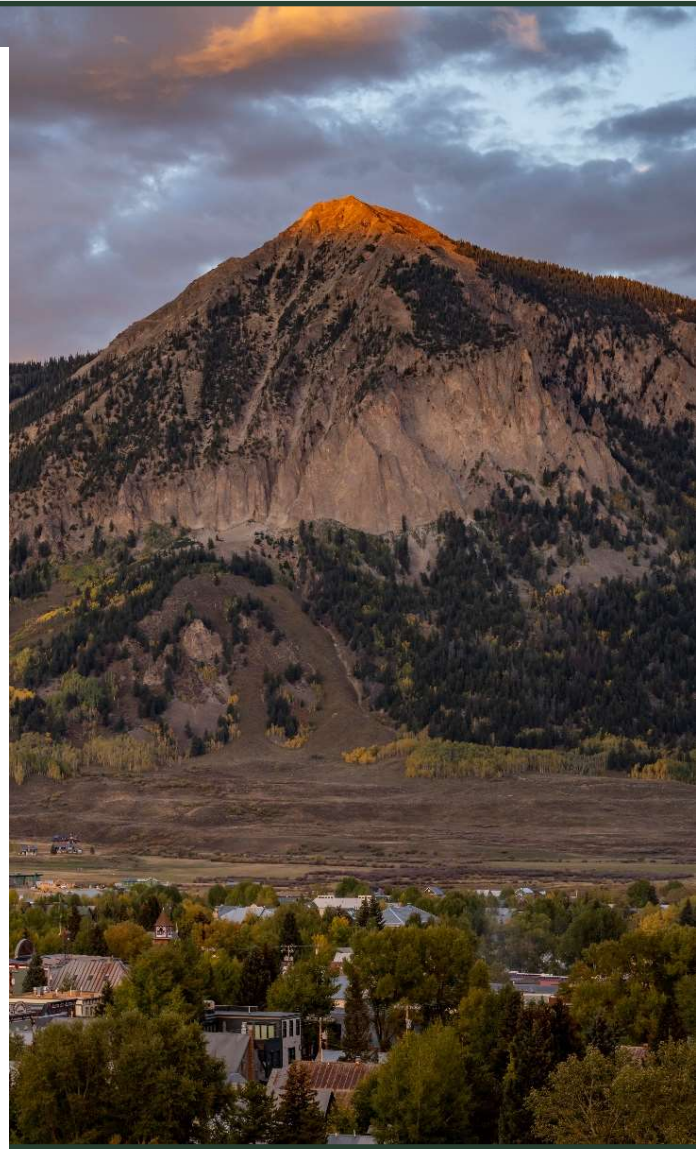
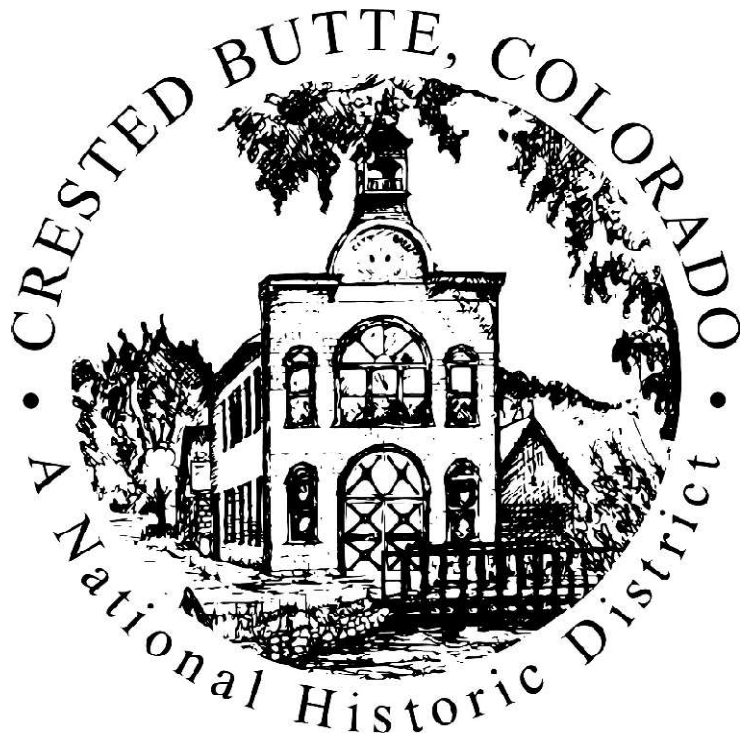


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# Annual Budget 2023



**ADOPTED:**  
**December 5, 2022**  
**Resolution #29, Series 2022**

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All photos produced by Nolan Blunck unless otherwise noted



# Budget Message

## Introduction & Background

This budget message provides readers with an overview of the regular municipal government services provided, the projects to be completed in the coming year and how this work is paid for. The narrative tells the story behind the numbers by describing goals, priorities, underlying assumptions, and other factors considered in determining how the Town's available resources will be spent. Information is provided to better understand the schedules and supplemental information that comprise the annual budget package. It includes the following sections:

- I. Introduction and Background
- II. Organization and Services of the Town
- III. Overview of Town Tax Revenues
- IV. Executive Summary of the 2022 Budget
- V. Background, Budget Assumptions and Changes from the Previous Year
- VI. Personnel
- VII. Summary of all Town Funds
- VIII. 2023 Budgets by Fund

The Town Council formally adopts a budget and appropriates money to run the Town of Crested Butte (the Town or Crested Butte) each year. By state law the governing body must adopt a budget before the end of the year and submit a mill levy to the Board of County Commissioners.

The Town held a work session on September 5<sup>th</sup> to review the Town's budget structure. They met again on September 19<sup>th</sup> to discuss the Strategies contained in the Community Compass and related five-year action items to be considered in the budget. The Council reviewed drafts of the 2023 budget on October 3<sup>rd</sup> and November 21<sup>st</sup> and a public hearing on the proposed budget was held during the regular Town Council meeting December 5<sup>th</sup>.

Council reviews of the draft budget included discussions of priorities of the community, operating and capital expenditures, sales tax growth assumptions, compensation, fees for services, utility rates and capital projects. The area where council exercises the most significant degree of flexibility and discretion is in one-time spending for capital purchases and special projects. However, it is important to note that many projects require years of planning and may have already had funds committed for design and/or matching grant funds. A list of all capital projects is included in the budget report. The list includes those items that will be classified as fixed assets as well as those allowable expenditures for maintenance of assets.

The budget is the financial master plan for Town activities for the next year. Like all plans, it is intended that this budget will change and develop as unforeseen circumstances and opportunities arise. As events unfold over the next 12 months, Council will no doubt act to modify this plan as the facts of the present and perceptions of the future allow for greater clarity.



In the budget schedules that follow, financial resources are shown along with the uses of such funds. Additional supplemental schedules highlight other information of significance to the Town. In the “Summary of All Revenue, Expenditures and Fund Balances,” the total revenue and expenditures by major groupings are shown along with any uses of or additions to reserves. Additional worksheets show further revenue and expenditure information for each fund and operating area.

Should readers seek additional information not included in the budget package, it may be requested from the Finance Director at Town Hall.



## Organization & Services of the Town

The Town has a population of approximately 1,639 residents (2020 US Census) and serves as a tourism destination and activity hub for northern Gunnison County. Combined with the effects of tourism and part-time homeowners, Crested Butte’s municipal government serves a population estimated at more than twice the size of its residential base with the number of visitors swelling to upwards of 15,000 during busy summer events.

The Town has a relatively small tax base (1 square mile Town boundary) that must be leveraged to accommodate demands on it by the entire northern Gunnison County and ever-increasing tourism, primary and part-time home ownership.

Services provided by different municipalities vary widely. Although citizens have many of the same services available to them in any incorporated area, some may be served by a special district or other governmental entity. Therefore, one city or town may not be directly comparable to another.

Crested Butte is organized as a home rule Town under the constitution of the State of Colorado and the locally adopted charter. The Town operates under a council-manager form of government with

six council members, and a mayor serving in elected positions. All powers of the Town are vested in the elected Town Council, including the mayor, hereinafter referred to as the “Council”, which enacts local legislation, adopts budgets, determines policies, and appoints the Town Manager, Town Attorney and Municipal Judge. The Town Manager is responsible for executing the laws and administering the Town government.

Government accounts are organized based on funds or account groups, each of which is considered to be a separate accounting entity. The Town has five general government and one business-type (or “enterprise”) fund.

Government Funds

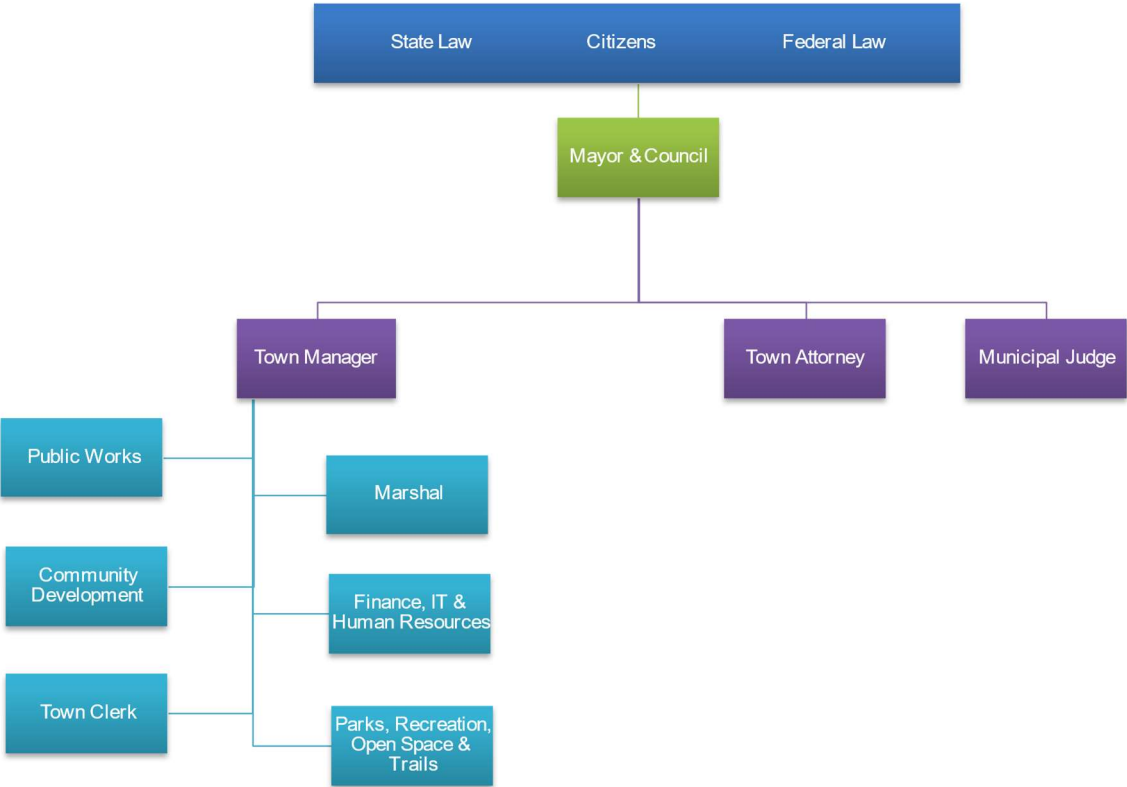
- General Fund
- General Capital Fund
- Affordable Housing Fund
- Street & Alley Fund
- Conservation Trust Fund

Business-Type or Enterprise Funds

- Water and Wastewater Enterprise Fund

It is important that readers of the budget know what services the Town provides to understand the budget. The broad services provided by Crested Butte’s employees across the various funds and are described in the context of each department or special fund.

# Town of Crested Butte Organization Chart



## Town Council

The Town of Crested Butte is a home rule community consisting of a council-manager form of government with power vested in an elected, seven-member Town Council. Town Council enacts local legislation, adopts budgets, determines policies, and appoints a Town Manager to execute laws and administer Town government. The Town Council also appoints the Town Attorney and Municipal Judge.

The six regular councilmembers are elected at-large for four-year, overlapping terms. The mayor, who is a member of the Town Council, is elected at-large for a two-year term. Crested Butte does not have term limits. The Council may act through ordinances, resolutions, and motions. The Home Rule Charter establishes procedures to promote the expeditious and efficient handling of Town matters as well as to encourage citizen participation.

Members of the Town Council at the time of 2023 budget adoption include:

Ian Billick, Mayor	Beth Goldstone
Jason MacMillan, Mayor pro-tem	Mallika Magner
Anna Fenerty	Gabi Prochaska
Chris Haver	

The Town Council appoints members to the Board of Zoning and Architectural Review (BOZAR) and several other Town committees. These committees include the Public Art Commission, Cemetery Committee and special advisory committees as may be formed from time to time.

In 2022, the Town Council established a new comprehensive plan for Crested Butte known as the Community Compass or Compass. The Compass includes the four primary values of the community: Authentic, Bold, Connected and Accountable. Also included are strategies the Town wishes to implement, and a timeline of actions anticipated over the next 5 years to advance those strategies. The values and strategies provide continuity and focus for the Town Council and staff as we consider actions and work plans each year. Following are the values statements and strategies from the Compass along with specific implementation actions planned for 2023.

### Crested Butte's Community Values

If Crested Butte expects to maintain and retain its community identity, decisions must be made that are intentionally guided by these core values. As such, these values will act as guiding principles of the Compass, ensuring that all public policy, change and investments within and around the Town occur in compliance with these values and the success measures they represent.

We are an **authentic** community.

Crested Butte has soul — we are a genuine, creative, artistic, functional, livable, quirky, gritty, and strong community. We are true to ourselves, our history, and our surroundings. We have rough edges, are proud of our accomplishments, and thrive on being different. We choose to live a rugged life in the mountains and intentionally pick a life of passion over ease. Our authenticity comes from the unique individuality and spontaneity of the people who live here. We embrace the special nature of this place.



Our community is **connected**.

Our community's vibrancy is generated by a deep sense of connection to our surroundings, our neighbors, our past, and our future. We find peace of mind in our surrounding mountains. Our neighbors and friends help us survive and flourish in this community. Our connection to our past teaches us lessons. We find a reason to care by looking to the future.

We are **accountable** for preserving our community.

We love this community and we have a responsibility to care for it. We recognize the impacts we create and hold ourselves accountable to mitigating them. We take action to preserve and protect this place. We are stewards of our community and our surrounding environment that we hold in trust for future generations.

We are a **bold** community.

We will do what it takes to protect this beloved place. We choose courage over comfort, creativity over conformity, curiosity over judgment, and community over commodity. We are willing to take risks and be different in how we approach something. We are brave enough to make hard decisions, try something new, be willing to fail, and try again.

### **Goals from the Community Compass**

- Approach community challenges through active collaboration and public engagement.
- Accommodate growth in a way that maintains the Town's and Valley's rural feel.
- Enable people who live and work here to thrive.
- Retain the unique character and traditions of Crested Butte.
- De-emphasize cars and focus on walking, biking, and transit.
- Continue to passionately care for our natural surroundings and forever protect Red Lady.
- Act on the urgency of climate change and prepare for the changes we expect from it.

The goals and strategies from the Community Compass along with the action items and anticipated timing are attached as Appendix A. Over the next five years (2022-2026), the Council will revisit these goals and strategies and update specific actionable priorities or projects for the coming year. These priorities are established at the beginning of the budget process and integrated into the budget as needed to ensure focus and resources are available to achieve these priorities.

### **2023 Town Council Priorities**

- ✓ Update community grants criteria
- ✓ Actively participate in Gunnison Valley Roadmap to Resiliency and Recovery Plan through the One Valley Leadership Council
- ✓ Implement the Sixth and Butte and Paradise Park workforce housing project
- ✓ Update the Town's zoning regulations and resident occupied affordable housing fees to further promote accessory dwelling units
- ✓ Implement Good Deed program to purchase deed restrictions on existing homes
- ✓ Conduct Town Facilities Master Plan
- ✓ Participate in Whetstone housing project planning
- ✓ Help facilitate relocation of the post office
- ✓ Update special events policy to reflect the homegrown spirit of the community

- ✓ Develop Town-wide transportation master plan
- ✓ Implement Town traffic calming policy
- ✓ Participate in Whetstone/Brush Creek intersection planning
- ✓ Participate in Mountain Express five-year plan, Brush Creek intersection design and CB to CB South Trail
- ✓ Continue engagement to secure conservation easement and pursue federal withdrawal of mineral rights
- ✓ Update watershed protection ordinance
- ✓ Complete renovation of the skate park
- ✓ Construct east-side Nordic cat barn
- ✓ Develop stewardship priorities for Town-owned properties
- ✓ Begin electrifying Town facilities as pilot conversion examples
- ✓ Implement projects to reduce 100-year floodplain impact
- ✓ Continue implementing Enterprise Fund Master Plan – specifically continue construction on WWTP and complete design of the Lake Irwin Valve and Piping project (“Coal Creek Dam”)
- ✓ Begin implementation of the source water protection plan and wildfire mitigation plan for source water
- ✓ Continue active participation in Colorado Communities for Climate Action
- ✓ Grow the GreenDeed program to expand households served, include solar support and electrification conversion pilot program
- ✓ Identify public electric vehicle charging needs through the Transportation Master Plan
- ✓ Reinvigorate the One Valley Leadership Council Climate Action Committee to collaboratively implement the Gunnison Valley Climate Action Plan

## Town Manager

The Town Manager is the chief administrative officer of the Town. The manager is responsible to the Council for the proper administration of all affairs of the Town placed in her charge, and to that end she has the power and duty and is required to fulfill the duties outlined in the Town’s Home Rule Charter.

### 2022 Projects/Accomplishments:

- Successfully completed the Community Compass to create a useful decision-making tool resulting from robust public engagement.
- Outdoor seating and parking management for Elk Ave and side streets was implemented again in 2022 with solutions that should be lasting until development and implementation of an overall streetscape plan for Elk Ave in the coming years.
- After many, many years the land exchange/conservation easement and administrative mineral withdrawal for Mt Emmons are in process with federal agencies and local partners.
- Assisted the new Town Council in improving the board operations and supporting effective, informed decision making.

- Focused staff presentations to Council and the public with attention paid to delivering information and gathering input to inform policy or plan development.
- Implementation of quarterly written reports being provided to the Town Council and the public on progress with Council's annual goals/priorities.

### 2023 Projects/Goals:

- Guide active and productive participation in regional efforts. 2023 will focus on the One Valley Regional Recovery plan which will lay the groundwork for important ongoing collaboration
- Continue to improve financial systems, processes and controls and achieve a "clean" audit for 2023.
- Ensure an informed Town Council and robust community engagement continues through ongoing utilization of the decision-making framework developed in the Community Compass.
- Oversee implementation of the 2023 actions identified in the Community Compass while managing staff and Council capacity to tackle complex decisions effectively.



### Town Clerk

The Town Clerk is custodian of the Town seal and records. The Town Clerk keeps a journal of Council proceedings and records of all ordinances, motions, and resolutions. The Town Clerk has the power to administer oaths and take acknowledgements under the seal of the Town. The mission of the Clerk's Department is to administer the following functions by providing exemplary and high level of service, focusing on a customer-first approach, to the public and to the staff.

- |  |                          |
|--|--------------------------|
| • Council meeting coordination   | • Mobile vending permits |
| • Support for elected officials  | • CORA requests          |
| • Front desk/reception and tertiary duties   | • Records management     |
| • Liquor, marijuana, vacation rental and business licensing                            | • Snow cat permitting    |
| • Special event applications and facilitating the special event review process         | • Municipal Court        |
| • Banner permitting, dog licensing, and permitting for street musicians and performers | • Elections              |
| • Public information   | • Cemetery               |
|  | • Zoom meeting support   |



A notable change for the Clerk's Department is the addition of a second Deputy Clerk whose title is Deputy Clerk/Licensing Clerk. The primary functions of the new position are vacation rental licensing, business licensing, and providing customer service at the reception desk. The position creates much-needed redundancy for the entire department, including coverage of Council administration. The Administrative Assistant, who was hired last fall, now has the title, Deputy Clerk. The Deputy Clerk will continue to manage special events, the cemetery, and serve as the Court Clerk for municipal court.

The Clerk's Department, like every department, has been affected with an increased day to day workload in proportion to projects taken on by the Town. The sale of cemetery lots remains steady. The demand on Town property increases every year. With the availability of Zoom capabilities in the Council Chambers, Town Hall has become a popular location for meetings, each of which requires some level of support.

Judge Jim McDonald is the Municipal Court Judge, hired by the Council in 2022. Municipal court is currently held once a month, which is a reduction in court dates from previous years. The volume for Municipal Court has generally been maintained, and a result of fewer court dates is that court dockets will be denser. The Court Clerk is responsible for remaining up to date with ever changing legislation affecting municipal courts.

## Finance, Human Resources (HR), and Information Technology (IT)

The Director of Finance shall also be the Town Treasurer. They shall keep and supervise all accounts; receive, and have custody of all monies of the Town, collect special Town taxes, sewer, water, sanitation, and other fees and charges; and issue licenses and collect fees, therefore.

There are five staff members in the department including the Director, Finance Manager, Assistant IT Administrator and Communications Specialist, HR Manager and Finance Administrative Assistant.

Specific tasks of the department include:

- billing and collection of water and wastewater services
- benefits administration
- accounts payable
- utility billing
- tax collections (sales, use, RETT, vacation rental excise, property)
- human resources (hiring process, on-boarding, relations, etc.)
- information technology management
- town owned property lease management
- property & casualty insurance administration
- payroll
- accounts receivable
- telecom management
- budgeting
- financial reporting
- cash management / treasury
- risk management
- phone reception administration
- grants and loans administration

### 2022 Projects/Accomplishments:

- Implemented a new Enterprise Resource Planning (ERP) system, replacing a 20-year-old system. Active ERP modules include general ledger, utility billing, accounts payable, accounts receivable and payroll.
- Updated staff handbook to reflect and document current practices.

### 2023 Projects/Goals:

- Continue to improve financial systems, processes and controls and achieve a “clean” audit for 2022. Presentation of implementation plan for updated financial plan to Council in early 2023.
- Revisit and document financial policies and internal controls and provide that information to the Council.
- Digitally organize and standardize storage of finance records.
- Maximize functionality of new ERP system and roll out pertinent features, such as budgeting, reporting, fixed asset and project management.
- Roll out administration of the new State mandated bag fee going into effect on January 1, 2023.
- Implement new Treasury functions, such as digital check capture, positive pay, multi-person wire approvals, and other.

## Marshals

*It is our mission in partnership with our community, to provide an exemplary level of service and protection to the residents and businesses of Crested Butte and to all those who may visit, work in, or travel through our community. We will serve the community through integrity, honesty, dedication, loyalty, and professionalism to enforce the law without prejudice or bias. We vow to vigorously pursue those who commit serious crimes against these people. We will respect the rights of those accused of committing crime, as well as being sensitive to those victimized by crime.*



The Marshals safety and security responsibilities for the community include:

- |   |                               |
|---|-------------------------------|
| • police protection                         | • regional preparedness       |
| • vehicle and foot patrol                   | • task force assistance       |
| • crime prevention and law enforcement      | • DUI enforcement             |
| • parking enforcement                       | • special event support       |
| • traffic control                           | • Communications board member |
| • vehicle identification number inspections | • general code enforcement    |
| • school safety                             | • community group engagement  |

### 2022 Changes, Challenges and Accomplishments:

In August, two of our eight officers left the department; one to pursue a college degree and be present for his family and another to Gunnison PD. A search for replacement officers was initiated immediately but, as with the rest of the nation searching for quality staff – particularly professional police officers, we continue to search for the right officers to fill our essential positions.

The Marshals representation on the West Central Region Colorado POST board allows our officers to receive reimbursement for most of the in-service training we receive. In addition, our staff instructors continue to provide high-quality training and education across the core competencies we maintain for professional certification. While we lost one less-lethal instructor in 2021 we managed to recertify Deputy Chief Joe Dukeman again to round out our in-house instructor cadre.

We added another electric police vehicle to our work vehicles with a less expensive and equally utilitarian Tesla model Y. 25% of our in-service vehicles are now electric. In September, Axon updated our camera system to the Body 3 system as part of our contract. To tie in with the Town-wide implementation of the Tyler accounting software, after a six-month process, the MO will be employing Tyler's Brazos mobile ticketing and payment system in November 2022.

The Marshal's Office was awarded a \$57,000 Byrne Justice Grant to update our portable radios which have reached their supported end of life and will soon reach their effective end of life.

After working with other stakeholders in 2021 to stand up a Mental Health Mobile Crisis team, the Marshal's Office continued to see successes in working with our partners to assist those in mental health crisis. Council's support of this program is much appreciated.



#### Looking forward to 2023:

As we always do, we will continue to scan our legal and ethical environment for issues which may have implications for the Marshal's Office and to look for opportunities to implement change where trends and events require us to adapt. We are on the lookout for ways to assist with the budget, funding, and grant opportunities; implement evolving industry best practices with training, tactics, techniques, and policies; maintain political and legal situational awareness with regard to litigation, court decisions, interest groups, and rules. Our officers stay current on technological trends and adaptations as they pertain to new technology, automation, training, and communications.

Regarding our larger environment, we monitor demographic changes, and society's evolving values and expectations of Law Enforcement as well as larger climate issues, energy use, terrorism, and intelligence issues for their local effects. When it is released, please check out our Annual Report for more information on our 2022 activities.



## Public Works

The Town of Crested Butte (Town) Public Works Department (PW) is comprised of five divisions: Water, Wastewater, Streets, Facilities, and Fleet. Funding for PW is derived from three separate funding sources. The Water and Wastewater Divisions are funded solely through the Enterprise Fund. The Streets Division is funded through two funding sources, a voter approved mill levy and the General Fund. Finally, the Fleet and Facilities Divisions are solely funded through the General Fund. Currently, PW employs 20 full-time staff members, with each division led by a division manager.

### The Water and Wastewater Division

The Water and Wastewater divisions are responsible for the operations, maintenance, and regulatory compliance of the Town's Water Treatment Facilities (WTP) and Wastewater Treatment Facilities (WWTP). The main objective is to provide safe and reliable drinking water to the community and to protect our environment by discharging the cleanest wastewater possible. To facilitate this effort, the Water and Wastewater divisions collectively employ seven certified water/wastewater operators. The Water and Wastewater Division are solely funded through the Enterprise Fund, which is supported through water and sewer tap fees and user rates.

In 2021, the Town began implementing the Enterprise Master Plan by developing design documents for the Wastewater Treatment Plant Improvements Project and the Lake Irwin Valve and Piping Project. The WWTP Improvement Project broke ground in August of 2022 with Moltz Construction performing the improvements. Funding for the project has come in the form of a Department of Local Affairs (DOLA) grant in the amount of \$750,000, \$11,000,000 direct loan and \$3,000,000 green loan from the State Revolving Fund (SRF), and cash contributions from the Enterprise Fund reserves. This project includes the addition of a new building over the existing secondary treatment process and solids building process equipment replacements and process optimization.

The Lake Irwin Valve and Piping Project is still in the design development phase of the project as the team has encountered some unanticipated design changes based on an assessment from the State Engineering Office (SEO) that designated the improvements as a high-risk dam. Although the components of the project have not changed, the high-risk dam designation has required additional hydraulic analysis and a more robust design. Town staff is continuing to assess funding opportunities for the project as design progresses and as we gain more clarity with federal funding opportunities. Currently, the project is anticipated to break ground in 2024.

In addition to the capital improvements, the WWTP has been working through two regulatory compliance issues: future zinc limits and infiltration & inflow (I&I). Both issues will continue to be addressed over the next year leading up to the renewal of the National Pollutant Discharge Elimination System (NPDES) permit in 2023.

Looking into the future, challenges facing both the WTP and the WWTP will be the ever-increasing regulatory requirements regarding both drinking water and wastewater discharge and the ever-

changing population dynamics of our valley. Finally, Town staff have been working with the Council to develop changes to the Enterprise Fund rate structure to facilitate the necessary capital improvements and ongoing maintenance and repairs to the Town's Water and Wastewater Works and encourage conservation. Staff anticipate adoption of the recommended code changes at the end of 2022 with implementation in 2023.

### Streets Division

In 2022, streets staff completed a variety of street projects and in-kind projects for the Town. The streets projects include crack sealing, striping and painting curbs, grading of alleys, grading of ROWs, slurry sealing, hot patching, curb and gutter repairs and storm water improvements at the Public Works Yard, Paradise Park and the Kapushion Annexation. Town in-kind projects included the construction of three vehicle charging stations at the public works yard. These charging stations will be for Town use only.

In addition to the planned projects outlined above, the Streets Division also constructed and implemented several mobile traffic monitoring stations that aided in the traffic study performed this last summer by the Community Development Department. Finally, staff contracted with JVA Engineering in the fall of 2022 to develop a prioritized capital improvement plan (CIP) for the replacement of our streets and storm water infrastructure. Once implemented, this plan will be the guiding document for future capital improvement needs. Identified improvements in 2023 include the slurry sealing of a portion of Elk Ave and Whiterock Ave and curb and gutter/ valley pan replacement in anticipation of a larger scale improvement in 2024.

The Streets Division is continuing to struggle with both vendor availability, as well as erratic price changes in supplies. Coupled with our remote location, this has forced staff to delay and or push maintenance projects periodically throughout the year. In addition, the division has operated at 66% percent of staff capacity all summer and fall. As we move into winter season, staff is continuing to struggle with filling the vacant positions, possibly forcing the Town to contract for certain snow removal services or to pull staff from other essential services to assist with snow removal in the coming winter.

### Facilities Division

The Facilities Division (FD) is responsible for the operations, repair, and maintenance of the approximately 57 Town owned buildings/structures, several of which were constructed in the 19<sup>th</sup> century. Funding for this division comes from the General Fund. Currently, the FD employees four full time staff members and contracts for a part time custodian to assist in cleaning bathrooms year-round.



In 2022, the FD had several maintenance projects aimed to stabilize existing Town owned structures, including replacement of the foundation on the Pita's Shed, replacement of the siding on the chapel at the cemetery, and replacement of the Zamboni shed roof. In addition, the FD has begun the transition to the electrification of our facilities by converting gas fired appliances with comparable electric appliances when replacement schedules require and/or when replacement is necessary due to failure.

The increase in visitors to our community has corresponded with an increase in usage of public restrooms in Town. To counteract this trend, in 2022 staff increased the contract custodian from six months to year-round service. In addition, staff acquired a

fourth staff member to assist with both custodial duties and routine maintenance duties in our Town facilities.



### Fleet Division

The Fleet Division (Fleet) is responsible for the operations, repair, and maintenance of approximately 70 vehicles and/or equipment. Fleet is funded from the General Fund and currently employs two full time mechanics.

In alignment with the goals and objectives of the Climate Action Plan, Fleet has begun the transition process to electric vehicles. In 2022, the Town acquired one hybrid loader, two gem neighborhood electric vehicles (NEV), a zero-turn mower, a striping buggy and an electric van. Unfortunately, due to supply chain difficulties, the Town was unable to acquire three Ford Lightning Pick Up trucks. We are slated to receive the three Ford Lightnings in 2023, as well as an additional electric van, an electric truck conversion kit, electric Marshals vehicle, and three gem NEVs.

## **Parks, Recreation, Open Space and Trails**

Crested Butte Parks, Recreation, Open Space & Trails (PROST) provides high quality year-round recreational programs and park amenities for residents and visitors alike. We provide management of open spaces and trails and prioritize stewardship of our unique natural areas. We value community connection, conservation, high quality of life, accessibility, healthy lifestyles, sportsmanship, economic vitality, and responsible stewardship of public lands and funds.

### Parks Division

The Parks Division is responsible for the following services:



- Capital project management including preparation of bid and contract documents, grant writing and reporting, and project oversight
- Maintenance of parks, ball fields, playgrounds, sledding hills, skatepark, tennis courts, pedestrian bridges, and other Town-owned landscaped areas including mowing, aerating, fertilizing, and playground/structure maintenance
- Inspection, reporting, and risk management of all park facilities
- Management of raw water collection for park irrigation
- Maintenance, repair, and installation of irrigation systems
- Weed management
- Collaborative management of the Tree Removal Permit system with the Building Division
- Planting and maintenance of flower boxes and perennial gardens
- Tree planting, pruning, and maintenance
- Maintenance of benches, bike racks, picnic tables, and trash and recycling receptacles in parks, on Elk Avenue, at bus stops, and other locations throughout town
- Management of holiday lights and wreaths on Elk Avenue, bus stops, and public buildings
- Maintenance of the Big Mine Ice Arena including building and striping the sheet of ice each season, annual installation of wind screens, and resurfacing of the ice
- Winter snow removal on sidewalks throughout town
- Provide support to Public Works for snow hauling and dumping

#### 2022 Accomplishments:

- Completion of the Rec Path Bridge River Access and Restoration Project with grant funding from the UGRWCD
- Completion of the Henderson Park Renovation Project with grant funding from GOCO
- Completion of phase one of the Bike Park Renovation Project with funding from the Met Rec
- Commencement of the design phase of the Skatepark Renovation Project
- Conversion of 4 gas vehicles to Evs and purchase of an electric Z-turn mower
- Replacement of the Rainbow Park raw water irrigation pump
- Finalized Gothic Raw Water Project
- Purchase of and art design for 24 new “Big Belly” side by side solar compacting trash and recycle bins
- Hired a new Parks Supervisor and two full-time park maintenance staff

#### 2022 Challenges:

- Maxed out on operations and storage space
- Recruiting summer seasonal parks staff
- Bringing the 8<sup>th</sup> and Teocalli pump station on-line
- Delays in receiving Big Belly trash/recycle units due to supply chain issues

#### Recreation Division

The Recreation Division is responsible for the following services:

- Provide a variety of recreational programs for youth and adults throughout the year including program and policy creation, scheduling, and marketing
- Management of indoor recreation facilities including Jerry’s Gym, the Fitness Room, the Community Room, and the Depot

- Scheduling of all town athletic fields, all indoor recreation facilities, Rainbow Pavilion, the Depot, the Town Ranch Event Area, and the Big Mine Ice Arena
- Recreation staff development including recruiting and training of paid instructors and volunteers for a variety of sports and leisure programs
- Policy creation for risk management and best practices in recreational programming
- Collaboration with regional recreation partners and service on the boards of WEHA and WESA, and the Met Rec North Valley Advisory Committee



#### 2022 Accomplishments:

- Hired and trained a new Recreation Coordinator
- Successfully ran 28 different activities and programs for various age groups and skill levels throughout the year serving over 1000 community members
- Successfully brought back the indoor climbing program in partnership with CBCS and Irwin Guides
- Collaborated with GCSAPP to offer 9 programs for middle schoolers

#### 2022 Challenges:

- We are at maximum capacity for most of our programs and are unable to offer additional programs due to facility space constraints
- Recruiting and retaining reliable volunteers and staff to coach programs remains a challenge

#### Open Space & Trails Division

The Open Space & Trails Division is responsible for the following services:

- Management of conservation easements including collaboration with private property owners, land managing agencies, and the Crested Butte Land Trust
- Acquisition of conservation easements and conserved lands
- Monitoring of open space parcels including reporting and landowner communications
- Stewardship of open space parcels and trails including maintenance, signage, and public outreach
- Serve on the Slate River Working Group and STOR Committee

#### 2022 Accomplishments:

- Continued the process to remove mining claims on Mt Emmons including working closely with our partners on 2 key documents – the Conservation Easement between CBLT and MEMC, and the mineral and development rights Extinguishment Agreement between the USFS and MEMC
- Completion of the Town Ranch Fencing Project
- Initiated Landscape open space management software
- Completed on-site monitoring and reporting for 13 open space parcels where Town holds conservation easements

- Completed construction of the new downhill Mogul Storage Trail at Baxter Gulch in partnership with CBMBA
- Successfully implemented the new shared ranger position with CBLT
- Provided comment letters on management issues for partnering agencies including the GMUG Forest Plan, the Gunnison Outdoor Resources Protection Act (GORP), the Maroon Bells Fee Proposal, the North Valley Trails Plan, and the CORE Act
- Initiated the Red Lady Open Space Fire Mitigation Project in partnership with the West Region Wildfire Council

#### 2022 Challenges:

- Delayed projects due to supply chain issues and contractor staff shortages
- Working through controversial issues with private landowners
- Difficulty stewarding fee title owned properties to meet legal requirements of monitoring conservation easements held by Town

#### 2023 PROST Initiatives:

- Continue the process to place a conservation easement and extinguish mineral and development rights on the MEMC property and exchanged lands on Mt. Emmons
- Develop an Open Space & Trails Strategic Plan
- Develop bi-lingual recreation program content on our website
- Completion of the Schutt property conservation easement in partnership with CBLT
- Completion of the Red Lady Open Space Fire Mitigation Project
- Construction of the Skatepark Renovation Project
- Construction of the Big Mine Park bathrooms
- Rollout of the Big Belly solar trash compacting units
- Continue to electrify the fleet
- Commence planning and research on converting non-active irrigated areas from Kentucky Bluegrass to native grasses and forbs
- Hire a part-time Recreation and Open Space Coordinator
- Plan water attenuation project for Town Ranch to rehabilitate wetlands and remove incised ditches

## PROST Organizational Chart



## Community Development

The Community Development Department facilitates the promotion, planning, and regulatory framework for the preservation and enhancement of the Crested Butte community and the places in Town where people want to live, work, and play. The Department does this through the administration of the Crested Butte Community Compass; the implementation of the Town's zoning, subdivision, and building codes; and the management and implementation of the Town's Housing program.

All the Department's efforts adhere to community values and public engagement processes outlined in the Community Compass. There are four operating divisions within the Community Development Department. Each division's responsibilities are outlined below.

### Long-Range Planning Division

- Manages the development and implementation of the Town's comprehensive plan, the Community Compass
- Facilitates the development of small area plans, corridor plans, transportation plans, special studies, and regulatory updates
- Manages the Town's community outreach and engagement efforts
- Manages the Town's Climate Action Plan's development and implementation
- Grant writing and reporting

### Current Planning & Historic Preservation Division

- Enforces zoning & subdivision regulations
- Manages development review processes and procedures



- Manages the Town’s historic preservation ordinances, resources, & Certified Local Government requirements
- Supports the Board of Zoning and Architecture Review (BOZAR)
- Grant writing and reporting

#### Building Safety Division (Building)

- Advises on adoption of and enforces the Town’s building codes
- Manages the Town’s building permit processes and procedures
- Manages the Town’s building sustainability goals outlined in the Town’s climate action plan

#### Community Housing Division

- Facilitates the planning, programing, and development of affordable and deed restricted housing
- Manages the affordable and deed restricted housing policies and programs
- Manages enforcement of deed restrictions
- Coordinates regional housing initiatives with regional partners
- Grant writing and reporting



#### 2022 Department Accomplishments:

- Creation and Adoption of the Crested Butte Community Compass
  - Received the American Planning Association (APA), Colorado Division’s 2022 Award of Honor for community engagement
- Implemented the ICC’s 2021 Building Codes along with the Department of Energy’s Zero Energy Ready Home regulations and an all-electric requirement for new construction, consistent with the expectations of the Town’s Climate Action Plan
- Updated the Town’s short-term rental regulations
- Managing the Implementation of the Sixth and Butte and Paradise Park Affordable Housing Project
  - Received a \$2.94 million dollar grant from Colorado Department of Local Affairs
  - Managed the Clean-up of Town Parcel 5 in the Slate River Subdivision
  - Executed a contract and managed the design of the tax credit housing with TWG
  - Executed a contract and managed the design of Paradise Park housing with HMG
- Acquired and relocated the Haney House (which was slated for demolition) for Town employee housing
- Acquired a duplex unit in Crested Butte South for Town employee housing
- Updated the Town’s deed restriction for local employment
- Implemented a two-way parklet program Elk Avenue
- Implemented the Town’s Parking Management Program
- Finalized a transportation demand management plan with Center for the Art consistent with the BOZAR development requirements.
- Facilitated the RV dump station conversation with Paradise Park neighborhood

- Received a Community Rating System (CRS) score of 7, lowering flood insurance costs to residents in Town by 15%
- Actively participating in the County's Recovery Road Map initiative

#### 2022 Department Challenges:

- Delayed delivery of Community Compass by three months to ensure the document reflected community and Council feedback
- Difficulties in identifying the full scope of the Town Parcel 5 clean-up. There were too many unknowns which significantly increased the cost of the clean-up
- Instability and transition at Gunnison Valley Regional Housing Authority created uncertainties, challenges and delays in administration of some housing initiatives such as deed restriction enforcement, Ruby management and GoodDeed

#### 2023 Department Initiatives:

- Manage the construction and sales of the Sixth and Butte and Paradise Park Affordable Housing Master Project
- Evaluate and update the Town's Accessory Building and Accessory Dwelling Unit (ADU) policies, regulations, and procedures
- Initiate a Town-wide Transportation Master Plan
  - Implement a Town-wide traffic calming policy
- Study Resident Occupied Affordable Housing (ROAH) regulations & fees and update as needed
- Initiate a Historic Preservation Master Plan for the Town
- Continue Climate Action Plan implementation
  - Update Renewable Energy Mitigation Program (REMP) requirements & fees
  - Manage Town incentives for GreenDeed, energy audits for market rate homes, and rebate incentives for electrification

## General Government

There are costs in the general fund that do not fall under the responsibility of one of the department heads such as utilities for Town property used by multiple departments and those not in public use, town clean-up, IT, and community grants. These expenses are noted within the General Government department of the general fund.

The Town supports the community by providing financial and/or staff resources to non-governmental organizations for special projects and programs that supplement municipal government operations and enhance quality of life for the community. This is demonstrated by providing financial grants to non-profits serving the Crested Butte community. Funds are awarded in two cycles each year. The 2023 General Government budget includes a total of \$175,000 for these grants.

Additionally, 2022 saw adoption of a policy by the Town Council to allocate nicotine tax funds to entities or programs that support substance use prevention, cessation and treatment of substance and access to mental health programs. Primary consideration will be to fund programs or projects that focus on youth and young adults in the Crested

Butte community. The Town Council has initially committed to funding positions for two clinical therapists in the Crested Butte Community School for \$140,000 annually with a remaining estimated \$60,000 to be allocated through grant funds in 2023.

## Overview of Town Tax Revenues

Government funds rely primarily on tax revenue to provide public services, while business-type funds charge fees to users of specific services, typically with a goal to be self-sustaining.

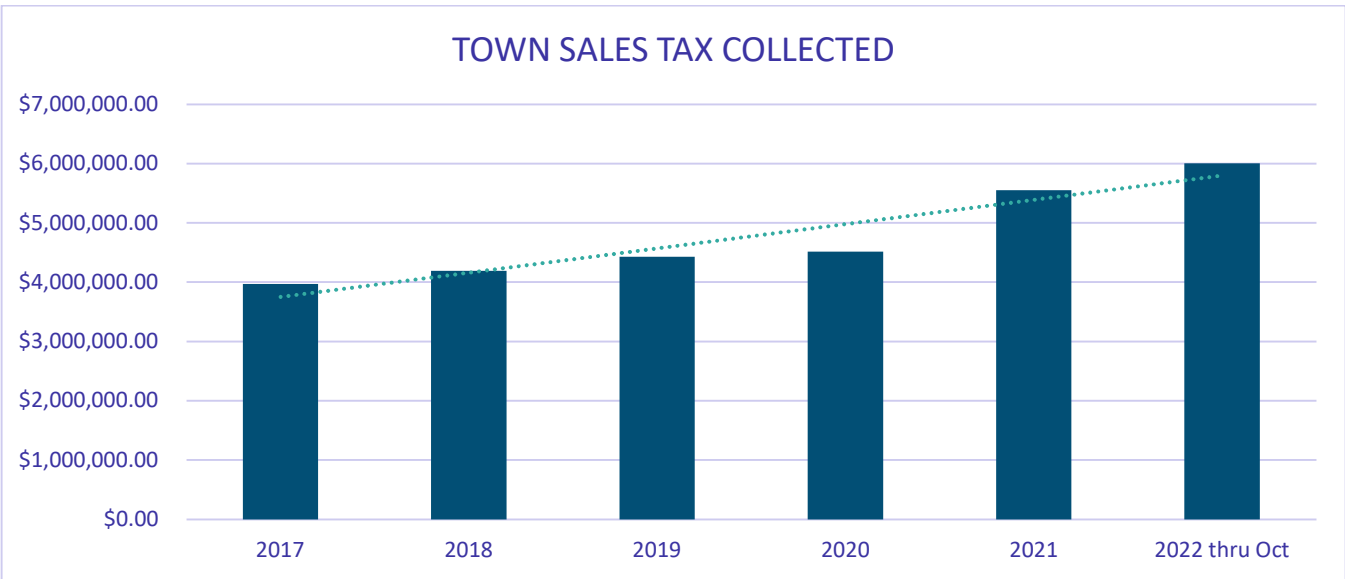
### Sales Tax

The sales tax rate within the Town of Crested Butte is 9.4% and breaks down as follows:

Colorado State tax	2.9%
Gunnison County tax	1.0%*
Crested Butte tax	4.5%
<u>Rural Transportation Authority tax</u>	<u>1.0%</u>
Total Sales Tax rate in Crested Butte	9.4%

\* Shared 50/50 with local jurisdictions based on location of sale

Town sales tax revenues have been growing steadily over the past decade. Remarkably, through October 2022, sales tax is up 12.7% year to date over 2021.



The Town’s 4.5% sales tax is allocated to various funds and uses as follows:

Of the 4%

75% - General fund or Capital fund as needed

25% - Transportation (95% allocation directly to Mt. Express)

### Of the 0.5%

100% - Parks and recreation facility maintenance, capital, programs, and trails

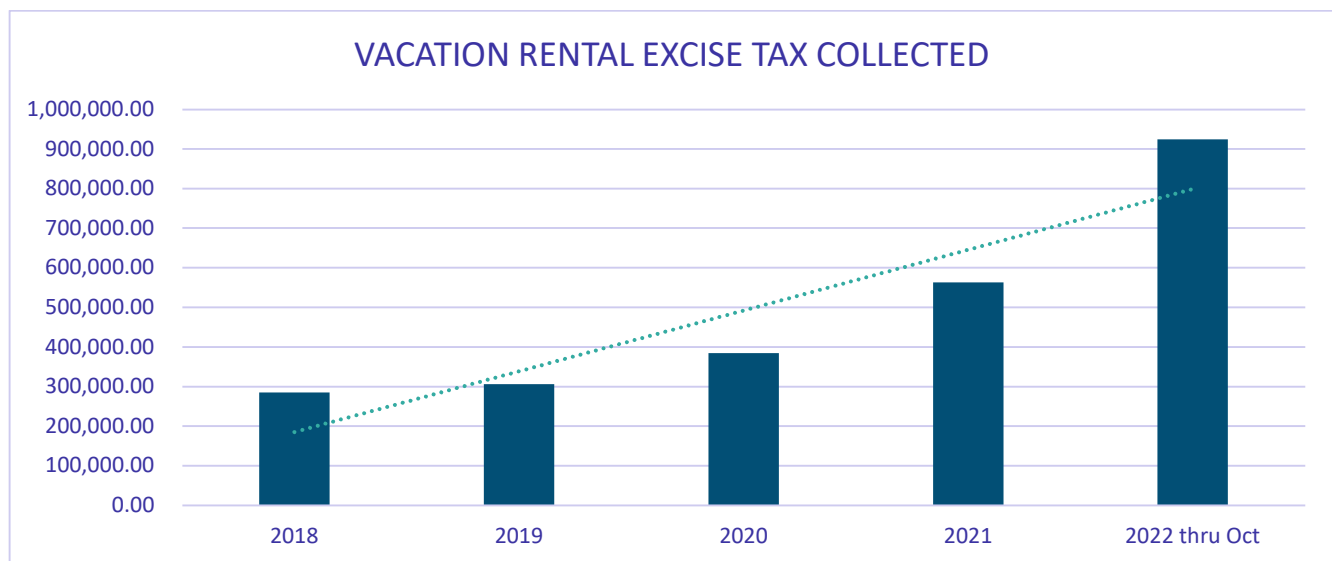
### Lodging and Vacation Rental Taxes

The tax rate on lodging within the Town of Crested Butte is 13.4% and breaks down as follows:

Sales tax 9.4%

Local Marketing District tax 4.0%

Taxes assessed on vacation rentals in Crested Butte include an additional 7.5% excise tax which is allocated to the Affordable Housing fund. This brings the total tax rate for vacation rentals to 20.9% effective January 1, 2022.



The excise tax on vacation rentals was originally approved at 5.0% by the voters in 2017 and collections began in January 2018. Voters approved an additional 2.5% in 2021, bringing the vacation rental excise tax rate to 7.5%.

Vacation rental excise tax is up 89% through October compared to the same time last year. The number of vacation rental units in the community is limited through zoning so the increase is due to a combination of longer stays and rate increases, the 2.5% increase in the excise tax rate and the passage of Ordinance No 4 – 2022 requiring vendors and retailers who do not have a physical presence within the Town to collect and remit sales, use and vacation rental sales taxes.

### Use Tax

The use tax rate within the Town of Crested Butte is 4.5% and is applied to construction materials and motor vehicles. The revenue is allocated as follows:

60% - General fund

40% - Capital fund

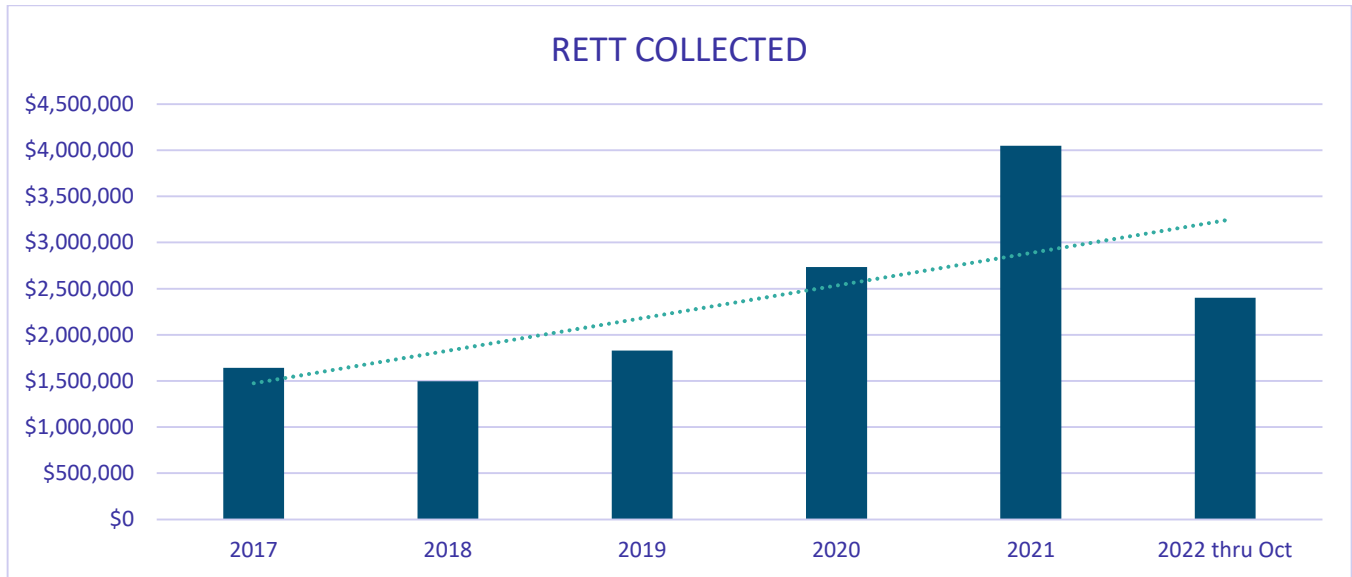


### Real Estate Transfer Tax (RETT)

Crested Butte is one of 12 municipalities in the mountains/Western slope of Colorado that have a real estate transfer tax (RETT). These were extant at the passage of the Taxpayer's Bill of Rights (TABOR) in 1992 and so were "grandfathered in." The Town's RETT is 3% of the sales price of real property and thus can fluctuate substantially each year with changes in the market.

RETT revenue is allocated as follows:

- 50% - Capital fund including streets, affordable housing and parks
- 50% - Open space



Recent years have seen substantial increase in real estate prices and the number of transactions and thus RETT has increased as well. The COVID-19 pandemic brought increased interest in remote working and a desire to live full-time in mountain resort communities throughout the Rocky Mountain region. People with higher-paying jobs in urban areas and increases in investment income in 2020 and into 2021 drove an increase in demand and price point. RETT revenues increased 48% in 2021 over 2020 but are down 17% through October 2022 YOY. Higher mortgage interest rates, inflation and uncertain economic conditions are all contributing factors to the decline.

### Property Tax

The Town does collect a property tax. In addition, the County, School District, and several other special districts assess a property tax within the municipality. In 2022 the following entities assessed property taxes on real property within Crested Butte at the following mills:

<u>Taxing entity</u>	<u>Mill levy</u>
Gunnison County	14.614
RE1J School District	27.236
CB Fire Protection District	11.415
Town of Crested Butte	10.374

Upper Gunnison Water District	1.951
Gunnison County Library District	1.900
Gunnison County Met Rec District	1.000
<u>CO River Water District</u>	<u>0.501</u>
Total Levy in 2022	68.991

Revenues from the Town's property tax are divided between the General fund and the Street & Alley fund. In 2023, the General fund mills (net of mill credit) will be approximately 2.366 and the Street & Alley fund mills will be 8.0. These will remain stable with the mills assessed in 2022 and recent years. Recognizing that property valuations have been increasing rapidly in recent years and the importance of trying to maintain stable costs of living for locals, the Town is providing a 4.934 mill credit to property owners from the General fund and an 8.0 mill credit from the Street & Alley fund. Voters approved up to 16 mills for Street & Alley, but Town is currently managing to 8.0 mills. Similarly, the Town could assess up to 7.3 mills to the General fund but limiting that to approximately 2.366 mills through a credit.

The Town collected \$1,190,283 in property taxes in 2021. Valuations are calculated by the County Assessor every other year and revenues are relatively stable for the Town between valuations. Without changing the mills, the Town saw a 10% revenue increase in 2018 and a 15% increase in 2020. The increase is being driven largely by increasing property assessed valuations as a reflection of increasing real estate market values.

The community will be further impacted by in the coming years with the passage of two property tax increases in November 2022. Property tax for the school district will increase by 5.73 mills to fund a bond for facility improvements and the Met Rec will collect an additional 1.0 mill for recreation in the North Valley.

All funds use the modified accrual basis of accounting for financial statement reporting in accordance with Government Accounting Standards Board (GASB) Statement No. 34. The budget was prepared using the modified accrual basis. The format closely follows disclosures published annually in the audited financial statements to aid in comparisons of the budget to actual financial results at the end of each year. One historical difference between the budget and audit is that under the fund reporting requirements of GASB 54, the Sales Tax fund is combined with the General fund for reporting purposes in the audit. For the 2021 Budget and going forward, the Sales Tax fund has been combined with the General fund.



## Executive Summary of the 2023 Budget

Beginning mid-June 2020, outdoor tourism, including camping, biking, and hiking began to boom. Driving this boom were people seeking to escape urban areas during the pandemic and related shutdowns. Many of these people camped or stayed in short term rentals and worked remotely. These factors continued into fall. September and October 2020 were record months for sales tax collections, headlined by lodging, grocery, and retail. This “Zoom Boom” has continued into 2022. As of October 2022, sales tax collections have increased 12.7% over 2021. We expect 2023 sales tax collections to continue being strong, albeit with a lower growth trajectory than 2022.

Recent trends illustrate changing demographics in Crested Butte and the northern Gunnison Valley. Housing prices skyrocketed in 2020 and 2021, although both the volume of sales and the price increases slowed in 2022. Town continues to see an influx of remote workers moving to Crested Butte. This is driving increasing demands on Town’s infrastructure and services. In addition to the housing boom, the local backcountry has been experiencing unprecedented usage. Finally, this rapid increase in housing expense is making it nearly impossible for most workers who do not already own homes in town to live in town. To best evaluate and respond to these trends, Town Council and staff brought together residents and other key constituents in 2021 and 2022 to determine what the vision and path forward should be. The resulting document, titled the Community Compass, will provide guiding principles to ensure that public policy, change and investments within and around the Town occur in compliance with the Town’s mutually agreed upon values.

Capital expenditures vary from year to year as with the timing of certain one-time costs and special projects. After limiting large expenditures during 2020 and 2021 due to pandemic uncertainty, the 2023 capital budget includes several large projects and expenditures in the General Capital, Affordable Housing and Enterprise Funds. Operating expenditures will increase in 2022 due to an increased infrastructure footprint, increased staff, and inflation. A separate budget is prepared for each fund and/or area of operations and is discussed in more detail with each fund.

Overall, Crested Butte’s financial condition is healthy due to the growth in sales and real estate transfer taxes, combined with rate increases and closely managed expenditures. Over the last few years, Town made significant investments in open space projects, affordable housing, water treatment plant and wastewater treatment plant upgrades. The 2023 budget includes \$26,155,188 in capital expenditures with an offsetting \$3,633,621 in anticipated grants. Additionally, Town is closing on a \$14,000,000 loan in December 2022 for purposes of the Enterprise Fund projects. Some of the capital outlay is for routine equipment replacement, building maintenance and related. Some of the capital outlay is for new projects including affordable housing builds, a new skatepark, electric vehicle charging infrastructure, open space easements, and capital improvements for water and wastewater treatment plants and outlying infrastructure. Discipline over spending has been a long-standing practice in all departments to ensure dollars are spent wisely and with long-term benefits in mind. Requests for funds for both operations and capital always exceed revenue sources. Council has directed staff to maintain at least one year of operating reserves in Town funds.

The ballot measure approved in November 2016 will allow for the Town to issue up to \$2,110,000 in debt. The funds will be used to pay the Mt. Emmons Mining Company (“MEMC”) \$2,000,000 once they have abandoned the more than 9,000 acres of unpatented mining claims on and around Mt. Emmons, also known as the Red Lady. MEMC, a subsidiary of Freeport-McMoRan, has been working with the Town, County, and community partners towards this goal over the past five years. Withdrawal and abandonment of the claims requires Federal approval the timeline of which is uncertain. However, the parties are hopeful of the completion by 2023 so this expense has been included in the 2023 budget.



## Background, Budget Assumptions and Changes from the Previous Year

The budget is based on trends and assumptions about the future. With very few exceptions, we do not know today which vendors will be paid how much for what particular product or service during 2023. We look back at recent experience and use that data, along with indicators for the future, to estimate costs for many different supplies, utilities, contracted services, repairs, and maintenance, etc. Likewise, the revenue budget is based on limited known data and projections for many unknowns.

A primary assumption for the 2023 budget deals with post-pandemic inflation and related factors. Most indicators suggest ongoing inflation rate and increasing interest rates as the Federal Reserve tries to slow the inflation. The annual inflation rate for the United States is 7.7% for the 12 months ended October 2022 after rising 8.2% previously, according to U.S. Labor Department data published Nov. 10. The Federal Reserve raised the target range for the federal funds rate by 75bps to 3.75%-4% during its November 2022 meeting, marking a sixth consecutive rate hike and the fourth straight three-quarter point increase, pushing borrowing costs to a new high since 2008. In October, the Consumer Price Index for All Urban Consumers increased 0.4 percent, seasonally adjusted, and rose 7.7 percent over the last 12 months, not seasonally adjusted. The index for all items less food and energy increased 0.3 percent in October (SA); up 6.3 percent over the year (NSA). In addition, to inflation and the related



increases in price of goods, we are also in a very low unemployment environment and have been facing severe supply chain backlogs for the past year or more with little relief in sight.

The most significant economic indicator for the Town is sales tax. Town sales tax revenue of \$6,150,000 is budgeted in 2023, roughly a 37% increase over 2022 budget and flat with the 2022 projected revenue. Visitors contribute significantly to Crested Butte's economy. Crested Butte's largest month for sales tax collections (July) is typically at least 80% greater than the lowest month (April). Crested Butte receives a portion of the Gunnison County sales tax, which is projected to be \$657,542 in 2023. The Town receives ½ of the County sales tax generated within the municipality.

With the surprisingly positive sales tax trend and insignificant levels of debt outside of the enterprise fund, the Town has made significant progress toward general infrastructure needs including maintenance, vehicle replacements and one-time projects in recent years. Healthy Town reserves have allowed for significant projects in recent years related to open space preservation, affordable housing, and climate action. Large strides are planned in affordable housing and vehicle replacement in the 2023 budget.

Certain predictions must be made regarding the coming year. These key assumptions and changes were some of the primary topics for discussion during the public budget work sessions with Town Council.

#### Total Revenue

- Sales tax revenue – assumes 0% growth in 2023 over 2022 projected revenue. Although sales tax revenues have seen strong growth in recent years, our approach is typically conservative with regards to revenue generation to manage expenses accordingly.
- Other taxes – the real estate transfer tax is projected to be lower than recent revenues as we cautiously monitor the impact of increasing interest rates and the related impact on the real estate market.
- Nicotine tax – a Town ballot initiative was passed in 2019 that applied an excise tax on cigarettes and other nicotine containing products. The related amount budgeted for 2023 is \$200,000. These funds are intended to be used locally for Community health and wellness initiatives. These funds will be distributed to the school district and through Town's spring and fall community grant cycles.
- Grant and contribution revenue totaling \$3,633,621 is expected including funds from Department of Local Affairs and Great Outdoors Colorado (GOCO). Of this total \$580,00 will support the Big Mine Skate Park Project, \$295,000 will support Community Development projects, \$35,000 will support Open Space projects, \$1,870,869 will support Affordable Housing building projects and the remaining \$852,752 will support wastewater renovation projects.
- Vacation rental license fees and excise tax – In January 2018 the Town began issuing vacation rental licenses for the first time. Additionally, Town collects a 7.5% excise tax on all vacation rentals. Excise tax collections are anticipated to be \$1,000,000 in 2023 and used strictly to support affordable housing efforts.
- Water and Sewer fees – base rates for monthly water and sewer services will increase by a 23% per month per EQR. Concurrent with this increase, there is a reduction in the amount of water included in the base rate. These changes are part of a strategy to increase revenues by 30% while

encouraging water conservation. The increase is necessary to offset costs for the plant upgrades and will be closely monitored over the coming year(s).

- Contribution from reserves - 2023 will see contributions from reserves in multiple funds:
  - Enterprise Fund - \$11,428,887 draw down as Town will be making significant investments to water and wastewater plants and infrastructure. These funds will be replenished by way of new debt assumed in the same amount.
  - Parks (sub-set of Capital) will operate at a negative \$679,568.
  - Affordable Housing – \$2,620,631. However, presales and prefunding will restore this draw down of reserves.
  - Streets & Alleys – \$767,458. This draw down is largely due to the need to replace heavy equipment.
  - Open Space (sub-set of Capital) will utilize up to \$1,960,000 from reserves.

#### Total Expenditures

- Personnel – the 2023 budget contemplates the addition (or full year impact of) four positions. Those include a public works maintenance worker, a sustainability coordinator, a part-time recreation and open space coordinator, and a building inspector. An 8% increase for wages is included to help offset the rapidly increasing cost of living as well as a 4% merit increase to reward exemplary performance. Town currently has 51 full time employees.
- Employee health insurance – 4.5% increase in medical premiums versus 2022.

## Personnel

Personnel costs include wages, taxes, retirement contributions, medical, dental, life and workers compensation insurance premiums. Many Town employees spend a considerable amount of time planning and managing capital projects; however, the Town does not capitalize personnel costs. In other words, all personnel costs are recorded as an operating expenditure.

The table below summarizes the staffing in the 2023 budget. 2022 saw the addition of 3 positions including the Housing Director, a public works maintenance worker, and finance assistant. The vacation rental/residential building inspector was relocated to the Clerk's department where they will manage vacation rental and business licensing in addition to general clerk duties. Headcount is listed according to the employees' home department based on the organizational structure.



## Budgeted Year-Round Employee Headcount

Department	2022	2023
Community Development	7.75	9.75
Marshals	9	9
Streets	5	6
Parks	5	5
Finance / HR / IT	4.5	5
Wastewater	4	4
Facilities	4	4
Water	3	3
Recreation	3	3
Clerk	2	3
Public Works	2	2
Shop	2	2
Manager	1	1
Affordable Housing	1	1
<b>Total</b>	<b>53.25</b>	<b>57.75</b>

The calculation of full-time equivalents (FTE) budgeted in each department is based on a “regular” full-time schedule of 2,080 hours per year. This chart does not reflect the many recreation coaches or summer seasonal employees in Parks.

A portion of the costs for several public works and planning members are allocated to other funds based on time spent performing duties in those areas. Within the public works organization, employees generally work on maintenance and improvement projects specific to general fund assets such as streets and facilities or to water and wastewater infrastructure. Their costs are specifically charged to the proper fund based on timesheets. GIS mapping services are housed within planning, but a portion of employee costs are allocated to the water and wastewater funds.

In 2019, the Town adopted a pay plan policy, which is reviewed and updated as needed. All employees are paid a wage within the ranges in the pay plan. Pay is based on the employee’s level of authority, technical skills, education and other factors detailed in each job description. The salary ranges within the pay plan policy are updated every two years utilizing a comparison to every position within each range to comparable positions in the CML annual salary survey. The salary ranges were last updated in October 2021.

The 2023 budget includes 12% wage increases for staff. The 12% includes an 8% cost-of-living adjustment and 4% merit pool. The merit pool is allocated to each employee based upon their annual performance review. This is a remarkable wage increase and is reflective of the high inflation being experienced coming out of the COVID-19 pandemic and extraordinary local increase in housing expenses.

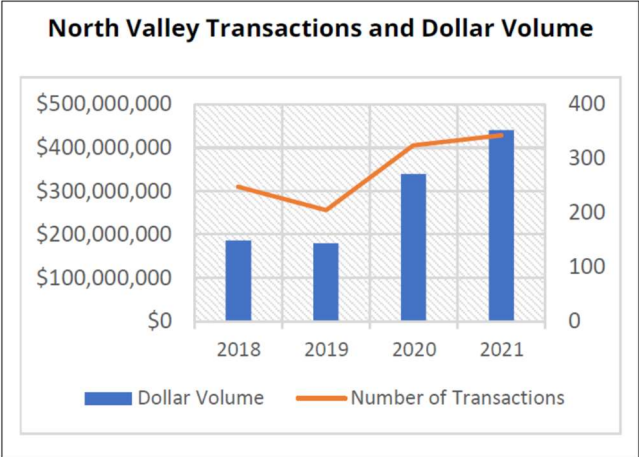
The Town has experienced increasing pressure on attraction and retention of employees and wages are one important component of the equation. Several full-time positions in the Town government have remained open for many months in 2021 and 2022 with no applicants at all. Seasonal positions with parks now remain perpetually open throughout the summer. We considered several factors in making this wage increase recommendation including state-wide inflation factors, increase in the federal social security, compensation across Colorado municipalities and local increases in housing expense.

CPI (AUC) Sept	8.20%	
Food	11.20%	
Energy	19.80%	
Social Security	8.70%	
Mountain Express	6.0-15.0%	
RE1J School District	9.00%	in addition to market adjustment salary increase in August
Mount Crested Butte	6.20%	
		in addition to increased employer paid health insurance premium contribution
City of Gunnison	8.10%	
Gunnison County	6.00%	

The Social Security Administration will be increasing the allocations to recipients by 8.7% in 2023, the largest percentage increase in 40 years.

Each year, CML asks its members and other government entities to complete a survey of employee salary, wages, and benefit data. The Town utilizes this data every two years to inform our Employee Pay Plan and to adjust salary ranges for each of the Town’s job levels. Salary ranges were last adjusted based on the 2021 CML compensation survey.

Locally we examined housing trends based upon data from the market analysis completed for the Town in October 2022 by Western Spaces. They are reporting that County Wide, the median sales price for residential units rose steadily between 2019 and 2021, with an increase of 15% from 2019 to 2020 and another 17% from 2020 to 2021. While the number of transactions and price escalation both slowed in 2022, new homeownership in the Crested Butte area remains unattainable for most Town employees and rentals are challenging to find as well.



There is a dearth of purpose-built rental units in Gunnison County. The Town will continue to build rental and for-sale housing units in 2023 with the Sixth and Butte and Paradise Park projects, including completion of five more Town employee rental units (a triplex and the Haney House and accessory unit). We will also continue to participate in regional efforts to address the housing crisis.

Staff retention has been a top concern in 2022 with the unemployment rate in Gunnison County hovering just above 2% for most of the year. We have seen increasing competition among valley



employers with increasing wages and benefits along with hiring and retention bonuses. With unfilled positions, retention has become critical to being able to maintain municipal operations.

The 12% wage increase in the 2023 budget is a balance of the rapid escalation of living expenses in this area and experiential struggles with recruitment and retention against what has reasonably been projected for revenue growth, and thus what the Town can afford.



# Summary of all Town Funds 2023

The following worksheet provides a combined summary of all funds in the budget. With total revenues of \$38,371,474, expenditures of \$40,262,604 and total deficit of (\$1,891,131).

## 2023 Budget

### Summary of all Revenue, Expenditures and Fund Balances

	General Fund	Enterprise Fund			General Capital Fund			Conservation Trust Fund	Street & Alley Fund	Affordable Housing Fund	Total
		Water	Wastewater	Trash	Capital	Open Space	Parks				
<b>Revenue</b>											
Taxes	\$7,654,209				\$1,291,500	\$1,000,000	\$958,333		\$1,060,403	\$1,000,000	\$12,964,445
Service Charges	\$335,543	\$1,135,554	\$3,781,609	\$345,363			\$62,000				\$5,660,068
Licenses & Permits	\$265,121										\$265,121
Payments in Lieu										\$50,000	\$50,000
Parking in lieu									\$2,600		\$2,600
Fines & forfeitures	\$30,585	\$2,500	\$2,500						\$1,400		\$36,985
Grants/fundraising			\$852,752		\$295,000	\$35,000	\$580,000			\$1,870,869	\$3,633,621
Unit sales/reimbursements										\$3,406,576	\$3,406,576
Interest Income	\$24,000	\$12,500	\$12,500		\$2,500						\$51,500
Other	\$133,440	\$1,975					\$110,000	\$11,830	\$815	\$98,980	\$357,040
<b>Total Operating Revenue</b>	<b>\$8,442,898</b>	<b>\$1,152,529</b>	<b>\$4,649,361</b>	<b>\$345,363</b>	<b>\$1,589,000</b>	<b>\$1,035,000</b>	<b>\$1,710,333</b>	<b>\$11,830</b>	<b>\$1,065,218</b>	<b>\$6,426,425</b>	<b>\$26,427,957</b>
Tap Fees		\$223,200	\$223,200								\$446,400
Other			\$11,497,117								\$11,497,117
<b>Total Capital Revenue</b>	<b>\$0</b>	<b>\$223,200</b>	<b>\$11,720,317</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$11,943,517</b>
<b>Total Revenue</b>	<b>\$8,442,898</b>	<b>\$1,375,729</b>	<b>\$16,369,678</b>	<b>\$345,363</b>	<b>\$1,589,000</b>	<b>\$1,035,000</b>	<b>\$1,710,333</b>	<b>\$11,830</b>	<b>\$1,065,218</b>	<b>\$6,426,425</b>	<b>\$38,371,474</b>
<b>Operating Expenses</b>											
Enterprise Fund		\$807,824	\$1,259,056	\$335,303							\$2,402,184
Affordable Housing										\$754,930	\$754,930
Streets & Alley									\$1,798,976		\$1,798,976
Conservation Trust								\$110,000			\$110,000
Capital					\$70,325						\$70,325
Parks							\$807,901				\$807,901
Open Space						\$105,000					\$105,000
Marshals	\$1,409,158										\$1,409,158
Finance / HR / IT	\$696,444										\$696,444
Recreation	\$461,332										\$461,332
General Government	\$2,133,239										\$2,133,239
Community Development	\$1,328,324										\$1,328,324
Public Works	\$404,131										\$404,131
Facilities	\$407,498										\$407,498
Shop/Fleet	\$300,691										\$300,691
Legal	\$220,100										\$220,100
Clerk	\$377,155										\$377,155
Manager/Admin	\$226,542										\$226,542
Council	\$93,486										\$93,486
<b>Total Operating Expense</b>	<b>\$8,058,101</b>	<b>\$807,824</b>	<b>\$1,259,056</b>	<b>\$335,303</b>	<b>\$70,325</b>	<b>\$105,000</b>	<b>\$807,901</b>	<b>\$110,000</b>	<b>\$1,798,976</b>	<b>\$754,930</b>	<b>\$14,107,416</b>
<b>Capital Expenses</b>			\$15,620,355		\$1,143,583	\$2,890,000	\$1,582,000		\$33,700	\$4,885,550	\$26,155,188
<b>Total Expense</b>	<b>\$8,058,101</b>	<b>\$807,824</b>	<b>\$16,879,412</b>	<b>\$335,303</b>	<b>\$1,213,908</b>	<b>\$2,995,000</b>	<b>\$2,389,901</b>	<b>\$110,000</b>	<b>\$1,832,676</b>	<b>\$5,640,480</b>	<b>\$40,262,604</b>
<b>Net Surplus / (Deficit)</b>	<b>\$384,798</b>	<b>\$567,905</b>	<b>(\$509,734)</b>	<b>\$10,059</b>	<b>\$375,092</b>	<b>(\$1,960,000)</b>	<b>(\$679,568)</b>	<b>(\$98,170)</b>	<b>(\$767,458)</b>	<b>\$785,945</b>	<b>(\$1,891,131)</b>
Estimated Balance 12/31/22	\$8,957,518		\$6,199,273		\$6,361,766	\$3,751,880		\$107,653	\$3,025,555	\$169,984	\$28,573,630
Estimated Balance 12/31/23	\$9,342,316		\$6,267,503		\$6,057,291	\$1,791,880		\$9,483	\$2,258,097	\$955,929	\$26,682,499

# 2023 Budgets by Fund

## General Fund

### General Fund Narrative

The General fund is the primary operating fund for the Town. Within the General fund budget, you will find details of revenues and operating expenditures for most departments of the Town. The estimated fund balance of the General Fund on December 31, 2022 is projected to be \$7,799,750. Expenditures for the General fund (including Mountain Express contribution) in 2023 total \$8,058,101.

The main sources of revenue for the General fund are 4.0% of the 4.5% Town sales tax and 50% of the County's 1% sales tax on sales within the Town of Crested Butte. The 4% is split with 1% dedicated to transportation (primarily Mountain Express) and 3% for the needs of General fund or other Town funds as needed. Other revenues come from use tax, permits & licenses, fees for services and recreation program revenue. Expenditures include personnel, utilities, property and liability insurance, community grants, office expenses, tools and equipment, vehicle fuel and maintenance, and program expenses.

Departments of the General Fund include:

- general government
- town council
- legal
- clerk
- manager
- finance
- marshals
- municipal court
- elections
- recreation
- facility maintenance
- community development
- public works

### 2023 Highlights:

#### REVENUE:

- Sales tax revenue accounts for the majority (81%) of the General Fund revenues.
- Building revenues are projected to remain flat reflecting increased interest rates and inflation slowing the number of projects, but higher costs for those projects that do proceed.
- Property tax revenue must follow TABOR rules. The overall net mill levy is projected to be 2.366 in accordance with growth calculations. Revenue will be roughly consistent with 2022.
- Recreation program revenue is projected to be slightly higher than 2022 program revenue. This reflects more consistent programming as we hope to not have any public health restrictions in 2023. Recreation program costs exceed revenue by a ratio of over 5 to 1.
- The General Fund will not be requiring reserve contributions during 2023. Reserves have been drawn down with several one-time property purchases in 2022. The fund maintains strong reserves with sufficient funds to serves just over 100% of annual operations anticipated at the end of 2023.

## EXPENDITURES:

- Personnel wage increases are budgeted at 12%. Medical insurance premiums are increasing 4.5%. Wage increases are necessary to partially offset the rapidly increasing cost of living in the Gunnison Valley, particularly current inflation and housing.
- There are four new positions included in 2023 budget – Public works maintenance worker, sustainability coordinator, part-time recreation and open space coordinator and a residential building inspector.
- General Fund expenses are budgeted to grow 24% versus 2022 budget. Drivers for the increase include:
  - Increase in Mountain Express payments, which follows sales tax revenue - \$400,000 increase over 2022 budget
  - Increased funding for Community grants from \$100,000 to reflect \$200,000 from nicotine tax in addition to \$175,000 for general grants. This includes the second year of three years of an annual \$67,000 contribution to Western's endowment for local high school graduates.
  - New positions and salary increase
  - 2023 election expenses
  - Staff leadership training
  - Community Development projects such as the ROAH fee review and transportation planning
  - General inflation factor of good and services

## General Fund Summary

	2021 Actual	2022 Budget	2022 Forecast	2023 Budget	Δ\$	Δ%
<b>Total Revenue</b>	\$7,755,858	\$6,608,004	\$8,460,225	\$8,442,898	\$1,834,894	27.77%
General Government	\$1,877,257	\$1,653,864	\$2,024,827	\$2,133,239	\$479,376	28.99%
Marshals	\$1,105,725	\$1,210,601	\$1,235,003	\$1,409,158	\$198,558	16.40%
Finance	\$575,400	\$608,224	\$478,109	\$696,444	\$88,221	14.50%
Community Development	\$880,683	\$959,575	\$1,182,004	\$1,328,324	\$368,749	38.43%
Recreation	\$322,487	\$359,492	\$401,779	\$461,332	\$101,840	28.33%
Public Works	\$192,032	\$370,377	\$381,649	\$404,131	\$33,754	9.11%
Facilities Maintenance	\$216,796	\$343,777	\$332,479	\$407,498	\$63,721	18.54%
Fleet	\$236,124	\$280,471	\$278,893	\$300,691	\$20,220	7.21%
Clerk	\$206,537	\$215,178	\$219,763	\$377,155	\$161,977	75.28%
Administration	\$182,691	\$200,061	\$208,300	\$226,542	\$26,481	13.24%
Legal	\$223,620	\$208,338	\$245,308	\$220,100	\$11,762	5.65%
Council	\$120,887	\$83,128	\$90,043	\$93,486	\$10,358	12.46%
<b>Total Expense</b>	\$6,140,240	\$6,493,084	\$7,078,155	\$8,058,101	\$1,565,017	24.10%
<b>Net Surplus / (Deficit)</b>	<b>\$1,615,618</b>	<b>\$114,920</b>	<b>\$1,382,070</b>	<b>\$384,798</b>	<b>\$269,877</b>	<b>234.84%</b>



## General Fund Revenue

	2021 Actual	2022 Budget	2022 Forecast	2023 Budget	^\$	^%
SALES TAX	5,076,192	4,480,666	5,685,335	6,150,000	1,669,334	37.26%
COUNTY SALES TAX	707,005	532,023	791,845	657,542	125,519	23.59%
PROPERTY TAX	272,237	286,000	338,850	296,104	10,104	3.53%
SPECIFIC OWNERSHIP TAX	305,186	192,100	262,323	219,970	27,870	14.51%
CIGARETTE TAX	202,569	190,742	174,690	200,000	9,258	4.85%
BUILDING PERMITS	181,421	200,000	198,702	200,000	0	0.00%
RENT - TOWN BLDGS	106,925	75,300	79,752	75,300	0	0.00%
PLAN REVIEW-BLDG	61,173	70,322	81,885	70,322	0	0.00%
MGMT FEES SEWER AND WATER	65,000	65,000	65,000	65,000	(0)	0.00%
OCCUPATION TAX	56,252	54,000	36,352	54,000	0	0.00%
BOZAR FEES	45,055	48,110	27,927	45,055	(3,055)	-6.35%
GAS FRANCHISE TAX	44,922	34,278	48,266	44,922	10,644	31.05%
TOWING FEES	74,730	30,000	32,819	38,110	8,110	27.03%
CNTY SALES/MINERAL LEASE	11,076	35,000	94,440	35,000	(0)	0.00%
STATE MJ SALES TAX	53,451	31,170	34,853	31,170	0	0.00%
BUSINESS LICENSES	174,841	28,000	13,173	28,000	0	0.00%
INTEREST INCOME	20,276	24,000	2,840	24,000	0	0.00%
MECHANIC/GIS-SW	18,000	18,000	0	18,000	0	0.00%
TENNIS LESSONS	23,757	14,000	18,295	17,000	3,000	21.43%
FINES - GENERAL	29,557	16,160	13,181	16,160	0	0.00%
CATV LEASE	15,640	15,548	13,136	15,640	93	0.60%
TICKET SURCHARGE	28,194	1,000	15,767	14,425	13,425	1342.50%
MISC BUILDING FEES	11,914	17,923	13,671	11,914	(6,008)	-33.52%
SKATEPARK FEES	11,201	10,721	12,040	11,000	279	2.60%
ENERGY MITIGATION FEE	0	30,000	37,758	10,036	(19,964)	-66.55%
BASEBALL FEES	9,060	9,390	14,460	10,000	610	6.50%
LIQUOR LICENSES	12,439	8,000	12,214	8,000	0	0.00%
ICE ARENA FEES	9,158	9,158	6,076	8,000	(1,158)	-12.64%
INTEREST & PENALTIES	37,834	15,000	33,167	7,500	(7,500)	-50.00%
SOCCER FEES	8,630	6,500	6,928	7,000	500	7.69%
SPECIAL EVENT FEES	6,250	3,275	11,150	6,250	2,975	90.84%
GYMNASTICS	4,330	3,750	8,955	6,000	2,250	60.00%
LICENSE PLATE FEES	8,146	5,936	5,206	5,936	0	0.00%
SOFTBALL FEES-ADULT	7,000	6,500	4,780	5,000	(1,500)	-23.08%
SIDEWALK CAFE LICENSE	4,571	4,438	15,860	4,571	132	2.98%
BASKETBALL FEES	7,422	3,500	3,933	3,500	0	0.00%
ICE SKATING LESSONS	4,044	2,541	419	3,500	959	37.74%
MISC LICENSE FEES	3,050	3,000	3,518	3,000	0	0.00%
FLAG FOOTBALL	3,307	3,000	3,350	3,000	0	0.00%
VACATION RENTAL LICENSES	10,252	2,600	155,362	2,600	0	0.00%
COURT COSTS	3,849	2,500	870	2,500	0	0.00%
INDOOR CLIMBING	0	0	0	2,000	2,000	100.00%
AFTER SCHOOL SPORTS	1,800	0	0	1,000	1,000	100.00%
SPECIAL REVIEW/INSPECTION	0	1,000	48,899	1,000	0	0.00%
COPIES/RESEARCH FEE	838	750	404	750	0	0.00%
SIGN PERMITS	521	600	358	600	0	0.00%
VOLLEYBALL FEES	0	1,200	0	600	(600)	-50.00%
VIN/FINGERPRINT	538	520	624	520	0	0.00%



DOG LICENSES	411	500	484	500	0	0.00%
TELEPHONE TAX	802	11,083	727	500	(10,583)	-95.49%
CERTIFICATE OF ASSESSMENT	510	250	235	250	0	0.00%
DODGEBALL	150	700	(164)	150	(550)	-78.57%
ONLINE PAYMENT SERVICE FEE	1	0	764	0	0	0.00%
HISTORIC GRANT/FEEs	13,500	0	23,119	0	0	0.00%
COUNTY COURT - FINES	0	2,000	0	0	(2,000)	-100.00%
PARK FEES	(250)	0	0	0	0	0.00%
TUMBLE BUG	70	250	0	0	(250)	-100.00%
OTHER REVENUE	1,052	0	5,624	0	0	0.00%
<b>Total Revenue</b>	<b>7,755,858</b>	<b>6,608,004</b>	<b>8,460,225</b>	<b>8,442,898</b>	<b>1,834,894</b>	<b>27.77%</b>

## Water & Wastewater Enterprise Fund

### Water & Wastewater Enterprise Fund Narrative

The Water & Wastewater fund is the Town's only proprietary fund and accounts for water, sewer, and solid waste operations for single family residences including duplexes and townhomes. Revenues for this fund are derived primarily from fees for services and are supplemented by grants and loans.

Trash and recycling operations are contracted out with Waste Management and expenses are passed through directly to the properties served by the service through monthly utility bills with little expense to the Town aside from some staff time. Commercial and multi-family properties contract directly with waste haulers. The contract with Waste Management for trash and recycling service expires at the end of 2022 and the Town is working to extend the contract for one year. This will allow time to coordinate with regional partners and explore possible collaboration to address recycling concerns and possibly collaborate on the next RFP for services. The budget includes the CPI increase we have seen for the past several years of the contract with Waste Management.

Staff has identified the need to raise revenues within the Enterprise Fund by approximately 30% to balance cost of water and wastewater operations (including debt service) with revenue. To achieve a balanced fund, staff has recommended adjustments to the rate structure, as well as increasing rates by up to 30% beginning in 2023.

The sewer and water treatment facilities will require continued investment to keep up with demand, provide some redundancy and meet ever changing and increasing regulation. Priorities for capital investment are guided by the 20-year capital improvement plan completed in late 2020. This plan identifies, examines, and prioritizes the needed improvements based upon a variety of factors including the ability to bundle projects appropriately for debt issuance. In 2022, the Town was awarded a \$750,000 grant and \$14,000,000 loan to help fund the WWTP Improvement Project over the next 2 years.

### *Revenue:*

The 2023 budget anticipates higher fees to accommodate increased operational expense and new debt issuance:

- The monthly sewer service fee will increase to \$59.50 per EQR.
- The monthly water base rate will increase to \$46 per EQR.
- The tap-in fees (system development fees) will increase to \$13,260 per EQR for water and \$16,380 per EQR for sewer.
- A grant and two loans to assist in funding the WWTP Improvement Project closed in 2022.
  - State Revolving Fund Loans:
    - Direct Loan in the amount of \$11,000,000
    - Green Project Reserve Loan in the amount of \$3,000,000
  - Department of Local Affairs grant in the amount of \$750,000

### *Expenditures:*

- Wage increases are projected at 8% and health insurance rates increased by 4.5%
- Wastewater and Water both include expenses for debt service.
- Water and Wastewater operations and maintenance cost increase due to issues with supply chains.
- Wastewater projects include the WWTP Improvement Project and the acquisition of two electric vehicles.
- Water projects include the Lake Irwin Valve and Piping Project.

### *Reserves:*

- The estimated fund balance of the Enterprise Fund at December 31, 2022 is projected to be \$6,480,036.
- Of this total amount, Town holds reserves of one year of operating expenses, approximately \$2,402,184, so that services would not be interrupted during an emergency situation.
- Of the \$2,402,184, approximately \$401,937 is required to be held for Enterprise Fund debt service.

### *Capital Expense:*

- 2023 includes ongoing expenditures from 2022 for both the WWTP Improvement Project and the Lake Irwin Valve and Piping Project Engineering. Below is a forecasted schedule for the WWTP Improvement Project. Note that Phase C has yet to be completely developed and pricing is based off the latest estimates. The status of the Lake Irwin Project is between 30% and 60% design. Most recent estimates put the total project cost at \$2.47 M. Staff anticipates continued design expenses into 2023 with construction set for 2024.

WWTP Improvement Project Schedule				
	2022	2023	2024	Totals
Phase A	\$500,712	\$351,691		\$852,403
Phase B	\$949,038	\$4,316,653		\$5,265,691
Phase C		\$9,138,288	\$2,547,008	\$11,685,296
TOTAL	\$1,449,750	\$13,806,632	\$2,547,008	\$17,803,390

## Water & Wastewater Budget

	2021 Actual	2022 Budget	2022 Forecast	2023 Budget	Δ\$	Δ%
INTEREST & PENALTIES	\$0	\$5,000	\$1,485	\$5,000	\$0	0.00%
WATER METERS	\$2,413	\$750	\$424	\$975	\$225	30.00%
INTEREST INCOME	\$11,392	\$25,000	\$5,449	\$25,000	\$0	0.00%
OTHER	\$99	\$1,000	\$4,783	\$1,000	\$0	0.00%
ATAD CONTRIBUTION-MT CB	\$46,331	\$95,000	\$174,842	\$2,491,789	\$2,396,789	2522.94%
SEPTIC STATION FEES	\$7,686	\$7,500	\$7,430	\$9,750	\$2,250	30.00%
COMPOST FEES	\$18,562	\$7,500	\$9,764	\$11,250	\$3,750	50.00%
WATER TAP FEE	\$387,300	\$180,000	\$292,011	\$223,200	\$43,200	24.00%
SEWER TAP FEE	\$433,889	\$180,000	\$395,277	\$223,200	\$43,200	24.00%
SEWER CHARGES	\$838,780	\$949,615	\$910,799	\$1,234,500	\$284,885	30.00%
SEWER AVAILABILITY CHG	\$12,010	\$13,800	\$14,121	\$17,940	\$4,140	30.00%
SEWER PRETREATMENT	\$9,158	\$12,600	\$8,267	\$16,380	\$3,780	30.00%
WATER CHARGES	\$718,728	\$811,675	\$785,125	\$1,116,054	\$304,378	37.50%
WATER AVAILABILITY CHG	\$13,450	\$15,000	\$15,958	\$19,500	\$4,500	30.00%
SANITATION CHARGES	\$319,318	\$317,221	\$302,320	\$345,363	\$28,142	8.87%
DEBT PROCEEDS	\$0	\$5,000,000	\$0	\$11,497,117	\$6,497,117	129.94%
GRANT REVENUE	\$151,169	\$500,000	\$50,544	\$852,752	\$352,752	70.55%
<b>Total Revenue</b>	<b>\$2,970,284</b>	<b>\$8,121,662</b>	<b>\$2,978,598</b>	<b>\$18,090,769</b>	<b>\$9,969,107</b>	<b>122.75%</b>
<b>Total Admin Expense</b>	<b>\$591,889</b>	<b>\$615,117</b>	<b>\$611,454</b>	<b>\$737,329</b>	<b>\$122,212</b>	<b>19.87%</b>
<b>Total Water Expense</b>	<b>\$376,499</b>	<b>\$557,576</b>	<b>\$526,802</b>	<b>\$606,811</b>	<b>\$49,235</b>	<b>8.83%</b>
<b>Total Sewer Expense</b>	<b>\$681,302</b>	<b>\$964,930</b>	<b>\$899,776</b>	<b>\$1,058,044</b>	<b>\$93,114</b>	<b>9.65%</b>
CAPITAL EQUIPMENT	\$0	\$81,000	\$18,879	\$75,000	(\$6,000)	-7.41%
ATAD CAPITAL	\$0		\$84,429			
SEWER PLANT CAPITAL	\$132,878	\$4,175,000	\$676,766	\$15,500,355	\$11,325,355	271.27%
WATERLINE REPLACEMENT	\$0	\$588,000	\$0	\$0	(\$588,000)	-100.00%
RAW WATER	\$37,963	\$1,613,000	\$38,897	\$20,000	(\$1,593,000)	-98.76%
WATER PLANT UPGRADE	\$12,712		\$0			
COMPOSTING PROJECT	\$20,504	\$0	\$258,376	\$25,000	\$25,000	0.00%
<b>Total Capital Expense</b>	<b>\$204,057</b>	<b>\$6,457,000</b>	<b>\$1,077,347</b>	<b>\$15,620,355</b>	<b>\$9,163,355</b>	<b>141.91%</b>
<b>Net Surplus/Deficit</b>	<b>\$1,116,537</b>	<b>(\$472,961)</b>	<b>(\$136,781)</b>	<b>\$68,230</b>	<b>\$541,191</b>	<b>-114.43%</b>

## Water and Wastewater Five Year Capital Plan

Water & Wastewater Fund Schedule	2022	2023	2024	2025	2026	2027	Total
<b>Enterprise:</b>							
RV Dump Upgrades		100,000					100,000
EV Truck - on call vehicle	\$45,000	\$55,000					\$55,000
Chemical EV	\$36,000	\$20,000					\$20,000
Trailer Jet			TBD				\$0
<b>Total Enterprise:</b>	<b>\$81,000</b>	<b>\$175,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$175,000</b>

## General Capital Fund

### General Capital Fund Narrative

The General Capital fund, more commonly called Capital fund, accounts for general capital acquisitions and maintenance expenditures. Real estate transfer taxes and use tax revenues are its major sources of revenue. The Town maintains a rolling 5-year plan for anticipated expenditures from this fund. On December 31, 2022 the General Capital fund balance, inclusive of Parks, is projected to be \$6,291,137.

The Capital fund portion is broken down between general capital expenses and parks capital expenses and open space expenses. The main sources of revenue for the Capital fund are real estate transfer tax, use tax and sales tax. Included with the Capital fund budget is the 5-year capital plan.

General Capital – Revenue for General Capital in 2023 is projected at \$1,589,000 while expenses are projected at \$1,213,908. Significant funds will be used in 2023 for vehicle replacement and facilities maintenance. Vehicle replacements include a Marshal electric patrol car plus an electric public works truck. Town will also be adding electric vehicle charging infrastructure, consistent with Town's climate action plan. Town's inventory of buildings includes several from the late 19<sup>th</sup> century and early 20<sup>th</sup> century. \$679,333 is budgeted for Facilities maintenance, as shown:

## General Capital Summary

	2021 Actual	2022 Budget	2022 Forecast	2023 Budget	Δ\$	Δ%
USE TAX-AUTOMOBILE	\$0	\$50,000	\$0	\$51,500	1,500	3.00%
USE TAX-BLDG MATERIAL	\$659,775	\$500,000	\$850,773	\$515,000	15,000	3.00%
TRANSFER TAX-GEN CAP	\$2,025,132	\$1,225,000	\$1,200,617	\$725,000	(500,000)	-40.82%
INTEREST INCOME	\$156	\$2,500	\$0	\$2,500	0	0.00%
SALE OF EQUIPMENT	\$0	\$25,000	\$6,001	\$0	(25,000)	-100.00%
GRANTS-COMM DEV	\$0	\$0	\$0	\$295,000	295,000	100.00%
<b>Total Revenue</b>	<b>\$2,685,064</b>	<b>\$1,802,500</b>	<b>\$2,057,391</b>	<b>\$1,589,000</b>	<b>(213,500)</b>	<b>-11.84%</b>
USE TAX RETURN	\$0	\$0	\$1,266	\$0	0	0.00%
INSURANCE	\$116,727	\$55,000	\$71,340	\$55,000	0	0.00%
DAMAGE LIABILITY	\$399	\$5,000	\$4,911	\$5,000	0	0.00%
MARSHAL CAPITAL EQUIP	\$110,509	\$85,000	\$84,940	\$89,250	4,250	5.00%
REAL PROPERTY PURCHASE	\$0	\$3,084,000	\$3,159,623	\$0	(3,084,000)	-100.00%
CAPITAL EQUIPMENT	\$85,946	\$237,000	\$46,047	\$230,000	(7,000)	-2.95%
PARK MAINT SUPPLIES	\$176	\$0	\$0	\$0	0	0.00%
COMMUNITY DEVELOPMENT	\$0	\$0	\$0	\$145,000	145,000	100.00%
PARK CAPITAL EQUIPMENT	\$1,819	\$0	\$0	\$0	0	0.00%
CEMETERY	\$707	\$0	\$658	\$10,325	10,325	100.00%
BUILDING SNOW REMOVAL	\$3,900	\$0	\$0	\$0	0	0.00%
CLIMATE ACTION PLAN	\$1,113,158	\$0	\$6,766	\$0	0	0.00%
BUILDING CAPITAL PROJECTS	\$0	\$303,000	\$69,412	\$0	(303,000)	-100.00%
BUILDING MAINT.	\$138,634	\$0	\$136,193	\$679,333	679,333	100.00%
<b>Total Expense</b>	<b>\$1,571,976</b>	<b>\$3,769,000</b>	<b>\$3,581,154</b>	<b>\$1,213,908</b>	<b>(2,555,092)</b>	<b>100.00%</b>
<b>Net Surplus (Deficit)</b>	<b>\$1,113,088</b>	<b>(\$1,966,500)</b>	<b>(\$1,523,763)</b>	<b>\$375,092</b>	<b>2,341,592</b>	<b>119.07%</b>

Parks & Trails – Citizens of the Town approved a ballot measure in 2016 approving a 0.5% sales tax to fund parks and trails capital projects and maintenance. This revenue and related expenditures are housed within the General Capital fund. The 2023 total revenue is \$1,710,333, which is made up of \$683,333 sales tax, \$275,000 real estate transfer tax, \$50,000 park rental fees, \$580,000 in grants, \$12,000 in cemetery fees and \$110,000 from the Conservation Trust Fund. Total operating plus capital expenses is \$2,389,901.

The major parks project in 2023 will be construction of a new skate park at Big Mine Park. The Town is also continuing to replace older vehicles and equipment in the parks fleet, all with electric vehicles/equipment. The difference between revenue and expense is covered by fund reserves.

## Parks Summary

	2021 Actual	2022 Budget	2022 Forecast	2023 Budget	Δ\$	Δ%
SALES TAX - PARKS	\$630,418	\$508,075	\$611,540	\$683,333	\$175,258	34.49%
RETT - PARKS	\$68,750	\$275,000	\$0	\$275,000	\$0	0.00%
CEMETERY FEES	\$21,050	\$0	\$15,832	\$12,000	\$12,000	100.00%
PARK FEES	\$43,737	\$46,000	\$56,753	\$50,000	\$4,000	8.70%
GRANT/OTHER	\$0	\$0	\$1,309	\$110,000		
GRANTS - OTHER PARKS	\$262,006	\$171,300	\$80,770	\$580,000	\$408,700	238.59%
<b>Total Revenue</b>	<b>\$1,025,961</b>	<b>\$1,000,375</b>	<b>\$766,205</b>	<b>\$1,710,333</b>	<b>\$709,958</b>	<b>70.97%</b>



WAGES-FULL TIME	\$225,200	\$257,836	\$305,716	\$282,413	\$24,577	9.53%
WAGES-SEASONAL	\$93,091	\$125,000	\$10,998	\$125,000	\$0	0.00%
OVERTIME	\$13,163	\$10,000	\$10,629	\$18,000	\$8,000	80.00%
TEMPORARY LABOR - PARKS	\$3,360	\$5,000	\$6,685	\$5,000	\$0	0.00%
ZAMBONI DRIVER - WAGES	\$3,477	\$11,500	\$0	\$13,000	\$1,500	13.04%
FICA	\$25,374	\$12,039	\$25,486	\$36,249	\$24,210	201.09%
HEALTH INSURANCE	\$61,094	\$61,736	\$86,602	\$73,647	\$11,911	19.29%
RETIREMENT	\$14,260	\$14,945	\$11,009	\$18,235	\$3,290	22.02%
TELEPHONE	\$1,540	\$2,900	\$1,438	\$1,500	(\$1,400)	-48.28%
TRASH PICKUP	\$34,439	\$62,000	\$19,059	\$62,000	\$0	0.00%
UTILITIES - SHOP	\$4,902	\$5,000	\$3,684	\$5,500	\$500	10.00%
UTILITIES - ICE RINK	\$12,589	\$10,000	\$5,058	\$13,000	\$3,000	30.00%
UTILITIES - WARMING HOUSE	\$3,664	\$4,000	\$2,945	\$4,000	\$0	0.00%
UTILITIES - PARKS	\$8,017	\$6,500	\$4,986	\$8,000	\$1,500	23.08%
UNEMPLOYMENT INS.	\$764	\$1,153	\$994	\$1,327	\$174	15.09%
WORKERS COMP INS.	\$12,282	\$12,453	\$14,981	\$10,330	(\$2,123)	-17.05%
UNIFORM ALLOWANCE	\$2,393	\$2,500	\$3,782	\$2,500	\$0	0.00%
MEDICAL	\$225	\$500	\$0	\$500	\$0	0.00%
FUEL	\$4,976	\$5,000	\$8,551	\$8,000	\$3,000	60.00%
FUEL - PARKS	\$4,532	\$0	\$0	\$0	\$0	0.00%
R&M VEHICLE	\$13,949	\$10,000	\$9,993	\$15,000	\$5,000	50.00%
TIRES - PARKS	\$0	\$1,000	\$600	\$1,000	\$0	0.00%
PARK MAINT SUPPLIES	\$48,404	\$45,000	\$48,705	\$45,000	\$0	0.00%
PORTABLE TOILETS	\$15,820	\$9,000	\$15,326	\$15,000	\$6,000	66.67%
TREE PROJECT	\$0	\$2,500	\$3,138	\$2,500	\$0	0.00%
FLOWERS & SHRUBS	\$8,875	\$10,000	\$11,563	\$12,000	\$2,000	20.00%
DOGGIE DOO PROJECT	\$6,367	\$6,000	\$1,725	\$6,000	\$0	0.00%
PARK CAPITAL EQUIPMENT	\$122,602	\$505,000	\$275,187	\$70,000	(\$435,000)	-86.14%
PARK MAINT PROJECTS	\$29,211	\$5,000	\$18,315	\$1,512,000	\$1,507,000	30140.00%
WEED MANAGEMENT	\$6,319	\$3,000	\$6,539	\$4,000	\$1,000	33.33%
BIKE RACKS/BENCHES	(\$1,500)	\$0	(\$2,727)	\$0	\$0	0.00%
ELK AVE HOLIDAY LIGHTS	\$4,200	\$4,200	\$0	\$4,200	\$0	0.00%
SLATE RIVER BOAT LAUNCH	\$375,195	\$0	\$15,503	\$0	\$0	0.00%
REC PATH BRIDGE PARK	\$0	\$287,000	\$285,099	\$0	(\$287,000)	-100.00%
AVALANCHE MITIGATION	\$15,000	\$15,000	\$8,182	\$15,000	\$0	0.00%
BIG MINE PARK RENOVATION PR	\$9,617	\$50,000	\$0	\$0	(\$50,000)	-100.00%
GOTHIC RAW WATER	\$0	\$0	\$6,283	\$0	\$0	0.00%
HENDERSON PARK	\$32,454	\$48,000	\$31,750	\$0	(\$48,000)	-100.00%
OTHER EXPENSES	\$5,876	\$0	(\$1,580)	\$0	\$0	0.00%
<b>Total Expense</b>	<b>\$1,221,730</b>	<b>\$1,610,762</b>	<b>\$1,256,204</b>	<b>\$2,389,901</b>	<b>\$779,139</b>	<b>48.37%</b>
<b>Net Surplus (Deficit)</b>	<b>(\$195,769)</b>	<b>(\$610,387)</b>	<b>(\$489,999)</b>	<b>(\$679,568)</b>	<b>(\$69,181)</b>	<b>11.33%</b>

Open Space Fund – The Open Space fund is housed within the General Capital fund. The Open Space fund receives ½ of the Town’s real estate transfer taxes (“RETT”) in revenue. The budgeted expense for 2023 is \$2,995,000. RETT is a very difficult item to forecast and varies significantly from year to year. It is also highly sensitive to boom-and-bust real estate cycles that are typical in resort communities. Crested Butte’s recent boom cycle, driven in part by high stock market levels and people exiting urban areas due to the pandemic, appears to be slowing with increasing interest rates and a slight slowdown in real estate sales in the second half of 2022.

On December 31, 2022, the Open Space Fund is projected to have a balance of \$3,751,956. The Town completed a fencing project on Town Ranch in 2022 to limit cattle trespass onto the property to be consistent with the conservation requirements of the property. The Town Council did commit \$750,000 towards a conservation easement on the Schutt property in 2022 in collaboration with the Crested Butte Land Trust. We anticipate that if the conservation effort comes to fruition closing will

take place in 2023. Significant progress has been made towards a mineral withdrawal on and around Mt Emmons with federal action to initiate the administrative action necessary to make the minerals inaccessible for 20-25 years. The process is expected to be completed in 2024 and depending on the scope of the withdrawal may trigger a \$2,000,000 payment to the mining company at that time.

## Open Space Summary

	2021 Actual	2022 Budget	2022 Forecast	2023 Budget	Δ\$	Δ%
TRANSFER TAX-OPEN SPACE	\$2,149,382	\$1,500,000	\$1,200,617	\$1,000,000	(\$500,000)	-33.33%
GRANTS-OPEN SPACE	\$0	\$20,000	\$0	\$35,000	\$15,000	75.00%
Red Lady Open Space Fire Mitigation (WRWC Grant)						
<b>Total Revenue</b>	<b>\$2,149,382</b>	<b>\$1,520,000</b>	<b>\$1,200,617</b>	<b>\$1,035,000</b>	<b>(\$485,000)</b>	<b>-31.91%</b>
OPEN SPACE TRUST						
Conservation Easement w/CBLT				\$750,000		
Town Ranch Incision Restoration				\$40,000		
Red Lady Mining Claims Removal				\$2,100,000		
<b>Total Open Space Trust</b>	<b>\$1,000,000</b>	<b>\$750,000</b>	<b>\$0</b>	<b>\$2,890,000</b>	<b>\$2,140,000</b>	<b>285.33%</b>
OPEN SPACE MAINT						
Maintenance	41,818.99		71,828.71	\$55,000		
Red Lady Open Space Fire Mitigation				\$50,000		
<b>Total Open Space Maintenance</b>		<b>\$155,000</b>		<b>\$105,000</b>	<b>(\$50,000)</b>	<b>-32.26%</b>
<b>Total Expense</b>	<b>\$1,041,819</b>	<b>\$905,000</b>	<b>\$71,829</b>	<b>\$2,995,000</b>	<b>\$2,090,000</b>	<b>230.94%</b>
<b>Net Surplus (Deficit)</b>	<b>\$1,107,563</b>	<b>\$615,000</b>	<b>\$1,128,788</b>	<b>(\$1,960,000)</b>	<b>(\$2,575,000)</b>	<b>-418.70%</b>

## 5 Year Capital Plan

Capital Fund Schedule	2023	2024	2025	2026	2027	Total
<b>Facilities</b>						
Town Hall Windows	333,333					333,333
Town Hall Structure Elements identified in the structural Assessment		333,333				333,333
Town Hall State Historic Preservation Grant(s)	(250,000)	(250,000)				(500,000)
Town Ranch Barn - Renovation		200,000				200,000
Assessment of Town Ranch Barn	10,000					10,000
Chapel Maintenance						0
Pita's Shed Stabilization						0
Zam Shed Roof						0
Pitker Bathroom Remodel	65,000					65,000
Facilities Maintenance	45,000	45,000	50,000	50,000		190,000
EV Truck	55,000					55,000
EV charging stations - Public		20,000	20,000	20,000	20,000	80,000
EV charging stations - Town	20,000					20,000
Charge Ahead grant funding						0
Snow Removal (roofs)	15,000	15,000	15,000	15,000	15,000	75,000
Unidentified Future Maintenance Projects		200,000	200,000	200,000	200,000	800,000
Roof Maintenance Assessment Project	20,000					20,000
Stepping Stones Windows	130,000					130,000
308 Windows		130,000				130,000
Rainbow Pavilion - Stain #2	12,000					12,000
Rainbow Bathrooms - Stain #1	12,000					12,000
Rainbow Pump House - Stain #3	12,000					12,000
Ped Bridge Railing-Abutment Rehab	15,000					15,000
Old Town Hall - Paint		30,000				30,000
River Walk Restoration - engineering	10,000					10,000
308 - Paint			35,000			35,000
<b>Total Facilities:</b>	<b>504,333</b>	<b>723,333</b>	<b>320,000</b>	<b>285,000</b>	<b>235,000</b>	<b>2,067,666</b>
<b>Public Works and Town Shop</b>						
Barricade Truck & orange 1 ton Replacement (EV)	55,000					55,000
Dump Truck replacement (EV)			250,000			250,000
Orange #3 Electric Conversion	30,000					30,000
Electric Vehicles Charging Infrastructure at shop			50,000			50,000
Air Compressor		33,000				33,000
Pick up Truck replacement (EV)		60,000				60,000
Backhoe					175,000	175,000
PW Fence at Boneyard						0
Car Hauler Trailer	12,000					12,000
Fuel Card Reader	18,000					18,000
<b>Total Public Works and Town Shop:</b>	<b>115,000</b>	<b>93,000</b>	<b>300,000</b>	<b>0</b>	<b>175,000</b>	<b>683,000</b>



Capital Fund Schedule	2023	2024	2025	2026	2027	Total
<b>Marshals:</b>						
Marshal Dept Patrol Car	89,250	93,713	98,398	103,318	108,484	493,163
Marshal Office grant			(1,000,000)			(1,000,000)
Marshal Office		150,000	2,500,000			2,650,000
<b>Total Marshals:</b>	<b>89,250</b>	<b>243,713</b>	<b>1,598,398</b>	<b>103,318</b>	<b>108,484</b>	<b>2,143,163</b>
<b>Open Space:</b>						
Conservation Easement w/CBLT (Schutt Project)	750,000					750,000
Maintenance	35,000	35,000	35,000	35,000		140,000
Sunshine Park Trailhead Relocation		20,000				20,000
Red Lady Open Space Fire Mitigation	45,000					45,000
Red Lady Open Space Fire Mitigation (WRWC Grant)	(20,000)					(20,000)
Concrete trail from TP-5 to Pyramid Rd and crusher fines to 8 <sup>th</sup> .			50,000			50,000
Red Lady Mining Claims Removal	2,100,000					2,100,000
<b>Total Open Space:</b>	<b>2,910,000</b>	<b>55,000</b>	<b>85,000</b>	<b>35,000</b>	<b>0</b>	<b>3,085,000</b>
<b>Parks:</b>						
E1 & E2 - Water truck and trash truck (EV)						0
Man Lift		70,000				70,000
Bike Racks/Benches/Bleachers			6,000			6,000
#41, 43, 66 pickups - Replace with EV Gems	55,000					55,000
Tractor (EV?)			60,000			60,000
Flower Van (EV)						0
Z-Turn Mower (EV)					45,000	45,000
Zamboni (EV?)				145,000		145,000
Truck					70,000	70,000
Henderson Park Remodel - GoCo Grant						0
Henderson Park Remodel						0
Rainbow Park Pump						0
Big Mine Skate park - Other Grants/Fundraising	(130,000)					(130,000)
Big Mine Skate park - GoCo Grant	(450,000)					(450,000)
Big Mine Skate Park Renovation Project	772,000					772,000
Big Mine Skate Restrooms Project	200,000					200,000
Big Mine Dasher Board Replacement				150,000		150,000
UGRWCD Rec Path - grants						0
Rec Path Bridge Park						0
Big Belly /Solar Trash Compactors						0
3 Ladies Renovation			150,000			150,000
Nordic Cat Barn in Paradise Park & Restrooms	470,000					470,000
Blower for Big Skid Steer	15,000					15,000
Native Grass in ROWs	20,000	15,000	15,000	15,000		65,000
Rainbow Playground Renovation				400,000		400,000
Chamber Landscaping Renovation	50,000					50,000
Totem Pole Renovation		25,000				25,000
Bike Park Renovation Project Phase II - Met Rec grant		(5,000)				(5,000)
Bike Park Renovation Project Phase II		20,000				20,000
<b>Total Parks:</b>	<b>1,002,000</b>	<b>125,000</b>	<b>231,000</b>	<b>710,000</b>	<b>115,000</b>	<b>2,183,000</b>

Capital Fund Schedule	2023	2024	2025	2026	2027	Total
<b>Community Development - Transportation:</b>						
RV Dump Upgrades	90,000					90,000
Mt Express New Shop Grant			350,000			350,000
Parking Management (net of increased fines)	50,000	55,000	60,000	65,000	70,000	300,000
RTA Southbound Transit Stop Improvements - Design & Construction				40,000	400,000	440,000
Traffic Calming Temporary Art	5,000	5,000	5,000	5,000	5,000	25,000
<b>Community Development - Transportation Subtotal:</b>	<b>145,000</b>	<b>60,000</b>	<b>415,000</b>	<b>110,000</b>	<b>475,000</b>	<b>1,205,000</b>
<b>Community Development - Climate Action:</b>						
Town Green / Sustainability Projects		50,000	50,000	50,000	50,000	200,000
<b>Community Development - Climate Action Subtotal:</b>	<b>0</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>200,000</b>
<b>Community Development - Historic Preservation:</b>						
Other Historic Preservation Initiatives			TBD	TBD	TBD	0
<b>Community Development - Historic Preservation Subtotal:</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Community Development - Office:</b>						
Integrated Building Development Software			100,000			100,000
Vehicle/Green Machine	40,000		63,600	67,500		171,100
<b>Community Development - Office Subtotal:</b>	<b>40,000</b>	<b>0</b>	<b>163,600</b>	<b>67,500</b>	<b>0</b>	<b>271,100</b>
<b>Community Development Other Project - REVENUES:</b>						
CB Nordic Contribution	(45,000)					(45,000)
RTA Stop Contribution					TBD	0
CDOT Grant - Sixth and Red Lady Intersection Improvements			(2,000,000)			(2,000,000)
CDOT Grant Sixth Street Improvements					(2,000,000)	(2,000,000)
School District Contribution to Red Lady Intersection Improvements	TBD					0
MT Express Contribution Sixth Street Improvements					TBD	0
RTA Contribution Sixth Street Improvements					TBD	0
<b>Community Development - Other Project REVENUES Subtotal:</b>	<b>(45,000)</b>	<b>0</b>	<b>(2,000,000)</b>	<b>0</b>	<b>(2,000,000)</b>	<b>(4,045,000)</b>
<b>Total Community Development:</b>	<b>140,000</b>	<b>110,000</b>	<b>(1,371,400)</b>	<b>227,500</b>	<b>(1,475,000)</b>	<b>(2,368,900)</b>

## Conservation Trust Fund (CTF)

### Conservation Trust Fund Narrative

The Conservation Trust fund accounts for the funds received from the Colorado State Lottery Commission and Gunnison County Metropolitan Recreation District. The State of Colorado has set very strict guidelines on the segregation of funds and how these funds may be expended. The Town of Crested Butte has used this money as matching money for grants on park capital projects such as Rainbow Park, Big Mine Park and most recently the Tennis Court Project. The Town receives



approximately \$8,000 per year from the Lottery Commission and \$3,820 annually from the Recreation District.

On December 31, 2022, the CTF is projected to have a balance of \$107,653. The 2023 budget anticipates additional revenues of \$11,830 and using \$110,000 of these funds to help pay for the Big Mine Park skate park renovation project.

## Street & Alley Fund

### Street & Alley Fund Narrative

The Street & Alley Fund came into existence in 1987 by virtue of a voter approved mill levy. The Street and Alley fund accounts for construction and maintenance expenditures on the Town's streets, alleys, right of ways, stormwater system, sidewalks, and parking lots. Its main source of revenue is a dedicated property tax. Highway Users Tax from the State is also included in the Street & Alley Fund.

The Parking Fund is included under the Street & Alley Fund and its sole source of income is Parking in Lieu Fees. Parking in Lieu fees are collected on commercial building projects which are unable to comply with the required amount of parking for their business. Expenditures from the Parking Fund are for acquisition of additional parking which includes purchase of land and improvements to land to increase available parking.

The Town maintains a rolling 15-year plan for anticipated expenditures from this fund with large projects planned at 5-year intervals. In addition, a prioritized Capital Improvement Plan was developed in the 4<sup>th</sup> quarter of 2022 to assist in forecasting capital improvement needs. The fund balance in the Street & Alley Fund is projected to be \$3,076,022 on December 31, 2022.

#### *REVENUE:*

The total mill levy available for the Street & Alley Fund is 16 mills. This is adjusted annually to the amount needed taking into consideration current expenditures and the long-range 15-year plan. In the mid 1990's, the Town moved away from issuing debt and to saving up fund balance to do street projects. The 15-year plan helps lay the groundwork for this philosophy and the adjusting of the mill levy to accomplish it.

The mill levy for 2023 is set to remain at the same 8.00 mills as in 2022.

#### *EXPENDITURES:*

Personnel costs are based on 50% of the Public Works crew with the amount split 50/50 between snow removal and street maintenance. The remaining 50% of the Public Works crew personnel cost goes into the General Fund.

Overall annual maintenance operations include grading of alleys and ROWs, storm water maintenance, crack sealing and paint-striping curbs, cross walks, parking lots, and stop bars. The major 2023 project will be continued rehabilitation of our streets in the form of hot patching and slurry sealing, as well as curb and gutter replacement. In addition, engineering will be developed for the large capital improvement project slated in 2024 per the capital improvement plan.

*Capital Expense:*

- 2023 includes capital equipment purchases as follows:

<b>Capital Equipment</b>	
Motorgrader	425,000
Loader	325,000
Milling Machine	20,000

The Town will again be acquiring a hybrid loader; however, at this time, there is no “green” option for motorgraders.

## Streets & Alley Five Year Capital Plan

<b>Streets &amp; Alleys Schedule</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>Total</b>
Sixth and Red Lady Intersection Improvements - Design & Construction		400,000	1,000,000			1,400,000
Raising bridges & cleaning out channel to address Coal Creek flooding			750,000	750,000	750,000	2,250,000
Elk Avenue Streetscape - Design & Construction			500,000	5,000,000		5,500,000
Sixth Street Improvements - Design & Construction				300,000	1,000,000	1,300,000
Butte Avenue Bridge Improvements			100,000	1,000,000		1,100,000
Motorgrader	425,000					425,000
Loader (5th)	325,000	345,000				670,000
Stripping Buggy						0
Milling Machine	20,000					20,000
Dump Truck			400,000	440,000		840,000
Snow Blower			175,000			175,000
Street Sweeper					600,000	600,000
Paving Projects					1,100,000	1,100,000
Engineering				60,000		60,000
Storm Water Projects			40,000		40,000	80,000
<b>Total Streets &amp; alleys:</b>	<b>770,000</b>	<b>745,000</b>	<b>2,965,000</b>	<b>7,550,000</b>	<b>3,490,000</b>	<b>15,520,000</b>

## Street & Alley Budget

	2021 Actual	2022 Budget	2022 Forecast	2023 Budget	Δ\$	Δ%
PROPERTY TAX-Street	\$918,046	\$943,232	\$1,141,884	\$998,138	\$54,906	5.82%
INTEREST & PENALTIES	\$2,188	\$1,400	\$1,597	\$1,400	\$0	0.00%
OTHER REVENUE	\$955	\$5,000	\$1,080	\$815	(\$4,185)	-83.70%
PARKING IN LIEU	\$15,600	\$0	\$2,836	\$2,600	\$2,600	100.00%
HIGHWAY USERS TAX	\$63,087	\$52,774	\$38,557	\$62,265	\$9,491	17.98%
INTEREST INCOME	\$13	\$0	\$0	\$0	\$0	0.00%
<b>Total Revenue</b>	<b>\$999,889</b>	<b>\$1,002,406</b>	<b>\$1,185,954</b>	<b>\$1,065,218</b>	<b>\$62,812</b>	<b>6.27%</b>
WAGES	\$0	\$0	\$3,679	\$12,621	\$12,621	100.00%
LABOR-SNOW REMOVAL	\$148,141	\$97,586	\$118,188	\$92,334	(\$5,252)	-5.38%
LABOR-STREET MAINT	\$132,034	\$97,586	\$93,808	\$92,334	(\$5,252)	-5.38%
SEASONAL LABOR-SNOW REMOVAL	\$0	\$18,824	\$6,280	\$18,931	\$107	0.57%
CONTRACT LABOR	\$0	\$47,971	\$0	\$60,000	\$12,029	25.07%
FICA	\$21,336	\$18,237	\$8,355	\$16,541	(\$1,697)	-9.30%
HEALTH INSURANCE	\$28,713	\$528	\$28,336	\$50,152	\$49,624	9398.48%
RETIREMENT	\$14,489	\$9,597	\$4,998	\$18,058	\$8,461	88.16%
DEBT SERVICE-PRINCIPAL	\$0	\$30,000	\$0	\$30,000	\$0	0.00%
DEBT SERVICE-INTEREST	\$0	\$12,500	\$0	\$12,500	\$0	0.00%
UNEMPLOYMENT INSURANCE	\$411	\$11,000	\$437	\$664	(\$10,336)	-93.96%
WORKMANS COMP INSURANCE	\$5,714	\$2,000	\$6,525	\$9,341	\$7,341	367.05%
REPAIR & MAINT STREETS	\$21,367	\$75,000	\$15,492	\$45,000	(\$30,000)	-40.00%
SIDEWALK REPAIR/MAINT	\$4,592	\$0	\$2,459	\$15,000	\$15,000	100.00%
WEED SPRAY-ROW	\$7,461	\$0	\$6,995	\$11,000	\$11,000	100.00%
SIDEWALK - BELLEVUE	\$0	\$0	\$0	\$0	\$0	100.00%
PARKING LOTS	\$3,026	\$0	\$933	\$2,000	\$2,000	100.00%
CLOTHING ALLOWANCE	\$0	\$0	\$0	\$2,500	\$2,500	100.00%
ENGINEERING	\$33,080	\$0	(\$25,861)	\$110,000	\$110,000	100.00%
PAVING PROJECT	\$71,188	\$100,000	\$91,866	\$205,000	\$105,000	105.00%
Striping	\$8,208	\$16,000	\$32,218	\$16,000	\$0	0.00%
STORM WATER PROJECT	\$553	\$15,000	\$2,676	\$40,000	\$25,000	166.67%
SPILL RESPONSE SUPPLIES	\$0	\$2,000	\$0	\$3,000	\$1,000	50.00%
FUEL	\$61,275	\$32,000	\$36,484	\$40,000	\$8,000	25.00%
R&M VEHICLES	\$30,837	\$40,000	\$30,894	\$50,000	\$10,000	25.00%
SNOW REMOVAL-SUPPLIES	\$185,128	\$40,000	\$7,265	\$60,000	\$20,000	50.00%
Snow Removal - Trucking	\$0	\$0	\$4,882	\$0	\$0	100.00%
STREET SIGNS	\$25,406	\$32,000	\$6,968	\$5,000	(\$27,000)	-84.38%
STREET LIGHTS	\$1,676	\$5,000	\$279	\$5,000	\$0	0.00%
DAMAGE LIABILITY	\$2,500	\$5,000	\$5,412	\$5,000	\$0	0.00%
TREASURER FEES	\$27,607	\$33,700	\$34,275	\$33,700	\$0	0.00%
CAPITAL EQUIPMENT	\$0	\$735,000	\$360,670	\$770,000	\$35,000	4.76%
OTHER EXPENSES	\$19,027	\$1,000	(\$1,691)	\$1,000	\$0	0.00%
<b>Total Expense</b>	<b>\$853,769</b>	<b>\$1,477,530</b>	<b>\$882,823</b>	<b>\$1,832,676</b>	<b>\$355,145</b>	<b>24.04%</b>
<b>Net Surplus (Deficit)</b>	<b>\$146,120</b>	<b>(\$475,125)</b>	<b>\$303,131</b>	<b>(\$767,458)</b>	<b>(\$292,334)</b>	<b>61.53%</b>

# Affordable Housing Fund

## Affordable Housing Fund Narrative

The purpose of the Affordable Housing Fund is for the advancement of lower priced housing opportunities in the Crested Butte community. The gap between a worker's wage in Crested Butte and the price of housing continues to widen. A town resident's average monthly income has been unable to afford the average cost of a home in town since 2012. The community needs more attainable and secure housing so that our residents can not only live here, but they are able to thrive and build a future.

The Town has been, and continues to be, active on many fronts to help address this housing crisis. In 2018, the Town established two housing goals: achieve 75% full-time occupancy, and deed restriction of 30% of units in the Town. Crested Butte has enacted regulations, created programs, and spent significant funds to preserve and build affordable housing. The Affordable Housing fund supports acquisition, development, preservation, and administration of affordable housing units, maintenance expenditures for Town owned housing units, as well as infrastructure development for affordable housing.

The Fund's main revenue sources come from impact fee assessments on new residential and new commercial building within Town (Resident Owned Affordable Housing, the "ROAH fee"), and a 7.5% excise tax imposed on vacation rentals. Because needs often exceed the fund's revenues, monies may be transferred from the Capital or General funds to supplement funding and contribute to the Town's affordable housing initiatives.

In 2022, the Town initiated a deed restriction purchase program known as GoodDeed, which pays property owners to place a workforce deed restriction on existing properties. Thus far, four units, including three developed by the Valley Housing Fund (VHF) and one property purchased by RTA from a private seller, have been restricted under this program at a cost of \$52,404. (It should be noted that the cost of the deed restriction from a traditional property owner will come with a significantly higher cost. VHF and RTA's community-minded motivation allowed for a lower than market deed restriction purchase price.). Other 2022 expenditures from the Fund include the following:

- Purchase of 263A Escalante in Crested Butte South, a three bedroom, two bathroom half duplex in Crested Butte South for \$759,000, which currently houses two Town employees.
- Relocation of the Haney House from 20 Third Street to Paradise Park and start of renovations, which are expected to be complete by the end of March 2023. This three bedroom, two and a half bath home will also be used to house Town employees.
- Purchase of a two-bedroom, two bathroom manufactured home at 107 Teocalli. Town anticipates applying a deed restriction to this property and reselling it at a loss with a deed restriction.

The Sixth and Butte and Paradise Park Workforce Housing projects were initiated in 2022 with the selection of development partners TWG Development and High Mountain Concepts. Town executed



a Memorandum of Understanding and Predevelopment Cost Agreement with TWG and is in the process of negotiating the same with High Mountain Concepts. The largest expenditure of the project in 2022 focused on the \$2.6 million dollar clean-up of Town Parcel 5, which was site of the former Town dump. The Town was awarded \$2.977 million from the State of Colorado's Department of Local Affairs (DOLA) to help offset the cost for taps, sustainability measures, and to help achieve deeper affordability. Staff continues to actively seek grants to further offset costs of the project.

Projects budgeted for 2023 include a wide range of initiatives that target preservation and development of affordable housing units. The budget expands funding for the Town's GreenDeed program. GreenDeed is a partnership between the Town and the Gunnison Valley Regional Housing Authority (GRHVA) that funds energy efficient upgrades to deed restricted homes. Funds will continue to be set aside to grow the GoodDeed Program. Most of the funding in the 2023 budget is allocated for the development and construction of 17 deed restricted units in the Paradise Park neighborhood (including five town owned units), +/-18 deed restricted units on Town Parcel 3, and 35 deed restricted, Low Income Housing Tax Credit rental units on Town Parcel 5.

#### REVENUE:

- \$518,100 – TP-5 Predevelopment Reimbursement (pending successful award of Low-Income Housing Tax Credits)
- \$1,870,869 – DOLA IHOI
- \$2,648,476 – Prefunded Intergovernmental Account
- \$240,000 revenue from the sales of 107 Teocalli.
- \$1M vacation rental excise tax

#### EXPENDITURES:

- \$100,000 - GreenDeed
- \$300,000 - GoodDeed
- \$230,000 - Completion of the Haney House Rehabilitation
- \$3,500,000 - Paradise Park / TP-3
- \$976,550 – Predevelopment cost of TP-5
- \$5,160,550 - Total





# Affordable Housing Budget

## 2023 Final

	2021 Actual	2022 Budget	2022 Forecast	2023 Budget	Δ\$	Δ%
HOUSING PMT IN LIEU	\$118,972	\$50,000	\$156,177	\$50,000	\$0	0.00%
EMPLOYEE HOUSING	\$75,807	\$78,700	\$85,335	\$78,700	\$0	0.00%
RED LADY RENT/SALES	\$2,840	\$3,280	\$2,662	\$3,280	\$0	0.00%
GRANTS	\$0	\$250,000	\$0	\$1,870,869	\$1,620,869	648.35%
VACATION RENTAL EXCISE TAX	\$561,824	\$480,798	\$944,307	\$1,000,000	\$519,202	107.99%
OTHER REVENUE	\$737	\$0	\$0	\$17,000	\$17,000	100.00%
UNIT SALES/REIMBURSEMENTS	\$0	\$0	\$0	\$3,406,576	\$3,406,576	100.00%
<b>Total Revenue</b>	<b>\$760,180</b>	<b>\$862,778</b>	<b>\$1,188,481</b>	<b>\$6,426,425</b>	<b>\$5,563,647</b>	<b>644.85%</b>
WAGES	\$0	\$120,000	\$0	\$112,000	(\$8,000)	-6.67%
FICA	\$0	\$6,000	\$0	\$8,568	\$2,568	42.80%
HEALTH INSURANCE	\$0	\$0	\$0	\$10,635	\$10,635	100.00%
RETIREMENT	\$0	\$0	\$0	\$6,720	\$6,720	100.00%
LEGAL FEES	\$0	\$1,500	\$12,190	\$20,000	\$18,500	1233.33%
MANAGEMENT FEE	\$0	\$0	\$6,545	\$12,000	\$12,000	100.00%
AFFORDABLE HOUSING TAPS	\$0	\$0	\$0	\$54,000	\$54,000	100.00%
TRAVEL & ED	\$0	\$0	\$0	\$9,200	\$9,200	100.00%
UNEMPLOYMENT INS.	\$0	\$0	\$0	\$95	\$95	100.00%
WORK COMP INSURANCE	\$0	\$0	\$0	\$112	\$112	100.00%
DEED RESTRICTED UNIT PURCHASE	\$2,331,214	\$0	\$631,715	\$0	\$0	0.00%
UTILITIES	\$3,075	\$3,600	\$3,316	\$3,600	\$0	0.00%
HOUSING AUTHORITY	\$63,750	\$58,000	\$73,146	\$88,000	\$30,000	51.72%
HOUSING MAINTENANCE	\$5,935	\$30,000	\$15,201	\$30,000	\$0	0.00%
PARADISE PARK-GEN CAPITAL EXP	\$0	\$4,966,000	\$1,614,117	\$4,885,550	(\$80,450)	-1.62%
GOOD DEED PROGRAM	\$114,530	\$30,000	\$48,201	\$300,000	\$270,000	900.00%
GREENDEED PROGRAM	\$11,716	\$100,000	\$52,364	\$100,000	\$0	0.00%
<b>Total Expense</b>	<b>\$2,530,220</b>	<b>\$5,315,100</b>	<b>\$2,456,796</b>	<b>\$5,640,480</b>	<b>\$325,380</b>	<b>6.12%</b>
<b>Net Surplus (Deficit)</b>	<b>(\$1,770,040)</b>	<b>(\$4,452,322)</b>	<b>(\$1,268,315)</b>	<b>\$785,945</b>	<b>\$5,238,267</b>	<b>117.65%</b>

## Affordable Housing Five Year Capital Plan

Affordable Housing Fund Schedule	2023	2024	2025	2026	2027	Total
<b>Affordable Housing:</b>						
TAP Fees ( ADU Program)	54,000	54,000	54,000	54,000	54,000	270,000
Paradise Park & TP-3	3,500,000	5,500,000	750,000			9,750,000
Haney House	230,000					230,000
6th & Butte Clean-up						0
6th & Butte TP-5	976,550	80,000				1,056,550
TP 1		500,000	2,500,000			3,000,000
Future Housing Projects			1,000,000	1,000,000	1,000,000	3,000,000
Ruby parking improvements		15,000				15,000
EV Charging Stations at Sixth and Butte	100,000					100,000
Town Ranch House - Stain #4	25,000					25,000
TP-5 Predev Reimbursement	(518,100)					(518,100)
Prefunded Quasi Govt Construction Costs	(2,648,476)					(2,648,476)
Net Unit Sales Revenue		(3,593,817)				(3,593,817)
Gunnison County Tipping Fee Discount for TP-5						0
Sale of 107 Teocali	(240,000)					(240,000)
MT Crested Butte Contribution	TBD					0
<b>Total Affordable Housing:</b>	<b>1,478,974</b>	<b>2,555,183</b>	<b>4,304,000</b>	<b>1,054,000</b>	<b>1,054,000</b>	<b>7,469,157</b>



# Operating Reserves

The Town Council has set a goal of maintaining 100% of annual operations expenses in reserves in case of economic downturn or other extraordinary events or opportunities. Following is a summary of current reserves for funds with ongoing operating expenses (including routine equipment replacements) and estimates for balances at the end of 2023.

## FUND BALANCE SUMMARY

	General	Capital/Parks	Open Space	Streets	Affordable Housing	Conservation Trust	Enterprise	Total
Audited Balance at 12.31.21	\$9,900,448	\$8,400,529	\$2,623,092	\$2,722,424	(\$911,701)	\$99,983	\$6,336,054	\$29,170,829
2021 budget amendment for Ruby purchase		(\$2,350,000)			\$2,350,000			
Net forecasted change in fund balance at 12.31.22	\$1,382,070	(\$2,013,763)	\$1,128,788	\$303,131	(\$1,268,315)	\$7,670	(\$136,781)	(\$597,199)
Net 2022 budget amendments	(\$2,325,000)	\$2,325,000						\$0
Estimated balance at 12.31.22	\$8,957,518	\$6,361,766	\$3,751,880	\$3,025,555	\$169,984	\$107,653	\$6,199,273	\$28,573,630
Estimated net change in fund balance 2023	\$384,798	(\$304,476)	(\$1,960,000)	(\$767,458)	\$785,945	(\$98,170)	\$68,230	(\$1,891,131)
Estimated balance at 12.31.23	\$9,342,316	\$6,057,291	\$1,791,880	\$2,258,097	\$955,929	\$9,483	\$6,267,503	\$26,682,499
Less estimated restricted funds:								
Restricted (using 12.31.21 numbers)	\$461,000					\$9,483		\$470,483
100% Operating Expense	\$7,683,101	\$807,901		\$747,676	\$354,930		\$2,402,184	\$11,995,791
Estimated unrestricted fund balance at 12.31.23	\$1,198,216	\$5,249,390	\$1,791,880	\$1,510,421	\$600,999	\$0	\$3,865,320	\$14,216,225

Note: Enterprise Fund, Conservation Trust Fund and Open Space reserves cannot be used for purposes outside of their Funds

# Long Term Debt Schedule

The Town's long-term debt is all related to water and wastewater projects. These projects have been for water storage, wastewater treatment and capacity, and water treatment. The water and wastewater projects scheduled for 2022-2024 will require the Town to draw down on additional debt in the amount of approximately \$12.5M beginning in 2023. These projects were driven by increasing usage demand, the need to replace old infrastructure, and to meet ever changing and increasing regulation. All of these loans are with the Colorado Water Resources & Power Development Authority, issued through their Water Pollution Control Revolving Fund Direct Loan program. Payments are made twice per annum.

	Loan Number	Date	Term	Interest Rate	Principal	Current Balance	Total Annual Payments	Maturity
WWTP Clarifier	#W10F023	5/25/10	20	2.0%	\$1,900,000	\$667,948	\$90,767	2030
Water Tank	#D12F023	10/1/2012	20	2.0%	\$400,000	\$213,503	\$24,788	2032
WWTP	#W17F386	5/1/2017	20	2.0%	\$2,500,000	\$1,941,696	\$154,928	2037
WWTP Upgrade	#D20F386	3/10/2020	20	2.5%	\$2,025,600	\$1,854,025	\$131,454	2040