



**Town of Pagosa Springs
Budget 2014**

Fiscal Year January 1, 2014 to December 31, 2014

Adopted December 12, 2013

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TOWN OF PAGOSA SPRINGS 2014 BUDGET MESSAGE

**David Mitchem
Town Manager**

BACKGROUND

In calendar year 2013, the national economy continued its gradual improvement. The US Bureau of Labor Statistics in October of 2013 reported the unemployment rate is as follows: nation-wide, 7.3% (7.9% in 2012, 8.9% in 2011 and 9.5% in 2010); Colorado, 6.8% (7.7% in 2012, 8.5% in 2011 and 9.1% in 2010); and Archuleta County, 6.6 (8.4% in 2012, 8.4% in 2011 and 9.1% in 2010). Note: the true unemployment rate is much higher as people exhausting unemployment benefits and are no longer seeking employment are included. The lack of economic predictability and the higher than normal national unemployment rate continue to adversely affect national, state and local economic stability. Consumer spending and the nation's stock market continued to rebound in 2013.

To be responsive should the local economy experience a downturn, the Town Council's policy requiring Town expenditures to be reduced in direct proportion to the reduction in sales tax revenues and that expenditure reductions should take into account the relative value of specific programs or services provided to the community. This policy is reflected in Resolution 2014-01.

The Town Council budgeted for \$3,374,192 in 2014 sales tax revenue. This budgeted amount was split equally between the General Fund and Capital Fund.

Resolution 2014-01 also requires the Town staff to: 1) Monitor the Town's revenues on a monthly basis and report fluctuations from prior months and prior year revenues to the Town Council; 2) Deploy a financial stability plan, reducing Town expenditures upon the advent of lower sales tax revenue over two consecutive months (or two of three consecutive months) as compared to the averaged sales tax revenue levels of 2012, and 2013.

Modification to expenditures may occur as early as mid-March 2014. For example, February's expenditure level will be based on the average of January and February 2014 revenue (or the average of December of 2013 and January and February 2014 revenue). Using this method, the Town will not delay its response to changes in the revenue stream.

The Town's 2014 financial stability plan controls expenditures in the following manner: whenever the percentage of sales tax revenues collected falls more than five percent (5%) below the average revenues collected for the same period in the preceding two fiscal years and the percentage of sales tax revenues collected in the previous month (or previous two months) falls five percent (5%) below the average revenues collected for the same periods in the preceding two fiscal years, the Town manager shall implement a seven percent (7%) reduction in sales tax related expenditures. For every five percent (7%) reduction in expenditures, \$236,193 must be trimmed from the budget (\$118,097 from the General Fund and \$118,097 from the Capital Improvement Fund).

2013 BUDGET PERFORMANCE

In 2013, revenue is up 4.5% or \$143,796 (if all sales tax revenue is included). If the unique income (audit) is excluded, sales tax revenues increased by 5.38% or \$170,537. As a result of the sales tax revenue increase in 2013, Resolution 2012-19 expenditure reductions were not required in 2013. Had

revenues declined significantly, the criterion for expenditure reductions takes into account the relative value of specific programs or services provided to the community.

2013 GRANT PROJECTS & FUNDING ACQUIRED

To ensure financial stability, during 2013, the Town staff reduced expenditures by accessing additional grant funding: \$7,400 forest service work on Reservoir Hill; \$85,000 Fishing is Fun river infrastructure (work done in 2013, inspection and payment in 2014); \$238,296 for sidewalks along Highway 160 between the library and grade school (rolls over into 2014); \$470,000 for work on the Town to Pagosa Lakes Trail (rolls over into 2014); and \$534,559 fiber-optic infrastructure (final inspection and payments may roll into 2014).

2013 EQUIPMENT PURCHASES

In 2013, the Town was able to acquire needed capital equipment, included a telephone system for Town Hall and the Community Center; two replacement police vehicles; streets department pickup truck with snow blade; new downtown crosswalk signage and lights; and an administration department 4wheel drive vehicle.

OPERATING RESERVES AS OF DECEMBER 31, 2013

The established standard for public sector agencies is three to six months operating cash on hand (General Fund and Capital Fund). The Town currently has approximately \$3.035 million cash on hand between the general and capital funds, or over nine months cash reserve (assuming zero sales tax income) and a full eighteen months reserve (assuming sales tax income drops by 50%). However, if all of the projects presented in the proposed 2014 budget are implemented, the General Fund reserves will be drawn down to 6.6 months and Capital Fund reserves will be drawn down to 3 months.

The 2013 budget approved by the Town Council in December of 2012 estimated decreasing the end of year General Fund reserves by \$612,527. At the end of 2013 the Town estimates increased General Fund reserves by \$263,148 compared to the 2013 budget. The same approved budget estimated that the Town would decrease Capital Fund Reserves by \$1,152,754. At the end of 2013 the Town actually decreased Capital Fund reserves by \$520,843.

CAPITAL IMPROVEMENTS AND PROJECT DEPLOYMENT

In 2008, the voters renewed a measure that allocates 1% local sales tax to the Town of Pagosa Springs for capital improvements and the maintenance thereof. To respect the decision of the voters, the Town has divided its budget into general operations and capital improvement sections.

The 2014 allocation of capital improvement revenues by the Town Council continues to place increased emphasis on improving the Town's street infrastructure. Payment of debt service on Town facilities also remains a high priority. The Council strikes a balance between maintaining adequate reserves and funding new facility/infrastructure projects, while also considering the cost of facilities maintenance. Therefore, the structure of the proposed capital improvement budget reflects expenditures in maintenance and debt service first, then new projects. Major 2014 capital projects/payments include: Lewis Street paving debt service; sidewalk replacement in downtown; completion of the community's fiber optics and wireless communication base infrastructure; construction of a gazebo on Reservoir Hill; development of a new river kayaking/tubing feature; and extension of the San Juan River walk and the Town to Pagosa Lakes trail system.

Note: In addition to major projects (roads, bridges, buildings, etc.), capital improvements in government agencies typically include items purchased for \$2,500 (technology items as low as \$1,000), or more, and having a useful life of five years or more (e.g.: computers, vehicles, etc.).

RIVERWALK EXTENSION AND NEW PEDESTRIAN BRIDGE

In its 2012 budget, the Town Council allocated funds (\$1.5 million) for the San Juan Riverwalk extension and new 6th Street pedestrian bridge. The Town applied for a GOCO River Corridor Improvement Grant 2012 and a State Trails grant in 2013. Unfortunately, these proposals were not awarded a grant. However, the grant processes did advance the project engineering and design of project elements in preparation for construction. In 2014, the Town will again apply for state funds to construct the 6th Street pedestrian bridge.

The Town gained approval for an additional nine hundred feet of the trail on the south side of the river to the landing of the proposed 6th Street pedestrian bridge. The grant was awarded in 2013 and construction will be completed in 2014.

STREET IMPROVEMENTS

The Town's capital improvement decision matrix and plan provides general guidance for identifying and prioritizing capital improvement projects. As part of the Town's capital improvement plan, SGM Engineers and the Street's Department Director drafted a five year plan to improve the Town's streets. The Council refines the street improvement five-year plan periodically, based on the needs of the community.

The Town has an ongoing initiatives to fill pot-holes and crack filling, mag-chloride the non-paved streets and alleyways, streetlight replacement, cleaning drainage ditches and culverts; equipment maintenance; moving the large rocks utilized for building river features, street striping and crosswalk printing, and installation and takedown of Christmas lighting.

The major streets initiatives in recent years include: replacing sidewalk, exit-way, curb and gutter at the Overlook parking area; new street lights on the 300 block of Lewis Street; 10th Street pavement patching project; redesign and construction of Trinity Lane drainage; widening of the Reservoir Hill Road access to the performing arts meadow; and replace concrete at the Overlook parking lot exit; removal of old sidewalk along the south side of Highway 160 from the San Juan River Bridge to Second Street; and removal of two old pedestrian crossings in the 400 block of San Juan Street and the old crossing at Pagosa Street and Second Street.

In 2013, major projects included: preparing the Reservoir Hill site for construction of a large gazebo; pavement overlay on South Pagosa Blvd; geothermal water line replacement; assisting the School District road improvement to enhance access to the elementary school; and Cemetery Road improvements to improve access to lots.

In 2014, major projects include: paving a portion of Majestic Drive; replacement of geothermal lines the south side of the Highway 160; further widen of the road up Reservoir Hill; repaving of 8th Street from the Apache Street intersection to the entry into the high school; and curb, gutter and sidewalk on Piedra Street from 8th Street to Old Durango Road.

ROSS ARAGÓN COMMUNITY CENTER IMPROVEMENTS

The Center deployed: expansion of event attendance – e.g.: Festival of Trees fundraising increased over 100% increase in 2013 with \$19,740 raises for non-profits in the community; increased free programs from 15 to 18 in 2013, plus adding two free events; held three collaborative events raising \$2,500 to support organizations in the community; and deployed six new summer children programs; and reestablished business with an event that had been lost to the economic downturn; the Community Center is now booking Town Park reservations and events. New equipment added in 2013 includes, new led stage lighting and a new projector.

PLANNING DEPARTMENT ACCOMPLISHMENTS

The Planning Department: coordinated the completion of the Lewis Street re-construction project, that included reconstruction of the street and installation of sidewalks and storm drainage infrastructure; proposed and coordinated the completion of a new sidewalk connection along S. 8th Street to the new lighted intersection at Hwy 160, providing a safe route for pedestrians to the new frequently used pedestrian crossing at Hwy 160. Worked closely with CDOT in the staging of the project and separating the sidewalk out from the scope of an awarded CDOT trail grant; coordinated the design and construction of new Pedestrian Crossing improvements that included: A new push button flashing light crossing at 2nd Street and the installation of new pedestrian crossing warning lights at the Courthouse and Overlook parking lot Highway crossings; conducted presentations to property owners in preparation of the east phase and west phase of the Town to Pagosa Lakes Trail project. Preparation for both projects to be constructed in 2014; continued processing of the Wal-Mart development application, ensuring all required documentation was submitted or outlined as outstanding requirements to be submitted; and received an award of a State Trails Grant for the construction of a 900 lineal foot river walk trail extension along 6th Street.

In addition, the Planning Department coordinated the preliminary design & engineering, cost estimating, environmental assessments and Army Corps of Engineers application submissions for the new 6th Street pedestrian bridge; proposed and obtained Council approval for a new Impact fees calculations to ensure relative infrastructure projects were identified and fee collections are justified; worked in partnership with CDOT staff regarding the McCabe Creek new Bridge project slated to be constructed in 2015; adopted new State Flood Plain regulations; and adopted 2009 International Fire Code.

TOWN TOURISM COMMITTEE ACCOMPLISHMENTS

The Town Tourism Committee deployed (1) a successful marketing strategy to increase lodging tax by over 6% in 2013, despite large wildfire and closure of Wolf Creek Pass during height of summer tourism season and less than typical snowfall during winter months, (2) design of enhancements to Gateway signs, addition of solar panels to provide light to new sign cabinets, (3) development and launch of new Visitor Information Program, to expand availability of visitor information; program will be fully implemented in May 2014, (4) addition of touchscreen PC at visitor center, to be expanded under Visitor Program in 2014 (5) continued on visitpagosasprings.com desktop and mobile sites, both of which continue to show impressive growth in usage and interaction, and (6) launched enhanced Holiday promotion, *Holiday Palooza*, with event calendar, additional lights in downtown area, business and residential lighting contests and promotional / informational materials for area visitors.

PARKS & RECREATION DEPARTMENT ACCOMPLISHMENTS

The Parks Department deployed: new restrooms and security camera system for Yamaguchi Park; new heating (natural gas furnace and weatherization) and security camera system for Town Park restrooms; new swing set in Yamaguchi Park (privately funded); new swingset in Town Park; kayaker's changing room at the Mary Fisher Park; new kayaking/tubing San Juan River feature adjacent to Yamaguchi Park; San Juan River Restoration – in river fish habitat and restoration of River Center fishing ponds with extensive fish stocking (\$85,000 Fishing is Fun grant); 12 new park benches; 12 new trash receptacles; 10 new picnic tables; 12 new bicycle racks; new Christmas lighting in Town Park (La Plata Electric funded) with a new electric service installed to facilitate the expanded lighting; refined disc golf course on Reservoir Hill (privately funded); upgrade to the Yamaguchi skate-park (privately funded); required permits obtained and infrastructure installed for raw water irrigation diversion at Centennial Park; a scoreboard and dugout roof and benches at Yamaguchi Park softball field; and a large gazebo (donated) staged for 2014 completion on Reservoir Hill.

2014 BUDGET

The Town Council continues to focus on investing in community infrastructure and economic growth with emphasis on the following: 1) San Juan River enhancements; 2) way-finding plan; 3) riverwalk and trails; 4) downtown improvements; 5) park improvements; 6) tourism; 7) athletic facilities; and 8) growth incentives.

2014 Budget Assumptions

1. Sales tax revenue in 2014 will be 3.53% higher than the 2013 year-end projection = \$3,374,192. A 2% increase over 2013, plus projected sales tax from Tractor Supply
2. Lodgers tax revenue in 2014 shall increase 5% over the 2013 year end estimate = \$462,000.
3. Municipal Court continues to assist with youth drug rehabilitation in 2014 at a cost of \$4,500.
4. Service Organizations are proposed to receive 3.25% of General Fund Sales Tax Revenues (\$60,263).
5. Economic Development related projects are presented in the 2014 preliminary budget at \$2,500 for the Southwest Rural Philanthropy Days Initiative, plus \$20,000 economic development incentives.
6. Staffing patterns will remain similar to those reflected in the 2013 budget. Note: In 2013 the Town Council approved a salary plan that included cost of living increases annually based on the Denver-Boulder CPI. The 2012 CIP change is 1.943% and salaries adjusted accordingly.
7. Health insurance budgeted cost will increase 7.23 percent (approximately \$28,000 based on budgeted staffing levels) over 2013.
8. In a \$2,155,207 financial transaction in 2011, both the Lewis Street reconstruction loan (\$1,500,000) and the balance of the Ross Aragón Community Center loan (\$655,207) were collateralized utilizing Town Hall as security. The portion of the Community Center Loan will be paid off in 2014. The balance of the Lewis Street portion of \$1,103,976 is scheduled to be paid off in mid-2021.
9. The WayFinding Plan will be budgeted at \$25,000 in 2014, with the Town Tourism Committee matching with an additional \$25,000. These funds will be utilized to match state/federal grant funds and/or implement the plan without grant funding.
10. The Town Council approved the acquisition of a large gazebo to be erected on Reservoir Hill. Currently, the cost of this initiative is budgeted in the 2013 year at \$41,500.
11. Town will continue to accelerate asset development in 2014, 2015 and 2016:
 - a. Parks Department to work toward construction of final two kayaking features in the river feature plan.
 - b. Parks and Recreation Department to deploy additional Yamaguchi Park improvements to including: skate-park bowl, baseball field lighting and augment landscaping.
 - c. Parks and Recreation Department to deploy additional Riverwalk improvements to including: picnic tables, benches and trash receptacles.

- d. The Parks and Recreation Commission shall continue to deploy the Town Council approved forest thinning and preservation plan for Reservoir Hill.
 - e. The Town Tourism Committee shall deploy the Town Council approved way-finding and signage plan.
12. Parks and Recreation Department will develop and deploy a new parks maintenance plan, taking into account the expanded parks facilities.
 13. Capital Improvement Plan continues to be updated with engineering costs and additional construction elements (expanded San Juan Riverwalk and kayaking/tubing features, fish habitat, Reservoir Hill development, sidewalk replacement, etc.). Council will be updating CIP priorities in early 2014.
 14. As approved by the Town Council, the Town shall continue conducting educational audits and accounting audits on lodging establishments (lodgers tax).
 15. With Council's approval recreation center impact fees are being utilized to pay for assessing the merits of building a facility.

2014 BUDGET NARRATIVE

To finalize the budget, the Town Council utilized a 2014 sales tax revenue target of \$3,374,138. The 2014 budget projects a \$3,035,149 (General Fund and Capital Fund) carryover of funds from 2013

The approved 2014 budget estimates year-end total cash reserves of \$1,264,674 in the General Fund and \$402,661 in the Capital Improvement Fund. The proposed 2014 budget expenditures from these two funds will create a year-end unrestricted reserve of \$1,444,983.

Actual sales tax revenue received in 2013 total \$3,341,363. This is a 4.5% or \$143,796 increase over 2012. In 2010, the Town's sales tax revenue analysis shifted to one based on year-to-date sales tax receipts (a cash basis analysis, rather than an accrual basis analysis). This method continues in 2014. To be fully prepared for a potential economic downturn, the department heads will identify expenditures at the seven percent (7%), twelve percent (12%) reduction levels, to be deployed if needed.

LODGERS TAX REVENUE

As of January 13th, the Town of Pagosa Springs' November 2013 lodgers tax revenue was \$27,311, compared to \$23,180 in November of 2012, an increase of 17.82% or \$4,131. Year-to-date (2013, January through November), lodgers tax revenue has increased 6.72% or \$25,219. In calendar year 2012, lodgers tax revenue increased by 4.07% or \$7,308. Note: There was a decrease in February and March lodgers tax revenue as a result of one of the motels being in foreclosure and changing ownership. In 2011, lodgers tax revenue increased 6.13% (\$23,538) compared to 2010. In 2010, lodgers tax revenue increased 8.97% (\$31,587) compared to 2009. In 2009 lodgers tax revenue was up 9.20% (\$29,684), compared to 2008.

The preliminary figures for 2014 indicate that lodging tax revenues will total approximately \$490,500, compared to \$443,700 (estimate) in 2013, \$418,722 in 2012, \$407,214 in 2011 and \$381,658 in 2010. Expenditure of Lodgers Tax revenue is restricted to tourism related marketing or tourism related capital improvements and are reflected in the Town Tourism Committee budget which is reviewed and approved by the Town Council annually.

ASSESSED VALUATION & MILL LEVIES

The Town of Pagosa Springs assessed valuation for 2014 is \$47,888,745 (a decrease of \$6,293,000 from 2013). The Town Council set the Town Mill Levy at 1.557 Mills, generating \$74,563, plus an additional .027 mills of refunds/abatements will generate \$1,293.

SPECIAL FUNDS SUMMARY

Beginning in 2009 and continuing through 2014, the format of the budget changed, reflecting separate fund accounts for all Town resources that are restricted to specific projects. These funds include the Capital Improvement Fund, Lodger's Tax Fund, Conservation Trust Fund, and Impact Fee/Trust Fund. The General Fund and Geothermal Enterprise Fund previously existed.

GENERAL FUND

The 2014 Budget shows General Fund beginning reserves of \$1,538,486 and projects 2014 revenues at \$2,147,364 with expenditures of \$2,421,176 creating a year-end balance of \$1,264,176.

CAPITAL IMPROVEMENT FUND

The creation of a Capital Fund was required to ensure full accountability in response to the November 2008 ballot initiative in which sales tax collection requires the expenditure of 50% of the town's Sales Tax Revenue to be spent on capital projects and maintenance. The 2014 Budget estimates Capital Fund beginning reserves of \$1,496,663, projected revenues of \$3,896,553, expenses of \$4,990,556, creating a year-end balance of \$402,661.

CONSERVATION TRUST FUND

These revenues result from an IGA with the State of Colorado and Archuleta County for the receipt of Town and County lottery dollars. These funds can be used specifically for capital improvements and maintenance related to parks, recreation and trails. This fund anticipates 2014 revenues of \$47,000 plus prior balance of \$73,745 = \$120,745 and expenditures of \$70,000 for a budgeted fund balance of \$50,745 at the end of 2014.

LODGERS TAX FUND

The Town Tourism Committee makes recommendations to the Town Council for budgeting revenues and expenditures of Lodgers Tax Fund. The Town's budget reflects the TTC general income and detailed expenditures. The 2014 Budget estimates that the Lodgers Fund will have beginning reserves of \$141,687, projected revenues of \$462,000, expenses of \$556,500, thereby creating a year-end balance of \$75,687.

IMPACT FEE/TRUST FUND

This fund has been established to improve the administration of these earmarked funds. The town collects impact fee funds for roads, regional public buildings, regional recreation facilities, parks and trails. The town also collects impact fees for the Upper San Juan Fire District (Emergency Service Provider). The 50 JT School District, as an in-lieu dedication, has also been added to this fund, as the impact fee dollars are passed through to this taxing district. During the 3rd quarter of 2008, the town initiated collection of a 2% administration fee for the pass-through collections to Emergency Management and School District. In 2009, the Town Council abated development fees at a 100% rate and in 2010 and 2011 the fees were abated at 50%. The Town Council voted to reinstitute normal fee structures for 2012. The normal fee structure shall be maintained in 2014.

GEOTHERMAL ENTERPRISE FUND

The Geothermal Enterprise Fund includes the costs of operating the geothermal heating utility. As a result of thirty year old infrastructure, the Town has assessed alternative engineering designs (more current technology) to utilize its geothermal waters for heating purposes. The 2014 budget shows an estimated beginning fund balance of \$108,782, operational revenues of \$41,200, expenditures of \$65,350, resulting in a year-end fund balance of \$84,632.

In 2010, the National Renewable Energy Laboratory conducted a study and provided the Town options for more effectively utilizing our geothermal resources, along with recommended grant sources. During 2011, the Town of Pagosa Springs began working closely with the Governor's Energy Office's Geothermal Working Group. Of the 101 people participating in the State of Colorado's Geothermal Working Group meeting in Denver, 9 were from Pagosa Springs. In response to our community's strong participation, the Governor's Energy Office (GEO) funded 125 hours of research and analysis by the Colorado Renewable Energy Development Team (REDT). The resulting Report addresses the Town's Geothermal District Heating System.

The Town of Pagosa Springs, Archuleta County, the Geothermal Greenhouse Partnership, the Pagosa Springs Community Development Corporation and private donors joined together to fund (\$36,000) a Geothermal Research Study (the next step beyond the NREL study of 2010). This is a joint research effort with community well owners. Geothermal Management Company, Inc. installed the monitoring equipment the first week in 2012. Collection of base-line data occurred between February and May 2012. During May and June more rigorous aquifer testing occurred. Monitoring will continue into 2014.

Teams from the Colorado School of Mines Geophysical Department have been conducting research into the characteristics of the geothermal resources in the Town of Pagosa Springs and surrounding Archuleta County. In 2012 and 2013, the Geophysical Department has brought in research teams composed of approximately 50 students and 20 professors, along with high-tech equipment to Pagosa Springs the last two weeks in May. Their research has proved invaluable as we gain a better understanding of this resource. The School of Mines will continue to build on the resource data for the region. We believe this research will continue into 2014, with additional visits from the School of Mines Geophysical Department (professors and students).

Based on the research of the past several years, the Town Council approved a partnership with Archuleta County and Pagosa Verde, LLC. to exploratory drilling and establishment of a geothermal electric utility. Drilling to determine the viability of the geothermal water for electricity production will take place in the spring of 2014.

BUDGETING CHANGES

Budget changes over the past several years have increased the level of detail and separation of line items to improve tracking of expenditures. To improve accountability, a number of line items that were formally a direct charge against the general fund have been moved into the department budgets.

STAFFING

After several years of declines in Town staffing, in 2011, the Town increased staffing by 3 full time equivalent positions, including: a police sergeant; seasonal parks maintenance; seasonal streets maintenance; and two janitorial staff will move from part-time to full-time. In 2012, one employee at the Ross Aragón Community Center has been moved from part-time to full-time status; the Town of Pagosa Springs also hired new talent for our team of public servants to fill vacant positions: Building Official; Community

Center Director; Community Center Program Coordinator and Project Manager. In 2013, the Town hired a new Police Officer, a Permit Technician/Associate Planner, and a new Streets Department employee.

Since Town staff has not received any cost of living or merit salary increases in the past four years. In 2013, the Town Council elected to give Town staff a 7% salary adjustment. The Town Council commissioned a salary survey in 2012 (last survey was completed in 2004). Council approved a 1.9% cost of living salary adjustment for staff in the 2014 budget. The Town department heads will conduct a benefits review in the first quarter of 2014 and bring proposed changes to the Town Council for their consideration.

AUDIT OF TOWN REVENUES AND EXPENDITURES

As soon as it is completed, the audit of the Town's 2013 expenditures will be available for public review.



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ASSESSED VALUATION AND MILL LEVIES

YEAR	2012	2013	2014
ASSESSED VALUATION	55,623,528	54,181,745	47,888,745
MILL LEVY	1.583 Mills	1.565 Mills	1.584 Mills
TOTAL REVENUES	\$88,052	\$84,794	\$75,856

I, April Hessman, certify that the attached is a true and accurate copy of the adopted 2014 budget of the Town of Pagosa Springs, Colorado.


April Hessman, Town Clerk



AMENDED CERTIFICATION OF VALUES

TOWN OF PAGOSA SPRINGS

Name of Jurisdiction: TOWN OF PAGOSA SPRINGS

New District:

USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATIONS (5.5% LIMIT) ONLY

In accordance with 39-5-121(2)(a) and 38-5-128(1), C.R.S. The total Assessed Valuations for taxable year 2013
 In Archuleta County, CO On 11/27/2013 Are:

Previous Year's Net Total Assessed Valuation:	\$54,181,745
Current Year's Gross Total Assessed Valuation:	\$47,888,745
(-) Less TIF district increment, if any:	\$0
Current Year's Net Total Assessed Valuation:	\$47,888,745
New Construction*:	\$52,960
Increased Production of Producing Mines**:	\$0
ANNEXATIONS/INCLUSIONS:	\$0
Previously Exempt Federal Property***:	\$0
New Primary Oil or Gas production from any Oil and Gas leasehold or land (29-1-301(1)(b) C.R.S.)***:	\$0
Taxes collected last year on omitted property as of August 1 (29-1-301(1)(a) C.R.S.) Includes all revenue collected on valuation not previously certified.	\$65.82
Taxes Abated or Refunded as of August 1 (39-10-114(1)(a)(B) C.R.S.):	\$1,298.34

This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec. 20(b)(b), Colo. Constitution
 * New Construction is defined as: Taxable real property structures and the personal property connected with the structure.
 ** Jurisdiction must submit a certification to the Division of Local Government in order for a value to be accrued (DLG52 & 52A)
 *** Jurisdiction must submit an application to the Division of Local Government in order for a value to be accrued. (DLG 52B)

USE FOR 'TABOR' LOCAL GROWTH CALCULATIONS ONLY

In accordance with the Art. X, Sec. 20, Colorado Constitution and 39-5-121(2)(b), C.R.S. The Actual Valuations for the taxable year 2013
 In Archuleta County, CO On 11/27/2013 Are:

Current Year's Total Actual Value of All Real Property*:	\$257,117,536
ADDITIONS TO TAXABLE REAL PROPERTY:	
Construction of taxable real property improvements**:	\$634,230
ANNEXATIONS/INCLUSIONS:	\$0
Increased Mining Production***:	\$0
Previously exempt property:	\$0
Oil or Gas production from a new well:	\$0
Taxable real property omitted from the previous year's tax warrant. (Only the most current year value can be reported):	\$0
DELETIONS FROM TAXABLE REAL PROPERTY IMPROVEMENTS:	\$168,110
Destruction of taxable property improvements.	
Disconnections/Exclusions:	\$0
Previously Taxable Property:	\$0

* This includes the actual value of all taxable real property plus the actual value of religious, private schools, and charitable real property.
 ** Construction is defined as newly constructed taxable real property structures.
 *** Includes production from a new mine and increase in production of a producing mine.

NOTE: All levies must be certified to the Board of County Commissioners no later than December 15, 2013

SUMMARY OF ALL FUNDS REVENUES AND EXPENDITURES

	2012 Budget	2012 Actual	2013 Budget	2013 Estimate	2014 Budget
REVENUES					
General Fund	3,653,393	3,951,200	3,219,022	3,634,755	3,685,850
Capital Improvement	11,958,772	5,098,607	9,970,051	4,395,960	5,393,217
Impact Fee Fund	148,246	155,681	110,679	289,775	286,608
Lodgers Tax Fund	499,739	505,277	562,516	592,187	632,187
Geothermal Enterprise Fund	199,367	217,568	186,688	181,718	149,982
Conservation Trust Fund	105,009	106,745	103,745	103,745	120,745

EXPENDITURES					
General Fund	2,681,851	2,675,170	2,150,286	2,096,269	2,421,176
Capital Improvement	11,478,320	3,081,101	9,105,299	2,899,296	4,990,556
Impact Fee Fund	31,510	76,120	15,260	30,630	119,500
Lodgers Tax Fund	436,000	356,789	510,300	450,500	556,500
Geothermal Enterprise Fund	104,100	75,672	100,100	72,936	65,350
Conservation Trust Fund	50,000	50,000	30,000	30,000	70,000

Year End Cash Reserve					
General Fund	971,542	1,276,030	1,068,736	1,538,486	1,264,674
Capital Improvement	480,452	2,017,506	864,752	1,496,663	402,661
Impact Fee Fund	116,736	79,561	95,419	259,145	167,108
Lodgers Tax Fund	63,739	148,488	52,216	141,687	75,687
Geothermal Enterprise Fund	95,267	141,896	86,588	108,782	84,632
Conservation Trust Fund	55,009	56,745	73,745	73,745	50,745

GENERAL FUND REVENUES

Account	Description	2012 Budget	2012 Actual	2013 Budget	2013 Estimate	2014 Budget
TAXES & CONTRACTS						
10-31-100	Property Tax	87,856	90,475	84,794	84,794	75,855
10-31-200	Special Ownership/MVL	13,500	15,238	13,500	13,500	13,500
10-31-310	Sales Tax	1,479,472	1,598,784	1,597,555	1,629,506	1,687,096
10-31-420	Cigarette Tax	19,000	17,242	18,000	17,500	17,500
10-31-600	Gas Franchise	16,520	13,339	14,000	14,784	13,300
10-31-610	Telephone Franchise	4,000	12,920	4,000	10,755	9,000
10-31-750	Cable TV Franchise	8,000	7,027	7,200	7,100	6,900
10-31-770	Ground Lease	65,370	66,863	66,745	76,018	79,825
10-31-810	Severance Tax	2,000	9,068	5,000	5,532	5,000
	subtotal	1,695,718	1,830,956	1,810,794	1,859,489	1,907,976
LICENSES & PERMITS						
10-32-110	Liquor License	11,000	10,392	11,000	11,000	10,000
10-32-190	Peddler/Contractor/Bus. License	12,500	15,375	12,500	15,000	12,500
10-32-210	Building Permits/Fees	5,000	32,251	20,000	101,000	20,000
	subtotal	28,500	58,018	43,500	127,000	42,500
INTERGOVERNMENTAL REVENUE						
10-33-410	Mineral Leasing	1,000	3,358	2,500	1,667	1,600
10-33-480	PSSGID Insurance	17,500	17,500	17,500	17,500	17,500
10-33-490	PSSGID Bookkeeping	25,000	25,000	25,000	25,000	25,000
10-33-500	Geothermal Bookkeeping/Insurance	6,000	6,000	6,000	6,000	6,000
10-33-700	State Historical Society CLG Grant	3,700	0	0	0	0
10-33-660	PS Community Facilities Coalition	8,459	6,782	9,888	8,811	9,888
	subtotal	61,659	58,640	60,888	58,978	59,988
CHARGES FOR SERVICES						
10-34-630	Dept Human Serv Building Lease	31,000	31,300	31,900	31,900	31,900
10-34-635	Senior Center Lease Comm Center	0	0	24,768	24,768	0
10-34-650	Recreation User Fees	45,000	40,807	45,000	42,000	45,000
10-34-680	Developer Reimbursement Fees	0	58,507	0	22,000	0
	subtotal	76,000	130,614	101,668	120,668	76,900
FINES AND FORFEITS						
10-35-110	Court Fines	30,000	58,036	41,000	36,000	41,000
10-35-115	Traffic Surcharges	4,000	7,912	6,000	4,000	6,000
10-35-125	Police Fees & Misc	850	5,351	2,000	6,500	2,000
	subtotal	34,850	71,298	49,000	46,500	49,000
MISCELLANEOUS						
10-36-110	Miscellaneous	6,000	41,179	6,000	12,000	8,000
10-39-990	Interest Earned	3,000	2,197	1,500	1,300	1,000
10-36-115	Administration from Impact Fee Fund	500	350	250	250	2,000
	subtotal	9,500	43,726	7,750	13,550	11,000
	GENERAL FUND REVENUE	1,906,227	2,193,251	2,073,600	2,226,185	2,147,364
	Prior Year End Cash Reserve	1,747,166	1,757,949	1,145,422	1,408,570	1,538,486
	Total General Fund Revenue	3,653,393	3,951,200	3,219,022	3,634,755	3,685,850

a based on Assessors Certification

b 2% higher than 2013 estimate plus \$50K, split with CIP

c split costs for admin assist

GENERAL FUND EXPENDITURES						
Account	Description	2012 Budget	2012 Actual	2013 Budget	2013 Estimate	2014 Budget
GENERAL GOVERNMENT						
10-44	Town Manager/Admin Department	278,530	300,586	251,968	240,080	262,935
10-42	Town Clerk/Town Hall Department	298,764	293,348	325,633	326,111	332,124
10-46	Building/Planning Department	134,803	199,418	189,172	204,139	225,490
10-48	Municipal Court Department	165,500	157,941	182,516	182,417	200,965
10-53	Community Center Department	130,055	121,721	171,449	169,074	159,258
	subtotal	1,007,652	1,073,013	1,120,738	1,121,820	1,180,772
PUBLIC SAFETY						
10-51	Police Department	715,034	683,945	758,262	716,423	776,913
	subtotal	715,034	683,945	758,262	716,423	776,913
RECREATION						
10-56	Recreation Department	167,614	152,958	177,387	176,625	180,729
	subtotal	167,614	152,958	177,387	176,625	180,729
COMMUNITY SUPPORT SERVICES						
10-75	Service Organizations	54,050	54,050	61,400	61,400	60,263
10-77	Economic Development	137,500	111,204	32,500	20,000	22,500
	Subtotal	191,550	165,254	93,900	81,400	82,763
OTHER EXPENDITURE						
10-76-100	General Fund Reserves	600,000	600,000	0	0	200,000
	General Fund Expenditures	2,681,851	2,675,170	2,150,286	2,096,269	2,421,176
	Total General Fund Expenditures	2,681,851	2,675,170	2,150,286	2,096,269	2,421,176
	TOTAL REVENUES	3,653,393	3,951,200	3,219,022	3,634,755	3,685,850
	TOTAL EXPENDITURES	2,681,851	2,675,170	2,150,286	2,096,269	2,421,176
	End Year Cash Reserve	971,542	1,276,030	1,068,736	1,538,486	1,264,674
	Restricted 3% Tabor Reserve	80,456	80,255	64,509	62,888	72,635
	Unrestricted Reserve	891,087	1,195,775	1,004,227	1,475,598	1,192,039

TOWN MANAGER/ADMINISTRATION DEPARTMENT						
Account		2012 Budget	2012 Actual	2013 Budget	2013 Estimate	2014 Budget
PERSONNEL						
10-44-110	Town Manager	100,000	100,000	100,000	100,000	101,943
10-44-131	FICA	7,650	8,027	7,650	7,650	8,900
10-44-132	Insurance	11,500	12,321	13,000	13,275	14,350
10-44-133	Travel/Dues/Expenses	4,000	2,931	4,000	3,000	4,000
10-44-134	Pension	5,000	5,000	5,000	5,000	5,097
10-44-137	Auto Allowance	1,200	1,200	1,200	1,200	1,200
10-44-139	Housing Allowance	14,400	14,400	14,400	14,400	14,400
10-44-226	Attorney	110,000	135,999	100,000	90,000	100,000
	Subtotal	253,750	279,878	245,250	234,525	249,890
COMMODITIES						
10-44-202	Office Supplies	150	117	150	150	150
10-44-402	Telephone	400	381	400	400	650
	Subtotal	550	498	550	550	800
CONTRACTUAL						
10-44-172	Employee Education Program	1,500	25	1,500	0	1,500
10-44-420	Contingency Fund	2,000	2,194	2,000	2,000	1,000
10-44-190	Compensation Survey	15,000	9,948	0	0	0
	Subtotal	18,500	12,167	3,500	2,000	2,500
DUES						
10-44-404	SW Eco. Dev./Region 9	745	0	803	803	803
10-44-405	Region 9 Trans Planning	348	347	348	347	347
10-44-406	San Juan RC&D	50	50	50	50	50
10-44-409	Club 20	200	0	200	200	200
10-44-414	CML Dues	3,424	6,951	0	0	3,534
10-44-416	Chamber of Commerce	659	695	659	695	695
10-44-433	Southwest Council of Governments	304	0	608	910	4,116 ^a
	Subtotal	5,730	8,043	2,668	3,005	9,745
TOTAL MANAGER/ADMIN BUDGET						
		278,530	300,586	251,968	240,080	262,935

a SWCOG dues increase as a result of expiration of DOLA and LaPlata County financial Support

TOWN CLERK/TOWN HALL DEPARTMENT						
Account		2012 Budget	2012 Actual	2013 Budget	2013 Estimate	2014 Budget
PERSONNEL						
10-42-110	Town Clerk	48,000	48,000	52,798	52,798	55,291
10-42-110	Deputy Clerk	35,069	35,069	37,524	37,524	38,253
10-42-131	FICA	6,355	5,327	6,910	5,800	7,156
10-42-132	Insurance	26,000	27,051	29,544	30,440	32,660
10-42-134	Pension	4,153	4,153	4,516	4,516	4,677
	subtotal	119,577	119,600	131,292	131,078	138,037
COMMODITIES						
10-42-203	Office Supplies	3,600	3,973	3,600	3,600	3,600
10-42-211	Copy Expenses	3,650	3,119	3,700	5,136	3,800
10-42-216	Travel/Training Dues	2,800	2,424	2,800	3,100	3,500
10-42-218	Utilities Gas/Elec/Water/Trash	23,000	25,185	25,000	25,000	25,000
10-42-222	Telephone	12,000	12,191	11,500	11,500	11,500
10-42-230	Printing/Publications/Recordings	2,500	2,352	2,500	2,500	2,500
10-42-242	Postage	2,000	1,532	2,000	2,000	2,500
10-42-248	Elections	2,000	2,509	2,000	1,615	2,500
10-42-300	Town Council	500	3,303	1,000	1,000	1,000
	subtotal	52,050	56,587	54,100	55,451	55,900
CONTRACTUAL						
10-42-223	County Treasures Fees	2,027	2,164	1,966	1,966	1,787
10-42-224	Drug Testing	850	703	1,500	1,500	2,000
10-42-227	Auditor	6,500	6,500	7,000	7,000	7,000
10-42-228	Computer Support	1,500	645	1,550	1,685	1,550
10-42-232	Bonds, Insurance	83,000	83,841	95,000	92,500	95,000
10-42-246	Caselle Support	10,260	9,405	10,000	9,747	10,600
10-42-264	Codify Code/Website	0	0	0	1,500	3,525
10-42-269	Cafeteria Plan Administration	1,000	567	1,225	1,225	4,725
10-42-270	Health Reimbursement Account	20,000	10,764	20,000	20,000	10,000
10-42-291	Insurance Dispute	0	652	0	458	0
10-42-510	Web Site	2,000	1,920	2,000	2,000	2,000
	subtotal	127,137	117,161	140,241	139,581	138,187
TOTAL TOWN CLERK BUDGET						
		298,764	293,348	325,633	326,111	332,124

- a \$300 IIMC \$140 CMCA \$1,500 Clerks Institute \$1500 on-the-road workshops
- b Council Chamber Recorder \$545
- c Self Funded Insurance Cigna Rebate
- d Cirsa Property \$58,347 Pinnocol 10% +3000
- e Cobra Help \$225, Health reform tax \$3,500, Employee SW \$500
- f CDL/Safety Sensitive/new employees
- g Codify Municipal Code, Website Hosting, Legal Review 2014

BUILDING/PLANNING DEPARTMENT

Account		2012 Budget	2012 Actual	2013 Budget	2013 Estimate	2014 Budget
PERSONNEL						
10-46-110	Building Official	48,623	49,721	52,150	52,150	53,163
10-46-110	Planning Manager	44,500	44,500	50,926	50,926	55,291
10-46-110	Assoc Planner/Permit Tech	0	0	20,000	16,750	34,200
10-46-131	FICA	7,124	6,458	9,415	9,167	10,913
10-46-132	Insurance	17,000	23,537	35,877	36,250	43,590
10-46-133	School/Travel/Dues	3,000	6,360	4,500	4,500	8,000
10-46-134	Pension	4,656	3,677	6,154	5,991	7,133
	Subtotal	124,903	134,253	179,022	175,734	212,290
COMMODITIES						
10-46-202	Office Supplies	1,500	1,974	1,500	1,500	2,000
10-46-208	Historic Preservation Board	6,000	1,550	3,500	2,025	2,500
10-46-210	Copy Expense	1,500	638	2,500	250	2,500
10-46-212	Fuel/Oil/Mileage	500	592	2,250	2,250	2,500
10-46-402	Telephone	400	446	400	400	1,200
	Subtotal	9,900	5,201	10,150	6,425	10,700
CONTRACTUAL						
10-46-425	Walmart Application	0	59,963	0	18,500	0
10-46-215	Consultant Expense	0	0	0	3,480	2,500
	Subtotal	0	59,963	0	21,980	2,500
	TOTAL BUILDING/PLNG BUDGET	134,803	199,418	189,172	204,139	225,490

MUNICIPAL COURT

Accounts		2012 Budget	2012 Actual	2013 Budget	2013 Estimate	2014 Budget
PERSONNEL						
10-48-110	Judge	21,396	21,396	26,244	26,244	30,168
10-48-110	Court Admin/Youth Advocate	42,636	42,636	47,661	47,661	50,666
10-48-110	Court Clerk/ Administrative Asst	31,547	31,547	33,755	33,755	34,411
10-48-115	Judge Pro-Tem	500	788	500	500	750
10-48-131	FICA	7,312	5,894	8,236	8,236	8,816
10-48-132	Insurance	31,500	31,904	35,100	35,500	38,000
10-48-133	Travel/Dues/Education	850	40	850	850	1,850
10-48-134	Pension	3,709	3,709	4,071	4,071	4,254
10-48-220	Vehicle Expenses	150	126	150	250	250
	Subtotal	139,600	138,039	156,566	157,067	169,165
COMMODITIES						
10-48-108	Juvenile Task Force	100	0	100	0	100
10-48-120	Drug Test/Monitoring Dev.	2,500	2,286	2,500	2,500	3,000
10-48-123	Prisoner Cost	2,000	0	2,000	2,000	2,000
10-48-202	Office Supplies	1,000	2,016	1,000	1,500	1,500
	Subtotal	5,600	4,302	5,600	6,000	6,600
CONTRACTUAL						
10-48-204	Court Appointed Counsel	1,500	1,929	1,500	2,000	3,000
10-48-206	Counseling	5,000	67	5,000	2,500	5,000
10-48-210	Translation Services	200	257	200	200	200
10-48-230	Town Prosecutor	12,000	11,012	12,000	13,000	15,000
10-48-234	Misc. Expenses	1,100	1,841	1,100	1,100	1,100
10-48-280	Computer Support	500	495	550	550	900
	Subtotal	20,300	15,600	20,350	19,350	25,200
	TOTAL MUNI COURTS BUDGET	165,500	157,941	182,516	182,417	200,965

a Contract with Archuleta County

b Appointed/Contract Attorney

c JCG Annual Contract for Court Recorder and Alarm Monitoring

POLICE DEPARTMENT						
Account		2012 Budget	2012 Actual	2013 Budget	2013 Estimate	2014 Budget
PERSONNEL						
10-51-110	Chief	52,000	52,000	58,734	58,734	63,030
10-51-110	Senior Detective	50,012	50,012	53,513	53,513	54,553
10-51-110	Lieutenant/Sergeant	44,800	44,800	47,936	47,936	50,666
10-51-110	Senior Officer	43,899	43,899	46,972	46,972	47,885
10-51-110	Corporal/Senior Officer	37,533	37,533	40,958	40,958	44,445
10-51-110	Officer	35,600	35,600	38,168	38,168	38,987
10-51-110	Officer	35,600	35,600	38,168	25,000	38,987
10-51-110	Officer	35,600	17,145	35,600	25,000	38,987
10-51-110	Administrative Assistant	32,000	32,000	34,643	34,643	35,726
10-51-108	Parking Enforcement	6,230	5,751	6,666	0	0
10-51-105	Animal Control	13,568	13,568	14,944	14,944	15,670
10-51-130	FPPA (officers) 8%	26,804	25,200	28,804	26,902	30,203
10-51-131	Medicare (officers) 1.45%	4,858	4,655	4,667	4,514	4,909
10-51-131	FICA (non officers) 7.65%	3,963	3,974	4,303	3,793	3,932
10-51-132	Insurance	73,000	60,981	80,000	70,000	85,000
10-51-133	Training	2,000	1,967	10,000	10,000	10,000
10-51-134	Pension	18,352	17,350	19,735	18,546	20,663
10-51-216	Dues/Subscriptions	750	477	750	850	2,890
10-51-218	Uniform	2,000	1,860	2,000	2,000	2,000
	Subtotal	518,568	484,371	566,562	522,473	588,533
COMMODITIES						
10-51-202	Office Supplies	2,200	2,106	2,200	3,000	2,500
10-51-204	Postage	500	386	500	500	500
10-51-212	Fuel/Oil	28,000	32,940	34,000	34,000	38,000
10-51-226	Duty Ammunition	2,500	2,204	2,000	2,000	2,000
	Subtotal	33,200	37,636	38,700	39,500	43,000
CONTRACTUAL						
10-51-402	Telephone	3,500	3,045	3,500	3,500	3,500
10-51-404	Print/Publishing/Advertising	500	297	1,800	2,000	800
10-51-408	Vehicle/Maintenance and Repairs	15,000	14,994	15,000	15,000	0
10-51-410	Dispatch Center	123,366	123,366	112,200	112,200	119,830
10-51-412	Humane Society	10,000	10,000	10,000	10,000	10,000
10-51-420	Investigation Contingency	2,500	2,571	2,500	2,500	2,500
10-51-428	Radio/Maintenance and Repairs	500	216	500	500	1,000
10-51-430	Radar Certification	500	500	500	750	750
10-51-434	Case Medical Expense	5,000	4,558	5,000	5,000	5,000
10-51-808	Misc Police Equipment	2,400	2,392	2,000	3,000	2,000
	Subtotal	163,266	161,938	153,000	154,450	145,380
	TOTAL POLICE BUDGET	715,034	683,945	758,262	716,423	776,913

a Restructuring Parking Enforcement Position

b Increase in dues costs as well as implementation of Lexipol Policy Subscription Software

c increase cost in supplies

d increase in fuel costs

e increased cost for Combined Dispatch - increase \$7,630 (6.8%)

f need to fix 2 dead head units and 2 hand helds

g increase in repairs costs due to age of equipment

h decrease due to printing citation in 2013

i Restructuring Sergeant Position/Responsibilities (increase) - Change to Lieutenant increase to Pay Grade 20

j Restructuring Officer Position/Responsibilities (increase) - Change to Corporal increase to Pay Grade 17

COMMUNITY CENTER DEPARTMENT						
Account		2012 Budget	2012 Actual	2013 Budget	2013 Estimate	2014 Budget
PERSONNEL						
10-53-110	Facility Director	40,000	40,000	46,250	46,250	50,666
10-53-110	Event/Program Coordinator	25,800	23,374	33,785	33,785	40,727
10-53-111	Administrative Assistant	20,800	20,800	26,499	26,499	31,339
10-53-131	FICA	6,625	5,656	8,150	8,150	9,389
10-53-132	Insurance	32,500	27,712	26,625	24,250	21,000
10-53-134	Pension	4,330	4,179	5,372	5,372	6,137
10-53-140	Community Center Expenses	0	0	24,768	24,768	0
	subtotal	130,055	121,721	171,449	169,074	159,258
	TOTAL COMM. CENTER BUDGET	130,055	121,721	171,449	169,074	159,258

RECREATION DEPARTMENT						
Account		2012 Budget	2012 Actual	2013 Budget	2013 Estimate	2014 Budget
PERSONNEL						
10-56-110	Director	50,000	50,000	53,868	53,868	55,291
10-56-110	Recreation Supervisor	39,566	39,506	42,336	42,336	43,159
10-56-111	Refs/Umps/Part time	30,000	18,474	30,000	32,200	32,650
10-56-131	FICA	6,852	8,778	9,655	9,823	10,639
10-56-132	Insurance	7,968	8,312	7,968	7,968	7,968
10-56-133	Travel/Dues	700	0	700	0	200
10-56-134	Pension	4,478	4,474	4,810	4,810	4,922
	Subtotal	139,564	129,544	149,337	151,005	154,829
COMMODITIES						
10-56-202	Office Supplies	500	91	500	605	100
10-56-206	Recreation Supplies/Equipment	18,000	16,032	18,000	15,800	18,000
10-56-208	Trophies/Awards	4,500	4,697	4,500	4,500	4,500
	Subtotal	23,000	20,820	23,000	20,905	22,600
CONTRACTUAL						
10-56-402	Telephone	800	390	800	550	800
10-56-406	Vehicle Fuel/Maintenance	500	0	500	15	0
10-56-422	Med Supplies/Maint/Repairs	2,000	1,628	2,000	1,600	2,000
10-56-824	Special Events	1,750	577	1,750	2,550	500
	Subtotal	5,050	2,594	5,050	4,715	3,300
	TOTAL RECREATION BUDGET	167,614	152,958	177,387	176,625	180,729

SERVICES/SERVICE ORGANIZATIONS						
Account		2012 Budget	2012 Actual	2013 Budget	2013 Estimate	2014 Budget
County Services						
10-75-399	Nutrition/Seniors	7,000	7,000	7,000	7,000	7,000
10-75-400	Transportation/Seniors	3,500	3,500	3,500	3,500	3,500
10-75-430	Mountain Express	20,000	20,000	20,000	20,000	20,000
Education						
10-75-413	Seeds of Learning	0	0	5,000	5,000	5,000
10-75-434	Pagosa Springs Youth Center	0	0	2,450	2,450	0
Health/Safety						
10-75-401	Axis/Pagosa Counsel Cntr	950	950	950	950	950
10-75-410	Southwest Safehouse/Volunteers of America	500	500	500	500	500
10-75-417	ACVAP	6,000	6,000	6,000	6,000	6,000
10-75-425	San Juan Basin Health	1,100	1,100	0	0	0
10-75-428	Axis/Acute Treatment Unit	15,000	15,000	15,000	15,000	15,000
10-75-398	San Juan Basin Area Agency on Aging	0	0	500	500	500
Community Assistance						
10-75-432	Thingamajig Theatre Company	0	0	500	500	500
Housing						
10-75-	4CORE (Resource Efficiency)	0	0	0	0	1,313
TOTAL SERVICE FUNDS		54,050	54,050	61,400	61,400	60,263

ECONOMIC DEVELOPMENT

Account		2012 Budget	2012 Actual	2013 Budget	2013 Estimate	2014 Budget
Economic Development						
10-77-500	CO Office Economic Develop Parelli Grant	12,500	0	12,500	5,000	0
10-77-510	Archuleta Education Center	25,000	25,000	0	0	0
10-77-	Southwest Rural Philanthropy Days SWRPD	0	0	0	0	2,500
10-77-412	Community Development Corporation	75,000	75,000	0	0	0
10-77-515	Economic Development Incentives	20,000	6,204	20,000	15,000	20,000
10-77-520	Seeds of Learning	5,000	5,000	0	0	0
	TOTAL ECONOMIC DEVELOPMENT	137,500	111,204	32,500	20,000	22,500

CAPITAL IMPROVEMENT FUND

REVENUE

Account	Description	2012 Budget	2012 Actual	2013 Budget	2013 Estimate	2014 Budget
TAXES AND FEES						
51-31-100	Highway Users Tax Fund	73,593	71,597	73,595	73,595	72,500
51-31-310	Sales Tax	1,479,472	1,598,784	1,597,555	1,629,506	1,687,096
51-31-640	Park User Fees	27,500	10,670	13,000	11,055	13,000
51-31-650	Cemetery Fees	1,000	2,800	1,000	4,400	1,000
	Subtotal	1,581,565	1,683,851	1,685,150	1,718,556	1,773,596
INTERGOVERNMENTAL REVENUES						
51-33-400	County Road Mill	155,000	158,265	61,250	72,831	68,461
51-33-490	Geothermal Streets/Maintenance Contract	9,500	9,500	14,000	14,000	14,000
51-33-600	Transfer from Conservation Trust Fund	50,000	50,000	0	0	0
51-33-610	Transfer from Impact Fees	20,000	20,000	0	0	110,000
51-33-620	Transfer from General Fund	600,000	600,000	0	0	200,000
51-33-630	Dept Human Serv. Janitorial Contract	8,200	8,200	8,200	8,200	8,200
51-33-635	Archuleta County PROST, TTPL West Trail	225,000	0	200,000	0	200,000
51-33-640	PLPOA TTPL West Trail Construction	45,000	0	45,000	0	45,000
	Subtotal	1,112,700	845,965	328,450	95,031	645,661
STATE AND FEDERAL GRANTS						
51-33-720	CDOT Enhmt Grant 8-10 St Sidewalk on 160	238,296	0	238,296	0	238,296
51-33-721	CDOT Enhmt Grant, TTPL Trail West Phase	125,000	0	0	0	0
51-33-790	State Trails Grant TTPL Trail West Phase	200,000	0	200,000	0	200,000
51-33-760	State Trails Riverwalk TH to 6th St Bridge	1,200,000	0	120,000	0	120,000
51-33-880	CMAQ Funds Majestic Dr	385,000	0	385,000	0	385,000
51-33-730	Division of Wildlife Fishing is Fun	85,000	0	85,000	0	85,000
51-33-770	DOLA Intern Grant	17,500	14,282	17,500	0	0
51-33-780	DOLA fiber-optics /County portion	577,782	21,037	534,559	534,559	0
51-33-810	Reservoir Hill Funding	4,045,000	0	4,395,000	0	0
51-33-750	Colorado State Forest Service	7,400	7,400	0	0	0
51-33-	GOCO Planning Grant TTPL Commuter Trail	0	0	0	0	40,000
51-33-	Historic Preservation Grant	0	0	0	0	60,000
51-33-	GOCO 6th Street Bridge Grant	0	0	0	0	349,000
51-33-	Geothermal Exploration Loan or Grant	0	0	0	0	0
	Subtotal	6,880,978	42,719	5,975,355	534,559	1,477,296
MISCELLANEOUS						
51-36-110	Miscellaneous	0	9,065	0	0	0
51-36-130	Lewis Street Loan Proceeds	1,196,850	1,121,900	75,012	75,012	0
	Total Annual Revenues	10,772,093	3,703,499	8,063,967	2,423,158	3,896,553
	Prior Year End Cash Reserve	1,186,679	1,395,108	1,906,084	1,972,802	1,496,663
	Total Revenues	11,958,772	5,098,607	9,970,051	4,395,960	5,393,217

CAPITAL IMPROVEMENT FUND

EXPENDITURES

Account	Description	2012 Budget	2012 Actual	2013 Budget	2013 Estimate	2014 Budget
Maintenance & Debt						
51-53-425	Community Center Loan Portion	232,180	232,180	232,180	232,180	232,180
51-77-430	Lewis Street Loan Portion	179,633	179,653	179,633	179,633	179,633
51-46	Planning & Building Capital	59,330	34,020	98,754	98,820	182,122
51-61	Streets Department	496,356	387,747	521,051	452,790	536,111
51-68	Parks Department	245,582	246,971	267,038	265,320	297,740
51-70	Facilities Maintenance Department	202,587	170,003	195,484	196,499	202,873
	Total Maint. and Debt Expenditures	1,415,668	1,250,574	1,494,140	1,425,242	1,630,660

Capital Improvement Expenditures	2012 Budget	2012 Actual	2013 Budget	2013 Estimate	2014 Budget
Town Clerk/Town Hall					
51-42-281	Technology	1,000	1,181	1,700	1,700
51-42-222	Telephone System Upgrades	10,000	0	20,000	10,000
	subtotal	11,000	1,181	21,700	1,700
Town Manager/Administration					
51-44-215	Community Grant Writer	9,000	0	0	0
51-44-281	Technology	250	275	250	250
51-44-400	DOLA Intern	41,500	28,564	41,500	0
51-44-410	DOLA fiberoptics and wi-fi grant	651,357	32,669	627,000	585,000
51-44-	Downtown City Market Renovation	0	0	1	0
	subtotal	702,107	61,509	668,751	585,250
Municipal Court					
51-48-281	Technology	250	250	250	250
51-48-xxx	Court Security	0	0	0	0
	subtotal	250	250	250	5,800
Police/Safety					
51-51-281	Technology	4,000	3,222	4,000	4,000
51-51-300	Police Equipment	5,000	0	0	0
51-51-408	Vehicle/Maintenance and Repairs	0	0	0	0
51-51-806	Police Car	0	0	80,000	80,000
	subtotal	9,000	3,222	84,000	84,000
Community Center					
51-53-400	Operations Costs	11,349	11,349	11,349	11,349
51-53-450	Capital Improvements	6,400	6,400	6,400	6,400
	subtotal	17,749	17,749	17,749	17,749
Recreation					
51-56-281	Technology	400	0	400	1,100
51-56-449	Recreation Equipment	2,000	2,000	2,000	2,000
	subtotal	2,400	2,000	2,400	3,100
Streets/Streetcape					
51-77-424	Street Paving and Maintenance	60,000	12,340	140,000	140,000
51-77-426	Lewis Street Reconstruction	1,196,850	1,120,608	75,012	75,012
51-77-427	Misc Concrete/Sidewalks	40,000	13,292	40,000	36,000
51-77-472	Main Street Sidewalk Improvement	144,000	165,731	144,000	65,000
51-77-447	Majestic Drive Paving (CMAQ)	638,000	580	635,000	8,000
51-77-454	Street Backhoe	76,000	67,200	16,000	16,000
51-77-456	Street Vehicle/Water Truck	0	0	12,500	12,500
51-77-459	Wayfinding Plan/Medians	20,000	8,336	25,000	25,000
51-77-460	Mural on Main Street	0	1	1	1
51-77-465	8th Street Sidewalk/East Trail CDOT	298,296	8,182	298,296	66,000
51-77-475	Cross Walk Improvements	44,000	43,835	0	1,281
	subtotal	2,517,146	1,440,104	1,385,809	444,794

CAPITAL IMPROVEMENT FUND

Parks

51-77-452	Town Parks Improvements	20,000	19,743	20,000	18,000	30,000
51-77-544	River Restoration Project	120,000	97,632	100,000	100,296	65,000
51-77-546	Yamaguchi Park Restrooms	57,000	51,838	0	0	0
51-77-550	Parks Equipment	20,000	18,555	20,000	12,000	20,000
51-77-555	Resource Management	17,000	11,785	17,000	17,000	17,000
51-77-560	Raw Water Irrigation Centennial	44,000	3,613	44,000	44,000	0
51-77-561	South 8th Street Park	5,000	0	0	0	0
51-77-572	Reservoir Hill Park Development	4,395,000	17,400	4,440,000	41,500	0
51-77-431	McCabe Creek Culvert	0	1,595	20,000	4,000	0
51-77-	Loucke Ditch	0	0	0	0	10,000
	subtotal	4,678,000	222,161	4,661,000	236,796	142,000

Trails

51-77-631	Town to Pagosa Lakes Trail West Phase	625,000	2,212	475,000	15	445,000
51-77-	Town to Pagosa Lakes Harman Park LPOR	0	0	0	0	60,000
51-77-	Town to Pagosa Lakes Planning Commuter Trl	0	0	0	0	50,000
51-77-634	Riverwalk Trail to 6th St Bridge	1,500,000	80,140	220,000	21,000	195,000
51-77-663	6th Street Pedestrian Bridge	0	0	0	400	734,000
	subtotal	2,125,000	82,352	695,000	21,415	1,484,000

Geothermal Exploration

51-77-700	Geothermal Power Plant Project	0	0	74,500	69,000	200,000
51-77-	Geothermal Greenhouse Partnership	0	0	0	0	25,000
	subtotal	0	0	74,500	69,000	225,000

Total Improvement Expenditures	10,062,652	1,830,527	7,611,159	1,474,054	3,359,896
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Total Maintenance/Debt Expenditures	1,415,668	1,250,574	1,494,140	1,425,242	1,630,660
Total Improvement Expenditures	10,062,652	1,830,527	7,611,159	1,474,054	3,359,896

Total Capital Expenditures	11,478,320	3,081,101	9,105,299	2,899,296	4,990,556
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TOTAL CAPITAL REVENUES	11,958,772	5,098,607	9,970,051	4,395,960	5,393,217
TOTAL CAPITAL EXPENDITURES	11,478,320	3,081,101	9,105,299	2,899,296	4,990,556
End Year Cash Reserve	480,452	2,017,506	864,752	1,496,663	402,661
Restricted 3% Tabor	344,350	92,433	273,159	86,979	149,717
Unrestricted Reserve	136,103	1,925,073	591,593	1,409,685	252,944

- a 2% higher than 2013 estimate plus \$50K, split with CIP
 - b \$200,000 PROST funds towards TTPL West Phase
 - c \$45,000 -PLPOA contribution to TTPL West Phase
 - d CDOT Hwy 160 Sidewalk between 8th and 10th St \$298,296 project \$40K match
 - e \$200,000 State Trails grant for design and construction TTPL West Phase
 - f State Trails \$120K project \$96K Match
 - g \$250,000 Town Match, CMAQ Grant Funds \$385,000 -Majestic Paving
 - h \$85,000 fishing is fun grant expended in 2013
 - i 6th Street Pedestrian Bridge \$734K project \$385K match -Apply in April award June
 - k Geothermal utility possible loan, grant or general fund expenditure
 - l Roads impact fees for road maintenance
 - m Gazebo construction on Reservoir Hill
-
- 1 2 Patrol Vehicles - pass down old cars to building/planning/parks
 - 2 Monitoring wetlands by the parks dept, river monitoring of whitewater features, environmental - \$12K Resv Hill trimming
 - 3 GOCO TTPL Harman Park Phase LPOR project \$1mil project \$350K grant \$88K match - Reimbursed 2015 - Apply if not awarded GOCO paths to parks

BUILDING/PLANNING CAPITAL DEPARTMENT						
Account		2012 Budget	2012 Actual	2013 Budget	2013 Estimate	2014 Budget
PERSONNEL						
51-46-110	Special Projects Manager	20,000	9,231	45,188	45,188	48,501
51-46-133	Travel/Training	0	507	1,500	1,526	1,500
51-46-131	FICA	1,530	634	3,457	3,457	3,710
51-46-132	Insurance	8,100	2,190	13,650	13,290	13,985
51-46-134	Pension	1,000	462	2,259	2,259	2,425
	subtotal	30,630	13,023	66,054	65,720	70,122
COMMODITIES						
51-46-202	Office Supplies	0	0	750	750	750
51-46-212	Fuel/Vehicle Maintenance	0	0	250	250	3,250
51-46-281	Technology	700	1,356	700	1,100	2,000
51-46-406	Planning Studies/Grants	0	725	0	0	75,000
51-46-441	Annexations	5,000	0	5,000	5,000	5,000
51-46-450	City Works Programs	23,000	18,916	26,000	26,000	26,000
	subtotal	28,700	20,997	32,700	33,100	112,000
TOTAL MAINTENANCE BUDGET						
		59,330	34,020	98,754	98,820	182,122

a Upgrade Planning Director & Microsoft Project Program

b \$15K Grant Match Historic Preservation Interpretive Signage

STREETS DEPARTMENT

Account		2012 Budget	2012 Actual	2013 Budget	2013 Estimate	2014 Budget
PERSONNEL						
51-61-110	Street Superintendent	58,152	58,152	62,223	62,223	63,432
51-61-110	Equipment Operator III	36,059	36,059	39,267	39,267	40,727
51-61-110	Equipment Operator II	36,059	36,059	38,583	38,583	37,321
51-61-110	Equipment Operator I	36,059	36,059	38,583	38,583	39,333
51-61-110	Equipment Operator I	37,560	0	36,059	6,000	34,200
51-61-131	FICA	15,598	11,866	16,426	14,126	16,449
51-61-132	Insurance	48,500	41,652	55,000	46,750	67,474
51-61-133	School/Travel	2,500	2,508	3,500	3,000	3,500
51-61-134	Pension	10,194	8,316	10,736	9,233	10,751
	Subtotal	280,681	230,671	300,376	257,765	313,186
COMMODITIES						
51-61-202	Office Supplies	200	90	200	200	200
51-61-212	Fuel&Oil	28,000	24,368	28,000	25,000	28,000
51-61-222	Tires	3,000	2,061	4,000	4,000	6,000
51-61-228	Gravel/Asphalt	30,000	13,790	30,000	25,000	30,000
51-61-230	Culverts	2,000	629	2,000	1,500	2,000
51-61-234	Street Lighting	44,000	43,259	43,000	43,000	43,000
51-61-281	Techology	0	0	0	0	250
51-61-439	Street Lighting Maintenance	2,000	557	2,000	1,200	2,000
	Subtotal	109,200	84,753	109,200	99,900	111,450
CONTRACTUAL						
51-61-402	Telephone Cellular	475	375	475	475	475
51-61-406	Maintenance-Vehicles	30,000	19,010	30,000	22,000	30,000
51-61-410	Uniforms	5,000	4,394	5,000	4,000	5,000
51-61-418	Cemetery	5,000	1,390	5,000	5,000	5,000
51-61-434	Utilities/Shop	16,000	13,602	16,000	16,000	16,000
51-61-436	Maintenance-Roads	25,000	17,633	30,000	30,000	30,000
51-61-444	Sweeper Maintenance	5,000	3,094	5,000	3,000	5,000
51-61-460	Clean-Up Week	10,000	8,962	10,000	4,650	10,000
51-61-470	Lightpole Banners	10,000	3,864	10,000	10,000	10,000
	Subtotal	106,475	72,324	111,475	95,125	111,475
	TOTAL STREETS BUDGET	496,356	387,747	521,051	452,790	536,111

PARKS DEPARTMENT						
Account		2012 Budget	2012 Actual	2013 Budget	2013 Estimate	2014 Budget
PERSONNEL						
51-68-110	Parks Manager	43,136	43,136	46,156	46,156	47,053
51-68-110	Parks Maintenance II	31,268	31,268	34,251	34,251	35,726
51-68-110	Parks Maintenance II	29,268	29,268	33,181	33,181	35,726
51-68-111	Parks Maintenance Part time	30,000	35,545	32,100	42,000	47,724
51-68-131	FICA	10,226	9,836	11,145	11,902	12,716
51-68-132	Insurance	28,500	32,815	36,525	36,650	38,270
51-68-134	Pension	5,184	5,184	5,679	5,679	5,925
51-68-	Training/Travel/Dues	0	0	0	0	1,500
	Subtotal	177,582	187,052	199,038	209,820	224,640
COMMODITIES						
51-68-212	Fuel/Oil	5,000	7,029	5,000	7,000	8,000
51-68-216	Park/Field Maintenance	30,000	23,024	30,000	22,000	30,000
51-68-218	Park Utilities	30,000	26,849	30,000	23,000	30,000
51-68-220	Vehicle Maintenance	1,500	2,367	1,500	2,000	2,500
51-68-281	Technology	0	0	0	0	1,100
51-68-402	Telephone	1,000	381	1,000	1,000	1,000
51-68-816	Town Tree Program	500	270	500	500	500
	Subtotal	68,000	59,919	68,000	55,500	73,100
	TOTAL PARKS BUDGET	245,582	246,971	267,038	265,320	297,740

a Three summer seasonal workers

FACILITIES MAINTENANCE DEPARTMENT

Account		2012 Budget	2012 Actual	2013 Budget	2013 Estimate	2014 Budget
PERSONNEL						
51-70-110	Maintenance Director	42,632	43,555	49,896	49,896	50,865
51-70-111	Part Time Help	1,500	2,045	1,500	1,500	1,500
51-70-112	Building Maintenance Tech II	29,120	29,120	31,636	31,636	32,738
51-70-112	Building Maintenance Tech II	29,120	28,145	31,636	31,636	32,738
51-70-133	Travel/Training	300	117	500	100	250
51-70-131	FICA	7,717	7,181	8,657	8,657	9,015
51-70-132	Insurance	28,500	30,274	36,400	37,815	39,100
51-70-134	Pension	5,044	5,041	5,658	5,658	5,817
51-70-410	Uniforms	1,500	1,455	1,600	1,600	1,600
	subtotal	145,432	146,933	167,484	168,499	173,623
CONTRACTUAL						
51-70-206	Janitorial Supplies	6,000	5,929	6,000	6,000	6,000
51-70-281	Technology	0	0	0	0	250
51-70-402	Telephone	550	386	550	550	550
51-70-406	Vehicle Fuel/Maintenance	3,000	2,552	2,000	2,000	3,000
51-70-435	Town Hall Improvements	1,200	820	1,200	1,200	1,200
51-70-436	Town Hall Maintenance	12,000	9,587	12,000	12,000	12,000
51-70-437	Heating/Cooling Maintenance	2,000	750	2,000	2,000	2,000
51-70-438	Building Electric Maintenance	1,000	0	1,000	1,000	1,000
51-70-440	Elevator Maintenance	2,050	2,211	2,050	2,050	2,050
51-70-442	Furnishing Town Hall	1,200	835	1,200	1,200	1,200
51-70-445	Travel Vehicle	28,155	0	0	0	0
	subtotal	57,155	23,070	28,000	28,000	29,250
	TOTAL MAINTENANCE BUDGET	202,587	170,003	195,484	196,499	202,873

CONSERVATION TRUST FUND						
		2012 Budget	2012 Actual	2013 Budget	2013 Estimate	2014 Budget
Revenue						
21-37-530	Town Lottery	15,500	17,236	17,000	17,000	17,000
21-37-700	County Lottery	30,000	30,000	30,000	30,000	30,000
	Subtotal	45,500	47,236	47,000	47,000	47,000
	Prior Fund Balances	59,509	59,509	56,745	56,745	73,745
	TOTAL REVENUES	105,009	106,745	103,745	103,745	120,745

Expenditures						
21-40-800	Parks & Rec Maintenance	50,000	50,000	0	0	50,000
21-40-910	Yamaguchi Park	0	0	30,000	30,000	20,000
	Subtotal	50,000	50,000	30,000	30,000	70,000
	Total Expenditures to CIF	50,000	50,000	30,000	30,000	70,000
	TOTAL REVENUES	105,009	106,745	103,745	103,745	120,745
	TOTAL EXPENDITURES	50,000	50,000	30,000	30,000	70,000
	Ending Fund Balance	55,009	56,745	73,745	73,745	50,745

a Park improvements/refinements and equipment

TRUST/IMPACT FUND						
		2012 Budget	2012 Actual	2013 Budget	2013 Estimate	2014 Budget
Revenue						
31-22-600	Roads	8,900	8,667	8,900	117,000	8,000
31-22-700	Regional Public Buildings	3,250	3,160	3,250	3,618	2,863
31-22-710	Town Public Buildings 2013	0	0	0	4,481	0
31-22-800	Regional Recreation Facilities	0	0	0	0	0
31-22-810	Recreational Facilities 2013	0	0	0	2,178	0
31-22-900	Parks	0	0	0	2,200	0
31-23-000	Trails	0	0	0	3,912	0
31-23-100	Emergency Service Provider	4,200	4,069	4,200	25,020	3,600
31-23-200	Water Storage	2,000	2,008	2,000	1,950	1,900
31-23-300	School Fees	0	0	0	1,660	0
31-23-350	Administration	190	0	190	580	100
31-23-450	Pinon Lake Fountain	2,000	4,290	2,000	25	2,000
31-23-460	Fireworks Fund	2,000	15,128	2,000	3,500	0
31-23-470	Geothermal Resource Assess	0	8,500	0	0	0
31-23-500	Skaters Coalition	0	0	0	0	0
31-23-510	Future Skate Park Phases	10,000	500	0	0	0
31-23-550	Whitewater Fund	0	0	0	0	0
31-23-560	Jim Guyton Memorial Fund	0	0	0	0	0
31-23-570	Christmas Light Fund	0	0	0	0	0
31-23-580	Marky Egan Scholarship	0	410	0	0	0
31-23-590	Reservoir Hill Ticket Tax	0	8,178	8,000	8,200	8,000
31-23-600	Park User Admission Fee	0	0	0	1,197	1,000
	Subtotal	32,540	54,910	30,540	175,521	27,463
	Prior Fund Balances	115,706	100,771	80,139	114,254	259,145
	TOTAL REVENUES	148,246	155,681	110,679	289,775	286,608

Expenditures						
31-22-600	Roads	20,000	20,000	0	0	110,000
31-22-700	Regional Public Buildings	0	0	0	0	0
31-22-710	Town Public Building 2013	0	0	0	0	0
31-22-800	Regional Recreational Facilities	0	0	0	0	0
31-22-810	Recreation Facilities 2013	0	0	0	0	0
31-22-900	Parks	0	0	0	0	0
31-23-000	Trails	0	0	0	0	0
31-23-100	Emergency Service Provider	4,734	4,153	4,734	25,020	3,600
31-23-200	Water Storage	2,276	2,049	2,276	1,950	1,900
31-23-300	School	0	0	0	1,660	0
31-23-350	Administration	500	350	250	200	2,000
31-23-450	Pinon Lake Fountain	2,000	2,903	0	1,800	2,000
31-23-460	Fireworks Fund	2,000	9,665	0	0	0
31-23-470	Geothermal Resource Assess	0	36,500	0	0	0
31-23-500	Skaters Coalition	0	0	0	0	0
31-23-510	Future Skate Park Phases	0	500	0	0	0
31-23-550	Whitewater Fund	0	0	0	0	0
31-23-560	Jim Guyton Memorial Fund	0	0	0	0	0
31-23-570	Christmas Light Fund	0	0	0	0	0
31-23-580	Marky Egan Scholarship	0	0	0	0	0
31-23-590	Reservoir Hill Ticket Tax	0	0	8,000	0	0
31-23-600	Park User Admission Fee	0	0	0	0	0
	Total Expenditures	31,510	76,120	15,260	30,630	119,500

	TOTAL REVENUES	148,246	155,681	110,679	289,775	286,608
	TOTAL EXPENDITURES	31,510	76,120	15,260	30,630	119,500
	Ending Fund Balance	116,736	79,561	95,419	259,145	167,108

a Roads - Tractor Supply \$95,392

LODGER'S TAX FUND

		2012 Budget	2012 Actual	2013 Budget	2013 Estimate	2014 Budget
Revenue						
41-31-500	Lodgers Tax	416,000	416,547	440,000	440,000	462,000
41-31-600	Other Income	20,000	0	0	0	25,000
41-31-650	Misc Revenue	0	2,175	0	200	0
41-31-700	Fireworks	0	0	17,300	3,500	3,500
	Subtotal	436,000	418,722	457,300	443,700	490,500
	Prior Year End Cash Carryover	63,739	86,555	105,216	148,487	141,687
	TOTAL REVENUES to TTC	499,739	505,277	562,516	592,187	632,187

Expenditures						
41-42-205	External Marketing	115,000	111,249	150,000	150,000	225,000
41-42-210	Special Events	60,000	56,889	75,000	75,000	62,500
41-42-215	Community Grant Writer	9,500	0	0	0	0
41-42-220	Capital Projects	40,000	3,525	80,000	45,000	40,000
41-42-225	Visitor Center	68,000	68,000	67,000	67,000	138,500
41-42-230	Administration	90,000	77,956	80,000	80,000	80,000
41-42-235	Fulfillments	46,000	38,555	30,000	30,000	0
41-42-240	Economic Incentives	5,000	0	10,000	0	2,500
41-42-245	Tax Compliance	2,500	616	1,000	0	0
41-42-255	Fireworks	0	0	17,300	3,500	8,000
	Total Expenditures to TTC	436,000	356,789	510,300	450,500	556,500
	TOTAL REVENUES	499,739	505,277	562,516	592,187	632,187
	TOTAL EXPENDITURES	436,000	356,789	510,300	450,500	556,500
	Ending Fund Balance	63,739	148,488	52,216	141,687	75,687

a Chamber management thru April, new VC May 1, 2014

GEOHERMAL ENTERPRISE FUND

REVENUES

Account	Description	2012 Budget	2012 Actual	2013 Budget	2013 Estimate	2014 Budget
SERVICE FEES AND FINES						
55-38-100	Geothermal Utility	40,000	37,803	40,000	35,000	40,000
55-38-300	Geothermal Lease & Heat Tap	2,500	1,197	1,200	1,200	1,200
	Total Annual Revenues	42,500	39,000	41,200	36,200	41,200
	Prior Year End Cash Reserves	156,867	178,568	145,488	145,518	108,782
	Total Revenues	199,367	217,568	186,688	181,718	149,982

GEOHERMAL ENTERPRISE FUND

EXPENDITURES

Account	Description	2012 Budget	2012 Actual	2013 Budget	2013 Estimate	2014 Budget
PERSONNEL						
55-40-133	School/Travel	1,000	500	1,000	890	1,000
	Subtotal	1,000	500	1,000	890	1,000
COMMODITIES						
55-40-202	Office Supplies	100	0	100	68	100
55-40-204	Postage	200	180	200	200	250
	Subtotal	300	180	300	268	350
CONTRACTUAL						
55-40-444	Utilities/Electric and Water	12,000	12,771	15,000	15,000	15,000
55-40-446	Legal/Attorney	5,000	1,750	5,000	2,000	3,000
55-40-438	Engineering	40,000	11,015	36,500	12,548	5,000
55-40-448	Bookkeeping (paid to Town GF)	5,000	5,000	5,000	5,000	5,000
55-40-450	Insurance (paid to Town GF)	1,000	1,000	1,000	1,000	1,000
55-40-452	Contractual Services Streets Dept	9,500	9,500	9,500	9,500	9,500
55-40-455	Contractual Services Sanitation Dept	4,500	4,500	0	0	0
55-40-456	Contractual Services Maintenance Dept	0	0	4,500	4,500	4,500
55-40-457	1041 Geo Regs DOLA Grant Match	3,300	329	3,300	3,300	0
	Subtotal	80,300	45,864	79,800	52,848	43,000
CAPITAL IMPROVEMENTS						
55-40-242	Repair Equipment/Meters	2,000	1,143	2,000	5,230	5,000
55-40-244	Repair of Leaks	8,000	24,155	8,000	8,000	10,000
55-40-246	New Pump/Meters	3,500	2,340	3,500	5,700	5,000
55-40-260	Garage Door on Geothermal Building	8,000	0	4,500	0	0
55-40-832	Contingency	1,000	1,490	1,000	0	1,000
	Subtotal	22,500	29,128	19,000	18,930	21,000
	Total Geothermal Expenditures	104,100	75,672	100,100	72,936	65,350

	TOTAL REVENUES	199,367	217,568	186,688	181,718	149,982
	TOTAL EXPENDITURES	104,100	75,672	100,100	72,936	65,350
	Year End Carryover Reserve	95,267	141,896	86,588	108,782	84,632

a Greer Lease

Addendum A

Specific Revenues

PROPERTY TAX REVENUE

Distribution: 100% General Fund

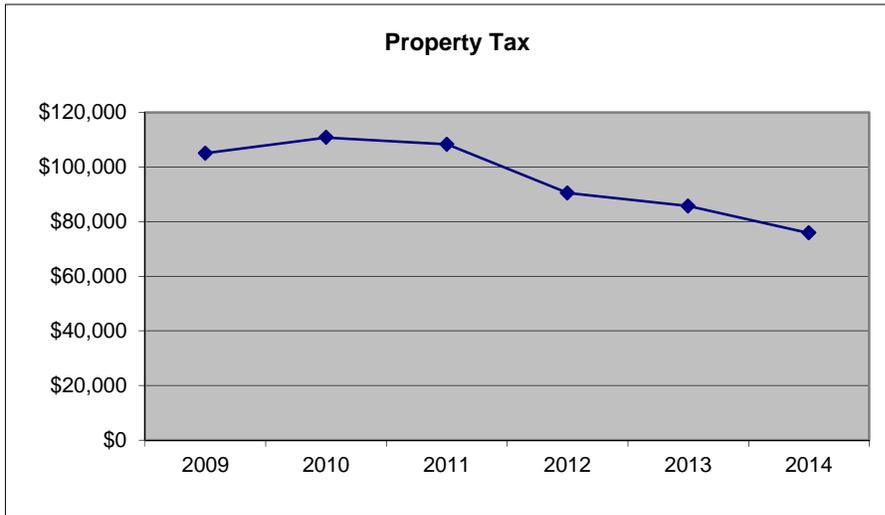
Source: Property owners within the Town of Pagosa Springs corporate boundaries

Collection: The taxpayer Bill of Rights (TABOR) Amending to the Colorado Constitution limits property tax revenue growth to the amount collected the previous year increased by the Denver-Boulder Consumer Price Index and a local growth factor. In addition, there is a statutory limitation which prohibits property tax revenue growth from exceeding 5.5% each year, adjusted for new construction. However, the Town of Pagosa Springs has voted to exempt (or “De-Bruced”) the town from these provision by setting the mill levy for the town at 1.557. The tax a property owner pays on a property is based on the following formulas:

$$\text{Assessed Valuation} = \text{Property Market Value} \times \text{Assessment Ratio}$$

$$\text{Property Tax} = \text{Assessed Valuation} \times \text{Mill Levy} / 1,000$$

Five Year Trend



<u>Year</u>	<u>Revenue</u>	<u>% Change</u>
2009	\$105,066	12%
2010	\$110,848	6%
2011	\$108,361	-2%
2012	\$90,475	-17%
2013	\$85,709	-5%
2014	\$75,855	-11%

Forecast: \$75,855, an 11% decrease from 2013 revenue receipts

Rationale: Based on the assessed valuation provide by the Assessor’s Office the Mill Levy was set at 1.584

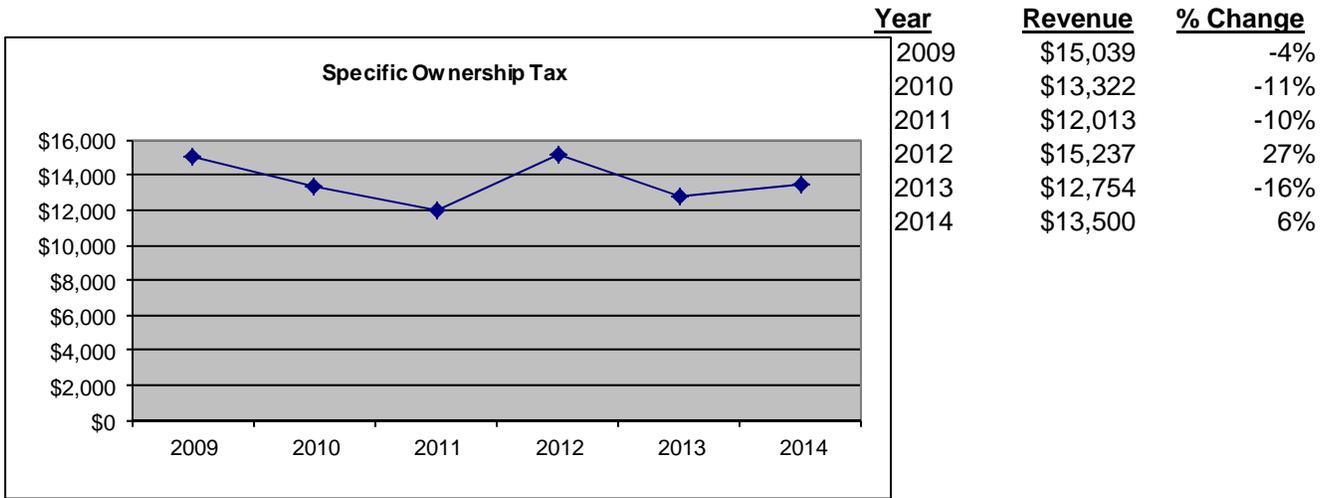
SPECIFIC OWNERSHIP TAX REVENUE

Distribution: 100% General Fund

Source: Residents and Businesses of Archuleta County

Collection: The State of Colorado establishes the statutory authority for collecting auto ownership tax. Vehicle owners pay auto ownership tax upon registration of the vehicle and annually thereafter to Archuleta County, which acts as a collection agent for the State. The amount of tax is based on the value of the vehicle. Archuleta County distributes \$1.00 of the tax to the State to maintain the motor vehicle computer system and to the County’s general fund to pay for clerical processing. The Town receives a portion of the remaining tax based on a percentage derived by comparing ad valorem (property) taxes collected by the County on behalf of other governments to the total ad valorem taxes collected for all taxing authorities in the County.

Five Year Trend



Forecast: \$13,500, an 6% decrease from 2013 estimated collection

Rationale: Estimated economic stability but not an increased population into Town

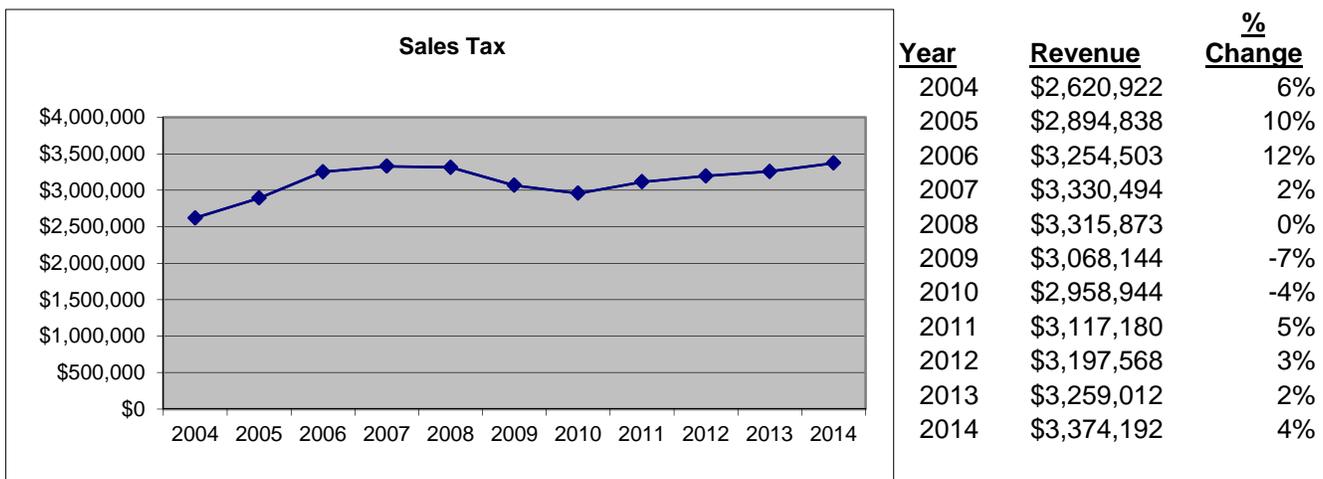
SALES TAX REVENUE

Distribution: 50% General Fund
50% Capital Improvements and Maintenance Fund

Source: Visitors, residents and employees in Archuleta County

Collection: Prior to 1958, a 1% sales tax was initiated and was split 50/50 for the Town and County. In 1983, the citizens voted to increase the sales tax rate to 2%, to be split 50% between the Town and County. In 1988, the citizens voted to increase the sales tax rate an additional 2% for seven years; with 1% earmarked for County road capital improvements and 1% dedicated for Town capital improvements. In 2001, the citizens again voted to extend the additional 2% sales tax rate for an additional seven years; with 1% earmarked for county road capital improvement and 1% for Town. The Sales Tax Ballot language states the “Town may use these funds to undertake capital improvements and the maintenance of such improvements and other capital projects which may be deemed necessary and appropriate by the residents of Pagosa Springs.” In November 2008, this sales tax arrangement was approved by the voters to be extended in perpetuity. Sales tax is charged on all retail purchases including food. The town collects its sales tax from the County. As a statutory county, Archuleta County’s sales tax is collected and administered by the Colorado Department of Revenue. As a result, there is a two-month lag time between the generation of the sales tax and when it is disbursed to the Town. At the end of 2008, the Council passed a resolution initiating a policy to respond to the volatility in the National Economy. This resolution was revised every year through 2011 to compare the monthly revenue to the previous two years average during the same month and if necessary adjusts a reduction and increase in increments. It is projected the economic downturn has reached the bottom and a slow recovery is ahead. In August 2010, the Town was the fortunate recipient of \$1,001,739 after an audit was completed by the State of Colorado for the period of February 2003 through December 2008.

Ten Year Trend



Forecast: \$3,374,192, a 4% increase from 2013 actual collection.

Rationale: It is projected the economy will increase this year by approximately 4%. The Town has projected increases to revenues from the 2013 actual sales tax revenues; the Town has implemented policy to have the ability to quickly reduce expenditures should sales tax revenues decline. The Town relies heavily on sales tax as approximately 80% of general fund revenue comes from sales tax. The capital fund relies on sales tax to pay for ongoing maintenance and debt service.

FRANCHISE REVENUES

Distribution: 100% General Fund

Source: Sourcegas, Centurytel, USA Communication

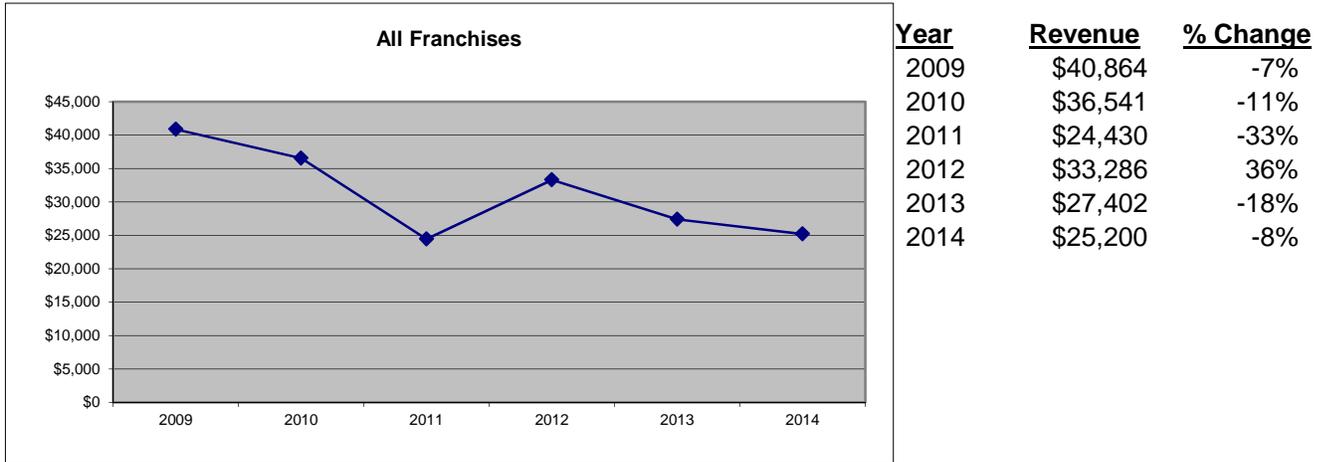
Collection: The Town collects franchise payments for general town services that it does not provide but “franchises” to private companies.

Ordinance No. 755, expires June 2019 is the Cable TV Franchise (5% of yearly gross revenues)

Ordinance No. 298, expires 2015 is the Telephone Franchise (3% of yearly gross revenues)

Ordinance No. 670, expires July 3, 2017 is the Natural Gas Franchise with SourceGas Distribution, Inc. (\$.0157 per Therm of gas)

Five Year Trend



Forecast: \$25,200, an 8% reduction from 2013 collections

Rationale: Forecast anticipates a slight increase in cost per Therm of Natural Gas and minimal hook-ups due to the construction slowdown. The forecast also anticipates a continual decline in revenues from telephone connections with most residents opting for cellular phones, and increases in cable use with the multiple options and additional wireless programs available in the area.

LOTTERY REVENUE

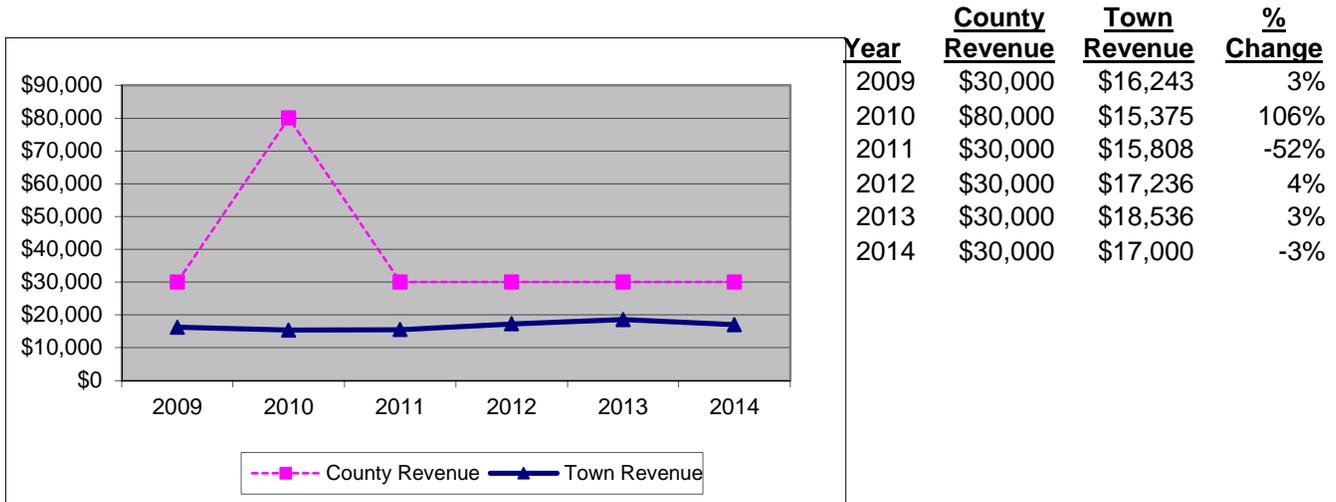
Distribution: Conservation Trust Fund (CTF)

Source: Customers who buy lottery and lotto tickets

Collection: Lottery proceeds are collected from retail merchants selling lottery products by the State of Colorado. Municipal lottery proceeds are distributed to municipalities based upon current population estimates prepared by the State Division of Local Governments. The Town's share is electronically transferred to the Town's CTF account annually on March 1, June 1, September 1, and December 1. A 2008 Intergovernmental Agreement requires the County to distribute \$30,000 per year of Conservation Trust money to the Town for the purpose authorized by Section 29-21-101, et seq., C.R.S.

Conservation Trust funds can only be used for the acquisition, development and maintenance of new park and open space sites or for capital improvements and maintenance of a public site used for recreational purposes.

Five Year Trend



Forecast: \$47,000 is a -3% change from 2013 collection.

Rationale: Forecast anticipates the funds received from the State will remain flat for 2014 based on projections provided by the Colorado State Lottery office and the calculation from the Colorado Department of Local Affairs. The County Commissioners had agreed to give the Town a one-time extra payment of \$50,000 in 2010 for maintenance of the ever-increasing parks area, the county has purchased land on Hwy 84 for a park and will decrease the funding to the Town's parks in the next few years.

Addendum B

Departmental Summaries

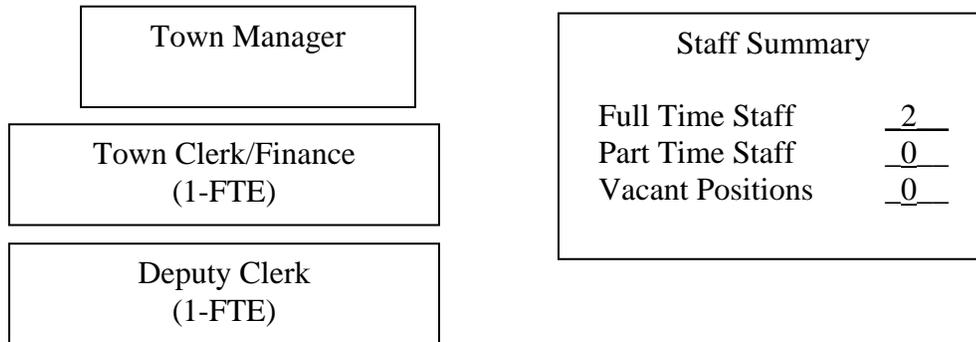
TOWN CLERK/FINANCE DEPARTMENT

Description:

The Pagosa Springs clerk and finance department plans, organizes and carries out duties involved with custody of Town records and Town funds; maintains official Town records including minutes, ordinances and resolutions; serves as repository of notices to the Town and similar documents; has custody of and accounts for Town funds; and invests idle Town funds. The department also maintains the Town’s accounting, payroll, accounts receivable and payables records, processes business and liquor licensing, and maintains personnel records. The clerk’s office works with the sanitation and geothermal district to complete the billing, filing of liens, and notices required for these districts.

Core Services:

The core services the department provides include maintaining town accounts receivable and accounts payable and providing payroll for all employees. The department works to maintain its human resources by acting as a liaison for all employee health, dental, pension, worker’s compensation and liability insurance. This department is responsible for maintaining all official Town documents and records, including minutes, ordinances, resolutions, deeds, contracts, and other records, per adopted retention schedules. Coordination of all town elections is the responsibility of this department as is processing cemetery deeds, business and liquor licenses, serving as the secretary for the Town Council and Town manager. Assistance with annual budget preparation is the duty of this department. This department also “contracts” with the Sanitation District and Geothermal Enterprise to perform bookkeeping and billing, filing of liens and notices. This function is also provided for the Town Tourism Committee via receiving and tracking all lodgers’ tax collections and payments.



2013 Accomplishments:

The clerk and deputy clerk have worked hard to achieve a goal of high quality, professional service and improved function and operation of the Clerk/Finance department. The department continues the organization of all contracts, resolutions, and ordinances making the retrieval and administration more efficient. Providing a high quality of service to Town residents and employees continues to be the number one priority for this department and the department strives to treat everyone with respect, kindness and courtesy. The Town clerk attended master’s classes from the Colorado Municipal Clerks Association and has received the Certified Municipal Clerk (CMC) certification. The clerk accepted a seat on the education committee with the Colorado Municipal Clerks Association. The deputy clerk attended her second year of Municipal Clerk Institute, a week long clerk’s institute training. A large number of residents the Town serve gain information electronically through the internet; the town’s website has been professionally upgraded and continues to be maintained by staff in a professional manner. The finance

department has worked in harmony with the town manager to provide regular updates to both staff and council as to town fund balances and year to date spending reports. The Caselle accounting software in the clerk's office has been upgraded as part of a move to improve the efficiency and capabilities of the department with off-site backups to the Caselle servers. The clerk continues to assist all departments in preparation of the annual budget.

2014 Goals:

The department goals for 2014 include maintaining a high level of service with quality results. It is a top priority to continue to improve skills, knowledge and performance with additional training. The deputy clerk will attend her third year of training at the clerks institute in July, and the clerk will continue training at the master academy in an effort to gain her Masters Municipal Clerk (MMC) certification. The clerk has applied to begin online college courses through a local community college as a start toward a business degree to assist in her job duties. The department has contacted Municode.com and will assist them in codifying the municipal code, as well as complete a legal review of the code for council's consideration in 2014. As always, the department will be searching for cost saving programs to speed processing and increase the Town's reserves.

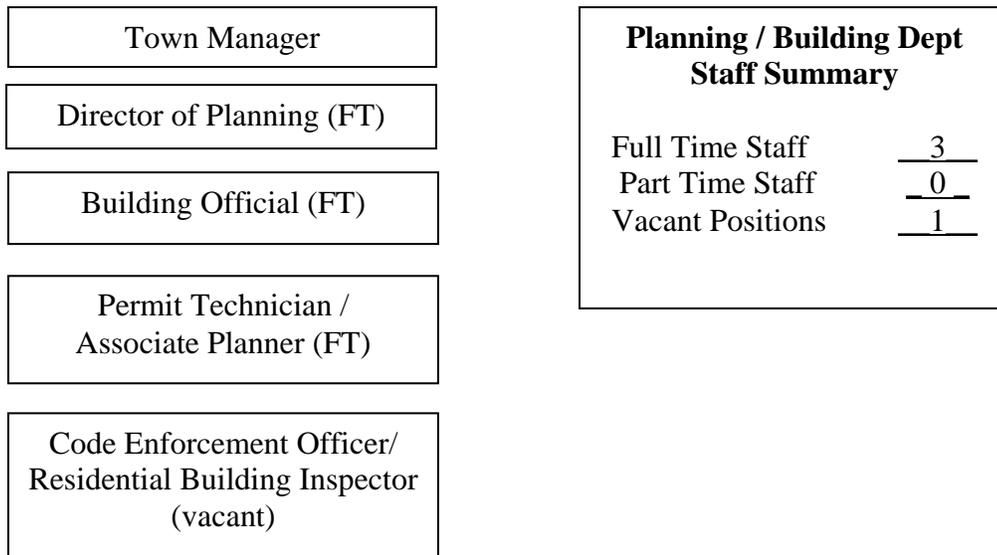
PLANNING DEPARTMENT

Description:

The Town Planning department’s main responsibilities are providing direction to applicants and reviewing projects for compliance with town codes and policies. Additionally, the Planning department works to fulfill the following: provide technical assistance to other departments; implement the adopted Comprehensive Plan, Downtown Master Plan, Regional Parks, Recreation, Open Space & Trails Master Plan and the Town to Pagosa Lakes Trail Master Plan; ordinance development and drafting; code enforcement assistance; customer service; and staffing to Town Council, Planning Commission and the Historic Preservation Board. The department also serves as the Town's liaison with CDOT regarding Hwy maintenance issues, grant administration and coordination of projects along the hwy corridor. The Town's Planning and Building departments operate as one department under the direction of the Town Planning Director.

Core Services:

The primary responsibility of this department is the administration of the town’s adopted Land Use & Development Code. The department also provides staff to the Town Council, Planning Commission, Board of Adjustments, Design Review Board and the Historic Preservation Board. Additional service provided is the development of long range land use planning, including administering the relevant sections of the comprehensive plan and downtown master plan and other long range planning initiatives as directed by town commissions and the Council.



2013 Accomplishments:

Long Range Planning

- a) Coordinated the completion of the Lewis Street re-construction project.
- b) Proposed and coordinating the completion of a new sidewalk connection along S. 8th Street to the new lighted intersection at Hwy 160, providing a safe route for pedestrians to the new frequently used pedestrian crossing at Hwy 160. Worked closely with CDOT in the staging of the project and separating the sidewalk out from the scope of an awarded CDOT trail grant.
- c) Coordinated the design and construction of new Pedestrian Crossing improvements that included: A new crossing at 2nd Street and improved crossings at the Courthouse and Overlook parking lot.
- d) Conducted presentations to property owners in preparation of the east phase and west phase of the Town to Pagosa Lakes Trail project.

- e) Continued processing of the Wal-Mart development application, ensuring all required documentation was submitted or outlined as outstanding requirements to be submitted.
- f) Continued the Coordination of the preliminary design & engineering, cost estimating, environmental assessments and Army Corps of Engineers application submissions for the new 6th Street pedestrian bridge.
- g) Approved to hire a Permit Technician/Associate Planner and developed a combined job description. Currently training most recent new hire.
- h) Proposed new Impact fees calculations to ensure relative infrastructure projects were identified and fee collections are justified. Revised Impact Fee schedule was adopted by Town Council.

Current Planning

- a) Preparing to move the East Phase of the Town to Lakes Trails Project through to final design & engineering and coordinate the federal uniform act process for property acquisitions in preparation for construction in 2014.
- b) Coordinating the preliminary design of west phase of the Town to Pagosa Lakes Trail Project with Archuleta County, State Trails and CDOT. Preparing to move forward with federal uniform act process for property acquisitions in preparation for construction in 2014.
- c) Preparing the river walk extension project for construction in 2014.
- d) Preparing the 6th Street pedestrian bridge project to be shovel ready in preparation for a future GRANT opportunity.
- e) Preparation for the implementation of the City Works Permitting and asset management programs.
- f) Continued participation on the TTC Wayfinding Sign Sub-Committee and coordinated street light pole banner design and orders and design of replacement welcome to Pagosa Springs monument signs at both entrances to Town and the solar power these signs.
- g) Developing an updated Town Zoning Map to incorporate all re-zonings and annexations completed between 2011- 2013.

2013 Planning Department Goals:

- a) Continue the Town to Pagosa Lakes Trails project planning and preparations for connecting downtown to uptown including: easement negotiations, pursue additional grant funding, coordinate preparation of design/construction of the second segment of west phase and continue to identify opportunities for the full commuter trail connection between uptown and downtown. Coordinate trail connections with PLPOA long range trail plans. East phase and west phase trail segments are scheduled for construction in 2014.
- b) Continue to coordinate the final design and engineering for the 6th Street pedestrian bridge in preparation for identifying additional grant opportunities for constructing and installing the bridge once funding is secured.
- c) Continue to provide exceptional customer service in a positive "business friendly" office environment by ensuring the necessary information and direction for development applications, business license applications, sign permits, ect..., is concise and understandable.

d) Coordinate an update to the 2006 Comprehensive Plan with revisions developed through open community public input work sessions. This item was included in the planning departments 2012 and 2013 department goals, however, with the continued staff shortages and large development applications, we were unable to initiate this effort in 2012 or 2013.

e) Continue to participate on the TTC Way Finding sub-committee to identify opportunities to implement the adopted "Streetscape, Furnishings and Signage Plan", and to incorporate recommendations from the 2013 Downtown Colorado, Inc report. Oversee the installation of the two welcome to Pagosa solar powered monument signs. Prepare RFP's and coordinate with selected contractors for installation of additional vehicular directional signs, most likely at Piedra Road and Hwy 160 for both directions.

f) Work with the Town Manager, Building Maintenance Director and Streets Superintendent for the consideration of a energy savings analysis/audit that would include a LED light change out program that will not cost the town additional annual funds and will provide a complete return on investment within a couple of years, resulting in large energy cost savings for many future years. This item was not able to be completed in 2013 due to continued staff shortages in 2013.

g) Work with the Historic Preservation Board to implement strategies to draw more attention and tourists to Pagosa Springs Heritage and the Downtown Historic District including;

- ~ Complete the installation of all "Historic Property Designation Plaques"
- ~ Producing 8 additional Historic Property Designation Plaques.
- ~ Solicit additional Activities & Events for the Historic Preservation Month of May.
- ~ Coordinate historic preservation presentations regarding the benefits to be presented to all governmental boards, community organizations and general public.

h) Coordinate the design, engineering services and property owner arrangements and agreements for the continuation of the Pagosa Street sidewalk improvement project during the 2013-14 winter in preparation for 2014 construction, if budget allocations are approved. In addition, preparations will begin for the sidewalks along the downtown city market complex that will connect with the new lighted intersection project, as well as connections on the north side of Hwy 160 at S. 8th Street for connections to new traffic light.

i) Continue to develop a good working relationship with CDOT staff, meeting at least quarterly with the Region director. Work closely with CDOT for staging the McCabe Creek Culvert replacement project, scheduled to take place in 2015.

j) Continue to identify potential grants for proposed town projects.

m) Finalize design/engineering and uniform act requirements for the Majestic Drive CMAQ Paving project in preparation for construction in 2014.

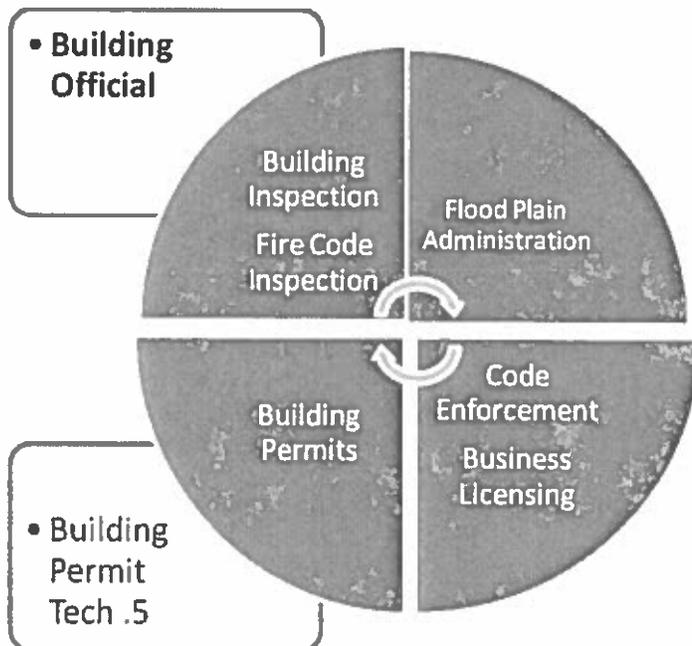
n) Identify incorrect property addressing and initiate correction process with property owners, to ensure emergency response efficiency.

Department of Building Safety

Description: The Building Department is charged with the enforcement of building codes which are adopted by the Town of Pagosa. These codes establish the minimum requirements to safeguard the public health, safety, and general welfare; ensuring structures have adequate strength, means of egress, stability, sanitation, adequate light and ventilation, and energy conservation. The Department conducts inspections and plans examinations to verify that structures are built and maintained in such a manner to provide safety to life and property from fire and other hazards, and to provide safety to firefighters and emergency responders during emergency operations.

Core Services: The primary function of the Building Department is to ensure buildings are safely designed and constructed for use by visitors and citizens of Pagosa Springs. This is achieved through providing ongoing building safety education to citizens, designers, and contractors, through the plan review, permitting, and inspection processes for the construction and renovation of residential and commercial buildings. The Department also provides road cut permitting, code enforcement, flood plain administration, and business licensing. Cooperational support is provided by the Building Department to: PAWS, Pagosa Springs Fire Protection District, Archuleta County, all other Town of Pagosa Springs Departments, and others. The Building Official performs as the following: Building Official, Fire Code Official, Mechanical Inspector, Plans Examiner, Energy inspector, Commercial and Residential Inspector, Flood Plain Administrator, Code Enforcement Officer, and Business License Administrator.

STAFF SUMMARY: Full Time Staff _1_ Part Time Staff _1_ Vacant Positions _.5_



2013 Accomplishments: The Building Official has received code training and assisted in Fire Code development through the International Code Council. ~~The Department developed and implemented a~~ program to educate the Builders Committee, the Archuleta County Building Inspector, and the Pagosa Springs Fire Chief on updates to the 2009 Fire Code which was adopted by the Town Council, Archuleta County Commissioners, and the Pagosa Springs Fire District Board.

The Flood Code Administrator has attended training by the Federal and State Flood Plain Administration, and networked with other State Flood Plains Administrators, then instituted that information by presenting changes to ensure that the Town of Pagosa Springs' flood plain standards are up to the State of Colorado Standards.

The Building Department has reached out to build good relationships with the Archuleta County Builders Committee and the Archuleta County Building Inspector in order to develop standard conformance across the board between the County and the Town for building guidelines, construction standards, and a uniform permitting procedure.

The Building Official has assisted the Archuleta County Building Department by doing all commercial plan reviews, training their inspector during the first half of the year, and covering while the county inspector was absent obtaining training and vacation days.

The Building Official assisted the prior Fire Marshal with his plan reviews. During the time that the fire marshal was gone prior to retirement, the Building Official filled in for him in conducting commercial plan reviews. Since the Pagosa Springs Fire Marshal retired, the building official has been conducting plan reviews for compliance with the fire code for Town and County development projects. TC approved the Town's Building Official to administer the Fire Code on behalf of the Town thru the adoption of ordinance No. 759, which includes plan review.

We have begun working with the new CityWorks program in developing it for the Building Department's use, which will enable permitting and inspections to be recorded expeditiously, making it more user friendly as it develops.

2014 Goals:

Building conformance between the Town of Pagosa Springs and Archuleta County Building Departments as possible.

Utilizing, developing, and refining the CityWorks program to provide transparency to all departments.

Continue to work with the Archuleta County Builder's Committee and the Pagosa Springs Fire Department.

Continue education with the long-range mindset to keeping the Town of Pagosa Springs safe by using the most current building codes available.

In all instances, to continue networking with Town, County, and State Departments in order to provide due diligence for public safety.

Foster an approachable department for local residents, builders, designers, architects, engineers and developers, to encourage safe, positive community growth.

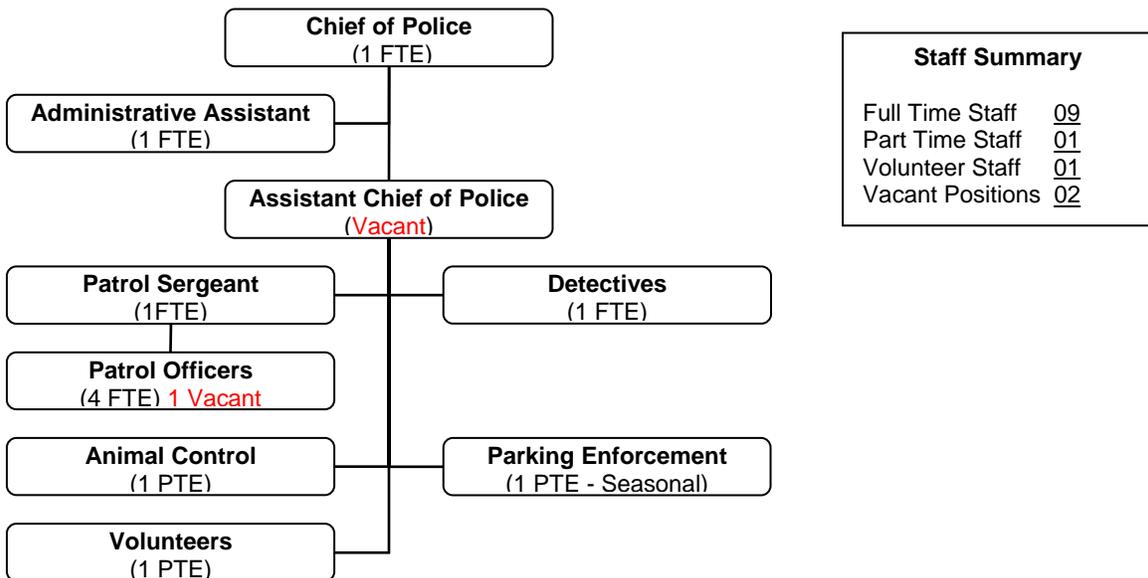
POLICE DEPARTMENT

Description:

The Pagosa Springs Police Department is responsible for serving and protecting both the citizens of and visitors to Pagosa Springs by providing the most effective law enforcement services possible 24 hours every day, seven days each week, 365 days a year using limited resources as efficiently as possible.

Core Services:

The Police Department conducts a full array of police services that include, but are not limited to: responding to routine calls for police service; rendering emergency service; managing emergency situations and crime scenes; enforcing criminal laws and traffic regulations; investigating violations of criminal laws and traffic accidents; performing security and traffic control for special events; providing training and information for civic organizations, businesses, schools and individuals; and assisting other law enforcement and emergency service agencies.

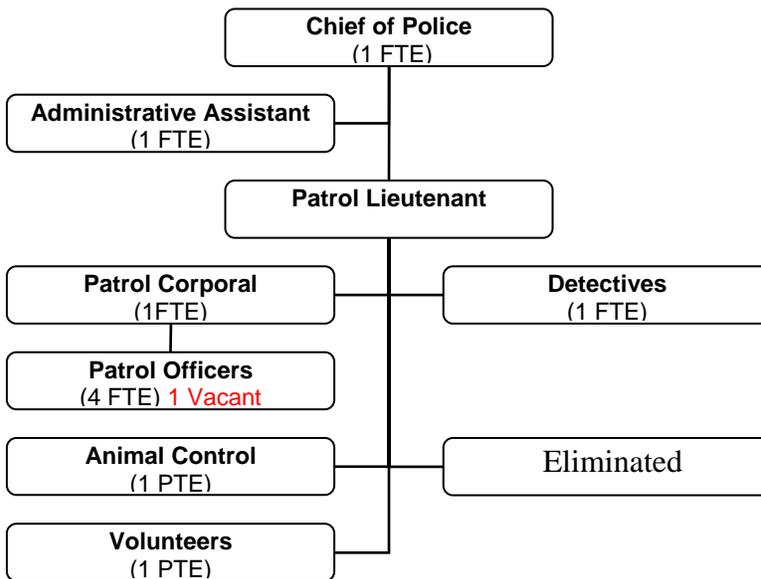


As of October 9, 2013, the Police Department has two vacant positions. The open position for Assistant Chief has not been allowed to be backfilled, putting a strain on the department's resources and supervision. One open patrol officer position will be filled as soon as possible. Not being fully staffed has made it difficult to manage overtime and leave, and hinders the ability to consistently staff the graveyard shift. The seasonal parking enforcement officer position was intentionally left vacant in 2013. This position as is not seen as financially viable in the future.

In 2014 The Department proposes to restructure its organization by eliminating the vacant Assistant Chief position, seasonal parking enforcement and Patrol Sergeant position. The current Patrol Sergeant will be promoted to Patrol Lieutenant, and a Corporal position will be created to serve as the street supervisor for patrol.

This restructuring would require no additional staff, eliminating the Assistant Chief position that has been vacant since 2009. Restructuring will allow for better staff supervision and consistent policy enforcement.

Below is the organizational flow chart for the restructuring.



2013 Accomplishments:

The following lists some of the main accomplishments of 2013:

- a) As of October 9, 2013 451 incident reports have been generated. The Department has investigated and completed 83 accident reports as of October 9, 2013
- b) Officers to date logged 456 hours of training in compliance with the Peace Officers Standards Training Board.
- c) Received two (2) High Visibility Impaired Driving Enforcement (HVIDE) grants for a total of \$8,900 from the Colorado Department of Transportation.
- d) Received one (1) Click it or Ticket grant for \$1,650 from the Colorado Department of Transportation.
- e) Increase in impaired driving related arrests currently 42 arrest have been made, a 17% increase year to date.
- f) The Department has continued the responsibility of managing Sex Offenders Registrations for sex offenders living within the Town limits.

2014 Goals:

The primary goal for 2014 is to maintain and/or increase our level of service within the parameters of the department's budget. Maintain services provided by the Archuleta Combined Dispatch without additional service fees. Additional goals are as follows:

- a) Implement complete new policy and procedures manual.
- b) Continue to develop written documentation for training, crisis management, and compliance with CBI directives.
- c) Provide continuing education and advanced training for officers.
- d) Obtain DUI enforcement grant funding for 2014.
- e) Increase traffic safety and reduce impaired driving offenses
- f) Backfill open position(s)

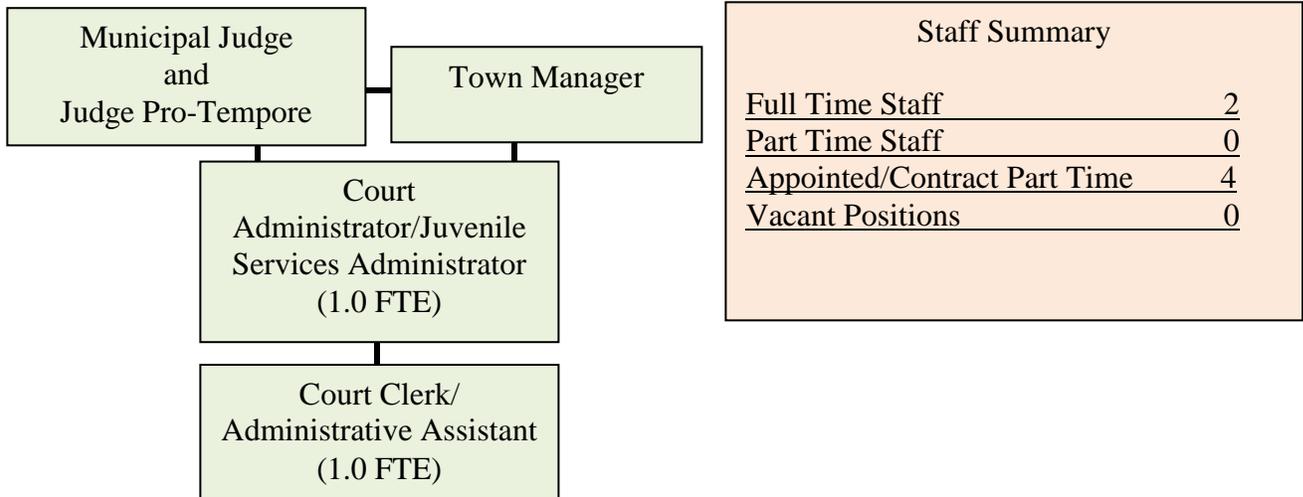
MUNICIPAL COURT DEPARTMENT

Description

The Pagosa Springs Municipal Court maintains an independent judiciary to dispense justice fairly and quickly. Municipal Court adjudicates adults and juveniles for status, petty, and misdemeanor offenses occurring within the Town’s corporate boundaries. Municipal Court adjudicates additional violations of the Municipal Code including, but not limited to, traffic, nuisance, building, sign, and land use violations. Municipal Court holds juvenile offenders accountable to the community, for their criminal behavior, by using pre-sentence staffings, creative sentencing, and by taking the time necessary to make a positive difference in their lives.

Core Services

Municipal Court is conducted three days per month to conduct arraignments, financial hearings, dispositional hearings, trials, sentencings, et.al. The Court/Juvenile Services Administrator provides full probation supervision for adults and juveniles adjudicated by the Court. This includes in-person contacts with youth and their families in the office, at the schools, or at the youths’ homes. The Juvenile Services Administrator performs drug and alcohol testing on adults and juveniles adjudicated by Municipal Court and assigns community service to youth and adults adjudicated by the Court. The Court Administrator and Court Clerk, when required, do pre-sentence investigations by interviewing offenders, researching the National and Colorado Crime Information Centers (NCIC/CCIC), contacting schools, contacting other Courts, and contacting other probation departments for background information on offenders. The 22-member, volunteer Community Youth Task Force (CYTF) has been staffing the youth of our community for approximately 30 years. Youth who are found guilty or enter a plea of guilty, for their first criminal offense, are ordered to appear with their families for this pre-sentence staffing. The Court Clerk serves as the Victim Witness Coordinator who issues subpoenas to victims and witnesses and prepares, sends, and receives Victim Impact Statements.



2013 Accomplishments

- Municipal Court, in cooperation with local law enforcement agencies and Consolidated Emergency Communications (dispatch), successfully deployed an improved Records Management System (RMS) provided by ID Networks.
- Municipal Court successfully deployed an improved Court Module (E-Force) independent of the enhanced Records Management System.
- Municipal Court conducted a thorough hiring process and successfully filled the positions of Municipal Court Prosecutor and Municipal Court Prosecutor Pro Tempore.
- Municipal Court, having reduced the number of Court days per month in 2012 and early 2013 due to budget reductions, added one additional Court day per month.
- To date, Municipal Court has conducted five (5) Community Youth Task Force Meetings which staffed ten (10) unduplicated youth and their families. Twenty-seven (27) community volunteers participated in these staffings.

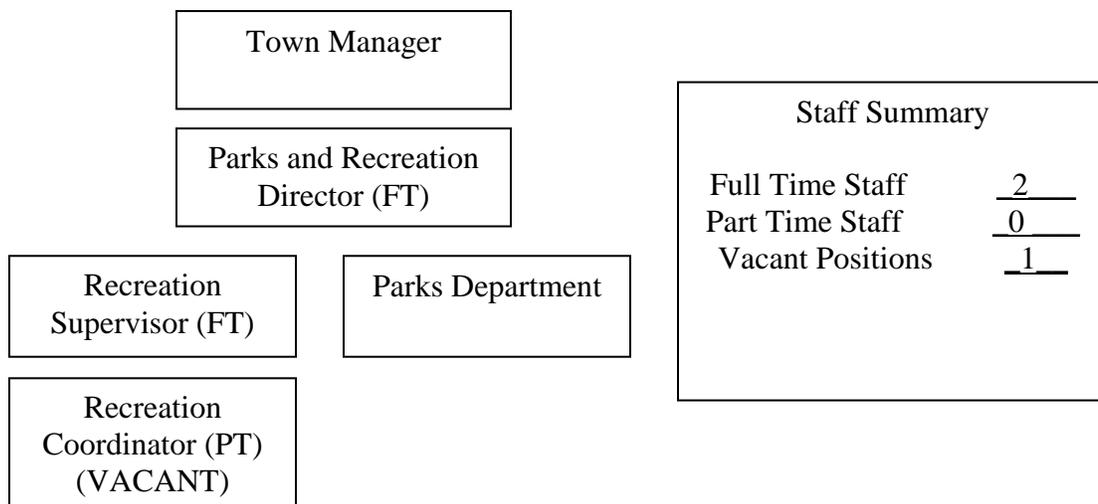
2014 Goals

- Municipal Court staff will continue researching the possibility of acquiring Court security. The Town's liability insurance carrier, CIRSA, has noted the lack of appropriate security and safety measures in the Council Chambers/Courtroom. To date, no appropriate grants have been identified that support local government efforts to enhance security. Town staff will prioritize safety and security needs for the Council Chambers/Courtroom, and funding will be requested within the Capital Fund.
- Municipal Court staff would like to acquire training to gain continuing education in Court Management and Positive Youth Development.
- Municipal Court will attempt to acquire a local source to compile the data collected on youth entering the Municipal Court system. Community for Recovery, a local non-profit organization, is soliciting funding to hire a statistician to perform data compilation and program evaluation for Municipal Court and Archuleta County Accountability Court.
- Municipal Court staff will maintain the viability and capacity of the department by sustaining partnerships with existing organizations and individuals to ensure Court activities and programs continue to operate with efficiency, productivity, and success.

RECREATION DEPARTMENT

Description: The recreation department provides and directs comprehensive recreation programs for the youth and adults in the community. The department also coordinates with other government agencies to identify opportunities to provide additional recreation planning and facilities, and reviews programs, policies, equipment, facilities, and events to ensure that the public’s recreation needs are being met. Staff also identifies and authors appropriate grants when feasible. The department reports to the Town Manger and recommends and implements changes when appropriate to improve services and facilities. The department includes 2 full-time employees and 15-25 seasonal, part-time employees (referees, umpires, instructors, etc.).

Core Services: The department directly administers 10 programs: youth basketball, adult basketball, baseball, adult softball, tee ball, youth soccer, youth volleyball, youth tennis, youth gymnastics, and the “Pick-up Pagosa Country” anti-litter campaign. During the summer months, the department also co-administers a new outdoor education program (for youths) with assistance from the community center staff. The administration of these programs includes the provision of equipment, instruction, team uniforms, game officials, awards, first aid, criminal background checks for volunteers, coaches and officials, and weekly news articles and press releases.



2013 Accomplishments: Overall program participation this year grew by 2.25 percent over last year in the youth category and was up 5 percent in the adult category. These figures are lower than the average of approximately 10-percent growth over the past six years, but still positive. Business sponsorships were also up slightly for this year (2 percent). Youth volleyball, however, had to be postponed until spring due to a lack of available gym time in the community center. The department will come in under budget (albeit slightly) for the eighth consecutive year, and is offering a new gymnastics program for ages 3 and up that is averaging over 40 participants per session. The department worked with community center staff to develop a new summer outdoor education program for youths. Staff intends to offer both of these new programs next year if they can be administered within the projected budget. The department coordinated several additions to Yamaguchi Park, including a new scoreboard, bleacher seating and dug-out roofing at the baseball/softball field. Security cameras were installed in Yamaguchi and Town parks, and Town Park received a gas-furnace system (thanks to Dennis Ford and Jim Miller) so the bathrooms can remain open during the winter (daytime only).

In addition, the staff has again secured facility use agreements with the school district, PLPOA and Wyndham resorts.

2014 Goals: The department will continue to work on aspects of Yamaguchi Park, including refinements to the existing and uncompleted landscaping, new picnic tables, a shade structure adjacent to the skate park and updates to the Terrazo. Based on the continued direction and support from Town Council, the department will strive to efficiently provide and market ample recreation opportunities for adults and youth in a cost-effective manner, and will identify grant opportunities which can be evaluated and pursued in order to meet the growing demand for quality programs and facilities.

The department will also continue to engage the school district and Archuleta County regarding opportunities to offset the Town’s cost of providing most of the community’s organized recreation programs.

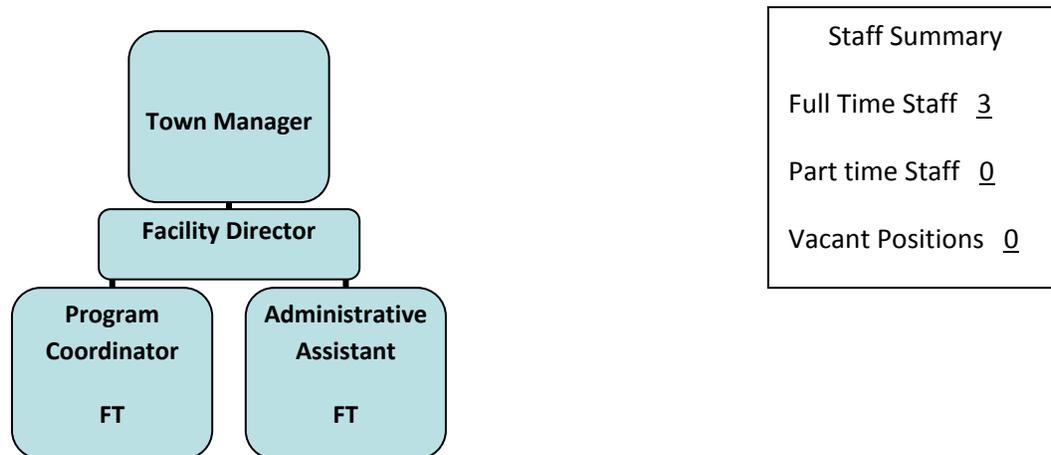
COMMUNITY CENTER DEPARTMENT

Description:

This department works to provide affordable services and space for all ages and diverse groups to gather for social, sports, civic, art and culture, educational, business and faith-based activities. This department creates and coordinates activities for the benefit of the entire community.

Core Services:

Daily operations of this department include scheduling reservations for room rentals, facilitating community events, workshops, classes, and programs held in the center, as well coordinating, advertising and hosting several community events.



2013 Accomplishments:

We have increased our facility usage over the past year. We are currently offering 15 free programs for the community. We have taken over the parks reservations; while making minimal changes we have made the process more effective and efficient. The children's programs that we ran in conjunction with the parks and recreation department were very successful. We purchased new carpet for offices and East Conference Room and by the end of the year will have completed an upgrade of LED stage lighting for the Multi-Purpose Room. Our current income is up \$13,574.00, comparing August 2012; while expenses are up \$6975.00 giving us a positive gain of \$6599.00 thru August 2013. We have had numerous positive responses and feedback from our accomplishments thus far in 2013. We also intend to purchase approximately 400 new chairs and 8 new chair carts before the end of the year.

Goals 2014:

We will continue to market the community center to encourage more events and group rentals of the facility. We will expand our summer children's programs next year to accommodate more children. We will continue to add new events to the centers activities and closely monitor the successes for each one. We will be participating in the 2014 Southwest Rural Philanthropy Days. The coalition has made an in-kind contribution for the RPD event use of the building, as it will benefit all local non-profits and our entire community. Our focus for 2014 will be to continue to engage the community and make sure that the facility is used for many purposes and services.

STREETS DEPARTMENT

Description:

The streets department provides year round service, construction and maintenance of all Town streets, signs and lighting, also service to the cemetery, parks & trail preservation, and maintenance of drainage and sidewalks. This department also assists other staff, when needed, with the town geothermal system and sanitation district.

Core Services:

- Maintaining all streets by filling pot holes and cracks, replacing asphalt where needed.
- Grading and applying additional base to gravel roads or chemical for dust control.
- Keeping lighting, signs and drainage in good condition.
- Plowing snow from all roads, alleys, streets, sidewalks and parking areas in the Town.
- Repairing and replacing cracked or broken Town sidewalks.
- Participating in special events and town functions as traffic control and fireworks team. Responsible for organization and participation of Town wide clean up weeks.
- General cemetery care and road maintenance, location and sale of plots.
- Geothermal service of leaks, temperature, and proper function.
- Service and maintenance to department vehicles and equipment, and organization and maintenance of Town shop property.
- Installation of banners, flags, and signs for special events in the Town.
- Coordinating with engineers, contractors and sub-contractors on capital projects.

Town Manager	Staff Summary Full Time Staff <u>4</u> Part Time Staff <u>0</u> Vacant Positions <u>0</u>
Streets Superintendent (1FTE)	
Equipment Operator/Maintenance (3 FTE)	

2013 Accomplishments:

The departments 2013 accomplishments include continuing to maintain a high level of service to the Town for the maintenance and upkeep of the town’s roadway system. The department will continue its cooperation with other departments and work to coordinate special projects as needed. The department will work with other town staff and engineering to coordinate capital improvements for 2014 according to the Capital Improvement Plan. Crack filling will be a high priority due to deteriorating roadways; including S 10th Street and paving S 8th Street from Sanjuan alley to concrete apron on Apache. The department will also assist with the extension of the Town’s trail system and Reservoir Hill park projects. The streets department will be working closely with the sanitation district upgrading and maintaining the collection system and assisting with the new pipeline and eventual decommissioning of the lagoons. Streets will also assist with

trails. The streets department will also work with TTC on Christmas lights. With CDOT working on 160 we will assist on any information or other assistance they need.

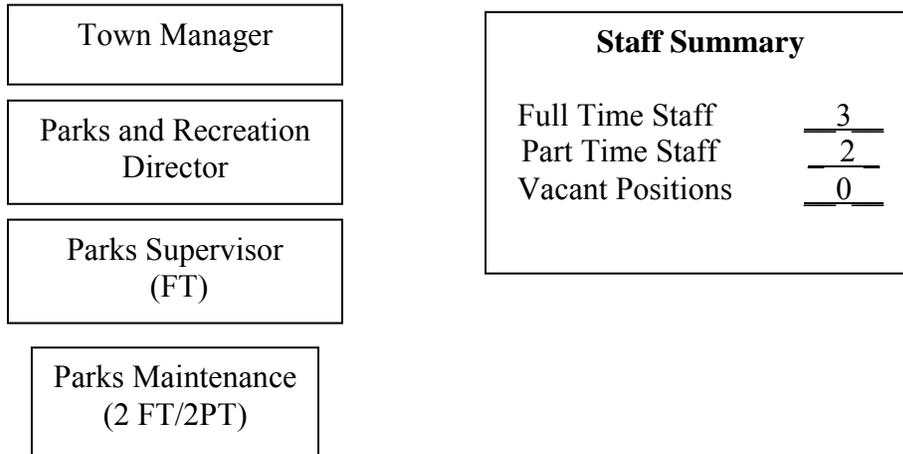
PARKS DEPARTMENT

Description:

This department maintains all existing park facilities within the town’s corporate boundaries and the grounds surrounding all town buildings. This department’s daily work includes coordinating with other town departments, other governmental entities and agencies, and individuals to monitor and maintain all park grounds and facilities for safety, aesthetics, ecological health, and compliance with governmental guidelines. The department performs needed upgrades and maintenance operations.

Core Services:

Maintain all public grounds in the Town. Monitors and maintains the safety and aesthetic values of all Town grounds; ensures the maximum availability of Town facilities for visitors and residents alike; administers parks reservations for special events, and acts as Town liaison with parks users; coordinates with Recreation Department on field maintenance and scheduling; develops and plans new parks facilities and improves existing parks spaces; serves as horticultural consultants to the public and coordinates community-service horticultural projects; conducts snow-removal operations coordinated by the Streets Department; operates and maintains the ice-rink, skate park, and all other parks amenities; and monitors and maintains mitigation areas including the town’s conservation easement.



2013 Accomplishments:

The highlight of the year for the Parks Dept. was the completion of the work enabled by the Fishing is Fun Grant. Improvements to the river corridor through town include the enhancement of fisherman’s access, improvement of fish habitat, and deepening of the low-water channel for boaters. The upper pond at the River Center was dredged and the boater put-in at the Malt Shoppe was enhanced. The process of redefining the fishing experience was continued with a collaborative effort to establish part of the town reach as an “Artificial-lure” area. A new whitewater feature was added above the Apache St. Bridge next to Town Hall, and a small picnic area was added to the new river access point at that location. In Centennial Park a raw-water irrigation system was installed, and the turf re-established after the construction. Availability of electrical outlets was expanded, and raw water was provided to the Community Garden. Yamaguchi Park saw the addition of a sunshade over the playground, and significant progress was made in the establishment of turf and trees in the Yamaguchi landscape. The Town Park Gazebo restrooms were provided with natural gas, allowing those facilities to be used year-round for the first time starting this winter. Numerous improvements to the Reservoir Hill park are added, including an electric service for events to be held at the Spa Trailhead, the improvement of the road to the very top of the hill to facilitate future construction, and the implementation of a policy of providing firewood generated during forest thinning to be used by festival attendees, thereby discouraging the importation of firewood, and the attendant pests it might harbor, to the hill. Major improvements were seen on the disc

golf course, and trail work was completed. Another great improvement in parks Department operations was achieved when personnel from the Ross Aragón Community, working closely with Parks and Recreation staff, took over the management of the special events calendar.

2014 Goals:

Reservoir Hill will be the focus of much of the work in the Town's parks in 2014. A donated gazebo will be installed at the northeast corner of the meadow. Improvements to the grade and irrigation of the meadow are planned. A new observation platform will be built on the top of the hill, and improved trail signage will be installed. A grant from GOCO will partially fund continuing forestry work. The Riverwalk in the River Center will be resurfaced, and the extension of the Eighth St. sidewalk by the library will receive landscaping, as will the extended section of the Wetlands section of the Riverwalk. The sixth of seven permitted whitewater features will be built in the Yamaguchi Park section of the river. A third seasonal employee will be hired and trained, augmenting the ability of the parks crew to respond to the ever-expanding maintenance duties.

FACILITIES MAINTENANCE DEPARTMENT

Description:

The maintenance department performs a variety of facility and building maintenance and preventative maintenance duties for the Town's buildings and facilities. Work performed includes skilled and semi-skilled carpentry, electrical, plumbing, and mechanical duties.

Core Services:

This department's main duty is to provide preventative maintenance and repair, when needed, Town facilities, equipment and buildings by performing a variety of skilled and semi-skilled work. These duties also include investigating maintenance complaints; performing building safety inspections, and ensuring compliance with proper work methods and CIRSA recommendations. The maintenance department works closely with all other departments and is available to assist when necessary. This department also maintains records of completed maintenance and repair work and responds to requests for emergency repairs. The staff orders supplies and maintains an inventory of parts, schedules, directs and participates in remodeling of facilities. During the winter season, this department is responsible for removing snow from both the Town Hall and Community Center parking lots and walkways. This department also assists with the functions of the community center by moving furniture within and between buildings; sets up rooms and meeting spaces, assists in the set-up and take-down of necessary equipment used in events at the Community Center and is in charge of custodian services in the Town Hall and Community Center. This department also coordinates and directs the Town's 4th of July fireworks presentation.

Town Manager	Staff Summary
Maintenance Supervisor (1 FTE)	Full Time Staff <u> 3 </u>
Custodian (2 FTE)	Part Time Staff <u> 0 </u>
	Vacant Positions <u> 0 </u>

2013 Accomplishments: This department provided excellent services for the overall upkeep of the Town Hall and the Community Center. We revamped the Community Center's fire protection sprinkler system, installed a new furnace at the Town Park gazebo to keep the bathrooms warm, and worked closely with the Streets Department assisting with maintenance items. The department also provided assistance with the Geothermal Department handling customer service, keeping the plant running smoothly, and working with the Town Clerk department assisting with geothermal billing modifications.

2014 Goals:

In 2014, the department plans to continue its efficient maintenance program for the town facilities and continue to respond to facility emergencies/failures as well as conduct preventative maintenance. Also, assist and share the responsibilities in the Geothermal Department.

LODGER’S TAX FUND (TOWN TOURISM COMMITTEE DEPARTMENT)

Description:

The Town Tourism Committee’s overall goals and objectives unify around bringing tourists to Pagosa Springs. The Town Tourism Committee is focused on increasing overnight stays, increasing overall tourism traffic to Pagosa Springs and improving local amenities to encourage repeat visitation from tourists. The Committee consists of 11 Board members and one staff person.

Core Services:

- a) Promote Pagosa Springs as a tourism destination through the following:
 - a. Marketing and advertising, such as print and online marketing efforts, trade shows, PR & Media relations,
 - b. Continue to drive interest in Pagosa Springs through Social Media efforts, including Pagosa Springs facebook page, twitter, youtube and trip advisor
 - c. Fund and work with area event organizers to create events that will attract tourists to Pagosa and also provide them something to do while in town
 - d. Work with Town to implement Wayfinding and Signage Plan and other capital improvement projects as needed

- b) Work with community to improve the experience that Pagosa Springs offers tourists

Town Manager
Town Tourism Committee Executive Director (FT)

2013 Staff Summary	
Full Time Staff	<u>1</u>
Part Time Staff	<u>0</u>
Vacant Positions	<u>0</u>
Board Members	<u>11</u>

2013 Accomplishments:

- a) Determined 3-5 year goals during retreat in February 2013
- b) Developed effective advertising campaigns leveraging “Discover Colorado’s Secret” and “Choose your own Adventure” with strong results
- c) Applied for and received \$25,000 marketing matching grant through Colorado Tourism Office that allows Pagosa to take advantage of new marketing options, including Pandora, Outside Magazine Online and new trade shows
- d) Developed and began implementing transition plan for visitor center operations
- e) Continued to implement Wayfinding & Signage plan with enhanced gateway sign structures designed and close to ordering with solar lighting planned. Skyrocket banners added into banner mix on Hwy 160, added new shade sails, banners and flowers at River Overlook
- f) Worked with Chamber of Commerce to enhance holidays, with new Holiday Palooza festivities from Thanksgiving to New Years

2013 Measurements:

- a) Currently, 2013 lodgers tax shows an increase of 3.7% versus 2012 (\$11,981.59), a 9.4% increase over 2011 (\$29,049.72) and a 23% increase over 2008 (\$42,613).
- b) E-newsletter database has grown in excess of 70,000 subscribers, annual requests for visitor guides is approximately 30,000, social marketing efforts continue to grow and allow us to reach a larger audience
- c) Leads are tracking 22% higher in 2013 vs 2012, or 6000 more leads received
- d) Website traffic is extremely strong, with 158,380 unique visitors between 1/1/2013 and 10/31/2013; 1,707,961 page views, average 7.09 pages viewed per session, average 3:24 minutes spent on site, and an extremely low 201.47% bounce rate
- e) In 2013, there have been over 26,514 searches in the Book Direct lodging directory, with over 17,696 direct referrals sent to lodging properties.

2014 Goals:

- a) Continue implementation of Wayfinding & Signage Plan
- b) Continue to see growth in lodger's tax and overall leads through increased marketing efforts
- c) Continue to evolve the ways that we can provide visitors information
- d) Further develop partnership with Lodging Association by adding new features on booking engine, develop lead program for groups / meetings with website enhancements and new marketing efforts
- e) Continue to monitor and track all marketing efforts and overall performance metrics to maximize effectiveness
- f) Begin managing visitor center operations in May 2014, and launch new ways to track visitors

2013 Measurements:

- a) Increase lodgers tax revenue by 5% over 2013, or \$22,000
- b) Increase searches and referrals through Book Direct
- c) New metrics will be developed through Internet Honey to track visitors in Pagosa through new visitor center and touch screens around town
- d) As a committee, continue to be proactive in reaching tourists and staying on top of important marketing trends

Addendum C

Debt Service

Pagosa Springs - Combined Amortization

Nominal Annual Rate: 3.570%

	Date	Payment	Interest	Principal	Balance	Purchase Option Price
Loan	7/8/2011				\$ 2,155,207.38	
1	1/1/2012	\$ 205,906.73	\$ 37,829.28	\$ 168,077.45	\$ 1,987,129.93	N/A
2	7/1/2012	\$ 205,906.73	\$ 35,470.27	\$ 170,436.46	\$ 1,816,693.47	N/A
3	1/1/2013	\$ 205,906.73	\$ 32,427.98	\$ 173,478.75	\$ 1,643,214.72	N/A
4	7/1/2013	\$ 205,906.73	\$ 29,331.39	\$ 176,575.34	\$ 1,466,639.38	N/A
5	1/1/2014	\$ 205,906.73	\$ 26,179.52	\$ 179,727.21	\$ 1,286,912.17	N/A
6	7/1/2014	\$ 205,906.73	\$ 22,971.34	\$ 182,935.39	\$ 1,103,976.78	N/A
7	1/1/2015	\$ 89,816.53	\$ 19,705.99	\$ 70,110.54	\$ 1,033,866.24	\$ 1,044,204.90
8	7/1/2015	\$ 89,816.53	\$ 18,454.51	\$ 71,362.02	\$ 962,504.22	\$ 972,129.26
9	1/1/2016	\$ 89,816.53	\$ 17,180.70	\$ 72,635.83	\$ 889,868.39	\$ 898,767.07
10	7/1/2016	\$ 89,816.53	\$ 15,884.15	\$ 73,932.38	\$ 815,936.01	\$ 824,095.37
11	1/1/2017	\$ 89,816.53	\$ 14,564.46	\$ 75,252.07	\$ 740,683.94	\$ 748,090.78
12	7/1/2017	\$ 89,816.53	\$ 13,221.21	\$ 76,595.32	\$ 664,088.62	\$ 670,729.51
13	1/1/2018	\$ 89,816.53	\$ 11,853.98	\$ 77,962.55	\$ 586,126.07	\$ 591,987.33
14	7/1/2018	\$ 89,816.53	\$ 10,462.35	\$ 79,354.18	\$ 506,771.89	\$ 511,839.61
15	1/1/2019	\$ 89,816.53	\$ 9,045.88	\$ 80,770.65	\$ 426,001.24	\$ 430,261.25
16	7/1/2019	\$ 89,816.53	\$ 7,604.12	\$ 82,212.41	\$ 343,788.83	\$ 347,226.72
17	1/1/2020	\$ 89,816.53	\$ 6,136.63	\$ 83,679.90	\$ 260,108.93	\$ 262,710.02
18	7/1/2020	\$ 89,816.53	\$ 4,642.94	\$ 85,173.59	\$ 174,935.34	\$ 176,684.69
19	1/1/2021	\$ 89,816.53	\$ 3,122.60	\$ 86,693.93	\$ 88,241.41	\$ 89,123.82
20	7/1/2021	\$ 89,816.53	\$ 1,575.12	\$ 88,241.41	\$ -	\$ -
Totals		\$2,492,871.80	\$337,664.42	\$ 2,155,207.38		

Wells Fargo Equipment Finance, Inc.
 733 Marquette Avenue
 MAC: N9306-070
 Minneapolis, MN 55402

**SUPPLEMENT TO MASTER GOVERNMENTAL
 LEASE-PURCHASE AGREEMENT**

Name and address of Lessee:
Town of Pagosa Springs
551 Hot Springs Boulevard
Pagosa Springs, CO 81147

Supplement No. 0303118-400

This is a Supplement to the Master Governmental Lease-Purchase Agreement No. 303118 dated June 8, 2010 (the "Master Lease"), between Lessor and Lessee. Pursuant to the Master Lease (all the terms and conditions of which are incorporated herein by reference, except to the extent that they relate to other Schedules or Equipment listed on other Schedules) and this Supplement, Lessor is leasing to Lessee, and Lessee is leasing from Lessor, the Equipment described below. Lessee represents, warrants and covenants that its representations, warranties and covenants set forth in the Master Lease (including, without limitation, Section 6 thereof) are true and correct as though made on the date of execution of this Supplement.

EQUIPMENT DESCRIPTION			
Quantity	Serial Number		
One (1)	NAC531622	2010 Case 580SM-3 Backhoe, including all parts, attachments and accessories.	
Location of Equipment (if different from Lessee's address)		SCHEDULE OF RENT PAYMENTS	
Acceptance Date		Basic Rental Payments	Number Of Payments
Payment term in months		Advance Payments	
60 months		1,333.00	60
Rental payment period (check one)		Interest Rate	First Payment Due
<input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Annually <input type="checkbox"/> Quarterly <input type="checkbox"/> Other - see additional provisions <input type="checkbox"/> Semi-annually		4.12%	July 2010
			Final Purchase Option Price
			\$1.00
		FINANCE AMOUNT: \$72,416.00	
		TOTAL RENT: \$79,979.96	

Additional Provisions:

Exhibit A is attached hereto pursuant to Section 4 of the Master Lease Agreement #303118 dated June 8, 2010. Notwithstanding anything to the contrary contained herein, the date the first payment period begins shall be the date 100% of the proceeds are disbursed hereunder.

LESSOR: Wells Fargo Equipment Finance, Inc.

LESSEE: Town of Pagosa Springs
 Pagosa Springs, CO

By _____
 Its _____
 Date _____

By David J. Mitchell
 Town Manager
 Date July 7, 2010