



2023 Budget

Town of Fraser
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FRASER, COLORADO
2023 MUNICIPAL BUDGET

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Sarah Wieck – Marketing and Communications Manager

TOWN OF FRASER 2023 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 2023 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 2023 Budget reflects the conservative fiscal policies of the Town to provide outstanding service effectively and efficiently to the Fraser community. The 2023 Budget is also an extension of the 2022 Budget due to challenges around supply chain challenges, persistent inflation, and labor shortages that resulted in many capital project delays or deferrals. 2022 also provided opportunities to move strategic plans forward, the most notable being the purchase of Victoria Village land for future affordable housing development.

In the 2023 Budget process, the Board identified the following priorities for the Town:

- Affordable housing
- Fiscal preparedness
- Repair & Replacement of aging infrastructure
- Public Works facility
- Parking for downtown
- Childcare resources

Although the Town is seeing increased growth in our sales tax revenues, Fraser will face several challenges in 2023 and beyond, including the following:

- The lack of affordable housing is creating employee shortages throughout the Fraser Valley, which has impacted business' ability to provide services. Affordable housing has been identified as the #1 priority by the Fraser Board of Trustees and resulted in an ordinance to dedicate Short Term Rental permit fees to the Fraser Housing Authority. The communities in the Valley banded together to create the Fraser Valley Regional Housing Partnership in 2022, which received dedicated funding through the passage of Ballot Measure 6A, which created a 2-mil property tax for affordable and attainable housing. In 2022, Fraser paid \$800,000 as a 20% match for 10.5 acres known as Victoria Village. The matching funds provided through a DOLA Operation Turnkey Grant require 80% of developed housing to meet AMI affordability and construction to begin by September 2024.
- The Lift free bus service is a shared resource managed by Winter Park and operated by First Transit. The Fraser bus service, trail system, and capital projects are currently funded by a 1% sales tax approved by Fraser voters in 2015. Revenues from the 1% sales tax have proved adequate to fund the \$600k-\$800k in bus operations; however, in 2023 costs for The Lift service in Fraser are expected to exceed \$1.1M. Winter Park has passed along grant savings for transportation, which will allow the Town to absorb the higher costs in 2023. Fraser will need to evaluate the sustainability of its 1% sales tax to meet future cost increases.

- 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 2023 and possibly beyond.
- 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. The Fraser Board of Trustees adopted a comprehensive 10-year Capital Improvement Plan in 2022 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. Maintenance to the facilities is being prioritized only to urgent issues since more space is the underlying solution. Town administration is actively discussing alternative locations and scope for a new Public Works facility in order to provide better working conditions for staff and to allow for indoor storage and security of Town vehicles and equipment.
- The Board also identified parking and childcare as two important issues facing local businesses, employees, and full-time residents. Solutions are being interwoven with discussions around affordable housing and reallocation of current Town resources.

One of the impacts of the shortage of affordable housing is a shortage of labor, specifically skilled labor. New hires cannot afford to relocate to the area as home prices and interest rates put ownership out of reach of most public employees. The prevalence of Short-Term Rentals is causing additional pressures in the form of rent and lease duration for workers who have resided in the area for years. Employers are left with few options to retain current employees and to recruit new employees. The Board of Trustees approved an aggressive recruitment program in 2022 to lower some of the hurdles and allow new employees to move to the area. This helped the Town of Fraser fill positions that had been vacant since 2021 and had resulted in the Town moving from 80% to 92% staffing levels. Not all of this increase in staffing levels was due to recruitment. Some is attributed to organizational redesign which included eliminating some positions, restricting management levels, and outsourcing skillsets not available in the local workforce.

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 does not anticipate significant changes in staffing levels for 2023.

Position	2022	2023	Vacancies
Town Manager	1.00	1.00	0
Assistant Town Manager	1.00	1.00	0
Town Clerk	1.00	1.00	0
Deputy Clerk	0.00	1.00	0
Finance Manager	1.00	1.00	0
General Accountant	1.00	1.00	0
Town Planner (outsourced)	1.00	0.00	0
Marketing and Communications	1.00	1.00	0
Public Works Director	1.00	1.00	1.00
Operations and Maintenance Superintendent	1.00	0.00	0
Project Manager / Coordinator	1.00	1.00	0
Street Superintendent	1.00	1.00	0
Lead Operator/Head Gardner	1.00	1.00	0
Equipment Operator/Laborer	8.00	7.00	1.00
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	0
The Drop Service Attendant	0.50	0.50	0
Total	28.50	26.50	2.00

Retaining experienced staff will be a fundamental objective for 2023 since there is a shortage of certified / licensed workers in the region. Part of this retention policy is providing high-value employee benefits like health care, time-off policies, training, and performance bonus structures. The Town continues to budget for 100% of employee health and dental insurance coverage and 50% of spouse and family coverage as well as 4% matches to 401a and 457b retirement plans. The Town opted out of the State FAMLI insurance plan while implementing time-off policies that provide similar or better benefits.

2023 Total Compensation (payroll and benefits) is budgeted at **\$3,050,000**. This represents a 4.7% increase, or \$137,000 over 2022. The increase is significant due to inflationary impacts on wages and benefit costs but is worthwhile spending considering the costs of vacant positions. 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.

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 police services, the Town entered into an agreement with the Town of Winter Park, Colorado to form the Fraser/Winter Park Police Department, 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. The agreement also includes Fraser obligation to purchase a police vehicle each year to support the fleet replacement schedule. In 2022 Public Services expanded with the inclusion of a Code Enforcement Officer and a compensation study resulted in an \$180k increase in salaries across the department in 2023.

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.

Grand Beginnings Agreement: Since 2005, the Town of Fraser has participated in an Intergovernmental Agreement with other towns to share responsibility for broad-based investment on behalf of our communities' young children. In 2022 Fraser provided \$4500 in financial support to Grand Beginnings to support childcare.

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 2023:

Reserve Targets

	Target	2022 YEE	2023 Budget	Over/Under
General Fund				
Tabor Reserve	183,350	178,019	219,100	35,750
Affordable Housing Reserve	730,426	730,426	730,426	0
P&OS Reserve	0	6,379	0	0
Committed Emergency Reserve	3,372,068	1,170,500	1,170,500	-2,201,568
Strategic Reserve	1,500,000	1,500,000	1,500,000	0
Unassigned Fund Balance	0	4,176,643	1,957,475	1,957,475
Restricted Revenue Fund				
Committed Emergency Reserve	281,717	210,000	210,000	-71,717
Unassigned Fund Balance	0	891,509	491,045	491,045
Conservation Trust Fund				
Unassigned Fund Balance	0	26,456	23,531	23,531
Capital Equipment Replacement Fund				
Unassigned Fund Balance	0	103,307	94,498	94,498
Capital Asset Fund				
Committed Reserve	0	0	0	0
Unassigned Fund Balance	0	135,134	35,134	35,134
Cozens Ranch Open Space Fund				
Unassigned Fund Balance	0	422,392	99,392	99,392
Debt Service Fund				
Committed Reserves	0	33,698	35,820	35,820
Unassigned Fund Balance	0	1,932	2,127	2,127
Water Fund				
Committed Reserve	1,000,000	600,000	600,000	-400,000
Strategic Reserve	1,000,000	194,025	194,025	-805,975
Unassigned Reserve	0	1,495,324	37,058	37,058
Wastewater Fund				
Committed Reserve	2,000,000	2,101,000	2,201,000	201,000
Strategic Reserve	1,000,000	2,055,000	2,055,000	1,055,000
Unassigned Reserve	0	4,981,239	3,956,216	3,956,216

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 Director as trends are identified and work plans for the current year are evaluated. The Town Manager and Finance Director 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 15th of each year. The Fraser Board of Trustees held 4 budget work sessions between September and November, and one public hearing. Budget approval was obtained on November 16th.

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.
- **Fraser Housing Authority (FHA):** Ordinance 488 applied Short Term Rental permit fees to Housing Authority initiatives to support accessible and workforce housing.

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 **\$5,297,576**, which represents an **8%** increase over budgeted 2022 revenues. 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 5%, of which 4% 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 **\$3,700,000**, which represents a 16% increase over 2022 budget.
- 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 2023, Fraser is projecting property tax revenues of **\$451,111** based on Grand County Assessor estimates.
- Fraser is also projecting a decline in **Use Taxes** for 2023. Use taxes are assessed on both building materials and motor vehicles at a rate of 4%. Fraser projects building materials use taxes at **\$275,000**, which is in line with 2022 budget. Motor vehicle sales are projected at **\$110,000** in 2023 to reflect inflation pressures on auto sales. Use tax revenues are impacted by new building or renovation permits while motor vehicle revenues are impacted by population changes.
- Fraser is also expecting an estimated **\$140,000** for the Town's share of the excess reserve for the combined Fraser/Winter Park Building Department. This amount represents an estimated -34% decrease over 2022 budget.

Expenditures for 2023 are estimated at **\$7,035,395**. 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 / Special Events**, including event management, branding, and community attractions.

In addition to basic services, the 2023 budget includes the following:

- **Fraser/Winter Park Police Department** (10-41-862) is budgeted for **\$876,338**, a 20% increase over 2022 budget.
- **Community Housing** (10-41-874) will see **\$255,000** transferred to the Fraser Housing Authority for affordable housing initiatives which will be combined with revenues from the short-term rental application fees. 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 **\$250,000**, which is 43% 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 2022 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.
- **Reimbursable Professional Services** (10-45-375) has increased to \$100,000 to reflect engineering, planning, and legal fees billed to developers that were previously absorbed by town staff whose time cannot be billed out under the Town Code.
- **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
 - Fraser River Trail (10-60-673): \$160,000 for bridge replacement
 - Mural Park (10-60-684): \$40,000 for shade covering and planter boxes

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 **\$925,000** in revenues from the 1% sales tax in 2023. This is a 15% increase over 2022 budget. While there is no way to accurately project sales tax revenues from year to year, recent years have seen revenues exceed expectations. For example, in 2021 Fraser anticipated 1% sales tax revenues of \$687,500, but realized revenues of \$1,078,117. In 2022, the budget of \$800,000 was exceeded in October when actual revenues were \$811,807. With this in mind, we have raised projections in 2023.

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. In 2022, Fraser budgeted only \$400,000 due to grant funding obtained by Winter Park to reduce costs. In 2023, Fraser has budgeted **\$1,003,368** (12-40-610) to cover higher operating costs under the new agreement signed between Winter Park and First Transit. This 112% cost increase in real operations is due to shortages of CDL (commercial driver's license) certified drivers and First Transit's efforts to recruit and retain adequate staffing levels to continue providing expected levels of service.

Savings from grant funds in 2022 will offset the increased costs in 2023. 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 2023, Fraser is budgeting **\$93,500** for trail operations and maintenance (12-40-710) to cover trail maintenance, plowing, and tree removal.

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 2023 which, combined with carryover fund balance and interest, will leave a fund balance of **\$33,531**. 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. Revenues in 2022 will carry forward into 2023 as project delays required deferral. Expenditures in 2023 include **\$10,000** for landscaping, **\$25,000** for design of next phase, **\$350,000** 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 2023, Fraser is budgeting **\$600,000** for various street projects, including paving associated with the Byers Avenue water main replacement (\$400,000), prioritized asphalt patches (\$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 **\$462,777** in revenues, which includes **\$51,191** in Highway Use Tax and the remainder from transfers and unassigned fund balance. The following capital equipment purchases are scheduled for 2023:

- Public Safety Fleet Purchase, \$65,000
 - The Town of Fraser will use trade-in value to reduce required transfer for this purchase
- Fraser Fleet Purchases
 - Water/Wastewater vehicle, \$90,000

In 2022, Fraser paid the following lease agreements in full. 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))

Equipment	Principal	Interest	Total
Bobcat Skid Steer			
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
Bobcat Tool Cat			
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
2017 Dodge 5500			
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
2019 Freightliner			
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 derived through service charges and fund reserves and must cover all expenditures. Revenues in 2023 are projected at **\$3,416,899**, which includes a **\$1,495,324** carryover from 2022 and **\$370,000** in transfers. Expenditures are projected at **\$3,379,841** and include the following significant expenditures and capital projects:

- **Other Professional Services (50-40-370): \$60,000**, includes \$30,000 for a water impact fee and rate study
- **Transfer to CERF (50-40-930): \$45,000** to cover 50% cost of new utility vehicle
- **Capital Projects (50-40-730): \$2,050,000** for the following:
 - Byers Ave. water main replacement, \$1,720,000
 - 2 Pressure Reducing Valves, \$330,000
- **Capital Equipment Purchases (50-40-740): \$145,000** for the following:
 - Soda Ash Hopper, \$115,000
 - Repair / Replace Yellow Zone Mixer Tank, \$20,000
 - Leak Detector, \$10,000

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 2023 are projected at **\$6,289,539** and includes **\$4,981,239** in carryover from 2022. Expenditures are projected at **\$1,595,223** and include the following significant expenditures and capital projects:

- **Engineering Fees (55-40-330): \$80,000**, includes \$25,000 for general engineering, \$30,000 for an Inflow and Infiltration study, and \$25,000 for an impact fee and rate study
- **System Repair and Maintenance – Collections (55-40-460): \$125,000** 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
- **Transfer to CERF (55-40-930): \$45,000** to cover 50% cost of new utility vehicle
- **Capital Projects (55-40-730): \$2,500,000** for boring, sewer line replacement, and manhole replacement in Old Town.

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 an Equivalent Residential Units (EQR) study in conjunction with an Industrial Pre-Treatment Program (IPP) in 2021. The EQR study was completed in 2021 and the IPP program is still underway with sample testing in specific districts. This testing program seeks to identify why the treatment facility has seen an increase in suspended solids and increased sludge requiring separation and removal. 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. The JFOC

will determine if fines, ordinances, intervention options, or plant expansion will bring the IPP issues into compliance.

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 2023 with a **\$1,347,224** carryover from 2022. The fund is projecting **\$1,624,000** in expenditures for the following capital projects in 2023:

EXPENDITURES

	<u>Capital Replacement Reserve Projects (existing)</u>	
47-60-370	Engineering, Legal and Other Prof. Services	145000
47-60-730	CRR Projects	524000
	Shark Tooth Valves	\$19,000
	Valve Installation	\$6,000
	A-Basin Covers	\$500,000
	<u>Capital Improvement Projects (new)</u>	
47-65-370	Engineering, Legal and Other Prof. Services	100000
47-65-730	CIP Projects	750000
	Solar System Install (deferred from 2022)	\$300,000
	Office Building (deferred from 2022)	\$450,000
	<u>Capital Purchases</u>	
47-69-740	Capital Purchases	105000
	Vac Trailer Truck with Pump	\$80,000
	Backhoe (used)	\$25,000

In Summary

The 2023 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 2023 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 Superintendents and Finance Director for their 4-month collaborative efforts to prepare a balanced budget for 2023.

Sincerely,

Ed Cannon

Town Manager