



**TOWN COUNCIL STUDY SESSION AGENDA**  
**May 11, 2026**  
**5:00 PM**

**I. Study Session Items**

1. Legislative Update - William Mutch/Hogan - 30 minutes
2. Private Activity Bonds Update - Matthews - 15 minutes
3. 2026 First Quarter Financial Report - Bever/Fiandaca - 1 hour
4. Stormwater Utility Needs Assessment and Fee Discussion - Mestdagh/Williams/Grabczyk/Borzillo - 1 hour

**II. Staff Updates**

**III. Town Council Updates/Items**



## MEMORANDUM

**TO:** Honorable Mayor and Members of Town Council  
**FROM:** Emily Hogan, Deputy Town Manager  
**DATE:** May 11, 2026  
**SUBJECT:** Legislative Update

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### **ITEM OVERVIEW:**

Staff is presenting a legislative briefing on the 2026 legislative session of the Colorado General Assembly.

### **BACKGROUND AND ANALYSIS:**

The Town has established a framework for legislative advocacy and takes positions on major policy issues under consideration at the federal, state and local levels that may impact the Town and its residents and businesses. The Town supports legislation that is consistent and furthers advancement of the priorities and objectives found in the Strategic Plan. Conversely, the Town opposes legislation that inhibits achievements of the Strategic Plan and its objectives. These positions are captured in the Town's Legislative Policy Agenda, which is adopted annually. Advocacy positions to be taken by the Town include:

- **Support** – The Town supports the proposed bill as written. The bill directly relates to Town priorities and/or is considered crucial to Town operations.
- **Oppose** – The Town opposes the proposed bill as written. The bill directly conflicts with Town priorities, forces an unfunded mandate on the Town, interferes with local control and/or conflicts with crucial Town operations.
- **Amend** – The Town deems the bill to directly relate to Town priorities or be considered crucial to Town operations. However, the Town would like to see the bill amended before taking a support or oppose position. The Town will take advocate to amend the bill prior to passage.
- **Monitor** – The Town deems the bill of interest but no position is to be taken at this time. Staff will track progress of the bill and report back to the Council. The Council may take a support or oppose position on the bill at a later time based on changes to the legislation.
- **None** – The Town does not take a position on the legislation. The Town may take a support or oppose position of the bill at a later time.

The Council serves as the Town's legislative review body and is apprised of bills throughout the session and receives regular updates from staff and the Town's lobbyist. The lobbyist (Mutch Government Relations) is contracted to provide legislative advocacy services to the Town. In addition to maintaining a daily presence at the State Capitol when in session, the lobbyist acts

as a policy advisor, strategic consultant, coalition organizer and legislative advocate on behalf of the Town.

**FINANCIAL AND POLICY IMPACTS:**

None.

**RECOMMENDATION:**

Staff requests a consensus of the Town Council to identify any bills to track or take a position on.

**REQUESTED DIRECTION:**

Staff requests a consensus of the Town Council to identify any bills to track or take a position on.

**ATTACHMENT:**

1. 2026 Legislative Policy Agenda 110425
2. Legislative Briefing Memo 051126

# 2026 TOWN OF PARKER LEGISLATIVE POLICY AGENDA



# TOWN OF PARKER - 2026 LEGISLATIVE POLICY AGENDA

## INTRODUCTION

The Town of Parker’s 2026 Legislative Policy Agenda (“Agenda”) establishes positions taken by the Town Council on major policy issues under consideration at the federal, state, and local levels that may impact the Town and its residents and businesses. The Agenda builds on the Town’s existing values, priorities, and objectives identified in its Strategic Plan. With the Strategic Plan as its foundation, the Agenda is given the flexibility to represent the Town’s interest in a wide range of policies, even if the policies in question are not explicitly addressed on the Agenda.

### Mission and Vision

#### Mission

To enrich the lives of residents by providing exceptional services, engaging community resources and furthering an authentic hometown feel. We promote transparent governing, support sustainable development, and foster a strong, local economy.

#### Vision

Be the pre-eminent destination community of the Denver Metro area for innovative services with a hometown feel. We will be an area leader in economic and community development, and strive to be at the forefront for services, civic engagement, and quality of life.

### Strategic Priorities

#### Support an Active Community

Parker will demonstrate our commitment to the health of our community, both indoors and out by providing access to outstanding parks, trails and recreation amenities and activities. We promote a healthy lifestyle and work to meet the needs of a diverse, multigenerational community.



#### Foster Community Creativity and Engagement

Parker will stimulate community creativity and engagement through high quality cultural and educational programs and amenities. These will include community events, accessible cultural venues, state-of-the-art facilities and innovative lifelong learning opportunities, all of which are vital to a creative community.



#### Enhance Economic Vitality

Parker will be an area leader for economic growth by supporting the development of thriving businesses and industry. We will play a critical role in shaping quality of life through exceptional residential, commercial, and open space development; and creating a sense of place that attracts new employees, residents, and visitors to ensure fiscal stability for the community.



#### Provide a Safe and Healthy Community

Parker will promote the wellbeing of our community by protecting our residents’ welfare through prevention services and a safe transportation network. Parker fosters a feeling of personal safety and security through a visible, responsive public safety presence and a proactive focus on prevention, intervention and safety education.



#### Innovate with Collaborative Governance

Parker employs a high-quality dedicated workforce to support transparency, accountability, and fiscal sustainability by using innovative techniques to optimize performance. We engage in regional relationships, including our education, fire, water providers, and other governmental agencies and partnerships.



#### Develop a Visionary Community through Balanced Growth

Parker will demonstrate our commitment to balanced growth, well-planned development, and quality infrastructure using a visionary plan for a sustainable future. We support a healthy, future-focused community with exceptional services, while preserving our historical elements and hometown feel.



# TOWN OF PARKER - 2026 LEGISLATIVE POLICY AGENDA

## INTRODUCTION

### Legislative Policy Agenda

The Town of Parker supports legislation that is consistent and furthers advancement of the priorities and objectives found in its Strategic Plan. Conversely, the Town opposes legislation that inhibits achievement of the Strategic Plan and its objectives.

### Limitations on Legislative Involvement

The Town will not take a position on every policy likely to impact the Town or its residents, businesses or other stakeholders in the community. The Town's legislative advocacy function has finite resources and focuses on areas with potential to have the greatest impact to the Town. The Town Council exercises discretion in determining when the Town takes a position on a policy.

### Revisions to the Legislative Policy Agenda

The Town Council will review and update this Agenda each year as it deems appropriate. The Council may also choose to revise the Agenda outside of the regular update cycle in limited circumstances. Such circumstances may include a need to quickly respond to a particularly impactful policy or provide further direction to staff where the Agenda is not sufficiently specific on a topic.

The Council approves the Agenda each year via resolution.

### Support of Other Organizations

The Town of Parker may from time-to-time partner with other municipalities or agencies on items of mutual interest. The Town may take a position on legislation to support its partners even if there is no direct impact to the Town itself.

### Legislative Review Process

The Council serves as the Town's legislative review body. The Council is apprised of legislation throughout the session by staff and receives regular updates during Council meetings.

### Individual Advocacy and Free Speech

These procedures do not limit and are not intended to abridge the federal and state Constitutional rights of the Town Council and staff when they choose to express personal opinions on legislative matters. When expressing personal opinions, Councilmembers and staff are strongly encouraged to communicate that any personal opinions are not

issued in an official capacity or on behalf of the Town of Parker or the Town Council. Individuals must refrain from the use of the Town's copyrighted logo or other branded materials.

While individual Councilmembers may advocate for or against legislation in their personal capacity, no Councilmember may represent that they speak on behalf of the Town or Town Council when engaging in political advocacy unless the Town Council has taken a formal position for or against such legislation.

### Advocacy for New Legislation

Formal approval of the Town Council is required for the Town to propose new legislation. Neither the Mayor nor individual Councilmembers may propose legislation on behalf of the Town without the consent of the full Town Council.

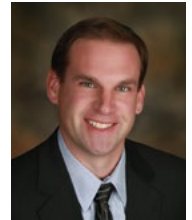
### Town of Parker Officials



**Joshua Rivero**  
Mayor



**Anne Barrington**  
Councilmember



**John Diak**  
Councilmember



**Erik Frandsen**  
Councilmember



**Laura Hefta**  
Councilmember



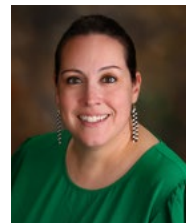
**Todd Hendreks**  
Councilmember



**Brandi Wilks**  
Councilmember



**Michelle Kivela**  
Town Manager



**Emily Hogan**  
Asst. Town Manager

*For contact information, please see page 6.*

# TOWN OF PARKER - 2026 LEGISLATIVE POLICY AGENDA

## 2026 LEGISLATIVE PRIORITIES

### Home Rule Authority and Local Control

#### Strategic Priority: All

- The Town supports local control and municipal government home rule authority.
- The Town supports collaboration with local municipalities and counties as certain issues require statewide and multi-jurisdictional response, which are best addressed through early and meaningful engagement.
- The Town supports retention of authority for all municipalities to set local tax rates, expand municipal taxing authority and equitably share new state revenue with municipal governments.
- The Town opposes state legislation that creates unfunded mandates on local municipalities without state funding or other sources of revenue.
- The Town supports property tax policies that do not reduce local government revenue and allow municipalities the flexibility to retain excess revenue and modify debt service mill levies, among other tools.
- The Town opposes federal legislation that negatively impacts municipalities' ability to issue tax exempt municipal bonds including private activity bonds assigned to partnering agencies.
- The Town of Parker opposes budget cuts at the state or federal level that result in reduced funding for local governments, such as transportation, public safety, etc.

### Land Use and Building

#### Strategic Priority: Support an Active Community; Enhance Economic Vitality; Promote a Safe and Healthy Community; Innovate with Collaborative Governance; Develop a Visionary Community Through Balanced Growth

- The Town supports local control and determination of local land use issues.
- The Town supports municipal home rule authority to establish appropriate building, energy and fire codes to ensure safe, sound construction activity and opposes state mandates that supersede local control.
- The Town supports municipal discretion concerning the imposition of development fees and requirements.

- The Town supports municipal discretion to adopt, update and enforce local building codes, including those that meet or exceed state standards.
- The Town opposes delegation of municipal land use authority to state agencies or preemption of municipal land use controls.

### Economic Development

#### Strategic Priority: Enhance Economic Vitality; Develop a Visionary Community Through Balanced Growth

- The Town supports the diversification and expansion of local economies, including support for existing businesses and the creation of new jobs.
- The Town supports regional economic development through partnerships and coordination with local, county, regional and statewide economic partners.
- The Town supports appropriate state tax policies and incentive programs that encourage business expansion, retention and attraction through job creation, investment in capital equipment and employer facility development.
- The Town supports workforce development, including higher education funding and vocational training.
- The Town opposes unreasonable restrictions on urban renewal authorities and downtown development authorities.
- The Town opposes limitations on municipalities' ability to utilize financing mechanisms such as tax increment financing (TIF).



# TOWN OF PARKER - 2026 LEGISLATIVE POLICY AGENDA

## 2026 LEGISLATIVE PRIORITIES

### Employment

**Strategic Priority:** Promote a Safe and Healthy Community

- The Town opposes initiatives that have the potential to compromise officer safety.
- The Town opposes efforts to undermine local control and create mandates for local governments related to personnel policies and benefits structures.
- The Town opposes the reduction and loss of qualified immunity for government officials.
- The Town supports limitations on the liability of municipalities and their officers and employees.

### Energy and Environment

**Strategic Priority:** Develop a Visionary Community Through Balanced Growth

- The Town opposes preemption of municipalities in setting and implementing long-term renewable energy goals.
- The Town opposes unfunded federal and state mandates on energy sources that would create unnecessary economic burden on municipalities, local businesses or residents or would reduce energy supply in a significant manner.
- The Town supports reasonable and practical application of air and water pollution control laws by federal and state agencies and encourages restraint in modifying legislation and regulations that have a fiscal impact on municipalities.
- The Town supports practices to assure public health, safety and environmental protection and the protection of domestic water sources.
- The Town opposes state preemption of local government authority to adopt environmental ordinances.

### Housing

**Strategic Priority:** Support an Active Community

- The Town opposes mandated affordable housing requirements that infringe upon local home rule authority or pose a safety issue.
- The Town supports incentives and voluntary measures to promote a full range of housing options including attainable and affordable housing based upon sound planning and policy.

- The Town opposes state preemption of local authority to adopt and enforce ordinances that regulate use of public spaces and rights-of-way.
- The Town supports increasing local governments' ability to regulate, manage or generate alternative sources of funding for affordable housing, including public-private partnerships.
- The Town supports an adequate supply of diverse housing options and continued public and private sector support for such an effort.
- The Town supports the creation of an adequately financed statewide housing trust fund.
- The Town supports solutions at the state level to limit litigation on construction defects to encourage a variety of housing types, particularly for-sale multifamily housing.

### Public Health and Safety

**Strategic Priority:** Support an Active Community; Promote a Safe and Healthy Community

- The Town supports legislation that clarifies that strangulation committed using a deadly weapon (including body parts) could be charged as a crime of violence with enhanced sentencing procedures.
- The Town supports legislation that expands resources for those with mental health needs.
- The Town supports the greatest amount of local control possible for regulating nutraceutical supplements.



# TOWN OF PARKER - 2026 LEGISLATIVE POLICY AGENDA

## 2026 LEGISLATIVE PRIORITIES

### Public Health and Safety (con't)

- The Town supports federal, state and county funds for those agencies that serve as a resource to municipal emergency services.
- The Town supports state and community-based intervention, prevention and rehabilitation programs and state initiatives that respect the key role of communities and local government officials.
- The Town supports ensuring that municipal governments retain flexibility in implementing federal and state criminal justice programs.

### Transportation

**Strategic Priority:** Support an Active Community; Enhance Economic Vitality; Promote a Safe and Healthy Community

- The Town opposes state transit planning that results in mandates for local governments and infringes upon local home rule authority.
- The Town supports better geographic distribution in transit services provided to communities by RTD to ensure the Parker area has equitable access to multi-modal transit options that meet the needs of its residents.
- The Town supports greater transportation safety and increased funding for multi-modal transportation systems. The Town supports cooperation among Colorado Department of Transportation, transit agencies, counties, municipalities and interested stakeholders in improving Colorado's transportation system.
- The Town supports legislation and regulatory action that maintains or increases the level of funding provided by the state or passed through the state by the federal government to transportation activities at the local level.
- The Town opposes legislation to transfer maintenance responsibility of state-owned roads to municipalities without adequate short and long-term funding to meet these additional responsibilities.
- The Town supports incentives and voluntary programs to support a Complete Streets approach to transportation design and infrastructure improvements to improve safety, increase travel options and support the development of a multi-modal transportation system.



### Water and Wastewater

**Strategic Priority:** Innovate with Collaborative Governance

- The Town supports land use and water policies that protect Colorado's water resources.
- The Town supports appropriate water conservation efforts and sustainable water resources management practices by all users.
- The Town supports participation in statewide discussions of water use and distribution.
- The Town supports stakeholder input and involvement in developing laws and regulations related to water and wastewater issues.



# TOWN OF PARKER - 2026 LEGISLATIVE POLICY AGENDA

## LEGISLATIVE DELEGATIONS

<b>Town of Parker (all Councilmembers serve at large)</b>		
<b>Name</b>	<b>Email</b>	<b>Phone</b>
Joshua Rivero, Mayor	jrivero@parkerco.gov	(303) 841-0353
John Diak, Mayor Pro Tem	jdiak@parkerco.gov	(303) 841-0353
Anne Barrington, Councilmember	abarrington@parkerco.gov	(303) 841-0353
Erik Frandsen, Councilmember	efrandsen@parkerco.gov	(303) 841-0353
Laura Hefta, Councilmember	lhefta@parkerco.gov	(303) 841-0353
Todd Hendreks, Councilmember	thendreks@parkerco.gov	(303) 841-0353
Brandi Wilks, Councilmember	bwilks@parkerco.gov	(303) 841-0353
Michelle Kivela, Town Manager	mkivela@parkerco.gov	(303) 841-0353
Emily Hogan, Asst. Town Manager	ehogan@parkerco.gov	(303) 841-0353
Michael Lawson, Asst. Town Manager	mlawson@parkerco.gov	(303) 841-0353
William Mutch, Town Lobbyist	william@mutchgr.com	(720) 308-3497

<b>United States Congress</b>		
<b>Name</b>	<b>Email</b>	<b>Phone</b>
Michael Bennet, Senator	scheduler@bennet.senate.gov	(202) 224-5852
John Hickenlooper, Senator	andres.carrera@hickenlooper.senate.gov	(202) 224-5941
Lauren Boebert, Rep. (CO 4)	boebert.scheduling@mail.house.gov	(202) 225-4761

<b>State General Assembly</b>		
<b>Name</b>	<b>Email</b>	<b>Phone</b>
Lisa Frizell, Senator (SD 2)	lisa.frizell.senate@coleg.gov	(303) 866-2949
Anthony Hartsook, Rep. (HD 44)	anthony.hartsook.house@coleg.gov	(303) 866-4869

<b>Douglas County</b>		
<b>Name</b>	<b>Email</b>	<b>Phone</b>
Abe Laydon, Commissioner (District 1)	bocc@douglas.co.us	(303) 660-7400
George Teal, Commissioner (District 2)	bocc@douglas.co.us	(303) 660-7400
Kevin Van Winkle, Commissioner (District 3)	bocc@douglas.co.us	(303) 660-7400



## MEMORANDUM

**TO:** Mayor and City Council

**FROM:** Emily Hogan, Deputy Town Manager  
William Mutch, Mutch Government Relations

**DATE:** May 11, 2026

**SUBJECT:** Legislative Briefing

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### **Purpose**

This memo provides a brief update on recent legislative activity that may impact the Town of Parker, including key bills, trends and next steps.

### **Overview**

The Colorado General Assembly is currently in session with several measures under consideration that could affect municipalities.

### **Key Legislative Items**

#### **1. HB26-1430: Transportation Funding Adjustments**

- **Summary:** Takes effect only if voters approve a transportation funding initiative (Ballot Initiative 175). It temporarily cuts gas taxes, diesel taxes, vehicle fees, and road usage fees from 2027–2030, creates a new road funding pool to backfill existing obligations, and distributes remaining funds mostly to highways, with shares to counties and cities. It also excludes enterprise fees from “state revenue” under the measure.
- **Status:** Introduced in House and assigned to Transportation, Housing & Local Government Committee on 5/1.
- **Potential Impact:** Governor's office is pushing this bill that would effectively kneecap ballot initiative 175. That initiative, if approved by voters, would add a constitutional amendment requiring that the legislature spend transportation dollars on transportation. This bill makes cuts to various excise taxes and fees that fund HUTF to undermine the additional funding that would be required by initiative 175. This bill is intended to force proponents of 175 to withdraw their initiative.
- **Town Position:** Staff recommends oppose.
- **CML Position:** Staff recommends oppose.

#### **2. SB26-190: Release Information About Peace Officer Use of Force**

- **Summary:** Under existing law, all video and audio recordings depicting an incident of peace officer misconduct that resulted in death must be provided upon request to the victim's family. The bill clarifies that the recordings depicting an incident of a peace officer's use of force that resulted in death (incident) must be provided to the victim's family regardless of whether there is a complaint of peace officer misconduct for the incident. The bill clarifies what constitutes the incident for the purpose of releasing recordings to the victim's family. The bill requires publicly

releasing incident recordings after they are released to the victim's family. The bill sets deadlines for the victim's family to be informed about a multi-agency team investigation into an incident.

- Status: Introduced in Senate and assigned to State, Veterans & Military Affairs on 5/4.
- Potential Impact: Would expand requirements for releasing body cam footage. Sponsors appear open to amendments to narrow definitions, limit release to upon request, reduce notification burdens, and ensure blurring rules apply consistently. Even with amendments, however, it has negative impacts.
- Town Position: Staff recommends oppose.
- CML Position: Staff recommends amend.

### **Success Stories**

1. HB26-1037: Use of Surveillance Technology by Law Enforcement. Postponed indefinitely.
2. HB26-1049: Prohibit Use of Personally Identifying Feature. Postponed indefinitely.
3. HB26-1065: Transit and Housing Investment Zones. Passed through House and introduced in Senate. Partnered with MMC on advocacy.
4. HB26-1275: Law Enforcement Identification & Immigration Training Requirements. Postponed indefinitely.
5. HB26-1290: Criminal Offense of Assault. Passed out of House and Senate. Sponsors include Rep. Hartsook and Sen. Frizell who worked extensively on.
6. HB26-1114: Allowed Minimum Lot Size for Subject Jurisdictions. Postponed indefinitely.
7. HB26-1308: Lot Splitting Approval by Subject Jurisdictions. Postponed indefinitely.
8. SB26-024: State & Local Unmanned Aircraft Regulation. Postponed indefinitely.
9. SB26-070: Ban Government Access Historical Location Information Database. Postponed indefinitely.
10. SB26-097: Decriminalize Adult Commercial Sexual Activity. Postponed indefinitely.
11. SB26-129: Mitigate Impacts of Tax Increment Financing. Postponed indefinitely.
12. SB26-176: State Remedies for Constitutional Rights Violation. Postponed indefinitely.

### **Notable Trends & Observations**

1. HB26-1001: Housing Developments on Qualifying Properties. Most significant land use bill that passed this session. Mayor testified in opposition.
2. HB26-1009: Colorado Mandatory Lethality Assessment Act. Staff worked with the Town's lobbyist to provide suggested amendments, and Sen. Frizell worked extensively to help negotiate amendments with the sponsors. Final recommended language was not included due to lack of coalition partners.
3. Major themes this session include land use preemption, unfunded mandates, state budget crisis, federal funding changes, and public safety reform.

### **Next Steps**

1. The session is scheduled to end on May 13.
2. The Town's lobbyist will continue to monitor issues once the session is over and will provide monthly updates to Council via email.



## MEMORANDUM

**TO:** Honorable Mayor and Members of Town Council  
**FROM:** Bryce Matthews, Assistant Director - Planning  
**DATE:** May 11, 2026  
**SUBJECT:** Private Activity Bonds Update

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### **ITEM OVERVIEW:**

Douglas County Housing Partnership has requested the Town allocate its 2026 Private Activity Bond Volume Cap Allocation from the State Ceiling for Private Activity Bonds in advance of the typical September deadline.

### **BACKGROUND AND ANALYSIS:**

The State of Colorado receives Private Activity Bond (PAB) capacity from the federal government each year and allocates some of it to local governments, including the Town of Parker. PABs are tax-exempt bonds issued by (or on behalf of) local or state governments to provide financing for IRS-qualified projects having a public benefit. The PAB financing is limited to very specific project types within the following categories, including: affordable housing, sewer/water facilities, certain transportation infrastructure (toll roads), educational projects, small manufacturing facilities and redevelopment activities. There are no proposed projects in the Town of Parker that could use the 2026 Private Activity Bond capacity.

For 2026, the Town has received an allocation of \$4,544,722 in PAB capacity from the State. Generally, the Town has three (3) options for how to address its annual PAB capacity:

1. Take no action by the September 16 deadline and let the capacity revert back to the State;
2. Rollover and assign the capacity to a qualified project (if the Town had such a project);  
or
3. Assign the capacity to another eligible issuing entity. Since 2013, the Town Council has directed staff to assign the Town's PAB capacity to the Douglas County Housing Partnership on an annual basis.

The Housing Partnership uses this capacity, in combination with capacity from Douglas County and Castle Rock, as a piece of the financing packages for the development of affordable and workforce housing for low and moderate income residents throughout Douglas County.

Douglas County Housing Partnership is requesting an allocation of PAB capacity from Douglas County, Castle Rock, and Parker early to support two projects: a senior affordable housing development in Highlands Ranch and an affordable housing project south of Parker in unincorporated Douglas County. Both projects plan to use PAB capacity as part of their

financing. Affordable housing financing is complex and time-sensitive, so developers need timely confirmation that PAB capacity will be available for their projects.

**FINANCIAL AND POLICY IMPACTS:**

None

**RECOMMENDATION:**

Staff recommends that the Town allocate its 2026 Private Activity Bond Volume Cap Allocation from the State Ceiling for Private Activity Bonds in May 2026.

**REQUESTED DIRECTION:**

Staff is seeking direction to put a Resolution to allocate the Town of Parker's 2026 Private Activity Bond Volume Cap Allocation from the State Ceiling for Private Activity Bonds on the May 18, 2026 agenda.

**ATTACHMENT:**

None



## MEMORANDUM

**TO:** Honorable Mayor and Town Council Members

**FROM:** Chris Fiandaca, Finance Director  
Chris Bever, Budget Manager

**DATE:** May 11, 2026

**SUBJECT:** 2026 First Quarter Financial Report

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**ITEM OVERVIEW:**

At the request of Town Council, the Finance Department in cooperation with Town departments has created a new format for a quarterly financial report. The report will be presented to Town Council during a study session at the conclusion of each quarter during the fiscal year.

**BACKGROUND AND ANALYSIS:**

This is an opportunity for staff to provide a financial update to Town Council on a quarterly basis. The 2026 first quarter report represents the new format for financial information to be reviewed with Town Council. Finance staff will not only review 2026 first quarter financial data, but solicit Town Council feedback on the types of information included and discuss any information that should be included in future reports. After the report is discussed with Town Council at the study session, it will be posted on the Town's website for public review.

**FINANCIAL AND POLICY IMPACTS:**

None

**RECOMMENDATION:**

For informational purposes only.

**REQUESTED DIRECTION:**

For informational purposes.

**ATTACHMENT:**

None



## MEMORANDUM

**TO:** Honorable Mayor and Members of Town Council

**FROM:** Alex Mestdagh, Engineering Service Manager  
Tom Williams, Director Eng/PW  
Michael Grabczyk, Project Engineer  
Scott Borzillo, Operations Manager, Streets & Stormwater Maintenance

**DATE:** May 11, 2026

**SUBJECT:** Stormwater Utility Needs Assessment and Fee Discussion

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### **ITEM OVERVIEW:**

Staff is presenting the findings from a recent update to the Stormwater Utility Needs Assessment and discussing with Town Council options for adjustments to the Stormwater Utility Fee.

### **BACKGROUND AND ANALYSIS:**

The Town's Municipal Code that governs the Stormwater Utility (the "Utility") requires that the Utility fee be reviewed by the Town Council every five years. To facilitate that review, Staff has recently overseen the completion of an update to the Needs Assessment for the Utility. This work was completed by Muller Engineering, and the analysis takes a long-range look at the needs and operating costs of the Utility. Prior to this, the Needs Assessment was last updated in 2019.

One of the key findings of this effort is that the Utility's operating costs are increasing at a faster rate than its revenues. The Utility currently operates at an annual surplus primarily due to capital budget cuts over the past several years. However, if recent trends related to revenue and expenses persist, the fund will operate at a deficit within ten years. Further, spikes in construction costs over the past five years have led to the Utility scaling back its capital improvement program to maintain adequate funding levels for operations. It is likely that key projects will be delayed or deferred in the future if adequate funding for capital improvements is not secured. Staff believes that it is critical that the Utility have the necessary funding to be proactive in maintenance work and capital improvements and has prepared options for potential adjustments to the Utility fee.

The Utility fee is currently increased annually by the Consumer Price Index (CPI) for the Denver metro area, in accordance with Town Code. CPI is a measure of the cost of goods and services, generally related to everyday expenses for residents. It is a reasonable measure of the costs of about half of the Utility's expenses, which include items like personnel, supplies, and consultant costs. The other half of the Utility's expenses are directly related to construction-related items, for which CPI is not the best measure of cost. The Colorado Department of Transportation (CDOT) publishes a Construction Cost Index (CCI), which is a direct measure of civil construction costs within the state of Colorado.

Over the last five years, the Town has experienced a significant increase in construction costs. The published CCI data shows that from 2020 through 2025, construction costs increased by 54.3%, while CPI only increased by 24.7%. With the Utility fee being increased by CPI, the Utility's revenues have not kept pace with this large increase in construction costs and has impacted the Utility's ability to fund maintenance and capital improvements.

An adjustment to the Utility fee would require a change to the Town's Municipal Code, which must be approved by the Town Council. Staff has prepared two adjustment approaches for the Town Council's consideration that are intended to bring and keep the Utility's revenue in line with construction costs:

**1. Adjust the Utility fee for the recent spike in construction costs, using a phased approach over multiple years if desired.**

If the portion of the Utility fee used for construction costs had been increased by CCI since 2020, the Utility fee would currently be 9.8% higher. This figure is lower than the raw data would suggest because CCI has decreased in 2024 and 2025. This adjustment would be a \$0.93 monthly increase to a single family dwelling, or \$11.16 annually. This adjustment would not recover revenue that would have been collected with this approach over the past six years but brings it in line with current construction costs moving forward.

**2. Revise the annual increase to be measured by an average of CPI and CCI, to better reflect the portion of the Utility's expenses used directly for construction-related expenses.**

While these two measures have historically trended relatively close, adding CCI into the annual increase will ensure that any future spikes in construction costs are included in the annual adjustment, theoretically eliminating the future need to adjust for multi-year periods.

Staff recommends making both of these adjustments to the Utility fee. This additional revenue would increase the Town's ability to proactively improve the Town's stormwater conveyance systems, and would still leave the Town near the median stormwater utility fee among peer jurisdictions.

**FINANCIAL AND POLICY IMPACTS:**

Adjustments to the Stormwater Utility fee are presented for consideration. Any adjustments to the fee would modify the amounts that property owners within the town would pay to the Utility, and would impact the amount of revenue that the Utility receives.

**RECOMMENDATION:**

Staff requests guidance related to the findings of a recent update to the Stormwater Utility Needs Assessment.

**REQUESTED DIRECTION:**

Staff requests guidance related to the presented options for adjustments to the Utility fee.

**ATTACHMENT:**

None