

KEYSTONE INCORPORATION FEASIBILITY STUDY



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1. INTRODUCTION

This study assesses the feasibility of incorporating the Community of Keystone in eastern unincorporated Summit County. The study addresses whether it is possible to incorporate the community of Keystone into a town, and maintain at least the same level of services the community receives today from Summit County without raising taxes. This update addressed changes to the town boundaries caused by Vail Resorts electing not to include 5 parcels of land and inputs by a Summit County financial consultant.

The Keystone Community is part of unincorporated Summit County which provides all government services to the community. The map at Figure 1-1. Keystone Map, in the addendum provides the boundaries of the Keystone Community. The area to be incorporated in the west, begins at the western edge of Summit Cove and the three Keystone Ranch Home Owners Associations and extends to the east down US 6 and Montezuma Road past the Settlers Creek Estates HOA. It is bounded on the north and south by the national forest and the Summit County Landfill. There are five parcels of land greater than 40 acres which Vail Resorts has not agreed to include in the incorporation. These parcels encompass the Ranch Golf Course, 80% of the River Course, 6 of the 10 buildings in Wintergreen, and Mountain House and most of the undeveloped land around Mountain House. This study:

- Identifies the revenue a Town of Keystone would receive through existing taxes, fees, and intergovernmental transfers.
- Identifies the services the community receives from Summit County today, and the cost to replicate that level of service with an incorporated town.
- Provides an estimated pro forma budget for an incorporated town of Keystone to identify any projected deficit or surplus as a result of incorporation.

2. APPROACH

The approach to completing the study involved fact finding with interviews with:

- The Executive Director Colorado Municipal League, the Colorado Department of Local Affairs, and the Executive Director of the Northwest Colorado Council of Governments to understand how an incorporation process would work, get lessons from other communities, and to understand what best practices were in other towns in Colorado.
- The Summit County Staff to include the County Manager, Assistant County Manager, Director of Roads and Bridges, the Trails and Open Space Department, Director of the Building Department, Director of the Planning Department, County Treasurer, County Clerk and Director of Finance to understand how services are provided by the county, cost of providing those services and revenues the town would receive if incorporated. The County was particularly supportive and in providing information needed for the study.
- The town managers of Dillon, Silverthorne, and Blue River to benchmark their towns with the needs of Keystone, understand their approach to providing services, and get recommendations on staffing, cost of providing services, and how those services are best provided.

- The Summit County Sheriff and Dillon Chief of Police to understand the level of service provided to the Keystone Community today, the call volume and response times, and number of traffic accidents in the Keystone Community.

The 2022 budgets for Blue River, Silverthorne and Dillon were analyzed and where appropriate budget and cost estimates were applied in areas where similarities existed.

The Northwest Colorado Council of Governments reached out to members and obtained recommendations on the approaches to providing contract law enforcement services from the town managers of Gypsum, Minturn and Winter Park. The town managers provided cost information for law enforcement in their communities.

Based on the information provided in the interviews, data reviews and other inputs, the study was produced. After completion of the study, it was reviewed by the Northwest Colorado Council of Governments Executive Director and the Summit County staff and their recommendations were included.

3. DEMOGRAPHICS

The Keystone Community is a ski resort in eastern Summit County, Colorado. It is a resort community with approximately 4,500 residences which are largely condominiums and single family homes primarily owned by second home owners.

There are an estimated 1298 full time residents in the area to be incorporated. This estimate is based on the 2020 Federal Census of Population and Housing and the Colorado State Demography Office estimates.

The Keystone community has 920 active registered voters. These are registered voters in Summit County who have a residence address in Keystone who have not had voting materials mailed by Summit County returned as undeliverable at their official address. Figure 3-1. Keystone Active Voters (6/15/2022) provides the areas in the community where these voters reside as well as the breakout of whether they reside in homeowners associations, single family residences, employee housing, or workforce housing.

At peak winter season, there are an estimated 10,000 overnight visitors to the community. On a peak ski weekend, the community has an additional 10-15,000 day skiers in the community. This results in a peak season population in the community of between 20-25,000 people.

4. EXISTING SERVICES PROVIDED BY SUMMIT COUNTY

a. Planning and Zoning.

Over 50% of the Keystone Community is part of the Keystone Planned Unit Development (PUD). The PUD is an agreement between Summit County and Vail Resorts on zoning and land use in the PUD. It calls out requirements for workforce housing, both seasonal as well as full time residents, addresses day skier and individual unit parking requirements, and addresses unique zoning and building requirements. It is a complicated document which requires both sides (Board of County Commissioners and Vail Resorts) to agree to changes or variances. In the Keystone PUD, there is still a significant amount of development that can occur. Besides Kindred at the base of the Gondola, there are two townhouse planned projects in River Run, a plan to redevelop the mountain house

base area, and land parcels for future condominium complexes around the Keystone Conference Center. Additionally, there is a plan for 47 additional workforce housing units in the Wintergreen area as well as a third phase of workforce housing in Wintergreen and a childcare facility. All changes to properties in the PUD, require the approval of the PUD Design Review Board which must approve the change prior to being considered by the county planning department.

- The county planning department manages the Keystone PUD and provides planning, zoning and land use support for the remainder of the Keystone Community. Most properties have separate PUDs whose requirements supersede county zoning. There are over 20 separate PUDs governing Keystone properties. Most of the non-Keystone PUD land has been developed.
- The planning, zoning, and land use responsibilities for the area incorporated would transfer to the Town of Keystone. This includes the development and approval of all town land use codes.

Figure 4-1, Keystone PUD in the addendum, depicts the land in Keystone which is governed by the Keystone PUD.

b. Building Permits and Inspections.

- The Summit County Building Department issues all building permits and certificates of occupancy in Keystone. County building codes govern new building and modifications to existing buildings in the Keystone community. In 2019 and 2020, the community averaged 80 building permits per year. This responsibility would transfer to the Town of Keystone if incorporated.
- The Summit County Building Department also provides building inspections. In 2019 the county performed over 4,000 inspections in Keystone. In 2020, the number was over 2,000 inspections. The significant number of inspections in 2019 was driven by the completion of the West Hills workforce housing development and the Wintergreen apartment development. This responsibility would transfer to the Town of Keystone if incorporated.

c. Roads and Bridges.

- The proposed Town of Keystone has 24.63 miles of roads as depicted in Figure 4-2, Keystone Road Responsibilities, in the addendum. County roads maintained by the county are in dark blue and the county roads not maintained by the county are in light blue. There are approximately 7 miles of asphalt roads and .5 miles of gravel roads maintained by the county. The remainder of the roads are:
 - Owner, HOA, or PUD maintained roads which are “dedicated to the public.” Unless a separate maintenance agreement is in place, the town would become the owner of these roads and assume maintenance responsibility.
 - Owner, HOA or PUD maintained roads which provide the county an easement for public access/use which allows the public to use the roads without town ownership and maintenance of the roads. The town would not have maintenance responsibility for these roads.
 - Owner, HOA, or PUD maintained roads with no easement for public use. These roads would not become town owned or maintained.

- The Summit County Roads and Bridges Department maintains county maintained roads in Keystone expending \$30,000 per year maintaining and removing snow from the gravel road in Loveland Pass Village and \$55,000 per year with a contract with Vail Resorts to maintain and remove snow from the remainder of the county maintained roads in the Keystone Community. The roads that are not county maintained are the responsibility of PUDs, Vail Resorts, or a HOA. According to the County Engineer, asphalt roads that are county maintained should have \$555 per lane mile of crack fill treatment annually. This service is not routinely provided by Summit County in Keystone. The cost to do an asphalt overlay which is required every 25-40 years is \$1.3 million per road mile. In addition, the county maintains the four bridges spanning the Snake and North Fork of the Snake River as well as several Box Culverts in the community with life expectancies of 60-70 years.
- If incorporation occurs, ownership and maintenance of the roads in Keystone would significantly change. County maintenance of roads is not required for all roads “dedicated to the public.” The roads the county maintains today represent only a portion of the roads in Keystone which are “dedicated to the public.” Consequently, the town would have maintenance responsibility for significantly more roads than the county maintains today. It is estimated that an additional 6.5 additional miles of roads in Keystone would be maintained by the town than is currently maintained by Summit County.
 - Over the years, as development has occurred in Keystone, some roads which were built by one development and were originally intended to serve one owner or development, now serve multiple developments or are public traffic routes in Keystone. This has created an inequity among property owners in Keystone. The original Antlers Gulch Road, Tennis Club Road, Decatur Road, Saint John’s Road, and Gondola Road all fall into this category. Even if they are not designated as “dedicated to the public”, with the owner agreement, ownership and maintenance of these roads should be a town responsibility. The estimate includes these roads.
 - Roads which identified as private roads by Summit County, which are not maintained by the county or which only provide an easement for public use would not be town owned or maintained and are not included in this estimate.
 - Keystone Ranch has 6.5 miles of roads. Based on the HOA owner input, it is understood that the roads in the Keystone Ranch HOAs are private roads and would not become town maintained and are not included in the estimate. Based on information from the contractor who plows and maintains the Keystone Ranch Roads, the cost to maintain and plow the roads, which includes a chip seal every seven years, is less than \$20,000 per mile.
 - The approximately 1.1 mile access road to the Ranch from the Stables is owned by the Forest Service and maintained by Vail Resorts. Because the road is on forest service land and the Keystone Ranch Golf Course is not included in the town, it would not become town owned or maintained.
 - The estimate includes sufficient road miles to assume maintenance of the remainder of the county roads in Keystone which support multiple owners or is designated a public right of way. Final determination of ownership and maintenance responsibility will be made based on any existing maintenance agreements and the land plats.

- After incorporation, a study of the status of all roads in Keystone needs to be completed to determine the proper classification of the road and appropriate maintenance and ownership responsibility as well as the road condition and long term maintenance requirements. .
- US 6 through Keystone is the only egress and exit route for the Keystone community. It is on a Major Hazmat truck route; all Hazmat material must bypass the Eisenhower/Johnson Tunnels and use US 6 through Keystone. The Colorado Department of Transportation is responsible for all aspects of and changes to US 6 through Keystone. Vail Resorts has maintenance responsibility for all of the US 6 medians as a result of an agreement with the county when US 6 was expanded from two lanes to four lanes. There are two pedestrian walkway underpasses under US 6 to support pedestrian traffic to the Keystone Lodge and the Conference Center which are maintained by Vail Resorts. These Vail Resorts maintenance responsibilities would continue after incorporation.

d. Wetlands

A portion of the Keystone Community in the Wetlands area is in a Federal Flood Plain. The Summit County Roads and Bridges Director is the designated Flood Plain Manager. If incorporated, this function would transfer to the town of Keystone.

e. Trails and Open Space

Trails in the Keystone Community are:

- Summit County owns and maintains the Regional Recreation Path through Keystone. It is not plowed in the winter, however Vail Resorts plows a portion of the Rec Path in the winter between the Condo Check in building and the Lakeside Village. The Keystone Neighborhood Company plows a portion of the Rec Path in the eastern portion of Keystone from River Run Village to the east. If incorporation were to occur, ownership and maintenance of the Regional Recreation Path would not change.
- The following are the trails which are county owned in the Keystone area: Granny’s Trail, Frey Gulch Road, Soda Access East Trail, Keystone Gulch Road, Seven of Nine Trail, Power line Loop, Tenderfoot Mtn Trail, Keystone Aqueduct Trail, Pah-Qwun Trail, Incline Trail, Aspen Meadow Trail, Moab Trail, Knobby Trail, and Alder’s Nature Trail. Many of these trails are on Forest Service land and are outside Keystone’s boundaries. The Town of Keystone would pick up no maintenance responsibilities for these trails.
- Keystone does have some internal trails which are not county trails, these are primarily located in the wetlands between Lakeside Village and River Run and include bridges over the Snake River to the Mountain House base area. These trails are owned by HOAs whose PUD requires the HOA to maintain. There are some trails which are on Keystone Resort PUD land which is the responsibility of Vail Resorts to maintain. The Town of Keystone would pick up no maintenance responsibilities for these trails.

f. Licenses/Franchise Fees.

Summit County provides tobacco, liquor, marijuana dispensary, marijuana grow, and short term rental licenses for Keystone. The county currently has no business license requirements for unincorporated Summit County and no franchise fees are collected. Granting and approval of licenses/franchise fees would be a town of Keystone responsibility. In August 2021, the Keystone community had 1876 short term rental licenses which is about 45% of the total short term rental licenses issued by Summit County. The annual cost of a short term rental license in

a resort zone was increased by the Board of County Commissioners in November 2021 to \$250 annually. Summit County in 2021 pays Granicus Inc \$113,000 per year for managing the short term rental program. This includes the cost of processing licenses, monitoring rental ads to verify that advertised properties have valid short term rental licenses, and providing a 24/7 hotline for complaints and providing a first level of response to complaints by contacting the property manager to resolve the complaint.

g. Public Safety/Law Enforcement

Law enforcement for the Keystone Community is provided by the Summit County Sheriff’s Office.

- The Sheriff’s office rents a three bedroom apartment in the Tenderfoot employee housing for use by Sheriff’s deputies and to function as a sheriff’s substation in Keystone. This apartment provides a location for Sheriff’s deputies to stay overnight when is impractical for them to commute to their home.
- The Sheriff’s office normally has three deputies on the road in Summit County at any time with a fourth available for dispatch. The County ranges from Heeney in the North, to Hoosier Pass in the South, Copper Mountain in the West and Loveland Pass in the East (846 square miles).
- In the first two months of 2019, Keystone had 38 traffic accidents along the US 6 corridor in the community which required Sheriff Deputy or Colorado State Patrol response
- The Sheriff’s office responded to 564 calls for service in 2020 and had responded to 602 calls for service through October 25th in 2021. See Figure 4-3, Keystone Community Sheriff’s Calls for Service in the addendum. The response time varied from 10 to over 30 minutes.

5. INCORPORATION COST TO REPLICATE SERVICES

In assessing incorporation, the towns of Blue River, Dillon, and Silverthorne were assessed for levels of service provided and compared with Keystone. The following table compares those services.

	Population	Building Activity/ Planning Autonomy	Policing	Roads and Bridges	Parks Trails Open Space	Town Enterprises	Water and Sewer	Economic Development Marketing	Peak Daytime Population
Blue River	883	Low/High	24/7	Low	Low	No	No	No	Low
Dillon	1096	High/Med	24/7	High	High	Yes	Yes	Yes	High
Silverthorne	4506	High/High	24/7	High	High	Yes	Yes	Yes	High
Keystone	1298	High/High	TBD	Med	Low	No	No	No	Very High

Keystone is similar to Blue River in the Public Works area with a similar amount of roadways and open space/trails/sidewalks/open space and with no responsibility for ancillary services such as water, sewer, town enterprises and marketing. It is similar to Silverthorne in the Planning/Zoning and Building arenas. It is more similar to Dillon when considering full time population, peak population and policing needs.

The following table shows how each of the towns provides services.

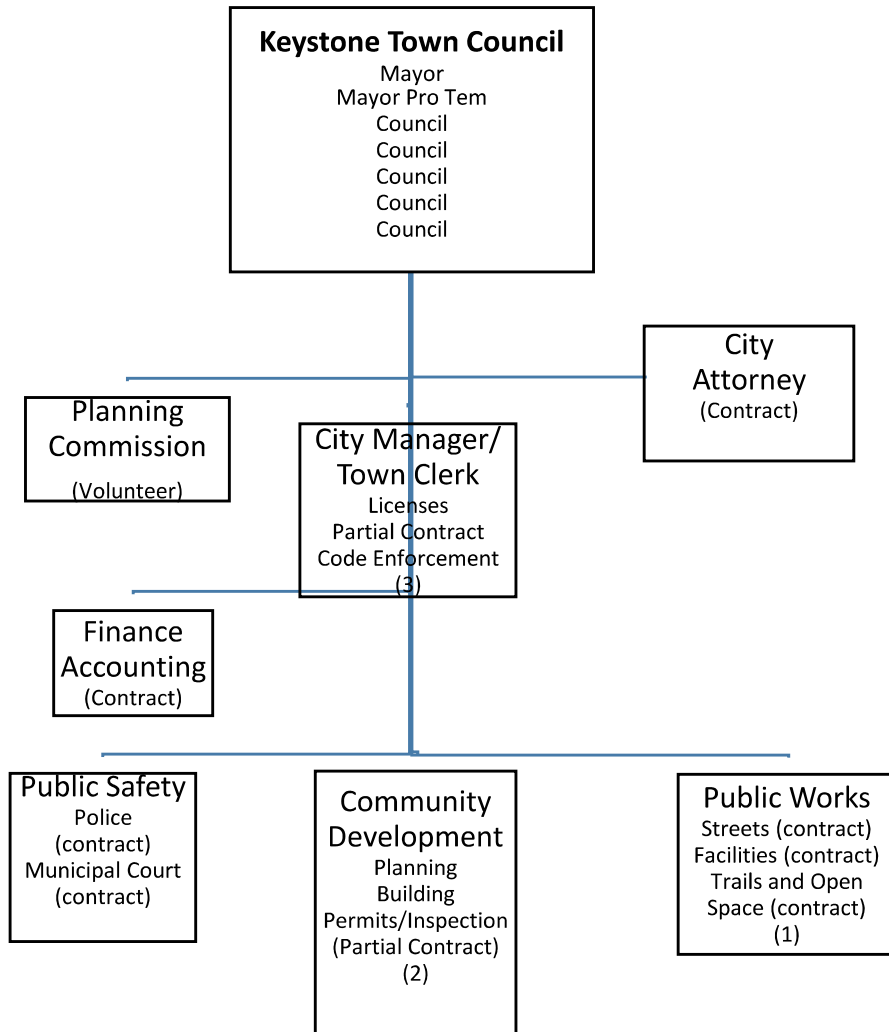
	Planning	Building	Road and Bridges	Parks Trails and Open Space	Policing/Staffing	Town Staffing without Police	Type of Town
Blue River	Contract-Private	Contract-Private	Contract	Contract	Town Staff/4	2	Statutory
Dillon	Contract-Summit County	Contract-Summit County	Town Staff	Town Staff	Town Staff/12	35	Self-rule
Silverthorne	Town Staff	Contract-Summit County	Town Staff	Town Staff	Town Staff/22	84	Self-Rule

a. Town Structure

The Town of Keystone is planned to be incorporated as a home rule town. There are significant advantages to home rule including zoning autonomy, town code self-determination, and revenue generation. The towns of Dillon and Silverthorne are Self-Rule. Blue River is a statutory town.

The proposed town organization would be similar to all towns. The organization chart for Keystone is at Figure 5-1, Town of Keystone Organization Chart.

Figure 5-1 Town of Keystone Organization Chart



The Town is governed by a Town Council of 7 members. A Mayor is elected by the Town Council. The Town Council is the legislative body of the town.

The Council hires a Town Manager and Town Clerk who manages the day to day activities of the town. They may be the same person. The town has a city attorney to advise the town council on legal matters and a Financial Director. These functions comprise the Administrative Services portion of the town budget.

The Town Clerk:

- Is the custodian of the town seal.
- Administers oaths and takes acknowledgements under the town seal

- Codifies the town code
- Prepares and maintains the town council records, proceedings and other municipal documents
- Administers municipal elections

Reporting directly to the Keystone Town Manager is:

- Community Development Department which is responsible for Planning, Zoning and Building. This department would have overall responsibility for the Keystone PUD and would be the primary town interface with Vail Resorts.
- Public Works Department which is responsible Roads, Bridges, Open Space and Trails, wetlands, and Town Facilities. This Department would be the primary interface with CDOT for all US 6 issues.
- Public Safety which provides the police protection for the town and administers the Municipal Court.

All town services are provided by these departments.

b. Employee Salary and Benefits.

Acquiring and maintaining a workforce has been a challenge for Dillon, Silverthorne and Blue River. All town managers and the Sheriff recommended that the town should set salaries at market and get highly skilled personnel given the small size of the proposed town staff. According to the NWCCOG Executive Director the basic benefit package which includes medical, retirement, etc., should cost approximately 30% of the base salary. In addition, there were strong recommendations to include some sort of incentive in the housing arena. This included the potential of providing workforce housing from town owned housing to providing a housing incentive to live in the community. All felt that a \$500 per month housing incentive would be a positive for the ability to hire and retain employees. Dillon also recommended that the town establish a fund from workforce housing dollars to provide low interest down payment assistance to town employees. The Sheriff suggested that town law enforcement personnel who live in the town, be allowed to take their vehicles home to provide visibility in the community and as an employment incentive. The budgets assume a 30% benefit rate and a \$500 per month housing incentive for town employees who live in Keystone

c. Financial Plan

The basic assumption in this feasibility study is that the minimum operations of the town will be at least at the level of services currently received from Summit County today. Consequently, the revenue projected will be revenue which the town would receive with no new taxes. Fee estimates are based on the current fee levels which the county currently charges for services or licenses. Services are estimated at the current level of services provided by Summit County. The exceptions are in roads maintenance where the town would be maintaining approximately two times the miles of roads which is currently county maintained and law enforcement which in addition to 24/7 on call support adds two full time officers assigned to the community.

i. **Assumptions.** To make revenue and expense projections a number of assumptions must be made which impact the projections. These assumptions are intended to be conservative in nature.

1. **Town Population.** This information is used in calculating several of the intergovernmental transfers. The estimated population of the Keystone community is 1298.

2. **Assessed Value.** The assessed value of the land and buildings in Keystone is used for calculating several intergovernmental transfers. The Summit County Treasurer’s office provided the following information on 2020 Keystone Community property values:

Keystone Community	Actual Value	Assessed Value
Residential	\$2,391,421,070	\$170,873,190
Commercial	\$ 133,323,510	\$ 38,083,820
Vacant	\$ 46,061,500	\$ 13,357,840
State Assessed	\$ 6,381,610	\$ 1,850,670
Total Taxable	\$2,577,122,790	\$224,705,480
Exempt	\$ 13,754,490	\$ 3,988,800
Land Excluded	\$ 43,765,400	\$ 12,691,966
Incorporation Area	\$2,533,357,390	\$212,013,514

The assessed Actual Value of the five parcels of land which Vail Resorts is excluding is \$43,765,400 with an assessed Value of \$12,691,966. The assessed value of the land being incorporated is \$212,013,514.

3. **Gross Retail Sales.** Based on the County Financial Consultant, in 2021, the Keystone Community had taxable sales of \$128,984,100. Retail sales are not broken out in sufficient detail to determine the exact sales tax generated in the five parcels of land being excluded by Vail Resorts. However, the only sales tax revenue generated in those areas are the Ranch Restaurant, the Ranch Golf Course Club House, and Mountain House. It is estimated that approximately, \$5,000,000 annually in taxable sales is generated in these areas.

Consequently, taxable sales in the town of Keystone would be \$123,984,100. Retail sales growth in Keystone is estimated at 4% per year (3% for inflation and 1% for real growth), with new development such as Kindred, new condominium development, and Vail Resorts expansion into Bergman bowl which increases total mountain skier/boarder capacity.

4. **Inflation.** Inflation is estimated at 3% per year. Since both revenue and expenditures are impacted by this estimate, the overall impact on the report is minimal.

5. **Town Roadway Mileage.** The Summit County Road and Bridge Department prepared a map of the county roads in Keystone which would become town roads. The county calculated the road miles as 24.63 miles. Today the county maintains about 30% of the roads which represents only a portion of the roads which are “dedicated to public use”. It is conservatively estimated that the town would assume responsibility for over 55% of the roads in Keystone or 14 miles. After incorporation, a detailed review of all land plats in Keystone needs to occur to determine which roads become a town maintenance responsibility.

ii. **Revenue Projections.** The following are the Town of Keystone sources of revenues and estimated annual revenue projections in 2021 dollars. Schedule 1 provides a table of the projected revenue.

1. **Sales Tax.** The Summit County sales tax of 2% is provided to each town based on their total retail sales. Consequently, based the 2021 retail sales, generated town sales tax revenue would be \$2,479,682.
2. **Intergovernmental Transfers.** The town of Keystone would receive a number of intergovernmental transfers from the state of Colorado and Summit County. These are:
 - **Highway Users Tax Fund (HUTF).** These funds are distributed by the state of Colorado. These funds can only be used for construction, engineering, reconstruction, maintenance, repair, equipment, improvement and administration of streets of a town. The amount used for administration expenses cannot exceed 5% of the total received. To calculate the estimated HUTF allocation, vehicle registration numbers and total lane mile estimates are required. The Town of Blue River has 32 lane miles and a population of 883. Keystone has an estimated population of 1298 and 28 lane miles. Assuming the number of vehicle registrations is directly related to the total population, and applying the state formula, the town of Keystone would have 1.56 times the funds received by Blue River in 2020 (\$42,700). The Keystone estimated HUTF is \$66,612.
 - **Cigarette Tax.** Colorado returns to towns 27% of the state tax on Tobacco Products. The amount is based on the town's total retail sales. Since the amount is directly proportional to the amount of retail sales, the Colorado Department of Local Affairs recommends that the estimate be based on the amount received by another local town. Cigarette Tax information was available for the Town of Blue River. In 2020, Blue River had revenue of \$443.54 on retail sales of \$9,458,133. Based on the town of Keystone's 2019 retail sales of \$110,243,050, the estimated Cigarette Tax is \$5404.
 - **Nicotine Tax.** Summit County has a \$4 per pack tax on cigarettes and tobacco products. Keystone would receive that revenue based on the tobacco products sold in the town. The Summit County consultant estimated that in 2021, the Keystone Community generated \$68,000. These tax dollars can only be used for smoking cessation activities.
 - **Road and Bridges Tax.** The county collects a .814 mill property tax to support county roads and bridges. By statute, 50% of the tax collected by property in a town is provided to the town. Based on the assessed value of property in the town of Keystone of \$212,013,514, the amount of tax allocated to the town would be \$86,289.
 - **Motor Vehicle Registration Fee (Specific Ownership Tax).** In 2020, the Town of Blue River received \$24,000 of revenue per year with a population of 893. Assuming that the number of vehicles per resident is roughly equal between Blue River and Keystone, then the projected revenue would be \$34,723.
 - **Auto Ownership Tax.** In 2020, the Town of Blue River received \$9440 per year with a population of 893. Assuming that the number of vehicles per resident is roughly equal between Blue River and Keystone, then the projected revenue would be \$13,657.
 - **Conservation Trust Fund.** The Conservation Trust Fund collects the state lottery proceeds from Great Outdoors Colorado. Funds are distributed to towns on a per capita basis. Comparing Dillon and Blue Rivers Funds based on their population, the approximated distribution is \$10 per resident. All expenditures must benefit public parks and open space in acquisition or maintenance. Based on an estimated population of 1298 residents, the annual Town of Keystone's share would be \$12,920.

iii. Expenditure Projections

1. Town Council. The Keystone Town Council will consist of seven elected members. Based on comparable wages with the Town of Dillon and Silverthorne, the each council member will be paid \$500 per month. Because of the additional time the Mayor would be supporting the town, the position would be paid \$750 per month. The council will elect a mayor and mayor pro tem. Each Council member will be provided a town laptop for town business, provided a \$75 per month cell phone allowance, and be allowed to participate in the town employee medical insurance coverage. The town council would expect to expend \$100 per month in supplies. The town will allocate two office spaces for the town council. One will be a dedicated office for the mayor and the second will be available office space for any town council member to use.

Total Town Council Annual Budget is \$98,400

Startup costs for the town council is estimated to be \$12,000.

See Schedule 2 for the detailed town council pro forma budget.

2. Administrative Services. Administrative Services consists of all the administrative costs to support the town of Keystone. It includes a Town Manager and Town Clerk/Assistant Town Manager and an office manager supporting all departments. Because of the interface with Vail Resorts, CDOT, and Summit County, the town manager is at a level that is equivalent to the town manager of Dillon. Staffing levels and salary range for the three positions was vetted with the Town Managers of Silverthorne and Dillon as well as the Executive Director of the Northwest Colorado Council of Governments. The following are other functions of Administrative Services.

- Performs all town clerk functions
- Manages town IT infrastructure via contract at \$80,000 per year
- Manages the business, liquor, tobacco and short term rental license program. Granicus estimates that the cost to manage the town's short term rentals and to provide the same services they provide to Summit County today would be \$56,500 per year. In addition, a quote was received from Lodging Revs (GovOS) who manage Frisco and Breckenridge short term rentals and provide a similar level of service. Their cost estimate was \$103,000 per year. To maintain flexibility for future decision makers, the \$103,000 estimate is used in the budget.
- Provides the City Attorney through a contract estimated at \$80,000 per year
- Provides the Town Financial Director through a contract estimated at \$60,000 per year.
- Manages the Town Tobacco Cessation Education Funds-\$68,000

Total Administrative Services Budget is \$1,025,600

Startup costs include IT infrastructure, facility modifications, computers/laptops, office furniture and supplies, signage, and repayment of advanced incorporation costs. Startup costs are estimated at \$369,500.

See Schedule 3 for detailed pro forma Administrative Services Budget.

3. Community Development. Community Development is responsible for overseeing the Keystone PUD, providing the interface with Vail Resorts on PUD issues, overseeing Keystone Community growth, managing zoning and land use in Keystone and approving building permits and issuing certificates of occupancy. Community Development consists of the Planning Department and the Building Department, Staffing will be a Community Development Director and a Planner 2. Staffing requirements have been assessed by the Summit County Staff, NWCCOG, and local town managers, who agree that two individuals should be able to handle the workload. Because of the projected level of future development in Keystone as well as the intricacies of the Keystone PUD and the interface with Vail Resorts, an experienced Senior Planner is required to lead Community Development with a Planner 2 to handle day to day planning actions. Structure of Community Development is modeled after the town of Silverthorne which maintains local control, and approval authority, while outsourcing the building department functions to Summit County Building Department.

4. Building Department. Like the town of Silverthorne, the town will outsource the Building Department functions to the Summit County Building Department. Summit County will charge 80% of the received building permit fees. To retain town control, the town of Keystone will issue all Building Permits and Certificates of Occupancy. The Community Development Director will manage the interface with the Summit County Building Department and oversee the function. In 2019 and 2020, the Keystone Community averaged 80 building permits a year and over 2000 building inspections. Based on projected building permit revenues of \$290,000, the estimated cost would be \$232,000.

5. Planning Department. The planning department will handle all town planning, zoning, and land use issues. It will be the direct interface with the town Planning Commission. The Keystone PUD will be managed in the department and the Community Development Director will be the primary day to day interface with Vail Resorts for the Keystone PUD. Any planning work beyond the basic staffing level required of a new development will be via contract with a direct pass through to the developer. This is the same approach taken today by the Summit County Planning Department. The Community Development Director will lead the planning Department with a Planner 2 handling day to day actions.

Total Community Development annual budget is \$590,300.

Startup Costs for Community Development is estimated to be \$107,000 which includes development of a Town Master Plan (Comprehensive Use Plan) beginning in 2024.

See Schedule 4 for the pro forma budget for Community Development.

Public Works. The Public Works Department is responsible for maintaining and snow plowing town maintained roads, maintaining town trails and open space, and facilities maintenance of town facilities. In the first year, the town receives the current level of service from Summit County at no cost. To manage this level of work, which includes the roads, trails, wetlands, open space, and flood plain, a mid-level Public Works Director is needed. All responsibilities accomplished by the Public Works Department are projected to

be via contracts as they are today. The Town Manager and Director of Public Works will be the primary interface with CDOT for US 6 issues. Projected expenses are:

- Contract with Summit County to maintain and plow Razor Dr, Razor Ct and Hanson Dr in Loveland Pass Village: \$30,000 (same as current cost)
- Contract with Vail Resorts to maintain and plow the same asphalt roads (7 miles) they are on contract with the county to maintain today: \$70,000 (increased from current cost of \$55,000).
- Contract to perform annual crack seal on all town maintained asphalt roads: \$14,300. (today this is not performed annually by county)
- Contracts as required for additional maintenance on town maintained roads and control of noxious weeds: \$50,000 (not funded today by county)
- Signage allowance: \$10,000 (not funded today by County)
- Contract for maintenance (plow and maintain) the additional 6.5 miles of asphalt roads which are “dedicated to public use” which are not currently maintained by the county and which the town will be responsible for maintenance. The cost would be \$143,000 (roads not maintained by Summit County today).
- Engineering/Professional Services Contracts as required: \$30,000 (Not funded today by County)

Public Works annual contract budget is \$478,800.

Note: The proposed budget increases the estimated cost per mile to plow/maintain town roads from the county’s \$11,000 per mile to over \$22,000 per mile.

After incorporation, several studies of the Keystone Infrastructure are needed to assess future maintenance and infrastructure requirements. These are an engineering study of Keystone Roads and Bridges with a plat search to determine which roads the town must maintain with a proposed long term maintenance plan (\$40,000), the development of a trails and open space master plan to assess future trails/path needs for the community (\$30,000), and a Flood Plain Plan (\$20,000). These are funded in the Town of Keystone startup costs. Total startup costs are estimated at \$94,500.

See Schedule 5 for the pro forma budget for the Public Works Department.

6. Public Safety. Public Safety provides the law enforcement services to the Town of Keystone. In the first year, the town receives the current level of service from the County Sheriff at no cost. In the following years, the town could purchase services from another town or the Sheriff’s Office, or establish its own police department. NWCCOG reached out to other towns in the northwest Colorado mountain region to seek their experiences.

- The Town of Blue River has a police force staffed with town employees. It consists of a Chief, Sergeant, and two officers. Cost of the Police Force is \$373,204 (includes benefits).
- The Town of Dillon has a police force staffed with town employees. It consists of a Chief, 2 Sergeants, six patrol officers, 2 detectives, and one administrative. Annual cost is \$1,658,995.

- The Town of Minturn purchases services from the Eagle County Sheriff's Office. They pay for the cost of two full time deputies and in addition 24/7 coverage for the town. The annual cost is \$380,000. This cost includes communications, vehicles, uniforms, and training.
- The Town of Gypsum purchases services from the Eagle County Sheriff's Office. They have 5 deputies which carry out patrol duties within the boundaries of Gypsum. The town buys, kits out, maintains and fuels all patrol vehicles provided to the Gypsum-assigned deputies and replaces them when they're worn out. The 2021 IGA cost was \$1,122,825.
- The Town of Winter Park partners with the Town of Fraser to have a joint police force which works very well. The area has a full time population of about 3,000 residents, but the population swells to over 20,000 during peak seasons. The department has a police force of 11 sworn officers to provide support. The 2021 operations cost for the joint department was \$1,982,431. The cost is split between the communities based on call volume.

The Town of Minturn is receiving a 24/7 response service from the Eagle county Sheriff which Keystone receives today and in addition receives 2 full time deputies to perform a basic daytime community policing function. This level of service, while more than Keystone receives today from the Summit County Sheriff, is a more appropriate basic level of policing given the issues Keystone faces on weekends in the winter and summer. Consequently, for this baseline feasibility study the \$380,000 is the 2022 funding estimate used in the budget. The Summit County Sheriff has indicated that law enforcement costs are expected to increase 30%. The budgets for 2024 and beyond reflect this increase

To support the two full time law enforcement function, a budget for vehicle maintenance, fuel, supplies, uniforms, office space, certifications, and Hazmat a budget of \$62,600.

The Summit County Sheriff has indicated that law enforcement costs are expected to increase 30%. The budgets for 2024 and beyond reflect this increase

The towns of Breckenridge, Frisco, Silverthorne, Dillon and Blue River are forming a Municipal Emergency Response Team (MERT) to replace the SWAT team which they partnered with the Sheriff's office in past years. The Sheriff's office has decided to eliminate the SWAT team, so the towns are cooperating to form the MERT to replace the function. The estimated cost is \$5,000 per year. The Summit County Sheriff has indicated that law enforcement costs are expected to increase 30%. The budgets for 2024 and beyond reflect this increase

Since the two contracted law enforcement officers will be dedicated to Keystone, they should be eligible to receive a town incentive to live in Keystone. The Summit County Sheriff has indicated that competing agencies such as the Colorado State Patrol, are currently paying sworn offices a housing incentive of \$14,400 per officer. To be competitive, budget includes the \$14,400 incentive per officer.

The Summit County Communications Center will support law enforcement by providing communications support to the town for call center and data support. This cost for this

support is based on the call center volume. Today, the call volume in Keystone is about 10% of the call volume in Dillon and Silverthorne. Silverthorne pays \$120,000 per year for call center support. With increased local policing and visibility, the volume of calls should increase. A better estimate of Communications Cost is closer to Blue River which in 2022 budgeted \$22,000 per year for communications support. The Summit County Sheriff has indicated that law enforcement costs are expected to increase 30%. The budgets for 2024 and beyond reflect this increase.

Animal Control services are provided by Summit County. Blue River currently budgets \$2100 for animal control services. Since the Keystone full time population is 60% larger than the Blue River population the budget estimate is \$3360.

Code Enforcement is funded in Public Safety with a budget of \$32,500 for a non sworn public safety officer.

Total annual Public Safety 2022 cost is budgeted for \$529,260 per year. With the 30% increase recommended by the Summit County Sheriff, the 2024 budget is \$660,546.

Startup costs are estimated at \$130,000 per vehicle and equipment to support the officers assigned full time to Keystone. This estimate is from the Dillon Police Chief and increased by 30% based on the Summit County Sheriff recommendation. Total Startup Costs for Public Safety is \$260,000.

See Schedule 6 for the pro-forma budget for Public Safety

7. Municipal Court. Cost of the Municipal Court in Keystone is based on the Blue River Model. Keystone and Blue River are projected to have about the same level of annual fines, therefore should have a similar workload. Dillon and Silverthorne have a consolidated municipal court which supports both towns, so they do not provide a model for Keystone. As with other towns, the Judge and the Prosecuting Attorney will be on contract with the town. The Town Clerk will also be the Court Clerk. The Court will have one monthly court session.

Estimated annual cost for the Municipal Court is \$19,600.

See Schedule 7 for the pro forma budget for the Municipal Court

iv. Special Funds. Town revenue is a mix of general fund revenue and funds which can only be spent on specific items.

1. Workforce Housing. All funds received from the county workforce housing taxes can only be spent on workforce housing expenses and initiatives. To receive the funds, the town must belong to the Summit County Workforce Housing Authority. The funds can be used to purchase workforce units, provide incentives to build or convert short term rental units into workforce housing units, or to buy down rent in town workforce housing for the Keystone workforce. All funds received from the workforce housing tax are put into this fund.

2. Conservation and Trails Fund. The Conservation Trust Fund collects the state lottery proceeds from Great Outdoors Colorado. Funds are distributed to towns on a per capita basis. All expenditures must benefit public parks and open space in acquisition or maintenance. All funds received from the Conservation Trust Fund are put into this fund.

3. TABOR Fund. The Taxpayer Bill of Rights Amendment to the Colorado Constitution requires towns to retain a “TABOR” reserve (3% of expenses) in their general fund.

4. Capital Improvement Fund. Major outlays for asphalt overlays of town maintained roads need to be funded. In addition, there are additional infrastructure needs that the town will need to be able to address such as US 6 Safety issues, Pedestrian safety issues, and trails and open space issues that a future town council will need to address. Consequently, \$500,000 per year should be set aside into a Capital Improvement Fund to address these issues. This study assumed that 14 miles of roadway and associated culverts and bridges would be maintained by the town. This assumption was very conservative and represents 2 times the amount of Keystone roadway maintained today by Summit County. This estimate ensures sufficient funds would be available to support an average of a 35 year resurfacing average for Keystone maintained roads. Some roads like the East and West Keystone roads are heavy use and will require resurfacing in less than 35 years. Others, such as Antlers Gulch, Elk Circle and Elk Crossing are low volume roads which will have a longer lifecycle. To assist a future town council to determine the correct amount of funding that should be set aside for long term infrastructure maintenance, the following studies are included as part of Startup activities: Engineering Assessment and Plat Review of Town Maintained Roads and a Trails and Open Space Master Plan. These Plans are addressed in the Public Works Pro-Forma (Schedule 4). In addition, per the recommendation of the Summit County consultant, all startup costs are paid from the Capital Improvement Fund. An average annual contribution of \$500,000 per year is projected for this fund.

- v. **Financial Plan Summary.** The Financial Plan provides the level of service that the Keystone Community currently receives from Summit County with two exceptions.
- It increases the annual public works cost for maintenance of roads from \$85,000 per year to over \$478,000 per year, doubles the road miles of maintained in Keystone, and provides an additional \$500,000 per year for new capital improvement projects such as asphalt overlays for existing roads, trails, and US 6 infrastructure and safety projects.
 - It increases law enforcement presence to two full time officers dedicated to the Keystone Community. This is in addition to the maintaining the current level of service provided by the Sheriff’s office today. This provides an enhanced level of community policing which Keystone does not have today.

The estimated Town of Keystone Pro-Forma Budget is at Exhibit 1. It shows that to retain the current level of services the town receives today from Summit County there would be revenue in excess of expenses and special funds:

Exhibit 1 Summary	2023	2024	2025	2026	2027
General Fund Revenue	\$ 3,445,065	\$4,024,127	\$4,170,407	\$4,322,527	\$4,480,726
General Fund Expenditures	\$1,383,916	\$3,008,077	\$3,084,939	\$3,186,232	\$3,266,237
Tabor and Capital Fund Allocation	\$841,517	\$290,242	\$592,548	\$595,587	\$597,987
General Fund Surplus	\$1,219,632	\$725,808	\$492,920	\$540,707	\$616,502

This budget projects that at the end of 2027, the General Fund Surplus will have a balance of \$3,595,569. These funds can be used to fund a rainy day fund, safety improvements to US6, and other town priorities. In addition the budget assumes:

- Three percent of general fund expenses is added to the TABOR fund each year. At the end of 2027, the fund balance would be \$417,882.
- An average of \$500,000 per year of revenue is allocated to a Capital Improvement Fund to pay for startup, major road repairs and new capital projects such as US 6 safety issues, pedestrian safety, and trails and open space. At the end of 2027, \$2,500,000 is planned to have been added to this fund with a fund balance of \$1,657,000.

The town would receive intergovernmental transfers to support:

- Workforce housing which could be allocated to buy down rent for the Keystone workforce living in Keystone, provide incentives to property owners to long term rent their units, support building new workforce housing, or purchase workforce housing. At the end of 2027, the fund balance is projected to be \$4,048,661.
- Trails and open space. The town is expected to receive an annual Great Outdoor Colorado allocation to support town trails and open space. At the end of 2027, the fund balance is projected to be \$64,400.

Incorporation would add a layer of town government that does not exist today. This layer of government is estimated to cost approximately \$950,000 per year and provide a small staff to focus solely on Keystone issues. It would eliminate a level of county government oversight of the community.

Incorporation with no new taxes is only possible because tax, fee and intergovernmental transfer revenue generated in the Keystone community would remain in the community and no longer be used to meet other unincorporated Summit County requirements.

This study envisions a very lean and limited town structure, town services at a level slightly higher than exists today, and no new taxes. The approach of contracting services instead of providing the services with town staff and equipment works well for many communities. However, future elected town leadership may see a need for additional revenue streams to provide additional/enhanced services to the community. Additional taxes would require a vote of the residents of Keystone to implement.

This Feasibility Study shows that the community of Keystone can incorporate without raising taxes while maintaining at least the current level of services received from Summit County. It does not address how to use the surplus generated by incorporation or whether once

incorporated, services should be increased. It leaves those decisions to a future Town Council and the citizens of Keystone.

5. CONCLUSION

This study and the associated financial plan shows that it is possible to incorporate the Keystone Community without a tax increase while keeping current service levels constant or slightly increased. It has low financial risk. Future financial flexibility would be provided to add additional town services, reserves, and capital improvements with more than a \$3.6 million in General Fund surplus generated in the first five years in operations.

In addition, incorporation would provide the Keystone Community:

- Local Control of Zoning, Land Use and the Keystone Planned Unit Development with elected officials who live in Keystone making decisions for the community.
- Autonomy in dealing with the Colorado Division of Transportation in US 6 issues. The town would get a seat at the table in dealing with CDOT on these issues and have access to additional, funding sources to correct deficiencies that are not available to Summit County. In addition, CRS 1141, gives town's significant rights in terms of state roadways going through their towns in regards to sidewalks/town paths, right of way signage, speed control, law enforcement, and traffic control which counties do not have.
- Enhanced law enforcement for the community. The plan increases the level of policing that the community has today by providing two dedicated officers for community policing while maintaining the same level of on call policing that it has today. There are models in other communities that could be employed which would allow a 24/7 law enforcement presence in the community for about an additional \$500,000 per year.
- An Immediate \$390,000 increase in road maintenance funding for town maintained roads. The amount of road miles maintained by the town could increase from the current 7.5 miles to 14 miles, reducing owner costs and reducing the inequities which exist today in which roads the county maintains. Estimated costs per mile to plow/maintain roads were doubled.
- Startup funding of \$70,000 to assess town long term road maintenance infrastructure needs and trails and open space needs to support the Keystone Community.
- Funding of \$100,000 in 2024 to develop in partnership with Vail Resorts, a Keystone Master Plan to chart the course for the future of Keystone. This will allow the citizens of Keystone to determine what services and infrastructure they want the community to have and if additional funding is required, determine how to fund those new requirements.
- Local control of over \$900,000 in annual workforce housing funding to support workforce housing initiatives for the Keystone workforce.
- Incorporation would strengthen the community's relationship with Vail Resorts and result in a partnership focused on what is best for the Keystone Community and Keystone Resort. Both parties would be incentivized to find mutually acceptable solutions to issues facing the resort and the community.

Nothing will ever change in Keystone unless Keystone becomes a town.

Keystone Incorporation
Feasibility Study

Figures, Exhibits, and Schedules

Proposed Town of Keystone Map

EXHIBIT B

All in Township 5 South, Ranges 76 and 77 of the 6th Principal Meridian

B. Vail Summit Resorts - Tract Z in the Village at Wintergreen First Amendment Reception No. 1206102

A. Vail Summit Resorts - Old Keystone Golf Course Sub-Open Space Reception No. 553524

E. Vail Summit Resorts - Tract E in Keystone Ranch Phase I Amended Revision I Reception No. 243457

D. Vail Summit Resorts - Tract F in West Ranch Reception No. 227170

C. Vail Summit Resorts - Tract B in Mountain House at Keystone Reception No. 637475

Notes:
1. Parcel boundary data compiled from Summit County GIS data in addition to CDOT right-of-way information. Data downloaded 6/20/2022.
2. Public Land Survey System data downloaded from Bureau of Land Management on 6/20/2022.
3. Map Date: 7/27/2022.

Legend

- Proposed Boundary
- Parcels
- Township and Range Lines
- Section Lines
- Road Centerlines
- Fractional Portions of Sections

0 500 1,000 2,000 Feet
1 inch = 1,000 feet

N

Note: Parcels A-E are being excluded by Vail Resorts



Figure 1-1 Keystone Map

Figure 3-1. Keystone Active Voters (6/15/2022)

Area	HOA	Private	Total	Area Total
East Keystone				120
River Run	47	1	48	
East Keystone	65	7	72	
Central Keystone				187
Lakeside Village	32	0	32	
Central Keystone	145	10	155	
North Keystone				134
LPV/Sonne	0	64	64	
North	67	3	70	
West Keystone				214
Soda Ridge Road	40	60	100	
Ranch	68	0	68	
West Keystone	46	0	46	
Employee Housing				145
Vail Resorts		140	140	
Keystone Science School		5	5	
Workforce Housing				120
West Hills	96		96	
Wintergreen		24	24	
Total Active Voters	606	314	920	920

East Keystone: River Run and East

Central Keystone: From River Run to West Keystone Road, the Mountain and South of US 6

North Keystone: North of US 6

West Keystone: West Keystone Road to the West

Employee Housing: Employees living in company provided housing (not counted in areas)

Workforce Housing: West Hills and Wintergreen (not counted in North Keystone)

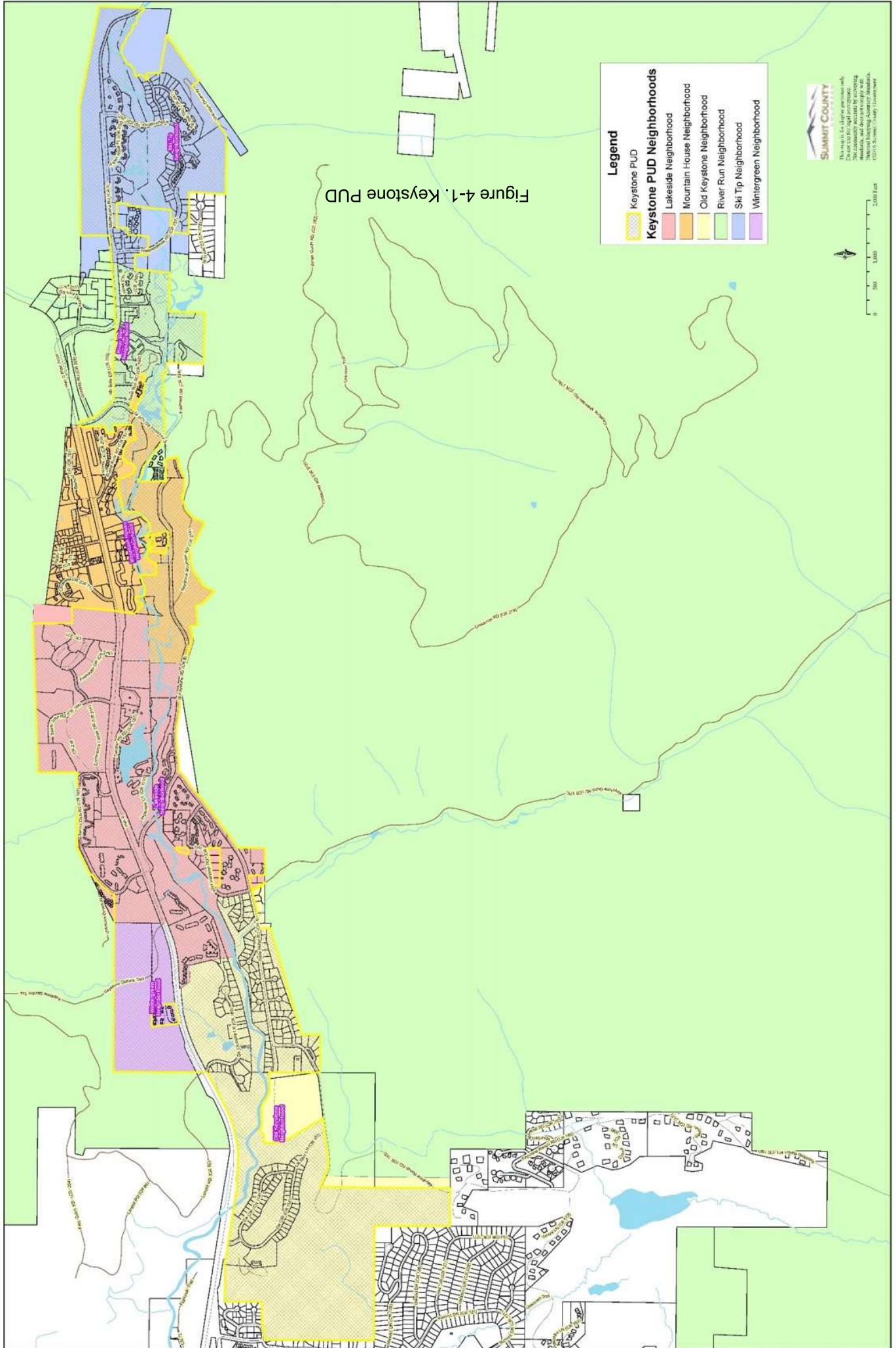
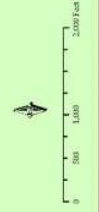


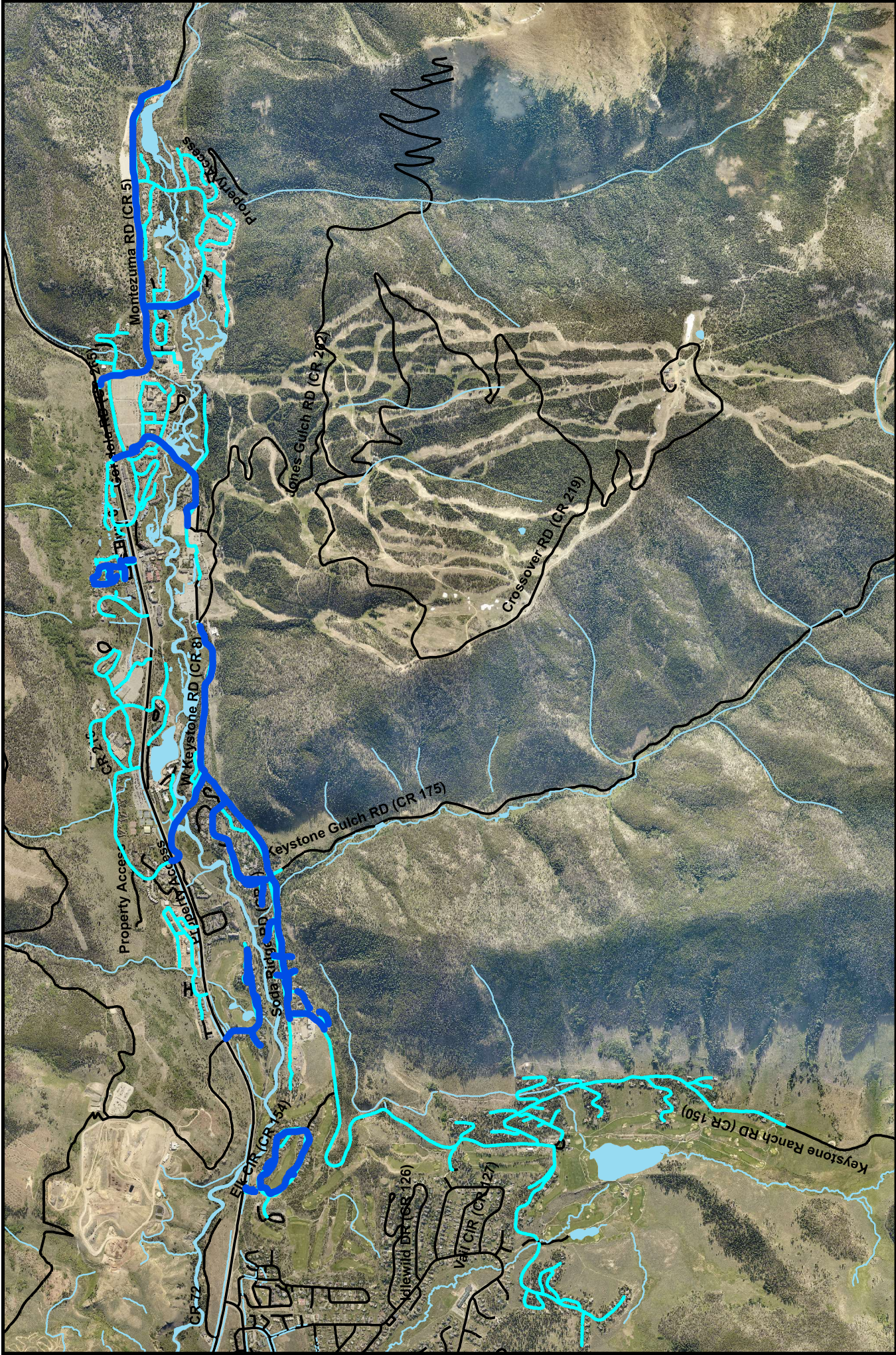
Figure 4-1. Keystone PUD

Legend

- Keystone PUD
- Keystone PUD Neighborhoods**
 - Lakeside Neighborhood
 - Mountain House Neighborhood
 - Old Keystone Neighborhood
 - River Run Neighborhood
 - Ski Tip Neighborhood
 - Wintergreen Neighborhood

SUMMIT COUNTY
 This map is for informational purposes only.
 It is not to be used for legal proceedings.
 The County is not responsible for any errors or
 omissions, and does not warrant the
 accuracy, reliability, or completeness of the
 information shown on this map.
 12/17/16, Summit County, Colorado



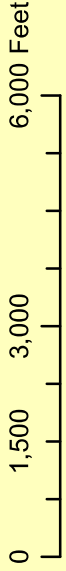


Map Created By: Eric Cottingham
 SC Road & Bridge 970-668-4087
 Eric.Cottingham@SummitCounty.CO.gov

Figure 4-2. Keystone Roads

**Roadways within the
 Keystone Community
 Used for mileage Calculations**

1 inch = 2,500 feet



This map is for display purposes only.
 Do not use for legal conveyance.
 Not necessarily accurate by surveying
 standards. It is not intended to meet
 National Mapping Accuracy Standards.
 ©2013 Summit County Government

Figure 4-3. Keystone Community Sheriff's Department Calls for Service
2020 **2021 thru 10/25**

	2020	2021 thru 10/25
Assaults Cold & In Progress	12	9
Sex Assaults	2	3
Motorist Assists	9	9
Attempt to Locate	4	4
Business & Bar Checks	18	15
Burglary	10	3
Child Abuse	1	4
Criminal Mischief	11	15
Verbal Dispute	30	23
Disorderly Conduct	11	7
Domestic Violence	23	22
Drugs	3	2
Fights	3	5
Firework Complaints	6	2
Fraud	10	16
Harrassment	17	12
Hot Calls	2	3
Hit & Run	21	9
Intox	26	25
Lost & Found	19	20
Lost & Found Weapon	6	5
Mental	3	5
MVA	26	21
Noise	41	51
Parking	10	16
Reckless	8	8
REDDI	10	8
Stolen Vehicles	3	5
Suicide Threat	10	10
Suspicious Person/Vehicle	23	30
Theft	28	26
Threat	7	7
Trespass	17	24
Traffic Stop	94	173
Weapon Call	3	0
DUI	37	5
Totals	564	602

Exhibit 1
Proposed Town of Keystone
Summary Pro Forma Budgets for Years 1-5

	2022	2023	2024	2025	2026	2027
General Fund Revenues (Schedule 1)						
Sales Tax	\$ 2,479,682	\$ 2,682,024	\$ 2,789,305	\$ 2,900,877	\$ 3,016,912	\$ 3,137,589
Intergovernmental Transfers	\$ 290,592	\$ 275,614	\$ 312,635	\$ 320,613	\$ 328,931	\$ 337,602
Fees	\$ 290,000	\$ -	\$ 335,711	\$ 352,497	\$ 370,122	\$ 388,628
Licenses	\$ 508,800	\$ 487,427	\$ 537,476	\$ 547,419	\$ 557,562	\$ 567,907
Fines	\$ 49,000	\$ -	\$ 49,000	\$ 49,000	\$ 49,000	\$ 49,000
Total General Fund Revenues	\$ 3,618,074	\$ 3,445,065	\$ 4,024,127	\$ 4,170,407	\$ 4,322,527	\$ 4,480,726
General Fund Expenditures						
Mayor and Town Council (Schedule 2)	\$ 98,400	\$ 99,445	\$ 100,484	\$ 101,555	\$ 102,658	\$ 103,793
Administrative Services (Schedule 3)	\$ 1,025,600	\$ 988,688	\$ 1,093,425	\$ 1,114,011	\$ 1,159,606	\$ 1,182,241
Community Development (Schedule 4)	\$ 590,300	\$ 211,530	\$ 640,248	\$ 661,307	\$ 680,732	\$ 700,740
Public Works (Schedule 5)	\$ 478,800	\$ 84,253	\$ 492,580	\$ 507,150	\$ 522,158	\$ 537,616
Public Safety (Schedule 6)	\$ 529,260	\$ -	\$ 660,546	\$ 679,498	\$ 699,019	\$ 719,125
Municipal Court (Schedule 7)	\$ 19,600	\$ -	\$ 20,794	\$ 21,417	\$ 22,060	\$ 22,722
Total General Fund Expenses	\$ 2,741,960	\$ 1,383,916	\$ 3,008,077	\$ 3,084,939	\$ 3,186,232	\$ 3,266,237
Gross General Fund Income	\$ 876,114	\$ 2,061,149	\$ 1,016,050	\$ 1,085,468	\$ 1,136,294	\$ 1,214,489
TABOR Fund (allocated from General Fund)						
Revenue (3% of general fund expenses)	\$ -	\$ 41,517	\$ 90,242	\$ 92,548	\$ 95,587	\$ 97,987
Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
End of Year Balance	\$ 41,517	\$ 90,242	\$ 90,242	\$ 92,548	\$ 95,587	\$ 97,987
Capital Fund (allocated from general fund)						
Revenue	\$ 800,000	\$ 200,000	\$ 200,000	\$ 500,000	\$ 500,000	\$ 500,000
Expenses	\$ 743,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -
End of Year Balance	\$ 57,000	\$ 100,000	\$ 100,000	\$ 500,000	\$ 500,000	\$ 500,000
General Fund Surplus	\$ 876,114	\$ 1,219,632	\$ 725,808	\$ 492,920	\$ 540,707	\$ 616,502
Special Fund Allocations (Schedule 8)						
Workforce Housing Fund						
Revenue (tax reduces to .125% in 2027)	\$ 898,884	\$ 972,233	\$ 1,011,122	\$ 1,051,567	\$ 1,093,630	\$ 196,099
Expenses (Housing Auth Fees)	\$ 49,000	\$ 51,984	\$ 53,544	\$ 55,150	\$ 56,804	\$ 58,509
End of Year Balance	\$ 920,249	\$ 957,579	\$ 957,579	\$ 996,417	\$ 1,036,825	\$ 137,590
Conservation/Trails Fund						
Revenue	\$ 12,920	\$ 12,920	\$ 12,920	\$ 12,920	\$ 12,920	\$ 12,920
Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
End of Year Balance	\$ 12,920	\$ 12,920	\$ 12,920	\$ 12,920	\$ 12,920	\$ 12,920
Startup Costs (paid by Capital Improvement Fund)						
Mayor and Town Council (Schedule 2)	\$ 12,000					
Administrative Services (Schedule 3)	\$ 369,500					
Community Development (Schedule 4)	\$ 7,000	\$ 100,000				
Public Works (Schedule 5)	\$ 94,500					
Public Safety (Schedule 6)	\$ 260,000					
Total Startup Costs	\$ 743,000	\$ 100,000	\$ -	\$ -	\$ -	\$ -

Schedule 1 - Town Estimated Revenue
General Fund

	Est: 2021	2023	2024	2025	2026	2027
Sales Tax *	\$ 2,479,682	\$ 2,682,024	\$ 2,789,305	\$ 2,900,877	\$ 3,016,912	\$ 3,137,589
Intergovernment Transfers						
Highway Users Tax Fund**	\$ 66,612	\$ 66,612	\$ 66,612	\$ 66,612	\$ 66,612	\$ 66,612
Cigarette Tax*	\$ 5,404	\$ 5,845	\$ 6,079	\$ 6,322	\$ 6,575	\$ 6,838
Road and Bridges Tax***	\$ 86,289	\$ 91,544	\$ 94,290	\$ 97,119	\$ 100,033	\$ 103,034
Specific Ownership Tax**	\$ 34,723	\$ 34,723	\$ 34,723	\$ 34,723	\$ 34,723	\$ 34,723
Auto Ownership Tax**	\$ 13,657	\$ 13,657	\$ 13,657	\$ 13,657	\$ 13,657	\$ 13,657
Nicotine Tax *	\$ 68,000	\$ 73,549	\$ 76,491	\$ 79,550	\$ 82,732	\$ 86,042
Intergovernmental Transfers	\$ 274,685	\$ 285,930	\$ 291,852	\$ 297,983	\$ 304,332	\$ 310,905
Fees						
Building Permits*	\$ 290,000	\$ -	\$ 326,211	\$ 339,259	\$ 352,829	\$ 366,943
Fees	\$ 290,000	\$ -	\$ 326,211	\$ 339,259	\$ 352,829	\$ 366,943
Licenses						
Short Term Rentals****	\$ 468,500	\$ 477,917	\$ 482,696	\$ 487,523	\$ 492,398	\$ 497,322
Liquor Licenses**	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800	\$ 2,800
Business Licenses**	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500	\$ 37,500
Licenses	\$ 508,800	\$ 477,917	\$ 522,996	\$ 527,823	\$ 532,698	\$ 537,622
Fines**	\$ 49,000	\$ -	\$ 49,000	\$ 49,000	\$ 49,000	\$ 49,000
Total General Fund Income	\$ 3,602,167	\$ 3,445,871	\$ 3,979,363	\$ 4,114,943	\$ 4,255,772	\$ 4,402,059
Special Funds						
Workforce Housing Fund						
Workforce Housing SalesTax*	\$ 898,884	\$ 972,233	\$ 1,011,122	\$ 1,051,567	\$ 1,093,630	\$ 1,137,375
Conservation/Trails Fund**						
GOCO Town Allocation	\$ 12,920	\$ 12,920	\$ 12,920	\$ 12,920	\$ 12,920	\$ 12,920
Total Special Fund Income	\$ 898,884	\$ 972,233	\$ 1,011,122	\$ 1,051,567	\$ 1,093,630	\$ 1,137,375
Total Town Revenue	\$ 4,501,051	\$ 4,418,104	\$ 4,990,486	\$ 5,166,510	\$ 5,349,401	\$ 5,539,434

*Assume 4% annual growth because of Kindred, future development and inflation

** Assume Flat Growth population based item

*** Assume increase same as inflation 3%

2023 Assumptions

Building Permitting begins in 2024

Short Term Rental Fee begins in Sep 2023 at current \$250 annual cost

****Short Term rental licenses increase 1% per year.

1.04

1.03

1.01

Schedule 2

Mayor and Town Council

Mayor Wages @750/mo									
Wages @\$500/mo									
Benefits (30%)									
Office Space (2 offices@\$1000/mo)									
Janitorial (\$100/mo/office)									
Supplies									
Cell phone @ \$75 (allowance)									
Council Meeting Room (2*\$250)									
Mayor and Town Council									

2022 Dollars	2023	2024	2025	2026	2027
\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000	\$ 9,000
\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000	\$ 36,000
\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500	\$ 13,500
\$ 24,000	\$ 24,720	\$ 25,462	\$ 26,225	\$ 27,012	\$ 27,823
\$ 2,400	\$ 2,472	\$ 2,546	\$ 2,623	\$ 2,701	\$ 2,782
\$ 1,200	1,273	1,311	1,351	1,391	1,433
\$ 6,300	\$ 6,300	\$ 6,300	\$ 6,300	\$ 6,300	\$ 6,300
\$ 6,000	\$ 6,180	\$ 6,365	\$ 6,556	\$ 6,753	\$ 6,956
\$ 98,400	\$ 99,445	\$ 100,484	\$ 101,555	\$ 102,658	\$ 103,793

Startup Costs

7 laptops @ \$1000	\$ 7,000
Office Furniture	\$ 5,000
Mayor and Town Council	\$ 12,000

Assume 3% inflation on office space

		2022 Dollars				
		2023	2024	2025	2026	2027
Schedule 3						
Administration Services						
Wages						
Town Mgr/Clerk	From Consultant	\$ 150,000	\$ 159,135	\$ 163,909	\$ 168,826	\$ 173,891
Asst Town Mgr/Clerk	From Consultant	\$ 85,000	\$ 90,177	\$ 92,882	\$ 95,668	\$ 98,538
Office Mgr	From Consultant	\$ 60,000	\$ 63,654	\$ 65,564	\$ 67,531	\$ 69,556
Benefits (30%)	From NWCCOG	\$ 88,500	\$ 93,890	\$ 96,706	\$ 99,608	\$ 102,596
Keystone Housing Incentive (\$500/mo per employee)	From Consultant	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000	\$ 18,000
Office Space (4 Offices@ \$1,000)	From Consultant	\$ 48,000	\$ 50,923	\$ 52,451	\$ 54,024	\$ 55,645
Janitorial (\$100/mo/office)	From Consultant	\$ 4,800	\$ 5,092	\$ 5,245	\$ 5,402	\$ 5,565
Office Supplies (All Depts)	From Consultant	\$ 3,600	\$ 3,819	\$ 3,934	\$ 4,052	\$ 4,173
Cell Phone Allowance (\$75/mo)	From Consultant	\$ 2,700	\$ 2,700	\$ 2,700	\$ 2,700	\$ 2,700
Telephone (All Depts)	From Blue River	\$ 12,000	\$ 12,731	\$ 13,113	\$ 13,506	\$ 13,911
Postage	From Consultant	\$ 2,500	\$ 2,652	\$ 2,732	\$ 2,814	\$ 2,898
Printing	From Blue River	\$ 7,000	\$ 7,426	\$ 7,649	\$ 7,879	\$ 8,115
Training (All Depts)	From Blue River (2x)	\$ 12,000	\$ 12,731	\$ 13,113	\$ 13,506	\$ 13,911
Travel/Meals/Lodging (All Depts)	From Consultant	\$ -	\$ -	\$ -	\$ -	\$ -
Local Travel	From Consultant	\$ 2,500	\$ 2,652	\$ 2,732	\$ 2,814	\$ 2,898
Professional Services/Membership Fees	From Consultant	\$ 10,000	\$ 10,609	\$ 10,927	\$ 11,255	\$ 11,593
Dues and Subscriptions	From Consultant	\$ 6,000	\$ 6,365	\$ 6,556	\$ 6,753	\$ 6,956
IT/Technology*	From Consultant	\$ 80,000	\$ 84,872	\$ 87,418	\$ 90,041	\$ 92,742
Website	From Consultant	\$ 6,000	\$ 4,917	\$ 5,065	\$ 5,217	\$ 5,373
Equipment Repairs/Leases*	From Blue River	\$ 6,500	\$ 6,896	\$ 7,103	\$ 7,316	\$ 7,535
Insurance	From Blue Riverx2	\$ 60,000	\$ 63,654	\$ 65,564	\$ 67,531	\$ 69,556
Community Engagement	From Consultant	\$ 7,500	\$ 7,957	\$ 8,195	\$ 8,441	\$ 8,695
Uniforms/Clothing	From Consultant	\$ 1,500	\$ 1,591	\$ 1,639	\$ 1,688	\$ 1,739
Elections	from Blue River	\$ 12,000	\$ 12,000	\$ -	\$ 12,000	\$ -
Town Attorney (Contract)		\$ 80,000	\$ 87,418	\$ 90,041	\$ 92,742	\$ 95,524
Smoking Cessation (from Nicotine Tax)	Based on tax receipts	\$ 68,000	\$ 76,491	\$ 79,550	\$ 82,732	\$ 86,042
Finance Director/Accounting		\$ -	\$ -	\$ -	\$ -	\$ -
Accounting (Contract)	From Consultant	\$ 60,000	\$ 65,564	\$ 67,531	\$ 69,556	\$ 71,643
Annual Audit	From consultant	\$ 16,500	\$ 17,505	\$ 18,030	\$ 18,571	\$ 19,128
Short Term Rental Contract Support	From Contractor	\$ 103,000	\$ 109,273	\$ 112,551	\$ 115,927	\$ 119,405
Administrative Services Cost		\$ 1,025,600	\$ 1,093,425	\$ 1,114,011	\$ 1,159,606	\$ 1,182,241
Startup Costs						
Computers/Laptops		\$ 4,500				
IT Infrastructure/Set up		\$ 100,000				
Website	Per Consultatn	\$ 15,000				
Facility Modifications		\$ 50,000				
Office Furniture		\$ 20,000				
Startup Office Supplies		\$ 10,000				
Town Signage		\$ 30,000				
Repayment for Incorporation Costs		\$ 140,000				
Administrative Services Startup Costs		\$ 369,500				

*Assume in 2023 that services are in place for 9 months
Assume 3% inflation

Schedule 4

Community Development Budget

	Source	2022	2023	2024	2025	2026	2027
Wages							
Director		\$ 130,000	\$ 66,950	\$ 137,917	\$ 142,055	\$ 146,316	\$ 150,706
Planner 2		\$ 80,000	\$ 41,200	\$ 84,872	\$ 87,418	\$ 90,041	\$ 92,742
Benefits (30%)		\$ 63,000	\$ 32,445	\$ 66,837	\$ 68,842	\$ 70,907	\$ 73,034
Keystone Housing Incentive		\$ 12,000	\$ 6,000	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000
Building Permit/Inspections	Contracted from Summit County	\$ 232,000	\$	\$ 260,968	\$ 271,407	\$ 279,549	\$ 287,936
Office Space (3)		\$ 36,000	\$ 37,080	\$ 38,192	\$ 39,338	\$ 40,518	\$ 41,734
Janitorial (\$100/mo/office)		\$ 3,600	\$ 3,708	\$ 3,819	\$ 3,934	\$ 4,052	\$ 4,173
GIS	Based on Dillon Costs	\$ 8,000	\$ 4,120	\$ 8,487	\$ 8,742	\$ 9,004	\$ 9,274
Professional Services	From Consultant	\$ 10,000	\$ 10,300	\$ 10,609	\$ 10,927	\$ 11,255	\$ 11,593
Planning Supplies/Printing	From Consultant	\$ 5,000	\$ 2,575	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,796
Dues and Subscriptions	From Consultant	\$ 1,000	\$ 1,030	\$ 1,061	\$ 1,093	\$ 1,126	\$ 1,159
Local Travel	From Consultant	\$ 2,500	\$ 1,250	\$ 2,652	\$ 2,575	\$ 2,652	\$ 2,732
Cell Phone Allowance (\$75/mo)		\$ 1,800	\$ 900	\$ 1,800	\$ 1,800	\$ 1,800	\$ 1,800
Meeting Room-Planning Commission		\$ 3,000	\$ 1,500	\$ 3,183	\$ 3,090	\$ 3,183	\$ 3,278
Communications		\$ 2,400	\$ 2,472	\$ 2,546	\$ 2,623	\$ 2,701	\$ 2,782
Community Development		\$ 590,300	\$ 211,530	\$ 640,248	\$ 661,307	\$ 680,732	\$ 700,740

Startup costs

Comprehensive Use Plan	From Consultant	\$	\$	\$ 100,000			
Computers		\$ 3,000					
Office Furniture		\$ 4,000					

Community Development

		\$ 7,000	\$	\$ 100,000			
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Assume 3% inflation

1.03

Assume 4% growth in Building permits

1.04

Schedule 5

Public Works Budget

Wages

	2022 Dollars	2023	2024	2025	2026	2027
Public Works Director	\$ 80,000	\$ 41,200	\$ 84,872.00	\$ 87,418	\$ 90,041	\$ 92,742
Benefits (30%)	\$ 24,000	\$ 12,360	\$ 25,462	\$ 26,225	\$ 27,012	\$ 27,823
Keystone Housing Incentive	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000	\$ 6,000
Office Space (1) (\$1000/mo/office	\$ 12,000	\$ 12,360	\$ 12,731	\$ 13,113	\$ 13,506	\$ 13,911
Janitorial (\$100/mo/office)	\$ 1,200	\$ 1,236	\$ 1,273	\$ 1,311	\$ 1,351	\$ 1,391
Cell Phone Allowance (\$75/mo)	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900	\$ 900
Communications	\$ 2,400	\$ 2,472	\$ 2,546	\$ 2,623	\$ 2,701	\$ 2,782
Professional Services	\$ 10,000	\$ 5,150	\$ 10,609	\$ 10,927	\$ 11,255	\$ 11,593
Planning and Printing Supplies	\$ 5,000	\$ 2,575	\$ 5,305	\$ 5,464	\$ 5,628	\$ 5,796
Road Maintenance/Snow Plowing Contracts						
Loveland Pass Village	\$ 30,000	\$	\$ 31,827	\$ 32,782	\$ 33,765	\$ 34,778
Keystone Roads- Currently County Maintained	\$ 70,000	\$	\$ 74,263	\$ 76,491	\$ 78,786	\$ 81,149
Roads not County Maintained	\$ 143,000	\$	\$ 151,709	\$ 156,260	\$ 160,948	\$ 165,776
Asphalt Crack Seal	\$ 14,300	\$	\$ 15,171	\$ 15,626	\$ 16,095	\$ 16,578
Noxious Weed Control	\$ 15,000					
Other Maintenance	\$ 35,000	\$	\$ 37,132	\$ 38,245	\$ 39,393	\$ 40,575
Signage	\$ 10,000	\$	\$ 10,927	\$ 11,255	\$ 11,593	\$ 11,941
Engineering Services	\$ 20,000	\$	\$ 21,855	\$ 22,510	\$ 23,185	\$ 23,881
Public Works Costs	\$ 478,800	\$ 84,253	\$ 492,580	\$ 507,150	\$ 522,158	\$ 537,616

Startup Costs

Computers	\$ 2,000					
Office Furniture	\$ 2,500					
Engineering assessment Town maintained Roads	\$ 40,000					
Flood Plain Plan	\$ 20,000					
Trails and Open Space Master Plan	\$ 30,000					
Public Works	\$ 94,500					

Note: Assume an annual inflation

3%

1.03

1.03

1.03

1.03

1.03

Schedule 6

	2022 Dollars	2023	2024	2025	2026	2027
Public Safety						
Communications	\$ 22,000		\$ 28,600	\$ 29,458	\$ 30,342	\$ 31,252
Contract Support (based on Minturn)	\$ 380,000		\$ 494,000	\$ 508,820	\$ 524,085	\$ 539,807
Housing Incentive	\$ 28,800		\$ 28,800	\$ 28,800	\$ 28,800	\$ 28,800
Vehicle Fuel	\$ 8,000		\$ 10,400	\$ 10,712	\$ 11,033	\$ 11,364
Vehicle Maintenance	\$ 5,000		\$ 6,500	\$ 6,695	\$ 6,896	\$ 7,103
Supplies, Uniforms, Certs	\$ 2,000		\$ 2,600	\$ 2,678	\$ 2,758	\$ 2,841
Municipal Emergency Reaction Team	\$ 5,000		\$ 6,500	\$ 6,695	\$ 6,896	\$ 7,103
Hazmat	\$ 3,000	From Consultant	\$ 3,090	\$ 3,183	\$ 3,278	\$ 3,377
Office Space (3 offices@\$1000)	\$ 36,000	From Consultant	\$ 38,192	\$ 39,338	\$ 40,518	\$ 41,734
Janitorial (\$100/mo/office)	\$ 3,600	From consultant	\$ 3,819	\$ 3,934	\$ 4,052	\$ 4,173
Code Enforcement	\$ 32,500	From Consultant	\$ 34,479.25	\$ 35,514	\$ 36,579	\$ 37,676
Animal Control	\$ 3,360		\$ 3,565	\$ 3,672	\$ 3,782	\$ 3,895

Public Safety \$ 529,260 \$ - \$ 660,546 \$ 679,498 \$ 699,019 \$ 719,125

Startup Costs

2 Vehicles and equipment \$ 260,000

Note: Minturn contract support costs includes 24/7 on call coverage, plus 2 full time deputies, communications, vehicle support, supplies and uniforms
 Note: Per Summit County Sheriff the CSP and county are shifting to a 1200 per month housing incentive for sworn officers

Per Summit County Sheriff expect costs to initial increase by 30% due to labor and material cost increases

Assume Inflation at 3% 1.03

**Schedule 7
Municipal Court**

	2022 Dollars	2023	2024	2025	2026	2027
Judge	\$ 6,500	\$ 6,896	\$ 7,103	\$ 7,316	\$ 7,535	
Prosecutor	\$ 9,600	\$ 10,185	\$ 10,490	\$ 10,805	\$ 11,129	
Court Room	\$ 3,000	\$ 3,183	\$ 3,278	\$ 3,377	\$ 3,478	
Administration	\$ 500	\$ 530	\$ 546	\$ 563	\$ 580	
Municipal Court Costs	\$ 19,600	\$ 20,794	\$ 21,417	\$ 22,060	\$ 22,722	

Town Clerk will be the Court Magistrate, wages captured in Administration
 Assume 3% inflation 1.03

**Schedule 8
Special Funds**

	2021 Dollars	2023	2024	2024	2026	2027
Workforce Housing Fund						
Revenue* (tax reduces to .125% in 2027)	\$ 898,884	\$ 972,233	\$ 1,011,122	\$ 1,051,567	\$ 1,093,630	\$ 196,099
Expenses** (Housing Auth Fees)	\$ 49,000	\$ 51,984	\$ 53,544	\$ 55,150	\$ 56,804	\$ 58,509
End of Year Balance		\$ 920,249	\$ 957,579	\$ 996,417	\$ 1,036,825	\$ 137,590
Conservation/Trails Fund						
Revenue	\$ 12,920	\$ 12,920	\$ 12,920	\$ 12,920	\$ 12,920	\$ 12,920
Expenses		\$ -	\$ -	\$ -	\$ -	\$ -
End of Year Balance		\$ 12,920	\$ 12,920	\$ 12,920	\$ 12,920	\$ 12,920

* Annually increases by 3% inflation and 1% Growth 1.04

** Annually increases by 3% inflation 1.03