TOWN OF WELLINGTON

BOARD OF TRUSTEES
June 16, 2020
6:30 p.m.

Leeper Center
3800 Wilson Ave, Wellington, CO 80549

AGENDA

A. ITEMS

1. Larimer County Sheriff's Office: Use of Force Policy

    - Guest Speaker: Sheriff Justin Smith & Sgt. Michael Rairdon

2. Utility Rate Follow-up Discussion

3. Tract F Update

4. Quarterly Review: Interim Town Administrator

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 at Town Hall or at 970-568-3380 ext. 110 at least 24 hours in advance.

TOWN OF WELLINGTON

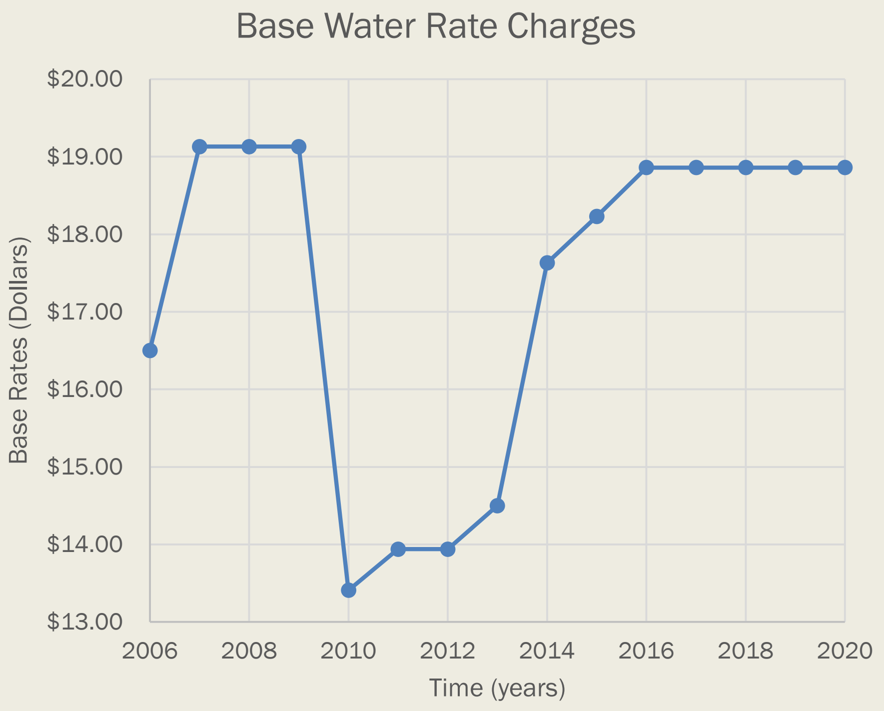
Water Rate Update

Overview

- Historical Rates
- Water Costs
- Neighboring Communities
- Operations
- Fund Balance Policy
- Recommended Rate

Historical Base Rates

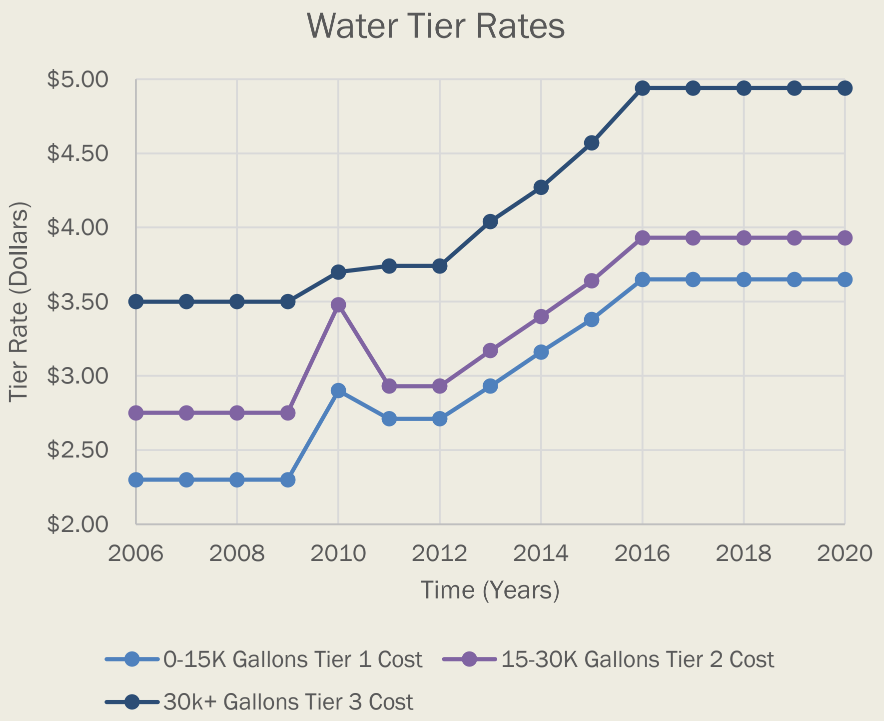
- Per 2006 Ordinance – Town has not raised water rates since 1992.
  - *Increased in 2006 from $16.50 to $19.13.*
- Per 2010 Ordinance – Town's base rates have been the same since 2006.
  - *Decrease in 2010 from $19.13 to $13.41.*
- Rate Changes from 2010 to present
  - *2010 - $13.41*
  - *2011 - $13.94*
  - *2012 – $13.94*
  - *2013 – $14.50*
  - *2014 - $17.63*
  - *2015 – $18.23*
  - *2016 to present - $18.86*



Historical Tier Rates

- Per 2006 Ordinance – Town has not raised water rates since 1992.
  - *Maintained tier 1 rate of $2.30.*
  - *Decreased tier 2 rate of $3.30 to $2.75.*
  - *Decreased tier 3 rate of $4.30 to $3.50.*
- Per 2010 Ordinance – Town's base rates have been the same since 2006.
  - *Increased tier 1 rate from $2.30 to $2.90.*
  - *Increased tier 2 rate from $2.75 to $3.48.*
  - *Increased tier 3 rate from $3.50 to $3.70.*
- Rate Changes from 2010 to present.

	Tier 1	Tier 2	Tier 3
– *2010*	*$2.90*	*$3.48*	*$3.70*
– *2011*	*$2.71*	*$2.93*	*$3.74*
– *2012*	*$2.71*	*$2.93*	*$3.74*
– *2013*	*$2.93*	*$3.17*	*$4.04*
– *2014*	*$3.16*	*$3.38*	*$4.27*
– *2015*	*$3.38*	*$3.64*	*$4.57*
– *2016 to present*	*$3.65*	*$3.93*	*$4.94*



Neighboring Communities

Community	Base Rate	Tier 1	Tier 2	Tier 3
Timnath*	$13.73	$3.83	N/A	N/A
Loveland	$15.77	$3.22	N/A	N/A
Severance	$17.00	$3.96**	$11.88**	N/A
Fort Collins	$17.94	$2.779 (0-7k)	$3.193 (7k-13k)	$3.673 (13k+)
Wellington	$18.86	$3.65 (0-15k)	$3.93 (15k-30k)	$4.94 (30k+)
Windsor	N/A	$4.78 (0-16k)	$7.14 (16k-22.5k)	$10.63(22.5k+)
Ault	N/A	$33.95 (0-3k)	$4.12 (4k-8k)	$4.60 (9k+)
Eaton	N/A	$36.90 (0-4k)	$6.00 (4k+)	N/A

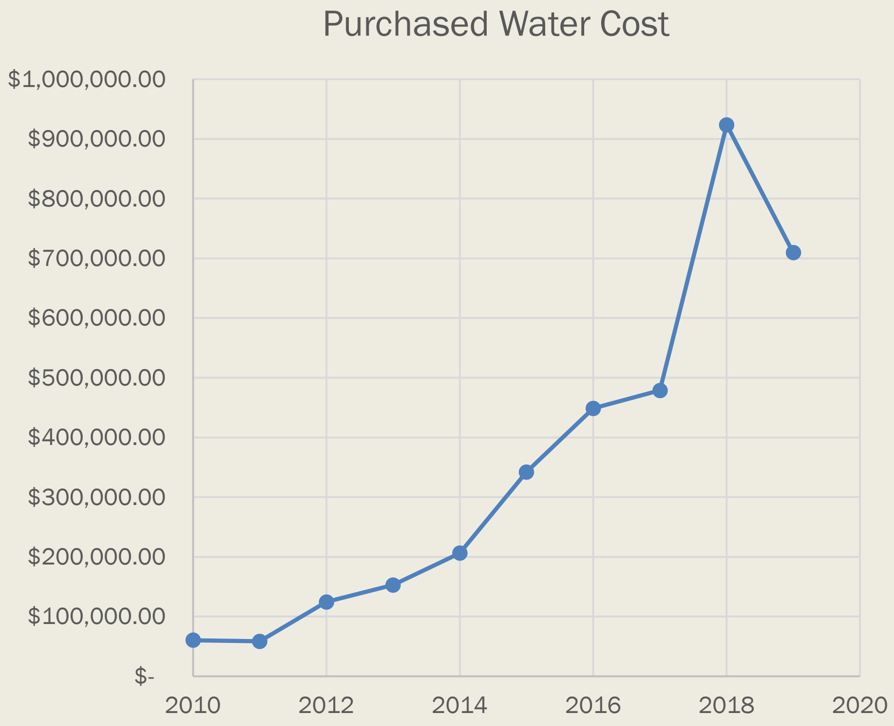
*ELCO Water District

**per 1,000 gallon up to annual allotment

Water Cost

- Since 2011 water costs have increased exponentially

		Cost	% increase
–	*2011*	*$58,472*	
–	*2012*	*$124,398*	*113%*
–	*2013*	*$152,842*	*23%*
–	*2014*	*$206,093*	*35%*
–	*2015*	*$341,995*	*66%*
–	*2016*	*$448,762*	*31%*
–	*2017*	*$478,762*	*7%*
–	*2018*	*$923,556*	*93%*
–	*2019*	*$709,318*	*(23%)*



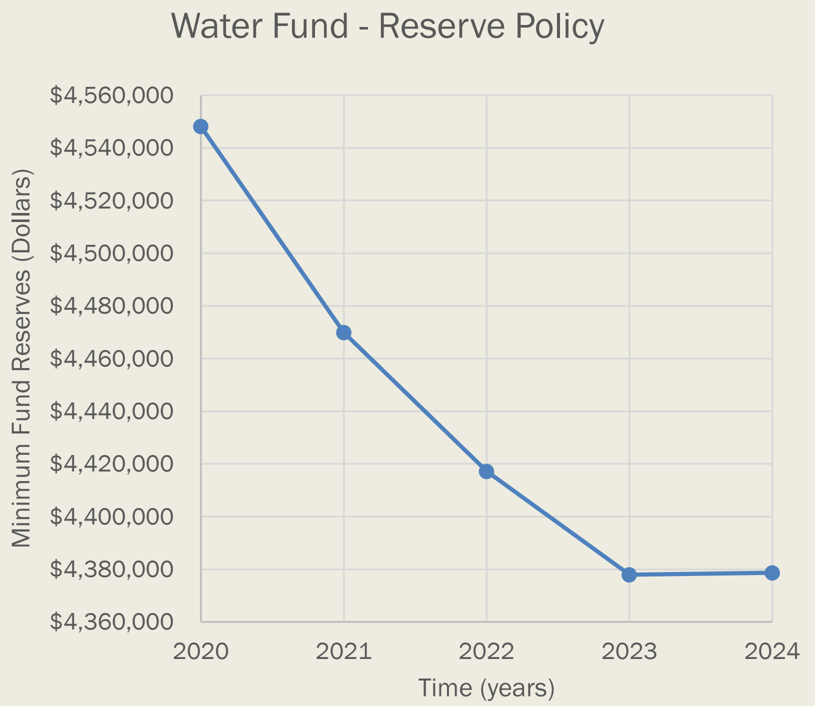
Water Fund Operations

- Since 2013 the Water Fund has repeatedly operated at a loss.
  - *2013 ($186,946)*
  - *2014 ($370,825)*
  - *2015 ($250,071)*
  - *2016 ($413,884)*
  - *2017 ($765,847)*
  - *2018 ($1,008,582)*
  - *2019 ($884,352)*
- Fund has relied on fund reserves and ongoing tap fees to operate.

Enterprise Fund Reserve Balance Policy

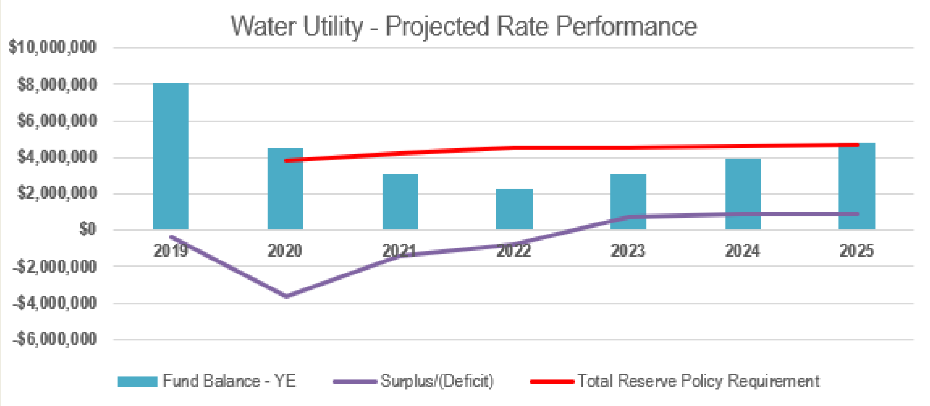
- Minimum unassigned fund balance
  - *Commitment of two subsequent years of debt service.*
  - *Commitment of subsequent year's CIP project costs.*
  - *25% of revenue.*
- Fund Balance in Conformity with GASB 54
  - *If the unassigned fund balance at fiscal year-end falls below the goal, the Town shall develop a restoration plan to achieve and maintain the minimum fund balance.*

	Debt Service	*CIP*	*Revenue*	*Total*
2020	$3,209,880	$426,000	$912,191	$4,548,071
2021	$3,136,419	$320,100	$1,013,360	$4,469,879
2022	$3,041,494	$304,448	$1,071,192	$4,417,175
2023	$2,955,518	$292,820	$1,129,622	$4,377,961
2024	$2,925,017	$275,000	$1,178,639	$4,378,657



Recommended Water Rate

Water Rates ($/unit)									
	Tier	Tier Size	2019	2020	2021	2022	2023	2024	2025
Fixed Charge Increase (%)					reset	25.0%	15.0%	0.0%	0.0%
Monthly Fixed Charge			$ 18.86	$ 18.86	$45.00	$ 56.25	$ 64.69	$ 64.69	$ 64.69
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
Tier	1	15	$3.65	$3.65	$4.56	$5.70	$5.99	$5.99	$5.99
Tier	2	15	$3.93	$3.93	$5.70	$7.13	$6.29	$5.99	$5.99
Tier	3	>30	$4.94	$4.94	$7.72	$9.65	$8.51	$8.10	$8.10



	FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025
Projected Revenues	2,579,074	2,712,084	4,651,592	6,022,914	6,940,448	7,163,483	7,386,563
Projected Operating Expenditures	2,678,364	3,850,007	4,068,639	4,316,389	4,503,835	4,698,446	4,900,493
Operating Loss/Gain	(99,290)	(1,137,923)	582,953	1,706,525	2,436,613	2,465,037	2,486,070
Debt Service	298,750	1,623,879	1,621,453	1,588,427	1,547,992	1,464,694	1,462,016
CIP Projects		863,102	387,242	873,837	131,024	118,346	142,449
Total Cost	(398,040)	(3,624,904)	(1,425,742)	(755,739)	757,597	881,997	881,605
Ending Fund Balance	**8,088,061**	**4,463,157**	**3,037,415**	**2,281,676**	**3,039,273**	**3,921,270**	**4,802,875**

Board of Trustees Meeting

Date: June 16, 2020
Submitted By: Kelly Houghteling, Interim Town Administrator
Subject: Quarterly Review: Interim Town Administrator

EXECUTIVE SUMMARY

Per the Interim Town Administrator's contract, quarterly reviews will be conducted by the Board of Trustees. Quarterly reviews allow the Board to address performance issues quickly, work out a plan to help the employee improve, and check in on a more regular basis to ensure that performance is, in fact, improving. Quarterly reviews also give the Board more opportunities to address and reinforce good behaviors and practices.

BACKGROUND / DISCUSSION

With the help of Human Resources, the following areas are items for the Board to consider while conducting the evaluation.

Quarterly Evaluation:

1.) Leadership
Goal setting/Planning
Flexibility
Decision Making
Problem-Solving
Intelligence and Knowledge

2.) Management

Managing Conflict
Fiscal Management
Pandemic Management
Staffing Management

3.) Personal
Oral/Written Communication
Professionalism
Self-Management
Honesty/Integrity

4.) Relationships

Board of Trustees
Staff
Community

STAFF RECOMMENDATION

For Board of Trustees discussion.

ATTACHMENTS

None