



CAPITAL IMPROVEMENT PLAN

2024-2028

Town of Pagosa Springs
November 16, 2023

Capital Improvement Plan 2024-2028

Town Council

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1. Introduction to Capital Plan, Funding, and Selection Criteria

Beginning for the 2024 Fiscal Year, the planning approach for the Capital Improvement Plan will shift to a 5-year planning horizon. After careful review, and with the advice of the Town of Pagosa Springs's (Town) fiscal consultants from the Government Finance Officers Association (GFOA), the prior 10-year planning horizon was deemed to be too speculative given the dynamics of the local, state, and national economy. Indeed, projects and estimated expenses in the prior 10-year Plan were either not provided or largely uninformed guesses beyond the 5-year point.

Going forward, the Town's Capital Improvement Plan will span the 5-year period from 2024-2028 and includes the current year's Capital Improvement Budget. Each year, Council and staff work together to plan to address the priorities of the Pagosa Springs community, which are reflected in this plan. This plan is a result of an ongoing infrastructure planning process. Capital needs as defined within the plan are those that have a useful life of two years or more and a cost greater than \$5,000. Some Town departments that provide maintenance and other support services for capital assets, such as Public Works and Parks Maintenance, are also funded through the Capital Improvement Fund. The overall goals of the Capital Improvement Plan are to:

- Upgrade and maintain current Town infrastructure;
- Address new projects for our growing and changing community;
- Ensure that Town services are delivered efficiently and effectively; and
- Plan for the future.

Funding for projects within the plan derives almost entirely from sales tax. The Town and Archuleta County share equally in the proceeds of a four-percent local sales tax. The Town distributes its sales tax revenues equally between the General Fund and the Capital Improvement Fund. State and federal grants, loans, financing, Archuleta County assistance, and donations are other sources of project funding, which help to leverage the Town's revenues. Utility revenues also assist the Geothermal Enterprise Fund and the Sanitation District in providing capital projects.

Invariably, there are many more capital needs than what the Town can fund. Therefore, it is critical to prioritize these projects on a regular basis according to set criteria. Criteria utilized to analyze the projects include the following:

Criteria	Description
Health and Safety	Enhances, improves, or protects the overall health, safety, and welfare of the Town's residents, visitors, and staff.
Council/Community Goal	Supports the goals established by the Town Council. Meets the town-wide long-term goals and is based upon Master Plan recommendations.

Available and Leveraged Funding	Funding is identified and available through grants, loans, or external partnerships.
Regulatory Requirement	Proposed upgrade or expansion satisfies regulatory or mandated requirements, standards, and specifications.

1. Year One Capital Projects (2024)

For 2024, the Capital Plan revenue and expenses may be summarized as follows:

Total Estimated Revenue:	+\$4,681,470
Essential Services Expenditure	-\$3,074,683
Capital Project Expenditures	<u>-\$1,745,281</u>
TOTAL Expenditures:	-\$4,819,964
Interfund Transfer Offsets:	+\$ 77,277
Estimated Year End (+/-)	<u>-\$ 138,494</u>

As indicated in the summary, it is estimated that the essential services and project costs will be spent into the Capital Reserves by \$138,494. Essential Services are those operational and administrative expenses that are reoccurring in nature and will be present each year (personnel, utilities, fuel, office supplies, etc.). Capital Project Expenditures are those capital projects that are one-time or multi-year projects and meet the definition of a capital project as mentioned earlier.

The list of projects representing the Town’s Capital Improvement Budget for 2024 is outlined in **Exhibit A**. These include projects in the Capital Fund. The Division budgets and long-term debt are included in the table labeled Essential Services. **Exhibit A projects are slated for 2024 implementation.**

2. Years Two through Five Capital Project Plans (2025-2028)

The following four pages represent the Town’s Capital Project Plans for the four-year span of 2025 to 2028. In addition, it should be noted that revenues for the four-year period of 2025-2028 are assumed to increase by 2% per year and expenditures are projected to increase by 4% each year.

2025 Year Summary

Total Estimated Revenue:	+\$4,775,099
Essential Services Expenditure	-\$3,197,670
Capital Project Expenditures	<u>-\$1,596,280</u>
TOTAL Expenditures:	-\$4,793,950
Interfund Transfer Offsets:	+\$ 0
Estimated Year End (+/-)	<u>-\$ 18,850</u>

As indicated in the 2025 summary, it is estimated that the essential services and project costs be spend into the Capital Reserves by -\$18,850. The list of projects representing the Town's Capital Improvement Budget for 2025 is outlined in **Exhibit B**.

2026 Year Summary

Total Estimated Revenue:	+\$4,870,601
Essential Services Expenditure	-\$3,325,577
Capital Project Expenditures	<u>-\$1,534,436</u>
TOTAL Expenditures:	-\$4,860,013
Interfund Transfer Offsets:	+\$ 0

Estimated Year End (+/-) +\$ 10,588

As indicated in the 2026 summary, it is estimated that the essential services and project costs will increase the Capital Reserves by a surplus of \$10,588. The list of projects representing the Town's Capital Improvement Budget for 2026 is outlined in **Exhibit C**.

2027 Year Summary

Total Estimated Revenue:	+\$4,968,013
Essential Services Expenditure	-\$3,458,600
Capital Project Expenditures	<u>-\$1,675,086</u>
TOTAL Expenditures:	-\$5,133,686
Interfund Transfer Offsets:	+\$ 0

Estimated Year End (+/-) -\$ 165,672

As indicated in the 2027 summary, it is estimated that the essential services and project costs will spend into the Capital Reserves by -\$165,672. The list of projects representing the Town's Capital Improvement Budget for 2027 is outlined in **Exhibit D**.

2028 Year Summary

Total Estimated Revenue:	+\$5,067,373
Essential Services Expenditure	-\$3,596,944
Capital Project Expenditures	<u>-\$1,651,886</u>
TOTAL Expenditures:	-\$5,248,830
Interfund Transfer Offsets:	+\$ 0

Estimated Year End (+/-) -\$ 181,456

As indicated in the 2028 summary, it is estimated that the essential services and project costs will spend into the Capital Reserves by -\$181,456. The list of projects representing the Town's Capital Improvement Budget for 2028 is outlined in **Exhibit E**.

3. Capital Fund, General Fund, and Sanitation Fund Reserves Summaries

Included in this Capital Improvement Plan document are Exhibits F which show the Capital Fund, General Fund, and Sanitation Fund Capital Reserve balances. The Reserve Balance numbers are current as of the estimated year-end of 2023 and 2024 budget. The summary information for the Capital Reserve is as follows and displayed in **Exhibit F**:

Capital Fund Capital Reserve

Capital Fund Reserve Balance:	+\$2,486,060
CDOT Main Street Project (Eng. & Const.):	-\$2,100,000
Harman Hill Intersection Project (Net Cost):	<u>-\$ 231,052</u>
Total Funding Encumbrance:	-\$2,331,052
Unencumbered Capital Reserves:	<u>+\$ 155,008</u>

General Fund Capital Reserve

General Fund Capital Reserve Balance:	+\$3,562,265
Streets Div. Multi-Function Truck:	<u>-\$ 420,000</u>
Total Funding Encumbrance:	-\$ 420,000
Unencumbered Capital Reserves:	<u>+\$3,142,265</u>

Sanitation District Fund Capital Reserve

General Fund Capital Reserve Balance:	+\$ 337,701
Vista Plant Upgrades:	<u>-\$ 225,000</u>
Total Funding Encumbrance:	-\$ 225,000
Unencumbered Capital Reserves:	<u>+\$ 112,701</u>

The Capital Fund Capital Reserves of \$2.3 million are scheduled to pay for the Main Street and CDOT Harman Hill Project that should be introduced in early 2024.

In 2024, the General Fund Capital Reserve is budgeted to internally “loan” the Streets Division of Public Works the funding for a multi-function truck that will have dump, water, and sander box accessories that “hook” onto the bed of the truck. There will be an initial expenditure of \$420,000 in 2024, but repaid over a period of 7 years.

In the Sanitation Capital Reserves, it is expected that the PAWSD Vista Treatment Plan will need to undertake upgrades in 2024 in an estimated amount of \$900,000 for which the Sanitation Fund is responsible for 25% (\$225,000). T

he Sanitation Capital Reserves are minimal, additional repairs, upgrades, and grant match may need to be on loan from the General Fund Capital Reserve.

Although no funding is allocated at this point, it is expected that the General Fund Capital Reserve will need to provide funding for Sanitation and Geothermal capital projects. The General Fund, at Town Council direction, has the discretion to utilize the General Fund Capital Reserve to purchase capital items for any of the other funds.

Exhibit A

2024	
Un-Budgeted Balance:	(138,494.00)
Capital Revenue (Estimate)	4,681,470.00
Capital Item Total:	1,745,281.00
ESSENTIAL SERVICES EXPENDITURES	3,074,683.00
Total:	4,819,964.00
Interfund Transfers (Health/CTF Dog/Geo Svc)	(77,277.00)
REV-Gateway Engineering/Design-Grant	(101,250.00)
REV-Yama S. River Design-Grant	(86,250.00)
REV-CDOT Middle Trail 10th to GW	(77,600.00)
REV-Gateway Engineering/Design-Match Partners	(33,750.00)
REV-Yama S. River Design-Match Partners	(30,171.00)
REV-CDOT 1st St Bridge	(26,602.00)
REV-CPW-Res Hill Thinning	(15,000.00)
Admin-Broadband Development	75,000.00
Admin-Technology	10,991.00
Fac./Fleet-Vehicle Purch.	42,000.00
Fac.-CC Air Conditioner #1	21,000.00
Fac.-CC-Air Conditioner #2	25,000.00
Fac.-PW Fac. Paving	70,000.00
Fac.-TH Stucco	21,000.00
Fac.-Maint Fac. Roof Heating System	35,000.00
Fac.-VC Carpet	15,000.00
Parks-1 Ton PK	69,000.00
Parks-6th St.-Park Creation	30,000.00
Parks-CC-Security Cameras	28,500.00
Parks-Kubota Snow Blower	9,000.00
Parks-Ped Bridge 1st St. Design (Net-\$0 FULL MATCH)	26,602.00
Parks-Res. Hill Thinning (Net-\$5,000)	20,000.00
Parks-S. Yama Security Cameras	11,850.00
Parks-S. Yama-Pickleball Shade	10,000.00
Parks-Yama S. Dog Park	50,000.00
PD-1 Police Vehicle	72,033.00
PD-Equip-2 Radios	8,540.00
PD-Server Management	3,653.00
PD-Evidence Drying Cabinet	7,139.00
PD-Vehicle & Equipment Repairs	16,100.00
PIng.-ADA Program	10,000.00
PIng.-Dark Sky Comp.	10,000.00
PIng.-Gateway Engineering/Design (Net-\$0 FULL MATCH)	135,000.00
PIng.-Yama S. River Design (Net-\$0 FULL MATCH)	116,421.00
Streets-Alley Improvements	20,000.00
Streets-Brush Cutter	15,000.00
Streets-Cemetery Equip	5,000.00
Streets-Chip Seal	260,000.00
Streets-Crack Seal	30,000.00
Streets-Dump/Hook/Truck	60,000.00
Streets-Engineer CDOT Trl to Great West (Net \$19,400)	97,000.00
Streets-Engineering 14th St.	23,000.00
Streets-Engineering HSB	125,000.00
Streets-HSB 4" Lift to Spring Street	265,000.00
Streets-Mini Excavator	87,000.00
Streets-Paving Navajo St 7th-10th	149,352.00
Streets-S 2nd Street Drainage Engineering	50,000.00
Streets-Speed Reader Signs (2)	8,000.00
Streets-Spring Street New Pavement	45,000.00
Streets-Truck Plow	5,000.00

Exhibit B

2025	
Un-Budgeted Balance:	(18,850.92)
Capital Revenue (Estimate)	4,775,099.40
Capital Item Total:	1,596,280.00
ESSENTIAL SERVICES EXPENDITURES	3,197,670.32
Total:	4,793,950.32
Interfund Transfers	
REV-Const. 1st St. Ped Bridge	(1,024,000.00)
REV-Gateway River-Grant	(336,875.00)
REV-Water Works Grant	(250,000.00)
REV-Gateway Engineering/Const-Match Partners	(56,125.00)
Admin-Broadband Development	75,000.00
Admin-Technology	10,400.00
Fac.-CC Boilers	22,000.00
Fac.-Eng.-Town Hall Parking	10,000.00
Fac.-PW Repairs-Door Opener	15,000.00
Fac.-Waterworks (Net-\$83,000)	333,000.00
Parks-6th St Ped Bridge Deck Replace	45,000.00
Parks-Const. 1st St. Ped Bridge (Net-\$0)	1,024,000.00
Parks-Mary Fisher Parking Lot Repl.	100,000.00
PD-1 Police Vehicle	74,914.00
PD-Equip-2 Radios	8,881.00
PD-Vehicle & Equipment Repairs	16,744.00
Plng.-ADA Program	10,000.00
Plng.-Dark Sky Comp.	10,000.00
Plng.-Gateway River Const. (Net-\$27,000)	420,000.00
Streets-Alley Improvements	20,000.00
Streets-Chip Seal	205,581.00
Streets-Const.-Dog Alley	90,000.00
Streets-Crack Seal	30,000.00
Streets-Dump/Hook/Truck (Year 1 Pmts.)	61,094.00
Streets-Eng.-Juanita N 5th-Florida	75,000.00
Streets-Eng.-Rumbagh Culvert	10,000.00
Streets-Eng.-Trinity Lane	20,000.00
Streets-Large Pick Up	55,000.00
Streets-Plow Truck	75,000.00
Streets-Road Maint.-Loma St.	43,333.00
Streets-Road Maint.-S. 9th-Apache-Navajo	149,333.00
Streets-S 5th-Centennial Paving	85,000.00
Streets-Sidewalk & Drainage 5th & Juanita	104,000.00
Streets-Sidewalk-Mashue New Sidewalk Const. (W Main St Proj.)	65,000.00

Exhibit C

2026	
Un-Budgeted Balance:	10,588.26
Capital Revenue (Estimate)	4,870,601.39
Capital Item Total:	1,534,436.00
ESSENTIAL SERVICES EXPENDITURES	3,325,577.13
Total:	4,860,013.13
Interfund Transfers	
REV-Great West to 10th	(722,000.00)
REV-Gateway River Const-Grant	(336,875.00)
REV-Yama S. River Const-Grant	(248,905.00)
REV-Yama S. River Const-Partners	(76,000.00)
REV-Gateway Const-Match Partners	(56,125.00)
Admin-Broadband Development	75,000.00
Admin-Technology	10,816.00
Fac.-CC-Air Conditioner #3 & #4	55,000.00
Fac.-South Park Restrooms Add Heat	50,000.00
Fac.-Town Hall Boiler	30,000.00
Fac.-Town Hall Carpet	65,000.00
Fac.-Town Hall Parking Lot Repl.	200,000.00
Parks-TTL-Great West to 10th (Net-\$144,400)	866,400.00
Parks-Yama S. River Const. (Net-\$68,984)	393,889.00
Parks-Yamaguchi Park Irrigation Vault	100,000.00
PD-1 Police Vehicle	77,911.00
PD-Equip-2 Radios	9,237.00
PD-Vehicle & Equipment Repairs	17,414.00
Plng.-ADA Program	10,000.00
Plng.-Dark Sky Comp.	10,000.00
Plng.-Gateway River Const. (Net-\$27,000)	420,000.00
Streets- Paving S 2nd Street	61,000.00
Streets-2nd Street Curb Gutter & Sidewalk (Estimate)	168,580.00
Streets-5th & Apache-Zuni	214,000.00
Streets-Dump/Hook/Truck (Year 2 Pmts.)	61,094.00
Streets-Skid Steer	79,000.00

Exhibit D

2027	
Un-Budgeted Balance:	(165,672.80)
Capital Revenue (Estimate)	4,968,013.42
Capital Item Total:	1,675,086.00
ESSENTIAL SERVICES EXPENDITURES	3,458,600.22
Total:	5,133,686.22
Interfund Transfers	
REV-Build Pagosa	(600,000.00)
REV-Grant Revenue for Bathrooms	(600,000.00)
REV-Restroom Grant (CTF)	(200,000.00)
Admin.-Build Pagosa Reimb. (Net-\$0)	600,000.00
Admin-Broadband Development	75,000.00
Admin-Technology	11,249.00
Fac.-CC Stucco	25,000.00
Fac.-Enclose Work Area	100,000.00
Parks-Greenhouse	10,000.00
Parks-Rec Truck	60,000.00
Parks-Town Park Irrigation Vault	100,000.00
Parks-Town Park Restrooms (Net-\$0)	400,000.00
Parks-Truck	60,000.00
Parks-Yamaguchi South Restroom (Net-\$0)	400,000.00
PD-1 Police Vehicle	81,027.00
PD-Equip-2 Radios	9,606.00
PD-Speed Trailer Repl.	12,000.00
PD-Vehicle & Equipment Repairs	18,110.00
Plng.-ADA Program	10,000.00
Plng.-Dark Sky Comp.	10,000.00
Streets-14th Street	142,000.00
Streets-2 Pickup Trucks	120,000.00
Streets-Dump/Hook/Truck (Year 3 Pmts.)	61,094.00
Streets-Durango	150,000.00
Streets-Hillcrest Drive	96,000.00
Streets-North 6th Street	168,000.00
Streets-Rosita Street	111,000.00
Streets-South 7th Street 160 to Piedra	200,000.00
Streets-Street Assessment	45,000.00

Exhibit E

2028	
Un-Budgeted Balance:	(181,456.54)
Capital Revenue (Estimate)	5,067,373.68
Capital Item Total:	1,651,886.00
ESSENTIAL SERVICES EXPENDITURES	3,596,944.23
Total:	5,248,830.23
Interfund Transfers	
Admin-Broadband Development	75,000.00
Admin-Technology	11,699.00
Parks-Truck	60,000.00
PD-1 Police Vehicle	84,268.00
PD-Equip-2 Radios	9,991.00
PD-Vehicle & Equipment Repairs	18,834.00
Plng.-ADA Program	10,000.00
Plng.-Dark Sky Comp.	10,000.00
Streets-3rd Street 160 to Mesa Drive	257,000.00
Streets-Goldmine Drive	214,000.00
Streets-Pierce Street	50,000.00
Streets-Sidewalk 6th St. Hwy to Apache	300,000.00
Streets-South 7th Piedra to Pierce	290,000.00
Streets-South 7th Street 160 to Piedra	200,000.00
Streets-Dump/Hook/Truck (Year 4 Pmts.)	61,094.00

Exhibit F

Capital Fund Capital Reserve:	
Un-Budgeted Balance:	155,008.00
Cap Fund Reserve Balance:	2,486,060.00
Capital Item Total:	2,331,052.00
Total:	2,331,052.00
REV-CDOT Harman Hill Intersect.	(968,948.00)
Harman Hill Piedra Int. (Net-\$231,052)	1,200,000.00
Streets-CDOT Main St. Const.-2024	750,000.00
Streets-CDOT Main St. Engineering-2024	50,000.00
Streets-CDOT Main St. Const.-2025	750,000.00
Streets-CDOT Main St. Eng.-2025	50,000.00
Streets-CDOT Main St. Eng.-2026	500,000.00

General Fund Capital Reserve:	
Un-Budgeted Balance:	3,142,265.00
Cap Fund Reserve Balance:	3,562,265.00
Capital Item Total:	420,000.00
Total:	420,000.00
Streets-Dump/Hook/Truck	420,000.00
Sanitation Line Repairs/Replacment	-
Geothermal Line Repairs/Replacement	-
Sanitation/Geothermal Grant Match	-

Sanitation District Fund Capital Reserve:	
Un-Budgeted Balance:	112,701.00
Cap Fund Reserve Balance:	337,701.00
Capital Item Total:	225,000.00
Total:	225,000.00
Vista Plant Upgrades	225,000.00
Sanitation Line Repairs/Replacement	
Emergency Repairs	