

**AGENDA
OURAY CITY COUNCIL**

**October 4, 2021
5pm Work Session and 6pm Regular Meeting**

**IN-PERSON MEETING – ALL PUBLIC WHO WOULD LIKE TO SPEAK SHOULD
ATTEND IN-PERSON
320 6th Ave. – Massard Auditorium**

ZOOM MEETING (FOR LISTENING PURPOSES ONLY)
<https://zoom.us/j/9349389230>

Meeting ID: 934 938 9230 Passcode: 491878
Or dial: 408 638 0968 or 669 900 6833

- Changes to this agenda can be found on the bulletin board at City Hall
- Electronic copies of the Council Packet are available on the City website at www.cityofouray.com. A hard copy of the Packet is also available at the Administrative Office for interested citizens.
- Action may be taken on any agenda item
- Notice is hereby given that a majority or quorum of the Planning Commission, Community Economic Development Committee, Beautification Committee, and/or Parks and Recreation Committee may be present at the above noticed City Council meeting to discuss any or all of the matters on the agenda below for Council consideration

Work Session 5pm

Discussion of a Possible Requirement for Business Licenses or Registration

Regular Meeting 6pm

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. PUBLIC HEARING – none
5. CEREMONIAL/INFORMATIONAL – 2020 Financial Audit Presentation – Blair and Associates Page 9
6. CITIZENS' COMMUNICATION Page 2
7. CITY COUNCIL REPORTS/INFORMATION
 Glenn Boyd, Ethan Funk, Peggy Lindsey, John Wood, and Greg Nelson
8. DEPARTMENT REPORTS
 - a. City Administrator
 - b. Police Chief Page 3
 - c. Fire Chief Page 4
 - d. Public Works Director Page 5
 - e. City Resources Director Page 7
9. CONSENT AGENDA – none
10. ACTION ITEMS
 - a. New Waste Water Treatment Plant 3D Model Review and Acceptance of 60% Engineered Plans
 - b. Acceptance of 2020 Financial Audit Page 9
 - c. Consideration of Release of Lien for Block 23 Replat Based on Completion of Improvements Page 80
 - d. Consideration of Appointment of Brad Clark to the TAC Retail Seat
 - e. Consideration of Water Agreement with Ouray Ice Park, Incorporated Page 86
 - f. Consideration of Ordinance 7, 2021 – Regarding Short-term Rental Regulations – First Reading Page 90
 - g. Consideration of Resolution 13, 2021 – Regarding an Application for Canyon Creek Water Right Page 100
11. DISCUSSION ITEMS
 - a. Resolution 12, 2021 – Updated Policies and Application for Short-term Rental Permits Page 103
 - b. Future Agenda Items
12. ADJOURNMENT

September 30, 2021

Dear Mayor Greg Nelson, Councilors Glen Boyd, Ethan Funk, John Wood, Peggy Lindsey, and City Administrator Silas Clarke:

As a dog owner, I have really appreciated this summer's off-leash time (Sunrise to 9 a.m.) in Fellin Park. My ten-year-old Lab mix loves that place with all the scents of other animals and people. I see many other dog owners taking advantage of those "free" hours, too.

But as winter approaches, I will not be able or willing to put my aging self at risk of walking that early to and in an icy park. The sun doesn't shine there until nearly 9 a.m. during the dark months of the year. In fact, before the leash law went into effect, my dog and I and many other local dog owners would enjoy the park on sunny winter days from noon to 3 p.m. Because the City crews plowed the track and streets in the morning, by noon these areas would be relatively melted and safe to walk. We were all sorely disappointed when those hours were not available anymore in the off season.

I propose that you expand the off-leash hours to include 12-3 p.m. from November 1 to May 1. This would really help people who wish to walk their dogs during their lunch hour as well as those of us who need to walk on relatively dry sidewalks and streets to get to the park. It would also ensure that Ouray's plentiful snow has melted on the quarter mile track after the city crews plow it in the morning.

If the hours could be posted in the park itself, that would encourage folks to follow the regulations as they enjoy our wonderful park.

Thank you for considering this request as this would greatly aid those of us who live and recreate in Ouray all year long and need to exercise our dogs and ourselves.

Sincerely yours,

Karen Risch & Katie
Dee Williams & Ziva
Enda Junkins & London and Conway
Mike Boruta & Chester
Josh Smith & Oliver, Andy and Peanut
Tamara Gulde & Angel and Charlee
Aaron Silverman & Sophie and Lucky
Mary Whitt & Kona

City of Ouray Police Department

September 2021

For the month of September 2021 OUPD ran approximately 435 calls for service.

These included:

- **165 Patrol checks** (includes safety patrols, directed patrols and security checks)
- **73 Parking complaints** (up from 52 in August)
- **10 VIN certifications**
- **9 Code violations**
- **Bear/wildlife complaints**
- **3 Thefts** (1 unfounded auto theft)

Our call volume shows an increase from last month's total 412 calls for service and September 2020's total of 425.

Note on Code Violations: Of the 9 code violations 7 were for car camping or dumpster/trash complaints. The remaining two were noise complaints both of them at the Goldbelt. The first was on Sunday, Sept. 5th at 12:38 pm. The noise level was measured at 65-75 decibels which is within the 76 db limit for the time period. The second complaint was on Sept. 18th at 8:31pm. The responded officer reported no band was present, the decibel level was measured at 54-63 db with wind gusts and passing vehicles present. The allowed decibel limit for this time period is 64db. In both instances the caller was anonymous.

Upcoming Events:

We are in the process of cleaning out our Lost and Found locker as well as our Property Storage of unclaimed property and old/obsolete equipment. We are donating some of the items and recycling what we can for salvage value. We are submitting our Evidence locker for an independent audit and will be purging old items that are no longer needed for court after consultation with the District Attorney. Afterwards our entire Property Held log system will be modernized and logged in a digital format.

Fire Department Report

9/29/21

3 training opportunities in the County for the month of August

5 members will be attending the Fire Leadership Challenge in October. This is training on new technology and concepts for Fire Officers.

I have received communication that in the past we have not been complying with NFIRS (National Fire Incident Reporting System) reporting. This came to my attention after we received the acceptance of the FEMA AFG Grant. I have spent the past 2 weeks filing our incidents for the year 2021. Our department will now be completing all incident reports on an excel spreadsheet, then an officer or myself will file the reports periodically to NFIRS. Office staff will have access to all reports through the city server.

9/5: Extricate Victim from Flume. 6 responded 1 hour

9/6: CO Alarm. 5 Responded 1.5 hrs

9/19: Smoke Alarm. 5 responded 1 hour

9/19: Single Vehicle Accident. 3 responded 1 hour

Public Works September 2021 Update

Water

- Water Usage Numbers for **August:**
 - Influent (Water from spring) – 58,498,976 Gallons
 - Effluent (Water to town) – 26,196,289 Gallons
 - Hydro Plant – 12,968,068 Gallons
 - Mineral Farms – 231,000 Gallons
- Beginning June 1st, 2020 the Colorado Department of Public Health and Environment (CDPHE) notified the City of Ouray that the City's drinking water source, Weehawken Spring, has been reclassified to ground water under the direct influence of surface water (GWUDI). The evaluation of the source as GWUDI was conducted by CDPHE utilizing data collected by the City from April 2020 through October 2020. The City is now required to provide adequate surface water treatment for the Weehawken Spring. In the interim, the City is being required by CDPHE to keep a higher chlorine residual in the distribution system to ensure disinfection. The 2.0 mg/L is the chlorine residual that CDPHE is requiring us to keep at our entry points of the distribution system. We have two water mains that come from the water treatment plant that serve town. The two entry points we sample from on a daily basis that are required to meet the 2.0 mg/L residual are the first two water taps in the system off the distribution lines that feed town. One entry point is the visitor's center at box canyon; the other entry point is Mountain Rescue on CR 361. Chlorine residuals are monitored twice a day and reported to CDPHE monthly. The City has not been out of compliance since the requirement was mandated on June 1st, 2021.

Element Engineering, LLC has been retained to provide design, permitting, funding and overall project coordination for the City's proposed surface water treatment plant. Element is currently working to determine a preliminary floorplan and process instrumentation diagram to determine the footprint of the proposed treatment building. They have had several meetings with Filter Tech to discuss options on sizing and equipment. To help with the process, we have selected Moltz Construction as the construction manager at risk (CMAR) for the project. A full topographical survey has been completed and the geotechnical work is scheduled to happen before winter. The team continues to work together and hopes to be at 30% design in the near future.

Sewer

- City staff, JVA Engineering and Moltz construction had an in person meeting to discuss 60% design plans for the new Wastewater Treatment Plant Facility. The meeting was very productive and covered a large variety of topics that included civil engineering, structural and architectural design, electrical and mechanical design along with treatment process and controls. After a few corrections and some value engineering the team will now start moving towards 90% design, which is on schedule for December 2021.

- Denali Water was onsite to collect sludge samples from both lagoons. Samples will be tested along with calculations to determine how much sludge we have in both lagoons. This work is being done in preparation to decommission the lagoons and take them out of service after the new Wastewater Treatment Facility is built.
- Continued to skim lagoons of debris as needed.
- Cleaned multiple aerators of debris.

Streets

- Continued to cut and trim overgrown trees and shrubs in alleyways and City right of way.
- Repair stop sign on 8th Ave that was hit by a citizen.
- Grade roads throughout town as needed.
- Cleaned intersections along Main St of rocks and debris.
- Watered streets with water truck when time allowed.
- Hauled piles of limbs and brush from the Beautification committee along Oak Street.

City Resources Department

- Fire extinguishers in City vehicles and facilities have been inspected, serviced as needed, and certified for the upcoming year.
- Budget preparation, including year-end projections and 2022 budget proposals, have consumed many hours in September. To facilitate the budget process City Resource staff has completed training to log in directly to City's Caselle accounting system to make updates.
- Working in partnership with the Ridgway Ouray Community Council (ROCC), LED replacement bulbs have been ordered to replace the fluorescent tubes and other outdated lighting in Ouray Community Center, Emergency Services garages, and Ouray Volunteer Fire Department. Replacement will take place later this fall. Replacement will be completed by volunteers and City staff.
- The ongoing labor shortage created a need for reduced hours at the Hot Springs Pool. The new hours were instituted just after Labor Day. Based upon feedback from customers the new hours have been adjusted. These go into effect October 4th. As soon as sufficient employees can be recruited to safely staff the facility hours of operation will be increased.
 - Monday – Friday noon to 7 pm
 - Saturday – Sunday 1 pm to 8 pm
- Advertising and recruitment activities continue in an effort to hire needed staff for the Hot Springs Pool. Outreach areas include local schools (reaching out to students, parents, and staff), regional print media, numerous employment websites, social media, online streaming services, Colorado Parks and Recreation Association, and word of mouth.
- Current Hot Springs Pool staff continue to have flexibility in their schedules to accommodate staffing needs at the swimming pool. Several staff are working more shifts and more days than they want. They are putting in the extra effort to support the Hot Springs Pool. These added shifts at times create stress between employees. Management addresses these stressors, when possible, and supports the employees in working together to minimize friction caused by people working multiple days in a row or being called in at short notice.
- Digital aquatics software is being incrementally introduced at the Hot Springs Pool. Currently the software is used for staff scheduling and for daily opening and closing procedures. As staff becomes familiar and comfortable with the software additional components will be opened for maintenance work orders, recording of water data, flow rates, temperatures, water contamination events, and training.
- The Community Engagement and Communications Coordinator has been learning the process for scheduling, billing, and supporting events at the Ouray Community Center, Rotary Park, Fellin, and other parks.
- A large wedding reception is scheduled at the Ouray Community Center October 2, 2021.
- A walk through inspection tour was held at the Box Canon Falls. The group consisted of the City Administrator, City Resource Director, Parks and Facilities Manager, and Community Engagement and Communications Coordinator. The purpose was for development and prioritization of improvements for the park.
- Interviews were held in September, and an individual was hired, to fill the open Parks Operator II position.
- Interviews were held to fill the currently open maintenance position at the Hot Springs Pool.
- The required Annual Licensing Inspection of the rope tow at Lee's Ski Hill has been scheduled with the State Tramway Safety Board. Prior to the inspection City staff will perform annual maintenance, make repairs as necessary, operate the machinery, and get the equipment ready for inspection and operation.
- Box Canon Falls hours will be reduced to 9 to 5 daily beginning October 14.

- Black swifts have left the nesting area at the Box Canon Falls. Researchers have indicated the nest cam research project was successful and has provided much information on the nesting habits of the birds. Complete video footage – more than three months’ worth of 24 hour coverage – will be reviewed and analyzed over the winter. The grant for the camera was a one year grant. Through negotiations with the funder it appears there is a good possibility of continuing the nest cam operation for an additional year.
- There was a plumbing emergency at City Hall on September 10, the day prior to the start of the Imogene Pass Run. A plumber was located in Montrose who was available to come to Ouray on short notice and clear the blocked drain, making the restrooms available for the 1,000+ runners involved in the race. Race registration and pre-race briefing took place at the Community Center.
- ActiveNet installation and training is currently in progress. ActiveNet is the point of sale and membership management software that was approved for use at the Hot Springs Pool.



September 27, 2021

To the Honorable Mayor and City Council
City of Ouray

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of City of Ouray for the year ended December 31, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 12, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Ouray are described in Note 1 to the financial statements. In 2020, there were no new accounting policies. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimate(s) affecting the Government-Wide and Enterprise funds' financial statements were:

Management's estimate of the depreciation is based on useful lives and the chosen method of depreciation used. We evaluated the key factors and assumptions used to develop the depreciation estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the net pension asset is based on actuarial studies done and information provided by FPPA. We evaluated the method of calculating the net pension asset and related amounts using the information provided by FPPA in determining that it is reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

- The disclosure of Deposits and Investments in Note to the financial statements.
- The disclosure of Defined Benefit Pension Plans-FPPA for the volunteer fire department in Note 8.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole. We have issued those adjustments to the City. In total, there were 11 adjusting journal entries posted from the time we received the trial balance in August 2021 until the audit was issued on August 17, 2021.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated August 17, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

The depreciation schedule did not record all the capital items purchased in 2020 and some items on the depreciation schedule need to be revised to actual costs purchased in the past. Also, some unearned revenues need to be reviewed to see if the City has met their obligations.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of City Council and management of City of Ouray and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Blair and Associates, P.C.

Management Report

For

City of Ouray

December 31, 2020



Honorable Mayor and City Council
City of Ouray
Ouray, Colorado

Dear Members of the Board:

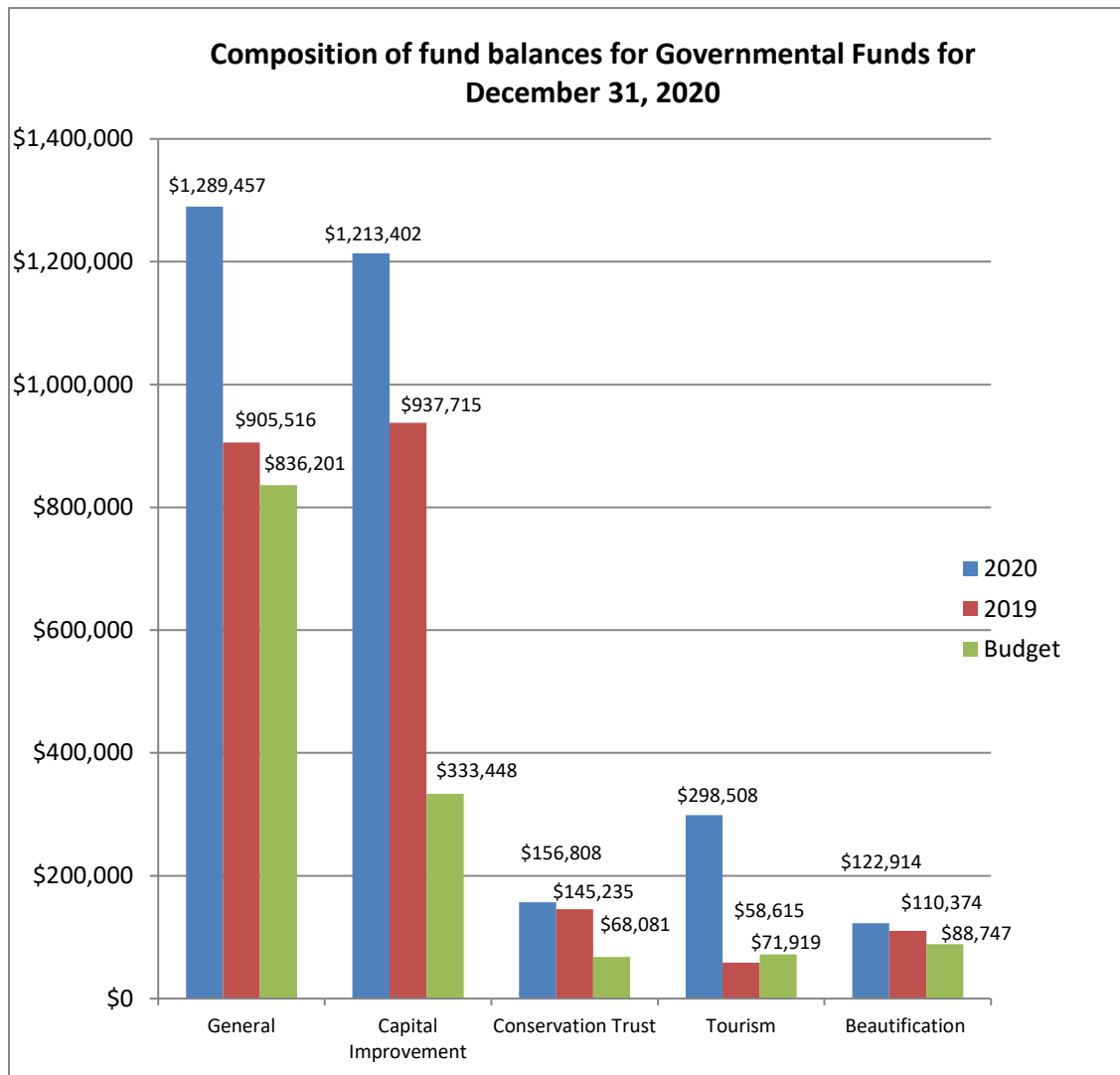
We enjoyed the opportunity of working with the staff at City of Ouray during the performance of your December 31, 2020 audit. This letter is a by-product of the audit process, and accompanies your annual audited financial statements.

We hope this management letter provides you with valuable information that will assist in managing the City's financial operations. Included in this report are segments on positive observations, financial analysis and suggestions to improve the City's financial operations.

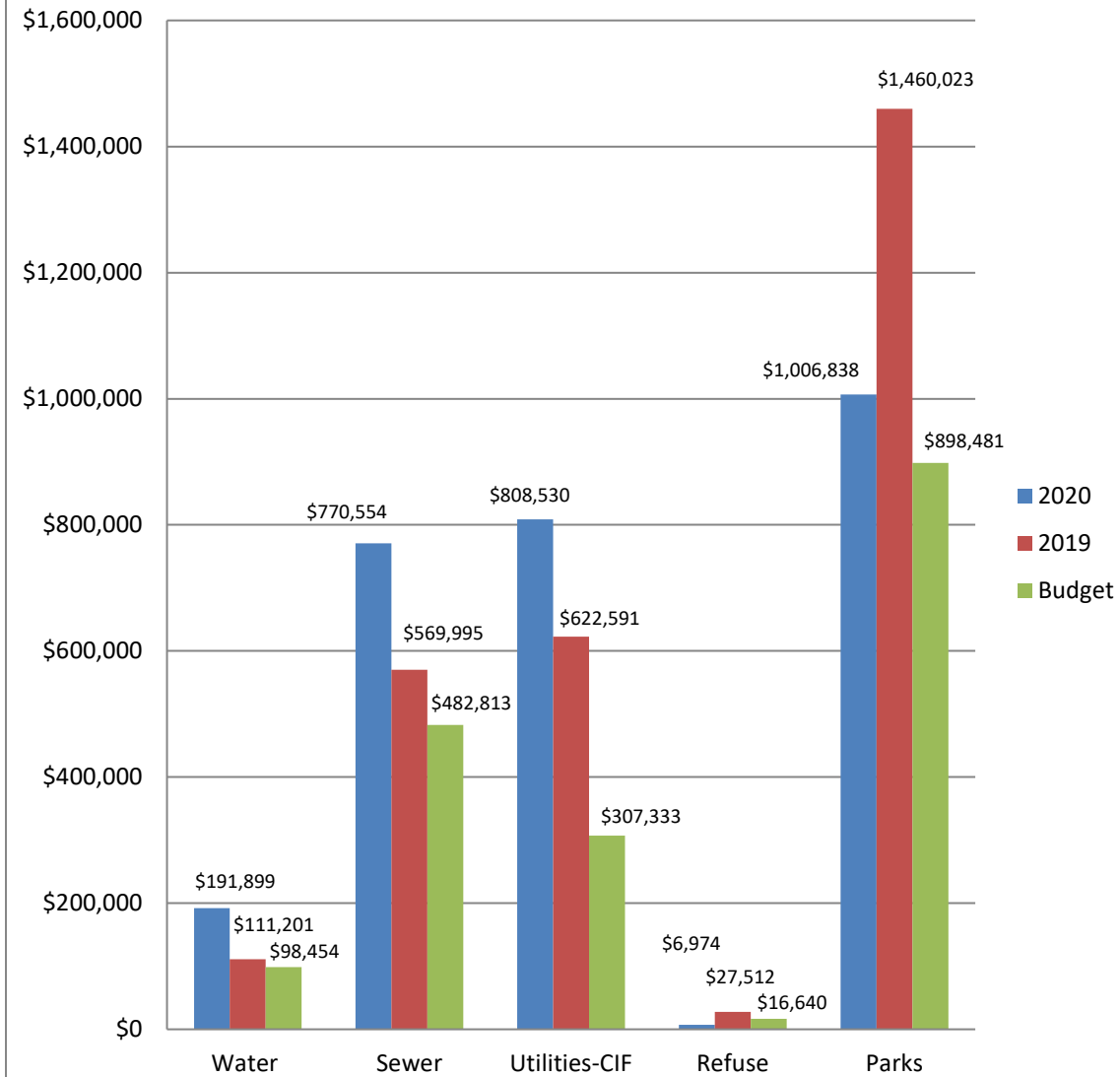
We did not design our review of the City's financial policies to detect all control weaknesses or irregularities that may exist within the City's operations. Consequently, we do not express an opinion on your internal control structure.

Positive Operations

In this section, we highlighted the positive financial areas that we observed. Our first and second graphs illustrates the projected fund balances and available resources compared to actual balances at December 31, 2020 for the governmental fund types and enterprise funds.

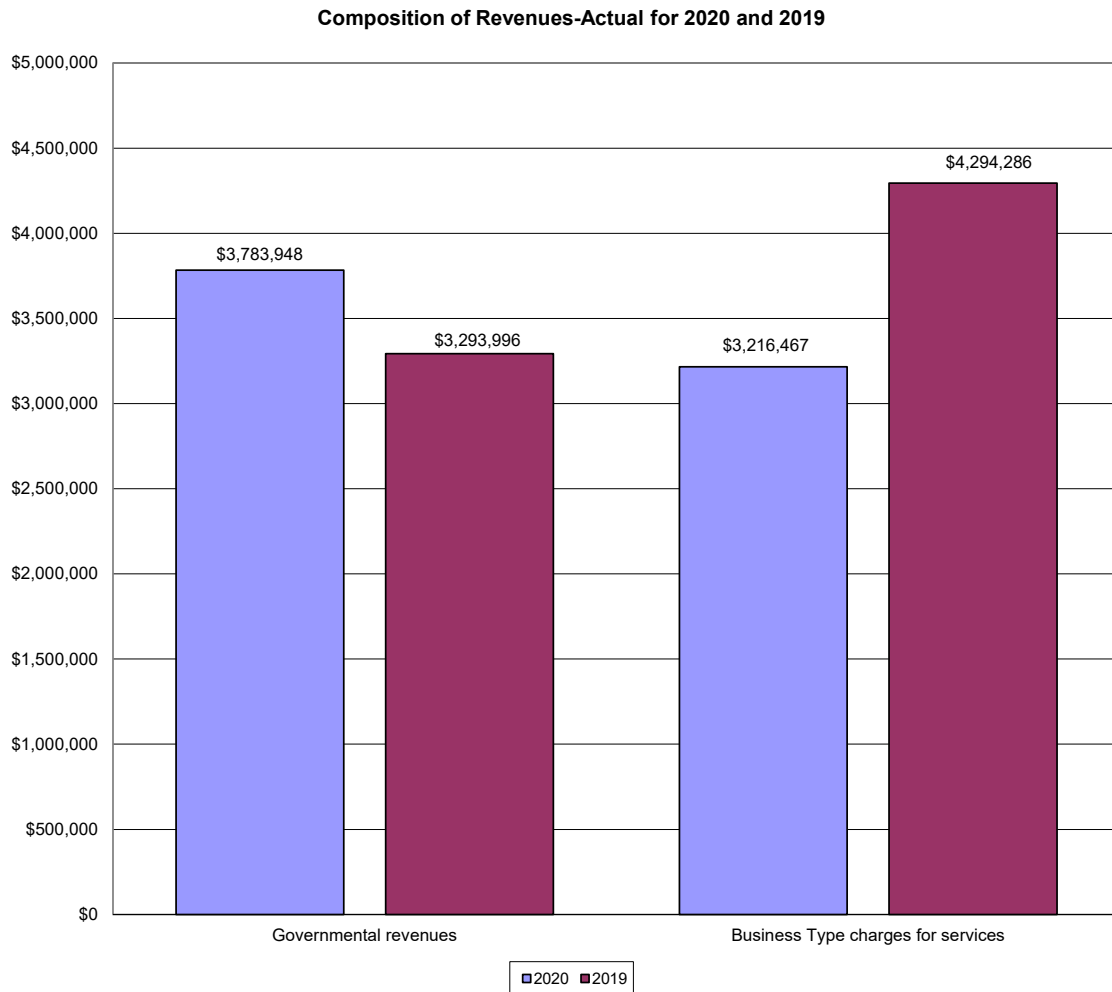


Composition of available resources for Enterprise Funds for December 31, 2020



Operating Revenues

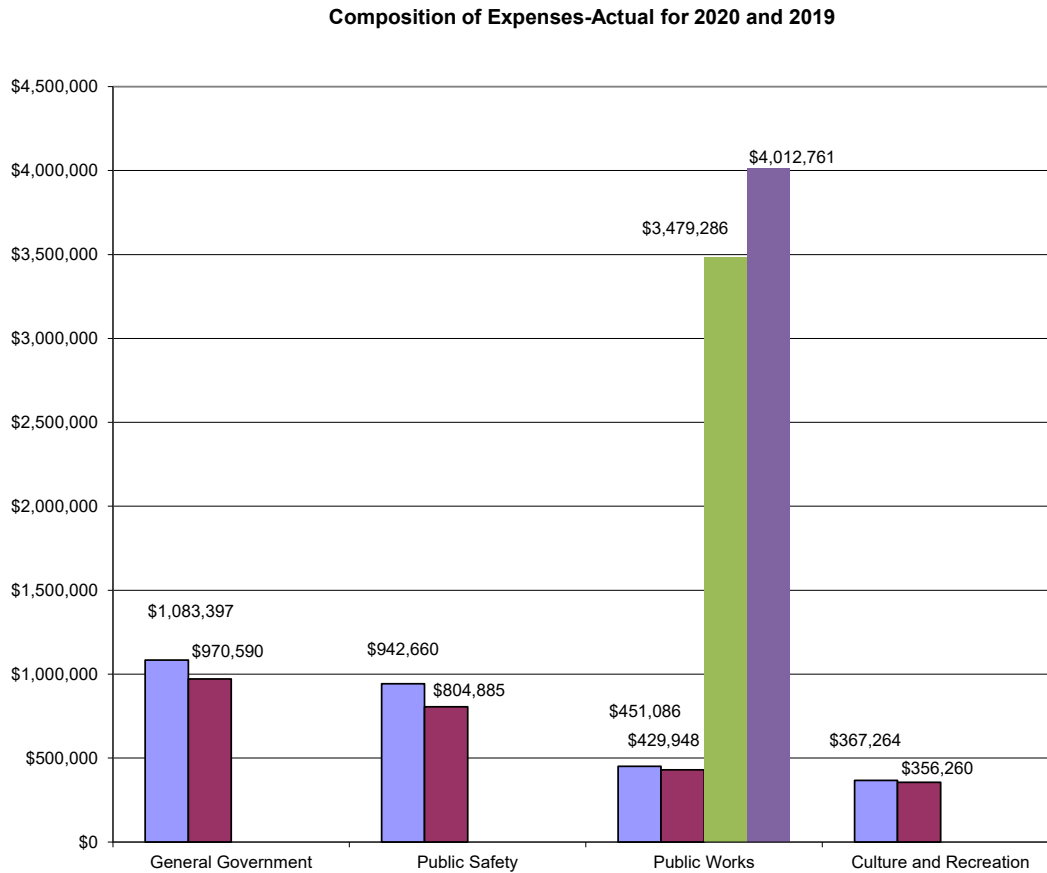
The following graph depicts a comparison of actual revenues for 2020 and 2019 for the governmental and business type activities.



The largest variance in actual revenues compared to 2020 and 2019 for the governmental activities was sales tax and other. The largest variances for the business type activities were charges for services for the pool was down. See page 7 of the audit report.

Operating Expenses

The following graph depicts a comparison of actual expenses for 2020 and 2019 for the governmental and business type activities.



Final Remarks

We would like to thank the City for allowing us to assist you with your auditing needs.

We would especially like to thank Melissa Drake for their assistance in helping us complete the audit. Should you have any questions or require additional assistance, please contact Pete Blair at 1-970-856-7550 or at peteblaircpa@yahoo.com.

City of Ouray
Financial Statements and
Independent Auditor's Report
as of
December 31, 2020

City of Ouray

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INDEPENDENT AUDITOR'S REPORT

To the City Council
City of Ouray, Colorado

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Ouray, Colorado as of and for the year ended December 31, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the 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 City of Ouray, Colorado, as of December 31, 2020, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, Schedule of Activity-Net Position and Schedule of Contributions to Pension Plan on pages 3–11 and 39–41 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ouray, Colorado basic financial statements. The combining and individual fund financial statements and Local Highway Finance Report are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and Local Highway Finance Report are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has 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 financial statements and Local Highway Finance Report are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Blair and Associates, P.C.

Cedaredge, Colorado
August 17, 2021

CITY OF OURAY
Management's Discussion and Analysis
Year Ended December 31, 2020

The Ouray City Council and Administration are responsible for the management of the City's activities, and thus their financial results. We therefore offer the following analysis and discussion of the accompanying financial statements.

FINANCIAL HIGHLIGHTS

As of December 31, 2020

Change in Net Position:

Total Assets and Deferred Outflows		\$ 23,962,142
Total Liabilities and Deferred Resources		9,190,997
Net Position	12/31/20	\$ 14,771,145
	12/31/19	14,094,423
Increase (Decrease)		\$ 676,722

Governmental Fund Balance:

	1/1/20	12/31/20	Increase (Decrease)
General Fund	\$ 905,516	\$ 1,289,457	\$ 383,941
Capital Improvements Fund	937,715	1,213,402	275,687
Non-major Funds	314,224	578,230	264,006
	<u>\$ 2,157,455</u>	<u>\$ 3,081,089</u>	<u>\$ 923,634</u>

Capital Assets, net of accumulated depreciation:

	1/1/20	12/31/20	Increase (Decrease)
Governmental Activities	\$ 2,072,853	\$ 2,064,300	\$ (8,553)
Business-type Activities	14,905,407	14,322,265	(583,142)
Total Capital Assets	<u>\$ 16,978,260</u>	<u>\$ 16,386,565</u>	<u>\$ (591,695)</u>

Cash and Cash Equivalents:

	12/31/20
Governmental Activities	\$ 3,202,128
Business-type Activities	2,979,902
Total Cash and Cash Equivalents	<u>\$ 6,182,030</u>

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The basic statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

The **statement of net position** presents information on all the City's assets and liabilities, with the difference between the two being reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The **statement of activities** presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position is reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future periods (e.g. uncollected taxes and earned but unused personal time).

The government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*Governmental Activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*Business-type Activities*). The Governmental Activities of the City include general government administration, police, fire, public works, and community center. The Business-type Activities of the City include the following utilities: water, sewer, refuse/recycling, and utilities-capital improvements; in addition to parks and recreation.

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. Fund accounting is used to ensure and demonstrate compliance with finance-related legal requirements. The City's funds can be divided into three categories: Governmental Funds, Proprietary Funds and Fiduciary Funds.

Governmental Funds – *Governmental funds* are used to account for 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 *short-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's short-term financing requirements. The accounting method is called *modified accrual* accounting.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental activities in the *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements.

By doing so, readers may better understand the long-term impact of the government's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains one major government fund, the General Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund.

Proprietary Funds – The City maintains one type of proprietary fund. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses a separate enterprise fund to account for each of its utility funds: Water, Sewer, Refuse/Recycling, and Utilities – Capital Improvements Fund, Parks and Recreation Fund and to account for its Pool Renovation Fund.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net Position

As noted previously, net position may serve over time as a useful indicator of the City's financial position. For the year ended December 31, 2020, the City's combined assets exceeded liabilities by \$ 14,771,145. Of this amount, \$ 5,867,165 is unrestricted and available to meet the City's ongoing financial obligations.

By far the largest portion of net position is the investment in capital assets (net of related debt) of \$ 8,728,721 (59% of net position). This amount reflects the investment in all capital assets (e.g. infrastructure, land, buildings, and equipment) less any related debt used to acquire those assets that are still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources since capital assets themselves cannot be used to liquidate these liabilities.

The following table summarizes the City's governmental and business-type net position for 2020:

	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
ASSETS						
Cash and cash equivalents	\$ 3,202,128	\$ 2,252,102	\$ 2,847,902	\$ 2,874,915	\$ 6,050,030	\$ 5,127,017
Restricted cash	-	-	132,000	132,000	132,000	132,000
Property taxes receivable	585,369	579,002	-	-	585,369	579,002
Accounts receivables	38,657	31,872	186,522	182,227	225,179	214,099
Other receivables	-	-	-	1,596	-	1,596
Due from other governments	93,654	58,288	-	-	93,654	58,288
Prepaid and deposits	(665)	732	-	-	(665)	732
Inventories	7,321	7,321	25,524	25,524	32,845	32,845
Net pension assets	457,165	319,485	-	-	457,165	319,485
Capital assets, net	<u>2,064,300</u>	<u>2,072,853</u>	<u>14,322,265</u>	<u>14,905,407</u>	<u>16,386,565</u>	<u>16,978,260</u>
Total assets	<u><u>6,447,929</u></u>	<u><u>5,321,655</u></u>	<u><u>17,514,213</u></u>	<u><u>18,121,669</u></u>	<u><u>23,962,142</u></u>	<u><u>23,443,324</u></u>

	Governemental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Deferred outflows						
Pension contributions made after measurement date	-	-	-	-	-	-
Pension net difference between projected & actual investment earnings	-	-	-	-	-	-
Total deferred outflows	-	-	-	-	-	-
LIABILITIES						
Accounts payable	\$ 181,807	\$ 80,667	\$ 126,093	\$ 148,455	\$ 307,900	\$ 229,122
Accrued wages	35,847	72,099	79,895	84,917	115,742	157,016
Accrued interest payable	-	-	5,227	5,227	5,227	5,227
Performance bonds and deposits	-	-	5,731	5,322	5,731	5,322
Unearned revenue	42,352	40,094	190,213	181,021	232,565	221,115
Current portion of debt					-	-
Loans and notes payable	35,712	44,790	100,768	171,854	136,480	216,644
Capital leases		-	150,000	150,000	150,000	150,000
Compensated absences	74,448	54,118	-	-	74,448	54,118
Long-term liabilities					-	-
Due more than one year:					-	-
Bonds payable		-	4,685,000	4,850,000	4,685,000	4,850,000
Capital leases	135,224	170,936	2,551,140	2,641,908	2,686,364	2,812,844
Total liabilities	505,390	462,704	7,894,067	8,238,704	8,399,457	8,701,408
Deferred inflows of resources						
Deferred property tax revenue	585,369	579,002	-	-	585,369	579,002
Pension difference between expected & actual experience	206,171	68,491	-	-	206,171	68,491
Total deferred inflows	791,540	647,493	-	-	791,540	647,493
NET POSITION						
Invested in capital assets	1,893,364	1,857,127	6,835,357	7,091,645	8,728,721	8,948,772
Reserves	-	-	86,657	86,657	86,657	86,657
Restricted for:						
Emergencies	88,602	108,905		-	88,602	108,905
Unrestricted	3,169,033	2,245,426	2,698,132	2,704,663	5,867,165	4,950,089
Total net position	\$ 5,150,999	\$ 4,211,458	\$ 9,620,146	\$ 9,882,965	\$ 14,771,145	\$ 14,094,423

A portion of net position, \$88,602, represents resources that are subject to constitutional restrictions on how they may be used. Reserves of \$86,657 are required by one debt agreement. Unrestricted net position of \$5,867,165 (40% of net position) may be used to meet the government's ongoing obligations to citizens and creditors.

Change in Net Position

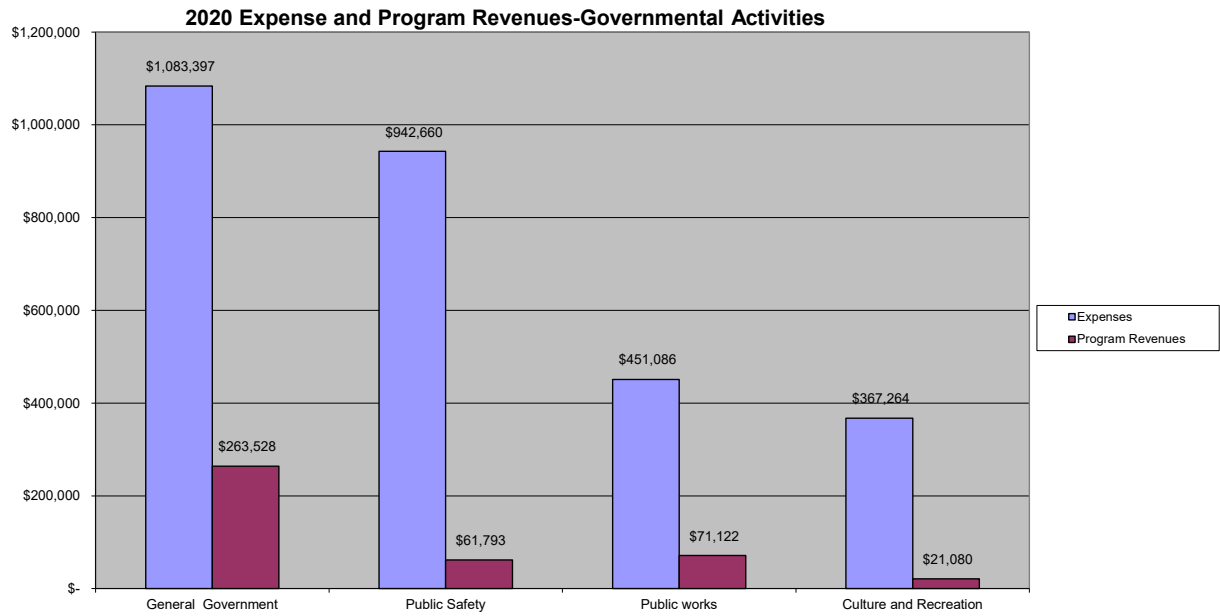
Governmental and business-type activities increased the City's net position by \$676,722 in 2020.

City of Ouray
For the Year Ended December 31, 2020 and 2019
Changes in Net Position

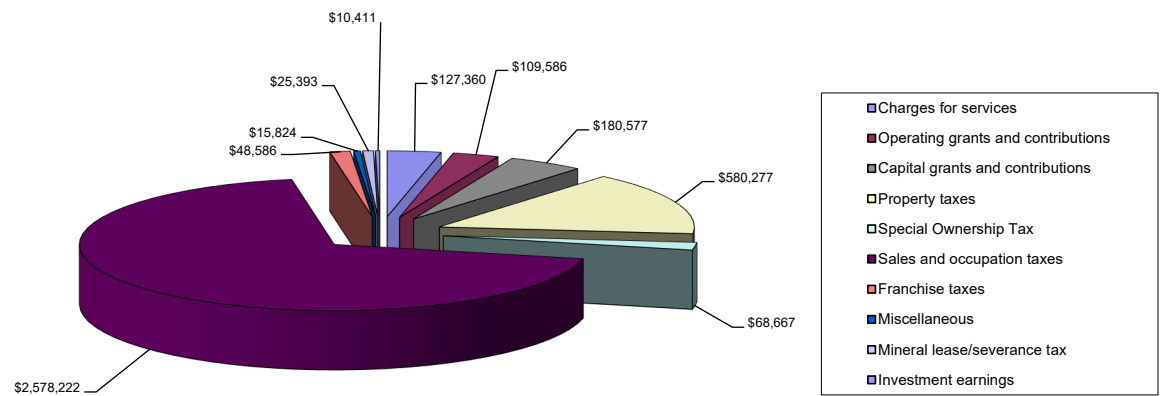
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues						
Charges for services	\$ 127,360	\$ 185,052	\$ 3,226,502	\$ 4,292,261	\$ 3,353,862	\$ 4,477,313
Operating grants	109,586	83,496	-	-	109,586	83,496
Capital grants	180,577	11,846	15,350	18,750	195,927	30,596
General Revenues						
Property taxes	580,277	526,935	-	-	580,277	526,935
Specific ownership	68,667	65,640	-	-	68,667	65,640
Sales taxes and other	2,578,222	2,230,192	-	-	2,578,222	2,230,192
Franchise taxes	48,586	50,890	-	-	48,586	50,890
Miscellaneous	15,824	24,677	2,161	2,025	17,985	26,702
Mineral lease/severance tax	25,393	59,986	-	-	25,393	59,986
Grants and contributions	-	-	-	-	-	-
Gain (loss) on assets	-	-	-	(2,781)	-	(2,781)
Investment earnings	10,411	16,160	11,499	17,291	21,910	33,451
Transfers In (Out)	39,045	39,122	(39,045)	(39,122)	-	-
Totals	3,783,948	3,293,996	3,216,467	4,288,424	7,000,415	7,582,420
Expenses						
General government	1,083,397	970,590	-	-	1,083,397	970,590
Public safety	942,660	804,885	-	-	942,660	804,885
Public works	451,086	429,948	3,479,286	4,012,761	3,930,372	4,442,709
Culture and recreation	367,264	356,260	-	-	367,264	356,260
Total Expenses	2,844,407	2,561,683	3,479,286	4,012,761	6,323,693	6,574,444
Changes in net position	939,541	732,313	(262,819)	275,663	676,722	1,007,976
Beginning	4,211,458	3,479,145	9,882,965	9,607,302	14,094,423	13,086,447
Ending	\$ 5,150,999	\$ 4,211,458	\$ 9,620,146	\$ 9,882,965	\$ 14,771,145	\$ 14,094,423

Governmental Activities

Governmental activities increased the City's net position by \$676,722.



Revenues by Source-Governmental Activities



Business-type Activities

Business-type activities for the year resulted in a decrease in net position of \$ 262,819. Charges for services accounted for 99% of total revenues.

FINANCIAL ANALYSIS OF GOVERNMENT'S FUNDS

Governmental funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

As of the end of 2020, the City's governmental funds reported combined ending fund balances of \$ 3,081,089, an increase of \$ 923,634 in comparison with the prior year. Of the combined ending fund balances for all governmental funds 28% of this total amount, \$ 861,959, constitutes unassigned fund balance, which is available for appropriation at the City's discretion; committed fund balance is 72%, or \$ 2,219,130, of governmental fund balances. There is \$ 156,808 of fund balance that is statutorily restricted to capital spending for parks and recreation. Non-spendable fund balance of \$ 7,321 represents inventoried materials. The remaining fund balance is restricted to indicate that it is not available for new spending, because it is already committed to meet a State constitution mandated emergency reserve of \$ 88,602.

The City has one major governmental fund, the General Fund, which is the primary operating fund for the City. At the end of 2020, unassigned fund balance of the General Fund was \$ 861,959, while the total fund balance was \$ 1,289,457. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. The fund balance of the City's General Fund increased by \$ 383,941 during 2020.

Proprietary funds. The City's proprietary fund statements provide the same type of information found in the government-wide financial statements, but in more detail.

The City has five enterprise funds: Water Fund, Sewer Fund, Refuse/Recycling Fund, Utilities – Capital Improvements Fund, and Parks and Recreation Fund. At the end of 2020, these funds represented the following net position amounts:

Fund:	Water	Sewer	Refuse/Rcycl.	Utilities – CI	Parks & Rec.
Unrestricted net position	105,242	770,553	6,974	808,530	1,006,833
Total net position	3,386,363	1,260,685	6,974	808,530	4,157,594
Increase (decrease) in net position	29,098	356,120	(20,538)	185,939	(813,438)

GENERAL FUND BUDGETARY HIGHLIGHTS

The City budgeted \$ 3,120,718 for 2020 expenditures. Actual expenditures were \$ 2,647,091, or 15% less than the budgeted amount.

CAPITAL ASSET AND DEBT ADMINISTRATION

The City's investment in capital assets, net of depreciation, for its governmental and business-type activities as of December 31, 2020, was \$ 16,386,565, a decrease of \$ 591,695 from the prior year, representing \$ 363,717 of acquisitions offset by \$ 955,414 of depreciation expense. As required by GASB34, the investment in capital assets includes land, buildings, building improvements, and equipment.

Long-term Debt

As of December 31, 2020, the City had long-term debt as follows:

	Balance			Balance	Due Within
Governmental Activities	January 1, 2020	Additions	Reductions	December 31, 2020	One Year
Fire Truck	\$ 190,173	\$ -	\$ (29,475)	\$ 160,698	\$ 30,328
Cat Backhoe	15,466	-	(5,228)	10,238	5,384
Chevy Silverado	4,331	-	(4,331)	-	-
Bobcat Skid Steer	5,756	-	(5,756)	-	-
Accrued compensated absences	54,118	20,330		74,448	74,448
Total	<u>\$ 269,844</u>	<u>\$ 20,330</u>	<u>\$ (44,790)</u>	<u>\$ 245,384</u>	<u>\$ 110,160</u>
Enterprise Activities					
Colorado Water Resources	\$ 56,117	\$ -	\$ (56,117)	\$ -	\$ -
Sales Tax Revenue Bonds	5,000,000	-	(155,000)	4,845,000	160,000
COP	2,700,000	-	(80,000)	2,620,000	80,000
Cat Backhoe	32,056	-	(10,148)	21,908	10,452
Bobcat Skid Steer	11,478	-	(11,478)	-	-
Chevy Silverado	4,330	-	(4,330)	-	-
Chevy Silverado double cab	9,781	-	(9,781)	-	-
Total	<u>\$ 7,813,762</u>	<u>\$ -</u>	<u>\$ (326,854)</u>	<u>\$ 7,486,908</u>	<u>\$ 250,452</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

- The City is in fair financial condition.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City's finance for all those with an interest in the government's finances. Questions concerning any of the information provided in the report or requests for additional financial information should be addressed to:

City Administrator: City of Ouray, PO Box 468, Ouray, CO 81427

CITY OF OURAY, COLORADO

Statement of Net Position

December 31, 2020

	Governmental Activities	Business Type Activities	Total
ASSETS			
Cash and cash equivalents	\$ 3,202,128	\$ 2,847,902	\$ 6,050,030
Restricted cash	-	132,000	132,000
Property taxes receivable	585,369	-	585,369
Accounts receivable	38,657	186,522	225,179
Due from other governments	93,654	-	93,654
Prepaid and deposits	(665)	-	(665)
Inventories	7,321	25,524	32,845
Net pension assets	457,165	-	457,165
Capital assets, net	2,064,300	14,322,265	16,386,565
Total assets	<u>6,447,929</u>	<u>17,514,213</u>	<u>23,962,142</u>
LIABILITIES			
Accounts payable	181,807	126,093	307,900
Accrued wages	35,847	79,895	115,742
Accrued interest payable	-	5,227	5,227
Performance bonds and deposits	-	5,731	5,731
Unearned revenue	42,352	190,213	232,565
Current portion of debt			
Loans and leases payable	35,712	100,768	136,480
Bonds payable	-	150,000	150,000
Compensated absences	74,448	-	74,448
Long-term liabilities			
Bonds payable	-	4,685,000	4,685,000
Loans and leases payable	135,224	2,551,140	2,686,364
Total liabilities	<u>505,390</u>	<u>7,894,067</u>	<u>8,399,457</u>
Deferred inflow of resources			
Deferred property tax revenue	585,369	-	585,369
Pension difference between expected and actual experience	206,171	-	206,171
Total Deferred inflow of resources	<u>791,540</u>	<u>-</u>	<u>791,540</u>
NET POSITION			
Invested in capital assets	1,893,364	6,835,357	8,728,721
Reserves	-	86,657	86,657
Restricted for:			
Emergencies	88,602	-	88,602
Unrestricted	3,169,033	2,698,132	5,867,165
Total net position	<u>\$ 5,150,999</u>	<u>\$ 9,620,146</u>	<u>\$ 14,771,145</u>

The accompanying notes are an integral part of this statement.

CITY OF OURAY, COLORADO
Statement of Activities
For the Year Ended December 31, 2020

Functions/Programs	Expenses	Program Revenues		
		Charges for Service and Fees	Operating Grants and Contributions	Capital Grants and Contributions
Primary government:				
Governmental activities:				
General government	\$ 1,083,397	\$ 69,276	\$ 24,209	\$ 170,043
Public Safety	942,660	44,927	16,866	-
Public Works	451,086	5,113	66,009	-
Culture and Recreation	367,264	8,044	2,502	10,534
Total governmental activities	<u>2,844,407</u>	<u>127,360</u>	<u>109,586</u>	<u>180,577</u>
Business-type activities:				
Water	599,246	613,283	-	7,675
Sewer	538,940	703,241	-	7,675
Refuse	222,530	212,293	-	-
Utilities-Capital Improvements	-	392,553	-	-
Parks	2,118,570	1,305,132	-	-
Total business- type activities	<u>3,479,286</u>	<u>3,226,502</u>	<u>-</u>	<u>15,350</u>
Total primary government	<u>\$ 6,323,693</u>	<u>\$ 3,353,862</u>	<u>\$ 109,586</u>	<u>\$ 195,927</u>

General Revenues

Taxes:

Property taxes

Specific ownership

Sales taxes and miscellaneous

Franchise taxes

Miscellaneous

Mineral leasing and severance taxes

Investment earnings

Transfers In (out)

Total General Revenues and Transfers

Changes in Net Position

Net Position-January 1

Net Position-December 31

Net (Expense) Revenue and Changes in Net Position		
Primary Government		
Governmental	Business-Type	
Activities	Activities	Total
\$ (819,869)	\$ -	\$ (819,869)
(880,867)	-	(880,867)
(379,964)	-	(379,964)
(346,184)	-	(346,184)
<u>(2,426,884)</u>	<u>-</u>	<u>(2,426,884)</u>
-	21,712	21,712
-	171,976	171,976
-	(10,237)	(10,237)
-	392,553	392,553
-	(813,438)	(813,438)
<u>-</u>	<u>(237,434)</u>	<u>(237,434)</u>
<u>(2,426,884)</u>	<u>(237,434)</u>	<u>(2,664,318)</u>
580,277	-	580,277
68,667	-	68,667
2,578,222	-	2,578,222
48,586	-	48,586
15,824	2,161	17,985
25,393	-	25,393
10,411	11,499	21,910
39,045	(39,045)	-
<u>3,366,425</u>	<u>(25,385)</u>	<u>3,341,040</u>
939,541	(262,819)	676,722
4,211,458	9,882,965	14,094,423
<u>\$ 5,150,999</u>	<u>\$ 9,620,146</u>	<u>\$ 14,771,145</u>

The accompanying notes are an integral part of this statement.

CITY OF OURAY, COLORADO
Governmental Funds
Balance Sheet
December 31, 2020

	General Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets				
Cash and cash equivalents	\$ 1,397,121	\$ 1,187,580	\$ 617,427	\$ 3,202,128
Taxes receivable	585,369	-	-	585,369
Due from other governments	93,654	-	-	93,654
Accounts receivable	12,835	25,822	-	38,657
Inventory	7,321	-	-	7,321
Prepaid expenses	(665)	-	-	(665)
Total assets	\$ 2,095,635	\$ 1,213,402	\$ 617,427	\$ 3,926,464
Liabilities, Deferred inflows of resources and Fund Balance				
Liabilities:				
Accounts payable	\$ 142,610	\$ -	\$ 39,197	\$ 181,807
Accrued wages	35,847	-	-	35,847
Unearned revenue	42,352	-	-	42,352
Total liabilities	220,809	-	39,197	260,006
Deferred inflow of resources				
Deferred property tax revenue	585,369	-	-	585,369
Fund balances:				
Non-spendable	7,321	-	-	7,321
Restricted				
Emergencies	88,602	-	-	88,602
Parks and recreation	-	-	156,808	156,808
Committed				
Flumes, streets and drainage	331,575	-	-	331,575
Capital improvements	-	1,213,402	-	1,213,402
Tourism	-	-	298,508	298,508
Beautification	-	-	122,914	122,914
Unassigned	861,959	-	-	861,959
Total fund balance	1,289,457	1,213,402	578,230	3,081,089
Total liabilities, deferred inflows of resources and fund balance	\$ 2,095,635	\$ 1,213,402	\$ 617,427	\$ 3,926,464

The accompanying notes are an integral part of this statement.

CITY OF OURAY, COLORADO
Reconciliation of the Governmental Funds Balance
Sheet to the Statement of Net Position
December 31, 2020

Total fund balance, governmental funds	\$ 3,081,089
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Amounts reported for governmental activities in the Statement of Net Position is different because:

Capital assets used in governmental activities are not current period expenditures and therefore are not reported in this fund financial statement, but are reported in the governmental activities of the Statement of Net Position.

Cost of capital assets	\$ 9,918,799	
Less accumulated depreciation	<u>(7,854,499)</u>	2,064,300

Some liabilities, (such as Notes Payable, Capital Lease Contract Payable, Long-term Compensated Absences, and Bonds Payable), are not due and payable in the current period and are not included in the fund financial statement, but are included in the governmental activities of the Statement of Net Position.

Capital leases	\$ (170,936)	
Compensated absences	<u>(74,448)</u>	(245,384)

Net pension assets and related deferred inflows and outflows of resources are not recorded in the funds.	<u>250,994</u>
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Net Position of Governmental Activities in the Statement of Net Position	<u><u>\$ 5,150,999</u></u>
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The accompanying notes are an integral part of this statement.

CITY OF OURAY, COLORADO
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2020

	General Fund	Capital Improvement Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property Taxes	\$ 580,277	\$ -	\$ -	\$ 580,277
Sales and miscellaneous taxes	1,627,044	515,169	504,676	2,646,889
Fees and fines	14,753	-	-	14,753
Licenses and permits	53,396	-	-	53,396
Intergovernmental	174,532	-	12,829	187,361
Charges for services	14,929	-	-	14,929
Investment earnings	12,798	-	1,881	14,679
Miscellaneous	232,619	-	-	232,619
Total revenues	<u>2,710,348</u>	<u>515,169</u>	<u>519,386</u>	<u>3,744,903</u>
EXPENDITURES				
Current:				
General government	806,736	-	213,223	1,019,959
Public safety	838,048	-	-	838,048
Public works	287,359	-	-	287,359
Culture and recreation	284,389	-	-	284,389
Debt service payments	50,804	-	-	50,804
Capital outlay	379,755	-	-	379,755
Total expenditures	<u>2,647,091</u>	<u>-</u>	<u>213,223</u>	<u>2,860,314</u>
Excess (deficiency) of revenues over expenditures	<u>63,257</u>	<u>515,169</u>	<u>306,163</u>	<u>884,589</u>
OTHER FINANCING SOURCES (USES)				
Transfers In (out)	320,684	(239,482)	(42,157)	39,045
Total other financing sources (uses)	<u>320,684</u>	<u>(239,482)</u>	<u>(42,157)</u>	<u>39,045</u>
Net change to fund balance	383,941	275,687	264,006	923,634
Fund balance, January 1	905,516	937,715	314,224	2,157,455
Fund balance, December 31	<u>\$ 1,289,457</u>	<u>\$ 1,213,402</u>	<u>\$ 578,230</u>	<u>\$ 3,081,089</u>

The accompanying notes are an integral part of this statement.

CITY OF OURAY, COLORADO
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities
For the Year Ended December 31, 2020

Net change in fund balances - total governmental funds **\$ 923,634**

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

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 exceeded capital outlays in the current period.

Fixed assets current additions	\$ 151,640	
Depreciation expense	(160,193)	
Excess of capital outlay over depreciation	<u> </u>	(8,553)

Gain on sale of assets		-
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Some expenses reported in the statement of activities do not require the use of current financial resources: therefore, are not reported as expenditures in governmental funds. (20,330)

Repayment of long-term debt principal is reported as an expenditure in the governmental funds but reduces long-term liabilities in the statement of net position. 44,790

Change in net position of governmental funds **\$ 939,541**

The accompanying notes are an integral part of this statement.

CITY OF OURAY, COLORADO

Statement of Net Position

Enterprise Funds

December 31, 2020

	Water Fund	Sewer Fund	Utilities-CI Fund
ASSETS			
Current Assets:			
Cash and cash equivalents	\$ 62,704	\$ 839,397	\$ 838,530
Receivables:			
Accounts	100,736	55,791	-
Inventories	19,901	5,319	-
Total current assets	183,341	900,507	838,530
Restricted cash	132,000	-	-
Capital assets:			
Land and improvements	149,131	-	-
Construction in progress	-	144,033	-
Utility system	5,354,554	2,104,423	-
Geothermal wells	-	-	-
Swimming pool	-	-	-
Pool filtration system	-	-	-
Box Cañon	-	-	-
Parks and other assets	-	-	-
Buildings	75,020	14,497	-
Equipment and furniture	303,483	363,888	-
Less accumulated depreciation	(2,676,770)	(2,125,755)	-
Total capital assets	3,205,418	501,086	-
Total Assets	\$ 3,520,759	\$ 1,401,593	\$ 838,530
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 16,016	\$ 48,131	\$ -
Accrued payroll	17,407	21,962	-
Customer deposits	375	-	-
Accrued interest payable	5,227	-	-
Unearned revenues	84,417	59,861	30,000
Current portion of long term debt	5,384	5,384	-
Total current liabilities	128,826	135,338	30,000
Noncurrent liabilities			
Bonds payable	-	-	-
Loans and leases payable	5,570	5,570	-
Total noncurrent liabilities	5,570	5,570	-
NET POSITION			
Invested in capital assets, net of related debt	3,194,464	490,132	-
Restricted for O&M expenses	86,657	-	-
Unrestricted	105,242	770,553	808,530
Total net position	\$ 3,386,363	\$ 1,260,685	\$ 808,530

Refuse Fund	Parks Fund	Total Enterprise Funds
\$ 35,687	\$ 1,071,584	\$ 2,847,902
4,578	25,417	186,522
-	304	25,524
<u>40,265</u>	<u>1,097,305</u>	<u>3,059,948</u>
-	-	132,000
-	-	149,131
-	-	144,033
-	-	7,458,977
-	167,138	167,138
-	12,512,490	12,512,490
-	5,202	5,202
-	351,707	351,707
-	1,413,608	1,413,608
-	-	89,517
-	-	667,371
-	(3,834,384)	(8,636,909)
<u>-</u>	<u>10,615,761</u>	<u>14,322,265</u>
<u>\$ 40,265</u>	<u>\$ 11,713,066</u>	<u>\$ 17,514,213</u>
\$ 17,356	\$ 44,590	\$ 126,093
-	40,526	79,895
-	5,356	5,731
-	-	5,227
15,935	-	190,213
-	240,000	250,768
<u>33,291</u>	<u>330,472</u>	<u>657,927</u>
-	4,685,000	4,685,000
-	2,540,000	2,551,140
-	7,225,000	7,236,140
-	3,150,761	6,835,357
-	-	86,657
6,974	1,006,833	2,698,132
<u>\$ 6,974</u>	<u>\$ 4,157,594</u>	<u>\$ 9,620,146</u>

The accompanying notes are an integral part of this statement.

CITY OF OURAY, COLORADO
Statement of Revenues, Expenses and Changes in Net Position
Enterprise Funds
Year Ended December 31, 2020

	Water Fund	Sewer Fund	Utilities-CI Fund
Operating Revenues			
Charges for services	\$ 613,283	\$ 703,241	\$ 392,553
Miscellaneous	557	1,604	-
Total operating revenues	<u>613,840</u>	<u>704,845</u>	<u>392,553</u>
Operating Expenses			
Personal services	299,292	354,919	-
Contractual services	68,786	30,625	-
Utilities	4,897	28,010	-
Repairs and maintenance	24,444	27,684	-
Other supplies and expenses	32,650	49,156	-
Insurance claims and expenses	7,718	7,864	-
Depreciation	159,611	40,364	-
Total operating expenses	<u>597,398</u>	<u>538,622</u>	<u>-</u>
Operating income (loss)	<u>16,442</u>	<u>166,223</u>	<u>392,553</u>
Nonoperating revenues (expenses)			
Interest income	1,550	4,484	5,465
Interest expense	(1,848)	(318)	-
Total nonoperating revenues (expenses)	<u>(298)</u>	<u>4,166</u>	<u>5,465</u>
Income (loss) before transfers and and Capital Contributions	16,144	170,389	398,018
Transfers in (out)	5,279	178,056	(212,079)
Capital contributions-Investment Fees	<u>7,675</u>	<u>7,675</u>	<u>-</u>
Change in net position	29,098	356,120	185,939
Total net position, January 1	3,357,265	904,565	622,591
Total net position, December 31	<u>\$ 3,386,363</u>	<u>\$ 1,260,685</u>	<u>\$ 808,530</u>

Refuse Fund	Parks Fund	Total Enterprise Funds
\$ 212,293	\$ 1,305,132	\$ 3,226,502
-	-	2,161
<u>212,293</u>	<u>1,305,132</u>	<u>3,228,663</u>
-	822,514	1,476,725
222,530	29,682	351,623
-	118,837	151,744
-	30,704	82,832
-	213,608	295,414
-	10,385	25,967
-	595,248	795,223
<u>222,530</u>	<u>1,820,978</u>	<u>3,179,528</u>
<u>(10,237)</u>	<u>(515,846)</u>	<u>49,135</u>
-	-	11,499
-	(297,592)	(299,758)
<u>-</u>	<u>(297,592)</u>	<u>(288,259)</u>
(10,237)	(813,438)	(239,124)
(10,301)	-	(39,045)
<u>-</u>	<u>-</u>	<u>15,350</u>
(20,538)	(813,438)	(262,819)
27,512	4,971,032	9,882,965
<u>\$ 6,974</u>	<u>\$ 4,157,594</u>	<u>\$ 9,620,146</u>

The accompanying notes are an integral part of this statement.

CITY OF OURAY, COLORADO

Statement of Cash Flows

Enterprise Funds

Year Ended December 31, 2020

	Water Fund	Sewer Fund
Cash Flows From Operating Activities		
Cash received from charges for services	\$ 583,914	\$ 735,555
Cash payments for goods and services	(223,409)	(102,351)
Cash payments to employees for services	(299,292)	(354,919)
Net cash provided (used) by operating activities	61,213	278,285
Cash Flows from Noncapital Financing Activities		
Grants and contributions	-	-
Miscellaneous	-	-
Transfers from (to) other funds	5,279	178,056
Net cash provided (used) by noncapital financing activities	5,279	178,056
Cash Flows from Capital and Related Financing Activities		
Investment fees	7,675	7,675
Acquisition of capital assets	(34,023)	(178,056)
Principal paid on loans and leases	(73,986)	(17,869)
Interest expense	(1,848)	(318)
Net cash provided (used) by capital and related financing activities	(102,182)	(188,568)
Cash Flows from Investing Activities		
Interest on investments	1,550	4,484
Net increase (decrease) in cash and equivalents	(34,140)	272,257
Cash balances, January 1	228,844	567,139
Cash balances, December 31	\$ 194,704	\$ 839,396
Reconciling of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ 16,442	\$ 166,223
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	159,611	40,364
Assets (increase) decrease:		
Accounts receivable	(38,443)	26,566
Liabilities increase (decrease):		
Accounts payable	(84,914)	40,988
Accrued payroll	(675)	4,144
Unearned revenues	9,192	-
Total adjustments	44,771	112,062
Net cash provided (used) by operating activities	\$ 61,213	\$ 278,285

Utilities-CI Fund	Refuse Fund	Parks Fund	Total Enterprise Funds
\$ 392,553	\$ 221,471	\$ 1,296,640	\$ 3,230,133
-	(205,174)	(398,600)	(929,534)
-	-	(822,514)	(1,476,725)
<u>392,553</u>	<u>16,297</u>	<u>75,526</u>	<u>823,874</u>
-	-	-	-
-	-	-	-
<u>(212,079)</u>	<u>(10,301)</u>	<u>-</u>	<u>(39,045)</u>
<u>(212,079)</u>	<u>(10,301)</u>	<u>-</u>	<u>(39,045)</u>
-	-	-	15,350
-	-	-	(212,079)
-	-	(235,000)	(326,855)
<u>-</u>	<u>-</u>	<u>(297,592)</u>	<u>(299,758)</u>
-	-	(532,592)	(823,342)
<u>5,465</u>	<u>-</u>	<u>-</u>	<u>11,499</u>
185,939	5,996	(457,066)	(27,014)
652,591	29,691	1,528,650	3,006,915
<u>\$ 838,530</u>	<u>\$ 35,687</u>	<u>\$ 1,071,584</u>	<u>\$ 2,979,901</u>
<u>\$ 392,553</u>	<u>\$ (10,237)</u>	<u>\$ (515,846)</u>	<u>\$ 49,135</u>
-	-	595,248	795,223
-	9,178	-	(2,699)
-	17,356	4,207	(22,363)
-	-	(8,492)	(5,023)
-	-	409	9,601
<u>-</u>	<u>26,534</u>	<u>591,372</u>	<u>774,739</u>
<u>\$ 392,553</u>	<u>\$ 16,297</u>	<u>\$ 75,526</u>	<u>\$ 823,874</u>

The accompanying notes are an integral part of this statement.

Note 1 - Summary of Significant Accounting Policies

The financial statements of the City of Ouray, Colorado (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A. Financial Reporting Entity

The City adopted a home rule charter on May 5, 2009, with a council – administrator form of government with five elected Council members. As required by accounting principles generally accepted in the United States of America, these financial statements present the City of Ouray (the primary government). The City has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent on the City. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing body.

Related Organizations

- The City and the Ouray Volunteer Fire Department provided fire protection to the citizens of Ouray. The volunteer fire department has a special fund that receives donations and fund-raising monies, which are also used to cover fire protection services. This fund is not included in these financial statements of the City of Ouray.

B. Government-wide 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 activities of the City and its component units. These statements include the financial activities of the overall government, except fiduciary activities. For the most part, the effect of inter-fund activity has been removed from these statements. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities, which normally are supported by taxes, charges for services and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on user charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to those 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.

Note 1 - Summary of Significant Accounting Policies - (continued)

C. Fund Financial Statements

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

All governmental funds are accounted for on a flow of current financial resources basis. Balance sheets for these funds generally include only current assets and current liabilities. Reported fund balances are considered a measure of available, spendable resources. Operating statements for these funds present a summary of available, spendable resources and expenditures for the period.

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

The City reports the following major governmental funds:

- The General Fund is the City's primary operating fund. It accounts for all financial resources of the City, except those required to be accounted for in another fund.
- The Capital Improvement Fund, which accounts for the Town's additional sales tax that is to be used for capital improvements.

The remaining governmental funds are aggregated and presented as non-major funds. Those funds include:

- The Conservation Trust Fund, which accounts for State of Colorado lottery funds to be used for parks and recreation services and capital investment.
- Beautification Fund, which accounts for lodging tax collections to be used for City beautification projects.
- Tourism Promotion Fund, which accounts for lodging tax collections for the promotion of tourism.

Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises, where the intent is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. Enterprise funds are considered major funds because of community interests in the activities and sources of funding supporting these operations.

Note 1 - Summary of Significant Accounting Policies - (continued)

C. Fund Financial Statements - (continued)

Enterprise 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 an enterprise fund's principal ongoing operations. The principal operating revenues of the City are charges for water, sewer, refuse, pool, park and other fees. Operating expenses for the enterprise funds include personnel services, contract services, utilities, repairs and maintenance, supplies, insurance and depreciation cost. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City reports the following major enterprise fund business-type activities:

- Water, Sewer and Refuse Funds, which account for all operations of the City's water, sewer and refuse services. They are primarily financed by user charges.
- Utility Capital Improvement Fund, which accounts for the investment fees of water and sewer taps to be used for water and sewer capital expenditures.
- Park Fund, which accounts for all operations of the City's Hot Springs Pool and Box Cañon Park. They are primarily financed by user charges at the Hot Springs Pool and Box Cañon Park.
- Pool Renovation Fund, which accounts for the renovation of the City's Hot Springs Pool.

D. Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the enterprise fund financial statements. Revenues are recorded when earned and expenses are recorded when a 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.

The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Expenditures are recorded when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which is recognized when due, and compensated absences which are recognized when the obligations are expected to be liquidated with expendable available resources.

Those revenues susceptible to accrual are interest revenue and charges for services. Entitlement revenues are not susceptible to accrual because generally, they are not measurable until received. Grant revenues are recognized as they are earned.

Note 1 - Summary of Significant Accounting Policies - (continued)

D. Measurement Focus and Basis of Accounting - (continued)

The accrual basis of accounting is utilized by enterprise funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Deferred Outflows / Inflows of Resources

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

In addition to liabilities, the statement of net position will sometimes report a separate section of deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. Property taxes revenue that are related to a future period have been recorded as deferred inflows. Grants and entitlements received before eligibility requirements are met (e.g., cash advances) are recorded as deferred inflows. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available.

E. Cash and Cash Equivalents

For the purposes of the statement of cash flows of the enterprise funds, cash and cash equivalents consist of operating and restricted cash and highly liquid securities with an initial maturity of six months or less.

F. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

G. Property Taxes

Property taxes for the current year are levied and attached as a lien on property the following January 1. They are payable in full by April 30 or in two equal installments due February 28 and June 15. Property taxes levied in the current year and collected in the following year are reported as deferred inflows of resources at December 31. However, since the taxes are not available to pay current liabilities, the receivable is recorded as deferred inflows of resources in the governmental fund.

Note 1 - Summary of Significant Accounting Policies - (continued)

H. Capital Assets

Capital assets, which include property, equipment and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capitalized assets are defined by the City as assets that have a useful life of one or more years, and for which the initial, individual value equals or exceeds \$ 5,000.

All purchased assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs that does not add to the value of an asset or materially extend asset life is not capitalized.

Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Useful Life</u>
Improvements	10-20 years
Building and Other Improvements	40-50 years
Water and Sewer Systems	40-50 years
Furniture and Equipment	5-20 years
Swimming Pool	20-50 years
Infrastructure	15-40 years

Public domain assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are examples of infrastructure assets. Infrastructure assets are distinguished from other capitalized assets as their useful life often extends beyond most other capital assets and are stationary in nature. General infrastructure assets are those associated with or arising from governmental activities.

I. Long-Term Liabilities

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

J. Compensated Absences

It is the City's policy for employees to accumulate earned but unused vacation and sick pay benefits, but employees are not entitled to be paid for sick leave upon termination. In the government-wide statements, vacation and unused compensation time is accrued when incurred and reported as a liability of the governmental and business-type activities. In the governmental funds, vacation and unused compensation time is not expected to be liquidated with expendable available financial resources and therefore are not reported as expenditure.

Note 1 - Summary of Significant Accounting Policies - (continued)

K. Net Position

Net position represents the difference between assets and liabilities. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition or construction of improvements on those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the City or through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

L. Interfund Transactions

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed. At year end, outstanding balances between funds are reported as "due to/from other funds." Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

M. Encumbrances

The City does not use an encumbrance system for budgetary control.

N. Inventory

Inventory is valued at lower of cost (first-in, first-out) or market. Reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets.

O. Fund Equity

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Non-spendable fund balance amounts that are not in spendable form (such as inventory) or are required to be maintained intact;
- Restricted fund balance-amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation;
- Committed fund balance-amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint;
- Assigned fund balance-amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- Unassigned fund balance-amounts that are available for any purpose; positive amounts are reported only in the general fund.

Note 1 - Summary of Significant Accounting Policies - (continued)

O. Fund Equity - (continued)

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless City Council has provided otherwise in its commitment or assignment actions.

Note 2 - Reconciliation of Government-wide and Fund Financial Statements

The governmental funds balance sheet includes reconciliation between total fund balance, governmental funds and net position - governmental activities as reported in the government-wide statement of net position. Additionally, the governmental fund statement of revenues, expenditures, and changes in fund balances includes reconciliation between net change in fund balances - total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. The enterprise fund statement of net position and statement of revenues, expenses and changes in net position also includes reconciliation to the government-wide statement of net position and activities.

These reconciliations detail items that require adjustment to convert from the current resources measurement and modified accrual basis for government fund statements to the economic resources measurement and full accrual basis used for government-wide statements. However, certain items having no effect on measurement and basis of accounting were eliminated from the governmental fund statements during the consolidation of governmental activities.

Note 3 - Tax, Spending and Debt Limitations

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 governments, excluding “enterprises.” The City’s voters on November 8, 1994, approved a ballot measure to permit the City to collect, retain and expend the full proceeds of the City’s 3% sales tax, existing lodging occupation tax and nonfederal grants.

The Amendment is complex and subject to judicial interpretation. The City believes it is in compliance with the requirements of the amendment.

The Amendment requires that an emergency reserve be maintained at three percent of fiscal year spending. A portion of the General Fund’s fund balance is classified as restricted for emergencies as required by the Amendment.

Note 4 - Budgets

The City adheres to the following procedures in establishing budgetary data reflected in the financial statements:

- A.** By mid August of each year, the City Administrator gives public notice of the budget calendar for the next fiscal year. The City Administrator asks that all City departments, boards, commissions or citizens submit within thirty days from the notice, any request for funds under the budget being prepared. The City Administrator, with assistance from the City Treasurer, then prepares a proposed budget for the ensuing fiscal year and submits it to the Council no later than forty-five days prior to any date required by state law for the certification to the County of the tax levy.
- B.** The budget provides a complete financial plan of all City funds and activities for the ensuing fiscal year indicating anticipated revenues, proposed operating and capital expenditures, a provision for contingencies, and anticipated net surplus or deficit for the ensuing fiscal year.
- C.** A public hearing on the proposed budget is held by the Council in early November.
- D.** The Council adopts the budget by resolution on or before the final day established by law for the certification of the ensuing year's tax levy to the County. Adoption of the budget by the Council shall constitute appropriations of the amounts specified therein as expenditures from the funds indicated and shall constitute a levy of the property tax therein proposed.
- E.** If during the fiscal year the City Administrator determines that there are expenses in excess of those estimated in the budget, the Council by resolution may make supplemental appropriations for the year up to the amount of such excess. To meet an emergency affecting public property, health, peace or safety, the Council may make emergency appropriations. If at any time during the fiscal year it appears probable to the City Administrator that the revenues available will be insufficient to meet the amount appropriated, the City Administrator reports to the Council, indicating the estimated amount of deficit, any remedial action already taken, and a recommendation as to any other steps to be taken. Any time during the fiscal year the City Administrator may transfer part or all of any unencumbered appropriation balance within a department.
- F.** Budget appropriations lapse at the end of each year.
- G.** Expenditures may not exceed appropriations at the fund level. Budget amounts included in the financial statements are based on the final amended budget. The City could be in violation of Colorado Budget Law because expenditures exceed budgetary amounts in the Refuse Fund.
- H.** Budgets for governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP), except for long-term receivables and advances and capital lease financing which are budgeted when liquidated rather than when the receivable/liability is incurred. Budgets for enterprise funds are adopted on a basis consistent with the spending measurement focus of the governmental funds.

Note 5 - Deposits and Investments

A. Deposits

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 regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. 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 the aggregate uninsured deposits. Collateral in the pool is considered to be equal to depository insurance pursuant to definitions listed in GASB Statement No. 40. At December 31, 2020, the bank balance of the City's deposits was \$6,050,245 of which \$263,522 was covered by federal depository insurance and \$5,786,723 was collateralized under PDPA.

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. Authorized investments include obligations of the United States and certain U.S. government agency securities; certain international agency securities; general obligation and revenue bonds of U.S. local government entities; bankers' acceptances of certain banks; commercial paper; local government investment pools; written repurchase agreements collateralized by certain authorized securities; certain money market funds; and, guaranteed investment contracts. The City's investment policy follows Colorado statutes. At December 31, 2019 the City's investments included funds held in COLOTRUST.

The City had invested \$203,380 in the Colorado Government Liquid Asset Trust (COLOTRUST), an investment vehicle established for local government entities in Colorado to pool surplus funds. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. Investments of COLOTRUST consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities. A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with the direct investment and withdrawal functions of COLOTRUST. Substantially all securities owned by COLOTRUST 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 COLOTRUST. These pools are not required to and are not registered with the SEC. COLOTRUST's funds are rated AAA by Standard and Poor's, Fitch's and Moody's rating services.

Note 5 - Deposits and Investments - (continued)

A. Deposits - (continued)

The City maintains a cash pool that is available to the General Fund, Special Revenue Funds and Enterprise Funds.

Cash and cash equivalents	
Cash on hand	\$ 4,707
Deposits	5,750,309
Certificate of deposits	212,890
Cash with county treasurer	10,746
COLOTRUST	<u>203,380</u>
Total	<u>\$ 6,182,032</u>

<u>Statement of Net Position</u>	
Cash and cash equivalents	\$ 6,050,032
Restricted cash	<u>132,000</u>
Total	<u>\$ 6,182,032</u>

B. Restricted cash

Water Fund

Pursuant to loan, the City has set aside funds in the Water Fund for operations and maintenance costs for the Water Fund in the amount of \$132,000.

Note 6 - Risk Management

The City 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.

The City is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a public entity risk pool currently operating as a common risk management and insurance program for property/casualty and workers' compensation coverage. CIRSA is to be self-sustaining through member contributions and reinsures through commercial companies for claims in excess of certain limits for each insured event. CIRSA members are subject to a supplemental assessment in the event of a deficiency.

Note 7 - Long-term Liabilities

	Balance			Balance	Due Within
	January 1, 2020	Additions	Reductions	December 31, 2020	One Year
Governmental Activities					
Fire Truck	\$ 190,173	\$ -	\$ (29,475)	\$ 160,698	\$ 30,328
Cat Backhoe	15,466	-	(5,228)	10,238	5,384
Chevy Silverado	4,331	-	(4,331)	-	-
Bobcat Skid Steer	5,756	-	(5,756)	-	-
Accrued compensated absences	54,118	20,330		74,448	74,448
Total	<u>\$ 269,844</u>	<u>\$ 20,330</u>	<u>\$ (44,790)</u>	<u>\$ 245,384</u>	<u>\$ 110,160</u>
Enterprise Activities					
Colorado Water Resources	\$ 56,117	\$ -	\$ (56,117)	\$ -	\$ -
Sales Tax Revenue Bonds	5,000,000	-	(155,000)	4,845,000	160,000
COP	2,700,000	-	(80,000)	2,620,000	80,000
Cat Backhoe	32,056	-	(10,148)	21,908	10,452
Bobcat Skid Steer	11,478	-	(11,478)	-	-
Chevy Silverado	4,330	-	(4,330)	-	-
Chevy Silverado double cab	9,781	-	(9,781)	-	-
Total	<u>\$ 7,813,762</u>	<u>\$ -</u>	<u>\$ (326,854)</u>	<u>\$ 7,486,908</u>	<u>\$ 250,452</u>

Fire Truck

\$ 300,000, July 2015, due in annual payments of \$ 34,988 each on July 31 starting on July 31 of 2016 at an interest rate of 2.90%.

	Principal	Interest	Total
2021	\$ 30,328	\$ 4,660	\$ 34,988
2022	31,207	3,781	34,988
2023	32,112	2,876	34,988
2024	32,994	1,994	34,988
2025	34,057	931	34,988
Total	<u>\$ 160,698</u>	<u>\$ 14,242</u>	<u>\$ 174,940</u>

Cat Backhoe

\$ 104,694, January 2016, due in annual payments of \$ 16,795.82 each on January 1 starting on January 1 of 2017 at an interest rate of 2.987%.

	Principal	Interest	Total
2021	\$ 15,836	\$ 960	\$ 16,796
2022	16,310	486	16,796
Total	<u>\$ 32,146</u>	<u>\$ 1,446</u>	<u>\$ 33,592</u>

Note 7 - Long-term Liabilities – (continued)

Sales Tax Revenue Bonds, Series 2016

On November 3, 2015, the City's electorate approved the issuance of \$5,300,000 in sales tax revenue bonds, for the purpose planning, constructing, acquiring and equipping improvements to the City's Hot Springs Pool Facility. The sales tax revenue bonds are payable from revenues generated by sales tax increase and also payable from any other legally available City revenues and pledge the full faith and credit of the City. The annual coupon interest ranges from 2% to 4%. The following is a breakdown of the payments:

	Principal	Interest	Total
2021	\$ 160,000	\$ 186,525	\$ 346,525
2022	160,000	182,525	342,525
2023	165,000	178,525	343,525
2024	170,000	174,400	344,400
2025	175,000	167,600	342,600
2026-2030	995,000	726,400	1,721,400
2031-2035	1,210,000	510,600	1,720,600
2036-2040	1,480,000	248,000	1,728,000
2041	330,000	13,200	343,200
	<u>\$ 4,845,000</u>	<u>\$ 2,387,775</u>	<u>\$ 7,232,775</u>

Certificate of Participation

The City's finance part of the construction of the City's Hot Springs Pool Facility Renovation Project by the issuance of a certificate of participation note. The annual coupon interest ranges from 4% to 12%. The following is a breakdown of the payments:

	Principal	Interest	Total
2021	\$ 80,000	\$ 104,800	\$ 184,800
2022	85,000	101,600	186,600
2023	90,000	98,200	188,200
2024	95,000	94,600	189,600
2025-2029	520,000	886,400	1,406,400
2030-2034	625,000	904,800	1,529,800
2035-2039	770,000	497,400	1,267,400
2040-2041	355,000	64,200	419,200
	<u>\$ 2,620,000</u>	<u>\$ 2,752,000</u>	<u>\$ 5,372,000</u>

Note 8 - Defined Benefit Pension Plans

All volunteer fire fighters participate in the Defined Benefit Pension Plan administrated by the FPPA for plan administration and investment only. The plan has a plan document, actuarial valuation and is governed by the local pension board.

Any fire fighter, who has reached the age of 50 years and completed 20 years of active service, including 36 hours of training per year, is eligible for \$90 per month. In addition, there are survivor benefits of \$45 per month and a one-time only lump sum death benefit of \$180.

At December 31, 2020, the City reported an asset of \$319,485 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension asset used to calculate the net pension asset was determined by an actuarial study as of December 31, 2018. Standard update procedures were used to roll forward the total pension liability to December 31, 2015. The City's proportion of the net asset was based on City's contributions to FPPA for the calendar year 2020 relative to the total contributions of participating employers to FPPA.

For the year ended December 31, 2020, the City recognized pension expense of \$20,844. At December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 206,171
Net difference between projected and actual earnings on pension plan investments	-	
Changes in proportion and differences between contributions recognized and proportionate share of contributions	-	-
Contributions subsequent to the measurement date	-	-
Total	<u>\$ -</u>	<u>\$ 206,171</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Net Deferred Outflows/ (Inflows) of Resources
2021	\$ (206,171)
2022	-
2023	-
2024	-
2025	-
Thereafter	-
Total	<u>\$ (206,171)</u>

Actuarial assumptions. The total pension asset in December 31, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs:

Note 8 - Defined Benefit Pension Plans – (continued)

Actuarially determined contribution rates are calculated as of January 1 of odd numbered years. The contribution rates have a one-year lag, so the actuarial valuation as of January 1, 2019, determines the contribution amounts for 2017 and 2018.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Dollar, Open*
Remaining Amortization Period	20 years*
Asset Valuation Method	5-Year smoothed market
Inflation	3.00%
Salary Increases	N/A
Investment Rate of Return	7.50%
Retirement Age	50% per year of eligibility until 100% at age 65
Mortality	Pre-retirement: RP-2000 Combined Mortality Table with Blue Collar Adjustment, 40% multiplier for off-duty mortality. Post-retirement: RP-2000 Combined Mortality Table with Blue Collar Adjustment. Disabled: RP-2000 Disabled Mortality Table All tables projected with Scale AA

*Plans that are heavily weighted with retiree liabilities use an amortization period based on the expected remaining lifetime of the participants.

Regarding the sensitivity of the net pension liability/ (asset) to changes in the Single Discount Rate, the following presents the plan's net pension liability/ (asset), calculated using a Single Discount Rate of 7.50%, as well as what the plan's net pension liability/ (asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

Sensitivity of Net Pension Liability/(Asset) to the Single Discount Rate Assumption		
Current Single Discount		
1% Decrease	Rate Assumption	1% Increase
6.00%	7.00%	8.00%
<u>\$ (391,856)</u>	<u>\$ (457,165)</u>	<u>\$ (522,474)</u>

The Fire & Police Pension Association (FPPA) administers an agent multiple-employer Public Employee Retirement System (PERS). The PERS represents the assets of numerous separate plans that have been pooled for investment purposes. The pension plans have elected to affiliate with FPPA for plan administration and investment only. FPPA issues a publicly available comprehensive annual financial report that can be obtained at:<http://www.fppaco.org>.

Note 9 - Defined Contribution Plan

All full-time permanent employees of the City must participate in the City's group-retirement plan and may participate in the City's deferred compensation plan, after twelve (12) months of continuous employment. The plans are administered by Colorado Retirement Association (CRA) plan. The employees' contributions are fully vested, and the City's contributions are vested at the rate of 20% per year. The Plan may be amended by resolution of the City Council, but it may not be amended beyond the limits established by state statute.

Under the group retirement plan, the City contributes 3% of eligible employees' base salary, matching the amount contributed by the employees. In 2020 the City's total payroll was \$2,014,158. The City's contribution was calculated using a base salary amount of \$1,115,433. The City and the covered employees made the following contributions, amounting to \$33,463 and \$33,463 respectively for a total of \$66,926.

Note 10 - Capital Assets

Capital assets activity for the year ended December 31, 2020 was as follows:

	January 1, 2020	Additions	Dispositions	December 31, 2020
Governmental Activities				
Capital assets not being depreciated				
Land	\$ 325,094	\$ -	\$ -	\$ 325,094
	<u>325,094</u>	<u>-</u>	<u>-</u>	<u>325,094</u>
Capital assets being depreciated				
Buildings	793,318	-	-	793,318
Improvements other than building	37,459		-	37,459
Infrastructure	6,051,396		-	6,051,396
Equipment and vehicles	2,559,892	151,640		2,711,532
	<u>9,442,065</u>	<u>151,640</u>	<u>-</u>	<u>9,593,705</u>
Less accumulated depreciation				
Buildings	(625,180)	(2,367)	-	(627,547)
Improvements	(12,459)	(1,651)	-	(14,110)
Infrastructure	(5,279,528)	(79,200)	-	(5,358,728)
Equipment and vehicles	(1,777,139)	(76,975)	-	(1,854,114)
	<u>(7,694,306)</u>	<u>(160,193)</u>	<u>-</u>	<u>(7,854,499)</u>
Capital asset being depreciated, net	<u>1,747,759</u>	<u>(8,553)</u>	<u>-</u>	<u>1,739,206</u>
Total Governmental Activities Capital Assets	<u>\$ 2,072,853</u>	<u>\$ (8,553)</u>	<u>\$ -</u>	<u>\$ 2,064,300</u>

Note 10 - Capital Assets – (continued)

Business - Type Activities	2020	Additions	Dispositions	2020
Capital assets not being depreciated				
CIP	\$ -	\$ 144,033	\$ -	\$144,033
Land	149,131	-	-	149,131
	<u>149,131</u>	<u>144,033</u>	<u>-</u>	<u>293,164</u>
Capital assets being depreciated				
Utility system	7,458,977	-	-	7,458,977
Geothermal wells	167,138	-	-	167,138
Swimming pool	12,512,490	-	-	12,512,490
Pool filtration system	5,202	-	-	5,202
Box Cañon	351,707	-	-	351,707
Other Parks assets	1,413,608	-	-	1,413,608
Buildings	89,517	-	-	89,517
Equipment and furniture	599,327	68,044	-	667,371
Less accumulated depreciation	<u>(7,841,688)</u>	<u>(795,221)</u>	<u>-</u>	<u>(8,636,909)</u>
Capital assets being depreciated, net	<u>14,756,278</u>	<u>(727,177)</u>	<u>-</u>	<u>14,029,101</u>
Total Business-Type				
Activities Capital Assets	<u>\$ 14,905,409</u>	<u>\$ (583,144)</u>	<u>\$ -</u>	<u>\$ 14,322,265</u>

Depreciation expense was charged to governmental activities of the City as follows:

General Government	\$ 12,455
Public Safety	32,068
Public Works	111,903
Culture and Recreation	<u>3,767</u>
Total depreciation	<u>\$ 160,193</u>

Note 11 - Contingent Liabilities

Lawsuits and Claims

Various claims and lawsuits are pending against the City. In the opinion of the City's management, after consulting with legal counsel, the potential loss on all claims and lawsuits will not materially affect the City's financial position.

Note 11 – Subsequent events

On January 30, 2020, the World Health Organization (“WHO”) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the “COVID-19 outbreak”) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the City’s financial condition, liquidity, and future results of operations in the Park Fund. Management is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, industry, and workforce. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the City is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2020.

The City is dependent on its workforce to deliver its services. Developments such as social distancing and shelter-in-place directives have impact the City’s ability to deploy its workforce effectively. While expected to be temporary, prolonged workforce disruptions may negatively impact services and the City’s overall liquidity in the Parks Fund.

Required Supplementary Information

CITY OF OURAY, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
General Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance
Revenues	Original	Final	Actual	Favorable (Unfavorable)
Property taxes	\$ 581,327	\$ 581,327	\$ 580,277	\$ (1,050)
Sales taxes and other taxes	1,351,430	1,351,430	1,627,044	275,614
Licenses and permits	52,250	52,250	53,396	1,146
Intergovernmental revenues	166,236	166,236	174,532	8,296
Fees and fines	33,740	33,740	14,753	(18,987)
Charges for services	29,226	29,226	14,929	(14,297)
Miscellaneous revenue	14,420	14,420	232,619	218,199
Interest income	17,500	17,500	12,798	(4,702)
Total revenues	2,246,129	2,246,129	2,710,348	464,219
Expenditures				
General government	572,922	572,922	806,736	(233,814)
Capital outlay	85,523	85,523	30,653	54,870
Public safety	816,098	816,098	838,048	(21,950)
Capital outlay	115,400	115,400	67,031	48,369
Public works	347,294	347,294	287,359	59,935
Capital outlay	484,017	484,017	202,963	281,054
Culture and recreation	318,311	318,311	284,389	33,922
Capital outlay	330,350	330,350	79,108	251,242
Debt service payments	50,803	50,803	50,804	(1)
Total Expenditures	3,120,718	3,120,718	2,647,091	473,627
Excess of Revenues over (under) Expenditures	(874,589)	(874,589)	63,257	937,846
Other financing sources (uses)				
Transfers in	891,985	891,985	320,684	(571,301)
Total other financing sources (uses)	891,985	891,985	320,684	(571,301)
Excess of Revenues and sources over or (under) Expenditures and uses	17,396	17,396	383,941	366,545
Fund balance, January 1	818,805	818,805	905,516	86,711
Fund balance, December 31	\$ 836,201	\$ 836,201	\$ 1,289,457	\$ 453,256

Schedules of Required Supplementary Information
Schedule of Changes in Net Pension Liability/(Asset) and Related Ratios Multiyear
Last 10 Fiscal Years (to be built prospectively)

Measurement period ending December 31,	2018		2018		2018		2017	2016
Total Pension Liability								
Service Cost	\$	2,130	\$	2,130	\$	2,130		\$ 2,303
Interest on the Total Pension Liability		28,351		28,351		28,351		35,004
Contributions		67,599		67,599		67,599		-
Difference between Expected and Actual Experience		(29,625)		(29,625)		(29,625)		(22,406)
Benefit Payments		(24,158)		(24,158)		(24,158)		(19,764)
Net Change in Total Pension Liability		44,297		44,297		44,297	-	(4,863)
Total Pension Liability - Beginning		263,591		263,591		263,591		287,188
Total Pension Liability - Ending (a)	\$	307,888	\$	307,888	\$	307,888	\$ -	\$ 282,325
Plan Fiduciary Net Position								
Employer Contributions	\$	20,027	\$	18,000	\$	18,000	\$ 18,000	\$ 18,000
Pension Plan Net Investment Income		93,517		90,654		37,358	43,524	11,794
Benefit Payments		(20,844)		(21,843)		(23,094)	(22,248)	(19,764)
Pension Plan Administrative Expense		(13,356)		(17,022)		(11,185)	(10,497)	(5,643)
State of Colorado supplemental discretionary payment		-		16,200		15,756	15,843	15,190
Net Change in Plan Fiduciary Net Position		79,344		85,989		36,835	44,622	19,577
Plan Fiduciary Net Position - Beginning		685,709		599,720		590,538	545,916	526,339
Plan Fiduciary Net Position - Ending (b)	\$	765,053	\$	685,709	\$	627,373	\$ 590,538	\$ 545,916
Net Pension Liability/(Asset) - Ending (a) - (b)		(457,165)		(377,821)		(319,485)	(590,538)	(263,591)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability		248.48%		222.71%		203.77%		193.36%
Covered Payroll		N/A		N/A		N/A		N/A
Net Pension Liability as a Percentage of Covered Payroll		N/A		N/A		N/A		N/A

Schedules of Required Supplementary Information
Schedule of Contributions to Pension Plan

Required State Contributions	December 31, 2017	\$33,190
Required State Contributions	December 31, 2018	\$33,843
Required State Contributions	December 31, 2019	\$34,200
Required State Contributions	December 31, 2020	\$36,227

CITY OF OURAY, COLORADO
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2020

	Conservation Trust Fund	Tourism Promotion Fund	Beautification Fund	Total Nonmajor Governmental Funds
Assets				
Cash and cash equivalents	\$ 156,808	\$ 337,705	\$ 122,914	\$ 617,427
Total assets	<u>\$ 156,808</u>	<u>\$ 337,705</u>	<u>\$ 122,914</u>	<u>\$ 617,427</u>
Liabilities and Fund Balances				
Liabilities:				
Accounts payable	\$ -	\$ 39,197	\$ -	\$ 39,197
Total liabilities	<u>-</u>	<u>39,197</u>	<u>-</u>	<u>39,197</u>
Fund balances:				
Unreserved:	156,808	298,508	122,914	578,230
Total fund balances	156,808	298,508	122,914	578,230
Total liabilities and fund balances	<u>\$ 156,808</u>	<u>\$ 337,705</u>	<u>\$ 122,914</u>	<u>\$ 617,427</u>

CITY OF OURAY, COLORADO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
December 31, 2020

	Conservation Trust Fund	Tourism Promotion Fund	Beautification Fund	Total Nonmajor Governmental Funds
REVENUES				
Lodging taxes	\$ -	\$ 444,019	\$ 60,657	\$ 504,676
Intergovernmental	10,534	-	2,295	12,829
Interest earnings	1,039	-	842	1,881
Total revenues	<u>11,573</u>	<u>444,019</u>	<u>63,794</u>	<u>519,386</u>
EXPENDITURES				
Current:				
General government	-	204,126	9,097	213,223
Total expenditures	<u>-</u>	<u>204,126</u>	<u>9,097</u>	<u>213,223</u>
Excess revenues over (under) expenditures	11,573	239,893	54,697	306,163
OTHER FINANCING SOURCES (USES)				
Transfer out	-	-	(42,157)	(42,157)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(42,157)</u>	<u>(42,157)</u>
Net change to fund balance	11,573	239,893	12,540	264,006
Fund balance, January 1	<u>145,235</u>	<u>58,615</u>	<u>110,374</u>	<u>314,224</u>
Fund balance, December 31	<u><u>\$ 156,808</u></u>	<u><u>\$ 298,508</u></u>	<u><u>\$ 122,914</u></u>	<u><u>\$ 578,230</u></u>

CITY OF OURAY, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Conservation Trust Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
Revenues	Original	Final	Actual	
State entitlement	\$ 9,415	\$ 9,415	\$ 10,534	\$ 1,119
Interest Income	1,395	1,395	1,039	(356)
Total revenues	<u>10,810</u>	<u>10,810</u>	<u>11,573</u>	<u>763</u>
Expenditures				
Culture and recreation	85,000	85,000	-	-
Total expenditures	<u>85,000</u>	<u>85,000</u>	<u>-</u>	<u>85,000</u>
Excess of Revenues over (under) Expenditures	(74,190)	(74,190)	11,573	85,763
Fund balance, January 1	<u>142,271</u>	<u>142,271</u>	<u>145,235</u>	<u>2,964</u>
Fund balance, December 31	<u><u>\$ 68,081</u></u>	<u><u>\$ 68,081</u></u>	<u><u>\$ 156,808</u></u>	<u><u>\$ 88,727</u></u>

CITY OF OURAY, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Tourism Promotion Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
Revenues	Original	Final	Actual	
Taxes	\$ 486,180	\$ 486,180	\$ 444,019	\$ (42,161)
Total revenues	<u>486,180</u>	<u>486,180</u>	<u>444,019</u>	<u>(42,161)</u>
Expenditures				
General government	482,694	482,694	204,126	278,568
Total expenditures	<u>482,694</u>	<u>482,694</u>	<u>204,126</u>	<u>278,568</u>
Excess of revenues over (under) expenditures	3,486	3,486	239,893	236,407
Fund balance, January 1	<u>68,433</u>	<u>68,433</u>	<u>58,615</u>	<u>(9,818)</u>
Fund balance, December 31	<u>\$ 71,919</u>	<u>\$ 71,919</u>	<u>\$ 298,508</u>	<u>\$ 226,589</u>

CITY OF OURAY, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Beautification Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
Revenues	Original	Final	Actual	
Lodging taxes	\$ 46,757	\$ 46,757	\$ 60,657	\$ 13,900
Interest income	950	950	842	(108)
Grants and donations	3,550	3,550	2,295	(1,255)
Total revenues	<u>51,257</u>	<u>51,257</u>	<u>63,794</u>	<u>12,537</u>
Expenditures				
General government	26,300	26,300	9,097	17,203
Total expenditures	<u>26,300</u>	<u>26,300</u>	<u>9,097</u>	<u>17,203</u>
Excess of Revenues over (under) Expenditures	24,957	24,957	54,697	29,740
OTHER FINANCING SOURCES (USES)				
Transfer out	(29,750)	(29,750)	(42,157)	(12,407)
Total other financing sources (uses)	<u>(29,750)</u>	<u>(29,750)</u>	<u>(42,157)</u>	<u>(12,407)</u>
Net change to fund balance	(4,793)	(4,793)	12,540	17,333
Fund balance, January 1	<u>93,540</u>	<u>93,540</u>	<u>110,374</u>	<u>16,834</u>
Fund balance, December 31	<u><u>\$ 88,747</u></u>	<u><u>\$ 88,747</u></u>	<u><u>\$ 122,914</u></u>	<u><u>\$ 34,167</u></u>

CITY OF OURAY, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Capital Improvement Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
Revenues	Original	Final	Actual	
Sales tax	\$ 421,480	\$ 421,480	\$ 515,169	\$ 93,689
Total revenues	<u>421,480</u>	<u>421,480</u>	<u>515,169</u>	<u>93,689</u>
Expenditures				
Capital Improvements	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess of Revenues over (under) Expenditures	421,480	421,480	515,169	93,689
OTHER FINANCING SOURCES (USES)				
Transfer out	(822,823)	(822,823)	(239,482)	583,341
Total other financing sources (uses)	<u>(822,823)</u>	<u>(822,823)</u>	<u>(239,482)</u>	<u>583,341</u>
Net change to fund balance	(401,343)	(401,343)	275,687	677,030
Fund balance, January 1	<u>734,791</u>	<u>734,791</u>	<u>937,715</u>	<u>202,924</u>
Fund balance, December 31	<u>\$ 333,448</u>	<u>\$ 333,448</u>	<u>\$ 1,213,402</u>	<u>\$ 879,954</u>

CITY OF OURAY, COLORADO
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Water Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
Revenues	Original	Final	Actual	
Water services	\$ 627,884	\$ 627,884	\$ 613,283	\$ (14,601)
Investment fees	26,250	26,250	7,675	(18,575)
Miscellaneous	1,200	1,200	557	(643)
Interest revenue	800	800	1,550	750
Total revenues	656,134	656,134	623,065	(33,069)
Expenditures				
Salaries and wages	260,843	260,843	213,469	47,374
Taxes and benefits	101,380	101,380	85,823	15,557
Overhead	17,972	17,972	21,993	(4,021)
Operating maintenance	125,650	125,650	109,424	16,226
Capital expenditures	152,867	152,867	41,101	111,766
Debt service	91,911	91,911	75,836	16,075
Total expenditures	750,623	750,623	547,646	202,977
Excess of Revenues over (under) Expenditures	(94,489)	(94,489)	75,419	169,908
Other Financing Sources (Uses)				
Transfers in/Out	106,000	106,000	5,279	(100,721)
Available resources, January 1	86,943	86,943	111,201	24,258
Available resources, December 31	\$ 98,454	\$ 98,454	\$ 191,899	\$ 93,445

CITY OF OURAY, COLORADO
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Sewer Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
Revenues	Original	Final	Actual	
Sewer services	\$ 694,035	\$ 694,035	\$ 703,241	\$ 9,206
Investment fees	26,250	26,250	7,675	(18,575)
Miscellaneous	500	500	1,604	1,104
Interest	8,000	8,000	4,484	(3,516)
Total revenues	<u>728,785</u>	<u>728,785</u>	<u>717,004</u>	<u>(11,781)</u>
Expenditures				
Salaries and wages	295,120	295,120	259,329	35,791
Taxes and benefits	116,045	116,045	95,590	20,455
Overhead	52,038	52,038	44,499	7,539
Operating maintenance	124,000	124,000	95,672	28,328
Capital expenditures	762,917	762,917	181,225	581,692
Debt service	18,184	18,184	18,186	(2)
Total expenditures	<u>1,368,304</u>	<u>1,368,304</u>	<u>694,501</u>	<u>673,803</u>
Excess of Revenues over (under) Expenditures	(639,519)	(639,519)	22,503	662,022
Other Financing Sources (Uses)				
Transfers in	575,450	575,450	178,056	(397,394)
Available resources, January 1	<u>546,882</u>	<u>546,882</u>	<u>569,995</u>	<u>23,113</u>
Available resources, December 31	<u>\$ 482,813</u>	<u>\$ 482,813</u>	<u>\$ 770,554</u>	<u>\$ 287,741</u>

CITY OF OURAY, COLORADO
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Utilities-Capital Improvement Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
Revenues	Original	Final	Actual	
Water Fund				
Charges for services	\$ 177,800	\$ 177,800	\$ 130,707	\$ (47,093)
Interest Income	4,000	4,000	5,465	1,465
Sewer Fund				
Charges for services	305,950	305,950	261,846	(44,104)
Total revenues	<u>487,750</u>	<u>487,750</u>	<u>398,018</u>	<u>(89,732)</u>
Expenditures				
Capital expenditures/Transfers	779,750	779,750	212,079	567,671
Total expenditures	<u>779,750</u>	<u>779,750</u>	<u>212,079</u>	<u>567,671</u>
Excess of Revenues over (under) Expenditures	(292,000)	(292,000)	185,939	477,939
Available resources, January 1	<u>599,333</u>	<u>599,333</u>	<u>622,591</u>	<u>23,258</u>
Available resources, December 31	<u>\$ 307,333</u>	<u>\$ 307,333</u>	<u>\$ 808,530</u>	<u>\$ 501,197</u>

CITY OF OURAY, COLORADO
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Refuse Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
Revenues	Original	Final	Actual	
Refuse collection service	\$ 156,431	\$ 156,431	\$ 158,783	\$ 2,352
Recycling	55,430	55,430	53,510	(1,920)
Total revenues	<u>211,861</u>	<u>211,861</u>	<u>212,293</u>	<u>432</u>
Expenditures				
Contract hauling	204,772	204,772	222,530	(17,758)
Total expenditures	<u>204,772</u>	<u>204,772</u>	<u>222,530</u>	<u>(17,758)</u>
Excess of revenues over (under) expenditures	7,089	7,089	(10,237)	(17,326)
Other Financing Sources (Uses)				
Transfers out	(10,301)	(10,301)	(10,301)	-
Available funds, January 1	<u>19,852</u>	<u>19,852</u>	<u>27,512</u>	<u>7,660</u>
Available funds, December 31	<u><u>\$ 16,640</u></u>	<u><u>\$ 16,640</u></u>	<u><u>\$ 6,974</u></u>	<u><u>\$ (9,666)</u></u>

CITY OF OURAY, COLORADO
Schedule of Revenues, Expenditures and Changes in Available Resources-Budget and Actual
Parks Fund
For the Year Ended December 31, 2020

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
Revenues	Original	Final	Actual	
Swimming pool	\$ 2,050,038	\$ 2,050,038	\$ 936,169	\$ (1,113,869)
Box Cañon	322,300	322,300	354,168	31,868
Ice rink	13,000	13,000	12,290	(710)
Gym	33,000	33,000	2,505	(30,495)
Total revenues	<u>2,418,338</u>	<u>2,418,338</u>	<u>1,305,132</u>	<u>(1,113,206)</u>
Expenditures				
Salaries and wages	1,006,817	1,006,817	666,572	(340,245)
Taxes and benefits	245,251	245,251	155,942	(89,309)
Overhead	226,823	226,823	170,337	(56,486)
Operating maintenance	326,250	326,250	232,447	(93,803)
Capital expenditures	156,300	156,300	432	(155,868)
Debt Service	530,625	530,625	532,587	1,962
Total expenditures	<u>2,492,066</u>	<u>2,492,066</u>	<u>1,758,317</u>	<u>733,749</u>
Excess of Revenues over (under) expenditures	<u>(73,728)</u>	<u>(73,728)</u>	<u>(453,185)</u>	<u>(379,457)</u>
Available resources, January 1	<u>972,209</u>	<u>972,209</u>	<u>1,460,023</u>	<u>487,814</u>
Available resources, December 31	<u><u>\$ 898,481</u></u>	<u><u>\$ 898,481</u></u>	<u><u>\$ 1,006,838</u></u>	<u><u>\$ 108,357</u></u>



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 - CY20

Email address: peteblaircpa@yahoo.com

City/County: Orchard City

Receipts, Disbursements & Costs

II - Receipts for Road & Street Purposes

A. Receipts from local sources

2. General Fund Appropriations:	\$	0.00
3. Other local imposts: <i>(from A.3. Total below)</i>	\$	13,772.00
4. Miscellaneous local receipts: <i>(from A.4. Total below)</i>	\$	6,957.00
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:	\$	20,729.00

B. Private Contributions

\$ 0.00

Receipts, Disbursements & Costs

II - Receipts for Road & Street Purposes (Detail)

A.3. Other local imposts

a. Property Taxes and Assessments	\$	0.00
b. Other Local Imposts		
1. Sales Taxes:	\$	2,644.00
2. Infrastructure and Impact Fees:	\$	0.00
3. Liens:	\$	0.00
4. Licenses:	\$	0.00
5. Specific Ownership and/or Other:	\$	11,128.00
Total: (a + b) carried to 'Other local imposts' above)	\$	13,772.00

A.4. Miscellaneous local receipts

a. Interest on Investments:	\$	5,154.00
b. Traffic fines and Penalties:	\$	0.00
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:	\$	1,803.00
h. Other:	\$	0.00
Total: (a through h) carried to 'Misc local receipts' above)	\$	6,957.00

C. Receipts from State Government

1. Highway User Taxes:	\$	132,786.00
3. Other State funds:		
c. Motor Vehicle Registrations:	\$	18,478.00
d. Other (Specify):		
Comments: undefined	\$	0.00
e. Other (Specify):		
Comments: undefined	\$	0.00
Total: (1+3c,d,e)	\$	151,264.00

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: (from A.1.d. Total Capital Outlay below)	\$	80,752.00
2. Maintenance:	\$	0.00
3. Road and street services		
a. Traffic control operations:	\$	0.00
b. Snow and ice removal:	\$	1,653.00
c. Other:	\$	380.00

4. General administration and miscellaneous	\$	40,100.00
5. Highway law enforcement and safety	\$	0.00
Total: (A+1-5)	\$	122,885.00

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) \$ 122,885.00

Receipts, Disbursements & Costs

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

	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	\$ 80,752.00	\$ 80,752.00
4. System Enhancement:	\$ 0.00	\$ 0.00	\$ 0.00
5. Total Construction:			\$ 80,752.00
d. Total Capital Outlay: (Lines A.1.a + 1.b + 1.c.5)			\$ 80,752.00

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
\$ 195,734.00	\$ 171,993.00	\$ 122,885.00	\$ 244,842.00	\$ 0.00

Notes and Comments:
undefined

Please enter your name: Melissa Oelke

Please provide a telephone number where you may be reached: 970-835-3337

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



Contact: Karen Peterson | Email: karen.peterson@state.co.us

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FORM FHWA-536e (Version 7.26) - CY20



HOCKERSMITH & WHITMORE, LLC
ATTORNEYS & COUNSELORS at LAW

Alpine Bank Building
917 Main Street (2nd Floor)
Post Office Box 646
Ouray, CO 81427-0646

t: 970.325.4414
f: 970.325.7333
marti@ouraylaw.com

Martha P. Whitmore

September 23, 2021

Via email: cviner@cvinerlaw.com

Re: Request for Release of Lien

Dear Carol:

We represent Craig Hinkson, who developed property in the City and entered into the attached Agreement and Lien in 2000. A portion of the property covered by the lien is now under contract for sale, and the title company has identified this lien as an exception to title.

It is our understanding that the development work and improvements required by the Agreement were completed a number of years ago. For some reason, the lien was not released. We are asking that the City please release the lien as expeditiously as possible so that the property may be conveyed without this encumbrance on the title.

Please let me know if you need any additional information or documentation.

Best regards,

HOCKERSMITH & WHITMORE, LLC

By:

Martha P. Whitmore

RELEASE OF SUBDIVISION IMPROVEMENTS AGREEMENT

This Release of Subdivision Improvements Agreement is hereby made this ____ day of _____, 2021, by City of Ouray, Colorado (hereinafter referred to as the “City”).

R E C I T A L S

R.1 Mount Sneffles Limited Partnership (hereinafter referred to as “**Subdivider**”) and the City are parties to that certain Subdivision Improvements Agreement, dated August 16, 2000 and recorded in the public records of Ouray County, Colorado on August 16, 2000, at Reception No. 172935 (hereinafter the “**SIA**”); and,

R.2 The purpose of the SIA was to provide for the Subdivider’s construction and installation of certain public improvements in conjunction with the City’s approval of a subdivision known as Block 23 Replat, according to the recorded plat thereof (the “**Subdivision**”); and,

R.3 The Subdivider, having fully complied with all requirements of the SIA, has requested that the City release it and the Subdivision from all obligations, requirements and covenants arising under the SIA.

R.4 The City is willing to do so.

NOW THEREFORE, in consideration of the Subdivider having complied with all requirements of the SIA, and other good and valuable consideration, the receipt of which is hereby acknowledged, the undersigned, as the authorized signatory for the City of Ouray, Colorado, hereby releases the Subdivider and the Subdivision from any obligations, conditions and covenants imposed under the terms and conditions of the SIA, and hereby acknowledges and agrees that the SIA is terminated and of no further legal effect.

Executed as of the date and year first written above.

CITY OF OURAY, COLORADO

By: _____
Greg Nelson, Mayor

STATE OF COLORADO)
)ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2021, by _____.

(SEAL) Notary Public _____
My commission expires: _____

SUBDIVISION IMPROVEMENTS AND LIEN AGREEMENT

THIS AGREEMENT is entered into between Mount Sneffles Limited Partnership , Grantors (hereinafter sometimes referred to as Subdivider) and the City of Ouray, Colorado, (hereinafter sometimes referred to as City) pursuant to the Subdivision Regulations of the City,

WITNESSETH:

The Subdivider agrees that in consideration of receiving final plat approval from the City for the Subdivision known as Block 23 Replat, as follow:

1

The Subdivider agrees to cause the below listed improvements to be constructed and completed in accordance with the preliminary and final plats and other plans and documents, as approved by the City, and in accordance with the applicable design and construction standards of the City's Subdivision Regulations, including the City's street, water and sewer specifications, and shall cause such improvements to be completed by the date specified below. "As built" plans and drawings will be submitted upon completion. All improvements shall be designed and constructed in accordance with good engineering practices.

<u>Public Improvement</u>	<u>Completion date</u>
Streets	*
Drainage system	*
Water and Fire Prevention System	*
Sewer system	*
Telephone	*
Retaining wall	*
Power	*
CATV	*

* Completion of these items will occur twelve months after the City completes certain segments of water, sewer, and street improvements on 4th street to enable services to be

provided to the subject lots. The City will complete its segments of improvements by 12-31-04, provided that necessary annual appropriations therefore are authorized by the City Council. No building permits shall be issued for the subject lots prior to completion of all of the above improvements.

Private Improvements

NA

Completion

Date

2

As security to guarantee the proper construction and acceptance of the above public and private improvements by the completion date specified, Grantors hereby grant, bargain and convey to the City a lien, prior to all mortgages, deeds of trust, liens and encumbrances other than the lien for general ad valorem taxes upon the following described property situated in City of Ouray, Ouray County, Colorado:

Parcels A,B,C,D,and E, of Block 23 Replat, according to the Official Plat thereof on file in the Ouray County records.

Such lien may be foreclosed in any lawful manner-as a mortgage or otherwise, and the City shall be entitled to recover all its costs and reasonable attorney's fees if such improvements are not installed, constructed and accepted, as required. The City may also enforce compliance by certifying the costs estimated to complete the improvements together with costs of collection including attorney's fees, to the County Treasurer, as a delinquent water, sewer or other charge, to be collected against the above described property similarly as delinquent taxes are collected.

3

When Subdivider has completed any or all of the required improvements, Subdivider shall submit, when required, "as built" drawings and request the City or affected utility to inspect such improvements for proper completion. If the City or affected utility determines that the improvement or improvements have been completed in accordance with the requirements of this Agreement and the City's Subdivision Regulations, it shall certify such, in writing, and an appropriate portion of the security for the completed improvements may be released. For one year from the date of the Certification of Completion, Subdivider agrees to correct and repair any defect in any public improvement which appears due to materials or workmanship.

4

Subdivider may obtain a partial release of the lien for any lot by paying the City 150% of the cost to complete uncompleted improvements necessary to serve that lot, to be held in an escrow account. Funds in the account will be returned to the Grantor for those

improvements completed when the improvements are approved by the City; and a complete set of "as built" plans for water, sewer and storm drainage improvements are delivered to the City. Such funds may be used by the City to complete improvements not completed as required by City Subdivision Regulations or this Agreement.

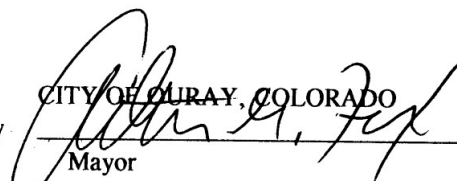
5

This Agreement shall be binding upon the heirs, successors and assigns of the Subdivider or the City, provided that subdivider may not assign this Agreement without express written consent of the City. This Agreement shall be a covenant running with the land as described above.

6

This Agreement may be enforced by the City in any lawful manner, and the City may compel the Subdivider to adhere to the agreement by an action for specific performance or an injunction in any court of competent jurisdiction. Subdivider understands that no water or sewer taps or building or occupancy permits shall be granted or issued and no sale of any lot may occur if Subdivider is in breach of any provision of this Agreement at any time.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the 16th day of August, 2000.

By 
CITY OF OURAY, COLORADO
Mayor



Mount Sneffles Limited Partnership
(Grantor)

By 
General Partner

STATE OF COLORADO)
) ss.
COUNTY OF Ouray)

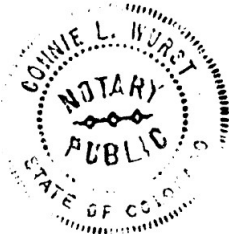
The foregoing instrument was acknowledged before me this 16th day August, 2000,
by Arthur G. Foy, Mayor and Kathy Elmont, City Clerk of the
City of Ouray, Colorado.

Witness my hand and official seal.

My commission expires: 06-24-03

Connie L. Wurst
Notary

304 Main St, Ouray, CO
address



STATE OF COLORADO)
) ss.
COUNTY OF OURAY)

The foregoing instrument was acknowledged before me this 17th day of
March, 2000, by Craig E. Hinkson

General Partner of Mount Sneffles Limited Partnership.

Witness my hand and official seal.

My commission expires: 11-1-2003

Warren B. Hinkson
Notary

P.O. Box 10, Ouray, Colo
Address



AMENDED WATER AGREEMENT WATER USE AGREEMENT

THIS AMENDED AGREEMENT is made and entered into effective the ____ day of October, 2021, by and between: the City of Ouray, Colorado (the City); and Ouray Ice Park, Inc. (OIPI).

WHEREAS, the City and OIPI are parties to this Water Use Agreement since 2009 to use the City's water from the Weehawken Spring to provide the Ouray Ice Park with raw water for ice farming during the winter months.

WHEREAS, the previous agreement expires on November 2, 2021 such that this Amended Agreement is entered to continue the water use.

WHEREAS, both the City and OIPI recognize it is necessary to replace the current source of water for ice farming with a source that may be more reliable and not deplete the City's municipal water supply during winter months when snow waters are more likely and do occur from time to time.

WHEREAS, the parties continue to work together to identify new water sources used to farm ice in the Ouray Ice Park and until such time as a viable alternate water source can be identified and such infrastructure is installed to divert the new water source, OIPI shall continue to use the Weehawken Spring water in the same manner it has since 2009.

NOW THEREFORE, in consideration of the mutual covenants and conditions stated herein, the parties agree as follows:

1. The City holds adjudicated water rights known as Weehawken Spring, for the use and benefit of the inhabitants of the City for domestic purposes.
2. The City has previously allowed OIPI to connect to the Weehawken Spring water system to withdraw untreated water for the purpose of making ice in the Uncompahgre Gorge (Ouray Ice Park) during the winter months.
3. OIPI will be responsible to maintain all connections to the water line, at its expense.
4. This agreement shall be contingent upon the City and OIPI being parties to the separate OPERATING AGREEMENT FOR OURAY ICE PARK. In the event that such operating agreement expires or terminates, this water use agreement shall automatically terminate.

5. This agreement terminates when a new water source is utilized or October 4, 2023, whichever comes first; and it may be terminated earlier as otherwise provided herein or in the event the City has any reason to shut down or remove the water line.
6. OIPI shall have the right to terminate this Agreement at any time upon thirty (30) days written notice to the City. Upon termination for any reason, OIPI shall remove all valves, connections, and piping connected to the water line, as well as make all necessary repairs to the water line.
7. The City shall have the right to terminate this Agreement upon the breach of any of the terms herein by OIPI. Provided, however, the City shall provide thirty (30) days notice prior to termination and OIPI may correct any breach during that time.
8. No part of this Agreement will prevent the City from using the water line or its water for other purposes. All uses by the City take priority over any uses by OIPI, including the provision that if the City's water tanks go below 32 feet, OIPI's water usage shall cease until the City's water tanks holds 40 feet of water or more.
9. This Agreement may not be assigned to any other party by OIPI without the express written consent of the City.
10. Any notice required by this Agreement shall be deemed complete when mailed, certified mail, return receipt requested, with sufficient postage to the following addresses:

Ouray Ice Park, Inc.
P. O. Box 1058
Ouray, CO 81427

City of Ouray
P. O. Box 468
Ouray, CO 81427

Or notice may be delivered to the other party.

11. Each party agrees to take such actions and sign such documents, certificates and instruments reasonably requested by the other party in order to complete the transactions contemplated by this agreement and to enable the requesting party to enjoy the full benefits conferred upon such party by this agreement.
12. OIPI shall indemnify the City against all liability or loss, and against all claims or actions based on or arising out of damage or injury (including death) to persons or property caused by or sustained in connection with the performance of this agreement or by conditions created thereby, or based on any violation of any statute, ordinance, building code or regulation, and the defense of any such claims or actions.
13. If any part, term, or provision of this agreement is held by the courts to be illegal or in conflict with any law of the State of Colorado, the validity of the remaining portions or provisions shall not be affected, and the rights and obligations of the parties shall be construed and enforced as if the contract did not contain the particular part, term or provision held to be invalid.
14. This agreement shall be governed by the laws of the State of Colorado, both as to interpretation and performance. The courts of the State of Colorado shall have exclusive jurisdiction to resolve any disputes arising out of this agreement and venue shall be in Ouray County, Colorado.
15. No waiver of any breach of this agreement shall be held to be a waiver of any other or subsequent breach. All remedies afforded in this contract shall be taken and construed as cumulative, that is, in addition to every other remedy provided therein or by law.
16. This agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.
17. For the convenience of the parties, signatures to this agreement may be provided through facsimile transmission. The signature of a party to this agreement supplied by facsimile transmission shall be as binding as an original.
18. The person signing this agreement below represents and warrants that it has legal capacity to contract and, if that person is manifesting assent on behalf of a proprietorship or a business, partnership or other organization, represents and warrants that he or she has actual authority to bind the organization.

19. Wherever in this agreement, words, including pronouns, are used in the masculine, they shall be read and construed in the feminine or neuter whenever they would so apply, and wherever in this agreement, words, including pronouns, are used in the singular or plural, they shall be read and construed in the plural or singular, respectively, wherever they would so apply.

IN WITNESS WHEREOF, the parties have signed this agreement on this 4th day of October, 2021.

CITY OF OURAY

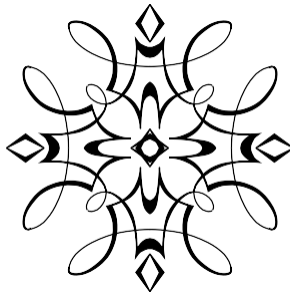
OURAY ICE PARK, INC.

Greg Nelson, Mayor

Frank Robertson, President

ATTEST:

Melissa M. Drake, City Clerk



ORDINANCE NO. 7 (SERIES 2021)

AN ORDINANCE OF THE CITY OF OURAY, COLORADO, AMENDING THE OURAY MUNICIPAL CODE TO REVISE THE DEFINITIONS OF A SHORT-TERM RENTAL, SINGLE FAMILY DWELLING UNIT AND LODGING BUSINESS IN SECTION 7-2; REPEALING AND REPLACING SECTION 7-5-J-11 TO REVISE THE SHORT-TERM RENTAL REGULATIONS; ADD CAP AND TRADE PROVISIONS; AND REVISE THE PENALTY AND ENFORCEMENT PROVISIONS.

WHEREAS, on July 17, 2019, the City of Ouray adopted short-term rental regulations of dwelling units within R-2, C-1 and C-2 Zone Districts and granting grandfather status to any existing STRs located in the R-1 Zone District with the grandfather status terminating upon non-use of the STR license or property ownership transfer.

WHEREAS, the impacts from STRs within the City including, but not limited to, refuse collection issues, inadequate off-street parking for vehicles, and real property owners failing to obtain an STR license for dwelling units used as STRs, are causing concerns.

WHEREAS, the City has spent extensive time since 2020 reviewing STR regulations, identifying necessary ordinance revisions, instituting a maximum STR license cap, and providing a mechanism for exceeding the maximum license cap if long-term rental units are created in return for an STR license.

WHEREAS, issues concerning short-term rental regulations indirectly exempting a use sometimes referred to as condotels are addressed in this revision such that it is made clear that no condotels exist as a use in the City and all dwelling units used as short-term rentals must have a license.

WHEREAS, while STRs operating prior to July 17, 2019 within the R-1 Zone District were grandfathered as a legal, non-conforming STR use, there was confusion such that these revisions make clear they are subject to the license requirements and the use ends upon any transfer of ownership interest with no ability to transfer.

WHEREAS, these regulations are necessary for the health, safety and welfare of the public under the City's police power.

NOW BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF OURAY, COLORADO, as follows:

SECTION 1.

Section 7-2 of the City of Ouray Municipal Code, Single Family Dwelling Unit definition is repealed and replaced to remove the word Unit from the words being defined, as follows:

Single-Family Dwelling is a dwelling unit designed for and occupied exclusively by one (1) family.

SECTION 2.

Section 7-2 of the City of Ouray Municipal Code, Short-Term Rentals definition is repealed and replaced as follows:

Short-Term Rental (STR) means the use of a dwelling unit, or any part thereof, for remuneration, for less than thirty (30) consecutive calendar days.

SECTION 3.

Section 7-2 of the City of Ouray Municipal Code, Lodging Business definition is repealed and replaced to add the word consecutive, as follows:

Lodging Business means a lodging unit, hotel, motel, lodge, inn, bed breakfast, or hostel used for temporary occupancy for sleeping purposes, rented on a short-term basis of less than thirty (30) consecutive calendar days, and excludes short-term rental as defined herein.

SECTION 4.

Section 7-5-J, subsection 11, titled Short-Term Rental Regulations, of the City of Ouray Municipal Code, is repealed and replaced as follows:

The attached Exhibit A is incorporated herein by reference into this Section 4 of this Ordinance No. 07 (SERIES 2021).

SECTION 5: EFFECTIVE DATE.

The provisions of this Ordinance shall become effective 30 days following publication pursuant to City of Ouray Home Rule Chart 3-5-G.

SECTION 6: SEVERABILITY.

If any clause, sentence, paragraph, or part of this ordinance or the application thereof to any person or circumstances shall for any reason be adjudged by a court of competent jurisdiction invalid, such judgment shall not affect application to other persons or circumstances.

SECTION 7: ALPHABETICAL ORDER.

When repealing and replacing definitions in Section 7-2, the definitions should be in alphabetical order.

SECTION 8: PRIOR PENALTY.

The amendment of various provisions of the Ouray Municipal Code by this ordinance shall not affect any offense or act committed, any penalty incurred, any contract, right or duty established or accruing before the effective date of this ordinance.

INTRODUCED, READ, APPROVED AS INTRODUCED, AND ORDERED
PUBLISHED on first reading by ____ vote of the Ouray City Council this
____ day of _____, 2021.

CITY OF OURAY, COLORADO

Greg Nelson, Mayor

ATTEST:

Melissa M. Drake, City Clerk

INTRODUCED, READ, AND ADOPTED on second reading by ____ vote
of the Ouray City Council this ____ day of _____, 2021.

CITY OF OURAY, COLORADO

Greg Nelson, Mayor

ATTEST:

Melissa M. Drake, City Clerk

CERTIFICATE OF ATTESTATION

I, Melissa M. Drake, Ouray City Clerk, hereby certify that Ordinance No. 7
(Series No. 2021), was introduced, read, and passed by the Ouray City Council on
first reading on _____, 2021. The Ordinance was
published, in summary, in the *Ouray County Plaindealer* on _____
2021, and thereafter introduced, read, and adopted by the Ouray City Council on
_____, 2021, and thereafter published in the *Ouray County
Plaindealer*, as required by law.

Melissa M. Drake, City Clerk

Exhibit A to Ordinance No. 7 (SERIES 2021), Section 4

11. Short-Term Rental (STR) Regulations

a. Purpose

To prevent adverse impacts attributable to short-term rentals in dwelling units; preserve the current character and ambience of City neighborhoods; protect public health, safety, and welfare; and ensure compatibility with surrounding land uses.

b. Applicability

These regulations apply to any owner of real property with dwelling unit(s) used as a STR, whether directly or indirectly, in R-2, C-1, and C-2 Zone Districts, for less than thirty (30) consecutive days.

c. Prohibitions and Conditions

- i. STRs are prohibited in the R-1 Zone District.
- ii. STRs are prohibited in accessory dwelling units.
- iii. A maximum number of STR licenses, also known as a Cap, may be adopted by City Council from time to time.
- iv. Dwelling units with an STR license must use the dwelling unit as a STR rental for thirty (30) or more days each annual license period.

d. Exemptions

- i. Any STR within the R-1 Zone District in existence and use as an STR prior to July 17, 2019, must obtain an STR license and upon the granting of a license such use shall be deemed as legal non-conforming. Upon non-renewal, or transfer in ownership of the real property of any kind, such license and use shall cease.
- ii. Dwelling units located within a lodging business premises are exempt but those located outside the lodging business premises must have an STR license.
- iii. Any real property owner who provides three (3) new dwelling units for rent for more than 30 consecutive days on the same parcel, as outlined in 11-d-iv below, after adoption of this Ordinance, may obtain one (1) STR license for a fourth dwelling unit on the same parcel and shall be considered exempt from any STR license cap, so long as the policies concerning this exemption are met, as determined by City Council from time to time. This program shall be known as the STR Cap and Trade.
- iv. When using the STR Cap and Trade program, a real property owner may use one (1) of the three (3) dwelling units as their primary residence and be

excluded from the cap. The real property owner shall execute an affidavit when the STR license is issued stating that three (3) dwelling units are being utilized as rentals with a minimum lease agreement of six (6) months, excluding, if applicable, the real property owner's primary residence and shall provide the City, upon request, proof of lease agreements. All other requirements of these regulations apply, including policies and procedures, adopted by City Council from time to time.

e. Registration, Licensing, and Renewals

- i. An application is required to be submitted in accordance with the STR administrative policies and fee schedules, as City Council may adopt from time to time.
- ii. The City Administrator, or any authorized staff, may issue and regulate short-term rental licenses, administratively.
- iii. Upon submittal of a new STR application, a site inspection will be conducted to ensure the dwelling unit meets the City's adopted building codes.
- iv. License renewals may require an additional inspection if substantial changes to the premises were made or complaints arose during the previous licensing period, as determined administratively.

v. An STR license is issued to the real property owner and is not transferable, except if the real property for which a valid STR license has been issued is transferred pursuant to a deed meeting any of the following conditions (these exceptions do not apply to any STRs within R-1):

1. The transfer of title to real property if the grantee is a member of the grantor's family.

2. The transfer of title to real property from a grantor to a trust established by the grantor.

3. The transfer of title to real property from a grantor to a limited liability company or another form of business entity recognized by Colorado law so long as the grantor has a controlling interest in such limited liability company or other business entity.

4. Any transfer of the property between the same parties creating or terminating a joint tenancy in such property.

5. The transfer of title or change of interest in real property by reason of death, pursuant to a will, the law of descent and distribution, or otherwise.

6. The transfer of title to make effective any plan confirmed or ordered by a court of competent jurisdiction under the bankruptcy code or in an equity receivership proceeding.

7. The transfer of title without consideration for the purpose of confirming, correcting, modifying, or supplementing a transfer previously recorded; making

minor boundary adjustments; removing clouds of titles; or granting rights of way, easements, or licenses.

8. The transfer of title pursuant to any decree or order of a court of record quieting, determining, or vesting title, including a final order awarding title pursuant to a condemnation proceeding.

9. The transfer of title between spouses or former spouses made pursuant to a separation agreement, decree of legal separation, or dissolution of marriage.

10. The transfer of title if required to obtain compliance with applicable law concerning like-kind exchanges.

- vi. The real property owner remains solely responsible for compliance with these regulations and any policies adopted by City Council from time to time.
- vii. Licenses are valid for one (1) year; and all license renewals shall be due on or before February 28 of each year.
- viii. Real property owners who have an STR license must maintain liability insurance during the licensing period, as set forth in the administrative policies adopted by City Council from time to time.

f. Signs and Advertising Standards

- i. External signs are prohibited for short-term rentals in the R-2 zone district and within the R-1 zone district on any non-conforming STRs.
- ii. One (1) internal sign no larger than 8 ½" x 11" is allowed in R-1 and R-2 to identify a particular dwelling unit.
- iii. Signs in the C-1 and C-2 zone districts shall comply with the City Sign Code
- iv. All short-term rentals shall clearly post the correct address on the exterior of the building in accordance with City addressing and street numbering requirements.

g. Rules

- i. The maximum number of persons per short-term rental shall be two (2) per bedroom, plus two (2) additional persons.
- ii. Noise Ordinance shall be followed.
- iii. The real property owner is responsible to remit all applicable local, state, and federal taxes, along with applicable Lodging Occupation Tax, Sales Tax, or any other applicable local tax, unless exempt.
- iv. Real property owner shall designate a responsible party who is located within a forty-five (45) minute drive of the City and available for immediate response to

issues or emergencies that arise from the short-term rental.

h. Parking Standards

Parking shall meet any applicable provisions of the Ouray Municipal Code and any specific parking requirements of the underlying zone district.

i. Snow Removal

Real property owner shall comply with all City requirements for snow removal on public sidewalks, in addition to the requirement to remove snow from STR parking spaces, walkways, and the entrance to the short-term rental.

j. Building Code Requirements

i. An STR shall only be used for one party that occupies the entire dwelling unit. Individual rooms within a single-family dwelling short-term rental shall not be rented out unless (a) the dwelling unit is separate, attached, or detached and it complies with the City of Ouray Municipal Code requirements; or (b) the short-term rental has a separate entrance from the primary dwelling, the bedroom areas have been constructed in accordance with the City's adopted building codes, no more than one short-term rental bedroom is provided on the property, and the building use and design complies with the underlying zone district requirements.

ii. The short-term rental shall meet all applicable local, state, and federal regulations, including the requirement for carbon monoxide detectors under C.R.S. § 38-45-101 et seq.; lighting; one (1) wall mounted, **certified**, five (5) lb. ABC Fire Extinguisher within the short-term rental kitchen area; smoke detector requirements; and, all other life-safety requirements, such as egress from sleeping areas.

k. Refuse

i. The real property owner is responsible for proper disposal of garbage, refuse and trash collection in accordance with the Ouray Municipal Code.

ii. STRs will be charged the residential rate for trash removal unless there are two or more trash violations within a six (6) month period and then the real property owner may be required to provide for two residential trash services at the same address to manage trash (paying for two cans at the residence), or to provide for a commercial trash pickup of trash if two residential service pickups do not resolve the trash complaints.

iii. All trash shall be properly stored within containers that are not visible from any public street or sidewalk.

l. Other General Requirements

i. Short-term rentals must replace any exterior open light fixtures with dark sky compliant lighting.

- ii. Real property owner must abide by all other applicable local, state, and federal laws and regulations.

m. License Posting Requirements

- i. The STR License must be posted in a conspicuous place and contain the following items.
 - 1. Contact information for the owner or responsible party.
 - 2. The STR address and license number.
 - 3. Maximum number of guests.
 - 4. Location of fire extinguishers.
 - 5. A copy of the noise ordinance.
 - 6. Parking and snow storage rules.
 - 7. Trash disposal information.
 - 8. How to sign up for emergency notifications.
 - 9. Information on any City fire bans, or water use restrictions.
 - 10. Map showing locations where trailer and large vehicle parking is allowed.

n. Revocation or Suspension of License

- i. A license may be revoked after notice to the real property owner and opportunity to be heard for violations which result in more than two suspensions or serious violations which affect the health, safety, and welfare of the public.
- ii. An STR license in the R-1 Zone District is a legal non-conforming use and upon the nonrenewal, suspension, revocation, abandonment of use or any transfer of ownership interest in the real property containing the dwelling unit with the STR license, the STR license is revoked immediately. There are no exceptions, and no affirmative or other defenses of any kind.
- iii. A license may be suspended after notice to the real property owner for:
 - 1. One or more violations of any condition of the license or of any provision of these regulations during the licensing period.
 - 2. Written notice of any violation shall be mailed to real property owner at the address provided in the most recent application.
 - 3. The suspension is effective seven (7) days after the date of the notice.

4. This suspension procedure does not apply when an emergency arises which affects the health, safety, and welfare of the public under the City's police powers.

o. Violations and Penalties

- i. It shall be unlawful to operate a short-term rental without a valid license or to violate any provision in these short-term rental regulations or any other City ordinance, resolution or official policy regarding short-term rentals or any state law or federal law.
- ii. Violations are declared to be a nuisance, which may be abated in any lawful manner, including Section 10-4 of the Ouray Municipal Code (OMC).
- iii. Enforcement and penalties for violations of these Short-term Rental regulations shall be as provided for in OMC, Section 7-3.

p. Appeals

Appeals of administrative decisions under these regulations shall be pursuant to OMC Section 7-5-H, except an appeal will be heard by City Council and not the Planning Commission.

RESOLUTION NO. 13 (SERIES 2021)

A RESOLUTION CONCERNING THE FILING OF AN APPLICATION FOR A CONDITIONAL WATER RIGHT (SURFACE) FOR DIVERSION STRUCTURE AND PUMP STATION FOR RECREATION USE AND REUSE FOR THE OURAY ICE PARK.

WHEREAS the City of Ouray (City) is a home rule city pursuant to C.R.S. § 31-2-201 et. Seq. who is empowered to acquire water rights within or outside its municipal boundaries.

WHEREAS the City owns the Ouray Ice Park and contracts with Ouray Ice Park, Inc (OIPI) through a long-term management agreement to operate the park in the winter months using raw water from the Weehawken Spring which also serves as the City's municipal water supply.

WHEREAS the City and OIPI have been and continue to work diligently to find an alternate source of water for making ice in the winter and not using the Weehawken Spring and Pipeline water as the primary Ouray Ice Park water source.

WHEREAS the City and OIPI have determined that to reasonably prepare for future Ouray Ice Park operations and City water needs, and to limit shortages to the extent feasible, requires the appropriation of new water rights by filing of an application in District Court, Water Division 4, to confirm those additional water rights from an established point of diversion on the Canyon Creek for use in connection with the Ouray Ice Park, as the same may be expanded.

WHEREAS the established diversion point, as depicted in Exhibit A attached hereto, will divert water through a system of pipes, regulating tanks, drip valves, and sprayer heads to create ice climbing formations during the winter months.

WHEREAS the location of the Ouray Ice Park diversion structure is located on Canyon Creek near its confluence with the Uncompahgre River. The City of Ouray intends to construct the diversion structure in the NW¼ of the SW¼ of Section 31, Township 44 North, Range 7 West of the N.M.P.M., approximately 2,216 feet from the South section line and 688 feet from the West section line. The actual location of the diversion structure will be determined upon final construction.

WHEREAS the City of Ouray has the intent to, and on September 10, 2021, did appropriate by posting, the contemplated water for beneficial purposes, including, recreation and reuse, and can and will put such water to the beneficial purposes for which the water rights were appropriated.

WHEREAS on September 10, 2021, City staff and the water engineer's staff met at the diversion site as depicted in Exhibit B attached hereto.

WHEREAS the City Council desires to authorize the City Attorney to proceed with such actions as are necessary to confirm the appropriation of the water rights, including posting notices as appropriate, taking such other field action as may be required, and filing of the Application and to give authority to the City Administrator to sign such application on behalf of the City of Ouray and City Council.

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF OURAY, COLORADO AS FOLLOWS:

1. City Council hereby confirms its intent to appropriate water rights for beneficial purposes, as described in the draft Application for Conditional Water Rights for Surface Diversion Canyon Creek for recreation and reuse and the Application is hereby approved, subject to additional revisions as determined appropriate by the City Attorney.
2. Authorizes the City Attorney to proceed with filing of the Application.
3. Authorizes the City Administrator to sign such Application.
4. Authorize and ratify staff and consultant's actions in posting of the notice confirming appropriation of the water rights described herein.

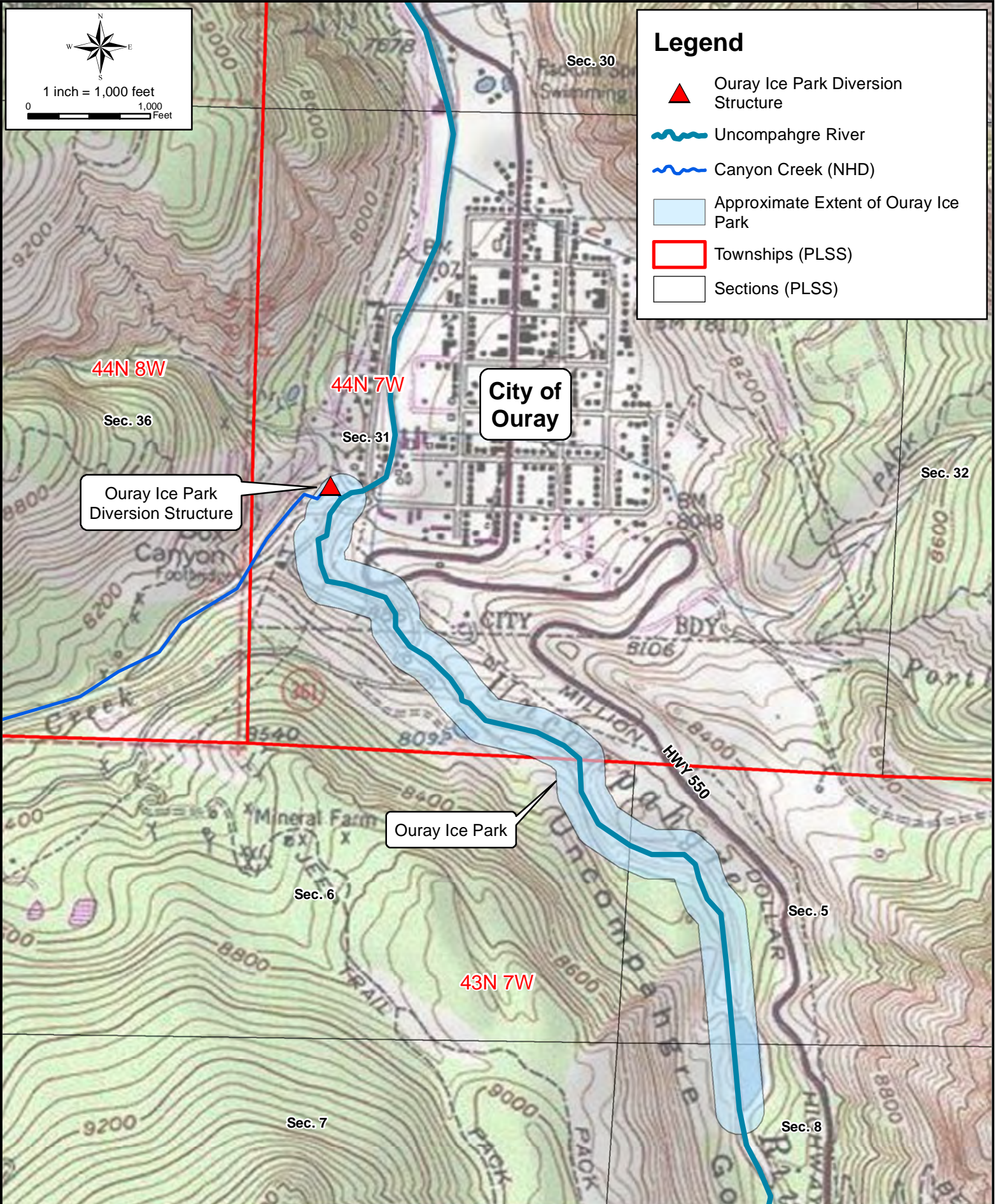
ADOPTED this 4th day of October 2021 by the Ouray City Council.

CITY OF OURAY, COLORADO

Greg Nelson, Mayor

ATTEST:

Melissa M. Drake, City Clerk



Date: 9/28/2021 Document Path: P:\051-036\000 Water Right Inventory\Mapping\Exhibit A - Canyon Creek Diversion.mxd

User Name: T Downing



Wright Water Engineers, Inc.
1666 N. Main Ave., Ste. C
Durango, CO 81301
(970) 259-7411 ph 259-8758 fx

OURAY COUNTY, COLORADO

OURAY ICE PARK CANYON CREEK POINT OF DIVERSION

CITY OF OURAY

PROJECT NO.
051-036.0002

EXHIBIT
A

RESOLUTION NO. 12 (SERIES 2021)

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OURAY, COLORADO ADOPTING SHORT TERM RENTAL ADMINISTRATIVE POLICIES; A REVISED STR FEE SCHEDULE; AND A REVISED APPLICATION.

WHEREAS, City Council has recently repealed and replaced the short-term rental (STR) regulations within the City after conducting many work sessions and public meetings on the subject.

WHEREAS, City Council desires to adopt certain administrative policies for City staff to follow when regulating STRs, revise the fee structure for STR licenses and to adopt the template application.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF OURAY, COLORADO as follows:

1. The attached Exhibit A, B, and C to this Resolution No. 12 (SERIES 2021) is hereby approved.

ADOPTED this ____ day of September 2021, by the Ouray City Council.

CITY OF OURAY, COLORADO

Greg Nelson, Mayor

ATTEST:

Melissa M. Drake, City Clerk

A. Purpose

These policies apply to any Short-Term Rental (STR)¹ within the City of Ouray and are necessary for the health, safety, and welfare of the public.

B. Definitions

- 1) **Change of Real Property Ownership:** Any transfer of ownership interest in real property where a STR licensed dwelling unit is located, **expect pursuant to Ordinance 7, 2021 (Section 11-e-v).**
- 2) **Inspection Ready:** Property is ready for an inspection when it is not (1) under construction and has been issued a Certificate of Occupancy; (2) there is no remodel work being performed; and, (3) the real property owner believes the property meets all City of Ouray adopted building codes.

C. General Provisions

- 1) **Notifications:** The real property owner is solely responsible for compliance with all STR regulations and policies. The City is not responsible for notifying real property owners of license expiration; any change of real property ownership or management shall be communicated to the City Community Development Department by the real property owner.
- 2) **Annual License Renewal:** STR licenses are valid for one (1) year. Renewal applications are due on or before February 28th of each year. All licensed STRs will be required to submit a Renewal Application and applicable fees on or before February 28, 2022, to remain an active licensed STR. Those that fail to meet the February 28th deadline shall lose their STR license. To facilitate this policy change, all STR licenses issued between June 30, 2021 and February 28, 2022 shall not be required to pay any renewal fees but is still required to submit a Renewal Application.
- 3) **Cap:** The maximum number of STRs licenses is set at 120.

D. MAXIMUM NUMBER OF STR LICENSES

- 1) All applications will be date stamped at the time of receipt by the Community Development Department and processed in the order of receipt upon license availability.

¹ Ouray Municipal Code, Section 7-2, Definitions defines an STR.

- 2) If a property has never obtained a STR license and fails the initial building inspection due to structural defects, as identified on the *Short-Term Rental Inspection Checklist* and as updated by the Community Development Department from time to time, the application will be moved to the back of the waitlist and dated to the time of the failed inspection.
- 3) If a property has obtained a previous STR license or was grandfathered within the R-1 zone district, and fails the building inspection, the application will keep its spot on the waitlist and shall pass a building inspection within six (6) months of the initial failure date or the application will be denied. An extension of one (1), six (6) month period may be granted administratively for lack of material availability or weather delay, in staff's sole discretion.
- 4) STR applicants shall request a building inspection at the time of application submittal and the dwelling unit must be Inspection Ready. If no STR licenses are available, the application will be placed on a wait list in order of receipt and the inspection will only take place upon an available license.
- 5) Any issued STR license is renewable the following February 28th and each year thereafter, upon building inspection approval, if required, and payment of fees regardless of when it was first issued.
- 6) STR applications submitted prior to August 30, 2021 for properties that are currently under remodel or construction shall be issued STR licenses and will not count toward the Cap as set by Council. These properties include, and are limited to: 736 2nd Street; 738 2nd Street; 965 Main Street; and, 1503 Oak Street.
- 7) All applications where the dwelling units are not Inspection Ready will be accepted but only processed upon becoming Inspection Ready.
- 8) A real property owner shall maintain liability insurance to cover use of the Short-Term Rental in an amount determined appropriate by the Insurance Company insuring such Short-Term Rental, but in any case, no amount of less than one million dollars (\$1,000,000) in the aggregate. Such coverage shall be maintained in full force and effect for the term of the license.
- 9) The City will not limit the number of STR applications on the waitlist.
- 10) License fees will only be accepted at the time of license issuance. New license application fees will be prorated on a monthly calculation.

City of Ouray Short-Term Rental (STR) License - Inspection Checklist

DATE: _____

INSPECTOR: _____

ADDRESS: _____

Yes	No	Short-Term Rental Requirement
		Parking per City Code
		Carbon monoxide detector operational
		Smoke detector operational
		Street address posted on property
		Full cut-off lights per Dark Sky Lighting regulations
		Signage meets STR regulations
		5# ABC fire extinguisher mounted in kitchen area
		Trash and recycling (bear proof) and stored in location that is not visible from public way
		Property free from litter or junk
		* Proper fire separation per City Code (when applicable)
		* Ingress and egress from dwelling and bedrooms per Building Codes
		* Handrails on stairs
		* Guardrails off decks or porches 30 inches off-grade
		* Sanitation bathroom and hot water
		Posting of Required Information: <ol style="list-style-type: none"> 1. Contact information for the owner or responsible party. 2. The STR address and license number. 3. Maximum number of guests. 4. Location of fire extinguishers. 5. A copy of the noise ordinance. 6. Parking and snow storage rules. 7. Trash disposal information. 8. How to sign up for emergency notifications. 9. Information on any City fire bans, or water use restrictions. 10. Map showing locations where trailer and large vehicle parking is allowed.

* **These items are considered “structural.”** If Building Inspector finds these items don’t pass inspection, the STR application will move to the back of the waitlist (*per section D-2 of Exhibit A, Resolution no. 12, Series 2021*).

PASSED INSPECTION (Y/N) _____

City of Ouray STR Inspection Guidelines

Bedroom Window Egress:

The second exit required in a bedroom is usually a window. The dimensions of the openings are to ensure the residents an escape route, but equally important, they are designed to allow a firefighter with a backpack to enter.

This opening must be 24 inches high and 20 inches wide to meet the required 5.7 sq.ft. opening (at minimum, calculated in table bt-6). As you'll see, you cannot have an opening less than 20" wide – if your opening is only 20" wide, the height must be 41" to get the 5.7 sq. ft.. ($5.7 \times 144 = 820.8$ sq. in.) You cannot have an opening 2" wide by 410.4" tall, nor an opening 820.8" wide by 1" tall. See the width and height combinations below that will work. The window sill must not be higher than 44 inches above the finished bedroom floor.

Bedroom windows must have the following:

- ☐ Minimum opening of 5.7 square feet (see table bt-6)
- ☐ Opening: 20 inch minimum width & 24 inch minimum height (see table bt-6)
- ☐ Emergency escape to public way
- ☐ No windows < 3 feet to property line
- ☐ Security bars must have approved release hardware
- ☐ Window sill height 44 inch maximum above finished floor

bt-6: Bedroom Window Egress, Minimum Height & Width Requirements (inches)																									
Width	20	20.5	21	21.5	22	22.5	23	23.5	24	24.5	25	25.5	26	26.5	27	27.5	28	28.5	29	29.5	30	30.5	31	31.5	32
Height	41.0	40.0	39.1	38.2	37.3	36.5	35.7	34.9	34.2	33.5	32.8	32.2	31.6	31.0	30.4	29.8	29.3	28.8	28.3	27.8	27.4	26.9	26.5	26.1	25.7

Source: 2009 IBC, Section 1029: Means of Egress.

Smoke Alarms & Carbon Monoxide Alarms:

R314.3 Location.

Smoke alarms shall be installed in the following locations:

1. In each sleeping room.
2. Outside each separate sleeping area in the immediate vicinity of the bedrooms.
3. On each additional story of the dwelling, including basements and habitable attics, but not including crawl spaces and uninhabitable attics. In dwellings or dwelling units with split levels and without an intervening door between the adjacent levels, a smoke alarm installed on the upper level shall suffice for the adjacent lower level provided that the lower level is less than one full story below the upper level.

When more than one smoke alarm is required to be installed within an individual dwelling unit, the alarm devices shall be interconnected in such a manner that the actuation of one alarm will activate all of the alarms in the individual unit.

R314.4 Power source.

Smoke alarms shall receive their primary power from the building wiring when such wiring is served from a commercial source, and when primary power is interrupted, shall receive power from a battery.

Wiring shall be permanent and without a disconnecting switch other than those required for overcurrent protection. Smoke alarms shall be interconnected.

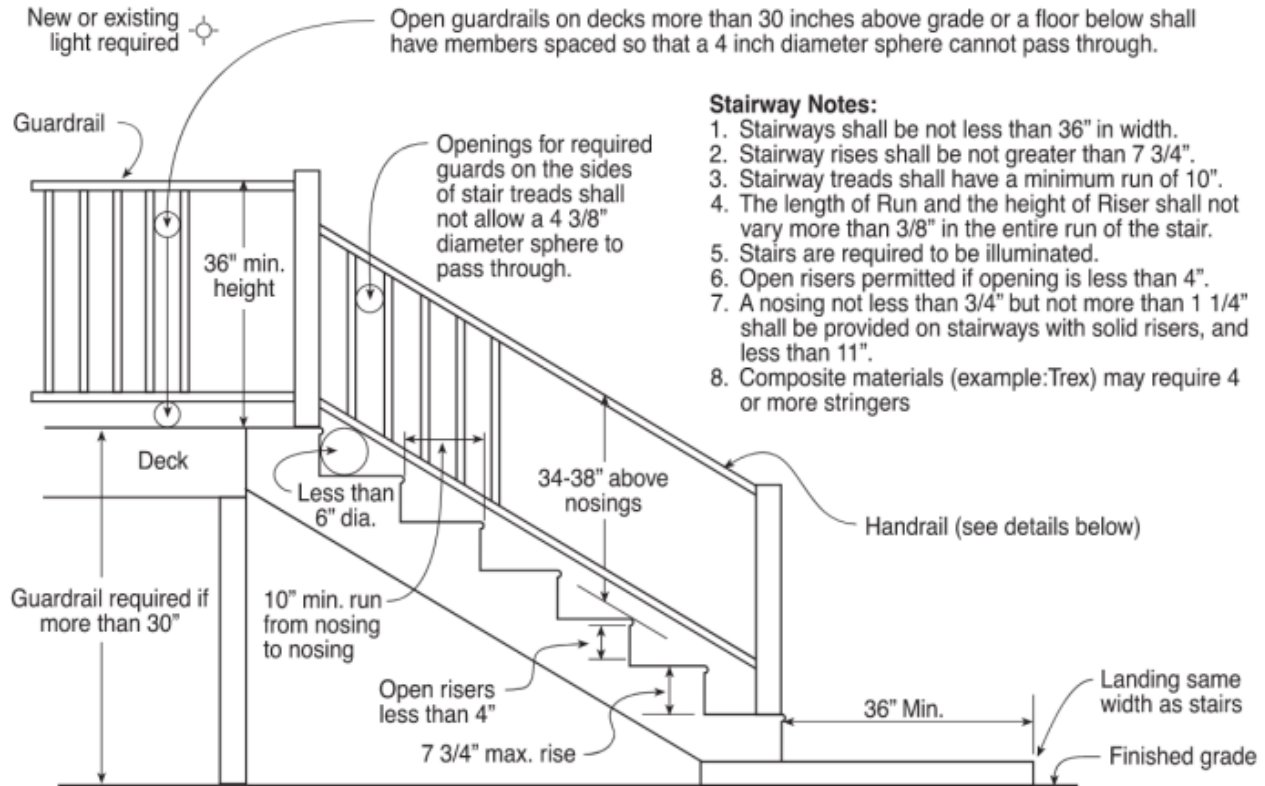
R315.1 Carbon monoxide alarms.

For new construction, an approved carbon monoxide alarm shall be installed outside of each separate sleeping area in the immediate vicinity of the bedrooms in dwelling units within which fuel-fired appliances are installed and in dwelling units that have attached garages.

Colorado State Law takes it one step further by saying the C.O. Alarms must be within 15 feet of the sleeping rooms. The Ordinance says we must abide by the State Law.

Handrails & Guardrails:

Stairs, Handrails, and Guards (aka Guardrails):



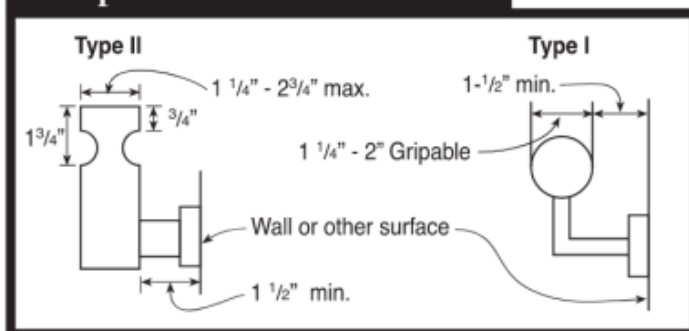
Stairway Notes:

1. Stairways shall be not less than 36" in width.
2. Stairway rises shall be not greater than 7 3/4".
3. Stairway treads shall have a minimum run of 10".
4. The length of Run and the height of Riser shall not vary more than 3/8" in the entire run of the stair.
5. Stairs are required to be illuminated.
6. Open risers permitted if opening is less than 4".
7. A nosing not less than 3/4" but not more than 1 1/4" shall be provided on stairways with solid risers, and less than 11".
8. Composite materials (example:Trex) may require 4 or more stringers

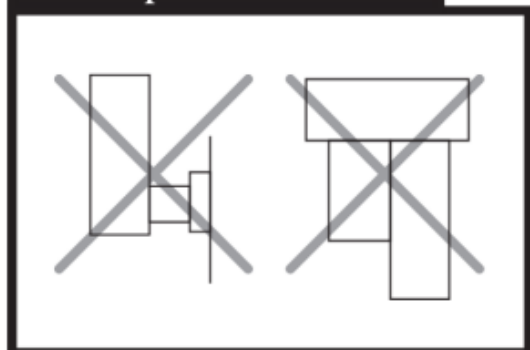
Handrail Notes:

1. Handrails shall be continuous on at least one side of stairs with 4 or more risers.
2. Top of the handrails shall be placed not less than 34 inches nor more than 38 inches above stair nosings.
3. The handgrip portion of handrails shall be not less than 1-1/4 inches nor more than 2 1/4 inches in cross section for non circular handrails.
4. Handrails shall be placed not less than 1-1/2 inches from any wall or other surface.
5. Handrails to be returned to wall, post or safety terminal (per 311.7.8.4 IRC)

Acceptable Handrail Details



Unacceptable Handrails



Fire Extinguisher:

A 5 lb. ABC, non-expired Fire Extinguisher must be mounted in a visible location somewhere in the kitchen.



General:

Please understand that the City of Ouray cannot list all Life-Safety requirements from our adopted building codes. The City Building Inspector will look at woodstove clearances and hearth extensions if a woodstove is present and make certain a dwelling unit's gas-fired appliances have adequate clearance, adequate combustion air, etc.

Please feel free to contact the Community Development Department if you have questions.

CITY OF OURAY

COMMUNITY DEVELOPMENT DEPARTMENT

SHORT-TERM RENTAL LICENSE APPLICATION PACKET

Date Received: _____
Time Received: _____
City Staff Name: _____

Updated 9/28/2021



SHORT-TERM RENTAL LICENSE APPLICATION FORM

STR LICENSE NUMBER: _____
(Completed by City of Ouray Staff)

Community Development Department
PO Box 468 | 320 6th Ave.
Ouray, CO 81427
P: (970)325-7063
E: buildinginspector@cityofouray.com

One Short-Term Rental (STR) License Application form is required for each dwelling unit even if multiple units are located on the same property.

Short-Term Rental Fees of \$500 for new applications and \$250 for renewal applications should not be submitted with this License Application and will be collected at the time of license issuance.

Each STR unit must have its own license displayed on-site and submit all required fees.

PROPERTY OWNER INFORMATION

Name			
Mailing Address			
City	State	Zip	
Telephone Number		Cell Phone	
E-Mail Address			

PROPERTY MANAGEMENT / AGENT INFORMATION

Name			
Mailing Address			
City	State	Zip	
Telephone Number		Cell Phone	
Email Address			

BUSINESS INFORMATION

Business Name			
Physical Address			
Mailing Address			
City	State	Zip	

<input type="checkbox"/> Sole Proprietor	<input type="checkbox"/> Partnership	<input type="checkbox"/> Corporation	<input type="checkbox"/> LLC
Sole Proprietor and Partnerships list names and address for all owners/partners:			
Corporations and LLC provide names and addresses for all officers:			
President: _____			
Vice President: _____			
Secretary: _____			
Treasurer: _____			
Zone District:	State Sales Tax #:	Acknowledge Lodging & Occupancy Tax Schedule (initials)	
Number of Units:	Number of Bedrooms:	Number of onsite parking spaces:	
Is the short-term rental registered with Airbnb, VRBO, Craigslist, Home Away or any third party short-term rental service? (select one) If yes, please list. If no, please state how the short-term rental unit is advertised or marketed.		<div style="display: flex; justify-content: space-around;"> <input type="checkbox"/> Yes <input type="checkbox"/> No </div> <div style="border-top: 1px solid black; height: 20px; margin-top: 5px;"></div> <div style="border-top: 1px solid black; height: 20px; margin-top: 5px;"></div>	

SHORT-TERM RENTAL INFORMATION

Property Address			
Property Legal Description			
Property Phone #		Number of Bedrooms	
Internet Listing Site		Listing #	
HOA Contact (If applicable)		Phone #	

COMPLIANCE WITH BUILDING AND FIRE CODES:

All Residential Short-Term Rentals are subject to the applicable building and fire codes and prior to occupancy must be reviewed and approved for compliance with codes by the City's Building Official. An on-site inspection will be required to review life/safety Building Code requirements such as location of fire extinguisher(s); smoke and carbon monoxide detectors; and ingress/egress.

1. Will your STR require remodeling or renovations? (Check one)

☐ YES ☐ NO

2. Is the STR dwelling unit connected to the City of Ouray water and sewer system (Check one)

☐ YES ☐ NO

Please provide your City of Ouray Account # _____

3. Do you rent out your short-term dwelling unit(s) on a year-round basis? (Check one)

☐ YES ☐ NO

If no, what do you use the dwelling unit for during the rest of the year when it is not in the short-term rental pool? _____

SHORT-TERM RENTAL LICENSE APPLICATION SUBMITTAL CHECKLIST

The following submittals are required in order to be considered for a Short-Term Rental License. Please complete and submit this completed application along with the required documentation as outlined in Section 7-5-J-11 Short-Term Rentals of the City of Ouray Municipal Code.

Complete application packet shall be submitted to the Community Development Department. Incomplete or inadequate submittals will result in delay or rejection of the request for a Short-Term Rental License. Please contact Community Development Department with questions regarding the submittals required herein.

*NOTE: ALL DRAWINGS MUST BE DRAWN TO SCALE

- ☐ Completed Short-Term Rental License Application Form.
- ☐ Agency letter, if the Applicant is not the property owner.
- ☐ State Sales Tax ID Number on Official State Form
- ☐ Site Plan - Site plan shall depict all existing structures, location of proposed parking area for customers, the building setbacks, bear proof trash bins, Ingress and egress to the site shall be shown. The site plan shall be legible and must meet all applicable standards outlined in Section 7-5-J-11, Short Term Rentals of the City of Ouray Municipal Code.
- ☐ Pictures of exterior lighting that must be dark sky, full cutoff lighting.
- ☐ Picture of current address posted on the property.
- ☐ Certificate of Occupancy for new construction and/or Letter of Completion for renovations or remodels and/or change of occupancy (If applicable).
- ☐ Draft of posted notice for inside the unit that includes the information as required by the Short-Term Rental Regulations.

- ☐ Proof of Liability Insurance to cover use of the STR in an amount determined appropriate by the Insurance Company insuring such STR, but in any case, no amount of less than one million dollars (\$1,000,000) in the aggregate.
- ☐ Scan, compile and submit complete short-term rental license application form with all submittal materials as one PDF file that is emailed to buildinginspector@cityofouray.com or drop off the completed application submittal to City Hall to the attention of the City Building Official (All fees shall be paid at the time of license issuance and not prior)

Please refer to the “Example Short-Term Rental License Application” to view what is considered a complete submittal and tips for looking up zoning, address, legal description and preparing a site plan.

See Resolution 12, Series 2021 for information on STR Cap and application processing policies.

AGREEMENT & SIGNATURE

I, the undersigned, agree to operate the Short-Term Rental unit(s) in full compliance with the City of Ouray zoning regulations, Tax submittal requirements, and all codes and policies related to Short-Term Rentals. I further certify the information given is correct to the best of my knowledge. I also acknowledge that additional taxes and fees may be imposed on existing, new and future Short-Term Rentals.

I also understand that failure to include applicable application material(s) may result in the rejection of my application or delays in the approval process. I also certify that the signature(s) affixed to this application are those for the property owner and/or legal authorized agent. If I am the agent, I am including an owner's affidavit.

I also understand that the Owner and Agent will sign the Short-Term Rental license application that will include required conditions pursuant to Ouray Land Use Code.

Property Owner Name (Printed)	
Signature	
Date	
Agent Name (Printed)	
Signature	
Date	

FOR STAFF USE ONLY

STR Address: _____

Zone District: _____

Has City Code been met? (Circle one)

YES

NO

Parking/Site Plan Approval (Circle one)

YES

NO

If no, reason for denial: _____

Building Official Inspection (Circle one)
(Attach Building Inspection Checklist)

PASS

FAIL

Inspected by: _____

Date: _____

Short-Term Rental License (Circle one)

APPROVED

DENIED

If denied, reason for denial: _____

Reviewed by: _____

Date: _____

City of Ouray

Short-Term Rental (STR) License Renewal Application



Date Received: _____
Time Received: _____
City Staff Name: _____

The renewal license fee for existing STR licenses is \$250. All fees shall be paid at the time of license issuance and not prior. A copy of the property liability insurance must also be provided on an annual basis.

STR licenses are valid for one (1) year. Renewal applications are due on or before February 28th of each year. All licensed STRs will be required to submit a Renewal Application and applicable fees on or before February 28, 2022, to remain an active licensed STR.

To renew your license, please submit a completed copy of this form along with proof of liability insurance of at least one million dollars (\$1,000,000) in the aggregate, to City Hall either in person at 320 6th Ave. or via mail at P.O. Box 468, Ouray, CO 81427.

CURRENT LICENSE INFORMATION

STR Address			
License Number			
License Expiration Date			

PROPERTY OWNER INFORMATION

Is this a change from your original license?

No ☐

Yes ☐

Name			
Mailing Address			
City	State	ZIP	
Telephone Number	Cell Phone		
E-Mail Address			

PROPERTY MANAGEMENT/AGENT INFORMATION

Is this a change from your original license?

No ☐

Yes ☐

Name			
Mailing Address			
City	State	ZIP	
Telephone Number	Cell Phone		
Email Address			

AGREEMENT & SIGNATURE

I, the undersigned, agree to operate the Short-Term Rental unit(s) in full compliance with the City of Ouray zoning regulations, Tax submittal requirements, and all codes and policies related to Short-Term Rentals. I further certify the information given is correct to the best of my knowledge. I also acknowledge that additional taxes and fees may be imposed on existing, new and future Short-Term Rentals.

I also understand that failure to include applicable application material(s) may result in the rejection of my application or delays in the approval process. I also certify that the signature(s) affixed to this application are those for the property owner and/or legal authorized agent. If I am the agent, I am including an owner's affidavit.

I also understand that the Owner and Agent will sign the Short-Term Rental license application that will include required conditions pursuant to Ouray Land Use Code.

Short-Term Rental Renewal Applicant:

Signature: _____
Printed Name: _____
Date: _____

Please contact the Community Development Department with questions or concerns.

Lily Oswald, Community Development Coordinator
P: 970-325-7087
E: oswaldl@cityofouray.com

Dan Reardon, Building Inspector
P: 970-325-7063
E: building_inspector@cityofouray.com