

AGENDA
Town of Crested Butte
Town Council Work Session
1:00PM to 5:00PM
Monday, August 31, 2020

Please click the link below to join the webinar:

<https://us02web.zoom.us/j/86406296595>

Or Telephone:

Dial(for higher quality, dial a number based on your current location):

US: +1 253 215 8782 or +1 346 248 7799 or +1 669 900 6833 or +1 301 715 8592 or +1 312 626 6799 or +1 929 205 6099

Webinar ID: 864 0629 6595

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

1:00 WORK SESSION

- 1) Review Council Goals and Priorities.
- 2) Kick-off Budget 2021 Planning.

5:00 ADJOURNMENT



Staff Report

August 31, 2020

To: Mayor and Town Council
From: Rob Zillioux, Finance and HR Director
Thru: Dara MacDonald, Town Manager
Subject: 2021 Budget – Council Work Session

Summary:

Staff collaborated to prepare an outline (*enclosed PowerPoint presentation*) for discussion with Council at it relates to the 2021 budget. Council's Five Year Goals, 2020 Goals and Priorities served as a starting point for 2021 priorities.

Objectives for the Council Work Session are:

- Confirm and/or modify with Council the Existing priorities – Five Year and 2020
- Review staffs' guiding principles for the 2021 budget process
- Review with Council an initial list of 2021 priorities.
 - *Council to discuss, inject and gain consensus*
- Review the proposed budget calendar and approach
- Obtain Council direction on open questions

Discussion:

2020 has been unprecedented for Town due to the pandemic and resulting impact to tourism, businesses, citizens' well-being and Town operations. Crested Butte, with sales tax down YTD "only" 9%, has weathered the storm better than many other mountain resort communities. Solid Fund reserves, and Staff expense management, has allowed Town to operate without service or project interruption (pandemic aside).

2021 revenue will be a challenge to forecast, especially with the unknown leading into the winter ski season. Vail Resorts have stated they intend to open and operate this winter, with a reservation system, social distancing measures, etc. We do not know if, and how, this may impact tourism. We do know that winter will be problematic for restaurants, should the coronameter stay blue or go backwards.

Another key consideration is the significant amount of local development, escalating housing costs, growing population and the impact on Town operations.

As a result of these unknowns, Staff will be preparing a baseline budget that includes no new projects or capital spend. Necessary maintenance or equipment replacement aside.

On top of the baseline, Staff will prepare requests for new projects and spend. Prior to filing our budget with the State in December, we will need to decide upon adopting either a baseline budget or baseline + budget.

2021 Budget – Town Council Work Session

August 31, 2020



Discussion Topics

- Existing priorities – 5 year and 2020 (*Council to confirm or modify*)
- Staff guiding principles
- Initial list of 2021 priorities (*Council to discuss, inject and gain consensus*)
- Budget calendar / approach
- Open questions / Council direction

Council Vision Statement & Long Range Goals

Vision Statement

Crested Butte is a small mountain town with a big community that strives toward a balanced and sustainable lifestyle while enjoying and protecting the soul of the Valley.

Five Year Goals *(2019 through 2023)*

- Increase percentage of residents living in Town by achieving a 75% housing full-time occupancy
- 30% of units in Town are deed restricted, including 15 Town rental units for employees
- Permanent removal of mining claims by Mt. Emmons Mining Company on Red Lady
- Maintain at least one year of operating reserves in Town's funds
- Reduce greenhouse gas emissions footprint of Town's operations by 50% versus 2017 levels; and, reduce Town of Crested Butte community emissions footprint by 25%
- Implement traffic and parking plan
- Complete modified recommended capital projects in Parks & Recreation master plan
- Upgrade Marshal Office facilities *(dependent on Fire-station move)*

Council 2020 Goals / Priorities

- ✓ Climate Action Plan implementation begins
- ✓ Complete Paradise Park Phase 2 affordable housing build
- ? SOAR Community School Town rental build (1 unit)
- ✓ Perform sorely needed streets repair and maintenance
- ? Renovate Henderson Park utilizing GOCO grant funding
- ✓ Construct changing rooms for ice hockey at Big Mine Park
- ? Develop Crested Butte Community Compass
- ✓ Complete water treatment plant expansion
- ? Expand and solidify snow storage opportunities in Town
- ? Expenses will not exceed revenues in the General Fund
- ✓ Develop framework for a Crested Butte InDeed program

✓ *Completed or will be complete by end of 2020*

? *Will not be completed by end of 2020, primarily due to pandemic*

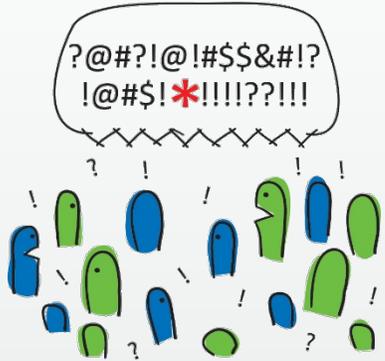
Senior Staff – Budget Guiding Principles

- Staff will hold a session with Council to affirm 2021 priorities and 5-year goals. Starting place for Staff will be the Five Year Goals, as adopted by Council.
- Staff will collaborate, prioritize, develop and deliver a balanced budget, or surplus budget, to Council. This is for each fund.
- In light of the significant draw down of reserves over the last five years, the 2021 budget will include no new significant capital expenditures, or programs, unless expressly directed by Council during Priority Planning. However, critical maintenance and replacements are necessary and should be included.
- 2021 budget will start with a baseline, i.e. “keep the lights on” version as well as a version with new requests layered on top of the baseline. The baseline version will help mitigate possible budgetary issues associated with possible COVID winter impacts, such as a closed or limited CBMR.
- As a starting point for all new requests, or otherwise, Senior Staff should come forward with expenses items to eliminate or reduce.
- Within each fund, staff will collaborate and prioritize new requests collectively.

Proposed 2021 Goals / Priorities *(draft)*

- Develop Crested Butte Community Compass
- Continued Climate Action Plan implementation continuation
- Begin implementing Enterprise Fund master plan
- Perform sorely needed streets repair and maintenance
- Improve and solidify snow storage
- Begin implementing InDeed program
- Henderson Park renovation *(pushed from 2020)*
- Housing study for TP3
- Develop opportunities / revenue streams to help fund Affordable Housing and Climate Action Plan
- Participate in FEMA's Community Rating System (CRS) Program
- Be aware and responsive to the ongoing pandemic

Community Compass (Comprehensive Plan)



The Community Compass is a road map and not a final destination.

- This publicly driven document will present our shared journey and provide the community's aspirations and expectations. These guideposts will form the **framework and create a nexus upon which enduring decisions can be made.**
- The Compass will be a concise, graphical, and readable document which outlines and the future on goals and strategies potentially covering the following topics:

Natural Environment

Land Use/Zoning

Historic District/Built Environment

Mobility and Parking

Infrastructure/Utilities

Recreation/Parks/Open Space

Housing

Economic Development/Tourism

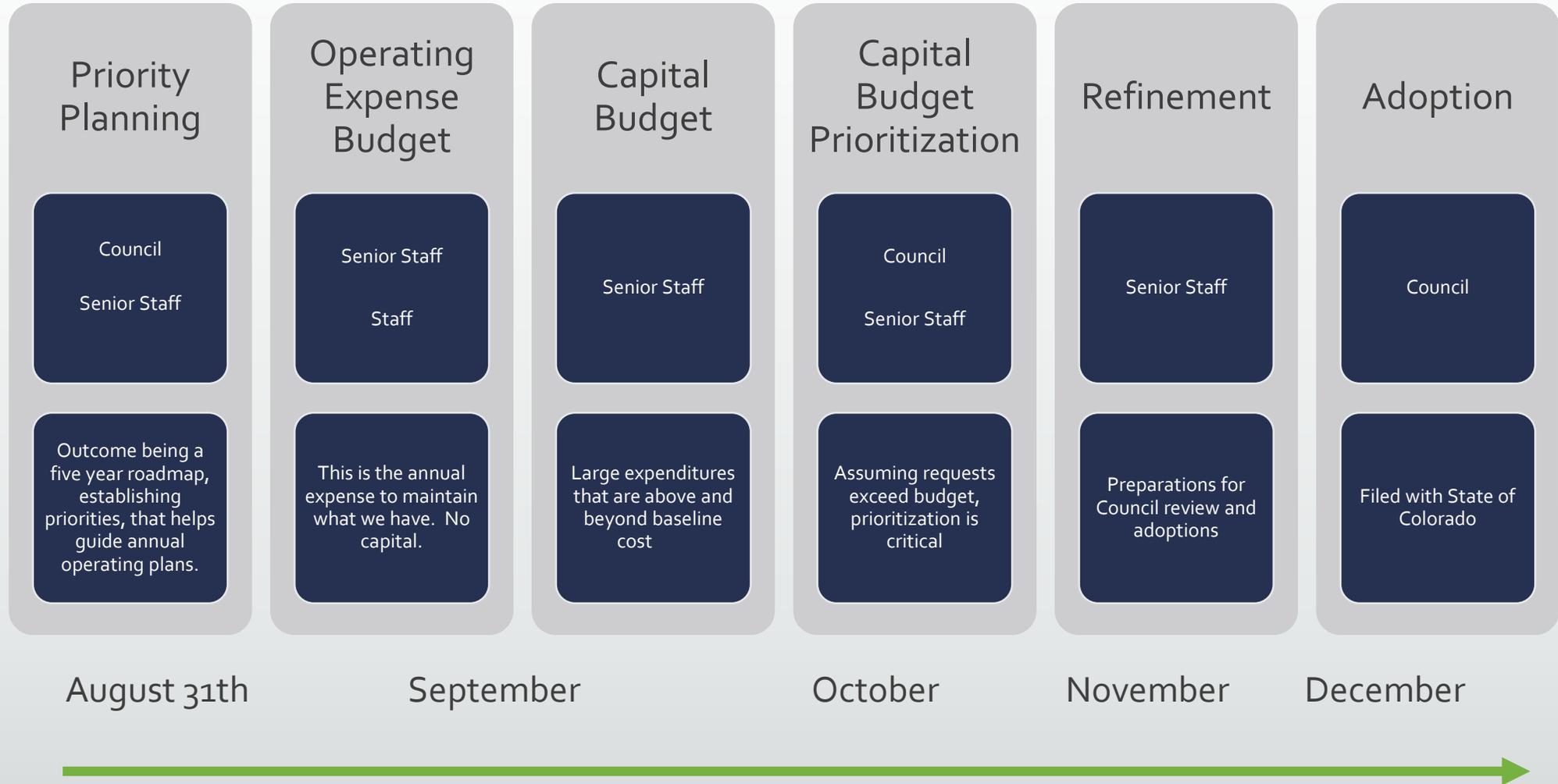
Social/Cultural/Special Events

Public Health and Safety

Equity

Regional Considerations

Approach to 2021 Budgeting



Open Items – Council Input Required

- What, if any, proposed 2021 goals should be eliminated and/or added?
- Shall we balance the 2021 budget, by Fund, and/or increase reserves?
- What amount of monies to earmark for CAP project implementation?
- Should we find room to increase reserves for housing, open space and green projects?
- In light of associated debt service, Enterprise Fund rates will need to increase. Town of CB rates are generally low in comparison to regional municipalities. See appendix slide #12
- Should mill levy be increased to accommodate future streets, alley or parking projects? The current levy can support maintenance of existing infrastructure, but cannot support significant new spend.

Appendix

July and YTD July Sales Tax Figures

BUSINESS TYPE	Jul-20	Jul-19	\$ Diff	% Diff	YTD July 2020	YTD July 2019	\$ Diff	% Diff
BARS/REST	\$189,126	\$230,006	(\$40,880)	-18%	\$625,238	\$797,735	(\$172,497)	-22%
GROCERY	\$85,941	\$82,513	\$3,428	4%	\$313,727	\$297,597	\$16,130	5%
RETAIL	\$175,593	\$187,662	(\$12,069)	-6%	\$560,397	\$592,290	(\$31,892)	-5%
RETAIL:MMJ	\$15,219	\$18,450	(\$3,232)	-18%	\$79,420	\$80,740	(\$1,319)	-2%
LODGING	\$77,148	\$55,942	\$21,206	38%	\$226,823	\$248,013	(\$21,190)	-9%
CONST/HRDWR/AUTO	\$48,375	\$47,515	\$860	2%	\$221,770	\$225,743	(\$3,972)	-2%
SERVICE	\$11,852	\$14,752	(\$2,900)	-20%	\$92,569	\$98,793	(\$6,224)	-6%
OTHER	\$18,658	\$17,214	\$1,444	8%	\$155,675	\$151,263	\$4,412	3%
Total	\$621,911	\$654,168	(\$32,258)	-5%	\$2,275,912	\$2,492,675	(\$216,763)	-9%

Regional Enterprise Fund Rates

Municipality	Water	Sewer
Town of Crested Butte	\$29.00	\$38.50
Mt CB	\$52.72	\$47.07
CB South	\$34.50	\$39.00
Skyland / East River	\$57.75	\$37.41
Telluride (in town)	\$38.52	\$51.92
Telluride (out of town)	\$48.00	\$64.90
Durango (in town)	\$40.56	\$48.27
Durango (out of town)	\$40.58	\$96.53