



# 2022 Budget

Town of Fraser  
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**FRASER, COLORADO**  
**2022 MUNICIPAL BUDGET**

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**ADMINISTRATION**

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Michael Brack – Assistant Town Manager

Antoinette McVeigh – Town Clerk

Beth Williams – Finance Manager/Treasurer

Russell Pennington – Public Works Director

Catherine Trotter – Town Planner

Sarah Wieck – Marketing and Communications Manager

# TOWN OF FRASER 2022 BUDGET MESSAGE

## To the Honorable Mayor, Town Trustees, and Residents of Fraser

It is with great pleasure that I present the Town of Fraser's 2022 Annual Budget. This Budget outlines Town operations and capital improvements for the coming year. It is the culmination of several months of collaborative work by Town staff and the Board of Trustees and represents the strategic and operational objectives of the Town.

The 2022 Budget reflects the conservative fiscal policies of the Town to provide outstanding service effectively and efficiently to the Fraser community. The Budget is a balanced plan for achieving this goal and ensures the Town maintains healthy reserves to respond to opportunities.

Fraser entered 2021 cautiously given the uncertainties of the Covid-19 pandemic and how it may impact tourism in the area. Sales taxes were not projected to increase in 2020, and only modest gains were projected for property tax revenues. Yet, despite Covid-19, Fraser saw dramatic increases in sales and use taxes in 2021 and projects this trend to continue in 2022.

Although the Town is seeing increased growth in our sales tax revenues, Fraser will face several challenges in 2022 and beyond, including the following:

- The lack of affordable housing is creating employee shortages throughout the Fraser Valley. Even the Town is operating at 80% staffing, which is creating stress on remaining staff to fully perform Town operations. Affordable housing was identified as the #1 priority by the Fraser Board of Trustees, and Fraser and Winter Park are working collaboratively to create a regional housing authority in 2022. However, fixing the affordable housing shortage will take many years.
- The Lift bus service is currently funded by a 1% sales tax approved by Fraser voters in 2015. Revenues from the 1% sales tax have proved adequate to fund bus operations; however, in 2022 costs for The Lift are expected to increase by 53%, and Fraser will have to evaluate the sustainability of its 1% sales tax to meet future cost increases.
- Inflow and infiltration into the Town's wastewater system continues to be a challenge for the Upper Fraser Valley Wastewater Treatment Facility. Snow melt and stormwater runoff into the system can exceed the treatment capacity of our permit, which can lead to costly upgrades which can be avoided by reducing inflow and infiltration. Fraser will need a comprehensive multi-year approach to replacing aging wastewater infrastructure to reduce inflow and infiltration.
- The Town's Public Works facilities are too small to accommodate equipment and staff. Located in the heart of Old Town, there is no room to expand our current facilities. Modifications to the facilities are budgeted in 2022, but more space is needed to provide better working conditions for staff and to allow for indoor storage and security of Town vehicles and equipment.
- The Town is currently under a lawsuit originating from the 2003 Annexation Agreement and the 2005 Amendment to that Annexation Agreement that requires Grand Park Development, LLC to provide a conservation easement on Elk Creek and Cozens Meadows. The suit was filed when Fraser placed Grand Park development under notice of default and set out remedies to compel compliance to the conservation easement dedications. On-going litigation will extend into 2022 and possibly beyond.

In addition to the challenges listed above, Fraser, like all other organizations and businesses in the Fraser Valley, is experiencing employee shortages. Currently, Fraser is running at 80% staffing, which places a

high burden on remaining staff to accomplish the Town’s operational and strategic objectives. The shortages are attributable to several factors, chief of which is the limited availability of affordable housing. For this reason, 2022 will see substantial changes in employee pay and benefits to help retain current staff.

The following table details the **Approved Staffing Levels** and current vacancies for the Town of Fraser. Temporary and seasonal workers are not reflected below. Fraser will not change staffing levels for 2022.

| <b>Position</b>                           | <b>2021</b>  | <b>2022</b>  | <b>Vacancies</b> |
|---|--------------|--------------|------------------|
| Town Manager                              | 1.00         | 1.00         | 0                |
| Assistant Town Manager                    | 1.00         | 1.00         | 0                |
| Town Clerk                                | 1.00         | 1.00         | 0                |
| Finance Manager                           | 1.00         | 1.00         | 0                |
| General Accountant                        | 1.00         | 1.00         | 0                |
| Town Planner                              | 1.00         | 1.00         | 0                |
| Marketing and Communications              | 1.00         | 1.00         | 0                |
| Public Works Director                     | 1.00         | 1.00         | 0                |
| Operations and Maintenance Superintendent | 1.00         | 1.00         | 1.00             |
| Project Coordinator                       | 1.00         | 1.00         | 1.00             |
| Street Supervisor                         | 1.00         | 1.00         | 0                |
| Lead Operator/Head Gardner                | 1.00         | 1.00         | 0                |
| Equipment Operator/Laborer                | 8.00         | 8.00         | 3.00             |
| Water Superintendent                      | 1.00         | 1.00         | 0                |
| Equipment Operator/Utilities              | 3.00         | 3.00         | 0                |
| WWTP Superintendent                       | 1.00         | 1.00         | 0                |
| WWTP Operator                             | 3.00         | 3.00         | 1.00             |
| The Drop Service Attendant                | .50          | .50          | 0                |
| <b>Total</b>                              | <b>28.50</b> | <b>28.50</b> | <b>6.00</b>      |

Retaining experienced staff will be a fundamental objective for 2022. The U.S. Bureau of Labor estimates that the cost to replace an employee can range from ½ to 2 times the employee’s annual salary. These costs include recruiting, on-boarding, training, and lost productivity. Under this model, Fraser’s 20% vacancy rate equates to an estimated annual loss of between \$150,000 and \$590,000.

Payroll costs for 2022 are budgeted at **\$1,266,221**. This represents a 9% increase, or \$104,550, over 2021. The increase includes a 4% cost of living adjustment (COLA) and a 5% merit increase. COLA is an annual adjustment to account for inflation and is based on the Denver-Aurora-Lakewood Consumer Price Index. COLA ensures an employee’s base wage remains whole despite inflation. The Town is also budgeting an additional **\$39,010** to raise the Town’s match for the employee 457b retirement plan from 2% to 4%.

Recruiting is also a challenge for Fraser. Vacancies can take months or even years to fill (for example, one vacancy has been open for 17 months). To counter this challenge, Fraser will allocate \$75,000 of the American Rescue Plan funds for recruitment efforts. These funds will be used for hiring inducements, relocation assistance, and temporary housing assistance.

## Intergovernmental Agreements

Fraser maintains intergovernmental agreements (IGA) to provide essential services to the community. The use of IGAs allows the Town to reduce costs by partnering with neighboring local governments. The following services are provided through IGAs:

**Public Safety Services:** In lieu of directly providing public safety services, the Town has entered into an agreement with the Town of Winter Park, Colorado to form a joint public safety force effective May 1, 2005 and amended March 21, 2012. The agreement requires costs to be split 65% to Winter Park and 35% to Fraser, based upon average call volume, but reevaluated annually and may be amended as agreed upon by both parties. In 2022 Public Services will expand with the inclusion of a Code Enforcement Officer.

**Building Department:** The Town entered into an agreement on January 20, 2010, to form a joint building services department with the Town of Winter Park, Colorado, and the Town of Granby, Colorado. According to the agreement, quarterly expenses are to be split based upon the portion of revenue collected for each Town but may be adjusted annually by mutual agreement based on permits issued, inspections performed, time expended by personnel, vehicle depreciation and mileage and other measures.

**Transportation Agreement:** The Town entered into an agreement on June 19, 2018, with the Town of Winter Park to provide transit services. The terms of the agreement automatically renew for 10 one-year periods unless either party provides written notice of nonrenewal on or before June 30th of the prior year. Pursuant to the agreement, the Town pays a monthly management fee equal to 10% of Winter Park's management costs of the Transit System, as well as all operating costs incurred for the Town's portion of the route.

**Water Storage Agreement:** In 2018, the Town purchased 25 acre-feet of water rights at Grand County Water Storage Reservoir. Pursuant to the terms of the operating agreement, the Town of Fraser and the Town of Winter Park will split costs associated with Maintenance and Capital Reserves as needed by Grand County Water Storage Reservoir.

## Fund Reserves

The Fraser Board of Trustees has adopted Financial Policies that include fund reserve policies and goals. As a function of the Town's goal of fiscal transparency, the Budget format identifies the available reserves for each fund. In 2019, the Board of Trustees established Strategic Reserves in the General, Water, and Wastewater Funds to set aside one-time revenues for use toward future capital expenditures.

The following table identifies Fraser's reserve goals for 2022:

| <b>Reserve Targets</b>                    |           |           |             |             |
|---|-----------|-----------|-------------|-------------|
|   | Target    | 2021 YEE  | 2022 Budget | Over/Under  |
| <b>General Fund</b>                       |           |           |             |             |
| Tabor Reserve                             | 212,845   | 185,500   | 185,500     | (27,345)    |
| Affordable Housing Reserve                | 730,426   | 730,426   | 730,426     | 0           |
| P&OS Reserve                              | 0         | 6,379     | 0           | 0           |
| Committed Emergency Reserve               | 3,372,068 | 1,575,500 | 1,575,500   | (1,796,568) |
| Strategic Reserve                         | 1,500,000 | 1,500,000 | 1,500,000   | 0           |
| Unassigned Fund Balance                   | 0         | 3,634,737 | 1,665,669   | 1,665,669   |
| <b>Restricted Revenue Fund</b>            |           |           |             |             |
| Committed Emergency Reserve               | 183,750   | 210,000   | 210,000     | 26,250      |
| Unassigned Fund Balance                   | 0         | 561,977   | 758,377     | 758,377     |
| <b>Conservation Trust Fund</b>            |           |           |             |             |
| Unassigned Fund Balance                   | 0         | 27,683    | 24,758      | 24,758      |
| <b>Capital Equipment Replacement Fund</b> |           |           |             |             |
| Unassigned Fund Balance                   | 0         | 37,895    | (478,559)   | (478,559)   |
| <b>Capital Asset Fund</b>                 |           |           |             |             |
| Committed Reserve                         | 0         | 0         | 0           | 0           |
| Unassigned Fund Balance                   | 0         | 134       | 50,134      | 50,134      |
| <b>Cozens Ranch Open Space Fund</b>       |           |           |             |             |
| Unassigned Fund Balance                   | 0         | 275,692   | 452,071     | 452,071     |
| <b>Debt Service Fund</b>                  |           |           |             |             |
| Committed Reserves                        | 0         | 35,620    | 35,720      | 35,720      |
| Unassigned Fund Balance                   | 0         | 1,927     | 2,027       | 2,027       |
| <b>Water Fund</b>                         |           |           |             |             |
| Committed Reserve                         | 1,000,000 | 600,000   | 677,000     | (323,000)   |
| Strategic Reserve                         | 1,000,000 | 194,025   | 271,025     | (728,975)   |
| Unassigned Reserve                        | 0         | 1,233,293 | 12,163      | 12,163      |
| <b>Wastewater Fund</b>                    |           |           |             |             |
| Committed Reserve                         | 2,000,000 | 2,101,000 | 2,151,000   | 151,000     |
| Strategic Reserve                         | 1,000,000 | 2,055,000 | 2,055,000   | 1,055,000   |
| Unassigned Reserve                        | 0         | 4,685,961 | 4,449,803   | 4,449,803   |

## Budget Basis

Basic of budgeting refers to the methodology used to include revenues and expenditures in the budget. The Town of Fraser primarily budgets on a cash basis, where revenues and expenditures are assumed to be collected or spent during the period appropriated. Using this assumption, the current year revenues are compared to expenditures to ensure that each fund has sufficient revenues to cover expenditures during the budget year, or that there are sufficient cash reserves in the fund to cover the revenue shortfall.

## Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported in the financial statements. The government-wide financial statements, as well as the financial statements for proprietary funds and fiduciary funds, are reported using the economic resource measurement focus and the **accrual basis** of accounting. Under accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of when the cash is received.

Governmental fund financial statements are reported using current financial resources measurement focus and the modified accrual basis of accounting. Under modified accrual basis of accounting, revenues are recognized as soon as they become both measurable and available, and expenditures are recorded in the periods that the expenditure occurs and becomes a liability.

## Basis of Budgeting vs. Basis of Accounting

The basis of budgeting differs from the basis of accounting only by the assumptions that are made regarding the timing of the recognition of revenues and expenditures. The budget assumes that all revenues and expenditures, as well as the associated cash, will be expended or received during the budget period. Conversely, the basis of accounting only recognizes revenues when they become both measurable and available, and expenditures incurred. Cash is not necessarily received or expended at the same time.

## Budgetary Process

The budgetary process is a year-round activity where staff monitors revenues and expenses against the current adopted budget. Budget development begins mid-year in the offices of the Town Manager and Finance Manager as trends are identified and work plans for the current year are evaluated. The Town Manager and Finance Manager meet with department heads to identify operations and maintenance (O&M) and capital expenditures for the coming year. These expenditures are evaluated against the Fraser Board of Trustees' short and long-term strategic objectives, operational needs, intergovernmental and contractual agreements, and legal obligations.

Colorado statutes require a preliminary budget be presented to the governing body no later than October 15<sup>th</sup> of each year. The Fraser Board of Trustees held 4 budget work sessions between September and November, and two public hearings. Budget approval was obtained on December 1<sup>st</sup>.

## Fund Accounting

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fraser, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of Fraser can be divided into three categories: governmental, proprietary, and fiduciary funds.

**Governmental Funds:** Governmental funds are used to account for tax-supported activities in Fraser. The Town’s budget divides governmental funds into the following categories:

- **General Fund (GF):** Provides for the general functions and services such as administration, planning, law enforcement, streets, and properties.
- **Restricted Revenue Fund (RRF):** Funded by a dedicated sales tax to be used for transportation, trails, and capital project expenditures.
- **Capital Asset Fund (CAF):** Funds long term maintenance of capital assets (streets, buildings, parks, trails, etc.).
- **Conservation Trust Fund (CTF):** Funded by lottery proceeds and provides for open space and recreational related capital projects.
- **Cozens Ranch Open Space Fund (CROS):** Funded by grants and transfers from the General Fund and provides for capital projects that are part of the Fraser River Corridor Master Plan that lie within the Cozens Ranch Open Space.
- **Debt Service Fund (DSF):** Provides for bonded debt service payments.
- **Capital Equipment Replacement Fund (CERF):** Provides for vehicle and heavy equipment purchases.

**Proprietary funds:** The Town maintains two proprietary funds, commonly known as enterprise funds. Enterprise funds are used to report activities that function as business-type activities. The Town has two proprietary funds:

- **Water Fund (WF),** an enterprise fund for the Town’s water utility
- **Wastewater Fund (WWF),** an enterprise fund for the Town’s wastewater utility.

**Fiduciary funds:** As managers of the Upper Fraser Valley Wastewater Treatment Plant (“UFVWWTP”), the Town operates the Joint Facilities Fund (“JFF”) as a fiduciary fund to account for the operations and maintenance of the facility along with any capital expenditures related to the plant.

## GOVERNMENTAL FUNDS

### General Fund

**Revenues** in the General Fund are projected at **\$9,302,402**, which represents a **33.5%** increase over 2021. General Fund revenues come from a variety of sources, including property and sales taxes, use taxes, fees, charges for services, and transfers.

- **Sales tax** is the single largest source of revenue for the town. The sales tax rate for the Town of Fraser is 6%, of which 5% goes to the General Fund, and 1% is dedicated to transportation, trails, and capital improvements (see **Restricted Revenue Fund** below). General Fund sales tax collections are projected at **\$3,200,000**, which represents a 14.06% increase over 2021. Approximately 9% of this amount is attributed to the collection of taxes on on-line sales.
- The second largest source of revenue for Fraser is **property tax**. The mill levy rate for Fraser is 5.886, which represents approximately 9% of a property owner’s total property tax bill. In 2022, Fraser is projecting property tax revenues of **\$575,735**. This amount includes a reimbursement of **\$132,130** of projected lost tax revenue for exempt business personal property which was changed under HB21-1312 in 2021.

- Fraser is also projecting an increase in **Use Taxes** for 2022. Use taxes are assessed on both building materials and motor vehicles at a rate of 4%. Fraser projects building materials use taxes at **\$250,000**, and on motor vehicle sales at **\$140,000** in 2022.
- Fraser is also expecting an estimated **\$182,000** for the Town's share of the excess reserve for the combined Fraser/Winter Park Building Department. This amount represents an estimated 12% increase over 2021.

**Expenditures** for 2022 are estimated at **\$7,344,928**. Expenditures pay for basic governmental services. Basic services include the following:

- **Administration**, including accounting and finance, records management, general municipal operation and maintenance, The Drop operations, grant management, economic development, and legal services.
- **Public Works**, including maintenance of streets, trails, parks, and other assets; water production and distribution to Fraser residents and guests; wastewater collection and treatment.
- **Management** of intergovernmental agreements, including police services, mass transit, and building inspection services
- **Art in Public Places**, including event management and marketing.

In addition to basic services, the 2022 budget includes the following:

- **Fraser/Winter Park Police Department** (10-41-862) is budgeted for **\$732,000**. This includes the addition of a shared Code Enforcement Officer.
- **Community Housing** (10-41-874) will see **\$800,000** budgeted for affordable housing initiatives. In 2021, Fraser paid \$80,000 for two (2) deed-restricted agreements and committed \$75,000 to support a regional housing authority in corporation with Winter Park. This leaves the 2021 Community Housing budget with a \$595,000 committed reserve. When combined with the 2022 budget allocation, Fraser will have \$1,395,000 for affordable housing projects. These funds can be used for the Town's deed-restriction program, property acquisition, and housing programs.
- **Legal fees** (10-45-310) are budgeted at **\$175,000**, which is significantly higher than in previous years due to a lawsuit filed by Cornerstone Development in 2021. The lawsuit also caused the Town to spend more than the budgeted amount in 2021 as the Town's legal team prepared responses to the lawsuit and to defend the Town during a Preliminary Injunction hearing.
- **Other Professional Services** (10-45-370) includes **\$150,000** to update the Fraser Comprehensive Land Use Plan.
- **Facility/Property Improvements:**
  - Old Historic Church (10-45-670): \$50,000 for bathrooms and kitchen renovations
  - Town Hall (10-45-673): \$75,000 to address ADA, roof snow loading, and A/C issues
  - PW facility (10-60-670): \$25,000 for door replacement and evaporative coolers
  - Fraser River Trail (10-60-673): \$150,000 for bridge replacement
  - Old Schoolhouse Park (10-60-676): \$75,000 to replace sprinkler system
  - School Bus Garage at PW facility (10-60-679): \$20,000 to widen doorway
  - Mural Park (10-60-684): \$35,000 for picnic tables and shade covering
  - PW lot – 6W (10-60-687): \$45,000 for soil stabilization and stormwater management
  - Headwaters Trail Alliance (10-65-670): \$60,000 for new roof, siding, and bathroom upgrade

## Restricted Revenue Fund

The **Restricted Revenue Fund** accounts for the 1% sales tax approved by Fraser voters in 2015 which are restricted to transportation, trails, and capital project expenditures.

Fraser is conservatively projecting **\$800,000** in revenues from the 1% sales tax in 2022. While there is no way to accurately project sales tax revenues from year to year, recent years have seen revenues exceed expectations by as much as 21%. For example, in 2021 Fraser anticipated 1% sales tax revenues of \$687,500, but is expected to close out 2021 with revenues approaching \$875,000. By comparison, actual 1% sales tax collections in 2020 were \$936,728. With this in mind, we expect revenues to far exceed projections in 2022.

The primary purpose of the 1% sales Tax is to fund Fraser's share of **The Lift** bus service. The Lift provides free bus services in Fraser and Winter Park, with routes extending to Granby and the Winter Park Ski resort. In 2021, Fraser budgeted \$680,000 for transportation operations; however, Fraser is only budgeting \$400,000 for 2022 (12-40-610). The decrease stems from grant funding obtained by Winter Park to reduce costs in 2022.

The Lift is projecting a 53% cost increase beginning in mid-2022. The increase is due to shortages of CDL (commercial driver's license) certified drivers. To attract qualified drivers, First Transit is proposing significant wage increases to recruit and retain adequate staffing levels to continue providing expected levels of service. While grant funds will offset the increased costs in 2022, Fraser will need to evaluate the long-range sustainability of its 1% sales tax revenues to continue to support The Lift in coming years.

The secondary purpose of the 1% sales tax is for trails. In 2022, Fraser is budgeting **\$185,000** for trail operations and maintenance (12-40-710). These expenditures will cover trail maintenance, plowing, tree removal, and repaving the Fraser River Trail.

## Debt Service Fund

The Debt Service Fund provides for bond principal and interest payments. Fraser currently does not have outstanding bond debt.

## Conservation Trust Fund

The **Conservation Trust Fund** accounts for lottery proceeds that can only be used for park and recreation improvements. Fraser estimates **\$7,000** from lottery proceeds in 2022 which, combined with carryover fund balance and interest, will leave a fund balance of **\$34,758**. The Town will transfer **\$10,000** to the Cozens Ranch Open Space fund which, combined with grants and a transfer from the General Fund, will fund landscaping and bathroom construction at Lion's Pond.

## Cozens Ranch Open Space Fund

The **Cozens Ranch Open Space Fund** accounts for capital improvements within Cozens Ranch which is part of the Fraser River Corridor Master Plan. The fund receives revenues through grants and transfers from both the General Fund and the Conservation Trust Fund. Expenditures in 2022 include **\$50,000** for landscaping, **\$250,000** to construct bathroom facilities, and **\$160,000** for general utilities.

## Capital Asset Fund

The Capital Asset Fund details capital projects and is funded through transfers from the General Fund. In 2022, Fraser is budgeting **\$700,000** for various street projects, including paving on Wapiti and Rendezvous Roads (\$500,000), curb, gutter, and sidewalk repairs (\$100,000), and improvements on Engleman Stand (\$100,000).

## Capital Equipment Replacement Fund

Revenues for capital equipment replacement come from Highway Use Taxes and transfers from other funds. Fraser is budgeting **\$490,441** in revenues, which includes **\$48,346** in Highway Use Tax and the remainder from transfers and unassigned fund balance. The following capital equipment purchases are scheduled for 2022:

- Public Safety Fleet Purchase, \$84,000
- Fraser Fleet Purchases
  - Operations vehicle, \$50,000
  - Water/Wastewater vehicle, \$90,000
- Haul Truck, \$150,000

In addition to fleet purchases, Fraser maintains a lease/purchase on 4 vehicles. The lease/purchase agreements will be paid in full during 2022. The following Supplemental Lease/Purchase Information details the costs of leased equipment:

### Supplemental Lease/Purchase Information: (Required by C.R.S. 29-1-103 (d)(II))

| <u>Equipment</u>          | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---------------------------|------------------|-----------------|--------------|
| <b>Bobcat Skid Steer</b>  |                  |                 |              |
| Lease Price: \$55,351     |                  |                 |              |
| Total payment due in 2022 | \$8,827.76       | \$158.42        | \$8,986.18   |
| Total payment due in 2023 | 0                | 0               | 0            |
| <b>Bobcat Tool Cat</b>    |                  |                 |              |
| Lease Price: \$52,511     |                  |                 |              |
| Total payment due in 2022 | \$10,898.42      | \$294.07        | \$11,182.49  |
| Total payment due in 2023 | 0                | 0               | 0            |
| <b>2017 Dodge 5500</b>    |                  |                 |              |
| Lease Price: \$66,278     |                  |                 |              |
| Total payment due in 2022 | \$13,872.16      | \$678.34        | \$14,550.50  |
| Total payment due in 2023 | 0                | 0               | 0            |
| <b>2019 Freightliner</b>  |                  |                 |              |
| Lease Price: \$228,985    |                  |                 |              |
| Total payment due in 2022 | \$58,606.50      | \$3,011.20      | \$61,617.70  |
| Total payment due in 2023 | 0                | 0               | 0            |

## PROPRIETARY FUNDS

### Water Fund

The Water Fund is operated as a business-like enterprise of the Town. Revenues derive through service charges and fund reserves and must cover all expenditures. Revenues in 2022 are projected at **\$2,541,143**, which includes a **\$1,233,293** carryover from 2021. Expenditures are projected at **\$2,528,980** and include the following significant expenditures and capital projects:

- **Engineering Fees (50-40-330): \$90,000** for a SCADA master plan, tablets for operators, and development of a 5-Year Capital Improvement Plan
- **Other Professional Services (50-40-370): \$105,000** for a water drawdown study, well field study, and a water rate study
- **System Repair and Maintenance - Production (50-40-460): \$245,000** for upgrades to the northwest treatment plant, well cleaning, and Mary's Pond augmentation.
- **System Repair and Maintenance – Collection (50-40-465): \$162,000** for multiple valve and system repairs, service line repairs, and meter testing/replacement.
- **Property Management – Fraser WTP (50-40-670): \$60,000** for new roof, concrete pad, and design work on new facility.
- **Water Rights – Diversion and Development (50-40-715): \$65,000** for water augmentation at Mary's Pond and St. Louis/Forest Meadows.
- **Capital Projects (50-40-730): \$805,000** for the following:
  - Byers Ave. water main replacement, \$300,000
  - Quail Loop valve replacement, \$50,000
  - Ptarmigan blow-off, \$225,000
  - 2 Pressure Reducing Valves, \$200,000

### Wastewater Fund

The Wastewater Fund is operated as a business-like enterprise. Revenues consist of service charges and fund reserves and must cover all expenditures. Revenues in 2022 are projected at **\$5,869,463** and includes **\$4,685,961** in carryover from 2021. Expenditures are projected at **\$1,419,660** and include the following significant expenditures and capital projects:

- **Engineering Fees (55-40-330): \$85,000**, includes \$25,000 for general engineering, \$30,000 for an Inflow and Infiltration study, and \$30,000 for a CIP study
- **Other Professional Services (55-40-370): \$45,000**, includes \$35,000 for a rate study
- **System Repair and Maintenance – Collections (55-40-460): \$150,000** includes \$85,000 for jetting, video, and point repairs to the sanitary sewer collection system
- **Equipment Purchase and Repair (55-40-510): \$55,000** includes \$50,000 for Vac/Jet, video equipment
- **Capital Projects (55-40-730): \$70,000** for engineering design work for sewer line and manhole replacement

## FIDUCIARY FUNDS

In 2002, the Fraser Sanitation District (the “District”), Winter Park Ranch, and Grand County Water and Sanitation District #1 entered into an agreement to participate in the joint construction, maintenance, and operations of joint interceptor sewer lines and joint sewage treatment facilities. This new wastewater treatment plant has been constructed on the existing plant site of the District/Winter Park Ranch treatment facility and a new and/or expanded sewer trunk line from Grand County #1 connects with the existing District/Winter Park Ranch interceptor line. Title of the new joint facilities will be allocated among these three members based on each member’s proportionate share of equivalent residential units to be serviced by the new plant. The Fraser Sanitation District was dissolved into the Town effective December 31, 2009.

Under the Upper Fraser Valley Wastewater Agreement, a Joint Facilities Oversight Committee (“JFOC”) was established to represent the three districts regarding the construction, expansion, operations, management, and maintenance of the new joint facilities. The JFOC is comprised of a total of nine members, with each district having three members. The Town was appointed as the manager of the joint facilities in 2020. The JFOC may designate a new manager on an annual basis.

The Fraser **Joint Facility Fund (JFF)** is a fiduciary fund that accounts for the operations, maintenance, and capital expenditures of the facility. The JFF budget is approved by the JFOC each year in September. The inclusion of the JFF Budget in the Fraser Annual Budget allows for greater transparency and accountability to the Fraser Board of Trustees, Grand County Water and Sanitation District #1, Winter Park Ranch, and residents of Fraser, Winter Park, and Grand County.

The JFOC began two projects in 2021 that will shape future operations. The first is an Equivalent Residential Units (EQR) study that assesses the estimated wastewater discharge from a residential property across all three districts. The current EQR totals were developed based on best estimates before the treatment facility was constructed over 20 years ago. The study will reevaluate discharge amounts based on actual water quality data, historical flows, and historical population growth trends. The study is expected to be concluded by December 2021.

The second project is the development of an Industrial Pre-Treatment Program (IPP). In recent years, the treatment facility has seen an increase in suspended solids flowing from breweries and distilleries in the region, as well as discharges from hot tubs and pools. The additional solids exceed the facility’s treatment capacity and causes environmental issues that threaten the discharge limits established by the Colorado Department of Public Health and Environment. An IPP will look for low-cost solutions that minimally impact local businesses. The IPP is expected to conclude in Summer 2022.

The JFF is divided into four sub-funds: Operations and Maintenance (O&M), Capital Replacement Reserves (CRR), Nutrients, and Plant Expenditures. Revenues for the JFF come from each member’s share of the operating expense as identified in the JFOC Agreement. Additional revenues come from Northern Water for nutrient costs associated with Project P, a joint capital project between Northern Water and the FJJ to reduce phosphorus discharges into the Fraser River.

O&M, Nutrients, and Plant Expenditures revenues and expenditures can be found on the supplemental JFF budget attached herein. The JFF CRR will begin 2022 with a **\$1,786,917** carryover from 2021. The fund is projecting **\$1,685,000** in expenditures for the following capital projects in 2022:

|                  |  |           |
|------------------|--|-----------|
| <b>47-60-370</b> | Engineering, Legal and Other Prof. Services      | 145,000   |
| <b>47-60-730</b> | CRR Projects                                     |           |
|                  | Shark Tooth                                      | 25,000    |
|                  | SCADA  | 45,000    |
|                  | Ballast Boards                                   | 4,000     |
|                  | Digester Mixer Motors                            | 20,000    |
|                  | Bubble Aeration System                           | 198,000   |
|                  | A-Basin Covers                                   | 50,000    |
|                  | Headworks Equipment                              | 280,000   |
|                  |  | 622,000   |
|                  |  |           |
|                  | <b><u>Capital Improvement Projects (new)</u></b> |           |
| <b>47-65-370</b> | Engineering, Legal and Other Prof. Services      | 100,000   |
| <b>47-65-730</b> | CIP Projects                                     |           |
|                  | Generator/Concrete/Electric                      | 28,000    |
|                  | Office Building                                  | 450,000   |
|                  | Solar  | 300,000   |
|                  |  | 778,000   |
|                  |  |           |
|                  | <b><u>Capital Purchases</u></b>                  |           |
| <b>47-69-740</b> | Capital Purchases                                |           |
|                  | Pickup Truck                                     | 40,000    |
|                  |  |           |
|                  |  |           |
|                  |  | 1,685,000 |

## In Summary

The 2022 budget has been prepared to deliver high quality services to the residents of Fraser, both in operations and capital investments, without issuing debt or increasing taxes. Personnel costs are strategic and focus on recruiting and retaining highly qualified staff. The budget also reflects the Town Board's commitment to addressing affordable housing shortages within the region. Capital expenditures for 2022 are conservative and reflect the Town's commitment to providing exceptional service. Park and open space improvements are designed to enhance Fraser's beauty and provide residents and visitors a world-class outdoor experience.

I would like to express my appreciation to the Fraser Board of Trustees for their commitment to the Fraser community by identifying the strategic objectives for the Town. I would also like to thank our Department Heads and Finance Manager for their 4-month collaborative efforts to prepare a balanced budget for 2022.

Sincerely,

*Ed Cannon*

Town Manager