

Memorandum

To: Mayor and Council
From: Tom Baker, Town Administrator
Date: October 6, 2015
Re: Council Retreat Packet – October 10th 9AM – 2:30PM Public Works

Attached to this memorandum is the Retreat Agenda and Packet. If you have questions or comments please contact me.

Agenda
Town of New Castle
2015 Town Council Retreat

Saturday, October 10, 2015

9:00 AM – 2:30 PM

Public Works Facility

- I. Introduction (9:00)**
 - a. Agenda
 - b. Outcomes
 - c. Groundrules
- II. Review of Last 12 months (9:10)**
 - a. Review: Action Items from 2014 Retreat
 - b. Projects Completed
 - c. Projects on-going
 - d. Projects scheduled
- III. Budget Considerations (9:35)**
 - a. Department Head Overview of Goals and Budget
 - b. Project Ideas
 - i. Pedestrian Bridge Lighting - A
 - ii. Marketing Strategy - A
 - iii. Parking in Downtown – Angle Parking on Main Street - A
 - iv. Training for Community Policing and Civic Engagement – building Social Capital - A
 - v. Incident Command System/Emergency Management Training - A
 - vi. Police/Fleet Vehicles Strategy - A
 - vii. Police Radios - B
 - viii. Streetscape - A
 - ix. Raw Water System Improvements - C
 - x. South Side Interceptor - C
 - xi. Sports Park -B
 - xii. Senior Housing (CRHDC) - A
 - xiii. Town Hall Remodel of Chambers/2nd floor - C
 - xiv. Trail East of Town - B
 - xv. Kuersten Property acquisition and utilities - B
 - xvi. Recreation Center Sound System - C
 - xvii. Lakota Irrigation/Grading Changes to Protect Streets - A
 - xviii. Downtown Pocket Park - A
 - xix. 4th of July Celebration - A
 - xx. Explore Micro-Hydro - C

xxi. Explore Bed and Breakfast – P&Z -B

xxii. Facilitate Art Guild - B

- IV. Utility Rate Plan (11:30)**
- V. General Fund and Utility Fund Reserve Strategy (1:00)**
- VI. Working Lunch (12 noon)**
- VII. Grant Strategy – 2016 (1:30)**
- VIII. Discussion: Review and Amend Strategic Plan (2:00)**
- IX. Evaluate Retreat (2:25)**
- X. Adjourn (2:30)**

**II. Review of Status for 2014
Retreat Action/Project Items**

<u>Project/Action</u>	<u>Status</u>	<u>Comments</u>
Marketing Strategy	On-going	2-step interview process completed. Negotiating scope and budget. Council approval in October.
On-line Bill Paying	Complete	
Angle Parking on Main Street	On-going	Council submitted formal request for devolution from Elk Creek to E Ave. Follow-up meetings with CDOT needed.
Training for Community Policing	On-going	
Incident Command System Training	On-going	Completed FEMA training in June. Scheduled training with State Emergency Manager in December.
Police/Fleet Vehicle Strategy	On-going	
Retention Plan	Incomplete	
Streetscape Project	On-going	Mid-December completion date.
Senior Housing	On-going	CRHDC is pursuing CHAFA tax credits with 2016 application.
Town Hall Remodel of 2 nd Floor inc. HVAC and solar gain from south windows	On-going	Floor plan alternatives have been developed. Need to decide on specific floor plan, cost out and apply for grant.
Trail East of Town	Uncertain	Written letter of support for Governor's 16 by 2016 trails initiative. Decide whether or not we will pursue planning grant in 2015 cycle.
Utility Rate Structure Plan	Topic of 2015 Retreat.	
General Fund and Utility Fund Reserve Strategy	GF complete. Utility Fund topic of 2015 retreat.	General Fund Reserve target is \$500,000. Utility Fund Reserve target TBD.
Grant Strategy for 2015	Topic of 2015 Retreat.	
New PD Offices	Complete	Minor move-in and finish work needed.
Teamwork Ethic between all staff	On-going	This is always a work in progress. PD and PW are working very well together.
Jolley Trail and extensions	Complete	
Flattops Bridge	Complete	
Talbott Trail	Complete	

III. Budget Considerations: Staff expects that 2016 will be a year when we need to tighten our belt. With the predicted decrease in Direct Distribution (Mineral Leasing and Severance Tax), which impacts General Fund revenue and grant opportunities, and expected modest increases in Sales Tax Revenue (2%), Property Tax Revenues (\$68,000) and Building Permit Revenue (similar to 2015).

- a. Lyle, Tony and John will give the Council a brief summary of their respective budgets.
- b. **Project Ideas:** The purpose of this section is to give Council a summary of the various projects that have been identified over the course of the year so that Council can discuss and determine which projects will be pursued in the 2015 budget. Staff offers each project a ranking of A (2016 project), B (2016 only if we find that we have unexpected revenues after the 2nd quarter) or C (a project that can be considered in future years but not a 2016 project).

Pedestrian Bridge Lighting – Staff is currently writing a GOCO min-grant for this project. Project cost is \$62,000. Alpine Bank is providing a \$17,000 match and we are seeking the maximum grant amount of \$45,000. If we are not successful then this can be a Spring GFMLD mini-grant (\$25,000), Alpine bank will still provide \$17,000 and the Town will be required to provide an additional \$20,000 to fund this project. (A – This project is important to Alpine Bank - \$17k donation - and will allow the pedestrians to more comfortable use the bridge, especially the River Bridge, after dark.)

Marketing Strategy – This will be an ongoing cost – brochures, ads, and other elements. Estimate \$10,000 per year. (A – This is phase 2 of our Expose New Castle strategy. The Marketing Strategy builds on the website foundation.)

Parking in Downtown – The Town has begun the process of “Devolution” on Main Street from Elk creek to E Avenue. This process will allow the town to control parking, speed, signage, etc. on Main Street and provide for an increase in parking exactly where parking is needed by converting parallel to angle spaces. There will be a cost to change lane and parking space striping, change speed signs, and add stop signs... (Estimate \$10,000 but CDOT funds or in-kind should cover this cost). (A – A long held goal of Council.)

Training for Community Policing, Civic Engagement, and Social Capital – Staff is trying to embed this thinking into the normal training and process of day-to-day work. (A – This is a normal part of doing business in the PD.)

ICS/Emergency Management Training – Staff will create a budget line item and suggest modest funding of \$2,500. (A – we have a training scheduled in December with the State Emergency manager for our region.)

Police/Fleet Vehicle Strategy -

According to John Wenzel the key to a successful fleet is to rotate vehicles before they lose significant value. This allows the town to take maximum advantage of the reduced purchase price that the town receives from the state bid process. While Public works and Utilities have a good system in place, the Police Department is playing catch-up. At the retreat staff will propose a funding strategy that uses grants, leases and purchase to

address this challenge. (A – This is important and an ongoing challenge. In 2016 we are looking to GFMLD grants to acquire vehicles.)

Police Radios – The PD needs new radios to keep our communications consistent with area law enforcement. Estimate \$10,000. (B – This is an important goal and staff has contacted the State Emergency Manager to determine if any Homeland Security grants are available. If we are funded by GOCO in 2015 for the pedestrian bridge lights then this can become a mini-grant application for GFMLD.)

Streetscape – This project will be complete in 2015. (A)

Raw Water System Improvements – This is an \$800,000 project and likely a DOLA grant candidate. (C)

South Side Interceptor – This a \$2M project and likely a DOLA grant. (C)

Sports Park – The town is submitting our 4th GOCO grant for this project. The town has attempted to assist the developer in creating this park and has go beyond our agreement (3 grant submissions). This project is a commitment that the developer made over 10 years ago. (B – The town has diligently applied for three GOCO grants and is in the process of submitting its forth grant. In my mind GOCO sees this project as one that benefits the developer and specific Lakota neighborhood and regardless of what we write in the grant they are not scoring us well enough to attain funding. If we are not successful with our 2015 submission, then this obligation will fall back to the entity that was originally responsible for this amenity – the developer. The town will of course refund Warrior’s \$100,000 match.)

Senior Housing (CRHDC) – Work for this project is ongoing. (A)

Town Hall Remodel – There are two components to this project – 2nd floor remodel, which may be the best short-term project; and expansion for an improved Chambers, which may be a longer term project due to match requirements. Council can create a 5-year strategy to build-up an appropriate match. (C – funding is not available in 2016)

Trail East of Town – Near term (2016) we will be asked to contribute a \$13k - \$15k match for planning of the trail. This seems to be an important economic development project and perhaps Council will add this project to their Strategic Plan. (B)

Kuersten Property – This project is being discussed semi-monthly with Town Council and will not be discussed during the retreat. This project, too, shall be considered for addition to the Strategic Plan. (B)

Recreation Center Sound System – The recreation Center has many, many needs and a sound system should be incorporated into a future mini-grant for this facility. (C)

Lakota Irrigation/Grading Changes to Protect the Streets – Warrior Acquisitions has just completed their Warranty Work in Lakota. Jeff Simonson identified lot grading as one solution to keeping the streets in good repair. In 2016 the town and HOA need to work together to eliminate lot grading that forces water under our sidewalk, curb, street

infrastructure and regrade the lot so that irrigation water sheets into the gutter. (A – SGM and staff to work with HOA.)

Downtown Pocket Park – This is a work in progress. To date the town is committing \$8,000 of in-kind work and seeking a \$5,000 grant. Additional funds will likely be requested (estimate \$22,000). (A)

4th of July celebration at Apple Tree - \$3,000. (A)

Explore Micro-Hydro – This may be a Utility Fund project for SGM. (C)

Explore Bed and Breakfast – At last year’s retreat we discussed directing the P&Z to develop a plan for alley commercial. This effort has not yet started. In addition to considering what needs to be done to make alley commercial attractive, would Council like P&Z to consider the implications for allowing residential uses in the downtown (covenants will likely prevent B&B in CVR or LCR). Most of us feel that additional short-term accommodations in town would be a benefit for the economy. Waiting for a developer to create another hotel/motel or stay and play facility is one option. Another option is to allow existing residential units to advertise as a B&B. This has the advantage of dispersing both the short-term housing stock and also the economic benefits of renting rooms. Staff will elaborate at the meeting. (B – P&Z can be asked to investigate and consider this land use question.)

Consider Facilitating Creation of Art Guild – There has been some conversation around the idea of an art guild – a place for artist to gather in the downtown with supplies so that children can be exposed to the artistic process. This may also keep the downtown as a location for artists to gather. As you know, Speckled Feather moved to the mall and Patti Ringer’s studio is leaving us. It may that Speckled Feather is the location for artists in the future, but do we want to investigate the possibility of a downtown space in the Community Center? Assuming that an art guild is possible. (B – Exploring interest to determine if this is workable and supportable by artistic community.)

IV. Utility Rate Plan: The goal of this plan is to continue to have a health reserve fund while make needed improvements to the system. Currently, our Utility Reserve Fund is \$1.4M (after we fund the WTP improvements). The operating costs of the Utilities Department is approximately \$2M. Generally Accepted Accounting Practices (GAAP) state that the reserve fund should equal at least 25% (3-months) of the operation budget. In small towns, such as New Castle, it is prudent for the reserve fund to equal four, five or even six months of operating expenses. Setting too high of a reserve fund target puts an unnecessary financial burden on users and too low a reserve fund jeopardizes the community’s investment in public health. Staff finds that Council can set a conservative target of \$1M for the reserve fund and not be too high or too low.

In 2014, tap fees and service fees generated approximately \$260,000 more than operating expenses, which was added to the reserve fund balance. In 2015, we are experiencing similar revenue levels.

In 2017, we propose to apply for a DOLA grant for Raw Water Improvement, an \$800,000 project which will require a \$400,000 match from our reserve fund. If we are successful we will spend \$400,000 for the grant match and add \$260,000 in revenues. Our end of year reserve fund balance will be \$1.26M (2017).

In 2019, we propose to apply for a DOLA grant for the South Side Interceptor, a \$2M project which will require a \$1M match from our reserve fund. Assuming the above revenue and expense trends our end of year reserve fund balance will be \$780,000 (2019).

The Council can attain its reserve fund target by the end of 2020 by not spending any reserve funds that year. Or the Council can raise water and sewer fees and increase revenues by \$18,000 for every one-percent increase. (At this point we can expect operating expenses to increase based upon inflation.)

In staff's view, the key to a successful Utility Rate Plan is to avoid falling behind in reserves to the point where a large increase is necessary for a needed improvement. In staff's view, once the 2015 WTP improvements are in place, the Council has ensured the long-term provision of water and sewer facilities/services well into the 2020's and 2030's.

Staff's opinion is that a rate increase in 2016 is unnecessary; however, a 2 percent increase in 2017 will provide the fund with insurance against the likely rise in operational costs. Additionally, based upon our discussions with DOLA during the WTP grant application process it will be prudent to show DOLA that our service fees are closer to those of other small towns in western Colorado, which will help us compete better for DOLA grant funds.

**Utility Plan
Reserve Fund Target**

<u>Year</u>	<u>Project/Action</u>	<u>Revenue</u>	<u>Expense</u>	<u>Year End Reserve Fund Balance</u>
2015	Water Treatment Plan Improvements		\$816,000 Grant Match	\$1,400,000
2016	Expected Surplus	\$260,000		\$1,660,000
2017	2% Increase in Service Fee	\$36,000		
2017	Expected Surplus	\$260,000		
2017	Raw Water Improvements		\$400,000 Grant Match	\$1,556,000
2018	Expected Surplus, which includes 2017 Service Fee Increase	\$296,000		\$1,852,000
2019	Expected Surplus, which includes 2017 Service Fee Increase	\$296,000		
2019	Southside Interceptor		\$1,000,000 Grant Match	\$1,148,000

V. General Fund and Utility Fund Reserve Strategy: Staff recommends target reserves fund balances as follows:

- General Fund Reserve \$500,000
- Utility Fund Reserve \$1,000,000

VII. **Grant Strategy:** The following grant matrix is designed to allow Council to see the larger grant picture and direct staff and priorities for 2016.

**Grant Strategy
2016**

Projects	DOLA	GFMLD Mini Spring/Fall	GFMLD Traditional	LiveWell	GOCO	State Parks and Trails
Ped. Bridge Lighting		X Spring (River and Highway) X Fall (Railroad)			(2015 grant app)	
Fleet Vehicles – PD and PW			X Spring (2 Patrol Cars \$100k total \$70 grant/\$30 match) X Fall (2 Pick- up Trucks, trailer, roller, broom, atv \$100k total \$70 grant/\$30 match) – use Utility Fund for match			
Police Radios		X (fallback if GOCO funds Ped Bridge lights)				
Raw Water Improvements	X 2017					
South Side Interceptor	X 2019					
Sports Park					(2015 grant app)	
TH Remodel 2 nd Floor		X (fallback if GOCO funds Ped Bridge lights)				
TH Remodel Chambers	X 2019					
Trail Planning LOVA						X 2016

New Castle Town Council
Strategic Plan
Updated October 6, 2012
4th Revision-October 10, 2015

1. Activate Economic Development with an Emphasis on Business

- ~~1.1. Develop and implement a marketing strategy that builds on the new website (2015/16).~~
- 1.2. Collaborate with Lakota to expedite Clubhouse, model home development and the golf "Stay and Play" business model.
- 1.3. Utilize existing Town-owned land as an incentive to encourage mixed use development in the downtown and near the mall – public/private partnerships.
- 1.4. Stay vigilant regarding ownership changes to the downtown Livery property (Meet with New Owner).
- 1.5. Continue to build relations with the CRFR District and encourage them to utilize their existing downtown property in a more economically productive manner.
- 1.6. Work with CRHDC to create a senior housing development on town-owned land in Lakota.
- 1.7. Improve Community Center kitchen and furniture to attract more group use (GFMLD Grant allowed general room upgrades in 2013/14).
- 1.8. Remodel Community Center exterior to present a more attractive façade on Main Street (2019).
- 1.9. Promote the LiveWell goals and programs of healthy eating and active living as the New Castle Brand "LiveWell New Castle". (For example, discuss with community groups and individuals what it means to "Live Well" – can it mean emphasis on social relationships, that help people cope; neighbors helping neighbors to accomplish projects that keep costs down; enjoying the outdoors; calling on neighbors for emotional support during crises; and lessening fear of the future; empowerment through association – we can all ask questions, and start a conversation about Living Well, 2015).
- 1.10. Pursue Kuersten property – Health and Wellness Campus.

2. Development and Infrastructure Plan

- 2.1. Traffic control (Intersection of Hwy 6/Castle Valley Blvd Roundabout).
- ~~2.2. Water Treatment Plant Improvements (Submit DOLA Grant for implementation in Fall/Winter 2015).~~
- 2.3. Raw Water System Improvements (First Priority is to build storage pond, pump house and distribution lines to allow increased watering window for parks).
- ~~2.4. Streetscape Improvements: visual amenities and angle parking for economic development. Also, traffic and pedestrian safety (Apply for a Spring 2015 GFMLD Grant).~~
- 2.5. Remodel Town Hall – HVAC improvements, light shelf to control solar gain, 2nd floor remodel, expansion for Council Chambers (2016).
- 2.6. Southside wastewater interceptor (not needed until substantial buildout of Lakota).
- 2.7. Improvements to VIX park – baseball improvements by volunteers, and amphitheater.
- 2.8. Develop Sports Park in Lakota – Tennis Courts, Beach Volleyball, Tot Lot, Pickleball (GOCO Grant In Process).
- ~~2.9. Pursue cost sharing agreement with GarCo for repairs to CR 335 (Commissioners and Council are Discussing this Item and working toward a mutually agreeable solution).~~

- 2.10. Make improvements to the Jolley trail with the goal of making this trail segment a portion of LOVA regional trail.
 - 2.11. Collaborative with all regional entities to pursue LOVA trail.
 - 2.12. Annex CR335 throughout the New Castle town limits.
3. Environmental Issues (air quality, weed/pest management, energy saving measures)
- 3.1. SMG to review the conceptual feasibility of installing a turbine in the existing augmentation pipeline for generation of winter-time energy for the WWTP.
 - 3.2. Work with Garfield Clean Energy to determine if any town-owned site is a good candidate for a Community Solar Garden.
4. Address Traffic, Parking and Business Access Issues (downtown parking, parking enforcement, traffic control, alley use).
- 4.1. Improve alley and side street conditions and organization to provide more downtown parking (GFMLD Grant received to accomplish this work).
 - 4.2. Develop a downtown alley plan to encourage commercial businesses to locate store-fronts on these alleys (Planning in 2015).
 - 4.3. Improve town-owned Kamm property to allow for more downtown parking (Summer 2014).
 - 4.4. Work with CDOT to make safety improvements to Main Street and 7th Street Intersection.
 - 4.5. Angle parking on Main Street, see item 2.6.
5. Development of Human and Social Capital and a Diverse Workforce
- 5.1. Develop an Employee Retention Plan as we emerge from the recession (Plan will be discussed in 2014 and implemented in 2015).
 - 5.2. When possible hire English/Spanish speaker in Town Hall (currently the Town has one bi-lingual police officer and two bi-lingual maintenance workers in Public Works).
 - 5.3. Council and Staff will promote and implement a high level of Customer Service (this includes Community Policing), as well as Civic Engagement in community governance and operations - all for the purpose of building Social Capital in the Town of New Castle.
 - 5.4. Implement ICS training/planning for the purposes of community events, emergency planning and general operations of town projects.
 - 5.5. Increase Civic Engagement and Hospitality for all New Castle communities: Castle Valley Ranch, Lakota Canyon Ranch, Downtown, Grand River Park Condominiums, Apple Tree Park, Mountain Shadows, River Bend (communicate through HOA's).
6. Fleet Replacement work with County Sheriff and Commissioners to secure police vehicles – new and used.
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7. Street Maintenance continuously look for ways to augment Town street maintenance budget to bring streets, alleys, sidewalks, trails, curb and gutter to appropriate standard.