

**CITY OF GUNNISON COUNCIL
SPECIAL SESSION AND WORK SESSION MEETING
MEETING HELD AT CITY HALL, 201 W. VIRGINIA AVENUE,
GUNNISON, CO, IN THE 2ND FLOOR COUNCIL CHAMBERS**

TUESDAY

NOVEMBER 17, 2015

SPECIAL SESSION

7:00 P.M.

The Special Session Meeting was Set by an Affirmative Vote of City Council on November 10, 2015.

- I. Call Meeting to Order
- II. Regular Session Meeting Minutes of November 10, 2015
- III. Presentation of Econometrics Analysis of Sales Tax Revenue by WSCU Intern Jacob Weiss
- IV. Action on Memorandum of Understanding Between City and Region 10, Re: DOLA Technology Network Grant Application
- V. Ordinance No. 18, Series 2015; Re: Setting 2015 Mill Levy, 1st Reading
Ordinance No. 19, Series 2015; Re: 2016 City Budget, 1st Reading
Ordinance No. 20, Series 2015; Re: Additional Appropriations to the 2015 City Budget, 1st Reading
Ordinance No. 21, Series 2015; Re: Amending Municipal Code Section 3.10.050 Vendor Liable for Tax; to Change Sales Tax Vendor Fee, 1st Reading
- VI. Finance Department Semi-Annual Report – Finance Director Ben Cowan
- VII. Close Special Session

NOVEMBER 17, 2015

WORK SESSION

Following Special Session

- A. Nuisance Code Rewrite Update – Police Chief Keith Robinson
- B. Discussion on Selection of Mayor Pro Tem – Requested by Mayor Hagan
- C. 2016 Budget Discussion Continued – on all agendas until adoption
- D. Non-Scheduled Citizens: **At this agenda time, non-scheduled citizens may present issues of City concern to Council. Per Colorado Open Meetings Laws, NO action or Council discussion will be take place until a later date, unless an emergency situation is deemed to exist by the City Attorney. Speaker has a time limit of 3 minutes.**
- E. City Council Discussion, Meeting Reports, Items for Future Work Sessions

The City Council Meeting 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.cityofgunnison-co.gov. Work sessions are recorded, minutes are not produced and formal action cannot be taken. 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.

NOVEMBER 10, 2015

**CITY OF GUNNISON COUNCIL
REGULAR SESSION MEETING MINUTES**

7:00 P.M.

The City Council Regular Session meeting was called to order at 7:00 P.M., by Mayor Hagan, with Councilors Ferguson, Drexel, Morrison and Schwartz present along with City Manager Coleman, City Clerk Davidson, Acting City Manager/Finance Director Cowan, IT Director Lee, Police Chief Robinson, Community Development Director Westbay, several citizens and the press. City Attorney Fogo and WSCU Liaison Davis were absent. A Council quorum was present.

NOVEMBER 10, 2015

PUBLIC HEARING

7:00 P.M.

Receive Public Input On Proposed 2016 City Budget.

Mayor Hagan called the Public Hearing to order and stated it is 7:00 P.M., on Tuesday, November 10, 2015, in the City Council Chambers of City Hall, 201 W. Virginia Avenue in Gunnison, Colorado. Present at the Public Hearing are myself, Mayor Richard Hagan, City Councilors Stu Ferguson, Bob Drexel, Leia Morrison and Matt Schwartz, City Manager Ken Coleman, City Clerk Gail Davidson, and Finance Director Ben Cowan.

Mayor Hagan stated the purpose of this Public Hearing is to receive input on the proposed 2016 City Budget. Mayor Hagan called for proof of publication. City Clerk Davidson stated a copy of the Notice of Public Hearing was included in their packets as well as a copy of the newspaper publication. The Affidavit of Publication is included in the official hearing file. The Mayor entered the Notice of Publication into the record.

Mayor Hagan called for City Staff Comments and Recommendation. City Manager Coleman stated the process started with Staff input. A Work Session was then held with Council and Staff. Adjustments have been made to the document throughout the process. Finance Director Cowan discussed several of the changes made to the document. Of the \$500,000 in the Budget for the Strategic Plan Implementation projects, a couple of projects have been removed until the street design is more complete. A total of \$434,000 remains in the budget for Strategic Plan implementation. Staff would like to get appraisals on the parcels that could be used to supplement downtown parking. The Grants and Contracts for Services line items need to be finalized and a lump sum could be included in the Budget. Those groups are probably anxious to hear what the funding levels will be in 2016. The reduction in the sales tax vendor fee from 5% to 4% was included in the calculations and the Visitor Center funding will be discussed later in the meeting. In a quick overview of the Budget, it is a total of \$16,640,929 and that reflects a 2% decrease from the 2015 adopted Budget. \$829,190 is the amount of fund balance to be used. He feels it is a sustainable budget. The revenues are mainly from charges for services such as electric, sewer and water. 32% of the revenues are from sales and use tax. Approximately half of the budget expenditures are in Public Works that includes the electric, water and sewer enterprise funds. 17% is for public safety and 13% is for Parks & Recreation. 30% of expenditures are for compensation. Staff recommends adoption of the proposed Budget. Mayor Hagan asked that Staff's testimony and recommendation be entered into the record.

Mayor Hagan called for public comment. Paula Swenson, County Resident, County Commissioner and City Business Owner encouraged Council to implement the Visitor Center funding survey results and fund the Chamber Visitor Center with the sales tax vendor fees. She also encouraged Council to fund Karl with the Housing Authority.

Gunnison Valley Regional Housing Authority Executive Director Karl Fulmer came forward and stated that housing is a pressing need in the Valley and urged Council to fund the increase requested by the Housing Authority and to fund the Housing Needs Assessment.

Mayor Hagan then asked if any letters, emails, or other forms of comments had been received to be entered into the record. City Clerk Davidson responded no other comments were received.

Mayor Hagan called for any further comments on the proposed Budget. Hearing none, the Mayor closed the Public Hearing at 7:10 P.M.

Consideration of Minutes of October 27, 2015, Regular Session Meeting. Councilor Schwartz moved and Councilor Ferguson seconded the motion to approve the October 27, 2015, Regular Session meeting minutes as submitted.

Roll call vote, yes: Ferguson, Hagan, Morrison, Schwartz. Motion carried.

Roll call vote, no: None.

Roll call vote, abstain: Drexel. He was absent from the meeting

Pre-Scheduled Citizens:

Update on Gunnison Valley Regional Housing Authority Projects and Housing Issues – GVRHA Executive Director Karl Fulmer. Mr. Fulmer came forward and addressed Council on the following Housing Authority projects and topics: rental vacancies are very low at this time; the One Valley Prosperity Project results have demonstrated a critical need for affordable workforce housing in the entire Valley; there are jobs available but no place for the workers to affordably live; there needs to be a regional focus for housing and a 2016 needs assessment will assist in that effort; the Anthracite Place workforce housing in Crested Butte should be fully leased by September 2016; the Housing Authority would like to do a public property assessment to determine if any public property could be used for housing projects; homeownership training and down payment assistance has been available and will be fully operational in 2016; the Housing Authority would like to work with all of the local and regional planning departments to develop consistent strategies to encourage private sector housing production; the Section 8 Voucher Program, where the government pays down rent, is in-place but rentals are not available; and continued renovation and maintenance at the County-owned Mountain View Apartments will continue in the next few years. Mr. Fulmer informed Council the Housing Authority is looking for a south valley co-chair. Councilor Drexel stated that not only low-income housing is needed but also affordable and available housing for working young professionals. The Housing Authority hopes to apply for a DOLA Planning Grant to assist with the housing needs assessment.

Presentation on Region 10/DOLA Technology Grant Application – IT Director Mike Lee. City IT Director Mike Lee and Region 10 Executive Director Michelle Haynes addressed Council. The broadband/internet availability and redundancy technology project cost is a volatile and moving target. Region 10 received \$6.5 million in DOLA and White House Power Grant funds for the initial Phase I portion of the project. DOLA is asking for a commitment from the City of \$34,000 in both 2016 and 2017 to be included in the DOLA Grant application for Phase II of the project. The commitment would be done in a Memorandum of Agreement with Region 10. These are highly leverage grant funds. A short discussion on “light fiber” and “dark fiber” ensued. Council consensus was to place this on next week’s agenda for action on the MOA.

Unfinished Business:

2016 Proposed Budget – Grants and Contracts for Service funding. Discussion topics on the proposed Budget included: Senior Transportation will now be funded by the RTA; teen programming should be increased out of the marijuana tax revenues; there is a \$246,370 lump sum amount in Grants and Contracts for service and this reflects 5% of sales tax revenue; mosquito control was included in the line items because it is a contract with the county; and the availability of the grants and contracts for service funds should be advertised in the future. Discussion then took place on funding of the Visitor Center. Director Cowan indicated that approximately \$56,000 will be available from the vendor fees based on last year’s sales tax figures. This amount will vary year-to-year based on available sales tax paid to the City. Finance Director Cowan also explained the budget implications of the existing Fund Balance Policy and the funds that are required to be deposited into the Park and Recreation fund. Discussion ensued. Consensus was for a change to the Fund Balance Policy be made to allow for pass-through funding. Also, in the Contract for Service with the Chamber, a three-person Board will be established for the governance of the Visitor Center, all tax-paying businesses will be represented equally, and businesses that don’t pay sales tax will be allowed representation in the Visitor Center by paying a fee to be determined by the Visitor Center Advisory Board. The Chamber of Commerce Board of Directors and the Visitor Center Advisory Board are two separate entities. The Visitor Center funding will be addressed annually through the budget process with the funds coming from the 1% vendor fee collected from sales tax.

Morrill Griffith, owner of Sun Sports in Gunnison, stated he has had issues with the Chamber of Commerce in the past. After discussion with Mr. Griffith, Council reiterated the Visitor Center will be a separate entity from the Chamber of Commerce. Staff will draft a Contract for Service for funding the Visitor Center.

2016 Proposed Budget – Other Questions and Discussion.

Other Budget issues discussed included: the Public Works Director is calculating commercial recycling fees and will bring the possibility of free commercial recycling forward to Council in the future; staff discussed both hiring a facilities maintenance position and cleaning/janitorial positions; in both instances, staff recommends leaving the positions as it is for now and they will track more closely the time staff spends performing maintenance-type duties; more money will be included in the budget for City Council training and travel expenses; the Safe Streets plan will be finalized and then funds rolled out for implementation; the website rework will be included in the 2016 Budget; planning efforts on improving the IOOF Park will be undertaken; and work on design standards will be left to ruminate on it for now.

New Business:

Set Special Session Council Meeting for 7:00 P.M. November 17, 2015.

Councilor Ferguson moved and Councilor Morrison seconded the motion to set a Special Session meeting of City Council for Tuesday, November 17, 2015, at 7:00 P.M. for consideration of the following agenda items: Presentation of Econometrics Analysis of Sales Tax Revenue by WSCU Intern Jacob Weiss; Ord. 18, Series 2015, Re: Setting the 2015 Mill Levy, 1st Reading; Ord. 19, Series 2015; Re: 2016 City Budget, 1st Reading; Ord. 20, Series 2015; Re: Additional Appropriations to the 2015 City Budget, 1st Reading; Ord. 21, Series 2015; Re: Amending Municipal Code Section 3.10.050 Vendor liable for tax; to change the sales tax vendor fee; 1st Reading; Regular Session meeting minutes of November 10, 2015; and the Finance Department Semi-Annual Report.

Roll call vote, yes: Drexel, Hagan, Morrison, Schwartz, Ferguson. So carried.

Roll call vote, no: None.

Action on Lazy K House Rental Lease.

Councilor Drexel moved and Councilor Morrison seconded the motion to approve the Lazy-K Rental House Lease as presented in Council packets. A short discussion ensued regarding the late fee and up-front deposits to be paid.

Roll call vote, yes: Hagan, Morrison, Schwartz, Ferguson, Drexel. So carried.

Roll call vote, no: None.

Resolutions and Ordinances:

Resolution No. 20, Series 2015; Re: Canceling November 24th and December 22nd Regular Session Council Meetings. Councilor Schwartz introduced Resolution No. 20, Series 2015, and it was read by title only by the City Clerk.

Councilor Schwartz moved and Councilor Drexel seconded the motion that Resolution No. 20, Series 2015, **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, CANCELING THE REGULAR SESSION MEETINGS SCHEDULED FOR NOVEMBER 24, 2015 AND DECEMBER 22, 2015**, be introduced, read, passed and adopted this 10th day of November, 2015.

Roll call vote, yes: Morrison, Schwartz, Ferguson, Drexel, Hagan. So carried.

Roll call vote, no: None.

Ordinance No. 16, Series 2015, Re: Major Change to PUD Standards to Include Museum as Permitted Use Within Gunnison Rising PUD Standards; 2nd Reading. Councilor Ferguson introduced Ordinance No. 16, Series 2015, and it was read by title only by Councilor Ferguson.

Councilor Ferguson moved and Councilor Morrison seconded the motion that Ordinance No. 16, Series 2015, **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GUNNISON APPROVING A MAJOR CHANGE TO AN EXISTING PLANNED UNIT DEVELOPMENT, TO AMEND TABLE 10.1: INDUSTRIAL MODIFIED DISTRICT PERMITTED USES AND PARKING SPACE REQUIREMENTS, TO INCLUDE A MUSEUM AS A PERMITTED USE WITHIN THE GUNNISON RISING PUD DEVELOPMENT STANDARDS**, be introduced, read, passed and adopted on second and final reading this 10th day of November, 2015.

Roll call vote, yes: Schwartz, Ferguson, Drexel, Hagan, Morrison. So carried.

Roll call vote, no: None.

Ordinance No. 17, Series 2015; Re: Amending Gunnison Municipal Code Title 8, Re: Marijuana Licensing Regulations, 1st Reading. Councilor Schwartz introduced Ordinance No. 17, Series 2015, and it was read by title only by Councilor Schwartz.

Councilor Schwartz moved and Councilor Morrison seconded the motion that Ordinance No. 17, Series 2015, **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO AMENDING TITLE 8 BUSINESS REGULATION, CHAPTER 8.50 MARIJUANA BUSINESS LICENSING REGULATIONS, SECTION 8.50.020 APPLICATION AND LICENSE FEE REQUIRED, OF THE CITY OF GUNNISON MUNICIPAL CODE**, be introduced, read, passed and ordered published on first reading this 10th day of November, 2015.

Roll call vote, yes: Ferguson, Drexel, Hagan, Morrison, Schwartz. So carried.

Roll call vote, no: None.

City Attorney Kathleen Fogo: was absent.

City Manager: Ken Coleman reported on the following: a new Fleet Department Parts Manager has been selected and that process is being finalized; an in-house employee has been selected for the Electric Apprentice position and now an equipment operator opening will be advertised; the City tree dump will close on November 21st; there will be a CDOT webinar on Safe Streets on November 20th at 9am; the folks from Better Cities would like to have more input with the City; and the Lazy-K property Open House will be this Thursday starting at 2pm on the property.

Acting City Manager: Finance Director Ben Cowan. No additional report.

City Clerk: Gail Davidson reported the Youth City Council students will meet this Sunday and will be working on their "Our Valley" video project. They will also talk about teen programming ideas.

Western State Colorado University Student Liaison Amy Davis: was absent.

Non-Scheduled Citizens: Bill Nesbitt, City resident and business owner addressed Council. Mr. Nesbitt read the City-adopted Mission Statement. Mr. Nesbitt stated he served the City for over 21 years, 5 years on the Planning Commission and 16 years on City Council. He is dismayed by the rumors and innuendos he has heard about the City Manager and senior management staff being forced out. He has heard the reports from three separate reliable sources. He has also heard about three possible people being considered for the vacated City Manager position. Mr. Nesbitt asked that any decision be conducted in a reasonable and rational manner. All decisions should be made in a public process. Decisions shouldn't be made in executive session but in public. The public entrusted Council to make decisions in the open. The rumors are very disconcerting to him. Five of the Department Heads have over 25 years of service with the City and are valuable resources.

City Council Discussion, Meeting Reports, Items for Work Session:

Councilor Drexel: reported he attended the Six-Points Dedication Celebration and the City was honored for their contributions to help get the new facility open. Councilor Drexel then read the following statement into the record: "Out of deference for Ken Coleman, I have kept quiet in public about his prospective separation from the City of Gunnison. He had requested that a big do not be made over his possible removal from the City Manager position. However, what is going on has reached the public who are raising questions, concerns and innuendos about what is going on within the City. To my knowledge there has been no discussions where there have been three or more councilors who had discussed this matter outside of a public meeting. However, for Ken's benefit, the benefit of the other staff members and especially for the benefit of our constituents, I believe it is time to have a public discussion about the possibility of Ken's departure from the City. I respectfully request that the public discussion regarding Ken's future take place at the next City Council meeting on November 17, 2015."

Councilor Ferguson: reported he attended the One Valley Prosperity Project meeting last Thursday. There was a tremendous turnout and it was a good, positive meeting.

Councilor Morrison: informed Council she attended the Northern Colorado Bike-Pedestrian Conference in Greeley last Thursday. Different projects were discussed including the benefits to the environment and to increased property values.. “Way-finding” or signage was one of the topics discussed at the Conference. Councilor Morrison stated a similar conference on the Western Slope would be great. She also attended the Chamber Board meeting this morning. The new Chamber website was approved and will be underway in 2016.

Councilor Schwartz: reported he too attended the Bicycle-Pedestrian Conference in Greeley. He attended a funding session at the conference and possible pots of money in each CDOT District were mentioned. City Manager Coleman and Councilor Drexel stated that Vince Rogalski is a great contact on transportation issues in our District. Councilor Schwartz stated that there are possible private grant funds available as well. Bike and pedestrian trails provide health, a positive economic impact and environmental sustainability. Councilor Schwartz stated he attended the Trails Commission meeting and that group discussed funding a paid trails position in the Valley. That person could identify and apply for trails grants. Also at the Trails meeting, the BLM informed the group that a “fat bike” trail grooming may take place at Hartman Rocks this winter.

Mayor Hagan: reported he attended the Mayors’/Managers’ meeting before the OVPP meeting last Thursday. It wasn’t well attended but those in attendance talked about changing the purpose of the Mayors’/Managers’ meeting. He also attended the Housing Authority meeting. Karl already covered the items they discussed.

Adjournment: Mayor Hagan called for any further discussion from Council, Staff or the public, and hearing none, adjourned the meeting at 9:35 P.M.

Mayor

City Clerk

What Factors Influence the City of Gunnison's Sales Tax Revenue?

A fundamental multivariate regression analysis
identifying local economic factors that impact the
City of Gunnison's sales tax revenue

Jacob Weiss

11/13/2015

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Abstract

Sales tax is the main revenue stream for the City of Gunnison. In order to maximize sales tax revenue, the local economy must operate at peak performance. Public officials rely on a healthy economic state to budget for the public needs. It is imperative to increase sales tax revenue to meet the growing demand for public goods. Multivariate regression analysis will determine the economic variables (CPI, labor force, etc.) that manipulate sales tax revenue the most. This will provide more insight on how to budget and control for lucrative economic cycles.

Introduction

Sales tax revenue is the main revenue stream for the City of Gunnison. The local government uses sales tax revenue to maintain, improve, and sustain public goods. It is imperative to have a strong and predictable revenue stream to keep up with local demands. However, in such a volatile economic state, it can be very difficult to budget sales tax revenue. Therefore it is vital to gain insight on economic factors that influence our sales tax revenue. This research paper is designed to identify those economic factors, and provide acumen for public officials to properly budget and forecast sales tax revenue. The method being used is multivariate regression analysis. This method attempts to explain movements in a dependent variable as a function of movements in a set of independent variables ($Y=B_0+B_1X_1+B_2X_2+\dots+e$) (A.H., 2011). In other words, Y is our dependent variable (sales tax revenue), and B_nX_n is our independent variables (unemployment, civilian labor force, etc.). Essentially, we are testing the relationship between sales tax revenue and local economic factors.

There are two reasons why multivariate regression analysis is most appropriate for analyzing sales tax revenue. First, there are multiple reasons why an event exists; therefore we can simultaneously test multiple independent variables to one dependent variable. Secondly, economic factors are dynamic and it's very important to constantly adapt change. Using this analysis will allow us to measure the impact of one independent variable on the dependent variable, while holding the other independent variables constant (A.H., 2011). However, this method is not perfect. We won't be able to identify every factor involved. There are data limitations that disqualify significant variables. However, it can still provide insight on available variables.

Data

The City of Gunnison provided sales tax data from 1995 to 2014 (Figure 1).

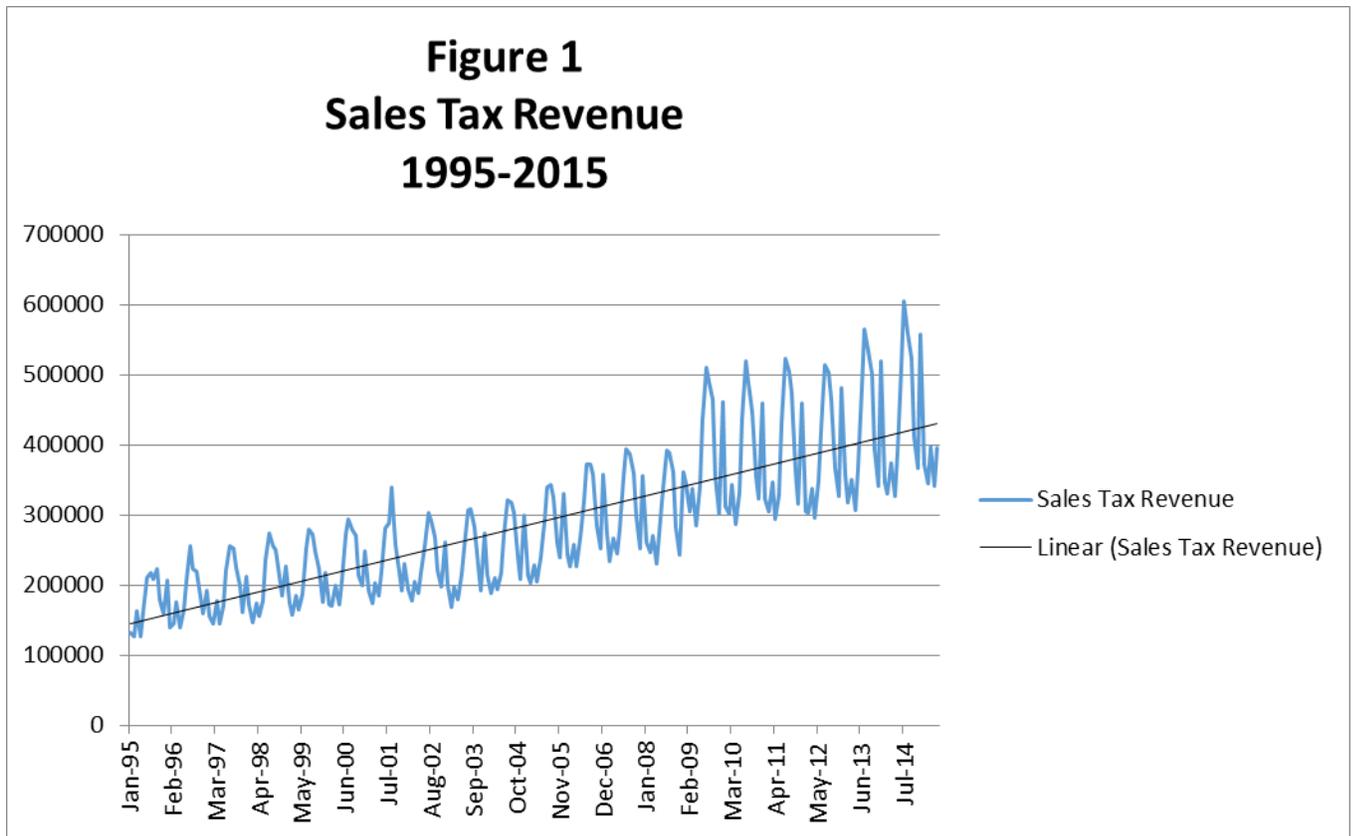


Figure 1 displays two critical components. First, volatility in the local economy has increased dramatically. Prior to 2009, our sales tax revenue was generally cyclical. However after 2009, this cyclical pattern became notably impulsive. Note, July of 2008, voters approved a one percent increase in sales tax. This may have some premise in instigating volatility, but it doesn't tell the whole story. Lastly, sales tax revenue has been increasing at a steady rate since January of 1995. This is proved by the linear regression line located in Figure 1. The formula to the linear regression line is $Y = 144805.1996 + 1167.323576x$. Hence the positive slope suggesting local economic growth.

Due to the lack of local economic data, three models were necessary to construct. Each model represents different data structures. The three models are labeled as 3, 5, & 7. Each model is a time series model from 1995-2013. The main difference among each model is the total amount of observations. For example, Model 3 is based upon monthly data sets (222 observations), versus Model 5 which is based on annual data sets (19 observations). Conversely, Model 7 extracts unique independent variables not used in Models 3 & 5.

Empirical Results

This section will analyze the results of Models 3, 5, & 7. It will accomplish three main objectives: Identification of differences, relative importance, and summarization of essentials.

Model 3

Model 3 required monthly data sets ranging from January 1995 to June 2013 (222 observations). The number of observations contributed to an effective multivariate regression analysis. However, Model 3 lacks independent variables (unfortunately data sets with this series are hard to come by). The independent variables are Number of Persons Unemployed¹, Civilian Labor Force, Trash in Cubic Yards, and SNAP beneficiaries in Colorado. The Number of Persons Unemployed, Civilian Labor Force, and SNAP beneficiaries are found on <https://research.stlouisfed.org/>. The trash variable is attributed to Gunnison County landfill.

I hypothesized that the Number of Persons Unemployed will have a negative correlation with sales tax revenue. Theory suggests that effective demand² is equal to income (Britannica, 2015). Effectively, if one is unemployed there is a lack of financial resources, and consumption

¹ Civilian Labor force * (Unemployment rate/100)

² Demand is the immediate rate of consumption

<http://www.stonybrook.edu/sustainability/energy/facts/demand.shtml>

will decrease. Therefore an increase in the Number of Persons Unemployed would decrease aggregate consumption, thus decreasing sales tax revenue. The logical assumption proposes people's only monetary resources come from employment³ (obviously this is not always true, yet it is important to assume for legitimacy purposes).

Next, I speculated civilian labor force would increase sales tax revenue. An increase in civilian labor force doesn't necessarily increase employment. Instead there would be an increase in the number of people seeking work. If the total working population is relatively stable, an increase in civilian labor force will increase participation rate⁴. Data shows Gunnison County's overall population⁵ has been growing relatively slow. For this reason, the participation rate in Gunnison should increase⁶. However job availability must be growing at the same rate as the participation rate. As indicated before (Figure 1), the local economy is growing, as result job availability should also grow. The combination of increasing both job availability and participation rate suggests an increase in employment. Theory suggests that an increase in employment will increase monetary resources. Logically, we can assume a consumption increase, thus leading to an increase in sales tax revenue.

Trash in cubic yards is an interesting variable in itself. I hypothesize that trash is positively correlated with sales tax revenue. Rationally assuming, as consumption increases, trash will increase, thus increasing sales tax revenue. Note the logical postulation is landfill trash is derived from the local economy. In this case, trash is a proxy for consumption.

³ Budget Constraint Theory <http://www.economicshelp.org/blog/glossary/budget-constraints/>

⁴ Labor force participation= Civilian labor force/Civilian non-institutionalized population. Note total population is a proxy for Civilian non-institutionalized population in my research due to lack of data resources

⁵ Gunnison's total population is used as a substitute for total working population

⁶ If we use Gunnison's total population as a surrogate for Gunnison's working population

Lastly, SNAP beneficiaries in Colorado are suspected to have positive correlation with sales tax revenue. Government assistance (SNAP) aids people who lack monetary resources. In essence, SNAP is increasing the money supply in the local economy. This increases consumption and ultimately increases sales tax revenue. An important assumption being made is SNAP beneficiaries will spend local. There is no monthly data series available to support the number of SNAP beneficiaries in Gunnison County. Consequently, SNAP beneficiaries of Colorado will be a proxy for Gunnison County SNAP beneficiaries.

Model 3

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.883 ^a	.780	.776	43443.53421

a. Predictors: (Constant), Snap, Trash, CivilianLF, NumberofUnemployed

Descriptive Statistics

	Mean	Std. Deviation	N
SalesTaxRev	273189.9542	91859.61529	222
NumberofUnemployed	418.9585	126.24957	222
CivilianLF	8876.4414	848.19587	222
Trash	4712.9223	1607.09252	222
Snap	270506.4955	106377.47015	222

Correlations

	SalesTaxRev	NumberofUnemployed	CivilianLF	Trash	Snap
Pearson Correlation	1.000	.289	.677	.493	.685
	.289	1.000	.265	-.091	.727
	.677	.265	1.000	.006	.674
	.493	-.091	.006	1.000	.058
	.685	.727	.674	.058	1.000

Coefficients

Model		Unstandardized Coefficients		Sig.	Collinearity Statistics	
		B	Std. Error		Tolerance	VIF
1	(Constant)	-271309.093	45794.839	.000		
	NumberofUnemployed	-106.089	38.723	.007	.357	2.799
	CivilianLF	39.020	5.262	.000	.429	2.333
	Trash	25.578	1.878	.000	.938	1.066
	Snap	.451	.060	.000	.211	4.750

Model 3 displays five major constituents. First, the adjusted R squared⁷ is .776.

Meaning, the dependent variables explain the movements in our sales tax revenue 77.6% of the time. Second, each independent variable is statistically significant (must be below .05). Third multicollinearity is not present. The Pearson Correlation⁸ does not identify a variable with a correlation coefficient greater than .80. To verify validity, the VIF⁹ will help support this claim.

Model 3 exhibits a VIF with a value no greater than 5, thus proving low multicollinearity. Fourth, there is inconclusive evidence that serial correlation exists. Serial correlation¹⁰ is how the past observations affect the future observations. In many time series models serial correlation is existent. Model 3 exemplifies inconclusive evidence¹¹ that serial correlation is present; this is

⁷ R squared measures the overall strength of regression analysis

⁸ A dependent variable must have correlation coefficient greater than .80 to possess multicollinearity (A.H., 2011)

⁹ Variance Inflation Factor (A.H., 2011). A high VIF will indicate multicollinearity.

¹⁰ Pure serial correlation occurs when classical assumption IV is violated; uncorrelated observations of the error term are violated (A.H., 2011).

¹¹ Decision rule for Durbin-Watson (A.H., 2011)

If $d < 1.2$ Positive serial correlation

If $d > 1.65$ No positive correlation

If $1.2 \leq d \leq 1.65$ Inconclusive Region

indicated by the Durbin-Watson value of 1.206. Lastly, Model 3 can be expressed as the function, $\text{SalesTaxRevenue} = -271309.093 + 106.089\text{NumberofUnemployed} + 39.020\text{CivilianLF} + 25.578\text{Trash} + .451\text{SNAP}$. This shows that for every one unit increase in the number of unemployed, holding all other variables constant, the sales tax revenue goes down \$106.74. For every one unit increase in the number of Civilian Labor Force, holding all other variables constant, the sales tax revenue goes up \$39.020. For every one unit increase in the number of Trash in cubic feet, holding all other variables constant, the sales tax revenue goes up \$25.57. Lastly, for every one unit increase in the number of SNAP beneficiaries in Colorado, holding all other variables constant, the sales tax revenue goes up \$.45.

To summarize the essentials of Model 3 there are three main characteristics to remember. First, Model 3 is robust with an adjusted R squared of .776. Second, the independent variables are statistical significant in explaining sales tax revenue. Lastly, the number of unemployed persons had the largest monetary effect on sales tax revenue.

Model 5

Model 5 is unique in its own way. First it requires an annual data set dating back from 1995 to 2011 (17 observations). This doesn't give significant amount of observations for multivariate regression analysis to be effective. However, it will still display existing relationships. Secondly, there was an abundance of independent variables measured: Per Capita Income, Gunnison County SNAP Beneficiaries, Number of People Unemployed, WSCU Enrollment, Total Jobs, Population, and Civilian Labor Force.

Per Capita Income, Gunnison County SNAP Beneficiaries, Number of People Unemployed, Population, and Civilian Labor Force can be found at <https://research.stlouisfed.org/>. Data on enrollment is accredited to Western State Colorado University, and Total jobs are attributed by Colorado Department of Local Affairs¹².

I suspected per capita income to be positively correlated with sales tax revenue. Per capita income is a measure of the amount of money being earned per person in a certain area (Investopedia.com). Economic theory¹³ would suggest as income increases consumption will increase, thus increasing sales tax revenue.

Next, I hypothesized that Gunnison County SNAP beneficiaries will positively correlate with the sales tax revenue. This variable differs from Model 3, because these are actual Gunnison County SNAP beneficiaries not Colorado SNAP beneficiaries. This will still increase the money supply in the local economy; which increases consumption and ultimately increases sales tax revenue.

Next, I theoretical assumed Number of Unemployed Persons in Gunnison County will be negatively correlated with sales tax revenue. As suggested in Model 3, theory suggests that effective demand¹⁴ is equal to income (Britannica, 2015). Effectively, if one is unemployed there is a lack of financial resources, and consumption will decrease. Therefore an increase in the Number of Persons Unemployed would decrease aggregate consumption, thus decreasing sales tax revenue.

¹² <http://www.colorado.gov/cs/Satellite?c=Page&childpagename=DOLA-Main%2FCBONLayout&cid=1251593348674&pagename=CBONWrapper>

¹³ http://economicsconcepts.com/theory_of_ordinal_utility.htm

¹⁴ Demand is the immediate rate of consumption
<http://www.stonybrook.edu/sustainability/energy/facts/demand.shtml>

Regarding Civilian Labor Force, I made the same predication in Model 3 as I did with Model 5. An increase in civilian labor force would increase sales tax revenue. If the total working population is relatively stable, an increase in civilian labor force will increase participation rate. The combination of increasing both job availability and participation rate suggests an increase in employment. Theory suggests that an increase in employment will increase monetary resources. Logically, we can assume a consumption increase, thus leading to an increase in sales tax revenue.

I speculated WSCU Enrollment and Population to be positively correlated with the sales tax revenue. Logically, more people added to the local economy will increase spending thus increasing sales tax revenue. This is not always true, because the people added to the local economy don't necessarily contribute to the money supply. In general I am making the assumption that these people have the financially capacity to spend locally.

Lastly, I hypothesized that an increase in Total Jobs will increase sales tax revenue. However, these added jobs in the local economy must be filled. An increase in total jobs must be met with an increase in the participation rate and hiring rate. If these jobs are not being filled then employment will not increase. The local economy will be stuck with an abundance of added jobs but no one to work these jobs. Therefore assuming added jobs are being filled, it will increase employment, thus increasing consumption, and finally increasing sales tax revenue.

Model 5

Descriptive Statistics

	Mean	Std. Deviation	N
SalesTaxRevenue	3379796.1657	998528.11747	17
SNAP	418.1176	167.09461	17
Total Jobs	10589.8235	592.24596	17
NumberofUnemployed	407.0652	116.36418	17
Per Capita Income	27960.0588	5968.61973	17
Enrollment	2328.8824	139.47620	17
Pop	5473.4706	259.05070	17
CVLF	8796.0343	735.08894	17

Correlations

	SalesTaxRevenue	SNAP	Total Jobs
Pearson Correlation	1.000	.632	.703
	.632	1.000	-.052
	.703	-.052	1.000
	.225	.747	-.401
	.904	.458	.788
	-.853	-.285	-.851
	.926	.620	.641
	.934	.611	.704

Correlations

NumberofUnemployed	Per Capita Income	Enrollment	Pop	CVLF
.225	.904	-.853	.926	.934
.747	.458	-.285	.620	.611
-.401	.788	-.851	.641	.704
1.000	-.040	.222	.182	.260
-.040	1.000	-.888	.893	.916
.222	-.888	1.000	-.818	-.770
.182	.893	-.818	1.000	.888
.260	.916	-.770	.888	1.000

Model Summary

Model	R	R Square	Adjusted R Square	Durbin-Watson
5	.982 ^a	.963	.935	2.592

Coefficients

Model		Unstandardized Coefficients		Sig.	Collinearity Statistics
		B	Std. Error		VIF
1	(Constant)	-4850359.665	7180960.543	.516	
	SNAP	1821.193	1280.999	.189	11.287
	Total Jobs	773.272	472.220	.136	19.268
	NumberofUnemployed	2049.380	1547.101	.218	7.984
	Per Capita Income	21.030	49.910	.683	21.861
	Enrollment	-1858.997	1484.634	.242	10.563
	Pop	594.035	702.061	.419	8.148
	CVLF	-121.009	483.574	.808	31.128

Model 5 displays five major essentials. First, the adjusted R squared¹⁵ is .935. Meaning, the dependent variables explain the movements in our sales tax revenue 93.5% of the time. Second, the independent variables are hardly significant; each variable is greater than .05 (located under Sig.). Third multicollinearity is present. The Pearson Correlation¹⁶ does identify variables with a correlation coefficient greater than the absolute value of .80. Also the VIF¹⁷ exhibits a value greater than 5, thus proving high multicollinearity. Fourth, there is conclusive evidence that serial correlation doesn't exist; this is indicated by the Durbin-Watson value of

¹⁵ R squared measures the overall strength of regression analysis

¹⁶ A dependent variable must have correlation coefficient greater than .80 to possess multicollinearity (A.H., 2011)

¹⁷ Variance Inflation Factor (A.H., 2011). A high VIF will indicate multicollinearity.

2.592. Lastly, Model 5 can be expressed as the function, $\text{SalesTaxRevenue} = -4850359.665 + 1821.193\text{SNAP} + 773.27\text{TotalJobs} + 2049.38\text{NumberofPersonUnemployed} + 21.030\text{PerCapitalIncome} - 1858.997\text{Enrollment} + 594.03\text{Population} - 121.009\text{CivilianLaborForce}$.

This shows that for every one unit increase in the SNAP beneficiaries, holding all other variables constant, the sales tax revenue goes up \$1821.193. For every one unit increase in the number of Total Jobs, holding all other variables constant, the sales tax revenue goes up \$773.272. For every one unit increase in the Number of Unemployed Persons, holding all other variables constant, the sales tax revenue goes up \$2049.380. For every one unit increase in the Per Capita Income, holding all other variables constant, the sales tax revenue goes up \$21.030. For every one unit increase in Enrollment, holding all other variables constant, the sales tax revenue goes down \$1858.99. For every one unit increase in the Population, holding all other variables constant, the sales tax revenue goes up \$594.035. For every one unit increase in the Civilian Labor Force, holding all other variables constant, the sales tax revenue goes down \$121.009.

To summarize the essentials of Model 5 there are four main characteristics to remember. First we have a strong model with an adjusted r square of 93.5%. Second, even though the model is strong none of the variables are statistically significant. However, I kept the variables in the model to satisfy economic theory. This model still shows relative correlations. Third, enrollment and civilian labor force had a negative correlation. It may be possible that enrollment has a negative correlation because in today's society college kids are known for their lack of monetary resources. However, civilian labor force is still a mystery and can be

explained by omitted variable bias. This suggests that there is a variable out there not added to the model. Lastly, the number of unemployed persons had a negative correlation with sales tax revenue. This again could be from omitted variable bias.

Model 7

Model 7 is a monthly model based upon different market sectors in the economy. Sales tax revenue is divided into twelve categories (in this case the independent variables): apparel/clothing stores, building materials and trade, gas/convenience stores, department and hardware stores, furniture/appliance stores, utilities, grocery stores, hotel/motel/lodging, vehicle sales, restaurant/bar/liquor stores, specialty shops, and miscellaneous retail. Model 7 identifies which one of these sectors affects sales tax revenue the most. The twelve different categories are measured by monthly sales tax revenue, which is provided by the City of Gunnison.

Due to the purpose of strictly measuring effect, there will not be a hypothetical analysis of the independent variables. Mainly, there is no economic theory supporting the claim of each variable. Again, Model 7 is strictly identifying individual market sector correlation.

Model 7

Descriptive Statistics

	Mean	Std. Deviation	N
SalesTaxRevenue	304544.9436	112062.14686	240
Utilities	20632.4233	7545.00975	240
GroceryStore	76533.8323	35681.39173	240
Hotel	11233.5294	7972.61746	240
Restaurant	45998.7209	18370.68754	240
Specialty	27605.7928	8924.55642	240
Apparel	4838.8438	1888.89323	240
Bldmat	10909.5195	5110.88690	240

	SalesTaxRevenue	Utilities	Grocery Store
Pearson Correlation	1.000	.573	.919
	.573	1.000	.687
	.919	.687	1.000
	.797	.118	.628
	.928	.450	.830
	.723	.155	.642
	.591	-.075	.523
	.832	.370	.703

Hotel	Restaurant	Specialty	Apparel	Bldmat
.797	.928	.723	.591	.832
.118	.450	.155	-.075	.370
.628	.830	.642	.523	.703
1.000	.899	.759	.713	.738
.899	1.000	.698	.601	.825
.759	.698	1.000	.699	.612
.713	.601	.699	1.000	.468
.738	.825	.612	.468	1.000

Model Summary

Model	R	R Square	Adjusted R Square	Durbin-Watson
1	.975 ^a	.951	.950	.721

Coefficients

Model		Unstandardized Coefficients		Sig.	Collinearity Statistics
		B	Std. Error		VIF
1	(Constant)	11608.571	10549.639	.272	
	Utilities	2.148	.456	.000	4.472
	GroceryStore	1.138	.134	.000	8.653
	Hotel	2.118	.772	.007	14.305
	Restaurant	1.170	.398	.004	20.225
	Specialty	.831	.324	.011	3.169
	Apparel	3.317	1.562	.035	3.288
	Bldmat	4.120	.573	.000	3.238

Model 7 displays three major elements. First, the adjusted R squared¹⁸ is .95. Meaning, the dependent variables explain the movements in our sales tax revenue 95% of the time. Second, the independent variables are very significant; each variable is less than .05 (located under Sig.). Third multicollinearity is present among independent variables. The Pearson Correlation¹⁹ does identify variables with a correlation coefficient greater than the absolute value of .80. Interestingly, the VIF²⁰ exhibits a value greater than 5 only among grocery stores, hotels and restaurants. Fourth, there is conclusive evidence that serial correlation exist; this is

¹⁸ R squared measures the overall strength of regression analysis

¹⁹ A dependent variable must have correlation coefficient greater than .80 to possess multicollinearity (A.H., 2011)

²⁰ Variance Inflation Factor (A.H., 2011). A high VIF will indicate multicollinearity.

indicated by the Durbin-Watson value of 2.592. Lastly, Model 7 can be expressed as the function, $\text{SalesTaxRevenue} = -11608.571 + 2.1\text{Utilites} + 1.1\text{Grocerystores} + 2.1\text{Hotel} + 1.17\text{Restaurant} + .831\text{SpecialtyShops} + 3.3\text{Apparel} + 4.12\text{BldMat}$.

Model 7 exhibits two behaviors that can be taken away. First, grocery stores, lodging, and restaurants are all correlated together, and are most significant in explaining sales tax revenue. Second, Model 7 is very strong with significant independent variables. This is to be expected because the measure for the market sectors is derived from annual sales tax revenue. However, it is interesting to know that utilities, grocery stores, lodging, restaurants, specialty shops, apparel, and building material explain sales tax revenue the best.

Conclusion

Sales tax revenue is the main revenue stream for the City of Gunnison. The local government uses sales tax revenue to maintain, improve, and sustain public goods. It is imperative to have a strong and predictable revenue stream to keep up with local demands. The best method to predict this revenue stream is multivariate regression analysis.

Model 3 used monthly sales tax revenue as the dependent variable and Number of Persons Unemployed, Civilian Labor Force, Trash in Cubic Yards, and SNAP beneficiaries in Colorado as the independent variables. Model 3 was strong with a .776 adjusted r square and the independent variables are statistical significant. The number of unemployed persons had the largest monetary effect on sales tax revenue.

Model 5 is annual data set with sales tax revenue as its dependent variable and Per Capita Income, Gunnison County SNAP Beneficiaries, Number of People Unemployed, WSCU

Enrollment, Total Jobs, Population, and Civilian Labor Force as its independent variables. Model 5 was a strong model with an adjusted r square of .935; however none of the variables are statistically significant. Enrollment, number of persons unemployed, and civilian labor force had a negative correlation. The main argument from Model 5 is there are a multitude number of independent variables that explain sales tax revenue.

Model 7 is a monthly model based upon 12 different market sectors in the economy. The twelve different categories are measured by monthly sales tax revenue, which is derived from total sales tax revenue. Model 7 exhibited that grocery stores, lodging, and restaurants are all correlated together, and are most significant in explaining sales tax revenue. Model 7 is very strong with significant independent variables.

To conclude all models, the number of person's unemployed, SNAP beneficiaries, grocery stores, hotels, and restaurants has the biggest impact on sales tax revenue. Public officials can now make executive financial decisions based upon this analysis.

To: Gunnison City Council

From: Mike Lee – Systems Administrator

Date: November 13, 2015

Subject: Region 10 – Broadband request for DOLA matching funds grant for FY 2016 & 2017

As the project is discussed, researched and new ideas and options are vetted the costs and scope continues to evolve. The election Nov. 3rd to remove the SB-152 constraint on all the local governments has brought additional ideas and options for public/private partnership. One example is to IRU or lease the existing fiber installed by IConneX Instead of duplicating the fiber network.

As redundancy and dark fiber (probably) into the Valley are not going to be possible at this point of the project we are looking to create a vendor neutral network that will allow the bulk purchase of internet bandwidth which is cheaper and can be distributed to the anchor institutions and ISPs at both ends of the valley. A Carrier Neutral Location (CNL) in Gunnison and Crested Butte, connected by either leased dark fiber or lite fiber and allow the CNLs to share in the distribution of the bulk internet. System design should include built in access points for redundancy to take advantage of future opportunities.

With a number of details unsettled and the grant deadline approaching, I would ask the Council to commit to a not to exceed match (for 2016 and 2017 budget years) and approve the MOU with Region 10 to “BUY” into the project. As the grant approval process moves forward we will continue to refine the system design and project plan. Once we get grant approval; have a good feel for the system design and partners; the first expense would be final system engineering. The MOU allows the City to withdraw from the project, before the contracting of the engineering, and after receiving the engineering report and before construction contract, or with 60 days’ notice, or if it is not budgeted in 2017.

The final engineering will give us a better look at the costs and we can modify as needed to match the grant matches or/budget, or any new opportunities that arise during the process. This would be a point to come back to Council and all Gunnison Valley partners with the project plan and construction costs and to get approval to move forward or withdraw from the project.

Thanks for your consideration of this very important project for the economic health of the Gunnison Valley.

Mike Lee

Systems Administrator

**MEMORANDUM OF UNDERSTANDING
BETWEEN
REGION 10 LEAGUE FOR ECONOMIC ASSISTANCE AND PLANNING AND
CITY OF GUNNISON, COLORADO**

This Memorandum of Understanding (MOU) is between Region 10 League for Economic Assistance and Planning ("REGION 10"), 300 N. Cascade, Montrose, CO and the (City of Gunnison, 201 W. Virginia, Gunnison, CO 81230) ("Local Agency")

PREMISES

1. The Local Agency is a member of Region 10 League for Economic Assistance and Planning.
2. Region 10 recognized a need to improve telecommunication capabilities, capacity, reliability, and availability in the six county region in order to affect economic development, improve community anchor institutions' efficiency and accessibility, and reduce telecommunication costs for community anchor institutions.
3. Region 10 initiated and recently completed the Region 10 Broadband Implementation Plan to provide telecommunication connection in participating communities to a regional network through a variety of economically viable and sustainable models.
4. Region 10 through leveraging of assets and building of middle mile networks and aggregating the demand for the entire region will enable the region and Local Agencies to have access to more accessible, abundant and affordable broadband services.
5. The Local Agency desires to utilize this network for data service connectivity, internet access and other telecommunications services within the communities and region.
6. This MOU outlines the responsibilities of the parties pertaining to the Local Agency's participation in the fiber network.

IT IS HEREBY AGREED BY THE PARTIES THAT:

I. PURPOSE

To define the business relationship between the Local Agency and Region 10 in preparation for funding to assist in providing a regional broadband network.

II. STATEMENT OF RIGHTS AND OBLIGATIONS OF THE PARTIES

1. Region 10 has the obligation to do the following:
 - A. Completion of the Regional Broadband Implementation Plan and Operations Costs Blueprint.
 - B. Complete and meet requirements to submit an application to the Colorado Department of Local Affairs to obtain funding assistance to build a regional network.
 - C. Assessing and collecting the matching funds committed by each Local Agency to complete the project.
 - D. Obtaining and/or building network services to agreed-upon anchor institutions and carrier neutral locations within the communities, with the intent that private service providers will have the capability of accessing the network to provide 'last mile' services to the businesses and homes at reasonable rates.
 - E. Complete the necessary agreements among the Local Agencies to efficiently operate the network or transfer assets to the Local Agency.
2. The Local Agency has the obligation to do the following:
 - A. Understand and participate in the development and implementation of the network within the Local Agency service area.

- B. Agree to be assessed and remit payment of required matching funds as agreed upon by Region 10 and the Local Agency to obtain network assets within the Local Agency service area. City of Gunnison agrees to match Department of Local Affairs grant in the amount of not to exceed \$_____ for FY 2016 and 2017. The City’s obligations hereunder are subject to City Council making an annual budget appropriation in an amount sufficient to fund the City’s participation. If City fails or refuses to make such an appropriation, City reserves the right to terminate this MOU without penalty to the City. **The City of Gunnison may revisit their participation in this agreement at any time, and specifically as to the status of the “Phase I” project partially funded by DOLA.**
- C. The Local Agency agrees to participate in REGION 10 network discussion and future applications at the discretion of the Local Agency.

III. GENERAL PROVISIONS

- 1. This MOU shall become effective upon the date of the last signature by the authorized representative of both parties.
- 2. The Local Agency and Region 10 agree to evaluate the project at two discrete milestone points. Written consent from the local agency is required to proceed forward at each of the milestones.
 - i. Milestone one. Prior to a contract for engineering the project for City of Gunnison and local agency partners.
 - ii. Milestone two. After receiving the final engineering report (from Milestone 1) and prior to a contract for construction of the engineered project for City of Gunnison and local agency partners.
- 3. This Agreement shall remain in full force and effect for so long as the parties to this Agreement are pursuing funding for said proposed project or, if awarded, carrying out such project activities. Any party to this Agreement may, however, terminate its participation in this Agreement **60 days** after providing written notice of such termination to the other parties of this Agreement. This Agreement may be terminated at any time by agreement of all parties to this Agreement unless a grant contract is in effect with the State. In this case, the State must approve such termination and arrangements for completing the project. **Should this agreement be terminated, City of Gunnison shall only be required to pay their percentage of any work already completed at the time that notice is given.**
- 4. The duties and obligations of the MOU shall not be assigned, delegated or subcontracted by the Local Agency or Region 10 without the express written consent of the other party.

CITY of GUNNISON

By: _____

Title: _____

Date: _____

Region 10 League for Economic Assistance and Planning
Michelle Haynes, Executive Director

By: _____

Title: _____

Date: _____

Proposed Project Costs									
Included?	Anchor Name/route	Fiber Length (feet)	Fiber Construction Cost	CNL Build	Dark Fiber Make-Ready	Equipment Cost	PM Cost	Construction Management Cost	Total
TRUE	Infrastructure Cost (Gunnison)	1,755	\$ 105,577.05	\$ 33,500.00	\$ 84,064.00		\$ 15,619.87	\$ 15,836.56	\$ 254,597.48
TRUE	Hospital (via City Hall - Main/Iowa alley)	3,155	\$ 37,860.00			\$ 5,500.00	\$ 3,035.20	\$ 5,679.00	\$ 52,074.20
FALSE	Lake School	6,410	\$ -			\$ -	\$ -	\$ -	\$ -
TRUE	Library (current location)	375	\$ 4,500.00			\$ 5,500.00	\$ 700.00	\$ 675.00	\$ 11,375.00
TRUE	Nursing Home	2,406	\$ 28,872.00			\$ -	\$ 2,021.04	\$ 4,330.80	\$ 35,223.84
FALSE	County Public Works	11,785	\$ -			\$ -	\$ -	\$ -	\$ -
TRUE	WSCU	2,370	\$ -			\$ 5,500.00	\$ 385.00	\$ -	\$ 5,885.00
TRUE	City of Gunnison	9,190	\$ -			\$ 5,500.00	\$ 385.00	\$ -	\$ 5,885.00
TRUE	Gunnison County	500	\$ -			\$ 5,500.00	\$ 385.00	\$ -	\$ 5,885.00
TRUE	Infrastructure Cost (CB)	1,660	\$ 41,500.00	\$ 33,500.00	\$ 42,032.00		\$ 8,192.24	\$ 6,225.00	\$ 131,449.24
TRUE	Town of CB	0	\$ -			\$ 5,500.00	\$ 385.00	\$ -	\$ 5,885.00
FALSE	CB School	2,246	\$ -			\$ -	\$ -	\$ -	\$ -
TRUE	CB Library	425	\$ 10,625.00			\$ 5,500.00	\$ 1,128.75	\$ 1,593.75	\$ 18,847.50
TRUE	Infrastructure Cost (MtCB)	1,400	\$ 53,579.55	\$ 50,950.00			\$ 7,317.07	\$ 8,036.93	\$ 119,883.55
TRUE	Town of MtCB	10,900	\$ -			\$ 5,500.00	\$ 385.00	\$ -	\$ 5,885.00
TRUE	MtCB Rasta Lot	4,990	\$ 124,750.00			\$ -	\$ 8,732.50	\$ 18,712.50	\$ 152,195.00
TRUE	MtCB Water & Sanitation		\$ -			\$ 5,500.00	\$ 385.00	\$ -	\$ 5,885.00
Project total		59,567	\$ 407,263.59	\$ 117,950.00	\$ 126,096.00	\$ 49,500.00	\$ 49,056.67	\$ 61,089.54	\$ 810,955.81
DOLA Contribution			\$ 203,631.80	\$ 58,975.00	\$ 63,048.00	\$ 24,750.00	\$ 24,528.34	\$ 30,544.77	\$ 405,477.91
Equipment Match			\$ 103,096.59						\$ 103,096.59
Cash Match			\$ 100,535.20	\$ 58,975.00	\$ 63,048.00	\$ 24,750.00	\$ 24,528.34	\$ 30,544.77	\$ 302,381.31

	Proposed Split #1							
Anchor Name/route	Gunnison County	WSCU	Hospital	Library	Gunnison	Crested Butte	Mount Crested Butte	Total
Infrastructure Cost (Gunnison)	\$ 63,649				\$ 63,649	\$ 63,649	\$ 63,649	\$ 254,597
Hospital (via City Hall - Main/Iowa alley)			\$ 52,074					\$ 52,074
Lake School								\$ -
Library (current location)				\$ 11,375				\$ 11,375
Nursing Home			\$ 35,224					\$ 35,224
County Public Works								\$ -
WSCU		\$ 5,885						\$ 5,885
City of Gunnison					\$ 5,885			\$ 5,885
Gunnison County	\$ 5,885							\$ 5,885
Infrastructure Cost (CB)	\$ 32,862				\$ 32,862	\$ 32,862	\$ 32,862	\$ 131,449
Town of CB						\$ 5,885		\$ 5,885
CB School								\$ -
CB Library				\$ 18,848				\$ 18,848
Infrastructure Cost (MtCB)	\$ 29,971				\$ 29,971	\$ 29,971	\$ 29,971	\$ 119,884
Town of MtCB							\$ 5,885	\$ 5,885
MtCB Rasta Lot							\$ 152,195	\$ 152,195
MtCB Water & Sanitation							\$ 5,885	\$ 5,885
Project total	\$ 132,368	\$ 5,885	\$ 87,298	\$ 30,223	\$ 132,368	\$ 132,368	\$ 290,448	\$ 810,956
DOLA Contribution	\$ 66,184	\$ 2,943	\$ 43,649	\$ 15,111	\$ 66,184	\$ 66,184	\$ 145,224	\$ 405,478
Equipment Match	\$ 25,774				\$ 25,774	\$ 25,774	\$ 25,774	\$ 103,097
Cash Match	\$ 40,410	\$ 2,943	\$ 43,649	\$ 15,111	\$ 40,410	\$ 40,410	\$ 119,450	\$ 302,381



Memorandum

To: City Council
From: Ben Cowan
Date: 11/13/2015
Re: Mill Levy

This ordinance sets the mill levy for the 2015 tax year, for property taxes to be collected during 2016. The mill levy is the "tax rate" that is applied to the assessed value of a property. One mill is one dollar per \$1,000 dollars of assessed value. The authorized mill levy for the City of Gunnison is 3.868 mills. For a home valued at \$200,000, property taxes are \$61.58 per year:

\$200,000	home valuation
<u>X 7.96%</u>	assessment rate
\$15,920	assessed valuation
<u>X .003868</u>	mill levy
\$61.58	Property Taxes – City of Gunnison

The 2016 budget is based on the preliminary property tax certification of \$73,039,200, with net revenues calculated at \$275,453 after accounting for Treasurer's Fees and uncollectable amounts. This represents an increase of 5.45%.

**ORDINANCE NO. 18
SERIES 2015**

**AN ORDINANCE SETTING A TAX LEVY FOR THE
CITY OF GUNNISON, COLORADO**

WHEREAS, Article VII, Section 7.6, of the City of Gunnison Municipal Home Rule Charter requires the City Council to fix the amount of the tax levy; and

WHEREAS, said Charter requires the City Council to cause the same to be certified to the Board of County Commissioners of Gunnison County, Colorado.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, THAT:

Section 1: An Ad Valorem Tax shall be levied against all taxable property in the City of Gunnison, Colorado, for the 2015 tax year.

Section 2: The tax levy shall be 3.868 mills for the General Fund.

Section 3: The Director of Finance shall supply a copy of this ordinance to the Board of County Commissioners of Gunnison County, Colorado, as certification.

INTRODUCED, READ, PASSED, AND ORDERED PUBLISHED this 17th day of November, 2015, on first reading, and introduced, read, passed and adopted on second and final reading this __th day of _____, 201_.

Mayor

(SEAL)

ATTEST:

City Clerk

Published by Title in the
Gunnison Country Times Newspaper
November 26, 2015



Memorandum

To: City Council
From: Ben Cowan
Date: 11/12/2015
Re: 2016 Budget Update

Summary change sheets documenting all changes that occurred since the presentation of the Staff Proposed Budget accompany this memo. I have also included the Grants and Contracts for Service cost center so you can see the results of the funding decisions you made on November 10.

For implementation of your strategic plan, the following projects have been included in the budget as appropriated amounts:

Downtown property acquisition for parking	\$250,000
Safe streets planning/preliminary design	\$66,000
Website overhaul	<u>\$20,000</u>
Appropriations	\$336,000

In addition, \$223,013 has been held in reserve to further work toward accomplishment of your strategic priorities. Some of the items for potential implementation in 2016 include:

Design standards for buildings under 50,000 sq ft	\$120,000
Year 1 implementation for sidewalk improvements in the non-motorized plan	\$54,742
Broadband middle mile/anchor institutions cash match	\$34,000?
Downtown/highway corridor tree evaluation and inventory by certified arborist	\$15,000
Downtown signage replacement	\$10,000
I.O.O.F. Park Redevelopment	\$??
Grant match for safe streets construction	\$??

If any of these projects move forward, a budget amendment will be required to withdraw from the strategic implementation reserve.

An ordinance to appropriate the proposed 2016 Budget of \$19,899,977 is also included. The staff recommendation is to pass the ordinance on first reading, with adoption on second reading during your December 8 meeting. The ordinance could be amended through budget adoption on December 8, if necessary.



2016 Consolidated Budget Summary

Fund	2016 Beginning Balance	Estimated Revenues	Interfund Transfers	2016 Available Resources	Net Budgeted Expenditures	Interfund Transfers	2016 Total Appropriations	2016 Ending Balance	%
General Fund:	3,793,750	6,989,642	0	10,783,392	7,459,848	177,409	7,637,257	3,146,135	41%
Special Revenue Funds:									
Conservation Trust Fund	23,045	42,217	0	65,262	31,500	14,167	45,667	19,595	43%
Ditch Fund	298,840	495,192	0	794,032	554,161	0	554,161	239,871	43%
Fiduciary Funds:									
Firemen's Pension Fund	2,161,829	209,130	0	2,370,959	198,000	0	198,000	2,172,959	1097%
Enterprise Funds:									
Electric Division	1,530,338	5,669,000	0	7,199,338	5,637,238	0	5,637,238	1,562,100	28%
Water Division	857,743	585,557	0	1,443,300	790,431	0	790,431	652,869	83%
Wastewater Division	1,153,085	1,068,664	0	2,221,749	1,368,834	0	1,368,834	852,915	62%
Refuse Division	838,760	539,912	0	1,378,672	920,292	0	920,292	458,380	50%
Communications Division	121,612	699,449	0	821,061	710,322	0	710,322	110,739	16%
Recreation Division									
Community Center	535,926	919,790	171,576	1,627,292	1,103,984	0	1,103,984	523,308	47%
Ice Rink	170,081	347,585	30,000	547,667	358,406	0	358,406	189,261	53%
Trails	130,121	27,743	0	157,864	35,498	0	35,498	122,366	345%
Other Recreation Improvements	818,642	642,395	0	1,461,036	60,000	50,000	110,000	1,351,036	1228%
Internal Service Fund:									
Fleet Management	36,581	389,888	40,000	466,469	429,888	0	429,888	36,581	9%
Total City Budget	12,470,353	18,626,164	241,576	31,338,093	19,658,401	241,576	19,899,977	11,438,116	57%

**CITY OF GUNNISON
2016 BUDGET CHANGES**

General Fund	Beginning	2015 Projections		2016 Budget		Fund	
	Fund Bal.	Revenues	Expenses	Revenues	Expenses	Balance	
Ending Balances per Staff Proposed Budget	3,793,750			6,942,034	7,375,403	3,360,381	45.56%
Add 300 hours for temporary parks workers for weekend trash pickups					4,006		
Adjust Community Development Permits and Licenses				5,608			
	-	-	-	5,608	4,006		
Ending Balances per 11/10 worksheets	3,793,750	0	0	6,947,642	7,379,409	3,361,983	45.56%
Vendor Fee Reduction				56,000			
Redistribution of 25% for recreation				(14,000)			
Add Visitor Center pass-through of vendor fee					56,000		
Remove unused allocation of grants/contracts for service funds					(68,952)		
Add \$2,000 to City Council dues/travel for increased CML training					2,000		
Allocate 60% of increased Council expenses to utility funds					(1,200)		
Load estimated cost to purchase property for downtown parking					250,000		
Added estimate for City website overhaul					20,000		
	-	-	-	42,000	257,848		
Ending Balances per current worksheets	3,793,750	0	0	6,989,642	7,637,257	3,146,135	41.19%
Minimum Reserve Percentage (of otherwise unreserved fund balance)			40.00%				
Minimum Reserve Amount (of otherwise unreserved fund balance)			2,920,503				
Remaining Available for Appropriations			\$ -				

**CITY OF GUNNISON
2016 BUDGET CHANGES**

Electric	Beginning	2015 Projections		2016 Budget		Fund	
	Fund Bal.	Revenues	Expenses	Revenues	Expenses	Balance	
Ending Balances per Staff Proposed Budget	1,530,338			5,669,000	5,636,744	1,562,594	27.72%
Allocate 41.17% of 60% of Council increased expenditures					494		
					494		
Ending Balances per current worksheets	1,530,338	0	0	5,669,000	5,637,238	1,562,100	27.71%

**CITY OF GUNNISON
2016 BUDGET CHANGES**

Water	Beginning	2015 Projections		2016 Budget		Fund	
	Fund Bal.	Revenues	Expenses	Revenues	Expenses	Balance	
Ending Balances per Staff Proposed Budget	857,743			585,557	790,183	653,117	82.65%
Allocate 20.69% of 60% of Council increased expenditures					248		
					248		
Ending Balances per current worksheets	857,743	0	0	585,557	790,431	652,869	82.60%

**CITY OF GUNNISON
2016 BUDGET CHANGES**

Wastewater	Beginning	2015 Projections		2016 Budget		Fund	
	Fund Bal.	Revenues	Expenses	Revenues	Expenses	Balance	
Ending Balances per Staff Proposed Budget	1,153,085			1,068,664	1,368,594	853,155	62.34%
Allocate 19.96% of 60% of Council increased expenditures					240		
					<u>240</u>		
Ending Balances per current worksheets	1,153,085	0	0	1,068,664	1,368,834	852,915	62.31%

**CITY OF GUNNISON
2016 BUDGET CHANGES**

Refuse	Beginning	2015 Projections		2016 Budget		Fund	
	Fund Bal.	Revenues	Expenses	Revenues	Expenses	Balance	
Ending Balances per Staff Proposed Budget	838,760			539,912	920,074	458,598	49.84%
Allocate 18.18% of 60% of Council increased expenditures					218		
					218		
Ending Balances per current worksheets	838,760	0	0	539,912	920,292	458,380	49.81%

**CITY OF GUNNISON
2016 BUDGET CHANGES**

Community Center	Beginning	2015 Projections		2016 Budget		Fund	
	Fund Bal.	Revenues	Expenses	Revenues	Expenses	Balance	
Ending Balances per Staff Proposed Budget	535,926			1,088,866	1,103,984	520,808	47.18%
25% of 25% of vendor fee reduction for pool maintenance				2,500			
				2,500			
Ending Balances per current worksheets	535,926	0	0	1,091,366	1,103,984	523,308	47.40%

**CITY OF GUNNISON
2016 BUDGET CHANGES**

Ice Rink	Beginning	2015 Projections		2016 Budget		Fund	
	Fund Bal.	Revenues	Expenses	Revenues	Expenses	Balance	
Ending Balances per Staff Proposed Budget	170,081			376,835	358,406	188,510	52.60%
25% of 25% of vendor fee reduction for rink maintenance				750			
				750	-		
Ending Balances per current worksheets	170,081	0	0	377,585	358,406	189,260	52.81%

**CITY OF GUNNISON
2016 BUDGET CHANGES**

Trails	Beginning	2015 Projections		2016 Budget		Fund	
	Fund Bal.	Revenues	Expenses	Revenues	Expenses	Balance	
Ending Balances per Staff Proposed Budget	130,121			27,493	35,498	122,116	344.01%
25% of 25% of vendor fee reduction for rink maintenance				250			
	-	-	-	250	-		
Ending Balances per current worksheets	130,121	0	0	27,743	35,498	122,366	344.71%

**CITY OF GUNNISON
2016 BUDGET CHANGES**

Other Recreation Improvements	Beginning	2015 Projections		2016 Budget		Fund	
	Fund Bal.	Revenues	Expenses	Revenues	Expenses	Balance	
Ending Balances per Staff Proposed Budget	822,867			631,895	110,000	1,344,762	1222.51%
Increase projected amount required for closing costs			4,225				
	-	-	4,225	-	-		
Ending Balances per 11/10 worksheets	822,867	0	4,225	631,895	110,000	1,340,537	1218.67%
25% of increased revenue from vendor fee reduction				14,000			
25% of recreation tax distributed to maintenance at pool/rink				(3,500)			
	-	-	-	10,500	-		
Ending Balances per current worksheets	822,867	0	4,225	642,395	110,000	1,351,037	1228.22%

**CITY OF GUNNISON
2016 BUDGET CHANGES**

Fleet Maintenance	Beginning	2015 Projections		2016 Budget		Fund	
	Fund Bal.	Revenues	Expenses	Revenues	Expenses	Balance	
Ending Balances per Staff Proposed Budget	36,581			389,888	389,888	36,581	9.38%
Transfer from General Fund for scheduled replacement of a 1992 vehicle used for plowing and parks. Vehicle purchase				40,000	40,000		
	-	-	-	40,000	40,000		
Ending Balances per current worksheets	36,581	0	0	429,888	429,888	36,581	8.51%

**CITY OF GUNNISON
GENERAL FUND
EXPENDITURES**

01-4090 GRANTS & CONTRACTS FOR SERVICE

2014 Actual Expenditures vs. 2015 Estimated Expenditures	-28.3%
2015 Expenditures Under (Over) Budget	13,941
2015 Budgeted Expenditures vs. 2016 Budget Request	29.7%

Account	Description	2013 Actual	2014 Actual	Original Budget	2015 Revised Budget	Projected Year-end	2016 Budget
Sub-Total: Personnel		0	0	0	0	0	0
<u>New Grants</u>							
8101	Challenge Grants	0	0	3,000	3,000	3,000	3,000
8102	Youth Grants	1,000	628	1,000	1,000	1,000	1,000
		<u>1,000</u>	<u>628</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>	<u>4,000</u>
<u>Continuing Grants</u>							
8201	Chamber Holidays	2,000	2,000	2,000	2,000	2,000	2,000
8202	Cattlemen's Days	7,500	7,500	7,500	7,500	7,500	7,500
8205	Car Show	500	500	500	500	500	1,000
8207	Rotary (Kiwanis) Fishing Trnmnt	750	750	750	750	750	750
8208	Rotary Fireworks	6,500	7,300	0	0	0	0
8210	Gunnison River Festival	0	0	2,000	2,000	2,000	2,000
		<u>17,250</u>	<u>18,050</u>	<u>12,750</u>	<u>12,750</u>	<u>12,750</u>	<u>13,250</u>
					0		
<u>Contracts for Service</u>							
8301	Additional Contracts	7,850	0	1,810	1,810	1,810	2,000
8302	Safe Ride of Gunnison	4,176	4,000	4,000	4,000	4,000	4,000
8303	Gunnison Council for the Arts	15,000	16,500	19,100	19,100	19,100	25,000
8304	GV Animal Welfare League	1,000	1,000	1,000	1,000	1,000	1,000
8305	Adult & Family Educ Program	750	500	1,000	1,000	1,000	1,500
8306	GC Pioneer & Historical Soc	2,500	2,500	3,600	3,600	3,600	5,000
8307	Colorado Water Workshop	500	500	740	740	740	1,000
8308	Project Hope of Gunnison Valley	1,000	1,000	1,000	1,000	1,000	1,500
8309	Six Points Evaluation & Trng	2,500	2,800	3,400	3,400	3,400	2,500
8311	Gunnison Country Food Pantry	0	0	4,800	4,800	4,800	5,000
8312	Gunnison Nordic Club	750	750	1,000	1,000	1,000	1,000
8401	Visitor Center	13,500	13,500	13,500	13,500	13,500	56,000
8405	Public Farm Plan	5,355	2,861	0	0	0	0
8406	Art Innovation of the Rockies	0	0	1,800	1,800	0	0
8407	Community Builders Task Force	0	0	6,500	6,500	6,500	0
8408	GVH-Foundation	0	0	0	0	0	1,800
		<u>54,881</u>	<u>45,911</u>	<u>63,250</u>	<u>63,250</u>	<u>61,450</u>	<u>107,300</u>
					0		
<u>Other Grants</u>							
8800	Teen Programming	0	0	0	0	0	11,000
8801	Economic Development	11,867	2,000	20,000	20,000	7,859	20,000
8802	Gunn Housing Authority (IGA)	30,000	30,000	30,000	30,000	30,000	36,000
8803	Marijuana Education	0	0	0	0	0	11,000
		<u>41,867</u>	<u>32,000</u>	<u>50,000</u>	<u>50,000</u>	<u>37,859</u>	<u>78,000</u>
<u>Other Contracts for Service</u>							
8805	Gunnison Valley Animal Welfare Lea	0	125,000	0	0	0	0
8806	Rural Transportation Authority	7,804	0	0	0	0	0
8807	WSCU Marketing	0	10,000	10,000	10,000	10,000	10,000
8808	Senior Transportation	0	0	25,000	25,000	25,000	0
8809	Gunnison County-Whitewater Park I	0	0	15,000	15,000	15,000	0
9201	Gunnison County-Mosquito Control	0	0	0	0	0	20,868
		<u>7,804</u>	<u>135,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>30,868</u>
Sub-Total: Operations		122,802	231,589	180,000	180,000	166,059	233,418
Sub-Total: Capital Outlay		0	0	0	0	0	0
TOTALS		122,802	231,589	180,000	180,000	166,059	233,418

Comments:

This cost center is budgeted for use of 5% of Sales Tax receipts available to the General Fund.

01-4090 GRANTS & CONTRACTS FOR SERVICE

The Challenge Grant program has two categories, one which is open to applications annually on an on going basis. Grant requests are reviewed by a citizen committee and awarded by the City Council. The Continuing Category of this program is earmarked for those Challenge Grants which receive annual contributions based on program updates from the applicants. This distinction has resulted in a more streamlined process for those on-going events which generate strong visitor participation.

- 8101 Challenge grant requests received throughout year and reviewed by Challenge Grant Committee
- 8102 Grant program to assist with funding of youth activities throughout the community.
- 8103 Grant program to assist with landscaping City rights-of ways next to private property.

Contracts for Service are those budgeted amounts which are given to organizations within the community which provide services to residents and businesses which the City organization does not. Contracts for Service are decided upon by the City Council.

- 8301 Requests must be for a specific contracted service that directly affects the City of Gunnison.
Funding amount to be determined by council.
2013 Expenses - \$250 Preventative Advocacy Safety Awareness; \$2,000 Six Points Building
2014 Expenses - \$1,650 Region 10 Broadband
- 8404 Bike Safety Event - \$803 from Additional Contracts for Service; \$2,000 from other sponsors
- 8405 Public Farm Plan-City \$1,500; County \$1,500; WSCU \$1,000; Mountain Roots \$500; Region 10 Grant \$4,500
- 8801 2013 Expenses - Chamber-Spring Greenback Exchange \$2,000; WSCU Food Growers/Restaurants \$1,000; I Bar Gunny Fest \$5,000; GCB Tourism Assoc Grant Match \$8,334; Region 10 Ag Incubator Grant Match \$1,500 (Transferred to Triathlon \$4,500; Carvin Up Colorado \$1,650)
2014 Expenses - \$2,000 Chamber Spring Greenback Exchange; \$3,000 Whitewater Park-Grant Match
2015 Expenses - Late Night RTD Bus Service-\$4,859
- 8802 The Intergovernmental Agreement for the Gunnison Housing Authority has been funded out of Grants and Contracts for Service in past years.
- 8805 Intergovernmental agreement with GVAWL and Gunnison County to construct new shelter-postponed from 2013
- 8807 Assistance with marketing plan previously funded by WSCU Foundation

**ORDINANCE NO. 19
SERIES 2015**

AN ORDINANCE ADOPTING AND APPROPRIATING AN ANNUAL BUDGET

WHEREAS, Article VII, Section 7.5 of the City of Gunnison Municipal Home Rule Charter requires the City Council to adopt and appropriate an annual budget; and

WHEREAS, In accordance with Article VII, Section 7.2 of said Charter, the City Manager did present a proposed budget for the 2016 fiscal year on October 13, 2015; and

WHEREAS, In accordance with Article VII, Section 7.3 of said Charter, a Public Hearing on the proposed budget was held on November 10, 2015; and

WHEREAS, In accordance with Article VII, Section 7.6 of said Charter, the City Council has certified a mill levy to the County Board of Commissioners of Gunnison County, Colorado.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, THAT:

Section 1: The proposed budget heretofore presented to the City Council after a Public Hearing with certain amendments is hereby adopted as the budget for the City of Gunnison, Colorado, for the fiscal year beginning January 1, 2016, and ending December 31, 2016.

Section 2: The following appropriations are made for the above fiscal year for the City of Gunnison:

General Fund	\$7,637,257
Conservation Trust Fund	\$45,667
Ditch Fund	\$554,161
Firemen's Pension Fund	\$198,000
Enterprise Fund	\$11,035,005
Fleet Maintenance Fund	<u>\$429,888</u>
 TOTAL	 \$19,899,978

INTRODUCED, READ, PASSED, AND ORDERED PUBLISHED this 17th day of November, 2015, on first reading, and introduced, read, passed, and adopted on second and final reading this ____th day of _____, 201_.

Mayor

(SEAL)

ATTEST:

City Clerk

Published by title in the
Gunnison Country Times
November 26, 2015



Memorandum

To: City Council
From: Ben Cowan
Date: 11/12/2015
Re: Additional Appropriations

This ordinance formally authorizes the expenditures detailed within the 2015 projected column in the 2016 Proposed Budget. Many of the items have already been discussed with Council during past meetings such as:

- 1) The creation of the Information Technology Department by reallocating the general services, computer purchase and computer study line items.
- 2) Movement of the Mountain States Employers Council budget from General Services to the City Attorney since it is related to employment law.
- 3) The transfer of the money intended for Lexipol to the purchase of a small enclosed trailer for the Police Department.
- 4) The additional costs and contributions to support completion of the Senior Addition to the Community Center.

Most of the remaining items were touched upon during the budget retreat. The following pages detail the amounts found in the attached ordinance to appropriate the needed funds to complete the year. The staff recommendation is to adopt the additional appropriations upon second reading.

Please let me know if you have any questions or require additional information.

**CITY OF GUNNISON
 ADDITIONAL APPROPRIATIONS
 FOR THE YEAR ENDED 12/31/15**

Debit				Credit		
Fund	Purpose	Amount	Account	Funding Source	Amount	Account
01	Increase City Fest budget due to sponsorship from Mtn. West Insurance	1,500	01 4001 4659	Other Contributions-Mtn. West Insurance	1,500	01 3650
01	IT Department Budget Creation - Wages	46,644	01 4007 4101			
01	IT Department Budget Creation - FICA	2,892	01 4007 4103			
01	IT Department Budget Creation - Medicare	676	01 4007 4104			
01	IT Department Budget Creation - Hlth Ins/WC/Othr Benefits	3,279	01 4007 4106			
01	IT Department Budget Creation - Retirement	2,332	01 4007 4108			
01				Reallocate Other Purchased Services to IT line items	48,442	01 4007 4350
01	IT Department Budget Creation - Operating Supplies	994	01 4007 4201			
01	IT Department Budget Creation - Subscrptn/Lit/Films	50	01 4007 4304			
01	IT Department Budget Creation - Professional Services	6,500	01 4007 4330			
01	IT Department Budget Creation - Trvl/Mileage/Meals/Lodg	75	01 4007 4370			
01	IT Department Budget Creation - Equipment Over \$5,000	30,000	01 4007 9970	Computer Replace/Purchase	30,000	01 4039 9202
01				Reallocate Computer Study to IT line items	15,000	01 4039 9204
01	Move MSEC membership from General Services to Attorney	5,300	01 4003 4330		5,300	01 4007 4350
01	Police storage trailer	5,000	01 4020 4213	Policy manuals	5,000	01 4039 9326
01	Fire Department workers' compensation insurance higher than expected	220	01 4022 4106	Cash reserves	220	n/a
01	Victim advocate training	453	01 4024 4310	Contributions from other governments	453	01 3328
01	Street and alley property and liability claims	1,809	01 4033 4402	Cash reserves	1,809	n/a

		Debit		Credit		
Fund	Purpose	Amount	Account	Funding Source	Amount	Account
01	Street and alley retirement	154	01 4033 4108	Cash reserves	154	n/a
01	Street and alley maintenance health insurance	4,069	01 4034 4106	Cash reserves	4,069	n/a
01	Senior Center addition	13,900	01 4038 9536	Senior addition grants and contributions	13,900	01 3654
01	CARA parent expenses	2,538	01 4049 4210	CARA contributions	2,538	01 3647
01	Recreation program scholarships	4,849	01 4050 4658	Scholarships revenue	4,849	01 3444
01	Transfers Out to Pool to support programs formerly funded by the GF	34,688	01 4999 4999	Cash reserves	34,688	n/a
GENERAL FUND TOTAL		167,922			167,922	
04	City Shop fencing	1,512	04 4170 4340	Transfer to General Fund	1,512	04 4999 4999
FLEET MAINTENANCE FUND TOTAL		1,512			1,512	
05	Benefit level for pension payments increased halfway through 2015	21,425	05 4101 4115	Cash reserves	21,425	n/a
FIREMEN'S PENSION FUND TOTAL		21,425			21,425	
20	Purchased power greater than anticipated	9,325	20 4202 4500	Cash reserves	9,325	n/a
ELECTRIC FUND TOTAL		9,325			9,325	
51	Community Center roof repair	10,416	51 4401 4340	Wages	10,416	51 4401 4101
COMMUNITY CENTER FUND TOTAL		10,416			10,416	

		Debit		Credit		
Fund	Purpose	Amount	Account	Funding Source	Amount	Account
52	New Zamboni was budgeted for \$90,000, but cost \$95,444 to purchase	5,444	52 4440 9952	Wages	5,444	52 4402 4101
RINK FUND TOTAL		5,444			5,444	
53	Port a potty service on Van Tuyl property	399	53 4401 4350	Cash reserves	399	n/a
53	Trails construction for Ridges to Rivers grant	407,932	53 4439 9981	State trail grants	392,832	53 3302
53				Local trail grants	15,100	53 3303
TRAILS FUND TOTAL		408,331			408,331	
54	Closing costs for 2007 bond forward refinancing	58,225	54 4444 4412	Cash reserves	58,225	
RINK FUND TOTAL		58,225			58,225	
GRAND TOTAL		<u>682,600</u>			<u>682,600</u>	

**ORDINANCE NO. 20
SERIES 2015**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, ADOPTING AN ADDITIONAL APPROPRIATION FOR THE FISCAL YEAR ENDING DECEMBER 31, 2015.

WHEREAS, by Ordinance No. 16, Series 2014, appropriations for the year 2015 were made; and

WHEREAS, additional appropriations may be made by ordinance as authorized under Section 7.11 of the City of Gunnison's Municipal Home Rule Charter; and

WHEREAS, since adoption of the 2015 Budget, receipt of additional revenues have been recognized and expenditures authorized therefrom; and

WHEREAS, transfers of appropriated funds from one department to another may be made by resolution or ordinance as authorized under Section 7.10 of the City of Gunnison's Municipal Home Rule Charter.

NOW, THEREFORE, IT IS ORDAINED BY THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, AS FOLLOWS:

Section 1. Appropriations. Section 2 of Ordinance No. 16, Series 2014, is amended to reflect the budgeting and appropriation of aggregate 2015 expenditures to the respective Funds as follows:

	Interim 2015 Budget	Additional Appropriation	Final 2015 Budget
General Fund	9,323,334	167,922	9,491,256
Conservation Trust Fund	59,750	0	59,750
Ditch Fund	469,069	0	469,069
Firemen's Pension Fund	144,000	21,425	165,425
Enterprise Fund	11,006,546	491,741	11,498,287
Fleet Maintenance Fund	765,560	1,512	767,072
TOTAL	\$21,768,259	\$682,600	\$22,450,859

Section 2. Amendment. This Ordinance shall constitute an amendment to the 2015 Budget adopted by Ordinance No. 16, Series 2014.

INTRODUCED, READ, PASSED AND ORDERED PUBLISHED this 17th day of November, 2015, on first reading, and introduced, read, and adopted on second and final reading this ___th day of _____, 201__.

Mayor

SEAL:

ATTEST:

City Clerk

Published by Title in the
Gunnison Country Times
November 26, 2015



Memorandum

To: City Council
From: Ben Cowan
Date: 11/13/2015
Re: Vendor Fee Reduction

According to your decision made at the November 10 regular session, please find attached Ordinance 21 to change the 5% vendor fee in the City Code to 4%. Vendor fees deducted from 2014 sales tax returns at 5% totaled \$272,584.18. Therefore, the 1% reduction of the vendor fee would generate approximately \$54,516, based on 2014 taxable sales.

First reading of the ordinance needs to occur on November 17 with adoption on second reading on December 8. This will allow enough time to get new sales tax returns out to retailers and notify the State of Colorado to modify form DR 1002. If we push beyond that, I don't believe it is feasible to have a January 1 start date for the vendor fee reduction and we will be looking at July 1, 2016 or January 1, 2017.

I have loaded the appropriate changes in the budget to account for the increased revenue and subsequent pass-through of funds to the Visitor Center.

**ORDINANCE NO. 21
SERIES 2015**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GUNNISON,
COLORADO, AMENDING TITLE 3 FINANCE, CHAPTER 3.10 CITY SALES AND
USE TAX CODE, SECTION 3.10.050 VENDOR LIABLE FOR TAX**

WHEREAS, Section 3.10.050 of Chapter 3.10, provides that a vendor shall make a monthly sales tax return to the director of finance for the preceding calendar month, and remit an equivalent to said tax on such sales to the director, less five percent of the sum so remitted to cover the vendor's expense in the collection and remittance of said tax; and

WHEREAS, by survey conducted through the City's Finance Department, vendors within the City are willing to reduce the percentage retained by them to 4% in order to increase the amount of sales tax available to the City from the existing sales tax; and

WHEREAS, the additional 1% sales tax revenue paid to the City from the existing sales tax will be deposited into the City's general fund and disbursed as determined by City Council through the budget process on an annual basis.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF
THE CITY OF GUNNISON, COLORADO, THAT:**

Section 1. Title 3 Finance, Chapter 3.10 City Sales and Use Tax Code, Section 3.10.050 Vendor Liable for Tax, shall be amended to state the following:

"Every retailer, also herein called "vendor," shall, irrespective of the provisions of GMC 3.10.130, be liable and responsible for the payment of an amount equivalent to the rate of tax provided in GMC 3.10.060 multiplied by all sales made by him of commodities or services as specified in GMC 3.10.040, and shall before the twentieth day of each month make a return to the director of finance for the preceding calendar month and remit an amount equivalent to said tax on such sales to said director, less four percent of the sum so remitted to cover the vendor's expense in the collection and remittance of said tax. Such returns of the taxpayer or duly authorized agent shall contain such information and may be made in such manner and upon such forms as the director of finance may prescribe. The director may extend the time of making returns and paying the taxes due under such reasonable rules and regulations as he may prescribe, but no such extension shall be for a greater period than is provided for in GMC 3.10.090. The burden of proving and paying the same to the director of finance, or for making such returns, shall be on the retailer or vendor under such reasonable requirements of proof as the director may prescribe. In any event, the amount subject to tax imposed by this chapter shall not include the amount of any sales or use tax imposed by article 26 of title 39, C.R.S."

Section 3. Severability. Should any section, clause, phrase, or provision of this ordinance be ruled invalid or unenforceable by any court of competent jurisdiction, it is hereby declared the intent of the City Council of the City of Gunnison, Colorado, that the remaining provisions of this ordinance shall be given full force and effect if it is possible to do so.

INTRODUCED, READ, PASSED, AND ORDERED PUBLISHED this 17th day of November, 2015, on first reading, and introduced, read, and adopted on second and final reading this ____th day of _____, 201__.

Mayor

(SEAL)
ATTEST:

City Clerk

Published by title in the Gunnison Country Times Newspaper
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Memorandum

To: City Council
From: Ben Cowan
Date: 11/12/2015
Re: Semiannual Finance Department Report

I've only just completed my ninth month with the City and I appreciate the opportunity to learn and implement some changes I feel are helpful to the financial management of the City.

Below are some highlights of some projects we've undertaken in Finance over the last six months:

Bond Refinancing:

Likely one of the most significant projects Finance has undertaken in the last six months was the refinancing of the 2007 recreation bonds that funded the construction of the rink and the pool. We closed on the forward refunding deal on October 15, locking at a historically low 2.75% rate. An estimate of savings over the next 17 years is over \$1.4 million. That will help to allow for more projects that are listed in the Parks and Recreation Master Plan. In anticipation of these savings, we have added \$37,000 and \$13,000 transfers to the pool and rink to help support ongoing operations of those facilities. This use was contemplated in the Master Plan. We set up a new debt service reserve with UMB Bank that will be held until the old bonds are paid off at their 2017 call date.

Date	NEW GROSS D/S	OLD GROSS D/S	SAVINGS
12/01/2015	-	-	-
12/01/2016	-	-	-
12/01/2017	437,615.63	545,652.50	108,036.87
12/01/2018	489,825.00	544,252.50	54,427.50
12/01/2019	490,612.50	542,452.50	51,840.00
12/01/2020	491,125.00	545,252.50	54,127.50
12/01/2021	486,362.50	542,452.50	56,090.00
12/01/2022	491,462.50	544,087.50	52,625.00
12/01/2023	491,150.00	545,115.00	53,965.00
12/01/2024	490,562.50	545,355.00	54,792.50
12/01/2025	489,700.00	544,980.00	55,280.00
12/01/2026	488,562.50	543,600.00	55,037.50
12/01/2027	487,150.00	541,590.00	54,440.00
12/01/2028	490,462.50	543,950.00	53,487.50
12/01/2029	493,362.50	545,030.00	51,667.50
12/01/2030	490,850.00	545,250.00	54,400.00
12/01/2031	488,062.50	544,370.00	56,307.50
12/01/2032	-	542,620.00	542,620.00
Total	\$7,296,865.63	\$8,706,010.00	\$1,409,144.37

Budgeting:

Another huge undertaking during the second half of the year is the budget process. The process begins with the establishment of the five-year capital plan, which is informed by public input gleaned from the annual City Fest. Finance spearheaded some changes in the budget process to move to a best practice "target based budget". The budget process documented all changes from the 2015 budget to 2016 and included a prioritization that helped link requests for new resources to projects identified in your strategic plan. The budget process includes evaluating all full-time employee wages related to comparable communities, matching beginning fund balances to the ending fund balances as determined by the audit, projecting year end revenues and expenditures, and estimating resources and costs for next year. The budget process is nearing a close as we prepare to adopt the

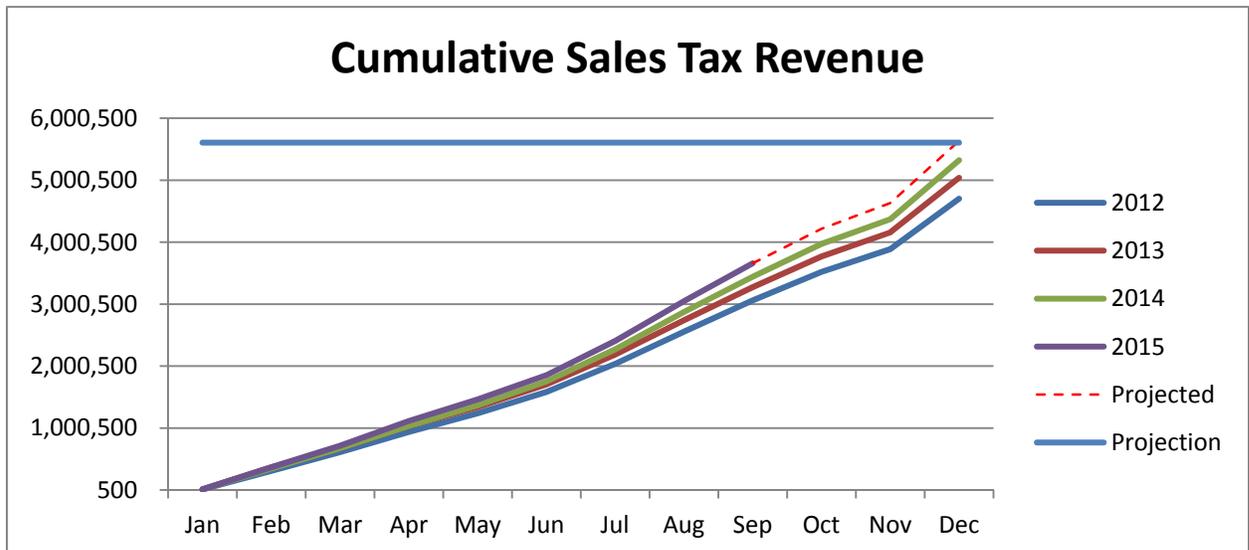
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appropriating ordinances to grant the City the legal authority to spend in 2016. Thank you, again, for your diligence in listening and learning about the components within the proposed budget. I hope the process has been acceptable to you as well.

Sales Taxes:

Since Sales Taxes encompass 34% of the City's total revenue and nearly 60% of General Fund revenues, it is important to ensure this revenue stream continues to support the costs of the City's various services. The 2015 budget contemplated a 2.5% increase, but the trend through September indicates revenues are closer to 5.38% over the prior year. This allows those unanticipated revenues to be utilized in the implementation of the 2016 budget. Lodging has seen a large increase over last year at 10.61%. Grocery sales, which represent 29% of the total tax revenue, are also showing strong growth of nearly 6.81%.

The below chart depicts cumulative sales tax receipts through September (please note this is based on cash remitted by vendors and does not correlate to the filing period in which the sale took place). Even if the last quarter is identical to the last quarter of 2014, we will nearly reach our projected amount in the budget of \$5,606,568. The 2016 budget includes a modest 2.5% again for a total of \$5,746,732.



Finance also created a new sales tax return that accommodates the new special marijuana taxes and worked to implement a reduced vendor fee to fund the visitor center according to Council's direction.

Over the next month, Finance will be modifying the sales tax return for the upcoming change in the vendor fee and notifying the State to change their form DR 1002 to allow for the change that will fund the visitor center.

Due to some inaccuracies found in the legacy version of a sales tax database, a new database was developed a custom Access database to track sales tax returns and the new marijuana sales tax.

Below are some screen shots from this new database.

Main Menu:



SALES TAX MAIN MENU

- Enter New Sales Tax Return
- Edit a Sales Tax Return
- Edit a Sales Tax Return-Datasheet

- Add New Business
- Edit Book of Business

- Manage Batches
- Manage Duplicate Payments
- Ignore Legitimate Duplicates

- EXIT

Reports

- Monthly Sic Code Totals
- Master Sales Tax Returns
or Specific Return:
- Mailing Labels
- Audit Testing

- Batch Report by Batch
- Batch Report by Date Deposited
- Batch Report by Date Entered
- Batch Report by Filing Period

- Penalties and Interest Report
- Marijuana Report
- Geo Report

System Queries

- Delinquent Query
- Batches without Associated Returns
- Unbalanced Batches

Return Entry Form:

Return Entry Form

Pmt	Filing Period	Date Entered	Date Deposited
(New)		06/04/15	
License	Company Name	Frequency	
Batch	Sic Description		

Gross Retail	
Bad Debts Collected	
Adj Gross	
Non Taxable	
Sales for Resale	
Sales shipped out	
Sales/Exempt	
Gas/Ciggs	
Bad Debts	
Returned Goods	
Discounts	
Trade-Ins	
Drug Sales	
Total Deductions	

Taxable Sales	
Sales Tax	
<i>Computed Tax</i>	
MJ Gross Sales	
MJ Exempt Sales	
Marijuana Sales Tax	
MJ Excise Sales	
Marijuana Excise Tax	
Excess	
Adjusted Sales Tax	
Vendors Fee	
<i>Computed Vendors Fee</i>	
Tot Sales Tax	
Use Tax	
Total Tax Due	
Penalty	
<i>Computed Penalty</i>	
Interest	
Total Due	

Delete Return

Batch	<input type="text"/>	Total of Returns	<input type="text"/>
Date Deposited	<input type="text"/>	Batch Variance	<input type="text"/>
Batch Amount	<input type="text"/>		

Total Entered

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The new database allows for better tracking, better queries to reconcile the reporting to bank deposits/revenue account and better mathematical checking of returns.

Committees:

The **Computer Working Group** met several times, with Michelle representing our department. Michelle worked closely with the group to recommend updates to hardware and software and prepare a detailed inventory of equipment to allow for the creation of a complete replacement plan.

The **Investment Advisory Board** met in June to help guide future investment decisions. The Board elected to take five poorly performing certificates of deposits and reinvest them in U.S. Government Agency bonds to help meet our investment goals. However, we discovered some prohibitive early withdrawal penalties had been added to the CDs that prevented implementation of this strategy. We are continuing with a laddered approach to diversify funds and provide a continuous income that avoids speculating on economic changes (see the banking discussion below for more detail).

The **Gunnison/Hinsdale Combined Emergency Telephone Service Authority Board (E911 Authority)** meets on a quarterly basis. Fund balance consisting of \$61,195 was used in 2014, but there were one-time capital expenditures of \$109,019. The capital expenditures were \$25,366 for repeater installation, \$68,197 for 911 electronics, and \$15,455 for dispatch expansion. The 2015 actuals are tracking along well with the budget. While there has been much talk of reduced surcharges, they remain strong since the State has been collecting surcharges on prepaid cell phones. The Board worked to implement texting capabilities to 911 and the use of emergency medical dispatching.

The **Firemen's Pension Board** meets semi-annually and held its meeting August 27. A quick synopsis of actions includes a bylaws amendment to remove the bonding provision similar to the provision in the City Charter that was removed during the 2015 election. The meeting dates were amended to accommodate the reporting requests from Wells Fargo for the investment update, as well as the required updates to Council. Paul Barker, with the Actuarial Consulting Group, presented the actuarial report. Pensions are either contribution driven or asset driven where benefits are supported by funds in pension fund. Gunnison's plan is driven by both sources and Mr. Barker believes the plan is very healthy. The cash contributions and balance is more than enough to support the current \$350 benefit level and the Board will begin looking ahead to the next benefit level next year. New requirements make the actuarial report necessary every year rather than every other year. The Board agreed to maintain the current pension levels at \$350 per month, \$175 for a surviving spouse, and \$1,000 for the death benefit. Finally, Dan Buffington's retirement was accepted after having attained 20 years of service and the age of 50.

Banking:

As a result of the refinancing discussed above and the purchase of the Lazy K property, as well as various calls on the City's bond investments, the investment portfolio has seen a great deal of shift. Transfers have been made to keep approximately 25% in liquid assets and reinvest excess funds in U.S. Government Agency bonds and Certificate of Deposits to maximize the weighted average yield while maintaining the City's ability to cash flow its ongoing operations. Additionally, the City received a notice that its bank fees would be increasing from \$650 to \$1,200 monthly. We worked to negotiate lower per unit costs and removal of unneeded services like overnight investment sweeps and automatic withdrawals to cover cleared checks in order to maintain the current cost of banking.

Grant Tracking:

City Hall Remodel:

The final report for the City Hall Remodel was submitted to the Department of Local Affairs. The project was budgeted at \$511,000, with \$200,000 from DOLA. The actual was \$508,585.34 with

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\$199,773.82 from DOLA. We hear many positive comments from customers and users of the building regarding the increased functionality.

Senior Addition:

The new addition to the Community Center is complete. While the project is slightly over budget due to the increased costs of insulation and the need for a fire alarm system, the DOLA grant has some excess capacity and for each dollar spent, only 57 cents will be paid by the City for this worthwhile project. \$5,500 additional funds were raised by the Young at Heart senior group to support the completion. The total cost is likely to be \$342,066, with \$144,315 coming from the Department of Local Affairs, \$50,895 from Boomers and Beyond, \$38,100 from the Daniels Foundation, \$30,000 from the Gates Foundation, \$20,000 from the Boettcher Family Foundation, \$10,000 from El Pomar and \$1,000 from the Community Foundation of the Gunnison Valley.

Professional Development:

I attended an all-day Disaster Financing training in August, paid for by Gunnison County Emergency Management. The class focused on required documentation in the event of an emergency or disaster that would be required to receive federal reimbursement at the maximum level. Getting procurement policies, cooperative agreements, disaster plans, and declaration processes in place in advance of an emergency helps a great deal in reducing the City's exposure to massive losses. Many municipalities only receive 70% reimbursement from FEMA and the State, which can be huge when some responses can spend over \$1,000,000 per day. It is sobering reminder of the need to maintain healthy reserves. The TABOR emergency reserve can't really be counted toward response because the law requires it to be repaid the same year – it is the emergency reserve that you can't use.

Tammy and I attended a free training hosted by the Colorado Workforce Center and staffed by Unemployment Insurance Auditors with the State of Colorado Department of Labor and Employment. The training focused on compliance with law, what activities trigger audits, and proper classification of employees versus independent contractors.

Michelle attended an intermediate governmental accounting training on Montrose. She learned a great deal and came back with many updates on new legislation and changes in accounting principles.

I travelled to Glenwood Springs in July to discuss current influences on compensation as a result of economic conditions as well as strategies to ensure we are comparing employee pay to their relevant labor market. As unemployment rates drop (lowest point since 2008), we are finding it more difficult to attract and retain quality employees. Although the tourism heavy economies in the western region of the state have returned to a healthy level, along with increases in home values, housing permits, etc., the region overall has remained flat in employment growth largely due to a slowing of regional natural gas production and the struggling coal mining communities. Even so, most communities in our region have reported smaller hiring pools and fewer qualified candidates.

Thank you for your ongoing support of professional development in our department.

Rink Opening:

Finance assisting in creating an Access database that tracks membership payments and logs member visits to the rink so that an employee can look at the number of people on the rink during public skate and reconcile the logged member visits to the daily drop-ins to get a sense of whether there are skaters that did not pay. Finance also helped to establish sound internal controls, with the assistance of the rink staff, that will help prevent further thefts such as those experienced during last season.

Human Resources:

The Health Insurance Committee met with Jim Hermann, with CEBT, on September 25. Due to significant claim payments, premiums are increasing 16.5% beginning in 2016. The Committee

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elected to discontinue the PPO II low deductible plan for 2016. All employees that are currently enrolled in that plan have been met with individually to discuss the benefits of moving to another plan. In its place, the PPO V plan has been added as an option for 2016. It includes a \$2,500 deductible and \$45 for office visit co-pay.

The Hospital Reimbursement Plan (HRP) provides up to \$1,000 per day for otherwise unreimbursed eligible medical expenses while staying in the hospital. This plan is required for any benefit eligible employee that is not participating in one of the PPO plans. For 2016, the City will pay 100% of the premium for employees enrolled in the HRP since employees participating in this plan actually save on overall costs because they have eligible coverage elsewhere such as through their spouse's employer.

We also met with representatives from various organizations such as American Fidelity, Colorado County Officials & Employees Retirement Association to ensure the plans were updated and ready for the open enrollment process in anticipation for the new year.

Utility Billing:

Shannon does a fantastic job managing the utility billing. Shannon has been busily processing hundreds of work orders to prorate monthly utility bills and refund deposits, which is especially demanding when students are moving into rentals.

Ken and I worked with Kathy Fogo to develop a better approach to the process used to lien property for delinquent utility accounts. The new process is currently in action and preliminary results indicate it is helping us with fewer uncollectable balances.

Audit RFP:

We received two proposals from audit firms by the October 30 deadline. The audit committee, made up of Richard Hagan, Michelle Arnett, and myself, met this week to make a determination. The committee felt comfortable that both firms were well qualified to conduct the audit, but we found that the price and the number of hours to be performed by a firm partner resulted in the contract award to a new audit firm by unanimous decision: McMahan and Associates out of Avon, CO. A contract will be developed for the 2015 audit with optional extensions for a total of five years. The total cost will be within the 2016 budgeted costs.

Daily work continues with accounts payable, payroll, utility billing, and financial reporting for the City, the Firemen's Pension Fund and the Gunnison/Hinsdale Combined Emergency Telephone Service Authority. College students are moving around and into Gunnison with the start of another school year, which means a significant volume of work orders and collecting on delinquent accounts.

Please let me know if you have further questions concerning these items or other activities in the Finance Department.

Memorandum

To: City Council
From: Keith Robinson
Date: November 12, 2015
Subject: Nuisance Ordinance Update



Work on the nuisance ordinance is progressing however to this point it has been one sided.

Shortly after I addressed council in September, Ken received a white paper from CML, Code Enforcement in Colorado, and addressing nuisance enforcement for municipalities. Upon reading the paper I felt that it explained the nuisance issue clearly, provided legal references, case law references, and explained considerations for property owners, enforcement staff and judicial personnel. Additional copies of the paper were ordered, so that members of the CTF team would have a common reference. As of last week I am aware of only one of the ordered copies being received.

I have gone through the current ordinance and made suggested adjustments based on the white paper and my understanding, such as:

1. the governments right to enter property for inspection
2. the need for municipal search warrants
3. defining the time period for bringing a property into compliance at 7 days unless the property owner is compliant and the nuisance requires more time.
4. generally inserting language to help clarify the administrative process and remove some of the inconsistencies.

The white paper for all of the good information and theory provided did not provide any example ordinances or resource municipalities with administrative ordinances any clearer than what we currently have.

I have a meeting scheduled with Kathy on 11/13/15 to go over the draft ordinance. The next step will be reviewing the draft ordinance with the CTF team, hopefully before Thanksgiving.

Reading back through my September memo to council I had planned on a draft ordinance to discuss on November 15th. Not having legal review or input from the CTF group the draft ordinance is still in the working phase and not ready to propose to council. This does not affect the original deadline I set of being done with a rewrite of this section by July.

For Tuesday's meeting I would like to address any questions council might have concerning the four points above and provide any feedback that might be relevant from Kathy's review.



To: City Councilors
CC: City Manager Ken Coleman
From: City Clerk Gail Davidson
Date: November 12, 2015
Re: Selection of Mayor Pro Tem

Councilors:

Mayor Hagan asked that a discussion on selection of the Mayor Pro Tem be added to an upcoming meeting agenda. In gathering background information, please see the following.

City Charter Section 3.4 states the following:

“The Council shall at its first meeting following each regular City election, and after the newly elected members take office, **elect one its members to serve and Mayor and one to serve as Mayor Pro Tem**; both for a term expiring at the first Council meeting following each regular City election. **Such election shall be by written ballot and by majority of the members of the Council in office at the time.**”

Therefore the selection of the Mayor Pro Tem is pretty specific in the Charter. A change to this process would have to go to a vote of the electors to change the Charter. At the reorganization meeting following the Regular Municipal Election, Council could elect whomever had the second highest votes – if that is their wish – but the election of that person would have to follow the procedures outlined in the City Charter.

Gail