



2023 Annual Budget





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

November 8, 2022

Dear Mayor Engerman, Members of the City Council, and citizens of the City of Castle Pines,

INTRODUCTION

As City Manager, I am pleased to submit the 2023 Annual Budget for your approval. As the City's Home Rule Charter requires, the proposed budget was presented to City Council on September 30. The Charter also requires that City Council hold a public hearing on the proposed budget and that the City Council adopt the budget and for the annual appropriations by resolution no later than December 15. A public hearing followed by adoption is scheduled for November 8. Notice of the public hearing was published on or before October 27th, and copies of the proposed budget are available on the City's website, both of which are required seven (7) days before the public hearing.

Leading to the development and submittal of the 2023 proposed budget, the City Council created the 2022 Strategic Plan at their annual retreat. Later, over two study sessions, the plan, and strategic policy goals were reviewed with staff to provide solid guidance towards preparing the financial budget. Following the submittal of the proposed budget on September 30, a study session was held on October 4 to discuss the proposed budget, which staff drafted around the strategic policy discussions and direction received from Council.

During the October study session, staff discussed the guidelines adhered to as the proposed budget was developed, the financial condition of the City heading into 2023, and revenue projections. Staff then presented the overarching Policy Questions and budgetary highlights. City Council discussed each Policy Question and provided staff direction regarding their support for and any conditions to be included in the final proposed budget. Staff also brought to City Council's attention significant items that could be brought to Council as budget amendments in 2022.

Although the budget was developed using the 2022 Strategic Plan and all the Key Focus Areas and Strategic Goals contained within it, I'd like to reiterate the following regarding the City's commitment to fixing our roads in the legacy area of the community.

As you read through the budget and recognize the funding allocated, the highest priority has been and continues to be improving the City's roads. Considering the revenue available, the

volume of road projects that can be effectively and efficiently managed, the continuous 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.

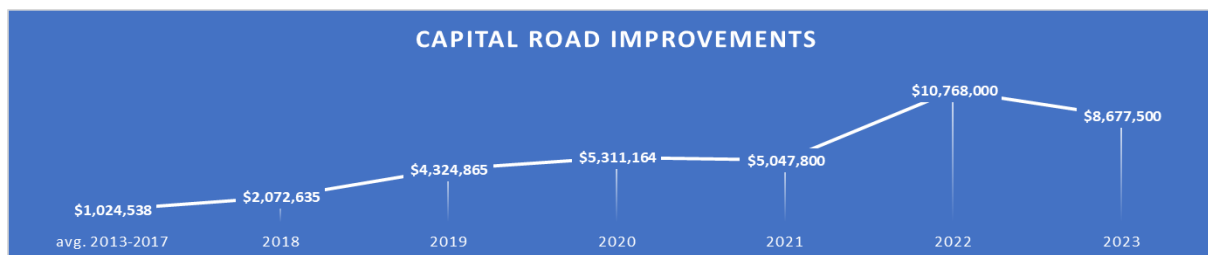


Figure 1. Capital Road Improvement Expenditures - 2013 to 2023

Funding towards road improvements increased significantly in 2018 and has averaged nearly \$5.0 million annually through 2021 (see Figure 1 above) to over \$8.5 million in 2022 and 2023. The City received \$3.0 million from Douglas County for the 2022 projects and is requesting \$3.0 million in 2023.

THE BUDGET DOCUMENT

In addition to providing budget amounts, the budget document communicates budget priorities and strategies, financial policies, budget process, goals (targets), and results of achieving City priorities. The budget document is prepared following nationally recognized guidelines of the Government Finance Officers Association (GFOA) Distinguished Budget Presentation Award program criteria that encompass the following.

- 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 highlighting useful information on the nature, purpose, and accomplishments of the City's various organizational units.
- A communication tool to summarize and provide key information related to City resources, planning process, and budget outlook.

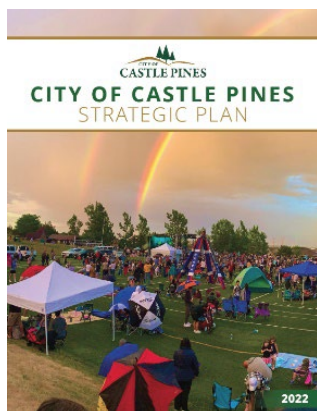
The City received GFOA's Distinguished Budget Presentation Award for the 2022 Annual Budget document and will submit the 2023 document for the award, as well. The award certificate can be found on page 10.

BUDGET GUIDELINES

The following guidelines served to develop the proposed 2023 Annual Budget.

- The 2022 Strategic Plan: Key Focus Areas, Strategic Goals, SMART Objectives, and Actions.
- Maintain or enhance the delivery of City services.
- Prepare the 2023 budget with a long-term (five-year) financial perspective, ensuring the City remains financially healthy throughout the five years.

ADDRESSING THE 2022 STRATEGIC PLAN



The City's 2022 Strategic Plan was essential to developing the 2023 Annual Budget proposal.

During their annual retreat on February 7, the City Council conducted a strategic planning process based on the City's adopted Vision, Mission, and Strategic Objectives, thereby creating the Strategic Plan. The retreat resulted in Key Focus Areas (see Figure 2), Strategic Goals, SMART Objectives, and additional policy direction to guide staff in day-to-day operations. From there, staff was tasked with executing the City Council's direction through a formal Implementation Plan.

Following the retreat, staff reviewed the Strategic Plan with the City Council on July 26 to reaffirm staff's understanding of the plan and the City Council's priorities contained within. On August 2, staff reviewed the Implementation Plan with the City Council to ensure that the identified timeline of projects and budget for 2023 aligned with the City Council's priorities.

To that end, highlights of the 2023 work plans and budget funding for each City Council's identified Key Focus Areas are as follows.

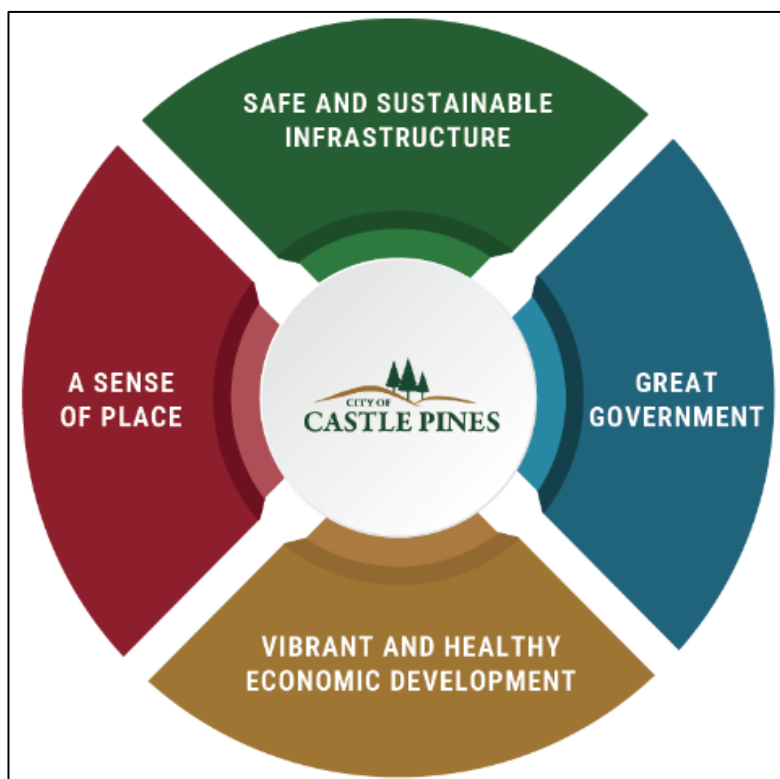


Figure 2. Key Focus Areas - 2022 Strategic Plan

Key Focus Area: Safe and Sustainable Infrastructure

- Improvements to Monarch Blvd. from Winterberry Place to northern City limits (Roads Bucket 3)
- Improvements to Monarch Blvd. from Castle Pines Parkway to Glen Oaks Avenue (Roads Bucket 3)
- Continue City-wide roadway preventative maintenance (Roads Bucket 1) and local/collector street rehabilitation in specified areas (Roads Bucket 2)
- Continue federal/state permitting processes and engineering design for future improvements to the I-25 and Happy Canyon interchange (bridge)
- Install sidewalk from Forest Park Drive to Timber Trail elementary school
- Continue planned transfers of property and service responsibilities from metropolitan districts located within the City
- Evaluate and present alternatives to City Council for a municipal facility
- Inform and then ask City Council if they desire to seek voter approval of a new City tax that will be restricted to transportation improvements and maintenance and then communicate with residents about the proposed new tax, if necessary
- Update the City's Transportation Plan
- Apply for transportation and other infrastructure grant funds
- Wildfire mitigation
- Elk Ridge Park turf evaluation
- 19-acre Canyonside park design and engineering

Key Focus Area: A Sense of Place

- Construct gateway entrance monumentation at the northern City limit on Monarch Blvd.
- Continue improving communications that are consistent across all platforms and media
- Continue improving community and resident engagement
- Continue growing and enhancing City-provided community events

Key Focus Area: Vibrant and Healthy Economic Development

- Update the City's Economic Development Plan
- Gain an understanding of the City business community to determine and implement action items that guide the City's branding and management tactics in alignment with the business community to further their success
- Continue and expand partnership with the Chamber of Commerce to engage and collaborate with the business community
- Partner with landowners to increase demand for investment in Castle Pines through economic development outreach and communications

Key Focus Area: Great Government

- Implement results of the 2022 salary study to match staff compensation to the labor market competitively
- Add a Capital Improvement Project Manager position with a transportation engineering focus and a professional engineering (PE) designation
- Add a Permit Technician position to provide administrative support to the Public Works department
- Continue to develop a staffing plan that will best serve the future of the City
- Implement five-year financial planning processes for operational and capital improvement needs
- Develop a redistricting plan for City Council consideration
- Develop a long-range law enforcement plan with the Douglas County Sheriff's Office
- Research and analyze a potential new City admissions tax in support of the City Council deciding whether to seek voter approval of a new City admissions tax and then communicate with residents about the proposed new tax and its restricted uses, if necessary
- Research and analyze a potential new City lodging tax in support of the City Council deciding whether to seek voter approval of a new City admissions tax and then communicate with residents about the proposed new tax and its restricted uses, if necessary
- Develop a policy guide for the handling of disasters and emergencies

THE CITY'S FINANCIAL POSITION HEADING INTO 2023

The City finds itself in excellent financial health heading into 2023.

In 2021, better-than-expected sales tax and development-related revenue led to actual revenues exceeding budget expectations by over \$7 million. In addition, the City received over \$1.3 million from the federal American Rescue Plan Act, which was created to help people and the economy from the devastating effects caused by the coronavirus pandemic. Overall, revenues outpaced expenditures by \$8.5 million, which was \$4.9 million more than anticipated. After a planned transfer of funds to the Capital Improvement Fund for investment in the City's roadway infrastructure, the City's General Fund ending fund balance was \$6 million, 2.5 times more than the City's policy reserve requirement.

In 2022, despite certain revenues related to development being impacted by inflation and rising interest rates, revenues are still expected to outpace expenditures by \$224,200 more than what was projected in the original 2022 budget.

2023 TOTAL BUDGET AND REVENUE PROJECTIONS

The 2023 annual budget is \$22,002,100. Nearly half of this, \$10,977,500 (49.9%), is for capital improvements, and the other half, \$11,024,600, is for administration and operations. The capital

budget includes \$10,177,500 for street and street-related improvements, \$750,000 for gateway improvements, and \$50,000 for park improvements. The policy questions section of this budget document provides additional detail on each improvement.

Two new funds were added in 2022 to account for new City services set to begin in 2023: stormwater operations and parks/open space maintenance. The City and the North Pine Vistas Metro District (“NPVMD”) entered into an Intergovernmental Agreement to transition trail and open space maintenance responsibilities, including funding, from the NPVMD to the City. In addition, the City is working with the Castle Pines North Metro District (“CPNMD”) to transition responsibility for parks, recreation, trails, and open space, including funding, from the CPNMD to the City. The City is also gearing up to significantly enhance its stormwater utility function by studying the operational and capital service needs and the funding sources required to meet those needs. As part of this, the City and CPNMD entered into an Intergovernmental Agreement to transition the stormwater utility services provided by the CPNMD to the City.

Policy Questions

A total of \$11,480,700 of the proposed budget is requested in the form of policy questions, most of which were for capital improvements. Fourteen (14) policy questions (see the Policy Questions section) were included in the originally proposed budget submittal for review, and Council consented to all but one moving forward for final budget approval.

Budget Highlights

The proposed budget also includes several new funding requests.

- \$45,000 for increasing the office space for City staff to go along with the request to add two new Public Works positions: Permit Technician and Capital Improvement Project Manager
- \$45,000 for a vehicle for the Capital Improvement Project Manager position
- \$10,400 to provide additional hours for code enforcement services
- \$112,000 for landscape and open space maintenance for wildfire mitigation and to improve existing landscaping
- \$23,400 to add security cameras and Wi-Fi capabilities to Elk Ridge Park



CONCLUSION

We have an excellent implementation plan for 2023, financial and otherwise, to accomplish City Council's objectives defined during the strategic planning process. I commend the effort and communication by and between the City Council and staff during the better part of this year as we worked to determine where we are now, where we want to be, and how we will get there. I look forward to working with City Council and staff to accomplish all the priorities and objectives in the coming year.

New to the 2023 Annual Budget document will be the reporting of performance measures. The Government Finance Officers Association recommends using performance measures to monitor financial and budgetary status, service delivery, program outcomes, and community conditions. To receive their Distinguished Budget Presentation Award, the GFOA recently changed the criteria to report Performance Measures in a budget document from optional to mandatory. Specific criteria of the Budget Awards Program are required, and failure to satisfy one of the mandatory criteria would preclude an organization from receiving the award. I am thrilled that Performance Measures will be included in the 2023 Annual Budget document.

In addition, the 2023 budget document will now include a summary of the operating and capital long-term financial outlooks, years 2023 through 2027, within which this budget was prepared.



Best regards,

Michael Penny, City Manager

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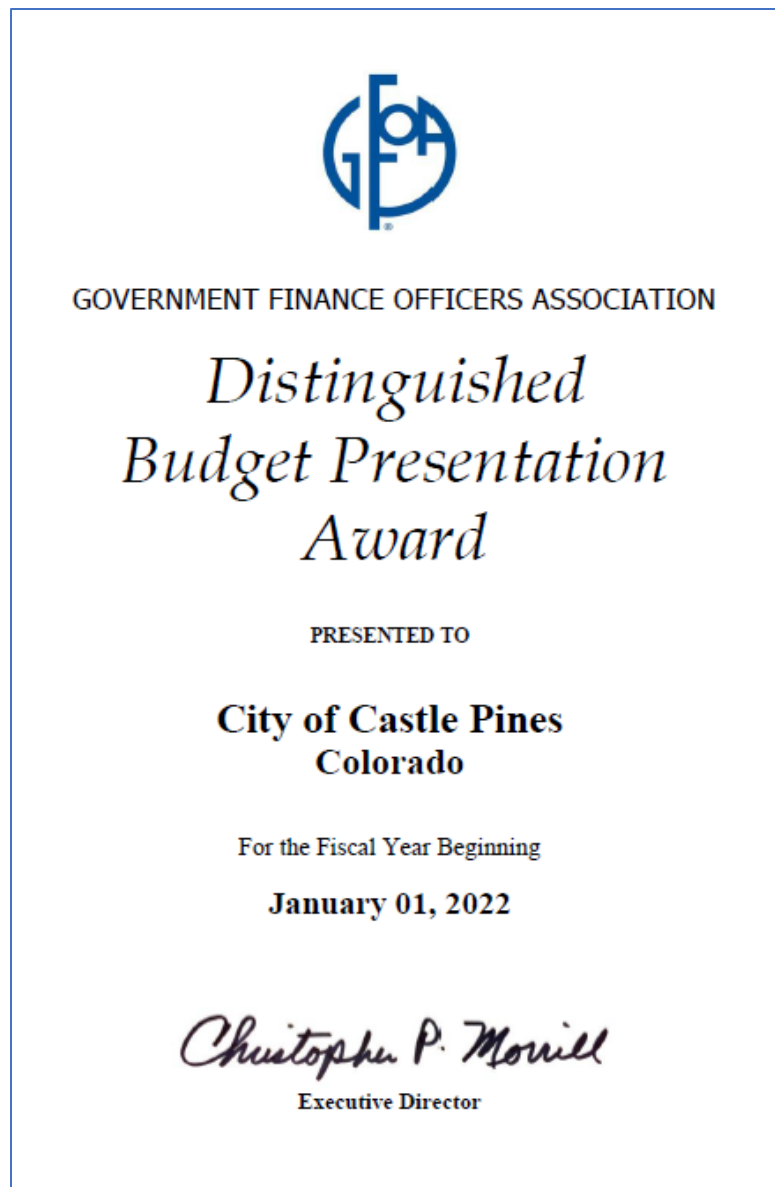


DISTINGUISHED BUDGET PRESENTATION AWARD

The 2022 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:

The Government Finance Officers Association of the United States and Canada (GFOA) presented a Distinguished Budget Presentation Award to the City of Castle Pines, Colorado, for its Annual Budget for the fiscal year beginning January 1, 2022. 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 2023 budget document conforms to the program requirements, and we are submitting it to GFOA to determine its eligibility for another award.





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 side of I-25. At that time, there were 3,681 homes and 272,000 square feet of commercial space, and the population was 10,360. See Figure 3.

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. In addition, the rezoning planned for an additional 631 homes and 560,000 square feet of commercial, institutional, and community land uses.



Figure 3. 2008 Incorporation Boundary

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 was planned for an additional 2,500 homes and 2.1 million square feet of mixed-use commercial space. See Figure 4.

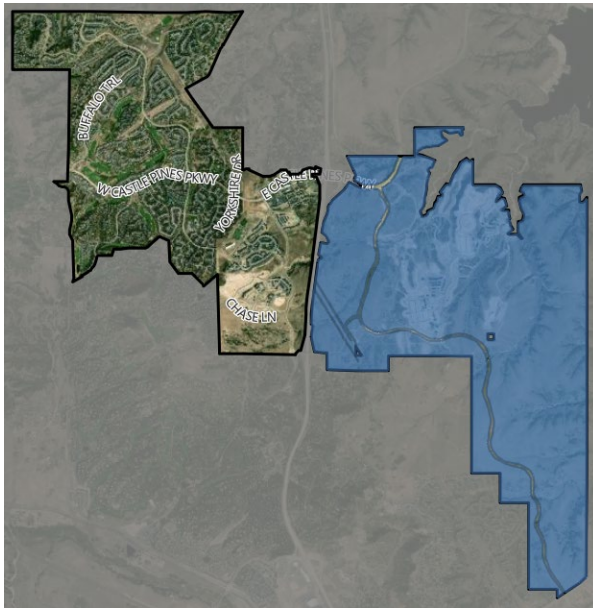


Figure 4. 2009 Annexations (blue)

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

In 2014, the City purchased land for donation to the Douglas County Library District; 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.



Figure 5. Castle Pines Library and City Offices

Initially, the City was incorporated as a statutory municipality under Colorado law. In May 2019, residents overwhelmingly supported (over 70%) 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. The mayor is elected at large, and there are three council districts with two council members elected from each. Every odd-numbered year, three or four council seats, including the mayor, are up for election for a four-year term.

Today, the City, located 20 miles south of Denver in Douglas County, has an estimated population of 12,866 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.

City services include public works (street improvements and maintenance, traffic and transportation services, snow removal, stormwater management, enforcement of roadway design and construction standards), law enforcement, planning and zoning, building permitting and inspection, code enforcement, and parks and recreation. The City contracts most of its services, including with the Douglas County Sheriff's Office for law enforcement services and animal control.

Castle Pines is home to several parks and has access to many outdoor opportunities.

The City owns and operates Elk Ridge Park, a beautiful outdoor activity center with a splash pad, multi-purpose turf field, several pavilions, and an outdoor fitness court, all for the enjoyment and recreation of our community. Coming in 2023 is Pronghorn Park and Disc Golf Course. This new addition will add walking trails and an 18-hole disc golf course.



Figure 6. Elk Ridge Park playground



Figure 7. Elk Ridge Park splash pad

Other recreational activities are available nearby for residents and visitors, as well.

Near the northeastern area of the City is Rueter-Hess Reservoir. The City partners and collaborates with neighboring jurisdictions to provide opportunities for non-motorized boating, fishing, hiking, and camping.

Directly abutting the City's northwest corner, Daniel's Park is a 1,000-acre historic ranch in Douglas County known for its bison herd, dramatic view of the mountains, historic ranch buildings, distinctive stone shelter, and Tall Bull Memorial Grounds. Most of the park is a Bison preserve and natural area where visitors can view the animals in a high-plains habitat. The park also features a picnic area, tables, and grills and is part of the Denver Mountain Park system.



Figure 9. Rueter-Hess Reservoir



Figure 8. Daniel's Park

Other community parks (currently maintained by Castle Pines North Metro District) include

- *Daniel's Gate Park*, a two-acre park that offers a multi-purpose grass playing field, a playground, and a shaded gazebo,
- *Retreat Park*, a five-acre park that includes a large playground area, multi-purpose fields, a baseball field, picnic pavilions, and walking trails, and
- *Coyote Ridge Park* is a 15-acre park with two multi-purpose fields, a baseball field, a playground, picnic pavilions, and a skateboard park. There will be pickleball courts in 2023.

Other statistics:

Population: 12,866

Households: 4,485

Average Household Size: 2.86

Median Age: 40.6

Median Household Income: \$170,478

Median Home Value: \$635,590

Source: ESRI, City of Castle Pines

City property tax rate: 4.5 mills (dedicated to law enforcement services provided by the Douglas County Sheriff's Office)

Sales tax rates:

City – 2.75%

County – 1.00%

State – 2.90%

SCFD – 0.10%

Total – 6.75%

Note: Food for home consumption is not taxed within the City of Castle Pines, unlike many Colorado cities



Figure 10. Elk Ridge Park

CITY LOCATION

COLORADO

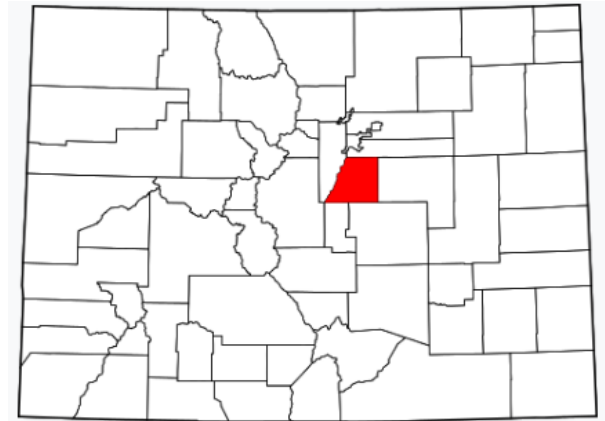


Figure 11. Douglas County Boundary within State

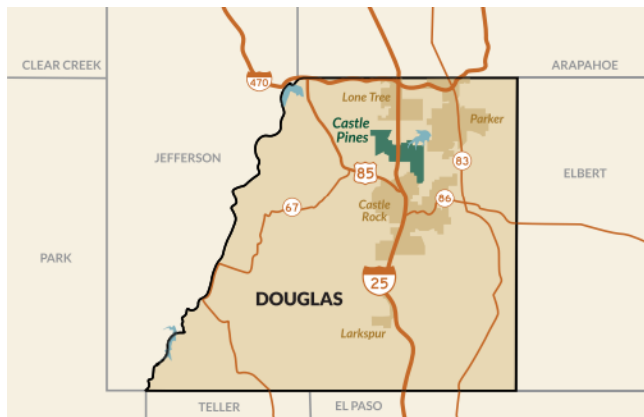


Figure 12. Castle Pines Boundary within County

DOUGLAS COUNTY

CITY OF CASTLE PINES

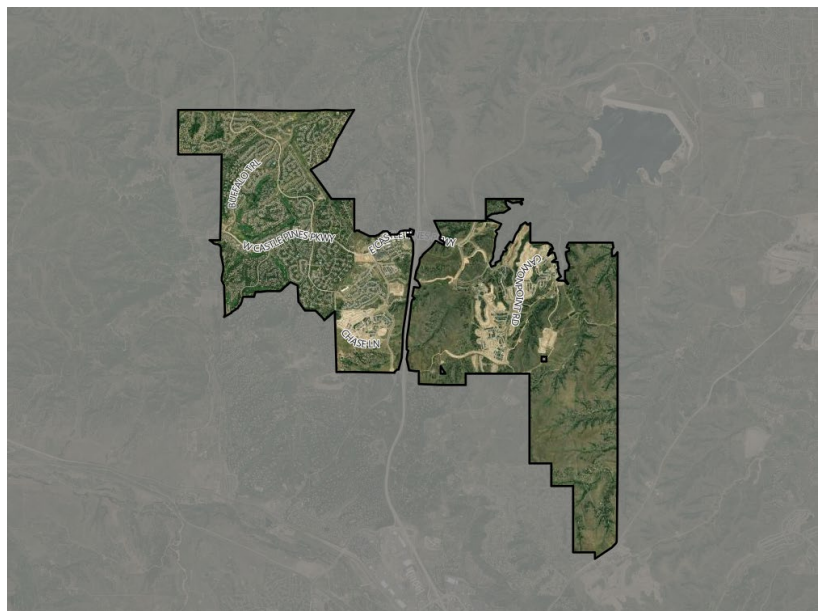


Figure 13. City of Castle Pines Boundary

2022 CITY COUNCIL



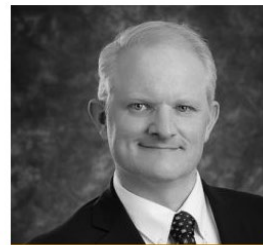
Tracy Engerman
Mayor



Deborah Mulvey
Council Member, District 1



Chris Eubanks
Council Member, District 1



Ben Price
Mayor Pro Tem, District 2



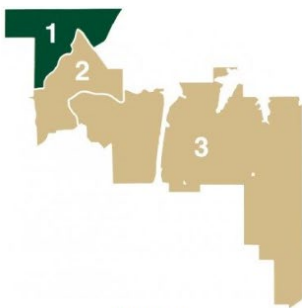
Kevin Rants
Council Member, District 2



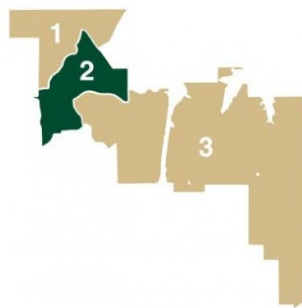
Roger Hudson
Council Member, District 3



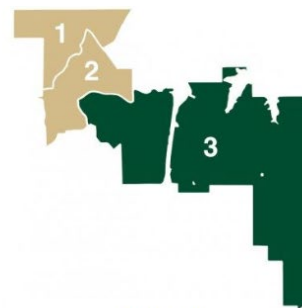
Geoff Blue
Council Member, District 3



District 1

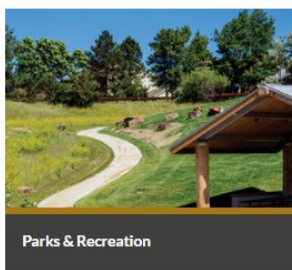
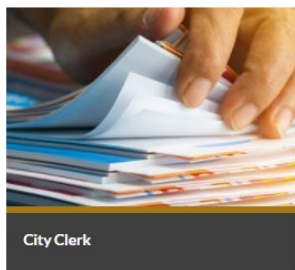


District 2



District 3

CITY DEPARTMENTS



Departments

City Manager	Michael Penny, City Manager
City Clerk	Tobi Duffey, City Clerk
Communications	Camden Bender, Manager
Community Development.....	Sam Bishop, Director
Finance/Human Resources	Mike Farina, Director
Public Works	Larry Nimmo, Director

Departmental 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

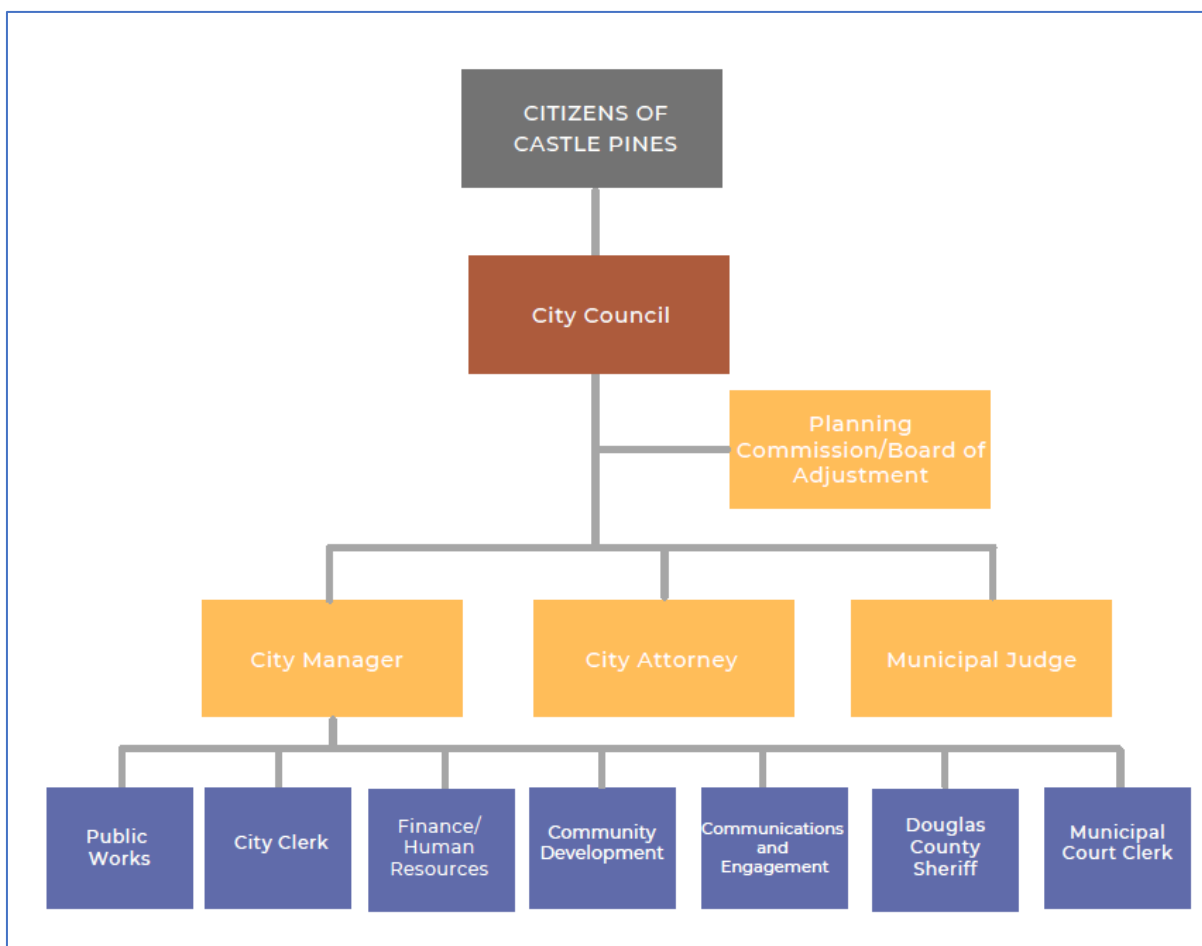


Figure 14. City Organizational Chart

Unique among cities in Colorado, the City provides its services via contractors and, 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, street maintenance, and park maintenance. The Finance Department contracts for sales tax administration. Other departmental services are wholly contracted, including law enforcement, municipal court, and legal.

The City will increase from 11.5 to 13.5 full-time equivalents (FTEs). Two new positions are requested in the 2023 proposed budget to improve efficiency and effectiveness in the City's public works and planning permitting processes (Permit Technician) and engineering review and project management (Capital Improvements Project Manager). The City staff positions are listed by department in [Table 1](#) on the following page.

City Staff Positions by department (FTE)	2020	2021	2022	2023
City Manager				
City Manager	1.00	1.00	1.00	1.00
Management Analyst/Deputy City Clerk	1.00	1.00	1.00	1.00
Communications and Events				
Communications and Engagement Manager	0.00	1.00	1.00	1.00
Community Events Coordinator	0.50	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	0.00	0.00
Executive Assistant	0.00	0.00	1.00	1.00
Community Development				
Community Development Director	1.00	1.00	1.00	1.00
Planner II	1.00	1.00	0.00	0.00
Senior Planner	0.00	0.00	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	1.00	1.00	1.00	1.00
Stormwater Coordinator	0.00	0.00	1.00	1.00
Capital Improvement Projects Manager	0.00	0.00	0.00	1.00
Permit Technician	0.00	0.00	0.00	1.00
Total City FTE	9.50	10.50	11.50	13.50

Table 1. City Full-Time Equivalent Positions



Budget Guidelines & Assumptions

BUDGET GUIDELINES AND ASSUMPTIONS

When developing projections for revenues for the next fiscal year, many economic factors are considered. The determination of projected revenues drives the decisions for the rate of financial growth (i.e., what can we afford?) in the overall City budget, including the pace of capital expenditures. Although the City's budget projections are mainly derived from local indicators and trends, factors also considered include global, national, and state economic indicators.

Globally, the headline in the International Monetary Fund's (IMF) "World Economic Outlook Update – July 2022" reads *Gloomy and More Uncertain*.

In their July 2022 report, IMF states that higher-than-expected inflation worldwide, especially in the United States and major European economies; a worse-than-anticipated slowdown in China, and the war in Ukraine, are causing the global output to contract in the second quarter of 2022.

In the IMF's July 2022 World Economic Outlook Update, the IMF projected that the world output could grow by 3.2 percent in 2022, which is lower than the 4.9 percent that the IMF had forecast in their 2021 report for 2022 (see Tables 2 and 3). They are projecting an even lower world output growth rate of 2.9 percent for 2023.

The IMF's July 2022 projection for the United States output growth rate for 2023 is 1.0 percent compared to 2.3 percent for 2022. Their July 2021 report forecast a 4.9 percent output for 2022.

Factors concerning the IMF regarding global economic performance are that the war in Ukraine further raises energy prices, inflation remains stubbornly high, and disinflation efforts are more costly than expected (i.e., efforts to curb inflation by raising interest rates).

Latest World Economic Outlook Growth Projections

(real GDP, annual percent change)	PROJECTIONS		
	2021	2022	2023
World Output	6.1	3.2	2.9
Advanced Economies	5.2	2.5	1.4
United States	5.7	2.3	1.0
Euro Area	5.4	2.6	1.2
Germany	2.9	1.2	0.8
France	6.8	2.3	1.0
Italy	6.6	3.0	0.7
Spain	5.1	4.0	2.0
Japan	1.7	1.7	1.7
United Kingdom	7.4	3.2	0.5
Canada	4.5	3.4	1.8
Other Advanced Economies	5.1	2.9	2.7

Table 2 - IMF, World Economic Outlook Update, July 2022

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, information from the Congressional Budget Office’s “The Budget and Economic Analysis Outlook: 2022 to 2032,” published in May 2022, forecasts that inflation (CPI) will remain elevated in 2022, reaching 4.7 percent, and then decrease to 2.7 percent in 2023. To contain inflationary pressures, CBO’s May report suggests that the federal funds rate (the rate that financial institutions charge each other for overnight loans of their monetary reserves) will increase to 1.9 percent by the end of 2022 and to 2.6 percent by the end of 2023. It also predicts that real GDP will grow by 3.1 percent in 2022 and 2.2 percent in 2023 and that the unemployment rate will essentially level off at 3.6 percent from 2022 through 2024.

	Actual, 2021	2022	2023	2024	Annual Average	
					2025– 2026	2027– 2032
Change From Fourth Quarter to Fourth Quarter						
Gross Domestic Product						
Real ^a	5.5	3.1	2.2	1.5	1.5	1.7
Nominal	11.8	7.4	4.5	3.6	3.6	3.9
Inflation						
PCE price index	5.5	4.0	2.3	2.1	2.0	2.0
Core PCE price index ^b	4.6	3.8	2.5	2.2	2.1	2.1
Consumer price index ^c	6.7	4.7	2.7	2.3	2.3	2.4
Core consumer price index ^b	5.0	4.4	2.9	2.5	2.4	2.4
GDP price index	5.9	4.0	2.3	2.1	2.1	2.1
Employment Cost Index ^d	5.0	5.4	4.1	3.7	3.3	3.1
Fourth-Quarter Level						
Unemployment Rate	4.2	3.7	3.6	3.8	4.1 ^e	4.5 ^f

Figure 15. Congressional Budget Office’s *The Budget and Economic Outlook: 2022 to 2032 – May 2022*

After the May 2022 report, inflation has outpaced the CBO forecast and stands at 8.2 percent, well above CBO’s May expectations. Similarly higher than CBO’s May forecast is the federal funds rate, which was raised by 75 basis points to 3.25 percent in September, and expectations that it will likely be increased to 4.25 to 4.75 percent by the end of the year, all to curb inflationary pressures.

In the state, Colorado economists predict 4.6 percent inflation in 2023 for the Denver-Aurora-Lakewood area (7.9% for 2022). In addition, the 2022 state-wide population is forecast to increase by 1.2 percent (1.1% for 2022), and the unemployment rate is forecast at 3.2 percent (3.5% for 2022).

The Colorado Legislative Council staff report, June 2022 Economic & Revenue Forecast, states that “[T]he U.S. and Colorado economies continue to grow as the pandemic recedes as the key determinant of the economic trajectory. New and elevated risks to the economic recovery have materialized, with inflation and the associated monetary policy response emerging as the primary threats. In addition to wage pressures from the tight labor market and inflation resulting from pandemic-induced supply chain disruptions and strong global demand, the war in Ukraine has added to these pressures by disrupting crude oil, agricultural, and metals markets.”

Locally, the City's economy is primarily predicted using population growth as measured by anticipated new home construction and local inflation as measured by the Denver-Aurora-Lakewood CPI.

The 2023 budget was prepared using the latest year-end projections of 2022 revenues, the estimated population growth, and the state economists' projected inflation for 2022. For our 2023 revenue projections, we are using a 14.3 percent growth in population and an inflationary rate of 7.9 percent, as well as increasing interest earning rates of 2.0 percent to 3.7 percent. Despite a marked decrease in the number of new homes being constructed, conversations with homebuilders during the year led us to our population growth prediction. 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 2023.

On the expenditure side, the 2023 budget considered City Council policy direction, a continuation of core services, and achieving a balanced budget.



Based on the economic conditions, the City utilized the following to estimate 2023 projections for major revenues

Population growth: 14.3% City estimate in consultation with the development community

Inflation: 7.9% state economists' June estimate

Year-end projections (YEP): Calculated using actual revenue through July 2022 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.

Property Tax Revenue: Calculated using Douglas County Assessor's Preliminary Certification of Valuation.

Sales Tax Revenue: YEP plus population growth and inflation

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 plus population growth and inflation

Franchise Fee Revenues: YEP plus population growth and inflation

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 as 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 the staff's analysis of expected development.

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



The following guidelines were followed as the budget was developed

The following guidelines served to develop the proposed 2023 Annual Budget.

- The 2022 Strategic Plan: Key Focus Areas, Strategic Goals, SMART Objectives, and Actions
- Maintain or enhance the delivery of City services
- Prepare the 2023 budget with a long-term (five-year) financial perspective
- Ensure the City remains financially healthy with adequate reserves as required by City policy throughout the next five years – 2023 through 2027

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 organization's 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 of governance accountability is not to incur excessive risk in the pursuit of public goals. Financial policies identify important risks to financial conditions.
- Comply with established public management best practices. The Government Finance Officers Association (GFOA), through its officially adopted Best Practices endorsement of the 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.

POLICY 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 take a long-term approach to financial health.
7. **Procurement.** Policies that are most essential for adoption by the governing board 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 a 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.
- a. *Ongoing revenues* are the portion of the City's revenues that are reasonably expected to continue year to year, with some degree of predictability.
 - b. *Ongoing expenses* are expenditures that are expected to be funded every year to maintain desired service levels.
- B. Create a plan to achieve a 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:

- a. The City will focus on imposing user charges and fees to help fund City services when those services especially benefit a particular group.
- b. 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.
- c. 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 the 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).

- a. **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.
 - b. **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.
 - c. **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.
 - a. Does the grant's purpose align with the vision, mission, goals, priorities, and strategic objectives of the City Council?

- b. Is there a specific need that the City is contemplating that could benefit from the grant being considered?
- c. Will there be required or resulting on-going expenditures after the grant funding ends?
- d. Does the City's grant application have a reasonable chance of success in relation to the application criteria and competitive nature of the grant?
- e. 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 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

February 7 – budget priority and goal-setting retreat – City Council/staff

June 1 – begin developing preliminary revenue projections – Finance

July 11 – send baseline budget and budget instructions to departments – Finance

August 2 – review the strategic plan and budget alignment study session – City Council/staff

August 19 – budget requests due to Finance – all departments

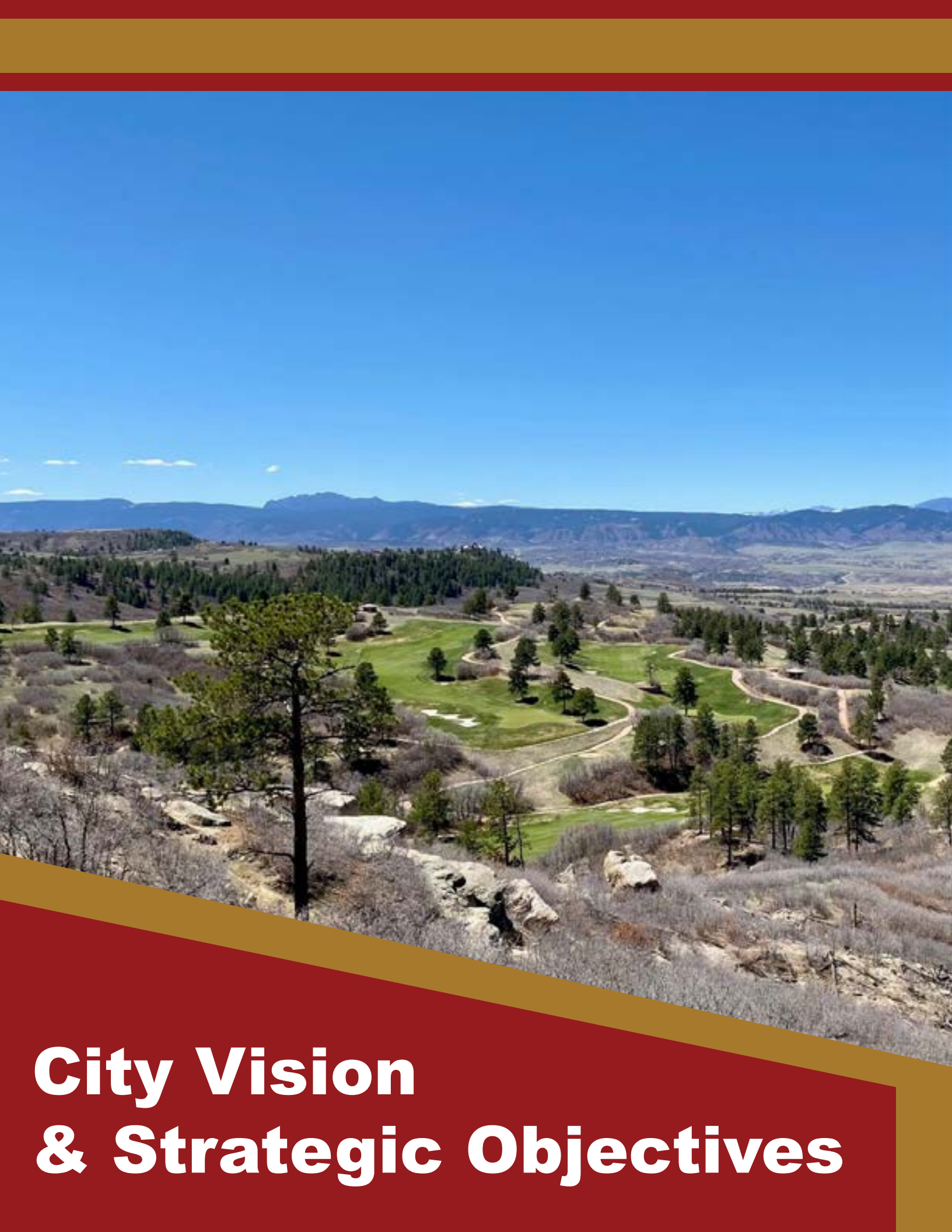
September 23 – proposed budget draft completed and reviewed – City Manager/Finance

September 30 – proposed budget submitted to City Council – City Manager

October 4 – discussion of the proposed budget study session – City Council study session

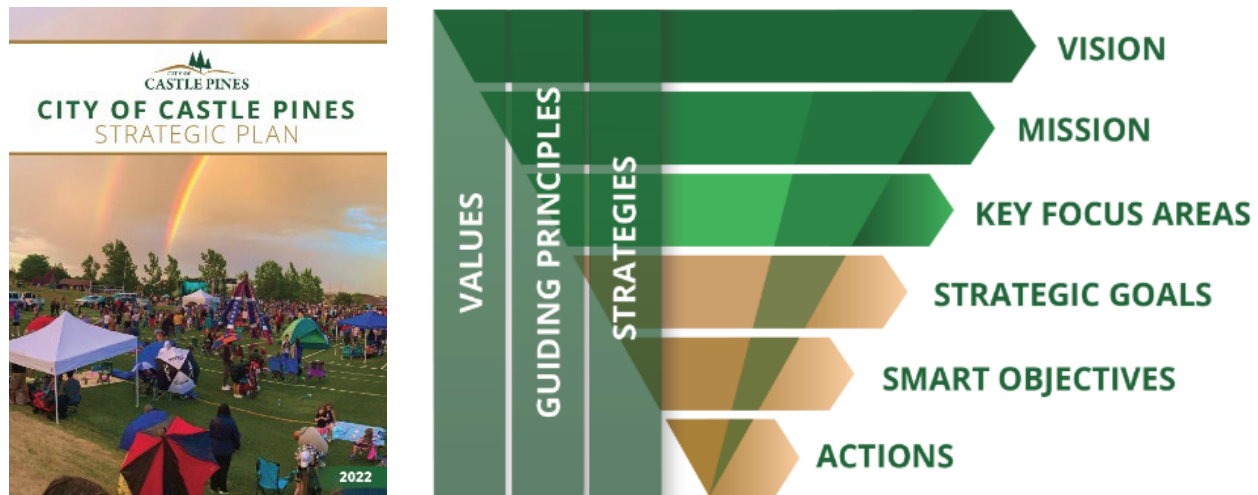
November 8 – public hearing and adoption of proposed 2023 annual budget – City Council





City Vision & Strategic Objectives

CITY VISION, STRATEGIC PLAN, AND COMMUNITY DASHBOARD



Each year the City Council holds a retreat to conduct a strategic planning process based on the adopted Vision, Mission, and Key Focus Areas of their Strategic Goals, creating the Strategic Plan. Staff is tasked with implementing Council's direction by creating an Implementation Plan. The 2022 City Council retreat resulted in Strategic Goals, Key Focus Areas, and additional policy direction to guide staff in day-to-day operations. The following is a summary of the 2022 Strategic Plan. The entire plan can be found on the City's website.

VISION STATEMENT

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

ACTION STATEMENT

To provide outstanding municipal services through operational excellence and a culture of innovation. We will take a proactive approach to implement our vision through thoughtful and intentional actions.

STRATEGIC OBJECTIVES

We will honor our past while ensuring a successful future through excellence in

- Actions to ensure long-term financial resiliency and vitality
- Attracting a wide variety of top-tier businesses to maximize our economic strength
- Building our community through intentional and responsible development
- Constructing reliable and safe infrastructure
- Continuous outreach and engagement to foster a united community
- Supporting high-performing operations through our top-notch city government

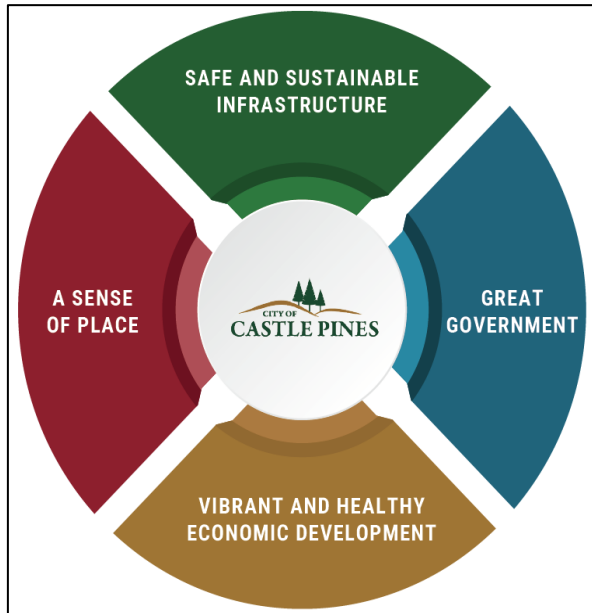


Figure 16. Key Focus Areas - 2022 Strategic Plan

SMART Objectives are milestones along the road to achieving our bigger picture Strategic Goals. They are accomplishments that can be achieved in quantifiable and measurable terms. In other words, they are...

Specific	specify an area for improvement
Measurable	quantify indicator of progress
Actionable	attainable, i.e., not impossible to achieve
Realistic	
/Resourced	results that can be realistically achieved, given available resources
Timebound	when results can be achieved

KEY FOCUS AREAS

The City Council established four Key Focus Areas from their Strategic Objectives for 2022 and 2023. Within each Key Focus Area are Strategic Goals, SMART Objectives/Projects, and Action Steps.

STRATEGIC GOALS AND SMART OBJECTIVES

Strategic Goals are the larger, broader, often intangible concepts that will need to be accomplished to address the Key Focus Areas and be successful in the coming years. Strategic Goals are typically longer-term (3 – 10 years) and have milestones to measure success.

The Strategic Plan is a working, living document that reflects the policy direction from the City Council, sets the Vision, and drives and informs an Implementation Plan that the staff will utilize to ensure progress and measurable results. Certain budget requests are tied to one or more of these Strategic Goals and their underlying SMART Objectives as identified within the Strategic Plan. The City will use metrics to communicate the most important projects and progress to the community via dashboard indicators on the City's website.

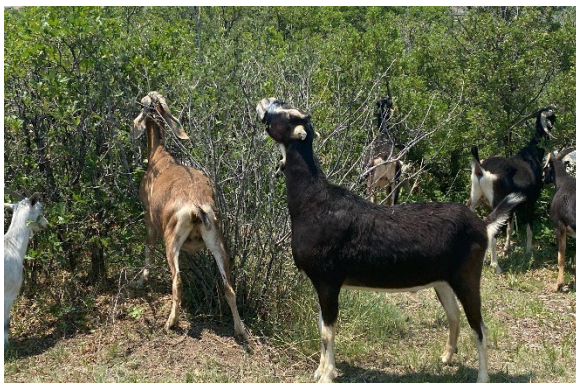


Figure 18. Fire Mitigation Efforts



Figure 17. Fire Mitigation Efforts

The Strategic Goals and SMART Objectives for each Key Focus Area are identified below, along with the 2023 budget amount set to accomplish the Strategic Goals. In addition to specific budget amounts listed, staff time is also dedicated to achieving each SMART Objective. The 2022 Strategic Plan also contains SMART Objectives in progress during 2022.



SAFE AND SUSTAINABLE INFRASTRUCTURE

Safe and Sustainable Infrastructure includes such things as city facilities, roads, trails, sidewalks, traffic, transportation planning, parks, open space, and stormwater.

Strategic Goal: Inclusion and funding for safe and sustainable infrastructure

SMART Objective: Incorporate connectivity and multi-modal elements into all transportation planning (ongoing)

SMART Objective: Apply for transportation and other infrastructure grant funds (ongoing and in service of Council goals and adopted budget)

2023 budget:

- Update to the 2017 Master Transportation Plan – \$30,000
- Grants consultant – \$50,000

Strategic Goal: Road and transportation projects

SMART Objective: Complete 2023 Roads Solution capital project engineering and bid documents

SMART Objective: Complete the 2022 Roads Solution capital project (CPP)

SMART Objective: Complete the 2023 Road repair documents

SMART Objective: Complete 2 additional pedestrian crossings on Monarch

SMART Objective: Secure funding for American Academy/Lennar trails

2023 budget:

- Road capital projects – \$9,477,500
- Road repair and maintenance – \$450,000
- Pedestrian safety improvements – \$75,000



Strategic Goal: Park and recreation projects

SMART Objective: Design/Engineer/Construct Disc Golf course (open summer 2023)

SMART Objective: Evaluate options for Pickle Ball Courts and present to Council

SMART Objective: Work with the Parks and Recreation Advisory Board to determine park design/construction projects for 2023

2023 budget:

- Funding for the regional Disc Golf Course was included in the 2022 budget, with construction planned in 2023
- Funding that was included for the Pickleball courts in 2022 was redirected, and other location options will be evaluated for presentation to City Council in 2023

Strategic Goal: Governance efficiency: transition properties and responsibilities to the City

SMART Objective: Determine next steps with CPNMD on stormwater and parks/open space transfer

SMART Objective: Finalize IGA with Shea for transfer of tracts and mills

SMART Objective: Determine if other ownership transfer agreements are beneficial for the City

2023 budget:

- The agreement between CPNMD was completed in 2022, and work to transition the stormwater and parks/open space functions are underway and set to take effect in 2023

Strategic Goal: Municipal Facility

SMART Objective: Evaluate and present alternatives to City Council

SMART Objective: Address Lagae Family Parcel Lot 2 ownership

2023 budget:

- Complete municipal facility analysis – \$10,000





A SENSE OF PLACE

Council supports work that continues to build the community of Castle Pines. Creating a place where residents - new and existing - can live, work and play.

Strategic Goal: Create a culture of communication with our community

SMART Objective: Adopt and implement a focused, integrated, and consistent communications strategy

SMART Objective: Improve consistent communications across all platforms and media (ongoing)

SMART Objective: Improve community and resident engagement (ongoing)

SMART Objective: Develop and implement the 2022 Community Survey

Strategic Goal: Complete gateway project

SMART Objective: Gain Council final approval

SMART Objective: Complete CDOT permitting process

SMART Objective: Complete the project bid

2023 budget:

- Gateway monumentation project at the City's northern entrance into the City on Monarch Blvd. – \$750,000
- The gateway monumentation project at the I-25 and Castle Pines Parkway interchange will continue into 2023

Strategic Goal: Create a sense of place that is Castle Pines

SMART Objective: Adopt Unified Land Development Code

SMART Objective: Update Parks and Recreation Comprehensive Plan

SMART Objective: Develop a 2023 event plan

2023 budget:

- Increase City events budget – \$47,000

Strategic Goal: Council desire to opt out of SB-152

SMART Objective: Develop and implement community outreach, in partnership with other Douglas County entities, for the successful opt-out of SB-152



VIBRANT AND HEALTHY ECONOMIC DEVELOPMENT

A vibrant and healthy economy involves partnerships with our business community to support their growth and expansion, attracting new businesses to the city, and ensuring that our revenue is sustainable long term.

Strategic Goal: Review and adopt City documents for economic development

SMART Objective: Review and update Economic Action Plan

SMART Objective: Review, evaluate, and update Municipal Code in service of the Home Rule Charter

2023 budget:

- Update the 2020 Economic Plan and other consulting services - \$80,000

Strategic Goal: Engage and collaborate with the business community

SMART Objective: Expand partnership with the Chamber of Commerce by increasing their shift to business-2-business and business advocacy with a focus on economic development and business success

SMART Objective: Partner with Chamber quarterly to do economic meetings for local businesses

Strategic Goal: Attract new retail businesses

SMART Objective: Partner with landowners and developers and actively play a role in recruiting new retail businesses to the community

SMART Objective: Develop proactive economic development outreach and communications plan, in partnership with landowners, to increase demand for investment in Castle Pines

2023 budget:

- Contribution to Castle Pines Chamber of Commerce in exchange for their partnership on economic development activities, including maximizing the City's opportunity to recruit, retain, and expand business in the City - \$15,000





GREAT GOVERNMENT

Great Government includes recruiting and retaining quality staff, responsive services, strategic planning for a sustainable future, financial stewardship, and an investment in the future of the City.

Strategic Goal: Update City manuals and policies to produce effective and efficient local government services

SMART Objective: Approval of GESC manual

SMART Objective: Approval of Roadway Manual

Strategic Goal: Develop comprehensive and competitive compensation and staffing plans

SMART Objective: Complete an independent Salary Survey

SMART Objective: Complete Equal Pay for Equal Work audit

SMART Objective: Develop a 4-year staffing plan

2023 Budget:

- Implement results of 2022 salary survey – \$99,400
- Add two new positions: Capital Improvement Project Manager, Permit Technician position – \$273,800

Strategic Goal: Long-range fiscal health

SMART Objective: Develop a 5-year Capital Improvement Plan

SMART Objective: Develop a long-range financial plan

Strategic Goal: Enhance public safety

SMART Objective: Develop a long-range law enforcement plan with DCSO

SMART Objective: Partner with DCSO for public safety communications (ongoing)

Strategic Goal: Redistrict to reflect growth

SMART Objective: Develop a redistricting plan for Council consideration

Strategic Goal: Adopt a strategic approach to City actions

SMART Objective: Prepare pre-budget Council retreat to maximize budget alignment with Council priorities



COMMUNITY DASHBOARD AND PERFORMANCE INDICATORS

STRATEGIC PLAN AND THE COMMUNITY DASHBOARD

The Strategic Plan is a working, living document that reflects the policy direction from the City Council, sets the Vision, and drives and informs an Implementation Plan which City staff uses to ensure progress and measurable results. The City of Castle Pines is an organization with a strong commitment to transparency. In recognition of this commitment, a dashboard was developed to report advancement as a community and will be posted on the City's website.

A snapshot of the coming dashboard is shown below (Figure 19), showing the progress made for the City Council's five strategic priorities every quarter. The progress of each community dashboard will be determined by averaging two to five individual metrics.






 Maintain Roads Castle Pines provides safe and reliable multi-modal travel to, from, and throughout the city.	Q1 2023
 Community Safety Castle Pines provides a safe place to live, work, and play.	Q1 2023
 Financial Health Castle Pines provides a healthy, sustainable economy, reflecting community values.	Q1 2023
 Development Castle Pines provides sustainable growth opportunities to support a sense of place in the community.	Q1 2023
 Business Health Castle Pines provides a healthy economy and supports our business community to support their growth and expansion.	Q1 2023

Figure 19. Community Dashboard

PERFORMANCE INDICATORS

To execute the Strategic Plan, staff created an implementation plan, and outcomes and dashboard metrics were created to evaluate, measure, and communicate progress toward the priorities within the plan.

KEY FOCUS AREAS

The Council established four Key Focus Areas from their Strategic Objectives. Within each Key Focus Area, there are Strategic Goals, SMART Objectives/Projects, and Action Steps.

DASHBOARD METRICS

The following five categories and data sets have been identified to report the City's progress through the Community Dashboard, within which the overall progress toward meeting community goals will be measured and reported.

Safe and Sustainable Infrastructure includes such things as city facilities, roads, trails, sidewalks, traffic, transportation planning, parks, open space, and stormwater.

Great Government includes recruiting and retaining quality staff, responsive services, strategic planning for a sustainable future, financial stewardship, and an investment in the future of the City.

A Sense of Place involves creating a community where residents- new and existing- can live, work, and play.

A Vibrant and Healthy Economy involves partnerships with our business community to support their growth and expansion, attracting new business to the city, and ensuring that our revenue is sustainable long term.



Maintain Roads

- 2023 Road Solution Projects
- PCI ratings
- Lane miles of roadway improved
- Lane miles of new roadway accepted

Community Safety

- Crime statistics
- Traffic tickets

Financial Health

- Track actual revenue to projections
- Track actual expenditures to projections

Development


- Commercial vacancy
- Building permits issued

Business Health

- Brick-and-mortar tax revenue
- Business licenses

2023 is the first year the City has developed performance indicators to measure the City's progress in meeting the priorities in the Strategic Plan. Historical data and trends were used to develop the indicator targets. As 2023 actual data is captured, progress will be measured and

communicated via the Community Dashboard and within future budget documents. The following illustrates the data that will be collected for each of the Community Dashboard metrics.



Maintain Roads

Castle Pines provides safe and reliable multi-modal travel to, from, and throughout the city.

Q1 2023

Roadway Lane Miles Accepted



The *roadway lane miles accepted* metric reflects the lane miles of roads that developers have constructed and have been accepted for ownership and maintenance by the City following a two-year warranty period.

This metric will display the infrastructure growth and development in Castle Pines.

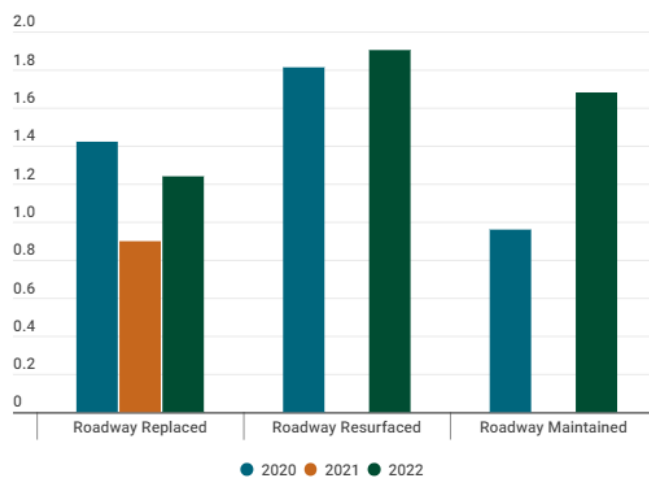
Roadway Lane Miles Improved

The *roadway lane miles improved* metric reflects the lane miles that have been replaced, resurfaced, or maintained yearly. This metric displays the City's commitment to providing safe, well-maintained roads.

Proper upkeep reduces future maintenance costs by extending the life of the pavement and maximizes the City's investments. Annual targets are set to provide information on the City's progress toward meeting this goal.

Actual
4.825
Target
*
Results
2022

* 2023 Targets will be updated when Bids have been completed



The *roadway lane miles improved* will vary due to

weather impacts that limit the construction season. Other unforeseen impacts will also affect results; for example, in 2021, there was no resurfacing or maintenance work completed due to a regional asphalt shortage. This metric will be updated annually.

Road Solutions is an action plan establishing road and long-term transportation funding as a top priority. Phases one and two of the Road Solution are complete and included the reconstruction of Castle Pines Parkway east of Monarch Blvd.

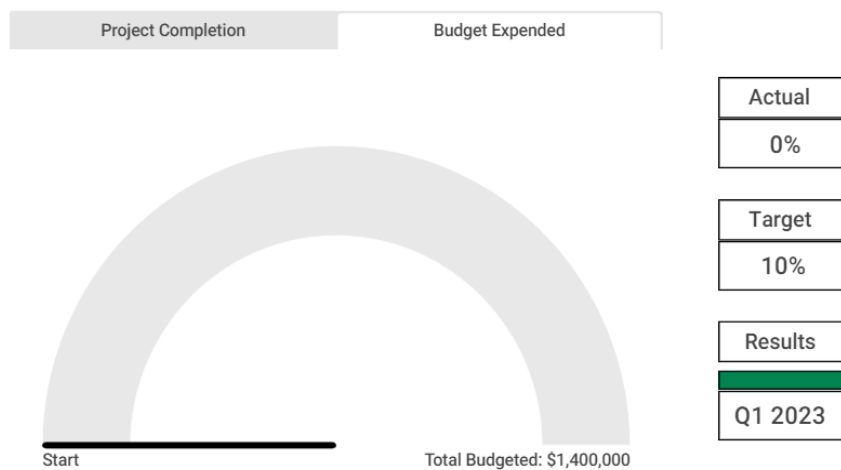
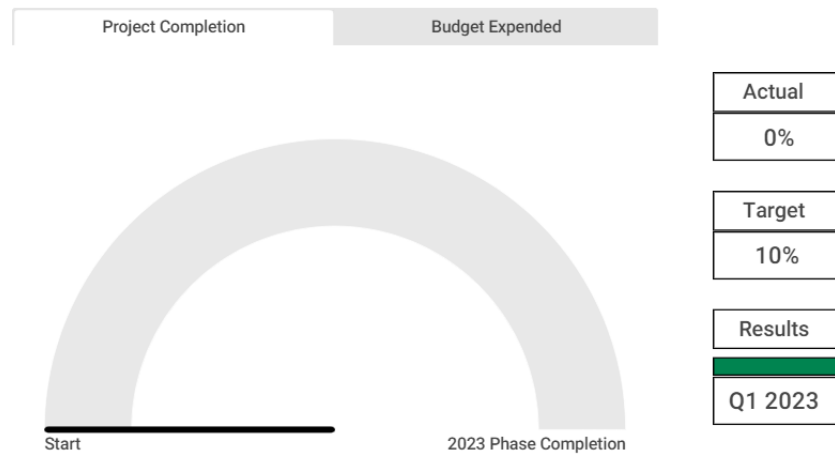
2023 Road Solutions Project: Monarch Boulevard

2023 Budget = \$1.4 million

One *Road Solutions project for 2023* is the rehabilitation of Monarch Blvd. between Winter Berry Drive and the northern City limits.

This metric will report the percentage of project completion and the number of dollars expended on this project. The target values will vary each quarter due to weather limitations.

This metric is updated quarterly. The [Road Solutions Plan](#) is on the City's website. Each of the following metrics will use an interactive chart with Project Completion and Budget Expended tabs, like the illustration below.



2023 Road Solutions Project: Happy Canyon Road and Lagae Road Intersection

2023 Budget = \$800,000

Another 2023 Road Solutions Project is the design and initial construction of the improvements to the Happy Canyon Road and Lagae Road intersection. This project will be completed in partnership with Douglas County and adjacent property owners.

This metric will report the percentage of project completion and the expended budget amount. It will be updated quarterly.

Road Rehabilitation Project

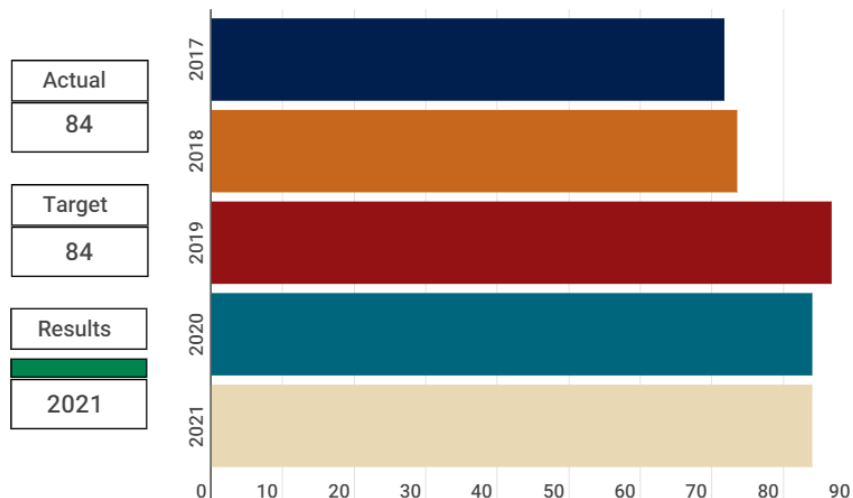
2023 Budget = \$1,777,500

The City is committed to providing a safe and sustainable infrastructure to the community. In alignment with this commitment, the City will continue the non-arterial roadway rehabilitation project. This project consists of various rehabilitation techniques that will be completed on public roads throughout various neighborhoods where priorities have been identified.

This metric will report the project's completion percentage and the expended budget amount. It will be updated quarterly.

Pavement Condition Index Rating

The pavement condition index (PCI) is a numerical value between 0 and 100. This value is a standardized industry index that correlates to the general condition of pavement. The City uses PCI to measure the performance of the City's roadway infrastructure, excluding arterial roads Castle Pines Parkway and Monarch Blvd.



Maintaining a satisfactory (or higher) PCI rating demonstrates the City's commitment to constructing reliable and safe infrastructure. A satisfactory rating is nationally classified as 70-85. With road improvements being identified as a priority over the past several years, the City has already reached its goal of 84 PCI. The target moving forward is to maintain the 84 PCI.

This metric will be updated annually.



Community Safety

Castle Pines provides a safe place to live, work, and play.

Q1 2023

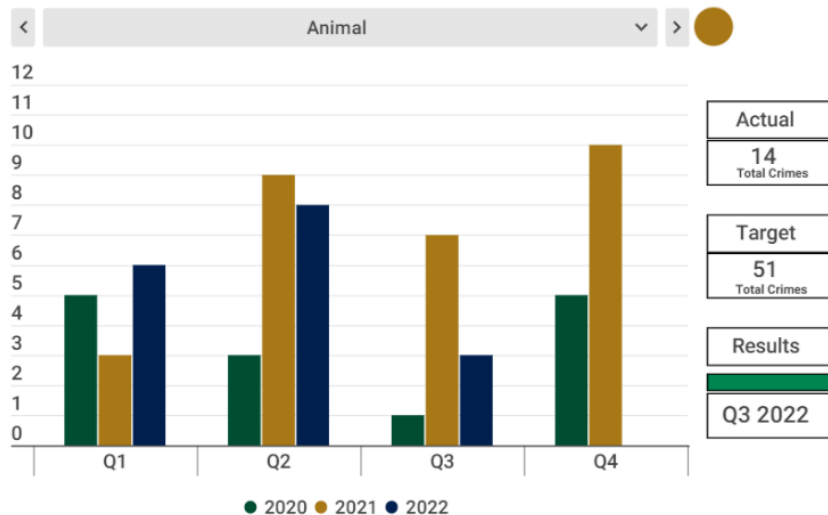
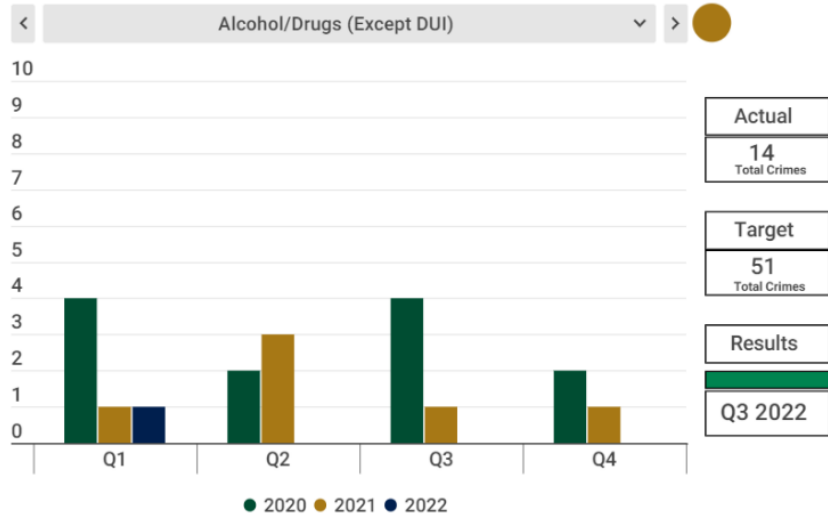
Crime Incident Count by Category

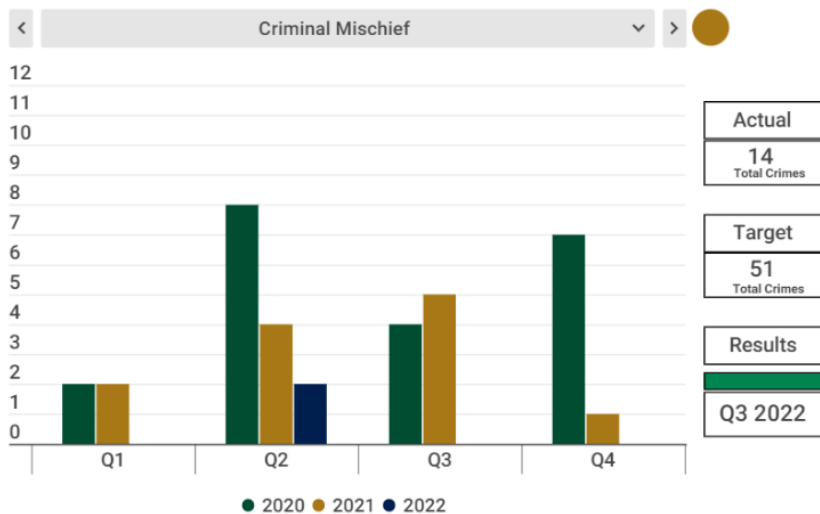
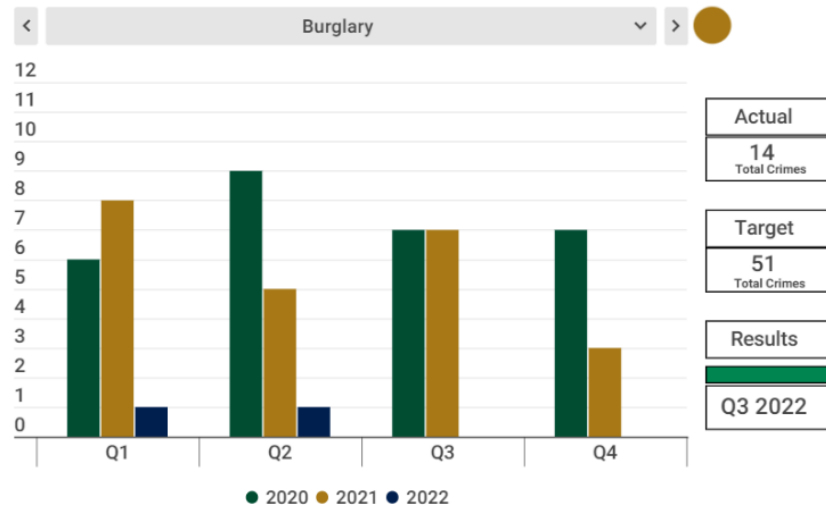
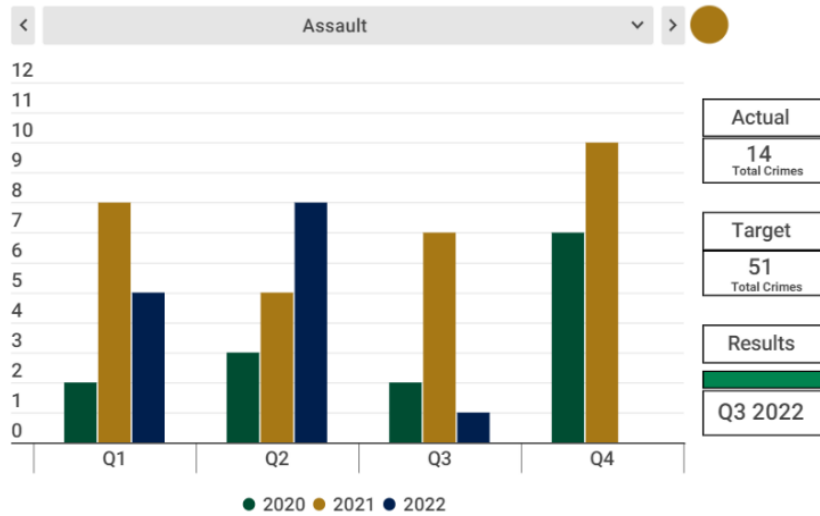
2023 Budget = \$1,200,300

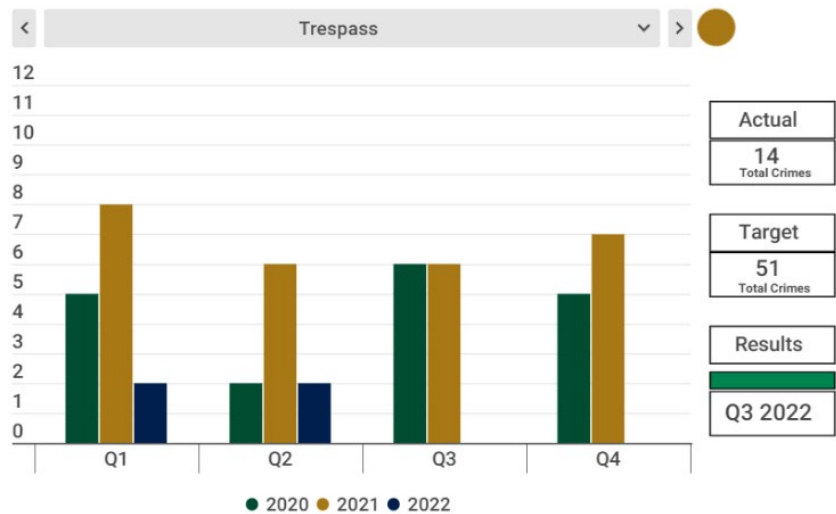
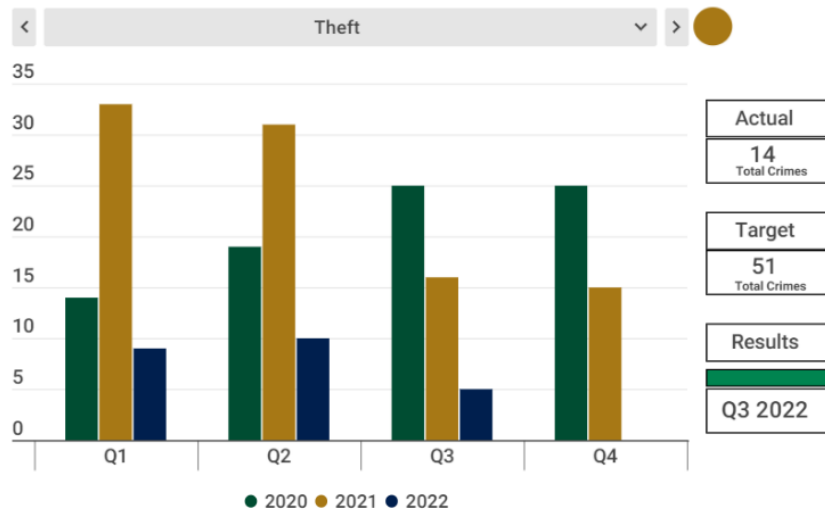
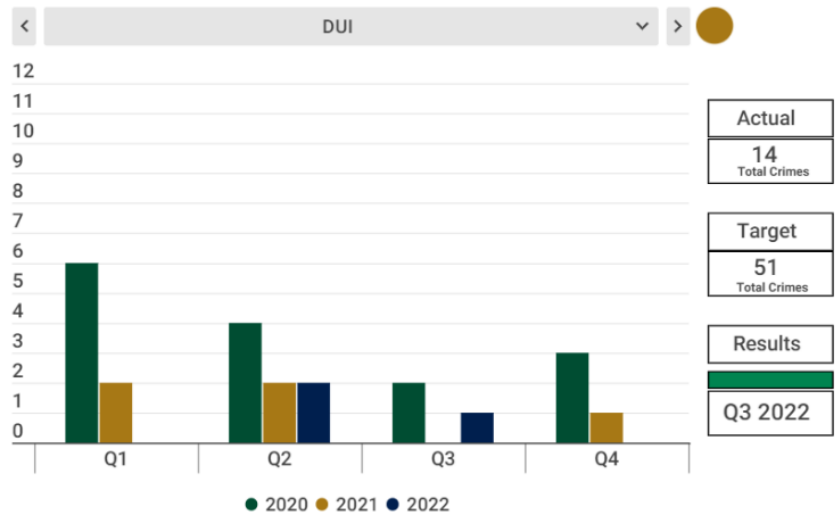
The *number of crime incidents* reflects the number of crimes that occurred, separated by category. This metric displays the City's commitment to providing a safe community through a proactive law enforcement approach.

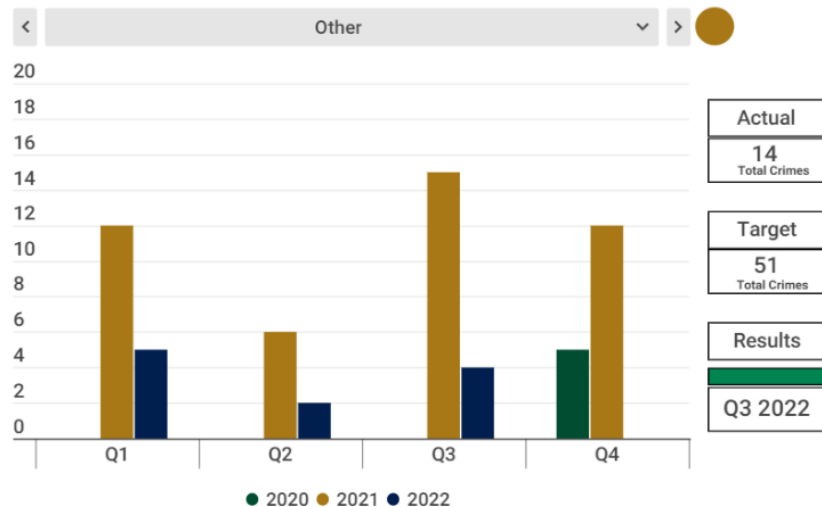
The target value represents the average number of crimes across all categories committed per quarter over the previous three years. The City's goal is to be equal to or less than the target value. In doing so, this metric would demonstrate reduced crime compared to previous years. The metrics for each category will be updated quarterly.

The City contracts with the Douglas County Sheriff's Office for law enforcement services and receives the data provided for this metric.







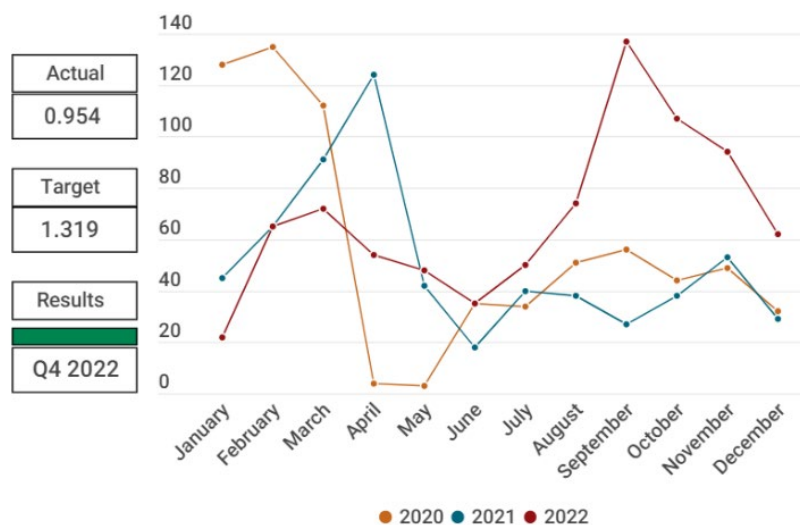


Traffic Tickets Issued by Month

2023 Budget = \$54,700

The number of *traffic tickets issued per month* reflects the City's commitment to providing a safe community for our residents. Speeding is a concern within the community. To reduce speeding, the City spends additional law enforcement funds on traffic enforcement and issuing traffic tickets for drivers who exceed the speed limit.

The target value represents the number of tickets issued per patrol hour per month. The City's goal is for values to be equal to or less than the target value, which should demonstrate improved compliance with the posted speed limits. This metric is updated monthly.





Financial Health

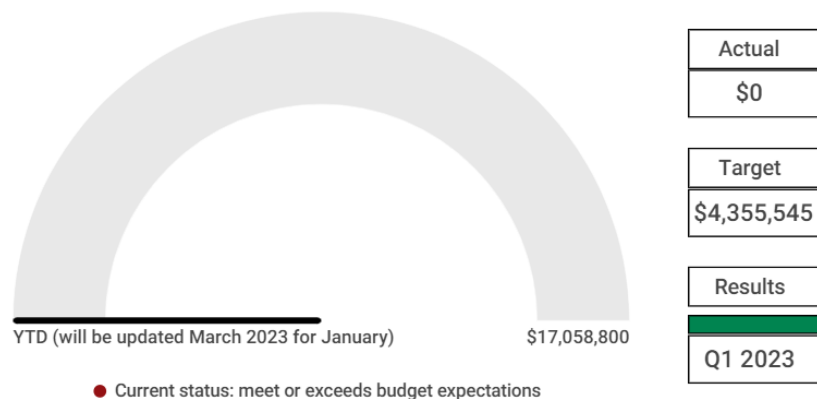
Castle Pines provides a healthy, sustainable economy, reflecting community values.

Q1 2023

2023 Operating Revenue to Projections

The *2023 operating* revenue to projections* metric reports the year-to-date (YTD) revenue compared to budget projections. This metric will display the City's commitment to ensuring long-term financial resiliency and vitality.

Operating revenue includes tax revenue, license and permit fees, intergovernmental revenue, charges for services, fines, and interest earnings. Actual results will be compared to quarterly target amounts to indicate how the City is meeting its revenue projections. The goal will be to meet or exceed the quarterly revenue target. This metric will be updated monthly, and the target will move every quarter.




2023 Operating Expenditures to Projections

The *2023 operating* expenditures to projections* metric reports the year-to-date (YTD) expenditures monthly. This metric will display the City's commitment to ensuring long-term financial resiliency and vitality.

Expenditures include operating costs, such as salary and benefits, contractor and consultant, repair and maintenance, and other operating costs. Actual results will be compared to quarterly target amounts to indicate how the City is meeting its expenditure budget. The goal is to be less than or equal to the quarterly budget amount. This metric will be updated monthly, and the target will move every quarter.



*Only measures and reports operating revenues (ongoing and routine) and operating expenditures. Capital expenditure amounts vary and are funded by the remaining operating revenue after operating expenditures. When available, contributions and grants fund capital expenditures, as well.



Development

Castle Pines provides sustainable growth opportunities to support a sense of place in the community.

Q1 2023



10

Residential Permits
Issued in December



1

Commerical Permits
Issued in December



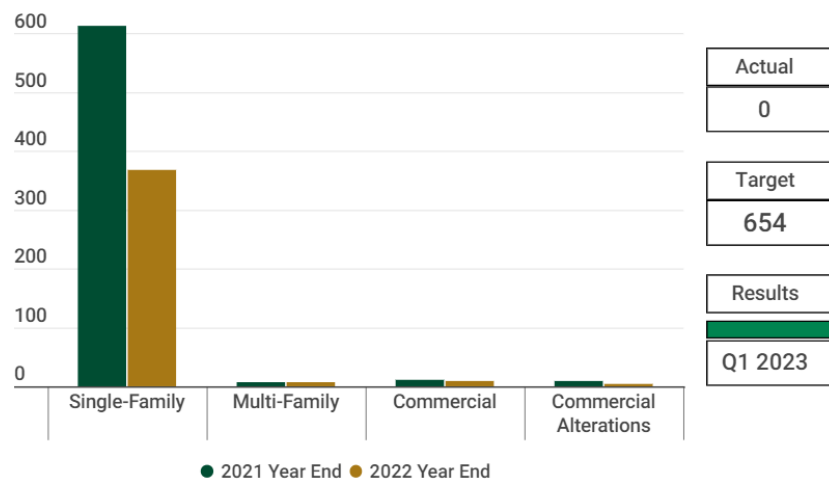
14,278

estimated population*
as of December 2022

*population based on the total number of occupiable residential units

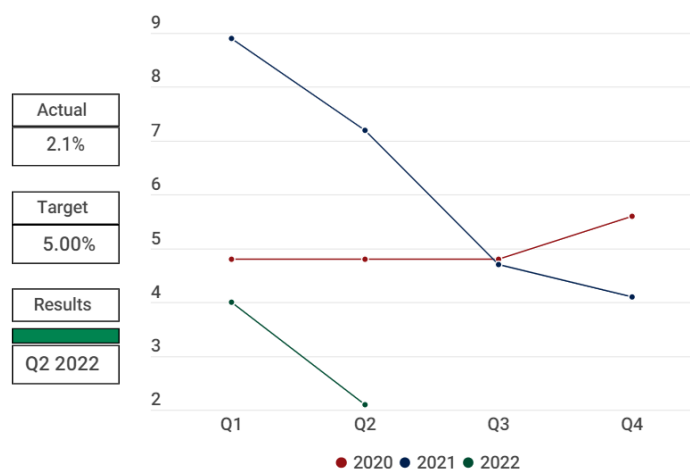
Building Permits Issued

Building permits issued reflects the number of permits issued for residential or commercial construction projects, including single-family and multi-family homes, new commercial buildings, or commercial building alterations. This metric will display the City's commitment to work with the private sector to build a



community and create a sense of place where residents can live, work, and play. This metric will compare the number of building permits issued on an annual basis.


The targets for this metric in 2023 are 645 single-family units, four new commercial buildings, and five commercial building alteration permits. There are no multi-family units projected. This metric will be updated monthly.



Commercial Vacancy Rate

The *commercial vacancy rate* is the percentage of vacant, leasable commercial space within the City. This metric will reflect the City's commitment to supporting the business community's growth and expansion to ensure long-term sustainable revenue and the overall health of privately held commercial properties.

The target is to maintain a vacancy rate equal to or less than 5%; however, a vacancy rate of less than 10% will be acceptable. This metric will be updated quarterly.



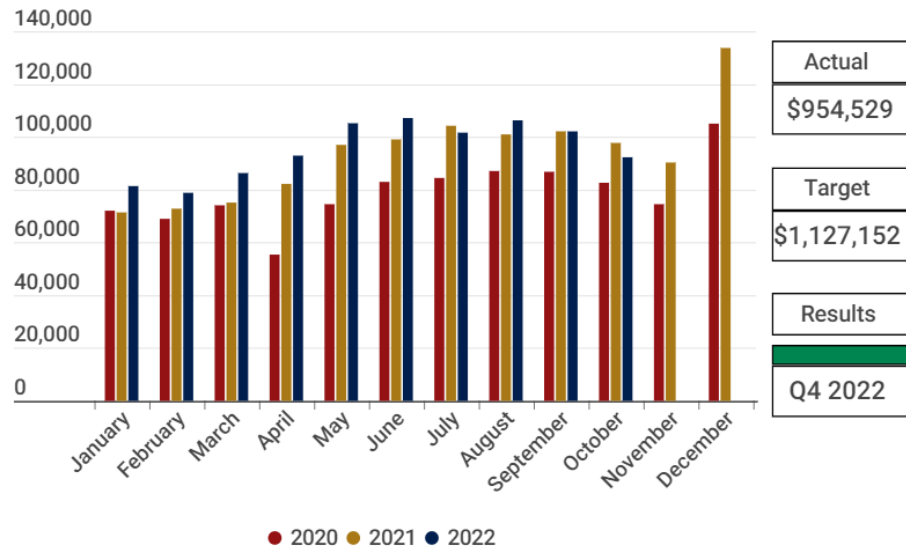
Business Health

Castle Pines provides a healthy economy and supports our business community to support their growth and expansion.

Q1 2023

Brick-and-Mortar Tax Revenue

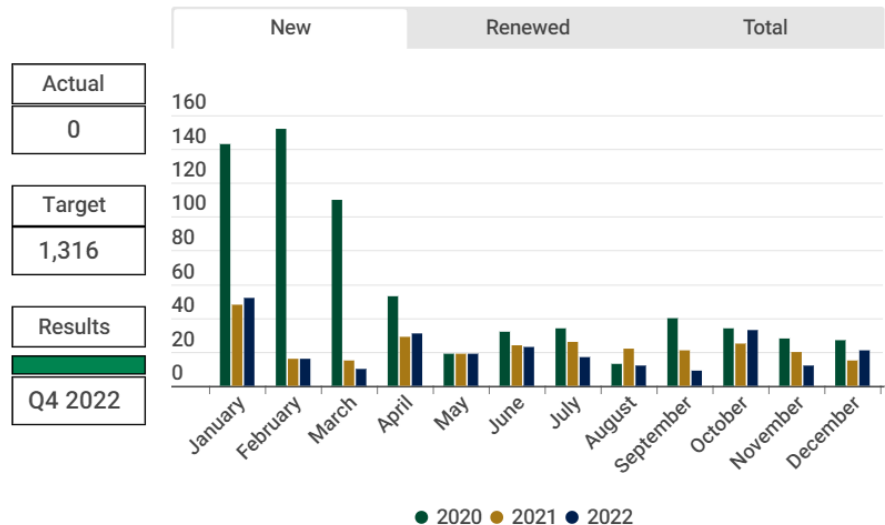
Brick-and-mortar tax revenue reflects the monthly tax revenue collected from local businesses. This metric will display the City's commitment to ensuring its revenue is long-term sustainable while supporting the business community.



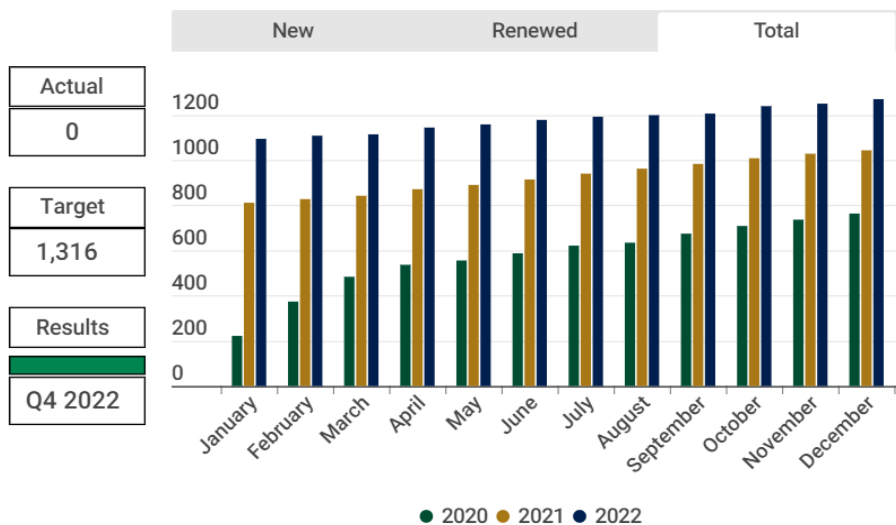
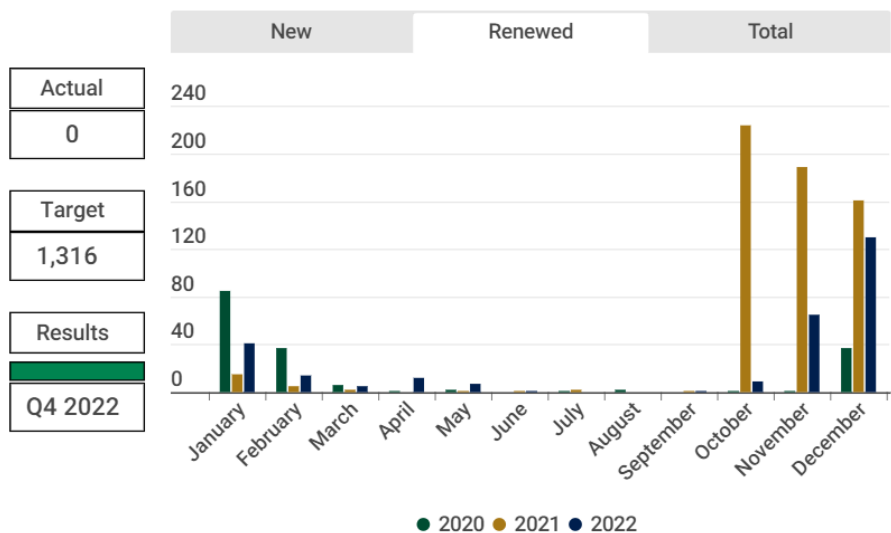
The target represents the quarterly cumulative projection for tax revenue dollars received. The tax revenue collected should meet or exceed this target value. This metric will be updated monthly.

Business Licenses Issued

Business licenses issued reflects the number of new licenses, renewed licenses, and total active business licenses. This metric displays the City's commitment to attracting new businesses to the City and support to the business community's growth and expansion. More active business licenses demonstrate vibrant and healthy economic development.



The target represents the number of active business licenses expected monthly. The City's target is to meet or exceed this target value, therefore supporting a growing business community. This metric will be updated monthly.



The Community Dashboard and metrics charts and data will be updated monthly or quarterly and can be found on the [City's website](#).



2023 Policy Questions

POLICY QUESTIONS

The proposed policy questions were discussed at the October 4 City Council study session. City Council direction received at the study session for each question is indicated in **green**.

1. **Does the City Council support increasing staff's compensation to a level commensurate with the identified labor market, including a performance-based merit pay increase of up to 4.5%?** (\$99,400 – General Fund/Parks and Recreation Fund/Stormwater Utility Fund)

City Council Direction: City Council supported this request as presented.

Key Focus Area Supported: Great Government

Strategic Goal Supported: Develop comprehensive and competitive compensation and staffing plans.

Discussion: Staff presented the results of a comprehensive salary study conducted during the summer of 2022. The study indicated that most of the City's positions were significantly lower than the City's identified labor market. The proposed budget includes \$83,900 for market adjustments based on the salary study and \$15,500 for potential performance-based merit increases (for employees at or above their market-based salary). Related taxes and retirement benefits will increase by \$16,400. City Council supported the salary study and compensation philosophy when presented in the study session. In addition to the salary study, the City recently completed an audit of the City's pay practices ensuring compliance with the Colorado Equal Pay Act. The audit found that the City complies with the Act. In addition, the audit consultant found that the City's salary study results were in line with the competing labor market. The City found that entities throughout Colorado are proposing 4.5% increases on average. Surrounding Douglas County jurisdiction proposals are Douglas County – 4%, Parker – 5%, Castle Rock – 4%, and Lone Tree – 3.5%.



2. **Does the City Council support adding two full-time positions: Capital Improvement Project Manager (PE) and Permit Technician?** (\$273,800 – General Fund)

City Council Direction: City Council supported this request as presented.

Key Focus Areas supported: Safe and Sustainable Infrastructure, Great Government

Strategic Goals supported: Inclusion and funding for safe and sustainable infrastructure, road and transportation projects, parks and recreation projects, municipal facilities, develop comprehensive and competitive compensation and staffing plans

Discussion: The Permit Technician will provide administrative support to the Public Works staff as well as schedule all right-of-way permits and review simple permits. Current Public Works staff spend significant time addressing administrative permitting duties and other administrative duties. The Capital Improvement Project Manager (PE) position will assist the Public Works Director in managing capital construction projects, reviewing private sector transportation and civil applications, and assisting with public capital project design work. These duties will reduce the consultant fees in each of the respective areas.



3. Does the City Council support the following street and street-related capital improvements? (\$10,177,500 - Capital Improvement Fund)

City Council Direction: City Council supported each component of this request as presented.

Key Focus Area supported: Safe and Sustainable Infrastructure

Strategic Goals supported: Inclusion and funding for safe and sustainable infrastructure; road and transportation projects.

- a) **Arterial Street Improvements:** (Bucket 3 - \$1.4 million) Monarch Boulevard from Winterberry Place to the northern City limits.

Discussion: This project was originally budgeted for 2022; however, due to increased costs for Castle Pines Parkway improvements, also budgeted in 2022, this project was shifted to 2023. However, \$500,000 was retained in 2022 for design and engineering costs. The 2023 work will

primarily involve concrete replacement, curb and gutter work, and a complete restriping of the area to accommodate six-foot bike lanes in both directions, and landscaping.

- b) Arterial Street Improvements:** (Bucket 3 - \$5.5 million) Monarch Boulevard from Castle Pines Parkway to Glen Oaks Avenue.

Discussion: The work in this area will include a complete reconstruction of this stretch of Monarch and will also add six-foot bike lanes in both directions.

Note for (a) and (b): Conversations with the County in 2021 indicated the County's support in partnering with the City on our arterial street road reconstruction projects. Considering those conversations, the City is requesting \$3 million for our 2023 main arterial street projects, and this revenue contribution is included in the proposed budget.

- c) Local/Collector Street Improvements:** (\$1,777,500)

Continue improving local and collector streets based on pavement condition index (PCI) standards.

Discussion:

Bucket 1: \$512,500 – This project is the preservation, treatment, and preventative maintenance of roadways to maintain longevity to minimize future rehabilitation costs. It will include repair of curb, gutter, and sidewalk, crack sealing, and minor asphalt patching of distressed sections. This work's exact location(s) has not yet been identified but will be accessible on the City's website once determined.

Bucket 2: \$1,265,000 - This project is corrective rehabilitation, i.e., complete reconstruction, mill and overlays, and seal coats. This primary purpose is to restore the roadway and increase longevity. Adjacent curb, gutter, and sidewalk that requires repair is included in the project. All adjacent curb ramps will be brought into ADA compliance.

- d) Traffic Signal Improvements:** (\$125,000)

Discussion: This is for equipment for both operational and system upgrades to the traffic control system. The City has allocated \$125,000 each year since 2019.

- e) Pedestrian Signals Improvements:** (\$75,000)

Discussion: Installation of new equipment and upgrades to the existing system.

- f) Happy Canyon Bridge:** (\$800,000)

Discussion: This will continue the preliminary, pre-NEPA construction activities to improve the Happy Canyon Bridge intersection at I-25. The City expects to receive CDOT and FHWA approval for the preferred alternative in late 2022 or early 2023, allowing the work associated with this funding request to move forward. Construction is still expected to occur in 2026 and 2027. The City expects to receive \$400,000 from DRCOG and \$200,000 from the County for the 2023 costs. This is reflected as revenue in the proposed budget. In addition, a total of \$665,000 has been budgeted for this project between 2020 and 2022.

- g) Sidewalk Improvements:** (\$500,000)

Discussion: This project will construct a sidewalk along Castle Pines Parkway from Forest Park Drive to the Timber Trail Elementary School. The City anticipates funding to come from a GOCO

grant. If the grant is not awarded, the funding will come from revenue collected by the City for school mitigation collected on building permits.

4. Does the City Council support entrance gateway improvements at the Happy Canyon bridge intersection with I-25? (\$750,000 - Capital Improvement Fund)

City Council Direction: City Council supported the Recommended Alternative presented during the Study Session to complete the entrance gateway at the northern City limit on Monarch Blvd. The budget amount remained unchanged. This project was proposed in the 2020 budget. It was not completed because the necessary easements outside the public right-of-way to construct the monument sign and associated landscape could not be secured.

Key Focus Areas supported: A Sense of Place, Vibrant and Healthy Economic Development

Strategic Goals supported: Complete gateway project, create a sense of place that is Castle Pines

Discussion: The next phase of the Council Adopted gateway implementation was anticipated to continue at I25 and Castle Pines Parkway. However, with the knowledge that the PGA BMW event will be held in August 2024, staff is asking Council if there is support to shift the next phase to the Happy Canyon and Lagae (general area). This project, if approved, would be combined with a yet-to-be-approved early-action construction project related to the Happy Canyon interchange and relocation of the Happy Canyon and Lagae intersection.



5. **Does the City Council support improvements to Canyonside Park?** (\$50,000 – Parks and Recreation Fund)

City Council Direction: City Council supported this request as presented.

Key Focus Areas supported: Safe and Sustainable Infrastructure, A Sense of Place

Strategic Goals supported: Parks and recreation projects, create a sense of place that is Castle Pines

Discussion: The proposed budget in 2023 would begin the design and engineering of improvements to a 16.5-acre park. The developer will dedicate 16.5 acres to the City, toward a total of about 75 acres, in 2022. The recently updated Parks Master Plan identifies a concept plan for this park. The project's next phase would be for the Parks and Recreation Advisory Board to work with the community to develop a specific implementation plan for this first phase. This funding request is for that action.

6. **Does the City Council support the continued funding of capital improvements at Rueter-Hess Reservoir?** (\$100,000 - Parks and Recreation Fund)

City Council Direction: City Council supported this request as presented.

Key Focus Area supported: Safe and Sustainable Infrastructure

Strategic Goal supported: Park and recreation projects

Discussion: The proposed budget includes \$100,000. 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. The estimated cost of long-term capital project improvements for the Rueter-Hess Reservoir is approximately \$7 million. As in the past, before sending the City's contribution, Council will be given a presentation update on the reservoir. Effective January 1, the recreation at the reservoir will be managed by Douglas County.

7. **Does the City Council support analysis and research to help the decision to place tax measures on the November 2023 ballot?** (\$30,000 – General Fund)

City Council Direction: City Council supported this request as presented. Staff is researching info regarding ballot measures and will report results to City Council at a study session in the future.

Key Focus Areas supported: Safe and Sustainable Infrastructure, Great Government

Strategic Goals supported: Inclusion and funding for safe and sustainable infrastructure, road and transportation projects, long-range fiscal health

Discussion: The proposed budget includes \$30,000 for research, analysis, community surveying, and communication regarding potential tax measures on the November 2023 ballot. These include potential elections to add a lodging tax, admissions tax, and an increase in taxes to pay for long-term road needs. Staff and City Council discussed this at a recent study session. Staff is currently investigating the potential tax measures and will bring back the results of our findings to the City Council for further discussion. The importance of any of these tax measures Council may put before

the voters warrant the work of outside consultants to assist the City staff in the research, communication, and messaging to maximize the chance of success.

8. Does the City Council support installation of hanging flower baskets on street light poles? (\$65,000 – General Fund)

City Council Direction: City Council **did not** support this request as presented. City Council supported the idea; however, not for inclusion in the budget at this time.

Key Focus Area Supported: A Sense of Place

Strategic Goal Supported: Create a sense of place that is Castle Pines

Discussion: This project would install two hanging flower baskets on 19 City street light poles along Castle Pines Parkway. This is part of the overall beautification of the parkway along the newly reconstructed roadway. Installation is \$40,000 and annual maintenance is \$25,000.



Budget Overview

BASIS OF BUDGETING AND ACCOUNTING

The 2023 budget comprises seven funds: General Fund, Parks and Recreation Fund, North Pine Vistas Metro District Nos. 1-3 O&M Fund, Conservation Trust Fund, Capital Improvement Fund, Community Capital Investment Fund, and Stormwater Utility 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's direction. This is a special revenue fund.

The **North Pine Vistas Metro District Nos. 1-3 O&M Fund** accounts for funds received from the North Pine Vistas Metro District to own, operate, and maintain specific public improvements previously the District's responsibility. This is a special revenue fund.

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. This is a special revenue fund.

The **Capital Improvements Fund** accounts for capital improvements or acquisitions. The primary source of revenue comes from the General Fund. This is a capital project fund.

The **Community Capital Investment Fund** accounts for the setting aside and accumulating funds reserved for future capital asset purposes. Typically, the source of revenue comes via a transfer from the General Fund of funds more than the 25% reserve policy requirement at the City Council's discretion. Other funds may be one-time revenues that City Council desires to save for specific future capital projects. This is a capital projects fund.

The **Stormwater Utility Fund** accounts for expenditures for the administration, operation, maintenance, and improvements to the City's stormwater system and the revenues collected for that purpose. This is an enterprise fund.

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 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.

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.

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 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 2023, City staff consists of 11 full-time and one part-time positions. 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: Senior Planner, Executive Assistant, Management Analyst, Public Works Operations Manager/Engineer, Stormwater Coordinator, and Community Events Coordinator (PT). Two positions will be added in 2023: Capital Improvement Project Manager and Public Works Permit Technician.

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



OVERVIEW OF FUNDS

Table 4 summarizes the 2023 Annual Budget. Total revenues are \$21,390,400, and total expenditures are \$22,075,900. Total expenditures exceed total revenues by \$685,500, and the total fund balance of all funds will decrease from \$8,109,658 to \$7,424,158. The decrease in the City's total fund balance and decreases in individual funds are due to the significant amount of expenditures being invested in capital improvements to City roads, parks, and trails.

2023 Annual Budget	Beginning Fund Balance	Revenue	Expenditures	Transfers In/(Out)	Ending Fund Balance
General Fund	\$ 2,783,158	\$ 16,958,700	\$ (10,055,000)	\$ (7,026,900)	\$ 2,659,958
Parks and Recreation Fund	178,152	22,100	(749,000)	726,900	178,152
North Pine Vistas District Nos. 1-3 O&M Fund	-	231,600	(231,600)	-	-
Conservation Trust Fund	75,226	78,000	-	(100,000)	53,226
Capital Improvements Fund	1,017,122	4,100,000	(10,927,500)	6,400,000	589,622
Community Capital Investment Fund	3,042,000	-	-	-	3,042,000
Stormwater Utility Fund	1,014,000	-	(112,800)	-	901,200
Total All Funds	\$ 8,109,658	\$ 21,390,400	\$ (22,075,900)	\$ -	\$ 7,424,158

Table 4. 2023 Annual Budget Summary

See [page 65](#) for a description of the seven funds the City uses, including the two new funds: North Pine Vistas Metro District Nos. 1-3 O&M (NPVMD) Fund and Stormwater Utility Fund. Figure 20 illustrates the City's fund structure and the total expenditure budget for each fund. The hierarchy in the chart illustrates how the Parks and Recreation Fund, Capital Improvements Fund, and Community Capital Investment Fund depend on the General Fund, as transfers from the General Fund primarily fund these funds. 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.

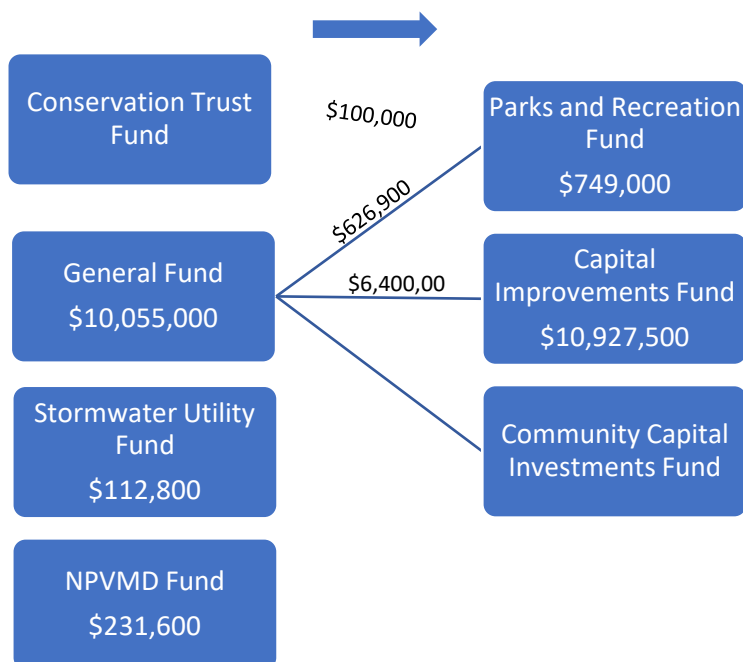


Figure 20 City Funds Hierarchy

BUDGET HIGHLIGHTS

2022 YEAR-END REVENUE PROJECTIONS

General Fund

Heading into 2023, revenue projections for 2022 were updated. As Table 5 indicates, total General Fund revenues are projected to be 2% or \$339,500 lower than the original budget. A slowdown in new home residential construction is the primary cause of the projected revenue deficit, as indicated by **Construction Materials Use Tax** revenue (-11%; -\$395,600) and **Building Permit Fees** revenue (-14%; -\$330,700). The housing market slowdown is likely because of rising interest rates and inflation. Likewise, **Planning and Zoning Fee** revenue (-35%; -\$84,000) is projecting lower due to a slowdown in development activity.

2022 Budget Comparisons - Revenue and Transfers In	2022 Original Budget	2022 Amended Budget	2022 Year-end Projection	\$ Difference - Amended to YEP	% Diff
Property Tax	\$ 1,148,400	\$ 1,148,400	\$ 1,148,400	\$ -	0%
Specific Ownership Tax	110,800	110,800	105,000	(5,800)	-5%
Sales Tax	3,708,900	3,708,900	4,150,300	441,400	12%
Construction Materials Use Tax	3,637,000	3,637,000	3,241,400	(395,600)	-11%
Motor Vehicle Use Tax	1,604,200	1,604,200	1,614,000	9,800	1%
Franchise Fees	638,100	638,100	643,900	5,800	1%
Licenses and Permits	256,000	256,000	255,100	(900)	0%
Highway Users Tax Fund	292,500	292,500	309,300	16,800	6%
Motor Vehicle Registration Fees	47,600	47,600	47,600	-	0%
Road and Bridge Prop Tax Shareback	565,700	565,700	565,700	-	0%
Roads Sales Tax Shareback	161,800	161,800	167,000	5,200	3%
Roads Motor Vehicle Use Tax Shareback	190,200	190,200	190,200	-	0%
Construction Materials Use Tax Shareback	421,700	421,700	428,600	6,900	2%
Planning and Zoning Fees	241,000	241,000	157,000	(84,000)	-35%
Building Permit Fees	2,437,600	2,437,600	2,106,900	(330,700)	-14%
Public Works Fees	250,000	250,000	200,000	(50,000)	-20%
Court Fines	200,000	200,000	60,000	(140,000)	-70%
Interest Earnings and Other	228,900	228,900	410,500	181,600	79%
Total General Fund Ongoing Revenue	\$ 16,140,400	\$ 16,140,400	\$ 15,800,900	\$ (339,500)	-2%
Federal Grants	1,352,600	1,352,600	1,352,600	\$ -	0%
Total General Fund Revenue	\$ 17,493,000	\$ 17,493,000	\$ 17,153,500	\$ (339,500)	-2%
Parks and Recreation Fund	\$ 1,176,900	\$ 1,176,900	\$ 1,607,100	\$ 430,200	37%
North Pine Vistas Metro District Nos. 1-3 Fund	\$ -	\$ -	\$ 282,700	\$ 282,700	>300%
Conservation Trust Fund	\$ 68,300	\$ 68,300	\$ 68,300	\$ -	0%
Capital Improvements Fund	\$ 10,903,000	\$ 13,558,000	\$ 13,558,000	\$ -	0%
Community Capital Investment Fund	\$ 1,280,000	\$ -	\$ -	\$ -	>300%
Stormwater Utility Fund	\$ -	\$ -	\$ 1,102,000	\$ 1,102,000	>300%

Table 5. 2022 Revenue Budget Comparisons

Court fines revenue is projected to be 70% or \$140,000 lower than the original budget. When the 2022 budget was prepared, the City anticipated that traffic safety enforcement would return to 2019 levels after dipping in 2020 and 2021 due to the COVID pandemic and its effect on fewer traffic tickets being issued.

Countering the projected revenue deficits are positive revenue projection variances in Sales Tax revenue and Interest Earnings revenue. The original 2022 **Sales Tax revenue** budget of \$3,708,900 was projected to increase by 17% over 2021. The year-end projection for 2022 is expected to exceed the original budget by 12% or \$441,400. This better-than-expected increase is likely because of an increase in the purchase of taxable goods online coupled with the U.S. Supreme Court's Wayfair decision allowing the City to receive the sales tax for those remote online purchases. As mentioned above, rising interest rates in 2022 are resulting in an increase in the City's **Interest Earnings** revenue.

Parks and Recreation Fund - The year-end projection was increased by \$430,200 because of an anticipated contribution from Douglas County (\$300,000) to assist with the construction of a regional 18-hole disc golf course plus an increase in the transfer from the General Fund to cover increased costs in operations and maintenance and the disc golf course.

North Pine Vistas Metro District Nos. 1-3 Fund - This is a new fund that was created in 2022. The year-end revenue projection amount is revenue that the City will receive from the District to complete specific improvements that the District was responsible for on property that was then conveyed to the City in 2022 pursuant to an Intergovernmental Agreement.

Stormwater Utility Fund - This is a new fund that was created in 2022. The year-end revenue projection amount is revenue that the City will receive from the Castle Pines North Metro District as part of the asset transfer when the CPNMD transfers its stormwater system and functions to the City under an Intergovernmental Agreement.

2022 YEAR-END EXPENDITURE PROJECTIONS

General Fund

During the year, the General Fund budget was amended to increase the budget by \$433,500 from \$19,431,000 to \$20,806,000 (see **Table 6**) to increase the transfer to the Capital Improvements Fund for increased project costs to complete the Castle Pines Parkway road improvements.

The year-end projection amount is 2% or \$433,500 lower than the budgeted amount due to projected decreases in Public Works and Community Development. Public Works street repair and maintenance costs and Community Development's building services costs were lower than the budgeted amount. Building services costs were lower due to the decrease in new home construction activity.

Parks and Recreation Fund - Total expenditures are projected to end at 43%, or \$629,900, greater than the budget due to an increase in the cost to construct a regional 18-hole disc golf course and an anticipated purchase of parkland.

North Pine Vistas Metro District Nos. 1-3 - This is a new fund that was created in 2022. The projected budget is to complete specific improvements on the property conveyed to the City from the District in 2022 under an Intergovernmental Agreement.

Stormwater Utility Fund - This is a new fund that was created in 2022. The projected budget amount is expenditures to complete the transfer of a stormwater system from the CPNMD to the City under an Intergovernmental Agreement and to develop a stormwater fee study and implement the stormwater billing function.

2022 Budget Comparisons - Expenditures and Transfers Out	2022 Original Budget	2022 Amended Budget	2022 Year-end Projection	\$ Difference	% Diff
Elected Officials	\$ 160,100	\$ 160,100	\$ 159,500	\$ (600)	0%
City Manager	199,900	273,700	281,100	7,400	3%
Inter/Non-departmental	491,900	360,200	371,800	11,600	3%
Communications	144,600	144,600	203,300	58,700	41%
Legal Services	210,000	210,000	210,000	-	0%
Finance/Human Resources	396,500	396,500	362,900	(33,600)	-8%
City Clerk	180,200	238,100	243,200	5,100	2%
Municipal Court	41,100	41,100	40,900	(200)	0%
Public Safety	1,248,100	1,248,100	1,233,100	(15,000)	-1%
Public Works	2,887,800	2,887,800	2,553,500	(334,300)	-12%
Community Development	2,472,700	2,472,700	2,148,300	(324,400)	-13%
Economic Development	1,602,900	1,602,900	1,624,500	21,600	1%
Community Events	214,800	214,800	254,800	40,000	19%
Transfer to Parks and Recreation Fund	450,400	450,400	580,600	130,200	29%
Transfer to Capital Improvements Fund	7,450,000	10,105,000	10,105,000	-	0%
Transfer to Community Capital Investment Fund	1,280,000	-	-	-	>300%
Total General Fund Expenditures	\$ 19,431,000	\$ 20,806,000	\$ 20,372,500	\$ (433,500)	-2%
Parks and Recreation Fund	\$ 1,466,200	\$ 1,466,200	\$ 2,096,100	\$ 629,900	43%
North Pine Vistas Metro District Nos. 1-3 Fund	\$ -	\$ -	\$ 282,700	\$ 282,700	>300%
Conservation Trust Fund	\$ 350,000	\$ 350,000	\$ 350,000	\$ -	0%
Capital Improvements Fund	\$ 11,525,000	\$ 16,406,300	\$ 16,331,300	\$ (75,000)	0%
Stormwater Utility Fund	\$ -	\$ -	\$ 88,000	\$ 88,000	>300%

Table 6 - 2022 Expenditure Budget Comparisons

2023 BUDGET - REVENUE

General Fund

2023 budgeted ongoing revenue is \$16,958,700, which is \$1,157,800 or 7% greater than the 2022 year-end projection (see Table 7). **Sales Tax, Motor Vehicles Use Tax, and Franchise Fees** revenues are projected to increase based on estimated population growth and inflation, and **Interest Earnings** revenue is projected to increase due to an increase in interest rates.

2023 Budget - Revenue	2022 Amended Budget	2022 Year-end Projection	2023 Proposed Budget	\$ Difference	% Diff
Property Tax	\$ 1,148,400	\$ 1,148,400	\$ 1,200,300	\$ 51,900	4%
Specific Ownership Tax	110,800	105,000	120,000	15,000	13%
Sales Tax	3,708,900	4,150,300	4,531,200	380,900	8%
Construction Materials Use Tax	3,637,000	3,241,400	3,257,200	15,800	0%
Motor Vehicle Use Tax	1,604,200	1,614,000	1,959,900	345,900	18%
Franchise Fees	638,100	643,900	779,600	135,700	17%
Licenses and Permits	256,000	255,100	237,000	(18,100)	-8%
Highway Users Tax Fund	292,500	309,300	323,000	13,700	4%
Motor Vehicle Registration Fees	47,600	47,600	54,400	6,800	13%
Road and Bridge Prop Tax Shareback	565,700	565,700	591,300	25,600	4%
Roads Sales Tax Shareback	161,800	167,000	182,300	15,300	8%
Roads Motor Vehicle Use Tax Shareback	190,200	190,200	231,000	40,800	18%
Construction Materials Use Tax Shareback	421,700	428,600	430,700	2,100	0%
Planning and Zoning Fees	241,000	157,000	70,000	(87,000)	-124%
Building Permit Fees	2,437,600	2,106,900	2,117,200	10,300	0%
Public Works Fees	250,000	200,000	200,000	-	0%
Court Fines	200,000	60,000	62,900	2,900	5%
Interest Earnings and Other	228,900	410,500	610,700	200,200	33%
Total General Fund Ongoing Revenue	\$ 16,140,400	\$ 15,800,900	\$ 16,958,700	\$ 1,157,800	7%
Federal Grants	1,352,600	1,352,600	-	(1,352,600)	>300%
Total General Fund Revenue	\$ 17,493,000	\$ 17,153,500	\$ 16,958,700	\$ (194,800)	-1%
Parks and Recreation Fund	\$ 1,176,900	\$ 1,607,100	\$ 749,000	\$ (858,100)	-115%
North Pine Vistas Metro District Nos. 1-3 Fund	\$ -	\$ 282,700	\$ 231,600	\$ (51,100)	-22%
Conservation Trust Fund	\$ 68,300	\$ 68,300	\$ 78,000	\$ 9,700	12%
Capital Improvements Fund	\$ 13,558,000	\$ 13,558,000	\$ 10,500,000	\$ (3,058,000)	-29%
Stormwater Utility Fund	\$ -	\$ 1,102,000	\$ -	\$ (1,102,000)	>300%

Table 7. 2023 Budget Revenue

Parks and Recreation Fund

The 2023 budgeted revenue is \$749,000, which is \$858,100 or 115% lower than the 2022 year-end projection. The 2022 revenue projection included large contributions plus a transfer from the Conservation Trust Fund for a park capital project.

Capital Improvements Fund

The 2023 budgeted revenue is \$10,500,000, which is \$3,058,000 lower than the 2022 year-end projection due to a smaller General Fund transfer to this fund needed for capital improvements.

Stormwater Utility Fund

The budget for 2023 revenue is zero and is pending the completion of a stormwater utility fee rate study. The 2022 revenue projection is revenue that the City will receive from the Castle Pines North Metro

District as part of the asset transfer when the CPNMD transfers its stormwater system and functions to the City under an Intergovernmental Agreement.

2023 BUDGET - EXPENDITURES

General Fund

The 2023 General Fund budget is \$17,081,900, which is \$3,290,600 or 16% lower than the 2022 year-end projection. The large decrease is the \$3,705,000 reduction in the transfer to the Capital Improvements Fund, where capital project expenditures in 2022 are projected at \$16,331,300 versus \$10,927,500 in 2023.

2023 Budget - Expenditures	2022 Amended Budget	2022 Year-end Projection	2023 Proposed Budget	\$ Diff	% Diff
Elected Officials	\$ 160,100	\$ 159,500	\$ 157,900	\$ (1,600)	-1%
City Manager	273,700	281,100	297,100	16,000	6%
Inter/Non-departmental	360,200	371,800	415,700	43,900	12%
Communications	144,600	203,300	235,000	31,700	16%
Legal Services	210,000	210,000	230,000	20,000	10%
Finance/Human Resources	396,500	362,900	394,300	31,400	9%
City Clerk	238,100	243,200	295,100	51,900	21%
Municipal Court	41,100	40,900	41,500	600	1%
Public Safety	1,248,100	1,233,100	1,287,400	54,300	4%
Public Works	2,887,800	2,553,500	2,639,500	86,000	3%
Community Development	2,472,700	2,148,300	2,247,900	99,600	5%
Economic Development	1,602,900	1,624,500	1,537,000	(87,500)	-5%
Community Events	214,800	254,800	276,600	21,800	9%
Transfer to Parks and Recreation Fund	450,400	580,600	626,900	46,300	8%
Transfer to Capital Improvements Fund	10,105,000	10,105,000	6,400,000	(3,705,000)	-37%
Total General Fund Expenditures	\$ 20,806,000	\$ 20,372,500	\$ 17,081,900	\$ (3,290,600)	-16%
Parks and Recreation Fund	\$ 1,466,200	\$ 2,096,100	\$ 749,000	\$ (1,347,100)	-64%
North Pine Vistas Metro District Nos 1-3 O&M Fur	\$ -	\$ 282,700	\$ 231,600	\$ (51,100)	-18%
Conservation Trust Fund	\$ 350,000	\$ 350,000	\$ 100,000	\$ (250,000)	-71%
Capital Improvements Fund	\$ 16,406,300	\$ 16,331,300	\$ 10,927,500	\$ (5,403,800)	-33%
Stormwater Utility Fund	\$ -	\$ 88,000	\$ 112,800	\$ 24,800	28%

Table 8 - 2023 Expenditure Budget

Parks and Recreation Fund

With several capital projects planned in 2022, including the construction of a disc golf course and trails, and the purchase of property for a park, 2022 projected expenditures are more than the 2023 budget by \$1,347,100, or 64%. However, most of the planned 2022 expenditures will be completed in 2023.

Conservation Trust Fund

The transfer from the Conservation Trust Fund is \$250,000 lower in 2023 because the 2022 budget included \$250,000 to the Parks and Recreation Fund to construct the disc golf course.

Capital Improvements Fund

The 2023 budget is \$10,927,500 compared to the \$16,331,300 projected in 2022. A significant amount of capital improvements were budgeted in 2022 compared to 2023. See the detail on [page 93](#).

Stormwater Utility Fund

The budget for 2023 is \$112,800, which is to complete a stormwater utility fee rate study. Once the study is complete, estimated expenditures and revenues will be known and budgeted via a budget amendment.

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, which equals the ending fund balance. An adequate fund balance is important for having funds available for emergencies, unexpected events, and maintaining a strong financial position.

The 2023 fund balance in the General Fund maintains the City's healthy financial condition (see [Table 9](#)). The projected \$2,659,958 ending fund balance is 26% of operating expenditures and exceeds the reserve amount required by City policy by \$54,933. The fund balance policy requires a reserve of three months' worth (25%) of the budgeted operating expenditures. Best practice promoted by the Government Finance Officers' Association (GFOA) recommends a minimum balance of 2 months (16.7%).

2023 Ending Fund Balance Analysis - General Fund	
Beginning Fund Balance	\$ 2,783,158
Revenues	16,958,700
Expenditures	(17,081,900)
Ending Fund Balance	<u>\$ 2,659,958</u>
Total Expenditures	\$ 17,081,900
Less: Non-operating expenditures	(6,661,800)
Total Operating Expenditures	<u>\$ 10,420,100</u>
25% - Required Reserve Policy	<u>\$ 2,605,025</u>
Ending Fund Balance	\$ 2,659,958
25% Required Reserve	2,605,025
Excess/(Short) of Required Reserve	<u>\$ 54,933</u>
Fund Balance Reserve %	26%

Table 9. 2023 Fund Balance Analysis



Budget Detail

GENERAL FUND SUMMARY

The General Fund is the City's primary operating fund and accounts 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 services and capital improvements through transfers from the General Fund to their respective funds.

General Fund	2021 Audited Actual	2022 Amended Budget	2022 Year-end Projection	2023 Proposed Budget	YEP to Budget Change	% Change
Beginning Fund Balance	\$ 4,898,307	\$ 6,002,158	\$ 6,002,158	\$ 2,783,158	\$ (3,219,000)	-54%
Revenue	17,786,015	17,493,000	17,153,500	16,958,700	(194,800)	-1%
Expenditures	(9,225,067)	(10,250,600)	(9,686,900)	(10,055,000)	(368,100)	4%
Transfers Out	(7,457,096)	(10,555,400)	(10,685,600)	(7,026,900)	3,658,700	-34%
Ending Fund Balance	6,002,159	2,689,158	2,783,158	2,659,958	(123,200)	-4%

Table 10. General Fund Summary

REVENUE

% of Budget	General Fund Revenue	2021 Audited Actual	2022 Amended Budget	2022 Year-end Projection	2023 Proposed Budget	YEP to Budget Change	% Change
65%	Taxes	\$ 10,394,639	\$ 10,209,300	\$ 10,259,100	\$ 11,068,600	\$ 809,500	8%
5%	Franchise Fees	558,684	638,100	643,900	779,600	135,700	21%
1%	Licenses and Permits	295,356	256,000	255,100	237,000	(18,100)	-7%
11%	Intergovernmental	3,021,426	3,040,200	3,081,300	1,825,800	(1,255,500)	-41%
15%	Charges for Services	3,497,342	3,069,400	2,558,300	2,480,000	(78,300)	-3%
0%	Fines and Forfeitures	63,866	200,000	60,000	62,900	2,900	5%
3%	Other Revenue	(45,298)	80,000	295,800	504,800	209,000	71%
100%	Total Revenue	\$ 17,786,015	\$ 17,493,000	\$ 17,153,500	\$ 16,958,700	\$ (194,800)	-1%

Table 11. General Fund Revenue Summary

EXPENDITURES

% of budget	General Fund Expenditures	2021 Audited Actual	2022 Amended Budget	2023 Proposed Budget	YEP to Budget Change	% Change
1%	Elected Officials	\$ 91,277	\$ 160,100	\$ 157,900	\$ (2,200)	-1%
2%	City Manager	188,958	273,700	297,100	16,000	6%
2%	Inter/Non-Departmental	511,824	360,200	415,700	43,900	12%
1%	Communications	103,524	144,600	235,000	31,700	22%
1%	Legal Services	209,186	210,000	230,000	20,000	10%
2%	Finance/Human Resources	350,472	396,500	394,300	31,400	8%
2%	City Clerk	167,576	238,100	295,100	51,900	22%
0%	Municipal Court	42,103	41,100	41,500	600	1%
8%	Public Safety	1,074,078	1,248,100	1,287,400	54,300	4%
15%	Public Works	1,968,572	2,887,800	2,639,500	86,000	3%
13%	Community Development	2,827,209	2,472,700	2,247,900	99,600	4%
9%	Economic Development	1,479,655	1,602,900	1,537,000	(87,500)	-5%
2%	Community Events	210,633	214,800	276,600	21,800	10%
41%	Transfers Out	7,457,096	10,555,400	7,026,900	(3,658,700)	-35%
100%	Total Expenditures	\$ 16,682,163	\$ 20,806,000	\$ 17,081,900	\$ (3,291,200)	-16%

Table 12. General Fund Expenditures Summary

GENERAL FUND - ELECTED OFFICIALS

DESCRIPTION

Council members make policy decisions on various 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. Two City Council members represent each district and serve four-year staggered terms.

2023 BUDGET

	2021 Audited Actual	2022 Adopted Budget	2023 Proposed Budget	2023 to 2022 Budget Difference	% Difference
Elected Officials					
Compensation/Benefits	\$ 111	\$ 43,500	\$ 43,400	\$ (100)	0%
Other Operating	33,366	57,300	47,700	(9,600)	-17%
Contributions	57,800	59,300	66,800	7,500	13%
Total Elected Officials	\$ 91,277	\$ 160,100	\$ 157,900	\$ (2,200)	-1%

Table 13. Elected Officials Summary

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, information technology support, printing, central office supplies, postage) or those that are external to all departments (for example, contributions to other organizations).

2023 BUDGET

	2021 Audited Actual	2022 Adopted Budget	2023 Proposed Budget	2023 to 2022 Budget Difference	% Difference
Interdepartmental					
Compensation/Benefits	\$ 121,953	\$ -	\$ -	\$ -	
Other Operating	296,203	360,200	415,700	55,500	15%
Contributions	93,668	-	-	-	
Total Interdepartmental	\$ 511,824	\$ 360,200	\$ 415,700	\$ 55,500	15%

Table 14. Interdepartmental Summary

2023 BUDGET HIGHLIGHTS

- Other Operating - In anticipation of creating and hiring for two new Public Works positions, \$45,000 was added to the budget.

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 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.

2023 BUDGET

	2021 Audited Actual	2022 Adopted Budget	2023 Proposed Budget	2023 to 2022 Budget Difference	% Difference
City Manager					
Compensation/Benefits	\$ 173,972	\$ 260,300	\$ 281,200	\$ 20,900	8%
Other Operating	14,986	13,400	15,900	2,500	19%
Total City Manager	\$ 188,958	\$ 273,700	\$ 297,100	\$ 23,400	9%

Table 15. City Manager Summary

2023 DEPARTMENTAL GOALS/OBJECTIVES HIGHLIGHTS

- Update staff's implementation plan to carry out City Council's Strategic Plan - **SI, SP, VH, GG**
- Enhanced development and tracking of organizational performance measures - **GG**
- Relocation of City offices - **GG**
- Focus on enhanced external service delivery - **GG**
- Efficiency improvement in online and internal processes - **GG**
- Continued implementation of the Council's Road Solutions plan - **SI, SP, VH**
- Implement Happy Canyon Interchange process and early action items - **SI, SP, VH**

2022 ACCOMPLISHMENT HIGHLIGHTS

- Continued improvements to City-wide Communications, including hiring the current Communications Manager.
- Continued reconstruction improvements on City's major arterials.
- Enhanced grant research, application efforts, and grant reporting to the City Council.
- Created staff's Implementation Plan to carry out the City Council's Strategic Plan.
- Created the Community Dashboard and dashboard metrics to measure and communicate the progress made on the Strategic Plan.
- Restructured employee compensation to improve organizational competitiveness with the local labor market.

City Council Strategic Plan Key Focus Areas	Safe and Sustainable Infrastructure	SI
	A Sense of Place	SP
	Vibrant and Healthy Economic Development	VH
	Great Government	GG

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.

2023 BUDGET

	2021 Audited Actual	2022 Adopted Budget	2023 Proposed Budget	2023 to 2022 Budget Difference	% Difference
Communications					
Compensation/Benefits	\$ 47,697	\$ 89,500	\$ 110,200	\$ 20,700	23%
Other Operating	55,827	55,100	124,800	69,700	126%
Total Communications	\$ 103,524	\$ 144,600	\$ 235,000	\$ 31,700	16%

Table 16. Communications Summary

2023 BUDGET HIGHLIGHTS

- Compensation/Benefits - The hiring process was extremely competitive when hiring the current Communication Manager, and the difference reflects the increased salary.
- Other Operating - Continuing to improve city-wide communications.

2023 DEPARTMENTAL GOALS/OBJECTIVES HIGHLIGHTS

- Continue to expand and reach the broader Castle Pines community (those who may not already follow City communications channels) with important messaging - **GG**.
- Improve the permitting process on the City's website to make doing business with the City easier for contractors and businesses - **GG**.
- Increase resident knowledge of City Council actions by increasing communication opportunities via open houses, video messages, and electronic updates - **GG**.
- Expand media relations and increase coverage of Castle Pines activities by local media - **GG**.
- Improve website ADA compliance to ensure equitable access to information for stakeholders - **GG**.
- Refine and expand the Communications Plan to prioritize information sharing with residents, opportunities to provide feedback, and improve transparency - **GG**.

City Council Strategic Plan Key Focus Areas	Safe and Sustainable Infrastructure	SI
	A Sense of Place	SP
	Vibrant and Healthy Economic Development	VH
	Great Government	GG

GENERAL FUND - COMMUNICATIONS (cont.)

2022 ACCOMPLISHMENT HIGHLIGHTS

- Executed communications campaign for the SB-152 opt-out ballot measure.
- Expanded resident outreach and engagement using mailers, e-newsletters, resident surveys, telephone town halls, text messaging, and increased social media usage.
- Conducted a Community Survey and gathered feedback on City operations from more than 900 residents.
- Redesigned the City's homepage and navigation tools to make it easier for residents and other stakeholders to find and access information.
- Developed a 2023 Communications Plan to guide consistent communication and identify priorities.

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 include prosecution of criminal defendants, prosecution of Castle Pines code violations, providing civil defense counsel for the City and employees in administrative, county, state, and federal courts, representing the City in administrative hearings, county, state, and federal courts, and preparing contracts and other legal documents.

2023 BUDGET

	2021 Audited Actual	2022 Adopted Budget	2023 Proposed Budget	2023 to 2022 Budget Difference	% Difference
Legal Services					
Operating	\$ 209,186	\$ 210,000	\$ 230,000	\$ 20,000	10%

Table 17. Legal Summary



GENERAL FUND - FINANCE/HUMAN RESOURCES

DESCRIPTION

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

2023 BUDGET

	2021 Audited Actual	2022 Adopted Budget	2023 Proposed Budget	2023 to 2022 Budget Difference	% Difference
Finance/Human Resources					
Compensation/Benefits	\$ 137,045	\$ 145,000	\$ 181,600	\$ 36,600	25%
Other Operating	213,427	251,500	212,700	(38,800)	-15%
Total Finance/HR	\$ 350,472	\$ 396,500	\$ 394,300	\$ (2,200)	-1%

Table 18. Finance/HR Summary

2023 BUDGET HIGHLIGHTS

- Compensation/Benefits - A comprehensive salary study was completed, and compensation was increased to be more competitive with the labor market.
- Other Operating - Reduced building permits issued, resulting in reduced credit card fees collected.

2023 DEPARTMENTAL GOALS/OBJECTIVES HIGHLIGHTS

- Formal adoption of the long-term financial plan by the City Council - **GG**
- Formal adoption of the capital improvement plan by the City Council - **GG**
- Recruit and hire two new positions: CIP Manager, Permit Technician - **GG**

2022 ACCOMPLISHMENT HIGHLIGHTS

- Recruited and hired for four positions: Communications and Engagement Manager, Senior Planner, Stormwater Coordinator, and Executive Assistant
- Improved budget document
- Created the 2023 budget in conjunction with a five-year long-range financial plan
- Facilitated the creation of a five-year capital improvement plan
- Completed a comprehensive compensation study and compensation philosophy plan
- Completed audit for Equal Pay for Equal Work Act and found to be compliant
- Successful unemployment hearing

City Council Strategic Plan Key Focus Areas	Safe and Sustainable Infrastructure	SI
	A Sense of Place	SP
	Vibrant and Healthy Economic Development	VH
	Great Government	GG

GENERAL FUND - CITY CLERK

DESCRIPTION

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

2023 BUDGET

	2021 Audited Actual	2022 Adopted Budget	2023 Proposed Budget	2023 to 2022 Budget Difference	% Difference
City Clerk					
Compensation/Benefits	\$ 103,839	\$ 165,900	\$ 220,100	\$ 54,200	33%
Other Operating	63,737	72,200	75,000	2,800	4%
Total City Clerk	\$ 167,576	\$ 238,100	\$ 295,100	\$ 57,000	24%

Table 19. City Clerk Summary

2023 BUDGET HIGHLIGHTS

- Compensation/Benefits - A comprehensive salary study was completed, and compensation was increased to be more competitive with the labor market.

2023 DEPARTMENTAL GOALS/OBJECTIVES HIGHLIGHTS

- Training new Executive Assistant - **GG**
- Coordinate Municipal Election for open City Council seats and potential ballot measure - **GG**

2022 ACCOMPLISHMENT HIGHLIGHTS

- Successful onboarding of new City Council Members
- Successful training of Deputy City Clerk
- Coordination of Municipal Election for City ballot question
- Served as CMCA President

City Council Strategic Plan Key Focus Areas	Safe and Sustainable Infrastructure	SI
	A Sense of Place	SP
	Vibrant and Healthy Economic Development	VH
	Great Government	GG



GENERAL FUND - MUNICIPAL COURT

DESCRIPTION

The municipal court is committed to the administration of justice with equality, fairness, and integrity in an expeditious and timely manner. The court seeks equal access to justice, prompt and courteous service, independence, 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, service excellence, respect for the individual, and responsible use of resources, and strives to nurture public confidence and trust.

2023 BUDGET

	2021 Audited Actual	2022 Adopted Budget	2023 Proposed Budget	2023 to 2022 Budget Difference	% Difference
Municipal Court					
Operating	\$ 42,103	\$ 41,100	\$ 41,500	\$ 400	1%

Table 20. Municipal Court Summary

GENERAL FUND - LAW ENFORCEMENT

DESCRIPTION

The Douglas County Sheriff's Office provides law enforcement services through an annual Intergovernmental Agreement with the City of Castle Pines. Specifically, the Sheriff's Office delivers reactive patrol to enforce laws and respond to calls for service; proactive patrol to prevent and deter criminal activity; traffic patrol to enforce City traffic codes; investigation of crimes; participates 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; emergency management and disaster services in the event of an emergency; and liquor code compliance, enforcement and serving as law enforcement liaison to the liquor licensing authority.

2023 BUDGET

	2021 Audited Actual	2022 Adopted Budget	2023 Proposed Budget	2023 to 2022 Budget Difference	% Difference
Public Safety					
Operating	\$ 1,074,078	\$ 1,248,100	\$ 1,287,400	\$ 39,300	3%

Table 21. Law Enforcement Summary

GENERAL FUND - PUBLIC WORKS

DESCRIPTION

- Develop, implement, and communicate programs benefiting community safety and growth
- Pavement/roadway management - maintenance, repair, and reconstruction
- Snow and ice management
- Traffic analysis and traffic modifications
- Stormwater management (Stormwater Enterprise and MS4 Permit)
- Right of way permits
- Grading and sediment erosion control (GESC) permits
- Park/Open Space operations and maintenance
- Consulting and engineering oversight, construction document review, and site inspections

2023 BUDGET

	2021 Audited Actual	2022 Adopted Budget	2023 Proposed Budget	2023 to 2022 Budget Difference	% Difference
Public Works					
Compensation/Benefits	\$ 204,820	\$ 317,000	\$ 518,800	\$ 201,800	64%
Repair and Maintenance	960,965	1,447,500	1,017,500	(430,000)	-30%
Snow Removal	342,267	575,000	570,000	(5,000)	-1%
Other Operating	460,520	468,300	488,200	19,900	4%
Capital	-	80,000	45,000	(35,000)	-44%
Total Public Works	\$ 1,968,572	\$ 2,887,800	\$ 2,639,500	\$ (248,300)	-8%

Table 22. Public Works Summary

2023 BUDGET HIGHLIGHTS

- Compensation/Benefits - The City will add two new full-time positions in 2023: Capital Improvement Project Manager and Permit Technician. A comprehensive salary study was completed, and compensation was increased to be more competitive with the labor market. The new Stormwater Utility Fund will account for the Stormwater Coordinator position.
- Repair and Maintenance - Stormwater operations will be accounted for in the new Stormwater Utility Fund. Street repair and maintenance costs are expected to decrease with the completion of the road improvements to Castle Pines Parkway.
- Capital - Two vehicles were budgeted in 2022 vs. one in 2023 (for the new Capital Improvement Project Manager position).

GENERAL FUND - PUBLIC WORKS (cont.)

2023 DEPARTMENTAL GOALS/OBJECTIVES HIGHLIGHTS

- Onboard Permit Technician and Engineer/Project Manager to increase the effectiveness of the Public Work/Parks Recreation and Open Space Division - **GG**
- Enhance Public Works communication with the public - **GG**
- Implement Citizen Engagement Management application - **GG**
- Implement Asset Management program including tracking, identification, and work order system - **SI**
- Assessment of the city sidewalk, curb, and gutter condition - **SI**
- Evaluate residential concerns to develop solutions as needed - **SI**
- Analysis of existing fee schedule for possible future adjustments - **GG**
- Development and implementation of maintenance and operations of the newly formed stormwater enterprise, including identifying capital projects - **SI**
- Develop and implement a city-wide stormwater utility fee - **SI**
- Continue MS4 and Detention Pond mapping in the GIS system - **SI**
- Integrate and improve the interdepartmental review of development projects - **SI**
- Increase education and outreach to the community directly related to stormwater - **SI**
- HOA education on stormwater obligations - **GG**

City Council Strategic Plan Key Focus Areas	Safe and Sustainable Infrastructure	SI
	A Sense of Place	SP
	Vibrant and Healthy Economic Development	VH
	Great Government	GG

2022 ACCOMPLISHMENT HIGHLIGHTS

Engineering Division

- Updated Public Works documents and website forms.
- Evaluated and implemented efficient initial and final acceptance procedures.
- Evaluated and implemented efficient ROW permit scheduling and inspections.
- Implemented dumpster and storage pod permitting.
- Approved and implemented Castle Pines Roadway Standards.
- Manage all capital improvement projects.
- Determined long-range capital improvement needs for the forthcoming long-range Capital Improvement Plan.
- Grant applications – received new Bike/Ped Bridge design grant.

Operations Division

- Maintenance of traffic calming devices and reporting.
- General ROW clean up and sweeping operations.
- Continued repair of potholes throughout the city.
- Concrete curb, gutter, and sidewalk repairs focusing on areas.
- Ongoing development of more efficient sweeping and striping operations.
- Increased communication in snow removal operations (tracking primary plows).

GENERAL FUND - PUBLIC WORKS (cont.)

2022 ACCOMPLISHMENT HIGHLIGHTS (cont.)

Traffic Division

- Completed sign installations and striping to ensure safety around American Academy.
- Completed Bike Lane painting on CPP west of Monarch Blvd.
- Installed new wildlife identification signs.
- Utilization of traffic calming devices to obtain traffic counts and locational data.
- Traffic signal installation on Castle Pines Parkway and Canyonside Blvd.
- Installation of specialized signage when requested (deaf child).
- Continuous improvement of sign visibility throughout the city.

Stormwater Enterprise

- Onboarded Stormwater Coordinator.
- Evaluated and implemented updated stormwater regulations.
- Approved and implemented Castle Pines GESC manual.
- MS4 and Detention Pond mapping in the GIS system – ongoing.
- Expanded annual pond inspection program.
- Conducted storm sewer condition assessment and evaluation.
- Completed stormwater IGA with CPNMD.
- Increased participation with regional government agencies.
- Maintenance of storm sewer inlets.
- Transition to increased in-house coordination and review of GESC Permits.
- Increased enforcement of MS4 and GESC manual regulations.
- Updated stormwater documents and website forms.
- Implemented locate services for stormwater facilities.



GENERAL FUND - COMMUNITY DEVELOPMENT

DESCRIPTION

The Community Development Department comprises building, code enforcement, planning, and zoning. The Building Division is responsible for implementing and enforcing building codes and standards, plan examinations, building inspections, and enforcing International Building Codes. The Code Enforcement Division is responsible for enforcing 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.

2023 BUDGET

	2021 Audited Actual	2022 Adopted Budget	2023 Proposed Budget	2023 to 2022 Budget Difference	% Difference
Community Development					
Compensation/Benefits	\$ 213,176	\$ 235,700	\$ 300,100	\$ 64,400	27%
Building Services	2,332,689	1,965,100	1,708,800	(256,300)	-13%
Code Enforcement Services	12,430	21,600	32,000	10,400	48%
Other Operating	268,914	250,300	207,000	(43,300)	-17%
Total Community Develop.	\$ 2,827,209	\$ 2,472,700	\$ 2,247,900	\$ (224,800)	-9%

Table 23. Community Development Summary

2023 BUDGET HIGHLIGHTS

- Compensation/Benefits - A comprehensive salary study was completed, and compensation was increased to be more competitive with the labor market.
- Building Services - A decrease in expected building activity resulting in lower expenditures.
- Code Enforcement Services - increase in the number of code enforcement hours.
- Other Operating - Projects in 2022 will be complete.

2023 DEPARTMENTAL GOALS/OBJECTIVES HIGHLIGHTS

- Acquire land from the Douglas County School District for parkland - **SP**
- Continue the acquisition of Village Square roadways - **SP**
- Complete Unified Land Development Code - **GG, VH**
- Enhanced code enforcement efforts - **GG**
- Transition to 2021 International Building Codes - **GG**
- Pursue an amendment to The Canyons Planned Development to be consistent with the City's Comprehensive Plan Community Benefit Overlay designation - **GG**

City Council Strategic Plan Key Focus Areas	Safe and Sustainable Infrastructure	SI
	A Sense of Place	SP
	Vibrant and Healthy Economic Development	VH
	Great Government	GG

GENERAL FUND - COMMUNITY DEVELOPMENT (cont.)

2022 ACCOMPLISHMENT HIGHLIGHTS

- Improved code enforcement with the addition of a Code Enforcement Officer.
- Substantial progress on the Unified Land Development Code, which modernizes and consolidates the City's existing Subdivision and Zoning Ordinances.
- Completed the 2022 PaRC Plan Update.
- Enhanced online Land Use Application permitting software so that sign permits and all planning applications can be uploaded, reviewed, and issued electronically
- Successful acquisition of Pronghorn Disk Golf Park, a 35-acre park with walking and bike trails and an 18-hole disc golf course.
- Completed a rigorous number of residential and commercial land use entitlements.
- Continued work on the City's Gateway Project, which is nearing entitlements, including LifeTime Fitness.
- Hosted the City's first basement finish workshop, which was presented to residents and contractors.



GENERAL FUND - ECONOMIC DEVELOPMENT

DESCRIPTION

The purpose of the Economic Development function is to foster job growth by encouraging new business development and retention and expansion of existing businesses.

2023 BUDGET

	2021 Audited Actual	2022 Adopted Budget	2023 Proposed Budget	2023 to 2022 Budget Difference	% Difference
Economic Development					
Compensation/Benefits	\$ 72,864	\$ 72,200	\$ 81,900	\$ 9,700	13%
Other Operating	7,547	89,700	130,200	40,500	45%
Economic Incentives	1,399,244	1,441,000	1,324,900	(116,100)	-8%
Total Economic Develop.	\$ 1,479,655	\$ 1,602,900	\$ 1,537,000	\$ (65,900)	-4%

Table 24. Economic Development Summary

2023 BUDGET HIGHLIGHTS

- Other Operating - Membership and support provided to the Chamber are reallocated to the economic development cost center from Community Events.

2023 DEPARTMENTAL GOALS/OBJECTIVES HIGHLIGHTS

- Continue the formation of an Urban Renewal Authority or other opportunities to improve the City's Business District - **VH**
- Update the City's Economic Development Action Plan - **VH**
- Create a "pitch deck" presentation for marketing economic opportunities - **VH**

2022 ACCOMPLISHMENT HIGHLIGHTS

- Successfully executed a Memorandum of Understanding to form and participate in a county-wide Economic Development Collaborative.
- Joined the Denver Metro Economic Development Corporation.
- Initiated a City-wide 3D modeling effort which will be used for economic development marketing purposes.
- Commenced the exploratory phase of forming an Urban Renewal Authority to assist in revitalizing the City's Business Zone District.
- Acquisition of economic development software to better assist in understanding the performance of the City's Business District.

City Council Strategic Plan Key Focus Areas	Safe and Sustainable Infrastructure	SI
	A Sense of Place	SP
	Vibrant and Healthy Economic Development	VH
	Great Government	GG

GENERAL FUND - COMMUNITY EVENTS

DESCRIPTION

Community events are held throughout the year to enhance the sense of our Castle Pines community and promote regional awareness and economic development. Community events include spring, summer, fall, and holidays.

2023 BUDGET

	2021 Audited Actual	2022 Adopted Budget	2023 Proposed Budget	2023 to 2022 Budget Difference	% Difference
Community Events					
Compensation/Benefits	\$ 19,057	\$ 24,800	\$ 39,600	\$ 14,800	60%
Other Operating	186,576	150,000	237,000	87,000	58%
Contributions	5,000	40,000	-	(40,000)	-100%
Total Community Events	\$ 210,633	\$ 214,800	\$ 276,600	\$ 61,800	29%

Table 25. Community Events Summary

2023 BUDGET HIGHLIGHTS

- Compensation/Benefits - A comprehensive salary study was completed, and compensation was increased to be more competitive with the labor market.
- Other Operating - Increase the number of community events throughout the year.

GENERAL FUND - TRANSFERS OUT

DESCRIPTION

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

2023 BUDGET

	2021 Audited Actual	2022 Adopted Budget	2023 Proposed Budget	2023 to 2022 Budget Difference	% Difference
Transfers Out					
Parks and Recreation Fund	\$ 432,096	\$ 450,400	\$ 626,900	\$ 176,500	39%
Capital Improvement Fund	7,025,000	10,105,000	6,400,000	(3,705,000)	-37%
Total Transfers Out	\$ 7,457,096	\$ 10,555,400	\$ 7,026,900	\$ (3,528,500)	-33%

Table 26. Transfers Out Summary

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, supported by park user fees and General Fund revenues.

2023 BUDGET

	2021 Audited Actual	2022 Adopted Budget	2022 Year-end Projection	2023 Proposed Budget	2023 to 2022 Budget Difference	% Difference
PARKS AND RECREATION FUND						
Beginning Fund Balance	\$ 505,406	\$ 667,152	\$ 667,152	\$ 178,152	\$ (489,000)	-73%
Revenues	140,080	376,500	676,500	22,100	(354,400)	-94%
Transfers In	532,096	800,400	930,600	726,900	(73,500)	-9%
Total Revenue and Transfers	672,176	1,176,900	1,607,100	749,000	(427,900)	-36%
Expenditures						
Compensation/Benefits	132,293	149,500	151,400	174,200	24,700	17%
Repair and Maintenance	162,105	198,000	239,000	302,000	104,000	53%
Other Operating	96,214	123,400	110,700	122,800	(600)	0%
Capital	19,818	895,300	1,400,000	50,000	(845,300)	-94%
Contributions/Other	100,000	100,000	195,000	100,000	-	0%
Total Expenditures	510,430	1,466,200	2,096,100	749,000	(717,200)	-49%
Ending Fund Balance	667,152	377,852	178,152	178,152	(199,700)	-53%

Table 27. Parks and Recreation Summary

2023 BUDGET HIGHLIGHTS

- Revenues - The 2022 Budget and Year-end Projection include a state grant and contributions for Parks Capital Projects.
- Compensation/Benefits - A comprehensive salary study was completed, and compensation was increased to be more competitive with the labor market.
- Repair and Maintenance - Open Space Maintenance was increased for wildfire mitigation. Landscape Maintenance was increased to overhaul vegetation in the park and other areas.
- Capital - The 2022 budget had a robust capital improvement agenda, including constructing a disc golf course, pickleball courts (subsequently postponed or removed), and trails.

2023 DEPARTMENTAL GOALS/OBJECTIVES HIGHLIGHTS

- Implementation of Wi-Fi upgrade for the irrigation clock and security system - **SI**
- Bathroom lock upgrades - **SI**
- Continued evaluation of potential splash pad maintenance - **SI**

City Council Strategic Plan Key Focus Areas	Safe and Sustainable Infrastructure	SI
	A Sense of Place	SP
	Vibrant and Healthy Economic Development	VH
	Great Government	GG

PARKS AND RECREATION FUND (cont.)

2023 DEPARTMENTAL GOALS/OBJECTIVES HIGHLIGHTS (cont.)

- IGA with CPNMD to incorporate parks, recreation, and open space properties and facilities into city management - **SP**
- Development and implement overall city parks and open space plans - **SP, GG**
- Landscaping bed upgrades - **SP**
- Installation of natural staircases to accommodate non-approved accesses - **SI**
- Tree evaluation in Elk Ridge Park - **SI**
- On-going sidewalk/trail repairs - **SI**
- Continue playground equipment evaluation - **SI**
- Construction of Pronghorn Disc Golf course.

2022 ACCOMPLISHMENT HIGHLIGHTS

- Completion of ongoing maintenance and repairs of all the facilities.
- Upgrade cellular connectivity for the irrigation clock and security system.
- Address walking paths through landscape areas.
- On-going sidewalk/trail repairs.
- On-going Park maintenance, including planting beds, turf grass, native grass, and artificial turf field.
- Evaluate the longevity of the artificial turf field for potential replacement or repairs.
- Accept, develop, and implement the maintenance plans for the newly acquired open space tracts.
- Completed design and bidding of Pronghorn Disc Golf Park.
- Completed the necessary upgrades to the splash pad.

CONSERVATION TRUST FUND

DESCRIPTION

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

2023 BUDGET

	2021 Audited Actual	2022 Adopted Budget	2022 Year-end Projection	2023 Proposed Budget	2023 to 2022 Budget Difference	% Difference
CONSERVATION TRUST FUND						
Beginning Fund Balance	\$ 387,442	\$ 356,926	\$ 356,926	\$ 75,226	\$ (281,700)	-79%
Revenue	69,485	68,300	68,300	78,000	9,700	14%
Transfers Out	(100,000)	(350,000)	(350,000)	(100,000)	250,000	-71%
Ending Fund Balance	\$ 356,927	\$ 75,226	\$ 75,226	\$ 53,226	\$ (22,000)	-29%

Table 28. Conservation Trust Summary

2023 BUDGET HIGHLIGHTS

- Transfer Out - 2022 included transfer to Parks and Recreation Fund for a capital project.

NORTH PINE VISTAS METRO DISTRICT NOS. 1-3 O&M FUND

DESCRIPTION

The North Pine Vistas Metro District Nos. 1-3 O&M Fund accounts for restricted revenue from the metro district to own, operate, and maintain specific public improvements previously the district's responsibility.

2023 BUDGET

	2021 Audited Actual	2022 Adopted Budget	2022 Year-end Projection	2023 Proposed Budget	2023 to 2022 Budget Difference	% Difference
<u>NORTH PINE VISTAS METRO DISTRICT NOS. 1-3 O&M FUND</u>						
Beginning Fund Balance			\$ -	\$ -	\$ -	
Revenue			282,700	231,600	231,600	
Expenditures			(282,700)	(231,600)	(231,600)	
Ending Fund Balance			\$ -	\$ -	\$ -	

Table 29. NPVMD Fund Summary

2023 BUDGET HIGHLIGHTS

- Revenue - Revenue received in 2022 was to complete unfinished improvements to property transferred to the City. Revenue in 2023 will be district property tax revenue pursuant to an IGA between the district and the City.
- Expenditures - The level of expenditures that eight mills of property tax support. Planned costs include repairs, maintenance, and snow removal.



CAPITAL IMPROVEMENTS FUND

DESCRIPTION

The Capital Improvement Fund accounts for most of the City's capital expenditures. Capital expenditure is for an asset costing at least \$5,000 and has or extends the asset's usable life by five or more years. Expenditures also include planning for capital improvements. The City 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 approved by the City Council for the current year of the Capital Improvement Plan. Fees and General Fund revenues support it.

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 in 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.

2023 BUDGET

	2021 Audited Actual	2022 Adopted Budget	2022 Year-end Projection	2023 Proposed Budget	2023 to 2022 Budget Difference	% Difference
CAPITAL IMPROVEMENTS FUND						
Beginning Fund Balance	\$ 2,470,981	\$ 3,790,422	\$ 3,790,422	\$ 1,017,122	\$ (2,773,300)	-73%
Revenue	60,989	3,453,000	3,453,000	4,100,000	647,000	19%
Transfer In	7,025,000	10,105,000	10,105,000	6,400,000	(3,705,000)	-37%
Total Revenue and Transfer In	7,085,989	13,558,000	13,558,000	10,500,000	(3,705,000)	-27%
Expenditures						
Capital Improvements	2,724,548	16,406,300	16,331,300	10,927,500	(5,478,800)	-33%
Transfers Out	3,042,000	-	-	-	-	-
Total Expenditures	5,766,548	16,406,300	16,331,300	10,927,500	(5,478,800)	-33%
Ending Fund Balance	\$ 3,790,422	\$ 942,122	\$ 1,017,122	\$ 589,622	\$ (999,500)	-106%

2023 BUDGET HIGHLIGHTS

- Revenue and Expenditures - Revenue and expenditures may vary significantly from year to year depending on funds available and the projects to be completed. For more information, see Policy Questions #2, #3, and #9 beginning on page 57.

CAPITAL IMPROVEMENTS FUND (cont.)

2023 DEPARTMENTAL GOALS/OBJECTIVES HIGHLIGHTS

- Complete construction on Monarch Blvd. from Winterberry to the north city limit line rehabilitation project and bike lanes - **SI**
- Complete construction on Monarch Blvd. from Castle Pines Parkway to Glenn Oaks reconstruction, including bike lanes - **SI**
- Complete design on Monarch from Castle Glenn Oaks to Winterberry reconstruction, including bike lanes - **SI**
- Complete traffic signal camera upgrades on CPP and Lagae, Village Square, and Debbie to a smart camera system - **SI**
- Identify streets, create a bid package, and complete the 2023 Road Paving Project - **SI**
- Continue development of Happy Canyon Bridge improvements - **SI**
- Continuous evaluation of city-wide bike lane improvements - **SI**
- Spring tributary repair design jointly with MHFCD - **SI, GG**
- Construction of Lagae Family Parcel trail – Phase 1 - **SI**

City Council Strategic Plan Key Focus Areas	Safe and Sustainable Infrastructure	SI
	A Sense of Place	SP
	Vibrant and Healthy Economic Development	VH
	Great Government	GG

2022 ACCOMPLISHMENT HIGHLIGHTS

- Completed reconstruction of Castle Pines Parkway from Village Square Drive to Yorkshire.
- Completed reconstruction and improvements to Castle Pines Parkway and Lagae Road Intersection.
- Completed evaluation for warrants of a new RRFB/sidewalk at Monarch Blvd and Briar Dale Dr./Burggarten Dr. and Monarch Blvd. and Serena Ave./Tapadero Way with installation this year if materials are available.
- Completed traffic signal camera upgrades on CPP and Timber Trail, Monarch Blvd., and Yorkshire Dr. to a smart camera system.
- Completed design on Monarch from Winterberry to north city limit line rehabilitation project and bike lanes.
- Completed design on Monarch from Castle Pines Parkway to Glenn Oaks reconstruction, including bike lanes.
- Completed the upgrades to the City's street signs with the City of Castle Pines logo and the newly adopted city standards.
- Development of Happy Canyon Bridge improvements.
- Completed updated pavement condition analysis of the entire city.

COMMUNITY CAPITAL INVESTMENT FUND

DESCRIPTION

The Community Capital Investment Fund accounts for the setting aside and accumulating funds reserved for future capital asset purposes. Other funds may be one-time revenues that City Council desires to save for specific future capital projects.

2023 BUDGET

	2021 Audited Actual	2022 Adopted Budget	2022 Year-end Projection	2023 Proposed Budget	2023 to 2022 Budget Difference	% Difference
COMMUNITY CAPITAL INVESTMENT FUND						
Beginning Fund Balance	\$ -	\$ 3,042,000	\$ 3,042,000	\$ 3,042,000	\$ -	
Transfer In	3,042,000	-	-	-	-	
Total Revenue and Transfer In	3,042,000	-	-	-	-	
Ending Fund Balance	\$ 3,042,000	\$ 3,042,000	\$ 3,042,000	\$ 3,042,000	\$ -	

Table 30. Community Capital Investment Fund Summary

STORMWATER UTILITY FUND

DESCRIPTION

The Stormwater Utility Fund is an enterprise fund (not supported by taxes). It accounts for the repair and maintenance of the City's stormwater drainage system, capital improvements to the stormwater system, and the collection of fees that support the costs.

2023 BUDGET

	2021 Audited Actual	2022 Adopted Budget	2022 Year-end Projection	2023 Proposed Budget	2023 to 2022 Budget Difference	% Difference
STORMWATER UTILITY FUND						
Beginning Fund Balance			\$ -	\$ 1,014,000	\$ 1,014,000	
Revenue			1,102,000	-	-	
Total Revenue/Transfer In			1,102,000	-	-	
Expenditures						
Compensation/Benefits			13,000	112,800	112,800	
Other Operating			75,000	-	-	
Total Expenditures			88,000	112,800	112,800	
Ending Fund Balance			\$ 1,014,000	\$ 901,200	\$ 901,200	

Table 31. Stormwater Utility Fund Summary

2023 BUDGET HIGHLIGHTS - This is a new fund. Budgeted expenditures are to complete a stormwater study. The stormwater function is currently performed by a district and will be transitioned to City responsibility in 2023. The revenue and expenditures budget will be developed as part of the study.



Long-Term Financial Plan

LONG-TERM FINANCIAL PLAN

The City recently established a policy calling for developing a long-term financial plan (LTFP) to forecast operating expenditures and revenue for the next three to five years. The plan is to be updated before the annual budget process starts.

The purpose of the LTFP will be to analyze long-term trends and projections of revenue, expenditures, debt, and non-current liabilities to ensure the preservation of the City's ongoing financial health (i.e., favorable operating position for at least the coming five years) and to uncover potential long-term imbalances. City Council must be notified when there are likely long-term positive or adverse trends, along with an analysis of these trends and possible solutions identified.

To guide budget development with a long-term perspective, the City used five-year forecasts for revenue and expenditures for the past several years; however, this is the first year for the financial forecasts to be included within the budget document. The planning effort for 2023 through 2027 was briefly and informally presented to City Council during the 2023 budget process. The subsequent long-term financial plan, from 2024 through 2028, will be formally presented to City Council during the 2024 budget process.

A conservative approach is used to forecast revenues and expenditures. Revenue estimates tend to be lower, and expenditure estimates are higher. The further out in the forecast, the truer this becomes.

Forecasting Ongoing/Operating Revenues

Most of the revenue forecast is based on projected population growth and inflation, for example, sales tax, motor vehicle use tax, franchise fees, and highway users' tax revenues. The City's forecast for inflation is based on state economist forecasts found in state government reports like the Economic & Revenue Forecast published by the Colorado Legislative Council Staff. The population growth forecast is based on community development expectations for new residential home construction. The forecast also includes community development expectations for building permits to be issued for new commercial building construction, residential and commercial alterations, and other permit types. The valuation of the building permits is used to forecast construction materials use tax revenue and building permit fees. Property tax revenue is forecast based on the estimated growth in new residential and commercial property assessed valuation (property is reappraised every other year) plus estimates of new construction valuation. Other revenues are based on a percentage of similar revenues. For example, the specific ownership tax forecast is equal to 10 percent of property tax, and County shareback revenues are based on a percentage of City sales or use tax. Interest earnings revenue is based on forecasted interest rates, and other revenues are based on historical trends or held flat year after year.

Forecasting Operating Expenditures

Most operating expenditure forecasts are based on inflation. Compensation expenditures are estimated based on anticipated salary increases from merit and market adjustments. Some benefits like retirement and taxes are based on a percentage of the salary. Health insurance is based on historical trends, and forecasts are typically greater than the inflation rate. Other expenditure forecasts are based on known contractual agreement increases.

2023-2027 Long-Term Financial Plan

Forecast Assumptions	2023 Budget	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
Inflation Rate	7.9%	4.6%	3.1%	3.0%	3.0%
Population Growth	14.3%	12.8%	9.1%	6.4%	5.4%
Valuation Reappraisal Increase	0%	10%	0%	6%	0%
Average Interest Earnings Rate	2.3%	2.0%	2.1%	2.1%	2.2%

Table 33. LTFP Forecast Assumptions

Operating Revenue	2023 Budget	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
Property Tax	\$ 1,200,300	\$ 1,320,300	\$ 1,320,300	\$ 1,399,500	\$ 1,399,500
Specific Ownership Tax	120,000	132,000	132,000	140,000	140,000
Sales Tax	4,531,200	5,321,800	5,970,800	6,531,000	7,082,000
Construction Materials Use Tax	3,257,200	2,502,600	2,569,600	3,000,600	5,878,700
Motor Vehicle Use Tax	1,959,900	2,301,900	2,582,600	2,824,900	3,063,200
Franchise Fees	779,600	915,700	1,027,400	1,123,800	1,218,600
Licenses and Permits	237,000	205,000	137,000	155,000	137,000
Highway Users Tax Fund	323,000	379,400	425,700	465,600	504,900
Motor Vehicle Registration Fees	54,400	61,400	67,000	71,300	75,200
Road and Bridge Prop Tax Shareback	591,300	650,400	650,400	689,400	689,400
Roads Sales Tax Shareback	182,300	214,100	240,200	262,700	284,900
Roads Motor Vehicle Use Tax Shareback	231,000	271,300	304,400	333,000	361,100
Construction Materials Use Tax Shrbck	430,700	330,900	339,800	396,800	777,400
Planning and Zoning Fees	70,000	100,000	100,000	250,000	400,000
Building Permit Fees	2,117,200	1,626,700	1,670,200	1,950,400	3,821,200
Public Works Fees	200,000	200,000	200,000	200,000	200,000
Court Fines	62,900	65,800	67,900	69,900	72,000
Interest Earnings and Other	610,700	497,500	468,900	462,600	533,600
Total General Fund	\$ 16,958,700	\$ 17,096,800	\$ 18,274,200	\$ 20,326,500	\$ 26,638,700

Table 34. LTFP Forecast Revenues

Operating Expenditures and Transfers Out	2023 Budget	2024 Forecast	2025 Forecast	2026 Forecast	2027 Forecast
Elected Officials	\$ 157,900	\$ 197,500	\$ 190,600	\$ 201,000	\$ 193,700
City Manager	297,100	306,900	316,300	326,200	336,100
Inter/Non-departmental	415,700	395,600	405,600	415,600	425,800
Communications	235,000	192,000	198,100	204,100	210,500
Legal Services	230,000	240,600	248,000	255,400	263,000
Finance/Human Resources	394,300	393,400	398,300	409,100	419,500
City Clerk	295,100	314,400	324,600	336,300	344,700
Municipal Court	41,500	42,700	43,600	44,500	45,400
Public Safety	1,287,400	1,411,400	1,414,300	1,496,400	1,499,300
Public Works	2,639,500	2,586,900	2,666,600	2,746,700	2,828,800
Community Development	2,247,900	1,858,700	1,911,100	2,081,600	3,507,700
Economic Development	1,537,000	1,340,900	1,384,500	1,293,900	2,268,800
Community Events	276,600	288,700	297,700	306,600	315,700
Transfer to Parks and Recreation Fund	626,900	475,900	490,700	505,900	521,200
Transfer to Capital Improvements Fund	6,400,000	7,200,000	7,900,000	9,600,000	12,800,000
Total General Fund	\$ 17,081,900	\$ 17,245,600	\$ 18,190,000	\$ 20,223,300	\$ 25,980,200

Table 32. LTFP Forecast Expenditures

Revenue and expenditures through the entire five-year period generally follow the forecast assumptions. There are no planned increases in the number of positions or new or special projects.

Only the General Fund is included in this presentation because operating expenditures accounted for in other City funds are funded by the General Fund. The long-term financial analysis also includes transfers to the Parks and Recreation Fund and the Capital Improvements Fund. The transfer to the Parks and Recreation Fund funds park operations.

The transfer to the Capital Improvements Fund is a forecast of the funds that will be available to fund annual capital expenditures after all operating expenditures are met. The amount of the transfer is the fund balance that is available after meeting the operating expenditures in the General Fund and the Parks and Recreation Fund, and maintaining the ending fund balance at or above the City's policy reserve requirement. The General Fund Reserve Policy requires the budgeted fund balance to be no less than three (3) months or 25% of the funds operating expenditures.

Planned transfers to the Capital Improvements Fund for the next five years are as follows. The large increases in 2026 and 2027 are due to significant commercial construction activity resulting in increases in construction materials use tax revenue. The transfers flow through to the Capital Improvement Plan, which is in the next section of the budget document.

2023 - \$6,200,000

2025 - \$7,900,000

2027 - \$12,800,000

2024 - \$7,200,000

2026 - \$9,600,000

Following the transfers to the Capital Improvements Fund, the fund balance reserve requirement meets the 25% (3-month) policy amount throughout the five years.





Capital Improvement Plan

CAPITAL IMPROVEMENT PLAN

The City prepares a five-year Capital Improvement Plan (CIP) to guide discussion and decision-making on current-year and potential future-year capital expenditures in conjunction with available revenue while maintaining the City's excellent financial health. Decision-making includes determining the timeline for necessary capital improvements or purchases. A CIP matches planned expenditures with available funding sources and will identify if funding sources are sufficient or if an expenditure-to-revenue gap exists. When the CIP detects a gap, desired capital funding may need to be delayed or a form of financing may need to be decided upon.

Prior to the 2023-2027 CIP, the City's most recent CIP was for 2019 through 2023. Since the 2019-2023 CIP, the City Council and staff have discussed future capital needs; however, the CIP was not updated until the 2023-2027 Capital Improvement Plan. The 2019-2023 CIP specified planned capital expenditures but did not identify funding sources. As a CIP should, the 2023-2027 CIP now includes forecasted revenue and any projected revenue gap is identified. This year's CIP was prepared by staff based on a capital needs discussion with City Council but the plan has yet to be formally presented or even adopted by City Council. Staff anticipates that the 2024-2028 CIP will be a formal presentation and adoption process.

The bulk of the City's CIP is made up of roadway and transportation capital improvements. In addition, the CIP may also contain parks, recreation, or other municipal capital projects or acquisitions. The process for developing the CIP is as follows:

1. Identify capital needs or desires for the CIP timeframe.
2. Forecast revenue available - including City funds, grant funds, and contributions.
 - A capital improvement plan and a long-term financial plan must be completed concurrently to determine available City funding. The City's 2023-2027 Long-Term Financial Plan begins on page 97.
3. Match capital expenditures with available revenue.
4. Identify revenue gaps - expenditures greater than revenue available.
5. Determine the course of action when revenue gaps exist. Depending on when the gap occurs or the size of the gap, a decision to reduce, postpone, or eliminate may be necessary. Alternatively, additional revenue sources may need to be found or financing may need to be considered. When financing is considered, repayment needs to be added to the financial plan.
6. Update the CIP annually or in the interim should revenues or needs change.

2023-2027 Capital Improvement Plan

The years 2020 through 2022 are included for reference. The adopted 2023 Budget is also included; however, 2023 capital plans have changed since the budget was adopted in November and are reflected in the 2023 CIP column below.

2020-2023

Capital Improvements	2020 Actual	2021 Actual	2022 Budget	2023 Budget
Castle Pines Parkway - Monarch to Yorkshire (Bucket 3)	\$ 118,234	\$ 2,205,384		
Castle Pines Parkway - Yorkshire to Village Square (Bucket 3)		\$ 127,195	\$ 10,435,400	
Monarch Blvd Widening/Bike Lane Winter Berry - North City Limits (Bucket 3)			\$ 500,000	\$ 1,400,000
Monarch Blvd - CPP to Glen Oaks (Bucket 3)				\$ 5,500,000
Local and Collector Street Improvements (Bucket 1/2)	\$ 5,192,930	\$ 155,415	\$ 2,144,600	
Local and Collector Street Rehabilitation (Bucket 2)				\$ 1,265,000
Roadway Preventative Maintenance (Bucket 1)				\$ 512,500
Happy Canyon and Lagae Road Reconfiguration/Roundabout and Bridge over I-25	\$ 14,934	\$ 16,158	\$ 633,900	\$ 800,000
Traffic Signal Improvements	\$ 84,530	\$ 66,946	\$ 183,000	\$ 125,000
Pedestrian Safety Improvements	\$ 4,456	\$ 39,565	\$ 75,000	\$ 75,000
Sidewalk Improvements - Forest Park to Timbertrail Elementary				\$ 500,000
Gateway/Wayfinding - North Monarch				\$ 750,000
Gateway/Wayfinding - CPP/I-25	\$ 33,787	\$ 22,570	\$ 1,277,400	
Lagae Road/CPP Intersection Improvements	\$ 48,785	\$ 15,821	\$ 732,000	
Monarch Blvd Landscaping			\$ 250,000	
Streetsign Conversion			\$ 100,000	
Streetlights from IREA	\$ 109,501			
Conduit Installation under New Roads	\$ 20,952			
Municipal Facility	\$ 379,228	\$ 75,494		
Pronghorn Park & Disc Golf Course				\$ 550,000
Canyonside Park				\$ 50,000
Lennar Neighborhood Trails			\$ 300,000	
Parkland Acquisition				\$ 450,000
Other	\$ 23,434			
Community Capital Investment Fund		\$ 3,042,000		
Total Capital Improvements	\$ 6,030,771	\$ 5,766,548	\$ 16,631,300	\$ 11,977,500

Table 35. CIP Capital Improvements - 2020-2023

Funding Sources	2020 Actual	2021 Actual	2022 Budget	2023 Budget
General Fund Long-term Projection of Funds Available for CIP	\$ 4,000,000	\$ 7,025,000	\$ 10,105,000	\$ 6,450,000
Douglas County Contribution - Bucket 3			\$ 3,000,000	\$ 3,000,000
Douglas County Contribution - Happy Canyon/Lagae Reconfigure/Roundabout/Bridge			\$ 328,000	\$ 200,000
School Mitigation Fees - Forest Park to Timbertrail Elementary Sidewalk				\$ 500,000
School Mitigation Fees - Lennar Neighborhood Trails			\$ 300,000	
DRCOG Grant - Happy Canyon/Lagae Reconfigure/Roundabout/Bridge				\$ 400,000
Developer Contribution - Lagae/CPP Intersection		\$ 60,989		
LS Partners Contribution - Future Facility	\$ 3,422,223			
HOA1 Contribution - Monarch Landscaping			\$ 125,000	
Douglas County Contribution - Pronghorn Park & Disc Golf Course				\$ 300,000
Castle Pines Park Authority Balance - Parkland Acquisition				\$ 450,000
Conservation Trust Fund - Pronghorn Park & Disc Golf Course				\$ 250,000
Total Funding Sources	\$ 7,422,223	\$ 7,085,989	\$ 13,858,000	\$ 11,550,000

Table 36. CIP Funding Sources - 2020-2023

Fund Balance	2020 Actual	2021 Actual	2022 Budget	2023 Budget
Beginning Balance	\$ 1,079,529	\$ 2,470,981	\$ 3,790,422	\$ 1,017,122
Net Increase to Fund Balance	\$ 1,391,452	\$ 1,319,441	\$ -	\$ -
Net Use of Fund Balance	\$ -	\$ -	\$ (2,773,300)	\$ (427,500)
Ending Balance	\$ 2,470,981	\$ 3,790,422	\$ 1,017,122	\$ 589,622

Table 37. CIP Fund Balance - 2020-2023

2023 to 2027

Capital Improvements	2023 CIP	2024 CIP	2025 CIP	2026 CIP	2027 CIP	2023-2027 CIP
Monarch Blvd Widening/Bike Lane Winter Berry - North City Limits (Bucket 3)	\$ 2,300,000					\$ 2,300,000
Monarch Blvd - CPP to Glen Oaks (Bucket 3)		\$ 5,500,000				\$ 5,500,000
Monarch Blvd - Glen Oaks to Winterberry (Bucket 3)		\$ 5,375,000				\$ 5,375,000
Monarch Blvd - CPP to Shoreham Circle (Bucket 3)			\$ 5,950,000			\$ 5,950,000
Castle Pines Parkway - Monarch to Forest Park Dr (Bucket 3)				\$ 7,000,000		\$ 7,000,000
Arterial Improvements - TBD (Bucket 3)					\$ 8,500,000	\$ 8,500,000
Local and Collector Street Rehabilitation (Bucket 2)	\$ 1,265,000	\$ 1,265,000	\$ 1,480,000	\$ 1,580,000	\$ 1,895,000	\$ 7,485,000
Roadway Preventative Maintenance (Bucket 1)	\$ 512,500	\$ 665,500	\$ 665,500	\$ 769,500	\$ 769,500	\$ 3,382,500
Castle Pines Parkway Rehabilitation (Bucket 3)			\$ 2,375,000	\$ 2,675,000		\$ 5,050,000
Happy Canyon and Lagae Road Reconfiguration/Roundabout and Bridge over I-25	\$ 2,300,000	\$ 2,000,000	\$ 2,000,000	\$ 22,000,000	\$ 22,100,000	\$ 50,400,000
I-25 and Castle Pines Pkwy. Bike/Ped Overpass		\$ 1,500,000				\$ 1,500,000
Traffic Signal Improvements	\$ 125,000	\$ 125,000	\$ 135,000	\$ 135,000	\$ 150,000	\$ 670,000
Pedestrian Safety Improvements	\$ 75,000	\$ 85,000	\$ 85,000	\$ 95,000	\$ 95,000	\$ 435,000
Sidewalk Improvements - Forest Park to Timbertrail Elementary	\$ 500,000					\$ 500,000
Gateway/Wayfinding - North Monarch	\$ 750,000					\$ 750,000
Pronghorn Park & Disc Golf Course	\$ 550,000					\$ 550,000
Roadway Access to Pronghorn Park	\$ 575,000					\$ 575,000
Canyonside Park	\$ 50,000					\$ 50,000
Parkland Acquisition	\$ 450,000					\$ 450,000
Douglas County 2023 Advance Repayment - 10 years		\$ 400,000	\$ 400,000	\$ 400,000	\$ 400,000	\$ 1,600,000
Douglas County 2026 Advance Repayment - 10 years					\$ 250,000	\$ 250,000
Douglas County 2027 Advance Repayment - 10 years (begin in 2028)						\$ -
Total Capital Improvements	\$ 9,452,500	\$ 16,915,500	\$ 13,090,500	\$ 34,654,500	\$ 34,159,500	\$ 108,272,500

Table 38. CIP Capital Improvements - 2023-2027

Funding Sources	2023 CIP	2024 CIP	2025 CIP	2026 CIP	2027 CIP	2023-2027 CIP
General Fund Long-term Projection of Funds Available for CIP	\$ 6,450,000	\$ 7,200,000	\$ 7,900,000	\$ 9,600,000	\$ 12,800,000	\$ 43,950,000
Douglas County Contribution - Bucket 3		\$ 4,000,000				\$ 4,000,000
Douglas County Contribution - Happy Canyon/Lagae Reconfigure/Roundabout/Bridge	\$ 200,000	\$ 250,000	\$ 250,000			\$ 700,000
Douglas County Contribution - Bike/Ped Overpass		\$ 200,000				\$ 200,000
Douglas County 2023 Advance	\$ 4,000,000					\$ 4,000,000
Douglas County 2026 Advance				\$ 2,500,000		\$ 2,500,000
Douglas County 2027 Advance					\$ 2,500,000	\$ 2,500,000
School Mitigation Fees - Forest Park to Timbertrail Elementary Sidewalk	\$ 500,000					\$ 500,000
DRCOG Grant - Bike/Ped Overpass		\$ 1,100,000				\$ 1,100,000
DRCOG Grant - Happy Canyon/Lagae Reconfigure/Roundabout/Bridge	\$ 400,000	\$ 1,500,000	\$ 1,500,000			\$ 3,400,000
Grants/Developer Contributions - Happy Canyon/Lagae Reconfigure/Roundabout/Bridge				\$ 16,500,000	\$ 16,500,000	\$ 33,000,000
Douglas County Contribution - Pronghorn Park & Disc Golf Course	\$ 300,000					\$ 300,000
Castle Pines Park Authority Balance - Parkland Acquisition	\$ 450,000					\$ 450,000
Conservation Trust Fund - Pronghorn Park & Disc Golf Course	\$ 250,000					\$ 250,000
Total Funding Sources	\$ 12,550,000	\$ 14,250,000	\$ 9,650,000	\$ 28,600,000	\$ 31,800,000	\$ 96,850,000

Table 39. CIP Funding Sources - 2023-2027

Fund Balance	2023 CIP	2024 CIP	2025 CIP	2026 CIP	2027 CIP	2023-2027 CIP
Beginning Balance	\$ 1,017,122	\$ 4,114,622	\$ 1,449,122	\$ -	\$ -	\$ 1,017,122
Net Increase to Fund Balance	\$ 3,097,500	\$ -	\$ -	\$ -	\$ -	\$ 3,097,500
Net Use of Fund Balance	\$ -	\$ (2,665,500)	\$ (3,440,500)	\$ (6,054,500)	\$ (2,359,500)	\$ (14,520,000)
CIP NEED - TBD			\$ 1,991,378	\$ 6,054,500	\$ 2,359,500	\$ 10,405,378
Ending Balance	\$ 4,114,622	\$ 1,449,122	\$ -	\$ -	\$ -	\$ -

Table 40. CIP Funding Balance - 2023-2027



Appendix

CITY OF CASTLE PINES - 2023 ANNUAL BUDGET

	2021 Actual	2022 Original Budget	2022 Amended Budget	2022 Year-end Projection	Proposed 2023 Budget
GENERAL FUND					
REVENUES					
Taxes					
Property Tax	\$ 1,009,630	\$ 1,148,400	\$ 1,148,400	\$ 1,148,400	\$ 1,200,300
Specific Ownership Tax	97,327	110,800	110,800	105,000	120,000
Sales Tax	3,375,463	3,708,900	3,708,900	4,150,300	4,531,200
Construction Materials Use Tax	1,668,689	755,000	755,000	1,125,300	607,500
Construction Materials Use Tax - Canyons	2,798,488	2,882,000	2,882,000	2,116,100	2,649,700
Motor Vehicle Use Tax	1,445,042	1,604,200	1,604,200	1,614,000	1,959,900
Total Taxes	10,394,639	10,209,300	10,209,300	10,259,100	11,068,600
Franchise Fees					
Franchise - Electric	247,749	280,900	280,900	269,000	343,200
Franchise - Gas	135,023	155,500	155,500	180,700	190,000
Franchise - Cable	175,807	201,700	201,700	194,200	246,400
Franchise - Telephone	105	-	-	-	-
Total Franchise Fees	558,684	638,100	638,100	643,900	779,600
Licenses and Permits					
Business Licenses	8,540	21,600	21,600	23,000	5,000
Liquor/Tobacco Licenses	2,044	3,400	3,400	2,000	2,000
Contractor Licenses	34,575	30,000	30,000	30,000	30,000
Sign Permits	176	1,000	1,000	100	-
ROW and GESC Permits	250,021	200,000	200,000	200,000	200,000
Total Licenses and Permits	295,356	256,000	256,000	255,100	237,000
Intergovernmental Revenue					
Federal Grants	1,352,639	1,352,600	1,352,600	1,352,600	-
State Grants	6,500	-	-	7,200	-
Highway Users Tax Fund	314,977	292,500	292,500	309,300	323,000
Motor Vehicle Registration Fees	41,823	47,600	47,600	47,600	54,400
Cigarette Tax	14,102	7,100	7,100	4,000	4,000
Road and Bridge Prop Tax Shareback	495,286	565,700	565,700	565,700	591,300
Roads Sales Tax Shareback	141,179	161,800	161,800	167,000	182,300
Roads Motor Vehicle Use Tax Shareback	165,945	190,200	190,200	190,200	231,000
Construction Materials Use Tax Shareback	487,888	421,700	421,700	428,600	430,700
State Energy Distributions	1,087	1,000	1,000	9,100	9,100
Total Intergovernmental Revenue	3,021,426	3,040,200	3,040,200	3,081,300	1,825,800

CITY OF CASTLE PINES - 2023 ANNUAL BUDGET (cont.)

	2021 Actual	2022 Original Budget	2022 Amended Budget	2022 Year-end Projection	Proposed 2023 Budget
GENERAL FUND (cont.)					
REVENUES (cont.)					
Charges for Services					
Planning and Zoning	192,713	241,000	241,000	157,000	70,000
Finance Fees	8,450	9,600	9,600	7,900	7,900
Credit Card Fees	-	108,000	108,000	63,300	59,900
Building Permit Fees	2,922,157	2,437,600	2,437,600	2,106,900	2,117,200
Public Works Fees	362,613	250,000	250,000	200,000	200,000
Office Space Lease	11,409	23,200	23,200	23,200	25,000
Total Charges for Services	3,497,342	3,069,400	3,069,400	2,558,300	2,480,000
Fines					
Court Fines	63,866	200,000	200,000	60,000	62,900
Interest and Other Income					
Interest	85,371	80,000	80,000	277,100	504,800
Net Inc/(Dec) in FV of Investments	(139,856)	-	-	-	-
Miscellaneous	9,187	-	-	8,200	-
Sale of Assets	-	-	-	10,500	-
Total Interest and Other Income	(45,298)	80,000	80,000	295,800	504,800
Total Revenue	\$ 17,786,015	\$ 17,493,000	\$ 17,493,000	\$ 17,153,500	\$ 16,958,700
EXPENDITURES					
Elected Officials					
Mayor/Council Stipend	\$ -	\$ 40,200	\$ 40,200	\$ 40,200	\$ 40,200
Taxes	-	3,200	3,200	3,200	3,100
Worker's Compensation	111	100	100	100	100
Professional Services	2,338	5,000	5,000	6,000	4,500
Training	1,420	6,300	6,300	6,000	6,000
Travel	814	9,400	9,400	7,200	8,700
Mileage	-	-	-	300	300
Membership Dues	21,338	21,200	21,200	16,000	17,100
Supplies	639	400	400	400	400
Computers/Software	-	6,000	6,000	6,000	-
Meetings	6,268	8,000	8,000	8,000	9,700
Supplies/Recognition	549	1,000	1,000	1,000	1,000
Contributions	57,800	59,300	59,300	65,100	66,800
Total Elected Officials	91,277	160,100	160,100	159,500	157,900

CITY OF CASTLE PINES - 2023 ANNUAL BUDGET (cont.)

	2021 Actual	2022 Original Budget	2022 Amended Budget	2022 Year-end Projection	Proposed 2023 Budget
GENERAL FUND (cont.)					
EXPENDITURES (cont.)					
City Manager					
Salary	139,670	147,000	204,300	204,300	221,400
Insurance/Other	3,860	4,000	8,600	8,600	8,500
Taxes	2,444	2,600	3,600	3,600	3,700
Retirement	25,738	30,500	41,300	41,300	44,800
Worker's Compensation	2,260	2,400	2,500	2,500	2,800
Training	2,165	1,700	1,700	3,200	3,300
Travel	5,190	4,900	4,900	9,000	5,700
Membership Dues	2,452	2,900	2,900	2,700	2,700
Supplies	328	200	200	2,200	200
Meetings	4,851	3,700	3,700	3,700	4,000
Total City Manager	188,958	199,900	273,700	281,100	297,100
Inter/Nondepartmental					
Salary	98,854	102,300	-	-	-
Insurance/Other	7,200	8,300	-	-	-
Taxes	1,730	1,800	-	-	-
Retirement	14,056	19,200	-	-	-
Worker's Compensation	113	100	-	-	-
Professional Services	107,304	145,000	145,000	76,000	100,000
Info Tech Support	16,144	17,700	17,700	28,100	33,200
Office Space	49,629	81,900	81,900	98,000	133,400
Insurance	59,816	60,400	60,400	60,400	72,400
Telephone/Internet	10,725	11,000	11,000	11,000	14,300
Printing/Copying	4,650	4,900	4,900	4,900	5,300
Postage/Mailing	1,563	1,700	1,700	1,700	1,800
Training	450	2,200	2,200	-	-
Travel	1,118	1,500	1,500	-	-
Membership Dues	800	700	700	1,700	2,800
Central Supplies	17,165	16,000	16,000	14,500	15,000
Computer/Software	21,069	12,700	12,700	33,000	33,000
Meetings	4,675	4,500	4,500	4,500	4,500
Machinery and Equipment	-	-	-	38,000	-
Other	1,095	-	-	-	-
Contributions	93,668	-	-	-	-
Total Inter/Non-Departmental	511,824	491,900	360,200	371,800	415,700

CITY OF CASTLE PINES - 2023 ANNUAL BUDGET (cont.)

	2021 Actual	2022 Original Budget	2022 Amended Budget	2022 Year-end Projection	Proposed 2023 Budget
GENERAL FUND (cont.)					
EXPENDITURES (cont.)					
Communications					
Salary	39,591	69,900	69,900	69,900	82,300
Insurance/Other	1,809	5,600	5,600	5,600	11,500
Taxes	690	1,200	1,200	1,200	1,500
Retirement	5,607	12,700	12,700	12,700	14,800
Worker's Compensation	-	100	100	100	100
Professional Services	40,832	35,000	35,000	80,000	80,000
Advertising	11,990	15,000	15,000	18,000	20,000
Printing/Copying	-	-	-	2,000	7,500
Postage/Mailing	-	-	-	2,000	5,000
Training	-	2,000	2,000	1,000	800
Travel	-	-	-	-	500
Mileage	-	500	500	100	100
Membership Dues	96	500	500	500	500
Supplies	7	100	100	100	100
Computer/Software	2,590	2,000	2,000	10,000	10,000
Meetings	312	-	-	100	300
Total Communications	103,524	144,600	144,600	203,300	235,000
Legal Services					
City Attorney	194,736	200,000	200,000	200,000	220,000
Outside Legal Services	14,450	10,000	10,000	10,000	10,000
Total Legal Services	209,186	210,000	210,000	210,000	230,000
Finance/Human Resources					
Salary	105,873	111,200	111,200	111,200	140,400
Insurance/Other	10,383	11,000	11,000	11,000	12,000
Taxes	1,967	1,900	1,900	1,900	2,300
Retirement	18,715	20,800	20,800	20,800	26,800
Worker's Compensation	107	100	100	100	100
County Treasurer's Fees	10,097	11,500	11,500	11,500	12,000
Professional Services	4,367	6,100	6,100	12,600	8,300
Audit	18,000	22,500	22,500	22,500	23,000
Sales Tax Administration	53,189	56,100	56,100	62,400	67,300
Bank/Credit Card Fees	107,365	135,000	135,000	83,400	75,000
Advertising	630	600	600	2,200	600
Printing and Copying	-	500	500	-	-
Training	2,508	2,000	2,000	1,000	1,500
Travel	82	1,000	1,000	-	1,000
Membership Dues	1,220	1,200	1,200	400	400
Supplies	136	200	200	100	100
Computer/Software	15,739	14,800	14,800	21,800	23,500
Meetings	94	-	-	-	-
Total Finance/Human Resources	350,472	396,500	396,500	362,900	394,300

CITY OF CASTLE PINES - 2023 ANNUAL BUDGET (cont.)

	2021 Actual	2022 Original Budget	2022 Amended Budget	2022 Year-end Projection	Proposed 2023 Budget
GENERAL FUND (cont.)					
EXPENDITURES (cont.)					
City Clerk					
Salary	76,421	80,500	125,500	125,500	152,900
Insurance/Other	13,172	10,900	14,600	14,600	36,800
Taxes	1,303	1,400	2,200	2,200	2,600
Retirement	12,858	15,100	23,500	23,500	27,700
Worker's Compensation	85	100	100	100	100
Filing Fees	383	500	500	600	600
Professional Services	466	-	-	-	-
Election	10,245	11,000	11,000	11,000	11,000
Public Notice Advertising	587	1,500	1,500	800	800
Codification	3,303	4,500	4,500	4,000	4,000
Training	2,336	2,000	2,000	3,700	2,300
Travel	730	3,500	3,500	2,500	1,500
Mileage	423	400	400	400	400
Membership Dues	415	700	700	700	800
Supplies	542	100	100	-	-
Computer/Software	44,307	48,000	48,000	53,600	53,600
Total City Clerk	167,576	180,200	238,100	243,200	295,100
Municipal Court					
Workers' Comp	34	100	100	100	100
Court Clerk	24,000	24,000	24,000	24,000	24,000
Judge	6,853	6,900	6,900	6,900	6,900
Prosecutor	7,200	7,200	7,200	7,200	7,200
Supplies	479	100	100	100	500
Computer/Software	3,537	2,800	2,800	2,600	2,800
Total Municipal Court	42,103	41,100	41,100	40,900	41,500
Public Safety					
Law Enforcement	1,009,215	1,148,400	1,148,400	1,148,400	1,200,300
Traffic Management	38,516	69,700	69,700	54,700	54,700
Animal Control	26,347	30,000	30,000	30,000	32,400
Total Public Safety	1,074,078	1,248,100	1,248,100	1,233,100	1,287,400

CITY OF CASTLE PINES - 2023 ANNUAL BUDGET (cont.)

	2021 Actual	2022 Original Budget	2022 Amended Budget	2022 Year-end Projection	Proposed 2023 Budget
GENERAL FUND (cont.)					
EXPENDITURES (cont.)					
Public Works					
Salary	154,275	233,100	233,100	223,900	360,900
Insurance/Other	21,969	34,900	34,900	32,400	77,600
Taxes	2,638	4,100	4,100	4,000	6,000
Retirement	24,612	41,900	41,900	40,700	71,900
Worker's Compensation	1,326	3,000	3,000	3,000	2,400
Professional Services	74,543	73,000	73,000	180,000	100,000
Professional Services (Development)	336,260	325,000	325,000	380,000	287,300
Utilities	7,794	8,400	8,400	8,400	15,000
Snow Removal	342,267	575,000	575,000	625,000	570,000
Weed Mitigation	-	7,500	7,500	5,000	7,500
Gateway/ROW Maintenance	26,817	105,000	105,000	25,000	100,000
Curb/Gutter/Sidewalk R&M	30,784	130,000	130,000	130,000	165,000
Striping/Signage	79,355	95,000	95,000	125,000	115,000
Pedestrian Crossings Maintenance	15,286	20,000	20,000	20,000	30,000
Streets Repair/Maintenance	657,605	750,000	750,000	350,000	450,000
Streetlight R&M	-	15,000	15,000	15,000	25,000
Traffic Signals Maintenance	26,740	50,000	50,000	35,000	60,000
Stormwater Maintenance	90,147	225,000	225,000	150,000	-
Street Sweeping	34,231	50,000	50,000	38,000	65,000
Fleet Repair/Maintenance	424	2,100	2,100	3,200	4,200
Training	329	1,500	1,500	1,500	3,900
Travel	-	-	-	-	2,500
Mileage	2,129	1,800	1,800	400	500
Membership Dues	1,280	2,000	2,000	2,000	2,000
Supplies	92	1,200	1,200	1,200	1,500
Computers/Software	35,786	48,500	48,500	70,000	65,000
Fleet Fuel	1,769	4,500	4,500	4,500	5,500
Meetings	114	300	300	300	800
Vehicles	-	80,000	80,000	80,000	45,000
Total Public Works	1,968,572	2,887,800	2,887,800	2,553,500	2,639,500

CITY OF CASTLE PINES - 2023 ANNUAL BUDGET (cont.)

	2021 Actual	2022 Original Budget	2022 Amended Budget	2022 Year-end Projection	Proposed 2023 Budget
GENERAL FUND (cont.)					
EXPENDITURES (cont.)					
Community Development					
Salary	162,138	171,900	171,900	171,900	222,700
Insurance/Other	23,578	25,400	25,400	25,400	28,300
Taxes	2,773	3,000	3,000	3,000	3,700
Retirement	22,539	33,100	33,100	33,100	42,900
Worker's Compensation	2,148	2,300	2,300	2,300	2,500
Professional Services	118,141	65,000	65,000	65,000	20,000
Building Department Services	2,332,689	1,965,100	1,965,100	1,700,500	1,708,800
Code Enforcement Services	12,430	21,600	21,600	21,600	32,000
Legal Services	64,244	72,300	72,300	35,000	72,300
Professional Services (Development)	60,359	84,400	84,400	62,000	84,400
Training	282	2,500	2,500	2,500	2,300
Travel	257	1,000	1,000	1,000	1,500
Mileage	170	300	300	500	300
Membership Dues	1,016	1,000	1,000	1,000	1,000
Supplies	257	200	200	200	200
Computer/Software	22,772	20,000	20,000	21,100	22,800
Meetings	1,416	3,600	3,600	2,200	2,200
Total Community Development	2,827,209	2,472,700	2,472,700	2,148,300	2,247,900
Economic Development					
Salary	52,888	55,300	55,300	55,300	62,300
Insurance/Other	3,886	4,000	4,000	4,000	4,700
Taxes	911	1,000	1,000	1,000	1,000
Retirement	14,322	11,000	11,000	11,000	12,900
Worker's Compensation	857	900	900	900	1,000
Professional Services	500	80,000	80,000	80,000	80,000
Training	325	500	500	-	1,000
Travel	472	700	700	-	500
Membership Dues	250	2,500	2,500	25,300	42,700
Computer/Software	6,000	6,000	6,000	6,000	6,000
Canyons Credit PIF	1,399,244	1,441,000	1,441,000	1,441,000	1,324,900
Total Economic Development	1,479,655	1,602,900	1,602,900	1,624,500	1,537,000

CITY OF CASTLE PINES - 2023 ANNUAL BUDGET (cont.)

	2021 Actual	2022 Original Budget	2022 Amended Budget	2022 Year-end Projection	Proposed 2023 Budget
GENERAL FUND (cont.)					
EXPENDITURES (cont.)					
Community Events					
Salary	15,663	20,100	20,100	20,100	32,400
Taxes	274	400	400	400	500
Retirement	2,640	3,800	3,800	3,800	6,200
Worker's Compensation	480	500	500	500	500
Event Activities	186,576	150,000	150,000	190,000	237,000
Mileage	-	-	-	-	-
Contributions	5,000	40,000	40,000	40,000	-
Total Community Events	210,633	214,800	214,800	254,800	276,600
Transfers Out					
Parks and Recreation Fund	432,096	450,400	450,400	580,600	626,900
Capital Improvements Fund	7,025,000	7,450,000	10,105,000	10,105,000	6,400,000
Community Capital Investment Fund	-	1,280,000	-	-	-
Total Transfers Out	7,457,096	9,180,400	10,555,400	10,685,600	7,026,900
Total Expenditures/Transfers Out	16,682,163	19,431,000	20,806,000	20,372,500	17,081,900
BEGINNING FUND BALANCE	\$ 4,898,307	\$ 4,692,307	\$ 6,002,158	\$ 6,002,158	\$ 2,783,158
Revenue over/(under) Expenditures	1,103,852	(1,938,000)	(3,313,000)	(3,219,000)	(123,200)
ENDING FUND BALANCE	\$ 6,002,159	\$ 2,754,307	\$ 2,689,158	\$ 2,783,158	\$ 2,659,958
Fund Balance Analysis					
Total Expenditures	\$ 16,682,163	\$ 19,431,000	\$ 20,806,000	\$ 20,372,500	\$ 17,081,900
Less: Pass-through	-	-	-	-	-
Less: Capital Outlay	(7,044,818)	(8,810,000)	(10,185,000)	(10,223,000)	(6,595,000)
Less: Other Non-operating	(200,168)	(99,300)	(99,300)	(105,100)	(66,800)
Total Operating Expenditures	\$ 9,437,177	\$ 10,521,700	\$ 10,521,700	\$ 10,044,400	\$ 10,420,100
Required Reserve - 25% of operating exp	\$ 2,359,294	\$ 2,630,425	\$ 2,630,425	\$ 2,511,100	\$ 2,605,025
Ending Fund Balance	\$ 6,002,159	\$ 2,754,307	\$ 2,689,158	\$ 2,783,158	\$ 2,659,958
25% Required Reserve	2,359,294	2,630,425	2,630,425	2,511,100	2,605,025
Excess/(Short) of Required Reserve	\$ 3,642,865	\$ 123,882	\$ 58,733	\$ 272,058	\$ 54,933
Fund Balance Reserve %	64%	26%	26%	28%	26%

CITY OF CASTLE PINES - 2023 ANNUAL BUDGET (cont.)

	2021 Actual	2022 Original Budget	2022 Amended Budget	2022 Year-end Projection	Proposed 2023 Budget
PARKS AND RECREATION FUND					
REVENUE					
Grants - State	\$ -	\$ 150,000	\$ 150,000	\$ -	\$ -
Park Fees	22,380	20,500	20,500	20,500	22,100
Parkland Cash-in-Lieu	117,700	56,000	56,000	56,000	-
Contributions	-	150,000	150,000	600,000	-
Transfer from General Fund	432,096	450,400	450,400	580,600	626,900
Transfer from Conservation Trust Fund	100,000	350,000	350,000	350,000	100,000
Total Revenue and Transfers In	672,176	1,176,900	1,176,900	1,607,100	749,000
EXPENDITURES					
Salary	101,286	113,500	113,500	114,100	130,000
Insurance	10,456	10,900	10,900	12,000	15,900
Taxes	1,644	2,000	2,000	2,000	2,000
Retirement	17,716	21,800	21,800	22,000	24,900
Worker's Compensation	1,191	1,300	1,300	1,300	1,400
Professional Services	56,234	50,000	50,000	50,000	25,000
Utilities	31,207	45,000	45,000	45,000	50,000
Custodial Services	5,594	10,000	10,000	10,000	18,000
Landscape Maintenance	51,665	62,000	62,000	62,000	160,000
Open Space Maintenance	-	-	-	41,000	40,000
Water Feature O&M	27,942	84,000	84,000	84,000	30,000
Park Facilities Repair/Maintenance	82,498	52,000	52,000	52,000	72,000
Fleet Repair/Maintenance	600	-	-	-	-
City Events	732	12,000	12,000	-	-
Telephone/Internet	1,157	1,800	1,800	5,200	28,600
Training	-	1,000	1,000	-	-
Membership Dues	-	500	500	-	-
Fleet Fuel	257	-	-	-	-
Meetings	433	3,100	3,100	500	1,200
Machinery and Equipment	19,818	-	-	-	-
Parks Capital - Disc Golf Course	-	250,000	250,000	650,000	-
Parks Capital - Pickleball Courts	-	345,300	345,300	-	-
Trails Capital - Lennar Trail	-	300,000	300,000	300,000	-
Parks Capital - Canyonside Park	-	-	-	-	50,000
Park Land Acquisition	-	-	-	450,000	-
Other	-	-	-	95,000	-
Contributions	100,000	100,000	100,000	100,000	100,000
Total Expenditures	510,430	1,466,200	1,466,200	2,096,100	749,000

CITY OF CASTLE PINES - 2023 ANNUAL BUDGET (cont.)

	2021 Actual	2022 Original Budget	2022 Amended Budget	2022 Year-end Projection	Proposed 2023 Budget
PARKS AND RECREATION FUND (cont.)					
BEGINNING FUND BALANCE	\$ 505,406	\$ 589,106	\$ 667,152	\$ 667,152	\$ 178,152
Revenue over/(under) Expenditures	161,746	(289,300)	(289,300)	(489,000)	-
ENDING FUND BALANCE	\$ 667,152	\$ 299,806	\$ 377,852	\$ 178,152	\$ 178,152
Fund Balance Detail					
Restricted Fund Balance					
Castle Pines Parks Authority	503,752	158,452	158,452	53,752	53,752
Parkland Mitigation	161,400	139,700	217,400	122,400	122,400
Unrestricted Fund Balance	2,000	1,654	2,000	2,000	2,000
Ending Fund Balance	\$ 667,152	\$ 299,806	\$ 377,852	\$ 178,152	\$ 178,152

			2022 Amended Budget	2022 Year-end Projection	Proposed 2023 Budget
NORTH PINE VISTAS METRO DISTRICT NOS. 1-3 O&M FUND					
REVENUE					
NPVMD City Mill Levy			\$ -	\$ -	\$ 231,600
NPVMD Other			-	282,700	-
Total Revenue and Transfers In			-	282,700	231,600
EXPENDITURES					
Management Fees			-	-	15,700
Engineering/Planning			-	-	10,000
Utilities			-	-	11,000
Water			-	-	48,000
Landscape Maintenance			-	282,700	100,400
Snow Removal			-	-	46,500
Total Expenditures			-	282,700	231,600
BEGINNING FUND BALANCE			\$ -	\$ -	\$ -
Revenue over/(under) Expenditures			-	-	-
ENDING FUND BALANCE			\$ -	\$ -	\$ -

CITY OF CASTLE PINES - 2023 ANNUAL BUDGET (cont.)

	2021 Actual	2022 Original Budget	2022 Amended Budget	2022 Year-end Projection	Proposed 2023 Budget
CONSERVATION TRUST FUND					
REVENUE - Lottery Proceeds	\$ 69,485	\$ 68,300	\$ 68,300	\$ 68,300	\$ 78,000
EXP - Transfer to Parks and Rec Fund	100,000	350,000	350,000	350,000	\$ 100,000
BEGINNING FUND BALANCE	\$ 387,442	\$ 355,742	\$ 356,926	\$ 356,926	\$ 75,226
Revenue over/(under) Expenditures	(30,515)	(281,700)	(281,700)	(281,700)	(22,000)
ENDING FUND BALANCE	\$ 356,927	\$ 74,042	\$ 75,226	\$ 75,226	\$ 53,226

	2021 Actual	2022 Original Budget	2022 Amended Budget	2022 Year-end Projection	Proposed 2023 Budget
CAPITAL IMPROVEMENTS FUND					
REVENUE					
Contributions	\$ 60,989	\$ 3,453,000	\$ 3,453,000	\$ 3,453,000	3,700,000
Grants	-	-	-	-	400,000
Transfer from General Fund	7,025,000	7,450,000	10,105,000	10,105,000	6,400,000
Total Revenue and Transfers In	7,085,989	10,903,000	13,558,000	13,558,000	10,500,000
EXPENDITURES					
Municipal Facility	75,494	-	-	-	-
Arterial Street Improvements	2,332,579	8,000,000	10,435,400	10,935,400	6,900,000
Local/Collector Street Improvements	155,415	1,000,000	2,144,600	2,144,600	1,777,500
Traffic Signal Improvements	66,946	125,000	183,000	183,000	125,000
Pedestrian Safety Improvements	39,565	75,000	75,000	75,000	75,000
Lagae Road Improvements	15,821	-	732,000	732,000	-
Happy Canyon Bridge	16,158	400,000	633,900	633,900	800,000
Install Conduit under New Roads	-	575,000	575,000	-	-
Monarch Blvd Landscaping	-	250,000	250,000	250,000	-
Street Sign Conversion	-	100,000	100,000	100,000	-
Gateway/Wayfinding	22,570	1,000,000	1,277,400	1,277,400	750,000
Sidewalk Improvements	-	-	-	-	500,000
Xfr to Community Capital Investment Fund	3,042,000	-	-	-	-
Total Expenditures	5,766,548	11,525,000	16,406,300	16,331,300	10,927,500
BEGINNING FUND BALANCE	\$ 2,470,981	\$ 717,181	\$ 3,790,422	\$ 3,790,422	\$ 1,017,122
Revenue over/(under) Expenditures	1,319,441	(622,000)	(2,848,300)	(2,773,300)	(427,500)
ENDING FUND BALANCE	\$ 3,790,422	\$ 95,181	\$ 942,122	\$ 1,017,122	\$ 589,622

CITY OF CASTLE PINES - 2023 ANNUAL BUDGET (cont.)

	2021 Actual	2022 Original Budget	2022 Amended Budget	2022 Year-end Projection	Proposed 2023 Budget
COMMUNITY CAPITAL INVESTMENT FUND					
Transfer from General Fund	\$ -	\$ 1,280,000	\$ -	\$ -	\$ -
Transfer from Capital Improvement Fund	3,042,000	-	-	-	-
Total Transfers In	3,042,000	1,280,000	-	-	-
BEGINNING FUND BALANCE	\$ -	\$ 3,042,000	\$ 3,042,000	\$ 3,042,000	\$ 3,042,000
Revenue over/(under) Expenditures	3,042,000	1,280,000	-	-	-
ENDING FUND BALANCE	\$ 3,042,000	\$ 4,322,000	\$ 3,042,000	\$ 3,042,000	\$ 3,042,000
STORMWATER UTILITY ENTERPRISE FUND					
REVENUE					
CPNMD - Transfer of District Funds			-	1,102,000	-
Miscellaneous			-	-	-
Total Revenue			-	1,102,000	-
EXPENDITURES					
Salaries			-	9,200	75,300
Insurance			-	2,500	21,900
Taxes			-	100	1,200
Retirement			-	1,200	13,600
Worker's Compensation			-	-	800
Professional Services			-	75,000	-
Total Expenditures			-	88,000	112,800
BEGINNING FUND BALANCE			\$ -	\$ -	\$ 1,014,000
Revenue over/(under) Expenditures			-	1,014,000	(112,800)
ENDING FUND BALANCE			\$ -	\$ 1,014,000	\$ 901,200



PURCHASING POLICY

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.

INVESTMENT 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. 22-49 - ADOPTION OF THE 2023 BUDGET

RESOLUTION NO. 22-49

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CASTLE PINES, COLORADO, ADOPTING THE 2023 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 2023 was presented by the City Manager on September 30, 2022; 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 November 8, 2022, 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 2023 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 2023 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 2023 budget is available for public inspection at the City office, 360 Village Square Lane, Suite B, Castle Pines, CO, 80108 and will be available on the City's website upon adoption.

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 5 IN FAVOR, 0 AGAINST, AND 2 ABSENT THIS 8TH DAY OF NOVEMBER 2022.



ATTEST:

Tobi Duffey

Tobi Duffey, MMC, City Clerk

Tracy Engerman
Tracy Engerman (Dec 12, 2022 14:24 PST)

Tracy Engerman, Mayor

APPROVED AS TO FORM:

Linda C. Michow

Linda C. Michow, City Attorney

RESOLUTION NO. 22-50 - CERTIFICATION OF THE MILL LEVY

RESOLUTION NO. 22-50

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CASTLE PINES, COLORADO, LEVYING GENERAL PROPERTY TAXES FOR THE YEAR OF 2022, FOR THE SOLE PURPOSE OF MEETING LAW ENFORCEMENT EXPENSES FOR THE 2023 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 2023; and,

WHEREAS, the amount of money necessary to balance the budget for law enforcement purposes from property tax revenue is \$1,200,287; and,

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

WHEREAS, the 2022 Assessed Valuation for the City of Castle Pines as certified by the Douglas County Assessor is \$266,730,460; 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, 2022.

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 2023 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 2022.

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 5 IN FAVOR, 0 AGAINST AND 2 ABSENT, THIS 8TH DAY OF NOVEMBER, 2022.

ATTEST:



Tobi Duffey, MMC, City Clerk


Tracy Engerman (Dec 12, 2022 14:24 PST)

Tracy Engerman, Mayor

APPROVED AS TO FORM:



Linda C. Michow, City Attorney