

THE CITY OF CASTLE PINES INTEGRATION PLAN



"One Community,
One Solution"

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Four Reasons to Integrate Services

- **To create a more efficient local government for our residents.**
 - For a city of our size, it is not logical or cost-effective to have two separate entities that provide such similar services.
- **To save tax dollars for our residents, long-term.**
 - Integrating these services will save our taxpayers an average of \$500,000 - \$600,000 annually.

Quantification of Cost Savings

• Admin Salaries & Benefits	\$192,388
• Administration O&M	\$230,650
Reduced Legal, Copier, T-1 Election Expense, Communication	
• Util. Salaries Benefits	\$ 68,199
Total Savings	\$491,237

Reasons to Integrate Services

- **Maintain LOCAL control of our Water Resources, Parks, and Open Space.**
 - The following renewable water resources have been purchased:
 - 1,500 Acre feet of Storage in Reuter Hess
 - 1,000 Acre Feet of Chatfield Storage
 - 336 AF Upper South Platte Water Rights
 - 600 AF Lower South Platte Water Rights
 - Water Treatment and Delivery Contract with Centennial Water and Sanitation District
 - Numerous Water Right Applications

Reasons to Integrate Services

- **Ensure the timely completion of the Communities Renewable Water Plan**
 - Addresses concerns raised by Wells Fargo
 - The City envisions the creation of an Independent Utility Board focused exclusively on Water, Wastewater, and Stormwater Services

The Importance of Local Control

- Local representation on Boards and City Councils
- Ability to influence rate and fee increases
- Ensures the development of water resources you already own including water rights and infrastructure purchases
- Only responsible for CPN debt not the debt of other entities

KEY COMPONENTS OF THE INTEGRATION PLAN

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- The District remains in place for a number of years as a Financing mechanism to collect taxes and service existing debt
- The City of Castle Pines will operate and maintain all facilities and provide, without interruption, all services currently provided by the Metro District
- Many cities across Colorado – including Fraser, Mountain View, and Superior - have successfully integrated special district functions to create one efficient source for community services

KEY COMPONENTS OF INTEGRATION PLAN

- In order to create a seamless transition the City will offer current district employees an opportunity to fill newly created positions within the City
- A Utility Board will be created that includes representatives from the District will help foster communications and offer counsel during and after the transfer of services
- The City will ensure that the Metro District's financial obligations and long-term commitments are satisfied

NUTS AND BOLTS OF THE PLAN

CURRENT CITY SOURCES OF FUNDING

General Fund

Licenses Fees & Charges	\$	226,000
City Sales Taxes	\$	745,582
Use Taxes	\$	694,558
Property Tax Law Enforcement	\$	706,266
Fines & Forfeitures	\$	19,800
Franchise Fees	\$	382,500
Intergovernment Revenue	\$	665,316
Cigarette tax	\$	4,200
Motor Vehicle Registration Tax	\$	30,000
Specific Ownership Tax	\$	50,000
	\$	3,524,222

UNDER PROPOSED ASSUMPTION OF SERVICE IGA

- City revenues remain the same from current charges
- District collects and then transfers approximately 6 mills to the City from their current 19 mill operating mill levy for all City and District parks and open space maintenance including capital improvements
- This occurs **ONLY** until City passes own similar mill levy for parks and open space maintenance
- Approximate Transfer Amount \$900,000

USE OF DISTRICT GENERAL FUND REVENUE

- 7.1 mills of District general fund revenue dedicated to pay 2008 and 2009 COP' s
 - Specific ownership taxes dedicated to pay 2008 and 2009 COP' s
 - Cell phone tower lease income dedicated to pay 2008 and 2009 COP' s
 - $\$1,031,296 + \$410,000 + \$80,000 = \$1,521,296$
 - Includes principal, interest, LOC fee, remarketing fee
- *1 Mill equals approximately \$145,250

REMAINING MILLS

- 5.90 mills are remaining
- Reduced by the District
- City uses the 5.9 Mills for issuance of debt in the City's name for renewable water using authority granted under Ballot Initiative 2E
- Approximately \$13,000,000 @ 4.5%, 25 yrs.
 - Delivery pipelines interconnect with Centennial
 - Down stream storage
 - Pipeline capacity WISE or ECCV

POST INTEGRATION, SERVICES TO BE PROVIDED

- Parks and open space management
- Street maintenance including capital projects
- Community development
 - Zoning
 - Building inspections
- Utility services
 - Renewable water program implementation
 - Water treatment and distribution
 - Wastewater collection and treatment
 - Storm water management

HISTORICAL DEBT

- Current district mill levy: 22.0 mills
- Prepay a minimum of \$1,800,000
- If interest remains low in 2011 debt service mill levy is reduced by 3.0 mills to 19 mills
- In 2012: 2006C bonds paid off and mill levy is reduced by another 7.0 – 8.0 mills
- Total mill levy for historical debt is 11 mills through 2017 and then reduced even further

EXISTING UTILITY ENTERPRISE

- District current Utility Enterprise including all assets and employees transferred to the City
- Everything remains the same
 - Same rates and fees
 - Same level of service
 - Same dedicated staff

NEXT STEPS

- Finalize IGA with the district
- Create a utility board
- Transfer all district agreements to the City including Plum Creek Wastewater Authority, South Metro Water Supply Authority, etc.
- Work with Wells Fargo to ensure their acceptance of the integration plan

ONE COMMUNITY – ONE SOLUTION

It really is that simple.

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