

**TOWN OF RICO
ORDINANCE NO. 2012 - 2**

ADOPTING THE YEAR 2013 TOWN BUDGET; APPROPRIATING SUMS OF MONEY; AND, SETTING AND CERTIFYING TOWN MILL LEVIES

WHEREAS, the Board of Trustees designated Michael England, as Town Manager, to prepare and submit a proposed budget to the Governing Body; and

WHEREAS, a public hearing was conducted on the 17th day of October and the 5th day of December in accordance with the law;

WHEREAS, the Rico Town Board finds that the adoption of the budget is essential to the provision of basic and necessary services and finds that this ordinance is necessary for the preservation of the health, safety, and general welfare of the Rico community; and,

WHEREAS, the Town of Rico has adopted the budget in accordance with the Local Government Budget Law on the 5th day of December, 2012; and,

WHEREAS, the Town of Rico has made provisions therein for revenues in an amount equal to or greater than the total proposed described below; and,

WHEREAS, the 2012 valuation for the Town of Rico as certified by the County Assessor is 9,228,365 and,

NOW, THEREFORE, be it resolved by the Board of Trustees, the following:

Section 1. BUDGETED REVENUES AND EXPENDITURES

The following sums are hereby appropriated for the revenue of each fund, for the purposes stated. The budgeted revenues and expenditures for each fund are as follows:

General Fund Revenues:

Reserve Balance:	\$ 667,882.85
Non Property Tax Revenues:	\$ 179,881.24
Property Tax Revenues:	\$ 120,153.31
Grant/Other Revenues:	\$ 500.00

Total General Fund:	\$ 968,417.40
General Fund Expenditures:	\$ 293,869.80

Street Fund Revenues:

Reserve Balance:	\$ 114,219.56
Non Property Tax Revenues:	\$ 40,006.58
Property Tax Revenues:	\$ 16,742.63
Grant/Other Revenues:	\$ 500.00

Total Street Fund: \$ 171,468.77

Street fund Expenditures: \$ 53,289.10

Parks, Trails and Open Space Fund Revenues:

Reserve Balance: \$ 42,051.91

Non Property Tax Revenues: \$ 6,800.00

Property Tax Revenues: \$ 0.00

Grant/Other Revenues: \$ 0.00

**Total Park, Trails and
Open Space Revenues: \$ 48,851.91**

**Parks, Trails and Open
Space Expenditures: \$ 6,200.00**

Water Fund Revenues:

Reserve Balance \$ 208,232.49

Non Property Tax Revenues: \$ 185,535.51

Property Tax Revenues: \$

Grant/Other Revenues: \$

Total Water Fund Revenues: \$ 393,768.00

Water Fund Expenditures: \$ 100,965.10

Sewer Fund Revenues:

Reserve Balance: \$ 154,905.94

Non Property Tax Revenues: \$ 1,800.00

Property Tax Revenues: \$ 36,350.52

Grant/Other Revenues: \$ 300.00

Total Sewer Fund: \$ 193,356.46

Sewer Fund Expenditures: \$ 23,638.09

Conservation Trust Revenues:

Reserve Balance: \$ 21,324.71
Non Property Tax Revenues: \$ 2,500.00
Property Tax Revenues: \$ 0.00
Grant/Other Revenues: \$ 0.00

Total Conservation Trust: \$ 23,824.71

Conservation Trust Expenses: \$ 1,000.00

Section 2. ADOPTION OF BUDGET

The Budget as submitted amended, and hereinabove summarized by fund hereby is approved and adopted as the budget of the Town of Rico for the year 2013. The Budget shall be signed by the Mayor and made part of the public records of the Town.

Section 3. CERTIFICATION OF MILL LEVIES

That for the purpose of meeting all general operating expenses of the Town of Rico during the 2013 budget year there is hereby levied a tax of 13.020 mills upon each dollar of the total valuation for assessment of all taxable property within the Town for year 2012.

That for the purpose of meeting all street fund expenses of the Town of Rico during the 2013 budget year there is hereby levied a tax of 1.785 mills upon each dollar of the total valuation for assessment of all taxable property within the Town for year 2012.

That for the purpose of meeting all sewer fund expenses of the Town of Rico during the 2013 budget year there is hereby levied a tax of 3.939 mills upon each dollar of the total valuation for assessment of all taxable property within the Town for year 2012.

Section 4. EFFECTIVE DATE

This Ordinance shall take effect immediately upon final adoption.

**ORDINANCE INTRODUCED, READ APPROVED AND ADOPTED ON THE
17th DAY OF OCTOBER 2012.**

**ORDINANCE READ, APPROVED AND ADOPTED ON FINAL READING THIS
5th DAY OF DECEMBER 2012.**

By: _____

Mayor

Attest: _____

Town Clerk

Notice of Budget

A proposed budget has been submitted to the Rico Board of Trustees for the ensuing year of 2013. A copy of such proposed budget is on file in the Office of Town Clerk, where the same is open for public inspection Monday – Thursday between the hours of 8:00 a.m. to 5:00 p.m. Such proposed budget will be presented for review and approval at a meeting of the Rico Board of Trustees to be held at the Rico Town Hall, 2 N.

Commercial Street on Wednesday, December 5, 2012 at 7:00 p.m. Any interested elector of the Town of Rico may inspect the proposed budget and file or register any objections or comments prior to the final adoption of the budget at the December 5, 2012 meeting with the Rico Town Clerk, PO Box 9, Rico Colorado 81332 or email townclerk@ricocolorado.org.

2013 BUDGET FINANCIAL POLICIES

INTRODUCTION: This 2013 Budget for the Town of Rico is prepared in accordance with State budget laws, C.R.S. §29-1-101 and uses a cash flow basis of accounting for estimates and budgets. The Budget format isolates reoccurring annual revenues and expenses of basic operations from capital improvement revenues and expenses and special project revenues and expenses in order to promote sustainable balanced budgeting of basic Town services. The Financial Policies for the Town Budget are intended to be guidelines for preparation of the annual Town Budget and management of Town's financial matters. The Financial Policies should be reviewed annually, updated or amended when appropriate, and included with the annual Town Budget.

GENERAL FUND: The General Fund is for general administrative operations of the Town and is used for revenues, expenses and projects which are not required to be accounted for separately. The General Fund revenues include property tax, sales tax, excise tax, licenses, permits, and fees. General Fund expenses include Town Manager, Town Clerk, Town Attorney, Public Safety and Code Enforcement, Municipal Court, Town Hall maintenance and utilities, and special projects.

Policies:

- (1) The General Fund should maintain a carry-over reserve balance of 6 months of basic operations for periods of revenue downturns. The projected 2013 year-end General Fund balance is \$674,547.60.

STREET FUND: The Street Fund is for operation and maintenance of Town roads and rights-of-way. The Street Fund revenue sources include the Highway Users Tax, franchise fees from San Miguel Power Association, the County Road and Bridge Fund reapportionment. Expenses include the Town Maintenance Supervisor, fuel for street equipment, and maintenance and repair of street equipment.

Policies:

- (1) The Street Fund should maintain a carry-over reserve balance of 6 months of basic operation expenses for periods of revenue downturns. The projected 2013 year-end Street Fund balance is \$118,179.67.

PARKS, OPEN SPACE, AND TRAILS (POST) FUND: The Open Space, Parks and Trails Fund is for the acquisition, development, and maintenance of parks, open space, and trails.

Policies:

- (1) The POST Fund should include a budget to maintain and operate existing Town recreational facilities. The budget for operation and maintenance should be increased as new open space, parks and trails are added to the Town's maintenance responsibility. The projected 2013 year-end balance is \$42,651.91.

WATER ENTERPRISE FUND: The Water Enterprise Fund is for operation of the Town's municipal water system. Revenues include water tap fees and monthly user fees.

Policies:

- (1) The Water Enterprise Fund should maintain a carry-over reserve balance of 3 months of basic operation expenses plus the annual debt service amount for cash flow purposes: The projected 2013 year end fund balance is \$292,802.90.
- (2) The Water Enterprise Fund should maintain a reserve balance for unplanned and unbudgeted substantial water repairs or water-related issues in the amount of \$50,000.00.
- (3) The Town is presently working on a long-term capital improvement plan to meet the future financial demands of building a new water supply system and transmission line. In 2008 the town raised the monthly user rates \$6.00 per month and tap fees from \$6,200 to \$8,500 per tap to help cover maintenance and capital

improvements costs. The town submitted a loan application of \$1,600,000 to the Colorado Water & Power Authority for the construction of a new 6" water main from the well site located approximately 2 miles north of Rico into town. The town also submitted a funding request to the Southwest Basin Roundtable for \$88,000 to drill the new well. Both application were accepted and funded for this water infrastructure project.

SEWER ENTERPRISE FUND: The Sewer Enterprise Fund will be used for sewer related planning, engineering and development of a town wide sewer collection and treatment system. Proposed 2013 ending balance is \$169,718.37.

Policies:

(1) In July 2005 the Town created a Sewer Enterprise Fund to proceed with the engineering and/or construction of a sewer system. Additional polices will be created during the coming year of 2013 if development deems appropriate.

CONSERVATION TRUST FUND: Beginning in the spring of 2005 the town created an additional separate fund to receive and spend monies generated from the State of Colorado Lottery Program.

Policies:

1) The Conservation Trust Fund will be used for capital purchases, development and maintenance for future and existing town parks. The proposed 2013 year-end balance is \$22,824.71.

Personnel: It is the Town's goal to maintain existing Town Manager, Town Clerk and Maintenance Supervisor positions at full-time levels; the Town Marshal at a part-time level. The Town Attorney is a contract employee.

Policies:

- 1) Increases for salaries may be based on job performance and financial condition of the town. Cost of living increases may be considered in part of the evaluation process.
- 2) The Town completed revised job descriptions and annual goals for all employees in 2009. The job descriptions and goals will be reviewed and addressed by the town board on an annual basis.

Town of Rico 2013 Budget Message

Introduction: This 2013 Budget for the Town of Rico was prepared in accordance with State budget laws, C.R.S. §29-1-101 and uses a cash basis of accounting for estimates and budgets.

The 2013 budget is a balanced budget in accordance with State budget laws.

The 2012 assessed valuation of the Town of Rico is \$9,228,365

The Town of Rico is comprised of six separate fund accounts: General Fund, Street Fund, Sewer Enterprise Fund, P.O.S.T Fund, Conservation Trust Fund and Water Enterprise Fund. Each fund is summarized in more detail below.

General Fund: The General Fund is comprised of an operating budget and a capital improvement budget. The operating budget includes ongoing revenue and expenses associated with the delivery of programs and services. The operating budget also includes revenues and expenses received from grants and other sources related to special projects. This budget separates the ongoing revenue and expenses from the special project revenue and expenses for financial control purposes and to provide a more accurate representation of Town finances.

The capital improvement portion of the budget represents revenue and expenditures related to items that have a useful life in excess of one year and are not consumed when used.

The primary sources of revenue of the General Fund are summarized as follows:

1. A levy of 13.020 mills upon each dollar of the total valuation for assessment of all taxable property within the Town.
2. The General Fund receives 80% of the total revenue collected from the sales tax. The sales tax rate for the Town of Rico is 5%.
3. The Town has a \$2.00 per square foot excise tax on all new construction. The General Fund receives 25% of the excise tax. All revenues received from the excise tax can only be used for capital improvements and purchases.
4. Revenue is also received from licenses, fees, and fines.

Secondary sources of revenue include grants, interest, and rental income received from the leasing or rental of Town properties to private citizens. The Town is currently leasing two properties.

General Fund expenses include general administration, public safety, legal services, municipal court, maintenance and utilities for the Town Hall, and special projects such as Business Development Efforts, and the VCUP Program.

Street Fund: The Street Fund is comprised of an operating budget and a capital improvement budget. The operating budget includes ongoing revenue and expenses associated with the delivery of capital improvements and services. In 2012 the town was required to upgrade the current backhoe. The town purchased a 2007 John Deere 310G for \$33,774.

The capital improvement portion of the budget represents revenue and expenditures related to items that have a useful life in excess of one year and are not consumed when used.

The primary sources of revenue of the Street Fund are summarized as follows:

1. A levy of 1.785 mills upon each dollar of the total valuation for assessment of all taxable property within the Town.
2. The Street Fund receives 10% of the total revenue collected from the sales tax. The sales tax rate for the Town of Rico is 5%.
3. The Town has a \$2.00 per square foot excise tax on all new construction. The Street Fund receives 25% of the excise tax. All revenues received from the excise tax can only be used for capital improvements and purchases.
4. State Highway Users Tax.
5. Per C.R.S. §43-2-202(2), the Town of Rico receives 50% of the portion of the county road bridge taxes collected from the municipality.

The Street Fund is for the operation, improvement, and maintenance of Town roads and rights-of-way.

Sewer Enterprise Fund: The Sewer enterprise Fund will continue to be used for planning, engineering and development efforts related to the construction of a centralized wastewater collection & treatment system. The primary source of revenue is a levy of 3.939 mills upon each dollar of the total valuation for assessment of all taxable property within the Town. The town will continue efforts to develop and fund a town wide sewer project as development and funds become available.

P.O.S.T Fund: P.O.S.T is an acronym for parks, open space, and recreation. The P.O.S.T Fund is comprised of an operating budget and a special projects budget. The operating budget includes ongoing revenue and expenses associated with the delivery of programs and services. The special project budget also includes revenues and expenses received from grants and other sources related to special projects. This budget separates the ongoing revenue and expenses from the special project revenue and expenses for financial control purposes and to provide a more accurate representation of Town finances.

The operations fund of the budget represents revenues and expenditures related to the operation and maintenance to existing town parks.

The primary sources of revenue of the P.O.S.T Fund are summarized as follows:

1. The P.O.S.T Fund receives 10% of the total revenue collected from the sales tax. The sales tax rate for the Town of Rico is 5%.
2. The Town has a \$2.00 per square foot excise tax on all new construction. The P.O.S.T Fund receives 25% of the excise tax. All revenues received from the excise tax can only be used for capital improvements and purchases.
3. The P.O.S.T Fund receives all proceeds from the lodging tax, which is a 1% tax on all lodging. Ordinance No. 2001-5, Article III, defines lodging as "all short term rentals of property for a period of thirty (30) days or less, including but not limited to hotel and motel rentals, rentals of cabins, rentals of recreational vehicle sites and rental of camping sites."

Secondary sources of revenue in 2013 will possibly include a grant(s) to make improvements to the existing Town Park and other open space areas.

Conservation Trust Fund: This fund is comprised of an operating budget for capital improvement projects. This operating budget includes revenue generated from the Colorado State Lottery Proceeds. Proceeds are to be used for special capital project expenditures that would include parks, open space and recreation projects.

Water Enterprise Fund: An Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges.

The Water Enterprise is for operation, maintenance, and capital improvements of the Town's municipal water system. The primary sources of revenue for the Water Enterprise are water tap fees and monthly user fees. The current water tap fee is \$8,500, not including the cost of installation. The monthly residential user fee is currently \$33 per month for the first 3,000 gallons and \$5.00 per 1000 gallons thereafter. The monthly user fee for commercial use is \$63.00 per month for the first 7000 gallons and \$6.00 per 1000 gallons thereafter.

The Town is currently working on developing a new water supply source approximately two miles north of Town along State Highway 145. The Town was awarded a \$1.6 million principle forgiveness loan from the Colorado Department of Public Health and Environment and the Colorado Water Resources and Power Development Authority. This water improvement project is estimated to cost \$1,600,000 and is scheduled to be completed by October 2012. This funding will be for the development and construction of the new water supply and construction of approximately two miles of new 6" water transmission line from the new well site into town.

Personnel:

The Town currently employs three full-time employees a town manager director, town clerk, and public works supervisor and two part-time employees, one is town marshal, the other part time employee is a on call deputy from the San Miguel Sheriff's office. The town uses agreements for the town attorney, municipal court judge, town prosecutor and auditing services.

The salary for the town manager position is paid 60% from the General Fund, 20% from the Water Fund, and 20% from the Sewer Fund. The salary for the town clerk position is divided 50/50 between the General Fund and Water Enterprise Fund. The salary for the town maintenance supervisor position is divided 50/50 between the Street Fund and Water Enterprise Fund. The salary for the town marshal and the deputy are paid from the General Fund.

Health insurance is provided to full-time employees.

The Town contributes an annual salary match of 13.7% to the retirement program administered by the Public Employees Retirement Association. This benefit is provided to the town manager, town clerk, and public works supervisor positions.

A 3% raise is budgeted for consideration for full time employees in 2013. Consideration of the proposed raises will be determined by the Board of Trustee during employee reviews and evaluations.

Summary:

The 2013 budget includes a significant amount of grant revenue, which can distort the overall picture of the budget. However, this budget identifies operating revenue (expenses), grant revenue (expenses), and capital improvement revenue (expenses) from the total revenue (expenses). With a slight decrease of revenue from property taxes, the Town should continue to maintain financial discipline in all funds in 2013.

**TOWN OF RICO
ORDINANCE NO. 2012-3**

**AN ORDINANCE OF THE TOWN OF RICO, COLORADO, AMENDING RICO
BUDGET ORDINANCE NO. 2011-7 TO REFLECT ADDITIONAL REVENUES AND
EXPENDITURES**

WHEREAS, the Rico Town Charter, Article VI, sec. 6.7, states that the Rico Board of Trustees may make additional appropriations by Ordinance during the fiscal year to amend the Town's 2012 Budget as previously adopted by Ordinance No. 2011-7, for unanticipated expenditures or receipt of additional revenues;

WHEREAS, the Town of Rico's **General Fund** has received a **projected increase in revenues of \$199,120.77**, and has received the following additional funds: \$29,387.59 from Mineral Leasing through Dolores County; \$4,429.18 from the Severance Tax; \$614 from the Excise Tax; \$21,240 from the Governor's Energy Office as reimbursement for a Geothermal Planning Study; \$14,000 from Atlantic Richfield Company as reimbursement for Town staff-time related to the Town's Voluntary Clean-up Program (VCUP); \$9,150 from Atlantic Richfield Company for Gauging Station monitoring; and \$120,000 from Atlantic Richfield Company to reimburse the Town for expenses in hiring the Trust for Land Restoration to aid the Town in finalizing and closing the VCUP; \$300 for Miscellaneous Expenses

WHEREAS, the Town of Rico's **General Fund** has incurred a **projected increase in expenses of \$167,478.75** as follows: \$14,000 in Town attorney compensation for the VCUP; \$120,000 in compensation to the Trust for Land Restoration for the VCUP;; \$5,620 for the Governor's Energy Office Geothermal Planning Study; and \$9,150 for USGS Gauging Station Monitoring Project; \$351.25 for Dues and Fees; \$200 for the town debit card; \$1,215 for transfers out; \$16,942.50 for the continuing work to acquire the River Corridor and finalize the plat.

WHEREAS, the Town of Rico's **General Fund** has a **projected decrease in revenues of \$600** as follows: \$600 for Interest;

WHEREAS, the Town of Rico's **General Fund** has a **projected decrease in expenses of \$13,035.69** as follows; \$902.99 for Insurance; \$3,900 for Miscellaneous Expenses; \$677.20 for July 4th activities; and \$7,555.50 for the Rico Center Grant – River Corridor Planning.

WHEREAS, the Town of Rico's **Water Fund** has received a **projected increase in revenues of \$127,995.29** as follows: \$87,995.29 from the CWCB Grant concerning the drilling the new water well; \$40,000 from Colorado Water and Power Authority for the new water transmission line.

WHEREAS, the Town of Rico's **Water Fund** has a **projected increase in expenses of \$41,300** as follows: \$1,000 for supplies; \$300 miscellaneous expenses; and \$40,000 for the new water transmission line.

WHEREAS, the Town of Rico's **Water Fund** has a **projected decrease in revenues of \$1,400** for tap installations.

WHEREAS, the Town of Rico's **Water Fund** has a **projected decrease in expenses of \$1,431.80** as follows: \$431.80 for insurance costs; \$1,000 for water samples.

WHEREAS, the Town of Rico's **Street Fund** has a **projected increase in revenues of \$614** from Excise Taxes.

WHEREAS, the Town of Rico's **Street Fund** has a **projected decrease in expenses of \$781.80** as follows: \$781.80 for insurance costs;

WHEREAS, the Town of Rico's **Street Fund** own had an **increase in expenses of \$33,774** for a John Deere Backhoe for maintenance.

WHEREAS, the Town of Rico's **Park Fund** has an **projected increase in revenues of \$614** from Excise Tax;

WHEREAS, the Town of Rico's **Park Fund** has a **projected decrease in revenues of \$5,600** as follows: \$1,000 from Sales and Use Tax; \$4,600 from the Rico Center Grant for barriers.

WHEREAS, the Town of Rico's **Park Fund** has a **projected decrease in expenses of \$5,681.80** as follows: \$1,081.80 insurance costs; \$4,600 from the Rico Center for barriers.

WHEREAS, the Town of Rico **Conservation Trust Fund** has a **projected decrease in expenses of \$1,000** for operations expense.

WHEREAS, the Town of Rico Board of Trustees declares that it is in the best interest of the Town's citizens and necessary for the health, safety and welfare of the Town to amend the 2012 annual budget to reflect the above described changes in revenues and expenses.

NOW, THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF RICO AS FOLLOWS:

SECTION 1. BUDGETED REVENUES AND EXPENDITURES. As set forth in the tables attached hereto, the 2012 Budget is hereby amended to reflect the following:

1. An increase in the General Fund revenues in the total amount of \$199,120.77.
2. An increase in the General Fund expenses in the total amount of \$167,478.75.
3. An increase in the Water Fund revenues in the total amount of \$127,995.29.
4. An increase in the Water Fund expenses in the total amount of \$41,300.
5. An increase in the Street Fund revenues in the total amount of \$614.
6. A decrease in the Street Fund expenses in the total amount of \$33,774.00.
7. An increase in the Park Fund revenues in the total amount of \$614.00
8. An increase in the Park Fund expenses in the total amount of \$81.80.
9. A decrease in the Conservation Trust Fund in the total amount of 1,000.00
10. An increase in the Sewer Fund expenses in the total amount of \$463.53.

The source of these additional revenues and expenditures are as set forth herein.

SECTION 2. The amendments set forth herein in no way effect the taxes levied as set forth in the 2012 Budget, Ordinance No. 2011-7.

SECTION 3. This Ordinance shall take effect immediately upon final adoption.

ORDINANCE INTRODUCED, READ, APPROVED AND ADOPTED ON THE 17th DAY OF OCTOBER 2012.

ORDINANCE READ, APPROVED AND ADOPTED BY FINAL READING THIS 5th DAY OF DECEMBER 2012.

By: _____

Rico Mayor

Attest: _____

Linda Yellowman
Town Clerk