



## Agenda Memorandum

Agenda Item – {{section.number}}.A.

### rates

City Council Meeting  
October 14, 2024



#### **Strategic Priority 1: Access to Opportunity**

Advance access to opportunity and prosperity for all in Westminster through diverse housing choices, increased mobility options, safe and walkable neighborhoods, and strong social networks.



#### **Strategic Priority 2: Community Empowerment and Engagement**

Enhance the sense of community and connection in Westminster through engaging methods of communication and dialogue that improve accessibility, increase understanding, and encourage participation in civic and City life.



#### **Strategic Priority 3: Community Health and Safety**

Invest in innovative and collaborative approaches to provide a continuum of services that preserve, promote, and protect the health, safety, and environment of Westminster.



#### **Strategic Priority 4: Economic Vitality**

Promote and support a resilient economy that attracts and retains a diversity of businesses, workers, and industries, expands living wage jobs, and diversifies the City's tax base.



#### **Strategic Priority 5: Resilient Infrastructure**

Maintain and invest in resilient infrastructure that creates the highest return for safety, community connectivity, enjoyment of life, and local economic success.



#### **Strategic Priority 6: Organizational Vitality**

Develop and sustain an environment where employees and the organization are equipped and supported to deliver outstanding service to everyone in Westminster.

**Subject:** First Readings and Adoption of Associated City Council Actions to Adopt the 2025 Budget

**Prepared By:** Erin Ferriter, Policy and Budget Administrator  
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Davy Godfrey, Human Resources Director  
Paul Knippel, Public Works & Utilities Director

**Recommended City Council Action:**

1. Pass Councillor's Bill No. 31 on first reading amending the 2024 budgets of the General; Utility; Utility Capital Project Reserve; Golf Course; Fleet; Investigation Recoveries; Parks, Open Space and Trails and General Capital Improvement Funds and authorizing a supplemental appropriation from the 2023 carryover and 2024 revised revenues.
2. Adopt Resolution No. 26 establishing the 2025 Pay Plans.
3. Pass Councillor's Bill No. 32 on first reading amending Chapters 7, 8, and 12 of Title VIII of the Westminster Municipal Code concerning the amount and implementation of water, sewer, and reclaimed water fee rates.
4. Adopt Resolution No. 27 setting the 2024 mill levy collectible in 2025, adopting the Budget and Capital Improvement Program for fiscal year 2025.
5. Pass Councillor's Bill No. 33 on first reading making appropriations to pay the expense of continuing the public business for the year 2025 and other purposes required by the Charter and by any other law.

### **Summary Statement:**

- The Proposed 2025 Budget reflects all City operations and services to be provided to Westminster residents and businesses in 2025. This budget is balanced in accordance with legal requirements, City Charter, and debt covenants.
- The Proposed 2025 Budget was made publicly available on the City's website beginning on August 23, 2024, at <https://www.westminsterco.gov/budget>.
- This Proposed 2025 Budget is the result of a collaborative process with City Council, the community, and Staff. There were multiple opportunities for community feedback, including a community town hall.
- The Proposed 2025 Budget incorporates the supported budget amendments from the September 23, 2024, City Council Post-Meeting.
- To provide more transparency to the budget process, Staff have compiled all the City Council action items leading into the adoption of the 2025 Budget in this single agenda memorandum.
- Staff will meet with City Council on November 4, 2024, to conduct a preliminary debrief session concerning the 2024 Budget development and adoption process to receive feedback on strengths and opportunities to improve the process for the 2026 budget.

### **Fiscal Impact:**

#### Proposed Amendment to the 2024 Adopted Budget:

\$243,512,515 in new appropriations from carryover and additional revenue sources such as the new Drinking Water Facility bond proceeds, including:

\$237,474,249 in operating and capital expenditures; and  
\$6,038,266 in interfund transfers

#### Proposed 2025 Budget:

\$371,513,395 in total appropriations, including:  
    \$332,908,608 in expenditure appropriations; and  
    \$38,604,787 in transfer appropriations

**Source of Funds:**

- General Fund
- Utility Fund
- Utility Fund Rate Stabilization Reserve Fund
- Utility Fund Capital Projects Reserve Fund
- Golf Course Fund
- Parking Management Fund
- Fleet Maintenance Fund
- General Capital Outlay Replacement Fund (GCORF)
- Parks, Open Space, and Trails (POST) Fund
- Conservation Trust Fund (CTF)
- General Capital Improvement Fund (GCIF)
- General Debt Service Fund

**Policy Issue(s):**

- Should City Council adopt the Proposed Amendment to the 2024 Budget as presented?
- Should City Council adopt the Proposed 2025 Pay Plans as presented?
- Should City Council adopt the Proposed 2025 and 2026 Water and Sewer Rates and implement the water, sewer, reclaimed water fee rates as presented?
- Should City Council adopt the Proposed 2025 Budget as presented?

**Alternative(s):**

Each of these actions are necessary to adopt the 2025 Budget. City Council could direct Staff to revise these items or the resulting 2025 Budget. Staff has strived to prepare a budget that accurately reflects the policy direction of City Council and supports the City's Strategic Plan.

**Background Information:**

The proposed budget for 2025 delivers on the City's Strategic Plan, adopted by City Council in 2024, and is the result of a collaborative effort between City Council, the City Manager's Office, Staff from all City departments, and the community. The proposed budget strikes a thoughtful balance between revenues, resources, and expectations to deliver the high-quality core services the community has come to expect.

Highlights of the proposed 2025 budget are as follows:

- Addresses funding needs for the City's core services, including streets maintenance and public safety,
- Continues the City's investment in maintenance of City infrastructure,

- Increases resources for mental health and community wellness using opioid settlement funding,
- Permanently funds the Police Department's Victim Services Advocates,
- Invests in the maintenance of the City's Open Space,
- Enhances cyber security for City assets,
- Invests in employees through competitive benefits, salaries, and training,
- Expands resources for people experiencing homelessness, and
- Expands the water bill assistance program.

The proposed 2025 budget, in its entirety, advances the City's commitment to justice, equity, diversity, inclusion, and belonging for all members of the community, and will contribute directly to the City achieving its mission to provide high quality core services and foster resilience in order to promote a safe and thriving community.

The City of Westminster practices responsible, appropriate, and prudent budgeting. Revenues are anticipated to remain strong in 2025 and sales and use taxes are projected to grow 6.1% over the 2024 budgeted amount. This allows the City to provide exceptionally high service levels across the community. The proposed 2025 budget is balanced and complies with all requirements set forth in the City Charter and all state requirements.

The 2025 budget builds on efforts initiated in 2024 to streamline the City's operations to save taxpayer dollars while continuing to improve City services in alignment with the City's Strategic Plan. The 2025 budget process was based on feedback provided by City Council, Staff, and the community. City Staff began working on the budget development in January of 2024, with an official kickoff in March 2024. Throughout the process, a key focus was on enhancing engagement and collaboration with City Council and the community. The process of engaging with City Council and the community on budget development involved the following meetings, events, and/or work sessions:

- March 4, 2024: Discussion on the 2025 budget development guidelines based on the feedback received during November 2023 After-Actions Review
- March 22, 2024: Personnel Budget Process Started
- March 25, 2024: Review of the detailed 2025 budget workflow
- April 1, 2024: Staff led two presentations on unfunded Capital Needs and Potential funding sources as well as Utility Financing for the Westminster Drinking Water Facility
- April 13, 2024: Strategic Planning Retreat to review and establish the vision for the future
- April 22, 2024: Review of the draft Mission Statement, Vision Statement, Guiding Principles, and Strategic Priorities
- April 25, 2024: Opened the Community Project Request form online to receive community

requests for projects and programs

- April 29, 2024: Capital Improvement Project (CIP) Process Started
- May 6, 2024: Adoption of the 2024 Strategic Plan's mission statement, vision statement, guiding principles, and strategic priorities as well as review and agreement on the strategic priorities policy objectives
- May 9, 2024: Inaugural Budget Town Hall
- May 16, 2024: Budget Process Opened to Departments
- May 23, 2024: The Community Project Request form online to receive community requests for projects and programs closed, noting that requests heard via public comment or email were also included
- June 3, 2024: Study Session Budget Retreat including the review of the budget development process, confirmation of the Strategic Plan, review of the Budget Town Hall themes, update on the community project request, conveying of the City Council priorities, revenue forecast, the roadway improvement fee and stormwater utility fee
- June 17, 2024: Update on the Westminster Drinking Water Facility Project costing and financing plan, including a discussion on water rates for 2025
- August 6, 2024: Review of the proposed Human Services Board (HSB) recommendations and City Council sponsorships in the proposed 2025 budget along with an update on the 2025 budget development process as well as a presentation on the roadway improvement fee, stormwater utility fee, and sewer rates
- August 26, 2024: City Council was presented with the proposed 2025 budget, including an analysis of community requests and City Council priorities
- August 26 – September 5, 2024: City Council reviewed the proposed budget and submitted questions to the City Manager
- September 9, 2024: Public Hearing on the Proposed 2025 Budget
- September 10, 2024: Answers to the City Council's Proposed 2025 Budget questions were shared with City Council
- September 16, 2024: City Council received a presentation and reviewed the Proposed 2025 Budget
- September 23, 2024: City Council received a presentation regarding the proposed budget amendments and made recommendations for incorporation into the Proposed 2025 Budget
  - After the review of the proposed budget on September 16, budget amendments were proposed. City Council provided feedback on each budget amendment, and Staff incorporated the recommendations into the revised proposed budget for 2025. The details of the budget amendments are listed below.
- October 14, 2024: First Reading of the 2025 budget

- October 28, 2024: Second Reading and Adoption of the 2025 budget

### Budget Amendments

#### ***Budget Amendment A: Increase Resources for People Experiencing Homelessness (PEH) in the Community***

Requests: Add a new Homeless Navigator; Provide Additional Options for Laundry Services for PEH; Provide Shelter Options at 32 degrees for PEH

New information: Beginning next month, the Westminster Elks Club will be providing free laundry services to PEH and anyone else who has limited access to laundry facilities. They will do so at the laundromats located at Federal Boulevard and 72nd Avenue as well as 72nd Avenue and Sheridan Boulevard. Volunteers will be present to read stories to children, freeing parents to do their laundry.

Recommendation: Invest up to \$1 million dollars to provide:

- Two (2.0) new Homeless Navigators;
- Vouchers for laundry services of their choice will be offered to PEH that are unable to utilize the mobile laundry services at the Adams County Human Services Building or the new Westminster Elks Club sponsored services;
- To sustain the community services and programs offered at the MAC, Staff propose providing hotel vouchers to PEH with ties to Westminster and who are actively working with the Homeless Navigators and/or other service providers on nights when temperatures drop below 32 degrees with precipitation; and
- Continue funding for emergency shelter services when nighttime temperatures fall below 0 degrees.

Although implementing these services will require additional logistical efforts, Staff is confident that the two extra Navigators will help provide these additional resources to PEH in the community. Staff will keep track of how PEH are accessing these resources and will modify strategies as necessary while also collaborating with neighboring agencies and partners.

*City Council Direction on Budget Amendment A: Endorsed Staff's Recommendations*

#### ***Budget Amendment B: Water Rates***

Request: Lower the Water Rate Increase Ceiling Below 4.5%

Recommendation: On September 10, 2024, Staff and the City's financial partners successfully completed the financing of the new Drinking Water Facility. Due to the City's outstanding debt ratings of AAA from Standard and Poor's and AA+ from Fitch, the overall final interest rate is 4.001%. This interest cost is less than was projected and approved by City Council in the bond ordinance with an interest rate not to exceed 4.750%.

Taking into consideration the lower interest rate, Staff reevaluated the Water Fund financial models. With the decreased annual debt service payment, Staff proposed two alternative water and sewer rate options for 2025 and 2026 for City Council's review and sought City Council's direction.

	2025		2026	
	Water Rate	Sewer Rate	Water Rate	Sewer Rate
Option 1	4.5%	6%	4.5%	6%
Option 2	4%	6%	4%	6%
Option 3	3.75%	6%	4.25%	6%

The options were based on setting the rates for two years – 2025 and 2026 - as the City prepares for a comprehensive Cost of Service Study set to begin in 2025. The Cost of Service Study will evaluate rate and fee structure and revenue requirements to ensure fair and equitable charges for customers, and is expected to be completed in early 2026. Throughout the study, Staff will engage with City Council and the community. Setting rates for two years is suggested to establish rates until the analysis and options from the Cost of Service Study can be reviewed by City Council and Staff to inform rate adoption in 2027.

*City Council Direction on Budget Amendment B:  
Option 2 for 2025 and 2026 Water and Sewer Rate Increases*

***Budget Amendment C: Expand the Water Bill Assistance Program***

Request: Increase funding for the Water Bill Assistance Program

Recommendation: Staff is proposing two options for City Council to review and is seeking City Council direction.

Option 1: Keep the current bill credit at \$20 per month and provide sufficient funding so that no customers are denied due to lack of funding by the City and establish a Utility Bill Round-Up Program.

Option 2: Increase the bill credit to \$25 per month and provide sufficient funding so that no customers are denied due to lack of funding by the City and establish a Utility Bill Round-Up Program.

*City Council Direction on Budget Amendment C: Option 2 to Increase the Bill Assistance Credit and Establish a Utility Bill Round-up Program*

***Budget Amendment D: Increase Human Services Board Funding***

Request: Increase the Human Services Board (HSB) funding by \$25,000

Recommendation: Staff to increase the proposed 2025 HSB funding from \$130,000 to \$155,000.

*City Council Direction on Budget Amendment D: Endorsed Staff's Recommendations*

***Budget Amendment E: Fund Small Business Assistance Programs***

Request: Increase funding to the Business Assistance Programs

Recommendation: Following a thorough evaluation of the current and proposed funding for 2025, as well as the anticipated needs for business assistance programs in 2024, Staff expect to utilize most or all of the available small business funds. Staff may also seek supplemental appropriations in 2025 if further resources are required

*City Council Direction on Budget Amendment E: Endorsed Staff's Recommendations*

Additionally, the proposed 2025 budget planned on appropriating the first round of expenses for the new Drinking Water Facility in the 2025 fiscal year. Following the successful financing of the Drinking Water Facility in September, Staff recommends appropriating debt revenue and capital projects in the

2024 fiscal year pursuant to generally accepted accounting principles. Accordingly, the 2025 budget will be adjusted to mirror this change in appropriation timing, resulting in the 2025 budget being approximately \$84 million less than originally proposed. The new total budget across all funds is approximately \$371 million. This is a timing issue with respect to appropriation and is not an actual reduction.

To provide more transparency to the budget process, Staff has compiled all the City Council action items leading into the adoption of the 2025 Budget in this single agenda memorandum:

- Adopt a supplemental appropriation of 2024 estimated revenues that provides a baseline for fiscal year 2025 (Attachment A);
- Establish the 2025 Pay Plans (Attachment B);
- Adopt 2025 and 2026 Water and Sewer Rates and Implement the Water, Sewer and Reclaimed Fee Rates (Attachment C and D);
- Set the 2024 mill levy collectible in 2025 and adopt the Budget and Capital Improvement Program for fiscal year 2025 (Attachment E); and
- Make appropriations to pay the expense of continuing the public business for the year 2025 (Attachment E).

To conclude the 2025 budget development process, Staff will meet with City Council on November 4, 2024, to conduct a preliminary debrief session concerning the 2024 Budget development and adoption process to receive feedback on strengths and opportunities to improve the process for the 2026 budget

**Recognition:**

The budget process is a collaborative process during which Staff from all departments work collectively with City Council to align the City's financial resources with the Strategic Plan and values of the community. The accomplishment of the 2025 Proposed Budget is testament to the leadership of City Council, the resiliency and dedication of our greatest asset, our workforce, and to the outstanding community we serve. Lastly, Staff would also like to acknowledge and thank the Budget Contact Team and the countless Staff across all departments for their help in the development of the 2025 Proposed Budget. Their expertise and devotion are invaluable and, without their assistance, the preparation of the proposed budget would not be possible.

The 2025 Proposed Budget and associated actions support and are the primary means to accomplish all the City's Strategic Plan Goals as they:

- Advance access to opportunity and prosperity for all in Westminster through diverse housing choices, increased mobility options, safe and walkable neighborhoods, and strong social networks;
- Enhance the sense of community and connection in Westminster through engaging methods of communication and dialogue that improve accessibility, increase understanding, and encourage participation in civic and City life;
- Invest in innovative and collaborative approaches to provide a continuum of services that preserve, promote, and protect the health, safety, and environment of Westminster;



- Promote and support a resilient economy that attracts and retains a diversity of businesses, workers, and industries, expands living wage jobs, and diversifies the City's tax base;
- Maintain and invest in resilient infrastructure that creates the highest return for safety, community connectivity, enjoyment of life, and local economic success; and
- Develop and sustain an environment where employees and the organization are equipped and supported to deliver outstanding service to everyone in Westminster.

Respectfully submitted,

*Jody Andrews*

Jody L. Andrews  
City Manager

**Attachments:**

Councillor's Bill No. 31: Amending 2024 Budget  
Resolution No. 26: 2025 Pay Plans  
Councillor's Bill No. 32: Water and Sewer Rates  
Resolution No. 27: Mill Levy + 2025 Budget  
Councillor's Bill No. 33: Appropriating Expense of Continuing Business for 2025 Budget  
Attachment A: Proposed Amendment to 2024 Adopted Budget  
Attachment B: 2025 Proposed Pay Plan  
Attachment C: ENR- CCI 2025 Tap Fee Increase Chart  
Attachment D: Westminster Municipal Code Water Tap Fee Updates  
Attachment E: 2025 Revised Proposed Budget