BOARD OF TRUSTEES
May 5, 2020
Meeting to be held electronically
SPECIAL MEETING CALLED BY THE BOARD AND THE MAYOR
Regular Meeting - 6:30 PM

This meeting will be held in accordance with Ordinance 8-2020. Sec. 2-2-85 (Virtual Meetings) of the Wellington Municipal Code, the Mayor has determined that a meeting n person would not be prudent because of the current COVID-19 Emergency. The meeting will be conducted electronically, board members may participate, and the public shall participate in the manner set forth

AGENDA

A. CALL TO ORDER

1. Pledge of Allegiance
2. Roll Call
3. Amendments to Agenda
4. Conflict of Interest
5. Join Zoom Meeting

   https://zoom.us/j/320850513

   Dial by your location

   +1 346-248-7799

   Meeting ID: 320 850 513

B. COMMUNITY PARTICIPATION

1. Public Comment - Individuals wishing to participate in Public Comments (non-agenda item) are requested to sign up on the chat. When you are recognized, state your name and address. Please limit comments to three (3) minutes.

2. Presentation

   a. Utility Rate Study Presentation

C. CONSENT AGENDA

1. Resolution 14 - 2020 Water Loan Signing Authority

D. ACTION ITEMS

1. COVID-19 Update

    - Staff Presentation: Kelly Houghteling

2. Resolution 12-2020 - Appointing Town Administrator/Clerk, Town Treasurer, Town Attorney and Municipal Judge

3. Larimer County Sheriff's Department Annual Report

4. Agreement for Sale and Purchase of Water Shares

E. REPORTS

1. Town Attorney

2. Town Administrator

3. Staff Communications

    a. Update on Retirement Plan Transition and Employee Participation

4. Board

F. EXECUTIVE SESSION

G. ADJOURN

The Town of Wellington will make reasonable accommodations for access to Town services, programs, and activities and special communication arrangements Individuals needing special accommodation may request assistance by contacting the Deputy Clerk at Town Hall or at 970-568-3380 ext. 110 at least 24 hours in advance.

TOWN OF WELLINGTON, CO

WATER, WASTEWATER, AND DRAINAGE UTILITIES

RATE STUDY REPORT

APRIL 2020

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1. EXECUTIVE SUMMARY

The objective of this rate study is to evaluate the past, present and future operational budgets of the Town of Wellington, and make recommendations for water, wastewater and stormwater charges (together, a "rate structure") which equitably recovers the costs of these critical services to each customer.

The rate study methodology used in this study involved:

- Gathering and analyzing historic water demands, billing information, future capital improvement plans, growth projections and financing information.
- Creating estimates of the future revenue requirements for the five-year study period.
- Working with the Town to verify the goals and objectives of the study.
- Exploring alternative methodologies for the rate structures that can resolve financial challenges and equitably assign costs.

Rate setting is fundamentally a two-step process. In the first step, an informed projection of the revenue requirement for each utility is developed. Essentially, this projection identifies the amount of money which the rates need to raise in order to ensure the long-term fiscal stability of the Town's services. This report fully outlines the process by which this was completed and provides information on the projected revenue requirements of the utilities.

The second step of rate setting involves the use of historical billing trends and informed growth projections to identify ways to equitably raise that revenue. Given the significant changes that are underway in Wellington, the Town desires to develop a comprehensive financial model of all three utilities that allow for evaluation of the financial impacts associated with making a number of possible changes to the basic rate structures. The variables that have been built into the financial model which are not included in the current rate structures include: (1) multi-tier rates, (2) customer class rates, and (3) billing for wastewater based upon water meter readings, amongst other variables.

This report presents rate recommendations for each utility based upon setting rates without any changes to the underlying rate structure. The contract with the Town stipulates that additional guidance is provided on other rate structures. Based on comments provided during the January 21, 2020 Board meeting the following additional rate structures were considered, but are not recommended at this time:

- Customer class rates for the water and wastewater utility;
- Multi-tier rates for the water and wastewater utility;
- Inclusion of water connection fees in annual revenue projections; and
- Wastewater rate structure based on 80 percent of water usage.

The rates which are recommended in this report are expected to fully meet the fiscal needs of the utilities, including operating costs, capital spending and maintenance of reserves. Additionally, should the Town not wish to implement the recommended rates, it has received the financial model which will allow it to project the performance of alternate rate structures.

2. BACKGROUND

The Town owns and operates public water, wastewater and storm drainage divisions. Wellington has a stand-alone Water and Wastewater (Utilities) Department. The Water and Wastewater Department serves approximately 4,000 residential, commercial and institutional accounts, serving the entire Town with water and wastewater service.

According to the 2010 U.S. Census, the Town has a population of 6,289 and occupies a land area of approximately three and one-half (3.5) square miles. Current (2018) population is estimated to be around 9,994 residents. The Town has experienced above average growth rates since the year 2000, when the population was 2,672. This population growth over the past 20 years is expected to continue into the next decade and will put increased demand on the Town's water and wastewater infrastructure.

Historically, rates have been enough to fund utility operations and system maintenance and also build a reserve fund for contingencies. Rates have covered costs and enabled the Town to operate without the need for significant debt financing. However, population growth and system demand has caused a need for expanding capacity which will result in significant costs to the Town in the next few years.

2.1 CURRENT RATE STRUCTURE

WATER

The existing residential water rate structure in the Town of Wellington is comprised of two components:

- Monthly service line fee
- Volumetric charge of each 1,000 gallons of use

The Town currently charges a monthly service line fee of $18.86 per account for a ¾-inch residential service line. Additional monthly fees for service lines over ¾-inch is provided in Table 2-1. The volumetric charge has a tiered cost structure measured on a monthly basis. The first 15,000 gallons are $3.65 per 1,000 gallons. Usage from 15,001 to 30,000 gallons is $3.93 per 1,000 gallons. All usage over 30,000 gallons is at a rate of $4.94 per 1,000 gallons.

Non-residential water rates also include a monthly service line fee and a volumetric charge. The monthly service line fee is based on the tap size, shown below.

Table 2-1: Current Water Rates

Water Billing - Monthly	Size	Charge
Monthly Service Line Fee	3/4" tap	**$ 18.86**
Monthly Service Line Fee	1" tap	**$ 42.52**
Monthly Service Line Fee	1 1/2" tap	**$ 116.18**
Monthly Service Line Fee	2" tap	**$ 123.48**
Monthly Service Line Fee	> 2" tap	Negotiated

The monthly non-residential volumetric charge is a flat rate of $3.65 per 1,000 gallons.

Irrigation taps are charged a service line fee of $5.00 per month.

The tank trucks and construction bulk rates are $6.25 per 1,000 gallons.

WASTEWATER

Wellington charges a flat wastewater use charge of $20.63 per month to all connected customers (both residential and non-residential). This wastewater use charge includes the first 3,000 gallons of wastewater use. Wastewater usage in excess of 3,000 gallons/month are charged $6.50 per 1,000 gallons of use. The wastewater volumetric charge is based on metered water usage during the period from January 15 to March 15, or the winter base period. This is a period when water use is typically at the lowest point of the calendar year.

Table 2-2: Current Wastewater Rates

Wastewater Billing - monthly	Measured in Winter base period of January 15 to March 15	
Monthly Service Line Fee	**$ 20.63**	Up to 3,000 gal
3,001+ gallons	**$ 6.50**	Per 1,000 gal

STORMWATER

Wellington charges residential customers a fee of $11.33 a month for the stormwater drainage system. This fee consists of two parts: the Town of Wellington collects $5.00 per month, and the Boxelder Basin Stormwater Authority collects $6.33 per month.

Non-residential customers are charged $9.25 in Town fees. They also pay a fee to Boxelder Basin based on the impervious surface type and size on their property. The non-residential stormwater fee schedule is shown in Table 2-3 below:

Table 2-3: Current Stormwater Rates

Storm Drainage	Size	Charge
Local Monthly Fee		**$ 9.25**
Stormwater Authority (Boxelder Basin) fee		**based on impervious area**
Weighted Impervious Area (sq. foot)	1-5,000	**$ 6.33**
Weighted Impervious Area (sq. foot)	5,001-10,000	**$ 13.75**
Weighted Impervious Area (sq. foot)	10,001-20,000	**$ 27.50**
Weighted Impervious Area (sq. foot)	20,001-30,000	**$ 55.00**
Weighted Impervious Area (sq. foot)	30,001-40,000	**$ 87.50**
Weighted Impervious Area (sq. foot)	40,001-50,000	**$ 110.00**
Weighted Impervious Area (sq. foot)	50,001-75,000	**$ 137.50**
Weighted Impervious Area (sq. foot)	75,001-100,000	**$ 165.00**
Weighted Impervious Area (sq. foot)	100,001-150,000	**$ 192.50**
Weighted Impervious Area (sq. foot)	Over 150,000	**$ 220.00**
Impervious Surface		**Value**
Rooftops		90%
Asphalt Surfaces		100%
Concrete Surfaces		90%
Gravel (packed)		40%
Grass, native ground, other		0%

2.1.1 Buy-in Charges and Basis

The Town charges tap fees on new properties when they are connected to the existing utility networks. The fees are based on the size of the tap, and fees differ for residential and commercial customers. The schedule of charges is shown in Table 2-4 below:

Table 2-4: Current New Customer Connection Fees

-	-	-
Water Service		
Domestic Water Tap	$5,500.00	all services
Raw Water Tap/Fee	$19,285.50	per residence or commercial customer
Capital Investment Fee	$5,500.00	3/4" base, higher for larger connections
Sewer Service		
Sewer Tap	$7,500.00	all services
Storm Drainage Service		
Service Charge	$840.00	per dwelling
-	$0.33/SF impervious	non-residential

These tap fees have historically been used to build reserves for capital projects, but there is also potential that the revenue from tap fees could be employed to pay for debt service associated with infrastructure projects. Additionally, some communities use these types of fess to offset costs of the water utility, including water supply and treatment costs, and ongoing maintenance and system expansion. Connection fees are routinely excluded from revenue projections due to variability, and inherent unreliability, in growth projections.

2.2 EXPANSION OF SYSTEM

The primary source of water is the North Poudre Reservoir #3. The Town has a contract with the North Poudre Irrigation Company (NPIC) that enables them to draw up to 2,000 acre-feet of raw water from the reservoir each year. The first 275 acre-feet per year is included as part of the agreement. The remaining 1,725 acre-feet per year are available at an additional cost. The method of calculation of this cost is stipulated within the supply contract with NPIC.

The Town has an existing water treatment plant with maximum treatment capacity of two million gallons per day (MGD). The Town is in the process of upgrading the water treatment plant among other water facility improvements, which will expand treatment capacity from two MGD to four MGD. The Town is also in the process of completing a wastewater master plan, which is expected to identify other significant capital investment needs. The expected fiscal impact of these investments is expected to significantly change the operating economics of the utilities and was a driver for the completion of this study.

3. SCOPE

3.1 METHODOLOGY OF RATE SETTING

Woodard & Curran conducted a cost of service/rate study of the water, wastewater and stormwater use charges as a means to ensure that Wellington has a system to consistently generate the needed revenue to fund the water, wastewater and stormwater utilities. There were five primary objectives for the completion of this cost of service/rate study:

1. Examine the recent historical performance of water, wastewater and stormwater rate structures;
2. Provide a projection of future operating budgets, including the budgetary impacts of expected capital upgrades;
3. Evaluate the rate impacts of debt financing and cash financing of the proposed capital upgrades;
4. Use both historical consumption and non-consumption revenue data to calculate water and wastewater usage charges that generate revenues sufficient to fully fund the Town's water, wastewater and stormwater operations, make needed capital investments, and maintain adequate reserve fund balances; and
5. Provide the Town with a spreadsheet based financial model to allow the ability to make changes to the assumptions as capital planning for the utilities continues.

The water, wastewater and stormwater rate studies were completed as concurrent but distinct assessments.

The first phase of each rate study revolved around developing a full understanding of each Division's budgeting and expenditures and making informed, realistic estimates of the true cost of providing water and wastewater service to the Town of Wellington. For both Divisions, these estimates include the Division's operating budgets, the cost of existing debt repayment, and the cost of all capital investments to be made over the projection period. The period for these estimates is from FY2020 though FY2024, providing a five-year projection.

The second phase of the rate study was to review the Division's historical billing records and make projections of the volume of water and wastewater sales that are expected from the Divisions' customer bases. Using these projections, the monthly charges and volumetric charges can be set in a manner that is expected to generate the funds needed to operate the Division, make payments on outstanding debt, and make needed investments to ensure the long-term adequacy of the infrastructure.

In any utility that is operating on a stand-alone (non-subsidized) basis, the actual cost of service must be less than or equal to the amount of revenues which are generated through the utility's billing practices. On a long-term basis, any shortfall from this level produces deficits and any revenue over-run produces surpluses. In the short-term, deficits can be covered through budgetary under-runs, but this leads to reduced levels of service and/or delayed maintenance, which can impair the long-term performance of the utility. The rate setting performed as part of this study attempts to ensure the generation of adequate revenue and maintenance of adequate reserves to allow the utilities the ability to operate efficiently.

3.2 RATE STUDY DEVELOPMENT

The primary actions in appropriately setting rates are listed below:

1. Developing realistic projections of the full costs associated with operating the utilities;
2. Reviewing multiple years of water billed consumption records to identify statistical trends in billed usage;
3. Projecting and accounting for future use in customer base; and
4. Calculating the monthly, fixed and volumetric charges necessary to provide for the utility's long-term financial sustainability.

Division Operating Budgets

Woodard & Curran examined the FY2016 to FY2018 Division budgets. Based on these budgets, a projection of the expected costs of operating the Division were developed. As there have been no major changes to the level of service that is expected from the Divisions, the projection included in the rate model is based on FY2018 projections, escalated in line with the industry standard inflation rate of 2.5%.

Existing Debt Service

Similar to most enterprise funded utilities, the Wellington utility divisions have a series of bond issuances that it is responsible to repay to bondholders. A summary of these obligations was developed and is presented in charts in later sections of this document (Section 4.1.2, Section 4.2.2 and Section 4.3.2). The debt service obligations for the water utility are scheduled to increase in 2020 due to a new approximately $25M bond from the State for water treatment plant expansion. Payments are scheduled to decrease slightly in 2023 to 2024 as older bonds reach maturity.

Capital Improvement Program

The Town provided Woodard & Curran with a five-year Capital Improvement Plan (CIP), which will guide investments over the projection period of five years. The projections and rate recommendations are based on the five-year CIP which is what the Town had available at the time of this report. Revisions to the Town CIP can be incorporated into the model for the Town to examine such impacts. Using the CIP, combined with the current investments that the Town is aware of, a full list of projects was compiled which have been incorporated into the financial model. Between FY2020 and FY2024, the list includes 39 projects with FY2019 construction cost estimates totaling $6.2M. The full list, including the capital projects being completed this fiscal year, is attached to the back of this report as Attachment A.

From the financial perspective, having a comprehensive capital projects list is critical since the value, completion schedule and manner of financing all have impacts on the way the utility will experience the fiscal impacts of the capital projects. As is apparent on Attachment A, each of the projects has an associated value, a year of construction, and a manner of financing identified. These assumptions all apply to the utilities' cash flows shown later in this report.

4. PROJECTIONS OF FUTURE COSTS

In the rate setting process, the ability to access and analyze raw data from the accounting system is a critical consideration in making a reliable projection of future costs. Having highly reliable data allows for the institution of multi-tier rate structures and ensures confidence that the rates recommended in the study will generate the revenue needed to cover current and future costs of the utilities. Woodard and Curran conducted a detailed review of the FY2016, FY2017 and FY2018 Wellington budgeting and expenditure records which formed the basis for our projection.

For each utility, the projection consists of a set of three basic utility cost components, each of which are included separately in the rate model:

1. Operational Budgets – These include staffing, maintenance, power, contractual obligations and other costs that contribute to the operations of the utility. The figures in this class are based upon past budgets and expenditures, escalated to account for inflation, and expected changes in operational requirements;
2. Existing Debt Service – This includes the expected debt service payments on previously bonded debt for each of the utilities. These numbers are explicitly laid out the Town's bond records; and
3. Costs of Expected Capital investments – This includes a list of projects which are required to maintain the systems' long-term operation and compliance with current and future service delivery needs. This projection is of the list of projects, the expected date of completion, the construction cost estimate, and the expected method of financing.

Due to the water supply contract between the water utility and North Poudre Irrigation Company (NPIC), a separate projection was made for water supply costs (outside of the operations projection) due to its potential to impact future water costs within the Town.

4.1 WATER UTILITY

4.1.1 Water Operations

Annual water costs are running at $2.18 million per year. The expenses are primarily for raw water treatment and distribution, staffing and administration, and small equipment, as itemized under the Object (Obj) column in the financial model and shown in Table 4-1 below. These costs are projected to rise to $2.5 million by fiscal year 2024 based on a standard annual escalation rate of 2.5%. As a note on the projection, the line item for additional operations and staffing costs is based upon the expected increase in costs associated with the expected new water treatment costs. It is somewhat lower than guidance provided by in earlier consultant reporting as the Town is exploring lower cost treatment technology for the future plant.

The table below is a breakdown of these costs by year and line item.

Table 4-1: Water Operational Budget Projections

	Operational Budget Projection					
Obj	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
ADMINISTRATIVE EXPENSES	$ 450,438	$ 466,204	$ 482,521	$ 499,409	$ 516,888	$ 534,979
OPERATING EXPENSES	$ 1,537,292	$ 1,591,097	$ 1,646,785	$ 1,704,423	$ 1,764,078	$ 1,825,820
SMALL EQUIPMENT	$ 201,929	$ 208,996	$ 216,311	$ 223,882	$ 231,718	$ 239,828
ADDITIONAL OPS/STAFFING COSTS	$ -	$ -	$ 250,000	$ 258,750	$ 267,806	$ 277,179
Total	**$ 2,189,658**	**$ 2,266,296**	**$ 2,595,617**	**$ 2,686,463**	**$ 2,780,490**	**$ 2,877,807**

4.1.2 Water Debt Service

Wellington has four outstanding loans on its water utility:

- 1982 Colorado Water Conservation Board Loan - 4.0%, due Dec 2023

- 1984 GO Water Bond - 5.0%, due December 2023
- 2001 CWRPDA - 4% due May 2022
- 2019 - Water Plant Upgrade - $25M SRF, 1.69% due 2039

The first three loans are all maturing and rolling off the books in the next three years. The fourth is a newly issued $25M State loan to upgrade the water treatment plant which will result in payments of around $1.5M annually through 2039.

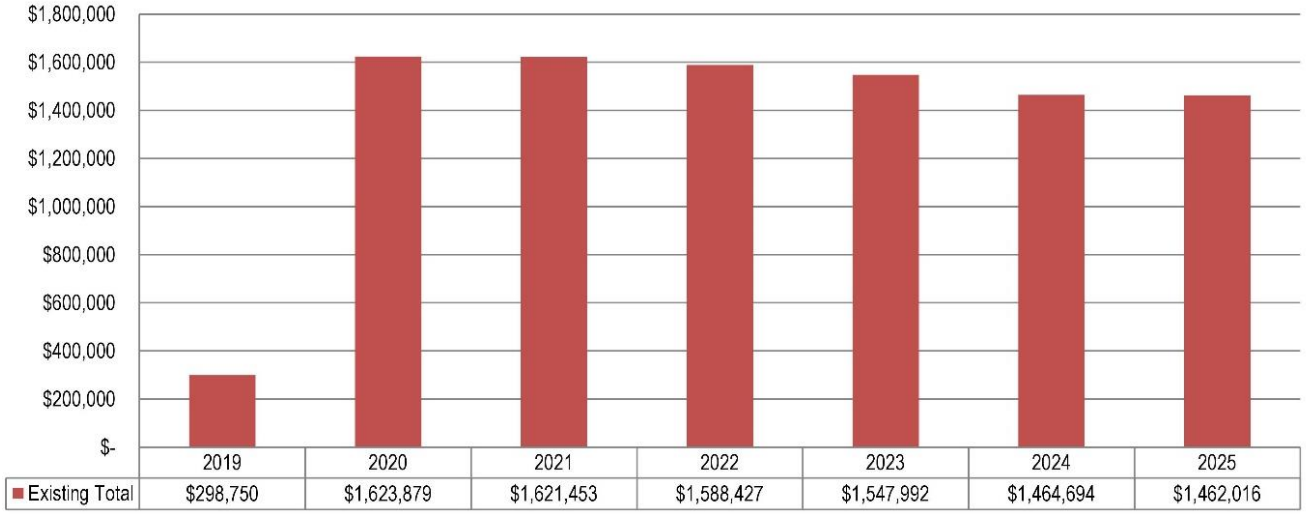
The debt service payments on the four loans is currently $1.6M annually. This total is expected to decrease to $1.46M annually in FY 2024 once the three smaller bonds mature, shown in Table 4-2 and Figure 4-1.

Table 4-2: Annual Debt Service Repayment Values

Debt Issuance	Annual Debt Service Repayment Values						
	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
PRINCIPAL PAYMENTS							
1982 Colorade Water Conservation Board Loan - 4.0%, due Dec 2023	45,518	45,518	45,518	45,518	45,518	-	-
1984 GO Water Bond - 5.0%, due December 2023	23,000	24,000	25,000	27,000	28,000	-	-
2001 CWRPDA - 4% due May 2022	64,645	67,257	69,974	36,040	-	-	-
2019 - Water Plant Upgrade - $25M SRF, 1.69% due 2039	6,219	1,006,798	1,025,372	1,049,857	1,068,483	1,091,978	1,109,550
INTEREST PAYMENTS							
1982 Colorade Water Conservation Board Loan - 4.0%, due Dec 2023	12,075	12,075	12,075	12,075	12,075	-	-
1984 GO Water Bond - 5.0%, due December 2023	5,200	4,000	4,000	2,750	700	-	-
2001 CWRPDA - 4% due May 2022	8,877	6,265	3,548	721	-	-	-
2019 - Water Plant Upgrade - $25M SRF, 1.69% due 2039	133,216	457,966	435,966	414,466	393,216	372,716	352,466
Existing Total	$ 298,750	$ 1,623,879	$ 1,621,453	$ 1,588,427	$ 1,547,992	$ 1,464,694	$ 1,462,016

The large increase in debt service obligation is attributable to the Town's bond issuance in support of construction of a new water treatment plant. While the construction of that plant has been delayed, the debt service is due under the current terms of the bond agreement.

Figure 4-1: Existing Debt Service Obligation - Water



4.1.3 Water Capital Costs

The Capital Improvement Plan for the water division totals $3.85M over the next five years. Of the total spend, $1.75M is planned for the next year. Additional details are shown in Table 4-3 below. A full-sized (11x17 for legibility) capital improvements plan is included in Attachment A.

Table 4-3: Water Capital Improvement Plan Five-Year Spend

Fund	Project	Funding Source	Funding - Model	Total	Construction/ Purchase	Design/ Engineering/CM	Construction/ Purchase	Design/ Engineering/CM	Construction/ Purchase	Design/ Engineering/CM	Construction/ Purchase	Design/ Engineering/CM	Construction/ Purchase	Design/ Engineering/CM	Construction/ Purchase	Design/ Engineering/CM
Water Enterprise	Leak Detection Equipment	Water Fund	Cash	$ -												
	On-Line Process Equipment	Water Fund	Cash	$ -												
	Vehicle Replacement Policy	Water Fund	Cash	$ 30,000							$ 30,000					
	Bulk NaOH and Antiscalant	Water Fund	Cash	$ 30,000	$ 30,000											
	Membranes and Nano/RO	Water Fund	Cash	$ 56,589	$ 56,589											
	Zero Turn Mower	Water Fund	Cash	$ 18,000	$ 9,000				$ 9,000							
	Pot Hole Machine	Water Fund	Cash	$ 50,000	$ 50,000											
	Emergency Power for Main Water Treatment Plant	Water Fund	GO Bond	$ 212,000	$ 212,000											
	Tank Coatings	Water Fund	Cash	$ 20,000	$ 20,000											
	Disinfection byproduct rule compliance (Tank Aeration)	Water Fund	Cash	$ 106,000			$ 106,000									
	Back Up 2 MGD Pump	Water Fund	Cash	$ 60,000	$ 60,000											
	Redundancy for pumps to water tower storage	Water Fund	Cash	$ 50,000	$ 50,000											
	Wilson Well Improvements	Water Fund	GO Bond	$ 480,000	$ 480,000											
	Clearwell High Service Pump Upgrade	Water Fund	Cash	$ 25,000	$ 25,000											
	Nano Plant Expansion	Water Fund	Cash	$ 47,513	$ 47,513											
	3 Chemical Chlorine Dioxide	Water Fund	Cash	$ 160,000	$ 160,000											
	Improved Carbon Feed System	Water Fund	Cash	$ 70,000	$ 70,000											
	Bulk Water Dispenser	Water Fund	Cash	$ 60,000	$ 60,000											
	Fire Hydrant Replacement	Water Fund	Cash	$ 852,000	$ 60,000		$ 66,000		$ 726,000							
	Distribution System Master Plan	Water Fund	Cash	$ 125,000	$ 125,000											
	Buffalo Creek Booster Station Upgrade	Water Fund	Cash	$ 180,000	$ 40,000		$ 140,000									
	Distribution System Rehabilitation Project	Water Fund	GO Bond	$ 1,221,020	$ 200,000		$ 220,000		$ 242,000		$ 266,200		$ 292,820			
	Total Water Enterprise Fund - Current			**$ 3,853,122**	**$ 1,755,102**	**$ -**	**$ 532,000**	**$ -**	**$ 977,000**	**$ -**	**$ 296,200**	**$ -**	**$ 292,820**	**$ -**	**$ -**	**$ -**

The CIP is important because capital spending can have the ability to vary substantially from one year to another depending upon the amount being invested and the manner in which it is funded. All projects with a value of $200,000 or above are been assumed to be debt financed, to decrease the rate impact of the investments. This same approach is used for all three utilities' CIPs.

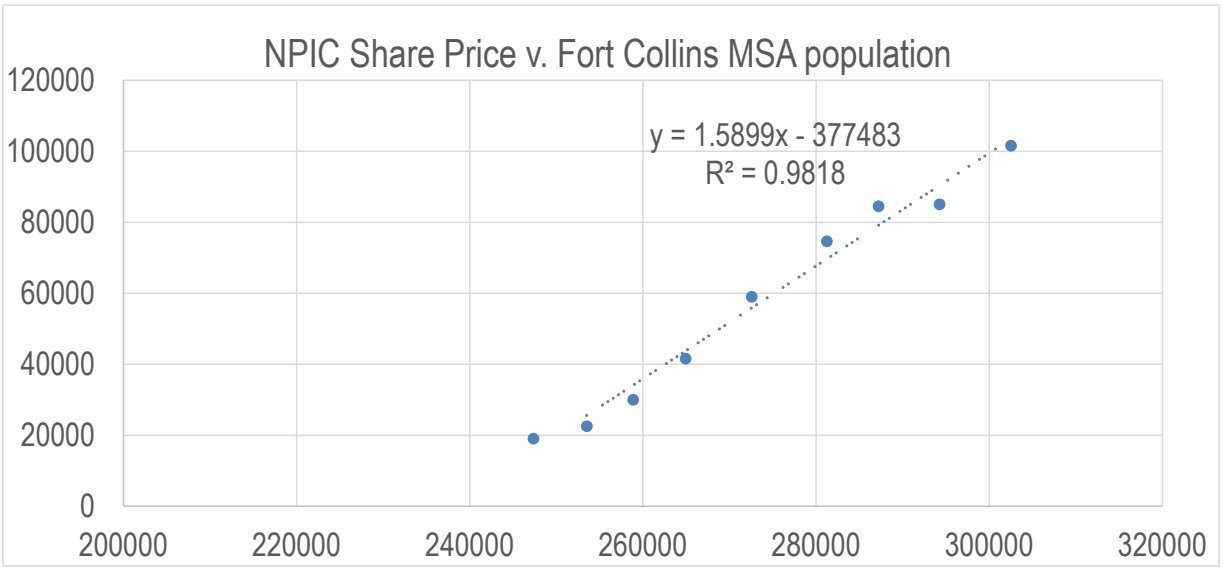
4.1.4 Water Purchases

Wellington has a contract with the NPIC to purchase raw water. The source of this water is the North Poudre Reservoir #3, located about three miles northwest of town. Although there are other smaller sources (several groundwater wells), the NPIC is the only source with a significant purchase cost.

The NPIC water is purchased under contract, and the primary variables which play into the cost of purchasing water for the system are the share price of NPIC shares and the amount of water needed. To provide an estimate of future water costs, a projection of future NPIC share price was prepared by comparing historical NPIC share value with the population of the Greater Fort Collins MSA (Municipal Statistical Area) from the 2009 American community survey, prepared by the US Census.

A statistical linear regression was applied using the historical value of NPIC shares and the Greater Fort Collins MSA which is presented in Figure 4-2 on the following page. The regression found that the value of NPIC shares was correlated to population with a coefficient of determination (R^2) of greater than 0.98. This value is the proportion of variance the dependent variable (y being the NPIC share price) is predicted by the independent variable (x being the Fort Collings MSA population). The value of 0.98 indicates that 90 to 95 percent of the variability of NPIC share price is associated with the region's population growth.

Figure 4-2: NPIC Share Price v. Fort Collins MSA Population



	2019	2020	2021	2022	2023	2024
Wellington Population	10,588	11,296	12,010	12,862	13,376	13,912
Ft Collins MSA Population	309,703	317,141	324,737	332,625	340,334	348,226
Projected NPIC Share Price	$ 114,914	$ 126,740	$ 138,816	$ 151,357	$ 163,614	$ 176,161

A population growth projection from the State of Colorado and the linear equation shown Figure 4-2 was then used to make a projection of NPIC share price. This analysis indicates prices should rise to approximately $175,000 by the end of FY2024, as shown in the table associated with Figure 4-2 shown above. While the projections shown above may be lower than recent sales, the correlation between share price and population is much stronger than other predictive factors which were researched as part of the project. In case the NPIC share price continues to increase are above the long-term trend, the financial model incorporates the ability for the Town to manually modify the NPIC share price assessment at their discretion.

The combination of these factors was used to calculate the expected cost of purchased water through FY2024 as shown in Table 4-4 below.

Table 4-4: Projected Water Purchase Costs

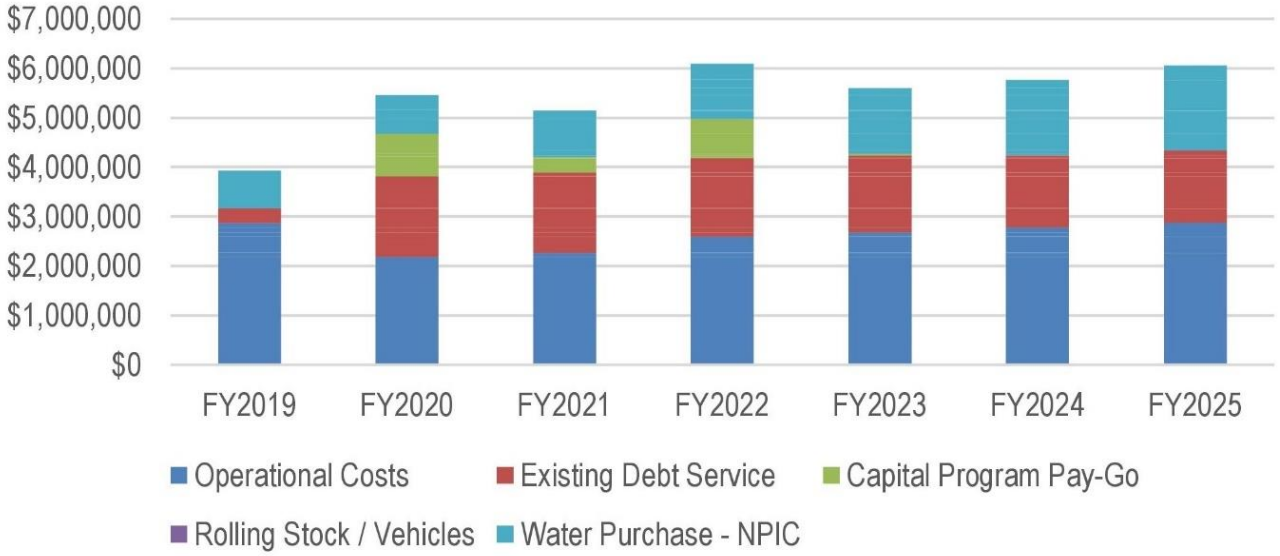
NPIC Share Allotment Water	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Assessment Fee	$ 240.00	$ 250.00	$ 260.00	$ 270.00	$ 280.00	$ 290.00	$ 290.00
Original 53 Shares of North Poudre stock	53	53	53	53	53	53	53
Fee x Shares	$ 12,720.00	$ 13,250.00	$ 13,780.00	$ 14,310.00	$ 14,840.00	$ 15,370.00	$ 15,370.00
7% Admin Fee	$ 890.40	$ 927.50	$ 964.60	$ 1,001.70	$ 1,038.80	$ 1,075.90	$ 1,075.90
Total Charge for first 275 AF	$ 13,610.40	$ 14,177.50	$ 14,744.60	$ 15,311.70	$ 15,878.80	$ 16,445.90	$ 16,445.90
Excess Allotment	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**
Wellington Annual Water Use	847.04	903.68	960.80	1028.96	1070.12	1112.92	1157.44
Less allotment	(275.00)	(275.00)	(275.00)	(275.00)	(275.00)	(275.00)	(275.00)
Use in Excess of Base	572.04	628.68	685.80	753.96	795.12	837.92	882.44
Charge per Acre Foot	$ 1,337.04	$ 1,471.64	$ 1,609.05	$ 1,751.67	$ 1,891.10	$ 2,033.79	$ 2,284.07
Charge for excess	$ 764,842.15	$ 925,192.51	$ 1,103,485.46	$ 1,320,691.30	$ 1,503,651.25	$ 1,704,156.37	$ 2,015,552.72
Total Water Cost	**$ 778,452.55**	**$ 939,370.01**	**$ 1,118,230.06**	**$ 1,336,003.00**	**$ 1,519,530.05**	**$ 1,720,602.27**	**$ 2,031,998.62**

This analysis projects that the water utility should expect for the cost of water purchases to rise to a little over $2.0M per year over the next five years. These project water purchase costs were incorporated into the rate model.

4.1.5 Overall Revenue Requirement

The revenue requirement represents the overall sum of revenue which the utility needs to collect if it is to fully pay for operational costs, debt service and planned capital investments. This amount, presented by year, is shown on the figure below.

Figure 4-3: Water Utility Fund Revenue Requirement



It is projected that the utility's revenue requirement will rise from around $4.6M in FY2019 to approximately $5.85M in FY2024, with the large majority of the increase due to the debt service from the water treatment plant upgrade and the increase in expected water purchase costs. Cash financed capital purchases (Pay-Go) are anticipated to decrease due to the assumption that CIP purchase over $200,000 will be debt financed. Please note that in Figure 4-3, the water purchase costs were included in the utility's operation costs for FY2019 and is accounted for separately in following years.

4.2 WASTEWATER UTILITY

4.2.1 Wastewater Operations

Annual wastewater costs are running at $1.2M per year. The expenses are primarily for treatment, staffing and small equipment. These costs are projected to increase to $1.4M by fiscal year 2024 based on the standard annual escalation rate of 2.5%. The Table 4-5 below is a breakdown of these costs by year and line item.

Table 4-5: Wastewater Operational Budget Projections

	Operational Budget Projection					
Obj	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
ADMINISTRATIVE EXPENSES	$ 280,604	$ 290,425	$ 300,590	$ 311,111	$ 322,000	$ 333,270
OPERATING EXPENSES	$ 900,257	$ 931,767	$ 964,378	$ 998,132	$ 1,033,066	$ 1,069,223
SMALL EQUIPMENT	$ 31,459	$ 32,560	$ 33,699	$ 34,879	$ 36,100	$ 37,363
Total	**$ 1,212,320**	**$ 1,254,752**	**$ 1,298,668**	**$ 1,344,121**	**$ 1,391,165**	**$ 1,439,856**

4.2.2 Wastewater Debt Service

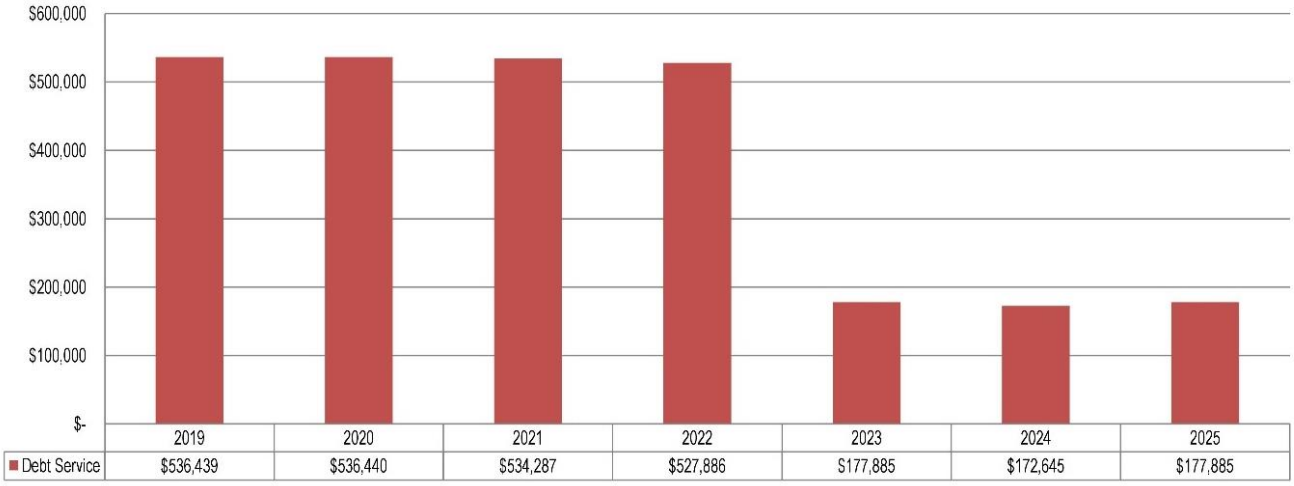
Wellington has two outstanding loans on their wastewater utility. The first issuance is a 2002 Colorado Water Resource bond, which will mature in 2022. The second is a 20-year, general obligation bond issued in 2014 and maturing in 2034.

The debt service payments on the two loans is currently $536K annually. This total is expected to decrease to $177K annually in FY 2023, once the Colorado Water bond matures. Table 4-6 and Figure 4-4 detail the loans and reduction of debt requirement in FY 2023.

Table 4-6: Wastewater Annual Debt Service Repayment

Debt Issuance	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
PRINCIPAL PAYMENTS							
2002 Colorado Water Resourse ands Power Dev. - 3.71% due August 2022	287,085	297,919	314,169	335,835	-	-	-
2014 GO Sewer Bond - $2.4M, variable rate due August 2034	105,000	105,000	105,000	105,000	115,000	115,000	115,000
INTEREST PAYMENTS							
2002 Colorado Water Resourse ands Power Dev. - 3.71% due August 2022	74,896	65,953	49,703	24,166	-	-	-
2014 GO Sewer Bond - $2.4M, variable rate due August 2034	69,458	67,568	65,415	62,885	62,885	57,645	62,885
Existing Total	$ 536,439	$ 536,440	$ 534,287	$ 527,886	$ 177,885	$ 172,645	$ 177,885

Figure 4-4: Existing Debt Service Obligation - Wastewater



4.2.3 Wastewater Capital Costs

The Town's CIP for the wastewater division totals $25.4 M in spending over the next five years. The largest portion of this is the $22M for the design and construction of treatment upgrades currently expected for FY2023. The detail is in the table below and a larger copy is presented in Attachment A.

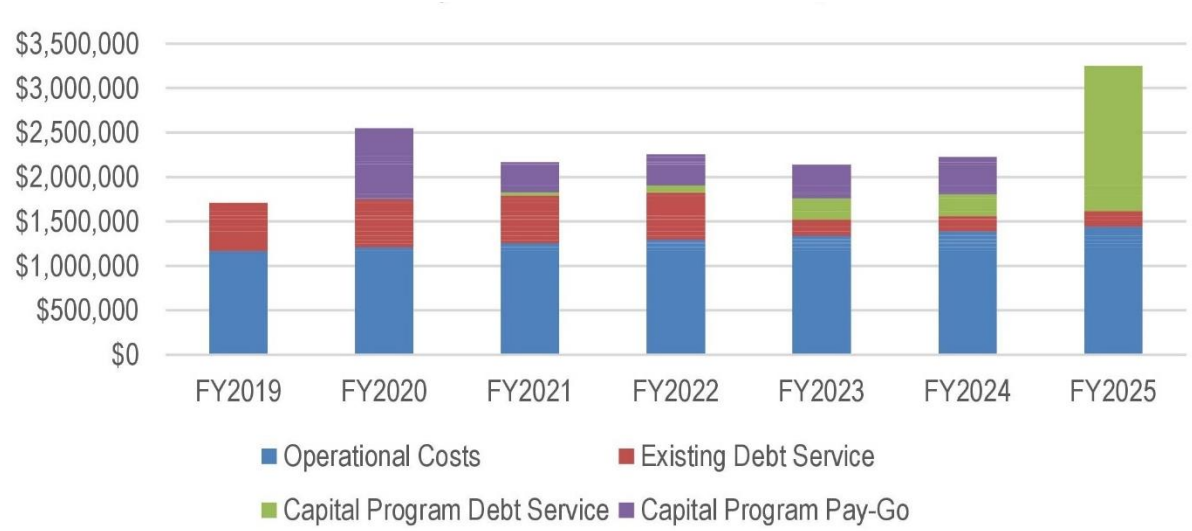
Table 4-7: Wastewater Capital Improvement Plan Five-Year Spend

					FY20		FY21		FY22		FY23		FY24		FY25	
Fund	Project	Funding Source	Funding - Model	Total	Construction/ Purchase	Design/ Engineering/CM	Construction/ Purchase	Design/ Engineering/CM	Construction/ Purchase	Design/ Engineering/CM	Construction/ Purchase	Design/ Engineering/CM	Construction/ Purchase	Design/ Engineering/CM	Construction/ Purchase	Design/ Engineering/CM
	Vehicle Replacement	Sewer Fund	GO Bond	$ 60,000	$ 30,000				$ 30,000							
	Vacuum Truck	Sewer Fund	GO Bond	$ 540,000			$ 540,000									
	1000 Gal Pressure Tank	Sewer Fund	GO Bond	$ 15,000	$ 15,000											
	Clarifier Launder Covers	Sewer Fund	GO Bond	$ 133,800			$ 33,450		$ 33,450		$ 33,450		$ 33,450			
	Zero Turn Mower	Sewer Fund	GO Bond	$ 9,000					$ 9,000							
	Backup Generator - Lift Station	Sewer Fund	Cash	$ 135,000	$ 135,000											
	Skid Steer Aeration	Sewer Fund	Cash	$ 24,000			$ 24,000									
	WW Masterplan	Sewer Fund	Cash	$ 185,000		$ 185,000										
	WWTP Blowers/Digester Improvs.	Sewer Fund	Cash	$ 63,500	$ 63,500											
	WWTP Pumps	Sewer Fund	Cash	$ 93,994	$ 16,674		$ 17,675		$ 18,735		$ 19,859		$ 21,051			
	Clarifier Rehab Project	Sewer Fund	GO Bond	$ 523,062	$ 523,062											
	WWTP Driveway Paving	Sewer Fund	Cash	$ 135,000	$ 135,000											
	WWTP Expansion Design	Sewer Fund	GO Bond	$ 2,000,000						$ 2,000,000						
	WWTP Expansion Construction	Sewer Fund	SRF	$ 20,000,000									$ 20,000,000			
	WWTP Effluet Shed	Sewer Fund	Cash	$ 8,000	$ 8,000											
	Lift Station - Safety Upgrades	Sewer Fund	Cash	$ 30,000	$ 30,000											
	WWTP Clarifier 3&4 Rehab	Sewer Fund	Cash	$ 110,000	$ 110,000											
	WWTP Clarifier Repairs (Tcbrow)	Sewer Fund	Cash	$ 36,000	$ 36,000											
	Sewer Line Rehab/Replacement	Sewer Fund	Cash	$ 874,923			$ 200,000		$ 212,000		$ 224,720		$ 238,203			
	Manhole Rehab	Sewer Fund	Cash	$ 450,967	$ 80,000		$ 84,800		$ 89,888		$ 95,281		$ 100,998			

4.2.4 Overall Revenue Requirement

The projected revenue requirement (the overall sum of revenue streams to the utility) necessary to balance in each fiscal cycle is shown on the figure below.

Figure 4-5: Wastewater Utility Fund Revenue Requirement



While the baseline operational budgets and existing debt service remain fairly level at around $1.7M per year, combined, the variability in year-to-year cash financed capital investment (Pay-Go) and the anticipated large investment in plant upgrades later in the projection indicate a total revenue requirement in the $2 to $2.5 million range until FY2025. In that year, the debt service from the treatment plant work is projected to come onto the books and substantially increase the revenue requirement for the utility. One point to note, the wastewater master plan study currently underway is likely to identify significant changes to the capital spending picture presented in this assessment and as it nears completion, the recommended capital work in the wastewater master plan should be entered into the rate model by the Town's Finance Director.

4.3 STORM DRAINAGE/STORMWATER UTILITY

4.3.1 Storm Drainage Operations

Annual stormwater costs are currently at $575,000 per year. The expenses are primarily for staffing and administration which include application to the Box Elder Basin Stormwater Authority, with some small costs associated with system maintenance and equipment. Costs are projected to increase to $682,000 by fiscal year 2024 based on a standard annual escalation rate of 2.5% per year. The table below is a breakdown of these costs by year and line item.

Table 4-8: Storm Drainage Operation Budget Projection

Obj	Operational Budget Projection					
	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024
ADMINISTRATIVE EXPENSES	$ 502,662	$ 520,255	$ 538,464	$ 557,310	$ 576,816	$ 597,005
OPERATING EXPENSES	$ 69,321	$ 71,747	$ 74,258	$ 76,857	$ 79,547	$ 82,332
SMALL EQUIPMENT	$ 2,500	$ 2,588	$ 2,678	$ 2,772	$ 2,869	$ 2,969
Storm Drainage Cost	**$ 574,483**	**$ 594,590**	**$ 615,401**	**$ 636,940**	**$ 659,232**	**$ 682,306**

4.3.2 Storm Drainage Debt Service

There is currently no existing debt on the stormwater utility.

4.3.3 Storm Drainage Capital Costs

The Capital Improvement Plan for storm drainage for the next five years totals approximately $2 million. The largest project is the replacement of the B-Dam which is expected to occur in FY2022. The project list and timing are illustrated in the table below and a larger copy is included in Attachment A.

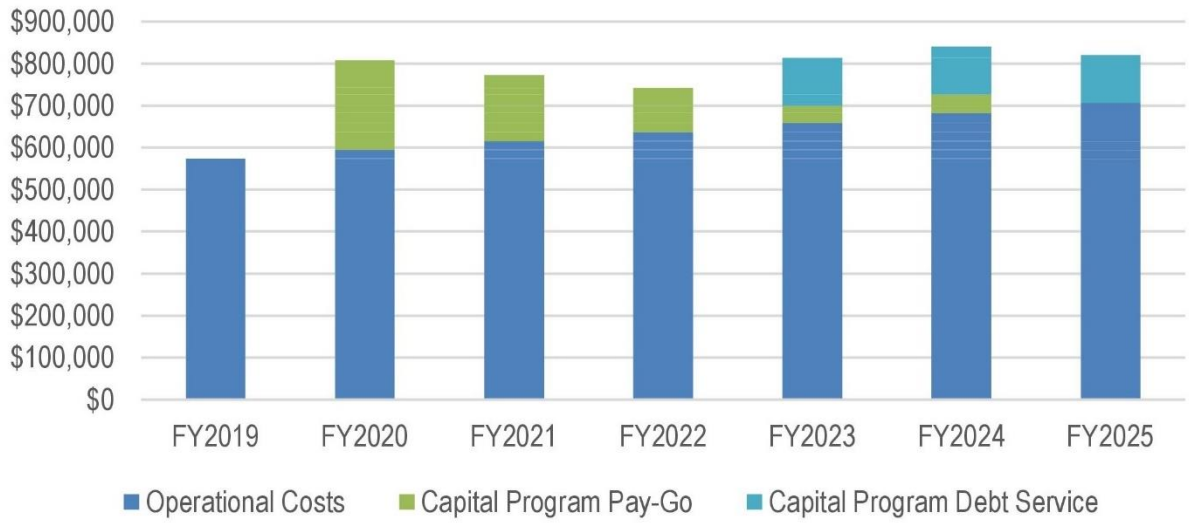
Table 4-9: Storm Drainage Capital Improvement Plan Five-Year Spend

					FY20		FY21		FY22		FY23		FY24		FY25	
Fund	Project	Funding Source	Funding - Model	Total	Construction/ Purchase	Design/ Engineering/CM	Construction/ Purchase	Design/ Engineering/CM	Construction/ Purchase	Design/ Engineering/CM	Construction/ Purchase	Design/ Engineering/CM	Construction/ Purchase	Design/ Engineering/CM	Construction/ Purchase	Design/ Engineering/CM
			Cash	$ -												
	Old Town Street Rehab	Stormwater Fund	Cash	$ 178,855	$ 56,180		$ 59,551		$ 63,124							
	Storm Drain & Pan Improvs.	Stormwater Fund	Cash	$ 169,112	$ 30,000		$ 31,800		$ 33,708		$ 35,730		$ 37,874			
	Master Stormwater Plan	Stormwater Fund	Cash	$ 127,200	$ 127,200											
	Bragg Lane Storm Drain	Stormwater Fund	Cash	$ 60,000			$ 60,000									
	B-Dam Improvs.	Stormwater Fund	GO Bond	$ 1,500,000					$ 1,500,000							

4.3.4 Overall Revenue Requirements

The figure below shows the expected overall revenue requirement for the stormwater utility. While the operational costs are likely to remain stable, it is projected that there will be a significant amount of capital investments, in comparison to the revenues of the utility, made over that period. Although changes in either the local or regional drainage infrastructure investment programs could impact this assessment, it currently appears that the stormwater utility should design rates to produce annual revenues in the $750,000 to $800,000 range. As discussion with vested parties continue regarding the dams, and once costs are allocated to each party, then the revenue and capital costs should be re-assessed and evaluated for rate modification.

Figure 4-6: Stormwater Utility Fund Revenue Requirement



5. PROJECTION OF CUSTOMER BILLING METRICS

In order to accurately determine the rates that will be needed to fully fund operations, it is important to have an informed understanding of historical metrics (number of customers, water usage, etc.) for the items which generate revenues for the utilities. In the case of the Town of Wellington, the primary metrics for the water and wastewater utilities are customer counts (generating fixed charge revenues) and water usage (generating volumetric revenues). The primary metrics for stormwater are residential property totals and impermeable surface metrics.

For all these items, historical data were analyzed to identify usage trends in the existing customer base. Given the rapid pace of development, existing trends needed to be augmented to account for expected growth in the community in the coming five years. Projections for additional customers and usage have been added to these trends, as directed by the Town of Wellington.

The Wellington billing database was analyzed for both customer accounts and volumetric (or in the case of stormwater, variable) billing information. These results were provided for all three utilities. The section below presents the findings which resulted from the examination of these records.

5.1 PROJECTIONS FOR GROWTH IN CUSTOMER BASE

With the rapid growth occurring in Wellington, it was important to include a projection of the impacts of this development as part of the rate study. Woodard & Curran was provided the following table by the Town for use in projection of future sales and customers counts.

Table 5-1: Wellington Growth Projections

Wellington, Colorado
Projected Residential Permit Activity
5-10 Yr. Projections

		2018	2019	2020	2021	2022	2023	2024	2025	2023 - 2028
Harvest Village Townhomes		31	28							
Boxelder Commons		60	69	69						
Sage Meadows		30	50	80	80	80				
Wellington Village Townhomes		44	42							
Wellington Row Townhomes		14	19							
Noemar Townhomes		17								
Columbine Estates					67	67				
Saddleback Subdivision			20	40	46	47				
Country Lane Farms			8	9	11	13				
Sundance				40	80	80	23.4	23.4	23.4	117
Patterson Annexation							24	24	24	120
Fort Collins Farm (future)							80	80	80	400
Sipes Annexation (future)							60	60	60	300
ESTIMATED TOTAL UNITS		**196**	**236**	**238**	**284**	**287**	**187.4**	**187.4**	**187.4**	**937**
Capita per household										
	3	588	708	714	852	861	562	562	562	2,811
			1,296	2,010	2,862	3,723	4,285	4,847	5,410	6,534

Projections for the increase in usage of water and sewer were based upon the Town's expectation for three capita per household and the Town's average water usage of approximately 55 gallons per capita per day. Projections for the increase in monthly charges for all three utilities was based upon the expected number of new residences.

The Town did not provide a projection of commercial development so commercial growth was not applied in the calculation of future water demands or monthly charges. These residential and commercial values were used in the projections for all three utilities.

5.2 WATER UTILITY

5.2.1 Customer Base

Using billing records from 2015 through 2018, Woodard & Curran completed a statistical breakdown of the water utility's billing characteristics. Through FY2018, the existing customer was 3,997 connections and metered water usage of approximately 384,000 units (each unit is 1,000 gallons). Data prior to 2015 was not considered due to the rapid growth of the Town. Analysis of the water utility commenced mid-year 2019 and only completed years of data were considered for analysis.

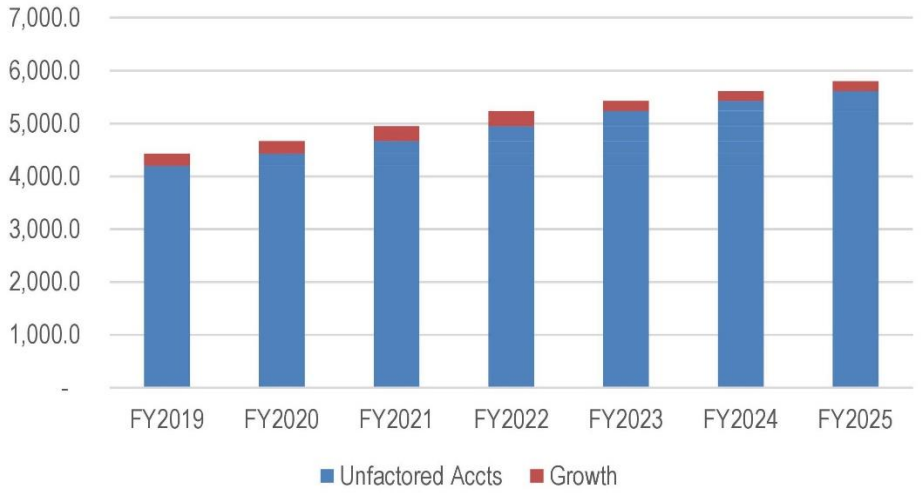
Using this analysis, combined with the expected development projections for growth within the customer base, we have made a projection of growth in both the unfactored customer accounts and expected volumetric billings. These are presented below.

5.2.2 Water Connections

Existing user base is projected to increase from the FY2018 value of approximately 4,000 customers to over 5,500 customers based upon Wellington growth expectations.

The reference to "Unfactored Accts" and "Growth" in Figure 5-1 refer to the desire of Wellington to keep the usage of existing system of monthly charges in force and the "Growth" accounts for expected new development in Town, as this will increase fixed charge revenue substantially in coming years.

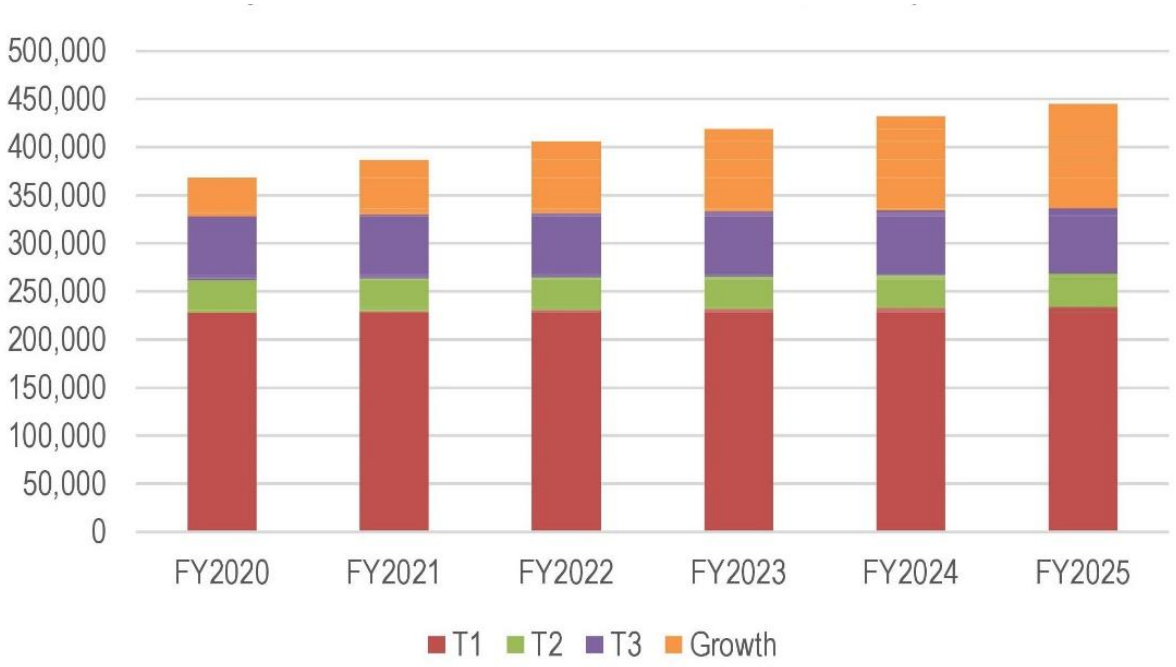
Figure 5-1: Projection of Water Accounts



5.2.3 Volumetric Water Usage

Metered volumes of water are projected to increase significantly over the five-year period from 2019 to 2025, increasing from under approximately 360,000 units to almost 450,000 units per year. Figure 5-3 reflects the relative cost of water in each usage tier where T1 is 0 to 15,000 units, T2 is 15,001 to 30,000 units and T3 is over 30,000 units.

Figure 5-3: Projection of Effective Water Consumption by Tier



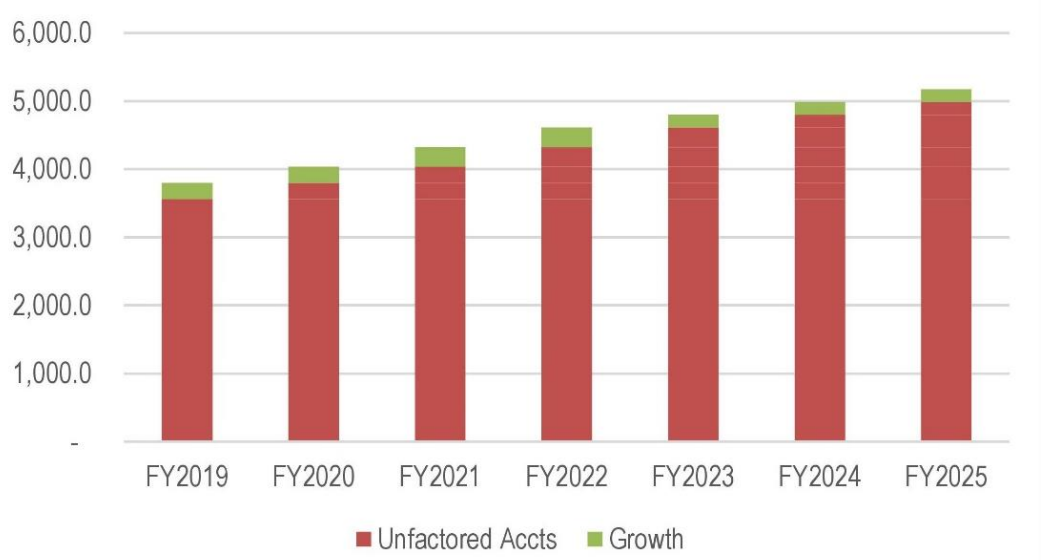
5.3 WASTEWATER UTILITY

5.3.1 Customer Base

A statistical analysis of billing records from 2015 through 2018 was used to determine the sewer utility's billing characteristics. Through FY2018, the existing customer base was 3,369 connections and billed wastewater usage of approximately 67,100 units (1,00 gallons per unit), not inclusive of the approximately 110,000 units in the "included usage" practice of counting the first 3,000 gallons as part of the monthly service water fee. It is important to note that both of these figures are based upon the "winter adjustment" values as described in Section 2.1, rather than the metered water use.

Using this analysis, combined with the expected development projections for growth within the customer base, we have made a projection of growth in both the unfactored customer accounts and expected volumetric billings. These are presented in Figure 5-4 below.

Figure 5-4: Projection of Wastewater Accounts



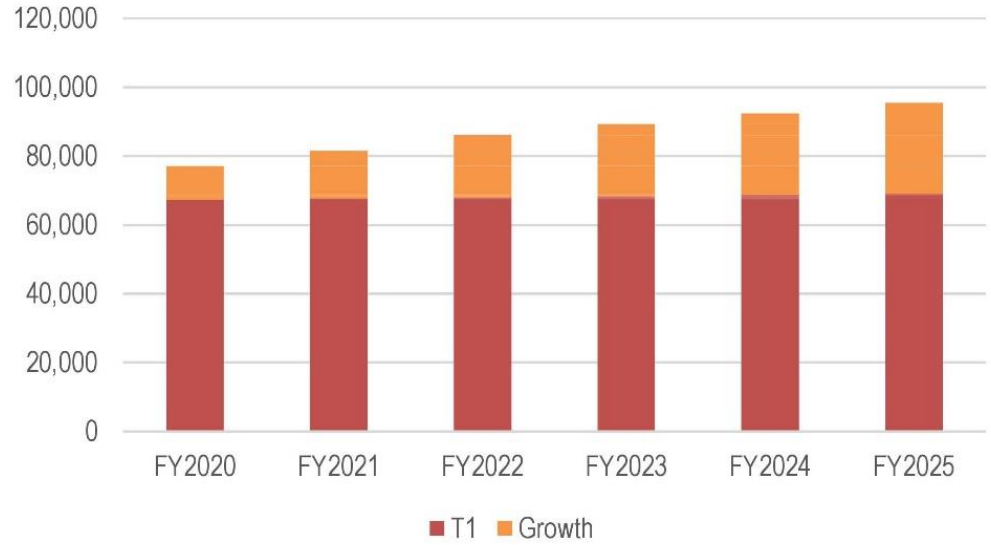
5.3.2 Connections

Similar growth is projected as the water utility and the wastewater utility customer base is expected to increase from 3,400 in FY2018 to approximately 5,000 in FY 2024.

5.3.3 Billed Usage

Expected increases in the customer base will lead to a significant increase in volumetric billings within the wastewater utility. Billed wastewater volumes are expected to increase from 67,000 units in 2018 to almost 95,000 units in 2025, if current billing practices are unchanged.

Figure 5-5: Projection of Wastewater Consumption

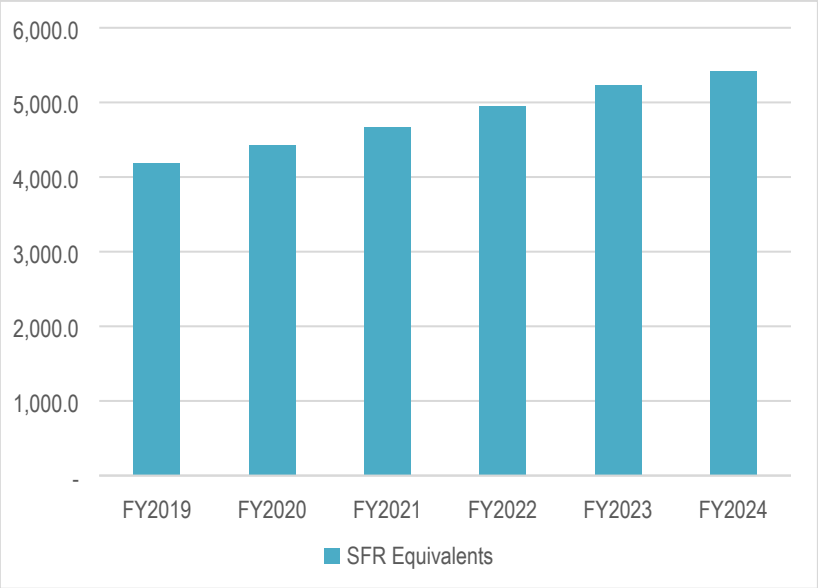


5.4 STORMWATER UTILITY

5.4.1 Customer Base

Billing records were analyzed to determine increases of single-family residence (SFR) equivalents over time and projected these numbers forward on the basis of the development expectations provided by the Town. Figure 5-6 presents the values used in the evaluation of revenue generation expectations for the stormwater charges.

Figure 5-6: Projection of Stormwater Equivalents



6. RECOMMENDED RATES

The tables below present recommended water, wastewater, and stormwater rates based on the Town preference to use maintain the same rate structures currently in force, changing only the unit charges. This final recommendation follows earlier versions, described below:

1. Recommendations included in the Draft Report which were discussed and the February 21 public meeting and presentation.
2. Recommendations which followed in a Draft Report addendum addressing two specific scenarios asked for including additional information received from the Board at that the public meeting.

The recommendations below come from feedback from the Town with the request for the rates to be set using the following guidelines:

a. Maintain the existing structure of the rates for all three utilities (same tier sizes, etc.)

b. Maintain the fund balances to comply with the Town reserves policy (2 times following year's debt service plus following year cash financed CIP plus 25 percent of revenues)

The recommended rates in the following sections comply with these requirements over the five-year projection period. For each set of rates, the projected financial performance of those rates is also presented in chart format which presents the Fiscal Year End (FYE) reserves balances, the annual fiscal performance and the reserves balance needed to comply with Town policy.

6.1 RECOMMENDED WATER UTILITY RATES

6.1.1 Rate Table

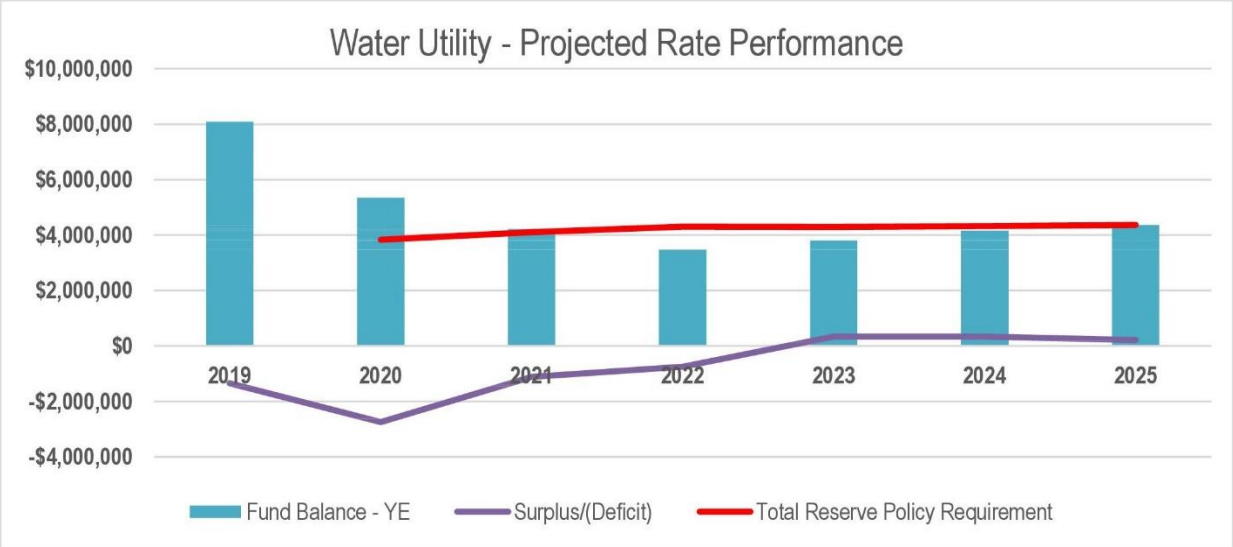
Fixed and Volumetric Charges

Water Rates ($/unit)									
	Tier	Tier Size	2019	2020	2021	2022	2023	2024	2025
Fixed Charge Increase (%)					reset	20.0%	10.0%	0.0%	0.0%
Monthly Fixed Charge			$ 18.86	$ 18.86	$35.00	$ 42.00	$ 46.20	$ 46.20	$ 46.20
Volumetric Increase (%)			0.0%	0.0%	25.0%	25.0%	5.0%	0.0%	0.0%
Tier	Included	0	n/a	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00
	1	15	$3.65	$3.65	$4.56	$5.70	$5.99	$5.99	$5.99
	2	15	$3.93	$3.93	$5.70	$7.13	$6.29	$5.99	$5.99
	3	>30	$4.94	$4.94	$7.72	$9.65	$8.51	$8.10	$8.10

Connection Charges

We recommend that the connection charges remain at the current level.

6.1.2 Expected Rate Performance



6.1.3 Discussion of Recommended Rates

The current fiscal position of the water utility is that is has good reserves but will rapidly deplete the reserves in about three years without a major adjustment to the rates. Rate modification is needed primarily due to the large bond that was issued for construction of a new water treatment plant and a significant amount of capital projects which are expected to be paid for with cash over the next several years. The changes are large, but they are unavoidable unless the town wishes to subsidize the utility from the General Fund. There are a number of ways these rate changes could be minimized, which are detailed at the end of Section 6, but the recommended rates in the table above will be needed to pay for the projected cost of the operating the utility, using the guidance provided.

As a note, these increases are higher than in the draft report due to the inclusion of the Town's Reserve Policy Requirement as a base for how low the reserve balance could drop before the utility had to be breaking even and the addition of cash financed capital projects. In this recommendation, a large correction occurs early for volumetric and monthly fixed charges, with 0% rate increases in FY24 & FY25, which will maintain reserves in compliance with Town policy.

6.2 RECOMMENDED WASTEWATER UTILITY RATES

6.2.1 Rate Table

Fixed and Volumetric Charges

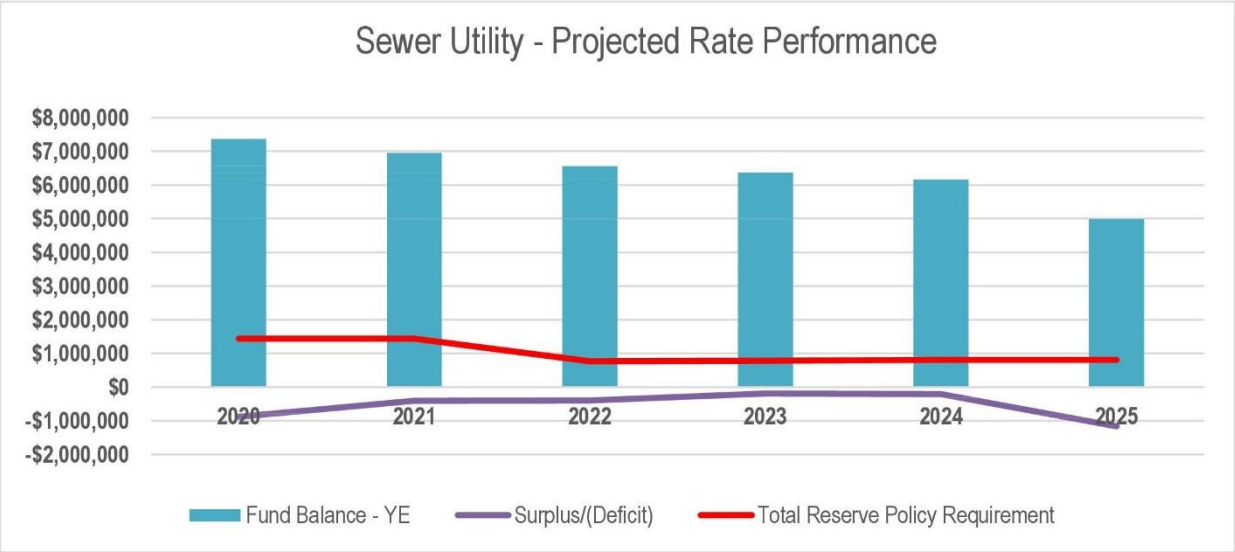
No changes are proposed to the current volumetric fees for wastewater. Depending upon the level of investment recommended in the wastewater master plan, the Town should review the financial model and revisit this recommendation.

Sewer Rates ($/unit)														
Tier	Current	Tier Size	2019		2020		2021		2022		2023		2024	2025
Fixed Charge Increase (%)			0.0%		0.0%		0.0%		0.0%		0.0%		0.0%	0.0%
Monthly Fixed Charge			$	20.63	$	20.63	$	20.63	$	20.63	$	20.63	$ 20.63	$ 20.63
Volumetric Increase (%)			0.0%		0.0%		0.0%		0.0%		0.0%		0.0%	0.0%
Included			n/a		$0.00		$0.00		$0.00		$0.00		$0.00	$0.00
1			$6.50		$6.50		$6.50		$6.50		$6.50		$6.50	$6.50

Connection Charges

No changes are proposed to the current connection fees. Depending upon the level of investment recommended in the wastewater master plan, the Town should revisit this recommendation.

6.2.2 Expected Rate Performance



6.2.3 Discussion of Recommended Rates

The current wastewater rates are adequate to support operations. In addition, the fund reserves are significantly greater in comparison to its reserve needs. Considering the significant recommended rate increase on the water utility, it is recommended that the sewer utility maintain its current rates for at least the next three years. This will still allow for a very healthy fiscal position as the Town begins to consider changes identified from the wastewater master plan. As a note, if the master plan currently underway finds large additional short term (less than three to five years) investment needs, the Town should reconsider this recommendation and use the model to evaluate the impact of those project on the fiscal position of the utility.

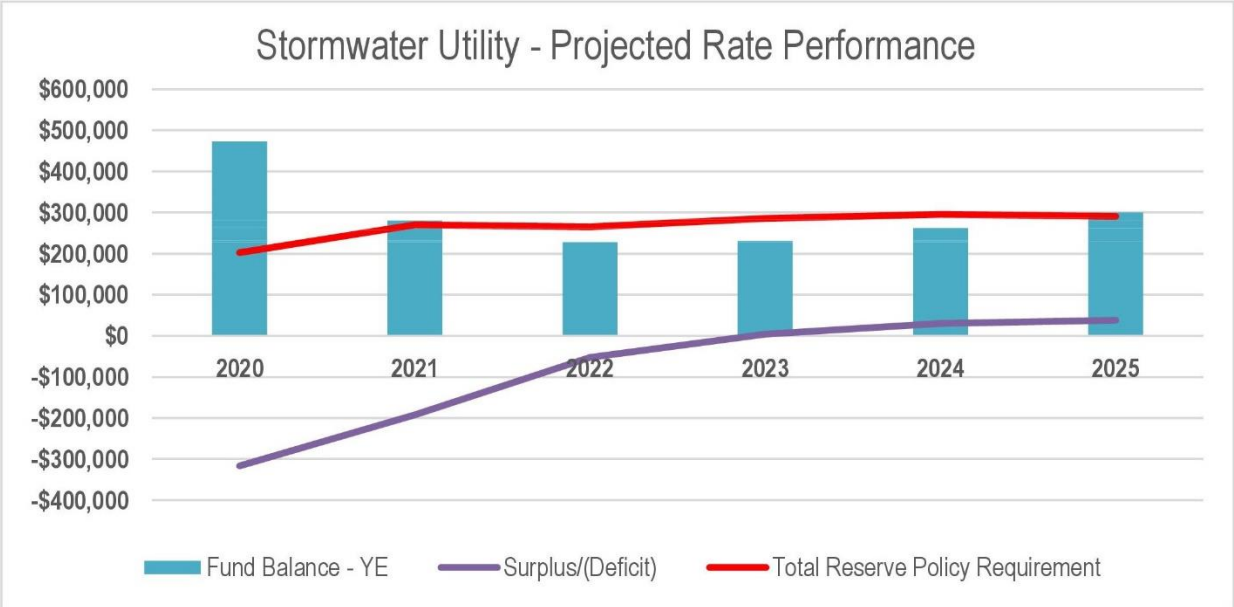
6.3 RECOMMENDED STORMWATER RATES

6.3.1 Rate Table

Residential & Commercial Charges

Stormwater Rates - ($/month)							
Current		2020	2021	2022	2023	2024	2025
Rate Increase (%) - Town		0.0%	12.0%	12.0%	12.0%	3.0%	2.0%
Rate Increase (%) - AUTH		0.0%	12.0%	12.0%	12.0%	3.0%	2.0%
$6.33	Resi - Town	$6.33	$7.09	$7.94	$8.89	$9.16	$9.34
$9.25	Comm. - Town	$9.25	$10.36	$11.60	$13.00	$13.39	$13.65
$5.00	Resi - Auth	$5.00	$5.60	$6.27	$7.02	$7.24	$7.38
varies	Comm - Auth	Increase impervious surface sq. footage charges by same percentage as other rates					

6.3.2 Expected Rate Performance



6.3.3 Discussion of Recommended Rates

The recommended stormwater utility rate recommendation reflects the Town's Reserve Policy Requirement and includes updates of the CIP for stormwater infrastructure. While the percentage changes in the first three years is somewhat high, that is due to the fact that the current rates are relatively small and the utility is planning to begin a series of capital projects, including carrying a significant debt financed capital project on the B-Dam improvements in FY2023. If the Town should wish not to bond that project, then these increases will need to be significantly increased.

6.4 IMPORTANT CONSIDERATIONS FOR SETTING RATES

There are a number of strategies that utilities across the nation have used to minimize the impacts of capital projects on ratepayers. These are policy decisions that can influence the recommended rates; however, the financial model can be used to assess any of these or several of them in conjunction to determine the appropriate policy and rates for the Town.

1. Usage of a portion of connection fees as revenue to the utility.

   The model allows the user to assess the impact of using a portion, or all, of the connection fees as a revenue to the utility. This would likely require a change in Town policy but, considering the Town's rate of growth, may make sense. Under the present rate structure, the current customers are carrying the costs of building assets that will be used for the growth of the Town. If a portion of the capital fees were allowed to flow into the utility general revenue, then that subsidy could be reduced, allowing growth to pay for the cost of growth. This would reduce the recommended rate increases for current customers. As previously discussed with the Town and Board, the potential downside in this approach is that a large drop in development could create a revenue gap for the utility.

2. Debt finance most or all capital projects.

   This approach has been applied to infrastructure improvements over $200,000 within this model, however the approach can be difficult, due to the unpopularity of taking on debt in many communities. The easiest way to think of why this approach can be very successful is because if a community wants to cash-finance a capital project, it must either have the reserves to pay for it or often significantly raise the rates to provide the needed revenue. For example, a $1M project the obvious amount needed from the rates that year would be $1M, but with debt financing the project, the amount needed to be raised from rates is approximately $60-65 thousand per year. Granted there will be interest to be paid but on assets that will last 60 or more years, many communities think that is worth not having to raise rates by the full $1 million.

3. Usage of a higher commercial tier.

   The Town could consider adopting a commercial tier for water and sewer customers. This was considered and evaluated during the completion of this rate study. At the present time, the additional revenue had a *de minimis* impact upon the overall revenue stream. If significant commercial development occurs in the future, this option can be reconsidered.

4. Changing higher relative tier values or shrink two bottom tiers.

   This strategy can lower rates for small users by increasing charges to large users. This works best when a community has a significant number of large water users. If the Town decides to pursue this strategy, the model can handle that evaluation. Review of usage of the Town currently indicate a tier modification would significantly increase revenue.

5. Elimination of the "Winter quarter" for wastewater billing.

   Under current practices, the Town issues wastewater bills based upon customer usage during the three months which are expected to have no outside irrigation. While this type of policy is certainly not unheard of, the practice is not recommended because it can significantly under report a customer's contribution of wastewater to the wastewater system. While there is not a generally accepted "best practice" many communities have decided to bill based on a percentage of water usage.

   An evaluation of the FY2018 billing data for customers with both water and sewer accounts indicate that the volume of wastewater usage billed, if the "winter quarter" practice were to be eliminated, would increase substantially. This may allow the ability to raise additional revenues for capital projects or to lower volumetric rates from their current levels. Additionally, it aligns the cost of running the wastewater system more closely with the users whose place the most usage upon it. With the anticipated significant increase in water rates in the near future for the Town, the decision to apply this type of change concurrently should be considered and may be better received by residents when applied in the future and also based upon a completed wastewater master plan.

6. Included Consumption on Wastewater Bills.

   The inclusion of a set consumption level (3 units per month) within the fixed charge substantially reduces the volume of wastewater, which is billed to customers, especially in light of using the winter quarter adjustment mentioned previously. In FY2018, almost two-thirds of the wastewater volumes were within the included consumption. A change in this policy could substantially increase volumetric billings for the wastewater utility. The ability to assess this impact is supported by the model.

7. Modification of the NPIC water supply contract.

   Finally, attempting to alter the terms of the NPIC water supply contract should be considered. Contract modification could aid in reduction of the volatility of the share value for water purchases for the Town. At the Board meeting in February 2020, the Town Manager indicated he was beginning this conversation with NPIC, but progress has not been reported. If a change in the arrangement is successful, the Town should use the model to assess the impact of any new agreement.

7. RATE MODEL DEVELOPMENT

The model has been developed after review of Town budgets and financial reports, review of contracts with North Poudre Irrigation Company, and in-depth consultation with Wellington staff. This consultation was critical in constructing the model so that it could provide Wellington with rate guidance under a number of different scenarios for rate setting. A description of significant portions of the model are included below.

7.1 UPLOAD OF COST DATA

As part of the model construction, budgetary values for each of the utilities were reviewed with Town staff, modified to appropriately account for expected changes (i.e. increased operating costs associated with the new water treatment plant) and escalated in accordance with industry standards of 2.5 percent. Within the model there are a series of fields open to modification to allow Wellington to make appropriate changes over the course of the next five fiscal years.

The three primary cost tabs which may be modified are the operational budgets tab, the debt service tab (in case future bonds are issued to fund capital), and the Capital Investment Program (CIP) tab. The CIP tab allows for changes to the assumed capital program in all three utilities and will be critical to adjust as the results of the wastewater master plan become more certain.

7.2 UPLOAD OF CONSUMPTION DATA

The consumption/billing data and the analytical breakdown of the data is carried out in a separate "Consumption Analysis" spreadsheet. This is due to the level of flexibility Wellington staff desired to have in assessing different potential future billing practices. These different practices could range from the institution of multi-tier rates to carrying a different set of rates based upon customer class.

Upload of the statistical breakdown from the Consumption Analysis is handled manually via one of the modules within the rate model. Wellington staff are fully briefed on the interaction of the two spreadsheets.

7.3 DETERMINATION OF RECOMMENDED RATES

The development and determination of the recommended rates is based upon the appropriate levels of reserves identified by Town staff and the general principal that utility revenues should be targeted to fully fund operations. The rate tables are automatically calculated within the model based upon factors such as annual rate increases, the relative value and size of various utility tiers, and multiple other variables.

7.4 ADDITIONAL RATE CONSIDERATIONS

There are a number of practices which could have a significant impact on the rates of the average rate payer which the Town should consider. The three primary considerations are outlined below.

Variable Volumetric Tier Size & Relative Value

Many communities have adopted multi-tier billing practices under which larger users pay incrementally more per unit for the utility service as their usage exceeds established levels of volume. These practices:

- provide an incentive for conservation which can both save on resource purchase costs and potentially reduce that amount of capital investment needed as the system grows; and
- drive revenue generation onto the largest users of the system.

The model supports the assessment of multi-tier rates.

Flow & Load Rates

Volumetric flow and nutrient load rates are generally used with industrial and commercial wastewater customers who discharge either large volumes of wastewater or high-strength wastewater to the wastewater treatment system. These rates are frequently used when industrial users constitute a sizeable proportion of the wastewater produced within a

service area. While Wellington may wish to consider implementing this practice at some point in the future, the lack of information on waste strength from the existing commercial dischargers precludes calculation as part of this study. Additionally, the use of these rates requires the implementation of a waste sampling program and can cause a significant increase in the administrative activities within the billing office. Calculation of flow and load rates are not supported by the model.

7.5 MODEL HANDOFF

The finalized model will be delivered to the Town upon completion of the rate study. The model will have many features "locked-down" so essential formulas and algorithms cannot be modified. Training on use of the model will be provided to Town staff, prior to final hand-off.

Attachments

ATTACHMENT A - CAPITAL INVESTMENT PROGRAMS

ATTACHMENT B - PROJECTED CASH FLOW TABLES

Attachment A – Capital Investment Programs

WATER ENTERPRISE CAPITAL INVESTMENT PROGRAM

Wellington, CO
Water and Sewer CIP - Debt and Capital Outlay Projection
May 2019

Current FY20 CCE

		Escalator	**4.00%**		0	0	1	1	2	2	3	3	4	4	5	5	6	6	7	7	8	8
					FY20		FY21		FY22		FY23		FY24		FY25		FY26		FY27		FY28	
Fund	**Project**	**Funding Source**	**Funding - Model**	**Total**	**Construction/ Purchase**	**Design/ Engineering/CM**	**Construction/ Purchase**	**Design/ Engineering/CM**	**Construction/ Purchase**	**Design/ Engineering/CM**	**Construction/ Purchase**	**Design/ Engineering/CM**	**Construction/ Purchase**	**Design/ Engineering/CM**	**Construction/ Purchase**	**Design/ Engineering/CM**	**Construction/ Purchase**	**Design/ Engineering/CM**	**Construction/ Purchase**	**Design/ Engineering/CM**	**Construction/ Purchase**	**Design/ Engineering/CM**
Water Enterprise	Leak Detection Equipment	Water Fund	Cash	$ -																		
	On-Line Process Equipment	Water Fund	Cash	$ -																		
	Vehicle Replacement Policy	Water Fund	Cash	$ 30,000							$ 30,000											
	Bulk NaOH and Antiscalant	Water Fund	Cash	$ 30,000	$ 30,000																	
	Membranes and Nano/RO	Water Fund	Cash	$ 56,589	$ 56,589																	
	Zero Turn Mower	Water Fund	Cash	$ 18,000	$ 9,000				$ 9,000													
	Pot Hole Machine	Water Fund	Cash	$ 50,000	$ 50,000																	
	Emergency Power for Main Water Treatment Plant	Water Fund	GO Bond	$ 212,000	$ 212,000																	
	Tank Coatings	Water Fund	Cash	$ 20,000	$ 20,000																	
	Disinfection byproduct rule compliance (Tank Aeration)	Water Fund	Cash	$ 106,000			$ 106,000															
	Back Up 2 MGD Pump	Water Fund	Cash	$ 60,000	$ 60,000																	
	Redundancy for pumps to water tower storage	Water Fund	Cash	$ 50,000	$ 50,000																	
	Wilson Well Improvements	Water Fund	GO Bond	$ 480,000	$ 480,000																	
	Clearwell High Service Pump Upgrade	Water Fund	Cash	$ 25,000	$ 25,000																	
	Nano Plant Expansion	Water Fund	Cash	$ 47,513	$ 47,513																	
	3 Chemical Chlorine Dioxide	Water Fund	Cash	$ 160,000	$ 160,000																	
	Improved Carbon Feed System	Water Fund	Cash	$ 70,000	$ 70,000																	
	Bulk Water Dispenser	Water Fund	Cash	$ 60,000	$ 60,000																	
	Fire Hydrant Replacement	Water Fund	Cash	$ 852,000	$ 60,000		$ 66,000		$ 726,000													
	Distribution System Master Plan	Water Fund	Cash	$ 125,000	$ 125,000																	
	Buffalo Creek Booster Station Upgrade	Water Fund	Cash	$ 180,000	$ 40,000		$ 140,000															
	Distribution System Rehabilitation Project	Water Fund	GO Bond	$ 1,221,020	$ 200,000		$ 220,000		$ 242,000		$ 266,200		$ 292,820									
			Cash	$ -																		
			Cash	$ -																		
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	Total Water Enterprise Fund - Current			**$ 3,853,122**	**$ 1,755,102**	**$ -**	**$ 532,000**	**$ -**	**$ 977,000**	**$ -**	**$ 296,200**	**$ -**	**$ 292,820**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

WASTEWATER & STORMWATER ENTERPRISE CAPITAL INVESTMENT PROGRAM

Current FY20 CCE

Vehicle Replacement	Sewer Fund	GO Bond	$ 60,000	$ 30,000				$ 30,000													
Vacuum Truck	Sewer Fund	GO Bond	$ 540,000			$ 540,000															
1000 Gal Pressure Tank	Sewer Fund	GO Bond	$ 15,000	$ 15,000																	
Clarifier Launder Covers	Sewer Fund	GO Bond	$ 133,800			$ 33,450		$ 33,450		$ 33,450		$ 33,450									
Zero Turn Mower	Sewer Fund	GO Bond	$ 9,000					$ 9,000													
Backup Generator - Lift Station	Sewer Fund	Cash	$ 135,000	$ 135,000																	
Skid Steer Aeration	Sewer Fund	Cash	$ 24,000			$ 24,000															
WW Masterplan	Sewer Fund	Cash	$ 185,000		$ 185,000																
WWTP Blowers/Digester Improvs.	Sewer Fund	Cash	$ 63,500	$ 63,500																	
WWTP Pumps	Sewer Fund	Cash	$ 93,994	$ 16,674		$ 17,675		$ 18,735		$ 19,859		$ 21,051									
Clarifier Rehab Project	Sewer Fund	GO Bond	$ 523,062	$ 523,062																	
WWTP Driveway Paving	Sewer Fund	Cash	$ 135,000	$ 135,000																	
WWTP Expansion Design	Sewer Fund	GO Bond	$ 2,000,000						$ 2,000,000												
WWTP Expansion Construction	Sewer Fund	SRF	$ 20,000,000									$ 20,000,000									
WWTP Effluet Shed	Sewer Fund	Cash	$ 8,000	$ 8,000																	
Lift Station - Safety Upgrades	Sewer Fund	Cash	$ 30,000	$ 30,000																	
WWTP Clarifier 3&4 Rehab	Sewer Fund	Cash	$ 110,000	$ 110,000																	
WWTP Clarifier Repairs (Tobrow)	Sewer Fund	Cash	$ 36,000	$ 36,000																	
Sewer Line Rehab/Replacement	Sewer Fund	Cash	$ 874,923			$ 200,000		$ 212,000		$ 224,720		$ 238,203									
Manhole Rehab	Sewer Fund	Cash	$ 450,967	$ 80,000		$ 84,800		$ 89,888		$ 95,281		$ 100,998									
		Cash	$ -																		
Old Town Street Rehab	Stormwater Fund	Cash	$ 178,855	$ 56,180		$ 59,551		$ 63,124													
Storm Drain & Pan Improvs.	Stormwater Fund	Cash	$ 169,112	$ 30,000		$ 31,800		$ 33,708		$ 35,730		$ 37,874									
Master Stormwater Plan	Stormwater Fund	Cash	$ 127,200	$ 127,200																	
Bragg Lane Stom Drain	Stormwater Fund	Cash	$ 60,000			$ 60,000															
B-Dam Improvs.	Stormwater Fund	GO Bond	$ 1,500,000					$ 1,500,000													
		Cash	$ -																		
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Total Sewer Enterprise Fund - Current			**$ 27,462,413**	**$ 1,395,616**	**$ 185,000**	**$ 1,051,276**	**$ -**	**$ 1,989,905**	**$ 2,000,000**	**$ 409,040**	**$ -**	**$ 20,431,576**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**

Attachment B – Projected Cash Flow Tables – page 1

Sewer Utility

Operating Expenditures	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
ADMINISTRATIVE EXPENSES	$271,115	$280,604	$290,425	$300,590	$311,111	$322,000	$333,270
OPERATING EXPENSES	$869,814	$900,257	$931,767	$964,378	$998,132	$1,033,066	$1,069,223
SMALL EQUIPMENT	$30,395	$31,459	$32,560	$33,699	$34,879	$36,100	$37,363
SEWER CAPITAL OUTLAY	$0	$0	$0	$0	$0	$0	$0
INDIRECT COSTS	$0	$0	$0	$0	$0	$0	$0
Existing Debt Service							
Bonded DS	$536,439	$536,440	$534,287	$527,886	$177,885	$172,645	$177,885
Capital Program							
New Debt Service		$0	$39,969	$81,932	$239,651	$242,298	$1,633,498
Rolling Stock / Vehicle Cost		$0	$0	$0	$0	$0	$0
PayGo Capital		$799,174	$339,534	$346,786	$382,296	$421,444	$0
Total Costs	**$1,707,763**	**$2,547,934**	**$2,168,542**	**$2,255,272**	**$2,143,953**	**$2,227,552**	**$3,251,239**

Projected Revenues - Annual Increase	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Fixed Charges	$882,551	$940,976	$999,895	$1,070,202	$1,141,252	$1,187,644	$1,234,037
Volumetric Charges	$435,175	$501,320	$530,622	$560,220	$580,320	$600,433	$620,556
Connection Charges		$0	$0	$0	$0	$0	$0
Non-operating Revenues	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000	$150,000
Other revenues	$80,000	$80,000	$80,000	$80,000	$80,000	$80,000	$80,000
Total Revenues	**$1,547,726**	**$1,672,295**	**$1,760,517**	**$1,860,422**	**$1,951,572**	**$2,018,078**	**$2,084,593**
Surplus/(Deficit)	-$160,037	-$875,639	-$408,026	-$394,850	-$192,381	-$209,474	-$1,166,646

UTILITY RESERVES							
Fund Balance - YB		$8,237,682	$7,362,043	$6,954,017	$6,559,168	$6,366,786	$6,157,312
Fund Balance - YE	$8,237,682	$7,362,043	$6,954,017	$6,559,168	$6,366,786	$6,157,312	$4,990,666
Reserve Balance Target for Debt Service (2x)		$1,068,574	$1,055,772	$355,770	$345,289	$355,770	$355,770
Reserve for Following Capital		$0	$0	$0	$0	$0	$0
Reserves for Revenues		$360,574	$382,629	$407,605	$430,393	$447,019	$447,019
Total Reserve Policy Requirement		**$1,429,148**	**$1,438,401**	**$763,375**	**$775,682**	**$802,789**	**$802,789**

Water Utility

Operating Expenditures	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
ADMINISTRATIVE EXPENSES	$435,206	$450,438	$466,204	$482,521	$499,409	$516,888	$534,979
OPERATING EXPENSES	$1,485,306	$1,537,292	$1,591,097	$1,646,785	$1,704,423	$1,764,078	$1,825,820
SMALL EQUIPMENT	$757,852	$0	$0	$0	$0	$0	$0
Water CAPITAL OUTLAY	$195,100	$201,929	$208,996	$216,311	$223,882	$231,718	$239,828
Water Purchase	$757,852	$778,453	$939,370	$1,118,230	$1,336,003	$1,519,530	$1,720,602
WATER CAPITAL OUTLAY	$0	$0	$0	$0	$0	$0	$0
Existing Debt Service							
Bonded DS	$298,750	$1,623,879	$1,621,453	$1,588,427	$1,547,992	$1,464,694	$1,462,016
Capital Program							
New Debt Service		$0	$62,762	$78,861	$97,278	$118,346	$142,449
Rolling Stock / Vehicle Costs		$0	$0	$0	$0	$0	$0
PayGo Capital		$863,102	$324,480	$794,976	$33,746	$0	$0
Total Costs	**$3,930,066**	**$5,455,092**	**$5,214,362**	**$5,926,111**	**$5,442,732**	**$5,615,254**	**$5,925,695**

Projected Revenues	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Fixed Charges	$948,960	$1,002,371	$1,960,140	$2,495,304	$2,903,947	$3,007,842	$3,111,736
Volumetric Charges	$1,265,115	$1,344,713	$1,766,412	$2,315,989	$2,509,293	$2,586,854	$2,664,458
Impact Fees/Capital Investment Fees		$0	$0	$0	$0	$0	$0
Bulk Water Slaes	$17,000	$17,000	$17,000	$17,000	$17,000	$17,000	$17,000
Non-operating Revenues	$330,000	$330,000	$330,000	$330,000	$330,000	$330,000	$330,000
Impact Fees/Capital Investment Fees							
Other revenues	$18,000	$18,000	$18,000	$18,000	$18,000	$18,000	$18,000
Total Revenues	**$2,579,074**	**$2,712,084**	**$4,091,552**	**$5,176,293**	**$5,778,241**	**$5,959,696**	**$6,141,195**

UTILITY RESERVES

Surplus/(Deficit)	-$1,350,991	-$2,743,008	-$1,122,810	-$749,818	$335,508	$344,442	$215,500
Fund Balance - YB		$8,088,061	$5,345,053	$4,222,242	$3,472,425	$3,807,933	$4,152,375
Fund Balance - YE	$8,088,061	$5,345,053	$4,222,242	$3,472,425	$3,807,933	$4,152,375	$4,367,874
Reserve Balance Target for Debt Service (2x)		$3,242,906	$3,176,854	$3,095,984	$2,929,388	$2,924,032	$2,924,032
Reserve for Following Capital		$0	$0	$0	$0	$0	$0
Reserves for Revenues		$586,771	$931,638	$1,202,823	$1,353,310	$1,398,674	$1,444,049
Total Reserve Policy Requirement		**$3,829,677**	**$4,108,492**	**$4,298,808**	**$4,282,699**	**$4,322,706**	**$4,368,081**

RAW WATER RESERVES

Revenues	$4,551,378	$4,589,949	$5,477,082	$5,534,939	$3,614,103	$3,614,103	$3,614,103
Fund Balance - YB	$0	$10,156,139	$14,746,088	$20,223,170	$25,758,109	$29,372,211	$32,986,314
Fund Balance - YE	$10,156,139	$14,746,088	$20,223,170	$25,758,109	$29,372,211	$32,986,314	$36,600,417

Attachment B – Projected Cash Flow Tables – page 3

Stormwater Utility

Operating Expenditures	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
ADMINISTRATIVE EXPENSES	$502,662	$520,255	$538,464	$557,310	$576,816	$597,005	$617,900
OPERATING EXPENSES	$69,321	$71,747	$74,258	$76,857	$79,547	$82,332	$85,213
SMALL EQUIPMENT	$2,500	$2,588	$2,678	$2,772	$2,869	$2,969	$3,073
Stormwater CAPITAL OUTLAY	$0	$0	$0	$0	$0	$0	$0
Existing Debt Service							
Bonded DS	$0	$0	$0	$0	$0	$0	$0
Capital Program							
New Debt Service		$0	$0	$0	$114,154	$114,154	$114,154
Rolling Stock / Vehicle Costs		$0	$0	$0	$0	$0	$0
PayGo Capital		$213,380	$157,405	$104,733	$40,191	$44,307	$0
Total Costs	**$574,483**	**$807,970**	**$772,806**	**$741,673**	**$813,578**	**$840,767**	**$820,340**

Projected Revenues	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Town & Authority Charges	$465,423	$491,619	$580,201	$689,369	$816,850	$871,457	$858,183
Connection Charges		$0	$0	$0	$0	$0	$0
Other revenues	$0	$0	$0	$0	$0	$0	$0
Total Revenues	**$465,423**	**$491,619**	**$580,201**	**$689,369**	**$816,850**	**$871,457**	**$858,183**
Surplus/(Deficit)	-$109,060	-$316,351	-$192,604	-$52,304	$3,273	$30,691	$37,843
Fund Balance - YB	$898,455	$789,395	$473,044	$280,440	$228,136	$231,409	$262,100
Fund Balance - YE	$789,395	$473,044	$280,440	$228,136	$231,409	$262,100	$299,943
Reserve Balance Target for Debt Service (2x)		$0	$0	$0	$0	$0	$0
Reserve for Following Capital		$0	$76,857	$79,547	$82,332	$85,213	$85,213
Reserves for Revenues		$201,992	$193,201	$185,418	$203,394	$210,192	$205,085
Total Reserve Policy Requirement		**$201,992**	**$270,059**	**$264,966**	**$285,726**	**$295,405**	**$290,298**

Board of Trustees Meeting

Date: **May 5, 2020**
Submitted By:
Subject: **Resolution 14 - 2020 Water Loan Signing Authority**

EXECUTIVE SUMMARY

Previously, Pete Brandjord, Finance Director and Ed Cannon Town Administrator, had been designated as authorized persons to represent the Town of Wellington regarding the signing of loan documents and pay request for the water treatment plant project for the Design, Engineering and Construction Grants.

This resolution authorizes the Interim Finance Director, Tyler Sexton and Interim Town Administrator, Kelly Houghteling to have signing authority for the loan.

BACKGROUND / DISCUSSION

STAFF RECOMMENDATION

ATTACHMENTS

1. Resolution - Authorized Signer

RESOLUTION 14-2020

A RESOLUTION OF THE TOWN OF WELLINGTON TOWN BOARD OF TRUSTEES DESIGNATING REPRESENTATIVES AUTHORIZED TO COORDINATED WITH COLORADO DEPARTMENT OF PUBLIC HEALTH AND ENVIRONMENT AND THE COLORADO WATER RESOURCES AND POWER DEVELOPMENT AUTHORITY REGARDING FINANCIAL ASSISTANCE MATTERS

WHEREAS, the Town of Wellington has applied for and received grants and/or loans from the Colorado Department of Public Health and Environment and the Colorado Water Resources and Power Development Authority regarding improvements to the Town's water treatment plant; and

WHEREAS, Pete Brandjord, Finance Director and Ed Cannon Town Administrator, had previously been designated as authorized persons to represent the Town of Wellington regarding the signing of loan documents and pay request for the water treatment plant project for the Design, Engineering and Construction Grants; and

WHEREAS, Pete Brandjord, Finance Director and Ed Cannon, Town Administrator, had previously been designated as authorized persons to represent the Town of Wellington regarding the signing of loan documents and pay request for the water treatment plant projects regarding the Loans; and

WHEREAS, through resignation of staff Pete Brandjord, Finance Director and Ed Cannon, Town Administrator, are no longer holding their staff positions with the Town of Wellington

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Town of Wellington, Colorado, in meeting assembled, that:

The Board of Trustees herby designates the following individuals as person authorized to act on behalf of the Town of Wellington on all financial matters associated with grants and loans administered by the Colorado Department of Public Health and Environment and the Colorado Water Resources and Power Development Authority: Kelly Houghteling, Interim Town Administrator and Tyler Sexton, Interim Finance Director.

Approved and adopted this 5th day of May 2020.

TOWN OF WELLINGTON

BY_____
Troy Hammon, Mayor

ATTEST:

_____
KELLY HOUGHTELING, TOWN ADMINISTRATOR/TOWN CLERK

Board of Trustees Meeting

Date: **May 5, 2020**

Submitted By:

Subject: **COVID-19 Update**

- **Staff Presentation: Kelly Houghteling**

EXECUTIVE SUMMARY

BACKGROUND / DISCUSSION

STAFF RECOMMENDATION

ATTACHMENTS

None

Board of Trustees Meeting

Date: May 5, 2020

Submitted By:

Subject: Resolution 12-2020 - Appointing Town Administrator/Clerk, Town Treasurer, Town Attorney and Municipal Judge

EXECUTIVE SUMMARY

BACKGROUND / DISCUSSION

STAFF RECOMMENDATION

ATTACHMENTS

1. Res 12-2020 Appointment of Officers and Judge

TOWN OF WELLINGTON
RESOLUTION NO. -2020

A RESOLUTION OF THE BOARD OF TRUSTEES OF THE TOWN OF WELLINGTON APPOINTING OFFICERS AND MUNICIPAL JUDGE UNTIL 2022 ELECTION

WHEREAS, the Board of Trustees of the Town of Wellington, Colorado (the "Board") has adopted and reenacted the Wellington Municipal Code; and

WHEREAS, Section 2 of the Code provides for appointment of officers, including, as set forth in Section 2-3-10, the Town Administrator/Clerk, Town Attorney, Town Treasurer and Municipal Judge; and

WHEREAS, the Code at Section 2-3-20 provides that the Board shall appoint the Town Administrator/Clerk; and

WHEREAS, Section 2-3-30 provides that the Board shall appoint a Town Treasurer; and

WHEREAS, Section 2-3-40 provides that the Board shall appoint a Town Attorney and shall fix the attorney's compensation; and

WHEREAS, Section 2-4-30 provides that the Board shall appoint a Municipal Judge for a term of not less than two (2) years and may appoint such additional municipal judges or assistant judges as may be necessary; and

WHEREAS, the Municipal Judge is to appoint the Municipal Court Clerk pursuant to the Town Code at Section 2-4-70 and C.R.S. § 13-10-108.

NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD APPOINTS THE FOLLOWING PERSONS TO SERVE AS OFFICERS OF THE TOWN:

1. The Board appoints the following persons to serve as officers of the Town:

Interim Administrator/Clerk	Kelly Houghteling
Interim Treasurer	Tyler Sexton
Town Attorney	March and Olive, LLC
Municipal Judge	Teresa Ablao
Assistant Judge	Sara Stieben

and confirms the following appointment by the Municipal Judge:

Municipal Court Clerk	Crystal Smith (appointed by the Municipal Judge)

2. Compensation:

A. Interim Town Administrator/Clerk. The compensation of the Interim Administrator/Clerk shall be in accordance with the contract entered into between the Board and Interim Administrator/Clerk presented to the Board at the Board's regular meeting of March 31, 2020.

B. Town Attorney. The compensation of the Town Attorney shall be in accordance with the contract entered into between the Board and Town Attorney presented to the Board at the Board's regular meeting of April 26, 2016.

PASSED AND ADOPTED AT A REGULAR MEETING OF THE TOWN BOARD OF THE TOWN OF WELLINGTON, COLORADO, THIS 28th DAY OF APRIL 2020.

TOWN OF WELLINGTON, COLORADO

_____

Troy Hamman, Mayor

ATTEST:

_____

Kelly Houghteling, Interim Town Administrator/Clerk

Board of Trustees Meeting

Date: May 5, 2020
Submitted By:
Subject: Larimer County Sheriff's Department Annual Report

EXECUTIVE SUMMARY

BACKGROUND / DISCUSSION

STAFF RECOMMENDATION

ATTACHMENTS

1. 2019 Wellington Annual Report_FINAL

2019 Wellington Annual Report

Larimer County Sheriff's Office
May 2020

To the Citizens of Wellington,

The Larimer County Sheriff's Office is pleased to continue our partnership with the Town of Wellington, serving as your municipal law enforcement agency. The support we receive daily from the community in both written and verbal form is encouraging to all the deputies serving in and around Wellington. Volunteer deputies working special events in Wellington regularly express their gratitude for the amount of support they receive from community members in Wellington.

The Town contracts with Larimer County Sheriff's Office for municipal law enforcement services. In 2019 those services included 1 sergeant, 1 corporal, 7 patrol deputies (one is assigned as a School Resource Officer), a desk deputy and half of an investigator position that is shared with the Town of Berthoud. These deputies are supplemented by patrol deputies assigned to the unincorporated areas of the county when assistance is needed. The Sheriff's Office is currently working with the Town on a long-term staffing plan that will be adaptable to meet the needs of the Town as it continues to grow.

The 2019 Wellington Annual Report provides some visual representation of the number and types of calls for service that deputies respond to and initiate within the corporate limits of the Town. Total call for service were only up by 1 percent from 2018 and show a 5 percent increase over the 3-year average. These increases are minute when compared to the population growth. One area that has seen a significant increase is motor vehicle accidents, which have increased disproportionally to the population increase. The Sheriff's Office works with Wellington Public Works, Colorado Department of Transportation, Poudre School District and other community stakeholders in identifying problem areas and potential solutions, whether it be through enforcement, redesign or additional signage. With the addition of 2 patrol deputies in 2018, more emphasis has been placed on traffic enforcement to keep our roads safe for all users.

I am grateful to the Town of Wellington and its citizens for their support of first responders throughout the community and am proud to continue serving as the local leader of law enforcement in Wellington.

Sergeant Michael Rairdon

Wellington 2019 Call Totals

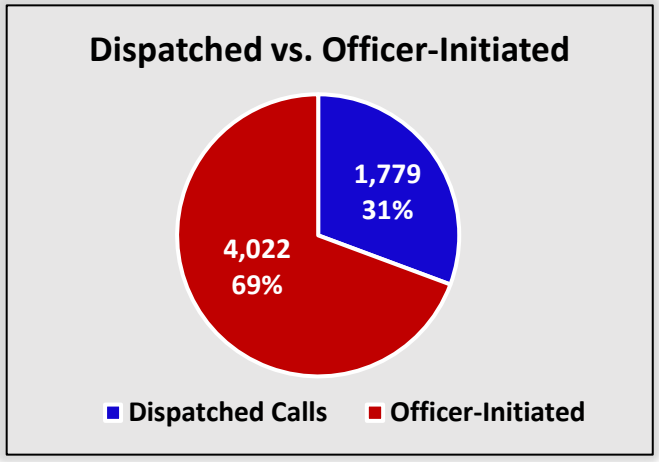
Dispatched / Officer-Initiated Activity

Dispatched

Call Type	Count
Suspicious	207
Follow Up	130
Citizen Assist	117
Assist Other	112
Welfare Check	99
MVA	90
Animal	84
Family Problem	84
Traffic Problem	79
Alarm Call	68
Harassment	55
Disturbance	46
Fraud	44
Theft	42
Noise/Party	41
Private Tow	39
Juvenile Prob	32
Civil	30
Suicide Att/Threat	27
REDDI Report	24
Veh Trespass	24
Abandoned Veh	23
VIN Check	22
Restrain Order	22
Assault	21
Missing Child	18
Neighbor Prob	17
Crim Mischief	14
Lost Prop	14
Fireworks	12
Found Prop	11

Call Type	Count
Missing Adult	11
Sex Offense	11
Shoplift	10
Suicide	10
Trespass	10
Drug	9
Scam	9
Warrant	9
Death Inv	8
Child Abuse	7
DUI	6
Mental Health	6
Burglary	5
Alcohol	5
Medical	4
Veh Theft	4
Transient	3
Solicitor	2
Weapon	2
Total	**1,779**

2019 Total Calls: 5,801
Dispatched Calls: 1,779
Officer-Initiated: 4,022



Officer-Initiated Activity

Call Type	Count
Extra Checks	1,519
Traffic Stop	1,065
Directed Patrol	205
Follow Up	195
School Check	157
Civil	143
VIN Check	107
Suspicious	84
Subject Stop	81
Warrant	70
Citizen Assist	68
Sex Offender Ck	67
Assist Other	46
Traffic Prob	43
Animal	15
DUI	13
Juvenile Prob	13
Bar Check	12
Found Prop	12
Municipal	12
Drug	9
Fraud	9
Theft	9
Welfare Check	7

Call Type	Count
MVA	6
Disturbance	6
Abandoned Veh	6
Harassment	6
Sex Offense	6
Fireworks	5
Lost Property	5
Missing Child	4
Veh Trespass	3
Assault	2
Alcohol	1
Child Abuse	1
Crim Mischief	1
Family Prob	1
Missing Adult	2
Neighbor Prob	1
Noise/Party	1
REDDI Report	1
Traffic Pursuit	1
Trespass	1
Veh Theft	1
Total	**4,022**

2016 – 2019 Call Comparison (A-L)

Call Type	2016	2017	2018	3-Yr Avg.	2019	% Chg / 3-Yr Avg
Abandoned Veh	0	0	0	0	29	N/C
Alarm Calls	51	78	62	64	68	6%
Alcohol Calls	7	7	10	8	6	-25%
Animal Calls	60	84	97	80	99	24%
Arson	0	2	0	1	0	-100%
Assault	22	31	23	25	23	-8%
Assist Other	123	155	145	141	158	12%
Bar Checks	14	2	7	8	12	50%
Burglary	14	18	13	15	5	-67%
Child Abuse	8	12	16	12	8	-33%
Citizen Assist	345	389	262	332	185	-44%
Civil	167	164	156	162	173	7%
Criminal Mischief	33	36	24	31	15	-52%
Death Investigation	0	3	3	2	8	300%
Directed Patrol	206	211	219	212	205	-3%
Disturbance	50	71	59	60	52	-13%
Drugs	16	25	24	22	18	-18%
DUI/DUID	12	11	18	14	19	36%
Extra & Business Checks	1,013	2,449	1,469	1,644	1,519	-8%
Family Problems	73	85	116	91	85	-7%
Fire Ban	1	2	0	1	0	-100%
Fireworks	31	30	30	30	17	-43%
Follow up	332	441	416	396	325	-18%
Found Property	10	21	13	15	23	53%
Fraud	48	40	41	43	53	23%
Harassment	47	64	64	58	61	5%
Information Report	0	0	1	1	0	-100%
Juvenile Problem	29	56	39	41	45	10%
Kidnapping	0	0	0	0	0	0%
Lost Property	6	14	11	10	19	90%
Medical Call	0	0	0	0	4	N/C

Call Type	2018	2019	% Chg /2018
Abandoned Veh	0	29	N/C
Alarm Calls	62	68	10%
Alcohol Calls	10	6	-40%
Animal Calls	97	99	2%
Arson	0	0	0%
Assault	23	23	0%
Assist Other	145	158	9%
Bar Checks	7	12	71%
Burglary	13	5	-62%
Child Abuse	16	8	-50%
Citizen Assist	262	185	-29%
Civil	156	173	11%
Criminal Mischief	24	15	-38%
Death Investigation	3	8	167%
Directed Patrol	219	205	-6%
Disturbance	59	52	-12%
Drugs	24	18	-25%
DUI/DUID	18	19	6%
Extra & Business Checks	1,469	1,519	3%
Family Problems	116	85	-27%
Fire Ban	0	0	N/C
Fireworks	30	17	-43%
Follow up	416	325	-22%
Found Property	13	23	77%
Fraud	41	53	29%
Harassment	64	61	-5%
Information Report	1	0	-100%
Juvenile Problem	39	45	15%
Kidnapping	0	0	N/C
Lost Property	11	19	73%
Medical Call	0	4	N/C

1% Increase from 2018
5% Increase from 3-Year Avg

2016 – 2019 Call Comparison (M-Z)

Call Type	2016	2017	2018	3-Yr Avg.	2019	% Chg / 3-Yr Avg
Mental Health	0	0	0	0	6	N/C
Missing Person (Child/Adult)	17	20	21	19	35	84%
Motor Vehicle Accident	68	50	77	65	96	48%
Municipal Code Violation	5	49	27	27	12	-56%
Neighbor Problem	15	27	19	20	18	-10%
Noise/Party Complaint	38	39	35	37	42	14%
Pedestrian/Subject Stop	64	49	58	57	81	42%
Private Tow	31	29	31	30	39	30%
REDDI Report	24	22	22	23	25	9%
Robbery	1	0	1	1	0	-100%
Scam Calls	0	0	0	0	9	N/C
School Check	114	178	140	144	157	9%
Sex Assault	9	8	6	8	17	113%
Sex Offender Check	3	29	72	35	67	91%
Solicitor	3	5	4	4	2	-50%
Stabbing	0	0	0	0	0	0%
Suicide	10	12	7	10	10	0%
Suicide Att/Threat	19	27	33	26	27	4%
Suspicious Circumstances	286	353	331	323	291	-10%
Theft	80	70	72	74	51	-31%
Traffic Problem	110	180	104	131	120	-8%
Traffic Pursuit	1	0	1	1	1	0%
Traffic Stop	559	445	1,018	674	1,065	58%
Trespass	25	19	12	19	11	-42%
Vehicle Theft	13	15	15	14	5	-64%
Vehicle Trespass	5	48	19	24	27	13%
VIN Check	82	85	50	72	129	79%
Warrant Attempt/Arrest	69	49	46	55	79	44%
Weapon Related (Menacing)	2	3	3	3	2	-33%
Welfare Check	113	123	130	122	106	-13%
Unk Call Type	15	34	62	37	37	0%
Total	**4,502**	**6,472**	**5,756**	**5,540**	**5,801**	**5%**

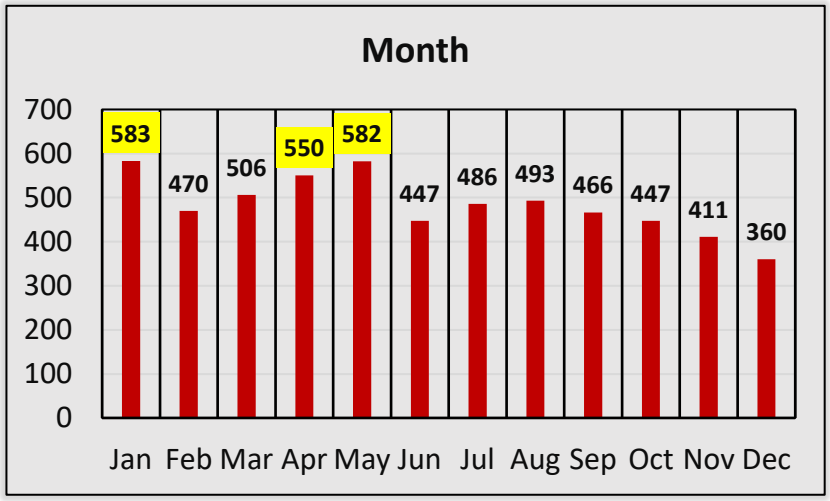
Call Type	2018	2019	% Chg / 2018
Mental Health	0	6	N/C
Missing Person (Child/Adult)	21	35	67%
Motor Vehicle Accident	77	96	25%
Municipal Code Violation	27	12	-56%
Neighbor Problems	19	18	-5%
Noise/Party Complaint	35	42	20%
Pedestrian/Subject Stop	58	81	40%
Private Tow	31	39	26%
REDDI Report	22	25	14%
Robbery	1	0	-100%
Scam Calls	0	9	N/C
School Check	140	157	12%
Sex Assault	6	17	183%
Sex Offender Check	72	67	-7%
Solicitor	4	2	-50%
Stabbing	0	0	0%
Suicide	7	10	43%
Suicide Att/Threat	33	27	-18%
Suspicious Circumstances	331	291	-12%
Theft	72	51	-29%
Traffic Problem	104	120	15%
Traffic Pursuit	1	1	0%
Traffic Stop	1,018	1,065	5%
Trespass	12	11	-8%
Vehicle Theft	15	5	-67%
Vehicle Trespass	19	27	42%
VIN Check	50	129	158%
Warrant Attempt/Arrest	46	79	72%
Weapon Related (Menacing)	3	2	-33%
Welfare Check	130	106	-18%
Unk Call Type	62	37	-40%
Total	**5,756**	**5,801**	**1%**

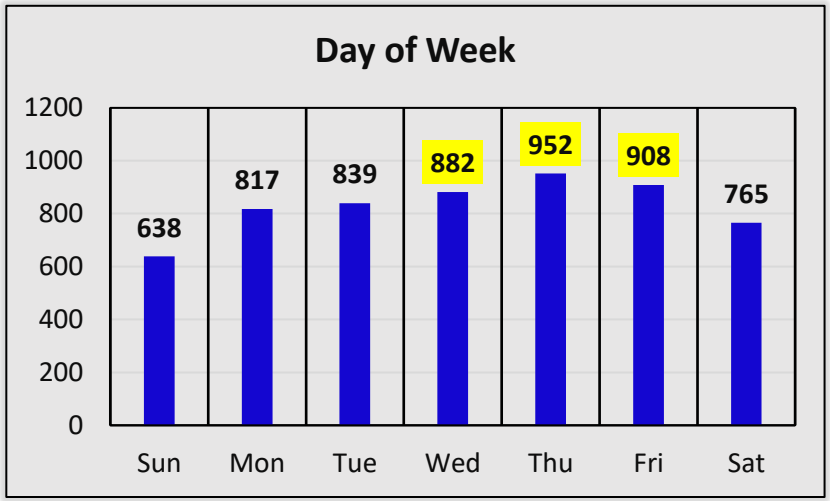
2019 Call Summary
All Calls

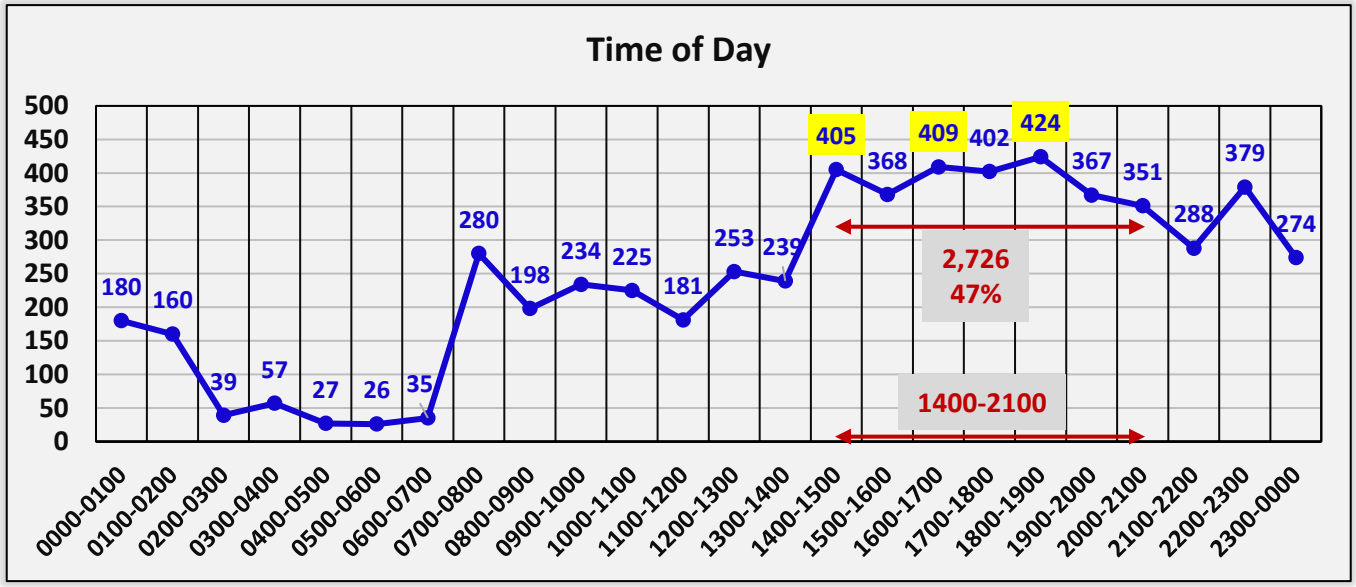
Top Months
Jan, May, Apr

Day of Week
Thu, Fri, Wed

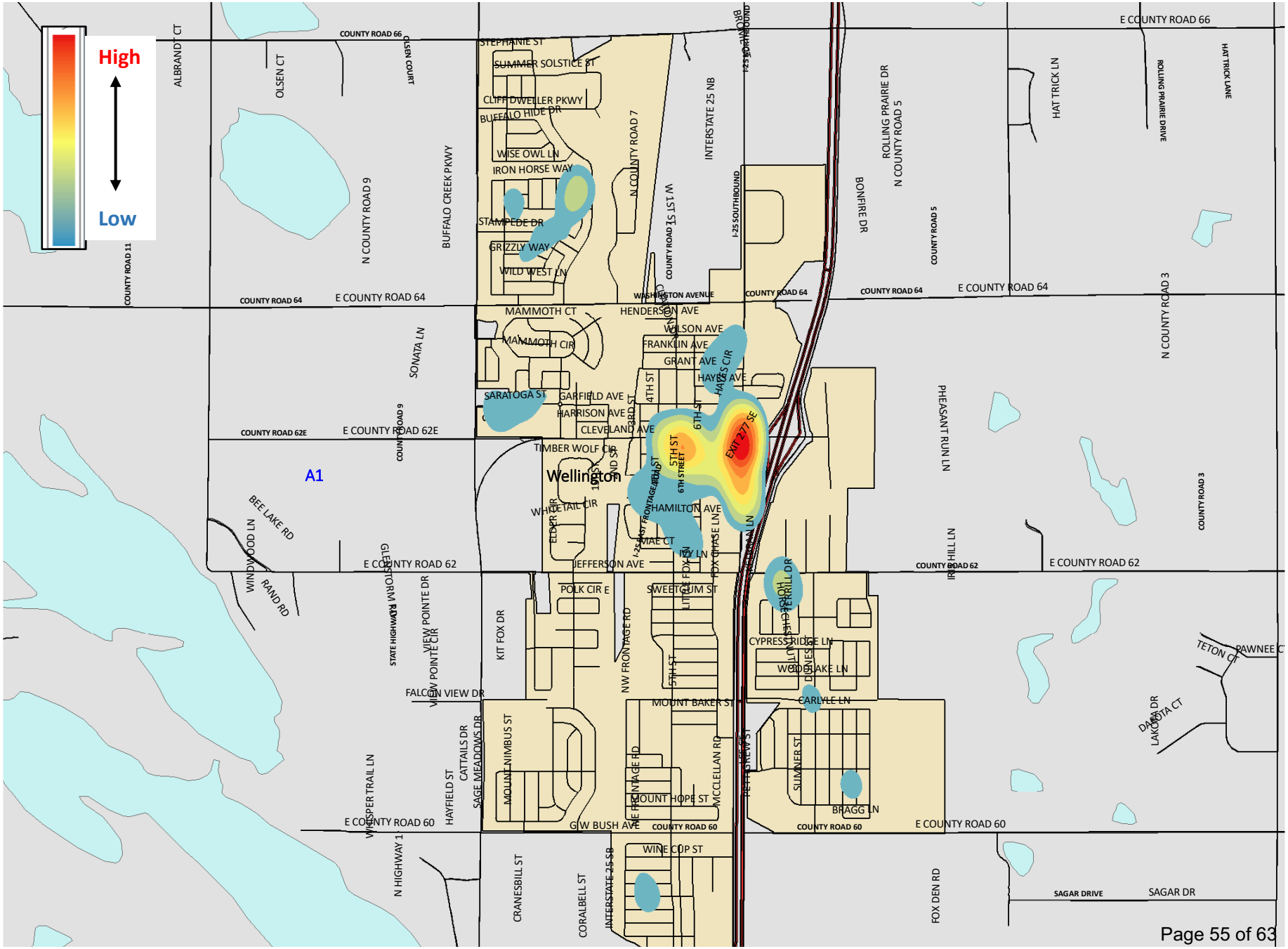
Time of Day
1800-1900
1600-1700
1400-1500





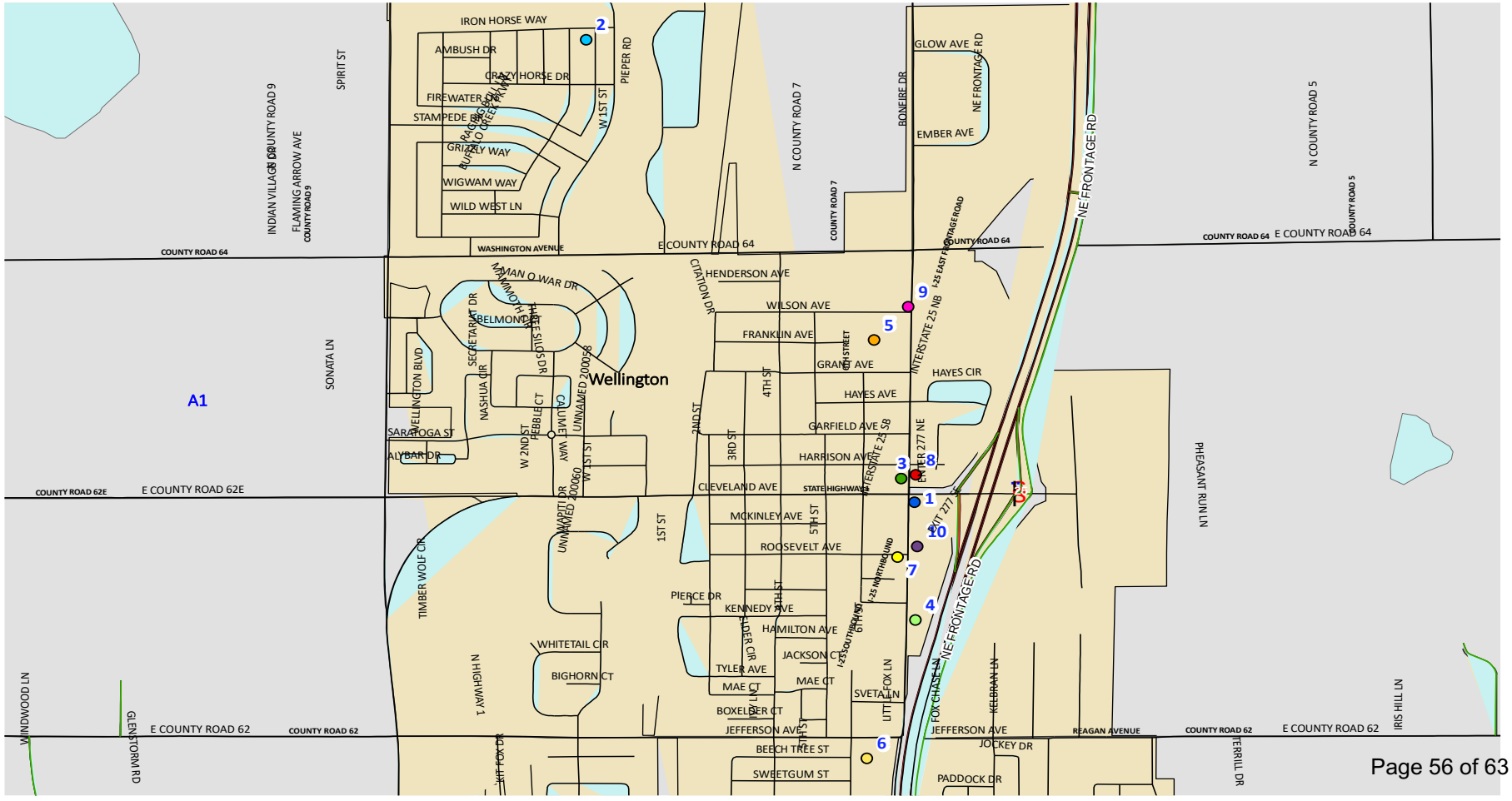


Wellington 2019 Dispatched Calls



Top 10 Dispatched Call Locations

Rank	Address	Location	Count
1	8150 6th St	Kum & Go	34
2	9087 Smoke Signal Way	Residential	30
3	8211 6th St	Loaf & Jug	24
4	7860 6th St	Days Inn	23
5	4001 Wilson Ave	Wellington Middle School	19
6	7670 5th St	Ridley's Family Market	19
7	8099 6th St	Family Dollar	18
8	8214 6th St	Shell	18
9	4000 Wilson Ave	Eyestone Elem School	16
10	8120 6th St	McDonald's	15



2019 Dispatched Calls Only

Top 10 Dispatched Call Types

Call Type	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Suspicious	17	13	15	21	14	23	22	25	13	14	14	16	**207**
Follow Up	17	7	10	11	8	7	17	13	14	5	11	10	**130**
Citizen Assist	6	10	10	13	8	12	14	11	7	10	4	12	**117**
Assist Other	13	12	11	10	12	6	16	5	5	8	6	8	**112**
Welfare Check	11	4	11	5	7	10	5	12	9	10	8	7	**99**
Motor Veh Acc	4	6	4	6	9	13	12	10	7	6	4	9	**90**
Animal	6	9	4	7	9	13	16	3	5	4	6	2	**84**
Family Problem	4	2	7	10	5	7	11	15	6	5	8	4	**84**
Traffic Problem	2	7	6	8	7	6	6	9	8	5	4	4	**72**
Alarm	10	5	2	7	4	6	4	8	7	8	3	4	**68**
Total	**90**	**75**	**80**	**98**	**83**	**103**	**123**	**111**	**81**	**75**	**68**	**76**	**1,063**

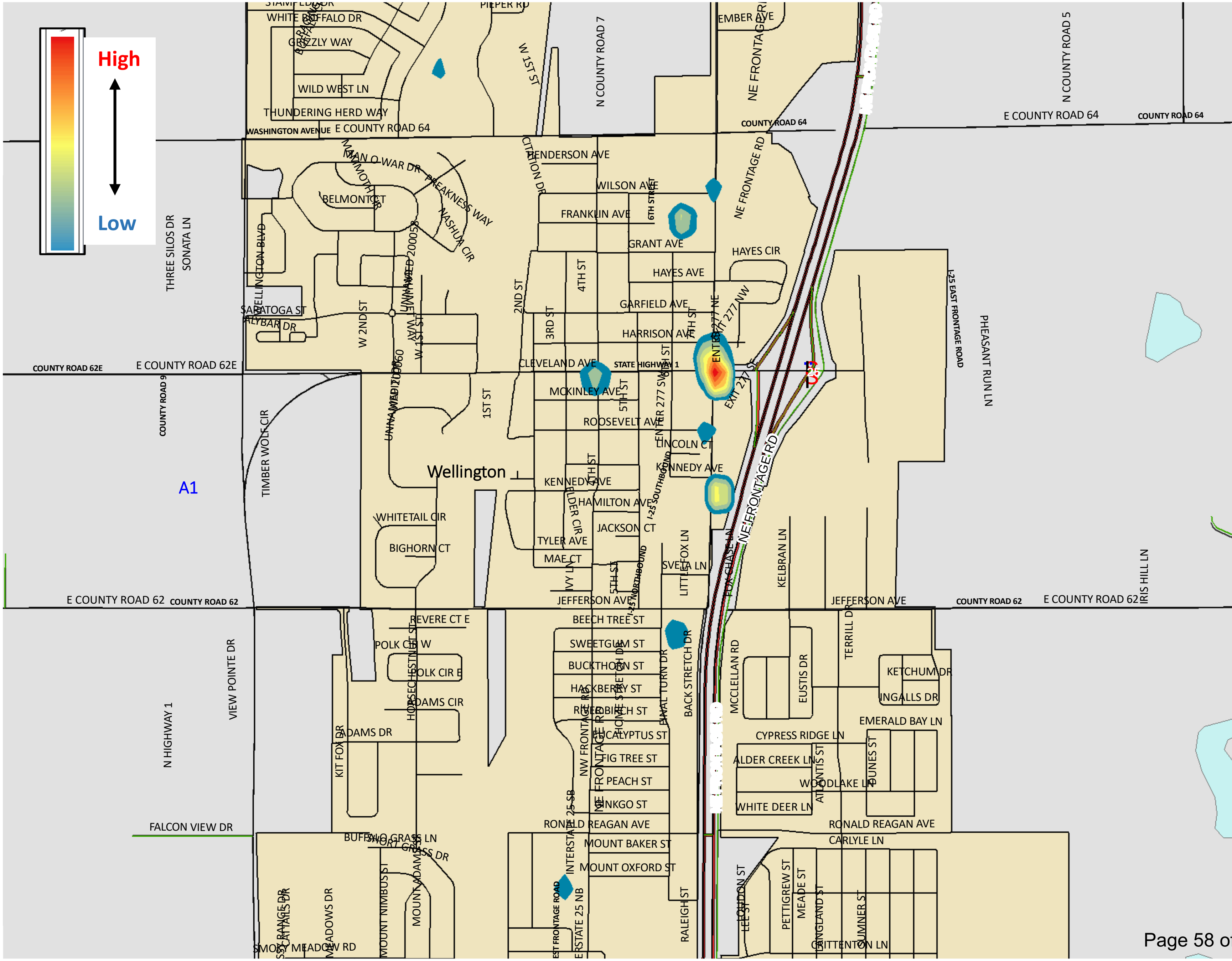
Top Months
Jul, Aug, Jun

Day of Week
Thu, Fri, Mon

Time of Day
1500-1800

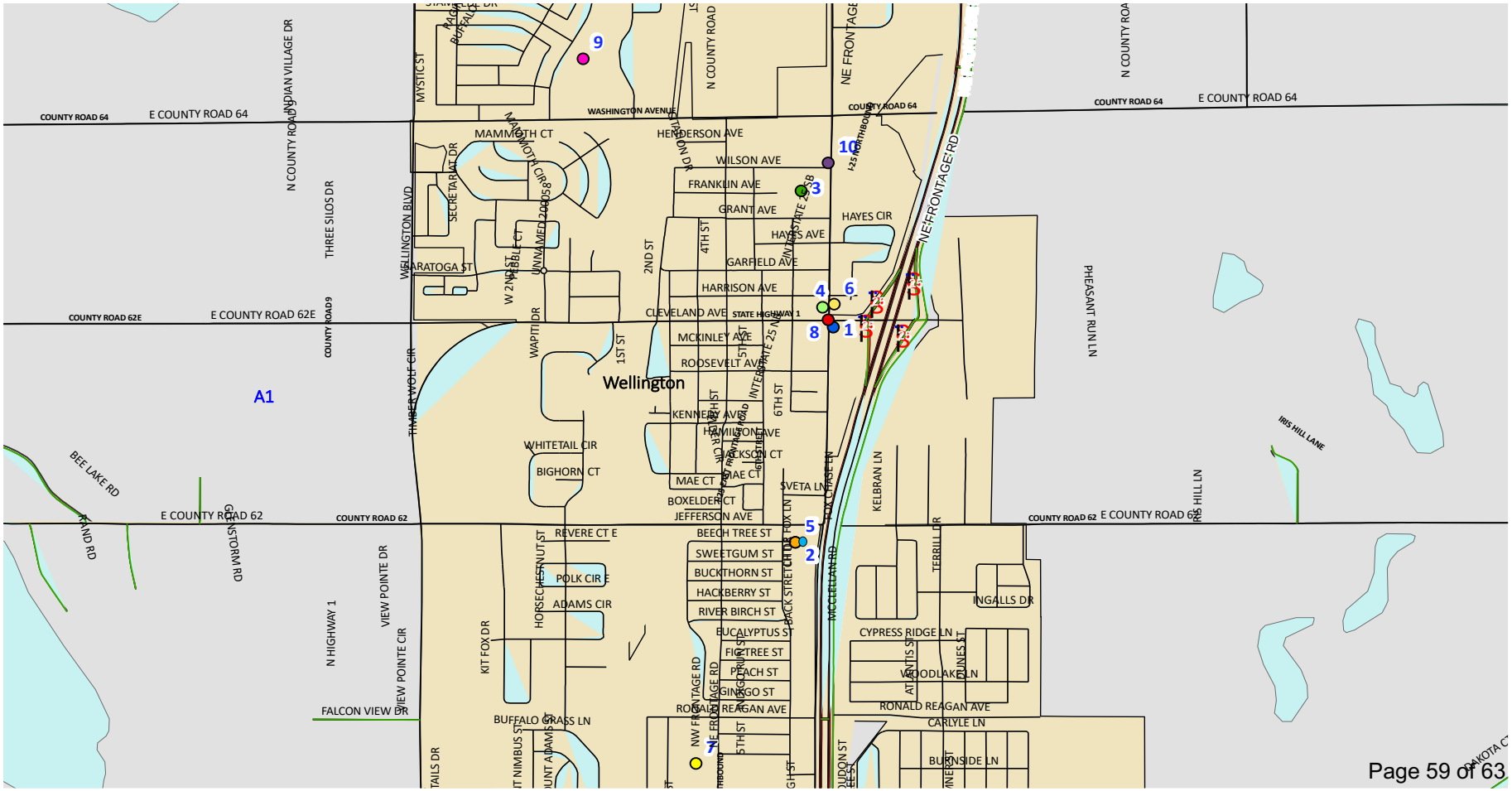
Hour	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total
0000-0100	7	4	2	3	6	3	6	**31**
0100-0200	9	3	2	2	6	6	7	**35**
0200-0300	4	0	4	0	3	1	4	**16**
0300-0400	3	5	2	1	3	4	4	**22**
0400-0500	2	2	2	1	2	2	1	**12**
0500-0600	0	1	2	1	3	5	5	**17**
0600-0700	4	1	4	4	5	5	0	**23**
0700-0800	5	8	5	10	12	7	6	**53**
0800-0900	4	10	14	18	7	16	6	**75**
0900-1000	8	9	10	15	9	16	13	**80**
1000-1100	16	13	16	11	11	16	16	**99**
1100-1200	8	15	22	10	18	13	13	**99**
1200-1300	14	20	18	16	21	16	13	**118**
1300-1400	7	18	13	20	19	11	12	**100**
1400-1500	16	14	14	9	16	19	11	**99**
1500-1600	19	18	22	14	20	23	16	**132**
1600-1700	18	12	22	18	18	23	11	**122**
1700-1800	14	25	13	16	22	19	14	**123**
1800-1900	15	19	15	21	12	23	16	**121**
1900-2000	10	16	13	18	19	6	11	**93**
2000-2100	12	16	13	13	17	10	15	**96**
2100-2200	13	16	14	11	18	9	12	**93**
2200-2300	9	12	13	8	8	9	10	**69**
2300-0000	2	7	5	6	6	13	12	**51**
Total	**219**	**264**	**260**	**246**	**281**	**275**	**234**	**1,779**

Wellington 2019 Officer-Initiated Activity



Top 10 Officer-Initiated Activity Locations

Rank	Address	Location	Count
1	8150 6th Street	Kum & Go	427
2	7860 6th Street	Days Inn	336
3	4001 Wilson Ave	Wellington Middle School	231
4	8211 6th Street	Loaf & Jug	209
5	7670 5th Street	Ridley's Family Market	149
6	8214 6th Street	Shell	132
7	7000 3rd Street	Rice Elementary School	117
8	6th Street/Cleveland Ave	Intersection	109
9	8890 Buffalo Creek Parkway	Wellington Batting Cages	105
10	4000 Wilson Ave	Eyestone Elementary School	88



2019 Officer-Initiated Calls Only

Top 10 Officer-Initiated Call Types

Call Type	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Extra/Business Check	135	149	166	193	200	104	90	116	89	97	94	86	**1,519**
Traffic Stop	150	105	105	75	88	71	81	76	102	111	65	36	**1,065**
Directed/Targeted Patrol	21	23	12	15	22	2	6	13	24	28	26	13	**205**
Follow Up	17	18	12	14	12	19	15	18	12	14	20	24	**195**
School Check	13	12	7	36	29	0	0	10	12	16	17	5	**157**
Civil	10	12	13	8	11	12	11	10	12	9	22	13	**143**
VIN Check	4	5	13	7	21	3	22	15	6	7	2	2	**107**
Suspicious	11	8	6	9	11	8	7	7	7	4	3	3	**84**
Subject Stop	12	5	3	4	7	12	8	8	11	3	6	2	**81**
Warrant	15	4	7	4	1	5	6	6	7	5	4	6	**70**
Total	**388**	**341**	**344**	**365**	**402**	**236**	**246**	**279**	**282**	**294**	**259**	**190**	**3,626**

Top Months
May, Jan, Apr

Day of Week
Thu, Wed, Fri

Time of Day
2200-2300
1400-1500
1800-1900

Hour	Sun	Mon	Tue	Wed	Thu	Fri	Sat	Total
0000-0100	24	24	20	23	18	22	18	**149**
0100-0200	15	23	14	15	16	20	22	**125**
0200-0300	5	4	5	4	2	1	2	**23**
0300-0400	4	2	6	6	7	6	4	**35**
0400-0500	1	3	3	1	1	1	5	**15**
0500-0600	1	4	0	2	1	1	0	**9**
0600-0700	0	1	1	6	0	4	0	**12**
0700-0800	11	31	50	45	46	37	7	**227**
0800-0900	13	23	16	21	26	17	7	**123**
0900-1000	20	19	25	23	24	20	23	**154**
1000-1100	13	11	25	21	15	25	16	**126**
1100-1200	12	14	8	19	15	12	2	**82**
1200-1300	21	24	20	25	21	13	11	**135**
1300-1400	13	26	20	23	33	20	4	**139**
1400-1500	28	43	51	52	53	50	29	**306**
1500-1600	17	24	50	27	54	27	37	**236**
1600-1700	41	36	26	48	51	39	46	**287**
1700-1800	30	37	37	42	52	40	41	**279**
1800-1900	27	48	36	49	42	55	46	**303**
1900-2000	33	36	31	38	47	40	49	**274**
2000-2100	25	33	38	35	43	45	36	**255**
2100-2200	18	22	34	24	33	33	31	**195**
2200-2300	24	45	41	45	52	48	55	**310**
2300-0000	23	20	22	42	19	57	40	**223**
Total	**419**	**553**	**579**	**636**	**671**	**633**	**531**	**4,022**

Board of Trustees Meeting

Date: **May 5, 2020**
Submitted By:
Subject: **Agreement for Sale and Purchase of Water Shares**

EXECUTIVE SUMMARY

Staff is still waiting for the final contract and will send out once ready.

BACKGROUND / DISCUSSION

STAFF RECOMMENDATION

ATTACHMENTS

None

Board of Trustees Meeting

Date: May 5, 2020
Submitted By:
Subject: Update on Retirement Plan Transition and Employee Participation

EXECUTIVE SUMMARY

Update on Nationwide to ICMA-RC Transition

Last fall, the Board of Trustees approved changes to the Town employee retirement plan - including: the creation of a match contribution plan, the creation of 401(a) and 457(b) accounts to separate Town and employee fund contributions, and the creation of a vesting schedule for Town contributions.

In addition, there was a need to move away from Nationwide's due to exceptionally high management fees and costs.

After significant research and evaluation of fund managers/expense ratios/portfolio diversification and plan advantages/disadvantages, it was decided we would move all retirement funds from Nationwide to ICMA-RC.
This report is an update on those retirement changes.

BACKGROUND / DISCUSSION

1). The transition from Nationwide to ICMA-RC began January 2, 2020 and was completed on April 10, 2020.
2). The fund balance that was transitioned from Nationwide was $1,313,646.71 which was $298,015.27 less than the January 1, 2020 balance due to COVID-19 market losses.
3). All funds transferred from Nationwide were employee 457(b) funds which were re-deposited into their new 457(b) accounts with ICMA-RC.
4). The new 401(a) Town retirement account which contains Town contributions on behalf of an employee has a current balance of $37,637.47 as of April 24, 2020. This balance represents funds that are both vested and unvested.
5). The new 457(b) employee retirement account with ICMA-RC has $1,417,982.08 as of April 24, 2020.
6). That means since January 1, 2020 employee contributions have created a balance increase in savings of $104,335.37 despite global economic drops. Some of the increase can be attributed to roll-over dollars.

7). Since changing plans employees are contributing 131% more dollars to their retirement accounts than in September 2019.
8). 41% more employees are participating in the Town retirement plan than were participating in September 2019.
9). ICMA-RC has done a phenomenal job managing our transition, employees have had the opportunity to meet with our retirement representative on numerous occasions, and they have learned how to use the mobile app to watch their money grow.

Improvements to the Town retirement plan that were approved by the Board have been seen by Town employees as extremely helpful and positive. In addition, the changes strengthened the Town's Total Compensation and Benefit package - which is our best tool for recruiting and retaining top caliber talent.

On behalf of Town employees, thank you for supporting these positive changes in the Town retirement package.

STAFF RECOMMENDATION

ATTACHMENTS

None