

**CITY OF GUNNISON COUNCIL AGENDA
MEETING IS HELD AT CITY HALL, 201 W. VIRGINIA AVENUE
GUNNISON, CO, IN THE 2ND FLOOR COUNCIL CHAMBERS**

JULY 26, 2016

REGULAR SESSION

7:00 P.M.

- I. Call Regular Session Meeting to Order:
- II. Consent Agenda:
The listing under "CONSENT AGENDA" is a group of items, which Council has already reviewed, to be acted on with a single motion or vote. This agenda is designed to expedite the handling of limited routine matters by Council. The Mayor will ask if any Councilor or Citizen wishes to have any specific item removed from the Consent Agenda and acted upon individually.
 - Minutes of July 12, 2016, Regular Session Meeting
 - Action on City Employee Return to Work Policy
 - Action on City Employee Pre- Employment Screening Policy
- III. Minutes: None
- IV. Pre-Scheduled Citizens:
 - A. Presentation of 2015 City Audit by Auditors from McMahan and Associates
- V. Old Business: None
- VI. New Business:
 - A. Appointment of Parks & Recreation Advisory Board Members
 - B. Action on Acceptance of 2015 City Audit
- VII. Resolutions and Ordinances:
 - A. Resolution No. 8, Series 2016; Re: Supporting the City's Grant Applications for Transportation Alternatives Program Grants from CDOT Region 3 for the Complete Streets Improvement Projects
 - B. Ordinance No. 8, Series 2016; Re: Text Amendment to LDC Sections 1.7K (rounding up of allowed unit density calculations) and 8.1C, (allowing Variances for lot dimensional standards irregularities); 2nd Reading
 - C. Ordinance No. 9, Series 2016: Amending GMC Title 5. General Offenses, Chapter 5.30 Nuisances (defining City nuisances and abatement procedures); 2nd Reading
 - D. Ordinance No. 10, Series 2016: Re: Amending GMC Title 5 By Adding Chapter 5.50 Undesirable Plant Management and Adopting Undesirable Plant Management Plan (defining undesirable plants/weeds and abatement procedures); 2nd Reading
- VIII. Executive Session:
The purpose of which is pursuant to C.R.S. §24-6-402(4)(e) for determining positions relative to matters that may be subject of negotiations; developing strategies for negotiations; and instructing negotiators.
- IX. New Business (continued after Executive Session)
 - C. Direct Negotiating Committee on Matters of Negotiations
- X. Reports:
City Attorney Report: Kathleen Foggo
City Manager Report: Mark Achen
Acting City Manager: Police Chief Keith Robinson Semi-Annual Dept. Report
City Clerk Report: Gail Davidson
WSCU Liaison: Absent Until Fall Semester
- XI. 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 time limit of 3 mins.**
- XII. City Council Meeting Reports, Discussion, Items for Future Work Sessions
- XIII Meeting Adjournment

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 EGULATIONS, PEOPLE WITH SPECIAL NEEDS ARE REQUESTED TO CONTACT THE CITY CLERK 24 HOURS BEFORE ALL MEETINGS AT 970-641-8140.**



To: City Council
CC: City Manager Mark Achen
From: City Clerk Gail Davidson
Date: July 20, 2016
RE: Consent Agenda

City Council:

You will note the Regular Session agenda contains a Consent Agenda. This type of agenda item allows City Council to approve, by a single motion, second and vote, matters that have already been discussed by the entire Council or matters that are considered routine or non-controversial. A Consent Agenda allows for the meeting to proceed in a more efficient and timely manner. The agenda items will not be separately discussed unless a Councilor, City Staff, or a citizen requests an item be removed be discussed separately. Items removed from the Consent Agenda will then be considered under New Business.

When a motion is made to approve the Consent Agenda, the Councilor making the motion should, for the record, include the list of the Consent Agenda items being considered in the vote. Please let me know if you have any questions regarding the Consent Agenda process.

Thank you, Gail

Action Requested of Council:

Motion, second and vote to approve the Consent Agenda as presented with the following items:

- Minutes of July 12, 2016, Regular Session Meeting
- Action on City Employee Return to Work Policy
- Action on City Employee Pre-Employment Screening Policy

JULY 12, 2016

**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 Sovick, Drexel, Morrison and Schwartz present along with City Attorney Fogo, Acting City Manager/Police Chief Robinson, City Clerk Davidson, Finance Director Cowan, Community Development Director Westbay, Deputy City Clerk Kindall, City Planner Andie Ruggera, Russ Forrest, many citizens and the press. A Council quorum was present. City Manager Achen was not in attendance.

JULY 12, 2016

PUBLIC HEARING

7:00 P.M.

Receive Input on the Merits of Text Amendment Application ZA-16-3, Proposing to Amend Sections 1, Administration (1.7.K. Density) and 8, Variances (8.1.C. Dimensional Standards Variances Authorized) and to correct minor typographical errors within the *City of Gunnison Land Development Code*.

Mayor Hagan opened the public hearing and stated the time is 7:00 P.M., on Tuesday, July 12, 2016, in the City Council Chambers of City Hall, 201 W. Virginia Avenue in Gunnison Colorado. Present at the Public Hearing are himself, Mayor Richard Hagan, City Councilors Andy Sovick, Robert Drexel, Leia Morrison and Matt Schwartz, City Attorney Kathy Fogo, Acting City Manager/Police Chief Keith Robinson, City Clerk Gail Davidson, Community Development Director Steve Westbay and Finance Director Ben Cowan.

Mayor Hagan stated the purpose of the Public Hearing is to receive input on the merits of Text Amendment Application ZA-16-3, submitted by Steve Westbay, Director of Community Development, Proposing to Amend Sections 1. Administration (1.7.K. Density) and 8. Variances (8.1.C. Dimensional Standards Variances Authorized) and to correct minor typographical errors in the *City of Gunnison Land Development Code*.

Mayor Hagan called for Proof of Publication. City Clerk Davidson stated a copy of the published Public Hearing notice was included in their packets and the affidavit of publication is included in the official City of Gunnison files. The Mayor then called for City Staff's comments and recommendations.

Community Development Director Steve Westbay, came forward and addressed Council. He gave a summary of the proposed changes and stated in order to keep the code current and functional the City continues to make minor changes as needed. The first proposed change is in Section 1.7.K to allow for rounding of the fractional calculations that result from determining the allowed units per acre. If the fractional calculation is 0.66 or higher, the allowed unit density will be rounded up to the next whole unit and if the calculation is 0.65 or less, the allowed unit density will be rounded down to the next whole unit. The second change in Section 8.1.C. is a change to the authorization of a variance regarding the minimum lot area required for a subdivision due to dimension irregularities of the parcel being subdivided. The Mayor thanked Director Westbay.

Mayor Hagan asked if anyone wanted to give input in favor of Text Amendment ZA-16-3. There were no comments. The Mayor then asked if anyone wanted to give input in opposition to Text Amendment ZA-16-3. Again, there were no comments.

The Mayor asked if any letters, emails, or other written comments had been received regarding the Application. City Clerk Davidson responded no additional comments were received.

Mayor Hagan asked for any further comments on the matter. Hearing none, he closed the Public Hearing at 7:04 P.M. and moved onto the Regular Session agenda.

Consent Agenda:

The listing under "CONSENT AGENDA" is a group of items, which Council has already reviewed, to be acted on with a single motion or vote. This agenda is designed to expedite the handling of limited routine matters by Council. The Mayor will ask if any Councilor or Citizen wishes to have any specific item removed from the Consent Agenda and acted upon individually.

**Minutes of June 28, 2016, Regular Session Meeting;
Action to City Council Commission, Boards Committees Assignments.**

City Attorney Fogo asked that the Minutes of the June 28, 2016, Regular Session meeting be removed from the Consent Agenda for an amendment. Mayor Hagan did so.

Councilor Schwartz moved and Councilor Morrison seconded the motion to approve the Consent Agenda as amended.

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

Roll call vote, no: None.

Regular Session Meeting Minutes of June 28, 2016.

City Attorney Fogo asked that on page six, in the fourth paragraph, second line, the word “manager” be corrected and in the first sentence of that paragraph the word “full” needs to be removed. City Clerk Davidson said she would make those changes.

Councilor Schwartz moved and Councilor Morrison seconded the motion to approve the Regular Session Meeting Minutes of June 28, 2016, as amended.

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

Roll call vote, no: None.

Pre-Scheduled Citizens: Consultants Fox/Tuttle/Hernandez Webinar on Complete Streets Project Update. (The consultants participated via a webinar format).

Mayor Hagan welcomed everyone to the meeting. The consultants on the telephone were Carlos Hernandez and Bill Fox. Mr. Hernandez summarized the project development process to date. That robust public process included: two community workshops last fall with 44 people in attendance in September, 38 people in attendance in October; and then a workshop in May 2016, with 224 people in attendance, all to gather citizen input including over 3000 public comments; and then the development of several sets of design proposals with the final proposal developed after the May Workshop including the four recommendations.

Those recommendations are: Recommendation #1 – place double buffered bike lanes on Tomichi Avenue to accommodate bicyclists and lessen the travel lane widths, thereby lowering vehicle speeds; Recommendation #2 – placing RRFBs (rectangular rapid flashing beacons) and small refuge medians on cross walks at the 11th and Tomichi intersection; these features will provide for shorter walking distances but will eliminate straight through north to south travel on 11th Street and no left turns off 11th onto Tomichi; Recommendation #3 – installs a mid-block crossing across Tomichi at Jorgensen Park; and Recommendation #4 – creates a Western Gateway entrance on Highway 50 to slow speeds as recommended by the OVPP. Mayor Hagan stated the priorities are the buffered bike lanes, then 11th Street intersection, the Jorgensen mid-block crosswalk and then the west end gateway project. Mayor Hagan stated the current proposal incorporates the three issues that were raised; safety for kids, bicyclists and pedestrians, preserves parking, and preserves all curb cuts into businesses.

Council gave their responses to the proposals. Councilor Morrison stated she is excited by the plan even if it isn't exactly what was wanted at first. The proposed plan is a collection of all three community workshops. She stated the west end entry project still needs to be designed to help slow traffic. Councilor Schwartz stated it is a good compromise plan but would have liked to see more. Councilor Sovick stated the plan is well done and wanted to know about the maintenance costs and if the median island on 11th and Tomichi can be modified to allow left turns but still utilize the RRFBs to help with safety concerns. Councilor Drexel stated the plan appears to have listened to the public's comments and he appreciates the lower cost of the proposal. Mayor Hagan asked if a warning sign could be placed for oncoming eastbound traffic coming around the Highway 50 curve that can't see the upcoming 11th Street intersection with its crosswalks. Consultant Bill Fox stated that technology does exist and it is a possibility. Community Development Director Westbay stated CDOT has District 3 TAP Grant funds available and the City will be submitting grant applications for these priorities at the end of the month.

Mayor Hagan asked if anyone in the audience wanted to address Council regarding the proposal to come forward and identify themselves. Listed below are a brief synopsis of those comments. Molly Mugglestone, asked why the Tomichi and Main intersection is not a priority. Consultant Bill Fox stated they are working with CDOT on the light sequencing, the buffered bike lanes should slow traffic and there will be an implied shorter crossing distance. Councilor Morrison stated safety at the intersection is a Council priority.

Bob Leach, wanted to clarify there will not be raised medians along Tomichi. That was confirmed except for the small pedestrian safety medians at 11th and Tomichi.

Bill Nesbitt, passed out a letter with the signatures of 25 business owners that have concerns about the plan. He wanted to make sure that any loss of parking spaces due to a future project has a fiscal impact analysis done first on the potential loss of sales tax and business revenues.

Paul Holden, stated the notion that someone shouldn't have to walk a half a block to a business is absurd. He is concerned with the ugly west entrance to town. More people would stop and spend money if it was more inviting. He supports the proposal and would like to see some civic beautification.

Wayne Caska, asked if there were accident statistics for Tomichi Avenue. On a daily basis his customers say they come to Gunnison because it is a nice town, looks good, they like the town's character and the wide streets. He isn't opposed to simple bike lanes but why change it? It was explained that accident statistics could be obtained if needed.

Chris Bergman, asked why a stoplight can't be placed at 11th and Tomichi instead of the medians configuration. The stoplight would also attenuate the traffic to a complete stop and make it safer. It was explained the intersection doesn't meet the Federal guidelines used by CDOT to place stoplights therefore CDOT won't allow one on the State Highway.

Navid Navidi, was insulted by the ugly west end comment. He asked how the plan got from safety issues to bike lanes. It doesn't make sense. Safety hasn't been an issue in the past. If we have more traffic now, don't mix bikes into that traffic.

Randy Boston, passed out a letter and read it to Council. He agreed with Mr. Navidi. The discussion started with safety at Main and Tomichi. He is not in favor of the project. Protected bike lanes cause more accidents than prevent them. The overall cost is preposterous.

Susan Ritchie, commended Council for their vision and stated anything that can be done to slow down traffic is needed for safety. She lives south of Tomichi and it's scary crossing the highway. She agreed that the City could be more attractive. She urges Council to carry on.

Julie Feier, reminded Council of the OVPP/CBTF objective of addressing poverty issues. A more vibrant Gunnison will address valley-wide poverty by improving the economy and job opportunities. Gunnison is the entrance for the entire Valley and improving its place-making is vital to the entire valley. Much more can be done to make the community better.

JR Fullmer, stated for \$1000 he can get a public survey to say the opposite of what's been said on this project. The local businesses are the major sales tax collectors and are the hand that feeds you. He wanted to know the cost to the taxpayers to continue to go through with this project that may or may not help Gunnison.

Nancy Pierce, two years ago she had to go into Tomichi and hold up a stop sign to stop traffic in order to get her summer camp students safely across the street. The plan as presented makes sense for all, both for safety and financially. It is a good compromise.

Cathie Pagano, has safety concerns because getting across Tomichi with her children is scary. They do go and extra 4 blocks to cross at a light. Safety is the primary issue. This plan is a good first step. Having a parking lot in front of your business doesn't necessarily improve business. There is room for aesthetic improvements. She encourages Council to use this plan as a first step and to continue to bring vitality to Gunnison.

Roanne Houck, thanked the Council and planners for all of their work. She is in favor of the revised plan and sees it as a good stepping stone for future changes. People are naturally resistant to change but the extremes have been taken out of the plan. The east entrance to Gunnison is very welcoming.

Eric Rasmussen, only rides a bike or walks. He is a tourist intern. Bike lanes and more walking is the best for him and many people he knows. We need more of those.

Andy Tocke, likes the proposal for 11th Street. Making left turns in the wintertime is fine when traffic is down but now it is almost impossible with the heavy summer traffic. He changes his driving patterns in the summer to use more side streets. Changes need to be made to accommodate

increased volume. The plan may assist turning into businesses. He likes the changes as proposed.

Randy Clark, also took exception to the ugliness comment. He asked about why the bike lanes on Tomichi are for safety. There are bike lanes on New York and Virginia that are safer. Why do we need three bike lanes right together? The consultant explained the bike lanes will narrow the vehicle travel lanes and that should lower vehicle speeds. Additionally, bike lanes will take the bikes off of the sidewalks to make them safer for pedestrians. The bike lanes will also get cyclists to the businesses front door. Mr. Clark replied he has never sold an elk head to a bicyclist.

Andy Boston, his U-Haul business deals with people moving into and out of the valley. People are sad to leave because Gunnison is a beautiful place. He rides his bike and also drives. He wants to know why the bike riding minority want to be on Highway 50 when they can use Virginia or New York. Councilor Morrison responded the bike lanes are a means of slowing vehicle traffic.

Tom Keating, stated he too bikes and drives. We are all equal on the streets and everyone should follow the rules.

Dave Wiens, applauds the Council and the consultants for their work. The proposal is a good compromise. As to the west end businesses, many like JR and Navid have made big investments to improve their businesses.

Michele Gallowich, is glad the medians were removed. This plan is much better but she is concerned with bikes on Tomichi. Some bicyclists ride two or three abreast and that will interfere with traffic and parking on Tomichi. Bicyclists need to follow the rules. She has never seen so much traffic as this summer. Why is CDOT saying no to a stop light at 11th? The consultants replied that the intersection doesn't meet traffic counts that the CDOT-adopted Federal guidelines require. The City can't just place a stop light on state right-of-way.

Nancy Reimer, has concerns about the 11th Street intersection. She owns Pizza Hut and would like to see left turns be available for 11th Street onto Tomichi. The proposed design could impact her business customers and her delivery drivers. She too would like a traffic light installed. It will help control the vehicles speed. She asked how much the consultant has been paid for the project. Director Westbay responded \$100,000 was expended this year.

Paul Tame, likes the compromise, especially no loss of parking spots. Narrowing of the lanes to slow traffic will hopefully get people to stop at the businesses and improve economic vitality of Gunnison for everyone's benefit.

Christine Laudick, believes this compromise is a huge improvement. She is concerned about encouraging kids to ride in the Tomichi bike lanes. The kids need to ride on Virginia and New York. A bike safety rodeo has been going for 3 years and kids still don't follow the rules. She doesn't see any results from the current bike safety education campaigns. She likes narrowing of the lanes and doesn't want the medians.

Matt Brown, is glad to see that no parking spots are going to be removed. He concurs that kids shouldn't be encouraged to use the bike lanes on Tomichi. He asked how many other major US Highways have bike lanes on both sides. The consultant responded Salida, Ouray, Kremmling, Fort Collins and Boulder.

Randy Clark, spoke again and referenced an article on Boulder removing some bike lane projects on Folsom Street. The consultants responded that only a portion of that project was removed.

Jim Gazzolli, stated on the Western Slope, Montrose, Delta, Olathe, and Grand Junction slowed traffic down in their downtowns by installing vehicle by-passes. Maybe CDOT should look at making a by-pass.

Navid Navidi, stated that people were going to pull into parking spaces across the bike lanes with bicycles running back and forth and asked if bikes were being used as bait to slow the traffic down.

Council thanked all of the citizens for their comments. Mayor Hagan stated the four recommendations are prioritized with the buffered bike lane placement at the top, the 11th Street intersection next, then the Jorgensen crossing and last, the west end entry project.

Old Business: None.

New Business: None.

Resolutions and Ordinances:

Ordinance No. 8, Series 2016; Re: Text Amendment to LDC Sections 1.7.K. (rounding up of allowed unit density calculations) and 8.1.C, (allowing variances for dimensional standards irregularities); 1st Reading.

Councilor Schwartz introduced Ordinance No. 8, Series 2016, and it was read by title only by the City Attorney.

Councilor Schwartz moved and Councilor Drexel seconded the motion that Ordinance No. 8, Series 2016, **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, TO AMEND SECTIONS 1, ADMINISTRATION (1.7.K. DENSITY) AND 8, VARIANCES (8.1.C. DIMENSIONAL STANDARDS VARIANCES AUTHORIZED) WITHIN THE CITY OF GUNNISON LAND DEVELOPMENT CODE**, be introduced, read, passed and ordered published on first reading this 12th day of July, 2016.

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

Roll call vote, no: None.

Ordinance No. 9, Series 2016; Re: Amending GMC Title 5. General Offenses, Chapter 5.30 Nuisances (defining City nuisances and abatement procedures); 1st Reading.

Councilor Schwartz introduced Ordinance No. 9, Series 2016, and it was read by title only by the City Attorney.

Councilor Schwartz moved and Councilor Morrison seconded the motion that Ordinance No. 9, Series 2016, **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, AMENDING TITLE 5. GENERAL OFFENSES, CHAPTER 5.30, NUISANCES, OF THE GUNNISON MUNICIPAL CODE**, be introduced, read, passed and ordered published on first reading this 12th day of July, 2016.

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

Roll call vote, no: None.

Ordinance No. 10, Series 2016; Re: Amending GMC Title 5, by adding Chapter 5.50. Undesirable Plant Management and Adopting Undesirable Plan Management Plan (defining undesirable plants/weeds and abatement procedures) 1st Reading.

Councilor Drexel introduced Ordinance No. 10, Series 2016, and it was read by title only by the City Attorney.

Councilor Drexel moved and Councilor Schwartz seconded the motion that Ordinance No.10, Series 2016, **AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, AMENDING TITLE 5. GENERAL OFFENSES, BY ADDING CHAPTER 5.50 UNDESIRABLE PLANT MANAGEMENT, AND ADOPTING AN UNDESIRABLE PLANT MANAGEMENT PLAN IN ACCORDANCE WITH THE COLORADO NOXIOUS WEED ACT**, be introduced, read, passed and ordered published on first reading this 12th day of July, 2016.

Councilor Drexel asked about the designation of the City's Weed Advisory Board and the existence of the County Weed Commission that is already in place. City Attorney Fogo stated that Council can designate whomever and utilizing the existing County Weed Commission for the City's Weed Advisory Board is allowable in the ordinance.

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

Roll call vote, no: None.

Reports:

City Attorney Kathleen Fogo: nothing to report.

Acting City Manager/Police Chief Keith Robinson: no report.

City Clerk Gail Davidson: nothing to report.

Western State Colorado University Student Liaison: absent until fall semester.

Non-Scheduled Citizens: there were no citizens wishing to speak.

City Council Discussion, Meeting Reports, Items for Work Session:
Councilor Drexel: reported he attended no meetings and has no report.

Councilor Sovick: reported the Gunnison Trails Commission didn't meet in July. After last week's Work Session meeting, he visited with the business owners who had appeared at that meeting and talked about their concerns with the Complete Streets Proposal. He also met with Finance Director Cowan about a concern from a solar panel contractor about how the City pays back produced electrical power. The contractor would like the payback to be like the GCEA Policy that appears to be fairer to the solar power producer. Finance Director Cowan offered to meet with the contractor about the issue.

Councilor Schwartz: reported he was out of town and didn't attend any meetings.

Councilor Morrison: reported she didn't attend any meetings but has a question about the status of the Gunnison Rising Trails box culvert under Highway 50. Community Development Director Westbay reported the final trails easement agreements are nearing completion. The issue at the underpass is a buried CenturyLink cable that needs to be relocated. CenturyLink had to get a highway permit to do the work and now the City is waiting on them to do the actual relocation. Director Westbay stated he keeps contacting them about getting the work done so the trail can be officially opened. There is also some drainage issues at the culvert that the City will address. Finance Director Cowan informed Council the restrooms for both the Gunnison Rising Trails and the VanTuyl Ranch Trails have been ordered.

Mayor Hagan: reported he attended a couple of meetings. The first was the Mayors'/Managers' Meeting in Pitkin where that group heard a State Forester presentation. The Mayor also attended the RTA meeting. At that meeting the following was discussed: a request from several businesses in the Sapinero area to be taken out of the RTA tax district was denied by the Board because the tax is a pass-through not paid by the businesses and visitors to that area may be using airline service; and in ground transportation news, there will be an extra bus trip added to both the summer and winter schedules for next year.

Adjournment: Mayor Hagan called for any further discussion from Council, Staff or the public, and hearing none, adjourned the Regular Session meeting at 9:09 P.M.

Mayor

City Clerk



Memorandum

To: City Council
From: Ben Cowan
Date: 7/7/2016
Re: Return to Work Policy

Please find attached a draft return to work policy for your consideration. The impetus for creating such as policy is as follows:

Benefits to the City of Gunnison

- 1) Reduces the likelihood of fraudulent claims.
- 2) Receives some production for wages paid (when a worker is out drawing lost time benefits, there is no production).
- 3) Saves the cost of training other employees or hiring temporary assistance to perform the injured or ill employee's duties.
- 4) Reduces workers' compensation insurance premiums since an active return to work policy would be in place.
 - a. Loss Cost Multiplier – This calculation takes all losses paid by the insurer to determine what pricing tier your company will be placed in - this is the incremental rate that is charged per \$100 in payroll. If a strong return to work program is in place and injured employees are able to return to productive work earlier, the City's total loss will be reduced and possibly qualify the City for a lower pricing tier.
 - b. Experience Modification factor – This is the City's report card for losses. If your company's loss experience is costlier on the average than other company's loss experience in your industry, the result is a debit e-mod. Currently, the City has an e-mod of 1.14 which results in an additional charge of \$17,080.
 - c. Scheduled credits – This section is an area the underwriter can apply credits or debits to the account based on their overall comfort of the risk. If losses are trending upward the underwriter may need to debit the account to cover anticipated losses. If a company is working hard to provide a safe environment and put measures in place to respond after an injury, the underwriter will have more confidence in applying credits to the account.
- 5) Demonstrates the City's compliance with and support of various legal provisions of the Family Medical Leave Act (FMLA) and the Americans with Disabilities Act (ADA).

Benefits to the Employee

- 1) Increases their self-esteem, minimizing feeling of guilt for having been injured.
- 2) Promotes better morale among all workers since they may not have to absorb other employees' duties on a temporary basis.

July 7, 2016

- 3) Provides another benefit that can help attract and retain quality employees – a benefit that costs the City nothing.
- 4) Maintains social contact with fellow employees, which enhances recovery and encourages a faster recovery.
- 5) Reduces the negative financial impact many injured workers experience due to lost time.

When Gunnison Valley Family Physicians discontinued the acceptance of workers' compensation patients, one of the reasons they cited included a lack of communication with the employer (among other things). The communication afforded by the Medical Evaluation Form allows the medical profession to assist with getting the employee back to performing his or her essential duties more quickly as well as prevent delayed recovery due to further injury.

We realize that the proposed policy will not solve all employee/employer problems in returning injured workers to their jobs. For instance, alternative assignments are rarely available in the Public Works Department. However, we believe this policy as proposed will help to facilitate an early return to work for injured employees, deriving at least some of the benefits listed above. In practice, most of the tenets of the proposed policy are already followed by the City, and having a formalized policy in place is desirable.



Return to Work Policy

Adopted by City Council July 26, 2016

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SECTION 1 PURPOSE

This policy is in place to ensure the City of Gunnison provides meaningful work activity for employees who are temporarily unable to perform all, or portions, of their regular work assignments or duties. This policy applies to employees suffering from either work or non-work related injury or illness. The goal is to allow valued city employees to return to productive, regular work as quickly as possible if alternative assignments are available. By providing temporary transitional or modified work activity, injured and recovering employees remain an active and vital part of the City of Gunnison. Studies show that a well-constructed Return to Work Policy reduces lost time days, allows workers to recover more quickly and makes for a more positive work environment.

SECTION 2 SCOPE

All active employees who become temporarily unable to perform their regular job duties due to a compensable work related or non-work related injury or illness may be eligible for transitory work duties within the provisions of this program, provided that alternative assignments are available. Return to work tasks may be in the form of:

- A. Changed duties within the scope of the employee's current position.
- B. Other available jobs for which the employee qualifies outside the scope of his or her current position.
- C. An altered schedule of work hours.

SECTION 3 DEFINITIONS

Transitional duty is a therapeutic tool used to accelerate an injured employee's return to work by addressing the physical, emotional, attitudinal and environmental factors that otherwise inhibit a prompt return to work. These assignments are meant to be temporary and may not last longer than 90 days, though multiple back-to-back 90-day assignments are allowable if it is medically warranted.

Alternate duty is a part of the City of Gunnison's Return to Work Policy that is designed as a placement service for individuals who have reached maximum medical improvement and are still unable to perform the essential functions of their pre-injury job.

SECTION 4 APPLICABILITY

4.1 LENGTH OF DUTY

If work is available that meets the limitations or restrictions prescribed by the employee's attending medical provider, that employee may be assigned transitional or modified work for a period not to exceed 90 days. Transitional or light duty is a temporary program, and an employee's eligibility in these reduced assignments will be based strictly on medical documentation and recovery progress.

4.2 DAILY APPLICATION

An employee's limitations and restrictions are effective 24 hours a day. Any employee who fails to follow his or her restrictions may cause a delay in healing or may further aggravate the condition. Employees who disregard their established restrictions, whether they are at work or not, may be subject to disciplinary action up to and including termination.

4.3 QUALIFICATION

Transitional or modified duty will be available to employees on a fair and equitable basis with temporary assignments based on skill and abilities, if such assignments are available within the employee's department. Availability will be determined upon the sole discretion of the Department Head and/or the City Manager. Eligibility will be based upon completion of the Return to Work Evaluation Form by the employee's attending medical professional. An employee on modified duty will be considered part of the regular shift staffing, with recognition of the employee's limitations within the department.

SECTION 5 RESPONSIBILITIES

The following responsibilities apply to various levels within the City of Gunnison.

- A. The City's management staff will ensure the policy's enforcement among all levels at the City of Gunnison and will actively promote and support this policy and the Return to Work Program as a whole.
- B. Supervisors will support the employee's return to work by identifying appropriate modified assignments and ensuring the employee does not exceed the medical professional's set restrictions. Supervisors will also stay in regular contact with absent employees and communicate the City's attendance expectations clearly.

They are also responsible for reporting any problems with employees and this policy to Human Resources or the City Manager.

- C. Injured workers will notify their supervisors in a timely manner when their condition requires an absence. They will closely follow their medical professional's treatment plan and actively participate in the City of Gunnison's Return to Work Program, which includes following all the guidelines of this policy. Injured employees will also help supervisors identify potential options for transitional duties. While supervisors are responsible for maintaining constant communication with the injured employee, the worker also has the obligation to maintain contact with the City of Gunnison about their condition and status. The injured worker will complete all required paperwork in a timely manner.

SECTION 6 PROCEDURE

6.1 WORK SCHEDULE

The City of Gunnison will do everything in its power to tailor the restricted work schedule to the injured employee's normal, pre-condition work schedule. However, depending on the job limitations, it may be necessary for the employee to take on a specifically designed, temporary schedule to accommodate these restrictions.

6.2 PAYMENT OF WAGES

- A. If qualified authorities determine an employee's injury is work related, the City of Gunnison will pay benefits and wages in accordance with the state workers' compensation statute and with the Employee Handbook. If an employee on modified duty is unable to report to work, the employee may then be charged for up to eight hours of sick leave per shift.
- B. Employees performing modified duty on a restricted work week (during the first 90 days of workers' compensation leave) will receive payment for hours worked from the City, while hours not worked will be reimbursed according to workers' compensation guidelines.
- C. An employee performing transitional duty for a non-work related injury or illness on a normal work schedule shall receive an hourly rate for all time worked that may not necessarily equal the full-duty hourly rate.
- D. Employees performing transitional duty on a restricted workweek following a period of short-term disability (STD) may receive a combination of regular pay

and partial disability benefits. The employee and Human Resources will work out this combination on a case-by-case basis.

- E. If employees take vacation or there is a holiday during restricted duty, they are entitled to their regular vacation selection or holiday pay as it would apply to normal, non-restricted duty.

6.3 COMMUNICATION EXPECTATIONS

If an employee is unable to work in any capacity and the City approves of the absences, the employee must stay in constant communication with Human Resources and the direct supervisor. Each must receive an update of the employee's medical status on at least a weekly basis. Failure to do so may result in a reduction in available benefits and discipline up to and including termination.

6.4 MEDICAL APPOINTMENTS

- A. Employees may use time off for medical appointments if they have it available and if they coordinate the absence in advance with their supervisor. Non-emergency medical appointments not scheduled in advance may be cause for denial of time off and/or use of leave time.
- B. The employee's medical provider must complete the City of Gunnison Return to Work Evaluation Form for each visit to evaluate the impairment. It is the employee's responsibility to inform the City of Gunnison of his or her medical status after each doctor visit. This applies to both work related and non-work related injuries and illnesses that interfere with assigned.

6.5 EMPLOYEE PROCEDURES

- A. In the event an injury or illness is work related, report it to your supervisor immediately, or no later than the end of the shift on which the injury occurs. Complete the Employee's First Report of Injury Form.
- B. In the event an injury or illness occurs outside of work, report it to your supervisor immediately, or no later than the start of the first shift following the date of injury.
- C. Let your supervisor know that you are seeking medical treatment and obtain a Return to Work Evaluation Form. The Return to Work Evaluation form must be completed for each practitioner visit regardless of your choice of physician and regardless whether the condition is work related or not.

- D. Participate in the Return to Work Program on temporary transitional work for up to 90 days while your medical provider and supervisor continuously review your condition.

SECTION 7 REFUSAL TO PARTICIPATE

If you are unable to return to your regular job but are capable of performing transitional duty, you must return to transitional duty. Employees who choose not to participate in the City of Gunnison Return to Work Program or follow all regulations in this Return to Work Policy may become ineligible for state workers' compensation benefits. In some cases, refusal to participate may be a basis for termination. Unpaid Family Medical Leave may apply upon refusal and disability benefits will cease.

SECTION 8 FAMILY MEDICAL LEAVE

In the case of reduced work time, the Family Medical Leave and Partial Disability programs may apply to compensate for lost wages due to fewer hours. Contact Human Resources for further details.

SECTION 9 EMPLOYEE ACKNOWLEDGEMENT

The City of Gunnison's primary goal is to accommodate injured and recovering workers by identifying or modifying jobs to meet their physical capacities and allowing them to return to work as quickly and smoothly as possible. The City is committed to individualizing return to work programs based around the individual's physical capabilities and will review all task assignments regularly to ensure duties are appropriate.

We are committed to early return to work and recognize that it speeds up the recovery process and reduces the likelihood of permanent disability. employees are expected to show the same commitment to the program by following the Return to Work Policy and all guidelines of the Return to Work Program. The Return to Work Program requires a team approach, so employees are expected to cooperate with the management team, supervisors and medical staff should they ever become injured and unable to perform your full job duties.

Prior to working on any City of Gunnison job site, each employee is expected to have read the entire Return to Work Policy, which includes the following sections:

- Purpose
- Scope

- Applicability
- Responsibilities
- Procedure
- Refusal to Participate
- Family Medical Leave

If you have any uncertainty or questions regarding the content of these policies, you are required to consult your supervisor. This should be done prior to signing and agreeing to the City of Gunnison Return to Work Policy.

I am aware of and have read the City of Gunnison's Return to Work Policy, and I understand the requirements and expectations of me as an employee. Should I become injured or ill and unable to carry out my regular duties, whether it happens inside or outside the workplace, I fully recognize the City of Gunnison's expectations of me during my recovery. I also know that the City of Gunnison reserves the right to pay less than my full-duty rate during transitional work if it is justified.

I understand that if I choose not to participate in the Return to Work Program or follow this policy's guidelines, I may become ineligible for state workers' compensation benefits. In some cases, my refusal may be grounds for termination.

Employee Signature: _____

Date: _____



City of Gunnison

Dear Medical Professional:

City of Gunnison would like to assist in the transition to full duty work for employees suffering from either work or non-work related injury or illness. We are able to accommodate many restrictions you believe fit to ensure a full recovery. This includes, but is not limited to, modified hours, duties and flexibility to continue medical treatment.

Please complete the attached form, or your comparable version of this form, outlining any restrictions assigned to this employee. Please understand that the ultimate objective is a return to full duty employment, and we ask that you keep this in mind when establishing a treatment plan.

If our employee is unable to return to work immediately, please call the City of Gunnison Finance Department. Should you have any questions or need to review additional information, please contact us at 970-641- 8070.

Sincerely,

City of Gunnison



Return to Work Medical Evaluation Form

Your cooperation in completing this form is vital to our efforts in determining the work potential of your patient. Our goal is to return the injured or ill City of Gunnison employee to his or her full working capacity as soon as possible. Thank you for your assistance.

Please print

Employee's Name: _____ SS#: _____

Date of injury/surgery/onset of illness: _____ Date of exam: _____

Diagnosis or description of injury/surgery/illness: _____

The patient's return to work status is:	The patient's restrictions or limitations are:	The patient can perform them:		
		Frequently	Occasionally	Not at all
<input type="checkbox"/> Return to regular work Date: _____	<input type="checkbox"/> Lifting above shoulders	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Able to return to work with noted restrictions Date: _____	<input type="checkbox"/> Lifting from below knees	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Unable to return to work until next evaluation Date: _____	<input type="checkbox"/> Twisting of upper body	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/> Referred to another health care provider Name: _____ Date: _____	<input type="checkbox"/> Climbing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/> Squatting, kneeling or crawling	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/> Repetitive wrist movement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/> Repetitive feet movement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/> Operating industrial equipment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/> Driving company vehicle or tractor/trailer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/> Exposure to dust or fumes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/> Exposure to skin irritants, solvents	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/> Must wear hearing protection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/> Must wear eye protection	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	<input type="checkbox"/> Alternate sitting and standing every ___ hours			
	<input type="checkbox"/> Limit standing to ___ hours a day			
	<input type="checkbox"/> Limit daily work to ___ hours a day			
	<input type="checkbox"/> Under medication that could affect ability to work Please explain: _____			
Lifting restrictions				
<input type="checkbox"/> None				
<input type="checkbox"/> 40-50 lbs.				
<input type="checkbox"/> 30-39 lbs.				
<input type="checkbox"/> 20-29 lbs.				
<input type="checkbox"/> 10-19 lbs.				
<input type="checkbox"/> less than 10 lbs.				

Follow-up plan of treatment None Return visit on _____ at _____ a.m./p.m.

Additional comments: _____

Health care provider's signature _____

Health care provider's name (please print) _____

Date signed _____

Phone number (include area code) _____

Street address _____

City, State and Zip code _____



Pre-Employment Screening Policy

Adopted by City Council **July 26, 2016**

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SECTION 1 PURPOSE

Hiring incompetent, unqualified or disruptive employees exposes the City of Gunnison to loss of productivity, morale issues, administrative costs, and potential liability. The City of Gunnison can minimize these risks by conducting thorough pre-employment screening.

SECTION 2 SCOPE

This policy applies to the hiring of all employees. Screening can include employment references, criminal history, background and credit reports.

The City must have a clear “business necessity” before excluding applicants with poor credit, arrest records or criminal convictions. A business necessity is a legitimate business purpose that justifies a hiring decision as effective and needed to optimally achieve the City of Gunnison’s goals and ensure that operations run safely and efficiently.

Care is needed to avoid improperly obtaining information relating to applicants’ disabilities, protected class status, genetic and medical information.

If you have questions regarding these matters, consult with Human Resources. Some screening may first require a Disclosure and Authorization Form be completed by the applicant. Some screening questions may only be legally asked after the applicant has been given a conditional job offer.

SECTION 3 EMPLOYMENT REFERENCES

- A. The City of Gunnison must conduct reference checks to assist with employment decisions. Employment references are important to evaluate applicants’ experience and capabilities. These should be thorough and documented but avoid subjects unnecessary for performance of the actual job.
- B. The City will limit reference inquiries to job-related questions, avoiding questions which are improper under federal or state pre-employment inquiry guidelines.
- C. The City should ask former employers if they have any reason to doubt the applicant’s reliability and trustworthiness and inquire as to whether they are aware of any documented and substantiated violent, criminal, or harassing conduct by the applicant. They must ask about the applicant’s skills, performance, working with others including the public, compliance with employer policies, etc.
- D. The City shall maintain documentation on all information received from references as well as unsuccessful attempts to obtain information. The date of reference, the

person conducting the reference, the name and position of the person talked to, and his or her working relationship to the applicant will be documented.

SECTION 4 CRIMINAL HISTORY

A. Arrests

- (1) Arrests are not proof that criminal conduct has occurred. The Equal Employment Opportunity Commission (EEOC) states that disqualifying applicants based on arrest records can have a disproportionate impact on applicants based on a protected class and, thus, violate civil rights laws.
- (2) The City of Gunnison shall not base employment decisions on arrests.
- (3) Since the mere request for arrest information tends to discourage applicants in protected classes, the City of Gunnison will not ask questions about arrests.
- (4) The City of Gunnison is aware the State of Colorado may seal records of arrests not resulting in convictions. The City of Gunnison will not ask questions about sealed records.

B. Convictions

- (1) Unlike arrests, convictions are considered proof that criminal conduct has occurred. Any decision to refuse to hire an applicant based on criminal history, including misdemeanor and felony convictions, will focus on the nature of the crime and on crimes which have a direct relationship to the job duties of the position the applicant is pursuing. An adverse hiring decision will be communicated to the applicant and filed with the applicant's application.
- (2) The City of Gunnison shall consider at least the nature of the crime, the seriousness of the crime, the time elapsed, and the relevancy of the conviction or charge offense as it relates to the job duties. Applicants excluded by this screening will be given notice of such. This notice shall offer the applicant an opportunity to provide additional information demonstrating that the exclusion should not be applied. Such notice may be verbal but must be documented by the City.

SECTION 5 FAIR CREDIT REPORTING ACT (FCRA)

- A. The Fair Credit Reporting Act (FCRA) applies to any employer who receives a "consumer report" from a "consumer reporting agency." A "consumer report" is any oral or written communication which bears on a person's credit worthiness,

credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living.

- B. Before acquiring a consumer report, the City must notify the subject of the report that one may be obtained and obtain the subject's written authorization via the Disclosure and Authorization Form.
- C. When employment is denied based either wholly or in part on information obtained in a consumer report, the City must provide the applicant with a copy of the report, a summary of rights document, and, if the report is in error, an opportunity to provide the City with more correct or more complete information prior to taking adverse action. Upon taking adverse action, the City must supply the applicant written notice of the adverse action including among other things contact information of the consumer reporting agency.
- D. The City of Gunnison limits pre-screening credit inquiries to situations where the employee is executive or management personnel, an officer, or professional staff and where credit is "substantially related to the employee's current or potential job."

SECTION 6 STATUTORY LIMITATIONS

- A. Under the Americans with Disabilities Act (ADA), before a conditional job offer has been made, the City may not request any disability information about a job applicant from a former employer that the City could not ask of the job applicant directly.
 - (1) The City may not make inquiries of a former employer regarding an applicant's disability, the nature or severity of the disability, illness, or workers' compensation history.
 - (2) Questions regarding attendance, job functions, and the quantity and quality of work performed by the former employee are allowed.
- B. Title VII of the Civil Rights Act (Title VII)
 - (1) As with the ADA, under Title VII, the City of Gunnison may not request any information relating to protected class status from a reference that the City could not obtain from the job applicant directly. For example, inquiries regarding protected class status such as age, race, sex, religion, or national origin can lead to discrimination claims as these are impermissible basis for employment decisions.
 - (2) Some inquiries may violate Title VII even if they do not expressly relate to a protected class if they have a disparate impact on a particular group of individuals. Such inquiries may be upheld, however, where the inquiry is a job-related connection and consistent with business necessity. For

that reason, all inquiries should have a clear connection to the position for which the applicant is applying.

- (3) The City of Gunnison will not inquire if an applicant has ever filed legal claims, such as discrimination charges, against a former employer.
- (4) If the City of Gunnison conducts a social media search, it may learn about the protected statuses of applicants by information they reveal on social media posts, pages, or profiles. If the City of Gunnison learns such information, it will take steps to ensure that it is not used in the hiring process.

C. Genetic Information Nondiscrimination Act (GINA)

- (1) The GINA prohibits the City of Gunnison from requesting genetic information about applicants. While the City of Gunnison does not make such inquiries of applicants, the City of Gunnison could come across this information in a pre-employment medical examination or through a social media screen.
- (2) The City of Gunnison will guard against receipt of genetic information in medical examinations by ensuring that health care providers only tell the City whether the employee is currently physically able to perform the essential functions of the job. Any genetic information that the health care provider must gather to make that assessment should stay with the health care provider.
- (3) Social media searches may also reveal genetic information. For example, an applicant's Facebook page reveals that she has just completed a breast cancer walk. She also reveals that her mother died of breast cancer and that she has the gene that puts her at increased risk of developing breast or ovarian cancer. The City of Gunnison must ensure that this information is kept confidential and does not affect an employment decision about that employee.

D. Age Discrimination in Employment Act (ADEA)

- (1) The Age Discrimination in Employment Act (ADEA) prohibits discrimination based on age against employees who are at least 40 years old. It also prohibits employers from retaliating against an applicant or employee for asserting his or her rights under the ADEA.
- (2) The ADEA prohibits age discrimination in all terms and conditions of employment including hiring.

E. Colorado Anti-Discrimination Act (CADA)

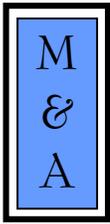
- (1) The Colorado Anti-Discrimination Act (CADA) prohibits discrimination based on a person's sexual orientation (including transgender status), religion, disability, race, creed, color, sex, age, national origin or ancestry.
- (2) The statute makes it illegal for Colorado employers to refuse to hire any member of the protected classes listed above.

F. Special Industry Regulations

Federal and state laws and regulations govern the employment of individuals with specific convictions in certain industries or positions. The City of Gunnison shall comply with applicable laws and regulations when making hiring decisions.

G. Other Federal or State Laws

The City of Gunnison will guard against discrimination based on any other status protected by state or federal law



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July 26, 2016

**City Council
City of Gunnison
P.O. Box 239
Gunnison, Colorado 812530**

We have audited the financial statements of City of Gunnison (the "City") for the year ended December 31, 2015. Professional standards require that we provide you with the following information related to our audit.

Qualitative Aspects of Accounting Policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in the Notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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

Estimated useful lives for depreciation on fixed assets: Management's estimate of depreciation is based on industry practice and experience. We evaluated the key factors and assumptions used to develop the useful lives used in determining depreciation and found that it is reasonable in relation to the financial statements taken as a whole.

Allowance for Uncollectible Accounts: Management's estimate of uncollectible accounts receivable is based on their experience with customers and developers, together with actual collections history since year-end. At December 31, 2015, there was no allowance for uncollectible accounts, since all receivables are considered collectible. We believe this estimate is reasonable relative to the financial statements taken as a whole.

Difficulties Encountered in Performing the Audit

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

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. None of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

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Disagreements with Management

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

Management Representations

As is required in an audit engagement we have requested certain representations from management that are included in the management representation letter.

Recommendations

We noted certain matters which you may want to consider for fiscal year 2016:

Utility Billing

A fundamental part of a good internal control system is that no single individual will have access to both an asset and its related reconciliation. Management interviews indicated that the utility billing clerk has the ability to accept cash receipts and also to adjust utility accounts. In order to properly segregate account adjustment from the related bill or receipt, the billing adjustment report should be reviewed periodically by an individual uninvolved in the utility billing process.

Tap Fees Billing

In order to ensure that utility billing accounts are properly initiated upon tap fee sale, the Community Development department should require notice of account set up from Finance prior to issuing a final building permit. This will help reduce the possibility of unbilled utility usage.

Annual inventory of all Fixed Assets

Colorado revised statutes (29-1-506) require governments to conduct an annual inventory of all assets with a cost of greater than \$5,000. The City complies with this by properly tracking assets. An additional step should be considered of providing the asset listings kept by the Finance Department to all City departments to ensure their accuracy.

We have already discussed these comments with management, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This report is intended solely for the information and use of the City Council, management, and others within the organization and is not intended to be, and should not be, used by anyone other than those specified parties.

Sincerely,

McMahan and Associates, L.L.C.
July 26, 2016

**City of Gunnison
Gunnison, Colorado**

**Financial Statements
December 31, 2015**

**City of Gunnison, Colorado
Financial Report
December 31, 2015**

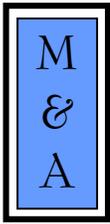
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**City of Gunnison, Colorado
Financial Report
December 31, 2015**

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INDEPENDENT AUDITOR'S REPORT

**To the Mayor and City Council
City of Gunnison**

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Gunnison (the "City"), as of and for the year ended December 31, 2015, which collectively comprise the City's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Gunnison as of December 31, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Other Matters

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

The budgetary comparison information in section E is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's financial statements as a whole. The combining non-major fund financial statements, individual fund budgetary comparison information found in Section F, and the *Local Highway Finance Report* listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the financial statements. The combining non-major fund financial statements, individual fund budgetary comparison information found in Section F, and the *Local Highway Finance Report* are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The 2015 information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements for the year ended December 31, 2015, taken as a whole. The City's financial statements for the year ended December 31, 2014, which are not presented with the accompanying financial statements, were audited by other auditors whose report thereon dated May 18, 2016, expressed unqualified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information. Their report on the 2014 combining non-major fund financial statements and individual fund budgetary comparison information stated that, in their opinion, such information was fairly stated in all material respects in relation to the basic financial statements for the year ended December 31, 2014, taken as a whole.

**McMahan and Associates, L.L.C.
Avon, Colorado
July 26, 2016**

MANAGEMENT'S DISCUSSION AND ANALYSIS

City of Gunnison, Colorado

Management's Discussion and Analysis December 31, 2015

As management of the City of Gunnison ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2015.

Background Information

The City was incorporated in 1880. The predominant fund approach for the City is comprised of six basic funds: the General Fund, two Special Revenue Funds, one Enterprise Fund, and one Internal Service Fund and a Fiduciary Fund.

Financial Highlights

- The City had an increase in net position of \$1,382,481. The increase was attributable to investments in capital assets, most notably the \$1,005,303 acquisition of a sixteen-acre parcel of land referred to as the Lazy K, along with improvements to City Hall and the dog park.
- The City's governmental funds combined fund balances increased by \$345,359 due to deferral of numerous capital projects in the General Fund including demolition of the old city shop facility, partial construction of a new firetruck, and the installation of five restroom facility on city properties.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements include three components: 1) government-wide financial statements; 2) fund financial statements; and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements: The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

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

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (i.e. uncollected taxes and earned but unused vacation leave.)

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities). The governmental activities of the City include general government, public safety, streets, and parks and recreation. The business-type activities of the City include electric, water, sewer, refuse, communications and recreation services.

Overview of the Financial Statements (continued)

The government-wide financial statements can be found on pages C1 and C2 of this report.

Fund financial statements: A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental, proprietary and fiduciary funds.

Governmental funds: Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City adopts an annual appropriated budget for all funds to demonstrate compliance with the State budget statutes.

Proprietary funds: The City reports two categories of proprietary funds - Internal Service and Enterprise. The Fleet Service Fund, an internal service fund, provides vehicle and equipment replacement and maintenance services to the City's governmental and enterprise activities. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for each of the business-type services provided by the City, each of which is considered to be a major fund of the City.

The basic proprietary fund financial statements can be found on pages C7 through C9 of this report. The City also presents a budgetary comparison for its proprietary funds.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The Notes to the Financial Statements can be found on pages D1 through D20 of this report.

Overview of the Financial Statements (continued)

Government-wide Financial Analysis: The largest portion of the City's assets is reflected in the investment in capital assets (i.e. land, buildings, improvements, and equipment). Capital assets account for 72% of the total assets. The City uses these assets to provide services to its citizens. Accordingly, these assets are not an available source for payment of future spending. Of the remaining net position, the City's restricted net position has changed as follows:

	<u>1/1/15</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/15</u>
<i>General Fund:</i>				
Emergency reserves	\$ 217,487	\$ 31,513	\$ -	249,000
<i>Conservation Trust:</i>				
Recreation	33,869	-	5,231	28,638
	<u>\$ 251,356</u>	<u>\$ 31,513</u>	<u>\$ 5,231</u>	<u>277,638</u>

The following graphs show the City's net position for 2014 and 2015:

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Assets:						
Current and other assets	\$ 5,915,721	\$ 5,901,609	\$ 7,024,240	\$ 7,735,835	\$ 12,939,961	\$ 13,637,444
Capital assets	12,855,139	10,879,603	15,800,020	16,399,862	28,655,159	27,279,465
Total Assets	<u>18,770,860</u>	<u>16,781,212</u>	<u>22,824,260</u>	<u>24,135,697</u>	<u>41,595,120</u>	<u>40,916,909</u>
Liabilities:						
Other liabilities	406,328	430,951	688,435	1,166,351	1,094,763	1,597,302
Long-term liabilities	239,809	223,983	6,739,109	7,024,655	6,978,918	7,248,638
Total Liabilities	<u>646,137</u>	<u>654,934</u>	<u>7,427,544</u>	<u>8,191,006</u>	<u>8,073,681</u>	<u>8,845,940</u>
Deferred Inflow of Resources:						
Unavailable property tax revenue	282,019	267,917	-	-	282,019	267,917
Unavailable revenue - Other	43,465	-	10,422	-	53,887	-
Total deferred inflow of resources	<u>325,484</u>	<u>267,917</u>	<u>10,422</u>	<u>-</u>	<u>335,906</u>	<u>267,917</u>
Net Position:						
Net investment in capital assets	12,855,139	10,879,603	9,295,020	9,595,542	22,150,159	20,475,145
Restricted	277,638	251,356	545,661	548,304	823,299	799,660
Unrestricted	4,666,462	4,727,402	5,545,613	5,800,845	10,212,075	10,528,247
Total Net Position	<u>\$ 17,799,239</u>	<u>\$ 15,858,361</u>	<u>\$ 15,386,294</u>	<u>\$ 15,944,691</u>	<u>\$ 33,185,533</u>	<u>\$ 31,803,052</u>

Overview of the Financial Statements (continued)

At the end of the current fiscal year, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same report can be made for the prior year.

The following chart is a summary of the City's Change in Net Position:

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$ 1,342,623	\$ 377,079	\$ 8,322,428	\$ 8,060,781	\$ 9,665,051	\$ 8,437,860
Operating grants & contributions	138,861	858,767	-	11,684	138,861	870,451
Capital grants & contributions	-	61,231	212,183	123,155	212,183	184,386
General revenues:						
Property taxes	261,095	259,786	-	-	261,095	259,786
Sales and use taxes	5,109,461	4,781,635	1,479,023	1,392,400	6,588,484	6,174,035
Other taxes	905,616	751,086	-	-	905,616	751,086
Investment earnings and other revenue	397,346	137,109	34,743	112,364	432,089	249,473
Total Revenues	8,155,002	7,226,693	10,048,377	9,700,384	18,203,379	16,927,077
Expenses:						
General government	1,484,428	1,033,525	-	-	1,484,428	1,033,525
Public safety	2,252,939	2,045,998	-	-	2,252,939	2,045,998
Streets	1,609,835	2,393,406	-	-	1,609,835	2,393,406
Parks & recreation	1,092,035	1,205,251	-	-	1,092,035	1,205,251
Economic development	251,945	232,500	-	-	251,945	232,500
Electric	-	-	5,638,870	5,508,113	5,638,870	5,508,113
Water	-	-	572,264	677,987	572,264	677,987
Sewer	-	-	1,085,223	1,091,934	1,085,223	1,091,934
Refuse	-	-	534,664	502,188	534,664	502,188
Communications	-	-	665,437	607,514	665,437	607,514
Recreation	-	-	1,633,258	1,435,327	1,633,258	1,435,327
Total Expenses	6,691,182	6,910,680	10,129,716	9,823,063	16,820,898	16,733,743
Change in Net Position before transfers						
	1,463,820	316,013	(81,339)	(122,679)	1,382,481	193,334
Transfers	477,058	(93,510)	(477,058)	93,510	-	-
Change in Net Position	1,940,878	222,503	(558,397)	(29,169)	1,382,481	193,334
Net Position - Beginning	15,858,361	15,635,858	15,944,691	15,973,860	31,803,052	31,609,718
Net Position - Ending	\$ 17,799,239	\$ 15,858,361	\$ 15,386,294	\$ 15,944,691	\$ 33,185,533	\$ 31,803,052

Governmental activities: Governmental activities increased the City's net position by \$1,940,878. Key elements of this increase are seen above.

Overview of the Financial Statements (continued)

Business-type activities: Business-type activities decreased the City's net position by \$547,975. Key elements of this change are as follows:

- Transfer to governmental activities of \$477,058 to support the acquisition of the Lazy K parcel.

Financial Analysis of the City's Funds

As mentioned on page B1 of this analysis, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Available Resources: Available resources is defined as current assets minus current liabilities. Such information is useful in assessing the City's financing requirements by focusing on near term inflows, outflows, and balances of spendable resources. In particular, unreserved available resources (or fund balance in governmental funds) may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

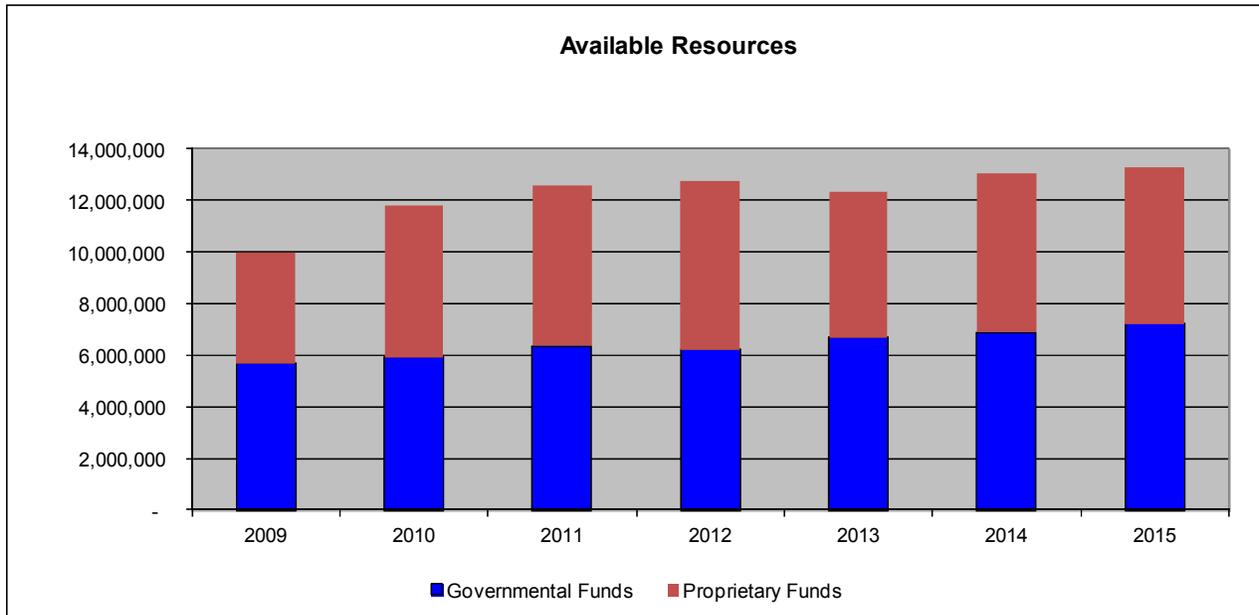
The City's available resources for 2015 is charted below:

	<u>Beginning Available Resources</u>	<u>Increase (Decrease)</u>	<u>Ending Available Resources</u>	<u>2015 Expenditures</u>	<u>% of EAR to Expenditures</u>
Governmental Funds:					
General Fund	4,488,045	281,420	4,769,465	8,343,547	57%
Conservation Trust Fund	33,870	(5,232)	28,638	47,667	60%
Ditch Fund	262,095	69,169	331,264	27,477	1206%
Firefighters' Pension Fund	2,128,371	(43,853)	2,084,518	163,845	1272%
Business Type Funds:					
Enterprise Fund					
Electric Department	1,294,732	(287,825)	1,006,907	5,638,870	18%
Water Department	871,958	17,965	889,923	622,264	143%
Waste Water Department	1,570,668	70,861	1,641,529	1,185,223	138%
Refuse Department	769,101	91,163	860,264	534,664	161%
Communications Department	125,288	1,222	126,510	665,437	19%
Recreation Department	1,911,213	(412,490)	1,498,723	2,083,258	72%
Internal Service Fund:					
Fleet Management	418,735	(364,193)	54,542	748,238	7%
	<u>13,874,076</u>	<u>(581,793)</u>	<u>13,292,283</u>	<u>20,060,490</u>	<u>66%</u>

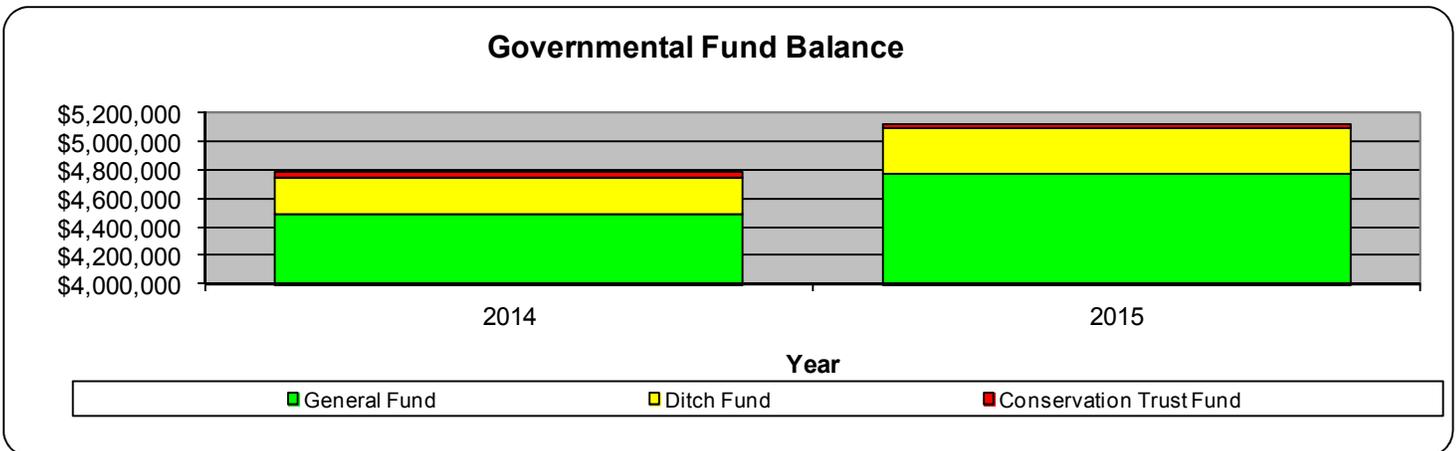
Financial Analysis of the City's Funds (continued)

Available Resources (continued):

The following chart represents the City's available resources for the past several years:



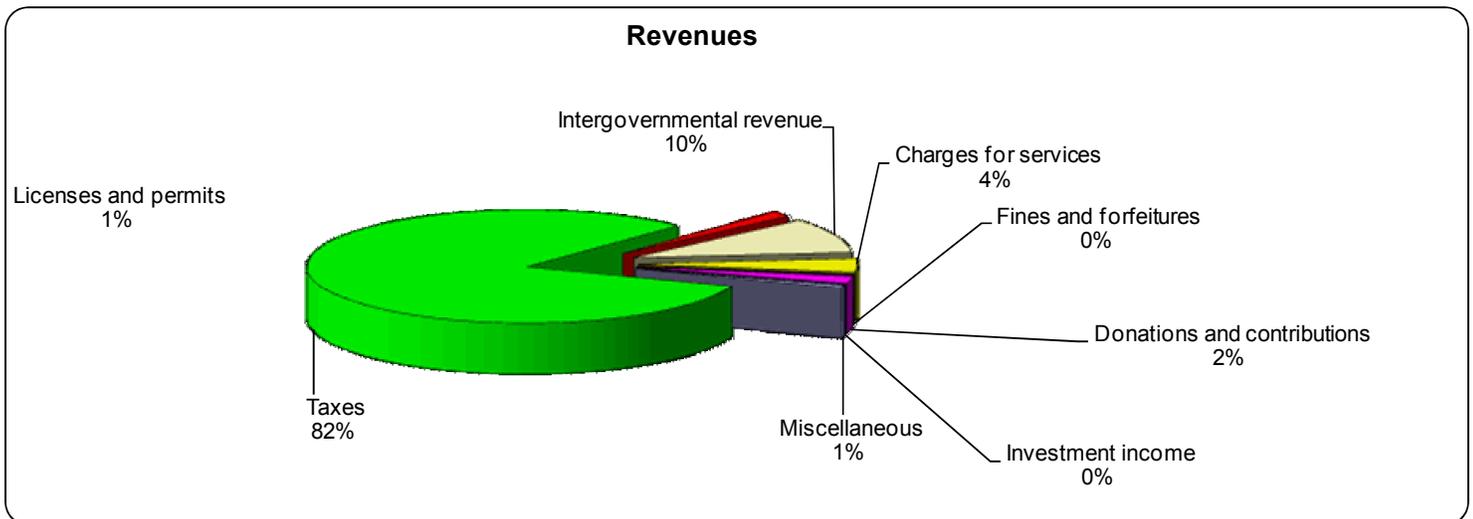
Governmental funds: The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$5,129,366, an increase of \$345,539 from the prior year ending fund balances. The City's fund balances for past two years are presented in graph format below.



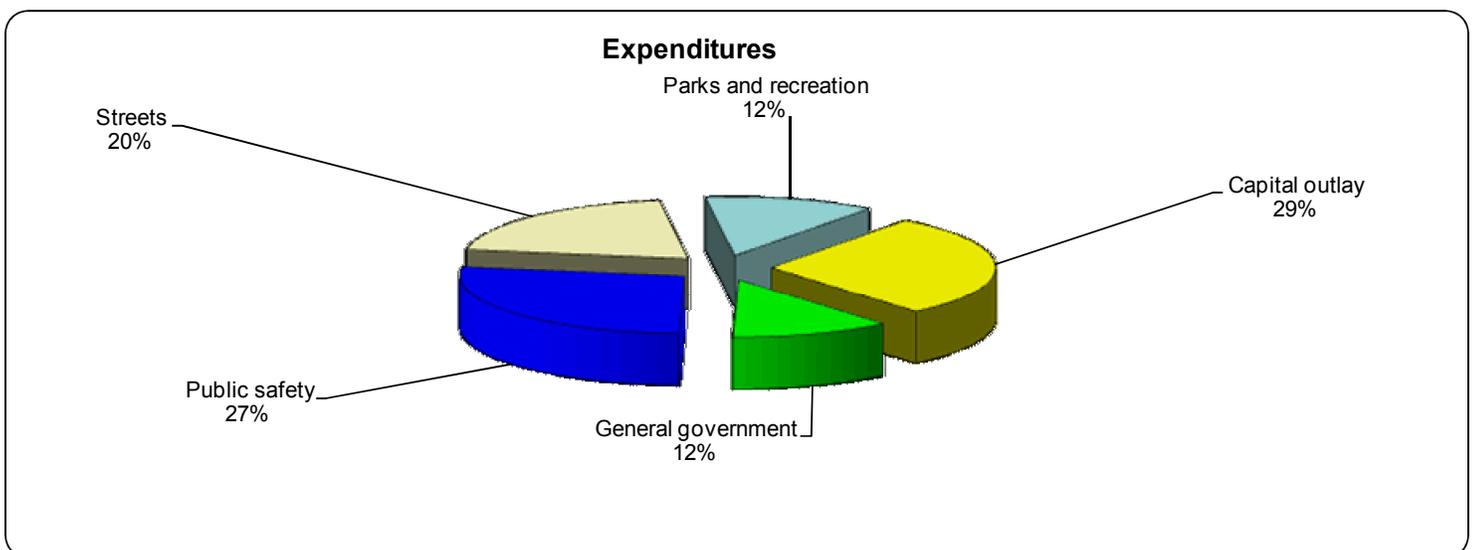
Financial Analysis of the City's Funds (continued)

Governmental funds (continued):

The City's total governmental funds' revenues were from the following sources:



The following is a graph of the City's governmental funds' expenditures by function for 2015:



Proprietary funds: The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Financial Analysis of the City's Funds (continued)

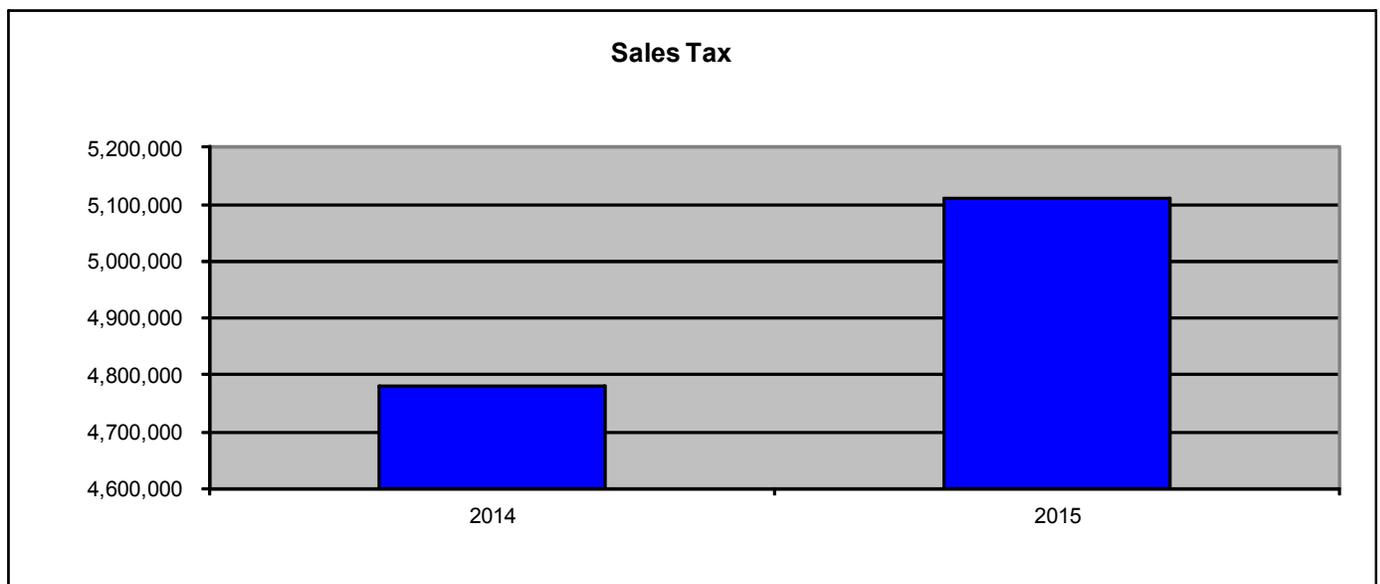
Budget variances in the General Fund: The City's significant General Fund budget variances are detailed as follows:

	Final Budget	Actual	Variance	Reason
Revenues:				
Sales & Use	4,869,257	5,131,304	262,047	Conservatism in budgeting
Other taxes	114,410	396,243	281,833	Conservatism in budgeting due to volatility of severance taxes
Total Revenues	6,852,340	7,609,830	757,490	
Expenditures:				
Street improvements	943,500	865,896	77,604	Conservative budget
Capital outlay and repairs	3,027,273	2,268,833	758,440	Planned capital projects that were not completed by year-end
Total Expenditures	9,830,685	8,811,504	1,019,181	

Capital assets: The City's government-wide capital assets, net of accumulated depreciation, increased due to additions in the current year. Additional information as well as a detailed classification of the City's net capital assets can be found in the Notes to the Financial Statements on pages D12 and D13 of this report.

Long-term debts: As of the end of the current fiscal year, the City had \$6,973,918 in total long-term debts. This includes \$6,505,000 of the 2007 sales and use tax revenue bonds and \$83,986 due to the Municipal Energy Agency of Nebraska. Additional information regarding the City's debt can be found on pages D14 through D15.

Sales and Use Tax: The City has 4% sales and use tax that is used to fund its governmental operations. The increase in sales tax from 2014 was \$327,826 or 6.86%. The following chart indicates changes in the sales tax over the past couple of years. The chart does not take into account revenue sharing agreements.



Financial Analysis of the City's Funds (continued)

Next year's budget and rates: The City's General Fund balance at the end of the current fiscal year was \$4,769,465. The City's 2016 budget anticipates an ending General Fund balance of \$3,146,135.

Request for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Finance Director, P.O. Box 239, Gunnison, Colorado 81230.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Gunnison, Colorado
Statement of Net Position
December 31, 2015

	Governmental Activities	Business type Activities	Total
Assets:			
Current assets:			
Cash and investments - Unrestricted	4,785,343	4,793,777	9,579,120
Cash and investments - Restricted	-	545,661	545,661
Accounts, taxes, and interest receivable	1,037,025	843,806	1,880,831
Prepaid expenses	93,353	9,056	102,409
Inventory	-	831,940	831,940
Total current assets	<u>5,915,721</u>	<u>7,024,240</u>	<u>12,939,961</u>
Capital assets:			
Land	2,693,607	560,253	3,253,860
Construction in progress	207,223	52,633	259,856
Land improvements	1,736,987	-	1,736,987
Buildings and improvements	7,794,164	23,846,966	31,641,130
Infrastructure	7,242,680	-	7,242,680
Vehicles	3,185,488	-	3,185,488
Machinery and equipment	3,644,865	10,997,890	14,642,755
Less accumulated depreciation	(13,649,875)	(19,657,722)	(33,307,597)
Total capital assets (net of accumulated depr.)	<u>12,855,139</u>	<u>15,800,020</u>	<u>28,655,159</u>
Total assets	<u>18,770,860</u>	<u>22,824,260</u>	<u>41,595,120</u>
Liabilities:			
Current liabilities:			
Accounts payable	274,927	546,859	821,786
Accrued payroll	127,851	71,705	199,556
Accrued expenses	-	8,888	8,888
Bond interest	-	22,638	22,638
Deposits	3,550	38,345	41,895
Total current liabilities	<u>406,328</u>	<u>688,435</u>	<u>1,094,763</u>
Noncurrent liabilities:			
Compensated absences	239,809	133,515	373,324
Accrued expenses	-	5,000	5,000
Bonds payable:			
Due within one year	-	275,000	275,000
Due in more than one year	-	6,230,000	6,230,000
Bond premium	-	11,608	11,608
MEAN payable:			
Due within one year	-	26,522	26,522
Due in more than one year	-	57,464	57,464
Total noncurrent liabilities	<u>239,809</u>	<u>6,739,109</u>	<u>6,978,918</u>
Total liabilities	<u>646,137</u>	<u>7,427,544</u>	<u>8,073,681</u>
Deferred Inflow of Resources:			
Unavailable property tax revenue	282,019	-	282,019
Unavailable revenue - Other	43,465	10,422	53,887
Total deferred inflow of resources	<u>325,484</u>	<u>10,422</u>	<u>335,906</u>
Net Position:			
Net Investment in capital assets	12,855,139	9,295,020	22,150,159
Restricted	277,638	545,661	823,299
Unrestricted	<u>4,666,462</u>	<u>5,545,613</u>	<u>10,212,075</u>
Total Net Position	<u>17,799,239</u>	<u>15,386,294</u>	<u>33,185,533</u>

The accompanying notes are an integral part of these financial statements.

City of Gunnison, Colorado
Statement of Activities
December 31, 2015

	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-type Activities	Total
Functions/Programs							
Primary government:							
Governmental activities:							
General government	1,484,428	518,441	52,000	-	(913,987)	-	(913,987)
Public safety	2,252,939	70,742	14,488	-	(2,167,709)	-	(2,167,709)
Streets	1,609,835	509,273	29,937	-	(1,070,625)	-	(1,070,625)
Parks and recreation	1,092,035	189,333	42,436	-	(860,266)	-	(860,266)
Economic development	251,945	54,834	-	-	(197,111)	-	(197,111)
Total Governmental Activities	<u>6,691,182</u>	<u>1,342,623</u>	<u>138,861</u>	<u>-</u>	<u>(5,209,698)</u>	<u>-</u>	<u>(5,209,698)</u>
Business-type activities:							
Electric	5,638,870	5,194,905	-	4,416	-	(439,549)	(439,549)
Water	572,264	548,109	-	49,666	-	25,511	25,511
Sewer	1,085,223	1,042,071	-	138,139	-	94,987	94,987
Refuse	534,664	532,707	-	-	-	(1,957)	(1,957)
Communications	665,437	645,814	-	-	-	(19,623)	(19,623)
Recreation	1,633,258	358,822	-	19,962	-	(1,254,474)	(1,254,474)
Total Business-type Activities	<u>10,129,716</u>	<u>8,322,428</u>	<u>-</u>	<u>212,183</u>	<u>-</u>	<u>(1,595,105)</u>	<u>(1,595,105)</u>
Total Primary Government	<u><u>16,820,898</u></u>	<u><u>9,665,051</u></u>	<u><u>138,861</u></u>	<u><u>212,183</u></u>	<u><u>(5,209,698)</u></u>	<u><u>(1,595,105)</u></u>	<u><u>(6,804,803)</u></u>
General Revenues:							
Property tax, levied for general purposes					261,095	-	261,095
Specific ownership tax					15,861	-	15,861
General sales and use tax					5,109,461	1,479,023	6,588,484
Franchise tax					498,896	-	498,896
Other miscellaneous taxes					390,859	-	390,859
Investment earnings					20,323	25,085	45,408
Grants and contributions not restricted to any program					348,662	9,658	358,320
Gain (loss) on disposal of assets					28,361	-	28,361
Transfers					477,058	(477,058)	-
Total General Revenues, Special Items, and Transfers					<u>7,150,576</u>	<u>1,036,708</u>	<u>8,187,284</u>
Change in Net Position					<u>1,940,878</u>	<u>(558,397)</u>	<u>1,382,481</u>
Net Position - Beginning					<u>15,858,361</u>	<u>15,944,691</u>	<u>31,803,052</u>
Net Position - Ending					<u><u>17,799,239</u></u>	<u><u>15,386,294</u></u>	<u><u>33,185,533</u></u>

The accompanying notes are an integral part of these financial statements.

FUND FINANCIAL STATEMENTS

**City of Gunnison, Colorado
Balance Sheet
Governmental Funds
December 31, 2015**

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and investments - Unrestricted	4,362,927	359,767	4,722,694
Receivables, net of allowance for uncollectibles	754,784	134	754,918
Property tax receivable	282,019	-	282,019
Prepaid expenses	93,352	-	93,352
Total Assets	<u>5,493,082</u>	<u>359,901</u>	<u>5,852,983</u>
Liabilities and Fund Equity:			
Liabilities:			
Accounts payable	272,935	-	272,935
Accrued payroll	121,648	-	121,648
Deposits	3,550	-	3,550
Total Liabilities	<u>398,133</u>	<u>-</u>	<u>398,133</u>
Deferred inflow of resources:			
Unavailable property tax revenue	282,019	-	282,019
Unavailable revenue - other	43,465	-	43,465
Total deferred inflow of resources	<u>325,484</u>	<u>-</u>	<u>325,484</u>
Fund Balances:			
Unspendable	93,352	-	93,352
Spendable:			
Restricted for emergencies	249,000	-	249,000
Restricted for recreation	-	28,638	28,638
Assigned	-	331,263	331,263
Unassigned	4,427,113	-	4,427,113
Total Fund Balances	<u>4,769,465</u>	<u>359,901</u>	<u>5,129,366</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>5,493,082</u>	<u>359,901</u>	<u>5,852,983</u>

The accompanying notes are an integral part of these financial statements.

City of Gunnison
Reconciliation of Governmental Funds Balance Sheet to Statement of Net Position
December 31, 2015

Governmental Funds Total Fund Balance	5,129,366
Add:	
Capital assets used in governmental activities (excluding internal service fund) are not considered current financial resources and, therefore, not reported in the governmental funds.	25,561,430
Internal service funds are used by management to charge the cost of services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.	190,723
Less:	
Accumulated depreciation (excluding internal service fund) is not recognized in the governmental funds because capital assets are expensed at the time of acquisition.	(12,856,775)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds. This is the amount of compensated absences payable.	(225,505)
Governmental Activities Net Position	<u><u>17,799,239</u></u>

The accompanying notes are an integral part of these financial statements.

City of Gunnison, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2015

	<u>General</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:			
Taxes	6,322,461	-	6,322,461
Licenses and permits	113,812	-	113,812
Intergovernmental revenue	625,648	137,740	763,388
Charges for services	299,453	-	299,453
Fines and forfeitures	25,740	-	25,740
Investment income	17,130	1,342	18,472
Donations and contributions	156,276	-	156,276
Miscellaneous	49,311	-	49,311
Total Revenues	<u>7,609,831</u>	<u>139,082</u>	<u>7,748,913</u>
Expenditures:			
General government	924,463	-	924,463
Public safety	2,184,488	-	2,184,488
Public works	1,619,292	21,774	1,641,066
Culture and recreation	985,752	-	985,752
Economic development	251,945	-	251,945
Capital outlay	2,268,833	39,204	2,308,037
Total Expenditures	<u>8,234,773</u>	<u>60,978</u>	<u>8,295,751</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(624,942)</u>	<u>78,104</u>	<u>(546,838)</u>
Other Financing Sources (Uses):			
Sale of asset	28,361	-	28,361
Transfers in	986,778	-	986,778
Transfers (out)	(108,775)	(14,167)	(122,942)
Total Other Financing Sources (Uses)	<u>906,364</u>	<u>(14,167)</u>	<u>892,197</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	281,422	63,937	345,359
Fund Balances - Beginning	<u>4,488,043</u>	<u>295,964</u>	<u>4,784,007</u>
Fund Balances - Ending	<u>4,769,465</u>	<u>359,901</u>	<u>5,129,366</u>

The accompanying notes are an integral part of these financial statements.

City of Gunnison
Reconciliation of Revenues, Expenditures and Changes in Fund
Balances (Deficit) of Governmental Fund to the Statement of Activities
For the Year Ended December 31, 2015

Governmental Funds Changes in Fund Balances	345,359
Add:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capitalized assets during the year.	2,722,261
Less:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the depreciation expense for the year.	(740,874)
Changes in the City employees' accrued compensated absences are considered changes in long-term liabilities. This is the amount that accrued compensated absences increased.	(15,360)
Internal service funds are used by management to charge costs of various activities to the general and other funds. The net income or loss of the internal service funds are included in the governmental statement of activities.	(370,508)
Governmental Activities Change in Net Position	1,940,878

The accompanying notes are an integral part of these financial statements.

**City of Gunnison
Statement of Net Position
Proprietary Funds
December 31, 2015**

	Enterprise Fund	Internal Service Fund
Assets:		
Current assets:		
Cash and cash equivalents	4,793,777	62,649
Cash and cash equivalents - restricted	545,661	-
Accounts receivables, net of allowance for uncollectibles	843,806	87
Inventories	831,940	-
Prepaid expenses	9,056	-
Total current assets	7,024,240	62,736
Non-current assets:		
Land	560,253	-
Construction in progress	52,633	-
Building and improvements	23,846,966	295,618
Machinery and equipment	10,997,890	647,966
Less: Accumulated depreciation	(19,657,722)	(793,100)
Total non-current assets	15,800,020	150,484
Total Assets	22,824,260	213,220
Liabilities:		
Current liabilities:		
Accounts payable	546,859	1,992
Accrued payroll	71,705	6,203
Accrued expenses	8,888	-
Bond interest payable	22,638	-
Deposits held	38,345	-
Deferred revenue	10,422	-
Non-current liabilities due within one year:		
Long term debt	301,522	-
Total current liabilities	1,000,379	8,195
Non-current liabilities:		
Accrued compensated absences	133,515	14,302
Accrued expenses	5,000	-
Non-Current Liabilities - due longer than one year:		
Long term debt	6,287,464	-
Premium on long term debt	11,608	-
Total non-current liabilities	6,437,587	14,302
Total Liabilities	7,437,966	22,497
Net Position:		
Net Investment in capital assets	9,211,034	150,484
Restricted	545,661	-
Unrestricted	5,629,599	40,239
Total Net Position	15,386,294	190,723

The accompanying notes are an integral part of these financial statements.

City of Gunnison
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2015

	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>
Operating Revenue:		
Utility sales	9,121,381	368,043
Other revenue	692,789	7,773
Operating Revenue	<u>9,814,170</u>	<u>375,816</u>
Operating Expenses:		
Salaries and employee benefits	2,351,100	-
Purchased power	4,244,399	-
Purchased services	949,763	-
Operations and maintenance	1,140,190	-
Supplies	352,164	-
Depreciation and amortization	753,768	5,849
Fleet expenditures	-	355,611
Operating Expenses	<u>9,791,384</u>	<u>361,460</u>
Operating income (loss)	22,786	14,356
Non-Operating Revenues (Expenses):		
Interest revenue	25,084	1,914
Interest expense	(338,330)	-
Grants and contributions	209,121	-
Total Non-Operating Revenues (Expenses)	<u>(104,125)</u>	<u>1,914</u>
Income (Loss) Before Contributions and Transfers	(81,339)	16,270
Transfers in	122,942	-
Transfers (out)	(600,000)	(386,778)
Change in Net Position	<u>(558,397)</u>	<u>(370,508)</u>
Total Net Position - Beginning	<u>15,944,691</u>	<u>561,231</u>
Total Net Position - Ending	<u><u>15,386,294</u></u>	<u><u>190,723</u></u>

The accompanying notes are an integral part of these financial statements.

City of Gunnison
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2015

	<u>Enterprise Fund</u>	<u>Internal Service Fund</u>	<u>Total</u>
Cash Flows From Operating Activities:			
Cash received from customers for services	9,114,479	368,063	9,482,542
Other cash received	686,206	7,773	693,979
Cash paid for goods and services	(7,121,876)	(377,438)	(7,499,314)
Cash paid for employment services	(2,338,485)	556	(2,337,929)
Net Cash Provided (Used) by Operating Activities	<u>340,324</u>	<u>(1,046)</u>	<u>339,278</u>
Cash Flows From Non-Capital Financing Activities:			
Grants and contributions	209,121	-	209,121
Transfers	(477,058)	(386,778)	(863,836)
Net Cash Provided by Non-Capital Financing Activities	<u>(267,937)</u>	<u>(386,778)</u>	<u>(654,715)</u>
Cash Flows From Capital Financing Activities:			
Purchase of fixed assets	(153,927)	-	(153,927)
Interest paid	(338,330)	-	(338,330)
Principal paid	(287,714)	-	(287,714)
Net Cash (Used) by Capital Financing Activities	<u>(779,971)</u>	<u>-</u>	<u>(779,971)</u>
Cash Flows From Investing Activities:			
Interest received	25,089	1,913	27,002
Net Cash Provided by Investing Activities	<u>25,089</u>	<u>1,913</u>	<u>27,002</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(682,495)	(385,911)	(1,068,406)
Cash and Cash Equivalents - Beginning	6,021,933	448,560	6,470,493
Cash and Cash Equivalents - Ending	<u>5,339,438</u>	<u>62,649</u>	<u>5,402,087</u>
Reconciliation of Operating (Loss) to			
Net Cash Provided (Used) by Operating Activities:			
Operating (loss)	22,786	14,356	37,142
Adjustments to reconcile operating (loss)			
to net cash provided (used) by operating activities:			
Depreciation	753,768	5,849	759,617
(Increase) decrease in accounts receivable	(6,902)	20	(6,882)
(Increase) decrease in inventories	39,455	-	39,455
(Increase) decrease in prepaid expenses	(3,461)	575	(2,886)
Increase (decrease) in accounts payable	(471,354)	(22,402)	(493,756)
Increase (decrease) in compensated absences	2,168	467	2,635
Increase (decrease) in deposits	(17,005)	-	(17,005)
Increase (decrease) in accrued wages	10,447	89	10,536
Total Adjustments	<u>317,538</u>	<u>(15,402)</u>	<u>302,136</u>
Net Cash Provided (Used) by Operating Activities	<u>340,324</u>	<u>(1,046)</u>	<u>339,278</u>

The accompanying notes are an integral part of these financial statements.

City of Gunnison
Statement of Fiduciary Net Position
Fiduciary Fund
For the Year Ended December 31, 2015

	<u>Volunteer Firefighters' Pension Fund</u>
Assets	
Cash and investments	2,084,518
Total Assets	<u>2,084,518</u>
Net Position	
Net position - held in trust for pension benefits	<u>2,084,518</u>

The accompanying notes are an integral part of these financial statements.

City of Gunnison
Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended December 31, 2015

	<u>Volunteer Firefighters' Pension Fund</u>
Additions	
Contributions	
City	32,700
District	32,700
State	58,860
Earnings on investments	(4,268)
Total Additions	<u>119,992</u>
Deductions	
Benefits	147,425
Expenses	16,420
Total Deductions	<u>163,845</u>
Change in net position	(43,853)
Net position at beginning of year	<u>2,128,371</u>
Net position at end of year	<u><u>2,084,518</u></u>

The accompanying notes are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

City of Gunnison
Notes to the Financial Statements
December 31, 2015

I. Summary of Significant Accounting Policies

The City of Gunnison (the "City"), was incorporated in 1880 and adopted its Home Rule Charter during 1962. The City operates under a Council-Manager form of government. The City's major operations include public safety (police and fire); highways and streets; sanitation; health and social services; culture - recreation; education; public improvements; planning and zoning; and general administrative services.

The City's financial statements are prepared in accordance with generally accepted accounting principles ("GAAP"). The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established by GAAP used by the City are discussed below.

A. Reporting Entity

The reporting entity consists of the primary government and component units. Component units are legally separate entities that are included in a government's reporting entity because of the significance of their operating or financial relationships with the government. The City has not included any component units.

B. Joint Venture

The City participates in a joint venture created for special purposes, which are not part of the City's reporting entity. Additional information regarding the City's participation in the joint venture is provided in Note V. The following is a description of the joint venture in which the City participates:

Gunnison/Hinsdale Combined Emergency Telephone Service Authority - The City is one of 10 local governments which are members of the Gunnison/Hinsdale Combined Emergency Telephone Service Authority (the "Gunnison/Hinsdale Authority"). The Gunnison/Hinsdale Authority is an organization created by intergovernmental agreement in 1998 solely to provide for the operation of the emergency telephone service programs. Gunnison/Hinsdale Authority is governed by a seven (7) member board selected as defined in Article III of the agreement. The governing board is autonomous as to budgeting and fiscal matters.

The investment in the joint venture was recorded as an expenditure at the time the investment was made. Complete financial statements of the joint venture can be obtained from:

Gunnison/Hinsdale Combined Emergency
Telephone Service Authority
P.O. Box 239
Gunnison, Colorado 81230

City of Gunnison
Notes to the Financial Statements
December 31, 2015

I. Summary of Significant Accounting Policies (continued)

C. Government-wide and Fund Financial Statements

The City's basic financial statements include both government-wide (reporting the City as a whole) and fund financial statements (reporting the City's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business type. The City's public safety, road maintenance, culture and recreation, and administration are classified as governmental activities. The City's water and sewer utilities are classified as business activities.

1. Government-wide Financial Statements

In the government-wide Statement of Net Position, both the governmental and business-type activities columns are (a) presented on a consolidated basis by column, and (b) reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The City's net position is reported in three parts—net investment in capital assets; restricted; and unrestricted.

The government-wide Statement of Activities reports both the gross and net cost of each of the City's functions and business-type activities (public safety, highways and streets, utilities, etc.). The functions are also supported by general government revenues (property and sales taxes, intergovernmental revenue, fines and permits, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, operating and capital grants. Program revenues must be directly associated with the function (police, roads, etc.) or a business-type activity. Operating grants include operating-specific and discretionary (either operating or capital) grants while the capital grants column reflects capital-specific grants. The net costs (by function or business-type activity) are normally covered by general revenue (property and sales taxes, interest income, etc.).

The government-wide focus is on the sustainability of the City as an entity and the change in the City's net position resulting from the current year's activities.

2. Categories and Classification of Fund Balance

Governmental accounting standards establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Fund balance classifications, include Non-spendable, Restricted, Committed, Assigned, and Unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund Balance can have different levels of restraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the general fund. The general fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance. For further details of the various fund balance classifications refer to Note I (C) (3) below.

City of Gunnison
Notes to the Financial Statements
December 31, 2015
(continued)

I. Summary of Significant Accounting Policies (continued)

C. Government-wide and Fund Financial Statements (continued)

3. Fund Balance Disclosure

The City classifies governmental fund balances as follows:

Unspendable - includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements.

Spendable Fund Balance:

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority which is City Board. The City's original budget legislation begins with combining historical data, assessment of needs for the upcoming year and the City Board platform to review, and/or make changes to each department's budget. Before year end, a budgetary committee will meet again with each department for final review and approval of preliminary budget. The Budget is then formally presented to City Board via an advertised public process for their review, revisions and final approval by year end. All subsequent budget requests made during the year, after City Board approval, must be presented via a public process and again approval by City Board.

Assigned – includes spendable fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund Balance may be assigned by the City Board or its management designee.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

The City uses restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The City does not have a formal minimum fund balance policy. However, the City's budget includes a calculation of a targeted reserve positions and the Administration calculates targets and report them annually to City Board.

City of Gunnison
Notes to the Financial Statements
December 31, 2015
(continued)

I. Summary of Significant Accounting Policies (continued)

C. Government-wide and Fund Financial Statements (continued)

4. Fund Financial Statements

The financial transactions of the City are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The fund focus is on current available resources and budget compliance.

The City reports the following major governmental funds:

General Fund

The *General Fund* is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.

Special Revenue Funds

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The term "proceeds of specific revenue sources" establishes that one or more specific restricted or committed revenues should be the foundation for a special revenue fund. The City reports the following non-major special revenue funds:

The *Conservation Trust Fund* accounts for revenues derived from state lottery revenues or other earmarked revenue sources which finance specific activities as required by law or administrative action.

The *Ditch Fund* accounts for revenues derived from mineral leasing revenues or other earmarked revenue sources which finance specific activities as required by law or administrative action.

Proprietary Funds

The City reports the following proprietary or business-type funds:

The *Enterprise Fund* accounts for the activities of the following departments: Electric, Water, Sewer, Refuse, Communications and Recreation.

The *Internal Service Fund* accounts for operations that provide services to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City has one non-major internal service fund, the Fleet Management Fund.

Fiduciary Fund

The *Volunteer Firefighters' Pension Fund* accounts for retirement benefits for the volunteer firefighters.

City of Gunnison
Notes to the Financial Statements
December 31, 2015
(continued)

I. Summary of Significant Accounting Policies (continued)

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus refers to whether financial statements measure changes in current resources only (current financial focus) or changes in both current and long-term resources (long-term economic focus). Basis of accounting refers to the point at which revenues, expenditures, or expenses are recognized in the accounts and reported in the financial statements. Financial statement presentation refers to classification of revenues by source and expenses by function.

1. Long-term Economic Focus and Accrual Basis

Both governmental and business-type activities in the government-wide financial statements and the proprietary fund financial statements use the long-term economic focus and are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of the related cash flows.

2. Current Financial Focus and Modified Accrual Basis

The governmental fund financial statements use the current financial focus and are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general long-term debt, if any, is recognized when due.

3. Financial Statement Presentation

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds are charges to customers for sales and services. Operating expenses for the enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

City of Gunnison
Notes to the Financial Statements
December 31, 2015
(continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts

1. Cash and Cash Equivalents

Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with maturities of three months or less.

2. Investments

Investments are stated at fair value.

3. Receivables

Receivables are reported net of an allowance for uncollectible accounts.

4. Property Taxes

Property taxes are assessed in one year as a lien on the property, but not collected by the governmental units until the subsequent year. In accordance with generally accepted accounting principles, the assessed but uncollected property taxes have been recorded as a receivable and as deferred inflow of resources.

5. Capital Assets

Capital assets, which include land, buildings and other improvements, machinery and equipment, infrastructure and vehicle assets, are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. The City defines capital assets as assets with an initial cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost. Donated capital assets are recorded at estimated fair value at the date of donation.

Capital outlay for projects is capitalized as projects are constructed. Interest incurred during the construction phase is capitalized as part of the value of the assets constructed in the business-type activities. Infrastructure, buildings, and equipment are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Infrastructure	15 - 65
Buildings and improvements	15 - 50
Land improvements	15 - 25
Machinery and equipment	5 - 30
Licensed vehicles	5 - 8

City of Gunnison
Notes to the Financial Statements
December 31, 2015
(continued)

I. Summary of Significant Accounting Policies (continued)

E. Financial Statement Accounts (continued)

6. Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items that qualify for reporting in this category. Accordingly, these items, unavailable property tax revenue, and unavailable revenue, are deferred and recognized as inflows of resources in the period that the amounts become available.

7. Compensated Absences

Earned but unused vacation benefits are accrued when incurred in the government-wide and proprietary fund financial statements. The liability for the amounts is reported in governmental funds.

II. Reconciliation of Government-wide and Fund Financial Statements

A. Explanation of certain differences between the governmental fund Balance Sheet and the government-wide Statement of Net Position

The governmental fund Balance Sheet includes reconciliation between *fund balance – total governmental funds* and *net position of governmental activities* as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that capital assets are recorded as assets when purchased and depreciated over the life of the assets. Net capital assets of \$12,704,655 represents capitalized costs of \$25,561,430 and accumulated depreciation of \$12,856,775.

Another element of that reconciliation states that "Internal service funds are used by management to charge the cost of services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position." The result in an increase in net position of \$190,723 within governmental activities.

Another element of that reconciliation states that "Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds." The amount of compensated absences payable is \$225,505.

B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities

The governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance includes reconciliation between *net change in fund balances of governmental funds* and *changes in net position of governmental activities* as reported in the government-wide Statement of Activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense". The details of the net difference are net capital outlay of \$2,722,261 less depreciation expense of \$740,874.

City of Gunnison
Notes to the Financial Statements
December 31, 2015
(continued)

II. Reconciliation of Government-wide and Fund Financial Statements (continued)

B. Explanation of certain differences between the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balance and the government-wide Statement of Activities (continued)

Another element of that reconciliation states that "Changes in the City employees' accrued compensated absences are considered changes in long-term liabilities". The amount that accrued compensated absences decreased is \$15,360.

Another element of that reconciliation states that "Internal service funds are used by management to charge costs of various activities to the general and other funds. The net income or loss of the internal service funds are included in the governmental activities statement of activities." The net loss of \$370,508 is included in the governmental statement of activities.

III. Stewardship, Compliance, and Accountability

A. Budgetary Information

Budgets are adopted on a basis consistent with generally accepted accounting principles, except for the proprietary funds. Annual appropriations are adopted for all funds. Expenditures may not legally exceed appropriations at the fund level. All appropriations lapse at year end.

As required by Colorado Statutes, the City followed the required timetable noted below in preparing, approving, and enacting its budget for 2015.

1. For the 2015 budget year, prior to August 25, 2014 (revised November 30), the County Assessor sent to the City an assessed valuation of all taxable property within the City's boundaries.
2. The City Finance Director submitted to the Board, on or before October 15, 2014, a recommended budget which detailed the necessary property taxes needed along with other available revenues to meet the City's operating requirements.
3. Prior to December 15, 2014, a public hearing was held for the budget, the Board certified to the County Commissioners a levy rate that derived the necessary property taxes as computed in the proposed budget, and the Board adopted the proposed budget and an appropriating resolution that legally appropriated expenditures for the upcoming year.
4. After adoption of the budget resolution, the City may make the following changes:
a) it may transfer appropriated money between funds; b) approve supplemental appropriations to the extent of revenues in excess of estimated revenues in the budget; c) approve emergency appropriations; and d) reduce appropriations for which originally estimated revenues are insufficient.

Taxes levied in one year are collected in the succeeding year. Thus, taxes certified in 2014 were collected in 2015 and taxes certified in 2015 will be collected in 2016. Taxes are due on January 1st in the year of collection; however, they may be paid in either one installment (no later than April 30th) or two equal installments (not later than February 28th and June 15th) without interest or penalty. Taxes that are not paid within the prescribed time bear interest at the rate of one percent (1%) per month until paid. Unpaid amounts and the accrued interest thereon become delinquent on June 16th.

City of Gunnison
Notes to the Financial Statements
December 31, 2015
(continued)

III. Stewardship, Compliance, and Accountability (continued)

A. Budgetary Information (continued)

During the year the City approved the following budget amendments:

Fund	Original Budget	Final Budget	Amendment
General Fund	\$ 8,248,837	\$ 9,491,259	\$ 1,242,422
Fleet Fund	\$ 765,560	\$ 767,072	\$ 1,512
Electric Department	\$ 5,560,145	\$ 5,569,470	\$ 9,325
Water Department	\$ 578,559	\$ 628,559	\$ 50,000
Sewer Department	\$ 1,434,478	\$ 1,534,478	\$ 100,000
Recreation Department	\$ 1,675,309	\$ 2,639,325	\$ 964,016
Volunteer Firefighters' Pension Fund	\$ 144,000	\$ 165,425	\$ 21,425

B. TABOR Amendment

In November 1992, Colorado voters amended Article X of the Colorado Constitution by adding Section 20; commonly known as the Taxpayer's Bill of Rights ("TABOR"). TABOR contains revenue, spending, tax and debt limitations that apply to the State of Colorado and local governments. TABOR requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mill levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

TABOR also requires local governments to establish an emergency reserve to be used for declared emergencies only. The reserve is calculated at 3% of fiscal year spending. Fiscal year spending excludes bonded debt service and enterprise spending. The City has reserved \$249,000, which is the approximate required reserve at December 31, 2015.

The City's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions, including the interpretation of how to calculate fiscal year spending limits, will require judicial interpretation.

IV. Detailed Notes on All Funds

A. Deposits and Investments

The City' deposits are entirely covered by federal depository insurance ("FDIC") or by collateral held under Colorado's Public Deposit Protection Act ("PDPA"). The FDIC insures the first \$250,000 of the City's deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. The carrying amount of the City's demand deposits was \$7,118,459 at year end. Petty cash totaled \$1,420.

City of Gunnison
Notes to the Financial Statements
December 31, 2015
(continued)

IV. Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

At year end, the City had the following investments and maturities:

	<u>Standard & Poors Rating</u>	<u>Carrying Amounts</u>	<u>Maturities</u>	
			<u>Less than one year</u>	<u>Less than five years</u>
<i>Petty cash:</i>	Not Rated	\$ 1,420	\$ 1,420	\$ -
<i>Demand Deposits:</i>				
Checking	Not Rated	1,575,029	1,575,029	-
Certificates of Deposit	Not Rated	5,543,430	5,543,430	-
<i>Investments:</i>				
United States Agencies	AA+	1,688,682	-	1,688,682
Investment Pools	AAAm	1,316,220	1,316,220	-
Total Cash and Investments		<u>\$ 10,124,781</u>	<u>\$ 8,436,099</u>	<u>\$ 1,688,682</u>
 <i>Reconciliation to Statement of Net Position:</i>				
Cash and investments - Unrestricted		\$ 9,579,120		
Cash and investments - Restricted		<u>545,661</u>		
Total Cash and Investments		<u>\$ 10,124,781</u>		

The Investment Pool represents investments in COLOTRUST and CSAFE, which are 2a7-like pools. The fair value of the pool is determined by the pool's share price. The City has no regulatory oversight for the pool.

Interest Rate Risk. As a means of limiting its exposure to interest rate risk, the City diversifies its investments by security type and institution, and limits holdings in any one type of investment with any one issuer. The City coordinates its investment maturities to closely match cash flow needs and restricts the maximum investment term to less than five years from the purchase date. As a result of the limited length of maturities the City has limited its interest rate risk.

Credit Risk. State law and City policy limit investments to those authorized by State statutes including U.S. Agencies and 2a7-like pools. The City's general investment policy is to apply the prudent-person rule: Investments are made as a prudent person would be expected to act, with discretion and intelligence, to seek reasonable income, preserve capital, and, in general, avoid speculative investments.

Concentration of Credit Risk. The City diversifies its investments by security type and institution. Investments may only be made in those financial institutions which are insured by the Federal Deposit Insurance Corporation, the Federal Home Mortgage Association, the Federal Savings and Loan Insurance Corporation, Congressionally authorized mortgage lenders and investments that are federally guaranteed. Financial institutions holding City funds must provide the City with a statement of collateral in the form of a listing of securities pledged, and a copy of the certificate from the Banking Authority that states that the institution is an eligible public depository.

City of Gunnison
Notes to the Financial Statements
December 31, 2015
(continued)

IV. Detailed Notes on All Funds (continued)

B. Receivables

Receivables as of year-end for the City's funds, including applicable allowances for uncollectible accounts, are as follows:

	Governmental Funds		Total
	General	Other Governmental Funds	
Receivables:			
Taxes	\$ 282,019	\$ -	\$ 282,019
Accounts and other receivable	754,784	134	754,918
Gross receivables	1,036,803	134	1,036,937
Less: allowance for uncollectible	-	-	-
Net Receivables	\$ 1,036,803	\$ 134	\$ 1,036,937

Governmental funds report *unavailable revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. This includes property taxes levied in 2014 but not available until 2015.

	Enterprise Funds						Total
	Electric Department	Water Department	Wastewater Department	Refuse Department	Communications Department	Recreation Department	
Receivables:							
Accounts receivable	\$ 461,899	\$ 31,835	\$ 91,043	\$ 39,094	\$ 31,459	\$ 180,346	\$ 835,676
Other receivables	-	-	-	-	-	8,130	8,130
Gross receivables	461,899	31,835	91,043	39,094	31,459	188,476	843,806
Less: allowance for uncollectible	-	-	-	-	-	-	-
Net Receivables	\$ 461,899	\$ 31,835	\$ 91,043	\$ 39,094	\$ 31,459	\$ 188,476	\$ 843,806

City of Gunnison
Notes to the Financial Statements
December 31, 2015
(continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets

Capital asset activity for the year ended December 31, 2015 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,030,279	\$ 663,328	\$ -	\$ 2,693,607
Construction in progress	-	207,223	-	207,223
Capital assets, being depreciated:				
Land improvements	1,688,499	48,488	-	1,736,987
Buildings and improvements	7,096,729	697,435	-	7,794,164
Infrastructure	6,683,260	559,420	-	7,242,680
Machinery and equipment	3,637,786	153,744	(146,665)	3,644,865
Vehicles	2,953,440	392,623	(160,575)	3,185,488
Total capital assets being depreciated	<u>24,089,993</u>	<u>2,722,261</u>	<u>(307,240)</u>	<u>26,505,014</u>
Less accumulated depreciation for:				
Land improvements	(849,854)	(86,124)	-	(935,978)
Buildings and improvements	(1,985,664)	(191,870)	-	(2,177,534)
Infrastructure	(5,111,399)	(66,729)	-	(5,178,128)
Machinery and equipment	(2,673,857)	(216,965)	146,665	(2,744,157)
Vehicles	(2,589,619)	(185,034)	160,575	(2,614,078)
Total accumulated depreciation	<u>(13,210,393)</u>	<u>(746,722)</u>	<u>307,240</u>	<u>(13,649,875)</u>
Governmental Activities Capital Assets, Net	<u>\$ 10,879,600</u>	<u>\$ 1,975,539</u>	<u>\$ -</u>	<u>\$ 12,855,139</u>
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 560,253	\$ -	\$ -	\$ 560,253
Construction in progress	-	52,633	-	52,633
Total Capital Assets, Not Depreciated	<u>560,253</u>	<u>52,633</u>	<u>-</u>	<u>612,886</u>
Capital assets, being depreciated:				
Building and improvements	23,846,966	-	-	23,846,966
Machinery and equipment	10,896,596	101,294	-	10,997,890
Total Capital Assets Being Depreciated	<u>34,743,562</u>	<u>101,294</u>	<u>-</u>	<u>34,844,856</u>
Less accumulated depreciation for:				
Buildings and improvements	(9,593,844)	(437,199)	-	(10,031,043)
Machinery and equipment	(9,310,110)	(316,569)	-	(9,626,679)
Total Accumulated Depreciation	<u>(18,903,954)</u>	<u>(753,768)</u>	<u>-</u>	<u>(19,657,722)</u>
Business-type activities capital assets, net	<u>\$ 16,399,861</u>	<u>\$ (599,841)</u>	<u>\$ -</u>	<u>\$ 15,800,020</u>

City of Gunnison
Notes to the Financial Statements
December 31, 2015
(continued)

IV. Detailed Notes on All Funds (continued)

C. Capital Assets (continued)

The City had the following capital outlay and depreciation expense for the following functions:

	Depreciation Expense	Capital Outlay
<i>Governmental activities:</i>		
General government	\$ 227,305	\$ 74,109
Public safety	172,989	23,550
Public Works	272,083	2,579,664
Parks and recreation	74,345	44,938
Total - Governmental Activities	\$ 746,722	\$ 2,722,261
 <i>Business-type activities:</i>		
Electric Department	\$ 171,394	\$ -
Water Department	53,400	15,000
Wastewater Department	69,182	-
Refuse Department	90,815	-
Communications Department	20,269	-
Recreation Department	348,708	138,927
Total - Business-type Activities	\$ 753,768	\$ 153,927

D. Transfers

At December 31, 2015, the City had the following transfers:

	In	Out
<i>Governmental Funds:</i>		
General Fund	\$ 986,778	\$ (108,775)
Other Governmental Funds	-	(14,167)
<i>Internal Service Funds:</i>		
Fleet Fund	-	(386,778)
<i>Proprietary Funds:</i>		
Water Department	-	(50,000)
Sewer Department	-	(100,000)
Recreation Department	122,942	(450,000)
Total	\$ 1,109,720	\$ (1,109,720)

City of Gunnison
Notes to the Financial Statements
December 31, 2015
(continued)

IV. Detailed Notes on All Funds (continued)

E. Other Liabilities

1. Sales and Use Tax Revenue Bonds, Series 2007

On November 8, 2007, the City issued \$8,330,000 of sales and use tax Revenue bonds to finance the costs of constructing and equipping pool facilities and ice rink facilities. The interest rates range from 3.75% to 4.35%, payable on June 1 and December 1. The principal is payable on December 1 and matures in various increments through 2032.

2. Municipal Energy Agency of Nebraska Payable (MEAN Payable)

During 2013, the City was notified of a settlement between the Municipal Energy Agency of Nebraska ("MEAN") and a third party. The City has a Service Schedule Power Contract with MEAN and each service schedule participant is required to pay for its allocation of the settlement. The City's allocation of the settlement was determined to be \$132,610 and amounts will be paid monthly at \$2,210 starting in April 2014 through April 2019. Interest is not accrued on this allocation and imputed interest is not considered material. \$83,986 was outstanding at December 31, 2015.

3. Accrued Compensated Absences

Earned but unused compensated absence (e.g. paid time off) benefits amounted to \$373,324 at December 31, 2015. All unused benefits are recorded on the individual fund that pays the related payroll.

4. Debt Schedule

The following payments are required:

Year	Business-Type Activities Debt		
	Principal	Interest	Total
2016	301,522	271,653	573,175
2017	311,522	260,653	572,175
2018	321,522	254,953	576,475
2019	309,420	243,353	552,773
2020	320,000	231,353	551,353
2021 - 2025	1,800,000	921,990	2,721,990
2026 - 2030	2,205,000	514,420	2,719,420
2031 - 2032	1,020,000	66,990	1,086,990
Total	\$ 6,588,986	2,765,365	9,354,351

As required by the Series 2007 bond agreement, the City is required to establish, in a separate bank account, a debt service reserve to fund the subsequent year's debt service requirements. The City has restricted investments of \$545,661 for this purpose, which are presented as restricted pooled cash and investments in the accompanying statement of net position.

City of Gunnison
Notes to the Financial Statements
December 31, 2015
(continued)

IV. Detailed Notes on All Funds (continued)

E. Other Liabilities (continued)

5. Changes in Debt

The City had the following changes in debt for the year ended December 31, 2015:

	<u>1/1/15</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/15</u>	<u>Due within one year</u>
Governmental Activities Debt:					
Compensated absences	\$ 223,983	\$ 240,116	\$ 224,290	\$ 239,809	\$ -
Enterprise Debt:					
Accrued expenses	5,000	-	-	5,000	-
2007 sales and use tax bonds	6,765,000	-	260,000	6,505,000	275,000
2007 bond premium	12,800	-	1,192	11,608	-
MEAN payable	110,508	-	26,522	83,986	26,522
Compensated absences	131,347	112,705	110,537	133,515	-
Total	<u>\$ 7,248,638</u>	<u>\$ 352,821</u>	<u>\$ 622,541</u>	<u>\$ 6,978,918</u>	<u>\$ 301,522</u>

F. Pollution Remediation Obligation

State and federal laws and regulations require the City to place a final cover on all its land-fill sites when they stop accepting waste, and to perform certain maintenance and monitoring functions at the sites for thirty years after closure. Although closure and post closure care costs will be paid only near, or after, the date the landfill stops accepting waste, the City is required to report a portion of these closure and post closure care costs as an expense in the government-wide financial statements. This expense is based on landfill capacity used at the reporting date. The current year expenditures of the landfills are reported in the Refuse Department of the enterprise fund, business-type activities. The long term liability and expense are reported in the statement of net position and the statement of activities.

During 2012, the City determined that the City has fulfilled its remediation of the landfill, with the exception of additional testing that may be required before the remediation is closed out. In 2015, the City maintained the liability of \$5,000. Actual costs may be higher due to inflation, changes in technology or changes in regulations. Closure and care financial requirements are expected to be met by the operations of the enterprise fund.

G. Pension Plans

1. Police Officer's Pension Plan

The City contributes to a defined contribution agent multiple-employer public employee retirement system on behalf of all full-time police officers employed. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The City and the employees each contribute 11.2% of the employee's base salary. This contribution rate and other provisions are established and may be amended by City Council. Employees vest in City contributions and interest earnings thereon immediately. During the year ended December 31, 2015, employees and the City made the required contributions to the plan of \$104,618 and \$104,618, respectively.

City of Gunnison
Notes to the Financial Statements
December 31, 2015
(continued)

IV. Detailed Notes on All Funds (continued)

G. Pension Plans (continued)

1. Police Officer's Pension Plan (continued)

All of the Police Officer's Pension Plan investments at December 31, 2015 of \$2,721,678 are managed by the Colorado County Officials and Employees Retirement Association ("CCOERA"). Separately issued financial statements for the plan may be obtained from CCOERA at 4949 South Syracuse St., Suite 400, Denver, Colorado 80237.

2. General Employee Pension Plan

The City contributes to a defined contribution agent multiple-employer public employee retirement system on behalf of all full-time general employees with one or more service years. In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. The City and the employees each contribute 5% of the employee's base salary. This contribution rate and other provisions are established and may be amended by City Council. Employees vest in City contributions and interest earnings thereon immediately. During the year ended December 31, 2015, employees and the City made the required contributions to the plan of \$183,532 and \$183,532, respectively.

All of the General Employee Pension Plan investments at December 31, 2015 of \$4,808,447 are managed CCOERA. Separately issued financial statements for the plan may be obtained from CCOERA at 4949 South Syracuse St., Suite 400, Denver, Colorado 80237.

3. Volunteer Firefighters' Pension Plan

Plan Description. The City has a single employer-defined benefit pension plan for volunteer firefighters as authorized by State of Colorado Statutes. The Volunteer Firefighters' Pension Plan (the "Plan") is administered by the Gunnison Firemen's Pension Fund Board of Trustees ("Board of Trustees"). The Board of Trustees consists of the Fire Chief of the Gunnison Volunteer Fire Department, two members of the Gunnison City Council, two members of the Gunnison Volunteer Fire Department, and two members of the Gunnison County Fire Protection District Board of Directors.

As of December 31, 2015, the Plan had 29 active non-retired members, and 38 retired members, for a total of 67 participants. This plan does not issue separate stand-alone financial statements.

An actuary is used to determine the adequacy of contributions. The study indicates that the current contributions to the Plan are adequate to support, on an actuarially sound basis, the prospective benefits for the present plan.

City of Gunnison
Notes to the Financial Statements
December 31, 2015
(continued)

IV. Detailed Notes on All Funds (continued)

G. Pension Plans (continued)

3. Volunteer Firefighters' Pension Plan (continued)

Benefits provided. Any firefighter who has attained the age of fifty and has also completed twenty years of active service shall be eligible for a monthly pension. A firefighter who is disabled in the line of duty and whose disability is considered permanent shall be compensated in an amount determined by the Pension Board to be reasonable and proper considering the financial condition of the Fund. The Plan also provides for a 50% spousal benefit upon the death of a retired firefighter, or a payment to be determined by the Pension Board if the death occurs prior to retirement. The Plan Board of Trustees has the authority to establish or amend benefit terms.

Contributions. The Plan receives contributions from the City (in an amount not to exceed one-half mill of property tax revenue) and from the State of Colorado. The contributions are not actuarially determined. In 2015, the City contributed \$32,700 to the Plan, the Fire Protection District contributed \$32,700, and the State contributed \$58,860. None of the City's payroll is covered by the pension plan because the firefighters are volunteers.

Investment policy. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the Board of Trustees by a majority vote of its members. It is the policy of the Board of Trustees to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. Emphasis is on balance between current income and longer-term capital appreciation. Assets are primarily invested in equity and fixed-income securities with a moderate to strong emphasis on capital appreciation and current income. The account's investment objective includes an average risk tolerance and intermediate to longer term time horizon. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of June 30, 2013:

	<u>Maximum %</u>	<u>Minimum %</u>	<u>Strategic Target</u>
Equity	60%	40%	50%
Fixed-income	57%	37%	47%
Cash (or equivalents)	5%	0%	3%

Concentrations. As of December 31, 2015, the pension fund held no concentrations of investments with individual organizations equaling or exceeding 5 percent of the pension plan's fiduciary net position.

Money-weighted rate of return. This rate of return expresses investment performance, net of pension plan investment expense, adjusted for the changing amounts actually invested.

City of Gunnison
Notes to the Financial Statements
December 31, 2015
(continued)

IV. Detailed Notes on All Funds (continued)

G. Pension Plans (continued)

3. Volunteer Firefighters' Pension Plan (continued)

Net Pension Liability. The components of the net pension liability of the Plan at December 31, 2015 are as follows:

Total pension liability	\$ 2,305,295
Fiduciary net position	2,084,518
Net pension liability	\$ 220,777

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation as of January 1, 2016, using the following actuarial assumptions applied to all periods included in the measurement.

Actuarial cost method	Entry-age
Asset valuation method	Market value
Actuarial funding discount rate	6.0% per annum compounded annually
Expense loading	None
Mortality rates	1994 GAM rates - modified
Turnover rates	Graduated rates by attained age
Retirement age	Age 50, after 20 years of service
Age difference	Males assumed to be 3 years older than females
Marital status	80% of all participants are married

An actuarial experience study was not performed as the census data is too small to yield credible results. Demographic assumptions were selected using standard mortality and turnover tables that produce reasonable results for this group of lives. Mortality rates and disability rates for ages before 65 are assumed to be zero to recognize that mortality or disability for this group is virtually non-existent before that particular age.

Discount rate. Actuarial funding discount rates are set by consensus between the Board of Trustees, the actuary and the investment advisor. The discount rate used to measure the total pension liability was 6.0 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the net pension liability to changes in actuarial discount rate. The following presents the net pension liability calculated using the discount rate of 6.0 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (5.0 percent) or 1-percentage point higher (7.0 percent) than the current rate:

	1.00% Decrease	Current Discount Rate	1.00% Increase
Net pension liability	\$ 469,867	\$ 220,777	\$ 12,187

City of Gunnison
Notes to the Financial Statements
December 31, 2015
(continued)

IV. Detailed Notes on All Funds (continued)

H. Deferred Compensation Plan – Section 457

The City offers its employees two deferred compensation plans created in accordance with Internal Revenue Code Section 457. The plans permit employees to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plans, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are to be held in trust for the exclusive benefit of the plan participants and their beneficiaries.

Plan investment purchases are determined by the plan participant and therefore, the plan's investment concentration varies between participants. The City has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The City is neither the trustee nor the administrator for the plans.

The general employee plan is administered by the International City Managers Association Retirement Corporation ("ICMA") and the police employee plan is administered by CCOERA. The City's contributions to the plans for the year ended December 31, 2015 were \$16,725 to the ICMA plan and \$40,409 to the CCOERA plan.

I. Restricted Fund Balance

The City had the following restrictions on fund balances at December 31, 2015:

	<u>1/1/15</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/15</u>
<i>General Fund:</i>				
Emergency reserves	\$ 217,487	\$ 31,513	\$ -	249,000
<i>Conservation Trust:</i>				
Recreation	33,869	-	5,231	28,638
	<u>\$ 251,356</u>	<u>\$ 31,513</u>	<u>\$ 5,231</u>	<u>277,638</u>

J. Assigned Fund Balance

The City had the following assigned on fund balances at December 31, 2015:

	<u>1/1/15</u>	<u>Additions</u>	<u>Deletions</u>	<u>12/31/15</u>
<i>Special Revenue Funds:</i>				
Ditch fund	\$ 262,052	\$ 69,211	\$ -	331,263
	<u>\$ 262,052</u>	<u>\$ 69,211</u>	<u>\$ -</u>	<u>331,263</u>

City of Gunnison
Notes to the Financial Statements
December 31, 2015
(continued)

V. Other Information

A. Joint Venture

At December 31, 2015, Gunnison/Hinsdale Authority had assets of \$293,059, liabilities of \$37,315 and \$255,744 in net position. Total revenues for 2015 were \$214,420 and total expenses were \$219,634 resulting in a net change in fund balance of \$5,214. The amount of the City's share of these amounts is based upon the percentage of the county wide telephone accesses to be served.

B. Risk Management

The City is exposed to various risks of loss related to workers' compensation, general liability, loss related to torts; theft of, damage to, and destruction of assets; errors and omissions and worker unemployment. The City has acquired commercial coverage for these risks. Any settled claims are not expected to exceed the commercial insurance coverage.

C. Grants

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the government expects such amounts, if any, to be immaterial.

D. Subsequent Events

Management has evaluated subsequent events through July 26, 2016, the date these financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

City of Gunnison
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - General Fund
For the Year Ended December 31, 2015
(With Comparative Actual Amounts For the Year Ended 2014)

	2015			Final Budget	2014
	Original Budget	Final Budget	Actual	Variance Positive (Negative)	Actual
Revenues:					
Taxes:					
General property taxes	261,478	261,478	261,095	(383)	259,786
Specific ownership tax	34,200	34,200	34,923	723	34,235
Sales & Use	4,869,257	4,869,257	5,131,304	262,047	4,803,385
Franchise tax	513,689	513,689	498,896	(14,793)	492,758
Other taxes	114,410	114,410	396,243	281,833	202,342
Total Taxes	<u>5,793,034</u>	<u>5,793,034</u>	<u>6,322,461</u>	<u>529,427</u>	<u>5,792,506</u>
Licenses and Permits:					
Other licenses and permits	43,500	43,500	113,812	70,312	105,015
Intergovernmental Revenue:					
Grant revenue	250,953	250,953	261,417	10,464	513,735
State highway users tax	148,920	148,920	157,801	8,881	153,210
Other intergovernmental revenue	110,552	111,005	206,431	95,426	147,586
Total Intergovernmental Revenue	<u>510,425</u>	<u>510,878</u>	<u>625,649</u>	<u>114,771</u>	<u>814,531</u>
Charges for Services:					
Recreation revenue	197,555	197,555	226,865	29,310	191,178
Other charges for services	37,550	37,550	40,488	2,938	40,125
Rents	30,600	30,600	32,100	1,500	30,600
Total Charges for Services	<u>265,705</u>	<u>265,705</u>	<u>299,453</u>	<u>33,748</u>	<u>261,903</u>
Fines and Forfeitures:					
Traffic fines	27,800	27,800	25,740	(2,060)	31,177
Miscellaneous Revenue:					
Investment income	15,500	15,500	17,130	1,630	22,085
Donations and contributions	140,800	157,238	156,274	(964)	26,992
Other income	33,836	38,685	49,311	10,626	71,826
Total Miscellaneous Revenue	<u>190,136</u>	<u>211,423</u>	<u>222,715</u>	<u>11,292</u>	<u>120,903</u>
Total Revenues	<u>6,830,600</u>	<u>6,852,340</u>	<u>7,609,830</u>	<u>757,490</u>	<u>7,126,035</u>
Expenditures:					
General Government:					
City council	25,675	27,175	25,641	1,534	25,052
Municipal court	93,546	93,546	92,234	1,312	82,519
City attorney	60,000	70,600	67,278	3,322	41,777
City manager	96,223	96,223	80,230	15,993	69,964
City clerk	93,938	93,938	84,530	9,408	78,591
Finance	252,308	248,308	244,918	3,390	235,216
General services	38,502	171,644	56,377	115,267	22,678
Community development	297,814	297,814	273,255	24,559	239,760
Total General Government	<u>958,006</u>	<u>1,099,248</u>	<u>924,463</u>	<u>174,785</u>	<u>795,557</u>
Public Safety:					
Police	1,808,886	1,818,886	1,798,649	20,237	1,638,465
Building Inspection	111,189	111,189	109,651	1,538	94,148
Fire Department	228,955	229,175	226,989	2,186	227,004
Hazardous Material	5,955	5,955	4,775	1,180	5,701
LE Victim Advocate Program	43,975	44,428	44,423	5	18,358
Total Public Safety	<u>2,198,960</u>	<u>2,209,633</u>	<u>2,184,487</u>	<u>25,146</u>	<u>1,983,676</u>
Public Works:					
City hall	66,755	66,755	43,314	23,441	56,123
Street administration	166,701	168,664	166,869	1,795	148,362
Street maintenance	547,160	551,229	543,213	8,016	523,738
Street improvements	943,500	943,500	865,896	77,604	838,906
Total Public Works	<u>1,724,116</u>	<u>1,730,148</u>	<u>1,619,292</u>	<u>110,856</u>	<u>1,567,129</u>
Culture and Recreation:					
Cranor Hill	29,193	29,193	18,377	10,816	21,010
Recreation administration	312,029	314,567	309,018	5,549	292,815
Recreation programs	144,529	149,378	143,661	5,717	158,983
Parks	506,433	506,433	510,000	(3,567)	473,733
Van Tuyl Ranch	30,600	30,600	4,600	26,000	10,746
Lazy K	-	-	96	(96)	-
Total Culture and Recreation	<u>1,022,784</u>	<u>1,030,171</u>	<u>985,752</u>	<u>44,419</u>	<u>957,287</u>
Economic Development:					
Grants and contracts	180,000	180,000	149,233	30,767	231,589
Events	106,478	106,478	102,712	3,766	111,789
Total Economic Development	<u>286,478</u>	<u>286,478</u>	<u>251,945</u>	<u>34,533</u>	<u>343,378</u>
Capital Outlay:					
Capital outlay and repairs	1,984,873	3,027,273	2,268,833	758,440	1,204,292
Total Expenditures	<u>8,175,217</u>	<u>9,382,951</u>	<u>8,234,772</u>	<u>1,148,179</u>	<u>6,851,319</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(1,344,617)</u>	<u>(2,530,611)</u>	<u>(624,942)</u>	<u>1,905,669</u>	<u>274,716</u>
Other Financing Sources (Uses):					
Transfer in	395,000	995,000	986,778	(8,222)	-
Transfer (out)	(73,620)	(108,308)	(108,775)	(467)	(73,620)
Sale of assets	6,000	30,500	28,361	(2,139)	20,461
Total Other Financing Sources (Uses)	<u>327,380</u>	<u>917,192</u>	<u>906,364</u>	<u>(10,828)</u>	<u>(53,159)</u>
Net Change in Fund Balance	<u>(1,017,237)</u>	<u>(1,613,419)</u>	<u>281,422</u>	<u>1,894,841</u>	<u>221,557</u>
Fund Balance - Beginning			<u>4,488,043</u>		<u>4,266,486</u>
Fund Balance - Ending			<u>4,769,465</u>		<u>4,488,043</u>

The accompanying notes are an integral part of these financial statements.

City of Gunnison, Colorado
Schedule of Changes in Net Pension Liability and Related Ratios
Volunteer Firefighters' Pension Fund (Unaudited)
For the Year Ended December 31, 2015
(With Comparative Actual Amounts For the Year Ended 2014)

	<u>2015</u>	<u>2014</u>
Total Pension Liability		
Service cost	28,211	28,497
Interest cost	141,346	123,133
Changes in plan benefits	-	288,476
Actuarial variations	(118,110)	-
Benefits paid	<u>(147,425)</u>	<u>(125,100)</u>
Net Change in Pension Liability	(95,978)	315,006
Total Pension Liability - Beginning	<u>2,401,273</u>	<u>2,086,267</u>
Total Pension Liability - Ending	<u>2,305,295</u>	<u>2,401,273</u>
 Plan Fiduciary Net Position		
City Contribution	32,700	47,415
District contribution	32,700	47,415
Pension plan net investment income	(4,268)	113,332
Benefit payments	(147,425)	(125,100)
Pension plan administrative expenses	(16,420)	(12,422)
State of Colorado supplemental discretionary payment	<u>58,860</u>	<u>64,773</u>
Net Change in Plan Fiduciary Net Position	(43,853)	135,413
Plan Fiduciary Net Position - Beginning	<u>2,128,371</u>	<u>1,992,958</u>
Plan Fiduciary Net Position - Ending	<u>2,084,518</u>	<u>2,128,371</u>
 Net Pension Liability - Ending	220,777	272,902
 Plan Fiduciary Net Position as a Percentage of Total Pension Liability	90.4%	88.6%
 Covered Employee Payroll	N/A	N/A
 Net Pension Liability as a Percentage of Covered Employee Payroll	N/A	N/A

Information for the prior eight years was not available to report.

City of Gunnison
Schedule of Contributions
Volunteer Firefighters' Pension Fund (Unaudited)
For the Year Ended December 31, 2015

FY Ending December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2011	12,928	130,480	(117,552)	N/A	N/A
2012	18,976	130,830	(111,854)	N/A	N/A
2013	47,616	101,400	(53,784)	N/A	N/A
2014	46,915	159,603	(112,688)	N/A	N/A
2015	33,719	124,260	(90,541)	N/A	N/A

Information for the prior five fiscal years was not available to report.

City of Gunnison
Schedule of Investment Returns
Volunteer Firefighters' Pension Fund (Unaudited)
For the Year Ended December 31, 2015

FY Ending December 31,	Net Money- Weighted Rate of Return
2011	-0.19%
2012	13.15%
2013	14.48%
2014	5.73%
2015	-0.21%

Information for the prior five fiscal years was not available to report.

SUPPLEMENTARY INFORMATION

**City of Gunnison, Colorado
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2015**

	<u>Conservation Trust</u>	<u>Ditch Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Assets:			
Cash and investments - Unrestricted	28,532	331,235	359,767
Receivables, net of allowance for uncollectibles	106	28	134
Total Assets	<u>28,638</u>	<u>331,263</u>	<u>359,901</u>
Fund Balances:			
Spendable:			
Restricted for recreation	28,638	-	28,638
Assigned	-	331,263	331,263
Total Fund Balances	<u>28,638</u>	<u>331,263</u>	<u>359,901</u>
 Total Liabilities and Fund Balances	 <u>28,638</u>	 <u>331,263</u>	 <u>359,901</u>

The accompanying notes are an integral part of these financial statements.

City of Gunnison, Colorado
Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2015

	Special Revenue		Total Nonmajor Governmental Funds
	Conservation Trust	Ditch Fund	
Revenues:			
Intergovernmental revenue	42,373	95,367	137,740
Investment income	63	1,279	1,342
Total Revenues	<u>42,436</u>	<u>96,646</u>	<u>139,082</u>
Expenditures:			
Public works	-	21,774	21,774
Capital outlay and repairs	33,500	5,704	39,204
Total Expenditures	<u>33,500</u>	<u>27,478</u>	<u>60,978</u>
Excess (Deficiency) of Revenues Over Expenditures	8,936	69,168	78,104
Other Financing Sources (Uses):			
Transfers (out)	(14,167)	-	(14,167)
Total Other Financing Sources (Uses)	<u>(14,167)</u>	<u>-</u>	<u>(14,167)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)	(5,231)	69,168	63,937
Fund Balances - Beginning	<u>33,869</u>	<u>262,095</u>	<u>295,964</u>
Fund Balances - Ending	<u><u>28,638</u></u>	<u><u>331,263</u></u>	<u><u>359,901</u></u>

The accompanying notes are an integral part of these financial statements.

City of Gunnison
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Conservation Trust Fund
For the Year Ended December 31, 2015
(With Comparative Actual Amounts For the Year Ended 2014)

	2015		Final Budget Variance Positive (Negative)	2014
	Original and Final Budget	Actual		Actual
Revenues:				
Intergovernmental revenue:				
State lottery funds	43,750	42,373	(1,377)	44,235
Investment income	164	63	(101)	104
Total Revenues	43,914	42,436	(1,478)	44,339
Expenditures:				
Capital outlay and repairs	45,000	33,500	11,500	19,340
Total Expenditures	45,000	33,500	11,500	19,340
Excess (Deficiency) of Revenues Over Expenditures	(1,086)	8,936	10,022	24,999
Other Financing Sources (Uses):				
Transfers (out)	(14,750)	(14,167)	583	(19,890)
Total Other Financing Sources (Uses)	(14,750)	(14,167)	583	(19,890)
Excess (Deficiency) of Revenues and Other Financing Sources Over Expenditures and Other Financing (Uses)		(5,231)		5,109
Fund Balance - Beginning		33,869		28,760
Fund Balance - Ending		28,638		33,869

The accompanying notes are an integral part of these financial statements.

City of Gunnison
Schedule of Revenues, Expenditures and Changes in Fund Balance
Budget and Actual - Ditch Fund
For the Year Ended December 31, 2015
(With Comparative Actual Amounts For the Year Ended 2014)

	2015		Final Budget Variance Positive (Negative)	2014
	Original and Final Budget	Actual		Actual
Revenues:				
Intergovernmental revenue:				
Mineral leasing	19,000	95,367	76,367	61,231
Investment income	1,251	1,279	28	2,063
Total Revenues	20,251	96,646	76,395	63,294
Expenditures:				
Public works	33,569	21,774	11,795	25,850
Capital outlay	435,500	5,704	429,796	120,568
Total Expenditures	469,069	27,478	441,591	146,418
Net Change in Fund Balance	(448,818)	69,168	517,986	(83,124)
Fund Balance - Beginning		262,095		345,219
Fund Balance - Ending		331,263		262,095

The accompanying notes are an integral part of these financial statements.

City of Gunnison, Colorado
Combining Statement of Net Position
Departments of the Enterprise Fund
For the Year Ended December 31, 2015

	<u>Electric Department</u>	<u>Water Department</u>	<u>Sewer Department</u>	<u>Refuse Department</u>	<u>Communication Department</u>	<u>Recreation Department</u>	<u>Total</u>
Assets:							
Current assets:							
Cash and cash equivalents	605,424	756,057	1,452,918	776,933	115,914	1,086,531	4,793,777
Cash and cash equivalents - restricted	-	-	-	-	-	545,661	545,661
Accounts receivables, net of allowance for uncollectibles	461,899	31,835	91,043	39,094	31,459	188,476	843,806
Inventories	520,072	110,320	107,994	72,030	-	21,524	831,940
Prepaid expenses	-	1,055	5,909	-	1,563	529	9,056
Total current assets	<u>1,587,395</u>	<u>899,267</u>	<u>1,657,864</u>	<u>888,057</u>	<u>148,936</u>	<u>1,842,721</u>	<u>7,024,240</u>
Non-current assets:							
Land	8,843	50,000	501,410	-	-	-	560,253
Construction in progress	-	-	-	-	-	52,633	52,633
Building and improvements	2,861,491	1,827,618	6,606,249	3,991	20,571	12,527,046	23,846,966
Machinery and equipment	4,438,805	1,499,524	3,953,903	631,935	182,735	290,988	10,997,890
Less: Accumulated depreciation	(5,341,468)	(2,655,248)	(8,947,099)	(448,742)	(152,707)	(2,112,458)	(19,657,722)
Total non-current assets:	<u>1,967,671</u>	<u>721,894</u>	<u>2,114,463</u>	<u>187,184</u>	<u>50,599</u>	<u>10,758,209</u>	<u>15,800,020</u>
Total Assets	<u>3,555,066</u>	<u>1,621,161</u>	<u>3,772,327</u>	<u>1,075,241</u>	<u>199,535</u>	<u>12,600,930</u>	<u>22,824,260</u>
Liabilities:							
Current liabilities:							
Accounts payable	494,434	3,434	3,095	13,453	779	31,664	546,859
Accrued payroll	13,808	5,908	13,239	3,920	21,649	13,181	71,705
Accrued expenses	7,378	-	-	-	-	1,510	8,888
Bond interest payable	-	-	-	-	-	22,638	22,638
Deferred revenue	-	-	-	10,422	-	-	10,422
Deposits held	38,345	-	-	-	-	-	38,345
Non-current liabilities due within one year:							
Long term debt	<u>26,522</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>275,000</u>	<u>301,522</u>
Total current liabilities:	<u>580,487</u>	<u>9,342</u>	<u>16,334</u>	<u>27,795</u>	<u>22,428</u>	<u>343,993</u>	<u>1,000,379</u>
Non-current liabilities:							
Accrued compensated absences	35,150	19,847	44,373	2,701	24,463	6,981	133,515
Accrued expenses	-	-	-	5,000	-	-	5,000
Bond premium	-	-	-	-	-	11,608	11,608
Non-Current Liabilities - due longer than one year:							
Long term debt	<u>57,464</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,230,000</u>	<u>6,287,464</u>
Total non-current liabilities	<u>92,614</u>	<u>19,847</u>	<u>44,373</u>	<u>7,701</u>	<u>24,463</u>	<u>6,248,589</u>	<u>6,437,587</u>
Total Liabilities	<u>673,101</u>	<u>29,189</u>	<u>60,707</u>	<u>35,496</u>	<u>46,891</u>	<u>6,592,582</u>	<u>7,437,966</u>
Net Position:							
Net investment in capital assets	1,967,671	721,894	2,114,463	187,184	50,599	4,253,209	9,295,020
Restricted	-	-	-	-	-	545,661	545,661
Unrestricted	<u>914,294</u>	<u>870,078</u>	<u>1,597,157</u>	<u>852,561</u>	<u>102,045</u>	<u>1,209,478</u>	<u>5,545,613</u>
Total Net Position	<u>2,881,965</u>	<u>1,591,972</u>	<u>3,711,620</u>	<u>1,039,745</u>	<u>152,644</u>	<u>6,008,348</u>	<u>15,386,294</u>

The accompanying notes are an integral part of these financial statements.

City of Gunnison, Colorado
Combining Statement of Revenues, Expenses and Changes in Net Position
Departments of the Enterprise Fund
For the Year Ended December 31, 2015

	<u>Electric Department</u>	<u>Water Department</u>	<u>Sewer Department</u>	<u>Refuse Department</u>	<u>Communication Department</u>	<u>Recreation Department</u>	<u>Total</u>
Operating Revenue:							
Sales	5,170,948	543,774	1,020,541	532,317	645,407	1,208,394	9,121,381
Other revenue	28,373	11,500	22,669	390	407	629,450	692,789
Operating Revenue	<u>5,199,321</u>	<u>555,274</u>	<u>1,043,210</u>	<u>532,707</u>	<u>645,814</u>	<u>1,837,844</u>	<u>9,814,170</u>
Operating Expenses:							
Salaries and employee benefits	451,492	218,375	516,276	163,749	583,027	418,181	2,351,100
Purchased power	4,244,399	-	-	-	-	-	4,244,399
Purchased services	68,396	124,324	253,732	147,860	31,487	323,964	949,763
Operations and maintenance	624,909	156,840	200,643	106,334	22,573	28,891	1,140,190
Supplies	78,279	19,325	45,389	25,906	8,081	175,184	352,164
Depreciation and amortization	171,394	53,400	69,182	90,815	20,269	348,708	753,768
Operating Expenses	<u>5,638,869</u>	<u>572,264</u>	<u>1,085,222</u>	<u>534,664</u>	<u>665,437</u>	<u>1,294,928</u>	<u>9,791,384</u>
Operating income (loss)	(439,548)	(16,990)	(42,012)	(1,957)	(19,623)	542,916	22,786
Non-Operating Revenues (Expenses):							
Interest revenue	4,205	3,275	6,362	3,299	1,016	6,927	25,084
Interest expense	-	-	-	-	-	(338,330)	(338,330)
Grants and contributions	-	42,500	137,000	-	-	29,621	209,121
Total Non-Operating Revenues (Expenses)	<u>4,205</u>	<u>45,775</u>	<u>143,362</u>	<u>3,299</u>	<u>1,016</u>	<u>(301,782)</u>	<u>(104,125)</u>
Income (Loss) Before Contributions and Transfers	(435,343)	28,785	101,350	1,342	(18,607)	241,134	(81,339)
Transfers in	-	-	-	-	-	122,942	122,942
Transfers (out)	-	(50,000)	(100,000)	-	-	(450,000)	(600,000)
Change in Net Position	(435,343)	(21,215)	1,350	1,342	(18,607)	(85,924)	(558,397)
Total Net Position - Beginning	<u>3,317,308</u>	<u>1,613,187</u>	<u>3,710,270</u>	<u>1,038,403</u>	<u>171,251</u>	<u>6,094,272</u>	<u>15,944,691</u>
Total Net Position - Ending	<u>2,881,965</u>	<u>1,591,972</u>	<u>3,711,620</u>	<u>1,039,745</u>	<u>152,644</u>	<u>6,008,348</u>	<u>15,386,294</u>

The accompanying notes are an integral part of these financial statements.

City of Gunnison
Schedule of Revenues and Expenditures Budget (Non-GAAP Basis)
and Actual With Reconciliation to GAAP Basis
Proprietary Funds
Electric Department
For the Year Ended December 31, 2015
(With Comparative Actual Amounts For the Year Ended 2014)

	<u>2015</u>			Final Budget Variance Positive (Negative)	<u>2014</u>
	Original Budget	Final Budget	Actual		Actual
Operating Revenue:					
Sales	5,575,324	5,575,324	5,170,948	(404,376)	5,023,308
Other revenue	22,500	22,500	28,373	5,873	23,578
Operating Revenue	<u>5,597,824</u>	<u>5,597,824</u>	<u>5,199,321</u>	<u>(398,503)</u>	<u>5,046,886</u>
Operating Expenses:					
Salaries and employee benefits	481,467	481,467	451,492	29,975	431,344
Purchased power	4,139,240	4,148,565	4,244,399	(95,834)	4,075,147
Purchased services	75,304	75,304	68,396	6,908	90,740
Operations and maintenance	729,676	729,676	624,909	104,767	557,195
Supplies	134,458	134,458	78,282	56,176	163,514
Operating Expenses	<u>5,560,145</u>	<u>5,569,470</u>	<u>5,467,478</u>	<u>101,992</u>	<u>5,317,940</u>
Operating income (loss)	37,679	28,354	(268,157)	(296,511)	(271,054)
Non-Operating Revenues (Expenses):					
Interest Revenue	5,000	5,000	4,205	(795)	8,808
Debt service - principal	-	-	(26,522)	(26,522)	(22,102)
Total Non-Operating Revenues (Expenses)	<u>5,000</u>	<u>5,000</u>	<u>(22,317)</u>	<u>(27,317)</u>	<u>(13,294)</u>
Change in Net Position - Budgetary Basis	<u>42,679</u>	<u>33,354</u>	<u>(290,474)</u>	<u>(323,828)</u>	<u>(284,348)</u>
Reconciliation to GAAP Basis:					
Adjustments:					
Depreciation			(171,391)		(190,173)
Debt service - Principal			26,522		22,102
Total Adjustments			<u>(144,869)</u>		<u>(168,071)</u>
Total Net Position - Beginning			3,317,308		3,769,727
Total Net Position - Ending			<u>2,881,965</u>		<u>3,317,308</u>

The accompanying notes are an integral part of these financial statements.

City of Gunnison
Schedule of Revenues and Expenditures Budget (Non-GAAP Basis)
and Actual With Reconciliation to GAAP Basis
Proprietary Funds
Water Department
For the Year Ended December 31, 2015
(With Comparative Actual Amounts For the Year Ended 2014)

	<u>2015</u>			Final Budget Variance Positive (Negative)	<u>2014</u>
	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>		<u>Actual</u>
Operating Revenue:					
Sales	570,760	570,760	543,774	(26,986)	524,883
Other revenue	10,869	10,869	11,500	631	12,730
Operating Revenue	<u>581,629</u>	<u>581,629</u>	<u>555,274</u>	<u>(26,355)</u>	<u>537,613</u>
Operating Expenses:					
Salaries and employee benefits	218,942	218,942	218,375	567	210,651
Purchased services	160,346	160,346	124,324	36,022	143,173
Operations and maintenance	161,346	161,346	156,840	4,506	145,023
Supplies	37,925	37,925	19,325	18,600	118,498
Capital outlay	-	-	15,000	(15,000)	11,036
Operating Expenses	<u>578,559</u>	<u>578,559</u>	<u>533,864</u>	<u>44,695</u>	<u>628,381</u>
Operating income (loss)	3,070	3,070	21,410	18,340	(90,768)
Non-Operating Revenues (Expenses):					
Interest revenue	2,500	2,500	3,275	775	4,545
Grants and contributions	7,500	7,500	42,500	35,000	19,500
Total Non-Operating Revenues (Expenses)	<u>10,000</u>	<u>10,000</u>	<u>45,775</u>	<u>35,775</u>	<u>24,045</u>
Income (Loss) Before Contributions and Transfers	13,070	13,070	67,185	54,115	(66,723)
Transfers (out)	-	(50,000)	(50,000)	-	-
Change in Net Position - Budgetary Basis	<u>13,070</u>	<u>(36,930)</u>	<u>17,185</u>	<u>54,115</u>	<u>(66,723)</u>
Reconciliation to GAAP Basis:					
Adjustments:					
Depreciation			(53,400)		(60,642)
Capital outlay			15,000		11,036
Total Adjustments			<u>(38,400)</u>		<u>(49,606)</u>
Total Net Position - Beginning			<u>1,613,187</u>		<u>1,729,516</u>
Total Net Position - Ending			<u>1,591,972</u>		<u>1,613,187</u>

The accompanying notes are an integral part of these financial statements.

City of Gunnison
Schedule of Revenues and Expenditures Budget (Non-GAAP Basis)
and Actual With Reconciliation to GAAP Basis
Proprietary Funds
Sewer Department
For the Year Ended December 31, 2015
(With Comparative Actual Amounts For the Year Ended 2014)

	<u>2015</u>			Final Budget Variance Positive (Negative)	<u>2014</u>
	Original Budget	Final Budget	Actual		Actual
Operating Revenue:					
Sales	1,043,231	1,043,231	1,020,541	(22,690)	1,055,234
Other revenue	18,500	18,500	22,669	4,169	20,448
Operating Revenue	<u>1,061,731</u>	<u>1,061,731</u>	<u>1,043,210</u>	<u>(18,521)</u>	<u>1,075,682</u>
Operating Expenses:					
Salaries and employee benefits	522,909	522,909	516,276	6,633	499,535
Purchased services	288,634	288,634	253,732	34,902	242,837
Operations and maintenance	571,535	571,535	200,643	370,892	218,036
Supplies	51,400	51,400	45,389	6,011	52,496
Operating Expenses	<u>1,434,478</u>	<u>1,434,478</u>	<u>1,016,040</u>	<u>418,438</u>	<u>1,012,904</u>
Operating income (loss)	(372,747)	(372,747)	27,170	399,917	62,778
Non-Operating Revenues (Expenses):					
Interest Revenue	3,600	3,600	6,362	2,762	7,824
Grants and Contributions	24,000	24,000	137,000	113,000	66,400
Total Non-Operating Revenues (Expenses)	<u>27,600</u>	<u>27,600</u>	<u>143,362</u>	<u>115,762</u>	<u>74,224</u>
Income (Loss) Before Contributions and Transfers	(345,147)	(345,147)	170,532	515,679	137,002
Transfers (out)	-	(100,000)	(100,000)	-	-
Change in Net Position - Budgetary Basis	<u>(345,147)</u>	<u>(445,147)</u>	<u>70,532</u>	<u>515,679</u>	<u>137,002</u>
Reconciliation to GAAP Basis:					
Adjustments:					
Depreciation			(69,182)		(79,030)
Total Adjustments			<u>(69,182)</u>		<u>(79,030)</u>
Total Net Position - Beginning			3,710,270		3,652,298
Total Net Position - Ending			<u>3,711,620</u>		<u>3,710,270</u>

The accompanying notes are an integral part of these financial statements.

City of Gunnison
Schedule of Revenues and Expenditures Budget (Non-GAAP Basis)
and Actual With Reconciliation to GAAP Basis
Proprietary Funds
Refuse Fund
For the Year Ended December 31, 2015
(With Comparative Actual Amounts For the Year Ended 2014)

	2015		Final Budget Variance Positive (Negative)	2014
	Original and Final Budget	Actual		Actual
Operating Revenue:				
Sales	497,000	532,317	35,317	538,676
Other revenue	-	390	390	67
Operating Revenue	<u>497,000</u>	<u>532,707</u>	<u>35,707</u>	<u>538,743</u>
Operating Expenses:				
Salaries and employee benefits	160,040	163,749	(3,709)	144,199
Purchased services	172,729	147,860	24,869	149,654
Operations and maintenance	108,845	106,334	2,511	96,882
Supplies	38,380	25,906	12,474	20,638
Operating Expenses	<u>479,994</u>	<u>443,849</u>	<u>36,145</u>	<u>411,373</u>
Operating income (loss)	17,006	88,858	71,852	127,370
Non-Operating Revenues (Expenses):				
Interest revenue	2,167	3,299	1,132	3,526
Grants and contributions	-	-	-	11,684
Sale of fixed assets	7,500	-	(7,500)	2,213
Total Non-Operating Revenues (Expenses)	<u>9,667</u>	<u>3,299</u>	<u>(6,368)</u>	<u>17,423</u>
Change in Net Position - Budgetary Basis	<u>26,673</u>	92,157	<u>65,484</u>	144,793
Reconciliation to GAAP Basis:				
Adjustments:				
Depreciation		(90,815)		(90,815)
Total Adjustments		(90,815)		(90,815)
Total Net Position - Beginning		<u>1,038,403</u>		<u>984,425</u>
Total Net Position - Ending		<u>1,039,745</u>		<u>1,038,403</u>

The accompanying notes are an integral part of these financial statements.

City of Gunnison
Schedule of Revenues and Expenditures Budget (Non-GAAP Basis)
and Actual With Reconciliation to GAAP Basis
Proprietary Funds
Communication Fund
For the Year Ended December 31, 2015
(With Comparative Actual Amounts For the Year Ended 2014)

	2015		Final Budget Variance Positive (Negative)	2014
	Original and Final Budget	Actual		Actual
Operating Revenue:				
Sales	639,290	645,407	6,117	648,890
Other revenue	-	407	407	120
Operating Revenue	<u>639,290</u>	<u>645,814</u>	<u>6,524</u>	<u>649,010</u>
Operating Expenses:				
Salaries and employee benefits	574,091	583,027	(8,936)	531,904
Purchased services	43,317	31,487	11,830	34,199
Operations and maintenance	21,452	22,573	(1,121)	17,577
Supplies	7,600	8,081	(481)	3,565
Operating Expenses	<u>646,460</u>	<u>645,168</u>	<u>1,292</u>	<u>587,245</u>
Operating income (loss)	(7,170)	646	7,816	61,765
Non-Operating Revenues (Expenses):				
Interest revenue	800	1,016	216	821
Total Non-Operating Revenues (Expenses)	<u>800</u>	<u>1,016</u>	<u>216</u>	<u>821</u>
Change in Net Position - Budgetary Basis	<u>(6,370)</u>	1,662	<u>8,032</u>	62,586
Reconciliation to GAAP Basis:				
Adjustments:				
Depreciation		(20,269)		(20,269)
Total Adjustments		(20,269)		(20,269)
Total Net Position - Beginning		<u>171,251</u>		<u>128,934</u>
Total Net Position - Ending		<u>152,644</u>		<u>171,251</u>

City of Gunnison
Schedule of Revenues and Expenditures Budget (Non-GAAP Basis)
and Actual With Reconciliation to GAAP Basis
Proprietary Funds
Recreation Fund
For the Year Ended December 31, 2015
(With Comparative Actual Amounts For the Year Ended 2014)

	2015			Final Budget Variance Positive (Negative)	2014
	Original Budget	Final Budget	Actual		Actual
Operating Revenue:					
Sales	1,206,262	1,206,262	1,208,394	2,132	1,183,124
Other revenue	548,256	548,256	629,450	81,194	531,256
Operating Revenue	<u>1,754,518</u>	<u>1,754,518</u>	<u>1,837,844</u>	<u>83,326</u>	<u>1,714,380</u>
Operating Expenses:					
Salaries and employee benefits	422,559	422,559	418,181	4,378	384,244
Purchased services	321,198	332,013	323,964	8,049	316,778
Operations and maintenance	34,539	39,983	28,891	11,092	3,111
Supplies	64,850	96,450	175,184	(78,734)	48,949
Small equipment	-	-	-	-	37,189
Capital outlay	290,000	697,932	138,927	559,005	12,470
Operating Expenses	<u>1,133,146</u>	<u>1,588,937</u>	<u>1,085,147</u>	<u>503,790</u>	<u>802,741</u>
Operating Income (Loss)	621,372	165,581	752,697	587,116	911,639
Non-Operating Revenues (Expenses):					
Interest revenue	6,200	6,200	6,927	727	6,521
Debt service - principal	(260,000)	(260,000)	(260,000)	-	(250,000)
Interest expense	(282,163)	(340,388)	(338,330)	2,058	(289,526)
Grants and contributions	1,500	409,432	29,621	(379,811)	6,228
Sale of fixed assets	40,000	40,000	-	(40,000)	-
Total Non-Operating Revenues (Expenses)	<u>(494,463)</u>	<u>(144,756)</u>	<u>(561,782)</u>	<u>(417,026)</u>	<u>(526,777)</u>
Income (Loss) Before Contributions and Transfers	126,909	20,825	190,915	170,090	384,862
Transfers in	88,370	88,370	122,942	34,572	93,510
Transfers (out)	-	(450,000)	(450,000)	-	-
Change in Net Position - Budgetary Basis	<u>215,279</u>	<u>(340,805)</u>	<u>(136,143)</u>	<u>204,662</u>	<u>478,372</u>
Reconciliation to GAAP Basis:					
Adjustments:					
Depreciation			(348,708)		(355,530)
Capital outlay			138,927		12,470
Debt service - principal			260,000		250,000
Total Adjustments			<u>50,219</u>		<u>(93,060)</u>
Total Net Position - Beginning			6,094,272		5,708,960
Total Net Position - Ending			<u>6,008,348</u>		<u>6,094,272</u>

The accompanying notes are an integral part of these financial statements.

City of Gunnison
Schedule of Revenues and Expenditures Budget (Non-GAAP Basis)
and Actual With Reconciliation to GAAP Basis
Internal Service
Fleet Management Fund
For the Year Ended December 31, 2015
(With Comparative Actual Amounts For the Year Ended 2014)

	<u>2015</u>			Final Budget Variance Positive (Negative)	<u>2014</u>
	Original Budget	Final Budget	Actual		Actual
Operating Revenue:					
Charges for services	368,043	368,043	368,043	-	352,291
Other revenue	7,745	7,745	7,773	28	15,065
Operating Revenue	<u>375,788</u>	<u>375,788</u>	<u>375,816</u>	<u>28</u>	<u>367,356</u>
Operating Expenses:					
Fleet expenses	370,560	372,072	355,611	16,461	362,454
Operating Expenses	<u>370,560</u>	<u>372,072</u>	<u>355,611</u>	<u>16,461</u>	<u>362,454</u>
Operating income (loss)	5,228	3,716	20,205	16,489	4,902
Non-Operating Revenues (Expenses):					
Interest revenue	115	115	1,914	1,799	2,638
Total Non-Operating Revenues (Expenses)	<u>115</u>	<u>115</u>	<u>1,914</u>	<u>1,799</u>	<u>2,638</u>
Income (Loss) Before Contributions and Transfers	5,343	3,831	22,119	18,288	7,540
Transfers (out)	395,000	395,000	(386,778)	(781,778)	-
Change in Net Position - Budgetary Basis	<u>400,343</u>	<u>398,831</u>	<u>(364,659)</u>	<u>(763,490)</u>	<u>7,540</u>
Reconciliation to GAAP Basis:					
Adjustments:					
Depreciation			(5,849)		(6,383)
Total Adjustments			<u>(5,849)</u>		<u>(6,383)</u>
Total Net Position - Beginning			<u>561,231</u>		<u>560,074</u>
Total Net Position - Ending			<u>190,723</u>		<u>561,231</u>

The accompanying notes are an integral part of these financial statements.

City of Gunnison
Statement of Changes in Fiduciary Net Position
Budget and Actual
Volunteer Firefighters' Pension Fund
For the Year Ended December 31, 2015
(With Comparative Actual Amounts For the Year Ended 2014)

	2015			Final Budget Variance Positive (Negative)	2014
	Original Budget	Final Budget	Actual		Actual
Additions					
Contributions	133,130	133,130	124,260	(8,870)	130,173
Earnings on investments	123,110	123,110	(4,268)	(127,378)	113,332
Total Additions	<u>256,240</u>	<u>256,240</u>	<u>119,992</u>	<u>(136,248)</u>	<u>243,505</u>
Deductions					
Benefits	126,000	147,425	147,425	-	125,100
Expenses	18,000	18,000	16,420	1,580	12,422
Total Deductions	<u>144,000</u>	<u>165,425</u>	<u>163,845</u>	<u>1,580</u>	<u>137,522</u>
Change in Net Position - Budgetary Basis	<u>112,240</u>	<u>90,815</u>	(43,853)	<u>(137,828)</u>	105,983
Total Net Position - Beginning			<u>2,128,371</u>		<u>2,022,388</u>
Total Net Position - Ending			<u><u>2,084,518</u></u>		<u><u>2,128,371</u></u>

**ANNUAL SCHEDULE OF REVENUES AND EXPENDITURES
FOR ROADS, BRIDGES AND STREETS**

The public report burden for this information collection is estimated to average 380 hours annually.

LOCAL HIGHWAY FINANCE REPORT		City or County: City of Gunnison
		YEAR ENDING : December 2015
This Information From The Records Of City Of Gunnison:	Prepared By: Phone:	Ben Cowan, Finance Director 970-641-8162

I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

II. RECEIPTS FOR ROAD AND STREET PURPOSES

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES

ITEM	AMOUNT	ITEM	AMOUNT
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	921,642
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	516,772
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	0
2. General fund appropriations	479,902	b. Snow and ice removal	32,937
3. Other local imposts (from page 2)	1,331,155	c. Other	0
4. Miscellaneous local receipts (from page 2)	10,685	d. Total (a. through c.)	32,937
5. Transfers from toll facilities	0	4. General administration & miscellaneous	166,891
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	360,363
a. Bonds - Original Issues	0	6. Total (1 through 5)	1,998,605
b. Bonds - Refunding Issues	0	B. Debt service on local obligations:	
c. Notes	0	1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	1,821,742	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	176,863	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	1,998,605	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	1,998,605

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
	0	1,998,605	1,998,605	0	0

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT	STATE: Colorado
	YEAR ENDING (mm/yy): December 2015

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments	0	a. Interest on investments	0
b. Other local imposts:		b. Traffic Fines & Penalties	10,685
1. Sales Taxes	1,331,155	c. Parking Garage Fees	0
2. Infrastructure & Impact Fees	0	d. Parking Meter Fees	0
3. Liens	0	e. Sale of Surplus Property	0
4. Licenses	0	f. Charges for Services	0
5. Specific Ownership &/or Other	0	g. Other Misc. Receipts	0
6. Total (1. through 5.)	1,331,155	h. Other	0
c. Total (a. + b.)	1,331,155	i. Total (a. through h.)	10,685
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	157,801	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	0
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	19,062	d. Federal Transit Admin	
d. Other (Specify)	0	e. U.S. Corps of Engineers	
e. Other (Specify)	0	f. Other Federal	
f. Total (a. through e.)	19,062	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	176,863	3. Total (1. + 2.g)	
			(Carry forward to page 1)

III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
A.1. Capital outlay:			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation		885,273	885,273
(4). System Enhancement & Operation		36,369	36,369
(5). Total Construction (1) + (2) + (3) + (4)	0	921,642	921,642
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	921,642	921,642
			(Carry forward to page 1)

Notes and Comments:

**RESOLUTION NO. 4
SERIES 2016**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GUNNISON,
COLORADO, CREATING A PARKS AND RECREATION ADVISORY COMMITTEE**

WHEREAS, the City Council of the City of Gunnison, Colorado, desires to establish a Parks and Recreation Advisory Committee to act in an advisory capacity to the City Council relating to parks and recreation planning, projects, and budget formulation; and

WHEREAS, the City Council has determined that the structure, powers and duties of such committee as set forth below is appropriate and will serve the purposes intended by the creation of such committee.

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

1. That a Parks and Recreation Advisory Committee ("Committee") is hereby created.
2. That the Committee shall have the following powers and duties:
 - a. Act in an advisory capacity to the City Council in all matters pertaining to parks and recreation programs and services.
 - b. Consider the annual budget for parks and recreation programs during its initial preparation and make recommendations with respect thereto to the City Council and City Manager, with particular attention to the use of funds generated by the IA initiative.
 - c. Advise in the planning of parks and recreation programs, promote and stimulate public interest for such programs, and solicit the cooperation of school authorities and other public and private agencies interested in such programs.
 - d. Recommend proposals for the acquisition, development and improvement of recreation, parks and playgrounds subject to the terms of the Parks and Recreation Department Master Plan and the rights and powers of the City Council.
 - e. Serve as a sounding board for the submission of ideas regarding parks and recreation facilities.
 - f. Encourage individuals and citizen groups to provide funding, property, and participation for the development and operation of the parks and recreation programs within the City, with particular attention to strategies which strengthen grant applications.
3. The Committee shall consist of seven (7) members appointed by City Council, determined as follows:
 - a. Four members shall be registered voters who reside within the City limits of the City of Gunnison;
 - b. One member shall be a Gunnison High School student;
 - c. One member shall reside in the North Valley, defined as North of the City limits of the City of Gunnison;
 - d. One member shall be at large.
4. The Committee shall also contain one City Council member, serving in a non-voting advisory role, and the Parks and Recreation Director, who shall guide and advise the Committee as appropriate.
5. The Committee will select a chair and vice-chair, and shall set such rules of procedure as determined by the Committee.
6. The City Council's selection process should ensure that the Committee is comprised of individuals who represent a diversity of interest and ages. Members must have resided in the Gunnison Valley for a period of two years prior to appointment and shall serve for a period of two (2) years, or until their successors are qualified and appointed. The terms of

the members shall be staggered so all terms do not end at one time. A term runs from the date of appointment through December 31 of the appropriate year. Should a vacancy occur, Council shall appoint a successor to serve the balance of term vacated by a Committee member.

7. The Parks and Recreation Director is trained in parks and recreation administration, project and program development, grant submissions, facility management, human resource management, and other applicable tasks, and shall be regarded by the Committee as the professional in all matters pertaining to organization, administration and programming within the Parks and Recreation Department. Members of the Committee may meet with the Director to discuss programs, facilities, objectives or other related matters during formal Committee meetings or such other times convenient to the member and Director. The Committee shall not engage in any day-to-day decisions or actions affecting the Department or the Director's role with the City.
8. Meetings of the Committee shall be set at such time and place desired by the Committee, at least quarterly.

INTRODUCED, READ, PASSED AND ADOPTED at a regular meeting of the City Council of the City of Gunnison, Colorado on the 24th day of May, 2016.

CITY OF GUNNISON, COLORADO

Richard Hagan, Mayor

(SEAL)

ATTEST:

Gail A. Davidson, City Clerk

Gail Davidson

From: Matthew Ebbott <mebbott@western.edu>
Sent: Tuesday, July 05, 2016 8:05 PM
To: Dan Ampietro
Subject: Parks and Recreation Planning Commission

Dan,

Good evening. Please accept this email as an application for the newly formed Gunnison Parks and Recreation Planning Commission. City Councilman Matt Schwartz told me about the Commission and I'd be honored to work on it. I have great respect for Gunnison's Parks and Recreation department, and would be happy to give any help and guidance I could. As you're probably aware, I've been teaching in the Recreation program at Western State since 2002, and instruct specific classes in Parks and Recreation Facility Design and Management. My Master's Degree is in Recreation, Park and Tourism Administration from Western Illinois University. My family and I also use most, if not all, of the Gunnison Recreation Facilities, and many of the programs. I feel this gives me a good perspective on Gunnison's Parks and Recreation.

Please consider me for a seat on the Commission. I'd be happy to answer any questions you have.

Sincerely,

Hank Ebbott

Matthew H. Ebbott
Senior Lecturer,
Recreation & Outdoor Education and
the Environment & Sustainability program
First Year Seminar Coordinator
Western State Colorado University



WESTERN STATE
COLORADO UNIVERSITY

Learning. Elevated.

970.943.2115
western.edu
mebbott@western.edu

Gail Davidson

From: Stacy Harbaugh <stacymh10@gmail.com>
Sent: Monday, July 11, 2016 4:16 PM
To: Dan Ampietro
Subject: Letter of Interest for Parks and Recreation Advisory Committee

July 11, 2016

Dear Mr. Ampietro and Gunnison City Council:

I read about the Park and Recreation Advisory Committee in the Gunnison Country Times and am writing to submit my letter of interest in being a part of this board.

My experience with the recreation department goes back almost three decades when I participated in sports as a child and later worked as an adult. While attending college I coached various sports and then worked park maintenance my first few summers after getting my first local teaching job.

As a long term local I have a great appreciation for the services provided by our local parks and recreation department. Prior to having my son, my husband and I utilized the pool a great deal. My son, who is almost three, loves to go to the pool. So as a family we are there at least two to three times a week. As a teacher I have also worked closely with several of the pool and recreation center employees to coordinate events for my special education students.

Taking on the role of a board member is not something I take lightly and do understand the importance of such a commitment. I would appreciate having the opportunity to serve on a committee that has provided such a service to the local community.

I appreciate your time and consideration and look forward to having the opportunity to work with you as a member of the Parks and Recreation Advisory Committee.

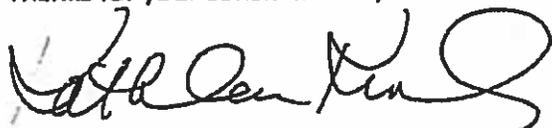
Sincerely,
Stacy Harbaugh

June 29, 2016

To the Gunnison City Council:

I'm writing to express interest in serving on the newly established Park and Recreation Advisory Committee. I have been a resident of the City of Gunnison since 1998. I have also been, and am currently, a regular participant in organized programming such as hockey and softball, am a user of parks and recreation facilities such as local parks, the Van Tuyl trail system, pickleball and tennis courts, and have used the BMX track and community pool, including swim lessons, when my grandson visited. I have strong interest in vibrant parks and recreation programming and facilities in Gunnison and would like to serve the community in this capacity. I view recreation as broad-based, both passive and active, both organized and unstructured, both traditional and alternative, serving multiple constituent groups across a community. I am collegial and collaborative, having served previously as a board member and president for Gunnison Mentors. I currently work full time at Western in academic administration but spent seventeen years as a faculty member, including six as department chair, in the Recreation, Exercise and Sport Science program at Western and have had many students over the years interning, working, or volunteering with the parks and recreation program. Though I work full time, I do have time and energy to commit to this committee if selected. I have an undergraduate degree in parks and recreation, my first job out of college 35 years ago was as a parks and recreation director for a small rural town in Michigan, and I worked part-time for various parks and rec programs in high school and college in the 1970s. I note this to share my love for, and dedication to, community recreation. I am not interested in getting "into the weeds" of the daily operations of Gunnison Parks and Rec - we have competent, dedicated staff to do that. I can, however, bring knowledge, passion, experience, and dedication to this advisory role in a desire to serve the community I love.

Thanks for your consideration,



Kathleen Kinkema
701 W. Elizabeth St
970-641-4955
kkinkema@western.edu

Gail Davidson

From: Dan Ampietro
Sent: Thursday, July 14, 2016 10:08 PM
To: Gail Davidson; Patricia White
Subject: Fwd: Advisory board one more to add

Sent from my iPhone

Begin forwarded message:

From: Kristi <kristimurt@gmail.com>
Date: July 14, 2016 at 2:38:16 PM MDT
To: <DAmpietro@gunnisonco.gov>
Subject: Advisory board

Dear Dan,

I am writing you in regards to the Recreation Department advisory board that is being newly created. I am interested in being considered as a member of that board.

I believe I am fully qualified for many reasons. First of all, I have lived, worked and played in this community for over 37 years. My children were raised here and participated in most of what the recreation department had to offer. I have worked for many years for the department as well participated in many of its programs so I am very familiar with all that it has to offer.

I have an interest in all of the city recreation programs and feel that I have a good understanding of the needs of our community. I am also willing to learn and would welcome the opportunity to do so.

I hope that you will consider me.

Thank you,
Kristi Murtaugh

Sent from my iPad
Sent from my iPad

Dan Ampietro
Gunnison Parks and Recreation
Gunnison, CO 81230

Dear Dan,

This letter is intended to express interest in serving on the Parks and Recreation Committee being organized. I would enjoy serving on this board as I believe that recreation is a very important part of life for individuals of all ages.

Best,

Kevin (Nelson)

Gail Davidson

From: Layne Nelson <laynenelson01@hotmail.com>
Sent: Monday, July 11, 2016 4:59 PM
To: Dan Ampietro
Cc: Layne Nelson
Subject: City Park and Recreation advisory committee

Dan,
I would like to serve on the City Park and Recreation advisory committee.

I have been a resident of the city for 30 years. As an active adult, I feel I could be an integral member of this committee.

I am retired from WSCU where I managed and developed Extended Studies into a successful, profitable program. By creating new offerings and working with community/state partners, the program grew to a multi-million dollar operation.

Prior to that, I was director of the Gunnison Country Chamber of Commerce.

My background in planning, managing and developing programs; creating and overseeing budgets; working with the community and community organizations; and my marketing expertise are skills I will bring to this committee.

I appreciate your consideration of my interest in this committee.

Layne Nelson
970-209-4553
8 Floresta
Gunnison CO

July 6, 2016

Dan Ampietro
Director for the City of Gunnison Parks and Recreation Department
200 East Spencer Avenue
Gunnison, CO 81230

Dear Mr. Dan Ampietro:

I trust this letter find you well and good spirits. Please let this letter serve as my formal notice to you, Dan Ampietro, Director of the Parks and Recreation Department for the City of Gunnison that I wish to be nominated as a candidate for the City of Gunnison Parks and Recreation Advisory Board.

In support of such nomination, I simply offer references and my observations of the Parks and Recreation Department for the City of Gunnison. I believe the City to be a unique and loved entity for many people throughout the entire valley that provides an abundance of services to its lucky citizens. The City provides many opportunities for recreation not just for the citizens of the City, but for the Gunnison Valley as a whole. This "whole valley" responsibility is a both a challenging one for the employees of the Parks and Recreation Department for the City, but also a gift for the citizens of the Gunnison Valley as your employees strive to provide an active environment for all demographics of the Gunnison Valley. Furthermore, having worked with many of the Parks and Recreation Department's employees through the West Elk Hockey Association, I have personally seen the professional level of commitment through and through from each and every employee.

Below, please find a three references for your benefit and inquiry to substantiate my nomination and hopeful appointment.

Dan Crean
Owner, Doubleshot Cyclery
970 - 209 - 1983

Todd Carroll
Town of Mt. Crested Butte Community Development Coordinator
970 - 209 - 9253

Megan McKinley
Lead Case Manager, Gunnison Valley Mentors
970 - 596 - 8990

Thank you for your time today, I look forward to your response.

Sincerely,



Joseph Otsuka
105 E. New York Ave
Gunnison, CO 81230

Gail Davidson

From: johnsolanik@gmail.com on behalf of John Solanik <fireplaces@gunnison.com>
Sent: Wednesday, June 29, 2016 3:57 PM
To: Dan Ampietro
Subject: Parks and Recreation Commission

Dear Parks and Recreation Director,

I am writing to express my interest in participating on the Park and Recreation Committee

As a parent of 2 children and a coach involved in youth programming, I have an interest in assisting the advisory process for the City of Gunnison

Thank you for your consideration. I look forward to hearing from you

John Solanik

604 W Gunnison

970-209-8649

Jennifer Swift
72 Overlook Drive
Gunnison, CO 81230

July 14, 2016

Dan Ampietro
City of Gunnison
Parks and Recreation Dept.
200 E Spencer Avenue
Gunnison, CO 81230

Dear Mr. Ampietro,

I understand there is a need for Gunnison Parks and Recreation advisory committee members. As a citizen of the county since 2009, one who resides North of the city limits, and a mother of a young two year old who continually utilizes the amenities of our great city; I believe I could provide useful perspective and professionalism by serving on such a committee.

Since my move to the state of Colorado in 2000, I have resided in many locales such as Avon, Breckenridge, Dillon, Keystone, Arvada, Golden, Green Mountain and Gunnison. I am an avid outdoor recreationalist as well as community facility user. My background in Hospitality keeps me appreciative of quality goods and services as a consumer and merchant. I am also heavily involved with, and employed by, the local non-profit Gunnison Trails. I feel I have a well-rounded understanding of the user groups affected by Parks and Recreation Department decisions. It would bring me great joy to be able to work with this group in an effort to provide our community with thoughtful and purposeful planning and projects.

If you would like to discuss my qualifications further, please don't hesitate to call me at (716) 200-3807. I can also be reached via email at drimmerj@yahoo.com. Thank you for your time and consideration.

Sincerely,

Jennifer Swift

David Wiens
410 N. Pine
Gunnison, CO 81230
970-275-0485
davidkwiens@gmail.com

July 7, 2016

Dear Gunnison City Council,

I would like to be considered for a position on the newly created Parks and Recreation Advisory Committee.

I have been a resident of the City of Gunnison for nearly 30 years and for the past 18 of those, have been raising children here with my wife, Susan. During that time, we have been continual supporters of Gunnison Parks and Recreation, taking advantage of the facilities, including the community center, swimming pool, city parks and athletic fields, the Hartman Rocks base area, the ice rink, the BMX track and the skatepark.

I have been active in the Hartman Rocks Users Group for years; was instrumental in establishing the current flag football league and have coached youth sports including football, mountain biking and hockey. As an involved parent, I have been involved with countless sports and activities for kids as well as recreational activities for adults.

All of this, combined with the fact that I'm now a card-carrying member of the AARP (even though I'm not retired!) allows me to bring an experienced and well-rounded perspective to this group. Thanks for considering me for one of the seats on this commission.

Sincerely,
David Wiens

**RESOLUTION NO. 8
SERIES 2016**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, SUPPORTING THE APPLICATION FOR THE TRANSPORTATION ALTERNATIVES PROGRAM (TAP) GRANT FROM THE COLORADO DEPARTMENT OF TRANSPORTATION REGION 3 FOR THE CITY OF GUNNISON COMPLETE STREETS PROJECT.

WHEREAS, the City of Gunnison has actively pursued the redevelopment and expansion of the public transportation facilities and has held numerous public meetings including three public workshops regarding the City's Complete Streets project;

WHEREAS, the City of Gunnison supports the Transportation Alternatives Program (TAP) grant application for the Complete Streets project and if the grant is awarded, the City of Gunnison supports the completion of the project; and,

WHEREAS, the City of Gunnison is requesting funds from CDOT Region 3 for two grant applications associate with improving non-motorized facilities on Highway 50 / Tomichi Avenue for the following grant applications:

- Highway 50 Construct two crosswalk facilities \$#####; and
- West Highway 50 Design Project \$#####.

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

- Section 1: The City Council of the City of Gunnison strongly supports the TAP grant applications to CDOT for the Complete Streets project.
- Section 2: The City Council of the City of Gunnison hereby acknowledges that the grant applications includes matching funds which the City of Gunnison is solely responsible to provide if a grant is awarded.
- Section 3: The City Council of the City of Gunnison authorize the expenditure of funds necessary to meet the terms and obligations of any Grant awarded.
- Section 4: The City of Gunnison application demonstrates fulfillment of the Eligibility Criteria for pedestrian and bicycle / non-motorized transportation.
- Section 5: The City Council of the City of Gunnison will continue to maintain the Complete Streets project in high quality condition. City Council will appropriate funds for annual maintenance, an estimated \$#,###, in its annual budget.
- Section 7: If the grant is awarded, the City Council hereby authorizes the Mayor to sign the grant agreement with CDOT.
- Section 8: This resolution will be in full force and effect from and after its passage and approval.

INTRODUCED, READ, PASSED, AND ADOPTED at a Regular Session meeting of the City Council of the City of Gunnison, Colorado, held this ____ day of _____, 2016.

Mayor

(SEAL)

City Clerk

**ORDINANCE NO. 8
SERIES 2016**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GUNNISON TO AMEND SECTIONS 1, ADMINISTRATION (1.7.K. DENSITY) AND 8, VARIANCES (8.1.C. DIMENSIONAL STANDARDS VARIANCES AUTHORIZED) WITHIN THE CITY OF GUNNISON LAND DEVELOPMENT CODE.

WHEREAS, the Community Development Director of the City of Gunnison has filed an application with the City of Gunnison, Colorado, seeking approval of a text amendment to the *Land Development Code*; and

WHEREAS, the Text Amendment proposes amendments to Section 1, Administration regarding density calculations and Section 8, Variances for Dimensional Standards Variances Authorized; and

WHEREAS, the Planning and Zoning Commission of the City of Gunnison, Colorado, held a public hearing on said application pursuant to notice published in accordance with the *Land Development Code* of the City of Gunnison, Colorado, on June 22, 2016; and

WHEREAS, Section 10.5 of the *City of Gunnison Land Development Code* states that approval of a text amendment to the *Land Development Code* may only occur if the application meets all the Review Standards for a Text Amendment; and

WHEREAS, on June 22, 2016 the Planning and Zoning Commission of the City of Gunnison recommended approval of the Text Amendment application to the City Council based on findings of fact established through the proceedings of record; and

WHEREAS, the City Council of the City of Gunnison, Colorado, held a public hearing on the Text Amendment application to the *Land Development Code* on June 12, 2016; and

WHEREAS, based upon the application seeking a Text Amendment to the *Land Development Code*, hereinafter described, the evidence presented to the City Council during the public hearing on the application seeking a Text Amendment, and further, based on the recommendation of the Planning and Zoning Commission of the City of Gunnison, Colorado, the City Council hereby finds as follows:

- A. That this Text Amendment application complies with the review standards for Text Amendments (*LDC*, Section 10.5).
- B. That the Text Amendment includes modifications to Sections 1, Administration (1.7.K. Density) and 8, Variances (8.1.C. Dimensional Standards Variances Authorized).
- C. That the amendments provide reasonable flexibility within the *LDC*.
- D. That the amendments clarify staff direction within the *LDC*.
- E. That based on the findings above, the Text Amendment protects the community's health, safety and welfare;

WHEREAS, that based on the foregoing findings of the City Council of the City of Gunnison, Colorado, the City Council hereby determines that the Text Amendment to the *Land Development Code*, herein described is in the best interests of the City of Gunnison, Colorado, and its citizens.

**NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GUNNISON,
COLORADO, ORDAINS THAT:**

Sections of the *City of Gunnison Land Development Code* are hereby amended to read as follows:

Section 1.7 K. Density

3. When applying a density standard to the net land area of a parcel, resulting fractions with 0.65 or lower shall be rounded down to the lower whole number and resulting fractions that are 0.66 or higher shall be rounded up to the higher whole number.

Section 8.1 General:

- C. **Dimensional Standards Variances Authorized.** Variance from the dimensional standards of the underlying zone district shall be authorized only for minimum lot area, maximum height, minimum floor area, minimum building width, maximum lot coverage, minimum setbacks, maximum setbacks, parking requirements, minimum landscape area, and buffer width.

INTRODUCED, READ, PASSED, AND ORDERED PUBLISHED this 12th day of July, 2016, on first reading, and introduced, read, passed and adopted on second and final reading this 26th day of July, 2016.

Mayor

(SEAL)

ATTEST:

City Clerk

Published in the Gunnison
Country Times Newspaper
July 21, 2016

**ORDINANCE NO. 9
SERIES 2016**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GUNNISON,
COLORADO, AMENDING TITLE 5. GENERAL OFFENSES, CHAPTER 5.30,
NUISANCES, OF THE GUNNISON MUNICIPAL CODE.**

WHEREAS, City staff has recommended amendments to Chapter 5.30, Nuisances, of the Gunnison Municipal Code (G.M.C.); and

WHEREAS, the current ordinances have not been updated for several years; and

WHEREAS, the current ordinances, in some sections, are out of compliance with current state statute; and

WHEREAS, the current ordinances do not adequately define or fit current community standards; and

WHEREAS, the City Council finds that such changes would benefit the health, safety and welfare of the City's residents and, therefore, is in the City's best interest.

**NOW, THEREFORE, THE COUNCIL OF THE CITY OF GUNNISON,
COLORADO, ORDAINS THAT:**

Section 1. G.M.C. Title 5. General Offenses, Chapter 5.30. Nuisances, is amended to read as follows:

5.30.010 Definitions.

When used in this chapter, the following words shall be interpreted as follows, unless the context indicates otherwise:

- A. "Administrative officer" means the city manager, community development director, building official, fire marshal, member of the police department, neighborhood services officer, city health officer, or their designated representatives.
- B. "Agent" means any person acting on behalf of or in the place of the owner.
- C. "City" means the City of Gunnison, Colorado.
- D. "Inoperative vehicles" means any device which is capable of moving itself, or of being moved, from place to place upon wheels, skids or endless tracks, which by reason of mechanical failure or the absence of any component or part is incapable of being operated as originally intended for a period in excess of 30 days, and shall include all motor vehicles for which registration is required and expired for more than 60 days as required by Colorado Revised Statute. Does not include devices powered or moved solely by human power.
- E. "Litter" means rubbish, waste material, refuse, garbage, trash, debris, excrement, urine, offal composed of animal matter or organic matter. Litter includes the accumulation of a single item type or combination of item types such as or composed of chemicals, chemical compound, petroleum product or compound, automobile part or accessory, tire, wheel, furniture, appliances, paper, cardboard, lid, bottle, cap, carton, wrapper, box, wooden object, plastic object, clothing, cloth, metal object, rubber object, leather object, building material, paint, or glass, which is not useable for the manufactured purpose or stored in a way to protect the item for its intended purpose.
- F. "Occupant" means and includes any person who occupies the whole or a part of a building, premises, or property, whether alone or with others.
- G. "Owner" means the owner of record, as reflected by the records of the office of the county clerk and recorder.

- H. "Public nuisance" is defined to mean any condition or use of property which is dangerous to health, offensive to community and moral standards or is detrimental to the property of others or which causes or tends to cause substantial diminution of the value of or presents a danger to other property in the neighborhood in which such premises are located.
- I. "Visibility" as used in connection with nuisance issues pertain to areas visible at ground level from a neighbor's property or from a public right-of-way.

5.30.020 Nuisances prohibited.

- A. It is unlawful for any person to create or maintain, or to knowingly allow or permit the creation or maintenance of, any nuisance as described in this chapter within the city.

Nuisance includes but is not limited to the following:

1. To so negligently conduct any business or use any property so as to create such an offensive smell as may taint the air and render it unwholesome or disagreeable to others in the neighborhood;
2. To throw or deposit, or cause to be thrown or deposited, any offal or any offensive matter, or the carcass of any animal, any animal or human fecal material, any hazardous substance as defined at Section 29-22-101, C.R.S., or other pollutant, in any watercourse, pond, spring, or well, or on land within the city;
3. To suffer or permit any cellar, vault, private drain, pool, sewer, or sink upon any premises to become nauseous, foul, offensive, or injurious to the public health;
4. To allow the growth of vegetation upon any premises or part thereof, or upon the public right-of-way of any street or alley adjacent thereto, when the growth is inconsistent with the current use or development of the property, is overgrown or unsightly in comparison to adjacent properties, or presents a safety risk. Landscaped yards utilizing xeriscape, natural vegetation or landscaping allowed under the City of Gunnison Land Development Code are not considered a nuisance;
5. To allow the cultivation, growth or other prohibited or regulated actions associated with noxious weeds as defined and regulated by City of Gunnison Municipal Code, Title 5, Undesirable Plant Management;
6. To throw or deposit or allow the accumulation of litter upon any property within the city, except that composting of yard wastes shall be permitted in compost-holding units which meet the following specifications:
 - (a) Does not exceed 125 cubic feet in volume;
 - (b) Shall be constructed of wood, wire, metal, or plastic, excluding plastic bags;
 - (c) May be a stationary or a rotating unit;
 - (d) Shall be located in the rear of the property and shall be screened or fenced so that it is not readily visible;
 - (e) Shall be maintained to minimize odors;
 - (f) Shall not be allowed to attract animals and pest species as defined in Chapter 5.40 or to become a health or safety hazard;
7. To deposit or store or allow to be stored any inoperative vehicles on any property within the city. This provision shall not apply to inoperative vehicles stored within

a building or to storage of such vehicles on property which is zoned for such use in compliance with the City of Gunnison Land Development Code, nor shall this provision apply to vehicles defined as collector's items or parts car; provided, that such vehicles are stored in compliance with Colorado Revised Statute;

8. To permit or allow any property to become or remain infested with, insects, rats, vermin or any pest species as defined in this section. Infestation occurs when the property is inhabited or overrun in numbers or quantities large enough to be harmful, threatening or obnoxious;
9. To place upholstered furniture which is not manufactured for outdoor use in an outdoor area, exposed to the elements, where such furniture is visible to neighbors and passersby in the public right-of-way, or who, being the owner, lessee, or manager of such place, knowingly permits such placement. Upholstered furniture includes chairs, couches and mattresses. Outdoor setting includes any porch, patio or other unenclosed structure where the furniture is exposed to the elements;
10. No noise may be produced which is objectionable due to duration, intermittence, frequency, or shrillness where the source of the noise is caused by operating machinery, engines, or other equipment. Sound levels of noise radiating from a property line at a distance of twenty-five feet or more in excess of the db(A) established for the following time periods and zones shall constitute prima facie evidence that such noise is a public nuisance:

ZONE	7:00 AM to 6:59 PM	7:00 PM to 6:59 AM
Residential	55db(A)	50db(A)
Commercial	60dn(A)	55db(A)
Industrial	80db(A)	75db(A)

(a) This section does not apply to:

1. The operation of aircraft or other activities which are subject to federal law with respect to noise control.
 2. Construction projects shall be subject to the maximum permissible noise levels specified for industrial zones for the period within which construction is to be completed pursuant to any applicable construction permit issued by proper authority or, if no time limitation is imposed, for a reasonable period of time for completion of project.
 3. Emergency repairs, emergency maintenance and snow removal.
11. Anything defined or declared to be a nuisance by any provision of this chapter, City of Gunnison Land Development Code, Title 14 - Technical Codes of the City of Gunnison Municipal Code or statute of the State of Colorado.
 12. Any property defined or declared condemned under the City of Gunnison Land Development Code, Title 14 - Technical Codes of the City of Gunnison Municipal Code or statute of the State of Colorado.
- B. It is unlawful for any person to interfere with or prevent, or attempt to interfere with or prevent, the abatement of any nuisance by an officer or representative of the city pursuant to the provisions of this chapter.

- C. Any person, organization, or entity who makes or causes any nuisance to exist shall be deemed the author of the nuisance. Any person who has possession or control of any private property or premises, whether he is the owner of the property or not, where any nuisance exists or is found, shall be deemed the author of the nuisance. Any person who is the owner of the private property or premises, or an agent for the owner of the private property or premises, who, having received prior notice of the existence of such nuisance, shall fail to remove the thing or things or abate the condition described in such notice, shall be deemed the author of the nuisance. Each and every day during which a nuisance continues shall be deemed a separate offense and shall be prosecutable and punishable as a separate offense.

5.30.030 Inspection of properties.

- A. Inspection Authorized. Any administrative officer shall have the power and authority to inspect and examine any public or private property in the city for the purpose of ascertaining the nature and existence of any nuisance.
- B. Right of Entry – Generally. Whenever necessary to make an inspection to enforce any of the provisions of this chapter, or whenever any administrative officer has reasonable cause to believe there exists in any building or upon any premises any condition which constitutes a nuisance hereunder, such administrative officer may enter such building or premises at all reasonable times to inspect the same or perform any duty imposed upon him.
1. If, building or premises is occupied, the administrative officer shall present proper credentials and request entry. If entry is refused, the administrative officer shall not enter upon such building or premises without issuance of a search warrant.
 2. If, building or premises is unoccupied, the administrative officer shall make a reasonable effort to locate the owner or occupant or other person or persons having charge or control of the building or premises, and upon locating the owner, occupant, or other person or persons, shall present proper credentials and request entry. If entry is refused, the administrative officer shall not enter upon such building or premises without issuance of a search warrant.
 3. If, the owner or occupant or other person or persons having charge or control of the building or premises cannot be contacted, a notice shall be posted on the property, for a period of 24 hours, giving notice of the City's intent to inspect the property or premises. After the 24 hour period with no response, or if entry is denied, the administrative officer shall not enter upon such building or premises without issuance of a search warrant.
- C. Search Warrants. The administrative officer is authorized to apply to the municipal court of the city for issuance of a search warrant pursuant to the Colorado Municipal Court Rules of Procedure. Upon presentation of the search warrant and proper credentials, or possession of the same in the case of an unoccupied building or premises, the administrative officer may then enter into the building or upon the premises using such reasonable force as may be necessary to gain entry.

5.30.40 Notice and Abatement of Nuisances.

- A. Notice to Abate. An administrative officer of the city, upon the discovery of any nuisance on public or private property in the city, may notify the owner and/or occupant of the property in writing, requiring the owner and/or occupant of the property to remove and abate from the property the thing or things or condition described as a nuisance within the time specified in the notice.

- B. Time allowed for Abatement. The owner and/or occupant of the property shall be given 7 days, from date of service, within which the thing or things or condition described in the notice as a nuisance shall be removed or abated. Such time for abatement of the nuisance may be increased if it appears to the administrative officer, based on the facts and circumstances known that compliance cannot reasonably be made within seven days, in which case a longer period of time may be given.
- C. Contents of Notice. The notice to abate issued pursuant to the provisions of this section to the owner and/or occupant of property upon which a nuisance was discovered shall contain the following:
1. The address or other description of the property upon which the nuisance was discovered;
 2. The name and address of the owner of the property upon which the nuisance was discovered;
 3. The name and address of the occupant of the property upon which the nuisance was discovered, if known, and if different from the owner;
 4. A description of the thing or things or condition deemed to be a nuisance;
 5. The time in which the thing or things or condition are to be removed or abated from the property;
 6. A statement advising the owner and/or occupant that they may protest the determination of the administrative officer with respect to any matters stated in the notice, by filing a written protest pursuant to GMC 5.30.060 with the municipal court within the time allowed for the removal or abatement of the nuisance described; and
 7. A statement that if the owner and/or occupant fails to comply with directions contained in the written notice or file a written protest thereto in the time allowed, the city may elect to pursue criminal charges, may enter the property, abate the nuisance described therein, and assess the costs thereof to the owner of the property, or may seek any lawful remedies allowed pursuant to GMC, Section 5.30.080.
- D. Service of the Notice. The written notice to abate shall be served by the administrative officer of the city by:
1. Personally delivering a copy of the notice to the owner of the property described in the notice if the owner also resides at the property; or
 2. Personally delivering a copy of the notice to a non-owner occupant or resident of the property described in the notice and mailing a copy of the notice by First Class Mail, return receipt requested, to the last known address of the owner, as reflected in the county real estate records; or
 3. Mailing a copy of the notice by First Class Mail, return receipt requested, to the last known address of the owner of the property described in the notice, as reflected in the county real estate records, if the property is unoccupied, and by posting a copy of the notice in a conspicuous place at the unoccupied property.

4. Service of the notice shall be complete upon the date of personal delivery, upon receipt date reflected in return receipt or ten days after posting property as required herein.
- E. Non-compliance with Notice. If the owner and/or occupant of the property fails or refuses to comply with the directions of the written notice and does not file a written protest to such notice, as provided in GMC 5.30.060, then the administrative officer shall proceed pursuant to GMC, Section 5.30.080, Enforcement and Remedies.

5.30.050 Recovery of the expense of abatement.

- A. In the event that the city abates the nuisance pursuant to GMC 5.30.040, the actual costs of the abatement, together with a fee in the amount of \$100.00 or 10 percent of the abatement costs, whichever is greater, shall be assessed upon the property from which such nuisance is abated.
- B. The costs assessed shall be paid to the city's director of finance within 30 days after the director of finance has mailed notice of the assessment of such costs by First Class Mail, return receipt requested, to the owner of the property; provided, however, that if the property is occupied by someone other than the owner, notice of the assessment shall be mailed to both the owner and the occupant. The assessment of costs shall be a lien in the amount assessed against such property until paid, and shall have priority over all other liens, except general taxes and prior special assessments.
- C. If any assessment is not paid within 30 days after the date it is mailed, the director of finance is hereby authorized to certify to the county treasurer a list of all delinquent assessments, giving the name of the owner as it appears in the real estate records of the county, the description of the property sufficient to identify the property upon the records of the county treasurer, and the amount of the assessment. The county treasurer, upon receipt of such list, certified in such form as the treasurer may require, is hereby authorized to place those assessments upon the tax rolls for the current year and to collect those assessments in the same manner as other taxes are collected. (Code 1997 § 5-3-5).

5.30.060 Protest of notice of abatement.

- A. The owner, his agent, or the occupant of the property subject to a notice of abatement, within the time stated in such notice for removal of the thing or things or abatement of the condition described therein, may protest the findings of the administrative officer with respect to any matter stated in the notice, by filing a written notice of protest with the municipal court. The municipal court shall deliver a copy of the protest to the city attorney and the administrative officer who issued the notice.
- B. Municipal court shall schedule and conduct a hearing on the protest at the next available court date, but not less than seven days from the date protest is filed. At the hearing, the protesting party and representatives of the city shall appear in person. Both parties may be represented by legal counsel. The parties shall have the right to present evidence and arguments to confront and cross-examine any witness and to oppose any testimony or statement relied upon by an adverse party. The municipal court may receive and consider any evidence which has probative value commonly accepted by reasonable and prudent persons in the conduct of their affairs.
- C. Once the municipal court has scheduled a hearing on the protest, written notice of such hearing shall be mailed to the protesting party and given to the city attorney and administrative officer who signed the notice of abatement. Such notice shall be mailed to the protesting party and given to the city attorney and administrative officer not less than seven days prior to the scheduled hearing.

- D. Upon the filing of a written protest as provided herein, the period of time for removal of the thing or things or abatement of the condition described in the original notice of abatement shall be extended until final disposition of the protest by the municipal court, plus the amount of time granted in the original notice, or as otherwise ordered by the municipal court.

5.30.070 Emergency Abatement

Emergency Abatement. Whenever an emergency situation exists in relation to the enforcement of any of the provisions of this chapter, an administrative officer, upon presentation of proper credentials, in the case of an occupied building or property, or possession of the credentials in the case of an unoccupied building or property, may enter into any building or upon any property within the jurisdiction of the city. For purposes of this subsection, an “emergency situation” includes any situation where there is imminent danger of loss of, or injury or damage to, life, limb, or property. The administrative officer may take such action as is necessary to remove the thing or things or abate the condition which creates such emergency. The administrative officer may proceed pursuant to GMC, Section 5.30.080, Enforcement and Remedies, without compliance with the time and warrant restraints provided in GMC, Sections 5.30.030 and 5.30.040.

5.30.080 Enforcement and remedies.

- A. In addition to any other remedies that may be available to the city, including the right to maintain an action in any court of record for the prevention, restraining, abatement, or enjoining of any public nuisance, and in addition to any other procedural remedy which may be permitted by this code, the city may enforce the terms of this chapter by any lawful means.
- B. Any violation of GMC, Section 5.30.020 is a misdemeanor.

Section 2. If any section of this ordinance is, for any reason, held to be invalid or unconstitutional, such decision shall not affect the validity or the constitutionality of the remaining portions of the ordinance. The City Council of the City of Gunnison hereby declares that it would have passed this ordinance, and each section thereof, irrespective of the fact that any one or more sections be declared unconstitutional.

INTRODUCED, READ, PASSED, AND ORDERED PUBLISHED this 12th day of July, 2016, on first reading, and introduced, read, passed and adopted on second and final reading this 26th day of July, 2016.

Mayor

(SEAL)

ATTEST:

City Clerk

Published in the Gunnison
Country Times Newspaper
July 21, 2016

**ORDINANCE NO. 10
SERIES 2016**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, AMENDING TITLE 5. GENERAL OFFENSES, BY ADDING CHAPTER 5.50 UNDESIRABLE PLANT MANAGEMENT, AND ADOPTING AN UNDESIRABLE PLANT MANAGEMENT PLAN IN ACCORDANCE WITH THE COLORADO NOXIOUS WEED ACT

WHEREAS, the City of Gunnison, Colorado is a Colorado home-rule municipality; and

WHEREAS, Section 35.5.5-101, et seq., of the Colorado Revised Statutes, contains the Colorado Noxious Weed Act; and

WHEREAS, pursuant to such Act, the governing body of each municipality in the state shall adopt a noxious weed management plan for all lands within the territorial limits of the municipality; and

WHEREAS, the City currently is a party to an intergovernmental agreement with the Board of County Commissioners of Gunnison County regarding undesirable plant management; and

WHEREAS, adoption by the City of a noxious weed management plan will both comply with statutory requirements and aid in management and enforcement of noxious weed management; and

WHEREAS, the plan to be adopted will benefit the health, safety, and welfare of the City and its inhabitants.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GUNNISON, COLORADO, ORDAINS AS FOLLOWS:

Section 1. Title 5 General Offenses is hereby amended by the addition of Chapter 5.50 – Undesirable Plant Management, to read as follows:

Chapter 5.50 – Undesirable Plant Management

5.50.010 Definitions.

The following words, terms and phrases, when used in this article, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning:

- A. “City council” means the city council of the City of Gunnison, Colorado.
- B. “Alien plant” means a plant species which is not indigenous to the state of Colorado.
- C. “Colorado Noxious Weed Act” means the provisions contained in C.R.S. section 35-5.5-101 et seq.
- D. “Commissioner” means the commissioner of the Colorado Department of Agriculture or designee.
- E. “Department” means the Colorado Department of Agriculture.
- F. “Federal agency” means each agency, bureau or department of the federal government responsible for administering or managing federal land.
- G. “Integrated management” means the planning and implementation of a coordinated program utilizing a variety of methods for management of noxious weeds, the purpose of which is to achieve specified management objectives and promote desirable plant communities. Such methods may include, but are not limited to education, preventive measures, good stewardship, and the following integrated management techniques:

1. Biological management, which means the use of an organism to disrupt the growth of noxious weeds.
 2. Chemical management, which means the use of herbicides or plant growth regulators to disrupt the growth of noxious weeds.
 3. Cultural management, which means methodologies or management practices that favor the growth of desirable plants over noxious weeds, including maintaining an optimum fertility and plant moisture status in an area, planting at optimum density and spatial arrangement in an area, and planting species most suited to an area.
 4. Mechanical management, which means methodologies or management practices that physically disrupt plant growth, including tilling, mowing, burning, flooding, mulching, hand-pulling, hoeing, and grazing.
- H. "Landowner" means any owner of record of state, county, municipal, or private land and includes an owner of any easement, right-of-way or estate in the land.
- I. "Local noxious weed" means any alien plant of local importance that has been declared a noxious weed by the weed advisory board.
- J. "Management" means any activity that prevents a plant from establishing, reproducing, or dispersing itself.
- K. "Management objective" means the specific, desired result of integrated management efforts and includes:
- (1) Eradication, which means reducing the reproductive success of a noxious weed species or specified noxious weed population in largely uninfested regions to zero and permanently eliminating the species or population within a specified period of time. Once all specified weed populations are eliminated or prevented from reproducing, intensive efforts continue until the existing seed bank is exhausted.
 - (2) Containment, which means maintaining an intensively managed buffer zone that separates infested regions, where suppression activities prevail, from largely uninfested regions, where eradication activities prevail.
 - (3) Suppression, which means reducing the vigor of noxious weed populations within an infested region, decreasing the propensity of noxious weed species to spread to surrounding lands, and mitigating the negative effects of noxious weed populations on infested lands. Suppression efforts may employ a wide variety of integrated management techniques.
 - (4) Restoration, which means the removal of noxious weed species and reestablishment of desirable plant communities on lands of significant environmental or agricultural value in order to help restore or maintain said value.
- L. "Management plan" means the City of Gunnison weed management and enforcement plan as developed by the weed advisory board and adopted by the city council.
- M. "Native plant" means a plant species which is indigenous to the State of Colorado.
- N. "Noxious weed" means an alien plant or parts of an alien plant that have been designated by rule by the commissioner or the department as being noxious or any plant that has been declared a local noxious weed by the weed advisory board, and which meets one or more of the following criteria:
- (1) It aggressively invades or is detrimental to economic crops or native plant communities;
 - (2) It is poisonous to livestock;
 - (3) It is a carrier of detrimental insects, diseases or parasites; or
 - (4) The direct or indirect effect of the presence of this plant is detrimental to the environmentally sound management of natural or agricultural ecosystems.

- O. "Person or occupant" means an individual, partnership, corporation, association or federal, state or local government or agency thereof owning, occupying or controlling any land, easement or right-of-way, including any city, county, state or federally owned and controlled highway, drainage or irrigation ditch, spoil bank, borrow pit, gas and oil pipeline, high voltage electrical transmission line, or right-of-way for a canal or lateral.
- P. "Plant growth regulator" means a substance used for controlling or modifying plant growth processes without appreciable phototoxic effect at the dosage applied.
- Q. "State noxious weed" means any noxious weed identified by the commissioner or the department by rule pursuant to the terms and provisions of the Colorado Noxious Weed Act. Such weeds may be referred to herein as "State A List," "State B List" or "State C List" weeds depending upon their designation as such by the commissioner pursuant to the terms of C.R.S. section 35-5.5-108.
- A. List weeds shall mean all populations of noxious weeds in the City of Gunnison that are designated for eradication, either by the commissioner pursuant to the terms of C.R.S. section 35-5.5-108 or by local designation by the weed advisory board.
- B. B List weeds shall mean all populations of noxious weeds in the City of Gunnison that are designated for required management, either by the commissioner pursuant to the terms of C.R.S. section 35-5.5-108 or by local designation by the weed advisory board.
- C. C List weeds shall mean all populations of noxious weeds in the City of Gunnison that are designated for recommended management, either by the commissioner pursuant to the terms of C.R.S. section 35-5.5-108 or by local designation by the weed advisory board.
- R. "Undesirable plant" means a noxious plant species that is designated as undesirable by this chapter, the commissioner or by the weed advisory board.
- S. "Undesirable plant management" means the planning and implementation of an integrated program to manage undesirable plant species.
- T. "Weed" means any undesirable plant.
- U. "Weed advisory board" means the individuals appointed by the city council of the City of Gunnison to advise on matters of noxious weed program direction.
- V. "Weed office" means the City of Gunnison weed office. The Gunnison Police Department shall serve as the weed office.

5.50.020 Duty to manage undesirable plants—Landowner's responsibility.

It is the duty of all persons to use integrated methods to manage and prevent the spread of all noxious weeds if the plants are likely to be ecologically destructive or aesthetically or materially damaging to neighboring lands.

5.50.030 Local priority weed list.

The city council, after consultation with the weed advisory board, may elevate the status of any State B List noxious weed or State C List noxious weed that is located within the City of Gunnison from the State B or C lists to that of an A or B List weed as deemed necessary. The city council, after consultation with the weed advisory board, may also at any time apply to the commissioner for a waiver of compliance with an eradication designation set forth by the commissioner for any particular State A list noxious weed or State B List noxious weed designated for eradication in the City of Gunnison, pursuant to the terms of C.R.S. section 35-5.5-108.5(3)(c). If such a waiver is approved, the noxious weed in question shall be reclassified as either a B or C List weed as may be determined by the city council.

5.50.040 Designation of additional undesirable plants.

The city council may designate additional undesirable plants or weeds not otherwise designated as state noxious weeds for eradication or management within the City of Gunnison pursuant to the

terms of C.R.S. section 35-5.5-108(3), after a public hearing with thirty (30) days prior notice to the public.

5.50.050 Review of the annual City of Gunnison weed management plan.

The weed advisory board has, pursuant to the direction of the city council, originally developed the management plan, and will review such management plan on an annual basis for any desirable changes or adjustments to such plan and shall report to the city council on such basis with any recommended changes or adjustments. As part of such review, the weed advisory board will review the list of noxious weeds to consider additional weeds and to prioritize control efforts. The management plan must be renewed and approved by the city council not less than once every three (3) years, but nothing shall prevent the city council from approving any interim changes or adjustments to the management plan in any interim years. The weed office shall maintain the management plan and the priority weed list and make them available to the general public.

5.50.060 Importation and cultivation.

Persons are prohibited from importing seeds, propagative plant parts or live plants and cultivating any noxious weed within the City of Gunnison, and any such person doing so shall be fully prosecutable pursuant to the terms of C.R.S. section 35-5.5-104.5.

5.50.070 Administering agency.

The city council shall provide for the administration and enforcement of the management plan authorized by this article through the use of agents, delegates or employees, and may hire additional staff or provide for the performance of all or part of the management plan through outside contract. The primary duty and responsibility of administering the management plan is hereby delegated to the weed office, and the weed office shall be the city council's primary agent in enforcement and administration thereof. Any agent, delegate, employee, staff or contractor applying or recommending the use of chemical control methods shall be licensed by the department for such application or recommendation. Costs associated with administering or enforcing the management plan shall be paid from the general fund of the City.

5.50.080 Weed advisory board.

The city council has appointed the weed advisory board from landowners, other interested individuals living in the vicinity of the city, and the weed advisory board shall have all of the authority and powers set forth herein as well as all of the authority and powers set forth in C.R.S. section 35-5.5-107. The city council shall be entitled to appoint ex-officio members, as in their sole discretion they shall determine.

5.50.090 Identification and inspection of noxious weeds—Methods of identification.

(a) Private and Public Lands.

(1) The weed office, acting as agent, delegate, or staff of the city council, shall have the right to enter upon any premises, lands, or places whether public or private, during reasonable business hours for the purpose of inspecting for the existence of noxious weed infestations, when at least one of the following has occurred:

- a. The landowner or occupant has requested an inspection;
- b. A neighboring landowner or occupant has reported a suspected noxious weed infestation and requested an inspection;
- c. An authorized agent of the city council has made a visual inspection from a public right-of-way or area and has reason to believe that a noxious weed infestation exists; or
- d. A weed office agent has inspected a current aerial satellite map of the property and determined there is reason to believe that a noxious weed infestation exists.

(b) Where entry onto private premises is required to investigate the existence of noxious weeds, on-site inspections may be scheduled at any reasonable time upon the landowner or occupant's consent. No entry onto such lands shall be permitted unless one of the following occurs: (1) verbal permission to inspect the property is granted by the landowner or occupant of said property, or (2) such landowner or occupant is notified of such pending inspection by certified mail at least ten (10) days prior to such inspection. If after notification landowner or occupant fails to respond within ten (10) days to the request to inspect the premises or otherwise

denies access to the inspector, the inspector may seek an inspection warrant issued by the City of Gunnison municipal court having jurisdiction over the land pursuant to the provisions of C.R.S. section 35-5.5-109(2)(b) or 35-5.5-108.5(5)(b)(I).

5.50.100 Notice of presence of noxious weeds—Notice letter.

(a) Private Lands.

(1) Upon a discovery of the presence of noxious weeds on private premises, the weed office, acting as agent, delegate, or staff of the city council has the authority to notify the landowner or occupant of the presence of noxious weeds. The notice from the weed office includes the following:

- a. The property inspection date;
- b. The landowner and/or occupant of record;
- c. The property tax ID number or legal description of the property, and/or aerial map;
- d. The noxious weeds to be managed;
- e. If the noxious weeds are weeds designated for eradication pursuant to designation as List A weeds, identification of eradication as the required management objective;
- f. Advisement to the landowner or occupant to commence either eradication of the noxious weeds within five (5) days or management of the noxious weeds within ten (10) days after receipt of notice or submit an acceptable plan and schedule for the completion of the plan for compliance;
- g. Identification of the integrated weed management techniques presented by the commissioner for eradication or the best available control methods of integrated management;
- h. The options of notice compliance;
- i. The consequences for non-compliance with the notice, an offer of weed office consultation in management plan development, and notice of landowner and/or occupant's right to request a hearing before the arbitration panel;
- j. Statement that weed office will seek an inspection warrant (right of entry) from the City of Gunnison municipal court having jurisdiction over the land, to enter property and manage identified noxious weeds unless landowner and/or occupant complies with notice, submits an acceptable plan and schedule for completion of the plan or submits a written request for a hearing before the arbitration panel within ten (10) days.

(b) Public Lands.

(1) The weed office, acting as agent, delegate, or staff of the city council, may give notice to any state board, department, or agency that administers or supervises state lands within the City of Gunnison, to manage noxious weeds on its land and naming them.

(2) Such notice shall specify the best available method(s) of integrated management and will include the same information as itemized in 5.50.100(a).

5.50.110 Duty to consult.

Where possible, the weed office shall consult with the affected landowner, occupant, state board, department or agency in the development of a plan for the management of noxious weeds on the premises or lands.

5.50.120 Eradication and management of weeds—Landowner, occupant or public agency response.

(a) A landowner, occupant or state board, department or agency receiving notification of the presence of noxious weeds pursuant to section 5.50.100 above shall respond within a reasonable time after receipt thereof, but in no event to exceed five (5) days if eradication is ordered and ten (10) days if management is ordered, by any of the following:

- (1) Complying with the terms of the notification.
- (2) Acknowledging the terms of the notification and submitting an acceptable plan and schedule for the completion of the plan for compliance.

(3) If only management is ordered, requesting an arbitration panel to determine the final management plan. The panel shall be selected by the city council, through its delegates, agents, and employees, and shall include:

- a. A weed management specialist or weed scientist;
- b. A landowner of similar land in City of Gunnison; and
- c. A third member chosen by agreement of the first two panel members;
- d. The landowner or occupant is entitled to challenge any one member of the panel, and the city council, through its delegates, agents and employees shall name a new panel member from the same category.

Costs for the arbitration panel shall be paid by the requesting landowner or occupant. The decision of the arbitration panel shall be final.

5.50.130 Enforcement—Direct action by City to manage weeds.

In the event that the landowner, occupant or state board, department or agency fails to comply with any notice to eradicate or manage the identified weeds or implement the plan developed by the arbitration panel, the weed office shall provide for and compel the eradication or management of such weeds in any manner deemed necessary by the weed office and in compliance with the provisions of C.R.S. section 35-5-108.5, 35-5.5-109(5) or 35-5-110(3).

5.50.140 Restrictions.

No eradication or management of noxious weeds on private property shall occur without applying the same or greater management measures to any land or rights-of-way owned by the City or administered by the city council that are adjacent to the private property.

5.50.150 Assessment of costs for treatment and eradication of noxious weeds—Private lands.

If the city council, or its agents and employees, provide for and/or compel the management or eradication of noxious weeds on private lands, the city council is entitled to recover certain costs.

5.50.160 Recoverable costs/method of collection—Management.

- (a) If the city council compels and provides for the management of noxious weeds pursuant to the provisions of C.R.S. section 35-5-109, the city council is entitled to assess the whole cost thereof, including up to twenty (20) percent for inspection and other incidental costs in connection therewith, upon the lot or tract of land where the noxious weeds are located.
- (b) Such assessment shall be a lien against each lot or tract of land until paid and shall have priority over all other liens except general taxes and prior special assessments.
- (c) Such assessment may be certified to the Gunnison County treasurer for the collection of taxes.
- (d) Any funds collected shall be deposited in the city's weed fund or any similar fund.

5.50.170 Recoverable costs/method of collection—Eradication of List A species.

- (a) If the city council compels and provides for the eradication of noxious weeds pursuant to their classification as List A weeds, the city council is entitled to assess the whole cost of eradicating such weeds, including up to one hundred (100) percent of inspection, eradication and other incidental costs in connection therewith, upon the lot or tract of land where the noxious weeds are located.
- (b) Such assessment shall be a lien against each lot or tract of land until paid and shall have priority over all other liens except general taxes and prior special assessments.
- (c) Such assessment may be certified to the Gunnison County treasurer for the collection of taxes.
- (d) Any funds collected shall be deposited in the city's weed fund or any similar fund.

5.50.180 Landowner or occupant protest.

- (a) The weed office shall send a "payment notice/potential lien assessment" letter by certified and regular mail to the landowner or occupant prior to any assessment on landowner or occupant's property.

(b) Landowner or occupant shall be given thirty (30) days from the date on the payment notice/potential lien assessment letter to respond.

(1) In the event landowner or occupant fails to respond to the letter within the prescribed thirty (30) days, the weed office shall assess a lien on landowner or occupant's property and may certify such lien to the Gunnison County treasurer.

(2) If the landowner or occupant responds within the prescribed thirty (30) days and disputes the amount of the assessment, he or she is entitled to be heard before the City of Gunnison weed advisory board as to his or her concerns.

5.50.190 Assessment of costs—Hearing.

(a) The landowner or occupant, or an attorney on his or her behalf, will be allowed to present testimony to the weed advisory board as to why they should not assess a lien on landowner or occupant's property for the costs outlined in the payment notice/potential lien assessment letter.

(b) A member of the weed office will need to be present at the hearing to provide evidence favoring the imposition of a lien on landowner or occupant's property.

(c) The weed office must show that prior to compelling the management of noxious weeds on landowner and/or occupant's property the weed office applied the same or greater management measures to any land or rights-of-way owned by the City or administered by the city council that are adjacent to the private property pursuant to section 5.50.140 of this Code.

(d) The weed office must show that the level of management called for in the notice or the management plan developed by the arbitration panel has been successfully achieved pursuant to section 14-34 of this Code.

(e) The weed advisory board may either grant or deny the lien assessment or continue the matter to a subsequent date certain.

(f) If the weed advisory board grants the lien assessment, the resolution for certification of assessed costs as granted by the city council is filed with the county treasurer's office.

5.50.200 Limitations.

The weed advisory board shall not assess the cost of providing for or compelling the management of noxious weeds on private property until the level of management called for in the notice or the management plan developed by the arbitration panel has been completed.

5.50.210 Recoverable costs/method of collection—Public lands.

(a) Any expenses incurred by the city council in the undertaking of the eradication or management of noxious weeds on public lands shall be a proper charge against such state board, department, or agency that has jurisdiction over the lands.

(b) An agreement for the reimbursement of such expenses shall be reached within two (2) weeks after the date such an expense is submitted to such state board, department or agency, such agreement to be set forth in writing.

(c) If an agreement is not reached or the charge is not immediately paid, such charge shall be submitted to the controller, who shall treat such amount as an encumbrance on the budget of the state board, department or agency involved or such charge may be recovered in any court with jurisdiction over such lands.

5.50.220 Scheduling and hearing.

The state board, department, or agency owning or occupying said public lands is afforded the same scheduling and hearing protections as provided to landowners or occupants of private lands under sections 5.50.180 and 5.50.190 of this Code.

5.50.230 Miscellaneous—Additional provisions.

(a) The city council, through its delegates, agents, and employees, shall have the right to enter upon any premises, lands or places, whether public or private, during reasonable business hours for the purposes of ensuring compliance with any of the above requirements concerning noxious weed management and any other local requirements.

(b) No agent, employee, or delegate of the city council shall have a civil cause of action against a landowner or occupant for personal injury or property damage incurred while on public or private land for purposes consistent with the above requirements except when the landowner or occupant willfully or deliberately caused such damages.

(c) It shall be the duty of the city council to confirm that all public roads, public highways, public rights-of-way, and any easements appurtenant thereto, under its jurisdiction, are in compliance with C.R.S. section 35-5.5-101, et seq., and any violations thereof shall be the financial responsibility of the appropriate local governing body or state board, department, or agency.

5.50.240 Cooperation with federal and state agencies.

The city council may enter into cooperative agreements with federal, county and state agencies for the integrated management of undesirable plants within their respective territorial jurisdictions.

5.50.250 Public nuisance—Abatement.

All undesirable plants at any and all stages thereof, their carriers, and any and all premises, plants and things infested or exposed to infestation may be declared to be a public nuisance by the city council. Once declared, such nuisances shall be subject to all laws and remedies relating to the prevention and abatement of nuisances. The city council, in a summary manner or otherwise, may take such action, including removal and destruction, with reference to such nuisance as in its discretion appears necessary. The remedies of this section shall be in addition to all other remedies provided by law.

Section 2. If any section of this ordinance is, for any reason, held to be invalid or unconstitutional, such decision shall not affect the validity or the constitutionality of the remaining portions of the ordinance. The County Council of the City of Gunnison hereby declares that it would have passed this ordinance, and each section thereof, irrespective of the fact that any one or more sections be declared unconstitutional.

INTRODUCED, READ, PASSED, AND ORDERED PUBLISHED this 12th day of July, 2016, on first reading, and introduced, read, passed and adopted on second and final reading this 26th day of July, 2016.

Mayor

(SEAL)

ATTEST:

City Clerk

Published in the Gunnison
Country Times Newspaper
July 21, 2016

EXECUTIVE SESSION MOTION FORM
MEETING DATE: TUESDAY, JULY 26, 2016

I MOVE TO GO INTO EXECUTIVE SESSION:

The purpose of which is pursuant to C.R.S. §24-6-402(4)(e) for determining positions relative to matters that may be subject of negotiations; developing strategies for negotiations; and instructing negotiators

POLICE DEPARTMENT MID-YEAR REPORT

July 21, 2016

For the mid-year report I like to try and give council an idea of where police activity compares to prior years and highlight some of the activities that occupy our time, planning or future projects.

For those activities which we normally report on everything appears consistent with prior years. The numbers for mid-year will not evenly reflect half of the previous year totals due to some predictable activities; property crimes trend higher in the spring and alcohol/disorderly type offense typically have two spikes once in the spring and again in the fall. Bicycle and traffic enforcement is down primarily due to staffing levels.

Reports Taken	2014	2015	2016(Jan-Jun)
Alcohol violations	48	32	18
Assaults	69	72	39
Burglaries	10	26	13
Controlled Substances	20	42	24
Criminal Mischief	86	79	20
Public Disorder/Peace	186	171	57
DUI	61	90	27
Court Order/bond/FTA	79	96	57
Harassment	70	61	24
Thefts	168	174	93
Trespass	34	24	16
Animal - Complaints	350	327	127
Animal – Vicious	28	30	18
Bicycle, Warnings	51	68	19
Bicycle, Tickets	58	64	10
Moving Violations, Warnings	870	817	224
Moving Violations, Tickets	200	173	69
Parking Violations, Warnings	91	153	59
Parking Violations, Tickets	354	204	163

The other comparison on how the year is progressing is to compare year to date activities.

	Last Year	This Year
Reports	1243	1204
Arrests	281	249
Citations	920	663

Council approved two new positions for the police department, one in neighborhood services and an additional patrol officer. Both positions were intended to increase random patrol time which is where traffic enforcement fits for police officers and neighborhood services is available to take a more proactive role in nuisance and animal at large complaints. However, filling those positions became a struggle. The Neighborhood Services position was filled in April with the training period just finishing up in June, so

Kelsey is out on her own. The 15th patrol officer position has not been filled to date. We were able to get four candidates in for testing in May with two being selected for conditional offers and further testing. Evan completed the testing and started on July 11th and went into the department training program. The second candidate did not complete testing. Evan replaced Caleb who resigned in June which still leaves us trying to fill the 15th position. The application process has been reopened and we are striving to find a qualified candidate by year end.

Random patrol time by patrol and NSO has also been affected by officers on leave due to the officer involved shooting in February and leave from work related injuries. We have also had officers on leave and light duty resulting from non-work related injuries. Individually the absence may not be big but combined they affect the amount of time available for random patrol by everyone.

As for other staffing areas records has not seen any changes in several years. Communications had one dispatcher, Emma, leave in June and her position was filled by Hilarie who was able to start training in July.

The Law Enforcement Advocate Program is continuing to develop and be an asset in the community. As a reminder the Police Department took over the law enforcement advocate program in 2013 when the sheriff's office advocate retired. The advocate program serves crime victims associated with Crested Butte, Mt Crested Butte, Gunnison County and the City and fills a statutory requirement placed on law enforcement. The initial program consisted of strictly information sharing and resource referrals for victims of crime and was based out of the police department records office. Starting in January 2015 we were able to add a part time advocate, Kari. Kari is on call to respond to scenes to meet with victims, conducts personal visits and works with other victim support groups in the county. The program still utilizes the records department for mail contact and consistent phone and walk-in contacts during business hours. Funding for 2016 was received from VALE and the other three law enforcement agencies in the County. The 2017 VALE grant is due July 27, 2016, well before the City even starts the budget process so calculating a budget has been tricky. For 2017 budgeting we are anticipating the same level of funding and offered services. However, we are also looking at opportunities to increase grant funding or volunteer options to increase services.

	2015	2016 (Jan-June)
Domestic Related cases	25	10
Sex Offenses	27	8
Other Victim Crimes	108	60
Non-Criminal Cases	5	2

Training continues to be an ongoing process in the police department. I already indicated that NSOs training process for new employees is approximately two months long. That consisted of only in-house training. Kelsey will be attending a property and evidence room training in August. Communications in-house training (CTO program) for new employees is approximately 3 months long. The communications officers also have

several yearly certifications they have to maintain as well as they have a web based training program with a department required minimum amount of training time. Laurie is currently part of a state group working on adopting training standards for Emergency Communications Officers in Colorado. As for sworn officers the last few years have seen increasing mandatory training standards. In some instances the requirements are for things we already had as part of our training but the amount is how mandatory with some new areas. As of 2015, 20 hours of annual training consisting of 12 hours of perishable skills (arrest control, firearms, driving) and 8 hours of other topics became mandatory. Mandatory training was added in 2016 for community relations, anti-bias, and situational de-escalation. The amount or type of training is not a concern, beyond we have to make sure and include it in an already busy schedule, or risk officers losing their certification or the department loosing training funds. Funding for sworn officer training is made available from the state (POST) to pay for web based training, classes, and travel. The department still has to pick up the time involved in training which we try to do in Gunnison as much as we can. Year to date sworn officers have participated in a total of 913 hours of training.

Commented [KR1]:

Reviewing and adopting the Lexipol policy program is continuing. As a reminder Lexipol provides the research and basic policy framework for law enforcement related policy issues. They also provide continual monitory of legal issues and release updated policy language when recommended. Council approved the policy transition in 2015 and full funding was received from POST because of the training portion of the program. Partial funding for 2016 was received to cover only the software maintenance costs associated with the training features. The training portion consists of regular releases by Lexipol where the officer is present with a scenario, given related information to consider and then deal with a scenario question based on current department policy. My goal for adopting Lexipol was to insure that our policies were kept current and establish a better method for tracking and documenting changes. Establishment of Lexipol would be one step in allowing the department to obtain accreditation through the Colorado Chief of Police Association. Based on budget, timing and review the process could start in 2017.

Department is looking at educational options dealing with drugs but this hasn't been a fast process identifying performance based programs and gaining support for implementation with local groups. We are hoping to get a program approved for the high school for this coming school year. Provided the program is accepted a presentation can be made to Council explaining the program and funding requests. We are also looking at training aids to implement into our existing programs as the school year approaches for both the university and public schools. Funding approval would be through Council and the money set aside for drug education.

The above hits some of the big long term projects or issues being dealt with. As Council knows the nuisance code is hopefully rapping up and headed for approval, which will then kick in implementation. Modifications for right of way licensing has already been adopted so we are working on implementation. So more ordinance updates will be identified and start through the process.

The summer has been busy as you probably noticed if you have spent any time driving downtown. There are still events happening that we will be planning for like the car show, art in the park, night of lights, return of WSCU and startup of the public schools in August. So there will be plenty of topics for coming monthly reports.

If, you have any questions, please contact me, my office phone is 641-8250.

Keith