

TOWN OF COLUMBINE VALLEY

TRUSTEE BILL NO. 8
SERIES OF 2017

INTRODUCED BY
DAVID COPE

A BILL
FOR AN ORDINANCE

SUMMARIZING EXPENDITURES AND REVENUES FOR EACH FUND AND ADOPTING
A BUDGET FOR THE TOWN OF COLUMBINE VALLEY, COLORADO, FOR THE
CALENDAR YEAR BEGINNING THE FIRST DAY OF JANUARY 2018, AND ENDING
THE 31ST DAY OF DECEMBER 2018.

WHEREAS, The Board of Trustees of the Town of Columbine Valley, Colorado, has appointed Jeffery J. Tempas to prepare and submit a proposed budget to said governing body at the proper time; and

WHEREAS, Jeffery J. Tempas has submitted a proposed budget to the governing body on November 14, 2017, for its consideration; and

WHEREAS, upon due and proper notice, published or posted in accordance with the law, said budget was open for inspection by the public at a designated place, a public hearing was held on November 14, 2017, and interested taxpayers were given the opportunity to file or register any objections to said proposed budget; and

WHEREAS, after considering comments obtained at the Public Hearing and after making adjustments, the Board of Trustees on December 12, 2017, approved and adopted the Town of Columbine Valley, Colorado 2018 Budget.

WHEREAS, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance, as required by law.

NOW THEREFORE, be it ordained by the Board of Trustees of the Town of Columbine Valley, Colorado:

Section I. That total general fund expenditures expected to be incurred during 2018 detailed by category, are as follows:

Operating Budget	\$ 1,780,000
To General Reserves	134,000
Arapahoe County Open Space Expenditures	7,500
Conservation Trust Fund Expenditures	<u>20,000</u>
Total	<u>\$ 1,941,500</u>

Reference is hereby made to the Columbine Valley, Colorado 2018 Budget attached hereto and incorporated by reference herein.

Section II. That estimated general fund revenues to cover each expenditure are as follows:

Operations and Intergovernmental Revenue	\$ 1,565,942
Property Tax Mill Levy	348,058
Transfers from Reserves	<u>27,500</u>
Total	<u>\$ 1,941,500</u>

Reference is hereby made to the Columbine Valley, Colorado 2017 Budget attached hereto and incorporated by reference herein.

Section III. That the Budget as submitted, amended and herein above summarized by fund, is approved and adopted as the Budget of the Town of Columbine Valley, Colorado for the calendar year 2018, and made part of the public records of the Town.

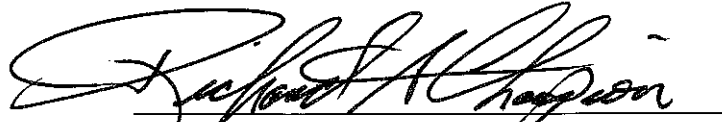
Section IV. That the Board of Trustees, by resolution, is hereby authorized to transfer any unexpended balance of any of the above named funds to any of the other funds or to the reserve funds.

Section V. That all of the revenues generated in the 2018 Budget are hereby appropriated from the revenues of each fund type, for the purposes stated.

Section VI. That should any section, clause, sentence, part of portion of this ordinance be adjudged by any Court to be unconstitutional or invalid, the same shall not affect, impair, or invalidate the ordinance as a whole or any part thereof, other than the part or portion declared as such by the Court to be unconstitutional or invalid.

Section VII. In the opinion of the Board of Trustees, this Ordinance is necessary to the immediate preservation of the public health or safety and is enacted for that purpose and shall be in full force and effect immediately upon publication of this ordinance in the Littleton Independent, Littleton, Colorado, said newspaper being a weekly newspaper of general circulation in the Town of Columbine Valley, Colorado, and being duly qualified for publishing legal notices and advertisements within the meaning of the laws of the State of Colorado.

Introduced as Trustee Bill No. 8, Series of 2017, at a regular meeting of the Board of Trustees of the Town of Columbine Valley, held at the Columbine Town Hall, 2 Middlefield Road, Columbine Valley, Arapahoe County, Colorado, on the 14th day of November, 2017, passed on first reading by a vote of 6 for and 0 against; and, after a public hearing, passed by the Board of Trustees at a meeting held at Columbine Country Club, 17 Fairway Lane, Columbine Valley, Colorado and approved by a vote of 6 for and 0 against on the 12th day of December, 2017 at 6:20 p.m. and ordered published in the Littleton Independent Newspaper on December 21, 2017.


Richard Champion, Mayor

Attest: 
David Cope, Trustee

Attest: 
JD McCrumb, Town Clerk

Published: December 21, 2017 in the Littleton Independent Newspaper

Town of Columbine Valley 2018 Budget Narrative Portion

December 12, 2017

The 2018 Town budget consists of a financial portion and a related narrative portion.

Basis of Accounting

The Budget is prepared and accounting records are maintained using a modified accrual basis of accounting. Revenues, such as property taxes and sales taxes are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the budget year or soon thereafter. Expenditures are recorded when a liability is incurred.

General Information

The Town has one General Fund, which is increased by revenues received from various Town imposed taxes and fees. The Fund is decreased by expenditures for (1) Town operating expenses and (2) amounts set aside (reserved) or appropriated for major infrequent purchases such as police vehicles, operating equipment etc., and major one time only public works. Amounts, set aside, are placed in designated or general type reserves. Amounts in these reserves are depleted as a major purchase is made or a major public works project is undertaken. Small reserves have also been established for controlling the spending of restricted lottery receipts (Conservation Trust Fund) and Arapahoe County Open Space Shareback sales tax receipts.

Sources of revenues are explained below. The main sources, however, are property taxes and various sales taxes. The amount of property taxes levied each year has been the maximum permitted in order to fund operating expenses and reserves for major public works deemed needed by the Town. Columbine Valley is subject to various property tax limitation statutes, notably Amendment #1, (TABOR/Bruce Amendment) and others.

The Town's on-going commitments for expenditures are as follows:

- Public Safety – Police protection and municipal court activity (now includes the Town of Bow Mar)
- Sanitation – Trash removal
- Public Works – Town street and property maintenance
- Administration – Town office expense including election, publication, legal and other operating costs
- Planning & Zoning – Town development expenses

Amendment #1

On November 3, 1992, the voters of Colorado passed Amendment #1 that restricts the rate of increase in spending by local governments. The maximum annual percentage change in any year's spending and property tax revenues is limited to 1) inflation (rise in consumer price index) plus 2) a percentage equal to the net percentage change in the Town's actual valuation of all real property. Spending may be increased if the voters in the Town approve additional taxes through an initiative referendum election. Revenues that exceed Amendment #1 limits are refunded in the following year unless the voters approve otherwise. In November 1998 the Town was successful in passing a referred measure to authorize the Town to collect, retain and spend all excess revenue collected in 1998, and thereafter, without regard to any limitations under TABOR provided that no local tax rate or mill levy be increased without further voter approval.

Sources of Fund Increases

Property Taxes – General Fund - \$348,058

With the advent of Amendment #1, three separate (limiting) calculations are made to determine the allowable property tax levy for the General Fund. The lowest of the three is the maximum property taxes that the Town may collect. These three calculations for 2018 are as follows:

1. Amendment #1 property tax revenue limitation - \$348,058
2. Amendment #1 mill levy rate limitation - \$398,557
3. Statutory 5.5% property tax revenue limitation - \$358,394

The lowest of the three amounts is the first calculation.

The following simple explanations are a short description of the three calculations, which can be very complicated.

The 1st calculation is based upon the percentage increase (2016 to 2017) in actual value of Town real property plus an allowance for the rise in the consumer price index multiplied by the 2017 certified property tax revenue.

The 2nd calculation is based upon the 2016 mill levy times the 2017 assessed valuation of the Town real property.

The 3rd calculation is based upon the 2016 adjusted assessed valuation of Town real property multiplied by the 2016 mill levy, adjusted for a 5.5% statutory increase.

Specific Ownership Tax - \$23,612

Specific ownership taxes are collected by the County Department of Motor Vehicles for vehicles registered in the Town. The amount allocated to the Town by the County is based upon its proportionate share of all County imposed property taxes. The budget for 2018 reflects virtually no increase from the projected revenue for 2017.

Sales & Use Tax - \$681,500

The Town collects sales taxes on retail sales within the Town boundaries. These taxes come from sales by Columbine Country Club, its pro shop, CenturyLink, and A T & T. The Town also collects sales tax on automobile purchases by Town residents and on materials purchased for new and remodel home construction. The 2018 Budget provides for the construction of twenty (20) new homes in one continuing development begun 2016 and the new Wild Plum Farm development which will begin in 2018. The 2018 Budget also anticipates remodeling costs to be approximately \$5 million, generating \$75,000 in sales taxes. With the completion of the new Columbine Country Club facility, we anticipate an approximate \$50 thousand increase in sales tax revenues from Country Club activities in 2018. Other sales taxes are estimated to be virtually the same as the 2017 projected levels.

Utility Franchise Fee - \$46,000

Utility franchise fees come from two sources, Public Service Company of Colorado (Xcel Energy) and CenturyLink (formerly Qwest). The fee received from Public Service is 3% of their billings to Town residents. An annual flat fee of \$3 is received from CenturyLink for each local telephone line in the Town. These fees are expected to increase over the next few years largely as a result of additional new homes in the Town.

Cable TV - \$31,000

The Town has granted non-exclusive ten-year cable franchises covering all of Columbine Valley to two separate cable tv providers. The agreements expire in 2026 and 2027, unless renewed or extended. Each agreement stipulates that the Town receives an annual fee equal to 5% of gross cable receipts by the cable operator. Cable revenues have increased in recent years, likely due to increased premium services and additional home construction. Our budget has increased modestly to project the impact of additional new home construction.

Permits Fees - \$320,000

Permit fees (including plan review fees) are based upon the projection of twenty (20) new homes in 2018 and remodeling activity similar to 2017.

Fines - \$65,000

Tickets and fines issued by the Town police are a function of the level of police staff maintained during the year. We anticipate that 2018 revenues will remain similar to our current projection for 2017. These amounts include revenues generated through the issuance of tickets within the Town of Bow Mar ('Bow Mar').

Intergovernmental Revenues

Bow Mar Public Safety IGA

Effective January 1, 2014, the Town renewed its intergovernmental agreement with Bow Mar for a five year term and continues to assume the responsibility for public safety and municipal court activities for that town. In connection with this and the prior agreement and for providing these services, Bow Mar will have paid the Town \$268,216 in 2017 and will pay \$276,530 for 2018. The payments for 2017 and 2018 are calculated based upon a formula using the then current consumer price index change. The agreement also provides that the Town will refund a portion of this fee in the event the Town is unable to maintain a total police force of six officers for the entire calendar year. There was no refund required under this provision for 2016, and none is projected for 2017.

Bow Mar Building Department IGA

Effective in October, 2017, the Town entered into a new intergovernmental agreement with Bow Mar to provide certain administrative services associated with their building department functions. The fee for these services was \$40,000 in 2017 and will remain the same for 2018.

Other

Where available, intergovernmental revenues are estimated based upon information and estimates provided by the governmental agencies. Other estimates are made based upon prior year actual revenues. The Colorado Municipal League provides the estimate used for Highway User Tax (Motor Fuel Tax).

- State Highway Users Tax – 2017 projection is \$42,000; 2018 budget is \$46,000
- County Highway Mill Tax – 2017 projection is \$12,000; 2018 budget is \$12,000
- Cigarette Tax Apportionment – 2017 projection is \$800; 2018 budget is \$800
- Motor Vehicle Registration Fees – 2017 projection is \$6,000; 2018 budget is \$6,000

Interest - \$15,500

The estimate for Town funds to be invested during 2018 is an average of \$1,250,000 at an estimated weighted interest rate of 1.24%.

Other - \$2,000

Other revenues include small receipts, miscellaneous in nature, which are received each year.

Sources of Fund Decreases

Public Safety - \$684,500

Public safety costs include both Town police expense and the expense of operating its municipal court. The Town intends to employ six full time and two part-time police officers in 2018 to accommodate its expanded coverage area, which includes Bow Mar. Costs include salaries and benefits, uniforms, training, vehicle expense (four owned vehicles) and supplies. Municipal court costs are projected to remain at the projected 2017 level. Since 2008 the Town has been subject to an annual charge from Arapahoe County for providing dispatch and other services. These services had been provided in the past at no cost to the Town. The annual charge was \$26,380 in 2017 and will increase to \$28,869 in 2018.

Sanitation - \$84,000

The Town contracts with Republic Services for trash removal. A new contract executed in 2017 is for a three year term with a 3% annual increase beginning in 2018. This overall fee has increased in recent years as a result of new home construction in the Town.

Administration - \$627,500

Costs that are considered part of administration and their percentage to total administration costs are as follows:

	<u>2017</u>	<u>2018</u>
• Town office salaries and benefits	43%	41.9%
• Legal, accounting and audit	15%	11.9%
• Insurance	5%	4.6%
• Building inspection fees	14%	22.9%
• Town Hall maintenance and utilities	9%	6.1%
• Other	14%	12.6%

Office salaries include three full time employees. Included in benefits are the cost of health insurance and a pension plan.

Legal fees are very dependent upon activities occurring within the Town. The primary need for legal services in 2018 will be preparation for and attendance at regular meetings of the Town Trustees. We also pay our Treasurer (non-volunteer position) a fixed fee of \$750 per month for services. We incurred a modest increase in the cost of the annual audit of the Town in 2017 due to the continuing integration of several recently expanded reporting requirements. We expect this fee to remain the same in 2018.

Insurance costs, other than health insurance, are estimated to increase approximately 5% in 2018. Our insurance carrier is Travelers Insurance. Our Workman's Compensation insurance carrier is Pinnacle Assurance.

Building inspection fees are very dependent upon new construction within the Town. The budget for 2018 assumes a normal level of inspections and plan reviews associated with remodeling in the Town and the aforementioned twenty (20) new homes to be constructed in 2018.

Town Hall maintenance and utilities include normal occupancy costs associated with office space including, but not limited to, water, power, lighting, janitorial services, lawn maintenance, and cleaning supplies.

Other costs include the issuance of periodic newsletters and/or flyers, a Town directory, publication of official notices, election expenses (generally in even years only), office supplies, computer expenses and community functions (shredding event, summer concert series, 4th of July festivities).

Planning & Zoning - \$69,000

The costs included in this category are all associated with mapping, zoning and developing property within the Town. Incremental costs associated with requests from developers to review and approve new projects within the Town are generally recovered from the developers. The budget for 2018 takes into account the current development activity (two active developments) in the Town. A portion of these costs may be recovered if there is significant activity in planning the active developments within the Town.

Public Works - \$315,000

Town property maintenance costs include street and gutter maintenance and repair, snow removal, street lighting, road striping, park maintenance and maintenance and repairs associated with Town equipment. The Town has projected the fifth year of a multi-year street improvement project to be overseen by our consulting engineering firm. We have budgeted \$225,000 towards this effort for 2018. For 2018, the Town has determined to continue to handle snow removal services internally, relying on our full-time public works manager and additional part-time help, as necessary. This new public works manager will also devote time to property maintenance and repair. Some services, such as street cleaning and sealing are contracted from the City of Littleton or other third-party vendors.

General Fund Reserve Activity

Arapahoe County Open Space Shareback Fund – Receipts - \$33,000 and expenditure - \$7,500

This new fund was established in 2005 to receive a portion of the .25% sales tax enacted in Arapahoe County in 2005 to provide funding for local open space projects. These funds are generally available for the purchase and maintenance of new open space lands within our municipality. As these funds become significant, the Town Trustees will identify and pursue projects which will be appropriate for these funds. In 2018 the Town will participate in the Chatfield Dam Water Enhancement project at a cost of \$7,500 by acquiring one acre-foot of water.

Conservation Trust Fund – Receipts - \$ 6,000 and expenditures - \$20,000

The Conservation Trust Fund receives annual proceeds from the state lottery profits. Columbine Valley is one of more than 400 cities, towns, counties and special recreation districts to receive a portion of these funds. Distribution is based upon population. The use of these funds is restricted to park and recreation spending and is currently dedicated to maintenance of the park surrounding the Town Hall. In 2018 we will do a major enhancement of the park area in front of the Town Hall.

Capital expenditures – 0-

There are no capital expenditures projected for 2018 beyond the road expenditures noted in Public Works above.

Reserve Balance

Reserves (Fund Balances) at the beginning of 2017 were \$1,516,614. Activity for 2017 and 2018 is expected to increase the reserve balance to \$1,523,614 including unrestricted reserves of \$1,074,706. A desirable unrestricted reserve balance is an amount equal to one year's budgeted recurring operating expenditures, or approximately \$1,650,000, which will require continued vigilance by the Town Trustees to control operating costs as well as capital spending.

**TOWN OF COLUMBINE VALLEY
2018 BUDGET
FINANCIAL PORTION**

SUMMARY

General Fund Activity

Revenues		
Operating	\$ 1,914,000	
From Reserve	-	\$ 1,914,000
Expenditures		
Operating	\$ 1,780,000	
To Reserve	134,000	1,914,000

Reserve Activity

Additions		
2018 Budget (Above)	\$ 134,000	
Arapahoe County Open Space Shareback	33,000	
Conservation Trust Fund	6,000	\$ 173,000

Expenditures		
2018 Budget (Above)	-	
Capital Expenditures	-	
Major Capital Projects	-	
Arapahoe County Open Space Shareback	7,500	
Conservation Trust Fund	20,000	27,500

Net Increase (Decrease) in Reserves	145,500
Reserves at Beginning of Year	1,378,114
Reserves at End of Year	\$ 1,523,614

TOWN OF COLUMBINE VALLEY
General Fund Revenues & Expenditures
2018 Budget

	Actual 2016	Budget 2017	Projected 2017	Budget 2018
Revenues				
Taxes				
Property Taxes	\$ 312,222	328,683	328,683	348,058
Specific Ownership Taxes	23,983	21,501	21,501	23,612
Sales and Use Taxes	710,552	492,000	510,000	681,500
Utility Franchise Fees	44,652	48,000	45,000	46,000
Cable Television Fees	30,568	28,000	30,000	31,000
Permits and Fines				
Permits, Fees and Services	359,835	138,000	275,000	320,000
Fines	62,268	72,000	65,000	65,000
Intergovernmental				
Town of Bow Mar Police	260,910	268,216	268,216	276,530
Town of Bow Mar Admin	6,685	40,000	40,000	40,000
State Highway User's Tax	44,051	46,000	45,000	46,000
County Highway Tax Revenue	11,668	12,000	12,000	12,000
Motor Vehicle Registration Fees	6,046	6,000	6,000	6,000
State Cigarette Tax Apportionment	755	800	800	800
Interest	6,657	8,000	8,800	15,500
Other	14,389	15,800	18,000	2,000
From General Reserve	-	169,500	113,500	-
	<u>\$ 1,895,241</u>	<u>1,694,500</u>	<u>1,787,500</u>	<u>1,914,000</u>
Expenditures				
Public Safety	\$ 675,931	651,500	628,500	684,500
Sanitation	71,010	75,000	75,000	84,000
Administration	685,295	507,000	575,000	627,500
Planning and Zoning	51,106	69,000	69,000	69,000
Public Works	307,050	392,000	440,000	315,000
To General Reserve	104,849	-	-	134,000
	<u>\$ 1,895,241</u>	<u>1,694,500</u>	<u>1,787,500</u>	<u>1,914,000</u>
Reserve Additions				
From General Fund	\$ 104,849	-	-	134,000
Arapahoe County Open Space Shareback	33,737	30,000	33,000	33,000
Conservation Trust Fund	8,648	6,000	6,000	6,000
	<u>\$ 147,234</u>	<u>\$ 36,000</u>	<u>\$ 39,000</u>	<u>\$ 173,000</u>
Reserve Expenditures				
To General Fund	-	169,500	113,500	-
Capital Expenditures	79,493	53,000	58,000	-
Arapahoe County Open Space Shareback	-	-	-	7,500
Conservation Trust Fund Expenditures	6,000	6,000	6,000	20,000
	<u>85,493</u>	<u>228,500</u>	<u>177,500</u>	<u>27,500</u>
Net Increase (Decrease) in Reserves	61,741	(192,500)	(138,500)	145,500
Beginning Reserves Balance	1,454,873	1,516,614	1,516,614	1,378,114
Ending Reserves Balance	<u>\$ 1,516,614</u>	<u>1,324,114</u>	<u>1,378,114</u>	<u>1,523,614</u>

TOWN OF COLUMBINE VALLEY
General Fund Operating Expenditure Detail
2018 Budget

	Actual 2016	Budget 2017	Projected 2017	Budget 2018
Public Safety				
Cruiser Gas, Oil and Maintenance	\$ 20,975	30,000	20,000	30,000
Cruiser Insurance	8,125	6,500	6,500	7,000
Salaries	445,367	400,000	400,000	415,000
FFPA Pension	38,557	40,000	40,000	41,500
Health Insurance	38,786	45,000	40,000	45,000
Workers Comp Insurance	18,219	26,000	25,000	28,000
Uniforms	9,245	8,000	8,000	11,000
Education and Training	2,727	7,500	5,000	9,000
Supplies and Other	31,639	19,620	15,120	26,631
Arapahoe County dispatch fees	26,380	26,380	26,380	28,869
Municipal Court Judge	9,000	9,000	9,000	9,000
Municipal Court Legal	23,606	27,500	27,500	27,500
Municipal Court Supplies	1,805	2,000	2,000	2,000
Municipal Court Administration	1,500	4,000	4,000	4,000
	<u>\$ 675,931</u>	<u>651,500</u>	<u>628,500</u>	<u>684,500</u>
Administration				
Advertising	\$ 378	500	500	500
Legal	36,378	48,000	48,000	48,000
Accounting and Audit	22,085	22,000	26,500	26,500
Building Inspection	143,576	69,000	115,000	144,000
Building Maintenance and Utilities	34,444	39,000	39,000	37,999
Salaries	149,333	185,000	185,000	195,000
Payroll Taxes	15,930	14,800	14,800	20,000
Health Insurance	17,842	30,000	36,000	36,000
Pension	8,618	9,250	9,250	12,000
Telephone	6,893	5,500	4,500	6,000
Printing and Supplies	10,512	8,000	8,000	10,000
Insurance and Bonds	34,452	29,000	24,000	29,000
Education and Training	-	-	-	5,000
Community Functions	-	-	-	15,500
Miscellaneous	80,411	30,000	45,000	12,500
Economic Incentive	104,930	-	-	-
County Treasurer's Fees	3,125	3,287	3,287	3,481
Computer Expense	10,762	5,000	6,500	16,500
Election Expense	35	2,000	2,000	2,000
Dues and Publications	5,591	6,663	7,663	7,520
	<u>\$ 685,295</u>	<u>507,000</u>	<u>575,000</u>	<u>627,500</u>
Public Works				
Street and Gutter Maintenance	\$ 232,260	300,000	350,000	225,000
Snow Removal	9,484	8,000	8,000	8,000
Striping	4,707	3,000	3,000	3,000
Signs Maintenance	1,340	3,000	3,000	3,000
Vehicle Maintenance	7,624	3,500	3,500	3,500
Other Drainage/Water	13,385	13,500	13,500	10,500
Street Cleaning	-	2,000	2,000	2,000
Street Lighting	13,031	15,000	15,000	15,000
Ground and Other Maintenance	2,680	3,500	3,500	5,000
Other Maintenance/Homeowner Funds	10,000	14,000	10,000	14,000
NPDES Expense	4,864	5,000	5,000	5,000
Salary	-	15,000	15,000	14,500
Professional Fees	7,675	6,500	8,500	6,500
	<u>\$ 307,050</u>	<u>392,000</u>	<u>440,000</u>	<u>315,000</u>

TOWN OF COLUMBINE VALLEY
Capital and Reserve Expenditure Detail
2018 Budget

	Actual 2016	Budget 2017	Projected 2017	Budget 2018
Capital Expenditures				
Public Safety				
Vehicle	\$ -	43,000	43,000	-
Administration				
Emergency generator		10,000	15,000	-
Public Works				
Other	16,546	-	-	-
	<u>\$ 16,546</u>	<u>53,000</u>	<u>58,000</u>	<u>-</u>
Major Capital Projects				
Town Hall Remodel				
		<u>\$ 62,947</u>		<u>-</u>
Arapahoe County Open Space Shareback Expenditures				
Chatfield Dam Water Enhancement				
	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>7,500</u>
Conservation Trust Fund Expenditures				
Parks				
	<u>\$ 6,000</u>	<u>6,000</u>	<u>6,000</u>	<u>20,000</u>