



Community Values

Authentic

Connected

Accountable

Bold

Town Council

5-year Goals:

- 👂 *Approach community challenges through active collaboration and public engagement.*
- 👂 *Accommodate growth in a way that maintains our 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.*

Critical to our success is an engaged community and knowledgeable and experienced staff.

AGENDA

Town of Crested Butte

Regular Town Council Meeting

Town Council Chambers

507 Maroon Ave; Crested Butte, CO

Monday, October 20, 2025

Meeting information to connect remotely:

<https://us02web.zoom.us/j/86501075333>

Join via audio: +1 719 359 4580 US +1 669 444 9171 US +1 253 205 0468 US +1 689 278 1000 US +1 305 224 1968 US +1 309 205 3325 US +1 360 209 5623 US +1 386 347 5053 US +1 507 473 4847 US +1 564 217 2000 US +1 646 931 3860 US
Webinar ID: 865 0107 5333

Public comments may be submitted at any time to the entire Council via email at towncouncil@crestedbutte-co.gov.

The times are approximate. The meeting may move faster or slower than expected.

6:00 WORK SESSION

1) Refine Draft 2026 Budget, including Fund Balance Review; Updated 2026 Revenue/Expenditure Assumptions; and Mill Levy Impact.

Staff Contact: Interim Finance Director Rob Sweeney

7:00 REGULAR TOWN COUNCIL MEETING CALLED TO ORDER BY MAYOR OR MAYOR PRO-TEM

7:02 APPROVAL OF AGENDA

7:03 CONSENT AGENDA

1) October 6, 2025 Regular Town Council Meeting Minutes.

Staff Contact: Deputy Town Clerk/Licensing Clerk Eric Treadwell

2) Kapushion Spehar Wetlands Funding Agreement with the Crested Butte Land Trust.

Staff Contact: Recreation, Trails, and Open Space Supervisor Joey Carpenter

3) Award of Professional Services Agreement to MIG, Inc. for the Town of Crested Butte Design Standards Update Project 2025.

Staff Contact: Community Development Director Mel Yemma

4) Resolution No. 29, Series 2025 - A Resolution of the Town Council of the Town of Crested Butte, Colorado, Authorizing the Town Manager to Execute All Documents Related to the Purchase of 828 Gothic Ave, #1A in Crested Butte.

Staff Contact: Housing Director Erin Ganser

5) Resolution No. 30, Series 2025 - A Resolution of the Crested Butte Town Council, Directing Town Code Enforcement Staff Not to Enforce Occupancy Limits in a Single-Family Dwelling Based on Familial Relationship.

Staff Contact: Community Development Director Mel Yemma

6) Resolution No. 31, Series 2025 - A Resolution of the Crested Butte Town Council Approving the Contract for Use of the Big Mine Ice Arena by Gunnison Valley Hockey Association for the 2025-2026 Winter Season.

Staff Contact: Parks, Recreation, Open Space, and Trails Director Janna Hansen

The listing under Consent Agenda is a group of items to be acted on with a single motion. The Consent Agenda is designed to expedite Council business. Council members may request that an item be removed from Consent Agenda prior to the Council's vote. Items removed from the Consent Agenda will be considered under New Business.

7:05 PUBLIC COMMENT

The public has the opportunity to comment during the public comment period at the beginning of every regular Council meeting. At this time people may speak for up to five minutes on any topic that is not on the agenda. The Mayor may limit public comments to no more than three minutes if it appears there will be many comments on a similar topic. The public comment period is a time for the Council to listen to the people. Council generally should not engage in a two-way conversation at this time nor should the Council feel compelled to respond to the comments. If Council chooses to discuss, discussion will be at the end of the Council meeting under "Other Business to Come Before the Council."

7:10 STAFF UPDATES

7:15 LEGAL MATTERS

7:20 PUBLIC HEARING

1) (Second Reading) Ordinance No. 11, Series 2025 - An Ordinance of the Crested Butte Town Council Approving the Lease of Property at 409 2nd Street to Six Points Evaluation and Training, Inc.

7:25 NEW BUSINESS

1) Mt. Crested Butte Water and Sanitation’s Failure to Pay for Biosolids.

Staff Contact: Town Attorney Karl Hanlon, Town Manager Dara MacDonald, and Public Works Director Shea Earley

7:45 2) Gunnison Valley Regional Housing Authority (GVRHA) Transition Discussion: Deed Restriction Administration and GreenDeed.

Staff Contact: Community Development Director Mel Yemma and Sustainability Coordinator Dannah Leeman

8:20 3) Discussion Regarding Increasing Costs of Private Health Insurance Premiums and the Impact and Role of Local Health System on Those Costs.

Staff Contact: Town Manager Dara MacDonald

8:40 COUNCIL REPORTS AND COMMITTEE UPDATES

8:45 OTHER BUSINESS TO COME BEFORE THE COUNCIL

8:50 DISCUSSION OF SCHEDULING FUTURE WORK SESSION TOPICS AND COUNCIL MEETING SCHEDULE

- Monday, November 3, 2025 - 6:00PM Work Session - 7:00PM Regular Council
- Monday, November 17, 2025 - 6:00PM Work Session - 7:00PM Regular Council
- Monday, December 1, 2025 - 6:00PM Work Session - 7:00PM Regular Council

8:55 ADJOURNMENT



Memorandum

October 20, 2025

To: Town Council

From: Dara MacDonald, Town Manager
Rob Sweeney, Interim Finance & Administrative Services Director

Subject: 2026 Budget Work Session

Date: October 13, 2025

Summary:

This is the fifth discussion related to the drafting of the Town of Crested Butte's 2026 Budget. Staff continues to create and refine financial models related to direction provided by Council. Staff will present updates to assumptions, expenditure changes and provide modeling of suggested fund transfers and mil levy increase in the Street and Alley Fund.

Prior Council Action:

- November 7, 2022 – Adoption of the Community Compass
- February 10, 2025 – Long-Range Financial Planning Work Session #1
- April 7, 2025 – Long-Range Financial Planning Work Session #2
- June 2, 2025 – Long-Range Financial Planning Work Session #3
- August 5, 2025 – Adoption of the Fund Balance Reserve Policy
- August 18, 2025 – Work session: 2026 Budget kick-off and Compass priority discussion and direction
- September 2, 2025 – Work Session: Compass priority refinement; 2025 Projections; 2026 Assumptions; 5-Yr Fund Balance Review.
- September 15, 2025 – 5-Yr Capital Plan and Updated Assumptions
- October 6, 2025 – 2026 Proposed Budget

Background:

Staff develops the annual budget by identifying capital and operational expenditures in support of the Community Compass and in alignment with Council priorities. Staff utilized available economic data to forecast ending 2025 fund balance by fund and in defining revenue and expenditure assumptions in preparation of a 5-year financial forecast inclusive of a 5-year Capital Plan. The updated version of the 2026 Budget is attached in a number of financial schedules.

Discussion:

The Town has been on a multi-year journey to improve its financial processes and forecasting through various means. The Town Council provided staff direction in the development of the 2026 budget at three long-range financial planning work sessions earlier this year. The 2026 budget continues to be refined at each step as revenue and expenditure figures come into greater focus. Town staff has taken direction from Council at each meeting to better align the Town's budget to the Council's priorities.

The Revised 2026 Proposed Budget includes all projected revenues and expenses, both operating and capital, as well as internal transfers to balance the budget. Staff prepared three views of the budget: 1) Townwide view; 2) Fund view; 3) Organization (e.g., department) view. All reports are attached.

Significant changes to the October 6 version of the 2026 Proposed Budget include:

- \$120K reduction in health care premiums (net 5.55% increase over 2025)
- \$1.366M fund transfer from the General Fund to the Street and Alley Fund to cover a shortfall in funding for the off-cycle mill and overlay project
- \$213K fund transfer from the General Fund to Capital Fund to cover a shortfall in funding of capital expenditures
- Capital Plan (revised Plan attached):
 - \$50K to replace Town Manager/Admin vehicle (internal combustion to electric)
 - \$45K to replace Parks Gem Flower Van
 - \$9K to replace Parks Field Striper
 - \$30K increase to Coal Creek Raw Water Pipeline Assessment (\$160K total)
- \$108K addition in Community Development to correct error in salary projections for vacancy
- \$15K in additional funding to Mountain Express (\$1.61M total; \$1.55M tax share; \$44.3K late night taxi; \$15K additional funding)
- \$4.3K addition in Parks for Elk Avenue Holiday Lights
- \$3.5K addition in Administration to increase supervisory, leadership and other staff development
- \$3K addition in Sustainability for Certified Installer Credits (GCEA Partnership)

5-Year Fund Balance Projection

Staff continues to use the amended Fund Balance Reserve (FBR) Policy as follows:

- General Fund: 50% of prior year operating expenses
- Capital Fund: 50% of the total of prior year operating and annual depreciation expenses
- Open Space Fund: 50% of prior year operating expenses
- Parks/Rec/Trail Fund: 50% of prior year operating expenses
- Street/Alley Fund: 25% of prior year operating expenses
- Aff Housing Fund: 25% of prior year operating expenses plus 50% of prior year depreciation
- Enterprise Fund: 25% of prior year operating expenses plus 50% of prior year depreciation
- Conservation Trust/Transit & Mobility: no FBR

Staff will include adoption of the amended FBR at the November 3 Town Council meeting.

The 5-year fund balance projection utilizing the factors above can be found in the Revised 2026 Proposed Budget – By Fund report. Staff modeled internal fund transfers for 2026 (defined above)

and 2027 only. Staff will continue to update the 5-year fund balance projection as external fund sources (e.g., grants) are known and/or secured.

Staff modeled 2027 internal fund transfers from the General Fund, as follows:

- \$1.74M to Capital Fund to cover capital expenses (not inclusive of Jerry's Gym or Community Hub). Granting opportunities exist for these projects; the negative fund balance in the Capital Fund demonstrates financial resources (e.g., grants, General fund, etc.) are necessary to commence and complete these projects.
- \$532K to Parks, Recreation & Trails (PRT) Fund to cover fund balance shortfall; \$485K attributed to capital expenditures with the remaining related to operations.

After taking into account all revenue, expenditure and transfer transactions, the 2026 Net Spendable Fund Balance (after covering FBR requirement) remains strong for the General, Open Space, PRT and Enterprise Funds. The General Fund remains positive through the 2030 projection. However, the availability of Net Spendable Fund Balance becomes less as internal transfers from the General Fund to other funds becomes necessary to maintain a positive fund balance in those funds.

The Affordable Housing Fund is in good position. Staff is seeking clarification from our creditor as to the necessity of a 'required' fund balance, currently modeled at \$616K per year. This 'required' fund balance is in addition to the Council's FBR requirement. Staff cannot locate the need for a 'required' fund balance requirement in our financing documents. Additionally, the Town's external auditor does not recognize a need for the reserve to certify our annual financial statements. Staff will remove this 'requirement' from our fund balance analysis if we hear positively from our creditor. This will turn the Affordable Housing Fund's Net Spendable Fund Balance positive every year of the 5-year projection.

The Enterprise Fund has significant capital expenditures beginning in 2027. Existing fund balance and revenue streams do not support the existing capital plan. Staff will begin analyzing the availability of debt financing to cover these large capital expenditures. Existing debt service begins to mature in 2030 (WWTP Clarifier – 2010 debt).

Street and Alley Fund Discussion

At its October 6 meeting, the Town Council provided staff direction to model a few scenarios to deal with the structural imbalance in the Street and Alley (SA) Fund. Staff modeled the transfer of funds from the General Fund in 2026 to cover a majority of the off-cycle mill and overlay project to ensure SA's FBR was satisfied. This transfer does not address SA's future year imbalance beginning in 2029. The major paving project in that year will not be funded unless additional General Fund or other revenue sources are allocated.

At Council's direction, Staff also modeled an increase in SA property tax mil levy, in one-mil increments. Table 1 summarizes that which is in the 5-yr fund balance projection report.

Table 1 – Street and Alley Net Spendable Fund Balance by Year
(all include \$1.366M transfer from General Fund in 2026)

Model	2026 Draft 2	2027	2028	2029	2030
8 Mils (current)	\$0	\$454,621	\$636,780	(\$1,004,480)	(\$1,270,151)
9 Mils	\$184,433	\$836,811	\$1,218,705	(\$220,824)	(\$282,745)
10 Mils	\$380,232	\$1,230,367	\$1,811,995	\$574,199	\$716,026

While the General Fund can absorb the entire 2026 budget shortfall in Street and Alley, it is not a viable long-term solution to meet the needs of the Town's public rights-of-way. The existing 8-mil levy is not keeping pace with increases in operating and capital expenditures. Additionally, a 1-mil increase in the SA levy fails to fully cover the needs in maintaining and improving/replacing the Town's rights-of-way.

Consistent with staff's recommendation during the three long-range Council Work Sessions earlier this year, staff recommends a total revenue increase of '3 mils' in SA. This can be accomplished beginning in 2026 by leveraging the movement of Specific Ownership Tax (SOT) to SA from the General Fund and increasing the SA property tax levy by 2 mils, for a total levy of 10 mils. SOT is estimated to generate \$243K in 2026, which amounts to approximately 1.2 mils on a property tax basis. Each mill in property tax levy is estimated to generate \$196K annually. As demonstrated in Table 1, a 10 mil levy generates sufficient funding in the near term and over the projected 5-year cycle to cover the current expenditure plan. Staff estimates each 1 mil increase in the SA levy will impact residential and commercial property owners \$68.93 and \$294.61, respectively (per \$1M in assessed value).

Should Council direct staff to draft a 10 mil levy for SA, staff recommends backing off the General Fund transfer in 2026 to a level which brings SA to a zero Net Spendable Fund Balance. This would provide this and future Council's ability to allocate General Funds in future years to meet the Council's and community's priorities while maintaining a positive Net Spendable Fund Balance in SA.

5-year Capital Plan – 2026 thru 2030

Staff updated the most recent 5-Year Capital Plan to adjust for known increases in costs as well to add a few projects omitted from the initial plan. The updated 5-Year Capital Plan is included in the packet, with changes clearly identified.

The remaining budget calendar is as follows:

- November 3: Adopt 2026 Budget, Amended Fund Balance Reserve Policy, Mill Levies and Fee Schedule

Recommendation:

Staff seeks feedback and direction from Council regarding the Revised 2026 Proposed Budget including the level of budgetary transfer and property tax mils to address the budgetary shortfall in the Street and Alley Fund.

Attachments:

Revised 2026 Proposed Budget – Townwide

Revised 2026 Proposed Budget – By Fund with 5-Yr Fund Balance Projection

Revised 2026 Proposed Budget – Expense by Div/Department

Updated 5-year Capital Plan by Fund – Fiscal Years 2026 thru 2030

MINUTES
Town of Crested Butte
Regular Town Council Meeting
Monday, October 6, 2025

Mayor Billick called the meeting to order at 7:16PM.

Council Members Present: Mayor Ian Billick, John O’Neal, Anna Fenerty, Beth Goldstone, Gabi Prochaska, and Mallika Magner (via Zoom)

Staff Present: Town Attorney Karl Hanlon, Town Manager Dara MacDonald, Town Clerk Lynelle Stanford, Public Works Director Shea Earley, Community Development Director Mel Yemma, and Housing Director Erin Ganser

Town Planner I Kaitlyn Archambault, Sustainability Coordinator Dannah Leeman Gore, and Finance Director Rob Sweeney (via Zoom) (for part of the meeting)

APPROVAL OF AGENDA

O’Neal moved and Prochaska seconded a motion to approve the agenda. A roll call vote was taken with Prochaska, Magner, O’Neal, and Billick, voting, “Yes.” Fenerty and Goldstone were momentarily absent and did not vote. **Motion passed unanimously.**

CONSENT AGENDA

1) September 15, 2025 Regular Town Council Meeting Minutes.

Staff Contact: Deputy Town Clerk/Licensing Clerk Eric Treadwell

2) Adoption of Snow and Ice Control Plan 2025-2026.

Staff Contact: Public Works Director Shea Earley

3) Resolution No. 27, Series 2025 - A Resolution of the Town Council of the Town of Crested Butte, Colorado Approving an Intergovernmental Agreement with Gunnison County, Colorado Allocating Funds for the Safe Streets for All Grant.

Staff Contact: Public Works Director Shea Earley

4) Resolution No. 28, Series 2025 - A Resolution of the Crested Butte Town Council Supporting the Grant Application for a Grant from the Department of Local Affairs’ (DOLA) Accessory Dwelling Unit Grant Program (ADUG) and the Completion of the Crested Butte Pre-Approved ADU Planning Project.

Staff Contact: Housing Director Erin Ganser

5) (First Reading) Ordinance No. 11, Series 2025 - An Ordinance of the Crested Butte Town Council Approving the Lease of the Property at 409 2nd Street to Six Points Evaluation and Training, Inc.

Staff Contact: Property Manager RaeMarie Barry

6) Crested Butte Fire Protection District Trail Easement, Deed, & Agreement.

Staff Contact: Recreation, Trails, and Open Space Supervisor Joey Carpenter

7) Council Endorsement of Statement from Mountain Community Elected Officials on Climate Action.

Contact: Mayor Ian Billick

Prochaska moved and O’Neal seconded a motion to approve the Consent Agenda. Prochaska, Fenerty, Magner, O’Neal, and Billick voted, “Yes.” Goldstone was momentarily absent and did not vote. **Motion passed unanimously.**

PUBLIC COMMENT

Billick summarized comments from Rob Mahedy, Paul Mack/Crested Butte Mountain Bike Association (CBMBA) Board of Directors, Laird Cagan, Jill Indovino/Jim Jose, Pat O’Neill, and Daria Robinson. The comments received regarding The Center for the Arts would be acknowledged during the agenda item.

STAFF UPDATES

MacDonald added updates.

LEGAL MATTERS

None

PRESENTATION

1) Mountain Express Funding Requests for 2026 Services: Late Night Taxi, Summer FirstTracks & Summer Town Shuttle.

Contact: Mountain Express Managing Director Jeremy Herzog

Herzog presented.

Mike Knoll, owner of Kochevars; Mary Boddington, owner of the Talk; Will Browne, owner of the Eldo; Taylor Weatherford and Katherine, from the Public House spoke during public comment.

The Council endorsed funding for late-night taxi services over a two-year period, contingent upon costs remaining broadly consistent. The Council agreed to a financial contribution that was not specifically earmarked for the summer FirstTracks program.

NEW BUSINESS

1) The Center for the Arts, Consideration of Building Transfer.

Staff Contact: Town Manager Dara MacDonald

Jillian Liebl and Brett Henderson, from The Center for the Arts, were present. Hanlon answered questions. Liebl and Henderson fielded questions from Council members.

Billick summarized written public comments from Karole Armitage, Jill Indovino, Tyler Lucas, Ann Gibson, Dave Schneider, E Blake Hawk, Chris Hanna, Ren Hoskin, Leigh Mundy, Debra Sporcich, Shaun Horne, Ben McLoughlin, Brooke MacMillan, Drew Verdecchia, Bruce and Debbie Alpern, and Dave Ebner.

Leah Williams; Jim Starr, 323 Gothic Avenue (via Zoom); Neil Windsor, 208 3rd Street; Shaun Horne (via Zoom); Dave Ebner, 123 Whiterock Avenue; Paul Merck, 212 Teocalli Avenue; and Heather Leonard (via Zoom), 114 7th Street Unit A, commented during the meeting.

Council members discussed. O’Neal and Fenerty were assigned to communicate with Gunnison County. Billick outlined deliverables for Liebl and Henderson.

2) 2026 Proposed Budget.

Staff Contact: Interim Finance Director Rob Sweeney

Sweeney presented. Billick identified decision points.

3) Opportunity to Convert Street Sweeper to an Electric Vehicle.

Staff Contact: Public Works Director Shea Earley

Fenerty moved and Prochaska seconded a motion to approve the purchase of the EV street sweeper. A roll call vote was taken with all voting, “Yes.” **Motion passed unanimously.**

4) Discussion and Possible Direction on Leveraging Sanitation Revenues for Compost and Town Cleanup.

Staff Contact: Sustainability Coordinator Dannah Leeman

Goldstone moved and Prochaska seconded a motion to support Scenario Two from the Staff Report. A roll call vote was taken with all voting, “Yes.” **Motion passed unanimously.**

COUNCIL REPORTS AND COMMITTEE UPDATES

None

OTHER BUSINESS TO COME BEFORE THE COUNCIL

Affordable housing enforcement would be discussed November 3, 2025.

DISCUSSION OF SCHEDULING FUTURE WORK SESSION TOPICS AND COUNCIL MEETING SCHEDULE

- Monday, October 20, 2025 - 6:00PM Work Session - 7:00PM Regular Council
- Monday, November 3, 2025 - 6:00PM Work Session - 7:00PM Regular Council
- Monday, November 17, 2025 - 5:00PM Work Session - 7:00PM Regular Council

The Executive Session was postponed to the next meeting.

ADJOURNMENT

Mayor Billick adjourned the meeting at 10:20PM.

Ian Billick, Mayor

Lynelle Stanford, Town Clerk (SEAL)



Staff Report

October 20th 2025

To: Mayor Billick and Town Council

Prepared By: Joey Carpenter-Recreation, Open Space & Trails Supervisor

Thru: Dara MacDonald-Town Manager

Subject: Kapushion-Spehar Wetlands Funding Agreement

Summary: The Crested Butte Land Trust (CBLT) has formally requested \$1,000,000 of the Open Space portion of the Real Estate Transfer Tax (RETT) to fund their title acquisition of the ±90-acre Kapushion-Spehar Wetlands parcel.

Previous Council Action: Town Council discussed this funding request in open session on August 5th, 2025. No formal action was taken as the item was originally scheduled for negational instruction through executive session. No major concerns were expressed by any councilpersons.

Background: The Kapushion-Spehar Wetlands area has been on the Crested Butte Land Trust conservation priority list since the organization's inception. Through years of negotiations and relationship building, CBLT in partnership with Town has reached an agreeable acquisition structure with the current landowner group who have held title to the respective properties for more than a century. This opportunity, based on the historic landowner configuration, is truly once in a lifetime.

In partnership with CBLT and other private landowners, Town has conserved hundreds of acres in the direct vicinity of these parcels through title acquisition, funding contributions, and conservation & access easements.

Lot line reconfigurations are underway to create the ±90-acre parcel South of CR 734 from the three existing family parcels, totaling ±163 acres. The yet to be finalized reconfiguration of the ±163-acres will be in five lots total, two of which will be South of CR 734 and acquired by CBLT.

Discussion: The parcel supports all state defined values of conservation. The area has supported *agriculture* through cattle ranching for over 100 years. *Wildlife habitat* is the most prominent feature of the property as nearly the entirety of the land is Slate River wetlands and off channel meanders. *Scenic viewshed preservation* stems development along the Slate River Road in sensitive wetland areas, all within the primary northern viewshed from Town. While no ground access *recreation* is planned for the parcel, it contributes to passive recreational opportunities such as wildlife viewing from other areas nearby that do have direct access. Additionally, there will be a reservation for Nordic access although formal plans are not in place at this time.

Climate Impact: While difficult to measure directly, healthy wetland and riparian areas under conservation support climate goals through naturalized water storage, improved wildfire resilience, habitat connectivity, and others.

Financial Impact: The \$1,000,000 request will bring the Open Space portion of the RETT to approximately \$1.03mm by the end of FY 2025. A detailed projection of the open space fund is attached as an addendum to this report.

Total agreed upon cost for the ±90-acre parcel South of the road is \$3.8mm, totaling just over \$42,000 per acre. Included in the contract price is a 1900 decree 9cfs water right which will be utilized to support wildlife and agriculture on the land.

Contributions from other sources include \$2mm in private funding from CBLT and \$800,000 in yet to be awarded grant funding. Staff and council will be notified if funding sources are significantly altered. The modeling CBLT continues to implement leverages Town Open Space dollars many times over to accomplish mutual conservation goals.

Legal Review: Town Attorney has reviewed and approved this agreement.

Recommendation: Move to approve the Town Manager to enter into a funding agreement with the Crested Butte Land Trust to acquire the title to the Kapushion-Spehar Wetlands.



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Kapushion Spehar Wetlands Parcel (Approximated)



Staff Report

October 20, 2025

To: Mayor and Town Council

Prepared By: Jessie Earley, Planner III

Thru: Mel Yemma, AICP Community Development Director

Subject: Award of Professional Services Agreement to MIG, Inc. for the Town of Crested Butte Design Standards Update Project 2025

Summary:

In the August 15 and 22 editions of the Crested Butte Newspaper, the Town of Crested Butte published a Request for Proposals for the Town of Crested Butte Design Standards Update Project (Project). Proposals were received by the Community Development Department until 5:00 PM on Friday, September 26, 2025, at which time they were opened and publicly read aloud. The Town received proposals from four firms:

Architect/Contractor	Proposal Amount
GM Shay	\$159,500
Dover Kohl	\$200,000
MIG, Inc.	\$199,334
Urban Design Associates	\$322,500

The proposals were reviewed by the Community Development Department and Town Manager and two firms were interviewed for more information. Town Staff recommends executing a professional services agreement with MIG, Inc. to support this project.

Background:

This project represents a key investment in the Town's Historic Preservation Plan (HPP) implementation. This update will help to realize the recommendations outlined in the Town's HPP, the Community Plan (CP), the Climate Action Plan (CAP), the Transportation Mobility Plan (TMP) and align the Town's development review process with the Town's core values as outlined in the Community Compass, Crested Butte's Comprehensive Plan.

The project includes:

1) Illustration of three distinct design criteria for the Town's recognized architectural periods of significance (the Mining Era (1880-1952) and the Early Recreation Era (1961-1984)) and the overall mass, scale, form, and orientation of the community.

- 2) Incorporation of building structures and material allowances outside of the two periods of significance which could lower the cost of building construction.
- 3) Incorporation of building structures, orientation, and material allowances outside of the two periods of significance which could reduce carbon emission of new buildings.
- 4) Retainage of pedestrian orientation design requirements of street fronting buildings.
- 5) Review proposed changes to the Zoning Code relating to administrative level review and offer feedback, as they relate to architectural review.

Schedule for the project:

- Kick off, Town tour, advisory committee meeting #1 and webinar with BOZAR (public engagement): November 17-19th 2025
- Conduct interviews/focus groups: December 2025-January 2026
- Advisory committee meeting #2: December 2025
- Follow up from November BOZAR with the Board: December 16th, 2025 BOZAR
- Advisory committee meeting #3: January 2025
- Mass/scale/form/orientation public meeting: January 2026 BOZAR
- Mass/scale/form/orientation follow up with the Board: February 2026 BOZAR
- Meet with consultant doing Early Recreation POS survey work: March 2026
- Advisory committee meeting #4: March 2026
- Draft Design Standards open house: April 2026 BOZAR
- Submit draft Design Standards to SHF for initial review: April 2026
- Joint Work Session with BOZAR and Town Council to discuss feedback from open house: May 2026
- Refine draft Design Standards: Summer 2026
- Advisory committee meeting #5: July 2026
- Joint Work Session with BOZAR and Town Council to discuss final draft: September 2026
- Submittal of final Design Standards to SHF for review: late October 2026
- BOZAR Review of final Design Standards: November 2026
- Town Council review and adoption: December 2026

Financial Impact:

The Town was awarded a SHF grant #2025-M2-005 for \$50,000 with a cash match from the Town of Crested Butte of \$150,000 for this project. MIG, Inc.'s proposal is under budget at \$199,334.

Legal Review:

The Town Attorney has reviewed the contract documents for the project.

Recommendation:

Staff recommends awarding the Town of Crested Butte Design Standards Update Project 2025 contract to MIG, Inc. due to their experience of conversion of existing Design Standards documents to more clear and concise documents, understanding of Crested Butte's community and guiding documents and goals for this project, and proposed schedule for the project. MIG, Inc. partnered with GBSM for the project, which will help with continuity from the Community Compass and Community Plan process specific to public and stakeholder engagement. MIG, Inc. also partnered with Form + Works Design Group, who has worked within the Town of Crested

Butte since 2012 on projects including the Depot rehabilitation, Town Hall rehabilitation and Crested Butte Mountain Heritage Museum rehabilitation.

Proposed Motion:

Motion and a second to authorize the Town Manager to enter into a professional services agreement with MIG, Inc., in an amount not to exceed \$199,334 for the Design Standards Update Project 2025.

Attachments:

- MIG, Inc. Proposal



Staff Report

October 20, 2025

To: Mayor and Town Council

Prepared By: Erin Ganser, Housing Director

Thru: Dara MacDonald, Town Manager

Subject: **Resolution 29, Series 2025: A Resolution of the Town Council of the Town of Crested Butte, Colorado, Authorizing the Town Manager to Execute All Documents Related to the Purchase of 828 Gothic Ave, #1A in Crested Butte**

Summary: Staff seeks approval from the Town Council to purchase a soon to be listed deed restricted unit to add income and asset limits to the deed restriction as the Town originally intended and to grant the Town the first right of refusal on future sales. Town will then sell the unit by lottery under the Town's Affordable Housing Guidelines.

Previous Council Action: Council approved the same approach to address the erroneous exclusion of income and asset limits in the deed restriction for 822 Gothic on May 6, 2024.

Background: Based on Town records, previous Staff carefully crafted sales prices based on target AMIs for the 27 units that were constructed and sold by Bywater Construction in 2018-2020. The deed restriction on the last two units that have come up for sale include an appreciation cap based on those sales prices as well as the requirement that one individual on the deed be a full-time participant in the local workforce and the standard prohibition on the ownership of other improved residential real estate. However, the restriction does not include an income restriction or a limit on the assets of potential buyers as the Town had intended for this development.

Discussion: Staff propose purchasing the property at the maximum allowable sales price of \$472,659.66 (pending inspection results), updating the deed restriction to add the following elements, and then selling at the maximum allowable sales price.

Proposed updates to the deed restriction include:

- Income limit of 170%, or \$172,040 for a household of three.
- Asset cap defined by the Affordable Housing Guidelines for the applicant's household size and average age of the household members over 21 years of age.
- A first right of refusal for the Town.

This update allows the Town to reinstate the intent of this phase of development in Paradise Park, which was to create income targeted housing with asset and appreciation caps, ensuring that those with high net value do not qualify to purchase the unit.

Pending Council's approval, Staff and the Town attorney will facilitate the purchase. Following confirmation of condition and pricing, Town will list the property via the Gunnison Valley Regional Housing Authority (GVRHA) homeownership interest list and sell via a lottery in accordance with the Town's Affordable Housing Guidelines. At this writing, GVRHA has committed to support the Town by advertising the property on the interest list and their website and qualifying potential buyers under the Town's Guidelines. Generally, staff anticipate the application window being open the first three weeks of November, scheduling the lottery for the first week of December, and closing on the sale to the new owner in February.

To reduce the costs to correct this condition going forward, staff and legal counsel are exploring whether Town can exclude collection of the Real Estate Transfer Tax (RETT) in these circumstances. The 2024 Affordable Housing Guidelines update memorialized AMI and asset caps on deed restrictions that erroneously excluded this information where a legal path enabled the Town to do so. With this update, there are 25 additional deed restricted properties that could not be updated via that avenue.

Climate Impact: N/A

Financial Impact: Staff anticipate that the costs to purchase and resell the property will be approximately \$30,000, including standard closing costs as well as 50% of the Town's RETT at purchase and sale.

Legal Review: Town legal counsel is engaged to support staff in this effort.

Recommendation: For a council member to make a motion, followed by a second, to approve the acquisition of 828 Gothic #1A and to approve the Town Manager to execute all documents related to the acquisition and sale.

Proposed Motion:

A Council member should make a "motion to make a motion, followed by a second, to approve the acquisition of 828 Gothic #1A and to approve the Town Manager to execute all documents related to the acquisition and sale followed by a second and roll call vote.

Attachments

Resolution 29, Series 2025



Staff Report

October 20, 2025

To: Mayor and Town Council

Prepared By: Mel Yemma, AICP, Community Development Director

Thru: Dara MacDonald, Town Manager

Subject: Resolution 30, Series 2025: A Resolution of the Crested Butte Town Council, Directing Town Code Enforcement Staff Not to Enforce Occupancy Limits in a Single-Family Dwelling Based on Familial Relationship.

Summary: House Bill 24-1007 prohibits municipalities from enforcing occupancy limits in single-family dwellings based on familial relationship. The Town’s zoning code currently includes an outdated definition of “family” that conflicts with this new law. While this provision has never been enforced, and will be updated in the zoning code update, adopting the attached resolution formally directs staff not to enforce it, ensuring compliance with state law and continued eligibility for state housing grant programs.

Previous Council Action: On **October 6, 2025**, Town Council and the Board of Zoning and Architectural Review (BOZAR) held a joint work session to launch the Zoning Code Update process, which includes reviewing and modernizing outdated definitions and standards.

Background: The Town is currently updating its Zoning Code to align with the *Community Compass* and *Community Plan* goals, including modernizing land use definitions and regulations.

The current code defines “Family” as: *“An individual, two (2) or more persons related by blood or marriage or between whom there is a legally recognized relationship, or not more than five (5) unrelated persons living together as a single housekeeping unit in a residential unit.”*

This definition is outdated and inconsistent with HB24-1007, which prohibits limits based on familial status and encourages housing flexibility to improve affordability statewide. Jurisdictions enforcing family-based occupancy limits are also now ineligible for state housing grants.

Although Crested Butte has never enforced this definition, adopting Resolution 30, Series 2025 provides clear policy direction to staff, demonstrates compliance with state law, and maintains eligibility for state funding opportunities.

Discussion: Adopting this resolution is a procedural but important step. It provides formal direction to Code Enforcement, ensures compliance with Colorado law, and prevents potential conflicts between local code and state housing policy.

This action will not affect other applicable occupancy standards based on building, fire, or safety codes. It simply suspends enforcement of an unenforced and outdated family-based limit until the broader Zoning Code Update replaces it with a modern, inclusive definition.

Climate Impact: Allowing more flexibility in living arrangements can reduce commuting distances by enabling more workers to live in town, supporting the Town's Climate Action Plan goals to lower transportation emissions and promote compact, sustainable neighborhoods.

Financial Impact: N/A

Legal Review: The attached resolution was drafted by the Town Attorney.

Recommendation: Staff recommends adoption of Resolution No. 30, Series 2025, directing Town Code Enforcement staff not to enforce occupancy limits in single-family dwellings based on familial relationship.

Proposed Motion: I move to approve Resolution No. 30, Series 2025, a Resolution of the Town Council of the Town of Crested Butte, Colorado, directing Town Code Enforcement Staff not to enforce occupancy limits in a single-family dwelling based on familial relationship.

Attachment: Resolution 30, Series 2025



Staff Report

October 20, 2025

To: Mayor Schmidt and Town Council

Thru: Dara MacDonald - Town Manager

From: Janna Hansen - Parks, Recreation, Open Space & Trails Director

Subject: Resolution No. 31, Series 2025 – A Resolution of the Crested Butte Town Council Approving the Contract for Use of the Big Mine Ice Arena by Gunnison Valley Hockey Association for the 2025-2026 Winter Season

Background:

Gunnison Valley Hockey Association, dba West Elk Hockey Association (WEHA) has used Big Mine Ice Arena to provide community hockey programs since 2014. The contract between the Town and WEHA outlines the obligations, fees, and other requirements for WEHA's use of Big Mine Ice Arena for the 2025-2026 ice hockey season.

The Department supports WEHA and recognizes the importance of a successful hockey program in the valley. As such, the low rate of \$90.75/hour for ice time has been offered to WEHA for this season. This hourly rate is consistent with Gunnison's hourly rate for use of their outdoor rink and is half the price of regular hourly use. WEHA understands that incremental rate increases of about 10% a year will continue. The PROST Department fully supports WEHA and their mission to provide ice hockey programming in the West Elk region.

Recommendation:

Staff recommends approving Resolution No. 31, Series 2025 authorizing the Town Manager to enter into an agreement with Gunnison Valley Hockey Association for use of Big Mine Ice Arena for the 2025-2026 season.



Memorandum

To: Town Council

From: Dara MacDonald, Town Manager

Subject: Manager's Report

Date: October 20, 2025

Town Manager

- 1) Q3 Update on 2025 Strategic Priorities (see attached)
- 2) Merging Sustainability under Community Development – To facilitate better collaboration and provide administrative support, we are moving the Sustainability Coordinator position under Community Development, effective January 1st. The position has been directly under the Town Manager since its formation in 2023. We will continue to budget for Sustainability as its own division within the Community Development Department to track costs associated with the Town's sustainability efforts.
- 3) Grant update – Following is an update of Town's pursuit of grant funding thus far in 2025. We do plan to pursue some significant grant funding for 2026 projects including construction of the Marshalls, building efficiency improvements, Jerry's Gym improvements, alternate source water development, and Lake Irwin outlet improvements.

Grant Program	Project Name	Grant Amount	Submission Date	Award Status	Award Amount	Tags	Notes
DOLA Accessory Dwelling Unit Grant	Crested Butte Pre-Approved ADU Plans	\$37,500	10/3/2025	Pending		Affordable Housing & Neighborhoods	
CO State Historical Fund	Crested Butte Town Hall Exterior Rehabilitation Phase 2 Project	\$250,000	10/1/2025	Pending		Arts Culture & Historic Preservation	Reviewed
CEO Local IMPACT Accelerator	Gunnison Valley Building Efficiency and Electrification Incentive Programming	\$835,000	8/1/2025	Declined		Affordable Housing & Neighborhoods, Climate Action & Resiliency	Going to reapply in Round 2
DOLA Local Planning Capacity	Crested Butte Community Housing Strategy	\$50,000	6/25/2025	Awarded	\$50,000	Affordable Housing & Neighborhoods	Non-competitive incentive funding
FEMA FMA	Town of Crested Butte Coal Creek Dam Protection Project	\$6,021,000	4/15/2025	Pending		Transportation & Infrastructure	
DOLA Housing Planning Grant Program	Gunnison Valley Regional Housing Authority Housing Needs Assessment Update Project	\$11,250	4/11/2025	Awarded	\$11,250	Affordable Housing & Neighborhoods	
DOLA EIAF	Crested Butte Marshal's Facility Design Project	\$130,000	4/1/2025	Awarded	\$130,000	Public Safety	
CO State Historical Fund	2025 Revision to the Town of Crested Butte's Design Standards and Guidelines	\$50,000	3/28/2025	Awarded	\$50,000	Arts Culture & Historic Preservation	Review
Gunnison County MetRec	Mineral Point Trail	\$57,682	3/14/2025	Awarded	\$57,682	Parks & Recreation	Review
SIPA GovGrants	GVRHA Website Upgrade Project	\$150,000	2/21/2025	Declined		Broadband & Telecommunications	
OEDIT Tourism Management Grant	Crested Butte: Sustainable Tourism through Plastic Reduction	\$20,000	1/28/2025	Declined		Climate Action & Resiliency	Not submitted due to conflicting application
History Colorado Certified Local Governments	Crested Butte Hybrid Survey for Early Recreation Era	\$25,000	1/15/2025	Declined		Arts Culture & Historic Preservation	Review - they pulled the application due to timing

Sustainability

- 1) **Free Yard Waste Pickup** – The Town has partnered with Elements Mountain Compost (EMC) to provide two free yard waste pickup events on October 23 & October 30. Participants must sign up in advance using this URL: <https://accounts.elementscompost.com/shop/compost-shop>. EMC will accept:
 - a. Leaves
 - b. Garden cuttings
 - c. Lawn clippings
 EMC will not accept:
 - a. Branches
 - b. Woody materials

All materials must be bagged in plastic or compostable bags; paper leaf bags are not acceptable.

Questions may be directed to Elements Compost info@elementscompost.com or sustainability@crestedbutte-co.gov. The events are being advertised through all Town social channels, e-blasts, KBUT's community event calendar, and Crested Butte news.

Public Works

- 1) **Street Sweeper Acquisition** – Streets Staff have purchased the 1.1E Ravo 5E Series Electric Street Sweeper. Delivery of the machine is expected the second week of November.
- 2) **DC Fast Charging Project** – Electricians, with assistance from Streets staff, have installed site conduit for the new DC Fast Chargers at the Public Works yard. The installation is awaiting inspection by the state electrical inspector, which is scheduled for October 15. Delivery of the Kempower DC Fast Charging units is expected the week of October 13. Final completion of the project is tentatively scheduled for Spring 2026.
- 3) **Whetstone Off-Site Utility Update**
 - a. **Water** – As of October 13th, the contractor has mobilized to the east side of SH-135 to begin pipe installation from the bore to the tie-in point along Ninth St. The temporary backflow assembly is expected to be tested and installed this week upon approval by the Town of Crested Butte Water Division.
 - b. **Sewer** – Completion postponed until August 2026.
- 4) **Alternative Source Water** – Drilling began on monitoring well MW2A on Monday, October 6. The target depth of 200 feet was reached on Thursday afternoon, October 9. Preliminary results indicate the presence of a significant clay lens extending from approximately 80 to 210 feet below the surface, a layer not conducive to water production. On Friday morning, the drillers mobilized to the MW1 site, using wetland mats to minimize disturbance to the surrounding area. Drilling at MW1 was completed by Sunday afternoon, October 12, with findings similar to those observed at MW2A.
- 5) **Town Staff Housing** – The mobile home located at 107 Teocalli had reached the end of its serviceable life and was removed on October 2 in coordination with Great Western Homes of Poncha Springs and Garner Trucking of Brush, Colorado. Town staff have since cleaned and secured the site in preparation for winter. Replacement housing options are currently under internal discussion.

- 6) Block 80 Water Main Construction – Work on the Tenth Street water main extension began the week of September 29. Construction is now nearing completion, with testing and system tie-ins scheduled for this week (the week of October 13). Tenth Street is expected to reopen next week (the week of October 20) following asphalt patching.
- 7) Whiterock Water Main Project – Construction on the Whiterock Water Main Project is nearing completion. The final tie-in is scheduled to occur this week (the week of October 13), with asphalt patching tentatively planned for the week of October 20.
- 8) Red Lady Roundabout Project – Conversations regarding maintenance with CDOT traffic and operations teams continue as we push forward in the design process. The Town is working with Kimley-Horn and CDOT to establish a maintenance friendly design that will limit strain on snow removal staff.

Marshals

- 1) We are approaching the season for everyone to remove their stuff from the rights-of-way, such as basketball hoops, bike racks and that random piece of furniture. Unbelievably, winter parking begins November 1st and with that, the winter parking regulations to aid in snow removal go into effect.
- 2) As our resident instructor, John Chandler assisted with the Gunnison Intoxilyzer certification training course which Wes Hersberger and Jackson Smith attended on September 23rd.

Parks, Recreation, Open Space and Trails

- 1) **Fall Programs:** Session II of our fall youth programming starts 10/20 with 4 sections of basketball and 3 sections of indoor climbing at Adaptive's wall. As of 10/7 there were 66 kids registered and 13 on the waitlist.
- 2) **Mineral Point Trail:** The Parks crew has resumed work on the Mineral Point Trail, and we anticipate completing the trail through the CBFPD property to the river by the end of fall.
- 3) **Arbor Day:** The annual Arbor Day celebration was held on October 10th with the CBCS 5th graders at the Red Lady Open Space. A tree quiz and scavenger hunt were among the day's activities.
- 4) **It's Conference Season!** Joey attended the Colorado Open Space Alliance (COSA) conference in Steamboat and Lloyd attended the Colorado Parks and Recreation Association (CPRA) conference in Vail.

Community Development

- 1) **Annual Certified Local Government (CLG) report:** Staff submitted the annual CLG report to the State Historical Fund. The CLG status enables the Town to apply for the SHF grants, which have been so helpful to the town's buildings and planning efforts over the years.
- 2) **Deed Restriction Education:** Staff are exploring partnerships with the Valley Housing Fund and housing specialists from other communities to provide improved deed restriction education/outreach

for homeowners. Staff can provide initial updates on this during the GVRHA transition discussion agenda item.

- 3) **Conferences:** Erin attended the Colorado Mountain Developments summit in Breckenridge, Mel, Dannah, and Josh attended the Mountain Towns 2030 climate summit in Breckenridge (and Mel, Dannah, and Mayor Billick presented on the Town's building code), and Kaitlyn and Mel are attending the Western Slope Planning Conference in Grand Junction later in the month.
- 4) **Zoning Code Webinars:** The introductory webinars for the zoning code update will kick off the week of Oct 27, followed by a feedback survey open through mid-December. All property owners within zone district categories will be sent a mailer two weeks ahead their respective webinar. [The Town's website includes all dates, registration information, and fact sheets on changes under consideration for each zone district category.](#)



Town Clerk

- 1) A big thank you to the Parks and Recreation crew - Trevor Glavin, Pete Jacobsen, Tom Savini, Tom Frampton, Dylan Bova, and Jack Morgan - for their hard work and dedication to help make the 2025 parklet season a success, measured by few complaints from business owners and the public. Also, a huge shout-out to the Public Works crew - Jack Greene, Chris Steele, Chris Wiig, Brett Callaghan, Shane McDermott, and Cory VanDover, for their crucial role in the smooth implementation and take-down. Your efforts helped make this season run efficiently and effectively. Thank you all!
- 2) KBUT submitted their application for the Halloween Fright Parade on Friday, October 31, 2025. There will be a pre-parade block party at 1st and Elk, beginning at 3:45PM. Right after the bus turns off Elk Avenue, around 4:17PM, the parade will start trick or treating down Elk Avenue and finish at the Old Rock Library and the Trailhead Children's Museum for activities. The application will be administratively approved.
- 3) The Crested Butte Town Council is seeking to appoint a new member at its upcoming meeting on November 17, 2025. Eligible candidates must be United States citizens, registered electors, and have resided within the Town of Crested Butte for at least one year prior to November 5, 2025. Interested individuals should submit a letter of interest no later than 9:00 a.m. on Monday, November 10, 2025, to Town Clerk Lynelle Stanford at lstanford@crestedbutte-co.gov.

Finance/HR/IT

- 1) We are close to filling the vacant Sr. Accountant position. We anticipate a new hire to start in early November.
- 2) Staff has been revising the Employee Handbook for the past couple of months. Final review will occur in November prior to seeking Town Council's approval in December.

- 3) The Community Grant Fall 2025 cycle closed on September 30. Staff will prepare the submissions for review with the evaluation committee seeking formal Council approval of recommendations on December 15.

Upcoming Meetings or Events Council may choose to attend

October 20th – Elk Ave 400 & 500 blocks Neighborhood meeting, 2:00 pm at Rumors

December 5 – Town employee holiday party, Center for the Arts, 5:30-9:30

Upcoming Agenda Items

See attached **draft** list of upcoming Council agenda topics

* As always, please let me know if you have any questions or concerns. You may also directly contact department directors with questions as well.



Staff Report

October 20th, 2025

To: Mayor and Town Council

Prepared By: RaeMarie Barry, Property Manager

Subject: First Reading of Ordinance 11, Series 2025 - An ordinance of the Crested Butte Town Council approving the lease of a portion of the property at 409 Second Street to Six Points Evaluation and Training, LLC.

Date: October 14th, 2025

Summary: Six Points Evaluation and Training, LLC (Six Points) is a special district that provides serving people with intellectual disabilities and people with traumatic brain injuries in Gunnison and Hinsdale counties and they want to lease 409 Second Street, commonly known as Old Rock Jail for retail and boutique purposes.

Discussion: The potential tenant has agreed to pay the amount of \$1,080 for the first year, at a rate of \$3 a square foot and a 1% annual rental increase for the remaining lease term of 4 years. This price is below market value of \$4 and the target price decided by the Council. A 5-year lease with no automatic renewal.

Climate Impact: None

Financial Impact: No significant impact.

Legal Review: The Town Attorney has reviewed and approved of the lease.

Recommendation: Staff recommends that Council approve Ordinance No. 11, Series 2025.

Proposed Motion: A Council member may make a motion, “to approve Ordinance No. 11, Series 2025.”

Attachments:

Ordinance No 11, Series 2025
Business Lease Agreement

DATE: October 15, 2025
TO: Mayor and Town Council, Town of Crested Butte
FROM: Karl J. Hanlon, Town Attorney
RE: Mt. Crested Butte Water and Sanitation District

Over the last several years the Town of Crested Butte (the “Town”) and Mt. Crested Butte Water and Sanitation District (the “District”) have been at an impasse regarding payment by the District for their share of the Solids Processing Facility which was upgraded as part of the Wastewater Treatment Facility (“WWTF”) construction project.

Background

On May 6, 1996, the Town and the District, entered into an Intergovernmental Agreement, (“IGA”) for the construction of a solids processing facility (formally called ATAD in the IGA). Under the terms of that agreement, the Town paid 35% and the District paid the remaining 65% of the original solids processing facility, which was constructed as part of the Town’s WWTF. Although the IGA provides some formality for decision making most decisions related to the Solids Processing Facility have been made on an informal basis at an operational level. A copy of the IGA is attached as **Exhibit A**.

Beginning in 2021 the Town started designing and budgeting for upgrades to the WWTF, including the Solids Processing Facility. The scope of the project involving the Solids Processing Facility is limited to necessary maintenance and replacement of aging and antiquated equipment. In April 2022 the District was advised that the cost of the Solids Processing Facility would be slightly more than \$3 million. Public meeting minutes from a subsequent board meeting indicate the manager of the District advised his board that they would be budgeting approximately \$1.5 million over the 2022 and 2023 budget cycles to pay that amount.

Over the course of 2022 projected costs increased and on October 6, 2022, via email, Public Works Director Shea Earley advised the District that the construction cost of work involving the Solids Processing Facility was now \$5,265,693 and that the District portion of the cost, including design, would be \$3.3 million. As with the balance of the overall project, the scope of work at the Solids Processing Facility went through significant value engineering in 2022 to try and control costs and thus only essential improvements were included in the final project. The District’s minutes from February 14, 2023, reflect that the Board was advised that the District’s share of the Solids

Processing Facility was now \$3.4 million and minutes from March 14, 2023, reflect the Board was looking for funding sources to pay its portion of the cost.

From December of 2022 on, District staff requested detailed information regarding the project and over the course of 2022, 2023, and 2024 information was exchanged between the Town and the District. Negotiations also took place between general counsel for the District and the Town Attorney regarding project costs and allocations. Subsequently, in 2024 the District retained an outside consultant to review project cost allocations. A detailed timeline of events through November 2023 with supporting documents related to communications with the District and information available from the District's posted meeting minutes is attached as **Exhibit B**. After November 2023 all communications between the Town and the District related to this matter have primarily been through counsel for the parties although Staff provided answers and information related to the project over the course of 2024 while the District was engaging in its cost analysis.

Item/Source	Value
Project Budget	\$22,993,573.77
Town of CB Debt Financing (\$1.5M which was forgiven)	\$14,000,000.00
Town of CB award of DOLA Grant - Design	\$150,000.00
Town of CB award of DOLA Grant - Construction	\$750,000.00
MTCBWSD Assessment of Bio Solids Costs	\$3,463,397.01
Town of CB Enterprise Funds	\$4,630,176.76

Town Expenses

To complete the WWTF project and the Solids Processing Facility the Town used a combination of cash on hand and loans. The Town has contributed \$4,630,176 in cash and took out a loan from the Water Pollution Control Revolving Fund in the amount of \$9.5 million on December 9, 2022, at an interest rate of 2.75%. Payments including accrued interest commenced on May 1, 2023. The Town took out a second loan from the Water Pollution Control Fund for green and energy efficient elements of the project in the amount of \$3 million at an interest rate of 0.5%. Payments including accrued interest commenced on May 1, 2023. The District's contribution to the Solids Processing Facility was integral to the Town's financial plan to complete the WWTF project.

In anticipation of this project and the associated debt service, the Town of Crested Butte began increasing rates for water/sewer customers in 2020. This includes dramatic increases in 2022 and 2023. From 2020 to 2023, Crested Butte's ratepayers saw a 56% increase in base rates, largely to finance the WWTF project and associated debt service.

<u>gals</u>	<u>year</u>	<u>water</u>	<u>sewer</u>	<u>TOTAL</u>	<u>% increase</u>
8,000	2020	\$29.00	\$38.50	\$67.50	3.1%
8,000	2021	\$31.00	\$40.50	\$71.50	5.9%
8,000	2022	\$37.50	\$48.50	\$86.00	20.3%
4,000	2023	\$46.00	\$59.50	\$105.50	22.7%
4,000	2024	\$46.92	\$60.69	\$107.61	2.0%
4,000	2025	\$48.32	\$62.51	\$110.83	3.0%

In addition to staff time, attorney's fees in the amount of \$7,757.50 have also been incurred since January 1, 2023, related strictly to the District's payment dispute.

District Concerns

Our understanding is that the District has, or had, four primary concerns: 1) Notice and participation under the IGA; 2) Total cost of the Solids Processing Facility; 3) Cost allocation between the Parties; and 4) Timing and terms of payment.

Payments

The District has made three payments to the Town for the Solids Processing Facility project, \$22,324 on July 8, 2022; \$25,929.46 on November 4, 2022; and \$1,500,000 on July 22, 2024.

MTCBWSD Assessment	3,463,397.01
7/8/22 payment	(22,324.00)
11/4/22 payment	(25,929.46)
7/22/24 payment	(1,500,000.00)
Balance	1,915,143.55

Outstanding Balance

Based on the Town's internal analysis and cost allocation there is a remaining balance of \$1,915,143.55 for the District's share of the total cost for the Solids Processing Facility. The District's proposal is outlined below and contains a lower number of \$1,780,371.46. Given the complexity of the project and the multiple potential methods of allocating costs, the difference in these two numbers is not wholly unexpected. From Staff's perspective accepting the District's proposed amount makes sense as the time and expense of revisiting every invoice is probably not beneficial.

Proposed Resolution

While there have been several back-and-forth discussions with the District that Council has been updated on in executive session, Staff believes we are at the point that a public discussion and

direction by Council is necessary to move forward in accordance with the Colorado Open Meetings Law.

The District's last proposal to resolve the issue is as follows:

Principal: \$1,780,371.46				Rate: 3.00% commencing 9/30/25	
Payment Date	Payment	Total Payment	Principal	Interest	Balance
9/30/2025	1	\$ 445,092.87	\$445,092.87	-	\$1,335,278.59
9/30/2026	2	\$ 291,565.00	\$251,506.64	\$40,058.36	\$1,083,771.95
9/30/2027	3	\$291,565.00	\$259,051.84	\$32,513.16	\$824,720.11
9/30/2028	4	\$291,565.00	\$266,823.40	\$24,741.60	\$557,896.71
9/30/2029	5	\$291,565.00	\$274,828.10	\$16,736.90	\$283,068.61
9/30/2030	6	\$291,560.67	\$283,068.61	\$8,492.06	-
		\$1,902,913.54	\$1,780,371.46	\$122,542.08	

In the alternative, the District suggested that if the foregoing wasn't acceptable, then the parties should engage in a one-day mediation to see if they could resolve the situation. The District also wanted as part of any settlement agreement that the parties agree to work cooperatively and in good faith to replace the existing IGA with an updated and comprehensive one that is intended to provide additional detail and avoid future disputes.

At this time Staff is requesting direction from the Council to either:

1. Accept the Districts payment plan and direct staff to draft the necessary loan agreements to document the agreement.
2. Direct staff to pursue a one-day mediation with the District; or
3. Direct staff to prepare a complaint for collection of the outstanding balance.



Staff Report

October 20, 2025

To: Mayor and Town Council

Prepared By: Mel Yemma, AICP, Community Development Director

Thru: Dara MacDonald, Town Manager

Subject: GVRHA Transition Discussion: Deed Restriction Administration and GreenDeed

Summary: The Gunnison Valley Regional Housing Authority (GVRHA) is dissolving its intergovernmental structure and transitioning some functions to the Gunnison County Housing Authority (GCHA). The Town has relied on GVRHA for deed restriction administration and compliance, as well as its GV-HEAT division for the GreenDeed program supporting energy efficiency and electrification for deed restricted homes.

The GVRHA interim director recently issued a memo to its board outlining which services GCHA expects to continue, discontinue, or further evaluate. While this provides helpful guidance, limited communication to date has created some uncertainty about service continuity. This agenda item provides Council with an overview and seeks high-level direction on maintaining or growing these programs in the future.

Previous Council Action: Town Council held a work session on July 21 to discuss the GVRHA transition and high-level questions about service continuity.

Councilmember Gabi Prochaska and former Councilmember Chris Haver serve on the GVRHA Board as Town representatives.

Background: The Town has been a party to the intergovernmental agreement forming GVRHA since 2012. The agreement allows regional jurisdictions to pool resources to collaboratively support housing programs, including:

1. Maintaining ownership and rental interest lists
2. Deed Restriction Administration (see below for more detailed breakdown)
 - a. Homebuyer/renter qualification
 - b. Housing lotteries
 - c. Sales administration/oversight
 - d. Deed restriction compliance
3. Home buyer education
4. Coordinate emergency rental assistance and emergency housing programs

5. GV-HEAT
6. Participate in LIHTC partnerships to grant tax abatement
7. Administer loan portfolio
8. Pursue regional housing related grant opportunities
9. Lead education and outreach efforts
10. Lead regional housing strategy and programs.
11. Be a liaison between state funding agencies and jurisdictions (ID funding opportunities, provide input on policies that affect the Gunnison Valley, etc.)
12. Coordinate with other mountain communities to learn about and share housing related news and approaches

Deed Restriction Administration: Over the years, the level of service and success across GVRHA programs has varied, but the Town has consistently relied on GVRHA to help manage its portfolio of 375 deed-restricted units, which requires significant administration. Examples of these services include: helping deed-restricted owners sell their homes, qualifying new buyers or renters for programs, and conducting deed restriction compliance.

Within the Town's portfolio, deed restrictions vary in eligibility and requirements. Differences include income limits, workforce requirements, full-time residency, and requirements for long-term rental or owner-occupancy. This complexity makes administration both detailed and time intensive.

GreenDeed: In 2021, the Town partnered with GVRHA's GV-HEAT program to launch GreenDeed, which supports energy efficiency and electrification improvements for deed restricted homes. Participating homes are eligible for a free energy assessment and weatherization upgrades in the first phase, covering costs up to \$5,000 per home (including \$500 for the assessment and \$400 for administration). Homes undertaking additional efficiency or electrification upgrades beyond the first phase can access rebates of \$2,500 for projects under \$10,000 and \$5,000 for projects over \$10,000.

To date, 67 homes in Crested Butte have participated. Mt. Crested Butte also partnered in 2024 to offer the first phase of the program to deed restricted units in their jurisdiction.

Discussion: At the October GVRHA board meeting, the interim director issued a memo (attached) documenting which services GCHA expects to continue, discontinue, or evaluate further. While the memo provides helpful initial guidance, limited communication to date has created some uncertainty about program continuity as GVRHA completes its current IGA through the end of the year.

The memo and board discussion indicate that GCHA's primary focus will be on delivering affordable housing properties, LIHTC/Property interests, property management, loan program administration, and remaining a community resource. Deed restriction administration, including eligibility qualifications and sales support, is under evaluation and would only continue under a formal agreement on scope of services and fees and under complete GCHA control. It was noted at the board meeting that GCHA does not intend to provide compliance services in 2026.

Additionally, GV-HEAT may transition to Gunnison County's Health and Human Services Division; however, it is not yet clear whether GreenDeed will be included in that transition. GV-HEAT currently includes three programs – Colorado's Affordable Residential Energy Program

(CARE), Weatherization Assistance Program (WAP) and GreenDeed in Crested Butte & Mt. Crested Butte. CARE and WAP are both income qualified programs that have not found many eligible homes in the northern portion of Gunnison County.

Continuity Considerations for Deed Restriction Administration: Given the current communication, staff is focused on maintaining service continuity for deed restriction administration. While proactive compliance could be temporarily paused, confirming eligibility and administering sales continues to require significant staff capacity (e.g., six sales are currently in process).

Over the past year, coordination between Town staff and GVRHA has highlighted the complexity of administering the Town's diverse housing portfolio, which includes tracking deed restrictions, verifying eligibility, and cleaning up historical procedural and documentation errors. While collaborative development of standard operating procedures with GCHA is possible, current uncertainty emphasizes the need for Council guidance on short- and long-term approaches.

Key Discussion Questions:

1. Staff Capacity

- Even with GVRHA support, Town staff already have capacity challenges administering the housing program.
- With Paradise Park near completion and Mineral Point wrapping up in 2026, attention is now shifting to the Town's new 5-year housing strategy, which will include a comprehensive review of the housing portfolio and program processes. Additionally, the Community Plan and zoning code update call for growing community housing, which will require additional capacity.
- The Community Development department has a vacant position for what was the Long-Range Planner vacated in 2025 with staff transitions. When hiring for this position earlier in the year, given the applicant pool and internal transitions in the department, it was decided to hold off on hiring to determine where the department best needed capacity, which at this time is recommended for housing. Staff recommend considering this vacant position for community housing support, allowing the Housing Division to grow capacity on administration, process improvements, and proactive outreach and education.

2. Outsourced Support

- Qualifying renters and buyers requires technical knowledge and expertise of the Town's affordable housing guidelines and HUD regulations. Working through qualification documents of tax returns, employment information, etc. requires a very specialized skillset. Further, to maintain privacy and the community sense of confidentiality, staff are hesitant to undertake this type of detailed review in-house.
- For prior phases of Paradise Park that GVRHA declined to provide qualification services, the Town retained a consultant for qualification support. Staff recommend continuing on-call consultant support for both rental and ownership qualifications. Staff is currently researching options to provide this support. The 2026 budget includes a placeholder for the \$147,000 previously paid through the GVHRA IGA, which a portion of could accommodate this cost.

3. Non-Profit Partnerships

- Staff would like to explore partnerships with organizations like the Valley Housing Fund to support education and outreach for deed restricted property owners. Given recent feedback on communication challenges with compliance occurring, leveraging an outside entity could provide a neutral, trusted resource for residents while maintaining transparency. The Town could consider providing funding or resources to support a program like this within the \$147,000 budget placeholder.

4. Jurisdictional Partnerships

- While a fully regional approach may be paused as GCHA evaluates programs, the Town sees potential to partner with Mt. Crested Butte to share resources and improve efficiency in deed restriction administration. This was previously discussed with Mt. CB before the Town hired its first housing director, but was not pursued at that time. Staff has initiated preliminary conversations and seeks Council guidance on pursuing this potential partnership.

GreenDeed Considerations: The Town also seeks clarity on GreenDeed's future as GCHA and GV-HEAT transition. Council has expressed interest in expanding GreenDeed to provide broader energy efficiency and electrification incentives beyond deed restricted homes, which may not align with Gunnison County's Health and Human Services programs and mission. The State of Colorado also has existing funding that can be leveraged for continuing or increasing these types of programs including contractor education.

Key Discussion Questions:

1. Staff Capacity

- Evaluating, potentially re-creating, and expanding GreenDeed will require dedicated support. The 2026 Sustainability budget includes \$35,000 for an AmeriCorps CivicSpark Fellow or ICLEI intern to assist with program development. Staff is seeking direction on pursuing a fellow or internship to support this program evaluation.

2. Outsourced Support

- The Town is exploring partnerships with organizations and businesses specializing in electrification/efficiency, such as Zero Homes, which partners with GCEA's Electrify and Save program and other jurisdictions for full-home residential energy efficiency and electrification implementation. Would Council be interested in pursuing a public-private partnership for such a program?

3. Level of Service

- Should GreenDeed maintain current operations and evaluate expansion in 2026? Should program growth beyond deed-restricted homes also be prioritized in 2026, or paused until a solid structure is determined?

4. Jurisdictional Partnerships

- Given Mt. CB's interest in GreenDeed, Staff would like to explore if Mt. CB is interested in collaborating in a potential different or improved program.

Climate Impact: Maintaining and expanding GreenDeed aligns with the Town's Climate Action Plan priorities of improving building efficiency and supporting electrification in existing building. Additionally, continuing active administrative and growing the Town's housing programs supports

the Town's goals to provide more opportunities for people to live closer to where they work, reducing vehicle emissions.

Financial Impact: The 2026 draft budget includes:

- \$147,000 placeholder for prior GVRHA support
- \$107,800 (inclusive of statutory and benefits) for the vacant LTE position in Community Development
- \$158,000 for GreenDeed program
- \$35,000 for a CivicSpark or ICLEI Fellow

Council direction will guide whether these resources are reallocated or whether alternative approaches with different budget implications should be considered.

Legal Review: N/A

Recommendation: This discussion is intended to provide high-level direction on strategies for maintaining deed restriction administration and GreenDeed continuity during the GVRHA transition. Based on Council direction, Staff will further evaluate options and return to Council in the coming months with recommendations and potential agreements for consideration.

Attachment: GVRHA Executive Director's Report summarizing proposed services for GCHA



Memorandum

October 20, 2025

To: Mayor and Town Council

Prepared By: Dara MacDonald, Town Manager

Subject: Discussion regarding increasing costs of private health insurance premiums and the impact and role of local health system on those costs

On September 2nd the Town Council approved a letter to Gunnison Valley Health (GVH) expressing concerns about the increasing costs of private health insurance premiums. The Council expressed concerns in that letter that one of the myriad pressures and policies influencing health insurance premiums are the decisions made locally by GVH. The Council requested that GVH take a leadership role in educating the Council and community members in how we can work together to avoid the looming crisis of increasing health insurance premiums. GVH responded to that letter on September 25th.

Both letters are attached for Council consideration and discussion.