



TOWN BOARD REGULAR MEETING
June 27, 2016 - 7:00 P.M.
Town Board Chambers
301 Walnut Street, Windsor, CO 80550

The Town of Windsor will make reasonable accommodations for access to Town services, programs, and activities and will make special communication arrangements for persons with disabilities. Please call (970) 674-2400 by noon on the Thursday prior to the meeting to make arrangements.

AGENDA

A. CALL TO ORDER

1. Roll Call
2. Pledge of Allegiance
3. Review of Agenda by the Board and Addition of Items of New Business to the Agenda for Consideration by the Board
4. SAFEbuilt Scholarship Presentation – Carlin Barkeen, Planning Dept/Russ Weber, SAFEbuilt
5. Board Liaison Reports
 - Mayor Pro Tem Baker – Parks, Recreation & Culture Advisory Board; North Front Range/MPO alternate
 - Town Board Member Morgan – Water & Sewer Board; Clearview Library Board
 - Town Board Member Bennett – Planning Commission; Windsor Housing Authority
 - Town Board Member Rennemeyer – Historic Preservation Commission; Great Western Trail Authority
 - Town Board Member Boudreau – Chamber of Commerce; Planning Commission alternate
 - Town Board Member Adams – Tree Board; Poudre River Trail Corridor Board
 - Town Board Member Melendez – Downtown Development Authority; North Front Range/MPO
6. Invited to be Heard

Individuals wishing to participate in Public Invited to be Heard (non-agenda item) are requested to sign up on the form provided in the foyer of the Town Board Chambers. When you are recognized, step to the podium, state your name and address then speak to the Town Board.

Individuals wishing to speak during the Public Invited to be Heard or during Public Hearing proceedings are encouraged to be prepared and individuals will be limited to three (3) minutes. Written comments are welcome and should be given to the Deputy Town Clerk prior to the start of the meeting.

B. CONSENT CALENDAR

1. Minutes of the June 13, 2016 Town Board Meeting – K. Eucker
2. Resolution No. 2016-39 - A Resolution Vacating a Portion of the 10 foot Utility and Drainage Easement Located Along the Easterly Portion of Lot 23, Block 4 of Highland Meadows Subdivision, 4th Filing, 8318 Annapolis Drive – P. Hornbeck

3. Resolution No. 2016-40 - A Resolution Approving and Adopting the Intergovernmental Agreement Dated June 15, 2016, Between the Town of Windsor and the East Fossil Creek Ranch Metropolitan Districts Nos. 1-2 – I. McCargar

C. BOARD ACTION

1. Ordinance No. 2016-1520 - An Ordinance Approving an Amendment to the Consolidated Service Plan for Highpointe Vista Metropolitan Districts Nos. 1 & 2 and Approving an Extension of Debt Maturity
Super-majority vote required for adoption on second reading
 - Second reading
 - Legislative action
 - Staff presentation: Ian D. McCargar, Town Attorney
2. Ordinance No. 2016-1521 - An Ordinance Approving the Disconnection of a One-Half Mile Stretch of Northbound Weld County Road 15 South of Weld County Road 60, Being a Remnant of the Zeiler Farms Second Annexation Pursuant to the Colorado Municipal Annexation Act of 1965
 - First reading
 - Legislative action
 - Staff presentation: Kimberly Emil, Assistant Town Attorney
3. Presentation of 2015 Audit – Tyra Litzau, Anton, Collins, Mitchell LLP, Certified Public Accountants
4. Resolution No. 2016-41 - A Resolution Accepting the Audit Report for 2015 Prepared by Anton Collins Mitchell LLP, Certified Public Accountants.
 - Legislative Action
 - Staff Presentation: Dean Moyer, Director of Finance
5. Resolution No. 2016-42 - A Resolution Accepting the Recommendation of the Town Attorney and Appointing Carolyn R. Steffl to Serve as Special District Counsel in Accordance with Section 9.1.G of the Town of Windsor Home Rule Charter
 - Legislative action
 - Staff presentation: Ian D. McCargar, Town Attorney
6. Resolution No. 2016-43 - A Resolution Supporting for the Windsor Downtown Development Authority to Apply for Candidate Status in the Colorado Main Street Program
 - Legislative action
 - Staff presentation: Patti Garcia, Town Clerk/Assistant to the Town Manager
7. Resolution No. 2016-44 - A Resolution Making Certain Findings of Fact Concerning the Weakland Annexation to the Town of Windsor, Colorado; Determining Substantial Compliance with Section 31-12-101, ET SEQ., C.R.S., “The Municipal Annexation Act of 1965”; and Establishing Dates for Public Hearings Before the Planning Commission and the Town Board of the Town of Windsor, Colorado, with Regard to the Weakland Annexation
 - Legislative action

- Staff presentation: Paul Hornbeck, Senior Planner
8. Resolution No. 2016-45 - A Resolution Approving an Agreement for Certain Economic Inducements and Development Incentives Between the Town of Windsor, Colorado, and High Hops/Windsor Garden Center, with Respect to the Annexation and Development of Property for Commercial Purposes Within Windsor
 - Legislative action
 - Staff presentation: Stacy Johnson, Director of Economic Development
 9. Resolution No. 2016-46 - A Resolution Accepting Deed of Conservation Easement for Cottonwood Bend
 - Legislative Action
 - Staff presentation: Wade Willis, Parks & Open Space Manager
 10. Resolution No. 2016-47 - A Resolution Approving the Accessioning of Items to the Town of Windsor Museum Collection
 - Legislative Action
 - Staff presentation: Eric Lucas, Director of Parks, Recreation & Culture
 11. Resolution No. 2016-48 - A Resolution Approving a Lease Purchase Agreement Between the Town of Windsor and KS Bank for the Acquisition of Fitness Equipment Intended for the use in the Windsor Community Recreation Center, and Authorizing the Town's Parks, Recreation and Culture Director to Execute Documents.
 - Legislative Action
 - Staff presentation: Eric Lucas, Director of Parks, Recreation & Culture
 12. Resolution No. 2016-49 - A Resolution Adopting the Eaton House Master Plan
 - Legislative Action
 - Staff Presentation: Eric Lucas, Director of Parks, Recreation & Culture
 13. Economic Development Report
 - Staff presentation: Stacy Johnson, Director of Economic Development

D. COMMUNICATIONS

1. Communications from the Town Attorney
2. Communications from Town Staff
3. Communications from the Town Manager
4. Communications from Town Board Members

E. ADJOURN



MEMORANDUM

Date: June 27, 2016
To: Mayor and Town Board
Via: Kelly Arnold, Town Manager
Scott Ballstadt, AICP, Director of Planning
From: Carlin Barkeen, AICP, Chief Planner
Subject: SAFEbuilt Scholarship Program – Russ Weber, Chief Building Official,
SAFEbuilt
Item #: A.4

Background/Information:

In-lieu of an in-house building department, the Town has contracted with SAFEbuilt since 1992 to perform building plan reviews and inspections for compliance with the Town's adopted building codes. SAFEbuilt's first office is in Windsor; however, they now serve numerous communities across Colorado and several other states nationwide.

The Director of Planning serves as the Town's Building Official and works closely with SAFEbuilt and Windsor-Severance Fire Rescue, with regard to all building and fire code issues.

As part of SAFEbuilt's service to the Windsor community, they offer an annual \$2,000 scholarship for continuing education for graduating Windsor High School seniors with a GPA of 3.0 or higher. Russ Weber, Chief Building Official for SAFEbuilt's Windsor office, will be presenting the scholarship to this year's winner, Natalie Zimmerman.

The presentation is for the Town Board's information.



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MINUTES

A. CALL TO ORDER

Mayor Melendez called the meeting to order at 7:05 p.m.

1. Roll Call

Mayor
Mayor Pro Tem

Kristie Melendez
Myles Baker
Christian Morgan
Ken Bennett
Paul Rennemeyer
Brenden Boudreau
Ivan Adams

Also Present:

Town Manager
Town Attorney
Communications/Assistant to Town Manager
Chief of Police
Director of Planning
Director of Parks, Recreation and Culture
Manager of Communications
Chief Planner
Senior Planner
Director of Economic Development
Director of Finance
Recreation Manager
Customer Service Manager

Kelly Arnold
Ian McCargar
Kelly Unger
John Michaels
Scott Ballstadt
Eric Lucas
Katie VanMeter
Carlin Barkeen
Josh Olhava
Stacy Johnson
Dean Moyer
Tara Fotsch
Megan Walter

2. Pledge of Allegiance

Town Board Member Adams led the pledge of allegiance.

3. Review of Agenda by the Board and Addition of Items of New Business to the Agenda for Consideration by the Board

Town Board Member Morgan motioned to approve the agenda as presented. Town Board Member Adams seconded the motion. Roll call on the vote resulted as follows: Yeas –Baker, Morgan, Bennett, Rennemeyer, Boudreau, Adams, Melendez; Nays- None; Motion passed.

4. Board Liaison Reports

- Mayor Pro Tem Baker – Parks, Recreation & Culture Advisory Board; North Front Range/MPO alternate

Mayor Pro Tem Baker reported the Parks, Recreation and Culture Board discussed conservation easements. There was also discussion on reviewing the Boardwalk Park Museum and Eaton House Master Plan which could include a living history in the school house and train depot. The living history would depict what it was actually like to live in the era and experience the history by not just reading about it. There were also two presentations; cost recovery philosophy and future capital improvement projects.

- Town Board Member Morgan – Water & Sewer Board; Clearview Library Board
Town Board Member Morgan reported the Water and Sewer Board meeting was cancelled due to lack of agenda items.
- Town Board Member Bennett – Planning Commission; Windsor Housing Authority
Town Board Member Bennett reported several members of the Clearview Library Board attended an architecture conference in Bozeman, Montana and provided a report on desirable features of a new library facility. The Severance Town Board liaison and two Severance citizens expressed their desire to see the library closer to Severance. The Board reiterated that no decisions have been made at this time and they will continue with the feasibility study. Also the Board is looking to revise their bylaws; currently members are term limited and they would like to revise the bylaws to allow term limited members to extend their time during capital improvement projects.
Mr. Bennett reported the Planning Commission reviewed a site plan for the expansion of the Windsor Charter Academy.
- Town Board Member Rennemeyer – Historic Preservation Commission; Great Western Trail Authority
Town Board Member Rennemeyer reported the Great Western Trail Authority is reviewing applications and scheduling interviews for a trail manager to oversee operations of the trail.
- Town Board Member Boudreau – Chamber of Commerce; Planning Commission alternate
Town Board Member Boudreau reported the Chamber of Commerce discussed potential education seminars for local business and the success of Broker Day. A review of the All Town BBQ will take place in the fall as well as planning for the next year as the event is quickly growing.
- Town Board Member Adams – Tree Board; Poudre River Trail Corridor Board
Town Board Member Adams reported the Tree Board is planning Sick Tree Day for June 28, 2016 and approximately 60 homes have been scheduled.
The Poudre River Trail Authority is in the process of repairing several areas due to flooding. One of the challenges of the repairs is finding fill dirt; Weld County is assisting in that process. Mr. Adams also reported the Board has discussed the communities surrounding the river to inherit the Board as there are concerns regarding the budget.
- Mayor Melendez – Downtown Development Authority; North Front Range/MPO
Mayor Melendez had no report.

5. Invited to be Heard

Mayor Melendez opened the meeting up for public comment to which there was none.

B. CONSENT CALENDAR

1. Minutes of the May 23, 2016 Town Board Meeting – K. Eucker

2. Resolution No. 2016-36 – A Resolution Approving an Intergovernmental Agreement Between the City of Loveland and the Town of Windsor Regarding the Grant of Easement Rights for a Public Recreational Trail – I. McCargar
3. Report of Bills for May 2016 – D. Moyer
Mayor Pro Tem Baker motioned to approve the agenda as presented. Town Board Member Bennett seconded the motion. Roll call on the vote resulted as follows: Yeas –Baker, Morgan, Bennett, Rennemeyer, Boudreau, Adams, Melendez; Nays- None; Motion passed.

C. BOARD ACTION

1. Presentation - Dr. Leah L. Bornstein and Dr. Ray Peterson, Aims Community College
Dr. Leah Bornstein and Dr. Ray Peterson from Aims Community College provided current information regarding the college and the degrees that are being offered, some of which are nationally recognized programs. Dr. Bornstein invited the Town Board to tour the Windsor campus.

Dr. Peterson stated the Windsor Aims Community College is one of the most state of the art facilities around; the instructional device called Anatomage is one of four being used in the country.

Dr. Peterson reminded high school students to apply for the Bright Futures grant program.
2. Ordinance No. 2016-1520 - An Ordinance Approving an Amendment to the Consolidated Service Plan for Highpointe Vista Metropolitan Districts Nos. 1 & 2 and Approving an Extension of Debt Maturity
 - Legislative action
 - Staff presentation: Ian D. McCargar, Town Attorney

Town Board Member Morgan motioned to approve Ordinance No. 2016-1520 - An Ordinance Approving an Amendment to the Consolidated Service Plan for Highpointe Vista Metropolitan Districts Nos. 1 & 2 and Approving an Extension of Debt Maturity; Mayor Pro Tem Baker seconded the motion.

Per Mr. McCargar the Highpointe Metropolitan Districts Nos. 1 & 2 have asked that the Town Board consider an ordinance under which the Service Plan for the Districts are amended to allow an increase in the maximum debt limit currently in place, and a fifteen-year extension of debt maturity. The reason for the proposed debt increase is to allow refinancing of District obligations at lower interest rates and to take advantage of a significant discount in debt currently held by the developer.

Notice has been published to the tax payers through meeting notices; one in late January and one in April. Windsor municipal code requires notification to be published for 20 days which has been completed.

Alan Pogue council for Metropolitan Districts 1 & 2 stated when the Town Board approved the service plan in 2005 there was a cap of \$3.375 million in the amount of debt that the district could issue to the public market and there was no cap on the amount of debt that could be issued to the developer in the form of developer advances to the district. An additional \$2.5 million in developer obligations was also issued in 2007 and will mature in 2032. Interest rates have dropped dramatically since the debt was issued in 2007 and to capitalize on the current rates it is being requested to extend the maturity of that 2032 debt to 2045 and increase the \$3.375 million public debt cap to \$6 million.

The other piece of the transaction would include ultimately dissolving District No. 1. District No. 2 is where the homeowners live and District No. 1 is a small geographical district owned by the developer. The intent is to transfer all of the assets from District No. 1 to District No. 2 which includes approximately \$8 million in improvements and the developer representatives that currently serve on the District No. 2 Board will resign and be replaced by homeowners. The goal is to complete that process and dissolve District No. 1 by the end of the first quarter of 2017.

Ms. Melendez inquired if there have been any comments from residents.

Mr. Pough stated comment were not received but the reaction of the residents was the plan seemed beneficial and provided nothing to be put into the record.

Mr. Baker inquired if there are plans for the proceeds of the debt.

Mr. Pough stated the proceeds will repay existing debt that was incurred to build the amenity package that serves the residents. In 2005 the Town had a policy with respect to metropolitan districts that only enhancements were allowed to be financed. The draft amendment lists initial enhancements including a significant amount of landscaping, open space, basketball court, mail kiosk and swimming pool that the proceeds will refund that debt. The 2016 bonds will be issued in two series; series A estimates interest rates at about 5% and series B which will be subordinate for repayment purposes to series A will be approximately 6 ¾% - 7%.

Mr. Morgan inquired if there will be any new or additional fees to homeowner.

Mr. Pough stated the revenue source to pay the bonds will remain the same revenue source that is currently available which is property tax revenues. There is a cap at 35 mills which applies to all taxes imposed by the district; debt, repayment and operations. Once the homeowner district has assumed ownership of the amenities and control of that district they may choose to build more amenities or they may want a different level of service at the swimming pool so they would have the legal authority to impose fees to pay for those amenities.

Mr. Morgan inquired if there are any amenities that have not been completed.

Mr. Pough stated the amenity package has been completed.

Ms. Melendez inquired as to how many lots are still available for development.

Mr. Pough stated there are currently 90 vacant lots out of 327 lots of which four of them are owned by the developer.

Roll call on the vote resulted as follows: Yeas –Baker, Morgan, Bennett, Rennemeyer, Boudreau, Adams, Melendez; Nays- None; Motion passed.

3. Resolution No. 2016-37 - A Resolution Approving an Agreement for Certain Economic Inducements and Development Incentives Between the Town of Windsor, Colorado, and Advanced Roofing Technologies, with Respect to the Development of Property for Commercial Purposes Within Windsor

- Legislative action
- Staff presentation: Stacy Johnson, Director of Economic Development

Town Board Member Morgan motioned to approve Resolution No. 2016-37; Town Board Member Adams seconded the motion.

Per Ms. Johnson in May of 2016 Economic Development staff presented a request for incentives for Advanced Roofing Technologies. The incentive request was to retain and expand Advanced Roofing Technologies and an additional company, NoCO Sheet Metal which was previously located in Loveland.

The location of the purposed incentive agreement is 4555 Highland Meadows Parkway, Windsor, CO. A new 42,360 square foot building will be constructed to house Advanced Roofing's expansion along with NoCO Sheet Metal. An additional 20,000 square foot of limited industrial place will be available for future prospects.

The total building permit fees estimate is approximately \$160,000 and the total amount requested to be waived or reimbursed is \$61,633.80 with a payback period of approximately 3.1 years.

An addition to the incentive agreement consists of waiving confidentiality in regards to sales tax information for future reporting and analysis by the Town.

Mr. Baker inquired if there is any requirement for the company to stay in Windsor for a certain amount of years.

Ms. Johnson stated there is none but the company will own the building and have an additional 20,000 square feet to lease out.

Roll call on the vote resulted as follows: Yeas –Baker, Morgan, Bennett, Rennemeyer, Boudreau, Adams, Melendez; Nays- None; Motion passed.

4. Resolution No. 2016-38 - A Resolution Approving Various Closing Documents Pursuant to a Purchase and Sale Agreement Between the Town of Windsor and Carestream Health, Inc., for the Acquisition of Certain Assets in the Davis and Law Water System

- Legislative action
- Staff presentation: Ian D. McCargar, Town Attorney

Town Board Member Adams motioned to approve Resolution No. 2016-38; Town Board Member Morgan seconded the motion.

Per Mr. McCargar a contract was approved in March of 2016 with Carestream Health, Inc. to acquire assets in their water portfolio and their water delivery portfolio. That contract had a scheduled closing on June 6, 2016 but it has been moved to June 13, 2016 for the Board to view the closing documents. The transaction has origins in the Law Predisaster Mitigation Project (PDM) which is a storm water project the Town started working on years ago. The Town notified Carestream of plans to realign a portion of the Law Ditch to which they objected on water law principles. Although there were significant disagreements over the law, ultimately an agreement was reached which would allow the Town to relocate the necessary portions of the Law Ditch, but would also take over certain Carestream assets in the consolidated Davis & Law delivery systems.

Through the Special Warranty Deed, the Town is acquiring real property interest that is owned by Carestream and is part of the water delivery system; the Town will have the legal right to use those easements for the conveyance of water. In addition the warranty deed conveys to the Town Carestream's right in six cubic feet per second of seep water that flows through the Davis Pipeline. The Town will then lease back the water right to Carestream for 99 years which they will have the beneficial use of. The Town will convey the water to Carestream but the Town is not required to provide a particular quantity of water to them. The Town is under no obligation to ensure Carestream receives their water but the Town cannot deliberately deny access to their water right.

An Easement Deed has been granted to the Town to provide another route through Carestream's property to carry water to the Poudre River.

The Assignment and Assumption Agreement will allow Windsor to take over what Carestream owns in the 1919 Davis Pipeline Agreement. Carestream is the owner of the bell and spigot clay pipe that was laid in 1919 for approximately one mile. The Town will now have ownership of the pipe and through the years the Town has rehabbed that pipe to ensure its functionality.

The Dry-Up Covenant is in place for when the lease for use of the 6 CFS of Davis Seep Water expires or whenever it is terminated that water does not necessarily have to feed that farm land and would be used by the Town. That could be 99 years but also sooner depending on what Carestream decides to do with their farming operation.

The package of closing documents if approved will have the Town owning a significant collection of assets for water delivery; most of which will remain for the benefit of Carestream but some of which are clearly beneficial to the Town. This transaction was brought to attention by the need to complete the Law Predisaster Mitigation project on time and on budget.

Mr. Arnold inquired as to how long the project has been worked on.

Mr. McCargar stated it has been about 2 years.

Mr. Bennett inquired as to what will happen if there is more than six cubic feet of water.

Mr. McCargar stated that is all the water that is allowed to Carestream. The Davis Pipe is capable of carrying more but the water right is six CFS. Any amount of water exceeding six CFS will continue past Carestream.

Mr. Baker inquired about liability in owning a pipe from 1919.

Mr. McCargar stated it there is likely no liability.

Ms. Melendez inquired if there is an obligation moving forward for operation and maintenance.

Mr. McCargar stated the Town can chose weather or not to perform maintenance.

Mr. Morgan commented that it does not seem feasible to forego maintenance with water still flowing through the pipe.

Mr. McCargar stated engineering staff have occasionally located sink holes and other issues which were then repaired. There is an obligation in the 1919 agreement that was inherited by Carestream from the Great Western Sugar Company that Great Western Sugar Company will clean out the sand pockets so there is some obligation to occasionally muck out manholes.

Mr. Rennemeyer inquired as to how we got to this.

Mr. McCargar stated when the Town proposed the alignment for the PDM project channel it called for a relocation of a small segment of the Law Ditch. Carestream objected to the proposal so the Town was faced with not completing the project or going into water court. The Town then negotiated the current agreement to complete the project on time and on budget.

Mr. Boudreau inquired if the main benefit for the Town is the complete the PDM.

Mr. McCargar stated that is correct and as a secondary benefit the Town will own the pipeline.

Mr. Rennemeyer inquired if the Town will be responsible if the pipeline needs to be replaced.

Mr. McCargar stated if the Town chose not to replace the pipe, it would not be the responsibility of the Town. The Town can chose to replace the pipeline or not to.

Mr. Boudreau inquired if the Town has completed work on the pipeline already.

Mr. McCargar stated the Town has completed some work in regards to water issues in the Peakview Estates subdivision.

Mr. Morgan inquired if the Town is allowed to realign the pipe if needed.

Mr. McCargar stated the Town can realign the pipe if needed.

Mr. Bennett inquired as to what the consequences would be for Windsor if the pipe needed repairs and it was decided to not complete the repairs.

Mr. Arnold stated it would depend on how it is affecting citizens.

Roll call on the vote resulted as follows: Yeas –Baker, Morgan, Bennett, Rennemeyer, Boudreau, Adams, Melendez; Nays- None; Motion passed.

5. Site Plan Presentation – Diamond Valley Subdivision 4th Filing, Lot 2 and 6th Filing, Lot 1 – Windsor Charter Academy expansion – Windsor Charter Academy, applicant/ Thomas Roche and Leonard Wiest, Roche Constructors, applicant’s representatives
- Staff presentation: Josh Olhava, Senior Planner

Per Mr. Olhava the applicant, represented by Roche Constructors, is proposing a site expansion at the current Windsor Charter Academy, located in the Diamond Valley Subdivision. The site is zoned Limited Industrial (I-L) and surrounded by other industrial users and the Town’s Diamond Valley Park.

Site expansion characteristics include:

- an approximately 6,276-square foot, single-story expansion that will include four additional class rooms;
- building materials to match the existing building with split-faced CMU blocks and metal siding;
- 76 new parking spaces located 1 ½ block south; and
- a drop-off/pick-up site located with the 76 new parking spaces.

The applicant was required to complete a traffic study due to the high traffic volumes during morning and afternoon hours at the school. Complaints have been received by the Town regarding the existing conditions with cars backing up into SH 257 and blocking business accesses along E. Garden Drive. The traffic study recommends certain on- and off-site improvements, as well as administrative procedures to reduce the school’s traffic congestion issues. Staff has been working with the applicant and their representatives to incorporate all of the recommendations. Staff has also included specific development agreement language for the administrative procedure recommendations and ongoing evaluation.

The application is consistent with Education chapter of the Vision 2025 document and the Comprehensive Plan does not address site level detail such as this application.

Ms. Melendez inquired if the traffic study has been completed.

Mr. Olhava stated the traffic study has been completed and the application is on the second review of the site plan. The configuration was reviewed and there was some recommended adjustments based on the traffic study.

Mr. Rennemeyer inquired as to how the students will get from the drop off and pick up lanes to the school.

Mr. Olhava stated there is a sidewalk and the applicant has also proposed widening the sidewalk.

Ms. Melendez inquired if the proposal is sufficient for the issues concerning dropping off and picking up students.

Mr. Eddie Castaneda, representative from Roche Constructors stated the parking lot is believed to be sufficient and will address parking issues which will give space for parents to park and walk their student to and from the school.

Ms. Melendez inquired as to when the completion date will be.

Mr. Castaneda stated completion will be in August prior to the beginning of the school year.

Mr. Bennett inquired about the administrative features that will help alleviate traffic.

Rebecca Teeples from Windsor Charter Academy stated part of the administrative features is to designate specific areas so the students are safe. The proposed expansion will add 52 students to the school. Currently there are two locations that students can be picked up and dropped off but with the purchase of the lot on Innovation Drive for additional parking it allows for a third pick up and drop off location. Staff members will be stationed at different locations and cross guard will also be utilized. Also an app has been created that notifies the school of the parent's arrival which will be uploaded into the classroom so not all 600 students will be released from classrooms at one time. Parents will be educated throughout the summer on the new processes once it has been approved.

Mr. Adams inquired if the school is going to expand to more classes and grades in the future.

Ms. Teeples stated the new classrooms that will be added this fall will be a 2nd grade class and a 5th grade class.

Mr. Rennemeyer inquired about the learning garden.

Ms. Teeples stated the learning garden is currently there and is school property.

6. Site Plan Presentation – Falcon Point Subdivision, Lot 1 – Kraft Kurbing – Craig and Laurie Kraft, applicants

- Staff presentation: Paul Hornbeck, Senior Planner

Per Mr. Hornbeck the applicants, Mr. Craig Kraft and Mrs. Laurie Kraft, are proposing a site development in the Falcon Point Subdivision. The site is zoned Limited Industrial (I-L) and is surrounded by other industrially zoned property.

The development proposal includes:

- 2 new buildings of approximately 9,000 square feet each, including 6 tenant spaces;
- an outdoor storage yard;
- 54 off street parking spaces, including accessible parking space(s); and
- landscaping on approximately 10.5% of the site (in accordance with the Subdivision Agreement)

The current presentation is intended for the Town Board's information. Should the Town Board have any comments or concerns pertaining to this project, please refer such comments to staff during the presentation so that they may be addressed during staff's review of the project.

The application is consistent with various elements of the Comprehensive Plan as well as the Vision 2025 document.

Ms. Melendez inquired if Kraft Kurbing will be one of six tenants that will fill the space and the other five tenants are currently unknown.

Mr. Hornbeck stated that is correct.

Mr. Baker inquired as to fence screening for the storage in the back.

Mr. Hornbeck stated the majority will be screened by the building itself and there is no screening requirements for behind the building.

Ms. Melendez inquired if Kraft Kurbing is a new business coming to Windsor.

Mr. Hornbeck stated the business is currently in Windsor but they are expanding.

7. Presentation – 2015 Annual School District Reports on PILO (Payments-in-lieu of land dedication) and IGA Background

- Staff presentation: Josh Olhava, Senior Planner

Per Mr. Olhava in approximately 2000, the Town entered into Intergovernmental Agreement's (IGA's) with each of the school districts that serve Windsor (Weld RE-4, Poudre R-1 and Thompson R2-J). These agreements represent a cooperative effort with the districts to require land to be dedicated for future school sites or fees-in-lieu thereof to be paid to the respective district as part of the land development process. The provisions implementing the requirements of these agreements are found in Chapter 17, Article XIV of the Windsor Municipal Code.

As required by the respective IGAs, the districts submit the enclosed annual reports regarding PILO fees collected and expended. These reports may also include the districts intent to request a change in land value used for determination of cash-in-lieu payments to ensure the fees align with current fair valuation of land within each District.

In 2007, in response to district requests, the Town adopted ordinances revising the methodology for calculating land dedication requirements. As part of this update, the developed land value used to determine cash-in-lieu payments was also increased to reflect current market conditions. Because the land valuation had not been updated since the approval of the original IGAs, the increase was substantial. Therefore, the Town asks that the districts monitor developed land valuation trends on an annual basis so that incremental adjustments can be made when necessary in order to avoid large increases in any given year.

Mr. Baker inquired if the cash will be used across the districts in Larimer County.

Mr. Olhava stated it could be used across the district.

D. COMMUNICATIONS

1. Communications from the Town Attorney
None

2. Communications from Town Staff
Chief Michaels reported Judge Manning has requested security for municipal court during arraignment and trial nights. Officers have commenced security for municipal court and estimates it will take approximately 6-9 hours per month. This process will be evaluated as the months

continue to see if the correct amount of security is in place and where the funding of the officers will come from.

Mr. Wagner stated a Planning and Environmental Linkages (PEL) study is a long range planning study that is being conducted on Highway 34 from the west side of Loveland to the east side of Greeley. Windsor is involved in that process and CDOT has agreed to utilize \$2 million of their funds for the study. US Highway 85 is currently undergoing a PEL study. A PEL study is important as far as determining long range planning for the corridor including accesses, rights-of-way, road widths, interchanges and is an important component in federal funding. The scope of the project is currently being reviewed but they believe parallel roads like Crossroads Boulevard and Highway 402 should be included in the scope. The Town will be involved in the process since Crossroads goes through Windsor. CDOT is considering writing into the scope of work that other entities such as Windsor, Greeley and Loveland any participating entities can get involved in the study in the expanded scope of work if there is additional work that needs to be completed. Staff has been contacted in Greeley and Loveland to discuss if the scope should be expanded and at this time they feel it is not necessary. There have been studies on Crossroads Boulevard regarding the alignment of Crossroads and O Street in Greeley. At this point Windsor does not see a strong need for additional work but will continue to review the scope of work as it develops.

Mr. Ballstadt stated a joint work session with the Planning Commission is scheduled for June 20, 2016 to review the conditional use grant process for new Town Board member and to provide a refresher for Town Board members that have been through previous presentations. The Colorado Oil and Gas Commission will also be in attendance and will provide a presentation on the state permitting process as well as some of the changes that were adopted in 2015. The Colorado Oil and Gas Association was invited to present at the work session but were unable to do so; they would like to come before the Board in the future. Oil and gas operators will also be present at the work session.

Ms. Garcia stated a request has been made from the People for a Healthier Larimer County to provide a presentation of their ballot initiative to the Board; this request could be the first of many. The consensus of the Board is to allow presentations of 15-20 minutes at work sessions.

Mr. Baker inquired if the groups are looking for endorsements from the Town.

Mr. Garcia stated they will eventually be seeking an endorsement.

3. Communications from the Town Manager
None

4. Communications from Town Board Members

Ms. Melendez reported Broker Day was a well-attended event with many first time attendees. Lunch with the seniors at the Recreations Center was a success and a meeting with Mr. Seegmiller took place regarding the development of internships and a youth and government day; matching students with governmental employees. Ms. Melendez reminded the public of the Police Chief Candidates Open House on Thursday from 5:30-7:30 at the Recreation Center. Ms. Melendez and Ms. Unger will be meeting the FRA Director. Coffee with the Mayor is scheduled for June 18, 2016 at the Bungalow.

E. ADJOURN

Town Board Member Boudreau motioned to adjourn; Town Board Member Adams seconded the motion. Roll call on the vote resulted as follows: Yeas –Baker, Morgan, Bennett, Rennemeyer, Boudreau, Adams, Melendez; Nays- None; Motion passed.

The meeting was adjourned at 8:42 p.m.

Deputy Town Clerk, Krystal Eucker



MEMORANDUM

Date: June 27, 2016
To: Mayor and Town Board
Via: Kelly Arnold, Town Manager
Scott Ballstadt, AICP, Director of Planning
From: Paul Hornbeck, Senior Planner
Re: Resolution No. 2016-39 - A Resolution Vacating a Portion of the 10 foot Utility and Drainage Easement Located Along the Easterly Portion of Lot 23, Block 4 of Highland Meadows Subdivision, 4th Filing, 8318 Annapolis Drive
Item #: B.2

Background / Discussion:

The applicants/property owners, Steven and Luanne Martin, have requested the Town vacate a portion of a platted utility and drainage easement for a deck addition. The platted easement is a standard 10-foot wide easement for utilities and drainage. The proposed deck will encroach into a portion of the existing easement, prompting the property owner's request to vacate the westerly five foot (5') portion of the ten foot (10') easement located along the eastern boundary of Lot 23, Block 4 of the Highland Meadows Subdivision, Fourth Filing. The Petition to Vacate Easement and Exhibits A and B reflecting the legal description and exterior plot plan are attached and incorporated by reference.

The legal descriptions and depictions have been reviewed by both Public Works and Town Engineering staff.

Financial Impact:

None.

Recommendation:

Adopt Resolution Vacating a Portion of a Platted Utility and Drainage Easement Located Along the Eastern Boundary of Lot 23, Block 4 of the Highland Meadows Subdivision Fourth Filing in the Town of Windsor, Colorado

Attachments:

Resolution 2016-39
Petition To Vacate Easement
Exhibit A (Legal Description, & Exterior Plot Plan)
Exhibit B (Utility Provider Sign-Off)

TOWN OF WINDSOR

RESOLUTION NO. 2016-39

A RESOLUTION VACATING A PORTION OF A PLATTED UTILITY AND DRAINAGE EASEMENT LOCATED ALONG THE EASTERN BOUNDARY OF LOT 23, BLOCK 4 OF THE HIGHLAND MEADOWS SUBDIVISION FOURTH FILING IN THE TOWN OF WINDSOR, COLORADO

WHEREAS, the Windsor Town Board has received from the affected property owner a petition to vacate a portion of the ten (10)-foot utility and drainage easement located along the eastern boundary of Lot 23, Block 4 of the Highland Meadows Subdivision Fourth Filing in the Town of Windsor, Colorado (“Petition”); and

WHEREAS, the Petition is attached hereto and incorporated herein by this reference as if set forth fully; and

WHEREAS, by written acknowledgement, the Town of Windsor Engineering Department and Public Works Department have disclaimed any interest in the future use or continued maintenance of the portion of the utility easement which is the subject of the Petition; and

WHEREAS, the Town Board has concluded that the portion of the utility easement which is the subject of the Petition is of no continuing use or benefit to the Town and, therefore, can be vacated without injury to the public interest.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN BOARD OF THE TOWN OF WINDSOR, COLORADO, AS FOLLOWS:

1. The portion of the ten (10)-foot utility easement located along the northern boundary of Lot 23, Block 4 of the Highland Meadows Subdivision Fourth Filing, as shown on the attached Petition is without present or future value to the Town and should be vacated.
2. The Town of Windsor has disclaimed any interest in the future use or continued maintenance of said portion of the utility easement described and outlined in said Petition.
3. The Town hereby vacates the portion of the utility easement described on said Petition.

Upon motion duly made, seconded and carried, the foregoing Resolution was adopted this 27th day of June, 2016.

TOWN OF WINDSOR, COLORADO

By: _____
Kristie Melendez, Mayor

ATTEST:

Patti Garcia, Town Clerk

PETITION TO VACATE EASEMENT

Lot 23 Block 4
OF Highland Meadows
Subdiv. Fourth Filing

(I, We) the undersigned, being the owner(s) of the property described as Subdiv. Fourth Filing legal description.....hereby request that the TOWN OF WINDSOR vacate the easement located entire westerly 5' of the 10' easement, for the following reason(s):

patio remodel

See exhibit A

Date

Owners Signature

Mailing Address

6-1-16

Theresa Marti

8318 Annapolis Dr. Windsor CO
~~80528~~

6-1-16

Theresa Marti

" "

EXHIBIT A

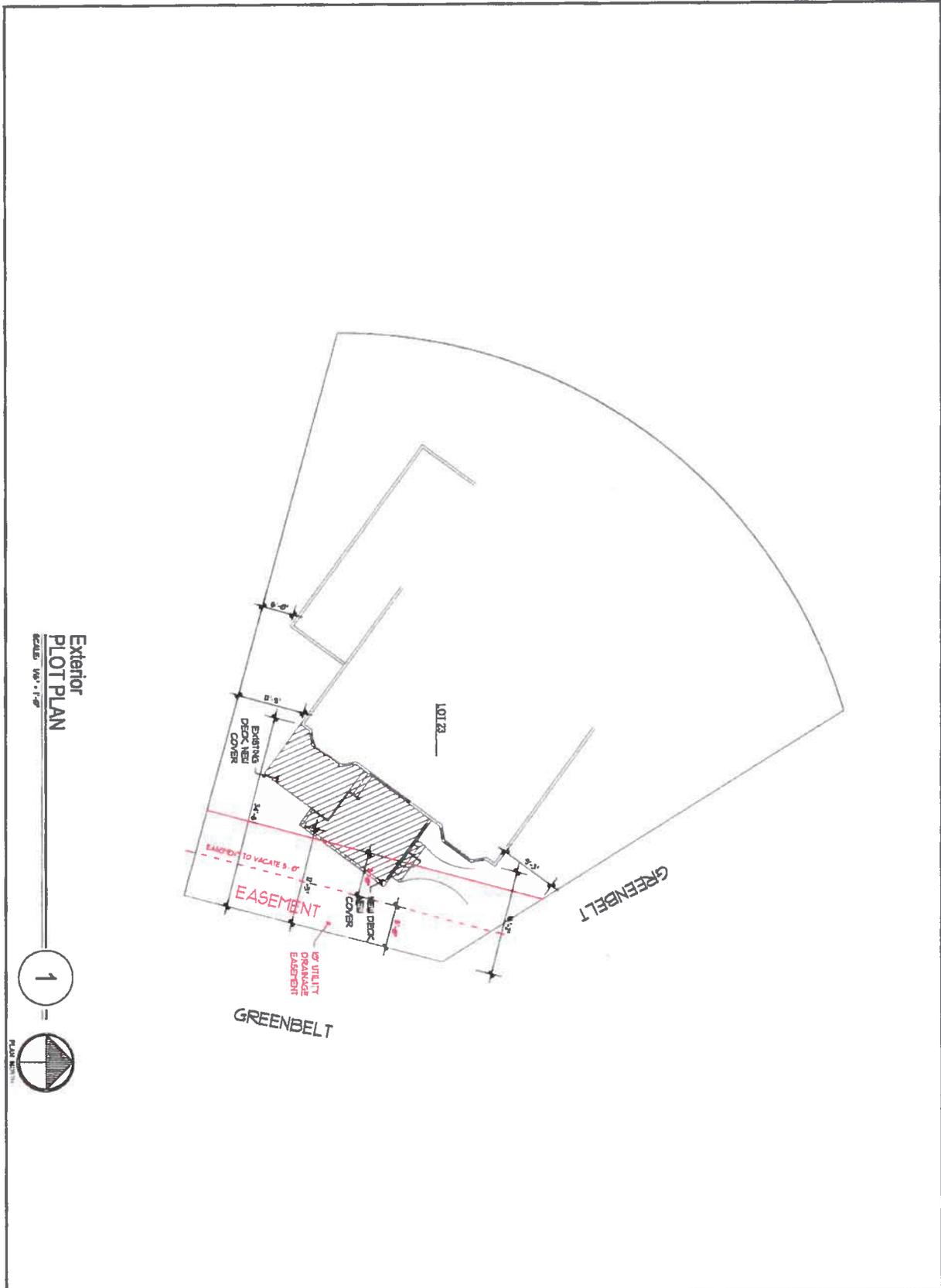
Partial Easement Vacation Description:

A portion of a 10-foot Utility and Drainage Easement to be vacated along the Easterly portion of Lot 23, Block 4 of Highland Meadows Subdivision Fourth Filing, situate in the West Half of Section 23 and the Southeast Quarter of Section 22, all in Township 6 North, Range 68 West of the 6th P.M., Town of Windsor, County of Larimer, State of Colorado being more particularly described as follows:

The Westerly five (5) feet of the existing 10-foot Utility and Drainage Easement located along the Easterly line of said Lot 23, Block 4 of Highland Meadows Subdivision Fourth Filing.

The above described easement vacation contains 297.5 square feet, more or less, and is subject to all existing easements and/or rights of way of record.

EXHIBIT A



Exterior
PLOT PLAN
SCALE: 1/8" = 1'-0"



EXHIBIT B

The following utility providers hereby disclaim by written acknowledgement any interest in the future use or continued maintenance of the westerly five (5) feet of the existing ten (10) foot utility and drainage easement located along the easterly line of Lot 23, Block 4, of Highland Meadows Subdivision Fourth Filing, as described on "Exhibit A page 1 and 2".

Donna L. Wagner
Engineering Department, Town of Windsor, Colorado

June 2, 2016
Date

Public Works Department, Town of Windsor, Colorado

Date

Tommy Hill
South Fort Collins Sanitation District

6-7-16
Date

Tommy Hill
Fort Collins-Loveland Water District

6-7-16
Date

Poudre Valley REA

Date

Comcast Cable

Date

Xcel Energy

Date

CenturyLink Communications

Date

EXHIBIT B

The following utility providers hereby disclaim by written acknowledgement any interest in the future use or continued maintenance of a portion of the ten (10) foot utility easement located along the easterly portion of Lot 23, Block 4, of the Highlands Meadows Subdivision 4th Filing, as described on "Exhibit A page 1 and 2".

Engineering Department, Town of Windsor, Colorado

July of Welch

Public Works Department, Town of Windsor, Colorado

Date

5/25/16

Date

Poudre Valley REA

Date

CenturyLink Communications

Date

Comcast Cable

Date

South Fort Collins Sanitation District

Date

Fort Collins-Loveland Water District

Date

Xcel Energy

Date

EXHIBIT B

The following utility providers hereby disclaim by written acknowledgement any interest in the future use or continued maintenance of the westerly five (5) feet of the existing ten (10) foot utility and drainage easement located along the easterly line of Lot 23, Block 4, of Highland Meadows Subdivision Fourth Filing, as described on "Exhibit A page 1 and 2".

Dennis L. Wagner
Engineering Department, Town of Windsor, Colorado

June 2, 2016
Date

Public Works Department, Town of Windsor, Colorado

Date

South Fort Collins Sanitation District

Date

Fort Collins-Loveland Water District
Matt Logan
Poudre Valley REA

Date
6/7/16
Date

Comcast Cable

Date

Xcel Energy

Date

CenturyLink Communications

Date

EXHIBIT B

The following utility providers hereby disclaim by written acknowledgement any interest in the future use or continued maintenance of the westerly five (5) feet of the existing ten (10) foot utility and drainage easement located along the easterly line of Lot 23, Block 4, of Highland Meadows Subdivision Fourth Filing, as described on "Exhibit A page 1 and 2".

Dennis L. Wagner
Engineering Department, Town of Windsor, Colorado

June 2, 2016
Date

Public Works Department, Town of Windsor, Colorado

Date

South Fort Collins Sanitation District

Date

Fort Collins-Loveland Water District

Date

Poudre Valley REA

Date

Don Kappesma
Comcast Cable

6/6/16
Date

Xcel Energy

Date

CenturyLink Communications

Date

EXHIBIT B

The following utility providers hereby disclaim by written acknowledgement any interest in the future use or continued maintenance of the westerly five (5) feet of the existing ten (10) foot utility and drainage easement located along the easterly line of Lot 23, Block 4, of Highland Meadows Subdivision Fourth Filing, as described on "Exhibit A page 1 and 2".



Engineering Department, Town of Windsor, Colorado



Date

Public Works Department, Town of Windsor, Colorado

Date

South Fort Collins Sanitation District

Date

Fort Collins-Loveland Water District

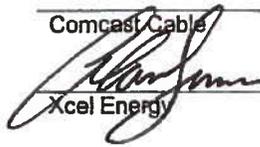
Date

Poudre Valley REA

Date

Comcast Cable

Date



Xcel Energy



Date

CenturyLink Communications

Date

EXHIBIT B

The following utility providers hereby disclaim by written acknowledgement any interest in the future use or continued maintenance of the westerly five (5) feet of the existing ten (10) foot utility and drainage easement located along the easterly line of Lot 23, Block 4, of Highland Meadows Subdivision Fourth Filing, as described on "Exhibit A page 1 and 2".

Demetri L. Wagner
Engineering Department, Town of Windsor, Colorado

June 2, 2016
Date

Public Works Department, Town of Windsor, Colorado

Date

South Fort Collins Sanitation District

Date

Fort Collins-Loveland Water District

Date

Poudre Valley REA

Date

Comcast Cable

Date

Xcel Energy

Date

[Signature]
CenturyLink Communications

6/2/2016
Date



MEMORANDUM

Date: June 27, 2016
To: Mayor and Town Board
Via: Regular meeting materials, June 27, 2016
From: Ian D. McCargar, Town Attorney
Re: IGA, East Fossil Creek Ranch Metropolitan Districts
Item #: B.3.

Background / Discussion:

In November, 2015, the Town Board approved the Service Plan presented by the East Fossil Creek Ranch Metropolitan Districts Nos. 1-2 ("Districts"). The Service Plan requires that the Districts enter into an intergovernmental agreement with the Town ("IGA"), the terms of which are aligned with the provisions and limitations of the Service Plan. The Districts' Board of Directors has approved the attached IGA and has presented it for formal action by the Town Board.

The IGA is intended to bind the Districts to adhere to the approved Service Plan, and gives the Town the ability to rely on the agreement for enforcement. In this sense, the IGA is back-up to the statutory requirements applicable to service plans in general, giving the Town an independent source of enforcement if needed.

Financial Impact: None

Relationship to Strategic Plan: Quality development

Recommendation: Approve upon motion, duly seconded. Simple majority required.

Attachments:

Resolution Approving and Adopting the Intergovernmental Agreement Dated June 15, 2016, Between the Town of Windsor and the East Fossil Creek Ranch Metropolitan Districts Nos. 1-2

Intergovernmental Agreement dated June 15, 2016

TOWN OF WINDSOR

RESOLUTION NO. 2016-40

A RESOLUTION APPROVING AND ADOPTING THE INTERGOVERNMENTAL AGREEMENT DATED JUNE 15, 2016, BETWEEN THE TOWN OF WINDSOR AND THE EAST FOSSIL CREEK RANCH METROPOLITAN DISTRICTS NOS. 1-2

WHEREAS, the Town of Windsor (“Town”) is a Colorado home rule municipality with all powers and authority vested by Colorado law; and

WHEREAS, the East Fossil Creek Ranch Metropolitan Districts Nos. 1-2 (“Districts”) are duly-organized quasi-governmental entities, established under Title 32 of the Colorado Revised Statutes; and

WHEREAS, the Districts’ Service Plan was approved by the Town Board on November 9, 2015; and

WHEREAS, the Service Plan contemplated an intergovernmental agreement, the purpose of which is to reaffirm certain undertakings and expectations of the Town and the Districts; and

WHEREAS, the attached *Intergovernmental Agreement Between the Town of Windsor, Colorado, and the East Fossil Creek Ranch Metropolitan Districts Nos. 1-2* (“IGA”), incorporated herein by this reference as if set forth fully, has been negotiated by the Town and the Districts; and

WHEREAS, the IGA contains the terms contemplated by the parties at the time of the Districts’ creation; and

WHEREAS, Title 29, Article 1 of the Colorado Revised Statutes encourages and permits local governments to cooperate in the provision of any function, service, or facility lawfully authorized to each of the cooperating entities, including the sharing of costs, the imposition of taxes, or the incurring of debt, so long as such cooperation is authorized by each party thereto with the approval of its governing body; and

WHEREAS, the Town Board finds that the IGA promotes the public health, safety and welfare.

NOW, THEREFORE, be it resolved by the Town Board for the Town of Windsor, Colorado, as follows:

1. The attached Intergovernmental Agreement Between the Town of Windsor, Colorado, and the East Fossil Creek Ranch Metropolitan Districts Nos. 1-2, is hereby approved and adopted.

2. The Mayor is hereby authorized to execute the attached Intergovernmental Agreement on behalf of the Town.
3. The Town Attorney is authorized to make such modifications to the form of the attached Intergovernmental Agreement as may be necessary to carry out the intent of this Resolution.

Upon motion duly made, seconded and carried, the foregoing Resolution was adopted this 27th day of June, 2016.

TOWN OF WINDSOR, COLORADO

By: _____
Kristie Melendez, Mayor

ATTEST:

Patti Garcia, Town Clerk

INTERGOVERNMENTAL AGREEMENT BETWEEN

THE TOWN OF WINDSOR, COLORADO

AND THE

EAST FOSSIL CREEK RANCH METROPOLITAN DISTRICT NOS. 1-2

THIS AGREEMENT is made and entered into as of this 15th day of June, 2016, by and among the TOWN OF WINDSOR, a home rule municipal corporation of the State of Colorado (the “Town”) and the EAST FOSSIL CREEK RANCH METROPOLITAN DISTRICT NOS. 1 – 2, each a quasi-municipal corporation and political subdivision of the State of Colorado (the “Districts”). The Town and the Districts are individually referred to as a “Party” and collectively referred to as the “Parties.”

WITNESSETH:

WHEREAS, C.R.S. § 29-1-203 authorizes the Parties to cooperate and contract with one another regarding functions, services and facilities each is authorized to provide; and

WHEREAS, the Districts were organized to provide those services and to exercise powers as are more specifically set forth in the Districts’ Service Plan approved by the Town on November 9, 2015 (the “Service Plan”); and

WHEREAS, the Service Plan makes reference to the execution of an intergovernmental agreement between the Town and the Districts; and

WHEREAS, the Parties have determined that any capitalized term not specifically defined in this Agreement shall have that meaning as set forth in the Service Plan; and

WHEREAS, the Parties have determined it to be in the best interests of their respective taxpayers, residents and property owners to enter into this Intergovernmental Agreement (the “Agreement”).

NOW, THEREFORE, in consideration of the covenants and mutual agreements herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

1. Operations and Maintenance Limitation. The purpose of the Districts is to plan for, design, acquire, construct, install, relocate, redevelop and finance the Public Improvements. The Districts shall dedicate the Public Improvements to the

Town or other appropriate jurisdiction in a manner consistent with the Approved Development Plan and applicable provisions of the Town Code. To the extent the Public Improvements are not accepted by the Town or other appropriate jurisdiction, the Districts shall be authorized to operate and maintain any part or all of the Public Improvements, provided that any increase in an operations mill levy beyond the limits set forth herein and the Service Plan shall be subject to approval by the Town Board.

2. Development Standards. The Districts will ensure that the Public Improvements are designed and constructed in accordance with the standards and specifications of the Town and of other governmental entities having proper jurisdiction, as applicable. The Districts directly or indirectly through the Project Developer will obtain the Town's approval of civil engineering plans and will obtain applicable permits for construction and installation of Public Improvements prior to performing such work. Unless waived by the Town, the Districts shall be required, in accordance with the Town Code, to post a surety bond, letter of credit, or other approved development security for any Public Improvements to be constructed by the Districts in connection with a particular phase. Such development security shall be released when the Districts (or the applicable District furnishing the security) have obtained funds, through bond issuance or otherwise, adequate to insure the construction of the applicable Public Improvements, or when the improvements have been completed and finally accepted. Any limitation or requirement concerning the time within which the Town must review a District proposal or application for an Approved Development Plan or other land use approval is hereby waived by the Districts.

3. Privately Placed Debt Limitation. Prior to the issuance of any privately placed Debt, the Districts shall obtain the certification of an External Financial Advisor substantially as follows:

We are [I am] an External Financial Advisor within the meaning of the District's Service Plan.

We [I] certify that (1) the net effective interest rate (calculated as defined in Section 32-1-103(12), C.R.S.) to be borne by the District for the [insert the designation of the Debt] does not exceed a reasonable current [tax-exempt] [taxable] interest rate, using criteria deemed appropriate by us [me] and based upon our [my] analysis of comparable high yield securities; and (2) the structure of [insert designation of the Debt], including maturities and early redemption provisions, is reasonable considering the financial circumstances of the District.

4. Inclusion and Exclusion Limitation. The Districts shall not include within their respective boundaries, any property outside of the Initial District Boundaries or the Inclusion Area Boundaries without the prior written consent of the Town Board. The boundaries of the Districts may be adjusted within the boundaries of the Service

Area by inclusion or exclusion pursuant to the Act, provided that the following materials are furnished to the Town Manager: a) written notice of any proposed inclusion or exclusion is provided at the time of publication of notice of the public hearing thereon; b) an engineer's or surveyor's certificate is provided establishing that the resulting boundary adjustment will not result in legal boundaries for any District extending outside of the Service Area; and c) to the extent the resulting boundary adjustment causes the boundaries of the Districts to overlap, that any consent to such overlap required by Section 32-1-107, C.R.S. is furnished. Notwithstanding the preceding text, property located in an Inclusion Area may not be included into a District pursuant to Section 32-1-401(2)(a), C.R.S., i.e., all Inclusion Area property to be included within a District must be included pursuant to the consent of the fee owner or owners of one hundred percent of the property to be included. Inclusions or exclusions that are not authorized by the preceding text shall require the prior approval of the Town Board, and such approval shall not constitute a material modification of the Service Plan.

5. Initial Debt Limitation. Prior to the effective date of approval of an Approved Development Plan relating to development within the Service Area, the Districts shall not incur any Debt.

6. Maximum Debt Authorization. The Districts shall not incur Debt in excess of \$16,280,000. To the extent the Districts seek to modify the Maximum Debt Authorization, they shall obtain the prior approval of the Town Board. Increases which do not exceed 25% of the amount set forth above, and which are approved by the Town Board in a written agreement, shall not constitute a material modification of the Service Plan. Debt established pursuant to an intergovernmental agreement pledging the collection and payment of property taxes and/or Capital Improvement Fees in connection with a Coordinating District and Financing District(s) structure and which secures payment of Debt issued by the Coordinating District shall not count against the Maximum Debt Authorization limitation.

7. Monies from Other Governmental Sources. The Districts shall not apply for or accept Conservation Trust Funds, Great Outdoors Colorado Funds, or other funds available from or through governmental or non-profit entities for which the Town is eligible to apply for, except pursuant to an intergovernmental agreement with the Town. This Section shall not apply to specific ownership taxes which shall be distributed to and a revenue source for the Districts without any limitation.

8. Consolidation Limitation. The Districts shall not file a request with any Court to consolidate with another Title 32 district without the prior written consent of the Town, other than as described in the following sentence. The Districts' may be consolidated with one another, with notice to but without the prior consent of the Town, to accomplish the objectives set forth herein, and the consolidation thereof will not constitute a material modification of this Service Plan.

9. Eminent Domain Limitation. The Districts shall not exercise their statutory power of eminent domain, except as may be necessary to construct, install, access, relocate or redevelop the Public Improvements identified in the Preliminary Infrastructure Plan. Any use of eminent domain shall be undertaken strictly in compliance with State law and shall be subject to prior consent of the Town Board.

10. Limitation on Using Fees for Capital Improvements. The Districts are prohibited from imposing or collecting Fees for purposes of paying for Public Improvements or Debt; provided, however, that the Districts may impose and collect a one-time capital improvement fee as a source of revenue for repayment of Debt and/or costs of Public Improvements in an amount not to exceed \$2,500 per dwelling unit or \$0.80 per square foot for commercial development (the “**Capital Improvement Fee**”). No Capital Improvement Fee related to repayment of Debt shall be authorized to be imposed upon or collected from taxable property owned or occupied by an End User subsequent to the issuance of a Certificate of Occupancy for said taxable property. The Town undertakes no obligation to inform the Districts as to the status of Certificates of Occupancy or to monitor the collection of Capital Improvement Fees. Notwithstanding any of the foregoing, the restrictions in this paragraph shall not apply to any Fee imposed or collected from taxable property for the purpose of funding administration, operation, and maintenance costs of the Districts.

11. Bankruptcy Limitation. All of the limitations contained in the Service Plan and this Agreement, including, but not limited to, those pertaining to the Maximum Aggregate Mill Levy have been established under the authority of the Town to approve a Service Plan with conditions pursuant to Section 32-1-204.5, C.R.S. It is expressly intended that such limitations:

a. shall not be subject to set-aside for any reason or by any court of competent jurisdiction, absent a Service Plan amendment; and

b. are, together with all other requirements of Colorado law, included in the “political or governmental powers” reserved to the State under the U.S. Bankruptcy Code (11 U.S.C, Section 903) and are also included in the “regulatory or electoral approval necessary under applicable nonbankruptcy law” as required for confirmation of a Chapter 9 Bankruptcy Plan under Bankruptcy Code Section 943(b)(6).

12. Pledge in Excess of Maximum Aggregate Mill Levy – Material Modification. Any Debt incurred with a pledge or which results in a pledge that exceeds the Maximum Aggregate Mill Levy shall be deemed a material modification of the Service Plan pursuant to Section 32-1-207, C.R.S., and a breach of this Agreement and shall not be an authorized issuance of Debt unless and until such material modification has been approved by the Town as part of a Service Plan Amendment.

13. Covenant Enforcement and Design Review Services Limitation.

The Districts are authorized to transfer responsibility for provision of covenant enforcement services and design review services under a declaration of covenants, conditions, and restrictions (“CCRs”) to a not for profit entity controlled by End Users. The Districts shall not impose assessments that might otherwise be authorized to be imposed and collected pursuant to CCRs. The preceding sentence does not limit the Districts’ ability to impose Fees to defray the costs of covenant enforcement and design review services. The Districts shall be authorized to contract among themselves to assign responsibility for Covenant Enforcement and Design Review Services to one of the Districts, but any such contract shall be terminable by any District upon reasonable notice to the named enforcing District, and any determinations made by the enforcing District under such contract shall be appealable *de novo* to the Board of Directors of the District in which the property that is the subject of the determination is located. The Board of Directors of the District in which the property is located will then have thirty (30) days to hear the appeal or grant an extension; otherwise, the appeal shall be deemed denied.

14. Restrictions on Developer Reimbursements.

a. In the event the District procures or pays for Public Improvements outside of a public bid process, prior to reimbursement to the Project Developer or payment to a third party on behalf of the Project Developer a qualified independent third party shall certify to the Districts that costs of the Public Improvements are reasonable.

b. A qualified independent third party shall certify to the Districts that Public Improvements financed by a District are fit for intended purposes. Note that this certification standard might differ from the certification standards required by the end-owner of such facilities, such as the Town or other special district.

c. In the event a District agrees to reimburse the Project Developer for an advancement of money, property, or services and such agreement does not qualify as Debt as defined in the Service Plan, then the District shall not pay a rate of interest on such advancement that exceeds a rate equal to the prime rate as published in the Wall Street Journal (“WSJ”) plus two percent (2%) for the applicable period. In the event the WSJ ceases to publish a prime rate, then the Districts shall substitute a rate from a similar market index. The Districts will from time to time monitor the feasibility of issuing Debt, and if the amount owed under the reimbursement agreement can be satisfied with the proceeds of Debt incurred at a cost materially less than the prime rate plus two percent (2%), then the Districts shall take reasonable steps to incur such Debt and satisfy the reimbursement obligation to the Project Developer. The purpose of this paragraph is to set a readily ascertainable ceiling on the rate of interest a District board of directors can agree to pay a Project Developer for advancements that do not qualify as Debt; this paragraph neither prevents the District from issuing Debt at a higher rate of

interest than the WSJ prime rate plus two percent (2%) nor does it prevent the District from paying a lower rate of interest on a developer reimbursement agreement.

15. Town Trails. Trails which are interconnected with a Town or regional trail system shall be open to the public free of charge and on the same basis as residents and owners of taxable property within the Districts.

16. Overlap of Existing Special Districts. To the extent prohibited by Section 32-1-107, C.R.S., the Districts shall not duplicate the services provided by any existing metropolitan or special district in any area of overlap except as may be consented to by such existing district. The Town shall be held harmless if any existing metropolitan or special district refuses to authorize services and from any claims brought by such district for improvements constructed or installed or services provided prior to receiving any required consent.

17. Overlap of Districts. No property shall be simultaneously included within the boundaries of more than one of the Districts, except as provided in Section V.A.4. above and in the following sentence. To the extent any District overlaps any other District(s), the total mill levy to be imposed by the Districts to property located in two or more of the Districts shall not exceed the Maximum Aggregate Mill Levy, and the property shall not be subject to a Debt Mill Levy for a period which exceeds the Maximum Debt Mill Levy Imposition Term.

18. Location and Extent Limitation. To the extent a metropolitan district may have any powers pursuant to Section 31-23-209, C.R.S., with respect to the Town, the District hereby waives and shall not exercise any such powers to override or avoid submitting to the jurisdiction of the Town Board or compliance with the Town Code or other regulations.

19. Disclosure. Contemporaneously with the inclusion of property into a District, the District shall record a disclosure in the form set forth in Exhibit H hereto in the appropriate county's real property records.

20. Financial Plan.

The total Debt that the Districts shall be permitted to incur shall not exceed the Maximum Debt Authorization; provided, however, that Debt incurred to refund outstanding Debt of the Districts shall not count against the Maximum Debt Authorization so long as such refunding Debt does not result in a net present value expense. District Debt shall be permitted to be incurred on a schedule and in such year or years as the issuing District determines shall meet the needs of the Financial Plan referenced above and phased to serve the Project as it occurs. All bonds and other Debt incurred by the Districts may be payable from any and all legally available revenues of

the Districts, including but not limited to revenues from the Debt Mill Levy to be imposed upon all taxable property within the Districts and Capital Improvement Fees.

All Debt incurred by the Districts must be incurred in compliance with the requirements of Section 32-1-1101, C.R.S. and all other requirements of State law. The Maximum Debt Authorization is supported by the Financial Plan prepared by Stifel, Nicolaus & Company, Incorporated, attached hereto as Exhibit F. The Project Developer has provided valuation and absorption data it believes to be market based and market comparable. The Financial Plan attached to this Service Plan satisfies the requirements of Section 19-1-20(i). of the Town Code. Notwithstanding any of the terms contained in the Financial Plan or herein, it is expressly expected and understood that the Financial Plan is based upon assumptions that provide only a reasonable expectation of future conditions and that the actual Debt may be issued at different times and with different terms than those set forth in the Financial Plan, which shall not be deemed a material modification so long as the Debt complies with the express provisions in the body of this Service Plan.

21. Maximum Voted Interest Rate and Maximum Underwriting Discount. The interest rate on any Debt is expected to be the market rate at the time the Debt is incurred. In the event of a default, the proposed maximum interest rate on any Debt is not permitted to exceed twelve percent (12%). The proposed maximum underwriting discount will be three percent (3%). Debt, when incurred, will comply with all relevant requirements of this Service Plan, State law and Federal law as then applicable to the issuance of public securities.

22. Maximum Mill Levies.

A District may impose a "Debt Mill Levy" upon taxable property within such District for payment of Public Improvements, including Debt incurred and other obligations incurred to pay the costs of Public Improvements. The Districts are authorized to promise to impose the Debt Mill Levy for a period not to exceed the Maximum Debt Mill Levy Imposition Term, and revenues derived from the Debt Mill Levy may be pledged to defray Debt. The Debt Mill Levy may not exceed thirty-four (34) mills. However, if there are changes in the method of calculating assessed valuation or any constitutionally mandated or statutorily authorized tax credit, cut or abatement, then the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2015, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.

An "Operations and Maintenance Mill Levy" may be imposed upon the taxable property within the Districts for payment of administration, operations, and maintenance costs. The Districts are prohibited from imposing an Operations and Maintenance Mill Levy for purposes of generating revenue to fund Public Improvements or for defraying Debt. The Districts are prohibited from promising to impose an Operations and Maintenance Mill Levy, except that the Districts may, to the extent of authorization under TABOR, promise to impose an Operations and Maintenance Mill Levy in connection with a Debt covenant to fund basic District administrative, operations, and maintenance costs. Revenues derived from the Operations and Maintenance Mill Levy may not be pledged. The Operations and Maintenance Mill Levy shall not exceed thirty-nine (39) mills. However, if there are changes in the method of calculating assessed valuation or any constitutionally mandated or statutorily authorized tax credit, cut or abatement, then the mill levy limitation applicable to such Debt may be increased or decreased to reflect such changes, such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2015, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation.

The Maximum Aggregate Mill Levy shall be the maximum mill levy the District or any combination of Districts is permitted to impose upon taxable property for any purpose, including payment of Debt, capital improvements costs, administration, operations, and maintenance costs. The Maximum Aggregate Mill Levy is thirty-nine (39) mills. However, if, on or after January 1, 2015, there are changes in the method of calculating assessed valuation or any constitutionally mandated tax credit, cut or abatement, then the preceding mill levy limitations may be increased or decreased to reflect such changes, with such increases or decreases to be determined by the Board in good faith (such determination to be binding and final) so that to the extent possible, the actual tax revenues generated by the mill levy, as adjusted for changes occurring after January 1, 2015, are neither diminished nor enhanced as a result of such changes. For purposes of the foregoing, a change in the ratio of actual valuation to assessed valuation shall be deemed to be a change in the method of calculating assessed valuation. By way of example, if a District has imposed a Debt Mill Levy of 30 mills, the maximum Operations and Maintenance Mill Levy that it can simultaneously impose is 9 mills.

23. Maximum Debt Mill Levy Imposition Term.

No District or combination of Districts shall have any authority to impose or collect a Debt Mill Levy on any single property for a period greater than thirty (30) years after the year of the initial imposition of a Debt Mill Levy; this restriction is referred to as the Maximum Mill Levy Imposition Term. The Maximum Mill Levy

Imposition Term begins to run on the earlier of (i) the first year the Debt Mill Levy is collected and (ii) five years after the year in which the first building permit for a residential, commercial or industrial building is issued for property within the District. As an example of (ii), if the first building permit in District No. 2 is issued in 2016, then District No. 2 should impose its Debt Mill Levy no later than tax year 2021 (which mill levy would be first collected in 2022). In the event a District fails to impose a Debt Mill Levy within this five-year time period, the Maximum Debt Mill Levy Imposition Period shall be reduced a year for each year that the imposition of the mill levy is delayed. Put another way, a District has a five year window from the initial building permit within which to impose a full 30-year Debt Mill Levy. In structuring Debt, Districts shall be mindful that this primary revenue source for repayment shall expire at the end of this thirty-year term. The Maximum Public Improvement Mill Levy Imposition Term may be altered only upon approval by the Town pursuant to a separate written intergovernmental agreement, and only upon a finding by the Town of extraordinary burdens to the Districts or extraordinary benefits to be conferred upon the Town by the Districts.

24. Sources of Funds.

As discussed in more detail above, the Districts may impose mill levies on taxable property within its boundaries as a primary source of revenue for repayment of debt service, capital improvements, administrative expenses and operations, and maintenance, to the extent operations and maintenance functions are specifically addressed in the Service Plan. The Districts may also rely upon various other revenue sources authorized by law, including loans from the Project Developer. At the Districts' discretion, they may assess Fees that are reasonably related to the costs of operating and maintaining District services and facilities. Fees, other than Capital Improvement Fees, shall not be imposed for the purpose of paying for Public Improvements or defraying Debt unless specifically permitted by the Town Board, and any such permission shall not constitute a material modification of this Service Plan. The Districts are permitted to pledge revenues from the Capital Improvements Fee to the payment of Debt.

25. Security for Debt.

The Districts do not have the authority and shall not pledge any revenue or property of the Town as security for the indebtedness set forth in the Service Plan. Approval of the Service Plan shall not be construed as a guarantee by the Town of payment of any of the Districts' obligations; nor shall anything in the Service Plan be construed so as to create any responsibility or liability on the part of the Town in the event of default by the Districts in the payment of any such obligation or performance of any other obligation.

26. Debt Instrument Disclosure Requirement.

In the text of each bond and any other instrument representing and constituting Debt, the District shall set forth a statement in substantially the following form:

By acceptance of this instrument, the owner of this Bond agrees and consents to all of the limitations in respect of the payment of the principal of and interest on this Bond contained herein, in the resolution of the District authorizing the issuance of this Bond and in the Service Plan of the District.

Similar language describing the limitations in respect of the payment of the principal of and interest on Debt set forth in this Service Plan shall be included in any document used for the offering of the Debt for sale to persons, including, but not limited to, the Project Developer.

27. Urban Renewal Authorities.

The Districts' tax revenues shall not be affected by any urban renewal authority overlapping any portion of the Districts, the formation of which is approved by the Town, unless the Districts, Town, and urban renewal authority have complied with the requirements of Section 31-25-107(9.5), C.R.S.

28. Subdistricts.

The Districts may organize subdistricts or areas as authorized by Section 32-1-1101(1)(f), C.R.S., provided, however, that without the specific approval of the Town, any such subdistrict(s) or area(s) shall be subject to all limitations on Debt, taxes, Fees, and other provisions of this Service Plan. Neither the Debt Mill Levy, the Operations and Maintenance Mill Levy, nor any Debt limit shall be increased as a result of creation of a subdistrict. In accordance with Section 32-1-1101(1)(f)(I), C.R.S., the Districts shall notify the Town prior to establishing any such subdistrict(s) or area(s), and shall provide the Town with details regarding the purpose, location, and relationship of the subdistrict(s) or area(s). The Town Board may elect to treat the organization of any such subdistrict(s) or area(s) as a material modification of this Service Plan.

29. Special Improvement Districts.

The Districts are not authorized to establish a special improvement district without the prior approval of the Town Board.

30. Notices.

All notices, demands, requests or other communications to be sent by one party to the other hereunder or required by law, including the Annual Report, shall be in writing and shall be deemed to have been validly given or served by delivery of same in person to the address or by courier delivery, via Federal Express or other nationally recognized overnight air courier service, or by depositing same in the United States mail, postage prepaid, addressed as follows:

To the Districts

East Fossil Creek Ranch Metropolitan District
Nos. 1 - 2
c/o Metro District Management, LLC
333 West Drake Road, Suite 142
Fort Collins, CO 80526
Attn: District Manager
Phone: 970-484-0101
Email: fossilcreek@mdmoffice.com

with a copy to:
Collins Cockrel & Cole, P.C.
Attn: David A. Greher
390 Union Blvd., Ste. 400
Denver, Colorado 80228
Phone: (303) 986-1551
Email: dgreher@cccfirm.com

To the Town:

Town of Windsor
301 Walnut Street
Windsor, Colorado 80550
Attn: Town Manager
cc: Town Attorney
Phone: (970) 674-2400

All notices, demands, requests or other communications shall be effective upon such personal delivery or one (1) business day after being deposited with Federal Express or other nationally recognized overnight air courier service or three (3) business days after deposit in the United States mail. By giving the other party hereto at least ten (10) days written notice thereof in accordance with the provisions hereof, each of the Parties shall have the right from time to time to change its address.

31. Miscellaneous.

a. Effective Date. This Agreement shall be in full force and effect and be legally binding upon final approval of the governing bodies of the Parties. No Debt shall be issued by the Districts until after the effective date of this Agreement.

b. Nonassignability. No party to this Agreement may assign any interest therein to any person without the consent of the other party hereto at that time, and the terms of this Agreement shall inure to the benefit of and be binding upon the respective representatives and successors of each party hereto.

c. Amendments. This Agreement may be amended from time to time by written amendment, duly authorized and signed by representatives of the parties hereto.

d. Severability. If any section, subsection, paragraph, clause, phrase, or other provision of this Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, subsection, paragraph, clause, phase, or other provision shall not affect any of the remaining provisions of this Agreement.

e. Execution of Documents. This Agreement shall be executed in two (2) counterparts, either of which shall be regarded for all purposes as one original. Each party agrees that it will execute any and all deeds, instruments, documents, and resolutions or ordinances necessary to give effect to the terms of this Agreement.

f. Waiver. No waiver by either party of any term or condition of this Agreement shall be deemed or construed as a waiver of any other term or condition, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different provision of this Agreement.

g. Default/Remedies. In the event of a breach or default of this Agreement by any party, the non-defaulting party shall be entitled to exercise all remedies available at law or in equity, specifically including suits for specific performance and/or monetary damages.

h. Governing Law and Venue. This Agreement shall be governed and construed under the laws of the State of Colorado. Venue for all actions brought hereunder shall be in District Court in and for Weld County.

i. Inurement. Each of the terms, covenants and conditions hereof shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns.

j. Paragraph Headings. Paragraph headings are inserted for convenience of reference only.

k. No Third Party Beneficiaries. No person or entity who or which is not a party to this Agreement will have any right of action under this Agreement.

l. Entirety. This Agreement merges and supersedes all prior negotiations, representations, and agreements between the parties hereto relating to the subject matter hereof and constitutes the entire Agreement between the Parties concerning the subject matter hereof; provided, however, that this Agreement does not modify, affect, or limit the Town's or any other person's right of action to enforce the provisions of the Service Plan separately from this Agreement.

IN WITNESS WHEREOF, this Agreement is executed by the Town and the Districts as of the date first above written.

Signature page to follow

TOWN OF WINDSOR, COLORADO

By: _____
Kristie Melendez, Mayor

ATTEST:

Patti Garcia, Town Clerk

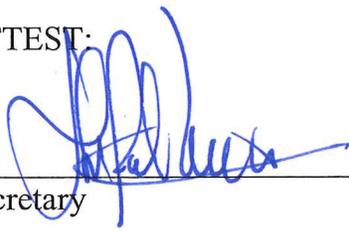
[Seal]

APPROVED AS TO FORM:

Ian D. McCargar, Town Attorney

**EAST FOSSIL CREEK RANCH
METROPOLITAN DISTRICT NOS. 1 - 2,**
each a quasi-municipal corporation and
political subdivision of the State of Colorado

By: _____
Vice President

ATTEST:


Secretary



MEMORANDUM

Date: June 27, 2016
To: Mayor and Town Board
Via: Regular meeting materials, June 27, 2016
From: Ian D. McCargar, Town Attorney
Re: Highpointe Vista Metropolitan Districts; request for service plan amendment
Item #: C.1.

Background / Discussion:

Summary

The Highpointe Metropolitan Districts Nos. 1 & 2 have asked that the Town Board consider an ordinance under which the Service Plan for the Districts are amended to allow an increase in the maximum debt limit currently in place, and a fifteen-year extension of debt maturity. The reason for the proposed debt increase is to allow refinancing of District obligations at lower interest rates and to take advantage of a significant discount in debt currently held by the developer.

Details

The current Service Plan establishes a maximum debt limit for the Districts at \$3.375M. The Service Plan also requires Town approval whenever the Districts extend the final maturity of bonded indebtedness. The proposed refinancing touches each of these requirements.

Refinancing will capture two basic categories of debt incurred in 2007, which will be referred to herein as the "2007 Obligations": bonds issued in 2007 in the amount of \$3.375M ("2007 Bonds"), and reimbursement obligations to the developer under a 2007 Reimbursement Agreement. As of March 31, 2016, the total owed on the 2007 Obligations is \$6,810,005.00. The current maturity date on the 2007 Bonds is 2032.

In addition to the 2007 Reimbursement Agreement to the developer, in 2009 District No. 1 entered into a second reimbursement agreement with the developer ("2009 Reimbursement Agreement"), the balance due on which as of March 31, 2016, is \$1,376,782. Both developer reimbursement agreements are subordinate to the 2007 Bonds.

The grand total of all District obligations relevant to this discussion is \$8,186,787.00. The refinancing transaction would drop the interest rate on the balance due on the 2007 Bonds from its current level of 7% to around 5%. In exchange for the issuance of 2016 debt in the total amount of approximately \$5,636,000 to refinance the 2007 Obligations,

the developer will “write off” the balance, representing a savings to the Districts of approximately \$2.3M.

In order to complete this transaction, the Districts are asking for Town approval of:

- An increase in the maximum debt limit from \$3.375M to \$6M (excluding costs of issuance, organizational costs, inflation, refundings and other similar costs); and
- Extension of the pay-off date from 2032 to 2047.

No District voter approval will be required for these transactions. In 2005, the District's electors approved debt and repayment limits sufficient to cover the proposed refinancing.

The decision of whether to approve the Districts' request is left entirely to the legislative discretion of the Town Board. The positive aspects of the request are fairly clear: a reduction in interest rates and a significant one-time reduction of the current total amount due. The downside is a 15-year extension of bonded indebtedness, which will be borne by the District's property owners.

The Districts' property owners were given notice of two separate Special Meetings of the Districts' Board of Directors, one in late-January, 2016, and the other in late-April. In addition, the service plan amendment before you this evening was the subject of a separate newspaper notice published not less than 20 days before tonight's meeting.

Financial Impact: None.

Relationship to Strategic Plan: Promote quality development

Recommendation: Approve Ordinance Approving an Amendment to the Consolidated Service Plan for Highpointe Vista Metropolitan Districts Nos. 1 & 2 and Approving an Extension of Debt Maturity. Simple majority required on First Reading; five affirmative votes required for Final Adoption

Attachments:

Ordinance No. 2016-1520 – An Ordinance Approving an Amendment to the Consolidated Service Plan for Highpointe Vista Metropolitan Districts Nos. 1 & 2 and Approving an Extension of Debt Maturity

TOWN OF WINDSOR

ORDINANCE NO. 2016-1520

AN ORDINANCE APPROVING AN AMENDMENT TO THE CONSOLIDATED SERVICE PLAN FOR HIGHPOINTE VISTA METROPOLITAN DISTRICTS NOS. 1 & 2 AND APPROVING AN EXTENSION OF DEBT MATURITY

WHEREAS, the Town of Windsor, Colorado (the “Town”), is a home rule municipality duly organized and existing under Article XX of the Colorado Constitution; and

WHEREAS, the members of the Windsor Town Board (the “Town Board”) have been duly elected, chosen, and qualified; and

WHEREAS, pursuant to § 32-1-204.5, C.R.S., as amended, the Town Board approved the Consolidated Service Plan (the “Service Plan”) for Highpointe Vista Metropolitan Districts Nos. 1 & 2 (the “Districts”) on September 26, 2005; and

WHEREAS, the Districts currently have outstanding debt in the form of Series 2007 Limited Property Tax Supported Revenue Bonds (the “2007 Bonds”); and

WHEREAS, the Districts also have outstanding debt in the form of Series 2007 Reimbursement Obligations (the “2007 Reimbursement Agreement”) and 2009 Subordinate Reimbursement Agreement obligations (the “2009 Reimbursement Agreement”) both with Highpoint Vista, LLC (the “Developer”); and

WHEREAS, the 2007 Bonds and the 2007 Reimbursement Agreement are collectively referred to herein as the “2007 Debt”; and

WHEREAS, the Districts desire to issue bonds in 2016 in one or more series in an amount not to exceed \$6 million to refund a portion of the Districts’ existing debt obligations (the “2016 Bonds”); and

WHEREAS, the proceeds of the 2016 Bonds will be used to refund the 2007 Debt at a cost savings to the Districts and their taxpaying residents over time, which refunding requires extending the maturity of the 2007 Debt; and

WHEREAS, the Developer, as the holder of the 2007 Debt and 2009 Reimbursement Agreement, will extinguish approximately \$2.3 million of the Districts’ current debt obligations in return for the issuance of the 2016 Bonds to the public market; and

WHEREAS, Section V.A of the Service Plan provides that the maximum debt limit for the issuance of bonds is \$3.375 million; and

WHEREAS, Section V.A also provides that the Districts shall not undertake the refinancing of any outstanding bonds, which refinancing shall lengthen the final maturity of such bonds, without the prior written approval of the Town; and

WHEREAS, pursuant to the Special District Control Act, Part 2 of Article 1 of Title 32, C.R.S., on May 10, 2016, the Districts formally filed an amendment to the Service Plan (the “First Amendment”) with the Town Board; and

WHEREAS, on May 10, 2016, the Districts also filed a request with the Town Board to consider the question of whether the Districts may refund the 2007 Debt, which refunding will extend the maturity of the 2007 Debt, to take advantage of the current favorable market conditions, take advantage of the Developer’s offer to extinguish approximately \$2.3 million of the Districts’ debt obligations, and provide a cost savings to the Districts and their taxpayers (the “Refunding Request”); and

WHEREAS, the refunding of the 2007 Debt will result in a net present value savings as set forth in §§ 11-56-101, *et seq.*, C.R.S., due to lower interests rates and the extinguishing of approximately \$2.3 million of the Districts’ debt obligations; and

WHEREAS, at a special meeting held January 28, 2016, the Districts’ Board of Directors convened pursuant to required notice for the purpose of discussing the Refunding Request; and

WHEREAS, at a special meeting held April 28, 2016, the Districts’ Board of Directors convened pursuant to required notice for the purpose of discussing the Refunding Request and authorizing counsel to formally submit the Refunding Request to the Town; and

WHEREAS, pursuant to § 19-1-100(b) of the *Windsor Municipal Code*, the Districts caused notice of the proposed Ordinance to be mailed by first-class mail to the owners of record of all property within the Districts at least twenty days prior to the first reading of this Ordinance; and

WHEREAS, further pursuant to § 19-1-100(c) of the *Windsor Municipal Code*, a notice of the proposed Ordinance was also duly published in the *Loveland Reporter-Herald* not later than twenty days prior to the first reading of this Ordinance on June 13, 2016; and

WHEREAS, further pursuant to § 19-1-100(c) of the *Windsor Municipal Code*, the Districts provided the Town with a detailed report on the progress of the Districts and why the original Service Plan is no longer adequate to financially benefit the Districts and their residents and taxpayers; and

WHEREAS, pursuant to Title 32, Article 1, C.R.S., as amended; Article XV of the Town of Windsor Home Rule Charter (the “Town Charter”); and Chapter 19, Article 1 of the *Windsor Municipal Code* (the “Special District Ordinance”), the Town Board has full authority to approve by ordinance amendments to service plans for metropolitan districts within the Town; and

WHEREAS, the Town Board introduced and approved this Ordinance regarding the First Amendment (the “Ordinance”) on the first reading at the meeting of the Town Board held on June 13, 2016 at 7:00 p.m. and at the second reading at the meeting of the Town Board held on June 27, 2016 at 7:00 p.m.; and

WHEREAS, prior to taking final action on this Ordinance, the Town Board did on June 27, 2016 permit public comments on the Ordinance, and held a vote to adopt this Ordinance and take such other action as it deemed appropriate; and

WHEREAS, the Town Board has considered the First Amendment, the Refunding Request, and all other testimony and evidence presented at the first and second reading of this Ordinance, if any, and desires to approve the First Amendment and Refunding Request subject to the findings set forth herein.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN BOARD OF THE TOWN OF WINDSOR, COLORADO:

Section 1. The Town Board adopts the forgoing recitals as findings and conclusions of the Town Board.

Section 2. The Town Board hereby determines that all of the jurisdictional and other requirements of Title 32, Article 1, C.R.S., the Town Charter, and the Special District Ordinance have been fulfilled, including those relating to the filing and form of the First Amendment and that notice and/or posting of the public meetings on this Ordinance was given in the time and manner required by law and the Town Charter.

Section 3. The Town Board further determines that all pertinent facts, matters, and issues were submitted at the first and second reading of this Ordinance; that all interested parties were heard or had the opportunity to be heard; and that evidence satisfactory to the Town Board of each of the following was presented with regard to the First Amendment:

(a) there continues to be sufficient existing and projected need for organized service in the area being served by the Districts;

(b) the existing services provided in the area by entities other than the Districts are inadequate for the present and projected needs, which needs the Districts continue to meet;

(c) the Districts continue to be capable of providing economical and sufficient service to the area within their boundaries;

(d) the Districts have the financial ability to discharge the proposed indebtedness on a reasonable basis;

(e) adequate service is not otherwise available to the area through the county or other existing municipal or quasi-municipal corporations, including other existing special districts, within a reasonable time and on a comparable basis;

(f) the facility and service standards of the Districts continue to be compatible with the facility and service standards of the Town;

(g) the proposal is in substantial compliance with the comprehensive master plan (Highpointe Estates Development Plan) and the Addendum thereto designating the enhancements to the standard public infrastructure to be constructed by the Districts as approved by the Town;

(h) the proposal is in compliance with any duly adopted long-range water quality management for the area; and

(i) the ongoing existence of the Districts is in the best interests of the area being served.

Section 4. The Town Board hereby approves by this Ordinance, as part of the 2016 Bonds, the compounding of interest on such 2016 Bonds.

Section 5. The Town Board hereby approves by this Ordinance the deletion, in its entirety, of the second sentence of the first paragraph of Chapter V., Section B in the Service Plan, and the restatement of said sentence as follows: “Such mill levy shall terminate upon the discharge of all such bonds or debt instruments.”

Section 6. The Town Board hereby approves by this Ordinance the Districts’ Refunding Request to refund the 2007 Debt, including the extension, as part of the 2016 Bonds, of the maturity of the 2007 Debt necessary to accomplish the refunding.

Section 7. The officers of the Town are authorized and directed to take all action necessary or appropriate to effectuate the provisions of this Ordinance.

Section 8. The Town Board hereby grants and approves by this Ordinance the First Amendment, upon the sole condition that the Developer extinguishes approximately \$2.3 million of the Districts’ debt obligations. All other provisions of the Service Plan not amended by the First Amendment shall remain in full force and effect.

Section 9. This Ordinance shall take effect ten (10) days after publication following final adoption.

Section 10. The Town Clerk is hereby directed to provide the Board of Directors of the Districts a certified copy of this Ordinance.

Introduced, passed on first reading, and ordered published this 13th day of June, 2016.

TOWN OF WINDSOR, COLORADO

By _____
Kristie Melendez, Mayor

ATTEST:

Patti Garcia, Town Clerk

[Seal]

Introduced, passed on second reading, and ordered published in full this 27th day of June, 2016.

TOWN OF WINDSOR, COLORADO

By _____
Kristie Melendez, Mayor

ATTEST:

Patti Garcia, Town Clerk

[Seal]

CERTIFICATION

I hereby certify that the above Ordinance is a true and correct copy of the Ordinance on file in my office, and reflects official action taken by the Windsor Town Board as reflected herein.

ATTEST:

By: _____
Patti Garcia, Town Clerk

[Seal]



MEMORANDUM

Date: June 27, 2016
To: Mayor and Town Board
Via: Regular meeting materials, June 27, 2016
From: Ian D. McCargar, Town Attorney/Kim Emil, Assistant Town Attorney
Re: Disconnection of roadway adjacent to Zeiler Farms property
Item #: C.2.

Background / Discussion:

In order to facilitate increased sanitary sewer capacity to the RainDance development, the Town disconnected the northerly portion of the Zeiler Farms Second Annexation by Ordinance No. 2015-1513. It was later discovered that the disconnection inadvertently failed to include a half-mile stretch of the east half (northbound) of Weld County Road 15 south of WCR 60. The Ordinance before you this evening corrects this oversight, disconnects that portion of the road and returns it to Weld County.

The Statutes allow for disconnection by ordinance upon landowner petition, if after "due consideration", the Town Board concludes that the "best interests of the ... town will not be prejudiced by the disconnection of such tract". The Town provided Weld County with the attached Application for Disconnection, with no objections received. As the owner of the property, the Town is the petitioning party.

Recommendation:

Adopt the attached Ordinance Approving the Disconnection of a One-Half Mile Stretch of Northbound Weld County Road 15 South of Weld County Road 60, Being a Remnant of the Zeiler Farms Second Annexation Pursuant to the Colorado Municipal Annexation Act of 1965. Simple majority required on first reading, 5 affirmative votes required for final adoption.

Relationship to Strategic Plan: Quality development; fiscal responsibility

Financial Impact: Reduces maintenance expenses for this segment of roadway; amount negligible.

Attachments:

Ordinance Approving the Disconnection of a One-Half Mile Stretch of Northbound Weld County Road 15 South of Weld County Road 60, Being a Remnant of the Zeiler Farms Second Annexation Pursuant to the Colorado Municipal Annexation Act of 1965.

Application for Disconnection, May 10, 2016

TOWN OF WINDSOR

ORDINANCE NO. 2016-1521

AN ORDINANCE APPROVING THE DISCONNECTION OF A ONE-HALF MILE STRETCH OF NORTHBOUND WELD COUNTY ROAD 15 SOUTH OF WELD COUNTY ROAD 60, BEING A REMNANT OF THE ZEILER FARMS SECOND ANNEXATION PURSUANT TO THE COLORADO MUNICIPAL ANNEXATION ACT OF 1965.

WHEREAS, the Town of Windsor (“Town”) is a Colorado home rule municipality, with all powers of self-governance reserved in accordance with state law; and

WHEREAS, the Town has in place a comprehensive set of land use regulations, the purpose of which is to protect the public health, safety and welfare; and

WHEREAS, included within the Town’s land use regulations are requirements for the annexation and disconnection of land (“Annexation Code”), which are codified within Chapter 15 the *Windsor Municipal Code*; and

WHEREAS, the Annexation Code specifically requires that the Town comply with the Colorado Municipal Annexation Act of 1965, codified at Title 31, Article 12 of the *Colorado Revised Statutes (“CRS”)*, when annexing property to the Town, and when disconnecting property from the Town; and

WHEREAS, by Ordinance No. 2009-1348, the Town Board approved the annexation known as the Zeiler Farms Second Annexation (“Property”); and

WHEREAS, by Ordinance No. 2015-1513, the Town Board approved the disconnection of a portion of the Zeiler Farms Second Annexation and rescinded a prior approval of statutory vested property rights (“First Disconnection”); and

WHEREAS, it was discovered that the legal description for the First Disconnection inadvertently left the Town of Windsor as the owner of a half-mile stretch of the north half of Weld County Road (“WCR”) 15 south of WCR 60; and

WHEREAS, the Town has submitted an Application for Disconnection of this remaining portion of the Property (“Affected Property”), the Application and legal description set forth in Exhibit A are attached and incorporated by reference as if set forth fully; and

WHEREAS, approval of the Petition for Disconnection will cause the Affected Property to return to its former status as Weld County real property, not subject to land use regulation or taxation by the Town; and

WHEREAS, the Town has complied with the requirements of CRS §31-12-501(2)(a) by providing notice to the Weld County Commissioners of its intent to disconnect this portion of the roadway and return it to Weld County; and

WHEREAS, the Town Board has given due consideration to the Application for Disconnection, and is of the opinion that it is in the best interests of the Town to approve this Disconnection so the entire road lies within the Weld County; and

WHEREAS, it is the intent of the Town Board, by its approval of this Ordinance, to disconnect the Affected Property from the Town's corporate limits, and return it to Weld County.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN BOARD OF THE TOWN OF WINDSOR, COLORADO, AS FOLLOWS:

1. The Affected Property, described in Exhibit A hereto, is hereby DISCONNECTED from the Town's corporate limits.
2. Upon the within Ordinance taking effect as provided in the Home Rule Charter, the Town Clerk is directed to file two (2) certified copies of this Ordinance, together with two (2) copies of the Disconnection Map, with the Weld County Clerk and Recorder to accomplish the disconnection.

Introduced, passed on first reading, and ordered published this 27th day of June, 2016.

TOWN OF WINDSOR, COLORADO

By _____
Kristie Melendez, Mayor

ATTEST:

Patti Garcia, Town Clerk

Introduced, passed on second reading, and ordered published this 11th day of July, 2016.

TOWN OF WINDSOR, COLORADO

By _____
Kristie Melendez, Mayor

ATTEST:

Patti Garcia, Town Clerk

APPLICATION FOR DISCONNECTION

TOWN OF WINDSOR, being the owner of the real property described in the attached Exhibit A ("Property"), incorporated herein by this reference as if set forth fully, and pursuant to *C.R.S.* § 31-12-501, *et. seq.*, hereby applies to the Town of Windsor for the adoption of an ordinance disconnecting the Property from the Town's corporate limits.

I hereby assert that disconnection of the Property as requested will not prejudice the best interests of the Town.

DATED THIS 10th day of May, 2016.

TOWN OF WINDSOR,
COLORADO


BY: Kelly Arnold, Town Manager

EXHIBIT A

LEGAL DESCRIPTION

A TRACT OF LAND SITUATE IN THE NORTHEAST QUARTER OF SECTION 7, TOWNSHIP 5 NORTH, RANGE 67 WEST OF THE SIXTH PRINCIPAL MERIDIAN; TOWN OF WINDSOR, COUNTY OF WELD, STATE OF COLORADO; AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHEAST CORNER OF SECTION 7 FROM WHENCE THE EAST QUARTER CORNER OF SECTION 7 BEARS S02°33'48"W A DISTANCE OF 2654.01 FEET AND CONSIDERING ALL BEARINGS HEREIN RELATIVE THERETO;

THENCE ON THE EAST LINE OF THE NORTHEAST QUARTER OF SECTION 7 S02°33'48"W A DISTANCE OF 30.04 FEET TO A POINT ON THE SOUTHERLY RIGHT OF WAY FOR COUNTY ROAD 60 AND THE NORTHERLY BOUNDARY OF ZEILER FARMS SECOND ANNEXATION AND THE **POINT OF BEGINNING**;

THENCE ON THE NORTH LINE OF SAID ANNEXATION N89°42'36"E A DISTANCE OF 30.04 FEET TO A POINT ON THE EAST LINE OF THE RIGHT OF WAY FOR WELD COUNTY ROAD 15;

THENCE ON SAID LINE S02°33'48"W A DISTANCE OF 2623.93 FEET TO THE SOUTH LINE OF THE NORTHWEST QUARTER OF SECTION 8;

THENCE ON SAID SOUTH LINE S89°37'23"W 30.04 FEET TO THE EAST QUARTER CORNER OF SECTION 7;

THENCE ON THE EAST LINE OF THE NORTHEAST QUARTER OF SAID SECTION 7 N02°33'48"E A DISTANCE OF 2623.97 FEET TO THE **POINT OF BEGINNING**.

SAID TRACT CONTAINS 1.8 ACRES (78,719 SQUARE FEET) MORE OR LESS AND IS SUBJECT TO ALL RIGHTS-OF-WAY, EASEMENTS AND RESTRICTIONS NOW IN USE OR OF RECORD .

EXHIBIT A
DATE: MAY 3, 2016
JOB NO. 732.0111.00
SHEET 1 OF 2

TST TST, INC. CONSULTING ENGINEERS

748 Whalers Way, Suite 200
Fort Collins, Colorado
Phone: 970.226.0557
Fax: 970.226.0204

EXHIBIT A

NORTHEAST CORNER OF SECTION 7, T5N, R67W OF THE 6TH PM

30.04'
N89°42'36"E 30.04'

N02°33'48"E 2654.01'
BASIS OF BEARINGS

S02°33'48"W 2623.93'

2623.97'

60.00' WCR 15 ROW

30.00' 30.00'

EAST QUARTER CORNER OF SECTION 7, T5N, R67W OF THE 6TH PM

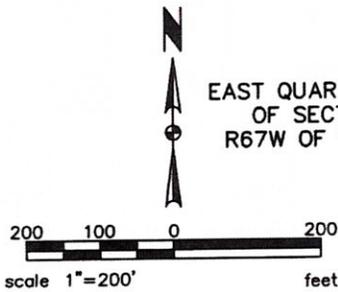
S89°37'23"W 30.04'

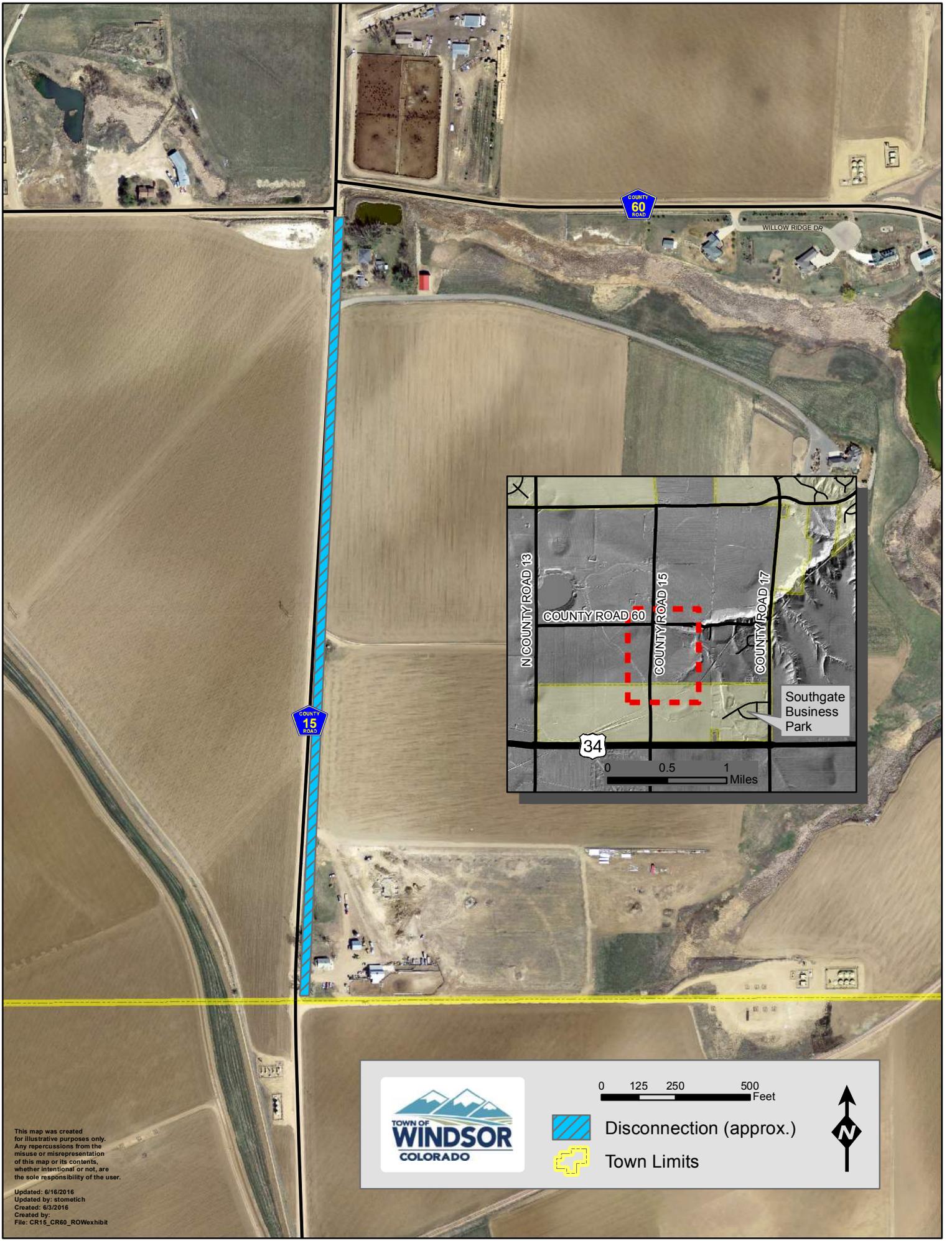
EXHIBIT A
DATE: MAY 5, 2016
JOB NO. 732.0111.00
SHEET 2 OF 2

TST TST, INC. CONSULTING ENGINEERS

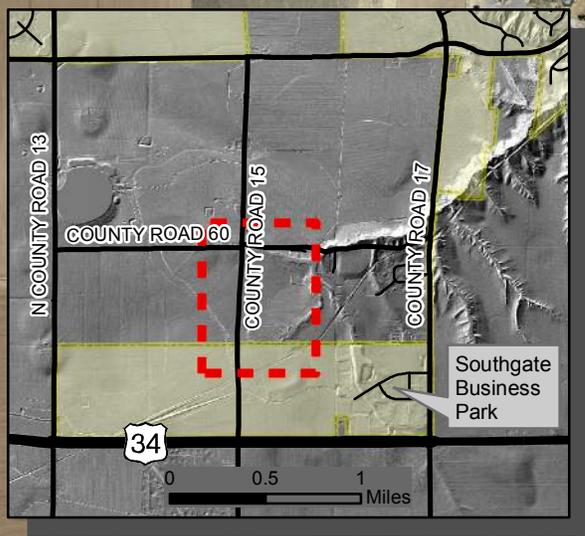
748 Wholars Way, Suite 200
Fort Collins, Colorado
Phone: 970.228.0557
Fax: 970.226.0204

K:\732\111\drawings\Zalar ROW disconnect





WILLOW RIDGE DR



0 125 250 500 Feet



Disconnection (approx.)



Town Limits



This map was created for illustrative purposes only. Any repercussions from the misuse or misrepresentation of this map or its contents, whether intentional or not, are the sole responsibility of the user.

Updated: 6/16/2016
Updated by: stometch
Created: 6/3/2016
Created by:
File: CR12_CR60_ROWexhibit

MANAGEMENT'S DISCUSSION AND ANALYSIS



DRAFT



TOWN OF **WINDSOR**, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2015

As management of the Town of Windsor (the "Town"), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the fiscal year ended December 31, 2015.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Town exceeded its liabilities and deferred inflows of resources at the close of 2015 by \$205,284,937.
Of this amount, \$50,060,270 may be used to meet the Town's ongoing obligations to citizens and creditors.
- The Town's total net position increased by \$13,660,432.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$8,344,502 or 62.2 % of total general fund expenditures excluding transfers out.
- The Town's total debt increased by \$17,271,518 during the current fiscal year. The increase was due to 2015 sales and use tax bonds for the Community Recreation Center Expansion in the amount of \$16,100,000. Without this bond and associated bond premiums, debt would have reflected a decrease of \$776,976 due to annual principal payments applied to the 2012 Refunding Sales and Use Tax Bonds, the USDA, CWCB and CWR&PDA Loans.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The Town's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

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

The *statement of net position* presents information on all of the Town's assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference between these categories reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

The *statement of activities* presents information showing how the Town's net position changed during the most recent fiscal year. 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 vacation leave).

Both of the government-wide financial statements distinguish functions of the Town that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Town include general government, public safety, public works, cemetery operations, community development, culture, parks, and recreation. The business-type activities of the Town include potable and non-potable water, sewer and storm water operations.

The government-wide financial statements can be found on pages 19-21 of this report.

TOWN OF **WINDSOR**, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2015

Fund financial statements. A *fund* is a grouping of related accounts, used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Windsor, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Town can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. Most of the Town's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year end available for spending. The funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental funds statements provide a detailed short-term view to cash, the governmental fund operations, and the basic services it provides. These statements help determine whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliations on pages 23 and 25.

The basic governmental fund financial statements can be found on pages 22-25 of this report.

Proprietary funds. The Town maintains two types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses enterprise funds to account for its water, sewer, and storm water operations.

Internal service funds account for operations that provide services to other departments or agencies of the Town, or to other governments, on a cost-reimbursement basis. The Town has four internal service funds; the Fleet Management Fund, the Information Technology Fund, the Facility Services Fund, and the Windsor Building Authority.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for water, sewer and storm water operations, all of which are considered to be major funds of the Town.

The basic proprietary fund financial statements can be found on pages 26-28 of this report.

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 can be found on pages 29-51 of this report.

Other information. The budgetary comparison for the General Fund can be found on pages 52-55. The combining statements for the non-major Park Improvement, Community Recreation Center, and Conservation Trust Funds are on pages 56-57. The budgetary comparison for the Capital Improvement Fund can be found on page 58. Also on page 59 is the budgetary comparison schedule for the Community Recreation Center Expansion Fund. The budgetary comparison for the non-major Park Improvement, Community Recreation Center, and Conservation Trust Funds are found on pages 60-62. The budgetary comparison schedule for the enterprise funds can be found on pages 63-65 and the combining statements for internal service funds are on pages 66-68. The budgetary comparison schedule for the internal service funds is on pages 69-72.

TOWN OF **WINDSOR**, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2015

FINANCIAL ANALYSIS OF THE TOWN AS A WHOLE

As noted earlier, net position serves as a useful indicator of a government's financial position. In the case of the Town, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$205,284,937.

By far, the largest portion of the Town's net position (68.3%) reflects its net investment in capital assets (e.g., land, buildings, distribution and collection systems, infrastructure, machinery, and equipment), less any related debt used to acquire those assets that are still outstanding and the associated accumulated depreciation. The Town uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net position may be used to meet the Town's ongoing obligations to citizens and creditors. Our analysis below focuses on the net position of the Town's governmental and business-type activities.

Table 1
Condensed Statement of Net Position

	Governmental		Business-Type		Total		Component Unit	
	Activities		Activities				Downtown	Development
	2015	2014	2015	2014	2015	2014	2015	2014
Assets								
Current assets	\$43,892,103	\$ 25,154,867	\$ 28,625,128	\$ 26,878,908	\$ 72,517,231	\$ 52,033,775	\$ 541,509	\$ 359,106
Restricted assets	145,528	145,514	-	-	145,528	145,514	-	-
Loan proceeds receivable	-	-	1,299,730	1,299,730	1,299,730	1,299,730	-	-
Capital assets, net	76,883,424	72,285,244	95,940,813	90,020,857	172,824,237	162,306,101	241,481	243,062
Net pension asset	174,070	-	-	-	174,070	-	-	-
Total assets	121,095,125	97,585,625	125,865,671	118,199,495	246,960,796	215,785,120	782,990	602,168
Deferred outflows of resources								
Deferred loss on refunding	65,879	81,883	-	-	65,879	81,883	-	-
Deferred outflows of resources - pensions	76,276	-	-	-	76,276	-	-	-
Total deferred outflows of resources	142,155	81,883	-	-	142,155	81,883	-	-
Liabilities								
Current liabilities	1,774,707	1,753,574	443,388	1,080,501	2,218,095	2,834,075	100	2,275
Noncurrent liabilities	23,987,912	6,381,276	10,490,553	10,825,672	34,478,465	17,206,948	-	-
Total liabilities	25,762,619	8,134,850	10,933,941	11,906,173	36,696,560	20,041,023	100	2,275
Deferred inflows of resources								
Unearned revenue - property taxes	5,115,539	4,201,475	-	-	5,115,539	4,201,475	-	-
Deferred inflows of resources - pensions	5,915	-	-	-	5,915	-	-	-
Total deferred inflows of resources	5,121,454	4,201,475	-	-	5,121,454	4,201,475	-	-
Net position								
Net investment in capital assets	53,524,675	66,536,176	86,778,936	80,556,471	140,303,611	147,092,647	241,481	243,062
Restricted	13,671,056	10,417,938	1,250,000	1,250,000	14,921,056	11,667,938	-	-
Unrestricted	23,157,476	8,377,069	26,902,794	24,486,851	50,060,270	32,863,920	541,409	356,831
Total net position	\$90,353,207	\$ 85,331,183	\$114,931,730	\$106,293,322	\$205,284,937	\$ 191,624,505	\$ 782,890	\$ 599,893

TOWN OF **WINDSOR**, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2015

The *restricted portion of net position* (7.3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net position* (\$50,060,270) may be used to meet the Town's ongoing obligations to citizens and creditors. The main changes in net position are due to an increase in sales and use tax collections and the \$16,100,000 sales and use tax bond for the Community Recreation Center Expansion issued in 2015.

Table 2 shows changes in net position of the Town's governmental and business-type activities. The Town presents comparative data from 2015 and 2014 as required by the Governmental Accounting Standards Board pronouncement 34 (GASB 34).

Table 2
Condensed Changes in Net Position from Operating Results

	Governmental		Business-Type		Total Primary Government		Component Unit Downtown Development Authority	
	Activities		Activities				Authority	
	2015	2014	2015	2014	2015	2014	2015	2014
Revenues								
Program revenues								
Charges for services	\$ 2,800,874	\$ 2,590,466	\$ 7,784,370	\$ 6,430,001	\$ 10,585,244	\$ 9,020,467	\$ -	\$ -
Operating grants & contributions	1,977,623	2,004,711	-	-	1,977,623	2,004,711	-	-
Capital grants & contributions	2,272,849	811,664	7,888,412	2,787,806	10,161,261	3,599,470	-	-
General revenues								
Property taxes	4,171,557	4,036,268	-	-	4,171,557	4,036,268	25,090	24,470
Sales & use taxes	12,589,346	9,244,616	-	-	12,589,346	9,244,616	-	-
Franchise and other taxes	2,846,658	2,612,248	-	-	2,846,658	2,612,248	-	-
Intergovernmental	-	-	-	-	-	-	-	265,000
Earnings on investments	221,694	151,137	374,531	315,367	596,225	466,504	80	46
Gain (loss) on sale of capital assets	(19,891)	611,222	-	(877,500)	(19,891)	(266,278)	-	-
Other revenues	622,998	2,005,420	63,273	47,494	686,271	2,052,914	270,000	3,917
Total Revenues	27,483,708	24,067,752	16,110,586	8,703,168	43,594,294	32,770,920	295,170	293,433
Expenses								
General government	3,748,233	3,490,765	-	-	3,748,233	3,490,765	-	-
Public safety	3,510,691	3,092,222	-	-	3,510,691	3,092,222	-	-
Public works	7,175,480	6,707,613	-	-	7,175,480	6,707,613	-	-
Parks and recreation	4,890,399	4,624,500	-	-	4,890,399	4,624,500	-	-
Community development	701,861	497,796	-	-	701,861	497,796	-	-
Safety and loss control	4,844	3,536	-	-	4,844	3,536	-	-
Small equipment & maintenance	1,983,466	2,192,671	-	-	1,983,466	2,192,671	-	-
Assets conveyed to other governments	-	152,245	-	-	-	152,245	-	-
Debt issuance costs	237,578	-	-	-	237,578	-	-	-
Interest on long-term debt	554,517	189,438	-	-	554,517	189,438	-	-
Water	-	-	3,608,724	3,300,658	3,608,724	3,300,658	-	-
Sewer	-	-	2,271,608	1,946,739	2,271,608	1,946,739	-	-
Storm drainage	-	-	603,962	591,172	603,962	591,172	-	-
Total Expenses Primary Government	22,807,069	20,950,786	6,484,294	5,838,569	29,291,363	26,789,355	-	-
Component Unit								
Downtown Development Authority	-	-	-	-	-	-	112,173	83,012
Excess in Net Position before transfers and special items	4,676,639	3,116,966	9,626,292	2,864,599	14,302,931	5,981,565	182,997	210,421
Transfers in (out)	154,551	(641,314)	(154,551)	641,314	-	-	-	-
Change in net position	4,831,190	2,475,652	9,471,741	3,505,913	14,302,931	5,981,565	182,997	210,421
Net position - beginning of year	85,522,017	82,855,531	105,459,989	102,787,409	190,982,006	185,642,940	599,893	389,472
Net position - end of year	\$90,353,207	\$85,331,183	\$ 114,931,730	\$ 106,293,322	\$205,284,937	\$ 191,624,505	\$ 782,890	\$ 599,893

Governmental Activities. There was a 14.2% increase in revenues from 2014 to 2015, about \$3.4 million, of which \$3.3 million was sales and use taxes. The Town continues to grow with more construction and

TOWN OF **WINDSOR**, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2015

use tax from building permits. Charges for services increased 8.1% which includes park improvement fees received from building permits. Construction was up from 2014. Operating grants and contributions reflect a 1.4% decrease from 2014. However, there was an increase in capital grants and contributions of 180%, close to \$1.5 million due primarily to more developer contributed streets in 2015. The cost for developer contributed streets was \$1,623,074 as compared to \$753,080 in 2014. Property taxes increased 3.4% due to an increase in assessed valuation; the mill levy remained at 12.03 mills. As noted before, sales and use taxes increased 36.2% with a gain in sales tax of nearly \$2.4 million with \$2 million from the new 0.75% sales and use tax for the Community Center expansion. While governmental revenues increased 14.2% or \$3,415,956, expenses only increased 8.9% or \$1,856,283, with the largest operational increases in public works (\$467,867) adding a street supervisor public works operations, and in public safety (\$418,469) adding two additional police officers.

Business-type Activities. Total revenues increased 85.1% or about \$7.4 million, as developer contributions were \$2.8 million more in 2015, and in 2015 grants also totaled \$1.7 million. Water, sewer and storm drainage fund operating revenues were up \$1,354,369 or 21.1% for 2015 due to increases in water and sewer impact fee rates. Operating expenses were up 11.1% in 2015 amounting to \$645,725 as there repairs to the Eastman Park Drive sewer force main. There were 198 more water customers, 193 more sewer customers, and 289 more storm drainage customers served in 2015.

Over all funds, the net position increased 7.1% or \$13.6 million due in part to the aforementioned increase in sales and used tax collections, developer contributions, and utility rate increases.

Financial Analysis of the Town's Funds

As noted earlier, the Town uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

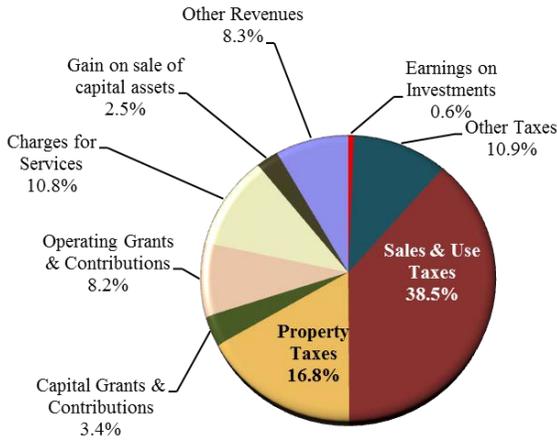
Governmental funds. The focus of the Town's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the Town's financing requirements. In particular, *unassigned fund balance* serves as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$39,095,216. Approximately 21.3% of this total amount (\$8,344,502) constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *restricted* for emergencies or capital improvements or *assigned* for parks and recreation to indicate that it is not available for new spending because it has already been committed. There is \$26,361,158 restricted for capital improvements (largely the Community Center Expansion), \$721,444 restricted for emergencies, \$725,673 restricted for parks and recreation for use under Conservation Trust Fund regulations, and \$2,942,439 assigned for parks and recreation projects. Governmental fund balances are up 83.6% or \$17,804,404 from 2014 maintaining a higher reserve in all funds but primarily for the uncompleted Community Center Expansion. Also, several 2014 budgeted capital projects were not completed in 2014 and were carried over to 2015 accounting for much of the \$2.8 million increase in the Capital Improvement Fund balance in 2015.

TOWN OF **WINDSOR**, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS

December 31, 2015

TABLE 3
Revenues by Source-Governmental Activities 2014



2015 Property tax was up \$135,289 or 3.4% from 2014, sales and use tax was up 36.2% or \$3,344,730, which now includes the 0.75% sales and use tax approved by ballot beginning 2015 for the Community Center Expansion. Capital grants and developer contributions increased \$1.5 million. Total revenue was up 33.0% or about \$3.4 million in 2015.

There were larger developer street contributions in 2015 with Water Valley South, Eagle Crossing, and Highland Meadows Golf Course subdivisions filings.

TABLE 3
Revenues by Source-Governmental Activities 2015

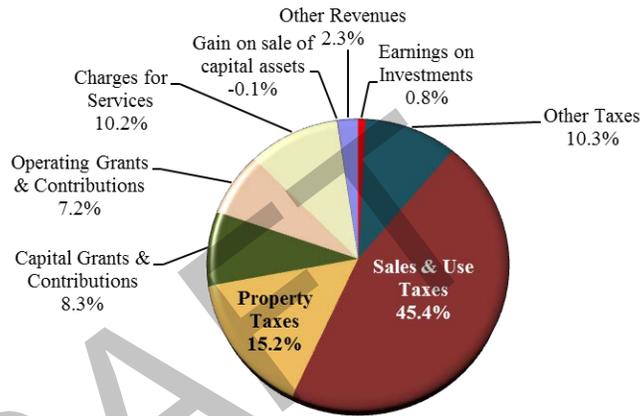


TABLE 4
2014 Expenses by Category Governmental Activities

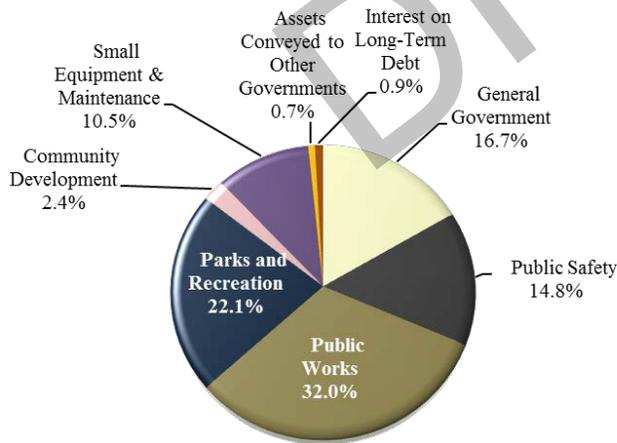
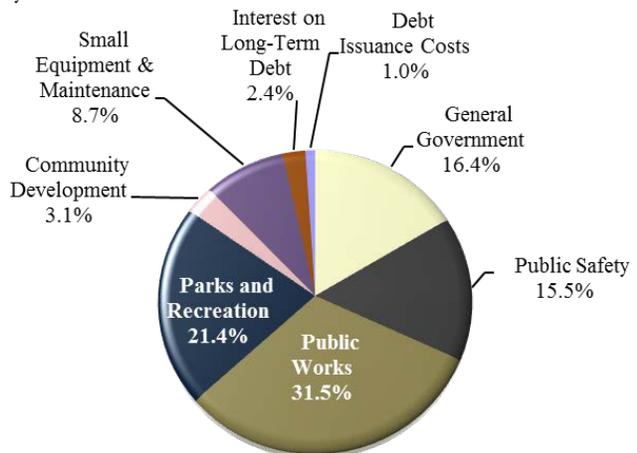


TABLE 4
2015 Expenses by Category Governmental Activities



The distribution of expenses remains about the same for 2015. No assets were conveyed to other governments in 2015 but there was \$237,578 in debt issuance costs.

TOWN OF **WINDSOR**, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2015

Table 5
Balance Sheet Comparison by Fund
Governmental Funds

	General		Community Recreation Center Expansion		Capital Improvement		Other Governmental (Non Major)		Total	Total
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
ASSETS										
Cash and cash equivalents	\$ 1,697,016	\$ 5,810,158	\$ 17,727,177	\$ -	\$ 781,493	\$ -	\$ 149,720	\$ 372,022	\$20,355,406	\$ 6,182,180
Equity in pooled cash and cash equivalents	-	-	-	-	-	-	-	475,371	-	475,371
Investments	2,364,178	2,348,360	-	-	13,048,976	9,051,121	-	-	15,413,154	11,399,481
Receivables	6,033,818	5,160,175	256,911	-	827,265	1,300,062	68,471	327,012	7,186,465	6,787,249
Interfund receivable	4,899,220	-	-	-	-	579,616	3,591,700	2,573,482	8,490,920	3,153,098
Total assets	14,994,232	13,318,693	17,984,088	-	14,657,734	10,930,799	3,809,891	3,747,887	51,445,945	27,997,379
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES										
<u>Liabilities</u>										
Accounts and retainage payable	\$ 550,954	\$ 346,300	\$ 203,817	\$ -	\$ 212,115	\$ 484,693	\$ 93,243	\$ 57,133	\$ 1,060,129	\$ 888,126
Accrued liabilities	525,100	588,939	-	-	-	-	18,293	10,394	543,393	599,333
Other liabilities	47,477	7,758	-	-	-	-	-	-	47,477	7,758
Interfund payable	-	-	3,397,641	-	2,186,550	1,009,875	-	-	5,584,191	1,009,875
Total liabilities	1,123,531	942,997	3,601,458	-	2,398,665	1,494,568	111,536	67,527	7,235,190	2,505,092
<u>Deferred inflows of resources</u>										
Deferred revenue - property taxes	5,115,539	4,201,475	-	-	-	-	-	-	5,115,539	4,201,475
<u>Fund Balances</u>										
Restricted for emergencies	410,660	398,703	71,341	-	209,200	220,756	30,243	24,022	721,444	643,481
Restricted for capital improvements	-	-	14,311,289	-	12,049,869	9,215,475	-	-	26,361,158	9,215,475
Restricted for parks and recreation	-	-	-	-	-	-	725,673	558,982	725,673	558,982
Assigned for parks and recreation	-	-	-	-	-	-	2,942,439	3,097,356	2,942,439	3,097,356
Unassigned	8,344,502	7,775,518	-	-	-	-	-	-	8,344,502	7,775,518
Total fund balances	8,755,162	8,174,221	14,382,630	-	12,259,069	9,436,231	3,698,355	3,680,360	39,095,216	21,290,812
Total liabilities, deferred inflows of resources and fund balances	\$14,994,232	\$13,318,693	\$ 17,984,088	\$ -	\$14,657,734	\$10,930,799	\$ 3,809,891	\$ 3,747,887	\$51,445,945	\$ 27,997,379

In all, the total governmental assets increased 94.5%, liabilities increased 188.8%, deferred inflows of resources increased 21.8%, and fund balances increased 83.6% (\$17,804,404). In the course of the year, revenues that are dedicated to these governmental funds, namely sales tax and construction use tax, both exceeded budget expectations. Retail sales tax collections set a new historical high affecting the General and Capital Improvement fund balances and the new Community Recreation Center (CRC) Expansion fund balance. Construction use tax increased as well in 2015 with 20% more construction in 2015, and the increased sales and use tax for the CRC Expansion. Without the CRC Expansion, the increase in total fund balance would be a more normal 16.1%, due in part to capital, from developer contributions and higher than expected revenue collection. Thus the Capital Improvement Fund shows a 29.9% increase in fund balance, the General Fund balance is 7.1% higher than 2014. In 2015 the CRC Expansion Fund was created to collect the \$16,100,000 bond proceeds and 0.75% sales and use tax to be separate from the existing Community Recreation Center Fund and is now a separate major fund.

General Fund Budgetary Highlights. The General Fund is the chief operating fund of the Town. The General Fund accounts for all the general services provided by the Town. At the end of 2015, the *unassigned* fund balance of the General Fund totaled \$8,344,502, while the total fund balance was \$8,755,162. As a measure of the General Fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. For 2015, unassigned fund balance represents 62.2% of total fund expenditures while total fund balance represents 65.3% of that same amount.

TOWN OF **WINDSOR**, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2015

A new fund, the Economic Development Incentive Fund, was established in 2015 to manage developer incentives for tracking purposes. According to GASB 54 that states a fund must have its own source revenue, and this new fund was supplemented by the General Fund by way of transfers, it is thus incorporated into the General Fund for reporting purposes.

There was no supplemental budget for the General Fund. Taxes and assessments showed a positive variance of \$568,580 due to increase sales tax collection, highest on record. No other variances are notable.

TABLE 9
Revenues by Source
General Fund 2014

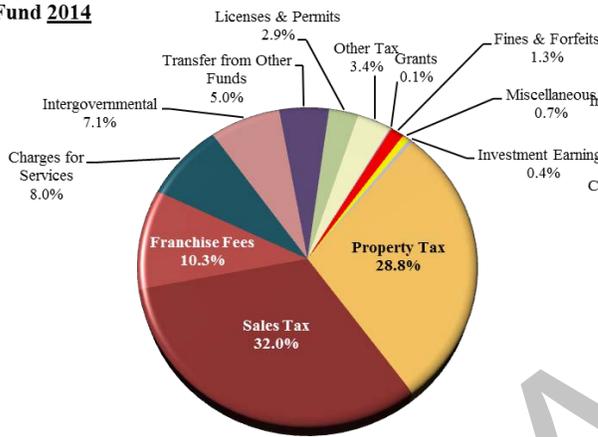
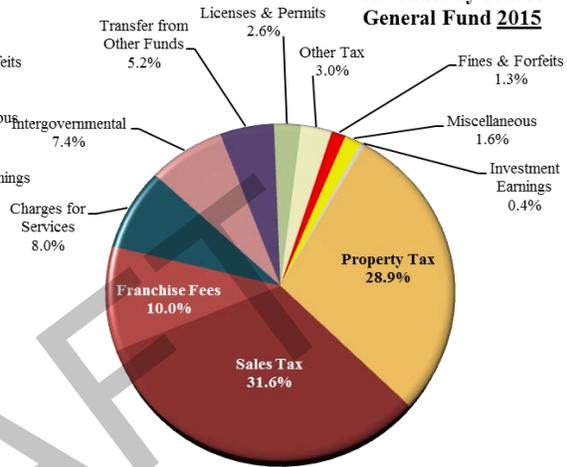


TABLE 9
Revenues by Source
General Fund 2015



The distribution of revenue sources for 2014 and 2015 is very similar as shown above and as you would expect operational revenues to be. There is then a 3.1% gain, or \$75,767, in comparable revenues for 2014 to 2015.

General government expenditures include all administrative functions of the Town (i.e., Town Board, Town Clerk, Municipal Court, Town Manager, Finance, Town Attorney, Economic Development and Human Resources). Expenditures for 2015 are 8.3% (\$ 1,029,663) more than comparable expenditures of 2014. Community Development accounts for the largest increase with additional personnel.

TABLE 10
Expenditures by Type
General Fund 2014

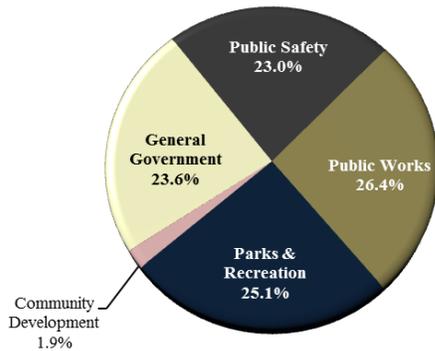
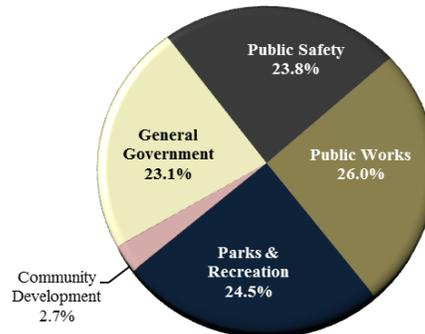


TABLE 10
Expenditures by Type
General Fund 2015



Community Development for 2015 includes additional personnel in the Economic Development Department.

TOWN OF **WINDSOR**, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2015

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

Water Fund unrestricted net position increased 8.4% to \$15,657,287. The unrestricted net positions of both the sewer and storm drainage operations increased at the end of the year and were \$8,260,162, and \$2,856,889 respectively. Other factors concerning the finances of these three funds have already been addressed in the discussion of the Town's business-type activities.

TABLE 6
Revenues by Source-Business-Type Activities
2014

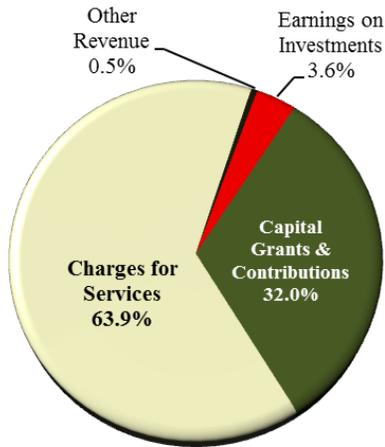
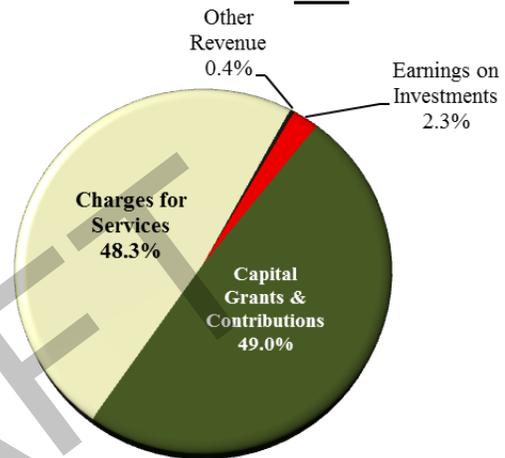


TABLE 6
Revenues by Source-Business-Type Activities
2015



The distribution of revenues in 2015 shows primarily Capital Grants and Contributions, while Charges for services is less of the total revenues. Charges for services increased \$1,354,369 in 2015 with the Water and Sewer Funds plant impact fee increases. Grants and contributions are \$5,100,606 higher due to \$1.7 million in grants for the remainder of the water tank construction, Federal Emergency Management Agency (FEMA) and Community Development Block Grant (CDBG) grant funding for the Law Basin Master Channel, Colorado Department of Public Health and Environment (CDPHE) Sewer Nutrient project grant, and the Colorado Department of Local Affairs (DOLA) sewer force main grants in 2015. There was also \$2.8 million in developer contributions in 2015. Total revenues are thus up 85.1% (\$7,407,418) in 2015. Both revenue streams increased, just the grants and contributions was more in 2015.

TABLE 7
Expenses by Source-Business-Type
Activities 2014

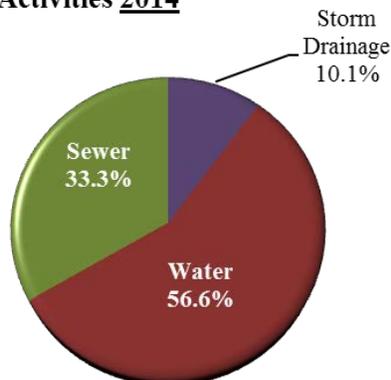
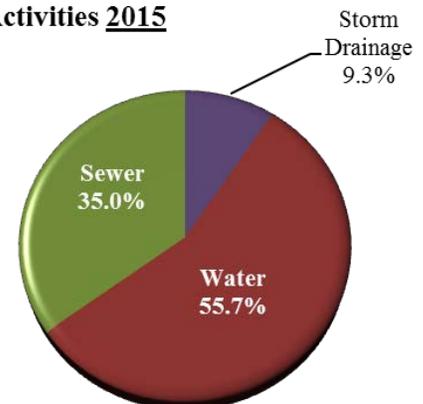


TABLE 7
Expenses by Source-Business-Type
Activities 2015



The distribution of expenses in the Business-type activities is similar to 2014. The water tank was completed in 2015, and both the sewer nutrient project and the Law Basin Master Channel projects continue into 2015. Expenses increased 11.1% or \$645,745 in 2015.

TOWN OF **WINDSOR**, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2015

Table 8
Statement of Net Positions Comparison by Fund
Proprietary Funds

	Water		Sewer		Storm Drainage		Total	Total
	2015	2014	2015	2014	2015	2014	2015	2014
ASSETS								
Total current assets	\$ 27,577,121	\$ 25,471,938	\$ 9,579,146	\$ 8,426,814	\$ 3,133,387	\$ 2,901,027	\$ 40,289,654	\$ 36,799,779
Loan proceeds receivable	1,299,730	1,299,730	-	-	-	-	1,299,730	1,299,730
Capital assets, net	54,034,673	50,612,316	26,346,331	25,958,988	15,559,809	13,449,553	95,940,813	90,020,857
Total assets	82,911,524	77,383,984	35,925,477	34,385,802	18,693,196	16,350,580	137,530,197	128,120,366
LIABILITIES								
Total current liabilities	12,027,214	11,122,187	247,140	292,046	276,498	61,804	12,550,852	11,476,037
Total noncurrent liabilities	7,963,332	8,097,436	2,212,739	2,427,729	-	3,945	10,176,071	10,529,110
Total liabilities	19,990,546	19,219,623	2,459,879	2,719,775	276,498	65,749	22,726,923	22,005,147
NET POSITION								
Net investment in capital assets	47,263,691	43,723,198	23,955,436	23,383,720	15,559,809	13,449,553	86,778,936	80,556,471
Restricted for operations and maintenance	-	-	1,250,000	1,250,000	-	-	1,250,000	1,250,000
Unrestricted	15,657,287	14,441,163	8,260,162	7,032,307	2,856,889	2,835,278	26,774,338	24,308,748
Total Net Position	\$ 62,920,978	\$ 58,164,361	\$ 33,465,598	\$ 31,666,027	\$ 18,416,698	\$ 16,284,831	\$ 114,803,274	\$ 106,115,219
<i>Amounts reported for business-type activities in the Statement of Net Position are different because</i>								
<i>Cumulative portion of internal service funds net operating income attributed to business-type activities</i>							128,456	178,103
							<u>\$114,931,730</u>	<u>\$ 106,293,322</u>

Total assets for the proprietary funds increased in 2015 to reflect a total increase of 7.3% (\$9,409,831), while liabilities increased 3.3% (\$721,776). Assets increased primarily due to developer contributions, the completion of the water tank, work on the Law Basin Master Channel and West Tributary Channel in 2015. Liabilities increased only slightly. The overall net position increased 8.2% (\$8,688,055).

Building and new construction is also reflected in the business-type accounts. Plant investment fees collected on building permits at the time of issuance generated a large influx of cash that is retained for future projects. Water investment fee increase was approved half in 2015 and half in 2016. Sewer investment fee increases took effect in 2015.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The Town's investment in capital assets for its governmental and business-type activities as of December 31, 2015, amounts to \$263,461,639 (net of accumulated depreciation). This investment in capital assets includes land, buildings, and system improvements, machinery and equipment, park facilities, roads, highways, and bridges.

TOWN OF **WINDSOR**, COLORADO

MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2015

Table 11
Capital Assets, Net

	Governmental		Business-Type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
Construction in progress	\$ 6,360,102	\$ 807,806	\$ 4,479,374	\$ 4,627,529	\$ 10,839,476	\$ 5,435,335
Land and water rights	2,300,443	2,300,443	29,071,954	21,745,814	31,372,397	24,046,257
Site improvements	12,351,061	8,085,948	-	-	12,351,061	8,085,948
Buildings and improvements	20,353,681	11,221,881	-	-	20,353,681	11,221,881
Streets and improvements	74,350,588	38,637,965	-	-	74,350,588	38,637,965
Parks and improvements	15,029,974	7,367,495	-	-	15,029,974	7,367,495
Machinery and equipment	11,088,930	3,795,272	-	-	11,088,930	3,795,272
Furniture and fixtures	527,740	68,434	-	-	527,740	68,434
Utility systems and equipment	-	-	87,517,792	63,647,514	87,517,792	63,647,514
Total	\$ 142,362,519	\$ 72,285,244	\$ 121,069,120	\$ 90,020,857	\$ 263,431,639	\$ 162,306,101

Additional information on the Town's capital assets can be found in Note 1 on page 33 and Note 6 on pages 41-42 of this report.

Long-term debt. At the end of the current fiscal year, the Town of Windsor had total bonded debt outstanding of \$18,655,000. The Town's total debt of \$34,478,465 represents bonds secured solely by the specified revenue sources (i.e., 2012 Refunding sales and use tax bonds and 2015 sales and use tax bond), a USDA loan for the police facility, two loans for the construction of the Kern Reservoir, a Sewer Waste Water Treatment Plant loan, a loan for the Kyger Reservoir and compensated absences.

Table 12
Town of Windsor's Outstanding Debt at Year End

	Governmental		Business-Type		Total	
	Activities		Activities			
	2015	2014	2015	2014	2015	2014
2012 Refunding Sales & Use Tax Bonds	\$ 2,555,000	\$ 2,855,000	\$ -	\$ -	\$ 2,555,000	\$ 2,855,000
2015 Sales & Use Tax Bonds	16,100,000	-	-	-	16,100,000	-
Bond Premium	1,948,494	116,316	-	-	1,948,494	116,316
USDA Community Facilities Loan (WBA)	2,821,134	2,859,635	-	-	2,821,134	2,859,635
CWCB Loans (Kern & Kyger Reservoirs)	-	-	8,070,712	8,188,848	8,070,712	8,188,848
CWR&PDA Loan Sewer WWTP	-	-	2,390,895	2,575,268	2,390,895	2,575,268
Compensated Absences	563,284	550,325	28,946	61,555	592,230	611,880
Total	\$ 23,987,912	\$ 6,381,276	\$ 10,490,553	\$ 10,825,671	\$ 34,478,465	\$ 17,206,947

The Town's debt increased 100.4% (\$17,271,518) from 2014.

The Town's debt policy imposes a legal debt margin 10% of assessed valuation. The debt limit at December 31, 2015 was \$34,975,602. The amount of debt applicable to the debt limit is \$31,937,741 leaving a legal debt margin of \$3,037,861.

Additional information on the Town's long-term debt can be found in Note 7 on pages 43-45 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The annual budget assures the efficient, effective and economic uses of Town's resources, as well as establishing the highest priority objectives. Through the budget, the Town Board sets the direction for the Town, allocates its resources, and establishes its priorities.

The 2016 budget was approved and adopted by the Windsor Town Board on November 23, 2015 appropriating \$57,404,716 for expenditures. The 2016 appropriation is an 8.4% increase from the 2015 with increases in personnel, debt and capital projects. There is also a 22.5% decrease in projected revenues of \$45,132,717 as compared to \$58,273,118 budgeted in 2015. The decrease is primarily due to receiving \$16.1 million in bond proceeds for a Community Recreation Center (CRC) expansion in 2015. There is also 10.8% increase in taxes, mainly sales and use taxes. Beginning 2015, a 0.75% sales tax was collected to fund the CRC Expansion in both sales and use taxes. Comparing the 2016 budgeted revenue to 2015, fewer grants and loans, results in an anticipated 22.5% decrease. Part of the CRC Expansion is still showing in the 2015 expenditures. Without this \$8 million, the difference between revenue and expenditure is modest and will be filled by accumulated fund balances which grew from unanticipated revenue growth and less expenditure. The mill levy will remain at 12.03 mills for 2016.

There is provision for a 3% merit pool for employees in the 2016 budget, and a total net addition of 12.58 FTE. These are: administrative specialist, street laborer, 2 recreation coordinators, 1 planning technician, construction inspector, engineering technician, and an IT manager. Then there are multiple positions for the new CRC Expansion: 3 aquatics specialists, 4 guest coordinators, 1.5 custodian/guest porters, and 2.5 custodians. With these new additions there were 2 recreation coordinator positions and 4 guest service coordinator positions eliminated.

Parks and Recreation programs and facilities have also been important to our growing community. A total of \$17,967,389 has been allocated to quality of life and recreational programs. The largest project of course still remains the completion of the CRC Expansion. Other projects are a performance venue at Boardwalk Park, a small park in the 15th and Walnut Street corner, and some trail construction and upgrades for parks and recreation in 2016.

Improving infrastructure is a primary concern in 2016. There are several large projects budgeted for 2016: Kyger Reservoir pump station, the beginning of the new Public Works maintenance facility, the Railroad Quiet Zone TIGER IV grant project, New Liberty Road extension, work on the Law Basin Master Channel with FEMA PDM grant and a CDBG grant, as well as work on the Law Basin west tributary channel, a large water line replacement with a DOLA grant, and sewer lift station. Funds are allocated to improve and maintain several streets along with Eastman Park Drive and 7th Street Roundabout, and of course the largest project is the Community Recreation Center Expansion completion. Also 2016 will fund some museum, cemetery and trail projects.

Contacting the Town's Financial Management

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

Town of Windsor
Director of Finance
301 Walnut Street
Windsor, CO 80550

BASIC FINANCIAL STATEMENTS



DRAFT

DRAFT



TOWN OF **WINDSOR**, COLORADO
STATEMENT OF NET POSITION
December 31, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Downtown Development Authority
<u>Assets</u>				
Cash and cash equivalents	\$ 20,355,421	\$ 3,473,535	\$ 23,828,956	\$ 69,604
Investments	15,413,154	24,455,451	39,868,605	-
Receivables	7,186,653	1,625,916	8,812,569	471,905
Prepaid items	7,101	-	7,101	-
Internal balances	929,774	(929,774)	-	-
Restricted assets:				
Cash and cash equivalents	145,528	-	145,528	-
Loan proceeds receivable	-	1,299,730	1,299,730	-
Capital assets, not being depreciated	8,660,545	29,051,328	37,711,873	213,809
Capital assets, being depreciated, net	68,222,879	66,889,485	135,112,364	27,672
Net pension asset	174,070	-	174,070	-
<u>Total assets</u>	<u>121,095,125</u>	<u>125,865,671</u>	<u>246,960,796</u>	<u>782,990</u>
<u>Deferred outflows of resources</u>				
Deferred loss on refunding	65,879	-	65,879	-
Deferred outflows of resources - pensions	76,276	-	76,276	-
<u>Total deferred outflows of resources</u>	<u>142,155</u>	<u>-</u>	<u>142,155</u>	<u>-</u>
<u>Liabilities</u>				
Accounts payable and other liabilities	1,179,934	391,275	1,571,209	100
Accrued payroll	543,393	18,873	562,266	-
Accrued interest payable	51,380	33,240	84,620	-
Noncurrent liabilities:				
Due within one year				
Bonds and loans payable	874,970	314,482	1,189,452	-
Accrued compensated absences	542,347	19,394	561,741	-
Due in more than one year				
Bonds and loans payable	22,549,658	10,147,125	32,696,783	-
Accrued compensated absences	20,937	9,552	30,489	-
<u>Total liabilities</u>	<u>25,762,619</u>	<u>10,933,941</u>	<u>36,696,560</u>	<u>100</u>
<u>Deferred inflows of resources</u>				
Unearned revenue - property taxes	5,115,539	-	5,115,539	-
Deferred inflows of resources - pensions	5,915	-	5,915	-
<u>Total deferred inflows of resources</u>	<u>5,121,454</u>	<u>-</u>	<u>5,121,454</u>	<u>-</u>
<u>Net position</u>				
Net investment in capital assets	53,524,675	86,778,936	140,303,611	241,481
Restricted for:				
Capital projects	12,049,869	-	12,049,869	-
TABOR emergency reserve	721,444	-	721,444	-
Parks and recreation	725,673	-	725,673	-
Pensions	174,070	-	174,070	-
Operations and maintenance	-	1,250,000	1,250,000	-
Unrestricted	23,157,476	26,902,794	50,060,270	541,409
<u>Total net position</u>	<u>\$ 90,353,207</u>	<u>\$ 114,931,730</u>	<u>\$ 205,284,937</u>	<u>\$ 782,890</u>

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

TOWN OF **WINDSOR**, COLORADO
STATEMENT OF ACTIVITIES
December 31, 2015

<u>Functions/programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
Governmental activities:				
General government	\$ 3,748,233	\$ -	\$ -	\$ -
Public safety	3,510,691	221,694	-	-
Public works	7,175,480	514,152	1,064,629	2,272,849
Parks and recreation	4,890,399	2,065,028	356,638	-
Community development	701,861	-	5,789	-
Safety and loss control	4,844	-	-	-
Small equipment and maintenance	1,983,466	-	550,567	-
Debt issuance costs	237,578	-	-	-
Interest on long-term debt	554,517	-	-	-
<u>Total governmental activities</u>	<u>22,807,069</u>	<u>2,800,874</u>	<u>1,977,623</u>	<u>2,272,849</u>
Business-type activities:				
Water	3,608,724	5,356,981	-	3,712,899
Sewer	2,271,608	2,020,489	-	2,209,238
Storm drainage	603,962	406,900	-	1,966,275
<u>Total business-type activities</u>	<u>6,484,294</u>	<u>7,784,370</u>	<u>-</u>	<u>7,888,412</u>
<u>Total primary government</u>	<u>\$ 29,291,363</u>	<u>\$ 10,585,244</u>	<u>\$ 1,977,623</u>	<u>\$ 10,161,261</u>
<u>Component unit</u>				
Downtown Development Authority	\$ 112,173	\$ -	\$ -	\$ -

General revenues

Taxes:

- Property taxes
- Sales and use taxes
- Franchise taxes
- Other taxes
- Earnings on investments
- Gain (loss) on sale of capital assets
- Other revenues

Subtotal general revenues

Transfers in (out)

Total general revenues and transfers

Changes in net position

Net position at beginning of year (restated)

Net position at end of year

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

TOWN OF **WINDSOR**, COLORADO
STATEMENT OF ACTIVITIES
December 31, 2015

Net (Expense) Revenue and Changes in Net Position			Component Unit Downtown Development Authority
Primary Government			
Governmental Activities	Business-Type Activities	Total	
\$ (3,748,233)	\$ -	\$ (3,748,233)	\$ -
(3,288,997)	-	(3,288,997)	-
(3,323,850)	-	(3,323,850)	-
(2,468,733)	-	(2,468,733)	-
(696,072)	-	(696,072)	-
(4,844)	-	(4,844)	-
(1,432,899)	-	(1,432,899)	-
(237,578)	-	(237,578)	-
(554,517)	-	(554,517)	-
(15,755,723)	-	(15,755,723)	-
-	5,461,156	5,461,156	-
-	1,958,119	1,958,119	-
-	1,769,213	1,769,213	-
-	9,188,488	9,188,488	-
(15,755,723)	9,188,488	(6,567,235)	-
-	-	-	(112,173)
4,171,557	-	4,171,557	25,090
12,589,346	-	12,589,346	-
1,446,170	-	1,446,170	-
1,400,488	-	1,400,488	-
221,694	374,531	596,225	80
(19,891)	-	(19,891)	-
622,998	63,273	686,271	270,000
20,432,362	437,804	20,870,166	295,170
154,551	(154,551)	-	-
20,586,913	283,253	20,870,166	295,170
4,831,190	9,471,741	14,302,931	182,997
85,522,017	105,459,989	190,982,006	599,893
<u>\$ 90,353,207</u>	<u>\$ 114,931,730</u>	<u>\$ 205,284,937</u>	<u>\$ 782,890</u>

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

TOWN OF **WINDSOR**, COLORADO
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2015

	General	Capital Improvement	Community Center Expansion	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and cash equivalents	\$ 1,697,016	\$ 781,493	\$ 17,727,177	\$ 149,720	\$ 20,355,406
Investments	2,364,178	13,048,976	-	-	15,413,154
Receivables	6,033,818	827,265	256,911	68,471	7,186,465
Interfund receivable	4,899,220	-	-	3,591,700	8,490,920
Total assets	\$ 14,994,232	\$ 14,657,734	\$ 17,984,088	\$ 3,809,891	\$ 51,445,945
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities					
Accounts and retainage payable	\$ 550,954	\$ 212,115	\$ 203,817	\$ 93,243	\$ 1,060,129
Accrued payroll	525,100	-	-	18,293	543,393
Other liabilities	47,477	-	-	-	47,477
Interfund payable	-	2,186,550	3,397,641	-	5,584,191
Total liabilities	1,123,531	2,398,665	3,601,458	111,536	7,235,190
Deferred inflows of resources					
Deferred revenue - property taxes	5,115,539	-	-	-	5,115,539
Fund balances					
Restricted for emergencies	410,660	209,200	71,341	30,243	721,444
Restricted for capital improvements	-	12,049,869	14,311,289	-	26,361,158
Restricted for parks and recreation	-	-	-	725,673	725,673
Assigned for parks and recreation	-	-	-	2,942,439	2,942,439
Unassigned	8,344,502	-	-	-	8,344,502
Total fund balances	8,755,162	12,259,069	14,382,630	3,698,355	39,095,216
Total liabilities, deferred inflows of resources and fund balances	\$ 14,994,232	\$ 14,657,734	\$ 17,984,088	\$ 3,809,891	\$ 51,445,945

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

TOWN OF **WINDSOR**, COLORADO
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET WITH THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
December 31, 2015

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances - governmental funds \$ 39,095,216

Capital assets used in governmental activities are not current financial resources and, therefore, is not reported as assets in the governmental funds.

The cost of capital assets, net of accumulated depreciation 70,079,010

The deferred loss on refunding is not a current financial resource and, therefore, is not reported as a deferred outflows of resources in the governmental funds. 65,879

Pension asset and related deferred inflows and deferred outflows of resources are not current financial resources and, therefore, are not reported in the fund financial statements.

Pension asset	\$ 174,070	
Deferred outflows of resources relating to pensions	76,276	
Deferred inflows of resources relating to pensions	<u>(5,915)</u>	244,431

Long-term liabilities, including bonds payable, are not due and payable from the current financial resources and, therefore, are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:

Long-term debt	\$ (18,655,000)	
Premium on bonds	(1,948,494)	
Accrued interest payable	(51,380)	
Accrued compensated absences	<u>(517,535)</u>	(21,172,409)

Internal service funds are used by management to charge the cost of services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.

2,041,080

Total net position of governmental activities \$ 90,353,207

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

TOWN OF **WINDSOR**, COLORADO
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the Year Ended December 31, 2015

	General	Capital Improvement	Community Center Expansion	Other Governmental Funds	Total Governmental Funds
<u>Revenues</u>					
Taxes and assessments	\$ 10,605,882	\$ 5,999,454	\$ 2,358,653	\$ 643,572	\$ 19,607,561
Licenses and permits	374,400	-	-	-	374,400
Intergovernmental	1,064,629	550,567	-	356,638	1,971,834
Grants and contributions	5,789	649,775	-	-	655,564
Charges for services	1,159,138	-	-	1,074,044	2,233,182
Fines and forfeitures	193,292	-	-	-	193,292
Earnings on investments	54,987	146,655	19,370	667	221,679
Miscellaneous	236,336	276,662	-	-	512,998
<u>Total revenues</u>	<u>13,694,453</u>	<u>7,623,113</u>	<u>2,378,023</u>	<u>2,074,921</u>	<u>25,770,510</u>
<u>Expenditures</u>					
Current:					
General government	3,090,172	-	-	-	3,090,172
Public safety	3,187,567	-	-	-	3,187,567
Public works	3,480,393	-	-	-	3,480,393
Parks and recreation	3,277,438	-	-	688,259	3,965,697
Community development	363,544	-	-	-	363,544
Safety and loss control	4,844	-	-	-	4,844
Small equipment and maintenance	-	1,982,266	-	-	1,982,266
Debt service	-	-	-	300,000	300,000
Principal	-	-	-	81,275	414,440
Interest	-	-	333,165	-	237,578
Debt issuance costs	-	-	237,578	-	237,578
Capital outlay	-	2,175,907	5,379,561	1,348,519	8,903,987
<u>Total expenditures</u>	<u>13,403,958</u>	<u>4,158,173</u>	<u>5,950,304</u>	<u>2,418,053</u>	<u>25,930,488</u>
<u>Revenues over expenditures</u>	<u>290,495</u>	<u>3,464,940</u>	<u>(3,572,281)</u>	<u>(343,132)</u>	<u>(159,978)</u>
<u>Other financing sources (uses)</u>					
Transfers in	751,071	73,625	-	387,000	1,211,696
Transfers out	(460,625)	(715,727)	-	(25,873)	(1,202,225)
Bond proceeds	-	-	16,100,000	-	16,100,000
Bond premium	-	-	1,854,911	-	1,854,911
<u>Total other financing sources (uses)</u>	<u>290,446</u>	<u>(642,102)</u>	<u>17,954,911</u>	<u>361,127</u>	<u>17,964,382</u>
<u>Net changes in fund balances</u>	<u>580,941</u>	<u>2,822,838</u>	<u>14,382,630</u>	<u>17,995</u>	<u>17,804,404</u>
<u>Fund balance at beginning of year</u>	<u>8,174,221</u>	<u>9,436,231</u>	<u>-</u>	<u>3,680,360</u>	<u>21,290,812</u>
<u>Fund balance at end of year</u>	<u>\$ 8,755,162</u>	<u>\$ 12,259,069</u>	<u>\$ 14,382,630</u>	<u>\$ 3,698,355</u>	<u>\$ 39,095,216</u>

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

TOWN OF **WINDSOR**, COLORADO
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
WITH THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**
For the Year Ended December 31, 2015

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

Total net change in fund balance - governmental funds. \$ 17,804,404

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation expense in the Statement of Activities. This is the amount by which depreciation expense exceeded capital outlay during the period:

Capital outlay	\$ 8,903,987	
Contributed assets	1,623,074	
Loss on disposal of capital assets (net book value of capital assets disposed)	(152,245)	
Depreciation expense	<u>(5,549,607)</u>	4,825,209

The repayment of bonded principal is an expenditure in the Statement of Revenues, Expenditures and Changes in Fund Balances. However, these are reflected as reductions of liabilities in the Statement of Net Position and do not affect the Statement of Activities. 300,000

The issuance of long-term debt, including premiums, is reported as other financing sources in the governmental funds; however, issuing debt increases long-term liabilities in the statement of net position. (17,954,911)

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 accretion of bond premium and the amortization of the deferred loss on refunding. 6,729

Increase in accrued interest payable reflected against an expense on the Statement of Activities and not reflected as an expense on the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances. (40,227)

Decrease in accrued compensated absences reflected as a reduction of expense on the Statement of Activities and not reflected in the governmental fund Statement of Revenues, Expenditures and Changes in Fund Balances. 8,182

Some items reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental fund financial statements.

Change in contributions subsequent to measurement date	\$ 7,063	
Pension expense - first year amortization	(244)	
Employer pension contribution expense	<u>46,778</u>	53,597

Internal service funds are used by management to charge the cost of services to individuals funds. The net revenue of certain activities of internal service funds is reported with governmental (171,793)

Change in net position of governmental activities \$ 4,831,190

TOWN OF **WINDSOR**, COLORADO
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
December 31, 2015

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water	Sewer	Storm Drainage	Total	Internal Service Funds
ASSETS					
Current assets					
Cash and cash equivalents	\$ 1,803,181	\$ 1,249,079	\$ 421,275	\$ 3,473,535	\$ 15
Investments	24,455,451	-	-	24,455,451	-
Interfund receivable	944,042	7,917,074	1,873,636	10,734,752	530,211
Intergovernmental receivable	24,792	204,142	775,118	1,004,052	-
Accounts receivable	306,279	207,438	63,358	577,075	188
Accrued interest receivable	43,376	1,413	-	44,789	-
Total current assets	27,577,121	9,579,146	3,133,387	40,289,654	530,414
Noncurrent assets					
Restricted cash and investments	-	-	-	-	145,528
Prepaid items	-	-	-	-	7,101
Loan proceeds receivable	1,299,730	-	-	1,299,730	-
Capital assets:					
Land	3,538,101	84,083	9,000	3,631,184	157,853
Water rights	20,940,770	-	-	20,940,770	-
Utility system	36,055,653	36,616,628	16,453,430	89,125,711	-
Buildings and improvements	163,319	887,725	-	1,051,044	4,994,533
Machinery and equipment	803,458	991,197	46,382	1,841,037	6,161,045
Construction in progress	1,288,308	402,670	2,788,396	4,479,374	-
Less: accumulated depreciation	(8,754,936)	(12,635,972)	(3,737,399)	(25,128,307)	(4,509,017)
Total capital assets, net	54,034,673	26,346,331	15,559,809	95,940,813	6,804,414
Total noncurrent assets	55,334,403	26,346,331	15,559,809	97,240,543	6,957,043
Total assets	82,911,524	35,925,477	18,693,196	137,530,197	7,487,457
LIABILITIES					
Current liabilities					
Interfund payable	11,792,982	-	-	11,792,982	2,378,710
Accounts payable	42,009	40,668	276,498	359,175	23,508
Accrued liabilities	68,061	16,152	-	84,213	48,820
Loans payable - current	124,162	190,320	-	314,482	39,970
Total current liabilities	12,027,214	247,140	276,498	12,550,852	2,491,008
Noncurrent liabilities					
Accrued compensated absences	16,782	12,164	-	28,946	45,749
Loans payable	7,946,550	2,200,575	-	10,147,125	2,781,164
Total noncurrent liabilities	7,963,332	2,212,739	-	10,176,071	2,826,913
Total liabilities	19,990,546	2,459,879	276,498	22,726,923	5,317,921
NET POSITION					
Net investment in capital assets	47,263,691	23,955,436	15,559,809	86,778,936	3,983,280
Restricted for operations and maintenance	-	1,250,000	-	1,250,000	-
Unrestricted	15,657,287	8,260,162	2,856,889	26,774,338	(1,813,744)
Total net position	\$62,920,978	\$33,465,598	\$18,416,698	114,803,274	\$ 2,169,536

Amounts reported for business-type activities in the Statement of Net Position are different because Cumulative portion of internal service funds net operating income attributed to business-type activities

128,456
\$114,931,730

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

TOWN OF **WINDSOR**, COLORADO
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2015

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water	Sewer	Storm Drainage	Total	Internal Service Funds
<u>Operating revenues</u>					
Charges for services	\$ 3,451,293	\$ 1,997,705	\$ 335,988	\$ 5,784,986	\$ 2,511,420
Miscellaneous	1,905,688	22,784	70,912	1,999,384	-
<u>Total operating revenues</u>	<u>5,356,981</u>	<u>2,020,489</u>	<u>406,900</u>	<u>7,784,370</u>	<u>2,511,420</u>
<u>Operating expenses</u>					
Wages and benefits	161,601	343,259	19,094	523,954	919,266
Operating costs	2,612,340	879,832	202,438	3,694,610	1,020,627
Depreciation	631,889	976,885	373,450	1,982,224	1,073,837
<u>Total operating expenses</u>	<u>3,405,830</u>	<u>2,199,976</u>	<u>594,982</u>	<u>6,200,788</u>	<u>3,013,730</u>
<u>Operating income (loss)</u>	<u>1,951,151</u>	<u>(179,487)</u>	<u>(188,082)</u>	<u>1,583,582</u>	<u>(502,310)</u>
<u>Nonoperating revenues (expenses)</u>					
Earnings on investments	371,031	2,654	846	374,531	15
Gain (loss) on disposal of capital assets	-	-	-	-	132,354
Other income	-	63,273	-	63,273	-
Interest expense	(185,836)	(48,023)	-	(233,859)	(106,579)
<u>Total nonoperating revenues (expenses)</u>	<u>185,195</u>	<u>17,904</u>	<u>846</u>	<u>203,945</u>	<u>25,790</u>
<u>Income (loss) before contributions and transfers</u>	<u>2,136,346</u>	<u>(161,583)</u>	<u>(187,236)</u>	<u>1,787,527</u>	<u>(476,520)</u>
Capital contributions	3,503,114	1,517,276	917,759	5,938,149	110,000
Grants	209,785	691,962	1,048,516	1,950,263	-
Transfers in	217,819	-	504,814	722,633	145,080
Transfers out	(477,114)	(248,084)	(151,986)	(877,184)	-
<u>Change in net position</u>	<u>5,589,950</u>	<u>1,799,571</u>	<u>2,131,867</u>	<u>9,521,388</u>	<u>(221,440)</u>
<u>Net position at beginning of year (restated)</u>	<u>57,331,028</u>	<u>31,666,027</u>	<u>16,284,831</u>	<u>105,281,886</u>	<u>2,390,976</u>
<u>Net position at end of year</u>	<u>\$62,920,978</u>	<u>\$33,465,598</u>	<u>\$18,416,698</u>		<u>\$ 2,169,536</u>

Amounts reported for business-type activities in the Statement of Activities are different because Internal service funds increase to expenses for costs in excess of charges to the business-type activities

(49,647)

\$ 9,471,741

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

TOWN OF **WINDSOR**, COLORADO
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Business-Type Activities - Enterprise Funds				Governmental Activities
	Water	Sewer	Storm Drainage	Total	Internal Service Funds
<u>Cash flows from operating activities</u>					
Cash received from customers	\$ 5,510,919	\$ 1,951,142	\$ 398,374	\$ 7,860,435	\$ 2,494,236
Other receipts	-	63,273	-	63,273	-
Cash payments to suppliers	(3,407,346)	(936,633)	(242,060)	(4,586,039)	(1,161,033)
Cash payments to employees	(171,544)	(361,981)	(23,039)	(556,564)	(915,599)
<u>Net cash flows from operating activities</u>	1,932,029	715,801	133,275	2,781,105	417,604
<u>Cash flows from non-capital financing activities</u>					
Grant income	209,785	512,543	259,676	982,004	-
Change in interfund payable	1,694,008	-	-	1,694,008	182
Change in interfund receivable	65,833	(901,302)	434,996	(400,473)	(530,211)
Transfers from other funds	217,819	-	504,814	722,633	145,080
Transfers to other funds	(477,114)	(248,084)	(151,986)	(877,184)	-
<u>Net cash flows from non-capital financing activities</u>	1,710,331	(636,843)	1,047,500	2,120,988	(384,949)
<u>Cash flows from capital and related financing activities</u>					
Capital contributions	1,342,995	1,044,198	833,332	3,220,525	110,000
Principal paid on debt	(118,136)	(184,373)	-	(302,509)	(38,501)
Interest paid on debt	(185,836)	(48,023)	-	(233,859)	(106,579)
Proceeds from sale of capital assets	-	-	-	-	226,804
Acquisition of capital assets	(1,894,127)	(891,150)	(2,014,206)	(4,799,483)	(941,258)
<u>Net cash flows from capital and related financing activities</u>	(855,104)	(79,348)	(1,180,874)	(2,115,326)	(749,534)
<u>Cash flows from investing activities</u>					
Proceeds from sales of investments	1,877,019	-	-	1,877,019	-
Purchases of investments	(6,168,919)	-	-	(6,168,919)	-
Net change in restricted cash	-	-	-	-	(14)
Earnings on investments	371,031	2,597	846	374,474	15
<u>Net cash flows from investing activities</u>	(3,920,869)	2,597	846	(3,917,426)	1
<u>Net change in cash and cash equivalents</u>	(1,133,613)	2,207	747	(1,130,659)	(716,878)
<u>Cash and cash equivalents at beginning of year</u>	2,936,794	1,246,872	420,528	4,604,194	716,893
<u>Cash and cash equivalents at end of year</u>	\$ 1,803,181	\$ 1,249,079	\$ 421,275	\$ 3,473,535	\$ 15
<u>Reconciliation of operating income (loss) to net cash flows from operating activities</u>					
Operating income (loss)	\$ 1,951,151	\$ (179,487)	\$ (188,082)	\$ 1,583,582	\$ (502,310)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Depreciation expense	631,889	976,885	373,450	1,982,224	1,073,837
Nonoperating revenue	-	63,273	-	63,273	-
Changes in operating assets and liabilities:					
Accounts receivable	153,938	(69,347)	(8,526)	76,065	(188)
Accounts payable and accrued expenses	(804,949)	(75,523)	(43,567)	(924,039)	(153,735)
<u>Net cash flows from operating activities</u>	\$ 1,932,029	\$ 715,801	\$ 133,275	\$ 2,781,105	\$ 417,604
<u>Non-cash investing, capital and financing activities</u>					
Contributed capital assets	\$ 2,160,119	\$ 473,078	\$ 215,184	\$ 2,848,381	\$ -

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Note 1 - Summary of Significant Accounting Policies

The financial statements of the Town of Windsor (the “Town”) have been prepared in conformity with accounting principles generally accepted in the United States of America (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial principles. The more significant of the Town’s accounting policies are described below.

Reporting Entity

The Town was incorporated in 1890 and adopted its Home Rule Charter during 2003 (the “Charter”). The Charter provides that the Mayor shall be the chief executive officer of the Town, the Town Board shall be the policy making authority, and a Town Manager, to be appointed by the Town Board, shall be the chief administrative official of the Town. The following services are authorized by its charter: general administrative services, public safety (police protection), public works, culture, parks and recreation, community development and water and sewer services.

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit’s governing board, and either, a) the ability to impose its will by the primary government, or b) there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government; or
- 2) Fiscal dependency on the primary government and there is a potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government or (3) a jointly appointed board.

Based on the application of these criteria, the following component units are included in the Town’s reporting entity.

Discretely Presented Component Unit

The Windsor Downtown Development Authority (“DDA”) was formed in January 2011 by a vote of the downtown business and property owners, and officially approved and adopted as an organization by the Town Board on February 28, 2011. Comprised of a seven member board of directors plus a representative from the Town Board, the DDA is dedicated to revitalizing downtown Windsor while preserving the history and heritage of this thriving community. In November 2011, the Town entered into an intergovernmental agreement with the DDA to provide funding through 2016 from sales tax revenue generated within the DDA boundaries. Separate financial statements are not issued for the DDA.

Blended Component Unit

The Windsor Building Authority (the “Authority”) was created as a nonprofit corporation under Colorado law on February 21, 2009. The Authority was created for the purpose of assisting with projects that are beneficial to the Town, such as borrowing or lending funds to assist in the building of Town facilities. Members of the Board of Directors of the Authority are appointed by the Town Board and provide services entirely to the Town. The Town has the ability to modify or approve the Authority’s annual operating budget. The Town also has the ability to appoint, hire, reassign, or dismiss those individuals responsible for the day-to-day operations of the Authority. Separate financial statements are not issued for the Authority.

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

Basic Financial Statements

The basic financial statements include both government-wide financial statements (based on the Town as a whole) and fund financial statements. Both the government-wide and fund financial statements categorize activities as either governmental activities or business-type activities. In the government-wide Statement of Net Position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) are reported on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The government-wide Statement of Activities demonstrates the degree to which the direct expenses of a given function or activity are offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function or activity. 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 activity, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus refers to what is being measured and basis of accounting refers to when revenues and expenses or expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. 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 recognized when earned and expenses are recognized when a liability is incurred, regardless of the time 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. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Cost reimbursement grant revenues are considered to be available at the point the expenditure is incurred. Expenditures are recorded when a liability is incurred, as under accrual accounting. Debt service expenditures and expenditures related to compensated absences and claims and judgments are recorded only when payment is due.

Property, franchise, and sales taxes and investment income (including unrealized gains and losses) are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. The portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the government receives cash.

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked funds (special revenue funds), and the capital projects fund. The following are the Town's major and nonmajor governmental funds:

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

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

General Fund - The General Fund (a major fund) is the Town's general operating fund and is used to account for all financial transactions except those required to be accounted for in another fund. Major revenue sources include local property, sales, and franchise taxes and other intergovernmental revenues. Expenditures include all costs associated with the daily operation of general government, public safety, public works, parks and recreation and community development.

Capital Improvement Fund - This major fund is a capital projects fund type which is established to account for financial resources segregated for the acquisition or construction of capital facilities other than those financed by enterprise operations.

Community Recreation Center Expansion Fund - This major fund is a special revenue fund type which is funded by a voter-approved increase in sales and use taxes. The expenditures represent the construction and equipping the Windsor Community Recreation Center.

Park Improvement Fund - This nonmajor fund is a special revenue fund type which is established to account for park fees and other earmarked revenue sources which finance park improvements in the Town.

Community Recreation Center Fund - This nonmajor fund is a special revenue fund type which is funded by sales tax, construction use tax, grants, and facility user fees. The expenditures represent operating and cost of construction.

Conservation Trust Fund - This nonmajor special revenue fund was established to account for revenues derived from earmarked revenue sources which finance specific activities as required by law or administrative action.

Proprietary funds focus on the determination of the changes in net position, financial position and cash flows and are classified as enterprise funds or internal service funds. Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services.

The Town's major enterprise funds are the Water, Sewer and Storm Drainage Funds. These funds account for the financial transactions related to the water, sewer and storm drainage service operations of the Town.

Internal service funds account for operations that provide services to other departments or agencies of the Town, or to other governments, on a cost-reimbursement basis. The Town has four internal service funds; the Fleet Management Fund, Information Technology Fund, Facility Service Fund, and the Windsor Building Authority.

There are no fiduciary funds included in this report.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services, and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water, Sewer, and Storm Drainage funds and the government's internal service funds are charges to customers for sales and services. Operating expenses 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.

TOWN OF **WINDSOR**, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

Budgets and Budgetary Accounting

An annual budget and appropriation ordinance is adopted by the Board of Trustees in accordance with Colorado state statutes. Budgets are adopted on a basis consistent with GAAP, except for the following: proceeds from long-term debt are budgeted as revenue in the proprietary funds; note, lease and bond principal payments are budgeted as expenses in the proprietary funds; and purchases of capital assets are budgeted as capital outlay expenses in the proprietary funds.

On or about October 15, the Town staff submits to the Board of Trustees 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. Also, public hearings are conducted at a special meeting and at regular Town Board meetings to obtain taxpayer comments. Prior to December 15, the budget is legally adopted by the Town Board.

Colorado law requires that all funds have legally adopted budgets and total expenditures for each fund cannot exceed the amount appropriated. The fund level of classification is the level of classification at which expenditures may not legally exceed appropriations.

All appropriations lapse at the end of each fiscal year. Appropriations for a fund may be increased provided they are offset by unanticipated resources.

Budgeted amounts reported in the accompanying financial statements are as originally adopted and as amended by the Town Board throughout the year. Following is a summary of the original budget, total revisions and revised budget for those funds with amended budgets for the year ended December 31, 2015:

	Original Budget	Total Revisions	Revised Budget
<u>Governmental funds:</u>			
General fund	\$ 13,740,849	\$ 161,326	\$ 13,902,175
<u>Special revenue funds:</u>			
Community recreation center fund	1,125,576	-	1,125,576
Park improvement fund	1,510,475	-	1,510,475
Conservation trust fund	423,392	-	423,392
<u>Capital projects funds:</u>			
Capital improvements fund	8,250,711	1,623,074	9,873,785
Community recreation center expansion fund	9,485,594	333,165	9,818,759
<u>Business-type funds:</u>			
Water fund	8,050,010	2,769,927	10,819,937
Sewer fund	2,755,621	954,938	3,710,559
Storm drainage fund	4,304,695	215,184	4,519,879
<u>Internal service funds:</u>			
Fleet management fund	1,382,853	168,865	1,551,718
Information technology fund	881,379	-	881,379
Windsor building authority	145,080	-	145,080
Facility service fund	600,340	-	600,340
Total funds	\$ 52,656,575	\$ 6,226,479	\$ 58,883,054

TOWN OF **WINDSOR**, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

Cash, Cash Equivalents and Temporary Investments

To improve cash management, cash received by the Town is pooled and invested. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the Town's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" in the financial statements. Investments of the Town's cash management pool and investments with an original maturity of three months or less at the time they are purchased by the Town are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months that were not purchased from the pool are reported as investments.

Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables, if any, are classified as internal balances on the government-wide Statement of Net Position and, classified as interfund receivables or interfund payables on the Balance Sheet (see Note 4).

Capital Assets

Capital assets, which include land, buildings, equipment, vehicles, and furniture and fixtures, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

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

Description	Governmental Activities	Business- Type Activities
Site improvements	20 years	N/A
Buildings and improvements	20 years	N/A
Streets and improvements	20 years	N/A
Parks and improvements	20 years	N/A
Machinery and equipment	10 years	5 years
Furniture and fixtures	10 years	N/A
Utility systems	N/A	5 - 50 years

Interest costs incurred that relate to the acquisition or construction of property and equipment acquired with tax-exempt debt is capitalized. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project, with interest earned on invested debt proceeds over the same period. Capitalized interest cost is prorated to completed projects based on the completion date of each project. The Town did not capitalize any interest during the year ended December 31, 2015.

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

Impairment of Capital Assets

GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, establishes accounting and financial reporting standards for impairment of capital assets. A capital asset is considered impaired when its service utility has declined significantly and unexpectedly. The Town is required to evaluate prominent events or changes in circumstances affecting capital assets to determine whether impairment of a capital asset has occurred. Management of the Town has determined that there are no indications of impairment of capital assets as of December 31, 2015.

Accrued Compensated Absences Payable

In accordance with the provisions of the GASB Statement No. 16, *Accounting for Compensated Absences*, vested or accumulated vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of vested or accumulated vacation pay that are not expected to be liquidated with expendable available financial resources are reported on the government-wide financial statements. Compensated absences are reported in governmental funds only if they have matured.

Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities and long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements.

In general, except for accrued compensated absences, payables and accrued liabilities that will be paid from governmental funds are reported on the governmental fund financial statements regardless of whether they will be liquidated with current financial resources. In general, payments made within sixty days after year-end are considered to have been made with current available financial resources. Bonds payable, accrued compensated absences, and other long-term obligations that will be paid from governmental funds are not recognized as a liability in the fund financial statements until they become due.

Deferred Outflows/Inflows of Resources

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

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

Fund Balance

In the fund financial statements, fund balances of governmental funds are as follows:

Nonspendable – amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted – amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, or the laws or regulations of other governments.

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

Fund Balance (Continued)

Committed – amounts that can be used only for specific purposes determined by a formal action of the Town Board (the “Board”). The Board is the highest level of decision making authority for the Town. Commitments may be established, modified, or rescinded only through resolutions approved by the Board.

Assigned – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. The Board has authority to assign amounts for specific purposes. Assignments may be established, modified, or rescinded only through resolutions approved by the Board.

Unassigned – all other spendable amounts.

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

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net position is reported as restricted when there are liabilities imposed on their use either through the enabling legislation adopted by the Town or through external restrictions imposed by creditors, grantors or laws or regulation of other governments.

If applicable, the Town applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted resources are available.

Contribution of Capital

Contributions of capital in proprietary funds financial statements arise from outside contributions of capital assets, or from grants or outside contributions of resources to capital acquisition and construction.

Interfund Transactions

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. All other interfund transactions are reported as transfers (See Note 4).

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Town Board and that are either unusual in nature or infrequent in occurrence. There were no extraordinary or special items during 2015.

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Note 1 - Summary of Significant Accounting Policies (Continued)

Pensions

The Town contributes to the Statewide Defined Benefit Plan (“SWDB”), a cost-sharing multiple-employer defined benefit pension plan administered by the Fire and Police Pension Association of Colorado (“FPPA”). For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the SWDB plan and additions to/deductions from the SWDB plan fiduciary net position have been determined on the same basis as they are reported by the FPPA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Accounting Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2 – Prior Period Restatement

Effective January 1, 2015, the Town adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions—an amendment of GASB Statement No. 27* and *GASB Statement No. 71, Pension Transition for Contributions made Subsequent to the Measurement Date*, which revises and establishes new financial reporting requirements for most governments that provide their employees with pension benefits. Prior to the adoption of GASB Statement No. 68, the Town followed the requirements of GASB Statement No. 27, *Accounting for Pensions by State and Local Government Employers*.

Statement No. 68 requires the Town, as a participant in FPPA’s multiple-employer cost-sharing defined benefit plans, to record its proportionate share, as defined in GASB Statement No. 68, of the plan’s pension asset. Statement No. 71 requires the Town to record as a deferred outflow of resources contributions made to the pension plan subsequent to the measurement date of the net pension liability. The impact of the adoption of GASB Statements No. 68 and 71 was to increase the net position at the beginning of the fiscal year by \$190,834.

In addition, during the year, management determined that investments in the Water Fund were overstated in the prior year. The result of the correction was to decrease net position in the Water Fund and the business-type activities by \$833,333.

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Note 3 - Cash, Cash Equivalents and Investments

The composition of the Town's cash, cash equivalents and investments, including restricted cash and investments, on December 31, 2015, is as follows:

Cash, Cash Equivalents and Investments	Fair Value	Weighted Average Maturity Date (in days)	Concentration of Credit Risk
Cash on hand	\$ 3,710	-	N/A
Cash held by County Treasurer	58,528	-	N/A
Cash in financial institution	2,075,419	-	N/A
Certificates of deposit	8,513,811	837	13.8%
U.S. Treasury notes	218,364	317	0.4%
FHLMC	12,537,785	1,332	20.3%
FNMA	16,537,134	1,458	26.9%
Other U.S. instrumentalities	777,789	1,944	1.3%
Municipal bonds	800,085	385	1.3%
Corporate securities	629,165	2,572	1.0%
COLOTRUST	2,477,639	N/A	3.9%
CSAFE	19,283,249	N/A	31.2%
Total cash, cash equivalents and investments	\$ 63,912,678		

Cash, Cash Equivalents and Investments	S&P Rating	Moody Rating
FHLMC	NR to AA+	NR to Aaa
FNMA	NR to AA+	NR to Aaa
Other U.S. instrumentalities	NR to AA+	NR to Aaa
Municipal bonds	AA- to AAA	Aa1 to Aa3
Other municipal bonds	AA- to AA	Aa2
Corporate securities	AA+ to AAA	Aaa
Other corporate securities	NR	NR
COLOTRUST	AAAm	N/A
CSAFE	AAAm	N/A
US Treasury Notes	NR	Aaa

Cash, cash equivalent and investments per the government-wide Statement of Net Position are as follows:

Cash and cash equivalents	\$ 23,828,941
Investments	39,868,605
Restricted cash and cash equivalents	145,528
Cash and cash equivalents - component unit	69,604
Total cash, cash equivalents and investments	\$ 63,912,678

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Note 3 - Cash, Cash Equivalents and Investments (Continued)

Custodial Credit Risk – Deposits

For deposits, custodial credit risk is the risk that in the event of a bank failure, the Town's deposits may not be returned to it. The Town's bank accounts and certificates of deposit as of December 31, 2015 were entirely covered by federal depository insurance or by collateral held by the Town's custodial banks under provisions of the Colorado Public Deposit Protection Act (the "PDPA"). The PDPA requires financial institutions to pledge collateral having a market value of at least 102% of the aggregate public deposits not insured by federal depository insurance. Eligible collateral includes municipal bonds, U.S. government securities, mortgages, and deeds of trust.

Custodial Credit Risk - Investments

For investments, custodial credit risk is the risk that in the event of a failure of a counter party, the Town would not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The Town does not have a specific policy for custodial credit risk. As of December 31, 2015, the Town had no investments exposed to custodial credit risk outside of its investments in the Colorado Secure Assets Fund and COLOTRUST discussed below.

Credit Risk - Investments

State statutes and the Town's investment policies authorize the Town to invest in obligations of the U.S. Treasury and U.S. agencies, obligations of the State of Colorado or of any county, school, authority, and certain towns and cities therein, notes or bonds secured by insured mortgages or trust deeds, obligations of national mortgage associations, and certain repurchase agreements.

Local Government Investment Pools

At December 31, 2015, the Town had invested \$21,760,888 in the Colorado Secure Assets Fund ("CSAFE") and COLOTRUST, local government investment pools established in Colorado to pool surplus funds for investment purposes. These funds operate similarly to a money market fund and each share is equal in value to \$1.00. The designated custodial bank of the pooled investments provides safekeeping and depository services in connection with the direct investment and withdrawal functions of the pooled investments. All securities owned by pooled investments are held by the Federal Reserve Bank in the account maintained for the custodial banks. Investments of pooled investments consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury Notes. The final maturity of any and all securities purchased by pooled investments may not exceed one year. Pooled investments are rated AAAM by Standard & Poor's. The investment policy of CSAFE and COLOTRUST does not include investing in derivatives.

Interest Rate Risk

Colorado Revised Statutes and the Town's investment policies limit investment maturities to five years or less from the date of purchase. This limit on investment maturities is a means of limiting exposure to fair values arising from increasing interest rates. The approximate weighted average yield to maturity for investments held at December 31, 2015 is 1.66% and the weighted average remaining term of investments is approximately 901 days.

TOWN OF **WINDSOR**, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

Note 4 - Receivables

Receivables at December 31, 2015, consist of the following:

<u>Receivables</u>	General	Capital Improvement	Community Center Expansion	Other Governmental	Enterprise	Total
Taxes	\$ 5,115,539	\$ -	\$ -	\$ -	\$ -	\$ 5,115,539
Trade accounts	829,936	498,203	256,911	68,471	508,333	2,161,854
Intergovernmental	88,343	329,062	-	-	1,004,052	1,421,457
Other	-	-	-	188	113,531	113,719
<u>Total</u>	<u>\$ 6,033,818</u>	<u>\$ 827,265</u>	<u>\$ 256,911</u>	<u>\$ 68,659</u>	<u>\$ 1,625,916</u>	<u>\$ 8,812,569</u>

Note 5 - Interfund Transfers and Balances Receivable/Payable

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service funds as debt service payments become due, and (3) use unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations. Contributed capital between the governmental funds and proprietary funds is shown within the transfer line for financial statement presentation.

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Note 5 - Interfund Transfers and Balances Receivable/Payable (Continued)

The following table summarizes interfund transfers for the year ended December 31, 2015:

	Transfers Out						Total
	General Fund	Capital Improvement Fund	Other Governmental Funds	Water Fund	Sewer Fund	Storm Drainage	
Transfers in:							
Governmental funds:							
General	\$ -	\$ -	\$ 25,873	\$ 477,114	\$ 248,084	\$ -	\$ 751,071
Capital Improvement	73,625	-	-	-	-	-	73,625
Other governmental	387,000	-	-	-	-	-	387,000
Total governmental funds:	460,625	-	25,873	477,114	248,084	-	1,211,696
Proprietary funds:							
Enterprise funds:							
Water	-	65,833	-	-	-	151,986	217,819
Storm Drainage	-	504,814	-	-	-	-	504,814
Internal service funds	-	145,080	-	-	-	-	145,080
Total proprietary funds	-	715,727	-	-	-	151,986	867,713
Total transfers	\$ 460,625	\$ 715,727	\$ 25,873	\$ 477,114	\$ 248,084	\$ 151,986	\$ 2,079,409

The Town's interfund receivables and payables at December 31, 2015 (at the fund level) are shown below. These amounts represent short-term receivables and payables. The balances result from (1) the need to cover the temporary negative cash positions in individual funds and (2) to record a loan from the Water Fund to the Capital Improvement Fund for the interchange improvement project at I-25 and State Highway 392. The loan is to be repaid over 20 years at .467% interest and has a balance at December 31, 2015 of \$944,042

Receivable Fund	Payable Fund	Amount
General Fund	Water Fund	\$ 4,899,040
Storm Drainage Fund	Water Fund	1,873,636
Sewer Fund	Water Fund	5,020,306
Sewer Fund	Community Recreation Center Expansion Fund	2,896,768
Internal Service Funds	Community Recreation Center Expansion Fund	234,295
Community Recreation Center Fund	Community Recreation Center Expansion Fund	266,578
Internal Service Funds	Capital Improvement Fund	295,916
Conservation Trust Fund	Capital Improvement Fund	643,864
Park Improvement Fund	Capital Improvement Fund	302,548
General Fund	Capital Improvement Fund	180
Water Fund	Capital Improvement Fund	944,042
Park Improvement Fund	Internal Service Funds	2,378,710
		\$ 19,755,883

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Note 6 - Capital Assets

Capital asset activity for the year ended December 31, 2015 for governmental activities was as follows:

	Beginning Balance	Increases	(Decreases) Transfers	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land and water rights	\$ 2,300,443	\$ -	\$ -	\$ 2,300,443
Construction in progress	807,806	7,946,093	(2,393,797)	6,360,102
Total capital assets, not being depreciated	3,108,249	7,946,093	(2,393,797)	8,660,545
Capital assets, being depreciated:				
Site improvements	11,976,194	374,867	-	12,351,061
Buildings and improvements	20,353,681	-	-	20,353,681
Streets and improvements	71,574,200	2,776,388	-	74,350,588
Parks and improvements	13,633,145	1,396,829	-	15,029,974
Machinery and equipment	10,338,291	1,258,028	(507,389)	11,088,930
Furniture and fixtures	512,279	15,461	-	527,740
Total capital assets, being depreciated	128,387,790	5,821,573	(507,389)	133,701,974
	Ending Balance	Increases	(Decreases) Transfers	Ending Balance
Less accumulated depreciation for:				
Site improvements	(3,890,246)	(580,813)	-	(4,471,059)
Buildings and improvements	(9,124,876)	(790,435)	-	(9,915,311)
Streets and improvements	(32,936,235)	(3,462,729)	-	(36,398,964)
Parks and improvements	(6,265,650)	(619,388)	-	(6,885,038)
Machinery and equipment	(6,549,943)	(1,156,837)	355,144	(7,351,636)
Furniture and fixtures	(443,845)	(13,242)	-	(457,087)
Total accumulated depreciation	(59,210,795)	(6,623,444)	355,144	(65,479,095)
Total capital assets, being depreciated, net	69,176,995	(801,871)	(152,245)	68,222,879
Governmental activities capital assets, net	\$ 72,285,244	\$ 7,144,222	\$ (2,546,042)	\$ 76,883,424

Depreciation expense was charged to function/programs of the Town's governmental activities as follows:

Governmental Activities:	
General government	\$ 554,961
Public safety	277,480
Public works	3,607,245
Parks and recreation	832,441
Community development	277,480
Capital assets held by internal service funds are charged to the various functions based on usage	1,073,837
Total depreciation expense - governmental activities	\$ 6,623,444

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Note 6 - Capital Assets (Continued)

Capital asset activity for the year ended December 31, 2015 for business-type activities was as follows:

	Beginning Balance	Increases	(Decreases) Transfers	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Construction in progress	\$ 4,627,528	\$ 3,681,908	\$ (3,830,062)	\$ 4,479,374
Land and water rights	26,245,814	2,834,950	(8,810)	29,071,954
Total capital assets, not being depreciated	30,873,342	6,516,858	(3,838,872)	33,551,328
Capital assets, being depreciated:				
Utility systems and equipment	82,449,718	5,224,196	(156,122)	87,517,792
	82,449,718	5,224,196	(156,122)	87,517,792
Less accumulated depreciation for:				
Utility systems and equipment	(23,302,205)	(1,982,224)	156,122	(25,128,307)
Total accumulated depreciation	(23,302,204)	(1,982,224)	156,122	(25,128,307)
Total capital assets, being depreciated, net	59,147,514	3,241,972	-	62,389,485
Business-type activities capital assets, net	\$ 90,020,856	\$ 9,758,830	\$ (3,838,872)	\$ 95,940,813

Depreciation expense was charged to function/programs of the Town's business-type activities as follows:

Business-type activities:		
Water		\$ 631,889
Sewer		976,885
Storm drainage		373,450
Total depreciation expense - business-type activities		\$ 1,982,224

Capital asset activity for the Downtown Development Authority, the discretely presented component unit, as of December 31, 2015, is as follows:

	Beginning Balance	Increases	(Decreases)	Ending Balance
Land	\$ 213,809	\$ -	\$ -	\$ 213,809
Site improvements	31,625	-	-	31,625
Total accumulated depreciation	(2,372)	(1,581)	-	(3,953)
Discretely presented component unit capital assets	\$ 240,518	\$ (1,581)	\$ -	\$ 241,481

The Downtown Development Authority charged depreciation expense of \$1,581 as of December 31, 2015.

TOWN OF **WINDSOR**, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

Note 7 - Long-Term Debt

Governmental Activities

Revenue Bonds

On January 24, 2012, the Town issued \$3,705,000 in sales and use tax refunding revenue bonds and defeased the 2002 revenue bonds by placing the proceeds of the new bonds totaling \$3,787,760 (after payment of \$107,184 in underwriting fees, insurance and other issuance costs), in an irrevocable trust to provide for all future debt payments of the old bonds. Accordingly, the trust assets and the liability for the defeased debt are not included in the Town's financial statements. The 2012 sales and use tax refunding revenue bonds are due serially on December 1, with interest from 2.0% to 3.0% payable semiannually; these bonds mature on December 1, 2023.

On June 16, 2015, the Town issued \$16,100,000 in sales and use tax revenue bonds. The 2015 sales and use tax revenue bonds are due serially on December 1, with interest at 5.0% payable semiannually; these bonds mature on December 1, 2034.

USDA Community Facilities Fund

In 2010, the Authority entered into a Letter of Conditions with the United States Department of Agriculture ("USDA"), whereby the Construction Loan entered into in previous years was fully repaid and converted to a term note payable (the "Term Loan"). The Term Loan is payable in monthly principal and interest payments over a 40 year term, accruing interest at an interest rate of 3.75%. The Term Loan matures on December 17, 2050.

A summary of changes in governmental activities long-term debt obligations is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due in One Year
2012 Refunding sales and use tax bonds	\$ 2,855,000	\$ -	\$ (300,000)	\$ 2,555,000	\$ 38,501
2015 sales and use tax bonds	-	16,100,000	-	16,100,000	300,000
USDA Community Facilities Loan	2,859,635	-	(38,501)	2,821,134	39,970
Bond premium	116,316	1,854,911	(22,733)	1,948,494	-
Compensated absences	550,325	791,564	(778,605)	563,284	542,347
Total long-term debt	\$ 6,381,276	\$ 18,746,475	\$ (1,139,839)	\$ 23,987,912	\$ 920,818

Compensated absences for governmental activities have typically been liquidated in the General Fund.

TOWN OF **WINDSOR**, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

Note 7- Long-Term Debt (Continued)

The annual requirements to amortize governmental activities debt outstanding as of December 31, 2015, are as follows:

Year Ending December 31	Principal	Interest	Total
2016	\$ 874,970	\$ 971,485	\$ 1,846,455
2017	906,495	947,160	1,853,655
2018	948,078	910,852	1,858,930
2019	994,721	870,459	1,865,180
2020	1,036,427	828,053	1,864,480
2021 - 2025	4,900,098	3,458,552	8,358,650
2026 - 2030	5,058,645	2,327,195	7,385,840
2031 - 2035	5,103,218	952,432	6,055,650
2036 - 2040	456,085	269,315	725,400
2041 - 2045	549,983	175,417	725,400
2046 - 2050	647,414	62,201	709,615
Total	\$ 21,476,134	\$ 11,773,121	\$ 33,249,255

Business-type Activities

Colorado Water Conservation Board (“CWCB”) Loans

On January 16, 2009, Greenspire Metropolitan District Nos. 1-3, each a quasi-municipal corporation and political subdivision of the State of Colorado (“Greenspire”), contributed to the Town all remaining shares in the Kern Reservoir, totaling 14 shares, resulting in the Town’s ownership of 100% of all outstanding shares of the Kern Reservoir. The estimated fair market value of the Kern Reservoir was \$4,500,000. In prior years, the Town had capitalized \$2,453,833 related to previously donated shares. In connection with the transfer of the shares, Greenspire also transferred two debt instruments related to the Kern Reservoir, with a combined principal balance due of \$4,241,556, payable to CWCB accruing interest at 5.1% payable in equal annual combined installments of \$303,972, with a maturity date of November 1, 2033. The balance outstanding as of December 31, 2015 was \$3,525,710.

In January 2014, the Town entered into an additional loan agreement with the CWCB for the Kyger Reservoir Project for a principal amount of \$4,545,000. The loan accrues interest at 2.75% and includes a service fee of 1% of the project amount. Principal and interest shall be payable in equal loan payments, with the first payment due and payable one year from the date in which the CWCB determines the Project is substantially complete and annual thereafter. The outstanding loan balance as of December 31, 2015 was \$4,545,000.

Water Pollution Control Revolving Loan

In November 2011, the Town entered into a loan agreement (the “Agreement”) with the Colorado Water Resource and Power Development Authority (“CWR&PDA”) for a principal amount of \$2,615,000, plus a premium of \$495,543 for total proceeds of \$3,110,543. The loan accrues interest at 1.94% and is payable in semi-annual principal and interest payments, beginning on February 1, 2014 with a maturity date of August 1, 2027. The loan is secured by the net revenues of the ownership and operation of the sanitary sewer collection and treatment system, as defined within the Agreement. The outstanding loan balance as of December 31, 2015 was \$2,390,895.

TOWN OF **WINDSOR**, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

Note 7 - Long-Term Debt (Continued)

A summary of changes in business-type activities long-term debt obligations is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due in One Year
CWCB Loans	\$ 8,188,848	\$ -	\$ (118,136)	\$ 8,070,712	\$ 124,162
CWR&PDA Loan	2,575,268	-	(184,373)	2,390,895	190,320
Compensated absences	61,555	23,105	(55,714)	28,946	19,394
Total long-term debt	\$ 6,572,013	\$ 23,105	\$ (358,223)	\$ 10,490,553	\$ 333,876

The annual requirements to amortize all business-type activities debt outstanding as of December 31, 2015, are as follows:

Year Ending December 31	Principal	Interest	Total
2016	\$ 314,482	\$ 205,687	\$ 520,169
2017	320,813	195,601	516,414
2018	327,469	185,540	513,009
2019	340,410	175,595	516,005
2020	347,762	166,934	514,696
2021-2025	1,880,732	683,183	2,563,915
2026-2030	1,558,697	400,696	1,959,393
2031-2033	826,242	85,674	911,916
Total	\$ 5,916,607	\$ 2,098,910	\$ 8,015,517

The above table does not include the future maturities for the Kyger Reservoir Project loan as the maturity will not be determined until one year after the project is complete.

Note 8 - Employees' Retirement Plans

Defined Contribution Plan - The Town contributes to a single-employer defined contribution money purchase pension plan (the "Employees' Retirement Plan") on behalf of its employees. The contribution requirements of Plan participants and the Town are established and may be amended by the Town Board. The Plan is administered by the ICMA Retirement Corporation ("ICMA-RC") and is a qualified Section 401(a) plan.

A defined contribution pension plan has terms that specify how contributions to an individual's account are to be determined rather than the amount of pension benefits the individual is to receive. In a defined contribution plan, the pension benefits a participant will receive depend only on the amount contributed to the plan plus earnings on investments of those contributions.

All full-time employees who have been employed at least one year are eligible to participate in the Employees' Retirement Plan. The Town contributes 3% of the employee's annual salary to the Plan. In addition, if the employee chooses to contribute 2% of their annual salary to the Town's 457 Deferred Compensation Retirement Plan (the "457 Plan"), the Town contributes an additional 2% to the Employees' account for a total Town contribution of 5%.

TOWN OF **WINDSOR**, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

Note 8 - Employees' Retirement Plans (Continued)

As of December 31, 2015, there were 88 plan members. The following table shows payroll and contribution related data for the years ending December, 31:

Year	Total Payroll	Total Covered Payroll	Town Contribution
2015	\$ 7,169,699	\$ 5,599,763	\$ 259,378
2014	6,694,100	5,021,942	236,624
2013	6,287,719	6,028,553	234,779

Defined Benefit Police Pension Plan The Town contributes to the Supplemental Social Security Employers portion of the Statewide Defined Benefit Plan, a cost-sharing multiple-employer defined benefit pension plan administered by FPPA. The Statewide Defined Benefit Plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for members through the Statewide Death and Disability Plan, which is also administered by the FPPA. This is a non-contributory plan. All sworn police officers of the Town are members of the Plan. Title 31, Article 30 of the CRS, as amended, assigns the authority to establish benefit provisions to the state legislature.

FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for both the Statewide Defined Benefit Plan and the Statewide Death and Disability Plan. That report may be obtained by calling or writing to FPPA.

Benefits Provided. The annual normal retirement benefit is 2 percent of the average of the member's highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually. Effective January 1, 2007, members currently covered under Social Security will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefits paid to retired members are evaluated and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index.

In addition, upon retirement a member may receive additional benefits credited to the member's "Separate Retirement Account" each year after January 1, 1988. These are attributable to contributions in excess of the actuarially determined pension cost and the allocation of the net Fire & Police Members' Benefit Investment Fund earnings and losses thereon. Members do not vest in amounts credited to their Separate Retirement Account until retirement, and the Plan may use such stabilization reserve amounts to reduce pension cost in the event such cost exceeds contributions. It was previously mentioned that reentry members have a higher contribution rate. As a result their Separate Retirement Account (SRA) has two components; the standard SRA and the reentry SRA. The component of a member's SRA attributable to the higher contribution rate is considered the reentry SRA. The reentry SRA cannot be used to subsidize the costs for the non-reentry members. Effective July 1, 2014, the standard Separate Retirement Account contribution rate for members of the Fire & Police Statewide Defined Benefit Plan was set at 0 percent. The reentry Separate Retirement Account contribution rate was set at 3.60 percent.

A member is eligible for an early retirement at age 50 or after 30 years of service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' base salary for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Note 8 - Employees' Retirement Plans (Continued)

A member may elect to participate in the deferred retirement option plan (DROP) after reaching eligibility for normal retirement, early retirement, or vested retirement and age 55. A member can continue to work while participating in the DROP, but must terminate employment within 5 years of entry into DROP. The member's percentage of retirement benefit is determined at the time of entry into the DROP. The monthly payments that begin at entry into the DROP are accumulated in a DROP account until the member terminates service, at which time the DROP accumulated benefits can be paid as periodic installments, a lump sum, or if desired, a member may elect to convert the DROP to a lifetime monthly benefit with survivor benefits. While participating in the DROP, the member continues to make pension contributions that are credited to the DROP. Effective January 1, 2003, the member shall self-direct the investments of their DROP funds. The DROP balance invested with the asset custodian at December 31, 2014 was \$50,095,678. This amount was not included in the SWDB Plan Net Position.

Contributions. The Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for this Plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or by election of the membership.

Members of this Plan and their employers are contributing at the rate of 8 percent of base salary for a total contribution rate of 16 percent through 2014. In 2014, the members elected to increase the member contribution rate to the Plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of base salary. Employer contributions will remain at 8 percent resulting in a combined contribution rate of 20 percent in 2022.

Contributions from members and employers of plans re-entering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 20 percent of base salary through 2014. Per the 2014 member election, the reentry group will also have their required member contribution rate increase 0.5 percent annually beginning in 2015 through 2022 for a total combined member and employer contribution rate of 24 percent.

The contribution rate for members and employers of affiliated social security employers is 4 percent of base salary for a total contribution rate of 8 percent effective January 1, 2007 through 2014. Per the 2014 member election, the affiliated social security group will also have their required member contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6 percent of base salary. Employer contributions will remain at 4 percent resulting in a combined contribution rate of 10 percent in 2022.

Contributions to the Plan from the Town were \$62,552 for the year ended December 31, 2015.

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

At December 31, 2015, the Town reported an asset of \$174,070 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date. The Town's proportion of the net pension asset was based on a projection of the Town's long-term share of contributions to the pension plan relative to the projected contributions of all participating Departments, actuarially determined. At December 31, 2014, the Town's proportion was 0.15424 percent, which was an increase of 0.00288 percent from its proportion measured as of December 31, 2013.

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Note 8 - Employees' Retirement Plans (Continued)

For the year ended December 31, 2015, the Town recognized pension expense of \$53,597. At December 31, 2015, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 3,586
Net difference between projected and actual earnings on pension plan investments	13,724	-
Changes in proportionate share of contributions	-	2,329
City contributions subsequent to the measurement date	62,552	-
	\$ 76,276	\$ 5,915

\$62,552 reported as deferred outflows of resources related to pensions resulting from Town contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended December 31,	Amortization
2016	\$ 2,811
2017	2,811
2018	2,811
2019	2,811
2020	(620)
Thereafter	(2,815)
	\$ 7,809

Actuarial assumptions. The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Investment rate of return	7.5 percent, compounded annually net of operating expenses, and including inflation
Projected salary increases	4.0 – 14.0 percent
Cost of Living Adjustment	0.0 percent
Inflation	3.0 percent

Mortality rates were based on the RP-2000 Combined Mortality Table with Blue Collar Adjustment projected with Scale AA, 40 percent multiplier for off-duty mortality. On-duty related mortality is assumed to be 0.00020 per year for all members.

The actuarial assumptions used in the January 1, 2014 valuation were based on the results of an actuarial experience study for the period January 1, 2007–December 31, 2011. As a result of the 2011 actuarial experience study, the main actuarial factor changes were:

- Reduced the inflation assumption from 3.5 percent to 3.0 percent.
- Reduced the normal investment return assumption from 8.0 percent to 7.5 percent.

TOWN OF **WINDSOR**, COLORADO
 NOTES TO FINANCIAL STATEMENTS
 December 31, 2015

Note 8 - Employees' Retirement Plans (Continued)

- Revised the post-retirement mortality tables to reflect increased longevity.

Asset Class	Target Allocation	Long Term Expected Rate of Return
Global Equity	40%	8.9%
Equity Long/Short	10%	7.5%
Illiquid Alternatives	18%	10.5%
Fixed Income	15%	4.6%
Absolute Return	12%	6.5%
Managed Futures	4%	5.5%
Cash	1%	2.5%
Total	100%	

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are 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. Best estimates of arithmetic real rates of return for each major asset class included in the Plans target asset allocation as of December 31, 2014, are summarized in the above table.

Discount rate. The discount rate used to measure the total pension liability was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Fire & Police Pension Association Board of Director's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the Plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Town's proportionate share of the net pension liability to changes in the discount rate. The following presents the Town's proportionate share of the net pension liability/(asset) calculated using the discount rate of 7.50 percent, as well as what the Town's proportionate share of the net pension liability/(asset) would be if it were calculated using a discount rate that is 1-percentage point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1.00% Decrease*	Current Discount Rate*	1.00% Increase*
Town's proportionate share of the net pension liability/(asset)	\$164,115	\$(174,070)	\$(456,160)

* The long-term rate of return used was 7.5 percent. The municipal bond rate used was 3.65 percent. The single discount rate for the plans was 7.50 percent.

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position is available in the separately issued Fire & Police Pension Association of Colorado financial report.

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Note 9 - Contingency

The Town is self insured for property and liability insurance. In order to mitigate risk, the Town is a member of the Colorado Intergovernmental Risk Sharing Agency (“CIRSA”) and Colorado Intergovernmental Risk Sharing Agency Workmen's Compensation (“CIRSA/WC”). CIRSA and CIRSA/WC have a legal obligation for claims against their members to the extent that funds are available in their annually established loss fund and amounts are available from insurance providers under excess specific and aggregate insurance contracts. Losses incurred in excess of loss funds and amounts recoverable from excess insurance are direct liabilities of the participating members. CIRSA and CIRSA/WC have indicated that the amount of any excess losses would be billed to members in proportion to their contributions in the year such excess occurs, although they are not legally required to do so. Additionally, the Town may receive credit on future contributions in the event of a surplus.

The ultimate liability to the Town resulting from claims not covered by CIRSA and CIRSA/WC is not presently determinable. Management is of the opinion that the final outcome of such claims, if any, will not have a material adverse effect on the Town's financial statements.

Note 10 - Risk Management

CIRSA has entered into various excess insurance contracts to limit large losses and minimize exposure on large risks. Excess of loss contracts in effect during 2008 limit CIRSA’s per occurrence exposure to \$1,000,000 for property coverage, \$1,000,000 for excess property coverage and provide coverage to specified upper limits. The excess of loss contract for workers’ compensation coverage limits CIRSA’s per occurrence exposure to \$500,000 for 2009 and provides coverage in statutory limits for the State of Colorado. The Town’s 2015 contributions were \$211,659 and \$168,401 and share of equity at December 31, 2015, amounted to approximately \$291,671 and \$271,060 for the property and casualty pool and the workers’ compensation pool, respectively.

Note 11 - Taxes, Spending, and Debt Limitations

In November 1992, Colorado voters passed an amendment (the “Amendment” or “TABOR”) to the State Constitution (Article X, Section 20) which limits the revenue raising and spending abilities of state and local governments. The limits on property taxes, revenue, and “fiscal year spending” include allowable annual increases tied to inflation and local growth in construction valuation. Fiscal year spending, as defined by the Amendment, excludes spending from certain revenue and financing sources such as federal funds, gifts, property sales, fund transfers, damage awards, and fund reserve (balances). The Amendment requires voter approval for any increase in mill levy or tax rates, new taxes, or creation of multi-year debt. Revenue earned in excess of the “spending limit” must be refunded or approved to be retained by the Town under specified voting requirements by the entire electorate.

The Amendment also requires local governments to establish emergency reserves to be used for declared emergencies only. Emergencies, as defined by the amendment, exclude economic conditions, revenue shortfalls, or salary or fringe benefit increase. These reserves are required to be 3% or more of fiscal year spending (excluding bonded debt service). The Town has restricted \$721,444 for this purpose.

On April 6, 2004, the voting citizens of the Town of Windsor authorized the Town “to retain and expend all revenues generated in 2003 and each year thereafter for the purposes of police protection; parks and recreation capital projects and maintenance thereof; construction, reconstruction and maintenance of streets; capital equipment purchases; capital improvements; and debt service payments, notwithstanding any restriction on fiscal year spending, including, without limitation, the restrictions of Article X, Section 20, of the Colorado Constitution, or other laws of the State of Colorado.” This effectively removed all revenue and spending limits imposed by TABOR.

The Town believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of its provisions will require Judicial interpretation.

TOWN OF **WINDSOR**, COLORADO
NOTES TO FINANCIAL STATEMENTS
December 31, 2015

Note 12 - Commitments

The Town has contractual commitments and estimated costs to complete construction projects in progress totaling approximately \$13.3 million for various projects, including the Community Recreation Center expansion, Law Bain Master Channel, Sewer Nutrient Project, Coyote Gulch Park, and road and concrete projects.

Note 13 – Violation of State Statutes

During the year ended December 31, 2015, expenditures exceeded budget appropriations by \$1,142 in the Facility Services Fund, \$188 in the Windsor Building Authority Fund which may be in violation of state statutes.

Note 14 - Subsequent Events

Management of the Town has evaluated subsequent events through **June 30, 2016**, the date that the financial statements were available to be issued. No transactions or events that would require adjustment to, or disclosure in the financial statements were identified.

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REQUIRED SUPPLEMENTARY INFORMATION
GENERAL FUND BUDGETARY COMPARISON SCHEDULE
SCHEDULE OF THE TOWN'S PROPRIORATE SHARE OF NET PENSION ASSET
SCHEDULE OF TOWN'S CONTRIBUTIONS

These financial statement presents budget and actual comparisons for the Town's General Fund. In addition, it presents schedules for the Town's proportionate share of the net pension asset and Town contributions for the Town's defined benefit pension plan.



TOWN OF **WINDSOR**, COLORADO
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Taxes and assessments	\$ 10,037,302	\$ 10,037,302	\$ 10,605,882	\$ 568,580
Licenses and permits	281,309	281,309	374,400	93,091
Intergovernmental	1,122,651	1,122,651	1,064,629	(58,022)
Grants and contributions	-	-	5,789	5,789
Charges for services	1,076,189	1,076,189	1,159,138	82,949
Fines and forfeitures	173,721	173,721	193,292	19,571
Earnings on investments	30,914	30,914	54,987	24,073
Miscellaneous	105,538	105,538	236,336	130,798
<u>Total revenues</u>	<u>12,827,624</u>	<u>12,827,624</u>	<u>13,694,453</u>	<u>866,829</u>
<u>Expenditures</u>				
General government				
Legislative	339,035	339,035	369,968	(30,933)
Judicial	19,623	19,623	18,337	1,286
Administrative and finance	2,164,511	2,164,511	2,096,204	68,307
Town clerk	639,239	639,239	605,663	33,576
Public safety	3,122,689	3,122,689	3,187,567	(64,878)
Public works				
Streets and alleys	1,574,159	1,574,159	1,590,478	(16,319)
Administration	1,222,879	1,222,879	1,033,791	189,088
Cemetery	128,885	128,885	108,048	20,837
Engineering	743,073	743,073	748,076	(5,003)
Parks and recreation	3,092,421	3,092,421	3,277,438	(185,017)
Community development	208,075	369,401	363,544	5,857
Safety and loss control	16,760	16,760	4,844	11,916
<u>Total expenditures</u>	<u>13,271,349</u>	<u>13,432,675</u>	<u>13,403,958</u>	<u>28,717</u>
<u>Revenues over (under) expenditures</u>	<u>(443,725)</u>	<u>(605,051)</u>	<u>290,495</u>	<u>895,546</u>
<u>Other financing uses</u>				
Transfers in	751,071	751,071	751,071	-
Transfers out	(469,500)	(469,500)	(460,625)	8,875
<u>Total other financing uses</u>	<u>281,571</u>	<u>281,571</u>	<u>290,446</u>	<u>8,875</u>
<u>Net change in fund balances</u>	<u>\$ (162,154)</u>	<u>\$ (323,480)</u>	<u>580,941</u>	<u>\$ 904,421</u>
<u>Fund balance at beginning of year</u>			<u>8,174,221</u>	
<u>Fund balance at end of year</u>			<u>\$ 8,755,162</u>	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
GENERAL FUND
NOTE TO BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2015

Note 1 – Budgetary Information

Colorado law requires that all funds have legally adopted budgets and total expenditures for each fund cannot exceed the amount appropriated. The fund level of classification is the level of classification at which expenditures may not legally exceed appropriations. Note 1 to the financial statements describes the budget process.

An annual budget and appropriation ordinance is adopted by the Board of Trustees in accordance with Colorado state statutes. Budgets are adopted on a basis consistent with GAAP, except for the following: proceeds from long-term debt are budgeted as revenue in the proprietary funds; note, lease and bond principal payments are budgeted as expenses in the proprietary funds; and purchases of capital assets are budgeted as capital outlay expenses in the proprietary funds.

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See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY/(ASSET)
 Last Ten Years

	2015	2014
FPPA - Defined Benefit Plan		
Town's proportion of the net pension liability/(asset)	\$ (174,070)	\$ (190,834)
Town's proportionate share of the net pension liability/(asset)	0.1542%	0.1514%
Town's covered-employee payroll	\$ 1,605,714	\$ 1,509,394
City's proportionate share of the net pension liability/(asset) as a percentage of its covered-employee payroll	10.84%	12.64%
Plan fiduciary net position as a percentage of the total pension	106.80%	105.80%

* The amounts presented for each fiscal year were determined as of December 31 of the prior year.

Information for the prior eight years was not available to report.

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See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
SCHEDULE OF THE TOWN'S CONTRIBUTIONS
 Last Ten Years

	2015	2014	2013
FPPA - Defined Benefit Plan			
Statutorily Required Contribution	\$ 62,552	\$ 55,706	\$ 52,594
Contributions in Relation to the Statutorily Required Contribution	62,552	55,706	52,594
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
Covered employee payroll	\$ 1,835,051	\$ 1,605,714	\$ 1,509,394
Contributions as a Percentage of Covered Employee Payroll	3.41%	3.47%	3.48%
Information for the prior seven years was not available to report.			

Notes to Schedule

Changes in plan provisions. The plan provisions have not changed since the prior valuation. The member contribution rate will increase in 2015 as a result of the member election.

Benefit Adjustments. Benefits to members and beneficiaries may be increased annually on October 1. The amount is based on the Fire & Police Pension Association Board of Directors discretion and can range from 0 percent to 3 percent. Benefit adjustment may begin once the retired member has been receiving retirement benefits for at least 12 calendar months prior to October 1.

Changes of assumptions. Beginning in the January 1, 2014 actuarial valuation, the married assumption for active members was increased from 80 percent to 85 percent to reflect the passage of the Colorado Civil Union Act.

See accompanying independent auditor's report.

OTHER SUPPLEMENTARY INFORMATION
COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES

These financial statements present more detailed information, such as combining statements for the nonmajor governmental funds, budget and actual comparisons for remaining funds, and individual nonmajor funds in a format that segregates information by fund type.



TOWN OF **WINDSOR**, COLORADO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2015

	Park Improvement Fund	Community Recreation Center Fund	Conservation Trust Fund	Total
<u>ASSETS</u>				
Cash and cash equivalents	\$ 60,719	\$ 5,930	\$ 83,071	\$ 149,720
Accounts receivable	-	68,471	-	68,471
Interfund receivable	2,681,258	266,578	643,864	3,591,700
<u>Total assets</u>	<u>2,741,977</u>	<u>340,979</u>	<u>726,935</u>	<u>3,809,891</u>
<u>LIABILITIES</u>				
Accounts payable	90,747	1,234	1,262	93,243
Accrued liabilities	-	18,293	-	18,293
<u>Total liabilities</u>	<u>90,747</u>	<u>19,527</u>	<u>1,262</u>	<u>111,536</u>
<u>Fund balances</u>				
Restricted for emergencies	\$30,243	-	-	30,243
Restricted for parks and recreation	-	-	725,673	725,673
Assigned for parks and recreation	2,620,987	321,452	-	2,942,439
<u>Total fund balances</u>	<u>2,651,230</u>	<u>321,452</u>	<u>725,673</u>	<u>3,698,355</u>
<u>Total liabilities and fund balances</u>	<u>\$ 2,741,977</u>	<u>\$ 340,979</u>	<u>\$ 726,935</u>	<u>\$ 3,809,891</u>

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
COMBINING REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended December 31, 2015

	Park Improvement Fund	Community Recreation Center Fund	Conservation Trust Fund	Total
<u>Revenues</u>				
Taxes and assessments	\$ -	\$ 643,572	\$ -	\$ 643,572
Intergovernmental	150,665		205,973	356,638
Charges for services	1,007,655	66,389		1,074,044
Earnings on investments	455	58	154	667
<u>Total revenues</u>	<u>1,158,775</u>	<u>710,019</u>	<u>206,127</u>	<u>2,074,921</u>
<u>Expenditures</u>				
Current:				
Parks and recreation	-	670,259	-	670,259
Debt service				
Principal	-	300,000	-	300,000
Interest	-	81,275	-	81,275
Capital outlay	1,327,083	-	39,436	1,366,519
<u>Total expenditures</u>	<u>1,327,083</u>	<u>1,051,534</u>	<u>39,436</u>	<u>2,418,053</u>
<u>Revenues over expenditures</u>	<u>(168,308)</u>	<u>(341,515)</u>	<u>166,691</u>	<u>(343,132)</u>
<u>Other financing sources (uses)</u>				
Transfers in	-	387,000	-	387,000
Transfers out	(25,873)	-	-	(25,873)
<u>Total other financing sources (uses)</u>	<u>(25,873)</u>	<u>387,000</u>	<u>-</u>	<u>361,127</u>
<u>Net changes in fund balances</u>	<u>(194,181)</u>	<u>45,485</u>	<u>166,691</u>	<u>17,995</u>
<u>Fund balance at beginning of year</u>	<u>2,845,411</u>	<u>275,967</u>	<u>558,982</u>	<u>3,680,360</u>
<u>Fund balance at end of year</u>	<u>\$ 2,651,230</u>	<u>\$ 321,452</u>	<u>\$ 725,673</u>	<u>\$ 3,698,355</u>

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
CAPITAL IMPROVEMENT FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Taxes and assessments	\$ 5,722,187	\$ 5,722,187	\$ 5,999,454	\$ 277,267
Intergovernmental	-	-	550,567	550,567
Grants and contributions	3,174,305	4,797,379	649,775	(4,147,604)
Earnings on investments	67,572	67,572	146,655	79,083
Miscellaneous	95,000	95,000	276,662	181,662
<u>Total revenues</u>	<u>9,059,064</u>	<u>10,682,138</u>	<u>7,623,113</u>	<u>(3,059,025)</u>
<u>Expenditures</u>				
Small equipment and maintenance	2,490,143	2,490,143	1,982,266	507,877
Capital outlay	4,934,841	6,557,915	2,175,907	4,382,008
Debt service	110,000	110,000	-	110,000
<u>Total expenditures</u>	<u>7,534,984</u>	<u>9,158,058</u>	<u>4,158,173</u>	<u>4,999,885</u>
<u>Revenues over (under) expenditures</u>	<u>1,524,080</u>	<u>1,524,080</u>	<u>3,464,940</u>	<u>1,940,860</u>
<u>Other financing sources (uses)</u>				
Transfers in	82,500	82,500	73,625	(8,875)
Transfers out	(715,727)	(715,727)	(715,727)	-
<u>Total other financing sources (uses)</u>	<u>(633,227)</u>	<u>(633,227)</u>	<u>(642,102)</u>	<u>(8,875)</u>
<u>Net change in fund balance</u>	<u>\$ 890,853</u>	<u>\$ 890,853</u>	<u>2,822,838</u>	<u>\$ 1,931,985</u>
<u>Fund balance at beginning of year</u>			<u>9,436,231</u>	
<u>Fund balance at end of year</u>			<u>\$ 12,259,069</u>	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
COMMUNITY RECREATION CENTER EXPANSION FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Taxes and assessments	\$ 1,688,815	\$ 1,688,815	\$ 2,358,653	\$ 669,838
Earnings on investments	135,000	135,000	19,370	(115,630)
<u>Total revenues</u>	<u>1,823,815</u>	<u>1,823,815</u>	<u>2,378,023</u>	<u>554,208</u>
<u>Expenditures</u>				
Capital outlay	9,485,594	9,485,594	5,379,561	4,106,033
Debt service:				
Interest	-	333,165	333,165	-
Debt issuance costs	-	-	237,578	(237,578)
<u>Total expenditures</u>	<u>9,485,594</u>	<u>9,818,759</u>	<u>5,950,304</u>	<u>3,868,455</u>
<u>Revenues under expenditures</u>	<u>(7,661,779)</u>	<u>(7,994,944)</u>	<u>(3,572,281)</u>	<u>4,422,663</u>
<u>Other financing uses</u>				
Bond proceeds	16,100,000	16,100,000	16,100,000	-
Premium on bonds	-	1,605,289	1,854,911	249,622
<u>Total other financing uses</u>	<u>16,100,000</u>	<u>17,705,289</u>	<u>17,954,911</u>	<u>249,622</u>
<u>Net change in fund balance</u>	<u>\$ 8,438,221</u>	<u>\$ 9,710,345</u>	<u>14,382,630</u>	<u>\$ 4,672,285</u>
<u>Fund balance at beginning of year</u>			<u>-</u>	
<u>Fund balance at end of year</u>			<u>\$ 14,382,630</u>	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
PARK IMPROVEMENT FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Charges for services	\$ 1,391,043	\$ 1,391,043	\$ 1,007,655	\$ (383,388)
Intergovernmental	100,154	100,154	150,665	50,511
Earnings on investments	317	317	455	138
<u>Total revenues</u>	<u>1,491,514</u>	<u>1,491,514</u>	<u>1,158,775</u>	<u>(332,739)</u>
<u>Expenditures</u>				
Parks and recreation	11,000	11,000	9,000	2,000
Capital outlay	1,473,602	1,473,602	1,318,083	155,519
<u>Total expenditures</u>	<u>1,484,602</u>	<u>1,484,602</u>	<u>1,327,083</u>	<u>157,519</u>
<u>Revenues over expenditures</u>	6,912	6,912	(168,308)	(175,220)
Transfers out	(25,873)	(25,873)	(25,873)	-
<u>Net change in fund balance</u>	<u>\$ (18,961)</u>	<u>\$ (18,961)</u>	(194,181)	<u>\$ (175,220)</u>
<u>Fund balance at beginning of year</u>			<u>2,845,411</u>	
<u>Fund balance at end of year</u>			<u>\$ 2,651,230</u>	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
COMMUNITY RECREATION CENTER FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Taxes and assessments	\$ 564,549	\$ 564,549	\$ 643,572	\$ 79,023
Charges for services	53,717	53,717	66,389	12,672
Earnings on investments	39	39	58	19
<u>Total revenues</u>	<u>618,305</u>	<u>618,305</u>	<u>710,019</u>	<u>91,714</u>
<u>Expenditures</u>				
Personal services	315,317	315,317	263,582	51,735
Operating and maintenance	428,984	428,984	406,677	22,307
Debt service	381,275	381,275	381,275	-
<u>Total expenditures</u>	<u>1,125,576</u>	<u>1,125,576</u>	<u>1,051,534</u>	<u>74,042</u>
<u>Revenues under expenditures</u>	<u>(507,271)</u>	<u>(507,271)</u>	<u>(341,515)</u>	<u>165,756</u>
<u>Other financing uses</u>				
Transfers in	387,000	387,000	387,000	-
<u>Total other financing uses</u>	<u>387,000</u>	<u>387,000</u>	<u>387,000</u>	<u>-</u>
<u>Net change in fund balance</u>	<u>\$ (120,271)</u>	<u>\$ (120,271)</u>	<u>45,485</u>	<u>\$ 165,756</u>
<u>Fund balance at beginning of year</u>			<u>275,967</u>	
<u>Fund balance at end of year</u>			<u>\$ 321,452</u>	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
CONSERVATION TRUST FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Intergovernmental	\$ 198,560	\$ 198,560	\$ 205,973	\$ 7,413
Earnings on investments	94	94	154	60
<u>Total operating revenues</u>	<u>198,654</u>	<u>198,654</u>	<u>206,127</u>	<u>7,473</u>
<u>Expenditures</u>				
Capital outlay	423,392	423,392	39,436	383,956
<u>Total operating expenditures</u>	<u>423,392</u>	<u>423,392</u>	<u>39,436</u>	<u>383,956</u>
<u>Net change in fund balance</u>	<u>\$ (224,738)</u>	<u>\$ (224,738)</u>	166,691	<u>\$ 391,429</u>
<u>Fund balance at beginning of year</u>			<u>558,982</u>	
<u>Fund balance at end of year</u>			<u>\$ 725,673</u>	

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See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
WATER FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Charges for services	\$ 3,215,288	\$ 3,215,288	\$ 3,451,293	\$ 236,005
Miscellaneous	588,732	1,570,991	1,905,688	334,697
<u>Total operating revenues</u>	<u>3,804,020</u>	<u>4,786,279</u>	<u>5,356,981</u>	<u>570,702</u>
<u>Budgetary expenditures</u>				
Wages and benefits	250,273	250,273	161,601	88,672
Operating and maintenance costs	2,716,811	2,716,811	2,612,340	104,471
Interest	185,836	185,836	185,836	-
Principal paid	118,136	118,136	118,136	-
Capital outlay	4,149,854	6,919,781	5,407,130	1,512,651
<u>Total budgetary expenditures</u>	<u>7,420,910</u>	<u>10,190,837</u>	<u>8,485,043</u>	<u>1,705,794</u>
<u>Operating revenues over (under) budgetary expenditures</u>	<u>(3,616,890)</u>	<u>(5,404,558)</u>	<u>(3,128,062)</u>	<u>2,276,496</u>
<u>Nonoperating revenue</u>				
Earnings on investments	232,229	232,229	371,031	138,802
<u>Total nonoperating revenue</u>	<u>232,229</u>	<u>232,229</u>	<u>371,031</u>	<u>138,802</u>
<u>Income (loss) before contributions and transfers</u>	<u>(3,384,661)</u>	<u>(5,172,329)</u>	<u>(2,757,031)</u>	<u>2,415,298</u>
Transfers in	217,819	217,819	217,819	-
Transfers out	(477,114)	(477,114)	(477,114)	-
Grants and contributions	95,000	95,000	209,785	114,785
Contributed capital	1,140,534	3,300,653	3,503,114	202,461
<u>Income budgetary basis</u>	<u>\$ (2,408,422)</u>	<u>\$ (2,035,971)</u>	<u>696,573</u>	<u>\$ 2,732,544</u>
<u>Reconciliation to GAAP basis</u>				
Depreciation			(631,889)	
Principal paid			118,136	
Capital outlay			5,407,130	
<u>Change in net position - GAAP basis</u>			<u>5,589,950</u>	
<u>Net position at beginning of year (restated)</u>			<u>57,331,028</u>	
<u>Net position at end of year</u>			<u>\$ 62,920,978</u>	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
SEWER FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Operating revenues</u>				
Charges for services	\$ 1,733,621	\$ 1,733,621	\$ 1,997,705	\$ 264,084
Miscellaneous	44,003	44,003	22,784	(21,219)
<u>Total operating revenues</u>	<u>1,777,624</u>	<u>1,777,624</u>	<u>2,020,489</u>	<u>242,865</u>
<u>Budgetary expenditures</u>				
Wages and benefits	341,810	341,810	343,259	(1,449)
Operating and maintenance costs	903,701	903,701	879,832	23,869
Interest	48,023	48,023	48,023	-
Principal paid	184,373	184,373	184,373	-
Capital outlay	1,029,630	1,984,568	1,364,228	620,340
<u>Total budgetary expenditures</u>	<u>2,507,537</u>	<u>3,462,475</u>	<u>2,819,715</u>	<u>642,760</u>
<u>Operating revenues over (under) budgetary expenditures</u>	<u>(729,913)</u>	<u>(1,684,851)</u>	<u>(799,226)</u>	<u>885,625</u>
<u>Nonoperating revenues</u>				
Earnings on investments	2,130	2,130	2,654	524
Other income	-	-	63,273	63,273
<u>Total nonoperating revenues</u>	<u>2,130</u>	<u>2,130</u>	<u>65,927</u>	<u>63,797</u>
<u>Income (loss) before contributions and transfers</u>	<u>(727,783)</u>	<u>(1,682,721)</u>	<u>(733,299)</u>	<u>949,422</u>
Transfers out	(248,084)	(248,084)	(248,084)	-
Grants	1,027,000	1,027,000	691,962	(335,038)
Contributed capital	905,079	1,378,157	1,517,276	139,119
<u>Income budgetary basis</u>	<u>\$ 956,212</u>	<u>\$ 474,352</u>	<u>1,227,855</u>	<u>\$ 753,503</u>
<u>Reconciliation to GAAP basis</u>				
Depreciation			(976,885)	
Principal paid			184,373	
Capital outlay			1,364,228	
<u>Change in net position - GAAP basis</u>			<u>1,799,571</u>	
<u>Net position at beginning of year</u>			<u>31,666,027</u>	
<u>Net position at end of year</u>			<u>\$ 33,465,598</u>	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
STORM DRAINAGE FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Operating revenues</u>				
Charges for services	\$ 333,867	\$ 333,867	\$ 335,988	\$ 2,121
Miscellaneous	-	-	70,912	70,912
<u>Total operating revenues</u>	<u>333,867</u>	<u>333,867</u>	<u>406,900</u>	<u>73,033</u>
<u>Budgetary expenditures</u>				
Wages and benefits	16,401	16,401	19,094	(2,693)
Operating and maintenance costs	268,164	268,164	202,438	65,726
Capital outlay	3,868,144	4,083,328	2,268,522	1,814,806
<u>Total budgetary expenditures</u>	<u>4,152,709</u>	<u>4,367,893</u>	<u>2,490,054</u>	<u>1,877,839</u>
<u>Operating revenues over (under) budgetary expenditures</u>	<u>(3,818,842)</u>	<u>(4,034,026)</u>	<u>(2,083,154)</u>	<u>1,950,872</u>
<u>Nonoperating revenue</u>				
Earnings on investments	536	536	846	310
<u>Total nonoperating revenue</u>	<u>536</u>	<u>536</u>	<u>846</u>	<u>310</u>
<u>Loss before transfers and contributions</u>	<u>(3,818,306)</u>	<u>(4,033,490)</u>	<u>(2,082,308)</u>	<u>1,951,182</u>
Transfers in	504,814	504,814	504,814	-
Transfers out	(151,986)	(151,986)	(151,986)	-
Grants	1,031,172	1,031,172	1,048,516	17,344
Contributed capital	643,259	858,443	917,759	59,316
<u>Income budgetary basis</u>	<u>\$ (1,791,047)</u>	<u>\$ (1,791,047)</u>	<u>236,795</u>	<u>\$ 2,027,842</u>
<u>Reconciliation to GAAP basis</u>				
Depreciation			(373,450)	
Capital outlay			2,268,522	
<u>Change in net position - GAAP basis</u>			<u>2,131,867</u>	
<u>Net position at beginning of year</u>			<u>16,284,831</u>	
<u>Net position at end of year</u>			<u>\$ 18,416,698</u>	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
December 31, 2015

	Information Technology Fund	Fleet Services Fund	Windsor Building Authority	Facility Services Fund	Total
<u>ASSETS</u>					
<u>Current assets</u>					
Cash and cash equivalents	\$ -	\$ -	\$ 15	\$ -	\$ 15
Accounts receivable	-	188	-	-	188
Interfund receivable	30,023	400,326	-	99,862	530,211
Total current assets	30,023	400,514	15	99,862	530,414
<u>Noncurrent assets</u>					
Restricted cash and investments	-	-	145,528	-	145,528
Prepaid items	7,101	-	-	-	7,101
Capital assets:					
Land	-	-	157,853	-	157,853
Buildings and improvements	6,924	-	4,987,609	-	4,994,533
Machinery and equipment	1,357,396	4,803,649	-	-	6,161,045
Less accumulated depreciation	(681,565)	(2,579,867)	(1,247,585)	-	(4,509,017)
Total capital assets, net	682,755	2,223,782	3,897,877	-	6,804,414
Total noncurrent assets	689,856	2,223,782	4,043,405	-	6,957,043
Total assets	719,879	2,624,296	4,043,420	99,862	7,487,457
<u>LIABILITIES</u>					
<u>Current liabilities</u>					
Interfund payable	-	-	2,378,710	-	2,378,710
Accounts payable	22,058	135	-	1,315	23,508
Accrued liabilities	25,431	8,586	-	14,803	48,820
Loan payable - current	-	-	39,970	-	39,970
Total current liabilities	47,489	8,721	2,418,680	16,118	2,491,008
<u>Noncurrent liabilities</u>					
Accrued compensated absences	12,510	10,679	-	22,560	45,749
Loan payable	-	-	2,781,164	-	2,781,164
Total noncurrent liabilities	12,510	10,679	2,781,164	22,560	2,826,913
Total liabilities	59,999	19,400	5,199,844	38,678	5,317,921
<u>NET POSITION</u>					
Net investment in capital assets	682,755	2,223,782	1,076,743	-	3,983,280
Unrestricted	(22,875)	381,114	(2,233,167)	61,184	(1,813,744)
Total net position	\$ 659,880	\$ 2,604,896	\$ (1,156,424)	\$ 61,184	\$ 2,169,536

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2015

	Information Technology Fund	Fleet Services Fund	Windsor Building Authority	Facility Services Fund	Total
<u>Operating revenues</u>					
Charges for services	\$ 881,006	\$ 988,350	\$ -	\$ 642,064	\$ 2,511,420
<u>Total operating revenues</u>	881,006	988,350	-	642,064	2,511,420
<u>Operating expenses</u>					
Wages and benefits	324,344	222,385	-	372,537	919,266
Operating costs	521,670	269,824	188	228,945	1,020,627
Depreciation	183,878	639,895	250,064	-	1,073,837
<u>Total operating expenses</u>	1,029,892	1,132,104	250,252	601,482	3,013,730
<u>Operating income (loss)</u>	(148,886)	(143,754)	(250,252)	40,582	(502,310)
<u>Nonoperating revenue (expense)</u>					
Gain on sale of capital assets	-	132,354	-	-	132,354
Interest Expense	-	-	(106,579)	-	(106,579)
Earnings on investments	-	-	15	-	15
<u>Total nonoperating revenue (expense)</u>	-	132,354	(106,564)	-	25,790
<u>Income (loss) before transfers</u>	(148,886)	(11,400)	(356,816)	40,582	(476,520)
Transfers in	-	-	145,080	-	145,080
Contributed capital	-	110,000	-	-	110,000
<u>Change in net position</u>	(148,886)	98,600	(211,736)	40,582	(221,440)
<u>Net position at beginning of year</u>	808,766	2,506,296	(944,688)	20,602	2,390,976
<u>Net position at end of year</u>	\$ 659,880	\$ 2,604,896	\$ (1,156,424)	\$ 61,184	\$ 2,169,536

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended December 31, 2015

	Information Technology Fund	Fleet Services Fund	Windsor Building Authority	Facility Services Fund	Total
<u>Cash flows from operating activities</u>					
Cash received from customers	\$ 867,602	\$ 988,162	\$ -	\$ 638,472	\$ 2,494,236
Cash payments to suppliers	(660,131)	(287,919)	(188)	(212,795)	(1,161,033)
Cash payments to employees	(321,523)	(212,802)	-	(381,274)	(915,599)
<u>Net cash flows from operating activities</u>	(114,052)	487,441	(188)	44,403	417,604
<u>Cash flows from non-capital financing activities</u>					
Change in interfund payable	-	-	182	-	182
Change in interfund receivable	(30,023)	(400,326)	-	(99,862)	(530,211)
Transfers from other funds	-	-	145,080	-	145,080
<u>Net cash flows from non-capital activities</u>	(30,023)	(400,326)	145,262	(99,862)	(384,949)
<u>Cash flows from capital and related financing activities</u>					
Principal paid on debt	-	-	(38,501)	-	(38,501)
Interest paid on debt	-	-	(106,579)	-	(106,579)
Capital contributions	-	110,000	-	-	110,000
Proceeds from sale of capital assets	-	226,804	-	-	226,804
Acquisition of capital assets	-	(941,258)	-	-	(941,258)
<u>Net cash flows from capital and related financing activities</u>	-	(604,454)	(145,080)	-	(749,534)
<u>Cash flows from investing activities</u>					
Net change in restricted cash and investments	-	-	(14)	-	(14)
Earnings on investments	-	-	15	-	15
<u>Net cash flows from investing activities</u>	-	-	1	-	1
<u>Net change in cash and cash equivalents</u>	(144,075)	(517,339)	(5)	(55,459)	(716,878)
<u>Cash and cash equivalents at beginning of year</u>	144,075	517,339	20	55,459	716,893
<u>Cash and cash equivalents at end of year</u>	\$ -	\$ -	\$ 15	\$ -	\$ 15
<u>Reconciliation of operating income (loss) to net cash flows from operating activities</u>					
Operating income (loss)	\$ (148,886)	\$ (143,754)	\$ (250,252)	\$ 40,582	\$ (502,310)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:					
Depreciation expense	183,878	639,895	250,064	-	1,073,837
Changes in operating assets and liabilities:					
Accounts receivable	-	(188)	-	-	(188)
Accounts payable and accrued expenses	(149,044)	(8,512)	-	3,821	(153,735)
<u>Net cash flows from operating activities</u>	\$ (114,052)	\$ 487,441	\$ (188)	\$ 44,403	\$ 417,604

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
INFORMATION TECHNOLOGY FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Operating revenues</u>				
Charges for services	\$ 881,006	\$ 881,006	\$ 881,006	\$ -
<u>Total operating revenues</u>	881,006	881,006	881,006	-
<u>Budgetary expenditures</u>				
Wages and benefits	303,907	303,907	324,344	(20,437)
Operating costs	567,472	567,472	521,670	45,802
Capital outlay	10,000	10,000	-	10,000
<u>Total budgetary expenditures</u>	881,379	881,379	846,014	35,365
<u>Income (loss) budgetary basis</u>	<u>\$ (373)</u>	<u>\$ (373)</u>	34,992	<u>\$ 35,365</u>
<u>Reconciliation to GAAP basis</u>				
Depreciation expense			(183,878)	
<u>Change in net position - GAAP basis</u>			(148,886)	
<u>Net position at beginning of year</u>			808,766	
<u>Net position at end of year</u>			<u>\$ 659,880</u>	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
FLEET MANAGEMENT FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Revenues</u>				
Charges for services	\$ 988,351	\$ 988,351	\$ 988,350	\$ (1)
Gain on sale of capital assets	105,000	218,074	132,354	(85,720)
<u>Total revenues</u>	<u>1,093,351</u>	<u>1,206,425</u>	<u>1,120,704</u>	<u>(85,721)</u>
<u>Budgetary expenditures</u>				
Wages and benefits	213,403	213,403	222,385	(8,982)
Operating costs	301,450	301,450	269,824	31,626
Capital outlay	868,000	1,036,865	941,258	95,607
<u>Total budgetary expenditures</u>	<u>1,382,853</u>	<u>1,551,718</u>	<u>1,433,467</u>	<u>118,251</u>
<u>Loss before transfers and contributions of capital</u>	<u>(289,502)</u>	<u>(345,293)</u>	<u>(312,763)</u>	<u>32,530</u>
Contributed capital	110,000	110,000	110,000	-
<u>Loss budgetary basis</u>	<u>\$ (179,502)</u>	<u>\$ (235,293)</u>	<u>(202,763)</u>	<u>\$ 32,530</u>
<u>Reconciliation to GAAP basis</u>				
Depreciation expense			(639,895)	
Capital outlay			941,258	
<u>Change in net position - GAAP basis</u>			98,600	
<u>Net position at beginning of year</u>			<u>2,506,296</u>	
<u>Net position at end of year</u>			<u>\$ 2,604,896</u>	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO

WINDSOR BUILDING AUTHORITY FUND
BUDGETARY COMPARISON SCHEDULE
 For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Operating revenues</u>				
Earnings on investments	\$ -	\$ -	\$ 15	\$ 15
<u>Total operating revenues</u>	-	-	15	15
<u>Budgetary expenditures</u>				
Operating costs	-	-	188	(188)
Interest expense	106,579	106,579	106,579	-
Principal paid	38,501	38,501	38,501	-
<u>Total budgetary expenditures</u>	145,080	145,080	145,268	(188)
<u>Loss before contributions and transfers</u>	(145,080)	(145,080)	(145,253)	(173)
Transfers in	145,080	145,080	145,080	-
<u>Income budgetary basis</u>	\$ -	\$ -	(173)	\$ (173)
<u>Reconciliation to GAAP basis</u>				
Depreciation expense			(250,064)	
Principal paid			38,501	
<u>Change in net position - GAAP basis</u>			(211,736)	
<u>Net position at beginning of year</u>			(944,688)	
<u>Net position at end of year</u>			\$ (1,156,424)	

See accompanying independent auditor's report.

TOWN OF **WINDSOR**, COLORADO
FACILITY SERVICES FUND
BUDGETARY COMPARISON SCHEDULE
For the Year Ended December 31, 2015

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<u>Operating revenues</u>				
Charges for services	\$ 642,064	\$ 642,064	\$ 642,064	\$ -
<u>Total operating revenues</u>	642,064	642,064	642,064	-
<u>Budgetary expenditures</u>				
Wages and benefits	366,815	366,815	372,537	(5,722)
Operating costs	233,525	233,525	228,945	4,580
<u>Total budgetary expenditures</u>	600,340	600,340	601,482	(1,142)
<u>Income (loss) budgetary basis</u>	<u>\$ 41,724</u>	<u>\$ 41,724</u>	40,582	<u>\$ (1,142)</u>
<u>Change in net position - GAAP basis</u>			40,582	
<u>Net position at beginning of year</u>			20,602	
<u>Net position at end of year</u>			<u>\$ 61,184</u>	

See accompanying independent auditor's report.

REPORTS TO GOVERNMENTAL AGENCIES



DRAFT



INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Honorable Mayor and
Members of the Town Board
Town of Windsor, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the 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 Town of Windsor, Colorado (the "Town"), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated **June 30, 2016**.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs that we consider to be material weaknesses (2015-001).

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Town's Response to Findings

The Town's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Town's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.



Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Greeley, Colorado
June 30, 2016

DRAFT



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Honorable Mayor and
Members of the Town Board
Town of Windsor, Colorado

Report on Compliance for Each Major Federal Program

We have audited the Town of Windsor's (the "Town") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Town's major federal programs for the year ended December 31, 2015. The Town's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Town's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Town's compliance.

Opinion on Each Major Federal Program

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2015.



Report on Internal Control over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Greeley, Colorado
June 30, 2016

TOWN OF **WINDSOR**, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2015

SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	Yes
Significant deficiencies identified not considered to be material weaknesses	No
Noncompliance material to financial statements noted	No

Federal Awards

Internal control over major programs:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	No
Type of auditor's report issued on compliance for major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133	No

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Community Development Block Grant Disaster Recovery Grants	14.269
Dollar threshold used to distinguish between type A and type B programs	\$750,000
Auditee qualify as a low-risk auditee	Yes

FINDINGS—FINANCIAL STATEMENTS AUDIT

2015-001: *Material Proposed Adjusting Journal Entries*

Material Weakness in Internal Control over Financial Reporting

Condition: During the course of our fieldwork we proposed a number of material adjustments to the Town's accounting records that were not detected by management.

Criteria: Accounting tasks such as monthly reconciliations play a key role in proving the accuracy of accounting data and information included in the financial statements.

Effect: Material journal entries were proposed to the Town's accounting records.

Cause: Lack of reconciliation of accounts prior to fieldwork, primarily relating to capital assets and related depreciation, long-term debt transactions, and fund balances, contributed to these adjustments.

TOWN OF **WINDSOR**, COLORADO
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For the Year Ended December 31, 2015

Recommendation: We recommend that the Town establish more effective review and reconciliation policies and procedures as a customary part of the accounting process.

Management's Response and Corrective Action Plan: In 2014 the Town began a complete conversion of its financial software system, combining four separate accounting software packages into one system. In order to minimize disruption of daily operations, the installation and training took place in steps in 2014 and 2015. General ledger, payroll, utility billing and sales tax collections were installed in 2014. The last module to be installed was the capital asset module in late 2015. All of 2015 was in the new system with the exception of the capital assets module that was not complete until late 2015. As of this writing, all of the modules we planned to install have been installed and working.

As with any conversion, our proficiency with the operation of the software increases as time passes. We now know the steps the capital asset software takes in the posting of capital assets and depreciation. We will balance the capital asset accounts monthly and make any adjusting entries at that time.

FINDINGS AND QUESTIONED COSTS—MAJOR FEDERAL AWARD PROGRAMS AUDIT

None

SUMMARY OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS

None

DRAFT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS



DRAFT

TOWN OF **WINDSOR**, COLORADO
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2015

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>2015 Expenditures</u>
<u>Department of Transportation</u>			
Direct programs:			
National Infrastructure Investments	20.933	N/A	\$ 515,567
Passed through Colorado Department of Transportation Highway Planning and Construction	20.205	14HA460404	<u>109,258</u>
Total Department of Transportation			<u>624,825</u>
<u>Department of Homeland Security</u>			
Passed through Colorado Department of Public Safety Pre-Disaster Mitigation	97.047	11PDM14TW	<u>269,293</u>
Total Department of Homeland Security			<u>269,293</u>
<u>Department of Housing and Urban Development</u>			
Passed through Colorado Department of Local Affairs Community Development Block Grant Disaster Recovery Grants	14.269	R1-40-99	<u>779,223</u>
Total Department of Housing and Urban Development			<u>779,223</u>
<u>Department of Justice</u>			
Direct programs:			
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	<u>6,000</u>
Total Department of Justice			<u>6,000</u>
Total Expenditures of Federal Awards			<u>\$ 1,679,341</u>

TOWN OF **WINDSOR**, COLORADO
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
December 31, 2015

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal award activity of the Town of Evans, Colorado (the "Town") under programs of the federal government for the year ended December 31, 2015. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Town, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town.

Note 2 – Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87 - Cost Principles for State, Local and Indian Tribal Governments, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allocable or are limited as to reimbursement. Negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. The Town has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3 - Subrecipients

There were no subrecipients of federal awards during the year ended December 31, 2015.



MEMORANDUM

Date: June 27, 2016
To: Mayor and Town Board
Via: Kelly Arnold, Town Manager
From: Dean Moyer, Director of Finance
Re: 2015 Audit Report
Item #: C.4.

Background / Discussion:

Tyra Litzau of Anton Collins Mitchell LLP, CPAs, is presenting the 2015 Audit Report at the Town Board meeting on June 27, 2016. As in previous years, we received an unqualified audit opinion, which is the best opinion possible.

I recommend approval of the audit as presented. The resolution to formally accept the report appears on the agenda for your Regular Town Board meeting on June 27, 2016. Following your approval, the “draft” watermark will be removed from the report and the report will be sent to the State and other required agencies. Please contact me with any questions.

Attachments:

Resolution 2016-41

TOWN OF WINDSOR

RESOLUTION NO. 2016-41

A RESOLUTION ACCEPTING THE AUDIT REPORT FOR 2015 PREPARED BY ANTON COLLINS MITCHELL LLP, CERTIFIED PUBLIC ACCOUNTANTS

WHEREAS, the Town of Windsor Home Rule Charter requires the presentation of an independent financial audit each year; and

WHEREAS, the independent certified public accounting firm of Anton Collins Mitchell, LLP has prepared the Town's audit report for 2015; and

WHEREAS, the Town Board wishes to acknowledge the presentation of the 2015 audit report, and direct its further handling.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN BOARD OF THE TOWN OF WINDSOR, COLORADO, AS FOLLOWS:

1. That the audit report of 2015, prepared by Anton Collins Mitchell LLP, Certified Public Accountants, 2015 Clubhouse Drive, Suite 203, Greeley, Colorado, is hereby accepted by the Town Board of the Town of Windsor, Colorado.
2. That said audit report constitutes an audit of the books and financial records of the Town of Windsor, Colorado, for the calendar year 2015.
3. That the Mayor and the Director of Finance are authorized to distribute such audit report to the Colorado Division of Local Government, as the official audit report of the Town of Windsor, Colorado, and to provide such audit report to such other agencies as are necessary.
4. The Town Clerk shall make the audit report available to the public in accordance with Charter Section 11.12 (E).

Upon motion duly made, seconded, and carried, the foregoing Resolution was adopted this ____ day of _____, 2016.

TOWN OF WINDSOR, COLORADO

By _____
Kristie Melendez, Mayor

ATTEST

Patti Garcia, Town Clerk



MEMORANDUM

Date: June 27, 2016
To: Mayor and Town Board
Via: Regular meeting materials, June 27, 2016
From: Ian D. McCargar, Town Attorney
Re: Resolution appointing Carolyn Steffl as Special District Counsel
Item #: C.5.

Background / Discussion:

Approval of the attached Resolution will appoint a successor to James R. Mock, our former Special District Counsel. Mr. Mock served with distinction for many years as our specialist on the formation, approval and amendment of metropolitan district service plans. Mr. Mock has tendered his resignation letter, a copy of which is attached. I am recommending the appointment of Carolyn R. Steffl, partner at the Boulder firm of Moses, Wittemyer, Harrison and Woodruff, P.C., to fill this vacancy.

Section 9.1.G of the Home Rule Charter authorizes the appointment of special counsel upon the recommendation of the Town Attorney or the Town Manager. In this case, I have reviewed the qualifications of Ms. Steffl, summarized in the attached Professional Resume. Ms. Steffl comes highly recommended, is experienced in both municipal government law and the specialty area of special district law. She will be present on June 27, 2016, to introduce herself and answer any questions you may have as to her qualifications.

The Colorado Supreme Court requires attorneys to have written understandings as to the scope of representation and the fees associated therewith. Ms. Steffl's firm has provided us with its standard engagement letter and rate sheet for approval. I am recommending we accept these terms.

Financial Impact: We include an estimate in each year's budget for the costs of Special District Counsel, but in virtually every case, the Town's costs are reimbursed by the metropolitan district at whose request the work is done. This is permitted under the Code, and generally results in no net expense to the Town.

Relationship to Strategic Plan: Diversify, Grow, and Strengthen the Local Economy

Recommendation:

Upon motion duly seconded, approve the attached Resolution Accepting the Recommendation of the Town Attorney and Appointing Carolyn R. Steffl to Serve as Special District Counsel in Accordance with Section 9.1.G of the Town of Windsor Home Rule Charter

Attachments:

James Mock resignation letter dated April 30, 2016

Page 2 of 2

Professional Resume of Carolyn R. Steffl

Moses, Wittemyer, Harrison & Woodruff, P.C., engagement letter and rate sheet

TOWN OF WINDSOR

RESOLUTION NO. 2016-42

A RESOLUTION ACCEPTING THE RECOMMENDATION OF THE TOWN ATTORNEY AND APPOINTING CAROLYN R. STEFFL TO SERVE AS SPECIAL DISTRICT COUNSEL IN ACCORDANCE WITH SECTION 9.1.G OF THE TOWN OF WINDSOR HOME RULE CHARTER

WHEREAS, the Town of Windsor (“Town”) is a Colorado home rule municipality with all powers and authority provided by Colorado law; and

WHEREAS, the Town’s Home Rule Charter (“Charter”) provides for the appointment of special counsel upon the recommendation of the Town Attorney; and

WHEREAS, the Town has historically retained an attorney competent in the area of special district law, a legal specialty area requiring particularized expertise and experience; and

WHEREAS, the Town’s former Special District Counsel, James Mock, has tendered his resignation, thus requiring appointment of a successor; and

WHEREAS, having undertaken careful review, the Town Attorney has recommended the appointment of Carolyn R. Steffl, a partner with the firm of Moses, Wittemyer, Harrison and Woodruff, P.C., to serve as the Town’s Special District Counsel; and

WHEREAS, the Town Board has considered the recommendation of the Town Attorney, the qualifications of Ms. Steffl, and the needs of the Town for representation in this specialty area of the law; and

WHEREAS, the Town Board finds that Carolyn R. Steffl possesses the experience, training and expertise necessary to serve as the Town’s Special District Counsel.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN BOARD OF THE TOWN OF WINDSOR, COLORADO, AS FOLLOWS:

1. Pursuant to Section 9.1.G of the Charter, Carolyn R. Steffl is hereby appointed to serve as the Town’s special counsel in the area of special districts organized under Title 32 of the Colorado Revised Statutes.
2. The Town Board approves the terms of Ms. Steffl’s representation as set forth in the attached engagement letter/agreement for legal services dated May 20, 2016.
3. The Mayor is hereby authorized to execute the engagement letter/agreement for legal services on the Town’s behalf.

4. The Town recognizes and thanks James R. Mock for his service to the Town under his term of appointment.

Upon motion duly made, seconded and carried, the foregoing Resolution was adopted this 27th day of June, 2016.

TOWN OF WINDSOR, COLORADO

By: _____
Kristie Melendez, Mayor

ATTEST:

Patti Garcia, Town Clerk

JAMES M. MOCK, PLLC

ATTORNEY AT LAW
1919 8TH STREET, SUITE 204
MAILING ADDRESS: P.O. BOX 11196
BOULDER, COLORADO 80301

TELEPHONE: 303-915-3289
E-MAIL: jim@mocklawoffice.com

April 30, 2016

VIA EMAIL

Town Board
Kelly Arnold, Town Manager
Ian McCargar, Town Attorney
Town of Windsor

Re: Termination of Representation

Dear Town Board, Kelly, and Ian:

As I informed Ian a few weeks ago, I have taken an in-house counsel job with the South Adams County Water and Sanitation District commencing May 1, 2016. As a full time employee, I will not be able to represent other clients. This means that I have to terminate our attorney-client relationship prior to that date.

It is with some sadness that I leave this relationship as I have developed a deep professional respect for you as individuals and for the Town you have stewarded and are building so well.

My records indicate I do not have any ongoing projects/work outstanding for you, and there is no outstanding balance on your account.

I wish the Town continued success!

Sincerely,



James M. Mock

**PROFESSIONAL RESUME OF
CAROLYN R. STEFFL, ESQ.
MOSES, WITTEMYER, HARRISON AND WOODRUFF, P.C.**

EDUCATION

UNIVERSITY OF COLORADO SCHOOL OF LAW

Juris Doctor Degree May 2002; Class Rank 9 / 170

Member of the Order of the Coif

Symposium Editor of Journal of International Environmental Law and Policy

Clerk: Natural Resources Law Center, Holland & Hart, LLP

UNIVERSITY OF WISCONSIN

B.S. International Relations: Managing the Global Commons

Certificate Degree Institute for Environmental Studies

Letters & Science Comprehensive Honors;

Morris K. Udall National Environmental Policy Foundation Scholar

PROFESSIONAL EXPERIENCE

Moses, Wittemyer, Harrison and Woodruff, P.C.
Shareholder since January 2014

November 2009 – Present

- *Interim General Counsel for South Adams County Water and Sanitation District (March 2014 – April 2015)*
- *General Counsel to Cottonwood Water and Sanitation District, Genesee Water and Sanitation District, Three Lakes Water and Sanitation District, Colorado City Metropolitan District, Dillon Valley District, Knollwood Metropolitan District*
- *Special Counsel to Columbine Lake Water District (financing and capital project), Shannon Water and Sanitation District (drafting new Rules).*
- *Water Law*

Icenogle, Norton, Smith, Gilida, & Pogue P.C.
Associate

Sept. 2003 – 2009

Municipal law

- *Assistant City Attorney for Federal Heights, Castle Pines North and Woodland Park*
- *Municipal prosecutor for City of Woodland Park, liquor prosecutor for City of Greenwood Village*
- *General Counsel to Special Districts including Greenwood Athletic Club Metropolitan District, Green Mountain Water and Sanitation District, Hunting Hills Metropolitan District and Country Club Village Metropolitan District. Advised clients in connection with organization of special districts, drafting of service plans, financing and elections.*
- *Special Counsel to Lake County on land use issues and special districts; advised Lake County and several municipalities in connection with petitions to organize special districts within their boundaries*

Colorado Supreme Court
Law Clerk to Justice Gregory J. Hobbs

Sept. 2002 – Sept. 2003

MEMBERSHIPS

Member in good standing of the Colorado bar; admitted into U.S. District Court of Colorado and 10th Cir. Court of Appeals bars; member Colorado Women's Bar Association Colorado Special District Association Leadership Academy, 2015

PUBLICATIONS & TALKS

Panel Discussion, "Special District Capital Financing 101," Colorado Special District Association Conference 2015.

Carolyn R. Steffl and Anne Bensard, "Campaigning on the Clock and Other Special District Election No-Nos," Colorado Special District Association Conference 2014.

Carolyn R. Steffl, Monica Rosenbluth and Georgeann Becker, "The Next Generation for the Enterprise: Using TABOR Enterprises to Maximize Your District's Financial Flexibility", Colorado Special District Association Conference 2013.

Carolyn R. Steffl and Patricia DeChristopher, "Going with the Flow: Colorado Water Law", Colorado Special District Association Conference 2012.

Carolyn R. Steffl, Timothy J. Beaton, and James Jones, "Navigating through Land Use Obstacles," Colorado Special District Association Conference 2010.

Carolyn R. Herb, The Tulsequah Chief Mine and the Fate of the Taku River, Colo. J. Int'l Env'tl. L. & Pol'y 2000 Y.B. 107 (2001).

Elizabeth Beaver, et. al., Natural Resources Law Center, Seeing the Forest Service for the Trees: A Survey of Proposals for Changing National Forest Policy (2000).

Carolyn R. Herb & Chuan-Chuan Wang, Remediation of Suspected Environmentally Contaminated Tax-Delinquent Properties in the City of Milwaukee (The Milwaukee-La Follette Policy Analysis Project ed., 1999).

MOSES, WITTEMYER, HARRISON AND WOODRUFF, P.C.

LAW OFFICES

RICHARD J. MEHREN
CAROLYN R. STEFFL
JENNIFER M. DILALLA

ALISON I.D. GORSEVSKI
MICHELE A. LOGAN
MONTGOMERY

BEATON

1002 WALNUT STREET, SUITE 300
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TELEPHONE: (303) 443-8782
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ADDRESS CORRESPONDENCE TO:
P. O. BOX 1440

BOULDER, COLORADO 80306-1440

RAPHAEL J. MOSES
(1913-2011)
CHARLES N. WOODRUFF
(1941-1996)

COUNSEL
JOHN WITTEMYER
DAVID L. HARRISON
JAMES R.

TIMOTHY J.

May 20, 2016

Town Board
Town of Windsor
301 Walnut Street
Windsor, CO 80550

Re: Agreement for Legal Services

Dear Town Board:

We are pleased to have the opportunity to provide special counsel legal services to you, in connection with advising the Town of Windsor as to special districts within the Town's boundaries, including advice on petitions to organize special districts and approval of service plans. This letter will describe the terms on which Moses, Wittemyer, Harrison and Woodruff, P.C. agrees to provide legal services to you. If you would like us to undertake this work, please sign and return this letter to us.

Before we can take on work for a new client, we must be sure that the proposed scope of that work will not present a conflict of interest with work we have done or are doing for other clients. I have determined that the scope of work outlined above does not present a conflict with work we are doing or have done for other clients of the firm, except for the possibility of a short term conflict with our representation of Carestream Health, Inc., which we have discussed with you. However, you should be aware that there is the potential for an unforeseen conflict to arise. In that event, it is generally the firm's policy to cease representing the newer client and, to the extent practical and ethical, to continue representing the more senior client(s). By agreeing to retain our firm, you acknowledge this policy and agree, if it becomes necessary in the event of an unforeseen conflict, to retain separate counsel and to consent to our continuing representation of the senior client(s) provided we can do so without violating any confidences or reasonable expectations of confidentiality.

I will be primarily responsible for the legal work performed on your behalf, with assistance from my associate Michele Logan. Where appropriate, we will delegate work to associates, paralegals and law clerks to keep costs down. Our hourly rates for 2016 are listed on the attached fee schedule. We review and adjust those hourly billing rates on an annual basis, and we will advise you in writing of any rate changes before undertaking any work at rates different from those on the fee schedule. Our monthly bills will indicate the hourly charges by

MOSES, WITTEMYER, HARRISON AND WOODRUFF, P.C.

Town of Windsor

May 20, 2016

Page 2

attorney or other staff member, as well as any out-of-pocket expenses. Mileage is billed at the IRS standard mileage rate (currently 56.5¢ per mile), color copies at \$1.00 per page and faxes at 25¢ per page. Payment is due within 30 days and it is the firm's policy to charge interest at a rate of 1% per month on any principal balance that is not paid within that time.

We will use our best efforts in representing you in connection with this matter, but make no promises or guarantees regarding the outcome. Our comments regarding the probable outcome of any matter are mere expressions of opinion. We cannot guarantee that any case or controversy involving court action or administrative proceedings will be resolved within a specific time frame because that is often beyond our control. You agree to provide us with all data, documents or other information relating to the matters within the scope of our representation. You have the right to terminate the engagement of our firm at any time, and we reserve the right to do the same within ethical constraints and as long as we give you adequate notice of such termination.

If the policies, terms and conditions of this proposal for legal services are acceptable, please sign below and return a copy to me. We look forward to this opportunity to work with you. If you have any questions or need additional information, please let me know.

Sincerely,

MOSES, WITTEMYER, HARRISON AND
WOODRUFF, P.C.

Carolyn R. Steffl

The foregoing is accepted as the terms of the engagement of Moses, Wittemyer, Harrison and Woodruff, P.C. to represent Town of Windsor regarding the specific matters described herein.

Dated: _____

MOSES, WITTEMYER, HARRISON AND WOODRUFF, P.C.

Town of Windsor
May 20, 2016
Page 3

TOWN OF WINDSOR

By: _____
As: _____

CRS/am
cc. Ian D. McCargar, Town Attorney
 Kelly Arnold, Town Manager
Enclosure

MOSES, WITTEMYER, HARRISON AND WOODRUFF, P.C.

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COUNSEL
JOHN WITTEMYER
DAVID L. HARRISON
JAMES R. MONTGOMERY
TIMOTHY J. BEATON

This is to advise that effective January 1, 2016 our hourly rates for professional services rendered will be as follows:

David L. Harrison	\$290.00 per hour
James R. Montgomery	\$280.00 per hour
Timothy J. Beaton	\$280.00 per hour
Richard J. Mehren	\$255.00 per hour
Carolyn R. Steffl	\$225.00 per hour
Jennifer M. DiLalla	\$220.00 per hour
Alison I.D. Gorsevski	\$185.00 per hour
Michele A. Logan	\$185.00 per hour
Paralegal	\$ 90.00 per hour
Senior Law Clerks	\$ 85.00 per hour

Interest at the rate of 1.0% per month accrues on amounts not paid within 30 days of billing.

The firm reserves the right to charge on other than an hourly rate basis, or to charge a fee in addition to hourly rates, for work involving special risks, effort or time constraints including, without limitation, opinions relating to title, bonds and similar matters.



MEMORANDUM

Date: June 27, 2016
To: Mayor and Town Board
Via: Kelly Arnold, Town Manager
From: Patti Garcia, Town Clerk/Assistant to the Town Manager
Re: Downtown Development Authority Main Street Program application
Item #: C.6.

Background / Discussion:

The Colorado Main Street Program is designed to assist with the revitalization of traditional downtowns, historic commercial districts, promote economic development and historic preservation. The program uses an approach that advocates a return to community self-reliance, local empowerment, and the rebuilding of central business districts based on their assets, unique architecture, personal service, local ownership and entrepreneurship, and a sense of community,

The Program is under the Colorado Department of Local Affairs (DOLA) and has four tiers:

- Affiliate
- Candidate
- Designated
- Graduate

The Downtown Development Authority is currently at the Affiliate status which provides limited services from DOLA and was the initial step to the Main Street Candidate application. The Candidate tier requires a completed application and support of the governing body of the local government. Applications are due July 1 of each year.

Colorado Main Street staff attended the May DDA meeting and conducted a Main Street 101 session to prepare the board for this next step.

Relationship to Strategic Plan:

Goal 3: Diversify, Grow, and Strengthen the Local Economy

Recommendation:

Motion to recommend support of the Windsor Downtown Development Authority to apply for Candidate status in the Colorado Main Street Program.

Attachments:

Resolution 2016-43
Candidate Main Street Community Application

TOWN OF WINDSOR

RESOLUTION NO. 2016-43

A RESOLUTION SUPPORTING FOR THE WINDSOR DOWNTOWN DEVELOPMENT AUTHORITY TO APPLY FOR CANDIDATE STATUS IN THE COLORADO MAIN STREET PROGRAM

WHEREAS, the Windsor Town Board is has a vested interest in advancing the vitality of Downtown Windsor; and

WHEREAS, the citizens of Windsor have consistently urged that the Town make revitalization of downtown a priority; and

WHEREAS, the Town and the Downtown Development Authority (DDA) recognize the overall economic benefit to the Town of maintaining and revitalizing its downtown, which area serves as the Town's center for commercial, financial, governmental, social, recreational, historic and cultural activities; and

WHEREAS, the Town and the DDA desire to promote redevelopment opportunities in the downtown that will generate economic development that results in increased employment, and increased tax revenue while preserving and enhancing the unique character of downtown as the heart of Windsor.

NOW, THEREFORE, IT IS FOUND AND RESOLVED BY THE TOWN BOARD OF THE TOWN OF WINDSOR, COLORADO, AS FOLLOWS:

1. The application to the Colorado Department of Local Affairs for the Windsor Downtown Development Authority to join the Main Street Program at the Candidate level is here supported by the Town Board.

Upon motion duly made, seconded and carried, the foregoing Resolution was adopted this 27th day of June, 2016.

TOWN OF WINDSOR, COLORADO

Kristie Melendez, Mayor

ATTEST:

Patti Garcia, Town Clerk



[INSERT DATE]

CANDIDATE MAIN STREET COMMUNITY APPLICATION Please

contact Colorado Main Street staff if you intend to apply so staff can work with your community to be sure this program is a good fit and to ensure your application is complete. To apply, respond to the following questions attaching supporting documents as needed. Please submit the application to shay.coburn@state.co.us. For questions please call 303.864.7728.

COMMUNITY NAME: Windsor, Colorado

Applicant Contact Information

Name: Matt Ashby

Organization: Windsor Downtown Development Authority

Position: Executive Director

Phone number: 970.797.3595

Email:director@windsordda.com

Address: 301 Walnut Street, Windsor, CO 80550

Local Government Contact Information

Name: Patti Garcia

Position: Town Clerk

Phone number: (970) 674-2404

Email:pgarcia@windsorgov.com

Address: 301 Walnut Street, Windsor, CO 80550

PREREQUISITES

The following is required prior to being accepted as a Candidate Main Street community. Please refer to the Colorado Main Street Program Manual for additional information on prerequisites.

1. Did your community host a Main Street 101 training provided by Colorado Main Street staff?

Yes No

2. Do you have a Steering Committee or Board of Directors formed for your local program?



Yes No If yes, please attach a list.

3. Do you have a multi-year strategic plan that addresses the Four Points (this could be a community assessment, downtown plan, or similar) that is no more than 5 years old?

Yes No If yes, please attach or provide a link.

4. Who will be the dedicated point of contact for the local Main Street program?

Matt Ashby

How much time will this person be able to dedicate to the program?

The Windsor DDA currently contracts with this individual to provide services to the DDA.

5. Do you have at least three letters of support from other organizations in your community?

Yes No If yes, please attach.

6. Is the local government resolution declaring support of this application attached?

Yes No If yes, please attach.

7. If your community is not accepted as a Candidate community this year would you like to join the Affiliate program? Remember, you can always reapply to be a Candidate community the following year.

Yes No We are already an Affiliate.

ORGANIZATION

8. Community Information

Community Population: 22,391

Median Income: \$80,798

Unemployment Rate (county): 5.6%

9. Organizational Capacity

- a. What organization will be the host of your local Main Street program?

Local government

EDC

Chamber of commerce

BID

DDA

Improvement District

URA

Historic preservation

c. What is your plan for future staffing of the local Main Street program?

The DDA currently has an annual contract in place to staff the program. The Main Street Program would be staffed by the DDA Executive Director.

d. Do you have committees in the Four Points formed for your local Main Street program?

Yes No We have 3 standing committees and are establishing the 4th.

e. List local organizations that are or are likely to be partners or supporters of the local Main Street program and describe their current and potential involvement.

- Town of Windsor – The Town is providing financial support to the DDA through an intergovernmental agreement that has been recently extended through 2021. The Town provides extensive staff support and coordination.
- Windsor Chamber of Commerce – The DDA and the Windsor Chamber have partnered on several events through the years and anticipate a strong relationship growing into the future.
- Clearview Library District – The Library recently partnered with the Town and DDA to evaluate opportunities for locating a new facility in or near the downtown. We look forward to partnering with the Library and coordinating events as they move closer to downtown in the future.

10. What is your funding plan for the local program for the first few years of operation? What resources are being dedicated by which organizations? Do you have a plan for funding after the first few years?

The DDA has an existing Mill Levy and TIF funding mechanisms in place. Currently, the annual revenues are approximately \$300,000, with the majority of the funds coming from the agreement with the Town to share the full amount of property and sales taxes generated within the DDA. This share agreement has been formalized in an IGA, and was recently extended until 2021.

One of our organization's strategic goals is developing financial sustainability through efforts to target increased economic vitality. Becoming self-sustaining will require additional development to take place within the DDA and the Board is actively pursuing development opportunities.

11. Do you have an established mission and vision for your local Main Street program?

Yes No If yes, please include. [Strategic Plan Overview](#)

12. List all trainings that your community has attended in the past 2 years that are relevant to the Main Street program? (i.e.: Main Street Boot Camp, DCI trainings, webinars, conferences)

- 2015 DCI Conference – Durango (Board & Town Staff)
- 2014 DCI Conference – Ft. Collins (Board & Town Staff)
- 2016 Main Street Now! Conference – Milwaukee (Executive Director)
- 2016 Main Street Refresh Webinar – Colorado Main Street (Executive Director)

13. How is your community following the Main Street Four-Point Approach®?

Our recently adopted Strategic Plan correlates the transition of our existing committees into the Four-Point Approach while also acknowledging the opportunities presented by the "Refresh" to tackle transformative strategies. Our plan understands the need to take a discrete approach to tackling all four elements while understanding how these actions relate to the bigger picture.



Currently, our Marketing Committee is the strongest, though we do have standing committees to address Parking and Beautification (which will be wrapped into the new Design Committee). With our new strategy, we'll look to stand up committees to tackle Economic Vitality and Organization.

14. What are the initial goals and community expectations of a local Main Street program? How were these identified?

Our initial goals and expectations are based upon discussion over the past year regarding necessary steps to take in motivating downtown vitality. The DDA Board also recently received a 101 training from members of Colorado Main Street who presented the benefits of joining the Colorado network. Windsor is no stranger to downtown redevelopment, having conducted numerous studies stretching back 10 years. Efforts have been picking up steam since the DDA was approved 5 years ago. The vision for a vital downtown has been making progress ever since and the community hopes to advance its progress by joining Colorado Main Street.

15. Is there anything else you would like to share about what your community is doing in the point of Organization?

The DDA Board has historically managed all of the committees with Board members. We have begun putting out the call for volunteers to rally more people to the cause so our efforts can be broadened. Our monthly newsletter has been focusing a segment each month on the role of each of the four committees and has been soliciting interest from new corners of the community.

PROMOTION

16. Which of the following does your local Main Street program have? Select all that apply.

- A website or a page on an existing website. Please provide a link:www.windsordda.com
- A presence on social media.
- Host or sponsor events in your downtown.
- A central location for a community calendar.
- A business directory for your downtown.

17. Is there anything else you would like to share about what your community is doing in the point of Promotion?

Marketing is one of the strongest current committees and has the clearest mission. We look to continue this effort to model the rest of the Committees from. We do also utilize Constant Contact to publish a monthly newsletter and are looking to expand the circulation of our outreach.



DESIGN

18. In no more than 150 words, describe your community's downtown physical characteristics and how it evolved in to what it is today.

The physical character of Windsor's Downtown is in solid shape. Over recent years, the streetscape along Main has been improved to include planted bulb-outs, street trees, and pavers. The downtown is very walkable and serves as a model of how a "State Highway and Main Street" can be supportive on one another, with a reconstruction project that retained a two-lane section with diagonal parking on either side. Our historic buildings are in relatively good shape, as there is little vacancy in the district. We have an existing Façade Improvement Program, with funding annually at \$100,000 to help in assisting building owners spruce up their buildings. This program was used twice last year and is gaining momentum. Recently, we partnered with the Ft. Collins SERTOMA Club to institute placement of American Flags at businesses on Main to celebrate national holidays and add liveliness to the Downtown.

19. Which of the following historic preservation efforts does your community or local program have? Select all that apply.

- A historic preservation ordinance or commission.
- A historical survey of the downtown area. If yes, please attach or provide a link.
<http://www.windsorgov.com/DocumentCenter/View/11457>
- A historic building inventory. If yes, please attach or provide a link.
<http://www.windsorgov.com/460/Historic-Preservation>
- A designated historic district – Local, State and/or National. Which one(s)?
- Any individually designated historic landmarks. If yes, please list.
The Flour Mill Building - 301 Main (National)
Old Town Hall - 116 N. 5th Street (National)
The Cheese Factory and Creamery - 190 Ash Street (Local)
- A strong historic preservation ethic.
Windsor's Historic Preservation Commission serves the community by identifying and preserving the Town's historic resources. Members work with property owners to protect the historic - built environment through a local landmark program, educational programming and through public outreach to promote historic preservation and preservation of the history of Windsor.

20. Which of the following general design efforts has your community or local program completed? Select all that apply.

- Geographic boundaries defined for your local Main Street program? If yes, please attach a map.
- A beautification project downtown.
- Workshops or training for building and business owners.

21. Is there anything else you would like to share about what your community is doing in the point of Design?

The Town and DDA recently partnered on a Clean Up Event to spruce up Main Street. Town forces provided street sweeping, power washed sidewalks and planted flowers to help in preparing downtown for spring.

ECONOMIC RESTRUCTURING

22. In no more than 150 words, describe your community's economy.

Employment in Windsor has increased over the past decade, with the addition of 2,037 jobs between 2002 and 2011. The top three employment industries include manufacturing (35.8%), Professional, Scientific and Technical Services jobs (10%), and Health Care jobs (10%).

- In 2011, only 6.2% of residents both worked and lived in Windsor. 5,164 employees commuted to Windsor for work on a daily basis, while 9,899 employed residents left the Town for work on a daily basis.
- Windsor residents primarily commute to Fort Collins (20%), Greeley (12%), Windsor (9%), Denver (9%), and Loveland (8%) for work.
- Employees working in Windsor primarily commute from Fort Collins (19%), Windsor (16%), Greeley (15%), and Loveland (10%).

23. What is your community's current and target market?

Windsor's target market is to retain local dollars in our local market. Due to the regional nature of Northern Colorado, we are targeting our efforts at making sure people who live in Windsor know the resources that are present in Downtown. We've also identified that local would appreciate dining and entertainment opportunities without having to travel out of town.

24. Does the community have a business inventory for the downtown area? This would include a list of all businesses with their business type, contact information, number of employees, and perhaps more.

Yes No If yes, please attach. We do have a listing for the businesses that we publish annually, but are lacking the detailed information on contact info and number of employees, etc.

25. Does the community have a building inventory for the downtown area? This may include building square footage, current use, average rents, ownership, etc.

Yes No If yes, please attach.

26. Do you know what resources are available to assist your local businesses and have you shared these resources?

Yes No If yes, please explain. Windsor's Economic Development Director, Stacy Johnson, works extensively with all businesses in the community.

27. Does your local program have a relationship with local businesses?

Yes No If yes, please explain. Several members of our DDA Board are local business owners and provide good insight and connections with local businesses. As we expand the presence of the organization, we are looking to emphasize our relationship with businesses to a greater extent.

28. Is there anything else you would like to share about what your community is doing in the point of Economic Restructuring?

We are fortunate to have strong support from the Town to assist us in furthering our efforts toward addressing economic issues in Downtown Windsor.



OTHER UNIQUE FACTORS

29. What is unique about your community that was not addressed above?

Windsor is situated in a prime location to capitalize on downtown investment interest. With recent development projects launching in larger surrounding communities, Windsor has the opportunity to shine in coming years as it steps into the spotlight.

LIST OF ATTACHMENTS

Please check all that are included as part of the application submittal.

- Steering Committee/Board of Directors roster
- Multi-year strategic plan addressing the Four Points
- Three letters of support
- Local government resolution of support
- Historical survey of the downtown area
- Historic building inventory
- Map of Main Street boundaries
- Business inventory
- Building inventory
- Others. Please list.





MEMORANDUM

Date: June 27, 2016
To: Mayor and Town Board
Via: Kelly Arnold, Town Manager
Scott Ballstadt, AICP, Director of Planning
From: Paul Hornbeck, Senior Planner
Subject: Resolution No. 2016-44 - A Resolution Making Certain Findings of Fact Concerning the Weakland Annexation to the Town of Windsor, Colorado; Determining Substantial Compliance with Section 31-12-101, ET SEQ., C.R.S., "The Municipal Annexation Act of 1965"; and Establishing Dates for Public Hearings Before the Planning Commission and the Town Board of the Town of Windsor, Colorado, with Regard to the Weakland Annexation
Location: 6461 State Highway 392, north of State Highway 392 and approximately 130 feet west of 17th Street
Item #: C.7

Background:

The applicant and property owners, Dr. Pat Weakland and Mrs. Amanda Weakland, are requesting to annex approximately 9.87 acres to the Town of Windsor. The purpose of this resolution is to make certain findings of fact concerning the annexation, determining substantial compliance with the Colorado Municipal Annexation Act (Act).

The Act requires that after a conforming annexation petition has been submitted, Town Board shall set a hearing date to determine if the allegations made in the petition are supportable and if the property is eligible for annexation. Said hearings will be held on August 3, 2016 by the Planning Commission and August 8, 2016 by the Town Board.

Recommendation:

Staff finds that the petition substantially complies with State requirements, and therefore, recommends approval of Resolution No. 2016-44 as presented.

Notification: None required for this Resolution

Enclosures: Resolution No. 2016-44 w/ Annexation Petition
Weakland Property – Aerial Exhibit
Annexation Plat

pc: Pat Weakland, applicant

TOWN OF WINDSOR

RESOLUTION NO. 2016-44

A RESOLUTION MAKING CERTAIN FINDINGS OF FACT CONCERNING THE WEAKLAND ANNEXATION TO THE TOWN OF WINDSOR, COLORADO; DETERMINING SUBSTANTIAL COMPLIANCE WITH SECTION 31-12-101, *ET SEQ.*, C.R.S., “THE MUNICIPAL ANNEXATION ACT OF 1965”; AND ESTABLISHING DATES FOR PUBLIC HEARINGS BEFORE THE PLANNING COMMISSION AND THE TOWN BOARD OF THE TOWN OF WINDSOR, COLORADO, WITH REGARD TO THE WEAKLAND ANNEXATION

WHEREAS, the Town Clerk has received an Annexation Petition dated November 6, 2015, a copy of which is attached hereto and incorporated herein by this reference as if set forth fully, seeking annexation of certain real property described therein and proposed as the “Weakland Annexation to the Town of Windsor”; and

WHEREAS, pursuant to The Municipal Annexation Act of 1965, the Town Board is required to determine whether or not the aforementioned Annexation Petition is in substantial compliance with the requirements of said Act; and

WHEREAS, upon such determination, the Town Board is required to set public hearing dates in accordance with the requirements of said Act; and

NOW, THEREFORE, IT IS FOUND AND RESOLVED BY THE TOWN BOARD OF THE TOWN OF WINDSOR, COLORADO, AS FOLLOWS:

1. Pursuant to Section 31-12-107, C.R.S., an Annexation Petition has been filed with the Town Clerk for the annexation of certain real property known as the “Weakland Annexation”, more fully and particularly described within said Annexation Petition.
2. The Town Board finds that the aforesaid Annexation Petition is in substantial compliance with Section 31-12-107(1), C.R.S.
3. In accordance with the Town Board’s determination, public hearings shall be held before the Planning Commission and the Town Board to determine if the proposed annexation complies with Sections 31-12-104 and 105, C.R.S.
4. A public hearing shall be held before the Planning Commission at 7:00 p.m. on Wednesday, August 3, 2016, at Windsor Town Hall, 301 Walnut Street, Windsor, Colorado.
5. A public hearing shall be held before the Town Board at 7:00 p.m. on Monday, August 8, 2016, at Windsor Town Hall, 301 Walnut Street, Windsor, Colorado.
6. The Town Clerk, or her designee, shall give notice of the aforesaid hearings in compliance with the Municipal Annexation Act of 1965.

Upon motion duly made, seconded and carried, the foregoing Resolution was adopted this 27th day of June, 2016.

TOWN OF WINDSOR, COLORADO

Kristie Melendez, Mayor

ATTEST:

Patti Garcia, Town Clerk

Annexation Petition

C.R.S. 31-12-107(1)

(I, We) the landowner(s) of more than 50% of the territory, excluding public streets and alleys, described as (Lot B of recorded Exemption No. 0807-18-3-RE-1425, being a part of the East ½ of the SW ¼ of section 18, Township 6 North, Range 67 West of the 6th P. M.) containing 9.87 acres more or less, allege the following to be true and correct:

The perimeter of the proposed annexation has a distance of 2,831.16 feet, of which 975.4 feet are contiguous to the existing TOWN limits of the TOWN OF WINDSOR. A minimum of 1/6 of the perimeter of the proposed annexation is contiguous to the TOWN OF WINDSOR.

We further allege:

1. It is desirable and necessary that said territory be annexed to the TOWN OF WINDSOR.
2. A community of interest exists between the said territory and THE TOWN OF WINDSOR.
3. Said territory is integrated or capable of being urbanized in the near future.
4. Said territory is integrated or capable of being integrated with the TOWN OF WINDSOR.
5. No Land held in identical ownership is divided into separate parcels unless the owner of said tract has consented in writing or joins in this petition.
6. No land in identical ownership compromises 20 acres and together with improvements had an assessed valuation in excess of \$200,000.00 in the year preceding the filing of this petition.
7. No proceedings for annexation of the territory have been commenced for annexation to another municipality.
8. The signers hereof compromise the landowners of more than 50% of the territory proposed to be annexed exclusive of streets and alleys, and are in fact owners of 100% of the hereinafter described property.

Therefore, the undersigned hereby request that the TOWN OF WINDSOR approved the annexation of the area described above and do herewith pay the required fees.

In addition to the annexation, the undersigned request the zoning of General Commercial (G.C.) for the above described property.

Date

Owners Signature

Mailing address

11-6-15

Pat Weather

6461 Hwy 392 |
Windsor Co
80550

Weakland Annexation



Legend

Parcels

Notes

0.23 0 0.11 0.23 Miles

1: 7,199



This product is for informational purposes and may not have been prepared for, or be suitable for legal, engineering, or surveying purposes. Users of this information should review or consult the primary data and information sources to ascertain the usability of the information.

Date Prepared: 6/23/2016 11:06:14 AM

WEAKLAND ANNEXATION TO THE TOWN OF WINDSOR

Being a Part of Lot B, Recorded Exemption No. 0807-18-3 RE-1425,
Situate in the Southwest Quarter of Section 18, Township 6 North, Range 67 West of the 6th P.M.,
County of Weld, State of Colorado

DESCRIPTION

A plot of a parcel of land in the TOWN OF WINDSOR, County of Weld, Colorado, located in the Southwest Quarter of Section Eighteen (18), Township Six North (T.6N), Range Sixty-seven West (R.67W.) of the Sixth Principal Meridian (6th P.M.) and more particularly described as follows:

Lot B, Recorded Exemption No. 0807-18-3 RE1425 recorded July 31, 1992 at Reception No. 2298013 of the Records of Weld County Recorder, Excepting therefrom a parcel of land dedicated as Highway Right-of-Way, and being described in Warranty Deed recorded November 6, 2007 at Reception No. 3515899 of the Records of Weld County Recorder, State of Colorado.

Containing 9.868 acres more or less.

ACKNOWLEDGEMENT OF OWNERSHIP INTEREST

Know all men by these presents that the undersigned, being all the owners, lienholders, and holders of any ownership interest as defined by the Town of Windsor, of the land described herein, have caused such land to be annexed and master planned as indicated on this plot under the name of WEAKLAND ANNEXATION. In compliance with Town of Windsor regulations and by contractual agreement, the landowners shall bear all expenses involved in improvements.

In witness whereof, we have hereunto set our hands and seals this _____ day of _____, 20____.

OWNER

By: _____ By: _____
Patrick G Weakland Amanda J Weakland

NOTARIAL CERTIFICATE

STATE OF _____)
COUNTY OF _____)
The foregoing instrument was acknowledged before me this _____ day of _____, 20____,
by Patrick G Weakland and Amanda J Weakland.
Witness my hand and official seal. (SEAL)
My commission expires _____
Notary Public

BASIS OF BEARINGS AND LINEAL UNIT DEFINITION

Assuming the South line of the Southwest Quarter of Section 18, T.6N., R.67W., as bearing South 89°16'30" West, with all other bearings contained herein relative thereto.

The lineal dimensions as contained herein are based upon the "U.S. Survey Foot."



VICINITY MAP
SCALE: 1"=1000'

ENGINEERING DEPARTMENT APPROVAL

Approved this the _____ day of _____, 20____.

Director of Engineering

PLANNING COMMISSION APPROVAL

Approved this the _____ day of _____, 20____.

Chairman,
Windsor Planning Commission

PLANNING DEPARTMENT APPROVAL

Approved this the _____ day of _____, 20____.

Director of Planning

TOWN MANAGER'S APPROVAL

Approved this the _____ day of _____, 20____.

Town Manager

PUBLIC WORKS DEPARTMENT APPROVAL

Approved this the _____ day of _____, 20____.

Director of Public Works

SURVEYOR'S CERTIFICATE

I certify that this plot accurately represents the results of a survey made by me or under my direct supervision.

I further state that not less than one-sixth of the perimeter of the area proposed to be annexed is contiguous to the boundary line of the Town of Windsor, County of Weld, State of Colorado.

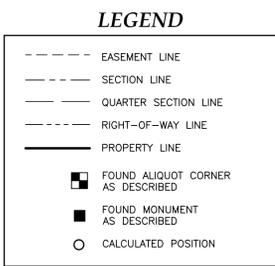
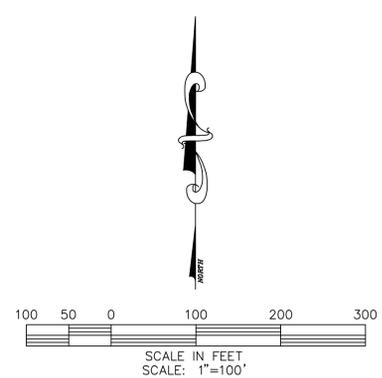
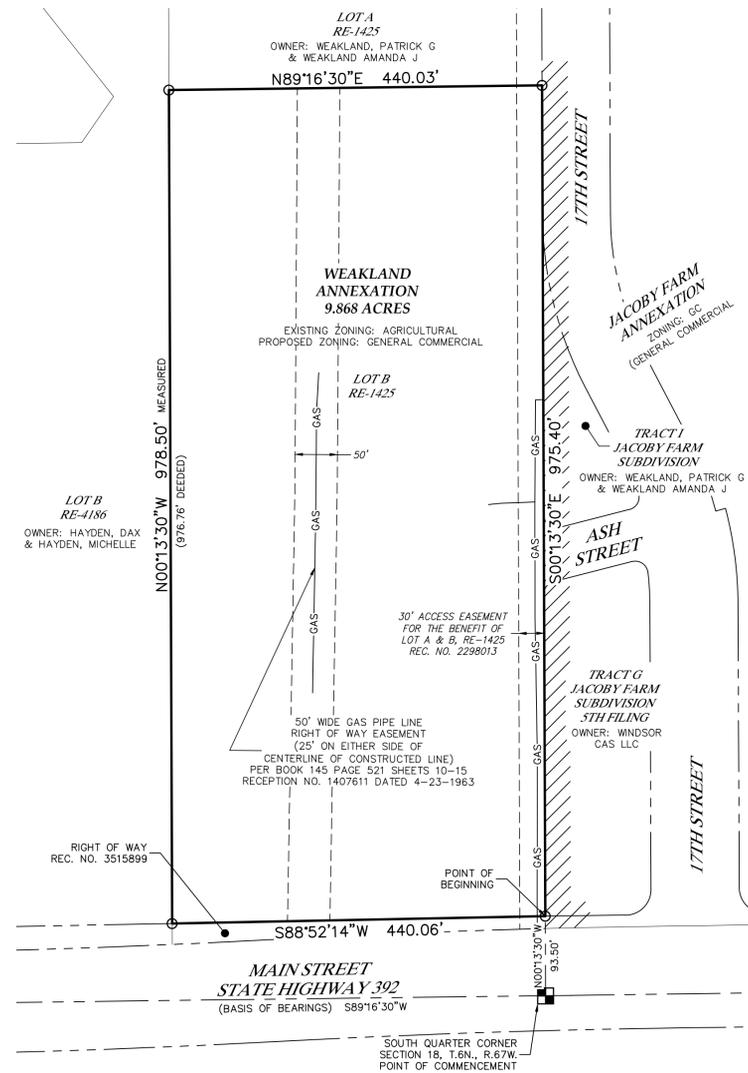
PRELIMINARY

Lawrence S. Pepek - On Behalf Of King Surveyors
Colorado Registered Professional
Land Surveyor #132642

MAYOR'S CERTIFICATE

This is to certify that an annexation map of the property described herein was approved by Ordinance No. _____ of the Town of Windsor passed and adopted on the _____ day of _____, 20____, A.D. and that the Mayor of the Town of Windsor, as authorized by said ordinance, on behalf of the Town of Windsor, hereby acknowledges and adopts the said annexation map upon which this certificate is endorsed for all purposes indicated thereon.

Mayor _____ ATTEST: _____
Town Clerk



NOTICE
According to Colorado law you must commence any legal action based upon any defect in this survey within three years after you first discover such defect. In no event may any action based upon any defect in this survey be commenced more than ten years from the date of the certification shown hereon. (13-80-105 C.R.S. 2012)

TITLE COMMITMENT NOTE
At the request of our client, recorded rights-of-way and easements were not researched and only those easements that were discovered during research to determine the property boundary are shown hereon. (38-51-106 C.R.S. 1994)

NOTICE OF OTHER DOCUMENTS
All persons take notice that certain documents have been executed pertaining to this development, which create certain rights and obligations of the development, the developer and/or subsequent owners of all or portions of the development site, many of which obligations constitute promises and covenants that run with the land. These documents are of record and are on file with the director of planning of the Town of Windsor and should be closely examined by all persons interested in purchasing any portion of the development site.

CONTIGUOUS BOUNDARY = 975.40 L.F.
TOTAL BOUNDARY = 2833.99 L.F.
RATIO = 1 : 2.906
AREA = 9.868 ACRES

////// DENOTES CONTIGUOUS BOUNDARY

DATE:	9/28/2015
FILE NAME:	2015914ANX
SCALE:	1"=100'
DRAWN BY:	CSK
CHECKED BY:	LSP

KING SURVEYORS
650 E. Garden Drive | Windsor, Colorado 80550
phone: (970) 686-5011 | email: info@KingSurveyors.com



REVISIONS:	DATE:
REVISED NAME & ADDED GAS LINE	3/25/16

WEAKLAND ANNEXATION
FOR
PATRICK WEAKLAND
6461 STATE HIGHWAY 392
WINDSOR, CO 80550

PROJECT #:
2015914



MEMORANDUM

Date: June 27, 2016
To: Mayor and Town Board
Via: Kelly Arnold, Town Manager
From: Stacy Johnson, Director of Economic Development
Re: High Hops Brewery & Windsor Gardener Annexation – Incentive Request
Item #: C.8

Background / Discussion:

In 2013 economic development and planning staff started discussions with Pat Weakland about the possibility of annexing High Hops and the Windsor Gardner into the Town of Windsor. We have worked on developing a relationship with Mr. Weakland since then and now have come to some conclusions about the cost and requirements to come into Town limits.

Our discussions were always based on the premise that if Mr. Weakland did annex and bring both companies into Windsor we would do our best to make it a zero cost to the Weaklands if possible. We would also allow them to annex into Town and basically grandfather them in with all their current land uses and infrastructure where applicable.

Since the last meeting with Town Board in July 2015, Town Staff in several departments have been working with the Weaklands to finalize their annexation and expansion into Town. Per the Town Board's direction we have finalized details and brought back the details for your review and approval.

Below is a project review:

High Hops & Windsor Gardner (annual revenue):

Windsor Sales Tax (3.0%)	\$31,454.45
Personal Property Tax	\$1,278.43
Real Property Tax	\$1,084.14

High Hops Expansion:	10,200 sq. ft. building
Building Cost including equipment	\$2,400,000
Employees	5 new Full Time in first year

Financial Impact:

Sewer & Lift station:	\$368,472.00
Pavement	\$154,400.00
Detention Pond	\$11,680.00
Annexation Fees:	\$2,000.00
Building permit fee waivers	\$73,767.69
Total	\$610,319.69

Recommended Incentive	\$400,000.00
	\$49,440.27 fee waivers
	\$350,559.73*

***would be reimbursed annually back to company from Sales, Property & Real Taxes.**

Relationship to Strategic Plan:

Diversify, Grow & Strengthen the Local Retail and Industrial Economy

Attachments:

Letter of Request

Town Fee estimate

Cost analysis (also Exhibit B)

Incentive Agreement (including Exhibits A & B)

Resolution No. 2016-45

TOWN OF WINDSOR

RESOLUTION NO. 2016-45

A RESOLUTION APPROVING AN AGREEMENT FOR CERTAIN ECONOMIC INDUCEMENTS AND DEVELOPMENT INCENTIVES BETWEEN AND AMONG THE TOWN OF WINDSOR, PATRICK WEAKLAND AND AMANDA WEAKLAND, WITH RESPECT TO THE ANNEXATION AND DEVELOPMENT OF PROPERTY FOR COMMERCIAL PURPOSES WITHIN WINDSOR

WHEREAS, the Town of Windsor (“Town”) is a Colorado home rule municipality with all powers and authority provided by Colorado law; and

WHEREAS, municipal governments are legally authorized under Colorado law to encourage economic development; and

WHEREAS, the expansion and relocation of commercial enterprises, buildings and activity create a public benefit through increased employment, tax revenue and community reputation; and

WHEREAS, Patrick Weakland and Amanda Weakland (“Weakland”) is the owner of certain real property located in unincorporated Weld County at 6461 West Highway 392 (“Property”), which has heretofore been operated as a garden supply and brewery under various approvals issued by Weld County; and

WHEREAS, Weakland has petitioned the Town for annexation of the Property, and is proposing to bring the existing garden supply and brewery operation into Windsor; and

WHEREAS, Weakland is proposing to expand the brewery operation and related entertainment uses within the Property; and

WHEREAS, Weakland will incur substantial infrastructure costs to bring the Property into compliance with the Town’s building, zoning, sanitary sewer and storm drainage regulations; and

WHEREAS, Weakland has requested that the Town assist in reimbursing certain costs associated with the annexation and expansion of the brewery facility, and has presented data upon which the Town is relying in concluding that the proposed annexation and brewery expansion will produce a public benefit sufficient to justify incentives and inducements requested by Weakland; and

WHEREAS, the Town and Weakland have negotiated the attached Agreement for Certain Economic Inducements and Development Incentives (“Incentive Agreement”), the terms of which are incorporated herein by this reference as if set forth fully; and

WHEREAS, the Town's Director of Economic Development has recommended that the Town Board approve the Incentive Agreement; and

WHEREAS, the Town Board finds that approval of the Incentive Agreement will result in a public benefit sufficient to support the incentives contained therein.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN BOARD OF THE TOWN OF WINDSOR, COLORADO, AS FOLLOWS:

1. The attached Agreement for Certain Economic Inducements and Development Incentives is approved.
2. The Mayor is authorized to execute the Incentive Agreement on the Town's behalf.
3. The Town Board reaffirms that the Incentive Agreement is expressly conditioned upon approval of the Weakland Annexation, which is a legislative act separately considered by the Town Board in its sole discretion.

Upon motion duly made, seconded and carried, the foregoing Resolution was adopted this 27th day of June, 2016.

TOWN OF WINDSOR, COLORADO

By: _____
Kristie Melendez, Mayor

ATTEST:

Patti Garcia, Town Clerk

July 27, 2015

Pat and Amanda Weakland

6461 Hwy 392

Windsor CO, 80550

Town of Windsor

301 Walnut Street

Windsor, CO 80550

Dear Town of Windsor,

The Windsor Gardener has been a stable business in Windsor for the past 15 years. We are family owned with deep ties to the community. We picked Windsor as the perfect place to raise our kids and start a business. Both of our children attended kindergarten through 12th grade here and have moved back and are working in the business after college. We have provided jobs for many local teens through the years and donated to the schools and local charities.

In 2008, we added a hop farm to the Windsor Gardener which boasts 52 different varieties of hops. This soon led to a homebrew shop and a brewery- High Hops Brewery, which opened in October of 2012. Since opening, High Hops has helped to put Windsor on the map. We have customers come from all parts of Colorado and the country. Our beer has won multiple awards from the east coast to the west coast of the US and in Australia. The first year we produced 600 barrels of beer and in the short time we have been open we will have tripled production with continued growth projected. Between all of these businesses, we have 10 full time employees and 9 part timers. If the expansion is approved, we project the addition of 5 more full time employees the first year.

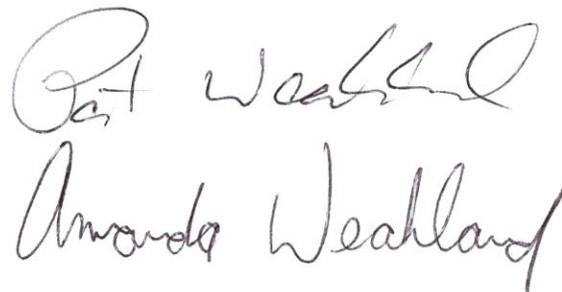
The combination of garden center, brewery and hop farm is very unique and makes us a destination spot. Local customers stay in town for entertainment with us instead of leaving. This in turn helps other Windsor restaurants and businesses. We draw customers to town from all over the state and country. Northern Colorado is known for its beer culture and as Windsor's first and only brewery, High Hops makes Windsor part of that culture and draw. Many of the customers to High hops have never been to Windsor but like what they see when they get to town. They visit local restaurants and other businesses once introduced to our beautiful town. The expansion will allow us to distribute to more states which will also increase Windsor's exposure.

In 2012 from October to December, our onsite tasting room, the hop hut, generated \$78,537 in sales. Our first full year in 2013 we sold \$440,884 dollars of beer and merchandise through the hop hut and 2014 sales were up 15% to \$519,013. Sales have been up each month for 2015 and continue to climb.

The Windsor Gardener consistently maintained sales of about \$450,000 for the years. Since the brewery has opened, we have surpassed the \$500,000 mark with an increase in many categories such as gifts which is a direct result of new customers from the draw of the brewery.

In order to continue to meet the growing demand for our beer, we would like to expand the brewery. The additional building will require a fire suppression system and an inch and one half water line. In order meet this demand we need to annex to the town of Windsor. Upon Annexation, Town of Windsor is requiring us to hook up to sewer line, build a detention pond and increase the area of pavement on site.

Pat and Amanda Weakland



Pat Weakland
Amanda Weakland

July 26, 2015

Pat and Amanda Weakland
6461 Hwy 392
Windsor, CO 80550

Town of Windsor
301 Walnut Street
Windsor CO

Dear Town of Windsor,

Please accept this formal request from Pat and Amanda Weakland, owners of The Windsor Gardener and High Hops Brewery for any and all incentives that the Town of Windsor may offer that they qualify for to offset costs required for annexation to the city.

These businesses are currently in Weld county and running with a special use permit on agricultural land. In order to grow, an additional brew house needs to be constructed and the greenhouse expanded. Fire suppression and an additional water tap will be required to develop additional buildings. The only way to acquire these services is to annex to the City of Windsor.

Annexation requirements stated by the town are sewer hookup, additional paved parking, paved access road, and a detention pond.

We are requesting assistance in any form possible from the town to meet these annexation requirements.

The nearest sewer access is 2200 feet away and requires a lift station and backup generator. Estimated cost for this is \$360,000.

Additional Pavement cost estimate is \$105,222.

Detention pond is needed due to the additional pavement required by the city.

We request that our current building design style be grandfathered in and any additional buildings and landscaping to follow the same design style.

As an agricultural based business, we request the ability to keep our ag status as outlined in Weld County and these privileges to stay with the property.

Non developed land to be assessed at agricultural taxation rates.

We are requesting to place a curb cut at the North end of the property to allow street access to the private residence on site.

We would like naming rights to the access spur that serves the property.

Building Permit Fee Estimate for Commercial or Industrial buildings

NOTICE
 The Plan Review Fee
 Fire District Fee and
 Administrative Fee
 shown on this
 estimate shall be
 collected at the time
 the bulding permit
 application is
 submitted

Date:	6/4/2015
Name of requestor:	Pat Weakland - 970.590.7860
Ph/Fx # or e-mail add:	patweakland@yahoo.com
Subdivision Name:	Rural Weld County
Address:	6461 Hwy 392
Lot size in SF:	43,560
Use:	High Hops Brewery
Building Size in SF:	10,200

Town of Windsor
 Planning Department
 301 Walnut Street
 Windsor, CO 80550
 970 674-2436
 fx 970 674-2456

Line #

1	Valuation	\$250,000
2	Electrical Valuation	\$50,000

ESTIMATE ONLY: ALL
 FEES ARE SUBJECT
 TO CHANGE
 WITHOUT NOTICE.
 ESTIMATED FEES
 ARE REFLECTIVE OF
 THE CURRENT
 AMOUNTS IN EFFECT
 AT THE TIME OF THIS
 ESTIMATE REQUEST.
 PLEASE CONTACT
 THE PLANNING
 DEPARTMENT FOR
 ANY FEE CHANGES
 AS YOU ARE GETTING
 CLOSER TO
 SUBMITTAL OF A
 BUILDING PERMIT
 APPLICATION. **SEE**
PAGES 2-3 FOR FEE
EXPLANATION.

3	Building Fee	Based on valuation - see schedule	
4	Electrical Fee	Based on valuation - see schedule	
5	Construction Meter	Always \$57.50	
6	Plan Review Fee	65% of line 3	
7	Administrative Fee	25% of lines 3, 4, and 5	
8	Raw Water	See Notes Below	
9	Water Plant Investment	Based on tap - 1 1/2" - 3/4" see notes below	
10	Sewer Plant Investment	Based on tap - 1 1/2" - 3/4" see notes below	
11	Drainage Fee	See Notes Below	
12	Water Meter and Yoke	Based on tap	
13	Irrigation Meter	contact engineer	
14	Fire District Fee	Fire district fee schedule	
15	Windsor Use Tax	3.95% of 1/2 of Valuation - Line 1	
16	Larimer County Use Tax	0.65% of 1/2 of Valuation - Line 1	
17	Road Impact Fee	Per Ordinance 2008-1318 - see schedule	
18	CAC Development Fee		
	TOTAL		

\$1,257.65
\$690.00
\$57.50
\$817.47
\$501.29
\$0.00
\$22,738.00
\$12,408.00
\$8,855.48
\$1,655.00
N/A
\$1,500.00
\$4,937.50
NA - Weld
\$18,349.80
\$73,767.69

Building Permit Fee Estimate for Commercial or Industrial buildings

- 1 Valuation is based upon materials and labor for entire building/project, not inclusive of the land, infrastructure, landscaping, etc.
- 2 Electrical valuation is based upon materials and labor for electrical portion of building/project, not inclusive of the land, infrastructure, landscaping, etc.
- 3 Building Permit Fee: \$3,827.65 for the first \$1,000,000 plus \$1.62 for each additional \$1,000.00 or fraction thereof.
Formula for this permit: $171 \times \$1.62 + \$3,827.65 = \$4,104.67$
- 4 Electrical Permit Fee: \$2001 and up = \$115.00 plus \$11.50 for each additional \$1,000.00 or fraction thereof.
Formula for this permit: $90 \times \$11.50 + \$115.00 = \$1150.00$
- 5 Construction Meter: Always \$57.50
- 6 Plan Review Fee: 65% of line #3 for new commercial bldgs & new 8+ unit multi-family, 30% of line #3 for all other residential and some finishes.
- 7 Administrative Fee: 25% of lines 3, 4, and 5
- 8 Raw Water Fee: Site specific and dependent upon water district, type of project, and location - please contact Town Engineer at 970 686-7476. We wouldn't assess additional raw water fee until we see if they exceed current allocation. Per Dennis Wagner, Town Engineer.
- 9 Water Plant Investment - Based upon \$30,801. - \$8063. = \$22,738 if he simply enlarges existing 3/4" water service service to 1.5" service. Additional service fee is \$30,801.

Building Permit Fee Estimate for Commercial or Industrial buildings

- 10 Sewer Plant Investment - Based upon \$16,808 - \$4400. = \$12,408. if he simply enlarges existing 3/4" to 1.5" service. Additional service fee is \$16,808.
- 11 Drainage fee: Based upon lot square footage - Formula: Impervious Rate Factor dependent upon use and land coverage x \$0.1838 x Area in Square feet - Please see Ordinance 2003-1148 for detailed information - This fee is dependent upon amount of land covered by parking and buildings,
Formula for this permit: $(39,000 \text{ sf} \times 1) + (10,200 \times 0.9) \times 0.1838 = \$8,855.48$ **Please note that this fee is an estimate based upon the expected lot coverage, but the fee may be lower, based upon percentage of lot coverage and landscaping, which will be determined upon submittal of a site plan to the Planning Department.
- 12 Water Meter Yoke & Pit - Based upon 1 1/2" water tap size - \$1,550.00
- 13 Irrigation Meter - Fort Collins Loveland Water District
- 14 Fire District Fee - Based on Valuation - \$6,925.00
- 15 Windsor Use Tax: 3.95% of 1/2 of the Valuation
Formula for this permit: $\$250,000. / 2 \times .0395 = \4937.50
- 16 Larimer County Use Tax: 0.6% of 1/2 of the Valuation
Formula for this permit: NA - Weld
- 17 Road Impact Fee: Based upon proposed use in this building - Please see Ordinance 2008-1318 for detailed information. If a detailed estimate is required, a minimum of \$50.00 is charged and additional consultant fees may be due to determine this cost. The road impact fees are due at issuance of the building permit and should be included in the estimated permit costs.
Formula for this permit: $1799/ 1000 \times 10,200 = \$18,349.80$
- 18 This total is an estimate based upon today's fees. These fees may change in the future.

EXHIBIT B Cost Analysis

6.27.16

High Hops Brewery & Windsor Gardener		
Annexation Expenses:		
Sewer Lift & Station	\$368,472.00	
Pavement	\$154,400.00	
Detention Pond Outlet	\$3,480.00	
Dention Pond (groundwork & fill dirt)	\$8,200.00	
Annexation Fees	\$2,000.00	
Building Permit Fees	\$73,767.69	
total investment	\$610,319.69	
Income:	Approx. Windsor REVENUE \$	
Annually		
Sales tax from High Hops Brewery & Windsor Gardener (3.0%)	\$31,454.45	
Real Property Tax	\$1,278.43	
Personal Property Tax	\$1,084.14	
Total annual income	\$33,817.02	
Fees for High Hops Brewery & Windsor Gardener*		
*based off of information provided by Windsor Commercial tenant finish Fee estimate form		
Building Fee	\$1,257.65	
Electrical Fee	\$690.00	
Construction Meter	\$57.50	
Plan Review Fee	\$817.47	
Administrative Fee	\$501.29	
Raw Water	\$0.00	
Water Plant Investment	\$22,738.00	
Sewer Plant Investment	\$12,408.00	
Drainage Fee	\$885.48	
Water Meter and Yoke	\$1,655.00	
Irrigation Meter	N/A	
Fire District Fee	\$1,500.00	
Windsor Use Tax	\$4,937.50	
Weld County Use Tax	\$0.00	
Road Impact Fee	\$18,349.80	
Total FEES	\$73,767.69	
Total Incentives (approximatley)	\$400,000.00	
Total Request of fee waivers	\$49,440.27	
Total reimbursement incentive after waiving fees	\$350,559.73	
Total tax revenue (5 years) estimated	\$169,085.10	
Incentive waivers/reimbursements	Reimbursement payback	10.37 years

**AGREEMENT
FOR
CERTAIN ECONOMIC INDUCEMENTS AND INCENTIVES**

THIS AGREEMENT FOR CERTAIN ECONOMIC INDUCEMENTS AND INCENTIVES (“Agreement”) is executed effective as of June 27, 2016 (“Effective Date”), by and between the TOWN OF WINDSOR, COLORADO, a Colorado home rule municipal corporation (“Town”), and PATRICK G. WEAKLAND and AMANDA J. WEAKLAND, joint tenants, (collectively, “Weakland”).

RECITALS:

- A. Weakland is the owner of and presently doing business at 6461 West Highway 392, Windsor, Colorado (“Property”), which is further described in Exhibit A hereto, incorporated herein by this reference as if set forth fully. Weakland’s business includes a gardening center known as “The Windsor Gardener”, and a craft brewery known as “High Hops Brewery”. The Windsor Gardener and High Hops brewery are presently doing business in unincorporated Weld County under one or more County Use by Special Review approvals. The Property is presently served by an individual septic system or systems, and is presently served by the Town’s water utility.
- B. Weakland intends to expand High Hops Brewery in one or more phases, the first of which will involve the construction of an expanded brewery-related structure, but in the future may include gathering rooms and entertainment venues (“Facility”) upon the Property, some of which are contemplated at this time, and others of which will occur as market demand may require. Annexation of the Property and construction of the Facility will provide economic benefits to the Town, including but not limited to, increased tax revenue, employment and visitor attention.
- C. The Town desires to encourage Weakland to annex the Property into the Town’s corporate limits and to encourage various improvements serving the Property by offering certain inducements as set forth herein. Subject to the terms and conditions herein, Weakland is requesting, and the Town desires to grant, certain economic inducements and incentives to facilitate the annexation of the Property and construction of the Facility.
- D. It is an appropriate and lawful function of Colorado municipalities to encourage economic vitality through economic inducements and incentives.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Town and Weakland agree as follows:

- 1. The foregoing Recitals are fully incorporated herein by this reference with the same force and effect as though restated below.

2. Weakland has filed with the Town a completed application for annexation of the Property (“Weakland Annexation”), approval of which he shall diligently pursue. The Town will process the annexation application pursuant to the requirements of the Colorado Municipal Annexation Act of 1965. Nothing herein shall be deemed a contract for annexation; the parties acknowledge that the decision of whether to annex or not is vested solely in the legislative authority of the Windsor Town Board.
3. Although it is anticipated that Weakland will construct the Facility, Weakland shall have no obligation to construct the Facility. This Agreement does not create any obligation to construct the Facility at any time, under any circumstances whatsoever.
4. The Town’s obligation to provide Weakland with the economic inducements and incentive described below is conditioned upon Town Board approval of the Weakland Annexation. If this condition does not come to pass, the Town shall have no obligation to provide inducements or incentives under this Agreement.
5. Provided that the Weakland Annexation is approved, Weakland intends to undertake certain infrastructure improvements, including a sanitary sewer line, sanitary sewer lift station, force main, parking and driveway paving, and detention facility improvements (“Improvements”). The Improvements are expected to be completed by August 1, 2017. The Improvements will be further defined by improvement plans approved in advance by the Town.
6. **Determination of Public Benefit, Reliance of the Town.**
 - a. The Town maintains certain guidelines for evaluating the public benefit of commercial development within its corporate limits, and the value of providing economic inducements and incentives to encourage and sustain such development. In reliance upon certain data and information provided to the Town by Weakland, the Town has determined that annexation of the Property and eventual construction and operation of the Facility satisfies such guidelines and will be of substantial economic benefit to the Town.
 - b. The Town’s determination of inducements and incentives primarily and substantially stems from its desire to encourage Weakland to connect the Property to the Town’s sanitary sewer utility and otherwise improve the Property. Weakland has provided the Town with an estimate of the projected costs for the improvements to the Property, a copy of which is attached hereto and identified as Exhibit B. By entering into this Agreement, the Town is relying on these estimates in good faith.
 - c. Weakland has provided the Town with certain information and representations upon which the Town has relied in determining future tax revenue generation from commercial activity presently taking place and anticipated to take place in

the foreseeable future within the Property. By entering into this Agreement, the Town is relying on Weakland's representations in good faith.

7. Agreed Incentives and Inducements.

In light of the foregoing, the Town agrees to the following incentives and inducements upon the terms and conditions set forth below:

- a. The Town will forever waive the collection of certain building permit-related fees, the classification and estimated amounts for which are as follows:

Windsor in-house Administrative Fee:	\$ 501.29
Windsor Water Plant Investment Fee:	\$22,738.00
Windsor Sewer Plant Investment Fee:	\$12,408.00
Windsor New Growth Basin Impact Fee:	\$ 8,855.48
Windsor construction materials use tax:	<u>\$ 4,937.50</u>
TOTAL	<u>\$49,440.27</u>

Notwithstanding the aforementioned estimates, the total value of the incentives and inducements in the aggregate and the value of each such incentive and inducements contemplated under this sub-paragraph (a) SHALL NOT be final until the Town's issuance of the first building permit for improvements to the Property ("First Building Permit") in keeping with the Town's customary building permit fee practices. Accordingly, the total value of the incentives and inducements under this sub-paragraph (a), and the value of each as contemplated herein, may increase or decrease (if at all), depending upon the final fees as stated in the First Building Permit, as issued by the Town. In other words, the First Building Permit shall be determinative of the total value of the incentives and inducements under this sub-paragraph (a) in the aggregate, and the value of each, as contemplated herein.

- b. In addition to the foregoing permit-based fee waivers, the Town will reimburse Weakland's actual costs for construction of the Improvements, up to a maximum of Three-hundred-Fifty-thousand dollars (\$350,000.00). The Town's obligation to reimburse such costs shall be conditioned upon the following terms:
- i. Weakland shall in writing request reimbursement, and shall provide documentary proof of actual payment by or on behalf of Weakland for each expense for which Weakland seeks reimbursement hereunder.
 - ii. Weakland's request for reimbursement shall be accompanied by lien waivers executed by each laborer, contractor, sub-contractor or materials supplier, as the case may be, associated with the work or materials represented by the request for reimbursement.
 - iii. Weakland's request for reimbursement shall be accompanied by a signed statement by Weakland, affirming that the costs for which reimbursement are

sought were, in fact, incurred by or on behalf of Weakland for the Improvements as defined by the improvement plans approved by the Town.

- iv. In no event shall the Town's aggregate reimbursements under this Agreement exceed Four-hundred-thousand dollars (\$400,000.00). In the event that the actual costs for the Improvements are less than this maximum, Weakland shall have no right to reimbursement in excess of such actual costs.

8. Method of Reimbursement to Weakland.

- a. Upon receipt of Weakland's request for reimbursement as required under Section 7 above, the Town shall reimburse Weakland through refunds of an amount equal to Town sales tax, Town *ad valorem* real property tax and Town *ad valorem* personal property tax revenue generated within the Property during the calendar year preceding receipt of Weakland's reimbursement request. Reimbursement requests will be honored no more than once per calendar year. In the event that a particular form of tax revenue cannot be specifically tied to a particular day of the month or calendar month, the Town shall be permitted to prorate revenue in relation to the time period for which the revenue is received. All proration determinations shall be in the sole discretion of the Town.
- b. The aggregate period during which tax revenue refunds shall take place under this Agreement shall be no longer than that necessary to provide full reimbursement to Weakland for all sums properly presented for reimbursement by Weakland in accordance with this Agreement. Upon full satisfaction of such sums, the tax revenue refunds provided for herein shall terminate.

9. Miscellaneous.

- a. **TABOR.** Nothing herein shall be deemed a multiple-fiscal year obligation in violation of the limitations set forth in Article X, Section 20 of the Colorado Constitution. All sums payable hereunder by the Town in any future fiscal year shall be subject to legal availability and annual appropriation.
- b. **Subsequent legislation, constitutional limits.** The Town shall not be required to reimburse Weakland in the event that subsequent legislation adopted by the State of Colorado makes such reimbursement unlawful, or in the event a court of competent jurisdiction declares any portion of this Agreement or legislation authorizing payment under this Agreement to invalid or unconstitutional.
- c. **Waiver of Tax Appeals, Payment of Refunds/Credits.** Weakland hereby agrees that, in the event of a tax protest or appeal, any credits or reductions of property taxes for which reimbursement has previously been paid by the Town shall reduce the remaining balance owed by the Town. For example, if Weakland protests or appeals a tax assessment but receives a reimbursement of such

property taxes from the Town pending outcome of the appeal, and later receives a credit as a result of the protest or appeal, any amount credited to Weakland by the taxing authority as a result of the protest or appeal shall immediately reduce the balance due to Weakland by the Town in an equal amount. Weakland shall notify the Town of any tax protests or appeals filed with respect to taxes for which reimbursements have requested by Weakland under this Agreement, and Weakland shall immediately inform the Town of the amount(s) credited or refunded to Weakland as a result of any such protests or appeals.

- d. **Compliance With Title 31, Article 15, Part 9, C.R.S.** In connection with providing these incentives, the Town agrees to comply with any obligations imposed pursuant to Section 31-15-903, including the notification requirements of sub-section (4) thereof.
- e. **Waiver of Confidentiality.** As a condition of the Town's undertakings as set forth herein, Weakland hereby voluntarily waives its right to confidentiality as provided in *Windsor Municipal Code* Section 4-3-640 for the entire period during which reimbursements are due under this Agreement, and further consents to disclosure of sales and use tax information specific to taxable activity taking place within the Property during said entire period. Weakland's waiver and consent under this Section extends to all taxable activity taking place within the Property, and specifically permits public discussion and analysis before Town governmental and administrative bodies.
- f. **Assignment.** The right to receive the tax refunds to be paid under this Agreement may be assigned by Weakland to any person or entity later taking record title to the Property or to whom responsibility for operation of the High Hops Brewery is transferred. No such assignment shall, however, be effective until Weakland has provided the Town with written notice of the person(s) or entity/entities to whom record title has been transferred and/or operational responsibility has been transferred.
- g. **Entire Agreement.** This writing constitutes the entire agreement between the parties with respect to its subject matter, and supersedes any prior written or oral communication, negotiations, agreements, representations and understandings between them with respect to its subject matter.
- h. **Modification.** This Agreement may not be modified, enlarged or altered, except in writing, signed by both parties.
- i. **No Third Party Beneficiaries.** No person not a signatory hereto shall have any right to seek enforcement or declaration of status under this Agreement. No third party beneficiaries are intended.

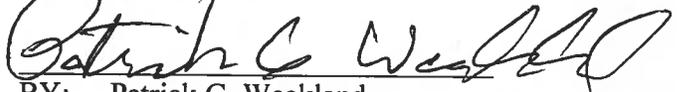
- j. **Attorney fees, costs of litigation.** In the event of litigation between the parties arising out of this Agreement, and in which the Town shall prevail, in addition to any judgment for damages or declaratory relief, Weakland shall pay all costs incurred by the Town, including attorney fees, expert witness fees and other costs of suit.
- k. **Venue.** This Agreement shall be governed by and construed in accordance with the law of the State of Colorado. Venue for all purposes shall be deemed proper in the District Court of Weld County, Colorado.
- l. **No Waiver.** A waiver by either party of a breach of any of the provisions of this Agreement shall not constitute a continuing waiver or a waiver of any subsequent breach of the same or another provision of this Agreement.
- m. **Severability.** If any part, term or provision of this Agreement is held by the courts to be illegal or otherwise unenforceable, such illegality or unenforceability shall not affect the validity of any other part, term of provision, and the rights of the parties shall be construed as if the part, term or provision in question was never part of this Agreement.
- n. **Covenant Running with the Land.** This Agreement shall be deemed to run with the Property and, upon its execution by the parties, shall be recorded by the Town with the Weld County Clerk and Recorder. Upon execution by the parties, this Agreement shall be binding upon the parties, their respective successors and assigns.

In witness whereof, the parties have executed this Agreement as of the Effective Date.

TOWN OF WINDSOR, COLORADO

BY: Kristie Melendez, Mayor

WEAKLAND, INC.



BY: Patrick G. Weakland



BY: Amanda J. Weakland

EXHIBIT A

**Agreement for Certain Economic Inducements and Incentives
(Town of Windsor/Weakland)**

LOT B OF RECORDED EXEMPTION NO. 0807-18-3-RE-1425, BEING A PART OF THE
E1/2SW1/4 OF SECTION 18, TOWNSHIP 6 NORTH, RANGE 67 WEST OF THE 6TH P.M.,
AS PER THE MAP RECORDED JULY 31, 1992 IN BOOK 1345 AT RECEPTION NO.
2298012,

COUNTY OF WELD, STATE OF COLORADO;

TOGETHER WITH an undivided 2/3 interest of an undivided 1/3 interest in that certain
irrigation well described in Agreement dated March 1, 1973 and recorded in Book 687 at
Reception No. 1608622, Weld County Records; ALSO TOGETHER with two (2) shares of the
capital stock of The New Cache La Poudre Irrigation Company; ALSO TOGETHER with an
easement for an irrigation ditch across the westerly 6 feet of Lot A of Recorded
Exemption No. 0807-18-3-RE-1425.

also known by street and number as 6461 WEST HIGHWAY 392, WINDSOR, COLORADO 80550

EXHIBIT B Cost Analysis
6.27.16

High Hops Brewery & Windsor Gardener	
Annexation Expenses:	
Sewer Lift & Station	\$368,472.00
Pavement	\$154,400.00
Detention Pond Outlet	\$3,480.00
Dention Pond (groundwork & fill dirt)	\$8,200.00
Annexation Fees	\$2,000.00
Building Permit Fees	\$73,767.69
total investment	\$610,319.69
Income:	
Annually	Approx. Windsor REVENUE \$
Sales tax from High Hops Brewery & Windsor Gardener (3.0%)	\$31,454.45
Real Property Tax	\$1,278.43
Personal Property Tax	\$1,084.14
Total annual income	\$33,817.02
Fees for High Hops Brewery & Windsor Gardener*	
*based off of information provided by Windsor Commercial tenant finish Fee estimate form	
Building Fee	\$1,257.65
Electrical Fee	\$690.00
Construction Meter	\$57.50
Plan Review Fee	\$817.47
Administrative Fee	\$501.29
Raw Water	\$0.00
Water Plant Investment	\$22,738.00
Sewer Plant Investment	\$12,408.00
Drainage Fee	\$885.48
Water Meter and Yoke	\$1,655.00
Irrigation Meter	N/A
Fire District Fee	\$1,500.00
Windsor Use Tax	\$4,937.50
Weld County Use Tax	\$0.00
Road Impact Fee	\$18,349.80
Total FEES	\$73,767.69
Total Incentives (approximatley)	\$400,000.00
Total Request of fee waivers	\$49,440.27
Total reimbursement incentive after waiving fees	\$350,559.73
Total tax revenue (5 years) estimated	\$169,085.10
Incentive waivers/reimbursements	Reimbursement payback 10.37 years



MEMORANDUM

Date: June 27, 2016
To: Mayor & Town Board
Via: Kelly Arnold, Town Manager
From: Wade Willis, CPRP, Parks and Open Space Manager
Re: Resolution 2016 – 46 Accepting Deed of Conservation Easement for Cottonwood Bend
Item #: C.9.

Background / Discussion:

Presented for your consideration this evening is a Resolution which will accept the Deed of Conservation Easement (“CE”) for Cottonwood Bend through the Poudre River Initiative Project. This project started in 2012 with a grant submission to Great Outdoors Colorado (GOCO). The purpose was for acquisition and development of various land parcels adjacent to the Poudre River from Fort Collins to Greeley. The grant partners include Greeley, Windsor, Fort Collins and Larimer County. The grant was successfully funded at \$5.1M. Greeley successfully completed several land acquisitions which must have CE’s to ensure perpetual preservation of these lands. Town Board previously approved a similar arrangement for the Sheep Draw Property which was the first acquisition by Greeley as a part of the overall initiative. Acquisition of the Cottonwood Bend CE’s is a continuation of what the Town has already committed to with its Poudre River Initiative Project partners.

The CE’s must be held by a qualifying agency. GOCO requires that the easement holder is certified by the Department of Regulatory Affairs, Real Estate Division. Windsor received conditional approval to hold CE’s in 2015. Windsor is required to co-hold the CE’s under the experience of a certified entity, such as Larimer County Open Lands. Once we receive full certification, Windsor will no longer need to co-hold CE’s. Through an existing IGA with Larimer County, Windsor and Larimer County will jointly hold the Cottonwood Bend CE’s.

The ability to hold CE’s is an important option to preserve lands in and around Windsor. In 2014, Town Board adopted the Conservation Easement Stewardship Level of Service Standards that outlines our process for consideration, evaluation and acquisition of any conservation easement. In keeping with this approved process, the Parks, Recreation & Culture Advisory Board (PReCAB) held a public hearing on the proposed acquisition on June 7th, 2016. There were no public comments. PReCAB has recommended Town Board acceptance of the Deed of Conservation Easement for the Cottonwood Bend Conservation Easement.

Financial impact:

We have identified a Stewardship Fee of \$312 annually for the monitoring costs (staff time and travel) associated with these properties. The City of Greeley has agreed to this and will be invoiced annually.

Recommendation:

Adopt Resolution Accepting the Deed of Conservation Easement for the Cottonwood Bend properties located east of 59th Avenue and the Poudre River in Greeley.

Attachments:

Resolution 2016 - 46
Conservation Easement Stewardship Level of Service Standards
Deed of Conservation Easement – Cottonwood Bend
Cottonwood Exhibits

TOWN OF WINDSOR

RESOLUTION NO. 2016-46

A RESOLUTION APPROVING AND ACCEPTING A DEED OF CONSERVATION EASEMENT FROM THE CITY OF GREELEY TO THE TOWN OF WINDSOR, AND RE-AFFIRMING THE TOWN'S RIGHTS AND OBLIGATIONS WITH RESPECT TO CONSERVATION OF THE COTTONWOOD BEND NATURAL AREA

WHEREAS, the Town of Windsor ("Town") is a Colorado home rule municipality with all powers and authority vested by Colorado law; and

WHEREAS, the Town has a long history of cooperative relations with its neighboring municipalities, including the City of Greeley ("Greeley"); and

WHEREAS, pursuant to a prior Intergovernmental Agreement ("IGA") between and among the Town, Greeley and Larimer County, a significant grant of Great Outdoors Colorado ("GOCO") funds were made available for the preservation of open space along the Cache la Poudre River in Larimer and Weld Counties; and

WHEREAS, pursuant to the IGA, Greeley has expended a portion of the GOCO funds for the acquisition of four parcels, known to the participants as Cottonwood Bend Natural Area ("Cottonwood Bend"), and consisting of the following specific parcels:

- Approximately 84 acres, known as Tennyson Meadows at Cottonwood Bend Natural Area;
- Approximately 57.5 acres, known as Bauer Grove at Cottonwood Bend Natural Area;
- Approximately 28.1 acres, known as Brown Oxbow at Cottonwood Bend Natural Area; and
- Approximately 9.8 acres, known as Stevens Pasture at Cottonwood Bend Natural Area

and

WHEREAS, pursuant to the terms of the IGA, Greeley proposes to create a conservation easement applicable to all parcels within Cottonwood Bend, and under which the Town and Larimer County will jointly manage the conservation values identified in the easement grant; and

WHEREAS, attached hereto and incorporated herein by this reference is the proposed *Deed of Conservation Easement – Cottonwood Bend Natural Area* ("Deed"), which sets

forth the particular intentions of the parties with respect to the four parcels which comprise Cottonwood Bend; and

WHEREAS, the Town, Larimer County and Greeley have all worked cooperatively to establish clear conservation values, accommodate existing uses, and come to terms with respect to open space management within Cottonwood Bend; and

WHEREAS, the Town, Larimer County and Greeley have successfully undertaken conservation efforts in the Sheep Draw area west of Greeley, using GOCO funding and cooperative agreements very similar to the attached Deed; and

WHEREAS, Title 29, Article 1 of the Colorado Revised Statutes encourages and permits local governments to cooperate in the provision of any function, service, or facility lawfully authorized to each of the cooperating entities, including the sharing of costs, the imposition of taxes, or the incurring of debt, so long as such cooperation is authorized by each party thereto with the approval of its governing body; and

WHEREAS, the Town Board wishes to approve, accept and reaffirm the Town's undertakings as set forth in the attached Deed.

NOW, THEREFORE, be it resolved by the Town Board for the Town of Windsor, Colorado, as follows:

1. The attached Deed of Conservation Easement – Cottonwood Bend Natural Area, is hereby approved, accepted and reaffirmed.
2. The Mayor is hereby authorized to execute the attached Deed of Conservation Easement on behalf of the Town.
3. The Town Attorney is authorized to make such modifications to the form of the attached Deed of Conservation Easement as may be necessary to carry out the intent of this Resolution.

Upon motion duly made, seconded and carried, the foregoing Resolution was adopted this 13th day of June, 2016.

TOWN OF WINDSOR, COLORADO

By: _____
Kristie Melendez, Mayor

ATTEST:

Patti Garcia, Town Clerk

TOWN OF WINDSOR



COLORADO

Conservation Easements are effective tools to preserve significant natural, historical or cultural resources.

Conservation Easement Stewardship

Level of Service Standards

March 2013

The mission of the Parks, Recreation & Culture Department is to provide recreation and cultural opportunities for the entire community through quality programs, facilities, service and management of natural resources.

Summary

Conservation easements are an effective way to preserve land and open space for future generations without an outright purchase of land. A conservation easement might preserve working farms, natural resources, cultural or historical sites or lands with valuable attributes.

The foundation of an effective easement stewardship program is based on good working relationships with landowners. This is true for easements initiated by landowners as well as the Town of Windsor. When the Town serves as an easement holder, it has a legal and ethical responsibility to ensure that landowners comply with the terms of their conservation easements to uphold the public benefit. Since conservation easements are for public benefit, it is paramount that the public has confidence in the Town's ability to fulfill stewardship responsibilities. Communication, conservation easement deeds, good baseline inventory data, annual monitoring and perhaps management plans are effective ways to define the terms of an easement, and promote good stewardship of the public trust.

Windsor's level of service standards reflect management practices recommended and also rules established by the Colorado Division of Real Estate pursuant to Title 12, Article 61 and Title 24, Article 24 of the Colorado Revised Statutes regarding the conservation easement certification program, Colorado Open Space Alliance's (COSA) document Holding Conservation Easements: A Local Government Best Practices Handbook (2009) and guidance from the Center for Excellence of the Colorado Coalition of Land Trusts. Further materials were obtained by the National Alliance for Land Trusts and the Trust for Public Lands.

What is a Conservation Easement?

A conservation easement is a legal document which contains permanent restrictions on the use or development of a specific property. Landowners enter into a conservation easement as a voluntary act to preserve the resource values that are found on the protected land. Each easement is individually crafted to reflect the needs and objectives of the landowner and the agency receiving the easement. Public access may be granted in the original conservation easement or under a separate access easement has been granted by the owner.

The easement must be granted to a qualified conservation-oriented governmental entity (such as The Town of Windsor), or a private non-profit land trust (such as Legacy Land Trust). The process for establishing, monitoring and reporting on conservation easements is contained in this Stewardship document. However, there are three critical components in the creation of a conservation easement:

- a willing landowner (grantor)
- a qualified receiving entity (grantee)
- a property that has resource values which warrant protection

There are potential tax implications for granting a conservation easement:

- Property Taxes---in Larimer County and Weld County, agricultural property tax rates are already low and may not be affected much.
- Income Taxes-Under the current (2010) federal law, if the conservation easement is donated it may be considered a tax-deductible charitable gift, which would allow the donor to deduct a percentage of his or her adjusted gross income in the year of the gift.
- Estate Taxes-If estate taxes are due, they often are reduced because the property value has been diminished by the granting of the conservation easement.
- State Tax Credit Program-A landowner may earn a credit for State taxes (up to a maximum of \$375,000) for the donation of a conservation easement. These credits are transferable, i.e. they can be sold if the landowner cannot utilize them to reduce his/her own taxes.

Property owners should seek information from their attorneys and financial advisors regarding the legal and tax implications of establishing a conservation easement on their property!

Once a Conservation Easement is established, the landowner has certain responsibilities:

- to utilize the property in a manner that protects the conservation values
- to allow only those uses which are identified in the conservation easement as "permitted uses"
- to prevent those uses which are specifically stated as "prohibited" in the easement, or other uses which would negatively affect the conservation values.
- to allow the recipient agency to access the property at least once per year to confirm that the terms of the conservation easement are being followed.

What's the distinction between a conservation easement and land purchased outright?

- land under easement stays in private ownership and use, in accordance with the terms of the easement.
- when land is sold to a resource agency, the landowner gives up all use of the land, and it will be used for those purposes as determined by the purchasing entity e.g. parks, trails, open space.
- if purchased, the amount paid for a conservation easement will be less than that paid when the land is sold outright.

Background

The 2006 Update of the Town of Windsor Comprehensive Plan, which was adopted by the Planning Commission and accepted by Town Board, identifies several goals for long term community development where conservation easements may play a role:

- Using sound conservation practices, unique and distinctive natural features, sensitive ecosystems, critical wildlife habitats, and other unique natural resources should be conserved and preserved in a manner that assures their protection from adverse impacts.
- Community growth should respect and incorporate existing environmental constraints and opportunities to assure that new development and redevelopment will be harmonious with the area's natural and manmade environments.
- Provide for the conservation of natural resources, particularly water, and implement directives which promote a cleaner, more water-efficient, and aesthetically-appealing community.
- Community growth should include measures to protect and promote Windsor's cultural heritage and resources.

Additionally, the Comprehensive Plan establishes several policies to guide the decision making process, where again, conservation easements might play a role:

- Preserve unique, sensitive and critical natural areas such as lakes, rivers, streams, arroyos, aquifer recharge areas, ridgelines, bluffs, significant wildlife habitats (wetlands and riparian areas, native grasslands, floodplains), significant stands of plants, scenic vistas, historical areas, archeological sites and other unique landscapes. Alteration of key natural resource features necessitated by development may be offset through mitigation or replacement.
- Important wildlife species should be protected by preserving key wildlife habitat, wildlife "friendly" fencing design and working on regional programs to protect wildlife.
- Developments occurring within areas identified on the Environmental Resources and Hazards Map or other areas identified by the Town or referral agency may require special studies including: special engineering practices, wildlife and habitat surveys, resource mapping, visual simulations and/or other mitigating actions before development may proceed in areas of high environmental sensitivity. These studies will be the responsibility of the developer.
- The Town should ensure that buffer areas of limited development or no development are preserved adjacent to important natural features. Important natural features shall include; major ridgelines, lakes, ponds, streams, arroyos, Poudre River, sensitive wildlife habitats, unique vegetation areas, wetlands, wildlife corridors, historical areas and archeology sites. Minimum recommended buffer distances (measured from the edge of the natural feature):
 - Low sensitivity features: 50 feet (example - drainages, canals, ditches)
 - Moderate sensitivity features: 100 feet (example - wetlands, ridgelines, riparian areas)
 - High sensitivity features: 300 feet (example - Poudre River, waterfowl nesting areas).
 - Other natural features may require greater buffer distances.
- Preserve and promote the Community's historic resources through the Historic Preservation Commission, historic resource surveys, historic preservation planning and

incentives, and operation of the Museums and Cultural Affairs (Art & Heritage) Division. The Town should encourage public education on cultural resources through school programs, public outreach efforts, museums, cultural events and the development of a historic walking tour.

Additionally, the 2007 Update of the Parks, Recreation, Trails and Open Lands Master Plan, adopted by the Parks Recreation & Culture Board as well as Town Board, also identifies developing an Open Lands program as a goal where conservation easements may help to accomplish objectives:

Goal: Develop and articulate an Open Lands Program and Approach for the Town of Windsor to protect its natural values and allow the co-existence of wildlife and human life where appropriate and possible.

Strategies:

- Communicate previously adopted definition of Open Lands and a Level of Service Statement that are appropriate and fitting for the Town of Windsor.
- Utilize a method of evaluation for determining open lands acquisition and/or easement priorities based on the values represented by potential properties.
- Determine potential acquisitions and/or easements for evaluation.
- Consider developing an Open Space land dedication requirement.
- Determine potential funding mechanisms for open lands acquisitions.
- Enhance Open Lands management and maintenance policies and practices.
- Take a comprehensive planning approach toward Open Lands preservation in the Town of Windsor.

Implementation

Resolution 2008-59 establishes a simple process for actual acceptance of a conservation easement. Town Board is the final authority for acceptance, acting on recommendation from the Parks, Recreation & Culture Board. The following criteria is outlined in the resolution:

- The proposed conservation easement protects and preserves a community buffer, significant and desirable scenic views or trails.
- The proposed conservation easement protects and preserves the area's cultural identity, archaeological sites or agricultural heritage.
- The proposed conservation easement protects significant and desirable ecological resources, including aquatic environments, wildlife habitat and unique vegetation.

Additionally, the resolution allows for the collection of a stewardship fee as a condition of accepting the easement to allow the Town to monitor the conservation easement and to fund any future easement enforcement costs.

DOCUMENT : Resolution 2008-59

Accountability

The Town of Windsor has available a Landowner's Information Packet. The purpose of this material is to inform landowners of the process of dedicating a conservation easement, whether the easement might be acquired via donation (whereby landowners might pursue tax credits), purchase or a combination of these efforts.

DOCUMENT : Landowner Information Packet (contains Conservation Easement Stewardship Level of Service Standards, Resolution 2008-59, and other documents developed by outside agencies)

STAFF: Director of Parks, Recreation & Culture, Parks and Open Space Manager, other staff as needed.

Evaluation

Before a conservation easement is presented for consideration, staff shall complete due diligence in evaluating the proposed easement acquisition, whether donation, fee simple or transfer. Staff shall consider the values of the proposed easement as outlined in the above referenced Resolution, and rate the value of the prospective property. The Town Board may provide direction via Executive Session for negotiations and acquisition.

DOCUMENT : Criteria Evaluation Checklist and Ranking; Process Flowchart

STAFF: Director of Park, Recreation & Culture, Parks and Open Space Manager, other staff as needed.

Appraisal

An appraisal shall be completed on the property by an independent third party for use by both the property owner and the Town. It may be utilized as a tool for reaching an appropriate price if the easement is purchased; or utilized by the property owner regarding tax credits. The cost of such appraisal shall be borne by the initiator of the easement, or the property owner if tax credits are sought.

DOCUMENT : N/A

STAFF: Director of Parks, Recreation & Culture, Parks and Open Space Manager, other staff as needed. Outside entity.

Document Development

Staff shall involve the owner in meetings to determine their wants and needs, and the objectives of a conservation easement, resulting in a listing of reserved rights of the property owner, and both allowed and prohibited uses. When acceptable terms are reached, the easement shall be conveyed via Deed. The easement shall be in perpetuity, providing permanent protection for the stated conservation values.

Staff will also evaluate the Town's capacity to monitor and /or maintain the easement property, which may be variable depending on the terms of the easement.

DOCUMENT : Sample Deed

STAFF: Director of Parks, Recreation & Culture, Parks and Open Space Manager, Town Attorney, other staff as needed. Outside entity.

Recommendation

Once the necessary documents have been developed, materials are presented to the Parks Recreation & Culture Advisory Board (PReCAB) for review. PReCAB would conduct a Public Hearing regarding the easement acquisition and formulate a recommendation to the Town Board, who has final authority over approval of conservation easements.

STAFF: Director of Parks, Recreation & Culture, Parks and Open Space Manager, Town Manager, Town Attorney, other staff as needed.

Baseline Data Report

A thorough report of baseline data shall be prepared by an independent third party. In the future, this may be performed by staff if expertise is available. The cost of such study shall be borne by the initiator of the easement, or the property owner if tax credits are sought. The Baseline Data report should be completed prior to acceptance of the easement, but at the very least be completed within nine (9) months of closing.

DOCUMENT : N/A

STAFF: Director of Parks, Recreation & Culture, Parks and Open Space Manager, other staff as needed. Outside entity.

Management Plan

Certain property values and certain retained rights, along with the anticipated use of the property (for example, recreational access) may require the development of a Management Plan. Such a plan should outline proposed access, development, improvement and uses in further detail than the stated rights in the deed. Management Plans be updated from time to time as needed to reflect current management practices and needs. This may be developed by staff or an outside party, before or after closing, and the cost is borne by the Town.

STAFF: Director of Parks, Recreation & Culture, Parks and Open Space Manager, other staff as needed. Outside entity.

Monitoring

This practice of regularly inspecting and documenting the conditions of the easement property ensures the property is protected over time. Monitoring is essential to: build rapport with the property owner; save time and money by identifying problems early on; document violations; provide a record of property conditions in case of any necessary court action; and satisfy Internal Revenue Service requirements for tax-deductible easements. The Town of Windsor will

conduct at least one monitoring visit per year, within 12-14 months of the previous visit, when snow is not present. The process is as follows:

- Town sends letter to owners of all easement properties at the beginning of the monitoring season notifying them that a monitoring appointment will be set up.
- Staff calls the landowner or the land manager of the easement property to set up a site visit for monitoring.
- Before the site visit, staff will review the monitoring reports from previous years as well as the Easement Deed and legal description, and Management Plan (if applicable) to become familiar with rights, restrictions, condition of the property, and issues/problems related to land management.
- Gather material for the site visit including, but not limited to: camera and film, maps, surveys, aerial photos, Easement Deed, Management Plan (if applicable) and monitoring report forms.
- At the site visit, interview the owner or manager to discuss any changes that were made to the property since the previous year. Conduct phone interviews if a meeting on the property is not possible. Document on the monitoring report.
- Inspect the property. Staff has the right to inspect all of the easement property during the visit. The landowner or manager should tour the property with staff. For orientation purposes, new staff should request a guided tour of the property by the owner or manager.
- Compare current property conditions with the written observations and photos from the previous monitoring visit. Make note of any major natural or man-made changes and thoroughly document. Take new photos at established photo points and map.
- Complete the monitoring report form; sign and date two original copies of the monitoring report form, which are then sent to the landowner. The landowner is asked to sign both originals and send one back for the Town files. Record the date the monitoring report was sent and date it was returned. Follow up with landowners who fail to return the report after one month. It is essential that a signed monitoring report is filed so that the Town can prove, if necessary, that the monitoring did occur.

DOCUMENT : Monitoring checklist; Monitoring report

STAFF: Director of Parks, Recreation & Culture, Parks and Open Space Manager, other staff as needed.

Reporting

A variety of reports are essential to document easements and compliance, as follows:

- Monitoring report forms are completed annually and shared with the property owner.
- Monitoring reports are stored electronically with the Department of Parks, Recreation & Culture and with PReCAB packets (typical records retention applies).
- Backup reports on CD or DVD are stored at Town Hall.
- As a certified agency, the Town shall also file monitoring and stewardship reports with the State of Colorado / Department of Regulatory Agencies / Division of Real Estate.

- Easements funded through Great Outdoors Colorado, also require monitoring and stewardship reports.
- Annual monitoring and stewardship reports are provided to the Town of Windsor Parks, Recreation & Culture Board.

DOCUMENT : Stewardship Report

STAFF: Director of Parks, Recreation & Culture, Parks and Open Space Manager, other staff as needed.

Enforcement

Enforcing the rights of conservation easements is a critical obligation. Each deed of easement shall specify the legal arrangement between landowner and agency, however the defense of violations is borne by the easement holder. The process is as follows:

- The landowner shall be notified of the violation and requested compliance.
- Land owner and staff remove the violations, if feasible, and restore or mitigate damage.
- If restoration or mitigation is not feasible, the Town shall seek compensation for the loss of conservation values as originally outlined in the initial evaluation.
- If cooperation is not apparent, consultation with Town Manager, Town Attorney to determine course of action.
- If litigation is necessary, Town Board approves litigation funds; these would be paid from stewardship funds, if available, or Town general fund.

DOCUMENT : Enforcement Policy

STAFF: Director of Parks, Recreation & Culture, Parks and Open Space Manager, Town Manager, Town Attorney, other staff as needed.

Amendments

In the event an easement must be amended, the proposed amendments will be reviewed by staff, presented to PRECAB and ultimately Town Board for approval.

DOCUMENT : Amendment Policy

STAFF: Director of Parks, Recreation & Culture, Parks and Open Space Manager, Town Attorney, other staff as needed.

Certification/Recertification

The Town of Windsor was certified as a Conservation Easement Holder by the State of Colorado in **May, 2013**. In order to fulfill the rules for such established by the Division of Real Estate, the Town will reapply annually for certification to hold easements where tax credits are claimed.

DOCUMENT: Recertification Application

STAFF: Director of Parks, Recreation & Culture, Parks and Open Space Manager.

DEED OF CONSERVATION EASEMENT

Cottonwood Bend Natural Area

NOTICE: THE PROPERTIES DESCRIBED HEREIN HAVE BEEN ACQUIRED IN PART WITH GRANT #12613 (“GRANT”) FROM THE STATE BOARD OF THE GREAT OUTDOORS COLORADO TRUST FUND (“BOARD”). THIS DEED OF CONSERVATION EASEMENT CONTAINS RESTRICTIONS ON THE USE AND DEVELOPMENT OF THE PROPERTIES WHICH ARE INTENDED TO PROTECT THEIR OPEN SPACE AND OTHER CONSERVATION VALUES. THE BOARD HAS FOUND THAT THIS DEED OF CONSERVATION EASEMENT PROVIDES BENEFITS THAT ARE IN THE PUBLIC INTEREST.

THIS DEED OF CONSERVATION EASEMENT is made this ____ day of April, 2016, by the City of Greeley, a Colorado municipal corporation, having its address at 1000 10th Street, Greeley, Colorado 80631 (“Grantor”), in favor of the Town of Windsor, having its address at 301 Walnut Street, Windsor, Colorado 80550, and Larimer County, having its address at 200 West Oak Street, 2nd Floor, Fort Collins, CO 80521 (individually, a “Grantee” and collectively, “Grantees”) (collectively, the “Parties”).

RECITALS

A. Grantor is the sole owner in fee simple of parcels of real property, listed below, located in Weld County, Colorado, generally depicted on the map attached hereto as Exhibit A, and more particularly described in Exhibits B-1, B-2, C-1, C-2, D-1, D-2, E-1, and E-2, attached hereto, all incorporated herein by this reference (the “Properties”).

i. Approximately 84 acres, known as Tennyson Meadows at Cottonwood Bend Natural Area (**Exhibits B-1 and B-2**);

ii. Approximately 57.5 acres, known as Bauer Grove at Cottonwood Bend Natural Area (**Exhibits C-1 and C-2**);

iii. Approximately 28.1 acres, known as Brown Oxbow at Cottonwood Bend Natural Area (**Exhibits D-1 and D-2**); and

iv. Approximately 9.8 acres, known as Stevens Pasture at Cottonwood Bend Natural Area (**Exhibits E-1 and E-2**).

B. The Properties possess natural, scenic, open space, educational, and recreational values (collectively, “Conservation Values”) of great importance to Grantor, the people of the City of Greeley and Weld County, and the people of the State of Colorado. In particular, the Properties contain the following characteristics, which are also included within the definition of Conservation Values.

i. Relatively Natural Habitat. The Properties contain a combination of saltgrass meadows, wetlands, and cottonwood stands adjacent to and along a one-half mile reach of the Cache la Poudre River. The diverse habitat on the Properties provides food, shelter, breeding ground, and migration corridors for several wildlife species, including white-tailed and mule deer, coyote, black-tailed prairie dog, great blue heron, bald eagle, and red-tailed hawk. Specifically, the Properties contain the following: (1) Tennyson Meadows: consists of 84 acres historically used for agriculture. Vegetation communities include approximately: 39.1 acres of saltgrass meadow; 7.8 acres of riparian community; 15.2 acres of cottonwood stands outside the riparian community; 9.5 acres of irrigated cropland; 2.9 acres of disturbed grasslands; 5.6 acres of open water; and 3.9 acres of developed area. (2) Bauer Grove: consists of 57.5 acres historically used for agriculture. Vegetation communities include approximately: 5.7 acres of riparian community; 26.3 acres of cottonwood stands outside the riparian community; 15.3 acres of seasonally flooded grasslands; 3.6 acres of weedy grassland; 5.8 acres of open water; and 0.8 acre of developed area associated with the railroad right-of-way. (3) Brown Oxbow: consists of 28.1 acres historically used for agriculture. Vegetation communities include approximately: 2.3 acres of riparian community; 9.9 acres of cottonwood stands outside the riparian community; 12.6 acres of seasonally flooded grasslands; 0.9 acre of weedy grassland; 1.7 acres of open water; and 0.7 acre of developed area associated with the railroad right-of-way. (4) Stevens Pasture consists of 9.8 acres historically used for agriculture. Vegetation communities include approximately: 0.5 acre of riparian community; 1.2 acres of disturbed grassland; 2.4 acres of weedy grassland; 1.2 acres of open water; and 4.5 acres of developed area.

ii. Open Space. The Properties qualify as open space because they have been preserved for the scenic enjoyment of the general public and yield a significant public benefit.

iii. Scenic Enjoyment. The Properties add to the scenic character of the local rural landscape in which they lie, contain a harmonious variety of shapes and textures, and provide a degree of openness, contrast and variety to the overall landscape. The Properties are visible to the general public from North 59th Avenue and the Poudre River Trail, which are open to and actively utilized by the people of the City of Greeley and Weld County, and the people of the State of Colorado.

iv. Significant Public Benefit. There is a strong likelihood that development of the Properties would lead to or contribute to degradation of the scenic and natural character of the area. As a large area of open space, preservation will continue to buffer critical wildlife habitat and add to an important stopover for migratory raptors, songbirds, shorebirds, and waterfowl. In addition, the public acquisition of the Properties furthers Congress' vision in designating the Cache la Poudre River National Heritage Area "to provide for the interpretation ... of the unique and significant contributions to our national heritage of cultural and historic lands, waterways and structures within the Heritage Area."

v. Outdoor Recreation and Education of the General Public. The Properties will provide public access for passive outdoor recreation and education and trail connections and

associated recreation access for the use and enjoyment of the general public along a portion of the Poudre River Trail.

C. Grantor intends that the Conservation Values be preserved and protected, and that any uses be prohibited that would substantially diminish or impair the Conservation Values or that otherwise would be inconsistent with the Purpose, as defined in Paragraph 1. The Parties acknowledge and agree that uses expressly permitted by this Easement, as defined below, and current land use patterns, including, without limitation, those relating to recreational use of the Poudre River Trail, limited and localized oil and gas mining operations, and the Greeley No. 3 Canal and associated service road existing at the time of this grant, do not significantly impair or interfere with the Conservation Values and are consistent with the Purpose.

D. Grantor further intends, as owner of the Properties, to convey to Grantees the right to preserve and protect the Conservation Values in perpetuity.

E. Grantees are governmental entities that have open space programs dedicated to land conservation.

F. Grantees are qualified to hold conservation easements as governmental entities under C.R.S. § 38-30.5-104.

G. Funding for this project has been provided in part by the Great Outdoors Colorado Trust Fund program. The voters of the State of Colorado by adoption of Article XXVII to the Constitution of the State of Colorado, the legislature of the State of Colorado by adoption of enabling legislation, and the Board, by adopting and administering competitive grants application and rigorous due diligence review processes, have established that it is the policy of the State of Colorado and its people to preserve, protect, enhance and manage the state's wildlife, park, river, trail and open space heritage, to protect critical wildlife habitats through the acquisition of lands, leases or easements, and to acquire and manage unique open space and natural areas of statewide significance.

H. Grantees agree by accepting this Easement to preserve and protect in perpetuity the Conservation Values for the benefit of this and future generations.

NOW, THEREFORE, in consideration of the above and the mutual covenants, terms, conditions, and restrictions contained herein, and pursuant to the laws of the State of Colorado, and, in particular, C.R.S. § 38-30.5-101, *et seq.*, Grantor hereby voluntarily grants and conveys to Grantees a conservation easement in gross in perpetuity over the Properties of the nature and character and to the extent hereinafter set forth ("Easement").

1. Purpose. The purpose of this Easement is to ensure that the Conservation Values are preserved and protected in perpetuity ("Purpose"). This Purpose is in accordance with Section 170(h) of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations adopted pursuant thereto. To effectuate the Purpose of this Easement, Grantor and Grantees intend to permit only uses of the Properties that do not substantially diminish or impair the Conservation Values and to prevent any use of the Properties that will substantially diminish or

impair the Conservation Values. Notwithstanding the foregoing, nothing in this Easement is intended to compel a specific use of the Properties other than the preservation and protection of the Conservation Values.

2. Baseline Documentation Reports. The Parties acknowledge that written reports dated April, July, and September 2015, were prepared by ERO Resources Corporation and reviewed and approved by Grantor and Grantees as of the conveyance date of this Easement (the “Baseline Reports”). Copies of the Baseline Reports shall be kept on file by the Parties and by this reference are made a part hereof. The Parties acknowledge that the Baseline Reports are intended to establish the condition of the Properties as of the conveyance date of this Easement, and the Parties have acknowledged the same in a signed statement, copies of which are attached hereto as **Exhibits F-1, F-2, F-3, and F-4**, incorporated herein by this reference. The Parties further agree that the existence of the Baseline Reports shall in no way limit the Parties’ ability to use other pertinent information in resolving any controversy that may arise with respect to the condition of the Properties as of the conveyance date of this Easement.

3. Rights of Grantees. To accomplish the Purpose of this Easement, the following rights are hereby conveyed to Grantees:

a. To preserve and protect the Conservation Values;

b. To enter upon the Properties at reasonable times to monitor Grantor’s compliance with and, if necessary, to enforce the terms of this Easement; provided that such entry shall be upon prior reasonable notice to Grantor, except that such notice shall not be required in the event Grantees reasonably determine that immediate entry upon a property is necessary to prevent or mitigate a violation of this Easement, and Grantees shall not unreasonably interfere with Grantor’s use and quiet enjoyment of the Properties;

c. To prevent any activity on or use of the Properties that is inconsistent with the Purpose of this Easement and to require the restoration of such areas or features of the Properties that may be damaged by any inconsistent use; and

d. To require Grantor to consult with Grantees regarding the negotiations of any and all agreements between Grantor and third parties that may impact or disturb any portion of the surface of the Properties, including, but not limited to, agreements for utility and other easements, rights-of-way, surface uses, and leases (other than those specifically related to the agricultural and recreational operations of the Properties), and to have the right to approve any such agreement prior to such agreement being executed. Nothing herein is intended to require Grantees to approve any action or agreement that is inconsistent with the terms of this Easement.

4. Reserved Rights. Grantor reserves to Grantor, and to Grantor’s personal representatives, heirs, successors, and assigns, all rights accruing from Grantor’s ownership of the Properties, including the right to engage in or permit or invite others to engage in all uses of the Properties that are not prohibited or restricted herein and that do not substantially diminish or impair the Conservation Values. Without limiting the generality of the foregoing, Grantor reserves the right to:

- a. Establish, restore, enhance, maintain, and protect aquatic, wetland, riparian, and wildlife habitat, which habitat may be used as mitigation;
- b. Allow non-motorized low-impact recreational uses;
- c. Continue oil and gas mineral development that operates pursuant to existing leases on the Properties;
- d. Construct and maintain paved and unpaved trails and appurtenant structures on the Properties for recreation, wildlife watching, and multi-use non-vehicular transportation purposes;
- e. Construct and maintain trailhead facilities for access to the Properties that may include access driveways, fences for vehicular and access control, vehicular parking, restroom facilities, picnic facilities, native landscaping, and signs for directional, regulatory, and interpretive purposes;
- f. Construct and maintain interpretive signs and exhibits to provide visitors with information on Conservation Values, and natural and cultural features on the Properties;
- g. Manage vegetation including noxious weed control, fuels management, and establishment of native species to preserve and enhance the Conservation Values;
- h. Manage nuisance animals through appropriate methods as needed to protect and preserve the Conservation Values;
- i. Construct and maintain fences as needed to protect and preserve aquatic, riparian, wetland, and wildlife habitat;
- j. Construct and maintain agricultural support structures as needed for agricultural purposes, in accordance with Paragraph 5, subparagraph d below;
- k. Allow livestock grazing in accordance with Paragraph 5, subparagraph l below; and
- l. Perform flood water mitigation, remediation, and reclamation as necessary to protect and preserve the Conservation Values.

5. Prohibited and Restricted Uses. Any activity on or use of the Properties inconsistent with the Purpose of this Easement is prohibited. Without limiting the generality of the foregoing, the following activities and uses are expressly prohibited or restricted as set forth below:

- a. Development Rights. To fulfill the Purpose of this Easement, Grantor hereby conveys to Grantees all development rights deriving from, based upon or attributable to the Properties in any way (“Grantees’ Development Rights”), except those expressly reserved by

Grantor herein, and the Parties agree that Grantees' Development Rights shall be held by Grantees in perpetuity in order to fulfill the Purpose of this Easement, and to ensure that such rights are forever released, terminated and extinguished as to Grantor, and may not be used on or transferred off of the Properties to any other property or used for the purpose of calculating permissible lot yield of the Properties or any other property.

b. Construction of Building and Other Structures. The construction of any building, structure or other improvement, except those existing on the date of this Easement or those contemplated by Paragraph 4, subparagraphs d, e, f, i, and j, above, or allowed under any of the surface use agreements described in subparagraph h, is prohibited. All existing buildings, structures, and other improvements are generally identified on **Exhibit A**. With Grantees' approval, existing buildings, structures, and improvements may be replaced and reasonably enlarged in their current locations or other such locations that Grantees determine do not substantially diminish or impair the Conservation Values. Grantor may maintain and repair existing buildings, structures and improvements without Grantees' approval.

c. Residential, Recreational, and Commercial Improvements. Under no circumstances shall any new residential or commercial structures be constructed on the Properties. Under no circumstances shall any new recreational building, structure or improvement be built on the Properties, including but not limited to, athletic fields, golf courses or ranges, race tracks, airstrips, helicopter pads, zip lines, or shooting ranges.

d. Agricultural Improvements. Loafing sheds, corrals, water lines, water tanks, and other minor agricultural structures and improvements may be constructed anywhere on the Properties. Notwithstanding the foregoing, no agricultural improvements shall be constructed in the aquatic, wetland, riparian, or wildlife habitat, the preservation of which is important to achieve the Purpose of this Easement. Construction of any other new agricultural buildings or improvements other than those covered by this subparagraph (d) is prohibited.

e. Fences. New fences may be constructed on the Properties and existing fences may be repaired or replaced for the purpose of reasonable and customary management of livestock and wildlife or for separation of ownership and uses, including oil and gas operations or for protection of aquatic, wetland, riparian, and wildlife habitat intended for use as mitigation. Construction of fences other than those covered by this subparagraph (e) is prohibited. Except around existing improved areas surrounding established structures and gardens or crop storage areas, new fencing shall be constructed in a manner that is compatible with the movement of wildlife across the Properties.

f. Subdivision. The Parties agree that the division, subdivision or de facto subdivision of each of the Properties, whether by legal or physical process, into two or more parcels of land or partial or separate interests (including, but not limited to, condominium interests or partition of undivided interests) is prohibited. At all times each of the Properties shall be owned and conveyed as a single parcel which shall be subject to the provisions of this Easement. Ownership of the single parcel by joint tenancy or tenancy in common is permitted; provided, however, that Grantor shall not undertake any legal proceeding to partition, subdivide or divide in any manner such undivided interests in the single parcel. Grantor's intent herein is

that all portions of each of the Properties, even if legally identified in one or more separate parcels, shall remain under a single ownership and shall not be separately sold or conveyed.

g. Timber Harvesting. Trees may be cut to control insects and disease, to control invasive non-native species, and to prevent personal injury and property damage. Dead trees may also be cut for firewood and other uses on the Properties. Any timber harvesting shall be conducted in a manner that does not impair the Conservation Values. A copy of the forest management plan shall be approved by Grantees and provided to the Board prior to any commercial timber harvesting.

h. Mining.

(1) The Parties acknowledge that the Properties are subject to the following:

(a) Tennyson Meadows: the conveyance of all oil, gas and other minerals in and under the Property to Carole Malkogiannis and Nick Malkogiannis (of an undivided one-half (1/2) interest) and Ray B. Tennyson and Carol Dale Tennyson (of an undivided one-half (1/2) interest), recorded in the Official Records of Weld County at Reception No. 3340520. Tennyson Meadows is subject to one (1) active oil and gas lease, originally from Betty M. Williams to H. L. Willett (recorded in the Official Records of Weld County at Reception No. 1883632), ratified by Ray B. Tennyson (at Reception No. 2355958) and Acey Otto Tennyson (at Reception No. 2355957), and currently held by Noble Energy, Inc. As a part of the lease, there are two actively producing oil and gas wells (Tennyson 34-12 and Williams 2-34) and associated infrastructure on the Property, underground gas pipelines described in the agreement recorded in the Official Records of Weld County at Reception No. 2365656, and surface use agreements referenced in memoranda of agreement recorded in the Official Records of Weld County at Reception Nos. 3148832, 3230170, 3230171, 3236526, 4037773, and 4038946, respectively.

(b) Bauer Grove: four (4) active oil and gas leases from J. Donald Bauer to Evan Duval, Jr. (recorded in the Official Records of Weld County at Reception No. 1819746), from Vera A. Smotherman and Tom Smotherman to H. L. Willett (recorded in the Official Records of Weld County at Reception No. 1895283), from Jeanne B. Creech to H. L. Willett (recorded in the Official Records of Weld County at Reception No. 1895284), from Edwin E. Bauer and Jean F. Bauer to H. L. Willett (recorded in the Official Records of Weld County at Reception No. 1895285), and currently held by Noble Energy, Inc., Noble Energy Production, Inc., SOCO Wattenberg Corporation, and United States Exploration, Inc. As a part of those leases, there are three (3) actively producing oil and gas wells (Tennyson 34-19, Bauer 34-20, and Tennyson 34-25) and associated infrastructure on the Property, an underground gas pipeline described in the easement recorded in the Official Records of Weld County at Reception No. 2636417, and surface use agreements referenced in memoranda of agreement recorded in the Official Records of Weld County at Reception Nos. 3148833, 3236525, and 3249959.

(c) Brown Oxbow: one (1) active oil and gas lease from Henry I. Brown to Sulphur River Exploration, Inc. (recorded in the Official Records of Weld County at Reception No. 1863034), currently held by Jill Renee Brown Harmon, according to Personal Representative's Deeds of Distribution, recorded in the Official Records of Weld County at Reception No. 3746063. Currently, no active, producing oil and gas wells or associated infrastructure encumber the Property.

(d) Stevens Pasture: one (1) active oil and gas lease, originally from Estelle D. Ostrander to H. L. Willett (recorded in the Official Records of Weld County at Reception No. 1889340), currently held by Noble Energy, Inc. As a part of the lease, there is one actively producing oil and gas well (Stevens 34-14) and associated infrastructure on the Property, an underground gas pipeline described in the agreement recorded in the Official Records of Weld County at Reception No. 1953173, and a surface use agreement referenced in memoranda of agreement recorded in the Official Records of Weld County at Reception Nos. 4037753 and 4038964.

The locations of the above-referenced oil and gas infrastructure are depicted on **Exhibits B-2, C-2, D-2, and E-2**. The conveyances, leases, and agreements precede this Easement in time and right, but shall not be amended or extended without Grantees' approval or inclusion as a party to any such amendments or extensions that may involve the Grantor and potentially impact the surface of the Properties pursuant to this paragraph (h). To the maximum extent practicable and subject to the agreements, Grantor will regulate exploration or extraction of oil and gas such that such exploration or extraction is not irremediably destructive of the Conservation Values of the Properties.

(2) Except for the oil and natural gas development described in this paragraph (h), all other mining or extraction of soil, sand, gravel, rock, oil, natural gas, fuel or any other mineral substance of any kind or description, using any surface mining method is prohibited. For the purpose of this description, surface mining is understood to mean a broad category of mining in which surface material such as soil and rock are removed, including strip mining, open-pit mining and removal of mountaintops. This description does not apply to the limited surface disturbance of a site to accommodate oil and gas mineral development existing at the time of this Easement conveyance pursuant to rights existing at the time of this Easement conveyance and operating in accordance with local land use regulations. Mining utilizing methods other than surface mining may be permitted if the method of extraction has a limited, localized impact on the Properties that does not substantially diminish or impair the Conservation Values. No extraction permitted pursuant to this paragraph (h) shall occur without prior written notice to and approval of Grantees, which notice shall include a description of the type of extraction, the areas within which such extraction shall occur, and the anticipated impact thereof. Any lease, surface use agreement or other conveyance by Grantor to a third party of mineral rights subsequent to the date of recording of this Easement shall be subject to the restrictions of this Easement and shall so state, shall contain terms consistent with the provisions of this Easement, and a copy of the same shall be provided to Grantees prior to its execution by Grantor for Grantees' review and approval.

(3) Grantor agrees that by granting this Easement to Grantees, it has granted to Grantees a portion of its rights as owner of the surface of the Properties on which the exploration, development, operations, and reclamation of any minerals (including but not limited to oil and gas, helium, carbon dioxide, and coalbed methane) may be conducted (“Surface Owner”). Grantor intends that Grantees, in addition to Grantees’ interest as holders of this Easement, shall have the rights of a Surface Owner to receive notices of proposed mineral activities and to take appropriate action to protect the Purpose of this Easement. Accordingly, Grantor agrees: (i) to provide Grantees with any notices Grantor receives related to the exploration, development, operations, and reclamation of any minerals promptly; and (ii) that Grantees must approve in advance in writing any lease or agreement pertaining to use of the surface or subsurface of the Properties for the exploration, development, operations, and reclamation of any minerals, including any agreement permitted or required of a Surface Owner under C.R.S. § 34-60-101, et seq., as amended from time to time, and rules and regulations promulgated thereunder (“Surface Use Agreement”), between Grantor and owners or lessees of minerals (including but not limited to oil and gas, helium, carbon dioxide, and coalbed methane), which approval Grantees may withhold in Grantees’ reasonable discretion if Grantees determine that the proposed surface use would substantially diminish or impair the Conservation Values, is inconsistent with the preservation of the Conservation Values, is inconsistent with the terms of this Easement or is not permitted under the terms of the mineral reservation or severance or the mineral lease.

(4) Notwithstanding any of the foregoing to the contrary, soil, sand, gravel or rock may be extracted upon written notice to but without further permission from Grantees, so long as such extraction is solely for use on the Properties for non-commercial purposes, is in conjunction with activities permitted herein, is accomplished in a manner which is consistent with the Purpose of this Easement, and is not irretrievably destructive of the Conservation Values. Any such extraction shall be limited to an area less than one-half acre in size at any given time. Any area which is disturbed by extraction must be re-vegetated and restored to a natural condition promptly after completion of extraction with appropriate seed mix to match undisturbed native vegetation. Reseeding and plant cover establishment must be approved by Grantees prior to additional surface extraction occurring.

(5) This paragraph (h) shall be interpreted in a manner consistent with Section 170(h) of the United States Internal Revenue Code of 1986, as amended, and the Treasury Regulations adopted pursuant thereto.

i. Paving and Road and Trail Construction. No portion of the Properties shall be paved or otherwise covered with concrete, asphalt or any other paving material, nor shall any road or trail be constructed without Grantees’ approval except as specifically allowed in Paragraph 4. Temporary roads may be constructed, with gravel or other granulated, natural materials, for the purposes of improving or constructing natural resource features, such as wetlands, bank contouring, aquatic, riparian or terrestrial habitat. These roads must be approved by the Grantees in writing 30 days prior to road construction. All roads will be removed and the area of disturbance restored within one year of road construction or within 30 days of the termination of the improvement activity if it exceeds the one-year road restoration time period.

j. Trash. The dumping or accumulation of any kind of trash or refuse on the Properties, including but not limited to household trash and hazardous chemicals, is prohibited.

k. Motorized Vehicles. Motorized vehicles may be used only in conjunction with activities permitted by this Easement and in a manner that does not substantially diminish or impair the Conservation Values. Off road vehicle courses for snowmobiles, all-terrain vehicles, motorcycles or other motorized vehicles are prohibited.

l. Commercial or Industrial Activity.

(1) No industrial uses shall be allowed on the Properties except for the existing oil and gas activities existing on the Properties at the time of this grant. Commercial uses are allowed, as long as they are conducted in a manner that is consistent with section 170(h) of the United States Internal Revenue Code of 1986, as amended, and the Treasury Regulations adopted pursuant thereto, are consistent with the Purpose of the Easement, and do not substantially diminish or impair the Conservation Values. Without limiting other potential commercial uses that meet the foregoing criteria, the following uses are allowed:

(a) Grazing livestock, such as cattle, horses, sheep, swine, goats and similar animals as a vegetation management tool consistent with the Management Plan, as defined in Paragraph 6.

(b) Development and construction of aquatic, wetland, riparian and wildlife habitat intended for use as multiple resource mitigation or a private or commercial Mitigation or Conservation Bank operating under the regulations and policies of the Clean Water Act and the Endangered Species Act or other applicable federal or state laws.

(2) The foregoing descriptions of allowed commercial uses notwithstanding, temporary or permanent commercial feed lots and other intensive growth livestock farms, such as dairy, swine or poultry farms, are inconsistent with the Purpose of this Easement and are prohibited.

m. Signage or Billboards. No commercial signs, billboards, awnings or advertisements shall be displayed or placed on the Properties, except for “no trespassing” signs, signs regarding low impact recreational uses, educational signs, signs informing the public of the status of ownership or signs consistent with the uses allowed in Paragraph 4. No signs shall significantly diminish or impair the Conservation Values. Grantor or Grantees shall erect one or more signs visible from the nearest public roadway or from an alternative location approved by the Board, identifying the Board’s Grant and investment in these Properties to the public.

6. Land Management /Management Plan.

To facilitate periodic communication between Grantor and Grantees about management issues that may impact the Conservation Values, the Properties shall be operated and managed in accordance with a “Management Plan” jointly prepared by Grantor and Grantees, which plan

shall be initially agreed upon within one year of the date of this Easement and shall be reviewed at least every five years and updated if either Party determines an update is necessary.

7. Grantor Notice and Grantee Approval. The purpose of requiring Grantor to notify Grantees prior to undertaking certain permitting activities is to afford Grantees an opportunity to ensure that the activities in question are designed and carried out in a manner consistent with the Purpose of this Easement. Whenever notice is required, Grantor shall notify Grantees in writing not less than 60 days prior to the date Grantor intends to undertake the activity in question. The notice shall describe the nature, scope, design, location, timetable, and any other material aspect of the proposed activity in sufficient detail to permit Grantees to make an informed judgment as to its consistency with the Purpose of this Easement. Where Grantees' approval is required, Grantor shall not undertake the requested activity until Grantor has received Grantees' approval in writing. Grantees shall grant or withhold Grantees' approval in writing within 60 days of receipt of Grantor's written request therefor and submittal of sufficient supporting details as described above. Grantees' approval may be withheld only upon Grantees' reasonable determination that the activity as proposed would substantially diminish or impair the Conservation Values or would be inconsistent with the Purpose of this Easement.

8. Enforcement. If Grantees believe there is a violation of this Easement, Grantees shall immediately notify Grantor and the Board in writing of the nature of the alleged violation. Upon receipt of this written notice, Grantor shall either:

- a. Restore the Properties to their condition prior to the violation; or
- b. Provide a written explanation to Grantees of the reason why the alleged violation should be permitted, in which event the Parties agree to meet as soon as possible to resolve their differences. If a resolution cannot be achieved at the meeting, the Parties agree to meet with a mutually acceptable mediator to attempt to resolve the violation during the mediation process. Should mediation fail to resolve the dispute, Grantees may, at Grantees' discretion, take appropriate legal action. When, in Grantees' opinions, an ongoing or imminent violation could irreparably diminish or impair the Conservation Values, Grantees may, at Grantees' discretion, take appropriate legal action without pursuing mediation. If a court with jurisdiction determines that a violation is imminent, exists or has occurred, Grantees may get an injunction to stop such violation, temporarily or permanently. A court may also issue an injunction to require Grantor to restore the Properties to their condition prior to the violation. The Board shall in no event be required to participate in any mediation.

9. Costs of Enforcement. The Parties recognize that Grantor and Grantees are local governments, bound by the limitations found in the Colorado Constitution, Article XI, Section 1, which provides that local governments cannot become responsible for any debt, contract or liability of any person, company or corporation, public or private. Accordingly, if the violation of any of the provisions of this Easement requires or results in the commencement of legal action, the Parties agree that each party will be responsible for its own costs incurred because of the violation, including reasonable attorney's fees, costs of restoration and consultant fees.

10. No Waiver or Estoppel. Forbearance by Grantees to exercise Grantees' rights under this Easement in the event of a violation of any term shall not be deemed or construed to be a waiver by Grantees of such term or of any subsequent violation of the same or any other term of this Easement or of any of Grantees' rights under this Easement. No delay or omission by Grantees in the exercise of any right or remedy upon any violation by Grantor shall impair such right or remedy or be construed as a waiver. Grantor hereby waives any defense of laches, estoppel or prescription, including the one year statute of limitations for commencing an action to enforce the terms of a building restriction or to compel the removal of any building or improvement because of the violation of the same under C.R.S. § 38-41-119, *et seq.*

11. Acts Beyond Grantor's Control. Nothing contained in this Easement shall be construed to entitle Grantees to bring any action against Grantor for any injury to or change in the Properties resulting from causes beyond Grantor's control, including, without limitation, fire, flood, storm, and earth movement or from any prudent action taken by Grantor under emergency conditions to prevent, abate or mitigate significant injury to the Properties resulting from such causes. Notwithstanding the foregoing, Grantor shall be responsible for preventing activities by third parties on or affecting the Properties that may violate this Easement.

12. Access. The general public shall have access to the Properties, subject to any regulations by Grantor necessary and appropriate to protect public health and safety and the Conservation Values.

13. Costs and Liabilities. Grantor retains all responsibilities and shall bear all costs and liabilities of any kind related to the ownership, operation, upkeep, and maintenance of the Properties, including weed control and eradication and including the maintenance of adequate comprehensive general liability insurance coverage. Grantor shall keep the Properties free of any liens arising out of any work performed for, materials furnished to, or obligations incurred by Grantor.

14. Hold Harmless. To the extent permitted by law, Grantor shall hold harmless, indemnify, and defend Grantees and the Board and the members, directors, officers, employees, agents, and contractors and their heirs, representatives, successors, and assigns of each of them (collectively "Indemnified Parties") from and against all liabilities, penalties, costs, losses, damages, expenses, causes of action, claims, demands or judgments, including, without limitation, reasonable attorney's fees, arising from or in any way connected with: (1) injury to or the death of any person or physical damage to any property resulting from any act, omission, condition or other matter related to or occurring on or about the Properties, regardless of cause, unless due solely to the negligence of any of the Indemnified Parties; (2) the obligations specified in Paragraph 8 herein; and (3) the presence or release of hazardous or toxic substances on, under or about the Properties. For the purpose of this paragraph, hazardous or toxic substances shall mean any hazardous or toxic substance that is regulated under any federal, state or local law. Without limiting the foregoing, nothing in this Easement shall be construed as giving rise to any right or ability in Grantees or the Board, nor shall Grantees or the Board have any right or ability, to exercise physical or managerial control over the day-to-day operations of the Properties or otherwise to become an operator with respect to the Properties within the

meaning of The Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended.

15. Real Property Interest. This Easement constitutes a real property interest immediately vested in Grantees, the value of which has not been determined as of this date. Should the Easement be taken for the public use or otherwise terminated according to Paragraph 16, Grantees shall be entitled to compensation for Grantees' interest, which shall be determined by a qualified appraisal that establishes the ratio of the value of the Easement interest to the value of the fee simple interest in the Properties as of the date of the taking or termination (the "Easement Value Ratio"). The Easement Value Ratio shall be used to determine Grantees' compensation according to the following Paragraph 16.

16. Condemnation or Other Extinguishment. If this Easement is taken, in whole or in part, by exercise of the power of eminent domain or if circumstances arise in the future that render the Purpose of this Easement impossible to accomplish, this Easement can be terminated, whether in whole or in part, by judicial proceedings in a court of competent jurisdiction. Each Party shall promptly notify each other Party and the Board in writing when it first learns of such circumstances. Grantees shall be entitled to full compensation for Grantees' interest in any portion of this Easement that is terminated as a result of condemnation or other proceedings. Grantees' compensation shall be an amount at least equal to the Easement Value Ratio, multiplied by the value of the unencumbered fee simple interest in the portion of the Properties that will no longer be encumbered by this Easement as a result of condemnation or termination. The Board shall be entitled to receive ninety-four percent (94%) of Grantees' compensation. Grantees shall promptly remit the Board's share of these proceeds to the Board. Grantees shall use Grantees' proceeds in a manner consistent with the conservation purposes of this Easement.

17. Assignment.

a. This Easement is transferable, but Grantees may assign Grantees' rights and obligations under this Easement only to an organization that:

(1) is a qualified organization at the time of transfer under Section 170(h) of the Internal Revenue Code of 1986, as amended (or any successor provision then applicable), and the applicable regulations promulgated thereunder;

(2) is authorized to acquire and hold conservation easements under Colorado law;

(3) agrees in writing to assume the responsibilities imposed on Grantees by this Easement; and

(4) is approved in writing as a transferee by the Board in its sole and absolute discretion. Grantees shall provide the Board with a written request to assign the Easement at least forty-five (45) days prior to the date proposed for the assignment transaction.

b. The Board shall have the right to require Grantees to assign Grantees' rights and obligations under this Easement to a different organization if either Grantee ceases to exist; is unwilling, unable or unqualified to enforce the terms and provisions of this Easement; or is unwilling or unable to effectively monitor the Properties for compliance with this Easement at least once every calendar year. Prior to any assignment under this Paragraph 17.b., the Board shall consult with Grantees and provide Grantees an opportunity to address the Board's concerns. If the Board's concerns are not addressed to its satisfaction, the Board may require the assignment of this Easement to an organization designated by the Board that complies with Paragraph 17.a.(1), (2), and (3).

c. If Grantees desire to transfer this Easement to a qualified organization having similar purposes as Grantees, but Grantor or the Board has refused to approve the transfer, a court of competent jurisdiction shall transfer this Easement to another qualified organization having similar purposes that agrees to assume the responsibility imposed on Grantees by this Easement, provided that Grantor and the Board shall have adequate notice of and an opportunity to participate in the court proceedings leading to the court's decision on the matter.

d. Upon compliance with the applicable portions of this Paragraph 17, the Parties shall record an instrument completing the assignment in the records of the county or counties in which the Properties is located. Assignment of the Easement shall not be construed as affecting the Easement's perpetual duration and shall not affect the Easement's priority against any intervening liens, mortgages, easements or other encumbrances.

18. Subsequent Transfers. Grantor shall incorporate by reference the terms and conditions of this Easement in any deed or other legal instrument by which it divests itself of any interest in all or a portion of the Properties. Grantor further agrees to give written notice to Grantees and the Board of the transfer of any interest at least 45 days prior to the date of such transfer and may be required to pay the Board an Additional Board Refund (defined below). The failure of Grantor to perform any act required by this paragraph shall not impair the validity of this Easement or limit its enforceability in any way.

19. Additional Board Refund. The Board's Grant has provided partial consideration for Grantor's acquisition of fee title to the Properties and/or partial real estate interests in the Properties above and beyond this Easement; therefore, any voluntary sale, conveyance, transfer or other disposal of all or any portion of Grantor's interest in the Properties ("Sale"), excluding any lease of the Properties to a third party in the ordinary course of using the Properties for permitted purposes, shall constitute a material change to the Grant that shall require prior written Board approval and may require a separate refund to the Board of any amount to compensate the Board for use of the Board's Grant, plus administrative costs (the "Additional Board Refund"), in addition to any payment that the Board may be entitled to receive under Paragraphs 15 and 16. Under no circumstances shall Grantees be liable, directly or indirectly, for any portion of the Additional Board Refund to which the Board may be entitled to under this Paragraph 19.

a. Amount. The amount of the Additional Board Refund shall be based upon a percentage of Grantor's net proceeds from the Sale (which shall be defined as the fair market

value of the Properties being sold in the Sale, minus direct transaction costs) (“Net Proceeds”). The Additional Board Refund shall be determined by: a) first dividing the Board’s Grant amount by the original purchase price for fee title to the Properties; b) then by multiplying the resulting ratio by the Net Proceeds; and c) adding interest figured from the Grant payment date at the Prime Rate listed by the Federal Reserve Bank of Kansas City, Missouri that is most current on the effective date of the Sale. The Board may, in its sole discretion, waive the requirement for payment of interest or reduce the amount of the interest due at the time of the Sale. The Additional Board Refund shall be paid to the Board in cash or certified funds on or before the effective date of the Sale.

b. Possible Exception to Refund Requirement. If a Sale occurs to a third party which is eligible to receive open space funding from the Board, and the Board has provided written confirmation of the third party’s eligibility, Grantor shall not be required to pay the Board an Additional Board Refund, unless the Board determines in its sole discretion that one or more aspects of the Grant have changed that reduce the Grant project’s scope from that of the original Grant as approved by the Board. (For example, if Grantor proposed that the Grant project would include public access to the Properties, and the Sale will result in substantially the same amount and type of public occurred, and Grantor shall not be required to pay the board an Additional Board Refund, unless another aspect of the Grant project has changed that reduces the Grant project’s scope from that of the original Grant as approved by the Board).

21. Notices. Any notice, demand, request, consent, approval or communication that the Parties or the Board is required to give to the other in writing shall be either served personally or sent by first class mail, postage prepaid or by electronic mail addressed as follows:

To Grantor:

City of Greeley
Director of Culture, Parks, and Recreation
651 10th Avenue
Greeley, CO 80631

With a copy to:

City Attorney
1100 10th Street, Suite 401
Greeley, CO 80631

To Town of Windsor:

Director, Department of Parks, Recreation & Culture
301 Walnut Street
Windsor, CO 80550

With copy to:
Office of the Town Attorney
301 Walnut Street
Windsor, CO 80550

To Larimer County:

The Board of County Commissioners
200 West Oak Street, Second Floor
Fort Collins, CO 80521

With copy to:
Larimer County Department of Natural Resources
1800 West County Road 31
Loveland, CO 80537

To the Board:

Executive Director
State Board of the Great Outdoors Colorado Trust Fund
303 E. 17th Avenue, Suite 1060
Denver, CO 80203

or such other address as any party or the Board from time to time shall designate by written notice to the others.

22. Grantor's Title Warranty. Grantor warrants that Grantor has good and sufficient title to the Properties and hereby promises to defend the same against all claims whatsoever.

23. Recording. Grantees shall record this instrument in a timely fashion in the Official Records of Weld County, and may re-record it at any time as may be required to preserve Grantees' rights in this Easement.

24. General Provisions.

a. Controlling Law. The interpretation and performance of this Easement shall be governed by the laws of the State of Colorado.

b. Liberal Construction. Any general rule of construction to the contrary notwithstanding, this Easement shall be liberally construed in favor of the grant to effect the Purpose of this Easement and the policy and purpose of C.R.S. § 38-30.5-101, *et seq.* If any provision in this instrument is found to be ambiguous, an interpretation consistent with the Purpose of this Easement that would render the provision valid shall be favored over any interpretation that would render it invalid.

c. Severability. If any provision of this Easement or the application thereof to any person or circumstance, is found to be invalid, the remainder of the provisions of this Easement or the application of such provision to persons or circumstances other than those as to which it is found to be invalid, as the case may be, shall not be affected thereby.

d. Entire Agreement. This instrument sets forth the entire agreement of the Parties with respect to the Easement and supersedes all prior discussions, negotiations, understandings or agreements relating to the Easement, all of which are merged herein.

f. Joint Obligation. The obligations imposed upon Grantor and Grantees of this Easement shall be joint and several in the event that more than one entity or individual hold either interest at any given time.

g. Non-Merger. A merger of this Easement and the fee title to the Properties cannot occur by operation of law because, in addition to Grantees' rights and interest under this Deed, the Board has rights under this Deed. Under Colorado law, the existence of these rights precludes unity of title. If either Grantee wishes to acquire fee title to the Properties or any additional interest in the Properties (such as a leasehold), Grantee must first obtain the written approval of the Board. As a condition of such approval, the Board may require that Grantee first transfer the Deed to another qualified organization consistent with Paragraph 17. In the event either Grantee acquires fee title interest or any other interest in the Properties without Grantee's prior knowledge (e.g. receiving real property by will), Grantee must immediately provide notice of its acquisition to the Board, and the Board may require that Grantee transfer this Deed to another qualified organization consistent with Paragraph 17.

h. Successors. The covenants, terms, conditions, and restrictions of this Easement shall be binding upon, and inure to the benefit of, the Parties hereto and their respective personal representatives, heirs, successors, and assigns and shall continue as a servitude running in perpetuity with the Properties.

i. Termination of Rights and Obligations. Provided a transfer is permitted by this Easement, a Party's rights and obligations under this Easement terminate upon transfer of the Party's interest in the Easement or Properties; except that liability for acts or omissions occurring prior to transfer shall survive transfer.

j. Captions. The captions in this instrument have been inserted solely for convenience of reference and are not a part of this instrument and shall have no effect upon interpretation.

k. No Third Party Beneficiaries. This Easement is entered into by and between Grantor and Grantees, and is solely for the benefit for Grantor, Grantees, and the Board and their respective successors and assigns for the purposes set forth herein, and does not create rights or responsibilities for any third parties beyond Grantor, Grantees, and the Board.

l. Amendment. If circumstances arise under which an amendment to or modification of this Easement or any of its exhibits would be appropriate, Grantor and Grantees

may jointly amend this Easement as long as the amendment (a) is consistent with the Conservation Values and Purpose of this Easement, (b) does not affect the perpetual duration of the restrictions contained in this Easement, (c) does not affect the qualifications of this Easement under any applicable laws, (d) complies with Grantees' and the Board's procedures and standards for amendments (as such procedures and standards may be amended from time to time), and (e) receives the Board's prior written approval. Any amendment must be in writing, signed by the Parties, and recorded in the Official Records of Weld County. In order to preserve the Easement's priority, the Board may require that Grantor obtain subordination of any liens, mortgages, easements or other encumbrances. For the purposes of the Board's approval under item (e), the term "amendment" means any instrument that purports to alter in any way any provisions of or exhibits to this Easement. Nothing in this paragraph shall be construed as requiring Grantees or the Board to agree to any particular proposed amendment.

m. Change of Conditions. A change in the potential economic value of any use that is prohibited by or inconsistent with this Easement or a change in any current or future uses of neighboring properties, shall not constitute a change in conditions that makes is impossible for continued use of the Properties for conservation purposes and shall not constitute grounds for terminating the Easement in whole or in part.

n. Termination of the Board. In the event that Article XXVII of the Colorado Constitution, which established the Board, is amended or repealed to terminate the Board or merge the Board into another entity, the rights and obligations of the Board hereunder shall be assigned to and assumed by such other entity as provided by law, but in the absence of such direction, by the Colorado Department of Natural Resources or its successor.

o. Authority to Execute. Each Party represents to the others that such Party has full power and authority to execute, deliver, and perform this Easement, that the individual executing this Easement on behalf of each Party is fully empowered and authorized to do so, and that this Easement constitutes a valid and legally binding obligation of each Party enforceable against each Party in accordance with its terms.

TO HAVE TO HOLD unto Grantees, Grantees' successors, and assigns forever.

IN WITNESS WHEREOF Grantor and Grantees have executed this Deed of Conservation Easement on the day and year first written above.

GRANTOR:

CITY OF GREELEY, COLORADO, a Municipal Corporation

ATTEST:

By: _____
City Clerk

By: _____
Mayor

APPROVED AS TO SUBSTANCE:

AS TO AVAILABILITY OF FUNDS:

By: _____
City Manager

By: _____
Director of Finance

APPROVED AS TO LEGAL FORM:

By: _____
City Attorney

GRANTEES:

TOWN OF WINDSOR, COLORADO, a Municipal Corporation

ATTEST:

By: _____
Town Clerk

By: _____
Mayor

APPROVED AS TO LEGAL FORM:

By: _____
Town Attorney

BOARD OF COUNTY COMMISSIONERS
OF THE COUNTY OF LARIMER

By: _____
Chair

ATTEST:

By: _____
Deputy Clerk of the Board

APPROVED AS TO FORM:

By: _____
County Attorney

EXHIBIT A

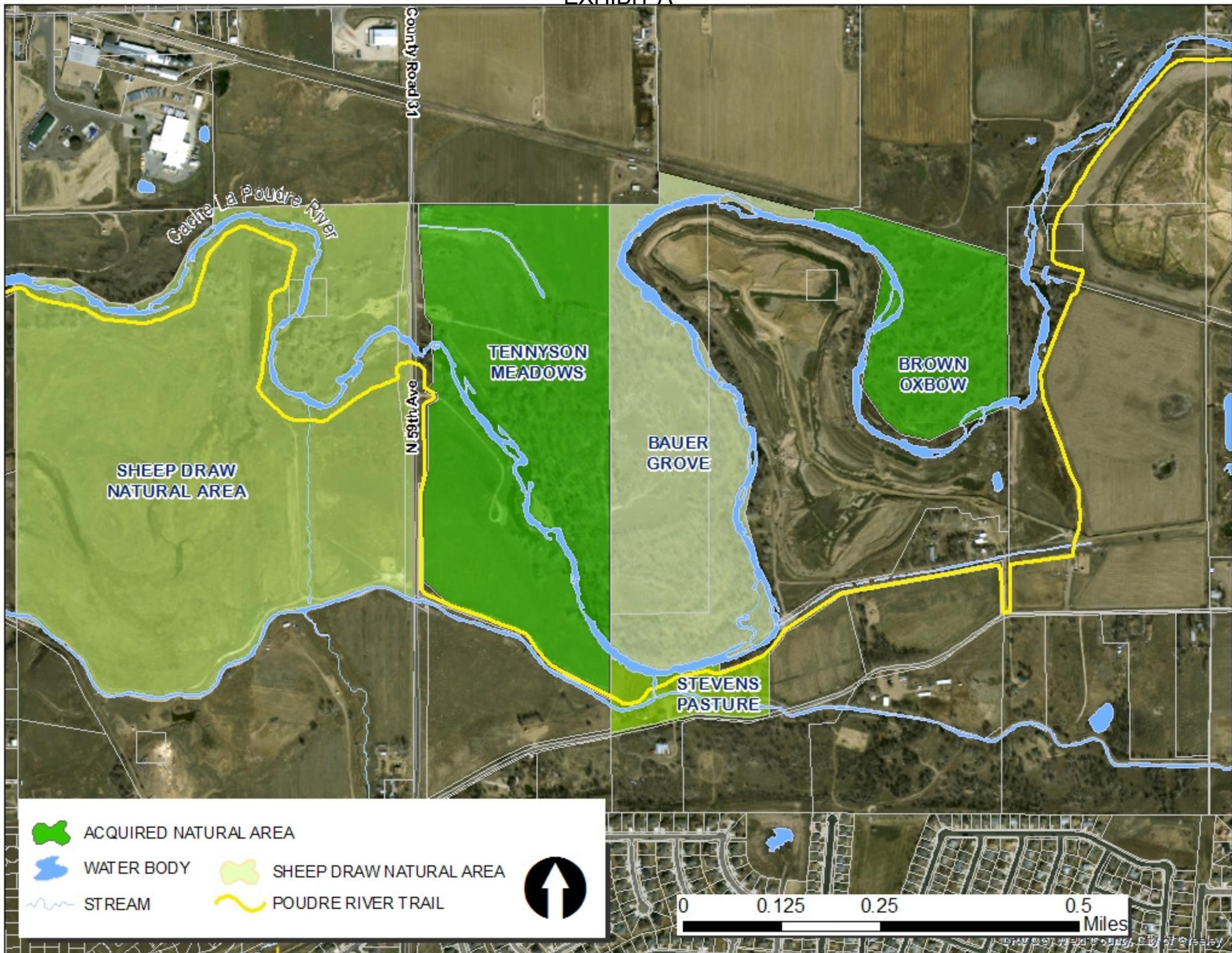
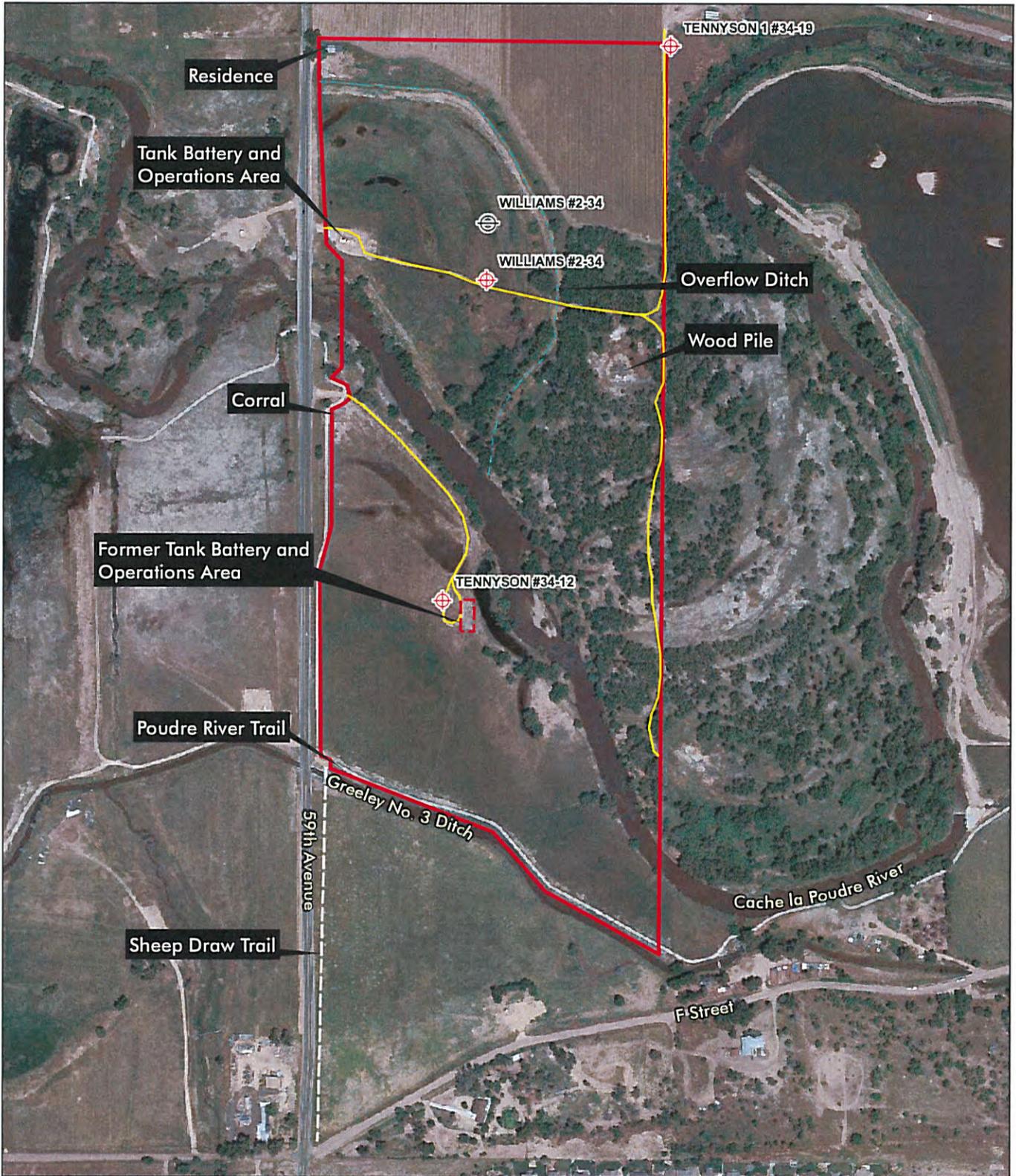


EXHIBIT B-1

LEGAL DESCRIPTION OF TENNYSON MEADOWS

The Southwest $\frac{1}{4}$ of the Northwest $\frac{1}{4}$ and that part of the West $\frac{1}{2}$ of the Southwest $\frac{1}{4}$ lying North of the centerline of the Greeley #3 Ditch in Section 34, Township 6 North, Range 66 West of the 6th P.M., County of Weld, State of Colorado; EXCEPT that portion as conveyed in Deed recorded November 5, 1889, ALSO EXCEPT that portion as described in Road-Viewers' Report recorded January 20, 1890 at Reception No. 35489, ALSO EXCEPT that portion conveyed to the City of Greeley in Warranty Deed recorded November 5, 1996 at Reception No. 2519102, ALSO EXCEPT that portion conveyed in deed recorded April 19, 2006 at Reception No. 3380614, ALSO EXCEPT that portion as conveyed in deed recorded October 6, 2011 at Reception No. 3797067, AND ALSO EXCEPT that portion as conveyed in deed recorded January 31, 2014 at Reception No. 333409.

EXHIBIT B-2



Tennyson Property Baseline Inventory

- Property
- Ditch
- Road
- ⊕ Producing Oil and Gas Well
- ⊖ Abandoned Oil and Gas Well

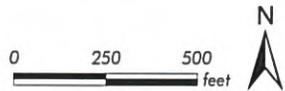


Figure 3 Property Features

Prepared for: City of Greeley
 File: 6065 Figure 3 Baseline.mxd [dlH]
 March 20, 2015



EXHIBIT C-1

LEGAL DESCRIPTION OF BAUER GROVE

A tract of land located in the E1/2 of the NW1/4 and the E1/2 of the SW1/4 of Section 34, T6N, R66W of the 6th P.M., County of Weld, State of Colorado, more particularly described as follows:

COMMENCING at the W1/16 Corner of said Section 34 & Section 3, T5N, R66W, of the 6th P.M., from which the SW Corner of said Section 34 bears S89°40'51"E, a distance of 1321.61 feet (Basis of Bearing); thence N00°19'50"W, 1023.00 feet along the West Line of said E1/2 of the SW1/4 of Section 34 to the Northwest Corner of the Parcel described in Quit Claim Deeds recorded at Reception Nos. 1965295, 1965297, 1965300, and 1965302 of the Weld County Records, and the POINT OF BEGINNING.

Thence continuing N00°19'50"W, 1677.21 feet along said West Line of the E1/2 of the SW1/4 of Section 34 to the Northwest Corner thereof, being also the C-W1/16 Corner of said Section 34;

Thence N00°19'33"W, 1345.17 feet along the West Line of the SE1/4 of the NW1/4 of said Section 34 to the Northwest Corner thereof, being also the NW1/16 Corner of said Section 34;

Thence N89°49'12"E, 323.71 feet along the North Line of said SE1/4 of the NW1/4 of Section 34 to the East Line of the West Ten (10) acres of the NE1/4 of the NW1/4 of said Section 34;

Thence N00°19'33"W, 225.50 feet along said East Line to the Southerly Right-of-Way Line of the Greeley, Salt Lake and Pacific Railroad as described in the Quit Claim Deed recorded August 1, 1881 at Reception No. 7060 of the Weld County Records;

Thence Southeasterly along said Southerly Railroad Right-of-Way Line the following two (2) courses:

1. S75°29'13"E, 685.62 feet to a point of curve to the right;
2. 349.89 feet along the arc of said curve, said curve having a radius of 19048.62 feet, a central angle of 01 °03'09", and being subtended by a chord bearing S74°57'38"E, a distance of 349.88 feet, to a non-tangent point on the East Line of said SE1/4 of the NW1/4 of Section 34;

Thence S00°17'55"E, 99.48 feet along said East Line to a point on the Northerly Line of Lot B, Recorded Exemption No. 0805-34-4 RECX11-0008, according to the recorded plat thereof, being also the Centerline of the Cache la Poudre River;

Thence Westerly and Southerly along said Northerly Line and the Westerly Line of said Lot B, being also the Centerline of said Cache la Poudre River, the following eighteen (18) courses:

1. N77°31'05"W, 376.07 feet;
2. N60°50'05"W, 152.00 feet;
3. S86°11'55"W, 300.00 feet;
4. S68°04'55"W, 209.00 feet;
5. S48°22'55"W, 283.00 feet;
6. S20°21'55"W, 144.00 feet;
7. S47°52'05"E, 355.00 feet;
8. S48°25'05"E, 332.00 feet;
9. S25°09'05"E, 253.00 feet;
10. S41°28'05"E, 242.00 feet;
11. S18°30'05"E, 250.00 feet;
12. S01°24'05"E, 368.00 feet;
13. S12°08'55"W, 185.00 feet;
14. S14°11'05"E, 413.00 feet;
15. S35°01'05"E, 96.00 feet;
16. S12°14'05"E, 267.00 feet;
17. S35°01'55"W, 150.00 feet;
18. S69°05'23"W, 322.35 feet to a Northeasterly Corner of the Parcel described in said Quit Claim Deeds recorded at Reception Nos. 1965295, 1965297, 1965300, and 1965302 of the Weld County Records;

Thence Westerly along the Northerly Line of said Parcel described in said Quit Claim Deeds, the following three (3) courses:

1. S74°18'24"W, 272.00 feet;
2. N85°57'36"W, 175.00 feet;
3. N74°59'36"W, 280.00 feet to the POINT OF BEGINNING.

EXHIBIT C-2



Path: P:\6300 Projects\6324 Beebe Property - Phase I\Beebe\Map\Baseline\6324 Figure 3 Baseline.mxd

Beebe Property

- Property Boundary
- Gate
- Producing Oil and Gas Well
- Abandoned Location
- Plugged and Abandoned Oil and Gas Well

Information on this map is provided for purposes of discussion and visualization only.

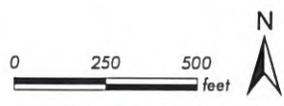


Figure 3 Property Features

Prepared for: City of Greeley
 File: 6324 Figure 3 Baseline.mxd [dlH]
 September 10, 2015



EXHIBIT D-1

LEGAL DESCRIPTION OF BROWN OXBOW

Tract A, LAFARGE BROWN MINOR SUBDIVISION, being within the City of Greeley, County of Weld, State of Colorado.

EXHIBIT D-2



Path: P:\6271 Project\6271 Brown Property - File\Map\Map\Baseline Inventory\6271 Figure 3 Baseline.mxd

Brown Property Baseline Inventory

-  Property Boundary
-  Fence

Information on this map is provided for purposes of discussion and visualization only.

Figure 3 Property Features



Prepared for: City of Greeley
File: 6271 Figure 3 Baseline.mxd [dlh]
July 10, 2015



EXHIBIT E-1

LEGAL DESCRIPTION OF STEVENS PASTURE

A tract of land located in the Southeast Quarter of the Southwest Quarter of Section 34, Township 6 North, Range 66 West of the 6th P.M., County of Weld, State of Colorado, and being more particularly described as follows:

Commencing at the Southwest Quarter of the Southwest Quarter of said Section 34 and considering the South line of the Southwest Quarter to bear South 89°21'00" East and with all other bearings contained herein being relative thereto;

thence South 89°21'00" East along the South line of the Southwest Quarter of said Section 34, 1,321.69 feet to the Southwest Corner of the Southeast Quarter of the Southwest Quarter of said Section 34; said point being the True Point of Beginning;

thence North 00°00'03" East along the West line of the Southeast Quarter of the Southwest Quarter of said Section 34, 551.97 feet to a point on the North right-of-way line of an existing County Road;

thence North 00°00'03" East along the West line of the Southeast Quarter of the Southwest Quarter of said Section 34, a distance of 471.03 feet to a point on the apparent centerline of the Cache La Poudre River;

thence along the apparent centerline of the Cache La Poudre River by the following Three (3) courses and distances:

thence South 74°37'34" East, a distance of 279.79 feet;

thence South 85°38'00" East, a distance of 175.00 feet;

thence North 74°38'00" East, a distance of 272.00 feet,

thence South 00°00'00" West, a distance of 70.0 feet;

thence North 74°33'36" East, a distance of 115.92 feet;

thence North 66°41'54" East, a distance of 186.00 feet;

thence North 49°07'00" East, a distance of 71.30 feet;

thence South 00°00'00" West, a distance of 418.77 feet to a point on the North right-of-way line of an existing County Road;

thence along the North right-of-way of said existing County Road by the following Three courses and distances:

South 75°30'00" West, a distance of 109.15 feet;

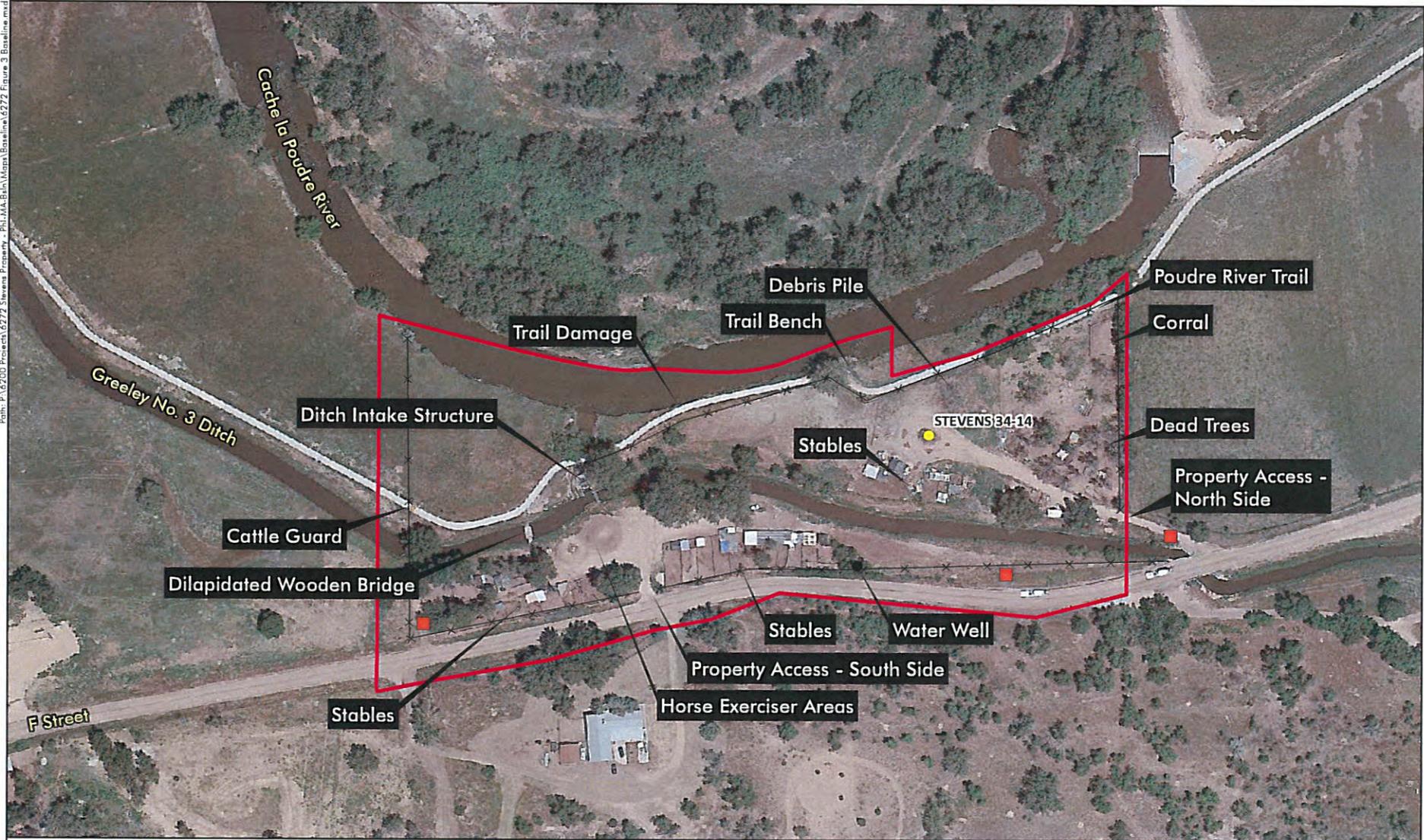
North 85°30'00" West, a distance of 394.52 feet;

South 76°00'00" West, a distance of 81.71 feet;

South 77°38'45" West, a distance of 475.79 feet to the Point of Beginning,

County of Weld, State of Colorado.

EXHIBIT E-2



Stevens Property

- Property
- Gate
- Producing Oil and Gas Well
- Fence

**Figure 3
Property Features**

Prepared for: City of Greeley
File: 6272 Figure 3 Baseline.mxd [dlH]
July 15, 2015

ERO
ERO Resources Corp.

Aerial Image: © Copyright 2009 Google Earth Pro 6/19/2014

EXHIBIT F-1

OWNER ACKNOWLEDGEMENT STATEMENT

Grantor	Grantees	
City of Greeley Culture, Parks, and Recreation 651 10th Avenue Greeley, Colorado 80631 Telephone: (970) 350-9406	Larimer County Natural Resources Department 1800 South County Road 31 Loveland, Colorado 80537 Telephone: (970) 679-4570	Town of Windsor Parks and Open Space Division 301 Walnut Street Windsor, Colorado 80550 Telephone: (970) 674-2422

LAND TYPE

The property consists of 84 acres located in western Weld County that has historically been used for agriculture. Vegetation communities on the property include approximately: 39.1 acres of saltgrass meadow; 7.8 acres of riparian community; 15.2 acres of cottonwood stands outside the riparian community; 9.5 acres of irrigated cropland; and 2.9 acres of disturbed grassland. Additional area includes 5.6 acres of open water and 3.9 acres of developed area.

CONDITION OF LAND

The property is in the West 1/2 of Section 34, Township 6 North, Range 66 West of the 6th Principal Meridian in Weld County, Colorado (Figure 1). Topography on the property is generally flat with an elevation of about 4,700 feet. Historically, the property and surrounding area have been agricultural, undeveloped, rural residential, commercial, or used for oil and gas production.

In compliance with Title 26 of the Internal Revenue Code [§1.170A-14(g)(5)], and to the best of my knowledge, this Baseline Inventory Report, including text, maps, and photographs, is an accurate representation of the Tennyson Property conservation easement property on _____, the time of the conveyance of the conservation easement. [month/day/year]

Grantor Signature *Date*

Grantee Signature *Date*

Grantee Signature *Date*

EXHIBIT F-2

OWNER ACKNOWLEDGEMENT STATEMENT

Grantor – Contact	Grantees – Contacts	
City of Greeley Culture, Parks, and Recreation 651 10th Avenue Greeley, Colorado 80631 Telephone: (970) 350-9406	Larimer County Natural Resources Department 1800 South County Road 31 Loveland, Colorado 80537 Telephone: (970) 679-4570	Town of Windsor Parks and Open Space Division 301 Walnut Street Windsor, Colorado 80550 Telephone: (970) 674-2422

LAND TYPE

The property consists of 57.5 acres located in western Weld County that has historically been used for agriculture. Vegetation communities on the property include approximately 5.7 acres of riparian community 26.3 acres of cottonwood stands outside the riparian community, 15.3 acres of seasonally flooded grasslands, and 3.6 acre of weedy grassland. Additional areas include 5.8 acres of open water and 0.8 acre of developed area associated with the railroad right-of-way.

CONDITION OF LAND

The property is in the East 1/2 of Section 34, Township 6 North, Range 66 West of the 6th Principal Meridian in Weld County, Colorado (Figure 1). Topography on the property is generally flat with an elevation of about 4,690 feet. Historically, the property and surrounding area have been agricultural, undeveloped, rural residential, commercial, or used for oil and gas production.

In compliance with Title 26 of the Internal Revenue Code [§1.170A-14(g)(5)], and to the best of my knowledge, this Baseline Inventory Report, including text, maps, and photographs, is an accurate representation of the Beebe Property conservation easement property on _____, the time of the conveyance of the conservation easement.
[month/day/year]

Grantor Signature

Date

Grantee Signature

Date

Grantee Signature

Date

EXHIBIT F-3

OWNER ACKNOWLEDGEMENT STATEMENT

Grantor – Contact	Grantees – Contacts	
City of Greeley Culture, Parks, and Recreation 651 10th Avenue Greeley, Colorado 80631 Telephone: (970) 350-9406	Larimer County Natural Resources Department 1800 South County Road 31 Loveland, Colorado 80537 Telephone: (970) 679-4570	Town of Windsor Parks and Open Space Division 301 Walnut Street Windsor, Colorado 80550 Telephone: (970) 674-2422

LAND TYPE

The property consists of 28.1 acres located in western Weld County that has historically been used for agriculture. Vegetation communities on the property include approximately 2.3 acres of riparian community, 9.9 acres of cottonwood stands outside the riparian community, 12.6 acres of seasonally flooded grasslands, and 0.9 acre of weedy grassland. Additional areas include 1.7 acres of open water and 0.7 acre of developed area associated with the railroad right-of-way.

CONDITION OF LAND

The property is in the Southwest 1/4 of the Northeast 1/4 in Section 34, Township 6 North, Range 66 West of the 6th Principal Meridian in Weld County, Colorado (Figure 1). Topography on the property is generally flat with an elevation of about 4,685 feet. Historically, the property and surrounding area have been agricultural, undeveloped, rural residential, commercial, or used for oil and gas production.

In compliance with Title 26 of the Internal Revenue Code [§1.170A-14(g)(5)], and to the best of my knowledge, this Baseline Inventory Report, including text, maps, and photographs, is an accurate representation of the Brown Property conservation easement property on _____, the time of the conveyance of the conservation easement.
[month/day/year]

Grantor Signature *Date*

Grantee Signature *Date*

Grantee Signature *Date*

EXHIBIT F-4

OWNER ACKNOWLEDGEMENT STATEMENT

Grantor – Contact	Grantees – Contacts	
City of Greeley Culture, Parks, and Recreation 651 10th Avenue Greeley, Colorado 80631 Telephone: (970) 350-9406	Larimer County Natural Resources Department 1800 South County Road 31 Loveland, Colorado 80537 Telephone: (970) 679-4570	Town of Windsor Parks and Open Space Division 301 Walnut Street Windsor, Colorado 80550 Telephone: (970) 674-2422

LAND TYPE

The property consists of 9.8 acres located in western Weld County that has historically been used for agriculture. Vegetation communities on the property include approximately: 0.5 acre of riparian community; 1.2 acres of disturbed grassland; and 2.4 acres of weedy grassland. Additional areas include 1.2 acres of open water and 4.5 acres of developed area.

CONDITION OF LAND

The property is in the North 1/2 of the Southeast 1/4 of the Southwest 1/4 in Section 34, Township 6 North, Range 66 West of the 6th Principal Meridian in Weld County, Colorado (Figure 1). Topography on the property is generally flat with an elevation of about 4,700 feet. Historically, the property and surrounding area have been agricultural, undeveloped, rural residential, commercial, or used for oil and gas production.

In compliance with Title 26 of the Internal Revenue Code [§1.170A-14(g)(5)], and to the best of my knowledge, this Baseline Inventory Report, including text, maps, and photographs, is an accurate representation of the Stevens Property conservation easement property on _____, the time of the conveyance of the conservation easement.
[month/day/year]

Grantor Signature *Date*

Grantee Signature *Date*

Grantee Signature *Date*



MEMORANDUM

Date: June 27, 2016
To: Mayor and Town Board
Via: Kelly Arnold, Town Manager
From: Eric Lucas, Director of Parks, Recreation & Culture
Re: Museum Collections Accession
Item #: C.10.

Background / Discussion:

The Parks, Recreation, and Culture Advisory Board will occasionally have the opportunity to review recommended accessions and deaccessions to the permanent collection of the Town of Windsor Museum, per adopted policies. PReCAB has reviewed the attached items and has recommended accessioning items via Resolution 2016 - PRC19.

Museum collection items are only accessioned into the collection when they fit the following criteria:

- Object illustrates unique Windsor heritage as specified in mission statement.
- Known provenance.
- Object displays rarity as specified in collections criteria
- Collection supports object's interpretive potential for exhibition.
- Stable Condition
- Museum can adequately care for object

All items listed are items currently in the museums possession, and have been donated to the museum.

Financial Impact:

Museum staff does not foresee any financial impact associated with the formal accession of these items.

Recommendation:

Adopt Resolution 2016-47, to accession museum collections items as presented by staff.

Attachments:

- b. Resolution 2016-47
- c. Donation Acquisition Forms for Potential Accession (Kraus)

TOWN OF WINDSOR

RESOLUTION NO. 2016-47

A RESOLUTION OF THE WINDSOR TOWN BOARD APPROVING THE ACCESSIONING OF ITEMS TO THE TOWN OF WINDSOR MUSEUM COLLECTION

WHEREAS, the Town of Windsor owns an extensive museum collection, the purpose of which is to preserve and enhance the rich cultural history of the Town, and to educate the public accordingly; and

WHEREAS, in October, 2010, the Town Board adopted by resolution the Town's Museum Accessioning Policy, the intention of which is to assure that items proposed for addition to the Town's Museum collection are reviewed by staff and by the Parks, Recreation and Culture Advisory Board; and

WHEREAS, the Town's Art & Heritage Manager has prepared the attached lists of items which, if accessioned, will meet the purposes and mission of the Town's Museum collection; and

WHEREAS, in keeping with the Town's Museum Accessioning Policy, the Town's Parks, Recreation and Culture Advisory Board has reviewed the attached lists of items, and has recommended that the items described therein be added to the Town's Museum Collection; and

WHEREAS, the Town Board having considered the attached lists and recommendation of the Parks, Recreation, and Culture Advisory Board, finds that accessioning of the items described in the attached listing is in the public interest and promotes the essential purposes of the Town's Museum collection.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN BOARD OF THE TOWN OF WINDSOR, COLORADO, AS FOLLOWS:

The items described in the attached lists, incorporated herein by this reference as if set forth fully, are hereby accepted by the Town of Windsor as part of its Museum collection.

Upon motion duly made, seconded and carried, the foregoing Resolution was adopted this 27th day of June, 2016.

TOWN OF WINDSOR, COLORADO

By: _____
Kristie Melendez, Mayor

ATTEST:

Patti Garcia, Town Clerk



Town of Windsor
Department of Parks, Recreation, and Culture
Culture Division
250 N. 11th Street * Windsor, CO 80550

Potential Acquisition Form

Source:

- Donation
- Staff Acquired
- Transfer / Exchange
- Purchase



Name: <u>Randy Kraus</u>	Date: <u>03-11-2016</u>
Address: <u>21 Oak St.</u>	
City: <u>Windsor</u>	State: <u>CO</u> Zip Code: <u>80550</u>
Phone: <u>970-214-6446</u>	Email: <u>r.kraus@centurylink.net</u>

Price: not assessed Estimated Value (for donation or transfer/exchange)

Description and Provenance of Object(s):

- (1) jacket, work. Blue, mid length, "Great Western Railway Co." embroidered on left chest.
- (1) map, United States railroad lines. 1986. "Burlington Northern Railroad"
- (1) map, United States railroad lines. 1991. "Burlington Northern Railroad"
- (1) Journal Box tool

The Kraus donation consists of (4) individual items related to the Great Western Railway Company for which Mr. Kraus worked. These items expand upon the current railroad objects in the collection and are recommended for acceptance into the Museum's permanent collection. The items are in good condition.

Museum Staff Recommendation:

Date: 03-25-216

Accept into Museum Permanent Collection: Accept Decline

Accept into Museum Education Collection: Accept Decline

Reason for Decision:

Aligns with mission

Has established provenance/story

Good Condition

Has exhibit potential

Fills gap in collection

Space to store

Other: _____

Parks, Recreation, and Culture Advisory Board (PReCAB) Decision:

Date: _____

Accept into Museum Permanent Collection: Accept Decline

Accept into Museum Education Collection: Accept Decline

Reason for Decision: _____

Town Board Decision:

Date: _____

Accept into Museum Permanent Collection: Accept Decline

Accept into Museum Education Collection: Accept Decline

Reason for Decision: _____

Signatures:

Art & Heritage Manager or Director of Parks, Recreation, and Culture Department

Date

Mayor, Town of Windsor

Date



MEMORANDUM

Date: June 27, 2016
To: Mayor and Town Board
Via: Eric Lucas, CPRP, Director of Parks, Recreation & Culture
From: Tara Fotsch, CPRP, Manager of Recreation
Re: Resolution Approving a Lease-Purchase Agreement for CRC Fitness Equipment
Item #: C.11.

Background / Discussion:

Town staff have accepted the proposal for leasing the cardio equipment for the Wellness Center in the new expansion of the Community Recreation Center. The leasing of the fitness equipment includes 43 pieces of cardio equipment, wireless audio receivers and warranties on all of the equipment. The equipment will be leased for 3 years. At the end of the 3 year lease the Town will have the option to buy out the equipment for \$1 per piece or renew the lease. The advantages and benefits of lease end agreement are the possible off balance sheet financing, eliminates "down time", vendor forced to provide quality service, keeps equipment state of the art, easy trade-in process, refreshes equipment on a 3 year basis, no capital expenditures, the lease includes a preventative maintenance contract valued at \$6,500 per year plus up to \$450 for additional visits. The Town will be purchasing the weight equipment for the Wellness Center.

Financial Impact:

Listed below is the payment information for the 3 year lease of the equipment at an interest rate of 8.04%

Contract Payment	Applied to Interest	Applied to Principal	Purchase Option Price
\$57,528.95	\$0.00	\$57,528.95	\$111,353.10
\$57,528.95	\$8,234.66	\$49,285.29	\$56,285.05
\$57,528.95	\$4,281.13	\$53,247.82	\$0.00

Recommendation:

Staff is recommending Town Board approval of Resolution No. 2016-48

Attachments:

b. Resolution No. 2016 – 48

TOWN OF WINDSOR

RESOLUTION NO. 2016-48

A RESOLUTION APPROVING A LEASE-PURCHASE AGREEMENT BETWEEN THE TOWN OF WINDSOR AND KS BANK FOR THE ACQUISITION OF FITNESS EQUIPMENT INTENDED FOR USE IN THE WINDSOR COMMUNITY RECREATION CENTER, AND AUTHORIZING THE TOWN'S PARKS, RECREATION AND CULTURE DIRECTOR TO EXECUTE DOCUMENTS IN ASSOCIATION THEREWITH

WHEREAS, the Town of Windsor ("Town") is a Colorado home rule municipality with all powers and authority provided by Colorado law; and

WHEREAS, in November, 2014, the Town's registered electors authorized certain tax and borrowing measures, the purpose of which was to expand, furnish, operate and maintain the Town's Community Recreation Center ("CRC"); and

WHEREAS, the Town Board has previously authorized the acquisition of fitness equipment to furnish the CRC; and

WHEREAS, the Town's Director of Parks, Recreation and Culture ("Director") has evaluated the various methods by which the Town might best acquire the fitness equipment, and has recommended that the Town lease-purchase the equipment, rather than simply purchasing it outright; and

WHEREAS, in order to complete the lease-purchase transaction, the Director has negotiated a combination of agreements with equipment supply and finance entities; and

WHEREAS, the financing terms for acquisition of the fitness equipment are set forth in the attached Government Obligation Contract, the terms of which are incorporated herein as if set forth fully; and

WHEREAS, the terms of financing consist primarily of a three-year payment term, the funding for which is subject to annual appropriation and legal availability of funds; and

WHEREAS, the Town Attorney has reviewed the attached Government Obligation Contract, and has concluded that it complies in all material respects with the requirements of Colorado law; and

WHEREAS, the Town Board finds that the attached Government Obligation Contract serves the best interests of the Town, and should be executed on the Town's behalf by a duly-authorized signatory.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN BOARD OF THE TOWN OF WINDSOR, COLORADO, AS FOLLOWS:

1. The attached Government Obligation Contract between the Town of Windsor and KS Bank is hereby approved.
2. The Town's Director of Parks, Recreation and Culture, Eric Lucas, is hereby authorized to execute the attached Government Obligation Contract, and any related documents (including any Escrow Agreement) necessary for the consummation of the lease-purchase transaction contemplated therein.
3. The Town Board hereby affirms that funding for the first (2016) installment of the contract payments has been appropriated and is legally-available.
4. Nothing herein shall be deemed an appropriation of funding in future fiscal years. Any future-year funding for performance of the attached Government Obligation Contract is reserved to the discretion of the Town Board as provided by the Town's Home Rule Charter and as otherwise provided by Colorado law.

Upon motion duly made, seconded and carried, the foregoing Resolution was adopted this 27th day of June, 2016.

TOWN OF WINDSOR, COLORADO

By: _____
Kristie Melendez, Mayor

ATTEST:

Patti Garcia, Town Clerk

DOCUMENTATION INSTRUCTIONS

The instructions listed below should be followed when completing the enclosed documentation. Documentation completed improperly will delay funding. If you have any questions regarding the Conditions to Funding, instructions or the documentation, please call us at (877) 587-4054.

I. Attached Documentation

1. **Government Obligation Contract**
 - ◆ An authorized individual that is with the Obligor should sign on the first space provided.
 - ◆ A second authorized individual that is with the Obligor should attest the previous signature on the space provided.
2. **Exhibit A – Description of Equipment**
 - ◆ Review equipment description. Complete serial number/VIN if applicable.
 - ◆ List the location where the equipment will be located after delivery/installation.
3. **Exhibit B – Payment Schedule**
 - ◆ Sign and print name and title
4. **Exhibit C - Payment Request & Equipment Acceptance Form**
 - ◆ Do Not Return until you need to request funds from the Vendor Payable Account.
5. **Exhibit D - Signature Card**
 - ◆ Sign and print name and title
 - ◆ An additional individual may sign as an authorized individual, if desired.
6. **Exhibit E - Obligor Acknowledgement**
 - ◆ Complete information as indicated.
7. **Insurance Requirements**
 - ◆ Complete insurance company contact information where indicated.
8. **Debit Authorization – (Preferred)**
 - ◆ Complete form and attach a voided check
9. **8038G IRS Form**
 - ◆ Please read 8038 Review Form
 - ◆ In Box 2, type Employer Identification Number
 - ◆ Sign and print name and title

II. Additional Documentation Required

1. First payment check as stated on attached invoice

III. Condition to Funding

If, for any reason: (i) the required documentation is not returned by May 18, 2016, is incomplete, or has unresolved issues relating thereto, or (ii) on, or prior to the return of the documentation, there is a change of circumstance which adversely affects the expectations, rights or security of the Obligee or its assignees; then Obligee or its assignees reserve the right to adjust the quoted interest rate or withdraw/void its offer to fund this transaction in its entirety. *Neither KS StateBank nor Baystone Government Finance is acting as an advisor to the municipal entity/obligated person and neither owes a fiduciary duty pursuant to Section 15B of the Exchange Act of 1934.*

All documentation should be returned to:

KS StateBank
1680 Charles Place
Manhattan, Kansas 66502

GOVERNMENT OBLIGATION CONTRACT

Obligor

Town of Windsor, Colorado
301 Walnut Street
Windsor, Colorado 80550

Obligee

KS StateBank
1010 Westloop; P.O. Box 69
Manhattan, Kansas 66505-0069

Dated as of April 1, 2016

This Government Obligation Contract dated as of the date listed above is between Obligee and Obligor listed directly above. Obligee desires to finance the purchase of the Equipment described in Exhibit A to Obligor and Obligor desires to have Obligee finance the purchase of the Equipment subject to the terms and conditions of this Contract which are set forth below.

I. Definitions

Section 1.01 Definitions. The following terms will have the meanings indicated below unless the context clearly requires otherwise:

"Additional Schedule" refers to the proper execution of additional schedules to Exhibit A and Exhibit B, as well as other exhibits or documents that may be required by the Obligee all of which relate to the financing of additional Equipment.

"Budget Year" means the Obligor's fiscal year.

"Commencement Date" is the date when Obligor's obligation to pay Contract Payments begins.

"Contract" means this Government Obligation Contract and all Exhibits attached hereto, all addenda, modifications, schedules, refinancings, guarantees and all documents relied upon by Obligee prior to execution of this Contract.

"Contract Payments" means the payments Obligor is required to make under this Contract as set forth on Exhibit B.

"Contract Term" means the Original Term and all Renewal Terms.

"Exhibit" includes the Exhibits attached hereto, and any "Additional Schedule", whether now existing or subsequently created.

"Equipment" means all of the items of Equipment listed on Exhibit A and any Additional Schedule, whether now existing or subsequently created, and all replacements, restorations, modifications and improvements.

"Government" as used in the title hereof means a State or a political subdivision of the State within the meaning of Section 103(a) of the Internal Revenue Code of 1986, as amended ("Code"), or a constituted authority or district authorized to issue obligations on behalf of the State or political subdivision of the State within the meaning of Treasury Regulation 1.103-1(b), or a qualified volunteer fire company within the meaning of section 150(e)(1) of the Code.

"Obligee" means the entity originally listed above as Obligee or any of its assignees.

"Obligor" means the entity listed above as Obligor and which is financing the Equipment through Obligee under the provisions of this Contract.

"Original Term" means the period from the Commencement Date until the end of the Budget Year of Obligor.

"Partial Prepayment Date" means the first Contract Payment date that occurs on or after the earlier of (a) the twenty-four month (24) anniversary of the Commencement Date or (b) the date on which Obligor has accepted all the Equipment and all amounts have been disbursed from the Vendor Payable Account to pay for the Equipment.

"Purchase Price" means the total cost of the Equipment, including all delivery charges, installation charges, legal fees, financing costs, recording and filing fees and other costs necessary to vest full, clear legal title to the Equipment in Obligor, subject to the security interest granted to and retained by Obligee as set forth in this Contract, and otherwise incurred in connection with the financing of this Equipment.

"Renewal Term" means the annual term which begins at the end of the Original Term and which is simultaneous with Obligor's Budget Year and each succeeding Budget Year for the number of Budget Years necessary to comprise the Contract Term.

"State" means the state in which Obligor is located.

"Surplus Amount" means any amount on deposit in the Vendor Payable Account on the Partial Prepayment Date.

"Vendor Payable Account" means the separate account of that name established pursuant to Section X of this Contract.

II. Obligor Warranties

Section 2.01 Obligor represents, warrants and covenants as follows for the benefit of Obligee or its assignees:

- (a) Obligor is an "issuer of tax exempt obligations" because Obligor is the State or a political subdivision of the State within the meaning of Section 103(a) of the Internal Revenue Code of 1986, as amended, (the "Code") or because Obligor is a constituted authority or district authorized to issue obligations on behalf of the State or political subdivision of the State within the meaning of Treasury Regulation 1.103-1(b), or a qualified volunteer fire company within the meaning of section 150(e)(1) of the Code.
- (b) Obligor has complied with any requirement for a referendum and/or competitive bidding.
- (c) Obligor has complied with all statutory laws and regulations that may be applicable to the execution of this Contract; Obligor, and its officer executing this Contract, are authorized under the Constitution and laws of the State to enter into this Contract and have used and followed all proper procedures of its governing body in executing and delivering this Contract. The officer of Obligor executing this Contract has the authority to execute and deliver this Contract. This Contract constitutes a legal, valid, binding and enforceable obligation of the Obligor in accordance with its terms.
- (d) Obligor shall use the Equipment only for essential, traditional government purposes.
- (e) Should the IRS disallow the tax-exempt status of the interest portion of the Contract Payments as a result of the failure of the Obligor to use the Equipment for governmental purposes, or should the Obligor cease to be an issuer of tax exempt obligations, or should the obligation of Obligor created under this Contract cease to be a tax exempt obligation for any reason, then Obligor shall be required to pay additional sums to the Obligee or its assignees so as to bring the after tax yield on this Contract to the same level as the Obligee or its assignees would attain if the transaction continued to be tax-exempt.
- (f) Obligor has never non-renewed funds under a contract similar to this Contract.
- (g) Obligor will submit to the Secretary of the Treasury an information reporting statement as required by the Code.
- (h) Upon request by Obligee, Obligor will provide Obligee with current financial statements, reports, budgets or other relevant fiscal information.
- (i) Obligor shall retain the Equipment free of any hazardous substances as defined in the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. 9601 et. seq. as amended and supplemented.
- (j) Obligor hereby warrants the General Fund of the Obligor is the primary source of funds or a backup source of funds from which the Contract Payments will be made.
- (k) Obligor presently intends to continue this Contract for the Original Term and all Renewal Terms as set forth on Exhibit B hereto. The official of Obligor responsible for budget preparation will include in the budget request for each Budget Year the Contract Payments to become due in such Budget Year, and will use all reasonable and lawful means available to secure the appropriation of money for such Budget Year sufficient to pay the Contract Payments coming due therein. Obligor reasonably believes that moneys can and will lawfully be appropriated and made available for this purpose.
- (l) Obligor has selected both the Equipment and the vendor(s) from whom the Equipment is to be purchased upon its own judgment and without reliance on any manufacturer, merchant, vendor or distributor, or agent thereof, of such equipment to the public.
- (m) Obligor owns free and clear of any liens any additional collateral pledged, subject only to the lien described herein; Obligor has not and will not, during the Contract Term, create, permit, incur or assume any levies, liens or encumbrances of any kind with respect to the Equipment and any additional collateral except those created by this Contract.

Section 2.02 Escrow Agreement. In the event both Obligee and Obligor mutually agree to utilize an Escrow Account, then immediately following the execution and delivery of this Contract, Obligee and Obligor agree to execute and deliver and to cause Escrow Agent to execute and deliver the Escrow Agreement. This Contract shall take effect only upon execution and delivery of the Escrow Agreement by the parties thereto. Obligee shall deposit or cause to be deposited with the Escrow Agent for credit to the Equipment Acquisition Fund the sum of N/A, which shall be held, invested and disbursed in accordance with the Escrow Agreement.

III. Acquisition of Equipment, Contract Payments and the Purchase Option Price

Section 3.01 Acquisition and Acceptance. Obligor shall be solely responsible for the ordering of the Equipment and for the delivery and installation of the Equipment. The Payment Request and Equipment Acceptance Form must be signed by the same authorized individual(s) who signed the Signature Card, Exhibit D. By making a Contract Payment after its receipt of the Equipment pursuant to this Contract, Obligor shall be deemed to have accepted the Equipment on the date of such Contract Payment for purposes of this Contract. All Contract Payments paid prior to delivery of the Payment Request and Equipment Acceptance Form shall be credited to Contract Payments as they become due as shown on the Contract Payment Schedule attached as Exhibit B hereto.

Section 3.02 Contract Payments. Obligor shall pay Contract Payments exclusively to Obligee or its assignees in lawful, legally available money of the United States of America. The Contract Payments shall be sent to the location specified by the Obligee or its assignees. The Contract Payments shall constitute a current expense of the Obligor and shall not constitute an indebtedness of the Obligor. The Contract Payments, payable without notice or demand, are due as set forth on Exhibit B. Obligee shall have the option to charge interest at the highest lawful rate on any Contract Payment received later than the due date for the number of days that the Contract Payment(s) were late, plus any additional accrual on the outstanding balance for the number of days that the Contract Payment(s) were late. Obligee shall also have the option, on monthly payments only, to charge a late fee of up to 10% of the monthly Contract Payment that is past due. Furthermore, Obligor agrees to pay any fees associated with the use of a payment system other than check, wire transfer, or ACH. Once all amounts due Obligee hereunder have been received, Obligee will release any and all of its rights, title and interest in the Equipment.

SECTION 3.03 Contract Payments Unconditional. Except as provided under Section 4.01, THE OBLIGATIONS OF OBLIGOR TO MAKE CONTRACT PAYMENTS AND TO PERFORM AND OBSERVE THE OTHER COVENANTS CONTAINED IN THIS CONTRACT SHALL BE ABSOLUTE AND UNCONDITIONAL IN ALL EVENTS WITHOUT ABATEMENT, DIMINUTION, DEDUCTION, SET-OFF, OR SUBJECT TO DEFENSE OR COUNTERCLAIM.

Section 3.04 Purchase Option Price. Upon thirty (30) days written notice, Obligor shall have the option to pay, in addition to the Contract Payment, the corresponding Purchase Option Price which is listed on the same line on Exhibit B. This option is only available to the Obligor on the Contract Payment date and no partial prepayments are allowed. If Obligor chooses this option and pays the Purchase Option Price to Obligee then Obligee will transfer any and all of its rights, title and interest in the Equipment to Obligor.

Section 3.05 Contract Term. The Contract Term shall be the Original Term and all Renewal Terms until all the Contract Payments are paid as set forth on Exhibit B except as provided under Section 4.01 and Section 9.01 below. If, after the end of the budgeting process which occurs at the end of the Original Term or any Renewal Term, Obligor has renewed as provided for in this Contract then the Contract Term shall be extended into the next Renewal Term and the Obligor shall be obligated to make all the Contract Payments that come due during such Renewal Term.

Section 3.06 Disclaimer of Warranties. OBLIGEE MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE VALUE, DESIGN, CONDITION, MERCHANTABILITY, FITNESS FOR PARTICULAR PURPOSE OR ANY OTHER WARRANTY WITH RESPECT TO THE EQUIPMENT. OBLIGEE IS NOT A MANUFACTURER, SELLER, VENDOR OR DISTRIBUTOR, OR AGENT THEREOF, OF SUCH EQUIPMENT; NOR IS OBLIGEE A MERCHANT OR IN THE BUSINESS OF DISTRIBUTING SUCH EQUIPMENT TO THE PUBLIC. OBLIGEE SHALL NOT BE LIABLE FOR ANY INCIDENTAL, INDIRECT, SPECIAL OR CONSEQUENTIAL DAMAGE ARISING OUT OF THE INSTALLATION, OPERATION, POSSESSION, STORAGE OR USE OF THE EQUIPMENT BY OBLIGOR.

IV. Non-Renewal

Section 4.01 Non-Renewal. The Contract shall terminate absolutely and without further obligation on the part of the Obligor at the end of each Budget Year during the Contract Term unless it is automatically renewed as set forth below. If Obligor chooses to not renew, then all obligations of the Obligor under this Contract regarding Contract Payments for all remaining Renewal Terms shall be terminated at the end of the then current Budget Year without penalty or liability to the Obligor of any kind provided that if Obligor has not delivered possession of the Equipment to Obligee as provided herein and conveyed to Obligee or released its interest in the Equipment by the end of the last Budget Year for which Contract Payments were paid, the termination shall nevertheless be effective but Obligor shall be responsible for the payment of damages in an amount equal to the amount of the Contract Payments thereafter coming due under Exhibit B which are attributable to the number of days after such Budget Year during which Obligor fails to take such actions and for any other loss suffered by Obligee as a result of Obligor's failure to take such actions as required. This Contract will automatically renew at the end of each Budget Year unless positive action is taken by Obligor as evidenced by a resolution passed by the Obligor's governing body to terminate the Contract. Obligor shall immediately notify the Obligee as soon as the decision to non-renew is made. If such non-renewal occurs, then Obligor shall deliver the Equipment to Obligee as provided below in Section 9.04. Obligor shall be liable for all damage to the Equipment other than normal wear and tear. If Obligor fails to deliver the Equipment to Obligee, then Obligee may enter the premises where the Equipment is located and take possession of the Equipment and charge Obligor for costs incurred.

V. Insurance, Damage, Insufficiency of Proceeds

Section 5.01 Insurance. Obligor shall maintain both property insurance and liability insurance at its own expense with respect to the Equipment. Obligor shall be solely responsible for selecting the insurer(s) and for making all premium payments and ensuring that all policies are continuously kept in effect during the period when Obligor is required to make Contract Payments. Obligor shall provide Obligee with a Certificate of Insurance which lists the Obligee and/or assigns as a loss payee and an additional insured on the policies with respect to the Equipment.

- (a) Obligor shall insure the Equipment against any loss or damage by fire and all other risks covered by the standard extended coverage endorsement then in use in the State and any other risks reasonably required by Obligee in an amount at least equal to the then applicable Purchase Option Price of the Equipment. Alternatively, Obligor may insure the Equipment under a blanket insurance policy or policies.
- (b) The liability insurance shall insure Obligee from liability and property damage in any form and amount satisfactory to Obligee.
- (c) Obligor may self-insure against the casualty risks and liability risks described above. If Obligor chooses this option, Obligor must furnish Obligee with a certificate and/or other documents which evidences such coverage.
- (d) All insurance policies issued or affected by this Section shall be so written or endorsed such that the Obligee and its assignees are named additional insureds and loss payees and that all losses are payable to Obligor and Obligee or its assignees as their interests may appear. Each policy issued or affected by this Section shall contain a provision that the insurance company shall not cancel or materially modify the policy without first giving thirty (30) days advance notice to Obligee or its assignees. Obligor shall furnish to Obligee certificates evidencing such coverage throughout the Contract Term.

Section 5.02 Damage to or Destruction of Equipment. Obligor assumes the risk of loss or damage to the Equipment. If the Equipment or any portion thereof is lost, stolen, damaged, or destroyed by fire or other casualty, Obligor will immediately report all such losses to all possible insurers and take the proper procedures to obtain all insurance proceeds. At the option of Obligee, Obligor shall either (1) apply the Net Proceeds to replace, repair or restore the Equipment or (2) apply the Net Proceeds to the applicable Purchase Option Price. For purposes of this Section and Section 5.03, the term Net Proceeds shall mean the amount of insurance proceeds collected from all applicable insurance policies after deducting all expenses incurred in the collection thereof.

Section 5.03 Insufficiency of Net Proceeds. If there are no Net Proceeds for whatever reason or if the Net Proceeds are insufficient to pay in full the cost of any replacement, repair, restoration, modification or improvement of the Equipment, then Obligor shall, at the option of Obligee, either (1) complete such replacement, repair, restoration, modification or improvement and pay any costs thereof in excess of the amount of the Net Proceeds or (2) apply the Net Proceeds to the Purchase Option Price and pay the deficiency, if any, to the Obligee.

Section 5.04 Obligor Negligence. Obligor assumes all risks and liabilities, whether or not covered by insurance, for loss or damage to the Equipment and for injury to or death of any person or damage to any property whether such injury or death be with respect to agents or employees of Obligor or of third parties, and whether such property damage be to Obligor's property or the property of others (including, without limitation, liabilities for loss or damage related to the release or threatened release of hazardous substances under the Comprehensive Environmental Response, Compensation and Liability Act, the Resource Conservation and Recovery Act or similar or successor law or any State or local equivalent now existing or hereinafter enacted which in any manner arise out of or are incident to any possession, use, operation, condition or storage of any Equipment by Obligor), which is proximately caused by the negligent conduct of Obligor, its officers, employees and agents.

Section 5.05 Indemnification. Obligor hereby assumes responsibility for and agrees to reimburse Obligee for all liabilities, obligations, losses, damages, penalties, claims, actions, costs and expenses (including reasonable attorneys' fees) of whatsoever kind and nature, imposed on, incurred by or asserted against Obligee that in any way relate to or arise out of a claim, suit or proceeding, based in whole or in part upon the negligent conduct of Obligor, its officers, employees and agents, or arose out of installation, operation, possession, storage or use of any item of the Equipment, to the maximum extent permitted by law.

VI. Title and Security Interest

Section 6.01 Title. Title to the Equipment shall vest in Obligor when Obligor acquires and accepts the Equipment. Title to the Equipment will automatically transfer to the Obligee in the event Obligor chooses to not renew under Section 4.01 or in the event Obligor defaults under Section 9.01. In such event, Obligor shall execute and deliver to Obligee such documents as Obligee may request to evidence the passage of legal title to the Equipment to Obligee.

Section 6.02 Security Interest. To secure the payment of all Obligor's obligations under this Contract, as well as all other obligations, debts and liabilities, plus interest thereon, whether now existing or subsequently created, Obligor hereby grants to Obligee a security interest under the Uniform Commercial Code constituting a first lien on the Equipment described more fully on Exhibit A, including any and all additional collateral listed on any other Exhibit A. The security interest established by this section includes not only all additions, attachments, repairs and replacements to the Equipment but also all proceeds therefrom. Obligor authorizes Obligee to prepare and record any Financing Statement required under the Uniform Commercial Code to perfect the security interest created hereunder. Obligor agrees that any Equipment listed on Exhibit A is and will remain personal property and will not be considered a fixture even if attached to real property.

VII. Assignment

Section 7.01 Assignment by Obligee. All of Obligee's rights, title and/or interest in and to this Contract may be assigned and reassigned in whole or in part to one or more assignees or sub-assignees by Obligee at any time without the consent of Obligor. No such assignment shall be effective as against Obligor until the assignor shall have filed with Obligor written notice of assignment identifying the assignee. Obligor shall pay all Contract Payments due hereunder relating to such Equipment to or at the direction of Obligee or the assignee named in the notice of assignment. Obligor shall keep a complete and accurate record of all such assignments.

Section 7.02 Assignment by Obligor. None of Obligor's right, title and interest under this Contract and in the Equipment may be assigned by Obligor unless Obligee approves of such assignment in writing before such assignment occurs and only after Obligor first obtains an opinion from nationally recognized counsel stating that such assignment will not jeopardize the tax-exempt status of the obligation.

VIII. Maintenance of Equipment

Section 8.01 Equipment. Obligor shall keep the Equipment in good repair and working order, and as required by manufacturer's and warranty specifications. If Equipment consists of copiers, Obligor is required to enter into a copier maintenance/service agreement. Obligor shall have no obligation to inspect, test, service, maintain, repair or make improvements or additions to the Equipment under any circumstances. Obligor will be liable for all damage to the Equipment, other than normal wear and tear, caused by Obligor, its employees or its agents. Obligor shall pay for and obtain all permits, licenses and taxes related to the ownership, installation, operation, possession, storage or use of the Equipment. If the Equipment includes any titled vehicle(s), then Obligor is responsible for obtaining such title(s) from the State and also for ensuring that Obligor is listed as First Lienholder on all of the title(s). Obligor shall not use the Equipment to haul, convey or transport hazardous waste as defined in the Resource Conservation and Recovery Act, 42 U.S.C. 6901 et. seq. Obligor agrees that Obligor or its Assignee may execute any additional documents including financing statements, affidavits, notices, and similar instruments, for and on behalf of Obligor which Obligor deems necessary or appropriate to protect Obligor's interest in the Equipment and in this Contract. Obligor shall allow Obligor to examine and inspect the Equipment at all reasonable times.

IX. Default

Section 9.01 Events of Default defined. The following events shall constitute an "Event of Default" under this Contract:

- (a) Failure by Obligor to pay any Contract Payment listed on Exhibit B for fifteen (15) days after such payment is due according to the Payment Date listed on Exhibit B.
- (b) Failure to pay any other payment required to be paid under this Contract at the time specified herein and a continuation of said failure for a period of fifteen (15) days after written notice by Obligor that such payment must be made. If Obligor continues to fail to pay any payment after such period, then Obligor may, but will not be obligated to, make such payments and charge Obligor for all costs incurred plus interest at the highest lawful rate.
- (c) Failure by Obligor to observe and perform any warranty, covenant, condition, promise or duty under this Contract for a period of thirty (30) days after written notice specifying such failure is given to Obligor by Obligor, unless Obligor agrees in writing to an extension of time. Obligor will not unreasonably withhold its consent to an extension of time if corrective action is instituted by Obligor. Subsection (c) does not apply to Contract Payments and other payments discussed above.
- (d) Any statement, material omission, representation or warranty made by Obligor in or pursuant to this Contract which proves to be false, incorrect or misleading on the date when made regardless of Obligor's intent and which materially adversely affects the rights or security of Obligor under this Contract.
- (e) Any provision of this Contract which ceases to be valid for whatever reason and the loss of such provision would materially adversely affect the rights or security of Obligor.
- (f) Except as provided in Section 4.01 above, Obligor admits in writing its inability to pay its obligations.
- (g) Obligor defaults on one or more of its other obligations.
- (h) Obligor becomes insolvent, is unable to pay its debts as they become due, makes an assignment for the benefit of creditors, applies for or consents to the appointment of a receiver, trustee, conservator, custodian, or liquidator of Obligor, or all or substantially all of its assets, or a petition for relief is filed by Obligor under federal bankruptcy, insolvency or similar laws, or is filed against Obligor and is not dismissed within thirty (30) days thereafter.

Section 9.02 Remedies on Default. Whenever any Event of Default exists, Obligor shall have the right to take one or any combination of the following remedial steps:

- (a) With or without terminating this Contract, Obligor may declare all Contract Payments and other amounts payable by Obligor hereunder to the end of the then current Budget Year to be immediately due and payable.
- (b) With or without terminating this Contract, Obligor may require Obligor at Obligor's expense to redeliver any or all of the Equipment and any additional collateral to Obligor as provided below in Section 9.04. Such delivery shall take place within fifteen (15) days after the Event of Default occurs. If Obligor fails to deliver the Equipment and any additional collateral, Obligor may enter the premises where the Equipment and any additional collateral is located and take possession of the Equipment and any additional collateral and charge Obligor for costs incurred. Notwithstanding that Obligor has taken possession of the Equipment and any additional collateral, Obligor shall still be obligated to pay the remaining Contract Payments due up until the end of the then current Original Term or Renewal Term. Obligor will be liable for any damage to the Equipment and any additional collateral caused by Obligor or its employees or agents.
- (c) Obligor may take whatever action at law or in equity that may appear necessary or desirable to enforce its rights. Obligor shall be responsible to Obligor for all costs incurred by Obligor in the enforcement of its rights under this Contract including, but not limited to, reasonable attorney fees.

Section 9.03 No Remedy Exclusive. No remedy herein conferred upon or reserved to Obligor is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Contract now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or shall be construed to be a waiver thereof.

Section 9.04 Return of Equipment and Storage.

- (a) Surrender: The Obligor shall, at its own expense, surrender the Equipment, any additional collateral and all required documentation to evidence transfer of title from Obligor to the Obligor in the event of a default or a non-renewal by delivering the Equipment and any additional collateral to the Obligor to a location accessible by common carrier and designated by Obligor. In the case that any of the Equipment and any Additional collateral consists of software, Obligor shall destroy all intangible items constituting such software and shall deliver to Obligor all tangible items constituting such software. At Obligor's request, Obligor shall also certify in a form acceptable to Obligor that Obligor has complied with the above software return provisions and that they will immediately cease using the software and that they shall permit Obligor and/or the vendor of the software to inspect Obligor's locations to verify compliance with the terms hereto.
- (b) Delivery: The Equipment and any additional collateral shall be delivered to the location designated by the Obligor by a common carrier unless the Obligor agrees in writing that a common carrier is not needed. When the Equipment and any additional collateral is delivered into the custody of a common carrier, the Obligor shall arrange for the shipping of the item and its insurance in transit in accordance with the Obligor's instructions and at the Obligor's sole expense. Obligor at its expense shall completely sever and disconnect the Equipment and any additional collateral or its component parts from the Obligor's property all without liability to the Obligor. Obligor shall pack or crate the Equipment and any additional collateral and all of the component parts of the Equipment and any additional collateral carefully and in accordance with any recommendations of the manufacturer. The Obligor shall deliver to the Obligor the plans, specifications, operation manuals or other warranties and documents furnished by the manufacturer or vendor on the Equipment and any additional collateral and such other documents in the Obligor's possession relating to the maintenance and methods of operation of such Equipment and any additional collateral.
- (c) Condition: When the Equipment is surrendered to the Obligor it shall be in the condition and repair required to be maintained under this Contract. It will also meet all legal regulatory conditions necessary for the Obligor to sell or lease it to a third party and be free of all liens. If Obligor reasonably determines that the Equipment or an item of the Equipment, once it is returned, is not in the condition required hereby, Obligor may cause the repair, service, upgrade, modification or overhaul of the Equipment or an item of the Equipment to achieve such condition and upon demand, Obligor shall promptly reimburse Obligor for all amounts reasonably expended in connection with the foregoing.
- (d) Storage: Upon written request by the Obligor, the Obligor shall provide free storage for the Equipment and any additional collateral for a period not to exceed 60 days after the expiration of the Contract Term before returning it to the Obligor. The Obligor shall arrange for the insurance described to continue in full force and effect with respect to such item during its storage period and the Obligor shall reimburse the Obligor on demand for the incremental premium cost of providing such insurance.

X. Vendor Payable Account

Section 10.01 Establishment of Vendor Payable Account. On the date that the Obligor executed this Contract, which is on or after the date that the Obligor executes this Contract, Obligor agrees to (i) make available to Obligor an amount sufficient to pay the total Purchase Price for the Equipment by establishing a separate, non-interest bearing account (the "Vendor Payable Account"), as agent for Obligor's account, with a financial institution that Obligor selects that is acceptable to Obligor (including Obligor or any of its affiliates) and (ii) to deposit an amount equal to such Purchase Price as reflected on Exhibit B in the Vendor Payable Account. Obligor hereby further agrees to make the representations, warranties and covenants relating to the Vendor Payable Account as set forth in Exhibit C attached hereto. Upon Obligor's delivery to Obligor of a Payment Request and Equipment Acceptance Form in the form set forth in Exhibit C attached hereto, Obligor authorizes Obligor to withdraw funds from the Vendor Payable Account from time to time to pay the Purchase Price, or a portion thereof, for each item of Equipment as it is delivered to Obligor. The Payment Request and Equipment Acceptance Form must be signed by an authorized individual acting on behalf of Obligor. The authorized individual or individuals designated by the Obligor must sign the Signature Card which will be kept in the possession of the Obligor.

Section 10.02 Down Payment. Prior to the disbursement of any funds from the Vendor Payable Account, the Obligor must either (1) deposit all the down payment funds that the Obligor has committed towards the purchase of the Equipment into the Vendor Payable Account or (2) Obligor must provide written verification to the satisfaction of the Obligor that all the down payment funds Obligor has committed towards the purchase of the Equipment have already been spent or are simultaneously being spent with the funds requested from the initial Payment Request and Equipment Acceptance Form. For purposes of this Section, the down payment funds committed towards the Equipment from the Obligor are the down payment funds that were represented to the Obligor at the time this transaction was submitted for credit approval by the Obligor to the Obligor.

Section 10.03 Disbursement upon Non-Renewal or Default. If an event of non-renewal or default occurs prior to the Partial Prepayment Date, the amount then on deposit in the Vendor Payable Account shall be retained by the Obligor and Obligor will have no interest therein.

Section 10.04 Surplus Amount. Any Surplus Amount then on deposit in the Vendor Payable Account on the Partial Prepayment Date shall be applied to pay on such Partial Prepayment Date a portion of the Purchase Option Price then applicable.

Section 10.05 Recalculation of Contract Payments. Upon payment of a portion of the Purchase Option Price as provided in Section 10.04 above, each Contract Payment thereafter shall be reduced by an amount calculated by Obligee based upon a fraction the numerator of which is the Surplus Amount and the denominator of which is the Purchase Option Price on such Partial Prepayment Date. Within 15 days after such Partial Prepayment Date, Obligee shall provide to Obligor a revised Exhibit B to this Contract, which shall take into account such payment of a portion of the Purchase Option Price thereafter and shall be and become thereafter Exhibit B to this Contract. Notwithstanding any other provision of this Section 10, this Contract shall remain in full force and effect with respect to all or the portion of the Equipment accepted by Obligor as provided in this Contract, and the portion of the principal component of Contract Payments remaining unpaid after the Partial Prepayment Date plus accrued interest thereon shall remain payable in accordance with the terms of this Contract, including revised Exhibit B hereto which shall be binding and conclusive upon Obligee and Obligor.

XI. Miscellaneous

Section 11.01 Notices. All notices shall be sufficiently given and shall be deemed given when delivered or mailed by registered mail, postage prepaid, to the parties at their respective places of business as first set forth herein or as the parties shall designate hereafter in writing.

Section 11.02 Binding Effect. Obligor acknowledges this Contract is not binding upon the Obligee or its assignees unless the Conditions to Funding listed on the Documentation Instructions have been met to Obligee's satisfaction, and Obligee has executed the Contract. Thereafter, this Contract shall inure to the benefit of and shall be binding upon Obligee and Obligor and their respective successors and assigns.

Section 11.03 Severability. In the event any provision of this Contract shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 11.04 Amendments, Addenda, Changes or Modifications. This Contract may be amended, added to, changed or modified by written agreement duly executed by Obligee and Obligor. Furthermore, Obligee reserves the right to directly charge or amortize into the remaining balance due from Obligor, a reasonable fee, to be determined at that time, as compensation to Obligee for the additional administrative expense resulting from such amendment, addenda, change or modification requested by Obligor.

Section 11.05 Execution in Counterparts. This Contract may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 11.06 Captions. The captions or headings in this Contract do not define, limit or describe the scope or intent of any provisions or sections of this Contract.

Section 11.07 Master Contract. This Contract can be utilized as a Master Contract. This means that the Obligee and the Obligor may agree to the financing of additional Equipment under this Contract at some point in the future by executing one or more Additional Schedules to Exhibit A and Exhibit B, as well as other exhibits or documents that may be required by Obligee. Additional Schedules will be consecutively numbered on each of the exhibits which make up the Additional Schedule and all the terms and conditions of the Contract shall govern each Additional Schedule.

Section 11.08 Entire Writing. This Contract constitutes the entire writing between Obligee and Obligor. No waiver, consent, modification or change of terms of this Contract shall bind either party unless in writing and signed by both parties, and then such waiver, consent, modification or change shall be effective only in the specific instance and for the specific purpose given. There are no understandings, agreements, representations, conditions, or warranties, express or implied, which are not specified herein regarding this Contract, the Equipment or any additional collateral, financed hereunder. Any terms and conditions of any purchase order or other documents submitted by Obligor in connection with this Contract which are in addition to or inconsistent with the terms and conditions of this Contract will not be binding on Obligee and will not apply to this Contract.

Section 11.09 Designation as Qualified Tax-Exempt Obligation. Pursuant to Section 265(b)(3)(B)(i) of the Internal Revenue Code of 1986 as amended (the "Code"), the Obligor hereby specifically designates the Contract as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code. In compliance with Section 265(b)(3)(D) of the Code, the Obligor hereby represents that the Obligor will not designate more than \$10,000,000 of obligations issued by the Obligor in the calendar year during which the Contract is executed and delivered as such "qualified tax-exempt obligations". In compliance with the requirements of Section 265(b)(3)(C) of the Code, the Obligor hereby represents that the Obligor (including all subordinate entities of the Obligor within the meaning of Section 265(b)(3)(E) of the Code) reasonably anticipates not to issue in the calendar year during which the Contract is executed and delivered, obligations bearing interest exempt from federal income taxation under Section 103 of the Code (other than "private activity bonds" as defined in Section 141 of the Code) in an amount greater than \$10,000,000.

Section 11.10 Acceptance of Obligation to Commence Contract Payments Under Exhibit B. By signing and attesting directly below, Obligor hereby warrants and certifies that: The Equipment described on Exhibit A has not been delivered, installed or available for use as of the Commencement date of this Contract. Obligor acknowledges that Obligee has agreed to deposit into a Vendor Payable Account an amount sufficient to pay the total purchase price (the "Purchase Price") for the Equipment so identified in such Exhibit A; The principal amount of the Contract Payments in the Exhibit B accurately reflects the Purchase Price; Obligor agrees to execute a Payment Request and Equipment Acceptance Form authorizing payment of the Purchase Price, or portion thereof, for each withdrawal of funds from the Vendor Payable Account

Section 11.11 Obligor further warrants and certifies that: Obligor's obligation to commence Contract Payments as set forth in Exhibit B is absolute and unconditional as of the Commencement Date and on each date set forth in Exhibit B thereafter, subject to the terms and conditions of the Contract; immediately upon delivery and acceptance of all the Equipment, Obligor will notify Obligee of Obligor's final acceptance of the Equipment by delivering to Obligee the Payment Request and Equipment Acceptance Form in the form set forth in Exhibit C attached to the Contract; in the event that any Surplus Amount is on deposit in the Vendor Payable Account when an event of non-renewal or default under the Contract occurs, then those amounts shall be applied as provided in Section 10 of the Contract; regardless of whether Obligor delivers a final Payment Request and Equipment Acceptance Form, all Contract Payments paid prior to delivery of all the Equipment shall be credited to Contract Payments as they become due under the Contract as set forth in Exhibit B.

Section 11.12 Resolution and Authorization. By signing and attesting directly below, Obligor hereby warrants and certifies that the Governing Body of the Obligor at either a special or regular meeting or through some other approved method of authorization has determined that this Contract is in the best interests of the Obligor and the Governing Body did at such meeting or through some other approval method approve the entering into of the Contract by the Obligor and specifically designated and authorized the individual(s) who have signed directly below to execute this Contract on Obligor's behalf along with any related documents (including any Escrow Agreement) necessary to the consummation of the transaction contemplated by the Contract.

Section 11.13 Notwithstanding anything to the contrary in the foregoing, nothing herein shall be construed to condone or permit any violation of the limitations on Colorado local governments under Article X, Section 20 or Article XI, Section 1 of the Colorado Constitution.

Obligee and Obligor have caused this Contract to be executed in their names by their duly authorized representatives listed below.

Town of Windsor, Colorado

KS StateBank

Signature

Signature

Marsha Jarvis, Senior Vice President

Printed Name and Title

Printed Name and Title

Town of Windsor, Colorado

Attested By Authorized Individual:

Signature

Printed Name and Title

EXHIBIT A

DESCRIPTION OF EQUIPMENT

RE: Government Obligation Contract dated as of April 1, 2016, between KS StateBank (Obligee) and Town of Windsor, Colorado (Obligor)

Below is a detailed description of all the items of Equipment including quantity, model number and serial number where applicable:

Fitness Equipment including Two (2) Cybex 790T Treadmills and Six (6) Cybex 770T-CT Treadmills with receivers, Two (2) Cybex 770AT Total Body Arc Trainers and One (1) Cybex 770A Arc Trainer, Two (2) Cybex XCS900 Ellipticals, Three (3) Cybex 770R Recumbent Cycles, Three (3) Cybex 770C Upright Cycles, One (1) Concept2 Rower, One (1) Stairmaster Gauntlet, One (1) Scifit REX Recumbent Elliptical, Twenty-One (21) M3i Indoor Cycles, Three (3) 800/900MH Receivers, Wireless Audio Receivers and Warranties

Physical Address of Equipment after Delivery : 250 North 11th Street, Windsor, CO 80550

EXHIBIT B

PAYMENT SCHEDULE

RE: Government Obligation Contract dated as of April 1, 2016, between KS StateBank (Obligee) and Town of Windsor, Colorado (Obligor)

Date of First Payment: At Closing
 Original Balance: \$160,062.06
 Total Number of Payments: Three (3)
 Number of Payments Per Year: One (1)

Pmt No.	Due Date	Contract Payment	Applied to Interest	Applied to Principal	*Purchase Option Price
1	At Closing	\$57,528.95	\$0.00	\$57,528.95	\$111,353.10
2	01-Apr-17	\$57,528.95	\$8,243.66	\$49,285.29	\$56,285.05
3	01-Apr-18	\$57,528.95	\$4,281.13	\$53,247.82	\$0.00

Town of Windsor, Colorado

Signature

Printed Name and Title

*Assumes all Contract Payments due to date are paid

Please list the Source of Funds (Fund Item in Budget) for the Contract Payments that come due under Exhibit B of this Contract.

Source of Funds : General Fund

EXHIBIT C

PAYMENT REQUEST AND EQUIPMENT ACCEPTANCE FORM

RE: Government Obligation Contract dated as of April 1, 2016, between KS StateBank (Obligee) and Town of Windsor, Colorado (Obligor)

In accordance with Section 10.01, by executing this Payment Request and Equipment Acceptance Form the Obligor hereby represents that the Payee or Payees listed below who are requesting payment have delivered the Equipment or a portion of the Equipment or performed the services to the satisfaction of the Obligor and that the amounts requested below by the Payee or Payees are proportionate with the value of the Equipment delivered or services rendered by the Payee or Payees. The Obligor hereby represents and warrants for all purposes that:

1. Pursuant to the invoice attached hereto, the amount to be disbursed is \$_____ and this amount is consistent with the Contract between Obligor and Vendor.
2. Payment is to be made to: Payee: _____
3. The undersigned certifies that the following documents are attached to this Payment Request and Equipment Acceptance Form when there is a request for a release of funds from the Vendor Payable Account to pay for a portion, or all, of the Equipment: (1) Invoice from the Vendor, (2) copy of the Contract between Obligor and Vendor (if requested by the Obligee), (3) Insurance Certificate (if applicable), (4) front and back copy of the original MSO/Title listing KS StateBank and/or its assigns as the first lien holder (if applicable). By executing this Payment Request and Equipment Acceptance Form and attaching the documents as required above, the Obligor shall be deemed to have accepted this portion of the Equipment for all purposes under the Contract, including, without limitation, the obligation of Obligor to make the Contract Payments with respect thereto in a proportionate amount of the total Contract Payment.
4. No amount listed in this exhibit was included in any such exhibit previously submitted.
5. Each disbursement hereby requested has been incurred and is a proper charge against the Vendor Payable Account. No amount hereby requested to be disbursed will be paid to Obligor as reimbursement for any expenditure paid by Obligor more than 60 days prior to the date of execution and delivery of the Contract.
6. The Equipment referenced in the attached has been delivered, installed, inspected and tested as necessary and in accordance with Obligor's specifications and accepted for all purposes.
7. That Obligor is or will be the title owner to the Equipment referenced in the attached, and that in the event that any third party makes a claim to such title that Obligor will take all measures necessary to secure title including, without limitation, the appropriation of additional funds to secure title to such Equipment, or a portion thereof, and keep the Contract in full force and effect. Furthermore, Obligor has obtained insurance coverage as required under the Contract from an insurer qualified to do business in the State.
8. Obligor has appropriated and/or taken other lawful actions necessary to provide moneys sufficient to pay all Contract Payments required to be paid under the Contract during the current Budget Year of Obligor, and such moneys will be applied in payment of all Contract Payments due and payable during such current Budget Year.
9. No event or condition that constitutes or would constitute an Event of Default exists as of the date hereof.

I, the undersigned, hereby certify that I am a duly qualified representative of Obligor and that I have been given the authority by the governing body of Obligor to sign this Payment Request and Equipment Acceptance Form.

Please forward this document and any correspondence relating to vendor payment to:

gwilson@ksstatebank.com

or Fax: (785) 587-4016

Please call (877) 587-4054 if you have any questions.

Town of Windsor, Colorado

Signature

Printed Name and Title

EXHIBIT D
SIGNATURE CARD

RE: Government Obligation Contract dated as of April 1, 2016, between KS StateBank (Obligee) and Town of Windsor, Colorado (Obligor)

The below signatures will be used for purposes of verifying the signature on a Payment Request and Equipment Acceptance Form prior to making payments from the Equipment Acquisition Fund or Vendor Payable Account. By signing below, the undersigned represents and warrants that s/he has received all appropriate authority from Town of Windsor, Colorado.

Town of Windsor, Colorado

Signature

Printed Name and Title

Signature of additional authorized individual (optional) of Obligor

Signature

Printed Name and Title

EXHIBIT E

OBLIGOR ACKNOWLEDGEMENT

RE: Government Obligation Contract dated as of April 1, 2016, between KS StateBank (Obligee) and Town of Windsor, Colorado (Obligor)

Obligor hereby acknowledges that it has ordered or caused to be ordered the equipment that is the subject of the above-mentioned Contract.

Please complete the below information, attach another page if necessary

Vendor Name: _____
Phone: _____
Contact Person: _____
Equipment: _____
Cost of Equipment: _____

Vendor Name: _____
Phone: _____
Contact Person: _____
Equipment: _____
Cost of Equipment: _____

Vendor Name: _____
Phone: _____
Contact Person: _____
Equipment: _____
Cost of Equipment: _____

Vendor Name: _____
Phone: _____
Contact Person: _____
Equipment: _____
Cost of Equipment: _____

Vendor Name: _____
Phone: _____
Contact Person: _____
Equipment: _____
Cost of Equipment: _____

Obligor will immediately notify Obligee if any of the information listed above is changed.

INSURANCE REQUIREMENTS

Pursuant to Article V of the Government Obligation Contract, you have agreed to provide us evidence of insurance covering the Equipment.

A Certificate of Insurance listing the information stated below should be sent to us no later than the date on which the equipment is delivered.

Insured:

Town of Windsor, Colorado
301 Walnut Street
Windsor, Colorado 80550

Certificate Holder:

KS StateBank
1010 Westloop, P.O. Box 69
Manhattan, Kansas 66505-0069

1. Equipment Description

- ◆ Fitness Equipment including Two (2) Cybex 790T Treadmills and Six (6) Cybex 770T-CT Treadmills with receivers, Two (2) Cybex 770AT Total Body Arc Trainers and One (1) Cybex 770A Are Trainer, Two (2) Cybex XCS900 Ellipticals, Three (3) Cybex 770R Recumbent Cycles, Three (3) Cybex 770C Upright Cycles, One (1) Concept2 Rower, One (1) Stairmaster Gauntlet, One (1) Scifit REX Recumbent Elliptical, Twenty-One (21) M3i Indoor Cycles, Three (3) 800/900MH Receivers, Wireless Audio Receivers and Warranties
- ◆ Please include all applicable VIN's, serial numbers, etc.

2. Deductible

- ◆ The deductible amounts on the insurance policy should not exceed \$25,000.00.

3. Physical Damage

- ◆ All risk coverage to guarantee proceeds of at least \$160,062.06.

4. Liability

- ◆ Minimum Combined Single Limit of \$1,000,000.00 on bodily injury and property damage.

5. Additional Insured and Loss Payee

- ◆ KS StateBank and/or Its Assigns MUST be listed as additional insured and loss payee.

Please forward certificate as soon as possible to:

Fax: (785) 587-4016

or

Email: gwilson@ksstatebank.com

Please complete the information below and return this form along with the Contract.

Town of Windsor, Colorado

Insurance Company: _____

Agent's Name: _____

Telephone #: _____

Fax #: _____

Address: _____

City, State Zip: _____

Email: _____

PREFERRED

*As an additional payment option for Obligor, we are now providing the option of ACH (Automatic Clearing House). By completing this form, Obligor is authorizing Obligee to withdraw said payment amount on said date.

DEBIT AUTHORIZATION

I hereby authorize KS StateBank Government Finance Department to initiate debit entries, and, if necessary, to reinstate returned entries up to two additional times, to the account indicated below at the financial institution named below and to debit the same to such account for:

Contract Number 3349522	Payment Amount \$57,528.95	Frequency of Payments Annual
Beginning _____ Month Year	Day of Month 1st	

I acknowledge that the origination of ACH transactions to this account must comply with the provisions of U.S. law.

Financial Institution Name		Branch	
Address	City	State	Zip
Routing Number		Account Number	

Type of Account Checking Savings

This authority is to remain in full force and effect until KS StateBank has received written notification from any authorized signer of the account of its termination in such time and manner as to afford KS StateBank a reasonable opportunity to act on it.

Obligor Name on Contract Town of Windsor, Colorado	
Signature	Printed Name and Title
Tax ID Number 84-6000728	Date

PLEASE ATTACH COPY OF A VOIDED CHECK TO THIS FORM!

USA Patriot Act
USA Patriot Act requires identity verification for all new accounts. This means that we may require information from you to allow us to make a proper identification.

INVOICE

DATE SENT: 03-21-2016

BILL TO:

TOWN OF WINDSOR, COLORADO
ATTN: ACCOUNTS PAYABLE
301 WALNUT STREET
WINDSOR, COLORADO 80550

REMIT TO:

KS STATEBANK
GOVERNMENT FINANCE DEPARTMENT
PO BOX 69
MANHATTAN, KS 66505-0069
FOR INQUIRIES: (877) 587-4054

ACCOUNT NUMBER	PAYMENT DATE	PAYMENT DUE DATE	TOTAL AMOUNT DUE
3349522	At Closing	At Closing	\$57,528.95

DESCRIPTION	AMOUNT
GOVERNMENT OBLIGATION CONTRACT DATED AS OF APRIL 1, 2016	PAYMENT AMOUNT: \$57,528.95
FITNESS EQUIPMENT	
<i>Additional interest will be assessed on any payment received after the due date.</i>	
	\$57,528.95
	TOTAL DUE

8038 REVIEW FORM

The 8038 form attached hereto is an important part of the documentation package and must be properly filled out and submitted to the Department of the Treasury in order for you to receive the lower tax-exempt rate. Unless you instruct us otherwise, we have engaged a Paid Preparer to assist in the filling out of this form. The Paid Preparer has filled out the relevant portions of this form based on the current understanding of what is required by the Department of the Treasury. The responses on this 8038 form are based on the dates and amounts which you have requested (structure of the transaction) and which are on the Payment Schedule.

1. Please review our responses for accuracy. If anything is inaccurate, please contact our office so that we can make proper revisions.
2. If the information provided to you on this form is accurate, please sign where indicated and return with the document package.
3. If there are any changes to the structure of the transaction that occur prior to funding which require a change to the 8038 form, we will make such changes and provide notification to you.
4. We will return to you a copy of the 8038 form that was mailed to the Department of the Treasury.

Important Note:

The IRS is now requesting information regarding tax-exempt issuers' and borrowers' written policies and procedures designed to monitor post-issuance compliance with the federal tax rules applicable to tax-exempt obligations (boxes 43 and 44). Do not check items 43 and 44 on the 8038 form unless you have established written procedures in accordance with the instructions referenced directly below. If you choose to "check" items 43 and/or 44, please be prepared to provide copies of such written procedures to the Paid Preparer or any representatives of the IRS upon request. Written procedures should contain certain key characteristics, including making provisions for:

- Due diligence review at regular intervals;
- Identifying the official or employee responsible for review;
- Training of the responsible official/employee;
- Retention of adequate records to substantiate compliance (e.g., records relating to expenditure of proceeds);
- Procedures reasonably expected to timely identify noncompliance; and
- Procedures ensuring that the issuer will take steps to timely correct noncompliance.

For additional guidance on this 8038 form, you can refer to the Documentation Instructions located on the following government website: <http://www.irs.gov/app/picklist/list/formsInstructions.html>, or contact your local IRS office.

Information Return for Tax-Exempt Governmental Obligations

Department of the Treasury
Internal Revenue Service

► Under Internal Revenue Code section 149(e)
► See separate instructions.
Caution: If the issue price is under \$100,000, use Form 8038-GC.

Part I Reporting Authority		If Amended Return, check here ► <input type="checkbox"/>	
1 Issuer's name Town of Windsor, Colorado		2 Issuer's employer identification number (EIN) 84-6000728	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a	
4 Number and street (or P.O. box if mail is not delivered to street address) Room/suite 301 Walnut Street		5 Report number (For IRS Use Only) 3	
6 City, town, or post office, state, and ZIP code Windsor, Colorado 80550		7 Date of issue 04/01/2016	
8 Name of issue Government Obligation Contract		9 CUSIP number None	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Mr. Dean Moyer, Director of Finance		10b Telephone number of officer or other employee shown on 10a (970) 674-2418	

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.			
11 Education	11		
12 Health and hospital	12		
13 Transportation	13		
14 Public safety	14		
15 Environment (including sewage bonds)	15		
16 Housing	16		
17 Utilities	17		
18 Other. Describe ► Fitness Equipment	18	168,065	16
19 If obligations are TANs or RANs, check only box 19a			<input type="checkbox"/>
If obligations are BANs, check only box 19b			<input type="checkbox"/>
20 If obligations are in the form of a lease or installment sale, check box			<input type="checkbox"/>

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.					
	(a) Final maturity date	(b) issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	04/01/2018	\$ 168,065.16	\$ 160,062.06	1.973 years	7.885 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)				
22 Proceeds used for accrued interest	22			
23 Issue price of entire issue (enter amount from line 21, column (b))	23	168,065	16	
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	8,003	10	
25 Proceeds used for credit enhancement	25			
26 Proceeds allocated to reasonably required reserve or replacement fund	26			
27 Proceeds used to currently refund prior issues	27			
28 Proceeds used to advance refund prior issues	28			
29 Total (add lines 24 through 28)	29	8,003	10	
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	160,062	06	

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.	
31 Enter the remaining weighted average maturity of the bonds to be currently refunded	_____ years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	_____ years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	_____
34 Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY)	_____

Part VI Miscellaneous

35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35		
36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)	36a		
b Enter the final maturity date of the GIC ▶ _____			
c Enter the name of the GIC provider ▶ _____			
37 Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37		
38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:			
b Enter the date of the master pool obligation ▶ _____			
c Enter the EIN of the issuer of the master pool obligation ▶ _____			
d Enter the name of the issuer of the master pool obligation ▶ _____			
39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box			<input checked="" type="checkbox"/>
40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box			<input type="checkbox"/>
41a If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:			
b Name of hedge provider ▶ _____			
c Type of hedge ▶ _____			
d Term of hedge ▶ _____			
42 If the issuer has superintegrated the hedge, check box			<input type="checkbox"/>
43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box			<input type="checkbox"/>
44 If the issuer has established written procedures to monitor the requirements of section 148, check box			<input type="checkbox"/>
45a If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement. ▶ _____			
b Enter the date the official intent was adopted ▶ _____			

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.				
	▶ _____	▶ _____	▶ _____		
	Signature of issuer's authorized representative	Date	Type or print name and title		
Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	H. Evan Howe	<i>H. Evan Howe</i> <small>Digitally signed by H. Evan Howe DN: cn=H. Evan Howe, o=Baystone Financial, LLC, ou=email@howe@baystone.net, c=US Date: 2016.06.16 14:01:25 -0500</small>	03/21/2016		P01438994
	Firm's Name ▶ Baystone Financial LLC	Firm's EIN ▶ 48-1223987			
Firm's Address ▶ 12980 Metcalf, Suite 310, Overland Park, KS 66213	Phone no. (800) 752-3562				



MEMORANDUM

Date: June 27, 2016
To: Mayor and Town Board
From: Eric Lucas, CPRP, Director of Parks, Recreation & Culture
Re: Resolution No. 2016-49 Adopting the Eaton House Master Plan
Item #: C.12.

Background / Discussion:

In March 2016, the Parks, Recreation & Culture Department entered into a contract with Robert Peccia & Associates to complete a master plan associated with the Town's museum property known as the Eaton House. The contract was for an amount not to exceed \$20,000 and was approved in the 2016 budget. This property is located at Boardwalk Park just south of Windsor Lake.

The master plan sets the course for the historic home and its place amongst other buildings within the Boardwalk Museum by providing plans for restoration of the home to its original historic context. The historic representation is being verified by a concurrent Historical Structure Assessment (HSA). Additionally, the master plan provides interpretive plans for use of the property which integrate with the current museum landscaping plan. When completed, the entire Boardwalk Park Museum will provide a cultural gathering place for residents and visitors of Windsor to engage in educational interactive cultural learning.

The Parks, Recreation & Culture Advisory Board reviewed the proposed master plan at their June meeting and recommended approval by the Town Board.

Financial Impact:

The consultants estimate for this project is \$250,000. Staff does not anticipate beginning this project until 2018 at the earliest.

Recommendation:

Staff is recommending Town Board approval of Resolution No. 2016-49 Adopting the Eaton House Master Plan

Attachments:

- b. Final Draft of Master Plan
- c. Resolution No. 2016-49

TOWN OF WINDSOR

RESOLUTION NO. 2016-49

A RESOLUTION APPROVING THE EATON HOUSE MASTER PLAN FOR THE TOWN OF WINDSOR

WHEREAS, the Town of Windsor (“Town”) is a Colorado home rule municipality with all powers and authority provided by Colorado law; and

WHEREAS, the Town and its citizens place high value on parks, recreation, open space and cultural opportunities; and

WHEREAS, in 20116, the Town retained Robert Peccia & Associates, to assist with the development of the Eaton House Master Plan, the result of which is the attached Town of Windsor, Colorado, Eaton House Master Plan; and

WHEREAS, the EATON HOUSE Master Plan has been developed through a series of staff-level interviews, and has been presented to key community stakeholders; and

WHEREAS, the Town’s Parks, Recreation and Culture Advisory Board has reviewed the EATON HOUSE Master Plan, and has recommended approval; and

WHEREAS, the Town Board has reviewed the EATON HOUSE Master Plan, and believes the adoption of the EATON HOUSE Master Plan promotes the saving of historical structures along with recreation and cultural opportunities.

NOW, THEREFORE, BE IT RESOLVED BY THE TOWN BOARD OF THE TOWN OF WINDSOR, COLORADO, AS FOLLOWS:

1. The attached Town of Windsor, Colorado, Eaton House Master Plan, incorporated herein by this reference as if set forth fully, is hereby approved and adopted.
2. The Town of Windsor, Colorado, Eaton House Master Plan shall serve as a planning tool for recreational, parks, open space and cultural services and facilities in the Town of Windsor.
3. Nothing herein shall be deemed an appropriation of funding, it being intended that all future funding for Town parks, recreation and cultural endeavors shall be reserved to the Town Board’s discretion as a budgetary matter.

Upon motion duly made, seconded and carried, the foregoing Resolution was adopted this 27th day of June, 2016.

TOWN OF WINDSOR, COLORADO

By: _____ Kristie Melendez,
Mayor

ATTEST:

_____ Patti Garcia, Town Clerk



TOWN OF WINDSOR

EATON HOUSE

Draft Master Plan

Submitted by

Robert Peccia and Associates

Landscape Architecture
400 Remington Street, Suite B
Fort Collins, CO 80524
Telephone: (970) 484-3206

May 11, 2016



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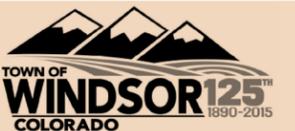
 Monuments 39

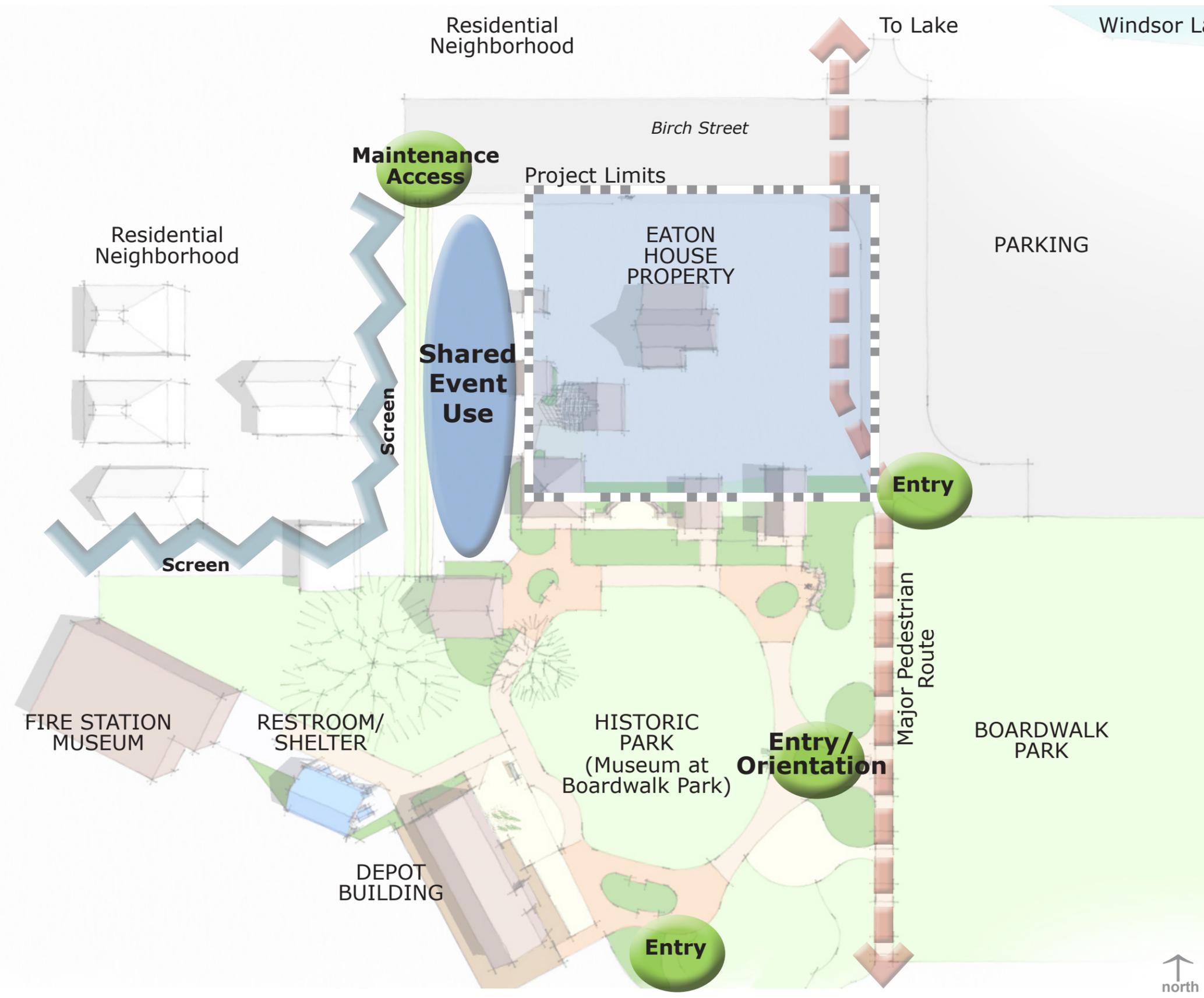
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Executive Summary





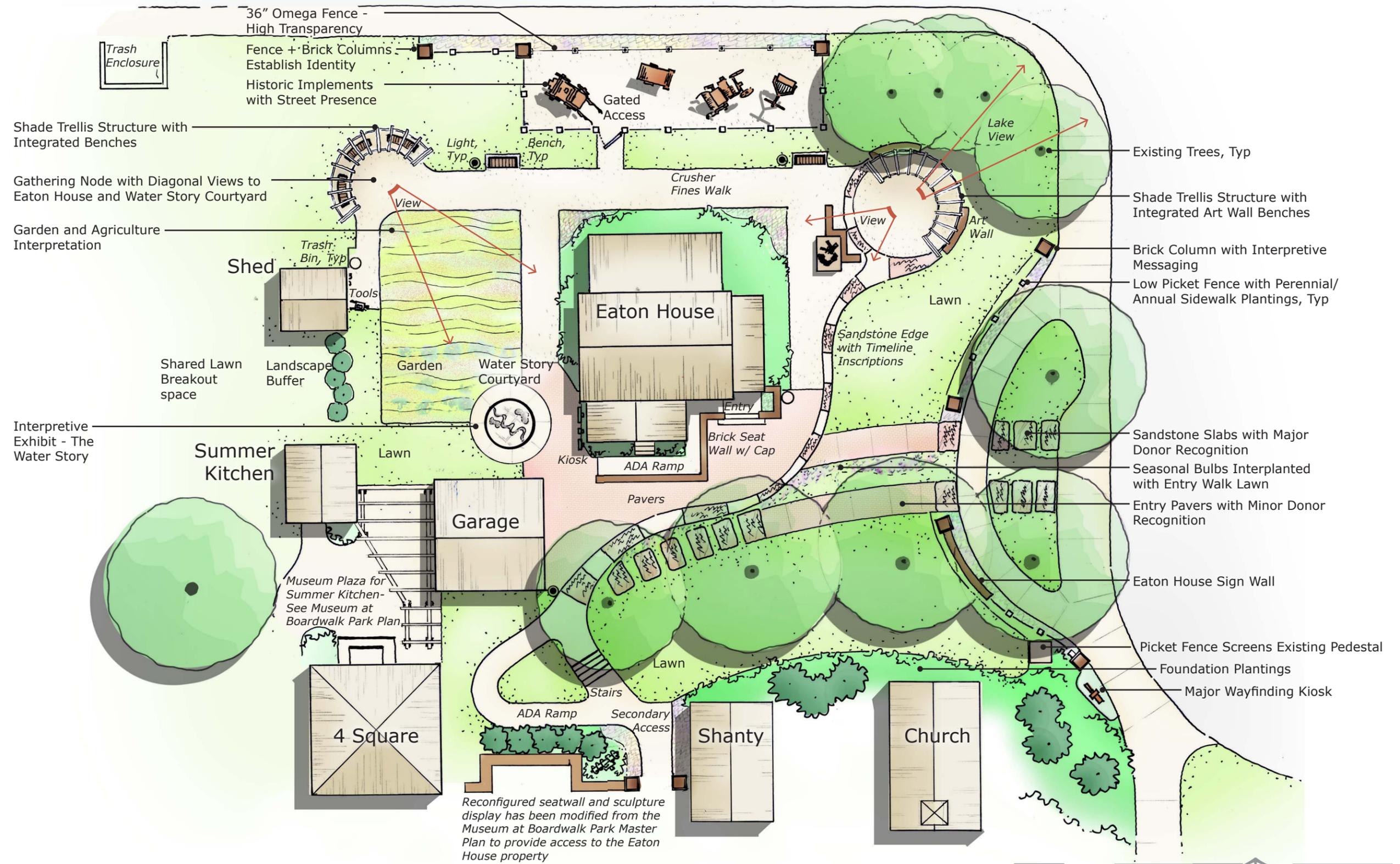
MAJOR OPPORTUNITIES

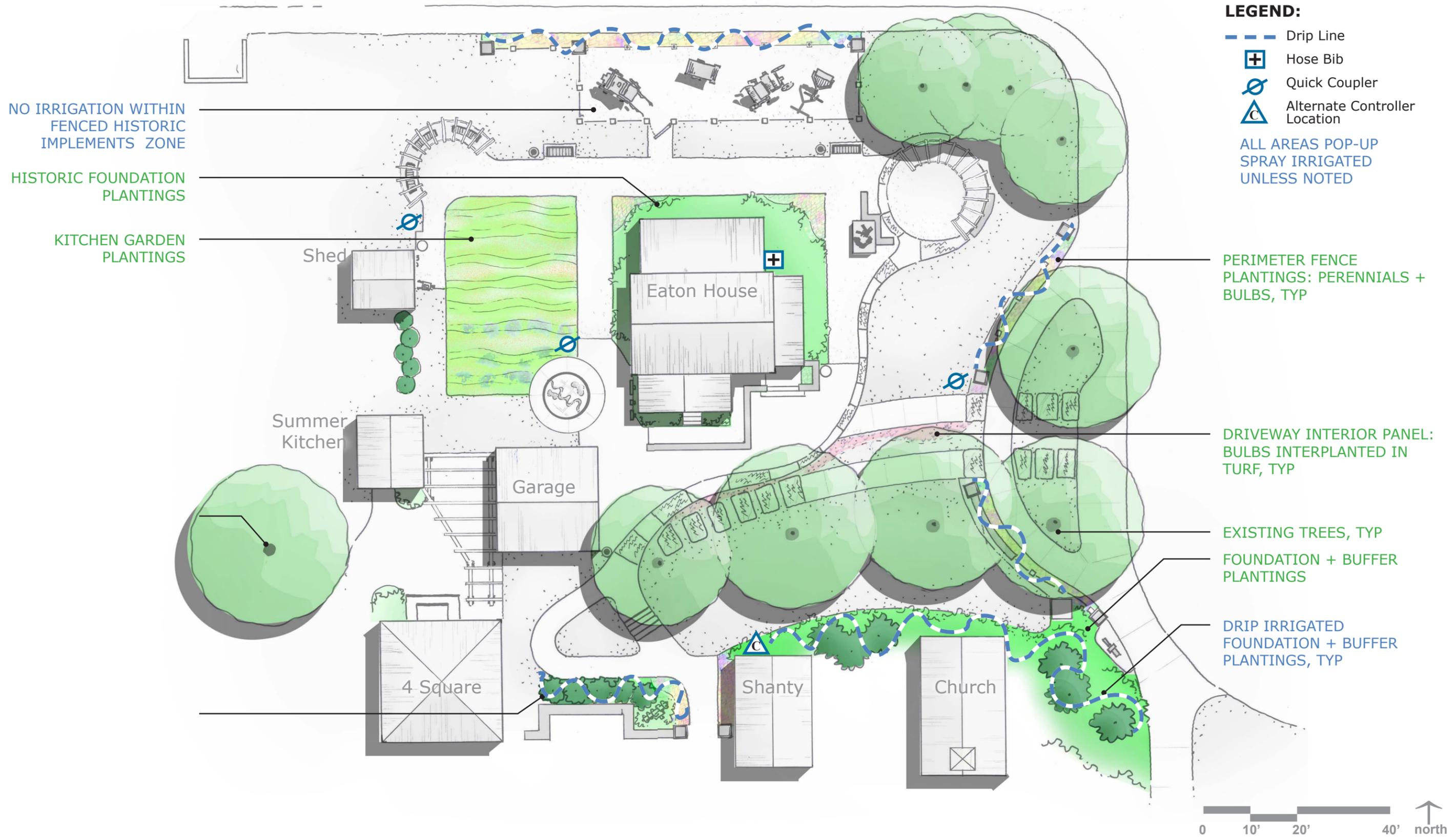
- 'North Front Door' visibility for Boardwalk Park
- Integration with the neighborhood context
- Integration with historic MABP interpretation
- Existing parking and ADA access in place
- Rentable shared use area with MABP

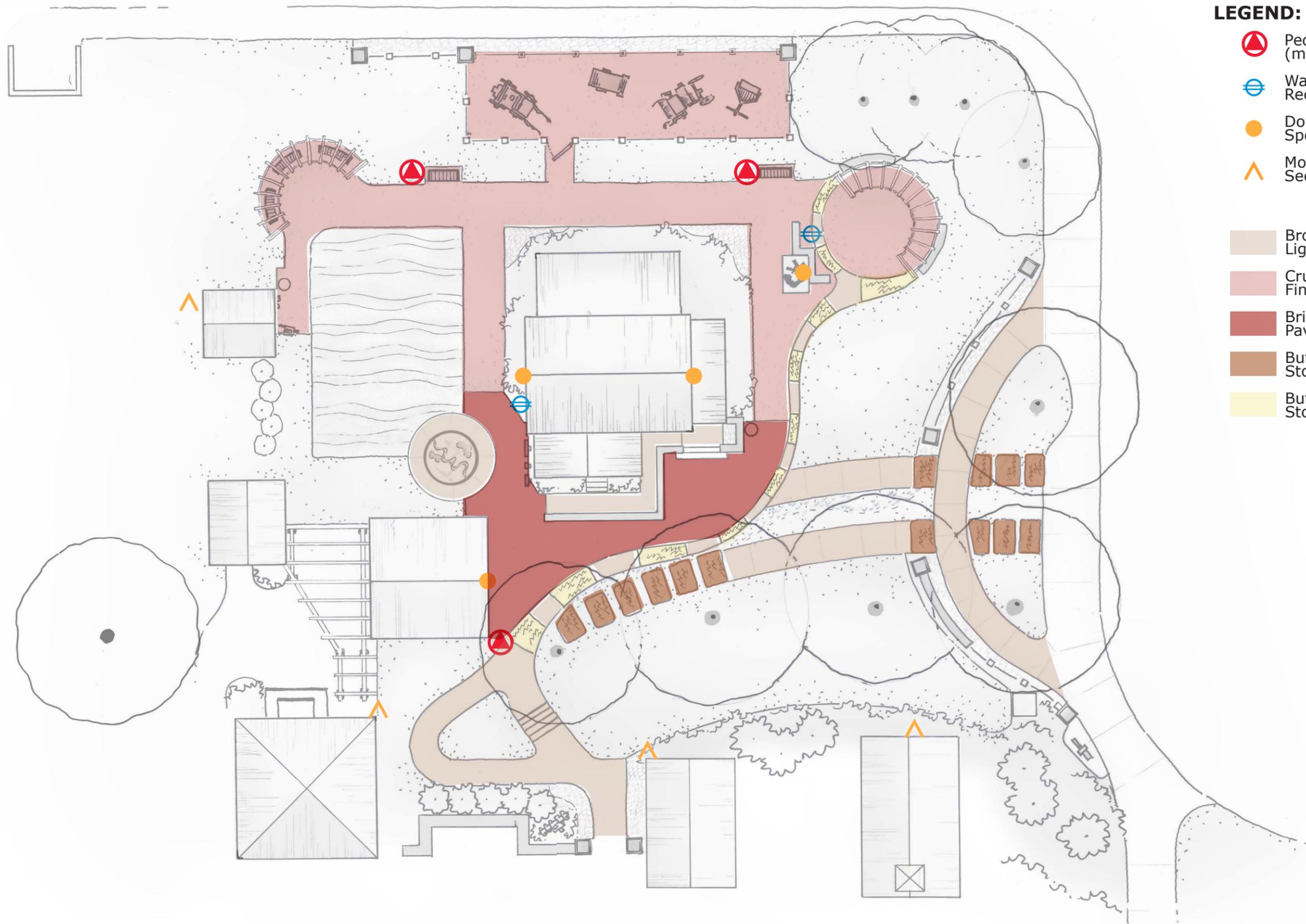
MAJOR ISSUES

- Integrate multi faceted wayfinding with overall park
- Street appeal on Birch Street
- Property is 'back of house' to the MABP structures
- Pending structural assessment by others





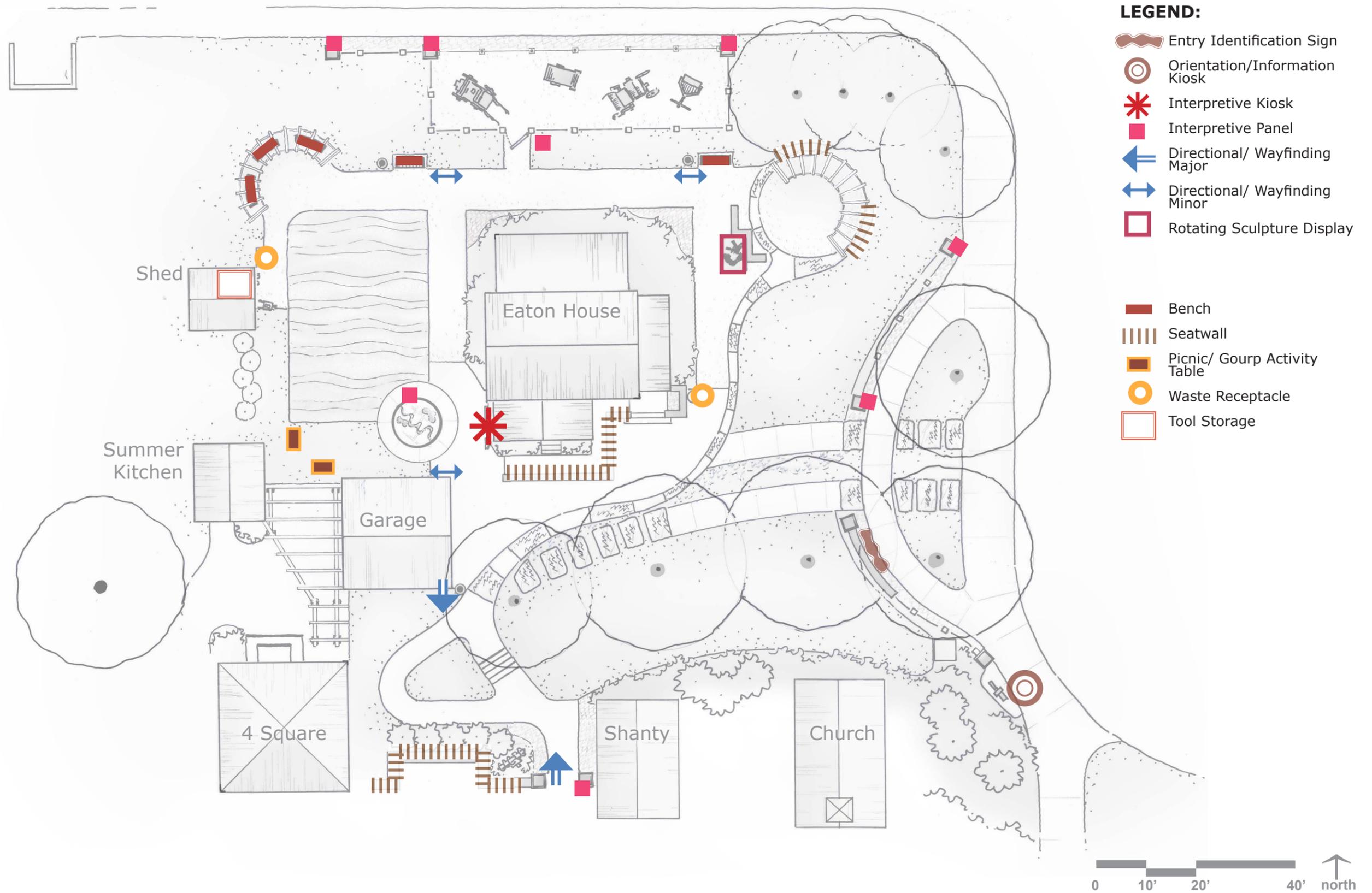




- LEGEND:**
-  Pedestrian Light Pole (match MABP)
 -  Waterproof Receptacle
 -  Down Light/Spot Light
 -  Motion Activated Security Light
-
-  Broom Finish Buff/ Light Concrete
 -  Crusher Fines Paving
 -  Brick Pavers
 -  Buff Sandstone Donor Stones
 -  Buff Sandstone Timeline Stones

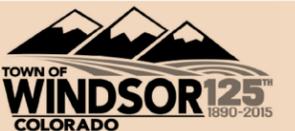


Lighting + Paving Zones





Front Entry Oblique





Accessible Connection to Adjacent Museum at Boardwalk Park

Buffer Plantings

Wayfinding Signage

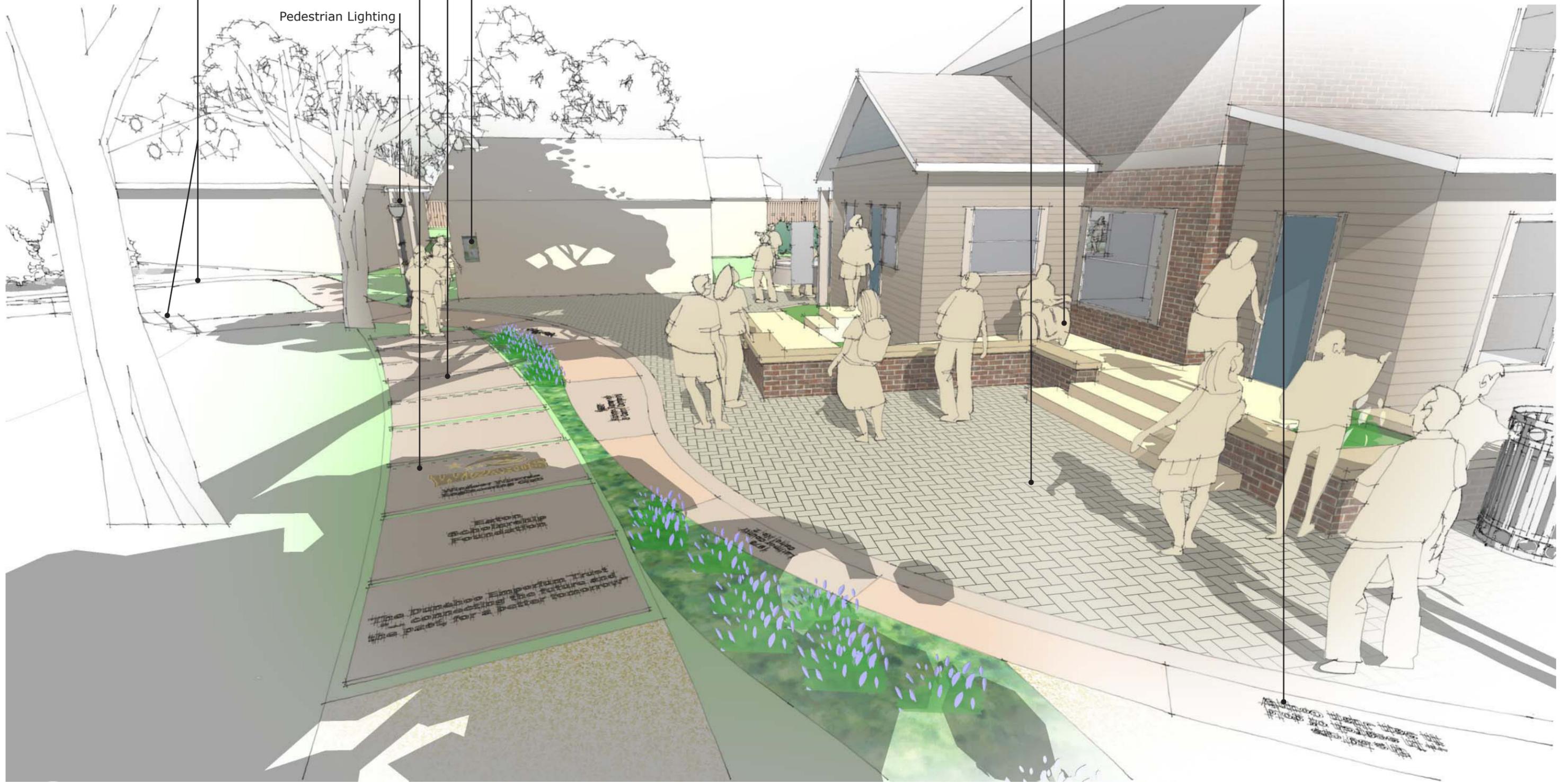
Orientation Plaza with Donor Pavers

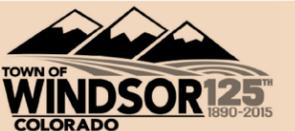
ADA Ramp to Eaton House Front Entry

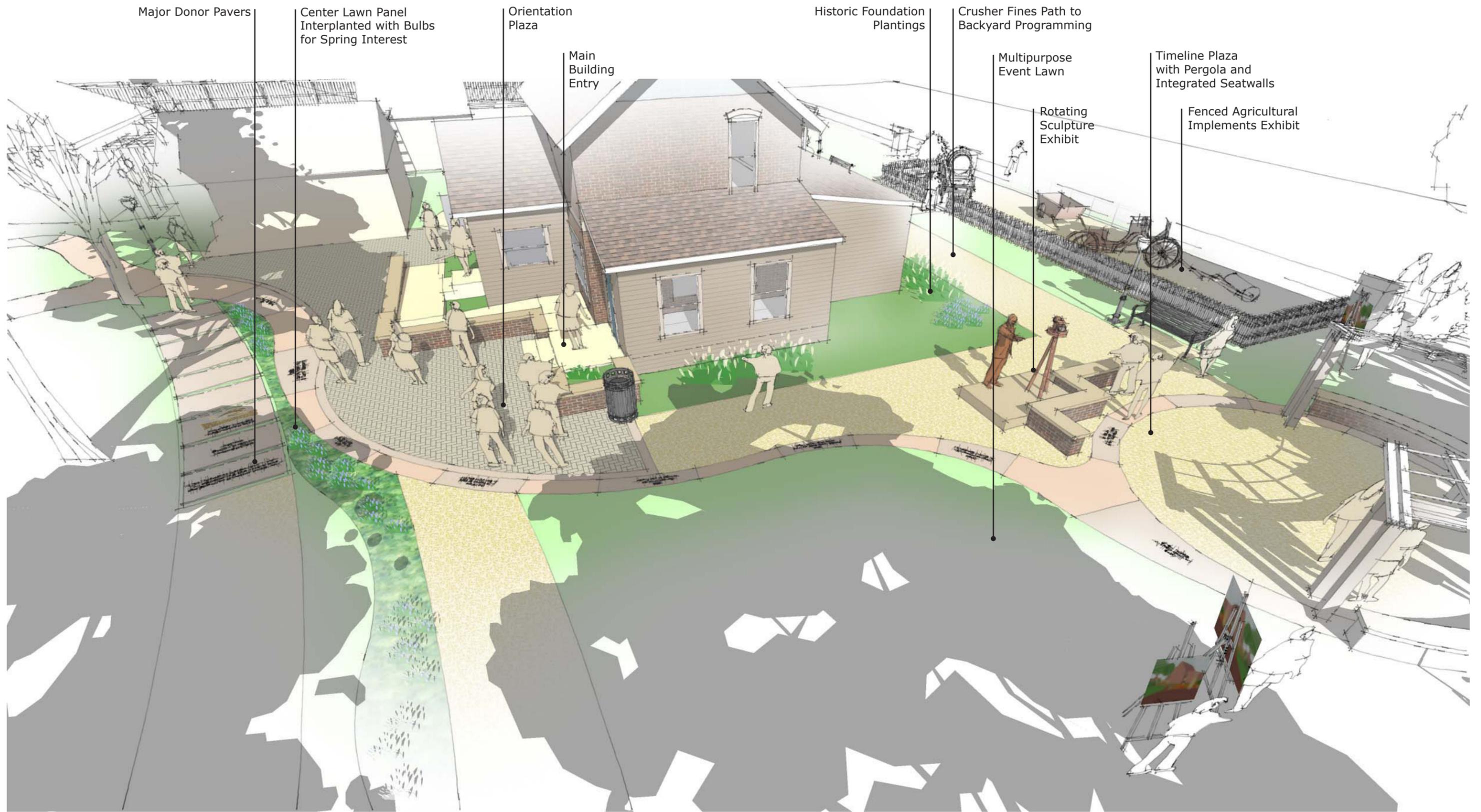
Eaton History Timeline Inscriptions

Major Donor Pavers

Pedestrian Lighting







Major Donor Pavers

Center Lawn Panel
Interplanted with Bulbs
for Spring Interest

Orientation
Plaza

Main
Building
Entry

Historic Foundation
Plantings

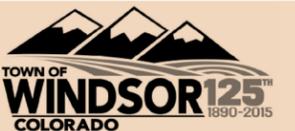
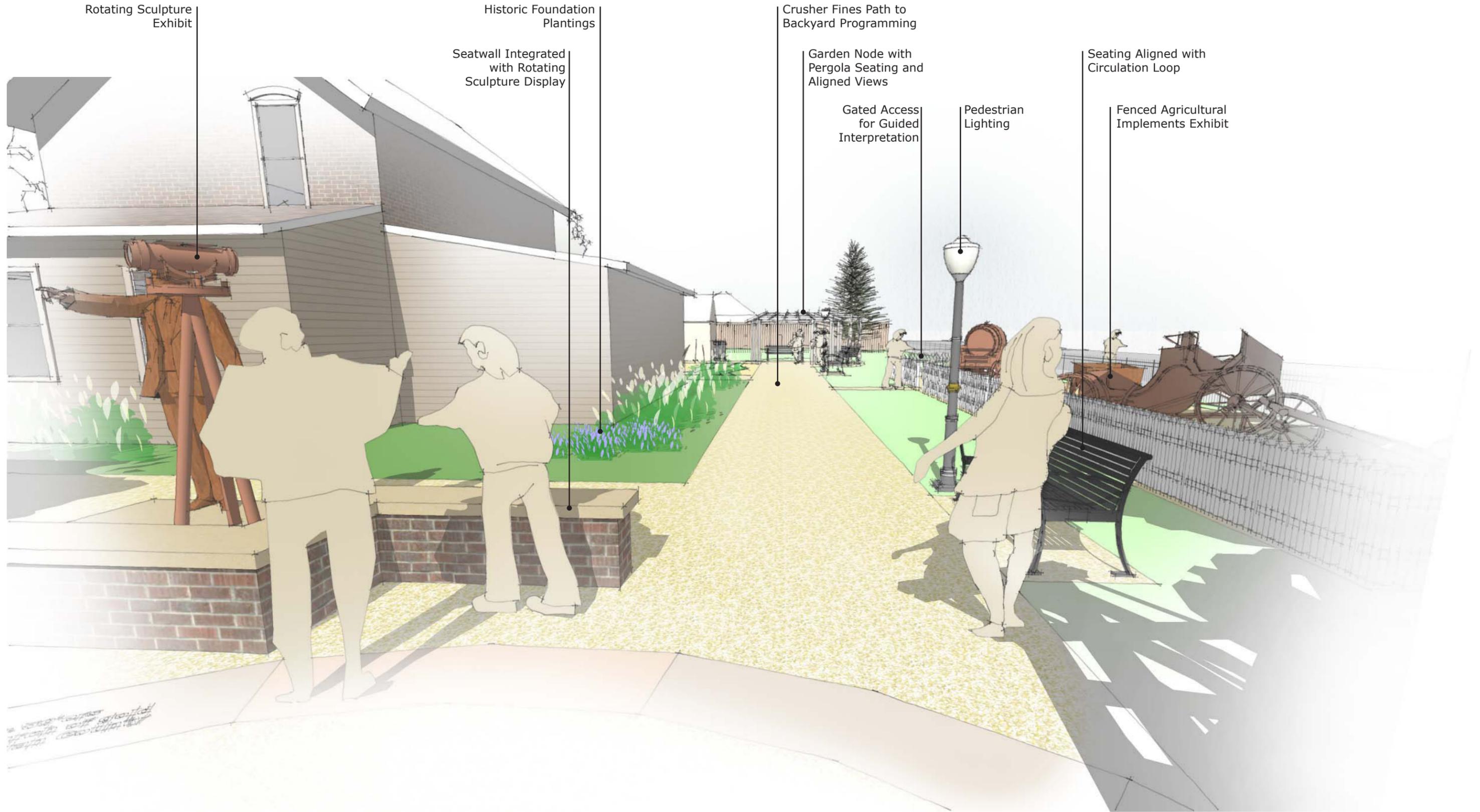
Crusher Fines Path to
Backyard Programming

Multipurpose
Event Lawn

Timeline Plaza
with Pergola and
Integrated Seatwalls

Rotating
Sculpture
Exhibit

Fenced Agricultural
Implements Exhibit





Historic Foundation Plantings

Brick Column Interpretive Stations

Gated Access

Fenced Agricultural Implements Exhibit

Fence as Billboard for Rotating Boardwalk Park Event Promotions

Steel Fence with High Transparency for Visibility from Birch Street

Eaton Ditch Interpretive Water Table

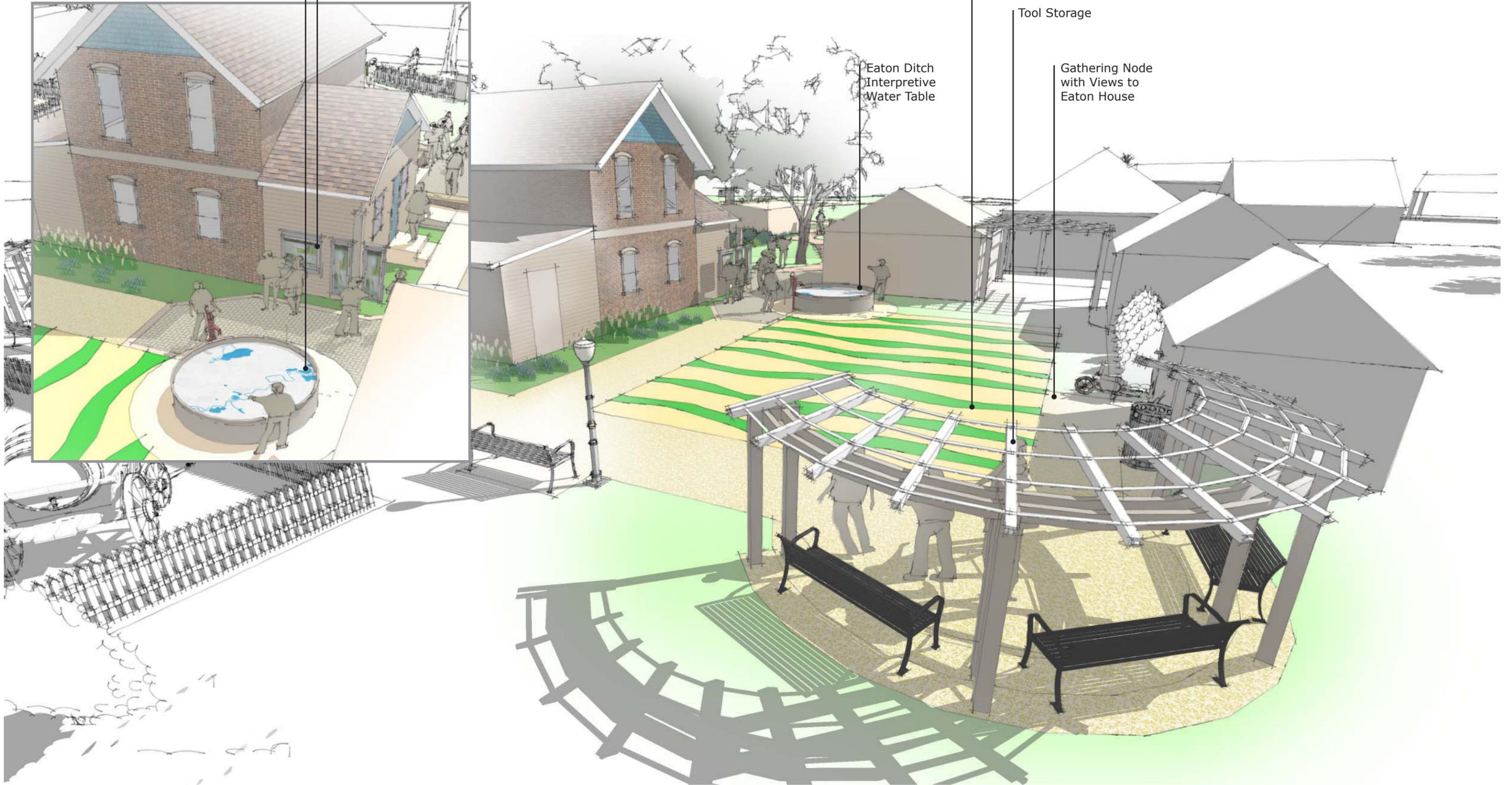
Interpretive Kiosk

Garden Plots

Tool Storage

Gathering Node with Views to Eaton House

Eaton Ditch Interpretive Water Table





Buffer Plantings

30" Picket Fence with Brick Column Interpretive Stations

Screened Electrical Pedestal

Major Wayfinding Station

Orientation Plaza

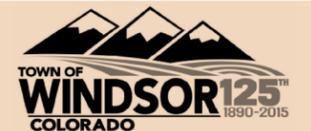
Main Entry Sign

Secondary Detached Sidewalk

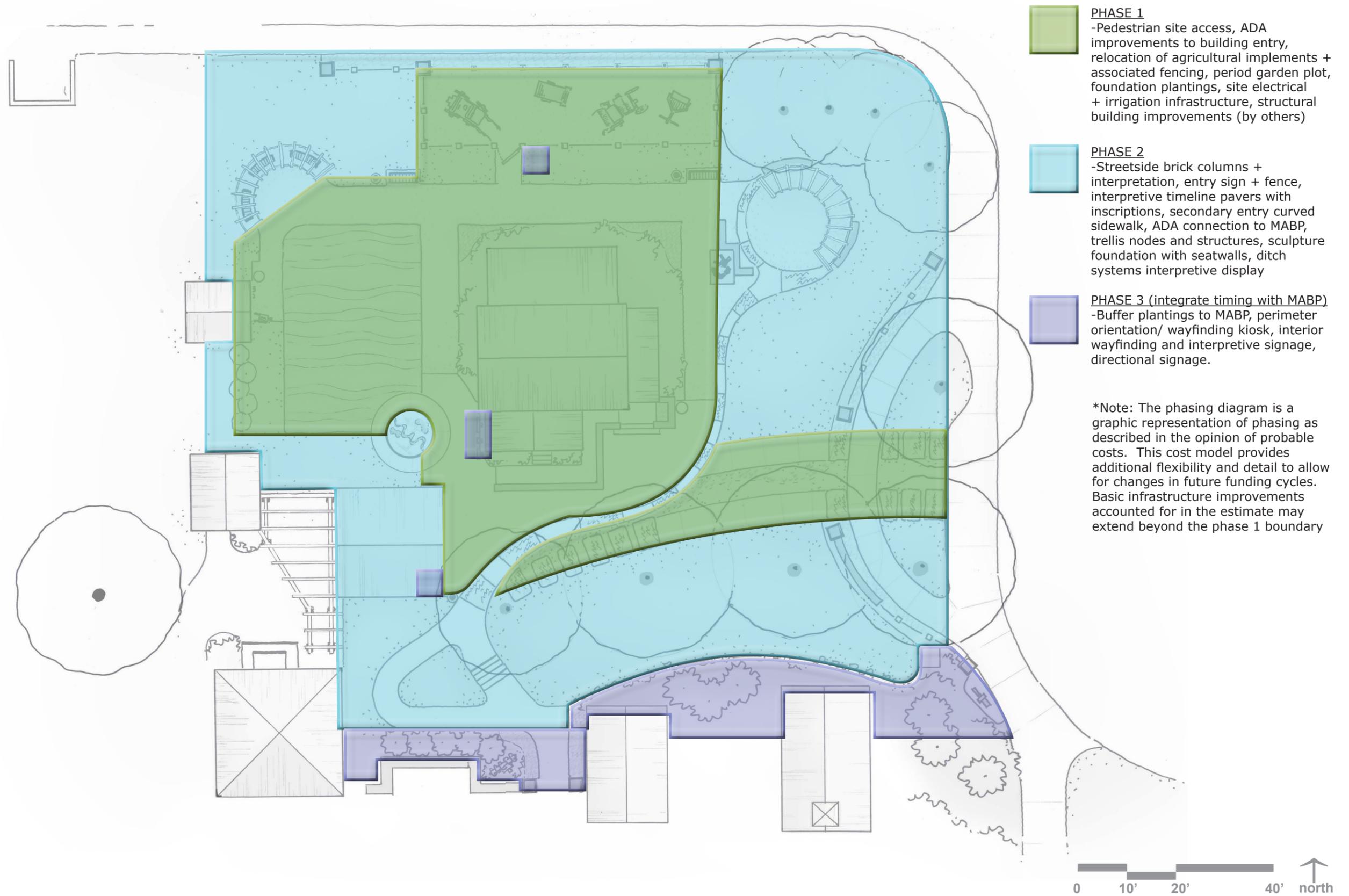


Entry + Wayfinding









WINDSOR EATON HOUSE							PLAN DATE: 5/9/2016
MASTER PLAN OPINION OF PROBABLE COST							PREPARED BY: MK
Robert Peccia & Associates							CHECKED BY: KS, GAH
May 11, 2016							
Draft Final							
ITEM	UNIT	UNIT COST	Phase 1		Future Phase		Total Project Cost
			EXTENDED QTY.	EXTENDED COST	EXTENDED QTY.	EXTENDED COST	
NOTES							
SITE							
DEMOLITION							
Large Trees - Remove	EA	\$2,500.00	1	\$2,500		\$0	\$2,500
Trees/Shrubs - Remove	LS	\$500.00	1	\$500		\$0	\$500
Remove Concrete	SF	\$1.00	500.0	\$500		\$0	\$500
Clear and Grub Site	AC	\$2,500.00	0.50	\$1,250		\$0	\$1,250
CATEGORY SUBTOTAL				\$4,750		\$0	\$4,750
EARTHWORK AND STORM DRAINAGE							
Erosion Control Plan Implementation	Allow	\$5,000.00		\$0		\$0	\$0
Strip and Stockpile Topsoil	CY	\$2.50	370	\$925		\$0	\$925
Place Topsoil	CY	\$2.50	370	\$925		\$0	\$925
Fine Grading	SF	\$0.05	20,000	\$1,000		\$0	\$1,000
CATEGORY SUBTOTAL				\$2,850		\$0	\$2,850
SITE WORK PAVEMENT/ HARDSCAPE							
Interpretive Plaza Nodes Special Paving	SF	\$6.50		\$0		\$0	\$0
Brick Wall & Cap	LF	\$120.00	115	\$13,800		\$0	\$13,800
Brick Column & Cap	EA	\$600.00		\$0	9	\$5,400	\$5,400
Brick Pavers	SF	\$15.00	1,195	\$17,925		\$0	\$17,925
Concrete Walks	SF	\$4.50	1,000	\$4,500		\$0	\$4,500
Concrete Paving Special	SF	\$6.50	250	\$1,625		\$0	\$1,625
Crusher Fines Paving with Stabilizer	CY	\$15.00	75	\$1,125		\$0	\$1,125
Major Donor Sandstone Pavers	EA	\$600.00		\$0	14	\$8,400	\$8,400
Timeline Inscriptions	EA	\$500.00		\$0	10	\$5,000	\$5,000
Timeline Sandstone Paver Slabs + Inscriptions	EA	\$650.00		\$0	10	\$6,500	\$6,500
CATEGORY SUBTOTAL				\$38,975		\$25,300	\$64,275
SITE FURNISHINGS AND FENCE							
Metal Fence - 30"	LF	\$25.00	80	\$2,000		\$0	\$2,000
30" Wood Fence	LF	\$15.00	150	\$2,250		\$0	\$2,250
Benches	EA	\$1,200.00		\$0	5	\$6,000	\$6,000
Bike Racks	EA	\$600.00		\$0	1	\$600	\$600
Picnic Table	EA	\$500.00		\$0	2	\$1,000	\$1,000
Trash Receptacle	EA	\$550.00		\$0	2	\$1,100	\$1,100
Sculpture Pedestal	EA	\$1,500.00	1	\$1,500		\$0	\$1,500
CATEGORY SUBTOTAL				\$5,750		\$8,700	\$14,450

			Phase 1	Future Phase	Total Project Cost	
SITE SIGNAGE						
Regulatory Signage	LS	\$500.00	1	\$500	\$0	\$500
Entry Signage	EA	\$2,000.00	1	\$2,000	\$0	\$2,000
Wayfinding Signage	EA	\$400.00		\$0	5	\$2,000
Information/Interpretive Kiosk	EA	\$4,000.00		\$0	1	\$4,000
Interpretive Signage	EA	\$500.00		\$0	8	\$4,000
CATEGORY SUBTOTAL				\$2,500	\$10,000	\$12,500
SITE LIGHTING/ELECTRICAL/SECURITY						
Building Down-Lighting	Allow	\$2,000.00		\$0	1	\$2,000
Security-Lighting	Allow	\$1,200.00		\$0	1	\$1,200
Site Pedestrian Light Pole	EA	\$3,500.00		\$0	5	\$17,500
Outdoor Waterproof Outlets	EA	\$150.00		\$0	2	\$300
Electrical Service and Distribution - Eaton House	LS	\$2,000.00	1	\$2,000		\$0
Electrical Service and Distribution (Park Overall)	LS	\$70,000.00		\$0		\$0
CATEGORY SUBTOTAL				\$2,000	\$21,000	\$23,000
PLANTING						
Trees/Shrubs - Conifers - 4-6' Screen Height	EA	\$200.00	11	\$2,200	\$0	\$2,200
Shrubs - Buffer	SF	\$3.00	1,000	\$3,000	\$0	\$3,000
Shrubs - Native, Interpretive	SF	\$3.00	1,100	\$3,300	\$0	\$3,300
Annuals-Perennials	SF	\$2.00	475	\$950	\$0	\$950
Soil Prep - Shrubs	SF	\$0.10	2,575	\$258	\$0	\$258
Turfgrass Sod	SF	\$0.40	8,600	\$3,440	\$0	\$3,440
CATEGORY SUBTOTAL				\$13,148	\$0	\$13,148
IRRIGATION						
Backflow Prevention Device	LS	\$2,500.00		\$0	\$0	\$0
Central Controller	LS	\$1,500.00		\$0	\$0	\$0
Mainline, Valve Adjustments	LS	\$1,500.00	1	\$1,500	\$0	\$1,500
Turf Irrigation	SF	\$0.75	8,600	\$6,450	\$0	\$6,450
Irrigation - shrubs	SF	\$1.00	3,100	\$3,100	\$0	\$3,100
CATEGORY SUBTOTAL				\$11,050	\$0	\$11,050
STRUCTURES						
Stairs/ Railing	L.F.	\$100.00	48	\$4,800	\$0	\$4,800
Free Standing Trellis	EA	\$15,000.00		\$0	2	\$30,000
Interpretive Irrigation Story Element	EA	\$10,000.00		\$0	1	\$10,000
CATEGORY SUBTOTAL				\$4,800	\$40,000	\$44,800
SUBTOTAL				85,823	105,000	190,823
Master Plan Contingency	15.0%			\$12,873	\$15,750	\$28,623
Contractor's General Conditions	8%			\$6,866	\$8,400	\$15,266
Contractor's Bonds, Permits, Etc.	1.5%			\$1,287	\$1,575	\$2,862
Overhead and Profit	7%			\$6,008	\$7,350	\$13,358
GRAND TOTAL				\$112,857	\$138,075	\$250,932
NOTES						
1. This is an order of magnitude estimate and is based on work completed to date. The quantities shown are approximate						
2. Construction Costs do not include costs incurred for phased project development.						
3. Contingency percentages are included in the estimate. The schematic design contingency accounts for the many details and associated costs that are yet unknown. Within master planning and schematic design phases, 15 to 20 percent is the accepted norm. The owner's construction contingency allows for change orders and unforeseen conditions and/or costs that may be encountered during the construction phase. This contingency was removed at the owner's request						
4. Costs given assume that all improvements will be made under contract with a qualified contractor. No adjustments have been made for volunteer labor and/or donated						
5. Approximate project phasing has been included in the form of "Future Phase". Construction priorities within future phase columns are yet to be determined.						
6. Design and/or Planning consultant fees are not included.						
Escalation (to Spring 2017)	3%			\$2,575	\$3,150	\$5,725

The following interim deliverables were reviewed with the Town of Windsor to establish programming and project parameters. They are the basis for the final master plan, program and budget for the Eaton House Property.

APPENDIX

APPENDIX TABLE OF CONTENTS.....	21
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Project Name: Town of Windsor – Eaton Master Plan		1 of 2
Project Number: 16150.000		
Meeting Date: March 18, 2016	Location: Parks and Recreation Offices	
Subject: Eaton Master Plan Kickoff Meeting		
Attendees: Andrew Dunehoo, Mark Kosmos, Kelley Savage		
Notes By: Mark A Kosmos		

ITEMS DISCUSSED:

1. Discussed schedule, contracting and revised schedule. The concept design phase will be compressed to eliminate the March 21 startup and begin the week of March 28th. Review and submittal deadlines will remain the same. If additional review time is needed between work weeks, this may push the final deliverable past the week of May 16th.
2. Project base maps for use in master planning were compiled and reviewed for limits of work and detail shown. Labels will be turned off and these bases will serve the project going forward. After the master plan, a survey will be needed to develop master plan concepts further. Data was as provided from multiple sources by the Town of Windsor for the Museum at Boardwalk Park (MABP) master plan in 2013. Drawings date back to approximately 2006 from multiple sources as follows:

Name	Date modified	Type	Size
b-boardwalk phase4.dwg	3/7/2013 4:59 PM	AutoCAD Drawing	111 KB
I-Boardwalk phase4 as-builts.dwg	3/7/2013 4:59 PM	AutoCAD Drawing	847 KB
plot.log	6/13/2013 8:04 AM	Text Document	1 KB
x-existing.dwg	3/7/2013 5:10 PM	AutoCAD Drawing	2,387 KB
x-grading_drainage_6.22.06.dwg	3/7/2013 4:59 PM	AutoCAD Drawing	98 KB
x-planting_sa_phase 5.dwg	3/7/2013 4:59 PM	AutoCAD Drawing	156 KB
x-site plan_sa.dwg	3/7/2013 4:59 PM	AutoCAD Drawing	168 KB

3. Construction budget was discussed. At a modest \$5/sf for base cost (without amenities) the project will be no less than \$75,000 to update irrigation, lawn and minimal paving. A \$10/sf to \$15/sf is more in line with the desired programming for outdoor spaces.
4. History of the Eaton House and story elements (beginning about 1897) relevant to how the site will be interpreted were presented. These included:
 - 4.1. irrigation (ditches, techniques and agriculture, flood control)
 - 4.2. San Luis Valley connection – Eaton researched techniques for the region
 - 4.3. Ditches connect to fossil reservoir
5. The existing MABP will include water as a new interpretive thread and include a stature of a farmer at a water pump. The Eaton house should present complimentary site design fusing historical context with modern elements and capture the Eaton story. Programming elements should include:
 - 5.1. Rotating exhibit space

- 5.2. Wayfinding at perimeter
- 5.3. Pleinair outdoor gathering space
- 5.4. Modest lighting and visibility for surveillance/safety
- 5.5. Photo opportunities
6. Similar projects that interpret history well are Centennial Village, Greeley and Farmers Branch Texas.

Submitted March 25, 2016



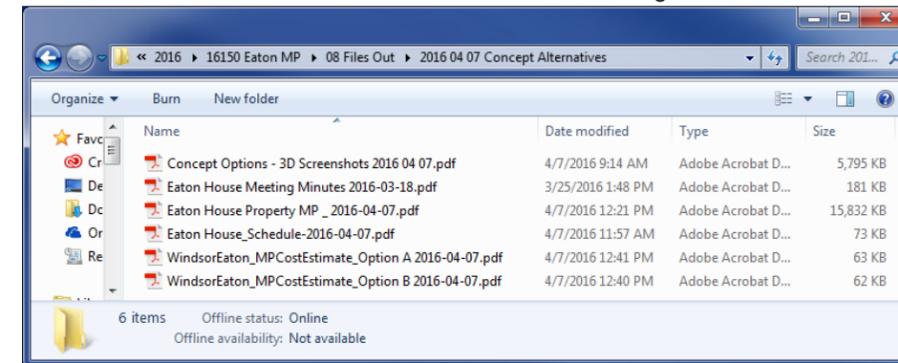
Project Name: Town of Windsor – Eaton Master Plan	1 of 2
Project Number: 16150.000	
Meeting Date: April 7, 2016	Location: Parks and Recreation Offices
Subject: Eaton Master Plan Concept Options Review Meeting	
Attendees: Andrew Dunehoo, Caitlin Heusser, Mark Kosmos, Kelley Savage	
Notes By: Mark A Kosmos, submitted 4-11-2016	

ITEMS DISCUSSED:

1. Housekeeping items:
 - 1.1. Contract. Hard copy contract with scope of work exhibit attachments is needed for RPA records.
 - 1.2. Schedule. On track. Allow one week for design review by Town of Windsor.
 - 1.3. Work plan deliverables from proposal will be complete through and including task 2 from work plan.
 - 1.4. Minutes from meeting #1 accepted for project records.
2. Concept options A and B based on alternate points of entry and orientation to the site. Formal and informal elements as well as access through Museum at Boardwalk Park (MABP) future plaza between Four Square and Shanty were included as alternatives. Generally, design options included the following common elements:
 - 2.1. Orientation courtyard between the front door and the garage entry to accommodate 20-30 in an arrival orientation. Front door and lawn as clean views, historic foundation landscape, multipurpose lawn, rotating sculpture display and pleinaire node/focal point with views to lake and to Eaton House. Provide inspiration and context for telling the property's story.
 - 2.2. Re-positioning of farm implements along the Birch St public edge in an enclosed/ visible quadrant. Provides buffer to site circulation as well as public advertisement and outreach
 - 2.3. Garden backyard with diagonal nodes providing views of the building. Co-located with the Summer Kitchen and the future Event lawn. A balance of buffer and access allow the spaces to be used for concurrent programming and visitors.
 - 2.4. Combination of brick column with interpretive panels at the street perimeter.
 - 2.5. Partial or continuous street side residential scale fencing for enclosure and separation.
 - 2.6. Visibility into the site for security.
 - 2.7. Allowance for interpretation, site lighting, wayfinding, telling the water story and timeline of the Eaton Ditches. (Lighting and wayfinding locations not identified for this submittal)
3. Precedent images for types of paving, finishes, textures, structures and interpretive elements were shown for the purposes of soliciting feedback and honing in on a desired look for the master plan. Also, to help identify magnitude of costs.
4. Elements from Option A (*unless noted) that were preferred for advancement included:
 - 4.1. Informal curve and timeline that physically ties into and represents the water story
 - 4.2. Ramp and stairs access to the MABP, but with a primary entry at the existing driveway curb cut

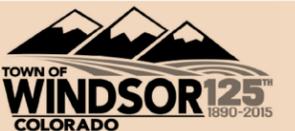


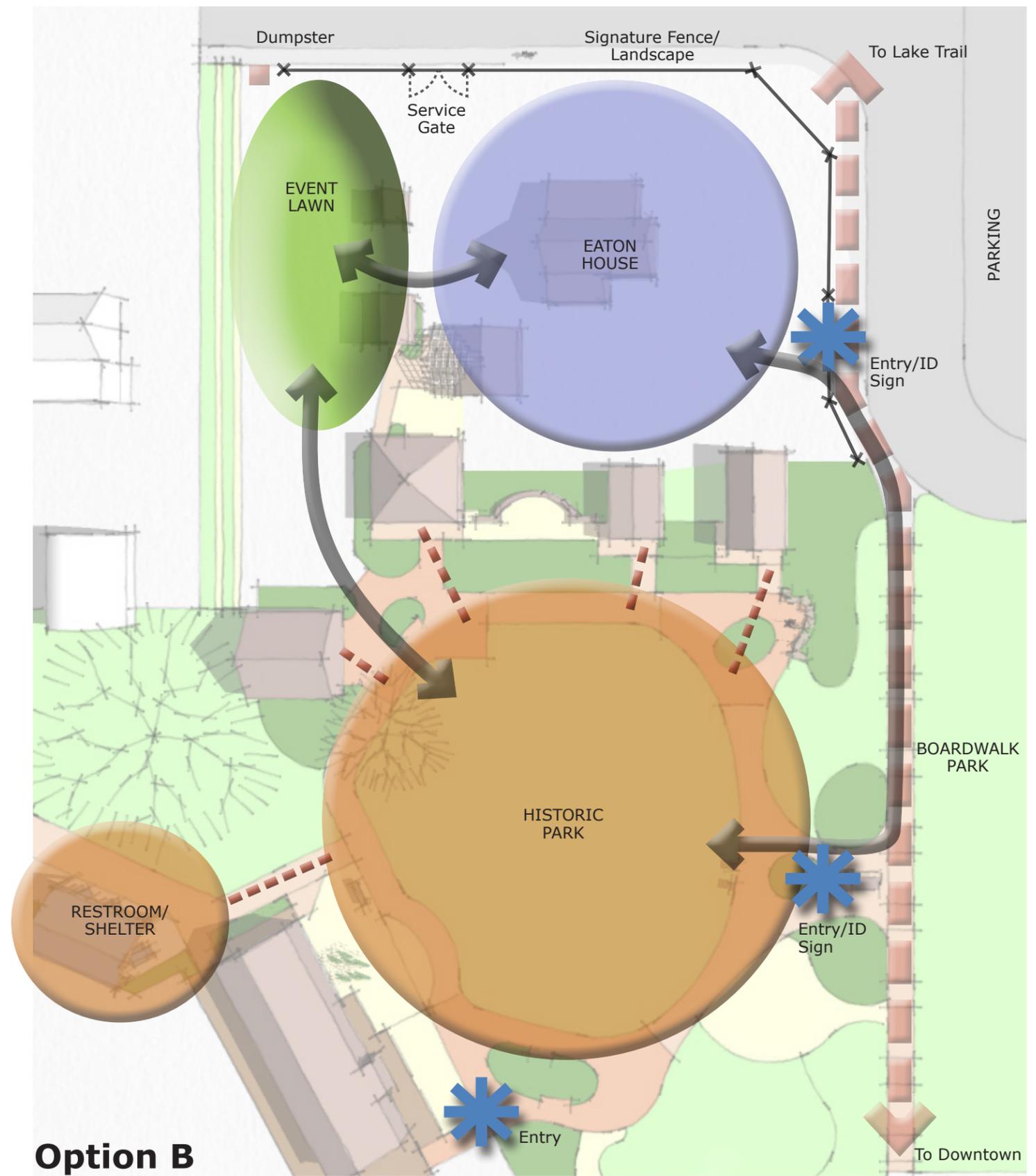
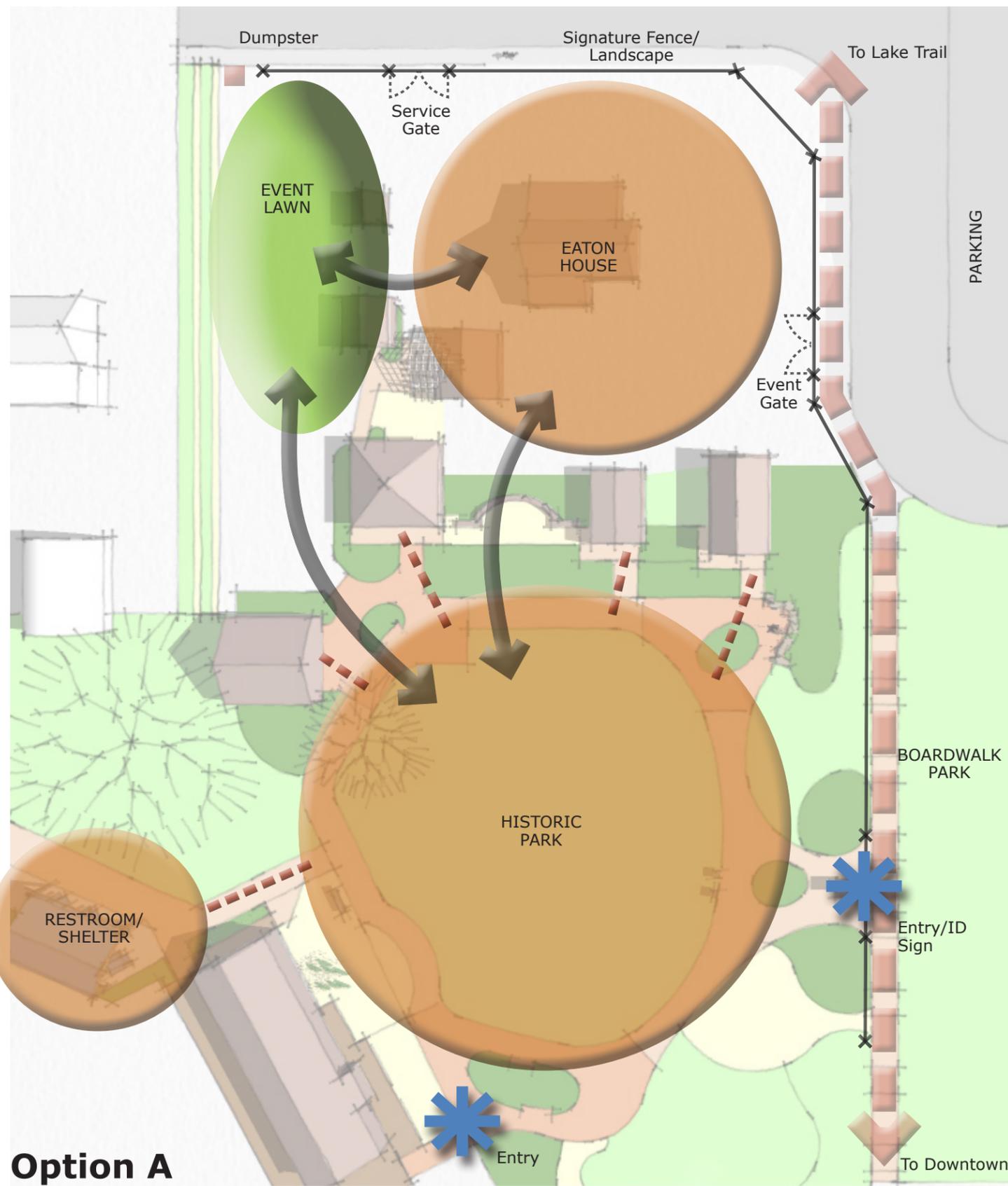
- 4.3. A separated secondary sidewalk at driveway that creates a boulevard detachment for pedestrians.
- 4.4. Two track recognition of entry drive into the site.
- 4.5. Farm equipment fence taller at streetside
- 4.6. Smaller individual structures for nodes (if any)
- 4.7. Brick columns to re-inforce brick used on the Eaton House structure.
- 4.8. Artistic NE corner treatment as an identifying element for the site. (*from Option B)
- 4.9. Potentially taller brick columns at entry. (*from Option B)
5. Elements that were not desired for advancement included:
 - 5.1. Overhead entry element
 - 5.2. Continuous trellis structure at the garden perimeter
6. Options for extending the site access with paved path and nodes into the future MABP Event Lawn were shown as options in both schemes.
7. Master Plan cost estimates for both options ranged from \$230K to \$255K inclusive of contingencies. Project budget in the CIP is \$250K and should be considered the upper limit for the project. Elements considered phaseable for future implementation were highlighted in the electronically delivered documents and will be moved to a future phase column in the next version of the estimate.
8. Electronic deliverables on USB stick included the following:

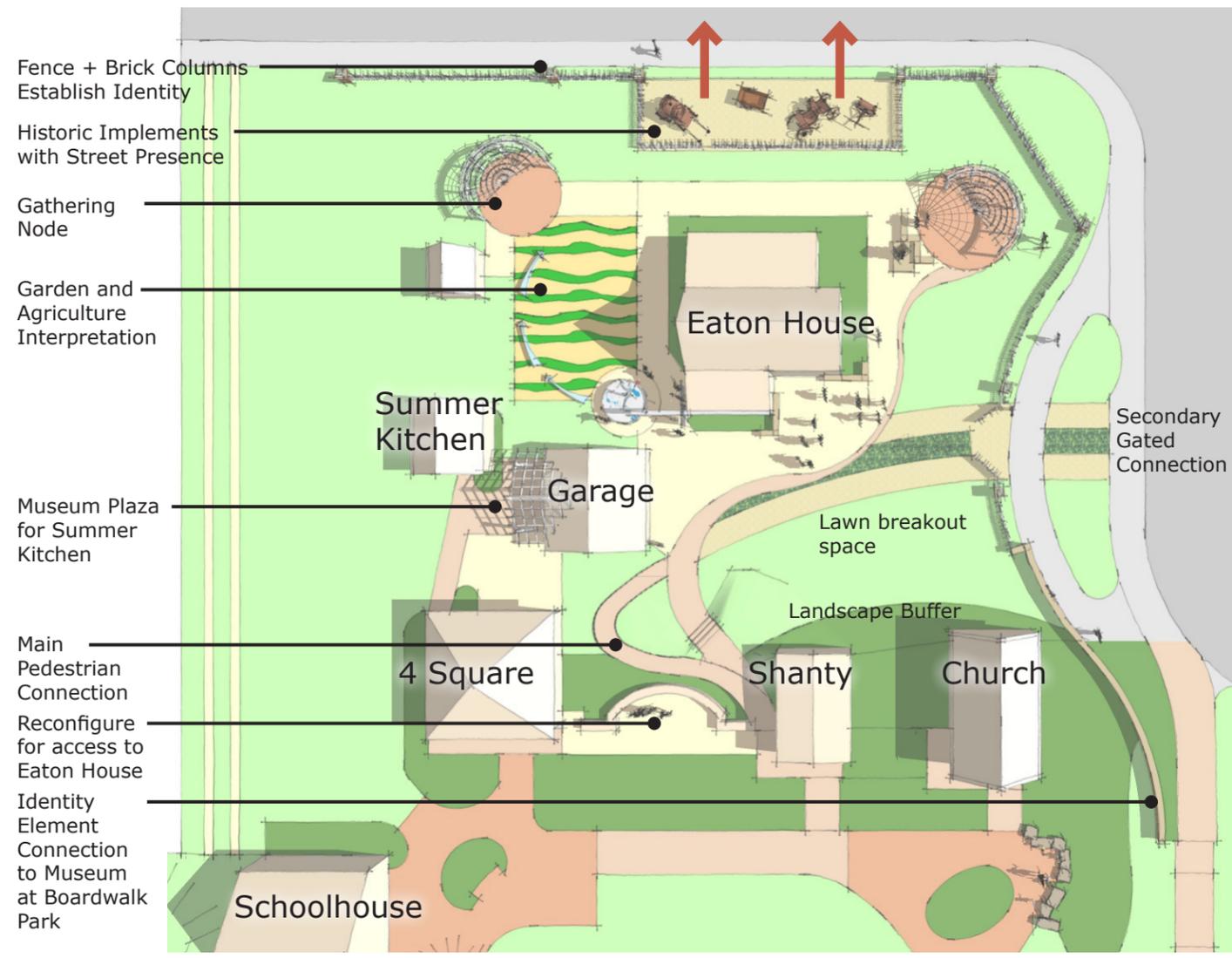


9. Next iteration of the hybrid concept plan should show locations for wayfinding and interpretation as well as recommended site lighting for visibility and evening site security.

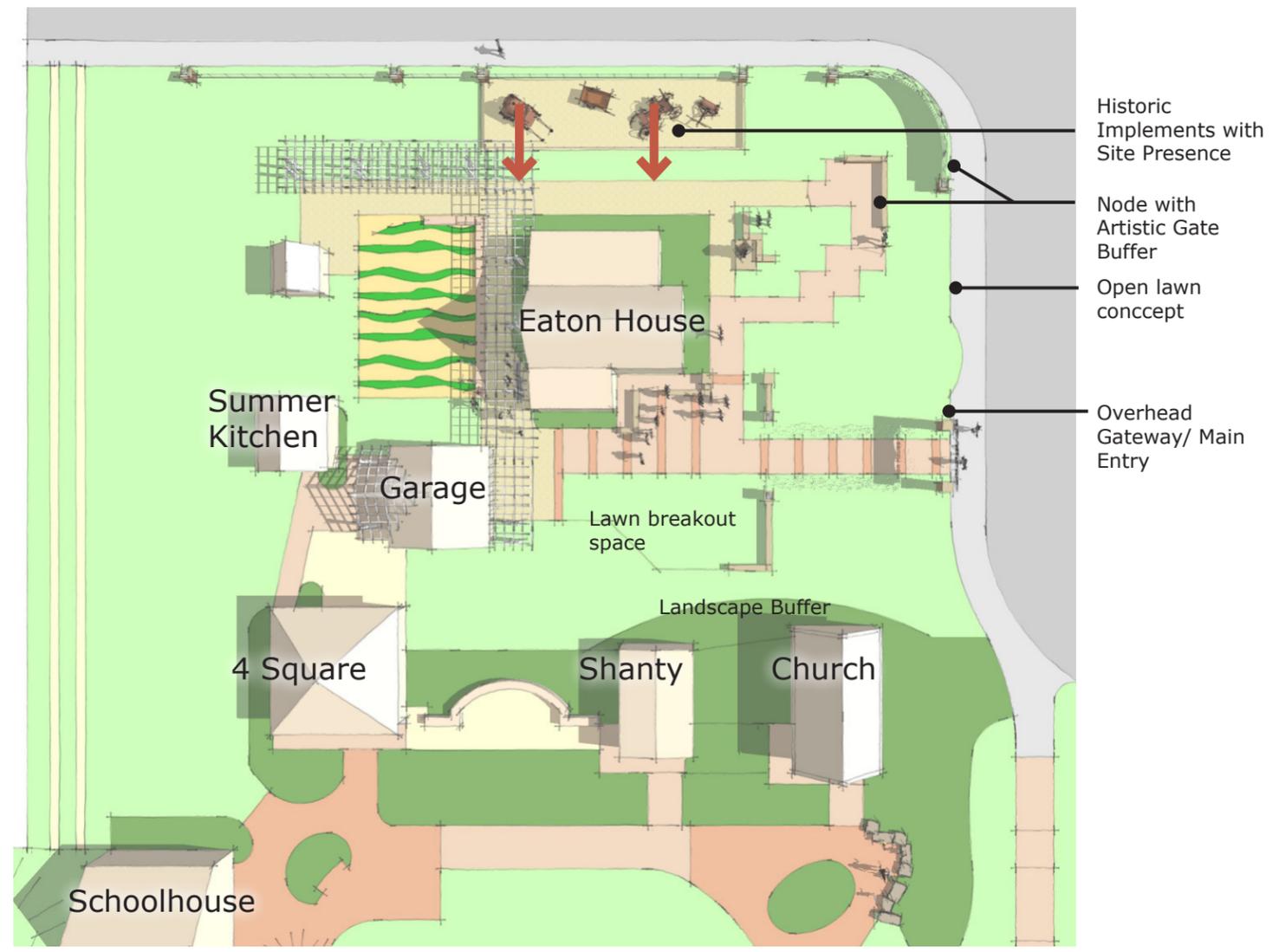
Submitted April 7, 2016



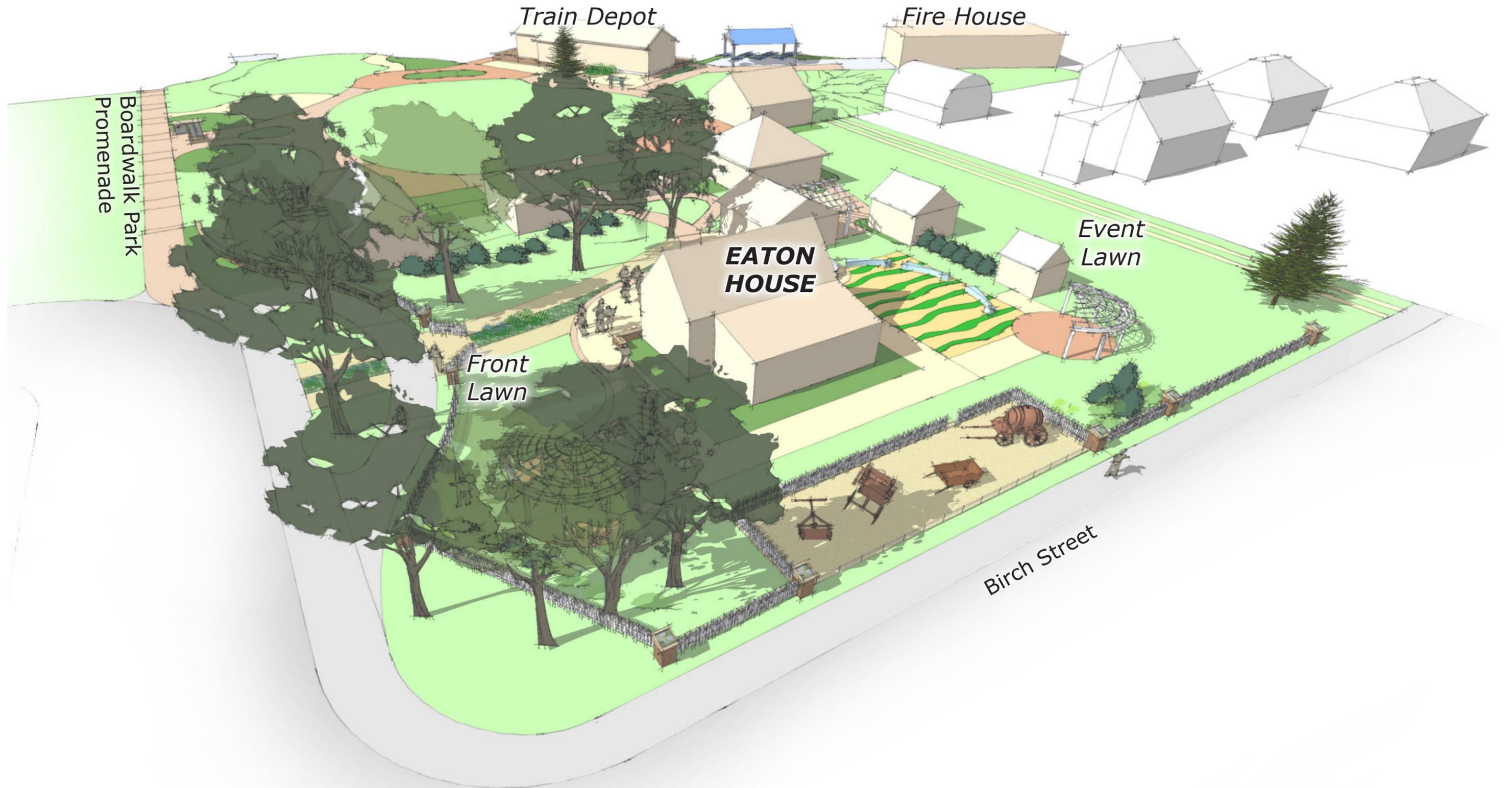




Option A (NTS)



Option B (NTS)





Perspective views were used during the Master Planning process to review options for access and circulation schemes as well as to solicit feedback on materials, scale, interpretive concepts and use nodes within the site. Views to the historic building and connectivity/ buffering to the Museum at Boardwalk Park and the adjacent neighborhood.



Master Plan Options



Master Plan Options



Master Plan Options



Master Plan Options

Perspective views were used during the Master Planning process to review options for access and circulation schemes as well as to solicit feedback on materials, scale, interpretive concepts and use nodes within the site. Views to the historic building and connectivity/ buffering to the Museum at Boardwalk Park and the adjacent neighborhood.



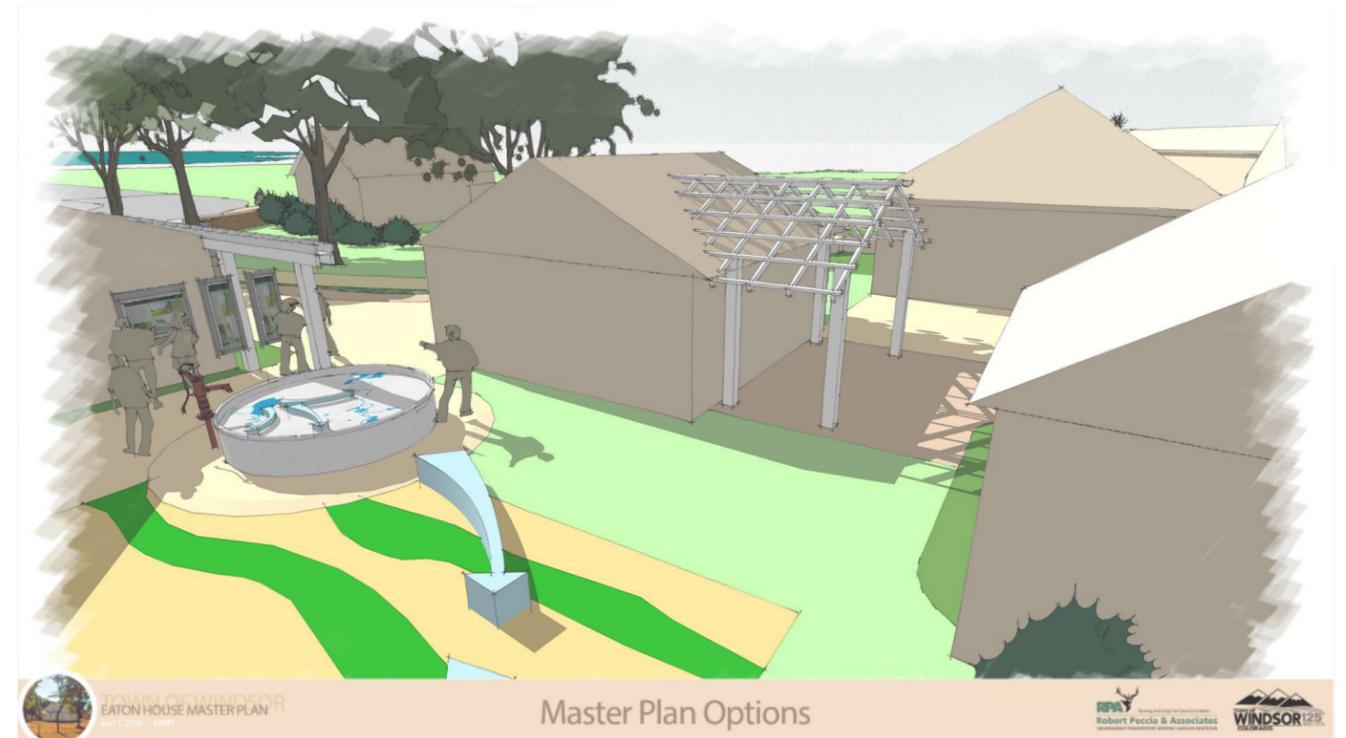
Master Plan Options



Master Plan Options



Master Plan Options

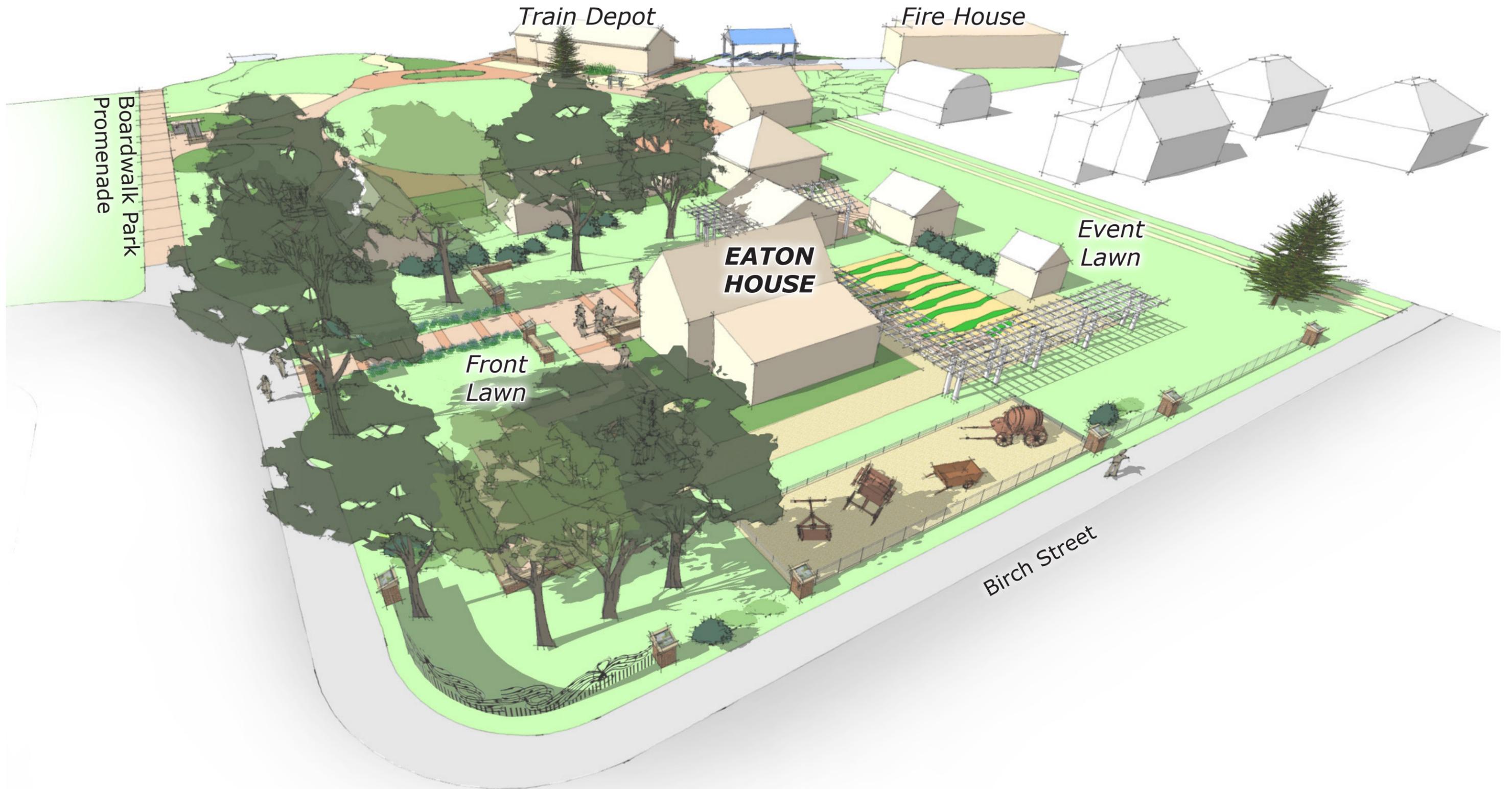


Master Plan Options

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Master Plan Options



Master Plan Options

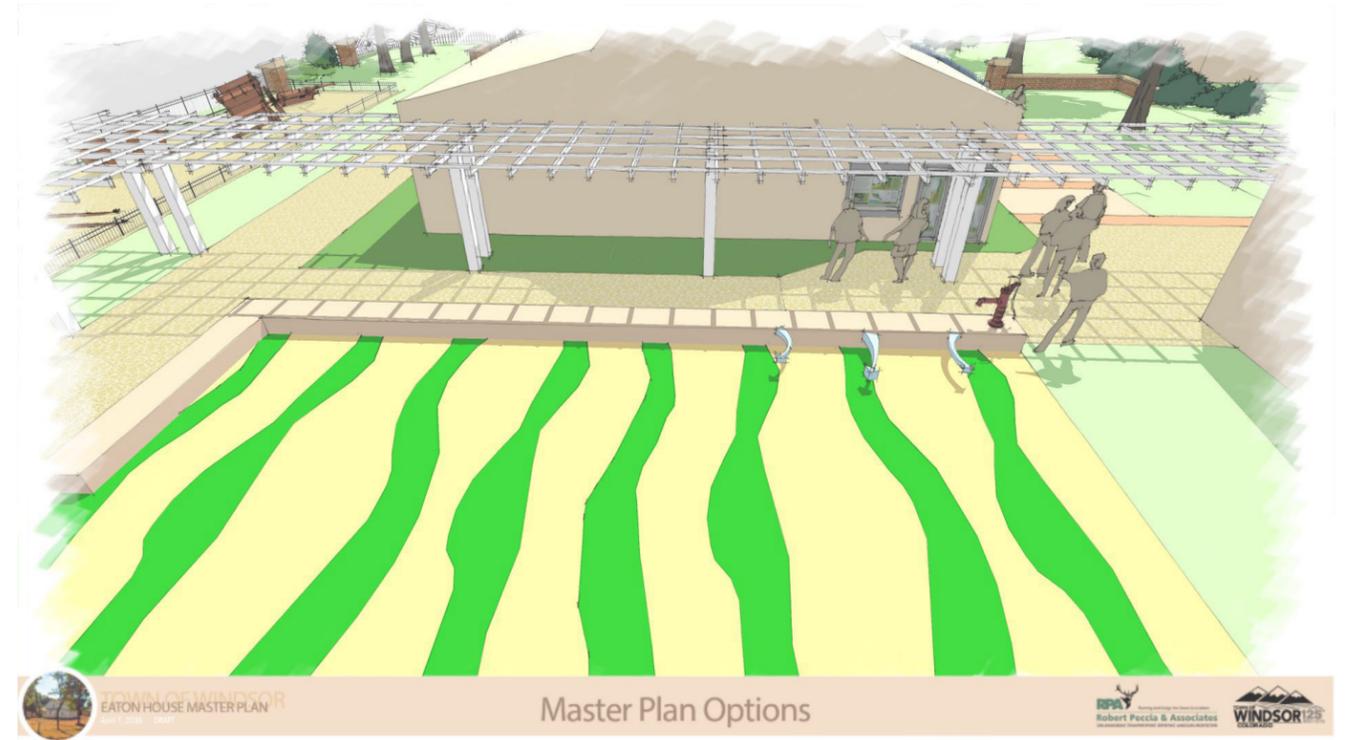


Master Plan Options

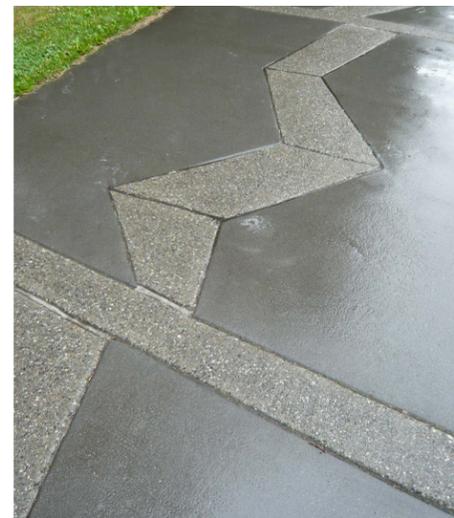


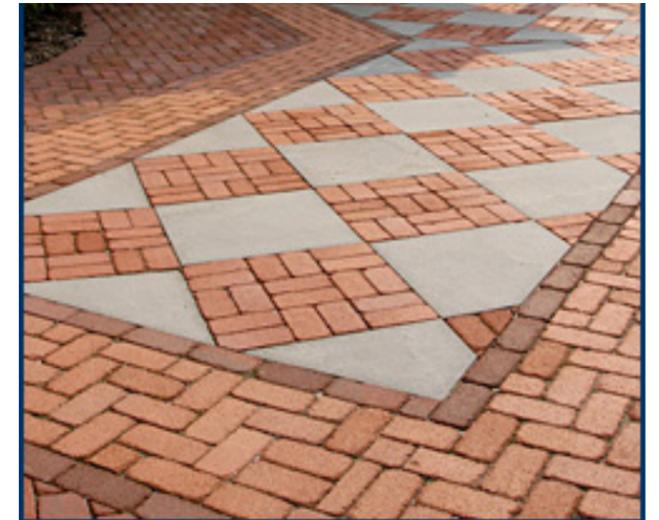
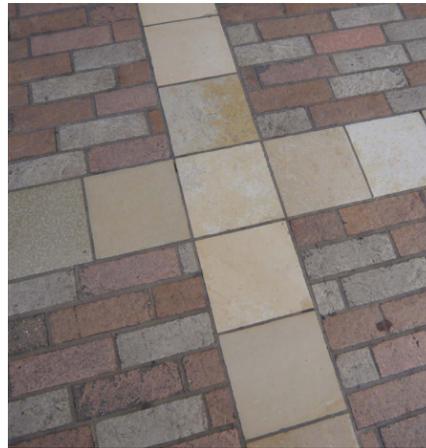
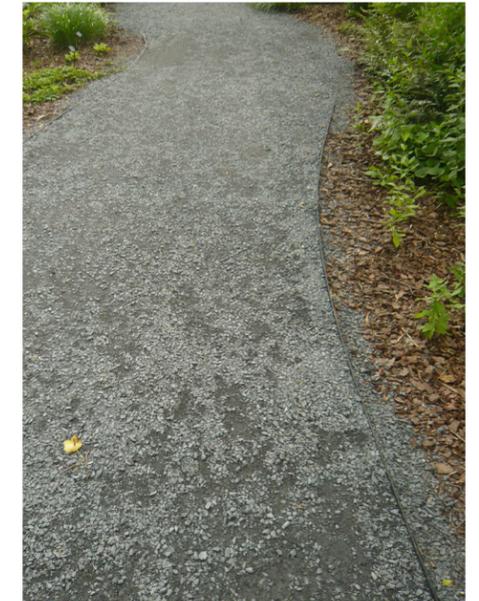
Master Plan Options

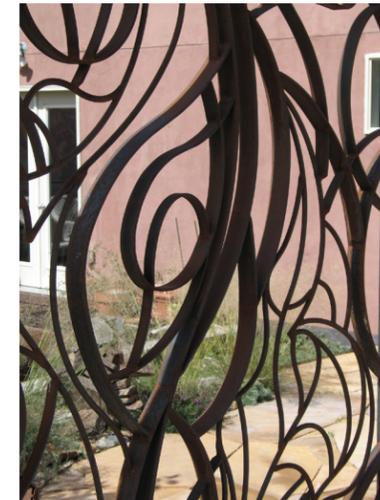
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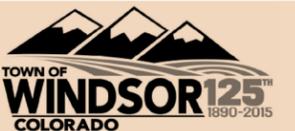




APPENDIX Fence/ Enclosure Examples



APPENDIX Monument Examples







Prepared by

Robert Peccia and Associates

Landscape Architecture
400 Remington Street, Suite B
Fort Collins, CO 80524
Telephone: (970) 484-3206

May 11, 2016



			May 2016		
	<u>Previous Month</u>	<u>Previous Month's Year to Date</u>	<u>Current Month</u>	<u>Year To Date</u>	<u>Y.T.D. 2015</u>
Misdemeanor Complaints					
911 Hang up Calls	6	68	10	78	93
Animal	21	91	34	125	143
Arson	0	0	0	0	0
Assault	5	16	6	22	24
Assist Other Department	10	36	19	55	46
Attempted Suicide	1	3	2	5	4
Checks	0	0	0	0	2
Child Abuse	3	8	7	15	9
Citizen Service	80	322	117	439	371
Civil Complaints	12	45	10	55	50
Contributing Delinq./ Minor	0	0	0	0	0
Crime Against At-Risk Adult	0	1	1	2	0
Criminal Mischief	14	43	8	51	63
Criminal Trespass Premises	4	9	8	17	18
Death	1	4	3	7	7
Drugs	1	3	1	4	9
DUI's	3	20	6	26	33
False Burglar Alarm	20	83	24	107	137
False Imprisonment	0	0	0	0	3
False Reporting	0	2	0	2	2
Found Property	10	36	3	39	44
Harassment	10	44	12	56	45
Indecent Exposure	2	2	0	2	4
A. Curfew	0	0	0	0	0
B. Runaway	4	9	6	15	15
C. Other	4	18	9	27	22
Juvenile Problems (total)	8	27	15	42	37
Liquor Violations	0	0	0	0	0
Lost Property	6	13	0	13	21
Menacing	0	1	0	1	3
MIC / MIP	0	0	5	5	6
Missing Persons	0	4	6	10	4
Obstructing Police	0	2	2	4	0
Obstructing Telephone Service	0	2	0	2	1
Open door	5	13	2	15	45
Ordinance Violations	23	140	32	172	151
Reckless Endangerment	0	0	0	0	0
Repossession	0	0	0	0	0
Sexual Assault	1	10	3	13	3
Sex Offender Violation	0	1	0	1	1
Soliciting	0	1	1	2	6
Suspicious Activity	50	208	59	267	246

			May 2016		
	<u>Previous Month</u>	<u>Previous Month's Year to Date</u>	<u>Current Month</u>	<u>Year To Date</u>	<u>Y.T.D. 2015</u>
Misdemeanor Complaints Cont'd					
Theft	20	57	18	75	73
Theft By Receiving	0	0	0	0	0
Towed - Abandoned	1	3	1	4	2
Towed - Traffic	4	31	19	50	38
Towed (Total)	5	34	20	54	43
Traffic Accidents (total)	21	122	24	146	152
A. Non-injury/Property damage	19	109	24	133	129
B. Injury	1	9	0	9	15
C. Fatal	0	0	0	0	0
D. DUI Accidents	1	4	0	4	8
Underage Possession Marijuana	1	4	0	4	10
Vehicle Laws	143	685	123	808	952
Violation of Restraining Order	3	11	3	14	17
Warrants - WPD	0	2	0	2	1
Warrants - Other Department	6	30	4	34	40
Warrants (Total)	6	32	4	36	41
Weapon Violation	0	1	0	1	2
Felony Complaints					
Armed Robbery	0	0	0	0	2
Arrests	10	29	7	36	36
Arson	0	0	0	0	0
Assault	0	3	1	4	8
Attempted Burglary	0	0	1	1	0
Auto Theft	3	6	1	7	3
Burglary	3	8	3	11	12
Checks	0	0	0	0	0
Child abuse	0	3	0	3	0
Child Neglect	0	0	0	0	0
Contrib./Delinq. of Minor	0	0	0	0	0
Criminal Impersonation	0	2	0	2	0
Criminal Mischief	14	18	1	19	4
Criminal Trespass - Dwelling	2	2	0	2	1
Criminal Trespass - Vehicle	1	8	2	10	31
Drugs	0	1	0	1	4
Forgery	0	3	2	5	3
Fraud	5	19	12	31	73
Homicide	0	0	0	0	1
Identity Theft	4	9	3	12	36
Intimidating Witness/Victim	0	0	0	0	0
Menacing	0	1	1	2	5
Recovery of Stolen Vehicle (ALL)	2	4	0	4	2
Robbery	0	0	0	0	0
Sexual Assault	0	0	0	0	1
Tampering with Evidence	0	0	0	0	1
Theft by Receiving	0	0	0	0	0

			May 2016		
	<u>Previous Month</u>	<u>Previous Month's Year to Date</u>	<u>Current Month</u>	<u>Year To Date</u>	<u>Y.T.D. 2015</u>
Theft	3	12	5	17	29
Warrant (Other Department)	3	8	0	8	8
Weapon Violation	1	2	0	2	0
Adult Arrest	19	92	24	116	117
Juvenile Detentions	7	15	4	19	15
Total Calls for Service	501	2170	552	2722	2847
A. Criminal	265	1208	271	1479	1597
B. Non-Criminal	236	962	281	1243	1250
Cases Filed (County Penal)	16	64	17	81	85
County Traffic Citations	40	188	35	223	229
Municipal Citation	100	533	102	635	809
A. Traffic	90	452	81	533	722
B. Ordinances	10	81	21	102	87
Warnings	251	1290	234	1524	1461
Juvenile Filings	0	7	1	8	1
Parking Tickets	39	180	38	218	213
Juvenile Notification Forms	9	51	12	63	76
M-1 Holds	5	14	7	21	27
Misdemeanor Complaints Cleared by Arrest	16	84	21	105	96
Monetary Loss Misdemeanor Complaints	\$7,343	\$20,723	\$6,289	\$27,012	\$22,603
Monetary Recovery Misdemeanor Complaints	\$2,632	\$3,789	\$500	\$4,289	\$2,026
Felony Complaints Cleared by Arrest	10	24	7	31	36
Monetary Loss Felony Complaints	\$30,000	\$208,325	\$64,805	\$273,130	\$89,737
Monetary Recovery Felony Complaints	\$14,000	\$105,942	\$2,200	\$108,142	\$17,340

Winter Farm

Metropolitan District

June 5, 2016

Kelly Arnold, Town Manager
Dennis Wagner, Town Engineer
Town of Windsor
301 Walnut Street
Windsor, CO 80550

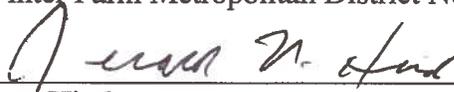
Dear Mr. Arnold and Mr. Wagner,

On behalf of the residents of Peakview Estates, and on behalf of Winter Farm Metropolitan District No. 2, the Board of Winter Farm Metropolitan District No. 2 would like to extend a thank you for the efforts the Town of Windsor has put forth with the Law Basin **Master** Plan Channel and Law Basin West Tributary Channel drainage projects.

We recognize the complexity and challenge these projects have been to execute and look forward to the positive impacts on the upstream drainage systems in our neighborhood.

Sincerely,

The Board of Directors
Winter Farm Metropolitan District No. 2



Jerry Hinde



Bryan Wischer



Lee Grasmick



David Olson

MICHAEL E. MANNING
Attorney at law

419 West Oak Street
Fort Collins CO 80521-2610

Telephone: (970) 484-9436
Facsimile: (970) 484-9775

June 16, 2016

HAND DELIVER

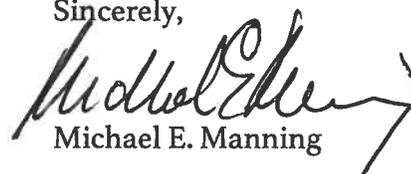
Ian McCrager
Town Attorney
Town of Windsor

Re: Municipal Judge position

Dear Ian,

What started in February 1980 as a temporary replacement for the Judge of the Windsor Municipal Court has become a longer term than I believe anyone at that point considered likely, possible, or even appropriate. I have enjoyed the run, but I will not seek reappointment at the end of this year. Thank you.

Sincerely,


Michael E. Manning

June 21, 2016

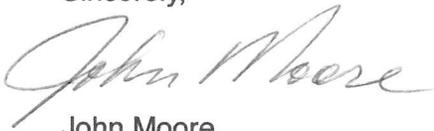
Board of Commissioners
Windsor Housing Authority

Fellow Commissioners:

I am submitting my resignation from the Board of Commissioners of the Windsor Housing Authority effective July 20, 2016.

It has been an honor and a privilege to serve with my fellow commissioners to help make affordable housing available to the citizens of Windsor. Thank you for the opportunity and your support.

Sincerely,

A handwritten signature in cursive script that reads "John Moore". The signature is written in dark ink and is positioned above the printed name.

John Moore