

10/21/2023 3:19:34 PM



Board of Trustees  
**WORK SESSION**  
Monday, October 23, 2023, 5 p.m.

**Attend in person:**  
Cedaredge Civic Center, Grand Mesa Room, 140 NW 2<sup>nd</sup> St.

**Attend virtually:**  
On Your Computer: <http://bit.ly/3XFTkbp> | Password: 350717  
On Your Phone: 253-215-8782 | Webinar ID: 857 8857 4019 | Password: 350717

#### **AGENDA**

*Please note decisions are not made at Work Sessions*

- 1) SE Deer Trail Project & Street/Sidewalk Inventory: Jerry Young, Public Works & Dan Quigley, Engineering
- 2) 2024 Draft Budget Updates

**MEMO**

Date: October 21, 2023  
 To: Mayor and Board of Trustees  
 From: Kami Collins, Town Administrator



**Subject: 2024 Draft Budget October Updates**

- Cedaredge is a small municipality that has historically not had a large budget. The budget was inflated FY 2020-2023 due to the federal stimulus in CARES dollars in 2020; federal stimulus ARPA dollars in 2021 and 2022; and the Northridge loan in 2023. It is important that we don't allow those four atypical high budget years to take away from the bigger picture of the Town's overall fiscal health. The Town of Cedaredge is not wealthy, but the draft budget is in line with typical O&M expenditures and includes projects that are an investment in the community while maintaining historically similar reserve balances. As a comparison, looking at General Fund historical Fund Balance and Unrestricted Available Resources shows the Draft 2024 Budget in line with the historical figures:

**General Fund**

Number	Account Title	2017 Actual	2018 Actual	2019 Actual	2020 Actual	2021 Actual	2022 Actual	2023 Budget	2023 EST	2024 Budget
<b>General Fund Balance</b>										
Fund Balance Jan 1		\$ 328,030	\$ 277,170	\$ 327,932	\$ 490,905	\$ 696,751	\$ 1,330,154	\$ 1,771,464	\$ 1,771,464	\$ 1,313,933
Revenue		\$ 1,619,172	\$ 1,527,273	\$ 1,470,534	\$ 1,677,193	\$ 2,285,169	\$ 2,439,673	\$ 2,166,775	\$ 2,269,853	\$ 2,294,772
Expenditures		\$ 1,670,033	\$ 1,476,510	\$ 1,307,561	\$ 1,471,348	\$ 1,651,766	\$ 1,998,362	\$ 2,688,244	\$ 2,650,049	\$ 2,628,966
Net Revenue Over (Under) Exp		\$ (50,861)	\$ 50,763	\$ 162,973	\$ 205,845	\$ 633,403	\$ 441,311	\$ (521,469)	\$ (380,196)	\$ (334,194)
Fund Balance Trnsf to CIF Dec 31						\$ -	\$ -	\$ -	\$ (77,335)	\$ -
<b>Fund Balance Dec 31</b>		<b>\$ 277,170</b>	<b>\$ 327,932</b>	<b>\$ 490,905</b>	<b>\$ 696,751</b>	<b>\$ 1,330,154</b>	<b>\$ 1,771,464</b>	<b>\$ 1,249,995</b>	<b>\$ 1,313,933</b>	<b>\$ 979,739</b>
3% State Required Restricted			\$ 44,295	\$ 39,227	\$ 44,140	\$ 57,982	\$ 59,272	\$ 80,647	\$ 79,501	\$ 78,869
ARPA Restricted				\$ -	\$ -	\$ 288,424	\$ 363,598	\$ -	\$ (0)	\$ (0)
ED/Applefest Committed					\$ -	\$ 34,723	\$ 69,386	\$ 66,826	\$ 116,836	\$ 63,048
Marijuana 5% sls tax Restricted				\$ -	\$ -	\$ -	\$ 131,558	\$ 203,558	\$ 227,882	\$ 302,882
Opioid settlement Restricted						\$ -	\$ 1,534	\$ 3,068	\$ 3,068	\$ 4,602
FPPA Excess PD Restricted		\$ 24,885	\$ 24,885	\$ 73,671	\$ 45,048	\$ 29,578	\$ 10,399	\$ -	\$ -	\$ -
Muni Court Surcharge/PD Safety Committed		\$ 2,936	\$ 2,936	\$ 3,016	\$ 2,885	\$ 4,160	\$ 5,043	\$ 5,043	\$ 4,656	\$ 4,306
Transp Impact Fees Committed		\$ (26,459)	\$ (26,459)	\$ (5,809)	\$ 16,316	\$ 54,520	\$ 77,335	\$ 95,035	\$ -	\$ -
Park & Rec Edu Fees Committed		\$ 40,498	\$ 40,498	\$ (2,474)	\$ 5,026	\$ 27,909	\$ 34,909	\$ 40,909	\$ 39,909	\$ 44,909
<b>Unrestricted Available Resources</b>		<b>\$ 241,776</b>	<b>\$ 241,776</b>	<b>\$ 383,274</b>	<b>\$ 583,335</b>	<b>\$ 832,858</b>	<b>\$ 1,018,431</b>	<b>\$ 754,910</b>	<b>\$ 842,082</b>	<b>\$ 481,123</b>

- At the last budget work session, the Board directed Staff to address the Fiscal Health Ratios for Unrestricted Available Resources and to work towards getting those ratios to 0.5%, or six months unrestricted reserves. This is a great goal that the Town can continue to work towards in future fiscal years. As a reminder, the Government Finance Officers Association (GFOA) recommends no less than two months' expenditures to be held in reserves; the State Auditor's Office requires three months expenditures to be held in reserves. The Draft 2024 Budget meets those state recommendation/requirements and starts the Town on the right path for the Board's goals.

- The General Fund URFB is 0.18%. This percentage is also close to historical levels in the General Fund, which ranged from 0.14% - 0.17%. This 0.18% unrestricted is on top of the State's required – restricted – 3% reserves.
- The Water Fund URFB is 0.3% and the Wastewater Fund URFB is 0.3%. The Golf Course URFB is 0.03%.
  - The Board asked to have the Enterprise Funds broken out, though GFOA recommends combining all Enterprise Funds into one net position. Under the GFOA recommendations, the Town's budget meets recommended levels of reserve balances for all combined Enterprise Funds.

### **General Fund**

- There are two significant changes in the General Fund from previous drafts:
  - The remaining \$398,000 in ARPA dollars was held in the General Fund and has been transferred to the Water Fund.
  - The salary for the Town Clerk & Economic Development Coordinator has been split between Administration and Applefest. Fifty percent of this employee's time is spent on economic development activities including Applefest, and this move more accurately reflects the true cost of the event to the Town. Splitting the salary also still allows for the reinvestment into local economic development through the business grant program.
- GF project updates
  - Instead of \$85,000 earmarked for park electrical upgrades, Staff has recognized the Board's desire to hold off on larger projects until the completion of a reserve study and has instead allocated \$15,000 for electrical upgrades. Instead of installing new electric at the park, in 2024 Staff will purchase additional spider boxes, cords and a generator. This will help alleviate the vendor draw on the electrical grid, though it does not completely address the problem.
  - \$10,000 has been earmarked for two community clean up weeks. The increase will be used at one clean up week for the Town to accept tires and mattresses, which has not been done before out of concern of the cost.

### **Water Fund**

- Revenue projections are based upon an updated draft of the rate study. The updated draft was amended per the Board's direction at the last meeting, with the Northridge repayment parameters; updated staff wages; and the reduction of transfers out of the Water Fund to the Golf Course. The consultant's number is nearly a 15% increase in user fees. The model recommends that water base rates remain the same with an increase in usage rates, approximately a 6% increase, up from the current \$3.07/1,000 gallons to \$3.26/1,000 gallons for in town customers. For out-of-town customers the recommendation is to increase from \$4.11/1,000 gallons to \$4.89/1,000 gallons. Staff supports the recommendation to keep the base rates the same and moderately increase the usage rates. This protects the low users/water conservers and those on fixed incomes while putting the true cost on the highest water users.

### **Wastewater Fund**

- User fees are built on a 10% increase on both base rates and usage rates, per the Board's direction from last budget work session.

#### **Golf Course**

- The Fund shows a new capital expenditure, also seen in the Capital Improvement Plan (CIP), of a new rough mower for Operations.

#### **Capital Improvement Fund**

- No change since September budget draft.

#### **Conservation Trust Fund**

- The only new addition is a Skate Park refresh estimated at \$45,000, which will be grant funded.

#### **Law Enforcement Fund**

- No change since September budget draft.