

Town of Silverton Colorado

2009 Annual Budget

**Adopted
December 8, 2009**

Board of Trustees

**Terrence M. Kerwin, Mayor
Brison Gooch, Mayor Pro Tem
Jim Lindaman
Chris Tookey
Pat Swonger
David Zanoni
John Schertz**

I, Terrence M. Kerwin, do hereby certify that the enclosed budget for fiscal year 2009 is a true and accurate copy, adopted by the Town of Silverton Board of Trustees on December 8, 2008 at a duly posted and public hearing.

Terrance M. Kerwin, Mayor

Brian Carlson, Clerk

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2009 Budget Message

To: Town of Silverton Board of Trustees, Silverton Residents, and Silverton Business Owners

FR: Elyse Salazar, Town Administrator

RE: 2009 Town of Silverton Budget

Date: December 8, 2008

Enclosed is the 2009 budget for review and adoption by the Board of Trustees. This budget reflects a significant effort by Public Works, Planning, Building, the Library, Town Administration, and the Town Board to demonstrate prudent fiscal management by the Town of Silverton. Each member of the Town's staff, and each Trustee worked diligently to balance the budget and set priorities for 2009.

2009 Town Board Goals & Priorities

The Town Board has established goals and priorities to guide both the 2009 budget, as well as all work programs for 2009. These goals and priorities will help the Board, Staff, and the community make decisions that will ensure the Town is charting a course towards fiscal health while providing critical services.

Long Term Goals

- Increase scrutiny of the water, sewer, and refuse accounts to make sure these are financially healthy.
- Increase cash savings to pay for repairs and improvements to Town streets, parks, and buildings.
- Ongoing grant planning to bring as much federal and state money to help the Town meet community needs.
- Ongoing commitment to training and education for Town Staff and the Town Board.
- Ongoing commitment for Kendall Mountain Recreation area to be more self-sustaining.
- Work to build community trust in Town Government through improved Customer Service.
- Ongoing commitment to fiscal management of taxpayer dollars.
- Commitment to protect new improvements and investment at Molas Lake

through stewardship and management.

Project Priorities

- Continued implementation of the Kendall Mountain Business Plan including completion of a survey to secure ownership of BLM land surrounding the ski area and Lackawanna Mill
- Development of contingency funds for unexpected emergencies and expenses (what if it snows in 2009 like it did in 2008?)
- Begin preparing for repairs to Green Street including planning and identification of funding sources
- Update the Town Code Book and Development Standards
- Work to address Public Works and Emergency Service facility needs with the County as a partner

Other Project Priorities

- Conduct a cadastral survey at Molas Lake
- Plan for the Lackawanna Mill
- Address Law Enforcement Needs
- Adopt development fees for new development
- Continue follow-up on fiber optic needs
- Support development of the Animas Trail
- Develop affordable, attainable workforce housing including Walsh Smelter
- Repair the Visitor's Center
- Review all Town water rights
- Review and update the Business License Codes
- Review the Refuse system and make changes as necessary

2009 Revenue and Expenditure Summary

The 2009 budget projects \$2,799,516 in total revenues across all funds including \$355,433 in grants. General Fund Revenues are projected at \$1,791,545, including over \$225,000 in grants. Within the General Fund cash reserves are being dedicated to the repair, replacement, and improvement of Town buildings, streets, and parks.

The 2009 budget allocates \$2,707,111 in total expenditures across nine funds, with \$1,745,945 in total general fund expenditures. All funds are budgeted on a

cash basis, and audited on a modified accrual basis of accounting. 2009 Funds are as follows:

- General Fund=\$1,745,945
- Water Fund= \$285,572
- Sewer Fund= \$258,005
- Refuse Fund= \$185,870
- Conservation Trust Fund= \$5,000
- Cemetery Fund= \$7,100
- Molas Lake Fund= \$118,000
- Bond & Interest Fund=\$16,150
- Library Fund=\$85,469

Overview of Town Services

The 2009 budget anticipates the Town will provide the following governmental services:

- Town administration including financial and debt oversight, governing body support, and policy/regulatory implementation;
- Planning services including Long Range and Current Planning, Building Inspection, and Code Enforcement;
- Emergency services including Law Enforcement, Fire, and Ambulance services
- Utility Services including water, sewer, and refuse
- Community Services including Library, Park Maintenance & Operations, Economic Development (through Visitor's Center Operations, Special Events, and support of San Juan 2000), Recreational Opportunities (operation of Kendall Mountain Ski Area), and Cemetery Services;
- Recreation and Events coordination
- Building Maintenance including the Carriage House, Town Hall, Visitor's Center, and Kendall Mountain Community Center;
- Street Maintenance
- Capital Improvement services, planning, and capital fund savings
- Grant Administration including Historic Structure Assessments, critical repairs at the Carriage House, an update to the Town/County Master Plan, and final work on Phase I improvements at Molas Lake.

Summary of 2009 Budget

Following is a summary of specific elements of the 2009 Budget.

Revenue and Expenditure Projections

While the Town has experienced increases in sales and property taxes over the past several years, expenses have grown as well. In 2008, increases in expenditures outpaced growth in revenues. For this reason, balancing the 2008 budget proved a challenge, and resulted in a variety of

efforts to reduce spending, improve efficiency, and carefully evaluate the Town's spending priorities.

To avoid a similar challenge in 2009, and allow the Town to better prepare of upcoming future expenses such as a chip and seal on Greene Street, a 1% sales tax increase was put before voters on November 4, 2008. This sales tax increase was passed by 73% of voters, and will increase sales tax revenue by a projected \$135,000. Seventy-seven percent of this increased revenue will be used directly on capital projects, and more than \$45,000 will be set aside into capital reserves.

Capital projects supported by the sales tax increase include:

- Repairs to Kendall Mountain Roof and Siding
- Cadastral survey at Kendall Mountain
- Comprehensive Master Plan Update
- Repairs to Carriage House Roof
- Water Rights Project

The Town is projecting flat sales tax revenues for 2009, although overall sales tax projections have been increased by the 1% sales tax approved by voters. Building, business, facility rental, and other general fund fees are not being increased for 2009.

The Town has increased expenditures for 2009 to account for payroll, shared services with the County, and to accommodate numerous projects. These projects are outlined further below.

Fund Balances, Capital Reserves, & Financial Management

Fund Balances

The Town of Silverton carries a fund balance, from year to year. For 2009 the Fund Balance is projected to start at \$240,436 and grow to \$286,036. This fund balance consists of both dedicated and undedicated cash reserves. Dedicated cash reserves are dollars set aside in savings to cover specific potential costs. The Town is required by state law to have enough money set aside to cover at least 3% of the total projected expenditures for the year for emergencies.

Capital Reserves

The Capital Reserves savings will be used to help leverage grants from state and federal grant agencies for future projects. By the end of 2009, the Town is projecting a total Capital Reserve balance of \$45,600. The Town is in the process of completing a Capital Improvement Plan. This Capital Improvement Plan will outline the variety of repairs, maintenance, and replacement needs of Town streets, water, sewer, parks, and buildings. The Capital Plan will also outline potential costs for these

needed repairs, maintenance, and replacement, and set priorities for how the Town can save enough money to see these projects happen. Once the Capital Improvement Plan is done, the Town will need to assign a savings schedule to each priority project, and determine exactly how capital reserves can be used to help make these projects happen.

Financial Management

The Town needs to have enough cash on hand to cover nearly every possible combination of unknowns. In a year where there is a significant shortfall in revenues, the Town can tap into the fund balance to stabilize revenues. In the event of a major emergency, the Town can utilize the fund balance to cover unexpected expenses.

In any given month in the year, the Town could face a cash flow issue where more money is being expended than revenues are being generated. Basic financial management policies can help reduce the likelihood of this occurring. These would include delaying larger projects or expenditures until later in the fiscal year. However, due to the nature of seasonal sales tax collection in Silverton, the Town collects 75% of sales tax between the months of September and November, but has spent nearly 50% of the total budget by this time. During the months of January, February, March, June, July, and August the Town has potential tight cash flow, and must be able to transfer money out of savings to cover these tight months.

As a general financial management policy, the Town should strive to have at least 3 months operating expenses on hand in case of major crisis such as a natural disaster, economic downturn, or other unforeseen circumstances. For the Town of Silverton in 2009 this would equal approximately \$369,553 in undedicated cash. The ability of the Town to reach this level of savings will require prudent financial monitoring, constrained spending year-to-year, and long-term dedication to the fiscal health of the Town by future Town Boards.

To help the Town both monitor the annual budget, as well as work towards meeting savings goals, a Budget Monitoring, Spending Policies, and Emergency Financial Plan has been developed and is attached as Exhibit F.

Lodging Fee Collection & Expenses

In 2005 the Town adopted an ordinance establishing a \$2/night lodging fee for all hotel rooms and weekly rentals, and a \$1/night lodging fee for campsites. The Town is required to collect these funds into a special account, and to adopt a line item budget appropriate these funds each year. For 2009 the Town anticipates collecting \$36,000 in Lodging Fees,

and appropriates those funds for the following line items:

- a. Visitor's Center Operations Accounts 10-41944-340, 10-41944-342, 10-41944-345, 10-41944-420, 10-41944-421, 10-41944-423, 10-41944-430, 10-41944-614, 10-41944-620, 10-41944-625, 10-41944-730, 10-41944-741, 10-41944-743, 10-45126-614
- b. Recreation Accounts 10-45110-340, 10-45110-801
- c. Blair Street Park Accounts 10-45122-430, 10-45122-614, 10-45122-620, 10-45122-730

A resolution authorizing the above appropriation is included for Town Board approval. A report on the Lodging Fee is attached as Exhibit G.

Enterprise Funds Administrative Fees

An administrative fee is charged to the water, sewer, and refuse funds to account for shared expenses with the general fund. This administrative fee accounts for salary and other personnel costs shared by all funds, along with operating costs.

The administrative fee for water and sewer is calculated as follows:

- 50 % Salaries for Public Works
- 25 % Clerk-Treasurer Salary
- 75 % Postage (all)
- 5 % Administrator's time
- 5 % Planner's time for grant administration
- 58 % Workers Compensation Insurance
- 25 % Property Liability Insurance

A small administrative fee of \$10,281 is charged to the refuse fund to account for administrative overhead to provide refuse billing.

2009 Pay Plan

The Town's employee handbook establishes the policies and procedures for salary increases and the provision of other benefits. Per the employee handbook, the following pay plan for 2009 is:

- 3.7% cost of living adjustment
- 1% potential pay-for-performance bonus
- 1% flexible increase to salary or retirement
- Health, Dental, Life, and Vision insurance

Benefits Package

The Town faces significant increases for insurance premiums for 2009 based on both premium increases, as well as the loss of the healthy employee discount the Town has always received. The ability for insurance companies to offer a healthy employee discount was revoked by the State Legislature, effective January 1, 2009. However, Rocky Mountain Health has offered the healthy employee discount for one more year, if the Town changes its annual renewal date from January 2009 to December 2008. This will cost the employees a little more money out of pocket for the month of December, but will save both the employees and the Town money in 2009. Beginning in January 2009, the Town will contribute a maximum of \$5970 to each regular employee to be used on the following benefits:

- Health Insurance
- Dental Insurance
- Life Insurance
- Vision Insurance
- Pre-tax contributions/premiums
- Health Savings Account Contributions (if applicable)

Enterprise Funds

During 2008 the Town took significant steps to rebuild the water, sewer, and refuse funds. These funds experienced significant revenues shortfalls for several years, and as a result, the fund balances (available cash) were depleted.

The Town conducted and implemented a rate study in early 2008 to set new metered water rates and new sewer and refuse rates. The rate study will also help ensure enough revenue is collected to cover operating costs and rebuild the fund balances. The rate study recommended a 23% rate increase. The Town felt that this was a burdensome increase to put on utility customers, and developed a phasing plan for gradually increasing utility rates over a 4 year period.

To ensure that the trends of the past few years turn around, the rates for 2009 will increase more in water than in sewer or refuse.

Utility Rates for 2009

The Town will be switching to a bi-monthly billing system to save costs, reduce burden on utility customers, and reduce the amount of staff time spent each month with utility billing. The January bill, for December service, will be the last monthly bill, and the next bill will come out in March, billing for January and February Service. Rates will be as follows:

Water \$71.44/ bi-monthly for 0-15,488 gallons

\$4.91 each 1000 gallons or portion thereof

Sewer \$72.94/ bi-monthly for 0-15,488 gallons
\$5.29 each 1000 gallons or portion thereof (commercial)

Refuse \$43.30 / bi-monthly

Town/County Shared Services

The Town will be responsible for 50% of all shared services between the Town and County for 2009. Shared services include ambulance service, fire protection, fire pension, fire truck insurance, land use planning, building inspection, code enforcement, Carriage House maintenance/insurance/repairs, transfer station, and law enforcement.

Bond and Interest Fund

Due to increases in the Town's assessed property valuation, it is necessary to approve a temporary mill levy reduction of .477 mills to the .996 dedicated mills on the Carriage House debt that is administered in this fund. The resulting mill levy of .5190 will meet scheduled 2009 debt payments.

Capital Reserves, Capital, and Special Projects

For 2009, the Town has budgeted for the following significant capital projects:

- Creation of Capital Reserves for Future Projects
- Replacement of Carriage House Roof
- Repair of Kendall Mountain Roof
- Participation in Regional GIS Grant
- Cadastral Survey of Kendall Mountain
- Comprehensive Master Plan Update
- Repair of Bear Creek Headgate
- Water Rights Review and Finalization of Pending Water Cases

Partner Funding

The Town participates in a variety of local, regional, and statewide organizations, and pays annual dues to these organizations including Region 9 Economic Development, Colorado Municipal League, and South West Transportation Commission. The Town also provides funding to different organizations providing services to the Town and community such as the San Juan Senior Citizens group, San Juan Area Aging Commission, Regional Planning Commission, Board of Adjustment, Mountain Studies Institute, and San Juan 2000 Economic Development Council. Funding to partner organizations will not be made available until after August 1, when the Town has the opportunity to assess its fiscal position for 2009, with the exception of membership dues. Further, where

partner funding is tied to grant funding, the Town's funds will be made available once related grants are awarded to the Town or partner organization.

Tabor Analysis

With passage of the Revenue Retention Ballot issue in November of 1995, there is not need to analyze the respective budgets with respect to TABOR limits on revenues and expenditures, or to analyze the General Fund with respect to the 5.5% statutory limitation on the mill levy.

Resolution No. 2008-____

A RESOLUTION ADOPTING THE 2009 BUDGET AND SETTING FORTH THE EXPENDITURES AND REVENUES FOR EACH OF THE VARIOUS FUNDS OF THE TOWN OF SILVERTON, COLORADO FOR THE FISCAL YEAR BEGINNING JANUARY 1, 2009 AND ENDING DECEMBER 31, 2009.

WHEREAS, the Town Board of Trustees of the Town of Silverton, Colorado has appointed Elyse Salazar as the Budget Officer to prepare and submit a proposed budget to said governing body as required by Colorado law; and

WHEREAS, the Board has received and considered the expenditure requests and budget recommendations of the various Town offices, departments, boards, and other spending agencies, as required by law; and

WHEREAS, Elyse Salazar, as Budget Officer, has submitted a proposed budget to the Board of Trustees in a timely manner for its consideration; and

WHEREAS, upon due and proper notice, published in accordance with the requirements of Colorado law, the proposed budget was open for inspection by the public at Town Hall, and a public hearing was held on December 8, 2008 and interested members of the public were given the opportunity to file or register objections to the proposed budget up to the time of its adoption; and

WHEREAS, whatever increases may have been made in the expenditures set forth in the 2009 budget, like increases were added to the Town's budgeted revenues and available resources so that the budget remains in balance as required by law; and

WHEREAS, upon consideration of the proposed budget, as well as the expenditure requests and recommendations of the various Town offices, departments, boards, and other spending agencies, as authorized by law, the Town Board revised, altered, increased or decreased the items set forth in the proposed budget as it deemed necessary in light of the needs of the various Town offices, departments, boards, and spending agencies, and given the probably and projected income and available resources of the Town of Silverton which will be available to fund such expenditures during the Fiscal Year 2009 and the need to insure that the projected income and available resources for Fiscal Year 2009 shall be at least equal to or greater than the aggregate proposed expenditures; and

WHEREAS, in determining the level of expenditures to be budgeted, consideration has been given to the reasonableness of the request, as well as the amount of Town revenues available to fund other budget items at reasonable levels. The levels of funding as set forth in the 2009 Budget were determined within the lawful discretion of the Board of Trustees after considering all funding

requests, the ability and willing of the Town taxpayers to fund the request, the need for the level of funding requested, the overall requirements of the Town, and the level of available revenue.

NOW THEREFORE, BE IT RESOLVED BY The BOARD OF TRUSTEES OF THE TOWN OF SILVERTON, COLORADO that the estimated expenditures and revenues for each are as follows:

1. Total Revenue across nine funds including General, Water, Sewer, Refuse, Conservation Trust, Cemetery, Molas Lake, Bond and Interest, and Library Funds= \$2,799,516
2. Total Expenditures across nine funds including General, Water, Sewer, Refuse, Conservation Trust, Cemetery, Molas Lake, Bond and Interest, and Library Funds= \$2,707,111

Furthermore, be it resolved that the Board of Trustees hereby adopt the 2009 Budget for the Town of Silverton, Colorado, and its various offices, departments, boards, and other spending agencies as set forth in the "Annual Budget for the Town of Silverton, Colorado for the Fiscal Year ending December 31, 2009" which is incorporated herein and made a part hereof by reference, and which defines and sets forth the expenditures and revenues for each fund for the Town of Silverton, Colorado, as well as each function and object of expenditure authorized for such funds.

THIS RESOLUTION was approved and adopted the 8th day of December, 2008 by the Board of Trustees of the Town of Silverton, Colorado.

ATTEST:

Brian Carlson
Town Clerk-Treasurer

Terrence M. Kerwin
Mayor

RESOLUTION NO. 2008-___

A RESOLUTION APPROPRIATING ALL LODGING AND CAMPING FEES COLLECTED IN ACCORDANCE WITH CHAPTER 3 ARTICLE 14 OF THE CODE OF THE TOWN OF SILVERTON TO SPECIFIC EXPENSES IN THE 2009 BUDGET RELATED TO THE PROVISION OF MUNICIPAL SERVICES DIRECTLY RELATED TO THE LODGING AND CAMPING BUSINESSES AS OUTLINED BELOW..

WHEREAS, the Board of Trustees of the Town of Silverton, Colorado has adopted an annual budget for Fiscal Year 2009 in Resolution No. _____ pursuant to the Local Governmental Budget Law of Colorado; and

WHEREAS, the Board of Trustees has made provisions in accordance with Chapter 3 Article 14 of the Code of the Town of Silverton to place lodging fees collected into a specific account within the 2009 Budget for the Town of Silverton, Colorado; and

WHEREAS, the Board of Trustees does hereby identify specific line items within the 2009 Budget, as required by Chapter 3 article 14 of the Code of the Town of Silverton, for the appropriation of such lodging and camping fees collected.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF SILVERTON, COLORADO as follows:

2. All lodging and camping fees collected pursuant to Chapter 3 Article 14 of the Code of the Town of Silverton shall be placed in account number 10-32-170000.
3. All fees received in account number 10-32-170000 shall be used to off-set expenditures directly related to lodging and camping businesses, including, but not limited to support of the Visitor's Center, special events, and marketing efforts. Such fees collected shall be used to offset expenditures in the following accounts.
 - a. Visitor's Center Operations Accounts 10-41944-340, 10-41944-342, 10-41944-345, 10-41944-420, 10-41944-421, 10-41944-423, 10-41944-430, 10-41944-614, 10-41944-620, 10-41944-625, 10-41944-730, 10-41944-741, 10-41944-743, 10-45126-614
 - b. Recreation Accounts 10-45110-340, 10-45110-801
 - c. Blair Street Park Accounts 10-45122-430, 10-45122-614, 10-45122-620, 10-45122-730

THIS RESOLUTION was approved and adopted the 8th day of December, 2008 by the Board of Trustees of the Town of Silverton, Colorado.

ATTEST:

Brian Carlson
Town Clerk-Treasurer

Terrence M. Kerwin
Mayor

RESOLUTION NO. 2008-___

A RESOLUTION APPROPRIATING SUMS OF MONEY TO THE SEVERAL OFFICES, DEPARTMENTS, BOARDS, AND OTHER SPENDING AGENCIES OF THE TOWN OF SILVERTON, COLORADO IN THE AMOUNTS AND FOR THE PURPOSES SET FORTH HEREIN FOR FISCAL YEAR 2009.

WHEREAS, the Board of Trustees of the Town of Silverton, Colorado has adopted an annual budget for Fiscal Year 2009 in Resolution No. _____ pursuant to the Local Governmental Budget Law of Colorado; and

WHEREAS, the Board of Trustees has made provisions in the 2009 Budget for the Town of Silverton, Colorado for revenue and available resources in an amount equal to the total proposed expenditures as set forth in said budget; and

WHEREAS, Section 29-1-108, C.R.S. requires the Board of Trustees to adopt an appropriation resolution for Fiscal Year 2009;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF SILVERTON, COLORADO as follows:

4. Sums are hereby appropriated to the several offices, departments, boards, and other spending agencies of the Town of Silverton, Colorado for personnel expenditures, operating expenditures, and capital expenditures, as shown in the approved "ANNUAL BUDGET FOR THE TOWN OF SILVERTON, COLORADO FOR THE FISCAL YEAR ENDING DECEMBER 31, 2009" which is incorporated herein and made a part hereof by reference. All expenditures shall strictly comply with the fund appropriations as specified in said budget. The nature of expenditures for which claims are submitted shall be in accordance with the appropriated expenditure line item to which they are to be charged.
5. The "ANNUAL BUDGET FOR THE TOWN OF SILVERTON, COLORADO FOR THE FISCAL YEAR ENDING DECEMBER 31, 2009" as submitted, amended and herein summarized is approved and adopted as the budget of the Town of Silverton for the year stated above.

6. The budget of the Town of Silverton hereby approved and adopted shall be signed by the Mayor and Town Clerk/Treasurer and made a part of the public records of the Town.

THIS RESOLUTION was approved and adopted the 8th day of December, 2008 by the Board of Trustees of the Town of Silverton, Colorado.

ATTEST:

Brian Carlson
Town Clerk-Treasurer

Terrence M. Kerwin
Mayor

RESOLUTION NO. 2008-_____

A RESOLUTION TO CERTIFY AND LEVY THE 2009 MILL LEVIES FOR THE GENERAL FUND OF THE TOWN OF SILVERTON, COLORADO, AND THE TOWN OF SILVERTON BOND AND INTEREST ACCOUNT, 1982 FUND.

WHEREAS, the Board of Trustees of the Town of Silverton, Colorado has adopted the 2009 Budget pursuant to Resolution No. _____;

WHEREAS, the Board of Trustees has appropriated revenues and available resources necessary to cover the expenditures authorized in the 2009 Budget pursuant to Resolution No. 2008- _____; and

WHEREAS, the 2008 valuation assessment for the Town of Silverton, as certified by the San Juan County Assessor, is \$31,119,480;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF SILVERTON, COLORADO that;

1. For the purposes of meeting General Fund expenses of \$1,745,945 of the Town of Silverton for Fiscal Year 2009, the Board hereby adopts and levies a net tax of 10.560 mills upon each dollar of the total valuation for assessment of all taxable property within the Town for the Fiscal Year 2009.
2. For the purpose of meeting Town of Silverton Bond and Interest Account, 1982 Fund expenses of \$16,150 of the Town of Silverton for Fiscal Year 2009, the Board hereby adopts and levies a net tax of .5190 mills temporarily reduced from the .996 mills approved and certified for Fiscal Year 2005, upon each dollar of the total valuation for assessment of all taxable property within the Town for the Fiscal Year 2009.

THIS RESOLUTION was approved and adopted the 8th day of December, 2008 by the Board of Trustees of the Town of Silverton, Colorado.

ATTEST:

Brian Carlson
Town Clerk-Treasurer

Terrence M. Kerwin
Mayor

RESOLUTION 2008-_____

A RESOLUTION TO AMEND CERTAIN UTILITY RATES AND FEES

WHEREAS, the Board of Trustees for the Town of Silverton, Colorado has the authority to set the fees and rates for services;

WHEREAS, the Board has determined that utility rates and fees should increase in accordance with the Rate Study conducted in 2008, and the rate increase plan established in 2008; and

WHEREAS, the Board has reviewed these fees and rates in each specific case and has determined that these fees and rates are fair and equitable and necessary to the provision of services within the community; and

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF SILVERTON, COLORADO, that the following fees and rates for the provision of certain services in the community are hereby adopted as follows:

- 1) Effective February 1, 2009, the Clerk-Treasurer is directed to bill all utility services on a bi-monthly basis. A January bill shall be mailed for utility service in December, with the next utility bill due March of 2009.
- 2) Effective January 1, 2009, the Clerk-Treasurer is directed to charge for water service in accordance with the provisions of Section I-2.2 Water and Sewer Service Charges, TOWN OF SILVERTON PUBLIC IMPROVEMENT DEVELOPMENT STANDARDS AND SPECIFICATIONS, at the following rates:
 - a. Water use for all customers shall be charged a minimum fee of seventy-one and 44/100 dollars (\$71.44) for the first 15,488 gallons used, or fraction thereof, plus four and 91/100 dollars (\$4.91) per 1,000 gallons, or fraction thereof, in excess of 15,488 gallons per billing cycle.
- 3) Effective January 1, 2009, the Clerk-Treasurer is directed to charge for sewer service in accordance with the provisions of Section I-2.2 Water and Sewer Service Charges, TOWN OF SILVERTON PUBLIC IMPROVEMENT DEVELOPMENT STARDARDS AND SPECIFICATIONS, at the following rates:
 - a. Sewer use for all customers shall be charged a minimum fee of seventy-two and 94/100 dollars (\$72.94) for the first 15,488 gallons

used, or fraction thereof, plus five and 29/100 dollars (\$5.29) per 1,000 gallons, or fraction thereof, in excess of 15,488 gallons per billing cycle.

- 4) Effective January 1, 2009, the Clerk-Treasurer is directed to charge for sanitation service in accordance with the provisions of Section I-2.7 Sanitation Services Charges (Landfill), TOWN OF SILVERTON PUBLIC IMPROVEMENT DEVELOPMENT STANDARDS AND SPECIFICATIONS, at the following rates:
 - a. One (1) EQR shall be charged at the minimum rate of forty-three and 30/100 dollars (\$43.30) per billing cycle.

- 5) Effective January 1, 2009, Section I-2.1 Water and Sewer Tap Fees, TOWN OF SILVERTON PUBLIC IMPROVEMENT DEVELOPMENT STANDARDS AND SPECIFICATIONS is amended as follows. The tap for a new water or a new sewer tap connection of $\frac{3}{4}$ inch tap and service line to the property line shall be \$3152. A one inch tap shall be \$3267, and a 2 inch tap shall be \$3318. The applicable tap fee shall be paid for water and sewer each, as applicable.

- 6) Effective January 1, 2009 Section I-2.1 Water and Sewer Tap Fees, TOWN OF SILVERTON PUBLIC IMPROVEMENT DEVELOPMENT STANDARDS AND SPECIFICATIONS is amended as follows. The plant investment fee for a new water tap and service connection shall be \$4651 times the applicable equivalent residential unit (EQR). The plant investment fee for a new sewer tap and service connection shall be \$2774 times the applicable equivalent residential unit (EQR).

THIS RESOLUTION was approved and adopted the ____ day of December, 2008 by the Board of Trustees of the Town of Silverton, Colorado.

ATTEST:

Brian Carlson, Town Clerk

Terrence M. Kerwin, Mayor
Town of Silverton, Colorado

Resolution 2008-_____

A RESOLUTION APPROPRIATING ADDITIONAL SUMS OF MONEY TO DEFRAID EXPENSES IN EXCESS OF AMOUNTS BUDGETED, AND TO RECOGNIZE REVENUE IN EXCESS OF AMOUNTS BUDGETED FOR THE TOWN OF SILVERTON, COLORADO.

WHEREAS, the funds of the Town of Silverton must be amended to reflect the following:

General Fund:	Recognize expenses in excess of revenues
Conservation Trust Fund:	Recognize expenses in excess of amounts budgeted
Molas Lake Fund:	Recognize revenues in excess of amounts budgeted and defray expenses in excess of amounts budgeted
Bond & Interest Fund:	Defray expenses in excess of amounts budgeted
Water Fund:	Recognize revenues in excess of amounts budgeted and defray expenses in excess of amounts budgeted
Sewer Fund:	Recognize revenues in excess of amounts budgeted and defray expenses in excess of amounts budgeted
Refuse Fund:	Recognize revenues in excess of amounts budgeted

WHEREAS, unanticipated revenues come from a variety of resources including grants, taxes, and other fees; and

WHEREAS, expenses in excess of revenues result from a variety of expenses including multi-year grants where grants or expenses occur in different fiscal cycles, from increased or unanticipated operational costs, and from extra payments made on principal balances to reduce or eliminate savings on restricted accounts.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE TOWN OF SILVERTON, COLORADO;

1. That the 2008 revenue for the General Fund is hereby decreased from \$1,521,581 to \$1,480,881 based on 2008 projected revenues.
2. That the 2008 expenses for the General Fund is hereby decreased from \$1,521,561 to \$1,507,521. Such additional expense shall be defrayed by a transfer of funds from the unappropriated and unrestricted fund balance in the General Fund. The difference between expenses and revenues for 2008 reflects the difference between grant revenues received in 2007, and grant expenditures incurred in 2008.
3. That the 2008 expenses for the Conservation Trust Fund is hereby increased from \$10,912 to \$18,922 for purpose of making a principal payment on the lease-purchase of the Kendall Mountain Community Center and Ski Lift. Such additional expense shall be defrayed by a transfer of funds from the unappropriated and unrestricted fund balance in the Conservation Trust Fund.
4. That the 2008 anticipated revenues for the Molas Lake Fund be increased from \$287,000 to \$554,566 based on unanticipated grants from the Department of Local Affairs and Great Outdoors Colorado, and that the 2008 anticipated expenses are increased from \$286,000 to \$478,414 to complete said grant funded projects.
5. That the 2008 expenses for the Bond & Interest Fund be increased from \$16,400 to \$23,150. Such additional expense shall be defrayed by a transfer of funds from the unappropriated and unrestricted fund balance in the Bond & Interest Fund.
6. That the 2008 anticipated revenues for the Water Fund be increased from \$363,867 to \$433,608 based on unanticipated grants from the Department of Local Affairs, and that the 2008 anticipated expenses are increased from \$363,627 to \$421,890 to complete said grant funded projects..
7. That the 2008 anticipated revenues for the Sewer Fund be increased from \$251,941 to \$302,656 based on unanticipated grants from the Department of Local Affairs, and that the 2008 anticipated expenses be increased from \$214,170 to \$274,306 to complete said grant funded projects.

THIS RESOLUTION was approved and adopted the 8th day of December, 2008 by the Board of Trustees of the Town of Silverton, Colorado.

ATTEST:

Brian Carlson, Town Clerk

Terrence Kerwin, Mayor
Town of Silverton, Colorado

Appendix A– 2009 Budget

APPENDIX B

Debt and Lease Purchase Agreement Schedules

The Town of Silverton Bond and Interest Account, 1982 Fund

SERIES 1982 (FMHA Loan 97-04)

\$236,000 General Obligation Bond issued March, 1982 on the Carriage House is due in annual installments of \$5,000 through 1991; \$6,000 through 1995; \$7,000 through 1998; \$8,000 through 2000; and increasing by \$1,000 increments every two years until 2012. Interest is at 5%. Payments are due March 1st of each year. In 2008 an additional principal payment of \$8,000 was paid using excess funds from property tax collections that exceeded annual debt service. With a principal balance of \$43,000 at the end of 2008, the anticipated payment is:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	13,000	3,150	16,150

The General Fund

KENDALL MOUNTAIN COMMUNITY CENTER LEASE PURCHASE AGREEMENT \$213,213 Lease Purchase Agreement issued September, 2007 is due in quarterly installments of \$5,371.75 through 2022. Interest is at 6%. The existing Kendall Mountain Community Center Leaser Purchase was increased by just over \$106,000 to pay for the double chair ski lift installed in 2006. An additional principal payment of \$18,922, from conservation trust (lottery) funds was made. With a principal balance of \$181,221 at the end of 2008, the anticipated payment schedule is:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007	9,100	12,386	21,486

CATEPILLAR 938GII WHEEL LOADER LEASE PURCHASE AGREEMENT AND SCHEDULE. \$194,803.83 Lease Purchase Agreement on a new 938GII Wheel Loader issued December 5th, 2005, with annual payments of \$14,315.28 due on the 15th of January through 2012. There is a \$59,999.15 buy-back provision in January, 2013. The anticipated lease payment schedule is:

<u>Year</u>	<u>Lease Payment</u>
2009	14,315.28

CATEPILLAR 143H MOTOR GRADER LEASE PURCHASE AGREEMENT AND SCHEDULE. \$248,948.17 Lease Purchase Agreement on a new 143H Motor Grader issued January 24th, 2006, with annual payments of \$21,491.36 due on the 24th of January through 2012. There is a \$120,000.00 buy-back provision in January, 2013. The anticipated lease payment schedule is:

<u>Year</u>	<u>Lease Payment</u>
2009	21,491.36

The Water Fund

SERIES 1974 (FMHA Loan 91-03) \$225,000 General Obligation Bond issued November, 1974 is due in annual installments of \$4,000 through 1992; \$5,000 through 1996; \$6,000 through 2000; and increasing by \$1,000 increments periodically until 2014. Interest is at 5%. Due January 1st of each year, payments must be paid in advance of the current budget year. With a principle balance of \$65,000 at the end of 2008, the payment is:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	10,000	3,750	13,750

STATE OF COLORADO WATER SYSTEM EIAF LOAN #4178A \$136,000 Water Fund Loan, entered into August, 2002, for the purpose of installing a new water main on Greene Street from 7th to 11th Streets, is due in annual amortized installments of principal an interest payments totaling \$13,102.55 per year beginning September 1, 2003 and ending September 1, 2017. Interest is at 5%. With a principal balance of \$92,860 at the end of 2008, the payment schedule is:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	8,446	4,656	\$13,102

STATE OF COLORADO WATER METER EIAF #05602 LOAN \$107,421 Water Fund Loan, entered into in 2007 for the purposes of installing water meters on all properties within the Town of Silverton, and is due in annual installments totaling \$13,563. With a principal balance of \$87,228 at the end of 2008, the payment is:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	9,180	3,924	13,564

STATE OF COLORADO WATER LINE EIAF LOAN

\$49,000 Water and Sewer Fund Loan, entered into in 2007 for the purposes of replacing an existing water line prone to winter freezing, and to slip line a portion of old clay sewer line. Payments are due in annual installments of \$6,293. Half of this loan is assigned to both the Water and Sewer Funds. With a principal balance of \$46,864 at the end of 2008, the water fund portion of the payment is:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	2,136	1,011	3,147

The Sewer Fund

1991 STATE OF COLORADO NOTE

\$100,000 Note Payable issued August, 1991 due in amortized annual installments of \$8,024.26 including interest at 5%. Payments are due September 1st of each year. With a principal balance of \$14,597 at the end of 2008, the anticipated payment schedule is:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	6,616	1,407	8,024

STATE OF COLORADO SEWER LINE EIAF LOAN

\$49,000 Water and Sewer Fund Loan, entered into in 2007 for the purposes of replacing an existing water line prone to winter freezing, and to slip line a portion of old clay sewer line. Payments are due in annual installments of \$6,293. Half of this loan is assigned to both the Water and Sewer Funds. With a principal balance of \$44,728 at the end of 2008, the water fund portion of the payment is:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	2,136	1,011	3,147

Debt Summary

The following table summarizes the total long-term debt expenses, including both principal and interest payments, the Town must budget for annually:

Total Debt Service Each Year

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	96,420	31,295	127,715

APPENDIX C—GRANT SCHEDULE

2009 General Fund Grants

DOLA--Carriage House Roof (AWARDED): This grant will help to replace the roof on the Carriage House, including rebuilding the south support wall, replace all roofing materials, and perform other necessary work to fix damage caused by winter ice accumulation. This project is anticipated to be completed by June 2009.

Project Totals	Annual Estimates		
	Year 2008	Year 2009	Year 2010
Total Grant:\$68,000		\$68,000	
Total Cash Match:\$40,000		\$40,000	
Total In-kind:\$0		\$0	
Project Total:\$108,000		\$108,000	

STATE HISTORIC FUND—CULTURAL SURVEY(AWARDED): This grant will fund a survey of each building and structure determined to hold historic value throughout the Town. This survey will help the Town achieve “Certified” local government status with the State and Federal government, making additional grant funding available for future historic projects. This project is also funded through a Preserve America Grant.

Project Totals	Annual Estimates		
	Year 2008	Year 2009	Year 2010
Total Grant:\$82,590	\$33,000 ¹	\$49,500	
Total Cash Match:\$0	\$0	\$0	
Total In-kind: \$0	\$0	\$0	
Project Total:	\$33,000	\$49,500	

PRESERVE AMERICA—CULTURAL SURVEY(AWARDED): This grant will fund a survey of each building and structure determined to hold historic value throughout the Town. This survey will help the Town achieve “Certified” local government status with the State and Federal government, making additional grant funding available for future historic projects. This project is also funded through a State Historic Fund grant.

¹ \$33,000 was received in 2007 for this project. Expenses were incurred in 2008

Project Totals**Annual Estimates**

	Year 2008	Year 2009	Year 2010
Total Grant: \$35,530		\$35,530	
Total Cash Match: \$0		\$0	
Total In-kind: \$0		\$0	
Project Total: \$35,530		\$35,530	

DOLA—ROOF REPAIRS AT KENDALL MOUNTAIN (APPLY APRIL 2009): A grant for up to \$8,000 will be applied for to repair the valleys on the Kendall Mountain Community Center, and perform a variety of other necessary major repairs to the building. Repairs are necessary due to winter time ice accumulation, and accumulative wear and tear.

Project Totals**Annual Estimates**

	Year 2008	Year 2009	Year 2010
Total Grant: \$8,000		\$8,000	
Total Cash Match: \$8,000		\$8,000	
Total In-kind:\$0		\$0	
Project Total: \$16,000		\$16,000	

DOLA—Comprehensive Master Plan Update (APPLY APRIL 2009): This grant will raise funds to hire a contractor to assist the Town planner in updating the Comprehensive Master Plan. A Comprehensive Master Plan update is critical to drive updates to the Town's codes, zoning, and subdivision regulations.

Project Totals**Annual Estimates**

	Year 2008	Year 2009	Year 2010
Total Grant:\$30,000		\$22,500	\$7,500
Total Cash Match:\$10,000 ²		\$7,500	\$2,500
Total In-kind:\$5,000		\$5,000	\$0
Project Total:\$55,000		\$35,000	\$10,000

STATE HISTORIC FUND—VISITOR'S CENTER HISTORIC ASSESSMENT (AWARDED): This grant will conduct a thorough examination of the Visitor's Center, and create a prioritized list and initial cost estimates of needed repairs and improvements to the facility. This assessment is the first critical step in achieving additional State Historic Funds for future repairs and improvements.

Project Totals**Annual Estimates**

	Year 2008	Year 2009	Year 2010
Total Grant:\$12,613		\$12,613	

² San Juan County is also contributing \$10,000 to the cash match

Total Cash Match: \$0	\$0
Total In-kind: \$0	\$0
Project Total:\$12,613	\$12,613

PRESERVE AMERICA GRANT—MINING HERITAGE OF SAN JUAN COUNTY (AWARDED): This is a pass through grant on behalf of San Juan County. Silverton is the authorized Preserve America Grant entity for San Juan County, requiring all Preserve American Grants for both the Town and County to be funneled through the Town. There are no financial obligations for this grant incurred by the Town.

2009 Molas Lake Fund Grants

SOUTHWEST BASIN ROUNDTABLE—MOLAS DITCH REHABILITATION & DIVERSION STRUCTURES (AWARDED): As the final piece step in Phase I improvements to Molas Lake, Molas Dam, and Molas Ditch, the Town will complete repairs to Molas Ditch with this grant. The grant will also cover the cost of installing two diversion structures, a sediment pond, and help complete additional wetlands mitigation.

Project Totals	Annual Estimates		
	Year 2008	Year 2009	Year 2010
Total Grant:\$95,000		\$95,000	
Total Cash Match: \$0		\$0	
Total In-kind: \$0		\$0	
Project Total:\$95,000		\$95,000	

2009 Water Fund Grants

DOLA --CIP/RATE STUDY (AWARDED): This grant is being used to hire a contractor to create a capital improvement plan for the Town. The capital improvement plan will then be utilized to prioritize projects. This project is credited to both the water and sewer fund on a 50-50 basis.

Project Totals	Annual Estimates		
	Year 2008	Year 2009	Year 2010
Total Grant:\$74,050	19,675	\$17,350	
Total Cash Match: \$5,250	\$4,662	\$0	
Total In-kind: \$0	\$	\$0	
Project Total: \$79,300	\$24,337	\$17,350	

2009 Sewer Fund Grants

DOLA--CIP/RATE STUDY (AWARDED): This grant is being used to hire a contractor to create a capital improvement plan for the Town. The capital improvement plan will then be utilized to prioritize projects. This project is credited to both the water and sewer fund on a 50-50 basis.

Project Totals	Annual Estimates		
	Year 2008	Year 2009	Year 2010
Total Grant:\$74,050	19,675	\$17,350	
Total Cash Match: \$5,250	\$2625	\$0	
Total In-kind: \$0	\$	\$0	
 Project Total: \$79,300	 \$22,300	 \$17,350	

APPENDIX D & APPENDIX E

Governmental Services Agreement & Law Enforcement Contract

GOVERNMENTAL SERVICES AGREEMENT

This Agreement entered into this ___ day of December, 2008 by and between the County of San Juan and the Town of Silverton, Colorado, shall cover the sharing of governmental service expenses between the Town of Silverton and the County of San Juan as set forth in the terms and conditions herein.

WITNESSETH:

WHEREAS, the unique situation of the Town of Silverton and the County of San Juan lends itself to the duplication of governmental services;

WHEREAS, the sharing of expenses while separating administrative responsibilities for ambulance, fire protection (including the firemen’s pension fund), land use planning services, building inspection, code enforcement and solid waste management would be beneficial to both the Town and the County in the provision of said services to the community;

WHEREAS, it has been mutually agreed by the parties hereto that the percentage split of the specified governmental services expenses between the Town and the County should normally be on a 50:50 basis and that the two entities will strive each year to split the costs on a 50:50 basis; however, it is mutually recognized that in any one year one of the entities may be facing a budgetary crisis that prevents their full financial participation on a 50:50 basis, and it is mutually agreed that a modified split may be entered into for that contract year without effecting any change in the underlying agreement that such governmental service expenses, in general, should be split on a 50:50 basis; and

WHEREAS, Section 29-1-230 C.R.S. authorizes local governments to contract with one another to provide any function, service, or facility;

NOW THEREFORE, in consideration of the mutual promises and covenants contained herein and other good and valuable considerations, it is agreed by and between the County of San Juan and the Town of Silverton as follows:

I. GENERAL TERMS OF AGREEMENT

This Agreement shall be for a period of twelve (12) consecutive months beginning January 1, 2009 and ending on December 31, 2009 unless otherwise modified or extended by mutual agreement of the parties hereto.

II. GOVERNMENTAL SERVICES

- A. For Fiscal Year 2009, the County of San Juan Shall be responsible for providing ambulance and fire protection services, including insurance on the ambulances and fire vehicles as listed on the County’s insurance policies, within the County of San Juan, including the Town of Silverton.
- B. For Fiscal Year 2008, the Town of Silverton shall be responsible for providing transfer station, land use planning, building inspection, code enforcement, and Carriage House maintenance and operational services, including insurance coverage on the Carriage House and fire department vehicles as listed on the Town’s insurance policies.

III. PAYMENT FOR SERVICES

The payment for all services contemplated pursuant to this Agreement shall be divided between the town and county on the basis of the following distribution:

<u>Share</u>	<u>Service Item</u>	<u>2008 Expenses</u>	<u>Town Share</u>	<u>County</u>
	Ambulance	\$ 97,500	50%	50%
	Fire Protection	\$ 73,500	50%	50%

Fire Truck Insurance	\$ 4,485	50%	50%
Land Use Planning	\$ 67,428	50%	50%
Building Inspector*	\$ 13,004	50%	50%
Code Enforcement	\$ 5,050	50%	50%
Carriage House O & M, Insurance	\$ 48,546	50%	50%
Transfer Station	\$ 0	50%	50%

San Juan County shall pay a total of \$171,000.00 and the Town of Silverton shall pay a total of \$138,513.00. Expenses which are subject to distribution under this Agreement are the approved 2009 budgetary appropriations for each spending agency less any funding received from grants or contracts which are included in the respective departmental revenue and expenditure budgets. Any unexpended funds remaining in the respective departmental budgets at the end of Fiscal Year 2009, or any expense overruns which are beyond the control of the managing authority, shall be divided between the Town and the County on the basis of the above expense distribution percentage. The Town of Silverton shall pay to the County of San Juan the sum of sixteen thousand two hundred forty-three and 50/100 dollars (\$16,243.50) for Fiscal Year 2009. The sum to be paid shall be rendered in twelve (12) equal monthly installments of one thousand three hundred fifty-three and 62/100 dollars (\$1353.62) each, beginning in January, 2009. Payment for any unexpended funds or expense overruns shall be balanced in accordance with the above expense distribution percentages and the debtor shall render payment to the creditor prior to March 15, 2010.

IV. AMENDMENT

The foregoing constitutes the entire Agreement between the County of San Juan and the Town of Silverton. This Agreement may be modified, as circumstances warrant, upon further agreement between the parties hereto. Any such modifications shall be reduced to writing and appended to this Agreement with the same formality as with which this instrument was executed.

IN WITNESS WHEREOF, the parties hereto have signed and sealed this instrument the day and date first written above.

COUNTY OF SAN JUAN

TOWN OF SILVERTON

Chairman
Board of County Commissioners

Mayor
Board of Trustees

ATTEST:

ATTEST:

County Clerk and Recorder
SEAL

Town Clerk
SEAL

*All building permit fees shall be retained by the Town of Silverton to be used solely for building department expenditures.

LA W ENFORCEMENT CONTRACT

This Agreement entered into this ____ day of December 2008, by and between the County of San Juan, the San Juan County Sheriff, and the Town of Silverton, Colorado, shall cover the provision of law enforcement services by the San Juan County Sheriff in and for the Town of Silverton, Colorado as set forth in the terms and conditions herein.

WITNESSETH:

WHEREAS, consolidation of law enforcement services and personnel would be beneficial to both the Town and the County in eliminating duplicated services, achieving maximum coordination of trained personnel, and providing efficient use of public funds and tax dollars;

WHEREAS, it has been mutually agreed by the parties hereto that the percentage split of law enforcement expenses between the Town and the County should normally be on a 50:50 basis and that the two entities will strive each year to split the costs on a 50:50 basis; however, it is mutually recognized that in any one year one of the entities may be facing a budgetary crisis that prevents their full financial participation on a 50:50 basis, and it is mutually agreed that a modified split may be entered into for that contract year without effecting any change in the underlying agreement that law enforcement expenses, in general, should be split on a 50:50 basis; and

WHEREAS, Section 30-11-410 C.R.S. allows for the contracting of law enforcement services between municipalities and counties;

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein and other good and valuable considerations, it is agreed by and between the County of San Juan, the San Juan County Sheriff, and the Town of Silverton, Colorado as follows:

1. This Agreement shall be for a period of twelve (12) consecutive months beginning January I, 2009 and ending on December 31, 2009 unless otherwise modified or extended by mutual agreement of the parties hereto.
2. This Agreement shall be subject to cancellation by any party hereto upon giving ninety (90) days written notice prior to the date of termination.
3. The Town of Silverton shall pay to the County of San Juan the sum of one hundred eighty-one thousand three hundred sixty-eight and no/100 dollars (\$181,368.00) for Fiscal Year 2009 for the services provided hereunder. The sum to be paid shall be rendered in twelve (12) equal monthly installments of fifteen thousand one hundred fourteen and no/100 dollars (\$15,114.00) each, beginning in January, 2008. Any funds remaining in the budget at the end of the Fiscal Year, or any expense overruns, shall be divided between the Town of Silverton and San Juan County on a 50-50 basis, respectively.
4. 4. Scope of Services
 - a. The Sheriffs Department shall furnish such routine patrol, within the Town's corporate limits, for traffic and other matters as the Sheriff in his/her discretion shall determine necessary in order to carry out the terms of this Agreement.
 - b. The Sheriffs Department shall enforce any Town Code provisions, the violation of which would constitute a violation of any statute of the State of Colorado or the United States. Except as provided in Section (g) below, the Sheriffs Department and the Town shall have concurrent jurisdiction to enforce all other Town Code violations. At the request of the Town Board of Trustees or other Town Official designated by the Town Board, the Sheriffs Department shall aid

the Town in the issuance of citations for any violations of the Town Code.

- c. The Sheriffs Department shall investigate all traffic accidents which occur within the Town's corporate limits.
- d. The Sheriffs Department shall be the Designated Emergency Response Authority and shall assist in all emergencies arising within the Town's corporate limits.
- e. The Sheriff's Department shall establish and keep a filing and records system for processing all data relative to the incidence of arrests, reports of crime and disposition of all cases.
- f. The Sheriffs Department shall provide investigative services for the Town of Silverton as the Sheriff in his/her discretion shall determine necessary in order to carry out the terms of this Agreement and as is consistent with good law enforcement practices and procedures.
 - g. The Sheriff's Department shall assume the responsibility for animal control and shall enforce all municipal ordinances governing animals-at-large within the corporate limits of the Town of Silverton. The Town shall continue to provide holding facilities for dogs captured by the Sheriff's Department. The Sheriffs Department shall provide for the care and feeding of the animals and the maintenance and cleaning of the dog holding facilities.
 - h. The Sheriffs Department may, at the discretion of the Sheriff, provide intensive traffic control within the Town's corporate limits. Such traffic control measures may include the use of radar and related technology.
 - I. The Sheriff shall provide a report to the Town Board of Trustees at the first regular meeting of each month regarding the activities of the Sheriffs Department pursuant to this Agreement.
 - J. The Sheriff shall retain the authority and responsibility for the hiring, firing, and training of personnel in the Sheriffs Department as authorized by Section 30-10-506, CR.S. No Sheriffs Department personnel, including special deputies or volunteers, shall be considered Town employees by virtue of this Agreement.
 - k. The Sheriffs Department and/or County shall be responsible for payment of all wages to personnel used by the Sheriffs Department in implementing this Agreement, including payroll taxes, insurance, workers' compensation, etc.

- 5. The foregoing constitutes the entire Agreement between the County of San Juan, the San Juan County Sheriff, and the Town of Silverton. This Agreement may be modified, as circumstances warrant, upon further agreement between the parties hereto. Any such modifications shall be reduced to writing and appended to this Agreement with the same formality as with which this instrument was executed.

IN WITNESS WHEREOF, the parties hereto have signed and sealed this instrument on the day and date first written above.

COUNTY OF SAN JUAN

TOWN OF SILVERTON

Chairman
Board of County Commissioners

Town Board of Trustees
Mayor

3/19/2009

San Juan County Sheriff

ATTEST:
County Clerk and Recorder
SEAL

ATTEST:
Town Clerk
SEAL

APPENDIX F

TOWN OF SILVERTON 2009 BUDGET MONITORING, SPENDING POLICIES, & EMERGENCY FINANCIAL PLAN

OVERVIEW

As the Town enters the 2009 fiscal year, the national economy faces an uncertain and volatile climate. Throughout 2008, the nation teetered on the brink of a major recession. As consumer confidence fell, unemployment increased, and gas prices rose, the Town saw a reduction in summer tourism. The Durango & Silverton Narrow Gauge experience a decline in rider ship of approximately 11.5%. For the summer months, this decrease in tourism resulted in an approximate 3% decrease in sales tax revenue. In contrast though, the Town saw an increase in winter recreation, the result of banner snowfall. Winter sales tax revenue was up 22% over the five year average, and up 10% over 2007. This increased revenue in the winter months offset the slight decreases experienced during the summer months.

The successful winter was a double-edged sword. On one hand, the Town's total revenues balanced out, but the Town also faced significant costs associated with snow removal. These costs drove fuel and overtime over budget, and made it necessary to bring in contracted help to address safety issues resulting from the more than 250" of snow that fell in 2008. The Town also saw gas prices nearly double in the same time period.

To address concerns with cost overruns experienced early in the fiscal year, and concerns over the national economy's potential impact on the Town, Silverton implemented a budget monitoring program in June of 2008. This program placed the Town in a proactive position to respond quickly should sales tax revenues have decreased drastically. As a result of this monitoring, the Town was able to reduce spending moderately throughout the fall of 2008 to offset the budget overruns experienced earlier in the year.

The 2009 Budget conservatively estimates flat sales tax revenue for 2009, but also suggests an optimistic belief that the national economy will have little overall impact on the Town. The Town is pursuing an aggressive cash savings plan to begin setting money aside to help accomplish numerous projects that need to happen, setting out to make progress on several projects including the replacement of the roof on the Carriage House, repairs and maintenance to the Kendall Mountain Community Center, an update to the Master Plan, completion of a cadastral survey at Kendall Mountain, and much more.

To balance month-to-month expenditures, and continue to improve the overall financial management of the Town, the following budget monitoring and emergency financial plan will be implemented in 2009.

MONITORING PROGRAM

Sales tax revenue represents over half of the Town's total operating revenue, and 72% of this revenue reaches the Town between July and October. By the time the Town knows how sales tax revenue is trending for the year; the Town has potentially spent 65%-75% of its annual budget. This makes it difficult for the Town to respond in the event there is a significant downturn in sales tax that will affect the overall budget, and puts the Town at risk of operating in a budget deficit.

If the Town had extremely healthy cash savings, this risk would be nominal in any given year, but the Town's cash reserves are modest, and could be easily depleted if a financial crisis lasted more than a year, or if there was a significant emergency.

In order to ensure that the Town is acting responsible each month and that adequate adjustments in spending can be implemented in a timely matter the following monitoring program will be implemented:

1st & 2nd Quarter Monitoring

- Each month, the Treasurer will produce a comparison chart showing 2009 revenues and expenditures in comparison to the past five year average and the past fiscal year, and provide this report to the Finance Committee along with monthly financial statements.
- All revenues and expenses will be closely watched for any unusual trends. The Finance Committee will then determine if there are any concerns that must be addressed, or if continued monitoring is sufficient.
- In accordance with the spending policies listed below, all major projects or expenses will require approval prior to commencing.

3rd & 4th Quarter Monitoring

- Same monitoring as 1st & 2nd quarter
- An analysis of sales tax collection and budget projections will be completed by the Treasurer or Town Administrator. This analysis will determine thresholds for sales tax declines that could affect the budget and require the Town to make budget adjustments. The

analysis will also determine at what thresholds minor, moderate, and major budgets cuts need to be considered.

Sample Threshold Plan

1. If sales tax is down by 10% or less for two months, expenditures will be carefully monitored to ensure budgets are not exceeded.
 - a. Any budget item at 50% or greater must receive Town Administrator approval prior to additional expenditures.
 - b. Any budget item at 75% or greater must receive Finance Committee approval prior to additional expenditures
2. If sales tax is down by 10-15% for three months, minor budget cuts will be implemented. Approval for budget items nearing the 50% and 75% thresholds will still apply.

SPENDING & SAVINGS POLICIES

- Any item listed as a potential cut should be deferred until August or later to ensure the Town's financial picture is trending positive.
- If an item listed as a potential minor or moderate cut is critical prior to August, Town Administrator approval will be required.
- If an item listed as a potential major cut is critical prior to August, Finance Committee approval shall be required.
- The Town should strive over the next 3 to 5 years to build the general fund balance up. The general fund balance should equal approximately 3 months of operating costs.
- The Town should strive over the next 3 to 5 years to build the water and sewer fund balances up. These fund balances should equal at least 3 months of operating costs, as well as be sufficient enough to cover potential emergencies such as power supply failures, water main breaks, etc.

EMERGENCY FINANCIAL PLAN

In the event that budget monitoring, the state of the economy, a major emergency, or any other event demonstrates that the 2009 fiscal year will be faced with financial difficulties, the Town Board and Finance Committee will evaluate the remaining portion of the Town budget, and implement any combination of cuts or reductions to help reduce or eliminate any financial risk. The potential budget items that could be cut or at least reduced are listed in order

of preference. Based on the budget analysis conducted mid-year, the Town can set thresholds to trigger budget cuts, if necessary. Any combination of minor, moderate, or major cuts can be proposed at that time.

Minor Cuts:

- Training Budgets
- Travel Budgets
- Organizational Dues
- Books & Periodicals
- Professional Service Budgets
- Office Supplies
- Clothing Allowance

Moderate Cuts

- Town Board Pay
- Good Ideas
- Fireworks
- Repair & Maintenance work
- Gravel
- Special Events (cut backs)
- Partner Organizations

Major Cuts

- Special Projects (CMP Update, Cadastral Survey, Roof @ Kendall)
- Staffing (reduction in hours and on)

APPENDIX G

Memorandum

To: Town of Silverton Board of Trustees
CC: Chamber of Commerce
From: Elyse Salazar
Date: 3/19/2009
Re: 2007-2008 Lodging Fee Review

Background & Overview

In early 2008, the Town instituted a monitoring and tracking process to ensure that all Lodging providers are reporting and remitting collected lodging fees. This oversight has proven highly successful. The Town wishes to thank the lodging community for their diligence in reporting and remitting lodging fees.

Per the 2005 Ordinance, Lodgers are required to collect and remit a \$2 nightly lodging fee per room to the Town each month, and a \$1 nightly lodging fee for camping sites.

The Town is then required to:

- Place funds collected into a special fund. This requirement is met by crediting all lodging fee remittances to account number 10-32-170000, which is dedicated to Lodging Fees.
- All funds collected are to be used on those services that support tourists and other visitors to Town including but not limited to support of the Visitor's Center, special events, and marketing efforts. .
- The Town is to approve a line item budget and appropriation for the expenditure of the Lodger's Fee with the annual budget. The Town does approve a line item budget each year, though the relationship between the lodging fee and budget expense items has not been clearly made. This will be done this year as part of the 2009 budget, and expressly addressed in the spending authorization resolutions.

The Town continues to incur more expense for providing visitor related services than revenue generated by the lodging fee, even when taking other business related revenues into account. Following is an overview of visitor related revenue

and expenditures from 2006 to 2008. Year-to-date (YTD) estimates are based on actual revenues/expenses through September 2008.

Total Lodging Fee Collection

2006	2007	2008 (Budget)	2008 EST
\$32,446	\$33,389	\$32,000	\$38,860

Other Off-setting Revenues

- Business Licenses

2006	2007	2008 (Budget)	2008 EST
\$28,807	\$21,531	\$20,000	\$21,189

- Visitor's Center Rent (KSJC—percentage of monthly energy + rent, Youth Center, Chamber)

2006	2007	2008 (Budget)	2008 EST
\$2800	\$0	\$3000	\$7595 ³

TOTAL VISITOR/BUSINESS REVENUES

2006	2007	2008 (Budget)	2008 EST
\$64,053	\$54,920	\$55,000	\$67,644

Town use of Lodging Fee

- Contract with Chamber of Commerce to Manage Visitor Center
Account # 1041940801

2006	2007	2008 (Budget)	2008 EST
\$30,771	\$24,061	\$26,089	\$26,089

- Special Events
Account #1045110340

2006	2007	2008 (Budget)	2008 EST
\$25,000	\$25,000	\$28,000	\$25,000

- Visitor's Center Operations (Janitorial, Trash, Rug Cleaning, Repairs/Maintenance, Operating supplies such as toilet paper, electricity, propane)
Account #1041942420-1041942622

2006	2007	2008 (Budget)	2008 EST
\$20,441	\$22,029	\$20,935	\$21,207

³ Includes rental payment in 2008 by Chamber for unpaid 2007 rent, and rental payment in 2008 by KSJC for unpaid 2006-2007 rent.

▪ Blair Street Park (Potty Park)				
	2006	2007	2008 (Budget)	2008 EST
	\$4,658	\$3,578	\$7,100	\$5549

TOTAL TOWN COSTS

	2006	2007	2008 (Budget)	2008 (YTD)
	\$80,870	\$74,668	\$82,124	\$77,845

Revenues/Expenditures: The difference between revenues generated by fees and the cost of services for visitor and business related services has been absorbed by the general fund.

	2006	2007	2008 (Budget)	2008 (YTD)
	-\$16,817	-\$19,748	-\$27,124	-\$10,201

At the time of adoption of the Lodging Fee, there was a common understanding established that any excess revenue from the lodging fee would be directed to the Chamber of Commerce to be used to support marketing efforts. In 2006 and 2007, the Town's costs exceeded the revenues generated by lodging fees and other off-setting revenues. 2008 is projected to have costs exceed revenues as well.