



**TOWN OF PALMER LAKE
BOARD OF TRUSTEES - MEMO SUMMARY**

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| DATE: November 14, 2024 | ITEM NO. | SUBJECT: Direction on Proposed 2025 Budget |
| Presented by: Town Administrator Dawn Collins | | |

Background

Historically, Town Administration seemed to react to town matters. It is my goal to shift that in the coming year and, in collaboration with the Board of Trustees, begin developing a plan of objectives for the organization and the community to assist in planning for the future.

Understand that the proposed figures will be adjusted with final figures as we approach the December 12 meeting for adoption of the budget. Understand, also, that the annual revenue does not support all of the organization’s needs, additions, and certainly not capital expenditures requested and in areas necessary for town operations.

Therefore, the proposed 2025 budget is presented with the following recommendations based on department discussions and priorities identified by Administration and discussed with the Board.

Reference the enclosed completed, ongoing, and proposed projects.

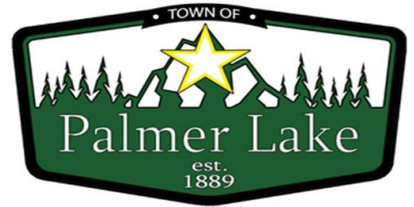
General Fund:

- Revenue – Property Tax – anticipate additional SB22-238 and SB23-B001 “reimbursement” in 2025.
- Revenue – grant funds include the following confirmed monies – MMOF funds (sidewalk design); TIP (Spruce Mtn roadway improvement); EIAF/DOLA (Public Safety facility feasibility); BHCON (clinician/CIT program); MHYC (labor); and additional planning and capital equipment items will be sought with grants (sidewalk construction; public safety facility; additional land use code revision; various equipment needs).
- Operating – pursuant to the compensation study, it is burdensome to increase to the recommended wages; therefore, the proposed budget includes an increase for wages lower than the recommended wage to be increased halfway to the recommended wage with a commitment to complete the wage increase to recommended wages in 2026 with an additional COLA increase for all employees. The budget also includes additional staff for PD and Fire (2 FT each).
- Operating – pursuant to the needs of the departments, all operating expenditures were reviewed and are accounted for as discussed, and modifications noted.
- Capital – improvement projects and equipment are generally unable to be funded by annual revenue, thereby utilizing fund balance. Specific items removed from the budget, unless the Board directs differently, include:
 - Police – removal of vehicle replacement (79k)
 - Public Works – removal of skid steer with attachments (90k)

Note: Over \$550k capital expenditures utilizing ~ \$470k FB

Water Fund:

- Revenue – healthy revenue covers operating and accumulates for capital improvement.
- Operating – staffing includes four, although operating staff will suffice with three once a certified Water Operator in Responsible Charge (ORC) is in place as successor for current Supervisor.
- Operating – pursuant to discussions with water department, operating costs continue to increase.



- Capital – it was expressed by the water department to continue replacing water distribution lines as monies allow and not borrow. Current line replacement identified for 2025 is Canon City and Park, and the possible start of Shady Ln, if time allows, and the Board supports additional Water Fund balance to be used.
Note: This will bring the discussion and review of amending the Water System Improvement PER back to the Board in 2025 to reconsider and prioritize the Arapahoe well proposed to increase supply.

It is recommended, early in 2025, to amend the town code, section 3.04.020, to include capital improvement portion collected in water bills, along with water tap fees, and establish the Water Capital Improvement Fund as noted. Similarly, staff recommends establishing a Capital Improvement Fund for the General Fund. More discussion will follow with policy for these funds.

Note: both General Fund and Water Fund will contribute to a necessary replacement/upgrade of the town network.

Conservation Trust Fund (CTF):

- Revenue – steady from year to year and restricted use of funds for playground maintenance and capital improvement.
- Operating – planned expenditures are summer wages of one staff member maintaining parks.
- Capital – a planned capital item is possible replacement of the climbing hill in Glen Park should the Parks Commission determine replacement vs. modification.

Recommended Action

Staff recommendations are reflected in the proposed budget. Management recommends increase of wages, staff, and prioritized capital items with use of fund balance accordingly.

If the Board has specific input, or different objectives at this time, please provide such direction.

It is becoming imperative that the following discussions are considered to prioritize future planning –

- Police staffing
- Fire staffing
- A proper facility for both departments – neither current space is a long term solution
- A master drainage plan for the community for guidance of infrastructure improvement, along with consideration of an enterprise fund for necessary infrastructure
- Water System Improvements (modifications referenced above), along with consideration to borrow for necessary infrastructure
- Consider the planned use of elephant rock property to determine improvements needed
- Security of public facilities – ie., fence/gate shop yard and water facilities; security cameras
- Consider Town fuel tanks at shop for all dept use
- Consider ADA plan for community – ie., prioritizing parks, public areas