

Town of Columbine Valley

2025 Budget

Narrative Portion

December 6, 2024

The 2025 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. Other accounts have been established for controlling the spending of restricted lottery receipts (Conservation Trust Fund), Arapahoe County Open Space Shareback sales tax receipts, Impact Fees, and Transportation Fees.

Sources of revenues are explained below. The main sources, however, are property taxes and various sales taxes. The amount of property taxes levied are determined by the total assessed value of the Town against the needed mills to fund operating expenses and reserves for major public works projects.

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)
- Public Works – Trash removal & 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. The 1998 election also allows the Town to remove the limitations noted above and collect the allowable property tax associated with the assessed value against the Town's permitted 9.313 mills.

Sources of Fund Increases

Property Taxes – General Fund -\$613,980

The assessed value for the Town for tax year 2024 (collection year 2025) is \$83,387,222. Against the mills the Town will certify, of 7.363 (including abatements) this would equal revenues of \$613,980. The full 9.339 mills less a mill levy of 2.195 for temporary reduction totaling \$183,035 plus 0.219 mill levy for prior year abatements totaling \$18,262.

Specific Ownership Tax - \$43,000

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 2025 reflects a small increase from the 2024 budget.

Sales & Use Tax - \$1117,600

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 2025 Budget provides for the scrapes of three homes within the Town.

Utility Franchise Fee - \$81,300

Utility franchise fees come from Public Service Company of Colorado (Xcel Energy). The fee received from Public Service is 3% of their billings to Town residents. This fee is expected to stay flat over the next few years.

Cable TV - \$43,400

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. The budget is expected to stay flat over the next few years.

Permits Fees - \$252,400

Permit fees (including plan review fees) are based upon the projection of historical remodel permit fees of \$75,000 as well as three scrapes and rebuilds within the Town. The budget is expected to stay flat over the next few years.

Fines - \$100,000

Tickets and fines issued by the Town police are a function of the level of police staff maintained during the year. We anticipate that 2025 revenues will likely stay flat. 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, 2025, the Town has renewed its intergovernmental agreement with Bow Mar for a ten-year term and continues to assume the responsibility for public safety and municipal court activities for that town. In connection with this and prior agreements and for providing these services, Bow Mar will have paid the Town \$338,000 in 2024 and will pay \$372,797 in 2025.

Bow Mar Building Department IGA

Effective in January 1, 2019, the Town has renewed its intergovernmental agreement with Bow Mar for a two-year term to provide certain administrative services associated with their building department functions. The fee for these services was \$40,000 in 2017 and 2018. The fee for 2019, 2020, and 2021 was \$25,000 per year. The fee for 2022, 2023, 2024 and 2025 is \$20,000.

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 – 2024 projection is \$51,546; 2025 budget is \$51,500
- County Highway Mill Tax – 2024 projection is \$18,863; 2025 budget is \$18,900
- Cigarette Tax Apportionment – 2024 projection is 1,681; 2025 budget is \$1,700
- Motor Vehicle Registration Fees – 2024 projection is \$5,575; 2025 budget is \$5,600

Interest - \$175,000

The Town will be investing funds in 2025 generated an estimate of \$175,000 in interest. This is significantly lower than past years as the amount invested and interest rates are trending lower.

Other - \$32,000

The Town is estimating grant income of \$32,000.

Sources of Fund Decreases

Public Safety - \$1,181,642

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 four part-time police officers in 2025 to accommodate its 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 be higher than 2024. 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 \$36,893 in 2024 and is budgeted at \$38,276 in 2025. The Town is anticipating receiving a grant to cover a portion of these costs, as in past years.

Sanitation - \$110,838

This will now show up in the Public Works section of the financials. The Town contracts with Republic Services for trash removal. A new contract was executed in 2020 is for a three year term with a 3% annual increase beginning in 2021. This overall fee has increased in recent years as a result of new home construction in the Town.

Administration - \$824,533

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

	<u>2023</u>	<u>2024</u>	<u>2025</u>
• Town office salaries and benefits	42.18%	38.03%	35.90%
• Legal, human resources, accounting and audit	21.18%	24.89%	21.35%
• Insurance	2.59%	2.23%	2.14%
• Building inspection fees	12.08%	10.96%	9.70%
• Town Hall maintenance and utilities	3.23%	3.78%	3.40%
• Community Functions	5.96%	6.86%	6.12%
• Other	12.78%	13.26%	21.40%

Office salaries include two full-time , two part-time, and contract additional part-time help as needed. Included in benefits are the cost of health insurance and a pension plan.

Legal fees are very dependent upon activities occurring within the Town. Legal fees are estimated to be more than previous years. 2025 will have higher legal fees for increased rates. The primary need for legal services in 2025 will be preparation for and attendance at regular meetings of the Town Trustees. The accounting and audit fees will increase due to outsourcing of additional accounting tasks. Human resources should stay about the same as 2024.

Insurance costs for the building are estimated to be a little higher than 2024, but nothing significant. Health insurance costs are increased due to additional insured for employees. Our insurance carrier is Travelers Insurance. Our Workman's Compensation insurance carrier is Pinnacol Assurance.

Building inspection fees are very dependent upon new construction within the Town. The budget for 2025 is about the same as the 2024 estimated, but still anticipates the scrapes of rebuilds of 3 homes within the Town. Other factors are assumed to remain steady within the Town.

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 odd years only), office supplies, and computer expenses.

Planning & Engineering - \$36,000

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. A portion of these costs may be recovered if there is significant activity in planning the active developments within the Town.

Public Works - \$431,841

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 also determined to continue to handle snow removal services internally, relying on our full-time public works manager and additional part-time help, as necessary. Salaries are higher than previous years as the full salary of the public works manager is included plus part time help. Some services, such as street cleaning and sealing are contracted from the City of Littleton or other third-party vendors.

Additional Funds Activity –

Capital Fund – \$997,000

This reserve fund was established in 2018 with a transfer of \$330,000 expected in 2025 from the General Fund Reserve balance. Funds will be transferred in 2025 to continue funding the necessary capital projects expected by the Town. Expenditures for 2025 include Platte Canyon Sidewalk, Platte Canyon/Coal Mine right turn lane, and the Town Wall. The Capital Reserve Fund will hold the majority of the funding needed for future projects the Town will need to face for improvements.

Conservation Trust Fund – Receipts - \$ 8,700 and expenditures - \$6,000

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 2025 we will continue to maintain the park area in front of the Town Hall.

Arapahoe County Open Space Shareback Fund – Receipts - \$63,200 and expenditures - \$4,000

This 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 have become significant, the Town Trustees are actively identifying and pursue projects which will be appropriate for these funds. .

Impact fees WPF – Receipts - \$0 and expenditures - \$-0-

This fund was established in 2019 to collect and hold impact fees assessed on all lots in the Wild Plum development at the rate of \$12,700 per lot. These funds will be held for future expenditures relating to items resulting from the ‘impact’ of this new development.

Transportation Fee – Receipts - \$100,000 and expenditures - \$-0-

This fund was established in 2021 to collect and hold fees charged to residents completing projects at their home. The fee will be a 1% fee imposed on projects that cost more than \$25,000 to complete. Homeowners obtaining building permits will be charged this fee as a way to fund future work needed on roads. These funds will be held for future expenditures relating to major road replacement work.