



Town of New Castle
450 W. Main Street
PO Box 90
New Castle, CO 81647

Administration Department
Phone: (970) 984-2311
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www.newcastlecolorado.org

Agenda

New Castle Town Council Regular Meeting Tuesday, August 15, 2023, 7:00 PM

Starting times on the agenda are approximate and intended as a guide for Council.
The starting times are subject to change by Council, as is the order of items on the agenda.

Virtual Meetings are subject to internet and technical capabilities.

If you prefer to telephone in:
Please call: 1-346-248-7799
Meeting ID: 709 658 8400

Follow the prompts as directed.
Be sure to set your phone to mute until called upon.

Call to Order

Pledge of Allegiance

Roll Call

Meeting Notice

Conflicts of Interest

Agenda Changes

Citizen Comments on Items not on the Agenda

-Comments are limited to three minutes-

Consultant Reports

Consultant Attorney
Consultant Engineer

Items for Consideration

- A. 2022 Audit Presentation - John Cutler & Associates**
- B. Consider a Motion to Accept the 2022 Audit as Presented**
- C. Finance Department Update: Treasurer Loni Burk**
- D. Consider Ordinance TC2023-3 - an Ordinance of the New Castle Town Council Amending Sections 15.080.020 and 15.10.020 of the New Castle Municipal Code Regarding Building Permit Valuation Calculations (1st reading)**

[E.](#) Resolution TC 2023-8 - A Resolution of the New Castle Town Council Supporting the Application for a Mini Grant from the Garfield County Federal Mineral Lease District

[F.](#) Resolution TC 2023-9 - A Resolution of the New Castle Town Council Supporting the Application for a Traditional Grant from the Garfield County Federal Mineral Lease District

[G.](#) **Executive Session (1) for the purpose of determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and/or instructing negotiators under C.R.S Section 24-6-402(4)(e) concerning the Kamm lot lease**

[H.](#) **Executive Session for discussion of a personnel matter under C.R.S. Section 24-6-402 (f)(I) for an evaluation of the Town Administrator, and not involving: any specific employees who have requested discussion of the matter in open session; any member of this body or any elected official; the appointment of any person to fill an office of this body or of an elected official; or personnel policies that do not require the discussion of matters personal to particular employees.**

Consent Agenda

Items on the consent agenda are routine and non-controversial and will be approved by one motion. There will be no separate discussion of these items unless a council member or citizen requests it, in which case the item will be removed from the consent agenda.

[August](#) 1, 2023 Minutes

Staff Reports

Town Administrator
Town Clerk
Town Treasurer
Town Planner
Public Works Director

Commission Reports

Planning & Zoning Commission
Historic Preservation Commission
Climate and Environment Commission
Senior Program
RFTA
AGNC
GCE
EAB

Council Comments

Adjourn



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Memorandum

To: Mayor & Council
From: Loni Burk, Viktoriya Ehlers & David Reynolds
Re: Agenda Item – Annual Auditor’s Report
Date: 8/15/2023

Purpose:

The purpose of this agenda item is to allow time for John Cutler from John Cutler & Associates to present the 2022 Annual Audit Report.

Mr. Cutler will focus on highlights related to fiscal year 2022. Town Treasurer Loni Burk, Viktoriya Ehlers and Mr. Cutler will be available to answer any questions that the Town Council may have related to the Annual Audit Report and the overall financial health of the town.

TOWN OF NEW CASTLE, COLORADO

BASIC FINANCIAL STATEMENTS

December 31, 2022

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FINANCIAL SECTION



JOHN CUTLER & ASSOCIATES

Honorable Mayor and Members of the Town Council
Town of New Castle
New Castle, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of New Castle (the "Town") as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of New Castle as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows, thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of New Castle, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures of the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required budgetary information on page 25 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

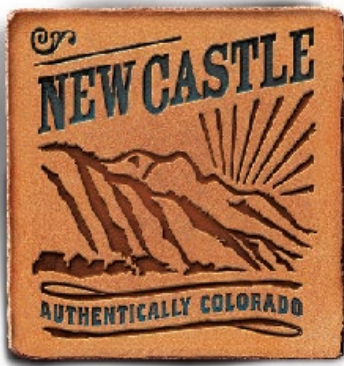
Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund schedules and State Compliance information as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The combining and individual fund financial schedules and State Compliance have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund schedules and State Compliance are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

John Cutler & Associates, LLC

July 21, 2023



Town of New Castle, Colorado
Management's Discussion and Analysis
Fiscal Year Ending December 31, 2022

This Management's Discussion and Analysis (MD&A) of the Town of New Castle's 2022 financial statements is offered to provide an objective and easy-to-read analysis of the government's financial activities based on currently known facts, decisions and conditions. The MD&A should be read in conjunction with the Town's basic financial statements.

The Town of New Castle is a Home Rule Municipality incorporated in 1888. The Town has seven elected officials who are responsible for all policy decisions that affect the government's financial condition. The appointed Town Administrator is responsible for preparing the annual budget which is adopted by the Council every December. The Town Administrator and appointed Town Finance Director/Treasurer are responsible for financial reporting to the Town Council and to the public at large. The Town maintains four separate funds, which are as follows:

- A) General Fund
- B) Utility Fund
- C) Conservation Trust Fund
- D) Cemetery Fund

Overview of the Financial Statements

The financial section of the audit report is comprised of three components: 1) government-wide financial statements, 2) fund financial statements, 3) notes to the financial statements.

Government-wide Financial Statements:

The government-wide financial statements, which consist of the Statement of Net Position and the Statement of Activities, give readers a broad overview of the entire Town's financial position and changes in financial position in a manner similar to a private-sector business. These statements report information about the Town as a whole and include all assets and liabilities using the accrual basis of accounting, which reports all of the current year's revenues and expenses regardless of when the cash is received or paid.

The *statement of net position* (page iv) presents the Town of New Castle's assets and liabilities, with the difference between the two reported as net position. The net position is summarized as follows: 1) invested in capital assets, 2) unreserved or available for any current use. Over a period of time increases or decreases in the Town's net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating. Other non-financial factors, however, such as changes in the Town's property tax base, are needed to assess the overall financial condition of the Town.

The *statement of activities* (page vi) presents data showing how the Town's net position changed as a result of the operations of the Town government during the most recent fiscal year. All changes in net position are reported when an event occurs that requires a revenue or expense to be recognized, regardless of when the related cash is received or disbursed (accrual basis of accounting). Thus, some revenues and expenses reported in this statement will result in cash flows in future periods.

The government-wide financial statements distinguish the different functions of the Town that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from the other functions that are intended to recover all or a significant portion of their costs through user fees or charges for services (*Business Type Activities*). The Governmental Activities of the Town of New Castle include general government, public safety, public works, health and welfare, and parks and recreation. The Business Type Activities include water, wastewater, and trash utilities.

Fund Financial Statements

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. The Town's funds can be divided into three categories: Governmental Fund, Proprietary Fund and Fiduciary Fund.

Governmental Funds (pages 3 - 4) - The activity of the Town's General and Special Revenue funds are reported as governmental funds, which are essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on the short-term flow of money into and out of these funds. These statements use the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted into cash. The governmental fund statements provide a detailed view of the Town's general governmental and special revenue operations and the services that are provided. Governmental fund statements help to determine the financial resources that are available to finance the Town's operations and programs in the near future.

Proprietary (Business Like) Fund (pages 6 -8) - The Town of New Castle maintains one proprietary (enterprise) fund, which reports the same functions as the business-type activities in the government-wide financial statements. The Town uses the proprietary fund to account for the water, wastewater and trash operations (**utilities**) that are financed and operated in a manner similar to private business enterprises. The intent of the governing body is that the costs, including depreciation, of providing goods or services to the public be financed or recovered primarily through user fees or charges.

Fiduciary (Trust) Fund - A fiduciary fund is a fund that is held in trust for a specific purpose. The Town of New Castle maintains one fiduciary fund which reports the operating activities of the Highland Cemetery. The fiduciary fund is not included in the statement of net position or statement of activities, but is included in the Required Supplemental Information, Budgeted and Actual Revenues and Expenditures.

Notes to the Financial Statements

The notes to the basic financial statements provide additional information that is essential to a full understanding of the data provided in the governmental-wide and fund financial statements. The notes to the financial statements are on pages 9 – 24 of this report.

Financial Highlights

Governmental Activities

- As of December 31, 2022 the governmental funds held \$ 4,507,468 in assets that were readily convertible to cash and \$322,307 in current liabilities.
- As of December 31, 2022 the Town's governmental activities fund held \$26,119,461 in depreciated capital assets, a 0.65% decrease; and \$291,461 in capital asset liabilities, a 14.05% decrease.
- Total 2022 sales tax revenue increased 14.15% or \$333,340 compared to fiscal year 2021. The 3.5% Town sales tax revenue increased 16.98% or \$359,590 compared to 2021.
- 2022 property tax revenue increased by \$38,409 or 7.81% compared to fiscal year 2021.
- 2022 building permit revenue increased by 20.28% or \$23,752 compared to fiscal year 2021. 2022 use tax revenue increased by 30.71% or \$22,132 compared to fiscal year 2021.
- 2022 lodging tax revenue decreased by 28.78% or \$6,524 compared to fiscal year 2021.
- 2022 mineral lease tax revenue increased by 70.45% or \$104,233 compared to fiscal year 2021 and severance tax revenue increased by 5,172.46% or \$111,932.
- 2022 governmental activities salary expense increased by 22.67% or \$337,601 compared to fiscal year 2021, partially due to a reallocation of salaries among funds. Total salaries for all funds increased by 13.04% or \$298,081 for 2022.
- Total governmental activities net position increased by 1.18% or \$344,009 during the 2022 fiscal year.

Business-type Activities

- As of December 31, 2022 total assets were \$21,270,873, an increase of 4.78% or \$970,741. Cash, investments and receivables increased by \$1,109,450 and capital assets decreased by \$138,799.
- 2022 revenue from the water, wastewater and trash charges for services increased by \$246,327 or 7.75% compared to fiscal year 2021.
- 2022 business-type activities salary expense decreased by 4.96% or \$39,520 compared to fiscal year 2021, partially due to a reallocation of salaries among funds. Total salaries for all funds increased by 13.04% or \$298,081 for 2022.

Business-type Activities (Continued)

- 2022 business-type activities electric and natural gas utility expense of \$216,455 was an increase of 5.79% or \$11,840 compared to fiscal year 2021.
- Total enterprise liabilities increased by \$263,646 during 2022 due to decreases in long term debt and an increase in deferred revenue due to American Rescue Plan Act funds in the amount of \$1,307,772 received in 2021 and 2022. American Rescue Plan funds must be committed by December 31,2024 and expended by December 31, 2026. No funds were spent as of December 31, 2022.

Statement of Net Position

The following table reflects the condensed Statement of Net Position compared to the prior fiscal year.

	Governmental Activities		Business-type Activities		Total Government	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 4,507,468	\$ 4,019,496	\$ 4,195,036	\$ 3,085,496	\$ 8,702,504	\$ 7,104,992
Capital assets	26,119,461	26,290,440	17,075,837	17,214,636	43,195,298	43,505,076
Total assets	<u>30,626,929</u>	<u>30,309,936</u>	<u>21,270,873</u>	<u>20,300,132</u>	<u>51,897,802</u>	<u>50,610,068</u>
Long-term debt outstanding	241,683	291,461	3,455,473	3,871,392	3,697,156	4,162,853
Other liabilities	845,732	822,970	1,964,907	1,285,342	2,810,639	2,108,312
Total liabilities	<u>1,087,415</u>	<u>1,114,431</u>	<u>5,420,380</u>	<u>5,156,734</u>	<u>6,507,795</u>	<u>6,271,165</u>
Net Position:						
Net Investment in						
Capital assets	25,900,252	26,023,580	13,204,445	12,933,815	39,104,697	38,957,395
Restricted	337,526	291,594	-	-	337,526	291,594
Unrestricted	<u>3,301,736</u>	<u>2,880,331</u>	<u>2,646,048</u>	<u>2,209,583</u>	<u>5,947,784</u>	<u>5,089,914</u>
Total net position	<u>\$ 29,539,514</u>	<u>\$ 29,195,505</u>	<u>\$ 15,850,493</u>	<u>\$ 15,143,398</u>	<u>\$ 45,390,007</u>	<u>\$ 44,338,903</u>

The Town’s total net position for fiscal year 2022 increased by 2.37% or \$1,051,104. The Town’s assets exceed liabilities by \$45,390,007 (net position) as of December 31, 2022. By far the largest portion of net position (86.15%) is invested in capital assets (e.g. land, buildings, equipment, etc.). The Town uses these capital assets to provide services to citizens; therefore these assets are not available for future spending. Although the Town of New Castle’s investments in capital assets are reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to retire these liabilities.

The restricted portion of net position (0.74%) represents resources that are subject to various debt provisions, contracts and agreements on how they may be used. The remaining balance of \$5,947,784 is unrestricted and can be used to meet the Town’s ongoing obligations to its citizens and creditors.

Normal Impacts

There are six basic (normal) transactions that will affect the comparability of the Statement of Net Position summary presentation:

Net Results of Activities – will impact (increase/decrease) current assets and unrestricted net position.

Borrowing for Capital – will increase current assets and long-term debt.

Spending Borrowed Proceeds on New Capital – will reduce current assets and increase capital assets. A second impact results in an increase in capital assets and an increase in related net debt which will not change the net investment in capital assets.

Spending of Non-borrowed Current Assets on New Capital – will (1) reduce current assets and increase capital assets and (2) will reduce restricted and or unrestricted net position and increase net investment in capital assets.

Principal Payment on Debt – will (1) reduce current assets and reduce long-term debt and (2) reduce unrestricted net position and increase net investment in capital assets.

Reduction of Capital Assets Through Depreciation – will reduce capital assets and net investment in capital assets.

Summary of GASB Statement 54

The Governmental Accounting Standards Board (GASB) approved statement 54 in 2009, the intent of the statement is to enhance governmental fund balance reporting in order for financial statements to be more consistent and comparable between similar government entities, improve the usefulness of fund balance reporting (what funds are actually available), and clarify the meaning of governmental fund type definitions. The Town of New Castle implemented statement 54 for fiscal year 2011 as required and will no longer use the fund balance definitions of: reserves, designated or undesignated.

We present the following summary of new fund balance terminology:

- (a) **Nonspendable** – not in spendable form, examples are inventory, long-term receivables (unless the proceeds are restricted, committed or assigned), prepaid expenses, and legally or contractually required amounts required to be maintained intact – like the corpus of a permanent fund.
- (b) **Restricted** – Amounts constrained to being used for a specific purpose by (1) external parties (state, federal, private donor, creditors), (2) constitutional provisions, (3) enabling legislation (grant from the state), (4) what is legally reserved now.
- (c) **Committed** – constraint on use imposed by the Town itself, using its highest level of decision-making authority (resolution or ordinance), constraint can be removed or changed only by taking the same action, the action to constrain resources should occur prior to the end of the fiscal year – though the exact amount may be determined subsequently.
- (d) **Assigned** – amounts intended to be used for specific purposes where the intent is expressed by the governing body or a body or official authorized by the governing body. Includes using fund balance to balance the budget – appropriation for deficit.
- (e) **Unassigned** – available for any purpose.

Statement of Activities

The Statement of Activities takes into consideration the Town as a whole and reflects the change in net position for fiscal year 2022.

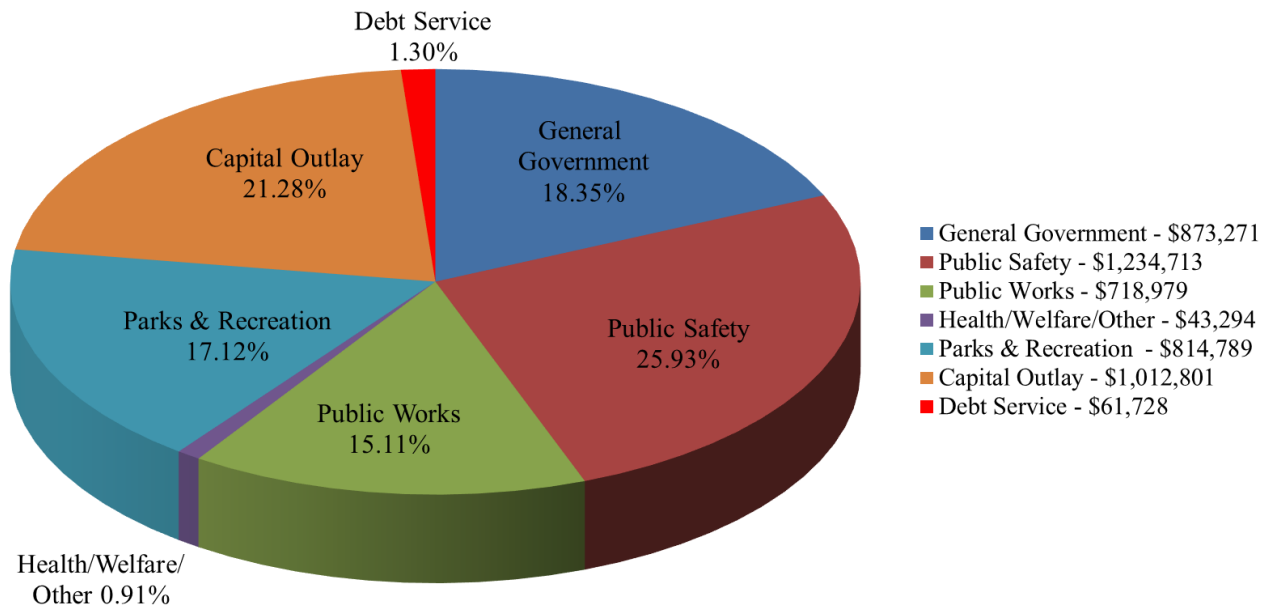
	Governmental		Business Type		Totals	
	2022	2021	2022	2021	2022	2021
<u>Revenues:</u>						
Program Revenues:						
Charges for Services	\$ 229,715	\$ 149,139	\$3,769,151	\$3,477,824	\$3,998,866	\$3,626,963
Capital Grants	155,007	139,669	70,772	29,228	225,779	168,897
Total Program Revenues	384,722	288,808	3,839,923	3,507,052	4,224,645	3,795,860
General Revenues						
Sales and Use Taxes	2,688,362	2,355,022	-	-	2,688,362	2,355,022
Property Taxes	530,231	491,822	-	-	530,231	491,822
Franchise Taxes	162,828	130,294	-	-	162,828	130,294
Other Taxes	846,408	508,388	-	-	846,408	508,388
Investment Income	63,783	1,820	165	5	63,948	1,825
Developer Reimbursement	39,499	13,671	-	-	39,499	13,671
Other Revenues	532,026	617,868	17,812	53,855	549,838	671,723
Gain (Loss) on Disposal of Assets	(138,262)	-	-	-	(138,262)	-
Total General Revenues	4,724,875	4,118,885	17,977	53,860	4,742,852	4,172,745
Total Revenue	5,109,597	4,407,693	3,857,900	3,560,912	8,967,497	7,968,605
<u>Expenses:</u>						
General Government	906,386	477,908	-	-	906,386	477,908
Public Safety	1,270,765	1,041,138	-	-	1,270,765	1,041,138
Public Works	1,644,595	1,246,880	-	-	1,644,595	1,246,880
Parks & Recreation	886,471	914,010	-	-	886,471	914,010
Health & Welfare	43,294	36,820	-	-	43,294	36,820
Water	-	-	1,163,782	1,305,858	1,163,782	1,305,858
Wastewater	-	-	1,292,191	1,243,641	1,292,191	1,243,641
Sanitation	-	-	564,612	518,602	564,612	518,602
Interest	14,077	15,940	130,220	140,781	144,297	156,721
Total Expenses	4,765,588	3,732,696	3,150,805	3,208,882	7,916,393	6,941,578
Change in Net Position	\$ 344,009	\$ 674,997	\$ 707,095	\$ 352,030	\$1,051,104	\$1,027,027

Governmental Activities

Taxes comprise the largest source of operating revenue for the Town’s governmental activities. 2022 tax source revenue was \$4,227,828, which is 80.56% of total revenues from governmental activities. Property taxes of \$530,231 represent 12.54% of total tax revenue. Charges for services equaled \$229,715 representing 4.38% of total revenues.

The cost of governmental activities (excluding capital outlay) in 2022 was \$3,746,774 compared to \$2,756,955 in 2021, 35.90% increase.

Expenses by Type – Governmental Activities



General Government includes Town Council, Town Administrator, Town Clerk, Finance, General Administration, Building and Planning.

Year to year changes by type of activity:

Activity	Expenditures		
	2022	2021	% Change
General Government	\$ 873,271	\$ 443,601	96.86
Public Safety	1,234,713	1,015,999	21.53
Public Works	718,979	364,785	97.10
Health/Welfare/Other	43,294	36,820	17.58
Parks & Recreation	817,798	831,119	(1.60)
Capital Outlay	1,012,801	1,090,773	92.85
Debt Service	61,728	61,631	0.16

Business-type Activities

Total 2022 operating revenue from the Town's business-type activities increased by \$210,284 compared to 2021; operating expenses for 2022 decreased by \$47,513 compared to 2021.

Total business type net position during 2022 increased by \$707,095, mainly due to an adjustment of utility rates, additional tap fees collected and water rights dedication fees due to an uptick of building activity.

Fund Balance

At the end of 2022, the Town's governmental funds reported a combined fund balance of \$3,856,560 (pg. 3). This is an increase of \$488,284 compared to the prior years ending balance. Of this total balance \$2,367,842 is unassigned and available to finance the Town's future operations and programs; \$259,000 is restricted for emergencies, \$158,878 is restricted for Conservation Trust Fund approved expenses, \$78,526 is restricted for cemetery care; \$8,250 is committed for use in operating a volunteer ambulance service *or* to maintain and enhance the municipal parks and trees (Ord. #315), \$1,976 is committed for Police training (Ord. #383 & 2007-4), \$5,494 is committed for Burning Mtn. Ave street maintenance (9/1995 SIA Agreement), and \$374,892 is committed for traffic impacts (Ord. # 2002-17).

At year end the business-type activities reported total net position of \$15,850,493, an increase of \$707,095. Of this total net position \$2,646,048 is unrestricted (pg. 6).

Budgetary Highlights – General Fund – (pg. 25)

The General Fund balance was budgeted to increase by \$2,907 for 2022, the actual increase was \$442,449. This increase was largely due to robust sales tax collections which came in at \$320,668 over budget and increased mineral lease/severance tax revenues as well as overall expense savings in salaries and benefits due to staffing vacancies. Additionally, a trail project totaling \$1.2 million that is being funded by grants and other partners was budgeted both in revenues and expenditures. This project was delayed in 2022 will be completed in 2023.

Capital Assets and Debt Administration

At year end the Town had \$43,195,298 invested in a broad range of capital assets including land and improvements, buildings, parks and equipment, vehicles, equipment, and water and sewer plants and distribution and collection systems. This is a net decrease of \$309,778 or 0.71% from the 2021 year-end amount. 2022 capital additions totaling \$1,710,380 were offset by depreciation in the amount of \$1,717,432. Significant asset additions are detailed on the next page.

Capital Assets at Year-End (pg. 19-20)

	Governmental		Business-type		Total Government		
	2022	2021	2022	2021	2022	#	2021
Land	\$15,214,000	\$15,214,000	\$ 469,741	\$ 469,741	\$15,683,741		\$15,683,741
Water Rights	-	-	516,282	516,282	516,282		516,282
Buildings and Improvements	4,547,711	4,455,864	17,823,114	17,213,262	22,370,825		21,669,126
Distribution/Collection Systems	-	-	11,357,711	11,357,711	11,357,711		11,357,711
Infrastructure	19,278,199	18,430,927	-	-	19,278,199		18,430,927
Property and Equipment	1,459,007	1,644,003	822,585	757,468	2,281,592		2,401,471
Construction in Process	305,452	268,744	22,610	80,756	328,062		349,500
Less: Accumulated Depreciation	(14,684,908)	(13,723,098)	(13,936,206)	(13,180,584)	(28,621,114)		(26,903,682)
Total Capital Assets	\$26,119,461	\$26,290,440	\$17,075,837	\$17,214,636	\$43,195,298		\$43,505,076

During 2022 the Town completed a Street Overlay Project on portions of Burning Mountain Avenue, Wagon Wheel, Lariat Loop, Ginseng and the Public Works yard, crack sealing at various sites, asphalt overlay on solid surface trails along Castle Valley Boulevard and Burning Mountain Avenue, a Bio-Solid Drying Station at the wastewater plant, purchased two Chevy Tahoes for the Police Department, a solar panel array, two Chevy Colorado pickups for the Utility Department and various other equipment purchases and capital projects. Significant capital assets added during 2022 are shown below.

Significant 2022 Capital Asset Additions

Street Asphalt Overlay & Crack Sealing Project	\$ 634,597
Bio-Solid Drying Station at Wastewater Plant	586,392
Solid Surface Trails Asphalt Overlay	212,675
2 Chevy Tahoes for Police Department	105,509
Solar Panel Array	68,744
2 Chevy Colorado Pickups for Utility Department	65,116
John Deere Compact Tractor	29,805
Fence at Water Treatment Plant	23,460
Community Center Kitchen Remodel	23,101
Fertilizer Spreader	7,168
Total	<u>\$1,756,567</u>

Outstanding Debt (pg. 21-22)

	Governmental Activities		Business-type Activities		Total Government	
	2022	2021	2022	2021	2022	2021
2004 Water Loan	\$ -	\$ -	\$ 420,281	\$ 443,718	\$ 420,281	\$ 443,718
2008 Wastewater Loan	-	-	3,451,111	3,837,103	3,451,111	3,837,103
Notes Payable	291,461	339,112	-	-	291,461	339,112
GO Bonds, Series 2010	-	-	-	-	-	-
Accrued Absences	145,046	124,099	-	-	145,046	124,099
Total Long-term Obligations	<u>\$ 436,507</u>	<u>\$ 463,211</u>	<u>\$3,871,392</u>	<u>\$4,280,821</u>	<u>\$4,307,899</u>	<u>\$4,744,032</u>

Economic and Other Factors

Mostly gone but not yet forgotten, the lack of available labor that followed the exit of COVID continued to haunt local business owners and employers throughout much of 2022. Town staff struggled to stay adequately staffed in the Parks and Public Works Departments, while supply chain issues plagued local builders and added time and cost to the price of every new home.

Despite the challenges New Castle performed well in 2022, providing a high level of service to our residents through the delivery of repaved streets, controlled pricing of utilities, several high-quality town events, upgrades to infrastructure and utilities, replacement of worn equipment, outstanding public safety efforts, fair and equitable decision making by Town Council, and overall great customer service across all departments. Sales tax collections in 2022 continued to rise and finished stronger than predicted, at about 16% over the collections of 2021. With national inflation rates averaging 6.5% and local inflation rates slightly higher, as might be expected our total town expenses increased in 2022. Costs of maintenance supplies, escalating insurance rates, rising labor rates, and increasing health insurance premiums all added to higher-than-normal expenses. 2022 saw increased interest in development as one major developer worked their way through the first two stages of the land use approval process. Other project developers met with town staff to review their incoming land use applications. The town continued to see sharp increases in housing prices and very low inventories throughout 2022. New Castle issued a total of 28 new building permits during the period, but witnessed projects take longer than normal to complete due to the continued lack of labor and materials.

In addition to hosting at least a dozen town organized events in 2022, the town was able to add over \$1.7 million in Capital Asset projects and equipment. Projects added in 2022 included: solid surface asphalt trails, the purchase of a town solar array, Bio-Solids Drying Station at the Waste Water Plant, construction of a commercial community kitchen, street asphalt and overlay projects, fencing at the Water Treatment Plant, and the purchase of additional vehicles and equipment. Many of the projects listed were made possible through significant grant contributions.

In general, 2022 witnessed continued growth in New Castle but was tempered by high inflation, a difficult labor market, and sharply increased housing costs. The town was able to use increased sales tax revenues combined with grant offerings to continue with needed capital projects and other offerings to our residents. The Town Council prioritized the importance of always having proper reserve funds in place and was able to increase its' reserve fund balance by just over \$200,000. Moving into 2023 staff anticipates a slowing of the rise in sales tax revenues, a steady growth in development which will be tempered by labor and material costs, and a continued commitment by the Town Staff and Town Council to provide excellent services and retention of New Castle's charm and character.

BASIC FINANCIAL STATEMENTS

TOWN OF NEW CASTLE, COLORADO

STATEMENT OF NET POSITION

As of December 31, 2022

	GOVERNMENTAL ACTIVITIES	BUSINESS TYPE ACTIVITIES	TOTALS	
			2022	2021
ASSETS				
Cash and Investments	\$ 3,454,165	\$ 3,890,242	\$ 7,344,407	\$ 5,729,012
Receivables				
Property Taxes	523,425	-	523,425	537,273
Sales and Other	13,674	-	13,674	-
Accounts	-	304,794	304,794	351,237
Due from Other Governments	516,204	-	516,204	487,470
Capital Assets, not Depreciated	15,519,452	1,008,633	16,528,085	16,549,523
Capital Assets, Depreciated, Net of Accumulated Depreciation	10,600,009	16,067,204	26,667,213	26,955,553
TOTAL ASSETS	30,626,929	21,270,873	51,897,802	50,610,068
LIABILITIES				
Accounts Payable	53,050	99,743	152,793	187,402
Accrued Expenses	24,320	13,135	37,455	31,241
Unearned Revenues	11,356	-	11,356	12,655
Accrued Interest	-	43,297	43,297	43,297
Developer Escrow	38,757	-	38,757	6,575
Deferred Revenue	-	1,324,313	1,324,313	653,886
Compensated Absences	145,046	68,500	213,546	187,349
Noncurrent Liabilities				
Due within One Year	49,778	415,919	465,697	457,080
Due in More Than One Year	241,683	3,455,473	3,697,156	4,162,853
TOTAL LIABILITIES	563,990	5,420,380	5,984,370	5,742,338
DEFERRED INFLOWS				
Deferred Property Tax Revenue	523,425	-	523,425	528,827
NET POSITION				
Investment in Capital Assets	25,900,252	13,204,445	39,104,697	38,957,395
Restricted for Emergencies	259,000	-	259,000	223,000
Restricted for Cemetery Care	78,526	-	78,526	68,594
Unrestricted	3,301,736	2,646,048	5,947,784	5,089,914
TOTAL NET POSITION	\$ 29,539,514	\$ 15,850,493	\$ 45,390,007	\$ 44,338,903

The accompanying notes are an integral part of the financial statements.

TOWN OF NEW CASTLE , COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2022

<u>FUNCTIONS/PROGRAMS</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		
		<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	<u>CAPITAL GRANTS AND CONTRIBUTIONS</u>
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 906,386	\$ -	\$ -	\$ 155,007
Public Safety	1,270,765	3,120	-	-
Public Works	1,644,595	-	-	-
Health and Welfare	43,294	-	-	-
Parks and Recreation	886,471	226,595	-	-
Interest on Long-Term Debt	14,077	-	-	-
Total Governmental Activities	<u>4,765,588</u>	<u>229,715</u>	<u>-</u>	<u>155,007</u>
Business-Type Activities				
Water	1,163,782	1,324,199	-	171,300
Wastewater	1,292,191	1,525,659	70,772	171,300
Trash	564,612	576,693	-	-
Interest on Long-Term Debt	130,220	-	-	-
Total Business-Type Activities	<u>3,150,805</u>	<u>3,426,551</u>	<u>-</u>	<u>342,600</u>
Total Primary Government	<u>\$ 7,916,393</u>	<u>\$ 3,656,266</u>	<u>\$ -</u>	<u>\$ 497,607</u>

GENERAL REVENUES

Sales Taxes
Property Taxes
Specific Ownership Taxes
Franchise Taxes
Other Taxes
Interest
Developer Reimbursements
Other
Gain (Loss) from Disposal
of Capital Assets

TOTAL GENERAL REVENUES

CHANGE IN NET POSITION

NET POSITION, Beginning

NET POSITION, Ending

The accompanying notes are an integral part of the financial statements.

NET (EXPENSE) REVENUE AND
CHANGE IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
		2022	2021
\$ (751,379)	\$ -	\$ (751,379)	\$ (372,496)
(1,267,645)	-	(1,267,645)	(1,041,138)
(1,644,595)	-	(1,644,595)	(1,188,886)
(43,294)	-	(43,294)	(36,820)
(659,876)	-	(659,876)	(788,608)
(14,077)	-	(14,077)	(15,940)
<u>(4,380,866)</u>	<u>-</u>	<u>(4,380,866)</u>	<u>(3,443,888)</u>
-	331,717	331,717	156,271
-	475,540	475,540	266,443
-	12,081	12,081	16,237
<u>-</u>	<u>(130,220)</u>	<u>(130,220)</u>	<u>(140,781)</u>
-	689,118	689,118	298,170
(4,380,866)	689,118	(3,691,748)	(3,145,718)
2,688,362	-	2,688,362	2,355,022
530,231	-	530,231	491,822
39,598	-	39,598	36,425
162,828	-	162,828	130,294
806,810	-	806,810	471,963
63,783	165	63,948	1,825
39,499	-	39,499	13,671
532,026	17,812	549,838	671,723
<u>(138,262)</u>	<u>-</u>	<u>(138,262)</u>	<u>-</u>
<u>4,724,875</u>	<u>17,977</u>	<u>4,742,852</u>	<u>4,172,745</u>
344,009	707,095	1,051,104	1,027,027
<u>29,195,505</u>	<u>15,143,398</u>	<u>44,338,903</u>	<u>43,311,876</u>
<u>\$ 29,539,514</u>	<u>\$ 15,850,493</u>	<u>\$ 45,390,007</u>	<u>\$ 44,338,903</u>

TOWN OF NEW CASTLE, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2022

	GENERAL FUND	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS	
			2022	2021
ASSETS				
Cash and Investments	\$ 3,226,588	\$ 227,577	\$ 3,454,165	\$ 3,023,981
Taxes Receivable	523,425	-	523,425	537,273
Due from Other Governments	516,204	-	516,204	458,242
Accounts Receivable	13,674	-	13,674	-
Due from Other Funds	-	10,000	10,000	-
TOTAL ASSETS	\$ 4,279,891	\$ 237,577	\$ 4,517,468	\$ 4,019,496
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ 52,877	\$ 173	\$ 53,050	\$ 83,682
Accrued Liabilities	24,320	-	24,320	19,481
Unearned Revenues	11,356	-	11,356	12,655
Due to Other Funds	10,000	-	10,000	-
Deposits and Escrow	38,757	-	38,757	6,575
TOTAL LIABILITIES	137,310	173	137,483	122,393
DEFERRED INFLOWS				
Deferred Property Taxes	523,425	-	523,425	528,827
Fund Balance				
Restricted	259,000	237,404	496,404	414,569
Committed	408,471	-	408,471	351,715
Assigned	712,885	-	712,885	601,702
Unassigned	2,238,800	-	2,238,800	2,000,290
TOTAL FUND EQUITY	3,619,156	237,404	3,856,560	3,368,276
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND EQUITY	\$ 4,279,891	\$ 237,577		

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.	26,119,461	26,290,440
Long-term liabilities are not due and payable in the current period and are not reported in the funds. This includes Notes Payable (\$291,461) and Accrued Compensated Absences (\$145,046).	(436,507)	(463,211)
Net position of governmental activities	<u>\$ 29,539,514</u>	<u>\$ 29,195,505</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF NEW CASTLE, COLORADO

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2022

	GENERAL FUND	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS	
			2022	2021
REVENUES				
Taxes	\$ 4,227,828	\$ -	\$ 4,227,828	\$ 3,485,852
Licenses and Permits	156,495	-	156,495	128,577
Intergovernmental	410,114	72,874	482,988	543,587
Charges for Services	229,715	10,400	240,115	159,239
Court	5,619	-	5,619	16,600
Developer Reimbursements	39,499	-	39,499	13,671
Interest	63,783	247	64,030	1,560
Miscellaneous	31,285	-	31,285	58,607
TOTAL REVENUES	<u>5,164,338</u>	<u>83,521</u>	<u>5,247,859</u>	<u>4,407,693</u>
EXPENDITURES				
General Government	873,271	-	873,271	443,601
Public Safety	1,234,713	-	1,234,713	1,015,999
Public Works	718,979	-	718,979	364,785
Health and Welfare	42,581	713	43,294	36,820
Parks and Recreation	777,816	36,973	814,789	834,119
Debt Service				
Principal	47,651	-	47,651	45,691
Interest	14,077	-	14,077	15,940
Capital Outlay	1,012,801	-	1,012,801	1,090,773
TOTAL EXPENDITURES	<u>4,721,889</u>	<u>37,686</u>	<u>4,759,575</u>	<u>3,847,728</u>
NET CHANGE IN FUND BALANCES	442,449	45,835	488,284	559,965
FUND BALANCES, Beginning	<u>3,176,707</u>	<u>191,569</u>	<u>3,368,276</u>	<u>2,808,311</u>
FUND BALANCES, Ending	<u>\$ 3,619,156</u>	<u>\$ 237,404</u>	<u>\$ 3,856,560</u>	<u>\$ 3,368,276</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF NEW CASTLE, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2022

Amounts Reported for Governmental Activities in the Statement of Activities
are Different Because:

Net Changes in Fund Balances - Total Governmental Funds	\$ 488,284
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$1,045,518) and loss on disposal (\$138,262) exceeds capital outlay \$1,012,801.	(170,979)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. These include a payments on Notes Payable (\$47,651) and change in Accrued Compensated Absences of \$20,947.	<u>26,704</u>
Change in Net Position of Governmental Activities	<u><u>\$ 344,009</u></u>

The accompanying notes are an integral part of the financial statements.

TOWN OF NEW CASTLE, COLORADO

STATEMENT OF NET POSITION
 PROPRIETARY FUND TYPE
 As of December 31, 2022

	<u>2022</u>	<u>2021</u>
ASSETS		
Current Assets		
Cash and Investments	\$ 3,890,242	\$ 2,705,031
Accounts Receivable	304,794	351,237
Due from Other Governments	<u>-</u>	<u>29,228</u>
Total Current Assets	<u>4,195,036</u>	<u>3,085,496</u>
Noncurrent Assets		
Capital Assets, net of accumulated depreciation	<u>17,075,837</u>	<u>17,214,636</u>
Total Noncurrent Assets	<u>17,075,837</u>	<u>17,214,636</u>
TOTAL ASSETS	<u>21,270,873</u>	<u>20,300,132</u>
LIABILITIES		
Current Liabilities		
Accounts Payable	99,743	103,720
Accrued Expenses	10,425	10,760
Accrued Interest Payable	43,297	43,297
Notes Payable, Current	415,919	409,429
Deferred Revenue	<u>1,324,313</u>	<u>653,886</u>
Total Current Liabilities	<u>1,893,697</u>	<u>1,221,092</u>
Noncurrent Liabilities		
Deposits	2,710	1,000
Compensated Absences	68,500	63,250
Notes Payable, Long Term	<u>3,455,473</u>	<u>3,871,392</u>
Total Noncurrent Liabilities	<u>3,526,683</u>	<u>3,935,642</u>
TOTAL LIABILITIES	<u>5,420,380</u>	<u>5,156,734</u>
NET POSITION		
Net Investment in Capital Assets	13,204,445	12,933,815
Unrestricted	<u>2,646,048</u>	<u>2,209,583</u>
TOTAL NET POSITION	<u>\$ 15,850,493</u>	<u>\$ 15,143,398</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF NEW CASTLE, COLORADO

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPE
Year Ended December 31, 2022

	<u>2022</u>	<u>2021</u>
OPERATING REVENUES		
Water Sales	\$ 1,324,199	\$ 1,135,301
Wastewater Sales	1,525,659	1,510,084
Trash Sales	576,693	534,839
Other Revenues	<u>17,812</u>	<u>53,855</u>
TOTAL OPERATING REVENUES	<u>3,444,363</u>	<u>3,234,079</u>
OPERATING EXPENSES		
Water	1,163,782	1,305,858
Wastewater	1,292,191	1,243,641
Trash	<u>564,612</u>	<u>518,602</u>
TOTAL OPERATING EXPENSES	<u>3,020,585</u>	<u>3,068,101</u>
OPERATING INCOME (LOSS)	<u>423,778</u>	<u>165,978</u>
NON-OPERATING REVENUES (EXPENSES)		
Intergovernmental Grants	70,772	29,228
Interest Income	165	5
Interest Expense	<u>(130,220)</u>	<u>(140,781)</u>
TOTAL NON-OPERATING REVENUES (EXPENSES)	<u>(59,283)</u>	<u>(111,548)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	<u>364,495</u>	<u>54,430</u>
CONTRIBUTIONS AND TRANSFERS		
Capital Contributions	<u>342,600</u>	<u>297,600</u>
TOTAL CONTRIBUTIONS AND TRANSFERS	<u>342,600</u>	<u>297,600</u>
NET INCOME (LOSS)	707,095	352,030
NET POSITION, Beginning	<u>15,143,398</u>	<u>14,791,368</u>
NET POSITION, Ending	<u>\$ 15,850,493</u>	<u>\$ 15,143,398</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF NEW CASTLE, COLORADO

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE
 Year Ended December 31, 2022
 Increase (Decrease) in Cash and Cash Equivalents

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 3,490,806	\$ 3,210,912
Cash Paid to Suppliers	(2,268,941)	(1,526,062)
Cash Paid to Employees	4,915	(722,369)
Net Cash Provided by Operating Activities	<u>1,226,780</u>	<u>962,481</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of Fixed Assets	(616,822)	(121,800)
Note Payments	(409,429)	(397,547)
Interest Payments	(130,220)	(181,319)
Intergovernmental Grants	770,427	734,886
Tap Fees and Capital Contributions	344,310	297,240
Net Cash Used by Capital and Related Financing Activities	<u>(41,734)</u>	<u>331,460</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received	<u>165</u>	<u>5</u>
Net (Decrease) in Cash and Cash Equivalents	1,185,211	1,293,946
CASH AND CASH EQUIVALENTS, Beginning	<u>2,705,031</u>	<u>1,411,085</u>
CASH AND CASH EQUIVALENTS, Ending	<u>\$ 3,890,242</u>	<u>\$ 2,705,031</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income (Loss)	<u>\$ 423,778</u>	<u>\$ 165,978</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	755,621	773,627
Changes in Assets and Liabilities		
Accounts Receivable	46,443	(23,167)
Accounts Payable	(3,977)	33,902
Accrued Expenses	(335)	(5,360)
Accrued Compensated Absences	5,250	17,501
Total Adjustments	<u>803,002</u>	<u>796,503</u>
Net Cash Provided by Operating Activities	<u>\$ 1,226,780</u>	<u>\$ 962,481</u>

The accompanying notes are an integral part of the financial statements.

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of New Castle, Colorado was founded in 1888. The Town is governed by a Mayor and six-member council elected by the residents.

The accounting policies of the Town of New Castle, Colorado (the “Town”) conform to generally accepted accounting principles as applicable to governments. Following is a summary of the more significant policies.

Reporting Entity

In accordance with governmental accounting standards, the Town of New Castle has considered the possibility of inclusion of additional entities in its basic financial statements.

The definition of the reporting entity is based primarily on financial accountability. The Town is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if Town officials appoint a voting majority of the organization’s governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Town. The Town may also be financially accountable for governmental organizations that are fiscally dependent upon it.

Based on the application of these criteria, the Town does not include additional organizations in its reporting entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Town. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current *financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the Town's practice to use restricted resources first, then unrestricted resources as they are needed.

In the fund financial statements, the Town reports the following major governmental fund:

The *General Fund* is the Town's primary operating fund. It accounts for all financial resources of the Town, except those required to be accounted for in another fund.

The Town reports the following major proprietary fund:

The *Utility Fund* accounts for the financial activities associated with the provision of water, wastewater, and trash services.

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

Additionally, the Town reports the following fund type:

Permanent Fund – The *Cemetery Permanent Fund* accounts for the activities of the Town cemetery, including the sale of plots and maintenance.

Cash and Investments

Cash equivalents include investments with original maturities of three months or less.

Investments are recorded at fair value.

Capital Assets

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Property and equipment of the Town is depreciated using the straight line method over the following estimated useful lives:

Buildings and Improvements	10 - 40 years
Water and Sewer Plants	10 - 50 years
Water and Sewer Lines	10 - 50 years
Machinery and Equipment	5 - 40 years
Infrastructure	10 - 20 years

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and balance sheets will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows/Inflows of Resources (Continued)

In addition to the liabilities, the statement of financial position and balance sheets will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position and fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Compensated Absences

Employees of the Town are allowed to accumulate unused vacation time up to 320 hours or 40 days and an unlimited amount of unused sick time. Upon termination of employment from the Town, employees will be compensated for all accrued vacation time at their current pay rate. Employees are not compensated for any of their accrued sick time.

These compensated absences are recognized as current salary costs when earned in the proprietary fund types and when due in the governmental fund types. A liability has been recorded in the government-wide financial statements for the accrued compensated absences.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

The government-wide and business-type fund financial statements utilize a net position presentation. Net position is categorized as investment in capital assets, restricted, and unrestricted.

Investment in Capital Assets is intended to reflect the portion of net position which are associated with non-liquid, capital assets less outstanding capital asset related debt. The net related debt is the debt less the outstanding liquid assets and any associated unamortized cost.

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Net Position are liquid assets, which have third party limitations on their use.

Unrestricted Net Position represent assets that do not have any third party limitation on their use. While Town management may have categorized and segmented portion for various purposes, the Town Council has the unrestricted authority to revisit or alter these managerial decisions.

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact. The Town did not report any fund balance nonspendable at December 31, 2022.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Town has classified the following amounts as restricted as of December 31, 2022:

Emergency Reserves	\$ 259,000
Parks and Recreation	158,878
Cemetery Care	<u>78,526</u>
Total	<u>\$ 496,404</u>

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Classification (Continued)

- **Committed** – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Board of Directors. These amounts cannot be used for any other purpose unless the Board of Directors removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Town has classified the following amounts as committed as of December 31, 2022:

Support of Volunteer Ambulance Service	\$ 8,250
Police Training	1,976
Burning Mountain Avenue Street Maintenance	5,494
Traffic Impacts	<u>392,751</u>
Total	<u>\$ 408,471</u>

- **Assigned** – Amounts in the assigned fund balance classification are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as restricted or committed. In the General Fund, assigned amounts represent intended uses established by Town Council or a Town official delegated that Town by Town Charter or ordinance.

The Town has classified the following amounts as assigned as of December 31, 2022:

Long-term Capital Reserve	<u>\$ 712,885</u>
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- **Unassigned** – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The Town would typically use restricted fund balances first, followed by committed resources, and then assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources.

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes

Property taxes are levied on November 1 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the Town on a monthly basis.

Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred revenue are recorded at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue and the receivable is reduced.

Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, complete comparative data in accordance with generally accepted accounting principles has not been presented since its inclusion would make the financial statements unduly complex and difficult to read.

Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- Prior to September 30, the Town staff submits to the Town Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of an ordinance.

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

- The Town Administration is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Town Council.
- Budgets are legally adopted for all funds of the Town. Budgets for the General, Conservation Trust, and Cemetery Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The Budgetary comparisons presented for the Utility Fund is presented on a non-GAAP budgetary basis. Capital outlay is budgeted as an expenditure and depreciation is not budgeted.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Town Council. All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations by fund.

NOTE 3: DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of December 31, 2022 follows:

Cash Deposits	\$ 2,221,504
Investments	<u>5,122,903</u>
Total	<u>\$ 7,344,407</u>

The above amounts are classified in the statement of Net Position as follows:

Governmental Activities	\$ 3,454,165
Business-Type Activities	<u>3,890,242</u>
Total	<u>\$ 7,344,407</u>

Deposits

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories. Eligibility is determined by state regulations. At December 31, 2022, State regulatory commissioners have indicated that all financial institutions holding deposits for the Town are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held.

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

Custodial Credit Risk – Deposits (Continued)

The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits.

The Town has no policy regarding custodial credit risk for deposits.

At December 31, 2022, the Town had deposits with financial institutions with a carrying amount of \$2,221,504. The bank balances with the financial institutions were \$2,193,810. Of these balances, \$250,000 was covered by federal depository insurance, \$1,838,624 was covered by collateral held by authorized escrow agents in the financial institution's name (PDPA) and \$105,186 were uninsured.

Investments

Interest Rate Risk

The Town does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which include:

- Obligations of the United States and certain U.S. government agency securities
- General obligation and revenue bonds of U.S. local government entities
- Commercial paper
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

The above investments are authorized for all funds and fund types used by Colorado municipalities.

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Local Government Investment Pools

The Town had invested \$3,206,638 in the Colorado Surplus Asset Fund Trust (CSAFE) an investment vehicle established for local government entities in Colorado pursuant to Title 24, Article 75, Part 7 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. The State Securities Commissioner administers and enforces the requirements of creating and operating the Pools. CSAFE reports its underlying investments at amortized costs and is considered a qualifying external investment pool under GASB Statement 79. CSAFE operates similar to money market funds where each share is equal in value to \$1.00. The fair value of the position in the pools is the same as the value of the pooled shares.

CSAFE is rated AAAM by Standard and Poor's. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities are owned by the pools and held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pools. Investments of the pools comply with state statutes, consisting of U.S. Treasury bills, notes and note strips, repurchase agreements, U.S. Instrumentalities, Commercial Paper, Bank Deposits and Money Market Funds. CSAFE does not have any limitations or restrictions on participant withdrawals.

The Town had invested \$1,916,265 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAM by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned are held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the entities.

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables.

Fair Value

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant observable inputs.

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Fair Value (Continued)

The Town does not carry any additional investments subject to these fair value measurements.

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2022 is summarized below:

	Balances <u>12/31/21</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/22</u>
Governmental Activities				
Capital Assets, not depreciated				
Land	\$ 15,214,000	\$ -	\$ -	\$ 15,214,000
Construction in Progress	<u>268,744</u>	<u>110,352</u>	<u>73,644</u>	<u>305,452</u>
Total Capital Assets, not depreciated	<u>15,482,744</u>	<u>110,352</u>	<u>73,644</u>	<u>15,519,452</u>
Capital Assets, depreciated				
Buildings	4,455,864	91,847	-	4,547,711
Machinery and Equipment	1,644,003	36,973	221,970	1,459,006
Infrastructure	<u>18,430,927</u>	<u>847,273</u>	<u>-</u>	<u>19,278,200</u>
Total Capital Assets, depreciated	<u>24,530,794</u>	<u>976,093</u>	<u>221,970</u>	<u>25,284,917</u>
Less Accumulated Depreciation				
Buildings	2,233,100	116,095	-	2,349,195
Machinery and Equipment	950,456	116,523	83,708	983,271
Infrastructure	<u>10,539,542</u>	<u>812,900</u>	<u>-</u>	<u>11,352,442</u>
Total Accumulated Depreciation	<u>13,723,098</u>	<u>1,045,518</u>	<u>83,708</u>	<u>14,684,908</u>
Total Capital Assets, depreciated, Net	<u>10,807,696</u>	<u>(69,425)</u>	<u>138,262</u>	<u>10,600,009</u>
Governmental Activities, Capital Assets, Net	<u>\$ 26,290,440</u>	<u>\$ 40,927</u>	<u>\$ 211,906</u>	<u>\$ 26,119,461</u>

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 4: CAPITAL ASSETS (Continued)

	Balances <u>12/31/21</u>	<u>Additions</u>	<u>Deletions</u>	Balances <u>12/31/22</u>
Business-Type Activities				
Capital Assets, not depreciated				
Land	\$ 469,741	\$ -	\$ -	\$ 469,741
Water Rights	516,282	-	-	516,282
Construction in Progress	<u>80,756</u>	<u>22,610</u>	<u>80,756</u>	<u>22,610</u>
Total Capital Assets, not depreciated	<u>1,066,779</u>	<u>22,610</u>	<u>80,756</u>	<u>1,008,633</u>
Capital Assets, depreciated				
Buildings and Improvements	17,213,262	609,852	-	17,823,114
Distribution and Collection	11,357,711	-	-	11,357,711
Machinery and Equipment	<u>757,468</u>	<u>65,117</u>	<u>-</u>	<u>822,585</u>
Total Capital Assets, depreciated	<u>29,328,441</u>	<u>674,969</u>	<u>-</u>	<u>30,003,410</u>
Less: Accumulated Depreciation				
Buildings and Improvements	7,312,075	466,015	-	7,778,090
Distribution and Collection	5,371,696	241,142	-	5,612,838
Machinery and Equipment	<u>496,813</u>	<u>48,465</u>	<u>-</u>	<u>545,278</u>
Total Accumulated Depreciation	<u>13,180,584</u>	<u>755,622</u>	<u>-</u>	<u>13,936,206</u>
Total Capital Assets, depreciated, Net	<u>16,147,857</u>	<u>(80,653)</u>	<u>-</u>	<u>16,067,204</u>
Business-Type Activities, Capital Assets, Net	<u>\$ 17,214,636</u>	<u>\$ (58,043)</u>	<u>\$ (80,756)</u>	<u>\$ 17,075,837</u>

Depreciation expense was charged to functions/programs of the Town as follows:

Governmental Activities

General Government	\$ 12,168
Public Safety	36,052
Public Works	925,616
Parks and Recreation	<u>71,682</u>

Total \$ 1,045,518

Business-type Activities

Water	\$ 276,871
Sewer	<u>478,751</u>

Total \$ 755,622

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 5: LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2022.

	<u>Balance</u> <u>12/31/21</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/22</u>	<u>Due In</u> <u>One Year</u>
Notes Payable	\$ 339,112	\$ -	\$ 47,651	\$ 291,461	\$ 49,778
Accrued Compensated Absences	<u>124,099</u>	<u>20,947</u>	<u>-</u>	<u>145,046</u>	<u>-</u>
Total	<u>\$ 463,211</u>	<u>\$ 20,947</u>	<u>\$ 47,651</u>	<u>\$ 436,507</u>	<u>\$ 49,778</u>

Accrued Compensated Absences are being paid from resources generated by the General Fund.

Note Payable

The Town has also obtained a line of credit in the amount of \$810,000. The original note required monthly payments of principle and interest at 5.25%. The Town refinanced this note during 2011 to obtain a lower interest rate. The new rate is 4.375% for five years. After five years, the rate changes to Prime plus 0.5% with a floor of 4.75% and a ceiling of 5.25%. All other terms of the note remain the same. The note matures in April 2028.

Annual debt service requirements for the Notes and Bonds Payable at December 31, 2022 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 49,778	\$ 11,778	\$ 61,556
2024	52,000	9,555	61,555
2025	54,321	7,234	61,555
2026	56,746	4,809	61,555
2027	59,279	2,276	61,555
2028	<u>19,337</u>	<u>177</u>	<u>19,514</u>
Total Debt Service Requirements	<u>\$ 291,461</u>	<u>\$ 35,829</u>	<u>\$ 327,290</u>

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 5: LONG-TERM DEBT (Continued)

Business-Type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2022.

	<u>Balance</u> <u>12/31/21</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance</u> <u>12/31/22</u>	<u>Due In</u> <u>One Year</u>
2004 CWCB Loan	\$ 443,718	\$ -	\$ 23,437	\$ 420,281	\$ 24,491
2008 CWRPDA Loan	<u>3,837,103</u>	<u>-</u>	<u>385,992</u>	<u>3,451,111</u>	<u>391,428</u>
Total	<u>\$ 4,280,821</u>	<u>\$ -</u>	<u>\$ 409,429</u>	<u>\$ 3,871,392</u>	<u>\$ 415,919</u>

Loans Payable

2004 Colorado Water Conservation Board (CWCB) Loan

Proceeds of this loan were used for the construction of a new diversion structure and pump station on the Colorado River, and a raw water pipeline to the Town's water treatment facility. Principal and interest payments are due annually on August 1. Interest accrues at 4.5%. This loan matures on August 1, 2035.

2008 Colorado Water Resources & Power Development Town (CWRPDA) Loan

Proceeds of this loan were used for the construction of a new wastewater treatment facility and improvements to the wastewater system of the Town. Principal and interest payments are due annually on August 1. Interest accrues at 3.45%. This loan matures on August 1, 2030.

Future Debt Service Requirements

Annual debt service requirements for the outstanding loans at December 31, 2021 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 415,919	\$ 95,001	\$ 510,920
2024	422,459	85,787	508,246
2025	434,483	76,309	510,792
2026	441,123	65,599	506,722
2027	453,254	56,264	509,518
2028-2032	1,584,832	116,926	1,701,758
2033-2035	<u>119,322</u>	<u>10,896</u>	<u>130,218</u>
Total Debt Service Requirements	<u>\$ 3,871,392</u>	<u>\$ 506,782</u>	<u>\$ 4,378,174</u>

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 6: RETIREMENT COMMITMENTS

Employee Pension Plan

The Town contributes to a multiple employer defined contribution retirement plan administered by the Colorado Officials and Employees Retirement Association. Every employee who is employed by the Town is eligible to participate in the Plan immediately upon hire. Both the Town and the employee contribute from three to six percent of the employee's base salary. Plan provisions are established and may be amended by Town Council. During the years ended December 31, 2021 and 2022, employer and employees contributed \$80,715 and \$85,605, respectively, equal to their required contribution

Participants vest in employer contributions and in earnings, losses, and changes in fair market value of Plan assets at a rate of 20% for each full twelve months of participating in the Plan. Participants are immediately vested in their own contributions and earnings.

NOTE 7: PUBLIC ENTITY RISK POOL

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For these risks of loss, the Town is involved with the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provision of 24-10-115.5, Colorado Revised Statutes (1982 Replacement Volume) and Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members defined liability, property, and workers compensation coverages and to assist members in preventing and reducing losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees and officers.

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA.

It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members. CIRSA is a separate legal entity and the Town does not approve budgets nor does it have the ability to significantly affect the operations of entity.

TOWN OF NEW CASTLE, COLORADO

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

NOTE 8: COMMITMENTS AN CONTINGENCIES

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local government. On November 1994, voters within the Town approved the collection, retention and expenditure of State grants, all sales and use taxes and all other revenue generated by the Town in 1995 and subsequent years without limitation, notwithstanding the provisions of the Amendment. The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2022, the emergency reserve of \$259,000 was recorded in the General Fund

NOTE 9: SUBSEQUENT EVENTS

Potential subsequent events were considered through July 21, 2023. It was determined that the following event is required to be disclosed through this date.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF NEW CASTLE, COLORADO

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2022

	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2021 ACTUAL
REVENUES				
Taxes	\$ 3,713,535	\$ 4,227,828	\$ 514,293	\$ 3,485,852
Licenses and Permits	134,855	156,495	21,640	128,577
Intergovernmental	1,797,066	410,114	(1,386,952)	480,455
Charges for Services	162,100	229,715	67,615	149,139
Court	10,500	5,619	(4,881)	16,600
Developer Reimbursements	40,000	39,499	(501)	13,671
Interest	2,250	63,783	61,533	1,494
Sale of Assets	-	-	-	-
Miscellaneous	93,991	31,285	(62,706)	58,607
TOTAL REVENUES	<u>5,954,297</u>	<u>5,164,338</u>	<u>(789,959)</u>	<u>4,334,395</u>
EXPENDITURES				
Current				
General Government	882,556	873,271	9,285	443,601
Public Safety	1,365,952	1,234,713	131,239	1,015,999
Public Works	911,614	718,979	192,635	364,785
Health and Welfare	39,000	42,581	(3,581)	36,595
Parks and Recreation	876,731	777,816	98,915	773,109
Capital Outlay	1,813,981	1,012,801	801,180	1,090,773
Debt Service				
Principal	47,248	47,651	(403)	45,691
Interest	14,308	14,077	231	15,940
TOTAL EXPENDITURES	<u>5,951,390</u>	<u>4,721,889</u>	<u>1,229,501</u>	<u>3,786,493</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,907</u>	<u>442,449</u>	<u>439,542</u>	<u>547,902</u>
NET CHANGE IN FUND BALANCE	2,907	442,449	439,542	547,902
FUND BALANCE, Beginning	<u>3,006,341</u>	<u>3,176,707</u>	<u>170,366</u>	<u>2,628,805</u>
FUND BALANCE, Ending	<u>\$ 3,009,248</u>	<u>\$ 3,619,156</u>	<u>\$ 609,908</u>	<u>\$ 3,176,707</u>

See the accompanying independent auditors' report.

COMBINING AND INDIVIDUAL FUND SCHEDULES

TOWN OF NEW CASTLE, COLORADO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2022

	SPECIAL REVENUE FUND	PERMANENT FUND	TOTALS	
	CONSERVATION TRUST FUND	CEMETERY TRUST FUND	2022	2021
ASSETS				
Cash	\$ 148,878	\$ 78,699	\$ 227,577	\$ 191,781
Due from Other Funds	10,000	-	10,000	-
TOTAL ASSETS	<u>\$ 158,878</u>	<u>\$ 78,699</u>	<u>\$ 237,577</u>	<u>\$ 193,802</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ -	\$ 173	\$ 173	\$ 212
FUND EQUITY				
Fund Balance				
Restricted for Cemetery Care	\$ -	\$ 78,526	\$ 78,526	\$ 68,594
Restricted for Park and Recreation	158,878	-	158,878	122,975
TOTAL FUND EQUITY	<u>158,878</u>	<u>78,526</u>	<u>237,404</u>	<u>191,569</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 158,878</u>	<u>\$ 78,699</u>	<u>\$ 237,577</u>	<u>\$ 191,781</u>

See the accompanying independent auditors' report.

TOWN OF NEW CASTLE, COLORADO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2022

	SPECIAL REVENUE FUND	PERMANENT FUND	TOTALS	
	CONSERVATION TRUST FUND	CEMETERY TRUST FUND	2022	2021
REVENUES				
Intergovernmental	\$ 72,874	\$ -	\$ 72,874	\$ 63,132
Charges for Services	-	10,400	10,400	10,100
Interest	2	245	247	66
TOTAL REVENUES	<u>72,876</u>	<u>10,645</u>	<u>83,521</u>	<u>73,298</u>
EXPENDITURES				
Health and Welfare	-	713	713	225
Parks and Recreation	36,973	-	36,973	61,010
TOTAL EXPENDITURES	<u>36,973</u>	<u>713</u>	<u>37,686</u>	<u>61,235</u>
NET CHANGE IN FUND BALANCES	35,903	9,932	45,835	12,063
FUND BALANCES, Beginning	<u>122,975</u>	<u>68,594</u>	<u>191,569</u>	<u>179,506</u>
FUND BALANCES, Ending	<u>\$ 158,878</u>	<u>\$ 78,526</u>	<u>\$ 237,404</u>	<u>\$ 191,569</u>

See the accompanying independent auditors' report.

TOWN OF NEW CASTLE, COLORADO

CONSERVATION TRUST FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2022

	2022		VARIANCE Positive (Negative)	2021 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Intergovernmental	\$ 52,022	\$ 72,874	\$ 20,852	\$ 63,132
Interest	50	2	(48)	59
TOTAL REVENUES	<u>52,072</u>	<u>72,876</u>	<u>20,804</u>	<u>63,191</u>
EXPENDITURES				
Parks and Recreation	<u>46,500</u>	<u>36,973</u>	<u>9,527</u>	<u>61,010</u>
NET CHANGE IN FUND BALANCE	5,572	35,903	30,331	2,181
FUND BALANCE, Beginning	<u>121,073</u>	<u>122,975</u>	<u>1,902</u>	<u>120,794</u>
FUND BALANCE, Ending	<u>\$ 126,645</u>	<u>\$ 158,878</u>	<u>\$ 32,233</u>	<u>\$ 122,975</u>

See the accompanying independent auditors' report.

TOWN OF NEW CASTLE, COLORADO

CEMETERY FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2022

	2022		VARIANCE Positive (Negative)	2021 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Sale of Plots	\$ 15,000	\$ 10,400	\$ (4,600)	\$ 10,100
Interest and Other	8	245	237	7
TOTAL REVENUES	<u>15,008</u>	<u>10,645</u>	<u>(4,363)</u>	<u>10,107</u>
EXPENDITURES				
Health and Welfare	<u>2,500</u>	<u>713</u>	<u>1,787</u>	<u>225</u>
NET CHANGE IN FUND BALANCE	12,508	9,932	(2,576)	9,882
FUND BALANCE, Beginning	<u>66,719</u>	<u>68,594</u>	<u>1,875</u>	<u>58,712</u>
FUND BALANCE, Ending	<u>\$ 79,227</u>	<u>\$ 78,526</u>	<u>\$ (701)</u>	<u>\$ 68,594</u>

See the accompanying independent auditors' report.

TOWN OF NEW CASTLE, COLORADO

UTILITY FUND
 BUDGETARY COMPARISON SCHEDULE
 Year Ended December 31, 2022

	2022		VARIANCE Positive (Negative)	2021 ACTUAL
	ORIGINAL AND FINAL BUDGET	ACTUAL		
REVENUES				
Water Sales	\$ 1,171,497	\$ 1,324,199	\$ 152,702	\$ 1,135,301
Wastewater Sales	1,529,454	1,525,659	(3,795)	1,510,084
Trash Sales	576,940	576,693	(247)	534,839
Intergovernmental Grants	70,165	70,772	607	29,228
Tap Fees and Contributions	165,000	342,600	177,600	297,600
Interest	10	165	155	5
Other Revenues	38,000	17,812	(20,188)	53,855
TOTAL REVENUES	<u>3,551,066</u>	<u>3,857,900</u>	<u>306,834</u>	<u>3,560,912</u>
EXPENDITURES				
Water	986,116	861,534	124,582	996,407
Wastewater	984,101	838,818	145,283	779,465
Trash	573,040	564,612	8,428	518,602
Debt Service	540,031	539,649	382	538,328
Capital Outlay	478,900	697,579	(218,679)	121,801
TOTAL EXPENDITURES	<u>3,562,188</u>	<u>3,502,192</u>	<u>59,996</u>	<u>2,954,603</u>
NET INCOME, Budget Basis	<u>\$ (11,122)</u>	355,708	<u>\$ 366,830</u>	606,309
GAAP BASIS ADJUSTMENTS				
Capital Outlay		697,579		121,801
Loan Principal Payments		409,429		397,547
Depreciation		(755,621)		(773,627)
NET INCOME, GAAP Basis		707,095		352,030
NET POSITION, Beginning		<u>15,143,398</u>		<u>14,791,368</u>
NET POSITION, Ending		<u>\$ 15,850,493</u>		<u>\$ 15,143,398</u>

See the accompanying independent auditors' report.

COMPLIANCE



COLORADO
Department of Transportation

Steps for printing your content and returning to 'Edit Mode

1. Click Ctrl + A on a Windows machine or Command + A on a Mac to select all data.
2. Right-click your mouse and select Print.
3. Confirm that print settings are correct - make sure "selection only" isn't checked.
4. Print hard copy or to PDF.
5. Click "Edit Mode" to return to modifying your data.
6. Remember to click "Save" to save any changes.

Annual Highway Finance Report - CY22

Email address:

City/County:

Receipts, Disbursements & Costs

II - Receipts for Road & Street Purposes

A. Receipts from local sources

2. General Fund Appropriations:	\$	669,446.00
3. Other local imposts: <i>from A.3. 'Total' below)</i>	\$	973,016.00
4. Miscellaneous local receipts: <i>from A.4. 'Total' below)</i>	\$	140,681.00
5. Transfers from toll facilities	\$	0.00
6. Proceeds of sale of bonds and notes		
a. Bonds - Original Issues:	\$	0.00
b. Bonds - Refunding Issues:	\$	0.00
c. Notes:	\$	0.00

SubTotal: \$ 1,783,143.00

B. Private Contributions \$

Receipts, Disbursements & Costs

II - Receipts for Road & Street Purposes (Detail)

A.3. | Other local imposts

a. Property Taxes & Assessments	\$	0.00
b. Other Local Imposts		
1. Sales Taxes:	\$	900,594.00
2. Infrastructure and Impact Fees:	\$	33,299.00
3. Liens:	\$	0.00
4. Licenses:	\$	0.00
5. Specific Ownership and/or Other:	\$	39,123.00
Total: (a + b) carried to 'Other local imposts' above	\$	973,016.00

A.4. | Miscellaneous local receipts

a. Interest on Investments:	\$	40.00
b. Traffic fines and Penalties:	\$	5,427.00
c. Parking Garage Fees:	\$	0.00
d. Parking Meter Fees:	\$	0.00
e. Sale of Surplus Property:	\$	0.00
f. Charges for Services:	\$	0.00
g. Other Misc. Receipts:	\$	3,214.00
h. Other:	\$	132,000.00
Total: (a through h) carried to 'Misc local receipts' above	\$	140,681.00

C. Receipts from State Government

1. Highway User Taxes:	\$	145,297.00
3. Other State funds:		
c. Motor Vehicle Registrations:	\$	20,574.00
d. Other (Specify):		
Comments: undefined	\$	0.00
e. Other (Specify):		
Comments: undefined	\$	0.00
Total: (1+3c,d,e)	\$	165,871.00

D. Receipts from Federal Government

2. Other Federal Agencies		
a. Forest Service:	\$	0.00

b. FEMA:	\$	0.00
c. HUD:	\$	0.00
d. Federal Transit Administration:	\$	0.00
e. U.S. Corp of Engineers	\$	0.00
f. Other Federal:	\$	0.00
Total: (2a-f)	\$	0.00

Receipts, Disbursements & Costs

III - Disbursements for Road & Street Purposes

A. Local highway disbursements

1. Capital outlay: <i>(from A.1.d. 'Total Capital Outlay' below)</i>	\$	313,924.00
2. Maintenance:	\$	852,239.00
3. Road and street services		
a. Traffic control operations:	\$	13,499.00
b. Snow and ice removal:	\$	67,499.00
c. Other:	\$	52,363.00
4. General administration and miscellaneous	\$	32,134.00
5. Highway law enforcement and safety	\$	617,356.00
Total: (A.1-5)	\$	1,949,014.00

B. Debt service on local obligations

1. Bonds		
a. Interest	\$	0.00
b. Redemption	\$	0.00
2. Notes		
a. Interest	\$	0.00
b. Redemption	\$	0.00
SubTotal: (1+2)	\$	0.00

C. Payments to State for Highways:	\$	0.00
D. Payments to Toll Facilities:	\$	0.00

Total Disbursements: *(A+B+C+D)* \$ 1,949,014.00

Receipts, Disbursements & Costs

III - Disbursements for Road & Street Purposes - (Detail)

	A. ON NATIONAL HIGHWAY SYSTEM	B. OFF NATIONAL HIGHWAY SYSTEM	C. TOTAL
A.1. Capital Outlay			
a. Right-Of-Way Costs:	\$ 0.00	\$ 0.00	\$ 0.00
b. Engineering Costs:	\$ 0.00	\$ 0.00	\$ 0.00
c. Construction			
1. New Facilities:	\$ 0.00	\$ 0.00	\$ 0.00
2. Capacity Improvements:	\$ 0.00	\$ 0.00	\$ 0.00
3. System Preservation:	\$ 0.00	\$ 101,249.00	\$ 101,249.00
4. System Enhancement:	\$ 0.00	\$ 212,675.00	\$ 212,675.00
5. Total Construction:			\$ 313,924.00
d. Total Capital Outlay: <i>(Lines A.1.a. + 1.b. + 1.c.5)</i>			\$ 313,924.00

Receipts, Disbursements & Costs

IV. Local Highway Debt Status

	OPENING DEBT	AMOUNT ISSUED	REDEMPTIONS	CLOSING DEBT
A. Bonds (Total)	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
1. Bonds (Refunding Portion)		\$ 0.00	\$ 0.00	\$ 0.00
B. Notes (Total):	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00

Receipts, Disbursements & Costs

V - Local Road & Street Fund Balance

A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
\$ 0.00	\$ 1,949,014.00	\$ 1,949,014.00	\$ 0.00	\$ 0.00

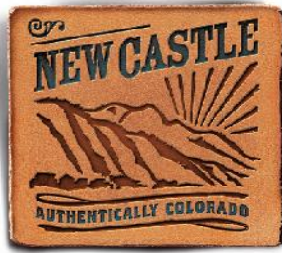
Notes and Comments:

Please enter your name:

Please provide a telephone number where you may be reached:

Please click on the "Save" button before viewing the data in a print format.





Town of New Castle
450 W. Main Street
PO Box 90
New Castle, CO 81647

Administration Department
Phone: (970) 984-2311
Fax: (970) 984-2716
www.newcastlecolorado.org

Memorandum

To: Mayor & Council
From: Loni Burk, Viktoriya Ehlers & David Reynolds
Re: Agenda Item – 2023 Finance Report
Date: 8/15/2023

Purpose:

The purpose of this agenda item is to allow time for Town Treasurer Loni Burk and Viktoriya Ehlers to update the Town Council on the current financial status of the Town. Loni's report is designed to help the Council understand fiscal year 2022 in greater detail. Additionally, Loni and Viktoriya will review the 2018 – 2023 six-year trends in key revenues & expenses, provide suggested guidance looking forward to 2024, and answer any questions that Council may have.

Attached please find a copy of Loni's full report.



Town of New Castle

2023 Finance Update

2022 in Review

General Fund 2022 – Budget vs Actual

Summary

	2022 Budget	2022 Actual	Variance
Revenues			
Administration	3,750,941	2,557,836	(1,193,105)
Building & Planning	142,449	186,483	44,034
Municipal Court	10,500	11,546	1,046
Parks Capital	317,459	398,352	80,893
Parks Maintenance	156,479	183,111	26,632
Public Safety	14,150	12,911	(1,239)
Recreation	505,700	557,200	51,500
Streets	1,056,619	1,256,896	200,277
Total Revenues	5,954,297	5,164,335	(789,962)
Expenses			
Administration	2,403,551	634,843	(1,768,708)
Building & Planning	214,834	195,949	(18,885)
Health & Welfare	39,000	42,581	3,581
Municipal Court	48,152	47,323	(829)
Parks Capital	91,556	135,170	43,614
Parks Maintenance	388,349	413,905	25,556
Public Safety	1,365,952	1,340,222	(25,730)
Recreation	488,382	452,603	(35,779)
Streets	857,701	1,331,702	474,001
Town Maintenance	53,913	127,592	73,679
Total Expenses	5,951,390	4,721,890	(1,229,500)
Net Income (Loss)	2,907	442,445	439,538

	2022 Budget	2022 Actual	Variance
Key Revenue Variances:			
Admin:			
LoVa Trail Meet Me in the Middle	1,185,000	0	(1,185,000)
LoVa Trail Constr Grant NC-CC	572,066	0	(572,066)
Sales Tax (multiple depts)	2,156,848	2,485,561	328,713
Franchise Tax	142,385	162,828	20,443
Mineral Lease/ Severance Tax	85,000	366,289	281,289
Interest on LGIP Accounts	2,250	63,782	61,532
Streets:			
County Sales Tax (Streets)	222,461	202,800	(19,661)
Asphalt Trails (Spring 2022 FMLD)	0	132,000	132,000
Sale of Assets (Streets)	0	19,000	19,000
Highway Use Tax (Sts)	140,975	146,522	5,547
Bldg & Planning:			
Building Permits	101,349	140,853	39,504
Parks Capital:			
Recreational Development Fee	12,500	51,500	39,000
Rec:			
Tobacco Tax	340,000	379,469	39,469
All Other Rec programs	165,700	177,731	12,031
All Other Revenues	827,763	836,000	8,237
Total Revenues	5,954,297	5,164,335	(789,962)
Key Expense Variances:			
LoVa Trail Meet Me in the Middle	1,185,000	0	(1,185,000)
LoVa Trail Constr Grant (NC-CC)	598,981	19,239	(579,742)
Salaries - all depts	1,920,746	1,826,533	(94,213)
Benefits - all depts	722,847	672,424	(50,423)
Legal Expenses - all depts	36,700	76,505	39,805
Town Hall Flooring (Spring 2022 FMLD)	0	4,843	4,843
Asphalt Trails (Spring 2022 FMLD)	0	212,675	212,675
Capital TBD Projects:			
Street Chip Seal/Overlay Projects (Sts)	160,000	548,803	388,803
Vehicle Purchases (Public Safety)	62,000	105,509	43,509
All Other Expenses	1,265,116	1,255,359	(9,757)
Total Expenses	5,951,390	4,721,890	(1,229,500)

Utility Fund 2022 – Budget vs Actual

Summary

	2022 Budget	2022 Actual	Variance
Revenues			
Water Operating	1,171,497	1,186,011	14,514
Water Capital	169,000	327,300	158,300
Waste Water Operating	1,529,464	1,525,821	(3,643)
Waste Water Capital	239,165	242,072	2,907
Trash	576,940	576,693	(247)
Total Revenues	3,686,066	3,857,897	171,831
Expenses			
Water Operating	986,117	861,435	(124,682)
Water Capital	160,404	99,422	(60,982)
Waste Water Operating	984,103	838,818	(145,285)
Waste Water Capital	858,527	1,057,049	198,522
Trash	573,040	564,612	(8,428)
Total Expenses	3,562,191	3,421,336	(140,855)
Net Revenues	123,875	436,561	312,686

	2022 Budget	2022 Actual	Variance
Key Revenue Variances:			
Tap Fees (Wtr & W/wtr)	300,000	342,600	42,600
Water Rights Dedication	0	156,000	156,000
Sale of Assets (Wtr & W/wtr)	38,000	0	(38,000)
Bulk Water Revenues	32,725	61,094	28,369
General Water Revenues	1,138,772	1,124,917	(13,855)
General WasteWater Revenues	1,529,464	1,525,821	(3,643)
All Other Revenues	647,105	647,465	360
Total Revenues	3,686,066	3,857,897	171,831
Key Expense Variances:			
Bio-solid Drying Station	199,900	505,636	305,736
W/Water Headworks Control Upgrade	120,000	15,900	(104,100)
Salaries	758,409	751,588	(6,821)
Benefits	271,679	259,669	(12,010)
Insurance Exp	84,854	73,367	(11,487)
Other Professional Services	124,000	49,856	(74,144)
Computer Hdwe/Software	7,500	715	(6,785)
Utilities	220,666	218,045	(2,621)
Legal Services	74,750	55,354	(19,396)
Engineering & Survey	91,000	10,353	(80,647)
Ruedi Water Contract	23,600	696	(22,904)
Chemicals	61,000	43,293	(17,707)
M & O - Water plant	107,300	75,453	(31,847)
M & O - w/water plant	81,500	54,456	(27,044)
Trash Services	573,040	564,612	(8,428)
All Other Expenses	762,993	742,343	(20,650)
Total Expenses	3,562,191	3,421,336	(140,855)

CTF/Cemetery Funds 2022 – Budget vs Actual

Conservation Trust Fund

	2022 Budget	2022 Actual	Variance
Revenues	52,072	72,876	20,804
Expenses	46,500	36,973	(9,527)
Net Income (Loss)	5,572	35,903	30,331

Cemetery Fund

	2022 Budget	2022 Actual	Variance
Revenues	15,008	10,645	(4,363)
Expenses	2,500	713	(1,787)
Net Income (Loss)	12,508	9,932	(2,576)

Note:

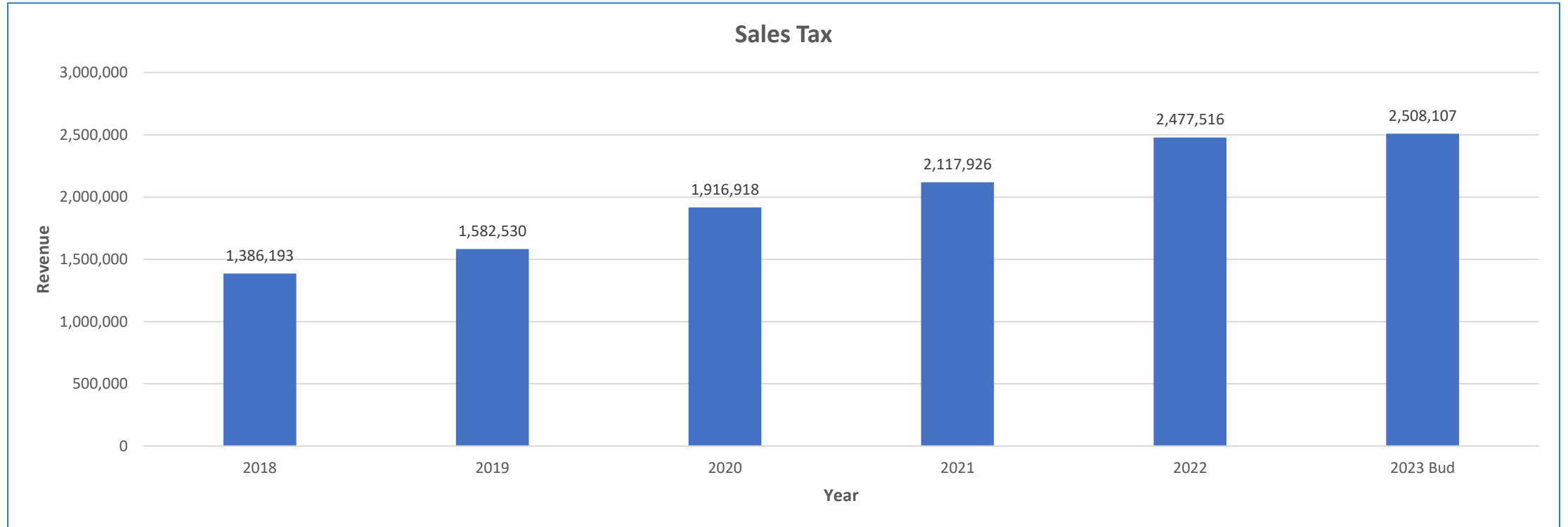
\$62,876 Revenue from State Lottery Funds

\$10,000 of Unbudgeted Revenue from GarCo CTF Fund for New Castle Trails

6-Year Trends

Key Revenues & Expenses

Sales Tax Collections 2018 - 2023



YOY % increase: 4.77% 14.16% 21.13% 10.49% 16.98% 1.23%

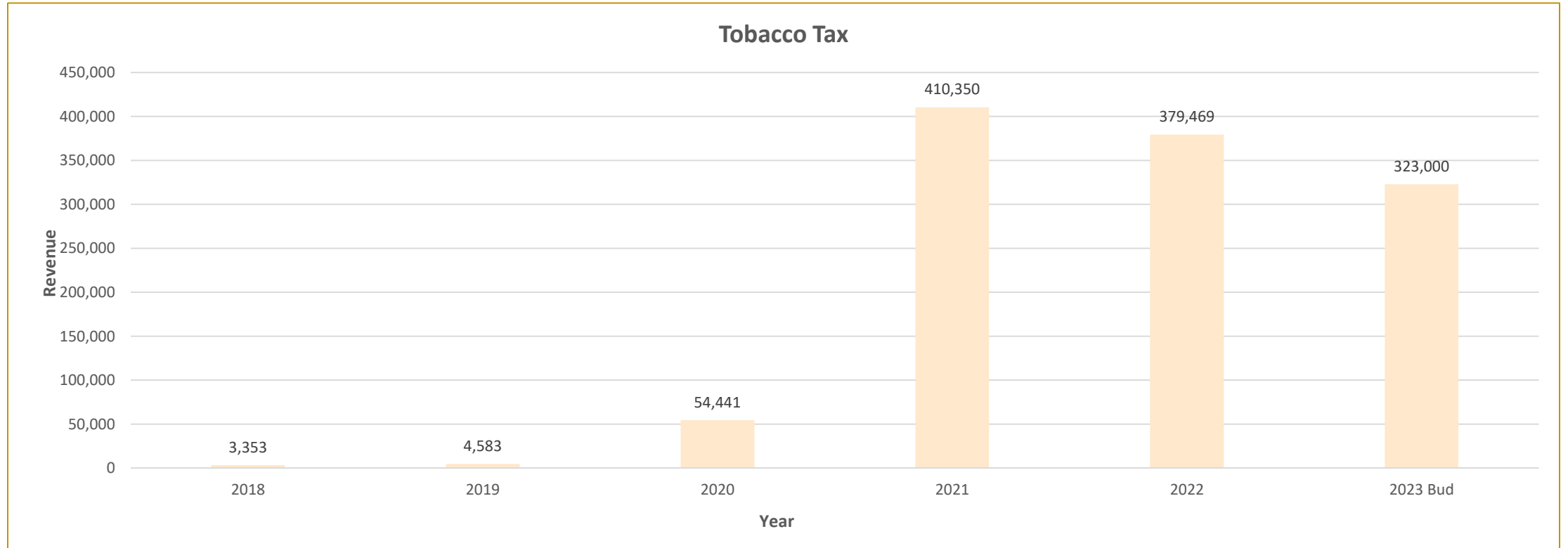
Property Tax Levies 2018 - 2023



Levy for GO Bond expired 2019; taxpayers voted to roll mill levy for GO Bond into General Mill Levy, increasing General Mill Levy from 6.906 to 8.551 effective 01/01/2020.

** 2023 revenues decreased due to SB 22-238.*

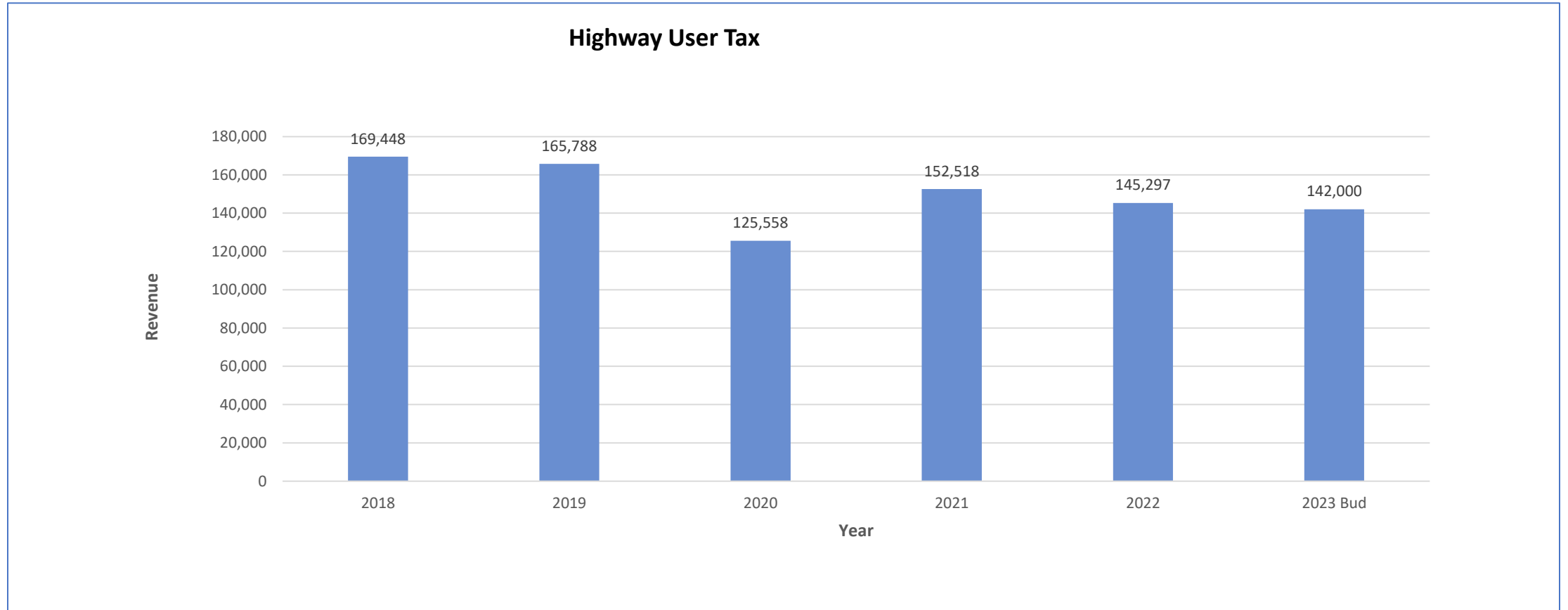
Tobacco Tax 2020 - 2023



Ballot measure passed in November 2019; new tax effective 01/01/2020.

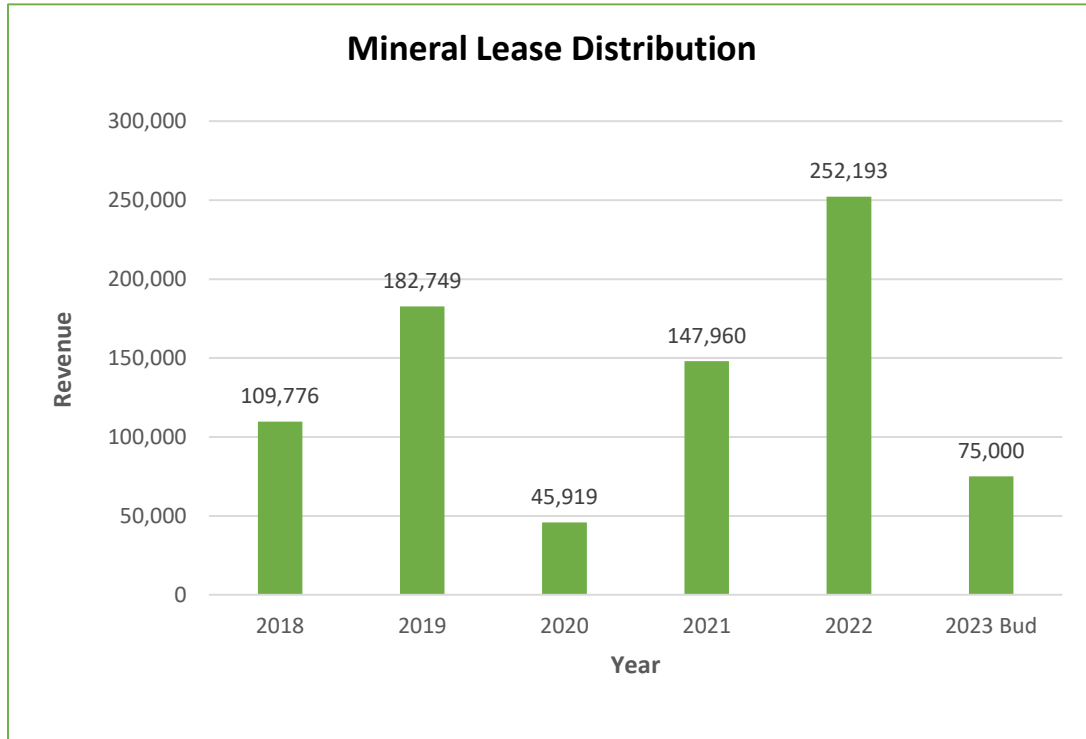
Original tax = \$.16/cigarette or \$3.20/pack; increased by one-half cent per year until it reaches \$.20/cigarette or \$4.00/pack plus 40% of purchase price of tobacco and nicotine delivery products

Highway User Tax Receipts 2018-2023

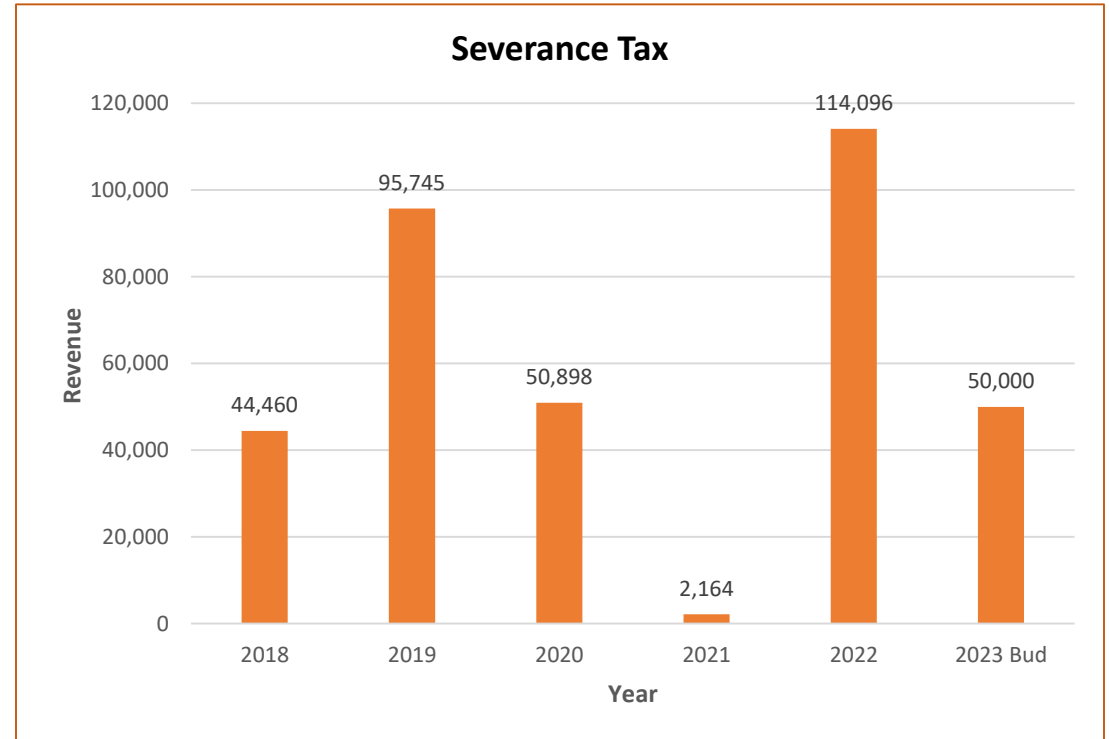


Received from motor fuel taxes (\$.225/gal for gas, \$.205/gal for diesel), vehicle registration fees and drivers license fees.

Mineral Lease / Severance Tax Distribution 2018-2023

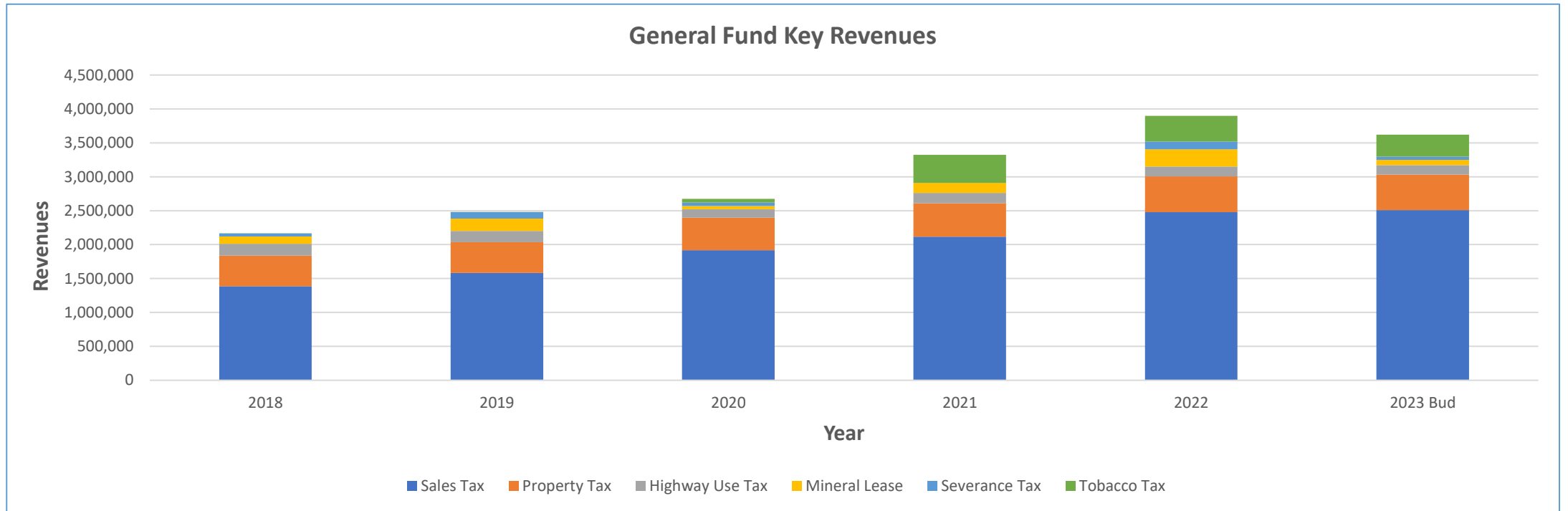


Federal revenues collected per the Mineral Leasing Act of 1920 for the leasing of public lands for developing deposits of coal, petroleum, natural gas and certain minerals. Colorado's share is distributed to DOLA, who in turn distributes them based on formulaic calculations.



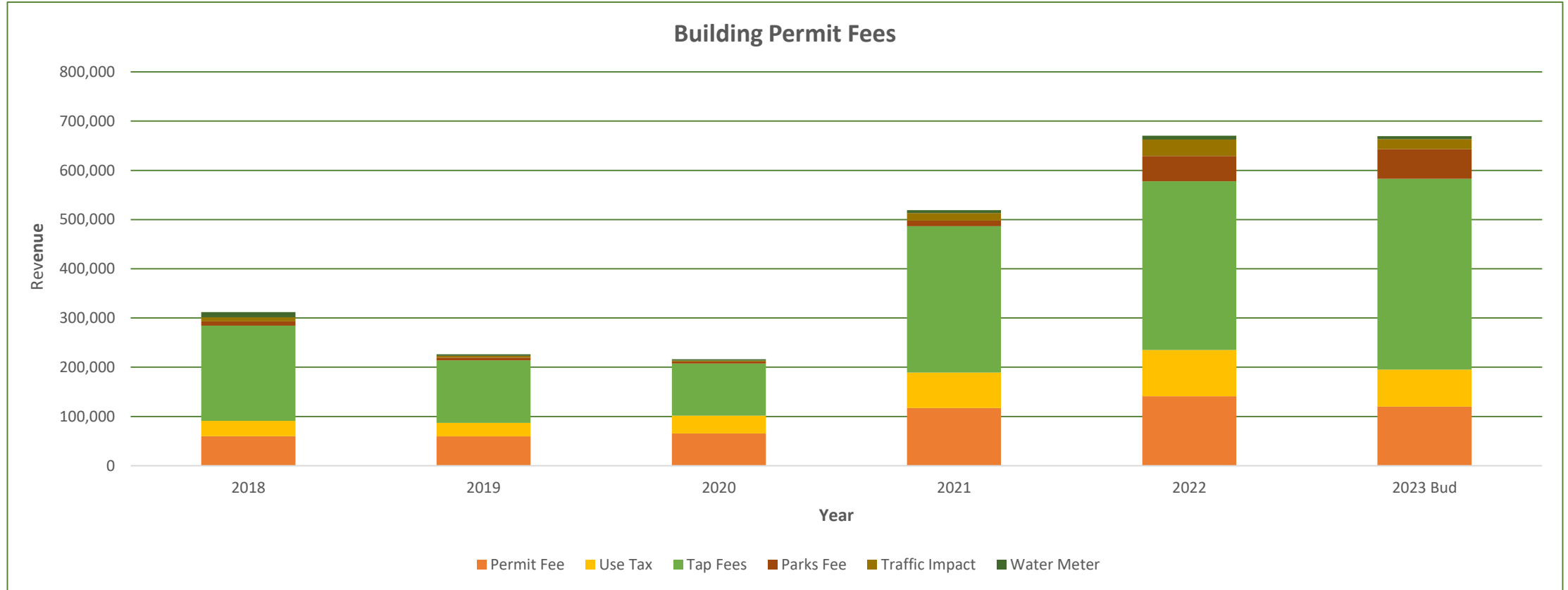
State revenues collected on nonrenewable natural resources (i.e. crude oil, natural gas, carbon dioxide, oil and gas) that are removed from the earth. DOLA distributes these revenues based on formulaic calculations.

General Fund – Key Revenues 2018-2023



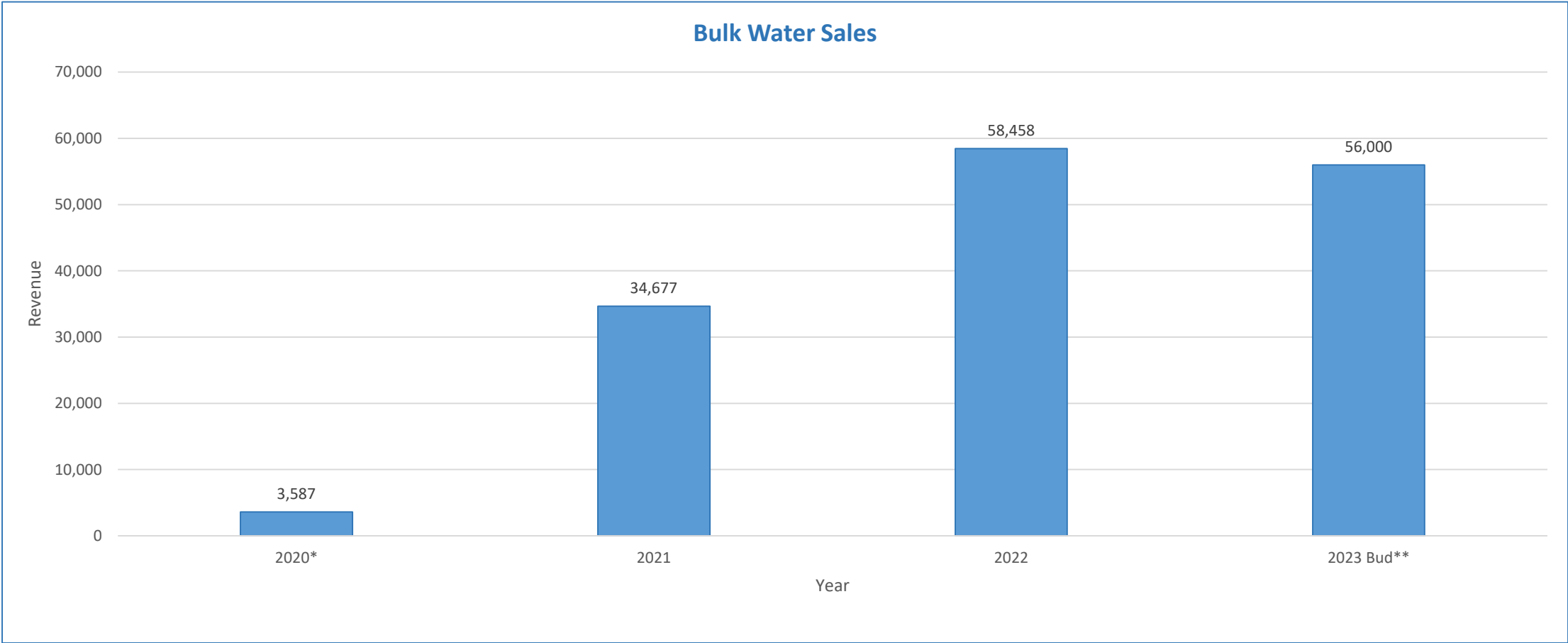
Year	Sales Tax	Property Tax	Highway Use Tax	Mineral Lease	Severance Tax	Tobacco Tax	Totals by Year
2018	1,386,193	454,495	169,448	109,776	44,460	3,356	2,167,728
2019	1,582,530	451,185	165,788	182,749	95,745	4,583	2,482,580
2020	1,916,918	481,200	125,558	45,919	50,898	54,441	2,674,934
2021	2,117,926	491,817	152,518	147,960	2,164	410,350	3,322,735
2022	2,477,516	529,575	145,297	252,193	114,096	379,469	3,898,146
2023 Bud	2,508,107	523,425	142,000	75,000	50,000	323,000	3,621,532

Building Permit Fees 2018–2023



Year	Permit Fee	Use Tax	Tap Fees	Parks Fee	Traffic Impact	Water Meter	Totals by Year
2018	59,869	31,197	193,500	8,500	8,296	10,458	311,820
2019	59,544	27,583	126,828	5,500	3,451	3,245	226,151
2020	65,354	36,307	105,600	4,500	1,795	2,514	216,070
2021	117,101	72,074	297,600	11,500	14,860	5,995	519,130
2022	140,853	94,206	342,600	51,500	33,299	8,168	670,626
2023 Bud	120,000	75,000	388,000	60,000	20,700	5,800	669,500

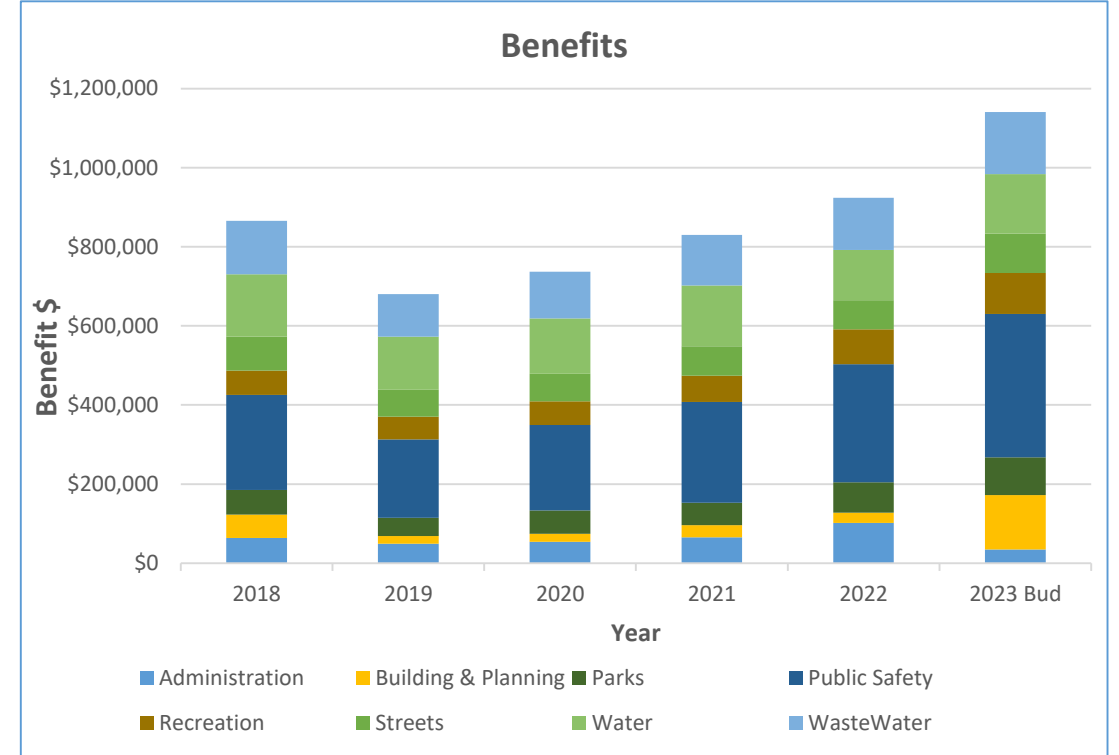
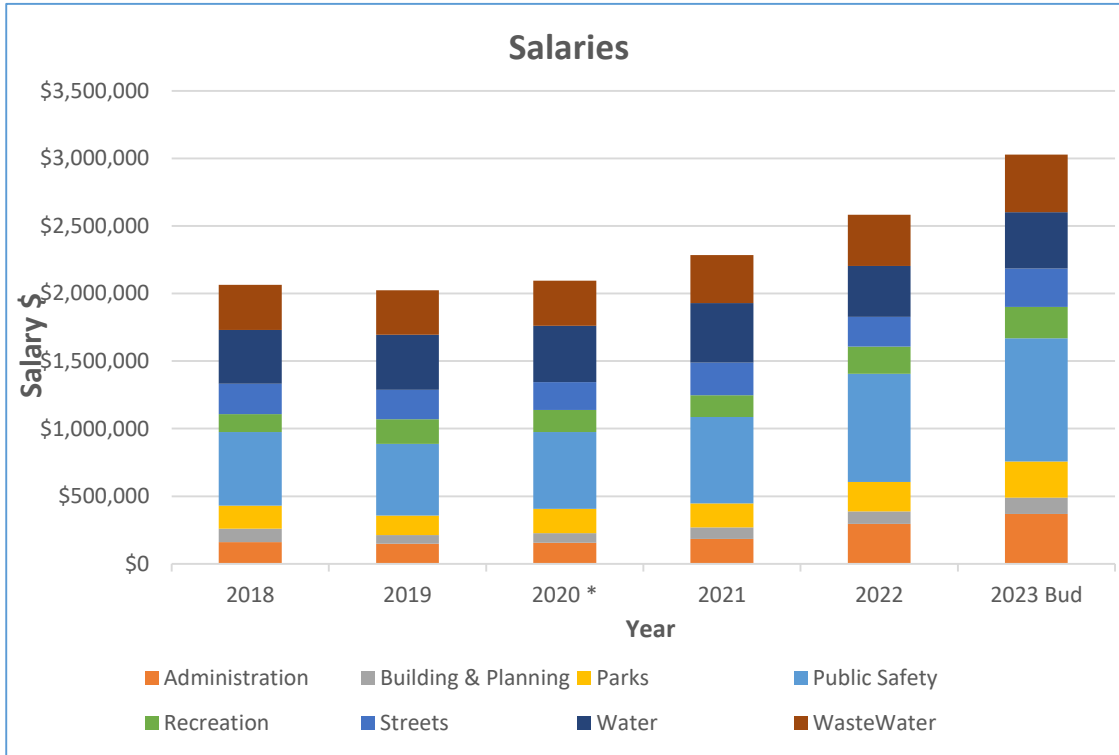
Bulk Water Sales 2020 - 2023



* Facility opened in December 2020.

** On track to do \$65-\$70k in 2023.

Salaries & Benefits 2018-2023



FTE	32	32	32	34	35	37
Avg Salary per FTE	64,500	63,217	63,026	67,214	73,810	81,821

FTE	32	32	32	34	35	37
Avg Benefits per FTE	27,101	21,325	23,100	24,476	26,465	30,835

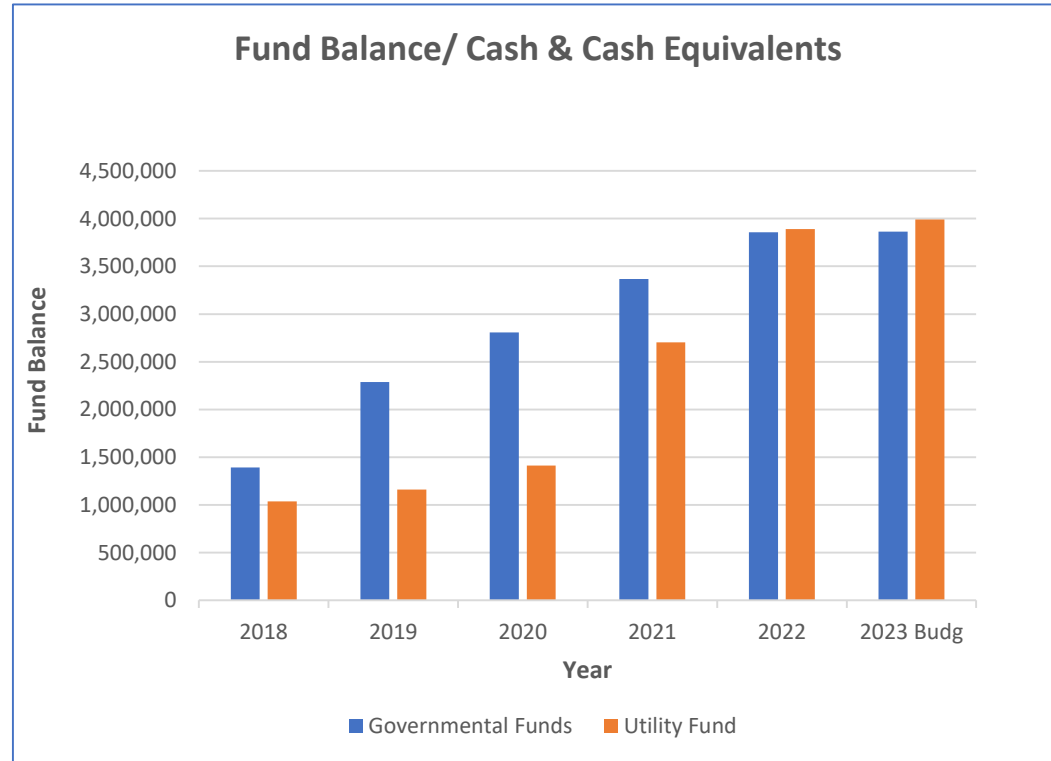
	2018	2019	2020 *	2021	2022	2023 Bud
Administration	\$160,326	\$149,497	\$156,066	\$182,976	\$294,610	\$369,460
Building & Planning	100,475	63,667	71,087	86,207	93,272	120,500
Parks	169,693	143,786	180,145	178,960	218,148	267,500
Public Safety	544,010	530,526	568,546	637,596	800,486	910,600
Recreation	133,301	181,227	163,348	161,889	199,994	233,500
Streets	224,468	219,354	204,343	241,304	220,015	283,200
Water	398,240	407,494	417,550	440,110	377,040	416,700
WasteWater	333,502	327,397	333,316	356,249	379,798	425,900
Totals	2,064,015	2,022,948	2,094,401	2,285,291	2,583,363	3,027,360

	2018	2019	2020	2021	2022	2023 Bud
Administration	\$63,362	\$49,031	\$53,872	\$65,481	\$102,055	\$34,900
Building & Planning	59,265	19,536	20,586	30,619	25,385	136,900
Parks	62,614	45,834	58,837	56,402	77,160	96,200
Public Safety	240,172	198,619	216,360	254,937	298,243	362,400
Recreation	61,399	57,177	59,913	66,719	88,747	103,400
Streets	85,584	67,811	69,233	74,096	72,994	99,600
Water	158,461	135,000	139,659	154,239	127,219	150,200
WasteWater	134,361	107,363	118,729	127,682	132,450	157,300
Totals	867,236	682,390	739,209	832,196	926,275	1,140,900

% incr 2023 over 2018 = 27%

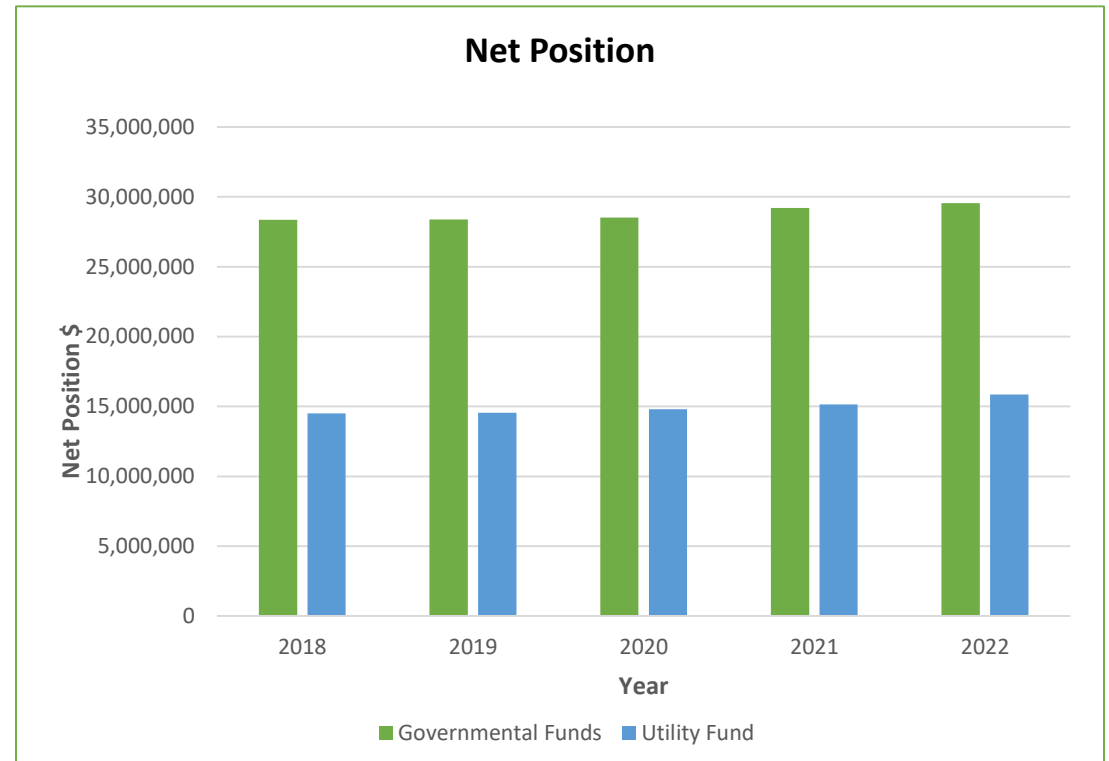
% incr 2023 over 2018 = 14%

Fund Balance & Net Position – 2018 – 2023



Governmental Funds - Fund Balance represents the total accumulation of operating surpluses and deficits since the beginning of existence.

Utility Fund - Cash & cash equivalents refers to the value of the assets that are cash or can be converted into cash immediately.



Net Position is the difference between the assets plus deferred outflows of resources and the liabilities plus deferred inflows of resources - similar to Equity for a for-profit business.

Grant Activity – 2019 -2023

Grant Description	Grantor	Grant Amount	New Castle Match	Other Partner Matches	Total Project Cost
Grants Closed in 2019					
Community Center Improvements	FMLD Fall 2018 Mini	\$23,717	\$0	\$0	\$23,717
Website Migration	AGNC	4,900	4,900	0	9,800
Charge Ahead Colorado - EV Charging Station	Colorado Energy Ofc*	9,000	12,116	2,587	23,703
Streets Maintenance Grant	FMLD Spring 2019 Traditional	50,000	36,755	0	86,755
Liberty Classical Academy - TONC was fiscal agent	CO Health Foundation	204,757	0	0	204,757
TOTAL 2019		292,374	53,771	2,587	348,732
Grants Closed in 2020					
WasteWater Treatment Plant UV System	FMLD Fall 2018 Traditional	109,754	54,058	0	163,812
Public Safety Equipment Upgrade	FMLD Fall 2019 Mini	23,184	0	0	23,184
Grantee of the Year					
a) Main Street Crosswalk Warning System	FMLD Grantee of Year	7,407	0	0	7,407
b) EV Charging Station	FMLD Grantee of Year/CO Chg Ahead	2,593	12,116	9,000	23,709
Streets Maintenance Grant	FMLD Spring 2020 Traditional	200,000	85,452	0	285,452
TOTAL 2020		342,938	151,626	9,000	503,564
Grants Closed in 2021					
Bulk Water Station	FMLD Fall 2019 Traditional	81,000	106,909	0	187,909
Downtown Revitalization Grant (Outdoor Dining)	CDOT	23,640	2,627	0	26,267
Police Department Evidence Bay	FMLD Spring 2020 Mini	25,000	12,490	0	37,490
LoVa Trail Planning Grant - South Canyon-Canyon Creek	CPW/GOCO	107,100	7,709	39,714	154,523
Town Hall Windows	FMLD Fall 2020 Mini	\$25,000	\$7,542		32,542
TOTAL 2021		\$261,740	\$137,277	\$39,714	\$438,731
Grants Closed in 2022					
Biosolid Drying Station	FMLD Fall 2020 Traditional	100,000	456,659	0	556,659
South Alley Fence Repair	FMLD Spring 2021 Mini	18,935	0	0	18,935
Community Center Kitchen Remodel	FMLD Fall 2021 Mini	23,007	0	0	23,007
Asphalt Trails Resurfacing	FMLD Spring 2022 Traditional	132,000	80,182	0	212,182
TOTAL 2022		\$273,942	\$536,841	\$0	\$810,783
Grants Closed in 2023 thru July					
Town Hall Flooring	FMLD Spring 2022 Mini	24,164	0	0	24,164
New Castle Facility Security	FMLD Fall 2022 Mini	25,000	14,005	0	39,005
TOTAL 2023 thru July		\$49,164	\$14,005	\$0	\$63,169
TOTAL GRANTS CLOSED 2019-July 2023		\$1,220,158	\$893,520	\$51,301	\$2,164,979
		56%	41%	2%	100%
Grants Currently Active					
LoVa Trail Meet Me in the Middle Joint Grant	FMLD Joint Grant	700,000	10,000	490,000	1,200,000
ARPA - Raw Water Irrigation Project	American Rescue Plan Funds	1,307,773	0	0	1,307,773
HPC Consultant	History Colorado	19,550	0	0	19,550
Digester Blower Building	FMLD Fall 2022 Traditional	200,000	250,000	0	450,000
Streets Maintenance	FMLD Spring 2023 Traditional	150,000	356,000	0	506,000
Downtown Ice Skating Rink	AGNC Technical Grant	5,000	5,437	0	10,437
Total Active Grants		\$2,382,323	\$621,437	\$490,000	\$3,493,760
		68%	18%	14%	100%

Equipment Purchases & New Castle Trails

Non-Grant Funded

Equipment Purchases 2018 - 2023 (100% funded by the TONC)

2018	Dept	Cost
Water Jetting Equipment	W/wtr	68,745
2 Chevy Tahoes 2018	PD	112,991
Total 2018		181,736
<hr/>		
2020		
Caterpillar Backhoe	Streets	119,770
2 Chevy Colorado Trucks 2020	Sts/Pks	80,741
Roller	Streets	16,720
2 Hach Autosamplers	W/wtr	11,972
John Deere Ztrak Mower	Parks	9,239
Total 2020		238,442
<hr/>		
2021		
3 Chevy Tahoes 2021	PD	185,684
Tymco Street Sweeper	Streets	128,850
John Deere Large Area Mower	Parks	58,000
PLC Filter Upgrade	Water	41,044
Concrete Jack Equipment	Streets	28,972
Solar Message Board	Admin	19,381
Pedestrian Crosswalk at CVB	Streets	7,149
Total 2021		469,080
<hr/>		
2022		
2 Chevy Tahoes 2023	PD	105,509
Solar Panel Array	General	68,744
2 Chevy Colorado Trucks 2022	Wtr/W/wtr	65,116
John Deere Compact Tractor	Parks	29,805
Fence at WTP	Water	23,460
Fertilizer Spreader	Parks	7,168
Total 2022		299,802
<hr/>		
2023 thru July		
Fitness Equipment - Treadmill	PD	2,500
Bobcat Grader Attachment	Streets	21,291
2 Chevy Silverado Pickups 2023	Pks/Sts	109,663
Conex Box	Admin	4,106
Verticutter	Parks	12,660
Aerator	Parks	12,969
Dog Park (net of \$13,447 donations)	Parks	40,622
Moscad Radio Upgrade	Util	75,400
Replacement Filters	Water	32,559
Body Cameras	PD	49,355
Total 2023 thru July		361,125
<hr/>		
Total Purchases 2018 - 2023		1,550,185

New Castle Trails Donations			
Year	Rides & Reggae	Trail Building	Total
2019	20,000	0	20,000
2020	10,034	40,466	50,500
2021	20,000	40,000	60,000
2022	20,000	60,000	80,000
2023	20,000	60,000	80,000
Totals	90,034	200,466	290,500

2023 To Date

Revenues & Expenses through June

General Fund Summary as of 6/30/2023

(50% of Year has Elapsed)

	<u>Budget 2023</u>	<u>Actual thru 6/30/2023</u>	<u>YTD % of Budget</u>
Administration			
Operating Revenues	3,529,075	1,692,092	47.9%
Operating Expenses	2,052,260	777,704	37.9%
Net Revenues	1,476,815	914,388	61.9%
Building & Planning			
Operating Revenues	162,500	54,525	33.6%
Operating Expenses	234,050	113,288	48.4%
Net Revenues	(71,550)	(58,763)	82.1%
Health & Welfare			
Operating Expenses	53,000	27,000	50.9%
Net expenses	30,000	22,565	75.2%
Municipal Court			
Operating Revenues	9,300	6,888	74.1%
Operating Expenses	53,400	22,060	41.3%
Net Revenues	(44,100)	(15,172)	34.4%
Parks /Trails Capital			
Operating Revenues	411,000	204,138	49.7%
Operating Expenses	149,600	115,959	77.5%
Net Revenues	261,400	88,179	33.7%

	<u>Budget 2023</u>	<u>Actual thru 6/30/2023</u>	<u>YTD % of Budget</u>
Park/Trails Maintenance			
Operating Revenues	182,000	88,979	48.9%
Operating Expenses	481,000	229,228	47.7%
Net Revenues	(299,000)	(140,249)	46.9%
Public Safety Department			
Operating Revenues	12,600	6,549	52.0%
Operating Expenses	1,458,900	625,539	42.9%
Net Revenues	(1,446,300)	(618,990)	42.8%
Recreation Department			
Operating Revenues	453,500	261,531	57.7%
Operating Expenses	483,800	232,585	48.1%
Net Revenues	(30,300)	28,946	-95.5%
Street Maintenance			
Operating Revenues	1,144,700	552,529	48.3%
Operating Expenses	860,000	312,531	36.3%
Net Revenues	284,700	239,998	84.3%
Town Maintenance			
Operating Expenses	73,000	41,881	57.4%
Net Expenses	73,000	41,881	57.4%
TOTAL Revenues	5,904,675	2,867,231	48.6%
TOTAL Expenditures	5,899,010	2,497,775	42.3%
Net Revenues	5,665	369,456	6521.7%

Utility Fund Summary as of 6/30/2023

(50% of Year has Elapsed)

	<u>Budget 2023</u>	<u>YTD 6/30/2023</u>	<u>YTD % of Budget</u>
Water			
Operating Revenues	\$ 1,203,300	554,095	46.0%
Operating Expenses	\$ <u>1,028,800</u>	<u>509,744</u>	49.5%
Operating Revenues ***	\$ 174,500	44,351	25.4%
Capital Revenues	\$ 194,000	245,338	126.5%
Capital Expenses	\$ <u>124,000</u>	<u>250,847</u>	202.3%
Capital Revenues ***	\$ 70,000	(5,509)	-7.9%
Wastewater			
Operating Revenues	\$ 1,560,620	797,025	51.1%
Operating Expenses	\$ <u>1,026,400</u>	<u>464,365</u>	45.2%
Operating Revenues ***	\$ 534,220	332,660	62.3%
Capital Revenues	\$ 394,000	38,800	9.8%
Capital Expenses	\$ <u>1,082,100</u>	<u>320,265</u>	29.6%
Capital Revenues ***	\$ (688,100)	(281,465)	40.9%
Trash Service			
Operating Revenues	\$ 605,000	301,759	49.9%
Operating Expenses	\$ <u>593,800</u>	<u>289,774</u>	48.8%
Operating Revenues ***	\$ 11,200	11,985	107.0%
TOTALS			
Operating Revenues	\$ 3,956,920	1,937,017	49.0%
Operating Expenses	\$ <u>3,855,100</u>	<u>1,834,995</u>	47.6%
Net Surplus (Deficit)	\$ 101,820	102,022	100.2%

In Summary

Looking Ahead to 2024

Under the leadership of Town Council and Town Administrator, Dave Reynolds, the past six years have been robust and productive for the Town of New Castle. General Fund key revenues increased by \$1.4 million in that time and were wisely used for key capital purchases and improvements, staffing needs and increases to reserves. Additional revenues were created by passing a ballot measure for tobacco taxes, maintaining the property tax mill levy when the GO bond was paid and increasing the lodging tax rate. Council's vote to allow annual utility rate increases allowed the Utility Fund to go from deficit spending to a budget surplus, allowing for necessary funds for grant matching to maintain the water and wastewater infrastructure. The addition of a bulk water station has also increased revenues by up to \$70,000 in 2023 and has paid for itself in three years.

Looking ahead to 2024 and beyond, staffing salaries, benefits and housing will need to be a key focus in order to attract and keep the valuable human resources needed to maintain the integrity of the services the Town has and will continue to provide. Grant opportunities will be key for providing the funding necessary to maintain our aging water and wastewater treatment plants and other critical capital projects.

Questions??



Town of New Castle
450 W. Main Street
PO Box 90
New Castle, CO 81647

Administration Department
Phone: (970) 984-2311
Fax: (970) 984-2716
www.newcastlecolorado.org

Memorandum

To: Mayor & Council
From: Dave Reynolds
Re: Agenda Item – Consider Ordinance TC 2023-03
Date: 08/15/2023

Purpose:

The purpose of this agenda item is to consider Ordinance TC 2023-03 on first reading. During a regular Council meeting on August 1, 2023, Town Council discussed the merits of adding a multiplier to the ICC Building Valuation Tables for the purpose of making more accurate assessments of new building values. Staff reported that ICC Building Valuation Tables are a required tool of the Municipal Code and are to be used when assessing the value of newly constructed homes, this value ultimately helps determine the associated Building Permit costs. Because the ICC Tables represent the average square foot building cost across the entire nation, it is necessary for towns with higher actual costs to add an upward multiplier and towns with lower actual building costs to add a downward multiplier. Staff demonstrated that local building costs are significantly higher than the national average and that other local municipalities are already applying an upward-facing multiplier to adjust for local conditions.

The ICC also suggests that towns consider how much of their Building and Planning Department annual expenses should be targeted for recapture by Building Permit Fees. Each town can look at this differently, one example given by the ICC is 75%, but there is no hard fast rule on a proper target. Using this methodology is often difficult for towns that do not have a steady and predictable number of new Building Permits each year. Unless you can accurately guess the number of new permits that will be issued and can also guess the value of each new home built, this method only works as a rough target.

In tracking our budgeted numbers for the past six years staff estimates that using the published ICC Tables without applying a multiplier resulted in an average recapture of 54% of our Building and Planning Expenses. During that same period the application of a 1.3% multiplier would have resulted in a 71% recapture of Building and Planning Expenses.

It is important to note that the fewer homes that are permitted, the greater the overall budget deficit to the town (expenses continue, but revenues decline). To date in 2023 the town has issued four new home permits out of the twenty that were targeted for the year. We now expect to end the year with twelve new home permits. Accurately forecasting new home construction is next to impossible in the current building environment.

In addition to the above, Council may also consider that the proper assessment of new building values during the permitting process has a direct correlation to the amount of Use Tax collected. Undervaluing new homes

will result in the under collection of taxes due to the town on building materials coming into the town. Overvaluing a new home can result in the over collection of Use Tax.

Staff is happy to discuss this further and provide any additional information that may be needed.

Attached please find the following items:

- Ordinance TC 2023-3
- Building Permit Fees Spreadsheet 2018-2023
- Sample ICC Building Valuation Table

Building Valuation Data – AUGUST 2022

The International Code Council is pleased to provide the following Building Valuation Data (BVD) for its members. The BVD will be updated at six-month intervals, with the next update in February 2023. ICC strongly recommends that all jurisdictions and other interested parties actively evaluate and assess the impact of this BVD table before utilizing it in their current code enforcement related activities.

The BVD table provides the “average” construction costs per square foot, which can be used in determining permit fees for a jurisdiction. Permit fee schedules are addressed in Section 109.2 of the 2021 *International Building Code* (IBC) whereas Section 109.3 addresses building permit valuations. The permit fees can be established by using the BVD table and a Permit Fee Multiplier, which is based on the total construction value within the jurisdiction for the past year. The Square Foot Construction Cost table presents factors that reflect relative value of one construction classification/occupancy group to another so that more expensive construction is assessed greater permit fees than less expensive construction.

ICC has developed this data to aid jurisdictions in determining permit fees. It is important to note that while this BVD table does determine an estimated value of a building (i.e., Gross Area x Square Foot Construction Cost), this data is only intended to assist jurisdictions in determining their permit fees. This data table is not intended to be used as an estimating guide because the data only reflects average costs and is not representative of specific construction.

This degree of precision is sufficient for the intended purpose, which is to help establish permit fees so as to fund code compliance activities. This BVD table provides jurisdictions with a simplified way to determine the estimated value of a building that does not rely on the permit applicant to determine the cost of construction. Therefore, the bidding process for a particular job and other associated factors do not affect the value of a building for determining the permit fee. Whether a specific project is bid at a cost above or below the computed value of construction does not affect the permit fee because the cost of related code enforcement activities is not directly affected by the bid process and results.

Building Valuation

The following building valuation data represents average valuations for most buildings. In conjunction with IBC Section 109.3, this data is offered as an aid for the building official to determine if the permit valuation is underestimated. Again it should be noted that, when using this data, these are “average” costs based on typical construction methods for each occupancy group and type of construction. The average costs

include foundation work, structural and nonstructural building components, electrical, plumbing, mechanical and interior finish material. The data is a national average and does not take into account any regional cost differences. As such, the use of Regional Cost Modifiers is subject to the authority having jurisdiction.

Permit Fee Multiplier

Determine the Permit Fee Multiplier:

1. Based on historical records, determine the total annual construction value which has occurred within the jurisdiction for the past year.
2. Determine the percentage (%) of the building department budget expected to be provided by building permit revenue.
- 3.

$$\text{Permit Fee Multiplier} = \frac{\text{Bldg. Dept. Budget} \times (\%)}{\text{Total Annual Construction Value}}$$

Example

The building department operates on a \$300,000 budget, and it expects to cover 75 percent of that from building permit fees. The total annual construction value which occurred within the jurisdiction in the previous year is \$30,000,000.

$$\text{Permit Fee Multiplier} = \frac{\$300,000 \times 75\%}{\$30,000,000} = 0.0075$$

Permit Fee

The permit fee is determined using the building gross area, the Square Foot Construction Cost and the Permit Fee Multiplier.

$$\text{Permit Fee} = \text{Gross Area} \times \text{Square Foot Construction Cost} \times \text{Permit Fee Multiplier}$$

Example

Type of Construction: IIB

Area: 1st story = 8,000 sq. ft.

2nd story = 8,000 sq. ft.

Height: 2 stories

Permit Fee Multiplier = 0.0075

Use Group: B

1. Gross area:
Business = 2 stories x 8,000 sq. ft. = 16,000 sq. ft.
2. Square Foot Construction Cost:
B/IIB = \$236.05/sq. ft.
3. Permit Fee:
Business = 16,000 sq. ft. x \$236.05/sq. ft x 0.0075
= \$28,326

NEW CONSTRUCTION VALUATION CHART

Effective Aug 2022

Group (2021 International Building Code)	IA	IB	IIA	IIB	IIIA	IIIB	IV	VA	VB
A-1 Assembly, theaters, with stage	341.86	330.34	322.57	310.34	291.96	282.93	300.86	270.73	262.11
A-1 Assembly, theaters, without stage	312.84	301.33	293.56	281.32	262.95	253.92	271.85	241.72	233.10
A-2 Assembly, nightclubs	275.09	266.93	259.34	250.54	234.96	228.26	241.54	213.57	206.65
A-2 Assembly, restaurants, bars, banquet halls	274.09	265.93	257.34	249.54	232.96	227.26	240.54	211.57	205.65
A-3 Assembly, churches	317.43	305.92	298.14	285.91	267.99	258.96	276.44	246.76	238.14
A-3 Assembly, general, community halls, libraries, museums	270.80	259.29	250.52	239.28	220.19	212.16	229.81	198.96	191.35
A-4 Assembly, arenas	311.84	300.33	291.56	280.32	260.95	252.92	270.85	239.72	232.10
B Business	265.63	255.90	246.45	236.05	215.01	206.57	226.78	189.75	181.18
E Educational	282.69	273.02	265.84	254.38	237.44	225.45	245.61	207.53	201.06
F-1 Factory and industrial, moderate hazard	161.70	154.21	144.70	139.94	124.72	118.51	133.72	103.40	96.83
F-2 Factory and industrial, low hazard	160.70	153.21	144.70	138.94	124.72	117.51	132.72	103.40	95.83
H-1 High Hazard, explosives	150.85	143.36	134.84	129.08	115.17	107.96	122.87	93.86	N.P.
H234 High Hazard	150.85	143.36	134.84	129.08	115.17	107.96	122.87	93.86	86.28
H-5 HPM	265.63	255.90	246.45	236.05	215.01	206.57	226.78	189.75	181.18
I-1 Institutional, supervised environment	269.11	259.88	252.15	241.97	222.52	216.37	242.28	199.48	193.49
I-2 Institutional, hospitals	442.38	432.64	423.19	412.79	390.61	N.P.	403.53	365.36	N.P.
I-2 Institutional, nursing homes	307.72	297.98	288.54	278.13	258.63	N.P.	268.87	233.38	N.P.
I-3 Institutional, restrained	301.48	291.74	282.29	271.89	252.65	243.22	262.63	227.40	216.82
I-4 Institutional, day care facilities	269.11	259.88	252.15	241.97	222.52	216.37	242.28	199.48	193.49
M Mercantile	205.22	197.06	188.47	180.67	164.83	159.13	171.67	143.44	137.53
R-1 Residential, hotels	271.95	262.72	254.98	244.80	225.03	218.88	245.11	201.99	196.00
R-2 Residential, multiple family	227.64	218.41	210.68	200.50	182.02	175.88	200.81	158.99	153.00
R-3 Residential, one- and two-family ^d	212.00	206.26	200.94	195.99	190.28	183.39	192.66	176.52	166.08
R-4 Residential, care/assisted living facilities	269.11	259.88	252.15	241.97	222.52	216.37	242.28	199.48	193.49
S-1 Storage, moderate hazard	149.85	142.36	132.84	128.08	113.17	106.96	121.87	91.86	85.28
S-2 Storage, low hazard	148.85	141.36	132.84	127.08	113.17	105.96	120.87	91.86	84.28
U Utility, miscellaneous	115.48	108.95	102.64	98.13	88.49	81.89	93.86	69.76	66.48

**NP- Not Permitted

FEES BASED ON VALUATION

Effective 7/1/2015

TOTAL VALUATION	FEE
\$ 1 to \$ 500	= \$ 33
\$ 501 to \$ 2,000	= \$ 33 for the first \$500 plus \$ 5.00 for each additional \$100, or fraction thereof, to and including \$2,000
\$ 2,001 to \$ 25,000	= \$ 97 for the first \$2,000 plus \$14.00 for each additional \$1,000 or fraction thereof, to and including \$25,000
\$ 25,001 to \$ 50,000	= \$ 545 for the first \$25,000 plus \$14 for each additional \$1,000, or fraction thereof, to and including \$50,000
\$ 50,001 to \$100,000	= \$ 897 for the first \$50,000 plus \$ 9.00 for each additional \$1,000 or fraction thereof, to and including \$100,000
\$100,001 to \$500,000	= \$ 1,384 for the first \$100,000 plus \$ 8.00 for each additional \$1,000, or fraction thereof, to and including \$500,000
\$ 500,001 to \$1,000,000	= \$ 4,503 for the first \$500,000 plus \$ 7.00 for each additional \$1,000 or fraction thereof, to and including \$1,000,000
\$1,000,000 and up	= \$ 7,809 for the first \$1,000,000 plus \$ 5.00 for each additional \$1,000 or fraction thereof

Building Permit Fees
2018 - 2023

No Multiplier				
	Permit Fees**	B & P Expenses***	% of Fees to Expenses	
2018	58,869	182,983	32.17%	2018
2019	58,544	114,971	50.92%	2019
2020	60,854	134,982	45.08%	2020
2021	115,601	150,907	76.60%	2021
2022	134,853	156,094	86.39%	2022
2023 YTD*	34,331	106,019	32.38%	2023 YTD*
6 yr avg	463,052	845,956	54.74%	6 yr avg

* YTD thru July

** - net of Developer Reimbursements & Building Deposits

*** - net of reimbursable Developer Costs

1.3 Multiplier

Permit Fees**	B & P Expenses***	% of Fees to Expenses
76,530	182,983	41.82%
76,107	114,971	66.20%
79,110	134,982	58.61%
150,281	150,907	99.59%
175,309	156,094	112.31%
44,630	106,019	42.10%
601,968	845,956	71.16%

TOWN OF NEW CASTLE, COLORADO
ORDINANCE NO. TC 2023-3

AN ORDINANCE OF THE NEW CASTLE TOWN COUNCIL AMENDING
SECTIONS 15.08.020 AND 15.10.020 OF THE NEW CASTLE MUNICIPAL CODE
REGARDING BUILDING PERMIT VALUATION CALCULATIONS

WHEREAS, pursuant to Article IV of the Charter of the Town of New Castle (“Town”) and C.R.S. § 31-16-202, the Town is authorized to adopt codes by reference; and

WHEREAS, in 2018, the Town adopted the 2015 Edition of the International Building Code (“IBC”) and 2015 Edition of the International Residential Code (“IRC”), subject to certain amendments set forth in Sections 15.08.020 and 15.10.020 of the Town Municipal Code, and said editions of the IBC and IRC, as amended, are currently in force within the Town; and

WHEREAS, Section 109.02 of the IBC and Sections 108.2 and 108.3 of the IRC, as amended by the Town, explain how to determine the valuation of new construction in order to calculate building permit fees as set forth in the Directory of Town Fees and Charges (the “Fee Schedule”);

WHEREAS, both the IBC and IRC refer to the valuation schedule in the Business Safety Journal published by the International Code Council as the basis for determining new construction valuation; and

WHEREAS, the Business Safety Journal valuation schedule is based on national averages for different types of construction; and

WHEREAS, based on research and surveys conducted by Town staff, the Business Safety Journal valuation schedule underestimates the actual cost of typical construction activities within the Town; and

WHEREAS, to better align projected valuation estimates in building permit applications with the actual costs of construction within the Town and to generate sufficient revenue from building permit fees to cover the costs of the Town building department, staff recommends applying a valuation multiplier to the construction cost per square foot included in the Business Safety Journal valuation schedule; and

WHEREAS, based on the information and analysis presented by staff and relevant testimony and information, the Town Council now desires to amend Sections 15.08.020 and 15.10.020 of the Code to incorporate a valuation multiplier as set forth below.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF NEW CASTLE, COLORADO:

1. Recitals. The foregoing recitals are incorporated by reference herein as findings and determinations of the Town Council.

2. IBC Amendment. The Town Council hereby amends Section 15.08.020 of the Code as follows, with added language in **bold** and underlined. Those provisions of the Municipal Code not expressly amended by this Ordinance shall remain unchanged and in full force and effect.

Section 109.2 is amended to read as follows:

109.2 Schedule of permit fees. A fee for each building permit shall be paid to the building department as set forth in the Building Permit Fee Schedule adopted by the Town, as may be amended. The determination of value or valuation under any of the provisions of this Code shall be made by the building official based on the Valuation Schedule published in the most current edition of the “Building Safety Journal” magazine by the International Code Council, **multiplied by a price-per-square-foot valuation multiplier to be set by the Town not more frequently than annually and published in the Town Fee Schedule.** The value to be used in computing the building permit and building plan review fees shall be the total value of all construction work for which the permit is issued. The building official may waive the building permit fee for any public entity when such entity is applying for a building permit for a governmental use or a proprietary purpose.

3. IRC Amendment. The Town Council hereby amends Section 15.10.020 of the Code as follows, with added language in **bold** and underlined. Those provisions of the Municipal Code not expressly amended by this Ordinance shall remain unchanged and in full force and effect.

Section R108.2 is amended to read as follows:

R108.2 Schedule of permit fees. A fee for each building permit shall be paid to the building department as set forth in the Building Permit Fee Schedule adopted by the Town, as may be amended. The determination of value or valuation under any of the provisions of this Code shall be made by the building official based on the Valuation Schedule published in the most current edition of the “Building Safety Journal” magazine by the International Code Council, **multiplied by a price-per-square-foot valuation multiplier to be set by the Town not more frequently than annually and published in the Town Fee Schedule.** The value to be used in computing the building permit and building plan review fees shall be the total value of all construction work for which the permit is issued. The building official may waive the building permit fee for any public entity when such entity is applying for a building permit for a governmental use or a proprietary purpose.

Section R108.3 is amended to read as follows:

R108.3 Building permit valuations. The applicant for a permit shall provide an estimated permit valuation at the time of application. The value to be used in computing the building permit and building plan review fees shall be the total value of all construction work for which the permit is issued. Permit valuations shall include total value of work, including materials and labor, for which the permit is being issued, such work including but not limited to, excavation, utility service line installation, foundations, framing, interior and exterior finish, decks and porches, gas, mechanical, plumbing, and other permanent systems. The building official shall also make a determination of permit value or valuation based on the Valuation Schedule published in the most current edition

of the “Building Safety Journal” magazine published by the International Code Council, **multiplied by a price-per-square-foot valuation multiplier to be set by the Town not more frequently than annually and published in the Town Fee Schedule.** The building official shall at his discretion use the value most applicable to the work proposed. If, in the opinion of the building official, the valuation stated on the application is underestimated, the building official shall use the calculated valuation to determine the permit fees, unless the applicant can show detailed estimates supporting the valuation stated on the application to meet the approval of the building official.

4. 2023 Multiplier. Town Council hereby determines that the initial valuation multiplier to be applied to determine the valuation of new construction shall be 1.3 per square foot. This multiplier shall be in effect until it is changed or eliminated by resolution of Town Council. The Town Clerk is directed to update the Fee Schedule to reflect the multiplier approved hereby.

5. Severability. If any section, subsection, or clause of this Ordinance shall be deemed to be unconstitutional or otherwise invalid, the validity of the remaining sections, subsections, and clauses shall not be affected thereby.

6. Effective Date. This Ordinance shall be effective 14 days after final publication pursuant to Section 4.3 of the Town Charter.

INTRODUCED on August 15, 2023, at which time copies were available to the Town Council and to those persons in attendance at the meeting, read by title, passed on first reading, and ordered published in full and posted in at least two public places within the Town as required by the Charter.

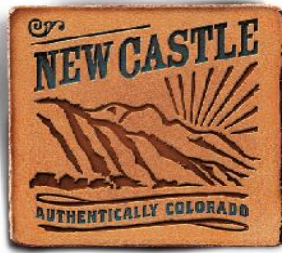
INTRODUCED a second time at a regular meeting of the Town Council of the Town of New Castle, Colorado, on September 5, 2023, read by title and number, passed without amendment, approved, and ordered published as required by the Charter.

TOWN OF NEW CASTLE, COLORADO
TOWN COUNCIL

By: _____
Art Riddile, Mayor

ATTEST:

Mindy Andis, Town Clerk



Town of New Castle
450 W. Main Street
PO Box 90
New Castle, CO 81647

Administration Department
Phone: (970) 984-2311
Fax: (970) 984-2716
www.newcastlecolorado.org

Memorandum

To: Mayor & Council
From: David Reynolds
Re: Agenda Item – Consider Resolution TC 2023 - 8
Date: 8/15/2023

Purpose:

The purpose of this agenda item is to consider Resolution TC 2023 -8 which gives support to our 2023 FMLD Fall Mini Grant Application.

The Town is seeking a \$25,000 Mini Grant to purchase approximately \$30,000 in Emergency Safety Equipment which consists of a new Digital Message Board, Emergency Response Signage, and Movable Safety Barricades.

**TOWN OF NEW CASTLE, COLORADO
RESOLUTION NO. TC2023-8**

**A RESOLUTION OF THE TOWN OF NEW CASTLE TOWN COUNCIL
SUPPORTING THE APPLICATION FOR A GRANT FROM THE GARFIELD
COUNTY FEDERAL MINERAL LEASE DISTRICT FOR EMERGENCY ROAD
SIGNAGE, MESSAGE BOARD & SAFETY BARRICADES**

WHEREAS, the Town of New Castle is a political subdivision of the State of Colorado, and therefore an eligible applicant for a grant awarded by the Garfield County Federal Mineral Lease District ("GCFMLD"); and

WHEREAS, the Town of New Castle has submitted a Grant Application for the purchase and use of emergency road signage, message board, and safety barricades requesting a total award of \$25,000.00; and

WHEREAS, the Town of New Castle supports the purchase and use of emergency road signage, a message board and safety barricades for emergency preparedness.

NOW, THEREFORE, BE IT RESOLVED BY THE Town of New Castle **THAT:**

1. The above recitals are hereby incorporated as findings by the Town of New Castle.
2. The Town of New Castle strongly supports the Grant Application.
3. If the grant is awarded, the Town of New Castle strongly supports the purchase and use of Emergency Road Signage, Message Board and Safety Barricades.
4. The Town of New Castle authorizes the expenditure of funds necessary to meet the terms and obligations of any grant awarded pursuant to a Grant Agreement with the GCFMLD.
5. The proposed purchase and use of emergency road signage, message board and safety barricades are owned by the Town of New Castle and will be owned by The Town of New Castle for its foreseeable, useful life. The Town of New Castle will continue to maintain emergency road signs, message board and safety barricades in a high-quality condition and will appropriate funds for maintenance annually. The estimated annual maintenance cost for the purchased equipment is \$500.
6. If a grant is awarded, the Town of New Castle hereby authorizes the Mayor to sign a Grant Agreement with the GCFMLD.

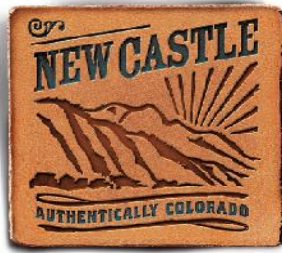
Introduced, Read and Adopted at a Regular Meeting of the Town Council of the Town of New Castle, Colorado, on August 15, 2023.

ATTEST:

TOWN OF NEW CASTLE

Town Clerk Mindy Andis, CMC

Mayor, Art Riddile



Town of New Castle

450 W. Main Street
PO Box 90
New Castle, CO 81647

Administration Department

Phone: (970) 984-2311

Fax: (970) 984-2716

www.newcastlecolorado.org

Memorandum

To: Mayor & Council
From: David Reynolds
Re: Agenda Item – Consider Resolution TC 2023 - 9
Date: 8/15/2023

Purpose:

The purpose of this agenda item is to consider Resolution TC 2023 -9 which gives support for our 2023 FMLD Fall Traditional Grant Application.

The Town is seeking a \$365,000 grant to complete a \$730,640 project which is designed to expand our Raw Water Irrigation System.

**TOWN OF NEW CASTLE, COLORADO
RESOLUTION NO. TC-2023-9**

**A RESOLUTION OF THE TOWN OF NEW CASTLE TOWN COUNCIL SUPPORTING
THE APPLICATION FOR A GRANT FROM THE GARFIELD COUNTY FEDERAL
MINERAL LEASE DISTRICT FOR The Raw Water Irrigation Expansion**

WHEREAS, the Town of New Castle is a political subdivision of the State of Colorado, and therefore an eligible applicant for a grant awarded by the Garfield County Federal Mineral Lease District ("GCFMLD"); and

WHEREAS, the Town of New Castle has submitted a Grant Application for the Raw Water Irrigation Expansion, requesting a total award of \$365,000, with a total project cost of \$730,640

WHEREAS, the Town of New Castle supports the Raw Water Irrigation Expansion if a grant is awarded by the GCFMLD.

NOW, THEREFORE, BE IT RESOLVED BY THE Town of New Castle **THAT:**

1. The above recitals are hereby incorporated as findings by the Town of New Castle.
2. The Town of New Castle strongly supports the Grant Application.
3. If the grant is awarded, the Town of New Castle strongly supports the Raw Water Irrigation Expansion
4. The Town of New Castle authorizes the expenditure of funds necessary to meet the terms and obligations of any grant awarded pursuant to a Grant Agreement with the GCFMLD.
5. The project property is owned by the Town of New Castle and will be owned by The Town of New Castle for its foreseeable, useful life. The Town of New Castle will continue to maintain the raw water irrigation system in a high-quality condition and will appropriate funds for maintenance annually. The estimated annual maintenance cost of the expansion of the raw water system will be \$4,500.00 annually.
6. If a grant is awarded, the Town of New Castle hereby authorizes the Mayor to sign a Grant Agreement with the GCFMLD.

Introduced, Read and Adopted at a Regular Meeting of the Town Council of the Town of New Castle, Colorado, on August 15, 2023.

TOWN OF NEW CASTLE

ATTEST:

Mayor Art Riddile

Town Clerk Mindy Andis, CMC



Town of New Castle

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New Castle, CO 81647

Administration Department

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Fax: (970) 984-2716

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Memorandum

To: Mayor & Council

From: Dave Reynolds

Re: Executive Session – Discussion of Kamm Lot Lease

Date: 08/15/2023

Purpose:

The purpose of this Executive Session is to discuss the status of options for a new lease on the Kamm Lot property.



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Memorandum

To: Mayor & Council

From: Dave Reynolds

Re: Executive Session – Annual Job Review for Town Administrator Dave Reynolds

Date: 08/15/2023

Purpose:

The purpose of this Executive Session is to provide and Annual Job Review for Town Administrator Dave Reynolds.

1 **New Castle Town Council Regular Meeting**

2 **Tuesday, August 1, 2023, 7:00 PM**

3 Starting times on the agenda are approximate and intended as a guide for Council.
4 The starting times are subject to change by Council, as is the order of items on the agenda.

5
6
7 **Call to Order**

8 Mayor called the meeting to order at 7:00 p.m.
9

10 **Pledge of Allegiance**

11 **Roll Call**

12 Present Councilor Carey
13 Councilor Hazelton
14 Mayor A. Riddile
15 Councilor Copeland
16 Councilor G Riddile

17
18 Absent Councilor Leland
19 Councilor Mariscal
20

21 Also present at the meeting were Town Administrator Dave Reynolds, Interim Town Clerk
22 Mindy Andis, Town Treasurer Loni Burk, Assistant Treasurer Viktoriya Ehlers, Town
23 Planner Paul Smith, Town Attorney David McConaughy and members of the public.
24

25 **MOTION: Mayor A. Riddile made a motion to approve Councilor Leland absence.**
26 **Councilor Copeland seconded the motion and it passed unanimously.**
27

28 **MOTION: Mayor A. Riddile made a motion to approve Councilor Mariscal absence.**
29 **Councilor Copeland seconded the motion and it passed unanimously.**
30

31 **Meeting Notice**

32 Interim Town Clerk Mindy Andis verified that her office gave notice of the meeting in
33 accordance with Resolution TC 2023-1.
34

35 **Conflicts of Interest**

36 No conflicts stated.
37

38 **Agenda Changes**

39 There were no agenda changes
40

41 **Citizen Comments on Items not on the Agenda**

42 There were no Citizen Comments
43

44 **Consultant Reports**

45 Consultant Attorney – present for agenda items
46 Consultant Engineer – not present
47

1 **Items for Consideration**

2 **Executive Session (1) for the purpose of determining positions relative to**
3 **matters that may be subject to negotiations, developing strategy for**
4 **negotiations, and/or instructing negotiators under C.R.S Section 24-6-402(4)(e)**
5 **concerning the Kamm lot lease**
6

7 **Motion: Councilor Hazelton made a Motion at 7:05 p.m. to go into Executive**
8 **Session (1) for the purpose of determining positions relative to**
9 **matters that may be subject to negotiations, developing strategy for**
10 **negotiations, and/or instructing negotiators under C.R.S. Section 24-6-402(4)(e)**
11 **concerning the Kamm lot lease.**
12 **Maor A. Riddile seconded the motion and it passed unanimously.**

13
14 Executive session concluded.

15
16 At the end of the executive session, Mayor A. Riddile made the following statement:

17
18 "The time is now 7:56 p.m. and the executive session has been concluded. The
19 participants in the executive sessions were: Councilors Mariscal and Carey; Mayor Pro
20 Tem Hazelton; Councilors Copeland, G Riddile; Town Treasurer Burk, Assistant Town
21 Treasurer Ehlers, Town Administrator Reynolds, Interim Town Clerk Andis, Town Attorney
22 McConaughy. For the record, if any person who participated in the executive session
23 believes that any substantial discussion of any matters not included in the motion to go
24 into the executive session occurred during the executive session, or that any improper
25 action occurred during the executive session in violation of the Open Meetings Law, I
26 would ask that you state your concerns for the record."
27

28 No concerns were stated.
29

30 **Discussion: Building Permit Fee Multiplier**

31 The Building Department calculates 1) permit fees, 2) review fees, 3) and use tax based
32 on a project's anticipated construction costs. To determine this valuation, staff uses
33 nationally recognized building valuation data ("BVD") published by the International Code
34 Council ("ICC") pursuant to code Chapters 15.08 & 15.10. The BVD is an average price
35 per square foot including material and labor costs. As an average, however, ICC itself
36 "*strongly recommends that all jurisdictions and other interested parties actively evaluate*
37 *and assess the impact of this BVD table before utilizing it in their current code*
38 *enforcement related activities.*"

39 Staff regularly monitors construction costs from contractor input. The current *actual* cost
40 per square foot for single family homes ranges from **\$275 to \$325 per square foot**. By
41 comparison, the current BVD for a single-family home is **\$167.37 per square foot**.
42 Clearly the average BVD is significantly lower than the real costs, typical for our location.
43 Undervaluation does incentivize building to some degree, but unfairly shortchanges the
44 revenues available to the department and the use tax collected for the Town.
45 Therefore, Staff is recommending a modest valuation multiplier of **1.30 per square foot**
46 to better align projected valuation estimates with real costs to build. Table 1 below
47 demonstrates the effect of a 1.30 multiplier on the price of a typical building permit. On

1 average, the multiplier could add about \$2,780 to each. Other municipalities have also
2 introduced multipliers to the BVD data to correct the undervaluation:

3
4 Communities not adopting increases to the BVD:

- 5 • Eagle County: **1.4**
- 6 • Eagle (the Town): **1.2**
- 7 • Carbondale: **1.5**
- 8 • Basalt: **1.5**
- 9 • Summit County: **1.3**

10
11 Communities not adopting changes to the BVD:

- 12 • Rifle
- 13 • Moffat
- 14 • Rio Blanco
- 15 • Garfield County uses **0.7468**

16
17
18 At the end of 2022, Council did approve updates to the Directory of Fees which included
19 updates to permit fee tables (not to be confused with the ICC valuation data). This
20 approval, however, merely brought the tables up-to-date and marginally increased fees.
21 Then and now, the actual cost per square foot still far exceeds the current valuations
22 generated from ICC's data.

23 Staff asks for Council's recommendation for improving this matter with a valuation
24 multiplier.

25
26 Councilor Copeland asked if the multiplier could be reduced later.

27
28 Administrator Reynolds said yes. The fee would become part of the fee scheduled which
29 gets reviewed yearly. The survey is a nation-wide survey, so you will have prices of
30 homes all over the board.

31
32 Councilor G. Riddle said need to take a closer look at the proposal. He has some concerns
33 about increasing the building permit fees.

34
35 Administrator Reynolds said calculating the permit fees accurately is calculating the "Use
36 Tax". Contractors pay a "Use Tax" on the materials they bring to town. There are two
37 ways to figure out the "Use Tax". One way is to audit every job and every receipt. The
38 other way is to charge the "Use Tax" based on the permit fees. If the evaluation is not
39 calculated correctly then the permit fee calculations would not be correct.

40
41 Council agreed to have an ordinance drafted to add a building permit fee multiplier.

42
43 **Building and Planning Department Update: Planner/Code Administrator Paul
44 Smith**

45 Planner Smith gave a brief update for his department. He said at the beginning the year
46 there was roughly 30 active permits and to date there are 19 active permits. His
47 department is preparing the contractors for the 2020 building code. Because the
48 upcoming changes the staff is spending more time on job sites when they do inspections.
49 There have been only four permits come for this year. Eagles Ridge Ranch will have the
50 upper two buildings complete. Currently there is one family living in one unit and have a

1 total of three Certificates of Occupancy (CO) and five more ready to have CO's. The main
2 focus now is to have Metzger Way paved and completed.
3 Planner Smith spoke with Dwayne Romero from Romer Group regarding Lakota Canyon
4 Ranch Filing 8 (Longview). Mr. Romer said he anticipates putting in the utilities in phase 1
5 which only three small lots this fall. Also, working on the design for the second phase of
6 the project. They are working on the very end of Derr Valley Road. There are two phases
7 with roughly 25 lots which have been sold. The road has road base and curb and gutter.
8 Just waiting for asphalt.

9
10 Planner Smith said a sketch plan has been submitted by R2 for the property north of VIX
11 Park. The concept is for an all-rental residence. The concept is to target different
12 demographics. Some of the units will be work from home, empty nesters, and family size
13 townhomes. Tentatively the sketch plan will go before Planning and Zoning on August 23,
14 2023.

15
16 Attorney McConaughy disclosed to council R2 is a client of the firms but not for this
17 project.

18
19 Planner Smith said staff has met with Nutrient Farms regarding the land use application
20 that was submitted to Garfield County.

21
22 The Planning Department has also been working on some code rewrites.

23
24 Attorney McConaughy asked the council if code section 17.84.060 could be deleted. The
25 section requires "Conditional Uses" to be placed on the zoning map. Conditional Uses
26 come and go which would require the map to be updated anytime there is a change with a
27 conditional use.

28
29 Councilor G. Riddile would like to revisit the Comprehensive Plan regarding annexations.

30 31 **Consent Agenda**

32 Items on the consent agenda are routine and non-controversial and will be approved by
33 one motion. There will be no separate discussion of these items unless a council member
34 or citizen requests it, in which case the item will be removed from the consent agenda.

35 July 18, 2023 minutes

36 July Bills of \$947,172.84

37 **MOTION: Councilor G. Riddile made a motion to approve the amended consent**
38 **agenda. Councilor Carey seconded the meeting and it passed unanimously.**

39 40 **Staff Reports**

41 Town Administrator – said he did speak with Senator Hickenlooper's office regarding the
42 congressional spending grant which Senator Hickenlooper approval and sent it on to the
43 next step, but the grant didn't make it any further. He had a conversation with a buyer of
44 a lot across the river (Burning Mountain Land and Cattle). The buyer would like to build a
45 home on the lot but has gotten information from the seller that the town is holding up any
46 building. The problem is Burning Mountain Land and Cattle has not submitted the proper
47 paperwork and what a completed application should be. Part of the application is to
48 submit a watershed permit to the town and a Right-of-Way permit which would allow for
49 the property owner to connect their driveway into County Road 335. Garfield County has
50 taken a position with what Burning Mountain Land and Cattle has done with the land was
51 done without the proper permits from the county and from the town. Garfield County will

1 not issue any building permits until the town is satisfied with the proper permits are in
2 place.

3 Town Clerk – said she did meet with Drifters regarding serving poured beer from kegs and
4 the cost looks like. Each keg would be \$100.00 each would save roughly \$300.00. Would
5 have a total of four kegs, two different types of beer. Drifters has volunteered their time
6 and staff to do the pour. There would be two types of canned beer, white and red wine,
7 and seltzers.

8
9 Town Treasurer – said she has moved towards more of a consultant position.
10 Assistant Treasurer Ehlers said 2024 budget season has started and worksheets have
11 been sent out to department heads. New Staff Accountant Lori Welch has started.

12
13 Town Planner – not present
14 Public Works Director – not present

15 **Commission Reports**

16 Planning & Zoning Commission – nothing to report
17 Historic Preservation Commission – nothing to report
18 Climate and Environment Commission – nothing to report
19 Senior Program – Clerk Andis said the meals delivered in New Castle has increased by
20 roughly 25 meals since June.
21 RFTA –nothing to report
22 AGNC – nothing to report
23 GCE – Administrator Reynolds reported on behalf of Councilor Leand. GCE received a
24 \$100,000.00 grant from Energizing Rural Communities. It was one of only 60 grants
25 nationally. The major thrust of the grant it to help us find additional funding sources. They
26 have started their budget process, including modest increase in member contributions to
27 provide additional funds for ReEnergize rebates. Other communities are reporting
28 problems with ebikes speeding on roads and trails. Something to watch out for.
29 EAB – nothing to report
30 Detox – nothing to report

31
32 **Council Comments**

33 There were no comments

34
35 **MOTION: Councilor Carey made a motion to adjourn. Councilor G. Riddile**
36 **seconded the motion and it passed unanimously.**

37
38 The meeting adjourned at 8:57 p.m.

39
40
41 _____
42 Mayor Art Riddile

43
44
45 _____
46 Interim Town Clerk Mindy Andis, CMC
47