CITY OF CENTRAL, COLORADO
NOTICE OF A REGULAR MEETING of the CITY COUNCIL to be held on
Tuesday, October 4, 2016 @ 7:00 p.m.
141 Nevada Street, Central City, Colorado
AGENDA

The City Council meeting packets are prepared several days prior to the meetings and available for public inspection at City Hall during normal business hours the Monday prior to the meeting. This information is reviewed and studied by the City Council members, eliminating lengthy discussions to gain basic understanding. Timely action and short discussion on agenda items does not reflect lack of thought or analysis. Agendas are posted on the City’s website, the City Hall bulletin board and at the Post Office the Friday prior to the Council meeting.

7:00pm Council Meeting

1. Call to Order.

2. Roll Call.
   Mayor Ron Engels
   Mayor Pro-Tem Kathy Heider
   Council members Shirley Voorhies
   Judy Laratta
   Jeff Aiken

3. Pledge of Allegiance

4. Additions and/or Amendments to the Agenda.

5. Conflict of Interest.

6. Consent Agenda: The Consent Agenda contains items that can be decided without discussion. Any Council member may request removal of any item they do not want to consider without discussion or wish to vote no on, without jeopardizing the approval of other items on the consent agenda. Items removed will be placed under Action items in the order they appear on the agenda (this should be done prior to the motion to approve the consent agenda).

   Regular Bill lists through September 28; and
   City Council minutes; September 20, 2016.

PUBLIC FORUM/AUDIENCE PARTICIPATION — (public comment on items on the agenda not including Public Hearing items): the City Council welcomes you here and thanks you for your time and concerns. If you wish to address the City Council, this is the time set on the agenda for you to do so. When you are recognized, please step to the podium, state your name and address then address the City Council. Your comments should be limited to three (3) minutes per speaker. The City Council may not respond to your comments this evening, rather they may take your comments and suggestions under advisement and your questions may be directed to the City Manager for follow-up. Thank you.

PUBLIC HEARING —

7. Ordinance No. 16-03: An ordinance of the City Council of the City of Central, Colorado adopting a New Article XIII of Chapter 16 of the Central City Municipal Code titled Quartz Hill Overlay District and Adopting Regulations Pertaining to the Overlay District. (Rears)

ACTION ITEMS: NEW BUSINESS —

8. 2015 Audit Presentation (Adame)

9. Resolution No. 16-24: A resolution of the City Council of the City of Central, Colorado approving an agreement with Prospector’s Run Homeowners Association, Inc. for snow removal services. (Hoover)

10. Resolution No. 16-28: A resolution of the City Council of the City of Central, Colorado approving a Settlement Agreement with the U.S. Environmental Agency regarding the Quartz Hill Tailings Pile. (McAskin)
11. **Resolution Nc. 16-30**: A resolution of the City Council of the City of Central, Colorado adopting the 2016 Gilpin County Hazard Mitigation Plan. (Allen)

12. **Ordinance No. 16-04**: An ordinance of the City Council of the City of Central, Colorado amending Article V of Chapter 6 of the central City Municipal Code regarding Annual License Fees and Gaming Device Fees. (McAskin)

13. **Wayfinding signs** (Rears)

**REPORTS**

14. **Staff updates**

**COUNCIL COMMENTS** - limited to 5 minutes each member.

**PUBLIC FORUM/AUDIENCE PARTICIPATION** – for non-action items not Action or Public Hearing items on this agenda (same rules apply as outlined in the earlier Public Forum section).

**ADJOURN.** Next Council meeting October 18, 2016.

Please call Reba Bechtel, City Clerk at 303-582-5251 at least 48 hours prior to the Council meeting if you believe you will need special assistance or any reasonable accommodation in order to be in attendance at or participate in any such meeting.
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Grand Totals:  

109,265.37
### CITY OF CENTRAL
### CREDIT CARD PURCHASES

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**TOTAL for Credit Cards**

3,064.23

**Total for All Cards**

3,064.23
CALL TO ORDER
A regular meeting of the City Council for the City of Central was called to order by Mayor Engels at 7:06 p.m., in City Hall on September 20, 2016.

ROLL CALL
Present: Mayor Engels
Mayor pro tem Heider
Alderman Laratta
Alderman Aiken

Absent: Alderman Voorhics

Staff Present: City Manager Miera
Attorney McAskin
City Clerk Bechtel
Finance Director Adame
Community Development Director Rears
Public Works Director Hoover
Fire Chief Allen
Acting Police Chief Stanton

The Pledge of Allegiance was recited by all present.

ADDITIONS AND/OR AMENDMENTS TO THE AGENDA
The agenda was approved as presented.

CONFLICTS OF INTEREST
No Council Member disclosed a conflict regarding any item on the agenda.

CONSENT AGENDA
Alderman Laratta moved to approve the consent agenda containing the regular bill lists through September 15, and the City Council minutes for the meeting on August 16, 2016. Mayor pro tem Heider seconded, and without discussion, the motion carried unanimously.

PUBLIC FORUM/AUDIENCE PARTICIPATION
No one requested time to address the Council.

ACTION ITEMS: NEW BUSINESS
Appointment of Alternate to Historic Preservation Commission – Pam Deck
Mayor pro tem Heider thanked Ms. Deck for her interest in serving on this commission and offered that she would prefer to have a resident in a historic home serve on this commission and suggested that Council encourage other applicants. Consensus from Council is to have staff repost the vacancy.

Resolution No. 16-25: A resolution of the City Council of the City of Central, Colorado approving a Community Development Block Grant Disaster Recovery (CDBG-DR) Resiliency
Planning Grant Agreement with the State of Colorado, Department of Local Affairs (Project/Award Number CDBG-DR P16-043).

CDD Rears explained that this resolution will direct the City Manager to sign the grant contract, once the fully executed Community Development Block Grant Disaster Recovery grant has been received.

The purpose of this grant is hire a consultant for the City to address the potential for damage, access issues, equipment shortages, alternative transportation routes, and community communications needs as highlighted by both the 2013 and later hillside collapse that isolated the community. No City funds will be devoted towards this grant since the federal funding of $75,000 does not require a match. The RFP was issued on July 25, 2016 and it closed on August 25, 2016. Following the weighted review of the three consultant firms who submitted a valid bid; Michael Baker International, Inc. was selected by staff to perform the work for a total cost of $74,836.00, so the City is prepared to hire a consultant once the contract is signed by appropriate State representatives.

This work is estimated to start in October and be completed in six-months so that the findings can be incorporated into the Comprehensive Plan.

The City is receiving a great financial benefit for no cost. Staff alone would be unable to provide the technical expertise required as part of this grant. Staff recommends for approval of the attached contract.

Mayor pro tem Heider moved to approve Resolution No. 16-25: A resolution of the City Council of the City of Central, Colorado approving a Community Development Block Grant Disaster Recovery (CDBG-DR) Resiliency Planning Grant Agreement with the State of Colorado, Department of Local Affairs (Project/Award Number CDBG-DR P16-043). Alderman Laratta seconded, and without discussion, the motion carried unanimously.

Resolution No. 16-26: A resolution of the City Council of the City of Central, Colorado approving a Professional Consulting Services Agreement with Michael Baker International, Inc. for Project No. 2016-Cd-02 (Disaster Resiliency & Recovery Master Plan).

CDD Rears explained this resolution will allow the Mayor to sign the contract with the consultant to complete a Resiliency Planning Grant.

The purpose of this grant is for the City to address the potential for damage, access issues, equipment shortages, alternative transportation routes, and community communications needs as highlighted by both the 2013 and later hillside collapse that isolated the community. No City funds will be devoted towards this grant since the federal funding of $75,000 does not require a match. The RFP has been issued and has closed, so the City is prepared to hire a consultant once the contract is signed by appropriate State representatives.

This work is estimated to start in October and be completed in six-month so that the findings can be incorporated into the Comprehensive Plan.

The City is receiving a great financial benefit for no cost. Staff alone would be unable to provide the technical expertise required as part of this grant. Staff recommends for approval of the attached contract.

Mayor pro tem Heider moved to approve Resolution No. 16-26: A resolution of the City Council of the City of Central, Colorado approving a Professional Consulting Services Agreement with Michael Baker International, Inc. for Project No. 2016-Cd-02 (Disaster Resiliency & Recovery Master Plan).
Master Plan). Alderman Laratta seconded, and without discussion, the motion carried unanimously.

Ordinance No. 16-03: An ordinance of the City Council of the City of Central, Colorado Adopting a New Article XIII of Chapter 16 of the Central City Municipal Code titled Quartz Hill Overlay District and Adopting Regulations Pertaining to the Overlay District. CDD Rears explained that Ordinance will create a potential Zoning District Overlay over the rock cap on Quartz Hill to add additional review and oversite at a local level ensuring the environmental remediation project is protected.

In 2014, the CDPHE along with the EPA covered the Nevada Gulch/Quartz Hill tailings pile in an attempt to mitigate the effects this material had on the ground and surface water. Prior to the City acquiring the Big-T property earlier this year and during our due diligence phase it was discovered that a number of Federal and State liens as well as ongoing liability concerns remained with the site.

In order to protect the City from those costs and liability concerns, the City through negotiations with both the CDPHE and EPA came to a mutually beneficial agreement. Part of that agreement includes this proposed overlay district.

The overlay district does not change the underlying zoning district, but adds additional requirements if potential development, specifically soil-disturbing activity were to occur in the area covered by the rock cap. Essentially a special Overlay District Permit would be required before any activity could occur in order to protect the integrity of the project and the environment.

The Central City Planning Commission reviewed this request on September 7, 2016 and voted unanimously to recommend adoption by City Council. Staff also supports the adoption of this Ordinance.

Mayor Engels added that Special Counsel reviewed this thoroughly at the Work Session this evening.

Mayor pro tem Heide: moved to adopt Ordinance No. 16-03: An ordinance of the City Council of the City of Central, Colorado Adopting a New Article XIII of Chapter 16 of the Central City Municipal Code titled Quartz Hill Overlay District and Adopting Regulations Pertaining to the Overlay District and set the Public Hearing for October 4, 2016 at 7:00pm. Alderman Laratta seconded, and without discussion, the motion carried unanimously.

Resolution No. 16-27: A resolution of the City Council of the City of Central, Colorado conditionally approving a Special Review Use Permit for an Oneness Center on property located within the Historic Downtown Gaming (HDG) Zone District and located at 130 Main Street. CDD Rears reviewed the background and criteria for approval as follows: 7 Healing Stars is proposing to use the former Scarlett’s Casino addressed 130 Main Street, for an Oneness, Cultural Arts, Event, Medical and Entertainment Center.

- Jan 1992 – The City approved the Special Review Use permitting a casino, dance floor, retail space and bar/restaurant.
- Their use will be fully contained within the building, with the exception of parking/shuttle activities.
- No Historic Preservation Commission review is required because there are no proposed structures as part of this application.
- Section 16-2-50 of the Central City Municipal Code allows retail, eating and drinking, medical, personal service, recreation centers, movie theaters, personal services, convention centers by Special Review and Section 16-4-60 addresses the requirements in evaluating a Special Review.
- Central City LLC (Goltra) is the owner of the property and the applicant is under lease for the property.
- Planning Commission reviewed this proposed use preliminarily on August 3, 2016 and formally on September 7, 2016 during a notice Public Hearing.
- A design/use review meeting was held on August 29, 2016 where all City departments and outside agencies were invited to attend.
- Staff has authorized two temporary uses of this space for this purpose. The first occurred on June 4th and the second will occur on September 17th.

Staff received the list of property owners from the applicant and public notices were mailed to the addressed provided on August 18, 2016. The property was posed on August 11, 2016 and the public notice was published in the Weekly-Register Call on August 18, 2016.

Special Review Use:
Purpose – Section 16-4-10 - Although each zoning district is primarily intended for a predominant type of use (such as dwellings in residential districts), there are a number of uses which may or may not be appropriate in a particular district depending upon, for example, the location, nature of the proposed use, character of surrounding development, traffic capacities of adjacent streets and potential environmental effects. These factors may dictate that the circumstances of development should be individually reviewed. It is the purpose of this Chapter to provide review of such uses so that the community is assured that such uses are compatible with their locations and surrounding land uses and will further the purposes of this Chapter.

Prior to issuance of a building permit and use of the property the applicant shall comply with the following conditions of approval:
1) Plans shall be provided showing the proposed use and configuration of each space detailing the square footage and occupancy load as required per Section 16-9-70 Building permits. In cases of shared uses the more restrictive occupancy load shall be set. The Subject Property shall comply with all adopted building and fire codes of the City.
2) Uses permitted under the SRU Permit shall be limited to the following Social, Medical, Entertainment & Sales:

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<td>Symposium</td>
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<td>Haunted House (Halloween)</td>
<td>Vendor &amp; Retail Sales</td>
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<td>Conventions</td>
<td>Massage</td>
<td>Live Performances</td>
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<tr>
<td>Weddings/ Galas/ Receptions</td>
<td>Reiki</td>
<td>Lunic Light Sculptures</td>
<td>Ticket Sales</td>
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<td>Business &amp; Social Meetings</td>
<td>Sound and vibrational healing / Meditation</td>
<td>Movies Shown</td>
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<tr>
<td>Inspirational Speakers</td>
<td>Kirtan and devotional chanting</td>
<td>Art Display</td>
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CC Minutes 9/20/2016
3) All Federal, State and local regulations and code requirements shall be met including, but not limited to the following:
   a. All medical procedures performed on the Subject Property shall be done in full compliance with all applicable requirements established by the State of Colorado, DORA and shall be administered exclusively by a licensed practitioner.
   b. The use or sale of marijuana or marijuana products is prohibited. Marijuana shall have the same meaning as set forth in Amendment 64, or as may be more fully defined in the Colorado Retail Marijuana Code, and shall include the term medical marijuana, as defined at C.R.S. § 12-43.3-104(7).
   c. Both Gilpin County Public Health and BH/CC Sanitation District shall provide written approval prior to the establishment of any food service on the Subject Property.

4) Parking shall be provided meeting the requirements of Section 16-6-10 of the Municipal Code and the provision and maintenance of the Dedicated Parking Area, as defined below, shall be the continuing obligation of the owner of the Subject Property, as required by Section 16-6-50(a) of the Municipal Code. It is understood that the Applicant is proposing to use the Dedicated Parking Area and no capital improvement changes are planned as part of the Application.

5) During events at which the Applicant or Community Development Director anticipates that more than 300 participants may be in attendance, including but not limited to conferences, haunted house, receptions, and live music performances, the following conditions shall apply:
   a. Attendees shall be directed to utilize the dedicated parking area adequate for the number of attendees and staff. The dedicated parking area currently under lease by the Applicant is the property commonly known as the Greek Lots which can accommodate up to 650 vehicles (the “Dedicated Parking Area”).
   b. Temporary signage shall be installed at the Applicant’s sole cost and expense directing traffic to the Dedicated Parking Area just prior to and during an event. The signage shall be removed promptly by the Applicant following each event.
   c. The primary event sponsor on-site shall provide a direct means of communication to emergency responders.
   d. The Dedicated Parking Area shall be supervised during the event and a restroom or port-a-potty shall be provided within the boundaries of the Dedicated Parking Area for each event.
   e. A shuttle shall be provided with the one drop-off/pick-up location on Main Street and the Dedicated Parking Area.
   f. A BLS or ACLS certified first responders team shall be in place.
   g. A trained security team shall be in place.
   h. All disorderly or unlawful activity under federal, state or local law shall be reported to law enforcement as required by Section 10-2-50 of the Municipal Code.

6) All activity shall be contained fully within the building, unless a separate Special Event Permit is obtained from the City for a one-time activity.

7) No residential use of any portion of the Subject Property or any area covered by the SRU Permit is permitted.

8) While the use of the building involves live or recorded music, the exterior doors/windows of the building shall remain closed.

CC Minutes 9/20/2016
a. The sound level on the exterior of the building, measured at the center of Main Street shall not exceed 55 db (A) from 7 p.m. to 7 a.m in accordance with the requirements set forth in Section 7-2-210 of the Municipal Code.

9) No exterior alterations of the building shall be permitted, though signage maybe placed on the exterior in compliance with Chapter 14 of the Municipal Code.

10) Any required tax or fee shall be collected for use(s) on site as required by Municipal Code Chapter 4.

11) Alterations to the approval are limited to minor changes as described in Section 16-4-70 of the Municipal Code.

12) The Community Development Director or his designee may inspect the Subject Property during normal business hours in order to verify that Applicant is complying with the conditions of approval.

13) In the event of noncompliance by the Applicant with these conditions of approval, or any term or condition to be set forth in the written agreement to be entered into by the City and the Applicant as required by Section 16-4-50 of the Municipal Code, the Community Development Director will notify the Applicant in writing and may proceed to schedule the SRU for further review by the Planning Commission and the City Council, as authorized by Section 16-4-90(a) of the Municipal Code. Upon such review and after notice provided to the Applicant, the City Council upon recommendation by the Planning Commission shall be authorized to revoke the previously approved SRU or otherwise amend the conditions set forth above.

Jomar Suarez, owner of 7 Healing Stars, added that his team has worked very hard to bring this proposal forward and the residents have been very encouraging. This is Phase 1 of a three phase concept.

Mayor Engels opened the Public Hearing at 7:47 pm. Hearing no comment, Mayor Engels closed the Public Hearing at 7:48 pm.

Alderman Aiken and Mayor pro tem Heider stated that they are pleased to see this building in use.

Attorney McAskin added that the upcoming revisions to the Comp Plan/Zoning will streamline this process for new business.

Mayor pro tem Heider moved to approve Resolution No. 16-27: A resolution of the City Council of the City of Central, Colorado conditionally approving a Special Review Use Permit for an Oneness Center on property located within the Historic Downtown Gaming (HDG) Zone District and located at 130 Main Street. Alderman Laratta seconded, and without discussion, the motion carried unanimously.

Acceptance of 2016 CIRSA Property/Casualty & WC Quotes
Finance Director Adame explained that the City has received CIRSA’s Preliminary Contribution Quotes for 2017 Property/Casualty and Workers’ Compensation Insurance coverage. In order for CIRSA to finalize the Quotes it is necessary for City Council to formally accept the quotes. By doing so, Council is choosing the City’s insurance carrier for Property/Casualty and Workers’ Compensation for 2017. CIRSA requires acceptance of their Preliminary Quotations by September 30, 2016.
Property/Casualty – The Preliminary 2017 Quote is $89,940. This is an increase of 20% or $15,263 from 2016’s accepted premium amount. This quote reflects an increase of the property values to $3,819,605 according to a property appraisal done by CBIZ in 2015. There was also another increase in the property values due to the addition of the Belvidere Theatre & Storage Building. This value increase for the additions was $2,700,000. Also, the replacement value of our fire trucks increased from $990,217 to $2,270,000.

Workers’ Compensation – The Preliminary 2017 quote is $37,786. This is a decrease of 19% ($9,149) from 2016’s accepted premium amount. This quote is reflective of a decrease in CIRSA rates as well as a significant improvement in the City’s Experience Modifier.

In May, the Finance Director prepares and submits to CIRSA information regarding the City’s plans for personnel costs, property and equipment in the following year. CIRSA then uses this information along with the City’s loss and claims history to prepare quotes for Property/Casualty and Workers’ Compensation insurance coverage. Quotes are then submitted to City Council for formal approval. Once accepted by City Council, staff executes the Acceptance Form and returns it to CIRSA thereby committing to the quoted coverage for the following year.

The City did not request bids from other insurance agencies for 2017 because CIRSA is a preferred insurance provider for municipalities based on the advantages of participating in a pooled insurance group where all losses and gains are spread equally among all members. This method of pooling gains and losses generally equates to better pricing.

Mayor pro tem Heider moved to accept the Property/Casualty and Workers’ Compensation Preliminary Contribution Quotations for 2017. Alderman Laratta seconded, and without discussion, the motion carried unanimously.

REPORTS
Staff updates – Memo – Hazard Mitigation Plan
Fire Chief Allen reviewed the highlights to the plan which will come forward at the October 4th meeting and encouraged Council to review the full plan which can be found on the website.

COUNCIL COMMENTS
Alderman Laratta thanked Public Works Director Hoover for the signs on Pine Street which prevents truck traffic.

PUBLIC FORUM/ AUDIENCE PARTICIPATION
Pam Deck, new property owner, thanked Council for the new sidewalks. Mayor Engels welcomed her to the City.

EXECUTIVE SESSION
At 8:05 p.m., Mayor pro tem Heider moved to adjourn to Executive Session pursuant to C.R.S. Section 24-6-402(4)(b) for legal advice on specific legal questions related to the process to include and exclude property from the boundaries of a business improvement district; and pursuant to C.R.S. Section 24-6-402(4)(b) for legal advice on specific legal questions related to the license fee and gaming device fee imposed pursuant to Article V of Chapter 6 of the Municipal Code. Alderman Laratta seconded, and without discussion, the motion carried unanimously.
The next regular Council meeting is scheduled for October 4, 2016 at 7:00 p.m.

Ronald E. Engels, Mayor

Reba Bechtel, City Clerk
AGENDA ITEM # 7
CITY COUNCIL COMMUNICATION FORM

FROM: Ray W. Rears, Community Development Director
CC: Daniel Miera, City Manager
DATE: October 4, 2016

ITEM: Ordinance 16-03: An ordinance of the City Council of the City of Central, Colorado Adopting a New Article XIII of Chapter 16 of the Central City Municipal Code titled Quartz Hill Overlay District and Adopting Regulations Pertaining to the Overlay District

NEXT STEP: Provide Comment -- Second Reading & Public Hearing

___X___ ORDINANCE
___X___ MOTION
___ ___ INFORMATION

I. REQUEST OR ISSUE:

Creation of a potential Zoning District Overlay over the rock cap on Quartz Hill to add additional review and oversight at a local level ensuring the environmental remediation project is protected.

This is the second reading of Ordinance 16-03 and was presented to Council on September 20.

II. BACKGROUND INFORMATION:

In 2014, the CDPHE along with the EPA covered the Nevada Gulch/Quartz Hill tailings pile in an attempt to mitigate the effects this material had on the ground and surface water. Prior to the City acquiring the Big-T property earlier this year and during our due diligence phase it was discovered that a number of Federal and State liens as well as ongoing liability concerns remained with the site.

In order to protect the City from those costs and liability concerns the City through negotiations with both the CDPHE and EPA came to a mutually beneficial agreement. Part of that agreement includes this proposed overlay district.

The overlay district does not change the underlying zoning district, but adds additional requirements if potential development, specifically soil-disturbing activity were to occur in the area covered by the rock cap. Essentially a special Overlay District Permit would be required
before any activity could occur in order to protect the integrity of the project and the environment.

The Central City Planning Commission reviewed this request on September 7, 2016 and voted unanimously to recommend adoption by City Council. Staff also supports the adoption of this Ordinance.

III. **FISCAL IMPACTS:** No direct costs.

IV. **RECOMMENDED ACTION / NEXT STEP:** Conduct a Public Hearing and adopt Ordinance 16-03.

V. **LEGAL ISSUES:** Failure to adopt this ordinance and overlay district could jeopardize our overall agreement with the EPA/CDPHE.

VI. **CONFLICTS OR ENVIRONMENTAL ISSUES:** Adoption of this Ordinance will help protect the work performed on Quartz Hill, which will help protect the environment.

VII. **SUMMARY AND ALTERNATIVES:**

1. Adopt Ordinance 16-03
2. Deny Ordinance 16-03
3. Suggest changes and continue to the October 18th meeting.
CITY OF CENTRAL, COLORADO
ORDINANCE 16-03

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CENTRAL, COLORADO ADOPTING A NEW ARTICLE XIII OF CHAPTER 16 OF THE CENTRAL CITY MUNICIPAL CODE TITLED QUARTZ HILL OVERLAY DISTRICT AND ADOPTING REGULATIONS PERTAINING TO THE OVERLAY DISTRICT

WHEREAS, the Quartz Hill tailings impoundment was developed in the 1930s and 1940s as a result of the discharge from mills that processed the gold ore extracted from numerous mines in the vicinity of Central City; and

WHEREAS, after mill operations ceased, the tailings impoundment was re-graded into an approximately 500,000 cubic yard pile with steep slopes covering approximately five acres; and

WHEREAS, in accordance with authority provided in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq. (CERCLA), the U.S. Environmental Protection Agency (EPA) prepared a Record of Decision (ROD) for Operable Unit 3 of the Central City/Clear Creek Superfund Site; and

WHEREAS, the ROD calls for in-place capping of the Quartz Hill tailings pile to stabilize the pile and improve Clear Creek surface water quality by preventing surface water from contacting mine waste; and

WHEREAS, following years of City and other stakeholder input, the Colorado Department of Public Health and Environment ("CDPHE") completed the Quartz Hill Remediation Project in August of 2014; and

WHEREAS, the Quartz Hill Remediation Project consisted of re-grading the tailings pile, construction of a new storm sewer, and placement of a geotextile and rock cover; and

WHEREAS, disruption of the geotextile and rock cover and site drainage could result in mine tailings exposure and impacts to surface water; and

WHEREAS, CDPHE maintains as-built maps of the remedial project area; and

WHEREAS, C.R.S. § 25-15-320(2)(b) requires environmental covenants to maintain and protect the geotextile and rock cover and integrity of the Project; and

WHEREAS, C.R.S. § 25-15-320(3)(b) authorizes CDPHE to waive the requirement for environmental covenants for parcels of land where the owner does not grant an environmental covenant under C.R.S. § 25-15-320 if the governmental entity having land use regulatory authority over the affected property has enacted an ordinance or resolution imposing the relevant environmental use restrictions; and
WHEREAS, the ownership of the Quartz Hill tailings impoundment is fragmented and complicated and CDPHE and the City have determined that placing covenants over the subject property would be burdensome; and

WHEREAS, the City of Central City has jurisdiction over the Quartz Hill property and desires to enact an Ordinance to implement the required environmental use restrictions that will contribute to the protection of human health and the environment and will contribute to the maintenance of CDPHE’s environmental remediation action taken within the boundaries of the Quartz Hill property; and

WHEREAS, Central City contemplates that future uses of the Quartz Hill property, such as a parking lot, apartment building, hotel, ballfields or other recreational facilities and/or other similar uses and structures may be allowed; and

WHEREAS, the City Council finds that this Ordinance will further the health, safety and general welfare of the City’s inhabitants; and

WHEREAS, this Ordinance has been prepared and enacted in accordance with the Home Rule Charter as well as applicable state statutes and is hereby declared to be adopted in accordance with all applicable provisions of the Home Rule Charter and applicable state statutes; and

WHEREAS, City Council conducted a public hearing, with proper notice provided, to consider adoption of this Ordinance as required by law.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CENTRAL, COLORADO THAT:

Section 1. Article XIII of Chapter 16 of the Central City Municipal Code, titled “Quartz Hill Overlay District” is hereby adopted to read in full as follows:

CHAPTER 16

ARTICLE XIII
Quartz Hill Overlay District

Article XIII Quartz Hill Overlay District

Sec. 16-13-10 Intent.
Sec. 16-13-20 Purpose.
Sec. 16-13-30 Definitions.
Sec. 16-13-40 Overlay District established.
Sec. 16-13-50 Variances not allowable.
Sec. 16-13-60 Consultation to amend.
Sec. 16-13-70 Regulation of excavation activities.
Sec. 16-13-80  Quartz Hill Overlay District Permit – Application required.
Sec. 16-13-90  Application Review.
Sec. 16-13-100  No development without Overlay District Permit.
Sec. 16-13-110  Powers of City Manager.
Sec. 16-13-120  CDPHE Enforcement Authorization.
Sec. 16-13-130  Violations and penalties.

**Sec. 16-13-10. Intent.**

The Colorado Department of Public Health and Environment (“CDPHE”) completed Quartz Hill Remediation Project in 2014. The Project consisted of re-grading the tailings pile, construction of a new storm sewer, and placement of rock cover. These Quartz Hill Overlay District regulations have been adopted in accordance with the express authority set forth in C.R.S, § 25-15-320(3)(b)(II), authorizing the City to adopt an ordinance imposing relevant environmental use regulations, and authority set forth in the Home Rule Charters and Title 31, C.R.S.

**Sec. 16-13-20. Purpose.**

The purpose of this Article is to protect the integrity of the existing geotextile ard rock installed as part of the Quartz Hill Remediation Project in 2014 while allowing for reasonable and appropriate future use of lands situated within the Quartz Hill Overlay District. The implementation of the regulations set forth in this Article which require an application for the issuance of an Overlay District Permit prior to any development or other soil-disturbing activity within the boundaries of the Quartz Hill Overlay District will ensure that human health and public safety are adequately protected.

**Sec. 16-13-30. Definitions.**

“Central City/Clear Creek Superfund Site” or “Site” shall mean those areas that are designated as the Central City/Clear Creek Superfund Site by the U.S. Environmental Protection Agency (EPA) pursuant to the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601, et seq., as amended. EPA added the Central City/Clear Creek Superfund Site to the National Priorities List in 1983 and the Site was subsequently divided by the EPA and CDPHE into four operable units (OU).

“CDPHE” shall mean the Colorado Department of Public Health and Environment.
"Quartz Hill Remediation Project" or "Project" shall mean the Quartz Hill Mine Waste Pile Remediation Project completed in 2014 by the EPA and CDPHE in accordance with OU3 ROD dated September 30, 1994.

"Quartz Hill Property" shall mean all property located within the boundaries of the Quartz Hill Overlay District, being coterminous with the boundaries of the Project’s remedial area, as depicted on the as-built maps of the remedial area maintained by CDPHE and on file with the City Clerk’s Office and the area currently covered by the geotextile and rock cap.

"Quartz Hill Overlay District" or "Overlay District" shall mean the overlay district established by this Article, constituting all of the Quartz Hill Property, being coterminous with the boundaries of the Project’s remedial area, as depicted on the as-built maps of the remedial area maintained by CDPHE and on file with the City Clerk’s Office.

Sec. 16-13-40. Overlay District established.

The Quartz Hill Overlay District is hereby established as an overlay district that includes within its boundaries the area on the Quartz Hill Property map on file with the City Clerk which shall be the same as the area depicted on the as-built maps maintained by CDPHE. The boundaries of the Quartz Hill Overlay District shall be depicted on the City of Central Zoning Map. The provisions of this Article shall apply to any applications for building permit, zoning, subdivision, planned unit development, use by right, special review use, or any other development activity that will result in any soil-disturbing activity for all properties located within the Quartz Hill Overlay District. The application of these regulations is in addition to the regulations of the underlying zoning district and of this Code and shall be considered by the appropriate decision-maker in conjunction with any application for development occurring within the Quartz Hill Overlay District. The boundaries of the Quartz Hill Overlay District are shown in Diagram 1-A below:

Diagram 1-A:
To the extent of any discrepancies between the boundaries of the Overlay District set forth in **Diagram 1-A** and the boundaries set forth on the Quartz Hill Property map on file with the City Clerk, the map on file with the City Clerk shall control.

**Sec. 16-13-50. Variances not allowable.**

The regulations set forth in this Article shall not be subject to any authority to vary the zoning regulations or City of Central Building Code. No variances are permitted from this Article of the Code.

**Sec. 16-13-60. Consultation to amend.**

Prior to the Planning and Zoning Commission or City Council considering any amendment to this Article, the City shall consult with CDPHE and shall incorporate such requirements as CDPHE may recommend to ensure the Project continues to protect human health and the environment.

**Sec. 16-13-70. Regulation of excavation activities.**

No excavation, drilling, grading, digging, tilling, moving or relocating of the geotextile or rock cap material or any other soil-disturbing activity is allowed with the Quartz Hill Overlay District, except as authorized in a remedial decision document or with the prior written consent of CDPHE and the City Manager.

**Sec. 16-13-80. Quartz Hill Overlay District Permit – Application Required.**
(a) Any application for any building permit, zoning, subdivision, planned unit development, use by right, special review use, or any other development activity that will result in any soil-disturbing activity within the boundaries of the Quartz Hill Overlay District shall be preceded by an application for an Overlay District Permit.

(b) An application for approval of an Overlay District Permit may be filed by a person having an interest in the property for which the Overlay District Permit is requested, with the written consent of the owner(s) of the property, and shall be made on a form provided by the City. At a minimum, the application must include:

(1) A general site plan showing the major details of the proposed development, consisting of the location of buildings and structures, off-street parking and loading areas, service and refuse areas, means of ingress and egress, major landscaping or screening proposals, and signs and pedestrian areas, or a relevant summary of the development activity proposed to be conducted within the boundaries of the Quartz Hill Property;

(2) A time schedule for the proposed development;

(3) A plan for maintaining the integrity of rock cap installed as part of the Quartz Hill Remediation Project or a plan to relocate the tailings material to a new site as approved by CDPHE and other regulatory agencies, as applicable;

(4) Any other information the applicant believes will support his or her request;

(5) A letter from an authorized representative of CDPHE confirming that CDPHE has been informed of the proposed development activity within the boundaries of the Overlay District;

(6) Accompanying the application shall be a filing fee which shall be equal to the City’s zoning amendment fee. Prior to the City’s acceptance of the application, the applicant shall be required to enter into a consultant reimbursement agreement with the City to cover the City’s costs related to reviewing and processing the application. The City may contract for professional assistance to review the application and provide consulting or other professional services related to reviewing the application. Any such professional fees incurred by the City shall be reimbursed by the applicant in accordance with the terms and conditions of the required consultant
reimbursement agreement. Any and all fee(s) and other charges shall be paid in full by the applicant prior to the date on which the City Manager conducts application review pursuant to Sec. 16-13-90 below.

(c) The following activities shall be exempt from the Overlay District Permit application process established by this Article:

(1) Operations, inspection and maintenance activities associated with the Project undertaken within the boundaries of the Quartz Hill Property by CDPHE or its duly authorized contractor(s).

(2) Operations, inspection and maintenance activities associated with the Project undertaken within the boundaries of the Quartz Hill Property by the City Manager or his or her designee.

(3) Removal or repositioning of the yellow structure currently within the boundaries of the Quartz Hill Property (the “Yellow House”), provided that the Yellow House shall be required to remain on skids and above the geotextile and rock cap.

(4) Any other activity exempted from the provisions of this Article pursuant to joint written consent of the City Manager and a duly authorized representative of CDPHE.

Sec. 16-13-90. Application review.

Following receipt of the application submitted pursuant to Sec. 16-13-80, the City Manager may request supplemental materials or information from the applicant. The application shall not be deemed complete until such time as all supplemental materials or information requested by the City Manager have been received. The City Manager shall, within sixty (60) days following the date on which the application has been deemed complete, proceed to review the Overlay District Permit application and shall either approve the application in whole or in part, shall approve the application subject to conditions set forth in a writing, or shall deny the Overlay District Permit application. Approval of an Overlay District Permit shall require CDPHE’s written consent for any soil-disturbing activity, unless otherwise authorized in a remedial decision document.

Sec. 16-13-100. No development without Overlay District Permit.
No application for any building permit, zoning, subdivision, planned unit development, use by right, special review use, or any other development activity that will result in any soil-disturbing activity within the boundaries of the Quartz Hill Overlay District shall be allowed until such time as the property owner or applicant has secured an Overlay District Permit and has fully complied with any conditions set forth in the Permit. The issuance of an Overlay District Permit shall be a condition precedent to any soil-disturbing activity within the boundaries of the Quartz Hill Overlay District.

Sec. 16-13-110. Powers of City Manager.

(a) The City Manager shall have and exercise such powers as may be necessary and convenient to carry out and effectuate the purpose and provisions of this Article, including but not limited to the following powers:

(1) to investigate the Quartz Hill Property to determine compliance with these Overlay District regulations;

(2) to enter upon the Quartz Hill Property for the purpose of making examinations, provided, however, that such entries shall be made in such manner as to cause the least possible inconvenience to persons in possession of the Quartz Hill Property;

(3) to undertake the routine operation and maintenance of the Project remedy, as specified in the Administrative Settlement and Order and Consent (“AOC”) entered into by and between the City, CDPHE and the EPA;

(4) to undertake any other activity required to be undertaken by the City as set forth in the AOC;

(5) to appoint and fix the duties of such officers, agents, contractors and employees as the City Manager deems necessary and convenient to carry out the purpose and provisions of this Article; and

(6) to delegate any of the powers and functions of the City Manager under this Article to such officers and agents as the City Manager may designate.

Sec. 16-13-120. CDPHE Enforcement Authorization.

CDPHE may enforce the restrictions described in Sec. 16-13-70 above by filing an action in district court seeking injunctive relief.
Sec. 16-13-130. Violations and penalties.

It is unlawful for any person, firm, or corporation to violate any provisions of this Article. Any person failing to comply with the provisions of this Article shall be subject to the penalty provisions set forth in Section 1-4-20 of the Municipal Code. The City may seek restitution for any and all expenses related to the enforcement of this Article or any damage to public property. The City reserves the right to refer any violation of this Article to the CDPHE or EPA for additional enforcement action(s).

Section 2. Codification Amendments. The codifier of Central City’s Municipal Code is hereby authorized to make such numerical and formatting changes as may be necessary to incorporate the provisions of this Ordinance within the Central City Municipal Code.

Section 3. Severability. Should any one or more sections or provisions of this Ordinance be judicially determined invalid or unenforceable, such judgment shall not affect, impair or invalidate the remaining provisions of this Ordinance, the intention being that the various sections and provisions are severable.

Section 4. Repeal. Any and all ordinances or codes or parts thereof in conflict or inconsistent herewith are, to the extent of such conflict or inconsistency, hereby repealed; provided, however, that the repeal of any such ordinance or code or part thereof shall not revive any other section or part of any ordinance or code heretofore repealed or superseded and this repeal shall not affect or prevent the prosecution or punishment of any person for any act done or committed in violation of any ordinance hereby repealed prior to the effective date of this Ordinance.

Section 5. Effective Date. This Ordinance shall become effective immediately following publication, public hearing and the approval of City Council following second reading in accordance with Sections 5.9 and 5.10 of the City Charter.

INTRODUCED AND READ by title only on first reading at the regular meeting of the City Council of the City of Central on the 20th day of September, 2016, at Central City, Colorado.

CITY OF CENTRAL, COLORADO

Ronald E. Engels, Mayor
Approved as to form:

Marcus McAskin, City Attorney

ATTEST:

Reba Bechtel, City Clerk

PASSED AND ADOPTED on second reading, at the regular meeting of the City Council of the City of Central on the 4th day of October, 2016.

CITY OF CENTRAL, COLORADO

Ronald E. Engels, Mayor

ATTEST:

Reba Bechtel, City Clerk

POSTED IN FULL AND PUBLISHED BY TITLE AND SUMMARY in the Weekly Register Call newspaper on September 22, 2016.

POSTED AND PUBLISHED BY TITLE [AND SUMMARY IF AMENDED ON SECOND READING] in the Weekly Register Call newspaper on October 6, 2016.
AGENDA ITEM # 8

CITY COUNCIL COMMUNICATION FORM

FROM: Abigail R. Adame, Finance Director

DATE: October 4, 2016

ITEM: 2015 Audit Presentation

NEXT STEP: Make a motion to Accept and approve the City of Central’s 2015 Audited Financial Statements.

____ ORDINANCE  
X MOTION  
____ INFORMATION

I. REQUEST OR ISSUE: In May of this year, Swanhurst & Company LLC performed an audit of the City’s financial procedures, practices, and financial statements for the year ended December 31, 2015. Over the course of the past few months staff and Swanhurst & Company have worked together to draft and prepare the finalized 2015 Audited Financial Statements.

The financial statements illustrate the financial activities of the City over the course of 2015 and present the City's financial information, in whole and as separate units, as of December 31, 2015.

State law requires the City to submit the audited financial statements to the Colorado Department of Local Affairs. It is customary for the auditor to review the statements with the Council and for the Council to accept the financial statements as presented in the form of a motion.

II. RECOMMENDED ACTION / NEXT STEP: Make a motion to accept the City of Central’s Audited 2015 Financial Statements.

III. FISCAL IMPACTS: None.

IV. BACKGROUND INFORMATION: Please review the Audited Financial Statements that follow this Council Communication Form. I have also attached the Management Discussion & Analysis as it offers a narrative overview and analysis of the financial statements and financial activities of the City for the fiscal year.
that ended December 31, 2015.

V. **LEGAL ISSUES:** None.

VI. **CONFLICTS OR ENVIRONMENTAL ISSUES:** None

VII. **SUMMARY AND ALTERNATIVES:**

1. Make a motion to accept the City of Central’s 2015 Audited Financial Statements.
As management of the City of Central, ("City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year that ended December 31, 2015.

**USING THIS ANNUAL REPORT**

This discussion and analysis is intended to serve as an introduction to the City’s basic financial statements and provide the reader with greater detail and explanation of areas and/or issues the City’s Management feels are significant. This discussion and analysis is divided into two basic parts. The first section provides an overview and discussion of the basic components of the financial statements. The second section of this report provides figurative analysis of the financial statements themselves. Management recommends reviewing the financial statements in conjunction with this report.

The City’s financial statements are comprised of several components including: government-wide financial statements, fund financial statements, notes to the financial statements, required supplementary information, other supplementary information, and compliance reports. Each of these components provides readers with differing levels of detail and discusses the City’s activities and financial position in different scopes.

**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. For that reason, the government-wide financial statements are calculated using the Accrual basis of accounting like the private-sector. Government-wide statements incorporate all aspects of the City’s financial condition and provide the reader a general knowledge of financial activities.

The *Statement of Net Position* presents information on all City assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as useful indicators 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. While the *Statement of Net Position* focuses on total changes in assets and liabilities, the *Statement of Activities* focuses on the underlying causes of those total changes. All changes in net position are 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 are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused personal leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from functions of the City 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, public safety (police and fire), streets, historic preservation and parks. The business-type activities of the City include water distribution and system maintenance.

The government-wide financial statements can be found on pages 1 and 2 of this report.

**Fund financial statements:** Fund Financial Statements detail the status and changes within certain Fund groups. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All City funds can be divided into three separate categories: Governmental Funds, Proprietary Funds, and Fiduciary Funds.

**Governmental Funds**—Most of the City’s basic services are reported in governmental funds, which focus on how money flows into and out of those funds. The balances left at year-end are available for spending in future years, provided that balances restricted for certain purposes are spent for those purposes only. Governmental Funds utilize the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements display detailed short-term views of cash, operations, and the basic services provided. Governmental fund statements show the reader whether there are more or fewer financial resources available at the end of a fiscal year that can be spent in the near future to finance government programs and objectives.

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 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 a government’s near-term financing decisions. Both the Balance Sheet—Governmental Funds and the Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds provide reconciliations to facilitate this comparison between governmental funds reported on the modified accrual basis of accounting, and governmental activities reported on the full accrual basis.

The City of Central maintains eight (8) individual governmental funds. Information is presented by fund name in the Balance Sheet—Governmental Funds and the Statement of Revenues, Expenditures and Changes in Fund Balances—Governmental Funds. Three (3) of these funds (General Fund, Transportation Fund, and Capital Improvement Fund) are considered to be “major funds” and are therefore separately identified. The other five (Historic Preservation Fund, TABOR Reserve Fund, Conservation Trust Fund, Impact Fees Fund, and Public Property Trust Fund) are combined in a column titled “Other Governmental Funds.” Individual fund data for these non-major governmental funds is provided in the back of this report in the section titled “Supplementary Information.”

**Proprietary Funds**—The City’s water utility operations and all related financial activity are reported in a proprietary fund known as the Water Fund. Proprietary funds focus on overall economic position rather than year-end fund balances, and utilize the full accrual method of accounting. An Enterprise Fund is the type of proprietary fund used to account for utility
operations. It reports the same functions that are presented as business-type activities in the
government-wide financial statements, only in a bit more detail. Proprietary fund financial
statements can be found on pages 7-9 of this report.

*Fiduciary Fund*: Fiduciary funds are used to account for resources held for the benefit of parties
outside the government. The City does not currently operate any fiduciary funds.

**Notes to the Financial Statements:** The notes provide additional information that is essential to
a full understanding of the data provided in the government-wide and fund financial statements.
The notes to the financial statements are the final section of the basic financial statements. They
can be found on pages 10-28 of this report.

**Supplementary Information:** In addition to the basic financial statements and accompanying
notes, this report also presents required supplementary information concerning the Town’s
budget and pension plan. Certain pension plan information and budgetary comparison
statements for the General Fund and the Transportation Fund are included as “Required
Supplementary information” on pages 29-33 of this report. Budgetary comparison schedules for
the other funds with adopted budgets are displayed on pages 36-40 in the “Supplementary
Information” section of the report. These statements and schedules demonstrate compliance with
the Town’s adopted and final revised budgets.

**Government-Wide Financial Analysis**

As mentioned previously, net position may serve over time as a useful indicator of a
government’s financial position. The chart on the following page displays the changes in net
position experienced by the City over the last two years. The City of Central’s total assets
exceeded its liabilities and deferred inflows of resources by $42,913,220 at the close of 2015.
City of Central’s Net Position

<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities</th>
<th></th>
<th>Business-type Activities</th>
<th></th>
<th>Total</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current and other assets</td>
<td>$5,133,757</td>
<td>$1,841,651</td>
<td>$101,253</td>
<td>$12,637</td>
<td>$5,235,010</td>
<td>$1,854,288</td>
</tr>
<tr>
<td>Due to (from) other fund</td>
<td>1,205,693</td>
<td>1,284,279</td>
<td>(1,205,693)</td>
<td>(1,284,279)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total assets</td>
<td>$37,521,795</td>
<td>$36,520,835</td>
<td>$8,953,831</td>
<td>$9,104,314</td>
<td>$46,475,626</td>
<td>$45,625,145</td>
</tr>
<tr>
<td>Long-term debt outstanding</td>
<td>1,867,881</td>
<td>465,102</td>
<td>600</td>
<td>-</td>
<td>1,888,481</td>
<td>465,102</td>
</tr>
<tr>
<td>Current liabilities</td>
<td>1,285,082</td>
<td>496,818</td>
<td>52,577</td>
<td>102,465</td>
<td>1,337,659</td>
<td>599,283</td>
</tr>
<tr>
<td>Net pension liability</td>
<td>26,115</td>
<td>102,942</td>
<td>-</td>
<td>-</td>
<td>26,115</td>
<td>102,942</td>
</tr>
<tr>
<td>Total liabilities</td>
<td>$3,179,078</td>
<td>$1,064,862</td>
<td>$53,177</td>
<td>$102,465</td>
<td>$3,232,255</td>
<td>$1,167,327</td>
</tr>
<tr>
<td>Deferred Inflow of Resources</td>
<td>330,151</td>
<td>305,454</td>
<td>-</td>
<td>-</td>
<td>330,151</td>
<td>305,454</td>
</tr>
</tbody>
</table>

Net position:

Net investment in capital assets $30,030,604 $32,757,812 $10,058,271 $10,375,956 $40,088,875 $43,133,768
Restricted for Emergencies 170,000 - - - 170,000
Restricted for other purposes 400,476 52,479 - 400,476 52,479
Unrestricted 3,411,486 2,340,228 (1,157,617) (1,374,107) 2,253,869 966,121
Total net position $34,012,566 $35,150,519 $8,900,654 $9,001,849 $42,913,220 $44,152,368

The largest portion of the City’s total net position is its investment in capital assets (i.e. land, buildings, improvements, and equipment). Capital assets account for 88.7% of total assets. While capital assets make up the most significant portion of the City’s Net Position, it is the cash, investments, and receivables with which the City operates. These increased by $3,380,722 (182%) during 2015 due primarily to the award of a $1,521,693 loan from the Colorado Department of Transportation’s State Infrastructure Bank, and reduced expenses of 631,314. Overall, the City’s Total Net Position decreased by 2.8%, or $1,239,148 because the $2,723,070 depreciation of the City’s assets exceeded its operating gains.

In the Governmental Activities, current assets at December 31, 2015 exceeded total liabilities by $1,954,679 (61.5%). In the Business-type Activities, current assets exceeded total liabilities by $48,076 (90.4%).

Less than 1.5% of the City’s total net position is restricted for emergencies, historic preservation, and parks and open space. The remainder may be used to meet the City’s obligations to residents and creditors. The City utilizes both capital assets and current assets to provide services to citizens and visitors and to fund daily City operations.
City of Central, Colorado  
Management Discussion & Analysis  
December 31, 2015

The chart below displays the changes in net position experienced by the City over the last two years. An analysis of these changes follows for both its Governmental and Business-type Activities.

<table>
<thead>
<tr>
<th>City of Central’s Changes in Net Position</th>
<th>Governmental Activities</th>
<th>Business-type Activities</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program revenues:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for services</td>
<td>$174,481</td>
<td>$159,527</td>
<td>$671,997</td>
</tr>
<tr>
<td>Operating grants &amp; contributions</td>
<td>524,343</td>
<td>524,057</td>
<td>-</td>
</tr>
<tr>
<td>Capital grants &amp; contributions</td>
<td>421,877</td>
<td>-</td>
<td>30,000</td>
</tr>
<tr>
<td>General revenues:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property taxes</td>
<td>328,630</td>
<td>306,942</td>
<td>-</td>
</tr>
<tr>
<td>Sales &amp; use taxes</td>
<td>679,167</td>
<td>773,980</td>
<td>-</td>
</tr>
<tr>
<td>Lodging Tax</td>
<td>52,912</td>
<td>46,126</td>
<td>-</td>
</tr>
<tr>
<td>State Gaming Tax</td>
<td>779,573</td>
<td>784,380</td>
<td>-</td>
</tr>
<tr>
<td>Gaming Licences &amp; Device Fees</td>
<td>2,549,389</td>
<td>2,809,384</td>
<td>-</td>
</tr>
<tr>
<td>Investment Income</td>
<td>1,295</td>
<td>9,571</td>
<td>-</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>122,672</td>
<td>369,019</td>
<td>-</td>
</tr>
<tr>
<td>Transfers In/(Out)</td>
<td>(25,000)</td>
<td></td>
<td>25,000</td>
</tr>
<tr>
<td>Total revenues</td>
<td>$5,609,339</td>
<td>$5,782,986</td>
<td>$726,997</td>
</tr>
<tr>
<td>Program expenses:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>$1,366,497</td>
<td>$1,859,823</td>
<td>-</td>
</tr>
<tr>
<td>Public safety</td>
<td>1,063,892</td>
<td>1,216,616</td>
<td>-</td>
</tr>
<tr>
<td>Public works</td>
<td>3,811,171</td>
<td>4,264,003</td>
<td>-</td>
</tr>
<tr>
<td>Community Development</td>
<td>458,084</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Historic Preservation</td>
<td>47,648</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Water</td>
<td>-</td>
<td>828,192</td>
<td>866,356</td>
</tr>
<tr>
<td>Total expenses</td>
<td>$6,747,292</td>
<td>$7,340,442</td>
<td>$828,192</td>
</tr>
<tr>
<td>Increase/(decrease)in net assets</td>
<td>$(1,137,953)</td>
<td>$(1,557,456)</td>
<td>$(101,195)</td>
</tr>
<tr>
<td>Net Position, Beginning</td>
<td>35,150,519</td>
<td>36,707,975</td>
<td>9,001,849</td>
</tr>
<tr>
<td>Net Position, Ending</td>
<td>$34,012,566</td>
<td>$35,150,519</td>
<td>$8,900,654</td>
</tr>
</tbody>
</table>

**Governmental Activities**

Governmental activities caused the City’s net position to decrease by $1,137,953 in 2015. Key elements of this decrease are as follows:

- Depreciation within the program expenses totaled $2,380,782 in 2015 for Governmental Activities.
- Sales and use taxes decreased by $94,813 (-12.2%) during 2015.
- Gaming licenses and device fees decreased by $259,995 (-9.2%) due to reductions in the number of gaming devices in Central City casinos.
City of Central, Colorado
Management Discussion & Analysis
December 31, 2015

- Loan proceeds of $1,521,693 were awarded to the City by the State of Colorado for transportation improvement projects.

The following two charts illustrate the Governmental Activities 2015 expenses and related program revenues.
Device fees comprise over 45% of the revenues for Governmental Activities in the City of Central.

**Business-type Activities**
Business-type activities caused the City’s net position to decrease by $101,195 in 2015. This was largely due to depreciation expenses of $342,288. Charges for services increased by $79,394 (13.4%). Charges for services exceeded operating expenses not including depreciation by $186,093.
City of Central, Colorado
Management Discussion & Analysis
December 31, 2015

The following two charts illustrate the Business-type Activities total expenses including depreciation and related program revenues.

**Expenses and Program Revenues - Business-type Activities**

- **$850,000**
- **$800,000**
- **$750,000**
- **$700,000**
- **$650,000**
- **$600,000**
- **Water**
  - Expenditures
  - Revenues

**Revenues by Source - Business-type Activities**

- **4%** Charges for services
- **3%** Capital grants & contributions
- **92%** Transfer from Capital Improvement Fund

**Fund Financial Analysis**

As noted earlier, the City of Central uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Governmental Funds utilize the modified accrual basis of accounting, and the balances of the spendable resources (fund balances) in each fund are shown at year end. At the close of 2015, the City’s governmental funds reported combined ending fund balances of $4,867,647. This was an increase of $2,269,218 (87.3%) from the prior year’s ending fund balances. The majority of this increase is related to the $1,521,693 loan from the Colorado Department of Transportation’s State infrastructure Bank. In addition, the General Fund’s revenues exceeded expenditures and net transfers out by $613,117.
Below is a chart detailing the City’s fund balances for the past eight (8) years:

City of Central Ending Governmental Fund Balances

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>General</td>
<td>$1,042,854</td>
<td>$1,083,488</td>
<td>$204,049</td>
<td>$1,153,136</td>
<td>$1,594,416</td>
<td>$1,585,809</td>
<td>$2,263,848</td>
<td>$2,632,780</td>
</tr>
<tr>
<td>Transportation</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,036,963</td>
</tr>
<tr>
<td>Capital Improvement</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>938,042</td>
</tr>
<tr>
<td>Historic Preservation</td>
<td>451,949</td>
<td>580,053</td>
<td>399,885</td>
<td>999,475</td>
<td>467,139</td>
<td>239,395</td>
<td>218,420</td>
<td>341,350</td>
</tr>
<tr>
<td>TABOR¹</td>
<td>203,856</td>
<td>204,054</td>
<td>204,130</td>
<td>204,248</td>
<td>204,726</td>
<td>204,932</td>
<td>205,021</td>
<td>-</td>
</tr>
<tr>
<td>Conservation Trust</td>
<td>28,455</td>
<td>25,063</td>
<td>33,005</td>
<td>38,811</td>
<td>38,688</td>
<td>45,937</td>
<td>52,479</td>
<td>59,086</td>
</tr>
<tr>
<td>Capital Projects</td>
<td>66,592</td>
<td>66,657</td>
<td>66,682</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Debt Service</td>
<td>(1,229,713)</td>
<td>(1,229,715)</td>
<td>-</td>
<td>29,135</td>
<td>21,979</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Highway Lighting</td>
<td>3,342</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Public Property Trust</td>
<td>201,317</td>
<td>201,512</td>
<td>925,191</td>
<td>225,928</td>
<td>226,559</td>
<td>277,075</td>
<td>(11,754)</td>
<td>(11,029)</td>
</tr>
<tr>
<td>Impact Fees Fund</td>
<td>(-65,474)</td>
<td>(156,775)</td>
<td>(156,745)</td>
<td>(144,081)</td>
<td>(144,081)</td>
<td>(129,585)</td>
<td>(129,585)</td>
<td>(129,585)</td>
</tr>
<tr>
<td>Total</td>
<td>$603,178</td>
<td>$774,336</td>
<td>$1,676,197</td>
<td>$2,506,652</td>
<td>$2,409,426</td>
<td>$2,173,563</td>
<td>$2,598,429</td>
<td>$4,867,647</td>
</tr>
</tbody>
</table>

¹ TABOR Fund is combined with General Fund beginning in 2015.

**General Fund:** The General Fund is the chief operating fund of the City of Central. It accounts for all of the general services proved by the City. The General Fund Balance in 2015 increased $368,932 (16.3%) over 2014. Part of this increase ($205,163) was due to the combining of the TABOR Fund into the General Fund during 2015.
The following two tables illustrate General Fund revenues and expenditures during 2015.

At the close of the year, the City had received $4,255,209 in General Fund revenues. This was a decrease of $583,406 (-12.1%) from 2014. Most of the decrease was attributable to $500,761 in device fees that were dedicated to the new Transportation Fund rather than retained by the General Fund as in years past.

As shown above, gaming device fees comprised over 48% of all General Fund revenues in 2015.

Device Fees: Device fees are the City’s most significant source of revenue. During 2015, device fees collected within the General Fund totaled $2,048,628 and accounted for 48% of General Fund revenues. The graph below illustrates the total amount of device fee revenue collected for all governmental funds over the last fifteen years.
Gaming Revenue: The City’s second most important revenue source is state gaming taxes. The amount of state gaming tax received annually is based on a calculation involving each City’s proportion of gaming taxes paid to the state. Central City received $779,573 in 2015 compared to $784,380 in 2014. Below is a graph illustrating state gaming tax revenue for the past fifteen years.

General Fund Expenditures: Expenditures for all departments within the General Fund totaled $3,642,092 in 2015, which represents a decrease of $1,181,987 (-24.5%) compared to 2014. This decrease was largely due to reductions in public works expenditures of $786,138 and general government expenditures of $202,860.
City of Central, Colorado
Management Discussion & Analysis
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Historical Preservation Fund: The Historical Preservation Fund’s most significant source of revenue, historical preservation funding, is also derived from gaming. Like the state gaming tax, historical preservation monies are allocated based on a calculation involving each City’s proportionate share of gaming taxes paid to the state. The funds are to be used for the preservation and protection of historical buildings and properties within the City. In 2015, the City received $425,049 in state grant revenue, which was similar to 2014. Other revenues include sales from the Visitors Center.

Water Fund: At December 31, 2015 the Net Position of the Water Fund was $8,900,654. It had expended $828,192 for operating expenses, which was a decrease of $38,164 (-4.4%) compared to 2014. Most of the decrease was the result of lower 2014 staff vacancies.

Charges for services within the Water Fund increased by $79,394 (13.4%) from $592,603 in 2014 to $671,997 in 2015. This increase is the result of having all water users metered and being charged for actual water consumption, and the conversion during the fourth quarter of the year to a new billing software with increased accuracy and capabilities. The Water Fund cut its deficit operations from $-249,665 in 2014 to $-156,195 in 2015. Charges for services covered 81.1% of operating expenses in 2015 compared to 68.4% of operating expenses in 2014 (and 52.9% of operating expenses in 2013). A significant portion of the 2015 operating loss for the Water Fund was related to depreciation in the amount of $342,288.

CAPITAL ASSETS AND DEBT ADMINISTRATION
Capital Assets. At December 31, 2015 the City had invested in a range of capital assets including land, buildings and improvements, vehicles, office equipment, utility lines, and streets. Note 5 of the financial statements provides a summary of these assets. City capital acquisitions and expenses during 2015 included:

<table>
<thead>
<tr>
<th>Infrastructure</th>
<th>$ 24,731</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment and Vehicles</td>
<td>96,866</td>
</tr>
<tr>
<td>Water system</td>
<td>18,317</td>
</tr>
</tbody>
</table>

Debt Administration. Note 6 of the financial statements provides a summary of the City’s long-term debt. At December 31, 2015 the City had capital leases payable totaling $465,102. These are payable from the general revenues of the governmental funds. In addition, the City had contractual obligations for compensated absences and accrued longevity pay totaling $138,986 in the General Fund and $667 in the Water Fund. These debts are to be repaid from revenues of the respective funds as they come due.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGETS AND RATES
The City’s economic climate is expected to be similar in 2016 to 2015. The 2016 Budget estimated slightly lower levels of revenues from gaming from the City’s six casinos, but at this writing slight gains have been experienced. General Fund taxes, fees, licenses, permits, and other general revenues are projected without growth over 2016.
REQUESTS FOR INFORMATION
This financial report is designed to provide the City of Central’s residents, taxpayers, customers, investors, and creditors with a general overview of the City’s finances and to show the City’s accountability for the funds and assets it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of Central, Finance Department, PO Box 249, Central City, Colorado 80427-0249.
CITY OF CENTRAL, COLORADO

FINANCIAL STATEMENTS

December 31, 2015
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<th>Description</th>
<th>Page</th>
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<tbody>
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<td>37</td>
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<td>38</td>
</tr>
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<td>Budgetary Comparison Schedule - Conservation Trust Fund</td>
<td>39</td>
</tr>
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<td>Budgetary Comparison Schedule - Water Fund</td>
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</tr>
</tbody>
</table>

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**State Compliance**

<table>
<thead>
<tr>
<th>Description</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Local Highway Finance Report</td>
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</tbody>
</table>
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Honorable Mayor and Members of the City Council  
City of Central  
Central City, Colorado

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Central as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the basic financial statements of the City of Central, 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.

Auditors’ Responsibility
Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the City of Central Business Improvement District, a discretely presented component unit. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the City of Central Business Improvement District, is based solely on the report of the other auditors. 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 auditors' 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 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 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, based on our audit and the report of the other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Central as of December 31, 2015, and the respective changes in financial position and cash flows, where applicable, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters
As discussed in Note 13 to the financial statements, the financial statements as of and for the year ended December 31, 2014, have been restated to correct misstatements. Our opinion is not modified with respect to this matter.

As discussed in Note 14 to the financial statements, in the year ended December 31, 2015, the City of Central adopted new accounting guidance as required by Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions. Our opinion is not modified with respect to this matter.

Other Matters (Required Supplementary Information)
Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis and the required supplementary information listed in the table of contents 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 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 Matters (Other Information)
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise City of Central’s basic financial statements. The supplementary information and the local highway finance report listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 the 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 information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

September 20, 2016
BASIC FINANCIAL STATEMENTS
CITY OF CENTRAL, COLORADO

STATEMENT OF NET POSITION
December 31, 2015

<table>
<thead>
<tr>
<th>COMPONENT UNIT: BUSINESS IMPROVEMENT DISTRICT</th>
<th>PRIMARY GOVERNMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>GOVERNMENTAL ACTIVITIES</td>
<td>BUSINESS-TYPE ACTIVITIES</td>
</tr>
<tr>
<td>ASSETS</td>
<td></td>
</tr>
<tr>
<td>Cash and Investments</td>
<td>$3,398,795</td>
</tr>
<tr>
<td>Restricted Cash and Investments</td>
<td>$835,054</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>$267,335</td>
</tr>
<tr>
<td>Taxes Receivable</td>
<td>429,552</td>
</tr>
<tr>
<td>Grants Receivable</td>
<td>203,021</td>
</tr>
<tr>
<td>Internal Balances</td>
<td>1,205,693</td>
</tr>
<tr>
<td>Capital Assets, Not Being Depreciated</td>
<td>5,583,623</td>
</tr>
<tr>
<td>Capital Assets, Net of Accumulated Depreciation</td>
<td>25,598,722</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>$37,521,795</td>
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</table>

LIABILITIES

<table>
<thead>
<tr>
<th>Noncurrent Liabilities</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
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<td>52,510</td>
</tr>
<tr>
<td>Retainage Payable</td>
<td>20,000</td>
<td>-</td>
</tr>
<tr>
<td>Accrued Liabilities</td>
<td>27,345</td>
<td>-</td>
</tr>
<tr>
<td>Unearned Revenues</td>
<td>600,000</td>
<td>-</td>
</tr>
<tr>
<td>Accrued Interest Payable</td>
<td>19,618</td>
<td>-</td>
</tr>
<tr>
<td>Net Pension Liability</td>
<td>26,115</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL LIABILITIES</td>
<td>$3,179,078</td>
<td>53,177</td>
</tr>
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</table>

DEFERRED INFLOWS OF RESOURCES

| Property Taxes                              | 330,151             | -      | 330,151 | 1,710,622 |

NET POSITION

| Restricted for Emergencies                  | 30,030,604          | 10,058,271 | 40,088,875 | (86,270,682) |
| Restricted for Historic Preservation        | 170,000             | -         | 170,000 | 17,180 |
| Restricted for Parks and Open Space         | 341,390             | -         | 341,390 | - |
| Restricted for Debt Service                 | 59,086              | -         | 59,086 | - |
| Unrestricted                                | 3,411,486           | (1,157,617) | 2,253,869 | 202,163 |
| TOTAL NET POSITION                          | $34,012,566         | $8,900,654 | $42,913,220 | $85,911,477 |

The accompanying notes are an integral part of the financial statements.
CITY OF CENTRAL, COLORADO

STATEMENT OF ACTIVITIES
Year Ended December 31, 2015

<table>
<thead>
<tr>
<th>FUNCTIONS/PROGRAMS</th>
<th>EXPENSES</th>
<th>CHARGES FOR SERVICES</th>
<th>OPERATING GRANTS AND CONTRIBUTIONS</th>
<th>CAPITAL GRANTS AND CONTRIBUTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRIMARY GOVERNMENT</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Governmental Activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Government</td>
<td>$1,366,497</td>
<td>$99,364</td>
<td>$7,484</td>
<td>$</td>
</tr>
<tr>
<td>Public Safety</td>
<td>636,250</td>
<td>10,931</td>
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<td>-</td>
</tr>
<tr>
<td>Public Works</td>
<td>3,811,171</td>
<td>54,671</td>
<td>77,810</td>
<td>372,377</td>
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<tr>
<td>Community Development</td>
<td>458,084</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Fire</td>
<td>427,642</td>
<td>-</td>
<td>-</td>
<td>49,000</td>
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<tr>
<td>Historic Preservation</td>
<td>47,648</td>
<td>9,515</td>
<td>439,049</td>
<td>-</td>
</tr>
<tr>
<td>Total Governmental Activities</td>
<td>6,747,292</td>
<td>174,481</td>
<td>524,343</td>
<td>421,377</td>
</tr>
<tr>
<td>Business-Type Activities</td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Water Utility</td>
<td>828,192</td>
<td>671,997</td>
<td>-</td>
<td>30,000</td>
</tr>
<tr>
<td>Total Business-Type Activities</td>
<td>828,192</td>
<td>671,997</td>
<td>-</td>
<td>30,000</td>
</tr>
<tr>
<td>TOTAL PRIMARY GOVERNMENT</td>
<td>$7,575,484</td>
<td>$846,478</td>
<td>$524,343</td>
<td>$451,377</td>
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<tr>
<td>COMPONENT UNIT</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Business Improvement District</td>
<td>$8,285,553</td>
<td>$198,836</td>
<td>-</td>
<td>-</td>
</tr>
</tbody>
</table>

GENERAL REVENUES
- Property Taxes
- Specific Ownership Taxes
- Sales and Use Taxes
- Lodging Taxes
- Franchise Taxes
- State Gaming Revenues
- Gaming License Fees
- Gaming Device Fees
- Grants and Contributions not Restricted to Specific Programs
- Investment Income
- Miscellaneous

TRANSFER

TOTAL GENERAL REVENUES AND TRANSFERS

CHANGE IN NET POSITION

NET POSITION, Beginning

NET POSITION, Ending

The accompanying notes are an integral part of the financial statements.
## NET (EXPENSE) REVENUE AND CHANGE IN NET POSITION

<table>
<thead>
<tr>
<th>GOVERNMENTAL ACTIVITIES</th>
<th>BUSINESS-TYPE ACTIVITIES</th>
<th>TOTALS</th>
<th>COMPONENT UNIT</th>
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</thead>
<tbody>
<tr>
<td>PRIMARY GOVERNMENT</td>
<td></td>
<td></td>
<td>BUSINESS IMPROVEMENT DISTRICT</td>
</tr>
<tr>
<td>$ (1,259,649)</td>
<td>$</td>
<td>$ (1,259,649)</td>
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</tr>
<tr>
<td>(625,319)</td>
<td></td>
<td>(625,319)</td>
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</tr>
<tr>
<td>(3,305,813)</td>
<td></td>
<td>(3,305,813)</td>
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</tr>
<tr>
<td>(458,084)</td>
<td></td>
<td>(458,084)</td>
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</tr>
<tr>
<td>(378,642)</td>
<td></td>
<td>(378,642)</td>
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</tr>
<tr>
<td>400,916</td>
<td></td>
<td>400,916</td>
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<tr>
<td>(5,626,591)</td>
<td></td>
<td>(5,626,591)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(126,195)</td>
<td>(126,195)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>(126,195)</td>
<td>(126,195)</td>
<td></td>
</tr>
<tr>
<td>(5,626,591)</td>
<td>(126,195)</td>
<td>(5,752,786)</td>
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<td></td>
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<td></td>
<td>(8,086,717)</td>
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<td>306,829</td>
<td>1,964,118</td>
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<td>21,801</td>
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<td>21,801</td>
<td>132,982</td>
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<td>679,167</td>
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<td>679,167</td>
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</tr>
<tr>
<td>52,912</td>
<td></td>
<td>52,912</td>
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</tr>
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<td>59,468</td>
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<td>59,468</td>
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</tr>
<tr>
<td>779,573</td>
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<td>779,573</td>
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</tr>
<tr>
<td>1,889,872</td>
<td></td>
<td>1,889,872</td>
<td></td>
</tr>
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<td>659,517</td>
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<td>659,517</td>
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</tr>
<tr>
<td>1,492</td>
<td></td>
<td>1,492</td>
<td></td>
</tr>
<tr>
<td>1,295</td>
<td></td>
<td>1,295</td>
<td>26,966</td>
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<tr>
<td>61,712</td>
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<td>61,712</td>
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</tr>
<tr>
<td>(25,000)</td>
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<td>25,000</td>
<td></td>
</tr>
<tr>
<td>4,488,638</td>
<td></td>
<td>4,513,638</td>
<td>2,124,066</td>
</tr>
<tr>
<td>(1,137,953)</td>
<td>(101,195)</td>
<td>(1,239,148)</td>
<td>(5,962,651)</td>
</tr>
<tr>
<td>35,150,519</td>
<td>9,001,849</td>
<td>44,152,368</td>
<td>(79,948,826)</td>
</tr>
<tr>
<td>$ 34,012,566</td>
<td>$ 8,900,654</td>
<td>$ 42,913,220</td>
<td>$ (85,911,477)</td>
</tr>
</tbody>
</table>

**Draft**
CITY OF CENTRAL, COLORADO

BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2015

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>GENERAL</th>
<th>TRANSPORTATION</th>
<th>CAPITAL IMPROVEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and Investments</td>
<td>$1,925,033</td>
<td>$159,780</td>
<td>$911,136</td>
</tr>
<tr>
<td>Restricted Cash and Investments</td>
<td>-</td>
<td>835,054</td>
<td>-</td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td>225,206</td>
<td>42,129</td>
<td>-</td>
</tr>
<tr>
<td>Taxes Receivable</td>
<td>429,552</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Grants Receivable</td>
<td>19,860</td>
<td>-</td>
<td>183,161</td>
</tr>
<tr>
<td>Interfund Receivables</td>
<td>1,346,307</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td><strong>$3,945,958</strong></td>
<td><strong>$1,036,963</strong></td>
<td><strong>$1,094,297</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>LIABILITIES</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounts Payable</td>
<td>$335,822</td>
<td>-</td>
<td>$22,027</td>
</tr>
<tr>
<td>Retainage Payable</td>
<td>-</td>
<td>-</td>
<td>20,000</td>
</tr>
<tr>
<td>Accrued Liabilities</td>
<td>27,345</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Unearned Revenues</td>
<td>600,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Interfund Payables</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td><strong>963,167</strong></td>
<td></td>
<td><strong>42,027</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>DEFERRED INFLOWS OF RESOURCES</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Taxes</td>
<td>330,151</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Grants</td>
<td>19,860</td>
<td>-</td>
<td>114,228</td>
</tr>
<tr>
<td><strong>TOTAL DEFERRED INFLOWS OF RESOURCES</strong></td>
<td><strong>350,011</strong></td>
<td></td>
<td><strong>114,228</strong></td>
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</tbody>
</table>

<table>
<thead>
<tr>
<th>FUND BALANCES</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted for Emergencies</td>
<td>170,000</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Restricted for Capital Projects</td>
<td>-</td>
<td>835,054</td>
<td>-</td>
</tr>
<tr>
<td>Restricted for Historic Preservation</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Restricted for Parks and Open Space</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Committed to Transportation</td>
<td>-</td>
<td>201,909</td>
<td>-</td>
</tr>
<tr>
<td>Assigned to Capital Projects</td>
<td>-</td>
<td>-</td>
<td>938,042</td>
</tr>
<tr>
<td>Unrestricted, Unassigned</td>
<td>2,462,780</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL FUND BALANCES</strong></td>
<td><strong>2,632,780</strong></td>
<td><strong>1,036,963</strong></td>
<td><strong>938,042</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</th>
<th>GENERAL</th>
<th>TRANSPORTATION</th>
<th>CAPITAL IMPROVEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>$3,945,958</strong></td>
<td><strong>$1,036,963</strong></td>
<td><strong>$1,094,297</strong></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the financial statements.
<table>
<thead>
<tr>
<th>NONMAJOR GOVERNMENTAL FUNDS</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 402,846</td>
<td>$ 3,398,795</td>
</tr>
<tr>
<td>- 835,054</td>
<td></td>
</tr>
<tr>
<td>- 267,335</td>
<td></td>
</tr>
<tr>
<td>- 429,552</td>
<td></td>
</tr>
<tr>
<td>- 203,021</td>
<td></td>
</tr>
<tr>
<td>- 1,345,307</td>
<td></td>
</tr>
<tr>
<td>$ 402,846</td>
<td>$ 6,483,064</td>
</tr>
</tbody>
</table>

| $ 2,370                      | $ 361,219  |
| - 21,000                     |        |
| - 27,345                     |        |
| - 609,000                    |        |
| 140,614                      | 149,614  |
| 142,984                      | 1,143,178 |

| - 330,151                    |        |
| - 134,088                    |        |
| - 464,239                    |        |
| - 170,000                    |        |
| - 835,054                    |        |
| 341,390                      | 341,390  |
| 59,086                       | 59,086  |
| - 201,909                    |        |
| - 938,042                    |        |
| (140,614)                    | 2,322,166 |
| 259,862                      | 4,867,647 |

| $ 402,846                   | $ 6,480,064 |
Amounts Reported for Governmental Activities in the Statement of Net Position are Different Because:

Total Fund Balances of Governmental Funds $4,867,647

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in governmental funds. $31,182,345

Certain long-term assets are not available to pay current expenditures and, therefore, are deferred in governmental funds. 134,088

Long-term liabilities and related items, including loan payable ($1,521,693), capital leases ($465,102), accrued compensated absences ($66,165), accrued longevity pay ($72,821), net pension liability ($26,115) and accrued interest payable ($19,618), are not due and payable in the current year and, therefore, are not reported in governmental funds. (2,171,514)

Total Net Position of Governmental Activities $34,012,566

The accompanying notes are an integral part of the financial statements.
CITY OF CENTRAL, COLORADO

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended December 31, 2015

<table>
<thead>
<tr>
<th></th>
<th>GENERAL</th>
<th>TRANSPORTATION</th>
<th>CAPITAL IMPROVEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>$1,130,177</td>
<td>$</td>
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</tr>
<tr>
<td>Gaming Fees</td>
<td>2,048,628</td>
<td>500,761</td>
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</tr>
<tr>
<td>Licenses and Permits</td>
<td>29,307</td>
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<tr>
<td>Charges for Services</td>
<td>124,728</td>
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<tr>
<td>Fines and Forfeitures</td>
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<tr>
<td>Intergovernmental</td>
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<td>282,789</td>
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<tr>
<td>Contributions and Donations</td>
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<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Investment Income</td>
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<td>$</td>
</tr>
<tr>
<td>Miscellaneous</td>
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</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>4,255,209</td>
<td>500,761</td>
<td>282,789</td>
</tr>
</tbody>
</table>

|                      |         |                |                     |
| **EXPENDITURES**     |         |                |                     |
| Current              |         |                |                     |
| General Government   | 1,310,023 | $               |                     |
| Public Safety        | 616,183  |                | $                   |
| Public Works         | 838,130  | 365,491        | 667,495             |
| Community Development| 458,084  |                | $                   |
| Fire                 | 419,672  |                | $                   |
| Historic Preservation| -       |                | $                   |
| **TOTAL EXPENDITURES** | 3,642,092 | 365,491        | 667,495             |

|                      |         |                |                     |
| **EXCESS OF REVENUES OVER (UNDER) EXPENDITURES** | 613,117 | 135,270 | (384,706) |

|                      |         |                |                     |
| **OTHER FINANCING SOURCES (USES)** |         |                |                     |
| Loan Proceeds        | -       | 1,521,693      |                     |
| Transfers In         | 586,974 |                | 1,347,748           |
| Transfers Out        | (831,159) | (620,000)    | (25,000)            |
| **TOTAL OTHER FINANCING SOURCES (USES)** | (244,185) | 901,693 | 1,322,748 |

|                      |         |                |                     |
| **NET CHANGE IN FUND BALANCES** |         |                |                     |
| 368,932              |         | 1,036,963      | 938,042             |

|                      |         |                |                     |
| **FUND BALANCES, BEGINNING** |         |                |                     |
| 2,263,848            |         |                | $                   |

|                      |         |                |                     |
| **FUND BALANCES, ENDING** |         | 1,036,963      | 938,042             |

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

5
<table>
<thead>
<tr>
<th>NONMAJOR GOVERNMENTAL FUNDS</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 1,120,177</td>
<td>$1,120,177</td>
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<tr>
<td>- 2,549,389</td>
<td>2,549,389</td>
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<tr>
<td>- 29,307</td>
<td>29,307</td>
</tr>
<tr>
<td>9,515 -</td>
<td>134,243</td>
</tr>
<tr>
<td>431,621 1,574,197</td>
<td>1,574,197</td>
</tr>
<tr>
<td>14,000 - 14,000</td>
<td>14,000</td>
</tr>
<tr>
<td>956 1,295</td>
<td>1,295</td>
</tr>
<tr>
<td>400 61,712</td>
<td>61,712</td>
</tr>
<tr>
<td>456,492 -</td>
<td>5,495,251</td>
</tr>
<tr>
<td>- 1,310,023</td>
<td>- 1,310,023</td>
</tr>
<tr>
<td>- 616,183</td>
<td>- 616,183</td>
</tr>
<tr>
<td>- 1,871,116</td>
<td>- 1,871,116</td>
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<tr>
<td>- 458,084</td>
<td>- 458,084</td>
</tr>
<tr>
<td>- 419,672</td>
<td>- 419,672</td>
</tr>
<tr>
<td>47,648 - 47,648</td>
<td>47,648</td>
</tr>
<tr>
<td>47,648 - 4,722,726</td>
<td>- 4,722,726</td>
</tr>
<tr>
<td>408,844 -</td>
<td>- 772,525</td>
</tr>
<tr>
<td>- 1,521,693</td>
<td>- 1,521,693</td>
</tr>
<tr>
<td>- 1,934,722</td>
<td>- 1,934,722</td>
</tr>
<tr>
<td>(483,563) - (1,959,722)</td>
<td>- (1,959,722)</td>
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<tr>
<td>(483,563) - 1,496,693</td>
<td>- 1,496,693</td>
</tr>
<tr>
<td>(74,719) - 2,269,218</td>
<td>- 2,269,218</td>
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<tr>
<td>334,581 - 2,508,429</td>
<td>- 2,508,429</td>
</tr>
<tr>
<td>$ 250,862 $ 4,867,647</td>
<td>$ 4,867,647</td>
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</table>


CITY OF CENTRAL, COLORADO

RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2015

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

Net Change in Fund Balances of Governmental Funds $ 2,269,218

Capital outlays to purchase or construct capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are capitalized in the statement of net position and are allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which depreciation expense ($2,380,782) and loss on disposals ($6,716) exceeded capital outlay $169,938 and donated assets $5,000 in the current year. (2,212,560)

Repayments of long-term obligations are reported as expenditures in governmental funds, but they reduce long-term liabilities in the statement of net position and do not affect the statement of activities. This amount represents capital lease payments. 171,991

Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position and does not affect the statement of activities. (1,521,693)

Revenues in the statement of activities that do not provide current financial resources are deferred in governmental funds. 134,088

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. This includes the change in net pension liability $76,827, accrued compensated absences $33,973, accrued longevity pay ($72,821) and accrued interest payable ($16,976). 2,003

Change in Net Position of Governmental Activities $ (1,137,953)

The accompanying notes are an integral part of the financial statements.
## CITY OF CENTRAL, COLORADO

### STATEMENT OF NET POSITION

**PROPRIETARY FUND**

December 31, 2015

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>WATER</th>
<th>NONCURRENCT ASSETS</th>
<th>WATER</th>
<th>TOTAL NONCURRENCT ASSETS</th>
<th>WATER</th>
<th>TOTAL ASSETS</th>
<th>WATER</th>
</tr>
</thead>
<tbody>
<tr>
<td>CURRENT ASSETS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Receivable</td>
<td></td>
<td>$ 101,253</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL CURRENT ASSETS</td>
<td></td>
<td>$ 101,253</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>NONCURRENCT ASSETS</td>
<td></td>
<td>1,884,261</td>
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<td>8,174,010</td>
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<td>10,058,271</td>
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<tr>
<td>Capital Assets, Not Being Depreciated</td>
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<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Capital Assets, Net of Accumulated Depreciation</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>TOTAL NONCURRENCT ASSETS</td>
<td></td>
<td>10,058,271</td>
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<td>TOTAL ASSETS</td>
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<td>10,159,524</td>
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<td>CURRENT LIABILITIES</td>
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<td></td>
<td>1,205,693</td>
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<td>1,258,207</td>
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<tr>
<td>Accounts Payable</td>
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<tr>
<td>Interfund Payables</td>
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<td></td>
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<tr>
<td>Compensated Absences Payable, Current Portion</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL CURRENT LIABILITIES</td>
<td></td>
<td>1,258,207</td>
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<tr>
<td>NONCURRENCT LIABILITIES</td>
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<td>600</td>
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<tr>
<td>Compensated Absences Payable</td>
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<td>TOTAL LIABILITIES</td>
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<td>1,258,807</td>
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<td>NET POSITION</td>
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<tr>
<td>Net Investment in Capital Assets</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Unrestricted</td>
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<tr>
<td>TOTAL NET POSITION</td>
<td></td>
<td>$ 8,900,654</td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

The accompanying notes are an integral part of the financial statements.
CITY OF CENTRAL, COLORADO

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION

PROPRIETARY FUND
Year Ended December 31, 2015

<table>
<thead>
<tr>
<th>OPERATING REVENUES</th>
<th>WATER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Charges for Services</td>
<td>$ 671,997</td>
</tr>
<tr>
<td>TOTAL OPERATING REVENUES</td>
<td>$ 671,997</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>OPERATING EXPENSES</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Services</td>
<td>150,372</td>
</tr>
<tr>
<td>Professional Services</td>
<td>103,164</td>
</tr>
<tr>
<td>Operating</td>
<td>125,010</td>
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<tr>
<td>Repairs and Maintenance</td>
<td>107,358</td>
</tr>
<tr>
<td>Depreciation</td>
<td>342,288</td>
</tr>
<tr>
<td>TOTAL OPERATING EXPENSES</td>
<td>828,192</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>NET OPERATING INCOME (LOSS)</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(156,195)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CAPITAL CONTRIBUTIONS AND TRANSFERS</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Grants</td>
<td>30,000</td>
</tr>
<tr>
<td>Transfers In</td>
<td>25,000</td>
</tr>
<tr>
<td>CHANGE IN NET POSITION</td>
<td>(10,195)</td>
</tr>
</tbody>
</table>

| NET POSITION, Beginning            | 9,001,849  |
| NET POSITION, Ending               | $ 8,900,654|

The accompanying notes are an integral part of the financial statements.
CITY OF CENTRAL, COLORADO

STATEMENT OF CASH FLOWS
PROPRIETARY FUND
Increase (Decrease) in Cash and Cash Equivalents
Year Ended December 31, 2015

Cash Flows From Operating Activities
Cash Received from Customers
Cash Payments to Employees
Cash Payments to Vendors and Suppliers

Net Cash Provided (Used) by Operating Activities 43,189

Cash Flows From Noncapital Financing Activities
Cash Payments to Other Funds

Cash Flows From Capital and Related Financing Activities
Purchases of Capital Assets
Grants Received
Cash Received from Other Funds

Net Cash Provided (Used) by Capital and Related Financing Activities 33,397

NET CHANGE IN CASH AND CASH EQUIVALENTS -

CASH AND CASH EQUIVALENTS, Beginning -

CASH AND CASH EQUIVALENTS, Ending $ -

RECONCILIATION OF NET OPERATING INCOME (LOSS) TO
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES
Net Operating Income (Loss) $ (155,195)
Adjustments to Reconcile Net Operating Income (Loss) to
Net Cash Provided (Used) by Operating Activities
Depreciation 342,288
Changes in Assets and Liabilities
Accounts Receivable (88,616)
Accounts Payable 37,577
Compensated Absences (22,794)
Unearned Revenues (64,071)

Net Cash Provided (Used) by Operating Activities $ 48,189

The accompanying notes are an integral part of the financial statements.
NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Central, Colorado (the “City”) was incorporated in 1886 and became a home rule city in 1991. The City is governed by an elected Mayor and City Council.

The financial statements of the City have been prepared in conformity with generally accepted accounting principles (GAAP) as applicable to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City’s accounting policies are described below.

Reporting Entity

The financial reporting entity consists of the City, organizations for which the City is financially accountable, and organizations that raise and hold economic resources for the direct benefit of the City. All funds, organizations, institutions, agencies, departments and offices that are not legally separate are part of the City. Legally separate organizations for which the City is financially accountable are considered part of the reporting entity. Financial accountability exists if the City appoints a voting majority of the organization’s governing board and is able to impose its will on the organization, or if there is a potential for the organization to provide benefits to, or impose financial burdens on, the City.

Based on the application of these criteria, the City includes the City of Central Business Improvement District (the “District”) in its reporting entity. The District is a separate legal entity organized pursuant the provisions of the Colorado Business Improvement District Act for the purpose of providing various public services and improvements within the commercial area of the City, primarily to facilitate the financing, completion, and operations of the Central City Parkway, which opened in November, 2004. The District has a separate governing board with members appointed by the City Council. The District is discretely presented in the financial statements. Separate financial statements for the District may be obtained at 9155 East Nichols Avenue, Suite 330, Centennial, Colorado 80112.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all activities of the City and its component unit. For the most part, the effect of interfund activity has been removed from these statements. Exceptions to this general rule are charges for interfund services that are reasonably equivalent to the services provided. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The primary government is reported separately from the legally separate component unit for which the City is financially accountable.
NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

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

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

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

Taxes, intergovernmental revenues, and interest associated with the current year are considered to be susceptible to accrual and so have been recognized as revenues of the current year. All other revenues are considered measurable and available only when cash is received by the City.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with ongoing operations. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.
NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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 accounted for in another fund.

The Transportation Fund was established to account for a portion of the gaming device fees committed by City Council ordinance for transportation services and improvements, and the related expenditures.

The Capital Improvement Fund accounts for infrastructure and other capital improvements financed primarily with grants from other governments and transfers from other funds.

Additionally, the City reports the following major proprietary funds:

The Water Fund accounts for the financial activities associated with the provision of water to citizens and businesses in the City limits.

Assets, Liabilities and Net Position/Fund Balances

Cash and Investments - For purposes of the statement of cash flows, cash equivalents include investments with original maturities of three months or less. The City considers all pooled cash and investments to be cash equivalents. Investments are reported at fair value.

Receivables - Receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

Interfund Receivables and Payables - During the course of operations, certain transactions occur between individual funds. The resulting receivables and payables are classified on the balance sheet as interfund receivables and interfund payables. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as internal balances.

Capital Assets - Capital assets, which include land, buildings, equipment, and infrastructure acquired after January 1, 2002, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the proprietary fund in the fund financial statements. Capital assets are defined by the City as assets with an initial, individual cost of $5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated market value on the date of donation. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized.
NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position/Fund Balances (Continued)

Capital assets are depreciated using the straight-line method over the following estimated useful lives.

- Buildings and Improvements: 30 years
- Infrastructure: 10 - 30 years
- Water Plant and Lines: 50 years
- Equipment and Vehicles: 5 - 10 years

Compensated Absences - Employees of the City are allowed to accumulate unused vacation time to a maximum of 312 hours, depending on length of employment. Upon termination of employment from the City, an employee will be paid for any unused vacation time at their current rate of pay. A liability for these compensated absences is reported when earned in the proprietary fund and when paid in the governmental funds. A long-term liability has been reported in the government-wide financial statements for the accrued compensated absences.

Volunteer Firefighter Length of Service Award Plan - The City has established the Volunteer Firefighter Length of Service Award Plan. Every volunteer firefighter is eligible to participate in the plan and shall become a participant in the plan on the date they first perform service as a volunteer firefighter. Service awards in any plan year may be awarded at the sole and exclusive discretion of the City, and in an amount determined at the sole and exclusive discretion of the City. In order to be eligible to receive a service award, a participant must complete 36 training hours and respond to at least 15% of the calls during the year. The annual award amounts are allocated to all eligible participants based on years of service, ranging from $600 to $3,000. Plan participants are fully vested in the awarded amounts at all times. Participants will be paid all accrued award amounts and any interest earnings in a lump-sum distribution within fifteen days upon separation from service to the City. If separation is the result of death, the distribution will be paid to their beneficiary.

A liability for these benefits is reported when paid in the governmental funds. A long-term liability has been reported in the government-wide financial statements for the accrued longevity pay.

Unearned Revenues - Unearned revenues include gaming license fees collected in advance.

Long-Term Debt - In the government-wide financial statements and the proprietary fund in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities. In the fund financial statements, governmental funds recognize the face amount of debt issued as other financing sources. Debt issuance costs, whether or not withheld from the debt proceeds, are reported as current expenses or expenditures.
NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets, Liabilities and Net Position/Fund Balances (Continued)

Pensions - The City maintains the Volunteer Fire Department Pension Plan, an agent multiple-employer defined benefit pension plan administered by the Fire & Police Pension Association of Colorado (FPPA). The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position, and additions to and deductions from the plan’s fiduciary net position have been determined using the same basis as the plan. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Inflows of Resources - Deferred inflows of resources include property taxes earned but levied for a subsequent year. In addition, revenues not available as current financial resources are deferred in the governmental fund financial statements.

Net Position/Fund Balances - In the government-wide and fund financial statements, net position and fund balances are restricted when constraints placed on the use of resources are externally imposed. The City Council establishes a fund balance commitment through passage of an ordinance, and is authorized to informally assign amounts to a specific purpose.

The City has not established a formal policy for its use of restricted and unrestricted fund balances. However, if both restricted and unrestricted fund balances are available for a specific purpose, the City uses restricted amounts first, followed by committed, assigned and unassigned amounts.

Property Taxes

Property taxes attach as an enforceable lien on property on January 1, are levied the following December, and collected in the subsequent calendar year. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer’s Office collects property taxes and remits to the City on a monthly basis. Since property tax revenues are collected in arrears during the succeeding fiscal year, receivables and corresponding deferred inflows of resources are reported at year end.

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Accountability

At December 31, 2015, the Impact Fees and Public Property Trust Funds had deficit fund balances of $129,585 and $11,029, respectively. Management expects the deficit balances to be eliminated with future revenues and transfers from other funds.
NOTE 3: CASH AND INVESTMENTS

A summary of cash and investments at December 31, 2015, follows:

Cash Deposits  $3,423,212
Investments  819,637

Total  $4,233,849

Cash and investments are reported in the financial statements as follows:

Cash and Investments  $3,398,795
Restricted Cash and Investments  835,054

Total  $4,233,849

Cash Deposits

The Colorado Public Deposit Protection Act (PDPA) requires all local government entities to deposit cash in eligible public depository. Eligibility is determined by State regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The PDPA allows the financial institution to create a single collateral pool for all public funds held. The pool is to be maintained by another institution, or held in trust for all uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. At December 31, 2015, the City had bank deposits of $3,049,984 collateralized with securities held by the financial institutions’ agents but not in the City’s name.

Investments

The City is required to comply with State statutes and the City’s investment policy which specify investment instruments meeting defined rating, maturity, and concentration risk criteria in which the City may invest, which include the following. Custodial risk is not addressed by State statutes or by policy.

- Obligations of the United States and certain U.S. 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
- Guaranteed investment contracts (GICs)
NOTE 3: CASH AND INVESTMENTS (Continued)

Investments (Continued)

*Interest Rate Risk* - State statutes generally limit investments to an original maturity of five years unless the governing board authorizes the investment for a period in excess of five years.

*Credit Risk* - State statutes limit certain investments to those with specified ratings from nationally recognized statistical rating organizations, depending on the type of investment.

*Concentration of Credit Risk* - State statutes do not limit the amount the City may invest in one issuer, except for corporate securities.

*Local Government Investment Pool* - At December 31, 2015, the City had $810,637 invested in the Colorado Local Government Liquid Asset Trust (Colotrust), an investment vehicle established for local government entities in Colorado to pool surplus funds. The Colorado Division of Securities administers and enforces the requirements of creating and operating Colotrust. Colotrust operates in conformity with the Securities and Exchange Commission’s Rule 2a-7, with each share valued at $1. Colotrust is rated AAAm by Standard and Poor’s. Investments of Colotrust are limited to those allowed by State statutes. A designated custodial bank provides safekeeping and depository services ir connection with the direct investment and withdrawal functions. The custodian’s internal records identify the investments owned by the participating governments.

**Restricted Cash and Investments**

At December 31, 2015, the City held loan proceeds of $835,054 restricted for public transportation projects in a separate bank account as required by the loan agreement (See Note 6).

NOTE 4: INTERFUND BALANCES AND TRANSACTIONS

Interfund balances at December 31, 2015, were as follows:

<table>
<thead>
<tr>
<th>Interfund Receivables</th>
<th>Interfund Payables</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>Water Fund</td>
<td>$1,205,693</td>
</tr>
<tr>
<td>General Fund</td>
<td>Impact Fees Fund</td>
<td>129,585</td>
</tr>
<tr>
<td>General Fund</td>
<td>Public Property Trust Fund</td>
<td>11,029</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$1,346,307</strong></td>
</tr>
</tbody>
</table>

The General Fund has subsidized the negative cash balances of the Impact Fees and Public Property Trust Funds. In addition, the General Fund subsidized water operations for multiple years. This interfund loan is expected to be repaid with future revenues of the Water Fund.
NOTE 4:  INTERFUND BALANCES AND TRANSACTIONS (Continued)

Interfund transfers for the year ended December 31, 2015, were as follows:

<table>
<thead>
<tr>
<th>Transfers In</th>
<th>Transfers Out</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Fund</td>
<td>Transportation Fund</td>
<td>$190,000</td>
</tr>
<tr>
<td>General Fund</td>
<td>Historic Preservation Fund</td>
<td>198,400</td>
</tr>
<tr>
<td>General Fund</td>
<td>Tabor Reserve Fund</td>
<td>198,574</td>
</tr>
<tr>
<td>Capital Improvement Fund</td>
<td>General Fund</td>
<td>831,159</td>
</tr>
<tr>
<td>Capital Improvement Fund</td>
<td>Transportation Fund</td>
<td>430,000</td>
</tr>
<tr>
<td>Capital Improvement Fund</td>
<td>Historic Preservation Fund</td>
<td>80,000</td>
</tr>
<tr>
<td>Capital Improvement Fund</td>
<td>Tabor Reserve Fund</td>
<td>6,589</td>
</tr>
<tr>
<td>Water Fund</td>
<td>Capital Improvement Fund</td>
<td>25,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>Total</strong></td>
<td><strong>$1,959,722</strong></td>
</tr>
</tbody>
</table>

During the year ended December 31, 2015, the Tabor Reserve Fund was closed and the remaining balance was transferred to the General and Capital Improvement Funds. The General and Transportation Funds allocated resources to the Capital Improvement Fund for improvements to the Central City Parkway and other capital projects. The Transportation and Historic Preservation Funds reimbursed the General Fund for various transportation improvements and costs related to historic tourism. The Historic Preservation Fund transferred $80,000 to the Capital Improvement Fund for payment of a capital lease related to City facilities (See Note 6). The Capital Improvement Fund financed certain improvements related to raw water intakes and other projects in the Water Fund.

NOTE 5:  CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2015, is summarized below:

<table>
<thead>
<tr>
<th>Governmental Activities</th>
<th>Balances 12/31/14</th>
<th>Additions</th>
<th>Deletions</th>
<th>Balances 12/31/15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Assets, Not Being Depreciated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$5,523,996</td>
<td>-</td>
<td>-</td>
<td>$5,523,996</td>
</tr>
<tr>
<td>Construction in Progress</td>
<td>-</td>
<td>59,627</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total Capital Assets, Not Being Depreciated</td>
<td>$5,583,623</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Assets, Being Depreciated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and Improvements</td>
<td>2,643,218</td>
<td>-</td>
<td>-</td>
<td>2,643,218</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>46,670,372</td>
<td>24,731</td>
<td>-</td>
<td>46,695,103</td>
</tr>
<tr>
<td>Equipment and Vehicles</td>
<td>2,707,904</td>
<td>90,580</td>
<td>11,941</td>
<td>2,786,543</td>
</tr>
<tr>
<td>Total Capital Assets, Being Depreciated</td>
<td>52,021,494</td>
<td>115,311</td>
<td>11,941</td>
<td>52,124,864</td>
</tr>
</tbody>
</table>
## CITY OF CENTRAL, COLORADO

### NOTES TO FINANCIAL STATEMENTS

**December 31, 2015**

### NOTE 5: CAPITAL ASSETS (Continued)

<table>
<thead>
<tr>
<th></th>
<th>Balances 12/31/14</th>
<th>Additions</th>
<th>Deletions</th>
<th>Balances 12/31/15</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Governmental Activities (Continued)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less Accumulated Depreciation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and Improvements</td>
<td>(1,324,910)</td>
<td>(71,643)</td>
<td>-</td>
<td>(1,402,553)</td>
</tr>
<tr>
<td>Infrastructure</td>
<td>(21,009,693)</td>
<td>(2,092,869)</td>
<td>-</td>
<td>(23,102,562)</td>
</tr>
<tr>
<td>Equipment and Vehicles</td>
<td>(1,815,982)</td>
<td>(210,270)</td>
<td>(5,225)</td>
<td>(2,021,027)</td>
</tr>
<tr>
<td>Total Accumulated Depreciation</td>
<td>(24,150,585)</td>
<td>(2,380,782)</td>
<td>(5,225)</td>
<td>(26,526,142)</td>
</tr>
<tr>
<td><strong>Total Capital Assets, Being Depreciated, Net</strong></td>
<td>27,870,909</td>
<td>(2,265,471)</td>
<td>6,716</td>
<td>25,598,722</td>
</tr>
<tr>
<td><strong>Governmental Activities Capital Assets, Net</strong></td>
<td>$33,394,905</td>
<td>(2,205,844)</td>
<td>6,716</td>
<td>$31,182,345</td>
</tr>
<tr>
<td><strong>Business-Type Activities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Assets, Not Being Depreciated</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Land</td>
<td>$630,898</td>
<td>-</td>
<td>- $</td>
<td>- $630,898</td>
</tr>
<tr>
<td>Water Rights</td>
<td>1,253,363</td>
<td>-</td>
<td>-</td>
<td>1,253,363</td>
</tr>
<tr>
<td><strong>Total Capital Assets, Not Being Depreciated</strong></td>
<td>$1,884,261</td>
<td>-</td>
<td>-</td>
<td>$1,884,261</td>
</tr>
<tr>
<td><strong>Capital Assets, Being Depreciated</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and Improvements</td>
<td>1,027,242</td>
<td>-</td>
<td>-</td>
<td>1,027,242</td>
</tr>
<tr>
<td>Water Plant and Lines</td>
<td>13,588,626</td>
<td>18,317</td>
<td>-</td>
<td>13,606,943</td>
</tr>
<tr>
<td>Equipment</td>
<td>450,342</td>
<td>6,286</td>
<td>-</td>
<td>456,628</td>
</tr>
<tr>
<td><strong>Total Capital Assets, Being Depreciated</strong></td>
<td>$15,066,210</td>
<td>24,603</td>
<td>-</td>
<td>$15,090,813</td>
</tr>
<tr>
<td>Less Accumulated Depreciation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Buildings and Improvements</td>
<td>(828,314)</td>
<td>(44,918)</td>
<td>-</td>
<td>(873,232)</td>
</tr>
<tr>
<td>Water Plant and Lines</td>
<td>(5,424,434)</td>
<td>(262,170)</td>
<td>-</td>
<td>(5,686,604)</td>
</tr>
<tr>
<td>Equipment</td>
<td>(321,767)</td>
<td>(35,200)</td>
<td>-</td>
<td>(356,967)</td>
</tr>
<tr>
<td><strong>Total Accumulated Depreciation</strong></td>
<td>(6,574,515)</td>
<td>(342,288)</td>
<td>-</td>
<td>(6,916,803)</td>
</tr>
<tr>
<td><strong>Total Capital Assets, Being Depreciated, Net</strong></td>
<td>8,491,695</td>
<td>(317,685)</td>
<td>-</td>
<td>8,174,010</td>
</tr>
<tr>
<td><strong>Business-Type Activities Capital Assets, Net</strong></td>
<td>$10,376,956</td>
<td>(317,685)</td>
<td>-</td>
<td>$10,058,271</td>
</tr>
</tbody>
</table>

Depreciation expense was charged to programs of the City as follows:

- **Governmental Activities**
  - General Government $70,761
  - Public Safety $43,562
  - Public Works $2,258,489
  - Fire $7,970

**Total** $2,380,782
CITY OF CENTRAL, COLORADO

NOTES TO FINANCIAL STATEMENTS
December 31, 2015

NOTE 6: LONG-TERM DEBT

Following is a summary of the long-term debt transactions for the year ended December 31, 2015:

<table>
<thead>
<tr>
<th>Governmental Activities</th>
<th>Balance 12/31/14</th>
<th>Additions</th>
<th>Payments</th>
<th>Balance 12/31/15</th>
<th>Due Within One Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan Payable</td>
<td>$ -</td>
<td>$ 1,521,693</td>
<td>$ -</td>
<td>$ 1,521,693</td>
<td>$ 135,824</td>
</tr>
<tr>
<td>Capital Leases</td>
<td>637,093</td>
<td>-</td>
<td>171,991</td>
<td>465,102</td>
<td>115,460</td>
</tr>
<tr>
<td>Compensated Absences</td>
<td>100,138</td>
<td>109,035</td>
<td>143,008</td>
<td>66,165</td>
<td>6,616</td>
</tr>
<tr>
<td>Accrued Longevity Pay</td>
<td>-</td>
<td>72,821</td>
<td>-</td>
<td>72,821</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$ 737,231</td>
<td>$ 1,703,549</td>
<td>$ 314,999</td>
<td>$ 2,125,781</td>
<td>$ 257,900</td>
</tr>
</tbody>
</table>

| Business-Type Activities | Compensated Absences | $ 23,461 | $ 667 | $ 23,461 | $ 667 | 67 |

Loan Payable

In July, 2015, the City obtained a loan for $1,521,693 from the Colorado Department of Transportation’s State Infrastructure Bank. Loan proceeds will be used for public transportation projects, specifically a storm water drainage master plan, Central City Parkway repairs, Nevada Street retaining wall repairs, and Central City Parkway rock fall mitigation. Principal and interest payments of $173,867 are due annually on July 17, from 2016 through 2025. Interest accrues at the rate of 2.5% per annum. This loan is payable solely from the gaming device fees committed for transportation services and improvements together with any other revenues of the Transportation Fund.

Debt service requirements to maturity are as follows:

<table>
<thead>
<tr>
<th>Year Ended December 31,</th>
<th>Principal</th>
<th>Interest</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$ 135,824</td>
<td>$ 38,043</td>
<td>$ 173,867</td>
</tr>
<tr>
<td>2017</td>
<td>139,220</td>
<td>34,647</td>
<td>173,867</td>
</tr>
<tr>
<td>2018</td>
<td>142,701</td>
<td>31,166</td>
<td>173,867</td>
</tr>
<tr>
<td>2019</td>
<td>146,268</td>
<td>27,599</td>
<td>173,867</td>
</tr>
<tr>
<td>2020</td>
<td>149,925</td>
<td>23,942</td>
<td>173,867</td>
</tr>
<tr>
<td>2021 - 2025</td>
<td>807,755</td>
<td>61,580</td>
<td>869,335</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 1,521,693</td>
<td>$ 216,977</td>
<td>$ 1,738,670</td>
</tr>
</tbody>
</table>

Capital Leases

During 2011, the City entered into a lease agreement for $109,825 to purchase a street sweeper. Annual payments of $28,953 were due through January, 2015. Interest accrued on the outstanding balance at 3.29% per annum. Fully depreciated capital assets are reported under this lease. During the year ended December 31, 2015, the lease was paid in full.
NOTE 6: **LONG-TERM DEBT** (Continued)

**Capital Leases** (Continued)

During 2011, the City entered into a lease agreement for $489,773 to finance the installation and upgrade of HVAC and lighting systems in several City facilities. Quarterly payments of $14,426 are due through December, 2021. Interest accrues on the outstanding balance at 3.3% per annum. Capital assets of $458,750 less accumulated depreciation of $83,708 are reported under this lease. The outstanding balance of the capital lease at December 31, 2015, was $312,927.

During 2012, the City entered into a lease agreement for $125,333 to purchase two vehicles. Annual payments of $34,095 were due through February, 2015. Interest accrued on the outstanding balance at 5.94% per annum. Capital assets of $125,333 less accumulated depreciation of $62,664 are reported under this lease. During the year ended December 31, 2015, the lease was paid in full.

During 2014, the City entered into a lease agreement for $172,903 to purchase a snow plow. Annual payments of $38,601 are due through May, 2018. Interest accrues on the outstanding balance at 3% per annum. Capital assets of $172,903 less accumulated depreciation of $43,226 are reported under this lease. The outstanding balance of the capital lease at December 31, 2015, was $108,832.

During 2014, the City entered into a lease agreement for $135,615 to purchase a loader. Monthly payments of $2,767 are due through May, 2017. Interest accrues on the outstanding balance at 3% per annum. Capital assets of $135,614 less accumulated depreciation of $33,904 are reported under this lease. The outstanding balance of the capital lease at December 31, 2015, was $43,343.

Following is a schedule of the future minimum lease payments required under the capital lease obligations.

**Year Ended December 31,**

<table>
<thead>
<tr>
<th>Year</th>
<th>Minimum Lease Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$129,509</td>
</tr>
<tr>
<td>2017</td>
<td>107,373</td>
</tr>
<tr>
<td>2018</td>
<td>96,305</td>
</tr>
<tr>
<td>2019</td>
<td>57,704</td>
</tr>
<tr>
<td>2020</td>
<td>57,704</td>
</tr>
<tr>
<td>2021</td>
<td>57,704</td>
</tr>
<tr>
<td>Total</td>
<td>506,299</td>
</tr>
</tbody>
</table>

Less: Interest Portion  (41,197)

Present Value of Future Minimum Lease Payments  **$465,102**

**Compensated Absences and Accrued Longevity Pay**

Compensated absences and accrued longevity pay of the governmental activities are expected to be liquidated with revenues of the General Fund.
NOTE 7: 

VOLUNTEER FIRE DEPARTMENT PENSION PLAN

General Information

*Plan Description* - The Volunteer Fire Department Pension Plan is an agent multiple-employer defined benefit pension plan for volunteer firefighters as authorized by State statutes. The City Council serves as the plan’s Board of Trustees. The Board of Trustees establishes and is authorized to amend the plan provisions, and determines the contributions made by the City. The plan is administered by the Fire & Police Pension Association of Colorado (FPPA). The annual financial report of FPPA may be obtained at www.fppaco.org.

*Plan Membership* - Plan membership consists of active, inactive non-retirement, and retired volunteer firefighters and their beneficiaries. At December 31, 2015, plan membership consisted of the following:

- Inactive plan members or beneficiaries currently receiving benefits: 6
- Inactive plan members entitled to, but not yet receiving, benefits: 2
- Active plan members: 12

Total: 20

*Benefits Provided* - Any volunteer firefighter who has both attained the age of fifty and completed twenty years of active service shall be eligible for a monthly pension benefit of $500. Monthly survivor benefits as a result of death in the line of duty or after retirement of the beneficiary are $250. A volunteer firefighter is vested in the plan after ten years of service, and is eligible for an additional monthly pension benefit of $25 between ten and twenty years of service.

*Contributions* - The plan may receive contributions from the City in an amount not to exceed one-half mill of property tax revenue. As established by its Legislature, the State of Colorado may provide a matching contribution of ninety percent of the City’s contribution. Contributions are not actuarially determined. An actuary is used to determine the adequacy of contributions. Based on the January 1, 2013, actuarial valuation, the actuarially determined contributions expected to finance the costs of benefits earned during the year, with an additional amount to finance the unfunded liability, were $18,524. During the year ended December 31, 2015, the State contributed $6,472 to the plan. The City did not contribute to the plan during the year.

Net Pension Liability

At December 31, 2015, the City reported a net pension liability of $26,115. The net pension liability was measured at December 31, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015.
NOTE 7: VOLUNTEER FIRE DEPARTMENT PENSION PLAN (Continued)

Net Pension Liability (Continued)

*Actuarial Assumptions* - The total pension liability in the actuarial valuation as of January 1, 2015, was determined using the following actuarial assumptions. The discount rate at the beginning of the measurement period of 7.01% increased to 7.5% at the end of the measurement period. The resulting reduction in the total pension liability is reflected as a change of assumption.

Inflation - 3%
Salary Increases - NA
Investment Rate of Return - 7.5%
Retirement Age - 50% per year of eligibility until 100% at age 65

Pre-retirement and post-retirement mortality rates were based on the RP-2000 Combined Mortality Table with Blue Collar Adjustment. In addition, pre-retirement mortality rates used a 40% multiplier for off-duty mortality. Disabled mortality rates were based on the RP-2000 Disabled Mortality Table. All tables are projected with Scale AA.

The actuarial assumptions used in the January 1, 2015, valuation were based on the results of an actuarial experience study conducted for the period January 1, 2007, to December 31, 2011, adopted by the FP&A Board of Directors in July, 2011.

A five-year smoothing methodology is used in the determination of the actuarial value of assets. The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of investment expenses and inflation) were developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation are summarized as follows:

<table>
<thead>
<tr>
<th>Asset Class</th>
<th>Target Allocation</th>
<th>Long-Term Expected Rate of Return</th>
</tr>
</thead>
<tbody>
<tr>
<td>Global Equity</td>
<td>40%</td>
<td>8.9%</td>
</tr>
<tr>
<td>Equity Long/Short</td>
<td>10%</td>
<td>7.5%</td>
</tr>
<tr>
<td>Illiquid Alternatives</td>
<td>18%</td>
<td>10.5%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>15%</td>
<td>4.6%</td>
</tr>
<tr>
<td>Absolute Return</td>
<td>12%</td>
<td>6.5%</td>
</tr>
<tr>
<td>Managed Futures</td>
<td>4%</td>
<td>5.5%</td>
</tr>
<tr>
<td>Cash</td>
<td>1%</td>
<td>2.5%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100%</strong></td>
<td></td>
</tr>
</tbody>
</table>
NOTE 7: VOLUNTEER FIRE DEPARTMENT PENSION PLAN (Continued)

Net Pension Liability (Continued)

Discount Rate - The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions will continue to follow the current funding policy. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments of 7.5% was applied to all periods of projected benefit payments to determine the total pension liability.

For the year ended December 31, 2015, changes in the net pension liability of the City were as follows.

<table>
<thead>
<tr>
<th>Increase (Decrease)</th>
<th>Total Pension Liability</th>
<th>Plan Fiduciary Net Position</th>
<th>Net Pension Liability</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(a)</td>
<td>(b)</td>
<td>(a) - (b)</td>
</tr>
<tr>
<td>Balances, December 31, 2014</td>
<td>$ 615,981</td>
<td>$ 513,039</td>
<td>$ 102,942</td>
</tr>
<tr>
<td>Service Cost</td>
<td>11,469</td>
<td>-</td>
<td>11,469</td>
</tr>
<tr>
<td>Interest</td>
<td>42,634</td>
<td>-</td>
<td>42,634</td>
</tr>
<tr>
<td>Differences in Expected and Actual Experience</td>
<td>(46,649)</td>
<td>-</td>
<td>(46,649)</td>
</tr>
<tr>
<td>Changes of Assumptions</td>
<td>(33,192)</td>
<td>-</td>
<td>(33,192)</td>
</tr>
<tr>
<td>Employer Contributions</td>
<td>-</td>
<td>11,656</td>
<td>(11,656)</td>
</tr>
<tr>
<td>State of Colorado Contributions</td>
<td>-</td>
<td>6,417</td>
<td>(6,417)</td>
</tr>
<tr>
<td>Net Investment Income</td>
<td>-</td>
<td>34,187</td>
<td>(34,187)</td>
</tr>
<tr>
<td>Benefit Payments</td>
<td>(27,333)</td>
<td>(27,333)</td>
<td>-</td>
</tr>
<tr>
<td>Administrative Expenses</td>
<td>-</td>
<td>(1,171)</td>
<td>1,171</td>
</tr>
<tr>
<td>Balances, December 31, 2015</td>
<td>$ 562,910</td>
<td>$ 536,795</td>
<td>$ 26,115</td>
</tr>
</tbody>
</table>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate - The following presents the City's net pension liability calculated using the discount rate of 7.5%, as well as the City's net pension liability if it were calculated using a discount that is one percentage point lower (6.5%) or one percentage point higher (8.5%) than the current rate, as follows:

<table>
<thead>
<tr>
<th>Current Discount Rate</th>
<th>1% Decrease (6.5%)</th>
<th>1% Increase (8.5%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>City's Net Pension Liability (Asset)</td>
<td>$ 97,522</td>
<td>$ 26,115</td>
</tr>
</tbody>
</table>

Pension Plan Fiduciary Net Position - Detailed information about the plan's fiduciary net position is available in FPPA's separately issued financial report, which may be obtained at www.fppaco.org.
NOTE 7: VOLUNTEER FIRE DEPARTMENT PENSION PLAN (Continued)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2015, the City recognized pension expense of ($75,934). The net differences in projected and actual earnings on investments, expected and actual experience, and changes of assumptions were recorded in pension expense. Because the differences were not significant, they will not be recognized as pension expense over multiple years.

NOTE 8: OTHER RETIREMENT COMMITMENTS

Fire and Police Department Pension Plan

The City contributes to the Statewide Money Purchase Plan, a multiple-employer defined contribution pension plan, on behalf of all sworn police officers and paid firefighters. The plan is administered by the Fire & Police Pension Association of Colorado (FPPA). The contribution requirements of the plan are established by State statutes. Currently, plan participants contribute 8% of base salary, which is matched by the City. Participants vest immediately in their contributions. Vesting in the City’s contributions and the related investment earnings occurs at 20% per year after the first year of service, with full vesting after five years of service. During the year ended December 31, 2015, the City contributed $36,076 to the plan, equal to the required contributions.

General Employees Pension Plan

The City has established a single-employer defined contribution money purchase pension plan on behalf of all permanent employees not covered by the Fire and Police Department Pension Plan. The plan provisions and contribution requirements are established and may be amended by the City Council. Employees are eligible to participate in the plan after six months of employment, and become fully vested after five years of service. The City matches employee contributions up to 5% of compensation. Employees may make additional voluntary contributions not to exceed the limits established by federal regulations.

During the year ended December 31, 2015, the City and employees contributed $23,818 and $26,667, respectively, to the plan. The plan investments are managed by the International City/County Management Association (ICMA).

Deferred Compensation Plan

The City offers its employees a deferred compensation plan in accordance with Internal Revenue Code Section 457. The plan is available to all employees and permits them to defer a portion of their salary until future years. The City Council determines the City’s contributions to the plan. The City currently matches employee contributions to a maximum of 5% of each employee’s compensation. During the year ended December 31, 2015, the City contributed $38,993 to the plan. The plan is administered by the ICMA, and all plan assets are held in trust for the exclusive benefit of the participants.
NOTE 9: OTHER POSTEMPLOYMENT BENEFITS

Plan Description - The City contributes to the Statewide Death and Disability Plan, a cost-sharing multiple-employer defined benefit death and disability plan administered by the Fire & Police Pension Association of Colorado (FPPA). All full-time police officers are members of the plan. Contributions to the plan are used solely for the payment of death and disability benefits. Benefits are established by State statutes and generally allow for benefits upon the death or disability of a plan member prior to retirement. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for the plan. That report may be obtained by contacting FPPA as described previously.

Funding Policy - The contribution requirements are established by State statute. The City Council determines the contribution split between members and the City. No contributions are required for members hired prior to January 1, 1997. For members hired on or after January 1, 1997, the City contributes 2.6% of base salaries. The City's contributions to the plan for the years ended December 31, 2015, 2014 and 2013 were $7,578, $8,611 and $8,224, respectively, equal to the required contributions.

NOTE 10: RISK-RELATED ACTIVITIES

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.

Public Entity Risk Pool

The City participates in the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by intergovernmental agreement by member municipalities pursuant to the provisions of 24-10-115.5, Colorado Revised Statutes and the Colorado Constitution, Article XIV, Section 18(2).

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

It is the intent of the members of CIRSA to create an entity in perpetuity which will administer and use funds contributed by the members to defend and indemnify, in accordance with the bylaws, any member of CIRSA against stated liability of loss, to the limit of the financial resources of CIRSA. It is also the intent of the members to have CIRSA provide continuing stability and availability of needed coverages at reasonable costs. All income and assets of CIRSA shall be at all times dedicated to the exclusive benefit of its members.

CIRSA is a separate legal entity and the City does not approve budgets nor does it have the ability to significantly affect the operations of CIRSA.
NOTE 11: COMMITMENTS AND CONTINGENCIES

Claims and Judgments

The City participates in a number of federal, state, and local programs that are fully or partially funded by grants received from other governmental entities. Expenses financed by grants are subject to audit by the appropriate grantor government. If expenses are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government. At December 31, 2015, significant amounts of grant expenses have not been audited but management believes that subsequent audits will not have a material effect on the overall financial position of the City.

Conduit Debt

On September 1, 1996, the City issued Variable Rate Demand Multifamily Housing Revenue Bonds, Series 1996, in the amount of $9,250,000, to finance the acquisition and construction of a multifamily housing facility for persons of low-income within the City known as Gold Mountain Apartments. The bonds mature on April 1, 2029, and are payable solely from revenues generated by the facility.

On December 1, 1997, the City issued Multifamily Housing Revenue Bonds, Series 1997, in the amount of $3,194,000, to finance the acquisition and construction of a multifamily housing facility for persons of low- and middle-income comprised of 72 residential units in the City known as Gold Mountain Apartments Phase II. The bonds mature on December 25, 2030, and are payable solely from revenues generated by the facility.

The City is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The outstanding balance of the bonds at December 31, 2015, was $7,638,333.

Tabor Amendment

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which limits state and local government taxing powers and imposes spending limitations. The amendment is complex and subject to judicial interpretation. However, the City believes it is in substantial compliance with the requirements of the amendment.

In November, 1993, voters permitted the City to collect, retain, and expend the full proceeds of the City’s sales and use tax, device tax, state gaming tax, and non-federal grants notwithstanding the limitations established by the amendment.

The City has established an emergency reserve representing 3% of qualifying expenditures, as required by the amendment. At December 31, 2015, the emergency reserve was reported as restricted fund balance in the General Fund, in the amount of $170,000.
NOTE 11: COMMITMENTS AND CONTINGENCIES (Continued)

Gaming License Fee Rebate Incentive Agreements

The City has approved incentive agreements with casinos located in the City whereby the City will rebate certain gaming license fees in exchange for the purchase, construction and/or maintenance of parking facilities. During the year ended December 31, 2015, the City paid $304,238 under these agreements.

NOTE 12: CONCENTRATION OF RISK

For the year ended December 31, 2015, approximately 60% of the revenues of the City’s governmental funds were generated from gaming license and device fees and State gaming revenues. A reduction in this revenue, if it were to occur, may have a significant effect on the City’s programs and activities.

NOTE 13: RESTATEMENTS

During the year ended December 31, 2015, the City corrected misstatements in previously issued financial statements related to revenue recognition. Net position and fund balance at December 31, 2014, were restated to reflect these corrections, as follows:

<table>
<thead>
<tr>
<th></th>
<th>Governmental Activities</th>
<th>General Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balances, December 31, 2014, as Originally Stated</td>
<td>$34,752,821</td>
<td>$1,908,863</td>
</tr>
<tr>
<td>Corrections</td>
<td>500,640</td>
<td>354,985</td>
</tr>
<tr>
<td>Total</td>
<td>$35,253,461</td>
<td>$2,263,848</td>
</tr>
</tbody>
</table>

NOTE 14: CHANGE IN ACCOUNTING PRINCIPLE

For the year ended December 31, 2015, the City adopted the standards of Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions. As a result, net position of the governmental activities at December 31, 2014, was restated to reflect the cumulative effect of adopting the standards.
NOTE 14:  **CHANGE IN ACCOUNTING PRINCIPLE** (Continued)

Certain balances of deferred outflows of resources and deferred inflows of resources related to pensions at December 31, 2014, were not available and have not been reported in the financial statements.

<table>
<thead>
<tr>
<th>Governmental Activities</th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Position, December 31, 2014, as Originally Stated</td>
</tr>
<tr>
<td>Net Pension Liability</td>
</tr>
<tr>
<td>Net Position, December 31, 2014, as Restated</td>
</tr>
</tbody>
</table>
REQUIRED SUPPLEMENTARY INFORMATION
CITY OF CENTRAL, COLORADO

REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS AND CONTRIBUTIONS
VOLUNTEER FIRE DEPARTMENT PENSION PLAN
December 31, 2015

<table>
<thead>
<tr>
<th>TOTAL PENSION LIABILITY</th>
<th>12/31/14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Cost</td>
<td>$11,469</td>
</tr>
<tr>
<td>Interest</td>
<td>42,634</td>
</tr>
<tr>
<td>Differences Between Expected and Actual Experience</td>
<td>(45,649)</td>
</tr>
<tr>
<td>Changes of Assumptions</td>
<td>(33,192)</td>
</tr>
<tr>
<td>Benefit Payments</td>
<td>(27,333)</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Change in Total Pension Liability</td>
<td>(53,071)</td>
</tr>
<tr>
<td>Total Pension Liability, Beginning</td>
<td>615,981</td>
</tr>
<tr>
<td>Total Pension Liability, Ending</td>
<td>$562,910</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PLAN FIDUCIARY NET POSITION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contributions - Employer</td>
</tr>
<tr>
<td>Contributions - State of Colorado</td>
</tr>
<tr>
<td>Net Investment Income</td>
</tr>
<tr>
<td>Benefit Payments</td>
</tr>
<tr>
<td>Administrative Expenses</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Net Change in Plan Fiduciary Net Position</td>
</tr>
<tr>
<td>Plan Fiduciary Net Position, Beginning</td>
</tr>
<tr>
<td>Plan Fiduciary Net Position, Ending</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>CITY’S NET PENSION LIABILITY</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 95% |
| Covered Payroll | NA |
| City's Net Pension Liability as a Percentage of Covered Payroll | NA |

<table>
<thead>
<tr>
<th>CITY CONTRIBUTIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actuarially Determined Contributions</td>
</tr>
<tr>
<td>Contributions in Relation to the Actuarially Determined Contributions</td>
</tr>
<tr>
<td>Contribution Deficiency</td>
</tr>
<tr>
<td>Covered Payroll</td>
</tr>
<tr>
<td>Contributions as a Percentage of Covered Payroll</td>
</tr>
</tbody>
</table>

This schedule is presented to show information for 10 years. Until information for the full 10-year period is available, information will be presented for the years it is available.

See the accompanying Independent Auditors' Report.
CITY OF CENTRAL, COLORADO

BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
Year Ended December 31, 2015

<table>
<thead>
<tr>
<th></th>
<th>Original Budget</th>
<th>Final Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Positive</td>
</tr>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>$ 962,878</td>
<td>$ 962,878</td>
<td>$ 1,120,177</td>
<td>$ 157,299</td>
</tr>
<tr>
<td>Gaming Fees</td>
<td>2,477,562</td>
<td>2,477,562</td>
<td>2,048,628</td>
<td>(423,934)</td>
</tr>
<tr>
<td>Licenses and Permits</td>
<td>27,600</td>
<td>27,600</td>
<td>29,307</td>
<td>1,707</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>149,700</td>
<td>149,700</td>
<td>124,728</td>
<td>(24,972)</td>
</tr>
<tr>
<td>Fines and Forfeitures</td>
<td>21,000</td>
<td>21,000</td>
<td>10,931</td>
<td>(10,069)</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>768,543</td>
<td>768,543</td>
<td>859,787</td>
<td>91,244</td>
</tr>
<tr>
<td>Investment Income</td>
<td>200</td>
<td>200</td>
<td>339</td>
<td>139</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>92,245</td>
<td>92,245</td>
<td>61,312</td>
<td>(31,933)</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>4,499,728</td>
<td>4,499,728</td>
<td>4,255,209</td>
<td>(244,519)</td>
</tr>
</tbody>
</table>

| **EXPENDITURES**       |                 |              |              |          |          |
| Current                |                 |              |              |          |          |
| General Government     | 1,348,941       | 1,410,173    | 1,310,023    | 100,150  |          |
| Public Safety          | 651,911         | 651,911      | 616,183      | 35,728   |          |
| Public Works           | 1,265,697       | 1,265,697    | 838,130      | 427,567  |          |
| Community Development  | 594,283         | 594,283      | 458,084      | 135,199  |          |
| Fire                   | 514,610         | 514,610      | 419,672      | 94,938   |          |
| **TOTAL EXPENDITURES** | 4,375,442       | 4,436,674    | 3,642,092    | 794,582  |          |

| **EXCESS OF REVENUES OVER (UNDER) EXPENDITURES** | 124,286 | 63,054 | 613,117 | 550,063 |

| **OTHER FINANCING SOURCES (USES)** |                 |              |              |          |          |
| Transfers In            | 198,400         | 198,400      | 586,974      | 388,574  |          |
| Transfers Out           | (477,409)       | (477,409)    | (831,159)    | (353,750)|          |
| **TOTAL OTHER FINANCING SOURCES (USES)** | (279,009) | (279,009) | (244,185) | 34,824 |

| **NET CHANGE IN FUND BALANCE** | (154,723) | (215,955) | 368,932 | 584,887 |

| **FUND BALANCE, Beginning** | 2,160,912 | 2,160,912 | 2,263,848 | 102,936 |

| **FUND BALANCE, Ending** | $ 2,006,189 | $ 1,944,957 | $ 2,632,780 | $ 687,823 |

See the accompanying Independent Auditors' Report.
## CITY OF CENTRAL, COLORADO

### BUDGETARY COMPARISON SCHEDULE

#### TRANSPORTATION FUND

Year Ended December 31, 2015

<table>
<thead>
<tr>
<th></th>
<th>ORIGINAL BUDGET</th>
<th>FINAL BUDGET</th>
<th>ACTUAL</th>
<th>VARIANCE Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gaming Fees</td>
<td>$ -</td>
<td>$ -</td>
<td>$500,761</td>
<td>$503,761</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>$ -</td>
<td>$ -</td>
<td>$500,761</td>
<td>$503,761</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Works</td>
<td>$ -</td>
<td>$1,546,000</td>
<td>$365,491</td>
<td>$1,180,509</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td>$ -</td>
<td>$1,546,000</td>
<td>$365,491</td>
<td>$1,180,509</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</strong></td>
<td>$ -</td>
<td>($1,546,000)</td>
<td>$135,270</td>
<td>$1,681,270</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>OTHER FINANCING SOURCES (USES)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan Proceeds</td>
<td>$ -</td>
<td>$1,546,000</td>
<td>$1,521,693</td>
<td>($24,307)</td>
</tr>
<tr>
<td>Transfers Out</td>
<td>$ -</td>
<td>$ -</td>
<td>($620,000)</td>
<td>($620,000)</td>
</tr>
<tr>
<td><strong>TOTAL OTHER FINANCING SOURCES (USES)</strong></td>
<td>$ -</td>
<td>$1,546,000</td>
<td>$901,693</td>
<td>($644,307)</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NET CHANGE IN FUND BALANCE</strong></td>
<td>$ -</td>
<td>$ -</td>
<td>$1,036,963</td>
<td>$1,036,963</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>FUND BALANCE, Beginning</strong></td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td><strong>FUND BALANCE, Ending</strong></td>
<td>$ -</td>
<td>$ -</td>
<td>$1,036,963</td>
<td>$1,036,963</td>
</tr>
</tbody>
</table>

See the accompanying Independent Auditors' Report.

31
NOTE 1: SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS AND CONTRIBUTIONS

The Volunteer Fire Department Pension Plan’s net pension liability and associated amounts are measured at December 31, 2014, based on an actuarial valuation as of January 1, 2015, which is a one-year lag compared to the City’s fiscal year ended December 31, 2015.

Contributions

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, 2013, determines the contribution amounts for 2014 and 2015.

Significant actuarial methods and assumptions used to determine the contribution rates for the Volunteer Fire Department Pension Plan are as follows.

- 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%
- Salary Increases - NA
- Investment Rate of Return - 7.5%
- 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

NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgets

Budgets are adopted for all funds of the City. Budgets for the governmental funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgetary comparisons for the proprietary fund are presented on a non-GAAP budgetary basis. Capital outlay is budgeted as an expenditure and depreciation is not budgeted.

For the year ended December 31, 2015, budgets were not adopted for the Impact Fees and Public Property Trust Funds because no expenditures were anticipated.
NOTE 2: STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (Continued)

Budgets (Continued)

The City follows these procedures to establish the budgetary information reflected in the financial statements:

- Management submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.

- Public hearings are conducted to obtain taxpayer comments.

- Prior to December 31, the budget is legally enacted through passage of a resolution.

- Management is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the City Council.

- All appropriations lapse at year end.

Legal Compliance

For the year ended December 31, 2015, the Tabor Reserve Fund transfers out exceeded the budgeted amounts by $198,574. This may be a violation of State statutes.
SUPPLEMENTARY INFORMATION
CITY OF CENTRAL, COLORADO

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
December 31, 2015

<table>
<thead>
<tr>
<th></th>
<th>HISTORIC PRESERVATION</th>
<th>TABOR RESERVE</th>
<th>CONSERVATION TRUST</th>
<th>IMPACT FEES</th>
</tr>
</thead>
<tbody>
<tr>
<td>ASSETS</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Investments</td>
<td>$ 343,760</td>
<td>$ -</td>
<td>$ 59,086</td>
<td>$ -</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>$ 343,760</td>
<td>$ -</td>
<td>$ 59,086</td>
<td>$ -</td>
</tr>
<tr>
<td>LIABILITIES</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts Payable</td>
<td>$ 2,370</td>
<td>$ -</td>
<td>$ -</td>
<td>$ -</td>
</tr>
<tr>
<td>Interfund Payables</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>129,585</td>
</tr>
<tr>
<td>TOTAL LIABILITIES</td>
<td>2,370</td>
<td>-</td>
<td>-</td>
<td>129,585</td>
</tr>
<tr>
<td>FUND BALANCES</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted for Historic Preservation</td>
<td>341,390</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Restricted for Parks and Open Space</td>
<td>-</td>
<td>-</td>
<td>59,086</td>
<td>-</td>
</tr>
<tr>
<td>Unrestricted, Unassigned</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(129,585)</td>
</tr>
<tr>
<td>TOTAL FUND BALANCES</td>
<td>341,390</td>
<td>-</td>
<td>59,086</td>
<td>(129,585)</td>
</tr>
<tr>
<td>TOTAL LIABILITIES AND FUND BALANCES</td>
<td>$ 343,760</td>
<td>$ -</td>
<td>$ 59,086</td>
<td>$ -</td>
</tr>
</tbody>
</table>

See the accompanying Independent Auditors' Report.

34
<table>
<thead>
<tr>
<th>PUBLIC PROPERTY TRUST</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>$402,846</td>
</tr>
<tr>
<td>$</td>
<td>$402,846</td>
</tr>
<tr>
<td>$</td>
<td>$2,370</td>
</tr>
<tr>
<td>11,029</td>
<td>11,029</td>
</tr>
<tr>
<td>11,029</td>
<td>140,614</td>
</tr>
<tr>
<td>11,029</td>
<td>142,984</td>
</tr>
<tr>
<td>-</td>
<td>341,930</td>
</tr>
<tr>
<td>-</td>
<td>59,086</td>
</tr>
<tr>
<td>(11,029)</td>
<td>(140,614)</td>
</tr>
<tr>
<td>(11,029)</td>
<td>259,862</td>
</tr>
<tr>
<td>$</td>
<td>$402,846</td>
</tr>
</tbody>
</table>
CITY OF CENTRAL, COLORADO

COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended December 31, 2015

<table>
<thead>
<tr>
<th></th>
<th>Historic Preservation</th>
<th>Tabor Reserve</th>
<th>Conservation Trust</th>
<th>Impact Fees</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUES</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for Services</td>
<td>$9,515</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>425,049</td>
<td>-</td>
<td>$6,572</td>
<td>-</td>
</tr>
<tr>
<td>Contributions and Donations</td>
<td>14,000</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Investment Income</td>
<td>54</td>
<td>142</td>
<td>35</td>
<td>-</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>400</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL REVENUES</td>
<td>449,018</td>
<td>142</td>
<td>6,607</td>
<td>-</td>
</tr>
<tr>
<td>EXPENDITURES</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Historic Preservation</td>
<td>47,648</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL EXPENDITURES</td>
<td>47,648</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</td>
<td>401,370</td>
<td>142</td>
<td>6,607</td>
<td>-</td>
</tr>
<tr>
<td>OTHER FINANCING SOURCES (USES)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers Out</td>
<td>(278,400)</td>
<td>(205,163)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>NET CHANGE IN FUND BALANCES</td>
<td>122,970</td>
<td>(205,021)</td>
<td>6,607</td>
<td>-</td>
</tr>
<tr>
<td>FUND BALANCES, Beginning</td>
<td>218,420</td>
<td>205,021</td>
<td>52,479</td>
<td>(129,585)</td>
</tr>
<tr>
<td>FUND BALANCES, Ending</td>
<td>$341,390</td>
<td>$</td>
<td>$59,086</td>
<td>$(129,585)</td>
</tr>
</tbody>
</table>

See the accompanying Independent Auditors' Report.
<table>
<thead>
<tr>
<th>PUBLIC PROPERTY TRUST</th>
<th>TOTALS</th>
</tr>
</thead>
<tbody>
<tr>
<td>$</td>
<td>9,515</td>
</tr>
<tr>
<td>-</td>
<td>431,621</td>
</tr>
<tr>
<td>-</td>
<td>14,000</td>
</tr>
<tr>
<td>725</td>
<td>956</td>
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<td>-</td>
<td>400</td>
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<tr>
<td>725</td>
<td>456,492</td>
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<td>-</td>
<td>47,648</td>
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<td>-</td>
<td>47,648</td>
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<tr>
<td>725</td>
<td>408,844</td>
</tr>
<tr>
<td>-</td>
<td>(483,563)</td>
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<tr>
<td>725</td>
<td>(74,719)</td>
</tr>
<tr>
<td>(11,754)</td>
<td>334,581</td>
</tr>
<tr>
<td>$ (11,029)</td>
<td>$ 259,862</td>
</tr>
</tbody>
</table>
CITY OF CENTRAL, COLORADO

BUDGETARY COMPARISON SCHEDULE
CAPITAL IMPROVEMENT FUND
Year Ended December 31, 2015

<table>
<thead>
<tr>
<th></th>
<th>ORIGINAL AND FINAL BUDGET</th>
<th>ACTUAL</th>
<th>VARIANCE Positive (Negative)</th>
</tr>
</thead>
<tbody>
<tr>
<td>REVENUES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>$ 421,474</td>
<td>$ 282,789</td>
<td>$(133,685)</td>
</tr>
<tr>
<td>TOTAL REVENUES</td>
<td>$ 421,474</td>
<td>$ 282,789</td>
<td>$(133,685)</td>
</tr>
<tr>
<td>EXPENDITURES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Public Works</td>
<td>860,472</td>
<td>667,495</td>
<td>192,977</td>
</tr>
<tr>
<td>TOTAL EXPENDITURES</td>
<td>860,472</td>
<td>667,495</td>
<td>192,977</td>
</tr>
<tr>
<td>EXCESS OF REVENUES OVER</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(UNDER) EXPENDITURES</td>
<td>(438,998)</td>
<td>(384,706)</td>
<td>54,292</td>
</tr>
<tr>
<td>OTHER FINANCING SOURCES</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(USES)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers In</td>
<td>563,998</td>
<td>1,347,748</td>
<td>783,750</td>
</tr>
<tr>
<td>Transfers Out</td>
<td>(25,000)</td>
<td>(25,000)</td>
<td>-</td>
</tr>
<tr>
<td>TOTAL FINANCING SOURCES</td>
<td>538,998</td>
<td>1,322,748</td>
<td>783,750</td>
</tr>
<tr>
<td>(USES)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>NET CHANGE IN FUND BALANCE</td>
<td>100,000</td>
<td>938,042</td>
<td>834,042</td>
</tr>
<tr>
<td>FUND BALANCE, Beginning</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>FUND BALANCE, Ending</td>
<td>$ 100,000</td>
<td>$ 938,042</td>
<td>$ 834,042</td>
</tr>
</tbody>
</table>

See the accompanying Independent Auditors' Report.
CITY OF CENTRAL, COLORADO

BUDGETARY COMPARISON SCHEDULE
HISTORIC PRESERVATION FUND
Year Ended December 31, 2015

<table>
<thead>
<tr>
<th></th>
<th>Original and Final Budget</th>
<th>Actual</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget</td>
<td></td>
<td>Positive</td>
</tr>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td>(Negative)</td>
</tr>
<tr>
<td>Charges for Services</td>
<td>$ 7,000</td>
<td>$ 9,515</td>
<td>$ 2,515</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>$400,000</td>
<td>$425,049</td>
<td>$25,049</td>
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<tr>
<td>Contributions and Donations</td>
<td>-</td>
<td>$14,000</td>
<td>$14,000</td>
</tr>
<tr>
<td>Investment Income</td>
<td>100</td>
<td>54</td>
<td>(46)</td>
</tr>
<tr>
<td>Miscellaneous</td>
<td>-</td>
<td>400</td>
<td>400</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td></td>
<td>407,100</td>
<td>449,018</td>
</tr>
<tr>
<td><strong>EXPENDITURES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Historic Preservation</td>
<td>140,836</td>
<td>47,648</td>
<td>93,188</td>
</tr>
<tr>
<td><strong>TOTAL EXPENDITURES</strong></td>
<td></td>
<td>140,836</td>
<td>47,648</td>
</tr>
<tr>
<td><strong>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</strong></td>
<td>266,264</td>
<td>401,370</td>
<td>135,106</td>
</tr>
<tr>
<td><strong>OTHER FINANCING SOURCES (USES)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers Out</td>
<td>(278,400)</td>
<td>(278,400)</td>
<td>-</td>
</tr>
<tr>
<td><strong>NET CHANGE IN FUND BALANCE</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>(12,136)</td>
<td>122,970</td>
<td>135,106</td>
<td></td>
</tr>
<tr>
<td><strong>FUND BALANCE, Beginning</strong></td>
<td>197,376</td>
<td>218,420</td>
<td>21,044</td>
</tr>
<tr>
<td><strong>FUND BALANCE, Ending</strong></td>
<td>$ 185,240</td>
<td>$ 341,390</td>
<td>$ 155,150</td>
</tr>
</tbody>
</table>

See the accompanying Independent Auditors' Report.
## CITY OF CENTRAL, COLORADO

### BUDGETARY COMPARISON SCHEDULE
**TABOR RESERVE FUND**  
Year Ended December 31, 2015

<table>
<thead>
<tr>
<th></th>
<th>ORIGINAL AND FINAL BUDGET</th>
<th>ACTUAL</th>
<th>VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment Income</td>
<td>$ 120</td>
<td>$ 142</td>
<td>$ 22</td>
</tr>
<tr>
<td><strong>TOTAL REVENUES</strong></td>
<td>$ 120</td>
<td>$ 142</td>
<td>$ 22</td>
</tr>
<tr>
<td><strong>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</strong></td>
<td>$ 120</td>
<td>$ 142</td>
<td>$ 22</td>
</tr>
<tr>
<td><strong>OTHER FINANCING SOURCES (USES)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transfers Out</td>
<td>(6,589)</td>
<td>(205,163)</td>
<td>(198,574)</td>
</tr>
<tr>
<td><strong>NET CHANGE IN FUND BALANCE</strong></td>
<td>(6,469)</td>
<td>(205,021)</td>
<td>(198,552)</td>
</tr>
<tr>
<td><strong>FUND BALANCE, Beginning</strong></td>
<td>205,052</td>
<td>205,021</td>
<td>(31)</td>
</tr>
<tr>
<td><strong>FUND BALANCE, Ending</strong></td>
<td><strong>$ 198,583</strong></td>
<td>-</td>
<td><strong>$ (198,583)</strong></td>
</tr>
</tbody>
</table>

See the accompanying Independent Auditors' Report.

38
CITY OF CENTRAL, COLORADO

BUDGETARY COMPARISON SCHEDULE
CONSERVATION TRUST FUND
Year Ended December 31, 2015

<table>
<thead>
<tr>
<th>REVENUES</th>
<th>ORIGINAL AND FINAL BUDGET</th>
<th>ACTUAL</th>
<th>VARIANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$ 6,700</td>
<td>$ 6,572</td>
<td>$ (128)</td>
</tr>
<tr>
<td>Intergovernmental</td>
<td>$ 60</td>
<td>$ 45</td>
<td>(25)</td>
</tr>
<tr>
<td>Investment Income</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTAL REVENUES</td>
<td>$ 6,760</td>
<td>$ 6,607</td>
<td>(153)</td>
</tr>
<tr>
<td>NET CHANGE IN FUND BALANCE</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>FUND BALANCE, Beginning</td>
<td>$ 6,760</td>
<td>$ 6,607</td>
<td>(153)</td>
</tr>
<tr>
<td>FUND BALANCE, Ending</td>
<td>$ 52,729</td>
<td>$ 52,479</td>
<td>(250)</td>
</tr>
<tr>
<td></td>
<td>$ 59,489</td>
<td>$ 59,086</td>
<td>(403)</td>
</tr>
</tbody>
</table>

See the accompanying Independent Auditors' Report.
### CITY OF CENTRAL, COLORADO

**BUDGETARY COMPARISON SCHEDULE**  
**WATER FUND**  
Year Ended December 31, 2015

<table>
<thead>
<tr>
<th>Revenues</th>
<th>Original and Final Budget</th>
<th>Actual</th>
<th>Variance</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Charges for Services</td>
<td>$623,542</td>
<td>$671,997</td>
<td>$48,455</td>
<td></td>
</tr>
<tr>
<td>Investment Income</td>
<td>1,500</td>
<td>-</td>
<td>(1,500)</td>
<td></td>
</tr>
<tr>
<td>Grants</td>
<td>30,000</td>
<td>30,000</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td>Transfers In</td>
<td>25,000</td>
<td>25,000</td>
<td>-</td>
<td></td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>680,042</td>
<td>726,997</td>
<td>46,955</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditures</th>
<th>Original and Final Budget</th>
<th>Actual</th>
<th>Variance</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Personnel Services</td>
<td>161,935</td>
<td>150,372</td>
<td>11,563</td>
<td></td>
</tr>
<tr>
<td>Professional Services</td>
<td>109,200</td>
<td>103,164</td>
<td>6,036</td>
<td></td>
</tr>
<tr>
<td>Operating</td>
<td>189,908</td>
<td>125,010</td>
<td>64,898</td>
<td></td>
</tr>
<tr>
<td>Repairs and Maintenance</td>
<td>448,300</td>
<td>107,358</td>
<td>340,942</td>
<td></td>
</tr>
<tr>
<td>Capital Outlay</td>
<td>-</td>
<td>24,603</td>
<td>(24,603)</td>
<td></td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>909,343</td>
<td>510,507</td>
<td>398,836</td>
<td></td>
</tr>
</tbody>
</table>

**Change in Net Position, Budgetary Basis**  
$229,301 - 216,490 = $44,791

**Adjustments to GAAP Basis**
- Depreciation: (342,288)
- Capital Outlay: 24,603

**Change in Net Position, GAAP Basis**  
$101,195

See the accompanying Independent Auditors' Report.
AGENDA ITEM # 9

CITY COUNCIL COMMUNICATION FORM

FROM: Sam Hoover

DATE: October 4, 2016

ITEM: Resolution No. 16-24: A Resolution Approving an Agreement for Snow Removal Services by and between the City and the Prospector's Run Homeowners Association, Inc.

NEXT STEP: Make a motion approving the Resolution

___ORDINANCE
___ MOTION/RESOLUTION
___ INFORMATION

I. REQUEST OR ISSUE: In January of 2010 the City entered into an Agreement with the Prospector's Run Homeowners Association, Inc. (HOA) regarding snow removal on Mack Road. The HOA agreed to provide snow removal services for Mack Road at a cost to the City of $800 per month. This Agreement was originally entered into in order to mitigate any possible effects that the City's sand/salt ice mixture was having on Mack Road as it is not asphalt. The agreement has been renewed annually since, most recently for the 2015-2016 winter season.

The attached Agreement approves a continuation of the same services for the 2016-2017 snow season, specifically for the time period of October 1, 2016 through April 30, 2017. The HOA will provide the services described in the Agreement at a cost of $800 per month, for a total cost to the City of Five Thousand Six Hundred Dollars ($5,600.00).
II. **RECOMMENDED ACTION / NEXT STEP:** Make a motion to approve Resolution No. 16-24, approving the Agreement for Snow Removal Services for the 20'6-2017 winter season.

III. **FISCAL IMPACTS:** As stated above, the total cost to the City for the snow removal services is $5,600.00 for the term of the Agreement, or $800 per month. This amount is reflected in the City's adopted 2016 Budget and the 2017 Proposed Budget in the Public Works Department.

IV. **BACKGROUND INFORMATION:** As set forth above, the Agreement has been annually approved by the City and the HOA since 2010. A copy of the Agreement is attached as Exhibit 1 to the Resolution.

V. **LEGAL ISSUES:** None.

VI. **CONFLICTS OR ENVIRONMENTAL ISSUES:** None.

VII. **SUMMARY AND ALTERNATIVES:** City Council may approve the Resolution or table the item for further discussion and consideration.

**PROPOSED MOTION:** “I MOVE TO APPROVE RESOLUTION NO. 16-24, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CENTRAL, COLORADO, APPROVING AN AGREEMENT WITH PROSPECTOR'S RUN HOMEOWNERS ASSOCIATION INC. FOR SNOW REMOVAL SERVICES.”
CITY OF CENTRAL, COLORADO
RESOLUTION NO. 16-24

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CENTRAL, COLORADO APPROVING AN AGREEMENT WITH PROSPECTOR'S RUN HOMEOWNERS ASSOCIATION, INC. FOR SNOW REMOVAL SERVICES

WHEREAS, the City of Central is authorized to enter into contracts for lawful purposes for the protection of the health, safety, and welfare; and

WHEREAS, the City has previously entered into an agreement with the Prospector's Run Homeowners Association, Inc. (the "HOA") for snow removal services on Mack Road; and

WHEREAS, the City desires to engage the HOA for the 2016-17 winter season to provide certain snow and ice removal services in accordance with the terms and conditions set forth in the Agreement for Snow Removal Services by and between the City and the HOA (the "Agreement"), a copy of which is attached to this Resolution as Exhibit 1 and is incorporated herein by reference.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CENTRAL, COLORADO, THAT:

Section 1. The City Council hereby approves the Agreement attached to this Resolution in substantially the form attached as Exhibit 1, authorizes the Mayor and City Manager, in consultation with the City Attorney, to make such changes as may be needed to correct any nonmaterial errors or language that do not increase the financial obligations of the City, and authorizes the City Manager to execute the Agreement on behalf of the City when in final form.

Section 2. Effective Date. This Resolution shall take effect upon its approval by the City Council.

ADOPTED THIS 4th DAY OF OCTOBER, 2016.

CITY OF CENTRAL, COLORADO

By: ____________________________
    Ronald E. Engels, Mayor

ATTEST:

By: ____________________________
    Reba Bechtel, City Clerk

APPROVED TO FORM:

By: ____________________________
    Marcus McAskin, City Attorney
EXHIBIT 1
AGREEMENT FOR SNOW REMOVAL SERVICES
AGENDA ITEM # 10

CITY COUNCIL COMMUNICATION FORM

FROM: Marcus McAskin, City Attorney

DATE: September 29, 2016 (prepared for the October 4th Regular City Council meeting)

ITEM: Resolution No. 16-28: A Resolution of the City Council of the City of Central, Colorado, Approving a Settlement Agreement with the U.S. Environmental Protection Agency Regarding the Quartz Hill Tailings Pile

NEXT STEP: Make a motion approving the Resolution

______ ORDINANCE
X _____ MOTION/RESOLUTION
______ INFORMATION

I. REQUEST OR ISSUE: Resolution No. 16-28 approves an Administrative Settlement Agreement and Order on Consent (the "Settlement Agreement") by and between the City and the U.S. Environmental Protection Agency ("EPA"). A copy of the proposed Settlement Agreement will be attached to Resolution No. 16-28 as Exhibit 1. As of the date on which this Council Communication Form was prepared, the EPA has not yet completed its own internal review and approval of the Settlement Agreement. If ready for City approval on October 4th, a copy of the Settlement Agreement will be distributed to City Council at or prior to the meeting. If the Settlement Agreement has not been approved by the EPA, the City Attorney will recommend that this item be continued to the October 18th regular meeting.

II. BACKGROUND: In March of 2016, the City acquired property commonly referred to as the Big-T parking lot from the prior owner, Pinnacle Entertainment,
Inc. The special warranty deed transferring the property to the City was recorded on March 15, 2016 at Reception No. 155909 in the real property records of Gilpin County, Colorado. Certain of the property acquired is subject to a Superfund lien arising pursuant to Section 107 of the Comprehensive Environmental Response, Compensation, and Liability Act, 42 U.S.C. §§ 9601-9675 (“CERCLA”). The EPA filed a notice regarding the Superfund lien on the Property on September 3, 2008 in the real property records of Gilpin County (the “Superfund Lien”). As part of the City’s due diligence in acquiring the Big-T parking lot, the City entered into negotiations with the EPA and the Colorado Department of Public Health and Environment (“CDPHE”) to release the Superfund Lien. The City engaged special environmental counsel, Polly Jessen with the Denver law firm of Kaplan Kirsch & Rockwell LLP, to assist the City with the negotiations. Prior to proceeding to closing the City negotiated a reasonable steps letter with the EPA.

Background of Quartz Hill Site

The Central City/Clear Creek Superfund Study Area was added to the National Priorities List in September of 1983. The Study Area covers the approximate 400 square mile drainage basin of Clear Creek, and contains numerous inactive precious metal mines.

The Quartz Hill Site is within the Study Area. Contamination originated at Quartz Hill during the 1930s and 1940s as a result of the discharge of tailings from mills that processed gold ore extracted from numerous mines in the area.

In 1991, EPA issued a Record of Decision (“ROD”) which called for stabilization and capping of Quartz Hill. In 2014, EPA and the CDPHE implemented the RCD by re-contouring and placing a geo-textile membrane and rock cap on Quartz Hill in order to prevent or minimize erosion into surface waters of the Study Area.

Primary Objectives of Settlement Agreement

As set forth in the Settlement Agreement, the mutual objectives of the City and the EPA are to:

a. reach a final settlement between the City and the EPA with respect to the Quartz Hill Site, thereby eliminating or reducing the risk of future litigation related to Quartz Hill;

b. eliminate the City’s risk of future CERCLA liability for the Quartz Hill Site; and

c. simplify any remaining administrative and judicial enforcement activities concerning Quartz Hill by eliminating the City from further involvement at Quartz Hill; and

d. to provide for full and complete contribution protection for the City with regard to the Quartz Hill property (in accordance with the
Effect of Settlement/Contribution section of the Settlement Agreement).

III. **RECOMMENDED ACTION / NEXT STEP:** Make a motion to approve Resolution No. 16-28, approving the Settlement Agreement with the EPA. As set forth in the Settlement Agreement, the EPA has agreed to release any lien it may have on or around Quartz Hill under Section 107 of CERCLA, including release of the Superfund Lien. The Superfund Lien will be released within thirty (30) days of the Effective Date of the Settlement Agreement.

III. **FISCAL IMPACTS:** The Settlement Agreement obligates the City to fund and perform certain routine operation and maintenance activities associated with maintaining the integrity of the remedy (consisting of the rock cap currently in place). The Settlement Agreement includes a “checklist” of the required O&M activities. The City has agreed to undertake the O&M activities subject to a $2,500 one-year cap on expenses or a $10,000 cap over a ten-year period, which amounts may include the value of in-kind personnel or materials provided by the City.

V. **LEGAL ISSUES:** None. The Settlement Agreement has been reviewed and approved by the City’s special environmental counsel and the City Attorney.

VI. **CONFLICTS:** None.

VII. **SUMMARY AND ALTERNATIVES:** City Council may approve the Resolution or table the item for further discussion and consideration.

**PROPOSED MOTION:** “I MOVE TO APPROVE RESOLUTION NO. 16-28, A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CENTRAL, COLORADO, APPROVING A SETTLEMENT AGREEMENT WITH THE U.S. ENVIRONMENTAL PROTECTION AGENCY REGARDING THE QUARTZ HILL TAILINGS PILE.”
CITY OF CENTRAL, COLORADO
RESOLUTION NO. 16-28

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CENTRAL, COLORADO, APPROVING A SETTLEMENT AGREEMENT WITH THE U.S. ENVIRONMENTAL PROTECTION AGENCY REGARDING THE QUARTZ HILL TAILINGS PILE

WHEREAS, the Quartz Hill tailings impoundment was developed in the 1930s and 1940s as a result of the discharge from mills that processed the gold ore extracted from numerous mines in the vicinity of the City of Central (the “City”); and

WHEREAS, after mill operations ceased, the tailings impoundment was re-graded into an approximately 500,000 cubic yard pile with steep slopes covering approximately five acres; and

WHEREAS, in accordance with authority provided in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. § 9601 et seq. (“CERCLA”), the U.S. Environmental Protection Agency (“EPA”) prepared a Record of Decision (“ROD”) for Operable Unit 3 of the Central City/Clear Creek Superfund Site; and

WHEREAS, the ROD calls for in-place capping of the Quartz Hill tailings impoundment to stabilize the pile and improve Clear Creek surface water quality by preventing surface water from contacting mine waste; and

WHEREAS, following years of City and other stakeholder input, the Colorado Department of Public Health and Environment (“CDPHE”) completed the Quartz Hill Remediation Project in August of 2014 and EPA placed a lien for EPA’s portion of the remediation costs on all of the property within the Quartz Hill site; and

WHEREAS, the Quartz Hill Remediation Project consisted of re-grading the tailings pile, construction of a new storm sewer, and placement of a geotextile and rock cover; and

WHEREAS, disruption of the geotextile and rock cover and site drainage could result in mine tailings exposure and impacts to surface water; and

WHEREAS, C.R.S. § 25-15-320(2)(b) requires environmental covenants to maintain and protect the geotextile and rock cover and integrity of the Project; and

WHEREAS, C.R.S. § 25-15-320(3)(b) authorizes CDPHE to waive the requirement for environmental covenants for parcels of land where the owner does not grant an environmental covenant under C.R.S. § 25-15-320 if the governmental entity having land use regulatory authority over the affected property has enacted an ordinance or resolution imposing the relevant environmental use restrictions; and
WHEREAS, the ownership of the Quartz Hill tailings impoundment is fragmented and complicated and CDPHE and the City have determined that placing covenants over the subject property would be burdensome; and

WHEREAS, a previous property owner has abandoned its interests in certain property in Quartz Hill and issued a quit claim deed to the City and the City has acquired another parcel as part of its acquisition of a site known as the “Big T lot,” both of which parcels are subject to EPA’s lien; and

WHEREAS, the City has jurisdiction over the Quartz Hill property and desires to enact concurrently Ordinance 16-03 to implement the required environmental use restrictions that will contribute to the protection of human health and the environment and will contribute to the maintenance of CDPHE’s environmental remediation action taken within the boundaries of the Quartz Hill property; and

WHEREAS, the City contemplates that future uses of the Quartz Hill property, such as a parking lot, apartment building, hotel, ballfields or other recreational facilities and/or other similar uses and structures may be allowed; and

WHEREAS, the City desires to settle any liability for EPA and CDPHE costs associated with the cost of the Quartz Hill Remediation Project, remove the EPA lien from its property, and reach agreement with EPA and CDPHE regarding a process for approval of future uses to preserve the efficacy of the remediation; and

WHEREAS, EPA and CDPHE desire to ensure the routine operation, maintenance, and protection of the CDPHE’s environmental remediation action;

WHEREAS, the City is authorized to enter into contracts for lawful purposes for the protection of the health, safety, and welfare; and

WHEREAS, the City has reached final agreement with the EPA on that certain Administrative Settlement Agreement and Order on Consent (the “Settlement Agreement”) a copy of which is attached hereto as Exhibit 1.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF CENTRAL, COLORADO, THAT:

Section 1. The City Council hereby approves the Settlement Agreement attached to this Resolution as Exhibit 1, authorizes the Mayor, in consultation with the City Manager and City Attorney, to make such changes as may be needed to correct any nonmaterial errors or language that do not increase the obligations of the City, and authorizes the Mayor to execute the Settlement Agreement on behalf of the City.

Section 2. Effective Date. This Resolution shall take effect upon its approval by the City Council.
ADOPTED THIS 4TH DAY OF OCTOBER, 2016.

CITY OF CENTRAL, COLORADO

By: ________________________________
   Ronald E. Engels, Mayor

ATTEST:

By: ________________________________
   Reba Bechtel City Clerk

APPROVED TO FORM:

By: ________________________________
   Marcus A. McAskin, City Attorney

Resolution Exhibits:

Exhibit 1 – Administrative Settlement Agreement and Order on Consent
AGENDA ITEM # 11

CITY COUNCIL COMMUNICATION FORM

TO: Mayor Engels and Members of City Council

FROM: Gary Allen, Fire Chief

DATE: October 4, 2016

ITEM: Resolution No. 16-30: A Resolution of the City Council of the City of Central, Colorado Adopting the Gilpin County Hazard Mitigation Plan

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I. REQUEST OR ISSUE: Staff is requesting City Council review and adopt the Gilpin County Hazard Mitigation Plan (“HMP”). The HMP has been prepared by the Gilpin County Office of Emergency Management with input from the City of Central and the City of Black Hawk.

Gilpin County and its planning partners previously participated in hazard mitigation plans as part of the Denver Regional Council of Governments (DRCOG) 2011 Natural Hazard Mitigation Plan which included a total of seven counties and 20 cities and towns in the region.

Because of the lack of specificity in the DRCOG 2011 Natural Hazard Mitigation Plan and the Federal Emergency Management Agency’s (FEMA) preference for county- or community-specific plans, Gilpin County elected to develop a new plan specifically for Gilpin County, Central City and Black Hawk.

The development of the new HMP evidences the desire of Gilpin County and its partners to be proactive in preparing for the probable impacts of natural hazards.
II. **RECOMMENDED ACTION / NEXT STEP:** Approve Resolution No 16-30 adopting the Gilpin County Hazard Mitigation Plan.

III. **FISCAL IMPACTS:** If Council chooses not to adopt the HMP, future funding of mitigation projects under FEMA's pre- and post-mitigation grant programs may be forfeited, leaving the City to fund projects and disaster response on its own.

IV. **BACKGROUND INFORMATION:** The Disaster Mitigation Act (DMA) of 2000 provides the legal basis for FEMA mitigation planning requirements for State, local and Indian Tribal governments as a condition of mitigation grant assistance. The DMA 2000 established a new requirement for local mitigation plans to have greater emphasis on a) identifying and assessing the risks to local governments from natural disasters; b) implementing adequate measures to reduce losses from natural disasters; and c) ensuring that the critical services and facilities of communities will continue to function after a natural disaster.

The final draft of the HMP, as prepared by the Gilpin County Office of Emergency Management includes all federally required elements of a disaster mitigation plan, including:

- A description of the planning process
- The public involvement strategy
- A list of goals and objectives
- A countywide hazard risk assessment
- Countywide mitigation actions
- A plan maintenance strategy; and
- Jurisdiction-specific elements for each participating jurisdiction.

V. **LEGAL ISSUES:** The Disaster Mitigation Act (DMA) of 2000 is Federal legislation that requires proactive, pre-disaster planning as a prerequisite for some funding available under the Robert T. Stafford Act. The DMA encourages state and local authorities to work together on pre-disaster planning. Adoption of the HMP will evidence with City's compliance wth applicable DMA requirements.

VI. **CONFLICTS OR ENVIRONMENTAL ISSUES:** N/A

VII. **SUMMARY AND ALTERNATIVES:**
1. Approve the Resolution as presented.
2. Table this item for future consideration.

**PROPOSED MOTION:** "I MOVE TO APPROVE RESOLUTION NO. 16-30: A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CENTRAL, COLORADO ADOPTING THE GILPIN COUNTY HAZARD MITIGATION PLAN."
CITY OF CENTRAL, COLORADO
RESOLUTION NO. 16-30

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CENTRAL ADOPTING
THE 2016 GILPIN COUNTY HAZARD MITIGATION PLAN

WHEREAS, natural hazards in Colorado have caused significant disasters with losses of
life and property and damage to natural resources; and

WHEREAS, undertaking hazard mitigation actions may significantly reduce the
potential for harm to people and property from future natural hazard occurrences; and

WHEREAS, upon the advice of the State of Colorado and the Federal Emergency
Management Agency (“FEMA”), Gilpin County (the “County”) determined that it would work
with jurisdictions within the County to draft a county-scale hazard mitigation plan specific to
hazard mitigation guidance for the County and the Cities of Central and Black Hawk; and

WHEREAS, in consultation with City staff, the County Office of Emergency
Management prepared the Gilpin County Hazard Mitigation Plan (May 2016) (the “2016 Plan”);
and

WHEREAS, the 2016 Plan will serve as a guide for coordinating and implementing
county-scale hazard mitigation policies, programs, and projects; and

WHEREAS, a copy of the 2016 Plan is on file with the City Clerk and is available for
public inspection; and

WHEREAS, the City Council desires to officially adopt the 2016 Plan and finds the
same to be of benefit to the continued health, safety and welfare of the community.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE
CITY OF CENTRAL, COLORADO, THAT:

Section 1. The City Council hereby adopts the 2016 Gilpin County Hazard
Mitigation Plan.

Section 2. The City Council hereby directs the City Manager or his designee to
submit an executed copy of this Resolution to the Gilpin County Office of Emergency
Management and to take all necessary steps to support the 2016 Plan’s final approval by FEMA
and the Colorado Division of Emergency Management.

Section 3. Effective Date. This Resolution shall take effect upon its approval by the
City Council.
ADOPTED THIS 4th DAY OF October, 2016.

CITY OF CENTRAL, COLORADO

By: ____________________________
    Ronald E. Engels, Mayor

ATTEST:

By: ____________________________
    Reba Bechtel, City Clerk

APPROVED TO FORM:

By: ____________________________
    Marcus McAskin, City Attorney
AGENDA ITEM # 12
CITY COUNCIL COMMUNICATION FORM

FROM: Marcus McAskin, City Attorney
DATE: September 29, 2016 (prepared for October 4, 2016 regular meeting)
ITEM: Ordinance 16-04 Amending Article V of Chapter 6 of the Central City Municipal Code Regarding Annual License Fees and Gaming Device Fees

Ordinance

REQUEST OR ISSUE: Ordinance No. 16-04 proposed modifications to the City's current Annual License Fee and Gaming Device Fees set forth in Article V of Chapter 6 of the Municipal Code.

RECOMMENDED ACTION / NEXT STEP: Approve Ordinance No. 16-04 on first reading and schedule a public hearing and second reading of the Ordinance on a time and date certain.

Currently, it is anticipated that second reading of the Ordinance will occur on Tuesday, October 18, 2016.

BACKGROUND INFORMATION: The City's currently adopted annual license fee and gaming device fees on gaming devices are set forth in Article V of Chapter 6 of the Municipal Code and are as follows:

Current:
Annual License Fee: $1,000.00 per year per device ($83.33/month)
Transportation Fee: $264.96 per year per device ($22.08/month)
Subtotal: $1,264.96 per year per device
Marketing Fee: $60.00 to $84.00 per year per device (varies between $5.00 and $7.00/month)

The Transportation Fee assists the Central City Transportation Enterprise with paying costs related to transportation-related services and improvements.

The Marketing Fee was established in 2011 (via Ordinance 11-16) to assist the City in funding certain marketing and advertising costs incurred by the City or the Central City Business Improvement District (the "CCBID").

The Marketing Fee has been extended for each of calendar years 2012-2015. The Marketing Fee is currently scheduled to expire on December 31, 2016. As set forth in Ordinance 11-16, the City Council is required to approve any extension of the Marketing Fee by Ordinance. The Marketing Fee is currently imposed on a monthly basis at the rate of $7.00/month.

City Staff is proposing that the Marketing Fee be discontinued in calendar year 2017. Ordinance 16-04 clarifies that the same will not be collected in calendar year 2017. The City anticipates that the CCBID will continue to fund marketing and advertising costs but will likely fund such activities through a fee imposed on its membership.

Due to certain operational efficiencies of City Staff, increasing costs related to transportation-related projects, and the fact the CCBID financial support for Central City-Casino Parkway operating expenses terminates in 2017, City Staff is proposing some modifications and changes to the City's currently adopted annual license fee and gaming device fees on gaming devices as follows:

**Proposed:**

Annual License Fee: $850.00 per year per device ($70.83/month)

Transportation Fee: $414.96 per year per device ($34.58/month)

Subtotal: $1,264.96 per year per device

Marketing Fee: None

As shown in the table above, the Annual License Fee has been decreased by an amount equal to a commensurate increase in the Transportation Fee in order to have additional revenue available to the City's Transportation Enterprise in order to fund transportation-related projects and improvements in 2017 and future calendar years.

Ordinance 16-04 will, if adopted by Council, codify the new proposed Annual License Fee and Transportation Fee in Article V of Chapter 6 of the Municipal Code.

**IV.** **LEGAL ISSUES:** None.

**VI.** **CONFLICTS OR ENVIRONMENTAL ISSUES:** N/A
VII. **SUMMARY AND ALTERNATIVES:** City Council has the following options:

1. Adopt Ordinance No. 16-04 on first reading, as may or may not be amended;

2. Direct staff to make revisions to the Ordinance and schedule consideration of the Ordinance on a future City Council agenda for first reading; or

3. Reject or deny the Ordinance.

**RECOMMENDED MOTION:** "I MOVE TO APPROVE ORDINANCE NO. 16-04, AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CENTRAL, COLORADO, AMENDING ARTICLE V OF CHAPTER 6 OF THE CENTRAL CITY MUNICIPAL CODE REGARDING ANNUAL LICENSE FEES AND GAMING DEVICE FEES ON FIRST READING, AND FURTHER MOVE THAT SECOND READING AND PUBLIC HEARING ON THE ORDINANCE BE SCHEDULED FOR TUESDAY, OCTOBER 18, 2016, AT 7:00 PM TO BE HELD IN THESE COUNCIL CHAMBERS."

**Attachments:**

- Ordinance 16-04 (for first reading)
CITY OF CENTRAL, COLORADO
ORDINANCE 16-04

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF CENTRAL
COLORADO AMENDING ARTICLE V OF CHAPTER 6 OF THE CENTRAL
CITY MUNICIPAL CODE REGARDING ANNUAL LICENSE FEES AND
GAMING DEVICE FEES

WHEREAS, the City of Central is a home rule municipality that is authorized, pursuant to its Home Rule Charter, the Colorado Constitution and state law, to adopt ordinances in furtherance of the health, safety and welfare of the City’s inhabitants; and

WHEREAS, the City previously adopted license fees and gaming device fees on gaming devices, as codified in Article V of Chapter 6 of the Central City Municipal Code; and

WHEREAS, the City currently imposes and collects an annual license fee in the amount of $1,000.00 per gaming device per year (the “Annual License Fee”); and

WHEREAS, the Annual License Fee is collected on a monthly basis in the amount of $83.33 per month per device; and

WHEREAS, the City currently imposes and collects a monthly gaming device fee in the amount of $27.08 per month up to a maximum of $29.08 per month (the “Monthly Device Fee”) to fund transportation improvements and marketing and advertising costs; and

WHEREAS, the City established the Central City Transportation Enterprise (“Enterprise”) by Resolution No. 15-11 in order to pursue innovative and efficient means of completing surface transportation infrastructure projects within the City and to finance such improvements; and

WHEREAS, the Monthly Device Fee is currently allocated as follows:

1. $22.08 per month per device (the “Transportation Fee”) to assist the City or the Enterprise in paying costs for transportation-related services and improvements; and

2. $5.00 per month per device (up to a maximum of $7.00 per month per device) (the “Marketing Fee”) to assist the City in funding certain marketing and advertising costs incurred by the City or the Central City Business Improvement District (the “CCBID”); and

WHEREAS, the Marketing Fee was authorized by Ordinance 11-16 (the “Prior Ordinance”); and

WHEREAS, as authorized by the Prior Ordinance, the Marketing Fee was extended for each of calendar years 2012-2015; and
WHEREAS, the Marketing Fee was extended for calendar year 2016 by Ordinance 15-10; and

WHEREAS, the Marketing Fee, as extended by Ordinance 15-10, is scheduled to expire on December 31, 2016; and

WHEREAS, as set forth in the Prior Ordinance, the City Council may approve an extension of the Marketing Fee by Ordinance; and

WHEREAS, City Council desires to discontinue the Marketing Fee and clarify that the same will not be collected in calendar year 2017; and

WHEREAS, the City Council desires to decrease the Annual License Fee by an amount equal to a commensurate increase in the Transportation Fee in order to have additional revenue available to the Enterprise in order to fund transportation-related projects and improvements in 2017 and future calendar years; and

WHEREAS, the City Council desires to amend the gaming device regulations in order to recognize the revised Annual License Fee and Transportation Fee.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF CENTRAL, COLORADO THAT:

Section 1. Article V of Chapter 6 of the Central City Municipal Code is hereby amended to amend Sections 6-5-30 and 6-5-40 to read in full as follows:

Sec. 6-5-30. License Fee imposed.

(a) Commencing on January 1, 2017, the annual license fee, based on the number of gaming devices within each gaming establishment, is eight hundred and fifty dollars ($850.00) per gaming device. Annual license fees shall be paid on a monthly basis in the amount of seventy dollars and eighty-three cents ($70.83) per gaming devices operated within a gaming establishment.

(b) Notwithstanding the foregoing requirement to pay an annual license fee for each gaming device, the City Council is authorized to establish incentive programs where annual license fees may be temporarily waived or reduced on such terms and conditions as set forth by Resolution of City Council.

Sec. 6-5-40. Device fee imposed.

(a) In addition to, and separate and apart from, the annual license fee imposed under this Article, each gaming establishment shall be required to pay a monthly device fee for each gaming device operated within a gaming
establishment. The purpose of the device fee is to assist the Central City Transportation Enterprise in paying costs for transportation services and improvements that are necessary and are a result of and roughly proportionate to the impacts on the City of limited gaming. The monthly device fee is directly related to the need for increased transportation services and improvements necessary to serve the customers, employees and users of gaming establishments and will provide a significant and proportional benefit to such businesses.

(b) The device fee imposed pursuant to Sec. 6-5-40(a) (the "Transportation Fee") shall be a fee imposed and collected by the Central City Transportation Enterprise and is thirty-four dollars and fifty-eight cents ($34.58) per month for each gaming device commencing on January 1, 2017. All revenues generated by the Transportation Fee shall be deposited into the Transportation Enterprise Fund. Revenues collected from imposition of the Transportation Fee shall be imposed, collected and spent by the City’s transportation enterprise, as and if formed, and used exclusively for transportation services and improvements primarily serving or benefitting the gaming areas, and shall not be used for general operating expenses of the City.

(c) Notwithstanding the foregoing requirement to pay a monthly device fee to assist the City’s transportation enterprise, as and if formed, with providing transportation services and improvements, the City Council is authorized to establish incentive programs wherein such device fee may be temporarily waived or reduced on such terms and conditions as set forth by resolution of City Council, except that no such waiver or reduction shall be authorized at any time when the device fee is pledged to the repayment of any City or City transportation enterprise outstanding obligation.

Section 2. Codification Amendments. The codifier of Central City’s Municipal Code is hereby authorized to make such numerical and formatting changes as may be necessary to incorporate the provisions of this Ordinance within the Central City Municipal Code.

Section 3. Severability. Should any one or more sections or provisions of this Ordinance be judicially determined invalid or unenforceable, such judgment shall not affect, impair or invalidate the remaining provisions of this Ordinance, the intention being that the various sections and provisions are severable.

Section 4. Repeal. Any and all ordinances or codes or parts thereof in conflict or inconsistent herewith are, to the extent of such conflict or inconsistency, hereby repealed; provided, however, that the repeal of any such ordinance or code or part thereof shall not revive any other section or part of any ordinance or code heretofore repealed or superseded and this repeal shall not affect or prevent the prosecution or punishment of any person for any act done or committed in violation of any ordinance hereby repealed prior to the effective date of this Ordinance.
Section 5. Effective Date. This Ordinance shall become effective immediately following publication, public hearing and the approval of City Council following second reading in accordance with Sections 5.9 and 5.10 of the City Charter.

INTRODUCED AND READ by title only on first reading at the regular meeting of the City Council of the City of Central on the ___ day of __________, 2016, at Central City, Colorado.

CITY OF CENTRAL, COLORADO

__________________________
Ronald E. Engels, Mayor

Approved as to form:

__________________________
Marcus McAskin, City Attorney

ATTEST:

__________________________
Reba Bechtel, City Clerk

PASSED AND ADOPTED on second reading, at the regular meeting of the City Council of the City of Central on the ___ day of __________, 2016.

CITY OF CENTRAL, COLORADO

__________________________
Ronald E. Engels, Mayor
ATTEST:

__________________________________________
Reba Bechtel, City Clerk

POSTED IN FULL AND PUBLISHED BY TITLE AND SUMMARY in the Weekly Register Call newspaper on ____________, 2016.

POSTED AND PUBLISHED BY TITLE [AND SUMMARY IF AMENDED ON SECOND READING] in the Weekly Register Call newspaper on ____________, 2016.

CITY OF CENTRAL, COLORADO

__________________________________________
Ronald E. Engels, Mayor

ATTEST:

__________________________________________
Reba Bechtel City Clerk
AGENDA ITEM # 13
CITY COUNCIL COMMUNICATION FORM

FROM: Ray W. Rears, Community Development Director
CC: Daniel Miera, City Manager
DATE: October 4, 2016
ITEM: Monument and Wayfinding Signage
NEXT STEP: Provide Comment/Approval

___ ORDINANCE
X  MOTION
___ INFORMATION

I. REQUEST OR ISSUE:
Purchase and placement of Monument and Wayfinding signage from Precision Sign Company.

II. BACKGROUND INFORMATION:
The monument and wayfinding project has been in long-term development and was brought back to life earlier this year. After much focus, a plan was put in place as well as proper design and materials.

Project design and location was presented to HPC on Wednesday, July 13, 2016. Revisions were made based on comments and recommendations then re-distributed on Thursday, July 28 for final HPC review. Attached is the design and plan with HPC support.

RFP (Request for Proposals) was generated in the month of September. Based on the response provided by the three valid proposals, Precision Sign Company was selected based on product, material, cost, presentation, completion date time period and design.

III. FISCAL IMPACTS: Total proposed cost roughly $65k
   a. Budgeted line item breakdown of expense:
      i. Signage: $15k 419-5419
      ii. City Art: $7.5k 419-5415
      iii. Beautification: $12.5k 419-5416
      iv. Marketing: $30k 419-5417
   b. 6 Directional Signs $2,665 Each
   c. 2 Monument Signs $24,188 Each
      i. All natural materials – Stone, Wood, Metal
IV. **RECOMMENDED ACTION / NEXT STEP:** Formal approval and project commencement

V. **LEGAL ISSUES:** N/A

VI. **CONFLICTS OR ENVIRONMENTAL ISSUES:** N/A

VII. **SUMMARY AND ALTERNATIVES:**

1. Approve the project as proposed
2. Approve with changes
3. Table the project
Proposed Directional Signage Location
Proposed Directional Signage Location
To: Mayor Engels, City Council, and City Manager Miera
From: Reba Bechtel, City Clerk
Date: October 4, 2016
Re: Bi-weekly Report

➢ Prep for the Regular Council meeting of 10/4.

➢ Spent a day at State Archives viewing CC documents.

➢ Prepped and attended the special HPC on 9/28.

➢ Processed and issued transfer of ownership of Retail Marijuana License from Growhouse Central City to Igadi LTD at 171 Lawrence Street. This company is from Tabernash and is well established there with cultivation, Medical, Retail, MIP (Manufactured Infused Products).

➢ Misc information regarding: sign permits, special events, building permits, code questions, HP, records response, liquor, and marijuana.
To: Daniel R. Miera, City Manager
Cc: Mayor and Council
From: Abigail R. Adame, Finance Director
Date: October 4, 2016
Re: Staff Report

➢ Finance

  • Xpress Bill Pay is now live! This allows the City’s utility customers the ability to pay their bills online. Customers are being notified of this option via the October billing flyer’s posted at the Post Office and the City’s website.

  • Prepared the 2015 Management Discussion and Analysis.

  • Submitted the 2015 audited financial statements to the State Auditor as required by state law.

  • Began working with staff in preparing the 2017 budget.

➢ Human Resources

  • Met with representatives from Moody’s Insurance and reviewed the employee benefits package proposal for 2017.

  • Coordinated a site visit between Liberty National and staff wherein life insurance policies were reviewed and updated.

  • Coordinated the hiring of a City Ambassador position within the Community Development Department.
Development

1) Colvin Tract -- Parking Lot -- City of Black Hawk -- Fmr. Clinic site.
   a. Work has started
2) GIS Services -- Revised parcel layer has been released along with some utility lines
3) Comp Plan/Zoning Code / Design Guidelines --
   a. October 5th -- Comprehensive Plan Meeting during Planning Commission
      i. Public Assets, Infrastructure and Core Services
4) CDBG -- Resilience Planning Grant received - $75,000 (no match).
   a. Awaiting contract execution by State.
5) Enterprise Zone -- Referred to RPI Consulting to follow-up on.
6) Scarlets buildings development pending. 7 Healing Stars -- Awaiting building permit application.
7) Wayfinding Signs -- HPC comments received -- On this agenda
8) Various initial development/building inquires addressed.

IT/Web/Audio Visual

1) Website, Facebook and Twitter internal administration continues.
2) Channel 20 -- Operational
3) Interactive Events Calendar on the website.
4) Comp Plan/Zoning Code/Design Guidelines tab has been created.
5) Local weather now provided on the City website.

Historic Preservation

1) Historic Preservation State tax credits promoted under economic development tab on the City website.
2) Belvidere
   a. Façade work started on September 28th and is expected to be completed by October 7th.
      i. Channel 9 News has expressed interest in the project.
   b. RFP -- Phase 2 planned
3) Historic Preservation Cases -- 18, year-to-date.

Code Enforcement -- Active

1) Total Cases: 21  Open cases referred to Attorney - 3  Scheduled for Court -- 1
   Court judgement - $3,065 fines awarded the City
Events / Marketing

1) Attending Main Street meetings.
2) Met with organizers of the Central City Hill Climb (Sept) & Pit Rally (Aug). Letter sent to Pit Rally following staff wrap up. Pit Rally organizer will be working to address City requests.
3) Billboard
   a. City Billboard Use
      i. Available
4) Working with multiple publications for more visibility within the Metro area.
5) Acquisition of GF Gaming shuttle - in process
7) Community Building Grant Application made
8) A survey is being prepared to get feedback regarding events and Main Street potential changes.
9) Creating Full 2017 Marketing Plan
   a. 2017 Event Calendar being prepared.

Visitor Center

Staffing

1) Open Central City Ambassador position closed on August 31, 2016. A conditional offer of employment has been made.
2) IT support staff facilitation continues.
3) Refresh of Council Chambers investigated.
4) Zeke Keeler, Attending APA conference in Colorado Springs.
5) Investigating a employee wellness program.
   a. Fitbit’s program has started