordinance, including land use issues, fence regulations, home occupations, pets, signs, abandoned vehicles, development standards, and public nuisances. The Planning and Zoning Division is responsible for the administration and enforcement of the City's Zoning and Subdivision Ordinances, the City's Comprehensive Plan, development review, zoning compliance, code enforcement, sign permitting, GIS/mapping services, and site development administration.

2022 BUDGET

	2020 Audited	2021 Adopted Budget	2021 Year-End Projections	2022 Adopted Budget	\$ Budget Change	% Budget Change
Community Development						
Compensation/Benefits	\$ 189,209	\$ 218,800	\$ 220,600	\$ 235,700	\$ 16,900	8%
Professional Services	1,675,184	2,373,800	2,333,800	2,208,400	(165,400)	-7%
Supplies	55,905	35,700	20,700	23,800	(11,900)	-33%
Other Operating	881	4,500	1,600	4,800	300	7%
Total Community Development	\$ 1,921,179	\$ 2,632,800	\$ 2,576,700	\$ 2,472,700	\$ (160,100)	-6%

2021 ACCOMPLISHMENT HIGHLIGHTS

- Improved code enforcement with the addition of a Code Enforcement Officer.
- Updated Municipal Code nuisance animal control provisions.
- Completed the 2021 Comprehensive Plan Update.
- Launched online building permit portal so that building plans can be uploaded, reviewed, and issued electronically.

CITY COUNCIL STRATEGIC PRIORITIES					
Reliable and Safe Infrastructure	Foster Community	Intentional Development	Economic Strength	High Performing Operations	Financial Resiliency and Vitality
SI	FC	ID	ES	PO	FR

2022 DEPARTMENTAL GOALS/OBJECTIVES HIGHLIGHTS

- Commence a mixed-use development scenario planning project that will be used to rewrite the City's Business Zone District zoning regulations - **ID**.
- Facilitate the completion and construction of a Life Time Fitness - **ID, ES**.
- Acquire Douglas County School District school site at Monarch/Hidden Pointe - **ID**.
- Acquire Village Square roadways to convert from private to public - **ID**.
- Complete Unified Land Development Code - **ID**.
- Complete the Parks and Recreation Comprehensive Master Plan - **FC**.
- Complete the final engineering design for 18-hole disc golf course - **FC**.

GENERAL FUND - ECONOMIC DEVELOPMENT

DESCRIPTION

The purpose of Economic Development expenditures will be to foster job growth by encouraging new business development and retention and expansion of existing businesses.

2022 BUDGET

	2020 Audited	2021 Adopted Budget	2021 Year-End Projections	2022 Adopted Budget	\$ Budget Change	% Budget Change
Economic Development						
Compensation/Benefits	\$ 70,861	\$ 67,800	\$ 68,700	\$ 72,200	\$ 4,400	6%
Professional Services	11,500	25,000	500	80,000	55,000	220%
Supplies	6,000	6,000	6,000	6,000	-	0%
Other Operating	1,250	3,300	2,300	3,700	400	12%
Economic Incentives	673,966	1,077,700	1,215,100	1,441,000	363,300	34%
Total Economic Development	\$ 763,577	\$ 1,179,800	\$ 1,292,600	\$ 1,602,900	\$ 423,100	36%

2022 BUDGET HIGHLIGHTS

Professional Services - The budget was increased to hire a consultant to assist the City explore and implement opportunities to partner with the downtown commercial area and the potential redevelopment of the Safeway site.

Economic Incentives - As development of the annexed property (2009) increases, the revenue sharing offered as part of the annexation agreement has proportionally increased as well.

CITY COUNCIL STRATEGIC PRIORITIES					
Reliable and Safe Infrastructure	Foster Community	Intentional Development	Economic Strength	High Performing Operations	Financial Resiliency and Vitality
SI	FC	ID	ES	PO	FR

2022 DEPARTMENTAL GOALS/OBJECTIVES HIGHLIGHTS

- Explore the formation of an Urban Renewal Authority or other opportunities to improve the downtown commercial area and redevelopment of the Castle Pines Marketplace shopping center (Safeway site) - **ID, ES**.

GENERAL FUND - COMMUNITY EVENTS

DESCRIPTION

Community events are held throughout the year to enhance the sense of our Castle Pines community, as well as, promote regional awareness and economic development. Community events include Pizza in the Park, Movie at the Ridge, Summer Stage, and other events during the Spring, Summer, Fall, and holidays.

2022 BUDGET

	2020 Audited	2021 Adopted Budget	2021 Year-End Projections	2022 Adopted Budget	\$ Budget Change	% Budget Change
Community Events						
Compensation/Benefits	\$ 15,093	\$ 33,100	\$ 19,700	\$ 24,800	\$ (8,300)	-25%
Professional Services/Supplies	68,097	150,000	150,000	150,000	-	0%
Contributions	-	15,000	15,000	40,000	25,000	167%
Total Community Events	\$ 83,190	\$ 198,100	\$ 184,700	\$ 214,800	\$ 16,700	8%

2022 BUDGET HIGHLIGHTS

Contributions - The City will increase its partnership with the Chamber of Commerce to provide even more community events.

2021 ACCOMPLISHMENT HIGHLIGHTS

- Successfully launched several new events including a Fall Festival and the Winter Wonderland series of events.

CITY COUNCIL STRATEGIC PRIORITIES					
Reliable and Safe Infrastructure	Foster Community	Intentional Development	Economic Strength	High Performing Operations	Financial Resiliency and Vitality
SI	FC	ID	ES	PO	FR

2022 DEPARTMENTAL GOALS/OBJECTIVES HIGHLIGHTS

- Continue offering great community events and explore new ways to bring the community together - **FC**.

GENERAL FUND - TRANSFERS OUT

DESCRIPTION

General Fund revenue support expenditures in other City funds including those for parks and recreation operations and maintenance and capital improvements.

2022 BUDGET

	2020 Audited	2021 Adopted Budget	2021 Year-End Projections	2022 Adopted Budget	\$ Budget Change	% Budget Change
Transfers (In)/Out						
Parks and Recreation Fund	\$ 157,000	\$ 303,000	\$ 360,300	\$ 450,400	\$ 147,400	49%
Capital Improvement Fund	4,000,000	7,025,000	7,025,000	7,450,000	425,000	6%
Community Cap. Invest. Fund	-	-	-	1,280,000	1,280,000	< 300%
Total Transfers Out	\$ 4,157,000	\$ 7,328,000	\$ 7,385,300	\$ 9,180,400	\$ 1,852,400	25%

Transfer to the Parks and Recreation Fund - The increase is to hire a consultant to assist with planning park use of an 85-acre property and for a major repair the City's water feature in Elk Ridge Park.

Transfer to the Capital Improvement Fund - The increase is to balance the increase in expenditures in the Capital Improvement Fund's budget.

Community Capital Investment Fund - The City created this new fund for the purpose of accumulating funds to save for future capital purposes.

PARKS AND RECREATION FUND

DESCRIPTION

The Parks and Recreation Fund accounts for the expenditures devoted to the maintenance and general upkeep of our parks and recreational amenities. Parks, recreation and trail improvements are also accounted for in this fund, which is supported by parks user fees and General Fund revenues.

2022 BUDGET

	2020 Audited	2021 Adopted Budget	2021 Year-End Projections	2022 Adopted Budget	\$ Budget Change	% Budget Change
PARKS AND RECREATION FUND						
Beginning Fund Balance	\$ 636,269	\$ 494,969	\$ 505,406	\$ 589,106	\$ 94,137	
Revenues	27,010	20,500	60,500	376,500	356,000	1737%
Transfers In	257,000	403,000	460,300	800,400	397,400	99%
Total Revenue and Transfers In	284,010	423,500	520,800	1,176,900	753,400	178%
Expenditures						
Compensation/Benefits	119,550	117,900	138,400	149,500	31,600	27%
Professional Services	8,183	11,000	-	50,000	39,000	355%
Repair and Maintenance	107,162	152,200	147,000	220,000	67,800	45%
Supplies	-	1,000	-	3,100	2,100	210%
Other Operating	34,153	41,500	40,600	48,300	6,800	16%
Capital	46,023	-	11,100	895,300	895,300	< 300%
Contributions	100,000	100,000	100,000	100,000	-	0%
Total Expenditures	415,071	423,600	437,100	1,466,200	1,042,600	246%
Ending Fund Balance	505,208	494,869	589,106	299,806	\$ (195,063)	

BUDGET HIGHLIGHTS

Revenue - A state grant and developer contribution will fund construction of planned trail improvements. The Conservation Trust Fund will fund construction of an 18-hole regional disc golf course and the City's contribution to the Rueter-Hess Recreation Authority.

Professional Services - This funding is added to hire a consultant to assist with planning the use of an 85-acre park.

Repair and Maintenance - Staff is in the process of determining repairs that are needed to restore the splash pad to fully automatic operation.

Parks Capital - Pickleball courts, 18-hole regional disc golf course. See Policy Questions #4 and #5.

Trails Capital - Construction of trail improvements in the Lennar neighborhood. See Policy Question #6.

Although not quantified at this time, there will be a modest increase in the Parks and Recreation operating budget for the maintenance of the pickleball courts, disc golf course, and trails. The increase in cost will be covered by a transfer in from the General Fund, which has sufficient resources to cover this increase.

PARKS AND RECREATION FUND (continued)

2021 ACCOMPLISHMENT HIGHLIGHTS

- Splashpad overhaul complete
- Security system installed and implemented
- Installation of new trash cans
- Irrigation system and clock upgrades
- Playground repairs and safety maintenance
- Sewer service line cleaned out
- Increased trash removal pickup due to increased park usage
- ADA drinking fountain installed between restrooms
- Drainage around the adult fitness court reconfigured
- Ponding issues with chase drains repaired
- Two successful backflow inspections
- Parking lot re-painted
- Waterline service to bathrooms and splash pad repaired
- Restroom repair and maintenance ongoing
- New fire doors installed at the Splash Pad mechanical room
- Chemical safety storage concerns at the Splash Pad mechanical room addressed
- Continued vandalism repairs
- Replace pavilion outlets
- Installed new locks where damaged
- Signed turf facility for “No-Dogs”

CITY COUNCIL STRATEGIC PRIORITIES					
Reliable and Safe Infrastructure	Foster Community	Intentional Development	Economic Strength	High Performing Operations	Financial Resiliency and Vitality
SI	FC	ID	ES	PO	FR

2022 DEPARTMENTAL GOALS/OBJECTIVES HIGHLIGHTS

- Completion of ongoing maintenance and repairs of all the facilities - **FC, SI**.
- Implementation of Wi-Fi Upgrade for the irrigation clock and security system - **FC**.
- Address walking paths through landscape areas - **FC, SI**.
- On-going sidewalk/trail repairs - **FC, SI**.
- On-going Park maintenance including planting beds, turf grass, native grass, and Astro-turf field - **FC, SI**.
- Evaluate the longevity of the Astro-turf field for potential replacement - **FC, SI**.
- Existing drinking fountain repair.
- Park rules signs development.

CONSERVATION TRUST FUND

DESCRIPTION

The Conservation Trust Fund is the segregated fund to account for the collection and expenditure of state lottery proceeds.

2022 BUDGET

	2020 Audited	2021 Adopted Budget	2021 Year-End Projections	2022 Adopted Budget	\$ Budget Change	% Budget Change
CONSERVATION TRUST FUND						
Beginning Fund Balance	\$ 429,600	\$ 387,442	\$ 387,442	\$ 355,742	\$ (31,700)	
Revenue	57,842	60,000	68,300	68,300	8,300	14%
Transfers Out	(100,000)	(100,000)	(100,000)	(350,000)	(250,000)	250%
Ending Fund Balance	\$ 387,442	\$ 347,442	\$ 355,742	\$ 74,042	\$ (273,400)	

2022 BUDGET HIGHLIGHTS

Transfer to Parks and Recreation Fund - Increased to fund construction of an 18-hole regional disc golf course.

CAPITAL IMPROVEMENTS FUND

DESCRIPTION

The Capital Improvement Fund accounts for most of the City's capital expenditures. A capital expenditure is for an asset that is at least \$5,000 and has or extends the assets usable life five or more years. Expenditures also include planning for capital improvements. The City also prepares a five-year Capital Improvement Plan that guides discussion and decision-making regarding current and future projects. This fund accounts for the capital improvement expenditures, as approved by City Council, for the current year of the Capital Improvement Plan. This fund is supported by fees and General Fund revenues.

PROCESS FOR IDENTIFYING CAPITAL IMPROVEMENTS

Currently, the most pressing capital improvement need is to fix the City's two major arterial roadways, Castle Pines Parkway and Monarch Boulevard. These two roads have aged (approximately 30 years) and have outlived their lifespan. In addition, the City embarked on improving local and collector streets city-wide based on a desired level of pavement condition index several years ago. Public Works staff and engineering consultants prioritize and recommend to City Council the order of which segments of the arterial roadways and areas of the local/collector streets get funded. City Council has approved the recommended road work prioritization and the budget was approved based on fund availability. Other recommended ongoing capital improvements were also presented to City Council for consideration as part of the budget process.

2022 BUDGET

	2020 Audited	2021 Adopted Budget	2021 Year-End Projections	2022 Adopted Budget	\$ Budget Change	% Budget Change
CAPITAL IMPROVEMENT FUND						
Beginning Fund Balance	\$ 1,079,529	\$ 2,470,981	\$ 2,470,981	\$ 717,181	\$(1,753,800)	
Revenue	3,422,223	61,000	61,000	3,453,000		
Transfer In	4,000,000	7,025,000	7,025,000	7,450,000	425,000	6%
Total Revenue and Transfer In	7,422,223	7,086,000	7,086,000	10,903,000	425,000	54%
Expenditures						
Capital Improvements	6,030,771	5,797,800	5,797,800	11,525,000	5,727,200	99%
Transfers Out	-	-	3,042,000	-	-	< 300%
Total Expenditures	6,030,771	5,797,800	8,839,800	11,525,000	5,727,200	99%
Ending Fund Balance	\$ 2,470,981	\$ 3,759,181	\$ 717,181	\$ 95,181	\$(3,664,000)	

2022 BUDGET HIGHLIGHTS

Revenue and Expenditures - See Policy Questions #2, #3, and #9.

CAPITAL IMPROVEMENTS FUND (continued)

2021 ACCOMPLISHMENT HIGHLIGHTS

- Castle Pines Parkway Road reconstruction and water line installation between Yorkshire and Monarch completed.
- Completed 2021 crack sealing repair project.
- Completed 2020 Paving Project punch list items.
- Installed Rectangular Rapid Flash Beacon (RRFB) at Buffalo Ridge Elementary.
- Acquired State of Colorado grant for development of crash data in the Castle Pines intersections.

CITY COUNCIL STRATEGIC PRIORITIES					
Reliable and Safe Infrastructure	Foster Community	Intentional Development	Economic Strength	High Performing Operations	Financial Resiliency and Vitality
SI	FC	ID	ES	PO	FR

2022 DEPARTMENTAL GOALS/OBJECTIVES HIGHLIGHTS

- Reconstruction of Castle Pines Parkway from Village Square Drive to Yorkshire - **SI**.
- Reconstruction and improvements to Castle Pines Parkway and Lagae Intersection - **SI**.
- Evaluate for warrants of a new RRFB/sidewalk at Monarch and Briar Dale Dr./Burggarten Dr. and install if warranted - **SI**.
- Complete traffic signal camera upgrades on CPP and Timber Trail, Monarch, and Yorkshire to smart camera system - **SI**.
- Identify streets and create bid package for 2022 Road Paving Project - **SI**.
- Complete design on Monarch from Winterberry to north city limit line rehabilitation project and bike lane widening project - **SI**.
- Complete the upgrades to the City's Street guide signs with the City of Castle Pines logo - **FC**.
- Development of Happy Canyon Bridge improvements - **SI**.
- Monarch Blvd Landscaping - **FC**.
- Develop implement plans for conduit installation under new roads - **FC**.
- Continuous evaluation of City-wide bike lane improvements - **SI**.

COMMUNITY CAPITAL INVESTMENT FUND

DESCRIPTION

The Community Capital Investment Fund accounts for the setting aside and accumulation of funds reserved for future capital asset purposes. The primary source of revenue comes from the General Fund and is typically funds that are more than the General Fund's 25% reserve policy requirement. Other funds may be one-time revenues that City Council desires to save for specific future capital projects.

2022 BUDGET

	2020 Audited	2021 Adopted Budget	2021 Year-End Projections	2022 Adopted Budget	\$ Budget Change	% Budget Change
COMMUNITY CAPITAL INVESTMENT FUND						
Beginning Fund Balance	\$ -	\$ -	\$ -	\$ 3,042,000	\$ 3,042,000	
Transfer In	-	-	3,042,000	1,280,000	1,280,000	< 300%
Total Revenue and Transfer In	-	-	3,042,000	1,280,000	1,280,000	< 300%
Ending Fund Balance	\$ -	\$ -	\$ 3,042,000	\$ 4,322,000	\$ 4,322,000	

BUDGET HIGHLIGHT - New fund created in 2022. See Policy Question #8.



Appendix

CITY OF CASTLE PINES - 2022 ANNUAL BUDGET

	2020 Audited	2021 Amended Budget	2021 Year-end Projections	2022 Proposed Budget	\$ Budget Change	% Budget Change
GENERAL FUND						
REVENUES						
Taxes						
Property Tax	\$ 941,843	\$ 1,009,200	\$ 1,009,200	\$ 1,148,400	\$ 139,200	14%
Specific Ownership Tax	81,696	86,400	94,700	110,800	24,400	28%
Sales Tax	2,430,999	2,968,800	3,170,000	3,708,900	740,100	55%
Construction Materials Use Tax	2,335,514	3,592,400	3,825,600	3,637,000	44,600	74%
Motor Vehicle Use Tax	899,638	1,000,000	1,371,100	1,604,200	604,200	60%
Total Taxes	6,689,690	8,656,800	9,470,600	10,209,300	1,552,500	55%
Franchise Fees						
Franchise - Electric	214,543	236,300	240,100	280,900	44,600	19%
Franchise - Gas	103,007	120,700	132,900	155,500	34,800	29%
Franchise - Cable	161,900	172,400	172,400	201,700	29,300	17%
Franchise - Telephone	921	1,200	1,200	-	(1,200)	-100%
Total Franchise Fees	480,371	530,600	546,600	638,100	107,500	-35%
Licenses and Permits						
Business Licenses	21,630	1,000	8,000	21,600	20,600	2060%
Liquor/Tobacco Licenses	3,486	2,400	3,500	3,400	1,000	42%
Contractor Licenses	22,575	30,000	22,600	30,000	-	0%
Sign Permits	2,288	1,000	1,000	1,000	-	0%
ROW and GESC Permits	121,047	50,000	225,000	200,000	150,000	300%
Total Licenses and Permits	171,026	84,400	260,100	256,000	171,600	2402%
Intergovernmental Revenue						
Federal Grants	380,359	-	1,352,600	1,352,600	1,352,600	0%
Highway Users Tax Fund	258,099	259,200	271,800	292,500	33,300	13%
Motor Vehicle Registration Fees	37,852	41,500	41,500	47,600	6,100	15%
Cigarette Tax	11,941	7,100	7,100	7,100	-	0%
Road and Bridge Prop Tax Shareback	463,563	497,100	497,100	565,700	68,600	14%
Roads Sales Tax Shareback	121,002	107,600	138,300	161,800	54,200	50%
Roads Motor Vehicle Use Tax Shareback	103,313	118,300	162,600	190,200	71,900	61%
Construction Materials Use Tax Shareback	255,317	267,500	443,600	421,700	154,200	58%
State Energy Distributions	2,714	3,700	1,000	1,000	(2,700)	-73%
Total Intergovernmental Revenue	1,634,160	1,302,000	2,915,600	3,040,200	1,738,200	137%
Charges for Services						
Planning and Zoning	202,576	205,000	238,900	241,000	36,000	18%
Finance Fees	8,715	9,600	9,600	9,600	-	0%
Credit Card Fees	-	-	-	108,000	108,000	0%
Building Permit Fees	1,701,027	2,612,200	2,564,000	2,437,600	(174,600)	51%
Public Works Fees	-	250,000	250,000	250,000	-	0%
Office Space Lease	-	-	11,400	23,200	23,200	0%
Parkland Mitigation	22,800	22,200	-	-	(22,200)	-100%
Total Charges for Services	1,935,118	3,099,000	3,073,900	3,069,400	(29,600)	-31%

	2020 Audited	2021 Amended Budget	2021 Year-end Projections	2022 Proposed Budget	\$ Budget Change	% Budget Change
GENERAL FUND						
REVENUES						
Fines						
Court Fines	96,084	60,000	74,700	200,000	140,000	233%
Interest and Other Income						
Interest	163,537	51,500	72,000	80,000	28,500	55%
Grants	5,000	-	-	-	-	0%
Other	14,801	-	-	-	-	0%
Stormwater Pass-through	3,212,461	6,000,000	-	-	(6,000,000)	-100%
Total Interest and Other Income	3,395,799	6,051,500	72,000	80,000	(5,971,500)	-45%
Total Revenue	\$ 14,402,248	\$ 19,784,300	\$ 16,413,500	\$ 17,493,000	\$ (2,291,300)	2716%
EXPENDITURES						
City Council						
Mayor/Council Stipend	\$ -	\$ -	\$ -	\$ 40,200	\$ 40,200	0%
Taxes	-	-	-	3,200	3,200	0%
Worker's Compensation	145	200	100	100	(100)	-50%
Professional Services	3,621	3,600	2,400	5,000	1,400	39%
Training	1,759	6,000	2,000	6,300	300	5%
Travel	2,802	9,400	2,000	9,400	-	0%
Membership Dues	17,068	20,500	20,500	21,200	700	3%
Supplies	3,115	1,800	100	400	(1,400)	-78%
Computers/Software	-	-	-	6,000	6,000	0%
Meetings	2,593	10,000	7,800	8,000	(2,000)	-20%
Supplies/Recognition	-	1,000	1,000	1,000	-	0%
Contributions	31,387	59,300	59,300	59,300	-	0%
Total City Council	62,490	111,800	95,200	160,100	48,300	43%
City Manager						
Salary	143,170	138,200	139,700	147,000	8,800	6%
Insurance/Other	2,815	2,800	3,400	4,000	1,200	43%
Taxes	2,347	2,400	2,400	2,600	200	8%
Retirement	21,988	23,800	28,200	30,500	6,700	28%
Worker's Compensation	3,384	3,600	2,300	2,400	(1,200)	-33%
Training	448	1,700	1,700	1,700	-	0%
Travel	796	4,900	4,900	4,900	-	0%
Membership Dues	1,585	1,800	2,300	2,900	1,100	61%
Supplies	155	-	100	200	200	0%
Meetings	1,546	3,700	3,700	3,700	-	0%
Total City Manager	178,234	182,900	188,700	199,900	17,000	9%

	2020 Audited	2021 Amended Budget	2021 Year-end Projections	2022 Proposed Budget	\$ Budget Change	% Budget Change
GENERAL FUND						
EXPENDITURES						
Inter/Non-Departmental						
Salary	71,983	82,600	96,900	102,300	19,700	24%
Insurance/Other	8,216	6,100	6,600	8,300	2,200	36%
Taxes	2,255	1,400	1,700	1,800	400	29%
Retirement	10,980	14,200	13,800	19,200	5,000	35%
Worker's Compensation	121	100	100	100	-	0%
Professional Services	128,189	30,000	100,000	145,000	115,000	383%
Info Tech Support	15,120	17,600	17,000	17,700	100	1%
Office Space	37,001	37,000	59,500	81,900	44,900	121%
Insurance	50,734	57,100	54,800	60,400	3,300	6%
Telephone/Internet	10,442	10,700	10,700	11,000	300	3%
Printing/Copying	4,087	4,100	4,900	4,900	800	20%
Postage/Mailing	1,165	1,700	1,700	1,700	-	0%
Training	-	1,500	2,000	2,200	700	47%
Travel	358	1,000	300	1,500	500	50%
Mileage	13	-	-	-	-	0%
Membership Dues	120	-	700	700	700	0%
Central Supplies	10,121	9,000	16,000	16,000	7,000	78%
Computer/Software	17,372	14,600	14,600	12,700	(1,900)	-13%
Meetings	485	1,000	7,000	4,500	3,500	350%
Other	605	-	500	-	-	0%
Contributions	212	-	93,700	-	-	0%
Emergency Response	382,539	-	-	-	-	0%
Total Inter/Non-Departmental	752,118	289,700	502,500	491,900	202,200	70%
Communications						
Salary	-	71,900	36,600	69,900	(2,000)	-3%
Insurance/Other	-	9,700	4,700	5,600	(4,100)	-42%
Taxes	-	1,300	600	1,200	(100)	-8%
Retirement	-	12,400	5,200	12,700	300	2%
Worker's Compensation	-	-	-	100	100	0%
Professional Services	-	35,000	44,500	35,000	-	0%
Advertising	-	5,000	13,700	15,000	10,000	200%
Public Information/Communication	126,615	-	-	-	-	0%
Training	-	2,000	-	2,000	-	0%
Mileage	-	500	-	500	-	0%
Membership Dues	-	500	-	500	-	0%
Supplies	-	1,000	100	100	(900)	-90%
Computer/Software	-	2,000	2,000	2,000	-	0%
Total Communications	126,615	141,300	107,400	144,600	3,300	2%
Legal Services						
City Attorney	166,414	140,000	200,000	200,000	60,000	43%
Outside Legal Services	9,343	-	15,000	10,000	10,000	0%
Total Legal Services	175,757	140,000	215,000	210,000	70,000	50%

	2020 Audited	2021 Amended Budget	2021 Year-end Projections	2022 Proposed Budget	\$ Budget Change	% Budget Change
GENERAL FUND						
EXPENDITURES						
Finance/Human Resources						
Salary	93,680	97,700	105,900	111,200	13,500	14%
Insurance/Other	9,813	10,400	10,400	11,000	600	6%
Taxes	1,559	1,700	1,900	1,900	200	12%
Retirement	13,717	16,800	19,300	20,800	4,000	24%
Worker's Compensation	136	100	100	100	-	0%
County Treasurer's Fees	9,423	10,100	10,100	11,500	1,400	14%
Professional Services	4,028	6,100	4,100	6,100	-	0%
Audit	17,500	18,500	18,000	22,500	4,000	22%
Sales Tax Administration	25,070	50,500	55,000	56,100	5,600	11%
Bank/Credit Card Fees	72,888	91,100	135,000	135,000	43,900	48%
Advertising	2,774	500	600	600	100	20%
Printing and Copying	469	500	-	500	-	0%
Training	1,014	2,000	2,000	2,000	-	0%
Travel	-	1,000	-	1,000	-	0%
Membership Dues	190	1,100	1,200	1,200	100	9%
Supplies	1,198	200	100	200	-	0%
Computer/Software	12,319	14,800	15,400	14,800	-	0%
Meetings	-	-	100	-	-	0%
Total Finance/Human Resources	265,778	323,100	379,200	396,500	73,400	23%
City Clerk						
Salary	76,278	77,300	76,400	80,500	3,200	4%
Insurance/Other	9,660	9,800	10,300	10,900	1,100	11%
Taxes	1,263	1,400	1,300	1,400	-	0%
Retirement	12,838	13,300	13,900	15,100	1,800	14%
Worker's Compensation	100	100	100	100	-	0%
Filing Fees	763	500	500	500	-	0%
Election	18,780	11,000	13,500	11,000	-	0%
Public Notice Advertising	1,114	1,500	500	1,500	-	0%
Codification	4,728	4,500	2,500	4,500	-	0%
Training	580	3,000	2,500	2,000	(1,000)	-33%
Travel	-	-	1,200	3,500	3,500	0%
Mileage	204	200	200	400	200	100%
Membership Dues	470	200	300	700	500	250%
Supplies	281	100	-	100	-	0%
Computer/Software	20,719	48,000	39,700	48,000	-	0%
Total City Clerk	147,778	170,900	162,900	180,200	9,300	5%
Municipal Court						
Workers' Comp	44	100	100	100	-	0%
Court Clerk	20,000	24,000	24,000	24,000	-	0%
Judge	6,337	7,000	6,900	6,900	(100)	-1%
Prosecutor	7,200	7,200	7,200	7,200	-	0%
Supplies	-	100	500	100	-	0%
Computer/Software	3,352	2,800	2,800	2,800	-	0%
Total Municipal Court	36,933	41,200	41,500	41,100	(100)	0%

	2020 Audited	2021 Amended Budget	2021 Year-end Projections	2022 Proposed Budget	\$ Budget Change	% Budget Change
GENERAL FUND						
EXPENDITURES						
Public Safety						
Law Enforcement	947,112	1,009,200	1,009,200	1,148,400	139,200	14%
Traffic Management	60,142	21,000	45,000	69,700	48,700	232%
Animal Control	23,114	27,400	26,400	30,000	2,600	9%
Total Public Safety	1,030,368	1,057,600	1,080,600	1,248,100	190,500	18%
Public Works						
Salary	113,620	144,100	154,000	233,100	89,000	62%
Insurance/Other	10,568	21,200	21,600	34,900	13,700	65%
Taxes	1,890	2,500	2,700	4,100	1,600	64%
Retirement	17,608	24,800	25,500	41,900	17,100	69%
Worker's Compensation	1,273	2,300	1,300	3,000	700	30%
Professional Services	97,544	93,000	93,000	73,000	(20,000)	-22%
Professional Services (Development)	460,178	250,000	325,000	325,000	75,000	30%
Utilities	6,510	6,400	8,400	8,400	2,000	31%
Snow Removal	441,785	500,000	500,000	575,000	75,000	15%
Weed Mitigation	-	7,500	-	7,500	-	0%
Gateway/ROW Maintenance	-	-	7,900	105,000	105,000	0%
Curb/Gutter/Sidewalk R&M	-	-	15,300	130,000	130,000	0%
Striping/Signage	-	-	54,800	95,000	95,000	0%
Pedestrian Crossings Maintenance	18,705	20,000	20,000	20,000	-	0%
Streets Repair/Maintenance	356,547	950,000	840,600	750,000	(200,000)	67%
Street Light R&M	-	-	-	15,000	15,000	0%
Traffic Signals Maintenance	73,739	75,000	50,000	50,000	(25,000)	-33%
Stormwater Maintenance	217,640	300,000	200,000	225,000	(75,000)	-25%
Street Sweeping	-	-	31,400	50,000	50,000	0%
Fleet Repair/Maintenance	481	1,500	700	2,100	600	40%
Training	-	1,500	300	1,500	-	0%
Mileage	888	1,800	3,000	1,800	-	0%
Membership Dues	1,539	2,000	1,300	2,000	-	0%
Supplies	1,385	1,200	100	1,200	-	0%
Computers/Software	16,393	25,000	48,500	48,500	23,500	94%
Fleet Fuel	1,103	1,500	1,500	4,500	3,000	200%
Meetings	74	100	300	300	200	200%
Vehicles	-	-	-	80,000	80,000	0%
Stormwater Pass-through	3,212,461	6,000,000	-	-	(6,000,000)	-100%
Total Public Works	5,051,931	8,431,400	2,407,200	2,887,800	(5,543,600)	-64%

	2020 Audited	2021 Amended Budget	2021 Year-end Projections	2022 Proposed Budget	\$ Budget Change	% Budget Change
GENERAL FUND						
EXPENDITURES						
Community Development						
Salary	146,100	162,300	161,800	171,900	9,600	6%
Insurance/Other	19,509	23,000	24,100	25,400	2,400	10%
Taxes	2,411	2,800	2,800	3,000	200	7%
Retirement	18,673	27,900	29,700	33,100	5,200	19%
Worker's Compensation	2,516	2,800	2,200	2,300	(500)	-18%
Professional Services	174,526	95,000	100,000	65,000	(30,000)	-32%
Building Department Services	1,374,006	2,104,800	2,062,500	1,965,100	(139,700)	52%
Code Enforcement Services	-	-	16,000	21,600	21,600	0%
Legal Services	46,637	26,400	71,700	72,300	45,900	174%
Professional Services (Development)	80,015	147,600	83,600	84,400	(63,200)	-43%
Training	28	2,500	500	2,500	-	0%
Travel	28	300	300	1,000	700	233%
Mileage	139	500	100	300	(200)	-40%
Membership Dues	686	1,200	700	1,000	(200)	-17%
Supplies	78	200	200	200	-	0%
Computer/Software	54,972	35,000	20,000	20,000	(15,000)	-43%
Meetings	855	500	500	3,600	3,100	620%
Total Community Development	1,921,179	2,632,800	2,576,700	2,472,700	(160,100)	36%
Economic Development						
Salary	52,568	52,500	52,800	55,300	2,800	5%
Insurance/Other	3,730	3,900	3,900	4,000	100	3%
Taxes	857	900	900	1,000	100	11%
Retirement	12,431	9,000	10,200	11,000	2,000	22%
Worker's Compensation	1,275	1,500	900	900	(600)	-40%
Professional Services	11,500	25,000	500	80,000	55,000	220%
Training	-	1,000	300	500	(500)	-50%
Travel	-	-	700	700	700	0%
Membership Dues	1,250	2,300	1,300	2,500	200	9%
Computer/Software	6,000	6,000	6,000	6,000	-	0%
Canyons Credit PIF	673,966	1,077,700	1,215,100	1,441,000	363,300	128%
Total Economic Development	763,577	1,179,800	1,292,600	1,602,900	423,100	118%
Community Events						
Salary	12,463	27,700	16,000	20,100	(7,600)	-27%
Taxes	218	500	300	400	(100)	-20%
Retirement	1,742	4,800	2,900	3,800	(1,000)	-21%
Worker's Compensation	670	100	500	500	400	400%
Event Activities	68,097	150,000	150,000	150,000	-	100%
Contributions	-	15,000	15,000	40,000	25,000	167%
Total Community Events	83,190	198,100	184,700	214,800	16,700	74%

	2020 Audited	2021 Amended Budget	2021 Year-end Projections	2022 Proposed Budget	\$ Budget Change	% Budget Change
GENERAL FUND						
EXPENDITURES						
Transfers Out						
Parks and Recreation Fund	157,000	303,000	360,300	450,400	147,400	49%
Capital Improvement Fund	4,000,000	7,025,000	7,025,000	7,450,000	425,000	184%
Community Capital Investment Fund	-	-		1,280,000	1,280,000	0%
Total Transfers Out	4,157,000	7,328,000	7,385,300	9,180,400	1,852,400	214%
Total Expenditures/Transfers Out	14,752,948	22,228,600	16,619,500	19,431,000	(2,797,600)	21%
BEGINNING FUND BALANCE	\$ 5,249,408	\$ 4,898,307	\$ 4,898,307	\$ 4,692,307	\$ 2,754,307	
Revenue over/(under) Expenditures	(350,700)	(2,444,300)	(206,000)	(1,938,000)	506,300	
ENDING FUND BALANCE	\$ 4,898,708	\$ 2,454,007	\$ 4,692,307	\$ 2,754,307	\$ 3,260,607	
Fund Balance Analysis						
Total Expenditures	\$ 14,752,948	\$ 22,228,600	\$ 16,619,500	\$ 19,431,000	\$ (2,797,600)	
Less: Pass-through	(3,212,461)	(6,000,000)	-	-	6,000,000	
Less: Capital Outlay	(4,000,000)	(7,025,000)	(7,025,000)	(8,810,000)	(425,000)	
Total Operating Expenditures	<u>\$ 7,540,487</u>	<u>\$ 9,203,600</u>	<u>\$ 9,594,500</u>	<u>\$ 10,621,000</u>	<u>\$ 2,777,400</u>	
25% of Operating Expenditures - Required Reserve	<u>\$ 1,885,122</u>	<u>\$ 2,300,900</u>	<u>\$ 2,398,625</u>	<u>\$ 2,655,250</u>		
Ending Fund Balance	\$ 4,898,708	\$ 2,454,007	\$ 4,692,307	\$ 2,754,307		
25% Required Reserve	1,885,122	2,300,900	2,398,625	2,655,250		
Excess/(Short) of Required Reserve	<u>\$ 3,013,586</u>	<u>\$ 153,107</u>	<u>\$ 2,293,682</u>	<u>\$ 99,057</u>		
Fund Balance Reserve %	65%	27%	49%	26%		

	2020 Audited	2021 Amended Budget	2021 Year-end Projections	2022 Proposed Budget	\$ Budget Change	% Budget Change
PARKS AND RECREATION FUND						
REVENUE						
Grants - State	\$ -	\$ -	\$ -	\$ 150,000	\$ 150,000	0%
Park Fees	\$ 13,470	20,500	20,500	20,500	-	0%
Parkland Cash-in-Lieu	-	-	40,000	56,000	56,000	0%
Insurance Recovery	13,540	-	-	-	-	0%
Contributions	-	-	-	150,000	150,000	0%
Transfer from General Fund	157,000	303,000	360,300	450,400	147,400	49%
Transfer from Conservation Trust Fund	100,000	100,000	100,000	350,000	250,000	250%
Total Revenue and Transfers In	284,010	423,500	520,800	1,176,900	753,400	178%
EXPENDITURES						
Salary	86,956	89,400	105,000	113,500	24,100	27%
Insurance	14,898	9,800	10,700	10,900	1,100	11%
Taxes	1,447	1,600	1,800	2,000	400	25%
Retirement	14,500	15,400	19,700	21,800	6,400	42%
Worker's Compensation	1,749	1,700	1,200	1,300	(400)	-24%
Professional Services	8,183	11,000	-	50,000	39,000	355%
Utilities	34,153	40,000	40,000	45,000	5,000	13%
Custodial Services	7,637	4,000	7,000	10,000	6,000	150%
Landscape Maintenance	58,021	56,000	56,000	62,000	6,000	11%
Water Feature O&M	19,297	32,000	32,000	84,000	52,000	163%
Park Facilities Repair/Maintenance	22,207	47,000	47,000	52,000	5,000	11%
Fleet Repair/Maintenance	-	1,200	-	-	(1,200)	-100%
City Events	-	12,000	5,000	12,000	-	0%
Telephone	-	-	600	1,800	1,800	0%
Training	-	1,000	-	1,000	-	0%
Membership Dues	-	500	-	500	-	0%
Fleet Fuel	-	800	-	-	(800)	-100%
Meetings	-	200	-	3,100	2,900	1450%
Machinery and Equipment	-	-	11,100	-	-	0%
Parks Capital	-	-	-	595,300	595,300	0%
Trails Capital	46,023	-	-	300,000	300,000	0%
Contributions	100,000	100,000	100,000	100,000	-	0%
Total Expenditures	415,071	423,600	437,100	1,466,200	1,042,600	246%
BEGINNING FUND BALANCE	\$ 636,269	\$ 494,969	\$ 505,406	\$ 589,106	\$ 94,137	
Revenue over/(under) Expenditures	(131,061)	(100)	83,700	(289,300)	(289,200)	
ENDING FUND BALANCE	\$ 505,208	\$ 494,869	\$ 589,106	\$ 299,806	\$ (195,063)	
Fund Balance Detail						
Restricted Fund Balance	503,752	493,052	587,452	298,152	(289,300)	
Unrestricted Fund Balance	1,456	1,817	1,654	1,654		
Ending Fund Balance	\$ 505,208	\$ 494,869	\$ 589,106	\$ 299,806		

	2020 Audited	2021 Amended Budget	2021 Year-end Projections	2022 Proposed Budget	\$ Budget Change	% Budget Change
CONSERVATION TRUST FUND						
REVENUE - Lottery Proceeds	\$ 57,842	\$ 60,000	\$ 68,300	\$ 68,300	\$ 8,300	14%
EXP - Transfer to Parks and Rec Fund	\$ 100,000	\$ 100,000	\$ 100,000	\$ 350,000	\$ 250,000	250%
BEGINNING FUND BALANCE	\$ 429,600	\$ 387,442	\$ 387,442	\$ 355,742	\$ (31,700)	
Revenue over/(under) Expenditures	(42,158)	(40,000)	(31,700)	(281,700)	(241,700)	
ENDING FUND BALANCE	\$ 387,442	\$ 347,442	\$ 355,742	\$ 74,042	\$ (273,400)	
CAPITAL IMPROVEMENT FUND						
REVENUE						
Contributions	\$ 3,422,223	\$ 61,000	\$ 61,000	\$ 3,453,000	3,392,000	0%
Transfers from General Fund	4,000,000	7,025,000	7,025,000	7,450,000	425,000	184%
Total Revenue and Transfers In	7,422,223	7,086,000	7,086,000	10,903,000	3,817,000	315%
EXPENDITURES						
Municipal Facility	379,228	-	-	-	-	0%
Arterial Street Improvements	5,311,164	4,300,000	3,000,000	8,000,000	3,700,000	86%
Local/Collector Street Improvements	-	-	1,300,000	1,000,000	1,000,000	0%
Traffic Signal Improvements	84,530	125,000	125,000	125,000	-	0%
Pedestrian Safety Improvements	4,456	75,000	75,000	75,000	-	0%
Machinery and Equipment	153,887	-	-	-	-	0%
Lagae Road Improvements	48,785	747,800	747,800	-	(747,800)	-100%
Happy Canyon Bridge	14,934	250,000	250,000	400,000	150,000	60%
Install Conduit under New Roads	-	-	-	575,000	575,000	0%
Monarch Blvd Landscaping	-	-	-	250,000	250,000	0%
Street Sign Conversion	-	-	-	100,000	100,000	0%
Gateway/Wayfinding	33,787	300,000	300,000	1,000,000	700,000	0%
Xfr to Community Capital Investment	-	-	3,042,000	-	-	0%
Total Expenditures	6,030,771	5,797,800	8,839,800	11,525,000	5,727,200	133%
BEGINNING FUND BALANCE	\$ 1,079,529	\$ 2,470,981	\$ 2,470,981	\$ 717,181	\$ (1,753,800)	
Revenue over/(under) Expenditures	1,391,452	1,288,200	(1,753,800)	(622,000)	(1,910,200)	
ENDING FUND BALANCE	\$ 2,470,981	\$ 3,759,181	\$ 717,181	\$ 95,181	\$ (3,664,000)	
COMMUNITY CAPITAL INVESTMENT FUND						
Transfer from General Fund	\$ -	\$ -	\$ -	\$ 1,280,000	\$ 1,280,000	
Transfer from Capital Improvement Fund	-	-	3,042,000	-	-	
Total Transfers In	-	-	3,042,000	1,280,000	1,280,000	
BEGINNING FUND BALANCE	\$ -	\$ -	\$ -	\$ 3,042,000	\$ 3,042,000	
Revenue over/(under) Expenditures	-	-	3,042,000	1,280,000	1,280,000	
ENDING FUND BALANCE	\$ -	\$ -	\$ 3,042,000	\$ 4,322,000	\$ 4,322,000	

City of Castle Pines Purchasing Policy

A. PURPOSE

The purpose of this policy is to establish procedures to maximize the value of public funds spent for purchasing goods or services. This process allows the establishment of safeguards for maintaining a system of quality and integrity.

B. GENERAL GUIDELINES

All purchases of materials and supplies shall be made in accordance with the following guidelines:

- 1) The City Manager, or their designee, is responsible for monitoring purchases, for establishing purchasing systems, and for providing assistance to departments making purchases.
- 2) All purchases must be properly authorized, approved and accurately recorded and allocated to the correct time period, fund and budget account.
- 3) The City Council or City Manager may, from time to time, restrict any or all budgeted purchases if there is a shortage of available cash.
- 4) Vendor quotes for materials, equipment, services, and supplies may be rejected on the basis of inferior quality or unacceptable delivery time.
- 5) In all purchasing decisions where written document is required, the City Manager shall maintain the documentation on file in accordance with the City's retention record schedules.
- 6) Purchase of quantities of materials and supplies should not be broken down with the intent of applying a less restrictive purchasing procedure.
- 7) All commonly used materials, supplies and equipment will be standardized as much as possible for better prices through quantity (bulk) purchase of fewer varieties of material and to increase proficiency in the city evaluation of product performance. Selection of specific products that have been rated high in product performance evaluations may be classified as best buy.

C. AUTHORIZATION LEVELS AND REQUIRED PROCUREMENT PROCEDURES

In order to fully implement a City of Castle Pines purchasing policy that will provide sufficient standardization and accountability, as well as to ensure a sufficient degree of operational flexibility to the City's various departments, the following levels of authorization and procedures are hereby established:

Purchasing Range	Purchasing Process	Purchasing Approval Level of Authorization
Less than \$5,000	Exempt	City Manager
\$5,000 to \$25,000	Informal Procurement	City Manager
\$25,001 to \$50,000 AND all public works projects \$5000 to \$50,000	Formal Procurement	City Manager
\$50,001 +	Formal Procurement	City Council

1) EXEMPT PURCHASES:

The following Purchases are exempt from the purchasing procedures set forth in this Policy but shall be subject to the procurement classifications and level of authorization set forth in Section C of this Policy:

- i. Purchases of Less than \$5,000 – Purchases in amounts less than \$5000 are exempt from any informal or formal procurement, competition is encouraged to ensure best value for products and services.
- ii. Professional Services – Although a competitive process is preferred, services provided by those who possess a high degree of professional or specialized skill such as accountants, public finance specialists, architects, engineers and attorneys may be exempt from this Purchasing Policy. Such service providers must meet the minimum qualifications and standards for providing the service. Decisions to contract for professional services should be based upon the highest degree of professional experience and specialized skills. The City Manager, or their designee, has the discretion to require the Formal Procurement process for any professional services.
- iii. Extensions – Extension of existing contracts may be negotiated when a vendor offers to extend under the same conditions and at the same or lower

price and such extension is determined to be in the best interest of the City. Contract extensions are limited to two (2) one-year terms beyond the initial term.

- iv. Sole Source - A sole source purchase may be made without receiving requests for bids or quotations if it has been determined that only one vendor is capable of meeting all specifications and purchase requirements. Written justification for waiving the competitive bid process shall be provided by the City Manager, or their designee.
- v. Cooperative Purchasing - Purchases made through cooperative purchasing arrangements which combine the requirements of two or more political entities to obtain the advantages of volume purchase, reduction in administrative expenses, or other public benefits.
- vi. Government Purchases - Purchases from federal, state or other local government units.
- vii. Emergency Purchases - Emergency conditions requiring purchases are defined as situations in which health, welfare and/or safety of employees or the public are immediately endangered. This includes, but is not limited to, the immediate repair of property or vehicles as necessary under circumstances described above. Emergency purchases of capital equipment/services shall be pre-approved by the City Manager.
- viii. Real Property / Water Rights - Due to the complexity and cost of purchases of water rights or interests in real property, these items are exempt from the procurement process, but shall require City Council approval.

2) PURCHASING PROCESSES

The following purchasing processes shall be followed depending on the Procurement Process as set forth in this policy:

- a) **Simple Procurement.** Simple Procurement is accomplished through simple purchase activities that conform to Government Financial Officers Association (GFOA) principles. A reasonable and adequate number of price checks or quotes should be made to ensure a quality product or service is obtained and best value is determined. The City Manager, or their designee, shall document the quotes received and explain the reason for the final decision. The City Manager, or their designee, reserves the right to call for formal bids at any time.
- b) **Formal Procurement.** Formal Procurement shall be awarded through a competitive sealed process, such as an Invitation to Bid (IFB) or a Request for Proposal (RFP) process, as approved by the City Manager. In general, quotations or bids should be awarded to the lowest qualified, responsive bidder or vendor. *Lowest responsible bidder* means the bidder with the lowest price and the highest qualifications, based on the following criteria: (1) the ability, capacity and skill of the bidder to perform

the contract or furnish the supplies required; (2) whether the bidder can perform the contract or furnish the supplies promptly or within the time specified, without delay or interference; (3) the character, integrity, reputation, judgment, experience and efficiency of the bidder; (4) the quality of performance on previous contracts; (5) previous and existing compliance by the bidder with all laws and ordinances relating to the contract or service; (6) sufficiency of financial resources and ability of the bidder to perform the contract or furnish the supplies; (7) the ability of the bidder to provide future maintenance and service; and (8) the response to the invitation for bids. In all circumstances where a bidder other than the lowest-priced bidder is selected, the City Manager shall document in writing why the particular bidder was selected.

Cancellation of bid. The City Manager may cancel any Formal Procurement process or other solicitation or reject any proposals or bids when the City Manager, or their designee, deems such cancellation or rejection in the best interests of the City. The City shall issue notice of cancellation to all proposers or bidders solicited.

Disqualification of bids. Failure to complete the bid form or to meet the requirements identified in the bid specifications shall constitute grounds for the rejection or disqualification of a bid. A bid will not be accepted from, nor shall a contract be awarded to, any person, firm, or corporation that is in arrears to the City of Castle Pines upon debt or contract, or that is a defaulter on surety or otherwise upon any obligation to the City. Bidders may be required to submit satisfactory evidence that they have a practical knowledge of the project and that they have the necessary financial resources to complete the proposed work.

Bid openings. All bids shall be open to the public. Bids not submitted by the required deadline are ineligible for consideration and will not be opened.

Award of contract. The City shall issue a notice of award (verbal or written) to the successful bidder within a reasonable time frame following the bid opening. Failure to enter into a contract with the City within a specified time frame shall be just cause for annulment of the award, and forfeiture of the bid guaranty (if applicable). The award of the contract may then be made to the next higher and qualified/responsible bidder in the same manner as previously prescribed.

Public Works Projects. The City Manager, or designee, acting as the purchasing officer for the City of Castle Pines, shall follow the procedures set forth in this section and the guidelines for Formal Procurement to call for competitive bids for all public improvements for the City of Castle Pines.

All work done by the City in the construction of works of public improvement with a cost of Five Thousand Dollars (\$5,000) or more must be done by awarding a contract to the lowest responsible bidder on open bids. It is unlawful to divide work into two or more separate projects for the sole purpose of evading or attempting to evade this requirement. The City is also required to advertise for and receive bids

for technical or professional services (excluding legal services), incidental assistance, and equipment.

1. The City Manager, or designee, shall post bids on the Rocky Mountain e-purchasing system, or similar electronic platform. The publication of the invitation to bid shall not be less than 14 days prior to the date set for the official bid opening.

2. The City reserves the right to reject any and all bids, and the right to disregard all nonconforming, nonresponsive or conditional bids. If conflicts arise between the provisions of the text and any table, illustration, graphic depiction, or number or calculation, the provisions of the text shall apply. In the event that all bids exceed the funds allocated in the City of Castle Pines' budget, the City reserves the right to reduce the scope of work or reject all bids. The City may negotiate with the lowest responsible bidder to reduce the scope of work as required to conform to the funds available. Entering into negotiations does not guarantee the subsequent award of the bid.

3. The City shall conduct such investigations as deemed necessary to assist in the evaluation of any bid and to establish the responsibility, qualifications and financial ability of the bidders, proposed subcontractors and other persons and organizations to do the work in accordance with the contract documents to the City's satisfaction within the contract time. The City reserves the right to reject the bid of any bidder who does not pass any such evaluation to the City's satisfaction. If the contract is awarded, it will be awarded to the bidder who, by evaluation, the City determines will best meet the City's interest.

4. The City may consider the qualifications and experience of the subcontractors and other persons and organizations (including those who are to furnish the principal items of material or equipment) identified for any portion of the work. Operating costs, maintenance considerations, performance data and guarantees of time, materials and equipment may also be considered by the City.

5. For public works and construction projects exceeding \$50,000, the City requires performance, labor and materials bonds at 100% of contract amount. All invitations to bid for construction contracts in any amount greater than \$50,000 shall include requirements for bid security. Bid security shall be a bond provided by a surety company authorized to do business in the state of Colorado. Bid security for construction contracts in any amount greater than \$50,000 but less than \$500,000 shall be in an amount that covers 5 percent (5%) of the estimated project cost. Bid security for construction contracts in any amount greater than \$500,000 shall be in an amount that covers 10 percent (10%) of the estimated project cost.

D. CREDIT CARD PURCHASES

The purpose of the Purchasing Card Program is to streamline and simplify the requisitioning, purchasing and payment processes. The goals of the Program are to: Reduce the cost of processing Small Dollar and Simple Procurements, receive faster delivery of required goods and services required for effective administration of the City's

affairs, and simplify the payment process. Any staff member issued a Purchasing Card shall sign the City's adopted Purchasing Card Policy.

E. OUTSIDE FUNDING

In the case of goods and services procured with aid from any grant funding source and/or other federal or State of Colorado funds, the City's procurement policies shall defer to the procurement rules of the grantor or funding entity.

F. CONFLICT OF INTEREST

Council members and staff shall disclose at the earliest stage possible any personal or private interest in any purchase or award of contract proposed before the City Council. Council members may not vote on these matters and shall refrain from attempting to influence the other members of the Council in voting on the matter. Staff and Council Members shall comply with applicable state law concerning conflict of interest and disclosure requirements, including C.R.S. 24-18-10 et seq., C.R.S. 31-4-404, C.R.S. 24-18-201, C.R.S. 18-4-301, C.R.S. 18-4-401, and C.R.S. 18-8-308 and Article I of Chapter 2 of the Municipal Code relating to the City's Code of Ethics.

G. SURPLUS SUPPLIES AND EQUIPMENT

The City Manager, or their designee, shall work with the appropriate staff person to oversee and administer the disposition of surplus inventory, including supplies and equipment that has been identified as no longer valuable for City use. It is the intent of this policy to receive revenues from the sale of the inventory as the first priority. Donation to appropriate non-profits as second priority, destruction as the last priority.

H. TAX-EXEMPT STATUS. As a government municipality, the City is exempt from sales and use taxes. All personnel with purchasing authority should be made aware of this to ensure the City is not billed for taxes. A copy of the City's tax-exempt certificate may be obtained through the City Manager.

I. ETHICAL RELATIONSHIPS WITH VENDORS AND SUPPLIERS. All City employees shall adhere to ethical standards set forth in Article 8 of Chapter 2 of the Municipal Code and shall maintain ethical relationships with all vendors or suppliers of City goods and services. Acceptance or solicitation of entertainment, loans, gifts, or special consideration from vendors or suppliers for personal benefit by City personnel is prohibited. The following are examples of unacceptable City employee relationships with vendors or suppliers. The following list is not intended to be all-inclusive. City employees must also consider the appearance of fairness and propriety in their relationships with City vendors or suppliers:

- 1) Seeking or accepting directly from any persons, partnerships, corporations, or other business entities or representatives which are doing or seeking to do business with the City of Castle Pines, services, cash or loans, vacations or pleasure trips, or any gifts exceeding the value of \$50.00.

- 2) Knowingly over- or underestimating the requirements of this policy and/or bids or failing to disclose the existing requirements in order to avoid doing business with a particular vendor or supplier.
- 3) Misrepresenting competitors' prices, quality, or services in order to obtain concessions from vendors or suppliers.
- 4) Having personal investments in any business entity which will create a substantial conflict between private interests and public duties when the City of Castle Pines employee is involved in making a particular purchasing decision.
- 5) Inexpensive advertising items bearing the name of a vendor, such as pens, pencils, paper weights, cups, caps, candy, calendars, etc., are not considered articles of value or gifts in relation to this policy.

CITY OF CASTLE PINES INVESTMENT POLICY

POLICY

It is the policy of the City of Castle Pines ("The City") to invest public funds in a manner that will provide preservation of capital, meet the daily liquidity needs of The City, diversify The City's investments, conform to all local and state statutes governing the investment of public funds, and generate market rates of return.

The Investment Policy addresses the methods, procedures and practices which must be exercised to ensure effective and judicious fiscal and investment management of The City's funds. It replaces any previous investment policy or investment procedures of The City.

SCOPE

This Investment Policy shall apply to all funds accounted for in The City's Annual Financial Report.

Cash may be pooled for investment purposes. The investment income derived from the pooled investment account (as well as year-end calculated gain or loss on investments) shall be allocated to the contributing funds based upon the proportion of the respective balances relative to the total pooled balance in the investment portfolio. Interest earnings shall be distributed to the individual City funds monthly. The investment income from investing of cash which is not part of the pooled account shall be distributed to the contributing fund.

INVESTMENT OBJECTIVES

The City's principal investment objectives are:

- Preservation of capital and protection of investment principal.
- Maintenance of sufficient liquidity to meet anticipated cash flows.
- Attainment of a market rate of return.
- Diversification to avoid incurring unreasonable market risks.
- Conformance with all applicable City policies, State statutes and Federal regulations.

DELEGATION OF AUTHORITY

The City of Castle Pines City Manager is vested with responsibility for managing The City's investment program and for implementing this Investment Policy. The City Manager may delegate the authority to conduct investment transactions and to manage the operation of the investment portfolio to other specifically authorized staff members. No person may engage in an investment transaction except as expressly provided under the terms of this Investment Policy.

The City Manager establish procedures and internal controls for the operation of The City's investment program, designed to prevent loss of public funds due to fraud, error, misrepresentation, and imprudent actions.

The City Manager may engage the support services of outside investment advisors with respect to its investment program, so long as it can be demonstrated that these services produce a net financial advantage or necessary financial protection of The City's financial resources.

PRUDENCE

The standard of prudence to be used for managing The City's investment program is the "prudent investor" standard applicable to a fiduciary, which states that a prudent investor "shall exercise the judgment and care, under the circumstances then prevailing, which [persons] of prudence, discretion, and intelligence exercise in the management of the property of another, not in regard to speculation but in regard to the permanent disposition of funds, considering the probable income as well as the probable safety of capital." (Colorado Revised Statutes Section 15-1-304, Standard for investments.)

The City's overall investment program shall be designated and managed with a degree of professionalism that is worthy of the public trust. The City recognizes that no investment is totally without risk and that its investment activities are a matter of public record. Accordingly, The City recognizes that occasional measured losses may occur in a diversified portfolio and shall be considered within the context of the overall portfolio's return, provided that adequate diversification has been implemented and that the sale of a security in the best long-term interest of The City.

The City Manager and other authorized persons acting in accordance with established procedures and exercising good faith and due diligence shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided appropriate action is taken to control adverse developments and any deviations from expectations are reported to the City Council in the next monthly financial report.

ETHICS AND CONFLICTS OF INTEREST

City officials and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of The City's investment program or that could impair or create the appearance of an impairment of their ability to make impartial investment decisions. City officials and employees shall disclose to the City Manager any material financial interest they have in financial institutions that conduct business with The City. The City Manager shall disclose any such interest he or she has to the City Council. City officials and employees shall subordinate their personal investment transactions to those of The City, and shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of The City.

AUTHORIZED SECURITIES AND TRANSACTIONS

All investments will be made in accordance with the Colorado Revised Statutes as follows: C.R.S. 11-10.5-101, et seq., Public Deposit Protection Act; C.R.S. Title 24, Article 75, Part 6 (Funds-Legal Investment) and Part 7; (Investment Funds – Local Government Pooling).

This Investment Policy further restricts the investment of City funds to the following types of securities and transactions:

1. U.S. Treasury Obligations
2. Federal Instrumentality Securities
3. Certificates of Deposit
4. Local Government Investment Pools
5. Money Market Mutual Funds

The foregoing list of authorized securities and transactions shall be strictly interpreted. Any deviation from this list must be approved by the City Council.

The City may, from time to time issue bonds, the proceeds of which must be invested to meet specific cash flow requirements. In such circumstances and notwithstanding the paragraph immediately above, the reinvestment of debt issuance or related reserve funds may, upon the advice of bond counsel or financial advisors, deviate from the provisions of this Investment Policy with the written approval of the City Manager.

INVESTMENT DIVERSIFICATION

The City shall diversify its investments to avoid incurring unreasonable risks inherent in over-investing in specific instruments, individual financial institutions, or maturities. Nevertheless, the asset allocation in the investment portfolio should be flexible depending upon the outlook for the economy, the securities markets and The City's anticipated cash flow needs.

INVESTMENT MATURITY AND LIQUIDITY

The investment portfolio shall remain sufficiently liquid to meet all cash requirements that may be reasonably anticipated. To the extent possible, investments shall be matched with anticipated cash flows and known liabilities. Investments shall be limited to maturities not exceeding five years from the date of trade settlement.

SAFEKEEPING AND CUSTODY

The City Council by resolution shall approve one or more banks to provide safekeeping and custodial services to The City. A City approved safekeeping agreement shall be executed with each custodian bank. Each financial institution that holds City securities in safekeeping is known

as a “custodian” bank. The City’s custodian banks shall qualify as eligible public depositories as defined in C.R.S. 11-10.5-103.

The purchase and sale of securities shall be settled on a delivery versus payment basis. Ownership of all securities shall be perfected in the name of The City. Sufficient evidence to title shall be consistent with modern investment, banking, and commercial practices.

All investment securities, except non-negotiable Certificates of Deposit, Local Government Investment Pools, and Money Market Mutual Funds, purchased by The City will be delivered by either book entry or physical delivery and will be held in third-party safekeeping by The City approved custodian bank, its corresponding bank or the Depository Trust Company (DTC).

All Fed wireable book entry securities shall be evidenced by a safekeeping receipt or a customer confirmation issued to The City by the custodian bank stating that the securities are held in the Federal Reserve system in a customer account for the custodian bank which will name The City as “customer.”

All DTC eligible securities shall be held in the custodian bank’s DTC participant account and the custodian bank shall issue a safekeeping receipt evidencing that the securities are held for The City as “customer.” The City’s custodian will be required to furnish The City a monthly report of safekeeping activity, including a list of month-end holdings.

POLICY REVISIONS

The Investment Policy shall be reviewed periodically by the City Manager and City Council, and may be amended from time to time by the City Council.

RESOLUTION NO. 21-57 - ADOPTION OF THE 2022 BUDGET

RESOLUTION NO. 21-57

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CASTLE PINES, COLORADO ADOPTING THE 2022 BUDGET AND MAKING APPROPRIATIONS FOR THE SAME

WHEREAS, the Home Rule Charter of the City of Castle Pines (the "City Charter") specifies that a proposed budget be presented to the City Council on or before the thirtieth day of September of each year; and,

WHEREAS, the proposed budget for 2022 was presented by the City Manager on September 30, 2021; and,

WHEREAS, upon due and proper notice published and posted in accordance with the City Charter, said proposed budget was available to the public at least seven days prior to the public hearing, a public hearing was held on December 14, 2021, and interested persons were given the opportunity to file or register any objections to the proposed budget; and,

WHEREAS, the City Council desires to adopt the budget and make appropriations for the 2022 fiscal year by resolution in accordance with Section 10.11 of the City Charter.

THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CASTLE PINES, COLORADO THAT:

Section 1. The 2022 budget for the City of Castle Pines, Colorado, which is attached hereto as **Exhibit A** and incorporated by this reference, is hereby adopted and the monies are appropriated to the various funds as the same are budgeted.

Section 2. The 2022 budget is available for public inspection at the City office, 360 Village Square Lane, Suite B, Castle Pines CO, 80108 and on the City's website.

Section 3. If any portion of this Resolution is held to be invalid for any reason, such decision shall not affect the validity of the remaining portions hereof.

Section 4. This Resolution shall be effective immediately upon adoption.

INTRODUCED, READ AND ADOPTED AT A REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF CASTLE PINES by a vote of 7 in favor, 0 against and 0 absent, this 14th day of December, 2021.



ATTEST:
DocuSigned by:

Tobi Duffey
AD0343803032486

Tobi Duffey, CMC, City Clerk

DocuSigned by:

Tera Stave Radloff
850C46B279DC47D

Tera Stave Radloff, Mayor

APPROVED AS TO FORM:

DocuSigned by:

Linda C. Michow
5241DE9885FF844...

Linda C. Michow, City Attorney

RESOLUTION NO. 21-58 - CERTIFICATION OF THE MILL LEVY

RESOLUTION NO. 21-58

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CASTLE PINES, COLORADO, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR OF 2021, FOR THE SOLE PURPOSE OF MEETING LAW ENFORCEMENT EXPENSES FOR THE 2022 BUDGET YEAR

WHEREAS, the City Council of the City of Castle Pines has determined the amount of general ad valorem taxes required for the budget year 2022; and,

WHEREAS, the amount of money necessary to balance the budget for law enforcement purposes from property tax revenue is \$1,146,400; and,

WHEREAS, the mill levy total of 4.5 mills for the City of Castle Pines has remained unchanged since 2008; and,

WHEREAS, the 2021 Assessed Valuation for the City of Castle Pines as certified by the Douglas County Assessor is \$254,756,600; and,

WHEREAS, in accordance with C.R.S. § 39-5-128, the City is required to certify the mill levy on or before December 15, 2021.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Castle Pines, Colorado as follows:

Section 1. For the purpose of meeting the law enforcement expenses of the City of Castle Pines during the 2022 budget year, there is hereby levied a tax of 4.5 mills upon each dollar of the total assessed valuation of all taxable property within the City for the year 2021.

Section 2. The Finance Director is hereby authorized and directed to immediately certify to the County Commissioners of Douglas County, Colorado, the mill levy for the City as hereinabove determined and set.

Section 3. Effective Date. This Resolution shall take effect upon its approval by the City Council.

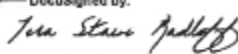
INTRODUCED, READ AND ADOPTED AT A REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF CASTLE PINES by a vote of 7 in favor, 0 against and 0 absent, this 14th day of December, 2021.

ATTEST:

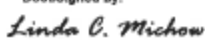
DocuSigned by:

AD53A3B020324B9
Tobi Duffey, City Clerk



DocuSigned by:

5EDC8E8278DC470
Tera Stave Radloff, Mayor

APPROVED AS TO FORM:

DocuSigned by:

5241DE99B8FE444
Linda C. Michow, City Attorney