

**AGENDA**  
**Town of Crested Butte**  
**Regular Town Council Meeting**  
**Monday, July 16, 2018**  
**Council Chambers, Crested Butte Town Hall**



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

**Town Council Values**

- *Support Crested Butte's quality of life*
- *Promote resource efficiency and environmental stewardship*
- *Encourage a sustainable and healthy business climate*
- *Maintain an authentic and unique community*
- *Remain fiscally responsible*
- *Continue thoughtful management of our historic character*
- *Seek collaborative solutions to regional and local issues*

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

**7:00 WORK SESSION**

- 1) Presentation of the Energy, Materials, and Greenhouse Gas Emissions

Inventory: 2017 Baseline & 2030 Forecast.

- 7:25** 2) Update on Big Mine Warming House Scope of Work.

**8:00 REGULAR COUNCIL MEETING CALLED TO ORDER BY MAYOR OR MAYOR PRO-TEM**

**8:02 APPROVAL OF AGENDA**

**8:04 CONSENT AGENDA**

- 1) June 18, 2018 Regular Town Council Meeting Minutes.

- 2) Appointment of Municipal Court Judge.

- 3) Resolution No. 9, Series 2018 - A Resolution of the Crested Butte Town Council Authorizing the Town of Crested Butte to Apply for a State of Colorado, Department of Local Affairs (DOLA) Energy and Mineral Impact Program Grant for the Funding for the Construction of the Town's Water Treatment Plant Upgrades.

- 4) Award of the Mallardi Theatre Public Art Project to Ben Eaton.

- 5) Solar Array and License Agreement with Gunnison Valley Electric Association.

*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. The Mayor will ask if any citizen or council member wishes to have any specific item discussed. You may request that an item be removed from Consent Agenda at that time, prior to the Council's vote. Items removed from the Consent Agenda will be considered under New Business.*

**8:06 PUBLIC COMMENT**

*Citizens may make comments on item not scheduled on the agenda. Those commenting should state their name and physical address for the record. Comments may be limited to five minutes.*

**8:15 STAFF UPDATES**

**8:25 PUBLIC HEARING**

- 1) Transfer of the Brew Pub License from Mahogany Ridge Brewing Company to Elk Avenue Brewing Company LLC Located at 215 Elk Avenue, Units 3 and 4B.

**8:35 OLD BUSINESS**

- 1) Discussion on The Corner at Brush Creek Housing Project.

- 8:50** 2) CML Conference Discussion.

**9:05 NEW BUSINESS**

- 1) Ordinance No. 20, Series 2018 - An Ordinance of the Crested Butte Town Council Amending Chapter 4, Section 2 of the Crested Butte Municipal Code Pertaining to Sales and Use Tax Definitions and Exemptions.

- 9:10** 2) Presentation on the Audit.

- 9:20** 3) Discussion on Trash Receptacles at Trailheads.

- 9:35** 4) Discussion and Possible Action on the Installation of a New Sidewalk for Safe Routes to School on Belleview or Red Lady Avenue.

- 9:50** 5) Amendment to the Construction Agreement with High Mountain Concepts for the Paradise Park Duplex Build.

**10:00** 6) Discussion and Possible Action on Proceeding with the Paradise Park, Block 76, Affordable Housing Project in 2019.

**10:15** **LEGAL MATTERS**

**10:20** **COUNCIL REPORTS AND COMMITTEE UPDATES**

**10:30** **OTHER BUSINESS TO COME BEFORE THE COUNCIL**

**10:40** **DISCUSSION OF SCHEDULING FUTURE WORK SESSION TOPICS AND COUNCIL MEETING SCHEDULE**

- *Tuesday*, August 7, 2018 - 6:00PM Work Session - 7:00PM Regular Council
- Monday, August 20, 2018 - 6:00PM Work Session - 7:00PM Regular Council
- *Tuesday*, September 4, 2018 - 6:00PM Work Session - 7:00PM Regular Council

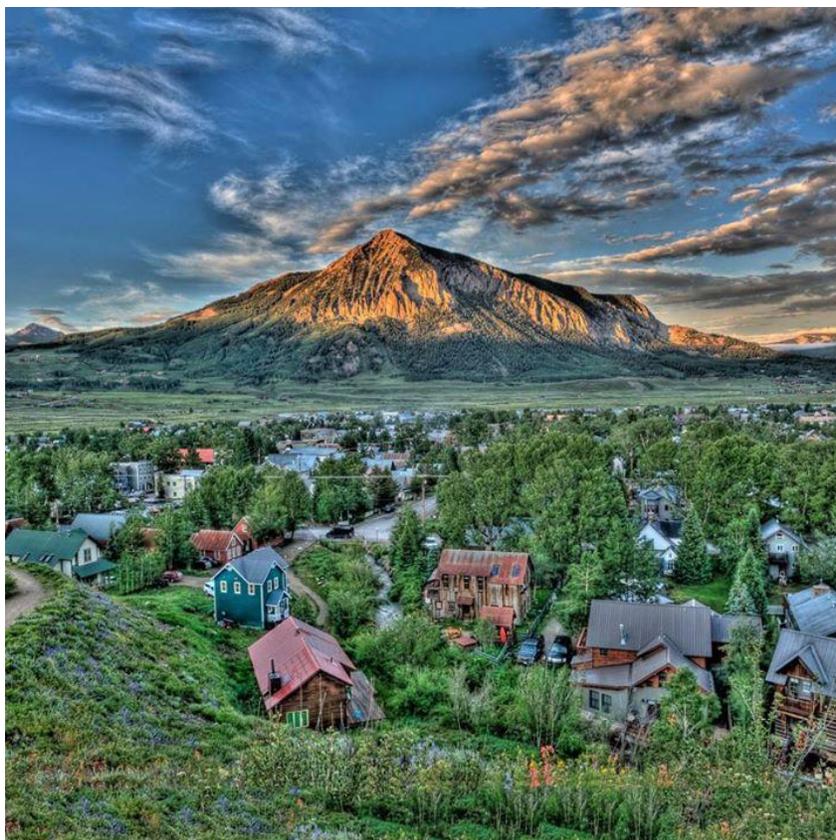
**10:45** **EXECUTIVE SESSION**

1) To discuss the purchase, acquisition, lease, transfer, or sale of real, personal, or other property interest under C.R.S. Section 24-6-402(4)(a) at Long Lake.

**11:05** 2) For the purpose of determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and/or instructing negotiators, under C.R.S. Section 24-6-402(4)(e) Regarding Affordable Housing Projects.

**11:35** **ADJOURNMENT**

**Town of Crested Butte, Colorado**  
**Energy, Materials, and Greenhouse Gas Emissions**  
**Inventory:**  
**2017 Baseline & 2030 Forecast**



**Center for Environment and Sustainability**  
**Community Solutions Incubation+Innovation (CS2I) Lab**  
**June 2018**



**WESTERN** STATE  
**COLORADO UNIVERSITY**

**Prepared by:**

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**Western State Colorado University**

**Prepared for:**

**Town of Crested Butte, Colorado**

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## Table of Contents

List of Tables.....	iii
List of Figures .....	iii
Executive Summary.....	1
<b>1. Introduction and Background .....</b>	<b>3</b>
1.1 Energy & GHG Emissions Baseline and Forecasting .....	3
1.2 Greenhouse Gases (GHGs) .....	4
1.3 Background: Energy and GHG in Crested Butte .....	4
<b>2. GHG Inventory Methodology .....</b>	<b>5</b>
2.1 Method and Scopes .....	5
2.2 In-Boundary Activities .....	5
2.3 Out-of-Boundary Activities .....	6
2.4 Assessed Sectors.....	6
2.5 Required Data and Benchmarks .....	7
<b>3. 2017 Town of Crested Butte Energy and GHG Emissions Baseline Inventory.....</b>	<b>7</b>
3.1 Reporting year .....	8
3.2 Buildings Sector.....	8
3.2.1 Buildings MFA: Energy Use .....	8
3.2.2 Buildings LCA: GHG Emissions.....	8
3.3 Transportation Sector.....	9
3.3.1 Surface Travel and Vehicle Intensity.....	9
3.3.3 Emissions from Gasoline, and Diesel.....	10
3.4 Materials and Waste Sector.....	10
3.4.1 Water & Wastewater .....	10
3.4.2 Municipal Solid Waste .....	10
3.4.3 Fuel Refining .....	11
3.4.4 Cement in Concrete.....	11
3.4.5 Food Consumption .....	11
3.4.6 Total Materials and Waste Emissions.....	11
3.5 Community-Wide GHG Emissions Inventory and Footprint.....	12
3.6 Benchmarking.....	13
<b>4. 2030 GHG Emissions Forecast .....</b>	<b>14</b>
4.1 Buildings: Residential and Commercial .....	14
4.1.1 Residential Buildings .....	14
4.1.2 Commercial Buildings.....	16
4.2 Surface Travel .....	17
4.3 Water & Wastewater.....	18
4.4 Waste Landfilling .....	19
4.5 Totals and Conclusions.....	19
<b>Appendix.....</b>	<b>22</b>
Appendix A: Community Climate Action Planning .....	22

<b>Appendix B: Abatement Possibilities .....</b>	<b>23</b>
<b>Works Cited.....</b>	<b>25</b>

## List of Tables

Table 1: Global Warming Potentials .....	4
Table 2: Required Energy Data and Computed Benchmarks for completing a community's baseline energy and material 'in-boundary' inventory.....	7
Table 3: 2017 Buildings Energy Use and GHG Emissions – Town of Crested Butte.....	9
Table 4: Transportation sector energy use and GHG emissions.....	10
Table 5: GHG emissions associated with materials and waste in Crested Butte. ....	11
Table 6: Summary of 2017 GHG emissions for the Town of Crested Butte .....	12
Table 7: Energy use and GHG Emissions benchmarks. Crested Butte, Gunnison County, and State of Colorado. ....	13
Table 8: Residential energy use and GHG emissions forecast in five-year increments. ....	16
Table 9: Commercial energy use and GHG emissions forecast in five-year increments.....	17
Table 10: GHG Emissions Forecast – Summary.....	21
Table 11: Energy and GHG abatement options. A sample from the community-based literature.....	24

## List of Figures

Figure ES.1: Crested Butte 2017 GHG Emissions Footprint .....	1
Figure ES.2: Crested Butte In-Boundary GHG Emissions 2030 Forecast.....	2
Figure 1: The three fundamental types of GHG accounting approaches for communities. ....	6
Figure 2: Residential building energy use thru 2030, <i>in MWh</i> .....	15
Figure 3: Residential building GHG emissions thru 2030, <i>in mt CO<sub>2e</sub></i> .....	15
Figure 4: Commercial building energy use thru 2030, <i>in MWh</i> .....	16
Figure 5: Commercial building GHG emissions thru 2030, <i>in mt CO<sub>2e</sub></i> .....	17
Figure 6: Surface travel GHG emissions thru 2030, <i>in mt CO<sub>2e</sub></i> .....	18
Figure 7: Waste landfilling GHG emissions thru 2030, <i>in mt CO<sub>2e</sub></i> .....	19
Figure 8: Waste landfilling GHG emissions thru 2030, <i>in mt CO<sub>2e</sub></i> .....	19
Figure 9: Crested Butte In-Boundary GHG Emissions 2030 Forecast.....	21
Figure 10: UN Habitat's Community Climate Action Planning Process.....	23

## Executive Summary

The Town of Crested Butte and Western State Colorado University's Community Solutions Incubation+Innovation (CS2I) Lab have partnered to complete: 1) a 2017 energy use and GHG emissions baseline inventory and footprint for Crested Butte, and 2) forecast community-wide GHG emissions to year 2030. This work has been completed by applying latest and global best practices for community-scale energy and GHG emissions accounting. The inventory accounts for in-boundary activities resulting from residential buildings, commercial buildings, surface travel, waste landfilling, and water & wastewater electricity use. Beyond the inventory, the footprint also accounts for out-of-boundary energy uses and GHG emissions rooted in the key essential activities of: fuel refining (for transportation), cement production (for built environment), and food production.

Applying variables that included demographic, economic, and technical infrastructural changes, the CS2I Lab also completed a GHG emissions forecast to 2030. The forecast is intended to be a tool for the local government in having a reference point for future actions, thereby allowing for continued tracking over time. Note, the 2030 forecast is completed for Crested Butte's in-boundary inventory sectors (residential buildings, commercial buildings, surface travel, waste landfilling, and water & wastewater electricity use).

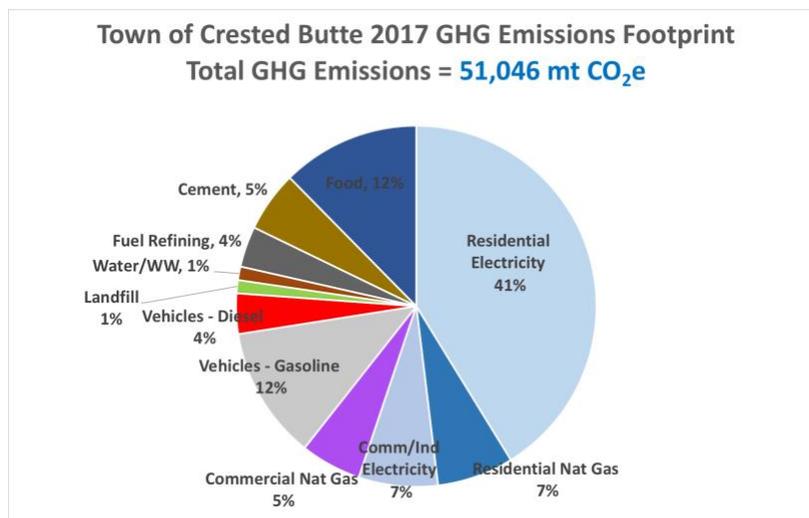
### ***Results – Energy and GHG Emissions Baseline***

This assessment estimates GHG emissions associated with Crested Butte in 2017 amount to: **In-Boundary Inventory (Scopes 1+2)** associated with residential + commercial buildings, surface travel, waste landfilling, and water & wastewater electricity use = **40,088 mt CO<sub>2</sub>e**

**Essential Out-of-Boundary Flows (Scope 3)** associated with fuel refining, cement production, and food production = **10,958 mt CO<sub>2</sub>e**

**TOTAL Crested Butte Community-Wide Footprint (Scopes 1+2+3) = **51,046 mt CO<sub>2</sub>e****

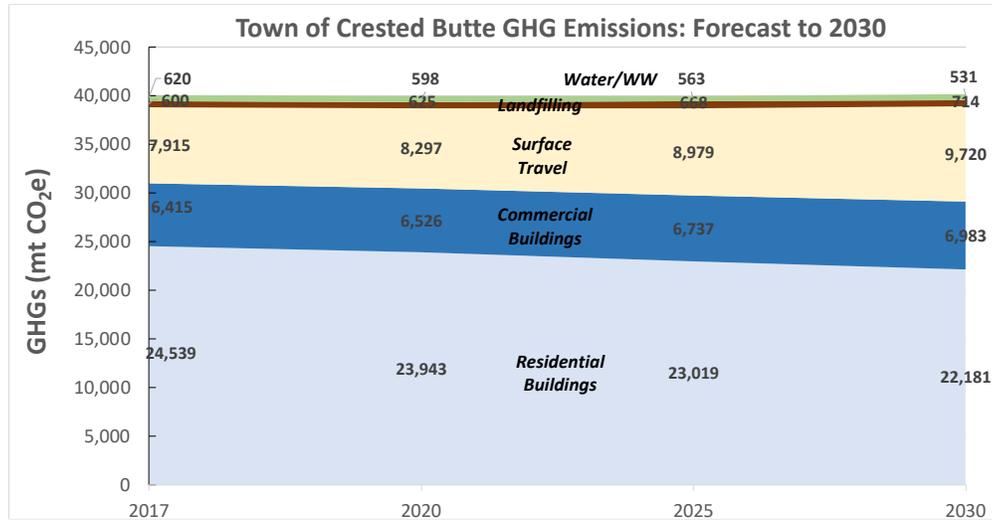
Figure ES.1 shows the allocation of Crested Butte's GHG emissions footprint across sectors. Observe that buildings energy use amounts to **61%** of the community's footprint, with electricity alone being **48%** of the footprint.



**Figure ES.1: Crested Butte 2017 GHG Emissions Footprint.**

**Results – Energy and GHG Emissions 2030 Forecast:**

The use of high-quality publicly available demographic, economic, and technological data were applied in creating a 2030 forecast for Crested Butte. The forecast reveals that Crested Butte’s in-boundary GHG emissions are projected to increase slightly from 2017 levels of 40,088 mt CO<sub>2</sub>e to 40,129 mt CO<sub>2</sub>e in 2030. At 22.8% increase, Surface Travel is projected to increase the most during this period. See Figure ES.2.



**Figure ES.2: Crested Butte In-Boundary GHG Emissions 2030 Forecast.**

## 1. Introduction and Background

Sustainability and resilience are two concepts that are becoming increasingly more familiar for and common parlance in local governments. Sustainability is often rooted in the “three E’s” (Economics, Environment and Equity), and resilience is measured by the ability of a system to respond or return to functioning state post-shock. All the while, in order for maximum relevance, each concept ought to be placed and defined within the local community’s context.

To this end, Dr. Abel Chávez and his CS2I Lab (Community Solutions Incubation+Innovation) team at Western State Colorado University (Western) partner with local governments and their constituents to develop their respective contexts and coupled narratives around energy, materials, and greenhouse gas (GHG) emissions. The CS2I Lab team also employs robust data processes to create energy and GHG emissions forecasts that are employed in long-term sustainability, resilience, and community planning.

The following report describes the results from energy and GHG emissions baselining and forecasting conducted through the partnership of Western and the Town of Crested Butte, Colorado. First, a brief introduction into baselining guiding principles and global best practices are presented. Second, results from the energy and GHG emissions baselining are shared. Last, highlights from the energy and GHG emissions forecasting to year 2030.

The reader should note the important difference between inventory and footprint. An inventory is boundary limited in that only activities from within the community are considered. However, the reality is that communities are far more complex than their in-boundary activities and depend on a vast number of supply-chains. A footprint therefore expands beyond the community boundary to consider a series of inexorably linked flows, that are imperative for community and economic function. Additionally, while the expansion from inventory to footprint will also yield a ‘larger’ estimate of a community’s energy and GHG emissions, cost-effective actions may enhance efficiencies across out-of-boundary activities while preventing shifting of impacts, thus yielding a more holistic and realistic representation of the community.

### **1.1 Energy & GHG Emissions Baselining and Forecasting**

As our economic system globalizes, the chains through which demand for energy and materials are provisioned are increasingly longer, more complex, and often more abstract. Thus, such energy and GHG emissions baselines are a useful mechanism for assessing a series of fundamental community questions including: “how much of particular energy type is used by vs. in the community and for what purposes?”; “how secure are the community’s energy sources, and where are resilience opportunities?”; or, “can we continue growing our economy in a sustained manner?”. A strong, robust, and community-driven baseline and forecast is a tool for all government-level departments in their respective and collective planning efforts, yielding an understanding of the possibilities towards building a strong local economy that generates jobs for its healthy residents, who are able to reap the benefits of energy efficient and renewable technologies.

In addition to the energy and GHG emissions baseline for year 2017, this report also summarizes a business-as-usual (BAU) forecast of Crested Butte’s energy and GHG emissions to year 2030. Such a forecast allows for informed planning with innovative actions which can drive specific actions, all while being able to track the effects of actions in real-time, and long-term.

## 1.2 Greenhouse Gases (GHGs)

There are several greenhouse gases that are captured in a GHG emissions Baseline. GHGs include carbon dioxide ( $CO_2$ ), methane ( $CH_4$ ), nitrous oxide ( $N_2O$ ), and three replacements for chlorofluorocarbons (**CFC**) (HFCs, PFCs,  $SF_6$ ) that have mostly been phased out as a result of the 1989 Montreal Protocol. CFCs are typically small, unless significant industrial production of these chemicals occurs within the community.

**Dominant GHGs:** In the U.S., carbon dioxide ( $CO_2$ ), methane ( $CH_4$ ), and nitrous oxide ( $N_2O$ ) emissions account for 97% of GHG emissions (EPA, 2016).

**Sources of GHGs:** There are a number of prominent GHG sources across communities. Carbon dioxide ( $CO_2$ ), the largest contributor, is frequently produced from the combustion of fossil fuels in furnaces, power plants, and vehicular transportation. Methane ( $CH_4$ ) is most often produced from waste decomposition (naturally or in landfills), enteric fermentation (cattle), and from fugitive emissions in natural gas pipelines. Nitrous oxide ( $N_2O$ ) is most often emitted during wastewater treatment and agricultural soil and manure management.

**GHGs Global Warming Potentials:** GHGs are classified by their ability to trap heat in the atmosphere, and thus are assigned a value called Global Warming Potential (GWP). As a result, GHGs from different sources are then aggregated by their respective GWP and reported as a whole on a common basis known as metric tons of carbon dioxide equivalent (mt  $CO_2e$ ). Table 1 shows the GWP for the top three greenhouse gases in the atmosphere. Note that methane has 28 times more potential to trap heat than carbon dioxide, and nitrous oxide has 265 times more potential.

**Table 1: Global Warming Potentials**

Greenhouse gas	Chemical Formula	Global Warming Potential
Carbon Dioxide	$CO_2$	1
Methane	$CH_4$	28
Nitrous Oxide	$N_2O$	265

## 1.3 Background: Energy and GHG in Crested Butte

Crested Butte is one, of three, semi-urban areas of Gunnison County. The other two semi-urban areas are City of Gunnison, and Mt. Crested Butte. As a whole, Gunnison County, a mostly rural county, is located in southwest Colorado. Total Gunnison County population is estimated at 16,145 people, with about 50% of the population concentrated in the semi-urban areas, of which 1,648 people are estimated to live in Crested Butte (Census, 2016). With an average elevation of 7,700 feet above sea-level, the valley is also one of the coldest in the continental U.S., averaging 37°F. The community is a place with rich diversity, where its people are proud to call home. To assist in imagining the menu of novel development pathways, energy and GHG emissions analysis can reveal insights for stakeholders about key critical paths, while creating new and novel opportunities for all.

Often, energy and GHG emissions analyses are placed under the broad nomenclatures of *Energy Plan*, or *GHG Emissions Inventories*, or *Footprints*. In 2008, a group of community members released the Upper Gunnison River Watershed Greenhouse Gas Emissions Inventory (UGRW) applying 2005 activity data to a boundary defined by the watershed (ORE, 2008). In 2009, a separate study that borrowed

data from the UGRW yielded the Energy Action Plan for The Town of Crested Butte (EAP, 2009) as a tool to stimulate action towards energy use reduction. This GHG emissions baseline and forecast obtained new and current data, while also applying present energy and GHG accounting methodologies as detailed in recently released global standards (i.e., ICLEI, 2012; PAS, 2013; GPC, 2014). Thus, the objectives of this study included:

- In partnership with Crested Butte, conduct a baseline inventory and footprint of community-wide energy use and GHG emissions;
- Understand key sources of use and opportunity across sectors associated with Crested Butte activities;
- Explore innovative actions that Crested Butte can promote to its policymakers and constituents in efforts of economic development, leadership & innovation, business opportunities, resource conservation, and energy efficiency.

Following is a detailed description and findings of our analysis.

## 2. GHG Inventory Methodology

### 2.1 Method and Scopes

This Energy and GHG Inventory for the Town of Crested Butte is completed using the latest community-based methods (ICLEI, 2012; PAS, 2013; GPC, 2014), which Dr. Abel Chávez helped inform and author. These latest methods delineate and describe many important community details around in-boundary (within jurisdictional boundary), and out-of-boundary activities – often reported using the Scope framework. Of the three scopes (Scope 1, 2, 3), Scope 1 are those from purely in-boundary activities, i.e., on-site combustion of fuels (natural gas combustion in furnaces, or vehicle fuel). Scope 2 emissions are usually out-of-boundary resulting from purchased electricity that is generated beyond the community boundary. Last, Scope 3 includes other “optional” out-of-boundary activities crucial for a community (e.g. water, food, fuels, and shelter).

In general, there are three types of approaches to community scale energy, material, and GHG emission accounting, each of which yields unique narratives and policy options. The three are:

- Purely Territorial (Scope 1);
- Expanded Production (Scope 1, 2, 3 as related to ‘production’); and
- Consumption-Based (Scope 1, 2, 3 as related to ‘consumption’).

Figure 1 (adapted from Chavez et al., 2013) illustrates these flows in schematic form. This effort mostly reflects a purely territorial (Scope 1), plus Scope 2, with focused production Scope 3, as recommended in global protocols. In addition to the results in this report, consumption-based accounting may also reveal additional policy options available to the community.

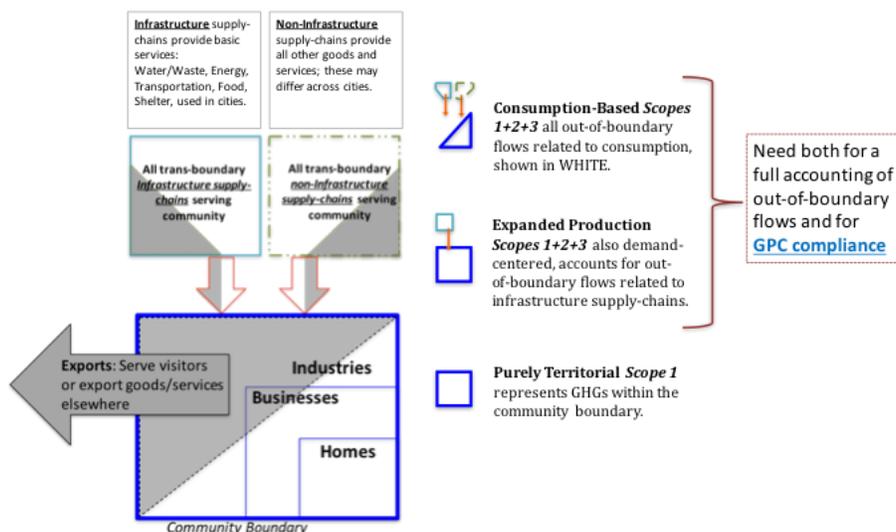
### 2.2 In-Boundary Activities

In-boundary activities accounted include the following.

- **BUILDINGS:** Use of electricity and natural gas in residential and commercial buildings in the community. The uses of these fuels are converted to GHG emissions via each fuels’ emissions factor.
- **SURFACE TRANSPORT:** Use of gasoline, diesel by personal and commercial vehicles in the community. Specifically captured as tailpipe GHG emissions from operating vehicles

within the community.

- **WATER and WASTEWATER:** The amount of electricity used in pumping and treatment of water and wastewater used in the community.
- **WASTE LANDFILLING:** Amount of waste landfilled in the community by residential and commercial/industrial sectors. Best practices from EPA's WARM are used for estimating waste GHG emissions.



**Figure 1: The three fundamental types of GHG accounting approaches for communities.**

### 2.3 Out-of-Boundary Activities

Despite the fact that a community may report a larger GHG footprint upon including Scope 3 activities, there may also be cost-effective actions that can be taken to enhance efficiencies across Scope 3 emissions. The following out-of-boundary activities, when added to in-boundary activities, yield a holistic account of a community's GHG emissions footprint:

- **INFRASTRUCTURE SUPPLY-CHAINS:** This includes energy use and embodied GHG emissions from producing key materials such as water (when trans-boundary), energy, transport fuels, food, and shelter (cement for concrete), necessary to support life and economic development in the community.
- **NON-INFRASTRUCTURE SUPPLY-CHAINS:** These are associated with the provisioning of all other goods and services, such as financial, health, or educational type of services. Though not accounted for in this report, they can provide additional insights.

### 2.4 Assessed Sectors

To better communicate a community's overall energy use and GHG emissions, classifying energy end-use in three different sectors is most comprehensible in community-wide communications. Thus, noting that the adopted approach is a 'production' based approach, here we report energy use and GHG emissions in the following three sectors:

- **Buildings Sector:** Energy use (electricity, and natural gas) in residential and commercial buildings.
- **Transportation Sector:** Energy (gasoline, and diesel) used in personal and commercial

vehicles. Often referred to as Pump-to-Wheels (PTW).

- **Materials and Waste Sector:** Energy use and associated GHG emissions from producing critical infrastructure materials (food, energy, water, cement) and waste landfilling.

## 2.5 Required Data and Benchmarks

In order to adequately complete the 2017 baseline for Crested Butte, the following data were gathered (see Table 2). In addition to these data, benchmarks were computed to validate and identify possibly spurious data points and determine key community efficiencies.

Next, to convert energy and material use to GHG emissions, GHG Emissions Factors (EF) are employed. GHG EFs are based on latest technological understanding and represent the amount of CO<sub>2</sub>e (carbon dioxide equivalents) emitted per unit of the unit used. For example, kg CO<sub>2</sub>e emitted per unit kWh of electricity consumed (or kg CO<sub>2</sub>e/kWh).

Last, total **GHG** emissions are computed as the product of how much is consumed (**MFA**) and the GHG emissions per unit of the product consumed (**LCA**), or **GHG = MFA X LCA**. Thus, each sector's CO<sub>2</sub>e emissions can be summed to find the total community-wide emissions.

**Table 2: Required Energy Data and Computed Benchmarks for completing a community's baseline energy and material 'in-boundary' inventory.**

Sector	Required Energy Data	Computed Benchmarks
<b>Buildings (Residential, and Commercial)</b>	<ul style="list-style-type: none"> <li>• Electricity: total kWh</li> <li>• Natural gas: total therms (or BTU)</li> <li>• Other Fuels, as applicable</li> </ul>	<u>Residential Intensity:</u> kWh/HH/mo therms/HH/mo kBTU/HH/mo  <u>Commercial/Industrial Intensity:</u> kWh/job/mo therms/job/mo kBTU/job/mo
<b>Surface Transport</b>	<ul style="list-style-type: none"> <li>• Gasoline: gallons used/purchased</li> <li>• Diesel: gallons used/purchased</li> <li>• Vehicle Miles Traveled (VMT)</li> </ul>	VMT/person/day gallons-gasoline/cap/yr gallons-diesel/cap/yr
<b>Landfilling</b>	<ul style="list-style-type: none"> <li>• Waste landfilled</li> <li>• Characterized waste landfilled</li> </ul>	tons-waste landfilled tons-waste landfilled/capita

## 3. 2017 Town of Crested Butte Energy and GHG Emissions Baseline Inventory

This GHG Emissions Inventory and Footprint summary report is intended to serve as a baseline of energy use and GHG emissions for Crested Butte in 2017. It is Dr. Chávez's intent that the Town of Crested Butte have the necessary information for informed economic and environmental innovation across the community and throughout the valley. As the Town proceeds to, and continues to, embark on triple-bottom line actions, Western's CS2I Lab team led by Dr. Chávez, will be able to assist the community in tracking the progress towards integrating infrastructure efficiencies, reducing environmental impacts, and the economic and social benefits that come as a result of such actions.

### 3.1 Reporting year

This analysis was completed for 2017 based on consultations with the Town, and assessment on most recent available data. Following are the summarized results for energy and GHG emissions relating to the sectors of:

- Buildings
- Surface Travel
- Water/Wastewater
- Waste and *selected* Materials

This baseline can be referenced, and the effects of local actions can be tracked, in assessing the Town's goals progress moving forward. For each sector, raw activity/use data are presented, GHGs are computed and reported in metric tons of carbon-dioxide equivalent (mt CO<sub>2</sub>e), and data benchmarks are quantified and compared to relevant Gunnison County, and State of Colorado metrics.

### 3.2 Buildings Sector

#### 3.2.1 Buildings MFA: Energy Use

The buildings sector reports electricity, and natural gas used by residential, and commercial buildings. These data were obtained from the following: Electricity from Gunnison County Electric Association (GCEA) for 2017. Natural Gas from Atmos Energy for 2017.

Next, using socio-demographic data pertaining to population (from Colorado's Department of Local Affairs (DOLA)), households (from the U.S. Census), and employment (from the Gunnison Valley Housing Needs Assessment), building energy use intensities were computed as shown in Table 2. Thus, the computed building energy use intensities for Crested Butte were benchmarked with parallel Gunnison County, and State of Colorado metrics reported by the Energy Information Administration (EIA) State Energy Data System (SEDS). The resulting metrics for Crested Butte, Gunnison County, and the State of Colorado are shown in Table 7.

#### 3.2.2 Buildings LCA: GHG Emissions

GCEA's EF was retrieved from Tri-State Generation and Transmission Association (Tri-State) – GCEA's sole supplier – and reported as 0.74 kg CO<sub>2</sub>e/kWh (Tri-State, 2015). For natural gas, the EF value applied was 5.3 kg CO<sub>2</sub>e/therm (EPA, 2014) corresponding to the national default values, which does not generally change according to region. Therefore, total energy use (or MFA), is multiplied by that fuel's respective emissions factors (or LCA), to compute the total GHG emissions, resulting in **30,954 mt CO<sub>2</sub>e** for the total buildings sector; residential buildings generating **24,539 mt CO<sub>2</sub>e**, and commercial buildings **6,415 mt CO<sub>2</sub>e**. See Table 3 for added details.

**Table 3: 2017 Buildings Energy Use and GHG Emissions – Town of Crested Butte.**

<b>Residential Energy</b>	<b>2017</b>
Total Population	1,628
Households	1,083
GCEA Grid Electricity use (kWh)	30,118,932
Natural Gas use (therms)	659,490
<b>Total Residential GHG emissions (mt CO<sub>2</sub>e)</b>	<b>24,539</b>
<b>Commercial Energy</b>	<b>2017</b>
Jobs	4,208
GCEA Grid Electricity use (kWh)	5,190,641
Natural Gas use (therms)	525,550
<b>Total Comm. GHG emissions (mt CO<sub>2</sub>e)</b>	<b>6,415</b>
<b>Total Buildings GHG Emissions (mt CO<sub>2</sub>e)</b>	<b>30,954</b>

### 3.3 Transportation Sector

Transportation energy use in Crested Butte results from a principal source:

1. **Personal and Commercial Vehicles (Surface Travel)**

Summary statistics for Crested Butte’s transportation sector are presented in Table 4 below.

#### 3.3.1 Surface Travel and Vehicle Intensity

Estimating surface travel energy use for the Town of Crested Butte employed the following 2015 data. First, annual vehicle miles traveled (VMT) were retrieved from the Colorado Department of Transportation (CDOT) at the scale of Gunnison County using the VMT tool (CDOT, 2015), amounting to a county-wide estimate of 153.9 million VMT, or 26.3 miles/person/day. Next, we applied the county average of 26.3 miles/person/day to estimate the total vehicles miles in Crested Butte as 15,596,511 miles. Then, using total vehicle miles with the percentage of national VMTs by vehicle type (e.g., light duty vehicles, trucks, bus, etc.), the Town’s VMTs were allocated to the same vehicle types, resulting in estimated VMTs by vehicle type in Crested Butte. Last, total fuel usage, in gallons of gasoline and diesel, were computed via the ratio of VMT (miles) to fuel economy (miles per gallon). See Table 4 for fuel estimates.

The above approach was validated in the following manner.

- a. CDOT VMTs were compared to similar statistics reported by HPMS and EPA which uses average roadway vehicle-miles in both urban and rural U.S. counties. Our approach produced no computable differences. 27.2 miles/cap/day from HPMS, compared to 26.3 miles/cap/day our estimate.
- b. Fuel use, per capita gallons of gasoline and diesel, respectively, were benchmarked to State

metrics; acceptable and only minor differences noted. See benchmarking table, Table 7.

### 3.3.3 Emissions from Gasoline, and Diesel

Transportation fuel (gasoline, and diesel) combustion emissions factors were obtained from EPA (2014) – the following factors were used in this baseline inventory: gasoline = 8.87 kg CO<sub>2</sub>e/gallon, and diesel = 10.22 kg CO<sub>2</sub>e/gallon. Upon multiplying fuel used by type (MFA) by the respective EF (LCA), the following estimates of GHG emissions were computed for Crested Butte: Gasoline = 6,068 mt CO<sub>2</sub>e; Diesel = 1,847 mt CO<sub>2</sub>e, for a total transportation GHG emissions of **7,915 mt CO<sub>2</sub>e**. Table 4 provides additional details.

**Table 4: Transportation sector energy use and GHG emissions.**

<b>Surface Travel</b>	<b>2015</b>
Annual Vehicle Miles Traveled (VMT)	15,596,511
<i>VMT/person/day</i>	26.3
Annual Fuel Use	
<i>Gasoline (gallons)</i>	684,224
<i>Diesel (gallons)</i>	180,736
<b>Total Surface Travel GHG Emissions (mt CO<sub>2</sub>e)</b>	<b>7,915</b>

### 3.4 Materials and Waste Sector

As recommended by global community protocol, an expanded production footprint must account for materials from several key sources of GHG emissions including: fuel refining, food production, cement, water & wastewater, and municipal solid waste (MSW). This study accounted for this full suite of sectors, aligning well with global protocols.

#### 3.4.1 Water & Wastewater

The GHG emissions associated with water & wastewater utilities in Crested Butte account for the electricity used in water pumping and wastewater treatment; two of the major sources covering a large portion of this sector's GHGs. Data on the community's electricity use in water & wastewater operations were supplied directly by the Crested Butte Public Works Department. GCEA's electricity EF was retrieved from Tri-State and reported as 0.74 kg CO<sub>2</sub>e/kWh (Tri-State, 2015). As a result, water related operations released 119 mt CO<sub>2</sub>e, and wastewater operations released = 501 mt CO<sub>2</sub>e, for a sector total of **620 mt CO<sub>2</sub>e**.

#### 3.4.2 Municipal Solid Waste

Statistics on the municipal solid waste (MSW) landfilled by Crested Butte were retrieved from Waste Management. These data reported the community generated 643 tons of MSW in 2017, though 466 tons of MSW were landfilled – or 177 tons of MSW recycled. Thus, only the landfilled portion of MSW is considered in GHG emissions estimated. As result of applying the EPA's Waste Reduction Model (WARM) to estimate GHG emissions from solid waste as a result of anaerobic breakdown of biodegradable material, and selecting mixed MSW with no flaring in WARM, it is estimated that **600 mt CO<sub>2</sub>e** are emitted from waste landfilling in Crested Butte.

### 3.4.3 Fuel Refining

GHG emissions factors for fuel refining, or Wells-to-Pump (WTP), were retrieved from Argonne National Laboratory's GREET (Greenhouse gases, Regulated Emissions, and Energy use in Transportation) model (ANL, 2016). The corresponding values are: gasoline = 2.0 kg CO<sub>2e</sub>/gallon, diesel = 2.65 kg CO<sub>2e</sub>/gallon, and jet fuel = 2.65 kg CO<sub>2e</sub>/gallon. As a result, fuel refining associated with Crested Butte's surface travel emitted: gasoline = 1,382 mt CO<sub>2e</sub>, and diesel = 480 mt CO<sub>2e</sub>, for a total of **1,862 mt CO<sub>2e</sub>**.

### 3.4.4 Cement in Concrete

While a community uses a number of construction materials throughout its built environment, global protocols recognize cement as a material used in high amounts, and the material with high energy and GHG intensities. National Renewable Energy Laboratory's (NREL) Life Cycle Inventory Database reports that Portland cement production emits 0.93 kg CO<sub>2e</sub>/kg cement (NREL, 2016). Cement flows in Crested Butte were estimated by first coupling State financial data for the cement sector (NAICS 3273) from Census (2016), where total sales are estimated as \$912.6 million, with the average cost of cement (\$90/mt cement). Then, the State's use of cement flows were allocated to Crested Butte via the proportion of Crested Butte-to-State population, arriving at **2,771 mt CO<sub>2e</sub>** for cement GHG emissions attributed to Crested Butte.

### 3.4.5 Food Consumption

Food is one more essential flow to be captured in community footprints. Like the other materials sectors, food is not usually produced in large amounts within the community's limits; on the contrary, there are many miles between food's point of production and its consumption. Thus, the embodied energy from food and food packaging is determined as follows. The Consumer Expenditure Survey (CES) provides average annual household food expenditures, estimated at \$3,245/HH/yr for Gunnison in 2015, after adjusting for inflation (BLS, 2015). The emissions factor for food production is estimated at 1.8 kg CO<sub>2e</sub>/\$<sub>2002</sub> (CMU, 2015). After apportioning from Gunnison County to the Town of Crested Butte via population, the estimated GHG emissions associated with food in Crested Butte are **6,325 mt CO<sub>2e</sub>**.

### 3.4.6 Total Materials and Waste Emissions

Total emissions associated with water & wastewater, waste landfilling, fuel production, cement production, and food production are summarized in Table 5 below.

**Table 5: GHG emissions associated with materials and waste in Crested Butte.**

Material	Material Flow	GHG Emissions (mt CO <sub>2e</sub> )
Water & Wastewater		
<i>Water (kWh)</i>	169,600	119
<i>Wastewater (kWh)</i>	717,331	501
Waste Landfilling (tons)	466	600
Fuel Refining		
<i>Gasoline (gallons)</i>	684,224	1,382
<i>Diesel (gallons)</i>	180,736	480

Cement Production (tonnes)	2,980	2,771
Food Production (\$/HH)	\$3,245	6,325
<b>Total Materials and Waste GHG Emissions (mt CO<sub>2e</sub>)</b>		<b>12,178</b>

### 3.5 Community-Wide GHG Emissions Inventory and Footprint

This effort has allowed the Town of Crested Butte to obtain both, baseline energy and GHG emissions inventory, and footprint. An inventory accounts for in-boundary flows (Scope 1) plus out-of-boundary flows associated with purchased electricity generation (Scope 2). However, communities are greatly dependent on robust sets of infrastructure supply-chains for sustaining local economic development, that considering footprints, which include Scope 3 energy and GHG emissions, are essential for planning. As a result, Crested Butte's GHG emissions inventory (Scope 1 + 2) totaled 40,088 mt CO<sub>2e</sub>, or 24.6 mt CO<sub>2e</sub>/capita. Upon aggregating out-of-boundary infrastructure supply-chains associated with key materials in Crested Butte (Scope 3), the GHG emissions footprint totals 51,046 mt CO<sub>2e</sub>, or 31.4 mt CO<sub>2e</sub>/capita. These data are summarized in Table 6 below.

**Table 6: Summary of 2017 GHG emissions for the Town of Crested Butte**

Sector		(A) Material/Energy Flow	(B) Emissions Factor	(A x B) = GHG Emissions (mt CO <sub>2e</sub> )
Residential Buildings	Electricity	30,118,932 kWh	0.74 kg CO <sub>2e</sub> /kWh	21,039
	Natural Gas	659,490 therms	5.3 kg CO <sub>2e</sub> /therm	3,500
Commercial Buildings	Electricity	5,190,641 kWh	0.74 kg CO <sub>2e</sub> /kWh	3,626
	Natural Gas	525,550 therms	5.3 kg CO <sub>2e</sub> /therm	2,789
Surface Travel	Gasoline	684,224 gallons	8.87 kg CO <sub>2e</sub> /gallon	6,068
	Diesel	180,736 gallons	10.22 kg CO <sub>2e</sub> /gallon	1,847
Water & Wastewater	Water	169,600 kWh	0.74 kg CO <sub>2e</sub> /kWh	119
	Wastewater	717,331 kWh	0.74 kg CO <sub>2e</sub> /kWh	501
Waste Landfilling	MSW Landfilled	472 tons	1.27 mt CO <sub>2e</sub> /ton	600
Fuel Refining	Gasoline	684,224 gallons	2.0 kg CO <sub>2e</sub> /gallon	1,382
	Diesel	180,736 gallons	2.65 kg CO <sub>2e</sub> /gallon	480
Cement Production	Cement	2,980 tonnes	0.93 mt CO <sub>2e</sub> /mt	2,771
Food Production	Food	\$3,245/HH (2002\$)	1.8 kg CO <sub>2e</sub> /\$ <sub>2002</sub>	6,325
<b>Total GHG Emissions Footprint (Scopes 1+2+3)</b>				<b>51,046</b>
<b>Per Capita GHG Emissions</b>			<b>31.4 mt CO<sub>2e</sub>/capita</b>	

### 3.6 Benchmarking

Computing total emissions for a community is indeed an essential step towards measuring and continually tracking progress. In order for data to withstand the highest levels of scrutiny however, it must be validated. Therefore, Dr. Chávez employs rigorous levels of data benchmarking to illustrate the alignment of adopted data with what might be expected. The following table, Table 7, shows the results of the data benchmarking process comparing Crested Butte energy and GHG emissions data against high-quality Gunnison County and State data. As a result, this ensures the data can be trusted and used for actionable local planning & engagement.

**Table 7: Energy use and GHG Emissions benchmarks. Crested Butte, Gunnison County, and State of Colorado.**

Town of Crested Butte Residential Building Energy Benchmarks					
	Metric	Unit	2017	Gunnison County (2015)	Colorado (2016)
Residential	Population	people	1,628	16,145	5,538,180
	Households	households	1,083	6,870	2,189,004
	Electricity	kWh	30,118,932	94,749,120	18,834
	Natural Gas	therms	659,490	4,309,512	1,254,160,000
	household electricity use	kWh/HH/mo	2,318	1,149	717
	household natural gas use	therms/HH/mo	50.7	52.3	47.7
	Electricity Intensity	kBTU/HH/mo	7,907	3,921	2,446
	Natural Gas Intensity	kBTU/HH/mo	5,075	7,119	5,167
	TOTAL Residential Building Intensity	kBTU/HH/mo	12,982	11,041	7,614
	Electricity intensity	BTU/sq-ft/mo	4,614		1,010
	Natural Gas Intensity	BTU/sq-ft/mo	2,961		2,634
	TOTAL Residential Building Intensity	BTU/sq-ft/mo	7,575		3,644
	Town of Crested Butte Commercial Building Energy Benchmarks				
	Metric	Unit	2017	Gunnison County (2015)	Colorado (2016)
Commercial	Employment	jobs	4,208	10,797	3,232,643
	Electricity	kWh	5,190,641	84,519,362	35,903
	Natural Gas	therms	525,550	3,538,905	2,518,600,000
	Annual electricity use	kWh/job/mo	103	652	926
	Annual natural gas use	therms/job/mo	10.4	27	64.9
	Electricity Intensity	kBTU/job/mo	351	2,226	3,158
	Natural Gas Intensity	kBTU/job/mo	1,041	2,814	6,593
	TOTAL Commercial Building Intensity	kBTU/job/mo	1,392	5,040	9,751
	Electricity Intensity	kBTU/sq-ft/yr	44		44.8
	Natural Gas Intensity	kBTU/sq-ft/yr	130		26.7
	TOTAL Comm-Ind Building Intensity	kBTU/sq-ft/yr	174		71.6
Town of Crested Butte Surface Travel Energy Benchmarks					
	Metric	Unit	2015	Gunnison County (2015)	Colorado (2016)
Surface Travel	VMT	vehicle miles	15,596,511	153,957,372	46,968
	VMT	miles/person/day	26.25	26	23.23
	Gasoline	gallons of gasoline	684,224	6,754,160	2,150,778,000
	Diesel	gallons of diesel	180,736	1,784,098	596,820,000
	Gasoline per capita	gallons-gasoline/cap	420	418	388
	Diesel per capita	gallons-diesel/cap	111	111	108
Town of Crested Butte Waste Landfilling Benchmarks					
	Metric	Unit	2017	Gunnison County (2015)	Colorado (2015)
Landfill	waste landfilled	tons-waste	466	18,647	7,988,308
	normalized waste landfilled	tons-waste/cap	0.29	1.15	1.44

## 4. 2030 GHG Emissions Forecast

This section summarizes the results from the energy and GHG emissions forecast for Crested Butte to year 2030. Such a forecast is a projection of activities, namely energy use, and the resulting GHG emissions. The forecast is driven by a number of variables, including anticipated demographic changes (e.g., population), economic (e.g., jobs), and technical infrastructural dynamics (e.g., electricity emissions factors). While the 2030 energy and GHG emissions forecast is not intended to be a prediction, it is a tool for local governments to have a reference point to be able to visualize and track the effects stemming from a series of local actions over time.

In this forecast, the sectors defined by the inventory portion of this assessment (see Section 3) have been analyzed. The sectors are: residential buildings, commercial buildings, surface travel, water & wastewater, and solid waste. These five sectors represent the majority of Crested Butte's footprint, but the foundation of these five sectors is such that they offer strong and relatively high-quality local data which allows for energy and GHG emissions forecasting. It is noteworthy to reiterate that this 2030 forecast is for in-boundary activities (Scopes 1+2), only, and does not account for out-of-boundary (Scope 3) activities. Recall, said Scope 3 activities from the footprint are: fuel refining, cement production, and food production; these are not forecasted to 2030.

### 4.1 Buildings: Residential and Commercial

As previously noted, electricity is supplied to Crested Butte is exclusively from Gunnison County Electric Association (GCEA). At the time of this report GCEA's EF was 0.74 kg CO<sub>2</sub>e/kWh. The following were applied affecting to the rate at which renewable targets are met:

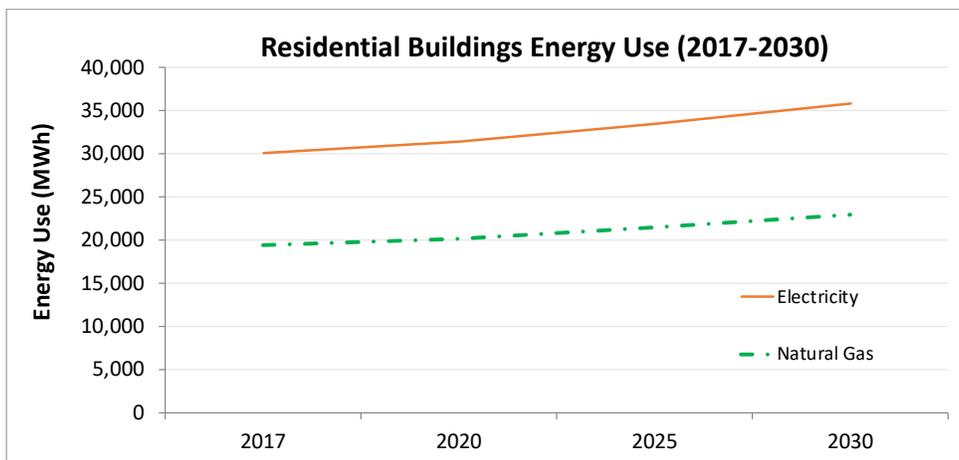
**GCEA** – electricity is supplied to GCEA by Tri-State. A recent annual report indicated Tri-State's regional EF 2030 goals were 0.503 kg CO<sub>2</sub>e/kWh (Tri-State, 2015). Thus, this forecast applied an annual linear reduction between current 2015 EF to 2030 goal.

As explained in the next two sub-sections, residential and commercial energy use forecast assumed that the respective energy use intensities remained unchanged from 2017 levels.

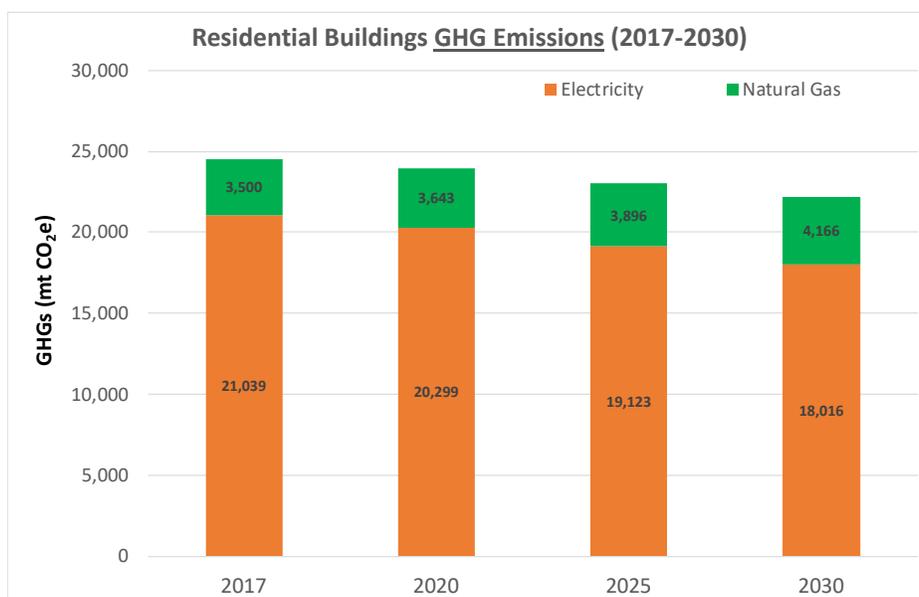
#### 4.1.1 Residential Buildings

The residential buildings sector assumed that energy use per capita remained constant from 2017 levels throughout the forecast to 2030. This assumption applied to electricity use (18,505 kWh/cap/yr), and natural gas use (405 therms/cap/yr). Population statistics for Crested Butte between 2005 and 2016 were retrieved from Colorado's State Demography Office (DOLA, 2016), and the computed 2010-16 compound annual growth rate (CAGR) of 1.35% was used project Crested Butte's population to 2030.

As a result of these assumptions, residential building energy use (Figure 2) and GHG emissions (Figure 3) for Crested Butte are project to experience some growth. Residential energy use is forecasted to increase 19%, from 49,447 MWh in 2017 to 58,851 MWh in 2030. Meanwhile, due to only because of GCEA's EF decrease, residential GHG emissions are forecasted to decrease 9.61%, from 24,539 mt CO<sub>2</sub>e in 2017 to 22,181 mt CO<sub>2</sub>e in 2030. See Table 8.



**Figure 2: Residential building energy use thru 2030, in MWh.**



**Figure 3: Residential building GHG emissions thru 2030, in mt CO<sub>2e</sub>.**

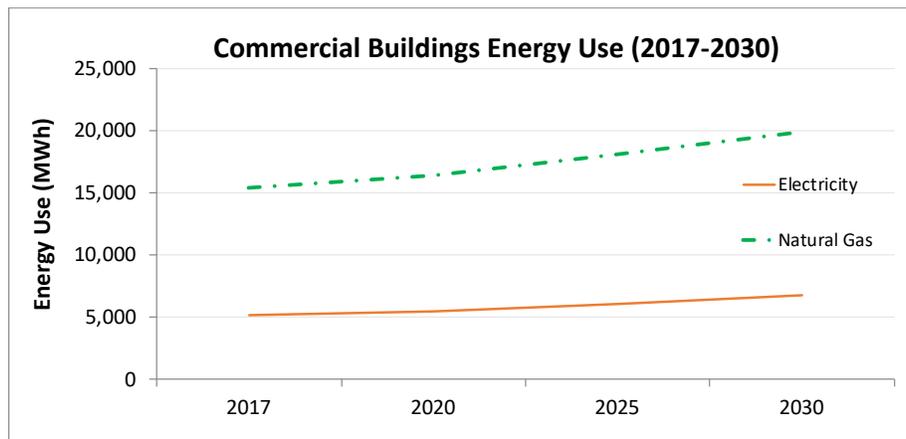
**Table 8: Residential energy use and GHG emissions forecast in five-year increments.**

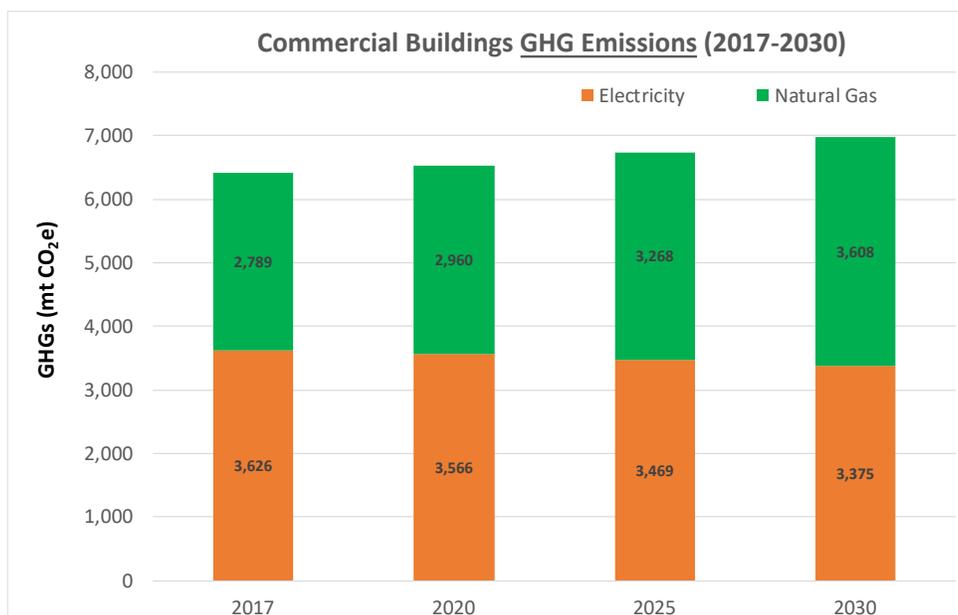
	2017	2020	2025	2030	% total change (2017 – 2030)
<b>Residential Energy Use (MWh)</b>	49,447	51,475	55,039	58,851	<b>19%</b>
<b>Residential Electricity Use (MWh)</b>	30,119	31,354	33,525	35,847	
<b>Residential Natural Gas Use (MWh)</b>	19,329	20,121	21,514	23,004	
<b>Residential GHGs (mt CO<sub>2</sub>e)</b>	24,539	23,943	23,019	22,181	<b>-9.6%</b>

#### 4.1.2 Commercial Buildings

The commercial buildings sector also assumed that energy use intensity remained constant from 2017 levels throughout the forecast to 2030. This assumption applied to electricity use (1,234 kWh/job/yr), and natural gas use (125 therms/job/yr). Employment statistics for Crested Butte were obtained from the Gunnison Valley Housing Needs Assessment, which also reported a projected 2% annual growth for jobs “North Valley”.

As a result, commercial building energy use (Figure 4) and GHG emissions (Figure 5) for Crested Butte are projected to increase. Commercial energy use is forecasted to increase 29.4%, from 20,594 MWh in 2017 to 26,640 MWh in 2030. Meanwhile, commercial building GHG emissions will see a growth of 8.9%, from 6,415 mt CO<sub>2</sub>e in 2017 to 6,983 mt CO<sub>2</sub>e in 2030.

**Figure 4: Commercial building energy use thru 2030, in MWh.**



**Figure 5: Commercial building GHG emissions thru 2030, in mt CO<sub>2</sub>e.**

**Table 9: Commercial energy use and GHG emissions forecast in five-year increments.**

	2017	2020	2025	2030	% total change (2017 – 2030)
<b>Commercial Energy Use (MWh)</b>	20,594	21,854	24,129	26,640	<b>29.4%</b>
<b>Commercial Electricity Use (MWh)</b>	5,191	5,508	6,082	6,715	
<b>Commercial Natural Gas Use (MWh)</b>	15,403	16,346	18,047	19,925	
<b>Commercial GHGs (mt CO<sub>2</sub>e)</b>	6,415	6,526	6,737	6,983	<b>8.9%</b>

## 4.2 Surface Travel

Surface travel is comprised of private and commercial vehicles, predominantly either users of gasoline or diesel. Emerging from the baseline assessment (described previously) were both VMT/capita and VMT by fuel type for Gunnison County, which were then apportioned to Crested Butte. Meanwhile, national statistics from the U.S. Federal Highway Administration were used to derive growth estimates for gasoline and diesel VMT/capita, respectively, for communities that are both urban and rural – a reasonable depiction of the community (FHWA, 2015). From these data, a CAGR for VMT/cap of 0.04% (gasoline) and 0.87% (diesel) were derived, coupled with Crested Butte population projections, and used for forecasting both gasoline VMT and diesel VMT. Then, after applying fuel efficiencies by vehicle type, forecasted GHG emissions were estimated as reported in Figure 6.

Gasoline GHG emissions are forecasted to increase by 19.6%, from 6,068 mt CO<sub>2</sub>e in 2017 to 7,259 mt CO<sub>2</sub>e in 2030. Diesel GHG emissions are forecasted to increase by 33.2%, from 1,847 mt CO<sub>2</sub>e in 2017 to 2,461 mt CO<sub>2</sub>e in 2030.



**Figure 6: Surface travel GHG emissions thru 2030, in mt CO<sub>2</sub>e.**

### 4.3 Water & Wastewater

Projecting the use of water & wastewater utility demand into the future assumed the following. First, for water, we assumed that both metered gallons/capita and pumping kWh/gallons hold constant. Second, for wastewater, we assumed that both effluent gallons/capita and water treatment kWh/cap hold constant. As a result, a growing population coupled with a decreasing electricity EF were used to project that in aggregate, GHG emissions in the sector would decrease by 14.4% from 620 mt CO<sub>2</sub>e in 2017 to 531 mt CO<sub>2</sub>e in 2030.

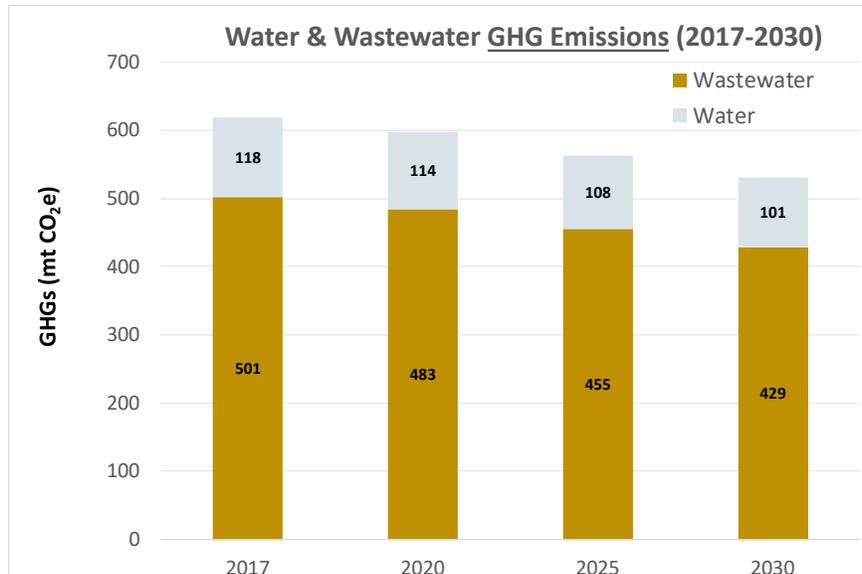


Figure 7: Waste landfilling GHG emissions thru 2030, in mt CO<sub>2</sub>e.

#### 4.4 Waste Landfilling

Holding the amount of waste per capita constant, population is used to forecast GHG emissions from waste landfilling. It is estimated that waste landfilling GHG emissions would total 714 mt CO<sub>2</sub>e in 2030, an increase of 19% from 2017. See Figure 8.



Figure 8: Waste landfilling GHG emissions thru 2030, in mt CO<sub>2</sub>e.

#### 4.5 Totals and Conclusions

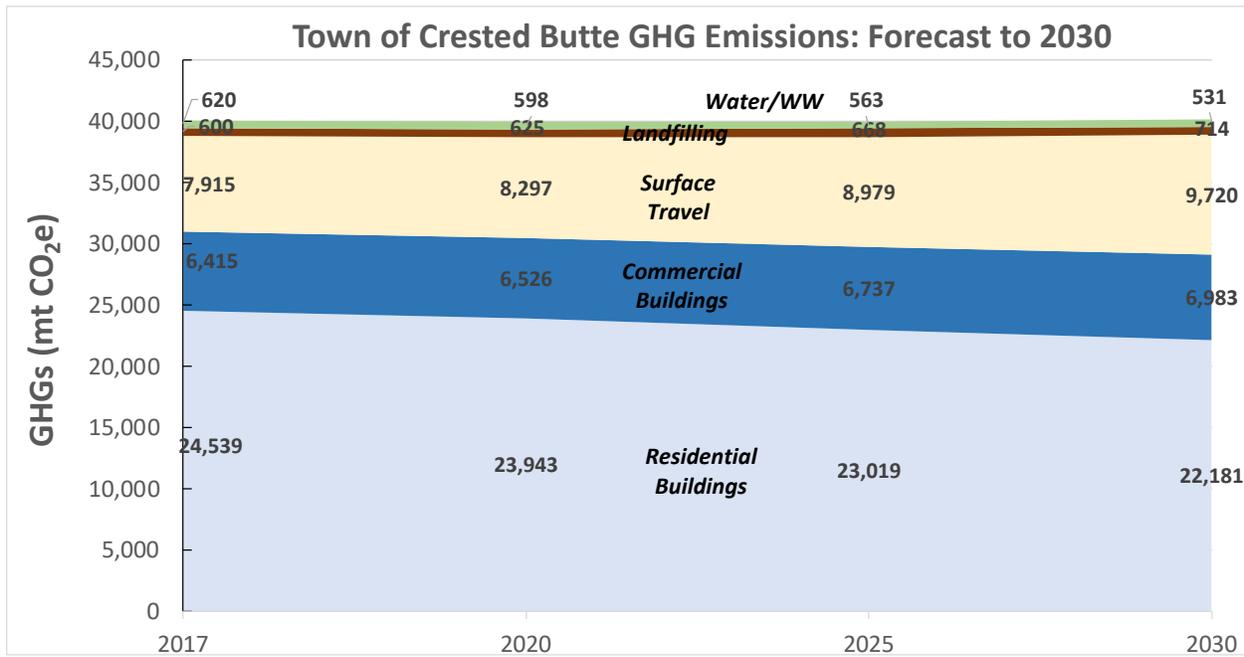
In accordance with the procedures described in this section, the aggregate yields an energy and GHG emissions forecast for Crested Butte's in-boundary activities (Scopes 1+2) to the year 2030. It is important to reiterate that this forecast does not account for out-of-boundary (Scope 3) activities. As

result, this forecast estimates that the community's in-boundary GHG emissions will increase a total of 0.1% from the 2017 baseline of 40,088 mt CO<sub>2</sub>e, to 40,129 mt CO<sub>2</sub>e by 2030. The following table, Table 10, summarizes these projections, and Figure 9 illustrates the same in visual form.

With this 2030 forecast, the community can assess and track a series of actions and their effectiveness over time. While the foundation of this forecast is energy use and GHG emissions associated with Crested Butte, the suite of possibilities extends well beyond energy use and into community development, economic development, social well-being, and many other key dimensions.

**Table 10: GHG Emissions Forecast – Summary.**

<i>in mt CO<sub>2</sub>e</i>	2017	2020	2025	2030	% total change (2017 – 2030)
<b>Residential GHG Emissions</b>	24,539	23,943	23,019	22,181	<b>-9.6%</b>
<b>Commercial GHG Emissions</b>	6,415	6,526	6,737	6,983	<b>8.9%</b>
<b>Surface Travel GHG Emissions</b>	7,915	8,297	8,979	9,720	<b>22.8%</b>
<b>Waste Landfilling GHG Emissions</b>	600	625	668	714	<b>19%</b>
<b>Water &amp; Wastewater GHG Emissions</b>	620	598	563	531	<b>-14.4%</b>
<b>TOTAL In-Boundary GHG Emissions</b>	<b>40,088</b>	<b>39,988</b>	<b>39,966</b>	<b>40,129</b>	<b>0.1%</b>



**Figure 9: Crested Butte In-Boundary GHG Emissions 2030 Forecast.**

## Appendix

### **Appendix A: Community Climate Action Planning**

Community Climate Action Planning (CAP), also known as Energy Action Planning (EAP), continues to increase in prominence as communities aim to sustain their livelihoods. While accurately accounting for the full list of communities with CAPs may be a challenging task, local government signatories to conventions whose missions are to assist in CAP development (e.g., Mexico City Pact, ICLEI Carbonn) are approaching ten-thousand communities worldwide. Meanwhile, though a CAP was beyond the scope of this work at this phase, Dr. Chávez's CS2I Lab team are known for their global expertise in creating and executing such frameworks at the ground-level for communities. Next we share ICLEI's Five Milestones, one example of such CAP framework, with minor enhancements made to the milestones by Dr. Chávez.

#### **ICLEI's Five Milestones**

**Milestone One:** Inventory and Footprint Energy and GHG Emissions

**Milestone Two:** Establish Reduction Target

**Milestone Three:** Develop Climate Action Plan

**Milestone Four:** Implement Policies & Measures

**Milestone Five:** Monitor & Verify Results

One other, and recent, framework is offered by UN-Habitat. See Figure 10 below.

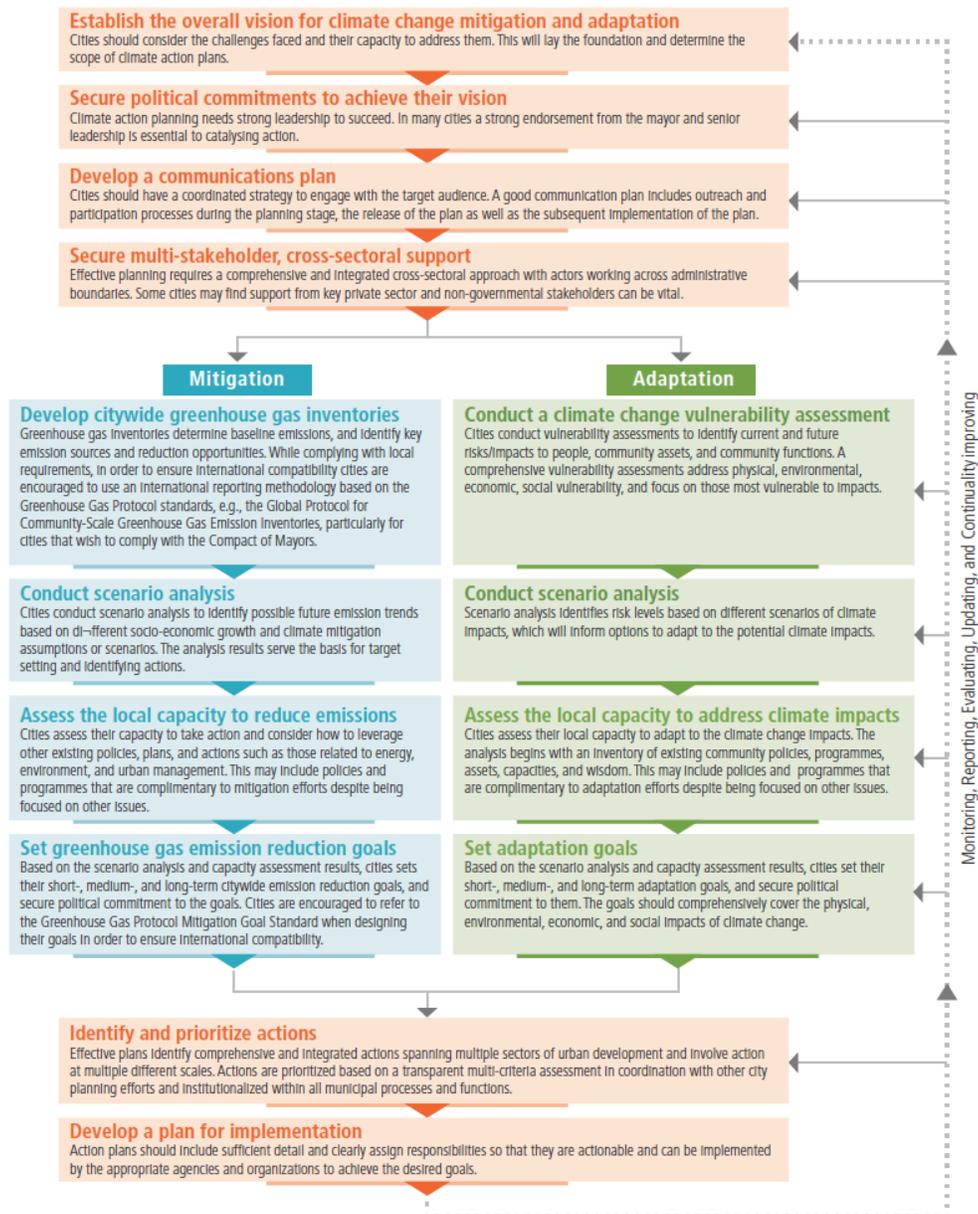
As observed from this report, the multi-sectoral baseline & forecast inventory with footprint presented here affords the Town of Crested Butte the opportunity to establish a reduction target (=milestone two), prior to proceeding to imagining a series of plausible abatement possibilities for climate/energy action planning. We offer the following set of recommendations for the Town's consideration:

**Recommendation 1.** As the Town moves to develop a climate/energy action plan, close partnership with several of the Town's constituents will be imperative. While using this study for the scientific underpinnings, consider a participatory process model with a community stakeholder deliberative advisory group to assist in the identification of plausible actions for your CAP.

**Recommendation 2.** During the establishing of a reduction target, Crested Butte may be able to leverage Gunnison County's commissioner approved goal of 20% energy efficiency increase by 2030. Such a partnership has the potential of embracing multi-level governance structures to yield streamlined community-wide actions.

**Recommendation 3.** Our proprietary BAFT (**B**aseline, **A**ccounting and **F**orecasting **T**ool) is designed for communities, for this purpose. Updating and continually tracking energy and GHG emissions via BAFT is not only significantly facilitated via the tool, but it is also necessary, especially following the implementation of abatement policies and measures. Now that Crested Butte has this robust foundation in place, the CS2I Lab team would be honored to assist the Town with updating and tracking progress over time.

**Recommendation 4.** Given the complexity and multi-dimensionality of environmental challenges, consider developing a coupled mitigation & adaptation climate action plan (MACAP) to maximize resources and potential. Know that Dr. Chávez instructs a graduate course designed to lead community-level MACAPs.



**Figure 10: UN Habitat's Community Climate Action Planning Process.**

### **Appendix B: Abatement Possibilities**

In over a decade of work, the CS2I Lab team has partnered with over one-hundred communities in the U.S. and across the world on climate action planning type of efforts. Over this trajectory, the team has honed in on five key variables that are relevant for communities in mitigation (or abatement) modeling; those variables are:

- 1) baseline emissions, by sector (*obtained from work presented here, also found in BAFT*)
- 2) expected savings from mitigation action (*retrieved from community CAP literature*)
- 3) level of participation (*theoretical values from literature*)
- 4) year action was implemented (*community defined*)
- 5) number of years action is active (*community defined*)

The degree of government involvement will have a direct and significant impact on these variables. For example, voluntary abatement actions, such as building weatherization programs yields minimal expected savings as well as minimal participation. On the other hand, mandated building standards are not only projected to have profound per unit impacts on energy use, but because it is a mandate, far more participation will occur. In general, our research has revealed that voluntary actions yield 5-10% participation, while mandated actions yield over 90% participation. The latter requires much more political will however. While we urge Crested Butte to adopt a participatory process that engages the community in identifying suitable energy and climate actions, below we present a non-exhaustive list of abatement options for the community's consideration as it moves forward. For each action in Table 11 we note the associated sector, the abatement's name, typical savings reported in the literature, and typical participation rates reported in the literature. Recall that Crested Butte's top in-boundary GHG emitting sectors are residential buildings, commercial buildings, and surface travel.

**Table 11: Energy and GHG abatement options. A sample from the community-based literature.**

Sector	Abatement Option	Estimated abatement per unit ( <i>variable 2</i> )	Estimated participation rate ( <i>variable 3</i> )
<b>Residential Buildings</b>	Weatherization outreach	5% of household natural gas	2-5%
	Energy efficiency upgrades (basic <sup>#</sup> )	3% of household electricity 13% of household natural gas	1-2%
<b>Commercial Buildings</b>	Demand side management (DSM)	2-3% of electricity over 10 years	0.5%
	New green buildings	20-30% of total building energy per square-foot	5% of new sq-ft/yr
<b>All Buildings</b>	Price feedback	~0.5% for each percentage of price increase	2%
<b>Surface Travel</b>	Bicycle mode shifts	30-60% of vehicle miles	Less than 1%
	Fleet upgrades	25-35% of fleet fuel use	Varies

<sup>#</sup> basic upgrades typically provide attic and/or wall insulation and can provide rebates for appliance upgrades. On top of 'basic' upgrades, communities typically also have higher cost home upgrades (i.e., deep retrofits) that include items such as solar heaters, attic fans, windows, etc.

To kick-start the participatory process, we refer the community to the recently published Greenhouse Gas Reduction Toolkit (GHG, 2017) that qualitatively lists a plethora of additional actions. Last, CS2I Lab's second proprietary tool is EMiT<sup>2</sup>T (Effective Mitigation Transitions Tool) – our team would be honored to partner with the Town of Crested Butte for the next phases of this work.

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**MINUTES**  
**Town of Crested Butte**  
**Regular Town Council Meeting**  
**Monday, June 18, 2018**  
**Council Chambers, Crested Butte Town Hall**

Mayor Schmidt called the meeting to order at 7:00PM.

Council Members Present: Will Dujardin, Kent Cowherd, Jackson Petito, and Laura Mitchell

Chris Haver and Paul Merck arrived shortly after the meeting was called to order.

Staff Present: Town Manager Dara MacDonald, Town Attorney Barbara Green, and Town Clerk Lynelle Stanford

Parks and Recreation Director Janna Hansen and Public Works Director Rodney Due (for part of the meeting)

**APPROVAL OF AGENDA**

Petito moved and Mitchell seconded a motion to approve the agenda as written. A roll call vote was taken with all voting, "Yes." Neither Haver nor Merck was present to vote. **Motion passed unanimously.**

**CONSENT AGENDA**

- 1) June 4, 2018 Regular Town Council Meeting Minutes.**
- 2) 4<sup>th</sup> of July Special Event Application for July 4, 2018.**
- 3) Crested Butte Art Market Special Event Application for Sundays Starting June 24, 2018 through October 7, 2018 Except During Arts Festival and ARTumn Special Events.**
- 4) Black and White Ball Special Event Application and Special Event Liquor Permit for June 30, 2018 through July 1, 2018.**
- 5) Gunnison Car Show Breakfast Cruise Special Event Application for August 19, 2018.**
- 6) Appointment of BOZAR Member.**
- 7) Resolution No. 7, Series 2018 - A Resolution of the Crested Butte Town Council Authorizing the Grant of Revocable License to Kurt Preston and Melissa Preston to Encroach into the Maroon Avenue Right of Way with a Wastewater Line Adjacent**

**to the East 5'6" feet of Lot 28 and 44'6" of Lots 29-30, Block 18, Town of Crested Butte.**

Mitchell moved and Dujardin seconded a motion to approve the Consent Agenda as submitted. A roll call vote was taken with all voting, "Yes." Neither Haver nor Merck was present to vote. **Motion passed unanimously.**

### **PUBLIC COMMENT**

Shelley Popke - 622 Teocalli Avenue

- Thanked the Council for their approval of Black and White Ball.
- She invited the Council to the event.

Bob Schutt - 127 Slate River Drive

- Announced he was running for Gunnison County Commissioner.
- He supported the Council's position on Brush Creek.
- He was interested in visiting with Council members on any issue.

### **STAFF UPDATES**

- MacDonald asked the Council if they wanted to dedicate two more parking spaces for an electric vehicle charging station per GCEA's request. The Council wanted to know if rapid chargers were available, and they wanted to learn more about the usage of the existing station. The Council supported using two parking places for a charging station, and Staff would bring back additional information.
- Schmidt reviewed work that had been done around Town related to striping.
- Schmidt questioned liquor licensing related to The Eldo.
- MacDonald informed the Council that Town granted an exception to the fire restrictions for welding at two areas within Town. The Sheriff didn't expect Stage 2 to be lifted until after the beginning of the monsoon season.

### **PUBLIC HEARING**

**1) Ordinance No. 16, Series 2018 - An Ordinance of the Crested Butte Town Council Amending Chapter 16, Article 15 of the Crested Butte Municipal Code to Include New Regulations for the Removal of Trees.**

Schmidt read the title of the ordinance. He confirmed proper public notice had been given. Hansen stated that nothing had changed since the last meeting.

John Ellis - Sopris Avenue

- He wondered if there was a loophole in the ordinance.
- He cited an occurrence of a tree being removed, in which there was a misrepresentation on the application to remove the tree.
- He didn't see a provision in the ordinance for misrepresentation on an application.

Green advised the Council could approve the ordinance as written. She would check into the situation mentioned by Ellis. Dujardin clarified there was no recourse. Green elaborated that a violation would be cited like any violation of the Code.

Schmidt closed the public hearing, and there was no further discussion.

Merck moved and Dujardin seconded a motion to pass Ordinance No. 16, Series 2018. A roll call vote was taken with all voting, “Yes.” **Motion passed unanimously.**

**2) Ordinance No. 18, Series 2018 - An Ordinance of the Crested Butte Town Council Approving the Lease of a Portion of the Property at 716 Elk Avenue to High Country Conservation Advocates.**

Schmidt read the title of the ordinance. He confirmed proper public notice had been given.

Sue Navy was present at the meeting and commented:

- Please and thank you.

There was no further discussion.

Merck moved and Mitchell seconded a motion to pass Ordinance No. 18, Series 2018. A roll call vote was taken with all voting, “Yes.” **Motion passed unanimously.**

**3) Ordinance No. 19, Series 2018 - An Ordinance Amending Chapter 6, Article 4 of the Crested Butte Municipal Code to Include Regulations for Merchandise Trucks.**

Schmidt read the title of the ordinance. He confirmed proper public notice had been given. Schmidt had a problem with using public property at the Four Way. Cowherd was reluctant to open a public parking space to a business in a vehicle. He pointed out a truck was larger than a standard parking space. It was inconsistent to require parking spaces for brick and mortar businesses and then give away parking spaces for this use. Haver liked the idea of the truck on private property. Merck thought it might be nice to have a vending area at the location people got on and off the bus. He recognized that food vending was allowed at the Four Way. Petito was hopeful it would help to get people to park at the Four Way.

Laci Wright

- Her idea had a relatively small footprint.
- There were inherent limitations built into the existing Code.
- She had a petition supporting her idea. She listed the names of people who signed her petition in favor of the ordinance.
- She asked those in attendance, who wanted to support without speaking, to raise their hands.

Carrie Jo Chernoff-Hicks - 307 Horseshoe and Business Located at 123 Elk Avenue

- She paid for parking, and she supported the idea.
- This was a place that allowed people to thrive and to get a start.
- Businesses support each other. Everyone benefitted.
- She didn't see a big problem with congestion at Big Mine.

The public hearing was closed, and the discussion was moved to the Council. Merck thought retail truck vending added to the Town.

Mitchell moved and Merck seconded a motion to approve Ordinance No. 19, Series 2018. A roll call vote was taken with Dujardin, Merck, Mitchell, Petito, and Schmidt voting, "Yes," and Haver and Cowherd voting, "No." **Motion passed.**

## **NEW BUSINESS**

### **1) Presentation by Municipal Court Judge Eden.**

Judge Eden thanked the Council for hearing from him today. He requested they renew his agreement for another two years under the same terms. He reviewed caseload numbers and types of cases typical to municipal court. Eden recognized changes in people's behaviors in court in recent years. He explained the changes in bonding practices that had been enacted. Schmidt questioned the process regarding extradition and Eden's pay rate. Merck affirmed he was doing a great job. Petito appreciated the allowance of defendants to call into court. MacDonald informed the Council that the actual agreement with Eden would be on the next agenda.

### **2) Update from Doug Shaw and Dr. Melanie Armstrong on Monitoring and Analyzing Winter Backcountry Use in the Upper Gunnison Valley 2017-2018.**

Shaw listed the trailheads from which he collected data. He stated it had been a low snow year. Schmidt acknowledged that the Nordic Center reported higher usage this year. Shaw mentioned outlying numbers that had arisen. He described graphs he had developed. Armstrong elaborated that they had collected data but had not analyzed it, and they anticipated collecting a second season of data. Maureen Hall from Silent Tracks pointed out facts that were important to note. Armstrong thought the numbers were surprising. She agreed with statements made by Dujardin regarding the correlation of use to avalanche danger. They could study the correlation.

### **3) Discussion on Trash and Recycling Facilities for the Public.**

MacDonald explained Staff had been directed to consider public areas for trash and recycling. Eric Tunkey informed the Town that trash was a problem at the Gas Café. She identified locations that were staffed, which could help with preventing large items from being left. MacDonald acknowledged that Joy Henning from Waste Management was present at the meeting. Due explained what services were already offered by Waste Management. Henning pointed out problems with contaminated recycling. She thought that if recycling totes were located next to a dumpster someone needed to watch it.

Henning reviewed the costs associated with providing dumpsters. Tunkey stated anything was game at the Gas Café, and he described what he has seen people do to dispose of their trash. He recommended that Town not entertain the idea of providing recycling. Haver and Cowherd both questioned what the solutions were. Merck suggested that Crested Butte and Mt. Crested Butte work together to provide places for disposal. Haver said they needed to figure out a location. Schmidt listed potential locations.

Next, the Council discussed providing dump stations at trailheads. Due agreed with Merck on Town subsidizing. Haver could bring the discussion up at STOR for consideration. Various trailheads were mentioned and discussed. Henning reminded the Council that the trucks had to be able to access. Dujardin thought they had to do something sooner rather than later. The Council then focused on locations around Town. The Chamber was identified. Cowherd wanted to do something in Town this summer. It was suggested that a dumpster be located at the Four Way until the STOR committee could discuss management in the backcountry. Henning cited the problem of people disposing TVs and computers. Due described issues that he foresaw. Schmidt asked the Council if they wanted to move forward with a dumpster at the Four Way. MacDonald warned there would be problems. The Council directed Staff to work out the details of locating a dumpster in Town. The Council would be notified if STOR did not want to move forward.

**4) Resolution No. 8, Series 2018 - A Resolution of the Crested Butte Town Council Consenting to the Calling of an Election by the Gunnison Valley Regional Housing Authority on November 6, 2018.**

Schmidt recused himself and left the room. Mayor Pro Tem Paul Merck acted as the Mayor during Schmidt's absence. MacDonald provided background on the agenda item. She explained the forming entities of the Housing Authority had to approve to allow them to put the tax measure on the ballot. She identified the question in front of the Council was whether they wanted to allow the Authority to put the tax measure on the ballot. No one on the Council voiced disagreement with approval of the resolution.

Dujardin moved and Haver seconded a motion to approve Resolution No. 8, Series 2018, consenting to the calling of an election by the Gunnison Valley Regional Housing Authority on November 6, 2018. A roll call vote was taken with all voting, "Yes," except for Schmidt who had recused himself and did not vote. **Motion passed unanimously.**

Schmidt returned to the meeting.

**5) Discussion and Possible Direction on Decisions Related to Policy.**

First, MacDonald asked how the Council wanted policy question requests to be brought forward. She reviewed recent requests that had been proposed. Dujardin stated the requests could be considered on a case-by-case basis. Schmidt thought they could move forward on the Mountain Pact letter regarding the Land and Water Conservation Fund;

Senator Bennet's proposed Ski Area Fee Retention Act; CC4CA policy agenda; and CC4CA appointees supporting the proposed advocacy for Clean Car Standards. Petito was in favor of the Ski Area Fee Retention Act.

Dujardin moved and Mitchell seconded a motion to support the Land and Water Conservation Fund through the Mountain Pact. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

Merck moved and Petito seconded a motion to support Senator Bennet's proposed Ski Area Fee Retention Act. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

Mitchell moved and Merck seconded a motion to support CC4CA's policy agenda. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

Merck moved and Dujardin seconded a motion to support the proposed advocacy for Clean Air Standards. A roll call vote was taken with all voting, "Yes." **Motion passed unanimously.**

## **OLD BUSINESS**

### **1) Discussion on The Corner at Brush Creek Housing Project.**

Schmidt and MacDonald met with David Baumgarten and Rachel Magruder from the County. Baumgarten was present at the meeting to explain what the County Commissioners asked of the Town, and Magruder was present as well. Schmidt stated that Town was in favor of as much transparency as possible.

Baumgarten introduced himself and Magruder. The Board of County Commissioners directed him to meet with key stakeholders on affordable housing and potential approaches that could be taken collectively and individually. He thanked the Town. He listed and described themes that had emerged, including themes related to affordable housing and strained relationships. He invited the Council to continue the dialogs with the County and each other.

Baumgarten suggested they try to expand the conversations, such as discussing if there were other locations that could accept density. Schmidt made comments that he described as venting in nature. Dujardin was confused as to why the process would stop. Baumgarten described the intent was to take a brief time out. There was discussion amongst the Council on the LUR process and the situation as it was occurring. Baumgarten confirmed he was not at the meeting asking the Town to buy down anything. The discussion turned to the RFP process. Baumgarten was directed to foster conversations. Merck voiced concerns on the transfer of the property. Baumgarten listed his intents. He was meeting with entities serially.

Haver saw it as a singular issue. He was interested in everyone sitting in a room having a discussion with Gatesco about what could work and could fit the community. Schmidt recalled conversations he had, including that the Town and County were on opposite sides of the table. Schmidt identified that the impacts of the development to Town had not been considered. Baumgarten recognized competing demands on scarce resources. He encouraged dialogue amongst stakeholders.

Mitchell pointed out that Gatesco was an external stakeholder. Petito said that a meeting could be transparent without taking public comment. Dujardin asked what they wanted to have happen with holding another meeting. Mitchell questioned if they could find common ground with the stakeholders and if they wanted to partner with Gatesco.

Kendall Burgemeister - Working with Gary Gates

- Gates has never turned down a meeting.
- They thought it needed to be a dense project, and the density was appropriate from a feasibility standpoint.
- Changes had been made in response to feedback.
- Haver asked if Gates would consider breaking up the project into multiple parcels.

Merck acknowledged it was a difficult situation. He didn't know what the tolerance was for density. Schmidt had the feeling they were so far apart and the best thing for the community would be to stop the project and start all over again. Dujardin suggested they talk about numbers for density. The Council discussed density, but they did not identify a specific number.

David Leinsdorf - Represents Friends of Brush Creek, but he was at the meeting as a citizen.

- There have been 50 hours or more of meetings devoted to the project.
- He urged any dialogue with the proponent be open to the public, and the public should have the opportunity to comment.

Jeff Moffett

- He clarified comments that had been made regarding a meeting he had with Schmidt. He did not meet with Schmidt to negotiate; he provided a hypothetical example.
- He clarified what he thought the commissioners were asking for.

MacDonald asked if there was interest in a dialogue with Gatesco and the other stakeholders. She asked if the other entities were willing to engage in a public forum. Schmidt said that the discussion would be on the agenda for Mt. Crested Butte tomorrow. Green observed that the letters sent by the Town were the most thorough and precise as related to the LUR.

John Hess

- He suggested the Town communicate to Mt. Crested Butte they were willing to sit down.

- They could make a request for an extension of the public hearing.

Cowherd stated there would still be incompatibility with the LUR. There was discussion on the process within the County. Green said there an ownership issue that changed the situation, and the County had a lot of leeway in their response. The Council agreed that MacDonald would convey that the Town would participate if there was a public process convened, and she would communicate with Mt. Crested Butte.

## **LEGAL MATTERS**

Green updated the Council that there was a response due on the 27<sup>th</sup> in the motion for summary judgment on The Heights.

## **COUNCIL REPORTS AND COMMITTEE UPDATES**

Kent Cowherd

- The Creative District selected an artist for the light at the Mallardi Theatre.

Chris Haver

- Reported on RTA. There would be testing of the largest military helicopter. Busses were running late due to construction. The TA no longer had central reservations.

Paul Merck

- Attended STOR Committee meeting.
- The National Forest had made great strides in the locations of restrooms. West Maroon improvements would be done. They were improving the area near Garlic Mikes. They discussed the CB to CB South trail.
- Met with Adaptive Sports. Accessibility should be considered with new projects.
- Gunsight Bridge was moving along.

Jim Schmidt

- Attended a Mayor/Managers Meeting at Garlic Mikes. They heard from ICElab.
- The Town picnic was on the 8<sup>th</sup>.
- On the 11<sup>th</sup>, he met with Erica Mueller and Michael Kratz from CBMR.
- They had a housing meeting last Wednesday.
- He attended a meeting regarding the school facilities.
- Met with Chris Jarnot from Vail. MacDonald explained there would be a COO, who would report to Jarnot. MacDonald stated the lines of communication were open.

## **OTHER BUSINESS TO COME BEFORE THE COUNCIL**

- Merck mentioned that he received a letter from Liz Bernholtz regarding delivery trucks, and Tough Enough to Wear Pink got another vehicle.

- Haver suggested they discuss resort buy-outs and what they could learn from other communities at the upcoming conference. He wanted to ask Staff to reach out to communities and see if there were any potholes that could be avoided.
- The Council agreed to a one-hour meeting, starting at 4:30PM, on July 2<sup>nd</sup>.

Dujardin moved and Mitchell seconded a motion to set the July 2<sup>nd</sup> meeting for 4:30PM with the expectation of being done by 5:30PM. A roll call vote was taken with all voting, “Yes.” **Motion passed unanimously.**

### **DISCUSSION OF SCHEDULING FUTURE WORK SESSION TOPICS AND COUNCIL MEETING SCHEDULE**

- Monday, July 2, 2018 - 4:30PM Special Council
- Monday, July 16, 2018 - 7:00PM Regular Council
- Tuesday, August 7, 2018 - 7:00PM Regular Council

### **ADJOURNMENT**

Mayor Schmidt adjourned the meeting at 11:24PM.

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James A. Schmidt, Mayor

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Lynelle Stanford, Town Clerk (SEAL)



## Staff Report

July 16, 2018

**To:** Mayor and Town Council  
**From:** Dara MacDonald, Town Manager  
**Subject:** Appointment of the Municipal Judge

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**Summary:** The Municipal Judge is one of three positions that the Town Council appoints directly. Judge Ben Eden has been serving as the Municipal Judge since 2005 and would like to continue. His current appointment expires this month.

**Previous Council Action:** The current agreement was executed in July of 2016. Judge Eden submitted a letter to the Council and met with the Council on June 18<sup>th</sup> both to express his interest in continuing in his capacity as Municipal Judge and to update the Council about court activities.

**Background:** The Home Rule Charter of the Town of Crested Butte, Article 7, addresses the appointment of the Municipal Judge.

Section 7.2. - Judiciary.

(a) Municipal Judge. There shall be a municipal court vested with exclusive original jurisdiction of all causes arising under the ordinance of the Town and as may be conferred by law. The municipal court shall be presided over and its functions exercised by a judge appointed by the Council for a specified term of not less than two (2) years. The Council may re-appoint the municipal judge for a subsequent term or terms, except that the initial appointment may be for a term of office which expires on the date of the organizational meeting of the Council after the next general election. Any vacancy in the office of municipal judge shall be filled by appointment by the Council for the remainder of the unexpired term.

Judge Eden has been serving as the Municipal Judge since 2005 and would like to continue for an additional two year appointment.

**Legal Implications:** The Town Attorney has reviewed the Memorandum of Understanding.

**Financial Implications:** Judge Eden has not requested an increase in compensation.

**Recommendation:** Staff recommends approval of the Memorandum of Understanding Between the Town of Crested Butte and the Town of Crested Butte Municipal Court Judge as part of the Consent Agenda.



## Memorandum of Understanding

### Between the Town of Crested Butte and the Town of Crested Butte Municipal Court Judge

1. The Crested Butte Municipal Judge shall attend regularly scheduled Court dates, which shall occur the first and third Wednesdays of February, March, April, July, and August and the first Wednesdays of January, May, June, September, October, November and December. An alternative judge may appear in cases of illness, emergency, or pre-scheduled absence.
2. Compensation for Court appearances shall be paid at \$350 per appearance.
3. If a Crested Butte Municipal Court session is cancelled due to lack of cases on the Court's Docket or for some other valid reason and the Judge is notified of such at least one day prior via e-mail, fax or phone then no compensation shall be remitted.
4. If a trial is set for a day other than a regularly scheduled Court date then compensation shall be remitted at the same rate as a regularly scheduled appearance.
5. The Crested Butte Municipal Court Judge shall review the Schedule of Crested Butte Municipal Court Fines on an annual basis and shall provide the Town with recommendations for revisions if deemed necessary. The Judge shall provide written notice to the Court Clerk upon review of the final schedule.
6. The Crested Butte Municipal Court Judge shall present to the Crested Butte Town Council a biennial review of activities and conduct of the Municipal Court.

This Memorandum of Understanding is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2018 and is valid for the appointment period of two years unless otherwise revised by mutual consent of both parties.

\_\_\_\_\_  
Ben Eden, Crested Butte Municipal Court Judge

\_\_\_\_\_  
Date

\_\_\_\_\_  
James A. Schmidt, Mayor

\_\_\_\_\_  
Date



## Staff Report

July 16, 2018

**To:** Mayor and Town Council  
**Thru:** Dara MacDonald, Town Manager  
**From:** Rodney E. Due, Director of Public Works  
**Subject:** Energy and Mineral Impact Assistance Program Application Resolution No. 9, 2018  
**Date:** July 6, 2018

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**SUMMARY:** The Town of Crested Butte was awarded \$86,500 in funding assistance from the Colorado Department of Local Affairs (“DOLA”) Energy and Mineral Impact Grant to help with the design of the water plant upgrades in 2018. The construction for the water plant upgrades is scheduled in 2019. The total estimated cost of construction is \$1,810,000. The Town is requesting \$740,000.00 towards construction from DOLA.

**Background:** The water treatment plant is not meeting current peak demands during the summer months. The comprehensive performance evaluation conducted by JVA engineers identified four key areas to resolve this problem; Optimizing the existing microfiltration skids, providing treatment capacity to meet current and projected water demands, Optimizing the pre-treatment system to meet water quality goals and maintain water quality standards, and replacing the raw water and reverse filtration tanks that have reached the end of their useable life. The design of the water treatment plant upgrades is currently underway. This funding request is for the construction of the water treatment plant upgrades projected in 2019.

**Recommended Action:**

Staff recommends to approve Resolution No. 9, series 2018, a Resolution of the Town Council authorizing the Town of Crested Butte to apply for DOLA Energy and Mineral Impact Grant for the construction of the Water Treatment Plant Upgrades in 2019.

**Proposed Motion: I Move to approve Resolution No. 9, series 2018 as part of the consent agenda**

**RESOLUTION NO. 9****SERIES 2018****A RESOLUTION OF THE CRESTED BUTTE TOWN COUNCIL AUTHORIZING THE TOWN OF CRESTED BUTTE TO APPLY FOR A STATE OF COLORADO, DEPARTMENT OF LOCAL AFFAIRS (DOLA) ENERGY AND MINERAL IMPACT PROGRAM GRANT FOR THE FUNDING FOR THE CONSTRUCTION OF THE TOWN'S WATER TREATMENT PLANT UPGRADES**

WHEREAS, the Town of Crested Butte, Colorado (the "**Town**") is a home rule municipality duly and regularly organized and now validly existing as a body corporate and politic under and by virtue of the Constitution and laws of the State of Colorado;

WHEREAS, Colorado Revised Statutes §29-1-201 et seq. and other applicable law authorize local governments to cooperate and contract with other units of government to make the most efficient and effective use of their powers and responsibilities;

WHEREAS, the State of Colorado, Department of Local Affairs (DOLA) has available grant funds to be provided under DOLA's Energy and Mineral Impact program for the purpose of the construction of upgrades to the Town's water treatment plant;

WHEREAS, DOLA is responsible for the disbursement of such funds to successful applicants therefor;

WHEREAS, the Town staff desires to apply with DOLA for such grant funds for the purpose of constructing upgrades to the Town's water treatment plant, and for such reason, recommends that the Town apply for such grant funds;

WHEREAS, the Town Council desires to apply with DOLA for the reasons listed by the Town staff, and hereby instructs the Town staff to so apply in order to enable the Town to construct upgrades to the Town's water treatment plant; and

WHEREAS, the Town Council hereby finds that it is in the best interest of the health, safety and general welfare of the citizens and visitors of Crested Butte for the Town to apply for grant funds from DOLA under DOLA's Energy and Mineral Impact program for the purpose of receiving funds from DOLA for the construction of upgrades to the Town's water treatment plant.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF CRESTED BUTTE, COLORADO, THAT:

1. **Findings.** The Town Council hereby finds that is in the best interest of the Town to apply for DOLA grant funds from DOLA's Energy and Mineral Impact program for purposes

of causing funds for the construction of upgrades to the Town’s water treatment plant to be provided under DOLA’s Energy and Mineral Impact program.

2. **Authorization of Town Manager.** Based on the foregoing findings, the Town Manager is hereby authorized to apply for the grant funding from DOLA’s Energy and Mineral Impact program for the reasons stated above. Should any formal contract be required for the receipt of such funds, such contract shall be delivered to the Town Council for approval upon recommendation therefor by the Town Manager.

INTRODUCED, READ AND ADOPTED BEFORE THE TOWN COUNCIL THIS 16th DAY OF JULY, 2018.

TOWN OF CRESTED BUTTE, COLORADO

By: \_\_\_\_\_  
James A. Schmidt, Mayor

ATTEST

\_\_\_\_\_  
Lynelle Stanford, Town Clerk

(SEAL)



## Staff Report

July 16, 2018

**To:** Mayor and Town Council  
**Thru:** Michael Yerman, Director of Community Development  
**From:** Mel Yemma, Creative District/Open Space Coordinator  
**Subject:** **Mallardi Theatre Public Art Approval**  
**Date:** July 16, 2018

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**Background:** In June 2017, the Town of Crested Butte passed an Arts in Public Places (“AIPP”) policy. The policy specified that 2% of any capital project in the Creative District or a Town Park shall be dedicated to the creation of public art. Full information on the AIPP is available at: <http://www.cbcreativedistrict.org/about-the-district/policies-projects/>

**Overview:** Earlier this year, the Mallardi Theatre was renovated. This was the first capital improvement project that qualified for funding per the AIPP. The Town and the Crested Butte Creative District Commission released a request for proposals (RFP) from local creatives for the creation of a one-of-a-kind hanging art piece for the theatre. The budget set forth in the RFP was \$3,200, not including installation or maintenance. The Town will purchase the piece from the selected creative for the permanent inclusion in the Town’s public art collection. Full information about the maintenance, deaccessioning, and selection of the Town’s public art collection is available in the AIPP.

The Town received two proposals for the hanging art piece. On June 14<sup>th</sup> the Creative District Commission held a public hearing to review the proposals and select an applicant to be recommended to the Town Council for approval. The commission voted unanimously to recommend Ben Eaton’s proposal called “Jokerville” to the Town Council. Ben’s proposal, as well as the minutes from the public hearing are included in this report.

Ben’s proposal is a steel artwork installation inspired by the Jokerville mine. The piece is mounted in front of an LED light canvas that can be different colors. The technical logistics of his proposal were approved by Dale Hoots, facilities maintenance lead, and the Town and Creative District Commission selected the wall in front of the main stairwell as the location for the piece to go, pending Council approval.

**Recommendation:** Staff recommends that the Council approve Ben Eaton’s proposal for the Mallardi Theatre Public Art RFP as part of the consent agenda.

## **Mallardi Hanging Art Proposal**

**Ben Eaton**

**1. Design sketch and description of proposed piece.**

See attached. I think the Jokerville miner is probably the best suited for the Mallardi, given the history of the building.

**2. Materials list.**

Steel Artwork, LED lighted-canvas is UL certified. Requires a 110-outlet.

**3. Expected project dimensions and weight. Proposed attachment method.**

See attached. 45 pounds.

**4. Description of applicant's qualifications**

See website: [www.GetBentLLC.com](http://www.GetBentLLC.com)

**5. Descriptions and photos of past three-dimensional work.**

You have three. Two more attached (shows the LED lighting).

**6. Proposed project workflow, including proposed project completion date.**

Artwork is already complete and may be installed at any time.

**7. Detailed budget**

Cost is the maximum budget allowed (\$3,200), plus installation.

**8. Three references**

Melissa Neuner Mason 9705965497

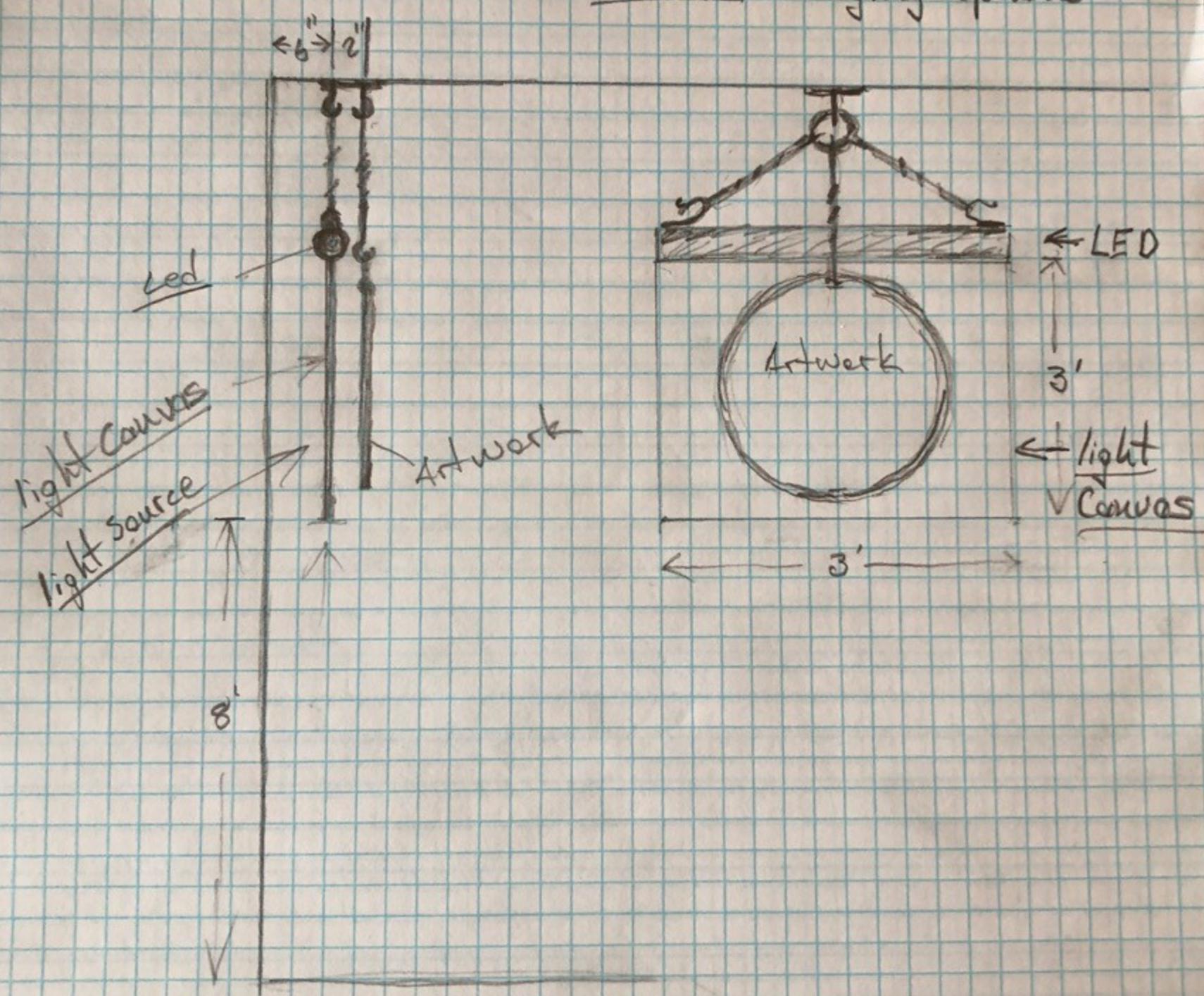
Noah Wight 9702090581

Michael Villanueva 9705965114

Kate Seeley 7202739155

Ben Eaton  
5/22/18

- Multiple Hanging options



Stairs



**Creative District Commission**  
**Mallardi Theatre Public Art Selection Meeting Minutes**



**June 14, 2018, 6pm**  
**Town Hall 507 Maroon Avenue**  
**Town Council Chambers**

**6:00– Call to Order, Roll Call**

Present: Mary Tuck, Emily Rothman, Jeff Taylor, Melissa Mason, Kimbre Woods, M’Lissa Story, Harry Woods

Applicants: Christina Stillwaggon, Ben Eaton

Staff: Mel Yemma, Michael Yerman

Public: Harmony Dawson and Stan Wiles from the CB Mountain Theatre

**6:02– Staff Reports**

Yemma clarified that the recommendation from this meeting would be approved at the July 16 town council meeting. Yemma gave an overview of her staff report indicating the conditions that each proposal would need to meet.

**6:05 – Applicant Presentations**

- Ben Eaton

Ben gave a background of his history and experience with blacksmithing. He explained what a “light canvas” is. They are 3 ft. by 3 ft. clear acrylic plastic that an LED strip is affixed to the top which creates a canvas to show his artwork in front of. The light canvas hangs three inches behind the artwork. The canvas can be hung off of a wall or from the ceiling and can be customized to whatever situation is necessary. He mentioned how it could fit well on the wall where the staircase turns while still being 6” to 8” from the wall. He mentioned how it doesn’t have a lot of natural light so this piece could add to the space in a unique way. The specific ironwork that he’s proposing is called “Jokerville”, which is a miner trapped in the Jokerville mine and it represents the theatre’s tragedy mask. He has some other pieces to choose from but he thinks that this piece could fit well giving the history of the building and the mountain theatre. The piece can be affixed with a remote control and the color can be switch out or it could fade into different colors automatically. It could also be white. He showed photos of the piece and video of the LED light changing.

*Questions from commissioners:*

*Harry:* Can this be dimmed from on to completely off? *Ben:* Yes.

*Harry:* Where does the canvas go on the piece? Did you take into account the color of the walls? *Ben:* The light canvas would take on a color of the wall since it's a glazed canvas.

*Harry:* Do you envision this more as a wall hanging as opposed to a chandelier? *Ben:* Yes. The canvas could hang in front of the wall, or however the commission deems appropriate. It could be up to a foot from the wall or reduced if need be.

*Mary:* Would a 6 ft. tall person hit the hanging piece? *Ben:* It would hang so it would be out of anyone's way since that area gets congested right before a play.

*Mary:* Is the canvas frosted? The light separates it from the dark red wall? *Ben:* Yes it is frosted.

*Emily:* Can you confirm that it's 3 ft. by 3 ft.? *Ben:* The acrylic is but the hanging piece is a little bit wider.

*Jeff:* Can you confirm the budget of this? Melissa clarified with staff that this is within the budget.

*Jeff:* Would this be fixed or would air get behind this and swing? How could it rotate?

*Ben:* It's not fixed and it's meant to swing slightly. The light canvas is only being held by one point, by a hook, and the artwork is only held by one point.

*Jeff:* Is the canvas flexible or stiff? *Ben:* it's ¼ inch clear acrylic. It's pretty stiff (not as stiff as glass) but stiffer than Plexiglas.

*Kimbre:* The wall at the top of the stairs is 15 ft. tall, do you know how wide that wall is?

*Ben:* I think it's 8 to 10 ft. wide. *Kimbre:* What are your thoughts about putting it near the bar?

*Ben:* I think that's great. *Kimbre:* Would it feel small on the wall at the top of the stairs? Everyone clarified which wall it could be on near the bar.

Harry asked to clarify where the elevator will be and if it will affect the location of this piece. Harmony clarified that it will be where the bar is usually blocked off by the curtain.

Ben mentioned that in 2002 that the mountain theatre had a set of plays called the "Spooky Plays" and that he built the Jokerville piece for that play and that it hung in the Mallardi for about a year.

- Christina Stillwaggon:

Christina introduced herself. Her proposal is a sun with a glass sphere with hand blown elements that represent sunflares. She showed examples of the handblown spheres to the commissioners. Because they are hand blown they are all a little bit different. This

could be more of a chandelier and look like a sun. She would be using a company that she's used before for the cords/hardware (it's UL certified), but they could choose different colors for the lightbulb and for the cap.

*Questions from Commissioners:*

*Mary:* Is the sphere made of glass? Clear or colored? *Christina:* It's clear, but coated on the inside and looks frosted. *Mary:* Will the flares be frosted? *Christina:* I'll be using a sandblaster and the whole piece will be frosted.

*Melissa:* Can it be bigger than what is proposed? How big can it get? *Christina:* Yes, I could purchase a new sphere. It could be as big as the weight would allow. *Melissa:* How much larger do you think you could go? *Christina:* I could probably go with a sphere that is about a foot larger. I could also change the hardware to where it has multiple cords/lightbulbs. Christina drew an example of what this would look like.

*Emily:* It would kind of look like planets surrounding the sun.

*Melissa:* So you also mentioned colored fabrics? *Christina:* The cords can be different colors but not sure if each individual cord could be a different color.

*Melissa:* Can the wattage of the lightbulb be increased? *Christina:* I think that would be against what the company is recommending, but by having more lightbulbs that would increase the intensity of light.

*Kimbre:* How many sunflares do you have made? *Christina:* 22. *Kimbre:* Would going this new route distract from the intent of this piece? *Christina:* No, I think it would work with my original proposal representing the beacon of light. *Kimbre:* If the sky was the limit on the project, would you go with more spheres for the other bulbs or keep it as unique lightbulbs? *Christina:* I'd be open to it but would have to reevaluate my budget.

*Emily:* If it becomes a sphere with orbiting lightbulbs, it would have to hang with enough space around it which would change the installation issues. What would the diameter be with the orbits? *Christina:* Those issues could definitely be solved upon installation.

*Harry:* Is the cord from the ceiling to the fixture flexible or stationary? *Christina:* It's flexible and can be bended but they hold their shape. *Harry:* Have you ever considered a different mounting process that would be stationary so no matter what the weight of the globe is that it would be sufficient? If we put in a major piece, we would want to make sure that whatever is mounted is mounted correctly. *Michael:* Staff will be there ensure that it can carry the weight and will be safe.

*Melissa:* Can we address the color thing to give differentiation between the different lights? *Christina:* There's different options where the cords could be different colors, the lightbulbs could be different colors. I could stain the flares so they could be a different color. I could also find a glass sphere that's a different color. Mary clarified how the bulb and/or the sphere could be a different color and that the flares could be stained.

Jeff asked what the UV curing lamp is for. Christina would need to purchase one to cure the glass after its adhered. Kimbre and Jeff mentioned that they both have those lights.

*Emily:* Would this compete with any of the current lights in the building? Harmony clarified what lights there already are. *Emily:* Could those lights be dimmed? *Michael:* Maybe. Everyone asked to clarify about the lights that are already there. *Mel:* The lights could be changed depending on what the piece is.

*Emily:* Who gets the final say of where it goes? *Michael:* The commission does pending that there aren't any physical/safety limitations.

*Kimbre:* What's your vision for incorporation color into the piece? *Christina:* I'd prefer to keep the cord muted so the focus is on the sun and the addition of other bulbs. I'd prefer to color the glass as it would look cleaner and you wouldn't have to buy specific bulbs. I'd like to do more research into the extra bulbs. There are some nice mirrored ones (mirrored at the bottom), so it goes up versus straight down. *Kimbre:* What colors for the glass are you thinking? *Christina:* I'd still like to frost them and I have silver stain that stains the glass yellow and gives it an organic type of stain. Same thing for the sphere itself, depending on where the sphere is from because you have to know how it will react in the kiln.

*M'Lissa:* Would there be conflict between the two pieces? *Melissa:* We are only going to choose one piece.

*Mary:* Can you clarify total labor costs? How will this change with the new additions?

*Christina:* It wouldn't affect labor but it would affect the cost of the hardware. It would go up \$100. Melissa clarified that there's room in the budget for that increase.

## 6:45 – Public Comment

Melissa opened public comment.

Harmony Dawson (president of the board) and Stan Wile (new executive director) of the CB Mountain Theatre were present. Harmony asked if people would understand the history behind Ben Eaton's piece. Does the Jokerville miner translate to "john q" public and when someone isn't there to explain it? Harmony clarified that when we said bar

area that it wouldn't be exactly where someone would get water or a beverage. The limit is where the maroon paint changes to black. Harmony said that she's super excited to be a part of the first location for public art in Crested Butte, regardless of who is chosen. Stan said that both proposals are excellent.

Melissa asked each applicant if they would be willing to have something with the piece that explains the history of the piece? *Ben*: It would make sense as long as it doesn't take away from the visual aspect of the piece. Art is a very personal thing and very rarely do you have the artist explaining what you're seeing. He mentioned that the Jokerville miners were laid in the Mallardi Theatre for a week, but it's morbid and he's not sure if people would want to read that story since it's morbid. Some viewers could just see it as a tragedy mask. *Christina*: I agree with Ben that no matter what your intention for public art is, individual people will interpret it differently. But I assumed that there would be some sort of plaque explaining the piece. I'd be happy to write something up to go with it.

*Melissa to Christina*: Are you amendable to creating the piece and then the commission decides where it goes? *Christina*: Yes, of course.

Melissa closed public comment.

## 7:00 – Commissioner Deliberation

*Mary*: I like them both and think they are both so different. I don't necessarily attach Jokerville to Ben's piece, what I saw was a face acting and representing drama. It's overall a very dramatic piece that doesn't need explanation and stands on its own. Christina's piece stands on its own, is exciting to look at, has great texture and can have color too. I'd like to see that whatever art we pick be in the landing instead of the bar since it's the visitors' first impression. Otherwise the bar is too overwhelming to experience it.

*Emily*: Both pieces have a lot of merits. I agree with Mary that the top of the stairs is the best place for either piece to go. The commission has had a lot of modifications made and would need another meeting to go over the final piece. Ben's piece would be best viewed on one of the walls and Christina's is more 3d.

*Jeff*: I think they are both outstanding proposals and proud that the Creative District was able to receive two really strong proposals. I agree that the location should be in the landing and that Christina's proposal is receiving a lot of revisions and I'm unsure of what the final project would look like. My concern with Ben's proposal is how much is can move around and it's visibility. Will the canvas be banging the wall?

*Kimbre:* Is there a possibility to give less for both of these pieces and have them in different locations? *Michael:* You are going to have to make a choice tonight. *Kimbre:* I have concerns with changing Christina's piece and I'm unsure about having her change the piece and I'm not positive about the space. Could we pick the piece we want and stay flexible and then visit the theatre and decide later where it goes? Overall I'm torn between the two pieces.

*M'Lissa:* I like both pieces and have never been in this process before. I think it seems like more of a physical space issue and I'm torn and appreciate you both being here. I agree with what everyone has already said.

Harry asked some clarifying questions about the RFP, that the final proposal will have to be approved by the town and the mountain theatre. *Michael:* As an example, with the changes Christina has been requested to make, the final design would have to be approved before fabrication. *Harry:* I think the most important thing about this project is the location of the old town hall. I would hope that it would be in the landing at bottom of the stairs and that what's in the landing will represent the old town hall and the feeling of the building since it's a major piece that will be there for a long time. Both proposals are very interesting and deliberate. Whichever proposal is chosen, the piece should be geared specifically for the old town hall and then the Mallardi can decide what happens higher up in the theatre. Harry is concerned that Christina's piece isn't large enough. It's a beautiful piece but the other aspects might take away from it (when perceiving it for the first time).

*Melissa:* The overall sentiment is that we want it to go in the landing area. My biggest concern with Christina's piece is that it's too small for the space and won't do her piece a service in that area. Christina clarified the size and how it can go bigger, up to about 29". Does this size seem adequate for the space? Harmony said if the cord/chain was longer than it could seem bigger. Christina gave a range of cord length so it can be adapted to the space. I love Ben's work and I've seen the piece and I like the idea of the scrolling LED light would work well in the dark space. But overall I envisioned a more 3D hanging ceiling piece, like a chandelier. My concern is that we're asking Christina to do something completely different than what she proposed, but with Ben we know exactly what we're getting. I have full faith that Christina will execute it beautifully but I just have a lot of questions and we'd have to be comfortable with the long list of conditions.

*Harry:* I have a couple of concerns in regards to Christina's proposal. I'm worried about it being fragile and in a place that has a lot of volunteers going up and down the stairs. If we ask one of the participants to change their design substantially, can the other person alter their design based on the discussion? Can both proposals be rejected and then a more specific RFP be made for new proposals? *Michael:* I understand the dilemma of the commission in regards to Christina's changes, it something the commission is going

to run into in the future due to the nature of fabrication. This overall a very subjective process and this is why the creative district commission is making this decision instead of the town council. That's why the commission who has a background and experience in art is tasked with making these decisions. Michael reviewed the process of how the voting will take place.

Melissa opened public comment again. Harmony asked to consider Christina's piece as it is what she had envisioned, a chandelier. But she's happy with either depending on how they are installed. Stan is fine with either piece. Melissa closed public comment.

*Mary:* Either piece can be damaged in either location. One isn't safer than the other, based on my experience at the Mallardi. If a piece gets damaged, how fixable is it?

*Ben:* the ironwork is very hard to damage. The clear acrylic won't shatter, but it could get scratched and then be replaced. *Melissa:* 20% of the budget (\$300) is automatically/already allocated for maintenance. There is the possibility about decommissioning the artwork in the future. *Christina:* lightbulbs are easy to replace, if the main sun was smashed, it would have to be redone since its glass. If a sunflare is tapped off, replacing the entire flare would cost more, or it could be easily etched so it's smooth again.

*Emily:* We could consider utilizing the other funding for a public art project for a similar project or another piece in a different location in the bar area. *Michael:* that's possible but it still won't guarantee that a specific artist will be chosen.

*Kimbre:* I feel strongly that I'd prefer Christina's piece in the bar area and Ben's piece at the top of the stairs. It's important to not get too married to the ideas going into the RFP, since we want to be open to the artist and what they are willing to bring to the table. In the sense of Ben's piece, it wasn't what we necessarily asked for, but it's stable, its content goes with the theatre and there are other ways to read it that go with theatre. It's safer and will likely not get damaged. The lights changing will be very dramatic. Christina's piece I think that it fits more with the intimate part of being in the theatre with the red walls and the bar area, it's overall a very classy piece. Overall I'm having a hard time with the open ended location of this process. I'm leaning towards not changing Christina's original piece except for adding the yellow color.

*Melissa:* That was well said and I agree with that. But we need to understand that the piece might need to be moved if there's a problem.

#### **7:40- Recommendation to Town Council**

- Motion to recommend selected applicant to be awarded the Mallardi Theatre public art installation.

Harry made a motion to recommend the selection of Ben Eaton's proposal for the Mallardi Theatre Hanging Illuminated Art to the Crested Butte Town Council

under the condition that Ben confirms a way in which the LED lighted-canvas can be hardwired while still being UL certified within the budget of the proposal and that the commission prefers that the staff look at the landing area is feasible. Emily seconded.

Roll call vote:

M'Lissa Story: Yes

Kimbre Woods: Yes

Jeff Taylor: Yes

Mary Tuck: Yes

Emily Rothman: Yes

Melissa Mason: Yes

Harry Woods: Yes.

Motion passes and a recommendation will be made to select Ben Eaton's proposal given that he meets the conditions at the July 16<sup>th</sup> town council meeting.

**7:41 – Adjourn**



## Staff Report

July 16, 2018

**To:** Mayor and Town Council

**From:** Dara MacDonald, Town Manager

**Subject:** Solar Array and License Agreement with Gunnison County Electric Association

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**Summary:** Gunnison County Electric Association (“GCEA”) would like to build out the solar installation on the clarifier building at the wastewater treatment plant. Both parties must execute a new agreement to allow this new installation to proceed.

**Previous Council Action:** The existing agreement allowing for twenty, 240 watt solar panels, on the roof of the clarifier building was executed January 6, 2014.

**Background:** In 2004 GCEA installed twenty (20) grid-connected solar panels on the roof of the Town’s clarifier at the wastewater treatment plant. The twenty (20) existing panels were offered to the community to lease as an opportunity for those interested in investing in renewable energy but unable to install solar at their own residences for whatever reason. Although the panels were never fully leased up they have been generating power into the grid for the past four years.

GCEA is looking for ways to expand their portfolio of renewable energy generation at a reasonable expense for their ratepayers. GCEA is now ready to complete the installation with an additional fifty (50) panels.

**Discussion:** GCEA and staff are comfortable with the terms of the existing agreement. GCEA maintains ownership of the panels and is responsible for all maintenance and operation of the panels. Installation of additional renewable power is consistent with the Town Council value to promote resource efficiency and environmental stewardship.

The Town has been leasing one (1) of the twenty (20) panels and no cost to the Town and receiving credit against our utility expense for that panel’s production. Under the new agreement the Town will be leasing four (4) panels at no cost in exchange for allowing placement of the panels at the site.

The design of the installation will need to be reviewed by the BOZAR chair and possibly the design review committee. GCEA would be responsible for pulling any necessary building, electrical or other necessary permits.

**Legal Implications:** The Town Attorney has reviewed the agreement.

**Financial Implications:** There is no direct expense to the Town with the installation of additional panels and the power generated by four panels will help offset the electrical expenses of the facility.

**Recommendation:** Staff recommends approval of the Solar Array and license agreement as part of the Consent Agenda.

## **SOLAR ARRAY AND LICENSE AGREEMENT**

This Solar Array and License Agreement (“Agreement”) is made and entered into this day of \_\_\_\_\_, 2018, by and between Gunnison County Electric Association, Inc. (“GCEA”) and the Town of Crested Butte (“Town”) as follows:

### **Recitals**

A. GCEA and the Town previously made and entered into a certain Solar Array and License Agreement on January 6, 2014 (the “2014 Agreement”).

B. The 2014 Agreement provided for, among other things, the installation of twenty (20) 240 watt solar panels on the Clarifier Building and the allocation of Panel Production to the Town’s Service Address.

C. The parties desire to enter into this Agreement to provide for the installation of fifty-two (52) additional 240 watt solar panels on the Clarifier Building and to allocate Panel Production to the Town’s Service Address.

In consideration of the mutual promises and covenants contained in this Agreement, GCEA and Town agree as follows:

#### 1. **Definitions.**

1.1. “Clarifier Building” means the building owned by the Town and located at 801 Butte Avenue, Crested Butte, Colorado.

1.2. “Community Solar Array” means the solar electric generation facility, which is comprised of seventy-two (72), 240 watt solar panels, all related equipment for operating the solar generation facility. The Community Solar Array shall be located at 801 Butte Avenue, Crested Butte, Colorado.

1.3. “GCEA Equipment” means all metering equipment and electric distribution equipment, lines and facilities needed to interconnect the Community Solar Array to GCEA’s electric distribution system.

1.4. “Panel Electric Production” means the monthly calculated electric production of 5.56 percent of the solar panels installed in the Community Solar Array.

1.5. “Panel Production” means the dollar value of the Panel Electric Production which shall be allocated to the Town’s Service Address.

1.6. “Service Address” means the address to which the Panel Electric Production will be allocated.

1.7. “Service Address Property” means the property to which the Town’s Service Address is associated.

2. Effective Date. This Agreement shall become effective as of the date installation of the fifty-two (52) additional 240 watt solar panels on the Clarifier Building (the “Effective Date”).

3. Termination of 2014 Agreement. Upon the Effective Date, the 2014 Agreement shall terminate by mutual agreement of the parties. Further, the parties agree that the 2014 Agreement’s requirements for removal of personal property subject to the 2014 Agreement and restoration of public property upon termination of the 2014 Agreement shall be void and of no further effect and that the obligations of the parties with regard to the Community Solar Array and related matters including without limitation requirements for removal of personal property subject to this Agreement and restoration of public property shall be governed by the terms of this Agreement.

4. Termination Date. This Agreement shall terminate twenty-one (21) years after the installation of the fifty-two (52) additional 240 watt solar panels on the Clarifier Building begins, allowing GCEA time to construct and remove the Community Solar Array. In addition, the parties may terminate this Agreement upon mutual agreement. The date of termination of this Agreement shall be deemed the “Termination Date.” In the event of a termination of this Agreement, then the rights granted hereby shall be automatically terminated and the personal property that is the subject of this Agreement shall be removed, and the public property effected thereby shall be restored to serviceable condition with GCEA repairing all roof penetrations and any damage resulting from the array placement, reasonable wear and tear excepted, at GCEA’s sole cost and expense.

5. Term. The term of this Agreement (“Term”) shall be the period from the Effective Date through the Termination Date.

6. Use of Town Property. Town agrees to allow GCEA license for the following limited reasons:

6.1. GCEA to install the Community Solar Array on the roof of the Clarifier Building;

6.2. GCEA to install GCEA Equipment on Town property in locations as approved in advance by the Town in writing;

6.3. The Community Solar Array to remain on the roof of the Clarifier Building during the Term;

6.4. GCEA Equipment to remain on Town property during the Term;

6.5. GCEA to maintain and repair the Community Solar Array and GCEA Equipment during the Term;

6.6 GCEA to operate the Community Solar Array and GCEA Equipment during the Term;

6.7. GCEA to remove the Community Solar Array and GCEA Equipment; and

6.8. GCEA to have reasonable access and right of entry to the roof of the Clarifier Building and to Town property to install, maintain, repair and remove the Community Solar Array and GCEA Equipment upon prior approval and coordination with the Town.

6.9 GCEA to remove snow from the Solar Array when such snow negatively affects the functionality of the Solar Array.

7. Installation. GCEA shall install fifty-two (52) additional 240 watt solar panels to the Community Solar Array on the roof of the Clarifier Building, and GCEA shall install GCEA Equipment on Town property.

7.1. GCEA shall be allowed to use a portion of Town property in locations approved in advance by the Town in writing adjacent to the Clarifier Building as a staging and storage area for the storage of equipment and materials during the installation of the fifty-two (52) additional 240 watt solar panels to the Community Solar Array on the roof of the Clarifier Building and during the installation of GCEA Equipment on Town property.

8. Maintenance and Repair. GCEA shall maintain and repair the Community Solar Array and GCEA Equipment.

9. Removal. GCEA shall remove the Community Solar Array from the roof of the Clarifier Building, and GCEA shall remove GCEA Equipment from Town property no later than the Termination Date but no earlier than twenty (20) years after the date all seventy-two (72) 240 watt solar panels of the Community Solar Array are operational.

9.1. GCEA shall be allowed to use a portion of Town property in locations approved in advance by the Town in writing adjacent to the Clarifier Building as a staging and storage area for the storage of equipment and materials during the removal of the Community Solar Array from the roof of the Clarifier Building and during the removal of GCEA Equipment from Town property.

10. GCEA Right to Contract. GCEA shall have the right to contract with and to retain third party contractors to install, maintain, operate, repair and remove the Community Solar Array and GCEA Equipment.

11. Access and Right of Entry. GCEA and/or its agents, employees and contractors shall have the right to enter and access the roof of the Clarifier Building and Town property to install, maintain, repair and remove the Community Solar Array and GCEA Equipment upon prior approval and coordination with the Town except in cases of emergency where no prior notice shall be required, but written notice of such entry and access shall be provided as soon as reasonably possible after the occurrence of the emergency. The entry by GCEA and/or its

agents, employees and contractors upon the roof of the Clarifier Building and/or Town property shall be done in a manner that does not unreasonably interfere with the Town's use and occupancy of the Clarifier Building and/or Town property.

12. Lease to Town. GCEA shall lease to Town at no cost four (4) of the 240 watt solar panels which make up the Community Solar Array for a twenty (20) year period starting on the date all seventy-two (72) 240 watt solar panels of the Community Solar Array are operational and ending on the Termination Date (the "Lease Term").

13. Panel Electric Production and Panel Production.

13.1. GCEA shall determine Panel Electric Production by dividing the total monthly electric production of the Community Solar Array, as measured in kilowatt hours (kWh), by the total number of solar panels comprising the Community Solar Array during that month and then by multiplying the quotient by four (the number of Solar Panels leased to Town). For example, if the monthly production of the Community Solar Array is 1000 kWh, and the Community Solar Array is comprised of 72 solar panels during that month, then the Panel Electric Production will be 55.56 kWh.

13.2. GCEA shall determine the Panel Production by multiplying the Panel Electric Production by GCEA's retail rate for the applicable month. For example, if the Panel Electric Production is 55.56 kWh and the retail energy rate as set by GCEA for the applicable month is \$0.12 per kWh, then the Panel Production will be \$6.67.

13.3. GCEA shall allocate the Panel Production to the account for the Service Address on a monthly basis. The Panel Production allocated to the account for the Service Address shall reduce the dollar amount owed for the Service Address for the month in which the Panel Production is allocated.

13.4. The Panel Production shall remain associated with the Service Address regardless of occupancy or ownership changes at the Service Address unless Town changes the Service Address to a different service address served by GCEA.

14. Billing and Allocation of Panel Production.

14.1. GCEA shall bill Town for all electric power delivered by GCEA to the Service Address at GCEA's current applicable rate tariff.

14.2. The monthly bill shall include GCEA's service availability charge, demand charge, electric energy consumed, and any other applicable charges and fees.

14.3. GCEA's rates and tariffs are subject to change from time to time as approved by the Board of Directors and upon notice to GCEA's members.

14.4. The monthly bill shall include the allocation of the Panel Production earned in the previous month to the account for the Service Address.

14.5. In the event the bill for the Service Address is less than the Panel Production, a negative bill balance shall be carried forward on the bill for the Service Address.

14.6. In the event that a negative bill balance remains on the bill for the Service Address on April 1 of each year following the effective date of this Agreement, GCEA shall pay Town an amount equal to the panel electric production balance by May 31 of that year. This payment will be calculated at Tri-State's average energy rate for the previous twelve (12) months. For example, if the Panel Electric Production balance is 50 kWh and the Tri-State's average energy rate for the previous twelve (12) months is \$.03 per kWh, then the Panel Production will be \$1.50.

15. Change of Service Address.

15.1. Town, at any time during the Lease Term, may change the Service Address to a different service address by completing a Change of Service Address Form provided by GCEA. Town may only change the Service Address to a service address served by GCEA. Upon change of the Service Address to a different service address, the Panel Production shall be allocated to the bill for the different service address.

15.2. In the event the Service Address is removed from service and/or is no longer active or in service, Town must change the Service Address to a different service address. Until such change, the Panel Electric Production shall be provided to the utility grid system and utilized by the entire membership of GCEA.

16. Ownership. The Community Solar Array and GCEA Equipment is owned by GCEA. The Clarifier Building and Town property is owned by Town. Nothing in this Agreement shall be construed to alter GCEA and Town's ownership of such property.

17. Security. During the Term, Town shall secure the Community Solar Array and GCEA Equipment from unauthorized entry or vandalization.

18. Insurance.

18.1. GCEA shall obtain and keep in force during the Term the following insurance:

18.1.1 Workers' Compensation Insurance provided as required by any applicable law or regulation.

18.1.2 Comprehensive General Liability Insurance or Commercial General Liability Insurance providing coverage for bodily injury and property damage with limits not less than \$1,000,000 each occurrence and a \$2,000,000 aggregate limit.

18.1.3 Automobile Liability Insurance providing coverage for any automobile including all owned, hired and non-owned automobiles with limits not

less than \$2,000,000 combined single limit each accident bodily injury and property damage.

18.1.4 “All risk” property damage insurance covering loss or damage to property in the amount of the full replacement value thereof, providing protection against all perils included within the classification of fire, extended coverage, vandalism, malicious mischief, and special extended perils. GCEA shall be required to obtain “all risk” property damage insurance covering loss or damage to the Community Solar Array, GCEA Equipment and the Clarifier Building.

18.2. GCEA may obtain excess umbrella insurance coverage as a substitute to meet the required insurance limits for the insurance required under paragraphs 18.1.1, 18.1.2, 18.1.3 and 18.1.4.

18.3. GCEA shall name the Town as an additional insured on all insurance policies required under this Agreement. All insurance policies required under this Agreement shall be primary and non contributory and provide for waiver of all subrogation rights of the insurer or insureds against the Town’s endorsement or otherwise. Such waiver of subrogation shall be effective as to the Town even though the Town would otherwise have a duty of indemnification, contractual or otherwise, did not pay the insurance premium directly or indirectly and does or does not have an insurable interest.

18.4. All insurance required under this Agreement shall contain a provision preventing cancellation without thirty (30) days prior notice to the Town in writing at the addresses of the Town set forth herein. The insurance required by this Agreement must be issued by an insurance company licensed to do business in Colorado with an A.M. Best Rating of “AV” or better. The insurance required under this Agreement shall be maintained without interruption during the Term.

## 19. Indemnity; Assumption of Risk; Waiver of Claims.

19.1. GCEA shall defend, indemnify, and hold Town, its elected officials, employees, contractors, insurers, guests, invitees, visitors, insurance pools and attorneys (the “Town Parties”) harmless against any and all liabilities, damages, costs, and expenses, including attorney’s fees, resulting from any negligent or wrongful act or omission, or breach of any term of this Agreement, of GCEA or GCEA’s officers, contractors, licensees, agents, servants, employees, guests, invitees, or visitors arising out of installing, repairing, maintaining, removing or operating the Community Solar Array and all related equipment, electric metering equipment, electric distribution equipment and facilities and all related equipment needed to interconnect the Community Solar Array to GCEA’s electric distribution system.

19.2. Town shall defend, indemnify, and hold GCEA its directors, officers, employees, contractors, agents, guests, invitees, and insurers harmless against any and all liabilities, damages, costs, and expenses, including attorney’s fees, resulting from any negligent or wrongful act or omission of Town or Town’s officers, contractors, licensees,

agents, servants, employees, guests, invitees, or visitors arising out of the use of Clarifier Building and the Town's surrounding property or breach of any term of this Agreement. In addition, the parties acknowledge that all such indemnities, liabilities, claims and demands made by third parties shall be subject to any notice requirements, defenses, immunities and limitations of liability that the Town Parties may have under the Colorado Governmental Immunity Act and under any other law.

19.3. Notwithstanding any provision hereof to the contrary, the parties shall not be obligated to indemnify, defend or hold the other party harmless to the extent any liability, damage, claim and/or demand arises out of or is in connection with the negligent act(s) or failure(s) to act of the other party or other party's officers, contractors, licensees, agents, servants, employees, guests, invitees, or visitors.

19.4. The Town and GCEA will each provide prompt written notice to the other of the pendency of any claim or action against either party that may trigger the defense and/or indemnification obligations under this Agreement.

19.5. The parties shall use legal counsel acceptable to the other in defense of any action within a party's defense obligation.

19.6. The provisions of this paragraph shall survive expiration or termination of this Agreement.

## 20. Miscellaneous Provisions.

20.1. Assignment. No party may assign or otherwise transfer this Agreement or any interest therein to any person or entity without the written consent of the other party.

20.2. Waiver. No waiver, express or implied, by any party with respect to any breach or default by the other party in the performance of this Agreement will be deemed a waiver of any further or other breach or default by such other party. Failure on the part of any party to declare the other party to be in breach or default, regardless of how long such failure continues, will not constitute a continuing waiver.

20.3. Captions. The captions are inserted in this Agreement are for convenience only and in no way define, limit, or describe the scope or intent of this Agreement, or any provision hereof, nor in any way affect the interpretation of this Agreement.

20.4. Severability. If any provision of this Agreement is declared unenforceable or invalid for any reason, such declaration shall have no effect on the other provisions of this Agreement. If such provision is declared unenforceable or invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law.

20.5. Notice. Whenever required hereunder or desirable for any reason, notice shall be deemed sufficiently given upon mailing, postage prepaid, United States mail, certified mail or return receipt requested, to the parties' addresses as set forth below:

GCEA: Chief Executive Officer  
Gunnison County Electric Assn, Inc.  
P.O. Box 180  
Gunnison, CO 81230-0180

Town: Town Manager  
Town of Crested Butte  
P.O. Box39  
Crested Butte, CO 81224-0039

20.6. Choice of Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Colorado and venue for any action relating to or arising out of this Agreement shall only be proper in Gunnison County, Colorado.

20.7. Counterparts. This Agreement may be executed by facsimile signature and be signed in one or more identical counterparts, and all of such counterparts, when taken together, shall be deemed to constitute the original of this Agreement.

20.8. No Presumptions. The Parties waive any statutory or common law presumption, which would serve to have this Agreement or any provisions of this Agreement construed in favor or against GCEA or Town in the event any dispute arises concerning the interpretation of this Agreement.

20.9. Entire Agreement and Amendment. This Agreement sets forth the entire agreement and understanding with respect to the transactions contemplated by it, and supersedes all prior agreements, arrangements and understandings relating to its subject matter. This Agreement may be amended or modified at any time and from time to time, but only by a written instrument executed by the parties.

20.10. Prevailing Party. In the event of any dispute between the parties in connection with this Agreement, the non-prevailing party shall pay the prevailing party all costs and expenses, including, without limitation, reasonable attorneys' fees, costs and expenses, incurred in such dispute.

Wherefore, the parties have executed this Agreement on the date set forth above.

Gunnison County Electric Association, Inc.

Town of Crested Butte

By: \_\_\_\_\_  
Mike McBride, Its Chief Executive Officer

By: \_\_\_\_\_  
Title; \_\_\_\_\_



## Memorandum

**To:** Town Council  
**From:** Dara MacDonald, Town Manager  
**Subject:** Manager's Report  
**Date:** July 16, 2018

### Town Manager

- 1) Community Builders Task Force – CBTF, formed in 2014, includes representation from up and down valley and is the entity that initiated the One Valley Prosperity Project. They now continue to meet periodically to help guide implementation of the OVPP objectives and strategies. Chris Haver and I attended a CBTF meeting on June 27<sup>th</sup>. Discussion included some of the following:
  - A proposal for a broader housing coalition. This will be discussed at the next housing authority meeting.
  - Training on “how to have difficult conversations” for elected officials, managers and possibly other community leaders. Russ Forrest and Pam Montgomery are taking the lead on organizing this training.
  - State of the Valley report and community meeting. This will be held in the fall. It will likely include a convening of community leaders during the day in the N. Valley followed by a broader community meeting in the evening in Gunnison.
- 2) Stage 2 fire restrictions – Crested Butte, Mt. Crested Butte, and Gunnison County as well as the Gunnison and Uncompahgre National Forests remain in Stage II fire restrictions. Please remind people that activities such as smoking outdoors and fireworks are prohibited until the restrictions are lifted. Thanks to the school for adding fire ban information to their sign.
- 3) Pique Interests – Council should designate one member to attend the welcome dinner for the ICELab Pique Interests event on October 18<sup>th</sup> in Gunnison. See attached email and flyer from Delaney Keating.

### Public Works

- 1) Met with the division of Water Recourses on Tuesday the 10<sup>th</sup> of July. Our water commissioners are willing to let us release water from Lake Irwin once we install a new flume and flow measuring equipment.
- 2) New Public Works retaining wall failed. Working with engineers and contractor to figure out a fix.

### Marshals

- 1) Testing for applicants for the vacant Marshal position will be taking place next week.
- 2) The 4<sup>th</sup> of July went smoothly all in all. Remarkably there were no reports of fireworks in town which speaks volumes for the community and the awareness of the potential fire danger.

### Parks & Rec

- 1) The Tommy V. Solar Panel Project is complete.
- 2) REG will perform an assessment of pedestrian bridges in August that will include the bridge behind the 1<sup>st</sup> and Elk parking lot, the Totem Pole bridge, and the bridge that leads to the Rijk's gallery. They will then provide a report describing the condition and assessment of the bridges including a recommended replacement plan.
- 3) All alleys, rights of way and parks have been treated for weeds. This is due in large part to our partnership with Gunnison County on a shared seasonal weed management position.

### Community Development

- 1) Peanut Lake Road parking
  - o Town staff meet with the County, Land Trust, and Nordic Center. There are 2 kiosks needed and some additional signage to assist with the parking along Peanut Lake Road. The Town staff has suggested allocating \$6,000 from the Town's trail kiosk project and up to and an additional \$500 from the Town's budget stewardship fund for signage along Peanut Lake Road. These kiosks were originally planned for the east end of Elk Avenue and the 4 way. The County will assist with grading and other road and parking improvements. The Land trust will also contribute towards signage and the kiosks.
- 2) The Community Survey has had to date, we have received 554 responses: Town of Crested Butte-164 (30%), North Valley (including Mt. CB and CB South)-218 (39%), South Valley (including Gunnison)-58 (11%), CO Front Range-49 (9%), CO Western Slope-13 (2%), Out-of-state-52 (9%)
- 3) Save the date for the Baxter Gulch Trail Grand Opening and Thank you BBQ for the Western Colorado Conservation Corps: Thursday, August 2<sup>nd</sup> at 12pm.
- 4) The biannual deed restricted housing survey was sent out his week to ensure compliance with deed restricted properties. This will take the remainder of the year to complete.
- 5) The Department has been working on outreach on the plastic ban to retailers around Town.
- 6) The Department has completed updates to signage on the following open space and trails: Deli Trail, Slate River below Rec Path, Lake Irwin, Baxter Gulch, and Red Lady Estates.

### Town Clerk

- 1) Clark's Market has received approval from the State for their malt beverage license which would allow them to sell 3.2 beer if approved by the Town. The public hearing is scheduled for the August 20<sup>th</sup> Council meeting.
- 2) There will be a public hearing on August 7<sup>th</sup> for the transfer of the retail marijuana dispensary permit from Acme Dispensary Inc to Sun House CB LLC.
- 3) As we roll through event season, staff schedules debrief meetings with event organizers of many of the larger events to discuss what worked well, or didn't, and how events may be modified in future years to make improvements. Debrief meetings scheduled for next week are with Adaptive on Bridges of the Butte and the Chamber on Bike Week and 4<sup>th</sup> of July.

### Finance

- 1) Nextiva selected as our new Town phone vendor. Project kickoff is scheduled for July 13<sup>th</sup>.
- 2) 2017 Financial Audit finalized. Town of CB received a "clean" opinion from our external auditors. Financial statements filed with the State of Colorado.

### Intergovernmental

The next joint meeting with other elected officials in the County will be held in October at the Avalanche in Mt. Crested Butte. Additional details will be provided as the meeting approaches.

### Upcoming Meetings or Events

July 20<sup>th</sup> – Brush Creek public hearing, 10:00 a.m., County Courthouse

August 1<sup>st</sup> – Celebration of the Permanent Protection of Trampe Ranch, 5:00 – 6:30, The Depot

August 23 & 24 – CAST meeting in Mt. Crested Butte

August 30<sup>th</sup> – Mt Emmons Open House, 4:00 – 7:00, Council Chambers

October 20<sup>th</sup> – ICELab's Pique Interests panel discussion at Western State reflecting on the future of land, outdoor recreation and the compliment or convergence with technology

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

**From:** [Dara MacDonald](#)  
**To:** [Lynelle Stanford](#)  
**Subject:** FW: RSVP Dinner: October 18  
**Date:** Friday, July 06, 2018 9:57:42 AM  
**Attachments:** [Pique-Interests\\_2018.pdf](#)  
[image002.png](#)

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Lynelle,

Please attach this email and attached flyer to the July 16<sup>th</sup> Manager's Report. Thanks

Dara

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**From:** Delaney Keating [mailto:dkeating@western.edu]  
**Sent:** Monday, July 02, 2018 8:27 PM  
**To:** Russ Forrest <rforrest@gunnisonco.gov>; Joe Fitzpatrick <jfitzpatrick@mtcrestedbuttecolorado.us>; Dara MacDonald <dmacdonald@crestedbutte-co.gov>; Matthew Birnie <mbirnie@gunnisoncounty.org>; Cathie Pagano <CPagano@gunnisoncounty.org>; john@nortonglobal.com  
**Subject:** RSVP Dinner: October 18

All -

I wanted to update you all on the upcoming speaker event and what has now evolved into a "thought experiment." Instead of inviting one speaker, we came up with an alternate plan to leverage many speakers to join us here in exchange for a private retreat with 4 other great minds who are making a national or global impact. Think: TedTalk meets Aspen Institute - Gunnison Valley-style!

With that, Luis Benitez agreed to champion our first event and we are building it with him. This year's focus, for our inaugural Pique Interests series, will be on business, environment and the future. The speakers on deck are:

- Luis Benitez, OR Director, CO OEDIT
- Brendan Quirk, key player in launching Walton Foundation trails initiatives in AR
- Matt McCoombs, USFS or Dave Wiens, IMBA (awaiting confirmation)
- Len Zanni, Big Agnes or Annelise Lovelie, Icelantic Skis (awaiting confirmation)
- Moderator from the Outdoor Industry Association

Luis & Company will join us October 18-20 and you can view the general itinerary within the attached flyer. The group will join the Gunnison Valley on Western's stage for a statewide audience, only after 48 hours together at a private retreat in Taylor Canyon.

The hope is that they can extend their efforts through some meaningful networking with others that they would never have time to engage with or are busy high-fiving as they enter and exit the same events. The hope is that this format will create more of a rich group dynamic and a deeper conversation on stage and invite the audience to elevate their understanding and glimpse the bigger

picture. (It also gets us 4 speakers in exchange for only travel expenses and the unique retreat!)

Upon arrival, we will host a welcome dinner for our guests, before they are shuttled to their final destination. **What do I need from you? Please submit one attendee from your council, board, or organization to join the intimate, welcome dinner event and properly welcome our guests on October 18<sup>th</sup>**

The response to the experiment has been well-received and already gaining early traction. We will have everything confirmed mid-August and begin official marketing efforts. Over time, the goal is for this event to grow into an anticipated invitation and to continue to raise the intellectual bar not only for our valley, but to showcase the level of thought that emerges from here.

### **Delaney Keating**

ICELab / West Central SBDC Director

Office: 970-943-3014

Mobile: 970-275-6603

[ICELab.co](http://ICELab.co) | [WesternSBDC.org](http://WesternSBDC.org)



# PIQUE INTERESTS

## 4 GREAT MINDS FOR 48 HOURS:

- > RETREATING IN NATURE
- > EXPLORING CHANGE & IMPACT
- > INFORMING THE FUTURE

### 18 October

Arrive @ 2PM:  
Valley Welcome  
Gallery Dinner  
Shuttle to Retreat

### 19 October

Chautauqua All Day:  
Coffee to Cocktails  
with OREC of Choice  
in-between

### 20 October

Morning Hike or  
Personal Time  
Shuttle to Campus:  
90min.panel @1pm



Join us as the first **PIQUE panelists** in celebration of your capacity as human beings, all leading the future. You are always the speaker or leading a charge. This time, take a reprieve in the Gunnison Valley and reinvigorate your spirits with inspiration and expanded awareness of others like you, sprinting to define the future. You will be joined by 3 other leaders on this journey.

**What's included:** travel transport, private retreat lodging, proper feasts, and outdoor adventure guides for group experience of choice.

**What's the exchange:** join us onstage at Western State Colorado University for a 90-minute, guided, panel discussion reflecting on the future of land, outdoor recreation, and the compliment or convergence with technology (really... wherever the conversation takes us).

**QUESTIONS?** Delaney Keating, Director | ICELab.co | dkeating@western.edu | 970-943-3014



## Staff Report

July 16, 2018

**To:** Mayor and Town Council  
**Thru:** Dara MacDonald, Town Manager  
**From:** Lynelle Stanford, Town Clerk  
**Subject:** Transfer of the Brew Pub License at 215 Elk Avenue, Units 3 and 4B, from Mahogany Ridge Brewing Company to Elk Avenue Brewing Company LLC  
**Date:** June 20, 2018

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### Summary:

Elk Avenue Brewing Company LLC DBA The Eldo has applied for a transfer of a Brew Pub License at 215 Elk Avenue, Units 3 and 4B. Staff submits the following findings regarding the application:

1. Notice of public hearing on the application was posted on the premise at least 10 days prior to the public hearing, and notice was published in the *Crested Butte News* on June 29, 2018.
2. A complete application has been submitted and all application fees have been paid.
3. It appears from evidence submitted that the applicant is entitled to possession of the premises for which the application for a transfer of a liquor license has been applied.
4. It is confirmed that the sale of liquor on the premises is not a violation of zoning, building, health and fire laws or regulations.
5. There is an existing Brew Pub License at the location, and in the two years prior to the application for transfer there has not been a denial of an application by the Local Liquor Licensing Authority (Crested Butte Town Council) at the location.
6. The Crested Butte Marshal's Department has conducted a background investigation concerning the principals of Elk Avenue Brewing Company LLC: Daniel Greivell and Sonny Bunch. Fingerprints have been submitted to CBI/FBI.

### Recommendation:

Staff recommends the application for the transfer of a Brew Pub License to Elk Avenue Brewing Company LLC be approved.

### Recommended Motion:

Motion to approve the transfer of a Brew Pub License to Elk Avenue Brewing Company LLC.

# Colorado Liquor Retail License Application

New License    New-Concurrent    Transfer of Ownership    State Property Only

- All answers must be printed in black ink or typewritten
- Applicant must check the appropriate box(es)
- Applicant should obtain a copy of the Colorado Liquor and Beer Code: [www.colorado.gov/enforcement/liquor](http://www.colorado.gov/enforcement/liquor)

1. Applicant is applying as a/an    Individual    Limited Liability Company    Association or Other  
 Corporation    Partnership (includes Limited Liability and Husband and Wife Partnerships)

2. Applicant If an LLC, name of LLC; if partnership, at least 2 partner's names; if corporation, name of corporation   **EIK Avenue Brewing Company, LLC**   FEIN Number [REDACTED]

2a. Trade Name of Establishment (DBA)   **The Eldo**   State Sales Tax Number [REDACTED]   Business Telephone   **970-640-7095**

3. Address of Premises (specify exact location of premises, include suite/unit numbers)  
**215 EIK Ave Unit 3 and Unit 4-B**

City   **Crested Butte**   County   **Gunnison**   State   **CO**   ZIP Code   **81224**

4. Mailing Address (Number and Street)   **61 Spring Meadows Trl**   City or Town   **Gunnison**   State   **CO**   ZIP Code   **81236**

5. Email Address   **Sunnybunch@outlook.com**

6. If the premises currently has a liquor or beer license, you must answer the following questions  
Present Trade Name of Establishment (DBA)   **The Eldo**   Present State License Number   [REDACTED]   Present Class of License   **Brew/Pub**   Present Expiration Date   **10-30-2018**

**Section A   Nonrefundable Application Fees   Section B (Cont.)   Liquor License Fees**

- |   |   |
|---|---|
| <input type="checkbox"/> Application Fee for New License .....\$1550.00                     | <input type="checkbox"/> Lodging & Entertainment - L&E (County) .....\$500.00 |
| <input type="checkbox"/> Application Fee for New License w/Concurrent Review .....\$1750.00 | <input type="checkbox"/> Manager Registration - H & R .....\$75.00            |
| <input checked="" type="checkbox"/> Application Fee for Transfer .....\$1550.00             | <input type="checkbox"/> Manager Registration - Tavern .....\$75.00           |

**Section B   Liquor License Fees**

- |  |  |
|--|--|
| <input type="checkbox"/> Add Optional Premises to H & R.....\$200.00 X _____ Total _____       | <input type="checkbox"/> Manager Registration - Lodging & Entertainment.....\$75.00      |
| <input type="checkbox"/> Add Related Facility to Resort Complex\$75.00 X _____ Total _____     | <input type="checkbox"/> Manager Registration - Campus Liquor Complex .....\$75.00       |
| <input type="checkbox"/> Arts License (City) .....\$308.75                                     | <input type="checkbox"/> Master File Location Fee .....\$50.00 X _____ Total _____       |
| <input type="checkbox"/> Arts License (County) .....\$308.75                                   | <input type="checkbox"/> Master File Background .....\$500.00 X _____ Total _____        |
| <input type="checkbox"/> Beer and Wine License (City).....\$351.25                             | <input type="checkbox"/> Optional Premises License (City).....\$500.00                   |
| <input type="checkbox"/> Beer and Wine License (County).....\$436.25                           | <input type="checkbox"/> Optional Premises License (County) .....\$500.00                |
| <input checked="" type="checkbox"/> Brew Pub License (City) .....\$750.00                      | <input type="checkbox"/> Racetrack License (City).....\$500.00                           |
| <input type="checkbox"/> Brew Pub License (County).....\$750.00                                | <input type="checkbox"/> Racetrack License (County).....\$500.00                         |
| <input type="checkbox"/> Campus Liquor Complex (City).....\$500.00                             | <input type="checkbox"/> Resort Complex License (City).....\$500.00                      |
| <input type="checkbox"/> Campus Liquor Complex (County) .....\$500.00                          | <input type="checkbox"/> Resort Complex License (County).....\$500.00                    |
| <input type="checkbox"/> Campus Liquor Complex (State).....\$500.00                            | <input type="checkbox"/> Related Facility - Campus Liquor Complex (City) .....\$160.00   |
| <input type="checkbox"/> Club License (City).....\$308.75                                      | <input type="checkbox"/> Related Facility - Campus Liquor Complex (County) .....\$160.00 |
| <input type="checkbox"/> Club License (County) .....\$308.75                                   | <input type="checkbox"/> Related Facility - Campus Liquor Complex (State).....\$160.00   |
| <input type="checkbox"/> Distillery Pub License (City).....\$750.00                            | <input type="checkbox"/> Retail Gaming Tavern License (City) .....\$500.00               |
| <input type="checkbox"/> Distillery Pub License (County) .....\$750.00                         | <input type="checkbox"/> Retail Gaming Tavern License (County).....\$500.00              |
| <input type="checkbox"/> Hotel and Restaurant License (City) .....\$500.00                     | <input type="checkbox"/> Retail Liquor Store License-Additional (City).....\$227.50      |
| <input type="checkbox"/> Hotel and Restaurant License (County) .....\$500.00                   | <input type="checkbox"/> Retail Liquor Store License-Additional (County) .....\$312.50   |
| <input type="checkbox"/> Hotel and Restaurant License w/one opt premises (City) .....\$700.00  | <input type="checkbox"/> Retail Liquor Store (City).....\$227.50                         |
| <input type="checkbox"/> Hotel and Restaurant License w/one opt premises (County).....\$700.00 | <input type="checkbox"/> Retail Liquor Store (County).....\$312.50                       |
| <input type="checkbox"/> Liquor-Licensed Drugstore (City) .....\$227.50                        | <input type="checkbox"/> Tavern License (City).....\$500.00                              |
| <input type="checkbox"/> Liquor-Licensed Drugstore (County) .....\$312.50                      | <input type="checkbox"/> Tavern License (County).....\$500.00                            |
| <input type="checkbox"/> Lodging & Entertainment - L&E (City) .....\$500.00                    | <input type="checkbox"/> Vintners Restaurant License (City) .....\$750.00                |
|  | <input type="checkbox"/> Vintners Restaurant License (County).....\$750.00               |

Questions? Visit: [www.colorado.gov/enforcement/liquor](http://www.colorado.gov/enforcement/liquor) for more information

Do not write in this space - For Department of Revenue use only

Liability Information

License Account Number	Liability Date	License Issued Through (Expiration Date)	Total
			\$

## Application Documents Checklist and Worksheet

**Instructions:** This checklist should be utilized to assist applicants with filing all required documents for licensure. All documents must be properly signed and correspond with the name of the applicant exactly. All documents must be typed or legibly printed. Upon final State approval the license will be mailed to the local licensing authority. Application fees are nonrefundable.

**Questions? Visit: [www.colorado.gov/enforcement/liquor](http://www.colorado.gov/enforcement/liquor) for more information**

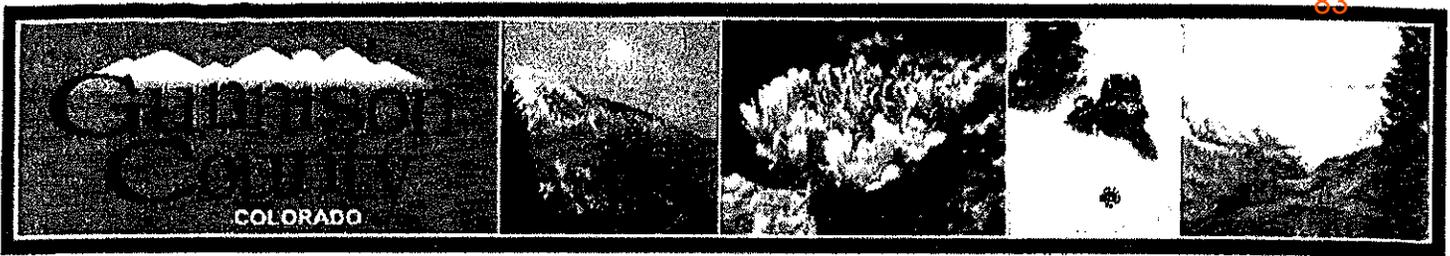
Items submitted, please check all appropriate boxes completed or documents submitted
<p><b>I. Applicant information</b></p> <p><input checked="" type="checkbox"/> A. Applicant/Licensee identified</p> <p><input checked="" type="checkbox"/> B. State sales tax license number listed or applied for at time of application</p> <p><input checked="" type="checkbox"/> C. License type or other transaction identified</p> <p><input checked="" type="checkbox"/> D. Return originals to local authority</p> <p><input type="checkbox"/> E. Additional information may be required by the local licensing authority</p> <p><input type="checkbox"/> F. All sections of the application need to be completed</p>
<p><b>II. Diagram of the premises</b></p> <p><input checked="" type="checkbox"/> A. No larger than 8 1/2" X 11"</p> <p><input checked="" type="checkbox"/> B. Dimensions included (does not have to be to scale). Exterior areas should show type of control (fences, walls, entry/exit points, etc.)</p> <p><input checked="" type="checkbox"/> C. Separate diagram for each floor.(if multiple levels)</p> <p><input type="checkbox"/> D. Kitchen - identified if Hotel and Restaurant</p> <p><input checked="" type="checkbox"/> E. Bold/Outlined Licensed Premises</p>
<p><b>III. Proof of property possession (One Year Needed)</b></p> <p><input type="checkbox"/> A. Deed in name of the applicant (or) (matching question #2) date stamped / filed with County Clerk</p> <p><input checked="" type="checkbox"/> B. Lease in the name of the applicant (or) (matching question #2)</p> <p><input type="checkbox"/> C. Lease assignment in the name of the applicant with proper consent from the Landlord and acceptance by the Applicant</p> <p><input type="checkbox"/> D. Other agreement if not deed or lease. (matching question #2) (Attach prior lease to show right to assumption)</p>
<p><b>IV. Background information and financial documents</b></p> <p><input checked="" type="checkbox"/> A. Individual History Records(s) (Form DR 8404-I)</p> <p><input checked="" type="checkbox"/> B. Fingerprints taken and submitted to local authority (State Authority for Master File applicants)</p> <p><input checked="" type="checkbox"/> C. Purchase agreement, stock transfer agreement, and/or authorization to transfer license</p> <p><input checked="" type="checkbox"/> D. List of all notes and loans (Copies to also be attached)</p>
<p><b>V. Sole proprietor/husband and wife partnership (if applicable)</b></p> <p><input type="checkbox"/> A. Form DR 4679</p> <p><input type="checkbox"/> B. Copy of State issued Driver's License or Colorado Identification Card for each applicant</p>
<p><b>VI. Corporate applicant information (if applicable)</b></p> <p><input checked="" type="checkbox"/> A. Certificate of Incorporation date stamped by the Colorado Secretary of State's Office</p> <p><input checked="" type="checkbox"/> B. Certificate of Good Standing</p> <p><input checked="" type="checkbox"/> C. Certificate of Authorization if foreign corporation</p> <p><input checked="" type="checkbox"/> D. List of officers, directors and stockholders of applying corporation (If wholly owned, designate a minimum of one person as principal officer of parent)</p>
<p><b>VII. Partnership applicant information (if applicable)</b></p> <p><input checked="" type="checkbox"/> A. Partnership Agreement (general or limited). Not needed if husband and wife</p> <p><input checked="" type="checkbox"/> B. Certificate of Good Standing (If formed after 2009)</p>
<p><b>VIII. Limited Liability Company applicant information (if applicable)</b></p> <p><input checked="" type="checkbox"/> A. Copy of articles of organization (date stamped by Colorado Secretary of State's Office)</p> <p><input checked="" type="checkbox"/> B. Certificate of Good Standing</p> <p><input checked="" type="checkbox"/> C. Copy of operating agreement</p> <p><input checked="" type="checkbox"/> D. Certificate of Authority if foreign company</p>
<p><b>IX. Manager registration for Hotel and Restaurant, Tavern, Lodging &amp; Entertainment, and Campus Liquor Complex licenses when included with this application</b></p> <p><input checked="" type="checkbox"/> A. \$75.00 fee</p> <p><input checked="" type="checkbox"/> B. Individual History Record (DR 8404-I)</p> <p><input checked="" type="checkbox"/> C. If owner is managing, no fee required</p>

Name <b>EIK Avenue Brewing Company, LLC</b>	Type of License <b>Brew/Pub</b>	Account Number <b>[REDACTED]</b>		
7. Is the applicant (including any of the partners if a partnership; members or managers if a limited liability company; or officers, stockholders or directors if a corporation) or managers under the age of twenty-one years?		Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>		
8. Has the applicant (including any of the partners if a partnership; members or managers if a limited liability company; or officers, stockholders or directors if a corporation) or managers ever (in Colorado or any other state): (a) Been denied an alcohol beverage license? (b) Had an alcohol beverage license suspended or revoked? (c) Had interest in another entity that had an alcohol beverage license suspended or revoked?		<input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/> <input checked="" type="checkbox"/>		
If you answered yes to 8a, b or c, explain in detail on a separate sheet.				
9. Has a liquor license application (same license class), that was located within 500 feet of the proposed premises, been denied within the preceding two years? If "yes", explain in detail.		<input type="checkbox"/> <input checked="" type="checkbox"/>		
10. Are the premises to be licensed within 500 feet, of any public or private school that meets compulsory education requirements of Colorado law, or the principal campus of any college, university or seminary?		<input type="checkbox"/> <input checked="" type="checkbox"/>		
Waiver by local ordinance? <input type="checkbox"/> <input checked="" type="checkbox"/> Other: _____				
11. Is your Liquor Licensed Drugstore (LLDS) or Retail Liquor Store (RLS) within 1500 feet of another retail liquor license for off-premises sales in a jurisdiction with a population of greater than (>) 10,000? NOTE: The distance shall be determined by a radius measurement that begins at the principal doorway of the LLDS/RLS premises for which the application is being made and ends at the principal doorway of the Licensed LLDS/RLS.		<input type="checkbox"/> <input checked="" type="checkbox"/>		
12. Is your Liquor Licensed Drugstore (LLDS) or Retail Liquor Store (RLS) within 3000 feet of another retail liquor license for off-premises sales in a jurisdiction with a population of less than (<) 10,000? NOTE: The distance shall be determined by a radius measurement that begins at the principal doorway of the LLDS/RLS premises for which the application is being made and ends at the principal doorway of the Licensed LLDS/RLS.		<input type="checkbox"/> <input checked="" type="checkbox"/>		
13a. For additional Retail Liquor Store only. Was your Retail Liquor Store License issued on or before January 1, 2016?		<input type="checkbox"/> <input checked="" type="checkbox"/>		
13b. Are you a Colorado resident?		<input checked="" type="checkbox"/> <input type="checkbox"/>		
14. Has a liquor or beer license ever been issued to the applicant (including any of the partners, if a partnership; members or manager if a Limited Liability Company; or officers, stockholders or directors if a corporation)? If yes, identify the name of the business and list any <u>current</u> financial interest in said business including any loans to or from a licensee.		<input type="checkbox"/> <input checked="" type="checkbox"/>		
15. Does the applicant, as listed on line 2 of this application, have legal possession of the premises by ownership, lease or other arrangement? <input type="checkbox"/> Ownership <input checked="" type="checkbox"/> Lease <input type="checkbox"/> Other (Explain in Detail) _____		<input checked="" type="checkbox"/> <input type="checkbox"/>		
a. If leased, list name of landlord and tenant, and date of expiration, exactly as they appear on the lease:				
Landlord <b>215 EIK AVENUE LLC</b>	Tenant <b>EIK Avenue Brewing Company, LLC</b>	Expires <b>5-31-2021</b>		
b. Is a percentage of alcohol sales included as compensation to the landlord? If yes, complete question 16.		<input type="checkbox"/> <input checked="" type="checkbox"/>		
c. Attach a diagram designates the area to be licensed in black bold outline (including dimensions) which shows the bars, brewery, walls, partitions, entrances, exits and what each room shall be utilized for in this business. This diagram should be no larger than 8 1/2" X 11".				
16. Who, besides the owners listed in this application (including persons, firms, partnerships, corporations, limited liability companies) will loan or give money, inventory, furniture or equipment to or for use in this business; or who will receive money from this business? Attach a separate sheet if necessary.				
Last Name <b>N/A</b>	First Name <b>N/A</b>	Date of Birth	FEIN or SSN	Interest/Percentage
Last Name <b>N/A</b>	First Name <b>N/A</b>	Date of Birth	FEIN or SSN	Interest/Percentage
<b>Attach copies of all notes and security instruments and any written agreement or details of any oral agreement, by which any person (including partnerships, corporations, limited liability companies, etc.) will share in the profit or gross proceeds of this establishment, and any agreement relating to the business which is contingent or conditional in any way by volume, profit, sales, giving of advice or consultation.</b>				
17. Optional Premises or Hotel and Restaurant Licenses with Optional Premises: Has a local ordinance or resolution authorizing optional premises been adopted?		<input type="checkbox"/> <input checked="" type="checkbox"/>		
Number of additional Optional Premise areas requested. (See license fee chart)				
18. Liquor Licensed Drugstore (LLDS) applicants, answer the following: (a) Is there a pharmacy, licensed by the Colorado Board of Pharmacy, located within the applicant's LLDS premise? If "yes" a copy of license must be attached.		<input type="checkbox"/> <input checked="" type="checkbox"/>		
19. Club Liquor License applicants answer the following: <b>Attach a copy of applicable documentation</b>				
(a) Is the applicant organization operated solely for a national, social, fraternal, patriotic, political or athletic purpose and not for pecuniary gain?		<input type="checkbox"/> <input checked="" type="checkbox"/>		
(b) Is the applicant organization a regularly chartered branch, lodge or chapter of a national organization which is operated solely for the object of a patriotic or fraternal organization or society, but not for pecuniary gain?		<input type="checkbox"/> <input checked="" type="checkbox"/>		
(c) How long has the club been incorporated?		<b>N/A</b>		
(d) Has applicant occupied an establishment for three years (three years required) that was operated solely for the reasons stated above?		<input type="checkbox"/> <input checked="" type="checkbox"/>		
20. Brew-Pub, Distillery Pub or Vintner's Restaurant applicants answer the following: (a) Has the applicant received or applied for a Federal Permit? (Copy of permit or application must be attached)		<input checked="" type="checkbox"/> <input type="checkbox"/>		

Name <b>EK Avenue Brewing Company, LLC</b>		Type of License <b>Brew/Pub</b>	Account Number [REDACTED]	
21. Campus Liquor Complex applicants answer the following:				
(a) Is the applicant an institution of higher education?				Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
(b) Is the applicant a person who contracts with the institution of higher education to provide food services? If "yes" please provide a copy of the contract with the institution of higher education to provide food services.				Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
22. For all on-premises applicants.				
a. Hotel and Restaurant, Lodging and Entertainment, Tavern License and Campus Liquor Complex, the Registered Manager must also submit an Individual History Record - DR 8404-I and fingerprints.				
b. For all Liquor Licensed Drugstores (LLDS) the Permitted Manager must also submit a Manager Permit Application - DR 8000 and fingerprints.				
Last Name of Manager <b>Bunch</b>		First Name of Manager <b>Sonny</b>		
23. Does this manager act as the manager of, or have a financial interest in, any other liquor licensed establishment in the State of Colorado? If yes, provide name, type of license and account number.				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
24. Related Facility - Campus Liquor Complex applicants answer the following:				Yes <input type="checkbox"/> No <input checked="" type="checkbox"/>
a. Is the related facility located within the boundaries of the Campus Liquor Complex? If yes, please provide a map of the geographical location within the Campus Liquor Complex. If no, this license type is not available for issues outside the geographical location of the Campus Liquor Complex.				
b. Designated Manager for Related Facility- Campus Liquor Complex				
Last Name of Manager <b>N/A</b>		First Name of Manager <b>N/A</b>		
25. Tax Distraint Information. Does the applicant or any other person listed on this application including its partners, officers, directors, stockholders, members (LLC) or managing members (LLC) and any other persons with a 10% or greater financial interest in the applicant currently have an outstanding tax distraint issued to them by the Colorado Department of Revenue? If yes, provide an explanation and include copies of any payment agreements.				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
26. If applicant is a corporation, partnership, association or limited liability company, applicant must list all <b>Officers, Directors, General Partners, and Managing Members</b> . In addition, applicant must list any stockholders, partners, or members with <b>ownership of 10% or more in the applicant</b> . All persons listed below must also attach form DR 8404-I (Individual History Record), and submit fingerprint cards to the local licensing authority.				
Name <b>Daniel Greivell</b>	Home Address, City & State <b>1038 River Ave. of W. Montkwanago WI 53149</b>	DOB [REDACTED]	Position <b>OWNER</b>	%Owned <b>60</b>
Name <b>Sonny Bunch</b>	Home Address, City & State <b>61 Spring Meadows Trl, CO, 81230 Gunnison</b>	DOB [REDACTED]	Position <b>Owner</b>	%Owned <b>40</b>
Name	Home Address, City & State	DOB	Position	%Owned
Name	Home Address, City & State	DOB	Position	%Owned
Name	Home Address, City & State	DOB	Position	%Owned
<p>** If applicant is owned 100% by a parent company, please list the designated principal officer on above.</p> <p>** Corporations - the President, Vice-President, Secretary and Treasurer must be accounted for above (Include ownership percentage if applicable)</p> <p>** If total ownership percentage disclosed here does not total 100%, applicant must check this box:</p> <p><input checked="" type="checkbox"/> Applicant affirms that no individual other than these disclosed herein owns 10% or more of the applicant and does not have financial interest in a prohibited liquor license pursuant to Title 47 or 48, C.R.S.</p>				

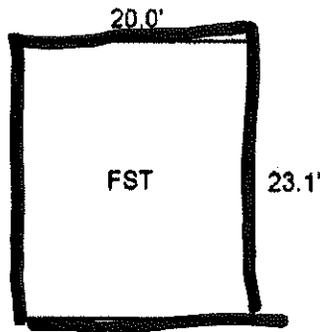
Name <i>Eik Avenue Brewing Company, LLC</i>	Type of License <i>Brew/Pub</i>	Account Number <i>[REDACTED]</i>
<b>Oath Of Applicant</b>		
I declare under penalty of perjury in the second degree that this application and all attachments are true, correct, and complete to the best of my knowledge. I also acknowledge that it is my responsibility and the responsibility of my agents and employees to comply with the provisions of the Colorado Liquor or Beer Code which affect my license.		
Authorized Signature <i>[Signature]</i>	Printed Name and Title <i>Sonny Burch Owner</i>	Date <i>1/3/2018</i>
<b>Report and Approval of Local Licensing Authority (City/County)</b>		
Date application filed with local authority <i>February 1, 2018</i>	Date of local authority hearing (for new license applicants; cannot be less than 30 days from date of application) <i>July 16, 2018</i>	
The Local Licensing Authority Hereby Affirms that each person required to file DR 8404-1 (Individual History Record) or a DR 8000 (Manager Permit) has been:		
<input checked="" type="checkbox"/> Fingerprinted <input checked="" type="checkbox"/> Subject to background investigation, including NCIC/CCIC check for outstanding warrants		
That the local authority has conducted, or intends to conduct, an inspection of the proposed premises to ensure that the applicant is in compliance with and aware of, liquor code provisions affecting their class of license		
(Check One)		
<input type="checkbox"/> Date of inspection or anticipated date _____ <input checked="" type="checkbox"/> Will conduct inspection upon approval of state licensing authority		
<input type="checkbox"/> Is the Liquor Licensed Drugstore (LLDS) or Retail Liquor Store (RLS) within 1,500 feet of another retail liquor license for off-premises sales in a jurisdiction with a population of > 10,000?	<i>NIA</i>	Yes No <input type="checkbox"/> <input type="checkbox"/>
<input type="checkbox"/> Is the Liquor Licensed Drugstore (LLDS) or Retail Liquor Store (RLS) within 3,000 feet of another retail liquor license for off-premises sales in a jurisdiction with a population of < 10,000?	<i>NIA</i>	<input type="checkbox"/> <input type="checkbox"/>
<b>NOTE:</b> The distance shall be determined by a radius measurement that begins at the principal doorway of the LLDS/RLS premises for which the application is being made and ends at the principal doorway of the Licensed LLDS/RLS.		
<input type="checkbox"/> Does the Liquor-Licensed Drugstore (LLDS) have at least twenty percent (20%) of the applicant's gross annual income derived from the sale of food, during the prior twelve (12) month period?	<i>NIA</i>	<input type="checkbox"/> <input type="checkbox"/>
The foregoing application has been examined; and the premises, business to be conducted, and character of the applicant are satisfactory. We do report that such license, if granted, will meet the reasonable requirements of the neighborhood and the desires of the adult inhabitants, and will comply with the provisions of Title 12, Article 46 or 47, C.R.S., and Liquor Rules. <b>Therefore, this application is approved.</b>		
Local Licensing Authority for <i>Town of Crested Butte</i>	Telephone Number <i>970-349-5338</i>	<input checked="" type="checkbox"/> Town, City <input type="checkbox"/> County
Signature <i>[Signature]</i>	Print <i>Lynelle Stanford</i>	Title <i>Town Clerk</i>
Signature	Print	Title
		Date <i>2/1/2018</i>





Sketch 1 for Account: R003548

UNIT 3



[Close Window](#)

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TAP ROOM  
BREWERY

OFFICE OF THE SECRETARY OF STATE  
OF THE STATE OF COLORADO

**CERTIFICATE OF FACT OF GOOD STANDING**

I, Wayne W. Williams, as the Secretary of State of the State of Colorado, hereby certify that, according to the records of this office,

Elk Avenue Brewing Company, LLC

is a

Limited Liability Company

formed or registered on 12/11/2017 under the law of Colorado, has complied with all applicable requirements of this office, and is in good standing with this office. This entity has been assigned entity identification number 20171918743 .

This certificate reflects facts established or disclosed by documents delivered to this office on paper through 01/12/2018 that have been posted, and by documents delivered to this office electronically through 01/16/2018 @ 19:00:00 .

I have affixed hereto the Great Seal of the State of Colorado and duly generated, executed, and issued this official certificate at Denver, Colorado on 01/16/2018 @ 19:00:00 in accordance with applicable law. This certificate is assigned Confirmation Number 10659940 .



Secretary of State of the State of Colorado

\*\*\*\*\*End of Certificate\*\*\*\*\*  
*Notice: A certificate issued electronically from the Colorado Secretary of State's Web site is fully and immediately valid and effective. However, as an option, the issuance and validity of a certificate obtained electronically may be established by visiting the Validate a Certificate page of the Secretary of State's Web site, <http://www.sos.state.co.us/biz/CertificateSearchCriteria.do> entering the certificate's confirmation number displayed on the certificate, and following the instructions displayed. Confirming the issuance of a certificate is merely optional and is not necessary to the valid and effective issuance of a certificate. For more information, visit our Web site, <http://www.sos.state.co.us/> click "Businesses, trademarks, trade names" and select "Frequently Asked Questions."*

OFFICE OF THE SECRETARY OF STATE  
OF THE STATE OF COLORADO

**CERTIFICATE OF FACT OF TRADE NAME**

I, Wayne W. Williams, as the Secretary of State of the State of Colorado, hereby certify that, according to the records of this office, a Statement of Trade Name for:

The Eldo

(Entity ID # 20181043463 )

was filed in this office on 01/17/2018 with an effective date of 01/17/2018 .

This certificate reflects facts established or disclosed by documents delivered to this office on paper through 01/18/2018 that have been posted, and by documents delivered to this office electronically through 01/22/2018 @ 09:34:20 .

I have affixed hereto the Great Seal of the State of Colorado and duly generated, executed, and issued this official certificate at Denver, Colorado on 01/22/2018 @ 09:34:20 in accordance with applicable law. This certificate is assigned Confirmation Number 10668917 .



Secretary of State of the State of Colorado

\*\*\*\*\*End of Certificate\*\*\*\*\*

*Notice: A certificate issued electronically from the Colorado Secretary of State's Web site is fully and immediately valid and effective. However, as an option, the issuance and validity of a certificate obtained electronically may be established by visiting the Validate a Certificate page of the Secretary of State's Web site, <http://www.sos.state.co.us/biz/CertificateSearchCriteria.do> entering the certificate's confirmation number displayed on the certificate, and following the instructions displayed. Confirming the issuance of a certificate is merely optional and is not necessary to the valid and effective issuance of a certificate. For more information, visit our Web site, <http://www.sos.state.co.us/> click "Businesses, trademarks, trade names" and select "Frequently Asked Questions."*



Document must be filed electronically.  
Paper documents are not accepted.  
Fees & forms are subject to change.  
For more information or to print copies  
of filed documents, visit [www.sos.state.co.us](http://www.sos.state.co.us).

Colorado Secretary of State  
Date and Time: 12/11/2017 10:16 AM  
ID Number: 20171918743  
Document number: 20171918743  
Amount Paid: \$50.00

ABOVE SPACE FOR OFFICE USE ONLY

### Articles of Organization

filed pursuant to § 7-80-203 and § 7-80-204 of the Colorado Revised Statutes (C.R.S.)

1. The domestic entity name of the limited liability company is

Elk Avenue Brewing Company, LLC

*(The name of a limited liability company must contain the term or abbreviation "limited liability company", "ltd. liability company", "limited liability co.", "ltd. liability co.", "limited", "l.l.c.", "llc", or "ltd.". See §7-90-601, C.R.S.)*

*(Caution: The use of certain terms or abbreviations are restricted by law. Read instructions for more information.)*

2. The principal office address of the limited liability company's initial principal office is

Street address

215 Elk Ave.

*(Street number and name)*

Crested Butte

*(City)*

CO

*(State)*

81224

*(ZIP/Postal Code)*

United States

*(Country)*

*(Province - if applicable)*

Mailing address

(leave blank if same as street address)

61 Spring Meadows Trail

*(Street number and name or Post Office Box information)*

Gunnison

*(City)*

CO

*(State)*

81230

*(ZIP/Postal Code)*

United States

*(Country)*

*(Province - if applicable)*

3. The registered agent name and registered agent address of the limited liability company's initial registered agent are

Name

(if an individual)

*(Last)*

*(First)*

*(Middle)*

*(Suffix)*

or

(if an entity)

*(Caution: Do not provide both an individual and an entity name.)*

Schumacher & O'Loughlin, LLC

Street address

232 W. Tomichi Ave

*(Street number and name)*

Suite 204

Gunnison

*(City)*

CO

*(State)*

81230

*(ZIP Code)*

Mailing address

(leave blank if same as street address)

*(Street number and name or Post Office Box information)*

\_\_\_\_\_  
(City) CO \_\_\_\_\_  
(State) (ZIP Code)

(The following statement is adopted by marking the box.)

The person appointed as registered agent has consented to being so appointed.

4. The true name and mailing address of the person forming the limited liability company are

Name  
(if an individual) Dan Greivell  
(Last) (First) (Middle) (Suffix)

or

(if an entity)  
(Caution: Do not provide both an individual and an entity name.)

Mailing address 1038 River Park Circle  
(Street number and name or Post Office Box information)  
Apt #206  
Mukwonago WI 53149  
(City) (State) (ZIP/Postal Code)  
United States  
(Province - if applicable) (Country)

(If the following statement applies, adopt the statement by marking the box and include an attachment.)

The limited liability company has one or more additional persons forming the limited liability company and the name and mailing address of each such person are stated in an attachment.

5. The management of the limited liability company is vested in

(Mark the applicable box.)

one or more managers.

or

the members.

6. (The following statement is adopted by marking the box.)

There is at least one member of the limited liability company.

7. (If the following statement applies, adopt the statement by marking the box and include an attachment.)

This document contains additional information as provided by law.

8. (Caution: Leave blank if the document does not have a delayed effective date. Stating a delayed effective date has significant legal consequences. Read instructions before entering a date.)

(If the following statement applies, adopt the statement by entering a date and, if applicable, time using the required format.)

The delayed effective date and, if applicable, time of this document is/are \_\_\_\_\_  
(mm/dd/yyyy hour:minute am/pm)

Notice:

Causing this document to be delivered to the Secretary of State for filing shall constitute the affirmation or acknowledgment of each individual causing such delivery, under penalties of perjury, that the document is the individual's act and deed, or that the individual in good faith believes the document is the act and deed of the person on whose behalf the individual is causing the document to be delivered for filing, taken in conformity with the requirements of part 3 of article 90 of title 7, C.R.S., the constituent documents, and the organic statutes, and that the individual in good faith believes the facts stated in the document are true and the document complies with the requirements of that Part, the constituent documents, and the organic statutes.

○

This perjury notice applies to each individual who causes this document to be delivered to the Secretary of State, whether or not such individual is named in the document as one who has caused it to be delivered.

9. The true name and mailing address of the individual causing the document to be delivered for filing are

O'Loughlin	Michael		
<i>(Last)</i>	<i>(First)</i>	<i>(Middle)</i>	<i>(Suffix)</i>
232 W Tomichi Ave			
<i>(Street number and name or Post Office Box information)</i>			
Suite 204			
Gunnison	CO	81230	
<i>(City)</i>	<i>(State)</i>	<i>(ZIP/Postal Code)</i>	
	United States		
<i>(Province -- if applicable)</i>	<i>(Country)</i>		

*(If the following statement applies, adopt the statement by marking the box and include an attachment.)*

- This document contains the true name and mailing address of one or more additional individuals causing the document to be delivered for filing.

**Disclaimer:**

This form/cover sheet, and any related instructions, are not intended to provide legal, business or tax advice, and are furnished without representation or warranty. While this form/cover sheet is believed to satisfy minimum legal requirements as of its revision date, compliance with applicable law, as the same may be amended from time to time, remains the responsibility of the user of this form/cover sheet. Questions should be addressed to the user's legal, business or tax advisor(s).

**ADDITIONAL PERSON FORMING ELK AVENUE BREWING COMPANY, LLC**

Sonny Bunch  
61 Spring Meadows Trail  
Gunnison, CO 81230

**THIS LICENSE MUST BE POSTED IN PUBLIC VIEW**

DR 8402 (07/01/2012)

**STATE OF COLORADO  
DEPARTMENT OF REVENUE**

**LIQUOR ENFORCEMENT DIVISION**

1881 Pierce Street, Suite 108  
Lakewood, Colorado 80214

**ELK AVENUE BREWING COMPANY LLC  
dba THE ELDO  
215 ELK AVENUE UNITS 3 & 4B  
CRESTED BUTTE CO 81224**

**ALCOHOL BEVERAGE LICENSE**

Liquor License Number <b>4709489</b>	License Expires at Midnight <b>03/22/2019</b>
License Type <b>BREW PUB (CITY)</b>	
Authorized Beverages <b>MALT, VINOUS, AND SPIRITUOUS</b>	

This license is issued subject to the laws of the State of Colorado and especially under the provisions of Title 12, Articles 46 or 47, CRS 1973, as amended. This license is nontransferable and shall be conspicuously posted in the place above described. This license is only valid through the expiration date shown above. Any questions concerning this license should be addressed to: Colorado Liquor Enforcement Division, 1881 Pierce Street, Suite 108, Lakewood, CO 80214.

In testimony whereof, I have hereunto set my hand. 3/23/2018 DM



Patrick Maroney, Division Director



Michael Hartman, Executive Director

# Town of Crested Butte

P.O. Box 39 Crested Butte, Colorado 81224

*-National Trust for Historic Preservation's 2008 Dozen Distinctive Destinations Award Recipient-*

*-A National Historic District-*

Phone: (970) 349-5338  
 FAX: (970) 349-6626  
[www.townofcrestedbutte.com](http://www.townofcrestedbutte.com)

Town of Mt Crested Butte

**DRAFT**

VIA EMAIL

Dear Mayor and Council,

The Town of Crested Butte is requesting that the parties to the 1998 Memorandum of Agreement reconvene. Successful development of this publicly-owned site requires that the parties to the MOA share a common understanding of each other's perspectives so that the ultimate use of the "parking lot parcel" furthers the goals of all of the parties and their constituents. The Town, and other County residents, have provided detailed comments to the County on the proposal's failure to satisfy the County LUR requirements, and how it deviates from the Housing Needs Assessment. The number of units has received the most attention, but many other design and planning considerations affect whether the project is compatible with the character of the neighborhood as required by the LUR. There has been no recent opportunity for us to discuss these comments, to listen to the concerns of the other MOA parties, or to brainstorm solutions to the problems we have identified. There may be, for example, multiple solutions that no one party has considered that could emerge from face-to-face discussions among the parties regarding the use of the parcel.

In a separate letter we are making the same request to Gunnison County and asking, based on the developer's representation that no further modifications will be proposed, that the County deny the sketch plan for failure to satisfy LUR standards. We will also be contacting Crested Butte Mountain Resort. Please feel free to contact any council member, or Dara Mac Donald, to discuss our request. We look forward to continuing efforts and conversations to address affordable housing needs in Gunnison County.

Town of Crested Butte

By: \_\_\_\_\_

Jim Schmidt, Mayor

# Town of Crested Butte

P.O. Box 39 Crested Butte, Colorado 81224

*-National Trust for Historic Preservation's 2008 Dozen Distinctive Destinations Award Recipient-*

*-A National Historic District-*

**DRAFT**

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Gunnison County Board of County Commissioners  
County of Gunnison  
VIA email  
July \_\_ 2018

Dear Commissioners:

The Town of Crested Butte would like to thank you for the time and attention you have given to the Corner at Brush Creek as you continue to hold title to the property for the benefit of the parties to the 1998 Memorandum of Agreement (“MOA”). We appreciate David Baumgarten’s and Rachel MacGruder’s presentations to the Council which have sparked conversations that reiterate and clarify important issues. While their meetings with individual jurisdictions and constituents have opened dialogue, they have also caused a good deal of frustration for our citizens. Because the developer has not come forward with substantive responses to community concerns, we continue to lose time in dealing with the housing crisis. Solving the affordable housing crisis is one of the most complex problems in our county and throughout Colorado. We think that the intensity of the Brush Creek proposal and the public ownership of the site warrant more inclusive public, conversations than individual meetings might provide.

We would like to underscore that the Town is extremely concerned about the critical need for affordable housing, and understands that solutions must be multi-faceted. Unfortunately, Crested Butte has been described by some County representatives as obstructing solutions to the affordable housing problem because the Town is not in full support of the current configuration of the Corner at Brush Creek. This is a misunderstanding that needs to be corrected. The Town began efforts to address worker housing shortages over 25 years ago. Currently, there are 265 affordable housing or deed restricted units which represents 22% of the residential units in Town. More affordable units are being developed, and our citizens are currently participating in an open process to define how Paradise Park can be developed to the highest density possible without sacrificing compatibility. The Town has invested over \$2 million dollars in tap fees and provided infrastructure for affordable housing as an incentive for developers and home owners. Crested Butte’s zoning code also requires any annexation to provide land and units for affordable housing purposes, and offers density bonuses for deed -restricted units in residential zones. Owner occupied or rental units are allowed in many commercial zones providing valuable units for businesses’ employees. Finally, all new development must build or provide payment in lieu

towards affordable housing under the Resident Occupied Affordable Housing (ROAH) requirements of the Town Code.

While the County Land Use Resolution also can facilitate affordable housing, the public hearing for the Brush Creek sketch plan does not provide enough opportunity for give and take discussion or creative problem solving. Successful development of this publicly-owned site requires that the parties to the 1998 MOA share a common understanding of each other's perspectives so that the ultimate use of the "parking lot parcel" furthers the goals of all of the parties and their constituents. The Town has provided detailed comments to the County on Brush Creek's failure to satisfy the County LUR requirements, and how it deviates from the Housing Needs Assessment. The number of units proposed has received the most attention, but many other design and planning considerations affect whether a project is compatible with the character of the neighborhood as required by the LUR. However, there has been no opportunity for us to discuss these issues, to listen to the concerns of the other parties, or to brainstorm solutions to the issues we have identified. There may be, for example, multiple solutions that no one party has considered that could emerge from face-to-face discussions among the parties regarding the use of the parcel.

To facilitate this dialogue and foster problem solving, we request that the County agree to participate in a meeting of the MOA parties (relying on staff as necessary to protect your quasi-judicial status). We also respectfully request, based on the developer's representation that no further modifications will be proposed, that the County deny the sketch plan for failure to satisfy LUR standards. We look forward to continuing efforts and conversations to address affordable housing needs in Gunnison County.

Thank you again, and feel free to contact Dara or any one of the Council with questions.

Town Council, Town of Crested Butte

by\_\_\_\_\_

Jim Schmidt, Mayor

## Staff Report

**To:** Mayor and Town Council

**Thru:** Dara MacDonald, Town Manager

**From:** Rob Zillioux, Finance and HR Director

**Subject:** **AN ORDINANCE OF THE CRESTED BUTTE TOWN COUNCIL AMENDING CHAPTER 4, SECTION 2 OF THE CRESTED BUTTE MUNICIPAL CODE PERTAINING TO SALES AND USE TAX DEFINITIONS AND EXEMPTIONS**

**Date:** July 16, 2018

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### **Background**

The standardized definitions were developed by municipal tax professionals as part of a sales tax simplification effort, at the request of the business community and the Colorado General Assembly. It has long been recognized, by government and business alike, that various home rule municipalities giving the same term different meanings is a cause of complexity in our tax system for businesses that operate in multiple municipalities. Use of standardized definitions can help minimize this complexity.

Attached you will find a draft ordinance, including the proposed sales tax definitions.

### **Benefits**

Simply put, the primary benefits of adopting these definitions are to minimize complexity for both merchants and municipalities associated with sales tax management. Moreover, the project will allow Colorado home rule, and self-collecting, municipalities to control their own “sales tax destiny.” The definitions are intended to be revenue neutral. I am in the process of pressure testing.

### **Current Adoption**

So far, 35 municipalities have adopted. These include, among others, Denver, Fort Collins, Golden, Gunnison, Aspen, Mountain Village and Montrose.

### **Recommended Motion**

Motion to set Ordinance 20, Series 2018 for public hearing at the August 7<sup>th</sup> Town Council meeting.

**ORDINANCE NO. 20****SERIES 2018****AN ORDINANCE OF THE CRESTED BUTTE TOWN COUNCIL AMENDING  
CHAPTER 4, SECTION 2 OF THE CRESTED BUTTE MUNICIPAL CODE  
PERTAINING TO SALES AND USE TAX DEFINITIONS AND EXEMPTIONS**

**WHEREAS**, the Town of Crested Butte, Colorado (the “**Town**”) is a home rule municipality duly and regularly organized and now validly existing as a body corporate and politic under and by virtue of the constitution and laws of the State of Colorado; and

**WHEREAS**, the Town Council has the authority pursuant to Article XX of the Colorado Constitution, the Town of Crested Butte Home Rule Charter and applicable State statute, including C.R.S. §31-15-401, to adopt ordinances, rules and regulations in furtherance of public health, safety and welfare; and

**WHEREAS**, pursuant to Chapter 4, Article 2 of the Crested Butte Municipal Code (the “**Code**”), the Town possesses the authority to collect and administer sales taxes and use taxes within Crested Butte; and

**WHEREAS**, in SJR14-038 the General Assembly asked the Colorado Municipal League (“CML”) to revive the tax simplification project from the 1990’s to address current systemic problems associated with local tax collection; and

**WHEREAS**, Council has determined that the standard tax definitions project is a major collaborative sales tax simplification initiative by Colorado’s home rule municipalities that locally collect their sales tax and the business community; and

**WHEREAS**, Council has determined that the Town will cooperate in furtherance of a statewide goal to have all locally collecting municipalities agree to use standard definitions in their sales and use tax codes; and

**WHEREAS**, Council has determined that maintaining the local collection of sales and use taxes for the Town is of paramount importance to the continued financial strength of the Town; and

**WHEREAS**, Council has determined that the business community desires better uniformity and simplicity when operating in the Town; and

**WHEREAS**, Council has determined that sales tax revenue is directly tied to how well the Town’s business community is faring, Council and staff have generally supported the idea that the Town should simplify the Town’s tax code, without sacrificing revenue; and

**WHEREAS**, Council has determined that revenue neutral tax simplification is generally construed as good for business and good for the community as a whole; and

**WHEREAS**, Council has determined that modification of the Town’s sales and use tax exemptions is required in an effort to comply with the Taxpayer Bill of Rights by staying revenue neutral; and

**WHEREAS**, the Town Staff has recommended to the Town Council that the Town adopt most of the standard sales and use tax definitions recommended by the CML and that adopting such definitions will not negatively impact the Town; and

**WHEREAS**, the Town Council finds that adoption of standard sales tax definitions set forth herein is in the best interest of the health, safety and welfare of the residents, business owners and visitors of the Town.

**NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF CRESTED BUTTE, COLORADO, THAT,**

**Section 1. Amending Chapter 4, Article 2.** Chapter 4, Article 2, Section 30 of the Code is hereby amended and shall read as follows:

**Sec. 4-2-30. - Definitions.**

The following words and phrases, as used in this Article, shall have the following meanings:

**“Agricultural Producer”** means a person regularly engaged in the business of using land for the production of commercial crops or commercial livestock. The term includes farmers, market gardeners, commercial fruit growers, livestock breeders, dairymen, poultrymen, and other persons similarly engaged, but does not include a person who breeds or markets animals, birds, or fish for domestic pets nor a person who cultivates, grows, or harvests plants or plant products exclusively for that person's own consumption or casual sale.

**“Auction”** means any sale where tangible personal property is sold by an auctioneer who is either the agent for the owner of such property or is in fact the owner thereof.

**“Automotive Vehicle”** means any vehicle or device in, upon, or by which any person or property is or may be transported or drawn upon a public highway, or any device used or designed for aviation or flight in the air. Automotive Vehicle includes, but is not limited to, motor vehicles, trailers, semi-trailers, or mobile homes. Automotive Vehicle shall not include devices moved by human power or used exclusively upon stationary rails or tracks.

**“Business”** means all activities engaged in or caused to be engaged in with the object of gain, benefit, or advantage, direct or indirect.

**“Candy”** means a preparation of sugar, honey, or other natural or artificial sweeteners in combination with chocolate, fruit, nuts, or other ingredients or flavorings in the form of bars, drops, or pieces. Candy does not include any preparation containing flour, products that require refrigeration or marijuana infused products.

**“Carrier Access Services”** means the services furnished by a local exchange company to its customers who provide telecommunications services which allow them to provide such telecommunications services.

**“Charitable Organization”** means any entity which: (1) has been certified as a nonprofit organization under Section 501(c)(3) of the Internal Revenue Code, and (2) is an organization which exclusively, and in a manner consistent with existing laws and for the benefit of an indefinite number of persons or animals, freely and voluntarily ministers to the physical, mental, or spiritual needs of persons or animals, and thereby lessens the burden of government.

**“City”** or **“Town”** means the municipality of the Town of Crested Butte.

**“Coins”** means monetized bullion or other forms of money manufactured from gold, silver, platinum, palladium or other such metals now, in the future or heretofore designated as a medium of exchange under the laws of this State, the United States or any foreign nation.

**“Coin Operated Device”** means any device operated by coins or currency or any substitute therefor.

**“Collection Costs”** shall include, but is not limited to, all costs of audit, assessment, bank fees, hearings, execution, lien filing, distraint, litigation, locksmith fees, auction fees and costs, prosecution and attorney fees.

**“Commercial Packaging Materials”** means containers, labels, and/or cases, that become part of the finished product to the purchaser, used by or sold to a person engaged in manufacturing, compounding, wholesaling, jobbing, retailing, packaging, distributing or bottling for sale, profit or use, and is not returnable to said person for reuse. Commercial Packaging Materials does not include Commercial Shipping Materials.

**“Commercial Shipping Materials”** means materials that do not become part of the finished product to the purchaser which are used exclusively in the shipping process. Commercial Shipping Materials include but are not limited to containers, labels, pallets, banding material and fasteners, shipping cases, shrink wrap, bubble wrap or other forms of binding, padding or protection.

**“Community Organization”** means a nonprofit entity organized and operated exclusively for the promotion of social welfare, primarily engaged in promoting the common good and general welfare of the community, so long as: (1) No part of the net earnings of which inures to the benefit of any private shareholder or individual; (2) No substantial part of the activities of which is carrying on propaganda, or otherwise attempting to influence legislation; and (3) Which does not participate in, or intervene in (including the publishing or distributing of statements), any political campaign on behalf of any candidate for public office.

**“Construction Equipment”** means any equipment, including mobile machinery and mobile equipment, which is used to erect, install, alter, demolish, repair, remodel, or otherwise make improvements to any real property, building, structure or infrastructure.

**“Construction Materials”** means tangible personal property which, when combined with other tangible personal property, loses its identity to become an integral and inseparable part of a

structure or project including public and private improvements. Construction Materials include, but are not limited to, such things as: asphalt, bricks, builders' hardware, caulking material, cement, concrete, conduit, electric wiring and connections, fireplace inserts, electrical heating and cooling equipment, flooring, glass, gravel, insulation, lath, lead, lime, lumber, macadam, millwork, mortar, oil, paint, piping, pipe valves and pipe fittings, plaster, plumbing fixtures, putty, reinforcing mesh, road base, roofing, sand, sanitary sewer pipe, sheet metal, site lighting, steel, stone, stucco, tile, trees, shrubs and other landscaping materials, wall board, wall coping, wallpaper, weather stripping, wire netting and screen, water mains and meters, and wood preserver. The above materials, when used for forms, or other items which do not remain as an integral and inseparable part of completed structure or project are not construction materials.

**“Consumer”** means any person in the Town who purchases, uses, stores, distributes or otherwise consumes tangible personal property or taxable services, purchased from sources inside or outside the Town.

**“Contract Auditor”** means a duly authorized agent designated by the taxing authority and qualified to conduct tax audits on behalf of and pursuant to an agreement with the municipality.

**“Contractor”** means any person who shall build, construct, reconstruct, alter, expand, modify, or improve any building, dwelling, structure, infrastructure, or other improvement to real property for another party pursuant to an agreement. For purposes of this definition, Contractor also includes subcontractor.

**“Cover Charge”** means a charge paid to a club or similar entertainment establishment which may, or may not, entitle the patron paying such charge to receive tangible personal property, such as food and/or beverages.

**“Data Processing Equipment”** means any equipment or system of equipment used in the storage, manipulation, management, display, reception or transmission of information.

**“Digital Product”** means an electronic product including, but not limited to: (1) “digital images” which means works that include, but are not limited to, the following that are generally recognized in the ordinary and usual sense as “photographs,” “logos,” “cartoons,” or “drawings.” (2) “digital audio-visual works” which means a series of related images which, when shown in succession, impart an impression of motion, together with accompanying sounds, if any, (3) “digital audio works” which means works that result from the fixation of a series of musical, spoken, or other sounds, including ringtones. For purposes of the definition of “digital audio works”, “ringtones” means digitized sound files that are downloaded onto a device and that may be used to alert the customer with respect to a communication, and (4) “digital books” which means works that are generally recognized in the ordinary and usual sense as “books”.

**“Distribution”** means the act of distributing any article of tangible personal property for use or consumption, which may include, but not be limited to, the distribution of advertising gifts, shoppers guides, catalogs, directories, or other property given as prizes, premiums, or for goodwill or in conjunction with the sales of other commodities or services.

**“Dual Residency”** means those situations including, but not limited to, where a person maintains a residence, place of business or business presence, both within and outside the Town. A person shall be deemed to have established a legitimate residence, place of business or business presence outside of the Town for purposes of dual residency if the person has a physical structure owned, leased or rented by such person which is designated by street number or road location outside of the Town, has within it a telephone or telephones in the name of such person and conducts business operations on a regular basis at such location in a manner that includes the type of business activities for which the business (person), as defined in this Code, is organized.

**“Dwelling Unit”** means a building or any portion of a building designed for occupancy as complete, independent living quarters for one (1) or more persons, having direct access from the outside of the building or through a common hall and having living, sleeping, kitchen and sanitary facilities for the exclusive use of the occupants.

**“Engaged in Business in the Town”** means performing or providing services or selling, leasing, renting, delivering or installing tangible personal property for storage, use or consumption, within the Town. Engaged in Business in the Town includes, but is not limited to, any one of the following activities by a person: (1) Directly, indirectly, or by a subsidiary maintains a building, store, office, salesroom, warehouse, or other place of business within the taxing jurisdiction; (2) Sends one or more employees, agents or commissioned sales persons into the taxing jurisdiction to solicit business or to install, assemble, repair, service, or assist in the use of its products, or for demonstration or other reasons; (3) Maintains one or more employees, agents or commissioned sales persons on duty at a location within the taxing jurisdiction; (4) Owns, leases, rents or otherwise exercises control over real or personal property within the taxing jurisdiction; or (5) Makes more than one delivery into the taxing jurisdiction within a twelve month period by any means other than a common carrier.

**“Factory Built Housing”** means a manufactured home or modular home.

**“Finance Director”** means the Finance Director of (name of municipality) or such other person designated by the municipality; Finance Director shall also include such person's designee.

**“Food For Home Consumption”** means food for domestic home consumption as defined in 7 U.S.C. sec. 2012 (k) (2014), as amended, for purposes of the supplemental nutrition assistance program, or any successor program, as defined in 7 U.S.C. sec. 2012 (t), as amended; except that "food" does not include carbonated water marketed in containers; chewing gum; seeds and plants to grow foods; prepared salads and salad bars; packaged and unpackaged cold sandwiches; deli trays; and hot or cold beverages served in unsealed containers or cups that are vended by or through machines or non-coin-operated coin-collecting food and snack devices on behalf of a vendor.

**“Garage Sales”** means sales of tangible personal property, except automotive vehicles, occurring at the residence of the seller, where the property to be sold was originally purchased for use by members of the household where such sale is being conducted. The term includes, but is not limited to, yard sales, estate sales, and block sales.

**“Gross Sales”** means the total amount received in money, credit, property or other consideration valued in money for all sales, leases, or rentals of tangible personal property or services.

**“Internet Access Services”** means services that provide or enable computer access by multiple users to the Internet, but shall not include that portion of packaged or bundled services providing phone or television cable services when the package or bundle includes the sale of Internet Access Services.

**“Internet Subscription Service”** means software programs, systems, data and applications available online through rental, lease or subscription, that provide information and services including, but not limited to, data linking, data research, data analysis, data filtering or record compiling.

**“License”** means a Town of Crested Butte sales and/or use tax license.

**“Linen Services”** means services involving the provision and cleaning of linens, including but not limited to rags, uniforms, coveralls and diapers.

**“Machinery”** means any apparatus consisting of interrelated parts used to produce an article of tangible personal property. The term includes both the basic unit and any adjunct or attachment necessary for the basic unit to accomplish its intended function.

**“Manufactured Home”** means any preconstructed building unit or combination of preconstructed building units, without motive power, where such unit or units are manufactured in a factory or at a location other than the residential site of the completed home, which is designed and commonly used for occupancy by persons for residential purposes, in either temporary or permanent locations, and which unit or units are not licensed as a vehicle.

**“Manufacturing”** means the operation or performance of an integrated series of operations which places a product, article, substance, commodity, or other tangible personal property in a form, composition or character different from that in which it was acquired whether for sale or for use by a manufacturer. The change in form, composition or character must result in a different product having a distinctive name, character or use from the raw or prepared materials.

**“Medical Marijuana”** means marijuana acquired, possessed, cultivated, manufactured, delivered, transported, supplied, sold, or dispensed to a person who qualifies as a patient with a debilitating medical condition(s) under Article XVIII, Section 14, of the Colorado Constitution, and which person holds a valid “registry identification card” issued by the State of Colorado pursuant to Colorado Constitution, Article XVIII, Section 14.

**“Mobile Machinery and Self-Propelled Construction Equipment”** means those vehicles, self-propelled or otherwise, which are not designed primarily for the transportation of persons or cargo over the public highways, and those motor vehicles which may have originally been designed for the transportation of persons or cargo over the public highways, and those motor vehicles which may have originally been designed for the transportation of persons or cargo but which have been redesigned or modified by the mounting thereon of special equipment or machinery, and which may be only incidentally operated or moved over the public highways. This definition includes but is not limited to wheeled vehicles commonly used in the construction, maintenance, and repair of roadways, the drilling of wells, and the digging of ditches.

**“Modular Home”** means any structure that consists of multiple sections fabricated, formed or assembled in manufacturing facilities for installation and assembly at the building site, and is constructed to the building codes adopted by the State Division of Housing, created in Section 24-32-706, C.R.S., and is designed to be installed on a permanent foundation.

**“Motor Fuel”** means gasoline, casing head or natural gasoline, benzol, benzene and naphtha, gasohol and any other liquid prepared, advertised, offered for sale, sold for use or used or commercially usable in internal combustion engines for the generation of power for the propulsion of motor vehicles upon the public highways. The term does not include fuel used for the propulsion or drawing of aircraft or railroad cars or railroad locomotives.

**“Newspaper”** means a publication, printed on newsprint, intended for general circulation, and published regularly at short intervals, containing information and editorials on current events and news of general interest. The term Newspaper does not include: magazines, trade publications or journals, credit bulletins, advertising inserts, circulars, directories, maps, racing programs, reprints, newspaper clipping and mailing services or listings, publications that include an updating or revision service, or books or pocket editions of books.

**“Online Garage Sales”** means sales of tangible personal property, except automotive vehicles, occurring online, where the property to be sold was originally purchased for use by the seller or members of the seller’s household.

**“Parent”** means a parent of a student.

**“Person”** means any individual, firm, partnership, joint venture, corporation, limited liability company, estate or trust, receiver, trustee, assignee, lessee or any person acting in a fiduciary or representative capacity, whether appointed by court or otherwise, or any group or combination acting as a unit.

**“Photovoltaic System”** means a [power system](#) designed to supply usable [solar power](#) by means of [photovoltaics](#), a method of converting [solar energy](#) into [direct current electricity](#) using [semiconducting materials](#) that create voltage or electric current in a material upon exposure to light. It consists of an arrangement of several components, including [solar panels](#) to absorb and convert sunlight into electricity, a [solar inverter](#) to change the electric current from DC to AC, as well as [mounting](#), [cabling](#), [metering systems](#) and other electrical accessories to set up a working system.

**“Precious Metal Bullion”** means any precious metal, including but not limited to, gold, silver, platinum, palladium, that has been put through a process of refining and is in such a state or condition that its value depends upon its precious metal content and not its form.

**“Prepress Preparation Material”** means all materials used by those in the printing industry including, but not limited to, airbrush color photos, color keys, dies, engravings, light-sensitive film, light-sensitive paper, masking materials, Mylar, plates, proofing materials, tape, transparencies, and veloxes, which are used by printers in the preparation of customer specific layouts or in plates used to fill customers' printing orders, which are eventually sold to a customer, either in their original purchase form or in an altered form, and for which a sales or use tax is demonstrably collected from the printer's customer, if applicable, either separately from the printed

materials or as part of the inclusive price therefor. Materials sold to a printer which are used by the printer for the printer's own purposes, and are not sold, either directly or in an altered form, to a customer, are not included within this definition.

**“Preprinted Newspaper Supplements”** shall mean inserts, attachments or supplements circulated in newspapers that: (1) are primarily devoted to advertising; and (2) the distribution, insertion, or attachment of which is commonly paid for by the advertiser.

**“Prescription Drugs for Animals”** means a drug which, prior to being dispensed or delivered, is required by the federal Food, Drug, and Cosmetic Act, 21 U.S.C. Sect. 301, et. seq., as amended, to state at a minimum the symbol “Rx Only”, and is dispensed in accordance with any order in writing, dated and signed by a licensed veterinarian specifying the animal for which the medicine or drug is offered and directions, if any, to be placed on the label.

**“Prescription Drugs for Humans”** means a drug which, prior to being dispensed or delivered, is required by the federal Food, Drug, and Cosmetic Act, 21 U.S.C. Sect. 301, et. seq., as amended, to state at a minimum the symbol “Rx Only”, and is dispensed in accordance with any written or electronic order dated and signed by a licensed practitioner of the healing arts, or given orally by a practitioner and immediately reduced to writing by the pharmacist, assistant pharmacist, or pharmacy intern, specifying the name and any required information of the patient for whom the medicine, drug or poison is offered and directions, if any, to be placed on the label.

**“Price”** or **“Purchase Price”** means the aggregate value measured in currency paid or delivered or promised to be paid or delivered in consummation of a sale, without any discount from the price on account of the cost of materials used, labor or service cost, and exclusive of any direct tax imposed by the federal government or by this article, and, in the case of all retail sales involving the exchange of property, also exclusive of the fair market value of the property exchanged at the same time and place of the exchange, if: (1) Such exchanged property is to be sold thereafter in the usual course of the retailer's business, or (2) Such exchanged property is a vehicle and is exchanged for another vehicle and both vehicles are subject to licensing, registration, or certification under the laws of this state, including, but not limited to, vehicles operating upon public highways, off-highway recreation vehicles, watercraft, and aircraft. Any money or other consideration paid over and above the value of the exchanged property is subject to tax.

Price or Purchase Price includes:

The amount of money received or due in cash and credits.

Property at fair market value taken in exchange but not for resale in the usual course of the retailer's business.

Any consideration valued in money, whereby the manufacturer or someone else reimburses the retailer for part of the purchase price and other media of exchange.

The total price charged on credit sales including finance charges which are not separately stated at the time of sale. An amount charged as interest on the unpaid balance of the purchase price is not part of the purchase price unless the amount added to the purchase price is included in the principal amount of a promissory note; except the interest or carrying charge set out separately from the unpaid balance of the purchase price on the face of the note is not part of the purchase price. An amount charged for insurance on the property sold and separately stated at the time of sale is not part of the purchase price.

Installation, applying, remodeling or repairing the property, delivery and wheeling-in charges included in the purchase price and not separately stated.

Transportation and other charges to effect delivery of tangible personal property to the purchaser.

Indirect federal manufacturers' excise taxes, such as taxes on automobiles, tires and floor stock.

The gross purchase price of articles sold after manufacturing or after having been made to order, including the gross value of all the materials used, labor and service performed and the profit thereon.

Price or Purchase Price shall not include:

Any sales or use tax imposed by the State of Colorado or by any political subdivision thereof.

The fair market value of property exchanged if such property is to be sold thereafter in the retailers' usual course of business. This is not limited to exchanges in Colorado. Out of state trade-ins are an allowable adjustment to the purchase price.

Discounts from the original price if such discount and the corresponding decrease in sales tax due is actually passed on to the purchaser, and the seller is not reimbursed for the discount by the manufacturer or someone else. An anticipated discount to be allowed for payment on or before a given date is not an allowable adjustment to the price in reporting gross sales.

**“Private Communications Services”** means telecommunications services furnished to a subscriber, which entitles the subscriber to exclusive or priority use of any communication channel or groups of channels, or to the exclusive or priority use of any interstate inter-communications system for the subscriber's stations.

**“Purchase”** or **“Sale”** means the acquisition for any consideration by any person of tangible personal property, other taxable products or taxable services that are purchased, leased, rented, or sold. These terms include capital leases, installment and credit sales, and property and services acquired by:

Transfer, either conditionally or absolutely, of title or possession or both to tangible personal property, other taxable products, or taxable services;

A lease, lease-purchase agreement, rental or grant of a license, including royalty agreements, to use tangible personal property, other taxable products, or taxable services;

Performance of taxable services; or

Barter or exchange for other tangible personal property, other taxable products, or services.

The terms Purchase and Sale do not include:

A division of partnership assets among the partners according to their interests in the partnership;

(2) The transfer of assets of shareholders in the formation or dissolution of professional corporations, if no consideration including, but not limited to, the assumption of a liability is paid for the transfer of assets;

(3) The dissolution and the pro rata distribution of the corporation's assets to its stockholders, if no consideration including, but not limited to, the assumption of a liability is paid for the transfer of assets;

- (4) A transfer of a partnership or limited liability company interest;
- (5) The transfer of assets to a commencing or existing partnership or limited liability company, if no consideration including, but not limited to, the assumption of a liability is paid for the transfer of assets;
- (6) The repossession of personal property by a chattel mortgage holder or foreclosure by a lienholder;
- (7) The transfer of assets from a parent company to a subsidiary company or companies which are owned at least eighty percent by the parent company, which transfer is solely in exchange for stock or securities of the subsidiary company;
- (8) The transfer of assets from a subsidiary company or companies which are owned at least eighty percent by the parent company to a parent company or to another subsidiary which is owned at least eighty percent by the parent company, which transfer is solely in exchange for stock or securities of the parent corporation or the subsidiary which received the assets;
- (9) The transfer of assets between parent and closely held subsidiary companies, or between subsidiary companies closely held by the same parent company, or between companies which are owned by the same shareholders in identical percentage of stock ownership amounts, computed on a share-by-share basis, when a tax imposed by this article was paid by the transferor company at the time it acquired such assets, except to the extent that there is an increase in the fair market value of such assets resulting from the manufacturing, fabricating, or physical changing of the assets by the transferor company. To such an extent any transfer referred to in this paragraph (11) shall constitute a sale. For the purposes of this paragraph (11), a closely held subsidiary corporation is one in which the parent company owns stock possessing or membership interest at least eighty percent of the total combined voting power of all classes of stock entitled to vote and owns at least eighty percent of the total number of shares of all other classes of stock.

**“Recreation Services”** means all services relating to athletic or entertainment participation events and/or activities including but not limited to pool, golf, billiards, skating, tennis, bowling, health/athletic club memberships, coin operated amusement devices, video games and video club memberships.

**“Renewable Energy”** means any energy resource that is naturally regenerated over a short time scale and derived directly from the sun (such as thermal, photochemical, and photoelectric), indirectly from the sun (such as wind, hydropower, and photosynthetic energy stored in biomass), or from other natural movements and mechanisms of the environment (such as geothermal and tidal energy). Renewable Energy does not include energy resources derived from fossil fuels, waste products from fossil sources, or waste products from inorganic sources.

**“Resident”** means a person who resides or maintains one or more places of business within the Town, regardless of whether that person also resides or maintains a place of business outside of the Town.

**“Retail Sales”** means all sales except wholesale sales.

**“Retailer”** means any person selling, leasing, renting, or granting a license to use tangible personal property or services at retail. Retailer shall include, but is not limited to, any: (1) Auctioneer; (2) Salesperson, representative, peddler or canvasser, who makes sales as a direct or indirect agent of or obtains such property or services sold from a dealer, distributor, supervisor or employer; (3) Charitable organization or governmental entity which makes sales of tangible

personal property to the public, notwithstanding the fact that the merchandise sold may have been acquired by gift or donation or that the proceeds are to be used for charitable or governmental purposes; (4) Retailer-Contractor, when acting in the capacity of a seller of building supplies, construction materials, and other tangible personal property.

**“Retailer-Contractor”** means a contractor who is also a retailer of building supplies, construction materials, or other tangible personal property, and purchases, manufactures, or fabricates such property for sale (which may include installation), repair work, time and materials jobs, and/or lump sum contracts.

**“Return”** means any form prescribed by the town administration for computing and reporting a total tax liability.

**“Sale that Benefits a Colorado School”** means a sale of a commodity or service from which all proceeds of the sale, less only the actual cost of the commodity or service to a person or entity as described in this Code, are donated to a school or a school-approved student organization.

**“Sales Tax”** means the tax that is collected or required to be collected and remitted by a retailer on sales taxed under this Code.

**“School”** means a public or nonpublic school for students in kindergarten through 12th grade or any portion thereof.

**“Security System Services”** means electronic alarm and/or monitoring services. Such term does not include non-electronic security services such as consulting or human or guard dog patrol services.

**“Soft Drink”** means a nonalcoholic beverage that contains natural or artificial sweeteners. “Soft drink” does not include beverages that contain milk or milk products, soy, rice, or similar milk substitutes, or greater than fifty percent of vegetable or fruit juice by volume.

**“Software Program”** means a sequence of instructions that can be measured, interpreted and executed by an electronic device (e.g. a computer, tablets, smart phones) regardless of the means by which it is accessed or the medium of conveyance. Software program includes: (1) Custom software program, which is a software program prepared to the special order or specifications of a single customer; (2) Pre-written software program, which is a software program prepared for sale or license to multiple users, and not to the special order or specifications of a single customer. Pre-written software is commonly referred to as “canned,” “off-the-shelf (“COTS”),” “mass produced” or “standardized;” (3) Modified software, which means pre-written software that is altered or enhanced by someone other than the purchaser to create a program for a particular user; and (4) The generic term “software,” “software application,” as well as “updates,” “upgrades,” “patches,” “user exits,” and any items which add or extend functionality to existing software programs.

**“Software as a Service”** means software that is rented, leased or subscribed to from a provider and used at the consumer’s location, including but not limited to applications, systems or programs.

**“Software License Fee”** means a fee charged for the right to use, access, or maintain software programs.

**“Software Maintenance Agreement”** means an agreement, typically with a software provider, that may include (1) provisions to maintain the right to use the software; (2) provisions for software upgrades including code updates, version updates, code fix modifications, enhancements, and added or new functional capabilities loaded into existing software, or (3) technical support

**“Solar Thermal Systems”** means a system whose primary purpose is to use energy from the sun to produce heat or cold for: (1) Heating or cooling a residential or commercial building; (2) Heating or cooling water; or (3) Any industrial, commercial, or manufacturing process.

**“Sound System Services”** means the provision of broadcast or pre-recorded audio programming to a building or portion thereof. Such term does not include installation of sound systems where the entire system becomes the property of the building owner or the sound system service is for presentation of live performances.

**“Special Fuel”** means kerosene oil, kerosene distillate, diesel fuel, all liquefied petroleum gases, and all combustible gases and liquids for use in the generation of power for propulsion of motor vehicles upon the public highways. The term does not include fuel used for the propulsion or drawing of aircraft, railroad cars or railroad locomotives.

**“Special Sales Event”** means any sales event which includes more than three (3) Vendors taking place at a single location for a limited period of time not to exceed seven (7) consecutive days.

**“Storage”** means any keeping or retention of, or exercise dominion or control over, or possession of, for any length of time, tangible personal property not while in transit but on a stand still basis for future use when leased, rented or purchased at retail from sources either within or without the Town from any person or vendor.

**“Student”** means any person enrolled in a school.

**“Tangible Personal Property”** means personal property that can be one or more of the following: seen, weighed, measured, felt, touched, stored, transported, exchanged, or that is in any other manner perceptible to the senses.

**“Tax”** means the use tax due from a consumer or the sales tax due from a retailer or the sum of both due from a retailer who also consumes.

**“Tax Deficiency” or “Deficiency”** means any amount of tax, penalty, interest, or other fee that is not reported and/or not paid on or before the date that any return or payment of the tax is required under the terms of this Code.

**“Taxable Sales”** means gross sales less any exemptions and deductions specified in this Code.

**“Taxable Services”** means services subject to tax pursuant to this Code.

**“Taxpayer”** means any person obligated to collect and/or pay tax under the terms of this Code.

**“Telecommunications Service”** means the service of which the object is the transmission of any two-way interactive electronic or electromagnetic communications including but not limited to voice, image, data and any other information, by the use of any means but not limited to wire, cable, fiber optical cable, microwave, radio wave, Voice over Internet Protocol (VoIP), or any combinations of such media, including any form of mobile two-way communication.

**“Television & Entertainment Services”** means audio or visual content that can be transmitted electronically by any means, for which a charge is imposed.

**“Therapeutic Device”** means devices, appliances, or related accessories that correct or treat a human physical disability or surgically created abnormality.

**“Toll Free Telecommunications Service”** means a Telecommunications Service that allows a caller to dial a number without incurring an additional charge for the call.

**“Total Tax Liability”** means the total of all tax, penalties and/or interest owed by a taxpayer and shall include sales tax collected in excess of such tax computed on total sales.

**“Transient / Temporary Sale”** means a sale by any person who engages in a temporary business of selling and delivering goods within the Town for a period of no more than seven consecutive days.

**“Transient / Temporary Vendor”** means any person who engages in the business of Transient / Temporary Sales.

**“Use”** means the exercise, for any length of time by any person within the Town of any right, power or dominion over tangible personal property or services when rented, leased or purchased at retail from sources either within or without the Town from any person or vendor or used in the performance of a contract in the Town whether such tangible personal property is owned or not owned by the taxpayer. Use also includes the withdrawal of items from inventory for consumption.

**“Use Tax”** means the tax paid or required to be paid by a consumer for using, storing, distributing or otherwise consuming tangible personal property or taxable services inside the Town.

**“Wholesale Sales”** means a sale by wholesalers to retailers, jobbers, dealers, or other wholesalers for resale and does not include a sale by Wholesalers to users or consumers not for resale; latter types of sales shall be deemed to be Retail Sales and shall be subject to the provisions of this chapter.

**“Wholesaler”** means any person doing an organized wholesale or jobbing business and selling to Retailers, jobbers, dealers, or other Wholesalers, for the purpose of resale, and not for storage, use, consumption, or distribution.

**Section 2. Severability.** If any section, sentence, clause, phrase, word or other provision of this ordinance is for any reason held to be unconstitutional or otherwise invalid, such holding shall not affect the validity of the remaining sections, sentences, clauses, phrases, words or other provisions of this ordinance, or the validity of this ordinance as an entirety, it being the legislative

intent that this ordinance shall stand notwithstanding the invalidity of any section, sentence, clause, phrase, word or other provision.

**Section 3. Savings Clause.** Except as amended hereby, the Crested Butte Municipal Code, as amended, shall remain valid and in full force and effect. Any provision of the Code that is in conflict with this ordinance is hereby repealed as of the effective date hereof.

INTRODUCED, READ AND SET FOR PUBLIC HEARING THIS \_\_ DAY OF \_\_\_\_\_, 2018.

ADOPTED BY THE TOWN COUNCIL UPON SECOND READING IN PUBLIC HEARING THIS \_\_\_\_\_ DAY OF \_\_\_\_\_, 2018.

TOWN OF CRESTED BUTTE, COLORADO

By: \_\_\_\_\_  
James A. Schmidt, Mayor

ATTEST:

\_\_\_\_\_  
Lynelle Stanford, Town Clerk

[SEAL]

## Staff Report

**To:** Mayor and Town Council  
**Thru:** Dara MacDonald, Town Manager  
**From:** Rob Zillioux, Finance and HR Director  
**Subject:** 2017 Financial Audit  
**Date:** July 16, 2018

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### Summary:

- The accounting firm of Chadwick, Steinkirchner, Davis & Co., P.C. finalized their 2017 audit of financial reports, accounting processes and controls. These financial statements will be formally submitted to the Office of the State Auditor.
- I am pleased to report we received a “clean opinion.” That is to say, the auditors view is that our financial statements / funds present fairly, in all material respects, the financial position of the Town. Moreover, our auditors found no material weaknesses in controls or processes.

### Financial Highlights – Fiscal Year ended December 31, 2017:

- The Town’s assets exceed liabilities by \$46,416,202 (i.e. net position). This represents an increase of \$2,455,537 from 2016.
- The Town’s long-term liabilities increased \$2,406,169 during 2017 due to debt associated with the wastewater treatment plant upgrade. Total long-term liabilities were \$3,694,644.
- Revenues increased \$1,531,129 (+16%) to \$11,198,405. Sales and use tax increased 10% while real estate transfer tax increased 17%. Growth in tourism and housing values were the primary drivers.
- Expenses increased 8% to \$8,742,867. Overall, expenses were within budget guidelines.

### Internal Controls

- As is common in small local governments, there can be some lack of segregation of duties. Considering our size, and in the auditor’s opinion, we have done a pretty good job of

segregating our accounting duties. I will continue to strengthen and improve controls and accounting processes. One very important control in Town is the oversight of budgets by the respective Directors, which our auditors noted was good.

**Enclosures:**

- Management Letter – is a formal memo from Chadwick, Steinkirchner, Davis & Co, that is address to Town Council. I encourage Council to read this memo.
- Town of Crested Butte Audit – this is the full audit report, including Financial Statements, Management’s Discussion and Analysis, and Auditor opinion statement.



July 3, 2018

To the Town Council  
Town of Crested Butte, Colorado

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Crested Butte, Colorado for the year ended December 31, 2017, and have issued our report thereon dated July 3, 2018. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under U.S. Generally Accepted Auditing Standards

As stated in our engagement letter dated December 13, 2017, our responsibility, as described by professional standards, is to express an opinion about whether the financial statements prepared by management with your oversight are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles. Our audit of the financial statements does not relieve you or management of your responsibilities.

Significant Accounting Policies

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Town of Crested Butte, Colorado are described in Note A to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2017. We noted no transactions entered into by the Town during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimate affecting the financial statements was:

Management's estimate of depreciation is based on the estimated useful life of the fixed assets being depreciated at December 31, 2017. We evaluated the key factors and assumptions used to develop depreciation expense in determining that it is reasonable in relation to the financial statements taken as a whole.

*Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.



Town of Crested Butte, Colorado  
Page Two  
July 3, 2018

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The material journal entries made during the audit in the current year were related to properly recognizing expenses for the waste water project that had been incurred by the end of the year. This included retainage of \$117,927 that was accrued at December 31, 2017. Other material adjustments were posted to properly recognize interfund transfers that were made during the year. Transfers should be consistently recognized between funds and should balance to zero as a whole.

#### *Disagreements with Management*

For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated July 3, 2018

#### *Management Consultations with Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Town's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Town's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

#### *Internal controls*

As is common in small local governments, there is some lack of segregation of duties due to small staff size and we strongly encourage the Town to comply with all processes and procedures implemented by the Town to mitigate those risks. This includes excluding the finance director from check signing authority and encouraging management's diligent review and approval of disbursements issued by the Town. We also recommend that as much as possible, the finance director acts as a reviewer rather than an initiator of transactions and reconciliations. The goal of a properly designed system of internal control is to make sure that no one person has too much control over an entire accounting function. This helps to mitigate risks related to error, fraud, waste and abuse. As much as possible the responsibilities for authorizing transactions, processing and recording them, reviewing transactions, and handling the related assets should be separated so that no one individual controls all the key aspects of a transaction. In areas where it is not cost beneficial to implement additional internal controls structure, management should find compensating controls that help minimize the risk. From our observation, one of the



Town of Crested Butte, Colorado  
Page Three  
July 3, 2018

Town's strongest alternative controls to mitigate risk is the active involvement of other department heads in reviewing their department's financial information and approving purchases and monitoring the budget in their departments.

We recommend having a written internal control policy over the financial accounting and reporting process that includes internal controls over IT processes. A written policy helps ensure that if a key member of management or the accounting staff leaves, that individual's job can be filled and the key processes and controls that help the Town run smoothly can be continued. A written policy also helps ensure that there is a means of holding individuals accountable for their assigned duties.

We encourage the Town Council to take an active role in discussing and assessing the financial accounting and reporting risks at the Town of Crested Butte and to weigh the cost benefit of implementing additional controls or processes to address weak areas identified through such assessment. We welcome members of the Council to bring any questions or identified risks to us so that we can answer your questions and address any such risks during the audit process. We are happy to address your questions and share the resources that we have available throughout the year.

#### Other information in Documents Containing Audited Financial Statements

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Town Council and management of the Town of Crested Butte, Colorado and is not intended to be and should not be used by anyone other than these specified parties.

Sincerely,

A handwritten signature in blue ink that reads "Chadwick, Steinkirchner, Davis &amp; Co., P.C." The signature is written in a cursive, flowing style.

Chadwick, Steinkirchner, Davis & Co., P.C

TOWN OF CRESTED BUTTE, COLORADO  
FINANCIAL STATEMENTS AND REPORT OF  
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

December 31, 2017

## CONTENTS

	Page
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS .....	1
MANAGEMENT'S DISCUSSION AND ANALYSIS.....	3
BASIC FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION.....	9
STATEMENT OF ACTIVITIES.....	10
GOVERNMENTAL FUNDS BALANCE SHEET.....	11
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET AND THE STATEMENT OF NET POSITION .....	12
GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES.....	13
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES.....	14
GENERAL FUND – STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL.....	15
AFFORDABLE HOUSING FUND – SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL.....	17
STATEMENT OF NET POSITION – ENTERPRISE FUND .....	18
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION – ENTERPRISE FUND.....	19
STATEMENT OF CASH FLOWS – ENTERPRISE FUND.....	20
NOTES TO FINANCIAL STATEMENTS.....	21
SUPPLEMENTARY INFORMATION	
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS .....	40
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS.....	41
CONSERVATION TRUST FUND – SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL.....	42
STREET AND ALLEY FUND – SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL.....	43
GENERAL CAPITAL FUND – STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL.....	44
SEWER AND WATER FUND – SCHEDULE OF REVENUES AND EXPENSES – BUDGET AND ACTUAL (NON-GAAP BASIS) .....	45
GENERAL FUND AND RELATED SUB-FUND – COMBINING BALANCE SHEET.....	46
GENERAL FUND AND RELATED SUB-FUND – COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL .....	47
LOCAL HIGHWAY FINANCE REPORT .....	49



## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

July 3, 2018

Town Council  
Town of Crested Butte, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Crested Butte, Colorado, as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Crested Butte, Colorado, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General Fund and the Affordable Housing Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.



Town of Crested Butte, Colorado  
July 3, 2018  
Page Two

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Crested Butte, Colorado's basic financial statements. The combining and individual non-major governmental fund schedules, the general capital fund budget to actual schedule, the street and alley fund budget to actual schedule, the enterprise fund budget to actual schedule, the general and sub-fund combining balance sheet and combining schedule of revenues, expenditures and changes in fund balance - budget and actual, and the local highway finance report are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual non-major governmental fund schedules, the general capital fund budget to actual schedule, the street and alley fund budget to actual schedule, the enterprise fund budget to actual schedule, the general and sub-fund combining balance sheet and combining schedule of revenues, expenditures and changes in fund balance - budget and actual, and the local highway finance report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Chadwick, Steinkirchner, Davis & Co., P.C.*

Chadwick, Steinkirchner, Davis & Co., P.C.

## TOWN OF CRESTED BUTTE, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended December 31, 2017

Our discussion and analysis of the Town of Crested Butte's financial performance provides an overview of the Town of Crested Butte's financial activities for the fiscal year ended December 31, 2017. We encourage readers to consider the information presented here in conjunction with the additional information furnished in our basic financial statements to better understand the financial position of the Town of Crested Butte.

**A. FINANCIAL HIGHLIGHTS**

- The Town's assets exceed liabilities and deferred inflows by \$46,416,202 (i.e. net position) at the end of the year, an increase of \$2,455,537 from the prior year.
- Governmental funds reported combined ending fund balances of \$13,750,690 an increase of \$616,480 in comparison to prior year.
- The Town's unassigned fund balance for the general fund, which includes the sales tax fund under Governmental Accounting Standards Board (GASB) 54 reporting requirements, was \$4,324,560 an increase of \$441,140 in comparison to prior year.
- The Town of Crested Butte's total long-term liabilities increased by \$2,406,169 during 2017 due to debt associated with the Town's wastewater treatment plant upgrade.

**B. PROJECT HIGHLIGHTS**

- Six new affordable housing units were developed in Blocks 79 and 80.
- Implementation of short-term rental license and excise tax as a method to support affordable housing initiatives.
- 4-Way Bus Stop and restroom facility construction.
- Baxter Gulch Trail development, in concert with CBMBA, U.S. Forest Service and adjacent property owners.
- Depot renovations.
- Center for the Arts in-kind work. This included removing old asphalt parking and playground, removing railroad ties, leveling the lot to prepare for build.
- Managing historic snow levels
- Beginning construction work on the wastewater treatment plant upgrade. There were several significant reasons for the upgrade. Those include, State of Colorado requirement for redundancy in treatment processes, equipment being at the end of their useful lives, and new State requirements for nutrient removal standards.
- Development of the new Crested Butte Creative District website.

**C. OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the Town of Crested Butte's basic financial statements. The basic financial statements consist of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of our finances in a manner similar to a private sector business.

The statement of net position presents information on all assets, liabilities and deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether financial position is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods.

Both of the government-wide financial statements distinguish functions that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities include general government, public safety, streets and highways, culture and recreation and community development. The business type activities include sewer and water.

## TOWN OF CRESTED BUTTE, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended December 31, 2017

**Fund financial statements.** A fund is a group of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The Town funds can be divided into two categories: governmental funds and proprietary funds.

**Governmental Funds.** Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end that is available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. The relationship or differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds are described in a reconciliation statement.

**Proprietary Funds.** Proprietary funds are maintained as follows:

Enterprise funds are used to report the same functions presented as business-type activities in the government wide financial statements, only in more detail. The Town reports its water and sewer operations as an enterprise fund.

**Notes to financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

**Capital assets.** The Town of Crested Butte complies with capital assets reporting requirements as specified in Governmental Accounting Standards Board Statement 34 (GASB34). One of the requirements is to report capital assets in the government-wide financial statements.

#### **D. GOVERNMENT-WIDE FINANCIAL ANALYSIS**

At December 31, 2017, total net position was \$46,416,202, an increase of \$2,455,512 from the prior year. This increase was largely due to increases in cash position and investment in joint venture along with capital asset purchases during the year.

The largest portion of net position is the investment in capital assets (net of related debt) which accounts for 55% of total net position. This amount reflects the investment in all capital assets less any related outstanding debt used to acquire those assets. These capital assets are used to provide services to citizens and are not available for future spending.

Unrestricted net position is the part of net position that can be used to finance day to day operations without constraints, represents 36% of total net position.

The following table summarizes the Town's governmental and business type net position for 2017 and 2016.

## Town of Crested Butte, Colorado

December 31, 2017

## Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2016	2017	2016	2017	2016	2017
Current and other assets	\$ 16,250,939	<b>\$ 18,913,898</b>	\$ 4,672,445	<b>\$ 6,274,750</b>	\$ 20,923,384	<b>\$ 25,188,648</b>
Capital assets	20,758,449	<b>21,534,960</b>	5,404,700	<b>7,789,971</b>	26,163,149	<b>29,324,931</b>
Total Assets	<u>37,009,388</u>	<u><b>40,448,858</b></u>	<u>10,077,145</u>	<u><b>14,064,721</b></u>	<u>47,086,533</u>	<u><b>54,513,579</b></u>
Current liabilities	740,246	<b>2,215,500</b>	97,394	<b>929,734</b>	837,640	<b>3,145,234</b>
Non-current liabilities						
Due within one year	90,180	<b>53,061</b>	87,339	<b>194,718</b>	177,519	<b>247,779</b>
Due in more than one year	105,750	<b>52,689</b>	1,345,197	<b>3,641,955</b>	1,450,947	<b>3,694,644</b>
Total Liabilities	<u>936,176</u>	<u><b>2,321,250</b></u>	<u>1,529,930</u>	<u><b>4,766,407</b></u>	<u>2,466,106</u>	<u><b>7,087,657</b></u>
Deferred Inflows: Property Tax	929,762	<b>1,009,719</b>	-	-	929,762	<b>1,009,719</b>
Net Position:						
Net investment in capital assets	20,562,519	<b>21,429,210</b>	3,972,163	<b>3,953,298</b>	24,534,682	<b>25,382,508</b>
Investment in joint venture	1,779,605	<b>2,014,040</b>	-	-	1,779,605	<b>2,014,040</b>
Restricted	1,379,054	<b>2,212,336</b>	-	-	1,379,054	<b>2,212,336</b>
Unrestricted	11,692,272	<b>11,462,303</b>	4,575,052	<b>5,345,016</b>	16,267,324	<b>16,807,319</b>
Total Net Position	<u>\$ 35,413,450</u>	<u><b>\$ 37,117,889</b></u>	<u>\$ 8,547,215</u>	<u><b>\$ 9,298,314</b></u>	<u>\$ 43,960,665</u>	<u><b>\$ 46,416,203</b></u>

## Town of Crested Butte

Year ended December 31

## Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2016	2017	2016	2017	2016	2017
<b>REVENUES</b>						
Program Revenues						
Charges for services	\$ 539,762	\$ <b>591,462</b>	\$ 1,619,608	\$ <b>1,775,530</b>	\$ 2,159,370	\$ <b>2,366,992</b>
Operating grants and contribution	128,452	<b>133,218</b>	-	-	128,452	<b>133,218</b>
Capital grants and contributions	68,413	<b>39,321</b>	321,138	<b>523,673</b>	389,551	<b>562,994</b>
General Revenues						
Property taxes	923,928	<b>916,074</b>	-	-	923,928	<b>916,074</b>
Real estate transfer tax	1,400,257	<b>1,644,860</b>	-	-	1,400,257	<b>1,644,860</b>
Sales and use tax	4,495,773	<b>4,930,322</b>	-	-	4,495,773	<b>4,930,322</b>
Other taxes	169,945	<b>166,121</b>	-	-	169,945	<b>166,121</b>
Other	319,540	<b>462,825</b>	11,857	<b>14,999</b>	331,397	<b>477,824</b>
Total Revenues	7,726,530	<b>8,884,203</b>	1,952,603	<b>2,314,202</b>	9,667,276	<b>11,198,405</b>
<b>EXPENSES</b>						
General Government	2,921,755	<b>2,931,062</b>	-	-	2,921,755	<b>2,931,062</b>
Public Safety	861,647	<b>832,090</b>	-	-	861,647	<b>832,090</b>
Highways and Streets	872,509	<b>1,021,964</b>	-	-	872,509	<b>1,021,964</b>
Culture and Recreation	957,705	<b>1,340,070</b>	-	-	957,705	<b>1,340,070</b>
Auxiliary Services	939,019	<b>1,050,609</b>	-	-	939,019	<b>1,050,609</b>
Interest on long-term debt	5,602	<b>3,969</b>	-	-	5,602	<b>3,969</b>
Sewer and Water	-	-	1,579,550	<b>1,563,103</b>	1,579,550	<b>1,563,103</b>
Total Expenses	6,558,237	<b>7,179,764</b>	1,579,550	<b>1,563,103</b>	6,558,237	<b>8,742,867</b>
Increase in net position	<b>1,168,293</b>	<b>1,704,439</b>	<b>373,053</b>	<b>751,099</b>	1,860,886	<b>2,455,538</b>
Beginning net position	33,925,617	<b>35,413,450</b>	8,174,162	<b>8,547,215</b>	42,099,779	<b>43,960,665</b>
Ending net position	\$ 35,093,910	<b>\$37,117,889</b>	\$ 8,547,215	<b>\$ 9,298,314</b>	\$ 43,960,665	<b>\$46,416,203</b>

## TOWN OF CRESTED BUTTE, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended December 31, 2017**E. FINANCIAL ANALYSIS OF GOVERNMENT FUNDS**

**Governmental funds.** The focus of government funds is to provide information on near term inflows, outflows and balances of spendable resources. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2017, the Town's governmental funds reported combined ending fund balance of \$13,750,690, an increase of \$616,480 over prior year. Of the combined ending fund balance for all governmental funds 31% of this amount or \$4,324,560, constitutes unassigned fund balance, which is available for appropriation at the Town's discretion. The Town has four major governmental funds. They are General, General Capital, Affordable Housing and Street and Alley. The Town has one other governmental fund, the Conservation Trust Fund which accounts for the funds received from the Colorado State Lottery Commission.

The General fund is the primary operating fund for the Town of Crested Butte. Under the fund reporting requirements of GASB 54, the sales tax fund is now combined into the General fund for reporting purposes. At the end of 2017, unassigned fund balance for the general fund was \$4,324,560. This unassigned fund balance is approximately 87% of the total 2017 expenditures of the combined General fund. The unassigned fund balance increased by \$441,140 during 2017.

The General Capital fund accounts for general capital acquisitions and maintenance expenditures. Real estate transfer taxes and use tax revenues are its major sources of revenue. At the end of 2017, the General Capital fund balance available for capital projects was \$6,306,689, an increase of \$1,108,763. The majority of this increase was due to a planned Open Space project disbursement of \$1,000,000 which did not happen in 2017. The project will carry forward into 2018.

The Affordable Housing fund accounts for development of affordable housing units, including acquisition and maintenance expenditures for Town owned units and infrastructure development for affordable housing area within Town. Its main source of revenue is a fee assessment on both residential and commercial building permits within Town and grants. Its total fund balance was \$217,252 at the end of 2017, a decrease of \$252,236. The decrease is due to planned expenditures of the fund.

The Street and Alley fund accounts for construction and maintenance expenditures on the Town's streets, alleys, right of ways, sidewalks and parking lots. Its main source of revenue is a dedicated property tax. Its total fund balance was \$1,962,363 at the end of 2017, a decrease of \$358,528. A significant portion of the decrease was due to snow removal expenses associated with the historic snowfall.

**Proprietary funds.** The Town has one enterprise fund which accounts for sewer, water, and trash operations. Year-end unrestricted net position of the sewer and water fund amounted to \$5,345,016 in 2017, an increase of \$769,964. Year-end total net position amounted to \$9,298,314 in 2017, an increase of \$751,098. The majority of this increase is in an increase in capital assets associated with the wastewater treatment plant upgrade.

**F. BUDGETARY HIGHLIGHTS**

There were budget amendments made to the Sales Tax fund and the Affordable Housing Fund during 2017. Sales Tax fund increase was due to the increase in sales tax collections of approximately \$240,000. This increase was distributed to General Capital Fund, Parks and Transportation. The Affordable Housing Fund net expense increase of approximately \$115,000 was due to the purchase and subsequent sale of a deed restricted unit purchase in Poverty Gulch, and a few other projects. All funds had sufficient revenues or fund equity to cover the additional costs. Revenues and expenditures in all funds were closely monitored throughout the year.

**G. CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** The Town of Crested Butte invested \$1,525,238 in capital assets for its governmental and business type activities in 2017. As required by GASB34, the investment in capital assets includes land, buildings, improvements other than buildings, equipment, water systems, sewer systems and infrastructure.

## TOWN OF CRESTED BUTTE, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS  
Year Ended December 31, 2017

**Long-term Debt.** At the end of 2017, the total outstanding long-term debt of the Town was \$3,942,423, a net increase of \$2,313,957 from 2016. The increase was due to the wastewater treatment plant upgrade, and associated loans. Of the outstanding debt, \$3,836,673 is revenue backed debt and \$105,750 is lease obligations. The amount attributable to governmental activities is \$105,750 and the amount attributable to business-type activities is \$3,836,673.

**H. ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

- The Town of Crested Butte continues to maintain strong reserve balances.
- Real estate transfer tax is the majority of revenue for the General Capital fund. The real estate market in 2017 was relatively flat to the 2016 market, with the majority of sales being residential. The 2018 budget anticipates real estate transfer tax to be consistent with 2017.
- We estimate sales tax collections for 2018 to be up 1% from 2017. The local economy, and associated sales tax collections, are trending positively, primarily due to expanded tourism during both peak and shoulder seasons. However, in light of the epic 2017 snow season, we have tempered year over year growth expectations for 2018.
- On November 7, 2017, the voters of the Town passed Ballot Initiative 2A. This initiative institutes a 5% Excise Tax on all Vacation Rental / Short Term Rentals beginning January 1, 2018. The 5% Excise Tax is specifically for use with Affordable Housing initiatives and may not be used for general operations of the Town. It is anticipated this Excise tax will contribute roughly \$220,000 to the Affordable Housing Fund.
- The construction market, which generates building fees, use and sales tax revenues, sewer/water tap-in fees and affordable housing fees, was up slightly from 2016, but not as high as 2015. The total valuation of construction projects increased by 248%, largely due to the start of the Center for the Arts project, with the number of permits increasing from 74 in 2016 to 82 in 2017. Most other projects in 2017 were residential or smaller commercial remodels/additions. We anticipate construction activity to trend higher in 2018 from 2017.
- The 2018 budget has appropriations for several large one-time projects:
  - i. Trampe Ranch conservation
  - ii. 4-Way Stop paving
  - iii. ADA lift in the Old Town Hall
  - iv. Town Park playground renovation
  - v. Public Works Building retaining wall and fencing
  - vi. Wastewater Treatment Plant upgrade project continuation
  - vii. Cypress Annexation / land purchase for use as an affordable housing lot
  - viii. Building an additional eight affordable housing units

**I. REQUEST FOR INFORMATION**

This financial report is designed to provide a general overview of the Town of Crested Butte's finances. If you have questions about this report or need additional financial information, contact the Town of Crested Butte, Finance Department, PO Box 39, Crested Butte, Colorado 81224.

Town of Crested Butte, Colorado  
STATEMENT OF NET POSITION

December 31, 2017

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and investments	\$ 15,355,252	\$ 4,922,164	\$ 20,277,416
Cash and investments, restricted	513	934,707	935,220
Property taxes receivable	1,042,432	-	1,042,432
Other receivables, net of allowance for uncollectible	22,224	216,126	238,350
Intergovernmental receivable	433,314	207,909	641,223
Internal balances	28,500	(28,500)	-
Inventory	17,623	22,344	39,967
Investment in joint venture	2,014,040	-	2,014,040
Capital assets			
Land	10,503,270	27,610	10,530,880
Construction in progress	-	2,661,231	2,661,231
Buildings, net	3,465,646	75,692	3,541,338
Improvements other than buildings, net	2,829,073	-	2,829,073
Equipment, net	1,254,649	139,533	1,394,182
Infrastructure, net	3,482,322	4,885,905	8,368,227
Total assets	<u>40,448,858</u>	<u>14,064,721</u>	<u>54,513,579</u>
<b>LIABILITIES</b>			
Accounts payable	237,676	887,741	1,125,417
Accrued liabilities	134,501	25,235	159,736
Compensated absences payable	76,051	16,758	92,809
Due to other governments	120,688	-	120,688
Funds held for others	1,646,584	-	1,646,584
Long-term liabilities			
Portion due or payable within one year			
Capital leases payable	53,061	-	53,061
Loans payable	-	194,718	194,718
Portion due or payable after one year			
Capital leases payable	52,689	-	52,689
Loans payable	-	3,641,955	3,641,955
Total liabilities	<u>2,321,250</u>	<u>4,766,407</u>	<u>7,087,657</u>
<b>DEFERRED INFLOWS</b>			
Property taxes	1,009,719	-	1,009,719
Total deferred inflows	<u>1,009,719</u>	<u>-</u>	<u>1,009,719</u>
<b>NET POSITION</b>			
Net investment in capital assets	21,429,210	3,953,298	25,382,508
Invested in joint venture	2,014,040	-	2,014,040
Restricted for:			
Open space	1,927,364	-	1,927,364
Parking	14,057	-	14,057
Law enforcement	513	-	513
Emergencies	270,402	-	270,402
Unrestricted	11,462,303	5,345,016	16,807,319
Total net position	<u>\$ 37,117,889</u>	<u>\$ 9,298,314</u>	<u>\$ 46,416,203</u>

The accompanying notes are an integral part of this statement.

## Town of Crested Butte, Colorado

## STATEMENT OF ACTIVITIES

Year ended December 31, 2017

Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Activities:							
Governmental:							
General government	\$ 2,931,062	\$ 445,694	\$ 34,410	\$ -	\$ (2,450,958)		\$ (2,450,958)
Public safety	832,090	-	27,131	34,321	(770,638)		(770,638)
Highways and streets	1,021,964	21,215	-	5,000	(995,749)		(995,749)
Culture and recreation	1,340,070	85,648	51,681	-	(1,202,741)		(1,202,741)
Auxiliary services	1,050,609	38,905	19,996	-	(991,708)		(991,708)
Interest on long-term debt	3,969	-	-	-	(3,969)		(3,969)
Total governmental activities	<u>7,179,764</u>	<u>591,462</u>	<u>133,218</u>	<u>39,321</u>	<u>(6,415,763)</u>		<u>(6,415,763)</u>
Business-type							
Sewer and water	1,563,103	1,775,530	-	523,673		\$ 736,100	736,100
Total business-type activities	<u>1,563,103</u>	<u>1,775,530</u>	<u>-</u>	<u>523,673</u>		<u>736,100</u>	<u>736,100</u>
Total	<u>\$ 8,742,867</u>	<u>\$ 2,366,992</u>	<u>\$ 133,218</u>	<u>\$ 562,994</u>			<u>(5,679,663)</u>
General revenues							
Property taxes					916,074	-	916,074
Specific ownership taxes					62,593	-	62,593
Sales and use taxes					4,930,322	-	4,930,322
Franchise taxes					23,255	-	23,255
Real estate transfer taxes					1,644,860	-	1,644,860
Other taxes and miscellaneous revenue					80,273	-	80,273
Investment in joint venture					234,435	-	234,435
Gain on sale of capital assets					183,810	5,814	189,624
Investment earnings					44,580	9,185	53,765
Total general revenues					<u>8,120,202</u>	<u>14,999</u>	<u>8,135,201</u>
Change in net position					1,704,439	751,099	2,455,538
Net position, beginning					35,413,450	8,547,215	43,960,665
Net position, ending					<u>\$ 37,117,889</u>	<u>\$ 9,298,314</u>	<u>\$ 46,416,203</u>

The accompanying notes are an integral part of this statement.

## Town of Crested Butte, Colorado

## BALANCE SHEET - GOVERNMENTAL FUNDS

December 31, 2017

	General Fund	General Capital Fund	Affordable Housing Fund	Street and Alley Fund	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>						
Cash and investments	\$ 15,020,922	\$ 293,139	\$ -	\$ -	\$ 41,191	\$ 15,355,252
Cash and investments, restricted	513	-	-	-	-	513
Receivables						
Taxes	657,132	29,927	-	766,608	-	1,453,667
Intergovernmental	22,079	-	-	-	-	22,079
Other	17,450	-	745	4,029	-	22,224
Due from other funds	23,607	6,026,198	243,578	1,979,839	-	8,273,222
Inventory	17,623	-	-	-	-	17,623
Total assets	<u>15,759,326</u>	<u>6,349,264</u>	<u>244,323</u>	<u>2,750,476</u>	<u>41,191</u>	<u>25,144,580</u>
<b>LIABILITIES</b>						
Accounts payable	170,745	28,664	26,486	11,781	-	237,676
Accrued liabilities	110,866	13,911	-	9,724	-	134,501
Due to other governments	120,688	-	-	-	-	120,688
Funds held for others	1,646,584	-	-	-	-	1,646,584
Due to other funds	8,244,137	-	585	-	-	8,244,722
Total liabilities	<u>10,293,020</u>	<u>42,575</u>	<u>27,071</u>	<u>21,505</u>	<u>-</u>	<u>10,384,171</u>
<b>DEFERRED INFLOWS</b>						
Property taxes	243,111	-	-	766,608	-	1,009,719
Total deferred inflows	<u>243,111</u>	<u>-</u>	<u>-</u>	<u>766,608</u>	<u>-</u>	<u>1,009,719</u>
<b>FUND BALANCE</b>						
Nonspendable						
Prepaid expenses and inventory	17,623	-	-	-	-	17,623
Restricted						
TABOR emergency reserve	270,402	-	-	-	-	270,402
Marshal's seizure fund	513	-	-	-	-	513
Conservation	-	-	-	-	41,191	41,191
Committed						
Affordable housing	-	-	217,252	-	-	217,252
Open space	-	1,927,364	-	-	-	1,927,364
Parking	-	-	-	14,057	-	14,057
Streets	-	-	-	1,948,306	-	1,948,306
Transportation	90,174	-	-	-	-	90,174
Assigned						
Capital projects	-	4,177,477	-	-	-	4,177,477
Whatever USA Ice Rink/Warming House Improvements	-	201,848	-	-	-	201,848
Center for the arts project	161,386	-	-	-	-	161,386
Next year's expenditures	358,537	-	-	-	-	358,537
Unassigned	4,324,560	-	-	-	-	4,324,560
Total fund balance	<u>\$ 5,223,195</u>	<u>\$ 6,306,689</u>	<u>\$ 217,252</u>	<u>\$ 1,962,363</u>	<u>\$ 41,191</u>	<u>\$ 13,750,690</u>

The accompanying notes are an integral part of this statement.

## Town of Crested Butte, Colorado

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF NET POSITION

December 31, 2017

Amounts reported for governmental activities on the statement of net position are different because:

Total fund balance - governmental funds	\$ 13,750,690
Capital assets used in governmental activities are not financial resources, and therefore, are not reported in the funds.	21,534,959
Investment in joint venture is reported in the statement of net position, not reported in the governmental funds.	2,014,040
Long-term liabilities such as capital leases and compensated absences payable are not due and payable in the current period, and therefore, are not reported in the funds.	<u>(181,801)</u>
Net position - governmental activities	<u>\$ 37,117,888</u>

The accompanying notes are an integral part of this statement.

Town of Crested Butte, Colorado  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
Year ended December 31, 2017

	General Fund	General Capital Fund	Affordable Housing Fund	Street and Alley Fund	Other Governmental Funds	Total Governmental Funds
Revenues						
Taxes	\$ 5,020,352	\$ 1,899,191	\$ -	\$ 682,329	\$ -	\$ 7,601,872
Licenses and permits	239,333	-	-	-	-	239,333
Intergovernmental	52,731	48,506	-	51,681	12,130	165,048
Charges for services	228,671	-	38,855	-	-	267,526
Housing payments in lieu	-	-	34,408	-	-	34,408
Parking in lieu	-	-	-	-	-	-
Fines and forfeitures	69,082	-	-	-	-	69,082
Investment earnings	9,324	5,561	339	2,111	32	17,367
Miscellaneous	44,144	10,620	-	16,506	-	71,270
Total revenues	<u>5,663,637</u>	<u>1,963,878</u>	<u>73,602</u>	<u>752,627</u>	<u>12,162</u>	<u>8,465,906</u>
Expenditures						
Current						
General government	2,036,606	221,451	311,687	21,116	-	2,590,860
Public safety	795,965	-	-	-	-	795,965
Highways and streets	407,503	-	-	488,143	-	895,646
Culture and recreation	681,372	506,648	-	-	-	1,188,020
Auxiliary services	1,050,609	-	-	-	-	1,050,609
Capital outlay	-	624,184	213,539	601,896	-	1,439,619
Debt service						
Principal	14,042	76,138	-	-	-	90,180
Interest	356	3,613	-	-	-	3,969
Total expenditures	<u>4,986,453</u>	<u>1,432,034</u>	<u>525,226</u>	<u>1,111,155</u>	<u>-</u>	<u>8,054,868</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	677,184	531,844	(451,624)	(358,528)	12,162	411,038
Other financing sources (uses)						
Transfer in (out)	(570,865)	570,865	-	-	-	-
Sale of capital assets	-	6,054	199,388	-	-	205,442
Debt proceeds	-	-	-	-	-	-
Total other financing sources (uses)	<u>(570,865)</u>	<u>576,919</u>	<u>199,388</u>	<u>-</u>	<u>-</u>	<u>205,442</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	106,319	1,108,763	(252,236)	(358,528)	12,162	616,480
Fund balance at beginning of year	5,116,876	5,197,926	469,488	2,320,891	29,029	13,134,210
Fund balance at end of year	<u>\$ 5,223,195</u>	<u>\$ 6,306,689</u>	<u>\$ 217,252</u>	<u>\$ 1,962,363</u>	<u>\$ 41,191</u>	<u>\$ 13,750,690</u>

The accompanying notes are an integral part of this statement.

## Town of Crested Butte, Colorado

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

Year ended December 31, 2017

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	\$ 616,480
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period (\$1,565,274 - \$767,182).	798,092
In the governmental funds proceeds from the sale of capital assets are reported as other revenues but in the government wide statements these are shown net of the book value of those assets. This is the book value of those disposed capital assets.	(21,582)
Change in investment in joint venture	234,435
Under the modified accrual basis of accounting used in the governmental funds, expenditures for accrued compensated absences are not recognized because they are not paid with expendable available financial resources. In the statement of activities, however, which is presented on the accrual basis, these expenses and liabilities are reported regardless of when financial resources are available. This adjustment shows the change in the accrued compensated absences balance.	(13,167)
Governmental funds report the repayment of principal on long-term debt as expenditures. However, these repayments are not reported in the statement of activities, but as a reduction of debt in the statement of net position. This amount is the effect of the difference in the treatment of these repayments.	<u>90,180</u>
Change in net position of governmental activities	<u>\$ 1,704,438</u>

The accompanying notes are an integral part of this statement.

Town of Crested Butte, Colorado  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL

Year ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Taxes				
General property taxes	\$ 237,279	\$ 237,279	\$ 233,746	\$ (3,533)
Specific ownership taxes	45,000	45,000	62,593	17,593
Use tax	110,000	110,000	164,813	54,813
Sales tax	4,077,375	4,317,000	4,511,180	194,180
Franchise tax	44,000	44,000	23,255	(20,745)
Interest on delinquent taxes	15,600	15,600	24,765	9,165
Total taxes	<u>4,529,254</u>	<u>4,768,879</u>	<u>5,020,352</u>	<u>251,473</u>
Licenses and permits				
Liquor licenses	8,000	8,000	10,043	2,043
Business licenses	27,800	27,800	29,036	1,236
Building permits	92,500	92,500	116,138	23,638
Occupation licenses	48,000	48,000	55,509	7,509
Non-business licenses/permits	25,850	25,850	28,607	2,757
Total licenses and permits	<u>202,150</u>	<u>202,150</u>	<u>239,333</u>	<u>37,183</u>
Intergovernmental				
Tobacco tax	8,000	8,000	10,578	2,578
Grants and fees	37,000	37,000	34,996	(2,004)
Motor vehicle fees	6,000	6,000	7,157	1,157
Total intergovernmental	<u>51,000</u>	<u>51,000</u>	<u>52,731</u>	<u>1,731</u>
Charges for services				
Management fees				
Sewer and Water fund	65,000	65,000	59,583	(5,417)
Energy mitigation fee	-	-	68,967	68,967
Vehicle maintenance	18,000	18,000	16,500	(1,500)
Recreation	89,000	89,000	83,621	(5,379)
Total charges for services	<u>172,000</u>	<u>172,000</u>	<u>228,671</u>	<u>56,671</u>
Fines and forfeitures	52,050	52,050	69,082	17,032
Miscellaneous				
Earnings on investments	4,200	4,200	9,324	5,124
Rents	40,000	40,000	40,264	264
Other	10,500	10,500	3,880	(6,620)
Contribution from reserves	950,341	950,341	-	(950,341)
Total miscellaneous	<u>1,005,041</u>	<u>1,005,041</u>	<u>53,468</u>	<u>(951,573)</u>
Total revenues	<u>6,011,495</u>	<u>6,251,120</u>	<u>5,663,637</u>	<u>(587,483)</u>

Town of Crested Butte, Colorado  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL

Year ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Expenditures				
Current				
General government				
General	406,129	406,129	340,141	65,988
Court	15,392	15,392	8,582	6,810
Legislative	92,628	92,628	109,586	(16,958)
Legal	422,100	422,100	292,455	129,645
Clerk	191,393	191,393	163,271	28,122
Administration	219,144	219,144	171,251	47,893
Finance	397,726	397,726	406,242	(8,516)
Bozar	424,378	424,378	399,208	25,170
Facilities maintenance	147,751	147,751	131,845	15,906
Transportation - other	119,001	119,001	14,025	104,976
Total general government	<u>2,435,642</u>	<u>2,435,642</u>	<u>2,036,606</u>	<u>399,036</u>
Public safety				
Marshal	859,352	859,352	795,965	63,387
Culture and recreation	783,315	783,315	681,372	101,943
Highways and streets	483,608	483,608	407,503	76,105
Auxiliary services				
Community development	218,782	218,782	205,377	13,405
Transportation Mountain Express	775,813	855,000	845,232	9,768
Total auxiliary services	<u>994,595</u>	<u>1,073,782</u>	<u>1,050,609</u>	<u>23,173</u>
Debt service				
Principal	17,919	17,919	14,042	3,877
Interest	1,278	1,278	356	922
Total debt service	<u>19,197</u>	<u>19,197</u>	<u>14,398</u>	<u>4,799</u>
Total expense	<u>5,575,709</u>	<u>5,654,896</u>	<u>4,986,453</u>	<u>668,443</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	435,786	596,224	677,184	80,960
Other financing sources				
Transfers in (out)	<u>(393,322)</u>	<u>(461,005)</u>	<u>(570,865)</u>	<u>(109,860)</u>
	<u>(393,322)</u>	<u>(461,005)</u>	<u>(570,865)</u>	<u>(109,860)</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	42,464	135,219	106,319	(28,900)
Fund balance, beginning of year	5,116,876	5,116,876	5,116,876	-
Fund balance, end of year	<u>\$ 5,159,340</u>	<u>\$ 5,252,095</u>	<u>\$ 5,223,195</u>	<u>\$ (28,900)</u>

The accompanying notes are an integral part of this statement.

## Town of Crested Butte, Colorado

AFFORDABLE HOUSING FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL

Year ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Housing payment in lieu	\$ 60,000	\$ 34,000	\$ 34,408	\$ 408
Duplex rent/sales	35,280	35,280	33,055	(2,225)
Red Lady Estate rent/sales	5,220	5,220	5,800	580
Grants	-	-	-	-
Earnings on investments	100	100	339	239
Contribution from reserves	-	-	-	-
Total revenues	<u>100,600</u>	<u>74,600</u>	<u>73,602</u>	<u>(998)</u>
<b>Expenditures</b>				
Administration	20,300	24,300	20,665	3,635
Affordable housing tap fees	233,340	116,670	81,887	34,783
Housing Authority fees	55,000	61,000	61,000	-
Capital outlay	170,000	255,000	213,539	41,461
Other	15,000	152,000	148,135	3,865
Total expenditures	<u>493,640</u>	<u>608,970</u>	<u>525,226</u>	<u>83,744</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(393,040)	(534,370)	(451,624)	82,746
<b>Other financing sources</b>				
Sale of capital assets	<u>190,000</u>	<u>90,000</u>	<u>199,388</u>	<u>109,388</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(203,040)	(444,370)	(252,236)	192,134
Fund balance, beginning of year	<u>469,488</u>	<u>469,488</u>	<u>469,488</u>	<u>-</u>
Fund balance, end of year	<u>\$ 266,448</u>	<u>\$ 25,118</u>	<u>\$ 217,252</u>	<u>\$ 192,134</u>

The accompanying notes are an integral part of this statement.

## Town of Crested Butte, Colorado

STATEMENT OF NET POSITION  
ENTERPRISE FUND

December 31, 2017

		<u>Business-type Activities Sewer and Water Fund</u>
<b>ASSETS</b>		
Current assets		
Cash		\$ 4,922,164
Restricted cash		934,707
Accounts receivable		216,126
Due from other governments		207,909
Inventory		<u>22,344</u>
	Total current assets	6,303,250
Noncurrent assets		
Capital assets		
Land		27,610
Construction in Progress		2,661,231
Buildings		149,980
Improvements other than buildings		40,714
Water plant and system		4,434,404
Sewer plant and system		6,728,355
Equipment		903,341
Vehicles		192,266
Less accumulated depreciation		<u>(7,347,930)</u>
	Total noncurrent assets	<u>7,789,971</u>
	Total assets	<u>14,093,221</u>
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable		887,741
Accrued liabilities		20,460
Accrued interest payable		4,775
Compensated absences payable		16,758
Due to other funds		28,500
Current portion of long-term debt		<u>194,718</u>
	Total current liabilities	1,152,952
Noncurrent liabilities		
Loans payable, net of current portion		<u>3,641,955</u>
	Total noncurrent liabilities	<u>3,641,955</u>
	Total liabilities	<u>4,794,907</u>
<b>NET POSITION</b>		
Net investment in capital assets		3,953,298
Unrestricted		<u>5,345,016</u>
	Total net position	<u>\$ 9,298,314</u>

The accompanying notes are an integral part of this statement.

## Town of Crested Butte, Colorado

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
ENTERPRISE FUND

Year ended December 31, 2017

	Business-type Activities
	Sewer and Water Fund
Charges for services	\$ 1,775,530
Operating expenses	
Operations and maintenance	874,868
Management fee - General fund	59,583
Contractor payments	250,500
Depreciation	345,769
	Total operating expenses 1,530,720
	Operating income (loss) 244,810
Nonoperating revenues (expenses)	
Grants	240,006
Investment income	9,185
Gain on loss of capital asset	5,814
Interest expense	(32,383)
	Total nonoperating revenues (expenses) 222,622
	Income (loss) before capital contributions 467,432
Capital contributions - tap fees	283,667
	Change in net position 751,099
Net position, beginning of year	8,547,215
Net position, end of year	\$ 9,298,314

The accompanying notes are an integral part of this statement.

## Town of Crested Butte, Colorado

STATEMENT OF CASH FLOWS  
ENTERPRISE FUND

Year ended December 31, 2017

	<u>Sewer and Water Fund</u>
Cash flows from operating activities	
Cash received from customers	\$ 1,704,782
Cash paid to suppliers	(466,769)
Cash paid to and for employees	(621,061)
Cash payments for internal services	(59,583)
	<u>557,369</u>
Net cash provided by operating activities	557,369
Cash flows from noncapital financing activities	
Change in due from/to other funds	22,035
	<u>22,035</u>
Net cash provided by noncapital financing activities	22,035
Cash flows from capital and related financing activities	
Acquisition of capital assets	(1,937,830)
Grants	120,854
Proceeds from tap fees	283,667
Proceeds from issuance of long-term debt	2,500,000
Insurance proceeds for capital assets	5,814
Principal payments on long-term debt	(95,863)
Interest paid on long-term debt	(32,383)
	<u>844,259</u>
Net cash provided by capital and related financing activities	844,259
Cash flows from investing activities	
Interest received	9,185
	<u>9,185</u>
Net cash provided by investing activities	9,185
Net increase (decrease) in cash and cash equivalents	1,432,848
Cash and cash equivalents, beginning of year	<u>4,424,022</u>
Cash and cash equivalents, end of year	<u>\$ 5,856,870</u>
<u>Reconciliation of operating income (loss)</u> <u>to net cash provided (used) by operating activities</u>	
Operating income (loss)	\$ 244,810
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities	
Depreciation	345,769
(Increase) decrease in accounts receivable	(70,748)
(Increase) decrease in inventory	(1,554)
Increase (decrease) in accounts payable	30,151
Increase (decrease) in accrued liabilities	8,941
	<u>312,559</u>
Total adjustments	312,559
Net cash provided by operating activities	<u>\$ 557,369</u>

The accompanying notes are an integral part of this statement.

## Town of Crested Butte, Colorado

## NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town of Crested Butte (the “Town”) provides a full range of services contemplated by statute or charter. These include general government functions, public safety (Marshal), highways and streets, culture and recreation, planning and zoning, community development, public improvements, water and sanitation and general administrative service.

The financial statements of the Town of Crested Butte include the organizations that are controlled by or dependent on the Town. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, scope of public service, ability to influence operation, designation of management and appointment of respective governing board.

Based upon the foregoing criteria, the financial statements of the following organizations are excluded from the accompanying financial statements.

Crested Butte Fire Protection District – The District’s board has total autonomy to incur debt, establish budgets and levy property taxes to support the District’s operations.

Mt. Crested Butte Water and Sanitation District – The District, located in Mt. Crested Butte, Colorado, has total autonomy to incur debt and funds its operations from user fees.

The accounting and reporting policies of the Town of Crested Butte conform to generally accepted accounting principles as set forth by the American Institute of Certified Public Accountants and the Governmental Accounting Standards Board (GASB). Some of the primary functions of the Town’s financial statements are as follows:

- Government-wide financial reporting, which provides a picture of the Town as a single, unified entity.
- Narrative overview and analysis, which provides financial statement users with a narrative introduction, overview and analysis of the basic financial statements in the form of management’s discussion and analysis (MD&A).
- Emphasis on the Town’s major funds.
- Expanded budgetary reporting to show budgetary comparisons based on the Town’s original and final amended budget.

The following summary of significant accounting policies is presented to assist the reader in evaluating the Town’s financial statements.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**Basis of Presentation

## Governmental Fund Types

Governmental funds are those through which most governmental functions of the Town are financed. The acquisition, use and balances of the Town's expendable financial resources and the related liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The measurement focus is based upon determination of changes in financial position, rather than upon net income determination. The following are the Town's Governmental Fund Types:

General Fund – The General fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments) that are legally restricted to expenditures for specific purposes.

Capital Projects Funds – The Capital Projects Funds are used to account for capital improvements (except those financed by proprietary funds) which are financed from bond issues, certain federal grants and other specific receipts.

## Proprietary Fund Types

Proprietary funds are used to account for the Town's ongoing activities which are similar to those often found in the private sector. The measurement focus is upon determination of net income. The Town's Enterprise Fund provides sewer, water, and sanitation services and is described as follows:

Enterprise Funds – Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the Town is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The acquisition, maintenance and improvement of the physical plant facilities required to provide these goods and services are financed from existing cash resources, the issuance of bonds (revenue or general obligation), federal grants and other Town funds.

## Government-wide Financial Statements

The government-wide financial statements (i.e. the statement of net position and the statement of activities) report information on all of the activities of the Town. Governmental activities, which normally are supported by taxes, charges for services and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support.

## NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with specific function or segment. Program revenues include 1) charges to those who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

**Fund Financial Statements**

The accounts of the Town are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

All governmental funds are accounted for on a flow of current financial resources basis. Balance sheets for these funds generally include only current assets and current liabilities. Reported fund balances are considered a measure of available, spendable resources. Operating statements for these funds present a summary of available, spendable resources and expenditures for the period.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

- The General Fund is the Town's primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund.
- The General Capital Fund accounts for general government capital projects, outlays and maintenance as well as open space acquisitions. It is financed primarily by real estate transfer taxes and sales and use tax revenues.
- The Street and Alley Fund accounts for all expenditures for streets, alleys and sidewalks. Its revenue stream is mostly property taxes.
- The Affordable Housing Fund is used to finance the development and preservation of affordable housing.

The Sales Tax Fund is reported as a sub-fund of the General Fund to comply with GASB 54.

The remaining governmental funds are aggregated and presented as non-major funds in the Other column. Currently this column only includes the Conservation Trust Fund which accounts for State of Colorado lottery funds to be used for parks and recreation services and capital.

## Town of Crested Butte, Colorado

## NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Enterprise funds are considered major funds because of community interests in the activities and sources of funding supporting these operations. The Town has one enterprise fund, its Sewer and Water Fund.

**Basis of Accounting****Government-Wide and Proprietary Fund Financial Statements**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the enterprise fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The accrual basis of accounting is utilized by enterprise funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

**Governmental Fund Financial Statements**

The modified accrual basis of accounting is followed by the Governmental fund types. Under the modified accrual basis of accounting, revenues are recorded when they become available and measurable. Available means collectible within the current period or soon enough thereafter to pay current liabilities. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Major revenues that are determined to be susceptible to accrual include sales and use taxes, real estate transfer taxes, property taxes, and charges for services.

Intergovernmental revenues received as reimbursements for specific purposes or projects are recognized based upon the expenditures recorded.

Expenditures are recorded when the liability is incurred. However, debt service expenditures, as well as expenditures related to compensated absences are recorded only when payment is due.

As a rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payments to the General Fund by the enterprise fund for providing administrative and billing services for the fund, and charges between the Town's enterprise fund and various other functions of the Town. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned. Interfund activity has not been eliminated in the fund financial statements.

## Town of Crested Butte, Colorado

## NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

Amounts reported as program revenues include charges to customers for goods and services, operating grants and contributions, and capital grants and contributions. General revenues include all taxes and interest earnings.

The proprietary fund distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the fund's principal ongoing operations. The principal operating revenues of the Town's enterprise fund are charges to customers for sales and services. Operating expenses include the costs of sales and services, personal services, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's policy to use restricted assets first, then unrestricted resources as they are needed.

Budget

An annual budget and appropriation ordinance is adopted by the Town Council in accordance with the Local Government Budget Law of Colorado. The budget is prepared on a basis consistent with generally accepted accounting principles for all governmental fund types, except for federal pass-through grants, which are not budgeted. The budget of the enterprise fund is adopted on a basis not consistent with GAAP but uses the spending measurement focus method. All annual appropriations lapse at year end. Any revisions that alter the total for each fund must be approved by the Town Council through a supplemental appropriation ordinance.

Property Tax Calendar

Property taxes levied become due January 1 following the year of assessment. They are payable in full by April 30, or in two equal installments due the last day of February and June 15. The property taxes, in which an enforceable claim attaches to the properties that are measurable but not available at the end of the Town's accounting period, are recorded as deferred revenue and recognized as revenue in the subsequent accounting period when collected. Gunnison County bills and collects the Town's property taxes. Property taxes become a lien on the property as of January 1 of the year assessed.

Recognition of Grant Revenue

Where the expenditure of funds is the prime factor for determining eligibility for grant funds, revenue is recognized at the time the expenditure is incurred.

## Town of Crested Butte, Colorado

## NOTES TO FINANCIAL STATEMENTS

December 31, 2017

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**Capitalized Tap Fees

Sewer and water tap fees substantially represent a contribution from developers or individuals for existing or contemplated new facilities to serve new customers, therefore such amounts are treated as systems development fees and are recorded as capital contributions in the Statement of Revenues, Expenses and Changes in Net Position.

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capitalized assets are defined by the Town as assets that have a useful life of more than one year, and for which the initial, individual value equals or exceeds \$5,000. Infrastructure assets with a value that equals or exceeds \$25,000 are capitalized.

All purchased assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that do not add to the value of an asset or materially extend asset life are not capitalized.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Useful Life</u>
Buildings	50 years
Other Improvements	20-30 years
Furniture & Equipment	5-15 years
Water and Sewer Systems	25-40 years
Infrastructure	15-40 years

Public domain assets consisting of roads, bridges, curbs and gutters, street and sidewalks, drainage systems and lighting systems are examples of infrastructure assets.

General infrastructure assets acquired prior to January 1, 2004, are not reported in the basic financial statements. General infrastructure assets include all roads, bridges, and other infrastructure assets acquired subsequent to January 1, 2004.

## Town of Crested Butte, Colorado

## NOTES TO FINANCIAL STATEMENTS

December 31, 2017

**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**Long-Term Liabilities

In the government-wide and enterprise fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable government or business-type activities. Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest are reported as expenditures. The accounting for the proprietary fund is the same in the fund statements as it is in the government-wide statements.

Accrued Liabilities for Compensated Absences

The Town allows employees to accumulate earned but unused vacation pay benefits. In the government-wide statements, vacation pay is accrued when incurred and reported as a liability of the governmental and business-type activities. In the governmental funds, vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts not expected to be liquidated with expendable available financial resources are not reported as expenditures.

Net Position

Net position represents the difference of assets, liabilities, and deferred inflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowings used for the acquisition or construction of improvements on those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the Town of Crested Butte or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

Capitalization of Enterprise Fund Interest Expense

Interest incurred during the period of construction of assets constructed in the Enterprise Fund was capitalized as part of those assets.

Sales Tax Revenues

In accordance with the Town's Ordinance, the Town's four and one-half (4.5) percent sales tax revenue is allocated as follows:

	4% sales tax	Additional .5%
General Fund – maximum	75%	–
Transportation	25%	–
Parks and Recreation	–	100%

If the General Fund does not need its share of the 4% sales tax, the remainder is distributed to other funds as needed. The amount needed for the General Fund is determined during the budget process. During 2017, the General Fund received 72% of sales tax revenue and the General Capital fund received 3%

## Town of Crested Butte, Colorado

## NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**Joint Venture

Mountain Express (the “joint venture”) is a joint venture of the towns of Crested Butte and Mt. Crested Butte. The joint venture provides bus service to the Crested Butte ski area and throughout the towns. The towns of Crested Butte and Mt. Crested Butte contribute ninety-five percent (95%) of their respective town’s one percent (1%) sales tax adopted for transportation services. The Town of Mt. Crested Butte also contributes twenty-five percent (25%) of the proceeds of the four percent (4%) admissions tax adopted by the Town of Mt. Crested Butte and designated for transportation. Due to the nature of funding from federal grants and contributions by the partners, the operations are reported as a Governmental Fund in the joint venture’s separately issued financial statements.

Investment in the joint venture is recorded as an expenditure at the time the investment is made. The Town’s equity interest (50%) has been recorded in the governmental activities column of the Statement of Net Position.

Seizure Funds

In accordance with the Colorado Contraband Forfeiture Act the proceeds from the seizure of contraband must be used for the specific purpose of law enforcement activities. These funds have been included in the Town’s General Fund.

Inventories and Prepaid Items

Inventories in governmental funds consist of expendable supplies held for consumption stated on a first-in, first-out basis. They are reported at cost which is recorded as an expenditure at the time individual inventory items are used. Proprietary fund inventories are recorded at the lower of cost or market on a first-in, first-out basis.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

Cash and Cash Equivalent

For purposes of reporting cash flows, all certificates of deposit, regardless of maturity, are considered to be cash equivalents.

## Town of Crested Butte, Colorado

## NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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**NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**Fund Balance

In the fund financial statements the following classifications describe the relative strength of the spending constraint.

Non-spendable fund balance – The portion of fund balance that cannot be spent because it is either not in spendable form (such as prepaid expense and inventory), or is legally or contractually required to be maintained intact.

Restricted fund balance – The portion of fund balance constrained to being used for a specific purpose by external parties (such as grantors or bondholders), constitutional provisions or enabling legislation.

Committed fund balance – The portion of fund balance constrained for specific purposes according to limitations imposed by the Town's highest level of decision making authority, the Board of Trustees, prior to the end of the current fiscal year. The constraint may be removed or changed only through formal action of the Board of Trustees.

Assigned fund balance – The portion of fund balance set aside for planned or intended purposes. The intended use may be expressed by the Board of Trustees or other individuals authorized to assign funds to be used for a specific purpose.

Unassigned fund balance – The residual portion of fund balance that does not meet any of the above criteria. The Town will only report a positive unassigned fund balance.

If both restricted and unrestricted amounts of fund balance are available for use when an expenditure is incurred, it is Town policy to use restricted amounts first. Unrestricted fund balance will be used in the following order; committed, assigned and unassigned.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred inflows, and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

## Town of Crested Butte, Colorado

## NOTES TO FINANCIAL STATEMENTS

December 31, 2017

**NOTE B – INTERFUND TRANSACTIONS**

Interfund receivable and payable balances at December 31, 2017, which represent collections not yet distributed, are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payable</u>
General Fund	\$ 23,607	\$ 8,244,137
General Capital Fund	6,026,198	–
Affordable Housing Fund	243,578	585
Street and Alley Fund	1,979,839	–
Sewer and Water Fund	–	28,500
	<u>\$ 8,273,222</u>	<u>\$ 8,273,222</u>

Interfund administrative fees of \$59,583 were charged by the General Fund to the Sewer and Water Fund for the year ended December 31, 2017.

**NOTE C – CAPITAL ASSETS**

	<u>Balance 12/31/16</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/17</u>
<b>Governmental Activities</b>				
Capital assets not being depreciated:				
Land	\$ 10,524,852	\$ –	\$ (21,582)	\$ 10,503,270
Total capital assets not being depreciated	10,524,852	–	(21,582)	10,503,270
Capital assets being depreciated:				
Buildings	4,129,352	788,946	–	4,918,298
Improvements other than buildings	4,453,076	–	–	4,453,076
Infrastructure	5,043,257	589,327	–	5,632,584
Equipment	3,532,598	187,002	–	3,719,600
	<u>17,158,283</u>	<u>1,565,275</u>	<u>–</u>	<u>18,723,558</u>
Less accumulated depreciation:				
Buildings	(1,352,123)	(100,529)	–	(1,452,652)
Improvements other than buildings	(1,466,454)	(157,549)	–	(1,624,003)
Infrastructure	(1,900,504)	(249,758)	–	(2,150,262)
Equipment	(2,205,605)	(259,346)	–	(2,464,951)
	<u>(6,924,686)</u>	<u>(767,182)</u>	<u>–</u>	<u>(7,691,868)</u>
Capital assets being depreciated, net	<u>10,233,597</u>	<u>798,093</u>	<u>–</u>	<u>11,031,690</u>
Total Governmental Activities				
Capital assets	<u>\$ 20,758,449</u>	<u>\$ 798,093</u>	<u>\$ (21,582)</u>	<u>\$ 21,534,960</u>

## Town of Crested Butte, Colorado

## NOTES TO FINANCIAL STATEMENTS

December 31, 2017

**NOTE C – CAPITAL ASSETS – CONTINUED****Business-type Activities**

Capital assets not being depreciated:

Land	\$ 27,610	\$ –	\$ –	\$ 27,610
Construction in progress	–	2,661,231	–	2,661,231
Total capital assets not being depreciated	27,610	2,661,231	–	2,688,841

Capital assets being depreciated:

Buildings	149,980	–	–	149,980
Improvements other than buildings	40,714	–	–	40,714
Water plant and distribution system	4,400,026	34,378	–	4,434,404
Sewer plant and collection system	6,728,356	–	–	6,728,356
Equipment	903,341	–	–	903,341
Vehicles	177,863	35,432	(21,030)	192,265
	<u>12,400,280</u>	<u>69,810</u>	<u>(21,030)</u>	<u>12,449,060</u>

Less accumulated depreciation:

Buildings	(71,034)	(3,254)	–	(74,288)
Improvements other than buildings	(40,714)	–	–	(40,714)
Water plant and distribution system	(2,544,861)	(136,577)	–	(2,681,438)
Sewer plant and distribution system	(3,427,476)	(167,940)	–	(3,595,416)
Equipment	(815,494)	(21,911)	–	(837,405)
Vehicles	(123,612)	(16,087)	21,030	(118,669)
	<u>(7,023,191)</u>	<u>(345,769)</u>	<u>21,030</u>	<u>(7,347,930)</u>

Capital assets being depreciated, net

Total Business-type Activities				
Capital assets	<u>\$ 5,404,699</u>	<u>\$ 2,385,272</u>	<u>\$ –</u>	<u>\$ 7,789,971</u>

Depreciation was charged to governmental functions as follows:

General Government	\$ 452,689
Public Safety	36,125
Culture and Recreation	152,050
Streets and Highways	126,318

## Town of Crested Butte, Colorado

## NOTES TO FINANCIAL STATEMENTS

December 31, 2017

**NOTE D – LONG-TERM LIABILITIES**

Changes in long-term liabilities for the year ended December 31, 2017 were as follows:

	<u>Balance</u> <u>12/31/16</u>	<u>Additions</u>	<u>Reduction</u>	<u>Balance</u> <u>12/31/17</u>	<u>Due Within</u> <u>One Year</u>
<b>Governmental Activities:</b>					
Capitalized lease agreements	\$ 195,930	\$ –	\$ (90,180)	\$ 105,750	\$ 53,061
Compensated absences	<u>62,884</u>	<u>13,167</u>	<u>–</u>	<u>76,051</u>	<u>76,051</u>
	<u>\$ 258,814</u>	<u>\$ 13,167</u>	<u>\$ (90,180)</u>	<u>\$ 181,801</u>	<u>\$ 129,112</u>
<b>Business-type Activities</b>					
Revolving Fund					
Sewer Plant Loan	\$1,103,565	\$ –	\$ (69,039)	\$ 1,034,526	\$ 70,427
CWRPDA WWTP Upgrade Loan	–	2,500,000	(8,523)	2,491,477	105,624
CWRPDA Water Tank Loan	328,970	–	(18,300)	310,670	18,668
Compensated absences	<u>14,727</u>	<u>2,031</u>	<u>–</u>	<u>16,758</u>	<u>16,758</u>
	<u>\$1,447,262</u>	<u>\$ 2,502,031</u>	<u>\$ (95,862)</u>	<u>\$ 3,853,431</u>	<u>\$ 211,477</u>

## Capitalized Leases:

The Town has entered into capital lease agreements for equipment, vehicles and real estate with a cost of \$301,200. Future minimum payments for the leases are as follows:

	<u>Year</u>	<u>Amount</u>
	2018	\$ 53,061
	2019	44,164
	2020	<u>11,041</u>
		108,266
Less amounts representing interest:		<u>(2,516)</u>
Present value of net minimum lease payments		<u>\$ 105,750</u>

## Town of Crested Butte, Colorado

## NOTES TO FINANCIAL STATEMENTS

December 31, 2017

**NOTE D – LONG-TERM LIABILITIES – CONTINUED**

## Water Pollution Control Revolving Fund – Direct Loan

Colorado Water Resources & Power Development Authority (CWRPDA) direct loan, amount of original issue \$1,900,000 with interest thereon at the average rate of 2.00%, dated May 25, 2010. Principal and interest payable May 1 and November 1 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 70,427	\$ 20,340	\$ 90,767
2019	71,842	18,925	90,767
2020	73,286	17,481	90,767
2021	74,759	16,008	90,767
2022	76,262	14,505	90,767
2023-2027	404,929	48,906	453,835
2028-2030	263,021	9,280	272,301
	<u>\$ 1,034,526</u>	<u>\$ 145,445</u>	<u>\$ 1,179,971</u>

## Drinking Water Revolving Fund – Direct Loan

Colorado Water Resources & Power Development Authority (CWRPDA) direct loan, amount of original issue \$400,000 with interest thereon at the average rate of 2.00%, dated February 29, 2012. Principal and interest payable May 1 and November 1 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 18,668	\$ 6,120	\$ 24,788
2019	19,043	5,745	24,788
2020	19,425	5,363	24,788
2021	19,816	4,972	24,788
2022	20,215	4,573	24,788
2023-2027	107,334	16,606	123,940
2028-2032	106,169	5,377	111,546
	<u>\$ 310,670</u>	<u>\$ 48,756</u>	<u>\$ 359,426</u>

## Water Pollution Control Revolving Fund – Direct Loan

Colorado Water Resource & Power Development Authority (CWRPDA) direct loan, amount of original issue \$2,500,000 with interest thereon at 2.00%, dated March 1, 2017. Principal and interest payable May 1 and November 1 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2018	\$ 105,624	\$ 49,304	\$ 154,928
2019	107,747	47,181	154,928
2020	109,913	45,015	154,928
2021	112,122	42,806	154,928

## Town of Crested Butte, Colorado

## NOTES TO FINANCIAL STATEMENTS

December 31, 2017

**NOTE D – LONG-TERM LIABILITIES – CONTINUED**

2022	114,376	40,552	154,928
2023-2027	607,300	167,340	774,640
2028-2032	670,837	103,803	774,640
2033-2037	<u>663,558</u>	<u>33,617</u>	<u>697,175</u>
	<u>\$ 2,491,477</u>	<u>\$ 529,618</u>	<u>\$ 3,021,095</u>

At December 31, 2017, the WWTP Project which is being financed by the CWRPDA loan was not complete. The balance of the loan proceeds that have not been expended and received from CWRPDA are included in restricted cash in the amount of \$934,707.

**NOTE E – RETIREMENT PLAN**

The Town maintains a defined contribution retirement plan for all qualified employees, after one year of service, as participants in the “Colorado County Officials and Employees Retirement Association.” The plan provides for regular monthly income in addition to benefits from other retirement programs.

The medium of funding is by means of the accumulation of contributions in a trust fund. Each participant’s contribution to the plan varies from 6% to 12% of their monthly compensation depending on longevity. The Town matches the participant’s contribution each month on a dollar for dollar basis. Benefits payable upon retirement, resignation, death or disability were equal to the amounts accumulated for that participant. The Town’s contributions to the retirement plan in 2017 were \$177,213. The Town’s total payroll for 2017 was \$2,763,204 and contributions were calculated using the covered payroll amount of \$2,511,846.

The liability for prior service benefits is fully funded.

## Town of Crested Butte, Colorado

## NOTES TO FINANCIAL STATEMENTS

December 31, 2017

**NOTE F – SEGMENT INFORMATION FOR ENTERPRISE FUNDS**

The Town's Enterprise Fund provides sewer, water and sanitation services. Segment information for the year ended December 31, 2017, is as follows:

	<u>Sewer</u>	<u>Water</u>	<u>Sanitation</u>	<u>Total</u>
Operating revenue	\$ 867,617	\$ 650,547	\$ 257,366	\$ 1,775,530
Operating expenses				
Depreciation	209,192	136,577	–	345,769
Other	<u>513,576</u>	<u>420,875</u>	<u>250,500</u>	<u>1,184,951</u>
Total operating expenses	<u>722,768</u>	<u>557,452</u>	<u>250,500</u>	<u>1,530,720</u>
Operating income (loss)	<u>144,849</u>	<u>93,095</u>	<u>6,866</u>	<u>244,810</u>
Non-operating income (expenses)				
Interest income	4,593	4,592	–	9,185
Grant	240,006	–	–	240,006
Gain on capital asset disposal	5,814	–	–	5,814
Interest expense	<u>(25,895)</u>	<u>(6,488)</u>	<u>–</u>	<u>(32,383)</u>
Total non-operating income (expenses)	<u>224,518</u>	<u>(1,896)</u>	<u>–</u>	<u>222,622</u>
Income (loss) before capital contribution	<u>369,367</u>	<u>91,199</u>	<u>6,866</u>	<u>467,432</u>
Capital contributions tap fees	<u>157,394</u>	<u>126,273</u>	<u>–</u>	<u>283,667</u>
Change in net position	<u>\$ 526,761</u>	<u>\$ 217,472</u>	<u>\$ 6,866</u>	<u>\$ 751,099</u>
Property and equipment				
Additions	\$ 2,661,231	\$ 69,810	\$ –	\$ 2,731,041
Loans payable from operations	\$ 3,526,003	\$ 310,670	\$ –	\$ 3,836,673

**NOTE G – JOINT VENTURE**Mountain Express

A condensed statement of net position of Mountain Express as of December 31, 2017, is as follows:

Assets	\$ 4,005,794
Liabilities	<u>98,403</u>
Net position	<u>\$ 3,907,391</u>

A condensed summary of revenues and expenses for the year ended December 31, 2017, is as follows:

Revenues	\$ 2,227,091
Expenses	<u>1,765,874</u>
Net increase (decrease) in net position	<u>\$ 461,217</u>

Mountain Express issues separate financial statements, which are available from the Town.

## Town of Crested Butte, Colorado

## NOTES TO FINANCIAL STATEMENTS

December 31, 2017

**NOTE H – BUDGETS**

There were two supplemental budget appropriations during 2017:

	<u>Original Budget</u>	<u>Additional Appropriations</u>	<u>Final Budget</u>
General Fund	\$ 4,243,964	\$ –	\$ 4,243,964
General Capital Fund	5,503,915	–	5,503,915
Sewer and Water Fund	4,905,929	–	4,905,929
Conservation Trust Fund	–	–	–
Sales Tax Fund	4,572,474	146,870	4,719,344
Affordable Housing Fund	493,640	115,330	608,970
Street and Alley Fund	<u>1,273,297</u>	<u>–</u>	<u>1,273,297</u>
	<u>\$ 20,993,219</u>	<u>\$ 262,200</u>	<u>\$ 21,255,419</u>

**NOTE I – CASH AND INVESTMENTS**Cash

The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories, with eligibility determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. Cash deposits are reported at carrying amount which reasonably estimates fair value. Deposits at December 31, 2017, consisted of the following:

Cash on hand	\$ 475
Cash held by CWRPDA	934,707
Insured by FDIC	415,038
Collateralized as noted above	<u>19,934,794</u>
	21,285,014
Less reconciling items	<u>(72,378)</u>
Cash, money markets, and certificates of deposit	<u>\$ 21,212,636</u>

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest:

- Obligations of the United States and certain U.S. government agency securities
- Certain international agency securities
- General obligation and revenue bonds of U.S. local government entities

## Town of Crested Butte, Colorado

## NOTES TO FINANCIAL STATEMENTS

December 31, 2017

**NOTE I – CASH AND INVESTMENT – CONTINUED**

- Bankers acceptances of certain banks
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

Local Government Investment Pool – At December 31, 2017, the Town had \$737,490 invested in the Colorado Local Government Liquid Asset Trust (“Colotrust”), an investment vehicle established by State statute for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces the requirements of creating and operating the Pool. The Pool operates similarly to a money market fund and each share is equal in value to \$1.00. The Pool is rated AAAM by Standard and Poor’s. Investments of the Pool are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian’s internal records identify the investments owned by the participating governments. These investments are not categorized because they are not evidenced by securities that exist in physical or book entry form.

Cash and investment balances at December 31, 2017, consisted of the following:

Cash on hand and deposits	\$ 19,540,439
Cash held be CWRPDA	934,707
Colotrust	<u>737,490</u>
	21,212,636
Less cash and investments, restricted	<u>(935,220)</u>
Cash and investments, unrestricted	<u>\$ 20,277,416</u>

Cash and investments are restricted for the unspent Marshal’s seizure funds of \$513 and the debt proceeds that are still held by CWRPDA for \$934,707.

**NOTE J – PUBLIC ENTITY RISK POOL**

The Town is a member of the Colorado Intergovernmental Risk Sharing Agency (“CIRSA”). CIRSA provides liability and property insurance coverage to the Town. The coverage is provided through joint self-insurance, insurance and reinsurance, or any combination thereof. CIRSA’s rate setting policies are established by the Board of Directors, in consultation with independent actuaries. The Town is subject to a supplemental assessment in the event of deficiencies and may receive credit on future contributions in the event of a surplus.

CIRSA has entered into various excess insurance contracts to limit large losses and minimize exposure on large risks. Excess of loss contracts in effect during 2017 limit CIRSA’s per occurrence exposure to \$500,000 for property coverage, \$1,000,000 for casualty coverage and provide coverage to specified upper limits.

## Town of Crested Butte, Colorado

## NOTES TO FINANCIAL STATEMENTS

December 31, 2017

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**NOTE J – PUBLIC ENTITY RISK POOL - CONTINUED**

The Town's 2017 contribution was \$143,093 and its share of surplus at December 31, 2017 amounted to approximately \$85,856 for the property and casualty pool and \$57,237 for the workers compensation pool.

**NOTE K – TAX, SPENDING AND DEBT LIMITATIONS**

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments. The Amendment is complex and subject to judicial interpretation. The Town believes it is in compliance with the requirements of the amendment. However, the Town has made certain interpretations of the Amendment's language in order to determine its compliance. The Town includes its share of Mountain Express when calculating the above requirements.

**NOTE L – CONTINGENCIES**

The Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. The ultimate liability to the Town resulting from claims not covered by CIRSA is not presently determinable. Management is of the opinion that the final outcome of such claims, if any, will not have a material adverse effect on the Town's financial statements.

The Town participates in federal and state grant programs. These programs are subject to program compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Town expects such amounts, if any to be immaterial.

## SUPPLEMENTARY INFORMATION

Town of Crested Butte, Colorado  
 COMBINING BALANCE SHEET  
 NONMAJOR GOVERNMENTAL FUNDS

December 31, 2017

	<u>Special Revenue</u>	
	Conservation	Total
	Trust	Nonmajor
ASSETS	<u>                    </u>	<u>Governmental</u>
		Funds
Cash	\$ 41,191	\$ 41,191
Total assets	<u>41,191</u>	<u>41,191</u>
FUND BALANCE		
Restricted to conservation	41,191	41,191
Total fund balance	<u>\$ 41,191</u>	<u>\$ 41,191</u>

## Town of Crested Butte, Colorado

COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS

Year ended December 31, 2017

	<u>Special Revenue</u>	
	<u>Conservation Trust</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues		
Intergovernmental	\$ 12,130	\$ 12,130
Earnings on investments	32	32
Total revenues	<u>12,162</u>	<u>12,162</u>
Expenditures		
Current		
Culture and recreation	-	-
Total expenditures	<u>-</u>	<u>-</u>
	EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	
	12,162	12,162
Fund balance at beginning of year	<u>29,029</u>	<u>29,029</u>
Fund balance at end of year	<u>\$ 41,191</u>	<u>\$ 41,191</u>

## Town of Crested Butte, Colorado

CONSERVATION TRUST FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL

Year ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Lottery proceeds	\$ 8,100	\$ 8,100	\$ 7,828	\$ (272)
Earnings on investments	20	20	32	12
Miscellaneous	3,700	3,700	4,302	602
Total revenues	11,820	11,820	12,162	342
Expenditures				
Culture and recreation	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	11,820	11,820	12,162	342
Fund balance, beginning of year	29,029	29,029	29,029	-
Fund balance, end of year	<u>\$ 40,849</u>	<u>\$ 40,849</u>	<u>\$ 41,191</u>	<u>\$ 342</u>

## Town of Crested Butte, Colorado

STREET AND ALLEY FUND  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE  
 BUDGET AND ACTUAL

Year ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
General property taxes	\$ 692,798	\$ 692,798	\$ 682,329	\$ (10,469)
Highway users tax	52,865	52,865	51,681	(1,184)
Parking in lieu	-	-	-	-
Earnings on investments	2,500	2,500	2,111	(389)
Miscellaneous	3,500	3,500	16,506	13,006
Total revenues	<u>751,663</u>	<u>751,663</u>	<u>752,627</u>	<u>964</u>
<b>Expenditures</b>				
Administration	28,248	28,248	21,116	7,132
Highways and streets	409,049	409,049	488,143	(79,094)
Capital outlay	836,000	836,000	601,896	234,104
	<u>1,273,297</u>	<u>1,273,297</u>	<u>1,111,155</u>	<u>162,142</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(521,634)	(521,634)	(358,528)	163,106
Fund balance, beginning of year	<u>2,320,891</u>	<u>2,320,891</u>	<u>2,320,891</u>	<u>-</u>
Fund balance, end of year	<u>\$ 1,799,257</u>	<u>\$ 1,799,257</u>	<u>\$ 1,962,363</u>	<u>\$ 163,106</u>

## Town of Crested Butte, Colorado

GENERAL CAPITAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL

Year ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
Revenues				
Use tax	\$ 158,000	\$ 158,000	\$ 254,331	\$ 96,331
Transfer tax	1,100,000	1,100,000	1,644,860	544,860
Grants	57,200	57,200	48,506	(8,694)
Earnings on investments	3,500	3,500	5,561	2,061
Miscellaneous	660,914	660,914	10,620	(650,294)
Total revenues	1,979,614	1,979,614	1,963,878	(15,736)
Expenditures				
Current				
Administration	86,103	86,103	43,191	42,912
Contribution	21,614	21,614	11,514	10,100
Repairs, maintenance, supplies	403,800	403,800	142,902	260,898
Capital outlay				
Park improvement and maintenance	572,844	572,844	508,822	64,022
Cemetery improvements	25,000	25,000	35,358	(10,358)
Other	4,314,800	4,314,800	610,496	3,704,304
Debt service				
Principal	76,140	76,140	76,138	2
Interest	3,614	3,614	3,613	1
Total expenditures	5,503,915	5,503,915	1,432,034	4,071,881
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,524,301)	(3,524,301)	531,844	4,056,145
Other financing sources				
Transfers in	408,322	408,322	570,865	162,543
Lease proceeds	2,110,000	2,110,000	-	(2,110,000)
Sale of capital assets	-	-	6,054	6,054
Total other financing sources	2,518,322	2,518,322	576,919	(1,941,403)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	(1,005,979)	(1,005,979)	1,108,763	2,114,742
Fund balance, beginning of year	5,197,926	5,197,926	5,197,926	-
Fund balance, end of year	\$ 4,191,947	\$ 4,191,947	\$ 6,306,689	\$ 2,114,742

## Town of Crested Butte, Colorado

SEWER AND WATER FUND  
SCHEDULE OF REVENUES AND EXPENSES  
BUDGET AND ACTUAL (NON-GAAP BASIS)

Year ended December 31, 2017

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Charges for services	\$ 1,644,485	\$ 1,644,485	\$ 1,775,531	\$ 131,046
Tap fees	262,500	262,500	283,667	21,167
Grants	1,000,000	1,000,000	240,006	(759,994)
Earnings on investments	8,000	8,000	9,185	1,185
Proceeds from debt issuance	2,300,000	2,300,000	2,500,000	200,000
Total revenues	5,214,985	5,214,985	4,808,389	(406,596)
<b>Expenses</b>				
Operations and maintenance	1,242,323	1,242,323	1,125,395	116,928
Management fees	65,000	65,000	59,583	5,417
Debt service principal	145,889	145,889	95,862	50,027
Debt service interest	39,717	39,717	32,383	7,334
Capital outlay	3,413,000	3,413,000	2,542,645	870,355
Total expenses	4,905,929	4,905,929	3,855,868	1,050,061
EXCESS OF REVENUES OVER (UNDER) EXPENSES	\$ 309,056	\$ 309,056	952,521	\$ 643,465
<b>Adjustments to bugetary basis</b>				
Add debt service principal			95,862	
Add capital outlay			2,542,645	
Add gain on asset disposal			5,814	
Less proceeds from debt issuance			(2,500,000)	
Less depreciation			(345,769)	
Change in net position			\$ 751,073	

## Town of Crested Butte, Colorado

COMBINING BALANCE SHEET  
GENERAL FUND AND RELATED SUB-FUND

December 31, 2017

	General Fund	Sales Tax Fund	Total General Fund
<b>ASSETS</b>			
Cash and investments	\$ 13,571,441	\$ 1,449,481	\$ 15,020,922
Cash and investments, restricted	513	-	513
Receivables			
Taxes	243,111	414,021	657,132
Intergovernmental	-	22,079	22,079
Other	17,450	-	17,450
Due from other funds	656,051	-	656,051
Inventory	17,623	-	17,623
Total assets	<u>14,506,189</u>	<u>1,885,581</u>	<u>16,391,770</u>
<b>LIABILITIES</b>			
Accounts payable	164,907	5,838	170,745
Accrued liabilities	110,866	-	110,866
Due to other governments	-	120,688	120,688
Funds held for others	1,646,584	-	1,646,584
Due to other funds	7,974,024	902,557	8,876,581
Total liabilities	<u>9,896,381</u>	<u>1,029,083</u>	<u>10,925,464</u>
<b>DEFERRED INFLOWS</b>			
Property taxes	243,111	-	243,111
Total deferred inflows	<u>243,111</u>	<u>-</u>	<u>243,111</u>
<b>FUND BALANCE</b>			
Nonspendable			
Prepaid expenses and inventory	17,623	-	17,623
Restricted			
TABOR Emergency Reserve	-	270,402	270,402
Marshal's seizure fund	513	-	513
Committed			
Transportation	-	90,174	90,174
Assigned			
Reserved for next year's expenses	243,689	114,848	358,537
Center for the Arts project	-	161,386	161,386
Unassigned	4,104,872	219,688	4,324,560
Total fund balance	<u>\$ 4,366,697</u>	<u>\$ 856,498</u>	<u>\$ 5,223,195</u>

## Town of Crested Butte, Colorado

GENERAL FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL

Year ended December 31, 2017

	General Fund				Sales Tax Fund				Total of Funds
	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)	Total Actual
	Original	Final			Original	Final			
Revenues									
Taxes									
General property taxes	\$ 237,279	\$ 237,279	\$ 233,746	\$ (3,533)	\$ -	\$ -	\$ -	\$ -	\$ 233,746
Specific ownership taxes	45,000	45,000	62,593	17,593	-	-	-	-	62,593
Use tax	110,000	110,000	164,813	54,813	-	-	-	-	164,813
Sales tax	20,000	20,000	75,211	55,211	4,057,375	4,297,000	4,435,969	138,969	4,511,180
Franchise tax	44,000	44,000	23,255	(20,745)	-	-	-	-	23,255
Interest on delinquent taxes	600	600	822	222	15,000	15,000	23,943	8,943	24,765
Total taxes	456,879	456,879	560,440	103,561	4,072,375	4,312,000	4,459,912	147,912	5,020,352
Licenses and permits									
Liquor licenses	8,000	8,000	10,043	2,043	-	-	-	-	10,043
Business licenses	27,800	27,800	29,036	1,236	-	-	-	-	29,036
Building permits	92,500	92,500	116,138	23,638	-	-	-	-	116,138
Occupation licenses	48,000	48,000	55,509	7,509	-	-	-	-	55,509
Non-business licenses/permits	19,850	19,850	24,132	4,282	-	-	-	-	24,132
Special event fees	6,000	6,000	4,475	(1,525)	-	-	-	-	4,475
Total licenses and permits	202,150	202,150	239,333	37,183	-	-	-	-	239,333
Intergovernmental									
Tobacco tax	8,000	8,000	10,578	2,578	-	-	-	-	10,578
Grants and fees	37,000	37,000	34,996	(2,004)	-	-	-	-	34,996
Motor vehicle fees	6,000	6,000	7,157	1,157	-	-	-	-	7,157
Total intergovernmental	51,000	51,000	52,731	1,731	-	-	-	-	52,731
Charges for services									
Management fees									
Sewer and Water fund	65,000	65,000	59,583	(5,417)	-	-	-	-	59,583
Energy mitigation fee	-	-	68,967	68,967	-	-	-	-	68,967
Vehicle maintenance	18,000	18,000	16,500	(1,500)	-	-	-	-	16,500
Recreation	89,000	89,000	83,621	(5,379)	-	-	-	-	83,621
Total charges for services	172,000	172,000	228,671	56,671	-	-	-	-	228,671
Fines and forfeitures	52,050	52,050	69,082	17,032	-	-	-	-	69,082
Miscellaneous									
Earnings on investments	3,000	3,000	5,093	2,093	1,200	1,200	4,231	3,031	9,324
Rents	40,000	40,000	40,264	264	-	-	-	-	40,264
Other	10,500	10,500	3,880	(6,620)	-	-	-	-	3,880
Contribution from reserves	414,410	414,410	-	(414,410)	535,931	535,931	-	(535,931)	-
Total miscellaneous	467,910	467,910	49,237	(418,673)	537,131	537,131	4,231	(532,900)	53,468
Total revenues	1,401,989	1,401,989	1,199,494	(202,495)	4,609,506	4,849,131	4,464,143	(384,988)	5,663,637

## Town of Crested Butte, Colorado

GENERAL FUND  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL

Year ended December 31, 2017

	General Fund				Sales Tax Fund				Total of Funds
	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)	Total Actual
	Original	Final			Original	Final			
Expenditures									
Current									
General government									
General	405,129	405,129	339,943	65,186	1,000	1,000	198	802	340,141
Court	15,392	15,392	8,582	6,810	-	-	-	-	8,582
Legislative	92,628	92,628	109,586	(16,958)	-	-	-	-	109,586
Legal	422,100	422,100	292,455	129,645	-	-	-	-	292,455
Clerk	191,393	191,393	163,271	28,122	-	-	-	-	163,271
Administration	219,144	219,144	171,251	47,893	-	-	-	-	171,251
Finance	397,726	397,726	406,242	(8,516)	-	-	-	-	406,242
Bozar	424,378	424,378	399,208	25,170	-	-	-	-	399,208
Facilities Maintenance	147,751	147,751	131,845	15,906	-	-	-	-	131,845
Transportation - other	-	-	-	-	119,001	119,001	14,025	104,976	14,025
Total general government	2,315,641	2,315,641	2,022,383	293,258	120,001	120,001	14,223	105,778	2,036,606
Public safety									
Marshal	859,352	859,352	795,965	63,387	-	-	-	-	795,965
Culture and recreation	347,384	347,384	365,372	(17,988)	435,931	435,931	316,000	119,931	681,372
Highways and streets	483,608	483,608	402,503	81,105	-	-	5,000	(5,000)	407,503
Auxiliary services									
Community development	218,782	218,782	205,377	13,405	-	-	-	-	205,377
Transportation - Mountain Express	-	-	-	-	775,813	855,000	845,232	9,768	845,232
Total auxiliary services	218,782	218,782	205,377	13,405	775,813	855,000	845,232	9,768	1,050,609
Debt service									
Principal	17,919	17,919	14,042	3,877	-	-	-	-	14,042
Interest	1,278	1,278	356	922	-	-	-	-	356
Total debt service	19,197	19,197	14,398	4,799	-	-	-	-	14,398
Total expenses	4,243,964	4,243,964	3,805,998	437,966	1,331,745	1,410,932	1,180,455	230,477	4,986,453
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(2,841,975)	(2,841,975)	(2,606,504)	235,471	3,277,761	3,438,199	3,283,688	(154,511)	677,184
Other financing sources and (uses)									
Transfers in (out)	2,847,407	2,847,407	3,089,713	242,306	(3,240,729)	(3,308,412)	(3,660,578)	(352,166)	(570,865)
	2,847,407	2,847,407	3,089,713	242,306	(3,240,729)	(3,308,412)	(3,660,578)	(352,166)	(570,865)
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES	5,432	5,432	483,209	477,777	37,032	129,787	(376,890)	(506,677)	106,319
Fund balance, beginning of year	3,883,488	3,883,488	3,883,488	-	1,233,388	1,233,388	1,233,388	-	5,116,876
Fund balance, end of year	\$ 3,888,920	\$ 3,888,920	\$ 4,366,697	\$ 477,777	\$ 1,270,420	\$ 1,363,175	\$ 856,498	\$ (506,677)	\$ 5,223,195

The public report burden for this information collection is estimated to average 380 hours annually.

<b>LOCAL HIGHWAY FINANCE REPORT</b>	City or County: Town of Crested Butte
	YEAR ENDING : December 2017
This Information From The Records Of (example - City of _ or County of )	Prepared By: Rob Zillioux Phone: 970-349-5338

**I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE**

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

**II. RECEIPTS FOR ROAD AND STREET PURPOSES**

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	601,708
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	128,501
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	1,890
2. General fund appropriations	0	b. Snow and ice removal	249,160
3. Other local imposts (from page 2)	684,777	c. Other	0
4. Miscellaneous local receipts (from page 2)	14,571	d. Total (a. through c.)	251,050
5. Transfers from toll facilities		4. General administration & miscellaneous	130,196
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	1,111,454
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	699,348	b. Redemption	
<b>B. Private Contributions</b>		c. Total (a. + b.)	0
<b>C. Receipts from State government</b> (from page 2)	51,681	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	0	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	751,029	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	1,111,454

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>				0
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>				0

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	2,308,731	751,029	1,111,454	1,948,305	0

**Notes and Comments:**

LOCAL HIGHWAY FINANCE REPORT		STATE: Colorado	
		YEAR ENDING (mm/yy): December 2017	
<b>II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments	676,966	a. Interest on investments	2,776
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other		g. Other Misc. Receipts	2,320
6. Total (1. through 5.)	0	h. Other	
c. Total (a. + b.)	676,966	i. Total (a. through h.)	5,096
	(Carry forward to page 1)		(Carry forward to page 1)
ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	50,797	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations		d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	0	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	50,797	3. Total (1. + 2.g)	
			(Carry forward to page 1)
<b>III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL</b>			
	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs		920	920
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		122,974	122,974
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	122,974	122,974
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	123,894	123,894
			(Carry forward to page 1)
<b>Notes and Comments:</b>			



## Staff Report

### July 16, 2018

**To:** Mayor and Town Council

**Thru:** Dara MacDonald, Town Manager

**From:** Rodney Due, Director of Public Works  
Janna Hansen, Parks and Recreation Director

**Subject:** Placement of trash receptacles at trailheads to serve visitors to public lands

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**Summary:** At the June 18<sup>th</sup> meeting Town Council asked for information about the possibility of placing dumpsters at trailheads or other locations to serve visitors who are accessing the backcountry.

**Previous Council Action:** On both June 4<sup>th</sup> and 18<sup>th</sup> the Council discussed the need to provide facilities for backcountry users and visitors to responsibly dispose of their garbage. In the near term Council directed that a publically accessible dumpster be placed in Town while a solution closer to trailheads was investigated. A dumpster has been placed in the 4-Way lot along Elk Avenue.

**Background:** Garbage facilities are generally not available for people accessing the various drainages and trailheads surrounding Crested Butte. This is an inconvenience for visitors and can have the unintended consequences of trash being left on public lands or deposited where receptacles can be found in Town including at gas stations, in trash cans in parks, private dumpsters, and other public spaces. The Town Council has directed staff to investigate solutions to these unintended consequences.

**Discussion:** Town staff have engaged in conversations with the US Forest Service (USFS) and Waste Management (WM) to determine possible locations and associated costs of dumpsters at trailheads.

After meeting with the USFS and WM, it was determined that it would be feasible to put dumpsters at two trailhead locations this season. The USFS agreed to supply two (2) three (3) yard dumpsters at the beginning of Forest Service property up Washington Gulch. WM could provide one (1) six (6) yard dumpster up Gothic at the Judd Falls/Copper Creek Trailhead. The dumpsters could be emptied by WM once a week on Mondays. It was agreed upon that the dumpsters would have to be monitored very closely to prevent the areas from becoming bear traps. The Slate River trailhead was discussed, but staff would need to meet with the BLM to discuss further. The dumpsters would be summer use only, and would be removed at the end of the season. Ideally this

cost would not be borne by the Town of Crested Butte alone and staff would suggest seeking collaboration and contributions from our governmental partners such as the USFS, Town of Mt. Crested Butte, and Gunnison County.

Waste Management has some concerns about their ability to provide this service into the future. WM estimated an additional hour to hour and a half of staff time to drive to these locations. There is concern about the bumpy road and its impact on vehicles and drivers. There is concern about the impact to the road if the large trash truck drives on it while muddy, as well as a safety concern of having a large truck driving on narrow, busy, dirt roads. There is also concern about vehicles blocking the dumpsters thereby hampering the ability for WM to empty dumpsters.

**Financial Implications:** The estimated total cost for these three dumpsters to be emptied once a week now until October 1<sup>st</sup> is \$2,961.00. This does not include removal of dumped items, a trip charge if one of the dumpsters is blocked when Waste Management goes to empty it, or the possibility that more than one service a week will be necessary. The Town is currently paying \$232/month for the 6 yard dumpster at the 4-Way parking lot which would equal an additional \$696.00 to continue service through October 1<sup>st</sup>.

**Recommendation:** Staff recommends approval for two 3 yard Forest Service dumpsters at the Washington Gulch trailhead, and one 6 yard dumpster to be placed up at the Judd Falls/Copper Creek Trailhead now through October 1<sup>st</sup>, 2018. Staff also recommends the removal of the 6 yard dumpster at the 4-Way in lieu of the trailhead dumpsters. Staff recommends working with the Forest Service and BLM to shift the ownership of these dumpsters from the Town to the appropriate land management agency into the future.



## Memo

July 16, 2018

**To:** Mayor and Town Council

**Thru:** Dara MacDonald, Town Manager

**From:** Rodney E Due, Director of Public Works  
Michael Reily, Chief Marshal  
Michael Yerman, Community Development Director

**Subject:** Belleview or Red Lady Avenue sidewalks for Safe Route to School Sidewalk

**Date:** July 16, 2018

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### SUMMARY:

The Town seeking Council's approval on installing an 8' wide sidewalk along the South side of Belleview Avenue from 7<sup>th</sup> Street, and extending East to 8<sup>th</sup> Street. The project is tentatively scheduled to begin early August, and to be completed by the start of the school year, August 27<sup>th</sup>. The Belleview Avenue corridor is 64' feet wide. The Street and right of way will be surveyed. The Town right of way extends approximately 18' feet from back of curb. As part of the project 3 "Creative Colored Crosswalks" will be also installed at the intersections of 7<sup>th</sup>/Belleview, 8<sup>th</sup>/Belleview, and 8<sup>th</sup>/Red Lady.

### BACKGROUND:

Town Staff has been working with the School District discussing the Master Plan for the CBCS School. One of the solutions being discussed is a safer route to school, and how it would fit into the master plan. Based on engineer findings, the designers, and data from the traffic study, creating a 4-way stop at 8th and Red Lady is an important solution to the safety and traffic flow issues.

After meeting with the School District, a 3 phased approach was discussed on how improvements could be made around the School to improve safety.

### Phase 1- Improve pedestrian and bicycle safety (summer of 2018)

Summary: The single biggest safety concern of both the Town and school staffs is the crossing for pedestrian and bicycles at the intersection of Red Lady Ave. / 7<sup>th</sup> Street/ SH 135. To alleviate this issue both staffs are recommending decommissioning all sidewalks and crossings south of Belleview that connect to the School's sidewalk on the south side of Red Lady Ave. A new sidewalk on Belleview between 7<sup>th</sup> and 8<sup>th</sup> Streets on the south side would be installed directing all south bound pedestrian to 8<sup>th</sup> Street and crossing Red Lady on the east side of the intersection.

The following improvements would need to be completed in this Phase:

- New sidewalk on south side of Belleview between 7<sup>th</sup> and 8<sup>th</sup> Streets
- New Crosswalks at Belleview and 7<sup>th</sup> and 8<sup>th</sup> Streets. Also upgrading the crosswalk on east side of intersection of 8<sup>th</sup> and Red Lady Avenue.
- Installation of stop signs at 8<sup>th</sup> and Belleview creating a 4 way stop
- Decommissioning of all sidewalks south of Belleview between 6<sup>th</sup> Street and 8<sup>th</sup> Street that connect to the Red Lady intersection. This may not occur this summer.

### **Phase 2- Realignment of School Entrance and Drop off Zones (Summer 2019)**

Summary: This phase requires additional engineering and will not be able to be implemented until the summer of 2019. This phase includes moving the current entrance to the school on Red Lady Ave. east to align with 8<sup>th</sup> Street. The current bus drop off would be decommissioned and moved to Ninth Street by the library entrance. A dedicated right turn lane would be added to into the school entrance at 8<sup>th</sup> Street expanding the pavement on Red Lady Ave. An additional drop off zone would also be added on Red Lady on the south side east of 8<sup>th</sup> Street. The School parking lot would be reconfigure to facilitate better drop off circulation in the parking area.

The following improvements would need to be completed in this Phase:

- Relocation of the School entrance east on Red Lady Avenue
- New Drop off zones on 9<sup>th</sup> Street and Red Lady Avenue, east of 8<sup>th</sup> Street
- New dedicated turn lane added to the south side of Red Lady Avenue
- Reconfiguration of the parking area and decommissioning of the current bus drop off zone

### **Phase 3- Red Lady Avenue/ SH 135 Intersection Improvements**

Summary: At the time of the planned building expansion, CDOT will require an access permit for the Red Lady Avenue/ SH 135 intersection. Since the intersection is currently failing, CDOT will likely require upgrades to the intersection with the building permit for the expansion. At this time, a north bound right turn deceleration lane into Red Lady is anticipated. This will align with the right turn into the entrance of the School that will be installed with Phase 2. Also the intersection will need to be expanded to allow for a center twiddle turn lane in the middle of SH 135 on both sides of the intersection. The left turn from the west side of Red Lady Avenue will likely be restricted to only right turn out.

The following improvements would need to be completed in this Phase:

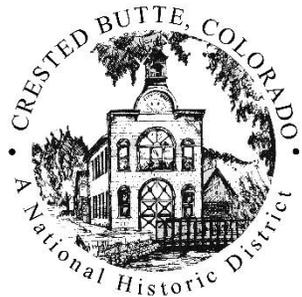
- A right turn deceleration lane into Red Lady Avenue
- Expansion to pavement at the Red Lady/ SH 135 Intersection
- Center Twiddle turns lanes
- Restricted access right turn only access from the west side of Red Lady Avenue

Drawings for all 3 phases are being drafted and will be presented to the Council on Monday.

### **DIRECTION NEEDED AT THIS TIME:**

Given the short period of time to install the needed crosswalks and sidewalk on Belleview Avenue before the start of school, staff is looking for direction to proceed with the Phase 1 improvements and the installation of the Belleview Avenue sidewalk.

The additional phases and infrastructure costs will need to be engineered and budgets will need to be prepared. The Council should provide direction to staff on other planned phased improvements to help guide future discussions with the School district.



**To:** Mayor Schmidt and Town Council

**From:** Michael Yerman, Community Development Director

**Subject:** **Amendment to** Construction Agreement with High Mountain Concepts, LLC

**Date:** July 16, 2018

---

**Background:**

On May 21<sup>st</sup>, the Town Council authorized the contract with High Mountain Concepts for the construction of four duplexes. The Town of Crested Butte and High Mountain Concepts, LLC are currently working together to construct four (4) duplex buildings having eight (8) affordable employee rentals and for sale units. The duplex lots are located in Blocks 77 and 79 of the Paradise Park Subdivision within the Town of Crested Butte; each of the lots is zoned for duplexes/2-units and contain between 6,000 and 7,200 square feet of lot area. The designs includes: (6) 2-bedroom/2-bath townhouses; (1) 3-bedroom/2-bath townhouse; and (1) 1-bedroom/1-bath unit above a 1-car garage. The units range in size from about 652 square feet for the 1-bedroom, 900-1,100 square feet for the 2-bedrooms, and approximately 1,300 square feet for the 3-bedroom units.

After receiving Council approval for the four duplexes for a construction budget of \$2,062,500.00, High Mountain concepts received several sub-contractor bids that were higher than expected. The increase in the bids brought the average unit price from \$257,812 a unit to over \$275,000 a unit. This left no room for a contingency or any developer profit. High Mountain Concepts expressed reservations about proceeding given the high likelihood the project would run over budget and result in a net loss for their company. After meeting with Town staff and High Mountain Concepts, plans were revised to help offset the increase in costs including the reduction of bathrooms in 2 of the four duplexes.

Tow staff had planned to meet with High Mountain Concepts earlier this week to discuss a final budget number and new construction schedule to amend the previous contract. Unfortunately, a family emergency postpone this meeting until the weekend. After discussing whether to pull the item from the agenda or update the Council on Monday with revised budget and construction schedule, several Council members stated they wanted to assist this project in breaking ground sooner rather than delaying the project until after the August 6<sup>th</sup> Council meeting.

**Recommendation:**

The Town staff is working diligently over the weekend to meet with High Mountain Concepts and will bring the Council an amended contract and construction schedule to the meeting. If the terms can be agreed upon prior to the Monday night Council meeting, the Staff will make a formal recommendation to the Council on Monday night.

## CONSTRUCTION AGREEMENT

THIS CONSTRUCTION AGREEMENT is made this 21th day of May, 2018 by and between High Mountain Concepts, LLC (hereinafter referred to as “Contractor”), and the Town of Crested Butte, Colorado, a Colorado municipal corporation (hereinafter the “Town”).

### WITNESSETH:

WHEREAS, the Town desires that Contractor perform the duties of general contractor for the construction of certain improvements, namely the **Paradise Park Duplex Build** (hereinafter the “Project”); and

WHEREAS, Contractor desires to perform such duties pursuant to the terms and conditions provided for in this Agreement; and

WHEREAS, the parties hereto desire to set forth certain understandings regarding the Project in writing.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. **Statement of Work.** Contractor agrees to manage and supervise the construction of the project located in the Town of Crested Butte, Gunnison County, Colorado, as directed by the Town and pursuant to the Town of Crested Butte Design Standards and according to the plans and specifications approved by the Town. Contractor shall (a) furnish all tools, equipment, supplies, superintendence, transportation and other construction accessories, services and facilities; (b) furnish all materials, supplies, and equipment specified to be incorporated into and form a permanent part of the complete work; (c) provide and perform all necessary labor in a substantial and skillful manner and in accordance with the provisions of this Agreement; and (d) execute, construct and complete all work included in and covered by this Agreement.

2. **Time of Commencement and Completion.** Construction under this Agreement can begin on or after \_\_\_\_\_ (see paragraph 11. Notice to Proceed), and completion date is to be \_\_\_\_\_, 2019. The Completion Date may, at the Town’s sole discretion, be extended if approved by the Town in writing, but in no event may the Completion Date extend beyond \_\_\_\_\_, 2019. If Contractor fails to complete the Project on or before the Completion Date, the Town may deduct **liquidated damages in the amount of \$250 the first day and \$250.00 for each additional day** the Contractor works beyond this date. It is understood by Contractor and the Town that actual damages caused by Contractor’s failure to complete this Agreement on time are impracticable or extremely difficult to fix, and that the per diem deduction from the contract price will be retained by the Town as payment by Contractor of liquidated damages, and not as a penalty.

3. **Scope of Work.** Contractor shall provide services for the Project as stipulated in

the Scope of Work, attached to this contract as **Exhibit A** and within the budget constraints of the Compensation as outline in Section 4 below. All services shall be performed in a timely manner and in accordance with generally accepted standards for Contractor's profession and all applicable federal, state and local laws and regulations, ordinances, codes and the Board of Zoning and Architectural Review approved plans affecting the Scope of Work or the subject matter thereof.

A Change Order is any change to the original plans and/or specifications in the scope of work attached as Exhibit A, which is mutually agreed upon by Town and Contractor. All change orders need to be agreed upon in writing, including description of cost, additional time considerations, approximate dates when the work will begin and be completed, a description of the location where the work will be done and signed by both parties.

4. Compensation. Town shall pay and Contractor shall receive the contract price of \$\_\_\_\_\_ as stipulated in the Notice of Award, attached to this contract as **Exhibit B** and incorporated herein by this reference, as FULL compensation for everything furnished and done by Contractor under this Agreement, including all loss or damage arising out of the work or from the action of the elements; for any unforeseen obstruction or difficulty encountered in the prosecution of the work, including increased prices for or shortages of materials for any reason, including natural disasters; for all expenses incurred due to the suspension or discontinuation of the work; and for well and faithfully completing the work as provided in this Agreement.

5. Draw Requests. Contractor agrees to perform all work on the Project according to the schedules set forth in the approved Scope of Work attached hereto as **Exhibit A** and incorporated herein by this reference. Contractor shall submit monthly draw requests to the Town's Community Development Director or his designee itemizing actual costs incurred and showing work completed. Upon review and approval of the draw request(s) by the Community Development Director or his designee, the Town agrees to pay Contractor the amounts shown on all draw requests, minus a two percent (2%) retainage for any payments other than the final payment, no later than the fifteenth (15<sup>th</sup>) business day following the date the draw request was submitted. Payments may be withheld if:

- A. Work is found defective and not remedied;
- B. Contractor does not make prompt and proper payments to subcontractors;
- C. Contractor does not make prompt and proper payments for labor, materials, or equipment furnished;
- D. Another contractor is damaged by an act for which Contractor is responsible;
- E. Claims or liens are filed on the job; or
- F. In the opinion of the Town, Contractor's work is not progressing satisfactorily.

The Town shall disburse the total retainage and the final draw request submitted by Contractor upon execution Notice of final Payment as attached as **Exhibit C** acceptance of the Project as

described in Paragraph 15 below.

6. Liability for Damages. The Town its officers, agents or employees, shall not in any manner be answerable or responsible for any loss or damage to the work or to any part of the work; for any loss or damage to any materials, building, equipment or other property that may be used or employed in the work, or placed on the worksite during the progress of the work; for any injury done or damages or compensation required to be paid under any present or future law, to any person, whether an employee of Contractor or otherwise; or for any damage to any property occurring during or resulting from the work. Contractor shall indemnify the Town, its officers, agents and employees, against all such injuries, damages and compensation arising or resulting from causes other than the Town's neglect, or that of its officers, agents or employees.

7. Inspection of Work and Materials.

- A. The Town Manager or his designee may appoint and employ such persons as may be necessary to act as inspectors or agents for the purpose of supervising in the interests of the Town materials furnished and work done as the work progresses.
- B. The Town shall at all times have unrestricted access to all parts of the work and to other places where or in which the preparation of materials and other integral parts of the work are being carried on and conducted.
- C. Contractor shall provide all facilities and assistance required or requested to carry out the work of supervision and inspection by the Town, including blower door tests.
- D. Inspection of the work by the above-mentioned authorities or their representatives shall in no manner be presumed to relieve in any degree the responsibility or obligations of Contractor.
- E. All materials used on the project shall meet or exceed the industry standard and shall be inspected by the contractor. Any materials or workmanship found at any time to be defective shall be replaced or remedied at once.
- F. Whenever the specifications, the instructions of the Town or the laws, ordinances or regulations of any public authority require work to be specially tested or approved, Contractor shall give the Town timely notice of its readiness for inspection, and if the inspection is by another authority, of the date fixed for the inspection.

8. Insurance. Contractor shall not commence work under this Agreement until Contractor has obtained all insurance required under this section and the insurance has been approved by the Town Manager or his designee. Similarly, Contractor shall not allow any approved subcontractor to commence work on his or her subcontract until all similar insurance required of subcontractor has been so obtained and approved. The following insurance shall be

required:

- A. Commercial General Liability Insurance: At a minimum, combined single limits of \$1,000,000 per occurrence and \$1,000,000 for general aggregate for bodily injury and property damage, which coverage shall include products/completed operations, independent contractors, and contractual liability each at \$1,000,000 per occurrence.
- B. Workers' Compensation and Employer's Liability: Workers' compensation insurance for all of Contractor's employees engaged in work at the site of the project including occupational disease coverage in accordance with scope and limits as required by the State of Colorado.
- C. Comprehensive Automobile Liability Insurance: Including coverage for all owned, non-owned, and rented vehicles with \$1,000,000 combined single limit for each occurrence.

The Town of Crested Butte shall be named as an additional insured. All insurance policies must be written in a manner consistent with the requirements of the Standard Form Agreement. Certificates of insurance shall be issued prior to execution of the Notice to Proceed.

9. Performance Bond. To secure performance of Contractor's obligations under this Agreement, the Contractor shall provide the Town with a Performance Bond in the amount of the full contract price, or \$\_\_\_\_\_. The Contractor shall use the form of the Performance Bond supplied by the Town. The Town shall be authorized to draw upon the Performance Bond to correct any default by Contractor under this Agreement, which default shall be determined and substantiated by an Affidavit of Default signed by the Town Manager. The Performance Bond shall be released proportionately to construction draws as outlined in Section 5 and the Town will hold 20% for the one year warranty period specified in Paragraph 16 below. Performance Bond shall be issued prior to the execution of the Notice to Proceed.

10. Payment of Labor and Materials Bond. To secure performance of Contractor's obligations under this Agreement to its subcontractors and suppliers, Contractor shall provide the Town with a Payment of Labor and Materials Bond in the amount of \$\_\_\_\_\_. After the execution of this agreement and prior to the notice to proceed, the Contractor shall provide the Payment of Labor and Materials Bond to the Town in the form supplied by the Town. The Town shall be authorized to draw upon the Payment of Labor and Materials Bond to correct any default by Contractor under this Agreement, which default shall be determined and substantiated by an Affidavit of Default signed by the Town Manager. Labor and Materials Bond shall be issued prior to the execution of the Notice to Proceed.

11. Notice to Proceed. Notice to Proceed shall be issued within ten (10) calendar days of the execution of this Agreement by all parties. If the Town fails to issue such Notice to Proceed within that time limit, Contractor may terminate the Agreement without further liability on the part of either party. Such notice of termination must be tendered in writing to the Town. Additionally,

the parties may mutually agree that the time for the Notice to Proceed may be extended.

12. Compliance with Laws. Contractor and every subcontractor or person doing or contracting to do any work contemplated by this contract shall keep himself or herself fully informed of all national and state laws and all municipal ordinances and regulations in any manner affecting the work or performance of his or her contract or any extra work, and shall at all times observe and comply with such laws, ordinances and regulations, whether or not the laws, ordinances or regulations are mentioned in this contract, and shall indemnify the Town, its officers, agents and employees, against any claim or liability arising from or based on the violation of any such laws, ordinances or regulations.

13. Certificates and Permits. Contractor shall secure at Contractor's own expense all necessary certificates, licenses and permits from municipal or other public authorities required in connection with the work contemplated by this Agreement or any part of this Agreement, and shall give all notices required by law, ordinance or regulation. Contractor shall pay all fees and charges incident to the due and lawful prosecution of the work contemplated by this Agreement, and any extra work performed by Contractor.

14. Termination. The Town or Contractor may, at its sole discretion, terminate this Agreement without liability in the event that Contractor fails to provide the Performance Bond and/or Payment of Labor and Materials Bond, Certificates of Insurance required by Paragraph 8, or otherwise fails to meet the conditions precedent to issuance of the Notice to Proceed set forth in Paragraph 11 above. The Town may also, at its sole discretion, on one week's notice to Contractor, terminate this Agreement without liability before the completion date, and without prejudice to any other remedy the Town may have, if Contractor defaults in the performance of any provision, or fails to carry out the construction of the Project in accordance with the provisions of this Agreement.

15. Substantial Completion /Punch List/and Acceptance. The date of substantial completion of the Project shall be the date which a temporary certificate of occupancy is granted by the Town for each duplex. Upon the date of substantial completion, Contractor shall certify in writing that substantially all improvements described in the Statement of Work have been completed in conformance with the plans and specifications and submit to the Town a completed substantial completion list utilizing a form approved by the Town. Thereafter, and within thirty (30) business days, the Town shall inspect the Project and notify Contractor in writing and with specificity of their conformity or lack thereof (Punch List) to the plans and specifications. Contractor shall make all corrections necessary to bring the Project into conformity with the plans and specifications. Once any and all corrections are completed, the Town shall complete a Project Acceptance Form and promptly notify Contractor in writing that the Project is in conformance with the approved plans and specifications, and the date of such notification shall be known as the Acceptance Date. The Acceptance Date shall coincide with the commencement of the one year warranty period described in Paragraph 16 below. Within thirty (30) days of the Acceptance Date, the Town shall pay Contractor the amount shown on the final draw request; provided, however, that the amount of funds left from the contract price specified in the Notice of Award are sufficient to cover this amount.

16. Warranty. Contractor shall warrant any and all improvements constituting the Project constructed for the Town pursuant to this Construction Agreement for a period of twelve (12) months from the Acceptance Date as set forth in Paragraph 15 herein. Specifically, but not by way of limitation, Contractor shall warrant that:

- A. Any and all improvements constituting the Project shall be free from any security interest or other lien or encumbrance; and
- B. Any and all structures so conveyed shall be free of any defects in materials or workmanship for a period of one (1) year from Acceptance Date.

17. Corrections to Project. If, within one (1) year after the Acceptance Date, any of Contractor's work on the Project is found to be not in accordance with the standards set forth in the preceding Paragraph 16, Contractor shall, at Contractor's expense, correct it promptly after receipt of a written notice from the Town to do so unless the Town has previously accepted such condition. Such notice shall be either delivered personally or by overnight express courier, or sent by registered or certified mail, postage prepaid, return receipt requested, and must be received by Contractor as soon as practicable after the Town discovers the defect or the loss or damage caused by such defect, but in no event later than the date that the warranty given hereby expires.

18. Modifications. The Town may modify this Agreement with respect to the arrangement, character, alignment, grade or size of the work or appurtenances whenever in its opinion it shall deem it necessary or advisable to do so in accordance with Changes Orders as outlined in Paragraph 3. Contractor shall accept such modifications when ordered in writing by the Town Manager or her designee. Any such modifications shall not subject Contractor to increased expense without equitable compensation, which compensation may be approved by the Town pursuant to its Purchasing Policy. The determination of any such additional compensation or deduction shall be based the Scope of Work attached in Exhibit A. No modifications in the work shown on the plans and described in the specifications shall be made, unless the nature and extent of the modifications has first been approved by the Town in writing and sent to Contractor.

19. Attorneys' Fees; Survival; Costs of Collection. Should this Agreement become the subject of legal action to resolve a claim of default in performance by any party, including the collection of past due amounts, the non-prevailing party shall pay the prevailing party's reasonable attorneys' fees, expenses, and court costs. All rights concerning remedies and/or attorneys' fees shall survive any termination of this Agreement.

20. Governing Law. The laws of the State of Colorado shall govern the validity, performance, and enforcement of this Agreement.

21. Assignment. This Agreement may not be assigned without the prior written consent of the non-assigning party.

22. Amendment. This Agreement shall not be amended, except by subsequent written agreement of the parties.

23. Entire Agreement. This Agreement, **along with any addendums and**



- A. Contractor does not knowingly employ or contract with an illegal alien.
- B. Contractor does not knowingly employ or contract with an illegal alien to perform work or enter into a contract with a subcontractor that fails to verify to Town that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this Agreement.
- C. Contractor has participated in or attempted to participate in the basic pilot employment verification program created in Public Law 208, 104<sup>th</sup> Congress, as amended, and expanded in Public Law 156, 108<sup>th</sup> Congress, as amended, administered by the Department of Homeland Security (hereinafter, “E-Verify”) in order to verify that Contractor does not employ illegal aliens. If Contractor is not accepted into E-Verify prior to entering into this Agreement, Contractor shall forthwith apply to participate in E-Verify and shall submit to the Town written verification of such application within five (5) days of the date of this Agreement. Contractor shall continue to apply to participate in E-Verify, and shall certify such application to the Town in writing, every three (3) months until Contractor is accepted or this Agreement is completed, whichever occurs first. This Paragraph shall be null and void if E-Verify is discontinued.
- D. Contractor shall not use E-Verify procedures to undertake pre-employment screening of job applicants while this Agreement is being performed.
- E. If the Town obtains actual knowledge that a subcontractor performing work under this Agreement knowingly employs or contracts with an illegal alien, Contractor shall be required to:
  - (a) notify the subcontractor and the Town within three (3) days that Contractor has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and
  - (b) notify the subcontractor and the Town within three (3) days that Contractor has actual knowledge that the subcontractor is employing or contracting with an illegal alien; and
  - (b) terminate the subcontract with the subcontractor if within three (3) days of receiving the notice required pursuant to this subparagraph the subcontractor does not stop employing or contracting with the illegal alien; except that Contractor shall not terminate the contract with the subcontractor if during such three (3) days the subcontractor provides information to establish that the subcontractor has not knowingly employed or contracted with an illegal alien.
- F. Contractor shall comply with any reasonable request by the Colorado Department of Labor and Employment (“Department”) made in the course of an investigation that the Department is undertaking pursuant to the authority established in

subsection 8-17.5-102(5), C.R.S.

G. If Contractor violates this Paragraph, the Town may terminate this Agreement for breach of contract. If this Agreement is so terminated, Contractor shall be liable for actual and consequential damages to the Town arising out of said violation.

31. Authority. Each person signing this Agreement represents and warrants that he is fully authorized to enter into and execute this Agreement, and to bind the party it represents to the terms and conditions hereof.

32. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which, when taken together, shall be deemed one and the same instrument.

WHEREFORE, the parties hereto have executed duplicate originals of this Construction Agreement on the day and year first written above.

[CONTRACTOR]:

By \_\_\_\_\_  
Name \_\_\_\_\_  
Title \_\_\_\_\_

TOWN OF CRESTED BUTTE, COLORADO:

By \_\_\_\_\_  
Dara MacDonald, Town Manager  
Date \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Town Clerk

## **EXHIBIT A - SCOPE OF WORK**

This scope of work consists of three sections: Schedule, BOZAR Approved Plans, and Interior Finishes.

### **Schedule**

See next page.

It is understood that Final Certificate of Occupancy requires completion of landscaping includes the final grading, hydro seeding of lots, construction of parking areas, and planting of trees.

## **EXHIBIT B Notice of Award**

Dated May 16, 2017

Owner: <b>Town of Crested Butte</b>	Owner's Project Manager: <b>Michael Yerman</b>	Owner's Resolution No.:
Name of Project / Contract: <b>Paradise Park Duplex Build</b>		Engineer:
Contractor: <b>High Mountain Concepts, LLC</b>		
Contractor's Address: (send Certified Mail, Return Receipt Requested) <b>P. O. Box 2751, Crested Butte, CO. 81224</b>		

You are notified that your proposal dated **December 20, 2017** for the above Contract has been considered. You are the Successful Bidder and are awarded a Contract for the **Paradise Park Duplex Build** contingent upon delivery of all conditions outlined in the Agreement or herein.

See the Bid Documents for details of the scope of work.

The Contract Price of your Contract is \$                      )

Three (3) of each of the proposed Contract Documents (except Drawings) accompany this Notice of Award.

You must comply with the following conditions precedent within five (5) days of the date you receive this Notice of Award.

1. Deliver to the Owner two (2) fully executed counterparts of the Contract Documents.
2. Deliver with the executed Contract Documents the Contract Security [Bonds] as specified in the Instructions to Bidders (Article 20), [and] General Conditions (Paragraph 5.01) [and Supplementary Conditions (Paragraph SC-5.01).]

Failure to comply with these conditions within the time specified will entitle Owner to consider you in default, annul this Notice of Award and declare your Bid security forfeited.

Town of Crested Butte  
Owner

By: \_\_\_\_\_  
Authorized Signature

EXHIBIT B Notice of Final Payment



## Staff Report July 16, 2018

**To:** Mayor Schmidt and Town Council  
**From:** Michael Yerman, Community Development Director  
**Thru:** Dara MacDonald, Town Manager  
**Subject:** **Paradise Park Neighborhood Meeting-Block 76**  
**Date:** July 16, 2018

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**1.0 Purpose:** To summarize the Neighborhood Meeting that was held at the Rainbow Park Pavilion on Tuesday, July 10<sup>th</sup> regarding the future potential land use of Block 76 in the Verzuh Annexation.

**2.0 Background:** The Town of Crested Butte Community Development Department invited the Verzuh neighborhood to a community meeting so that staff could introduce themselves, get to know residents and other concerned citizens, understand everyone's concerns and to specifically talk about affordable workforce housing in town, the immediate neighborhood and the future potential of developing affordable housing on Block 76.

Block 76 is located in the Verzuh Addition, between 8<sup>th</sup> and 9<sup>th</sup> Streets on the south side of Gothic Avenue and north of Rainbow Park. The original annexation plat designated the parcel for the use of affordable housing or park space. Since that time the Block has been subdivided and zoned R2A Residential/Multi-family. Block 76 is 417 feet long and 120 feet wide with 26 feet wide alleyways and currently contains one (1) greenway/snow storage lot (9,000 sf), seven (7) residential lots totaling 41,040 sf/0.94 acres, and platted with a density of 11 units.

The original Verzuh Annexation agreement requires the entire buildout of the remainder of the Paradise Park subdivision prior to the development of Block 76. However, recent discussions with the developer, Bill Lacy, have opened the potential to completing a more substantial build that would include this Block in 2019. An amendment to the annexation agreement would need to be executed by both parties to allow Block 76 to be included in the 2019 Paradise Park affordable housing build.

**3.0 Public Outreach:** Prior to the meeting 2 full page color display ads were placed in Crested Butte News along with a news article, CB holding meeting on housing development, on page 8 of the newspaper. Staff also placed Notices on people's doorways mid-day Tuesday as a meeting reminder.

There were about thirty (40) citizens in attendance with Mayor Schmidt and Council Members Merck, Cowherd, Dujardin and Haver.

**4.0 Meeting Agenda:** This was the first of two planned community meetings. The first meeting provided an opportunity for us to get together, talk, understand each other's concerns and establish

common ground in creating a neighborhood-based planning process that will yield positive outcomes for everyone. There is currently no specific development plan for this property other than it being designated as affordable housing with 7 lots and 11 units or for a future park. Due to the increased need for affordable housing in town, multi-family residential appears to be the preferred land use for this property. However, the Council has directed the staff to reexamine the appropriate density, unit-types/sizes, household incomes, rentals or sales, prior to the Block being developed. The meeting presented and discussed the following topics: 1) staff introductions; 2) background on Verzuh Annexation and Development Agreement; 3) current neighborhood zoning and Land Use; 4) potential allowed uses; 5) neighborhood issues and concerns; 6) Request for Qualifications (RFQ) from developers/ architects/ builders of affordable housing; 7) overview of development process and timeline; and neighborhood participation/Next Steps. The meeting began at 5:30 PM and concluded at about 7:00 PM.

**5.0 Neighborhood Issues and Concerns:** Approximately thirty (40) citizens attended the neighborhood meeting at Rainbow Park. Michael Yerman, Community Development Director and Bob Nevins, Town Planner, served as the facilitator and Mayor Schmidt, Bob Gillie-former Building Official and John Hess-former Town Planner provided key background information. The attendees were generally understanding of the need for creating more affordable housing in town and on Block 76 in particular. Concerns voiced at the meeting included:

- Why develop the property now? What about future needs?
- What is considered to be “workforce” housing in terms of income and sales price?
- Who is the housing for-singles, families or a mix of residents? Will the development address a diversity of housing needs? Will the units be for sale or for rent or a mix of sale/rental units? Can business owners buy a unit for their employees?
- Will the proposed density, size and type of units “fit” the existing family neighborhood?
- What will be the income, residency and other deed-restrictions?
- What are the funding sources for this project?
- How would each structure maintain its individuality and uniqueness?
- How could a collaborative design reduce potential impacts to the park?
- How would parking, snow storage, and traffic be addressed by the designers?

One resident in particular preferred the property to be used as a park and/or snow storage area. However, there appeared to general agreement that there is considerable need for more workforce housing in town and this property is well-suited to accommodate a variety of residents with a mix of duplex, tri-plex and 4-plex configurations.

**6.0 Next Steps:** The Town has prepared a letter to be executed by the Mayor requesting an amendment to the Verzuh annexation agreement allowing Block 76 to be included in the 2019 Affordable Housing build. If agreed upon by Bill Lacy, this amendment would come before the Council on August 6<sup>th</sup>.

Also on August 6, 2018, Town Council will select three (3) qualified development teams to prepare Conceptual Development Proposals for Block 76. A second Neighborhood Meeting on August 15<sup>th</sup> is scheduled so the development teams can receive further community input prior to preparing their conceptual development proposals. If an amendment cannot be agreed upon by the Town and Bill Lacy, the Town will look into alternative development proposals for 2019.

**7.0 Recommended Action:** A Council member followed by a second make a motion to authorize the Mayor to send the attached letter to Bill Lacy and instruct Town staff to assist in preparing an amendment to the Verzuh Annexation Agreement.



July 16, 2018

Mr. Billy Joe Lacy, President  
Verzuh Ranch, Inc.  
P.O. Box 187  
Crested Butte, CO 81224

RE: Amendment to Verzuh Annexation Agreement

Dear Mr. Lacy:

The Town of Crested Butte ("Town") pursuant to the Verzuh Annexation Agreement recorded on 08/18/00 as Reception No. 504285 in the office of the Gunnison County Clerk & Recorder, would like to meet with you and discuss the potential of amending certain conditions contained in Section VI, Public Land Dedication, Trail and River Access. Specifically, the Town would like to amend Subsection 6.4, Conditions B and C such that development of Future Development Land (Block 76) could occur prior to completion of the Donate Developable Land north of Gothic Avenue.

On July 10, 2018 the Town hosted a Neighborhood Meeting at the Rainbow Park Pavilion attended by approximately forty (40) residents and concerned citizens. Two full-page display ads were placed in the local newspaper; there was an article about the meeting in the July 6<sup>th</sup> Crested Butte News; and notices were distributed to the homes in the area. There seemed to be a consensus among those in attendance that there is considerable need for more workforce housing in town and this property is well-suited to accommodate a variety of residents with a mix of duplex, tri-plex and 4-plex structures. However, one citizen was very vocal about using the property for additional park land and snow storage.

Town is requesting the amendments at this time to: 1) create an additional supply of desperately needed workforce units in 2019; 2) provide a project size that will attract local developers/builders; 3) allow for cost-savings due to economies of scale; 4) reduce the overall build-out timeline of the Verzuh Addition while condensing neighborhood impacts; 5) develop an integrated, well-designed project that accommodates a variety of user groups; and 6) accommodate off-street parking and snow storage requirements.

I, along with Dara MacDonald-Town Manager, Michael Yerman-Community Development Director, would very much like to meet with you and discuss the potential for moving forward with the planning and development of Block 76. I will give you a call you to see when we might be able to meet given your busy summer schedule.

Sincerely,

James A. Schmidt, Mayor  
Town of Crested Butte



Background: Amendment to the *Land Development Code*, Sections: 2.4, Principal Use Table; 2.6, Base Zone District Dimensional Standards; 3.3 Residential Use Standards; 3.7 (B), Retail Sales Establishment Standards; and, 4.4 Off-Street Parking and Loading.

Staff contact: Interim Community Development Director Andie Ruggera

**Action Requested of Council:** Introduce, read by title only, motion, second and vote to pass and adopt Ordinance No. 8, Series 2018 on second and final reading.

Estimated time: 0 minutes

**D. Discussion of Comprehensive Plan**

Background: The City of Gunnison issued a Request for Qualifications (RFQ) on April 19<sup>th</sup> for completing a Comprehensive Plan. Staff received five statement of qualifications for completing a Comprehensive Plan and is ready to proceed with developing a Request for Proposals (RFP) and we are recommending that we invite responses from any and all qualified consulting firms.

Staff contact: City Manager Russ Forrest

**Action Requested of Council:** Direct staff to prepare an RFP for final review by both the City Council and the Planning Commission at the July 24<sup>th</sup> Council meeting.

Estimated time: 30 minutes

**E. Proposed Vacation of 20-foot wide Electrical Easement**

Background: Staff was made aware of an electrical easement that was originally conveyed to the West Gunnison Sanitation District and was transferred to the City in 2007 when the City took over the district. The easement is located immediately south of an existing City utility easement and does not contain any utilities.

Staff contact: Interim Community Development Director Andie Ruggera

**Action Requested of Council:** No action of Council is required.

Estimated time: 10 minutes

**F. Award Bid for Downtown Parking Assessment**

Background: Within the Gunnison Vibrancy Initiative Report, a parking assessment of the downtown area was recommended to manage on-street parking demands and to develop a long-term strategy for parking. Funds within the City Council's Strategic Implementation Reserve have been set aside for a parking assessment.

Staff contact: Interim Community Development Director Andie Ruggera

**Action Requested of Council:** To discuss and give authorization to use funds from the City Council's Strategic Implementation Reserve for a parking assessment and to give authorization to the City Manager to sign the Contract for Services with Charlier Associates, Inc. in an amount not to exceed \$22,530.

Estimated time: 10 minutes

- G. Discussion of Utility Update and Communication Project to West Gunnison**  
 Background: Discuss utilizing Region 10 DOLA funds in partnership with Gunnison County Electric Association to install communication lines and electrical utility conduit to serve both GCEA and the Wastewater Treatment Plant utilizing Regional 10's preferred contract agreement.  
 Staff contact: Public Works Director David Gardner, City Engineer Cody Tusing, and IT Director Mike Lee  
**Action Requested of Council:** Request Council's approval to re-allocate City Electric and Wastewater funds to fund the City's portion of the project contingent upon Region 10 & GCEA financial commitments. Further request authorization for City Manager to execute all necessary documents to initiate the project with Region 10 and GCEA.  
 Estimated time: 20 minutes
- H. Resolution No. 5, Series 2018; Re: A Resolution of the City Council of the City Council of the City of Gunnison, Colorado, Consenting to Calling a Special Election to Amend the City Charter**  
 Background: Based on discussion and direction from the June 12 meeting, proposed Resolution No. 5, Series 2018 moves Council another step forward towards holding a special election and placing a ballot question on the November 6, 2018, ballot in a coordinated election to ask the voters of Gunnison to amend the City of Gunnison Municipal Home Rule Charter by changing the City's regular election date from the second Tuesday in May of odd numbered years to the first Tuesday in November of odd numbered years and to extend the current Council's terms by six (6) months.  
 Staff contact: City Clerk Erica Boucher  
**Action Requested of Council:** Approve Resolution No. 5, Series 2018 and direct staff to notify the county clerk in writing that the City of Gunnison will hold a special election in November 2018 to put a question on the ballot asking voters to amend the City's election date from the second Tuesday in May of odd numbered years to the first Tuesday in November.  
 Estimated time: 10 minutes
- IV. Council Work/Discussion Items:**
- A. Discussion of next steps for Lazy K**  
 Background: Staff would like to review the attached site plan with Council.  
 Staff contact: City Manager Russ Forrest  
 Estimated time: 20 minutes
- V. Reports:**  
 City Attorney Report  
 City Manager Strategic Projects Update and Report  
 City Councilors with City-related meeting reports; discussion items for future Council meetings

## **VI. Meeting Adjournment**

The City Council Meetings agenda is subject to change. The City Manager and City Attorney reports may include administrative items not listed. Regular Meetings and Special Meetings are recorded and action can be taken. Minutes are posted at City Hall and on the City website at [www.gunnisonco.gov](http://www.gunnisonco.gov).

Discussion Sessions are recorded; however, minutes are not produced. For further information, contact the City Clerk's office at 970.641.8140. **TO COMPLY WITH ADA REGULATIONS, PEOPLE WITH SPECIAL NEEDS ARE REQUESTED TO CONTACT THE CITY CLERK 24 HOURS BEFORE ALL MEETINGS AT 970.641.8140.**

- 8:30 am
- Gunnison County Boards and Commissions Interviews:
    - Library Board of Trustees  
8:30 am; Sally Hays
- 8:40
- Taylor Park Vegetation Treatment Environmental Assessment
  - Adjourn

Please Note: Packet materials for the above discussions will be available on the Gunnison County website at <http://www.gunnisoncounty.org/meetings> no later than 6:00 pm on the Friday prior to the meeting.

- 8:30 am
  - Call to Order; Agenda Review
  - Minutes Approval:
    1. 6/5/18 Regular Meeting
    2. 6/14/18 Special Meeting
  - Consent Agenda: These items will not be discussed unless requested by a Commissioner or citizen. Items removed from consent agenda for discussion may be rescheduled later in this meeting, or at a future meeting.
    1. Intergovernmental Agreement; Regarding Undesirable Plant Management 2018
    2. Acknowledgement of County Manager's Signature; Health Equity Advocacy Network Strengthening Grant Program Amendment; The Colorado Trust; Extension of Grant Period to November 30, 2019; Revised Scope of Work; Increase of Grant Funds to \$20,000
    3. Retail Liquor License Renewal; Crested Butte LLC dba Ice Bar/Rest Twister Warming HSE; July 15, 2018 – July 15, 2019
    4. Development Improvements Agreement; Whetstone Industrial Park
    5. Release of Development Improvements Agreement and Addendums Thereto for Horse River Ranch, Tract A
    6. Colorado Department of Public Health and Environment Task Order Amendment #2; Routing #19 FEFA 109348; Retail Food Establishments Standards Enforcement
    7. Acknowledgement of County Manager's Signature; Colorado Housing & Finance Authority; Automatic OCAF Rent Increase; Mountain View Apartments CO99H001099/10135339
  - Scheduling
- 8:35
  - County Manager's Report
- 8:40
  - Deputy County Manager's Reports and Project Updates
- 8:50
  - Lot Cluster Request; Lots 5 & 6 Staples East River; Robert & Theresa Harper
- 8:55
  - Townhome Plat Approval; Elcho IV Townhomes; Units 3 & 4, Lots 11 & 12, Block 2, Crested Butte South – First Filing
- 9:00
  - Petition for Abatement or Refund of Taxes; Property Tax Years 2016 & 2017; R001699, Lots 13-23 BLK 52 First Addition #641478; PPI Gunnison LLC.
- 9:05
  - Resolution; Amending the Workforce Housing Linkage Fees
- 9:15
  - Resolution; Consenting to the Calling of an Election by the Gunnison Valley Regional Housing Authority on November 6, 2018
- 9:45
  - Possible Executive Session; Pursuant to C.R.S. 24-6-402(4)(b) Attorney-Client Privileged and Work Product Protected Discussion with County Attorney and/or Deputy County Attorney Regarding *Kane County v. U.S.* Pending Class Action, Including but not Limited to Whether Gunnison County Should opt into the Certified Class
- Unscheduled Citizens: Limit to 5 minutes per item. No formal action can be taken at this meeting.
- Commissioner Items: Commissioners will discuss among themselves activities that they have recently participated in that they believe other Commissioners and/or members of the public may be interested in hearing about.
- Adjourn

Please Note: Packet materials for the above discussions will be available on the Gunnison County website at <http://www.gunnisoncounty.org/meetings> no later than 6:00 pm on the Friday prior to the meeting.

## AGENDA

**Call to Order**

**Roll Call**

**Approval of the July 3, 2018 Regular Town Council Meeting Minutes**

**Reports**

Manager's Report

Department Head Reports

Town Council Reports

**CORRESPONDENCE**

**OLD BUSINESS-**

Affordable Housing – Kathy Fogo

**NEW BUSINESS –**

Discussion and Possible Consideration of Initiating a Major Alteration to the North Village Planned Unit Development to Remove Common Area F from the Planned Unit Development Boundary – Carlos Velado

Discussion and Possible Consideration of a Planning Commission Recommendation on the Town of Mt. Crested Butte Three Mile Plan Update – Carlos Velado

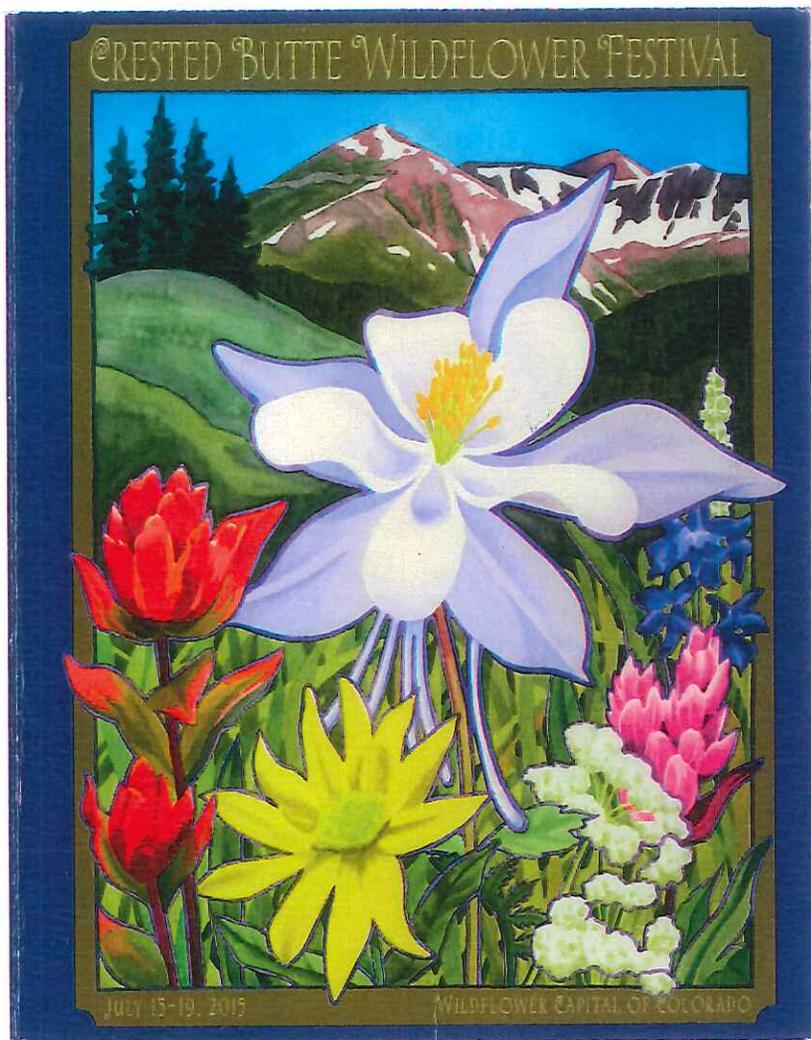
**OTHER BUSINESS –**

**PUBLIC COMMENT** – *Citizens may make comments on items not scheduled on the agenda. Those commenting should state their name and physical address for the record. Comments are limited to five minutes.*

**ADJOURN**

**If you require any special accommodations in order to attend this meeting, please call the Town Hall at 349-6632 at least 48 hours in advance. Public comment on these agenda items is encouraged.**

Discussion and Possible Consideration of Resolution Number 11, Series 2018, A Resolution of the Town Council of the Town of Mt. Crested Butte, Colorado, Accepting the 2017 Audit for the Town of Mt. Crested Butte, Colorado – Karl Trujillo



Dear Crested Butte  
Town Council;

Thank you so much for  
your generous grant of  
\$1,000 to Wildflower  
Festival to help with  
our site expenses. We  
are so appreciative of your  
support!

Sincerely,  
Michelle Bowers  
Director  
CBWF

**August 7, 2018 (Tuesday)**  
**Work Session – 6PM**  
 Overview of Budget Process

**Consent Agenda**

- Resolution - State Historic Tax Credit

**Public Hearing**

- Transfer of Retail Marijuana Dispensary Permit from Acme Dispensary Inc to Sun House CB LLC.

**New Business**

- Meet Sean Caffrey – New Head of CBFPD
- Q2 Financial Update
- Purchase Contract with School for Duplex Units
- Award of Contract for Parking Consultant
- Selection of Developer for Block 76
- Resolution - Appropriating Funds for Long Lake
- Resolution - Amendment to Verzuh Annexation Agreement - Block 76
- Approval of Updated McCormick Ditch Agreement.
- Ordinance - School Duplex

**Old Business**

- Update on Activities Related to Council Priorities
- Update on 2018 Capital Projects

**August 20, 2018**

**Public Hearing**

- Clark's Fermented Malt Beverage License

**Future Items**

- Charter Franchise Agreement
- Heights Open Space Plat Modification
- Heights Open Space Conservation Covenant
- Retreat Update - Mid Summer
- Project Update - Mid Summer
- Quarterly Financial Reports
- Bid Award Emergency Service Facilities Design/Planning
- License agreement with Cypress for Dump Clean-up
- Beer in Parks
- September - Annual Update from the Creative District Commission
- October 15<sup>th</sup> - Deadline for Presentation of the Annual Budget