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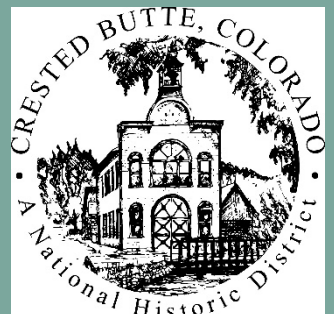
# Annual Budget 2024



**ADOPTED:**

**December 18, 2023**

**Resolution 18, Series 2023**



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    (updated Nov 2023)



Photo Credit: Robby Lloyd

# 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 2024 Budget
- V. Background, Budget Assumptions and Changes from the Previous Year
- VI. Personnel
- VII. Summary of all Town Funds
- VIII. 2024 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. Adoption of the annual budget is guided by the Home Rule Charter of the Town of Crested Butte, specifically [Sections 9.2 through 9.13](#). The Charter and state law require the Town Council to adopt a budget before the end of the year and submit a mill levy to the Board of County Commissioners for Gunnison County. The Town of Crested Butte budget is adopted as expenditures by fund, not specific line items.

The Town held a discussion on September 5th to review the draft priorities for the coming year. They met again on September 18th to review an initial draft of 5-year capital plans and discuss the Council's priorities. The Council reviewed drafts of the 2024 budget on October 2nd, November 6th, and November 20th. A public hearing on the proposed budget was held during the regular Town Council meeting on December 4th and continued to December 18th.

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 the 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.



Photo Credit: Robby Lloyd

## Organization & Services of the Town

The Town has a population of approximately 1,616 residents (2021 Town 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 residents.

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. In prior years, the Town has had five general government and one business-type (or “enterprise”) fund. Beginning in 2024 the Town will have eight general government funds. This change was made to better align restricted revenue sources with related expenditures and provide more transparency to staff, Council and the public. The new funds created for accounting purposes are Open Space, Parks Recreation & Trails, and Transit & Mobility. Each fund is discussed in detail later in this document.

### Government Funds

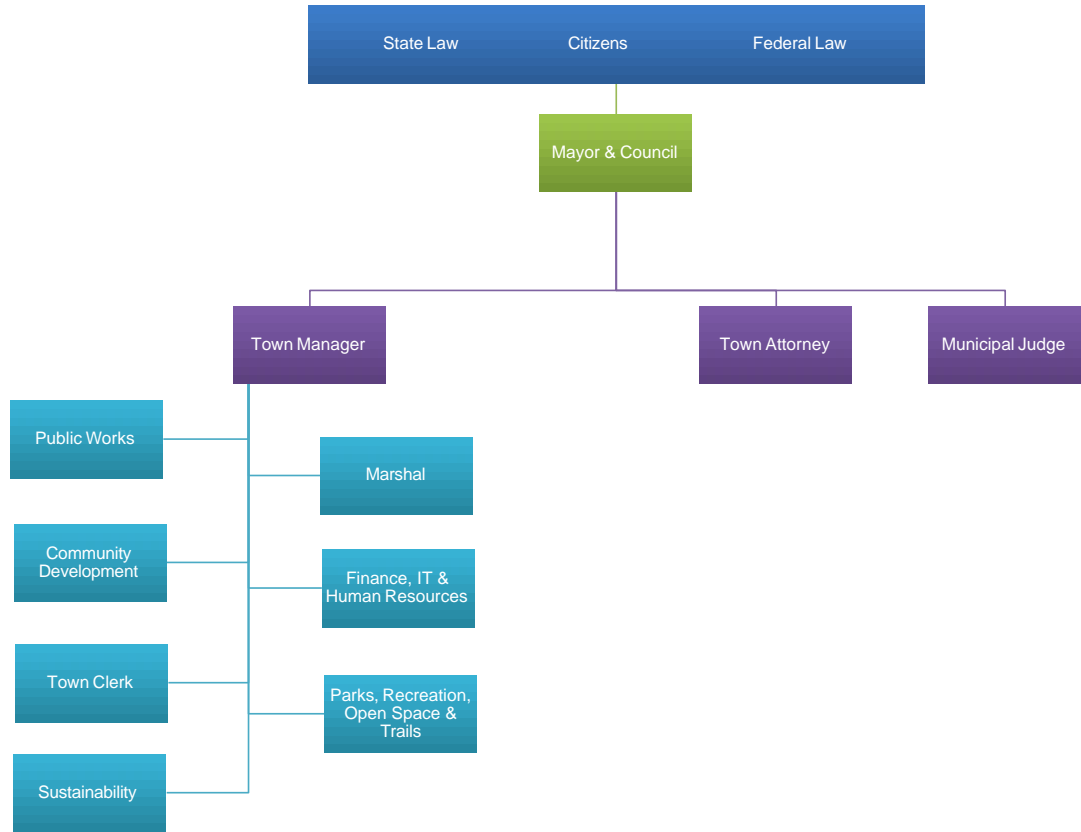
General Fund  
Transit & Mobility Fund  
Street & Alley Fund  
Capital Fund  
Open Space Fund  
Parks, Recreation & Trails Fund  
Conservation Trust Fund  
Affordable Housing Fund

### Business-Type or Enterprise Funds

Utility 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 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 council members 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 2024 budget consideration and adoption include:

Ian Billick, Mayor  
Jason MacMillan  
Anna Fenerty  
Kent Cowherd

Beth Goldstone  
Mallika Magner  
Gabi Prochaska  
Chris Haver



Photo Credit: Lynelle Stanford

The Town Council appoints members to the Board of Zoning and Architectural Review (BOZAR), the Public Art Commission, 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. The following are the values statements and strategies from the Compass along with specific implementation actions planned for 2024.

### **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.

A full listing of the 2024 Community Compass Goals and Strategies can be found in Appendix A of this document. The Strategic Action Items and Anticipated Timing 2022-2027 (adjusted at the end of 2023) can be found in Appendix B. Each year the Council will revisit these goals and strategies and update specific actionable priorities or projects for the coming year. In development of this budget the five-year plan for strategies and actions was updated and those changes are reflected in Appendix B. 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.

### **2024 Town Council Priorities**

The Town Council discussed 2024 priorities on September 5<sup>th</sup> and 18<sup>th</sup> to establish the guiding direction for the 2024 budget. These priorities have been integrated into the goals and strategies

established through the Compass and are captured in Appendix A of the 2024 budget. Appendix B includes the 2024 priorities along with the Compass strategies and actions for 2022 through 2027.

## 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 their charge, and to that end they have the power and duty to fulfill the duties outlined in the Town's Home Rule Charter. Duties outlined in the Charter include:

- Enforce the laws and ordinances of the Town
- Hire, suspend, transfer and remove Town Employees on the basis of ability, training and experience
- Prepare a proposed budget annually and submit it to the Town Council
- Be responsible for the administration of the budget after its adoption by the Council
- Submit a complete annual report of finance and administrative activities of the Town
- Upon request of the Council make written or verbal reports at any time concerning the affairs of the Town under their supervision
- Keep the Council advised of the financial condition and future needs of the Town
- Make recommendations to the Council for adoption that they deem necessary or expedient
- Exercise supervision and control over all departments
- Make recommendations to the Council to establish, consolidate or abolish departments
- Enforce all contracts and utility franchise agreements
- Attend Council meetings and participate in an advisory capacity
- Establish a system of accounting and auditing for the Town that reflects, in accordance with generally accepted accounting principles, the financial condition and financial operation of the Town
- Provide for engineering, architectural, maintenance and construction services required by the Town
- Serve in an ex-officio capacity on all present and future boards, committees and commissions of the Town
- Perform such other duties as may be prescribed by the Charter, or by ordinance, or required of them by Council which are not inconsistent with the Charter.

### 2023 Projects/Accomplishments:

- Established a new Sustainability Coordinator position and Sustainability department.
- Implemented comprehensive review and re-adoption of ten chapters of the Crested Butte Municipal Code.
- Continued to improve Council meeting efficiency with clear and concise staff presentations.
- Ongoing improvement in communication strategies, especially when a topic may be controversial.
- The Mt Emmons land exchange is in the final stages of review by the U.S. Forest Service with completion expected by mid-2024, including execution of the conservation easement and mineral extinguishment.

- The Town has been closely involved as a cooperating agency with the accelerated review of the Thompson Divide Mineral Withdrawal, also expected to be completed in 2024.
- Restructured the budget to include three new funds to improve transparency and accountability.

### 2024 Projects/Goals:

- Successful completion of the Mt Emmons land exchange including execution of the conservation easement and mineral extinguishment.
- Successful completion of the Thompson Divide Mineral Withdrawal.
- Continue to manage interactions among the public, staff and Town Council in a manner that builds trust and minimizes distractions during public meetings.
- Continue to improve accounting practices.
- Provide clear, transparent information about the cost of 2021 building codes/electrification.
- Continue with comprehensive review and re-adoption of chapters of the Crested Butte Municipal Code. 2024 will focus on utilities and streets.
- Improve the Town's financial position by
  - Increasing grant awards
  - Evaluating and implementing as appropriate the use of debt issuance by the Town
  - Developing a stronger multi-year plan for finances needed to support town objectives, including but not limited to housing, transportation, business support, and climate action.
  - Integration and leveraging the different sources of funding, including our tax base, debt issuance, and grants, to create a stronger overall financial picture.
- Conduct a compensation survey for Town staff and evaluate how compensation among different types of employees may be changing in a new economic environment.
- Ensure strong regional planning through OVLC, including the formal and informal structures we use to support regional planning and collaboration. Priorities for regional planning will include transportation and corridor planning.



Photo Credit: Robby Lloyd

## 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 while providing exemplary and high-level service, focusing on a customer-first approach, to the public and to the staff.

- Council meeting coordination
- Administrative support for elected officials
- Front desk/reception/phone and tertiary duties
- Front line communication for Town Hall
- Liquor, marijuana, vacation rental and business licensing
- Special event applications and facilitation of the special event review process
- Banner and street musicians and performers permitting
- Support for routine public communication and outreach and Public Information Officer during incidents
- Issuance of mobile vending permits including guidance through multiple agencies' processes
- Cemetery
- CORA requests
- Zoom meeting support
- Records and Laserfiche management
- Snow cat permitting
- Municipal Court
- Elections

A notable change for the Clerk's Department, beginning in the Fall of 2022, was the addition of a second Deputy Clerk whose title is Deputy Clerk/Licensing Clerk. The primary functions of the position are vacation rental licensing, business licensing, and providing customer service at the reception desk. The position created redundancy for the entire department, including coverage of Council administration and municipal court. The Deputy Clerk, having just achieved her second anniversary in September, continues to manage special events, the cemetery, and serves as the Court Clerk for municipal court. She is on track to receive her Certified Municipal Clerk designation in 2024.

The Clerk's Department, like every department, has been affected by an increased day-to-day workload in proportion to projects taken on by the Town. The sale of cemetery lots remained steady throughout the summer. The transition of the Cemetery Committee to a non-profit operating under the umbrella of the Crested Butte Museum's 501(c)(3) is proceeding. The demand on Town property for events and meeting rooms increases every year. With the availability of Zoom capabilities in the Council Chambers, Town Hall is a popular location for meetings, each of which requires some level of technical 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 are more concentrated. The Court Clerk is responsible for remaining up to date with ever-changing legislation affecting municipal courts.

The Clerk's Department has been reactive to fluidity experienced in 2023 amongst liquor license holders. The 2023 liquor license transactions within the Town should point to an expected increase in restaurant availability moving forward. The Colorado Department of Revenue implemented an online portal for submitting various applications, which has significantly improved the expediency of approvals from the State.

Lastly, a goal of the Clerk's Department has been the implementation of the direction outlined in Ordinance No. 21, Series 2022 related to vacation rentals. The Deputy Clerk/Licensing Clerk is focusing on the launch of additional vacation rental software in 2023, ensuring a successful and customer-focused approach to vacation rental licensing for 2024 and years forward.



Photo Credit: Nolan Blunck

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

The Director of Finance is also the Town Treasurer. The Finance Department keeps and supervises all accounts; receives and has custody of all monies of the Town, collects special Town taxes, sewer, water, sanitation, and other fees and charges; and issue licenses and collect fees, therefore.

There are six staff members in the department including the Director, AP/AR Manager, Assistant IT Administrator and Communications Specialist, HR Manager, and Senior Accountant [OBJ].

Specific tasks of the department include:

- Risk management including property and casualty, workers compensation and general liability
- Safety committee management
- Employee relations, recruitment, onboarding and offboarding

- Benefits administration
- Financial and human resources regulatory compliance oversight
- Document management
- CDL regulations, licensing, drug testing
- Payroll processing
- Audit management
- Budget preparation
- Financial reporting
- Cash flow management
- Town-owned, non-residential property lease management
- Community grants management
- Grant and debt management
- Website, e-alert and social media management
- Network management including server, internet, wi-fi, computer equipment and related hardware, telecom systems, and software
- Utility billing and utility account management
- Accounts payable processing
- Accounts receivable invoicing and management
- Cash management

#### 2023 Projects/Accomplishments:

- Updated Ch 4 of Town code
- Standardized 5 Year cash flow model and linked to budget
- Developed and implemented consistent use of AP, AR, payroll checklists
- Refunded excess vacation rental taxes collected 2022 via utility accounts
- Migrated ESS Time and Attendance to ExecuTime Time and Attendance software
- Reconciled bank statements and outside, non-integrated sources to ERP monthly
- Implemented structured SOP for processing credit cards
- Inventoried payroll records, organized, updated and consistently filed
- Developed and implemented cash management processes and SOPs
- Created standardized forms for multiple accounting processes
- Digitally stored and organized files on server

#### 2024 Projects/Goals:

- Implement new chart of accounts including new funds and new divisions
- Reintegrate payroll time and attendance software with financial ERP and clean up ERP
- Implement project management software
- Implement capital asset software
- Integrate Marshal's ticketing software with financial ERP
- Review Pay Plan and total employee compensation
- Document departmental standard operating procedures
- Develop policies and SOP for working receivables
- Schedule regular balance sheet account reconciliations

- Regularly record adjusting journal entries for receivable and payable accruals, allocate management fees between funds and record deferrals
- Book capital assets as appropriate and record depreciation annually



Photo Credit: Robby Lloyd

## Sustainability

The Sustainability Coordinator serves to advance the Town's Climate Action Plan both internally and externally. They provide leadership and coordination of sustainability programs and initiatives to meet Town Council and community sustainability goals.

The Town Sustainability Coordinator began their position June 22<sup>nd</sup>, 2023. Specific tasks for this position include:

- Develops, updates, and implements the Town's Climate Action Plan (CAP)
- Manages the town's efforts towards its renewable energy goals, including taking a lead role in the coordination of renewable energy efforts with Gunnison County Electric Association (GCEA).
- Oversees the Town's bag ban, monitoring of the disposable bag fee, and communication with local businesses.
- Coordinates with Public Works staff on energy efficiency and electrification projects.
- Leads Town efforts to design and implement waste reduction, composting, and recycling programs through regional partnerships and provides oversight of the Town's trash hauling contracts.
- Provides updates on the Climate Action Plan to Town Council annually and as needed.
- Leads engagement with the community on sustainability programs and initiatives.
- Identifies and develops external grant funding opportunities for town sustainability projects.

## 2023 Projects/Accomplishments:

- Inventoried ongoing and proposed future town sustainability projects.
- Established electric vehicle charging recommendations as part of the Transportation Mobility Plan and is evaluating the need for a regional (Mt. CB and Crested Butte) Electric Vehicle Readiness Plan.
- Coordinated with Public Works department on Electric Vehicle Charging Infrastructure for future fleet electrification.
- Developed a sustainability page on the Town's website and actively worked to increase public communication through LinkedIn.
- Improved data collection and measurement.
- Redevelopment of Zero Waste special events fee structure.

#### 2024 Projects/Goals:

- Continue electrifying Town facilities as pilot conversion examples.
- Develop an electric small outdoor power equipment policy.
- Keep natural climate solutions at the forefront of the town's climate action policies.
- Leverage Colorado's Plastic Pollution Reduction Act (PPRA) to reduce plastic pollution in the Town.
- Adopt a zero-waste special events ordinance.
- Evaluate food resiliency in the Northern Valley and identify opportunities for improvement.
- Update Town's greenhouse gas emissions inventory
- Launch update to Town's Climate Action Plan and engage community on Climate Action Plan priorities.
- Improve communication of Climate Action accomplishments and project impacts.
- Continue active participation in Colorado Communities for Climate Action
- Grow the GreenDeed program to expand households served, include solar support, and electrification conversion pilot programs.
- Develop an energy benchmarking/disclosure policy for real estate transactions.
- Continue to partner with GCEA on electrification rebates and other community electrification programs.
- Research public transit electrification feasibility.
- Participate in a joint EV Infrastructure and Readiness Plan with the Mt. Crested Butte
- Implement incentives or requirements for short term rentals and lodging entities to install level 2 electric vehicle charging.
- Research partnership opportunities for electric car share programs for deed-restricted and multi-unit dwellings.
- Conduct a regional waste management evaluation and discuss options to leverage collaboration to make improvements.
- Evaluate a pay as you throw (PAYT) waste management structure.
- Continue research into community-wide composting.
- Re-invigorate the One Valley Leadership Council Climate Action Committee to collaboratively implement the Gunnison Valley Action Plan.
- Continuously evaluate regional partnership opportunities to reach climate action goals.

## Marshals

### *Mission:*

In partnership with our community, providing *an exemplary level of* peacekeeping.

### *Vision:*

Aspiring to be a trusted and valued partner, known for our innovation, accountability, and commitment to justice.

### *Values:*

Serving with humility, integrity and accountable professionalism while keeping the peace without prejudice or bias.



The Marshals safety and security responsibilities for the community include:

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

### 2023 Changes, Challenges and Accomplishments:

After two of our eight officers left in 2022, the department was fortunate to hire a 5-year Denver PD officer and two part-time officers who recently worked for the Gunnison PD and Sheriff's Office for several years. Veteran officers Blake McGregor, Brevin Book and Tristan Spezze have been exceptional additions to the Marshal's Office and have fit right into the Town dynamic.

The Marshals representation on the West Central Region Colorado POST board allows our officers and the Town 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.

We added another electric police vehicle to our work vehicles with another utilitarian Tesla Model Y. 33% of our in-service vehicles are now electric.

The Marshal's Office completed the \$57,000 Byrne Justice Grant to update eight portable radios after our previous radios reached their supported end of life.

## 2024 Projects/Goals:

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 2023 activities.



Photo Credit: Rob Weisbaum

## 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 21 full-time staff members, with each division led by a division manager. In 2024, staff is proposing to add a full-time position of Operations Manager. This position would assist the public works director in the administration of field duties and responsibilities, as well as assist in the administration of ROW, Excavation and Snow Management Permits.

### 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 implementation of 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 project is scheduled to be completed in the summer of 2024.

The Lake Irwin Valve and Piping Project is still in the design development phase. The Town holds significant water storage rights in the Lake and our outlet provides a back-up drinking water source and helps maintain flows in Coal Creek. Some components of the outlet structure need significant repair. Unfortunately, the project is currently on hold as the team navigates 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 engage with the SEO to determine if an alternate path forward can be identified.

In addition to the capital improvements, the WWTP has been working through three regulatory compliance issues: future zinc limits, infiltration & inflow (I&I) and National Pollutant Discharge Elimination System (NPDES) Permit renewal. Both issues will continue to be addressed over the next year leading up to the renewal of the NPDES permit in the second half of 2023 and/or 2024. The NPDES can be described as our overall permit with the State for operation of the treatment plant and must be renewed every 5 years. In June of 2023, the Town submitted the necessary applications to renew its existing individual permit. Currently, the Town is evaluating the possibility of transitioning from an individual permit to a general permit, as recommended by the Colorado Department of Public Health and Environment (CDPHE). Based on that analysis, the Town may amend its application to transition to a general permit.

Looking into the future, challenges facing both the WTP and the WWTP will be the ever-increasing regulatory requirements on the quality of both drinking water and wastewater discharge and the ever-changing population dynamics of our valley. Additionally, based on the Enterprise Master Plan, which was conducted in 2020, the fund has identified approximately \$70M in capital improvement needs over the subsequent 20-30 years. In response to these findings, the Enterprise Fund rate structure was redesigned in 2022 to facilitate the necessary capital improvements and ongoing maintenance and repairs to the Town's Water and Wastewater Works and encourage water conservation. The Town raised rates by 20% and 30% in 2022 and 2023, respectively. Staff will

continue to analyze the impacts of these rate changes on the Enterprise Funds revenue/cash flow and recommend adjustments as needed.

### Streets Division

2023 was an extremely busy year for the Streets Division. An above average winter (compared to recent years) coupled with a wet spring led to a delayed construction season for the crew. Even with the delayed start, staff completed a variety of preventative maintenance tasks, such as crack sealing, street sweeping, paint striping, alley grading and ROW grading. In addition to the annual maintenance typically performed, the Streets staff cleared vegetation within Coal Creek from 1<sup>st</sup> to Totem Pole Park, performed hot patching, curb and gutter replacement, valley pan replacement and storm water improvements in Block 80.



Photo Credit: Robby Lloyd

Significant capital improvements in 2023 include the Butte Ave ROW Improvement Project. The Town solicited bids for the project in June of 2023 and subsequently awarded the project to Dietrich

Dirtworks. This project was designed to extend underground water and sanitary sewer utilities to the Mineral Point Affordable Housing Development, as well as TP-3. The project also included a complete roadway reconstruction from 6<sup>th</sup> to 7<sup>th</sup> street.



Photo Credit: Shea Earley

As part of the road reconstruction portion of the project, the Town executed a change order to increase the project paving area to address the failed asphalt within the Butte Ave and 6<sup>th</sup> Street intersection (adjacent to the original project footprint). While prepping the area for asphalt placement, the contractor encountered an existing, undocumented, bridge (box culvert style) structure within the 6<sup>th</sup> Street roadway. The structure was demolished, removed, and backfilled with structural fill.

Staff continues to work with JVA Engineering 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.

In 2024, the “5-year” major road reconstruction project is scheduled for implementation. In preparation for this work, staff contracted with JVA in the fall of 2023 to develop design documents

for the planned Road Reconstruction Project in 2024. This project looks to improve Elk Ave, east of 6<sup>th</sup>, and 8<sup>th</sup> Street north of Elk Ave, by performing a Full Depth Recycle (FDR) of the existing street.

Finally, 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 throughout the year. In addition, the division continues to deal with periodic staffing shortages. At times this has forced the division to operate at 66% percent of staff capacity. As we move into winter season, staff continues to struggle with the filling of 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 Capital Fund. Currently, the FD employs four full time staff members and contracts for a part time custodian to assist in cleaning bathrooms year-round.

The FD had several projects in 2023 aimed at replacing and/or maintaining existing assets. These include window replacement at Stepping Stones, Pitsker Bathroom remodel, boiler replacements, painting and staining of Rainbow Park structures and an assessment of several historic structures in Town. Additionally, the FD installed a tier 2 charging station at Town Hall (town use only) to facilitate the charging of the newly acquired, fully electric, Chevy Volt. The FD has continued to transition to the electrification of our facilities by converting gas fired appliances to electric appliances when replacement schedules require and/or when replacement is necessary due to failure.

Finally, the increase in visitors to our community has corresponded with an increase in usage of public restrooms in Town. To keep up with this trend as well as ongoing facility maintenance demands, staff is proposing to add two additional employees in 2024: one seasonal employee and one full-time employee.



### Fleet Division

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

Photo Credit: Nolan Blunck

In alignment with the goals and objectives of the Climate Action Plan, Fleet has begun the transition process to electric vehicles. In 2023, the Town acquired one hybrid loader and two electric vans. Additionally, the Town has ordered two Ford Lightnings and a Chevy Volt; however, we are still awaiting procurement. Additionally in 2023, staff installed a tracking-card reader for the diesel fuel pumps at Public Works. Although this improvement will improve security at the site, the main reason for the installation of the system is to track and analyze fuel consumption data by vehicle.

In 2024, scheduled electric conversions include a water tanker truck, air compressor, several full-size pickup trucks and a hybrid front end loader. Additionally, the Town is looking to begin the conversion



of its dump truck fleet beginning in 2025. The Town will be contracting with an engineering firm to analyze the Town's equipment usage characteristics to confirm that integration of a fully electric dump truck and associated charging infrastructure will be compatible with Town operations, especially snow removal.

## Parks, Recreation, Open Space and Trails

The Town of Crested Butte Parks, Recreation, Open Space and Trails Department ("PROST") enriches the lives of residents and visitors through inclusive year-round recreational programming, conservation and stewardship of vital open spaces and trails, and access to exceptional public park amenities. We value community connection, collaboration, high quality of life, and our valley's rich natural and cultural heritage.

## 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



Photo Credit: Evergreen Skateparks

## 2023 Accomplishments:

- Completion of the Big Mine Skatepark Renovation and Expansion Project.
- Implementation of the new Big Belly solar compacting trash and recycling units.
- Renovation of the Pitsker Ballfield in-field.
- Implemented a trial program for converting Kentucky Bluegrass to natives.
- Constructed outdoor accessible public restrooms at Big Mine Park.
- Created a Facility Naming Policy.



Photo Credit: Alex Banas

### 2023 Challenges:

- Delays in receiving final drawings for the Big Mine Bathroom Project.
- Changes in GOCO's funding strategy around smaller parks projects and the resulting lack of grant funding for the Skatepark Project.
- Trash management has been overwhelming both at the 4-way and with Big Bellies. Paying Waste Management for their services has been quite expensive and trash needs continue to increase as our visitor numbers continue to increase.

### 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.

### 2023 Accomplishments:

- Successfully ran 38 different activities and programs for various age groups and skill levels throughout the year serving over 1,795 community members.
- Created a new youth Lacrosse program.
- Created a new indoor climbing program for youth and adults.
- Created a new youth girls softball program.
- Created a new youth pickleball program.
- Created Coach Pocket Guides to help our volunteer coaches be better prepared with youth programs.

### 2023 Challenges:

- We are at maximum capacity for most of our programs and are unable to offer additional programs due to facility space and funding constraints.
- Recruiting and retaining reliable volunteers and staff instructors for programs continues to be a challenge.



Photo Credit: Robby Lloyd

### 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 participate on Sustainable Tourism and Outdoor Recreation (STOR) Committee.



Photo Credit: Janna Hansen

### 2023 Accomplishments:

- Continued the process to eliminate mining opportunities on Mt Emmons by working closely with various partners including the USFS, BLM, MEMC, CBLT, Gunnison County, and others to complete the land exchange, conservation easement, mineral extinguishment agreement and various other details to ensure permanent protections are as strong as possible
- Completed the Town Ranch Water Attenuation Project.
- Hired and trained a new Open Space and Trails Coordinator Completed on-site monitoring and reporting for more than 30 open space parcels where Town holds conservation and recreational access easements.
- Provided comment letters on management issues for partnering agencies including the GMUG Forest Plan, the BLM rule regarding landscape health, and the North Valley Trails Environmental Assessment
- Initiated the Red Lady Open Space Fire Mitigation Project in partnership with the West Region Wildfire Council
- Developed stewardship priorities for Town–owned properties
- Completed the purchase of the Schutt Conservation easement in partnership with the CBLT

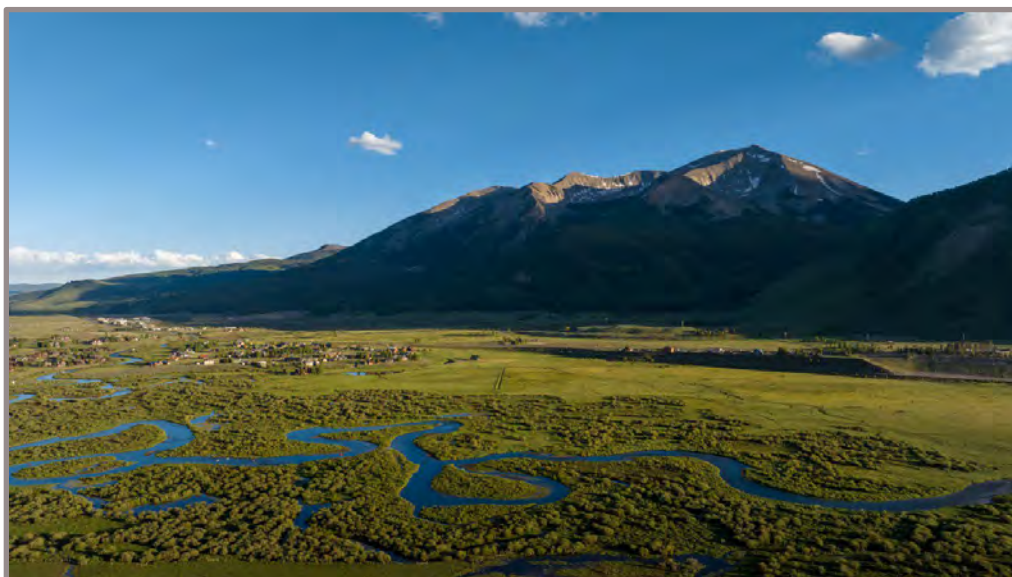


Photo Credit: CBLT Xavi Fane

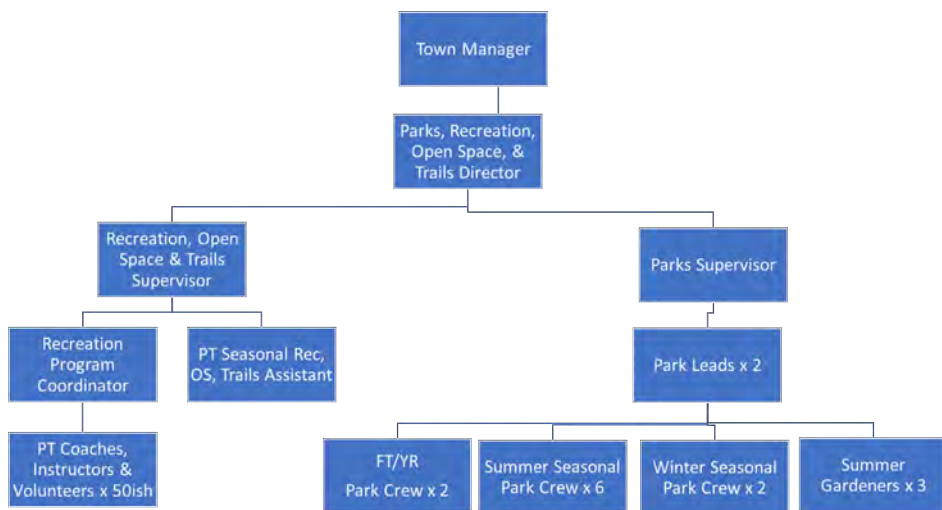
### 2023 Challenges:

- Landowner transitions and old documents contribute to confusion around encumbrances and allowances on locally conserved properties.
- Noxious weeds continue to be an ongoing management challenge, particularly where adjacent properties have no management, allowing weeds to spread onto Town owned/easement held lands.
- Market conditions have driven prices for conservable lands up considerably, making it more difficult to strategize acquisitions.
- RETT funding has dropped significantly in FY 2023, causing increased caution internally around fund allocation.

#### 2024 PROST Initiatives:

- Continue planning and research on converting non-active irrigated areas from Kentucky Bluegrass to native grasses and forbs.
- Renovate Totem Pole Park with garden, trees and seating enhancements.
- Initiate Phase II of the Bike Park Renovation Project enhancing the pump track and features section of the park.
- Relocate the Baxter Gulch Trailhead to accommodate the Oh Be Joyful Solar Project.
- Design the new trail to connect TP-5 to Pyramid Ave., the riverwalk trail along the Slate River, and the Rec Path.

#### PROST Organizational Chart



## Community Development

The Community Development Department facilitates the promotion, planning, and implementation of 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 management and enforcement of the Town's zoning ordinance, subdivision regulations, and building codes; the management of the Town

transportation mobility program; 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 Department's community outreach and engagement efforts
- Coordinates transit and mobility which includes: town-wide traffic calming, transit coordination, and Elk Avenue parklets
- Grant writing and reporting

#### Current Planning & Historic Preservation Division

- Manages and enforces the Town's zoning code, including the Town's Design Standards and Guidelines, and 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 private sector'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 policies and programs
- Manages enforcement of deed restrictions
- Coordinates regional housing initiatives with regional partners
- Grant writing and reporting



Photo Credit: Robby Lloyd

#### 2023 Department Accomplishments:

- Managed the Town's parklet program for Elk Avenue and Third Street

- Managed the Town's two-hour parking enforcement along Elk Avenue and Third Street and its neighborhood parking permit program for Maroon and Sopris Avenues
- Managed the design efforts of the Mineral Point, Town Parcel 3, and Butte and Paradise Park Affordable Housing Projects
  - Managed the Clean-up of Town Parcel 5 in the Slate River Subdivision
    - Received \$600,000 in Brownfields tax credits from the Department of Public Health and the Environment
    - Successfully relocated the GCEA and Spectrum Utility Easements
  - Executed a contract and managed the design of the Low-Income Housing Tax Credit (LIHTC) housing with TWG
    - Collaborated with TWG to receive a \$15 million in tax credits for the construction of the Mineral Point.
    - Collaborated with the Public Works Department to provide necessary water and wastewater utility extensions to Mineral Point
  - Executed a contract and managed the design of Paradise Park housing with contractor, High Mountain Concepts
- Facilitated the Town's Development Review Process
  - Managed the Board of Zoning and Architectural Review (BOZAR) review and approval of 213 development applications, with 60 formal reviews and 153 insubstantial reviews.
  - Managed the review and approval of 57 building permits
    - Issued 57 Certificates of Occupancy (COs) with 12 COs issued for new construction, or major redevelopment projects
- Updated the Town's Ruby Management Agreement with the GVRHA
- 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 One Valley Resiliency Roadmap (OVR)
- Managing the Town's Transportation Mobility Planning Initiative
- Managing the Town Historic Preservation Master Plan
  - Obtained a \$43,000 Grant from History Colorado
- Managing the Town's consideration of extraterritorial utility extensions to the County's Whetstone Community Housing Initiative.
  - Managed the Develop of a Fiscal Impact Assessment of a Potential Annexation of Whetstone.
- Gained Council Approval of the Town's Facilities Use Plan
- Gained Council Approval of updating the Town Municipal Code related to heated and plumbed accessory structure providing additional incentives to deed restricted Accessory Dwelling Unit (ADU) construction.
- Obtained a \$200,000 Grant from Colorado Department of Local Affairs for the implementation of the Strategic Infill Study



## 2023 Department Challenges:

Photo Credit: Robby Lloyd

- Transportation Mobility Plan adoption schedule may be delayed to ensure solutions fit the character of Crested Butte and the Community Compass
  - Schedule delays in the delivery of the Transportation Mobility Plan is delaying the delivery of the Town's Traffic Calming Policy
- Difficulties in identifying the full scope of the Town Parcel 5 clean-up still persist. 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

## 2024 Department Initiatives:

- Pursue regional IGA regarding regional communication, coordination, and collaboration
- Develop a framework for expending resources outside of Town to support that IGA
- Strategic infill plan within the Town
- Begin CO-135 Safe Routes for All Safety Plan
- Support commencement of construction of Mineral Point LIHTC project
- Break ground on Paradise Park/TP3 affordable housing
- Update Town's affordable housing guidelines
- Update the resident occupied affordable housing (ROAH) ordinance
- Identify new ADU incentives
- Launch new deed restriction monitoring program
- Master plan Crested Butte civic campus and new Marshals facility
- Consider expanding Elk Ave parklet program to include retail businesses
- Conduct market demand analysis for essential goods and services as part of infill study
- Participate in Whetstone Housing project review
- Participate in implementation of OVRP housing strategies
- Advance the design and construction of the new Crested Butte Post Office with USPS
- Historic Preservation Master Plan
- Develop Town traffic calming policy & implement priority locations
- CDOT Access permit & preliminary design of Red Lady and Hwy 135 improvements
- Participate in Mt Express & RTA 5-year transit plans
- Participate in Brush Creek intersection planning
- Participate in Hwy 135 corridor Safe Streets for All plan
- Building code implementation case study

- Facilitate integration of Historic Preservation Plan, Transportation Mobility Plan and Climate Action Plan to inform Infill study



Photo Credit: Lydia Stern

## 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, visitor center support, 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 2024 General Government budget includes a total of \$200,000 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 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 2024.

In the past payments to Mountain Express were housed in this department. Beginning in 2024, these payments will be booked to the new Transportation and Mobility fund.

## 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.

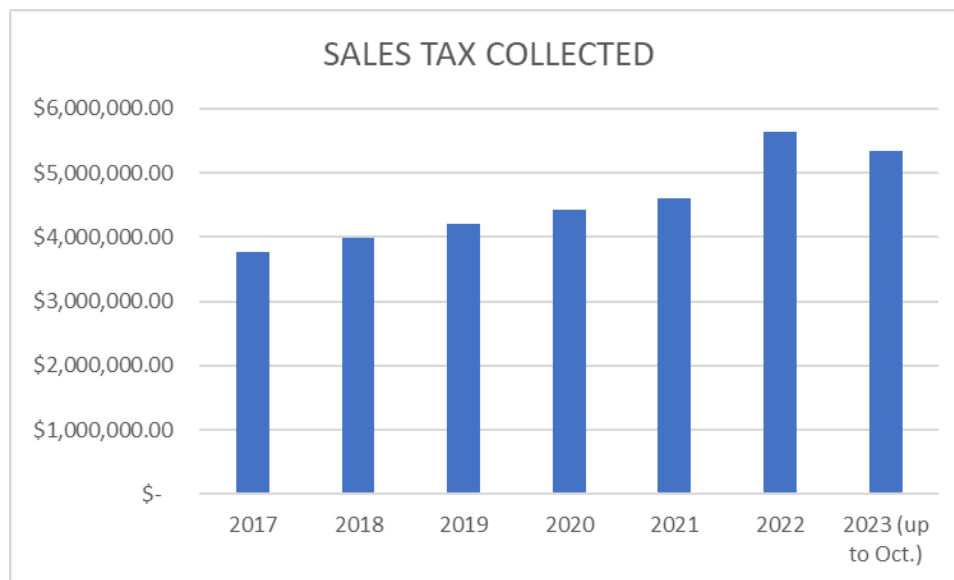
### Sales Tax

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. However, sales tax revenues in 2023 have been relatively flat compared to 2022. Sales tax revenues are down approximately 1.27% year over year through October 2023.



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% - Transit and Mobility fund (95% allocation directly to Mt. Express)

#### Of the 0.5%

100% - Parks, Recreation, and Trails

### Lodging and Vacation Rental Taxes

The tax rate on lodging within the Town of Crested Butte is 20.9% and breaks down as follows:

Various sales tax 9.4%

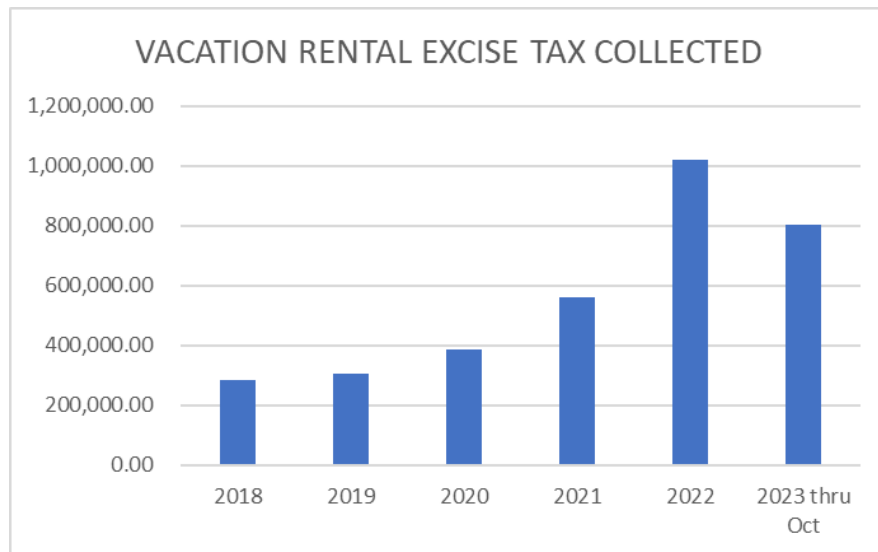
- Town of Crested Butte 4.5%
- State of Colorado 2.9%
- RTA 1%
- Gunnison County 1%

Local Marketing District tax 4.0%

Crested Butte Vacation Rental tax 7.5%

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 revenues are down year over year through October 2023 by approximately 10%. This decrease is due, in part, to third party vendors working through collection requirements as they pertain to Town limits.



### 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% of 4.0% - General fund

40% of 4.0% - Capital fund

100% of 0.5% - Parks, Recreation and Trails fund

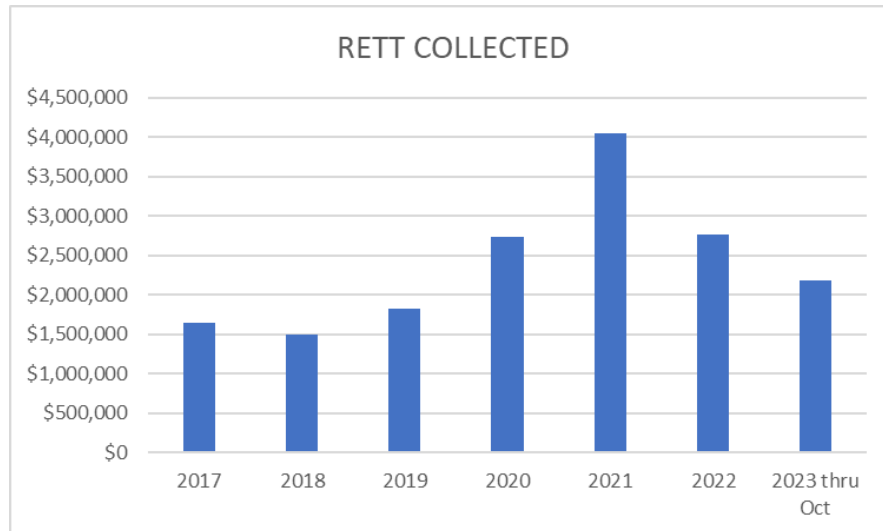
This tax is somewhat volatile as it fluctuates directly with the economy and investment in construction and new vehicles. These are more discretionary household expenditures but have been strong in recent years. In 2024 the 4.5% use tax is expected to generate a total of \$650,000.

### 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 fund



Recent years have seen a 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. However, RETT was lower year over year in 2022 and has seen additional decreases in 2023. 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 2023 the following entities assessed property taxes on real property within Crested Butte at the following mills:

| <u>Taxing entity</u>             | <u>Mill levy</u> | <u>% of total</u> |
|----------------------------------|------------------|-------------------|
| RE1J School District             | 32.998           | 42.10%            |
| Gunnison County                  | 16.185           | 20.65%            |
| CB Fire Protection District      | 11.445           | 14.60%            |
| Town of Crested Butte            | 10.366           | 13.23%            |
| Gunnison County Met Rec District | 3.000            | 3.83%             |

|                                  |              |       |
|----------------------------------|--------------|-------|
| Upper Gunnison Water District    | 1.951        | 2.49% |
| Gunnison County Library District | 1.934        | 2.47% |
| <u>CO River Water District</u>   | <u>0.501</u> | 0.64% |
| Total Levy in 2023               | 78.380       |       |

Revenues from the Town's property tax are divided between the General fund and the Street & Alley fund. Rapidly increasing property values prompted the Colorado General Assembly to convene a special legislative session Nov. 17 to address the increase in property tax for the 2023 property tax year. SB 23B-001, which was signed on November 20, 2023, will reduce the assessed value of multi-family residential real property and all other residential real property to 6.7% of the amount equal to the actual value minus the lesser of \$55,000 or the amount that causes the valuation to be \$1,000 for property tax year 2023. The bill requires the state to reimburse local governmental entities for lost property tax revenue under specified circumstances. The Gunnison County Assessor's Office will re-certify values to the Town by January 3, 2024. The mill levy certification deadline has been moved to January 10, 2024. We plan to certify the mills at a rate that will maintain the revenues projected in this 2024 budget which may mean a very slight increase in the mills.

In 2024, 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 except for any increase needed to offset the one-year valuation adjustments made by SB 23B-001. 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 is limiting that to approximately 2.366 mills through a credit.

The community will be further impacted in the coming years with the passage of two property tax increases in November 2022. Property tax for the school district increased by 5.73 mills to fund a bond for facility improvements and the Met Rec now collects 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 2024 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 vacation rentals and worked remotely. This phenomenon has softened with sales and vacation rental tax revenues flattening in 2023 following the unprecedented growth of the past several years. 2024 sales tax collections are projected to remain flat over 2023 projected revenues.

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 and 2023. Town continues to see an influx of remote workers moving to Crested Butte along with increasing numbers of part-time residents in the area. This is driving increasing demands on Town's infrastructure and services. This rapid increase in housing expenses 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, the 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, now provides the 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 included several large projects and expenditures in the General Capital, Affordable Housing and Enterprise Funds. Operating expenditures will increase in 2024 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 2024 budget includes \$13,664,610 in capital expenditures with an offsetting \$1,880,335 in anticipated grants and \$4,147,353 in loan proceeds. 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 designs, electric vehicle charging infrastructure, federal withdrawal of minerals on and around Mt. Emmons, and capital improvements for the wastewater treatment plant 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 all 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 a federal withdrawal occurs and MEMC has 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 seven years. Withdrawal and abandonment of the claims requires Federal approval which is underway as part of the larger Thompson Withdrawal with targeted completion in fall of 2024. This would largely resolve the battle to limit a large mine on Mt Emmons which has been ongoing since 1977.



## 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 product or service during 2024. We look back at recent experiences 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 2024 budget deals with post-pandemic inflation and related factors. The annual inflation rate for the United States is 3.7% for the 12 months ending September 2023 according to U.S. Labor Department data published Oct. 19th.

The most significant economic indicator for the Town is sales tax. Town sales tax revenue of \$6,273,000 is budgeted in 2024, roughly flat with the 2023 projected revenue. Visitors contribute significantly to Crested Butte's economy. Crested Butte's largest month for sales tax collections (July) is typically at least 78% greater than the lowest month (April). Crested Butte receives ½ of the County sales tax generated within the municipality. Town's portion of the Gunnison County sales tax is projected to be \$650,000 in 2024.

With the surprisingly positive sales tax trend in recent years 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, wastewater treatment, climate action, vehicle and large equipment replacement in the 2024 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 2024 over 2023 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.
- RETT – the real estate transfer tax is projected to be lower than recent years 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 2024 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.
- 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 2024 and used strictly to support affordable housing efforts.
- Water and Sewer fees – base rates for monthly water and sewer services will increase by 2% per EQR. Significant increases to base rates were imposed in 2022 and 2023 along with measures intended to encourage water conservation. For 2024 the base rates will increase modestly to keep pace with increasing operational expenses. These increases are necessary to offset costs for the plant upgrades and will be closely monitored over the coming year(s).
- Interest Income – Town is seeing an increase in interest income due to the increases in interest rates.
- Contribution from reserves - 2024 will see contributions from reserves in multiple funds:
- Transit and Mobility will operate at a negative \$115,368.
- Parks, Recreation & Trails will operate at a negative \$367,279 . This fund will likely always require some measure of contributions from the General Fund to break even as revenues generated by the fund itself are not sufficient to cover operating costs.

- Affordable Housing will operate at a negative \$664,940 primarily due to pre-development costs incurred in 2023 that will be paid in 2024. Streets & Alleys will operate at a negative \$1,717,599 largely due to a \$1M investment heavy equipment replacement and \$1M in paving projects that are regularly scheduled every 5 years.
- Open Space will operate at a negative \$1,465,174 as Town will complete the Red Lady mining claims removal project in 2024.
- Capital Fund will operate at a negative \$1,028,077 as a result of investments in EV's, EV charging stations, Town Hall improvements, the new post office, and improvement to 308.
- General Fund will operate at a negative \$26,994 primarily due to the purchase of safety equipment for the Marshals Department and long-range planning studies conducted by Community Development related to an infill study, design standard and guideline updates and zone code changes.

### Total Expenditures

- Personnel – the 2024 budget contemplates three new full-time positions including an Operations Manager position in Public Works, an Unlicensed Operator Position in Wastewater, and a Facility Maintenance Worker in Facilities. It also includes a Seasonal Maintenance Worker in Facilities.
- Wages – the 2024 budget accommodates a 4% COLA increase and 1% merit increase.
- Employee health insurance – 5% increase in medical premiums versus 2023.
- Property and Casualty – Rates for property and casualty insurance increased by 20% for 2024. This was due in large part to the impact of state legislation around police liability and significant recent court judgements for large awards against jurisdictions with police departments.
- Debt Service – Enterprise Fund includes a material increase in debt service expense in 2024 because of payments on the two new loans used to fund the wastewater treatment plan improvements.

## 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 2024 budget. 2023 saw the addition of 4 positions including the Sustainability Coordinator, seasonal recreation and open space coordinator, senior accountant, and a building inspector. Headcount is listed according to the employees' home department based on the organizational structure. Significant portions of expenses related to staff members were moved from Recreation to Open Space beginning in 2024 to better reflect how their time is spent.

## Year-Round Employee Headcount

| Department            | 2023         | 2024         |
|-----------------------|--------------|--------------|
| Community Development | 9.75         | 8.75         |
| Sustainability        | 0            | 1            |
| Marshals              | 10           | 10           |
| Streets               | 6            | 6            |
| Parks                 | 5            | 5            |
| Finance / HR / IT     | 6            | 6            |
| Wastewater            | 4            | 5            |
| Facilities            | 4            | 5            |
| Water                 | 3            | 3            |
| Recreation            | 3            | 1            |
| Clerk                 | 3            | 3            |
| Public Works          | 2            | 3            |
| Shop                  | 2            | 2            |
| Manager               | 1            | 1            |
| Open Space            | 0            | 2            |
| Affordable Housing    | 1            | 1            |
| <b>Total</b>          | <b>59.75</b> | <b>62.75</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 12% wage increases for staff in 2023 were incorporated into the salary ranges within the pay plan.

The 2024 budget includes 5% wage increases for staff. The 5% includes a 4% cost-of-living adjustment and 1% merit pool. The merit pool is allocated to each employee based upon their annual performance review.

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 2022 and 2023 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.

The Social Security Administration will be increasing the allocations to recipients by 3.2% in 2024.

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 few years to inform our Employee Pay Plan and to adjust salary ranges for each of the Town's job levels. Salary ranges are scheduled to be adjusted in 2025 based on the 2024 CML compensation survey.

There is a dearth of purpose-built rental units in Gunnison County. The Town did add one housing unit to our employee rental inventory in 2024 with relocation of the Haney House to Paradise Park. We also converted the residential unit at the Depot from a community rental to an employee rental. The Town will continue to build rental and for-sale housing units in 2024 with the Mineral Point and Paradise Park projects. We will also continue to participate in regional efforts to address the housing crisis.

Staff retention has been a top concern in 2023 with the unemployment rate in Gunnison County hovering between 2% and 2.5% 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 5% wage increase in the 2024 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.



Photo Credit: Robby Lloyd

## Summary of all Town Funds 2024

The following worksheet provides a combined summary of all funds in the budget. With total revenues of \$27,759,268 , expenditures of \$29,214,415 and total deficit of (\$1,455,147 ).

| 2024 BUDGET  | Government Funds |                         |                      |                         |                         |              |                                 |            |                 | Utility Enterprise Fund |             |           | TOTAL        |
|--|------------------|-------------------------|----------------------|-------------------------|-------------------------|--------------|---------------------------------|------------|-----------------|-------------------------|-------------|-----------|--------------|
|  | General Fund     | Transit & Mobility Fund | Streets & Alley Fund | Affordable Housing Fund | Conservation Trust Fund | Capital Fund | Parks, Recreation & Trails Fund |            | Open Space Fund | Water                   | Wastewater  | Trash     |              |
|  |                  |                         |                      |                         |                         |              | Parks                           | Recreation |                 |                         |             |           |              |
| REVENUE  |                  |                         |                      |                         |                         |              |                                 |            |                 |                         |             |           |              |
| Taxes  | \$5,793,967      | \$1,394,000             | \$1,118,965          | \$1,000,000             |                         | \$981,111    | \$769,222                       |            | \$750,000       |                         |             |           | \$11,807,265 |
| Service Charges  | \$218,600        | \$81,050                |                      |                         |                         |              |                                 | \$102,080  |                 | \$1,412,038             | \$1,434,263 | \$353,769 | \$3,601,801  |
| Grants/fundraising                                       | \$275,000        |                         | \$274,000            | \$973,389               | \$15,000                | \$547,946    | \$15,000                        |            | \$35,000        |                         | \$199,499   |           | \$2,334,834  |
| Tap Fees   |                  |                         |                      |                         |                         |              |                                 |            |                 | \$436,400               | \$436,400   |           | \$872,800    |
| Licenses & Permits                                       | \$286,500        |                         |                      |                         |                         |              |                                 |            |                 |                         |             |           | \$286,500    |
| Payments in Lieu   |                  |                         |                      | \$70,000                |                         |              |                                 |            |                 |                         |             |           | \$70,000     |
| Parking in lieu  |                  |                         | \$15,000             |                         |                         |              |                                 |            |                 |                         |             |           | \$15,000     |
| Fines & forfeitures                                      | \$17,000         |                         | \$1,100              |                         |                         |              |                                 |            |                 | \$750                   | \$750       |           | \$19,600     |
| Rental income  |                  |                         |                      | \$197,000               |                         | \$110,000    | \$50,000                        |            |                 |                         |             |           | \$357,000    |
| Leases   | \$91,474         |                         |                      |                         |                         |              |                                 |            |                 |                         |             |           | \$91,474     |
| Unit sales/reimbursements                                |                  |                         |                      |                         |                         | \$12,000     |                                 |            |                 |                         |             |           | \$12,000     |
| Interest Income  | \$255,000        |                         |                      |                         | \$1,000                 | \$2,500      |                                 |            |                 | \$240,000               | \$240,000   |           | \$738,500    |
| Debt Proceeds  |                  |                         |                      |                         |                         |              |                                 |            |                 |                         | \$4,147,353 |           | \$4,147,353  |
| Other (including ATAD and capital project reimbursement) | \$13,100         |                         |                      | \$20,000                |                         |              |                                 |            |                 | \$2,975                 | \$3,369,066 |           | \$3,405,141  |
| TOTAL REVENUE  | \$6,950,641      | \$1,475,050             | \$1,409,065          | \$2,260,389             | \$16,000                | \$1,653,557  | \$834,222                       | \$102,080  | \$785,000       | \$2,092,163             | \$9,827,331 | \$353,769 | \$27,759,268 |
|  |                  |                         |                      |                         |                         |              |                                 |            |                 |                         |             |           |              |
| OPERATING EXPENSES                                       |                  |                         |                      |                         |                         |              |                                 |            |                 |                         |             |           |              |
| General Fund:  |                  |                         |                      |                         |                         |              |                                 |            |                 |                         |             |           |              |
| Marshals Dept  | \$1,558,829      |                         |                      |                         |                         |              |                                 |            |                 |                         |             |           | \$1,558,829  |
| Community Development Dept                               | \$1,517,878      |                         |                      |                         |                         |              |                                 |            |                 |                         |             |           | \$1,517,878  |
| Finance / HR / IT Dept                                   | \$826,415        |                         |                      |                         |                         |              |                                 |            |                 |                         |             |           | \$826,415    |
|  |                  |                         |                      |                         |                         |              |                                 |            |                 |                         |             |           |              |

| OPERATING EXPENSES (Cont.)              | Government Funds |                         |                      |                         |                         |               |                                 |             |                 | Utility Enterprise Fund |             |           | TOTAL         |
|---|------------------|-------------------------|----------------------|-------------------------|-------------------------|---------------|---------------------------------|-------------|-----------------|-------------------------|-------------|-----------|---------------|
|   | General Fund     | Transit & Mobility Fund | Streets & Alley Fund | Affordable Housing Fund | Conservation Trust Fund | Capital Fund  | Parks, Recreation & Trails Fund |             | Open Space Fund | Water                   | Wastewater  | Trash     |               |
|   |                  |                         |                      |                         |                         |               | Parks                           | Recreation  |                 |                         |             |           |               |
| General Government Dept                 | \$821,802        |                         |                      |                         |                         |               |                                 |             |                 |                         |             |           | \$821,802     |
| Public Works Dept                       | \$469,833        |                         |                      |                         |                         |               |                                 |             |                 |                         |             |           | \$469,833     |
| Clerks Dept                             | \$380,473        |                         |                      |                         |                         |               |                                 |             |                 |                         |             |           | \$380,473     |
| Admin Dept                              | \$362,890        |                         |                      |                         |                         |               |                                 |             |                 |                         |             |           | \$362,890     |
| Sustainability Dept                     | \$362,120        |                         |                      |                         |                         |               |                                 |             |                 |                         |             |           | \$362,120     |
| Shop/Fleet Dept                         | \$317,997        |                         |                      |                         |                         |               |                                 |             |                 |                         |             |           | \$317,997     |
| Legal                                   | \$260,100        |                         |                      |                         |                         |               |                                 |             |                 |                         |             |           | \$260,100     |
| Town Council                            | \$99,298         |                         |                      |                         |                         |               |                                 |             |                 |                         |             |           | \$99,298      |
| Transit & Mobility Fund                 |                  | \$1,540,418             |                      |                         |                         |               |                                 |             |                 |                         |             |           | \$1,540,418   |
| Streets & Alley Fund                    |                  |                         | \$1,026,664          |                         |                         |               |                                 |             |                 |                         |             |           | \$1,026,664   |
| Affordable Housing Fund                 |                  |                         |                      | \$750,329               |                         |               |                                 |             |                 |                         |             |           | \$750,329     |
| Conservation Trust Fund                 |                  |                         |                      |                         | \$0                     |               |                                 |             |                 |                         |             |           | \$0           |
| Capital Fund                            |                  |                         |                      |                         |                         | \$734,017     |                                 |             |                 |                         |             |           | \$734,017     |
| Parks, Recreation and Trails Fund       |                  |                         |                      |                         |                         |               | \$935,664                       | \$254,917   |                 |                         |             |           | \$1,190,581   |
| Open Space Fund                         |                  |                         |                      |                         |                         |               |                                 |             | \$250,174       |                         |             |           | \$250,174     |
| Enterprise Fund                         |                  |                         |                      |                         |                         |               |                                 |             |                 | \$849,871               | \$1,986,708 | \$353,409 | \$3,189,987   |
| TOTAL OPERATING EXPENSES                |                  |                         |                      |                         |                         |               |                                 |             |                 |                         |             |           | \$15,659,806  |
|   |                  |                         |                      |                         |                         |               |                                 |             |                 |                         |             |           |               |
| CAPITAL EXPENSES                        |                  | \$50,000                | \$2,100,000          | \$2,175,000             | \$0                     | \$1,947,617   | \$113,000                       | \$0         | \$2,000,000     | \$253,000               | \$4,915,993 | \$0       | \$13,554,610  |
|   |                  |                         |                      |                         |                         |               |                                 |             |                 |                         |             |           |               |
| TOTAL EXPENSES                          | \$6,977,635      | \$1,590,418             | \$3,126,664          | \$2,925,329             | \$0                     | \$2,681,634   | \$1,048,664                     | \$254,917   | \$2,250,174     | \$1,102,871             | \$6,902,701 | \$353,409 | \$29,214,415  |
| NET SURPLUS/(DEFICIT) BEFORE TRANSFERS  | (\$26,994)       | (\$115,368)             | (\$1,717,599)        | (\$664,940)             | \$16,000                | (\$1,028,077) | (\$214,442)                     | (\$152,837) | (\$1,465,174)   | \$989,293               | \$2,924,631 | \$360     | (\$1,455,147) |
| FUND TRANSFERS                          | (\$654,976)      | \$258,222               |                      | \$370,404               |                         | (\$1,494,310) | \$1,123,906                     | \$396,754   |                 |                         |             |           | (\$0)         |
| PROJECTED NET SURPLUS/(DEFICIT) in 2024 | (\$681,970)      | \$142,854               | (\$1,717,599)        | (\$294,536)             | \$16,000                | (\$2,522,387) | \$909,464                       | \$243,917   | (\$1,465,174)   | \$989,293               | \$2,924,631 | \$360     | (\$1,455,147) |
| Fund Balance 12/31/2022                 | \$8,995,152      | \$0                     | \$2,852,014          | \$585,455               | \$110,606               | \$7,552,942   | \$0                             |             | \$2,623,092     | \$6,417,462             |             |           | \$29,136,723  |
| Projected Fund Balance 12/31/2023       | \$8,571,756      | \$0                     | \$2,038,193          | \$646,865               | \$18,977                | \$8,184,429   | \$0                             |             | \$3,102,948     | \$3,979,838             |             |           | \$26,543,006  |
| Projected Fund Balance 12/31/2024       | \$7,889,785      | \$142,855               | \$320,594            | \$352,329               | \$34,977                | \$5,662,042   | \$1,153,382                     |             | \$1,637,774     | \$7,894,122             |             |           | \$25,087,860  |

# 2024 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, 2023, is projected to be \$8,571,756. Expenditures for the General fund in 2024 total \$7,632,611 including \$258,222 in transfers to the Transit & Mobility Fund and \$396,754 in transfers to the Parks, Recreation & Trails Fund to cover fund shortages and operating reserve requirements.

Some significant changes in the General fund have taken place in the 2024 budget. With the creation of the Transit & Mobility and the Parks, Trails & Recreation funds the associated revenues and expenses have been removed from the General fund and placed in the appropriate funds. These include items like 1% of the sales tax for transportation and payments to Mountain Express. Likewise, Recreation revenues and expenses have been relocated. Facilities expenses have also been removed and relocated to the Capital fund as it is the job of Facilities to maintain buildings which are capital assets.

The main sources of revenue for the General fund are 3.0% 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 3% provides more than 50% of the revenue for the General fund or other Town funds as needed. Other revenues come from use tax, permits & licenses, and fees for services. 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
- Town Manager
- Finance/HR/IT
- Municipal Court
- Elections
- Marshals
- Sustainability
- Community Development
- Public Works

### 2024 Highlights:

#### REVENUE:

- Sales tax revenue accounts for the majority (74%) of the General Fund revenues.
- Building revenues are projected to decline modestly 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 2023.
- The fund maintains strong reserves with sufficient funds to serve well over 100% of annual operations anticipated at the end of 2024.

## EXPENDITURES:

- Personnel wage increases are budgeted at 5%. 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 two new positions included in the 2024 General fund budget – 1/3 of a Public Works Operations Manager and senior accountant.
- The General fund is projected to have \$2,749,234 in reserves (beyond required TABOR & 100% operating) at the end of 2023. The fund will require use of reserves in 2024, budgeted at \$681,971. The use of reserves includes a number of one-time projects:
  - Marshal's tactical equipment \$ 69,000
  - MtCB/CB EV Readiness Plan \$ 20,000
  - Plastic Pollution Reduction Act outreach \$ 10,000
  - GHG Inventory and Climate Action Plan \$126,866
  - Infill Study \$200,000
  - Zoning Code Changes \$ 30,000
  - Design Standards & Guidelines Update \$120,000
  - Facilitation support for planning efforts \$100,000

\$675,866

While there will inevitably always be some one-time study or expense, 2024 is a particularly loaded year for these efforts in the General fund. Without these projects the fund would be projected to contribute approximately \$6,000 to reserves.

- Sustainable Strategies grant writing, advising and advocacy is included in the 2024 budget as an administrative expense at \$108,000.

For purposes of comparison, the 2022 & 2023 budgets shown below have been adjusted to remove revenues and expenses related to the two new funds – Transit & Mobility and Parks, Recreation & Trails – as well as Facilities which has been moved to the Capital fund.

## General Fund Summary

|                                | 2022<br>Actual     | 2023<br>Budget     | 2023<br>Projected  | 2024<br>Budget     | ^\$                | ^%              |
|--------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-----------------|
| <b>TOTAL REVENUE</b>           | <b>\$6,885,993</b> | <b>\$6,699,813</b> | <b>\$6,887,611</b> | <b>\$6,950,641</b> | <b>\$250,827</b>   | <b>3.74%</b>    |
| <b>EXPENSES</b>                |                    |                    |                    |                    |                    |                 |
| General Government             | \$3,180,454        | \$750,286          | \$822,802          | \$821,802          | \$71,516           | 9.53%           |
| Marshals                       | \$1,211,663        | \$1,409,158        | \$1,522,461        | \$1,558,829        | \$149,671          | 10.62%          |
| Finance                        | \$483,255          | \$696,444          | \$698,373          | \$826,415          | \$129,971          | 18.66%          |
| Community Development          | \$1,089,336        | \$1,328,324        | \$1,418,326        | \$1,517,878        | \$189,554          | 14.27%          |
| Public Works                   | \$212,523          | \$404,131          | \$434,453          | \$469,833          | \$65,702           | 16.26%          |
| Fleet                          | \$263,093          | \$300,691          | \$316,204          | \$317,997          | \$17,306           | 5.76%           |
| Clerk                          | \$217,309          | \$377,155          | \$374,792          | \$380,473          | \$3,319            | 0.88%           |
| Administration                 | \$207,957          | \$225,162          | \$256,596          | \$362,890          | \$137,727          | 61.17%          |
| Sustainability                 | \$3,265            | \$5,000            | \$6,753            | \$362,120          | \$357,120          | 100.00%         |
| Legal                          | \$252,249          | \$220,100          | \$256,501          | \$260,100          | \$40,000           | 18.17%          |
| Council                        | \$92,467           | \$93,486           | \$94,017           | \$99,298           | \$5,813            | 6.22%           |
| <b>TOTAL EXPENSES</b>          | <b>\$7,213,571</b> | <b>\$5,809,937</b> | <b>\$6,201,279</b> | <b>\$6,977,635</b> | <b>\$1,167,698</b> | <b>20.10%</b>   |
| <b>NET SURPLUS / (Deficit)</b> | <b>(\$327,578)</b> | <b>\$889,876</b>   | <b>\$686,332</b>   | <b>(\$26,994)</b>  | <b>(\$916,870)</b> | <b>-103.03%</b> |

## General Fund Revenue

| Account name                     | ACTUAL 2022   | BUDGETED 2023 | PROJECTED 2023 | BUDGETED 2024 |
|----------------------------------|---------------|---------------|----------------|---------------|
| PROPERTY TAX                     | (\$312,994)   | (\$296,104)   | (\$310,564)    | (\$325,000)   |
| SPECIFIC OWNERSHIP TAX & USE TAX | (\$310,080)   | (\$219,970)   | (\$226,563)    | (\$346,667)   |
| SALES TAX                        | (\$4,232,726) | (\$4,612,500) | (\$4,403,123)  | (\$4,182,000) |
| CIGARETTE TAX                    | (\$204,651)   | (\$200,000)   | (\$200,000)    | (\$200,000)   |
| CNTY SALES/MINERAL LEASE         | (\$86,570)    | (\$35,000)    | (\$103,097)    | (\$75,000)    |
| TELEPHONE TAX                    | (\$764)       | (\$500)       | (\$219)        | (\$300)       |
| GAS FRANCHISE TAX                | (\$44,244)    | (\$44,922)    | (\$64,021)     | (\$50,000)    |
| INTEREST & PENALTIES             | (\$38,340)    | (\$7,500)     | (\$20,565)     | (\$15,000)    |
| CATV LEASE                       | (\$12,041)    | (\$15,640)    | (\$20,423)     | (\$16,474)    |
| STATE MJ SALES TAX               | (\$49,948)    | (\$31,170)    | (\$32,927)     | (\$40,000)    |
| LIQUOR LICENSES                  | (\$11,896)    | (\$8,000)     | (\$11,995)     | (\$10,000)    |
| BUSINESS LICENSES                | (\$14,475)    | (\$28,000)    | (\$14,650)     | (\$20,000)    |
| VACATION RENTAL LICENSES         | (\$152,472)   | (\$2,600)     | (\$9,430)      | (\$10,000)    |
| DOG LICENSES                     | (\$514)       | (\$500)       | (\$530)        | \$0           |
| BUILDING PERMITS                 | (\$204,467)   | (\$200,000)   | (\$131,408)    | (\$175,000)   |
| PLAN REVIEW-BLDG                 | (\$76,487)    | (\$70,322)    | (\$54,134)     | (\$60,000)    |
| SPECIAL REVIEW/INSPECTION        | (\$44,824)    | (\$1,000)     | \$0            | \$0           |
| ENERGY MITIGATION FEE            | (\$34,612)    | (\$10,036)    | (\$20,070)     | (\$20,000)    |
| SIGN PERMITS                     | (\$373)       | (\$600)       | (\$490)        | (\$500)       |
| CERTIFICATE OF ASSESSMENT        | (\$250)       | (\$250)       | (\$210)        | (\$250)       |
| MISC BUILDING FEES               | (\$12,797)    | (\$11,914)    | (\$11,914)     | (\$10,000)    |
| BOZAR FEES                       | (\$27,925)    | (\$45,055)    | (\$25,500)     | (\$35,000)    |
| SIDEWALK CAFE LICENSE            | (\$14,538)    | (\$4,571)     | (\$14,526)     | (\$10,000)    |
| MISC LICENSE FEES                | (\$3,725)     | (\$3,000)     | (\$2,900)      | (\$3,000)     |
| ONLINE PAYMENT SERVICE FEE       | (\$810)       | \$0           | (\$532)        | (\$300)       |
| LICENSE PLATE FEES               | (\$8,601)     | (\$5,936)     | (\$5,177)      | (\$8,000)     |
| OCCUPATION TAX                   | (\$40,389)    | (\$54,000)    | (\$43,682)     | (\$50,000)    |
| COUNTY SALES TAX                 | (\$698,075)   | (\$657,542)   | (\$657,542)    | (\$650,000)   |
| DOLA GRANTS COMM DEV             | \$0           | \$0           | \$0            | (\$200,000)   |
| LEAF/DOJ GRANTS                  | \$0           | \$0           | (\$58,508)     | (\$55,000)    |
| HISTORIC GRANT/FEES              | (\$21,193)    | \$0           | (\$43,750)     | \$0           |
| EV READINESS PLANNING GRANT      | \$0           | \$0           | \$0            | (\$20,000)    |
| MGMT FEES SEWER AND WATER        | (\$65,000)    | (\$65,000)    | (\$65,000)     | (\$65,000)    |
| MECHANIC/GIS-SW                  | (\$18,000)    | (\$18,000)    | (\$18,000)     | (\$19,800)    |
| FINES - GENERAL                  | (\$14,068)    | (\$16,160)    | (\$17,009)     | (\$17,000)    |
| COURT COSTS                      | (\$970)       | (\$2,500)     | (\$1,331)      | (\$1,000)     |
| VIN/FINGERPRINT                  | (\$662)       | (\$520)       | (\$300)        | (\$500)       |
| INTEREST INCOME                  | (\$96,594)    | (\$24,000)    | (\$240,000)    | (\$240,000)   |
| SPECIAL EVENT FEES               | (\$12,100)    | (\$6,250)     | (\$6,250)      | (\$6,250)     |
| COPIES/RESEARCH FEE              | (\$502)       | (\$750)       | (\$354)        | (\$500)       |
| OTHER REVENUE                    | (\$17,319)    | \$0           | (\$47,411)     | (\$4,000)     |
| RECYCLE FEES                     | \$0           | \$0           | \$0            | (\$4,000)     |
| BAG FEES                         | \$0           | \$0           | (\$3,504)      | (\$3,600)     |
| WASTE FEES                       | \$0           | \$0           | \$0            | (\$1,500)     |
|                                  | (\$6,885,993) | (\$6,699,813) | (\$6,887,611)  | (\$6,950,641) |

# Transit & Mobility Fund

## Transit & Mobility Fund Narrative

The Transit and Mobility fund is a new fund in the 2024 budget. The primary revenue for this fund is 1% of the 4.5% sales tax, expected to generate \$1,394,000 in 2024. Within the Transit and Mobility fund budget, you will find details of revenues and operating expenditures for supporting multimodal transportation. These items include activities and projects such as operation of transit systems in Crested Butte and surrounding areas, town-wide traffic calming, pedestrian and bicycle facility construction, and parking management. The primary purpose of the creation of this fund is to create transparency around expenditures for these types of activities which have been prioritized by the Town Council. The fund will start with a zero balance in 2024. This fund is expected to need regular support from the General fund or Capital fund.

The most significant expenditure is funding for Mountain Express. Funding for Mt. Express is provided by tax revenues from both Crested Butte and Mt. Crested Butte. For many years the Town of Crested Butte has funded Mt Express with 95% of the revenues generated by the 1% sales tax designated for transportation. This expenditure amount is projected to be \$1,324,300 in 2024.

This fund does not currently include any personnel expenses. Staff has requested an audit of collections from Interstate Parking which should be completed by year-end. Their revenues fell in 2023 with the transition to an allowed 2-hours on Sopris and Maroon without a permit.

This fund is currently projected to have a shortfall of \$115,368 in 2024. The fund will have an operating budget of \$142,855. The annual pass through to Mountain Express is not considered an operating expense for the Town in our goal of ensuring we have 100% of operations in reserves as Mountain Express maintains their own reserves. The shortfall in this fund and establishment of reserves in the amount of 100% of annual operations will be made up with a one-time transfer from General fund reserves in 2024 in the amount of \$258,222. Staff and Council should spend time in 2024, considering prioritization of transit and mobility services with limited resources. Transfers from both the General and Capital funds to this fund are acceptable.

### 2024 Highlights:

#### REVENUE:

- Sales tax revenue accounts for most of the Transit and Mobility fund revenues.

#### EXPENDITURES:

- The most significant expenditure is direct support for Mountain Express.
- Other expenditures are directed to the Late Night Taxi, towing expenses, parking management by Interstate Parking, and seasonal traffic calming improvements

## Transit & Mobility Fund Summary

|                                | 2022<br>Actual     | 2023<br>Budget     | 2023<br>Projected  | 2024<br>Budget     | Δ\$                | Δ%              |
|--------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-----------------|
| <b>REVENUES</b>                |                    |                    |                    |                    |                    |                 |
| TOWING FEES                    | \$989              | \$38,110           | \$56,540           | \$63,000           | \$24,890           | 65.31%          |
| 25% OF 4% SALES TAX            | \$1,410,909        | \$1,537,500        | \$1,467,708        | \$1,394,000        | (\$143,500)        | -9.33%          |
| TICKET SURCHARGE               | \$215              | \$250              | \$250              | \$250              | \$0                | 0.00%           |
| PARKING FEES                   | \$19,554           | \$14,175           | \$22,100           | \$17,800           | \$3,625            | 25.57%          |
| <b>TOTAL REVENUE</b>           | <b>\$1,431,667</b> | <b>\$1,590,035</b> | <b>\$1,546,598</b> | <b>\$1,475,050</b> | <b>(\$114,985)</b> | <b>-7.23%</b>   |
| <b>EXPENSES</b>                |                    |                    |                    |                    |                    |                 |
| MOUNTAIN EXPRESS               | \$1,371,103        | \$1,298,333        | \$1,298,333        | \$1,324,300        | \$25,967           | 2.00%           |
| LATE NIGHT TAXI                | \$0                | \$46,000           | \$67,742           | \$73,263           | \$27,263           | 59.27%          |
| TOWING EXPENSE                 | \$28,750           | \$35,000           | \$65,000           | \$68,000           | \$33,000           | 94.29%          |
| PARKING MANAGEMENT             | \$64,444           | \$50,000           | \$72,100           | \$74,855           | \$24,855           | 49.71%          |
| CAPITAL EXPENDITURES           | \$0                | \$0                | \$0                | \$50,000           | \$50,000           | 100.00%         |
| <b>TOTAL EXPENSES</b>          | <b>\$1,464,298</b> | <b>\$1,429,333</b> | <b>\$1,503,175</b> | <b>\$1,590,418</b> | <b>\$161,084</b>   | <b>11.27%</b>   |
| <b>NET SURPLUS / (Deficit)</b> | <b>(\$32,631)</b>  | <b>\$160,702</b>   | <b>\$43,423</b>    | <b>(\$115,368)</b> | <b>(\$276,069)</b> | <b>-171.79%</b> |



Photo Credit: Lydia Stern

# 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, including snow plowing and removal. Its main source of revenue is dedicated property tax. Highway Users Tax from the State is also included in the Street & Alley Fund.

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 is updated on an annual basis to assist in forecasting capital improvement needs. The fund balance in the Street & Alley Fund is projected to be \$2,038,193 on December 31, 2023. Removing 100% of operations, the available fund balance is projected at \$1,107,529.

The major 5-year paving project in 2024 will drop the fund below the desired 100% operating reserve by approximately \$610,071 leaving only around \$320,594 in reserves. It is typical for this fund to drop very low every five years as the Town undertakes a significant street project, however, increasing expenses for equipment and streets projects are outpacing revenue increases and diminishing the lane miles the Town can maintain or rebuild. If the Council intends to maintain the current overall condition of the streets in Town, additional revenue will be needed, most likely through an increase in the mills collected. Additional revenue will also be needed to accomplish some of the streetscape improvements contemplated in the Transportation Mobility Plan as shown in the 5-year capital plan.

### *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 by saving up fund balance to perform the 5 year rolling street projects. The 15-year plan helps lay the groundwork for this philosophy and the adjusting of the mill levy to accomplish it. Again, with the addition of several significant capital improvement projects stemming from the development of the Transportation Plan, the Streets Fund will require an increase to the mill levy in order to maintain currently forecasted operational and capital improvement expenses, combined with these emerging projects.

The mill levy for 2024 is set to remain very close to the same 8.00 mills as in recent years. This will be finally determined with the delayed mill levy adoption in early January as we account for the recent one-time valuation changes made by the CO legislature and maintain budgeted revenues. However, expect to see increases in the coming years as the Town strives to keep up with increasing costs for materials, labor and equipment.

#### 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. In 2024, Staff is also requesting the addition of an Operations Manager Position. This position would assist the Public Works Director in the allocation of resources necessary to perform Public Works operations. The position would be funded through the General fund, the Streets fund, and the Utility Enterprise fund, equally.

Overall annual maintenance operations include grading of alleys and ROWs, storm water maintenance, crack sealing, deploying and maintenance of traffic calming, and paint-stripping curbs, cross walks, parking lots, and stop bars. Routine maintenance expenses for materials and labor have increased in recent years both because of materials pricing but also to fulfill community expectations. Some examples of the scope changes in recent years include a lot of seasonal painting such as stop bars at every stop sign, improved crosswalks, delineating no-parking areas at corners to improve pedestrian safety, traffic calming, and better delineation of parking for ADA and EV charging. In 2023 the Town applied 246 gallons of street paint to Town roads, an almost two-fold increase compared to previous years. The cost of this increase has been absorbed by transferring this operation from a 3<sup>rd</sup> party contract to in-house operations.

#### CAPITAL EXPENSE:

The rolling 5-year paving project is scheduled to occur in 2024. The Streets Paving Project 2024 will be a full depth recycle (full street rebuild) of Elk Ave west of 6<sup>th</sup> Street and the same for Eighth Street north of Elk Ave. This project is budgeted at \$1,000,000.

Additionally, the following capital equipment purchases are scheduled in 2024:

| Capital Equipment |         |
|-------------------|---------|
| Water Truck       | 600,000 |
| Loader            | 400,000 |

Both the water truck and loader will be replaced with the most advanced electric vehicle conversion. Based on current technology, the water truck will be replaced with a fully electric vehicle. The loader will be replaced with a John Deere hybrid, currently the only electric vehicle conversion available for loaders.

## Streets & Alley Five Year Capital Plan

| Streets & Alleys Fund Schedule  | 2024             | 2025             | 2026             | 2027             | 2028     | Total             |
|---|------------------|------------------|------------------|------------------|----------|-------------------|
| Raising bridges & cleaning out channel to address Coal Creek flooding |                  | 750,000          | 750,000          | 750,000          |          | 2,250,000         |
| Elk Ave/Third St. Streetscape - Design & Construction                 |                  | 500,000          | 5,000,000        |                  |          | 5,500,000         |
| Sixth Street Improvements - Design & Construction                     |                  |                  | 300,000          | 1,000,000        |          | 1,300,000         |
| Red Lady/School Entrance Design                                       | 100,000          | 300,000          | 3,000,000        |                  |          | 3,400,000         |
| Grants for Red Lady Intersection                                      |                  |                  | (1,000,000)      |                  |          | (1,000,000)       |
| School Contribution for Red Lady Intersection                         | (40,000)         | (50,000)         | (1,000,000)      |                  |          | (1,090,000)       |
| EV Grants   | (249,000)        |                  |                  |                  |          | (249,000)         |
| Paving Projects   | 1,000,000        |                  |                  | 1,100,000        |          | 2,100,000         |
| Storm Water Projects  |                  | 40,000           |                  | 40,000           |          | 80,000            |
| Mt Express New Shop Grant   |                  | 70,000           |                  |                  |          | 70,000            |
| Snow Blower   |                  | 175,000          |                  |                  |          | 175,000           |
| Water Truck   | 600,000          |                  |                  |                  |          | 600,000           |
| Sweeper - 2004  |                  |                  |                  | 600,000          |          | 600,000           |
| Loader  | 400,000          |                  |                  |                  |          | 400,000           |
| Dump Truck - 1999   |                  |                  | 500,000          |                  |          | 500,000           |
| Air Compressor - 1997   |                  | 33,000           |                  |                  |          | 33,000            |
| Backhoe - 2005  |                  |                  |                  | 150,000          |          | 150,000           |
| Dodge 1 ton - 1981  |                  |                  | 40,000           |                  |          | 40,000            |
| Crack Seal Equipment  |                  | 150,000          |                  |                  |          | 150,000           |
| Dozer - Used  |                  | 300,000          |                  |                  |          | 300,000           |
| <b>Total Streets &amp; Alleys:</b>                                    | <b>1,811,000</b> | <b>2,268,000</b> | <b>7,590,000</b> | <b>3,640,000</b> | <b>0</b> | <b>15,309,000</b> |

## Street & Alley Budget

| Account name                              | 2022 Actual        | 2023 Budget        | 2023 Projected     | 2024 Budget          | ^\$                | ^%             |
|---|--------------------|--------------------|--------------------|----------------------|--------------------|----------------|
| PROPERTY TAX-STREETS                      | \$1,057,361        | \$998,138          | \$1,050,066        | \$1,060,000          | \$61,862           | 6.20%          |
| INTEREST & PENALTIES                      | \$2,021            | \$1,400            | \$2,047            | \$1,100              | (\$300)            | -21.43%        |
| OTHER CAPITAL RELATED REVENUE             | \$2,715            | \$815              | \$22,297           | \$274,000            | \$273,185          | 33519.63%      |
| PARKING IN LIEU                           | \$2,600            | \$2,600            | \$143,999          | \$15,000             | \$12,400           | 476.92%        |
| HIGHWAY USERS TAX                         | \$60,180           | \$62,265           | \$53,569           | \$58,965             | (\$3,300)          | -5.30%         |
| <b>Total Revenue</b>                      | <b>\$1,124,877</b> | <b>\$1,065,218</b> | <b>\$1,271,979</b> | <b>\$1,409,065</b>   | <b>\$343,847</b>   | <b>32.28%</b>  |
| WAGES                                     | \$8,045            | \$12,621           | \$12,621           | \$112,521            | \$99,900           | 791.54%        |
| LABOR-SNOW REMOVAL                        | \$149,805          | \$92,334           | \$196,536          | \$73,474             | (\$18,860)         | -20.43%        |
| LABOR-STREET MAINT                        | \$78,522           | \$92,334           | \$92,334           | \$73,474             | (\$18,860)         | -20.43%        |
| ADDL LABOR-SNOW REMOVAL                   | \$5,757            | \$18,931           | \$18,931           | \$75,000             | \$56,069           | 296.18%        |
| CONTRACT LABOR                            | \$0                | \$60,000           | \$106,510          | \$60,000             | \$0                | 0.00%          |
| FICA                                      | \$16,997           | \$16,541           | \$16,541           | \$100,587            | \$84,046           | 508.11%        |
| HEALTH INSURANCE                          | \$41,432           | \$50,152           | \$50,152           | \$61,682             | \$11,530           | 22.99%         |
| RETIREMENT                                | \$10,878           | \$18,058           | \$18,058           | \$16,299             | (\$1,759)          | -9.74%         |
| DEBT SERVICE-PRINCIPAL                    | \$0                | \$30,000           | \$0                | \$0                  | (\$30,000)         | -100.00%       |
| DEBT SERVICE-INTEREST                     | \$0                | \$12,500           | \$0                | \$0                  | (\$12,500)         | -100.00%       |
| UNEMPLOYMENT INSURANCE                    | \$787              | \$664              | \$664              | \$758                | \$94               | 14.22%         |
| WORKMANS COMP INSURANCE                   | \$8,086            | \$9,341            | \$9,341            | \$10,868             | \$1,527            | 16.35%         |
| REPAIR & MAINT STREETS                    | \$18,467           | \$45,000           | \$45,000           | \$45,000             | \$0                | 0.00%          |
| SIDEWALK REPAIR/MAINT                     | \$4,512            | \$15,000           | \$15,000           | \$15,000             | \$0                | 0.00%          |
| WEED SPRAY-ROW                            | \$6,995            | \$11,000           | \$11,000           | \$11,000             | \$0                | 0.00%          |
| PARKING LOTS                              | \$855              | \$2,000            | \$0                | \$2,000              | \$0                | 0.00%          |
| CLOTHING ALLOWANCE                        | \$0                | \$2,500            | \$2,500            | \$3,000              | \$500              | 20.00%         |
| ENGINEERING                               | \$8,774            | \$110,000          | \$56,945           | \$30,000             | (\$80,000)         | -72.73%        |
| PAVING PROJECT                            | \$91,866           | \$205,000          | \$354,072          | \$0                  | (\$205,000)        | -100.00%       |
| STRIPING                                  | \$32,248           | \$16,000           | \$16,000           | \$16,000             | \$0                | 0.00%          |
| STORM WATER PROJECT                       | \$2,676            | \$40,000           | \$0                | \$35,000             | (\$5,000)          | -12.50%        |
| SPILL RESPONSE SUPPLIES                   | \$0                | \$3,000            | \$3,000            | \$3,000              | \$0                | 0.00%          |
| FUEL                                      | \$44,702           | \$40,000           | \$67,610           | \$50,000             | \$10,000           | 25.00%         |
| R&M VEHICLES                              | \$29,577           | \$50,000           | \$50,000           | \$60,000             | \$10,000           | 20.00%         |
| SNOW REMOVAL-SUPPLIES                     | \$22,689           | \$60,000           | \$60,000           | \$110,000            | \$50,000           | 83.33%         |
| SNOW REMOVAL-TRUCKING                     | \$4,475            | \$0                | \$0                | \$0                  | \$0                | 0.00%          |
| STREET SIGNS                              | \$6,413            | \$5,000            | \$5,000            | \$5,000              | \$0                | 0.00%          |
| STREETLIGHTS                              | \$1,272            | \$5,000            | \$5,074            | \$5,000              | \$0                | 0.00%          |
| DAMAGE LIABILITY                          | \$5,412            | \$5,000            | \$16,176           | \$18,000             | \$13,000           | 260.00%        |
| ROUNDBABOUT / SCHOOL ENTRANCE ENGINEERING | \$31,755           | \$0                | \$0                | \$0                  | \$0                | 0.00%          |
| TREASURER FEES                            | \$0                | \$33,700           | \$33,700           | \$33,000             | (\$700)            | -2.08%         |
| CAPITAL EXPENDITURES                      | \$360,670          | \$770,000          | \$822,035          | \$2,100,000          | \$1,330,000        | 172.73%        |
| OTHER EXPENSES                            | \$570              | \$1,000            | \$1,000            | \$1,000              | \$0                | 0.00%          |
| <b>Total Expense</b>                      | <b>\$994,237</b>   | <b>\$1,832,676</b> | <b>\$2,085,800</b> | <b>\$3,126,664</b>   | <b>\$1,293,989</b> | <b>70.61%</b>  |
| <b>Net Surplus (Deficit)</b>              | <b>\$130,639</b>   | <b>(\$767,458)</b> | <b>(\$813,821)</b> | <b>(\$1,717,599)</b> | <b>(\$950,141)</b> | <b>123.80%</b> |

# Capital Fund

## Capital Fund Narrative

The 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, 2023 the General Capital fund balance is projected to be \$8,571,756.

For the first time in 2024, Parks and Open Space will be removed from the Capital fund and instead accounted for independently in their own funds (discussed below). While Parks is moving out of the Capital fund, Facilities department expenses will be moved into the Capital fund.

Revenue for the Capital fund in 2024 is projected at \$1,653,557 while expenses are projected at \$4,175,944 including \$370,404 in transfers to the Affordable Housing Fund and \$1,123,906 in transfers to the Parks, Recreation & Trails Fund to cover fund shortages and operating reserve requirements. Significant funds will be used in 2024 for building improvements at Town Hall, electric vehicle charging infrastructure at public works, design of a new post office facility, vehicle replacements, and facilities maintenance. Vehicle replacements include a Marshal electric patrol car plus an electric public works truck.

The post office alone accounts for \$1,000,000 of expense to the Capital fund in 2024. This budget is designed with a placeholder for an additional \$10,000,000 in 2025 for construction, along with related loan funding. Likewise, a new facility for the Marshals is a pending large expenditure in the next few years.

# Capital Summary

|                                      | Capital Budget   |                  |                  |                     | Facilities Budget |                    |                  |                        | 2024 Budget Combined Capital & Facilities |
|--------------------------------------|------------------|------------------|------------------|---------------------|-------------------|--------------------|------------------|------------------------|---|
| Account name                         | 2022 Actual      | 2023 Budget      | 2023 Projected   | 2024 Budget Capital | 2022 Actual       | 2023 Budget        | 2023 Projected   | 2024 Budget Facilities |   |
| USE TAX                              | 788,165          | 515,000          | 470,000          | 231,111             | 0                 | 0                  | 0                | 0                      | 231,111                                   |
| TRANSFER TAX-GEN CAP                 | 1,379,232        | 725,000          | 1,035,200        | 750,000             | 0                 | 0                  | 0                | 0                      | 750,000                                   |
| INTEREST INCOME                      | 0                | 2,500            | 2,500            | 2,500               | 0                 | 0                  | 0                | 0                      | 2,500                                     |
| RENT - TOWN BLDGS                    | 65,579           | 75,300           | 105,582          | 110,000             | 0                 | 0                  | 0                | 0                      | 110,000                                   |
| SALE OF EQUIPMENT AND OTHER REVENUE  | 21,653           | 0                | 74,731           | 0                   | 0                 | 0                  | 0                | 0                      | 0   |
| CEMETERY FEES                        | 15,213           | 12,000           | 15,550           | 12,000              | 0                 | 0                  | 0                | 0                      | 12,000                                    |
| TRANSFER FROM GENERAL FUND           | 2,325,000        | 0                | 0                | 0                   | 0                 | 0                  | 0                | 0                      | 0   |
| GRANTS                               | 10,632           | 295,000          | 295,000          | 547,946             | 0                 | 0                  | 0                | 0                      | 547,946                                   |
| <b>Total Revenue</b>                 | <b>4,605,473</b> | <b>1,624,800</b> | <b>1,998,563</b> | <b>1,653,557</b>    | <b>0</b>          | <b>0</b>           | <b>0</b>         | <b>0</b>               | <b>1,653,557</b>                          |
|                                      |                  |                  |                  |                     |                   |                    |                  |                        |   |
| USE TAX RETURN                       | 1,160            | 0                | 0                | 0                   | 0                 | 0                  | 0                | 0                      | 0   |
| WAGES                                | 0                | 0                | 0                | 0                   | 208,843           | 250,333            | 250,333          | 364,251                | 364,251                                   |
| OVERTIME                             | 0                | 0                | 0                | 0                   | 4,554             | 0                  | 3,479            | 5,000                  | 5,000                                     |
| FICA                                 | 0                | 0                | 0                | 0                   | 16,529            | 19,150             | 19,150           | 28,248                 | 28,248                                    |
| HEALTH INSURANCE                     | 0                | 0                | 0                | 0                   | 29,478            | 42,540             | 42,540           | 55,732                 | 55,732                                    |
| RETIREMENT                           | 0                | 0                | 0                | 0                   | 9,233             | 15,587             | 15,587           | 16,626                 | 16,626                                    |
| TELEPHONE                            | 0                | 0                | 0                | 0                   | 1,116             | 1,500              | 1,500            | 1,500                  | 1,500                                     |
| OFFICE SUPPLIES                      | 0                | 0                | 0                | 0                   | 2,732             | 3,000              | 3,000            | 2,000                  | 2,000                                     |
| CUSTODIAL SUPPLIES                   | 0                | 0                | 0                | 0                   | 13,189            | 18,000             | 18,000           | 20,000                 | 20,000                                    |
| TRASH PICKUP                         | 0                | 0                | 0                | 0                   | 180               | 300                | 300              | 300                    | 300                                       |
| TRAVEL & EDUCATION                   | 0                | 0                | 0                | 0                   | 827               | 5,000              | 5,000            | 7,500                  | 7,500                                     |
| UNEMPLOYMENT INS                     | 0                | 0                | 0                | 0                   | 489               | 379                | 379              | 569                    | 569                                       |
| WORK COMP INS                        | 0                | 0                | 0                | 0                   | 0                 | 7,109              | 7,109            | 8,192                  | 8,192                                     |
| MEDICAL                              | 0                | 0                | 0                | 0                   | 130               | 400                | 400              | 600                    | 600                                       |
| TOOLS & EQUIPMENT                    | 0                | 0                | 0                | 0                   | 3,242             | 4,000              | 4,000            | 5,000                  | 5,000                                     |
| UNIFORM ALLOWANCE                    | 0                | 0                | 0                | 0                   | 900               | 2,000              | 2,348            | 3,000                  | 3,000                                     |
| SAFETY EQUIPMENT                     | 0                | 0                | 0                | 0                   | 118               | 500                | 500              | 500                    | 500                                       |
| FUEL                                 | 0                | 0                | 0                | 0                   | 2,423             | 1,700              | 2,239            | 2,000                  | 2,000                                     |
| R&M VEHICLE                          | 0                | 0                | 0                | 0                   | 209               | 1,000              | 1,000            | 1,000                  | 1,000                                     |
| CONTRACT CUSTODIAN                   | 0                | 0                | 0                | 0                   | 25,231            | 35,000             | 35,000           | 30,000                 | 30,000                                    |
| PUBLIC WORKS CAPITAL EXPENDITURES    | 0                | 0                | 0                | 132,000             | 0                 | 0                  | 0                | 0                      | 132,000                                   |
| INSURANCE                            | 145,670          | 0                | 145,364          | 81,000              | 0                 | 0                  | 0                | 0                      | 81,000                                    |
| DAMAGE LIABILITY                     | 4,502            | 0                | 5,000            | 0                   | 0                 | 0                  | 0                | 0                      | 0   |
| MARSHAL CAPITAL EQUIP                | 84,940           | 0                | 89,250           | 93,713              | 0                 | 0                  | 0                | 0                      | 93,713                                    |
| REAL PROPERTY PURCHASE               | 3,159,623        | 0                | 1,399            | 0                   | 0                 | 0                  | 0                | 0                      | 0   |
| CAPITAL EQUIPMENT                    | 90,533           | 55,000           | 190,000          | 0                   | 0                 | 0                  | 0                | 0                      | 0   |
| TOWN HALL UPGRADES                   | 0                | 5,000            | 0                | 0                   | 0                 | 0                  | 0                | 0                      | 0   |
| WINDOWS                              | 0                | 89,250           | 0                | 0                   | 0                 | 0                  | 0                | 0                      | 0   |
| OTH ADA LIFT                         | 0                | 230,000          | 0                | 0                   | 0                 | 0                  | 0                | 0                      | 0   |
| TOWN HALL CAPITAL EXPENDITURES       | 0                | 95,000           | 41,312           | 93,571              | 0                 | 0                  | 0                | 0                      | 93,571                                    |
| DOGGIE DOO PROJECT                   | 0                | 0                | 0                | 0                   | 0                 | 0                  | 0                | 0                      | 0   |
| CEMETERY                             | 1,234            | 10,325           | 10,325           | 6,000               | 0                 | 0                  | 0                | 0                      | 6,000                                     |
| CLIMATE ACTION PLAN                  | 6,683            | 0                | 0                | 0                   | 0                 | 0                  | 0                | 0                      | 0   |
| BUILDING CAPITAL PROJECTS FACILITIES | 71,713           | 0                | 0                | 1,628,333           | 0                 | 0                  | 0                | 0                      | 1,628,333                                 |
| BUILDING MAINT FACILITIES            | 0                | 0                | 0                | 0                   | 151,577           | 679,333            | 346,000          | 95,000                 | 95,000                                    |
| <b>Total Expense</b>                 | <b>3,566,057</b> | <b>484,575</b>   | <b>482,650</b>   | <b>2,034,617</b>    | <b>471,000</b>    | <b>1,086,831</b>   | <b>757,864</b>   | <b>647,017</b>         | <b>2,681,634</b>                          |
| <b>Net Surplus (Deficit)</b>         | <b>1,039,416</b> | <b>1,140,225</b> | <b>1,515,913</b> | <b>(381,059)</b>    | <b>(471,000)</b>  | <b>(1,086,831)</b> | <b>(757,864)</b> | <b>(647,017)</b>       | <b>(1,028,077)</b>                        |

## 5 Year Capital Plan

| Capital Fund Schedule  | 2024             | 2025             | 2026             | 2027             | 2028             | Total            |
|--|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>Facilities:</b>   |                  |                  |                  |                  |                  |                  |
| Town Hall Improvements   | 633,333          |                  |                  |                  |                  | 633,333          |
| Town Hall State Historic Preservation Grant(s)                           | (250,000)        |                  |                  |                  |                  | (250,000)        |
| Jerry's Gym Renovation   |                  |                  | 400,000          |                  |                  | 400,000          |
| Jerry's Gym Renovation - Met Rec Grant                                   |                  |                  | (100,000)        |                  |                  | (100,000)        |
| Town Ranch Barn - Renovation   |                  | 200,000          |                  |                  |                  | 200,000          |
| EV Truck   |                  |                  |                  |                  |                  | 0                |
| EV charging stations - Public  |                  | 20,000           | 20,000           | 20,000           |                  | 60,000           |
| EV charging stations - Town  | 150,000          |                  |                  |                  |                  | 150,000          |
| 308 Windows, Exterior Siding Repair/Paint, Exterior Door Replacement     | 180,000          |                  |                  |                  |                  | 180,000          |
| Post office at 6th & Gothic  | 520,000          | 6,500,000        |                  |                  |                  | 7,020,000        |
| Post office debt issuance  |                  | (3,250,000)      |                  |                  |                  | (3,250,000)      |
| Post Office match  | (260,000)        | (3,250,000)      |                  |                  |                  | (3,510,000)      |
| Marshal Office grant   |                  |                  | (500,000)        | (500,000)        |                  | (1,000,000)      |
| Marshal Office   | 50,000           | 500,000          | 2,500,000        | 2,500,000        |                  | 5,550,000        |
| Community hub at 3rd and Maroon  |                  |                  | 60,000           | 600,000          | 6,000,000        | 6,660,000        |
| Grants/funding for community hub at 3rd and Maroon                       |                  |                  |                  |                  | (5,000,000)      | (5,000,000)      |
| Mt Express New Shop Grant  |                  | 140,000          |                  |                  |                  | 140,000          |
| Old Town Hall - Paint  | 35,000           |                  |                  |                  |                  | 35,000           |
| EV Facilities Fleet Addition (Mars Car)                                  | 40,000           |                  |                  |                  |                  | 40,000           |
| River Walk Restoration - Engineering & Ped Bridge Railing-Abutment Rehab | 20,000           |                  |                  |                  |                  | 20,000           |
| <b>Total Facilities:</b>   | <b>1,118,333</b> | <b>860,000</b>   | <b>2,380,000</b> | <b>2,620,000</b> | <b>1,000,000</b> | <b>7,978,333</b> |
| <b>Public Works and Town Shop:</b>                                       |                  |                  |                  |                  |                  |                  |
| Dump Truck replacement (EV) #7   |                  | 500,000          |                  |                  |                  | 500,000          |
| Dump Truck grant offset  |                  | (250,000)        |                  |                  |                  | (250,000)        |
| Orange #3 Electric Conversion  | 40,000           |                  |                  |                  |                  | 40,000           |
| Air Compressor   |                  | 33,000           |                  |                  |                  | 33,000           |
| Pick-up Truck replacement (EV) #18                                       | 75,000           |                  |                  |                  |                  | 75,000           |
| Backhoe  |                  |                  |                  | 175,000          |                  | 175,000          |
| Vehicle Diagnostic Tool  | 17,000           |                  |                  |                  |                  | 17,000           |
| <b>Total Public Works and Town Shop:</b>                                 | <b>132,000</b>   | <b>283,000</b>   | <b>0</b>         | <b>175,000</b>   | <b>0</b>         | <b>590,000</b>   |
| <b>Marshals:</b>   |                  |                  |                  |                  |                  |                  |
| Marshal Dept Patrol Car #60  | 93,713           | 98,398           | 103,318          | 108,484          |                  | 403,913          |
| <b>Total Marshals:</b>   | <b>93,713</b>    | <b>98,398</b>    | <b>103,318</b>   | <b>108,484</b>   | <b>0</b>         | <b>403,913</b>   |
| <b>Community Development - Historic Preservation:</b>                    |                  |                  |                  |                  |                  |                  |
| Historic Preservation Initiatives  | 53,571           | TBD              | TBD              | TBD              |                  | 53,571           |
| Historic Preservation Grants   | (37,946)         |                  |                  |                  |                  | (37,946)         |
| Integrated Building Development Software                                 |                  | 100,000          |                  |                  |                  | 100,000          |
| Vehicle - Green Machine  | 40,000           |                  |                  |                  |                  | 40,000           |
| <b>Total Community Development:</b>                                      | <b>55,625</b>    | <b>100,000</b>   | <b>0</b>         | <b>0</b>         | <b>0</b>         | <b>155,625</b>   |
|  |                  |                  |                  |                  |                  |                  |
| <b>Capital Fund Total:</b>   |                  | <b>1,399,671</b> | <b>1,341,398</b> | <b>2,483,318</b> | <b>2,903,484</b> | <b>1,000,000</b> |

# Open Space Fund

## Open Space Fund Narrative

The Open Space fund is being presented as its own fund in 2024. In the past it was incorporated into the Capital fund.

The Open Space fund receives  $\frac{1}{2}$  of the Town's real estate transfer taxes ("RETT") in revenue, estimated at \$750,000 in 2024. The budgeted expense for 2024 is \$2,250,174. 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, has slowed in 2022 and 2023 with increasing interest rates and a slowdown in real estate sales.

On December 31, 2023, the Open Space Fund is projected to have a balance of \$3,102,948. The Town completed a significant maintenance project on an open space parcel in 2023 – Town Ranch Water Attenuation. The Red Lady Open Space Fire Mitigation project has been postponed to 2024. These projects reflect an intentional shift towards responsible stewardship of lands purchased or conserved with open space funds. This focus is reflected in a shift to now include personnel expenses related to managing the Town's open space parcels and conservation easements within this fund. Personnel associated with acquiring and managing open space and conservation easements include 25% of the PROST Director, 75% of the Recreation and Open Space Manager and a full-time seasonal intern in the summer. In 2023, for the first time in recent memory, the Town was able to fulfill its stewardship responsibilities to visit and document conditions on each conserved parcel.

The Town also assisted the Crested Butte Land Trust with a \$750,000 contribution to secure a conservation easement on the Schutt property adjacent to Town Ranch 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 will likely trigger a \$2,000,000 payment to the mining company at that time.

### 2024 Highlights:

#### REVENUE:

- Real Estate Transfer Tax (RETT) revenue accounts for most of the Open Space fund revenues.
- \$35,000 in grant funding is anticipated in 2024 for the Red Lady Open Space Fire Mitigation project.

#### EXPENDITURES:

- The most significant expenditure is the anticipated payment to Mt Emmons Mining Company upon completion of the Thompson Divide mineral withdrawal.
- Other expenditures include Red Lady Open Space Fire Mitigation project, relocation of the Baxter Gulch Trailhead to accommodate the new solar installation and routine maintenance projects.

## Open Space Fund Summary

| Account name                                     | 2022<br>Actual     | 2023<br>Budget       | 2023<br>Projection | 2024<br>Budget       | ^\$                | ^%             |
|--|--------------------|----------------------|--------------------|----------------------|--------------------|----------------|
| TRANSFER TAX-OPEN SPACE                          | \$1,379,232        | \$1,000,000          | \$1,310,200        | \$750,000            | (\$250,000)        | -25.00%        |
| GRANTS-OPEN SPACE                                | \$0                |                      |                    |                      | \$0                | 0.00%          |
| Red Lady Open Space Fire Mitigation (WRWC Grant) |                    | \$35,000             | \$5,000            | \$35,000             | \$0                | 0.00%          |
| <b>Total Revenue</b>                             | <b>\$1,379,232</b> | <b>\$1,035,000</b>   | <b>\$1,315,200</b> | <b>\$785,000</b>     | <b>(\$485,000)</b> | <b>-46.86%</b> |
| OPEN SPACE WAGES                                 |                    |                      |                    | \$90,097             |                    |                |
| OPEN SPACE INTERN                                |                    |                      |                    | \$7,000              |                    |                |
| OPEN SPACE FICA                                  |                    |                      |                    | \$7,428              |                    |                |
| OPEN SPACE HEALTH                                |                    |                      |                    | \$27,502             |                    |                |
| OPEN SPACE RETIREMENT                            |                    |                      |                    | \$6,622              |                    |                |
| OPEN SPACE UNEMPLOYMENT INS                      |                    |                      |                    | \$284                |                    |                |
| OPEN SPACE WORK COMP                             |                    |                      |                    | \$1,241              |                    |                |
| <b>Total Open Space Wage Expense</b>             | <b>\$0</b>         | <b>\$0</b>           | <b>\$0</b>         | <b>\$140,174</b>     | <b>\$0</b>         | <b>0.00%</b>   |
| <b>OPEN SPACE TRUST</b>                          |                    |                      |                    |                      |                    |                |
| Conservation Easement w/CBLT                     |                    | \$750,000            | \$750,000          |                      | (\$750,000)        | -100.00%       |
| Town Ranch Incision Restoration                  |                    | \$40,000             | \$40,000           |                      | (\$40,000)         | -100.00%       |
| Red Lady Mining Claims Removal                   |                    | \$2,100,000          | \$0                | \$2,000,000          | (\$100,000)        | -4.76%         |
| <b>Total Open Space Trust</b>                    | <b>\$0</b>         | <b>\$2,890,000</b>   | <b>\$790,000</b>   | <b>\$2,000,000</b>   | <b>(\$890,000)</b> | <b>-30.80%</b> |
| <b>OPEN SPACE MAINT</b>                          |                    |                      |                    |                      |                    |                |
| Maintenance                                      |                    | \$55,000             | \$45,344           | \$40,000             | (\$15,000)         | -27.27%        |
| Sunshine Park Trailhead Relocation               |                    |                      |                    | \$20,000             | \$20,000           | 0.00%          |
| Red Lady Open Space Fire Mitigation              |                    | \$50,000             |                    | \$50,000             | \$0                | 0.00%          |
| <b>Total Open Space Maintenance</b>              | <b>\$78,574</b>    | <b>\$105,000</b>     | <b>\$45,344</b>    | <b>\$110,000</b>     | <b>\$5,000</b>     | <b>4.76%</b>   |
| <b>Total Expense</b>                             | <b>\$78,574</b>    | <b>\$2,995,000</b>   | <b>\$835,344</b>   | <b>\$2,250,174</b>   | <b>(\$744,826)</b> | <b>-24.87%</b> |
| <b>Net Surplus (Deficit)</b>                     | <b>\$1,300,657</b> | <b>(\$1,960,000)</b> | <b>\$479,856</b>   | <b>(\$1,465,174)</b> | <b>\$494,826</b>   | <b>-25.25%</b> |

# Parks, Recreation & Trails Fund

## Parks, Recreation & Trails Fund Narrative

The Parks, Recreation & Trails (PR&T) fund is being presented as its own fund in 2024. In the past it was incorporated into the Capital fund. It is anticipated that this fund will require transfers from the General fund or Capital fund in the future, especially to assist with capital projects. This fund will be starting with a zero balance in 2024 and will be working towards developing operational reserves.

Citizens of the Town approved a ballot measure in 2015 approving a 0.5% sales tax to fund parks, recreation and trails capital projects, operations and maintenance. The 2024 projected revenue is \$936,302, which is made up of sales tax, use tax, park rental fees, and recreation program revenues. This fund includes operations for parks and recreation and thus a significant amount of the expenditure is for personnel within the PROST department. Total operating plus the \$113,000 in capital expenses are \$1,303,581.

The major parks projects in 2024 will be improvements at the Bike Park and Totem Pole Park. Town staff will be participating in the MetRec District in their regional recreation planning efforts in 2024. This will inform the new Crested Butte Parks, Rec, Open Space and Trails Master Plan scheduled for 2025. The new plan will, in turn, guide significant projects in the years ahead.

The PR&T fund does include expenses for things that may be outside of traditional parks and recreation such as holiday lights, trash removal and street furniture (benches & bike racks) on Elk Ave and at bus stops. This fund absorbs the costs for buying, planting and maintaining the flowers that grace Elk Ave, bus stops and traffic calming boxes each summer. It also includes funding for port-a-potties at parks and trailheads as well as behind the Museum. Expenses for cleaning of restrooms and maintenance of buildings within parks falls within the Facilities department.

2024 is a remarkably low year for capital expenses in the PR&T fund. Thus, it is a good year to clearly understand the Town's commitment to operating high quality parks and affordable recreational programming for youth and adults in the north valley. While it is an allowable use of funds to supplement the PR&T fund with money from the General fund or Capital fund, the community should recognize that the PR&T fund is competing against other eligible priorities such as Affordable Housing, Streets or other Capital projects. In 2024, the Town will be using \$364,754 from available General fund reserves and \$1,123,906 from Capital fund reserves to balance the PR&T fund and provide one year's operating expense in PR&T reserves. The General fund monies are to backfill recreation operations while funding for parks will come from the Capital fund as those were the funds that historically housed these operations.

### 2024 Highlights:

#### REVENUE:

- Sales tax revenue accounts for 75% of the revenue for the fund with use tax making up 8%

- Park fees make up 5% of revenue and recreation programming fees account for 10% of revenue.

#### EXPENDITURES:

- The fund includes a part-time seasonal recreation intern. In 2023 this position was divided between recreation and open space, but in practice the vast majority of their time was spent on open space duties.

## Parks, Recreation & Trails Fund Summary

| Account Name               | Parks            |                    |                    |                  | Recreation      |                 |                 |                  | 2024 Combined Parks, Rec & Trails |
|----------------------------|------------------|--------------------|--------------------|------------------|-----------------|-----------------|-----------------|------------------|-----------------------------------|
|                            | 2022 Actual      | 2023 Budget        | 2023 Projection    | 2024 Budget      | 2022 Actual     | 2023 Budget     | 2023 Projection | 2024 Budget Rec  |                                   |
| SALES TAX - PARKS          | \$705,283        | \$683,333          | \$683,333          | \$697,000        | \$0             | \$0             | \$0             | \$0              | \$697,000                         |
| USE TAX                    | \$0              | \$51,500           | \$0                | \$72,222         | \$0             | \$0             | \$0             | \$0              | \$72,222                          |
| RETT - PARKS               | \$0              | \$275,000          | \$275,000          | \$0              | \$0             | \$0             | \$0             | \$0              | \$0                               |
| GRANT/DONATION SKATEPARK   | \$0              | \$0                | \$21,243           | \$0              | \$0             | \$0             | \$0             | \$0              | \$0                               |
| PARK FEES                  | \$58,646         | \$50,000           | \$50,000           | \$50,000         | \$0             | \$0             | \$0             | \$0              | \$50,000                          |
| REC REVENUE                | \$0              | \$0                | \$0                | \$0              | \$84,410        | \$77,750        | \$69,015        | \$102,080        | \$102,080                         |
| TRANSFER FROM CTF          | \$1,200          | \$110,000          | \$110,000          | \$0              | \$0             | \$0             | \$0             | \$0              | \$0                               |
| GRANTS - OTHER             | \$115,339        | \$580,000          | \$95,000           | \$15,000         | \$0             | \$0             | \$0             | \$0              | \$15,000                          |
| <b>Total Revenue</b>       | <b>\$880,468</b> | <b>\$1,749,833</b> | <b>\$1,234,576</b> | <b>\$834,222</b> | <b>\$84,410</b> | <b>\$77,750</b> | <b>\$69,015</b> | <b>\$102,080</b> | <b>\$936,302</b>                  |
|                            |                  |                    |                    |                  |                 |                 |                 |                  |                                   |
| WAGES-FULL TIME            | \$307,345        | \$282,413          | \$350,509          | \$370,569        | \$215,727       | \$242,074       | \$242,074       | \$101,361        | \$471,930                         |
| WAGES-SEASONAL AND COACHES | \$10,082         | \$125,000          | \$125,000          | \$110,000        | \$12,989        | \$32,825        | \$32,825        | \$21,750         | \$131,750                         |
| OVERTIME                   | \$13,704         | \$18,000           | \$18,000           | \$14,000         | \$334           | \$400           | \$467           | \$400            | \$14,400                          |
| TEMPORARY LABOR - PARKS    | \$6,128          | \$5,000            | \$5,000            | \$5,000          | \$0             | \$0             | \$0             |                  | \$5,000                           |
| ZAMBONI DRIVER - WAGES     | \$0              | \$13,000           | \$13,000           | \$14,000         | \$0             | \$0             | \$0             |                  | \$14,000                          |
| FICA                       | \$25,462         | \$36,249           | \$36,249           | \$39,288         | \$18,292        | \$21,428        | \$21,428        | \$10,227         | \$49,515                          |
| HEALTH INSURANCE           | \$78,502         | \$73,647           | \$109,043          | \$90,903         | \$44,240        | \$63,177        | \$63,177        | \$24,898         | \$115,800                         |
| RETIREMENT                 | \$11,356         | \$18,235           | \$18,235           | \$24,905         | \$13,299        | \$17,673        | \$17,673        | \$6,908          | \$31,813                          |
| TELEPHONE                  | \$1,456          | \$1,500            | \$1,500            | \$0              | \$899           | \$700           | \$700           | \$0              | \$0                               |
| UNEMPLOYMENT INS.          | \$1,364          | \$1,327            | \$1,327            | \$1,422          | \$754           | \$1,896         | \$1,896         | \$1,706          | \$3,128                           |
| WORKERS COMP INS.          | \$13,733         | \$10,330           | \$16,527           | \$6,377          | \$638           | \$5,959         | \$5,959         | \$2,097          | \$8,475                           |
| UNIFORM ALLOWANCE          | \$3,602          | \$2,500            | \$3,193            | \$3,500          | \$0             | \$0             | \$0             |                  | \$3,500                           |
| MEDICAL                    | \$195            | \$500              | \$1,031            | \$200            | \$0             | \$0             | \$0             |                  | \$200                             |
| REC FACILITY EXPENSE       | \$0              | \$0                | \$0                | \$0              | \$13,839        | \$10,000        | \$10,000        | \$14,970         | \$14,970                          |
| OFFICE SUPPLIES            | \$0              | \$0                | \$0                | \$0              | \$2,901         | \$2,500         | \$2,500         | \$1,500          | \$1,500                           |
| SOFTWARE                   | \$0              | \$0                | \$0                | \$0              | \$325           | \$6,000         | \$6,000         | \$6,000          | \$6,000                           |
| BANKCARD PROCESSING        | \$0              | \$0                | \$0                | \$0              | \$4,016         | \$3,000         | \$3,119         | \$3,000          | \$3,000                           |
| ADVERTISING                | \$0              | \$0                | \$0                | \$0              | \$5,209         | \$5,000         | \$6,790         | \$5,000          | \$5,000                           |
| TRAVEL AND EDUCATION       | \$0              | \$0                | \$0                | \$0              | \$5,615         | \$5,000         | \$5,000         | \$6,000          | \$6,000                           |
| DUES AND SUBSCRIPTIONS     | \$0              | \$0                | \$0                | \$0              | \$2,604         | \$2,600         | \$2,823         | \$2,800          | \$2,800                           |
| FLAG FOOTBALL EXP          | \$0              | \$0                | \$0                | \$0              | \$28            | \$500           | \$500           | \$300            | \$300                             |
| SOCCER EXPENSES            | \$0              | \$0                | \$0                | \$0              | \$616           | \$1,000         | \$1,000         | \$600            | \$600                             |
| SOCCER COACHES             | \$0              | \$0                | \$0                | \$0              | \$1,141         | \$2,000         | \$2,000         | \$2,200          | \$2,200                           |
| BASKETBALL                 | \$0              | \$0                | \$0                | \$0              | \$907           | \$1,000         | \$1,448         | \$2,000          | \$2,000                           |
| BROOMBALL EXP              | \$0              | \$0                | \$0                | \$0              | \$0             | \$0             | \$0             | \$0              | \$0                               |
| INDOOR CLIMBING EXP        | \$0              | \$0                | \$0                | \$0              | \$2,182         | \$6,000         | \$6,000         | \$1,000          | \$1,000                           |
| TENNIS LESSONS EXP         | \$0              | \$0                | \$0                | \$0              | \$1,683         | \$1,200         | \$3,182         | \$2,500          | \$2,500                           |
| GYMNASTICS EXPENSE         | \$0              | \$0                | \$0                | \$0              | \$887           | \$1,000         | \$1,000         | \$1,000          | \$1,000                           |
| LACROSSE EXPENSES          | \$0              | \$0                | \$0                | \$0              | \$0             | \$0             | \$0             | \$1,000          | \$1,000                           |
| VOLLEYBALL EXPENSES        | \$0              | \$0                | \$0                | \$0              | \$0             | \$400           | \$400           | \$200            | \$200                             |

|                                      | Parks              |                    |                    |                    | Recreation         |                    |                    |                       | 2024<br>Combined<br>Parks, Rec<br>& Trails |
|--------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|-----------------------|--|
|                                      | 2022<br>Actual     | 2023<br>Budget     | 2023<br>Projection | 2024<br>Budget     | 2022<br>Actual     | 2023<br>Budget     | 2023<br>Projection | 2024<br>Budget<br>Rec |  |
| SOFTBALL EXP-ADULT                   | \$0                | \$0                | \$0                | \$0                | \$1,254            | \$6,500            | \$6,500            | \$6,500               | \$6,500                                    |
| BALL BASH                            | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$2,000               | \$2,000                                    |
| JERSEYS                              | \$0                | \$0                | \$0                | \$0                | \$4,996            | \$3,000            | \$1,287            | \$5,000               | \$5,000                                    |
| ICE SKATING EXP                      | \$0                | \$0                | \$0                | \$0                | \$1,500            | \$0                | \$55               | \$3,000               | \$3,000                                    |
| SKATE PARK EXP                       | \$0                | \$0                | \$0                | \$0                | \$8,864            | \$7,000            | \$7,000            | \$7,000               | \$7,000                                    |
| BASEBALL EXPENSES                    | \$0                | \$0                | \$0                | \$0                | \$10,628           | \$8,500            | \$8,500            | \$9,000               | \$9,000                                    |
| BASEBALL COACHES                     | \$0                | \$0                | \$0                | \$0                | \$0                | \$3,000            | \$3,000            | \$3,000               | \$3,000                                    |
| TRASH PICKUP                         | \$63,074           | \$62,000           | \$62,000           | \$100,000          | \$0                | \$0                | \$0                |                       | \$100,000                                  |
| UTILITIES - SHOP                     | \$4,947            | \$5,500            | \$5,500            | \$5,000            | \$0                | \$0                | \$0                |                       | \$5,000                                    |
| UTILITIES - ICE RINK                 | \$8,172            | \$13,000           | \$13,000           | \$8,000            | \$0                | \$0                | \$0                |                       | \$8,000                                    |
| UTILITIES - WARMING HOUSE            | \$4,328            | \$4,000            | \$4,499            | \$4,300            | \$0                | \$0                | \$0                |                       | \$4,300                                    |
| UTILITIES - PARKS                    | \$9,388            | \$8,000            | \$8,622            | \$9,000            | \$0                | \$0                | \$0                |                       | \$9,000                                    |
| FUEL                                 | \$11,476           | \$8,000            | \$12,729           | \$11,500           | \$0                | \$0                | \$0                |                       | \$11,500                                   |
| FUEL - PARKS                         | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |                       | \$0  |
| R&M VEHICLE                          | \$10,450           | \$15,000           | \$15,000           | \$10,000           | \$0                | \$0                | \$0                |                       | \$10,000                                   |
| TIRES - PARKS                        | \$550              | \$1,000            | \$1,000            | \$1,000            | \$0                | \$0                | \$0                |                       | \$1,000                                    |
| PARK MAINT SUPPLIES                  | \$52,452           | \$45,000           | \$45,000           | \$50,000           | \$0                | \$0                | \$0                |                       | \$50,000                                   |
| PORTABLE TOILETS                     | \$14,469           | \$15,000           | \$15,000           | \$15,000           | \$0                | \$0                | \$0                |                       | \$15,000                                   |
| TREE PROJECT                         | \$2,877            | \$2,500            | \$2,500            | \$2,500            | \$0                | \$0                | \$0                |                       | \$2,500                                    |
| FLOWERS & SHRUBS                     | \$10,600           | \$12,000           | \$12,592           | \$12,000           | \$0                | \$0                | \$0                |                       | \$12,000                                   |
| DOGGIE DOO PROJECT                   | \$2,255            | \$6,000            | \$6,000            | \$4,000            | \$0                | \$0                | \$0                |                       | \$4,000                                    |
| PARK CAPITAL EQUIPMENT               | \$461,799          | \$70,000           | \$70,000           | \$0                | \$0                | \$0                | \$0                |                       | \$0  |
| PARK CAPITAL MAINTENANCE<br>PROJECTS | \$19,964           | \$1,512,000        | \$1,082,469        | \$68,000           | \$0                | \$0                | \$0                |                       | \$68,000                                   |
| WEED MANAGEMENT                      | \$5,994            | \$4,000            | \$4,000            | \$4,000            | \$0                | \$0                | \$0                |                       | \$4,000                                    |
| BIKE RACKS/BENCHES                   | (\$2,500)          | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |                       | \$0  |
| ELK AVE HOLIDAY LIGHTS               | \$4,160            | \$4,200            | \$4,200            | \$4,200            | \$0                | \$0                | \$0                |                       | \$4,200                                    |
| SLATE RIVER BOAT LAUNCH              | \$4,183            | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |                       | \$0  |
| REC PATH BRIDGE PARK                 | \$278,710          | \$0                | \$41,271           | \$0                | \$0                | \$0                | \$0                |                       | \$0  |
| AVALANCHE MITIGATION                 | \$15,000           | \$15,000           | \$15,000           | \$15,000           | \$0                | \$0                | \$0                |                       | \$15,000                                   |
| BIG MINE PARK RENOVATION<br>PROJECT  | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |                       | \$0  |
| GOthic RAW WATER                     | \$5,759            | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |                       | \$0  |
| HENDERSON PARK                       | \$29,210           | \$0                | \$0                | \$0                | \$0                | \$0                | \$0                |                       | \$0  |
| CAPITAL EXPENDITURES                 | \$10,729           | \$0                | \$6                | \$45,000           | \$0                | \$0                | \$0                |                       | \$45,000                                   |
| <b>Total Expense</b>                 | <b>\$1,500,971</b> | <b>\$2,389,901</b> | <b>\$2,119,002</b> | <b>\$1,048,664</b> | <b>\$376,367</b>   | <b>\$461,332</b>   | <b>\$464,303</b>   | <b>\$254,917</b>      | <b>\$1,303,581</b>                         |
|                                      |                    |                    |                    |                    |                    |                    |                    |                       |  |
| <b>Net Surplus (Deficit)</b>         | <b>(\$620,503)</b> | <b>(\$640,068)</b> | <b>(\$884,426)</b> | <b>(\$214,442)</b> | <b>(\$291,957)</b> | <b>(\$383,582)</b> | <b>(\$395,288)</b> | <b>(\$152,837)</b>    | <b>(\$367,279)</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 \$10,000 per year from the Lottery Commission and \$5,000 annually from the Met Rec District.

In 2023, most of the fund balance was used to help pay for the Big Mine Skate Park. On December 31, 2023, the CTF is projected to have a balance of \$18,977. No expenses are planned in 2024 for this fund.

## Conservation Trust Fund Summary

| Account name           | ACTUAL 2022 | BUDGETED 2023 | PROECTED 2023 | BUDGETED 2024 |
|------------------------|-------------|---------------|---------------|---------------|
| STATE LOTTERY PROCEEDS | (10,456)    | (11,820)      | (11,820)      | (10,000)      |
| INTEREST INCOME        | (161)       | (10)          | (1,302)       | (1,000)       |
| GUNN CNTY REC DIST     | 0           | 0             | (5,250)       | (5,000)       |
| CAPITAL-PROJECT        | 0           | 110,000       | 110,000       | 0             |
|                        | (10,617)    | 98,170        | 91,629        | (16,000)      |

# 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, focusing on full-time members of the local workforce who cannot access market rate housing. 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

insufficient to afford the average cost of a home 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 restrict 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 of affordable housing.

The Fund's main revenue sources come from rental revenue from Town-owned residential rentals, impact fee assessments on new residential and new commercial building (Resident Owned Affordable Housing, the "ROAH fee"), and a 7.5% excise tax imposed on vacation rentals. Because needs 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.

The Sixth and Butte and Paradise Park Workforce Housing projects continued to make progress in 2023 and were responsible for the largest expenditures from the Affordable Housing fund. Over the course of 2023, Town worked closely with partner TWG Development to prepare and apply for Low Income Housing Tax Credits to help fund a 34-unit, low-income rental development at Sixth and Butte, now called Mineral Point. As part of this process, Town negotiated a Land Lease Option Agreement with TWG Development. The project was awarded tax credits in May of 2023, which will provide approximately \$11 million of equity to help offset development costs. Additionally, Town's efforts in 2023 largely focused on making the Mineral Point development parcels ready for construction in Spring of 2024, included completion of remediation, relocation of dry utilities that were incorrectly placed in the development site, extension of wet utilities down Butte Avenue, and completion of final regulatory work with Colorado Department of Public Health and the Environment. These costs plus a dedicated \$500,000 for gap financing total approximately \$3.1 million. The Town was awarded \$2.977 million from the State of Colorado's Department of Local Affairs in 2022, as well as State of Colorado Brownfield Remediation Tax Credits, which yielded \$567,000 in equity to the Town. Both sources have helped to offset project costs. At the time of this writing, the project is on track to close the financing by mid-December 2023 with a Ground Lease Agreement in its final stages of drafting and the close out of the Voluntary Cleanup Action and Amended Environmental Covenant queued for approval by Town Council and Colorado Department of Public Health and the Environment.

Significant progress was made on predevelopment work for Paradise Park and Town Parcel 3 (TP-3) with partner High Mountain Concepts (HMC). To date, BOZAR has approval has been secured for the scattered site, 32-unit middle income rental and for sale housing project. Costs incurred for this predevelopment work, including geotechnical reports, and ALTA surveys, architecture, mechanical,

electrical, plumbing, and structural engineering as well as energy modeling totaling approximately \$550,000 in 2023. Staff continue to actively seek grants to further offset costs of the project.

Projects budgeted for 2023 included a wide range of initiatives that target preservation and development of affordable housing units. The 2024 budget holds steady funding for the Town's GreenDeed program. GreenDeed is a partnership between the Town and the Gunnison Valley Regional Housing Authority that funds energy efficient upgrades to deed restricted homes. Additionally, funds will continue to be set aside to grow the GoodDeed Program, which pays property owners to place a workforce deed restriction on existing properties. To date, there have been five GoodDeed restrictions placed. Four were placed on units in 2023, the fifth was placed on an ADU at no cost to the Town. The 2023 placement resulted from a unique agreement with the owner that allows for the restriction to be removed after a term of 10 years with removal of the kitchen and shower from the unit. It should be noted that the cost of a deed restriction from a traditional property owner will be significantly higher. Additionally, 2023 expenditures from the Fund included final payments on the relocation and renovation of the Haney House from 20 Third Street to 18 Tenth Street, which was completed at the end of February 2023. This three bedroom, two and a half bath home is now being used to house a Town employee and their family.

Most of the funding in the 2024 budget is allocated for the balance of predevelopment expenses for Paradise Park and TP-3. At the time of this writing, the project team was value engineering the heating systems and exploring various financing structures. Once costs are finalized and the financing structure identified, Staff will present a recommendation to Council for approval along with a budget amendment. Currently, the total development costs for the project are estimated at approximately \$17 million. The financing structure, including potential grant sources, and the pace at which the Town pursues build out will determine the magnitude of the budget amendment.

#### *REVENUES:*

- \$197,000 – Rental Income from Town-owned residential units
- \$70,000 – ROAH Payment in Lieu
- \$220,000 – Grant and partner support for deed restriction monitoring software
- \$773,389 – DOLA IHOI Grant (balance of the \$2.9M grant, \$2.2M received in 2023)
- \$1,000,000 – Vacation Rental Excise Tax

#### *EXPENDITURES:*

- \$300,000 – GreenDeed & GoodDeed
- \$200,000 – Mineral Point for methane/radon monitoring systems
- \$1,500,000 – Paradise Park / TP-3 Predevelopment
- \$240,000 - Deed restriction monitoring software

## Affordable Housing Budget

| Account name                      | 2022<br>Actual     | 2023<br>Budget     | 2023<br>Projection | 2024<br>Budget     | ^\$                  | ^%              |
|-----------------------------------|--------------------|--------------------|--------------------|--------------------|----------------------|-----------------|
| HOUSING PMT IN LIEU-ROAH          | \$143,163          | \$50,000           | \$168,188          | \$70,000           | \$20,000             | 40.00%          |
| PARADISE PARK SALES               | \$0                | \$0                | \$0                | \$0                | \$0                  | 0.00%           |
| DUPLEX/RANCH HSE RENT             | \$97,954           | \$78,700           | \$122,567          | \$151,000          | \$72,300             | 91.87%          |
| RED LADY RENT/SALES               | \$2,440            | \$3,280            | \$4,400            | \$46,000           | \$42,720             | 1302.44%        |
| PARADISE UNIT SALE                | \$0                | \$0                | \$0                | \$0                | \$0                  | 0.00%           |
| TAX CREDITS                       | \$1,469,634        | \$1,870,869        | \$567,000          | \$0                | (\$1,870,869)        | -100.00%        |
| EXCISE TAX                        | \$1,059,032        | \$1,000,000        | \$1,000,000        | \$1,000,000        | \$0                  | 0.00%           |
| RETT CONTRIBUTION                 | \$0                | \$0                | \$0                | \$0                | \$0                  | 0.00%           |
| OTHER REVENUE                     | \$0                | \$17,000           | \$929,411          | \$20,000           | \$3,000              | 17.65%          |
| DOLA GRANTS                       | \$0                | \$3,406,576        | \$2,203,611        | \$973,389          | (\$2,433,187)        | -71.43%         |
| INTEREST INCOME                   | \$0                | \$0                | \$0                | \$0                | \$0                  | 0.00%           |
| CONTRIBUTION-SALES TAX            | \$0                | \$0                | \$0                | \$0                | \$0                  | 0.00%           |
| CONTRIBUTION-RESERVE              | \$0                | \$0                | \$0                | \$0                | \$0                  | 0.00%           |
| <b>Total Revenue</b>              | <b>\$2,772,222</b> | <b>\$6,426,425</b> | <b>\$4,995,177</b> | <b>\$2,260,389</b> | <b>(\$4,166,036)</b> | <b>-64.83%</b>  |
|                                   |                    |                    |                    |                    |                      |                 |
| WAGES                             | \$0                | \$112,000          | \$112,000          | \$117,653          | \$5,653              | 5.05%           |
| FICA                              | \$0                | \$8,568            | \$8,568            | \$9,000            | \$432                | 5.05%           |
| HEALTH INSURANCE                  | \$0                | \$10,635           | \$10,635           | \$11,146           | \$511                | 4.81%           |
| RETIREMENT                        | \$0                | \$6,720            | \$6,720            | \$7,059            | \$339                | 5.05%           |
| LEGAL FEES                        | \$11,175           | \$20,000           | \$25,917           | \$24,000           | \$4,000              | 20.00%          |
| AUDITING                          | \$0                | \$0                | \$0                | \$0                | \$0                  | 0.00%           |
| RUBY MANAGEMENT FEE               | \$8,000            | \$12,000           | \$12,000           | \$12,000           | \$0                  | 0.00%           |
| INSURANCE                         | \$0                | \$0                | \$1,370            | \$1,500            | \$1,500              | 0.00%           |
| PRIVATE AFFORDABLE HOUSING TAPS   | \$0                | \$54,000           | \$0                | \$80,000           | \$26,000             | 48.15%          |
| TRAVEL & ED                       | \$813              | \$9,200            | \$0                | \$3,000            | (\$6,200)            | -67.39%         |
| UNEMPLOYMENT INS.                 | \$0                | \$95               | \$95               | \$95               | (\$0)                | -0.21%          |
| WORK COMP INSURANCE               | \$0                | \$112              | \$112              | \$126              | \$14                 | 12.33%          |
| DEED RESTRICTION COMPLIANCE ADMIN | \$579,057          | \$0                | \$15,196           | \$15,000           | \$15,000             | 0.00%           |
| RENTAL UTILITIES                  | \$6,380            | \$3,600            | \$7,466            | \$26,000           | \$22,400             | 622.22%         |
| HOUSING AUTHORITY DUES            | \$70,039           | \$88,000           | \$88,000           | \$93,750           | \$5,750              | 6.53%           |
| HOUSING MAINTENANCE               | \$19,140           | \$30,000           | \$95,000           | \$35,000           | \$5,000              | 16.67%          |
| NEEDS ASSESSMENT                  | \$0                | \$0                | \$0                | \$15,000           | \$15,000             | 100.00%         |
| CAPITAL EXPENDITURES              | \$2,835,431        | \$4,885,550        | \$4,505,000        | \$2,175,000        | (\$2,710,550)        | -55.48%         |
| GOOD DEED                         | \$46,968           | \$300,000          | \$7,689            | \$200,000          | (\$100,000)          | -33.33%         |
| GREEN DEED PROGRAM                | \$48,000           | \$100,000          | \$38,000           | \$100,000          | \$0                  | 0.00%           |
| <b>Total Expense</b>              | <b>\$3,625,002</b> | <b>\$5,640,480</b> | <b>\$4,933,767</b> | <b>\$2,925,329</b> | <b>(\$2,715,151)</b> | <b>-48.14%</b>  |
|                                   |                    |                    |                    |                    |                      |                 |
| <b>Net Surplus (Deficit)</b>      | <b>(\$852,780)</b> | <b>\$785,945</b>   | <b>\$61,410</b>    | <b>(\$664,940)</b> | <b>(\$1,450,885)</b> | <b>-184.60%</b> |

## Affordable Housing Five Year Capital Plan

| Affordable Housing Fund Schedule                | 2024             | 2025           | 2026             | 2027             | 2028             | Total            |
|---|------------------|----------------|------------------|------------------|------------------|------------------|
| Mineral Point (Formerly TP-5 and Sixth & Butte) | 200,000          |                |                  |                  |                  | 200,000          |
| DOLA IHOI Grant                                 | (773,389)        |                |                  |                  |                  | (773,389)        |
| Paradise Park                                   | 648,000          |                |                  |                  |                  | 648,000          |
| Paradise Park Net Unit Sales Revenue            |                  |                |                  |                  |                  | 0                |
| TP-3  | 850,000          |                |                  |                  | 20,000           | 870,000          |
| TP-3 Net Unit Sales Revenue                     |                  |                |                  |                  |                  | 0                |
| Employee Unit Capital Repairs and Renovations   | 237,000          | 200,000        | 200,000          | 200,000          | 200,000          | 1,037,000        |
| TP-1  |                  | 200,000        |                  | 1,500,000        | 1,500,000        | 3,200,000        |
| Deed Restriction Administration Platform        | 240,000          |                |                  |                  |                  | 240,000          |
| Deed Restriction Grant -Prop 123 LPC Grant      | (200,000)        |                |                  |                  |                  | (200,000)        |
| Deed Restriction Partner Participation          | (20,000)         |                |                  |                  |                  | (20,000)         |
| Sale of 263 Escalante A Buydown Sale            |                  |                | (400,000)        |                  |                  | (400,000)        |
| 107 Teocalli Trailer Replacement                |                  |                |                  | 250,000          |                  | 250,000          |
| 107 Teocalli Buydown Sale                       |                  |                |                  | (300,000)        |                  | (300,000)        |
| <b>Total Affordable Housing:</b>                | <b>1,181,611</b> | <b>400,000</b> | <b>(200,000)</b> | <b>1,650,000</b> | <b>1,720,000</b> | <b>4,751,611</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 2023 and the Town is working to execute a new contract by year end. Additionally, Staff is exploring the possibility of integrating a "pay as you throw" program within the current framework of trash collection. The budget includes the CPI increase we have seen for the past several years of the contract with Waste Management.

The sewer and water treatment facilities require continued investment to keep up with demand, aging infrastructure, provide some redundancy within critical systems, 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.

### 2024 Highlights:

#### *REVENUES:*

In 2022, Staff 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 that goal, staff recommended adjustments to the rate structure, as well as increasing rates by up to 30% beginning in 2023. Based on our year-to-date and end-of-year revenue estimates, the town is projected to achieve that target of 30%. Although the Town attained the target revenue increase the Enterprise Fund still finds itself with a funding gap with respect to approximately 50% of the identified capital improvement needs as part of the Enterprise Master Plan. In order to account for this funding gap, increased construction costs, increase material/supply costs, and inflation trends, staff recommends continuing to slowly and incrementally adjust rates to facilitate the ability to absorb these variables within future operational budgets and to discourage any need for large scale rate increases.

The proposed 2024 budget contemplates increasing Tap Fees, Monthly User Fees, and Availability Fees by 2%. This increase equates to the following assessed fees:

| <b>Water and Sanitary Sewer Rates</b>     |             |             |
|---|-------------|-------------|
|   | <b>2023</b> | <b>2024</b> |
| Base Rate - Water                         | \$46.00     | \$46.92     |
| Base Rate - Sewer                         | \$59.50     | \$60.69     |
| Tap Fee - Water                           | \$13,260.00 | \$13,525.20 |
| Tap Fee - Sewer                           | \$16,380.00 | \$16,707.60 |
| Sewer Pretreatment                        | \$18.00     | \$18.36     |
| Availability of service (water and sewer) | \$36.00     | \$36.72     |

#### *EXPENDITURES:*

- Wage increases are projected at 5% and health insurance rates increased by 5%
- Wastewater and Water both include updated expenses for debt service.
- Water and Wastewater operations and maintenance cost increases are due to several factors including increases in construction costs, material/supply costs, and inflation trends, as well as ever increasing regulatory requirements. These issues have also necessitated the request to add an additional staff member at the WWTP, starting in July of 2024.
- Wastewater projects include:
  - The WWTP Improvement Project - Projected to be complete in the summer of 2024,
  - Engineering support for the Gossan Project
  - WWTP Zinc Removal Treatment Process
  - Rehabilitation and/or replacement of sanitary sewer main in Elk Ave (600-700 Block)
  - RV Dump Station Improvements
- Water projects include:
  - Secondary Source Water Assessment
  - Condition Assessment of raw water supply pipeline

#### *RESERVES:*

- The estimated fund balance of the Enterprise Fund at December 31, 2023 is projected to be \$3,979,838.
- Of this total amount, Town holds reserves of one year of operating expenses, approximately \$2,955,887, including debt service, so that services would not be interrupted during an emergency situation.
- Of the \$2,995,887, approximately \$978,293 is required to be held for Enterprise Fund debt service.

#### *CAPITAL EXPENSES:*

2024 includes ongoing expenditures from 2023 for the WWTP Improvement Project and the Lake Irwin Valve and Piping Project Engineering. Currently, the Lake Irwin Valve and Piping Project is at approximately 60% design. Unfortunately, the project has been put on hold while conversations around the applicability of State Engineering Office (SEO) regulations occur. Due to this unforeseen

issue, the project has been shifted to the 2025 construction season while the Town and SEO navigate through the issues with the project. The Wastewater Treatment Facility Project is anticipated to be completed in the summer of 2024. Below is a forecast schedule for the WWTP Improvement Project.

| Wastewater Treatment Plant<br>Improvement Project Expenses |              |             |
|--|--------------|-------------|
| 2022   | 2023         | 2024        |
| \$825,268  | \$14,481,803 | \$4,192,993 |

## Water & Wastewater Budget

| Account name  | 2022<br>Actual   | 2023<br>Budget    | 2023<br>Projection | 2024<br>Budget    | ^\$                 | ^%             |
|---|------------------|-------------------|--------------------|-------------------|---------------------|----------------|
| INTEREST & PENALTIES  | 1,361            | 5,000             | 1,000              | 1,500             | (3,500)             | -70.00%        |
| WATER METERS  | 532              | 975               | 1,311              | 975               | 0                   | 0.00%          |
| INTEREST INCOME   | 166,218          | 25,000            | 480,000            | 480,000           | 455,000             | 1820.00%       |
| OTHER   | 10,883           | 1,000             | (650)              | 2,975             | 1,975               | 197.51%        |
| ATAD CONTRIBUTION-MT CB                                     | 460,210          | 2,491,789         | 124,368            | 3,369,066         | 877,277             | 35.21%         |
| SEPTIC STATION FEES   | 6,830            | 9,750             | 6,509              | 9,750             | 0                   | 0.00%          |
| COMPOST FEES  | 8,950            | 11,250            | 6,100              | 6,000             | (5,250)             | -46.67%        |
| WATER TAP FEE   | 223,719          | 223,200           | 700,000            | 436,400           | 213,200             | 95.52%         |
| SEWER TAP FEE   | 362,337          | 223,200           | 700,000            | 436,400           | 213,200             | 95.52%         |
| SEWER CHARGES   | 1,002,382        | 1,234,500         | 1,366,086          | 1,393,213         | 158,713             | 12.86%         |
| SEWER AVAILABILITY CHG                                      | 15,373           | 17,940            | 15,534             | 15,300            | (2,640)             | -14.72%        |
| SEWER PRETREATMENT  | 9,098            | 16,380            | 9,949              | 10,000            | (6,380)             | -38.95%        |
| WATER CHARGES   | 852,365          | 1,116,054         | 1,366,086          | 1,393,213         | 277,160             | 24.83%         |
| WATER AVAILABILITY CHG                                      | 17,388           | 19,500            | 17,694             | 17,850            | (1,650)             | -8.46%         |
| SANITATION CHARGES  | 332,763          | 345,363           | 311,628            | 353,769           | 8,406               | 2.43%          |
| DEBT PROCEEDS   | 0                | 11,497,117        | 9,852,647          | 4,147,353         | (7,349,764)         | -63.93%        |
| GRANT REVENUE   | 58,961           | 852,752           | 668,178            | 199,499           | (653,253)           | -76.61%        |
| <b>Total Revenue (combined water and sewer)</b>             | <b>3,529,371</b> | <b>18,090,769</b> | <b>15,626,440</b>  | <b>12,273,264</b> | <b>(5,817,505)</b>  | <b>-32.16%</b> |
|   |                  |                   |                    |                   |                     |                |
| <b>ADMIN EXPENSE</b>  | <b>694,145</b>   | <b>737,329</b>    | <b>742,335</b>     | <b>828,490</b>    | <b>91,162</b>       | <b>12.36%</b>  |
| <b>WATER EXPENSE</b>  | <b>437,304</b>   | <b>606,811</b>    | <b>598,405</b>     | <b>612,330</b>    | <b>5,519</b>        | <b>0.91%</b>   |
| <b>SEWER EXPENSE</b>  | <b>798,085</b>   | <b>1,058,044</b>  | <b>1,683,340</b>   | <b>1,749,167</b>  | <b>691,123</b>      | <b>65.32%</b>  |
| <b>CAPITAL</b>  |                  |                   |                    |                   |                     |                |
| CAPITAL EQUIPMENT   | 36,361           | 75,000            | 75,000             | 0                 | (75,000)            | -100.00%       |
| ATAD CAPITAL  | 27,813           | 0                 | 9,497              | 0                 |                     |                |
| SEWER PLANT CAPITAL EXPENDITURES<br>(incl \$4,192,993 WWTP) | 0                | 15,500,355        | 14,854,548         | 4,915,993         | (10,584,362)        | -68.28%        |
| WATER & COLLECTION CAPITAL<br>EXPENDITURES                  | 0                | 0                 | 0                  | 12,000            | 12,000              | 0.00%          |
| RAW WATER   | 56,315           | 20,000            | 100,939            | 241,000           | 221,000             | 1105.00%       |
| COMPOSTING PROJECT  | 0                | 25,000            | 0                  | 0                 | (25,000)            | -100.00%       |
| <b>Total Capital Expense</b>                                | <b>120,489</b>   | <b>15,620,355</b> | <b>15,039,984</b>  | <b>5,168,993</b>  | <b>(10,451,362)</b> | <b>-66.91%</b> |
|   |                  |                   |                    |                   |                     |                |
|   |                  |                   |                    |                   |                     |                |
| <b>Net Surplus/Deficit</b>                                  | <b>1,479,348</b> | <b>68,230</b>     | <b>(2,437,624)</b> | <b>3,914,284</b>  | <b>541,191</b>      | <b>793.18%</b> |

## Water and Wastewater Five Year Capital Plan

| Utility Enterprise Fund Schedule  | 2024             | 2025             | 2026           | 2027             | 2028           | Total             |
|---|------------------|------------------|----------------|------------------|----------------|-------------------|
| Trailer Jet   | TBD              |                  |                |                  |                | 0                 |
| RV Dump Station   | 100,000          |                  |                |                  |                | 100,000           |
| Electric Vehicle Station at WTP   | 12,000           |                  |                |                  |                | 12,000            |
| Project 2 - Solids Building Projects  | 4,192,993        |                  |                |                  |                | 4,192,993         |
| Project 3 - Lake Irwin Valve and Piping Replacement   |                  | 7,700,000        |                |                  |                | 7,700,000         |
| Project 4 - Compost Building Rehab  |                  |                  |                | 294,000          |                | 294,000           |
| Project 6 - Clarifier Improvements  |                  |                  |                | 1,926,000        |                | 1,926,000         |
| Project 7 - Slate River Pump Station and Pipeline   | 50,000           |                  |                |                  |                | 50,000            |
| Condition assessment of raw water supply pipe from Coal Creek and raw water resevoir to water treatment plant | 191,000          |                  |                |                  |                | 191,000           |
| Wildfire management plan  |                  | 113,000          |                |                  |                | 113,000           |
| Condition assessment of finished water pipe   |                  |                  |                |                  |                | 0                 |
| Electrical & Controls System Assessment, include Arc Flash  |                  |                  | 75,000         |                  |                | 75,000            |
| Electrical & Controls System Assessment, include Arc Flash  |                  |                  | 75,000         |                  |                | 75,000            |
| Pre-treatment TOC removal evaluation and preliminary design   |                  |                  |                |                  | 90,000         | 90,000            |
| SCADA Upgrade (every 5 years)   |                  |                  | 23,000         |                  |                | 23,000            |
| Replace 1,400 lf of 6-inch steel pipe with 6-inch DIP from 3 <sup>rd</sup> & Sopris to 6 <sup>th</sup>        |                  | 750,000          |                |                  |                | 750,000           |
| Replace 500 lf of 4-inch cast iron pipe with 6-inch DIP from Butte/Teocalli between 1st and 2nd ½             |                  |                  | 261,000        |                  |                | 261,000           |
| Replace 450 lf of Elk Ave (East of 6 <sup>th</sup> Ave) 8-inch sewer pipe                                     | 258,000          |                  |                |                  |                | 258,000           |
| Replace 522 lf of Beckwith Ave and 1 <sup>st</sup> Street sewer pipe  |                  |                  |                |                  | 351,000        | 351,000           |
| Replace approximately 350 lf of 8-inch sewer on 7 <sup>th</sup> Ave between Red Lady and Bellevue Ave         |                  |                  |                |                  | 260,000        | 260,000           |
| Bi-annual allocation for collection system improvements   | 27,000           |                  | 29,000         |                  | 31,000         | 87,000            |
| Bi-annual allocation for distribution system improvements   |                  | 28,000           |                | 30,000           |                | 58,000            |
| Replace centrifuge bearings   | 18,000           |                  |                | 18,000           |                | 36,000            |
| IMLR Pump Replacement   | 50,000           |                  |                |                  |                | 50,000            |
| Ruth's Road Lift Station  |                  | 60,000           |                |                  |                | 60,000            |
| 9 ½ Street Lift Station   |                  |                  |                | 60,000           |                | 60,000            |
| Zinc removal process (including Gossan reclamation)   | 270,000          | 20,000           | 5,000          | 5,000            | 5,000          | 305,000           |
| SewerJet Truck 747-FR2000   |                  | 169,000          |                |                  |                | 169,000           |
| Chevy Equinox (PW Director Truck)   |                  |                  | 60,000         |                  |                | 60,000            |
| CAT 305.5E Mini Ex  |                  |                  |                |                  | 74,000         | 74,000            |
| Vac Trailer   |                  | 200,000          |                |                  |                | 200,000           |
| <b>Total Utility Enterprise Fund:</b>   | <b>5,168,993</b> | <b>9,040,000</b> | <b>528,000</b> | <b>2,333,000</b> | <b>811,000</b> | <b>17,880,993</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 2024.

| FUND BALANCES:   | GOVERNMENT FUNDS |                               |                          |                               |                            |              |                                  |                    | Utility<br>Enterprise<br>Fund | OVERALL<br>TOTAL |
|--|------------------|-------------------------------|--------------------------|-------------------------------|----------------------------|--------------|----------------------------------|--------------------|-------------------------------|------------------|
|  | GENERAL FUND     |                               | Streets &<br>Alleys Fund | Affordable<br>Housing<br>Fund | Conservation<br>Trust Fund | CAPITAL FUND |                                  |                    |                               |                  |
|  | General<br>Fund  | Transit &<br>Mobility<br>Fund |                          |                               |                            | Capital Fund | Parks, Rec<br>and Trails<br>Fund | Open Space<br>Fund |                               |                  |
| Audited Balance at 12.31.22                                    | 8,995,152        | 0                             | 2,852,014                | 585,455                       | 110,606                    | 7,552,942    | 0                                | 2,623,092          | 6,417,462                     | 29,136,723       |
| Projected net change in fund balance 2023                      | (423,396)        | 0                             | (813,821)                | 61,410                        | (91,629)                   | 631,487      | 0                                | 479,856            | (2,437,624)                   | (2,593,717)      |
| Projected balance at 12.31.23                                  | 8,571,756        | 0                             | 2,038,193                | 646,865                       | 18,977                     | 8,184,429    | 0                                | 3,102,948          | 3,979,838                     | 26,543,006       |
| Projected net change in fund balance 2024 before transfers     | (26,994)         | (115,368)                     | (1,717,599)              | (664,940)                     | 16,000                     | (1,028,077)  | (367,279)                        | (1,465,174)        | 3,914,284                     | (1,455,147)      |
| 2024 Fund Transfers  | (654,976)        | 258,222                       | 0                        | 370,404                       | 0                          | (1,494,310)  | 1,520,660                        | 0                  | 0                             | 0                |
| Projected balance at 12.31.24                                  | 7,889,785        | 142,855                       | 320,594                  | 352,329                       | 34,977                     | 5,662,042    | 1,153,382                        | 1,637,774          | 7,894,122                     | 25,087,859       |
| Less estimated restricted funds:                               |                  |                               |                          |                               |                            |              |                                  |                    |                               |                  |
| Restricted (@12.31.22)   | (417,000)        | 0                             | 0                        | 0                             | (34,977)                   | 0            | 0                                | 0                  | 0                             | (451,977)        |
| 100% Operating Expense   | (5,405,522)      | (142,855)                     | (930,664)                | (352,329)                     | 0                          | (601,517)    | (1,153,381)                      | (180,174)          | (2,955,887)                   | (11,722,329)     |
| Projected spendable fund balance at 12.31.24 before transfers* | 2,067,264        | 0                             | (610,071)                | 0                             | 0                          | 5,060,525    | 0                                | 1,457,601          | 4,938,234                     | 12,913,553       |

## 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 \$4.15M in 2024. 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.

| STATE REVOLVING FUND: |                        |             |             |                          |                                      |                            |                                      |                 |
|-----------------------|------------------------|-------------|-------------|--------------------------|--------------------------------------|----------------------------|--------------------------------------|-----------------|
|                       | <u>Loan<br/>Number</u> | <u>Date</u> | <u>Term</u> | <u>Interest<br/>Rate</u> | <u>Principal<br/>Loan<br/>Amount</u> | <u>Current<br/>Balance</u> | <u>Total<br/>Annual<br/>Payments</u> | <u>Maturity</u> |
| WWTP Clarifier        | W10F023                | 5/25/2010   | 20          | 2.00%                    | \$1,900,000                          | \$590,153                  | \$90,767                             | 2030            |
| Water Tank            | D12F023                | 10/1/2012   | 20          | 2.00%                    | \$400,000                            | \$192,882                  | \$24,788                             | 2032            |
| WWTP Upgrade          | W17F386                | 5/1/2017    | 20          | 2.00%                    | \$2,500,000                          | \$1,825,021                | \$154,928                            | 2037            |
| Water                 | D20F386                | 3/10/2020   | 20          | 2.50%                    | \$2,025,000                          | \$1,768,389                | \$131,454                            | 2040            |
| WWTP Upgrade          | WBS22F386              | 12/9/2022   | 30          | 0.50%                    | \$3,000,000                          | \$2,916,714                | \$108,170                            | 2052            |
| WWTP Upgrade          | WBS22F023              | 12/9/2022   | 30          | 2.75%                    | \$9,500,000                          | \$9,314,217                | \$468,186                            | 2052            |

# Appendix A

## Community Compass Goals & Strategies – 2024 Priorities



# Crested Butte Community Compass

**Crested Butte Town Council  
5-Year Strategic Plan  
and 2024 Priorities**



## Over the next five years, the Town will strive to . . .

### 1 Approach community challenges through active collaboration and public engagement.

As the Gunnison Valley and Crested Butte grow and change, the Town commits to putting in the work to actively engage our community, find common ground with our partners, and maintain trust to develop a shared framework for regional collaboration. We are stronger if we work together.

To achieve this goal in-town, the Town will . . .

a. Commit to utilizing the Compass decision-making and community engagement framework.

- 2024 priority: Formalize Spanish translation into Town communications.

b. Align the Town's grant program with the community's values to leverage support to local organizations.

- 2024 priority: Evaluate Town support of local organizations through facilities and grants.

To achieve this goal in the Gunnison Valley, the Town commits to collaboratively . . .

c. Work with our partners to find common ground and develop a shared framework for regional collaboration.

- 2024 priority: Participate in renewing and defining role of One Valley Leadership Council (OVL).

d. Memorialize a regional communication, coordination, and collaboration framework.

- 2024 priority: Pursue regional Intergovernmental Agreement regarding regional communication, coordination, and collaboration.

e. Lead by example and develop a framework to guide the Town's regional considerations and commit to expending resources outside of the Town.

- 2024 priority: Concurrent with IGA discussions, develop a Town framework for expending resources outside of the Town to support the IGA.

### 2 Accommodate growth in a way that maintains the Town's and Valley's rural feel.

Growth is inevitable, but the Town aims to intentionally plan for growth in a way that concentrates development near existing infrastructure while maintaining the natural and agricultural spaces that we cherish. To do so, the Town will need to explore opportunities for increased development and density within the Town, while also collaboratively working with our regional partners through the Town's 3-mile and regional corridor plan to identify where infrastructure can be extended to accommodate growth outside of Town while maintaining the Valley's rural feel.

To achieve this goal in-town, the Town will . . .

a. Evaluate infill development and density opportunities within the Town.

- 2024 priority: Conduct Strategic Infill Plan.

To achieve this goal in the Gunnison Valley, the Town commits to collaboratively . . .

b. Participate in the development of a regional land use strategy that concentrates growth near existing infrastructure and minimizes sprawl.

c. Align the Town's open space acquisition and land banking priorities with the regional land use strategy.

### 3 Enable people who live and work here to thrive.

Our community - ranging from Crested Butte's youth to its aging population - needs attainable and secure housing, a vibrant local business scene, and affordable essential goods and services such as childcare, to not only live here, but to thrive and build a future. By following a regional land use strategy that emphasizes growth near existing infrastructure, the Town and region will be set up for success to pursue increased housing and essential goods and service opportunities within the Town, our neighboring towns, and population centers.

To achieve this goal in-town, the Town will . . .

a. Pursue infill development and increased density opportunities in the Town to increase workforce housing, childcare, and local essential goods and service options which are compatible with our character.

- 2024 priority: Implement the Mineral Point and Paradise Park workforce housing project.

b. Deploy programs and update policies that ensure our neighborhoods are full of neighbors.

- 2024 priority: Continue Good Deed Program.
- 2024 priority: Launch new deed restriction monitoring program.

c. Assess the functionality and accessibility of Town facilities and leverage them to better meet the community's needs.

- 2024 priority: Begin implementing the Town Facilities Plan through master planning for a new Marshals facility, the Town Hall civic campus, and participating in discussions around Phase 2 at the Center for the Arts.

d. Leverage the nicotine tax to support mental health, and health and human services initiatives with a focus on youth.

e. Identify opportunities to promote affordability for residents and businesses to ensure community members can continue to stay in the place they've chosen to build a life or business in.

- 2024 priority: As part of the Strategic Infill Plan, identify affordability opportunities and strategies.
- 2024 priority: Re-evaluate summer Elk Ave utilization to further support retailers.

To achieve this goal in the Gunnison Valley, the Town commits to collaboratively . . .

f. Evaluate the functionality of the valley's economy and identify the key needs for housing, childcare, and essential goods and services.

- 2024 priority: As part of the Strategic Infill Plan, conduct market demand analysis for essential goods and services within the Town.

g. Collaboratively develop a regional housing strategy that meets the needs of the Gunnison Valley.

- 2024 priority: Participate in Whetstone Housing Project.
- 2024 priority: Participate in implementation of OVRP housing strategies.





h. Fill the community's critical needs of childcare and essential goods and services through strategic investments and incentives.

- 2024 priority: Help facilitate relocation of the Post Office.

i. Develop sustainable funding sources to effectively leverage solutions that will support a thriving community and make our Town and valley more functional

**4 Retain the unique character and traditions of Crested Butte.**

Our community's ability to thrive not only relies on secure housing and essential services. We must continue to relish the special nature of this place that brought us here. As we grow, it will be important to place an extra emphasis on retaining the genuine, quirky, and unique character and traditions that make Crested Butte different.

To achieve this goal in-town, the Town will . . .

a. Protect our historic buildings that reflect the different periods of our town's history, while allowing more architectural creativity for new construction.

- 2024 priority: Complete Historic Preservation Plan.

b. Ensure the Town's special events and public art policies reflect the homegrown spirit of the community.

- 2024 priority: Implement special events climate tier structure.

**5 De-emphasize cars and focus on walking, biking, and transit.**

The Town plans to truly focus on improving pedestrian, bicycling, and transit experiences to enhance community connections and improve livability. By de-emphasizing the car and focusing on boots, bikes, and buses, we can simultaneously improve safety and meet our land use goals of reducing sprawl, while additionally reducing the community's carbon footprint.

To achieve this goal in-town, the Town will . . .

a. Conduct a comprehensive re-examination of how people move throughout the Town through a transportation master plan.

- 2024 priority: Complete and adopt Transportation Mobility Plan.
- 2024 priority: Update Snow Removal and Storage Master Plan.

b. Evaluate the design and functionality of the Town's streets, alleys, parks, and public spaces for improved social connections for the community.

- 2024 priority: Design sidewalk along Gothic Rd from Teocalli to Pyramid and crusher fines trail on Pyramid Ave connecting to 8th Street

c. Employ creative solutions such as modifying parking requirements, increased transit investments, street connectivity, and traffic calming measures.

- 2024 priority: Develop Town traffic calming policy and implement priority locations.

d. Align implementation of needed improvements with infrastructure and utility improvements.

- 2024 priority: Prepare public works/fleet facility infrastructure for vehicle electrification.
- 2024 priority: Work with School District to apply for CDOT access permit and conduct preliminary design of Red Lady/6th Street intersection concurrent with school expansion.

To achieve this goal in the Gunnison Valley, the Town commits to collaboratively . . .

e. Prioritize and support innovative transit solutions to improve connectivity between communities while ensuring Highway 135 functions well as a two-lane rural road.

- 2024 priority: Participate in Mountain Express & RTA Transit Development Plans, the Brush Creek intersection design, and CB to CB South Trail.
- 2024 priority: Initiate planning and data collection for possible future pilot transit program on Peanut Lake Road during peak uses.

f. Analyze and improve Sixth Street to provide improved mobility through the Town without dividing the community and maintaining the Town's pedestrian and bicycle-friendly values.

- 2024 priority: Participate in HWY 135 Corridor Safe Streets for All Plan.

**6 Continue to passionately care for our natural surroundings and forever protect Red Lady.**

We all find inspiration from our surrounding mountains, rivers, and forests. The Town and our partners have been working for 45 years to save Mount Emmons, the beloved Red Lady, and we plan to protect this iconic mountain and our local watershed from mining forever. We'll continue to care for our natural surroundings through targeted recreation investments and collaborative stewardship programs so future generations can continue to be inspired by this special valley.

To achieve this goal in-town, the Town will . . .

a. Continue to work with our federal, state, regional, and local partners to permanently protect Red Lady from mining.

- 2024 priority: Continue engagement to secure conservation easement and pursue federal withdrawal of minerals.

b. Update and expand the Town's watershed protection ordinance to include the Slate River watershed and increase protections for the Coal Creek and Slate River watersheds.

- 2024 priority: Develop Stormwater Master Plan to improve stormwater storage, treatment, and discharge.

c. Evaluate the Town's funding for visitor education to promote stewardship.

- 2024 priority: Evaluate visitor center provider at the 4-Way.

To achieve this goal in the Gunnison Valley, the Town commits to collaboratively . . .

d. Concentrate recreational investments near our population centers and facilitate opportunities to access nature without a car.

- 2024 priority: Actively participate and support MetRec's regional recreation planning efforts.





e. Actively steward our open spaces and trails including restoration, maintenance, and education programs.

- 2024 priority: Complete Red Lady Open Space fire mitigation project.

f. Leverage real estate transfer tax funding to support collaborative land conservation and recreation initiatives.

- 2024 priority: Complete payment of \$2M to MEMC for withdrawal of unpatented claims on and around Mt. Emmons.

**7 Act on the urgency of climate change and prepare for the changes we expect from it.**

We are beginning to see the impacts from climate change, and the Town plans to do its part to reduce our greenhouse gas emissions, while preparing for the changes we know are coming. We will commit to reducing our impact and becoming more resilient, setting an example that others can learn from.

To achieve this goal in-town, the Town will . . .

a. Integrate climate action into all Town regulations, operations, and capital investments and commit the necessary resources to do so.

- 2024 priority: Continue electrifying Town facilities as pilot conversion examples.
- 2024 priority: Leverage Colorado's Plastic Pollution Reduction Act (PPRA) to reduce plastic pollution in the Town.
- 2024 priority: Develop a toolkit to support education on the Town's building code, including case studies from Mineral Point and Paradise Park.
- 2024 priority: Develop Stormwater Master Plan to improve stormwater storage, treatment, and discharge.
- 2024 priority: Work with peers such as CAST, CC4CA and others regarding education of construction community regarding electric-only code requirements.

b. Update the Town's Climate Action Plan to understand actions the Town can take to further reduce its emissions.

- 2024 priority: Update Town's greenhouse gas emissions inventory.
- 2024 priority: Update Town's Climate Action Plan.

c. Increase resiliency in the Town's infrastructure and built environment, including source water protection, drought resistance, and wildfire mitigation considerations.

- 2024 priority: Complete hydraulic analysis of Coal Creek.
- 2024 priority: Complete the construction of the Wastewater Treatment Plant project.
- 2024 priority: Continue implementing Enterprise Fund Master Plan.
- 2024 priority: Complete and begin implementation of Source Water Protection Plan and Wildfire Mitigation Plan for source water.

To achieve this goal in the Gunnison Valley, the Town commits to collaboratively . . .

d. Advocate for regional, state, and federal policies that further climate action.

- 2024 priority: Continue active participation in Colorado Communities for Climate Action.

e. Collaboratively develop and implement education and incentive programs to motivate property owners to further energy efficiency and electrification in our building stock and vehicle fleet.

- 2024 priority: Continue to grow GreenDeed program to expand households served, include solar support, and electrification conversion pilot programs.
- 2024 priority: Continue to partner with GCEA on electrification rebates and other community electrification programs.
- 2024 priority: Implement incentives or requirements for multi-family buildings, short term rentals, and lodging entities to install level 2 electric vehicle charging.
- 2024 priority: Research partnership opportunities for electric car share programs for deed-restricted and multi-unit dwellings.

f. Evaluate opportunities to improve waste management, including increased recycling and composting options.

- 2024 priority: Conduct a regional waste management evaluation and discuss options to leverage collaboration to make improvements.
- 2024 priority: Evaluate a pay as you throw (PAYT) waste management structure.
- 2024 priority: Evaluate a community-wide composting program.

g. Leverage staff capacity to collaboratively implement the valley's regional climate action goals.

- 2024 priority: Re-invigorate the One Valley Leadership Council Climate Action Committee to collaboratively implement the Gunnison Valley Action Plan.
- 2024 priority: Continuously evaluate regional partnership opportunities to reach climate action goals.
- 2024 priority: Participate in Upper Gunnison Basin Drought Contingency Plan.

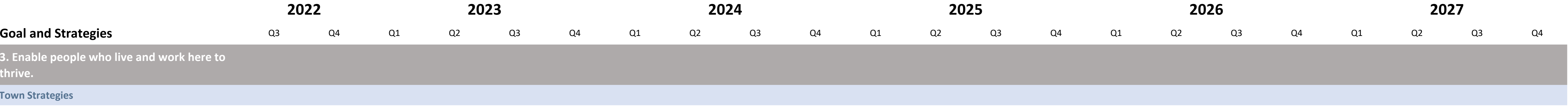
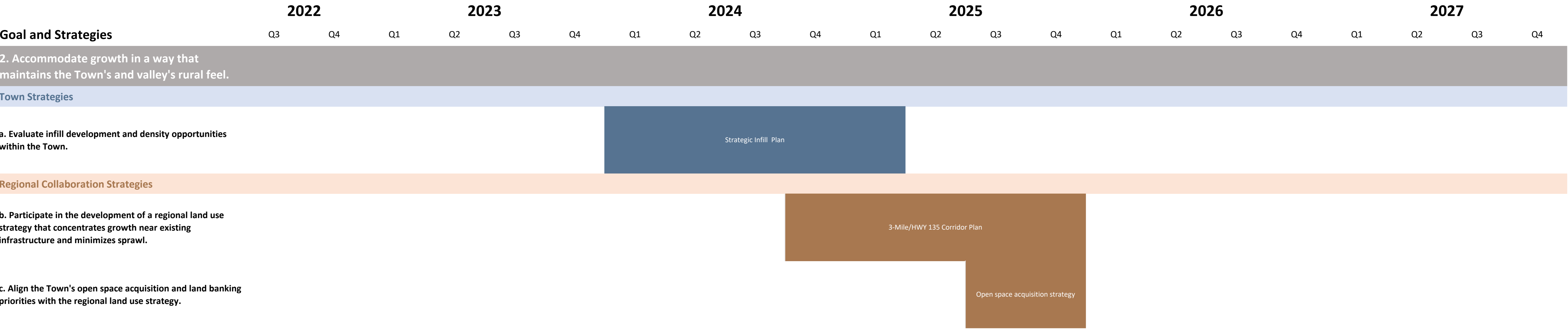
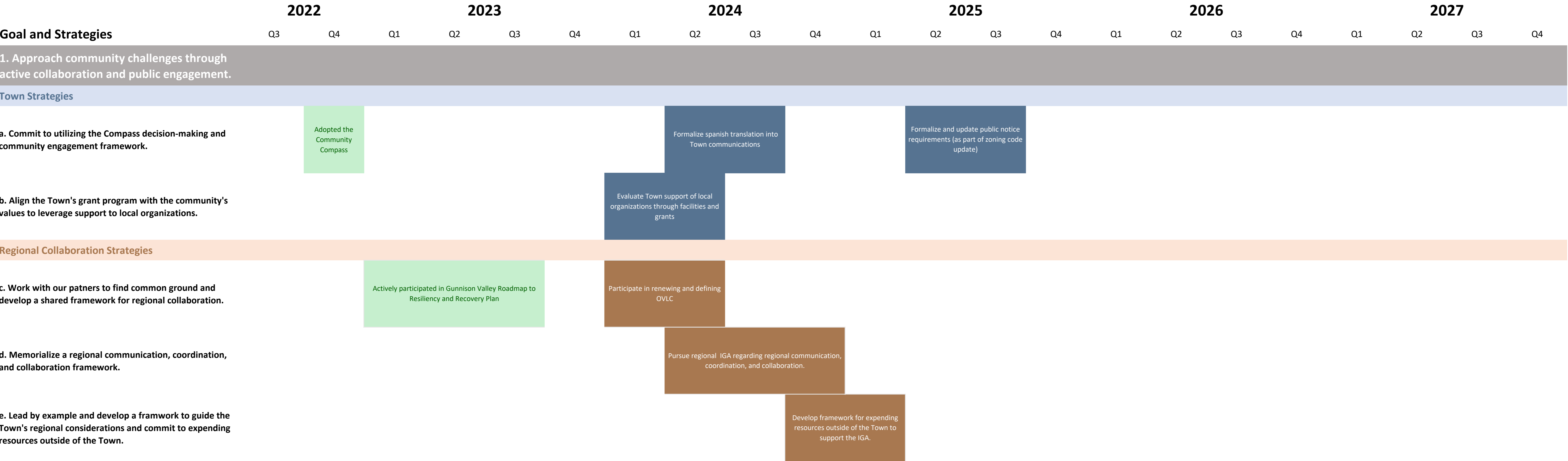
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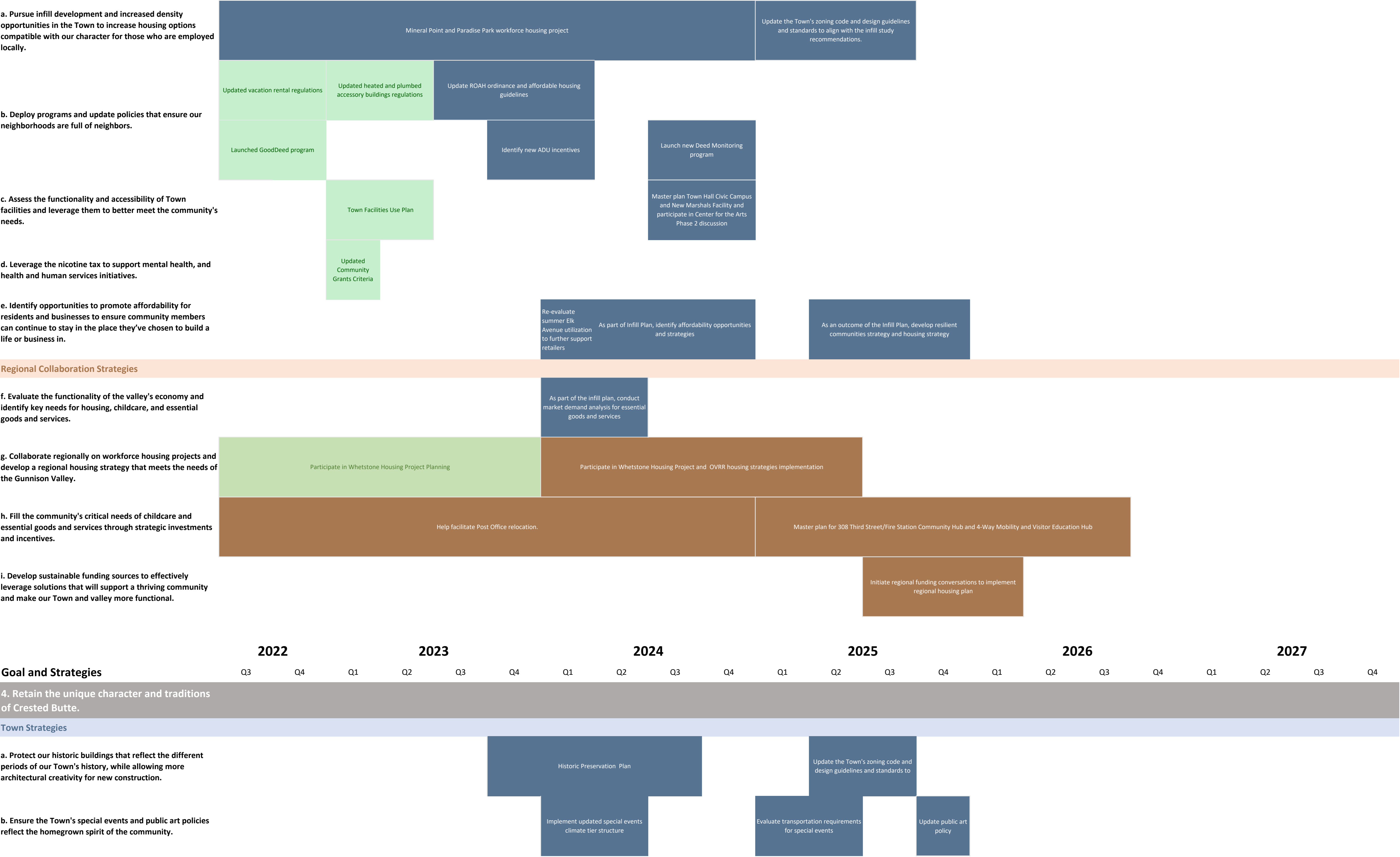
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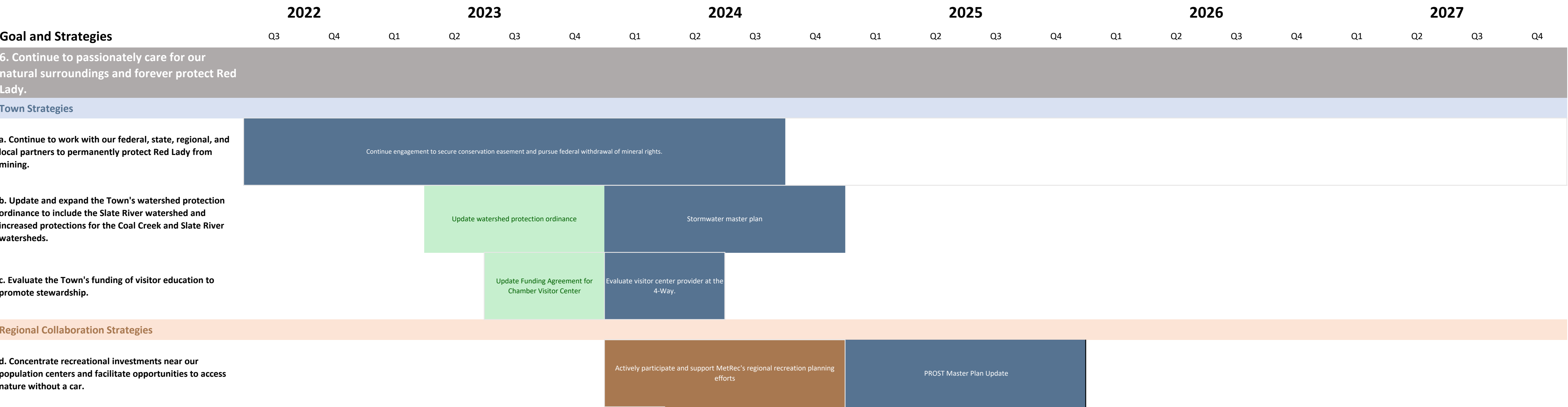
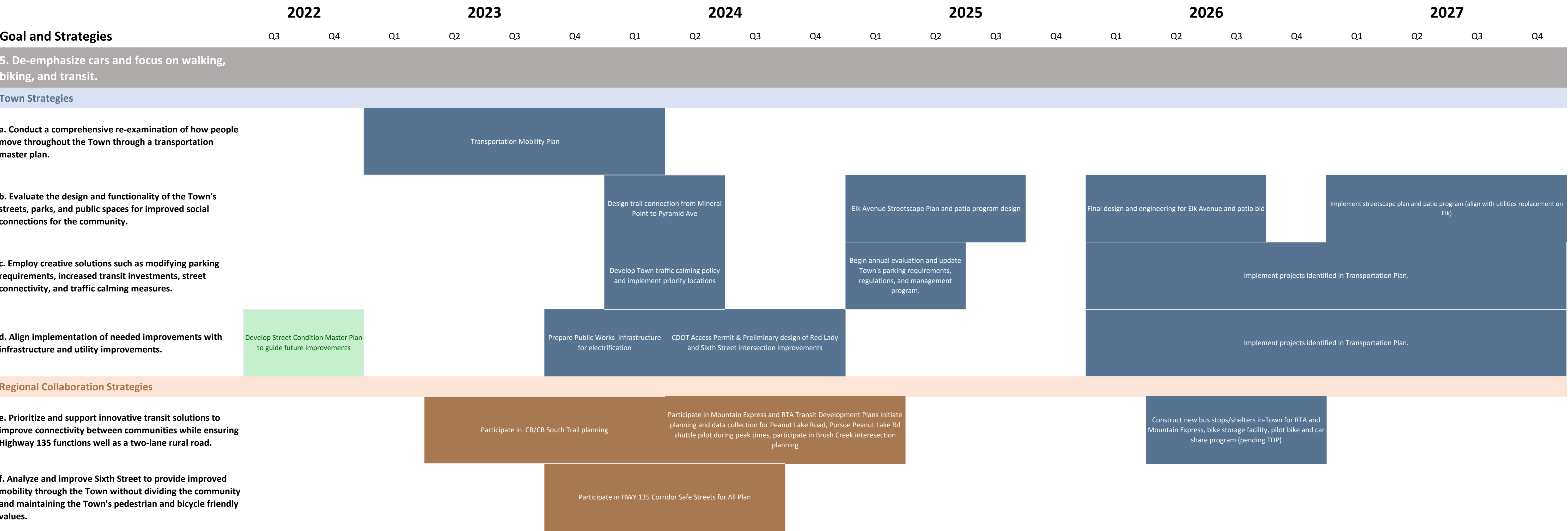


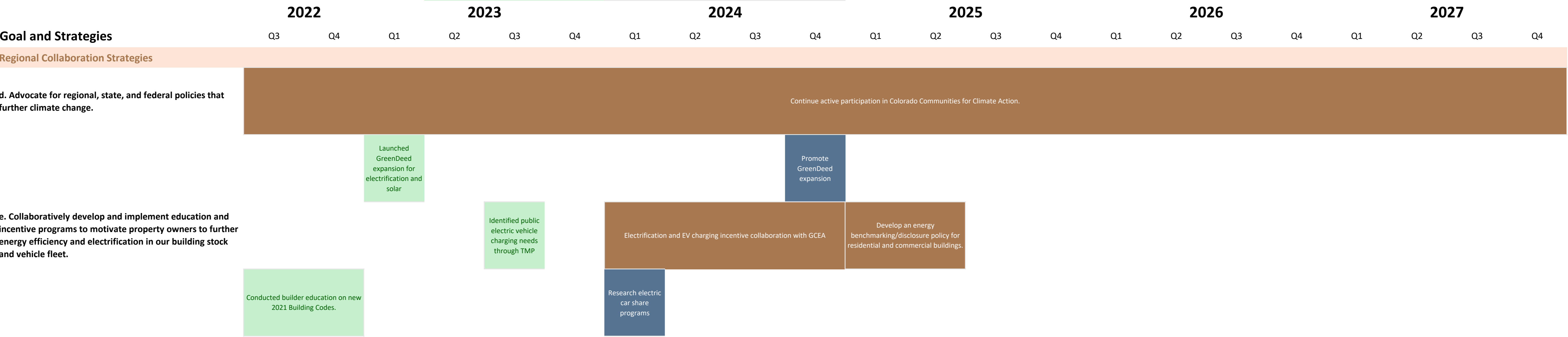
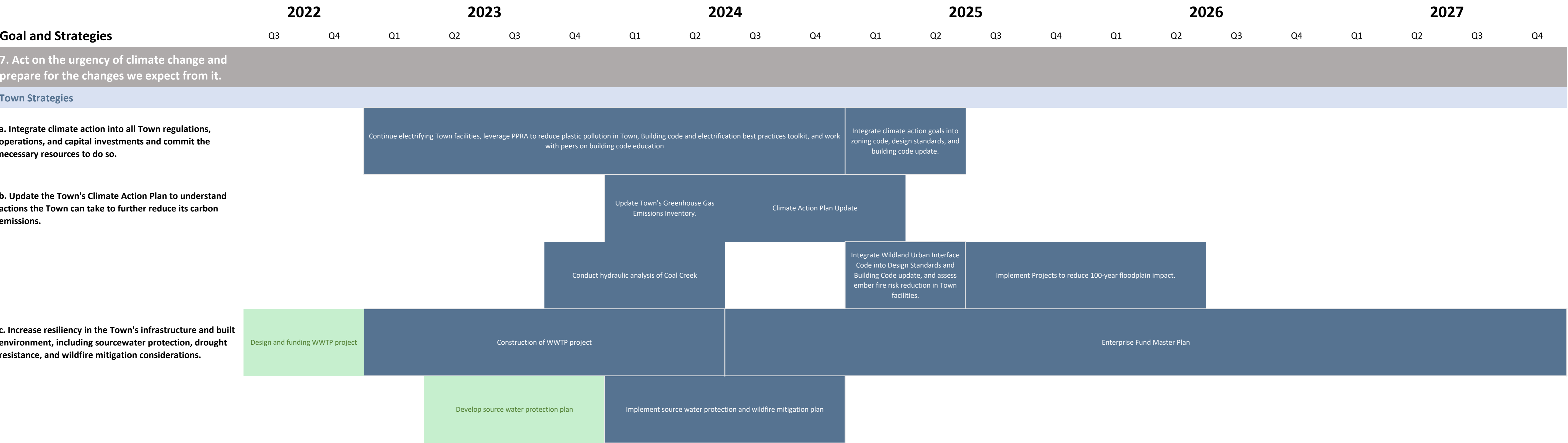
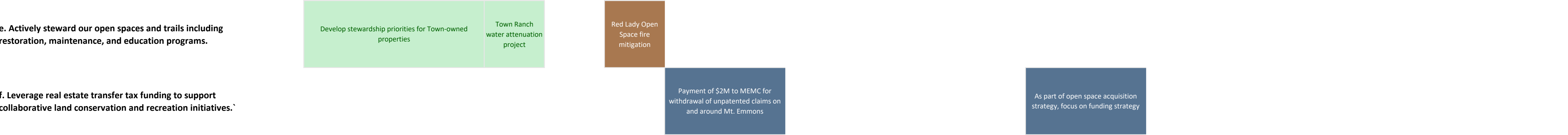
# Appendix B

Community Compass Strategic action items and anticipated timing  
2022-2027 (updated Nov 2023)









f. Evaluate opportunities to improve waste management, including increased recycling and composting options.

Conduct regional waste evaluation, evaluate a pay as you throw (PAYT) waste management structure, evaluate a community-wide composting program.

g. Leverage staff capacity to collaboratively implement the Valley's regional climate action goals.

Participate in upper gunnison basin drought contingency plan, continuously evaluate regional partnership opportunities to reach CAP goals, re-invigorate the OVLC CAP committee