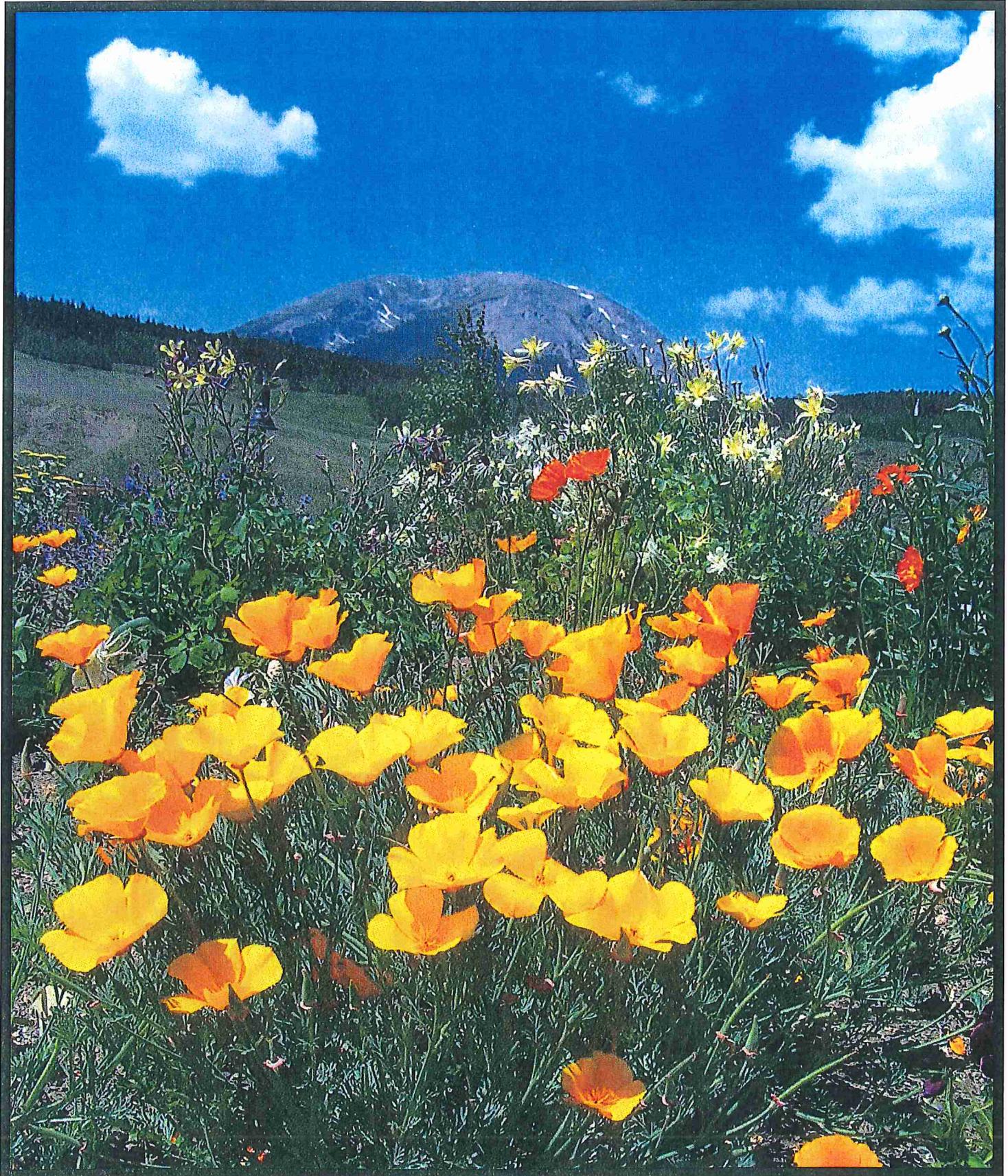


TOWN OF SILVERTHORNE COLORADO



2013 & 2014 BIENNIAL FINANCIAL PLAN



Town of Silverthorne, Colorado 2013 & 2014 Financial Plan & Budget Document Table of Contents

INTRODUCTION

| | |
|--|----|
| Letter to Mayor and Town Council | 1 |
| Town Overview | 5 |
| Organizational Chart | 15 |
| Town Policy Diagram | 16 |
| Map of Silverthorne, CO..... | 17 |

BUDGET HIGHLIGHTS

| | |
|----------------------------------|----|
| Budget Document Highlights | 19 |
| Budget Overview | 20 |
| Financial Overview | 23 |
| Future Issues | 30 |

GENERAL FUND

| | |
|---|----|
| General Fund Long Range Plan..... | 35 |
| Revenue Summary..... | 37 |
| Expenditure Summary..... | 46 |
| Department Policies, Narratives and Summary of Expenditures | |
| Administrative Services | 51 |
| Public Safety | 59 |
| Public Works | 66 |
| Community Development | 73 |
| Recreation & Culture | 80 |

CAPITAL PROJECTS FUND

| | |
|--|-----|
| Capital Improvement Projects Fund Narrative..... | 91 |
| Capital Improvement Projects Fund Long Range Plan..... | 93 |
| Lodging Tax Special Revenue Fund | 98 |
| Development Excise Tax Special Revenue Fund..... | 100 |
| Housing 5A Special Revenue Fund..... | 101 |

ENTERPRISE AND OTHER FUNDS

| | |
|--|-----|
| Enterprise Funds | 103 |
| Water Fund Long Range Plan | 105 |
| Sewer Fund Long Range Plan | 110 |
| Description of Other Funds (Blue River Treatment Plant/South Maryland Creek Ranch GID/Internal Services)..... | 115 |
| Blue River Wastewater Treatment Plant Long Range Plan..... | 117 |
| Compensated Absences Internal Service Fund Long Range Plan..... | 126 |
| Insurance Claims Internal Service Fund Long Range Plan | 127 |

FINANCIAL SUMMARY

| | |
|---------------------------------------|-----|
| Financial Condition of the Town | 129 |
| Budget Summaries..... | 131 |
| Budget Ordinance | 134 |
| Contributions | 139 |
| Debt Management..... | 141 |
| Transfers | 142 |
| Personnel Summary..... | 145 |

APPENDIX

| | |
|--|-----|
| “A” Financial Policies..... | 151 |
| “B” Personnel Summaries | |
| Traditional by Department | 169 |
| Non-traditional Organizational Chart | 174 |
| 2009-2013 Salary Ranges..... | 175 |
| “C” Glossary of Terms..... | 180 |



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For the Biennium Beginning

January 1, 2011

Linda C. Danson Jeffrey R. Egan

President

Executive Director

The Government Finance Officers Association of the United States and Canada (GFOA) presented an award of Distinguished Budget Presentation to the Town of Silverthorne for its biennial budget for the biennium beginning January 1, 2011.

In order to receive this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operational guide, as a financial plan and as a communication device.

The award is valid for a period of one year only. We believe our current budget continues to conform to program requirements, and we are submitting it to GFOA to determine its eligibility for another award.

Letter from the Town Manager

December 15, 2012

**Mayor Dave Koop,
Town Council,
& Citizens of Silverthorne,**

The Town Manager, per the Home Rule Charter, presents the 2013 & 2014 Budget Document and Long Range Financial Plans for your review, discussion and approval. Our biennial budget focuses Staff and Council on long-range policies and service planning rather than incremental one-year needs. Even though the budget is being presented as a two-year budget, the budgets will be adopted on an annual basis in accordance with the Town Charter. The 2013 & 2014 Town of Silverthorne Budget and long-range plans are a unique blend of conservatism and tempered optimism.

The budget is the financial master plan for Town activities for 2013 and 2014. Like all plans, it is intended that this budget will change and develop as unforeseen circumstances arise. As events unfold over the next 24 months, Council will no doubt act to modify this plan as the facts of the present and perceptions of the future allow for greater clarity of judgment.

The primary challenge the Town faces now, and into the future, is its dependency on sales tax revenues. The Town has a history of fluctuations in sales tax revenues. A fact to remember as you read through this budget is that **sales taxes make up 70% of the operations and capital improvement revenues** for the Town. Additionally, unlike many other governments, the Town has no property tax to contribute to the funding for Town services or capital projects.

The national, state and local economy began to experience a significant financial downturn in late 2008. The housing depression was felt strongly in Silverthorne where many of our citizens' businesses and jobs are directly or indirectly related to the construction and/or real estate industry. The Town has seen gradual increases in General Fund revenues since 2009,

when we saw a largest drop in revenues as a percentage. The General Fund revenues for 2013 are still below 2008 revenue levels. We go into 2013 with continued caution and tempered optimism.

During 2009, the Town quickly addressed the economic downturn by not filling vacant positions, implementing a pay freeze, requiring furloughs, and limiting overtime, supplies, services and training for our Town staff. Through these budget reductions, no material service levels were lost. The budgets for 2013 and 2014 revenues have allowed the Town to bring back performance-based merit pay increases and gradual increases to program expenditures. **The Town can proudly say we have not had to use prior year surpluses during the budget challenged years.** We've maintained a balanced budget and lived within our means.

Over the last fifteen years, the Town has experienced major changes in sales tax revenues. The relocation of the community grocery store to an adjacent community in April of 1998 resulted in a \$1 million sales tax shortfall (a loss of approximately 15% of general fund revenues). During late 1990's and early 2000's the Town added a building material store and a major office supply store. The local and national economy grew during this same period. This produced acceleration in the building industry that helped the Town's sales tax revenues grow.

During 2003, Target opened a 124,000 sq. ft. retail store. The Outlet Stores, (which at various times has accounted for close to 40% of the Town's total sales tax revenues) reached an all time high vacancy rate, with close to 25% of the stores vacant. Since that time, the three phases of Outlet stores have had extensive exterior renovations and filled many of the vacancies with popular contemporary tenants. The renovations resulted in higher sales tax revenues. Currently, we are still seeing some store vacancies as the economy is affecting discretionary spending and retail corporations are struggling.

Budget years 2013 and 2014 anticipate sales tax revenues increasing at a rate of 4.5% and 1.7% respectively. The increase in sales tax revenues is in part due to the opening of a Lowe's Home Improvement Store in August of 2012. Market studies over the years indicated that 75% of home improvement sales were occurring outside of Summit County. Market demand for this type of business was significant. However, Lowe's has had some effect on existing local building related businesses. In late 2012, one of the Town's lumber/hardware businesses closed their doors due to the continued building industry slump and the additional competition.

While we are happy to see some positive news with our primary revenue source showing positive growth, the fact remains that sales tax revenues are vulnerable to many different economic variables that the Town can't necessarily control. The current economy, while improving slowly, is still somewhat volatile.

Overall, the Town projects the 2013 and 2014 total annual income from sales tax at \$8,366,220 and \$8,510,747 respectively, compared to 2012 projected sales tax of \$8,022,438. These revenues are still down from the Town's all time high of \$8,744,605 in 2007. Again, it's important to remember that sales taxes make up 70% of the operations and capital improvement revenues for the Town. Due to the importance of sales tax to this community, this topic is discussed in further in the Budget Highlights section of the budget.

Town staff and community members have been focused on economic development efforts for many years. From 1980 through the present, several groups have addressed our community's identity and vision including the Silverthorne Economic Group, Inc. in the early 80s, the Economic Development Committee in '84, and the Riverfront Development Committee in '88. The formal mission statement adopted by the Riverfront Development Committee led to the vision of creating a "downtown" concept involving the Blue River, which led to the development of the Town Center. The late

1980s saw some economic development results with the appearance of new retail activity along the I-70 corridor (i.e., fast food establishments). The Outlet Stores began opening their doors in 1989, completing the third phase in 1994. The late 1990's and early 2000's saw major growth in the building related trades, the opening of Target in 2003 and Lowe's in 2012.

A Council goal in 2003 was "the establishment of a community based Economic Development Task Force to address our economic situation, to define the issues, establish priorities and make recommendations regarding a long term strategy for Council's consideration." The Task Force members were recruited from within the community in order to solicit the knowledge, skills and expertise in business affairs that exists in and around Silverthorne. Based on the success of the Task Force, the Council created a permanent Economic Development Advisory Committee (EDAC). Business relations have improved with the addition of newsletters, workshops, business grants, small business sales tax incentives, a Downtown Development Plan and Town subsidized advertising program. A specific economic development program was added to the budget in 2013 to account for the recently introduced economic development functions and programs.

The remaining major undeveloped or not yet fully developed residential areas in Silverthorne include Three Peaks/Eagles Nest, Angler Mountain Ranch, South Maryland Creek Ranch (SMCR) and Smith Ranch. With the exception of Smith Ranch, which is slated for affordable housing, these areas are all high-end residential developments. These developments will continue to bring new higher priced primary and secondary homes to Silverthorne. New developments also bring additional demands on Town services. The lack of a property tax in Silverthorne will continue to be a challenge for Town Council, as the infrastructure and homes from these developments come on line and add to existing demands for Town services. When annexed in 2005, SMCR addressed the fiscal

impact of their development by creating a General Improvement District (see page 117) which reimburses the Town for any deficits that providing services to the district may cost the Town. Angler Mountain has a 1% real estate transfer assessment that helps cover the cost of Town services.

Affordable housing is an important issue as the average cost for a single family home in Summit County is \$764,455, making home ownership and affordable rentals hard to find for most employees. Addressing this issue continues to be a priority for the Town Council. The Town Council took significant steps in addressing affordable housing in 2008 by purchasing 51 acres, known as Smith Ranch, for a future affordable housing development and adopting a Strategic Housing Plan. While the property is not scheduled for development in the near future, Council reviews the needs and use of the Smith Ranch property at least annually.

As the Town continues to face change and challenges, the Town also must update its planning tools. The Town is fortunate to have many different plans that guide growth and desired aesthetics, and dictate where/when infrastructure improvements are needed. One of Town Council's 2013 goals is to review and update the Town's Comprehensive Plan. Part of the update will include articulating a vision for the community and making the Plan more strategic in nature. Staff and Council will involve the public so that the plan represents the community's vision.

Another Town plan that is equally important is the Parks, Trails & Open Space Master Plan. This Master Plan is scheduled to be updated in 2013. The Town's SPORT Committee is charged with recommending parks, trails and open space capital projects and programs as well as updating the Master Plan as needed. The Town has completed the first phase of our trail system that connects the Town's trail system with the extensive County system. Work continues on the second phase of the trail system, known as

the "Blue River Experience" project. The Town was awarded a \$1.67 million GOCO grant to be used for the acquisition of key riverfront parcels and easements, essential for the construction of the second portion of the trail as well as the development of the North Pond Park - a 5 acre passive park with a wetlands and wildlife habitat, a fishing/skating pond, picnic area, shelter and other amenities. The current phase of the project involves construction of the north portion of the trails system. Three sections of the north trail were completed from 2007 to 2009. The remaining sections are estimated to be constructed by 2018, including and highly demanded section from just north of Town Hall to Willow Grove Park planned for completion in 2013. The largest constraint for the parks master plan will be the ability to financially plan for the implementation of projects.

An internal plan that is required by the Town is the Asset Management Plan (AMP). The AMP is needed to address the long-term needs for major maintenance or replacement of Town assets (the Recreation Center, Town Hall, streets, water and sewer infrastructure, etc.) in order to preserve their value and use. The Town maintains approximately \$56 million worth of assets. During the 2013/2014 budget process a review of facilities, equipment, and parks was done. The Town has a 10-year plan that details major maintenance or replacements that will allow the Town to protect our assets, as well as ensure safety and efficiency for our citizens and employees as they use Town assets. The plan also charts out new infrastructure projects that are necessary to expand Town services as necessary. The Sales Tax Capital Improvement Fund (page 93) details the AMP plan.

The Town Center, located at 4th St. and Blue River Parkway, is a mixed-use project that began with the Town constructing an enclosed Pavilion adjacent to the Blue River. The Pavilion serves as a community center for special events, concerts, and private functions with seating for up to 400 people. Additionally, the Pavilion is home to a fly-fishing shop that leases approximately 1,700

sq. ft. of retail space at the Pavilion. Surrounding the Pavilion is a grassy field area, pedestrian path, an outdoor fireplace and patio. Two pedestrian bridges are in place to take the public from the Town Center site to the east side of the Blue River. The second phase of the Town Center is a retail/residential center which was completed in 2007. The Town Center Project has been a vision for this community for quite some time and is considered to have set the stage for future development of the Town Core.

The last of the 1998 Excise Tax Revenue Bonds, were paid in full in 2009. The Town is currently debt free. By retiring the Bonds, it has made available additional funding for capital projects. Additional detail on the Capital Improvement Project Fund is included in the Capital Projects Fund section of the budget. Further discussion on Town debt is available in the Financial Summary section of the budget.

In 2007, the Town's Water & Sewer Funds implemented the recommendations of a rate study that recommended: changing EQR (equivalent residential unit) assessments to residential properties that have more than three bedrooms and/or three bathrooms, move to water consumption rate structure that encourages water conservation and place a greater emphasis on the fixed rate portion of the water rate charge. It's been six years since implementing the rate structure changes, and these changes have served the water fund well. Growth management policies require growth to pay its own way. The Town does not intend to issue utilities debt in the future, as it obligates future citizens to pay for growth. This also allows the Town to more realistically establish monthly service rates, tap fees and long-term funding.

The Town Council has set goals for 2013 & 2014 which have been incorporated within the appropriate department/program goals. The Council's goals and other future issues are discussed in the Budget Highlight section of the budget.

During the budget process, certain budgeting goals were given to Staff. The goals included operating within our means, maintaining current service levels, adding an economic development program, better managing and maintaining our assets, and to constantly review systems for efficiencies. As best we could, we believe these goals were met during the budget process. The Budget Highlights section goes into further details on the results of these goals.

In summary, the Town continues to face the many challenges presented by the economy and potential growth while trying to preserve a "mountain quality of life" for our citizens, as expressed in our mission statement. The 2013 & 2014 budget takes into consideration the uncertainty in sales tax revenues and development and the need to maintain the Town's assets. Additionally, the Town needs to continue to examine its current sales tax base and search for diversity of revenues in order to bring balance. The optimism in our future is a result of our determination to work with the community, both residents and businesses, to maintain a high level and quality municipal services.

In closing, I would like to express my appreciation to the Town Council for their work in planning for the future of Silverthorne and to the Town Staff for their dedication to providing efficient, cost-effective, high quality services to the citizens of our community. I am confident that the Town Council and Town staff will be able to meet the challenges that will face us in the coming years.

Sincerely,



**Kevin Batchelder
Town Manager
Silverthorne, Colorado**

Town Overview

Introduction

The Town of Silverthorne, incorporated in 1967, turned 45 years old on September 5, 2012. Of all the Towns in the State of Colorado, few have experienced such enormous change as Silverthorne has over the course of its brief existence. The Town of Silverthorne has gone from a makeshift construction camp for workers building the Dillon Dam, to a period where the most the Town had to offer was a convenient refueling stop along the Interstate, to a full-service, well-balanced community of 4,000 people and one of the largest municipalities in Summit County.

Located near a number of world-class resorts, Silverthorne offers amenities such as the Silverthorne Recreation Center, gold medal fishing on the Blue River and the Silverthorne Outlet Stores. The Town provides services and attractions for tourists while meeting the needs of its citizens and local population. Today, the evolution of the Town continues, as plans for the future of the Town are underway. In all likelihood, there will be as much change in the upcoming years as there has been in the past.

Of course with rapid change such as this, specific information about the current status of Silverthorne changes often, seemingly overnight. It is important to keep track of these physical, social, and economic factors in order to give a general indication of where the Town has been and where it is going. Information of this nature is helpful, not only for the Town government, but also for those thinking of starting a business here, relocating to the area, or for residents curious about their Town.

Setting

The Town of Silverthorne is located in the Colorado Rocky Mountains, approximately 70 miles west of Denver, at an elevation of 8,730 feet (a little more than 1-1/2 miles above sea level). It is situated along the Lower Blue River

Valley below peaks of 12,000 and 13,000 feet and is surrounded on two sides by forest and Wilderness Area. The Town is considered by many to be the gateway to Summit County and much of Western Colorado, due largely to its excellent location as the first exit west of the Eisenhower Tunnel along I-70, at the intersection of Highway 9 and Highway 6. Denver International Airport is roughly 100 miles from Silverthorne (under a two-hour drive). There are five ski areas within a half-hour drive from the Town - Breckenridge, Copper Mountain, Keystone, A-Basin and Loveland - and a few others, including Vail and Beaver Creek, less than an hour away.

The Town's location along the busy I-70 corridor is such that, for many travelers, it is the first introduction to Summit County and the resort areas contained within. Because of this, the Town experiences a high number of visitors year round and the local business community has developed many facilities to accommodate them, including ten hotels and lodging properties within the town limits.

One thing most residents enjoy about living in Silverthorne is the easy access to numerous recreational amenities. Included among these is the Blue River, a Gold Medal trout stream that meanders through the heart of the community, making Silverthorne a popular fishing destination. The river also provides a scenic stretch of whitewater excitement for kayakers, canoeists, and rafters. The Blue River Trail bicycle/walking path runs along its banks and connects to a countywide bike path system. The 18-hole Raven at Three Peaks Golf Course on the north side of Town complements four parks including an 11,300 square foot skateboard park, sand volleyball courts and soccer field in Rainbow Park. The 62,000 square feet Recreation Center, with four swimming pools and a full selection of exercise equipment, is our most popular municipal amenity. Nearby Lake Dillon also

provides sailing, boating, fishing, biking and camping activities, while the National Forest surrounding the Town offers biking, hiking, camping and hunting opportunities for those looking for a wilderness experience.

For Shoppers, the Town offers 130 retail shops, including 80 spanning three phases of the Outlets at Silverthorne stores. The Summit Place Shopping Center also provides a wide variety of shops and restaurants. There are approximately 26 restaurants in Silverthorne ranging from fast food to unique, sit-down establishments. The Town is a desired location for many service commercial businesses and has three car dealerships, UPS, Federal Express, Target, Sears, Lowes Home Improvement and many contractor trade headquarters. In fact, many county residents drive to Silverthorne just to take advantage of these unique services. With this going for it and more, Silverthorne has firmly established itself as a year-round community attractive to both the resident and visitor alike.

The Town also operates the Town Pavilion. The Pavilion is located adjacent to the Blue River in the center of Town on Blue River Parkway (Hwy 9). The Pavilion has proven to be a wonderful addition to the area for locals and tourist alike. Events have included comedy shows, concerts, weddings and community events.

Topography and Climate

Silverthorne is located in a scenic, high mountain valley carved by the Blue River at 8,730 feet above sea level, just north of Lake Dillon. It is nestled below Buffalo Mountain and Red Peak, both prominent features of the Gore Range to the west, and Ptarmigan Mountain and the Williams Fork Range to the east. Both sides of the valley are characterized by steep hillsides, large stands of lodge pole pine, aspen and blue spruce above 10,000 feet. The geographical size of Silverthorne is 3.28 square miles (approximately 2,100 acres). That compares to 599 square miles (383,260 acres) for Summit County as a whole. The following is a condensed list of some of the

more striking natural features and climate information about the area:

Geographical Features

Eagles Nest Wilderness Area:

133,496 acres, established in 1976

Ptarmigan Wilderness Area:

13,175 acres, established in 1993

Gore Range:

Buffalo Mountain -12,777 ft.

Red Peak - 13,111 ft.

White River National Forest:

2,272,896 acres encompassing a large portion of Summit County

Blue River:

Headwaters at Hoosier Pass; runs in and out of Dillon Reservoir, through the Town, then north into the Colorado River; total length - approximately 65 miles

Lake Dillon Reservoir:

Completed December 17, 1963; surface area - 3,330 acres; volume of storage - 257,500 acre feet

Climate Information

| | |
|---------------------------------------|------------|
| Average Annual Snowfall: | 139" (12') |
| Average Annual Precipitation: | 14.03" |
| Ave. High/Low Temperature in July: | 73°/38° |
| Ave. High/Low Temperature in January: | 31°/ 1° |
| Highest/Lowest Temperatures Recorded: | 89°/46° |
| Average Annual Humidity: | 60% - 65% |

History

Having only been incorporated as a Town since 1967, Silverthorne doesn't have quite the rich and storied past of some of the other Towns in Summit County; however, credit for establishing the Town site does go to one of the more colorful characters in the history of Summit County: Judge Marshall Silverthorn.

Known by most as "Judge" for his appointment as judge of the Miner's Court in Breckenridge, Silverthorn came to Breckenridge in 1859 just to regain his health. He ended up staying long enough to build and operate the Silverthorn Hotel and to provide many important services to the area. Silverthorn had a penchant for mining and its associated spoils. On January 18, 1881, he and some friends purchased 160 acres from

the US Government in the area between the Blue River and the Blue River Parkway in present day Silverthorne. Having visions of striking it rich in the gold that was in the area, Judge Silverthorn had become sole owner of the property by April 15, 1882, when he applied for a Mining Patent for the Silverthorn Placer. Unfortunately, not much wealth, if any, was ever taken from the site. Upon Silverthorn’s death in 1887, his daughters inherited the placer mine property. Locally, the “e” was added to the end of the name “Silverthorn” in the 1930’s when it was considered fashionable to do so.

The land saw little activity in the ensuing years, other than changes in ownership by various mining companies. In 1953, Clayton Hill purchased it and several other placer mines, including the Willow Creek and Arctic Placer, for \$18,500. Hill subdivided what are now the Buffalo, Silverthorne and Silverthorne Colorado Subdivisions on January 5, 1956. In 1957 Robert and Myrth Roush subdivided Ptarmigan Trail Estates Units I, II, and III. These subdivisions were home to the construction workers building the Dillon Dam, which began in the late 1950’s and was officially completed in December of 1963. When Silverthorne became an incorporated Town on September 5, 1967, it consisted of approximately 400 acres, and by 1970, boasted a population of 400.

Population

Due to the fact that most of the homes in Town are occupied year-round, Silverthorne is the second most populous municipality in Summit County. As of October 2011, Silverthorne’s resident population was approximately 3,899.

| 2011 County Estimated Population* | |
|--|---------------|
| Silverthorne | 3,899 |
| Dillon | 900 |
| Frisco | 2,684 |
| Breckenridge | 4,544 |
| Blue River | 857 |
| Unincorporated | 15,080 |
| County Total | 27,964 |

*State of Colorado Demography Office

More regionally, Silverthorne lies within the Western Slope, one of the fastest growing areas of the state. Growth throughout the Western Slope can be attributed to the construction boom in the resort areas that it encompasses: Keystone, Arapahoe, Breckenridge and Copper Mountain in Summit County; Vail and Beaver Creek in Eagle County; Aspen and Snowmass in Pitkin County; Steamboat Springs in Routt County; and Telluride in San Miguel County. This growth is expected to continue due to the growing number of tourist dollars as baby-boomers reach retirement; the desire of many small businesses to move to smaller areas; the increase of the number of retirees and the desire for second homes.

| Year | Silverthorne Population | Summit County | % Increase |
|-------------|--------------------------------|----------------------|-------------------|
| 1990 | 1,768 | 12,881 | - |
| 1995 | 2,588 | 17,084 | 46%/33% |
| 2000 | 3,319 | 23,548 | 28%/37% |
| 2005 | 3,831 | 27,398 | 15%/16% |
| 2010 | 3,887 | 27,994 | 1.4%/2.2% |
| 2011 | 3,899 | 27,964 | .3%/-1% |
| 2012 | 3,942 | 28,272 | .1%/1.1% |

Demographics

According to the 2010 US Census:

- The median age of Silverthorne residents is 37.1 years.
- The median age for Colorado as a whole is 36.1.
- The age group 25-44 represents the largest segment of the Town’s population at 33%.
- 30.2% of Summit County workers work in the arts, entertainment, recreation, accommodation and food service industry.
- The median family income for Summit County was \$60,087.
- Silverthorne has seen a 17% population growth from 2000 to 2010.
- Occupancy of housing stock in Silverthorne was 70.4% as compared to Breckenridge with 28%.

According to the 2012 Summit County Real Estate Transaction statistics and the Summit Combined Housing Authority:

- The average median family (4 persons) income for Summit County was \$89,800.
- The average cost of a single family home in Summit County was \$764,455.
- The average cost of a single family home in Silverthorne was \$692,236.
- The Fair Market Rent for a two-bedroom unit in Summit County is \$1,246 a month.

Education

Quality education has always been a top priority in Silverthorne and Summit County, and the community has historically been one of the most educated in the country. According to the American Community Survey for 2008-2010, 48% of the population in Summit County aged 25 years and older holds a Bachelor's Degree or higher. In comparison, the State of Colorado has 36.4% and the United States has 28.2%.

As of October 2012, the Summit School District attendance was 3,156 students:

- High School: 744
- Middle School: 642
- Silverthorne Elementary: 307

A new Silverthorne Elementary school, located on the north end of Hwy 9, opened in the fall of 2004. Additionally, the Summit School District passed a mill levy increase in November of 2004 to build an addition to the middle school and a vocational/technical addition to the High School.

With campuses in both Dillon and Breckenridge, Colorado Mountain College offers approximately 300 classes a semester. The College has 1,840 full and part time students with an average class size of 14 students. CMC offers Associate Degrees in Liberal Arts, Science, and General Studies as well as various Certificate Programs. CMC recently added Bachelor's Degrees in Business Administration and Sustainability Studies.

Development Activity

The current economic times have seen development slow significantly. Prior to the current times, the Town had experienced a high rate of both commercial and residential development. The Town had also seen a continual increase in annual sales tax and retail sales, with Silverthorne being second only to Breckenridge in Summit County. Between 2000 and 2010, Silverthorne's retail sales increased by 22%. However, the Town has experienced "boom" and "busts" with the additions of the Outlet Stores and Target, and the departure of City Market Grocery. The addition of numerous building supply stores during high growth periods, such as 2007, had helped contribute to the Town's sales tax revenues. The building retail sector has been a major reason for the decrease in the Town's sales tax revenues; with sales tax revenues down 41% in this sector comparing 2007 to projected 2012.

From 1998 to 2008 there was an increase in single family residences and the development of a more diversified commercial sector. Since the Town lost the grocery store in 1998, half of the remodeled vacant building was filled with an Office Max store; however, it took almost eight years to fill the other half with a furniture store.

A major commercial addition came in 2003 with Target opening a 124,000 sq ft store. Target is a large sundries-type retailer that is popular with citizens from Summit County and the surrounding area.

The Outlets at Silverthorne stores consist of three phases or complexes of retail buildings. The three phases of buildings were constructed in 1988, 1990 and 1993 respectively. As is typical for commercial properties, remodeling or redevelopment becomes necessary in order to maintain attractiveness to consumers. All three phases of Outlets had exterior upgrades done between 2005 and 2008. Several new tenants were added. However, since 2009 several stores have also closed. The current economic conditions have made it more challenging for the Outlets to find tenants to fill the vacant spaces.

The Outlets are very important to the Town as the Outlets account for approximately 36% of the Town's total sales tax revenues.

A Lowe's Building Center retail development opened a 100,000 sq ft store in August of 2012. Major road improvements to Buffalo and Wilderness Road were completed as part of the construction. The new store will add needed sales tax revenues to the Town. The Council is using a portion of these new revenues to start up an economic development program for existing and new businesses.

The Town Pavilion is a core piece of the Town Center project which is to create a "Main Street", central-gathering place along the Blue River. Beyond the Pavilion there is a second phase which includes two buildings including retail shops and condo type residency above the retail shops. The Town entered into a long-term land lease agreement with Alberta Development who constructed two buildings. The Town owns the land. While the majority of spaces are occupied the retail center is still awaiting a core tenant, such as a restaurant.

The north end of Silverthorne includes the residential subdivision of Eagles Nest. The majority of this area was purchased by Intrawest Corp. in 1997 and re-master planned in 1999. The area known as Three Peaks includes 450 residential units. The residential construction began in 2000, and has become a popular place to build large high-end residential properties. There are approximately 100 undeveloped lots.

An additional residential development northeast of Town is Angler Mountain Ranch. This is a 192 acre site along the Blue River with property extending east up into the mountain. It will include a mixture 250 single and multifamily units when completed.

There are several contiguous large parcels of land in the center of Town. This area of land is known as the Smith Ranch and is located south of the Willowbrook neighborhood on Hwy 9.

The western piece of the Smith Ranch is 51 acres and was purchased in late 2008 by the Town to be banked for a future affordable housing project. The eastern pieces, located on Hwy 9, are zoned commercial and currently do not have any pending projects. The northern portion of the property saw a Catholic Church constructed in 2012. It is believed that when the residential development portion of the Smith Ranch parcel is designed and built, the commercial parcel will be developed soon after.

South Maryland Creek Ranch, located at the far north end of Town, was annexed in late 2005. This will consist of 84 large high-end residential units encompassing 355 acres including public parks and trails. Some infrastructure has been constructed. Due to the depressed housing market, the project has not progressed as originally planned. A General Improvement District (see page 117) has been formed in order to pay for Town services related to this development. Adding new residential to the Town has become a concern financially as the Town does not have a property tax and funding Town services are addressed through annexations.

The attraction of the Silverthorne area to newcomers has also made any available land that has commercial potential a point of interest to large and small commercial developers. The Town expects a variety of retailers to strongly consider Silverthorne as future sites for their businesses when the economy recovers.

Town Government

The Town of Silverthorne is a home rule community consisting of a council-manager form of government with power vested in an elected, seven-member Town Council. Town Council enacts local legislation, adopts budgets, determines policies and appoints a Town Manager to execute laws and administer Town government. The Council, which includes the Mayor and six council-members, is elected at-large for four-year, overlapping terms. Elected officials may only serve two terms by state law. The

Town Overview

Council may take action through ordinances, resolutions and motions. The Home Rule Charter establishes procedures to promote the expeditious and efficient handling of Town matters as well as to encourage citizen participation.

Town Council appoints Planning Commission members. The Planning Commission is a volunteer position appointed to three-year, overlapping terms. The Commission's primary responsibilities are to review new development in accordance with the long-range goals set forth in the Comprehensive Plan and the Three-Mile Plan.

Additionally, the Town has several other committees that require local volunteers. These committees include the Silverthorne Parks, Open Space, Recreation and Trails (SPORT) Committee, Silverthorne Economic Development Advisory Committee (EDAC) and the Police Advisory Committee.

The following are current Town Council and Planning Commissioners:

Town Council

| | |
|---------------------|----------------|
| Dave Koop | Mayor |
| Bruce Butler | Mayor Pro Tem |
| Dave Anderson | Council Member |
| Derrick Fowler | Council Member |
| David Preaus | Council Member |
| Stuart Richardson | Council Member |
| Ann-Marie Sandquist | Council Member |

Planning Commission

| | |
|----------------|--------------|
| Peggy Long | Chairman |
| Russ Camp | Commissioner |
| Stan Katz | Commissioner |
| Robert Kieber | Commissioner |
| Tom McDonald | Commissioner |
| Tanya Shattuck | Commissioner |
| Brian Wray | Commissioner |

Employment

In Silverthorne:

| | |
|--------------------------|---------|
| Outlets at Silverthorne: | 600-800 |
| Target: | 117 |

| | |
|-------------------------|--------|
| Colorado Mtn. Express: | 68 |
| Town of Silverthorne: | 86-196 |
| Lowes Home Improvement: | 120 |
| Keystone Symposia | 30-35 |
| First Bank: | 20 |

In Summit County:

| | |
|-------------------------|-------------|
| Keystone Resort: | 1,500-2,600 |
| Breckenridge Ski Area: | 200-1,500 |
| Copper Mountain: | 968-3,060 |
| Summit County Govt.: | 475 |
| Summit School District: | 515 |

Labor Force / Summit Co. (4th Qtr 2011):

| | |
|----------------------------|-----|
| Accommodation/Food Service | 36% |
| Retail | 15% |
| Government/Education | 14% |
| Recreation | 8% |
| Construction | 6% |
| Real Estate | 6% |
| Health Care | 6% |
| Professional | 4% |
| Other | 5% |

Total Workforce / Summit Co.:

| | |
|----------------------------------|--------|
| 1990 | 11,426 |
| 2000 | 17,081 |
| 2005 | 17,875 |
| 2011 | 16,438 |
| Unemployment rate for 2012 (Nov) | 7.1% |

Recreation and Parks

Silverthorne Recreation Center

The Town's recreation center, located at 430 Rainbow Drive, officially opened on August 20, 1994. The 62,000 square feet center houses four pools (lap pool, deep pool, play pool and slide pool); spa and sauna; aerobics and weight rooms, consisting of both free weights and cardiovascular weights; two racquetball courts; and an 8,106 square feet gymnasium with a 1/11 mile track around the top.

Town Parks

Rainbow Park: a 7-acre park (2.6-acres undeveloped) on Rainbow Drive that contains a nationally recognized skateboard park as a main attraction, as well as a multi-purpose field, two tennis courts, a basketball court, four sand

volleyball courts, a children's playground, picnic shelters, and public restrooms. Its bowl-shaped field, which lies slightly below the rest of the park, also serves as an amphitheater for spectator events and community festivals. The playground equipment was replaced and updated in 2010. A new Tot Lot playground was added in 2012.

Trent Park: a 3.79-acre neighborhood park at the entrance to Willowbrook. It consists of a pavilion, a baseball field, two tennis courts, a children's playground, some picnic tables, and a small fishing pond for kids.

Arctic Placer Park: a small, .97-acre neighborhood park with a small covered picnic area and children's playground equipment. This park provides access to National Forest land just west of the Town via soft surface trails.

Cottonwood Park: a 10-acre parcel north of the Silverthorne Elementary school that remains undeveloped at this time but is included in the parks master plans as a multi-use park.

North Pond Park: a 5-acre park located directly south of the elementary school. This is a unique mountain wetland and pond area that is home to ice skating, nesting osprey and quality catch and release fishing. A small enclosed pavilion can be used for events or as a warming hut. Other amenities include restrooms, docks, trails, picnic areas and a paved parking lot.

Willow Grove Open Space: a 10.88 acre parcel located in the Willow Grove Subdivision. The site includes a small lake with walking path, public restrooms, paved parking, riverside benches, and picnic tables. The Blue River Trail passes through the open space, which provides a pleasant stopping place for trail users. The open space is also adjacent to the Tammy Lynn Jamieson Memorial Bridge, which is a landmark feature of the Blue River Trail.

Rivers Edge Park: a one acre parcel located between Blue River Parkway and the Blue River, north of Rainbow Drive. The park should draw people to the Town Center and welcome them to Silverthorne. The park includes a paved

detached sidewalk, landscaping, gathering spaces and interpretive paths that provide access to the Blue River and public trail. Incorporated into the park are three potential sites that have been selected for locating public art.

County Parks

Blue River Park: a 21-acre community park housing Spider Stephens Memorial Softball Complex located at the base of Dillon Dam adjacent to Town boundaries. It primarily consists of four softball fields, providing a venue for the Summit County Softball Leagues and youth soccer.

The "Blue River"

Considered by many residents to be the heart and soul of the community, the Blue River runs through the center of Town and is home to some of the best catch-and-release fly fishing in the state. The river is a Gold Medal Fishing Stream, which means that it has a higher percentage of fish 14" or longer than most rivers. There are several good access points along the river throughout Town and north of Town along Highway 9. Rafters and kayakers enjoy the high waters during spring runoff. The Blue River Trail runs along the Blue River, providing a scenic view of the river corridor.

Due to lower water flows, the overall health of the Blue River was beginning to deteriorate, jeopardizing its Gold Medal status. That was the impetus of the Blue River Restoration Project: a local partnership between Trout Unlimited, the White River National Forest, Summit County, the Town of Silverthorne, the Colorado Division of Wildlife, the Denver Water Board, the Colorado River District, the Middlepark Water Conservancy District and the NW Colorado Council of Governments with the purpose of managing recreational access to the river and protecting its Gold Medal Trout Stream status. Since 2002 several restoration projects have taken place with approximately \$235,000 of grants and Town funding.

The Town has hosted fund raising events in past years to assist with the Blue River restoration. Currently there is \$68,000 in funds raised that can be used for river related projects.

Town Trails

The Town's Blue River Trail currently begins (or ends) just north of the Silverthorne Elementary school and North Pond Park, and then follows the river south to the Blue River Run residential subdivision. Just past Blue River Run, the trail leads to the Tammy Jamieson Memorial Bridge to Willow Grove Park. From here the trail leads to Rainbow Dr. and a temporary street route travels south to just north of Town Hall. Back on the trail along the river, it follows the river south to Phase III of the Outlets at Silverthorne, passes underneath the Blue River Parkway at Rainbow Drive, winds through Phase II of the Outlets to a connection with Wildernest Road, and continues along the river to Phase I of the Outlets and on to the base of Dillon Dam. The Town Trails Plan also envisions the Trail extended north along the river to the future site of Cottonwood Park. The Summit County trail system, with paths leading to Dillon, Keystone, Frisco, Copper Mountain and Breckenridge, may be accessed behind Phase I of the Outlets at Silverthorne and also to the east of Summit Place Shopping Center.

Silverthorne's Trails Master Plan envisions a complete trail system that continues north from Town Hall along the Blue River and ends at the Blue River Wastewater Treatment plant north of the Silverthorne Elementary. The trail portion along the Blue River, just north of Town Hall to Willow Grove Park, is scheduled for construction in 2013.

The Town greatly wants to see this trail system completed, but lacks the immediate funds to fully construct it. The Town and the SPORT committee continue to submit grant requests to Great Outdoors Colorado (GOCO). GOCO is funded by Colorado lottery proceeds. In 2005, the Town was awarded \$1.67 million in funding from GOCO for purchasing open space for our trail system and constructing the improvements

at North Pond Park. Summit County Open Space has also committed funds to assist in land purchases. The Town completed the purchase of two major parcels of land in 2006. These parcels were used to construct the portion of trail from Blue River Run subdivision to Willow Grove Park in 2009. This also included the Tammy Lynn Jamieson Memorial Bridge, Willow Grove Park bathrooms and parking lot. As mentioned the trail still does not connect with the Town Hall trail section; although construction of that piece is scheduled for 2013.

For each year through 2018 the Town has budgeted to fund a section of the trail for design, engineering and construction. The Blue River Trail will take bike/pedestrian traffic off Hwy 9 and other main streets and provide a safe route to the Silverthorne Elementary school, Town parks, and other public and commercial destinations.

The Great Outdoors

The offerings of outdoor activities are nearly endless as there are miles and miles of opportunities within minutes of Silverthorne. Hiking and horseback riding trailheads for the 133,496 acre Eagles Nest Wilderness Area may be accessed either at the top of Ryan Gulch Road in Wildernest or in Mesa Cortina. Ptarmigan Trail, accessed via the trailhead on County Road #2021 above the Day's Inn or by the Angler Mountain trailhead located off of Bald Eagle Road provides stunning views of the Gore Range. Several guidebooks are available to help locate the numerous backcountry trails Summit County has to offer. For winter, the Town offers several free activities including ice skating on North Pond and cross country skiing/snowshoeing at the Raven at Three Peaks golf course.

Skiing/Snowboarding

Skiing and snowboarding is the mainstay of the economy in Summit County and the primary reason most people come to visit or live here. Winter sport visits have steadily increased over the years, making the Summit County resorts the top winter destinations in the country, if not the world. Arapahoe Basin (a.k.a. The Legend), the

first ski area to open in the County, opened in 1949. Breckenridge Ski Area opened with skiing on Peak 8 in 1961. However, skiing during the 1960's remained a fairly small local industry as transportation logistics prevented the introduction of skiing to a mass market. The 1965-66 season enjoyed a relatively small 172,000 skier visits. With the completion of the first bore of the Eisenhower Tunnel on I-70 in 1973, it was no longer necessary to go over Loveland Pass to get to Summit County, and the drive time from

Denver was reduced to about an hour. This monumental change, coupled with the opening of Keystone in 1970 and Copper Mountain in 1972, served to put Summit County on the skiing map. By the 1979-80 season, the second bore of the tunnel had opened, and skier visits at the four Summit resorts topped 2 million. Today a typical winter season attracts well over 4 million visitors to the Summit County area and now includes both skiers and snowboarders.

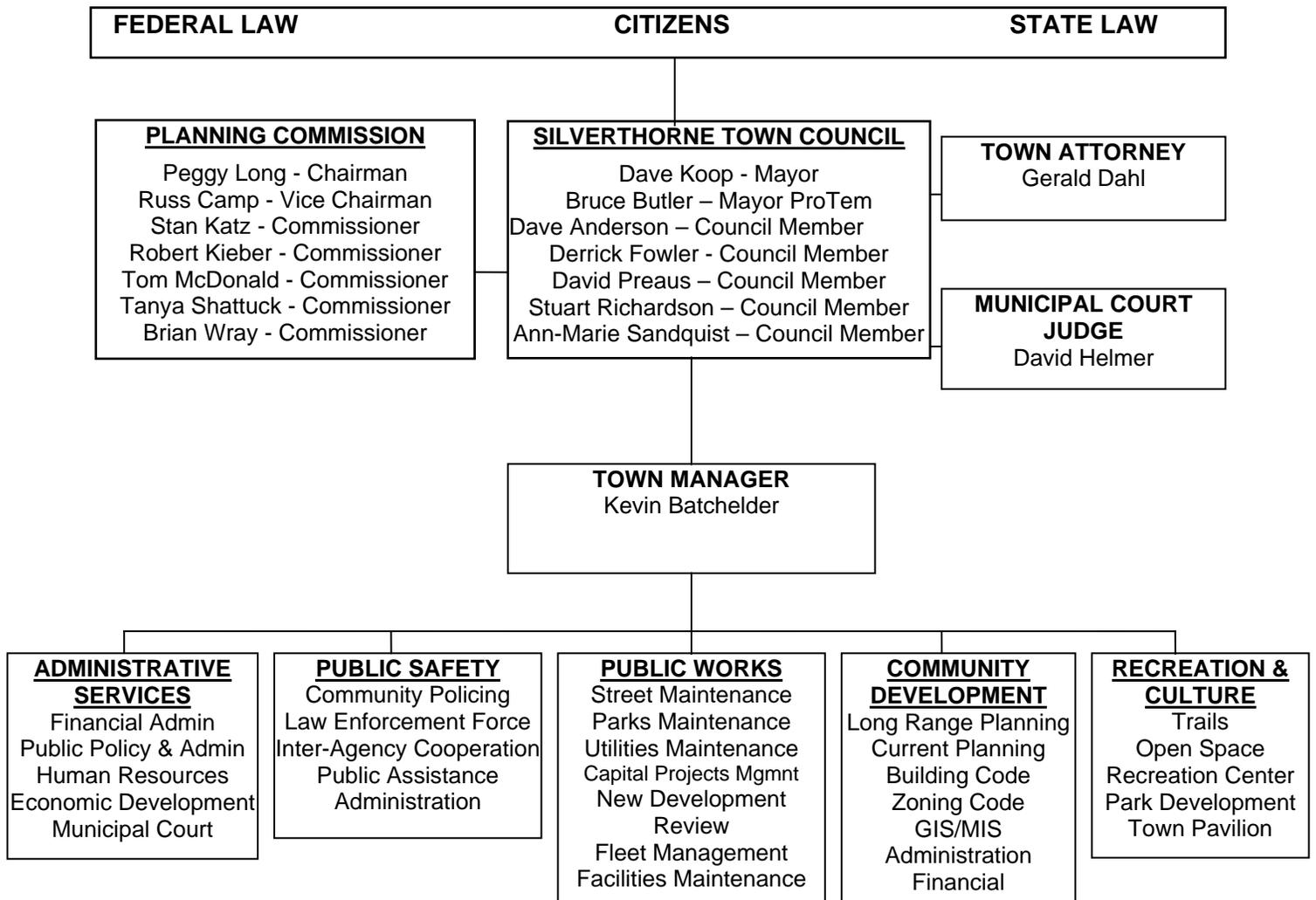
Community Facilities

| | |
|--|---|
| <p>Silverthorne Town Hall 601 Center Circle Mail: P.O. Box 1309 Silverthorne, CO 80498 (970) 262-7300</p> | <p>Lake Dillon Fire Protection 401 Blue River Parkway Mail: P.O. Box 4428 Silverthorne, CO 80498 (970) 468-2823</p> |
| <p>Silverthorne Police Dept. 601 Center Circle Mail: P.O. Box 1167 Silverthorne, CO 80498 (970) 262-7320</p> | <p>North Branch Library 651 Center Circle Mail: P.O. Box 1248 Silverthorne, CO 80498 (970) 468-5887</p> |
| <p>Public Works/Maint. Center. 264 Brian Avenue Mail: P.O. Box 1309 Silverthorne, CO 80498 (970) 262-7340</p> | <p>U.S. Post Office 390 Brian Avenue Silverthorne, CO 80498 (800) 275-8777</p> |
| <p>Silverthorne Recreation Center 430 Rainbow Drive Mail: P.O. Box 1309 Silverthorne, CO 80498 (970) 262-7370</p> | <p>U.S. Forest Service 680 Blue River Parkway Mail: P.O. Box 620 Silverthorne, CO 80498 (970) 468-5400</p> |
| <p>Town Pavilion 400 Blue River Pkwy Mail: P.O. Box 1309 Silverthorne, CO 80498 (970)262-7390</p> | <p>Summit County Commons 0037 County Rd 1005 Mail: P.O. Box 5660 Frisco, CO 80443 (970) 453-2561</p> |
| <p>Silverthorne Elementary 101 Hamilton Creek Drive Mail: P.O. Box 1039 Silverthorne, CO. 80498 (970) 468-6700</p> | <p>Summit County Govt. 208 East Lincoln Avenue Mail: P.O. Box 68 Breckenridge, CO 80424 (970) 453-2561</p> |

Town of Silverthorne Organizational Chart

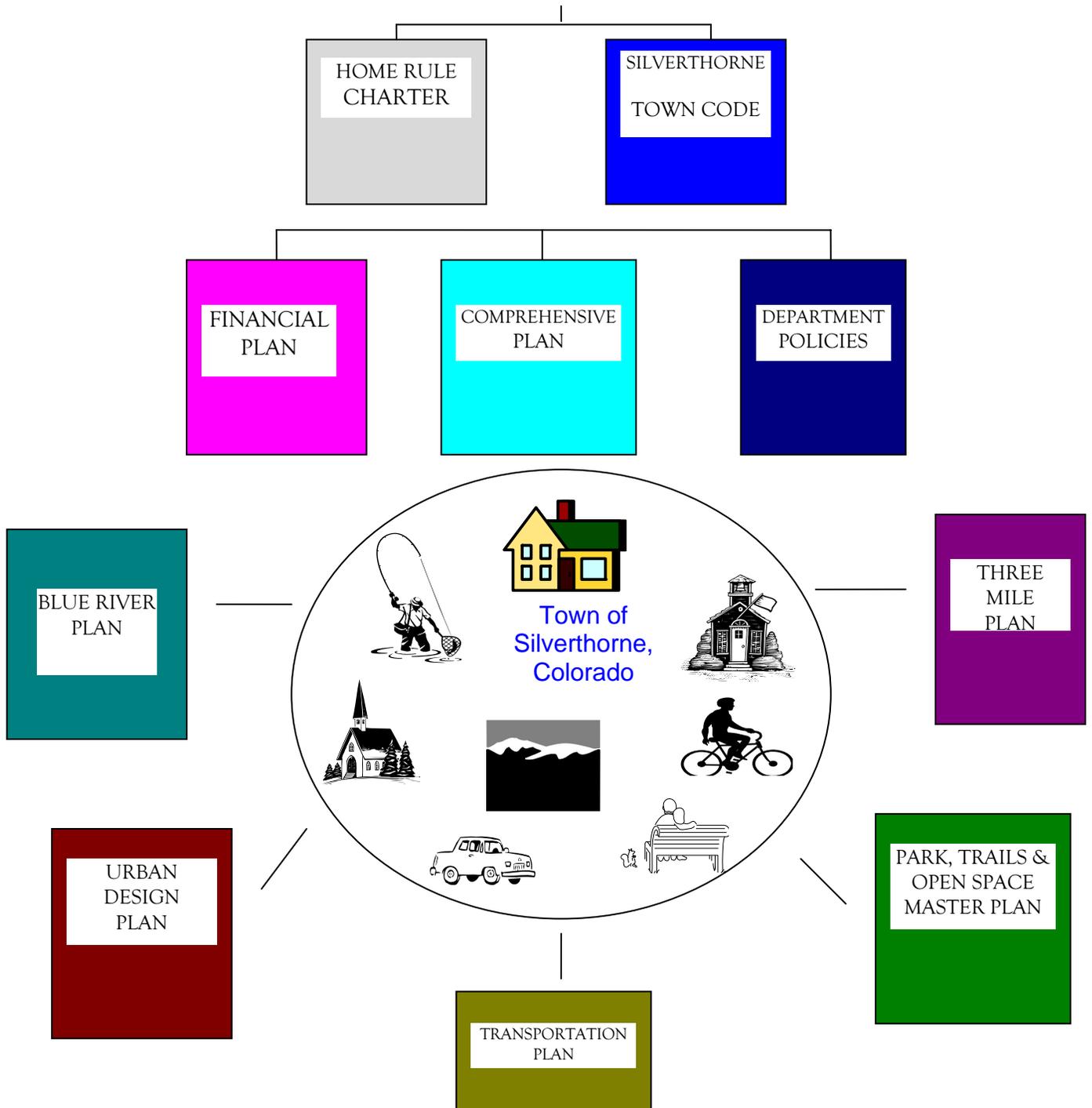
The Town of Silverthorne’s form of municipal government is known as the council-manager government per the Home Rule Charter. The Town Council shall “enact local legislation, adopt budgets, determine policies and appoint the Town Manager who shall execute the laws and administer the Town government.” The following organizational charts reflect the Town Council as elected by the citizens of Silverthorne

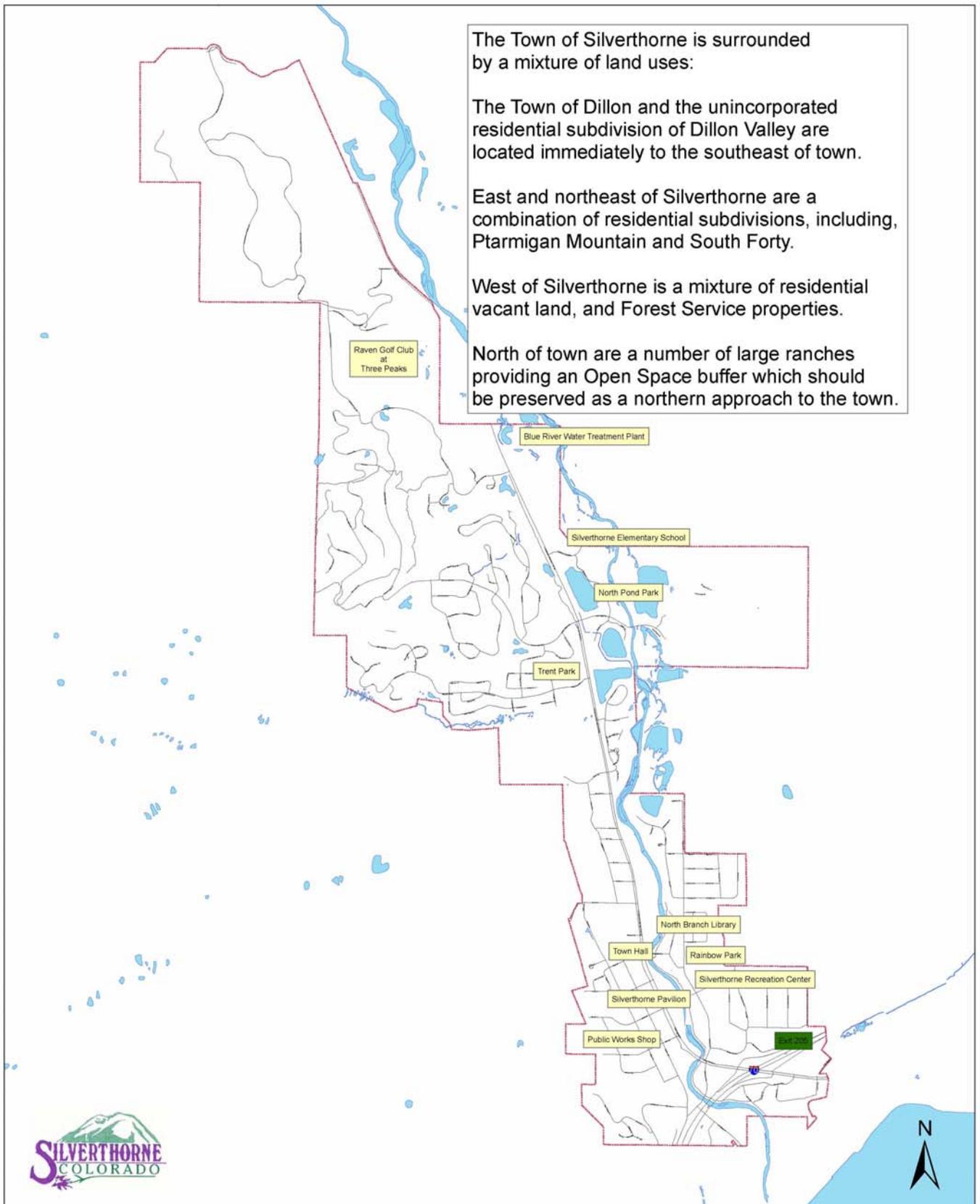
and complying with federal and state law. The Home Rule Charter provides for boards as appointed by the Council, who has a six member Planning Commission, responsible for long range community planning (Comprehensive Plan implementation). The second chart highlights the key policy documents the Town has adopted, to follow when making operational and long-term community decisions.



Town of Silverthorne Key Policy Documents

CITIZENS
Mission Statement:
To provide a year-round, family community with economic, recreational and social opportunities for all citizens to have a mountain quality of life.





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Budget Document Highlights

This budget document is designed to be used by a wide range of participants including interested citizens, financial organizations, Town Council, Town Planning officials and Town staff. The Budget Document consists of four sections: Introduction, Fund/Department Detail, Financial Summary and several Appendixes.

The **Introduction** includes the Manager's letter, the Community Profile, this Introduction and Budget Highlights. Budget Highlights include financial information as related to cash, revenues, personnel, and expenditures. Also included are brief discussions regarding future issues for the Town in 2013 and 2014.

The **Funds** sections include information organized by fund type: General Fund, Capital Projects and Special Revenue Funds, Enterprise Funds and Other Funds. All documented Funds have been appropriated by Council. The General Fund section includes Revenue Detail, Operating Department Detail, (including policies, services provided to the community, accomplishments, goals, service indicators and expenditures). Per recommended Governmental Accounting Guidelines and the Town of Silverthorne Financial Policies, this section is organized in the same format and order as the Annual Financial Statements. This design is intended to make it easier for the average user to compare the Financial Plan to the results of operations as reported in the Annual Financial Statements. The Operating Department Narratives begin with policy statements as approved by the Council on a biennial basis. Programs are implemented in order to provide services to the citizens. Therefore, Department programs, goals, accomplishments and service indicators are identified in this section as well. The Department Narrative gives the Department Director the opportunity to highlight key issues for the Council. At the 2013/2014 budget

retreat, Council reviewed department policies, which identify legitimate activities and service levels and discuss projects or issues in general. The policies as approved by the Council and service indicators identified by the Department Directors are the driving forces behind the annual budget preparation. The Department Detail section is designed to provide the most detailed information and should be used to answer questions about a specific Department.

This Document includes the following Funds:

- General Fund
- Sales Tax Capital Improvement Fund
- Lodging Tax Special Revenue Fund
- Excise Tax Special Revenue Fund
- 5A Housing Special Revenue Fund
- Water & Sewer Enterprise Funds
- Joint Sewer Authority Agency Fund
- South Maryland Creek Ranch GID
- Internal Service Funds

Information in the **Financial Summary** section is prepared to assess the financial condition of the Town and to answer common questions about the annual budget. The Financial Summary sections include the “Financial Condition of the Town” and the “Budget Resolution” approving the annual budget, both of which provide the big picture. Several summaries are included to identify issues such as expenditures by category (personnel, supplies, contributions, debt, and transfers), which provide a different analysis of the same information identified in the Department Detail section.

The **Appendixes** include the 2013-2014 Financial Policies, Salary Information, Organizational Charts and Glossary of Terms. This information is included to provide background information that may be useful in understanding this document.

Budget Overview

CHANGE IN BUDGET PROCEDURES

The Two-Year Budget

The Town’s fiscal year starts on January 1st and ends on December 31st of each year. Although the Town legally appropriates its budget on an annual basis, a two-year budget process with five- or ten-year financial projections has been developed.

The genesis of this process stemmed from the enormous amount of staff time and resources required to produce the annual budget at the level of quality and detail necessary to determine the most effective allocation of available resources.

Some of the results of producing a two-year budget include:

- The second, or “off” year allows time to concentrate on long-term policies versus incremental service needs.
- Staff time is saved in the second year process, resulting in resource savings.
- The two-year budget plan coincides with Council’s Policy Agenda. Council can see a clearer relationship between the Town’s financial plan and their agenda.
- There is more reactive time in order to respond to economic changes that might affect the second year budget plan.
- Long range planning is emphasized.

In general, detail line-item budget requests are prepared in alternative years. Each department submits requests for the current year revised, the next year proposed budget and a second year proposed budget. During the “off” year, only revisions due to unforeseen events, pay plan modifications, and program and operational changes that affect the current and subsequent years will be reviewed.

BUDGET OVERVIEW

Policies

The Town of Silverthorne plans for the future and manages its day-to-day operations via the policies approved by the Town Council. Every two years a work session is dedicated to a review of the different Plans and Policies. This step is the most important contributing factor to the development of the budget. Discussions determine if policies in place promote the mission statement of the Town. Programs are identified that meet the objectives of the policies. Based on these decisions, the budget is formulated by the Town Council.

Budget Process

The Town’s Charter (Article VIII) requires that “the budget shall provide a complete financial plan of all Town funds and departments for the ensuing fiscal year, and that the total of proposed expenditures and provision for contingencies shall not exceed the total of estimated revenues and reserves.” The Town of Silverthorne includes discussions regarding long range financial planning in its annual budget process. Therefore, five-year projections for all funds are included in this document. The Department Directors and the Administrative Services Department assume the major role for preparing both the budget and the long-range financial plan. Budget policies provide the framework for the process and include some of the following:

- Balanced Budget
- Efficient Town Operations
- Promote Investment in Our Future
- Share Resources / Services Throughout the Town
- Identify Funding for New Service Levels
- Prepare an Asset Management Plan
- Include Employee Programs

Detailed documentation for revenues, personnel expenditures, and supplies and services expenditures are prepared by the Departments based on the line- item budgeting method. Service levels and demand indicators, as approved by the Town Council, assist the Department Directors in determining the projected expenditures. As indicated above, service levels are approved by the

Town Council at a policy workshop conducted by the Department Director. This workshop provides the opportunity for dialogue on existing and future services and programs. Budget retreats may be scheduled at the Director's level to discuss proposed capital projects and the proposed operations budget. Directors are asked to concentrate on future projections as the Town has placed a great deal of emphasis on the next 24 months.

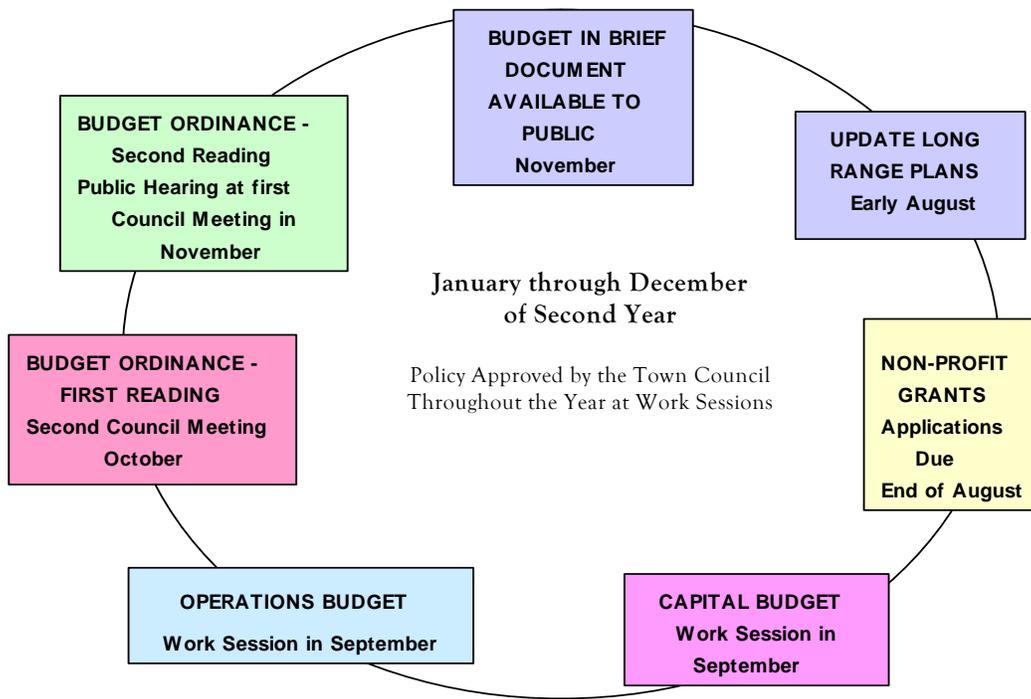
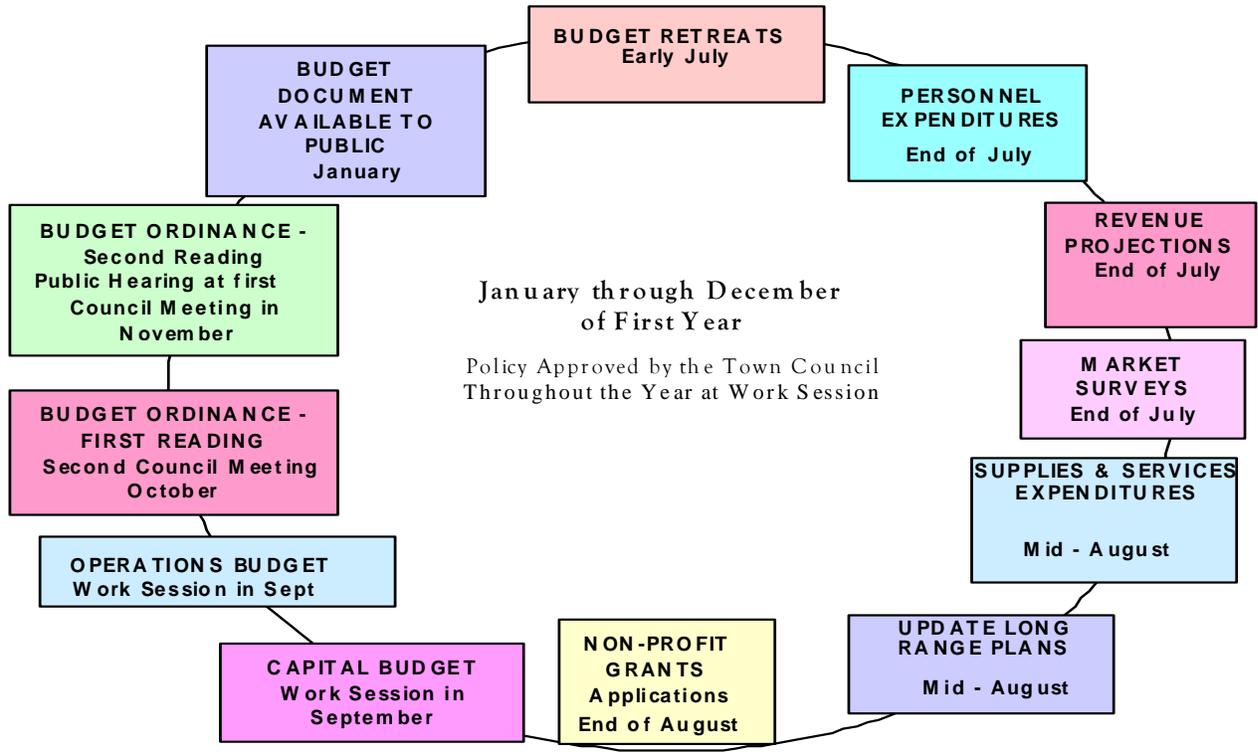
In order to present a balanced budget, Departments reached consensus on funding levels for programs or projects without sacrificing service levels as approved by the Council. The Town's philosophy includes "Do not start a program or project unless it can be funded in the future." The Town Manager approves the final plan: both the Capital Budget and the Operations Budget are presented at work sessions in September and October. Per the Home Rule Charter, the budget must be approved by ordinance. Introduction of the ordinance was October 24th and the public hearing was November 14th. The Town encourages citizen participation at both work sessions and the public hearing by publishing notices in local newspapers. Copies of the budget document are also available for citizen review. The budgeting process is continuous over the entire year. Once the document has been approved, the Administrative Services Department is responsible for monitoring the activity. The Town's accounting software, financial policies and

procedures provide multiple controls on expenditures of funds. It should also be stated that the Home Rule Charter authorizes the increase or reduction of budgeted amounts through the appropriations process. The Town, in most recent years, has limited this to three supplemental appropriations ordinances per year.

When producing a two-year budget document, the Council adopts the second year through a resolution after the first year's budget has been approved through the ordinance process. With this document, the two-year budget was adopted at the November 14th Council meeting.

Preparation for the second year of the two-year budget is limited to any substantial changes in policies and projects. A request to all Departments will be issued in August for any revisions due to unforeseen events, pay plan modifications, and program and operational changes which affect the second year and subsequent years. Presentations of the second year of the two-year budget will be conducted at the September work session for the Operation, Capital and Enterprise Budgets. As in the first year of the two-year budget, the same procedures, as per the Home Rule Charter, are followed for approving the second year Budget. A short document reviewing the second year of the two-year budget will be produced for public distribution.

TWO-YEAR BUDGETING PROCESS



Budget Basis

The Town's annual budgets for governmental funds, enterprise funds and the agency funds are prepared using the modified accrual basis of accounting. Under the modified accrual basis of accounting, Governmental Funds are accounted by focusing on current financial resources measurement. Revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction that can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recognized when the related fund liability is incurred. While the annual budgets for the proprietary (enterprise) funds are prepared using the modified accrual basis of accounting, when preparing the annual financial statements for the enterprise funds we convert to the full accrual basis meaning that revenues and expenses are recognized when they are earned and incurred.

Depreciation is not included as a budget item in enterprise funds.

Financial Reporting

The Town of Silverthorne has become consistent in its financial reporting in accordance with GAAP (Generally Accepted Accounting Principles) and in respect to requirements per the Government Finance Officers Association (GFOA). Financial Statements are drafted by the Administrative Services Department and audited by the certified public accounting firm of Swanhorst & Company, LLC. The Town received the "Certificate of Achievement" award for its 2011 Comprehensive Annual Financial Report. The Town acknowledges the importance of such GFOA programs and the need for providing its citizens such financial information. These standards have also benefited the Town in its efforts to issue bonds and reviewing the Town's bond rating, as credit agencies look favorably upon governmental entities that provide this detailed information.

FINANCIAL OVERVIEW

Cash / Fund Balances

The Town of Silverthorne maintains the following operating funds:

- General Fund that allows for the recording of the traditional municipal activities taking place in Administrative Services (Town Council, Town Manager, Finance, Human Resources, Town Clerk, Municipal Court), Public Safety, Public Works, Community Development (Planning, Building Inspections and MIS/GIS) and Recreation & Culture.
- Sales Tax Capital Improvement Fund and Special Revenue Funds that allows for the recording of sales, lodging, development excise tax and housing sales tax revenues and capital improvement expenditures.
- Water and Sewer Fund that allows for the recording of transactions of services operating as a business.

The Town's Financial Policies require the Town "to establish and maintain a target reserve to pay for needs caused by unforeseen emergencies."

General Fund - Fund balances are projected to increase/(decrease) annually between (\$638,732) and \$122,545 for 2013-2017. The long-range plans reflect a projected fund balance of approximately \$6M and \$5.3M in 2013 and 2014. The Town's goal of maintaining fund reserves has proven to be fiscally

responsible in light of the current economic instability and projected increases of sales tax revenues the Town is expected to experience. Over the short life of the Town, the General Fund has seen mostly growth from one year to the next. The economy began a down turn in mid-2001 and continued through mid-2004. Several budget reductions were applied in 2002 and 2003 to adjust for the economy. Our local economy and the General Fund experienced growth again in 2004 - 2007; with 2007 seeing revenues grow materially. 2008 and 2009 saw local, state and nation economies go through a recession and experience decreases to our revenues like we've never seen. A recovery began in 2010 and is expected to continue, although we are still below 2008 revenue levels.

Sales Tax Capital Project Fund - Available fund balances are small in 2013 & 2014 after backing out reserves. Financial policies require this fund to reserve funds for Capital Replacements (also known as an Asset Management Plan, (AMP)). The plan, in raw form, was based on a percentage of replacement cost of buildings and assets within the buildings. In 2007, the Town implemented the AMP system and Council has since lowered the reserve for AMP to \$500,000.

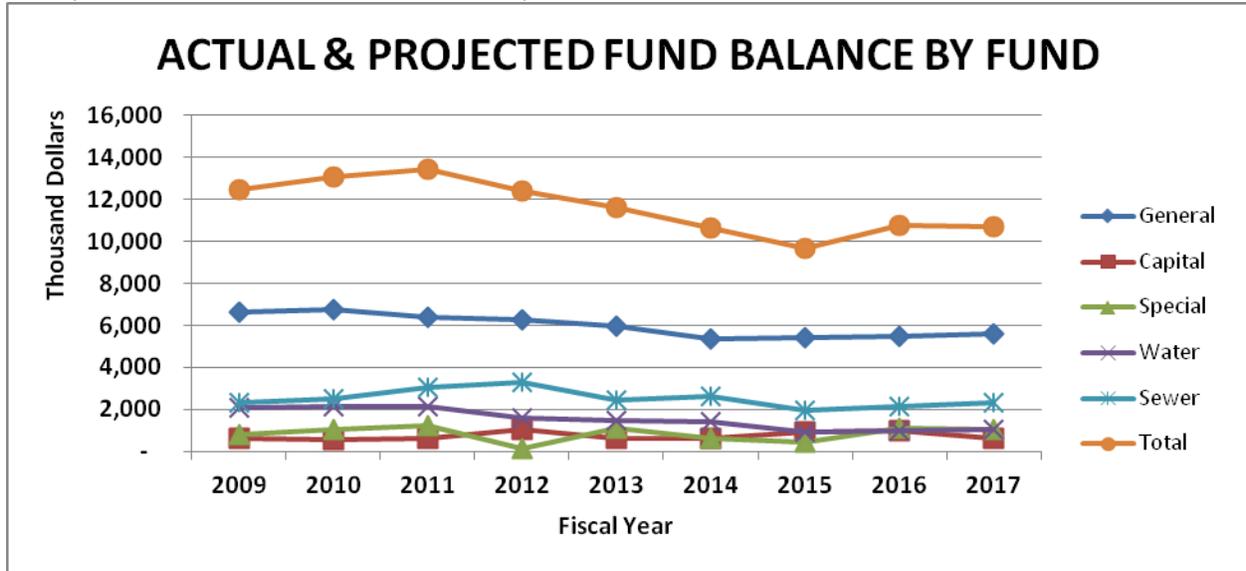
Special Revenue Funds - Fund balances are reserved

Financial Overview

for approved projects relating to the goal of the Fund and are carried forward each year until appropriated.

There are several one-time capital projects that will have to be paid for from fund balances.

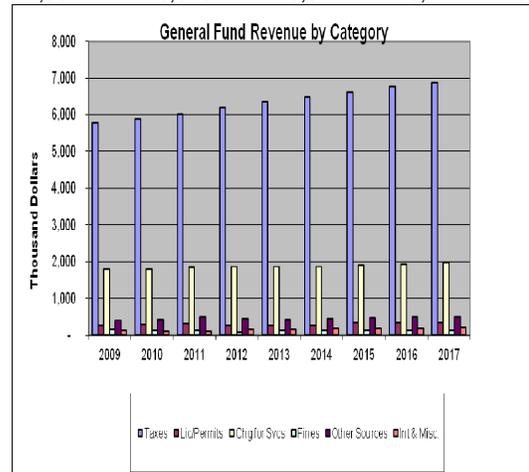
Water and Sewer Fund - Fund balances remain healthy and show decrease over the next five years.



| (in Thousands) | 2009 | 2010 | 2011 | 2012 Proj | 2013 Bud | 2014 Bud | 2015 | 2016 | 2017 |
|--------------------|--------|--------|--------|-----------|----------|----------|-------|--------|--------|
| General Fund | 6,644 | 6,766 | 6,415 | 6,292 | 5,976 | 5,338 | 5,390 | 5,487 | 5,610 |
| Capital Fund * | 650 | 559 | 636 | 1,064 | 630 | 635 | 900 | 971 | 646 |
| Special Rev. Funds | 797 | 1,073 | 1,212 | 1,254 | 1,098 | 647 | 449 | 1,120 | 1,050 |
| Water Fund | 2,068 | 2,162 | 2,157 | 1,595 | 1,460 | 1,382 | 938 | 1,012 | 1,041 |
| Sewer Fund | 2,306 | 2,481 | 3,027 | 3,309 | 2,437 | 2,623 | 1,970 | 2,151 | 2,342 |
| Total | 12,465 | 13,041 | 13,447 | 13,514 | 11,601 | 10,625 | 9,647 | 10,741 | 10,689 |

Revenues

The Town generally considers revenues in three categories, each with different purposes: **Taxes** are imposed for the purpose of generating revenues, **Charges for Service/ Licenses and Permits** recover costs from those benefiting from the service, and **Fines** are assessed with the purpose of changing behavior or impacting social decisions. The following bar graph identifies “Revenues by Category” as identified on the General Fund Long Range Plans and includes a comparison of historical and future year collections. Taxes far exceed any other revenue category, making the Town especially reliant upon as well as vulnerable to sales tax revenues.



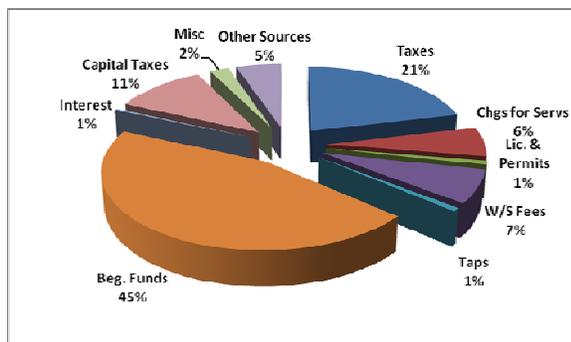
Financial Overview

The Town’s revenue position can also be analyzed by comparing revenue sources from all funds. The following table and pie charts provide this presentation. Revenue sources in 2013 and 2014 reflect very little variance from one year to the other. In a constant economy, taxes and other stable revenue sources will reflect small amounts of growth. Building related revenues (i.e., permits & taps) will adjust up when development occurs and decrease as land inventory is depleted and when the economy is in a down turn.

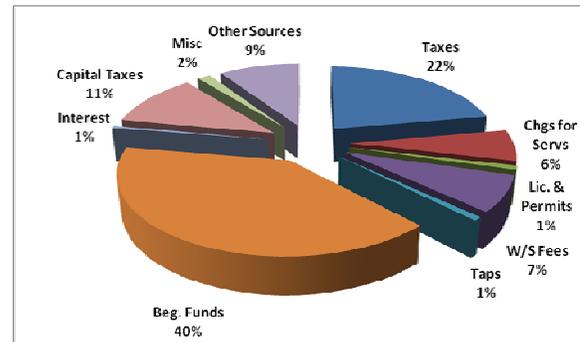
| Total Revenue Sources | | |
|-------------------------|--------------|--------------|
| | 2013 Bud | 2014 Bud |
| Taxes | \$ 6,365,247 | \$ 6,478,575 |
| Fines | \$ 125,000 | \$ 127,000 |
| Charges for Services | \$ 1,847,618 | \$ 1,860,435 |
| Licenses and Permits | \$ 255,533 | \$ 255,533 |
| Capital Project Taxes | \$ 3,201,319 | \$ 3,253,432 |
| Water/Sewer Fees | \$ 2,119,933 | \$ 2,164,385 |
| Utility Taps | \$ 223,200 | \$ 226,800 |
| Interest | \$ 101,357 | \$ 145,010 |
| Miscellaneous | \$ 539,507 | \$ 311,911 |
| Other Financing Sources | \$ 1,557,726 | \$ 2,716,414 |
| Beginning Funds | \$13,514,203 | \$11,600,851 |

General Fund, Capital Improvement Project Fund, Special Revenue Funds, Water and Sewer Funds are combined to provide the breakdown percentage of revenues in each category.

**2013 Sources for All Funds
\$29,850,643**



**2014 Sources for All Funds
\$29,140,346**



Again, the intent of this section is to answer the question of “How big is our budget?” In many ways the Town’s budget is set by what operating revenues are in any given year. The Town’s total revenue sources (all Town funds, not including beginning fund balances) are approximately \$15,410,195 in 2012 projected as compared to approximately \$16,336,440 in 2013 and \$17,539,495 in 2014. This comparison indicates that the Town must use a conservative approach in budgeting expenditures and revenues for 2013 and 2014, because of the uncertainty of the collection of sales tax revenue and the fluctuation of growth related revenues (i.e., permits & taps).

A great deal of time and effort goes into the Town’s sales tax and revenue projections. Most importantly, these projections are in compliance with the Town’s financial policies, whereby the Town must consider the regional economic activity, past history and its impact on the Town’s resources. The General Fund section of this document shows five years of revenues by category. The numbers reflect some variance from year to year. Because many of our revenues are subject to many risky variables (economy, weather, skier days, and tourism for example), it’s important to be conservative with our revenue projections.

Personnel

The number of employees is directly related to services offered, regulations enforced, amount of growth and activity both inside and outside the Town. Silverthorne, Summit County, and Colorado are currently experiencing growth in population, flat building construction and increase in traffic. Within Silverthorne itself, the potential growth in residential on the north end of Town will have an impact on the services staff will be required to provide if we continue to provide the same service levels currently in place.

The 2013 & 2014 budget assumes the following wages and benefit policies /procedures:

- The Town will conduct salary market surveys every two years to establish salary ranges and will use the state CPI average to increase ranges in alternate years. The Town conducted a survey in July of 2012. The market survey reflected a 1.6% average increase to “top of the range” for full-time positions. Certain salary ranges are being increased based on the survey results but there are no automatic increases to salaries. The 2013/2014 budgets do not include an across the board average market adjustment or cost-of-living adjustments. The bottom of the salary range is 75% of the top of the range.
- Annual hourly/salary merit increases will be based on the market and the Town’s ability to pay. The 2013-2014 budgets include an annual wage increase of 3% and 1.5% merit increases respectively. If given, pay increases are performance-based and issued at individual annual performance reviews.
- Bonuses will be considered in years where no salary increases are budgeted or when surpluses in a given year allow for possible bonuses.
- The Town’s benefit program encompasses mandatory and optional flexible benefits. Mandatory benefits include 401(a) (full-time employees pay 7.5%; the Town pays 10.5%) that replaces Social Security, health insurance (employee pays 20% of premium), long-term disability, group life insurance, and the employee assistance/substance abuse programs. The optional flexible benefits portion provides employees with \$2,700 (pro-rated over the year)

to select from an assortment of benefits including: dental, vision, short-term disability, additional life, medical and dependent care flex spending accounts, supplemental accident & cancer insurance, recreation center pass, fitness, Roth IRA, housing/rental assistance and a deferred compensation plan.

- The Town’s health insurance is partially self-funded plan (the Town covers the first \$65,000 of claims per person). Health insurance rates have increased by 12% and 16.5% in 2009 and 2010 respectively. Some minor plan changes were required to help keep increases under control. There were no increases in health insurance rates in 2011 & 2012 due to lower than expected claim history. For budget year 2013 we continue to see no premium increases. Budget years 2014 - 2017 are budgeted for 5% rate increases. As of this writing the Affordable Health Care Act is evolving and will have an effect on the plan structure in 2014 and beyond. How this will affect costs is to be determined.
- The employment market, as of this writing, is employer driven. The 2012 State unemployment rate decreased to 7.5% from 8.3% in 2011. Summit County’s unemployment rate saw a decrease during this timeframe; 7.5% in 2011 to 7.1% in 2012. Compare these recent unemployment numbers to 2007/2010 when the unemployment rate was 4%/8.9% state-wide and 2.7%/7.9% in Summit County. Turnover in the Town was 8% in 2011 and 10% in 2012.
- The Town conducted an Employee Opinion Survey in 2011, receiving a very positive rating from its employees. The Town normally administers this survey every two years. It is budgeted again for 2013.

Department Personnel Changes:

Within the General Fund, the Town had eliminated ten full-time positions during 2002 - 2004. The reductions had been realized through attrition and reorganization. From 2005 to 2008, ten full time positions were added but not necessarily the same positions that were eliminated. Since late 2008, we have eliminated five full-time positions. Only one, a building inspector, was an actual lay-off. Two of those five positions have been brought back.

Financial Overview

The **Administrative Services** Department: No positions have been added or eliminated since 2008. The department has elevated the Assistant to the Town Manager position to Assistant Town Manger in 2012. The position has added more duties and has taken on the economic development program for the Town.

The **Public Safety** Department: Due to the economy, the Town reduced the number of officer positions from twelve to ten in 2009. In 2012 the Town received a Federal COPS grant that will pay for a new officer for three years. The Town must retain the officer position for at least one following the end of the grant. The Town intends to keep this additional officer position.

The Town continues to add additional miles of streets, trails & sidewalks. This new infrastructure adds to the workload of the **Public Works** Department. An additional equipment operator was originally added in 2008. However, due to the economy, the position was left unfilled. This additional operator position is being added in late 2014.

The **Community Development** Department is one of the Town's smallest (6 positions) departments. The department had been seeing a steady amount of speculation and plan reviews, and increases in building/construction permits in 2005-2007. However, since late-2008 there has been a decrease in building (specifically residential) and speculation. In early-2009 a planner position was left vacant. In late-2009, due to the fact there was little if any building activity, the building inspector was laid off. Building inspections are now contracted out to the Summit County building inspection department. The Town plans to continue this practice until the time when building activity is deemed to be at a level where an inspector position is necessary. There continues to be speculative inquiries even during this down economic environment. In 2011 and 2012 an Auto Zone and Lowes Home Improvement stores were constructed and opened.

The Silverthorne **Recreation & Culture Department** has been tremendously successful at attracting residents, neighbors and visitors to

participate in programs and use the recreation facility as a part of the community's recreational lifestyle in the mountains. The need to maintain the aging facility, to keep the facility clean through the day and to provide quality customer service remains a priority of the staff. No positions have been added or eliminated since 2007.

The Recreation and Culture department also oversees the Pavilion program. The Pavilion program is charged with the operations and maintenance of the Town's Pavilion. When opened in mid-2001, staff consisted of two full-time and two part-time positions. In 2004, the part-time events assistant was re-classified to a full-time position in order assist in marketing efforts. In 2008, the part-time building maintenance worker was re-classified to a full-time position to address increase event activity.

The **Water and Sewer Funds** have been able to maintain service levels with the current staffing levels of four positions.

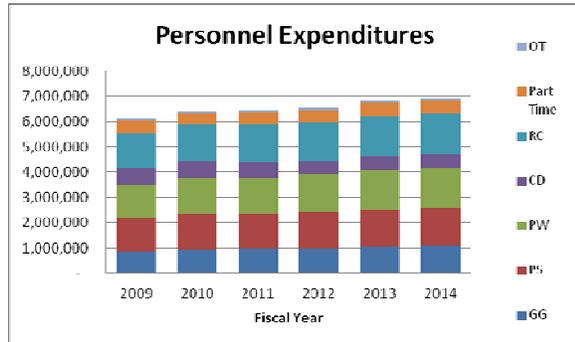
Please see the staffing summaries in the Appendix section for additional information.

The Town continues to convene a Personnel Committee that reviews the Personnel Policies and other issues as identified by the Town Manager, Employees and Council. The employee Safety Committee has taken a more active role in recent years by organizing safety training classes, analyzing accidents, updating the safety policies, and scheduling flu, tetanus and Hepatitis A & B shots. The Town has received awards from the Town's property and workers compensation insurance company for our excellent loss prevention and safety programs. Additionally, the Town received the State workers compensation cost containment certification.

The Town's 2013-2014 personnel expenditures make-up 74% of the General Funds total expenditures. Full-time employees for the Town of Silverthorne for 2013 and 2014 will remain mostly flat with the exception of the additional equipment operator in 2014.

Financial Overview

The following chart illustrates a year-to-year comparison of total personnel expenditures by department for the General Fund.



(PT= part-time employee; OT=overtime)

Expenditures / Operations

Expenditures and operations relate to the ongoing day-to-day expenses required to provide basic services and to maintain our infrastructure. The Town examines workload indicators, past expenditures and approved service levels when projecting its future expenditures. The challenge of being able to stay within budget, continue to provide existing services, increase in the cost of natural resources were major factors in estimating expenditures in 2013 and 2014.

The current employment market, especially with local governments, has seen minimal salary increases and in some cases decreases to employees salaries and/or benefits. Historically no salary increases were given to Town employees in 2010 and 2011 when it became apparent that the Town could not stay within budget nor support future budgets if we continued giving pay increases. A small cost of living increase was given in 2012. For 2013 and 2014 merit increases of up to 3% and 1.5% respectively are currently budgeted.

The 2013 and 2014 all fund expenditure budgets reflect a 19% increase and 1.5% increase respectively in comparison to the prior year. The 19% increase in 2013 is mostly due to one-time capital projects including the construction of the Blue River Trail and paper expansion at the Joint Sewer Authority. 2014 is projected to be 1.5% over 2013 expenditures due to continued trail construction and a major reconstruction project at the Recreation Center. The General Fund section highlights expenditures by category over five years. Each Department Director

was challenged to keep their wages/benefits, supplies and service expenditures increases reasonable; taking into account higher costs and providing the same service levels. In summary, areas that were impacted are:

- ⇒ One new full-time position in 2014. Up to 3% and 1.5% performance based pay increases, flat health insurance premiums in 2013 and a 5% increase in 2014.
- ⇒ The addition of an economic development program.
- ⇒ Increase in Property & Liability Insurance.
- ⇒ Several large and expensive capital projects, including asset replacement projects in 2013 and 2014. This is made possible because capital funds can only be used for capital projects. The Town must be careful not to add new capital projects that would require increased levels of services.

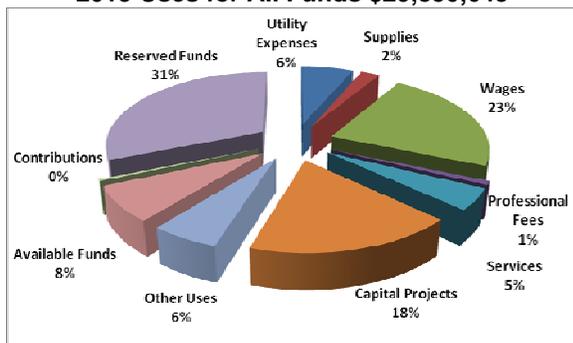
The pie chart and table show the breakdown of total uses of funds.

Total Expenditure Uses for All Funds

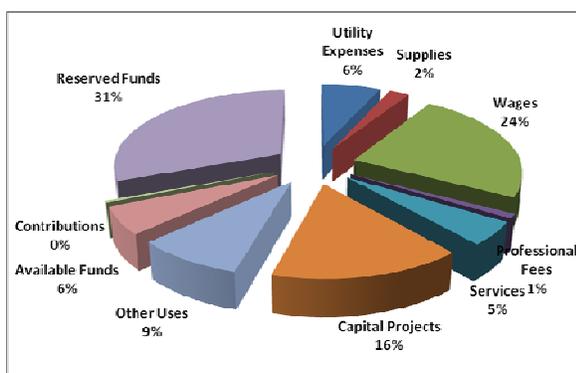
| | 2013 Bud | 2014 Bud |
|--------------------|--------------|--------------|
| Wages | \$ 6,805,458 | \$ 6,943,101 |
| Professional Fees | \$ 259,100 | \$ 278,650 |
| Services | \$ 1,378,062 | \$ 1,410,330 |
| Supplies | \$ 676,480 | \$ 668,769 |
| Contributions | \$ 123,000 | \$ 123,000 |
| Capital Projects | \$ 5,347,557 | \$ 4,573,145 |
| Utility Operations | \$ 1,900,271 | \$ 1,945,017 |
| Other Uses | \$ 1,759,864 | \$ 2,574,585 |
| Available Funds | \$ 2,291,377 | \$ 1,667,771 |
| Reserved Funds | \$ 9,309,474 | \$ 8,955,978 |

Financial Overview

2013 Uses for All Funds \$29,850,643



2014 Uses for All Funds \$29,140,346



When comparing the ratio of expenditures to revenues, the Town's goal is a 90% ratio. However, in 2013 and 2014, the Town's ratio is budgeted at 100% for each year. Because the Town consistently budgets conservatively for revenue and expenditures, actual year results generally prove to

show higher revenues and lower expenditures compared to budget. Fiscal year 2011 is an example of a lower ratio year (97%), where the General Fund operational fund increased by \$249,519 (the actual fund decreased \$350,480 due to a one time transfer to the sales tax CIP Fund for a street construction project). The original 2011 operational budget was anticipating an \$18,981 fund increase or 100% ratio. Maintaining this expenditure to revenue ratio is a contributing factor to maintaining the Town's strong financial condition.

In summary, 2013 General Fund expenditures (including professional services, supplies, services and capital assets) is anticipated to increase by 4% over 2012 projected expenditures. 2014 General Fund expenditures are estimated to be 2% higher, or \$179,562, than 2013. If in future years residential growth occurs with no new retail commercial to help fund existing services, the Town will need to find new funding alternatives or eliminate/cut back current service and staffing levels.

The following table shows a summary of General Fund information. The future projections reflected do not meet the expenditure to revenue ratio goal mentioned earlier. Long-range projections are important in providing this information so that enough time is allowed to resolve the issues.

Summary of General Fund Revenues, Expenditures and Fund Balance

| GENERAL FUND | 2010 Act | 2011 Act | 2012 Proj. | 2013 Bud | 2014 Bud | 2015 | 2016 | 2017 |
|---------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Revenues | | | | | | | | |
| Actual/Projections | \$ 8,559,152 | \$ 8,852,328 | \$ 8,956,339 | \$ 9,183,317 | \$ 9,347,661 | \$ 9,609,666 | \$ 9,791,170 | \$10,009,415 |
| Diff prior year | \$ 94,998 | \$ 293,176 | \$ 104,011 | \$ 226,978 | \$ 164,344 | \$ 262,005 | \$ 181,504 | \$ 218,245 |
| % difference | 1% | 3% | 1% | 3% | 2% | 3% | 2% | 2% |
| Operational Expenditures | | | | | | | | |
| Actual/Projections | \$8,436,930 | \$8,602,809 | \$ 8,810,525 | \$ 9,156,831 | \$ 9,336,393 | \$ 9,557,022 | \$ 9,694,112 | \$ 9,886,890 |
| Diff prior year | \$ 29,456 | \$ 165,879 | \$ 207,716 | \$ 346,306 | \$ 179,562 | \$ 220,629 | \$ 137,090 | \$ 192,778 |
| % difference | 0% | 2% | 2% | 4% | 2% | 2% | 1% | 2% |
| Fund Balance | | | | | | | | |
| Actual/Projections | \$ 6,765,977 | \$ 6,415,496 | \$ 6,292,310 | \$ 5,976,296 | \$ 5,337,565 | \$ 5,390,209 | \$ 5,487,267 | \$ 5,609,791 |
| Diff prior year | \$ 122,222 | \$ (350,480) | \$ (123,186) | \$ (316,014) | \$ (638,732) | \$ 52,644 | \$ 97,058 | \$ 122,524 |
| % difference | 2% | -5% | -2% | -5% | -11% | 1% | 2% | 2% |
| Op. Exp. To Revenue % | 99% | 97% | 98% | 100% | 100% | 99% | 99% | 99% |

FUTURE ISSUES

The Town Council reviews goals during their annual retreat. This forum presents an opportunity to continue to identify the challenges facing the Town over the next 12 to 24 months. The issues have not necessarily changed from prior years. The most recent retreat (May 2012) generated the following Council issues/goals:

COUNCIL GOALS:

A. Update Comprehensive Plan & Land Use Schedule:

- Bring understanding to what the plan accomplishes
- Articulate a vision for the community
- Make it more than a myriad of land use concepts
- Understand the ripple effect of land use
- Work for true consent – not consensus
- Intimate connection between comprehensive plan and the financial plan
- Incentivize the private sector
- Look at making the Comprehensive plan a strategic comprehensive plan
- Calculate the Land use needs for the plan
- Use econometric model to project needs
- Develop the community's identity

B. Advance the development of the Town Center Core :

- Relate the development to the comprehensive plan
- Town should become more involved in the land development/business development
- Incentivize the businesses that the Town desires
- Look for blocker to private development
- Review Market studies
- Engage Stakeholders early

C. Job/Economic Development:

- Add an Economic Development Program
- Alternatives to encourage job creation and development
- Diversify the economic base
- Look to what is appropriate and legal to create incentives

D. Advance Affordable Housing Goals:

- Participate in the 2013 Summit Housing Authority Housing Study
- Research potential private sector developers
- Determine potential affordable housing sites within town limits
- Review, at least annually, the Smith Ranch site

E. Develop a Schedule for Improving/Expanding the Town Recreation Center:

- Review the Recreation and Culture Strategic Plan for capital projects and priority of capital projects
- Include projects in the long-term budget plans
- Include the public in the design of projects

F. Maintain momentum on existing projects:

- Blue River Trail System
- Recruiting a full service grocery store
- Review the Town fee and tax structures

Staff and Council are currently working on these goals but in many cases, the goals will take many years to achieve or the goals will shift depending on the issues that face the Town at given times.

In addition, the Town expects to be working on the following issues during the next two years:

RESIDENTIAL & COMMERCIAL DEVELOPMENT

There are still about 87 developable lots at the northwest end of Town known to most as Three Peaks. Residential units (mostly single family) and recreational (golf) are the primary uses of this area.

The land on the northeast section of Town is part of the Eagles Nest subdivision. This area is known as Angler Mountain Ranch. This residential development will include a mixture of 232 single & multifamily units. 38 units have already been constructed.

In late 2005, the South Maryland Creek Ranch (SMCR) annexation was approved. The 355 acre parcel of land north of Silverthorne began constructing infrastructure in 2006. An additional 40 acres of open space was annexed in 2007. The SMCR project would bring 82 new single-family homes and approximately 3.65 miles of new roads to the Town. A seven-acre park and trails are also included with this development. The economy is causing the delay of any set timing for selling the residential lots.

Many of the residential developments noted above are expected to be homes of 3,000 square feet or higher. The prices for these homes are expected to be valued at \$800,000 and greater. The trend for

Future Issues

sales of homes in the Summit County and Silverthorne area has been for second home owners, part-time residences and/or higher income buyers. Like many mountain communities across Colorado and the western United States, the availability of affordable housing for the lower to middle income person/family is hard to find even in the current depressed housing market. In the past this issue has had economic ramifications as the pool of available employees is related to available housing. Currently this is not as much of an issue as it has been in the mid-2000. The issue is expected to return when the economy recovers.

In November of 2006, voters in Summit County approved Housing Measure 5A. This measure includes two taxes (.125% sales tax and an impact tax on new construction) that will be collected and administered in each local jurisdiction for the purpose of creating affordable housing. In 2008, the Council approved an affordable housing strategy that gives directions for a variety of options for the Town to create affordable housing including down payment assistance, rental and owner construction, Town-related housing cost reduction and land purchase. In late 2008, the Town purchased the 51 acres, Smith Ranch parcel. The parcel is located in the center of Town. In 2009, the property was annexed into Town and officially zoned residential. Council purchased this property with the intention of using the property for affordable housing. It has yet to be determined what kind of mix of housing this development will be. The project is reviewed every six-months to decide if it's an appropriate time to develop. A affordable housing survey is currently being conducted by the Summit County Housing Authority.

The question with any new residential growth is "How can the Town afford to maintain their current service levels with the additional demand for service with our current revenue base?" Reviewing development for operational and capital demands through impact analysis is a top priority of staff as these projects are being planned. The Town must determine how it will pay for these new expenditures before residential development can occur. One method that has been added to new annexations is real estate transfer fees that are

applied to any real estate sales that would occur in the annexed development. Additionally, general improvement districts (GID) are considered in order to pay for Town services that would be provided to newly annexed areas. The SMCR annexation created a GID to address the fiscal concerns of the Town. See page 117 for details.

In April of 2000, Silverthorne citizens approved a Development Excise Tax that assesses \$2 per sq. ft. on new residential permits. These funds are specifically used towards growth-related capital and, if needed, towards the operations of Public Works and Public Safety (if current funds will not cover the needs of the new growth). This funding source is not continual and is only collected at the time a building permit is issued. It cannot be relied upon as a stable revenue source to provide services.

Sales tax related commercial development is essential for the Town as sales tax revenues is what pay for Town services. There are only a few undeveloped large parcels of property left in Town. In August of 2012, a Lowes Home Improvement Center opened a 100,000 Sq Ft business. Lowes is a great addition to the segment of the community who had been driving to Denver or Eagle County to shop at other home improvement centers. Economically, it's a financial benefit to the Town bringing sales tax revenues which will assist with paying for Town services and providing funds for capital projects. This development is also having some effect on existing building related businesses. The effects are varied depending on the business and how the business is addressing competition. The area of the Lowes building, Wilderness and Buffalo Rd, includes a greatly improved infrastructure system, including a new stop light, better traffic flow and land/streetscaping.

Redevelopment of existing commercial properties is expected to occur in the long-term as many business uses and structures are and will be changing.

TRANSPORTATION

Transportation issues in the State of Colorado remain of great concern. Silverthorne remains interested in decisions made at the state level and the impacts from the resort communities in Summit County. The Town is actively involved

Future Issues

with Summit County Transit Authority Board (Summit Stage), and meets on a regular basis with Colorado Department of Transportation (CDOT).

The Town and Summit Stage continue to look at changes that would move locals around the county in a timely manner. The Town has a public transit station and parking lot located at Adams and 4th Street. The Town has assisted in upgrading bus stops, construction and streetscaping that improves safety for pedestrians and vehicles.

The Town is participating with CDOT and other I-70 communities as to what to do about the congestion on I-70 from Denver to Glenwood Springs. The Town is a member of the Technical Advisory Committee formed by CDOT. In addition, the Town is a member of the I-70 Coalition, a group of I-70 communities which is studying the I-70 system. The Coalition hopes to provide additional input to CDOT on what the local and most directly affected communities believe is the best solution to the I-70 congestion problem. Options being considered range from adding additional lanes & tunnels to transit options such as bus lanes and rail systems. During 2013 and 2014, CDOT will be studying and designing the I-70 interchange at Silverthorne.

PARKS & TRAILS DEVELOPMENT

In 2001, the Town adopted the Parks, Trails, and Open Space Master Plan. This plan's purpose is to "Continue the vision of Silverthorne as a distinct mountain community, by creating a town-defined by a walking scale, a network of easily accessible trails, preservations of scenic vistas, community gathering spaces, places of cultural and artistic expression, places of spiritual renewal and a high quality park and recreation system sufficient to meet the needs of the town's residents."

Community surveys have shown that Silverthorne Citizens want more park and trail amenities. The SPORTS committee reviews, prioritizes, and schedules these projects. The primary issue for these amenities involves funding, not only for construction of the projects, but also for their continued operation and maintenance. The Lodging Tax Fund brings in approximately

\$100,000 annually that can be used specifically for parks and trails. While not a substantial amount of funds, it does allow for matching funding for grants. The Town's General, Sales Tax CIP and Excise Tax Funds contribute in funding when appropriate.

The SPORT Committee has done an outstanding job on searching for grants for parks and trail projects. Great Outdoors Colorado (GOCO) has awarded the Town grants in the amount of \$1,980,612 towards the "Blue River Experience." The Blue River Experience in its entirety includes: 2.3 miles of trails construction, development of Cottonwood Park, development of the North Pond, river restoration, open space and easement acquisition. The total project is estimated to cost \$9.6 million for all five elements.

GOCO awarded only partial funding; including the Town's matching funds and other outside agencies' matching funds. The components of the Project included: the development of the North Pond Park, continued restoration of the Blue River and acquisition of key riverfront parcels and easements for conservation, passive recreation and construction of the trail along the Blue River.

Thanks to the GOCO grant and Summit County Open Space, the Town purchased the land needed to allow for the development of the northern portion of our trail system. Both parcels are on the Blue River and have been placed in land trust conservations.

The Town has the inventory of property to fully construct the Phase II or northern portion of the Town's Blue River trail system. The Hamilton Creek/Ponds section and the Ponds to Blue River Run section were built in 2007 and 2008. A major section of the trail was built in 2009. The 2009 section continues south from the Blue River Run subdivision; across the Blue River to the east bank along the Willow Grove pond and onto Mesa Drive. The construction included a parking lot and bathroom at Willow Grove Pond and a new bridge (Tammy Jamieson Memorial Bridge) that connects the east and west sides of the Blue River.

Future Issues

The 2013 budget includes another major section of trail construction. The section scheduled to be constructed is just north of Town Hall to the Willow Grove Park, along the Blue River. With the construction of this section the majority of the trail will be completed. The few remaining sections of the trail are scheduled for construction through 2018.

In 2012 the Town added a new Tot Lot playground at Rainbow Park and replaced the playground equipment at Trent Park. The Tot Lot is meant to give young children a separate playground area. Replacement and additional amenities to Rainbow Park were part of a Rainbow Park master plan. However, the funding and scheduling of those items are being budgeted over a five year period of time. Smaller park and trail projects have been

funded with other Lottery funds and with lodging tax revenues. Our Parks, Trails & Open Space Master Plan is scheduled to be updated in 2013.

BALANCED BUDGET

The Town's Financial Policies identify a "balanced budget" policy, whereby the Town will pay for all current operational expenditures with current revenues. The Town presented a balanced budget in 2013-2014 and beyond. Revenues are conservatively projected and historically, the Town has been fortunate with sales tax collections coming in higher at year-end. The Town believes its future economic position will remain reliant on sales tax revenue but must continue to identify other revenue sources or continue to expand its sales tax base.

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General Fund Long Range Plan

Traditional Town services are recorded in the General Fund. The Town considers Administrative Services and Community Development as administrative departments, providing basic services to our customers. The Town's service departments include Public Safety, Public Works and Recreation and Culture. As growth increases, activity for each of these departments increases as well at differing times. Sales Tax continues to be the primary source of funding (the remaining 40% of the 2% Town tax and the 2% County tax remitted to the Town). The following Long-Range Plan identifies actual and projected revenues and expenditures in past and future years.

| REVENUES | 09 Act | 10 Act | 11 Act | 2012 Proj. | 2013 Bud | 2014 Bud | 2015 | 2016 | 2017 |
|---------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Taxes | 5,766,919 | 5,884,093 | 6,023,380 | 6,184,484 | 6,365,247 | 6,478,575 | 6,609,926 | 6,744,005 | 6,880,871 |
| Licenses & Permits | 248,318 | 267,951 | 290,092 | 238,121 | 255,533 | 255,533 | 322,533 | 322,533 | 322,533 |
| Charges for Services | 1,789,223 | 1,771,779 | 1,843,616 | 1,854,448 | 1,847,618 | 1,860,435 | 1,905,040 | 1,938,225 | 1,971,503 |
| Fines | 137,646 | 124,666 | 118,523 | 86,433 | 125,000 | 127,000 | 129,000 | 131,000 | 133,000 |
| Interest | 85,863 | 49,107 | 33,054 | 30,448 | 47,192 | 74,704 | 106,751 | 134,755 | 164,618 |
| Miscellaneous | 36,403 | 39,552 | 58,975 | 123,409 | 110,000 | 110,000 | 60,000 | 35,000 | 35,000 |
| REVENUES | 8,064,372 | 8,137,148 | 8,367,640 | 8,517,343 | 8,750,590 | 8,906,247 | 9,133,250 | 9,305,518 | 9,507,525 |
| OTHER SOURCES | | | | | | | | | |
| BRWF Admin Fees | 137,690 | 139,089 | 142,310 | 140,329 | 140,362 | 141,829 | 144,473 | 147,772 | 153,493 |
| Overhead Transfers | 262,092 | 282,915 | 342,378 | 298,667 | 292,364 | 299,585 | 331,943 | 337,889 | 348,416 |
| TOTAL REVENUES | 8,464,154 | 8,559,152 | 8,852,328 | 8,956,339 | 9,183,316 | 9,347,661 | 9,609,666 | 9,791,179 | 10,009,434 |
| EXPENDITURES | 09 Act | 10 Act | 11 Act | 2012 Proj. | 2013 Bud | 2014 Bud | 2015 | 2016 | 2017 |
| Administrative Services | 1,374,550 | 1,430,842 | 1,581,485 | 1,520,686 | 1,627,475 | 1,641,584 | 1,684,441 | 1,692,271 | 1,7737,698 |
| Public Safety | 1,778,406 | 1,758,679 | 1,696,797 | 1,780,583 | 1,852,642 | 1,891,640 | 1,938,109 | 1,980,585 | 2,024,372 |
| Public Works | 1,989,880 | 2,067,316 | 2,062,359 | 2,197,962 | 2,263,770 | 2,343,252 | 2,413,736 | 2,447,954 | 2,493,297 |
| Community Develop. | 682,488 | 641,036 | 695,909 | 705,872 | 704,215 | 716,895 | 726,805 | 736,925 | 747,273 |
| Recreation & Culture | 2,582,149 | 2,539,058 | 2,566,259 | 2,605,422 | 2,708,729 | 2,743,022 | 2,793,931 | 2,836,376 | 2,884,251 |
| EXPENDITURES | 8,407,473 | 8,436,931 | 8,602,809 | 8,810,525 | 9,156,831 | 9,336,393 | 9,557,022 | 9,694,111 | 9,886,890 |
| OTHER USES | 500,000 | - | 600,000 | 269,000 | 342,500 | 650,000 | - | - | - |
| TOTAL EXPENDITURES | 8,907,473 | 8,436,931 | 9,202,809 | 9,079,525 | 9,499,331 | 9,986,393 | 9,557,022 | 9,694,111 | 9,886,891 |
| | 09 Act | 10 Act | 11 Act | 2012 Proj. | 2013 Bud | 2014 Bud | 2015 | 2016 | 2017 |
| INC (DEC) FUND BALANCE | (443,319) | 122,221 | (350,481) | (123,186) | (316,015) | (638,732) | 52,644 | 97,068 | 122,544 |
| PRIOR FUND BALANCE | 7,087,075 | 6,643,756 | 6,765,977 | 6,415,496 | 6,292,310 | 5,976,295 | 5,337,563 | 5,390,207 | 5,487,275 |
| CURRENT FUND BALANCE | 6,643,756 | 6,765,977 | 6,415,496 | 6,292,310 | 5,976,295 | 5,337,563 | 5,390,207 | 5,487,275 | 5,609,819 |
| RESERVE TARGET | 4,203,737 (6 mo.) | 4,218,465 (6 mo.) | 4,301,404 (6 mo.) | 4,405,263 (6 mo.) | 4,578,415 (6 mo.) | 4,668,196 (6 mo.) | 4,778,511 (6 mo.) | 4,847,056 (6 mo.) | 4,943,445 (6 mo.) |
| AVAILABLE FUND BALANCE | 2,440,019 | 2,547,512 | 2,114,092 | 1,887,047 | 1,397,880 | 669,367 | 611,696 | 640,219 | 666,374 |

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Revenue Summary

REVENUES IN DETAIL

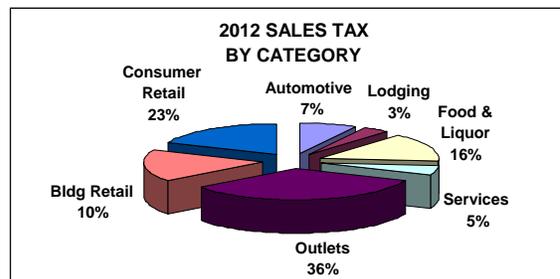
Property Tax

The Town of Silverthorne has not collected a property tax since 1994. At that time the citizens voted to reduce the ad valorem tax to zero as the mill levy had not been raised in past years. The revenue generated in 1994 from property taxes was less than \$15K. If the property tax mills (.5) had been left in place it would generate approximately \$100K per year for 2012. The table below shows assessed valuation and percentage increases from year to year:

| Year | Assessed Valuation | % Increased |
|------|--------------------|-------------|
| 1990 | \$26,403,780 | 73% |
| 1995 | \$45,790,920 | 22% |
| 2000 | \$82,769,900 | 81% |
| 2005 | \$120,357,050 | 31% |
| 2010 | \$186,258,380 | 55% |
| 2011 | \$154,970,690 | -17% |
| 2012 | \$155,852,340 | .6% |

Sales Tax

The Town of Silverthorne receives 4% in sales tax based on retail sales: 2% Summit County sales tax and 2% Town sales tax. The Town began self collecting its 2% share of the sales tax in August of 1995, while the State of Colorado continues to collect the County tax and remit it to the Town. Sixty percent of the 2% Town sales tax is allocated to the Capital Improvement Projects Fund (per a vote of the citizens in 1992). Sales tax revenues generate 62% and 63% of General Fund revenues for operation costs in 2013 and 2014. Sales tax by category, as of October of 2012, is identified by the following pie chart with the Outlet Stores making up over 36% of the sales tax collected.

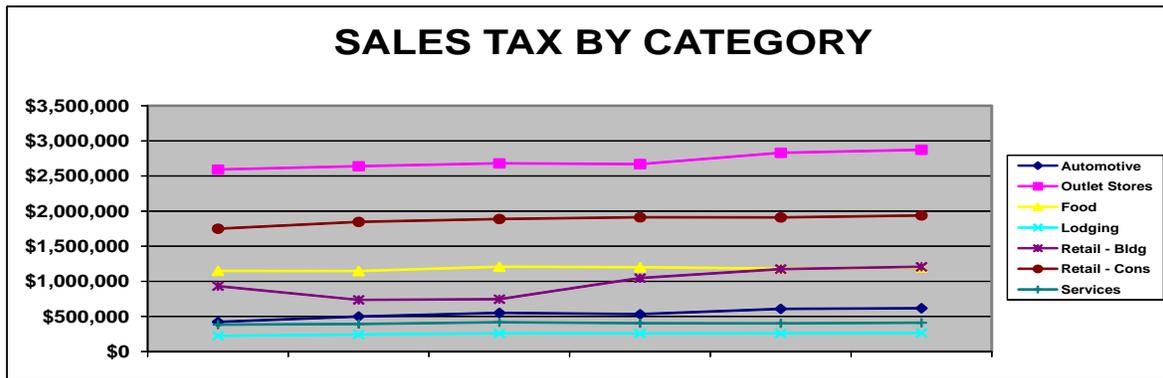
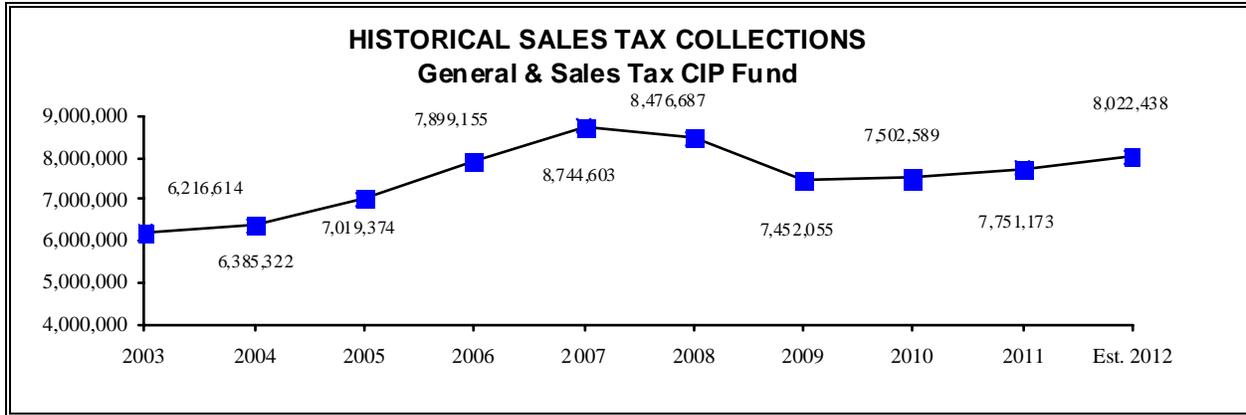


As of 10/30/12

The Town is home to almost 82 retail Outlet Stores. The first phase opened in December 1988, the second phase opened in November 1991 and the third phase opened in February 1994. Since 2005 the Outlet Stores reconstructed all three phases. Many highly sought tenants have been added which has brought a new freshness to the Outlets. The Outlets play a very important role in providing sales tax revenues to the Town.

The Town collects its own 2% sales tax, closely monitoring collections through the self-collection program. This also provides a better system to compare our portion with the tax remitted by the State, since collection should be similar. Sales tax collections have varied over the years in correlation with Silverthorne's commercial growth. The following graphs show sales tax revenues and sales tax category information.

Revenue Summary



| Vendor Category | 2009 | 2010 | 2011 | 2012 Proj | % | 2013 Bud | % | 2014 Bud | % |
|-----------------|------------------|------------------|------------------|------------------|-----|------------------|-----|------------------|-----|
| Automotive | 422,279 | 499,463 | 551,583 | 531,497 | 7% | 608,600 | 7% | 617,729 | 7% |
| Outlet Stores | 2,591,069 | 2,638,927 | 2,679,914 | 2,669,503 | 33% | 2,830,000 | 34% | 2,872,450 | 34% |
| Food | 1,148,404 | 1,145,697 | 1,207,311 | 1,200,105 | 15% | 1,180,400 | 14% | 1,198,106 | 14% |
| Lodging | 224,013 | 243,031 | 260,874 | 258,829 | 3% | 261,040 | 3% | 264,956 | 3% |
| Retail-Bldg | 932,906 | 736,108 | 745,939 | 1,046,848 | 13% | 1,174,480 | 14% | 1,207,381 | 14% |
| Retail-Consumer | 1,749,557 | 1,846,662 | 1,887,810 | 1,911,292 | 24% | 1,909,700 | 23% | 1,938,346 | 23% |
| Services | 383,827 | 392,701 | 417,742 | 404,364 | 5% | 402,000 | 5% | 411,779 | 5% |
| Total | 7,452,055 | 7,502,589 | 7,751,173 | 8,022,438 | | 8,366,220 | | 8,510,747 | |
| | -12% | 1% | 3% | 3% | | 4% | | 2% | |

General Fund revenues are categorized and analyzed two ways: by categories (i.e., taxes) and by department (i.e., public safety). Sales tax projections are based on a detailed analysis of prior year collections and confident knowledge of future retail openings. There were approximately 870 Silverthorne sales tax accounts in 2012. The budgeting staff has been committed to an extensive review of individual accounts in projecting future collections. With the Town so dependent on sales tax revenues, it's necessary to confirm sales tax collected due to new growth vs. sales tax collected in the past (including Outlet Store vacancy and replacements). The key issues associated with the Town's 2013 & 2014 sales tax projection and future years are described here:

- ◆ In August of 2012, a Lowes Home Improvement Store opened. Market studies conducted over various years concluded the need for a large home improvement store here in Summit County. In the past 75% of home improvement sales in Summit County have been lost to the Denver metro and Eagle County areas. The challenge the new store brings to our community is how the existing building related businesses compete. One major lumber/hardware store, Bighorn Lumber, has chosen to close. In order for the Town to have obtained certain public infrastructure improvements needed due to the Lowes store, the Town and Lowes participated

in an Enhanced Sales Tax Incentive Program (ESTIP). The amount of the ESTIP was \$1.9M. The Lowes ESTIP agreement requires the Town to return to Lowes 50% of any sales tax collected and remitted by Lowes beyond the 60% of the 2% Town sales tax and after a 15% estimated displacement of sales from existing building related businesses.

- ◆ In March of 2003, the Town welcomed the addition of a Target Store. The 124,000 sq ft store is a popular commercial attraction to the Silverthorne and Summit County area. Target has added significant sales tax revenue to the Town's General and Sales Tax Capital Fund. Target is included in the consumer retail category, which makes up 23% of the sales tax revenues.
- ◆ The Town is projecting sales tax from the Outlet Stores to be flat (no growth) in 2013 and a 1.5% increase in 2014. As mentioned earlier, the Outlets have three phases. All three phases have had their exteriors remodeled and designed to be very inviting to pedestrians. **Phase II** was completed in 2005 and added many new and exciting tenants that have been quite popular to shoppers. Phase II stores have had two store vacancy since October of 2005. **Phase III** stores were complete with their exterior improvements in 2007. However, anchor Old Navy left in 2011 and several other storefronts are currently vacant. This section of the Outlets continues to have visibility issues. The **Phase I** stores were the last set of Outlet stores to have exterior improvements. The improvements were completed in 2008. Again we saw several new tenants including Columbia Sports and Ann Taylor. The Outlets are still a major draw for the Town but are very susceptible to economic swings, which we are currently experiencing. While the Outlets are still considered a success, the Town experienced major decreases to Outlet related sales tax revenues in 2007 due to the economy. Their revenues have increases gradually since then but we continue to experience store vacancies. We continue to work with the Outlets to assist with their viability as they are an important asset to our community.

- ◆ It's expected that the Food category will see a slight decrease of 3% or \$35,000 in sales tax revenues in 2013 due to Village Inn closing in October of 2012. We're hopefully that another restaurant will quickly fill the vacant space. The projections do not include any other additions of food related businesses in 2013 and beyond, as we don't budget for unknown businesses.
- ◆ The building industry had been a major contributor to the Town's sales tax revenues in past years. However, 2008 - 2010 saw major decreases in issued building permits in the Summit County area as compared to the boom years of the mid-2000s. The Town had seen building related sales tax revenues decline by 47% (\$664K) since 2007 (\$1.4M) as compared to 2010 (\$736K). Since 2010 the Town has started to see a slight uptick in building related sales plus with the opening of Lowes the building category is estimated to see an increase in revenues of 43% (\$353K) in 2013. The Town believes the desire for the mountain area will continue and with that construction.
- ◆ The Service category generally moves as Silverthorne's population increases/decreases and as natural resource prices change. This category includes cable, communication and utility type businesses.
- ◆ Growth in 2013 and 2014 for the majority of existing businesses is projected to remain flat. Growth in the "sales tax generated businesses" in Silverthorne was based on historical and conservative future trends. The following are estimates in sales tax revenues as a %:

| | |
|------|--------|
| 2009 | -12.1% |
| 2010 | .7% |
| 2011 | 3.3% |
| 2012 | 3.3% |
| 2013 | 4.5% |
| 2014 | 1.7% |

Sales tax revenues showed a decrease of 12% in 2009 due to the current local and national recession; specifically the building industry.

Revenue Summary

The tables that follow show General Fund revenues by category as a five-year comparison and percentage of change from year to year.

| General Fund Revenues | Actual 2010 | % Change Prior Yr | Actual 2011 | % Change Prior Yr | Projected 2012 | % Change Prior Yr | Budget 2013 | % Change Prior Yr | Budget 2014 | % Change Prior Yr |
|-----------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|------------------|-------------------|
| Taxes | 5,884,093 | 2% | 6,023,380 | 2% | 6,184,484 | 3% | 6,365,247 | 3% | 6,478,575 | 2% |
| Licenses and Permits | 267,951 | 8% | 290,092 | 8% | 238,121 | -18% | 255,533 | 7% | 255,533 | 0% |
| Charges for Services | 1,771,779 | -1% | 1,843,616 | 4% | 1,854,448 | 1% | 1,847,619 | 0% | 1,860,435 | 0% |
| Fines | 124,666 | -9% | 118,523 | -5% | 86,433 | -27% | 125,000 | 45% | 127,000 | 1% |
| Interest | 49,107 | -43% | 33,054 | -33% | 30,448 | -8% | 47,192 | 55% | 74,704 | 58% |
| Misc. | 39,522 | 9% | 58,976 | 49% | 123,408 | 109% | 110,000 | -11% | 110,000 | 0% |
| Other Sources | 422,004 | 6% | 484,688 | 15% | 438,996 | 9% | 432,726 | -1% | 441,414 | 2% |
| TOTAL | 8,559,152 | 1% | 8,852,328 | 3% | 8,956,339 | 1% | 9,183,317 | 3% | 9,347,661 | 2% |

In addition, revenues by category are further identified in detail to show the Town's mix of sources.

Sales Tax

As the Town continues its financial long range planning, it is reminded of the reliance on the sales tax economy and the need to maintain healthy cash reserves. Other comments as to sales taxes are stated above.

| Sales Tax | 2011 Actual | 2012 Projected | 2013 Budget | % of Total | 2014 Budget | % of Total |
|------------------------|------------------|------------------|------------------|-------------|------------------|-------------|
| General Fund | 5,430,076 | 5,582,263 | 5,749,943 | 69% | 5,848,774 | 69% |
| Capital Projects Fund | 2,321,098 | 2,440,175 | 2,616,277 | 31% | 2,661,972 | 31% |
| Total Sales Tax | 7,751,174 | 8,022,438 | 8,366,220 | 100% | 8,510,746 | 100% |

Franchise Fees

The Town receives taxes from local gas/electric utility, telephone and cable media companies which are referred to as Franchise Fees. The Town projects revenues on franchise fees based on revenue estimates from the companies.

| Franchise Fees | 2011 Actual | 2012 Projected | 2013 Budget | % of Total | 2014 Budget | % of Total |
|---------------------|----------------|----------------|----------------|-------------|----------------|-------------|
| Century Link | 895 | 895 | 895 | 0% | 895 | 0% |
| Public Service/Xcel | 186,270 | 198,009 | 207,909 | 80% | 214,146 | 80% |
| Comcast Cable | 46,473 | 49,278 | 50,000 | 20% | 51,500 | 20% |
| Total | 233,638 | 248,182 | 258,804 | 100% | 266,541 | 100% |

Other Taxes

The Town receives the following miscellaneous taxes from the State of Colorado and Summit County. The Highway User Tax Funds (HUTF) is a state-collected, locally-shared revenue that is distributed monthly. The cigarette tax is based on a formula: 27% of 20 cents per pack received monthly. The Town of Silverthorne receives motor vehicle tax from Summit County based on registered vehicles in Silverthorne. Summit County also distributes to the Town a Road and Bridge Tax, a rebate of the mill levy collected for roads.

| Other Taxes | 2011 Actual | 2012 Projected | 2013 Budget | % of Total | 2014 Budget | % of Total |
|-----------------|----------------|----------------|----------------|-------------|----------------|-------------|
| Highway User | 208,700 | 208,000 | 208,000 | 58% | 212,160 | 58% |
| Cigarette | 37,544 | 36,816 | 37,500 | 11% | 38,000 | 11% |
| Motor Vehicle | 26,063 | 26,829 | 26,000 | 7% | 26,000 | 7% |
| Road and Bridge | 75,733 | 69,069 | 70,000 | 20% | 72,100 | 20% |
| Severance | 11,627 | 13,325 | 15,000 | 4% | 15,000 | 4% |
| Total | 359,667 | 354,039 | 356,500 | 100% | 363,260 | 100% |

Licenses and Permits

Revenue Summary

Revenue generated in this category is comprised of mostly Community Development issued permits. New residential development continues to be the primary permit purchaser. Past development consisted of cluster type houses being built by developers, hence pulling building permits for large groups of housing (i.e., 24 units versus single developed homes). Individually built housing is harder to predict and generally brings in fewer permit requests. The Town does not budget for commercial permits. Code enforcement and administration of licensing on behalf of the business community should be recovered by the business license fee.

| Licenses/Permits | 2011 Actual | 2012 Projected | 2013 Budget | % of Total | 2014 Budget | % of Total |
|--------------------|----------------|----------------|----------------|-------------|----------------|-------------|
| Liquor Licenses | 4,239 | 3,760 | 4,200 | 2% | 4,200 | 2% |
| Business Licenses | 86,335 | 87,000 | 88,500 | 35% | 88,500 | 35% |
| Building Permits | 152,117 | 117,105 | 135,000 | 53% | 135,000 | 53% |
| Plumbing and Mech. | 41,283 | 25,022 | 21,333 | 8% | 21,333 | 8% |
| Misc. | 6,118 | 5,234 | 6,500 | 2% | 6,500 | 2% |
| Total | 290,092 | 238,121 | 255,533 | 100% | 255,533 | 100% |

Charges for Services

Community Development and Recreation & Culture are two departments striving to recover a percentage of the cost of providing services. The goal is to recover 60% of the costs of providing service in Community Development. In addition, the Town's goal is to maintain approximately 35% in a subsidy for the Recreation facility. The Pavilion strives to recover 50% of their expenditures through fees. Project review numbers in Community Development contemplate attorney and staff time spent on reviewing projects for code compliance. The Town recovered 67% of the costs of providing services in Recreation in 2011 and are projected for a 62% recovery in 2012. 2011 recovered 40% of costs for planners, inspections and related expenditures. 2012 is projected at a 33% recovery for Community Development and 58% for the Pavilion. The fluctuation in Community Development is due to the decrease in the number of new projects and building permits. The budget for these goals is detailed in the expenditure section of the General Fund. Rents & Intergovernmental agreements cover the retail and land leases at the Town Center and a joint court agreement with the Town of Dillon. The Angler Mtn Ranch residential development has a 1% real estate transfer assessment.

| Charges/Services | 2011 Actual | 2012 Projected | 2013 Budget | % of Total | 2014 Budget | % of Total |
|-------------------------|------------------|------------------|------------------|--------------|------------------|-------------|
| Dillon Court IGA | 22,840 | 22,166 | 22,020 | 1% | 22,020 | 1% |
| Cut Throat Angler Lease | 34,000 | 41,180 | 41,400 | 2% | 42,021 | 2% |
| Town Center Lease | 40,433 | 39,441 | 36,407 | 2% | 36,407 | 2% |
| Forest Service Lease | 52,952 | 52,951 | 52,951 | 3% | 52,951 | 3% |
| Miscellaneous | 20,306 | 67,765 | 10,946 | 1% | 11,149 | 1% |
| Real Estate Transfer | 33,012 | 90,000 | 66,000 | 4% | 66,000 | 4% |
| Planning Reviews | 22,371 | 10,974 | 25,000 | 1% | 25,000 | 1% |
| Recreation Center | 1,443,924 | 1,356,479 | 1,401,895 | 76% | 1,413,887 | 76% |
| Pavilion | 173,778 | 173,492 | 191,000 | 10% | 191,000 | 10% |
| Total | 1,843,616 | 1,854,448 | 1,847,619 | 100 % | 1,860,435 | 100% |

Interest and Fines

Interest is earned on currently available funds in instruments that meet the investment standards as set by the Town's investment policies and the State of Colorado. Interest is budgeted at conservative rates. Fiscal year 2011 & 2012 experienced historically low interest rates. The 2013/2014 budgets used a fixed rate of .75% and 1.25% respectively when estimating interest income. Fines are collected on Public Safety and court issued tickets and fines.

| Interest/Fines | 2011 Actual | 2012 Projected | 2013 Budget | % of Total | 2014 Budget | % of Total |
|-------------------|----------------|----------------|----------------|--------------|----------------|-------------|
| Interest Revenues | 33,054 | 30,448 | 47,192 | 27% | 74,704 | 37% |
| Fines | 118,523 | 86,433 | 125,000 | 73% | 127,000 | 63% |
| Total | 151,577 | 116,881 | 172,192 | 100 % | 201,704 | 100% |

Revenue Summary

Miscellaneous

There are a number of revenues generated from grants for Public Safety. Additionally, the Public Safety department can contract out security and traffic control services for a fee which is included under Miscellaneous.

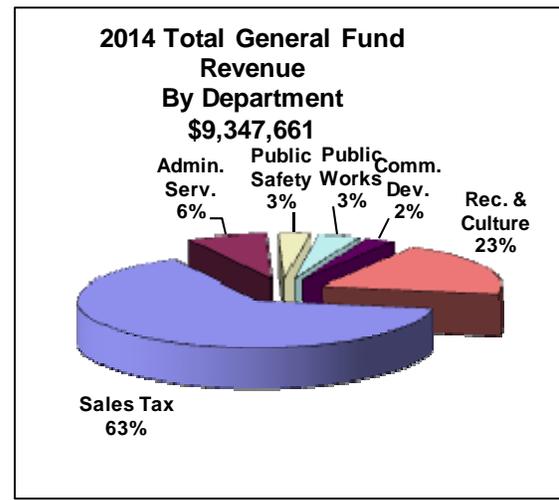
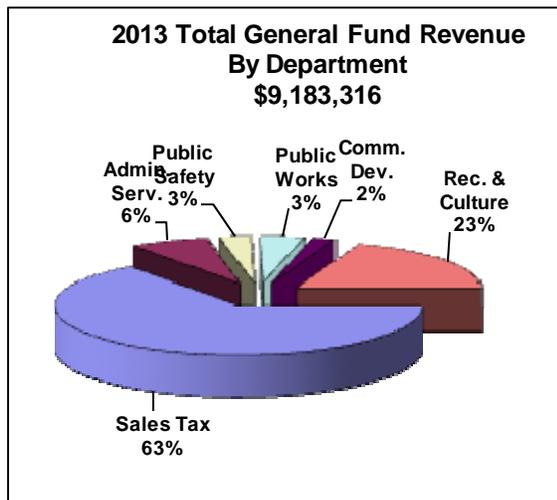
| Interest/Fines | 2011 Actual | 2012 Projected | 2013 Budget | % of Total | 2014 Budget | % of Total |
|------------------|---------------|----------------|----------------|-------------|----------------|-------------|
| Grants/Donations | 16,025 | 92,000 | 95,000 | 86% | 95,000 | 86% |
| Miscellaneous | 42,951 | 31,408 | 15,000 | 14% | 15,000 | 14% |
| Total | 58,976 | 123,408 | 110,000 | 100% | 110,000 | 100% |

Other Sources

Other Sources include an administrative fee from the Joint Sewer Authority and overhead transfers from the Water and Sewer Fund. These fees are based on a percentage of total revenues collected by each fund.

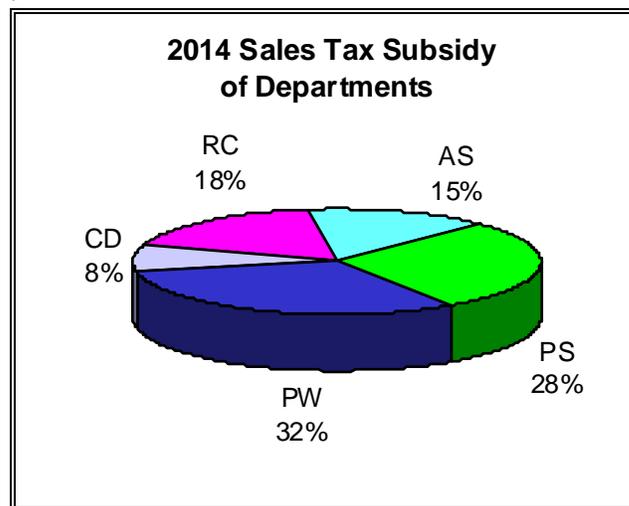
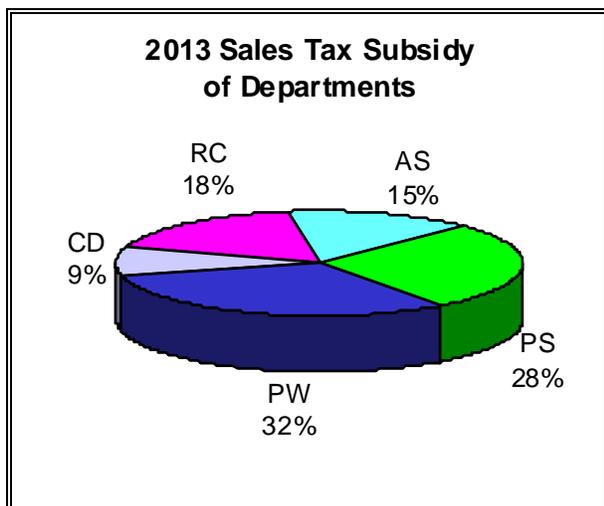
| Other Sources | 2011 Actual | 2012 Projected | 2013 Budget | % of Total | 2014 Budget | % of Total |
|--------------------|----------------|----------------|----------------|-------------|----------------|-------------|
| JSA Admin. Fee | 142,310 | 140,329 | 140,362 | 32% | 141,829 | 32% |
| Overhead Transfers | 342,378 | 298,667 | 292,364 | 68% | 299,585 | 68% |
| Total | 484,688 | 438,996 | 432,726 | 100% | 441,414 | 100% |

Because the Town is sales tax driven, it is useful to see what departments are subsidized by sales tax and what departments recover their costs. Two pie charts illustrate this concept.



Revenue Summary

Public Safety and Public Works generate very little revenues; therefore, they receive the most sales tax subsidy. From the General Fund sales tax revenues, the departments receive the following subsidy:



The following table reflects a two-year projection of department subsidies. The Town will need to review current service levels and projected resources as the need for the subsidy exceeds the amount of sales tax available.

| GENERAL FUND SALES TAX SUBSIDY TO DEPARTMENTS * | Actual 2011 | Projected 2012 | Budget 2013 | Budget 2014 |
|--|--------------------|-----------------------|--------------------|--------------------|
| Administrative Services | 1,095,599 | 978,654 | 1,089,307 | 1,067,667 |
| Public Safety | 1,483,586 | 1,521,577 | 1,556,898 | 1,593,693 |
| Public Works | 1,736,017 | 1,830,849 | 1,953,570 | 2,026,792 |
| Community Development | 475,920 | 549,537 | 518,382 | 531,062 |
| Recreation and Culture | 874,123 | 994,830 | 1,038,027 | 1,059,707 |
| TOTAL SUBSIDY | 5,665,245 | 5,875,447 | 6,156,184 | 6,278,921 |
| GF SALES TAX REVENUE (Available) | 5,430,076 | 5,582,263 | 5,749,943 | 5,848,774 |
| DIFFERENCE | (235,169) | (293,184) | (406,241) | (430,147) |
| TOTAL SALES TAX SUBSIDY (%) | 104% | 105% | 107% | 107% |

*Department Expenditures minus Department Revenues equals Sales Tax Subsidy to Departments

Revenue Summary

And finally, the following table shows all General Fund revenues organized by the responsible (collecting) Department. This is different from the Long Range Plan where revenues are shown by category using the same format as our Financial Statements. Note that this table does not include the "Other Sources" as reflected in the Long Range Plan. **Note that the sales tax number only includes the 100% of County sales tax and 40% of the Town sales tax.

REVENUES BY DEPARTMENT

| Administrative Services | Actual 2009 | Actual 2010 | Actual 2011 | Projected 2012 | Budget 2013 | Budget 2014 | 2015 | 2016 | 2017 |
|--------------------------------|--------------------|--------------------|--------------------|-----------------------|--------------------|--------------------|------------------|------------------|------------------|
| Sales Tax | 5,206,198 | 5,292,277 | 5,430,076 | 5,582,263 | 5,749,943 | 5,848,774 | 5,965,749 | 6,085,064 | 6,206,765 |
| Moly Severence | 12,899 | 6,302 | 11,627 | 13,325 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| Public Svc Franchise | 169,394 | 184,759 | 186,270 | 198,009 | 207,909 | 214,146 | 220,571 | 227,188 | 234,003 |
| US West Franchise | 895 | 895 | 895 | 895 | 895 | 895 | 895 | 895 | 895 |
| Cable Franchise | 43,348 | 45,956 | 46,473 | 49,278 | 50,000 | 51,500 | 53,045 | 54,636 | 56,275 |
| Cigarette Tax | 44,673 | 40,805 | 37,544 | 36,816 | 37,500 | 38,000 | 38,000 | 38,000 | 38,000 |
| Liquor Permit | 7,561 | 7,203 | 4,239 | 3,760 | 4,200 | 4,200 | 4,200 | 4,200 | 4,200 |
| Business Licenses | 28,647 | 28,366 | 28,779 | 29,001 | 29,501 | 29,501 | 29,501 | 29,501 | 29,501 |
| Dillon Court IGA | 25,670 | 23,910 | 22,840 | 22,166 | 22,020 | 22,020 | 22,020 | 22,020 | 22,020 |
| Forest Service Rent | 52,573 | 52,952 | 52,952 | 52,951 | 52,951 | 52,951 | 52,951 | 52,951 | 52,951 |
| Real Estate Transfer | 64,170 | 73,800 | 33,012 | 90,000 | 66,000 | 66,000 | 66,000 | 66,000 | 66,000 |
| Interest | 85,863 | 49,107 | 33,054 | 30,448 | 47,192 | 74,704 | 106,751 | 134,755 | 164,618 |
| Misc. Income | 5,458 | 5,283 | 28,202 | 15,383 | 5,000 | 5,000 | 5,000 | 5,000 | 5,000 |
| AS Subtotal | 5,747,349 | 5,811,615 | 5,915,963 | 6,124,295 | 6,288,111 | 6,422,691 | 6,579,683 | 6,735,211 | 6,895,229 |

Revenue Summary

| REVENUES BY DEPARTMENT – Continued | | | | | | | | | |
|---|------------------------|------------------------|------------------------|---------------------------|------------------------|------------------------|------------------|------------------|------------------|
| Public Safety | Actual 2009 | Actual 2010 | Actual 2011 | Projected 2012 | Budget 2013 | Budget 2014 | 2015 | 2016 | 2017 |
| Fines | 137,646 | 124,666 | 118,523 | 86,433 | 125,000 | 127,000 | 129,000 | 131,000 | 133,000 |
| Business Licenses | 57,292 | 56,728 | 57,555 | 57,998 | 58,998 | 58,998 | 58,998 | 58,998 | 58,998 |
| Grants/Donations | 16,511 | 21,614 | 16,145 | 92,000 | 95,000 | 95,000 | 45,000 | 20,000 | 20,000 |
| SMCR GID | 5,995 | 6,174 | 6,359 | 6,550 | 6,746 | 6,949 | 7,157 | 7,372 | 7,593 |
| Misc. Income | 14,434 | 12,654 | 14,629 | 16,025 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| PS Subtotal | 231,878 | 221,837 | 213,211 | 259,006 | 295,744 | 297,947 | 250,155 | 227,370 | 229,591 |
| Public Works | Actual 2009 | Actual 2010 | Actual 2011 | Projected 2012 | Budget 2013 | Budget 2014 | 2015 | 2016 | 2017 |
| Highway User Tax | 188,653 | 211,757 | 208,700 | 208,000 | 208,000 | 212,160 | 216,403 | 220,731 | 225,146 |
| Motor Vehicle Tax | 26,998 | 26,392 | 26,063 | 26,829 | 26,000 | 26,000 | 26,000 | 26,000 | 26,000 |
| Road and Bridge Tax | 73,862 | 74,950 | 75,733 | 69,069 | 70,000 | 72,100 | 74,263 | 76,491 | 78,786 |
| Excavation Permit | 2,400 | 1,500 | 1,900 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| Park/Slash/Ice Castle Fees | 5,632 | 5,274 | 13,946 | 59,215 | 4,200 | 4,200 | 4,200 | 4,200 | 4,200 |
| PW Subtotal | 297,545 | 319,873 | 326,342 | 367,113 | 310,200 | 316,460 | 322,866 | 329,422 | 336,132 |
| Community Development | Actual 2009 | Actual 2010 | Actual 2011 | Projected 2012 | Budget 2013 | Budget 2014 | 2015 | 2016 | 2017 |
| Building Permit | 126,720 | 139,072 | 152,117 | 117,105 | 135,000 | 135,000 | 200,000 | 200,000 | 200,000 |
| Plumbing Permit | 9,522 | 8,939 | 14,228 | 10,090 | 8,000 | 8,000 | 10,000 | 10,000 | 10,000 |
| Mechanical Permit | 12,672 | 21,403 | 27,055 | 14,932 | 13,333 | 13,333 | 13,333 | 13,333 | 13,333 |
| Sign Permits | 3,088 | 2,031 | 3,931 | 2,253 | 2,000 | 2,000 | 2,000 | 2,000 | 2,000 |
| CD Project Review | 17,403 | 26,063 | 22,371 | 10,974 | 25,000 | 25,000 | 35,000 | 35,000 | 35,000 |
| Misc. Income | 415 | 2,709 | 286 | 981 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |
| CD Subtotal | 169,820 | 200,217 | 219,989 | 156,335 | 185,833 | 185,833 | 262,833 | 262,833 | 262,833 |
| Recreation and Culture | Actual 2009 | Actual 2010 | Actual 2011 | Projected 2012 | Budget 2013 | Budget 2014 | 2015 | 2016 | 2017 |
| Passes | 799,216 | 754,352 | 809,351 | 712,519 | 782,225 | 784,532 | 800,223 | 816,227 | 832,552 |
| Daily Admissions | 269,813 | 260,664 | 273,286 | 275,362 | 264,150 | 268,215 | 273,579 | 279,051 | 284,632 |
| Special Events | 9,821 | 7,197 | 9,843 | 9,971 | 8,270 | 8,370 | 8,537 | 8,708 | 8,882 |
| Programs | 246,759 | 248,660 | 253,464 | 247,137 | 255,400 | 260,420 | 265,628 | 270,941 | 276,360 |
| Rentals | 24,041 | 22,780 | 20,974 | 33,897 | 22,950 | 22,950 | 23,409 | 23,877 | 24,355 |
| Merchandise Sales | 19,198 | 19,311 | 21,410 | 16,520 | 24,000 | 24,000 | 24,480 | 24,970 | 25,469 |
| Vending | 650 | 494 | 674 | 515 | 600 | 600 | 600 | 600 | 600 |
| Retail Lease Rental | 38,675 | 40,377 | 34,000 | 41,180 | 41,400 | 42,021 | 42,651 | 43,291 | 43,940 |
| Town Center Lease | 27,305 | 39,441 | 40,433 | 39,441 | 36,407 | 36,407 | 36,407 | 36,407 | 36,407 |
| Pavilion Charges | 142,107 | 146,281 | 173,778 | 173,492 | 191,000 | 191,000 | 196,500 | 200,000 | 203,000 |
| Misc. Income | 40,196 | 44,048 | 54,922 | 60,558 | 44,300 | 44,800 | 45,696 | 46,610 | 47,542 |
| R & C Subtotal | 1,617,781 | 1,583,607 | 1,692,136 | 1,610,592 | 1,670,702 | 1,683,315 | 1,717,711 | 1,750,682 | 1,783,739 |
| TOTAL REVENUES | 8,064,372 | 8,137,148 | 8,367,640 | 8,517,342 | 8,750,929 | 8,907,385 | 9,135,118 | 9,307,868 | 9,510,430 |

Expenditure Summary

The Town has identified a number of service level highlights for the past two years. The following list helps explain the changes made in order to respond to the needs of the community, budgetary constraints and certain federal and state regulations.

Administrative Services services include some of the following highlights:

- ◆ The Town website, at www.silverthorne.org, continues to provide expanded public information to public and ease of updating for Town staff. Digital Silverthorne Signal newsletter launched to save on printing and postage costs. An on-line payment system was made available in 2012. More and more items are being added to make this tool valuable to the community and beyond.
- ◆ Continue to improve communication and relations with the business community through outreach meetings and cooperative involvement on visioning for the Town.
- ◆ Continue to look at strengthening the economic opportunities for the Town. Included the involvement of the Economic Development Advisory Committee (EDAC) and a Downtown Colorado, Inc. partnership analysis. Started an annual business grant program as well as a local business advertising program with Summit Daily News.
- ◆ Converted the Town's financial statements and systems to comply with the Government Accounting Standards Board new reporting standards.
- ◆ Continue to monitor the health care industry and laws as they relate to the Town; the Town's health plan and its employees.
- ◆ Implemented Internet-based performance appraisal system for full-time employees.
- ◆ Conducted our biennial budget, benefit, employee and market surveys.

Public Safety services include some of the following highlights:

- ◆ Department continues to work to be more of a resource to the Community through Community Policing programs.
- ◆ Continue to use the Community Service Officer to address zoning and code enforcement education.
- ◆ The Department works cooperatively with other governmental agencies through grant requests, a shared record management system, county-wide tactical team, emergency response teams, community policing events and participate in various committees involving community issues.
- ◆ The Town was granted a Federal COPS Grant in 2012.
- ◆ Continue to provide a safe environment for our citizens to live.

Public Works services include some of the following highlights:

- ◆ Continue emphasis on Pine Beetle and Noxious Weed removal, enforcement and treatment.
- ◆ Design for next segment of the Blue River Trail, from Town Hall north to Willow Grove Open Space.
- ◆ Continue the street and path maintenance efforts, including concrete repairs and overlay project throughout Town.
- ◆ Continue snow plow and removal programs for all Town streets, paths and sidewalks.
- ◆ Increased maintenance activities (as our buildings age) on our various Town buildings including the Recreation Center, Town Hall, Pavilion and United States Forest Service building.
- ◆ Provided oversight for design and construction of new Rainbow Park playground equipment.
- ◆ Constructed the Rivers Edge Park.
- ◆ Major reconstruction of the Wilderness and Buffalo Dr. intersections and Stephens Way traffic signal.

Expenditure Summary

Community Development services includes some of the following highlights:

- ◆ Land development speculation continues for commercial and residential projects.
- ◆ Current planning – Staff must provide projects reviews on proposed development projects.
- ◆ Long Range Planning – Staff keeps the Comprehensive Plan and Master Plan up to date.
- ◆ Contract out the Building Department services to Summit County, including plan review and inspections.
- ◆ Coordinate with the Community Service Officer to correct zoning and code enforcement violations.
- ◆ Bring the Town’s Web Site and GIS records to most current possible state.

Recreation and Culture services include some of the following highlights:

- ◆ Recreation Center is no longer new and may require additional attention to continue to keep it in its current shape.
- ◆ Continue to build a niche for Pavilion as premier performing arts center and banquet facilities in Summit County.
- ◆ Implement the strategic planning of the Recreation Center and Pavilion.

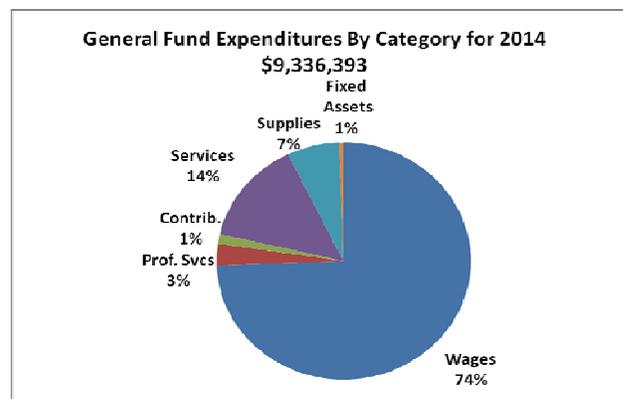
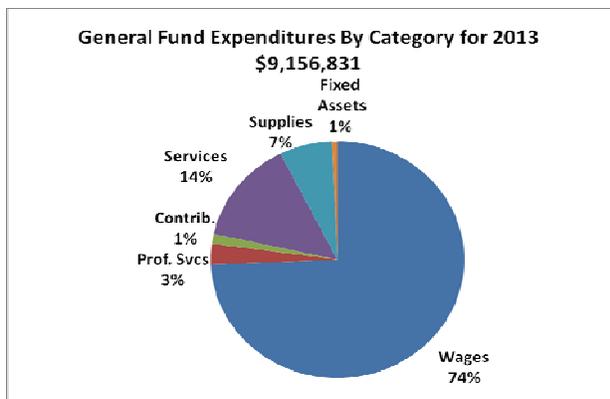
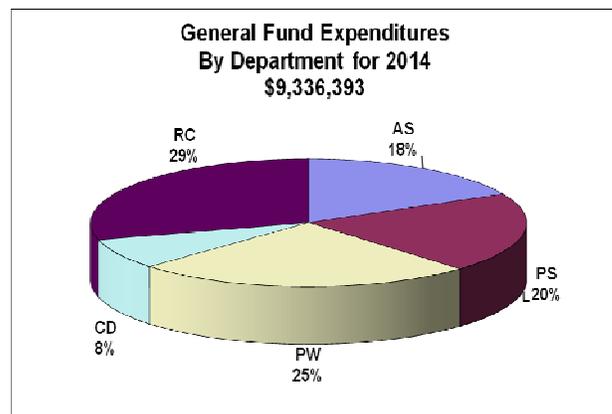
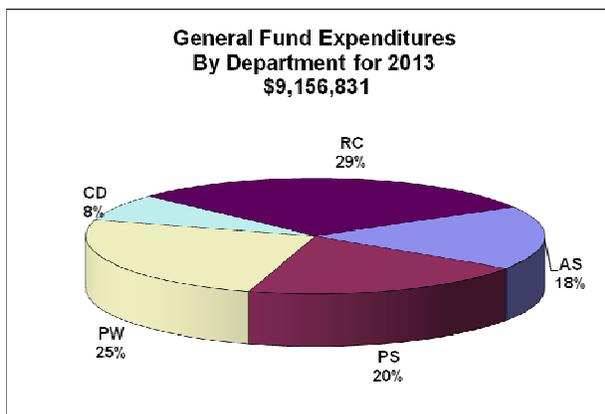
The following table summarizes the General Fund Expenditures by Department.

2013 Summary of General Fund Expenditures By Category By Department

| | Administrative Services | Public Safety | Public Works | Community Development | Recreation & Culture | Total Expenditures by Category |
|---------------------------------|------------------------------------|--------------------------|-------------------------|----------------------------------|-------------------------------------|---|
| Wages | 1,075,260 | 1,522,397 | 1,607,485 | 568,525 | 2,031,791 | 6,805,458 |
| Professional Services | 142,900 | 37,700 | 9,000 | 67,500 | 2,000 | 259,100 |
| Services | 261,465 | 226,545 | 314,385 | 49,690 | 440,708 | 1,292,793 |
| Contributions | 123,000 | - | - | - | - | 123,000 |
| Supplies | 24,850 | 66,000 | 320,400 | 18,500 | 190,730 | 620,480 |
| Capital Assets | - | - | 12,500 | - | 43,500 | 56,000 |
| Total Dept. Expenditures | 1,627,475 | 1,852,642 | 2,263,770 | 704,215 | 2,708,729 | 9,156,831 |

2014 Summary of General Fund Expenditures By Category By Department

| | Administrative Services | Public Safety | Public Works | Community Development | Recreation & Culture | Total Expenditures by Category |
|---------------------------------|-------------------------|------------------|------------------|-----------------------|----------------------|--------------------------------|
| Wages | 1,093,229 | 1,551,605 | 1,651,907 | 578,006 | 2,068,353 | 6,943,100 |
| Professional Services | 134,450 | 40,200 | 34,500 | 67,500 | 2,000 | 278,650 |
| Services | 264,755 | 237,835 | 321,945 | 52,889 | 445,449 | 1,322,873 |
| Contributions | 123,000 | - | - | - | - | 123,000 |
| Supplies | 26,150 | 62,000 | 322,400 | 18,500 | 187,720 | 616,770 |
| Capital Assets | - | - | 12,500 | - | 39,500 | 52,000 |
| Total Dept. Expenditures | 1,641,584 | 1,891,640 | 2,343,252 | 716,895 | 2,743,022 | 9,336,393 |



Expenditure Summary

GENERAL FUND YEAR-TO-YEAR COMPARISON

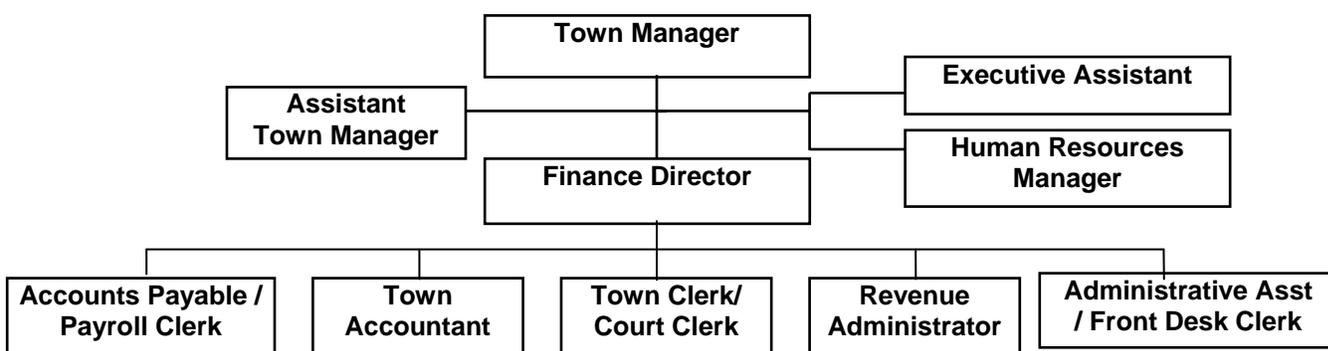
| | Actual 2011 | % Change Prior Yr | Projected 2012 | % Change Prior Yr | Budget 2013 | % Change Prior Yr | Budget 2014 | % Change Prior Yr |
|-----------------------------|------------------|----------------------|-------------------|----------------------|------------------|----------------------|------------------|----------------------|
| Wages | | | | | | | | |
| Admin. Services | 1,052,503 | 4% | 1,064,922 | 1% | 1,075,260 | 1% | 1,093,229 | 2% |
| Public Safety | 1,427,865 | -2% | 1,440,406 | 1% | 1,522,397 | 6% | 1,551,605 | 2% |
| Public Works | 1,524,575 | 1% | 1,558,996 | 2% | 1,607,485 | 3% | 1,651,907 | 3% |
| Community Dev | 561,186 | 7% | 554,208 | -1% | 568,525 | 3% | 578,006 | 2% |
| Rec. & Culture | 1,962,904 | 2% | 1,981,750 | 1% | 2,031,791 | 3% | 2,068,353 | 2% |
| Total Wages | 6,529,033 | 2% | 6,600,282 | 1% | 6,943,100 | 3% | 6,805,458 | 2% |
| Professional Svcs | | | | | | | | |
| Admin. Services | 179,262 | 21% | 136,606 | -24% | 142,900 | 5% | 134,450 | -6% |
| Public Safety | 33,413 | 76% | 47,791 | 43% | 37,700 | -21% | 40,200 | 7% |
| Public Works | 4,248 | -66% | 15,505 | 265% | 9,000 | -42% | 34,500 | 283% |
| Community Dev | 98,547 | 14% | 84,816 | -14% | 67,500 | -20% | 67,500 | 0% |
| Rec. & Culture | 1,547 | -65% | - | -100% | 2,000 | 200% | 2,000 | 0% |
| Total Professional | 317,017 | 17% | 284,718 | -10% | 259,100 | -9% | 278,650 | 8% |
| Services | | | | | | | | |
| Admin. Services | 279,698 | 38% | 233,010 | -17% | 261,465 | 12% | 264,755 | 1% |
| Public Safety | 188,637 | -22% | 228,979 | 21% | 226,545 | -1% | 237,835 | 5% |
| Public Works | 234,882 | -11% | 2303,433 | 29% | 314,385 | 4% | 321,945 | 2% |
| Community Dev | 27,737 | 22% | 47,383 | 71% | 49,690 | 5% | 52,889 | 6% |
| Rec & Culture | 385,512 | -1% | 386,248 | 0% | 440,708 | 14% | 445,449 | 1% |
| Total Services | 1,116,467 | 0% | 1,199,053 | 7% | 1,292,793 | 8% | 1,322,873 | 2% |
| Contributions | | | | | | | | |
| Admin. Services | 49,859 | 13% | 62,269 | 25% | 123,000 | 98% | 123,000 | 0% |
| Total Contributions | 49,859 | 13% | 62,269 | 25% | 123,000 | 98% | 123,000 | 0% |
| Supplies | | | | | | | | |
| Admin. Services | 20,162 | -6% | 23,879 | 18% | 24,850 | 4% | 26,150 | 5% |
| Public Safety | 46,883 | 9% | 63,407 | 35% | 66,000 | 4% | 62,000 | -6% |
| Public Works | 295,753 | 6% | 309,808 | 5% | 320,400 | 3% | 322,400 | 1% |
| Community Dev | 8,438 | 17% | 19,465 | 131% | 18,500 | -5% | 18,500 | 0% |
| Rec & Culture | 178,948 | -1% | 197,957 | 11% | 190,730 | -4% | 187,720 | -2% |
| Total Supplies | 550,183 | 3% | 614,516 | 12% | 620,480 | 1% | 616,770 | -1% |
| Capital Assets | | | | | | | | |
| Admin. Services | - | 0% | - | 0% | - | 0% | - | 0% |
| Public Safety | - | 0% | - | 0% | - | 0% | - | 0% |
| Public Works | 2,902 | -63% | 10,220 | 252% | 12,500 | 22% | 12,500 | 0% |
| Community Dev | - | 0% | - | 0% | - | 0% | - | 0% |
| Rec & Culture | 37,348 | 5% | 39,467 | 6% | 43,500 | 10% | 39,500 | 0% |
| Total Capital Assets | 40,250 | -7% | 49,687 | 23% | 56,000 | 13% | 52,000 | -7% |
| Total Expenditures | 8,602,809 | 2% | 8,810,525 | 2% | 9,156,831 | 4% | 9,336,393 | 2% |

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Department Policies, Narratives & Summary of Expenditures

The Department Narratives provide each Department Director an opportunity to describe the services its programs provide the community. Policies guide the operations of each department's programs and are identified to show the reader the Town's intent in providing consistency to its citizens. The accomplishments reflect the activity conducted in the past two years, the goals reflect the specific tasks the department will undertake over the next two years and service indicators for departments/programs. A summary of department expenditures and 2013/2014 expenditure highlights provides a more detailed analysis of costs associated with each department.

Administrative Services



FINANCIAL ADMINISTRATION

Program Policies

The Department's financial policies are included in Appendix "A" of this document. Please refer to that section for the policies that guide the Town in its financial decision-making.

Services Provided to Community

The Department is responsible for financial reporting and management, financial planning and revenue collections. Specifically, financial reporting and management activities include preparing financial statements, maintaining the fund accounting system and preparing annual financial reports in accordance with policies and procedures of GAAP. Financial planning responsibilities include development of five-year long-range plans, preparation of the Town's annual operations and capital budgets. Revenue collection activities consist of tax collection, charges for services, court fines and maintenance of accounts receivable. The Administrative Services Department also reviews the financial impacts of private development activity in Silverthorne and provides information to community committees as needed regarding Town financial matters.

2011/2012 Accomplishments

1. Converted the Town's Comprehensive Financial Statements to conform to the following Governmental Accounting Standards Board Statements:
 - GASB #51 -Accounting and financial reporting for intangible assets - This statement establishes accounting and financial reporting requirements for intangible assets including easements, water rights, timber rights, patents, trademarks and computer software.

- GASB #53 -Accounting and financial reporting for derivative instruments - This statement establishes accounting and financial reporting requirements for derivative instruments entered into by state and local governments. The Town does not invest in derivative instruments.
 - GASB #54 - Fund balance reporting and governmental fund type definitions - This statement establishes new categories for reporting fund balance and revises the definitions for governmental fund types.
 - GASB #58 -Accounting and financial reporting for Chapter 9 bankruptcies - This statement establishes accounting and financial reporting guidance for governments that have petitioned for protection from creditors by filing for bankruptcy under Chapter 9 of the United States Bankruptcy Code. The Town's financial position is not in the need to file Chapter 9 nor do we ever anticipate the need.
2. Continued to utilize Revenue Recovery Group sales tax auditors for sales tax auditing. Concluded seventeen audits in 2011, resulting in \$22,749 in assessments and sixteen audits in 2012, resulting in \$10,053 in assessments. Actively attend Colorado Sales Tax Auditors Association meeting as well as meetings through Revenue Recovery Group.
 3. Upgraded the HMS Fund Accounting software.
 4. Assisted with EDAC meetings and related projects. Staff liaison to the EDAC fiscal and business incentive subcommittee.
 5. Reviewed development applications as to the fiscal impact of the development. Worked directly with developer consultants and/or corporate representatives.
 6. Reviewed and implemented health insurance benefit changes that are projected to give the Town some savings and better employee health coverage in 2011. The changes reflect the need to remain competitive and maintain better control over the true costs of our benefit plan in a health insurance environment that continues to increase in cost. Continue to be educated on the Federal Health Care Reform. Due to lower than expected health claims in 2011, the Town was able to lower health insurance premiums by 5% for 2012.
 7. Analyzed the 2011 & 2012 bid lease purchases for Town equipment and vehicles and recommended not to proceed with financing after a cost benefit analysis revealed it was beneficial to pay cash for equipment rather than finance.
 8. Continued the process of a detailed asset management plan for all Town facilities, fleet, parks, technology and equipment.
 9. Worked cooperatively with the Water department and users of our water system. Due to our new remote water meter reading system, we've been able to communicate with property owners when water issues are occurring rather than waiting until water damage occurs or their water bills are higher than normal.
 10. Converted and trained to an upgraded purchase card system in 2011.
 11. Completed the Town's 2013 & 2014 two-year budget. Focused on long range planning and less time spent on the process in the "off" year. Received the Distinguished Budget Presentation Award for the eighth time for the financial management document.
 12. For the sixteenth year, the Town received the Government Finance Officer Associations "Certificate of Achievement for Excellence in Financial Reporting."
 13. Submitted nine properties for the annual Summit County property lien sales in 2011 and 2012. Submitted numerous property liens through the year due to non payments owed the Town. We've seen an increase in the number of "past due" revenues owed the Town in 2011 and 2012. Staff has had to spend additional time dealing with each situation.
 14. Continue the quarterly billing for the Area 2 undergrounding properties that chose to finance their assessment obligations. As of the end of 2012 we have 22 properties that still are on the payment plan.
 15. Conducted and RFP and selected a new auditor, Swanhorst & Company, LLC, in 2011. Conducted our first audit with the new auditors in 2012.
 16. Began to scan records utilizing the new Laser Fiche software system. Sales tax returns, business license applications and incident reports are currently being scanned on a regular basis.
 17. Began using the VR Compliance system to search for short term rental properties that are not registered with the Town nor are paying sales and lodging sales taxes.

18. Rewrote the Town cell phone policy. Moved to reimbursing employees a fixed amount through payroll instead of having employees pay the Town back for personal calls. Eliminated approximately 30 phones from the Town system.
19. Installed the new online payment system on the Town website in 2012
20. Administer the Lowes ESTIP program in August of 2012.
21. Analyzed solar programs that the Town may want to participate.

2013/2014 Goals

1. Continue the development of a more detailed Asset Management Plan that will also meet the needs of the GASB reporting as well as provide a planning tool for the entire organization. Include the infrastructure of the Town.
2. Conduct a request for proposal for new accounting software and install.
3. Continue to be the Town’s representative on fiscal related Economic Development Advisory Committee (EDAC) discussions. Be a resource to any committee or project that needs assistance.
4. Continue to work towards diversifying revenues by working with EDAC and generating recommendations to the Town Council.
5. Review additional performance benchmarks which may be utilized for the Town budget and review process.
6. Continue to monitor that water rate tier system.
7. Prepare request of proposal for investment services and lease/purchases.
8. Assist in the financial analysis as related to the Town’s health insurance plan especially as it relates to any Federal health care law changes.
9. Complete the 2013/2014 budget document.
10. Conduct the 2012 and 2013 annual financial audits.
11. Implement: GASB #64 - Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position, GASB #65 - Items Previously Reported as Assets and Liabilities.

Service Indicators:

| | <u>2011 Actual</u> | <u>2012 Projected</u> | <u>2013 Budget</u> | <u>2014 Budget</u> |
|------------------------------------|--------------------|-----------------------|--------------------|--------------------|
| # of Funds/# of Program | 9/26 | 11/27 | 11/27 | 11/27 |
| \$ of Total Town Fund Expenditures | \$16,741,348 | \$15,342,316 | \$18,249,792 | \$18,516,597 |
| # of Sales Tax Accounts | 846 | 868 | 875 | 880 |
| \$ of Sales Tax Revenues | \$7,751,173 | \$8,022,438 | \$8,366,220 | \$8,510,746 |
| # Utility Accounts | 1,672 | 1,689 | 1,704 | 1,719 |

PUBLIC POLICY & ADMINISTRATION

Program Policies

The Comprehensive Plan and Silverthorne Town Code and Charter serve as approved public policy.

Services Provided to Community

The Department is responsible, through the actions of the Mayor and Town Council, for approving policy and passing legislation. The Town Manager is responsible for implementation of Council policy and all municipal functions. The Town Attorney provides legal services for the defense and prosecution of lawsuits and other litigation, as well as legislative and executive assistance with legal opinions and advisement to the Council. Other general public administration activities include municipal court processing, election administration, business licenses, risk management, records management, marketing, dissemination of public information, economic development and business outreach.

2011/2012 Accomplishments

1. Provided Silverthorne community with public information and solicited public input. Significant public information efforts were made regarding the DCI Town Core Assessment, Lowe's development, the Blue River Trail, Buffalo Mt. road closure, Sav-o-Mat remediation, and the Roller-Bruner homicide. The Council has utilized several different forums for gathering the public and the valuable information the public has to share.
2. Produced the Silverthorne Signal newsletter.
3. Conducted annual Council goal setting and budget retreats that focused on services provided to the community, capital projects, economic development, communications and master plans.
4. Continued to incorporate the Town of Dillon's court and ticket system into the Town's court system. Court is held in combination with Dillon's tickets/cases on the third Wednesday of the month.
5. Conducted municipal elections. Held several council training sessions prior and post election. Facilitated candidate forum hosted by an outside party.
6. Continued active involvement with the Summit County Communication Consortium (SCTC). This organization is in place to deal with public entity communication issues such as public access to internet and cable services.
7. Actively involved with the I-70 Coalition. This organization is in place to study and make recommendations to the Colorado Department of Transportation regarding solutions for current traffic issues as well as long term roadway and mass transit options on Interstate 70.
8. Continued to work with the Economic Development Advisory Committee (EDAC) consisting of eleven local business people. The purpose of the Committee is to review matters related to economic development which will help Silverthorne grow and enhance sustainable business and Town revenues, both short and long term.
9. Continued business outreach visits as a regular ongoing function of Town Manager's Office.
10. Monitored pending legislation which would negatively impact the Town of Silverthorne and lobbied state and federal officials when appropriate.
11. Attended conferences hosted by Downtown Colorado Inc. to stay abreast of local, regional, and statewide economic development issues, programs, and services related to downtown areas.
12. Continued to assist Community Garden as needed.
13. Continued to promote the SC Alert network (www.scalert.org) to Silverthorne residents. This system provides individuals the opportunity to sign up for electronic emergency communications to cell phones and/or e-mails.
14. Conducted 2011 Community Survey.
15. Introduced Ice Castle event as economic development tool.
16. Coordinated Town staff efforts on litigation related to Lowe's and the Blue River Trail.
17. Successfully implemented mail ballot process for municipal election.
18. Implemented Court software upgrade.

2013/2014 Goals

1. Continue implementation of DCI/Town Core vision.
2. Assist the Urban Renewal Authority with implementation of the Urban Renewal Plan
3. Continue business outreach efforts with local businesses.
4. Continue implementation of energy conservation upgrades identified in energy audit and scheduled through the Asset Management Plan.
5. Review and refine existing Town of Silverthorne tourism and economic development marketing efforts.
6. Review effectiveness of new Economic Development programs introduced in 2012. Involve EDAC in the review process.
7. Consider development opportunities that would be appropriate for the town land directly north of the Town Pavilion.
8. Monitor Town's current use of social media and consider opportunities for expansion.
9. Conduct biennial Community Survey in 2013.

10. Conduct 2014 Municipal election.
11. Increase Town programming available on SCTV's CH10 and summitnews.com.
12. Continue to incorporate all department records onto the new records management system.
13. Investigate options for language translation of Town publications to increase community engagement.
14. Implement online community engagement tool to supplement current website offerings.
15. Increase content of emergency preparedness information on Town's website.
16. Revamp tourism/visitor content on Town's website.
17. Evaluate success of Town merchandise program introduced in 2012.

Service Indicators:

| | 2011 Actual | 2012 Projected | 2013 Budget | 2014 Budget |
|---|---------------------|-----------------------|---------------------|---------------------|
| # of Council Meetings/Work session/Retreats | 22/22/1 | 24/22/2 | 22/22/1 | 22/22/2 |
| # of Newsletters | 6 | 6 | 6 | 6 |
| # Elections | 0 | 2 | 0 | 1 |
| # of Liquor Licenses | 24 | 24 | 25 | 25 |
| # of Business Licenses | 1,141 | 1,153 | 1,180 | 1,180 |
| # of Tickets/# of Docket Cases | 2,386/292 | 1,975/325 | 2,500/400 | 2,525/410 |
| \$ of fines collected Silverthorne/Dillon | \$118,523/\$174,420 | \$86,433/\$167,742 | \$125,000/\$175,000 | \$127,000/\$180,000 |

ECONOMIC DEVELOPMENT

Program Policies

The Economic Development Element (Comprehensive Plan Appendix), the Silverthorne Town Code and Charter, and the Economic Development Incentive Policy all serve as approved public policy for Economic Development activities.

Services Provided to Community

The Department is responsible, through the direction of the Mayor and Town Council and recommendations from the Economic Development Advisory Committee, for undertaking economic development efforts in Silverthorne. The Department is also responsible for assisting the Silverthorne Urban Renewal Authority in the implementation of the Silverthorne Urban Renewal Plan. Economic Development services include assisting businesses with the development review process, general business outreach, marketing, business grant administration, and business development and recruitment.

2011/2012 Accomplishments

1. We Are Silverthorne marketing campaign
2. Energy Smart business program
3. Revised ESTIP program
4. Business Grant program
5. Silverthorne Merchandise Program
6. Town Center Tenant recruitment assistance

2013/2014 Goals

1. Continue all programs introduced in 2012
2. Continue to advance business recruitment, retention and expansion.
3. Assist the Urban Renewal Authority with Town Core redevelopment efforts.
4. Continue to monitor vacancy and tenant mix at the Town Center.
5. Attend conferences hosted by Downtown Colorado Inc. and the Economic Development Council of Colorado, to stay abreast of local, regional, and statewide economic development issues, programs, and services related to downtown areas.

Service Indicators:

| | <u>2011 Actual</u> | <u>2012 Actual</u> | <u>2013 Budget</u> | <u>2014 Budget</u> |
|----------------------------------|--------------------|--------------------|--------------------|--------------------|
| # of Business Grants Awarded | - | 6 | 6 | 6 |
| Business Grant -Total \$ Awarded | - | \$43,000 | \$50,000 | \$50,000 |
| We Are Silverthorne Participants | - | 14 | 15 | 15 |
| Energy Smart Participants | - | 9 | 10 | 10 |

HUMAN RESOURCES ADMINISTRATION

Program Policies

- The Town of Silverthorne Personnel Policies guides the operations of this program. Personnel Policies are reviewed and updated annually by the Personnel Committee and are approved by Town Council. Personnel Committee members include one Town Council member, the Town Manager, Department Directors, and the Human Resources Manager. (Personnel Policies are not included in this document.)
- Maintain the highest standards of professional and personal conduct.
- Provide an equal, fair and safe working environment that supports the belief that employees are the Town’s greatest asset.
- Provide a good quality, yet cost-effective flexible benefit plan that meets employees’ needs.
- Provide an environment for employees to pursue professional development through job-related education and training.

Services Provided to Community

Program responsibilities include compensation planning, payroll processing, benefits administration, human resource management, and workers compensation administration.

1. Payroll tasks include maintaining and updating employee profiles in database, time-sheet review and data entry, quarterly tax reporting, annual W2 processing, and adhering to FLSA guidelines.
2. Benefits administration consists of monitoring the Flexible Benefits Program; assisting with claims issues; processing benefit enrollments, terminations, and monthly payments; coordinating Wellness Program; overseeing ICMA retirement program; overseeing the workers’ compensation risk management program; following all FMLA and ADA guidelines; administering Bilingual Incentive program; monitoring COBRA eligibility; maintaining HIPAA regulations; and maintaining Medicare requirements.
3. Human Resource tasks include developing and maintaining consistent, legal employment practices; assisting with all performance-related issues; maintaining personnel files; providing new-hire orientations and exiting-employee interviews; providing all personnel-related forms, assisting with town-wide professional development training; completing market compensation and benefit surveys; updating and distributing Employee Handbook/Personnel/Safety Policies; completing background checks and driving histories; ensuring legal employment of all employees; reporting new hires to State; chairing the Personnel Committee; and maintaining membership in Safety and Wellness Committees.

2011/2012 Accomplishments

1. Completed biennial Compensation & Benefit surveys.
2. Maintained State Workers Compensation Cost Containment Certification.
3. Coordinated 2011 employee pay adjustments for missed 2009 merit increases and 2012 1.5% COLA payments and 1.5% salary range increases.
4. Provided continuing education and assistance to staff for on-line performance review system.
5. Coordinated seven short-term disability leaves, two long-term disability claims, seven FMLA leaves, and one military leave.
6. Coordinated and resolved all personnel issues and internal investigations.
7. Coordinated all employee separations and new hire processes. In 2011, this included two separations due to disability, two terminations, four voluntary separations, two promotions, and five new hires. In 2012, this included three terminations, six voluntary separations, three promotions, and nine new hires.

8. Worked with CIRSA and Town management to respond to CCRD claim.
9. Coordinated on-site MSEC supervisory training in 2011.
10. Conducted 2011 Employee Opinion Survey through MSEC; presented to Town Council and employees.
11. Coordinated six Worker's Comp claims in 2011, totaling \$3,096. This was a 67% reduction in total number and 99% reduction in cost compared to 2010. Coordinated seven Worker's Comp claims in 2012.
12. Coordinated two annual health screenings, four fitness challenges, and three wellness classes.
13. Coordinated six days of employee meetings with ICMA retirement representative.
14. Coordinated Sun Safe Colorado educational presentation to employees. Updated Safety Policies to include Sun safety.
15. Coordinated eight all-employee meetings.
16. Coordinated two flu clinics.
17. Completed annual Employee Benefit Statements.
18. Coordinated annual Open Enrollment benefit elections.
19. Updated Personnel Policies.
20. Replaced Colonial supplemental benefits with AFLAC.
21. Assisted with the new annual part-time employee evaluation process implementation.
22. Attended National SHRM Conference in 2011.
23. Worked closely with Pinnacol on two extensive and complicated Worker's Comp claims.
24. Completed two annual Pinnacol audits.
25. Responded to numerous compensation and benefits surveys from MSEC, CML, and other entities.
26. Researched and implemented domestic partner benefits.
27. Obtained on-going training on PPACA and it affects our benefits.
28. Changed part-time and seasonal employee benefits to follow PPACA guidelines.

2013/2014 Goals

1. Continue to research new benefit possibilities and cost efficiencies.
2. Work with Personnel Committee to improve training program for new and current supervisors.
3. Work with Town Manager and Personnel Committee to develop succession plan.
4. Coordinate 2013 Employee Opinion Survey with MSEC.
5. Begin conversion of personnel records to electronic format.
6. Complete biennial Compensation & Benefit surveys.
7. Provide on-going benefit education.
8. Stay current with new federal and state laws as they relate to personnel or benefit issues; update policies.
9. Continue to coordinate supervisor training classes.
10. Continue to act as Workers Compensation Risk Manager and maintain Cost Containment Certification.
11. Continue to support Wellness program.
12. Stay current with SPHR certification training requirements.

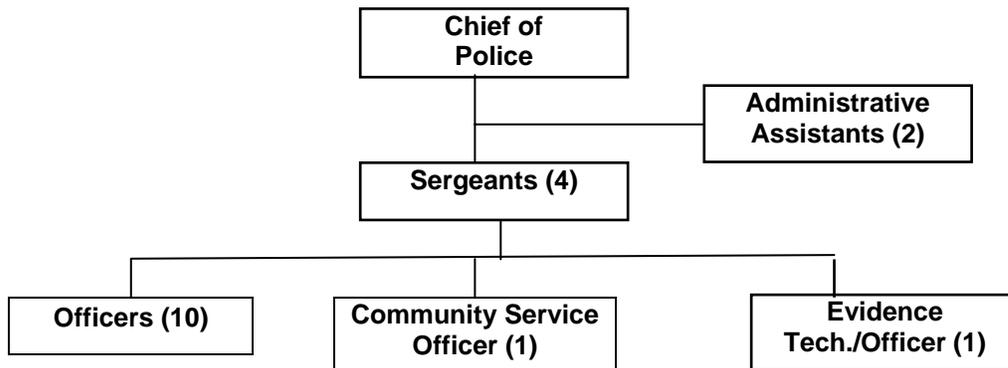
Service Indicators:

| | <u>2011 Actual</u> | <u>2012 Actual</u> | <u>2013 Budget</u> | <u>2014 Budget</u> |
|---------------------------------|--------------------|--------------------|--------------------|--------------------|
| # of Full-time Employees | 87 | 87 | 87 | 88 |
| # of Part-time Employee | 85-100 | 85-110 | 85-110 | 85-110 |
| Turnover of Full-time Employees | 8% | 10% | 8% | 8% |
| # of Workers Compensation Cases | 6 | 6 | 6 | 8 |
| # of Benefits Offered | 20 | 20 | 20 | 20 |

**Administrative Services
Summary of Expenditures**

| | Actual 2009 | Actual 2010 | Actual 2011 | Projected 2012 | Budget 2013 | Budget 2014 | 2015 | 2016 | 2017 |
|---------------------------------------|------------------|------------------|------------------|-------------------|------------------|------------------|------------------|------------------|------------------|
| <u>Wages</u> | | | | | | | | | |
| Admin. Service | 468,040 | 473,060 | 490,318 | 497,632 | 500,160 | 509,304 | 518,675 | 529,216 | 538,160 |
| Town Council | 33,339 | 33,339 | 33,339 | 33,339 | 33,339 | 33,339 | 33,339 | 33,339 | 33,339 |
| Town Manager | 430,207 | 440,343 | 462,595 | 465,331 | 464,282 | 472,298 | 480,491 | 482,472 | 490,953 |
| Municipal Court | 65,713 | 67,690 | 66,251 | 68,618 | 77,479 | 78,288 | 79,109 | 79,943 | 80,789 |
| Total Wages | 997,299 | 1,014,432 | 1,052,503 | 1,064,922 | 1,075,260 | 1,093,229 | 1,111,229 | 1,124,970 | 1,143,240 |
| <u>Supplies & Services</u> | | | | | | | | | |
| Admin. Serv. Program | | | | | | | | | |
| Wages | 468,040 | 473,060 | 490,318 | 497,632 | 500,160 | 509,304 | 518,675 | 529,216 | 538,160 |
| Prof. Services | 66,295 | 106,332 | 132,787 | 91,546 | 91,600 | 87,700 | 99,500 | 94,500 | 100,000 |
| Services | 127,551 | 128,174 | 132,646 | 136,741 | 162,147 | 166,162 | 165,414 | 168,603 | 175,700 |
| Supplies | 18,945 | 20,621 | 19,606 | 22,998 | 23,600 | 24,900 | 24,275 | 26,000 | 26,500 |
| Program Total | 680,831 | 728,187 | 775,357 | 748,917 | 777,507 | 788,066 | 807,864 | 818,319 | 840,360 |
| Town Council Program | | | | | | | | | |
| Wages | 33,339 | 33,339 | 33,339 | 33,341 | 33,339 | 33,339 | 33,339 | 33,339 | 33,339 |
| Services | 67,292 | 59,010 | 124,766 | 68,171 | 65,013 | 65,838 | 70,538 | 70,988 | 76,438 |
| Contributions | 43,672 | 44,089 | 49,859 | 62,269 | 53,000 | 53,000 | 53,000 | 53,000 | 53,000 |
| Program Total | 144,303 | 136,438 | 207,964 | 163,781 | 151,352 | 152,177 | 156,877 | 157,327 | 162,777 |
| Town Manager Program | | | | | | | | | |
| Wages | 430,206 | 440,343 | 462,595 | 465,331 | 464,282 | 472,298 | 480,491 | 482,472 | 490,953 |
| Prof. Services | 9,015 | 8,670 | 12,953 | 10,393 | 13,250 | 10,000 | 13,750 | 10,500 | 14,250 |
| Services | 13,738 | 15,337 | 22,287 | 28,098 | 26,085 | 24,435 | 26,285 | 24,635 | 26,485 |
| Supplies | 1,027 | 731 | 555 | 881 | 1,250 | 1,250 | 1,250 | 1,250 | 1,250 |
| Program Total | 453,986 | 465,081 | 498,390 | 504,703 | 504,867 | 507,983 | 521,776 | 518,857 | 532,938 |
| Economic Development Program | | | | | | | | | |
| Services | - | - | - | - | 8,220 | 8,320 | 8,565 | 8,575 | 8,585 |
| Professional Services | - | - | - | - | 70,000 | 70,000 | 70,000 | 70,000 | 70,000 |
| Program Total | - | - | - | - | 78,220 | 78,320 | 78,565 | 78,575 | 78,585 |
| Muni Court Program | | | | | | | | | |
| Wages | 65,713 | 67,690 | 66,251 | 68,618 | 77,479 | 78,288 | 79,109 | 79,943 | 80,789 |
| Professional Services | 29,717 | 33,446 | 33,523 | 64,667 | 38,050 | 36,750 | 40,250 | 39,250 | 42,250 |
| Program Total | 95,430 | 101,136 | 99,774 | 103,285 | 115,529 | 115,038 | 119,359 | 119,193 | 123,039 |
| TOTAL DEPARTMENT EXPENDITURES | 1,374,550 | 1,430,842 | 1,581,485 | 1,520,686 | 1,627,475 | 1,641,584 | 1,684,441 | 1,692,271 | 1,737,698 |

Public Safety



COMMUNITY POLICING

Program Policies

Community policing is a philosophical approach to police service delivery, which emphasizes problem solving and crime prevention through community partnerships. In this environment the police are viewed as part of the community, rather than apart from the community. We are only as effective in this role as the community makes us, or allows us to be. Our primary mandates are to have positive influences on the level of safety and quality of life within the Town of Silverthorne. We interact with the community in a wide variety of ways in an attempt to identify and address concerns before they manifest themselves in criminal activity or result in injury. Given the size of this police department, we provide a broad cross-section of quality programs in cooperation with the community.

Services Provided to Community

1. Public Education: The Department shall commit resources to educational and preventive programs for children, teenagers and adults. These programs include: Adopt an Angel, which continues to be a county-wide program to include all Summit County Law Enforcement, Lake Dillon, Red White and Blue Fire and Summit County Ambulance organizations. With this expanded program we continue to serve about 900 children, just over 300 families county wide; TIPS (alcohol server education) training for restaurants and liquor establishments; Neighborhood Watch has been in Silverthorne for several years. Recently we have held several neighborhood watch meetings in the community, but we did not receive a lot of interest from the community. We will continue to offer this service when there is community interest. DARE training at the Silverthorne Elementary School continue to be very popular. We have two DARE instructors teaching 3 classes for 12 weeks. DARE training is nearing a twenty year anniversary in the community. The Safe Summer Kick Off is another very popular outreach program which has been expanded to a county wide public safety event here in Silverthorne; bicycle safety seminars; child car seat inspections and installations, free bikes, helmets, and other safety giveaways; self-defense classes. We offer Crime Prevention Seminars which are held every year to help the business community. We offer a Ride-along program for adults and teens; internships for high school students; adult internship program in cooperation with Summit County Social Services is available; scholarships for elementary school and high school students and Job Shadow Programs.
2. Citizens Advisory Committee: The Citizens Advisory Committee was created by the Town Council to advise them on public safety issues and to provide direct feedback to the Chief of Police on the performance of the police department. The group meets bi-monthly to discuss community safety concerns. This group has assisted the department in its personnel selection and promotional processes. We have added an educational component to the committee, teaching police procedure along with practical hands on learning.

3. Code Enforcement: This program within the police department works in conjunction with the Community Development and Public Works Departments. Our Community Service Officer is tasked with the enforcement of parking, zoning, and code ordinances. The work this non-sworn officer performs is reported on a weekly update at the weekly Community Development. This officer is directly involved with all the department's community policing programs.
4. Traffic Calming: This effort involves the placement of the speed/radar trailer during the summer months and the coordination with the Public Works Department on the placement of speed bumps and other types of traffic control devices throughout the Town. We also coordinate with Public Works and the Colorado Department of Transportation on speed signage, roadway improvements, and new equipment such as new interstate closure gates that were put in place by CDOT. In our office, we have two monitors that view CDOT cameras along the I-70 corridor. We operate hand held traffic control signal device to regulate the traffic lights during busy weekends such as the 4th of July. We also have traffic education and calming programs such as roadway safety seminars for the large trucking companies that travel through Silverthorne. Numerous speed surveys have been conducted on several streets within the Town of Silverthorne.

2011/2012 Accomplishments

1. The department has maintained a "flat" organizational structure (minimum layers of supervision) in order to enhance information flow and sharing throughout the organization.
2. The department has identified and conducted two major community policing projects. We organize our annual Adopt and Angel and Safe Summer Kickoff program. This free service has improved our communication with the local community while providing positive interaction with officers. Since this program is county wide, we have expanded the idea of police, fire and EMS awareness.
3. Employees have been encouraged to utilize problem-solving skills in order to address quality of life and safety issues within the community. Officers use these skills on a daily basis, helping our community to be a safer place to live.
4. The Police Department along with all the other law enforcement agencies in the county continue to collaborate with the Records Management System. This system continues to help identify crime trends in the county and provide greater levels of information sharing and cooperation.
5. The construction site crime prevention program continues to be successful. We have continued to educate construction site workers, helping to keep their property secure and reducing the amount of theft on site. Construction site thefts have reduced due to education and awareness.
6. The Police Department has participated in a 10 week county wide citizen's police academy. The program is offered each Fall and is always full to capacity. Participants have had the opportunity to learn firsthand about police operations. This year we added two evenings to include a mock trial in the County Court and an evening out on the fire ground with our counties Fire Rescue.
7. We continue to participate in the county wide Latino Advisory group. We have held public gatherings to discuss traffic concerns, legal issues, parenting/family, and immigration status. This group has been very positive and has really opened community communications.
8. We have been writing grants to help with funding of Community Policing Programs. We have received over \$20,000 to assist with the Safe Summer Kickoff and Adopt an Angel programs.

2013/2014 Goals

1. Continue refinement of existing Community Policing Programs. (This has included the ongoing expansion of the Adopt an Angel and Safe Summer Kick off programs, and the construction site crime prevention program.)
2. Reinforce the Neighborhood Watch Program. (The department has held several organizational meetings in the community and received no community interest in developing this program. We will continue to work with community members and start up the program when the need and interest arise.)
3. Continue gathering information from our Records Management System (RMS) and have the Detective and Sergeants attend the monthly meeting and discuss common crime MO's. Communications on criminal

activity in Summit County has improved through these monthly meetings. There is interest in developing COP-LINK, a computer program that will link a name and type of crime activity state wide.

4. Work in collaboration with the other Summit County law enforcement agencies to further develop our Citizen's Police Academy. The program has been very successful with classes filling up each season. We will provide a modified Latino Citizen Academy which will be similar to the 10 week program we already offer
5. Work in collaboration with the other Summit County law enforcement agencies, the Family Intercultural Resource Center, and the citizenry to continue to develop the Latino Advisory Committee with law enforcement. This multi cultural advisory committee will be looking at obtaining grant funding to help develop local cultural leaders and develop community trust with law enforcement in Summit County. This program is currently ongoing and getting stronger.
6. Work closely with the Community Development offices to increase the effectiveness of our efforts pertaining to Code Enforcement. Code Enforcement continues to be quite active. The weekly community development meeting is attended regularly which has also improved communications. We are continuing to work with the Community Development Department and the town prosecutor to expand the level of enforcement on conditional use issues and other persistent problems.)

LAW ENFORCEMENT

Program Policies

Law enforcement is often the "reactive" side of policing and deals with the more traditional aspects of the job; i.e., tickets, arrests, calls for assistance. The department is responsible for the enforcement of local, state and federal laws, including traffic laws. Officers perform these duties through self initiated "on scene" observations or by responding to dispatched calls for service. We have been working on a more pro active approach as officers are looking at the big picture.

Services Provided to Community

Professional Standards: The Department is committed to community policing principals. When our officers respond to a vandalism, theft or burglary, they take the extra time to talk with citizens about prevention. We would rather use this extra time to educate the public so these types of incidents don't happen again. We are currently working on re-accreditation for the future and updating our policy and procedure manual. The Department also established a mandatory, annual in-service training program for all officers. Further improvement is needed in identifying and training future leaders within the department and providing Sergeants with supervisory and management training beyond the basic level.

2011/2012 Accomplishments

1. The department is managing its resources in an effective manner. We have been very short staffed due to frozen positions, one officer in the military as well as vacancies. We have been handling our call load but the self initiated activity is lower than expected due to fewer personnel.
2. The department has been working towards a new policy manual to up-date and replaces our old manual. This manual will have daily training modules to help keep officers current on policy.
3. The department has worked jointly with the Summit County Communications Center and other law enforcement agencies in the county to perfect the information gathering techniques with our records management system.
4. Training has been a major priority for the department. Training for the young officers has been very successful in part to participation in the Police Officer Standards Training I-70 West training program. We have participated in numerous training programs at little or no cost to the department.
5. The department has adopted a single arrest control program and trained all members of the department on this one method.
6. We have been writing grants to help with funding. We received a COPS grant for \$263,500, funding for one officer position for three years. Another grant was for police load bearing vests, \$4,000 to help with officers who have back issues. We also received grants for the LEAF and Seatbelt grants totaling \$8,000.

2013/2014 Goals

1. Maintain high professional standards within the organization and continue to be actively involved in CACP and IACP in 2013/2014.
2. Continue to improve the level of professionalism within the organization through supervisory and employee training opportunities. Training opportunities have been numerous for all levels of the department from leadership training, professional standards, supervisory training, crime scene investigation, active shooter, and other opportunities.
3. Monitor crime trends within the Town and modify programs and staffing to address these trends. This is ongoing and will become stronger with the information from the records management system and COPLINK. This will continue to give us the tools necessary to identify trends and help predict crime patterns.
4. Address traffic concerns within the various neighborhoods. This is ongoing with the use of Speedy, portable speed signs, traffic enforcement and education. We will work with Public Works and CDOT on traffic calming efforts in our community with anticipation of new traffic control measures.
5. Purchase 2 more radar speed signs to help with traffic enforcement. We currently have four movable speed signs that have been extremely effective.
6. Continue to train officers to input “clean” data into the records management system. This information will benefit the entire county for years to come.

Service Indicators:

| | <u>2011 Actual</u> | <u>2012 Proj.</u> | <u>2013 Budget</u> | <u>2014 Budget</u> |
|---------------------------------|--------------------|-------------------|--------------------|--------------------|
| Calls for Service | 6,554 | 7,000 | 6,554 | 7,000 |
| Public Seminars | 12 | 15 | 12 | 15 |
| Traffic Accidents | 191 | 190 | 191 | 190 |
| DUIs | 22 | 40 | 22 | 40 |
| Overtime | \$42,271 | \$55,272 | \$45,000 | \$45,000 |
| Patrol Officers/Sworn Officers | 10/15 | 11/16 | 10/15 | 11/16 |
| Department costs/Sworn Officers | \$113,120 | \$111,286 | \$115,790 | \$118,227 |
| Civilian Employees | 3 | 3 | 3 | 3 |
| Commendations/Complaints | 52/2 | 50/2 | 38/4 | 45/2 |
| Domestic Disputes | 35 | 38 | 35 | 38 |
| Citizen Assists | 480 | 500 | 480 | 500 |
| Summons (Tickets) | 1,295 | 1,500 | 1,295 | 1,500 |
| Warnings | 1,685 | 1,750 | 1,685 | 1,750 |
| Town/County Population | 3,899/27,964 | 3,942/28,272 | 3,981/28,555 | 4,021/28,840 |

INTER-AGENCY COOPERATION

Town Council has established a goal for all departments to work cooperatively with other agencies. In order to be effective and efficient, all of the law enforcement agencies in Summit County must work together. None of us have enough resources to perform all our required tasks by ourselves. We rely on each other to provide quality service to the community. The Silverthorne Police Department has sought to accomplish this goal corporately with all police and fire agencies within the county.

Services Provided to Community

- LEAF (Law Enforcement Assistance Fund) Grant: This is a cooperative effort and grant project involving all the Summit County. The purpose of the grant is to address drunken driving throughout the county, normally on busy targeted holidays.
- Click It or Ticket Grant: This is another way to work cooperatively with Summit County providing seatbelt enforcement. Seatbelt enforcement has proven effective and has increased safety awareness.
- Special Weapons and Tactics (SWAT) team was created in 1999, the SWAT team is a cooperative effort between the County, Breckenridge, Dillon, Frisco and Silverthorne. The Team is composed of officers who are

trained to respond to high risk warrant service and arrest situations, which by their nature are beyond the capability of any one agency to handle by themselves. This team has proven to be very valuable to all law enforcement agencies in Summit County. We continue to have four officers on the team, one operator and three Negotiators.

Board and Committee Participation: The department actively participates in several boards and committees, which seek to improve the quality of law enforcement services within the County and region. Examples include Communications Board, Drug Free Community Coalition, Peace Officers and Standards Training Board, Incident Management Groups, Police/Fire Chiefs and Sheriffs Group, Community Policing Board, Citizen's Advisory Committee, CDOT I-70 West, County Detectives meeting, Safety Committee and the County Sergeant's meeting.

2011/2012 Accomplishments

1. The department has worked cooperatively with the County and the other Town's law enforcement agencies to implement and maintain a common Records Management System (New World). This system has had some quirks that we collectively have been working out with New World. We have found this system is providing a more reliable accurate system for all of the county's needs.
2. The Silverthorne Police Department has hosted several training seminars offered to other agencies in Summit County and the I-70 West training region. Report writing, domestic violence investigation, Incident management training, Legal Update and other training programs have been hosted.
3. All agencies within the county have agreed to funnel all minors in possession of alcohol through the County Court. We felt having one court monitor juveniles using alcohol will help provide better enforcement and treatment.
4. "Click-it or Ticket", participation in the LEAF, and car seat inspection programs are just several examples of inter-agency cooperation with the area agencies and resources.
5. The Summit County Incident Management Team (IMT) has been a great resource. The steering committee which is comprised of eleven paying agencies has taken a greater leadership role in directing the development, training and response to area emergencies in the community. We have participated in several emergency table tops and annual hands on exercises.
6. We expanded our two signature Community Policing programs to the county, making them county wide. These programs are the Safe Summer Kickoff and Adopt an Angel. We take the lead on both programs and devote a lot of time making them the programs they are.
7. We continue to participate in monthly meetings with CDOT, constantly improving our working relationship. We also assisted with speed harmonization looking for new ways to reduce the traffic backups on I-70.

2013/2014 Goals

1. Place emphasis on inter-agency cooperation to reduce or eliminate redundant and/or overlapping efforts, and increase mutual efficiencies and effectiveness. (Ongoing with great agency cooperation and assistance.)
2. Participate with the LEAF Grant, SWAT Team, Citizens Academy, Latino Citizens Academy, Click-it or Ticket, Safe Summer Kickoff and Adopt an Angel programs are all examples of countywide law enforcement programs with ongoing positive results.
3. Coordinate with the Drug Free Coalition and, School District on common problems within the County; i.e., more effective alcohol/tobacco awareness, education and enforcement programs; youth violence programs. County wide, officers along with the Drug Free Coalition will continue to monitor the sale of alcohol and tobacco to underage persons. Compliance checks in the past have not been successful due to differing philosophies and policies with different agencies. We are working on this and focusing on the problem area and trying to educate clerks at the point of sale.
4. Continue to participate in the community Immigration Integration Program Planning process. The program is called the Latino Advisory Committee and it consists of the Chiefs, Sheriff, about 75 Latino members from the community. We would like to expand the awareness within our community and work closely with this group.

5. Provide a 10 week Citizens Police Academy for the public including a special academy for non English speaking Latino members of the community.
6. Continue to provide quality customer service by professionally trained personnel.
7. Continue to have all four Command Staff members serve on at least one non-profit organization board, or participate with a local community service organization.

ADMINISTRATION & PUBLIC ASSISTANCE

Program Policies

This program involves the administration and the front desk/counter operation of the police department. Record retention and release of information are ongoing tasks performed by the administrative staff. Public outreach programs and news media relations are also parts of this program.

Services Provided to Community

1. Records Retention & Release: State statutes have established strict requirements on the release of police records. The administrative staff deals daily with numerous requests for information from citizens, attorneys, insurance companies, and the media.
2. Information Management Systems: Information management systems (desktop computers) allow us to perform our jobs more effectively and efficiently and with fewer personnel. Timely and accurate retrieval of reports and statistical information is important for citizens and officers.
3. Customer Service: The front desk/counter is staffed to operate Monday through Friday from 8:00AM to 5:00 PM. Throughout the department we seek to provide excellent customer service to the community. The ability to retrieve information and respond quickly and accurately to inquiries is an important part of our customer service program.
4. Adopt-An-Angel Program: This popular program, which began in 1994, takes place during the Christmas Holiday Season. It is a cooperative county wide effort between the community, Factory Stores, Police, Fire and EMS Department. The program identifies needy children within the community and provides them with gifts.
5. Safe Summer Kickoff: The Silverthorne Police Department initiated this program twelve (12) years ago, in 2000 as a solo agency endeavor offered in the late spring. The department obtains and gives away free bicycles, bicycle & skateboarding helmets, safety lights, and child safety car-seats. The community is treated to a free BBQ and a wide variety of public safety education booths. This program has expanded over the past few years, and is now a County-wide endeavor. In 2004, in excess of 350 children were served through the Safe Summer Kick-off. In 2011, at least 1,500 children participated in the activities during the Safe Summer Kickoff.
6. Fingerprinting Services: The department provides fingerprinting services to citizens. This is a free service for Silverthorne residents and \$20 for non-residents.
7. Issuance of Parking Permits: The administrative staff issues parking permits to Town residents.
8. Portable Breath Testing: The department will provide portable breath testing for probation clients during normal business hours for a \$10.00 fee.
9. Construction and right of way parking permits: With the increase of building in the community, our officers have stepped up their enforcement of construction and right of way violations. Construction sites are now required to obtain a permit to park at a construction site, and to store things on the Town Right of Way.

2011/2012 Accomplishments

1. The Adopt-an-Angel program provided Christmas gifts to about 900 children and 300 families. The Safe Summer Kickoff provided bicycles, helmets, locks, other safety equipment and car seats to people that were in need. We continue to have about 1500 people in attendance each year.
2. Continued to maintain training for front desk staff, provided training for officers when using CCIS and NCIC upgrades.
3. Provided useful criminal stats for officers within the community.

4. Continued upkeep of the current records management system and implemented upgrades and changes as they became available.
5. The Silverthorne Police department was the first New World user agency in the State of Colorado to be approved for offline submission of National Incident Based Reporting (NIBRS) data. This was a significant accomplishment for our civilian administrative staff.
6. Since 2011 the department has gone paperless, scanning all our police reports and motor vehicle accidents. This process has helped sending information out to the DA's office, attorneys and the public requesting open records.

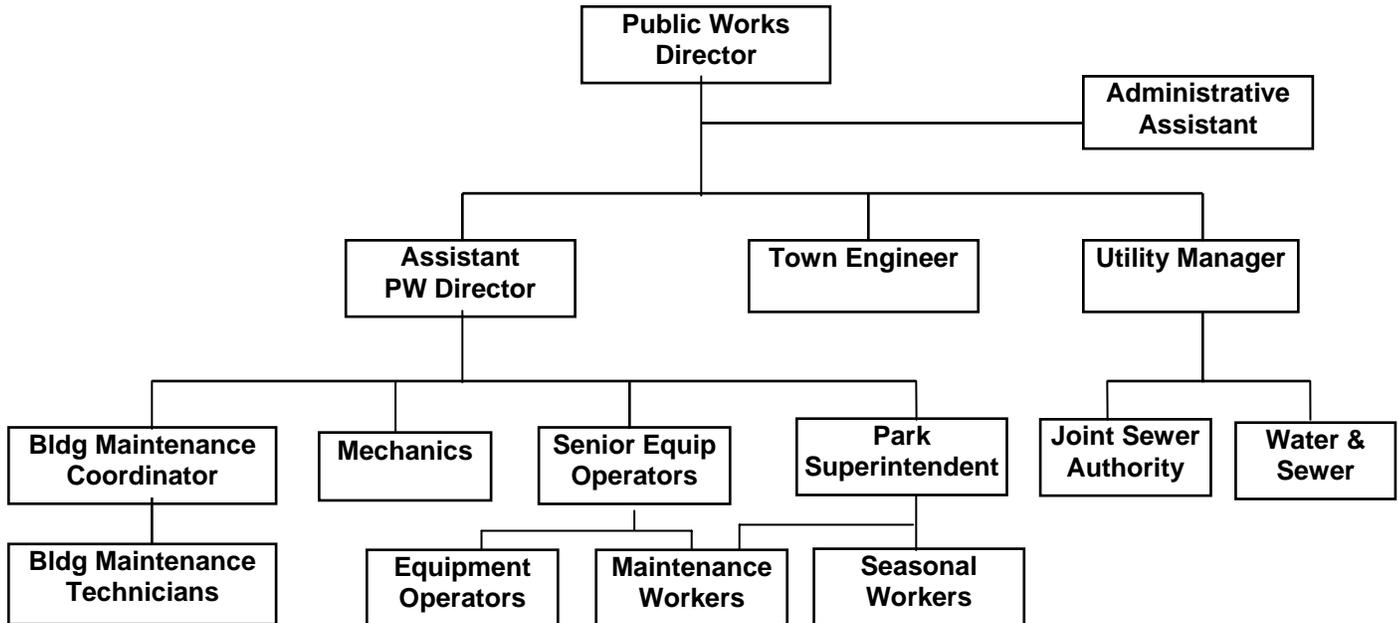
2013/2014 Goals

1. Maintain a high level of customer service throughout the department.
2. Maintain current service levels to our signature Community Policing programs.
3. Begin exploration of differential call response options and WEB based reporting
4. Maintain the Public Safety portion of the Town website.
5. Work on having all reports and paperwork transferred onto Laserfiche. We would like to go back 8 years and free up case files and have everything electronic. This would streamline all paperwork and make it easier to share, manage, and organize files within the Department.

**Public Safety
Summary of Expenditures**

| | Actual 2009 | Actual 2010 | Actual 2011 | Projected 2012 | Budget 2013 | Budget 2014 | 2015 | 2016 | 2017 |
|-------------------------------------|------------------------|------------------------|------------------------|---------------------------|------------------------|------------------------|------------------|------------------|------------------|
| <i>Wages</i> | | | | | | | | | |
| Public Safety | 1,416,913 | 1,454,889 | 1,427,865 | 1,440,406 | 1,522,397 | 1,551,606 | 1,581,575 | 1,611,422 | 1,642,078 |
| <u>Supplies and Services</u> | | | | | | | | | |
| Prof. Services | 36,786 | 18,972 | 33,413 | 47,791 | 37,700 | 40,200 | 42,800 | 45,300 | 47,800 |
| Services | 288,055 | 241,788 | 188,637 | 228,979 | 226,545 | 237,835 | 251,234 | 261,113 | 271,494 |
| Supplies | 36,652 | 43,031 | 46,883 | 63,407 | 66,000 | 62,000 | 62,500 | 62,750 | 63,000 |
| Total Dept. S & S | 361,493 | 303,791 | 268,933 | 340,177 | 330,245 | 340,035 | 356,534 | 369,163 | 382,294 |
| DEPARTMENT EXPENDITURES | 1,778,406 | 1,758,679 | 1,696,797 | 1,780,583 | 1,852,642 | 1,891,640 | 1,938,109 | 1,980,585 | 2,024,372 |

Public Works



STREETS (AND SIDEWALKS)

Program Policies

- To plow snow from all streets and Town-maintained parking lots as quickly as possible. All streets and parking areas are prioritized and will be plowed accordingly (referring to snow plow map which is not included). As time permits, cul-de-sacs will be cleared and snow banks pushed back. Each neighborhood has snow stacking and right-of-way, which is used for snow storage. The Town will strive to educate property owners where Town right-of-way begins.
- To remove snow in areas of high visibility or areas in which the snow causes transportation hazards or when snow stacks cause traffic risks. Removal will be performed when staff and equipment allow.
- To secure areas to store snow which are low cost, low visibility and easily accessible. Storage areas shall be kept in the neatest manner possible and shall be knocked down as early in the spring as possible.
- To maintain our streets in a safe and efficient manner to ensure the transport of our citizens, visitors, and goods at all times. We will strive to keep our streets pothole free, well striped, clean, and adequately signed and lighted to ensure safe transportation. Our goal is to maintain our pavements in good condition, with properly graded shoulders and ditches and functional drainage ways.
- To sweep Town streets and Town-maintained parking lots as time is available in order to reduce air and water pollution. Each spring a major cleaning will occur and periodic sweepings will take place during the summer months and as weather permits during the winter. Emphasis will be placed on priority intersections throughout town including Highway 6 and 9 intersections.
- To provide a safe and efficient system of paths and walks connecting the major destinations in Town with the major residential areas of Town and with each other. The Town strives to provide a complete system of paths and walks, maintained in a manner to make them an inviting alternative to automobiles. All paths and walks are built to remain in full compliance with the American with Disabilities Act (ADA).

Services Provided to Community

The Department is responsible for street maintenance and sweeping, snow-plowing and removal, coordination with Colorado Department of Transportation and assistance to citizens and businesses relating to street system public improvements. The Town’s street system currently consists of 27 miles of collector and local streets. The department is also responsible for sidewalk and off-road trail maintenance, sweeping, snow plowing and removal. The current inventory is 12.5 miles of sidewalks and 4 miles of off-road trails.

2011/2012 Accomplishments

1. Completed 2011 and 2012 capital projects, including the reconstruction of Wildercrest Road, Stephens Way, and a new traffic signal at the intersection of those two streets. Also completed were \$1,500,000 in streets maintenance projects over the two year period.
2. Provided inspection services for Angler Mountain Ranch, the new Church on Smith Ranch Road, and various single family homes throughout Town.
3. Completed design and construction of new playground equipment at Trent Park, and additional playground equipment at Rainbow Park (Tot Lot).
4. Constructed new snowmelt system and sidewalks in front of Town Hall.
5. Oversaw construction of new intersection at Wildercrest/Adams/Buffalo Mountain Drive, reconstruction of Buffalo Mountain Drive, and coordination of same with reconstruction of the BMMD buildings and site.
6. Applied for and were granted \$500,000 grant from GOCO for Blue River Trail construction, although eventually had to decline award due to easement acquisition issues.
7. Completed site grading and fence construction for new storage yard at Cottonwood site.
8. Constructed new steps to Boots Park near the river.
9. Constructed Segment 5a of the Blue River Trail.

2013/2014 Goals

1. Complete 2013 and 2014 Capital Projects including Blue River Trail Segments V (Town Hall north to Mesa Drive cul-de-sac) and VI (Legend Lake Circle south to Blue River Circle) (total cost \$2.1 million for both segments), complete \$1.5 million in various street maintenance projects, complete 700,000 for reconstruction of Little Beaver Trail, and \$2,300,000 in various asset management projects at all Town facilities. (all subject to Council approval).
2. Provide inspection services for projects as approved and constructed, and inspections as required for single family homes.
3. Strive to continue to provide services at or near current service levels during continued tight budget times. May need to request additional staff member due to workload increase over the past four years.
4. Design and Construct Kayak Course near BMMD property, in accordance with our approved RICD water rights, if approved by Council.
5. Either re-lease USFS building to them, or find new tenant for building.
6. Design and construct Racquetball Courts into new uses as per Rec Ctr master plan.
7. Replace Pool Pak at Recreation Center.
8. Complete Drainage study for areas west of Blue River Parkway from 2nd to 6th, and construct new storm drainage system in accordance with study results.
9. Reconstruct lighting in Pedestrian Tunnel area including walls and fencing as necessary.

Service Indicators:

| | <u>2011 Actual</u> | <u>2012 Projected</u> | <u>2013 Budget</u> | <u>2014 Budget</u> |
|---|--------------------|-----------------------|--------------------|--------------------|
| Miles of Streets | 28 | 28.5 | 28.5 | 30 |
| Miles of Sidewalks/Trails | 24.35 | 24.35 | 24.35 | 24.6 |
| # of Culverts | 525 | 560 | 560 | 580 |
| # of Signs | 975 | 980 | 990 | 1000 |
| Man Hours of Winter Street Maintenance | 13,000 | 13,000 | 13,500 | 14,000 |
| \$ of Street/Sidewalk/Trails Expenditures | \$1,693,018 | \$1,769,732 | \$1,693,018 | \$1,769,732 |

Public Works

| | | | | |
|--------------------------------------|-------------|-------------|-------------|-------------|
| \$ of Street/Sidewalk/Trails Capital | \$2,250,508 | \$2,092,638 | \$2,250,508 | \$2,092,638 |
| # of Plowing/Maintenance Employees | 12 | 12 | 12 | 13 |
| Street/Sidewalk Miles per Employee | 4.28 | 4.28 | 4.28 | 4.5 |

FLEET PROGRAM

Program Policies

It is the policy of the Town to provide a dependable, well-maintained fleet of vehicles and equipment necessary for all departments to perform the duties of the town.

- The Town will strive to keep vehicles in good working order at all times through a periodic purchase and replacement schedule coordinated between Public Works, Public Safety, and Administration. (Refer to the Capital Projects Section for further details on purchasing and replacement policy.)
- The Town will use equipment and vehicles for tasks for which they were designed.

Services Provided to Community

The Department provides maintenance on all Town vehicles and equipment, as well as specifying and purchasing all new and replacement equipment.

2011/2012 Accomplishments

1. Provided regular preventative maintenance on all fleet vehicles.
2. Computerized equipment maintenance systems.
3. Provided coverage seven days per week during the winter season.
4. Completed the 2011 and 2012 fleet purchasing plans

2013/2014 Goals

1. Provide all regular preventative maintenance on all fleet vehicles and equipment.
2. Continue to bring all record keeping and work scheduling onto computerized system.
3. Provide coverage 7 days per week during winter season.
4. Complete all 2013 and 2014 fleet purchases

Service Indicators:

| | 2011 Actual | 2012 Projected | 2013 Actual | 2014 Budget |
|--|-------------|----------------|-------------|-------------|
| # of Vehicles | | | | |
| # of Administrative | 6 | 5 | 5 | 5 |
| # of Police | 10 | 10 | 10 | 10 |
| # of Public Works (light) | 14 | 14 | 16 | 16 |
| # of Public Works (heavy) | 21 | 22 | 21 | 21 |
| Total Vehicles | 51 | 51 | 52 | 52 |
| \$ for Fuel & Supplies | \$ 199,263 | \$ 204,480 | \$ 208,000 | \$ 212,000 |
| \$ for Capital Replacement & Additions | \$ 597,973 | \$ 270,765 | \$ 724,000 | \$ 294,450 |
| # of Fleet Employees | 2 | 2 | 2 | 2 |

PARKS

Program Policies

- Provide parks and open space for the use and enjoyment of our citizens and visitors.
- Provide clean, well-maintained facilities that meet all applicable ADA requirements.
- Provide a safe environment for our citizens and visitors, whether they're visiting our parks or public facilities.
- Provide appropriate landscaping for each facility using the proper maintenance equipment to present a pleasant environment for those who use town facilities and to set an example for what we would like to see in other developed areas of Town.

Services Provided to Community

The Department provides grounds maintenance services for Town-owned developed parkland, public facilities, flower boxes, and street right-of-way landscaped areas. River’s Edge Park is being added in 2012, along with new landscaped areas adjacent to Lowes, and new medians areas near the Lowes intersection and in front of Good Times on Highway 9.

2011/2012 Accomplishments

1. Provided maintenance of parks and green spaces
2. Continued flower program including new median areas at Lowes and Good Times
3. Continued emphasis on noxious weeds
4. Increased grass area maintenance
5. Replaced turf at North Pavilion Field due to damage from Ice Castles
6. Provided assistance to Community Garden
7. Provided Slash site for public use
8. Oversight for Design and Construction of Rivers Edge Park
9. New security cameras at various park facilities and parking lots

2013/2014 Goals

1. Maintain all parks and green spaces including addition of large areas in public ROW near Lowes.
2. Continue flower program
3. Continue noxious weed and pine beetle programs on Town properties
4. Increase landscaping at off ramps to accommodate new signs
5. Add maintenance of Rivers Edge Park, and new play equipment at Rainbow Park
6. Reconstruct Tennis Courts at Rainbow Park. Reconstruct and enlarge basketball courts at Rainbow Park. Relocate covered pavilion from basketball area to Tot Lot area

Service Indicators:

| | <u>2011 Actual</u> | <u>2012 Projected</u> | <u>2013 Budget</u> | <u>2014 Budget</u> |
|--|--------------------|-----------------------|--------------------|--------------------|
| Acres of Developed Parks | 27.64 | 29 | 29 | 29 |
| # of Parks (developed and undeveloped) | 6 | 7 | 7 | 7 |
| \$ of Parks Operating Expenditures | \$225,498 | \$270,038 | \$297,733 | \$297,733 |
| # of Full-time Employees* | 4 | 4 | 4 | 4 |
| # of Seasonal Employees** | 7 | 7 | 8 | 8 |

* Full-time Employees are used in the streets program during the winter season.

** Seasonal employees are hired during May-September.

FACILITIES MAINTENANCE AND CUSTODIAL SERVICES

Program Policies

Buildings will be maintained to protect the Town’s investment. The Town will strive to preserve the value of the buildings, provide for the use of the buildings, and reduce future expenses. As a healthy community, the Town encourages alcohol-free events in all facilities. The facilities are available to the community for minimal charge for non-profit, community and government agencies (costs of provided services only) and subsidized use as approved by the Council, Town Manager or Recreation and Culture Director. Other customers may use Town facilities at market rates. All requests for rental should be directed to use the recreation center first. Use of the Town Hall shall be permitted only when the recreation center can not accommodate use.

Services Provided to Community

Provide custodial services and maintenance to ensure quality facilities and asset management. On-going maintenance services are required for the following buildings: Town Hall, Recreation Center, U.S. Forest Service and Town Pavilion for a total of 94,000 square feet. On-going custodial services are required for Town Hall and the Recreation Center (totaling 85,000 square feet).

2011/2012 Accomplishments

1. Kept all facilities and equipment in good operation.
2. Performed preventive maintenance on all equipment in order to sustain equipment.
3. Completed AMP for all buildings including new skylights over pools, new storage shed at Rec Ctr, new floors in public restrooms at Rec Ctr, mens, womens, steam room and family locker room tile, new pool plaster in lap and deep pools, and numerous other buildings related asset maintenance.
4. Completed reconstruction of Community Room at Rec Ctr for re-purposing uses.
5. Installed backup generators at Pavilion.
6. Upgrades to Town Hall kitchen including new cabinets and appliances.
7. Refinish Pavilion floors, stain exterior.
8. Gymnasium basketball hoop upgrades and replacements.
9. Reseal various parking lots.

2013/2014 Goals

1. Keep all facilities and equipment in good condition.
2. Complete all AMP projects budgeted for Buildings (Town Hall, Pavilion, Recreation Center).
3. Install backup generator at Town Hall.

ENGINEERING

Program Policies

Provide inspections of all new construction and manage all new Town projects to ensure they meet Town standards.

Services Provided to Community

The Department program provides on-going design, inspection and management of all Town-initiated capital projects, including but not limited to field inspections; provides engineering review and field inspection of all proposed new developments in Town; administers the Federal Emergency Management Agency's (FEMA) National Flood Insurance Program (NFIP) within the Town; provides public with FEMA floodplain mapping and related information; and ensures that new development and construction methods comply with FEMA regulations.

2011/2012 Accomplishments

1. Inspections of site excavation permits and road excavation permits,
2. Completed 2011 and 2012 overlays and surface treatments,
3. Oversaw design and construction of Wildercrest and Stephens including new signal.
4. Oversaw construction of Lowes public improvements.
5. Oversee adoption of new FEMA floodplain mapping for Silverthorne.

2013/2014 Goals

1. Provide inspections of all new construction.
2. Provide oversight on Blue River Trail Phase V and VI design, permitting, and construction.
3. Provide oversight of all excavation permits and street cuts.
4. Continue Pavement Management System.
5. Assistance to Admin Asst with GIS Mapping and Carte Graph software.
6. Oversee all 2013 and 2014 capital projects as approved by Council.

7. Manage all floodplain related issues for Town.

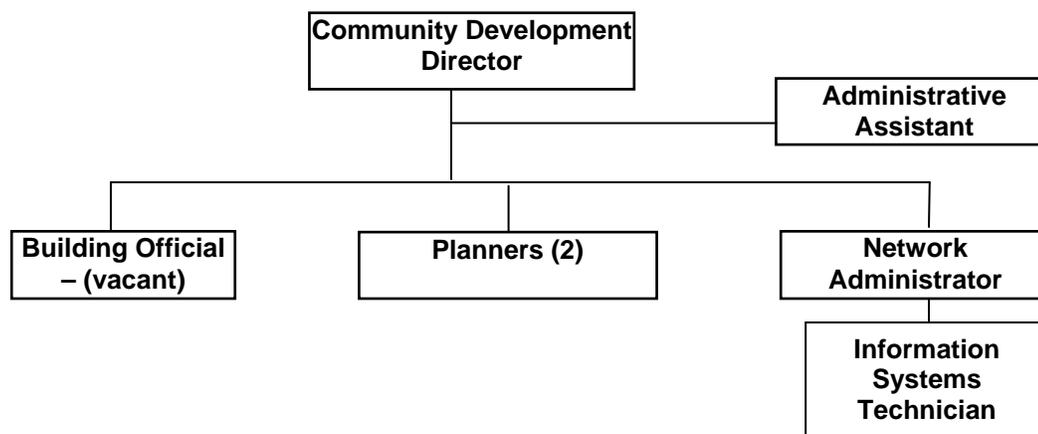
Service Indicators:

| | <u>2011 Actual</u> | <u>2012 Projected</u> | <u>2013 Budget</u> | <u>2014 Budget</u> |
|------------------------|--------------------|-----------------------|--------------------|--------------------|
| Miles of Streets | 28 | 28.5 | 28.5 | 30 |
| Large Projects | 4 | 2 | 3 | 4 |
| \$ of Capital Projects | \$2,250,508 | \$655,512 | \$1,965,000 | \$2,926,976 |

Public Works Summary of Expenditures

| | Actual 2009 | Actual 2010 | Actual 2011 | Projected 2012 | Budget 2013 | Budget 2014 | 2015 | 2016 | 2017 |
|--|------------------|------------------|------------------|-------------------|------------------|------------------|------------------|------------------|------------------|
| <u>Wages</u> | | | | | | | | | |
| Public Works | 1,260,091 | 1,285,484 | 1,314,228 | 1,337,267 | 1,337,315 | 1,378,704 | 1,448,890 | 1,477,555 | 1,507,080 |
| Buildings | 36,473 | 27,014 | 27,093 | 29,033 | 48,481 | 49,208 | 49,946 | 50,695 | 51,456 |
| Parks | 135,457 | 124,575 | 112,298 | 120,974 | 148,919 | 150,133 | 151,365 | 152,615 | 153,884 |
| Engineering | 65,908 | 67,271 | 70,955 | 71,722 | 72,770 | 73,862 | 74,970 | 76,094 | 77,235 |
| Total Wages | 1,497,929 | 1,504,344 | 1,524,575 | 1,558,996 | 1,607,485 | 1,651,907 | 1,725,171 | 1,756,959 | 1,789,655 |
| <u>Programs</u> | | | | | | | | | |
| Public Works Program | | | | | | | | | |
| Wages | 1,260,091 | 1,285,484 | 1,314,228 | 1,337,267 | 1,337,315 | 1,378,704 | 1,448,890 | 1,477,555 | 1,507,080 |
| Services | 114,927 | 125,163 | 120,959 | 146,449 | 151,700 | 159,600 | 164,865 | 168,225 | 171,684 |
| Supplies | 185,334 | 240,559 | 254,929 | 260,111 | 270,000 | 272,000 | 280,000 | 278,000 | 280,000 |
| Capital Assets | 998 | 7,781 | 2,902 | 10,220 | 12,500 | 12,500 | 12,500 | 12,500 | 12,500 |
| Program Total | 1,561,350 | 1,658,987 | 1,693,018 | 1,754,047 | 1,771,515 | 1,822,804 | 1,906,255 | 1,936,280 | 1,971,264 |
| Buildings Program | | | | | | | | | |
| Wages | 36,473 | 27,014 | 27,093 | 29,033 | 48,481 | 49,208 | 49,946 | 50,695 | 51,456 |
| Services | 42,715 | 38,674 | 33,864 | 44,640 | 50,600 | 52,160 | 53,763 | 55,439 | 57,190 |
| Supplies | 9,674 | 9,154 | 7,732 | 12,600 | 12,600 | 12,600 | 12,600 | 12,600 | 12,600 |
| Program Total | 88,862 | 74,842 | 68,690 | 86,273 | 111,681 | 113,968 | 116,309 | 118,734 | 121,246 |
| Parks Program | | | | | | | | | |
| Wages | 135,457 | 124,575 | 112,298 | 120,974 | 148,919 | 150,133 | 151,365 | 152,615 | 153,884 |
| Professional Services | 10,133 | 11,342 | 3,276 | 5,908 | 6,500 | 6,500 | 6,500 | 6,500 | 6,500 |
| Services | 106,542 | 97,383 | 77,326 | 106,559 | 106,200 | 104,300 | 109,653 | 108,047 | 112,482 |
| Supplies | 19,775 | 29,214 | 32,598 | 36,597 | 36,800 | 36,800 | 38,800 | 39,800 | 40,800 |
| Program Total | 271,907 | 262,515 | 225,498 | 270,038 | 298,419 | 297,733 | 306,318 | 306,962 | 313,666 |
| Engineering Program | | | | | | | | | |
| Wages | 65,908 | 67,271 | 70,955 | 71,722 | 72,770 | 73,862 | 74,970 | 76,094 | 77,235 |
| Professional Services | 140 | 1,123 | 973 | 9,597 | 2,500 | 28,000 | 3,000 | 3,000 | 3,000 |
| Services | 1,291 | 2,198 | 2,733 | 5,785 | 5,885 | 5,885 | 5,885 | 5,885 | 5,885 |
| Supplies | 422 | 381 | 494 | 500 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Program Total | 67,761 | 70,972 | 75,154 | 87,604 | 82,155 | 108,747 | 84,855 | 85,979 | 87,120 |
| TOTAL DEPARTMENT EXPENDITURES | 1,989,880 | 2,067,316 | 2,062,359 | 2,197,962 | 2,263,770 | 2,343,252 | 2,413,736 | 2,447,954 | 2,493,297 |

Community Development



LONG RANGE PLANNING

Program Policies

The Town of Silverthorne's Comprehensive Plan, adopted originally in 1993 and amended in 2001, 2004, and 2008 states:

The purpose of the Silverthorne Comprehensive Plan is to:

- Provide a framework that supports informed and consistent decision-making by Town elected officials, appointed officials, and staff.
- Outline a series of long range goals and policies concerning: land use, transportation, community design, and annexation of lands within three miles of the Town limits.
- Guide public investment and the provision of services, and
- Develop policies to balance the rights of the individual with the interests of the community at large.

The following goals found in this Plan support the Town's long range planning efforts.

Land Use Element Goals

- Goal LU 1 To establish a pattern of future land uses which will promote the highest degree of health, safety, efficiency and well being for all segments of the community, and make the most efficient use of land, community facilities, services, while protecting the environment and natural resources.
- Goal LU 2 To develop a viable commercial area within the Town that is composed of six distinct districts: A Gateway District, a Town Core District, a Town Core Periphery District, a Riverfront District, a Destination Commercial District, and a Business Park District.
- Goal LU 3 To encourage future land uses and developments that meet the economic, social, and physical needs, requirements, and limitations of all segments of the community.
- Goal LU 4 To maintain Silverthorne as a family oriented community that offers safe neighborhoods, and provides recreational and economic opportunities for all its citizens.
- Goal LU 5 To protect the environment, and improve it whenever and wherever possible.
- Goal LU 6 To preserve the unique natural and physical characteristics of Silverthorne.

Community Development

Transportation Element Goals

- Goal T 1 To develop a circulation system of roadways, mass transit, pedestrian and bicycle ways that will provide for safe and convenient movement of goods and people within Silverthorne and the surrounding area.
- Goal T 2 To support and help formulate a multi-modal, mass transit system that meets the transportation needs of the community for in-town, countywide and regional service.
- Goal T 3 To develop a safe, convenient, and economical transportation system which does not disrupt urban social units, unique natural resources, or cohesive land use zones, and responds to the proposed future land use patterns established in the Plan.
- Goal T 4 To provide private and public parking that meets the needs of the Town from a quantity and location standpoint.

Community Design Element Goals

- Goal CD 1 To establish clearly defined entryways to establish a sense of arrival to the community.
- Goal CD 2 To protect mountain vistas, scenic backdrops, ridgelines, the Blue River, and significant vegetation and integrate the open space into the community.
- Goal CD 3 To enhance the visual character of Silverthorne by increasing the level of streetscape improvements and landscaping throughout the community.
- Goal CD 4 To create effective way-finding communication and enhance the visual character of the Town.
- Goal CD 5 To utilize lighting to highlight features while protecting the night skies.
- Goal CD 6 To foster high-quality public and commercial architectural and site design within Town districts and corridors.

Three Mile Area Goals

- Goal TMA 1 To annex lands in accordance with Colorado State Statutes.
- Goal TMA 2 To annex lands in a fiscally responsible manner.
- Goal TMA 3 To develop annexed lands in compliance with the Comprehensive Plan.

Implementation Element Goals

- Goal I 1 To achieve public interest, involvement and support of the planning process.
- Goal I 2 To provide a balanced system of community facilities, services and utilities to meet the future needs of the community and all of its citizens.

Economic Development Element Goals

- Goal E 1 To build upon the success of the pedestrian oriented features of the Silverthorne Pavilion and its focus on the Blue River, to further establish a vibrant and easily identifiable Town core.
- Goal E 2 To maintain positive relationships with the business community and actively pursue opportunities to improve the local economy.
- Goal E 3 To consider all potential methods of revenue diversification and economic stabilizers when appropriate in an attempt to diversify the Town's revenue streams.
- Goal E 4 To maintain a strategic marketing plan that ensures a consistent message, vision, and market position for the Town of Silverthorne.
- Goal E 5 To continue cooperative efforts with adjoining communities and other public agencies to advance Silverthorne's economic development.
- Goal E 6 To continue to provide quality infrastructure, demonstrating the Town's commitment to the businesses that rely on roadways, water systems, and other Town infrastructure.

Services Provided to Community

Provide long range plans dealing with specific areas of Community Development (i.e., Comprehensive Plan, traffic, community design, parks, Three-Mile plan, etc.) that identify public policies and provide general guidance for future decision-making for the community. The Department works with the Planning Commission, appointed members of the community, on long range planning issues. The Planning Commission's role is as an advisory board to the Town Council on long range planning issues.

Community Development

2011/2012 Accomplishments

1. Completion of the Downtown Colorado Inc. (DCI) process.
2. Support for the Economic Development Advisory Committee (EDAC).
3. Implementation of EDAC Business Practices and Business Incentives Programs.
4. Completion of the Housing Colorado NOW Design Charrette Process for Smith Ranch.
5. Rivers Edge Park Concept Plan and Construction Drawings.
6. Support and participation in the Summit County Energy Advisory Group, the Summit County Wildfire Council, and the Zero Waste Task Force.
7. Update of the Community Profile.

2013/2014 Goals

1. Silverthorne Urban Renewal Authority Plan Update and Implementation.
2. Comprehensive Plan Update.
3. Parks, Trails, and Open Space Master Plan Update.
4. Countywide Housing Needs Assessment Update.
5. Sign Code Revisions.
6. Land Use Schedule Revisions.
7. Affordable Housing Strategic Plan Implementation – Smith Ranch.

Service Indicators

| | <u>2011 Actual</u> | <u>2012 Actual</u> | <u>2013 Budget</u> | <u>2014 Budget</u> |
|-----------------|--------------------|--------------------|--------------------|--------------------|
| Town Population | 3,896 | 3,916 | 3,981 | 4,021 |

CURRENT PLANNING

Program Policies

To provide day-to-day assistance to developers, citizens, real estate agents, etc., regarding community development issues. This program is responsible for project review, the preparation of staff reports and making recommendations to the Planning Commission and the Town Council on all development applications. This program is also responsible for interpreting the Silverthorne Town Code and making Ordinance changes to respond to the changing development community. Current planning is also guided by policies outlined in the Comprehensive Plan.

Services Provided to Community

The Department ensures that new development achieves the plans and vision of the citizens per the Comprehensive Plan and in conformance with the Silverthorne Town Code.

2011/2012 Accomplishments

1. Processed 25 development applications in 2009.
2. Processed 20 development applications in 2010.
3. Processed 17 development applications in 2011.
4. Processed 21 development applications in 2012.
5. Processed 21 sign permits in 2012 and 17 in 2011.
6. Continued tracking of 38 Conditional Use Permits.
7. Reviewed 1,069 Business Licenses for Zoning Compliance.

2013/2014 Goals

1. Process land development applications.
2. Review Sign Permits.
3. Continue monitoring Conditional Use Permits

Community Development

Service Indicators

| | <u>2011 Actual</u> | <u>2012 Actual</u> | <u>2013 Budget</u> | <u>2014 Budget</u> |
|-------------------------------------|--------------------|--------------------|--------------------|--------------------|
| # of Projects Reviews | 17 | 21 | 17 | 20 |
| # of Annexations Submitted/Reviewed | 0 | 0 | 0 | 0 |

BUILDING CODE COMPLIANCE

Program Policies

To enforce building and technical code provisions to ensure those structures within the Town conform to uniform standards.

Services Provided to Community

The building division issues permits, provides plan reviews, and performs field inspections. Additionally, the staff answers questions relating to construction and code compliance.

2011/2012 Accomplishments

1. Processed the following number of building permits:
 - 84 building permits in 2009, assessed value of \$9,665,312.
 - 50 building permits in 2010, assessed value of \$8,978,503.
 - 59 building permits in 2011, assessed value of \$11,182,323.
 - 52 building permits in 2012, assessed value of \$9,677,262.

2013/2014 Goals

1. Adoption and implementation of the 2012 International Building Codes (IBC).
2. Maintain level of service to construction industry – Timely reviews, timely inspections.
3. Consider adoption of the Summit Sustainable Building Code.

Service Indicators

| | <u>2011 Actual</u> | <u>2012 Actual</u> | <u>2013 Budget</u> | <u>2014 Budget</u> |
|-----------------------|--------------------|--------------------|--------------------|--------------------|
| # of Building Permits | 59 | 52 | 80 | 30 |
| Assessed Valuation | \$11,182,323 | \$9,677,262 | \$12,500,000 | \$6,000,000 |

ZONING CODE COMPLIANCE

Program Policies

To safeguard the health, property and public welfare by controlling the design, location, use or occupancy of all buildings and structures through the regulated and orderly development of land and land uses within this jurisdiction.

Services Provided to Community

The Department is responsible for using the Zoning Code and approved plans to require that property is maintained at an appropriate level. Specifically, major tasks include: 1) resolving life/safety, nuisance or zoning violations within the Town corporate limits; and 2) monitoring existing projects for continued compliance with conditions of previous approvals.

2011/2012 Accomplishments

Coordinated with the Community Service Officer in the Police Department to correct zoning violations.

2013/2014 Goals

1. Continue to work with the Police Department to enforce the code.

Service Indicators

| | <u>2011 Actual</u> | <u>2012 Actual</u> | <u>2013 Budget</u> | <u>2014 Budget</u> |
|------------------------|--------------------|--------------------|--------------------|--------------------|
| Town Population | 3,896 | 3,916 | 3,981 | 4,021 |
| # of Business Licenses | 1,141 | 1,153 | 1,180 | 1,180 |

INFORMATION TECHNOLOGY AND GEOGRAPHIC SYSTEMS

Program Policies

To support and enhance the stability, ease of use and security of the Town's Information Systems infrastructure (networks, telephones, systems, servers, software, GIS information and application data) on behalf of all authorized users, Council, and the public - by maintaining GIS information in an accurate and current state, monitoring IT facilities and adding or upgrading networks, systems and storage as required by Town growth, staff expansion and new or expanded applications.

Services Provided to Community

The Department provides general property information in the form of data bases, maps, software applications and computer hardware support to the public and staff.

GIS: The geographical information system (GIS) is the basis of the Town's land information system that analyzes the connection between places and the associated information to form the basis for many land use decisions.

MIS: Computer software and hardware support allows staff and Council to perform daily tasks efficiently.

2011/2012 Accomplishments

1. Provided timely computer and software support to all users of the Town systems.
2. Maintained key operating and office software at appropriate levels.
3. Changed software vendor of anti-virus environment for protection of Town systems and data.
4. Reviewed software licensing status and update as required.
5. Upgraded e-mail server to the latest version (Exchange 2010).
6. Replaced RecTrac (Point of sale for Recreation Center) server system and major software version upgrade.
7. Replaced older multi-function copier/printers in Town Hall.

2013/2014 Goals

1. Provide timely computer and software support to all users of the Town systems.
2. Ongoing maintenance and replacement of computer hardware.
3. Maintain key operating and office software at appropriate levels.
4. Maintain current anti-virus environment for protection of Town systems and data.
5. Upgrade Town of Silverthorne network switches.
6. Implement hardware for a new financial system.
7. Implement an email archiving system.

Service Indicators

| | <u>2011 Actual</u> | <u>2012 Actual</u> | <u>2013 Budget</u> | <u>2014 Budget</u> |
|-------------------|--------------------|--------------------|--------------------|--------------------|
| # of Locations | 5 | 5 | 5 | 5 |
| # of Servers | 16 | 16 | 16 | 16 |
| # of Computers | 115 | 115 | 115 | 115 |
| # of Users | 110 | 110 | 110 | 113 |
| # of Applications | 33 | 33 | 34 | 34 |

ADMINISTRATION AND FINANCIAL PLANNING

Program Policies

Program policies are identified in the Town's financial policies with regard to financial planning.

Services Provided to Community

The Department assists the public with development procedures, mapping, permitting, statistics and other issues or questions. The Department provides projections of growth and associated costs.

2011/2012 Accomplishments

Operated within allotted budget.

2013/2014 Goals

1. Continue to operate within budget.

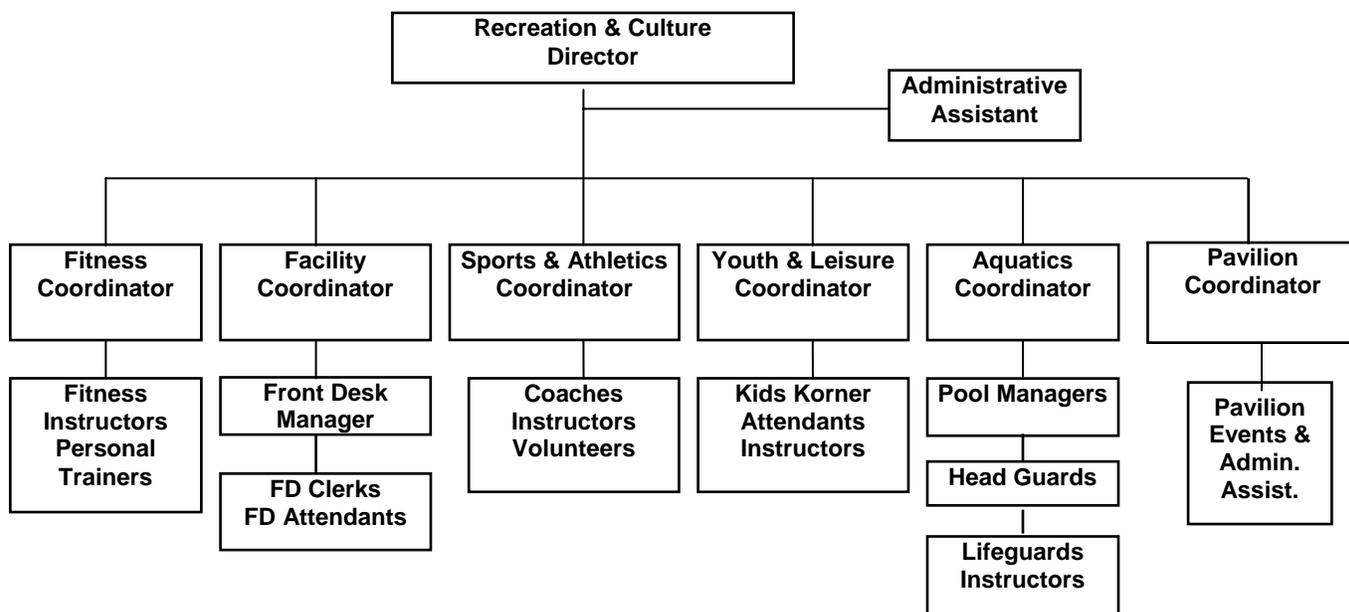
Service Indicators

| | <u>2011 Actual</u> | <u>2012 Actual</u> | <u>2013 Budget</u> | <u>2014 Budget</u> |
|-----------------|--------------------|--------------------|--------------------|--------------------|
| Town Population | 3,896 | 3,916 | 3,981 | 4,021 |

**Community Development
Summary of Expenditures**

| | Actual 2009 | Actual 2010 | Actual 2011 | Projected 2012 | Budget 2013 | Budget 2014 | 2015 | 2016 | 2017 |
|--|------------------------|------------------------|------------------------|---------------------------|------------------------|------------------------|----------------|----------------|----------------|
| <u>Wages</u> | | | | | | | | | |
| Community Dev. | 447,210 | 419,682 | 447,978 | 443,059 | 453,684 | 461,442 | 469,372 | 477,488 | 485,798 |
| Buildings | 54,318 | 312 | - | - | - | - | - | - | - |
| MIS/GIS | 105,249 | 104,372 | 113,208 | 111,149 | 114,842 | 116,564 | 118,313 | 120,087 | 121,889 |
| Total Wages | 606,777 | 673,981 | 606,777 | 554,208 | 568,525 | 578,006 | 587,684 | 597,575 | 607,687 |
| <u>Programs</u> | | | | | | | | | |
| Community Dev. Program | | | | | | | | | |
| Wages | 447,210 | 419,682 | 447,978 | 443,059 | 453,684 | 461,442 | 469,372 | 477,488 | 485,798 |
| Prof. Services | 2,698 | 1,873 | 50 | 1,316 | 3,500 | 3,500 | 3,500 | 3,500 | 3,500 |
| Services | 4,571 | 6,723 | 9,317 | 26,350 | 19,590 | 22,284 | 22,511 | 22,740 | 22,976 |
| Supplies | 2,108 | 1,455 | 2,280 | 1,905 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |
| Program Total | 456,587 | 429,734 | 459,624 | 472,630 | 479,274 | 489,726 | 497,883 | 506,228 | 514,774 |
| Building Program | | | | | | | | | |
| Wages | 54,318 | 312 | - | - | - | - | - | - | - |
| Prof. Services | 35,885 | 84,842 | 98,498 | 83,000 | 63,000 | 63,000 | 63,000 | 63,000 | 63,000 |
| Services | 921 | 424 | 100 | 75 | 2,220 | 2,225 | 2,230 | 2,230 | 2,230 |
| Supplies | 102 | 27 | - | 300 | 500 | 500 | 500 | 500 | 500 |
| Program Total | 91,226 | 85,606 | 98,598 | 83,375 | 65,720 | 65,725 | 65,730 | 65,730 | 65,730 |
| MIS/GIS Program | | | | | | | | | |
| Wages | 105,249 | 104,372 | 113,208 | 111,149 | 114,842 | 116,564 | 118,313 | 120,087 | 121,889 |
| Prof. Services | - | - | - | 500 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Services | 25,868 | 15,590 | 18,320 | 20,958 | 27,880 | 28,380 | 28,380 | 28,380 | 28,380 |
| Supplies | 3,558 | 5,735 | 6,158 | 17,260 | 15,500 | 15,500 | 15,500 | 15,500 | 15,500 |
| Program Total | 134,675 | 125,697 | 137,686 | 149,867 | 159,222 | 161,444 | 163,193 | 164,967 | 166,769 |
| TOTAL DEPARTMENT EXPENDITURES | 682,488 | 641,036 | 695,909 | 705,872 | 704,215 | 716,895 | 726,805 | 736,925 | 747,273 |

Recreation and Culture



PARKS, TRAILS AND OPEN SPACE MASTER PLAN

The Town Council adopted the 3-Mile Master Plan for Parks, Trails and Open Space in January 2001. This plan continues the vision of establishing Silverthorne as a distinct mountain community over the next decade by creating a town defined by a walking scale, a network of easily accessible trails, preservation of scenic vistas, community gathering spaces, places of cultural and artistic expression, places of spiritual renewal and a high quality park and recreation system sufficient to meet the needs of the town’s residents. As in the past, Silverthorne aims to achieve this vision through hands-on participation and dedication of its citizenry.

Program Policies

- Open Space: Open spaces shall be naturalistic, undeveloped and set aside in addition to active park and recreation facilities. Open space may be privately or publicly owned, provided open-space-guiding principles are met. An inter-connected system of open spaces shall be conserved including Silverthorne and surrounding Denver Water Board, Forest Service, Summit County and other jurisdictional lands. Open Space corridors shall be continuous, of adequate width, and inter-connected to accommodate the movement of wildlife and create a sense of separation of adjacent urban uses. Special open space areas and corridors such as the Blue River, creeks, ponds and wetlands shall have a vegetated buffer strip (within the designated open space) on each side and of sufficient width to protect visual, water quality and wildlife integrity. Mountain and rangeland vistas shall be preserved when viewed from roadways, trails, parks and other vantage points. Adequate open space shall be set aside along drainage ways to naturally contain the 100-year flood. Open space shall be used as a way to store and convey storm water as an alternative to channelization and hard structures. Open spaces shall not create nuisances, adversely impact or be adversely impacted by homes, places of business, roads, parks and other land uses. Open spaces shall be safe and affordable to set aside and maintain.

- Trails: There shall be an integrated network of multi-use trails readily accessible from neighborhoods, schools, businesses, activity centers, and transportation systems regardless of income, age, physical ability, or

location in the Town. All trails shall meet state-of-the-art design standards appropriate to the types of trail uses, with attractive fixtures and furnishings and an integrated information interpretive system. Trails shall run through pleasant settings offering a variety of experiences as well as connecting to places of interest such as historic sites, parks, waterways, forest service lands and wildlife areas. There shall be a variety of trail lengths including both short and long trail loops providing a range of trail experiences from a 20-minute work out to a daylong outing. Wherever feasible, trails should be grade-separated from street traffic using safe underpasses and overpasses traversing Highway 9 and other high traffic routes. No home shall be more than 1/2-mile from a multi-use trail with safe on street bicycle and sidewalk connections to trails. The trail network system shall tie into the Town Center and regional trails. There shall be an on street bikeway and sidewalk system that ties to the trail network. Trails and trail facilities shall not adversely impact or be adversely impacted by homes, places of business, roads or the natural environment. Wherever feasible, sustainable, low-water consumption techniques should be used. Where appropriate, trails may serve multiple objectives such as drainage-way maintenance roads and non-motorized transportation. The trail system shall be properly designed and adequate to avoid user conflicts and overcrowding; trails shall be safe and affordable to build and maintain.

- Parks: Park acreage shall meet the needs of current and future populations and recreational demands, regardless of income, age, and physical ability. Parks shall be carefully integrated with the trails and open space networks and readily accessible via trails and walkways from homes and places of employment. Park and recreational facilities shall integrate with, and enhance the quality of neighborhoods. Park and recreational facilities shall not adversely impact homes, places of business or the natural environment. Wherever feasible natural, sustainable, low water consuming landscapes should pre-dominate park settings. Park sites shall be located to take advantage of existing topography, views, vehicular access, interpretive opportunities and school facilities. Park and recreational facilities shall be safe and affordable to build and maintain.

Services Provided to Community

Open Space - Open space in the Town is identified as Blue River, South of 6th (.31 acres); Blue River, Buffalo Subdivision (7.12 acres in Town Center), Silverthorne Subdivision (1.444 acres); 689 Center Circle (.874 acres); Moorlag (2.53 acres); Phase I Factory Stores (3.522 acres); and Eagles Nest (6.0 acres); 1280 Rainbow Court, Lot 39 (10.857 acres).

Trails - The Town's hard surface trail system includes the Blue River Trail, the Blue River Parkway path, the Willowbrook path, and numerous sidewalks, totaling 6.2 miles.

Parks - The Town provides for 48.64 acres of regional parks including Blue River Park (not within the Town limits at this time) and Cottonwood Park. Community Parks of the Town include 26.67 acres identified as Rainbow Park, Trent Park, Willow Grove Park and North Pond Park. Arctic Placer Park is the Town's only Neighborhood Park (.97 acres).

2011/2012 Accomplishments

1. Prioritized Rainbow Park amenities to be built, as designated by the Rainbow Park Master Plan.
2. Enlarged North Pond Park ice surface to accommodate Colorado Pond Hockey Tournament in 2011 and 2012. The expansion also allowed for expanded free winter recreation opportunities.
3. Enhanced existing signage at Silverthorne Nordic Center at Raven Golf Course. Incorporated GPS information to create course maps that are posted on site.
4. Created policy for use of Other Power Driven Motor Devices (OPDMS's) as required by new Americans with Disabilities Act.
5. Participated in design of the Blue River Trail Segment 5 project. Reviewed plans and made recommendations as needed. Participated in public meetings associated with the project.
6. Monitored progress of North Pond Park wetlands status. Made recommendations as needed.

Recreation & Culture

7. Participated in the River's Edge Park planning committee.
8. Submitted update for the Willow Grove Open Space Management Plan to Continental Divide Land Trust, as required every five years.
9. Followed up with Angler Mountain Ranch as needed to complete the Angler Mountain Ranch trail.
10. Worked with Public Works to install timber steps at Boot's Park to encourage river access at a safe and appropriate location.
11. Participated in Make A Difference Day, Clean Up Day, and Swift Skedaddle Snowshoe Adventure.
12. Made recommendations to Public Works regarding signage and amenities along Blue River Trail. Specifically, promoted effort to reduce the number of signs, integrate wayfinding into existing signs, reduce signage size, and create uniformity.
13. Participated in selection of new playground equipment at Trent Park and Rainbow Park Tot Lot.
14. Formed a committee to identify possible locations for bird watching, including seating and educational piece.
15. Participated in the Art in Public Places Committee.
16. Supported efforts to hire a consultant to complete an update to the existing Parks, Trails, and Open Space Master Plan.

2013/2014 Goals

1. Be the champion of an update to the Parks, Trails, and Open Space Master Plan. Actively engage in the project to ensure the end result is a plan that allows Council, SPORT, and staff to allocate resources effectively for parks, trails, and open spaces for the next ten years. Be sure the whole community is engaged in the process and advocate for maximum participation from community members.
 - a. Appoint at least one member to serve on the project's Steering Committee.
 - b. Participate in the public process.
 - c. Assist with survey creation.
 - d. Attend community tour to inventory Town amenities.
 - e. Be sure plan incorporates all Town components, such as businesses, transportation, and residences.
 - f. Ensure plan incorporates all previous parks, trails, and open space planning activities.
 - g. Ensure plan considers future parks; Trent park expansion, Maryland Creek Ranch park, Cottonwood park, Rainbow Park master plan, etc.
 - h. Ensure the plan includes sound guiding principles that will assist SPORT when serving as a referral agency for developments.
 - i. Make sure that recent topics raised by the community are addressed in the new plan.
2. Evaluate signage and parking at existing trailheads.
3. Continue work on identifying locations for bird watching, including seating and educational piece.
4. Participate in Make A Difference Day, Clean Up Day, and Swift Skedaddle Snowshoe Adventure.
5. Install a bike rack, benches, and picnic table at Angler Mountain Trail.
6. Research requirements to achieve a Bicycle Friendly Community Status.
7. Organize at least one work day to clear dead vegetation along the Blue River.
8. Reevaluate potential sites for a dog park in the Town and consider opportunities for a joint effort with a partner community.
9. Meet other SPORT goals as approved by Council.

Inventory of Facilities

| | <u>2011 Actual</u> | <u>2012 Projected</u> | <u>2013 Budget</u> | <u>2014 Budget</u> |
|--------------------------|--------------------|-----------------------|--------------------|--------------------|
| # of Parks | 6 | 6 | 6 | 6 |
| Acres of Developed Parks | 27.64 | 29 | 29 | 29 |
| Miles of Trails | 6.6 | 6.6 | 6.6 | 6.6 |
| Acres of Open Space | 45.734 | 45.734 | 45.734 | 45.734 |
| Skate Parks | 1 | 1 | 1 | 1 |

Recreation & Culture

| | | | | |
|---------------------------|------------------|------------------|------------------|------------------|
| Nordic Center | 1 | 1 | 1 | 1 |
| Outdoor Skate Rink | 1 | 1 | 1 | 1 |
| Outside Volleyball Courts | 4 | 4 | 4 | 4 |
| Playgrounds | 3 | 3 | 3 | 3 |
| Tennis Courts | 4 | 4 | 4 | 4 |
| Hours of Operations | Sun Rise to Dusk |
| Town/County Population | 3,899/27,964 | 3,942/28,272 | 3,981/28,555 | 4,021/28,840 |

Projected Levels of Service (according to Parks Trails and Open Space Master Plan)

| Community Population | Developed Parkland Packets, Neighborhood & Community Parks (Regional Parks) | Developed Playfields | Developed Parks Acres Ratio per 1,000 population |
|-----------------------|---|----------------------|--|
| Silverthorne (10,000) | 75.9 (46) | 9 (6) | 7.6 (4.6) |

RECREATION CENTER

Program Policies

- The Recreation Center is open daily for citizens based on the use or anticipated use of the Center, except for 4th of July, Thanksgiving Day and Christmas Day. Hours of operation will be based on demand for the Center based on the season with some modifications for holidays and consistency. Holiday hours, usually 10 a.m.-6 p.m., will be approved by the Town Manager and Recreation & Culture Director. Notice will be posted at least one week in advance of closures. Maintenance of the facility may require scheduled closures for cleaning, modifications and improvements.
- Public safety is the number one responsibility of the Town of Silverthorne. The Recreation Center provides many opportunities for emergency situations, which must be balanced with a responsible use of the facility. Individuals may be requested (and in some cases required) to refrain from activities, if in staff's judgment they are posing a risk to themselves or others. Group use of areas may be restricted based on available staffing or, in some cases group use may require prior scheduling. The facility or areas of the facility may be closed when dangerous conditions exist. The Manager (and potentially the Mayor and Council based on the decision of the Town Manager and Recreation & Culture Director) will be notified immediately when dangerous conditions exist resulting in closure, evacuation or incidents requiring medical assistance.
- Daily fees will be set based on market and demand for the facility, pass fees will be established to provide a discount for Silverthorne residents. Annual revenues will be reviewed in accordance with the financial policies of the Town. The rate schedule will be as simple as possible to provide a fair fee to all users. Admission fees are set by the Council with annual review; program fees and special event fees are established by the Recreation and Culture Director and the Town Manager.
- The Town of Silverthorne will provide a safe place to use and enjoy the Recreation Center, providing for a well-rounded recreation experience. On a daily basis, the Recreation Center will staff for safety and to provide a minimum amount of instruction on the use of equipment and related issues. Daily fees will reflect the added cost of staffing for those one-time users who increase the daily wear and tear of the facility and the equipment.
- The Recreation Center is for the use and enjoyment of all citizens and visitors to Silverthorne. Anyone found to be abusing the right to use the Center (verbal abuse or failing to follow Recreation Center policy) may lose their use of the Center from 24 hours to indefinitely per the Recreation & Culture Director and Town Manager's recommendation. The Town will pursue collection of the cost of vandalism and may file legal charges based on their recommendation. The cost of vandalism may be reimbursed by community service.

Recreation & Culture

- It is the policy of the Town of Silverthorne to promote the use of the recreation center through marketing techniques using tax dollars. To maximize our resources, the Department will utilize “trade” in marketing efforts. The Recreation and Culture Director will approve these trades.
- It is the policy of the Town to provide a youth scholarship program for those citizens who might not otherwise be able to participate in our programs or classes. The Town also provides a reduced rate program for those who meet established income guidelines.
- In an effort to be pro-active on facility maintenance needs, either partial or full use of the facility will be limited for annual maintenance shut down and repairs.

Services Provided to Community

Citizens and visitors receive quality recreational opportunities, community activities and programs. Citizens are provided a 62,000 square foot indoor recreational space which houses a public lobby, two public meeting rooms, locker rooms for men, women, and families, four swimming pools, three aquatics slides, indoor and outdoor hot tubs, a sauna, a steam room, an aerobics room, a free weight room, two cardio areas, two racquetball courts, a cycling room, two stretching areas, and an 8,106 square foot gymnasium with a 1/11 mile track around the top.

2011/2012 Accomplishments

1. Recreation and Culture Department Strategic Plan implementation of immediate and short term recommendations. Repurposed Community Room and organization of related programming to maximize new space, continued analysis and adjustment of cost recovery for programs and services using the “Pyramid” method, and establishment of appropriate free services for the community, such as providing drop ins for all age groups and/or free days at the Recreation Center.
2. Made efforts to appropriately use available marketing avenues such as Town website, Pastimes brochure, and marketing contracts with newspaper and radio. Continued use of social media tools, such as Face Book, Twitter, mass emails, and blogs to advertise programs and events. These marketing tools are much greener than traditional mailers, letters, and flyers and often provide an opportunity to market directly to specific interest groups.
3. Final step completed on justifiable rate schedule for facility admission and pass rates.
4. Completed Asset Management Plan projects as budgeted, including painting exterior metal columns, replacement of skylights in gymnasium, pool, and lobby, addition of snowmelt system to entrance walkway, improvements to Kids Korner patio concrete, refurbished upstairs restrooms, new Kids Korner tile, men’s and family locker rooms new tile and counters, new tile in steam room, new entry signage, new shed, and work to the Pool Pak including a new compressor, three pumps, and heat exchangers. Fitness equipment replaced included upgrade of three bikes, four treadmills, fifteen spin bikes, chest fly/rear delt, chest press, cardio theatre, and miscellaneous benches.
5. Partnered with Summit School District to offer recreational programs on site at Silverthorne Elementary School one day per week; therefore offering services to local students who may not have transportation to the Recreation Center and also to allow after school programs to expand when the Recreation Center is at capacity. Arranged for the Recreation Center to be a drop off location for Silverthorne Elementary school buses on Mondays. Participated in county-wide program, led by SOS Outreach, when Winter Rec was canceled by the school district.
6. Have met or exceeded the regulations required in three new State and Federal law changes, including the American with Disabilities Act regarding recreational facilities, the Virginia Graham Baker Act which regards aquatics pumps and drains, and the State of Colorado’s new Water Slide Registration requirements.
7. Coordinated efforts with other County entities during the Quizno’s Pro Challenge Bike Race, which passed through Silverthorne in August 2011.

Recreation & Culture

2013/2014 Goals

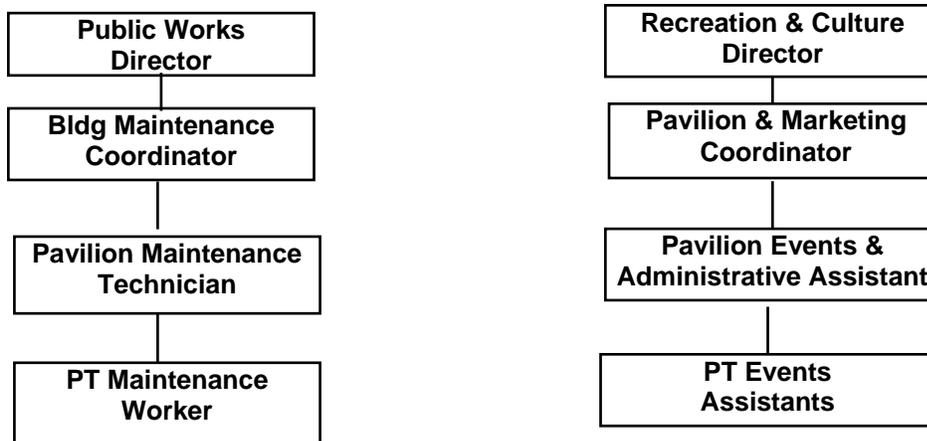
1. Continue implementation of Strategic Plan recommendations including; continue analysis and adjustment of cost recovery for programs and services using the Pyramid method, create a formal pricing policy, and design and construct racquetball court conversion.
2. Continue to evaluate policies and procedures that support facility safety and security, particularly during busy winter months. Implement changes as needed.
3. Upgrade the current recreation software, RecTrac, to include WebTrac module. WebTrac will improve the ease and security of credit card transactions, allow installment billing, transfer RecTrac information directly to the Town website, and provide online registration for passes, classes, and facility rentals. The addition of WebTrac will require a standalone server and additional annual maintenance fees. However, liability is decreased with more secure credit card procedures, staff efficiency is improved with less duplication of data entry, and customer service is enhanced with billing and online options that are currently not available.
4. Continue partnering with Summit School District to provide programming to local students. Participate in the county-wide discussion regarding before and after school and days off programs. Contribute with solutions that make sense for the Town's residents.
5. Continue to pursue special events, both in-house and with outside marketing companies, that market the Town and its businesses while providing quality recreational opportunities to the community.

Service Indicators

| | 2011 Actual | 2012 Actual | 2013 Projected | 2014 Budget |
|---------------------------------|--|--|--|--|
| \$ of Recreation Ctr. Revenues | \$1,443,924 | \$1,356,479 | \$1,401,895 | \$1,413,887 |
| \$ of Passes Revenues | \$ 809,351 | \$ 712,519 | \$ 782,225 | \$ 784,532 |
| \$ of Daily Admissions Revenues | \$ 273,286 | \$ 275,362 | \$ 264,150 | \$ 268,215 |
| # of Visitors | 234,000 | 265,150 | 235,000 | 240,000 |
| # of Daily Admissions | 34,900 | 31,250 | 32,000 | 34,000 |
| # of Passes | 8,700 | 8,000 | 8,500 | 8,750 |
| # of Special Events | 18 | 18 | 18 | 18 |
| # of Facilities | 1 | 1 | 1 | 1 |
| # of Fee-based Classes/Programs | 730 | 730 | 730 | 730 |
| # of Classes & Events Attendees | 7,136 | 7,200 | 7,200 | 7,200 |
| # of Kids Korner Attendees | 4,150 | 3,650 | 4,000 | 4,200 |
| # of Free Fitness Classes | 1,593 | 1550 | 1575 | 1600 |
| Hours of Operations | Winter & Summer Hours M- F 6 am- 9 pm Sat 7 am - 9 pm Sun 8 am- 9 pm | Winter & Summer Hours M- F 6 am- 9 pm Sat 7 am - 9 pm Sun 8 am- 9 pm | Winter & Summer Hours M- F 6 am- 9 pm Sat 7 am - 9 pm Sun 8 am- 9 pm | Winter & Summer Hours M- F 6 am- 9 pm Sat 7 am - 9 pm Sun 8 am- 9 pm |
| Town/County Population | 3,899/27,964 | 3,942/28,272 | 3,981/28,555 | 4,021/28,840 |

Silverthorne Pavilion

Pavilion



The Town of Silverthorne celebrated the grand opening of the 14,000 square foot facility on June 9, 2001. Over one thousand residents attended the unveiling of a facility, considered the “crown jewel” of the new, town center. The Pavilion was built by the Town as a place for the community to gather and grow, to celebrate both private and public events. The Silverthorne Pavilion will fulfill the “Culture” element of the Town’s Recreation and Culture Department by programming and attracting a broad variety of performing arts and activities.

Program Policies

The Silverthorne Pavilion is a community facility that serves multiple purposes, including hosting private rentals, giving not-for-profits a venue to host fundraisers and banquets, and to provide programming for all ages groups.

Rentals: The Pavilion currently recovers about 50% of operating expenses – primarily obtained through private rentals. As of May 3, 2012, the Pavilion has 109 rentals on the 2012 calendar, including 47 weddings, 15 banquets and 5 meetings. Effective January 1, 2011, the Pavilion adopted a new, tiered site fee structure, which includes “blackout” dates for providing discounts within peak seasons, specifically, Fridays, Saturdays and Sundays in June, July and August, as well as Saturdays in May, October and December.

Not-For-Profit Outreach / Grants: Sixteen non-profit organizations requested in-kind use of the Pavilion in 2012 via the grant process, resulting in 19 days provided at no charge to these organizations. (Many also received free use of amenities, such as the kitchen, audio/visual equipment and the marquee in addition to the facility itself.) In addition to the grant process, not-for-profit organizations are eligible to receive a 40% discount off of the Pavilion’s site fees.

Programming: 2011 saw flat revenues for Pavilion special events. We plan to build on the success of existing events and grow the quality of these existing events, while looking to build partnerships to help the events grow in size and numbers. The 2011 budget allocated \$30,000 for Pavilion Special Events and approximately \$12,000 of revenue was recovered from these events.

Liquor: Since opening in 2001, the Town has entrusted a liquor concessionaire to safely and consistently serve alcohol to guests on premise. In the fall of 2010, we underwent an extensive RFP process to select a new liquor provider. All Seasons Catering took over the concession space on January 14, 2011 as the new concessionaire. Their annual contract was renewed for 2012, with the option to renew for another four years. Upon renewal, Exhibit A of the contract was revised to reflect price increases in line with what market surveys reflect.

Recreation & Culture

Retail: Cutthroat Anglers has been a tenant of the Town's, occupying the retail space adjacent to the Pavilion, for many years. The business was purchased by a new owner in 2010 (Jim Buckler from Kansas City), and the lease was recently renewed after reaching the end of its term.

Maintenance: Pavilion Maintenance comprises over 50% of the entire Pavilion budget. The age of the facility warrants that basic wear-and-tear will now have to be addressed on an annual basis, including: parking lot maintenance, painting, HVAC, floors, roof and skylight repairs, gutter replacement, electrical and plumbing upkeep. Many of these items have been addressed with the long-term Asset Management Plan (AMP), however, it is important to keep in mind that as the wear and tear of the facility continues, it will take more time to clean the building than it did before the building had that wear and tear. As the use of the facility increases, the supplies and labor costs of keeping the facility presentable and attractive to clients will also increase. In 2012, the entire Pavilion sound system was replaced and upgraded to accommodate more sophisticated sound engineering. This \$16,000 investment will reduce the requirement for rental of outside sound equipment for performances. Also in 2012, the Pavilion floors were sanded and refinished as part of the AMP. Ongoing floor maintenance will need to be budgeted. In the past, floor stripping and refinishing was a substantial cost. Moving forward, maintenance coats of the refinished floors will be slightly more expensive than what we were spending on stripping and refinishing.

2011/2012 Accomplishments:

1. Coordinated with Administrative Services Department to complete the RecTrac conversion for all Pavilion rentals. All households and payments are now run through RecTrac, which significantly improves facility rental tracking and reporting.
2. Used Pavilion down times to serve existing Recreation and Culture programs, as suggested in the Strategic Plan. Of the classes tested, yoga has found a continuous home at the Pavilion, while others programs have had mixed success. As a result, there is an increased number of programs being conducted at the Pavilion, and this increase is shown in the service indicators listed below.
3. Hired and trained a new Pavilion and Marketing Coordinator and Pavilion Events and Administrative Assistant. Furthermore, a new Liquor Concessionaire was hired in 2010.
4. Completed Asset Management Plan projects as budgeted, including replacement of main hall skylights, seal coating parking lot, beam work and staining of rafters, bathroom upgrades, replacement of sound system, new dishwasher, new ice maker, and new intake/outtake fans.

2013/2014 Goals:

1. In conjunction with the Public Works department, create a plan to enhance the Pavilion grounds through projects such as; landscaping enhancements, ceremony site upgrades including decking options, as well as turf improvements and revitalizing the shrubbery and mulch areas. The improvements will aide in the continued success of revenue driving events such as weddings and other private rentals.
2. Create a robust, town wide marketing and branding plan through branded merchandise, branded event signage and structures such as pop up tents and banners. Coordinate with other Town departments to create a comprehensive marketing plan regarding newspaper and radio advertising that will maximize the number and quality of ads received with Town dollars.
3. Create and strengthen a strategic partnership plan to build meaningful relationships between the Town of Silverthorne and specific business entities within the Town.
4. After RecTrac is upgraded to include WebTrac, begin using the system at the Pavilion to complete all ticket sales electronically.
5. Create a composting/green program at the Pavilion to allow for marketing of green weddings and business meetings and to cut down on Pavilion trash pickup.

Recreation & Culture

Service Indicators

| | <u>2011 Actual</u> | <u>2012 Actual</u> | <u>2013 Budget</u> | <u>2014 Budget</u> |
|---|--------------------|--------------------|--------------------|--------------------|
| # of Formal Events | 49 | 50 | 50 | 50 |
| # of events not produced by TOS (grant-awarded fundraisers, other fundraisers and events) | 62 | 64 | 60 | 60 |
| # of Non-Profits Use - Free | 13 | 14 | 13 | 13 |
| # of Non-Profits Use - 40% Discount | 23 | 25 | 23 | 25 |
| # of TOS-produced events (concerts, comedy, children's, other) | 24 | 26 | 25 | 25 |
| # of Retail Leases | 1 | 1 | 1 | 1 |
| # of Internal TOS Uses | 99 | 125 | 99 | 125 |
| Amt of Turnover Time - Cleanup/Setup per event | 14 hours | 14 hours | 14 hours | 14 hours |
| \$ of Facility/Event Revenues | \$137,134 | \$139,992 | \$145,000 | \$145,000 |
| \$ from Concession Receipts | \$ 21,138 | \$ 19,500 | \$ 25,000 | \$ 25,000 |
| \$ of Retail Lease Revenues | \$ 74,433 | \$ 80,621 | \$ 77,807 | \$ 78,428 |

Recreation & Culture

**Recreation & Culture
Summary of Expenditures**

| | Actual 2009 | Actual 2010 | Actual 2011 | Projected 2012 | Budget 2013 | Budget 2014 | 2015 | 2016 | 2017 |
|---|------------------------|------------------------|------------------------|---------------------------|------------------------|------------------------|------------------|------------------|------------------|
| Wages | | | | | | | | | |
| Full-time Wages | 1,442,429 | 1,496,551 | 1,517,157 | 1,549,144 | 1,569,920 | 1,599,356 | 1,628,444 | 1,658,369 | 1,689,164 |
| Part-time Wages | 459,821 | 430,587 | 445,747 | 432,606 | 461,870 | 468,997 | 476,247 | 476,751 | 477,280 |
| Total Wages | 1,902,250 | 1,927,138 | 1,962,904 | 1,981,750 | 2,031,790 | 2,068,353 | 2,104,691 | 2,135,120 | 2,166,445 |
| Recreation Center Programs | | | | | | | | | |
| General Program | | | | | | | | | |
| Wages | 1,129,166 | 1,151,785 | 1,175,663 | 1,198,227 | 1,190,305 | 1,212,238 | 1,234,808 | 1,251,197 | 1,268,200 |
| Prof. Services | 44,436 | 330 | 573 | - | 500 | 500 | 500 | 500 | 500 |
| Services | 306,105 | 289,161 | 285,682 | 285,544 | 328,617 | 332,642 | 343,727 | 353,918 | 364,447 |
| Supplies | 107,525 | 101,579 | 96,510 | 112,364 | 93,149 | 92,589 | 94,489 | 95,868 | 97,249 |
| Capital Assets | 33,676 | 27,545 | 28,073 | 26,000 | 26,000 | 26,000 | 26,000 | 26,000 | 26,000 |
| Program Total | 1,620,908 | 1,570,399 | 1,586,499 | 1,622,135 | 1,638,571 | 1,663,969 | 1,699,524 | 1,727,484 | 1,756,396 |
| Fitness Programs | | | | | | | | | |
| Wages | 92,675 | 82,919 | 83,536 | 78,720 | 92,798 | 94,189 | 95,602 | 97,036 | 98,492 |
| Services | 1,060 | 686 | 732 | 900 | 1,200 | 1,400 | 1,500 | 1,500 | 1,500 |
| Supplies | 3,367 | 4,992 | 5,366 | 6,425 | 10,250 | 10,750 | 7,000 | 7,000 | 7,000 |
| Program Total | 97,102 | 88,597 | 89,633 | 86,045 | 104,248 | 106,339 | 104,102 | 105,536 | 106,992 |
| Aquatics Programs | | | | | | | | | |
| Wages | 345,976 | 346,564 | 356,470 | 360,386 | 392,082 | 397,963 | 403,933 | 409,992 | 416,141 |
| Services | 1,722 | 1,211 | 1,386 | 1,502 | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 |
| Supplies | 7,027 | 7,154 | 8,521 | 10,886 | 12,100 | 10,220 | 12,300 | 10,300 | 12,300 |
| Program Total | 354,725 | 354,929 | 366,378 | 372,774 | 405,982 | 409,983 | 418,033 | 422,092 | 430,241 |
| Adult/Youth Sports Programs | | | | | | | | | |
| Wages | 55,953 | 50,548 | 52,730 | 54,444 | 59,315 | 60,205 | 61,108 | 62,025 | 62,955 |
| Supplies | 7,179 | 10,430 | 12,723 | 12,300 | 13,850 | 13,850 | 14,100 | 14,100 | 14,100 |
| Program Total | 63,132 | 60,978 | 65,453 | 66,744 | 73,165 | 74,055 | 75,208 | 76,125 | 77,055 |
| Children/Special Events Programs | | | | | | | | | |
| Wages | 37,667 | 36,796 | 38,960 | 41,256 | 39,149 | 39,736 | 40,332 | 40,937 | 41,551 |
| Supplies | 8,294 | 6,356 | 6,512 | 8,500 | 10,681 | 9,610 | 9,700 | 9,700 | 9,700 |
| Program Total | 45,961 | 43,152 | 45,472 | 49,756 | 49,830 | 49,346 | 50,032 | 50,637 | 51,251 |
| Total Rec. Center Programs | 2,181,828 | 2,118,056 | 2,153,435 | 2,197,454 | 2,271,795 | 2,303,692 | 2,346,899 | 2,381,873 | 2,421,935 |

Recreation & Culture

| | Actual 2009 | Actual 2010 | Actual 2011 | Projected 2012 | Budget 2013 | Budget 2014 | 2015 | 2016 | 2017 |
|--|----------------|----------------|----------------|-------------------|----------------|----------------|-----------|-----------|-----------|
| Pavilion Programs | | | | | | | | | |
| Wages | 240,813 | 258,526 | 255,545 | 248,717 | 258,143 | 264,022 | 268,908 | 273,934 | 279,106 |
| Prof. Services | 1,320 | 4,088 | 974 | - | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 |
| Services | 97,964 | 99,828 | 97,713 | 98,302 | 109,091 | 109,607 | 112,425 | 114,869 | 117,510 |
| Supplies | 15,511 | 15,713 | 19,045 | 19,482 | 16,200 | 16,200 | 16,200 | 16,200 | 16,200 |
| Special Events | 40,107 | 34,790 | 30,272 | 28,000 | 34,500 | 34,500 | 34,500 | 34,500 | 34,500 |
| Capital Assets | 4,607 | 8,057 | 9,275 | 13,467 | 17,500 | 13,500 | 13,500 | 13,500 | 13,500 |
| Total Pavilion Programs | 400,321 | 421,002 | 412,824 | 407,968 | 436,934 | 439,330 | 447,033 | 454,503 | 462,316 |
| TOTAL DEPARTMENT EXPENDITURES | 2,582,149 | 2,539,058 | 2,566,259 | 2,605,422 | 2,708,729 | 2,743,022 | 2,793,931 | 2,836,376 | 2,884,251 |

Capital Improvement Project Fund

On September 15, 1992, the citizens of Silverthorne approved the following election question creating the Sales Tax Capital Improvements Fund:

“Shall the Town of Silverthorne Ordinance No. 11, Series 1992, pledging 60% of the revenue from the Town’s existing 2% sales tax to the Capital Improvements Fund, to be used solely for providing capital improvements, including a Town recreation center, be approved?”

The 2013 & 2014 Financial Policies identify the following direction for establishing priorities for capital projects: 1) safety, 2) complete existing projects, 3) maintain existing capital facilities, 4) extend existing systems. The 2013 & 2014 Long Range Plans that follow highlight capital expenditures by department.

Future years reflect a fund balances that is growing. This is mostly due to the early retirement of the 1998 Excise Tax Revenue Bonds in 2008 and 2009. Reserve targets prior to 2006 were very conservative. During these years the Town did not have a positive available fund balance due to debt payment, debt reserve and asset replacement reserve requirements. The Reserve Targets for 2003 -2006 included: 100% of the next year’s debt payments, the highest scheduled annual debt payment for bond issuances and a reserve for the assets management /replacement (AMP). During those years AMP was a percentage of the Town’s total replacement cost of all buildings and the contents within. If funding was needed beyond the revenues available in the Sales Tax Capital Fund, then Council could request funds be transferred from the General Fund’s available fund balance or continue to deplete the Sales Tax Capital Improvement Fund. However, beginning in 2007, Council has allowed the AMP reserve to be reduced to \$500,000 due to the fact that staff developed a long term AMP plan. Due to the fact the Bonds were retired in 2009, the debt reserve requirements were no longer needed.

Transfers to the Sales Tax Capital Improvement Fund can be seen as a transfer under revenues.

Transfer to other funds (Lodging Tax Fund in this Budget) is accounted for under expenditure in the department that manages the project. The Town’s financial policy allows transfers between governmental funds.

The following is background of capital expenditures as it relates to Town departments.

Administrative Services

Technology (computers, printers, copiers, phones and related equipment) System expenditures are valued additions to the Town. The Town’s belief is that a more efficient organization can be created by the use of technology. There are no major new additions in 2013 & 2014 budgets beyond the AMP program. The Financial Accounting software is scheduled to be replaced in 2013.

Sales tax revenues are the main revenue source for the Capital Fund. Audits on various sales tax producing businesses occur annually. A portion of the cost of the audits is covered by the Capital Fund.

Public Safety

The Town has Mobile Data Units (MDU) computer laptops in our patrol cars. The laptops connect with the county-wide communication center, and decrease the air traffic on the patrol radios and provide our officers the ability to do record checks more expeditiously. The MDUs are scheduled for replacement in the asset management plan.

The Town Public Safety department uses the county-wide communication center as their dispatcher system. This requires us to contribute to the capital portion of the communication center.

Public Works

Major street improvements are funded by the CIP fund. At times, a portion of street expenditures will be funded out of the Development Excise Tax Special Revenue Fund.

The Town has many major maintenance street projects each year that include overlays, culverts and

reconstruction. As roads are added to the Town system by new development the cost for general maintain for these systems are included in the General Fund Public Works program. For 2013, major reconstruction is scheduled for Little Beaver Trail drainage, Blue River tunnel reconstruction and pavement management consulting. For 2014, additional reconstruction work continues for the Blue River tunnel. In both years numerous major maintenance street projects are scheduled.

The Fleet and Street Programs have their own descriptions later in this section. See the tables for a complete description of scheduled projects.

Other Public Work projects for 2013 include the continued construction of the Blue River Trail; specifically the section north of Town Hall to Willow Grove Park. The CIP fund assists in the funding of the trail system by transferring needed funds to the Lodging Tax Fund which is the fund that accounts for the construction of the Trail. In 2013 and 2014 a \$400,000 and \$662,500 transfer from the CIP Fund to the Lodging Tax Fund is needed for the Trail construction.

In 2013, Public Works will also be designing and constructing a new bathroom at Rainbow Park near the new Tot playground. The Park's back parking lot will also be paved and curbs added.

Recreation & Culture

The Recreation & Culture department developed a strategic plan for operation and capital, specifically for the recreation center. One of the goals of the strategic plan is to "repurpose" the racquetball courts at the recreation center. The racquetball courts are not used as frequently as they have been in the past and the increased needs in the cardio and fitness areas have been deemed a priority. The strategic plan recommends reconstruction of the area in order to increase space for cardio and fitness classes. The design of this project is scheduled in 2013 and reconstruction in 2014. Added to these increased areas will be additional cardio and fitness equipment.

These new items will need to be added to the AMP program and require staff time to maintain.

Asset Management Plan (AMP)

The Town's financial plan (appendix A) states "the budget will provide adequate maintenance of capital plant and equipment and for orderly replacement."

A committee of staff members was organized to setup a long-term AMP system that addressed all Town assets that had a life of one year or more and a value of \$5,000 or greater. An analysis of technology, buildings (internal, external and mechanical), parks and equipment was conducted. A 20-year plan was developed addressing replacement and major maintenance. The next five years of projects is listed on page 95. The last remaining piece to this AMP system is adding the Town's infrastructure inventory. This would include streets, sidewalks, bridges, etc. This is a goal for 2013. A pavement maintenance system is currently being assembled to assist with the infrastructure AMP. The AMP system is helping the Town stay current with capital replacement and maintenance which protects and extends the life of all Town assets.

Debt

The Town had one bond debt obligation, the 1998 Excise Tax Revenue Bonds that were used to construct the Town Pavilion and for Blue River Parkway infrastructure improvements. The revenue used to pay this debt is the 60% of the Town's sales tax revenues. The bonds became callable in 2008. The 2008 and 2009 financial markets were favorable for calling the bonds, and the Town was able to use unreserved funds balances from the General and Sales Tax CIP Fund to call the bonds. Council chose to call \$1,825,000 of principal in 2008 and \$1,845,000 in 2009. Paying the bonds early allowed for an additional \$500,000 annually to be used for other capital projects.

Additional information on debt is included in the "Financial Summary" section.

Sales Tax Capital Improvement Fund Long Range Plan

The Sales Tax Capital Project Fund is a Governmental Fund type used to account for the acquisition or construction of general capital assets. The revenue source is a percentage (60%) of the

Town's sales tax. The expenditures reflect activity in each of the five departments, the asset management plan and the debt program.

| Revenues | Actual 2009 | Actual 2010 | Actual 2011 | Projected 2012 | Budget 2013 | Budget 2014 | 2015 | 2016 | 2017 |
|-----------------------------------|------------------|------------------|------------------|-------------------|------------------|------------------|------------------|------------------|------------------|
| Sales Tax | 2,245,857 | 2,210,312 | 2,321,098 | 2,440,175 | 2,616,277 | 2,661,972 | 2,715,212 | 2,769,516 | 2,824,906 |
| Interest | 23,295 | 34,035 | 7,331 | 7,505 | 7,983 | 7,880 | 19,040 | 26,997 | 29,119 |
| Miscellaneous | 62,725 | 196,157 | 266,979 | 378,674 | 189,107 | 161,107 | 126,407 | 128,407 | 168,407 |
| Transfers from General Fund | 500,000 | - | 600,000 | - | - | 650,000 | - | - | - |
| TOTAL REVENUE: | 2,889,567 | 2,440,504 | 3,195,407 | 2,826,354 | 2,813,367 | 3,480,959 | 2,860,659 | 2,924,920 | 3,022,433 |
| Expenditures | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Administrative Services: | | | | | | | | | |
| Land Improvements | 11,495 | 1,754 | 2,200 | - | - | - | - | - | - |
| Technology | 30,431 | 66,932 | - | 75,000 | 103,400 | 30,900 | 50,000 | - | - |
| Sales Tax Auditing | 9,075 | 7,276 | 9,180 | 9,600 | 10,000 | 10,000 | 10,000 | 10,000 | 10,000 |
| Comprehensive Plan | - | - | - | - | 120,000 | - | - | - | - |
| Public Safety | | | | | | | | | |
| Communication Center Capital | - | - | 29,433 | 34,699 | 34,932 | 36,679 | 38,513 | 40,438 | 42,460 |
| Public Works: | | | | | | | | | |
| Street/Drainage Improvements | 641,065 | 873,334 | 1,912,713 | 827,188 | 665,000 | 570,000 | 1,275,000 | 1,335,000 | 1,200,000 |
| Sidewalk/Neighborhood Improvement | 394,398 | - | - | - | - | 200,000 | 150,000 | 150,000 | 150,000 |
| Bridges/Pathways | 92,815 | 52,479 | - | - | - | - | - | - | - |
| Rivers Edge/Kayak Park | - | - | - | 200,000 | - | - | - | 50,000 | 470,000 |
| Parks/Building Projects | - | - | - | 134,144 | 400,000 | - | - | - | - |
| Transfer to Lodging Tax Fund | - | - | - | 105,000 | 400,000 | 662,500 | 225,000 | - | 225,000 |
| Recreation & Culture | | | | | | | | | |
| Recreation Center Building | - | - | 79,205 | 30,000 | 104,600 | 726,807 | 31,000 | - | - |
| Pavilion Building | - | - | - | 18,000 | - | - | - | - | - |
| Asset Management Plan | | | | | | | | | |
| Energy Audit/Projects | 77,740 | 77,554 | 881 | 76,355 | 30,000 | 15,000 | 30,000 | 30,000 | 30,000 |
| Technology | 33,713 | 48,483 | 95,465 | 48,894 | 63,000 | 84,000 | 40,500 | 49,192 | 110,980 |
| Buildings | 214,905 | 384,018 | 296,315 | 392,982 | 380,800 | 555,180 | 298,810 | 676,550 | 331,800 |
| Parks | 39,186 | 277,203 | 43,459 | 188,000 | 75,000 | 245,000 | 124,250 | 53,250 | 83,500 |
| Equipment | 58,997 | 57,491 | 51,822 | 35,822 | 93,457 | 46,146 | 60,476 | 99,332 | 84,297 |
| Fleet | 317,587 | 685,294 | 597,973 | 221,839 | 724,000 | 294,450 | 261,900 | 360,400 | 608,650 |
| Bond Debt: | | | | | | | | | |
| Pavilion & Parkway Payment | 1,942,994 | - | - | - | - | - | - | - | - |
| TOTAL EXPENDITURES | 3,864,401 | 2,531,817 | 3,118,647 | 2,397,523 | 3,247,389 | 3,476,662 | 2,595,449 | 2,854,162 | 3,346,687 |
| INCREASE / (DEC) FUND BAL. | (974,834) | (91,313) | 76,760 | 428,831 | (434,022) | 4,297 | 265,210 | 70,758 | (324,255) |
| PRIOR FUND BALANCE | 1,624,955 | 650,121 | 558,809 | 635,570 | 1,064,400 | 630,378 | 634,676 | 899,886 | 970,644 |
| CURRENT FUND BALANCE | 650,121 | 558,809 | 635,570 | 1,064,400 | 630,378 | 634,676 | 899,886 | 970,644 | 646,389 |
| LESS RESERVE TARGET: | | | | | | | | | |
| Wetlands/Streets Obligations | - | - | - | 126,669 | 126,669 | 126,669 | 126,669 | 126,669 | 126,669 |
| Asset Management Plan | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 | 500,000 |
| AVAILABLE FUND BALANCE | 150,121 | 58,809 | 135,570 | 437,731 | 3,709 | 8,007 | 273,217 | 343,975 | 19,720 |

**Sales Tax Capital Improvement Fund
Public Works Infrastructure Improvement Program
Long Range Plans**

| Expenditures | <u>Project</u> | Projected | Budget | Budget | 2015 | 2016 | 2017 |
|--|----------------|------------------|----------------|----------------|------------------|------------------|------------------|
| | | 2012 | 2013 | 2014 | | | |
| Street Improvements: | | | | | | | |
| Pavement Management Plan | | - | 25,000 | - | - | - | - |
| Master Traffic Plan | | - | - | - | 25,000 | - | - |
| Wilderness Rd Design/Construction | | 53,000 | - | - | - | - | - |
| Blue River Pedestrian Tunnel | | - | 50,000 | 30,000 | - | - | - |
| Stephens Way Bridge Repairs | | 24,188 | - | - | - | - | - |
| Little Beaver Trail | | - | 50,000 | - | - | - | - |
| Golden Eagle Rd reconstruction | | - | - | - | 300,000 | - | - |
| Adams Ave. Reconstruction to 6 th St. | | - | - | - | - | 750,000 | 625,000 |
| Material Street Maintenance | | 750,000 | 540,000 | 540,000 | 700,000 | 585,000 | 575,000 |
| Total Public Works Street Improvements Expenditures | | 827,188 | 665,000 | 570,000 | 1,025,000 | 1,335,000 | 1,200,000 |

**SALES TAX CAPITAL IMPROVEMENT FUND
ASSET MANAGEMENT PLAN SUMMARY**

| CATEGORY | 2012 Proj. | 2013 Bud | 2014 Bud | 2015 | 2016 | 2017 |
|------------------------------------|----------------|------------------|------------------|----------------|------------------|------------------|
| Energy Related | 76,355 | 30,000 | 15,000 | 30,000 | 30,000 | 30,000 |
| Technology | 48,894 | 63,000 | 84,000 | 40,500 | 49,192 | 110,980 |
| Buildings: | | | | | | |
| Town Hall | | | | | | |
| Exterior | 75,000 | - | 125,000 | 12,500 | - | 30,000 |
| Interior | 9,000 | 6,000 | 31,000 | 45,150 | 40,000 | 31,000 |
| Total Town Hall | 84,000 | 6,000 | 156,000 | 57,650 | 40,000 | 61,000 |
| USFS | | | | | | |
| Exterior | 8,250 | 28,000 | 7,500 | 15,000 | - | 10,300 |
| Interior | - | - | 111,000 | - | - | - |
| Total USFS | 8,250 | 28,000 | 118,500 | 15,000 | - | 10,300 |
| Public Works | | | | | | |
| Exterior - Bldg #1 | 23,443 | 8,000 | 10,000 | 8,000 | 50,000 | - |
| Interior - Bldg #1 | - | 15,000 | - | - | - | - |
| Mechanical - Bldg #1 | 12,000 | 36,500 | 8,000 | - | - | - |
| Bldg #3 | - | 10,000 | - | - | 27,000 | - |
| Total Public Works | 35,443 | 69,500 | 18,000 | 8,000 | 77,000 | - |
| Recreation Center | | | | | | |
| Exterior | 35,640 | 10,000 | 63,800 | 32,500 | 12,400 | 45,000 |
| Interior | 99,104 | 69,000 | 71,500 | 104,560 | - | 65,250 |
| Mechanical | 64,888 | 193,500 | 112,380 | 27,800 | 100,250 | 83,800 |
| Total Recreation Center | 199,632 | 272,500 | 247,680 | 164,860 | 112,650 | 194,050 |
| Pavilion | | | | | | |
| Exterior | 43,350 | - | - | 12,250 | 98,250 | 51,450 |
| Interior | 17,308 | 39,000 | - | 20,000 | 155,100 | 1,500 |
| Furniture | 5,000 | - | 15,000 | - | 15,000 | - |
| Mechanical | - | 9,000 | - | 21,050 | 178,550 | - |
| Total Pavilion | 65,658 | 48,000 | 15,000 | 53,300 | 446,900 | 52,950 |
| Total Building | 392,983 | 424,000 | 555,180 | 298,810 | 676,550 | 318,300 |
| Parks: | | | | | | |
| Rainbow Park | - | 45,000 | 200,000 | 25,000 | 10,000 | 63,250 |
| Willow Grove | - | - | 10,000 | - | - | - |
| Trent | 150,000 | 25,000 | 35,000 | 69,250 | - | 20,250 |
| North Park | 38,000 | 5,000 | - | 30,000 | 43,250 | - |
| Total Parks | 188,000 | 75,000 | 245,000 | 124,250 | 53,250 | 83,500 |
| Equipment & Misc: | | | | | | |
| Recreation Center | 35,822 | 83,457 | 46,146 | 60,476 | 77,332 | 62,797 |
| Other | - | 10,000 | - | - | 22,000 | 21,500 |
| Total Equipment & Other | 35,822 | 93,457 | 46,146 | 60,476 | 99,332 | 84,297 |
| Fleet | 221,839 | 724,000 | 294,450 | 261,900 | 360,400 | 608,650 |
| Total All AMP Category | 963,893 | 1,409,457 | 1,239,776 | 815,936 | 1,268,724 | 1,235,727 |

Sales Tax Capital Improvement Fund Fleet Program

Fleet Management, listed as one of the programs in the Public Works Department, is responsible for replacement and maintenance of all vehicles and equipment. The following tables identify the Town's current inventory by department and the annual expenditures to replace vehicles. Maintenance for these vehicles is budgeted in General Fund Public Works department. The Town's policy with regard to its fleet management is as follows:

- It is the policy of the Town of Silverthorne to provide a dependable, well-maintained fleet of vehicles and equipment necessary to perform the duties of the Town including public safety, code enforcement, building inspection, administration, and all of the tasks listed in the public works policies. The Town will strive to keep these vehicles in good working order at all times, and will schedule periodic replacements to insure economic feasibility. The Town will use equipment for tasks for which they were designed.

The Town's approach to fleet management is by identifying areas and tools that provide better costs and benefits to the Town. The following defines the goals by vehicle use.

Administration/Com. Dev./Rec. Center

Passenger vehicles to be used by staff for approximately eight to ten years.

Public Safety

To provide for six, dependable and well-maintained patrol vehicles to be used over three shifts every twenty-four hour period. When finance markets allow, this can be accomplished by utilizing a municipal government lease program that allows lower than normal interest rates. The lease program will allow the Town to use vehicles for four-year periods.

Public Works Light Vehicles

To purchase and rotate work trucks based on a lifetime of eight to ten years.

Public Works Heavy Equipment

To rotate plow vehicles, loaders and sweepers based on a lifetime of five to fifteen years. To rotate other equipment based on a lifetime between five to ten years. Consider a lease-purchase program when obtaining heavy equipment.

Each year the fleet committee reviews the vehicles and equipment schedules, warranties and the actual condition of the vehicle and equipment to determine if replacement is necessary.

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | Suggested Purchase (P) or Lease(L)/Lifetime |
|------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---|
| Light Weight Vehicles | | | | | | | | | |
| Public Safety | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | (L) 4 - 8 yrs |
| Admin./Com. Dev./Rec. | 6 | 6 | 5 | 5 | 5 | 5 | 5 | 5 | (L) 8 -10 yrs |
| Public Works | 14 | 14 | 14 | 16 | 16 | 16 | 16 | 16 | (L) 8 -10 yrs |
| Total Light Weight Vehicles | 30 | 30 | 29 | 31 | 31 | 31 | 31 | 31 | |
| Heavy Equipment | | | | | | | | | |
| Plow Trucks | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | (L) 8 -15yrs |
| Loaders | 5 | 5 | 6 | 6 | 6 | 6 | 6 | 6 | (L) 7 - 8 yrs |
| Sweepers | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | (L) 5 -7 yrs |
| Others | 9 | 9 | 9 | 8 | 8 | 8 | 8 | 8 | (L) 5 -10 yrs |
| Total Heavy Equipment | 21 | 21 | 22 | 21 | 21 | 21 | 21 | 21 | |

**Fleet Program
Long Range Plans**

| Revenues | L/P Lease/Purc. | 2010 | 2011 | Proj. 2012 | Budget 2013 | Budget 2014 | 2015 | 2016 | 2017 |
|--|----------------------------|----------------|----------------|-----------------------|------------------------|------------------------|----------------|----------------|----------------|
| Vehicle Sales | | 24,902 | 21,000 | 900 | 42,000 | 39,000 | 15,000 | 17,000 | 47,000 |
| Equipment Sales | | 96,000 | 160,500 | 198,700 | 105,000 | 80,000 | 70,000 | 70,000 | 80,000 |
| Total Revenues | | 120,902 | 181,500 | 199,600 | 147,000 | 119,000 | 85,000 | 87,000 | 127,000 |
| | | | | | | | | | |
| Expenditures | | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| <u>Light Weight Vehicles</u> | | | | | | | | | |
| Administration Fleet | P | 31,288 | 6,519 | - | - | - | - | 18,000 | 40,000 |
| Public Safety Fleet | LP | 96,081 | - | - | 176,000 | 162,000 | - | 25,000 | 185,000 |
| Public Works Fleet | LP | 44,803 | 5,265 | - | 105,000 | 76,000 | 105,000 | 70,000 | 40,000 |
| Total Light Weight Exp | | 172,172 | 11,784 | - | 281,000 | 238,000 | 105,000 | 113,000 | 265,000 |
| | | | | | | | | | |
| <u>Heavy Equipment</u> | | | | | | | | | |
| | | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Plow Trucks (5) | LP | 31,842 | 200,715 | - | - | 21,600 | 87,200 | 154,200 | 177,200 |
| Loaders (5/6) | LP | 224,825 | 325,359 | 181,000 | 242,000 | - | - | - | 15,000 |
| Sweepers (2) | LP | 162,670 | - | - | - | 34,850 | 69,700 | 93,200 | 116,700 |
| Other (7) | LP | 93,786 | 60,115 | 40,839 | 201,000 | - | - | - | 34,750 |
| Total Equipment Expenditures | | 513,123 | 586,189 | 221,839 | 443,000 | 56,450 | 156,900 | 247,400 | 343,650 |
| Total Fleet Expenditures | | 685,295 | 597,973 | 221,839 | 724,000 | 294,450 | 261,900 | 360,400 | 608,650 |
| Net Expenditures (Exp. - Rev.) | | 564,393 | 416,473 | 22,239 | 577,000 | 175,450 | 176,900 | 273,400 | 481,650 |

Lodging Tax Special Revenue Fund

Lodging Tax

The Lodging Tax Special Revenue Fund is a governmental fund type used to account for the 2% tax that is collected on short-term (less than 30 days) rental of hotel, motel, or any residential property. The funds from this tax are designated to be used as follows: 85% to parks, trails and open space capital acquisitions and 15% for marketing of the Town. This tax and tax fund usage was approved by the Citizens of Silverthorne in November of 1998. The Town's SPORTS committee makes recommendations to the Town Council as to the parks, trails and open space capital projects. The committee recommendations are based on the Town's Parks, Trails and Open Space Master Plans.

The marketing funds are used annually for various marketing related projects including funding the visitor center, town brochures, website projects related to local businesses and other appropriate marketing projects. When the marketing revenue from the lodging tax is not used in full in a given year, then the excess funds are accumulated until a future date when another marketing related project needs the funding. Marketing and business relations are a priority for the Town. \$30,000 has been budgeted for marketing in 2013 and 2014.

Other Revenues

There are other funding sources that are included in the Lodging Tax Fund. Generally the use of the funds relates to parks, trails and open space projects.

The State of Colorado lottery gives a percentage of lottery proceeds to local governments to be used towards recreation projects. The Town felt the Lodging Tax Fund was an appropriate Fund for the lottery revenue. Lottery revenues are remitted to the Town on a quarterly basis.

The Town was aware that the revenues raised by the lodging tax would not be enough to fund many of the capital projects that the parks master plan envisioned. However, the Town believed the tax could be used as matching funds for grants. In the past the Town has applied and received grants from GOCO (Great Outdoors Colorado), DOW (Department of Wildlife) and CDOT (Colorado Department of Transportation). These grants are greatly appreciated and have allowed the Town to proceed with several projects we may not have been able to build without the grants.

Other funding has been generated by fund raising efforts and a \$1,200,000 donation from South Maryland Creek Ranch.

As projects arise, the Town's General, Sales Tax CIP and Excise Tax Fund will contribute funds when needed and appropriated to keep the Lodging Tax Fund in balance.

Parks, Trails and Open Space Projects

The Lodging Tax Fund has provided funding for several small projects such as stocking ponds and the Blue River and developing activity areas like the volleyball courts at Rainbow Park.

Larger projects included the Town's trail system which connects the Town's trail to the county-wide trail system. GOCO large scale grants have allowed the Town to restore sections of the Blue River, construct the North Pond Park amenities, construct sections of the trail and purchase land for conservation. The land was needed to proceed with the development of the north section of the trail system. Several sections of the trail were built in 2007 - 2009. The remaining portions of the north trail, including a major section in 2013, are scheduled for construction through 2018.

Lodging Tax Special Revenue Fund Long Range Plan

| Revenues | Actual 2009 | Actual 2010 | Actual 2011 | Projected 2012 | Budget 2013 | Budget 2014 | 2015 | 2016 | 2017 |
|--|------------------------|------------------------|------------------------|---------------------------|------------------------|------------------------|----------------|----------------|----------------|
| Lodging Tax | 113,629 | 120,602 | 128,803 | 125,000 | 127,500 | 130,050 | 132,651 | 135,304 | 138,010 |
| Lottery Funds | 38,497 | 36,683 | 37,299 | 40,000 | 40,400 | 40,804 | 41,212 | 41,624 | 42,040 |
| Grants/Fund Raising | 400,000 | 8,000 | - | 68,314 | 200,000 | - | - | - | - |
| Interest | 2,387 | 2,931 | 2,246 | 940 | 1,210 | 1,995 | 3,255 | 3,241 | 5,416 |
| Transfer from Other Funds | 500,000 | - | - | 210,000 | 800,000 | 1,325,000 | 450,000 | - | 450,000 |
| TOTAL REVENUE: | 1,054,514 | 168,216 | 168,348 | 444,254 | 1,169,110 | 1,497,849 | 627,118 | 180,169 | 635,466 |
| Expenditures | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| <u>Parks, Trails & Open Space</u> | | | | | | | | | |
| Trails/River: | | | | | | | | | |
| Design & Engineering | 61,846 | 19,239 | 260,188 | - | 159,805 | 77,814 | - | 76,684 | 45,000 |
| Trails – Construction/Amenities | 970,673 | 17,352 | 77,608 | 455,511 | 900,000 | 1,430,169 | 596,571 | - | 587,916 |
| Parks: | | | | | | | | | |
| Park Master Plan | - | 17,917 | 1,563 | - | 70,000 | - | - | - | - |
| Misc. | 3,993 | 9,175 | 10,014 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 | 11,000 |
| Total Parks Trails & Open Sp. | 1,036,512 | 63,683 | 349,373 | 466,511 | 1,140,805 | 1,518,983 | 607,571 | 87,684 | 643,916 |
| Marketing: | 11,013 | 13,029 | 24,965 | 15,000 | 30,000 | 30,000 | 20,000 | 20,000 | 20,000 |
| TOTAL EXPENDITURES | 1,047,525 | 76,712 | 374,338 | 481,511 | 1,170,805 | 1,548,983 | 627,571 | 107,684 | 663,916 |
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| INCREASE / (DEC) FUND BAL. | 6,988 | 91,504 | (205,990) | (37,257) | (1,695) | (51,134) | (453) | 72,485 | (28,450) |
| PRIOR FUND BALANCE | 306,070 | 313,058 | 404,562 | 198,572 | 161,315 | 159,620 | 108,486 | 108,032 | 180,518 |
| CURRENT FUND BALANCE | | | | | | | | | |
| Parks, Trails & Open Space | 272,222 | 358,282 | 157,948 | 48,434 | 56,767 | 14,840 | 11,680 | 80,979 | 48,841 |
| Blue River Fund Raising | - | - | - | 68,314 | 68,827 | 69,687 | 71,778 | 73,931 | 76,149 |
| Marketing | 40,836 | 46,280 | 40,624 | 44,567 | 34,026 | 23,959 | 24,575 | 25,608 | 27,078 |
| CURRENT FUND BALANCE | 313,058 | 404,562 | 198,572 | 161,315 | 159,620 | 108,486 | 108,032 | 180,518 | 152,068 |

Development Excise Tax Special Revenue Fund Long Range Plan

The Development Excise Tax Special Revenue Fund is a governmental fund type used to account for the \$2 per square foot of new residential construction. The funds are to be used towards acquisition or construction of capital assets related to growth in Silverthorne. Additionally, the funds may be used towards the operations and maintenance expenditures in the Public Works and Public Safety departments due to growth. This tax and the use of the funds were approved by the Citizens of Silverthorne in April of 2000. Revenue projections are based on the number of residential permits estimated (15 each for 2013 & 2014 to be issued at an estimated square footage of 3,500 per unit.

Projects planned for 2013 and 2014 include site work for the additional public works building at Cottonwood Park. This building is a joint project with the Lake Dillon Fire District who will occupy a portion of the land. For the Town's part, the building will also house the water and sewer departments. This project will be split 25% Excise Tax Fund, 25% Water Fund and 50% Sewer Fund. Construction is scheduled for 2015. Also in 2013 and 2014 are transfers (\$400,000 and \$662,500) to the Lodging Tax Fund towards the construction of the Town's trail system.

A \$1M advancement to the Housing 5A Fund in 2008 is being repaid at \$162,500 for 2013 and \$150,000 for 2014.

| Revenues | Actual 2009 | Actual 2010 | Actual 2011 | Projected 2012 | Budget 2013 | Budget 2014 | 2015 | 2016 | 2017 |
|----------------------------------|------------------------|------------------------|------------------------|---------------------------|------------------------|------------------------|----------------|----------------|----------------|
| Development Excise Tax | 92,276 | 96,986 | 105,958 | 115,710 | 105,000 | 105,000 | 210,000 | 210,000 | 210,000 |
| SMCR Grant | - | - | - | - | - | - | 125,000 | - | - |
| Interest | 10,324 | 4,023 | 3,991 | 4,911 | 7,987 | 11,599 | 14,287 | 2,739 | 9,121 |
| Transfer from Housing 5A | 137,500 | 110,000 | 230,000 | 137,500 | 162,500 | 150,000 | 72,500 | - | - |
| TOTAL REVENUE: | 240,100 | 211,009 | 339,949 | 258,121 | 275,487 | 266,599 | 421,787 | 212,739 | 219,121 |
| Expenditures | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| <u>Public Works</u> | | | | | | | | | |
| Public Works Building | 49,238 | 2,396 | 2,257 | 10,000 | 12,500 | 12,500 | 625,000 | - | - |
| Additional Front Loader | 106,590 | - | - | - | - | - | - | - | - |
| Additional Trackless Tractor | - | - | - | 48,926 | - | - | - | - | - |
| <u>Other</u> | | | | | | | | | |
| Transfer to Lodging Fund - Trail | 500,000 | - | - | 105,000 | 400,000 | 662,500 | 225,000 | - | 225,000 |
| TOTAL EXPENDITURES | 655,828 | 2,396 | 2,257 | 163,926 | 412,500 | 675,000 | 850,000 | - | 225,000 |
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| INCREASE / (DEC) FUND BAL. | (415,728) | 208,613 | 337,692 | 94,195 | (137,013) | (408,401) | (428,213) | 212,739 | (5,879) |
| PRIOR FUND BALANCE | 840,154 | 424,426 | 633,039 | 970,731 | 1,064,926 | 927,913 | 519,511 | 91,298 | 304,037 |
| CURRENT FUND BALANCE | 424,426 | 633,039 | 970,731 | 1,064,926 | 927,913 | 519,511 | 91,298 | 304,037 | 298,158 |

Housing 5A Fund Long Range Plan

The Housing 5A Special Revenue Fund is a governmental fund type used to account for the .125% sales tax that is assessed by the Summit Housing Authority and distributed back to the Town for sales that took place in Silverthorne. These funds are to be used to pay for the annual Authority fees and housing related expenses. Additionally an impact fee is assessed on new building projects. The funds are to be used towards developing affordable housing in the Town. This funding can and has been used for housing loans, consulting for understanding housing needs & projects, buying down permit costs and development of affordable housing. The development of affordable housing can entail a wide range of projects including purchasing land to be used for housing, construction, reduction of permits and fees, buy downs and purchasing existing homes.

Revenue estimations are based on the same sale tax information noted in the General Fund section. Impact assessment revenues are based on the

number of residential permits estimated (15 each for 2013 & 2014) to be issued at an estimated square footage of 3,500 per residential unit. The impact fees are based on square footage and a block rate fee structure.

During 2008 the Town had the opportunity to purchase a 51 acre of land known as Smith Ranch located in the center Town along Hwy 9. The Housing Fund contributed 73% (\$2.7M) toward the purchase. The Town intends to use a portion of the property for affordable housing. What the actual project will be is yet to be determined. The Housing Fund needed a \$2M advancement from the Excise Tax and Sewer Fund for the property purchase. The Housing Fund will pay the advancement back to the funds during fiscal years 2009 - 2015.

The funding for the Housing Fund has a 10-year sunset which will end December 31, 2016. Other requirements include spending revenues within three years of when the revenues were received.

| Revenues | Actual 2009 | Actual 2010 | Actual 2011 | Projected 2012 | Budget 2013 | Budget 2014 | 2015 | 2016 | 2017 |
|----------------------------------|------------------------|------------------------|------------------------|---------------------------|------------------------|------------------------|----------------|----------------|---------------|
| Impact Assessment | 40,696 | 56,334 | 280,893 | 56,000 | 94,635 | 94,635 | 157,725 | 157,725 | - |
| Housing Sales Tax | 234,339 | 230,643 | 227,863 | 242,592 | 257,907 | 261,775 | 267,011 | 272,351 | - |
| Interest | 2,862 | 1,001 | 770 | 418 | 208 | 127 | 578 | 7,495 | 19,057 |
| TOTAL REVENUE: | 277,897 | 287,978 | 509,526 | 299,010 | 352,750 | 356,537 | 425,314 | 437,571 | 19,057 |
| Expenditures | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| General | | | | | | | | | |
| Summit Housing Authority | 41,553 | 45,991 | 41,746 | 37,374 | 43,769 | 45,957 | 48,255 | 50,668 | 53,201 |
| Housing Assessment/Consulting | - | 1,267 | 1,075 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 |
| Housing Loan Program | - | 40,000 | - | - | - | - | - | - | - |
| Misc | 39,372 | - | - | - | - | - | - | - | - |
| Projects | | | | | | | | | |
| Smith Ranch Land | 22,866 | 4,511 | - | - | - | - | - | - | - |
| Advancement to Excess/Sewer Fund | 275,000 | 220,000 | 460,000 | 275,000 | 325,000 | 300,000 | 145,000 | - | - |
| TOTAL EXPENDITURES | 378,791 | 311,769 | 502,821 | 313,874 | 370,269 | 347,457 | 194,755 | 52,168 | 54,701 |
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| INCREASE / (DEC) FUND BAL. | (100,894) | (23,791) | 6,704 | (14,864) | (17,519) | 9,080 | 230,559 | 385,403 | (35,644) |
| PRIOR FUND BALANCE | 160,559 | 59,665 | 35,874 | 42,578 | 27,714 | 10,195 | 19,275 | 249,824 | 635,237 |
| CURRENT FUND BALANCE | 59,665 | 35,874 | 42,578 | 27,714 | 10,195 | 19,275 | 249,834 | 635,237 | 599,593 |

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Enterprise Funds

The Town of Silverthorne's Enterprise Funds comprise of two separate activities: water services and sanitary wastewater collection/treatment services. These two utility funds (water & sewer) derive revenue from tap fees and user charges as well as expenses for operations and capital projects. The purpose of these funds is to generate a small profit or at least pay for expenditures.

The Town has no utility operations or capital debt. The Town believes the Enterprise Fund should pay for the operation and capital through user charges

and tap fees, not by the issuance of long term debt. If there should be a need for borrowing for these funds, it should be in a short-term borrowing nature (one year or less) and should utilize excess cash available from one utility fund to cover the needs of the other utility fund.

The challenges facing the Town's water/sewer funds include addressing capital additions brought by growth, water rights opportunities and upgrading aging water/sewer lines.

WATER & SEWER USER FEES & TAP REVENUE

In 2005, the Town commissioned Boyd Engineering to review the Town's water and sewer rate structure. The study recommended three fundamental changes to the Town's rate structure. During the 2007/2008 budget process the Council reviewed the recommendations and approved the implementation of these changes.

Prior to 2007, the Town billed water/sewer users on a quarterly basis for the previous three month's usage. All single family residences (no matter the size) were assessed 1 EQR (Equivalent Residential Unit). Other non-single family residence customers are assessed EQR's based on a variety of EQR calculations as stated in our Town Code. The rates structure included rates for water of \$41.21/QTR/EQR plus \$1.98/1,000 gallons of water consumed. Sewer was billed at \$90.30/QTR/EQR

Following the recommendations of the study, the Town implemented the following changes to our water/sewer rates. The changes took place on January 1, 2007:

- Move to an inclining block water consumption rate structure to encourage conservation (see chart).

- Move to a fixed rate per EQR for water that covers a greater portion of the fixed portion of water expenses. Prior to 2007, the fixed water rate accounted for 54% of total water user revenues. The Town increased the fixed rate to cover closer to 50% of the water revenues.
- Beginning with building permits issued after 12/31/06, all homes with more than 3 bedrooms and/or 3 bathrooms are assessed an additional .1 EQR over 1 EQR. For example a residential building permit for a four bedroom and four bathroom home will be assessed 1.2 EQR. For homes that were already on the Town utility system, the EQRs for quarterly utility billing were increased by .1 for every bedroom and bathroom over three. As an example, a four bedroom and four bathroom home is now billed quarterly for 1.2 EQRs instead of the 1 EQR they had been billed in the past.
- Quarterly sewer fees are a fixed rate and are also based on the revised EQR calculation.

When the Town developed the rate structure, the goal was to transition to a conservation based system, yet keep the revenue results on the water and sewer funds revenue neutral. Meaning, we calculated what expenses would be and then calculate the dollar of revenues needed to cover

these expenses. That amount of revenue would be the goal for developing the rates.

Moving to the new EQR structure brings fairness to residential customers. Homes with more bedrooms and bathrooms have the ability to use more water and sewer services which requires the Town to provide the infrastructure in order to provide the higher service the capacity requires. While larger homes may not normally have their homes fully (second homes or two people living in a five bedroom home) utilized through out the year, the fact remains that the Town must be able to provide services to those homes when they are fully used.

Staff analyzes the quarterly bills to review if the new rate structure is meeting our goals for

conservation and equity. The inclining block system for consumption will bring an emphasis on increased rates for higher consumption levels which in turn will encourage users to conserve water. The water fixed rate will fluctuate as a percentage of total water revenues based on dry verses wet year and as users switch to water conservation type products like low flow toilets. The challenge is to adjust the rate structure periodically to ensure enough revenue to cover expenditures.

The intention of the Town Council is to encourage water conservation and preserve our water and sewer system. We continue to strive to provide adequate and quality water to our customers and these rate structure changes help secure our systems.

Current Inclining Block Water Consumption Rates

- \$1.35/EQR/QTR/1,000 gallons – 0 to 15,000 gallons consumed**
- \$2.70/EQR/QTR/1,000 gallons - 15,001 – 30,000 gallons consumed**
- \$4.00/EQR/QTR/1,000 gallons – 30,001 – 50,000 gallons consumed**
- \$5.65/EQR/QTR/1,000 gallons – 50,001 and higher gallons consumed**

Revenues in general

Both Water and Sewer Fund Long Range Plans reflect the restricting of tap fees, which are bought during the building permit process. This complements the Town’s policy that future tap fee revenues should be restricted to pay for future expansion; in other words, growth should pay its way. User charges fund the operating costs of the Enterprise Funds.

Taps (otherwise known as EQRs) and the issuance of building permits over the last several years have decreased which is consistent with the

depressed housing market. In 2013 and 2014 we expect the sale of taps to stay similar to 2012 and start to see some growth in housing starts. The Eagles Nest /Three Peaks, Angler Mountain Ranch and South Maryland Creek Ranch residential areas are the only areas that have land available for development. Because home construction in these areas are mostly made up of individually developed homes (one-owner projects), estimating the number of taps sales can be difficult. The actual and projected taps sales are:

**Water & Sewer Fund
Water & Sewer Tap Actual & Projected Tap Sales**

| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|-------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Commercial Taps | -4 | - | 39 | 1 | - | - | - | - | - | - | - | - | - | - |
| Residential Taps | 14 | 17 | 16 | 22 | 18 | 18 | 27 | 27 | 27 | 27 | 27 | 27 | 27 | 27 |
| Total Taps | 10 | 18 | 55 | 23 | 18 | 18 | 27 |

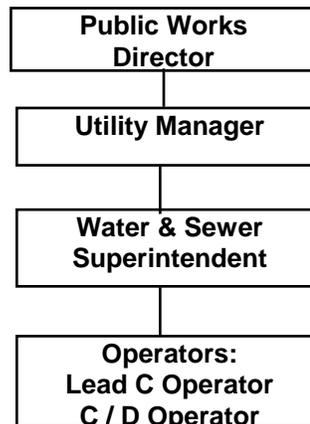
Water Fund Long Range Plan

The Water Fund, one of the two Town Enterprise Funds, was established to finance and account for the acquisition, operation and maintenance of the facilities, services and water rights associated with providing water to the Town. The Water Fund consists of two programs:

operations and capital. The primary revenue sources include user charges and water tap fees. The following Long Range Plan identifies actual and projected revenues and expenditures for the past four years and the next five years.

| REVENUES | Actual 2009 | Actual 2010 | Actual 2011 | Projected 2012 | Budget 2013 | Budget 2014 | 2015 | 2016 | 2017 |
|---------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
| Operating Revenues | 911,322 | 976,892 | 941,574 | 968,462 | 961,539 | 982,024 | 1,021,216 | 1,021,100 | 1,043,465 |
| CIP Revenues | 87,506 | 116,032 | 1,061,174 | 158,408 | 125,922 | 129,895 | 1,025,685 | 211,203 | 218,238 |
| TOTAL REVENUES | 998,828 | 1,092,924 | 2,002,748 | 1,126,870 | 1,087,461 | 1,111,919 | 2,046,901 | 1,232,303 | 1,261,703 |
| EXPENSES | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Operating Expenses | 958,142 | 832,791 | 1,492,438 | 987,017 | 938,430 | 958,146 | 1,634,974 | 1,001,731 | 1,024,848 |
| CIP Expenses | 196,610 | 165,668 | 515,812 | 701,761 | 283,888 | 231,984 | 855,103 | 156,680 | 207,736 |
| TOTAL EXPENSES | 1,154,752 | 998,459 | 2,008,250 | 1,688,778 | 1,222,318 | 1,190,140 | 2,490,077 | 1,158,411 | 1,232,584 |
| INC / (DEC) FUND BAL. | (155,924) | 94,465 | (5,502) | (561,908) | (134,857) | (78,211) | (443,176) | 73,892 | 29,119 |
| PRIOR FUND BALANCE | 2,223,475 | 2,067,551 | 2,162,016 | 2,156,514 | 1,594,606 | 1,459,749 | 1,381,538 | 938,362 | 1,012,254 |
| CURRENT FUND BAL. | 2,067,551 | 2,162,016 | 2,156,514 | 1,594,606 | 1,459,749 | 1,381,538 | 938,362 | 1,012,254 | 1,041,373 |
| OPERATING RESERVE TARGET | 479,071 (6 mos.) | 416,396 (6 mos.) | 396,219 (6 mos.) | 493,508 (6 mos.) | 469,215 (6 mos.) | 479,073 (6 mos.) | 492,487 (6 mos.) | 500,866 (6 mos.) | 512,424 (6 mos.) |
| AVAILABLE FUND BAL. | 1,588,480 | 1,745,620 | 1,760,295 | 1,101,098 | 990,534 | 902,465 | 445,875 | 511,388 | 528,949 |

Utility Operations / Water & Sewer



WATER FUND OPERATIONS AND MAINTENANCE PROGRAM (Table A)

Policy

The policy of the Town is to provide a high quality water treatment and distribution system that exceeds water quality requirements and can be expanded to meet the future needs of the community. The Town will strive to conserve the community's water resources through policies in Town ordinances and engineering standards. The Town's Financial Policies direct the Town to develop an Asset Management Plan (AMP), which identifies how the Town will protect its capital investment and minimizes future maintenance and replacement costs. The Town will maintain accurate information on the condition, life span, usage and replacement cost of their capital assets to assist in long term planning.

Services Provided to the Citizens

Water is provided to the Town of Silverthorne through a system of wells, storage tanks and distribution lines. The Town system consists of eight wells feeding four pump stations and four underground water storage tanks with a total storage capacity of 2.35 million gallons. The Town's water system has seven pressure zones controlled by four booster stations and four pressure reducing vaults.

2011/2012 Accomplishments

- Zero Drinking Water Permit violations
- Zero lost time injuries
- Continued water main leak detection and fire hydrant maintenance programs

- Continued customer-system leak detection program based on new water meter capabilities
- Completed State Sanitary Survey of water system
- Improved in house water sewer mapping capabilities

2013/2014 Goals

- Zero Drinking Water Permit violations
- Zero lost time injuries
- Continue design review and inspection of new water systems.
- Continue development of staff as water quality professionals through training and certification advancements
- Evaluate staffing levels, recommend changes
- Decrease power costs 10% in 2013

Issues

- Water Rights
- Water Infrastructure Security
- State mandated staffing requirements
- New water quality regulations and permit fees
- Continue to review Town code to assure that the code is representative of the "state of the art" for domestic water systems.
- Pursuit of potential grant and rebate opportunities.

**WATER FUND
CAPITAL IMPROVEMENT PROGRAM (Table B)**

Policy

The policy of the Town is to provide a high-quality water distribution and treatment system that exceeds water quality requirements and meets the future needs of the community. The Town should assure that adequate water rights, transmission lines, and storage capacity are provided and acquired to meet the current and future needs of the community. New development shall be responsible for the provision of water system improvements needed by such development.

Services Provided to the Citizens

The Town owns adequate water rights for currently zoned build-out including irrigation in all but the driest years. With the current population of approximately 4,313 people and associated commercial business, the Town can provide water service with existing water rights.

As the Town’s commercial base and residential population grows, there will be additional demands that will require expansion of the system. The Town’s capital water system master plan was updated in 2012 to help plan for major expansions such as any new storage tanks or trunk transmission lines. Previous studies have shown that various water connections from one part of the Town’s distribution system to another will be required to optimize availability of water for domestic and fire use.

Service Indicators:

| | 2011 Actual | 2012 Projected | 2013 Budget | 2014 Budget |
|-----------------------------|-------------|----------------|-------------|-------------|
| Town Population | 3,899 | 3,942 | 3,981 | 4,021 |
| # of Water EQR’s | 3,164 | 3,218 | 3,236 | 3,254 |
| # of Fire Hydrants | 399 | 399 | 410 | 415 |
| Miles of Water Main Footage | 45.6 | 45.6 | 47.9 | 48.2 |

2011/2012 Accomplishments

- Continued upgrades to SCADA and computer systems
- Updated As-built drawings and collected GPS/GIS data
- Participated in a USEPA Energy Efficiency Pilot Program
- Created, with Dillon and Summit County, Old Dillon Water Authority; adopted Funding and Operating Agreements; completed design of the reservoir expansion; awarded construction contract
- Completed new water system model, master plan, and capital improvement plan
- Completed the first year of a three year well and pumphouse rehabilitation/efficiency project
- Applied for \$13,800 in rebates from Xcel

2013/2014 Goals

- Continue to replace and upgrade water mainline valves. Continue As-Built upgrade utilizing new LIDAR data and new water system model and master plan
- Continue to update Asset Management Plan with special consideration given to energy efficiency opportunities
- Continue computer control and monitoring system upgrades
- Complete construction of Old Dillon Reservoir project to add needed raw water storage to the Town’s water system portfolio

Table A

**Water Fund
Operations Program Long Range Plan**

| | Actual | Actual | Actual | Projected | Budget | Budget | | | |
|--------------------------------|----------------|----------------|------------------|----------------|----------------|----------------|------------------|------------------|------------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| REVENUES | | | | | | | | | |
| Water User Charges | 881,322 | 958,533 | 928,730 | 959,064 | 948,501 | 963,072 | 981,455 | 999,752 | 1,021,536 |
| Charge for Service | 4,235 | 4,881 | 5,235 | 3,944 | 4,600 | 4,600 | 4,600 | 4,600 | 4,600 |
| Interest | 18,165 | 13,478 | 6,201 | 5,454 | 8,438 | 14,352 | 35,161 | 16,748 | 17,329 |
| Miscellaneous Income | 7,600 | - | 1,408 | - | - | - | - | - | - |
| TOTAL REVENUES | 911,322 | 976,892 | 941,574 | 968,462 | 961,539 | 982,024 | 1,021,216 | 1,021,100 | 1,043,465 |
| EXPENSES | | | | | | | | | |
| Administrative | 136,698 | 146,534 | 141,236 | 145,269 | 144,231 | 147,304 | 153,182 | 153,165 | 156,520 |
| Personnel Services | 287,661 | 286,979 | 291,644 | 308,254 | 326,332 | 332,244 | 340,248 | 346,583 | 353,096 |
| Professional Services | 54,240 | 43,210 | 29,840 | 37,615 | 45,700 | 48,200 | 51,000 | 53,500 | 56,000 |
| Purchased Services | 134,799 | 151,642 | 161,942 | 173,895 | 189,166 | 197,398 | 205,043 | 212,983 | 221,232 |
| Supplies | 63,688 | 79,382 | 61,975 | 111,647 | 118,000 | 118,000 | 120,500 | 120,500 | 123,000 |
| Asset Management Plan/Transfer | 281,056 | 125,045 | 805,801 | 210,337 | 115,000 | 115,000 | 115,000 | 115,000 | 115,000 |
| TOTAL EXPENSES | 958,142 | 832,791 | 1,492,438 | 987,017 | 938,430 | 958,146 | 1,634,974 | 1,001,731 | 1,024,848 |
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| OPERATING INC / (DEC) FUND | (46,820) | 144,100 | (550,864) | (18,555) | 23,109 | 23,878 | (613,757) | 19,369 | 18,617 |
| PRIOR FUND BALANCE | 1,597,177 | 1,550,358 | 1,694,458 | 1,143,594 | 1,125,039 | 1,148,148 | 1,172,026 | 558,269 | 577,637 |
| CURRENT FUND BALANCE | 1,550,358 | 1,694,458 | 1,143,594 | 1,125,039 | 1,148,148 | 1,172,026 | 558,269 | 577,637 | 596,254 |
| OPERATING RES. TARGET | 479,071 | 416,396 | 396,219 | 493,508 | 469,215 | 479,073 | 492,487 | 500,866 | 512,424 |
| | (6 mos.) | (6 mos.) | (6 mos.) | (6 mos.) | (6 mos.) | (6 mos.) | (6 mos.) | (6 mos.) | (6 mos.) |
| AVAILABLE FUND BALANCE | 1,071,286 | 1,278,062 | 747,375 | 631,530 | 678,933 | 692,953 | 65,782 | 76,772 | 83,830 |

Water Fund

Table B

| Water Fund Capital Improvement Program Long Range Plan | | | | | | | | | |
|---|------------------------|------------------------|------------------------|---------------------------|------------------------|------------------------|------------------|----------------|----------------|
| REVENUES | Actual 2009 | Actual 2010 | Actual 2011 | Projected 2012 | Budget 2013 | Budget 2014 | 2015 | 2016 | 2017 |
| Water Tap Fees | 80,383 | 112,230 | 355,675 | 153,572 | 122,400 | 126,000 | 194,400 | 199,800 | 205,200 |
| Interest | 7,123 | 3,802 | 5,499 | 4,836 | 3,522 | 3,895 | 6,285 | 11,403 | 13,038 |
| Misc Income/Grants/Transfers | - | - | 700,000 | - | - | - | 825,000 | - | - |
| TOTAL CAPITAL REVENUES | 87,506 | 116,032 | 1,061,174 | 158,408 | 125,922 | 129,895 | 1,025,685 | 211,203 | 218,238 |
| EXPENSES | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Administrative | 13,126 | 17,405 | 54,176 | 23,761 | 18,888 | 19,484 | 30,103 | 31,680 | 32,736 |
| Wells | 20,964 | 19,495 | 21,245 | 243,000 | 150,000 | 150,000 | 150,000 | 75,000 | 125,000 |
| Water Line Extension & Replacement | - | - | - | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Cottonwood Utility Shop | 98,476 | 4,791 | 4,514 | 20,000 | 12,500 | 12,500 | 625,000 | - | - |
| Water Rights/Old Dillon Reservoir | 64,044 | 123,977 | 434,877 | 365,000 | - | - | - | - | - |
| TOTAL CAPITAL EXPENSES | 196,610 | 165,668 | 515,812 | 701,761 | 283,888 | 231,984 | 855,103 | 156,680 | 207,736 |
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| INCREASE (DEC) FUND BALANCE | (109,104) | (49,636) | 545,361 | (543,353) | (157,966) | (102,089) | 170,583 | 54,522 | 10,503 |
| PRIOR FUND BALANCE | 626,299 | 517,195 | 467,559 | 1,012,920 | 469,567 | 311,601 | 209,511 | 380,094 | 434,616 |
| CURRENT FUND BALANCE | 517,195 | 467,559 | 1,012,920 | 469,567 | 311,601 | 209,511 | 380,094 | 434,616 | 445,119 |
| CAPITAL PROJECTS | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| <u>Wells & Tanks</u> | | | | | | | | | |
| Master Plan Update | 18,674 | 19,495 | 21,245 | 93,000 | - | - | - | - | - |
| Well Rehabilitation | - | - | - | 150,000 | 150,000 | 150,000 | 150,000 | 75,000 | 125,000 |
| Base Zone Tank Eagles Nest Filing #5 | 2,290 | - | - | - | - | - | - | - | - |
| Misc/Projects to be Determined | - | - | - | - | - | - | - | - | - |
| Total Wells & Tank | 20,964 | 19,495 | 21,245 | 243,000 | 150,000 | 150,000 | 150,000 | 75,000 | 125,000 |
| <u>Lines</u> | | | | | | | | | |
| Misc Upgrades & Extensions | - | - | - | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Total Lines | - | - | - | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |

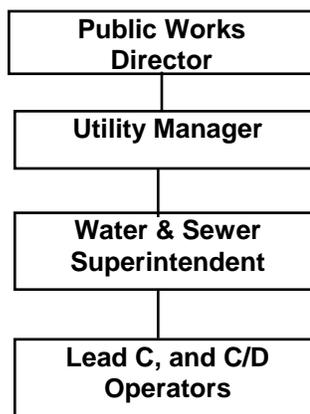
Sewer Fund Long Range Plan

The Sewer Fund, the second of the Town's Enterprise Funds, was established to finance and account for the acquisition operation and maintenance of the facilities and services associated with providing sewer service to the Town. The Sewer Fund consists of two programs:

operations and capital. The primary source of revenues is user charges and sewer tap fees. The following Long Range Plan identifies actual and projected revenues and expenditures for the past three years and the future five years.

| REVENUES | Actual 2009 | Actual 2010 | Actual 2011 | Projected 2012 | Budget 2013 | Budget 2014 | 2015 | 2016 | 2017 |
|------------------------------|------------------|------------------|------------------|-------------------|------------------|------------------|------------------|------------------|------------------|
| Operating Revenues | 1,177,275 | 1,195,899 | 1,372,912 | 1,359,848 | 1,339,882 | 1,356,996 | 1,351,548 | 1,338,804 | 1,389,296 |
| CIP Revenues | 82,906 | 103,869 | 326,747 | 139,399 | 815,067 | 120,974 | 557,535 | 191,538 | 202,110 |
| TOTAL REVENUES | 1,260,181 | 1,299,768 | 1,699,659 | 1,499,247 | 2,154,949 | 1,477,970 | 1,909,083 | 1,530,342 | 1,591,406 |
| EXPENSES | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Operating Expenses | 1,033,485 | 1,112,599 | 1,118,390 | 1,193,238 | 1,923,810 | 1,254,875 | 1,291,203 | 1,329,958 | 1,379,824 |
| CIP Expenses | 57,529 | 12,783 | 34,932 | 23,940 | 1,103,370 | 37,097 | 1,270,753 | 19,154 | 20,211 |
| TOTAL EXPENSES | 1,091,014 | 1,125,382 | 1,153,322 | 1,217,178 | 3,027,180 | 1,291,972 | 2,561,956 | 1,349,112 | 1,400,035 |
| INCREASE / (DEC) FUND | 169,167 | 174,386 | 546,337 | 282,069 | (872,231) | 185,998 | (652,873) | 181,230 | 191,371 |
| PRIOR FUND BALANCE | 2,136,973 | 2,306,140 | 2,480,526 | 3,026,863 | 3,308,932 | 2,436,701 | 2,622,699 | 1,969,826 | 2,151,056 |
| CURRENT FUND BAL. | 2,306,140 | 2,480,526 | 3,026,863 | 3,308,932 | 2,436,701 | 2,622,699 | 1,969,826 | 2,151,056 | 2,342,427 |
| <i>Operating Res. Target</i> | <i>516,743</i> | <i>556,299</i> | <i>559,195</i> | <i>596,619</i> | <i>611,905</i> | <i>627,437</i> | <i>645,602</i> | <i>664,979</i> | <i>689,912</i> |
| | (6 mo.) | (6 mo.) | (6 mo.) | (6 mo.) | (6 mo.) | (6 mo.) | (6 mo.) | (6 mo.) | (6 mo.) |
| AVAILABLE FUND BAL. | 1,789,397 | 1,924,227 | 2,467,668 | 2,712,313 | 1,824,796 | 1,995,262 | 1,324,224 | 1,486,077 | 1,652,515 |

Utility Operations / Water & Sewer



SEWER FUND OPERATIONS AND MAINTENANCE PROGRAM (Table C)

Policy

The policy of the Town is to provide a high quality wastewater collection and treatment system that meets water quality requirements and can expand to meet the future needs of the community. The Town will continue to work cooperatively with the Joint Sewer Authority (Authority) to provide the treatment facilities required for the build out of the Silverthorne Comprehensive Plan area.

The Town's Financial Policies direct the Town to develop an Asset Management Plan (AMP), a plan which identifies how the Town will protect capital investment and minimizes its future maintenance and replacement costs. The Town will maintain accurate information on the condition, life span, use and replacement cost of capital assets to assist in the long term planning.

Services Provided to the Citizens

The Authority provides sanitary wastewater treatment and trunk line collection facilities. Under the management of the Town of Silverthorne, The Authority operates the Blue River Wastewater Treatment Plant (BRWTP), located at the north end of Town, and the major sewer interceptor lines that transmit flow to the plant. There are three interceptor lines operated by the Authority known as the east bank, west bank, and joint interceptors. All the other sanitary sewer collection lines in Town are maintained by the Town. The BRWIP provides advanced treatment

for wastewater. The BRWTP was constructed in the 1963, first as an aerated lagoon and has since been upgraded and expanded on four occasions and now has a design capacity of 4.0 million gallons of maximum daily flow. The Town Sewer collection system includes one lift station and one Siphon Vault structure.

2011/2012 Accomplishments

- Performed sewer main televised inspection to identify inflow and infiltration (I&I) on about 1/2 of the collection system each year.
- Computerized control system upgrades.
- Lift Station Pump replacements/upgrades

2013/2014 Goals

- Complete review of Town Code and Engineering Standards using finalized Model and Masterplan.
- Complete Asset Management Plan revision.
- Continue Inspection and Cleaning Program

Issues

- Compliance with any new regulations.
- Sewer infrastructure security.
- Safety and operator certification training
- Continue to review Town code to assure it is representative of the "state of the art" for domestic wastewater systems.
- Review plans submitted by developers for conformance with Town Standards

**SEWER FUND
CAPITAL IMPROVEMENT PROGRAM (Table D)**

The policy of the Town is to provide a high quality wastewater collection and treatment system that is protective of the environment and is designed to be expanded to meet the future needs of the community. New development should be responsible for the provision of wastewater system improvements required to meet the needs of their project.

Services Provided to the Citizens

- Assure that capital construction projects comply with all local, State and Federal regulations.

2011/2012 Accomplishments

- Rehabilitated 10 manholes to minimize Inflow and Infiltration.
- Completed upgrades and replacements to pumps and equipment in Sewer Lift Station.
- Complete replacement of lift station computerized control system.

Service Indicators:

| | <u>2011 Actual</u> | <u>2012 Projected</u> | <u>2013 Budget</u> | <u>2014 Budget</u> |
|-----------------------------|--------------------|-----------------------|--------------------|--------------------|
| Town Population | 3,899 | 3,942 | 3,981 | 4,021 |
| # of Sewer EQR's | 3,161 | 3,214 | 3,232 | 3,250 |
| # of Manholes | 933 | 933 | 950 | 965 |
| Miles of Sewer Main Footage | 32 (+4 JSA) | 32 (+4 JSA) | 34 (+4 JSA) | 35 (+4 JSA) |

- Completed new collection system Model and Master Plan

2013/2014 Goals

- Continue operation of the Three Peaks Lift station until the new Maryland Creek Ranch Lift Station comes on line in 2014, make any improvements transferable to the new lift station.
- Update Asset Management Plan with new system Masterplan information
- Continue manhole rehabilitation program
- Complete any needed repairs to system identified during routine inspection and cleaning.

Issues

- Wastewater Infrastructure Security
- Water Quality Control Division Regulations and fees
- Pursuit of potential grant opportunities.

Table C

**Sewer Fund
Operations & Maintenance Program Long Range Plan**

| REVENUES | Actual 2009 | Actual 2010 | Actual 2011 | Projected 2012 | Budget 2013 | Budget 2014 | 2015 | 2016 | 2017 |
|-------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Sewer User Charges | 1,025,762 | 1,073,528 | 1,132,969 | 1,146,987 | 1,162,432 | 1,192,312 | 1,246,902 | 1,304,847 | 1,355,074 |
| Charge for Service | 4,515 | 4,881 | 5,161 | 3,944 | 4,400 | 4,400 | 4,400 | 4,400 | 4,400 |
| Interest | 9,498 | 7,490 | 4,782 | 6,033 | 10,550 | 10,284 | 27,746 | 29,557 | 29,822 |
| Misc./Reimburse from 5A | 137,500 | 110,000 | 230,000 | 202,884 | 162,500 | 150,000 | 72,500 | - | - |
| TOTAL REVENUES | 1,177,275 | 1,195,899 | 1,372,912 | 1,359,848 | 1,339,882 | 1,356,996 | 1,351,548 | 1,338,804 | 1,389,296 |
| EXPENSES | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Administrative | 103,978 | 108,590 | 114,291 | 115,696 | 117,738 | 120,700 | 127,905 | 133,880 | 138,930 |
| Personnel Services | 42,077 | 48,986 | 51,451 | 53,223 | 57,588 | 58,631 | 60,044 | 61,162 | 62,311 |
| Professional Services | 4,157 | 5,880 | 2,500 | 9,000 | 9,200 | 9,200 | 9,500 | 9,500 | 9,500 |
| Purchased Services | 821,570 | 839,972 | 838,675 | 866,274 | 913,784 | 938,344 | 965,755 | 997,416 | 1,041,083 |
| Supplies | 61,703 | 67,054 | 70,050 | 79,044 | 75,500 | 78,000 | 78,000 | 78,000 | 78,000 |
| Asset Management Plan | - | 42,117 | 41,422 | 70,000 | 50,000 | 50,000 | 50,000 | 50,000 | 50,000 |
| Transfer out to Capital Prog. | - | - | - | - | 700,000 | - | - | - | - |
| TOTAL EXPENSES | 1,033,485 | 1,112,599 | 1,118,390 | 1,193,238 | 1,923,810 | 1,254,875 | 1,291,203 | 1,329,958 | 1,379,824 |
| INC / (DEC) FUND BAL. | 143,790 | 83,300 | 254,522 | 166,610 | (583,928) | 102,121 | 60,345 | 8,846 | 9,472 |
| PRIOR FUND BALANCE | 758,465 | 902,255 | 985,555 | 1,240,077 | 1,406,687 | 822,759 | 924,880 | 985,225 | 994,071 |
| CURRENT FUND BALANCE | 902,255 | 985,555 | 1,240,077 | 1,406,687 | 822,759 | 924,880 | 985,225 | 994,071 | 1,003,543 |
| OPERATING RES TARGET: | 516,743 (6 mo.) | 556,299 (6 mo.) | 559,195 (6 mo.) | 596,619 (6 mo.) | 611,905 (6 mo.) | 627,437 (6 mo.) | 645,602 (6 mo.) | 664,979 (6 mo.) | 689,912 (6 mo.) |
| AVAILABLE FUND BAL. | 385,512 | 429,256 | 680,882 | 810,068 | 210,854 | 297,443 | 339,623 | 329,092 | 313,631 |

Table D

**Sewer Fund
Capital Improvement Program Long Range Plan**

| REVENUES | Actual 2009 | Actual 2010 | Actual 2011 | Projected 2012 | Budget 2013 | Budget 2014 | 2015 | 2016 | 2017 |
|---------------------------------|------------------------|------------------------|------------------------|---------------------------|------------------------|------------------------|------------------|------------------|------------------|
| Sewer Tap Fees | 65,648 | 92,633 | 317,866 | 130,717 | 100,800 | 100,800 | 156,600 | 162,000 | 167,400 |
| Interest | 17,258 | 11,236 | 8,881 | 8,682 | 14,267 | 20,174 | 50,935 | 29,538 | 34,710 |
| Grants/Transfer in from O & M | - | - | - | - | 700,000 | - | 350,000 | - | - |
| TOTAL CAPITAL REVENUES | 82,906 | 103,869 | 326,747 | 139,399 | 815,067 | 120,974 | 557,535 | 191,538 | 202,110 |
| EXPENSES | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Administrative | 8,291 | 10,387 | 32,675 | 13,940 | 11,507 | 12,097 | 20,753 | 19,154 | 20,211 |
| Utility Shop | 49,238 | 2,396 | 2,257 | 10,000 | 25,000 | 25,000 | 1,250,000 | - | - |
| Sewer Plant Expansion | - | - | - | - | 1,066,863 | - | - | - | - |
| TOTAL CAPITAL EXPENSES | 57,529 | 12,783 | 34,932 | 23,940 | 1,103,370 | 37,097 | 1,270,753 | 19,154 | 20,211 |
| INCREASE (DEC) FUND BAL. | 25,377 | 91,086 | 291,815 | 115,459 | (288,303) | 83,877 | (713,219) | 172,384 | 181,899 |
| PRIOR FUND BALANCE | 1,378,508 | 1,403,885 | 1,494,971 | 1,786,786 | 1,902,245 | 1,613,942 | 1,697,819 | 984,600 | 1,156,984 |
| CURRENT FUND BALANCE | 1,403,885 | 1,494,971 | 1,786,786 | 1,902,245 | 1,613,942 | 1,697,819 | 984,600 | 1,156,984 | 1,338,883 |

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Other Funds

The Town of Silverthorne administers the following Fiduciary Fund, also known as Agency and Trust Funds. The Fund is used to account for assets held by a government as an agent for individuals, private organizations, other governments, and or funds. These Funds are custodial in nature and do not involve measurement of result of operations.

Joint Sewer Authority (Blue River Wastewater Treatment Plant)

The Silverthorne Dillon Joint Sewer Authority (Authority) is a joint venture which provides wastewater collection and treatment facilities for the central basin of Summit County, Colorado. The participants are the Town of Silverthorne, the Town of Dillon, Dillon Valley Metropolitan District, Buffalo Mountain Metropolitan District, and Mesa Cortina Metro District. The Town of Silverthorne assumes responsibility for the operations of the Blue River Wastewater Treatment Plant (BRWTP) as well as the management of all construction projects. Because the Town is the largest participant in the plant, it's appropriate for the Town to manage the facility. The Town of Silverthorne records its investments in the Authority and its share of operating costs in the Sewer Fund.

The mission of the Authority is to provide wastewater collection, treatment and disposal services that meet or exceed all applicable national, state, or local regulations at the least cost to the customer. This is accomplished through ongoing preventative maintenance programs, energy conservation programs, and competent and efficient management and staff.

The Authority provides wastewater treatment at the BRWTP. The BRWTP treatment process consists of complete-mix, conventional secondary-activated sludge with nitrification/ denitrification followed by phosphorus removal. Biosolids

handling consists of aerobic digester stabilization and dewatering through centrifugation after which all solids are composted by an outside contractor to the EQR level. The wastewater discharged by the BRWTP to the Blue River meets or exceeds all State and Federal requirements.

South Maryland Creek Ranch General Improvement District

In late 2005, the Town annexed South Maryland Creek Ranch (SMCR) into the Town of Silverthorne. SMCR is located directly north of the Eagles Nest/Three Peaks subdivision on the west side of Highway 9. The approximately 416 acres will include the development of 82 single family residences and one club house/ranch house; there will be no commercial development. The area will include approximately seven acres of park and a trail system that will lead to forest service trail heads.

As part of the annexation agreement, SMCR organized a General Improvement District (District). The District is a public or quasi-municipal subdivision of the State of Colorado. By virtue of office and operation of law, the Town Council shall constitute ex official the Board of Directors of the District. The District may incur obligations and liabilities only for the purposes of the District. In essence, the Town required SMCR to reimburse the Town for the cost of Town services (road maintenance, police services, etc.) less any revenues (sales taxes, building permit revenues, etc.) the annexation may produce to the Town. This stems from the fact the Town does not have a general property tax and the amount of revenues, such as sales tax revenues, that a residential property produce does not normally cover the costs of Town services that are provided to a residential property.

SMCR held an election in April of 2006 asking the land owner for approval to create the District and to assess a property tax not to exceed 30 mills annual to offset the cost of Town services. The election passed and the property tax will begin with the 2006 property tax collection which is collected in 2007.

SMCR was platted in 2006 and some infrastructure is being constructed. The actual subdivision of SMCR has not taken place. Due to the depressed housing market, the developer has no set time period to begin sales of lots. Because the SMCR is in the beginning stages of development, very few Town services are being provided. For 2013, the estimated services provided to SMCR will be for public safety and a minimal work on the water system that has been installed. Therefore, the Town is estimating the District will cost the Town \$6,746 for 2013 and \$6,949 for 2014 and has budgeted as such.

The developer is the only land owner at this time and has agreed to pay the District for the 2013 cost of Town services to the District. The Town assessed the District for 30 mills for 2012 property taxes with a credit of 30 Mills. This nets to zero mills to the District. The Town in turn will bill the District for the cost of Town services.

Again this District is in the beginning stages of development and will require more detailed analysis of costs verse revenues generated each fiscal year. A fiscal analysis was created as part of the annexation. This analysis will be used and refined as needed. The next two years should better define the long term development of SMCR, which will allow the Town to better project liability deficits for the District.

Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Town, on a cost-reimbursement basis.

The Town has two internal service funds for compensated absences and Town obligated insurance claims for employees and their covered dependents for health, dental and short-term disability claims.

Further details as to the internal service funds are described later in this section.

Blue River Wastewater Treatment Plant Long Range Plan

The operating costs related to the day-to-day operations, maintenance of current assets and the costs related to capital projects are recorded in this Agency Fund. While the Fund is treated and accounted for as an Agency Fund on the Town's financial statements, the Authority's financial statements are recorded as an Enterprise Fund in nature, which operates similar to a private

business, that is, the cost of providing services to the participants is recovered through charges based on usage. The following Long Range Plan identifies projected revenues and expenditures for the next five years. Entities listed below are the members of the Authority (Silverthorne, Dillon, Dillon Valley, Buffalo Mountain, and Mesa Cortina).

| REVENUES | Actual 2009 | Actual 2010 | Actual 2011 | Projected 2012 | Budget 2013 | Budget 2014 | 2015 | 2016 | 2017 |
|-------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
| Entities – Operations | 1,598,100 | 1,593,062 | 1,634,620 | 1,589,060 | 1,587,201 | 1,609,283 | 1,659,559 | 1,697,765 | 1,762,708 |
| Entities – AMP | 1,578,021 | 596,998 | 621,845 | 1,414,565 | 669,220 | 701,103 | 758,702 | 798,655 | 829,904 |
| Entities – Capital | 59 | 36 | 23 | 23 | 27 | 47 | 113 | 117 | 120 |
| TOTAL REVENUES | 3,176,180 | 2,190,096 | 2,256,488 | 3,003,648 | 2,256,448 | 2,310,433 | 2,418,374 | 2,496,537 | 2,592,732 |
| EXPENDITURES | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Entities – Operations | 2,504,114 | 1,302,345 | 1,347,050 | 2,464,798 | 1,550,898 | 1,563,593 | 1,595,587 | 1,630,994 | 1,745,982 |
| Entities – AMP | 743,946 | 1,042,883 | 332,905 | 1,264,955 | 1,297,000 | 830,000 | 426,000 | 806,000 | 598,000 |
| Entities – Capital | - | - | - | - | - | - | - | - | - |
| TOTAL EXPENDITURES | 3,248,060 | 2,345,228 | 1,679,955 | 3,729,753 | 2,847,898 | 2,393,593 | 2,021,587 | 2,436,994 | 2,343,982 |
| INC. /(DEC.) FUND BAL. | (71,880) | (155,132) | 576,533 | (726,105) | (591,450) | (83,160) | 396,787 | 59,543 | 248,750 |
| PRIOR FUND BAL. | 3,985,956 | 3,914,076 | 3,758,944 | 4,335,477 | 3,609,372 | 3,017,922 | 2,934,762 | 3,331,549 | 3,391,092 |
| CURRENT FUND BAL. | 3,914,076 | 3,758,944 | 4,335,477 | 3,609,372 | 3,017,922 | 2,934,762 | 3,331,549 | 3,391,092 | 3,639,842 |
| OPER. RES. TARGET | 673,325 <i>(6 mo.)</i> | 651,173 <i>(6 mo.)</i> | 673,325 <i>(6 mo.)</i> | 732,399 <i>(6 mo.)</i> | 775,449 <i>(6 mo.)</i> | 781,797 <i>(6 mo.)</i> | 797,793 <i>(6 mo.)</i> | 815,497 <i>(6 mo.)</i> | 872,991 <i>(6 mo.)</i> |
| AVAILABLE FUND BAL. | 3,240,751 | 3,107,771 | 3,662,152 | 2,876,973 | 2,242,473 | 2,152,965 | 2,533,756 | 2,575,595 | 2,766,851 |

PLANT CAPACITY

The following is a comparison of plant capacity to estimated use by the participants for the next ten years.

| | Projected 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 |
|--------------------|-------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Available EQR Cap. | 10,000 | 11,400 | 11,400 | 11,400 | 11,400 | 11,400 | 11,400 | 11,400 | 11,400 | 11,400 | 11,400 |
| EQRs in Use | 8,378 | 8,422 | 8,455 | 8,476 | 8,507 | 8,536 | 8,567 | 8,596 | 8,627 | 8,656 | 8,687 |
| % of Cap. In Use | 84% | 74% | 74% | 74% | 75% | 75% | 75% | 75% | 76% | 76% | 76% |

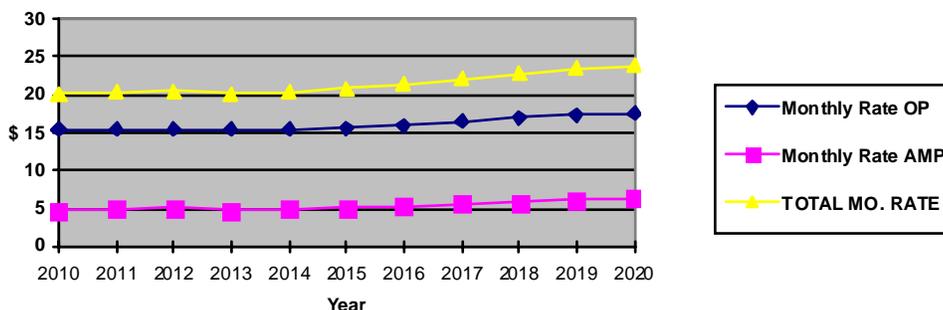
RATES

The following table and chart analyze rate structures for a ten-year period of time. For 2013 and 2014, operation rates are scheduled to remain flat and AMP rates are scheduled to decrease by .35 cents in 2013 and then see annual increases of 5%. The AMP decrease is due to a EQR paper expansion which is scheduled in early 2013 and the rate will decrease

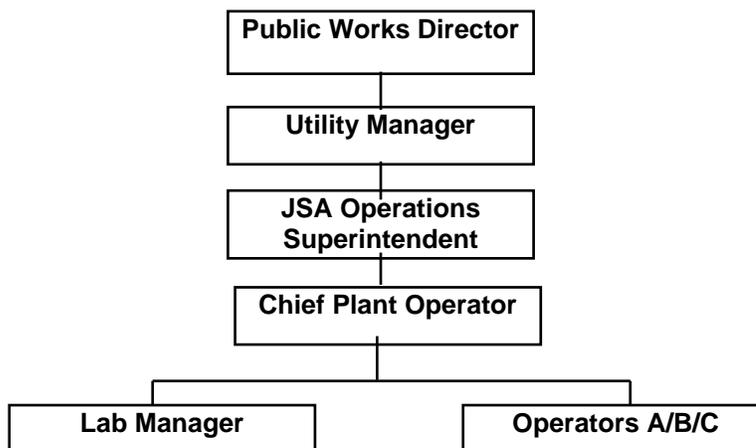
to account for more “paper” EQRs being added to the Plant capacity. The Long Range Plans for Operations and AMP Programs show excellent cash conditions with the ten-year projections. Staff intends to review rates annually and to consider rates adjustments based on cash reserve policies.

**Blue River Wastewater Treatment Plant
Annual Monthly Rates/EQR**

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Monthly Rate OP | 15.42 | 15.42 | 15.42 | 15.42 | 15.42 | 15.65 | 15.96 | 16.52 | 17.02 | 17.36 | 17.53 |
| Monthly Rate AMP | 4.70 | 4.89 | 5.10 | 4.75 | 4.95 | 5.16 | 5.38 | 5.61 | 5.85 | 6.11 | 6.37 |
| TOTAL MO. RATE | 20.12 | 20.31 | 20.52 | 20.17 | 20.37 | 20.81 | 21.34 | 22.13 | 22.87 | 23.47 | 23.90 |
| % Inc. From Prior Year | 1% | 1% | 1% | -2% | 1% | 2% | 3% | 4% | 3% | 2% | 2% |



Joint Sewer Authority – Blue River Wastewater Treatment Plant



JOINT SEWER AUTHORITY OPERATIONS AND MAINTENANCE PROGRAM (Table A)

Policy

The Town's Comprehensive Plan directs the Joint Sewer Authority (JSA) to provide a high quality wastewater collection and treatment system that consistently provides higher quality service and treatment than is required by local, State and Federal standards, and that will meet the future needs of the community.

Services Provided to the Citizens

The JSA provides day-to-day operation and maintenance of the Blue River Wastewater Treatment Plant (BRWTP) and JSA wastewater interceptors. JSA staff consistently maintains compliance with State and Federal regulations. To accomplish this operations staff performs daily process control and effluent testing, preventative maintenance of equipment, changes to the operating parameters of the plant to optimize the treatment process, and self-monitoring reporting to the appropriate State and Federal agencies. The JSA provides this service to Silverthorne, Dillon, Dillon Valley, Buffalo Mountain and Mesa Cortina.

2011/2012 Accomplishments

- Production of a high quality plant effluent that is very protective of the Blue River's outstanding water quality.
- Excellent scores on the EPA laboratory quality assurance program since 1992.

- Staff stays informed of regulatory issues and policy development, evaluating their consequences for the JSA, frequently submitting comments to the regulatory agencies.
- Upgrades to automation systems help control chemical and electrical costs while optimizing plant performance.
- No lost time injuries in over 27 years.
- The west bank and joint interceptor collection system has been cleaned and video inspected. Inspection reports help identified areas in need of corrective action.
- Completed full scale pilot testing to determine best process modifications to meet the requirements of the new nutrient control regulations.
- Contracted directly with Climax Mine for composting and transporting of biosolids to reduce the cost of biosolids removal and reuse.

2013/2014 Goals

- Continue to optimize the facilities treatment processes. Staff will operate the Joint Authority facilities to meet the requirements of discharge permit while striving to minimize costs.
- Promote continued collaboration among the Joint Authority participants through improved service and communication.

- Investigate new operating schemes that can further reduce operations and maintenance costs while maximizing process performance and maintaining regulatory compliance.
- Promote operator training and reward advances in operator certification.

Issues

- Inflow and Infiltration (I&I) of surface and ground water into the sewer system has resulted in higher O&M costs during spring runoff. Projects to repair and replace sewer lines have been completed and progress to control I&I has been made but more work is needed. Additional O&M charges were assessed for influent flow in excess of JSA member's

connected capacity. I&I repair work will result in decreased hydraulic loading to the Treatment Facility.

- New regulations to control the amount of nutrients discharged to rivers and streams will be phased in over the next ten years. The BRWTP is one of 46 treatment plants in Colorado that will be required to meet the nutrient regulations. As the regulations are phased in, staff time and O&M costs will increase.
- Continue to adequately capitalize the Operations and Maintenance Program to assure that we can maintain the existing infrastructure as needed.

Service Indicators

| | 2011 Actual | 2012 Projected | 2013 Bud | 2014 Bud |
|-------------------------------------|-------------|----------------|-------------|-------------|
| Annual Gallons of Flow | 568,617,073 | 422,421,429 | 472,743,000 | 457,143,000 |
| Average Daily Gallons of Flow | 1,560,000 | 1,150,000 | 1,200,000 | 1,252,000 |
| EQRs On Line | 8,317 | 8,378 | 8,422 | 8,455 |
| Gallons per day per EQR | 188 | 137 | 143 | 150 |
| Annual BOD, lbs | 1,011,300 | 834,278 | 1,099,380 | 1,114,345 |
| Average Daily BOD, lbs | 2,771 | 2,288 | 3,012 | 3,053 |
| Plant Square Footage | 81,070 | 81,070 | 81,070 | 81,070 |
| Annual Electrical/Natural Gas Costs | \$264,782 | \$263,544 | \$265,750 | \$263,400 |

* BOD = Biochemical Oxygen Demand or lbs. of oxygen added to the system to process.

ASSET MANAGEMENT PLAN PROGRAM (Table B)

Policy

The Town's Financial Policies direct the JSA to develop an Asset Management Plan (AMP) that protects capital investment and minimizes future maintenance and replacement costs. When replacements are required, the JSA will carefully evaluate new technology that will minimize energy consumption and staffing requirements while assuring reliability. The JSA will maintain accurate information on the condition, life span, use and replacement cost of the capital assets to assist in long term planning.

Services Provided to the Citizens

The AMP was established to ensure that funds are available to replace or rehabilitate equipment and machinery. The AMP year-to-year expenses are determined by tracking the condition of all machinery and equipment and determine the needs of each. The determination is based on a number of factors: the preventative maintenance program, vibration analysis, whether more efficient equipment is available and whether replacement is less expensive than continued maintenance.

2011/2012 Accomplishments

- Staff completed the State/Federal Discharge Permit renewal package and submitted it, on time, to the agencies. The current discharge permit expired July 2011 and has been in administrative extension. We expect a new permit will be issued in 2014 or 2015.
- Completed a comprehensive energy savings analysis funded almost entirely by Xcel Energy rebates.
- Major improvements to the digester process equipment were made. This included new more energy efficient aeration equipment and a new motor control center. \$5,000 in Xcel energy rebates helped fund the projects.

- Replaced the tertiary filter control panel with high efficiency equipment.
- Replaced a 27 year old centrifuge with a high efficiency centrifuge.
- Repaired and replaced exterior building stucco. At the same time improvements were made to the building insulation.
- Odor control system was added to the pretreatment process building. ?
- All pumps and valves were replaced by staff in the pretreatment pump room.
- Completed an Interceptor capacity and valuation analysis.

2013/2014 Goals

- Replace motor control center # 2 including a new power distribution center.
- Design and install UV disinfection system.
- Rebuild exterior dormers over the aeration basins and clarifiers.
- Complete the engineering to modify the secondary process to comply with the nitrogen removal requirements of the new Colorado nutrient criteria.

Issues

- On September 30th, 2012 regulations became effective to control the discharge of nutrients from wastewater treatment facilities in Colorado. When a new BRWTP discharge permit is issued in late 2014 or 2015, expenditures to purchase equipment to enhance nitrogen removal will be required. The cost of compliance with the nutrient criteria could be significant as the regulations are phased in over the next ten years.
- The Blue River Waste Water Treatment Plant (BRWWTP) is aging. Most of the facility was constructed in the 1970's.
- The JSA wastewater collection and transmission system is also aging.

CAPITAL IMPROVEMENT PROGRAM (Table C)

Policy

The Town's Comprehensive Plan directs that the JSA should provide services in a manner that contributes to an efficient framework for incremental community growth and development. Public facilities and services should be provided in a manner that meets the physical needs of all users. Construction projects for the purpose of increasing plant capacity and or complying with new regulations are funded by the Capital Improvement Program

Services Provided to the Citizens

- Manage all construction projects of new JSA facilities.
- Assure that capital construction projects comply with all local, State and Federal regulations.

2011/2012 Accomplishments

- A comparison of plant capacity to estimated use by the JSA participants' show adequate hydraulic and organic capacity exists for the next ten years and beyond.
- JSA staff completed a "copper translator" study to develop a site specific copper standard for segment 17 of the Blue River. The State accepted the study and amended the discharge permit to allow a 44% increase in the amount of copper discharged. The new copper limit is still highly protective of the water quality in the Blue River and Treatment Facility is able to maintain compliance without a large capital project to construct a metals removal facility.
- Amended the JSA IGA to balance participant's plant capacity and interceptor capacity. This required JSA participants with excess interceptor capacity to transfer capacity to participants who were lacking capacity.

2013/2014 Goals

- Our current discharge permit expired July 2011 and is in administrative extension until a new permit is issued in 2014 or 2015. When a new permit is issued we expect it will include a compliance schedule to construct treatment facilities to meet the requirements of the

Colorado nutrient criteria. JSA staff has undertaken an alternatives analysis to determine the most cost effective way to bring our facility into compliance with these new regulations.

- JSA staff will continue to stay informed of regulatory issues and policy changes, evaluating their consequences for the JSA.
- JSA staff will continue to frequently monitor Blue River water quality upstream and downstream of the plant discharge point.

Through membership and participation, the JSA supports the activities of the Summit Water Quality Committee, QQ Committee, and the Colorado Wastewater Utility Council.

Issues

- Colorado Nutrient Criteria became effective September 30th 2012. Regulations to control the discharge of phosphorus and nitrogen from wastewater treatment facilities will be phased in over ten years. Regulation 85 will set permit limits for nutrients when the JSA is issued a new permit in 2014 or 2015. Regulation 31 will become effective between 2017 and 2022 and set stream standards for phosphorus and nitrogen in the Blue River. The BRWTP has a tertiary process to remove phosphorus. Capital expenditures to construct nitrogen removal facilities will need to be made as the regulations become effective.
- Front Range development has increased the demand on water resources in our area. A change in the way Denver Water operates Dillon Reservoir is already creating longer periods of low flow in the Blue River at the JSA treatment facility's discharge point. Lower flows in the river can lead to more restrictive removal requirements for certain pollutants. When future discharge permits are issued capital construction projects designed to meet stricter discharge limits may be required.

Blue River Wastewater Treatment Plant Fund

Table A

**Blue River Wastewater Treatment Plant
Operations Program Long Range Plans**

| REVENUES | Actual 2009 | Actual 2010 | Actual 2011 | Projected 2012 | Budget 2013 | Budget 2014 | 2015 | 2016 | 2017 |
|---------------------------------|------------------------|------------------------|------------------------|---------------------------|------------------------|------------------------|-------------------|-------------------|------------------|
| Entities – Operations | | | | | | | | | |
| Silverthorne | 517,371 | 525,753 | 529,995 | 534,047 | 535,161 | 544,466 | 555,707 | 570,348 | 595,178 |
| Dillon | 286,666 | 290,198 | 290,822 | 291,420 | 291,302 | 292,209 | 296,891 | 303,003 | 313,789 |
| Buffalo Mountain | 363,192 | 364,388 | 366,135 | 365,624 | 365,797 | 367,307 | 373,883 | 381,535 | 395,069 |
| Dillon Valley | 280,548 | 178,934 | 196,535 | 172,700 | 172,891 | 174,719 | 177,852 | 181,453 | 187,939 |
| Mesa Cortina | 39,613 | 39,639 | 39,609 | 39,503 | 38,464 | 39,591 | 40,394 | 41,376 | 42,960 |
| Interest | 34,298 | 15,788 | 10,357 | 10,436 | 8,225 | 14,161 | 35,358 | 37,277 | 39,280 |
| Miscellaneous Income | 38,722 | 39,273 | 58,858 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 | 35,000 |
| Administrative (10% of OP) | 137,690 | 139,089 | 142,310 | 140,329 | 140,362 | 141,829 | 144,473 | 147,772 | 153,493 |
| TOTAL REVENUES | 1,598,100 | 1,593,062 | 1,634,620 | 1,589,060 | 1,587,201 | 1,609,283 | 1,659,559 | 1,697,765 | 1,762,708 |
| EXPENSES | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Administrative (10% of OP) | 137,690 | 139,089 | 142,310 | 140,329 | 140,362 | 141,829 | 144,473 | 147,772 | 153,493 |
| Personnel Services | 494,429 | 508,836 | 490,022 | 513,824 | 534,886 | 544,594 | 551,130 | 564,780 | 654,918 |
| Professional Services | 46,987 | 30,615 | 37,740 | 58,523 | 64,000 | 64,000 | 64,000 | 64,000 | 64,000 |
| Purchased Services | 515,304 | 479,741 | 526,850 | 562,181 | 605,150 | 605,670 | 625,204 | 640,291 | 655,951 |
| Supplies | 159,704 | 144,064 | 150,128 | 189,941 | 206,500 | 207,500 | 210,780 | 214,151 | 217,620 |
| Refund to Entities | 1,150,000 | - | - | 1,000,000 | - | - | - | - | - |
| TOTAL EXPENSES | 2,504,114 | 1,302,345 | 1,347,050 | 2,464,798 | 1,550,898 | 1,563,593 | 1,595,587 | 1,630,994 | 1,745,982 |
| INCREASE (DEC) FUND BAL. | (906,014) | 290,717 | 287,570 | (875,738) | 36,304 | 45,690 | 63,972 | 66,771 | 16,726 |
| PRIOR FUND BALANCE | 2,300,072 | 1,394,058 | 1,684,775 | 1,972,345 | 1,096,607 | 1,132,910 | 1,178,600 | 1,242,5732 | 1,309,343 |
| CURRENT FUND BALANCE | 1,394,058 | 1,684,775 | 1,972,345 | 1,096,607 | 1,132,910 | 1,178,600 | 1,242,5732 | 1,309,343 | 1,326,069 |
| OPER. RES. TARGET | 677,057 | 651,173 | 673,325 | 732,399 | 775,449 | 781,797 | 797,793 | 815,497 | 872,991 |
| | <i>(6 mo.)</i> | <i>(6 mo.)</i> | <i>(6 mo.)</i> | <i>(6 mo.)</i> | <i>(6 mo.)</i> | <i>(6 mo.)</i> | <i>(6 mo.)</i> | <i>(6 mo.)</i> | <i>(6 mo.)</i> |
| AVAILABLE FUND BAL. | 717,001 | 1,033,602 | 1,298,820 | 364,208 | 357,461 | 396,803 | 444,779 | 493,846 | 453,078 |

Blue River Wastewater Treatment Plant Fund

Table B

**Blue River Wastewater Treatment Fund
Asset Management Plan Project Long Range Plan**

| REVENUES | Actual 2009 | Actual 2010 | Actual 2011 | Projected 2012 | Budget 2013 | Budget 2014 | 2015 | 2016 | 2017 |
|--------------------------------|------------------------|------------------------|------------------------|---------------------------|------------------------|------------------------|------------------|------------------|------------------|
| Entities – AMP | | | | | | | | | |
| Silverthorne | 186,828 | 195,969 | 205,467 | 215,965 | 250,673 | 263,207 | 276,367 | 290,186 | 304,695 |
| Dillon | 93,996 | 99,160 | 103,967 | 109,279 | 114,606 | 120,336 | 126,353 | 132,671 | 139,304 |
| Buffalo Mountain | 102,277 | 107,486 | 112,696 | 118,454 | 108,978 | 114,427 | 120,148 | 126,156 | 132,463 |
| Dillon Valley | 52,951 | 55,648 | 58,346 | 61,327 | 56,421 | 59,242 | 62,204 | 65,314 | 68,580 |
| Mesa Cortina | 11,548 | 12,136 | 12,725 | 13,375 | 13,020 | 13,671 | 14,355 | 15,072 | 15,826 |
| Interest | 25,085 | 19,895 | 12,635 | 12,482 | 18,818 | 23,516 | 52,571 | 62,553 | 62,332 |
| Intercept Fee/Transfers | 1,105,336 | 106,704 | 116,009 | 883,683 | 106,704 | 106,704 | 106,704 | 106,704 | 106,704 |
| TOTAL REVENUES | 1,578,021 | 596,998 | 621,845 | 1,414,565 | 669,220 | 701,103 | 758,702 | 798,655 | 829,904 |
| EXPENSES | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Major Maintenance / AMP | 743,946 | 1,042,883 | 332,905 | 1,264,955 | 1,297,000 | 830,000 | 426,000 | 806,000 | 598,000 |
| TOTAL EXPENSES | 743,946 | 1,042,883 | 332,905 | 1,264,955 | 1,297,000 | 830,000 | 426,000 | 806,000 | 598,000 |
| INC/(DEC) FUND BAL. | 834,075 | (445,885) | 288,940 | 149,610 | (627,780) | (128,897) | 332,702 | (7,345) | 231,904 |
| PRIOR FUND BAL. | 1,682,319 | 2,516,394 | 2,070,509 | 2,359,449 | 2,509,059 | 1,881,280 | 1,752,383 | 2,085,085 | 2,077,740 |
| CURRENT FUND | 2,516,394 | 2,070,509 | 2,359,449 | 2,509,059 | 1,881,280 | 1,752,383 | 2,085,085 | 2,077,740 | 2,309,644 |
| CAPITAL PROJECTS DETAIL | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Interceptors | 18,960 | 247,603 | 43,651 | 62,000 | 50,000 | 50,000 | 100,000 | 100,000 | 100,000 |
| Pump Room & Pumps | 38,990 | 46,860 | 29,893 | 60,000 | 50,000 | 50,000 | 80,000 | - | - |
| Pumps Scum | - | - | - | - | - | 60,000 | - | - | - |
| MCC Secondary | 60,283 | - | - | - | 200,000 | - | - | - | - |
| Blowers | 18,766 | - | - | - | - | - | - | - | - |
| VFD Replacement | 3,000 | - | - | 19,923 | 20,000 | 20,000 | 20,000 | 30,000 | 30,000 |
| Pretreatment | - | - | - | - | 90,000 | - | 100,000 | 250,000 | - |
| Clairifloculator/Thickner | - | - | - | - | - | 300,000 | - | - | - |
| Centrifuge | 13,007 | - | - | 400,000 | - | - | - | - | - |
| Plant/Office Maintenance | 9,554 | 52,640 | 134,823 | 60,000 | 80,000 | 60,000 | - | 50,000 | - |
| Digester Rehabilitation | - | - | 17,723 | 160,000 | - | 120,000 | - | 200,000 | - |
| Solar Garden | - | - | - | 350,000 | - | - | - | - | - |
| East A- Basin Rehabilitation | 364,324 | 631,659 | - | - | - | - | - | - | 300,000 |
| East A- Basin Mixers/Equip | 173,604 | - | - | - | - | - | - | - | - |
| Vehicle/Heavy Equipment | - | 9,961 | - | - | - | - | 40,000 | 40,000 | - |
| Pavement/Security Gate | - | 26,285 | - | 60,000 | - | - | - | - | - |
| Security | - | - | - | - | - | 60,000 | - | 50,000 | 50,000 |
| UV Disinfection | - | - | - | - | 600,000 | - | - | - | - |
| Odor Control/HVA | - | 18,154 | 13,932 | 3,032 | - | 50,000 | - | - | - |
| Valve Replacement | 2,679 | - | - | - | - | - | 6,000 | 6,000 | 8,000 |
| Process Equipment | 20,230 | - | 92,883 | 90,000 | 60,000 | 60,000 | 80,000 | 80,000 | 80,000 |
| Copier | - | - | - | - | 12,000 | - | - | - | - |
| Pond Related | - | - | - | - | - | - | - | - | 30,000 |
| Dormer Rebuild | - | - | - | - | 85,000 | - | - | - | - |
| Filter 3 | - | - | - | - | 50,000 | - | - | - | - |
| Other | 20,549 | 9,721 | - | - | - | - | - | - | - |
| Total | 743,946 | 1,042,883 | 332,905 | 1,264,955 | 1,297,000 | 830,000 | 426,000 | 806,000 | 598,000 |

Table C

**Blue River Wastewater Treatment Fund
Capital Expansion Program Long Range Plan**

| REVENUES | Actual 2009 | Actual 2010 | Actual 2011 | Project. 2012 | Budget 2013 | Budget 2014 | 2015 | 2016 | 2017 |
|------------------------------|----------------|----------------|----------------|------------------|----------------|----------------|--------------|--------------|--------------|
| Entities – Capital | | | | | | | | | |
| Silverthorne | - | - | - | - | 1,066,863 | - | - | - | - |
| Dillon | - | - | - | - | (253) | - | - | - | - |
| Buffalo Mountain | - | - | - | - | (673,474) | - | - | - | - |
| Dillon Valley | - | - | - | - | (348,674) | - | - | - | - |
| Mesa Cortina | - | - | - | - | (44,463) | - | - | - | - |
| Interest | 59 | 36 | 23 | 23 | 27 | 47 | 113 | 117 | 120 |
| Transfer In | - | - | - | - | - | - | - | - | - |
| TOTAL REVENUES | 59 | 36 | 23 | 23 | 27 | 47 | 113 | 117 | 120 |
| EXPENSES | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Capital Expansion | - | - | - | - | - | - | - | - | - |
| TOTAL EXPENSES | - | - | - | - | - | - | - | - | - |
| INC./ (DEC) FUND BAL. | 59 | 36 | 23 | 23 | 27 | 47 | 113 | 117 | 120 |
| PRIOR FUND BALANCE | 3,565 | 3,624 | 3,660 | 3,683 | 3,706 | 3,733 | 3,780 | 3,893 | 4,010 |
| CURRENT FUND BALANCE | 3,624 | 3,660 | 3,683 | 3,706 | 3,733 | 3,780 | 3,893 | 4,010 | 4,130 |

Compensated Absences Internal Service Fund Long Range Plan

The Town elects to account for personal time and compensated time as it is earned. The Town's operating budgets, specifically the General Fund, expenses the program where the "time" is earned in the payroll period when it was earned.

As per Governmental Accounting Standards Board (GASB), because the Town chooses to account for compensated absences in this manner, the Town must utilize an internal service fund for General Fund compensated absences. This is mostly due to the long-term (more than one-year) nature of accumulation.

Employees accrue personal leave time which may be used in place of traditional sick and vacation time. Personal leave accrues to employees based on a

sliding scale, and may be carried over to subsequent periods. Upon termination in good standing, employees are compensated for 100% of unused personal time.

Compensation time is earned when a full-time employee works over 40 hours in a week. The time is figured at time and half for each hour worked over 40 hours. The Town's personnel policies state that "an employee may not work over 80 hours of compensation time in a year and they may not accrue more than 80 hours on the records at any time." Upon termination, employees are compensated for 100% of unused compensation time.

| Revenues | Projected 2012 | Budget 2013 | Budget 2014 | 2015 | 2016 | 2017 |
|-----------------------------|---------------------------|------------------------|------------------------|----------------|----------------|----------------|
| Earned Compensated Absences | 464,500 | 471,500 | 480,900 | 504,945 | 530,192 | 556,702 |
| TOTAL REVENUE: | 464,500 | 471,500 | 480,900 | 504,945 | 530,192 | 556,702 |
| Expenses | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Compensated Absences Used | 441,275 | 447,925 | 456,855 | 479,698 | 503,683 | 528,867 |
| TOTAL EXPENSES | 441,275 | 447,925 | 456,855 | 479,698 | 503,683 | 528,867 |
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| INCREASE / (DEC) FUND BAL. | 23,225 | 23,575 | 24,045 | 25,247 | 26,510 | 27,835 |
| PRIOR FUND BALANCE | 413,533 | 436,758 | 460,333 | 484,378 | 509,625 | 536,135 |
| CURRENT FUND BALANCE | 436,758 | 460,333 | 484,378 | 509,625 | 536,135 | 563,970 |

Health, Dental & Short-Term Disability Claims Internal Service Fund Long Range Plan

The Town self-insures, in some portion, the employee's and their dependents health, dental and short-term disability claims. The Claims Internal Service Fund accounts for the payment of claims related to the Town's health, dental and short-term disability insurance.

Funding is obtained through monthly premiums charged to each department based on the type of coverage the employee elects. The Town self-insures up to a maximum of \$65,000 per covered

individual for health insurance claims. Stop-loss insurance policies have been purchased to cover losses above these limits. This fund also covers the wellness program that the Town provides to encourage healthy life styles and better health.

The Town fully covers claims for dental and short-term disability based on the Town's coverage policy.

| Revenues | Projected 2012 | Budget 2013 | Budget 2014 | 2015 | 2016 | 2017 |
|---------------------------------------|---------------------------|------------------------|------------------------|----------------|----------------|----------------|
| Medical Claims Premiums | 651,000 | 651,000 | 683,550 | 717,728 | 753,614 | 791,295 |
| Dental Claims Premiums | 57,325 | 63,000 | 66,150 | 71,250 | 74,813 | 78,553 |
| Short-term Disability Claims Premiums | 19,140 | 19,800 | 20,100 | 20,250 | 21,263 | 22,326 |
| Miscellaneous | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| TOTAL REVENUE: | 728,465 | 734,800 | 770,800 | 810,228 | 850,690 | 893,174 |
| Expenses | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Medical Claims | 666,000 | 695,000 | 725,000 | 739,500 | 754,290 | 769,376 |
| Dental Claims | 60,000 | 63,000 | 65,000 | 66,000 | 66,000 | 66,000 |
| Short-Term Disability Claims | 10,000 | 15,000 | 15,000 | 15,000 | 15,000 | 15,000 |
| Wellness Program | 24,500 | 23,500 | 23,500 | 23,500 | 23,500 | 23,500 |
| TOTAL EXPENSES | 760,500 | 796,500 | 828,500 | 844,000 | 858,790 | 873,876 |
| | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| INCREASE / (DEC) FUND BAL. | (32,035) | (61,700) | (57,700) | (33,773) | (8,101) | 19,298 |
| PRIOR FUND BALANCE | 419,975 | 387,940 | 326,240 | 268,540 | 234,768 | 226,666 |
| CURRENT FUND BALANCE | 387,940 | 326,240 | 268,540 | 234,768 | 226,666 | 245,964 |

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Financial Summary

Financial Condition of the Town

The Town of Silverthorne begins 2013 in a financially secure condition. 2012 projected year-end fund balance for the General Fund Long Range Plans reflects \$6.29 million. This is approximately a \$123K decrease to fund balance from year-end 2011. Fiscal year 2012 included spending \$269K on business incentives such as business grants, and marketing as well as downtown feasibility studies. With the transfers removed, the General Fund actually had an operating increase to fund balance in the amount of \$146K. The Town maintains its target for fund balance reserves through projected 2017.

No doubt, the Town is heavily dependent on sales tax revenues to provide town services. Fiscal years 2009 - 2011 had the Town being reactive to the economic down turn by planning and making budget cuts in 2009 which continued into 2010 and 2011. The Town eliminated six full-time positions. Only one position, a grant paid police officer, has been brought back. An equipment operator will be brought back in late 2014. Salary freezes were in place for 2010 and 2011, supplies and service expenditures were not being increased unless it was price related and no new services were being added. The economy has improved in 2012 and is projected to continue into 2013 and 2014. The Town is able to bring back some increases including small wage increases. We've added an economic development program. While financially we are seeing positive increases, we still are not at 2007 General Fund revenue levels.

Wages and benefits compose 74% of Town expenditures in the General Fund. The Town did not give annual performance based salary increases in 2010-2012 but did give a 1.5% cost of living increases in 2012. On a positive note health insurance costs have not increased since 2010 and is not budgeted to see an increase until 2014. Management cautiously watches sales tax revenues, employment and utilities markets as these areas will have a major impact on the General Fund if they

fluctuate in either direction. Maintaining fund reserves helps to establish the Town's immediate future as safe. We expect 2014 revenues to increase slightly from 2013 and continue to see increases 2015 and beyond. However, expenditures are increasing as well. Good conservative financial planning has allowed the Town to present balance budgets. Planning ahead and striving for diversity in our revenue base will be an important factor to the Town's future. The Town provides brief information in the following areas, which also helps in understanding the Town's overall financial condition.

Bond Rating

The Town of Silverthorne maintains a "BAA" rating from Moody's and a "BBB+" from Standard & Poors. This is a very respectable rating for a community the size of Silverthorne and with a history of dependency on sales tax revenues. In order to improve the bond rating, the Town would need to increase the revenue base and diversify from the current dependence on retail sales tax. We don't expect to see any change in our current revenue base in the near future. The Town is currently debt free.

Balanced Budget

The proposed General Fund operating expenditures for 2013 is \$9,156,831, compared to revenues of \$9,183,316. In 2014, operating expenditures are \$9,336,393, compared to revenues of \$9,347,661. A decrease to fund balance is expected in the amount of \$316K and \$639K respectively for 2013 & 2014 due to one-time unique expenditures and transfers to other funds. Staff presents this document and long range plans as its best product of budgeting and forecasting for 2013 & 2014. The challenge of the future is to continue to monitor the budget to guarantee the Town stays on course for revenues in order to meet needs for expected expenditures.

Capital & Special Revenue Budget

The dedication of 60% of the Town's 2% sales tax to capital projects provides funding for capital improvements. In past budgets the Sales Tax CIP Fund has been impacted by the Excise Tax Revenue Bonds, Series 1998. The annual debt payment consumed about \$500,000 of the total budget. Thanks to fully calling the principal in 2009, the Town now has an additional \$500,000 per year available for projects. Expenditures for asset replacement/maintenance have been increased as a priority. Street Improvements will continue to be a major piece of the capital budget, as the results of growth, traffic and age.

The Town created three Special Revenue Funds to address issues and revenues reserved for special uses. The first fund is the Lodging Tax Fund that accounts for the 2% lodging tax applied to short-term rentals (less than 30 days). This fund is used for the purchase of capital related to parks trails and open space. The second fund is the Development Excise Tax Fund. This fund is where the \$2 per sq. ft. of new residential permits is placed. The fund is

used for growth-related capital expenditures, although it is legal to utilize the funds for paying for operations and maintenance of Public Safety and Public Works. And lastly an affordable housing fund (Housing 5A Fund) was created in 2007 to help fund sustainable housing in Silverthorne and the surrounding Summit County area through a designated sales tax and impact assessment on new development.

All of the Capital and Special Revenues Funds were created by voter approved elections and therefore must be used as specified. None of the funds from these funds can be used for General Fund expenditures.

Debt

As stated above, the Town is debt free. This includes our governmental and utility enterprise funds. The Debt Management section discusses how debt has been used in the past. Beyond minor lease purchases for fleet related expenses, the Town has no intention to issue any bonds or other long term debt financing in the near future.

Budget Summaries

The following summary shows fiscal year by Fund in 2013 & 2014. These tables provide an opportunity to view revenues and expenditures by fund type.

BUDGET SUMMARY FOR FISCAL YEAR 2013 BY FUND

| | General Fund | Capital & Special Revenue Funds | Enterprise Funds | Grand Total |
|---|-------------------------|--|-----------------------------|------------------------|
| <i>Funding Sources</i> | | | | |
| Sales Taxes | 5,749,943 | 2,616,277 | - | 8,366,220 |
| Other Taxes | 615,304 | 585,042 | - | 1,200,346 |
| Licenses & Permits | 255,533 | - | - | 255,533 |
| Charges for Services | 1,847,618 | - | 2,119,933 | 3,967,551 |
| Fines & Forfeits | 125,000 | - | - | 125,000 |
| Interest | 47,192 | 17,388 | 36,777 | 101,357 |
| Tap Charges | - | - | 223,200 | 223,200 |
| Miscellaneous | 110,000 | 429,507 | - | 539,507 |
| Other Financing Sources | 432,726 | 962,500 | 162,500 | 1,557,726 |
| Total Revenues & Sources | 9,183,316 | 4,610,714 | 2,542,410 | 16,336,440 |
| Beginning Sources Available | 6,292,310 | 2,318,355 | 4,903,538 | 13,514,203 |
| Total Available Resources | 15,475,626 | 6,929,069 | 7,445,948 | 29,850,643 |
| <i>Expenditures</i> | | | | |
| General Governments | 1,627,475 | 85,269 | - | 1,712,744 |
| Public Safety | 1,852,642 | - | - | 1,852,642 |
| Public Works | 2,263,770 | - | - | 2,263,770 |
| Community Development | 704,215 | - | - | 704,215 |
| Recreation & Culture | 2,708,729 | - | - | 2,708,729 |
| Capital Outlay | - | 3,990,694 | 1,356,863 | 5,347,557 |
| Water | - | - | 794,199 | 794,199 |
| Sewer | - | - | 1,106,072 | 1,106,072 |
| Other Uses | 342,500 | 1,125,000 | 292,394 | 1,759,864 |
| Total Expenditures & Other Uses | 9,499,331 | 5,200,963 | 3,549,498 | 18,249,792 |
| Ending Fund Balances | 5,976,295 | 1,728,106 | 3,896,450 | 11,600,851 |
| Total Fund Commitments & Fund Balances | 15,475,626 | 6,929,069 | 7,445,948 | 29,850,643 |

BUDGET SUMMARY FOR FISCAL YEAR 2014 BY FUND

| | General Fund | Capital & Special Revenue Funds | Enterprise Funds | Grand Total |
|---|-------------------------|--|-----------------------------|------------------------|
| <i>Funding Sources</i> | | | | |
| Sales Taxes | 5,848,774 | 2,661,972 | - | 8,510,746 |
| Other Taxes | 629,801 | 591,460 | - | 1,221,261 |
| Licenses & Permits | 255,533 | - | - | 255,533 |
| Charges for Services | 1,860,435 | - | 2,164,385 | 4,024,820 |
| Fines & Forfeits | 127,000 | - | - | 127,000 |
| Interest | 74,704 | 21,601 | 48,705 | 145,010 |
| Tap Charges | - | - | 226,800 | 226,800 |
| Miscellaneous | 110,000 | 201,911 | - | 311,911 |
| Other Financing Sources | 441,414 | 2,125,000 | 150,000 | 2,716,414 |
| Total Revenues & Other Financing Sources | 9,347,661 | 5,601,944 | 2,589,890 | 17,539,495 |
| Beginning Sources Available | 5,976,295 | 1,728,106 | 3,896,450 | 11,600,851 |
| Total Available Resources | 15,323,956 | 7,330,050 | 6,486,340 | 29,140,346 |
| <i>Expenditures</i> | | | | |
| General Governments | 1,641,584 | 87,457 | - | 1,729,041 |
| Public Safety | 1,891,640 | - | - | 1,891,640 |
| Public Works | 2,343,252 | - | - | 2,343,252 |
| Community Development | 716,895 | - | - | 716,895 |
| Recreation & Culture | 2,743,022 | - | - | 2,743,022 |
| Capital Outlay | - | 4,335,645 | 237,500 | 4,573,145 |
| Water | - | - | 810,842 | 810,842 |
| Sewer | - | - | 1,134,175 | 1,134,175 |
| Other Uses | 650,000 | 1,625,000 | 299,585 | 2,574,585 |
| Total Expenditures & Other Uses | 9,986,393 | 6,048,102 | 2,482,102 | 18,516,597 |
| Ending Fund Balances | 5,337,563 | 1,281,948 | 4,004,238 | 10,623,749 |
| Total Fund Commitments & Fund Balances | 15,323,956 | 7,330,050 | 6,486,340 | 29,140,346 |

Budget Summaries

The following summary of prior, current and proposed years for all funds provides an opportunity to observe five years of information.

SUMMARY OF PRIOR, CURRENT AND PROPOSED YEARS FOR ALL FUNDS

SUMMARY OF PRIOR, CURRENT AND PROPOSED YEARS FOR ALL FUNDS

| ALL FUNDS COMBINED | Actual 2009 | Actual 2010 | Actual 2011 | Projected 2012 | Budgeted 2013 | Budgeted 2014 |
|---|------------------------|------------------------|------------------------|---------------------------|--------------------------|--------------------------|
| <i>Revenues and Other Sources</i> | | | | | | |
| Sales Taxes | 7,452,055 | 7,502,589 | 7,751,173 | 8,022,438 | 8,366,220 | 8,510,746 |
| Other Taxes | 1,041,661 | 1,096,381 | 1,336,821 | 1,141,523 | 1,200,346 | 1,221,261 |
| Licenses & Permits | 248,318 | 267,951 | 290,092 | 238,121 | 255,533 | 255,533 |
| Charges for Services | 3,705,057 | 3,813,602 | 3,915,711 | 3,968,387 | 3,967,551 | 4,024,820 |
| Fines & Forfeits | 137,646 | 124,666 | 118,523 | 86,433 | 125,000 | 127,000 |
| Interest | 176,775 | 127,104 | 72,755 | 69,227 | 101,357 | 145,010 |
| Tap Charges | 146,031 | 204,863 | 673,541 | 284,289 | 223,200 | 226,800 |
| Miscellaneous/Grants | 602,916 | 280,389 | 364,659 | 675,781 | 539,507 | 311,911 |
| Other Financing Sources | 1,674,782 | 642,004 | 1,544,688 | 923,996 | 1,557,726 | 2,716,414 |
| Total Revenues & Other Sources | 15,185,241 | 14,059,549 | 16,067,963 | 15,410,195 | 16,336,440 | 17,539,495 |
| Beginning Sources Available | 14,379,264 | 12,464,722 | 13,040,801 | 13,446,323 | 13,514,203 | 11,600,851 |
| Total Available Resources | 29,564,505 | 26,524,271 | 29,108,764 | 28,856,518 | 29,850,643 | 29,140,346 |
| <i>Expenditures and Other Uses</i> | | | | | | |
| General Government | 1,475,563 | 1,538,405 | 1,658,450 | 1,584,160 | 1,712,744 | 1,729,041 |
| Public Safety | 1,778,406 | 1,758,679 | 1,686,797 | 1,780,583 | 1,852,642 | 1,891,640 |
| Public Works | 1,989,880 | 2,067,316 | 2,062,359 | 2,197,962 | 2,263,770 | 2,343,252 |
| Community Development | 682,488 | 641,036 | 695,909 | 705,872 | 704,215 | 716,895 |
| Recreation Development | 2,582,149 | 2,539,058 | 2,566,259 | 2,605,422 | 2,708,729 | 2,743,022 |
| Capital Outlay | 3,360,261 | 2,745,794 | 3,924,988 | 3,496,360 | 5,347,557 | 4,573,145 |
| Water | 821,443 | 686,257 | 651,202 | 841,748 | 794,199 | 810,842 |
| Sewer | 929,507 | 1,004,009 | 1,004,099 | 1,077,542 | 1,106,072 | 1,134,175 |
| Debt Services | 1,942,994 | - | - | - | - | - |
| Other Uses | 1,537,092 | 502,916 | 1,402,378 | 1,052,666 | 1,759,864 | 2,574,585 |
| Total Expenditures /Other Uses | 17,099,783 | 13,483,470 | 15,662,441 | 15,342,315 | 18,249,792 | 18,516,597 |
| Ending Fund Balance | 12,464,722 | 13,040,801 | 13,446,323 | 13,514,203 | 11,600,851 | 10,623,749 |
| Total Fund Commitments & Fund Balances | 29,564,505 | 26,524,271 | 29,108,764 | 28,856,518 | 29,850,643 | 29,140,346 |

Budget Ordinance

TOWN OF SILVERTHORNE, COLORADO ORDINANCE NO. 2012-08

AN ORDINANCE RECOGNIZING REVENUES, APPROPRIATING EXPENDITURES, APPROVING TRANSFERS AND ADOPTING THE TOWN OF SILVERTHORNE, JOINT SEWER AUTHORITY AND THE SOUTH MARYLAND CREEK RANCH GENERAL IMPROVEMENT DISTRICT BUDGETS FOR THE YEAR BEGINNING ON THE FIRST DAY OF JANUARY, 2013 AND ENDING ON THE LAST DAY OF DECEMBER, 2013.

WHEREAS, the Town Manager, designated by the Home Rule Charter (Section 6.1.b.4) to prepare the budget, has prepared and submitted to the Mayor and Town Council a proposed annual budget for the Town of Silverthorne, Colorado, for the fiscal year beginning January 1, 2013 and ending December 31, 2013, and;

WHEREAS, the annual Budget is prepared in accordance with the Home Rule Charter, Article VIII (Town Finances) and Section II (Budget Policies) of the Town of Silverthorne Financial Policies previously approved by the Council, and;

WHEREAS, in accordance with the Home Rule Charter (Sections 4.5 - Procedure for passage of Ordinances and 14.13 - Publication of ordinances, notices and other documents) and the Town's Financial Policies (Section II.B.5 - Citizen participation), notice of the proposed budget was published in a newspaper of general circulation in Summit County prior to the public hearing scheduled in November, and;

WHEREAS, in accordance with the Home Rule Charter (Section 4.5.c - Public hearing requirements) and the Town's Financial Policies (Section II.B.6 Public Hearing) a public hearing will be held at the regularly scheduled Town Council meeting on November 14th, and;

WHEREAS, the adopted budget is be available for review in the office of the Finance Director located in Town Hall, and;

WHEREAS, Town Council work sessions were held to discuss the proposed budget and citizens were invited and encouraged to attend and participate in these discussions regarding the proposed budget, and;

WHEREAS, in accordance with the Home Rule Charter (Section 8.2), the budget was submitted to the Town Council at least forty-five days prior to the date provided by law for approval by the member of the Town Council, and;

WHEREAS, in accordance with the Home Rule Charter (Section 8.4), the Town Council shall adopt on final reading an ordinance adopting the budget and appropriating moneys for the purposes therein, and;

WHEREAS, the adopted budget as submitted and summarized below recognizes revenues, appropriates expenditures (expenses in the water, sewer, and joint sewer authority enterprise funds) and approves transfers for the calendar year 2013:

NOW, THEREFORE, THE COUNCIL OF THE TOWN OF SILVERTHORNE, COLORADO ORDAINS:

Section 1:

The budget for the Town of Silverthorne, Colorado for the fiscal year 2013 as submitted, amended and summarized by fund as described below is hereby adopted, which adoption shall constitute appropriations of the amounts specified therein as expenditures from the Funds indicated or expenses from Enterprise Funds; and that the estimated Beginning Balances, Revenues and Other Sources is hereby declared to be a reasonable projection of the amount of Revenue available for appropriation and to provide an adequate Fund Balance at the close of the fiscal year beginning January 1, 2013 and ending December 31, 2013 more particularly described as follows:

| Fund / Department | Beginning Balance | Revenue | Transfers In | Expenditures | Transfers Out | Ending Balance |
|---|------------------------------|------------------|-------------------------|---------------------|--------------------------|---------------------------|
| GENERAL FUND | | | | | | |
| Administrative Serv. | - | 6,288,111 | 432,726 | 1,627,475 | - | - |
| Public Safety | - | 295,744 | - | 1,852,642 | - | - |
| Public Works | - | 310,200 | - | 2,263,770 | - | - |
| Community Dev. | - | 185,833 | - | 704,215 | - | - |
| Rec & Culture | - | 1,670,702 | - | 2,708,729 | - | - |
| Other Uses – Solar Garden/Economic Dev | - | - | - | 342,500 | - | - |
| Reserve Funds | 4,405,263 | - | - | - | - | 4,578,415 |
| Available Funds | 1,887,047 | - | - | - | - | 1,397,881 |
| Total General Fund | 6,292,310 | 8,750,590 | 432,726 | 9,499,331 | - | 5,976,295 |
| SALES TAX CAPITAL IMPROVEMENT FUND | | | | | | |
| Administrative Service | - | 2,629,960 | - | 113,400 | - | - |
| Public Safety | - | - | - | 34,932 | - | - |
| Public Works | - | 147,000 | - | 1,065,000 | 400,000 | - |
| Community Dev. | - | - | - | 120,000 | - | - |
| Rec. & Culture | - | 36,407 | - | 104,600 | - | - |
| Asset Management | - | - | - | 1,409,457 | - | - |
| Reserve Funds | 1,064,400 | - | - | - | - | 630,378 |
| Total CIP Fund | 1,064,400 | 2,813,367 | - | 2,847,389 | 400,000 | 630,378 |
| LODGING TAX FUND | | | | | | |
| Lodging Tax | - | 127,500 | - | - | - | - |
| Grants/Donations | - | 200,000 | - | - | - | - |
| Other | - | 41,610 | 800,000 | - | - | - |
| Reserves – P,T & OS | 48,434 | - | - | 1,140,805 | - | 56,767 |
| Reserves – Blue River | 68,314 | - | - | - | - | 68,827 |
| Reserves - Marketing | 44,567 | - | - | 30,000 | - | 34,026 |
| Total Lodging Fund | 161,315 | 369,110 | 800,000 | 1,170,805 | - | 159,620 |

Budget Ordinance

| Fund / Department | Beginning Balance | Revenue | Transfers In | Expenditures | Transfers Out | Ending Balance |
|---------------------------------------|--------------------------|-------------------|---------------------|---------------------|----------------------|-----------------------|
| DEVELOPMENT EXCISE TAX FUND | | | | | | |
| Excise Tax | - | 105,000 | - | - | - | - |
| Other | - | 7,987 | - | - | - | - |
| Reserves Funds | 1,064,926 | - | 162,500 | 12,500 | 400,000 | 927,913 |
| Total Dev. Excise Fund | 1,064,926 | 112,987 | 162,500 | 12,500 | 400,000 | 927,913 |
| HOUSING 5A FUND | | | | | | |
| Housing Sales Tax | - | 257,907 | - | - | - | - |
| Impact Fees | - | 94,635 | - | - | - | - |
| Other | - | 208 | - | - | - | - |
| Reserves | 27,714 | - | - | 45,269 | 325,000 | 10,195 |
| Total Housing 5A Fund | 27,714 | 352,750 | - | 45,269 | 325,000 | 10,195 |
| WATER FUND | | | | | | |
| Operations | 1,125,039 | 961,539 | - | 794,199 | 144,231 | 1,148,148 |
| Capital Improvement | 469,567 | 125,922 | - | 265,000 | 18,888 | 311,601 |
| Total Water Fund | 1,594,606 | 1,087,461 | - | 1,059,199 | 163,119 | 1,459,749 |
| SEWER FUND | | | | | | |
| Operations | 1,406,687 | 1,177,382 | 162,500 | 1,106,072 | 817,738 | 822,759 |
| Capital Improvement | 1,902,245 | 115,067 | 700,000 | 1,091,863 | 11,507 | 1,613,942 |
| Total Sewer Fund | 3,308,932 | 1,292,449 | 862,500 | 2,197,935 | 829,245 | 2,436,701 |
| INTERNAL SERVICE FUNDS | | | | | | |
| Compensated Absences | 436,758 | 471,500 | - | 447,925 | - | 460,333 |
| Insurance Claims | 387,940 | 734,800 | - | 796,500 | - | 326,240 |
| Total Internal Service Funds | 824,698 | 1,206,300 | - | 1,244,425 | - | 786,573 |
| JOINT SEWER AUTHORITY FUND | | | | | | |
| Entities - Operations | 1,096,607 | 1,587,201 | - | 1,410,536 | 140,362 | 1,132,910 |
| Entities - AMP | 2,509,059 | 669,220 | - | 1,297,000 | - | 1,881,279 |
| Entities - Capital | 3,706 | 27 | - | - | - | 3,733 |
| Total JSA Fund | 3,609,372 | 2,256,448 | - | 2,707,536 | 140,362 | 3,017,922 |
| SOUTH MARYLAND CREEK RANCH GID | | | | | | |
| Operations | - | 6,746 | - | 6,746 | - | - |
| Total SMCR General Imp. Dist. | - | 6,746 | - | 6,746 | - | - |
| TOTAL ALL FUNDS | 17,948,273 | 18,248,208 | 2,257,726 | 20,791,135 | 2,257,726 | 15,405,346 |

Section 2:

The Town Council hereby authorizes and directs the Town Manager to enter into such contracts and execute such documents on behalf of the Town as may be necessary and customary to expend the funds hereby appropriated for all operations and capital projects within the budget as hereby adopted all in accordance with the requirements of the Home Rule Charter and the Town's Financial Policies.

Section 3:

The budget hereby approved and adopted shall be signed by the Mayor and Town Clerk and made a part of the public records of the Town of Silverthorne, Colorado.

**MOVED, SECONDED, APPROVED AND FINALLY PASSED ON SECOND AND FINAL READING
THIS 14TH DAY OF NOVEMBER 2012**

**TOWN OF SILVERTHORNE, COLORADO
TOWN COUNCIL
BY:**

Dave Koop, Mayor

ATTEST:

By: _____
Michele Miller, Town Clerk

| | |
|---|-------------------|
| Approved on first reading | October 24, 2012 |
| Published by title only on first reading | October 24, 2012 |
| Approved on second reading | November 14, 2012 |
| Published by title only on second reading | November 14, 2012 |

**TOWN OF SILVERTHORNE, COLORADO
RESOLUTION NO. 2012-20**

**A RESOLUTION ADOPTING A BUDGET FOR THE PURPOSE OF DEFRAYING THE
EXPENSES AND LIABILITIES FOR THE FISCAL YEARS ENDING DECEMBER 31,
2013 AND 2014**

WHEREAS, in accordance with the provisions of section 8.1 – 8.4 of the Charter of the Town of Silverthorne, the Town Manager of the Town has submitted to the Town Council, a budget estimate of the revenues and expenses of conducting the affairs thereof for the fiscal years ending December 31, 2013 and 2014; and,

WHEREAS; after full and final consideration of the budget estimates, the Town Council is of the opinion that the budget should be approved and adopted:

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF SILVERTHORNE, COLORADO:

That the budget estimate of the revenues and expenses of conducting the affairs of said Town for fiscal years ending December 31, 2013 and 2014, as submitted by the Town Manager, be and the same is hereby adopted and approved as the budget for defraying the expenses of liabilities against the Town of Silverthorne, Colorado, for the fiscal years ending December 31, 2013 and 2014.

ADOPTED AND APPROVED THIS 14TH DAY OF NOVEMBER, 2012

By: _____
Dave Koop, Mayor

Attest: _____
Michele Miller, Town Clerk

Contributions

The Town contributes funds to a number of non-profit organizations, youth programs, student scholarships and special events every year. Because contributions are issued on an annual basis, this part of the budget document reflects past years and budget year 2013. Every summer, the Town invites organizations to submit a request for funding along with its financial statements, budget, 501 C documentation, a list of officers and/or directors, and a summary of major funding sources.

The Town of Silverthorne participates in a local group of governmental and local foundation organizations to develop a standard application that can be used county-wide and that has a common deadline (usually the end of August). The application requires non-profits to provide a history of the funding they have received from each jurisdiction in the past and the amount that they are requesting from each for the upcoming year. This way, each funding jurisdiction is provided with more complete information on where the funding is going and where it is most needed. The coordinated process also helps non-profits by cutting down on the time it takes to prepare grant applications. A summary of the information contained in the grant applications is provided to the Town Council during the budget cycle for final decisions.

The Schmidt Scholarship, issued for higher education beyond high school, as well as contributions to non-profits has been part of our budget reductions in past years. As part of the 2013 & 2014 budget process, Council requested budgeting \$50,000 in available funds for each budget year. Additionally, we track “in kind” type of services and facilities the Town offers to numerous non-profits throughout the year. The majority of these “in kind” types of donations include the use of the Pavilion, Recreation Center and park fields. While this doesn’t cost the Town direct funds, it does allow the organizations to not expend funds and/or fundraise using Town facilities.

HISTORIC CONTRIBUTION SUMMARY

| ORGANIZATION | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|
| ARTS, ENTERTAINMENT AND CULTURE | | | | | | |
| Alpenglow Chamber/Breckenridge Music Institute | 0 | 0 | 500 | 0 | 500 | 500 |
| National Repertory Orchestra | 1,000 | 0 | 0 | 250 | 250 | 250 |
| Summit Choral Society | 0 | 500 | 500 | 250 | 250 | 0 |
| Summit Community Band | 300 | 500 | 500 | 250 | 0 | 0 |
| Town of Frisco – Fireworks | 1,000 | 1,000 | 1,000 | 1,000 | 0 | 0 |
| TOTAL | 2,300 | 2,000 | 2,500 | 1,750 | 1,000 | 750 |
| EDUCATION | | | | | | |
| Colorado Mountain College | 0 | 0 | 0 | 500 | 0 | 0 |
| Girl Scouts/Top of the World Service Unit | 0 | 500 | 500 | 500 | 750 | 750 |
| Schmidt/Donahue Scholarships | 15,000 | 16,000 | 11,000 | 13,000 | 15,000 | 15,000 |
| Silverthorne Elementary | 1,000 | 1,000 | 2,005 | 2,000 | 2,000 | 2,000 |
| Summit Independent Business Alliance | 0 | 0 | 0 | 500 | 200 | 200 |
| Summit County 4-H Council | 0 | 0 | 0 | 0 | 500 | 0 |
| Summit County Library Foundation | 0 | 0 | 0 | 0 | 250 | 250 |
| Summit County Preschool | 1,000 | 1,000 | 0 | 0 | 0 | 0 |
| Summit High School/Education Foundation | 0 | 500 | 500 | 500 | 0 | 0 |
| Lake Dillon Child Care | 1,000 | 1,000 | 1,000 | 1,000 | 750 | 750 |
| TOTAL | 18,000 | 20,000 | 15,005 | 18,000 | 19,450 | 18,950 |
| ENVIRONMENT | | | | | | |
| Blue River Watershed Group | 0 | 500 | 0 | 500 | 500 | 500 |
| Colorado Avalanche Information Center | 250 | 500 | 1,000 | 1,000 | 1,000 | 1,000 |
| Continental Divide Land Trust | 0 | 0 | 100 | 500 | 0 | 0 |
| Friends of Eagles Nest Wilderness/Dillon Ranger Station | 500 | 750 | 1,250 | 500 | 0 | 400 |
| High County Conservative | 1,000 | 500 | 0 | 0 | 0 | 0 |
| Silverthorne Community Garden | 0 | 0 | 1,000 | 500 | 500 | 0 |
| Town Clean Up | 2,410 | 1,447 | 2,104 | 1,736 | 4,334 | 3,000 |
| TOTAL | 4,160 | 3,697 | 5,454 | 4,736 | 6,334 | 4,900 |
| SUPPORT GROUPS, HEALTH & HUMAN SERVICES | | | | | | |
| Advocates for Victims of Assault | 1,500 | 1,500 | 2,000 | 2,000 | 2,000 | 2,500 |
| Bristlecone Health Services, Inc. | 4,200 | 1,000 | 1,000 | 2,000 | 1,500 | 2,000 |
| CASA of the Continental Divide | 750 | 1,000 | 1,000 | 1,000 | 2,000 | 2,500 |
| Colorado West Mental Health - Summit Center | 1,000 | 1,500 | 250 | 500 | 750 | 750 |
| Family Intercultural Resource Center | 1,000 | 1,000 | 1,000 | 2,000 | 2,000 | 2,500 |
| Family Wellness Center | 0 | 500 | 500 | 500 | 250 | 250 |
| Northwest Colorado Legal Services Project | 500 | 500 | 500 | 500 | 500 | 0 |
| Summit County Child Resource/Early Childhood Options | 500 | 1,000 | 500 | 500 | 300 | 300 |
| Summit Community Care Clinic | 2,000 | 3,000 | 3,000 | 3,000 | 3,000 | 3,500 |
| Summit County Youth and Family | 0 | 0 | 0 | 1,500 | 1,000 | 1,000 |
| Summit County Rotary – Community Dinner | 0 | 0 | 1,500 | 1,500 | 2,000 | 2,500 |
| Summit County Senior Citizens | 500 | 0 | 500 | 0 | 0 | 0 |
| Summit County Social Services - Church Fund | 500 | 500 | 1,000 | 500 | 500 | 1,000 |
| Summit Medical Center Foundation | 0 | 500 | 500 | 500 | 0 | 0 |
| Summit Prevention Alliance | 500 | 1,000 | 500 | 500 | 500 | 0 |
| Swan Center Outreach/League for Animals & People | 0 | 0 | 400 | 250 | 250 | 750 |
| Timberline Adult Services & Disability Options | 1,000 | 1,000 | 2,000 | 1,500 | 1,500 | 2,000 |
| TOTAL | 13,950 | 14,000 | 16,150 | 18,250 | 18,050 | 21,550 |
| SPORTS & RECREATION | | | | | | |
| Breckenridge Outdoor Education | 500 | 500 | 500 | 500 | 500 | 1,000 |
| Snowboard Outreach Society | 500 | 1,000 | 500 | 500 | 500 | 500 |
| Town Community Picnic & Misc. | 4,362 | 3,225 | 3,868 | 2,864 | 3,778 | 5,350 |
| TOTAL | 5,362 | 4,725 | 4,868 | 3,864 | 4,778 | 6,850 |
| TOTAL PAVILION/RECREATION IN-KIND DONATIONS | 28,150 | 18,310 | 20,585 | 21,490 | 19,725 | 26,540 |
| TOTAL OF ALL CONTRIBUTIONS | 71,922 | 62,732 | 64,562 | 68,090 | 69,337 | 79,540 |

Debt Management

The Town of Silverthorne’s Financial Policies defines debt as a liability that places a future contractual or other obligation against future revenues of the Town. This type of funding is confined to capital improvements and is not to be used for current or annual operations. The town does not currently have any outstanding bond debt nor does the Town intend to issue debt in the near future beyond minor lease purchases for fleet related purchases. The following summary describes the recent Town’s liability for bond related debt.

In 1998, the Town issued \$6.3 M in Excise Tax Revenue Bonds, Series 1998. The bonds provided funds to build the Town Center Pavilion project and related public improvements

along Blue River Parkway. These bonds became callable in January of 2008. Due to favorable financial conditions and available fund balance, the Town was able to call a portion (\$1.825M) of the bonds in May of 2008. At that time there was \$3.67 M in outstanding principal. The called principal covered the payments that would have been due in 2009 - 2013. After the call the remaining amount of principal is \$1.845M which covers principal payments for 2014 - 2017. In October of 2009, the Town elected to call the remaining \$1.845M in outstanding principal. In total the Town saved \$843,024 in future interest payments. The net present value analysis for both callings reflected a total savings of \$548,173.

Legal Limits

Colorado State Statute limits the total amount of General Obligation debt to three percent (3%) of the jurisdiction’s actual property value. The Town of Silverthorne continues to maintain a

zero level of debt that is applicable to this margin. The following table represents the computation of the Town’s legal debt margin.

| Legal Debt Margin | |
|---|---------------------|
| Estimated Assessed Value (Determined by County Assessor) | \$ 155,852,340 |
| Debt Limit: 3% of Assessed Value | 4,675,570 |
| Amount of Outstanding Debt Applicable to Debt Limit : Total Bonded Debt | - |
| Legal Debt Margin | \$ 4,675,570 |

Transfers

The Financial Policies describe the importance of utilizing revenues when calculating overhead allocations (also known as transfers). Revenues are an indicator of activity levels in a fund, which in turn defines the service levels performed. This section identifies the proposed transfers between funds for the next five years and provides a brief description of the purpose of each transfer. This does not include the advancement repayments from the 5A Housing Fund.

| | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
|------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| GENERAL FUND | | | | | | | |
| Other Sources | | | | | | | |
| JSA Administrative Fees | 142,310 | 140,329 | 140,362 | 141,829 | 144,473 | 147,772 | 153,493 |
| Water Admin Transfer | 195,412 | 169,030 | 163,119 | 166,788 | 183,285 | 184,845 | 189,256 |
| Sewer Admin Transfer | 146,966 | 129,636 | 129,245 | 132,797 | 148,658 | 153,034 | 159,141 |
| TOTAL | 484,688 | 438,995 | 432,726 | 441,414 | 476,416 | 485,651 | 501,890 |
| Other Uses | | | | | | | |
| Transfer to CIP Fund | (600,000) | - | - | (650,000) | - | - | - |
| Transfer to Lodging Fund | - | - | - | - | - | - | - |
| TOTAL | (600,000) | - | - | (650,000) | - | - | - |
| CIP FUND | | | | | | | |
| Other Sources | | | | | | | |
| Transfer from General Fund | 600,000 | - | - | 650,000 | - | - | - |
| TOTAL | 600,000 | - | - | 650,000 | - | - | - |
| Other Uses | | | | | | | |
| Transfer to Lodging Fund | - | (105,000) | (400,000) | (662,500) | (225,000) | - | (225,000) |
| TOTAL | - | (105,000) | (400,000) | (662,500) | (225,000) | - | (225,000) |
| SPECIAL REVENUE FUNDS | | | | | | | |
| Other Sources | | | | | | | |
| Transfer from CIP/Excise Tax Funds | - | 210,000 | 800,000 | 1,325,000 | 450,000 | - | 450,000 |
| TOTAL | - | 210,000 | 800,000 | 1,325,000 | 450,000 | - | 450,000 |
| Other Uses | | | | | | | |
| Transfer to Lodging Fund | - | (105,000) | (400,000) | (662,500) | (225,000) | - | (225,000) |
| TOTAL | - | (105,000) | (400,000) | (662,500) | (225,000) | - | (225,000) |
| WATER FUND | | | | | | | |
| Other Uses | | | | | | | |
| Transfer to General Fund | (195,412) | (169,030) | (163,119) | (166,788) | (183,285) | (184,845) | (189,256) |
| TOTAL | (195,412) | (169,030) | (163,119) | (166,788) | (183,285) | (184,845) | (189,256) |
| SEWER FUND | | | | | | | |
| Other Uses | | | | | | | |
| Transfer to General Fund | (146,966) | (129,636) | (129,245) | (132,797) | (148,658) | (153,034) | (159,141) |
| TOTAL | (146,966) | (129,636) | (129,245) | (132,797) | (148,658) | (153,034) | (159,141) |
| JSA FUND | | | | | | | |
| Other Uses | | | | | | | |
| Transfer to General Fund | (142,310) | (140,329) | (140,362) | (141,829) | (144,473) | (147,772) | (153,493) |
| TOTAL | (142,310) | (140,329) | (140,362) | (141,829) | (144,473) | (147,772) | (153,493) |

Other Sources & Uses

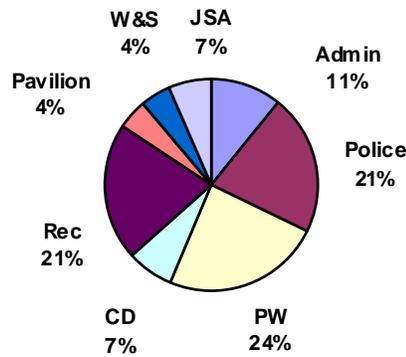
These administrative transfers are a percentage of the revenues collected in the Water, Sewer, and JSA Funds to the General Fund for services performed. The transfers between the General Fund and the CIP and Special Revenue Funds are to provide needed funding for debt retirement and one-time capital projects.

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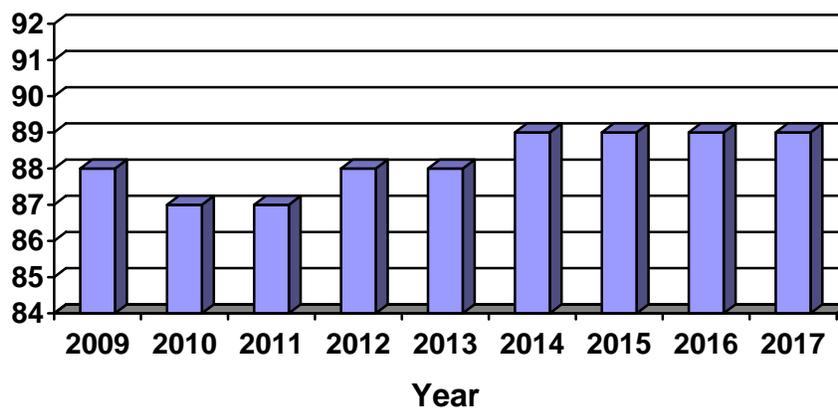
Personnel Summary

| Summary of Approved Full-time Positions by Department | | | | | | | | | |
|---|------|------|------|------|------|------|------|------|------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Elected / Appointed | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Admin Services | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| Public Safety | 18 | 18 | 18 | 19 | 19 | 19 | 19 | 19 | 19 |
| Public Works | 20 | 20 | 20 | 20 | 20 | 21 | 21 | 21 | 21 |
| Water & Sewer | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Com Development | 7 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Recreation & Culture | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 |
| Pavilion | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Subtotal TOS EE's | 82 | 81 | 81 | 82 | 82 | 83 | 83 | 83 | 83 |
| JSA | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Total Full-time EE's | 88 | 87 | 87 | 88 | 88 | 89 | 89 | 89 | 89 |

2013 & 2014 Employees by Department



Full-time Employee Totals 2009-2017



Personnel Summary

We added on COPS Grant Officer in 2012 and an equipment operator in 2014. No other personnel changes are scheduled. We continue to have three, unfilled and unbudgeted positions: Police Officer, Building Official, and Planner.

Town management will review all options before deciding how to deal with any future vacancy.

| Administrative Services Personnel | | | | | | | | | |
|--|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Mayor & Council | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 | 7 |
| Municipal Judge | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Total Elected / Appointed | 8 |
| Town Manager | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Executive Assistant | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Assist. to Town Mgr | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Human Resources | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Finance Director | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Town Clerk | .5 | .5 | .5 | .5 | .5 | .5 | .5 | .5 | .5 |
| Municipal Court | .5 | .5 | .5 | .5 | .5 | .5 | .5 | .5 | .5 |
| Town Accountant | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Revenue Administrator | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Accounts Payable/Payroll | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Administrative Assistant | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| | 10 |

Highlights

- No changes.

| Community Development Personnel | | | | | | | | | |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Director | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Planner | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Admin Assistant | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Bldg Official | 1 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| MIS/GIS | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| | 7 | 6 |

Highlights

- One unfilled and unbudgeted Building Official position since 2009.

Personnel Summary

| Public Safety Personnel | | | | | | | | | |
|--------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Chief | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Admin Assist/Tech | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Records Admin | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Sergeant | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| CSO | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Officer/Detective | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 | 10 |
| COPS Officer | 0 | 0 | 0 | 0 | 1 | 1 | 1 | 1 | 1 |
| | 18 | 18 | 18 | 18 | 19 | 19 | 19 | 19 | 19 |

Highlights

- Added one COPS Grant Officer in 2012.

| Public Works Personnel | | | | | | | | | |
|-------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Director | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Assistant Director | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Admin Assistant | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Sr. Equip Operator | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Parks Super/Equip Op | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| Equip Operator | 5 | 5 | 5 | 5 | 6 | 7 | 7 | 7 | 7 |
| Maintenance Worker | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Fleet Mgr | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Mechanic | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Engineer | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Bldg Maint Coord | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Bldg Maint Tech | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| | 20 | 20 | 20 | 20 | 20 | 21 | 21 | 21 | 21 |

Highlights

- Reorganized Parks Maintenance in 2011: Sr. Equipment Operator manages summer seasonal Parks Superintendent duties; Parks Superintendent/Equipment Operator became year-round Equipment Operator.
- Budgeted an additional Equipment Operator in late 2014.

| Recreation & Culture Personnel | | | | | | | | | |
|---|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Director | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Admin Assistant | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Coordinators | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Pool Manager | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Head Lifeguards | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Front Desk Mgr | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| ¾-time Front Desk Clerk | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| Custodian | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 | 3 |
| | 19 |

Highlights

- Promoted Front Desk Manager to Facilities Coordinator in 2011.

| Pavilion Personnel | | | | | | | | | |
|---------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Pav/Mrktng Coord | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Spcl Events Assist | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Bldg Maint Tech | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Bldg Maint Worker | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| | 4 |

Highlights

- Promoted Special Events Assistant to Pavilion & Marketing Coordinator in 2011.
- Promoted part-time employee to full-time Special Events Assistant in 2012.

| Water & Sewer Personnel | | | | | | | | | |
|------------------------------------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Utility Manager | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Superintendent | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Operator | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| | 4 |

Highlights

- Promoted Operator to Lead Operator C in 2011.

| Blue River Wastewater Treatment Plant Personnel Summary | | | | | | | | | |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 |
| Plant Super. | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Chief Plant Operator | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 | 1 |
| Lab Dir/Mgr | 1 | 1 | 1 | 0 | 0 | 0 | 0 | 0 | 0 |
| W/W Operators | 3 | 3 | 3 | 4 | 4 | 4 | 4 | 4 | 4 |
| | 6 |

Highlights

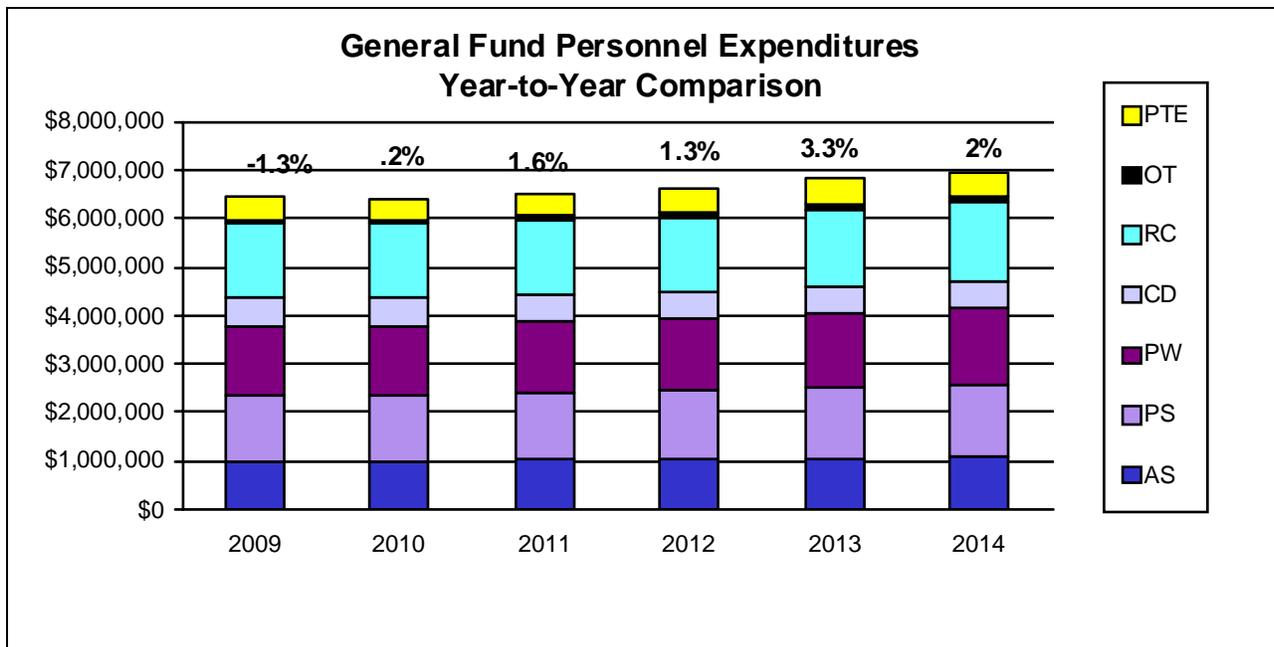
- No changes.

Personnel Expenditures

The Town believes that our employees are our best asset. Through fair and equitable policies, competitive wages and benefits, and continued emphasis on employee development as both individuals and team members, the Town strives to employ the best people available. A Personnel Summary of Expenditures table and Personnel Expenditures graph follow.

SUMMARY OF PERSONNEL EXPENDITURES

| Wages & Benefits: | 09 Actual | 10 Actual | 11 Actual | 12 Proj. | 13 Budget | 14 Budget |
|--------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| AS | 976,060 | 995,142 | 1,032,230 | 1,043,417 | 1,051,580 | 1,069,496 |
| PS | 1,376,487 | 1,416,727 | 1,385,594 | 1,385,134 | 1,477,398 | 1,506,606 |
| PW | 1,416,597 | 1,440,612 | 1,443,870 | 1,490,206 | 1,514,985 | 1,559,407 |
| CD | 606,383 | 524,367 | 561,186 | 554,208 | 566,525 | 576,006 |
| RC | 1,500,823 | 1,535,086 | 1,548,926 | 1,562,475 | 1,590,760 | 1,620,068 |
| Reg. Wages Total | 5,876,350 | 5,911,934 | 5,971,806 | 6,035,440 | 6,201,247 | 6,331,583 |
| Part-Time Wages: | | | | | | |
| AS | 19,181 | 18,768 | 20,033 | 20,149 | 21,680 | 21,733 |
| PS | - | - | - | - | - | - |
| PW | 69,003 | 49,589 | 71,813 | 54,588 | 70,000 | 70,000 |
| CD | - | - | - | - | - | - |
| RC | 386,646 | 381,272 | 396,656 | 399,528 | 419,379 | 425,557 |
| PT Wages Total | 474,830 | 449,629 | 488,502 | 474,265 | 511,059 | 517,290 |
| Overtime: | | | | | | |
| AS | 2,057 | 521 | 240 | 1,356 | 2,000 | 2,000 |
| PS | 40,426 | 38,162 | 42,271 | 55,272 | 45,000 | 45,000 |
| PW | 12,330 | 14,143 | 8,892 | 14,202 | 22,500 | 22,500 |
| CD | 394 | - | - | - | 2,000 | 2,000 |
| RC | 14,781 | 10,780 | 17,322 | 19,747 | 21,651 | 22,728 |
| Overtime Total | 69,988 | 63,606 | 68,725 | 90,577 | 93,151 | 94,228 |
| General Fund Total | 6,421,168 | 6,425,169 | 6,529,033 | 6,600,282 | 6,805,458 | 6,943,101 |
| Water Fund Total | 287,661 | 286,979 | 291,644 | 308,254 | 326,332 | 332,244 |
| Sewer Fund Total | 42,077 | 48,986 | 51,451 | 53,223 | 57,588 | 58,681 |
| Total Wages | 6,750,906 | 6,761,134 | 6,872,128 | 6,961,759 | 7,189,378 | 7,334,026 |
| | -1.3% | .2% | 1.6% | 1.3% | 3.3% | 2.0% |



Appendix "A"

Financial Policies

I. Financial Planning Policies

INTRODUCTION

A long-range plan that estimates revenue and expenditure activity in the Town as impacted by regional and national economies is necessary to support the Council and community in decisions they make regarding Town services. This planning must recognize the effects of economic cycles on the demand for services and the Town's revenues. Financial planning should be designed to ensure the delivery of needed services as defined by policy and the Comprehensive Plan.

POLICIES

The financial planning and subsequent budgeting for all funds shall be based on the following policies:

1. Five-year plans - The Town will prepare annually a five (5) year financial plan for each operating fund. Each plan will include revenues, expenditures and other sources and uses with sufficient detail to identify the items with major impact.
2. Conservative revenue estimates - Revenue estimates should be prepared on a conservative basis to minimize the possibility that economic fluctuations could imperil ongoing service programs during the budget year.
3. Include contingencies - Expenditure estimates should anticipate contingencies that are foreseeable.
4. Include asset management on long-range plans - The five-year plan will include capital, equipment and associated maintenance based on the approved projects. Major renovation or maintenance projects will be identified on long -range plans.
5. Use proven methods - The Town will constantly test both its planning methodology and use of planning tools in order to provide information that is timely, accurate and widely disseminated to users throughout the Town.

LONG-RANGE PLANS

The Town recognizes that it is a major force in a complex regional economic system. The Town should have the capacity to evaluate and anticipate changes in both regional and national economic systems in order to engage in strategic financial and management planning. The purpose of these plans will be to allow the Council and citizens to evaluate the impact of the financial needs of these programs on the regional economy and to coordinate funding needs with all funds.

1. Department responsibilities - Department Directors and the Finance Department will share responsibility for the preparation of five-year financial plans for operations and asset management needs. The Town Manager will review and approve detailed work sheets used to generate the long-range plans. The Finance Department will assist in developing appropriate systems to monitor and update the long-range plans.
2. Regular status reports - The Staff will continually update the long-range plans when any significant change is anticipated. The Staff may distribute the long-range plans to the Council at any time to inform the Council. The long-range plans will be submitted to the Council for approval at least twice a year. The first update will follow the closing of the year and will include a final comparison of actual to budget for the completed year. The second report will be presented before the presentation of the annual budget and will include an update on the current budget.
3. Rate structure - The plans must disclose revenue assumptions including rate structures and consumption. The long-range plans will include annual rate increases based on inflation unless the Council overrides this direction.
4. Staffing - The plans will identify staffing levels including justification for any changes and related costs or savings.

5. Expenditures - The plans will include expenditures based on the service levels, policies and work load indicators (population, EQRs, etc.) approved by the Council.

6. Include reserves - The plans will include reserves for operations, debt service coverage and asset replacement as established in the Financial Policies and / or as required to bond issues.

II. Budget Policies

INTRODUCTION

The Staff is responsible for preparing, monitoring and reporting on the Town's annual budget. This function is fulfilled in compliance with the Home Rule Charter and direction of the Council.

A. BUDGET POLICIES

The annual budget will be administered based on the following policies:

1. The Fiscal Year - The fiscal year of the Town is the calendar year, January 1st through December 31st. The Town may adopt budgets for a budget term of one or more fiscal years. Although the Town legally appropriates its budget on an annual basis, a two-year budget process has been developed that results in the Council approving a two-year budget plan by Resolution.

2. Present a balanced budget to the Council - The Town will pay for all current expenditures with current revenues. The Town will avoid budgetary procedures that balance current expenditures at the expense of meeting future years' expenses, such as postponing maintenance and other expenditures, accruing future years' revenues, or rolling over short term debt. The exceptions to this policy would be planned equipment purchases, operating maintenance and capital projects based on accumulated funding over the years.

3. Increase efficiency in all Town operations - The Town staff will identify programs to increase efficiency in order to provide for "long-term cost savings" to the Town. This may include the use of technology, revised organizational structures or other tools which may be identified.

4. Promote investment in our future - The Town staff, wherever possible will take a long term view of our investments (people and resources) and emphasize "quality" operations which encourage productivity for today and the future.

5. Share resources / services throughout the Town - The Town staff will explore ways to share staff, training resources and equipment / supplies in order to more effectively utilize our current resources.

6. Identify funding for new service levels - Proposals to add new services or increase existing services will be presented with revenue alternatives to fund or subsidize the new service levels. This includes initial costs and ongoing operations.

7. Asset Management Plan - The budget will provide adequate maintenance of capital plant and equipment and for their orderly replacement.

8. Employee programs - The Town recognizes that employees are the most valuable asset of the organization and commits to fund this resource appropriately including adequate funding for all retirement systems, benefit packages and employee incentive programs including training.

9. Overhead allocations - The budget will include transfers or overhead allocations for expenditures / services in the General Fund that benefit other Town funds. The determining factor to use for calculating this transfer or overhead allocation will be the revenues collected for that particular fund. Total revenues are also an indicator of activity levels which in turn defines the service levels performed.

B. BUDGET PREPARATION

Each year the Staff will prepare the annual budget following these policies:

1. Council direction as goals - During the year of the preparation of the two-year budget, the Council is scheduled to meet with each Department to approve policy, and to identify goals and performance measures. It is the responsibility of the Staff to prepare a biennial budget to implement policy and accomplish

the goals identified. Staff will identify the impact to the budget, including alternatives when new service levels are approved by the Council.

2. Budget schedule - The staff will present Operating & Capital Budget in September and the Enterprise Fund Budget in October. The goal is approval of the Budget Resolution at the first regular Council meeting in November which meets the requirements of the Town Charter.

3. Town Manager review - The Town Manager will review the details of each proposed budget for efficiency and compliance with Council direction. Department Directors are allowed to request items not approved in the annual budget as presented by the Town Manager. Department Directors may include supplemental budget requests in the annual budget request to the Council.

4. Budget presentation - The biennial budget document will be prepared based on guidelines identified by the Government Finance Officers Association (GFOA). Traditionally this begins with an introduction to the budget followed by more detailed information presented by fund and department. The budget introduction includes a budget message and a highlights section identifying the major issues addressed by the Town and how the budget is adopted to address those issues. Expenditures shall be presented by salary, professional fees, services, supplies, contributions and other.

5. Citizen participation - The budget process will provide for the full participation of the public and ensure opportunities for public hearings and citizen participation.

6. Public hearings - Open public hearings will be held at regularly scheduled Town Council meetings and work sessions as required by the Home Rule Charter and to provide citizens additional opportunities for input regarding the proposed budget.

7. State, Charter and other requirements - The Town will adopt the budget in accordance to State, Home Rule Charter and other requirements and certify the mill levy to the County by the required date.

8. Non-profit contributions - Groups requesting grants from the Town of Silverthorne shall provide in addition to all other information requested a copy of the approved 501 (c) 3 status and other information as determined by Council.

9. Comprehensive Plan - The Financial Plan (Budget) and the Comprehensive Plan are considered the two key tools to provide a vision of the future and a method of accomplishing those goals. Based on the value of these two documents, the Town will develop a methodology to cross reference both tools in order to accomplish the goals of the community as expressed through the Town Council.

C. BUDGET MANAGEMENT

Council approval of the annual budget is based on establishing limits. Authority for Departments to work within the limits approved by the Council are essential for efficient management of the Town. Departments will not exceed the approved budget without the prior approval of the Town Council. The budget will be managed based on the following policies:

1. Purchasing and accounting system - The Town will maintain a system for monitoring the budget during the fiscal year. Adequate tools must be available to assist staff in managing the budget. The budget system will provide for budget approval before any expenditure is committed by Town staff. This system shall also provide reports and inquiry systems which will be used by the staff to prepare Council reports.

2. Council reports - Staff will prepare reports and submit reports following June, September and November. The Council report will include information on expenditures comparing actual to budget and performance measures related to service levels. The report shall follow the same format as the budget approval.

3. Level of approval - The Council will approve specific grants for qualified non-profit organizations. In relationship to Department Budgets, the Council will approve:

- The number of full time positions and dollar amount for total regular staff, temporary staff and overtime by Department.
- The dollar amount for supplies and services for each program within each Department.
- Each specific Capital request including start up cost and ongoing maintenance.
- The total of expenditures from each fund for each Department.

4. Emergencies - As the result of a natural disaster, accident or unforeseen event, the Mayor or Town Manager may approve expenditures in excess of the approved budget. The Mayor and Council will be notified of major incidents as soon as possible and, if at all possible, before expenditures are approved.

5. Amending the approved budget - The staff may submit requests to amend the approved budget during the year. This will happen only after the staff has determined that no savings exists that can be transferred. Departments will provide information to the Town Council during regular Council meetings. The Finance Department will prepare appropriation ordinances officially amending the budget. Departments may expend funds after Town Council approval and before adoption of the appropriation ordinance.

a. Transfers of existing budget between departments - The Manager may approve transfer of budget between Departments within a fund.

b. Transfers between categories and programs - Department Directors may request Town Manager approval to transfer budget between categories (payroll, supplies & services, capital, etc.) and programs within a Department. The Manager will review requests to ensure compliance with the goals and objectives of the annual budget as approved by the Town Council.

6. Budget savings - During the budget year, some expenditure savings can be realized by Departments. Council encourages these efforts and as an incentive may approve policies relating to savings.

D. INTERGOVERNMENTAL BUDGETS

Some service costs of the Town could be influenced by other governments, either because of duplication of services or service mandates imposed by State and Federal governments. Due to Amendment 1 revenue restrictions, the Town encourages other agencies to pay for services directly. Shared projects will be funded by each agency paying for the service.

1. Payment for services - The Town will budget expenditures for grant-funded programs only after grant award or letter of commitment and only for the amount of the grant award. Town overhead or "indirect" costs for grant-funded programs will be included in all grant proposals, where permitted. All grants will be reviewed for long-term impacts to the Town.

2. Outside involvement - The Town will aggressively oppose County, State or Federal actions that mandate expenditures that the Council considers unnecessary. The Town will pursue intergovernmental funding to support the incremental cost of those mandates.

3. Intergovernmental agreements - The Town will work with other governments to identify the jurisdiction most capable and appropriate to provide specific public services. When the Town cannot transfer responsibility for service delivery, it will consider intergovernmental agreements and contracts for service delivery.

E. AMENDMENT ONE INTRODUCTION

On November 3, 1992, the Citizens of the State of Colorado approved Amendment 1, also known as the Taxpayers Bill of Rights (TABOR). This legislation was intended to change how governments operate. The major impact of this legislation is to restrict revenues collected by the Town. Amendment 1 specifically and significantly addresses the following issues: 1) spending limitations (revenues), 2) operating reserves, 3) emergency reserves, and 4) debt service.

On April 5, 1994, the Citizens of Silverthorne approved the following revenue change in compliance with Amendment 1:

**Town of Silverthorne, Colorado
Amendment One Election Question**

QUESTION #1 - SHALL THE TOWN OF SILVERTHORNE BE AUTHORIZED TO COLLECT, RETAIN AND EXPEND THE FULL REVENUES GENERATED WITHOUT ANY INCREASE IN ANY TAX RATE AND EXPEND SUCH REVENUES ON DEBT SERVICE, MUNICIPAL OPERATIONS AND CAPITAL PROJECTS AND REDUCE TOWN OF SILVERTHORNE AD VALOREM PROPERTY TAXES TO ZERO, WITHOUT LIMITATION BY THE RESTRICTIONS OF ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION, ALL FOR THE PERIOD JANUARY 1, 1994 TO DECEMBER 31, 2013.

SHALL THE TOWN OF SILVERTHORNE, COLORADO BE AUTHORIZED TO COLLECT, RETAIN AND EXPEND THE FULL AMOUNT OF REVENUES GENERATED BY THE TOWN OF SILVERTHORNE ESTIMATED AT EIGHT AND ONE HALF MILLION DOLLARS TOTAL IN 1994 AND INCREASING EACH YEAR TO THE ACTUAL AMOUNT COLLECTED NOT TO EXCEED THIRTY FIVE MILLION DOLLARS IN ANY ONE YEAR, WITHOUT ANY INCREASE IN SUCH TAX RATES AND TO EXPEND SUCH REVENUES FOR DEBT SERVICE, MUNICIPAL OPERATIONS AND CAPITAL PROJECTS AND REDUCE THE TOWN OF SILVERTHORNE MILL LEVY AND REVENUE GENERATED FROM AD VALOREM PROPERTY TAX TO ZERO, EXCEPT TO THE EXTENT OTHERWISE NECESSARY TO FULFILL CONTRACTUAL OBLIGATIONS RELATING TO GENERAL OBLIGATION BONDS OF THE TOWN, ALL FOR THE PERIOD JANUARY 1, 1994 TO DECEMBER 31, 2013.

Nothing in this question shall be construed to remove the remaining restrictions of Article X, Section 20 of the Colorado Constitution which is commonly known as Amendment One. The remaining restrictions include:

- * Voter approval of all new taxes and tax rate increases.
- * Voter approval of new Town General Obligation Debt and Sales Tax Revenue Debt.
- * Voter approval to reinstate Ad Valorem Property Taxes in the Town of Silverthorne.
- * All election requirements remain in effect.

On November 3, 2009, the Citizens of Silverthorne approved the following revenue change in compliance with Article X, Section 20 of the Colorado Constitution also known as TABOR:

**Town of Silverthorne, Colorado
Proposed Referred TABOR Measure 2A**

SHALL THE TOWN OF SILVERTHORNE, COLORADO, WITHOUT CREATING ANY NEW TAX OR INCREASEING ANY CURRENT TAXES, BE PERMITTED TO RETAIN AND

SPEND THE FULL AMOUNT OF THE TOWN TAXES, GRANTS AND ALL OTHER REVENUE COLLECTED FROM ALL SOURCES INCLUDING ALL REVENUE RECEIVED IN 2010 AND EACH SUBSEQUENT YEAR, WITHOUT REGARD TO ANY REVENUE OR EXPENDITURE LIMITATIONS INCLUDING THOSE CONTAINED IN ARTICLE X, SECTION 20 OF THE COLORADO CONSTITUTION?

POLICY

The Town will be in compliance with the remaining requirements of Amendment 1 specifically including election, debt and reserve requirements. Considering the reasons behind the original approval of the Tabor Amendment (lack of trust in government), the Town shall take an active role in citizen participation, communication and relationship building with our citizens in order to maintain and increase our level of trust and accountability. The Town shall participate in regional and state wide organizations because the actions of other municipalities or levels of government shall influence state wide legislation which may impact Silverthorne.

III. Accounting, Auditing, & Financial Reporting Policies

INTRODUCTION

The Town will maintain a system of financial monitoring, control and reporting for all operations, funds and agencies in order to provide effective means of ensuring that overall Town goals and objectives will be met and to instill confidence in the Town's partners and investors that the Town is well managed and fiscally sound.

POLICIES

The Accounting, Auditing and Financial Reporting systems for the Town will be based on the following policies:

1. GAAP - The Town will maintain its accounting records and report on its financial condition and results of operations in accordance with State and Federal law and regulations, and Generally Accepted Accounting Principles (GAAP).
2. Independent audit - An independent firm of certified public accountants will annually perform a

financial and compliance audit of the Town's financial statements. Their opinions will be contained in the Town's Comprehensive Annual Financial Report (CAFR), and the Report on Compliance with the Single Audit Act of 1984 (if required based on federal funding levels).

3. Internal auditing - To complete a full range of audit services, the Town's Finance Department will supervise performance audits which review cash management, revenues, expenditures, purchasing and other areas that impact the Town budget.

4. Accounting internal controls - The Town will maintain an internal control structure consisting of three elements:

a. Control environment - Consisting of an "overall attitude and awareness of actions" as they influence the Town. The management and staff shall consider all the financial implications of decisions, both current and long term.

b. Accounting system - An effective accounting system will result in the 1) Identification and recording of all valid transactions; 2) Description on a timely basis of the type of transaction in sufficient detail to permit proper classification of the transaction for reporting purposes; 3) Recording of the transaction in the correct time period; and 4) Proper presentation of all transactions and related disclosures in the financial statements.

c. Control procedures - Consists of 1) Proper authorization of transactions and activities; 2) Adequate segregation of duties; 3) Adequate documents and records; 4) Adequate safeguards regarding access and use of assets and records; and 5) Independent checks on performance.

A. ACCOUNTING STRUCTURE

The Town eventually will be a complex financial and service organization. All Town funds and operations must work to achieve the Town's mission and goals.

1. Number of funds - The Town will minimize the number of funds, Departments, programs and account codes. The funds will be categorized by standard

GAAP functional classifications. The development of new funds, Departments, programs, and accounts will be approved by the Finance Department.

2. Statement of purpose - Each fund in the Town will have a Statement of Purpose which consists of:

a. Intent - Purpose(s) of the fund.

b. Revenue restrictions - Source(s) of revenues to the fund and descriptions of restriction.

c. Contingency - Size and use of contingency, if any. Contingency levels shall be based on the uncertainties associated with the purposes of the fund or project.

d. Reserves - Size and purpose of required reserves. Required reserves will be based on operating, debt, capital replacement needs and prudent management requirements.

3. Funding subsidy - Funds that receive a Fund subsidy in addition to fees and charges or dedicated revenues will include a rationale for the subsidy and a means for determining the annual level of that subsidy or conditions under which the subsidy should be eliminated.

B. FINANCIAL REPORTING

Financial reports will provide direction and guidance in several areas:

1. Budgetary comparisons - Comparing actual financial results with the legally adopted budget.

2. Financial condition and results of operations - Assessing the changes in fund balances as a result of operations.

3. Compliance - Assisting in determining compliance with finance-related laws, rules and regulations.

4. Efficiency and effectiveness - Assisting in evaluating management and staff in efficiency and effectiveness.

5. Manager reports - Department Directors will prepare reports at the end of June, September and November identifying the difference between actual and budget

for revenues and expenditures. This requirement is also included in the Budget Policies. Reports will identify the current and projected variance in budget as well as progress on performance measures. These reports will be presented to the Council with Manager comments.

C. CHECK CONTROLS

The Town will follow these policies related to check controls and the signing of checks:

1. Payment discounts - The Town will take advantage of payment discounts to reduce expenditures when the rate offered is less than the rate of investment income the Town is earning on cash.

2. Invoice control - All invoices shall be mailed directly to the Finance Department and, when possible, the vendor will reference an approved purchase order number.

3. Check preparation - No check will be prepared for approval without an authorized purchase order, compliance with the procurement code and adequate budget unless specifically identified in these policies.

4. Check requirements - In most cases, the Staff will be required to complete the following steps to obtain a check:

a. Budget - Adequate budget must exist before staff considers a purchase.

b. Requisition - Staff will complete a "requisition" which identifies the vendor, amount, description of purchase, use of items as it relates to the budget (account coding), and budget available. The Department Directors approve requisitions based on efficiency, appropriateness and general financial and management practices, with final approval from the Town Manager.

c. Purchase orders - Approved requisitions become purchase orders and only at this time can an order be placed with an "approved vendor." Vendors must be established as legitimate businesses meeting Administrative requirements.

d. Invoices - Invoices are directed first to the Finance Department for entry into the accounting system for cash flow and cash discount reviews.

e. Department approval - Invoices are approved by Departments that the items were received in acceptable condition.

f. Contracts - Major purchases may require following the procurement code which may include Council approval of the contract before a requisition can be completed.

5. Check register - The Manager reviews and approves the check register.

6. Mayor approval - The Mayor, Mayor pro-tem or Council member appointed by the Mayor will approve the check registers.

7. Distribute checks - Checks will be mailed following approval. Staff may copy and distribute to the Council copies of each check register after they are approved by the Manager and the Mayor or Mayor's representative as requested.

IV. Revenue Policies

INTRODUCTION

The Town must consider its discretionary revenues as a group rather than in isolation. Both individual revenues and the total package must be viewed in the context of broader Town goals. The Town must be sensitive to the balance between the need for services and the Town's ability to raise fees, charges and taxes to support Town services. As much as is possible and feasible, Town services that provide private benefit should be paid by fees and charges in order to provide maximum flexibility in use of general taxes to meet the cost of broader public services.

POLICIES

Revenues and rates in the annual budget and the long-range plans will be based on the following policies:

1. Specific use of services - Charges for services that benefit specific users should recover full costs, including all direct costs, indirect costs, depreciation

on capital plant and equipment, and General Fund overhead. Departments that impose fees or service charges should prepare and periodically update cost-of-service studies for each such service. Competing Town policies may dictate a subsidy of a portion of the costs of such services.

2. Diversify revenue - The Town should strive to diversify its revenues in order to maintain needed services during periods of declining economic activity.

3. Recapture investment - The revenue structure should be designed to "recapture" for the Town some of the financial benefits resulting from Town sponsored programs or community investments.

4. Additional resources - The Town will observe the following priorities in obtaining additional resources:

a. Use existing resources efficiently - The Town will use as efficiently as possible the resources that it already collects.

b. Collect existing revenues - The Town will collect as efficiently as possible the resources to which it is already entitled. The Town will minimize receivables and follow an aggressive policy of collecting receivables for services that must be billed.

c. Revenues are consistent with Town goals - The Town will seek new resources, consistent with the policies in this document and other Town goals.

5. Consider total revenue mix - The Town will review revenue-raising proposals in light of its total revenue mix in order to encourage economic stability and keep the Town competitive.

a. Town revenues impact - As part of the annual financial forecast or budget process, major revenue generating proposals will contain an evaluation of the impact on the community.

b. Total community in review - The evaluation should be based on prior year circumstances and include all local taxation and fees (including those of overlapping jurisdictions), not merely the specific service fee or tax proposal.

c. Review each five years - At a minimum, such an evaluation shall be made at least once each five years.

6. Department responsibility - Department Directors will inform the Manager of any revenue that varies from budget by \$5,000 or 20%. Department Directors will provide notice immediately and in the identified reports to the Manager, and subsequently, to the Council.

7. Use proven methods - The Town will estimate its annual revenues by an objective, analytical process.

8. Use five-year plans - The Town will project revenues for the next five years and will update this projection annually.

9. Enterprise funds recover costs - The Town will set fees, user charges and other revenues for each enterprise fund (Water and Sewer) at a level that supports the total direct and indirect cost of the activity. Indirect costs include the cost of annual replacement needs due to depreciation of capital assets. Cost related to growth will be paid for by the growth.

10. Legal requirements - The Town will maintain compliance with legal revenue restrictions as identified by voters, for special revenue funds and other restricted revenues.

V. Operating Policies

INTRODUCTION

When the other Financial Policies fail to address a specific issue, general operating policies will be reviewed for direction. In some cases these policies repeat what has already been stated in other areas, but that is only to emphasize the importance and value of that policy. The Town must contain its expenditures to current revenues, establish and adequately fund reserves, regularly monitor and report on budget performance, evaluate the fiscal impact of new proposals, operate as efficiently as possible, and constantly review Town services for appropriateness and effectiveness.

POLICIES

The Town shall follow these operating policies:

1. Current revenues to pay for current expenditures - Current revenues will exceed current expenditures. Each Town fund budget must identify ongoing resources that at least match expected ongoing annual requirements. One-time cash transfers and ending balances in excess of reserves may be applied to reserves or to fund one-time expenditures; they will not be used to fund on-going programs. Each year the Long-range Plans will provide Council with the increase or decrease to cash balances.

2. Do not restrict revenues - The Town will not normally earmark discretionary revenues for specific purposes. This will preserve the ability of the Council to determine the best use of available revenues to meet changing service requirements.

3. Reserves - The Town will establish reserves for emergencies, unforeseen needs of a non-recurring nature, operating maintenance, equipment replacement and capital projects. The nature of reserves for specific funds will be spelled out in the Statement of Purpose for each fund.

4. Financial controls - The Staff will maintain a system of financial monitoring and control. The major components of this system include:

a. Fiscal Impact Analysis: The Staff will perform a fiscal impact analysis of each significant administrative or legislative action of the Town or affiliated agencies. Where appropriate, the analysis will include the impact on the current budget and the five-year financial plan.

b. Financial Accounting System and Periodic Status Reports: The Staff will prepare financial status reports on the revenues and expenditures to date and estimated year end balance as described in the Budget Policies.

c. Budget Controls: The Finance Department will maintain a system of budgetary controls. These controls will assist Department Directors in identifying actual to budget variances.

5. Review for efficiency and effectiveness - The Town will continually review the efficiency and effectiveness of its services to reduce costs and improve service

quality. This will include a review of all existing administrative procedures and software to eliminate exception based procedures, policies implemented to avoid compliance, special interest projects or programs that benefit less than the majority.

6. Recover cost of providing services - Town operations will be run on a basis devoted to increase efficiency of service delivery or recover the cost of providing the service by a user fee or charge.

7. Cash reserves - The Town will maintain cash reserves in order to avoid borrowing for general operating purposes.

8. No voodoo - The Town will not increase accruals and non-cash enhancements to revenues in order to influence fund balances at year-end.

9. Inventories - The Town will maintain accurate inventories of capital assets, their condition, life span and cost. The Town Clerk's office will maintain the master inventory of assets for the Town.

10. Cash management systems - The Staff will develop, maintain and constantly seek to improve cash management systems which ensure the accurate and timely accounting, investment, and security of all cash assets. All cash received by the Town Departments will be deposited to the Cashier daily.

11. Competition and the service provided - The Town must review programs periodically in order to reduce needless competition with other public and private providers and to ensure the most cost-effective and efficient provision of services. The Town will encourage competition with privatization by comparing the cost to provide services.

12. Citizen input - An effective and comprehensive periodic Citizen-service-needs assessment will be conducted in order to ensure that Town service priorities keep pace with the dynamic needs of the community. The result of this needs assessment will be approved by the Town Council and may become an integral part of the budget and financial planning of the Town.

13. Utility conservation - The Town will avoid paying utility bills for any other organization in order to encourage conservation.

14. Budget preparation - Department directors will prepare all budget proposals for expenses in their Departments. Utility expenses will be proposed by Department Directors. Savings or excess budget in utilities is restricted and will not be used for other expenditures without the prior approval of the Manager. The entire utility budget will be encumbered on purchase orders in the first month of each year.

15. Internal loans - Loans made between funds will not be charged interest.

16. Privatization - Whenever possible the Town will solicit bids from private businesses to provide services. The Town will compete in the bidding process against private organizations following all established bidding guidelines.

17. Procurement - No order shall be placed by any Town employee, contractor or representative that in any way encumbers or obligates the Town until after that person has received an approved purchase order. The Town will not be held responsible for any order placed by any employee, contractor or representative if the vendor has not received an approved purchase order before delivery of services or goods. The following policies will provide guidelines for all procurement:

a. Local preference - When all other factors are the same, the Town encourages staff to purchase locally provided the cost is within 10% of other bids on items up to \$25,000. Factors may include quality of product, quality of service, delivery, maintenance, and other issues that may be relevant.

b. Recycle - The Town encourages recycling and environmental concerns. When all other factors are the same, the Town encourages staff to purchase recycled products provided the cost is within 10% of other bids on items up to \$25,000.

c. Purchase order approvals - Requests for purchase orders will be approved by Staff, Department

Directors and the Finance Director or Manager, based on the amount.

d. Bids and contracts -The Town recognizes the need to use outside sources for providing Professional Services (consultants), for constructing Capital Projects (vendors & contractors) and for providing services for day-to-day operations and maintenance. The Town requires staff to solicit bids for any purchase of goods over \$100K or services over \$50K; however, Council may waive the bid requirement for purchases of services less than \$100K. Selection of vendors, contractors or consultants may be based on past experience with the Town, knowledge of the Town and region, philosophy of the nature of the job, availability of time, quality of product, quality of service and material, maintenance, warranties, price, and such other criteria as deemed appropriate for a particular public project. Once a vendor has been chosen, the Town Council shall approve the contract by resolution.

When bids are required, an "invitation for bids" shall be published in a local newspaper within 45 days and not less than 15 days from the bid deadline. The request for the invitation for bids shall include an adequate description of the work to be completed, any specifics which may be required of the vendor, all contractual terms, and conditions applicable to the public project. Bids shall be opened publicly at the time and place designated in the invitation for bids. The amount of each bid and such other relevant information as may be specified by rules, together with the name of each bidder, shall be entered on a record and open to public inspection. After the time of the award, all bids and documents shall be open to public inspection. The Town shall not be obligated to select the lowest bidder, but shall select based on the established criteria in the invitation to bid.

f. Exceptions - Minor purchases may be made through Petty Cash or Town credit cards for items approved in the budget. The cost of processing purchase orders, invoices and checks for payments make it practical that small purchases be exceptions to the procurement code.

g. Emergencies - In the event of natural disasters, accidents or other emergencies where the health, safety or welfare of the community is at risk the procurement requirements may be waived by the Manager. The staff will notify the Council of any emergency immediately identifying the emergency and any purchase that may be required.

18. Travel - When employees travel out of the County, they are required to use a Town vehicle if available. Only if no fleet vehicles are available will the Town reimburse employees for mileage at the approved IRS rate with prior Department Director approval. Out-of-town per diem will be paid at the approved IRS reimbursement level. Per Diem is reimbursement for all meals and incidentals; no additional reimbursements will be approved. Lodging will be prepaid by Town check or Town credit card in order to avoid taxes. An employee is allowed to make one "reasonable" phone call home for each night you are out of town and must use a Town-provided phone card. No phone reimbursement will be allowed outside of using the Town provided phone card.

19. Meals in Town - The Town shall restrict the purchase of meals locally to:

a. Work related meetings with outside officials with Department Director or Manager approval.

b. Employee evaluations may include breakfast or lunch meetings during work hours.

c. Preparation for Town-wide events on weekends (i.e.; Silverthorne Saturday).

d. Manager and / or Town Council members' meetings with media, citizens, employees, Council and outside officials.

20. Education and training - The Town Council has approved in the Personnel Policies the desire to hire the best and most qualified staff available. To maintain the quality of the staff over time, the Town will fund adequate participation in professional organizations and training. Recognizing the need for additional training, each Department Director will propose a budget which may include participation at

the national level for Department Directors and professionals. In addition to participation in national organizations, it may from time to time benefit the Town to send employees to training out of the state. The staff will attempt to identify regional training programs or local programs when possible. The level of training and participation in organizations must be approved by Department Directors. Department director training will be approved by the Town Manager, and Town Manager training will be approved by the Mayor. All training must be included and funded in the annual budget.

21. Education and training for Council and commissioners - The Town is committed to professional and progressive leadership. In order to maintain our position as leaders in the community and region, it may be beneficial to provide training for the Town Council or Planning Commission regarding key management and or technical issues. Travel for these members will be included in the annual budget. Annually the budget will include "at least" participation for one Council member at the Rocky Mountain Leadership Program and "at least" participation for one representative at the annual Planning Conference. Additionally, the budget will include our participation in CML, CAST, NWCCOG, and other organizations identified and funded in the annual budget. Staff will ask Council and the Planning Commission for interest in participating in programs when preparing the annual budget and forecasting the long-range plans.

22. Computer purchases - All town-wide computer related purchases must be approved by the Network Administrator, with final approval from the Finance Director or Town Manager.

VI. Capital Planning & Budgeting Policies

INTRODUCTION

The Capital Improvement Plan has a significant impact on the image of the Town. The following policies are designed to guarantee that current and future projects are maintained at a quality level and that capital projects do not restrict the Town's ability to provide basic services. The Town must preserve its current physical assets and plan in an orderly manner

for future capital investments, including the operating costs associated with these projects. In addition to amenity improvements, the Town must make the capital investment needed to support and enhance the delivery of basic services. This commitment becomes even more important because the demands for basic services biases funding priorities toward the operating services (police officers and recreation programs) versus infrastructure (streets and buildings), which could be an issue in the future. Capital expenditures include buildings, land, major equipment and other items that are of significant value and have a life greater than five years.

POLICIES

The planning, funding and maintenance of all capital projects shall be based on the following policies:

1. Bond rating - The Town will maintain a strong bond rating that is consistent with other Town goals.
2. Five-year capital plans - Each Department with capital expenditures will develop and maintain five-year capital plans. This will include sources of funding and maintenance.
3. Citizen involvement - The Capital Budget development process will provide for the full participation of any Citizen Committee appointed by Town Council.
4. Details of plan - The Town will prepare, adopt and update annually a Town five-year Asset Management Plan that identifies Department needs for capital replacement and additions. The capital improvement plan lists all anticipated capital expenditures, total estimated cost, the year in which it will be started, the amount expected to be expended in each year, and the proposed method of financing these expenditures. Methods of financing can include bonding, assessment districts, pay-as-you-go (e.g. taxes, current revenues, cash balances), or other.
5. Current capital budget - The Town will prepare an annual Capital Budget that will include current year capital expenditures and sources of funds based on the current year of the Capital Improvement Plan.
6. Include future maintenance - As part of the annual Capital Budget, the Town will identify and include full costs of future maintenance needs and operating costs of new capital facilities and equipment prior to funding as part of the annual Capital Budget. It is essential to recognize that many smaller projects can have a significant impact on the existing staff and maintenance levels when you consider the total impact. All capital projects will identify the maintenance requirements in terms of staffing (hours per week) and Supplies & Services.
7. Identify project funding - The Town staff will identify the estimated costs and potential funding sources for each capital project proposal before it is submitted to Council for approval. This will include capital construction as well as ongoing maintenance.
8. Asset Management Plan (AMP) - The Town will develop an Asset Management Plan that protects capital investment and minimizes future maintenance and replacement costs. The Town will maintain accurate information on the condition, life span use and replacement cost of their capital assets to assist in long term planning. The Asset Management Plan will also indicate future major repairs and their costs, utility costs, and other operating costs.
9. Planned funding - The budget will provide sufficient funding for adequate maintenance and scheduled replacement and enhancement of capital plant and equipment. Whenever the Asset Management Plan identifies there is a significant discrepancy between the need to maintain/modernize Town infrastructure or facilities and the funds available for such improvements, the Town staff will prepare and present to Council a strategy for meeting such needs. The long-range plans of the Town will include all costs identified in the Asset Management Plan.
10. Renovation - Although the annual operating budget should provide for adequate maintenance of capital plant and equipment, it is possible that even if this maintenance is provided eventually a major expenditure will be required. It is appropriate to consider these types of major expenditures when developing the capital improvement program.

11. Capital priority - In general, the following guidelines will be used to identify capital priorities: Safety, Complete existing projects, Maintenance of existing capital facilities, Extensions of existing systems and new projects. Maintenance should be given priority over acquisition of new facilities, unless a cost/benefit analysis indicates to the contrary. State, Federal and local mandates or new service demands may require acquisition of new facilities or new construction even when maintenance needs are not fully met. Unique opportunities may arise which should be considered as a priority particularly if there is community support for acquisition. Maintenance of facilities should take priority over operating programs if deferring maintenance will result in greater costs to restore or replace neglected facilities.

12. Impact on Town policies and community - The Town will identify the ongoing costs and benefits that may be associated with each capital project to determine its effect on other city policies and the community as a whole.

13. Alternative funding - Assessment district financing is appropriate for those areas of the Town that are retroactively installing physical plant features which are normally required by subdivision standards at the time of development or which have been funded by another assessment district. Such physical plant features include curb, gutters, sidewalks, streetlights and sewers. Assessment districts are also appropriate in cases where these types of physical plant features are being upgraded for the benefit of property owners in the area. Unless otherwise directed by Council, assessment districts will include all costs associated with the project, including overhead and indirect costs, including but not limited to financing, and administrative costs. The Town will take actions to ensure that financial risk to the Town is minimized.

14. Equipment replacement - The Town will estimate its equipment replacement (items over \$1,000 with a life greater than one year) and maintenance needs for the next five years and will update this projection each year. From this projection, a maintenance and replacement schedule will be developed and followed.

15. Cash for equipment - Equipment replacement should be financed on a pay-as-you-go basis. Equipment should be replaced on a useful life basis considering optimum trade-in value and maintenance costs.

16. Capital Assets - Capital assets accounted for in the Comprehensive Annual Financial Report (CAFR) will use a base line of \$5,000 with a life greater than one year. The classification of Capital Assets in the CAFR can and will be different than how the town tracks capital and equipment internally.

VII. Investment Policies

INTRODUCTION

The purpose of this investment policy is to establish guidelines for the purchase and sale of investments for all funds of the Town of Silverthorne.

POLICIES

Funds of the Town will be invested in accordance with these policies:

OBJECTIVE

The Town's investment portfolio shall be managed in a manner to preserve and protect capital in the overall portfolio; to ensure that adequate funds are available to promptly pay Town financial obligations; and to earn a market average rate of return. The following is the Town's list of priorities with regard to investments:

1. Safety of principal - The foremost objective of the investment program. Investments of the Town shall be undertaken in a manner that seeks to ensure the preservation of capital in the overall portfolio. In order to insure safety of principal, the investments selected will be insured or collateralized by the United States government or its agencies and instrumentalities thereof, or be rated in the highest rating category by at least two of the nationally recognized investment rating services.

2. Liquidity - The investment portfolio will remain sufficiently liquid to enable the Town to meet all operating requirements that might be reasonably anticipated. The Town's general policy is to buy and hold investments to maturity.

3. Yield/return - The Town's investment portfolio shall be designed with the objective of attaining a market rate of return throughout budgetary and economic cycles, taking into account the Town's investment risk constraints and the cash flow characteristics of the portfolio.

4. Delegation of authority - Authority to manage the Town of Silverthorne's investment program lies with the Finance Director or his/her delegate. No employee shall engage in any investment transaction except as provided for under the terms of this policy.

5. Ethics & conflict of interest - Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program. Employees and investment officials shall disclose any material financial interest in financial institutions that conduct business within the Town, and they shall further disclose any larger personal financial/investment positions that could be related to the performance of the Town's portfolio. Employees and officers shall subordinate their personal investment transactions to those of the Town, particularly with regard to the timing of purchases and sales.

6. Internal controls - A system of internal controls will be established to ensure compliance with this policy. No position may engage in an investment transaction except as provided under the terms of this policy.

7. Prudence and indemnification - The standard of prudence to be applied by Staff shall be "prudent with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investments, considering the probable safety of their capital as well as the probable income to be derived." The prudent investor rule shall be applied in the context of managing the overall portfolio. Staff, acting in accordance with this policy and exercising due diligence, shall not be held personally responsible for a specific security's credit risk or market price changes, provided that these deviations are reported in a timely

fashion and that appropriate action is taken to control adverse developments.

8. Authorized investments - The Town is required to follow State statutes and Home Rule restrictions regarding investments.

a. Treasury obligations: U.S. Treasury obligations - bills, notes, bonds, and strips.

b. Banks: Time certificates of deposit or deposit accounts in state of national banks which are insured by the Federal Deposit Insurance Corporation (F.D.I.C.). Any bank within Colorado must be approved as a public depository by the State of Colorado Banking Commissioner. Certificates of deposit and deposit accounts in Colorado banks which exceed the insured amount will be collateralized as required by the Public Deposit Protection Act (PDPA) for commercial banks. Per Colorado statute, certificates of deposits can only be made in banks chartered and located within the State.

c. Savings and loans: Time certificate of deposit or deposit accounts in state of federally chartered savings and loan associations within Colorado which are insured by the Federal Savings and Loan Insurance Corporation (F.S.L.I.C.) Any savings and loan association within Colorado must be approved as a public depository by the State of Colorado or Loan Commissioner. Certificates of deposit accounts in Colorado savings and loan associations which exceed the insured amount will be collateralized as required by the Savings and Loan Association Public Deposit Protection Act.

d. U.S. government: U.S. Agency and U.S. Instrumentalities Securities which are backed by the full faith and credit of or sponsored by the U.S. Government. Included would be Government National Mortgage Association (G.N.M.A.), Federal National Mortgage Association (F.N.M.A.), Federal Home Loan Bank (F.H.L.B.), Federal Farm Credit Bank (F.F.C.B.) and Federal Home Loan Mortgage Corporation (F.H.L.M.C.) securities.

e. Shared investments: Shares of any approved local government or state operated investment pool,

Town Council must specifically approve the use of any investment pool, by resolution, before Town funds may be placed in the pool. Shares on any S.E.C. registered money market mutual fund with at least \$1 billion dollars in assets and an AAAM credit rating.

f. Commercial Paper: Commercial paper which has at least two credit rating which is less than A1+ by Standard & Poors, P1 by Moody's or F1+ by Fitch.

9. Competitive bids: When similar bids are received from different institutions for identical securities, the Town will offer those institutions the opportunity to re-bid. The decision to offer institutions the ability to re-bid will be made based on the number of basis points between the bids. The number of basis points will fluctuate depending on the time period of the investment. Whenever two or more bids are equal, and institutions have had the opportunity to re-bid, and diversification is not an issue; the Town will give preference to investing with a local institution or a bidder with which the Town shall choose based on prior relations.

10. Diversification - The Town will diversify use of investment instruments to avoid incurring unreasonable risk in over investing in one specific instrument or in one institution. The following are recommended diversification guidelines:

a. U.S. Treasury obligations: Up to 100% of the portfolio may be invested in this class.

b. Bank and Savings and Loan Certificates of Deposits: No more than 10% of the portfolio deposited in any single bank or savings and loan. No more than 25% of the portfolio in PDPA collateralized deposits.

c. U.S. Agency and Instrumentality Securities: No more than 80% of the portfolio may be invested in this class and no more than 50% of the portfolio in any single issuer.

d. Shared Investments: No more than 80% of the portfolio may be invested in this class if investments with no more than 50% in any single fund.

e. Commercial Paper: No more than 5% of the portfolio may be invested in commercial paper of any single issuer and no more than 20% of the portfolio may be invested in commercial paper cumulatively.

11. Sale of investments prior to maturity - When it is deemed necessary to sell investments prior to regular stated maturity dates, the existing portfolio will be analyzed along with current market conditions. The investment(s) which will result in the best economic gain or the least economic loss will be the first to be sold or traded. The factors to be considered prior to sale will be existing market rates, remaining time to maturity on the investment so that future earnings loss can be determined, and the timing in which the funds derived from the potential sale of the investment will be needed.

12. Safekeeping/Custody - All investments will be in the name of the Town of Silverthorne. Investments of non-negotiable Certificates of Deposit within the State of Colorado will be held in safekeeping or custody at the bank or savings and loan institution from which they were purchased or at a third part institution determined by the Finance Director. Safekeeping or custody receipts of all C.D.'s listing all pertinent information and copies of the C.D. will be mailed to the Town's Finance Department. Marketable securities will be held in third party safekeeping or custody by an institution designated as agent for the Town of Silverthorne. When U.S. Treasury obligations are purchased, these may be held in an account at the Federal Reserve Bank-Treasury Direct in the name of the Town.

13. Eligible dealers - Securities dealers and banks that are designated as reporting dealers by the Federal Reserve Bank of New York (primary dealers). Securities dealers that are not designated reporting dealers by the Federal Reserve Council but are approved by the Town. Banks in the State of Colorado approved by the Town.

14. Cash flow review - the Town will maintain a cash management program. A cash-flow analysis of all funds will be reviewed on a quarterly basis. Disbursement, collection, and deposit of all funds will

be scheduled to insure reasonable liquidity and maximum investment earnings.

15. Pool cash - When permitted by law, the Town will pool cash from several different funds for investment purposes.

16. Accounting system - The accounting system will provide regular information concerning cash position and performance.

VIII. Reserve Policies

INTRODUCTION

Cash reserve policies directly relate to fund accounting. Fund accounting has always been used as a control device to segregate financial resources and ensure that the segregated resources were only used for their intended purposes. Cash reserves also provide stability for operations and can cushion the impact to Town programs during times of economic downturns.

1. Target reserve - The Town will establish and maintain a target reserve to pay for needs caused by unforeseen emergencies that may include revenue shortages. This reserve will be based on 70% of annual debt service or six months of operating expenses whichever is greater. The Capital Improvements Fund will maintain a reserve based on 100% of the next fiscal year's annual debt service and any requirements of the actual debt issue. In the final years of debt service, the target may be reduced to amount based on the recommendation of staff provided the amount does not drop below the monthly target. The target reserve includes all reserves required by Amendment 1.

2. Contingency reserve - The Town will establish and budget a contingency reserve in the General Fund to provide for unanticipated expenditures of a non-recurring nature, or to meet unexpected small increases in service delivery costs. Major projects may also include contingency reserves.

3. Fund reserves - The first priority of the Town will be to maintain target reserves by individual funds based on the above target. The Town Council may identify specific reserves on an individual basis. Council may set policies restricting purchases to available current

cash which would significantly reduce the required reserves in the Capital Revenue fund.

4. Town wide targets and reserves - Each Fund will maintain individual reserves. When a cash reserve deficit exists, the Town Council will identify the specific fund to off set the deficit and a plan to increase the reserve in the fund.

IX. Debt Policies

INTRODUCTION

Long-term debt is a liability that places a future contractual or other obligation against future revenues of the Town. For example, long-term debt includes liabilities arising from bonds, lease purchase agreements, and installment purchase contracts.

1. Use for capital - The Town will confine long-term borrowing to capital improvements or projects that cannot be financed from current revenues.

2. Life of bonds not to exceed 75% of life of project - When the Town finances capital projects by issuing bonds, it will pay back the bonds within a period not to exceed 75% of the expected useful life of the project.

3. Debt restrictions - The Town will not use long-term debt for current or annual operations.

4. Bond rating - The Town will maintain good communications with bond rating agencies about its financial condition. The Town will follow a policy of full disclosure on every financial report and bond prospectus. The Town will maintain a strong bond rating that is consistent with other Town goals.

5. Legal debt limits - The Town will review its legal debt limitation established by the State (Charter) at least annually. Debt limits will be included in the statistics sections of the Financial Plan and Financial Report.

6. Annual review - The Town of Silverthorne will conduct an annual review of its debt taking into consideration current market rates and future cash flows.

X. Fraud Policies

INTRODUCTION

The Town's fraud policy is established to outline the development of controls which will aid in the detection and prevention of fraud against the Town. It is the intent of the Town to promote consistent organizational behavior by providing guidelines and assigning responsibility for controls and conduct of investigations.

POLICIES

This policy applies to any fraud, or suspected fraud involving employees as well as vendors, consultants, contractors, outside agencies doing business with employees of such agencies, and/or any other parties with a relationship with the Town.

1. Reporting - Employees and any other parties with an objective, good-faith belief of fraud, or abuse or misuse of Town property should contact the Director of Administrative Services. Reports may provide this notice by reasonable means (i.e. orally, in writing, e-mail, etc.) and this notice may be provided anonymously.

Should the suspected fraud or abuse involve the Director of Administrative Services and/or the Town Manager then the employee or other party may report the suspected fraud or abuse to the Town Attorney.

The Town will not retaliate against an employee or a "reporting" party, who makes a report based on an objective, good-faith belief of fraud, or abuse or misuse of Town property. The Town will take no effort to determine the identity of anyone who specifically requests anonymity and, to the extent possible under the circumstances, will not reveal the identity of an employee or "reporting" party who requests confidentiality.

2. Actions Constituting Fraud - The terms embezzle, misappropriation and other fiscal wrongdoings refer to, but are not limited to:

- Any dishonest or fraudulent act

- Forgery or alteration of any document or account belonging to the Town
- Forgery or alteration to a check, bank draft, or any other financial document
- Misappropriation of funds, securities, supplies, or other assets
- Impropriety in the handling or reporting of money or financial transactions
- Profiteering as a result of insider knowledge of Town activities
- Disclosing confidential and proprietary information to outside parties that could put Town monies at risk.
- Accepting or seeking anything of substantial value from contractors, vendors or persons providing services/materials to the Town for personal gain.
- Destruction, removal, unauthorized or inappropriate use of records, furniture, fixtures, and equipment; and/or
- Any similar or related inappropriate conduct

The Town's Code of Ethics should also be referenced for clarification. The Code of Ethics can be found as Article IV in the Town Code and in the Employee Handbook.

Suspected improprieties concerning an employee's moral, ethical, or behavioral conduct, should be resolved by departmental management and Human Resources rather than the Director of Administrative Services.

If there is any question as to whether an action constitutes fraud, contact the Director of Administrative Services.

3. Investigation Responsibilities - The Director of Administrative Services has the primary responsibility for the investigation of all suspected fraudulent acts as defined in the policy. If the investigation substantiates that fraudulent activities have occurred, the Director of Administrative Services will issue reports to appropriate designated personnel and, if appropriate, to the Town Council through the Town Manager.

If the suspected fraudulent act involves the Director of Administrative Services and/or the Town Manager,

then other appropriate means will be used to investigate the suspected fraudulent act.

Decisions to prosecute and/or refer the examination results to the appropriate law enforcement and/or regulatory agencies for independent investigation will be made in conjunction with legal counsel and the Town Manager, as will final decisions on disposition of the case.

4. Confidentiality - The Town treats all information received confidentially. Any employee or reporting party who suspects dishonest or fraudulent activity will notify the Director of Administrative Services immediately.

Should the suspected fraud or abuse involve the Director of Administrative Services and/or the Town Manager then the employee or other party may report the suspected fraud or abuse to the Town Attorney.

Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know. This is important in order to avoid damaging the reputations of persons suspected but subsequently found innocent of wrongful conduct and to protect the Town from potential civil liability.

5. Reporting Procedures - Great care must be taken in the investigation of suspected improprieties or wrongdoings so as to avoid mistaken accusations or alerting suspected individuals that an investigation is under way.

An employee or other party who discovers or suspects fraudulent activity will contact the Director of Administrative Services immediately. The employee or other complainant may remain anonymous. All inquiries concerning the activity under investigation from the suspected individual, his or her attorney or representative or any other inquirer should be directed to the Director of Administrative Services or Town Attorney. No information concerning the status of an investigation will be given out.

The reporting individual should be informed of the following:

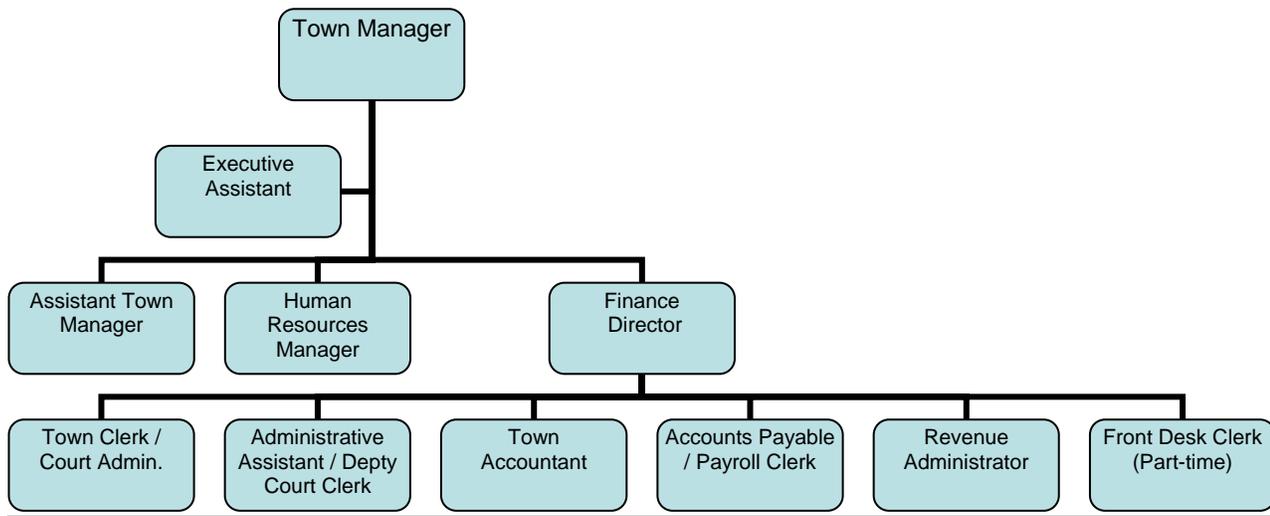
- Do not contact the suspected individual(s) or other potentially involved in an effort to determine facts or demand restitution.
- Do not discuss the case, facts, suspicions or allegations with anyone unless specifically asked to do so by the Town Attorney or Director of Administrative Services.

6. Termination - If an investigation results in a recommendation to terminate an individual, the recommendation will be reviewed for approval by the designated representatives from Human Resources and the Town Attorney and, if necessary, by outside counsel, before any such action is taken. The Director of Administrative Services does not have the authority to terminate an employee. The decision to terminate an employee is made by the employee's management. Should the Director of Administrative Services believe the management decision inappropriate for the facts, than the case will be presented to executive level management for a decision.

Appendix “B” Personnel Summaries

The primary organizational chart for the Town of Silverthorne was included in the Introduction Section of this document. Appendix “B” contains several additional charts and graphs, the organization by department, and the salary ranges and positions in each department.

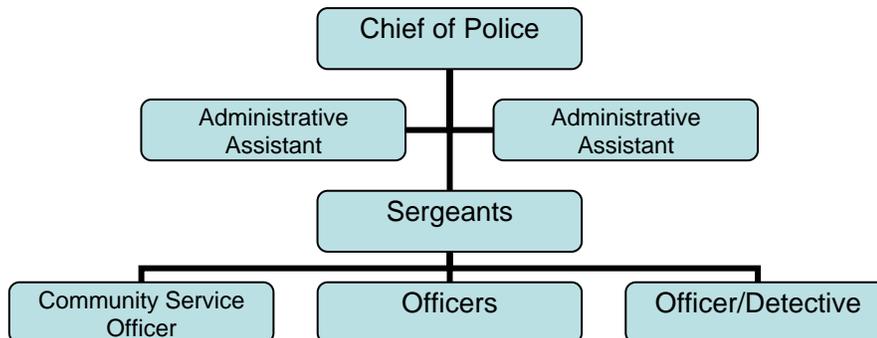
Silverthorne Traditional Organizational Charts by Department Administrative Services



ADMINISTRATIVE SERVICES PROGRAMS

- Financial Administration - financial reporting & management, financial planning, revenue collections, payroll
- Public Policy & Administration - Mayor & Town Council, Town Manager, legal services, public relations, municipal court, election administration, records management and economic development
- Human Resources Administration – compensation, benefits, and personnel management

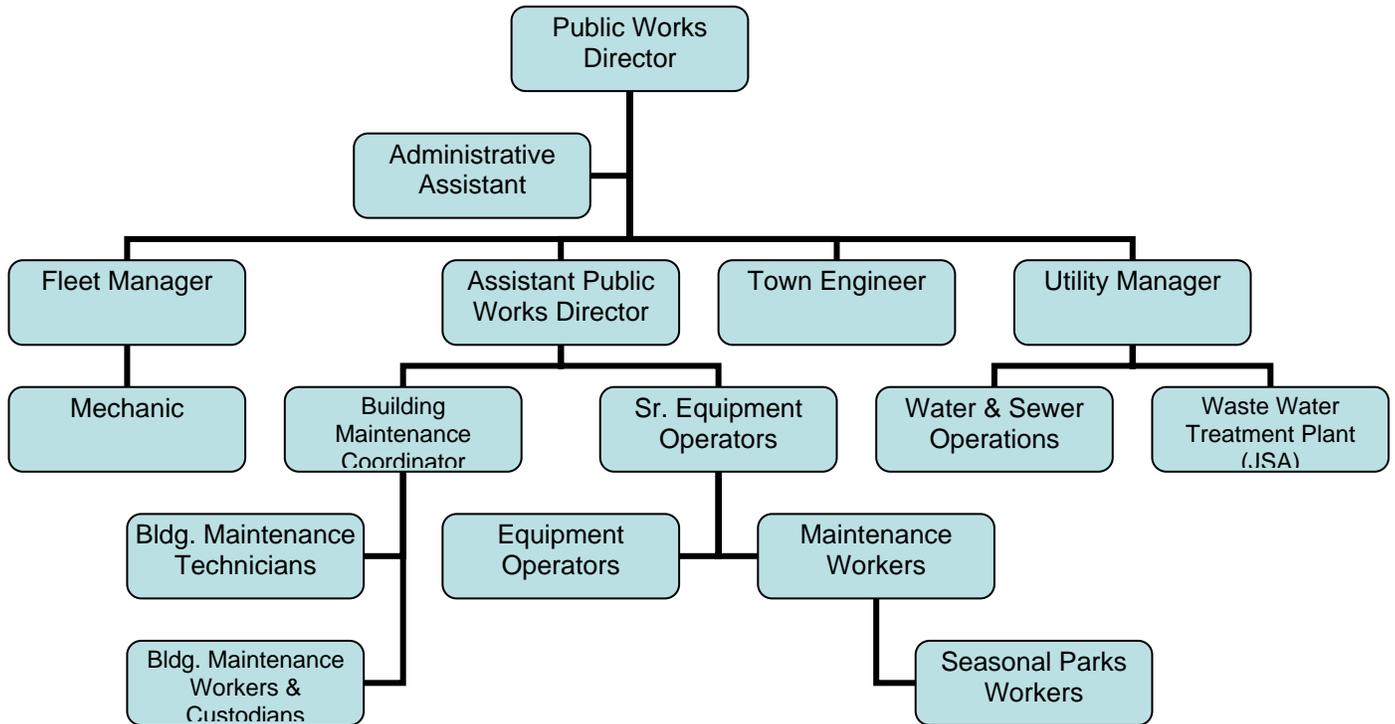
Public Safety



PUBLIC SAFETY PROGRAMS

- Community Policing – crime prevention; education, Citizens Advisory Committee, code enforcement, traffic calming
- Law Enforcement - residential and commercial calls for service while maintaining professional standards
- Inter-Agency Cooperation – LEAF Grant, Tactical Team; board and committee participation
- Administration & Public Assistance – records retention and release, public outreach programs, general information, finger printing, and parking permits

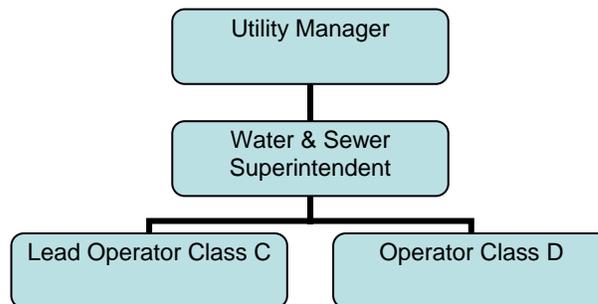
Public Works



PUBLIC WORKS PROGRAMS

- Street Maintenance & Construction - street maintenance and sweeping, snow plowing and removal, CDOT coordination, and assistance to citizens and businesses relating to street systems
- Parks Maintenance - mowing, flowers, irrigation, trails maintenance
- Fleet - vehicle and equipment maintenance
- Capital Projects Management - on-going design, inspection, and management of all Town capital projects
- Engineering & New Development Review - design review, field inspection; flood plain management
- Facilities Maintenance - on-going maintenance of Town Hall, Recreation Center, Pavilion & US Forest Service

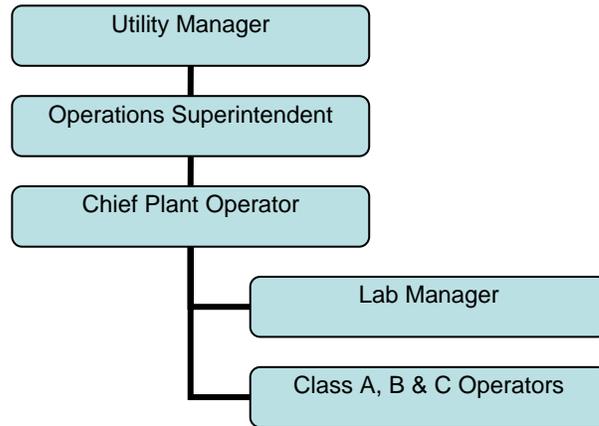
Utility Operations: Water & Sewer



WATER & SEWER PROGRAMS

- Water Supply & Distribution - maintenance of water and sewer system facilities
- Meter Readings - quarterly
- New Development Inspections

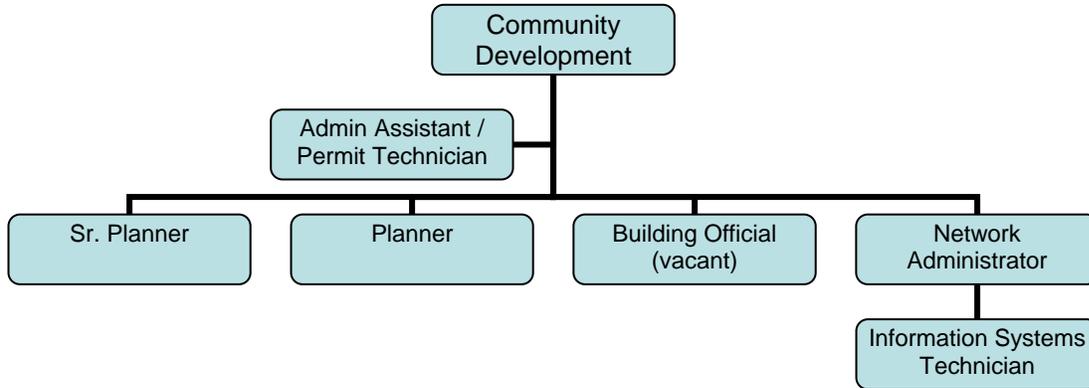
Joint Sewer Authority – Blue River Wastewater Treatment Plant



JOINT SEWER AUTHORITY PROGRAMS

- Wastewater Treatment – for Silverthorne, Dillon, Dillon Valley, Wilderndest & Mesa Cortina
- Facilities Maintenance - on-going maintenance of treatment plant

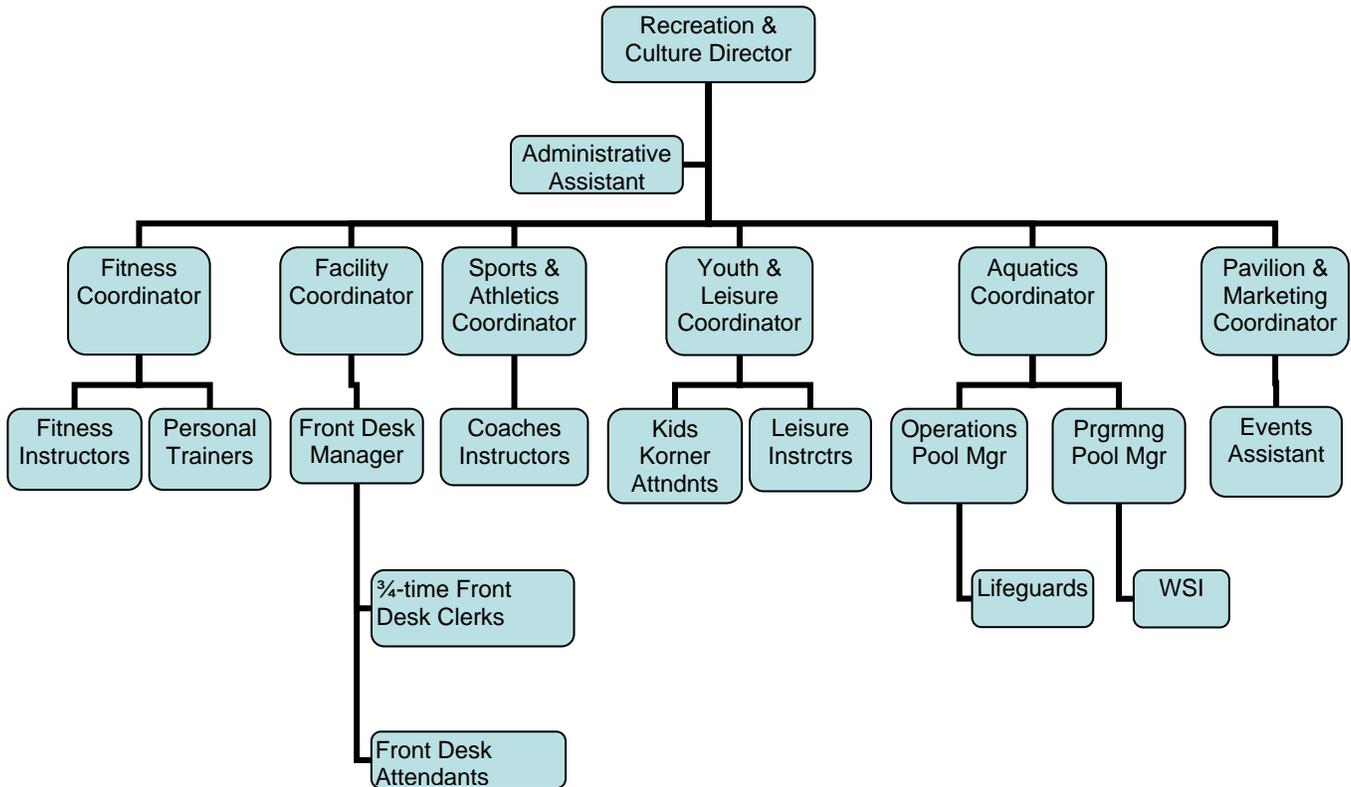
Community Development



COMMUNITY DEVELOPMENT PROGRAMS

- Long-range Planning - document the goals, plans & vision of the citizens for the community
- Current Planning - ensure that new development achieves the plans of the citizens for the community
- Building Code Compliance - ensure that physical structures comply with life/safety regulations & with conditions required by the current planning process
- Zoning Code Compliance - ensure that property is maintained at an appropriate level; work in conjunction with Public Safety
- MIS/GIS - provide stable & secure computer network & related systems; provide general property information to the public and staff
- Administration & Financial Planning - assist public with development procedures, mapping, permitting, statistics or other issues; forecast financial impact of growth as well as the cost and maintenance of plan implementation

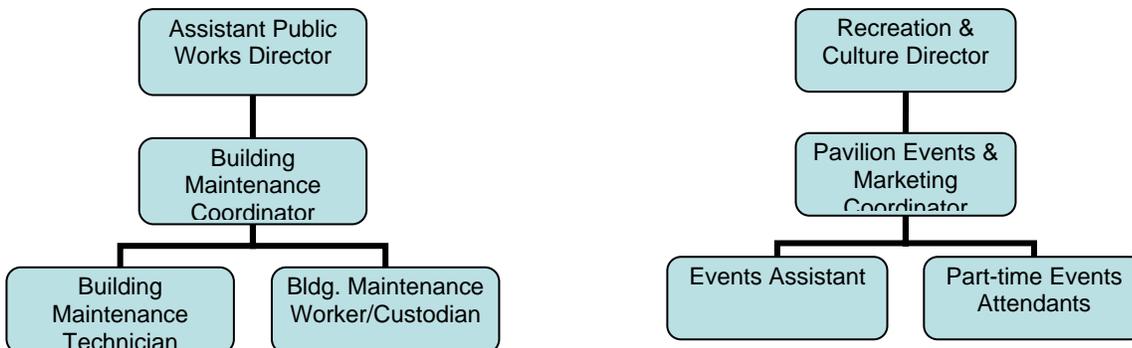
Recreation & Culture



RECREATION AND PUBLIC FACILITIES PROGRAMS

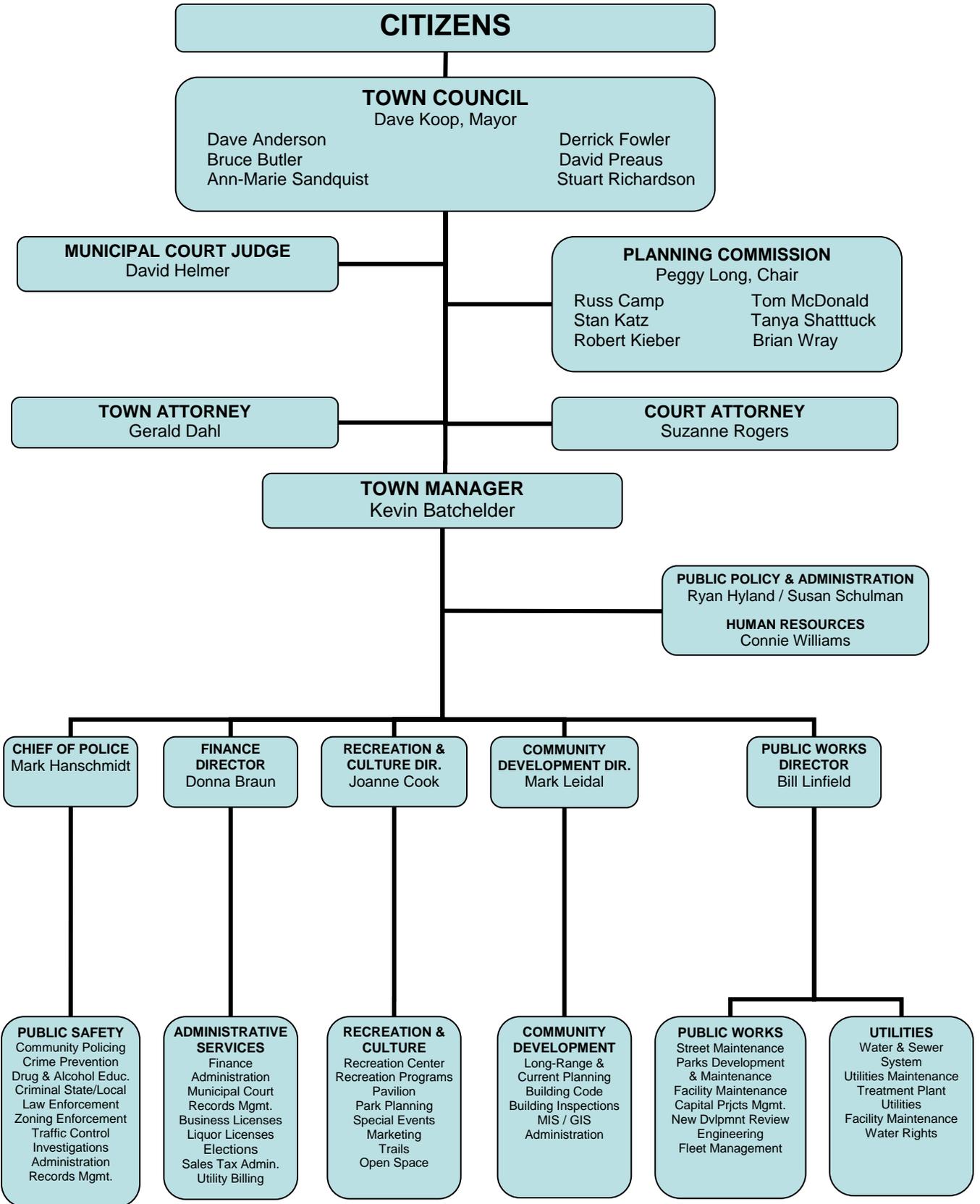
- Parks & Trails Management & Development - management, acquisition, and development of park land using approved Master Plan
- Recreation Center – provide safe, quality recreational opportunities, community activities and programs
- Town Pavilion Management – develop community special events, manage facility rentals and retail space

Pavilion



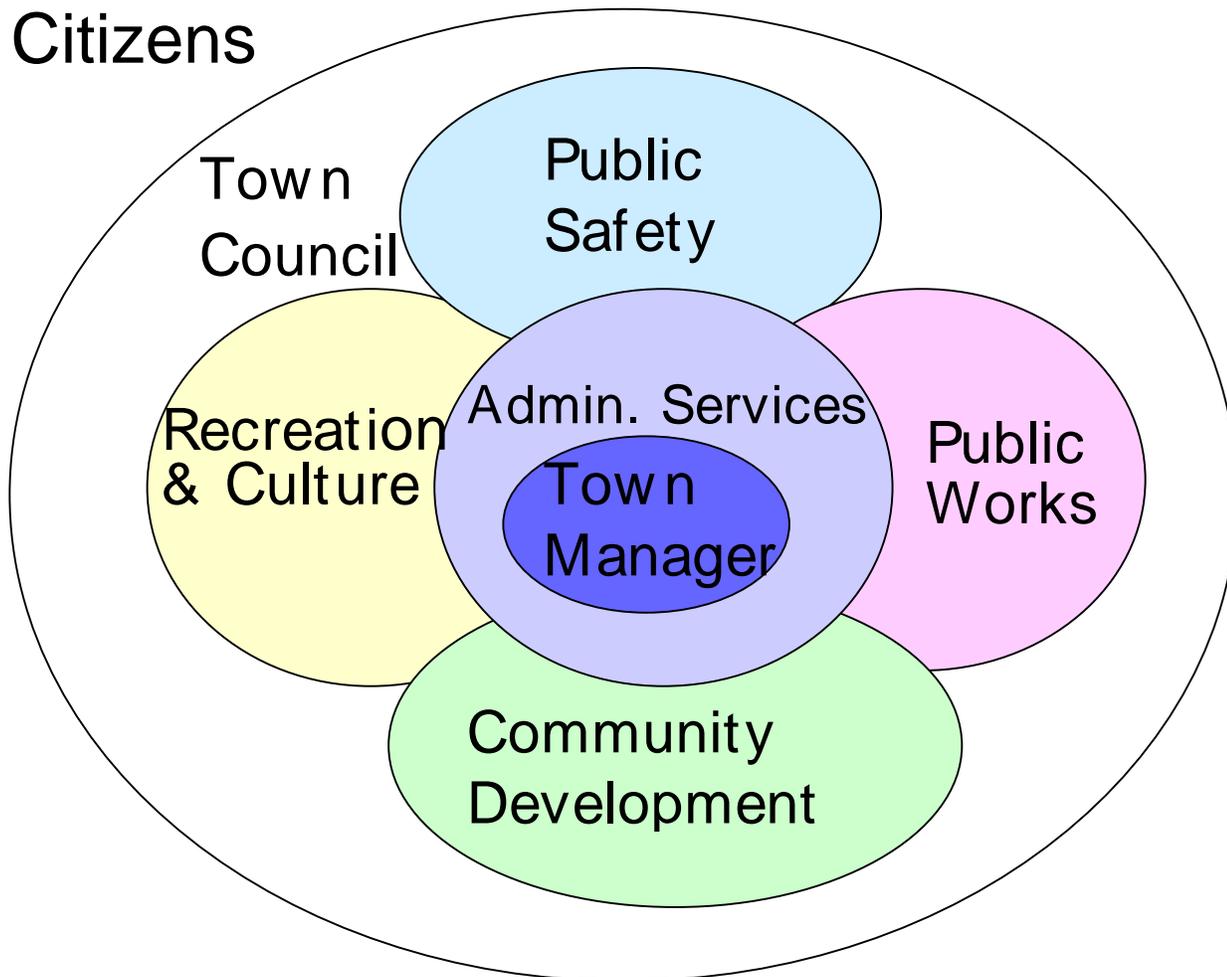
PAVILION PROGRAMS

- Marketing & Promotion - facility and events promotion
- Special Events Coordination - sales, contracts and management of all events
- Administration - money collection, financial reporting and budget administration; manage retail space
- Facility Equipment & Maintenance - maintain equipment inventory and ongoing building maintenance
- Facility Setup - setup preparation for events and facility clean up after events



Non-Traditional Organizational Chart

Citizens



This chart uses circles to represent the organization by department; the overlapping circles represent the interactions and interdependency that exists between each department. The core of the circle is the Town Manager, the chief executive and administrative officer of the Town. Since the Administrative Services (Admin) Department is responsible for the internal operations of the Town (finance, town clerk, municipal court clerk and personnel functions), it surrounds the Manager and overlaps each of the other departments. Admin provides services to every department, and its customers include employees, the Town Council and citizens. Beginning with Community Development and moving counterclockwise, the functions of each department directly and indirectly affect one another (as represented by the overlapping circles). Community Development is responsible for the development of the Town's Master Plan (creating the vision for the community). Public Works is responsible for the construction and maintenance of capital projects (created by Community Development) as well as the maintenance of streets, parks, facilities and building grounds. Public Safety is responsible for the safety and welfare of the citizens of Silverthorne. The Police Department is impacted by the additional people who are drawn to our community. Finally, the Recreation & Culture Department is responsible for providing recreational services to all residents and is impacted by both Community Development and the Police Department (the Recreation Center's proactive approach to providing programs for youth could impact the Police Department). In summary, the organization must work as a team in order to accomplish the goals of the citizens and the Town Council. Each department must interact and plan with the other departments as issues are identified and decisions are made.

Salary Ranges 2009 - 2013

Human Resources completes full-blown Market Compensation Surveys for every position biennially in order to establish salary ranges for the following year and ensure that Town pay ranges are within market parameters. In order to stay up with market trends, staff uses such factors as CPI and comparable-town market adjustment averages to increase salary ranges for the alternate-year range increases. Survey resources include Colorado Municipal League and Mountain States Employers Council surveys. The Town compares salaries to equivalent positions in 17 Western Slope and Front Range towns and counties. After obtaining input from Department Directors and determining budget constraints, the Town Manager approves final salary ranges.

There were no pay increases given in 2010 or 2011. In 2012, all employees received a 1.5% COLA pay increase. In 2013, the Town budgeted for an average merit increase of 3%.

The following table summarizes the top-of-range history by department and position since 2009. The bottom of the range is 75% of the top. All Ranges were increased 1.5% in 2012. Ranges increased an average of 3.3% in 2009 and didn't change until they were all increased 1.5% in 2012. For 2013 the ranges increased an average of 1.6%

| MONTHLY TOP OF RANGE | | | | | | |
|--|--------|--------|--------|--------|--------|------|
| DEPARTMENT / POSITION | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| <u>Town Manager & Directors</u> | | | | | | |
| Town Manager (actual) | 10,234 | 10,234 | 10,234 | 10,388 | 10,803 | |
| Public Safety Director (Police Chief) | 9,000 | 9,000 | 9,000 | 9,135 | 9,272 | |
| Finance Director | 9,000 | 9,000 | 9,000 | 9,135 | 9,272 | |
| Community Development Director | 9,000 | 9,000 | 9,000 | 9,135 | 9,272 | |
| Public Works Director | 9,000 | 9,000 | 9,000 | 9,135 | 9,272 | |
| Recreation & Culture Director | 9,000 | 9,000 | 9,000 | 9,135 | 9,272 | |
| <u>Administrative Services</u> | | | | | | |
| Assistant to the Town Manager | 6,850 | 6,850 | 6,850 | 6,953 | 0 | |
| Assistant Town Manager | 0 | 0 | 0 | 0 | 8,610 | |
| Human Resources Manager | 6,375 | 6,375 | 6,375 | 6,471 | 6,733 | |
| Town Clerk/Municipal Court Admin | 5,625 | 5,625 | 5,625 | 5,709 | 5,833 | |
| Town Accountant | 5,417 | 5,417 | 5,417 | 5,498 | 5,600 | |
| Executive Assistant | 4,833 | 4,833 | 4,833 | 4,905 | 4,979 | |
| Revenue Administrator | 4,500 | 4,500 | 4,500 | 4,568 | 4,792 | |
| Accounts Payable/Payroll Clerk | 4,208 | 4,208 | 4,208 | 4,271 | 4,375 | |
| Admin Assistant/Deputy Court Clerk | 4,083 | 4,083 | 4,083 | 4,144 | 4,188 | |
| <u>Community Development</u> | | | | | | |
| Network Administrator | 6,667 | 6,667 | 6,667 | 6,767 | 6,767 | |
| Building Official | 6,333 | 6,333 | 6,333 | 6,428 | 6,667 | |
| Senior Planner | 6,333 | 6,333 | 6,333 | 6,428 | 6,454 | |
| Planner II | 5,667 | 5,667 | 5,667 | 5,752 | 5,780 | |
| Planner I | 5,000 | 5,000 | 5,000 | 5,075 | 5,114 | |
| Information Systems Technician | 4,333 | 4,333 | 4,333 | 4,398 | 4,398 | |
| Planning Technician | 4,167 | 4,167 | 4,167 | 4,230 | 4,230 | |
| Administrative Assistant / Permit Tech. | 4,083 | 4,083 | 4,083 | 4,144 | 4,188 | |

Appendix "B" Personnel Summary

| DEPARTMENT / POSITION | MONTHLY TOP OF RANGE | | | | | |
|--|----------------------|-------|-------|-------|-------|------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| <u>Public Safety</u> | | | | | | |
| Sergeant | 6,858 | 6,858 | 6,858 | 6,961 | 7,030 | |
| Police Officer / Detective | 5,417 | 5,417 | 5,417 | 5,498 | 5,527 | |
| Community Service Officer | 4,358 | 4,358 | 4,358 | 4,424 | 4,468 | |
| Administrative Assistant | 4,083 | 4,083 | 4,083 | 4,144 | 4,188 | |
| <u>Public Works</u> | | | | | | |
| Town Engineer | 6,833 | 6,833 | 6,833 | 6,936 | 7,283 | |
| Assistant PW Director | 7,000 | 7,000 | 7,000 | 7,105 | 7,105 | |
| Building Maintenance Coordinator | 5,708 | 5,708 | 5,708 | 5,794 | 5,794 | |
| Sr. Equipment Operator / Parks Super | 5,317 | 5,317 | 5,317 | 5,397 | 5,527 | |
| Fleet Manager | 5,317 | 5,317 | 5,317 | 5,397 | 5,527 | |
| Mechanic | 4,583 | 4,583 | 4,583 | 4,652 | 4,652 | |
| Building Maintenance Technician | 4,333 | 4,333 | 4,333 | 4,398 | 4,398 | |
| Equipment Operator | 4,333 | 4,333 | 4,333 | 4,398 | 4,398 | |
| Administrative Assistant | 4,083 | 4,083 | 4,083 | 4,144 | 4,188 | |
| Parks Maint Worker / Bldg Maint Worker | 3,625 | 3,625 | 3,625 | 3,680 | 3,772 | |
| <u>Recreation & Culture</u> | | | | | | |
| Aquatics Coordinator | 5,250 | 5,250 | 5,250 | 5,329 | 5,390 | |
| Facilities Coordinator | 5,250 | 5,250 | 5,250 | 5,329 | 5,390 | |
| Fitness Coordinator | 4,842 | 4,842 | 4,842 | 4,915 | 4,915 | |
| Sports & Athletics Coordinator | 4,842 | 4,842 | 4,842 | 4,915 | 4,915 | |
| Youth & Leisure Coordinator | 4,842 | 4,842 | 4,842 | 4,915 | 4,915 | |
| Pool Manager | 4,167 | 4,167 | 4,167 | 4,230 | 4,292 | |
| Front Desk Manager | 4,167 | 4,167 | 4,167 | 4,230 | 4,292 | |
| Administrative Assistant | 4,083 | 4,083 | 4,083 | 4,144 | 4,188 | |
| Head Lifeguard | 3,333 | 3,333 | 3,333 | 3,383 | 3,517 | |
| Custodian | 3,167 | 3,167 | 3,167 | 3,215 | 3,408 | |
| ¾-time Front Desk Clerk (per hour) | 18.35 | 18.35 | 18.35 | 18.63 | 18.63 | |
| <u>Pavilion</u> | | | | | | |
| Special Events/Com. Coordinator | 5,417 | 5,417 | 5,417 | 5,498 | 5,498 | |
| Pavilion Maintenance Technician | 4,333 | 4,333 | 4,333 | 4,398 | 4,398 | |
| Special Events Assistant | 4,083 | 4,083 | 4,083 | 4,144 | 4,188 | |
| Building Maintenance Worker | 3,625 | 3,625 | 3,625 | 3,680 | 3,772 | |
| <u>Water & Sewer</u> | | | | | | |
| Utility Manager | 7,750 | 7,750 | 7,750 | 7,866 | 7,948 | |
| Water & Sewer Superintendent | 6,083 | 6,083 | 6,083 | 6,174 | 6,174 | |
| Water & Sewer Operator Class C | 5,017 | 5,017 | 5,017 | 5,092 | 5,092 | |
| Water & Sewer Operator Class D | 4,181 | 4,181 | 4,181 | 4,244 | 4,244 | |
| <u>JSA</u> | | | | | | |
| Operations Superintendent | 6,958 | 6,958 | 6,958 | 7,062 | 7,378 | |
| Chief Plant Operator | 6,333 | 6,333 | 6,333 | 6,428 | 6,428 | |
| Lab Manager | 5,500 | 5,500 | 5,500 | 5,583 | 5,583 | |
| Waste Water Operator Class A | 5,167 | 5,167 | 5,167 | 5,245 | 5,258 | |
| Waste Water Operator Class B | 4,833 | 4,833 | 4,833 | 4,905 | 4,905 | |
| Waste Water Operator Class C | 4,208 | 4,208 | 4,208 | 4,271 | 4,303 | |
| <u>Council & Judge</u> | | | | | | |
| Judge | 1,800 | 1,800 | 1,800 | 1,800 | 1,800 | |
| Mayor | 750 | 750 | 750 | 750 | 750 | |
| Council Members | 300 | 300 | 300 | 300 | 300 | |

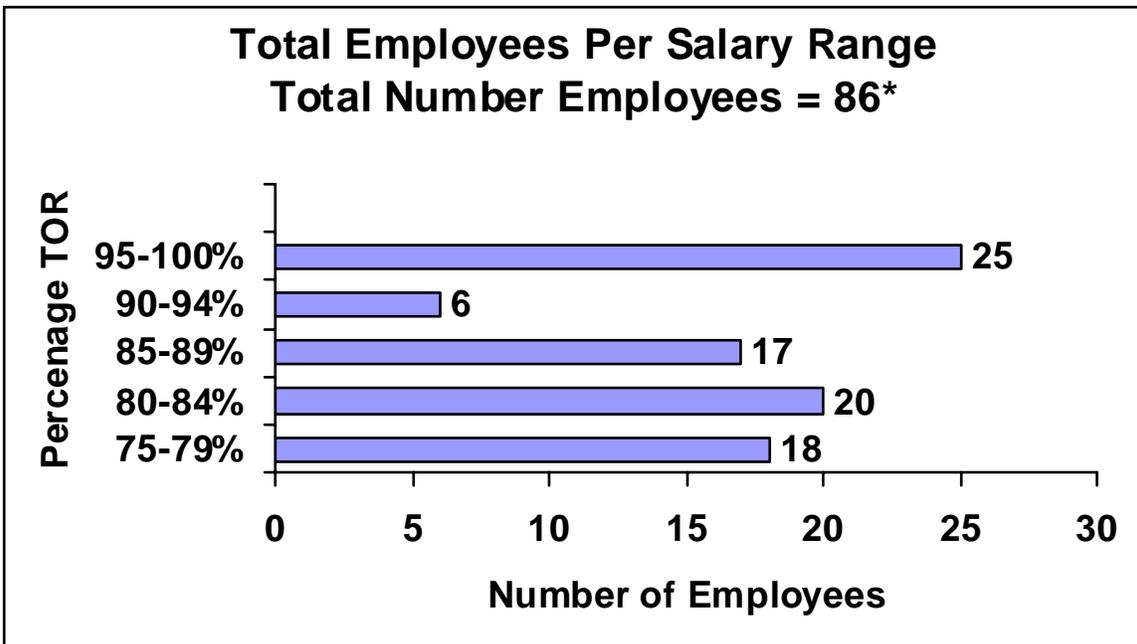
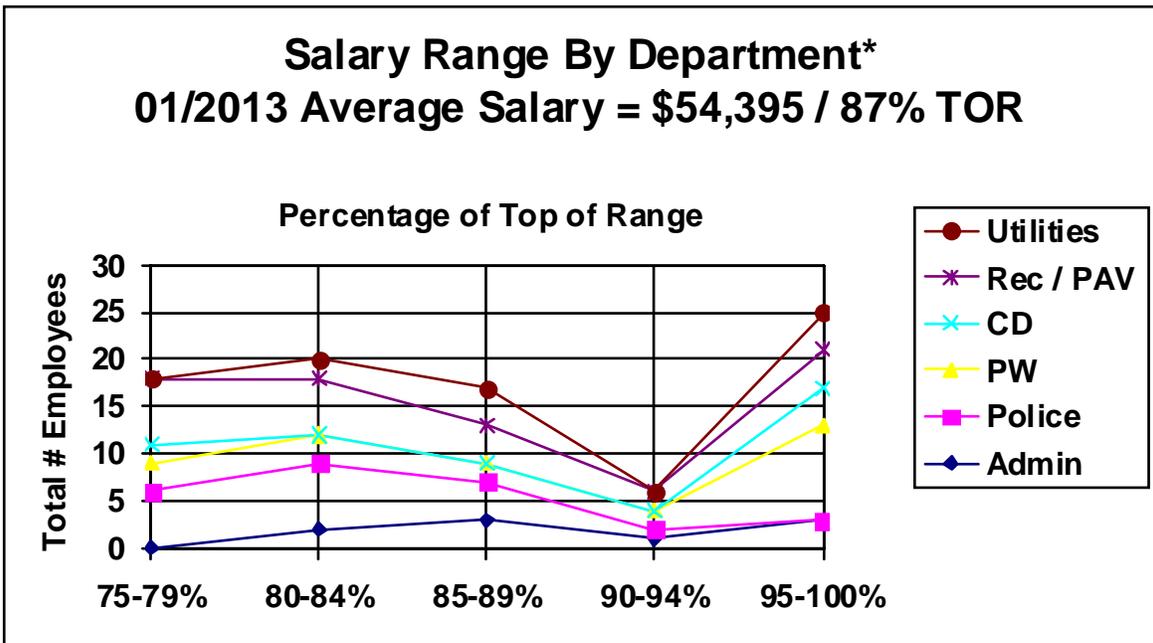
Appendix “B” Personnel Summary

The following list reflects the hourly range of pay for part-time and seasonal employees, with 75% of the top of range (TOR) being the starting pay. All ranges increased 1.5% in 2012. Overall, ranges increased an average of .8% in 2013. All part-time employees received a 1.5% COLA increase in 2012. In 2013, the Town budgeted for an average merit increase of 3%.

The Town employs 85 to 110 part-time employees and 6 or 7 Parks summer seasonal employees. Although the number of part-time employees surpasses the number of full-time employees, the number of hours worked is significantly less. Part-time employees work an average of 13 hours per week; Parks summer seasonal employees work 32–40 hours per week, but for only 4-6 months.

| PART-TIME / SEASONAL EMPLOYEE HOURLY PAY RANGES | | | | |
|--|---------------------|---------------------|-------------------------|---------------------|
| Program / Position | 2011 TOR | 2012 TOR | 2013 75% TOR | 2013 TOR |
| Aquatics | | | | |
| Activity Instructor | 14.90 | 15.12 | 11.34 | 15.12 |
| Lifeguard | 14.90 | 15.12 | 11.34 | 15.12 |
| Opening & Closing Lifeguard | 15.55 | 15.78 | 11.84 | 15.78 |
| Red Cross Instructor | 17.90 | 18.17 | 13.63 | 18.17 |
| Specialty Instructor | 22.14 | 22.48 | 16.86 | 22.48 |
| Water Safety Instructor | 17.90 | 18.17 | 13.63 | 18.17 |
| Childcare & Children’s Programs | | | | |
| Childcare Attendant | 14.10 | 14.32 | 10.74 | 14.32 |
| Dance Instructor | 28.95 | 29.38 | 22.04 | 29.38 |
| Leisure Instructor (crafts, cooking) | 14.20 | 14.41 | 10.81 | 14.41 |
| Facilities | | | | |
| Front Desk Attendant | 13.77 | 13.98 | 10.48 | 13.98 |
| Front Desk Clerk (opening / closing) | 15.20 | 15.43 | 11.57 | 15.43 |
| Fitness | | | | |
| Group Fitness Instructors | 22.15 | 22.48 | 16.86 | 22.48 |
| Personal Trainer | 29.95 | 30.40 | 22.80 | 30.40 |
| Yoga Instructor | 26.86 | 27.26 | 20.45 | 27.26 |
| Sports & Athletics | | | | |
| Archery Instructor | 14.50 | 14.72 | 11.04 | 14.72 |
| Basketball Official (per game) | 23.40 | 23.75 | 17.81 | 23.75 |
| Gymnastics Assistant | 15.60 | 15.83 | 11.88 | 15.83 |
| Gymnastics Coach | 17.30 | 17.56 | 15.00 | 20.00 |
| League Supervisor | 14.20 | 14.41 | 11.63 | 15.50 |
| Skateboard Instructor | 14.50 | 14.72 | 11.25 | 15.00 |
| Soccer Coach / Instructor | 18.85 | 19.13 | 14.35 | 19.13 |
| Tennis Coach / Instructor | 14.50 | 14.72 | 11.04 | 14.72 |
| Track & Field Instructor | 14.50 | 14.72 | 11.04 | 14.72 |
| Volleyball Official (per game) | 17.30 | 17.56 | 13.17 | 17.56 |
| Other | | | | |
| Intern | 13.77 | 13.98 | 10.48 | 13.98 |
| Pavilion Special Events Worker | 15.06 | 15.29 | 11.46 | 15.29 |
| Seasonal Parks Worker | 15.13 | 15.36 | 11.52 | 15.36 |

2012 Full-time Employee Salary Top of the Range (TOR)

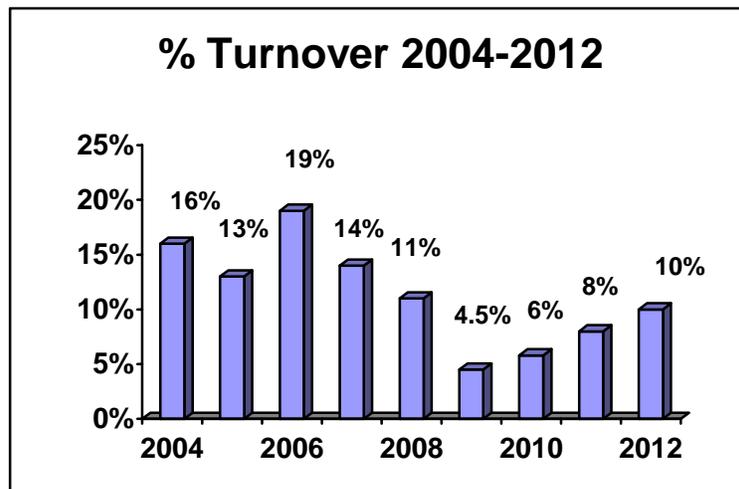
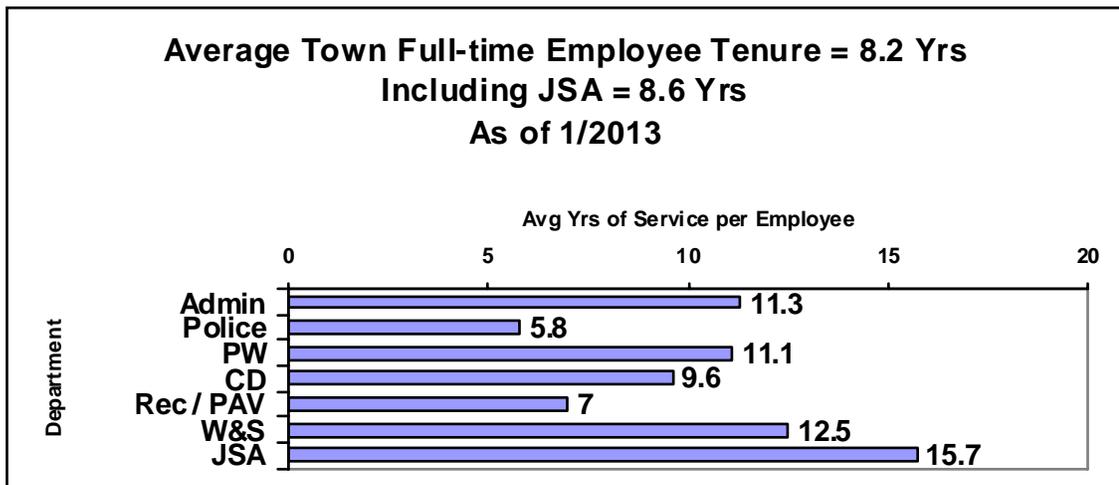


*Total number of employees and calculations exclude Town Manager and vacant positions.

Employee Longevity & Employee Opinion Survey

As of January 2013, the average tenure for full-time Town employees was 8.3 years; 8.7 years, when JSA is included. Constant monitoring of our turnover rates and feedback from our employees through such means as employee surveys and exit interviews help us identify areas of improvement and other retention tools. In 2012, the Town lost nine employees and promoted three employees. Percentage turnover was the greatest in the Water & Sewer and Public Safety departments.

Mountain States Employers Council, Inc. conducted Town of Silverthorne Employee Opinion Surveys in 2001, 2003, 2005, 2007 and 2011. The survey was not conducted in 2009 due to budget shortfall. The Town's Overall score on every survey has been a Very Positive rating, which is the highest possible rating. Response rates have ranged from 71% to 93%. The Human Resources Manager maintains copies of the surveys. Executive Summaries of survey results are shared with Town Council, all current full-time employees and all new full-time employees.



Glossary of Terms

The Annual Budget contains specialized and technical terminology that is unique to public finance and budgeting. To assist the reader in understanding these terms, a budget glossary and list of acronyms have been included.

ACCRUAL BASIS OF ACCOUNTING

The method of accounting under which revenues are recorded when they are earned (whether or not cash is received at that time) and expenditures are recorded when goods and services are received (whether cash disbursements are made at that time or not).

APPROPRIATION

An authorization made by the Town Council which permits the Town to incur obligations and to make expenditures of resources.

APPROPRIATION ORDINANCE

The official enactment by the Town Council to establish legal authority for Town officials to obligate and expend resources.

ASSET MANAGEMENT PLAN (AMP)

A planning and financing tool to track the Town’s assets and the costs to replace the asset. This is found in the Sales Tax Capital Improvement Fund and the individual enterprise and agency funds.

AUDIT

A comprehensive investigation of the manner in which the government's resources were actually utilized. A financial audit is a review of the accounting system and financial information to determine how government funds were spent and whether expenditures were in compliance with the legislative body's appropriations. A performance audit consists of a review of how well the government met its stated goals.

BOND

A written promise to pay a sum of money on a specific date at a specified interest rate. The interest payments and the repayment of principal are detailed in a bond ordinance. The most common types of bonds are general obligation and revenue bonds. These are most frequently used for construction of large capital projects, such as buildings, streets and bridges.

BUDGET

A financial plan for a specified period of time (fiscal year) that matches all planned revenues and expenditures with various municipal services.

BUDGET DOCUMENT

The official published statement prepared by the Finance Department that includes all budget information as approved by Town Council. It is distributed to the press and the public following Town Council approval.

BUDGET WORKBOOK

The budget document as proposed to the legislative body. The Finance Department prepares the workbook at the direction of the Town Manager. It is available to the press and the public.

BUDGETARY BASIS OF ACCOUNTING

The basis of accounting used to prepare the budget. In the Town of Silverthorne, this basis differs from a GAAP basis in Enterprise Funds, primarily in how bond principal payments and capital expenditures, and depreciation are budgeted.

BUDGETARY CONTROL

The control or management of a governmental unit or enterprise in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

CAPITAL ASSETS

The Town of Silverthorne considers items which cost more than \$5,000 and have a useful life of greater than one year to be capital assets. Capital Assets are compiled from the following items: Land and Water, Building and Structures, Work Equipment, Vehicles and Equipment, Outdoor and Recreation Equipment, Land Improvements, Special and Technical Equipment, Electric System, Water System, and Miscellaneous Capital Assets.

CAPITAL IMPROVEMENT PROGRAM (CIP)

A plan for capital expenditures to provide long-lasting physical improvements to be incurred over a fixed period of several future years. Items in the CIP are usually construction projects designed to improve the value of the government assets. Examples of capital improvement

projects include new roads, buildings, recreational facilities and large scale remodeling.

CAPITAL PROJECTS

Projects which purchase or construct capital assets. Typically a capital project encompasses a purchase of land and/or the construction of a building or facility.

CAPITAL PROJECT FUNDS

Capital Project Funds are established to account for the purchase or construction of major capital facilities that are not financed by proprietary funds, or trust funds.

CASH ACCOUNTING

A basis of accounting in which transactions are recorded when cash is either received or expended for goods and services.

COMPENSATED ABSENCES INTERNAL SERVICE FUND

Compensated Absences Internal Service Fund is established to account for the Town’s governmental compensated absences earned and used during the fiscal year.

CONTINGENCY ACCOUNT

A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted for.

DEBT SERVICES

The Town's obligation to pay the principal and interest of all bonds and other debt instruments according to a pre-determined payment schedule.

DEBT SERVICE FUNDS

Debt Service Funds are established to account for the transfers of resources from other governmental type funds for the payment of principal and interest of general long-term debt requiring the maintenance of a debt service fund. The Town of Silverthorne currently has no debt

DEPARTMENT

A major administrative division of the Town which has overall management responsibility for an operation or a group of related operations within a functional area.

DEPRECIATION

The process of estimating and recording the lost usefulness, expired useful life or diminution of service from a capital asset that cannot or will not be restored by repair and will be replaced. The cost of the capital asset's lost usefulness is the depreciation or the cost to reserve in order to replace the item at the end of its useful life.

DEVELOPMENT EXCISE TAX

Is a tax that was approved in April of 2000 that charges \$2 per square foot on every new residential construction. This tax is collected at the time of the building permit.

DEVELOPMENT EXCISE TAX FUND

A Special Revenue Fund that the development excise tax is accounted. The development excise tax is to be tracked separately and to be used for the purchase and/or construction of growth-related capital. Funds can also be used for growth-related operation and maintenance in the Public Safety and Public Works Departments.

EMERGENCY RESERVES

As defined in Colorado State Statutes in Article X, Section 20, “to use for declared emergencies only, each district shall reserve 3% or more of its fiscal year spending excluding bonded debt service.”

ENCUMBRANCE

The commitment of appropriated funds to purchase an item or service. To encumber funds means to set aside or commit funds for a future expenditure.

ENTERPRISE FUNDS

Enterprise Funds are established to finance and account for the acquisition, operation and maintenance of governmental facilities and services which are entirely or predominantly self-supporting by user charges. All activities necessary to provide such services are accounted for in these funds, including, but not limited to, administration, operations, maintenance, financing and related debt service and billing and collections. The Town of Silverthorne Enterprise Funds include the Water and Sewer Funds.

EQUIVALENT RESIDENTIAL UNIT (EQR)

That amount of capacity necessary to serve an average single-family residence or its equivalent (water or sewer).

ENHANCED SALES TAX

The amount of sales tax collected by the Town, and available to the Town after the deduction of 60% of the 2% Town sales tax as required by election, over and above the base amount negotiated and agreed upon by the ESTIP applicant and the Town, and which amount is approved by the Council.

ENHANCED SALES TAX INCENTIVE PROGRAM (ESTIP)

The purpose of the program is to encourage establishments and/or substantial expansion of retail sales tax generating businesses within the Town, thereby stimulating the economy of and within the Town, providing employment for the residents of the Town and others, expanding the goods available for purchase and consumption by residents of the Town, and increasing the sales taxes collected by the Town.

EXPENDITURES

Where accounts are kept on the accrual or modified accrual basis of accounting, the cost of goods received or services rendered whether cash payments have been made or not. Where accounts are kept on a cash basis, expenditures are recognized only when the cash payments for the above purposes are made.

FACILITIES AND SERVICE IMPACT ANALYSIS

An inventory of existing capital facilities and existing levels of service. The report defines and quantifies the fiscal and level of service impacts of new development on public facilities and services.

FIDUCIARY FUNDS

Fiduciary Funds are used to account for assets held by a government in a trustee capacity for individuals, private organizations, other governments and/or other funds.

Pension Trust Fund - The Pension Trust Fund is one type of Fiduciary Fund and is used to account for public employee retirement systems. The Town of Silverthorne does not have any Pension Trust Fund.

Expendable Trust Fund - An Expendable Trust Fund is one type of Fiduciary Fund and is a fund whose principal and income may be expended in the course of its designated operations. The Town of Silverthorne does not have any Expendable Funds.

Agency Fund - An Agency Fund is one type of Fiduciary fund used to account for assets held by a government as an agent for individuals, private organizations, other governments, and/or other funds. The Town of Silverthorne has the following Agency Funds which it does budget for: Joint Sewer Authority and South Maryland Creek Ranch.

FOCUSED PUBLIC INVESTMENT PLAN (FPIP)

A capital investment plan including goals, policies, standards for levels of service and other criteria for prioritizing capital improvements.

FUND

An accounting entity that has a set of self-balancing accounts and that records all financial transactions for specific activities or government functions. Eight commonly used funds in public accounting are: general fund, special revenue funds, debt service funds, capital project funds, enterprise funds, trust and agency funds, internal service funds, and special assessment funds.

FUND BALANCE

Fund balance is the excess of assets over liabilities. A negative fund balance is sometimes called a deficit.

GAAP BASIS OF ACCOUNTING

Generally Accepted Accounting Principals (GAAP) basis as primarily defined by the Government Accounting Standards Council (GASB).

GENERAL FUND

The General Fund is established to account for the revenues and expenditures necessary to carry out basic governmental activities of the Town such as public safety, recreation, planning, legal services, administrative services, etc., which are not required to be accounted for in another fund.

GENERAL OBLIGATION BONDS

Bonds that finance a variety of public projects such as streets, buildings, and improvements; the repayment of these bonds is usually made from the General Funds, and these bonds are backed by the full faith and credit of the issuing government.

HEALTH, DENTAL & SHORT-TERM DISABILITY CLAIMS INTERNAL SERVICE FUND

An Internal Service Fund which is used to account for the first \$65,000 in medical claims per claimant per year, and all dental and short-term disability claims. The claims related premiums are paid into this fund to cover the claims costs.

HOUSING 5A FUND

A Special Revenue Fund to account for the Town’s .125% Housing 5A sales tax and housing impact assessment. The funds are to be used to pay the annual Summit Housing Authority fees and the development of affordable housing in Silverthorne and the Summit

County area. The tax funding is schedule to sunset at the end of 2016.

HOUSING 5A SALES TAX

A .125% tax that is collected on all taxable sales within Summit County and then remitted to the Summit County Housing Authority. The portion of the Housing 5A sales tax that is collected in Silverthorne is remitted to Silverthorne from the Housing Authority. The funds are to be used to pay the annual Summit Housing Authority fees and the development of affordable housing in Silverthorne and the Summit County area. The tax is scheduled to sunset at the end of 2016.

INTERNAL SERVICE FUNDS

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Town, on a cost-reimbursement basis.

INTERFUND TRANSFERS

Amounts transferred from one fund to another.

INTERGOVERNMENTAL REVENUE

Revenue received from another government for a specified purpose.

LEVELS OF SERVICE

Standards for levels of service per unit of demand for capital facilities used to calculate the total amount of public service that will be required for the quantity of demand.

LONG TERM DEBT

Debt with a maturity of more than one year after the date of issuance.

LODGING TAX

A 2% tax that is collected on short-term (less than 30 days) rental of a hotel, motel or any residential property. This tax began in January 1999. This tax is in addition to the Town's 2% sales tax.

LODGING TAX FUND

A Special Revenue Fund to account for the Town's 2% lodging tax and for the proceeds received from the Colorado lottery. The funds are to be used as follows: 85% of the lodging tax to park, trails and open space capital acquisitions and 15% for marketing of the Town.

Revenues and expenditures of the Colorado State Lottery Program are accounted for in this fund.

SUPPLIES

Supplies are compiled from the following items: Agriculture-Botanical, Building Materials, Water System Materials, Road Materials, Office Supplies, Vehicle and Equipment Operating Materials, Stores for Resale, Other Materials, Miscellaneous Other Expense, Interest, and Bad Debt Expense.

MILL

The property tax rate which is based on the valuation of property. A tax rate of one mill produces one dollar of taxes on each \$1,000 of property valuation.

MODIFIED ACCRUAL ACCOUNTING

A basis of accounting in which expenditures are accrued but revenues are accounted for on a cash basis. This accounting technique is a combination of cash and accrual accounting since expenditures are immediately incurred as a liability while revenues are not recorded until they are actually received or are "measurable" and "available for expenditure." Since this type of accounting basis is a conservative financial approach, it is recommended as the standard for most governmental funds.

OPERATING BUDGET

The portion of the budget that pertains to daily operations that provide basic governmental services. The operating budget contains appropriations for such expenditures as personnel, materials and supplies, capital assets and debt service.

PROFESSIONAL FEES

Professional fees are compiled from the following services: Legal, accounting, medical, engineering, planning and architectural.

PROGRAM BUDGET

A budget that focuses upon the goals and objectives of each project within a Department rather than upon object classes of expenditure.

REVENUE

Funds that the government receives as income. It includes such items as tax payments, fees from specific services, receipts from other governments, fines, forfeitures, grants, shared revenues and interest income.

SERVICE

Services are compiled from the following items: Printing and Publishing, Communications, Utility Service, Insurance, Rental, Processing, Construction, Maintenance Service, and Other Purchased Services.

SERVICE INDICATORS

Specific quantitative and qualitative measures of work performed as an objective of the Department.

SOURCE OF REVENUE

Revenues are classified according to their source or point of origin.

**SOUTH MARYLAND CREEK RANCH
GENERAL IMPROVEMENT DISTRICT**

An agency fund to account for the District’s property taxes, other revenue and related town services expenses provided to these District located on the northwest section of the Town.

SPECIAL REVENUE FUNDS

Special Revenue Funds are established to account for the proceeds of specific revenue sources (other than special assessments, pension trusts, proprietary fund operations and revenues received for major capital projects) that are legally restricted for specified purposes.

ACRONYMS

| | |
|--|--------------|
| Administrative Services | AS |
| Asset Management Plan | AMP |
| Blue River Parkway & River Center Pavilion | P & P |
| Blue River Wastewater Treatment Plant | BRWTP |
| Economic Development Advisory Committee | EDAC |
| Capital Improvement Project Fund | CIP |
| Citizens Oversight Committee | COST |
| Community Development | CD |
| Equivalent Residential Units | EQRs |
| Enhance Sales Tax Incentive Program | ESTIP |
| Facility & Service Impact Analysis | FSIA |
| General Fund | GF |
| General Government | GG |
| Inflow & Infiltration | I & I |
| Joint Sewer Authority | JSA |
| Public Safety | PS |
| Public Works | PW |
| Recreation & Culture | Rec & Cul/RC |
| Silverthorne Parks, Open Space, Recreation, & Trails Advisory Committee | SPORT |
| South Maryland Creek Ranch | SMCR |
| Summit Housing Authority | SHA |
| Top of Range | TOR |

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