

Board of Trustees Budget Workshop Questions

1. What is the Town's sales tax in comparison to other municipalities?

Sales Tax Comparison

Municipality	Rate
City of Boulder	3.86%
Town of Erie	3.50%
City of Lafayette	3.50%
City of Longmont	3.53%
City of Louisville	3.65%
Town of Lyons	3.50%
Town of Nederland	4.00%
Town of Superior	3.46%
Town of Ward	2.00%

2. What is the Town's marijuana tax in comparison with municipalities within close distance?

- Town of Lyons – 3.5% sales tax + 3.5% marijuana tax
- City of Boulder – 3.86% sales tax + 3.5% marijuana tax
- City of Longmont – 3.5% sales tax + 3.0% marijuana tax

3. How do we compare to other municipalities with grant income?

- This will require additional research

4. How much property tax revenue would be generated if the 2022 mill levy were to remain at the 2021 levy? Could this be utilized for capital projects?

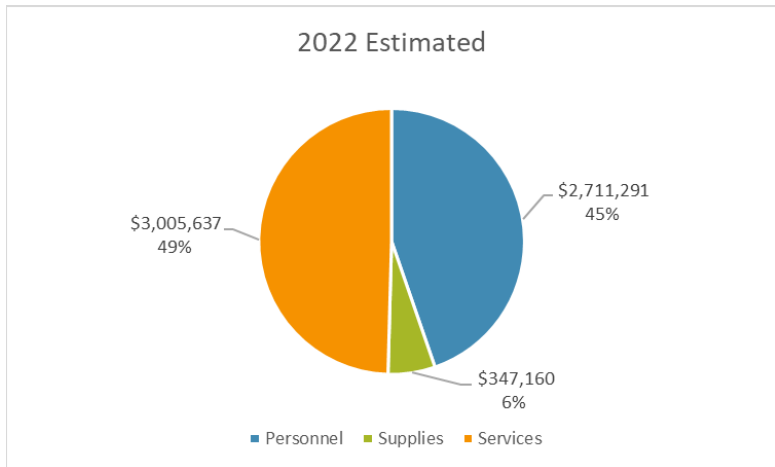
- Additional property tax revenue would be approximately \$53,000
- After further discussions with the Department of Local Affairs (DOLA), while the State Statute does allow for this, it is a rarely utilized option and would require an application to DOLA and additional public hearing. Due to the timing and Town's deadline to certify the mill levy for 2022 this may be a better option to investigate for future budget years, if directed.

5. Analysis of in-house Planner position vs. contractual services

- With the amount budgeted for a full-time (40 hours per week) planner in 2022, we would receive 10-16 hours per week of service, if contracted.

6. How does the Town's personnel budget compare when including contractual services like sheriff, code enforcement, building inspections, etc.?

- Sheriff: \$391,747 (2022 Budget)
- Code Enforcement/Building Inspection: \$80,000 (2022 Budget)
- Legal: \$152,135 (2021 projected w/out Honeywell)
- Engineering: \$100,000 (Contracted 2021)
- IT: \$36,600 (Contracted 2021)
- The following is a pie chart which includes the above-mentioned contractual services as a part of the personnel budget category:



7. Does our community size merit impact fees?

- See CML power point presentation attached

8. How does the Town’s Lodging Tax compare to other municipalities?

Lodging/Occupancy Tax Comparison

Municipality	Rate	Notes
City of Boulder	7.5%	
City of Avon	4.0%	
City of Basalt	4.0%	
Town of Berthoud	3.0%	Statutory Town
Town of Breckenridge	3.4%	
City of Broomfield	1.6%	
Town of Carbondale	2.0%	
City of Cortez	2.0%	
Town of Dillon	2.0%	Statutory Town
Town of Erie	None	Statutory Town
Town of Estes Park	2.0%	
<i>Town of Firestone</i>	\$2.00	Statutory Town
Town of Frederick	4.0%	Statutory Town
City of Lafayette	3.5%	
City of Longmont	3.0%	
City of Louisville	3.0%	
Town of Lyons	\$2.00	Statutory Town
Mt Crested Butte	2.9%	
Pagosa Springs	4.9%	
Town of Silverthorne	2.0%	
<i>Town of Superior</i>	\$4.00	Statutory Town

- Moss Rock Development is anticipating the addition of 79 hotel rooms at average of 69% occupancy with opening to begin in late 2024. At \$2.00 per night, this averages approximately \$40,000 annually to the Town in Lodging Tax.

9. What is the ongoing cost of the Creative District?

- See attachment
- Plan to form their own 501 3(c) and Town contributions would be voluntary

10. How does the LAHC funding and the co-mingle of Town funds work?

There is no ‘co-mingling’ of funds. The LAHC is a subgroup of the Town, and all revenue and expenditures are accounted for through the Town budget.

11. What is the budgetary difference between the Town providing 3% vs. 5% for retirement?

- The total difference for 2022 would be approximately \$24,756

12. How much in legal fees related to Honeywell is in the wastewater professional services account? And is there enough budgeted for 2022?

- To date there is approximately \$84,395 in legal expenses in the wastewater fund for 2021
- The Town averages \$152,135 for non-Honeywell Town Attorney Services per year and \$18,950.17 for Grant Related Attorney Fees. Both the Town Attorney fees and Grant fees went down from 2018-2020 (if you extrapolate out 2018 to a full year). General Town Attorney service seems fairly stable at the \$150,000 range. The General Town Attorney Services Fees include the Callahan, Frysig, and the Lyons Properties matters which are now resolved. In each case attorney's fees were partially or wholly recovered but included as credit to the calculation of the total fees.
- Honeywell is a more difficult projection. Costs are highly variable based on when the arbitration will happen. If it happens FY22, costs will be significant; if it doesn't, costs will be less. Attorney Godec has suggested \$100,000 for FY22.

13. Additional information on the Town's \$150,000 contribution to Summit.

- The Town will be receiving \$275,000 in ARPA funds in 2022. Part of these funds could be set aside to fund the Summit concessions per the agreement.
- Agreement language:

"Contribution of Town funds to Offset Increased Utility Costs. The Town agrees to offset up to, and not to exceed, \$150,000 in Town funds to offset increases in utility related costs (not including tap fees and utility dedications) and utility related construction ("Offset Funds"). Offset Funds shall be appropriated from American Rescue Plan ("ARP"), P.L 177-2, funds. The Developer understands that such Offset Funds can only be used for utility purposes as described in this Section. Any use of such Offset Funds for any other purpose shall be considered a breach of the Agreement by the Developer. Offset Funds shall be made available to offset costs more than the utility connection and construction costs as identified in the Construction Cost Projections, attached hereto as Exhibit G and incorporated by reference, lines 1-14 (Site and Site Utilities Allowances) in the April column ("Construction Cost Index").

If the Construction Cost Index stays the same or goes down, no Offset Funds will be made available to the Developer. If at the time a building permit is pulled by developer the costs have increased above the Construction Cost Index, up to \$50,000 in Offset Funds will be made available to Developer to offset any documented increases in eligible construction costs. At the time of construction of the first residential unit an additional \$50,000 in Offset Funds will be made available to Developer to offset any documented increases in eligible construction costs or utility connections if costs increase above the Construction Cost Index. Finally, at the time of substantial project completion an additional \$50,000 in Offset Funds will be made available to Developer to offset any documented increases in eligible utility construction costs if costs increase above the Construction Cost Index. In no case will more than \$150,000 total in Offset Funds be made available to developer."

14. How much do we have to raise rates to get \$500,000 in the water fund?

- Approximately \$8.50 per month for five years or
- An additional \$41 per month for one year
- Nov 2018-Ord 1042 increased sewer usage rate by \$4 per 1000 gallons of water
 - Estimated annual increase \$144,000 based on Average resident 36,000 gallons a year
- Dec 2015-Ord 995 increased sewer base rate by \$6 per month
 - Estimated annual revenue increase \$72,000

15. Should there be a Stormwater Investment Fee?

- A study would need to be done to determine value of infrastructure and cost to maintain it. We would need to budget for the study and probably not collect revenue until late in 2022 or 2023.

16. Need to verify the unrestricted balance in the Water and Sewer Fund.

- Confirmed with the auditor that the unrestricted 2020 balance is accurate.

Staff Questions for Board of Trustees

1. How much would the Board like to set aside for the Capital Fund for 2022?

2. Does the Board want to Budget for any of the following Bonuses for 2022? If so, how much?

- a. Hiring bonuses
- b. Retainment bonuses
- c. Vesting bonuses
- d. End of year bonuses

3. How does the BOT want to allocate the 2022 ARPA Funds (\$275k in January 2022)?

- a. Prioritize projects
 - i. \$150K Set Aside for Summit Construction Overages
 - ii. Additional Longs Peak Construction Costs

4. Should the town pay off the Electric Note in 2021/2022?

- a. Or add regular debt service into 2022 budget?

5. How much would the BOT like to allocate to Board and Commissions Requests?

- a. See attached requests previously included in the proposed budget document

Staff Proposed Adjustments to 2022 Budget

- 1. Add HR Consultant**
 - a. Approximately \$24K - \$28K addition to 2022 budget

- 2. Additional legal expenses related to Honeywell**
 - a. Additional \$50,000 in the Wastewater Fund