



TOWN OF ERIE

645 Holbrook Street
Erie, CO 80516

Town Council

Board Meeting Date: 5/5/2020

File #: 20-243, **Version:** 1

SUBJECT: GENERAL BUSINESS

Home Rule Presentation

DEPARTMENT: Administration

PRESENTER: Farrell Buller, Deputy Town Administrator
Hilary M. Graham, Hoffmann, Parker, Wilson & Carberry, P.C.

TIME ESTIMATE: 30 minutes

FISCAL INFORMATION:

Cost as Recommended: \$ 140,000

Balance Available: 0

Budget Line Item Number: Various

New Appropriation Required: No

SUMMARY AND BACKGROUND OF SUBJECT MATTER:

This presentation and discussion is intended to review-especially for Trustees new to the Board-the implications Home Rule would have for Erie, the required steps and timeline for pursuing Home Rule, and the proposed community engagement the Board had previously agreed on. In light of the pandemic impact on the Town's budget, and the constraints the pandemic may impose on community engagement, staff is seeking confirmation whether the Board wants staff to continue working on this project in 2020, or to defer pursuing Home Rule until 2021, as proposed in the budget actions to address the pandemic impact.

During the Board's October 15 Study Session, the Board asked staff to provide analysis of how the Town could facilitate a November 2020 Home Rule Charter election, what kind of outreach/engagement would be necessary to inform the electorate and get enough interested candidates to run for the Home Rule Commission. Then, during the Board's November 12, 2019 meeting, the Board reached a consensus to pursue a Home Rule election schedule of November 3, 2020 (for the initial question and election of Home Rule Commissioners) and November 2, 2021 (for the election on a proposed Home Rule Charter). That schedule includes the following steps:

- **January-July 2020:** Community engagement on Home Rule and process
- **August 2020:** BoT calls election to form a Charter Commission and vote on commissioners
- **September 2020:** Within 30 days of notice of election, Commission candidates must file nomination petitions
- **November 2020:** Electors vote on (1) whether to pursue home rule; and (2) elect

commissioners to serve on the Charter Commission if Home Rule is pursued

- **December 2020:** *If* voters approve (1) and (2), Charter Commission must have first meeting within 20 days of election being certified
- **December-May 2021:** Charter Commission develops proposed Charter, conducts public hearing(s) and submits proposed charter to Board of Trustees
- **June 2021:** Within 30 days of receiving proposed charter, BoT calls election and publishes notice of election and text of proposed charter.
- **July-October:** Community engagement on proposed charter
- **November 2021:** Election on proposed charter

ATTACHMENTS:

1. Outreach Plan
2. DRAFT Home Rule Infographic
3. DRAFT Home Rule Flyers
4. DRAFT Webpage Mock up

Additional Background

The two most recent Home Rule charter elections in Colorado are in Eagle and Castle Pines. For background information see these links:

- [Castle Pines <https://www.castlepinesconnection.com/castle-pines-residents-vote-in-favor-of-home-rule/>](https://www.castlepinesconnection.com/castle-pines-residents-vote-in-favor-of-home-rule/)
- Eagle <<https://www.townofeagle.org/756/Home-Rule-Governance>>

Budget and Staffing Implications.

Depending on the election timeline selected and the number of special elections required, it will cost \$140,000 to \$180,000 over two years to fully cover all costs associated with requesting voter approval to pursue Home Rule, providing legal and staff support for the Charter Commission, Commission meeting expenses (food and meeting materials), conducting two elections, publication expenses, and costs to codify the Charter and complete Municipal Code updates. The 2020 Budget includes \$139,000 to cover the expenses anticipated in 2020. An intern/temp would be needed to assist the Town Clerk's Office to address the daily needs of the office while elections are occurring. Staff from multiple departments will need to address the Charter Commission's questions and provide information on departmental operations and issues; time demands will be high on all parties involved.

Fiscal Implications.

Assuming the Town's tax base doesn't change through the Home Rule process, the Town could continue to have the State collect sales taxes for the Town. However, if the Town expands the sales tax base the Town would potentially have to self-collect. Additionally, the State does not collect use tax, so if voters approved a use tax, the Town would need to self-collect and that would take some level of additional staff.

If the voters approve a Charter, at some point the town would want to self-collect. But that would not be until the Town has a larger level of sales tax activity - or as above if the Town's tax base is different from what the State could collect.

Economic Development Implications.

The only Economic Development incentives not possible without a Home Rule Charter would be Property Tax Increment Financing outside of designated Urban Renewal Planning Areas, which is not something currently contemplated. Consequently, a Home Rule Charter is not necessary to implement the incentive program currently directed by the Board, which staff is working on.

Process

The Home Rule process consists of four major steps; (1) adoption of an ordinance to initiate the Home Rule process, (2) an election to pursue Home Rule and, if the voters approve pursuing Home Rule, electing the Charter Commission, (3) drafting of the proposed Home Rule Charter by the Commission, and (4) an election to approve the proposed Home Rule Charter.