



**TOWN OF AVON, COLORADO**  
**TOWN OF AVON MEETINGS FOR TUESDAY, MAY 9, 2017**  
**AVON TOWN COUNCIL REGULAR MEETING BEGINS AT 4:00 PM**  
**AVON LIQUOR AUTHORITY MEETING BEGINS AT 5:00 PM**  
AVON TOWN HALL, ONE LAKE STREET

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**AVON TOWN COUNCIL REGULAR MEETING BEGINS AT 4:00 PM (SEE AGENDA BELOW)**  
**AVON LIQUOR LICENSING AUTHORITY MEETING BEGINS AT 5:00 PM (SEE SEPARATE AGENDA PAGE 4)**

- 1. CALL TO ORDER & ROLL CALL**
- 2. APPROVAL OF AGENDA**
- 3. MEETING PROCEDURES FOR THE MEETING OF MAY 9, 2017**
  - 3.1. ACTION ITEMS**
    - PRESENTATION OF ITEM
    - PUBLIC COMMENT – THREE (3) MINUTE LIMIT ALLOWED TO EACH PERSON WISHING TO SPEAK, UNLESS MAJORITY OF COUNCIL AGREES TO A LONGER TIME
    - COUNCIL DISCUSSION
    - MOTION
    - COUNCIL DISCUSSION
    - VOTE
  - 3.2. WORK SESSION AND PRESENTATIONS**
    - PRESENTATION OF ITEM
    - COUNCIL DISCUSSION
    - PUBLIC COMMENT – THREE (3) MINUTE LIMIT ALLOWED TO EACH PERSON WISHING TO SPEAK, UNLESS MAJORITY OF COUNCIL AGREES TO A LONGER TIME
    - COUNCIL DIRECTION
- 4. EXECUTIVE SESSION**

EXECUTIVE SESSION FOR THE PURPOSE OF RECEIVING LEGAL ADVICE UNDER C.R.S. §24-6-402(2)(B) AND FOR THE PURPOSE OF DETERMINING POSITIONS RELATIVE TO MATTERS THAT MAY BE SUBJECT TO NEGOTIATIONS UNDER C.R.S. §24-6-402(2)(E) RELATED TO THE EAGLEBEND AFFORDABLE HOUSING CORPORATION REFINANCING (TOWN ATTORNEY ERIC HEIL)
- 5. PUBLIC COMMENT – COMMENTS ARE WELCOME ON ITEMS NOT LISTED ON THE FOLLOWING AGENDA\* - THREE (3) MINUTE LIMIT ALLOWED TO EACH PERSON WISHING TO SPEAK, UNLESS MAJORITY OF COUNCIL AGREES TO A LONGER TIME**
- 6. TOWN OF AVON WEBSITE REDESIGN PRESENTATION (COMMUNICATIONS MANAGER LIZ WOOD) (10 MINUTES)**

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MEETING AGENDAS & PACKETS ARE FOUND AT: [HTTP://WWW.AVON.ORG](http://www.avon.org)  
AGENDAS ARE POSTED AT AVON TOWN HALL, RECREATION CENTER, & AVON PUBLIC LIBRARY  
IF YOU HAVE ANY SPECIAL ACCOMMODATION NEEDS, PLEASE, IN ADVANCE OF THE MEETING,  
CALL TOWN CLERK DEBBIE HOPPE AT 970-748-4001 OR EMAIL [DHOPPE@AVON.ORG](mailto:DHOPPE@AVON.ORG) WITH ANY SPECIAL REQUESTS.



**TOWN OF AVON MEETINGS FOR TUESDAY, MAY 9, 2017**  
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- 7. FINANCE DEPARTMENT PRESENTATION (ASSISTANT TOWN MANAGER SCOTT WRIGHT) (15 MINUTES)**
- 8. ACTION ITEMS**
  - 8.1. PRESENTATION OF THE 2016 TOWN AUDIT AND MOTION TO ACCEPT  
(ASSISTANT TOWN MANAGER SCOTT WRIGHT, MCMAHAN & ASSOC., CPAs) **(20 MINUTES)**
  - 8.2. RESOLUTION 17-06 TO AMEND THE 2017 TOWN OF AVON GENERAL FUND BUDGET  
(ASSISTANT TOWN MANAGER SCOTT WRIGHT) **(15 MINUTES)**
  - 8.3. RESOLUTION 17-08 APPROVING THE EXPENDITURE OF COMMUNITY ENHANCEMENT FUNDS  
(ASSISTANT TOWN MANAGER SCOTT WRIGHT) **(10 MINUTES)**
- 9. WORK SESSION**
  - 9.1. EAGLE COUNTY SCHOOLS WORK SESSION **(40 MINUTES)**
  - 9.2. SINGLE-USE SHOPPING BAG AND POLYSTYRENE FOAM FOOD SERVICE WARE REDUCTION  
(EXECUTIVE ASSISTANT TO THE TOWN MANAGER PRESTON NEILL) **(30 MINUTES)**
- 10. ACTION ITEMS**
  - 10.1. RESOLUTION 17-09 IN SUPPORT OF CAREERWISE FOR EAGLE COUNTY  
(ERIK WILLIAMS, DIRECTOR OF COMMUNITY DEVELOPMENT, VAIL VALLEY PARTNERSHIP) **(5 MINUTES)**
  - 10.2. **PUBLIC HEARING** EMERGENCY ORDINANCE 17-07, ACCEPTING A DONATION OF THE EAGLEBEND PROPERTY, AUTHORIZING THE CONVEYANCE OF SUCH REAL PROPERTY, AND APPROVING A PROJECT AGREEMENT  
(TOWN ATTORNEY ERIC HEIL) **(45 MINUTES)**
  - 10.3. REVIEW AND ACTION TO FUND ONE OR MORE 2017 SUMMER MULTIMODAL TRANSPORTATION PLAN PROGRAMS (TRANSPORTATION DIRECTOR EVA WILSON) **(30 MINUTES)**
  - 10.4. REVIEW AND ACTION ON THE TOWN OF AVON AD HOC SPECIAL EVENTS COMMITTEE RECOMMENDATION FOR SUPPORT AND FUNDING, IF NEEDED, OF UP TO TWO MAJOR MUSIC CONCERTS AT THE AVON PAVILION IN AUGUST AND/OR SEPTEMBER OF 2017 (TOWN MANAGER VIRGINIA EGGER) **(25 MINUTES)**
  - 10.5. CONSENT AGENDA **(5 MINUTES)**
    - 10.5.1. APPROVAL OF RESOLUTION 17-07 SETTING THE LOCATIONS AND NUMBER OF FOOD TRUCKS  
(EXECUTIVE ASSISTANT TO THE TOWN MANAGER PRESTON NEILL)
    - 10.5.2. APPROVAL OF AN AGREEMENT BETWEEN THE TOWN OF AVON AND MILLSMORE, LLC FOR THE GRANT OF A REVOCABLE ENCROACHMENT LICENSE TO INSTALL, CONSTRUCT, AND MAINTAIN LANDSCAPE AND PARKING IMPROVEMENTS ON TOWN-OWNED RIGHT-OF-WAY AND PROPERTY  
(TOWN ATTORNEY ERIC HEIL)
    - 10.5.3. APPROVAL OF MINUTES FROM APRIL 25, 2017 MEETING (TOWN CLERK DEBBIE HOPPE)

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**11. WORK SESSION**

UPDATE ON AVON RECREATIONAL TRAILS ADVISORY GROUP RECOMMENDATIONS FOR NEW TRAIL DEVELOPMENT  
(PLANNING DIRECTOR MATT PIELSTICKER) (15 MINUTES)

**12. MAYOR & COUNCIL COMMENTS & MEETING UPDATES (10 MINUTES)**

**13. ADJOURNMENT**

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**\*Public Comments:** Council agendas shall include a general item labeled “Public Comment” near the beginning of all Council meetings. Members of the public who wish to provide comments to Council greater than three minutes are encouraged to schedule time in advance on the agenda and to provide written comments and other appropriate materials to the Council in advance of the Council meeting. The Mayor may permit public comments during any agenda item provided that such invitation does not hinder the ability of Council to conduct official Town business in an efficient manner. For matters which may involve substantial public comment by numerous members of the public, the Mayor or Council may propose limiting public comment to no less than three minutes per individual, which limitation on public comment must be approved by a majority of the quorum present. **Article VI. Public Comments, Avon Town Council Simplified Rules of Order, Adopted by Resolution No. 17-05.**

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**TOWN OF AVON MEETINGS FOR TUESDAY, MAY 9, 2017**  
**AVON LIQUOR AUTHORITY MEETING BEGINS AT 5:00 PM**  
AVON TOWN HALL, ONE LAKE STREET

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- 1. CALL TO ORDER AND ROLL CALL**
- 2. APPROVAL OF AGENDA**
- 3. PUBLIC COMMENT – COMMENTS ARE WELCOME ON ITEMS NOT LISTED ON THE FOLLOWING AGENDA**
- 4. PUBLIC HEARING SPECIAL EVENTS PERMIT**
  - 4.1. APPLICANT NAME: WALKING MOUNTAINS SCIENCE CENTER  
EVENT NAME: TASTE OF NATURE GALA  
EVENT DATES: JULY 12, 2017; 5:00 PM UNTIL 11:00 PM  
LOCATION: WALKING MOUNTAINS SCIENCE CENTER  
EVENT MANAGER: TERRI SCALES  
PERMIT TYPE: MALT, VINOUS & SPIRITUOUS LIQUOR
  
  - 4.2. APPLICANT NAME: BRAVO! VAIL MUSIC FESTIVAL  
EVENT NAME: BRAVO! VAIL SOIREE  
EVENT DATE: JUNE 23, 2017; 11:00 AM UNTIL 11:00 PM  
LOCATION: 108 PRIMROSE  
EVENT MANAGER: MELISSA MEYERS  
PERMIT TYPE: MALT, VINOUS & SPIRITUOUS LIQUOR
  
  - 4.3. APPLICANT NAME: EAGLE VALLEY HUMANE SOCIETY  
EVENT NAME: RIDE AVON FIRST  
EVENT DATE: MAY 20, 2017; 1:00 PM UNTIL 7:00 PM  
LOCATION: NOTTINGHAM PARK  
EVENT MANAGER: CHAR GONSENICA  
PERMIT TYPE: MALT, VINOUS & SPIRITUOUS LIQUOR
- 5. MINUTES FROM APRIL 25, 2017**
- 6. ADJOURNMENT**

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## LIQUOR LICENSING AUTHORITY REPORT

**To:** Avon Liquor Licensing Authority  
**From:** Debbie Hoppe, Town Clerk  
**Meeting Date:** May 09, 2017  
**Agenda topic:** SPECIAL EVENTS PERMIT APPLICATION – PUBLIC HEARING

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### **ACTION BEFORE COUNCIL**

The Town Council serving as the Local Liquor Licensing Authority will consider a Special Events Permit Application for the upcoming Taste of Nature annual fundraiser event. A public hearing is required before final action is taken.

Applicant Name: Walking Mountains Science Center  
Event Name: Taste of Nature Gala  
Event Dates: July 12, 2017; 5:00 pm until 11:00 pm  
Location: Walking Mountains Science center  
Event Manager: Terri Scales  
Permit Type: Malt, Vinous & Spirituous Liquor

### **PROPOSED MOTION**

I move to approve (or deny) the Special Events Permit application for Walking Mountains Science Center Taste of Nature event.

### **SUMMARY**

The Applicant has submitted the appropriate materials required by the State of Colorado Liquor Enforcement Division and all materials are in order. Walking Mountains Science Center is applying for malt, vinous, spirituous liquor permit to serve/sell beverages at the Taste of Nature event on July 12, 2017. The Walking Mountains Science Center premise has been posted with notice of the public hearing for this application. The event manager will be present to answer question about the application. There are local liquor licensing fees associated with the special event permit; the applicant has submitted the appropriate local fees.

The Applicant is a Charitable Organization in good standing with the Secretary of State, State of Colorado. The Applicant has provided adequate proof of commercial liability insurance that meets the Town's requirements. The background check indicated no criminal violations. These documents are on file in the Town Clerk's office.

### **BACKGROUND**

Special Events permits are issued by the Liquor Enforcement Division and the Local Licensing Authority to allow particular types of organizations, municipalities, and political candidates to sell, serve or distribute alcohol beverages in connection with public events. Because of their temporary nature, needs and desires (reasonable requirements of the neighborhood) are not considered by the licensing authorities as a condition of issuance. Applications are made directly with the local licensing authority having jurisdictions over the place of the event. Article 48 of Title 12 regulates the issuance of special events permits.

Note that these permits may only be issued for prescribed hours during the day and for not more than 15 days in any one calendar year.

**SPECIAL EVENTS PERMIT APPLICATIONS ATTACHMENTS:**

The applicants for the special events permit have submitted the following materials:

- ✓ Application for a Special Events Permits (State form DR 8439)
- ✓ Alcohol Management Plan
- ✓ Diagram where liquor will be served

# APPLICATION FOR A SPECIAL EVENTS PERMIT

Department Use Only

**IN ORDER TO QUALIFY FOR A SPECIAL EVENTS PERMIT, YOU MUST BE NONPROFIT AND ONE OF THE FOLLOWING (See back for details.)**

- |                                    |  |   |
|------------------------------------|--|---|
| <input type="checkbox"/> SOCIAL    | <input type="checkbox"/> ATHLETIC                              | <input checked="" type="checkbox"/> PHILANTHROPIC INSTITUTION |
| <input type="checkbox"/> FRATERNAL | <input type="checkbox"/> CHARTERED BRANCH, LODGE OR CHAPTER    | <input type="checkbox"/> POLITICAL CANDIDATE                  |
| <input type="checkbox"/> PATRIOTIC | <input type="checkbox"/> OF A NATIONAL ORGANIZATION OR SOCIETY | <input type="checkbox"/> MUNICIPALITY OWNING ARTS FACILITIES  |
| <input type="checkbox"/> POLITICAL | <input type="checkbox"/> RELIGIOUS INSTITUTION                 |   |

<b>LIAB TYPE OF SPECIAL EVENT APPLICANT IS APPLYING FOR:</b>	<b>DO NOT WRITE IN THIS SPACE</b>
2110 <input checked="" type="checkbox"/> MALT, VINOUS AND SPIRITUOUS LIQUOR \$25.00 PER DAY	LIQUOR PERMIT NUMBER
2170 <input type="checkbox"/> FERMENTED MALT BEVERAGE (3.2 Beer) \$10.00 PER DAY	

1. NAME OF APPLICANT ORGANIZATION OR POLITICAL CANDIDATE <b>Walking Mountains Science Center</b>	State Sales Tax Number (Required) <b>96-13554-0000</b>
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2. MAILING ADDRESS OF ORGANIZATION OR POLITICAL CANDIDATE (include street, city/town and ZIP)  <b>P.O. Box 9469 Avon, CO 81620</b>	3. ADDRESS OF PLACE TO HAVE SPECIAL EVENT (include street, city/town and ZIP)  <b>318 Walking Mountains Lane Avon, CO 81620</b>
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NAME	DATE OF BIRTH	HOME ADDRESS (Street, City, State, ZIP)	PHONE NUMBER
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4. PRES./SEC'Y OF ORG. or POLITICAL CANDIDATE <b>Markian Feduschak</b>		004 Blue Grouse; Eagle, CO 81631	(970) 376-6588
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5. EVENT MANAGER <b>Terri Scales</b>		1140 Capitol, #206; Eagle, CO 81631	(773) 710-8304
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6. HAS APPLICANT ORGANIZATION OR POLITICAL CANDIDATE BEEN ISSUED A SPECIAL EVENT PERMIT THIS CALENDAR YEAR? <input type="checkbox"/> NO <input checked="" type="checkbox"/> YES HOW MANY DAYS? <u>1 - 3/4/2017</u>	7. IS PREMISES NOW LICENSED UNDER STATE LIQUOR OR BEER CODE? <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES TO WHOM? _____
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8. DOES THE APPLICANT HAVE POSSESSION OR WRITTEN PERMISSION FOR THE USE OF THE PREMISES TO BE LICENSED?  Yes  No

LIST BELOW THE EXACT DATE(S) FOR WHICH APPLICATION IS BEING MADE FOR PERMIT

Date	Date	Date	Date	Date
Hours From To	Hours From To	Hours From To	Hours From To	Hours From To
July 12, 2017 From 5:00 p.m. To 11:00 p.m.				

**OATH OF APPLICANT**

*I declare under penalty of perjury in the second degree that I have read the foregoing application and all attachments thereto, and that all information therein is true, correct, and complete to the best of my knowledge.*

SIGNATURE	TITLE <b>Annual Fund &amp; Special Events Manager</b>	DATE <b>April 17, 2017</b>
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**REPORT AND APPROVAL OF LOCAL LICENSING AUTHORITY (CITY OR COUNTY)**

The foregoing application has been examined and the premises, business conducted and character of the applicant is satisfactory, and we do report that such permit, if granted, will comply with the provisions of Title 12, Article 4B, C.R.S., as amended.

**THEREFORE, THIS APPLICATION IS APPROVED.**

LOCAL LICENSING AUTHORITY (CITY OR COUNTY) <b>Town of Avon</b>	<input checked="" type="checkbox"/> CITY <input type="checkbox"/> COUNTY	TELEPHONE NUMBER OF CITY/COUNTY CLERK <b>(970) 248-4001</b>
SIGNATURE	TITLE	DATE

**DO NOT WRITE IN THIS SPACE - FOR DEPARTMENT OF REVENUE USE ONLY**

LIABILITY INFORMATION			
License Account Number	Liability Date	State	TOTAL
		-750 (999)	\$ .



## **Alcohol Management Plan** Wednesday, July 12, 2017

Walking Mountains Science Center is holding its annual signature fundraising event, *A Taste of Nature*, on its five-acre campus in Avon the evening of Wednesday, July 12, 2017.

Approximately 400 attendees are expected to be on-site from 5:30-10:00 p.m. for a reception featuring hors d'oeuvres, drinks and educational components, followed by a seated dinner and program featuring the presentation of two awards and culminating with a fund-a-need paddle raise. Attendees will be there by invitation.

We have contracted with Eric Berg with Vail Catering Concepts to prepare and serve the evening's hors d'oeuvres and dinner. His staff will also serve drinks during the reception portion of the evening, as well as provide wine service during dinner. The staff is certified to provide this alcohol service.

Drinks will be served in the Events Meadow & Campus Plaza area of the map (#1). Wine will be served with dinner in a tented area designated on the map (#2). All patrons at the event will be over 21. Walking Mountains' property does not border any residential or commercial spaces. The staff of Vail Catering Concepts and Walking Mountains Science Center will ensure that no alcohol leaves the premises.





**Walking Mountains Science Center  
Avon Campus**

**“A Taste of Nature” Special Event – July 12, 2017**

Designated event area:

*\*Controlled event area indicated by dotted line*

1. Cocktail reception in Events Meadow & Campus Plaza (tented if raining)
2. Dinner & program in main parking area (under 50 x 100 ft. tent)
3. Kitchen tent (20 x 20 ft.)



## LIQUOR LICENSING AUTHORITY REPORT

**To:** Avon Liquor Licensing Authority  
**From:** Debbie Hoppe, Town Clerk  
**Meeting Date:** May 09, 2017  
**Agenda topic:** SPECIAL EVENTS PERMIT APPLICATION – PUBLIC HEARING

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### **ACTION BEFORE COUNCIL**

The Town Council serving as the Local Liquor Licensing Authority will consider a Special Events Permit Application for the upcoming Bravo! Vail Soiree event. A public hearing is required before final action is taken.

Applicant Name: Bravo! Vail Music Festival  
Event Name: Bravo! Vail Soiree  
Event Date: June 23, 2017; 11:00 am until 11:00 pm  
Location: 108 Primrose  
Event Manager: Melissa Meyers  
Permit Type: Malt, Vinous & Spirituous

### **PROPOSED MOTION**

I move to approve (or deny) the Special Events Permit application for Bravo! Vail Music Festival Bravo! Vail Soiree event.

### **SUMMARY**

The Applicant has submitted the appropriate materials required by the State of Colorado Liquor Enforcement Division and all materials are in order. Bravo! Vail Music Festival is applying for malt, vinous, spirituous liquor permit to serve/sell beverages at the Bravo! Vail Soiree event on June 23, 2017. The 108 Primrose premise has been posted with notice of the public hearing for this application. The event manager will be present to answer question about the application. There are local liquor licensing fees associated with the special event permit; the applicant has submitted the appropriate local fees.

The Applicant is a Charitable Organization in good standing with the Secretary of State, State of Colorado. The Applicant has provided adequate proof of commercial liability insurance that meets the Town's requirements. The background check indicated no criminal violations. These documents are on file in the Town Clerk's office.

### **BACKGROUND**

Special Events permits are issued by the Liquor Enforcement Division and the Local Licensing Authority to allow particular types of organizations, municipalities, and political candidates to sell, serve or distribute alcohol beverages in connection with public events. Because of their temporary nature, needs and desires (reasonable requirements of the neighborhood) are not considered by the licensing authorities as a condition of issuance. Applications are made directly with the local licensing authority having jurisdictions over the place of the event. Article 48 of Title 12 regulates the issuance of special events permits.

Note that these permits may only be issued for prescribed hours during the day and for not more than 15 days in any one calendar year.

**SPECIAL EVENTS PERMIT APPLICATIONS ATTACHMENTS:**

The applicants for the special events permit have submitted the following materials:

- ✓ Application for a Special Events Permits (State form DR 8439)
- ✓ Alcohol Management Plan
- ✓ Diagram where liquor will be served

DR 8439 (06/28/06)  
 COLORADO DEPARTMENT OF REVENUE  
 LIQUOR ENFORCEMENT DIVISION  
 1375 SHERMAN STREET  
 DENVER CO 80261  
 (303) 205-2300

## APPLICATION FOR A SPECIAL EVENTS PERMIT

Department Use Only

IN ORDER TO QUALIFY FOR A SPECIAL EVENTS PERMIT, YOU MUST BE NONPROFIT  
 AND ONE OF THE FOLLOWING (See back for details.)

- |  |  |  |
|--|--|--|
| <input checked="" type="checkbox"/> SOCIAL | <input type="checkbox"/> ATHLETIC                              | <input type="checkbox"/> PHILANTHROPIC INSTITUTION           |
| <input type="checkbox"/> FRATERNAL         | <input type="checkbox"/> CHARTERED BRANCH, LODGE OR CHAPTER    | <input type="checkbox"/> POLITICAL CANDIDATE                 |
| <input type="checkbox"/> PATRIOTIC         | <input type="checkbox"/> OF A NATIONAL ORGANIZATION OR SOCIETY | <input type="checkbox"/> MUNICIPALITY OWNING ARTS FACILITIES |
| <input type="checkbox"/> POLITICAL         | <input type="checkbox"/> RELIGIOUS INSTITUTION                 |  |

LIAB	TYPE OF SPECIAL EVENT APPLICANT IS APPLYING FOR:	DO NOT WRITE IN THIS SPACE
2110	<input checked="" type="checkbox"/> MALT, VINOUS AND SPIRITUOUS LIQUOR \$25.00 PER DAY	LIQUOR PERMIT NUMBER
2170	<input type="checkbox"/> FERMENTED MALT BEVERAGE (3.2 Beer) \$10.00 PER DAY	

1. NAME OF APPLICANT ORGANIZATION OR POLITICAL CANDIDATE <i>Bravo! Vail Music Festival</i>		State Sales Tax Number (Required) <i>98-08264-0000</i>	
2. MAILING ADDRESS OF ORGANIZATION OR POLITICAL CANDIDATE (include street, city/town and ZIP) <i>2271 N Frontage Rd W, Ste C Vail, CO 81657</i>		3. ADDRESS OF PLACE TO HAVE SPECIAL EVENT (include street, city/town and ZIP) <i>108 Primrose Aven, CO 81620</i>	
NAME	DATE OF BIRTH	HOME ADDRESS (Street, City, State, ZIP)	PHONE NUMBER
4. PRES./SEC'Y OF ORG. or POLITICAL CANDIDATE <i>Caitlin Murray</i>	[REDACTED]	<i>PO Box 86 Aven, CO 81620</i>	<i>(970) 827-4305</i>
5. EVENT MANAGER <i>Melissa Meyers</i>	[REDACTED]	<i>4923 Lake Creek Village Dr, 29-209 Edwards, CO 81632</i>	<i>(423) 534-6555</i>
6. HAS APPLICANT ORGANIZATION OR POLITICAL CANDIDATE BEEN ISSUED A SPECIAL EVENT PERMIT THIS CALENDAR YEAR? <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES HOW MANY DAYS? _____		7. IS PREMISES NOW LICENSED UNDER STATE LIQUOR OR BEER CODE? <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES TO WHOM? _____	

8. DOES THE APPLICANT HAVE POSSESSION OR WRITTEN PERMISSION FOR THE USE OF THE PREMISES TO BE LICENSED?  Yes  No

LIST BELOW THE EXACT DATE(S) FOR WHICH APPLICATION IS BEING MADE FOR PERMIT

Date	Hours	From	To	Date	Hours	From	To	Date	Hours	From	To	Date	Hours	From	To	
<i>June 23, 2017</i>																
		<i>11:00a.m.</i>	<i>11:00p.m.</i>													

**OATH OF APPLICANT**

*I declare under penalty of perjury in the second degree that I have read the foregoing application and all attachments thereto, and that all information therein is true, correct, and complete to the best of my knowledge.*

SIGNATURE <i>Melissa Meyers</i>	TITLE <i>Development + Events Coordinator</i>	DATE <i>4/17/17</i>
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**REPORT AND APPROVAL OF LOCAL LICENSING AUTHORITY (CITY OR COUNTY)**

The foregoing application has been examined and the premises, business conducted and character of the applicant is satisfactory, and we do report that such permit, if granted, will comply with the provisions of Title 12, Article 48, C.R.S., as amended.

**THEREFORE, THIS APPLICATION IS APPROVED.**

LOCAL LICENSING AUTHORITY (CITY OR COUNTY) <i>Town of Avon</i>	<input checked="" type="checkbox"/> CITY <input type="checkbox"/> COUNTY	TELEPHONE NUMBER OF CITY/COUNTY CLERK <i>(970) 748-4001</i>
SIGNATURE	TITLE	DATE

**DO NOT WRITE IN THIS SPACE - FOR DEPARTMENT OF REVENUE USE ONLY**

**LIABILITY INFORMATION**

License Account Number	Liability Date	State	TOTAL
			-750 (999) \$



## **2017 Bravo! Vail ALCOHOL MANAGEMENT PLAN**

### **NATURE OF BUSINESS**

Bravo! Vail was incorporated in 1987 as a public 501 (c) 3 Colorado non-profit corporation. Since its founding, the Festival's purpose has been to stimulate and foster public interest and appreciation of the performing arts, especially music; to serve the State of Colorado and the Vail Valley community through the presentation and sponsorship of musical concerts, activities, and events of the highest international standards; to promote and assist the economic base of the Vail Valley through presentation of such concerts; and to enhance the quality of life for residents and visitors alike to the Valley.

Specifically:

- To enhance the cultural life of the Vail Valley through the organization and presentation of classical and popular music programs at the highest international artistic level
- To foster the performing arts - music, dance and theater - in the Vail Valley
- To promote public education in the arts
- To provide an additional cultural dimension to the summer season that encourages part time residents to spend more time in the Vail Valley and attract summer visitors in larger numbers for longer stays thereby contributing to the cultural and economic well-being of the Vail Valley

### **EXPERIENCE**

Bravo! Vail has been hosting concerts and events in the Vail Valley for 30 years. Bravo! Vail staff members have been with the organization for multiple years, some for over a decade. These staff members have a great deal of experience at such events and will be present to assist with the set-up, execution and break down of the event to ensure it goes smoothly and according to plan.

### **HISTORY OF EVENTS**

Bravo! Vail is known in the Vail Valley for bringing world-class classical music and culture to local residents and guests alike. As a non-profit organization, a great deal of Bravo! Vail's funding is derived from donations by individual donors who make significant contributions to support the festival. It follows that Bravo! Vail's audience demographic is highly-educated, sophisticated and with disposable income, and numerous surveys indicate this to be accurate. Our events have no history of disruptive behavior when liquor is served. The vast majority of staff in 2017 have a tenure of multiple seasons with the festival, therefore almost all will have had experience with similar concerts and events previously. On average, the Bravo! Vail staff hosts 20 donor events each season in addition to over 50 concerts, making its staff qualified and skilled in any event setting.

## **LOCATION**

108 Primrose, Avon, Colorado 81620

Please find a diagram of the premises enclosed in this packet.

## **ENTRANCES/EXITS**

There are nine (9) entrances and exits to and from the home.

## **STAFFING & EDUCATION/TRAINING**

Two (2) bartenders and four (4) servers, all TIPS certified, will be provided by the catering company. Any bartender or individual handling or serving alcohol will be TIPS certified and will have proof of their certification on hand at the event. They will check IDs at the bars and tables. Due to limited advanced scheduling of staff, copies of each TIPS certification card will be submitted one week prior to the event.

## **CONTROL OF THE PREMISES**

Bravo! Vail staff and production crew will be on-site for the duration of the event. Staff will be assigned various locations within the home and along the perimeter to monitor and make sure guests do not leave with alcohol and stay within the boundaries of the licensed area.

## **DAYS AND HOURS OF OPERATION**

Thursday, June 22, 2017: 9am-5pm

- 9am-5pm: Alpine Party Rentals delivers event rental items

Friday, June 23, 2017: 2pm-11pm

- 2pm: Event Coordinator and Production Crew arrive to begin set up
- 4pm: Caterer and catering crew arrive and begin set up
- 5:30pm: Musicians arrive
- 6pm: Guests arrive
- 6:45pm: Concert begins
- 7:45pm: Dinner begins
- 9pm: Coffee and Dessert
- 10pm: Cleanup
- 11pm: Departure of staff and kitchen crew

## **TYPE OF BEVERAGES**

The libations that will be poured during the event are wine, beer, liquor, and non-alcoholic beverages. West Vail Liquor Mart is the exclusive wine sponsor for the Bravo! Vail Soirée Series. All donated wine will be delivered to West Vail Liquor Mart from Republic National Distribution Company with a **\$0 (zero dollar)** invoice. Bravo! Vail will purchase liquor products (vodka, whiskey, bourbon, gin, and rum) from West Vail Liquor Mart. The Event Coordinator, Melissa Meyers, will be responsible for transporting the products from West Vail Liquor Mart to and from the residence.

## **FOOD SERVICE**

The event will be catered by Executive Chef Daniel Joly and his staff from the *Mirabelle at Beaver Creek*. Guests enjoy a pre-concert cocktail reception with hors d'oeuvres from 6pm-6:45pm, an intimate performance from 6:45pm-7:45pm, and then the evening ends with a gourmet three course seated dinner inside the home.

## **EVENT SECURITY**

There will not be a security company onsite during this event. It follows that Bravo! Vail's audience demographic is highly-educated with sophisticated individuals at an average age of 58. Our events have no history of disruptive behavior when liquor is served.

## **INSURANCE**

Bravo! Vail's insurance company is:  
Wall Street Insurance, Inc.  
PO Box 20  
Edwards, CO 81632

Please find a copy of Bravo! Vail's Insurance policy enclosed in this packet.

## **ESTIMATED NUMBER OF ATTENDEES**

100 people including ticket purchasers, artists, guests, and staff

**Will any temporary structures such as bleachers, stages, tents, platforms, etc. be utilized at the event?** There will be a temporary 20'x60' framed white tent, along with a 12'x16' stage at the front entrance of the home during the event. Please find a tent diagram enclosed in this packet.

**Will it be necessary to close any public streets to accommodate traffic or activities for the event?** There will be no closing of public streets during the event.

**Is there a separate contract for sanitation and recycling?** No

**Does the event anticipate VIP's, celebrities or special guests?** No

**Will there be amplified music, public address systems or other noise impacts?** Yes, nine string musicians from the Academy of St Martin in the Fields will have a performance between 6:45pm-7:45pm with amplified sound. The performance will take place in the tent at the front entrance of the residence.

**Will there be fires, fireworks or pyrotechnics at the event?** No

**Will the event take place near any residential neighborhoods?** Yes, this event will take place on Primrose Drive in the Mountain Star neighborhood. A public notice will be present for 10 days prior to the Special Events Permit hearing, and nearby residences will be notified of the event.

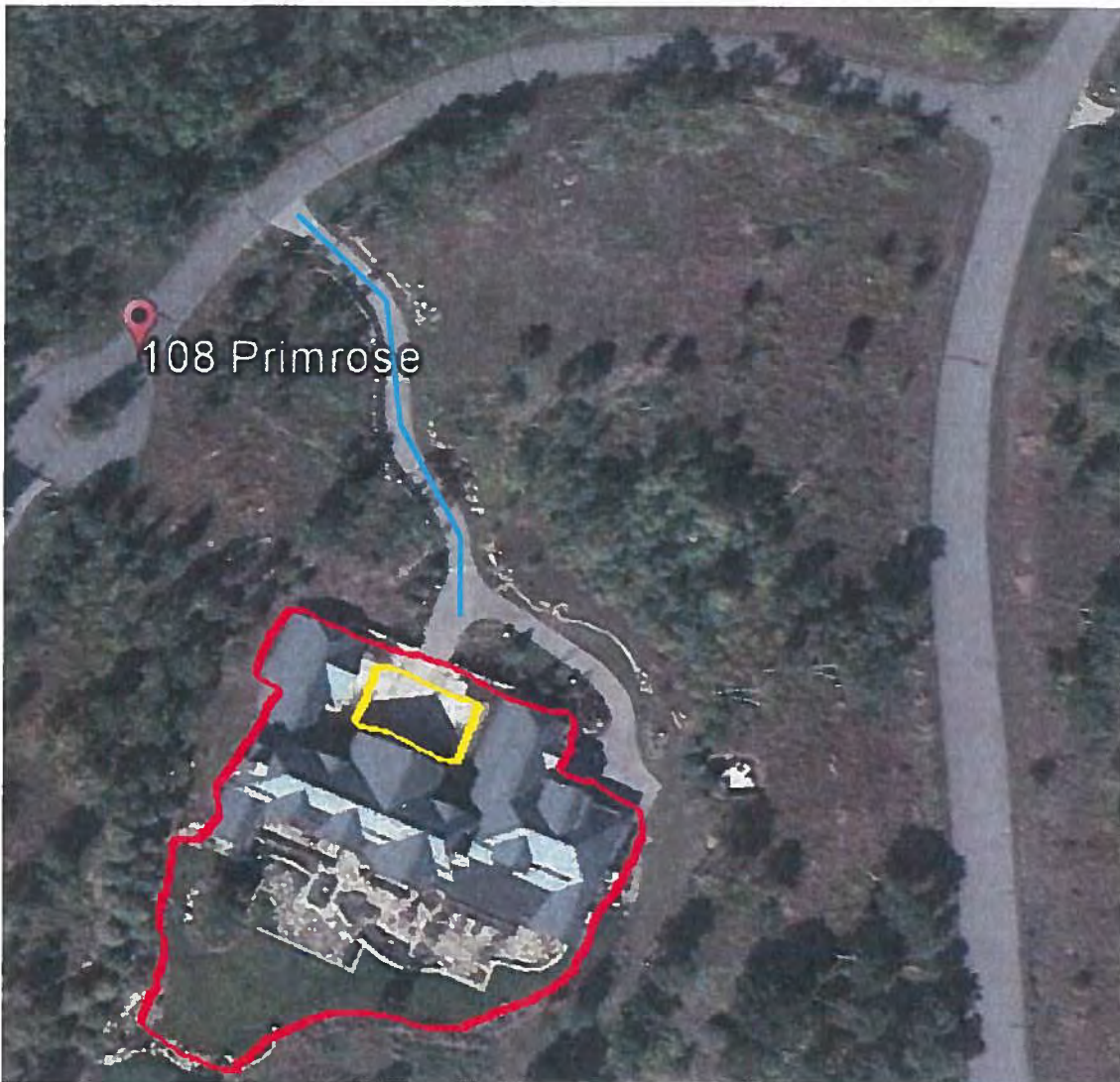
## **PARKING LOGISTICS**

Bravo! Vail has hired VIP Parking Solutions to provide valet parking for all guests. No public transportation will be utilized for this event. The majority of vehicles will be parked along the residence driveway, and the few remaining will be parking along Primrose Drive by the valet service.



**Diagram for Licensed Area  
The de Vink Residence  
108 Primrose, Avon, CO 81620**

The **red line** indicates the perimeter of the licensed area  
The **yellow square** indicates the location of the 20' x 60' temporary tent for where the performance will be held between 6:45pm-7:45pm.  
The **blue line** indicates the entrance and exit for attendees







## LIQUOR LICENSING AUTHORITY REPORT

**To:** Avon Liquor Licensing Authority  
**From:** Debbie Hoppe, Town Clerk  
**Meeting Date:** May 09, 2017  
**Agenda topic:** SPECIAL EVENTS PERMIT APPLICATION – PUBLIC HEARING

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### **ACTION BEFORE COUNCIL**

The Town Council serving as the Local Liquor Licensing Authority will consider a Special Events Permit Application for the upcoming Ride Avon First event. A public hearing is required before final action is taken.

Applicant Name: Eagle Valley Humane Society  
Event Name: Ride Avon First  
Event Date: May 20, 2017; 1:00 pm until 7:00 pm  
Location: Nottingham Park  
Event Manager: Char Gonsenica  
Permit Type: Malt, Vinous & Spirituous

### **PROPOSED MOTION**

I move to approve (or deny) the Special Events Permit application for Eagle Valley Humane Society Ride Avon First event.

### **SUMMARY**

The Applicant has submitted the appropriate materials required by the State of Colorado Liquor Enforcement Division and all materials are in order. Eagle Valley Humane Society is applying for malt, vinous, spirituous liquor permit to serve/sell beverages at the Ride Avon First event on May 20, 2017. The Nottingham Park premise has been posted with notice of the public hearing for this application. The event manager will be present to answer question about the application. There are local liquor licensing fees associated with the special event permit; the applicant has submitted the appropriate local fees.

The Applicant is a Charitable Organization in good standing with the Secretary of State, State of Colorado. The Applicant has provided adequate proof of commercial liability insurance that meets the Town's requirements. The background check indicated no criminal violations. These documents are on file in the Town Clerk's office.

### **BACKGROUND**

Special Events permits are issued by the Liquor Enforcement Division and the Local Licensing Authority to allow particular types of organizations, municipalities, and political candidates to sell, serve or distribute alcohol beverages in connection with public events. Because of their temporary nature, needs and desires (reasonable requirements of the neighborhood) are not considered by the licensing authorities as a condition of issuance. Applications are made directly with the local licensing authority having jurisdictions over the place of the event. Article 48 of Title 12 regulates the issuance of special events permits.

Note that these permits may only be issued for prescribed hours during the day and for not more than 15 days in any one calendar year.

**SPECIAL EVENTS PERMIT APPLICATIONS ATTACHMENTS:**

The applicants for the special events permit have submitted the following materials:

- ✓ Application for a Special Events Permits (State form DR 8439)
- ✓ Alcohol Management Plan
- ✓ Diagram where liquor will be served

## APPLICATION FOR A SPECIAL EVENTS PERMIT

**IN ORDER TO QUALIFY FOR A SPECIAL EVENTS PERMIT, YOU MUST BE NONPROFIT AND ONE OF THE FOLLOWING (See back for details.)**

- |  |  |  |
|--|--|--|
| <input checked="" type="checkbox"/> SOCIAL | <input type="checkbox"/> ATHLETIC                              | <input type="checkbox"/> PHILANTHROPIC INSTITUTION           |
| <input type="checkbox"/> FRATERNAL         | <input type="checkbox"/> CHARTERED BRANCH, LODGE OR CHAPTER    | <input type="checkbox"/> POLITICAL CANDIDATE                 |
| <input type="checkbox"/> PATRIOTIC         | <input type="checkbox"/> OF A NATIONAL ORGANIZATION OR SOCIETY | <input type="checkbox"/> MUNICIPALITY OWNING ARTS FACILITIES |
| <input type="checkbox"/> POLITICAL         | <input type="checkbox"/> RELIGIOUS INSTITUTION                 |  |

<b>LIAB TYPE OF SPECIAL EVENT APPLICANT IS APPLYING FOR:</b>	<b>DO NOT WRITE IN THIS SPACE</b>
2110 <input checked="" type="checkbox"/> MALT, VINOUS AND SPIRITUOUS LIQUOR \$25.00 PER DAY	LIQUOR PERMIT NUMBER
2170 <input type="checkbox"/> FERMENTED MALT BEVERAGE (3.2 Beer) \$10.00 PER DAY	

1. NAME OF APPLICANT ORGANIZATION OR POLITICAL CANDIDATE <b>Eagle Valley Humane Society</b>	State Sales Tax Number (Required)
--	-----------------------------------

2. MAILING ADDRESS OF ORGANIZATION OR POLITICAL CANDIDATE (include street, city/town and ZIP)  <b>PO Box 4105 Eagle, CO 81631</b>	3. ADDRESS OF PLACE TO HAVE SPECIAL EVENT (include street, city/town and ZIP)  <b>Nottingham Park Avon, Colorado 81620</b>
--	---

NAME	DATE OF BIRTH	HOME ADDRESS (Street, City, State, ZIP)	PHONE NUMBER
4. PRES./SEC'Y OF ORG. or POLITICAL CANDIDATE <b>William Loper</b>		<b>784 Potato Patch Vail, CO 81657</b>	<b>476-4482</b>
5. EVENT MANAGER <b>Char Gonsenica</b>		<b>PO Box 1051 Avon, CO 81620</b>	<b>970-280-5738</b>
6. HAS APPLICANT ORGANIZATION OR POLITICAL CANDIDATE BEEN ISSUED A SPECIAL EVENT PERMIT THIS CALENDAR YEAR? <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES HOW MANY DAYS? _____	7. IS PREMISES NOW LICENSED UNDER STATE LIQUOR OR BEER CODE? <input checked="" type="checkbox"/> NO <input type="checkbox"/> YES TO WHOM? _____		

8. DOES THE APPLICANT HAVE POSSESSION OR WRITTEN PERMISSION FOR THE USE OF THE PREMISES TO BE LICENSED?  Yes  No

LIST BELOW THE EXACT DATE(S) FOR WHICH APPLICATION IS BEING MADE FOR PERMIT

Date	Date	Date	Date	Date
5/20/2017				
Hours From To	Hours From To	Hours From To	Hours From To	Hours From To
From 1p To 7p				

**OATH OF APPLICANT**

*I declare under penalty of perjury in the second degree that I have read the foregoing application and all attachments thereto, and that all information therein is true, correct, and complete to the best of my knowledge.*

SIGNATURE	TITLE <b>Executive Director</b>	DATE <b>4/25/2017</b>
-----------	------------------------------------	--------------------------

**REPORT AND APPROVAL OF LOCAL LICENSING AUTHORITY (CITY OR COUNTY)**

The foregoing application has been examined and the premises, business conducted and character of the applicant is satisfactory, and we do report that such permit, if granted, will comply with the provisions of Title 12, Article 48, C.R.S., as amended.

**THEREFORE, THIS APPLICATION IS APPROVED.**

LOCAL LICENSING AUTHORITY (CITY OR COUNTY) <b>Town of Avon</b>	<input checked="" type="checkbox"/> CITY <input type="checkbox"/> COUNTY	TELEPHONE NUMBER OF CITY/COUNTY CLERK <b>(970) 748-4001</b>
SIGNATURE	TITLE	DATE

**DO NOT WRITE IN THIS SPACE - FOR DEPARTMENT OF REVENUE USE ONLY**

LIABILITY INFORMATION			
License Account Number	Liability Date	State	TOTAL
		-750 (999)	\$

### Alcohol Management Plan

The event, Ride Avon First, will be held at the Nottingham Park, in Avon o May 20<sup>th</sup>, 2017 The area to be included is the main athletic field. Public will be able to access the event from all park entrances. There will be one (1) alcohol sales tent.

At 7 p.m. alcohol sales will stop and the remaining alcohol will be loaded into a secure vehicle for transportation away from the event.

Event perimeter will have "No Alcohol Beyond This Point" signs posted as patrons enter and depart the event. Town of Avon Volunteers will monitor the entrance/exits to make sure that alcohol does not come in or out of the permitted area.

Alcohol and ID Check: We will have 4 volunteers, those volunteers serving alcohol will be TIPS trained and will only serve two (2) beverages at a time to one (1) individual.

**Alcohol  
Perimeter  
Ride Avon  
First**

Pavillon at Hart A...

Avon Soccer Field  
- Upper (East)

Google





**TOWN OF AVON, COLORADO**  
**AVON LIQUOR LICENSING AUTHORITY MEETING MINUTES FOR TUESDAY, APRIL 25, 2017**  
AVON TOWN HALL, ONE LAKE STREET

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**1. CALL TO ORDER AND ROLL CALL**

Chairman Fancher called the meeting to order at 5:03 p.m. A roll call was taken and Board members present were Megan Burch, Amy Phillips, Jake Wolf and Sarah Smith Hymes. Scott Prince and Matt Gennett were absent. Also present were Town Manager Virginia Egger, Town Attorney Eric Heil, Police Chief Greg Daly, Recreation Director John Curutchet, Executive Assistant to the Town Manager Preston Neill and Town Clerk Debbie Hoppe.

Matt Gennett arrived at 5:04 p.m.

**2. APPROVAL OF AGENDA**

There were no changes to the agenda.

**3. PUBLIC COMMENT – COMMENTS ARE WELCOME ON TOPICS NOT ON THE AGENDA**

No public comments were made.

**4. RENEWAL OF LIQUOR LICENSES**

Start time: 00:00:38

4.1. Applicant: Montana's Cantina & Grill LLC d/b/a Montana's Smokehouse

Location: 82 E Beaver Creek Blvd. Unit 114

Type: Hotel and Restaurant License

Manager: Thomas Beaver

The application was presented to the Board and no concerns were raised. Tom Beaver was present to answer any questions and provided information regarding business hours.

Board member Smith Hymes moved to approve the renewal application for Montana's Cantina & Grill LLC d/b/a Montana's Smokehouse. Board member Phillips seconded the motion and it passed unanimously. Board member Prince was absent.

4.2. Applicant: East West Resorts LLC & Avon Riverfront LLC d/b/ a Westin Riverfront Resort & Spa & Maya

Location: 126 Riverfront Lane

Type: Resort Complex License

Manager: Kristen Pryor

The application was presented to the Board and no concerns were raised. Kevin Dolonay was present to answer any questions and gave an update on the remodel to the lobby bar.

Board member Smith Hymes moved to approve the renewal application for East West Resorts LLC & Avon Riverfront LLC d/b/ a Westin Riverfront Resort & Spa & Maya. Board member Phillips seconded the motion and it passed unanimously. Board member Prince was absent.



TOWN OF AVON, COLORADO  
AVON LIQUOR LICENSING AUTHORITY MEETING MINUTES FOR TUESDAY, APRIL 25, 2017  
AVON TOWN HALL, ONE LAKE STREET

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**5. MINUTES FROM APRIL 11, 2017**

Start time: 00:04:50

Board member Burch moved to approve the minutes from April 11, 2017, Liquor Authority meeting. Board member Phillips seconded the motion and it passed unanimously. Board member Prince was absent.

**6. ADJOURNMENT**

There being no further business to come before the Board, Mayor Fancher moved to adjourn the liquor meeting. The time was 5:08 p.m.

**RESPECTFULLY SUBMITTED:**

\_\_\_\_\_  
Debbie Hoppe, Secretary

**APPROVED:**

Jennie Fancher

Sarah Smith Hymes

Jake Wolf

Megan Burch

Matt Gennett

Scott Prince

Amy Phillips

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## TOWN COUNCIL REPORT

To: Honorable Mayor Jennie Fancher and Avon Town Council  
From: Preston Neill, Executive Assistant to the Town Manager  
Date: May 9, 2017  
Agenda Topic: Town of Avon Website Redesign Presentation

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### OVERVIEW:

Liz Wood, Communications Manager, will attend Tuesday's meeting to give a brief presentation about the Town website's redesign, which launched on May 1, 2017.

### SUMMARY:

In May 2016, the Town Council adopted the *Town of Avon Marketing Plan*. The *Marketing Plan* includes an "Implementation" section that identifies priorities for 2016 and 2017. One of the recommended priorities is to "Re-design avon.org website." The priority specifies the following:

- Integrate visual brand standards and key messages.
- Design to include a stronger emphasis on key information and issues.
- Focus on community engagement options.

After the Town solicited proposals from three (3) website firms in May 2016, CivicPlus, a firm that specializes in developing websites for local governments, was retained to complete a new, responsive design of the Town's website and provide annual support, maintenance and hosting services. The total cost to the Town for the website redesign was \$3,500 and the annual hosting fee was reduced by 41%.

A Website Stakeholder Group was formed and met once in December 2016, and once in January 2017, to review design ideas and proofs and to get feedback about the best design options. The Group was comprised of the following individuals:

- Sarah Smith Hymes, Mayor Pro Tem
- Megan Burch, Councilor
- Virginia Egger, Town Manager
- Greg Daly, Chief of Police
- Matt Pielsticker, Planning Director
- John Curutchet, Recreation Director
- Rego Omerigic, Fleet Director
- Preston Neill, Assistant to the Town Manager
- Liz Wood, Communications Manager
- Valerie Barry, Finance Manager
- Jamie Taylor, Guest Services Coordinator
- Matt Koch, Recreation Programs Coordinator
- David McWilliams, Planner
- Dennis McMahan, HyFyve
- Phil Struve, Avon resident
- Chris Cofelice, Westin

To check out the new design, go to [www.avon.org](http://www.avon.org).





## **TOWN COUNCIL REPORT**

Assistant Town Manager Scott Wright will have a PowerPoint presentation at the meeting covering the Finance Department programs.



## TOWN COUNCIL REPORT

**To:** Honorable Mayor Jennie Fancher and Avon Town Council

**From:** Scott Wright, Asst. Town Manager

**Date:** May 9, 2017

**Topic:** Presentation of 2016 Comprehensive Annual Financial Report and Communication with Governing Body

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### **Action Before Council**

On Tuesday evening, Paul Backes with McMahon & Associates, the Town's independent auditing firm, will present their audit findings to the Avon Town Council. In addition, I will have a brief PowerPoint presentation covering the financial highlights from 2016.

### **Recommended Motion**

After presentation of the audit report from the auditors, the Town Council should accept the report. The recommended motion would be "Move to accept the 2016 Comprehensive Annual Financial Report".

### **Attachments:**

2016 Comprehensive Annual Financial Report  
Communication with Governing Body



# MCMAHAN AND ASSOCIATES, L.L.C.

*Certified Public Accountants and Consultants*

CHAPEL SQUARE, BLDG C  
245 CHAPEL PLACE, SUITE 300  
P.O. Box 5850, Avon, CO 81620

WEB SITE: WWW.MCMAHANCPA.COM  
MAIN OFFICE: (970) 845-8800  
FACSIMILE: (970) 845-8108  
E-MAIL: MCMAHAN@MCMAHANCPA.CO

## **To the Honorable Mayor and Town Council Town of Avon, Colorado**

We have audited the financial statements of Town of Avon, Colorado for the year ended December 31, 2016. Professional standards require that we provide you with the following information related to our audit.

### *Qualitative Aspects of Accounting Policies*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Town of Avon, Colorado are described in the Notes to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. There are no significant transactions that have been recognized in the financial statements in a different period than when the transaction occurred.

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

*Estimated useful lives for depreciation on fixed assets: Management's estimate of depreciation is based on industry practice and experience.*

*Allowance for doubtful accounts: The Town has a number of receivables from developers and others. Some of the amounts owed to the Town may be uncollectable. The Town has recorded an allowance for doubtful accounts to reflect any anticipated default on receivables.*

*Estimated claims reserve: Management's estimate of the claims reserve liability is based on actual claims activity relative to stop loss refunds and premiums charged to departments.*

*We evaluated the key factors and assumptions used to develop estimates above and found that they are reasonable in relation to the financial statements taken as a whole.*

### *Difficulties Encountered in Performing the Audit*

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

*Member: American Institute of Certified Public Accountants*

PAUL J. BACKES, CPA, CGMA  
MICHAEL N. JENKINS, CA, CPA, CGMA  
DANIEL R. CUDAHY, CPA, CGMA

AVON: (970) 845-8800  
ASPEN: (970) 544-3996  
FRISCO: (970) 668-3481

### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no misstatements detected as a result of audit procedures which were material, either individually or in the aggregate, to the financial statements taken as a whole.

### *Disagreements with Management*

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

### *Management Representations*

As is required in an audit engagement we have requested certain representations from management that are included in the management representation letter.

### **Governmental Accounting Standards Board Statement 75:**

Financial reporting standards for the Town are promulgated by the Governmental Accounting Standards Board ("GASB"). GASB has issued Statement 75 (*Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*) which requires employers to recognize their long-term obligation for other post-employment benefits as a liability on the Statement of Net Assets. The Statement also requires significant revised and new note disclosures and required supplementary information (RSI). Recording the Town's share of the Fire and Police Pension Association ("FPPA") net benefit liability relating to your participation in FPPA's Statewide Death and Disability Fund will likely have a material impact on the Town's financial statements. GASB 75 is required to be implemented for periods beginning after June 15, 2017.

### **Controls over Cash Receipting at Court Clerk:**

The Court Clerk has access to all functions of the citation revenue cycle, including inputting new citations, amending the citation and accepting cash. In order to maintain strong internal control, these duties should be segregated. We recommended that the Town either segregate the function of recording cash transactions and citations from cash handling, or have a supervisor review an audit log report on a regular basis, to monitor any voids or adjustments to citations.

The weekly deposit of court receipts is reconciled by Finance in the aggregate to the cash balance report from the citation tracking software. However, we recommend adding a reconciliation by tender type (e.g. cash, checks) to the cash balance report. Any variances by tender type should be investigated and documented in the deposit support.

### **Fees Approved by Ordinance:**

Currently the Town Council does not annually approve fees and rates by resolution. We recommend that the Town Attorney and staff review the process for approving Town fees and rates to ensure that these are updated annually. Additionally, the fees should be accessible to the residents or other users via the Town's website or other medium.

*To the Honorable Mayor and Town Council  
Town of Avon, Colorado  
Page 3*

This letter is intended solely for the information and use of the Town Council, management, and others within the organization and is not intended to be, and should not be, used by anyone other than those specified parties.

Sincerely,

*McMahan and Associates, L.L.C.*

**McMahan and Associates, L.L.C.  
May 4, 2017**

## **Town of Avon, Colorado, CO**

**McMahan & Associates, LLC**  
**P.O. Box 5850**  
**Avon, Colorado 81620**

This representation letter is provided in connection with your audit of the financial statements of Town of Avon, Colorado, Colorado (the "Town"), which comprise the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions as to whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America.

Certain representations in this letter are described as being limited to matters that are material. Matters noted below in respect of the Town's supplementary information about federal awards programs are considered material based on the materiality criteria specified in Title 2 of the U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (the "Uniform Guidance"). Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

We confirm, to the best of our knowledge and belief, as of the date of this letter, the following representations made to you during your audit.

### **Financial Statements:**

- We have fulfilled our responsibilities, as set out in the terms of the audit agreement dated November 2, 2016.
- The financial statements referred to above are fairly presented in conformity with accounting principles generally accepted in the United States of America and include all properly classified funds and other financial information of the primary government and all component units required by accounting principles generally accepted in the United States of America to be included in the financial reporting entity.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- Significant assumptions we used in making accounting estimates are reasonable.
- Related party relationships and transactions, including revenues, expenditures/expenses, loans, transfers, leasing arrangements, guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of accounting principles generally accepted in the United States of America.
- All events subsequent to the date of the financial statements and for which accounting principles generally accepted in the United States of America requires adjustment or disclosure have been adjusted or disclosed. No events, including instances of noncompliance, have occurred subsequent to the balance sheet date and through the date of this letter that would require adjustment to or disclosure in the aforementioned financial statements or in the schedule of findings and questioned costs.

**Financial Statements (continued):**

- The effects of all known actual or possible litigation, claims, and assessments have been accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America
- The effects of any uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit.
- Guarantees, whether written or oral, under which the Town is contingently liable, if any, have been properly recorded or disclosed.
- As part of your engagement, you assisted with preparation of the financial statements and related notes and the schedule of expenditures of federal awards ("SEFA"). We have designated an individual with suitable skill, knowledge, or experience to oversee your services and have made all management decisions and performed all management functions. We have reviewed, approved, and accepted responsibility for those financial statements and related notes and the SEFA.

**Information Provided:**

- We have provided you with:
  - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements, such as records, documentation, and other matters and all audit or relevant monitoring reports, if any, received from funding sources.
  - Additional information that you have requested from us for the purpose of the audit.
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - Minutes of the meetings of the Town Council or summaries of actions of recent meetings for which minutes have not yet been prepared.
- All material transactions have been recorded in the accounting records and are reflected in the financial statements and the SEFA.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any material fraud or suspected material fraud that affects the entity and involves:
  - Management,
  - Employees who have significant roles in internal control, or
  - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of material fraud or suspected material fraud affecting the entity's financial statements communicated by employees, former employees, regulators, or others.
- We have disclosed to you all known instances of noncompliance or suspected noncompliance with provisions of laws, regulations, contracts, or grant agreements, or abuse, whose effects should be considered when preparing financial statements.

**Information Provided (continued):**

- We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

**Government – Specific:**

- We have made available to you all financial records and related data and all audit or relevant monitoring reports, if any, received from funding sources.
- There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- We have a process to track the status of audit findings and recommendations.
- We have taken timely and appropriate steps to remedy fraud, violations of laws, regulations, contracts, or grant agreements, or abuse reported to us.
- We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
- The Town has no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.
- We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to us, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
- We are aware of the fiscal requirements imposed by section 20 of Article X of the Constitution of the State of Colorado, commonly known as the "TABOR Amendment", and have complied with these requirements appropriately.
- Except as made known to you and disclosed in the financial statements, There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
- Except as made known to you and disclosed in the financial statements, The Town has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged as collateral.
- The Town has complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
- The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures and other related organizations.
- The financial statements properly classify all funds and activities.
- All funds that meet the quantitative criteria in GASB Statements No. 34 and No. 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
- Components of net position (net investment in capital assets; restricted; and unrestricted) and equity amounts are properly classified and, if applicable, approved.



**Government – Specific (continued):**

- Deposits and investment securities are properly classified as to risk, and investments and derivative instruments, if any, are properly valued.
- Provisions for uncollectible receivables have been properly identified and recorded.
- Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
- Revenues are appropriately classified in the statement of activities within program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
- Special and extraordinary items are appropriately classified and reported.
- Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
- We have appropriately disclosed the Town's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available and have determined that net position was properly recognized under the policy.
- We acknowledge our responsibility for the required supplementary information. The required supplementary information is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the required supplementary information.
- With respect to the supplementary information on which an "in-relation-to" opinion is issued:
  - We acknowledge our responsibility for presenting the supplementary information in accordance with accounting principles generally accepted in the United States of America, and we believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America. The methods of measurement and presentation of the supplementary information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
  - If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditor's report thereon.
- With respect to the supplementary information about federal awards programs on which an "in-relation-to" opinion is issued:
  - We are responsible for understanding and complying with, and have complied with, the requirements of the Uniform Guidance, including requirements relating to preparation of the SEFA.
  - We have prepared the SEFA in accordance with the Uniform Guidance, and have identified and disclosed in the SEFA expenditures made during the audit period for all awards provided by federal agencies in the form of grants, federal cost-reimbursement contracts, loans, loan guarantees, property (including donated surplus property), cooperative agreements, interest subsidies, insurance, food commodities, direct appropriations, and other direct assistance.
  - We acknowledge our responsibility for presenting the SEFA in accordance with the requirements of the Uniform Guidance, and we believe the SEFA, including its form and content, is fairly presented in accordance with the Uniform Guidance. The methods of measurement and presentation of the SEFA have not changed from those used in the prior period and we have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the SEFA.

**Government – Specific (continued):**

- If the SEFA is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the SEFA no later than the date we issue the SEFA and the auditor's report thereon.
- We have identified and disclosed to you all of our government programs and related activities subject to the Uniform Guidance.
- We are responsible for understanding and complying with, and have complied with, the requirements of laws, regulations, and the provisions of contracts and grant agreements related to each of our federal programs and have identified and disclosed to you the requirements of laws, regulations, and the provisions of contracts and grant agreements that are considered to have a direct and material effect on each major program.
- We are responsible for establishing and maintaining, and have established and maintained, effective internal control over compliance requirements applicable to federal programs that provides reasonable assurance that we are managing our federal awards in compliance with laws, regulations, and the provisions of contracts and grant agreements that could have a material effect on our federal programs. We believe the internal control system is adequate and is functioning as intended.
- We have made available to you all contracts and grant agreements (including amendments, if any) and any other correspondence with federal agencies or pass-through entities relevant to federal programs and related activities.
- We have received no requests from a federal agency to audit one or more specific programs as a major program.
- We have complied with the direct and material compliance requirements (except for noncompliance disclosed to you), including when applicable, those set forth in the U.S. Office of Management and Budget *OMB Compliance Supplement*, relating to federal awards and have identified and disclosed to you all amounts questioned and all known noncompliance with the requirements of federal awards.
- We have disclosed any communications from grantors and pass-through entities concerning possible noncompliance with the direct and material compliance requirements, including communications received from the end of the period covered by the compliance audit to the date of the auditor's report.
- We have disclosed to you the findings received and related corrective actions taken for previous audits, attestation engagements, and internal or external monitoring that directly relate to the objectives of the compliance audit, including findings received and corrective actions taken from the end of the period covered by the compliance audit to the date of the auditor's report.
- Amounts claimed or used for matching were determined in accordance with relevant guidelines in the Uniform Guidance.
- We have disclosed to you our interpretation of compliance requirements that may have varying interpretations.
- We have made available to you all documentation related to compliance with the direct material compliance requirements, including information related to federal program financial reports and claims for advances and reimbursements.
- We have disclosed to you the nature of any subsequent events that provide additional evidence about conditions that existed at the end of the reporting period affecting noncompliance during the reporting period.
- There are no such known instances of noncompliance with direct and material compliance requirements that occurred subsequent to the period covered by the auditor's report.
- No changes have been made in internal control over compliance or other factors that might significantly affect internal control – including any corrective action we have taken regarding significant deficiencies in internal control over compliance (including material weaknesses in internal control over compliance) – have occurred subsequent to the date as of which compliance was audited.

**Government – Specific (continued):**

- Federal program financial reports and claims for advances and reimbursements are supported by the books and records from which the financial statements have been prepared.
- The copies of federal program financial reports provided you are true copies of the reports submitted, or electronically transmitted, to the respective federal agency or pass-through entity, as applicable.
- We have monitored subrecipients to determine that they have expended pass-through assistance in accordance with applicable laws and regulations and have met the requirements of the Uniform Guidance.
- We have taken appropriate action, including issuing management decisions, on a timely basis after receipt of subrecipients' auditor's reports that identified noncompliance with laws, regulations, or the provisions of contracts or grant agreements and have ensured that subrecipients have taken the appropriate and timely corrective action on findings.
- We have considered the results of subrecipient audits and have made any necessary adjustments to our books and records.
- We have charged costs to federal awards in accordance with applicable cost principles.
- We are responsible for and have accurately prepared the summary schedule of prior audit findings to include all findings required to be included by the Uniform Guidance and we have provided you with all information on the status of the follow-up on prior audit findings by federal awarding agencies and pass-through entities, including all management decisions.
- We are responsible for and have accurately prepared the auditee section of the Data Collection Form as required by the Uniform Guidance.
- We are responsible for preparing and implementing a corrective action plan for each audit finding.
- As applicable, we have disclosed to you all contracts or other agreements with service organizations, and we have disclosed to you all communications from the service organizations relating to noncompliance at the service organizations.

**Town of Avon, Colorado**

**BY:**

\_\_\_\_\_  
Scott Wright  
Finance Director – Town of Avon

\_\_\_\_\_  
May 4, 2017  
Date

\_\_\_\_\_  
Jennie Fancher  
Town of Avon Mayor

\_\_\_\_\_  
May 4, 2017  
Date



## Town of Avon, Colorado

### Comprehensive Annual Financial Report

*for the year ended December 31, 2016*

Prepared by:  
Department of Finance

Scott C. Wright, CPA, CPFO  
Asst. Town Manager / Director of Finance

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**TOWN OF AVON, COLORADO**  
**LIST OF ELECTED AND APPOINTED OFFICIALS**  
**December 31, 2016**

TOWN COUNCIL

Jennie Fancher, Mayor  
Sarah Smith Hymes, Mayor Pro Tem  
Megan Burch  
Matt Gennett  
Amy Phillips  
Scott Prince  
Jake Wolf

MANAGEMENT

Virginia Egger, Town Manager  
Preston Neill, Executive Assistant to the Town Manager  
Scott Wright, Asst. Town Manager / Finance Director  
John Curutchet, Recreation Director  
Greg Daly, Police Chief  
Justin Hildreth, Town Engineer  
Rego Omerigic, Fleet Director  
Gary Padilla, Public Works Director  
Matt Pielsticker, Planning Director  
Lance Richards, Human Resources Director  
Eva Wilson, Transportation Director

# TOWN OF AVON, COLORADO

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## COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2016

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# TOWN OF AVON, COLORADO

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Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

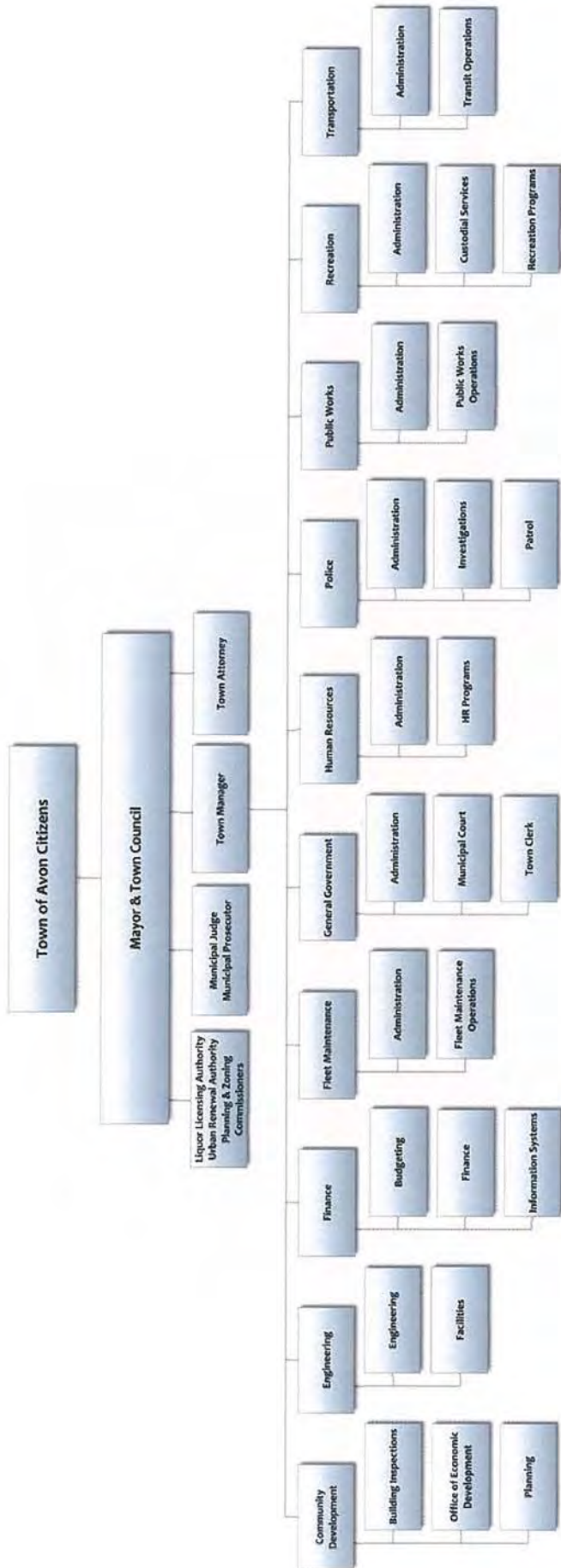
Presented to

**Town of Avon  
Colorado**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2015**

Executive Director/CEO





## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Town Council  
Town of Avon, Colorado

### *Report on the Financial Statements*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Town of Avon, Colorado, Colorado (the "Town"), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

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

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

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

### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Town of Avon, Colorado, Colorado as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Member: American Institute of Certified Public Accountants*

**INDEPENDENT AUDITOR'S REPORT  
To the Honorable Mayor and Town Council  
Town of Avon, Colorado**

***Other Matters***

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis on pages 3-16 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The budgetary comparison information on pages 55-58 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. The budgetary comparison information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's financial statements taken as a whole. The introductory section, combining fund financial statements, individual fund budgetary information, the Debt Schedule, the Local Highway Finance Report, and the statistical section listed in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the Town's financial statements. The combining fund financial statements, the individual fund budgetary information, the Debt Schedule, detailed budgetary schedules and the Local Highway Finance Report on pages 59-87 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 31, 2016 on our consideration of the Town's internal control over financial reporting and on our tests of its compliance with provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

**McMahan and Associates, L.L.C.  
Avon, Colorado  
May 4, 2017**

## Management's Discussion and Analysis

As management of the Town of Avon, we offer readers of the Town of Avon's financial statements this narrative overview and analysis of the financial activities of the Town of Avon for the fiscal year ended December 31, 2016. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found in the introductory section of this report.

### Financial Highlights

- The assets of the Town exceeded its liabilities and deferred inflows at the close of its fiscal year ended December 31, 2016 by \$95,221,682 (net position). Of this amount, \$17,250,037 is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors in accordance with the Town's fund designation and fiscal policies as more fully described below.
- The Town's total net position increased by \$2,024,709.
- As of the close of the fiscal year, the Town's governmental funds reported combined ending fund balances of \$18,861,212, an increase of \$3,816,830 from the prior year. Approximately 28.2 percent of this total amount, \$5,312,950, is available for spending at the Town's discretion (unassigned fund balance).
- The unassigned fund balance for the General Fund was \$5,312,950, or 33.5 percent of total General Fund expenditures and other financing uses. This represents a \$403,966 increase from the prior year.
- The Town of Avon's long-term liabilities increased by a net \$5,099,825 during the current fiscal year. Regular principal payments were made on bonded debt of \$1,405,000, and capital leases of \$170,828. New debt of \$6,602,205 including bond premium of \$302,205 was issued.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the Town of Avon'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 supplementary information 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 of Avon's finances, in a manner similar to a private sector business.

The *statement of net position* presents information on all of the Town of Avon's assets and liabilities, with the difference between the two 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., earned but unused compensated absences).

Both of the government-wide financial statements distinguish functions of the Town of Avon 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 of Avon include general government, community development, public safety, public works and utilities, and recreation and culture. The business-type activities of the Town include transportation and fleet maintenance operations.

The government-wide financial statements include not only the Town of Avon itself (known as the *primary government*), but also the Avon Urban Renewal Authority, a legally separate entity, which was established in August, 2007 to undertake urban renewal plans and projects with the Town. All members of the governing body are Town Council members. For financial reporting purposes, AURA is blended into the Town's financial statements and is reported as a major fund in the basic financial statements.

The government-wide financial statements can be found on pages 17-19 of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Town of Avon, 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.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflow and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Town's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Town of Avon maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Avon Urban Renewal Authority fund, water fund, debt service fund and capital projects fund, all of which are considered to be major funds. Data from the other two nonmajor governmental funds (community enhancement fund, affordable housing fund) are combined into a single, aggregate presentation.

Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report. The basic governmental fund financial statements can be found on pages 20-23 of this report.

***Proprietary funds.*** The Town of Avon maintains two different types of proprietary funds. *Enterprise funds* are used to report the same function presented as business-type activities in the government-wide financial statements. The Town of Avon uses enterprise funds to account for its transportation operations and its fleet maintenance operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Town's various functions. The Town of Avon uses an internal service fund to account for the rental of vehicles and equipment to Town departments for the accumulation of funds for future replacement. Because this service predominately benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

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 the transit fund and the fleet maintenance fund operations. Separate information is also provided for the Town's internal service fund. The basic proprietary fund financial statements can be found on pages 24-27 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 28-54 of this report.

***Required Supplemental Information.*** In addition to the basic financial statements and accompanying notes, this report also presents certain other required supplemental information. The Town of Avon adopts an annual appropriated budget for its General Fund and major special revenue fund. Budgetary comparison statements have been provided for the General Fund, Avon Urban Renewal Authority Fund, and Water Fund to demonstrate compliance with these budgets and can be found on pages 55-57 of this report.

***Other Supplemental Information.*** The combining statements referred to earlier in connection with nonmajor governmental funds are presented under other supplemental information immediately following the required supplemental information. Individual fund statements and schedules and other miscellaneous schedules can also be found in this section on pages 59-87 of this report.



## Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Town of Avon, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$95,221,682 as of December 31, 2016.

The largest portion of the Town's net position (73%) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, and infrastructure), net of any related debt used to acquire those assets that is still outstanding. The Town uses these assets to provide services to citizens, consequently, these assets are not available for future spending. Although the Town's investment in 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.

An additional portion of the Town's net position (8.9%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position (18.1%) may be used to meet the Town's ongoing obligations to citizens and creditors.

### Condensed Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Current and Other Assets	\$ 22,060,949	\$ 20,792,760	\$ 1,088,169	\$ 1,052,897	\$ 23,149,118	\$ 21,845,657
Restricted Assets	7,065,106	4,025,445	-	-	7,065,106	4,025,445
Capital Assets, net	<u>76,741,508</u>	<u>73,426,653</u>	<u>14,201,730</u>	<u>14,602,496</u>	<u>90,943,238</u>	<u>88,029,149</u>
Total Assets	<u>105,867,563</u>	<u>98,244,858</u>	<u>15,289,899</u>	<u>15,655,393</u>	<u>121,157,462</u>	<u>113,900,251</u>
Deferred Outflows of Resources	-	13,176	-	-	-	13,176
Other Liabilities	2,243,412	1,547,523	82,862	106,845	2,326,274	1,654,368
Noncurrent Liabilities	<u>19,004,448</u>	<u>13,716,889</u>	<u>2,821,824</u>	<u>3,009,558</u>	<u>21,826,272</u>	<u>16,726,447</u>
Total Liabilities	<u>21,247,860</u>	<u>15,264,412</u>	<u>2,904,686</u>	<u>3,116,403</u>	<u>24,152,546</u>	<u>18,380,815</u>
Deferred Inflows of Resources	<u>1,737,308</u>	<u>2,289,299</u>	<u>45,926</u>	<u>46,340</u>	<u>1,783,234</u>	<u>2,335,639</u>
Net Position:						
Net Investment in Capital Assets	58,088,785	60,000,945	11,430,538	11,633,282	69,519,323	71,634,227
Restricted	8,452,322	9,419,457	-	-	8,452,322	9,419,457
Unrestricted	<u>16,341,288</u>	<u>11,283,921</u>	<u>908,749</u>	<u>859,368</u>	<u>17,250,037</u>	<u>12,143,289</u>
Total Net Position	<u>\$ 82,882,395</u>	<u>\$ 80,704,323</u>	<u>\$ 12,339,287</u>	<u>\$ 12,492,650</u>	<u>\$ 95,221,682</u>	<u>\$ 93,196,973</u>

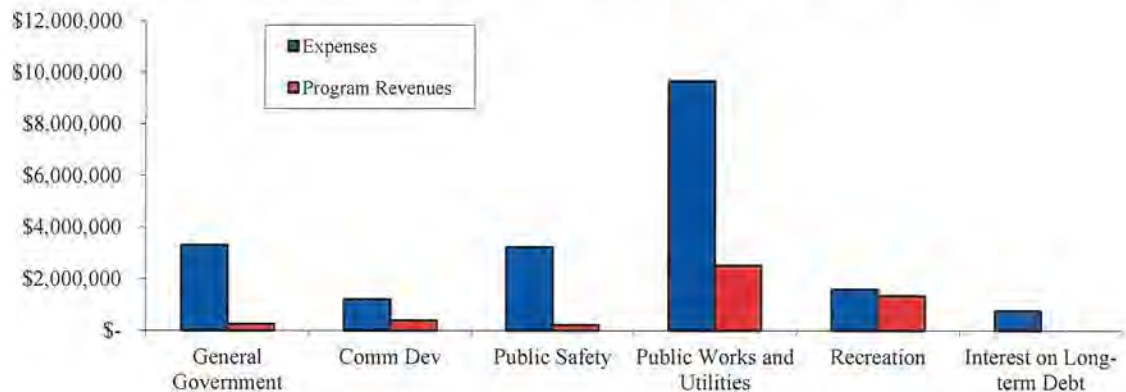
### Analysis of the Town's Operations

Overall, the Town's net position increased by \$2,024,789 for 2016. Governmental activities increased net position by \$2,178,072, while business-type activities decreased net position by \$153,363. The largest contributor to this increase was restricted assets consisting mainly of unspent bond funds issued to finance construction of a new public safety facility. The Town also received a federal grant in the amount of \$1,355,000 for the construction of a segment of the Eagle Valley Regional Trail in Avon along the Eagle River.

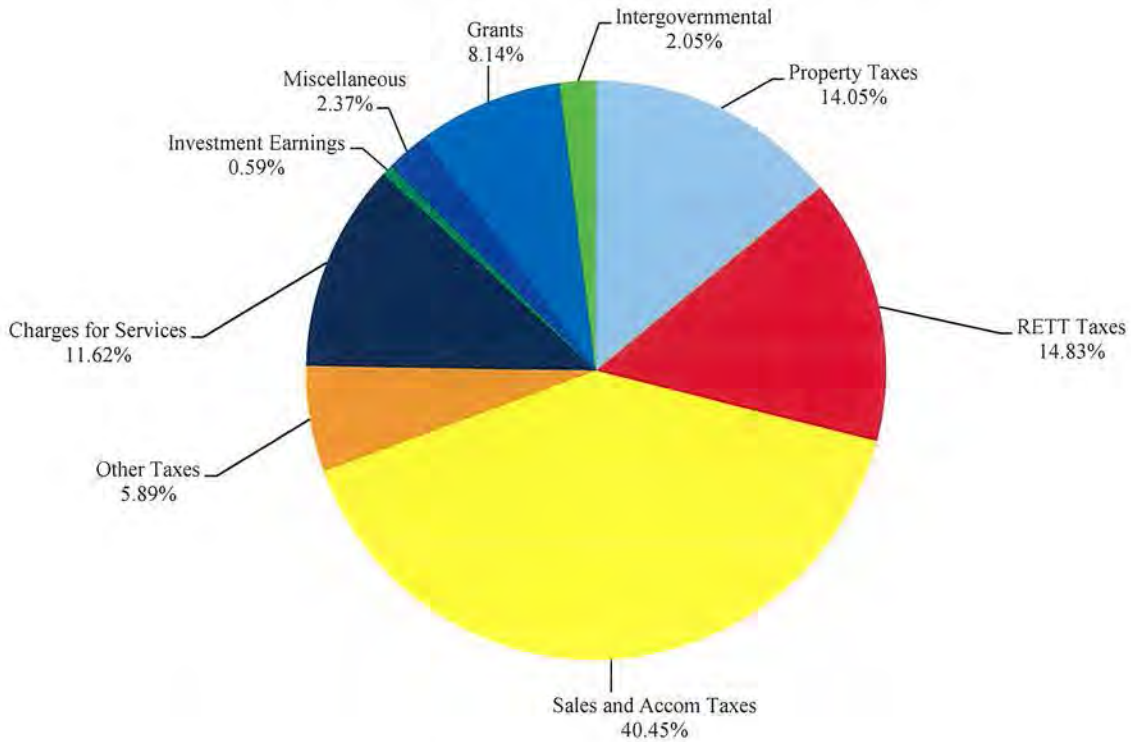
## Change in Net Position

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total Government</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
<b>REVENUES</b>						
Program Revenues:						
Charges for Services	\$ 2,741,179	\$ 2,672,067	\$ 1,557,439	\$ 1,670,213	\$ 4,298,618	\$ 4,342,280
Operating Grants and Contributions	104,217	11,713	-	-	104,217	11,713
Capital Grants and Contributions	1,816,456	61,779	100,000	-	1,916,456	61,779
General Revenues:						
Taxes:						
Property Taxes	3,315,020	2,904,509	40,258	40,280	3,355,278	2,944,789
Real Estate Transfer Tax	3,497,602	2,369,314	-	-	3,497,602	2,369,314
Sales and Accommodation Taxes	9,540,260	8,754,673	-	-	9,540,260	8,754,673
Other Taxes	1,389,896	1,208,352	-	-	1,389,896	1,208,352
Unrestricted Investment Earnings	139,665	53,161	-	-	139,665	53,161
Grants & Contributions Not Restricted	513,912	482,769	-	-	513,912	482,769
Miscellaneous	558,618	529,843	-	-	558,618	529,843
<b>Total Revenues</b>	<b><u>23,616,825</u></b>	<b><u>19,048,180</u></b>	<b><u>1,697,697</u></b>	<b><u>1,710,493</u></b>	<b><u>25,314,522</u></b>	<b><u>20,758,673</u></b>
<b>EXPENSES</b>						
Program Activities:						
Governmental Activities:						
General Government	3,291,190	3,042,126	-	-	3,291,190	3,042,126
Community Development	1,202,097	1,341,706	-	-	1,202,097	1,341,706
Public Safety	3,214,680	3,039,333	-	-	3,214,680	3,039,333
Public Works and Utilities	9,656,808	8,458,218	-	-	9,656,808	8,458,218
Recreation and Culture	1,584,531	1,430,648	-	-	1,584,531	1,430,648
Interest on Long-term Debt	754,238	639,267	-	-	754,238	639,267
Business-type Activities:						
Transportation	-	-	1,963,223	1,979,505	1,963,223	1,979,505
Fleet Maintenance	-	-	1,623,046	1,506,138	1,623,046	1,506,138
<b>Total Expenses</b>	<b><u>19,703,544</u></b>	<b><u>17,951,298</u></b>	<b><u>3,586,269</u></b>	<b><u>3,485,643</u></b>	<b><u>23,289,813</u></b>	<b><u>21,436,941</u></b>
Excess (Deficiency) Before Contributions and Transfers	3,913,281	1,026,882	(1,888,572)	(1,775,150)	2,024,709	(678,268)
Capital Contributions	(150,215)	-	150,215	-	-	-
Transfers	(1,584,994)	(1,326,999)	1,584,994	1,326,999	-	-
<b>Increase (Decrease) in Net Position</b>	<b>2,178,072</b>	<b>(230,117)</b>	<b>(153,363)</b>	<b>(448,151)</b>	<b>2,024,709</b>	<b>(678,268)</b>
Net Position, Beginning of Year	<u>80,704,323</u>	<u>80,934,440</u>	<u>12,492,650</u>	<u>12,940,801</u>	<u>93,196,973</u>	<u>93,875,241</u>
<b>Net Position, Ending</b>	<b><u>\$ 82,882,395</u></b>	<b><u>\$ 80,704,323</u></b>	<b><u>\$12,339,287</u></b>	<b><u>\$12,492,650</u></b>	<b><u>\$ 95,221,692</u></b>	<b><u>\$ 93,196,973</u></b>

### Expenses and Program Revenues – Governmental Activities



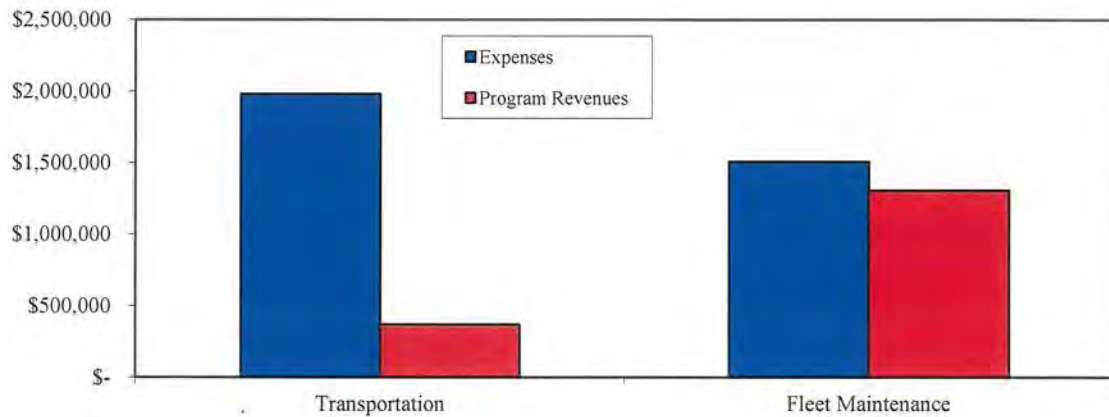
### Revenues by Source – Governmental Activities



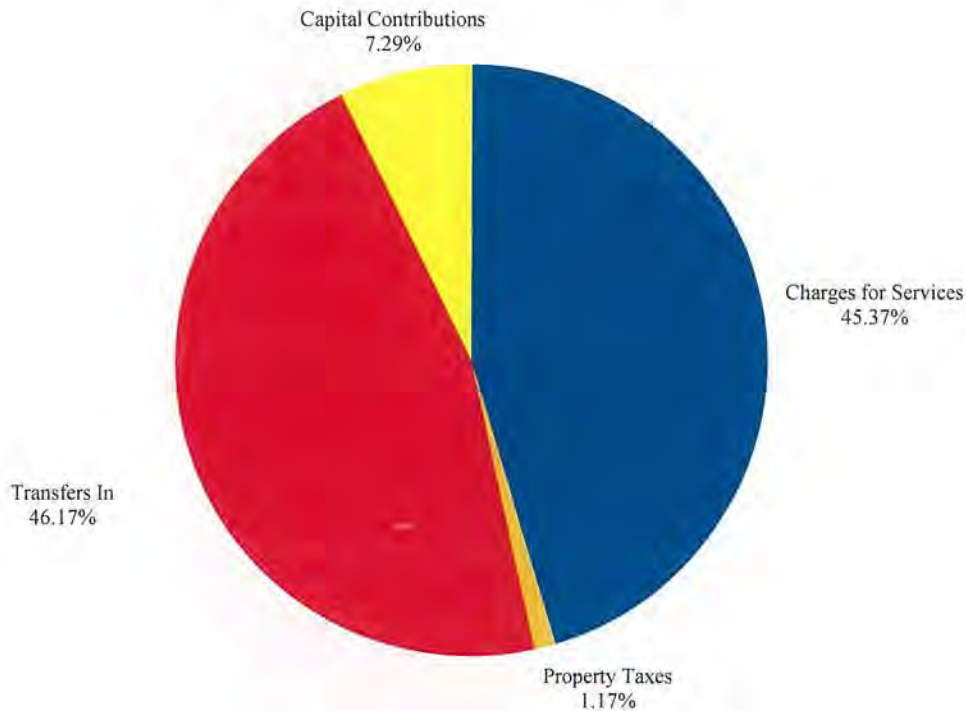
### Business-type activities.

Net position of business-type activities decreased by \$448,151 in 2016. The key element of this decrease was depreciation of capital assets held by the Transit and Fleet Maintenance Enterprise Funds.

### Expenses and Program Revenues – Business-type Activities



## Revenues by Source – Business-type Activities



### Financial Analysis of the Town's Funds

The following schedule presents a summary of governmental fund revenues for the year ended December 31, 2016 and the amount and percentage of increases and decreases in relation to the prior year.

Revenues	2016 Amount	Percent of Total	2015 Amount	Amount of Increase (Decrease)	Percent Increase (Decrease)
Taxes	\$17,742,776	75.42%	\$15,236,848	\$ 2,505,928	16.45%
Licenses and Permits	259,997	1.11%	335,741	(75,744)	(22.56%)
Intergovernmental	2,868,277	12.19%	989,546	1,878,731	189.86%
Charges for Services	1,772,510	7.53%	1,682,724	89,786	5.34%
Fines and Forfeitures	91,014	0.39%	129,356	(38,342)	(29.64%)
Investment Earnings	139,665	0.59%	53,158	86,507	162.74%
Other Revenues	<u>651,603</u>	<u>2.77%</u>	<u>532,353</u>	<u>119,250</u>	<u>22.40%</u>
<b>Total</b>	<b><u>\$23,525,842</u></b>	<b><u>100.00%</u></b>	<b><u>\$18,959,726</u></b>	<b><u>\$ 4,566,116</u></b>	

Total tax collections increased by \$2,505,928 from the prior year. Property taxes increased by \$526,625 due to a 16.9% increase in assessed values within the Town netted against a 0.442 decrease in the mill rate levied. The general operating mill rate for the Town remained the same at 8.956 mills while the debt service mill rate decreased from 3.251 mills to 2.809 mills. Sales taxes increased by \$665,640 or 8% from the previous year while accommodations taxes increased by 13.89% or \$157,303.

The Town collects a 2% tax from all sales of real property within the Town. These revenues are dedicated solely for capital improvement projects. Real estate transfer tax collections increased by 47.6%, from \$2,369,314 in 2015 to \$3,497,602 in 2016.

License and permit revenues decreased by \$75,744 from the previous year. However, construction permit values increased \$3,614,995 in total from the prior year with commercial permits valued at \$16,369,635 and seven residential units valued at \$8,551,360. The primary reason for this unusual anomaly was the permitting of the Joint Public Safety Facility which was exempted from paying building permit fees by an Intergovernmental Agreement with the Eagle River Fire Protection District.

Intergovernmental revenues increased in 2016 by \$1,878,731 due to a federal grant from the Department of Transportation of \$1,355,000 and an Eagle County trails grant of \$459,136 both for the construction of Phase 3 of the Eagle County Regional Trail segment from Avon Rd. to Stonebridge Dr.

Charges for services increased \$89,786 due primarily to a decrease in water tap fees of \$63,852, offset by an increase in Avon Recreation Center admission fees and other recreation fees of approximately \$187,753.

Investment earnings increased in 2015 by \$86,507 due to significantly higher yields offered by investments in U.S Government Treasury and Agency securities and by the Colotrust local government investment pool that the Town utilizes.

The following schedule presents a summary of governmental fund expenditures for the year ended December 31, 2016 and the amount and percentage of increases and decreases in relation to the prior year.

<u>Expenditures</u>	2016 <u>Amount</u>	Percent of <u>Total</u>	2015 <u>Amount</u>	Amount of Increase (Decrease)	Percent Increase (Decrease)
Current:					
General Government	\$ 3,119,007	12.61%	\$ 2,916,095	\$ 202,912	6.96%
Community Development	1,201,086	4.86%	1,348,166	(147,080)	(10.91%)
Public Safety	3,122,942	12.63%	3,007,164	115,778	3.85%
Public Works and Utilities	5,067,825	20.50%	4,080,272	987,553	24.20%
Parks and Recreation	1,293,277	5.23%	1,147,149	146,128	12.74%
Capital Improvements	8,864,565	35.85%	3,284,852	5,579,713	69.86%
Debt Service:					
Principal	1,382,506	5.59%	1,264,966	117,540	9.29%
Interest	473,674	1.92%	503,269	(29,595)	(5.88%)
Bond Issuance Costs	147,270	0.59%	80,569	66,701	82.79%
Fiscal Charges	<u>54,071</u>	<u>0.22%</u>	<u>41,289</u>	<u>12,782</u>	<u>30.96%</u>
Total	<u>\$24,726,223</u>	<u>100.00%</u>	<u>\$17,673,791</u>	<u>\$ 7,052,432</u>	

Overall, total governmental fund expenditures increased by \$7,052,432 in 2016. This was due primarily to the large increase in capital improvement expenditures of \$5,579,713. Major capital improvement project expenditures during the year included Phase 3 of the Eagle Valley Trails

project (\$2,341,526), the Joint Public Safety Facility project (\$2,849,729), the purchase of the new Avon Town Hall building and design costs (\$1,615,118), and completion of the Metcalf Rd. bike lane (\$1,035,873).

Public works and utilities saw a large increase in expenditures due to a financial contribution of \$855,707 towards the construction of the Mountain Star water tank. Other departmental operating expenditures remained fairly stable with only small percentage increase due mainly to continuation of the Town's salary step program, launched in January 2014, and small increases in group health insurance and commodities.

At the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$18,861,212, an increase of \$3,816,830 from the prior year. Of this total, \$86,136 is unspendable, and \$8,452,322 is restricted due to external limitations on its use, such as by debt covenants, legal restrictions, or intention of grantors, donors or trustees. A total of \$5,009,804 has been committed or assigned meaning there are limitations resulting from its intended use, such as construction of capital assets, affordable housing, and for other purposes. The remaining \$5,312,950 is unassigned and can be used for any lawful purpose.

**General Fund.** The General Fund is the chief operating fund of the Town. At the end of the current fiscal year, unassigned fund balance of the General Fund is \$5,312,950, while total fund balance is \$6,063,891. As a measure of the General Fund's liquidity, it is useful to compare the unassigned fund balance and total fund balance to total fund expenditures and other financing sources. Unassigned fund balance represents 33.5% of total fund expenditures and other financing uses, while total fund balance represents 38.2% of that same amount.

The fund balance of the General Fund increased by \$403,966, or 7.1%, in 2016. This increase is due largely to unanticipated revenues towards the end of the year and greater than expected departmental expenditure savings.

The fund balance of the General Fund represents approximately 39.2% of 2017 General Fund appropriations or the equivalent of approximately 4.7 months of operations. The Town has felt it necessary to retain this level of fund balance because of its heavy reliance on sales tax revenues. The Town's position as a resort community also places a heavy reliance upon several other factors including weather, the national economy, and tourism in general. The Town's fund balance provides the resources necessary to be more adaptable to the short-term financial environment and limits the need for capital financing.

**Avon Urban Renewal Fund.** At the end of the current fiscal year, the Avon Urban Renewal Fund had an ending fund balance of \$1,187,763. Of this amount, \$632,596 is restricted as a bond reserve and \$555,167 is restricted for urban renewal projects. The fund balance increased by \$155,203 in 2016, primarily due to property tax increment revenues exceeding required payments for debt service.

**Water Fund.** The Water Fund has an ending fund balance at the end of the fiscal year of \$79,895 which is a decrease of \$936,264 for the previous year. This decrease is due to the previously mentioned financial contribution of \$855,707 towards the construction of the

Mountain Star water tank, plus an operating transfer out to the Capital Projects Fund in the amount of \$129,796 for pumphouse pump replacements.

**Debt Service Fund.** The Debt Service Fund has a fund balance at the end of the fiscal year of \$536,567, all of which is restricted for the payment of debt service.

**Capital Projects Fund.** The Capitals Project Fund has an ending fund balance at the end of the fiscal year of \$10,414,708. Unspent bond proceeds in the amount of \$5,921,087 are reported as restricted fund balances and the remaining amount of \$4,493,621 is committed entirely to capital improvement projects.

**Non-major Funds.** The aggregate non-major funds have a combined fund balance of \$578,388. The net decrease in fund balance during the current fiscal year in the aggregate non-major funds was \$29,416. The primary reason for this decrease was a transfer out to the Capital Projects Fund of \$100,000 netted against the receipt of \$71,736 in community enhancement fund proceeds, which represents 1% of gross revenues from sales of electricity within the Town of Avon from Holy Cross Energy for the 2016 calendar year. The transfer out was used to fund an electrical line undergrounding project in conjunction with the construction of the Eagle Valley Regional Trails Phase 3 project which was completed in 2016.

**General Fund Budgetary Highlights**

The 2016 budget was guided by the *2016-2017 Town of Avon Strategic Plan*, which was updated and approved by the Town Council on October 13, 2015. Expenditure highlights included the establishment of a new Human Resources Department and the hiring of a Director of Human Resources. The new director focused on reviewing and revising the Town’s personnel handbook, establishing staff training programs, assisting department directors in carrying out their responsibilities regarding personnel matters, and assisting the Town Manager in developing strategic staffing plans.

Also highlighted in the 2016 budget was the continuation of the Town’s significant investment in special events with several new and returning signature events. A total budget of \$125,000 was budgeted for signature events, with another \$275,000 set aside in fund balance for events that were unnamed at the time the budget was adopted. An additional \$324,364 was budgeted for Town-produced events.

A number of budget changes are typically made throughout the year and at the Town’s adoption of its final revised budget in October. For the most part these changes are very minor and the increases and decreases are offsetting. The difference between the original budget and the final amended budget resulted in a net increase of \$90,921 in expenditure appropriations and an increase of \$1,398,868 in appropriated transfers-out for the 2016 budget year. Estimated revenues were increased by \$220,106 from the original budget, and beginning fund balance was increased by \$1,081,193.

Actual revenues further exceeded estimates by a total of \$881,672. Sales and accommodation tax revenues were very strong all year and ended the year with gains of 7.3% and 13.9%,

respectively over the prior year. Departmental expenditures ended the year under the final revised budget by a net total of \$587,227.

**Capital Assets and Debt Administration**

**Capital assets.** The Town of Avon’s investment in capital assets for its governmental and business-type activities as of December, 31, 2016, amounts to \$90,943,238 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, public art, water rights, construction in progress, buildings and building improvements, utility systems, machinery and equipment, and infrastructure (see table below). The total decrease in the Town’s investment in capital assets for the current fiscal year was 2.47% (a 2.09% decrease for governmental activities and a 4.3% decrease for business-type activities).

Major capital assets events during the current fiscal year included the following:

- Capital Project Fund capital improvement expenditures totaled \$8,831,962 in 2016.
- Two major projects began the year in construction-in-progress: the Metcalf Bike Lane project and the Eagle Valley Regional Trail Phase 3 project. As of December 31, 2016, these projects had been capitalized at a cost of \$3,068,804.
- Significant projects remaining in construction in progress include the Joint Public Safety Facility (\$1,997,686), new Town Hall (\$100,285), Walkability – Eat and West B/C Blvd. (\$86,992), and the Nottingham Park Playground (\$73,966).
- Land costs in the amount of \$1,066,095 was capitalized from the purchase of land for the Joint Public Safety Facility (\$852,042), and from the allocation of the land cost for new Town Hall (\$214,053).
- Building cost of \$1,290,698 was capitalized for the purchase of new Town Hall.
- A new bus was purchased in the Transit fund for \$134,994.
- Pumphouse water pump replacements were made in the amount of \$133,629.
- In the Equipment Replacement Fund a total of \$194,261 in equipment replacements were purchased including a new Chevrolet Tahoe for the Police Department (\$51,289), variable message boards (\$28,836) and a Toro Sand Pro (\$21,650) for public works, recreation center equipment (\$24,295), and computers and networking equipment (\$82,395).

**Town of Avon’s Capital Assets (net of depreciation)**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
Land	\$ 11,588,728	\$ 10,522,633	\$ 411,834	\$ 411,834	\$12,000,562	\$10,934,467
Public Art	1,361,400	1,361,400	-	-	1,361,400	1,361,400
Water Rights	1,792,959	1,792,959	-	-	1,792,959	1,792,959
Constr. in Prog.	2,469,920	210,058	-	-	2,469,920	210,058
Buildings	10,592,227	9,964,067	11,948,849	12,162,298	22,541,076	22,126,365
Utilities	3,245,234	3,453,230	-	-	3,245,234	3,453,230
Mach. & Equip.	2,002,829	2,129,385	1,841,047	2,028,364	3,843,876	4,157,749
Infrastructure	<u>43,688,211</u>	<u>43,992,921</u>	<u>-</u>	<u>-</u>	<u>43,688,211</u>	<u>43,992,921</u>
Total	<u>\$76,741,508</u>	<u>\$73,426,653</u>	<u>\$14,201,730</u>	<u>\$14,602,496</u>	<u>\$90,943,238</u>	<u>\$88,029,149</u>



Additional information on the Town of Avon’s capital assets can be found in Note 4 on pages 40-41 of this report.

**Long-term debt.** At the end of the current fiscal year, the Town of Avon had total long-term debt outstanding in the amount of \$15,735,000. Of this amount, \$515,000 comprises general obligation debt secured by a pledge of the full faith and credit of the Town and payable from ad valorem taxes which may be levied against all taxable property within the Town. Certificates of Participation which evidence assignments of proportionate interests in the right to receive payments pursuant to annually renewable lease agreements total \$9,020,000. The remainder of the Town’s debt, \$6,200,000, represents bonds secured solely by specified revenue sources (i.e. revenue bonds).

**Town of Avon’s Outstanding Debt**

	<u>Governmental Activities</u>		<u>Business-type Activities</u>		<u>Total</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
G. O. Bonds	\$ -	\$ 515,000	\$ -	\$ -	\$ -	\$ 515,000
Revenue Bonds	5,900,000	6,200,000	-	-	5,900,000	6,200,000
Certificates of Participation	<u>12,235,000</u>	<u>6,280,000</u>	<u>2,605,000</u>	<u>2,740,000</u>	<u>14,840,000</u>	<u>9,020,000</u>
Total	<u>\$18,025,000</u>	<u>\$12,995,000</u>	<u>\$ 2,605,000</u>	<u>\$ 2,740,000</u>	<u>\$20,740,000</u>	<u>\$15,735,000</u>

The Town of Avon’s long-term debt increased by a net amount of \$5,005,000 during the current fiscal year. Certificates of Participation in the amount of \$6.3 million were issued in 2016 and all regular principal payments totaling \$1,405,000 were made on outstanding bonded debt.

The Avon Town Charter limits the amount of general obligation debt the Town may issue to 25% of assessed valuation of all taxable property within the Town, or \$15 million, whichever is greater. The current legal debt margin for the Town is \$48,646,382. The Town has no outstanding general obligation bonds outstanding as of December 31, 2016. In addition, the Town’s debt per capita is \$3,241. Additional information on the Town’s long-term debt can be found in Note 5 on pages 41-47 of this report.

**Economic Factors and Next Year’s Budget and Rates**

The 2017-18 budget is guided by the *2017-2018 Town of Avon Strategic Plan*, which was updated and approved by the Town Council on June 28, 2016. The Strategic Plan is updated each year to reflect dynamic change and to present to the Avon community the important work planned by the Town over the next year. The four key outcomes identified in the Strategic Plan are:

- Support a strong community, building on strengths as a year-round mountain resort community;
- Preserve and enhance the natural environment;
- Develop inclusive & diverse economic, educational & cultural opportunities;
- Provide a responsive, cutting-edge & effective government

## 2017 Budget Highlights

The 2017 budget has been developed to address priorities with a major emphasis on the following:

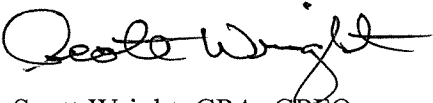
- Planning for the construction of new facilities incorporating paperless workflows and strategies to reduce waste into several areas of the budget. In addition, the Finance and HR departments are conducting studies to analyze work efficiencies surrounding the use of mission critical software systems.
- Avon's strategic plan recognizes the importance of vibrancy and activity within the Town and states that it will be supported by partnering with existing special events and attracting an array of new and diverse cultural, educational and recreational events to Avon which meet the Town's brand and are in concert with the values of our community.
- Implement marketing plan priorities, including: 1) Pool marketing resources among departments for cross promotion and integrated communication; 2) Develop partnerships with local and regional businesses to keep these entities updated on Town priorities and activities; 2) Continue Town Council festival booth outreach, host coffee chats and create stand-alone displays; 3) Evaluate 2016 wayfinding investments and expand for the visitor/resident experience; 4) Create a regional media strategy; 5) Focus social media by audience; and 6) Rebrand transit.
- Support the Police Department under a "community policing" philosophy through outreach to other resort communities to learn about successful practices, implementing and monitoring successful practices; and through analyzing call data and workloads to schedule and direct policing duties under the best practices community policing standards for resort communities.
- Invest in multi-modal improvements prioritizing walkability and bicycle use on streets, with transit, parking and wayfinding. Bid and construct the Beaver Creek Blvd. walkability plan. Complete a walkability plan for the remainder of the Avon core as an initial phase of the development of a comprehensive parking and multi-modal transportation plan, including the remediation of sidewalk gaps.
- Utilizing consultant services, prepare master land use plans for Tract G, Lot 5 and Swift Gulch, building on the Stan Clauson Associates 2015 initial plan, and prepare a comprehensive parking plan for the Town's commercial core. Evaluate expansion of the Avon Recreation Center and a parking garage.

The Town's net assessed valuation declined by 0.3%, in 2016, to a total value of \$193,982,580. The Town's mill rate for general operating purposes will remain at 8.956 mills, while the mill rate for debt service will decrease from 2.809 mills to 0 mills due to the final maturity of the Town's general obligation bonds in December, 2016.

Sales tax revenues for 2017 are budgeted to grow 4% over the revised 2016 estimates, with accommodation tax revenues budgeted to grow 6%. These revenue sources were revised up from the original adopted 2016 budget due to a strong year and a continuing growth. The Town's total 2017 appropriations for all funds equals \$33,438,157. Total estimated revenues for 2017 are \$31,226,811, and estimated total ending fund balances are \$12,927,943.

**Requests for Information**

This financial report is designed to provide a general overview of the Town of Avon's finances for all those with an interest in the Town's fiscal management. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, Town of Avon, Colorado, PO Box 975, Avon, CO 81620.



Scott Wright, CPA, CPFO  
Asst. Town Manager / Finance Director

# TOWN OF AVON, COLORADO

## STATEMENT OF NET POSITION DECEMBER 31, 2016

	Governmental Activites	Business-type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 10,021,108	\$ 448,905	\$ 10,470,013
Investments	3,997,865	-	3,997,865
Receivables	7,802,204	197,831	8,000,035
Internal Balances	100,000	(100,000)	-
Prepaid Expenses	86,136	-	86,136
Inventory	-	541,433	541,433
Deposits	53,636	-	53,636
Restricted Assets - Cash and Cash Equivalents	7,065,106	-	7,065,106
Capital Assets, net of accumulated depreciation:			
Nondepreciable	18,065,049	411,834	18,476,883
Depreciable	58,676,459	13,789,896	72,466,355
<b>Total Assets</b>	<b>105,867,563</b>	<b>15,289,899</b>	<b>121,157,462</b>
<b>LIABILITIES</b>			
Accounts Payable	688,679	49,210	737,889
Retainages Payable	226,337	-	226,337
Accrued Liabilities	172,770	24,160	196,930
Accrued Interest Payable	110,523	9,492	120,015
Deposits and Reserves	1,038,436	-	1,038,436
Unearned Revenues	6,667	-	6,667
Noncurrent Liabilities:			
Due Within One Year	1,431,665	260,824	1,692,489
Due In More Than One Year	17,572,783	2,561,000	20,133,783
<b>Total Liabilities</b>	<b>21,247,860</b>	<b>2,904,686</b>	<b>24,152,546</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Tax Revenue	1,737,308	40,190	1,777,498
Gain on Advance Refunding of Debt	-	5,736	5,736
<b>Total Deferred Inflows of Resources</b>	<b>1,737,308</b>	<b>45,926</b>	<b>1,783,234</b>
<b>NET POSITION</b>			
Net Investment in Capital Assets	58,088,785	11,430,538	69,519,323
Restricted For:			
Emergencies	664,805	-	664,805
Debt Service	1,169,163	-	1,169,163
Capital Improvements	5,921,087	-	5,921,087
Urban Renewal	555,167	-	555,167
Purposes of Grantors	142,100	-	142,100
Unrestricted	16,341,288	908,749	17,250,037
<b>Total Net Position</b>	<b>\$ 82,882,395</b>	<b>\$ 12,339,287</b>	<b>\$ 95,221,682</b>

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

# TOWN OF AVON, COLORADO

## STATEMENT OF ACTIVITIES FOR THE YEAR ENDED DECEMBER 31, 2016

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental Activities:</b>				
General Government, Finance and Administration	\$ 3,291,190	\$ 239,199	\$ -	\$ -
Community Development	1,202,097	369,867	5,000	-
Public Safety	3,214,680	99,862	99,217	2,320
Public Works and Utilities	9,656,808	698,195	-	1,814,136
Recreation	1,584,531	1,334,056	-	-
Interest and Fiscal Charges on Long-term Debt	754,238	-	-	-
<b>Total Governmental Activities</b>	<b>19,703,544</b>	<b>2,741,179</b>	<b>104,217</b>	<b>1,816,456</b>
<b>Business-type Activities:</b>				
Transportation	1,963,223	320,357	-	100,000
Fleet Maintenance	1,623,046	1,237,082	-	-
<b>Total Business-type Activities</b>	<b>3,586,269</b>	<b>1,557,439</b>	<b>-</b>	<b>100,000</b>
<b>Total Primary Government</b>	<b>\$ 23,289,813</b>	<b>\$ 4,298,618</b>	<b>\$ 104,217</b>	<b>\$ 1,916,456</b>

General Revenues:  
 Property Taxes  
 Real Estate Transfer Taxes  
 Sales and Accommodation Taxes  
 Other Taxes  
 Unrestricted Investment Earnings  
 Grants and Contributions Not Restricted  
 to Specific Programs  
 Miscellaneous  
 Capital Contributions  
 Transfers

**Total General Revenues and Transfers**

**Increase (Decrease) in Net Position**

**Net Position - Beginning of Year**

**Net Position - End of Year**

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

Net (Expense) Revenue and  
Changes in Net Position

Governmental Activities	Business-type Activities	Total
\$ (3,051,991)	\$ -	\$ (3,051,991)
(827,230)	-	(827,230)
(3,013,281)	-	(3,013,281)
(7,144,477)	-	(7,144,477)
(250,475)	-	(250,475)
(754,238)	-	(754,238)
<u>(15,041,692)</u>	<u>-</u>	<u>(15,041,692)</u>
-	(1,542,866)	(1,542,866)
-	(385,964)	(385,964)
<u>-</u>	<u>(1,928,830)</u>	<u>(1,928,830)</u>
<u>(15,041,692)</u>	<u>(1,928,830)</u>	<u>(16,970,522)</u>
3,315,020	40,258	3,355,278
3,497,602	-	3,497,602
9,540,260	-	9,540,260
1,389,896	-	1,389,896
139,665	-	139,665
513,912	-	513,912
558,618	-	558,618
(150,215)	150,215	-
(1,584,994)	1,584,994	-
<u>17,219,764</u>	<u>1,775,467</u>	<u>18,995,231</u>
2,178,072	(153,363)	2,024,709
<u>80,704,323</u>	<u>12,492,650</u>	<u>93,196,973</u>
<u>\$ 82,882,395</u>	<u>\$ 12,339,287</u>	<u>\$ 95,221,682</u>

# TOWN OF AVON, COLORADO

## BALANCE SHEET GOVERNMENTAL FUNDS DECEMBER 31, 2016

	General Fund	Avon Urban Renewal Fund	Water Fund	Debt Service Fund	Capital Projects Fund
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 2,676,893	\$ 558,597	\$ 67,846	\$ 25,144	\$ 3,409,976
Investments	2,499,885	-	-	-	1,497,980
Receivables:					
- Interest	5,242	-	-	-	916
- Taxes	3,568,677	-	-	-	156,288
- Accounts	7,274	-	-	-	-
- Intergovernmental	180,497	-	12,853	-	151,074
- Employees	16,964	-	-	-	-
Prepaid Items	86,136	-	-	-	-
Due from Other Funds	103,000	-	-	-	-
Deposits	45,018	8,618	-	-	-
Notes Receivable	-	-	-	-	-
Restricted Assets - Cash and Cash Equivalents	-	632,596	-	511,423	5,921,087
<b>Total Assets</b>	<b>\$ 9,189,586</b>	<b>\$ 1,199,811</b>	<b>\$ 80,699</b>	<b>\$ 536,567</b>	<b>\$ 11,137,321</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 179,903	\$ 6,864	\$ 266	\$ -	\$ 489,609
Accrued Liabilities	170,048	2,184	538	-	-
Retainages Payable	-	-	-	-	226,337
Deposits and Reserves	1,038,436	-	-	-	-
Due to Other Funds	-	3,000	-	-	-
Unearned Revenues	-	-	-	-	6,667
<b>Total Liabilities</b>	<b>1,388,387</b>	<b>12,048</b>	<b>804</b>	<b>-</b>	<b>722,613</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue - Notes Receivable	-	-	-	-	-
Unavailable Revenue - Property Taxes	1,737,308	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>1,737,308</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>					
<b>NonSpendable:</b>	86,136	-	-	-	-
<b>Restricted For:</b>					
Emergencies	664,805	-	-	-	-
Urban Renewal	-	555,167	-	-	-
Water Projects	-	-	79,895	-	-
Capital Improvements	-	-	-	-	5,921,087
Debt Service	-	632,596	-	536,567	-
Community Enhancement	-	-	-	-	-
<b>Committed For:</b>					
Capital Improvements	-	-	-	-	4,493,621
<b>Assigned For:</b>					
Affordable Housing	-	-	-	-	-
<b>Unassigned</b>	<b>5,312,950</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Fund Balances</b>	<b>6,063,891</b>	<b>1,187,763</b>	<b>79,895</b>	<b>536,567</b>	<b>10,414,708</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 9,189,586</b>	<b>\$ 1,199,811</b>	<b>\$ 80,699</b>	<b>\$ 536,567</b>	<b>\$ 11,137,321</b>

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

**RECONCILIATION OF TOTAL GOVERNMENTAL  
FUND BALANCE TO NET POSITION OF  
GOVERNMENTAL ACTIVITIES  
DECEMBER 31, 2016**

Other Governmental Funds	Total
\$ 518,545	\$ 7,257,001
-	3,997,865
-	6,158
-	3,724,965
71,880	79,154
-	344,424
-	16,964
-	86,136
-	103,000
-	53,636
94,830	94,830
-	7,065,106
<u>\$ 685,255</u>	<u>\$ 22,829,239</u>
\$ 12,037	\$ 688,679
-	172,770
-	226,337
-	1,038,436
-	3,000
-	6,667
<u>12,037</u>	<u>2,135,889</u>
94,830	94,830
-	1,737,308
<u>94,830</u>	<u>1,832,138</u>
-	86,136
-	664,805
-	555,167
-	79,895
-	5,921,087
-	1,169,163
62,205	62,205
-	4,493,621
516,183	516,183
-	5,312,950
<u>578,388</u>	<u>18,861,212</u>
<u>\$ 685,255</u>	<u>\$ 22,829,239</u>

Total Governmental Fund Balances \$ 18,861,212

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

Capital assets used in governmental activities are not financial resources and therefore are not reported as an asset in the governmental funds.

- Capital assets	125,777,992
- Accumulated depreciation	<u>(51,550,059)</u>
	<u>74,227,933</u>

Some liabilities, including bonds, notes and leases payable, and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the governmental funds.

- Bonds payable	(5,790,000)
- Certificates of Participation payable	(12,235,000)
- Unamortized bond premium	(302,205)
- Compensated absences payable	<u>(351,725)</u>
	<u>(18,678,930)</u>

Notes receivable are not available to pay for current period expenditures and are deferred in the governmental funds. 94,830

Long-term receivables which are not available to pay for current period expenditures and are not reported in the governmental funds. 3,522,309

Accrued interest payable is recognized for governmental activities but is not due and payable in the current period and therefore is not reported as a liability in the governmental funds. (110,523)

The internal service fund is used by management to charge the rental cost of certain vehicles and equipment to individual funds. The assets and liabilities of the internal service fund is included in governmental activities in the statement of net position. 4,965,564

**Net Position of Governmental Activities** \$ 82,882,395



# TOWN OF AVON, COLORADO

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2016

	General Fund	Avon Urban Renewal Fund	Water Fund	Debt Service Fund	Capital Projects Fund
<b>Revenues</b>					
Taxes	\$ 12,672,461	\$ 1,026,248	\$ -	\$ 546,465	\$ 3,497,602
Licenses and Permits	259,997	-	-	-	-
Intergovernmental	1,014,141	-	-	-	1,854,136
Charges for Services	1,543,296	-	229,214	-	-
Fines and Forfeitures	91,014	-	-	-	-
Investment Earnings	73,208	4,085	-	2,728	58,744
Other Revenues	407,333	-	-	-	159,549
<b>Total Revenues</b>	<u>16,061,450</u>	<u>1,030,333</u>	<u>229,214</u>	<u>549,193</u>	<u>5,570,031</u>
<b>Expenditures</b>					
Current:					
General Govt., Finance & Administration	3,103,970	-	-	-	-
Community Development	1,201,086	-	-	-	-
Public Safety	3,122,942	-	-	-	-
Public Works and Utilities	3,823,374	252,173	992,278	-	-
Recreation	1,293,277	-	-	-	-
Capital Improvements	-	32,603	-	-	8,831,962
Debt Service:					
Principal	-	410,000	-	860,000	112,506
Interest	-	218,240	-	246,170	9,264
Bond Issuance Costs	-	-	-	-	147,270
Fiscal Charges	-	39,690	-	14,381	-
<b>Total Expenditures</b>	<u>12,544,649</u>	<u>952,706</u>	<u>992,278</u>	<u>1,120,551</u>	<u>9,101,002</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,516,801</u>	<u>77,627</u>	<u>(763,064)</u>	<u>(571,358)</u>	<u>(3,530,971)</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In	219,735	77,576	-	578,808	1,943,200
Transfers Out	(3,332,570)	-	(173,200)	-	(798,543)
Premium on Debt Issued	-	-	-	-	302,205
Debt Issuance Proceeds	-	-	-	-	6,300,000
<b>Total Other Financing Sources (Uses)</b>	<u>(3,112,835)</u>	<u>77,576</u>	<u>(173,200)</u>	<u>578,808</u>	<u>7,746,862</u>
<b>Net Change in Fund Balances</b>	403,966	155,203	(936,264)	7,450	4,215,891
<b>Fund Balances, Beginning of Year</b>	<u>5,659,925</u>	<u>1,032,560</u>	<u>1,016,159</u>	<u>529,117</u>	<u>6,198,817</u>
<b>Fund Balances, End of year</b>	<u>\$ 6,063,891</u>	<u>\$ 1,187,763</u>	<u>\$ 79,895</u>	<u>\$ 536,567</u>	<u>\$ 10,414,708</u>

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

**RECONCILIATION OF THE STATEMENT OF  
REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2016**

Other Governmental Funds	Total		
		Net change in fund balances - Total Governmental Funds	<u>\$ 3,816,830</u>
		<i>Amounts reported for governmental activities in the Statement of Activities are different because:</i>	
		Governmental funds report capital outlays as expenditures. However, for governmental activities, those capital outlays other than noncapitalizable items are shown in the Statement of Activities and the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
\$ -	\$ 17,742,776	- Capital outlay	7,767,178
-	259,997	- Depreciation	<u>(4,241,154)</u>
-	2,868,277		<u>3,526,024</u>
-	1,772,510		
-	91,014		
900	139,665		
84,721	651,603		
<u>85,621</u>	<u>23,525,842</u>		
		Expenses reported in the Statement of Activities that do not require the use of current financial resources are not reported as expenditures in governmental funds.	
15,037	3,119,007	- Change in compensated absences payable	(73,720)
-	1,201,086	- Change in accrued interest payable on outstanding bonds	(71,907)
-	3,122,942	- Amortization of deferred loss on refunding and bond premium	<u>(7,316)</u>
-	5,067,825		<u>(152,943)</u>
-	1,293,277		
-	8,864,565		
-	1,382,506	Debt issuance proceeds are reported as Other Financing Sources in the governmental funds, but are reported as noncurrent liabilities in the Statement of Net Position	<u>(6,602,205)</u>
-	473,674		
-	147,270	Payment received on affordable housing notes receivable are reported as revenue in the governmental funds, but the repayment reduces notes receivable in the Statement of Net Position	<u>(12,983)</u>
-	54,071		
<u>15,037</u>	<u>24,726,223</u>		
		Repayment of bond and lease principal are reported an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position:	
70,584	(1,200,381)	- Certificates of Participation retirements	345,000
-	2,819,319	- Bond principal retirements	925,000
(100,000)	(4,404,313)		<u>1,270,000</u>
-	302,205		
-	6,300,000	The internal service fund is used by management to charge the rental cost of certain vehicles and equipment to individual funds. The decrease in net position of the internal service fund is included in governmental activities.	<u>333,349</u>
<u>(100,000)</u>	<u>5,017,211</u>		
(29,416)	3,816,830	<b>Change in Net Positon of Governmental Activities</b>	<u><u>\$ 2,178,072</u></u>
607,804	15,044,382		
<u>\$ 578,388</u>	<u>\$ 18,861,212</u>		

# TOWN OF AVON, COLORADO

## STATEMENT OF NET POSITION PROPRIETARY FUNDS DECEMBER 31, 2016

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Transit Fund	Fleet Maintenance Fund	Totals	
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and Cash Equivalents	\$ 684,311	\$ (235,406)	\$ 448,905	\$ 2,764,107
Receivables:				
- Taxes	40,190	-	40,190	-
- Accounts	1,530	4,324	5,854	13,400
- Intergovernmental	54,078	97,709	151,787	-
Inventory	-	541,433	541,433	-
<b>Total Current Assets</b>	<b>780,109</b>	<b>408,060</b>	<b>1,188,169</b>	<b>2,777,507</b>
<b>Noncurrent Assets:</b>				
Capital Assets:				
- Land	281,450	130,384	411,834	-
- Buildings	9,824,920	5,639,287	15,464,207	1,709,385
- Machinery and Equipment	3,949,995	284,117	4,234,112	5,435,323
- Accumulated Depreciation	(3,009,044)	(2,899,379)	(5,908,423)	(4,631,133)
<b>Total Noncurrent Assets</b>	<b>11,047,321</b>	<b>3,154,409</b>	<b>14,201,730</b>	<b>2,513,575</b>
<b>Total Assets</b>	<b>11,827,430</b>	<b>3,562,469</b>	<b>15,389,899</b>	<b>5,291,082</b>
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts Payable	8,995	40,215	49,210	-
Accrued Liabilities	13,920	10,240	24,160	-
Accrued Interest Payable	-	9,492	9,492	-
Compensated Absences Payable	31,404	24,964	56,368	-
Due to Other Funds	-	100,000	100,000	-
Certificates of Participation - Current	-	142,496	142,496	-
Capital Leases Payable - Current	57,005	4,955	61,960	115,106
<b>Total Current Liabilities</b>	<b>111,324</b>	<b>332,362</b>	<b>443,686</b>	<b>115,106</b>
<b>Noncurrent Liabilities:</b>				
Certificates of Participation	-	2,497,136	2,497,136	-
Capital Leases Payable	58,821	5,043	63,864	210,412
<b>Total Noncurrent Liabilities</b>	<b>58,821</b>	<b>2,502,179</b>	<b>2,561,000</b>	<b>210,412</b>
<b>Total Liabilities</b>	<b>170,145</b>	<b>2,834,541</b>	<b>3,004,686</b>	<b>325,518</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Tax Revenue	40,190	-	40,190	-
Gain on Advance Refunding of Debt	-	5,736	5,736	-
<b>Total Deferred Inflows of Resources</b>	<b>40,190</b>	<b>5,736</b>	<b>45,926</b>	<b>-</b>
<b>NET POSITION</b>				
Net Investment in Capital Assets	10,931,495	499,043	11,430,538	2,188,057
Unrestricted	685,600	223,149	908,749	2,777,507
<b>Total Net Position</b>	<b>\$ 11,617,095</b>	<b>\$ 722,192</b>	<b>\$ 12,339,287</b>	<b>\$ 4,965,564</b>

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

# TOWN OF AVON, COLORADO

## STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2016

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Transit Fund	Fleet Maintenance Fund	Totals	
<b>Operating Revenues:</b>				
Charges for Services	\$ 227,617	\$ 1,230,557	\$ 1,458,174	\$ 589,967
Other Operating Revenues	92,740	4,625	97,365	-
<b>Total Operating Revenues</b>	<b>320,357</b>	<b>1,235,182</b>	<b>1,555,539</b>	<b>589,967</b>
<b>Operating Expenses:</b>				
Cost of Operations	1,404,689	1,369,011	2,773,700	13,592
Depreciation and Amortization	553,558	140,097	693,655	523,337
<b>Total Operating Expenses</b>	<b>1,958,247</b>	<b>1,509,108</b>	<b>3,467,355</b>	<b>536,929</b>
<b>Operating Income (Loss)</b>	<b>(1,637,890)</b>	<b>(273,926)</b>	<b>(1,911,816)</b>	<b>53,038</b>
<b>Nonoperating Revenues (Expenses):</b>				
Taxes	40,258	-	40,258	-
Capital Grants	100,000	-	100,000	-
Gain (Loss) on Disposal of Capital Assets	-	1,900	1,900	(4,340)
Interest Expense	(4,976)	(113,938)	(118,914)	-
<b>Total Nonoperating Revenues (Expenses)</b>	<b>135,282</b>	<b>(112,038)</b>	<b>23,244</b>	<b>(4,340)</b>
<b>Income (Loss) Before Contributions and Transfers</b>	<b>(1,502,608)</b>	<b>(385,964)</b>	<b>(1,888,572)</b>	<b>48,698</b>
<b>Capital Contributions and Transfers</b>				
Contributed Capital	150,215	-	150,215	284,651
Transfers In (Out)	1,134,994	450,000	1,584,994	-
<b>Total Capital Contributions and Transfers</b>	<b>1,285,209</b>	<b>450,000</b>	<b>1,735,209</b>	<b>284,651</b>
<b>Change in Net Position</b>	<b>(217,399)</b>	<b>64,036</b>	<b>(153,363)</b>	<b>333,349</b>
<b>Net Position, Beginning of Year</b>	<b>11,834,494</b>	<b>658,156</b>	<b>12,492,650</b>	<b>4,632,213</b>
<b>Net Position, End of Year</b>	<b>\$ 11,617,095</b>	<b>\$ 722,192</b>	<b>\$ 12,339,287</b>	<b>\$ 4,965,562</b>

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

# TOWN OF AVON, COLORADO

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS FOR THE YEAR ENDED DECEMBER 31, 2016

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Transit Fund	Fleet Maintenance Fund	Totals	
<b>Cash Flows From Operating Activities</b>				
Cash Received from Customers and Users	\$ 180,687	\$ 693,536	\$ 874,223	\$ -
Cash Received from Interfund Services Provided	46,930	557,446	604,376	589,967
Cash Payments to Suppliers	(441,624)	(564,003)	(1,005,627)	(13,592)
Cash Payments to Employees	(709,408)	(686,370)	(1,395,778)	-
Cash Payments for Interfund Services Used	(256,246)	(95,892)	(352,138)	-
Other Operating Revenues	92,740	4,625	97,365	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>(1,086,921)</u>	<u>(90,658)</u>	<u>(1,177,579)</u>	<u>576,375</u>
<b>Cash Flows From Noncapital Financing Activities</b>				
Taxes Received	40,258	-	40,258	-
Grants Received	100,000	-	100,000	-
Net Borrowings (To) From Other Funds	96,508	(96,508)	-	-
Repayments of Borrowings From Other Entities	-	-	-	646,190
Transfers In from Other Funds	1,134,994	450,000	1,584,994	-
<b>Net Cash Provided by Noncapital Financing Activities</b>	<u>1,371,760</u>	<u>353,492</u>	<u>1,725,252</u>	<u>646,190</u>
<b>Cash Flows From Capital Financing Activities</b>				
Acquisition and Construction of Capital Assets	(134,994)	(11,180)	(146,174)	(194,261)
Proceeds from Sales of Capital Assets	-	5,400	5,400	36,500
Interest Paid on Long-term Debt	(4,976)	(117,185)	(122,161)	-
Principal Paid on Long-term Debt	(55,244)	(139,869)	(195,113)	-
<b>Net Cash Used in Capital Financing Activities</b>	<u>(195,214)</u>	<u>(262,834)</u>	<u>(458,048)</u>	<u>(157,761)</u>
<b>Net Increase in Cash and Cash Equivalents</b>	89,625	-	89,625	1,064,804
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u>359,280</u>	<u>-</u>	<u>359,280</u>	<u>1,699,303</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 448,905</u>	<u>\$ -</u>	<u>\$ 448,905</u>	<u>\$ 2,764,107</u>

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

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Fund
	Transit Fund	Fleet Maintenance Fund	Totals	
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>				
<b>Operating Income (Loss)</b>	<u>\$ (1,637,890)</u>	<u>\$ (273,926)</u>	<u>\$ (1,911,816)</u>	<u>\$ 53,038</u>
<b>Adjustments to Reconcile Operating Loss to Net Cash Provided by (Used in) Operating Activities</b>				
Depreciation and Amortization	553,558	140,097	693,655	523,337
Change in Assets and Liabilities:				
Decrease in Accounts Receivable	1,762	5,080	6,842	-
(Increase) Decrease in Intergovernmental Rec.	(12,110)	15,345	3,235	-
Decrease in Inventory	-	44,276	44,276	-
Decrease in Accounts Payable	(3,917)	(28,132)	(32,049)	-
Increase in Accrued Liabilities	4,279	4,125	8,404	-
Increase in Compensated Absences Payable	7,397	2,477	9,874	-
<b>Total Adjustments</b>	<u>550,969</u>	<u>183,268</u>	<u>734,237</u>	<u>523,337</u>
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u><u>\$ (1,086,921)</u></u>	<u><u>\$ (90,658)</u></u>	<u><u>\$ (1,177,579)</u></u>	<u><u>\$ 576,375</u></u>
<b>NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES</b>				
<b>Noncash Transactions Affecting Financial Position</b>				
Contributions of Capital Assets from				
Governmental Activities	\$ 150,215	\$ -	\$ 150,215	\$ 172,145
Capital Assets Disposed	-	(3,500)	(3,500)	(54,240)
Principal on Capital Leases Paid from				
Governmental Activities	-	-	-	112,506
	<u>\$ 150,215</u>	<u>\$ (3,500)</u>	<u>\$ 146,715</u>	<u>\$ 230,411</u>

# TOWN OF AVON, COLORADO

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## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

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The financial statements of the Town of Avon have been prepared in conformity with generally accepted accounting principles (“GAAP”) as applied to governmental entities. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting board for establishing governmental accounting and financial reporting principles. The following notes are an integral part of the Town’s Comprehensive Annual Financial Report.

### **Note 1. Summary of Significant Accounting Policies**

#### **A. Financial Reporting Entity**

*Primary Government.* The Town of Avon, Colorado, was incorporated as a Town on April 24, 1978. On June 13, 1978, the citizenry voted to become a Home Rule City, as authorized by Article 20 of the Colorado State Constitution. The Town operates under a Council-Manager form of government and provides the following services as authorized by its charter: public safety, highways and streets, culture-recreation, public improvements, community development, planning and zoning, transportation, and general administrative services.

As required by generally accepted accounting principles, these financial statements present the Town of Avon (the primary government) and its component unit for which the Town is considered financially accountable. Financial accountability exists if the Town appoints a voting majority of an organization’s governing board and is able to impose its will on the organization, or if the organization provided benefits to, or imposes financial burdens upon the Town. Blended component units, although legally separate entities, are, in substance, part of the Town’s operations, so data from these units are combined with data of the Town.

The Town’s blended component unit are –

*Avon Urban Renewal Authority (AURA)* – The AURA is a body corporate duly organized and existing as an urban renewal authority established by the Town of Avon, Colorado pursuant to the Urban Renewal Law of the State of Colorado for the purpose of undertaking certain urban renewal activities within the Town. The boundaries of the AURA are coterminous with the boundaries of the Town. The bylaws of the AURA provide that the members of the Avon Town Council shall constitute the Commissioners of the AURA. The Mayor of the Town services as Chairman, the Mayor Pro-Tem serves as Vice Chairman, the Town Manager serves as the Executive Director and Secretary, the Finance Director serves as Treasurer, and the Town Clerk serves as the AURA Clerk. For financial reporting purposes, the AURA is blended into the Town’s financial statements and is reported in a single special revenue fund as a blended component unit. A separate budget is adopted for the AURA, however separate financial statements of the AURA are not issued.

*Avon General Improvement District No. 1* – The Town of Avon General Improvement District No. 1 was organized on August 28, 2007, by adoption of Ordinance No. 07-07. The the services to be provided within and for the District include transportation and recreation

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services and include the property known as Lots 1 and 2 of the final plat of the Chateau St. Claire subdivision, now commonly known as the Ascent. The members of the Avon Town Council constitute the Board of the District. The District levies a property tax to be used for transportation operations. For financial reporting purposes, the District is blended into the Town's financial statements and is reported in the Transit enterprise fund as a blended component unit. Separate budgets and financial statements of the District are not adopted or issued.

## **B. Government-wide and Fund Financial Statements**

*Government-wide Financial Statements.* The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all non-fiduciary activities of the Town (the primary government) and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which primarily rely on fees and charges for support. Generally, interfund activity has been eliminated from the government-wide financial statements except for interfund services provided and used.

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

*Fund Financial Statements.* Fund financial statements report detailed information about the Town with the focus on major funds rather than on reporting funds by type. 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. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements.

## **C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

*Measurement Focus and Basis of Accounting.* The government-wide financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. This is the same approach used in the preparation of the proprietary fund financial statements. Revenues are recognized when earned and expenses are recognized when the liability is incurred regardless of the timing of related cash flows. Depreciation is computed and recorded as an operating expense. Expenditures for property, plant and



# TOWN OF AVON, COLORADO

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## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

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equipment are shown as increases in assets and redemption of bonds and notes are recorded as a reduction in liabilities.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recorded when susceptible to accrual, i.e., 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 (60 days). The major sources of revenue which are susceptible to accrual are property taxes, accommodations and sales taxes, and certain intergovernmental revenues. Expenditures generally are recorded when the liability is incurred, as under full accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

*Financial Statement Presentation – Fund Accounting.* A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts which are segregated for the purpose of accounting for specific activities. The Town uses funds to report results of operations and financial position, and demonstrate compliance with legal, contractual and regulatory requirements.

The Town's funds are classified into two broad fund categories and six generic fund types for financial reporting purposes: Governmental funds include the general, special revenue, debt service, and capital projects funds. Proprietary funds include enterprise funds and an internal service fund.

The Town's major governmental funds are:

- *General Fund* – This is the Town's primary operating fund. It is used to account for all activities of the Town not required to be accounted for in some other fund.
- *Avon Urban Renewal Fund* – This fund is used to account for the receipt of tax increment revenues and the activities of redevelopment that are undertaken by the Avon Urban Renewal Authority, including issuing debt and constructing public improvements.
- *Water Fund* – This fund is used to account for the cost of maintaining certain water-related assets and for the receipt of water surcharges and tap fees within the Town limits.
- *Debt Service Fund* – This fund is used to account for the accumulation of resources and payment of principal and interest on the Town's general obligation and sales tax revenue bonds.
- *Capital Projects Fund* – This fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing

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and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of all the Town's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The Town's major proprietary funds are:

- *Transit Fund* – This fund is used to account for the activities involved in operating the Town's transportation system.
- *Fleet Maintenance Fund* – This fund is used to account for the accumulation and allocation of costs associated with the maintenance of vehicles and rolling stock for the Town and certain other third-party governmental entities.

The Town's only internal service fund is the Equipment Replacement Fund. This fund is used to account for the rental of certain vehicles and equipment to other departments for the accumulation of funds for future replacement.

#### **D. Budget Information**

Budgets are adopted on a basis consistent with generally accepted accounting principles for all funds, with the exception of proprietary funds which are budgeted on the modified accrual basis of accounting. According to the Town's Charter, all appropriations except for capital projects or special revenue funds lapse at fiscal year-end. However, as a matter of practice, the Town adopts annual budgets for all funds. During the year, changes may be made to budgets by adoption of supplemental amendments by resolution of the Town Council.

#### **E. Assets, Liabilities, and Deferred Outflows/Inflows of Resources**

*Cash, Cash Equivalents, and Investments.* The Town concentrates the cash resources of its various funds in order to facilitate the management of cash. The balance in this concentration account is available to meet the Town's current operating requirements. Cash resources in excess of current requirements is invested in various interest-bearing securities and disclosed as part of the Town's investments. Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within 3 months of the date acquired by the Town.

Town Charter and Colorado State statutes authorize the Town to invest its excess funds in direct U.S. Government treasury and agency securities, bonds and other obligations of states and political subdivisions, corporate bonds, and local government investment pools. Investments are stated at fair value. The change in fair value of investments is recognized as

# TOWN OF AVON, COLORADO

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## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

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an increase or decrease to investment assets and investment income. Investment income is recognized when earned.

*Inventories.* Inventories are valued at cost using the first-in/first-out (FIFO) method. The costs of any governmental fund inventories are recorded as expenditures when consumed rather than when purchased.

*Restricted Assets.* Restricted assets in the amount of \$632,596 are reported in the Avon Urban Renewal Fund. This consists of a \$628,240 required debt service reserve plus additional funds of \$4,356 both held in a separate Colotrust fund for purposes of the Authority's 2013 Tax Increment Revenue Bonds.

Restricted assets in the amount of \$511,423 are reported in the Debt Service Fund. This amount consists of a \$510,375 required debt service reserve, \$1,039 in accumulated interest and \$9 in a base rental fund for the Series 2010 Certificates of Participation. These reserves are held in UMB Bank's trust department.

Restricted assets in the amount of \$5,921,087 are reported in the Capital Project Fund. This consists of unspent bond proceeds of \$1,603,164 for the Series 2014B Certificates of Participation issued on January 14, 2015 for street improvements, and unspent bond proceeds of \$3,832,256 for the Series 2016 Certificates of Participation issued on August 2, 2015 for a new public safety facility. These reserves are held in construction escrow accounts at UMB Bank's trust department. An additional \$485,667 is held in an escrow account with FirstBank for the purpose of accumulating funds for asphalt overlay in the Village at Avon pursuant to the Town's lawsuit settlement agreement with Traer Creek Metropolitan District and the developer.

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

*Capital Assets.* Capital assets, which include property, plant, equipment, and infrastructure assets are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. It is the Town's policy to capitalize expenditures with a cost greater than \$5,000 and an estimated useful life of more than one year. All purchased capital assets are stated at cost or estimated historical cost if actual historical records are not available. Donated capital assets are recorded at their estimated fair market value at the date of contribution. Major outlays for capital improvement projects are capitalized as projects are completed.

The Town's infrastructure consists of streets and roads, bridges, storm drainage, water rights and storage, heat recovery system, irrigation ditches, bike paths, and public parking.

The costs of normal maintenance and repair that do not add to the value of the asset or extend the estimated useful life are not capitalized but charged to operations as incurred.

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Depreciation of property, plant and equipment is computed using the straight-line method over the following estimated useful lives:

Buildings	10-50 years
Utilities	10-50 years
Machinery and Equipment	3-15 years
Infrastructure	10-100 years

*Deferred Inflows of Resources.* The government-wide and proprietary funds statement of net position and governmental funds balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Town has two types of items that qualify for reporting in this category: deferred gain on advance refunding of debt and unavailable revenue. In the government-wide and proprietary funds statement of net position *deferred gain on advance refunding of debt* is the result of the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the life of the refunding bonds. The other type of item, *unavailable revenue*, is reported in the government-wide and proprietary fund statement of net position and in the governmental funds balance sheet. The Town reports *unavailable revenues* from two sources: property tax and notes receivable. *Unavailable revenue - notes receivable* arises only under a modified accrual basis of accounting and as such is only reported in the governmental funds balance sheet. *Unavailable revenue - property taxes* is reported in the government-wide and proprietary funds statement of net position and in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

*Long-term Obligations.* In the government-wide and proprietary fund statement of net position long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts, are deferred and amortized over the life of the bonds using the straight-line method, which approximates the interest method. Bonds payable are reported net of the applicable bond premium or discount.

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

# TOWN OF AVON, COLORADO

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## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

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### F. Property Taxes

Property taxes are levied by the Town Council. The levy is based on the assessed valuation of property located within the Town as determined by the County Assessor generally as of January 1 of each year. The levy is normally set by December 15 by certification to the County Commissioners. The County Treasurer collects the property taxes during the ensuing calendar year and remits the taxes collected to the Town on a monthly basis.

Property taxes are payable in full by April 30, or if in two equal installments, by February 28 and June 15. Delinquent taxpayers are notified in August and generally sales of the tax liens on delinquent properties are held in November or December. Property taxes, net of estimated uncollectible taxes, are recorded as receivable in the year levied and offset to deferred inflows of resources as unavailable revenue since they typically do not meet the availability criterion.

### G. Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused personal time off (a combination of vacation and holidays) and sick pay benefits. There is no liability for unpaid accumulated sick leave since the Town's policy is to not pay for accumulated sick leave when employees separate from service. The liability for compensated absences is recorded as a non-current liability in the government-wide financial statements.

The current portion of this debt is estimated based on historical trends. In the fund financial statements governmental funds report a compensated liability payable only if they have matured, for example, as a result of employee resignations and retirements, while the proprietary funds report the liability as it is incurred. Within the governmental funds, the General Fund typically is used to liquidate any liabilities for compensated absences.

### H. Fund Equity

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

- Nonspendable fund balance – amounts that are not in a spendable form (such as inventory or prepaid charges) or are required to be maintained intact;
- Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority. In Avon's case this is an ordinance adopted by the Town Council. To be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;

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- Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or an official or body to which the governing body delegates the authority;
  - Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The Town establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund. Assigned fund balance is established by the Town Council through adoption or amendment of the budget as intended for a specific purpose (such as the purchase of capital assets, construction, debt service, or other purposes).

When fund balance resources are available for a specific purpose in more than one classification, it is the Town's policy to use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. The Town considers all unassigned fund balances to be "reserves" for future operations or capital replacement as defined within Article X, Section 20 of the Constitution of the State of Colorado (see Note 10).

#### **I. Statements of Cash Flows**

For purposes of the statement of cash flows, the Town considers all highly liquid investments with a maturity when purchased of three months or less and all local government investment pools to be cash equivalents.

#### **J. Debt Costs**

Unamortized premiums of \$302,205 are reflected in noncurrent liabilities. Premiums are amortized over the remaining lives of the related debt issues using the effective interest method.

#### **Note 2. Legal Compliance – Budgets**

No later than October 15<sup>th</sup>, the Town Manager submits to the Mayor and Town Council a proposed budget for the calendar year commencing the following January 1<sup>st</sup>. The budget is prepared by fund, department, program and project and includes information on the prior year, current estimates and requested appropriations and estimated revenues for the upcoming year.

The Town Council holds public hearings and may change appropriations except for expenditures required by law for debt service or for estimated cash deficits. No change to the budget may increase the authorized expenditures to any amount greater than the total amount of funds available. The Town Council must adopt the budget by resolution prior to December 15<sup>th</sup>. Once adopted, the Town Council may at any time, by resolution, amend the

# TOWN OF AVON, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

budget. In addition, the Town Manager may transfer part or all of any unencumbered appropriation balance among programs within a department. A department is defined by the Town as a distinct, principal or specialized division (e.g. the Department of Public Works).

Expenditures may not legally exceed budgeted appropriations at the fund level. Budgetary comparisons in the accompanying combined financial statements and in the individual fund statements are presented at a lower-than-required level of control to facilitate detailed financial analysis. Fleet Maintenance Fund expenditures exceeded budgeted appropriations during 2016. This may be a violation of Colorado budget law.

### Note 3. Cash and Investments

Cash and investments as of December 31, 2016 are classified in the accompanying financial statements as follows:

Cash and Cash Equivalents	\$ 10,470,013
Investments	3,997,865
Restricted Assets - Cash and Cash Equivalents	<u>7,065,106</u>
Total	<u>\$ 21,532,984</u>

Cash and investments as of December 31, 2016 consist of the following:

Cash on Hand	\$ 4,875
Demand Deposits	1,241,340
Other Deposits With Financial Institutions	4,829,355
Local Government Investment Pools	11,459,549
Investments	<u>3,997,865</u>
Total	<u>\$ 21,532,984</u>

### Investments Authorized by the Town of Avon Investment Policy

The table below identifies the investment types that are authorized for the Town by the Town's investment policy. The table also identifies certain provision of the Town's investment policy that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio	Maximum Investment In One Issuer
U.S. Government Treasury Securities	5 years	None	None
U.S. Government Agency Securities	5 years	None	None
Repurchase Agreements	180 days	None	None
Commercial Paper	270 days	20%	5%
General Obligation Debt	5 years	None	None
Revenue Obligation Debt	5 years	None	None
Local Government Investment Pools	N/A	None	None
Time Certificates of Deposit	1 year	None	None

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## Fair Value of Investments

The Town measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles. These guidelines recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Quoted prices for identical investments in active markets;
- Level 2: Observable inputs other than quoted market prices; and,
- Level 3: Unobservable inputs.

At December 31, 2016, the Town had the following recurring fair value measurements:

<u>Investments Measured at Fair Value</u>	<u>Total</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
U.S. Government Treasury Securities	\$2,499,665	\$2,499,665	\$ -	\$ -
Federal Instrumentality Securities	<u>1,498,200</u>	<u>1,498,200</u>	-	-
Total	<u>\$3,997,865</u>	<u>\$3,997,865</u>	<u>\$ -</u>	<u>\$ -</u>

<u>Investments Measured at Net Asset Value</u>	<u>Total</u>
Colostrust	<u>\$11,459,459</u>

Debt and equity securities classified in Level 1 are valued using prices quoted in active markets for those securities. Debt and equity securities classified in Level 2 are valued using the following approaches:

- U.S. Government treasury securities, U.S. Government agency securities, and commercial paper: quoted prices for identical securities in markets that are not active;
- Corporate and municipal bonds: quoted prices for similar securities in active markets;
- Repurchase agreements, negotiable certificates of deposit, and collateralized debt obligations: matrix pricing based on the securities' relationship to benchmark quoted prices.

At December 31, 2016, unrealized gains were \$1,137 which reflects changes in the fair market value of investments.

## Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The investment policy of the Town states that, to the extent possible, investments shall be matched with anticipated cash flow requirements and known future liabilities. Unless matched to a specific cash flow



**TOWN OF AVON, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

requirement, the Town will not invest in securities maturing more than five years from the date of purchase. In addition, the Town shall maintain at least 15% of its total investment portfolio in investments maturing in 120 days or less. At least 10% of the portfolio shall be invested in overnight investments or securities that can be sold to raise cash on one day’s notice.

Information about the sensitivity of the fair values of the Town’s investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Town’s investments by maturity:

		Weighted Average Maturity (in Years)
U.S. Government Treasury Notes	\$ 2,499,665	.532
U.S. Government Agency Securities:		
Federal Home Loan Bank	500,200	1.915
Federal National Mortgage Assn.	998,000	1.953
Colotrust	11,459,549	NA
Held by Trustee: Colotrust	<u>4,343,686</u>	NA
Total	<u>\$ 19,801,400</u>	

**Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. U.S. Government securities explicitly or implicitly guaranteed by the U.S. Government are not considered to have credit risk exposure, including U.S. Treasury securities, securities of the Government National Mortgage Association, Federal Farm Credit Bank, Federal Home Loan Bank, Federal Home Loan Mortgage Corporation, and Federal National Mortgage Association.

Presented below is the minimum rating, as required by the Town’s investment policy, for other investments of the Town as of December 31, 2016.

Ratings <u>Standard &amp; Poor’s</u>	Local Government <u>Investment Pools</u>
AAAm	<u>\$11,459,549</u>

**Concentration of Credit Risk**

With the exception of commercial paper investments, the investment policy of the Town contains no limitations on the amount that can be invested in any one issuer. Commercial paper issuers are limited to no more than 5% of the Town’s portfolio. The Town had no investments in commercial paper at December 31, 2016.

Investments in any one issuer (other than U.S. Treasury obligations, mutual funds, and local government investment pools) that represent 5% or more of total Town investments are as follows:

<u>Issuer</u>	<u>Investment Type</u>	<u>Reported Amount</u>	<u>% of Total Investments</u>
Federal National Mortgage Assn.	Federal Instrumentality Securities	\$998,000	5.04%

### **Custodial Credit Risk**

*Deposits.* Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Town would not be able to recover its deposits or would not be able to recover collateral securities that are in the possession of an outside party.

The Town’s deposits are entirely covered by federal depository insurance (“FDIC”) or by collateral held under Colorado’s Public Deposit Protection Act (“PDPA”). The FDIC insures the first \$250,000 of the Town’s deposits at each financial institution. Deposit balances over \$250,000 are collateralized as required by PDPA. The Colorado Public Deposit Protection Act (PDPA) requires that cash be deposited in eligible public depositories and that deposits in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. PDPA allows the institution to create a single collateral pool for all public funds with the Town being a named participant in the single institution collateral pool. The minimum pledging requirement is 102% of the uninsured deposits. The Colorado State Banking Board verifies the market value at least monthly. Bank assets (usually securities) are required by PDPA to be delivered to a third-party institution for safekeeping, and pledged to the Colorado Division of Banking. Based on the above, the Colorado State Auditor has concluded that there is no custodial risk for public deposits collateralized under PDPA. The carrying amount of the Town’s demand deposits was \$1,241,340 at year end.

*Investments.* Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, the Town would not be able to recover the value of its investment or collateral securities that are in the possession of another party. The Town’s investment policy provides that all investment securities, except certificates of deposit, local government investment pools, and money market funds purchased by the Town shall be settled on a delivery versus payment basis and will be delivered by either book entry or physical delivery and will be held in third-party safekeeping by the Town’s approved custodian bank, its correspondent bank or the Depository Trust Company. An approved Safekeeping Agreement must be executed with each custodian bank prior to utilizing that bank’s safekeeping services and to be eligible a financial institution must have an average Highline Banking Data Services Rating of 20 or better.

# TOWN OF AVON, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

### Local Government Investment Pools

Local government investment pools are trusts established for local government entities in Colorado to pool surplus funds. The State Securities Commissioner administers and enforces all State statutes governing the trusts. The trusts value their shares based on a stable net value of \$1.00 per share. A designated custodial bank serves as custodian pursuant to a custodian agreement. The custodian acts as safekeeping agent for the trusts' investment portfolios and provides services as the depository in connection with direct investments and withdrawals. The custodian's internal records segregate investments owned by the trusts.

As of December 31, 2016, the Town of Avon held investments in the Colorado Local Government Liquid Asset Trust (Colotrust Plus portfolio). The Plus portfolios may invest in U.S. Treasury securities and repurchase agreements collateralized by U.S. Treasury securities as well as in certain obligations of U.S. government agencies, highest rated commercial paper and repurchase agreements collateralized by certain obligations of U.S. government agencies. At December 31, 2016, the Town's investments in COLOTRUST were 58% of the Town's investment portfolio.

### Note 4. Capital Assets

Capital asset activity for the year ended December 31, 2016 was as follows:

<b>Governmental Activities:</b>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, Not Being Depreciated:				
Land and Land Improvements	\$ 10,522,633	\$ 1,066,095	\$ -	\$ 11,588,728
Public Art	1,361,400	-	-	1,361,400
Water Rights	1,792,959	-	-	1,792,959
Construction in Progress	<u>210,058</u>	<u>5,654,532</u>	<u>(3,394,670)</u>	<u>2,469,920</u>
Total Capital Assets, Not Being Depreciated	<u>13,887,050</u>	<u>6,720,627</u>	<u>(3,394,670)</u>	<u>17,213,007</u>
Capital Assets, Being Depreciated:				
Buildings	18,523,372	1,290,698	(5,163)	19,808,907
Utilities	4,484,891	-	-	4,484,891
Machinery and Equipment	5,556,528	366,407	(487,612)	5,435,323
Infrastructure	<u>82,830,049</u>	<u>3,150,523</u>	<u>-</u>	<u>85,980,572</u>
Total Capital Assets, Being Depreciated	<u>111,394,840</u>	<u>4,807,628</u>	<u>(492,775)</u>	<u>115,709,693</u>
Less Accumulated Depreciation:				
Buildings	(8,559,305)	(662,541)	5,166	(9,216,680)
Utilities	(1,031,661)	(207,996)	-	(1,239,657)
Machinery and Equipment	(3,427,143)	(438,725)	433,374	(3,432,494)
Infrastructure	<u>(38,837,128)</u>	<u>(3,453,533)</u>	<u>(1,700)</u>	<u>(42,292,361)</u>
Total Accumulated Depreciation	<u>(51,855,237)</u>	<u>(4,762,795)</u>	<u>436,840</u>	<u>(56,181,192)</u>
Total Capital Assets, Being Depreciated, Net	<u>59,539,603</u>	<u>44,833</u>	<u>(55,935)</u>	<u>59,528,501</u>
Governmental Activities Capital Assets, Net	<u>\$ 73,426,653</u>	<u>\$ 6,765,460</u>	<u>\$ (3,450,605)</u>	<u>\$ 76,741,508</u>

<b>Business-type Activities:</b>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital Assets, Not Being Depreciated:				
Land	\$ 411,834	\$ -	\$ -	\$ 411,834
Capital Assets, Being Depreciated:				
Buildings	15,302,812	161,395	-	15,464,207
Machinery and Equipment	<u>4,148,848</u>	<u>134,994</u>	<u>(49,730)</u>	<u>4,234,112</u>
Total Capital Assets, Being Depreciated	<u>19,451,660</u>	<u>296,389</u>	<u>(49,730)</u>	<u>19,698,319</u>
Less Accumulated Depreciation:				
Buildings and Facilities	(3,140,514)	(374,844)	-	(3,515,358)
Machinery and Equipment	<u>(2,120,484)</u>	<u>(318,811)</u>	<u>46,230</u>	<u>(2,393,065)</u>
Total Accumulated Depreciation	<u>(5,260,998)</u>	<u>(693,655)</u>	<u>46,230</u>	<u>(5,908,423)</u>
Total Capital Assets, Being Depreciated, Net	<u>14,190,662</u>	<u>(397,266)</u>	<u>(3,500)</u>	<u>13,789,896</u>
Business-type Activities Capital Assets, Net	<u>\$ 14,602,496</u>	<u>\$ (397,266)</u>	<u>\$ (3,500)</u>	<u>\$ 14,201,730</u>

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

Governmental Activities:	
General Government	\$ 136,182
Community Development	2,126
Public Safety	166,754
Public Works and Utilities, including depreciation of general infrastructure assets	4,082,689
Recreation and Culture	<u>375,044</u>
Total Depreciation Expense – Governmental Activities	<u>\$ 4,762,795</u>
Business-type Activities:	
Transportation	\$ 553,558
Fleet Maintenance	<u>140,097</u>
Total Depreciation Expense – Business-type Activities	<u>\$ 693,655</u>

## Note 5. Long-term Debt

*Revenue Bonds and Loans – Avon Urban Renewal Authority.* Pursuant to the Urban Renewal Plan adopted for the Town Center West Urban Renewal Project Area (Project Area), generally known as Avon Town Center West, the Avon Urban Renewal Authority issued \$25 million in Series 2008 Tax Increment Adjustable Rate Revenue Bonds (Series 2008 Bonds) in February, 2008 for the purpose of financing the cost of constructing traffic, street and pedestrian improvements. In 2009, the Avon Urban Renewal Authority entered into a Series 2009 Variable Rate Loan Agreement (Series 2009 Loan) in the amount of \$7,200,000 with Vectra Bank for the purpose of refinancing the Authority's Series 2008 Tax Increment Adjustable Rate Revenue Bonds. Net proceeds from the Series 2009 Loan, along

# TOWN OF AVON, COLORADO

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## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

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with unused proceeds and the reserve account balance from the Series 2008 bonds, were used to redeem the Series 2008 bonds.

In 2013, the Avon Urban Renewal Authority issued Series 2013 Tax Increment Revenue Bonds for the purpose of refinancing outstanding obligations of the Authority and to finance certain capital improvements. The Bonds constitute a pledge of, and an irrevocable first lien (but not an exclusive first lien), on all pledged revenues. Pledged revenues include the portion of the ad valorem proprietary taxes produced by the levies at the rates fixed each year by the governing bodies of the various taxing jurisdictions within the Urban Renewal Project Area. The levies are assessed upon that portion of the valuation for assessment of all taxable property in excess of a defined property tax base amount. The pledged revenues are reduced by a) any County collection fee (b) tax increment revenues required to be remitted by the Authority to the Confluence Metropolitan District pursuant to the Avon Station/Confluence IGA; and (c) ad valorem property taxes produced by a mill levy of any special district formed after May 28, 2009. Pledged revenues also include all amounts appropriated to the Authority to replenish reserves along with applicable investment earnings and any other legally available moneys which the Town determines, in its sole discretion, to deposit in the Bond Account.

The 2013 Bonds have a reserve requirement of \$628,240. If, at any time, the balance of the Reserve Account is less than the Reserve Requirement the Town Council has agreed to consider but is not obligated to, replenish the Reserve Account balance to the Reserve Requirement. Until the Town credits an amount to the Reserve Account sufficient to replenish the Reserve Account balance to the Reserve Requirement, the Authority shall continue to credit Pledged Revenues to the Reserve Account to the extent available. The Bonds shall be subject to optional redemption on any interest payment date with a redemption price of the Bonds not exceeding 101% of the principal amount so redeemed.

Revenue bonds and loans outstanding at December 31, 2016, are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
General Government – Avon Urban Renewal Authority	3.52%	<u>\$ 5,790,000</u>

Annual debt service requirements to maturity for revenue bonds outstanding at December 31, 2016, are as follows:

<u>Year Ending</u> <u>December 31</u>	<u>Avon Urban Renewal Authority</u>	
	<u>Principal</u>	<u>Interest</u>
2017	\$ 395,000	\$ 203,808
2018	410,000	189,904
2019	425,000	175,472
2020	440,000	160,512
2021	455,000	145,024
2022-2026	2,525,000	473,616
2027-2028	<u>1,140,000</u>	<u>60,544</u>
Total	<u>\$ 5,790,000</u>	<u>\$ 1,408,880</u>

*Certificates of Participation.* In 1998, the Town of Avon Finance Authority issued Certificates of Participation in order to finance the cost of constructing a fleet maintenance facility. The Certificates evidence assignments of proportionate interest in rights to receive payments pursuant to an annually terminable Lease Purchase and Sublease Agreement, dated as of July 1, 1998, and entered into between the Authority as lessor, and the Town of Avon as lessee. In 1999, the fleet maintenance facility was completed and the proceeds from the Certificates that were used directly in the construction of the fleet maintenance facility in the amount of \$5,141,250 (approximately 75%) were capitalized in the Fleet Maintenance Fund.

On November 16, 2010, the Town issued \$6,680,000 of Series 2010 Certificates of Participation with interest rates of 2% to 5%. The Certificates evidence a proportionate interest in the base rentals and other revenues under an annually renewable lease purchase agreement dated as of November 1, 2010, between UMB Bank, n.a., solely in its capacity as trustee under the Indenture, as lessor, and the Town of Avon, as lessee. These Certificates were used to refund the outstanding 1998 Certificates of Participation in the aggregate principal amount of \$3,990,000. The refunding resulted in an economic gain of \$43,298 with a cash flow savings of \$904,642. The remaining funds from the 2010 Certificates were used as matching funds for the construction of the Avon Regional Transit Facility, which was completed and placed into service in October, 2013.

On January 14, 2015, the Town issued \$3,800,000 of Series 2014B Certificates of Participation with an interest rate of 3.03% to finance the cost of street improvements. The Certificates evidence a proportionate interest in the base rentals and other revenues under an annually renewable lease purchase agreement dated as of January 14, 2015, between UMB Bank, N.A., solely in its capacity as trustee under the Indenture, as lessor, and the Town of Avon, as lessee.

On May 3, 2016, the Town held a special election concerning the financing for a joint public safety facility in partnership with the Eagle River Fire Protection District. The election was successful and on August 2, 2016, the Town issued \$6,300,000 of Series 2016 Certificates

# TOWN OF AVON, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

of Participation with an interest rates 2% to 4%. The Certificates evidence a proportionate interest in the base rentals and other revenues under an annually renewable lease purchase agreement dated as of August 2, 2016, between UMB Bank, N.A., solely in its capacity as trustee under the Indenture, as lessor, and the Town of Avon, as lessee.

Certificates of Participation outstanding at December 31, 2016, are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Amount</u>
General Government – Refunding and Capital	2.0% - 5.0%	<u>\$14,840,000</u>

Annual debt service requirements to maturity for Certificates of Participation outstanding at December 31, 2016, are as follows:

<u>Year Ending December 31</u>	<u>Governmental Activities</u>		<u>Business Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ 560,000	\$ 457,469	\$ 140,000	113,906
2018	630,000	381,855	145,000	109,357
2019	650,000	362,707	150,000	104,825
2020	675,000	342,413	155,000	99,575
2021	695,000	324,167	160,000	94,150
2022-2026	3,790,000	1,274,795	935,000	342,475
2027-2031	3,585,000	591,871	920,000	105,750
2032-2035	<u>1,650,000</u>	<u>124,069</u>	<u>0</u>	<u>0</u>
Total	<u>\$12,235,000</u>	<u>\$ 3,859,346</u>	<u>\$ 2,605,000</u>	<u>\$ 970,038</u>

*Capital Lease Obligations.* The following leases are renewable on an annual basis, at the option of the Town, for consecutive one-year periods. Upon final payment, title to the leased assets will pass to the Town.

- Lease obligation for equipment with a total cost of \$563,811 and a book value net of accumulated depreciation at December 31, 2016 of \$331,203. Due in four remaining semi-annual installments of \$45,210 through August, 2018. Amortization is based on an interest rate of 3.162%. The Town may terminate the lease by paying the applicable purchase option on any scheduled payment. Balance at December 31, 2016, is \$173,912.
- Lease obligation for equipment with a total cost of \$217,004 and a book value net of accumulated depreciation at December 31, 2016 of \$129,865. Due in five remaining semi-annual installments of \$16,803.27 through March, 2019. Amortization is based on an interest rate of 2.19%. The Town may terminate the lease by paying the applicable purchase option price on any scheduled payment. Balance at December 31, 2016, is \$81,325.
- Lease obligation for equipment with a total cost of \$208,418 and a book value net of accumulated depreciation at December 31, 2016 of \$155,655. Due in four semi-annual installments of \$18,397 through August, 2018. Amortization is based on an interest rate of 1.77%. The Town may terminate the lease by paying the applicable

purchase option on any scheduled payment. Balance at December 31, 2016 is \$71,989.

- Lease obligation for equipment with a total cost of \$168,986 and a book value net of accumulated depreciation at December 31, 2016 of \$137,301. Due in ten semi-annual installments of \$13,139 through July, 2021. Amortization is based on an interest rate of 2.10%. The Town may terminate the lease by paying the applicable purchase option on any scheduled payment. Balance at December 31, 2016 is \$124,117.

Annual debt service requirements to maturity for Capital Lease Obligations outstanding at December 31, 2016, are as follows:

Year Ending December 31	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2017	\$ 115,106	\$ 6,663	\$ 61,960	\$ 3,371
2018	117,772	3,999	63,864	1,466
2019	41,433	1,648	-	-
2020	25,336	943	-	-
2021	<u>25,871</u>	<u>408</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 325,518</u>	<u>\$ 13,661</u>	<u>\$ 125,824</u>	<u>\$ 4,837</u>

*Changes in Long-term Liabilities.* Long-term liability activity for the year ended December 31, 2016, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Bonds Payable:					
- General Obligation Bonds	\$ 515,000	\$ -	\$ 515,000	\$ -	\$ -
- Revenue Bonds	6,200,000	-	410,000	5,790,000	395,000
- Certificates of Participation	<u>6,280,000</u>	<u>6,300,000</u>	<u>345,000</u>	<u>12,235,000</u>	<u>560,000</u>
	12,995,000	6,300,000	1,270,000	18,025,000	955,000
- Bond Premium	<u>5,860</u>	<u>302,205</u>	<u>5,860</u>	<u>302,205</u>	<u>9,834</u>
Total Bonds Payable	13,000,860	6,602,205	1,275,860	18,327,205	964,834
Capitalized Leases Payable	438,024	-	112,506	325,518	115,106
Compensated Absences	<u>278,005</u>	<u>650,258</u>	<u>576,538</u>	<u>351,725</u>	<u>351,725</u>
Governmental Activity Long-term Liabilities	<u>\$13,716,889</u>	<u>\$ 7,252,463</u>	<u>\$ 1,964,904</u>	<u>\$19,004,448</u>	<u>\$ 1,431,665</u>



# TOWN OF AVON, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

<b>Business-type Activities:</b>					
Certificates of Participation	\$ 2,740,000	\$ -	\$ 135,000	\$ 2,605,000	\$ 140,000
Bond Premium	<u>37,127</u>	<u>-</u>	<u>2,495</u>	<u>34,632</u>	<u>2,496</u>
Total Bonds Payable	2,777,127	-	137,495	2,639,632	142,496
Capitalized Leases Payable	185,937	-	58,322	125,824	61,960
Compensated Absences	<u>46,494</u>	<u>102,188</u>	<u>92,314</u>	<u>56,368</u>	<u>56,368</u>
Business-type Activity Long-term Liabilities	<u>\$ 3,009,558</u>	<u>\$ 102,188</u>	<u>\$ 288,131</u>	<u>\$ 2,821,824</u>	<u>\$ 260,824</u>

*Conduit Debt Obligations.* The Town has sponsored the issuance of revenue bonds in prior years to provide financial assistance to private-sector entities for the acquisition and construction of facilities deemed to be in the public interest. Neither the Town, the State of Colorado, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying general purpose financial statements. Conduit debt obligations at December 31, 2016, are described as follows:

*Eaglebend Affordable Housing Corporation.* The Eaglebend Affordable Housing Corporation (Eaglebend) was formed on October 23, 1990, to help provide for affordable housing within the Town of Avon. Eaglebend operates exclusively on behalf and for the benefit of the Town to operate a 294-unit apartment project within the Town. The Town approved the formation and the issuance of the revenue bonds to finance the project and will obtain full legal title to the land, buildings and equipment upon payment in full of the bonds issued by Eaglebend.

On August 30, 2006, Eaglebend issued \$18,495,000 of Multifamily Housing Project Revenue Refunding Bonds Series 2006A, Series 2006B, and Series C Subordinate Multifamily Housing Project Bonds in order to defease \$17,455,000 of outstanding Series 1997A Eaglebend Affordable Housing Corporation Revenue Refunding Bonds, and \$1,355,000 of outstanding Series 1997B&C Subordinate Eaglebend Affordable Housing Corporation Revenue Refunding Bonds. At December 31, 2016, there was \$11,965,000 outstanding in Multifamily Housing Project Revenue Refunding Bonds, Series 2006A and Series 2006C.

*Eaglebend Dowd Affordable Housing Corporation.* The Eaglebend Dowd Affordable Housing Corporation (Dowd) was formed on March 24, 1998, to help provide for affordable housing within Eagle County. Dowd operates a 50-unit apartment project within Eagle County. The Town approved the formation and the issuance of the revenue bonds to finance the project and will obtain full legal title to the land, buildings and equipment upon payment in full of the bonds. The Town, however, is in no way obligated to pay the debt service on the bonds.

In 2003, the Town approved the issuance by Dowd of \$9,520,000 in Series 2003 Refunding Revenue Bonds in order to defease the outstanding Series 1998A Revenue Bonds by placing

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the proceeds of the Series 2003 bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. In August, 2013, Dowd issued \$8,450,000 in Series 2013 Multifamily Housing Project Refunding Revenue Bonds in order to refund the Series 2003 Bonds. In November, 2014, Dowd issued \$8,850,000 of Multifamily Housing Project Refunding Revenue Bonds, Series 2014A to refund and defease the Series 2013 bonds. As of December 31, 2016, there was \$8,513,858 outstanding in Series 2014A Multifamily Housing Project Refunding Revenue Bonds, and \$1,600,000 outstanding in Series 1998 B&C Subordinate Revenue Bonds.

*Buffalo Ridge I and II Apartment Project.* The Buffalo Ridge I Apartment Project consists of 68 units composed of 2 and 3-bedroom units in four buildings located on the north side of Interstate 70 east of the Town of Avon municipal fleet maintenance facility. The owner of the Buffalo Ridge I Apartments is the Buffalo Ridge Affordable Housing Corporation. In 2002 the Project issued Multifamily Housing Project Revenue Bonds, Series 2002 in order to finance construction costs relating to the Project. As part of the transaction, the lender originated a mortgage loan to the Project insured by the FHA, which was secured by a promissory note and a deed of trust. In addition, in order to provide security for the Bonds, the Project entered into a Financing Agreement among the Project, the lender and Wells Fargo Bank, NA, as trustee for the Bonds, pursuant to which the Project directed the Trustee to use proceeds of the Bonds to purchase from the lender fully modified mortgage-backed securities secured by the Government National Mortgage Association (the “GNMA Securities”). The bonds were redeemed in 2011 upon the sale of the GNMA Securities. Pursuant to the plan of financing, this project will be transferred to the Town of Avon upon the repayment in full of the outstanding debt.

The project above is part of a total development comprised of 244 units. The Buffalo Ridge II Apartment Project consists of approximately 176 units in eleven (11) three-story buildings. The Town of Avon issued multifamily housing revenue bonds dated May 1, 2002, in order to provide financing to Buffalo Ridge II, LLLP, a Colorado limited liability partnership formed for the principal purpose of owning the project. On January 11, 2012, the \$14,940,000 outstanding in the Series 2002A Multifamily Housing Project Revenue Bonds and outstanding Series 2002B Taxable Multifamily Housing Project Revenue Bonds were defeased in full.

*Defeased Debt.* Certain other bonds previously issued by the Town have been defeased by the issuance of refunding bonds. As of December 31, 2016, there are no amounts outstanding on any refunded bonds.

## **Note 6. Employee Retirement Plans**

*Full-time Employees.* The Town maintains two single-employer, defined contribution pension plans for full-time employees: (1) the Town of Avon Police Officers Money Purchase Pension Plan of which there are 20 participants, and (2) the Town of Avon General Employee Money Purchase Pension Plan of which there are 108 participants as of December

# TOWN OF AVON, COLORADO

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## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

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31, 2016. Plan administration and recordkeeping of these plans is provided by The Principal Financial Group.

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 participant's account, earnings on investments of those contributions, and forfeitures of other participant's benefits that may be allocated to the participant's account.

All full-time employees are required to participate in one of the above retirement plans upon employment with the Town. The type of plan that an employee participates in is dependent on the type of employee (police officer or general government employee). Town ordinance provides that both the employee and the Town will contribute an amount equal to 11% of the employee's base salary each month.

Employees hired prior to September 30, 1990, become vested in accordance with a vesting schedule which is dependent on the type of employee and hire date. All employees hired after September 30, 1990, start partial vesting after two years of service and are fully vested after five years of service. In addition, if an employee reaches normal retirement age, dies, or becomes totally and permanently disabled his account becomes fully vested regardless of length of service. Forfeitures by employees who leave employment before being fully vested are applied, first, to offset administrative expenses of the plans, and second, to reduce matching employer contributions. Forfeitures totaling \$46,407 were used in 2016 for administrative expenses. No forfeitures were used to reduce matching employer contributions.

Contributions made by employees and the Town for the three years ended December 31, 2016, are as follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Employee Contributions	<u>\$ 607,999</u>	<u>\$ 577,084</u>	<u>\$ 522,844</u>
Town Contributions	<u>\$ 607,999</u>	<u>\$ 577,084</u>	<u>\$ 522,844</u>

Both the Town and the covered employees each made the required 11% contributions to the plans. There are no liabilities for benefits beyond the Town's matching payments. No changes in the various plan's provisions occurred in 2016.

*Part-time, Temporary and Seasonal Employees.* On October 14, 1997, the Town adopted a PTS Retirement Plan administered by the ICMA Retirement Corporation, and established under Section 457 of the Internal Revenue Code that pertains to deferred compensation plans. The PTS plan is designed specifically for employees who are part-time, temporary, or seasonal, and is defined as a Social Security replacement retirement plan. The PTS plan

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allows participants to defer federal and state income taxes on savings until retirement. The PTS plan requires a minimum contribution of 7.5% of an employee's salary per plan year. This 7.5% may be the employee's contribution, the employer's contribution or a combination of both. The Town elected to have 3.75% contributed by the employee and 3.75% matched by the Town. Employees also have the option to contribute additional amounts.

Upon separation of service, participants may withdraw the account balance in a lump-sum payment, roll the account balance over into another 457 plan, or continue to allow the account balance earn interest tax free. Taxes are paid when funds are withdrawn from the plan.

Contributions actually made by plan members and the Town for the three years ended December 31, 2016, are as follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Employees	<u>\$36,031</u>	<u>\$36,655</u>	<u>\$29,540</u>
Town	<u>\$25,239</u>	<u>\$25,490</u>	<u>\$25,183</u>

Both the Town and the covered employees each made the required 3.75% contributions to the plan. There are no liabilities for benefits beyond the Town's matching payments. As of December 31, 2016 there were 286 participants in this plan.

#### **Note 7. 457 Deferred Compensation Plan**

The Town offers its full-time employees an optional supplemental deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by ICMA Retirement Trust and allows eligible participants the opportunity to accumulate additional retirement savings with certain tax advantages. Deposits into the 457 plan are not subject to state or federal income taxes at the time of deposit, and earnings on these deposits are deferred until withdrawn. As of December 31, 2016 there were 49 participants in the 457 plan.

#### **Note 8. Employee Health Care**

The Town has a self-insurance plan for employee health and dental care. A third-party administrator processes individual employee claims and negotiates excess stop-loss insurance policies. Excess stop-loss insurance policies are purchased to cover individual claims in excess of \$35,000 and aggregate total yearly claims in excess of \$1,343,954. Settled benefit claims did not exceed the aggregate total yearly claims for 2016. As of December 31, 2016, the Town held reserves for future claims in the amount of \$472,594.

# TOWN OF AVON, COLORADO

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016

The following represents the changes in the claims reserve for the Town for 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Claims Reserve for Future Claims, Beginning of Year	\$ 472,594	\$ 250,217
Current Year Deposits for Estimated Claims	1,537,574	1,385,702
Excess Stop Loss Refunds for Specific (Individual) Claims	78,413	109,772
Claim Payments	<u>(1,472,951)</u>	<u>(1,273,097)</u>
Claims Reserve for Future Claims, End of Year	<u>\$ 615,630</u>	<u>\$ 472,594</u>

### Note 9. Interfund Receivables, Payables and Transfers

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are reported in the fund financial statements as “due to/from other funds”. These interfund receivables and payables are expected to be repaid within the next year. The composition of these interfund balances as of December 31, 2016, is as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Fleet Maintenance Fund	\$ 100,000
General Fund	Avon Urban Renewal Fund	<u>3,000</u>
Total		<u>\$ 103,000</u>

### Interfund Transfers:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General Fund	\$ 219,735	\$ 3,332,570
Urban Renewal Authority Fund	77,576	-
Water Fund	-	173,200
Debt Service	578,808	-
Capital Projects Fund	1,943,200	798,543
Transit Enterprise Fund	1,134,994	-
Fleet Maintenance Enterprise Fund	450,000	-
Nonmajor Fund:		
Community Enhancement Fund	<u>-</u>	<u>100,000</u>
	4,404,313	4,404,313
Transfer In of Non-financial Resources:		
Transit Enterprise Fund	150,215	-
Internal Service Fund	<u>284,651</u>	<u>-</u>
Total	<u>\$4,839,179</u>	<u>\$4,404,313</u>

In the fund financial statements, total transfers in of \$4,839,179 are greater than total transfers out of \$4,404,313 because of the treatment of transfers of non-financial resources to the Transit enterprise fund and the internal service fund. During the year, capital assets purchased in 2016 related to governmental funds, with a book value of \$150,215 and

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\$172,146 were transferred to the Transit enterprise fund and internal service fund, respectively. In addition, capital lease principal payments of \$112,506 were made on behalf of the internal service fund. No amounts were reported in the governmental funds as the amounts did not involve the transfer of financial resources. However, the internal service fund reported a transfer in for the capital resources received.

#### **Note 10. Commitments and Contingencies**

*Litigation.* The Town is a party to various legal proceedings. Town management is of the opinion that ultimate disposition of those subsequent pending claims and legal proceedings will not likely have a material adverse effect, if any, on the financial condition of the Town.

*Construction Contract Commitments.* As of December 31, 2016 there was one major construction contract commitment outstanding for the Public Safety Facility project in the amount of \$8,122,182. The Town's share of this cost based upon the Intergovernmental Agreement with the Eagle River Fire Protection District (discussed below) is \$4,864,602.

*Intergovernmental Agreement.* The Town entered into an Intergovernmental Agreement (IGA) with the Eagle River Fire Protection District (Fire District) on April 28, 2015 for the purpose of jointly designing, financing, and constructing a Joint Public Safety Facility in the Town of Avon. The IGA expires on June 2, 2020. The IGA provides for a number of covenants and mutual agreements including temporary financing, design, construction bid process, construction financing, sale and conveyance of land, and construction.

As of December 31, 2016 there have been three amendments to the IGA including entering into a memorandum of agreement regarding cost sharing, and the waiver of various fees by both parties.

*Tax, Spending and Debt Limitations.* Article X, Section 20 of the Colorado Constitution, commonly known as the Taxpayer's Bill of Rights (TABOR) contains tax, spending, revenue and debt limitations which apply to the State of Colorado and all local governments. Spending and revenue limits are determined based on the prior year's Fiscal Year Spending adjusted for allowable increases based upon inflation and local growth. Fiscal Year Spending is generally defined as expenditures plus reserve increases with certain exceptions. Revenue in excess of the Fiscal Year Spending limit must be refunded unless the voters approve retention of such revenue.

Enterprises, defined as government-owned business authorized to issue revenue bonds and receiving less than 10 percent of annual revenue in grants from all state and local governments combined, are excluded from the provisions of TABOR. TABOR also requires local governments to establish Emergency Reserves. These reserves must be at least 3% of Fiscal Year Spending (excluding bonded debt service). Local governments are not allowed to use the emergency reserves to compensate for economic conditions, revenue

# **TOWN OF AVON, COLORADO**

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## **NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2016**

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shortfalls, or salary or benefit increases. The Town has established an emergency reserve in the General Fund for the year ended December 31, 2016 in the amount of \$664,805.

In November 1997, voters within the Town passed a ballot issue which permanently authorizes the Town, without an election, to take action on all spending and revenue raising measures which are limited by TABOR. In addition, voters authorized the Town to keep and spend all revenue collected by the Town regardless of any limitation contained in TABOR. The only exceptions are proposed sales or use tax rate increases and property tax rate increases which must be submitted to the voters, unless otherwise allowed by law.

The Town's management believes it is in compliance with the provisions of TABOR. However, TABOR is complex and subject to interpretation. Many of the provisions, including the interpretation of how to calculate Fiscal Year Spending limits will require judicial interpretation.

### **Note 11. Risk Management**

The Town is exposed to various risks of loss related to torts; thefts of, damage to, and destruction of assets; errors or omissions; injuries to employees; and natural disasters.

The Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA). CIRSA is a joint self-insurance pool created by intergovernmental agreement of 225 municipalities and 43 special districts to provide property, general and automobile liability and public officials coverage to its members. CIRSA is governed by a seven-member Board elected by and from its members.

Coverage is provided through pooling of self-insured losses and the purchase of excess insurance coverage. CIRSA has a legal obligation for claims against its members to the extent that funds are available in its annually established loss fund and that 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 has 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 it is not legally required to do so. The Town's annual contribution to CIRSA amounted to \$189,087 for 2016. The Town has not been informed of any excess losses that may have been incurred by the pool.

The Town continues to carry commercial insurance coverage for other risks of loss including workers compensation. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

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**Note 12. Upper Eagle Regional Water Authority**

The Town is a participant in the Upper Eagle Regional Water Authority. The Authority was formed pursuant to an establishing contract on September 18, 1984, by the following municipal and quasi-municipal corporations (Members) located in Eagle County, Colorado.

- Arrowhead Metropolitan District
- Beaver Creek Metropolitan District
- Berry Creek Metropolitan District
- Eagle-Vail Metropolitan District
- Edwards Metropolitan District
- Town of Avon

The Authority also provides water services to the Cordillera and Bachelor Gulch developments through contracts with Members.

The Authority was formed to make the best practicable use of the Members' joint resources in supplying water to the members and to further develop water resources and facilities in Eagle County. The Authority may not be terminated so long as bonds, notes or other obligations are outstanding, unless provision for full payment of such obligations has been made. At December 31, 2016, the Authority had debt with maturities through the year 2039.

The Town has a service contract with the Authority whereby the Authority provides and bills residents of the Town with water at a rate which is expected to cover its costs in providing water services and other functions. Such costs specifically include debt service requirements, depreciation, and operations and maintenance, including maintenance of the Town's water distribution system. As part of the agreement, the Town conveyed its water distributions facilities and leased its water rights, associated easements and improvements to the Authority at no cost. In consideration, the Authority has agreed to maintain the associated improvements and to administer and protect the Town's plan for augmentation and water decrees at no cost.

During 2016, the Authority collected \$153,637 in water surcharges for the Town.

**Note 13. Tax Abatements**

The Town has entered into various agreements in order to meet development goals within certain areas of Town. The following areas have continuing development requirements or abatement agreements requiring disclosure.



**TOWN OF AVON, COLORADO**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2016**

<u>Development Area</u>	<u>Revenues Impacted</u>	<u>Governing Document</u>	<u>Amount</u>	<u>Requirements</u>
Village at Avon PUD	Sales Tax, Accommodation Tax, Real Estate Transfer Tax	Consolidated, Amended and Restated Annexation and Development Agreement	\$3,921,493	100% tax credit against sales, accommodations and real estate transfer taxes paid within the development area.
Riverfront PUD	Property Tax Increment	Intergovernmental Agreement	\$ 286,794	100% tax rebate of incremental property taxes received from Avon Station Metropolitan District, excluding Lot B.

**Note 14. Major Taxpayers**

For the year ended December 31, 2016 forty-seven percent (47%) of the Town’s sales tax revenues were received from the ten highest-paying companies.

**Note 15. Subsequent Event**

On January 5, 2017 the Avon Urban Renewal Authority issued \$3,000,000 of Series 2017 Tax Increment Revenue Bonds for the purpose of financing improvements and renovations the the new Avon Town Hall.

# TOWN OF AVON, COLORADO

## REQUIRED SUPPLEMENTAL INFORMATION

### GENERAL FUND

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

### (BUDGETARY BASIS) - BUDGET AND ACTUAL

### FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 11,977,899	12,097,238	\$ 12,672,461	\$ 575,223
Licenses and Permits	174,000	206,100	259,997	53,897
Intergovernmental	990,710	1,004,571	1,014,141	9,570
Charges for Services	1,310,263	1,429,024	1,543,296	114,272
Fines and Forfeitures	116,900	92,445	91,014	(1,431)
Investment Earnings	25,000	25,000	73,208	48,208
Other Revenues	364,900	325,400	407,333	81,933
<b>Total Revenues</b>	<b>14,959,672</b>	<b>15,179,778</b>	<b>16,061,450</b>	<b>881,672</b>
<b>Expenditures</b>				
Current:				
General Govt., Finance & Administration	3,141,229	3,157,669	3,103,970	53,699
Community Development	1,174,639	1,380,476	1,201,086	179,390
Public Safety	3,253,284	3,204,355	3,122,942	81,413
Public Works	4,090,065	3,995,687	3,823,374	172,313
Recreation	1,281,738	1,294,689	1,293,277	1,412
Contingency	100,000	99,000	-	99,000
<b>Total Expenditures</b>	<b>13,040,955</b>	<b>13,131,876</b>	<b>12,544,649</b>	<b>587,227</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,918,717	2,047,902	3,516,801	1,468,899
<b>Other Financing Sources (Uses)</b>				
Transfers In	219,735	219,735	219,735	-
Transfers Out	(1,952,000)	(3,350,868)	(3,332,570)	18,298
<b>Total Other Financing Sources (Uses)</b>	<b>(1,732,265)</b>	<b>(3,131,133)</b>	<b>(3,112,835)</b>	<b>18,298</b>
<b>Net Change in Fund Balances</b>	<b>186,452</b>	<b>(1,083,231)</b>	<b>403,966</b>	<b>1,487,197</b>
<b>Fund Balances, Beginning of Year</b>	<b>4,578,732</b>	<b>5,659,925</b>	<b>5,659,925</b>	<b>-</b>
<b>Fund Balances, End of year</b>	<b>\$ 4,765,184</b>	<b>\$ 4,576,694</b>	<b>\$ 6,063,891</b>	<b>\$ 1,487,197</b>

# TOWN OF AVON, COLORADO

## REQUIRED SUPPLEMENTAL INFORMATION AVON URBAN RENEWAL AUTHORITY FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 1,053,955	\$ 1,006,846	\$ 1,026,248	\$ 19,402
Investment Earnings	4,712	3,769	4,085	316
<b>Total Revenues</b>	<u>1,058,667</u>	<u>1,010,615</u>	<u>1,030,333</u>	<u>19,718</u>
<b>Expenditures</b>				
Current:				
General Government	950	5,450	-	5,450
Public Works and Utilities	298,281	270,471	252,173	18,298
Capital Improvements	-	32,603	32,603	-
Debt Service:				
Principal	410,000	410,000	410,000	-
Interest	218,240	218,240	218,240	-
Fiscal Charges	32,620	39,700	39,690	10
<b>Total Expenditures</b>	<u>960,091</u>	<u>976,464</u>	<u>952,706</u>	<u>23,758</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	98,576	34,151	77,627	43,476
<b>Other Financing Sources (Uses)</b>				
Transfers In:				
General Fund	250,000	95,874	77,576	(18,298)
<b>Net Change in Fund Balances</b>	<u>348,576</u>	<u>130,025</u>	<u>155,203</u>	<u>25,178</u>
<b>Fund Balances, Beginning of Year</b>	<u>946,525</u>	<u>1,032,560</u>	<u>1,032,560</u>	<u>-</u>
<b>Fund Balances, End of year</b>	<u>\$ 1,295,101</u>	<u>\$ 1,162,585</u>	<u>\$ 1,187,763</u>	<u>\$ 25,178</u>

# TOWN OF AVON, COLORADO

## REQUIRED SUPPLEMENTAL INFORMATION

### WATER FUND

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

### (BUDGETARY BASIS) - BUDGET AND ACTUAL

### FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Charges for Services	\$ 170,000	\$ 190,000	\$ 229,214	\$ 39,214
<b>Total Revenues</b>	<u>170,000</u>	<u>190,000</u>	<u>229,214</u>	<u>39,214</u>
<b>Expenditures</b>				
Current:				
Public Works and Utilities	122,353	994,786	992,278	2,508
<b>Total Expenditures</b>	<u>122,353</u>	<u>994,786</u>	<u>992,278</u>	<u>2,508</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	47,647	(804,786)	(763,064)	41,722
<b>Other Financing Sources (Uses)</b>				
Transfers Out:				
Capital Projects Fund	(100,000)	(173,200)	(173,200)	-
<b>Net Change in Fund Balances</b>	<u>(52,353)</u>	<u>(977,986)</u>	<u>(936,264)</u>	<u>41,722</u>
<b>Fund Balances, Beginning of Year</b>	<u>880,199</u>	<u>1,016,159</u>	<u>1,016,159</u>	<u>-</u>
<b>Fund Balances, End of year</b>	<u>\$ 827,846</u>	<u>\$ 38,173</u>	<u>\$ 79,895</u>	<u>\$ 41,722</u>

# TOWN OF AVON, COLORADO

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## NOTES TO REQUIRED SUPPLEMENTAL INFORMATION DECEMBER 31, 2016

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### **Note 1. Budgetary Information**

An annual budget is legally adopted on a basis consistent with generally accepted accounting principles for all funds, with the exception of proprietary funds which are budgeted on the modified accrual basis of accounting. Appropriations lapse at fiscal year-end except for capital projects and special revenue funds which may have project-length budgets that carryover from year-to-year. However, as a matter of practice, the Town adopts annual budgets for all funds. The budget is prepared by fund, department, program, object and project. Expenditures may not legally exceed budgeted appropriations at the fund level.

The Town Council holds public hearings and may change appropriations except for expenditures required by law for debt service or for estimated cash deficits. No change to the budget may increase the authorized expenditures to any amount greater than the total amount of funds available. The Town Council must adopt the budget by resolution prior to December 15<sup>th</sup>. Once adopted, the Town Council may at any time, by resolution, amend the budget. In addition, the Town Manager may transfer part or all of any unencumbered appropriation balance among programs within a department. A department is defined by the Town as a distinct, principal or specialized division (e.g. the Department of Public Works).

# NONMAJOR GOVERNMENTAL FUNDS

## Special Revenue Funds

Special revenue funds are used to account for specific revenues that are legally restricted to expenditure for particular purposes.

**Community Enhancement Fund** – This fund is used to account for revenues received from a franchisee and restricted for use for beautification projects, energy conservation projects, equipment and technology upgrades for schools, scholarship funds, acquisition of open space and/or park land and development thereof, sponsorship of special community events, and undergrounding of overhead electric and other utility lines.

**Affordable Housing Fund** – This fund is used to accumulate and account for resources received and restricted for use in the Town's affordable housing program.

# TOWN OF AVON, COLORADO

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS DECEMBER 31, 2016

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Community Enhancement Fund	Affordable Housing Fund	
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ (9,531)	\$ 528,076	\$ 518,545
Receivables:			
- Accounts	71,736	144	71,880
Notes Receivable	-	94,830	94,830
<b>Total Assets</b>	<u>\$ 62,205</u>	<u>\$ 623,050</u>	<u>\$ 685,255</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ -	\$ 12,037	\$ 12,037
<b>Total Liabilities</b>	<u>-</u>	<u>12,037</u>	<u>12,037</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue - Notes Receivable	-	94,830	94,830
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>94,830</u>	<u>94,830</u>
<b>FUND BALANCES</b>			
<b>Restricted For:</b>			
Community Enhancement	62,205	-	62,205
Affordable Housing Programs	-	516,183	516,183
<b>Total Fund Balances</b>	<u>62,205</u>	<u>516,183</u>	<u>578,388</u>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<u>\$ 62,205</u>	<u>\$ 623,050</u>	<u>\$ 685,255</u>

# TOWN OF AVON, COLORADO

## COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS FOR THE YEAR ENDED DECEMBER 31, 2016

	Special Revenue Funds		Total Nonmajor Governmental Funds
	Community Enhancement Fund	Affordable Housing Fund	
<b>Revenues</b>			
Investment Earnings	\$ -	\$ 900	\$ 900
Other Revenues	71,736	12,985	84,721
<b>Total Revenues</b>	71,736	13,885	85,621
<b>Expenditures</b>			
Current:			
General Government	-	15,037	15,037
<b>Total Expenditures</b>	-	15,037	15,037
Excess (Deficiency) of Revenues Over (Under) Expenditures	71,736	(1,152)	70,584
<b>Other Financing Sources (Uses):</b>			
Transfers Out:			
Capital Projects Fund	(100,000)	-	(100,000)
<b>Net Change in Fund Balances</b>	(28,264)	(1,152)	(29,416)
<b>Fund Balances, Beginning of Year</b>	90,469	517,335	607,804
<b>Fund Balances, End of year</b>	\$ 62,205	\$ 516,183	\$ 578,388



# TOWN OF AVON, COLORADO

## COMMUNITY ENHANCEMENT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Other Revenues	\$ 84,000	\$ 84,000	\$ 71,736	\$ (12,264)
<b>Total Revenues</b>	<u>84,000</u>	<u>84,000</u>	<u>71,736</u>	<u>(12,264)</u>
<b>Expenditures</b>				
Current:				
Public Works and Utilities	-	-	-	-
<b>Total Expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	84,000	84,000	71,736	(12,264)
<b>Other Financing Sources (Uses):</b>				
Transfers Out:				
Capital Projects Fund	(100,000)	(100,000)	(100,000)	-
<b>Net Change in Fund Balances</b>	<u>(16,000)</u>	<u>(16,000)</u>	<u>(28,264)</u>	<u>(12,264)</u>
<b>Fund Balances, Beginning of Year</b>	<u>96,996</u>	<u>90,469</u>	<u>90,469</u>	<u>-</u>
<b>Fund Balances, End of year</b>	<u>\$ 80,996</u>	<u>\$ 74,469</u>	<u>\$ 62,205</u>	<u>\$ (12,264)</u>

# TOWN OF AVON, COLORADO

## AFFORDABLE HOUSING FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Investment Earnings	\$ 1,191	\$ 935	\$ 900	\$ (35)
Other Revenues	2,694	12,950	12,985	35
<b>Total Revenues</b>	<u>3,885</u>	<u>13,885</u>	<u>13,885</u>	<u>-</u>
<b>Expenditures</b>				
Current:				
General Government	25,000	25,000	15,037	9,963
<b>Total Expenditures</b>	<u>25,000</u>	<u>25,000</u>	<u>15,037</u>	<u>9,963</u>
<b>Net Change in Fund Balances</b>	(21,115)	(11,115)	(1,152)	9,963
<b>Fund Balances, Beginning of Year</b>	<u>517,335</u>	<u>517,335</u>	<u>517,335</u>	<u>-</u>
<b>Fund Balances, End of year</b>	<u>\$ 496,220</u>	<u>\$ 506,220</u>	<u>\$ 516,183</u>	<u>\$ 9,963</u>

# TOWN OF AVON, COLORADO

## DEBT SERVICE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes:				
Property Taxes	\$ 546,531	\$ 546,531	\$ 546,465	\$ (66)
Investment Earnings	750	2,100	2,728	628
<b>Total Revenues</b>	<u>547,281</u>	<u>548,631</u>	<u>549,193</u>	<u>562</u>
<b>Expenditures</b>				
Debt Service:				
Principal	860,000	860,000	860,000	-
Interest	245,158	245,158	246,170	(1,012)
Fiscal Charges	20,931	20,931	14,381	6,550
<b>Total Expenditures</b>	<u>1,126,089</u>	<u>1,126,089</u>	<u>1,120,551</u>	<u>5,538</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(578,808)	(577,458)	(571,358)	6,100
<b>Other Financing Sources (Uses)</b>				
Transfers In:				
Capital Projects Fund	578,808	578,808	578,808	-
<b>Net Change in Fund Balances</b>	-	1,350	7,450	6,100
<b>Fund Balances, Beginning of Year</b>	<u>510,375</u>	<u>529,117</u>	<u>529,117</u>	<u>-</u>
<b>Fund Balances, End of year</b>	<u>\$ 510,375</u>	<u>\$ 530,467</u>	<u>\$ 536,567</u>	<u>\$ 6,100</u>

# TOWN OF AVON, COLORADO

## CAPITAL PROJECTS FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes:				
Real Estate Transfer Tax	\$ 2,100,000	\$ 2,300,000	\$ 3,497,602	\$ 1,197,602
Intergovernmental	2,158,434	1,902,534	1,854,136	(48,398)
Investment Earnings	13,372	13,372	58,744	45,372
Other Revenues	80,000	80,000	159,549	79,549
<b>Total Revenues</b>	<b>4,351,806</b>	<b>4,295,906</b>	<b>5,570,031</b>	<b>1,274,125</b>
<b>Expenditures</b>				
Capital Projects:				
Facilities	383,790	8,512,454	4,826,688	3,685,766
Land and Land Improvements	298,450	136,200	119,077	17,123
Roads and Streets	4,803,000	4,213,574	3,718,368	495,206
Water Fund Projects	100,000	150,000	129,796	20,204
Communication and Technology	-	33,869	35,182	(1,313)
Strategic Planning	-	75,000	-	75,000
Other	5,000	5,000	2,851	2,149
Debt Service:				
Capital Leases	121,770	121,770	121,770	-
Bond Issuance Costs	-	153,550	147,270	6,280
<b>Total Expenditures</b>	<b>5,712,010</b>	<b>13,401,417</b>	<b>9,101,002</b>	<b>4,300,415</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,360,204)	(9,105,511)	(3,530,971)	5,574,540
<b>Other Financing Sources (Uses)</b>				
Transfers In:				
General Fund	120,000	1,670,000	1,670,000	-
Avon Urban Renewal Fund	500,000	-	-	-
Water Fund	100,000	173,200	173,200	-
Community Enhancement Fund	100,000	100,000	100,000	-
Transfers Out:				
General Fund	(219,735)	(219,735)	(219,735)	-
Debt Service Fund	(578,808)	(578,808)	(578,808)	-
Debt Issuance Proceeds	2,500,000	6,602,205	6,602,205	-
<b>Total Other Financing Sources (Uses)</b>	<b>2,521,457</b>	<b>7,746,862</b>	<b>7,746,862</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>1,161,253</b>	<b>(1,358,649)</b>	<b>4,215,891</b>	<b>5,574,540</b>
<b>Fund Balances, Beginning of Year</b>	<b>5,354,135</b>	<b>6,198,817</b>	<b>6,198,817</b>	<b>-</b>
<b>Fund Balances, End of Year</b>	<b>\$ 6,515,388</b>	<b>\$ 4,840,168</b>	<b>\$ 10,414,708</b>	<b>\$ 5,574,540</b>

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## ENTERPRISE FUNDS

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises – where the intent of the Town Council is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered through user charges; or where the Town Council has decided that periodic determination of net income is appropriate for accountability purposes.

**Transit Fund** – This fund is used to account for the activities involved in operating the Town’s transportation system.

**Fleet Maintenance Fund** – This fund is used to account for the accumulation and allocation of costs associated with the maintenance of vehicles and rolling stock for the Town and certain other third-party governmental entities.

# TOWN OF AVON, COLORADO

## TRANSIT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Taxes	\$ 44,210	\$ 40,190	\$ 40,258	\$ 68
Intergovernmental	328,000	100,000	100,000	-
Charges for Services	208,829	208,829	227,617	18,788
Other Revenue	72,000	82,500	92,740	10,240
<b>Total Revenues</b>	<u>653,039</u>	<u>431,519</u>	<u>460,615</u>	<u>29,096</u>
<b>Expenditures:</b>				
Administration	239,797	237,956	235,867	2,089
Operations	1,549,213	1,262,737	1,261,623	1,114
Wash Bay	159,486	125,273	102,413	22,860
<b>Total Expenditures</b>	<u>1,948,496</u>	<u>1,625,966</u>	<u>1,599,903</u>	<u>26,063</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,295,457)	(1,194,447)	(1,139,288)	55,159
<b>Other Financing Sources (Uses):</b>				
Transfers In:				
General Fund	<u>1,282,000</u>	<u>1,134,994</u>	<u>1,134,994</u>	<u>-</u>
<b>Net Change in Fund Balances</b>	<u>(13,457)</u>	<u>(59,453)</u>	<u>(4,294)</u>	<u>55,159</u>
<b>Fund Balances, Beginning of Year</b>	<u>631,793</u>	<u>689,894</u>	<u>689,894</u>	<u>-</u>
<b>Fund Balances, End of Year</b>	<u>\$ 618,336</u>	<u>\$ 630,441</u>	<u>\$ 685,600</u>	<u>\$ 55,159</u>

Fund Balances at December 31, 2016, is computed as follows:

Current Assets	\$ 780,109
Less: Current Liabilities and Deferred Inflows of Resources	(151,514)
Add: Current Portion of Capital Leases Payable	<u>57,005</u>
Fund Balances - December 31, 2016	<u>\$ 685,600</u>

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**RECONCILIATION OF NET CHANGE IN FUND BALANCES (BUDGETARY BASIS)  
TO CHANGE IN NET POSITION (GAAP BASIS)**

**Net Change in Fund Balances (Budgetary Basis)** \$ (4,294)

**Adjustments to Reconcile Budgetary  
Basis to GAAP Basis**

Capitalization of Capital Assets	134,994
Principal Paid on Capital Leases	55,244
Transfers In of Non-financial Resources	150,215
Depreciation	<u>(553,558)</u>

**Total Adjustments** (213,105)

**Change in Net Position (GAAP Basis)** \$ (217,399)



# TOWN OF AVON, COLORADO

## FLEET MAINTENANCE FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for Services:				
Third-party Fleet Maintenance Charges	\$ 897,902	\$ 572,713	\$ 669,230	\$ 96,517
Departmental Fleet Maintenance Services	579,730	511,342	557,446	46,104
Fuel Mark-up	10,000	10,000	3,881	(6,119)
Other Revenues	-	-	4,625	4,625
<b>Total Revenues</b>	<b>1,487,632</b>	<b>1,094,055</b>	<b>1,235,182</b>	<b>141,127</b>
<b>Expenditures:</b>				
Fleet Maintenance	1,785,969	1,573,779	1,636,907	(63,128)
<b>Total Expenditures</b>	<b>1,785,969</b>	<b>1,573,779</b>	<b>1,636,907</b>	<b>(63,128)</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(298,337)	(479,724)	(401,725)	77,999
<b>Other Financing Sources (Uses):</b>				
Transfers In:				
General Fund	300,000	450,000	450,000	-
Sales of Capital Assets	-	-	5,400	5,400
<b>Total Other Financing Sources (Uses)</b>	<b>300,000</b>	<b>450,000</b>	<b>455,400</b>	<b>5,400</b>
<b>Net Change in Fund Balances</b>	<b>1,663</b>	<b>(29,724)</b>	<b>53,675</b>	<b>83,399</b>
<b>Fund Balances, Beginning of Year</b>	<b>192,819</b>	<b>169,474</b>	<b>169,474</b>	<b>-</b>
<b>Fund Balances, End of Year</b>	<b>\$ 194,482</b>	<b>\$ 139,750</b>	<b>\$ 223,149</b>	<b>\$ 83,399</b>

Fund Balances at December 31, 2016, is computed as follows:

Current Assets	\$ 408,060
Less: Current Liabilities	(332,362)
Add: Current Portion of Certificates of Participation	142,496
Add: Current Portion of Capital Leases Payable	4,955
<b>Fund Balances - December 31, 2016</b>	<b>\$ 223,149</b>

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**RECONCILIATION OF NET CHANGE IN FUND BALANCES (BUDGETARY BASIS)  
TO CHANGE IN NET POSITION (GAAP BASIS)**

<b>Net Change in Fund Balances (Budgetary Basis)</b>	<u>\$ 53,675</u>
<b>Adjustments to Reconcile Budgetary Basis to GAAP Basis</b>	
Principal Paid on Certificates of Participation	135,000
Principal Paid on Capital Lease Obligations	4,869
Capitalization of Capital Assets	11,180
Book Value of Capital Assets Disposed	(3,500)
Amortization of Premium and Gain on Advance Refunding of Debt	2,909
Depreciation	<u>(140,097)</u>
<b>Total Adjustments</b>	<u>10,361</u>
<b>Change in Net Position (GAAP Basis)</b>	<u><u>\$ 64,036</u></u>

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## **INTERNAL SERVICE FUNDS**

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the Town and to other government units, on a cost reimbursement basis.

**Equipment Replacement Fund** – This fund is used to account for the rental of certain vehicles and equipment to other departments for the accumulation of funds for future replacement.

# TOWN OF AVON, COLORADO

## EQUIPMENT REPLACEMENT FUND SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL (BUDGETARY BASIS) FOR THE YEAR ENDED DECEMBER 31, 2016

	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Revenues:</b>				
Charges for Services:				
Equipment Replacement Charges	\$ 589,967	\$ 589,967	\$ 589,967	\$ -
Other Revenues	143,598	574,391	646,190	71,799
<b>Total Revenues</b>	<b>733,565</b>	<b>1,164,358</b>	<b>1,236,157</b>	<b>71,799</b>
<b>Expenditures:</b>				
Capital Outlay:				
Fleet and Heavy Equipment	101,338	106,540	67,411	39,129
Recreation Center Equipment & Improvements	14,364	21,239	18,927	2,312
Computer and Office Equipment	116,599	90,560	92,679	(2,119)
Machinery and Equipment	7,368	31,000	28,836	2,164
<b>Total Expenditures</b>	<b>239,669</b>	<b>249,339</b>	<b>207,853</b>	<b>41,486</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	493,896	915,019	1,028,304	113,285
<b>Other Financing Sources (Uses):</b>				
Sales of Capital Assets	15,000	26,000	49,900	23,900
<b>Net Change in Fund Balances</b>	<b>508,896</b>	<b>941,019</b>	<b>1,078,204</b>	<b>137,185</b>
<b>Fund Balances, Beginning of Year</b>	<b>1,667,903</b>	<b>1,699,303</b>	<b>1,699,303</b>	<b>-</b>
<b>Fund Balances, End of Year</b>	<b>\$ 2,176,799</b>	<b>\$ 2,640,322</b>	<b>\$ 2,777,507</b>	<b>\$ 137,185</b>

Fund Balances at December 31, 2016, is computed as follows:

Current Assets	\$ 2,777,507
Less: Current Liabilities	(115,106)
Add: Current Portion of Capital Leases Payable	115,106
<b>Fund Balances - December 31, 2016</b>	<b>\$ 2,777,507</b>

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**RECONCILIATION OF NET CHANGE IN FUND BALANCES (BUDGETARY BASIS)  
TO CHANGE IN NET POSITION (GAAP BASIS)**

<b>Net Change in Fund Balances (Budgetary Basis)</b>	<u>\$ 1,078,204</u>
<b>Basis to GAAP Basis</b>	
Capitalization of Capital Assets	194,261
Repayment of Outstanding Loans Receivable	(646,190)
Book Value of Capital Assets Disposed	(54,240)
Transfers In of Non-financial Resources	284,651
Depreciation	<u>(523,337)</u>
<b>Total Adjustments</b>	<u>(744,855)</u>
<b>Change in Net Position (GAAP Basis)</b>	<u><u>\$ 333,349</u></u>

## **MISCELLANEOUS SCHEDULES**

# TOWN OF AVON, COLORADO

## DEBT SCHEDULE DECEMBER 31, 2016

Purpose	Schedule of Indebtedness				Payments Due In 2017		
	Date Issued	Interest Rate	Maturity Date	Amount Issued	Amount Outstanding	Principal	Interest
<b>Revenue Bonds:</b>							
Series 2013, Avon URA Tax Increment Revenue Bonds	11/27/13	3.52%	12/1/28	\$ 6,825,000	\$ 5,790,000	\$ 395,000	\$ 203,808
<b>Total Revenue Bonds</b>				<u>6,825,000</u>	<u>5,790,000</u>	<u>395,000</u>	<u>203,808</u>
<b>Certificates of Participation:</b>							
Series 2010, Certificates of Participation	11/16/10	2.00%-5.00%	12/1/30	6,680,000	5,165,000	280,000	225,788
Series 2014B, Certificates of Participation	1/14/15	3.03%	12/1/29	3,800,000	3,375,000	215,000	102,263
Series 2016, Certificates of Participation	8/2/16	2.00%-4.00%	12/1/35	6,300,000	6,300,000	205,000	243,325
<b>Total Certificates of Participation</b>				<u>16,780,000</u>	<u>14,840,000</u>	<u>700,000</u>	<u>571,376</u>
<b>Capital Lease Obligations</b>							
Master Lease-Purchase, US Bancorp	8/26/11	3.162%	8/26/18	563,811	173,912	85,592	4,828
Master Lease-Purchase, US Bancorp	3/15/12	2.19%	3/15/19	217,004	81,325	32,000	1,607
Master Lease-Purchase, Commerce Bank	8/27/13	1.77%	8/27/18	175,326	71,989	35,678	1,117
Master Lease-Purchase, US Bancorp	7/25/14	2.10%	7/15/21	170,246	124,117	23,797	2,482
<b>Total Capital Lease Obligations</b>				<u>1,126,387</u>	<u>451,343</u>	<u>177,067</u>	<u>10,034</u>
<b>Total Long-term Debt</b>				<u>\$ 24,731,387</u>	<u>\$ 21,081,343</u>	<u>\$ 1,272,067</u>	<u>\$ 785,218</u>



# TOWN OF AVON, COLORADO

## DETAILED SCHEDULE OF GENERAL FUND EXPENDITURES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2016

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>General Government:</b>				
Mayor and Town Council	\$ 210,907	\$ 191,202	\$ 207,490	\$ (16,288)
Boards and Commissions	15,299	15,299	12,454	2,845
Town Attorney	130,000	130,000	133,145	(3,145)
Town Clerk	135,636	129,403	135,048	(5,645)
Municipal Court	124,210	124,581	106,594	17,987
Town Manager	366,967	378,906	364,898	14,008
Community Relations	149,897	119,841	124,692	(4,851)
<b>Subtotal General Government</b>	<b>1,132,916</b>	<b>1,089,232</b>	<b>1,084,321</b>	<b>4,911</b>
<b>Human Resources:</b>				
Human Resources	411,819	429,436	416,018	13,418
<b>Finance and Information Technology:</b>				
Finance	812,834	816,552	802,661	13,891
Information Systems	384,847	399,254	380,891	18,363
Nondepartmental	398,813	423,195	420,079	3,116
<b>Subtotal Finance and Administration</b>	<b>1,596,494</b>	<b>1,639,001</b>	<b>1,603,631</b>	<b>35,370</b>
<b>Total General Government, Finance and Administration</b>	<b>3,141,229</b>	<b>3,157,669</b>	<b>3,103,970</b>	<b>53,699</b>
<b>Community Development:</b>				
Planning	317,767	241,933	215,001	26,932
Building Inspection	146,758	144,236	141,694	2,542
Economic Development	40,600	65,600	37,147	28,453
Town Produced Events	314,364	304,857	291,225	13,632
Signature Event Seed Funding	125,000	393,700	307,788	85,912
Community Grants	230,150	230,150	208,231	21,919
<b>Total Community Development</b>	<b>1,174,639</b>	<b>1,380,476</b>	<b>1,201,086</b>	<b>179,390</b>

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Public Safety: Police</b>				
Administration	658,376	585,521	535,815	49,706
Patrol	2,331,166	2,361,127	2,332,791	28,336
Investigations	263,742	257,707	254,336	3,371
<b>Total Public Safety</b>	<b>3,253,284</b>	<b>3,204,355</b>	<b>3,122,942</b>	<b>81,413</b>
<b>Public Works:</b>				
Engineering	\$ 273,664	\$ 274,830	\$ 267,207	\$ 7,623
Buildings and Facilities	1,109,892	1,116,586	1,085,263	31,323
Roads and Bridges	1,612,864	1,485,528	1,400,312	85,216
Parks and Grounds	1,093,645	1,118,743	1,070,592	48,151
<b>Total Public Works</b>	<b>4,090,065</b>	<b>3,995,687</b>	<b>3,823,374</b>	<b>172,313</b>
<b>Recreation:</b>				
Administration	238,223	241,477	241,114	363
Adult Programs	58,827	51,792	50,914	878
Aquatics	427,447	444,495	441,428	3,067
Fitness	132,740	132,740	136,161	(3,421)
Front Desk	292,090	291,984	295,102	(3,118)
Youth Programs	132,411	132,201	128,558	3,643
<b>Total Recreation</b>	<b>1,281,738</b>	<b>1,294,689</b>	<b>1,293,277</b>	<b>1,412</b>
<b>Contingency</b>	<b>100,000</b>	<b>99,000</b>	<b>-</b>	<b>99,000</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 13,040,955</b>	<b>\$ 13,131,876</b>	<b>\$ 12,544,649</b>	<b>\$ 587,227</b>

# TOWN OF AVON, COLORADO

## DETAILED SCHEDULE OF GENERAL FUND REVENUES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2016

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Taxes:</b>				
General Property Tax	\$ 1,746,101	\$ 1,746,101	\$ 1,740,308	\$ (5,793)
General Property Tax - Delinquent Collections	500	500	-	(500)
General Property Tax - Interest and Penalties	1,000	1,000	2,999	1,999
General Property Tax - Abatements	-	-	(1,000)	(1,000)
Specific Ownership Tax	120,000	120,000	119,483	(517)
Sales Tax	7,757,072	7,725,601	8,097,130	371,529
Utility Tax	110,000	110,000	102,643	(7,357)
Accommodations Tax	1,122,226	1,249,036	1,289,879	40,843
Penalties and Interest	25,000	25,000	30,487	5,487
Sales Tax Audit Assessments	5,000	5,000	122,764	117,764
VAA Retail Sales Fee	676,000	700,000	735,280	35,280
Franchise Fees	415,000	415,000	432,488	17,488
<b>Total Taxes</b>	<b>11,977,899</b>	<b>12,097,238</b>	<b>12,672,461</b>	<b>575,223</b>
<b>Licenses and Permits:</b>				
Liquor Licenses	7,000	7,000	8,234	1,234
Business Licenses	40,000	65,000	87,510	22,510
Contractor's Licenses	10,500	10,500	12,520	2,020
Building Permits	107,900	115,000	143,642	28,642
Road Cut Permits	8,000	8,000	7,615	(385)
Other Licenses and Permits	-	-	476	476
Mobile Vendor Cart Permits	600	600	-	(600)
<b>Total Licenses and Permits</b>	<b>174,000</b>	<b>206,100</b>	<b>259,997</b>	<b>53,897</b>
<b>Intergovernmental:</b>				
<b>Federal:</b>				
Click It or Ticket	8,000	8,000	8,360	360
Bullet Proof Vest Grant	2,475	2,475	2,320	(155)
<b>State:</b>				
LEAF Grant	22,000	26,376	31,422	5,046
High Visibility Grants	14,000	14,000	24,140	10,140
Other State Grants	-	20,000	33,048	13,048
<b>Local Government/Other Agency</b>				
Eagle County - Childcare	-	1,765	6,677	4,912
Eagle River Youth Coalition	-	8,500	570	(7,930)
<b>State/County Shared Revenue:</b>				
Conservation Trust	65,000	62,000	72,226	10,226
Motor Vehicle Registration	22,000	22,000	24,639	2,639
Highway User's Tax	183,000	193,000	193,388	388
Cigarette Tax	47,000	42,000	43,200	1,200
County Sales Tax	471,235	471,235	445,043	(26,192)
Road & Bridge Fund	153,000	132,220	128,078	(4,142)
State Severance Tax	3,000	1,000	1,030	30
<b>Total Intergovernmental</b>	<b>990,710</b>	<b>1,004,571</b>	<b>1,014,141</b>	<b>9,570</b>

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Charges for Services:</b>				
<b>General Government:</b>				
Photocopying Charges	\$ 300	\$ 1,370	\$ 14	\$ (1,356)
License Hearing Fees	100	100	-	(100)
Other Fees and Charges	1,250	1,250	1,828	578
Credit Card and Paper Filing Fees	-	1,470	2,332	862
Plan Check Fees	58,100	95,000	104,641	9,641
Subdivision Review Fees	-	1,000	916	(84)
Design Review Fees	20,000	14,295	15,754	1,459
Animal Control Fees	500	500	590	90
Impact Fee Administrative Fees	2,500	750	832	82
Police Reports	600	600	713	113
Off-duty Police Employment	20,000	18,000	18,564	564
Fingerprinting Fees	4,500	4,500	5,547	1,047
VIN Inspection Fees	18,000	18,000	18,030	30
False Alarm Fees	1,000	500	240	(260)
National Night Out	1,200	4,000	1,430	(2,570)
DUI Reimbursement	22,092	29,750	19,063	(10,687)
<b>Subtotal: General Government</b>	<b>150,142</b>	<b>191,085</b>	<b>190,494</b>	<b>(591)</b>
<b>Recreation Center:</b>				
Admission Fees	751,500	836,000	901,307	65,307
Program Fees	27,257	36,027	46,582	10,555
Rentals	41,000	45,000	49,426	4,426
Merchandise Sales	8,500	8,500	8,598	98
Other Recreation Center Services	12,000	9,500	10,603	1,103
Fitness Program Revenues	53,500	53,500	50,159	(3,341)
<b>Other Recreation:</b>				
Adult Program Revenues	36,200	17,600	19,378	1,778
Cabin Equipment Rentals	2,000	13,500	17,542	4,042
Athletic Field Rentals	5,500	4,500	8,535	4,035
Cabin Concessions	200	200	-	(200)
Youth Program Revenues	128,550	125,000	149,700	24,700
Sponsorships	43,000	38,000	38,000	-
Event Fees	9,775	10,325	11,937	1,612
Special Event Admission Fees	41,139	40,287	41,035	748
<b>Subtotal: Recreation</b>	<b>1,160,121</b>	<b>1,237,939</b>	<b>1,352,802</b>	<b>114,863</b>
<b>Total Charges for Services</b>	<b>1,310,263</b>	<b>1,429,024</b>	<b>1,543,296</b>	<b>114,272</b>

# TOWN OF AVON, COLORADO

## DETAILED SCHEDULE OF GENERAL FUND REVENUES (BUDGETARY BASIS) - BUDGET AND ACTUAL FOR THE YEAR ENDED DECEMBER 31, 2016 (CONTINUED)

Description	Budgeted Amounts		Actual Amounts	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>Fines and Forfeitures:</b>				
Court Fines - Traffic	\$ 60,000	\$ 51,300	\$ 47,006	\$ (4,294)
Court Fines - Criminal	30,000	21,000	22,958	1,958
Court Fines - Parking	10,000	6,735	7,245	510
Court Costs	8,000	7,000	7,280	280
Jury Fees	150	100	-	(100)
Bond Forfeitures	500	100	250	150
Police Training Surcharge	8,250	6,210	6,275	65
<b>Total Fines and Forfeitures</b>	<b>116,900</b>	<b>92,445</b>	<b>91,014</b>	<b>(1,431)</b>
<b>Investment Earnings</b>	<b>25,000</b>	<b>25,000</b>	<b>73,208</b>	<b>48,208</b>
<b>Miscellaneous Revenues:</b>				
Recreational Amenity Fees	285,000	235,000	250,468	15,468
Bond Issuance Fee	9,800	9,800	10,696	896
Lease of Town-owned Property	40,000	40,000	46,662	6,662
Miscellaneous Nonclassified Revenues	30,100	40,600	99,507	58,907
<b>Total Miscellaneous Revenues</b>	<b>364,900</b>	<b>325,400</b>	<b>407,333</b>	<b>81,933</b>
<b>TOTAL REVENUES</b>	<b>\$ 14,959,672</b>	<b>\$ 15,179,778</b>	<b>\$ 16,061,450</b>	<b>\$ 881,672</b>

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# TOWN OF AVON, COLORADO

## SCHEDULE OF CAPITAL PROJECT FUND PROJECT EXPENDITURES (BUDGETARY BASIS) - BUDGET AND ACTUAL FROM INCEPTION AND FOR THE YEAR ENDED DECEMBER 31, 2016

Project Description	Actual Amounts			Total Project Budget	Variance with Budget - Positive (Negative)
	Prior Years	Current Year	Total		
<b>CAPITAL IMPROVEMENT PROJECTS</b>					
<b>Facilities:</b>					
<i>General Government Facilities:</i>					
<i>New Town Hall:</i>					
Building Purchase	\$ -	\$ 1,504,751	\$ 1,504,751	\$ 1,500,925	\$ (3,826)
Tenant Finish Design	-	37,838	37,838	1,900,000	1,862,162
Floor Expansion Feasibility Study	-	10,082	10,082	10,500	418
Tenant Finish Construction	-	62,447	62,447	2,699,500	2,637,053
<i>Joint Public Safety Facility Project:</i>					
Design	69,606	263,130	332,736	450,000	117,264
Construction	-	2,586,599	2,586,599	6,020,855	3,434,256
<i>Transportation Facilities:</i>					
Fleet Maintenance Building Improvements	-	98,050	98,050	90,000	(8,050)
Transit Bus Shelters (4)	19,382	130,833	150,215	264,382	114,167
Transit Bus Stop - Traer Creek Plaza	4,490	52,943	57,433	60,000	2,567
Transit Bus Stop - Eaglebend / US Hwy 6	-	40,249	40,249	48,000	7,751
<i>Cultural and Recreational Facilities:</i>					
Recreation Center Slide Refurbishment	23,730	35,270	59,000	59,000	-
Nottingham Park Pavilion Retractable Doors	-	4,496	4,496	125,000	120,504
<b>Land and Land Improvements:</b>					
Nottingham Park Zone C Imp. - Playground	3,966	70,000	73,966	872,266	798,300
Nottingham Park Restroom Remodel	-	21,027	21,027	250,000	228,973
Eaglebend Affordable Housing Landscaping	-	28,050	28,050	28,050	-
<b>Roads and Streets:</b>					
<i>Streetscape Improvements:</i>					
Avon Rd. / I70 Overpass Pedestrian Safety Imp.	-	12,209	12,209	88,000	75,791
Avon Road Landscaping Project	438,130	(1,786)	436,344	485,000	48,656
Wayfinding Signage	-	24,145	24,145	45,000	20,855
<i>Street Maintenance and Repair:</i>					
Post Blvd. Settlement Repair	-	9,550	9,550	75,000	65,450
Wildwood Road Repair	-	7,834	7,834	75,000	67,166
Eaglebend Dr. and Nottingham Rd. Repaving	-	7,500	7,500	250,000	242,500

Project Description	Actual Amounts			Total Project Budget	Variance with Budget - Positive (Negative)
	Prior Years	Current Year	Total		
<b>CAPITAL IMPROVEMENT PROJECTS</b>					
<b>Roads and Streets (Continued)</b>					
<i>Street Improvements:</i>					
Metcalf Bike Lane - Phase 1	\$ 32,883	\$ 1,035,873	\$ 1,068,756	\$ 1,082,300	\$ 13,544
Walkability - East and West B/C Blvd.	1,254	85,738	86,992	2,705,000	2,618,008
2016 Safety Improvements	-	43,657	43,657	50,000	6,343
West B/C Blvd. RR Crossing Improvements	-	5,970	5,970	110,000	104,030
<i>Multi-Modal/Alternative Mobility:</i>					
Eagle Valley Trails Phase 3	32,589	2,341,526	2,374,115	2,460,000	85,885
Eagle Valley Trails Undergrounding Project	-	97,037	97,037	100,000	2,963
<i>Recreational Trails Program:</i>					
Soft and Hard Surface Trail Improvements	-	49,115	49,115	150,000	100,885
<b>Water Fund Projects:</b>					
Pumphouse Pump Replacement	-	129,796	129,796	150,000	20,204
<b>Communication and Technology:</b>					
Fullcourt	-	31,648	31,648	30,668	(980)
Timekeeping Software and Peripheral Devices	31,799	3,534	35,333	35,000	(333)
<b>Other</b>					
Historical Preservation	-	2,851	2,851	5,000	2,149
<b>Total Capital Improvement Projects</b>	<b>\$ 657,829</b>	<b>\$ 8,831,962</b>	<b>\$ 9,489,791</b>	<b>\$ 22,274,446</b>	<b>\$ 12,784,655</b>



The public report burden for this information collection is estimated to average 380 hours annually.

<b>LOCAL HIGHWAY FINANCE REPORT</b>		City or County: Avon
		YEAR ENDING : December 2016
This Information From The Records Of	Town of Avon	Prepared By: Valerie Barry
		Phone: 970-748-4044

**I. DISPOSITION OF HIGHWAY-USER REVENUES AVAILABLE FOR LOCAL GOVERNMENT EXPENDITURE**

ITEM	A. Local Motor-Fuel Taxes	B. Local Motor-Vehicle Taxes	C. Receipts from State Highway-User Taxes	D. Receipts from Federal Highway Administration
1. Total receipts available				
2. Minus amount used for collection expenses				
3. Minus amount used for nonhighway purposes				
4. Minus amount used for mass transit				
5. Remainder used for highway purposes				

**II. RECEIPTS FOR ROAD AND STREET PURPOSES**

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A. Receipts from local sources:</b>		<b>A. Local highway disbursements:</b>	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,656,613
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	349,919
2. General fund appropriations	2,868,528	b. Snow and ice removal	395,730
3. Other local imposts (from page 2)	119,483	c. Other	
4. Miscellaneous local receipts (from page 2)	564,676	d. Total (a. through c.)	745,649
5. Transfers from toll facilities		4. General administration & miscellaneous	
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	2,402,262
b. Bonds - Refunding Issues		<b>B. Debt service on local obligations:</b>	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	308,525
7. Total (1 through 6)	3,552,687	b. Redemption	1,059,927
<b>B. Private Contributions</b>		c. Total (a. + b.)	1,368,452
<b>C. Receipts from State government</b> (from page 2)	218,027	2. Notes:	
<b>D. Receipts from Federal Government</b> (from page 2)	0	a. Interest	
<b>E. Total receipts (A.7 + B + C + D)</b>	3,770,714	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	1,368,452
		<b>C. Payments to State for highways</b>	
		<b>D. Payments to toll facilities</b>	
		<b>E. Total disbursements (A.6 + B.3 + C + D)</b>	3,770,714

**IV. LOCAL HIGHWAY DEBT STATUS**

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
<b>A. Bonds (Total)</b>	9,395,117		1,059,927	8,335,190
1. Bonds (Refunding Portion)				
<b>B. Notes (Total)</b>				0

**V. LOCAL ROAD AND STREET FUND BALANCE**

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		3,770,714	3,770,714		(0)

Notes and Comments:

**LOCAL HIGHWAY FINANCE REPORT**

STATE:  
Colorado  
YEAR ENDING (mm/yy):  
December 2016

**II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL**

ITEM	AMOUNT	ITEM	AMOUNT
<b>A.3. Other local imposts:</b>		<b>A.4. Miscellaneous local receipts:</b>	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	
1. Sales Taxes		c. Parking Garage Fees	
2. Infrastructure & Impact Fees		d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	119,483	g. Other Misc. Receipts	
6. Total (1. through 5.)	119,483	h. Other Real Estate Transfer Tax	564,676
c. Total (a. + b.)	119,483	i. Total (a. through h.)	564,676
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
<b>C. Receipts from State Government</b>		<b>D. Receipts from Federal Government</b>	
1. Highway-user taxes	193,388	1. FHWA (from Item I.D.5.)	
2. State general funds		2. Other Federal agencies:	
3. Other State funds:		a. Forest Service	
a. State bond proceeds		b. FEMA	
b. Project Match		c. HUD	
c. Motor Vehicle Registrations	24,639	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (Specify)		f. Other Federal	
f. Total (a. through e.)	24,639	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	218,027	3. Total (1. + 2.g)	
			(Carry forward to page 1)

**III. DISBURSEMENTS FOR ROAD AND STREET PURPOSES - DETAIL**

	ON NATIONAL HIGHWAY SYSTEM (a)	OFF NATIONAL HIGHWAY SYSTEM (b)	TOTAL (c)
<b>A.1. Capital outlay:</b>			
a. Right-Of-Way Costs			0
b. Engineering Costs			0
c. Construction:			
(1). New Facilities			0
(2). Capacity Improvements			0
(3). System Preservation			0
(4). System Enhancement & Operation			0
(5). Total Construction (1) + (2) + (3) + (4)	0	0	0
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	0	0
			(Carry forward to page 1)

<b>Notes and Comments:</b>	CIP Expenditures	564,676
	Real Estate Xfer Tax	(564,676)
	GF Expenditures	1,837,586
	Specific Ownership	(119,483)
	HUTF	(193,388)
	Motor Vehicle Reg	(24,639)
	Debt Service Exp	1,368,453
	GF Appropriations	(2,868,528)
	TOTAL	0

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# STATISTICAL SECTION

This section of the Town of Avon's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Town's overall financial health.

**Financial Trends** (Pages 90-99) – These schedules contain trend information to help readers understand how the Town's financial performance and well-being have changed over time.

**Revenue Capacity** (Pages 100-103) – These schedules contain information to help readers understand and assess the factors affecting the Town's ability to generate its own-source revenues, specifically property taxes.

**Debt Capacity** (Pages 104-107) – These schedules present information to help readers understand and assess the Town's debt burden and ability to issue additional debt.

**Demographic and Economic Information** (Pages 108-110) – These schedules offer demographic and economic information to help readers understand the environment in which the Town's financial activities take place and to provide information that facilitates comparisons of financial statement information over time and among other local governments.

**Operating Information** (Pages 111-113) – These schedules contain service and infrastructure information to help readers understand how the information in the Town's financial report relates to the services the Town provides and the activities it performs.

# TOWN OF AVON, COLORADO

## NET POSITION BY COMPONENT LAST TEN FISCAL YEARS

	Fiscal Year			
	2007	2008	2009	2010
<b>Governmental Activities</b>				
Net Investment in Capital Assets	\$ 30,782,567	\$ 16,344,236	\$ 34,458,411	\$ 35,651,654
Restricted For:				
Emergencies	618,739	566,949	470,037	503,650
Debt Service	151,575	4,962,675	1,258,256	1,055,410
Capital Improvements	-	14,762,243	-	3,000,722
Purposes of Grantors	-	-	-	-
Unrestricted	18,905,443	17,245,855	16,488,477	15,935,700
Total Governmental Activities Net Position	<u>\$ 50,458,324</u>	<u>\$ 53,881,958</u>	<u>\$ 52,675,181</u>	<u>\$ 56,147,136</u>
<b>Business-type Activities</b>				
Net Investment in Capital Assets	\$ 2,651,190	\$ 2,855,688	\$ 2,729,412	\$ 2,154,069
Unrestricted	883,782	1,057,813	1,147,965	1,219,055
Total Business-type Activities Net Position	<u>\$ 3,534,972</u>	<u>\$ 3,913,501</u>	<u>\$ 3,877,377</u>	<u>\$ 3,373,124</u>
<b>Primary Government</b>				
Net Investment in Capital Assets	\$ 33,433,757	\$ 19,199,924	\$ 37,187,823	\$ 37,805,723
Restricted	770,314	20,291,867	1,728,293	4,559,782
Unrestricted	19,789,225	18,303,668	17,636,442	17,154,755
Total Primary Government Net Position	<u>\$ 53,993,296</u>	<u>\$ 57,795,459</u>	<u>\$ 56,552,558</u>	<u>\$ 59,520,260</u>

Source: Town of Avon Finance Department

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 34,738,700	\$ 36,904,217	\$ 34,774,531	\$ 64,112,399	\$ 60,000,945	\$ 58,088,785
447,963	428,947	476,619	598,376	552,335	664,805
1,047,077	1,015,589	1,139,575	1,136,228	1,157,629	1,169,163
2,972,175	2,530,266	4,635,904	3,386,451	6,198,817	5,921,087
2,967,954	2,454,968	2,374,222	1,234,605	1,510,676	697,267
14,345,936	13,544,676	10,217,136	10,466,381	11,283,921	16,341,288
<u>\$ 56,519,805</u>	<u>\$ 56,878,663</u>	<u>\$ 53,617,987</u>	<u>\$ 80,934,440</u>	<u>\$ 80,704,323</u>	<u>\$ 82,882,395</u>
\$ 1,815,425	\$ 1,761,245	\$ 12,583,125	\$ 12,097,298	\$ 11,633,282	\$ 11,430,538
1,256,004	943,960	783,529	843,503	859,368	908,749
<u>\$ 3,071,429</u>	<u>\$ 2,705,205</u>	<u>\$ 13,366,654</u>	<u>\$ 12,940,801</u>	<u>\$ 12,492,650</u>	<u>\$ 12,339,287</u>
\$ 36,554,125	\$ 38,665,462	\$ 47,357,656	\$ 76,209,697	\$ 71,634,227	\$ 69,519,323
7,435,169	6,429,770	8,626,320	6,355,660	9,419,457	8,452,322
15,601,940	14,488,636	11,000,665	11,309,884	12,143,289	17,250,037
<u>\$ 59,591,234</u>	<u>\$ 59,583,868</u>	<u>\$ 66,984,641</u>	<u>\$ 93,875,241</u>	<u>\$ 93,196,973</u>	<u>\$ 95,221,682</u>

# TOWN OF AVON, COLORADO

## CHANGES IN NET POSITION LAST TEN FISCAL YEARS

	Fiscal Year			
	2007	2008	2009	2010
<b>Expenses</b>				
<b>Governmental Activities:</b>				
General Government	\$ 2,936,738	\$ 3,082,524	\$ 2,431,143	\$ 2,832,514
Community Development	1,132,260	2,212,996	1,286,956	644,968
Public Safety	2,157,400	4,458,553	2,608,604	2,409,115
Public Works and Utilities	4,958,488	5,024,946	6,302,284	5,948,003
Recreation and Culture	2,604,528	2,572,347	2,752,142	2,437,556
Interest and Fiscal Charges on Long-term Debt	495,734	1,225,348	1,195,981	637,344
<b>Total Governmental Activity Expenses</b>	<b>14,285,148</b>	<b>18,576,714</b>	<b>16,577,110</b>	<b>14,909,500</b>
<b>Business-type Activities:</b>				
Transportation	2,321,139	2,224,427	1,485,763	1,175,818
Fleet Maintenance	2,362,400	2,424,791	2,325,339	2,076,364
<b>Total Business-type Activity Expenses</b>	<b>4,683,539</b>	<b>4,649,218</b>	<b>3,811,102</b>	<b>3,252,182</b>
<b>Total Primary Government Expenses</b>	<b>\$ 18,968,687</b>	<b>\$ 23,225,932</b>	<b>\$ 20,388,212</b>	<b>\$ 18,161,682</b>
<b>Program Revenues</b>				
<b>Governmental Activities:</b>				
Charges for Services:				
General Government	\$ 125,832	\$ 194,938	\$ 164,061	\$ 59,768
Community Development	691,131	325,992	143,826	216,263
Public Safety	230,024	223,056	221,262	376,440
Public Works and Utilities	1,254,259	1,096,172	504,403	407,391
Recreation and Culture	1,450,420	1,408,587	1,272,902	1,207,964
Operating Grants and Contributions	74,078	21,573	59,857	51,048
Capital Grants and Contributions	2,301,778	3,458,199	269,853	1,855,346
<b>Total Governmental Activity Program Revenues</b>	<b>6,127,522</b>	<b>6,728,517</b>	<b>2,636,164</b>	<b>4,174,220</b>
<b>Business-type Activities:</b>				
Charges for Services	3,313,517	3,084,123	2,437,178	2,081,674
Capital Grants and Contributions	684,349	310,624	-	-
<b>Total Business-type Activity Program Revenues</b>	<b>3,997,866</b>	<b>3,394,747</b>	<b>2,437,178</b>	<b>2,081,674</b>
<b>Total Primary Government Program Revenues</b>	<b>\$ 10,125,388</b>	<b>\$ 10,123,264</b>	<b>\$ 5,073,342</b>	<b>\$ 6,255,894</b>
<b>Net (Expense) Revenue</b>				
Governmental Activities	\$ (8,157,626)	\$ (11,848,197)	\$ (13,940,946)	\$ (10,735,280)
Business-type Activities	(685,673)	(1,254,471)	(1,373,924)	(1,170,508)
<b>Total Primary Government Net Expense</b>	<b>\$ (8,843,299)</b>	<b>\$ (13,102,668)</b>	<b>\$ (15,314,870)</b>	<b>\$ (11,905,788)</b>

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 3,539,636	\$ 3,400,499	\$ 2,836,303	\$ 3,186,870	\$ 3,042,126	\$ 3,291,190
519,631	421,554	365,960	463,821	1,341,706	1,202,097
2,569,100	2,554,404	2,551,559	2,792,174	3,039,333	3,214,680
5,821,879	5,479,239	4,814,364	7,179,132	8,458,218	9,656,808
2,276,473	2,737,458	3,851,812	2,061,033	1,430,648	1,584,531
575,100	516,160	600,367	504,343	639,267	754,238
<u>15,301,819</u>	<u>15,109,314</u>	<u>15,020,365</u>	<u>16,187,373</u>	<u>17,951,298</u>	<u>19,703,544</u>
1,123,640	1,083,097	1,193,289	1,686,778	1,979,505	1,963,223
<u>1,618,698</u>	<u>1,382,954</u>	<u>1,608,295</u>	<u>1,609,134</u>	<u>1,506,138</u>	<u>1,623,046</u>
<u>2,742,338</u>	<u>2,466,051</u>	<u>2,801,584</u>	<u>3,295,912</u>	<u>3,485,643</u>	<u>3,586,269</u>
<u>\$ 18,044,157</u>	<u>\$ 17,575,365</u>	<u>\$ 17,821,949</u>	<u>\$ 19,483,285</u>	<u>\$ 21,436,941</u>	<u>\$ 23,289,813</u>
\$ 259,609	\$ 183,969	\$ 135,448	\$ 163,429	\$ 219,364	\$ 239,199
230,570	225,778	485,406	279,179	380,130	369,867
248,442	52,649	54,205	66,662	69,629	99,862
524,047	278,662	256,749	564,090	764,549	698,195
1,208,130	1,116,947	1,064,314	1,092,276	1,238,395	1,334,056
59,329	39,607	39,217	52,151	11,713	104,217
<u>247,368</u>	<u>1,715,337</u>	<u>7,823,132</u>	<u>1,027,911</u>	<u>61,779</u>	<u>1,816,456</u>
<u>2,777,495</u>	<u>3,612,949</u>	<u>9,858,471</u>	<u>3,245,698</u>	<u>2,745,559</u>	<u>4,661,852</u>
1,520,018	1,135,929	1,450,388	1,645,083	1,670,213	420,357
-	305,351	90,494	-	-	1,237,082
<u>1,520,018</u>	<u>1,441,280</u>	<u>1,540,882</u>	<u>1,645,083</u>	<u>1,670,213</u>	<u>1,657,439</u>
<u>\$ 4,297,513</u>	<u>\$ 5,054,229</u>	<u>\$ 11,399,353</u>	<u>\$ 4,890,781</u>	<u>\$ 4,415,772</u>	<u>\$ 6,319,291</u>
\$ (12,524,324)	\$ (11,496,365)	\$ (5,161,894)	\$ (12,941,675)	\$ (15,205,739)	\$ (15,041,692)
<u>(1,222,320)</u>	<u>(1,024,771)</u>	<u>(1,260,702)</u>	<u>(1,650,829)</u>	<u>(1,815,430)</u>	<u>(1,928,830)</u>
<u>\$ (13,746,644)</u>	<u>\$ (12,521,136)</u>	<u>\$ (6,422,596)</u>	<u>\$ (14,592,504)</u>	<u>\$ (17,021,169)</u>	<u>\$ (16,970,522)</u>



# TOWN OF AVON, COLORADO

## CHANGES IN NET POSITION (CONTINUED) LAST TEN FISCAL YEARS

	Fiscal Year			
	2007	2008	2009	2010
<b>General Revenues and Other Changes in Net Position</b>				
<b>Governmental Activities:</b>				
Taxes:				
Property Taxes	\$ 2,766,725	\$ 3,340,475	\$ 3,640,183	\$ 4,195,297
Real Estate Transfer Taxes	2,540,943	3,093,021	1,761,980	2,159,525
Sales and Accommodation Taxes	6,518,299	6,841,114	5,651,085	5,748,325
Other Taxes	656,702	710,624	1,334,692	1,268,120
Unrestricted Investment Earnings	1,356,013	1,496,801	246,225	163,991
Loss on Disposal of Capital Assets	-	-	-	-
Grants and Contributions Not Restricted to Specific Programs	1,080,075	890,750	872,084	854,130
Miscellaneous	1,745,046	532,046	522,920	442,522
Capital Contributions	-	-	-	907,500
Transfers	(1,475,000)	(1,633,000)	(1,295,000)	(1,532,175)
<b>Total Governmental Activities</b>	<b>15,188,803</b>	<b>15,271,831</b>	<b>12,734,169</b>	<b>14,207,235</b>
<b>Business-type Activities:</b>				
Property Taxes	-	-	42,800	41,580
Capital Contributions	-	-	-	(907,500)
Loss on Disposal of Capital Assets	-	-	-	-
Transfers	1,475,000	1,633,000	1,295,000	1,532,175
<b>Total Business-type Activities</b>	<b>1,475,000</b>	<b>1,633,000</b>	<b>1,337,800</b>	<b>666,255</b>
<b>Total Primary Government</b>	<b>\$ 16,663,803</b>	<b>\$ 16,904,831</b>	<b>\$ 14,071,969</b>	<b>\$ 14,873,490</b>
<b>Change in Net Position</b>				
Governmental Activities	\$ 7,031,177	\$ 3,423,634	\$ (1,206,777)	\$ 3,471,955
Business-type Activities	789,327	378,529	(36,124)	(504,253)
<b>Total Primary Government</b>	<b>\$ 7,820,504</b>	<b>\$ 3,802,163</b>	<b>\$ (1,242,901)</b>	<b>\$ 2,967,702</b>

Source: Town of Avon Finance Department

Fiscal Year					
2011	2012	2013	2014	2015	2016
\$ 3,672,307	\$ 3,027,319	\$ 3,039,132	\$ 2,873,055	\$ 2,904,509	\$ 3,315,020
1,616,982	1,707,648	1,574,502	3,764,526	2,369,314	3,497,602
6,190,839	6,340,557	7,249,935	8,089,010	8,754,673	9,540,260
1,323,246	499,114	625,756	1,197,603	1,208,352	1,389,896
87,099	37,827	21,296	45,844	53,161	139,665
-	(30,857)	-	-	-	-
857,474	839,112	864,231	883,884	482,769	513,912
372,222	344,503	408,142	500,925	529,843	558,618
-	-	(10,955,776)	24,063,281	-	(150,215)
(950,000)	(910,000)	(926,000)	(1,160,000)	(1,326,999)	(1,584,994)
<u>13,170,169</u>	<u>11,855,223</u>	<u>1,901,218</u>	<u>40,258,128</u>	<u>14,975,622</u>	<u>17,219,764</u>
40,371	40,032	40,375	40,079	40,280	40,258
-	-	10,955,776	24,897	-	150,215
-	(291,485)	-	-	-	-
<u>950,000</u>	<u>910,000</u>	<u>926,000</u>	<u>1,160,000</u>	<u>1,326,999</u>	<u>1,584,994</u>
<u>990,371</u>	<u>658,547</u>	<u>11,922,151</u>	<u>1,224,976</u>	<u>1,367,279</u>	<u>1,775,467</u>
<u>\$ 14,160,540</u>	<u>\$ 12,513,770</u>	<u>\$ 13,823,369</u>	<u>\$ 41,483,104</u>	<u>\$ 16,342,901</u>	<u>\$ 18,995,231</u>
\$ 645,845	\$ 358,858	\$ (3,260,676)	\$ 27,316,453	\$ (230,117)	\$ 2,178,072
(231,949)	(366,224)	10,661,449	(425,853)	(448,151)	(153,363)
<u>\$ 413,896</u>	<u>\$ (7,366)</u>	<u>\$ 7,400,773</u>	<u>\$ 26,890,600</u>	<u>\$ (678,268)</u>	<u>\$ 2,024,709</u>

# TOWN OF AVON, COLORADO

## CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	Fiscal Year			
	2007	2008	2009	2010
<b>Revenues</b>				
Taxes	\$ 12,482,669	\$ 13,985,234	\$ 11,710,148	\$ 12,728,883
Licenses and Permits	419,292	245,793	124,130	215,635
Intergovernmental	3,455,931	1,178,614	1,201,794	2,760,524
Charges for Services	3,244,484	2,584,856	1,706,803	1,474,968
Fines and Forfeitures	84,290	131,525	129,530	147,057
Investment Earnings	1,356,013	1,496,801	246,225	163,991
Other Revenues	1,750,580	498,973	469,688	442,522
<b>Total Revenues</b>	<b>22,793,259</b>	<b>20,121,796</b>	<b>15,588,318</b>	<b>17,933,580</b>
<b>Expenditures</b>				
Current:				
General Government and Housing	2,871,963	3,038,856	3,138,391	2,560,405
Community Development	902,634	823,902	697,820	598,692
Public Safety	2,203,803	2,628,330	2,511,717	2,354,235
Public Works and Utilities	3,424,566	3,725,749	3,660,540	3,224,695
Recreation and Culture	2,483,910	2,579,779	2,375,945	2,144,447
Capital Improvements	7,786,590	9,979,969	2,746,286	5,554,096
Debt Service:				
Principal	1,348,750	1,407,500	26,416,250	1,495,000
Interest	448,474	1,048,416	824,535	543,331
Fiscal Charges	33,074	157,722	57,315	70,657
Bond Issuance Costs	-	280,734	160,000	77,695
<b>Total Expenditures</b>	<b>21,503,764</b>	<b>25,670,957</b>	<b>42,588,799</b>	<b>18,623,253</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,289,495	(5,549,161)	(27,000,481)	(689,673)
<b>Other Financing Sources (Uses)</b>				
Transfers In	927,637	1,337,667	1,810,032	1,945,004
Transfers Out	(2,402,637)	(2,970,667)	(3,105,032)	(3,477,179)
Debt Issuance Proceeds	170,156	25,000,000	7,200,000	3,310,000
Premium on Debt Issued	-	-	-	-
Payments to Escrow Agent	-	-	-	(92,067)
Sales of Capital Assets	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>(1,304,844)</b>	<b>23,367,000</b>	<b>5,905,000</b>	<b>1,685,758</b>
<b>Net Change in Fund Balances</b>	<b>\$ (15,349)</b>	<b>\$ 17,817,839</b>	<b>\$ (21,095,481)</b>	<b>\$ 996,085</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	12.56%	13.41%	66.88%	# 14.76%

Source: Town of Avon Finance Department

Fiscal Year

2011	2012	2013	2014	2015	2016
\$ 12,083,403	\$ 11,574,638	\$ 12,489,325	\$ 15,924,194	\$ 15,236,848	\$ 17,742,776
219,265	207,670	336,548	210,636	335,741	259,997
1,164,171	2,594,056	8,324,980	1,963,946	989,546	2,868,277
1,593,303	1,473,552	1,556,262	1,757,625	1,682,724	1,772,510
197,103	151,533	104,736	131,513	129,356	91,014
87,099	37,827	21,296	45,827	53,158	139,665
368,568	380,647	531,738	503,354	532,353	651,603
<u>15,712,912</u>	<u>16,419,923</u>	<u>23,364,885</u>	<u>20,537,095</u>	<u>18,959,726</u>	<u>23,525,842</u>
3,411,329	3,088,911	2,762,979	3,084,616	2,916,095	3,119,007
519,268	421,133	369,158	456,063	1,348,166	1,201,086
2,516,612	2,551,488	2,539,475	2,726,711	3,007,164	3,122,942
3,429,238	3,192,763	1,911,225	3,799,489	4,080,272	5,067,825
2,054,477	2,148,410	3,328,177	1,654,078	1,147,149	1,293,277
1,023,914	4,087,083	11,837,101	7,927,709	3,284,852	8,864,565
1,195,000	1,240,000	7,300,000	1,491,042	1,264,966	1,382,506
526,288	470,455	423,487	453,883	503,269	473,674
56,614	43,622	39,145	51,007	41,289	54,071
-	-	133,330	-	80,569	147,270
<u>14,732,740</u>	<u>17,243,865</u>	<u>30,644,077</u>	<u>21,644,598</u>	<u>17,673,791</u>	<u>24,726,223</u>
980,172	(823,942)	(7,279,192)	(1,107,503)	1,285,935	(1,200,381)
1,090,335	1,591,071	2,081,160	4,888,511	4,361,441	2,819,319
(2,040,335)	(2,501,071)	(3,007,160)	(6,048,511)	(5,138,440)	(4,404,313)
-	-	6,851,367	-	3,800,000	6,300,000
-	-	-	-	-	302,205
-	-	-	-	-	-
-	-	1,151	-	-	-
<u>(950,000)</u>	<u>(910,000)</u>	<u>5,926,518</u>	<u>(1,160,000)</u>	<u>3,023,001</u>	<u>5,017,211</u>
<u>\$ 30,172</u>	<u>\$ (1,733,942)</u>	<u>\$ (1,352,674)</u>	<u>\$ (2,267,503)</u>	<u>\$ 4,308,936</u>	<u>\$ 3,816,830</u>
12.39%	12.60%	39.77%	12.95%	11.37%	10.95%

# TOWN OF AVON, COLORADO

## FUND BALANCES, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

	Fiscal Year				
	2007	2008	2009	2010	2011
<b>General Fund</b>					
Nonspendable	\$ -	\$ -	\$ -	\$ 7,710	\$ -
Restricted	618,739	566,949	470,037	503,650	447,963
Assigned	-	-	-	-	413,251
Unassigned	6,676,687	5,835,283	3,959,093	3,581,941	3,329,981
<b>Total General Fund</b>	<b>7,295,426</b>	<b>6,402,232</b>	<b>4,429,130</b>	<b>4,093,301</b>	<b>4,191,195</b>
<b>All Other Governmental Funds</b>					
Nonspendable	-	-	-	-	-
Restricted	3,201,845	22,779,562	3,933,265	6,930,731	6,987,206
Committed	6,693,875	5,701,165	5,539,422	3,968,735	4,100,746
Assigned	1,151,917	1,275,830	1,218,920	1,066,626	810,418
Unassigned	(2,113)	-	(57,429)	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 11,045,524</b>	<b>\$ 29,756,557</b>	<b>\$ 10,634,178</b>	<b>\$ 11,966,092</b>	<b>\$ 11,898,370</b>
	Fiscal Year				
	2012	2013	2014	2015	2016
<b>General Fund</b>					
Nonspendable	\$ -	\$ 7,442	\$ -	\$ 13,061	\$ 86,136
Restricted	428,947	476,619	598,376	552,335	664,805
Assigned	413,251	413,251	325,000	47,878	-
Unassigned	3,134,327	4,369,187	3,540,922	5,046,651	5,312,950
<b>Total General Fund</b>	<b>3,976,525</b>	<b>5,266,499</b>	<b>4,464,298</b>	<b>5,659,925</b>	<b>6,063,891</b>
<b>All Other Governmental Funds</b>					
Nonspendable	-	-	270	-	-
Restricted	6,045,396	2,803,943	2,370,833	2,668,305	7,787,517
Committed	3,656,294	3,624,653	3,386,451	6,198,817	4,493,621
Assigned	680,408	1,307,854	513,594	517,335	516,183
Unassigned	-	-	-	-	-
<b>Total All Other Governmental Funds</b>	<b>\$ 10,382,098</b>	<b>\$ 7,736,450</b>	<b>\$ 6,271,148</b>	<b>\$ 9,384,457</b>	<b>\$ 12,797,321</b>

Source: Town of Avon Finance Department

**Notes:**

(1) Fiscal years 2006 through 2010 have been reclassified with implementation of GASB Statement No. 54 in fiscal year 2011.

# TOWN OF AVON, COLORADO

## TAX REVENUES BY SOURCE, GOVERNMENTAL FUNDS LAST TEN FISCAL YEARS

Year	Property Tax				Sales Tax
	General	Specific Ownership	Penalties, Interest & Abatements	Delinquent Taxes	
2007	\$ 2,762,486	\$ 171,976	\$ 4,126	\$ 113	\$ 6,083,115
2008	3,335,594	160,180	4,766	115	6,311,439
2009	3,608,547	132,059	12,663	18,973	5,104,620
2010	4,187,345	117,354	6,566	1,387	5,120,543
2011	3,689,677	93,596	(42,784)	25,414	5,461,559
2012	2,953,002	92,105	1,805	(19,593)	5,607,160
2013	2,935,986	96,850	5,421	875	6,492,756
2014	2,824,449	112,848	(64,246)	6	7,777,302
2015	2,783,905	113,308	7,124	172	8,320,021
2016	3,310,530	119,483	4,491	-	8,985,661

Year	Utility Tax	Franchise Tax	Accommodations Tax	Real Estate Transfer Tax	Total
2007	\$ 121,462	\$ 343,528	\$ 454,920	\$ 2,540,943	\$ 12,482,669
2008	153,842	396,602	529,675	3,093,021	13,985,234
2009	129,118	371,192	570,996	1,761,980	11,710,148
2010	146,852	361,530	627,782	2,159,525	12,728,883
2011	125,155	367,778	746,026	1,616,982	12,083,403
2012	127,060	372,054	733,397	1,707,648	11,574,638
2013	110,474	383,594	888,867	1,574,502	12,489,325
2014	109,441	404,328	995,540	3,764,526	15,924,194
2015	106,786	403,642	1,132,576	2,369,314	15,236,848
2016	102,643	432,488	1,289,879	3,497,602	17,742,776

Source: Town of Avon Finance Department

# TOWN OF AVON, COLORADO

## ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY LAST TEN FISCAL YEARS

Levy Year	Collection Year	Vacant Land	Residential Property	Commercial Property	Other Property	Total Gross Assessed Value
2006	2007	\$ 22,385,870	\$ 74,772,170	\$ 72,119,390	\$ 2,018,740	\$ 171,296,170
2007	2008	25,836,770	110,306,220	88,205,160	2,153,460	226,501,610
2008	2009	22,764,190	120,861,970	90,753,760	2,030,920	236,410,840
2009	2010	23,830,510	138,215,140	98,306,000	3,079,680	263,431,330
2010	2011	23,241,510	138,877,350	97,287,710	3,127,070	262,533,640
2011	2012	17,238,450	101,871,140	73,141,140	3,361,120	195,611,850
2012	2013	15,456,680	102,328,980	71,704,020	3,441,730	192,931,410
2013	2014	16,403,340	90,703,150	67,157,140	4,576,530	178,840,160
2014	2015	15,183,630	92,056,060	66,419,690	4,280,110	177,939,490
2015	2016	14,261,780	121,724,600	70,940,420	3,929,820	211,061,910

Levy Year	Collection Year	Less TIF District Increment (1)	Total Net Assessed Value	Direct Tax Rate	Actual Taxable Value	Value as a Percentage of Actual Value
2006	2007	\$ -	\$ 171,296,170	13.287	\$ 1,232,738,120	13.90%
2007	2008	2,257,820	224,243,790	12.271	1,746,859,870	12.97%
2008	2009	10,266,600	226,144,240	11.392	1,880,466,430	12.57%
2009	2010	17,517,540	245,913,790	11.208	2,125,079,840	12.40%
2010	2011	17,481,590	245,052,050	11.220	2,127,634,050	12.34%
2011	2012	12,538,960	183,072,890	12.072	1,566,445,080	12.49%
2012	2013	12,511,160	180,420,250	11.983	1,564,516,920	12.33%
2013	2014	12,105,380	166,734,780	12.258	1,406,594,920	12.71%
2014	2015	11,501,900	166,437,590	12.207	1,417,405,720	12.55%
2015	2016	16,476,380	194,585,530	11.765	1,806,178,690	11.69%

Source: Eagle County Assessor's Office, Abstract of Assessments

Notes: Property tax rates are stated in mills per \$1,000 of assessed valuation. Other property includes state assessed, agricultural, and abatements and corrections.

(1) The Avon Urban Renewal Authority was established in August, 2007.

# TOWN OF AVON, COLORADO

## DIRECT AND OVERLAPPING PROPERTY TAX RATES LAST TEN FISCAL YEARS

Taxing Entity	Collection Year									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>Town of Avon</b>										
General Operating	8.956	8.956	8.956	8.956	8.956	8.956	8.956	8.956	8.956	8.956
General Obligation Debt Service	4.331	3.315	2.436	2.252	2.264	3.116	3.027	3.302	3.251	2.809
<b>Total Direct</b>	<b>13.287</b>	<b>12.271</b>	<b>11.392</b>	<b>11.208</b>	<b>11.220</b>	<b>12.072</b>	<b>11.983</b>	<b>12.258</b>	<b>12.207</b>	<b>11.765</b>
<b>Eagle County</b>										
8.499	8.499	8.499	8.499	8.499	8.499	8.499	8.499	8.499	8.499	8.499
<b>Colleges and School Districts</b>										
Colorado Mountain College	3.997	3.997	3.997	3.997	3.997	3.997	3.997	3.997	3.997	3.997
Eagle County School District RE-50J	23.050	20.051	20.414	19.402	19.474	21.601	21.362	20.826	21.517	20.331
<b>Metropolitan Districts</b>										
Avon Metropolitan District	3.281	3.281	2.705	2.535	0.000	0.000	0.000	0.000	0.000	0.000
Avon Station Metropolitan District	45.000	45.000	45.000	45.000	45.000	58.000	58.000	58.000	58.000	58.000
Confluence Metropolitan District	45.000	45.000	45.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
Mountain Vista Metropolitan District	33.000	33.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000	25.000
Village Metropolitan District	15.000	15.000	15.000	15.000	40.000	50.000	50.000	50.000	50.000	50.000
<b>Other Special Districts</b>										
Avon General Improvement District No. 1	0.000	0.000	9.396	9.396	9.396	15.288	15.288	17.557	17.557	14.077
Eagle River Fire Protection District	3.800	5.550	5.550	5.550	5.550	5.650	7.553	9.238	9.392	8.205
Eagle Valley Library District	2.750	2.750	2.750	2.750	2.750	2.750	2.750	2.750	2.750	2.750
Eagle River Water and Sanitation District	1.111	0.826	0.826	0.795	0.796	0.932	0.931	0.946	0.954	1.375
Colorado River Water Conservancy District	0.221	0.191	0.199	0.166	0.188	0.228	0.242	0.254	0.253	0.243
Eagle County Health Services District	2.006	2.019	2.055	1.780	1.768	1.764	2.023	2.006	2.019	2.008

Source: Eagle County Assessor's Office, Abstract of Assessment

Notes: Property tax rates are stated in mills per \$1,000 of assessed valuation. The Town's general operating mill rate may be increased only by a majority approval of the Town's residents during a general election. Rates for debt service are set based on each year's debt service requirements.



# TOWN OF AVON, COLORADO

## PRINCIPAL PROPERTY TAX PAYERS CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2016			2007		
	Taxable Assessed Value	Rank	Percentage of Total Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Assessed Value
CSB Properties Holdings LLC	\$ 9,554,910	1	4.52%			
Traer Creek-WMT LLC	6,121,680	2	2.90%	\$ 7,508,370	1	4.38%
Traer Creek-HD LLC	4,147,000	3	1.96%	5,382,540	4	3.14%
Beaver Creek Vacation Ownership Plan	3,489,410	4	1.65%			
Avon Wynfield LLC	2,685,690	5	1.27%	2,957,460	8	1.73%
Riverfront Village Hotel, LLC	2,676,550	6	1.27%	3,022,540	6	1.76%
Points of Colorado - Time Share	2,658,790	7	1.26%	6,667,680	2	3.89%
Prime Group Mountain Center LLC	2,555,860	8	1.21%			
Dillon Real Estate Co, Inc	2,353,580	9	1.11%			
Public Service Co. of Colorado (Xcel)	2,052,620	10	0.97%			
Mountain Vista Condominium Assoc Inc.	2,029,210	11	0.96%			
Riverfront Mtn Villas Condo Assoc Inc.	1,950,430	12	0.92%			
Avon Partners II, LLC	1,838,610	13	0.87%	2,744,540	10	1.60%
Traer Creek Plaza LLC	1,566,860	14	0.74%			
Traer Creek-RP LLC	1,546,490	15	0.73%			
Traer Creek-L2 LLC				6,051,120	3	3.53%
Chapel Square Ventures LP				5,344,790	5	3.12%
ARI Mountain Center LLC				2,963,800	7	1.73%
East Avon-Hudson LLC				2,832,410	9	1.65%
<b>Total Assessed Value of the Fifteen Largest Taxpayers</b>	<b>47,227,690</b>		<b>22.36%</b>	<b>45,475,250</b>		<b>26.55%</b>
<b>Total Gross Assessed Value of Other Taxpayers</b>	<b>163,976,760</b>		<b>77.64%</b>	<b>125,820,920</b>		<b>73.45%</b>
<b>Total Gross Assessed Value of All Taxpayers</b>	<b>\$ 211,204,450</b>		<b>100.00%</b>	<b>\$ 171,296,170</b>		<b>100.00%</b>

Source: Eagle County Assessor's Office

# TOWN OF AVON, COLORADO

## PROPERTY TAX LEVIES AND COLLECTIONS LAST TEN FISCAL YEARS

Levy Year	Collection Year	(1) Total Tax Levy	Current Tax Collections	Percent of Current Taxes Collected	(2) Delinquent Tax Collections	Total Tax Collections	Ratio of Total Tax Collections To Total Tax Levy
2006	2007	\$ 2,763,603	\$ 2,762,486	99.96%	\$ 114	\$ 2,762,600	99.96%
2007	2008	3,243,214	3,205,612	98.84%	115	3,205,727	98.84%
2008	2009	3,110,763	3,060,762	98.39%	21,861	3,082,623	99.10%
2009	2010	3,285,710	3,208,908	97.66%	1,387	3,210,295	97.70%
2010	2011	2,789,855	2,704,440	96.94%	4,970	2,709,409	97.12%
2011	2012	2,250,055	2,209,593	98.20%	(19,296)	2,190,298	97.34%
2012	2013	2,202,287	2,160,634	98.11%	875	2,161,509	98.15%
2013	2014	2,083,835	2,042,508	98.02%	6	2,042,514	98.02%
2014	2015	2,071,895	2,029,571	97.96%	172	2,029,743	97.97%
2015	2016	2,329,489	2,286,146	98.14%	-	2,286,146	98.14%

**Source:** Town of Avon Finance Department

**Notes:** (1) Taxes are due and payable on January 1 based on the prior year's assessed valuation.  
(2) Information on outstanding delinquent taxes is not available.

# TOWN OF AVON, COLORADO

## RATIOS OF OUTSTANDING DEBT BY TYPE LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities					
	General Obligation Bonds	Special Assessment Bonds	Revenue Bonds	Certificates of Participation	Loans	Capital Leases
2007	\$ 5,523,818	\$ -	\$ 2,770,000	\$ 1,166,250	\$ -	\$ 820,870
2008	4,546,752	-	27,420,000	1,083,750	-	665,176
2009	3,714,230	-	2,050,000	997,500	7,075,000	503,368
2010	2,842,835	-	1,670,000	3,310,000	6,825,000	335,205
2011	2,411,440	-	1,275,000	3,195,000	6,565,000	420,063
2012	1,960,045	-	870,000	3,075,000	6,295,000	476,227
2013	1,498,650	-	7,270,000	2,950,000	-	516,378
2014	1,017,255	-	6,520,000	2,825,000	-	547,990
2015	520,860	-	6,200,000	6,280,000	-	438,024
2016	-	-	5,790,000	12,235,000	-	325,518

Fiscal Year	Business-Type Activities				
	Certificates of Participation	Capital Leases	Total Primary Government	Percentage of Personal Income	Per Capita
2007	\$ 3,498,750	\$ 44,243	\$ 13,823,931	0.52%	\$ 2,022
2008	3,251,250	32,822	36,999,750	1.39%	5,348
2009	2,992,500	20,954	17,353,553	0.69%	2,582
2010	3,419,606	8,621	18,411,267	0.73%	2,856
2011	3,302,110	377,753	17,546,366	0.70%	2,477
2012	3,174,614	326,774	16,177,660	0.64%	2,533
2013	3,047,119	303,251	15,585,398	0.62%	2,440
2014	2,914,623	244,259	14,069,127	0.56%	2,195
2015	2,777,127	185,937	16,401,948	0.65%	2,534
2016	2,605,000	125,825	21,081,343	0.84%	3,241

Source: Town of Avon Finance Department

# TOWN OF AVON, COLORADO

## DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT DECEMBER 31, 2016

Government Unit	Debt Outstanding	Estimated Percentage Applicable <sup>a</sup>	Estimated Share of Overlapping Debt
<b>Debt Repaid With Property Taxes</b>			
Confluence Metropolitan District	\$ 22,475,000	100.00%	\$ 22,475,000
Eagle County School District RE-50J	130,840,000	7.50%	9,810,929
Eagle River Fire Protection District	23,450,000	20.88%	4,896,984
<b>Other Debt</b>			
Eagle County	17,225,000	7.50%	1,291,602
Traer Creek Metropolitan District	37,675,000	100.00%	37,675,000
<b>Subtotal - Overlapping debt</b>			76,149,516
<b>Town of Avon Direct Debt</b>			18,350,518
<b>Total Direct and Overlapping Debt</b>			<u>\$ 94,500,034</u>

**Source:** Various Governmental Entities, Eagle County Finance Department

**Note:** Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the Town. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Avon. This process recognizes that, when considering the Town's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government.

<sup>a</sup> The basic approach to estimating the applicable percentage of overlapping debt was to divide the assessed value of the portion overlapping the Town to the total assessed value of the overlapping entity.

# TOWN OF AVON, COLORADO

## RATIO OF GENERAL BONDED DEBT OUTSTANDING AND LEGAL DEBT MARGIN LAST TEN FISCAL YEARS

	Fiscal Year			
	2007	2008	2009	2010
General Bonded Debt Outstanding General Obligation Bonds	\$ 4,151,798	\$ 3,601,127	\$ 3,215,000	\$ 2,805,000
Actual Taxable Property Value	1,232,738,120	1,746,859,870	1,880,466,430	2,125,079,840
Net Assessed Value	171,296,170	224,243,790	226,144,240	245,913,790
Percentage of General Bonded Debt Outstanding to Actual Taxable Property Value	0.34%	0.21%	0.17%	0.13%
Town of Avon Population	6,838	6,919	6,720	6,447
Per Capita	\$ 607	\$ 520	\$ 478	\$ 435
Legal Debt Limit	\$ 42,824,043	\$ 56,060,948	\$ 56,536,060	\$ 61,478,448
Total Debt Applicable to Limit	(4,151,798)	(3,601,127)	(3,215,000)	(2,805,000)
Legal Debt Margin	\$ 38,672,245	\$ 52,459,821	\$ 53,321,060	\$ 58,673,448
Total Debt Applicable to the Limit as a Percentage of Legal Debt Limit	9.70%	6.42%	5.69%	4.56%

Source: Eagle County Assessor's Office, State of Colorado Division of Local Governments

Fiscal Year						
2011	2012	2013	2014	2015	2016	
\$ 2,380,000	\$ 2,380,000	\$ 1,480,000	\$ 1,005,000	\$ 515,000	\$ -	
2,127,634,050	1,566,445,080	1,564,516,920	1,406,594,920	1,417,405,720	1,806,178,690	
245,052,050	183,072,890	180,420,250	166,734,780	166,437,590	194,585,530	
0.11%	0.15%	0.09%	0.07%	0.04%	0.00%	
7,085	6,393	6,388	6,410	6,472	6,505	
\$ 336	\$ 372	\$ 232	\$ 157	\$ 80	\$ -	
\$ 61,263,013	\$ 45,768,223	\$ 45,105,062	\$ 41,683,695	\$ 41,609,398	\$ 48,646,382	
(2,380,000)	(2,380,000)	(1,480,000)	(1,005,000)	(515,000)	-	
\$ 58,883,013	\$ 43,388,223	\$ 43,625,062	\$ 40,678,695	\$ 41,094,398	\$ 48,646,382	
3.88%	5.20%	3.28%	2.41%	1.24%	0.00%	

# TOWN OF AVON, COLORADO

## DEMOGRAPHIC AND ECONOMIC STATISTICS LAST TEN FISCAL YEARS

Year	Town of Avon Population	Eagle County Population	Eagle County Personal Income (In \$1,000's)	Eagle County Per Capita Personal Income	Eagle County Median Age	Eagle County RE-50J School Enrollment	Denver / Boulder Consumer Price Index	Eagle County Unemployment Rate
2007	6,838	52,517	\$ 2,676,538	\$ 47,511	35.20	5,405	202.0	3.10%
2008	6,919	53,898	2,740,563	49,635	35.70	5,445	209.9	3.60%
2009	6,720	55,269	2,511,100	45,430	36.30	6,249	208.5	7.30%
2010	6,447	52,197	2,533,900	44,709	36.60	6,181	212.4	8.80%
2011	7,085	54,212	2,521,062	48,618	36.30	6,344	220.3	8.70%
2012	6,393	51,874	2,515,096	48,485	35.20	6,244	224.6	8.20%
2013	6,388	53,811	2,005,000	48,750	36.00	6,549	230.8	5.20%
2014	6,410	52,460	2,644,828	50,416	36.20	6,713	237.2	4.75%
2015	6,472	53,605	3,065,540	57,927	36.50	6,546	240.0	2.10%
2016	6,505	53,989	3,297,869	61,522	36.70	6,901	246.6	2.81%

N/A - Information not available.

Information was compiled by the Demographic Section of the Colorado Division of Local Government, Bureau of Labor Statistics and U.S. Census Bureau. School Enrollment was obtained by Eagle County School District Administration Office based on June Enrollment. Per Capita Personal Income obtained from Bureau of Economic Analysis, Regional Economic Accounts.

# TOWN OF AVON, COLORADO

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## PRINCIPAL EMPLOYERS CURRENT YEAR AND NINE YEARS AGO

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Employer	2016		2007	
	Employees	Rank	Employees	Rank
Wal-Mart	276	1	204	2
Westin Riverfront Resort & Spa	263	2		
Home Depot	232	3	262	1
Maya, Mexican Kitchen	138	4		
City Market	128	5	147	4
Eagle River Water & Sanitation	106	6	80	8
Christie Lodge	102	7	158	3
Town of Avon	84	8	109	6
Colorado Mountain Medical - Avon	60	9		
Sheraton Mountain Vista	51	10	120	5
Avon Elementary School			53	9
Finnegan's			105	7
Falcon Point			29	10

**Sources:** Various Town of Avon businesses, Department of Labor



# TOWN OF AVON, COLORADO

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## COMMERCIAL AND RESIDENTIAL CONSTRUCTION LAST TEN FISCAL YEARS

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Year	Total Permits Issued	Commercial Construction		Residential Construction		Total Building Construction Value
		Square Footage	Value	No. of Units	Value	
2007	166	19,242	\$ 25,248,538	93	\$ 10,970,648	\$ 36,219,186
2008	145	11,416	2,525,749	15	11,165,780	13,691,529
2009	91	-	725,000	3	8,683,371	9,408,371
2010	112	16,517	3,215,036	7	9,806,550	13,021,586
2011	125	2,210	922,600	9	8,412,190	9,334,790
2012	126	54,250	11,400,000	8	2,448,500	13,848,500
2013	159	217,293	27,121,876	12	9,027,760	36,149,636
2014	156	-	1,500,000	10	13,735,900	15,235,900
2015	153	114,614	14,336,000	10	6,970,000	21,306,000
2016	15	56,641	16,369,635	7	8,551,360	24,920,995

Source: Town of Avon Community Development Department

# TOWN OF AVON, COLORADO

## FULL-TIME EQUIVALENT EMPLOYEES BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

	Full-time Equivalent Employees as of December 31				
	2007	2008	2009	2010	2011
General Government					
Administration	3.00	3.75	3.75	3.75	3.75
Human Resources	2.00	2.00	2.00	2.00	2.00
Finance	7.00	7.00	7.00	8.00	8.00
Nondepartmental	6.00	8.00	6.00	5.00	3.00
Community Development	9.00	9.75	7.75	7.75	6.00
Police	19.00	21.00	22.00	22.00	20.00
Public Works:					
Engineering	3.00	3.00	3.00	3.00	3.00
Buildings and Facilities	2.50	4.00	4.00	3.75	2.75
Roads and Bridges, Parks	16.50	18.00	17.00	16.25	16.25
Transportation	13.00	14.00	8.00	4.50	4.35
Fleet Maintenance	12.10	12.10	13.10	13.10	9.25
Recreation	10.00	10.00	8.00	7.00	8.00
Total	<u>103.10</u>	<u>112.60</u>	<u>101.60</u>	<u>96.10</u>	<u>86.35</u>
	2012	2013	2014	2015	2016
General Government					
Administration	2.75	3.75	4.75	4.75	4.60
Human Resources	2.00	2.00	2.00	3.00	3.00
Finance	8.00	8.00	8.00	8.00	8.00
Nondepartmental	1.00	1.00	1.00	1.00	1.00
Community Development	5.00	4.00	4.00	4.00	4.00
Police	20.00	20.00	20.00	20.00	20.40
Public Works:					
Engineering	2.00	2.00	2.00	2.00	2.00
Buildings and Facilities	2.75	3.00	3.00	4.00	4.00
Roads and Bridges, Parks	15.25	16.00	14.00	14.00	15.00
Transportation	4.35	4.00	4.00	6.00	6.00
Fleet Maintenance	7.25	8.00	8.00	8.00	8.00
Recreation	9.00	6.00	7.00	9.00	9.00
Total	<u>79.35</u>	<u>77.75</u>	<u>77.75</u>	<u>83.75</u>	<u>85.00</u>

Source: Town of Avon Budget

# TOWN OF AVON, COLORADO

## OPERATING INDICATORS BY FUNCTION/PROGRAM LAST TEN FISCAL YEARS

	Fiscal Year			
	2007	2008	2009	2010
<b>Town of Avon Facilities and Services:</b>				
Miles of Streets	23.04	23.73	23.73	23.73
Number of Street Lights	408	433	433	454
<b>Culture and Recreation:</b>				
Miles of Bike/Pedestrian Paths	5.60	5.60	5.60	5.60
Miles of dirt, singletrack trails	0.00	0.00	0.00	0.00
Parks / Lakes	5/1	5/1	5/1	5/1
Park Acreage	672	672	672	672
Tennis/Volleyball /Basketball Courts/Pickleball Courts	4 / 3 / 3	4 / 3 / 3	4 / 3 / 3	4 / 3 / 3
Recreation Centers	1	1	1	1
Softball / Soccer Fields	1 / 2	1 / 2	1 / 2	1 / 2
Playgrounds	4	4	4	4
Performance Art Pavilion				
<b>Police Protection:</b>				
Number of Stations	1	1	1	1
Number of Police Personnel and Officers	16	18	21	20
Number of Patrol Units	12	14	13	15
Number of Law Violations:				
General Ordinance Violations	333	267	168	157
Traffic Violations	243	351	287	831
Parking Violations	6	3	13	379
<b>Facilities and Services Not Included in the Reporting Entity:</b>				
<b>Libraries:</b>				
Number of Libraries / Volumes	1 / 85,378	1 / 76,228	1 / 79,560	1 / 80,054
<b>Water System:</b>				
Miles of Water Mains	24.99	24.99	24.99	24.99
Number of Service Connections	3,675	3,761	3,787	3,802
Daily Average Consumption in Gallons	778,373	943,787	687,693	672,789
Maximum Daily Capacity of Plant in Gallons	10MGD	10MGD	10MGD	10MGD
<b>Sanitary Sewer System:</b>				
Miles of Sanitary Sewers	33.44	33.44	33.44	33.44
Number of Treatment Plants	1	1	1	1
Number of Service Connections	3,801	3,821	3,913	3,916
Maximum Daily Capacity of Treatment Plant in Gallons	4.3MGD	4.3MGD	4.3MGD	4.3MGD
<b>Education:</b>				
Number of Elementary Schools / Instructors	1 / 53	1 / 27	1 / 23	1 / 23
<b>Fire Protection:</b>				
Number of Stations	9	9	9	9
Number of Fire Personnel and Officers	51	56	47	56
Number of Calls Answered	2,469	2,855	2,262	2,167
Number of Inspections Conducted	494	565	397	141

Fiscal Year					
2011	2012	2013	2014	2015	2016
23.73	23.73	23.73	23.73	23.73	23.73
632	632	632	613	619	634
8.75	8.75	8.75	8.82	8.82	9.32
0.00	0.00	0.00	11.00	11.00	11.00
5/1	5/1	5/1	5/1	5/1	5/1
672	672	672	672	672	672
4 / 2 / 3	4 / 2 / 3	4 / 2 / 3 / 2	4 / 2 / 3 / 2	4 / 2 / 3 / 2	4 / 2 / 3 / 2
1	1	1	1	1	1
1 / 2	1 / 2	1 / 2	1 / 2	1 / 2	1 / 2
4	4	4	4	4	4
			1	1	1
1	1	1	1	1	1
18	20	20	20	21	23
15	16	16	16	15	15
218	396	207	438	384	419
1,204	495	285	372	314	543
285	110	165	366	282	234
1 / 83,008	1 / 82,193	1 / 79,405	1 / 80,239	1 / 79,226	1 / 77,490
24.99	24.99	24.99	24.99	24.99	24.99
3,799	3,814	3,831	3,897	3,917	3,917
687,099	589,567	675,728	706,833	706,833	709,478
10MGD	10MGD	10MGD	10MGD	10MGD	10MGD
33.44	33.44	33.44	33.44	33.44	33.44
1	1	1	1	1	1
3,933	3,953	3,969	4,038	4,086	4,086
4.3MGD	4.3MGD	4.3MGD	4.3MGD	4.3MGD	4.3MGD
1 / 23	1 / 23	1 / 27	1 / 25	1 / 27	1 / 47
9	8	5	5	5	6
55	55	66	64	67	68
2,198	2,089	2,244	2,357	636	670
166	190	154	154	122	175

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# TOWN OF AVON, COLORADO

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## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2016

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Federal Grantor / Pass Through Grantor / Program Or Cluster Title	Federal CFDA #	Federal Expenditures
<b><u>U.S. Department of Justice</u></b>		
Bulletproof Vest Partnership Program	16.607	\$ <u>2,320</u>
<b>Total U.S. Department of Justice</b>		<u>2,320</u>
<b><u>U.S. Department of Transportation</u></b>		
<i>Passed Through Colorado Department of Transportation:</i>		
NHTSA - Click it or Ticket	20.616	8,360
Map 21 Transportation Alternatives Program (TAP)	20.205	<u>1,355,000</u>
<b>Total U.S. Department of Transportation</b>		<u>1,363,360</u>
<b>Total Expenditures of Federal Awards</b>		<u>\$ <u>1,365,680</u></u>

The accompanying notes are an integral part of this schedule.

# TOWN OF AVON, COLORADO

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## NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS YEAR ENDED DECEMBER 31, 2016

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### **Note 1. General**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal award activity of the Town of Avon under programs of the federal government for the year ended December 31, 2016. The information in this Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) 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 of Avon, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Town of Avon.

### **Note 2. Summary of Significant Accounting Policies**

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, whereas certain types of expenditures are not allowable or are limited as to reimbursement.

### **Note 3. Sub-recipients**

The Town of Avon did not provide any federal funds listed in the Schedule of Expenditures of Federal Awards to sub-recipients.

### **Note 4. Indirect Facilities and Administration Costs**

The Town of Avon did not elect to use the 10% de minimus cost rate allowed in Title 2 U.S. Code of Federal Regulations (CFR) Part 200.414, Indirect (F&A) costs.



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**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 Town Council  
Town of Avon, Colorado**

We have audited, in accordance with 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, each major fund, and the aggregate remaining fund information of Town of Avon, Colorado (the "Town") as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated May 4, 2017.

***Internal Control Over Financial Reporting***

In planning and performing our audit on 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 opinions 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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town'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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

*Member: American Institute of Certified Public Accountants*

PAUL J. BACKES, CPA, CGMA  
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DANIEL R. CUDAHY, CPA, CGMA

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**INDEPENDENT AUDITOR'S REPORT  
To the Honorable Mayor and Town Council  
Town of Avon, Colorado**

***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*.

***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 results of that testing, and not to provide an opinion on the effectiveness of the Town'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 Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

**McMahan and Associates, L.L.C.  
Avon, Colorado  
May 4, 2017**



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

**To the Honorable Mayor and Town Council  
Town of Avon, Colorado**

***Report on Compliance for Each Major Program***

We have audited the Town of Avon, Colorado's (the "Town") compliance with the types of compliance requirements described in the U.S. Office of Management and Budget *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, 2016. 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 the requirements of laws, regulations, contracts, and grants 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements of Federal Awards* (the "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 on the Town's compliance with those requirements.

*Member: American Institute of Certified Public Accountants*

**INDEPENDENT AUDITOR's REPORT**  
**To the Honorable Mayor and Town Council**  
**Town of Avon, Colorado**

***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, 2016.

***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, we considered the Town's internal control over compliance with types of requirements that could have a direct and material effect on each major federal program to determine our 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 or on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a 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 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 the 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.

**McMahan and Associates, L.L.C.**  
**Avon, Colorado**  
**May 4, 2017**

# PRELIMINARY DRAFT

## Town of Avon, Colorado, Colorado SCHEDULE OF FINDINGS AND QUESTIONED COSTS For the Year Ended December 31, 2016

### Part I – Summary of Auditor's Results

#### *Financial Statements:*

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weakness identified	None noted
Significant deficiency identified	None noted
Noncompliance material to financial statements noted	None noted

#### *Federal Awards:*

Internal control over major programs:	
Material weakness identified	None noted
Significant deficiency identified	None noted
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 Title 2 U.S. Code of Federal Regulations Part 200	No
Major programs:	
Highway Planning and Construction - Map 21 Transportation Alternatives Program (TAP)	CFDA #20.205
Dollar threshold used to identify Type A from Type B programs:	\$750,000
Identified as low-risk auditee	No

### Part II – Findings Related to Financial Statements

Findings related to financial statements as required by <i>Government Auditing Standards</i>	None noted
Auditor-assigned reference number	Not applicable

### Part III – Findings Related to Federal Awards

Internal control findings	None noted
Compliance findings	None noted
Questioned costs	None noted
Auditor-assigned reference number	Not applicable

# PRELIMINARY DRAFT

Town of Avon, Colorado  
SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS  
For the Year Ended December 31, 2016

There were no findings for the fiscal year ended December 31, 2015.



## TOWN COUNCIL REPORT

**To:** Honorable Mayor Jennie Fancher and Avon Town Council

**From:** Scott Wright, Asst. Town Manager

**Date:** May 9, 2017

**Re:** 2017 Supplemental Budget Amendment Resolution No. 2017-06

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### **Introduction**

It has been the practice to adopt a supplemental budget amendment in order to update beginning fund balance estimates and generally recognize revisions to the budget that were not identified at the time the budget was originally adopted.

This resolution amends the General Fund. Additional budget amendments for other Town operating funds will be forthcoming in the next month or so.

Below is a summary of the proposed budget revisions and the estimated impacts to the fund balance. The levels of fund balances continues to be positive and meets Town policy.

### **General Fund**

Final audited figures for 2016 in the General Fund reflect a positive variance over the final budget of \$1,487,197. This surplus was due to positive variances compared to estimates of total revenues of \$881,672 (\$575,223 of this was in tax revenues) and a positive variance to appropriations (under-expenditures compared to budget) of \$587,227. Much of these savings are due to the hard work of Town staff in their efficient use of Town resources.

A number of revisions to the General Fund budget have been accumulated since the beginning of the year including the rollover of certain 2016 unspent appropriations, approvals of special events, and other unforeseen items.

A summary of the proposed changes is listed below:

- Special Events
  - \$317,392 - Appropriation of costs from the 2017 special events assigned fund balance. Includes Easter Egg Hunt (\$7,853), Salute to the USA musical entertainment (\$20,000), Haute Route (\$49,000, Cover Rock (\$75,000) Zoppe Family Circus (\$22,000), Avon Live! Summer Concerts (\$79,920), Avon Bike Festival (\$5,000) VVF Dancing in the Park (\$50,000), and Pop-up Performances (\$8,619).

- \$12,250 for the Missoula Children’s Theater (\$8,750) and the Major League Triathlon (\$3,500) from the original Special Event seed funding program of \$50,000.
- \$6,582 for carryover of unspent 2015 appropriations from the Special Event Admissions Fee
- \$2,400 for Special Events Ad Hoc Committee meeting expenses
- Police Department
  - \$21,852 from the award of POST and POST I70 state grants (offset by revenues)
  - \$3,686 in carryover purchase order for firearms
- Engineering and Facilities
  - \$28,000 to install the CLEER Energy Navigator ([www.cleanenergyeconomy.net/building-energy-navigator](http://www.cleanenergyeconomy.net/building-energy-navigator)) for the five (5) major Town buildings: Public Safety, Fleet and Transit Facilities, the Recreation Center and the New Town Hall. The Energy Navigator will provide 15-minute energy data and metrics to observe and analyze daily, weekly and monthly usage, and the ability to calculate changes in carbon generation, which is critical in determining reductions in carbon to meet Council’s adopted Climate Action Plan goals.
  - \$8,000 for the addition of a Fleet Maintenance welding exhaust vent
  - \$30,000 for replacement/conversion of the remaining 16 ft. tall light fixtures and parking lot lights at public Works to LED fixtures. It is expected that Holy Cross rebates will offset 50% of the cost.
  - \$13,200 for cleaning of 4 heat exchanger in the Heat Recovery System.
  - \$5,000 for an additional security card reader at ARTF.
  - \$4,400 for cost sharing of the replacement of the Avon Road / US Hwy 6 electrical control panels in coordination with the Basecamp development.
  - \$7,600 for final record drawing of ARTF per ERWSD requirements.
- General Government
  - \$6,500 for Town Council professional development
  - \$1,000 for Town Council photographs
  - \$2,500 for P&Z Commissioner meeting stipend increase from \$75 to \$100 per meeting
  - \$20,220 for temporary services and equipment for scanning documents for H/ R, Community Development and Finance
  - \$5,000 for H/R advertising for new or vacant positions
  - \$18,000 for PEG grant to High Five Access Media
  - \$15,000 for a fiscal tax policy study
- Community Development
  - \$15,000 for the Tract G landscape plan
  - \$5,000 for publishing of the updated Comprehensive Plan
  - \$7,060 to reconcile actual community grants awarded to the 2017 budget
- Public Works
  - \$2,850 for VMS board annual subscription and maintenance fees
- Recreation
  - \$15,637 for swim meet fees and private swim instructors. This cost is offset by an increase in private swim lesson program fees of \$18,200.

The following items have previously been approved by Town Council for transfer from the General Fund contingency.

- \$5,000 for Adopt-a-trail program
- \$4,000 for Town Council iPads
- \$21,507 for the hiring of a full-time special events assistant and reclassification from part-time
- \$25,000 for repairs and upgrades to the Town's Sherwood Meadows unit.

The net result of these changes revises the current year net source (use) of funds from a surplus of \$160,274 to a deficit of \$657,256. However, because of the large increase in the General Fund ending 2016 fund balance mentioned above, the 2017 revised estimated ending fund balance is \$669,667 larger than originally anticipated.

Per the Town's fund balance policy, excess fund balances are transferred to the Capital Projects Fund. Due to the large surplus in 2016, amounts transferred to the Capital Projects Fund has been increased from \$120,000 to \$1,120,000. After these revisions, the General Fund stabilization balance, which represents reserves over and above the required 25% minimum fund balance, is increased by \$709,438 to a total of \$737,095.

Attachments:

1. Resolution No. 2017-06
2. General Fund Supplemental Amendment No. 1



**TOWN OF AVON, COLORADO  
RESOLUTION NO. 17-06**

**SERIES OF 2017**

**A RESOLUTION TO AMEND THE 2017 TOWN OF AVON BUDGET**

**A RESOLUTION SUMMARIZING EXPENDITURES AND REVENUES BY  
FUND AND AMENDING THE 2017 BUDGET FOR THE TOWN OF AVON,  
COLORADO, FOR THE CALENDAR YEAR BEGINNING ON THE FIRST DAY  
OF JANUARY, 2017 AND ENDING ON THE LAST DAY OF DECEMBER, 2017**

**WHEREAS**, the Town Council of the Town of Avon has previously adopted the 2017 budget; and

**WHEREAS**, the Town Council reviewed the revised estimated revenues and expenditures for all operating funds for 2017; and

**WHEREAS**, the Town Council finds it necessary to amend the 2017 budget to more accurately reflect the revenues and expenditures for 2017; and

**WHEREAS**, whatever increases may have been made in the expenditures, like increases were added to the revenues so that the budget remains in balance as required by law.

**NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF  
THE TOWN OF AVON, COLORADO:**

**Section 1.** That estimated revenues and expenditures for the following funds are revised as follows for 2017:

	Original or Previously Amended <u>2017 Budget</u>	Current Proposed Amended <u>2017 Budget</u>
<b><u>General Fund</u></b>		
Beginning Fund Balance	\$ 4,576,694	\$ 6,063,891
Revenues and Other Sources	15,625,904	16,385,744
Expenditures and Other Uses	<u>15,465,630</u>	<u>17,043,000</u>
 Ending Fund Balance	 <u>\$ 4,736,968</u>	 <u>\$ 5,406,635</u>

**Section 2.** That the budget, as submitted, amended, and hereinabove summarized by fund, hereby is approved and adopted as the budget of the Town of Avon for the year stated above.

**Section 3.** That the budget hereby approved and adopted shall be signed by the Mayor and made part of the public record of the Town.

**ADOPTED this 9th day of May, 2017.**

**AVON TOWN COUNCIL**

By: \_\_\_\_\_  
Jennie Fancher, Mayor

Attest: \_\_\_\_\_  
Debbie Hoppe, Town Clerk

# General Fund #10 Supplemental Amendment No. 1

## Fund Summary

	Actual 2016	Adopted Budget 2017	Amended Budget 2017	Difference Increase (Decrease)
<b>REVENUES</b>				
Taxes	\$ 12,672,461	\$ 12,245,424	\$ 12,900,212	\$ 654,788
Licenses and Permits	259,997	206,100	206,100	-
Intergovernmental	1,014,141	1,010,926	1,032,778	21,852
Charges for Services	1,543,296	1,504,782	1,522,982	18,200
Fines and Forfeitures	91,014	92,445	92,445	-
Investment Earnings	73,208	25,000	75,000	50,000
Other Revenue	407,333	314,900	329,900	15,000
<b>Total Operating Revenues</b>	<b>16,061,450</b>	<b>15,399,577</b>	<b>16,159,417</b>	<b>759,840</b>
<b>Other Sources</b>				
Capital Lease Proceeds	-	-	-	-
Sales of Capital Assets	-	-	-	-
Transfer-In From Capital Projects Fund	219,735	226,327	226,327	-
<b>Total Other Sources</b>	<b>219,735</b>	<b>226,327</b>	<b>226,327</b>	<b>-</b>
<b>TOTAL REVENUES</b>	<b>\$ 16,281,185</b>	<b>\$ 15,625,904</b>	<b>\$ 16,385,744</b>	<b>\$ 759,840</b>
<b>EXPENDITURES</b>				
General Government	\$ 3,103,970	\$ 3,330,643	\$ 3,402,863	\$ 72,220
Community Development	1,201,086	935,279	1,327,470	392,191
Public Safety	3,122,942	3,370,680	3,396,218	25,538
Public Works	3,823,374	4,442,906	4,567,681	124,775
Recreation	1,293,277	1,434,122	1,452,275	18,153
<b>Total Operating Expenditures</b>	<b>12,544,649</b>	<b>13,513,630</b>	<b>14,146,507</b>	<b>632,877</b>
<b>Contingency</b>	<b>-</b>	<b>250,000</b>	<b>194,493</b>	<b>(55,507)</b>
<b>Other Uses</b>				
Transfers-Out to Town Center West Fund	77,576	-	-	-
Transfers-Out to Capital Projects Fund	1,670,000	120,000	1,120,000	1,000,000
Transfers-Out to Transit	1,134,994	1,182,000	1,182,000	-
Transfers-Out to Fleet Maintenance	450,000	400,000	400,000	-
<b>Total Other Uses</b>	<b>3,332,570</b>	<b>1,702,000</b>	<b>2,702,000</b>	<b>1,000,000</b>
<b>TOTAL EXPENDITURES</b>	<b>15,877,219</b>	<b>15,465,630</b>	<b>17,043,000</b>	<b>1,577,370</b>
<b>NET SOURCE (USE) OF FUNDS</b>	<b>403,966</b>	<b>160,274</b>	<b>(657,256)</b>	<b>(817,530)</b>
<b>FUND BALANCES, Beginning of Year</b>	<b>5,659,925</b>	<b>4,576,694</b>	<b>6,063,891</b>	<b>1,487,197</b>
<b>FUND BALANCES, End of Year</b>	<b>\$ 6,063,891</b>	<b>\$ 4,736,968</b>	<b>\$ 5,406,635</b>	<b>\$ 669,667</b>
<b>FUND BALANCES:</b>				
<b>Restricted For:</b>				
3% TABOR Emergency Reserve	\$ 664,805	\$ 545,403	\$ 664,805	\$ 119,402
<b>Assigned For:</b>				
Special Events	-	390,000	72,608	(317,392)
Capital Improvements	-	-	-	-
<b>Unassigned:</b>				
25% Minimum Reserve Balance	3,551,805	3,773,908	3,932,127	158,219
Undesignated, Unreserved	1,761,145	27,658	737,095	709,438
<b>TOTAL FUND BALANCES</b>	<b>\$ 5,977,755</b>	<b>\$ 4,736,968</b>	<b>\$ 5,406,635</b>	<b>\$ 669,667</b>

# MUNICIPAL SERVICES General Fund

## Revenue Detail

Account Number	Description	Actual 2016	Original or Adopted Budget 2017	Final Amended Budget 2017	Difference Increase (Decrease)
<b>Taxes:</b>					
51101	General Property Tax	\$ 1,740,308	\$ 1,735,425	\$ 1,735,425	\$ -
51102	General Property Tax - Delinquent Collections	-	500	500	-
51103	General Property Tax - Interest	2,999	1,000	1,000	-
51104	General Property Tax - Abatements	(1,000)	-	-	-
51201	Specific Ownership Tax	119,483	120,000	120,000	-
51301	Sales Tax	8,097,130	7,809,521	8,421,015	611,494
51302	Utility Tax	102,643	110,000	110,000	-
51303	Accommodation Tax	1,289,879	1,323,978	1,367,272	43,294
51304	Penalties and Interest	30,487	25,000	25,000	-
51305	Sales Tax Audit Assessments	122,764	5,000	5,000	-
51307	VAA Retail Sales Fee	735,280	700,000	700,000	-
51402	Franchise Fees	432,488	415,000	415,000	-
<b>51000</b>	<b>Total Taxes</b>	<b>12,672,461</b>	<b>12,245,424</b>	<b>12,900,212</b>	<b>654,788</b>
<b>Licenses and Permits:</b>					
52101	Liquor Licenses	8,234	7,000	7,000	-
52102	Business Licenses	87,510	65,000	65,000	-
52103	Contractor's Licenses	12,520	10,500	10,500	-
52201	Building Permits	143,642	115,000	115,000	-
52205	Road Cut Permits	7,615	8,000	8,000	-
52207	Mobile Vendor Cart Permits	476	600	600	-
<b>52000</b>	<b>Total Licenses and Permits</b>	<b>259,997</b>	<b>206,100</b>	<b>206,100</b>	<b>-</b>
<b>Intergovernmental:</b>					
<b>Federal Grants:</b>					
53106	Click It or Ticket	8,360	5,500	5,500	-
53107	Ballistic Vests	2,320	2,000	2,000	-
<b>State Grants</b>					
53204	LEAF Grant	31,422	23,000	23,000	-
53206	High Visibility Grant	24,140	27,000	27,000	-
53299	Other State Grants	33,048	-	21,852	21,852
<b>Local Government/Other Agency</b>					
53402	Eagle County - Childcare	6,677	-	-	-
53900	Eagle River Youth Coalition	570	8,500	8,500	-
	<b>Subtotal: Grants</b>	<b>106,537</b>	<b>66,000</b>	<b>87,852</b>	<b>21,852</b>
<b>State/County Shared Revenue:</b>					
53301	Conservation Trust	72,226	62,000	62,000	-
53302	Motor Vehicle Registration	24,639	22,000	22,000	-
53303	Highway User's Tax	193,388	201,963	201,963	-
53304	Cigarette Tax	43,200	42,000	42,000	-
53305	County Sales Tax	445,043	483,743	483,743	-
53306	Road & Bridge Fund	128,078	132,220	132,220	-
53308	State Severance Tax	1,030	1,000	1,000	-
	<b>Subtotal: Shared Revenue</b>	<b>907,604</b>	<b>944,926</b>	<b>944,926</b>	<b>-</b>
<b>53000</b>	<b>Total Intergovernmental</b>	<b>1,014,141</b>	<b>1,010,926</b>	<b>1,032,778</b>	<b>21,852</b>

# MUNICIPAL SERVICES General Fund

## Revenue Detail

Account Number	Description	Actual 2016	Original or Adopted Budget 2017	Final Amended Budget 2017	Difference Increase (Decrease)
<b>Charges for Services:</b>					
<b>General Government:</b>					
54102	Photocopying Charges	\$ 14	300	300	-
54103	License Hearing Fees	-	100	100	-
54104	Other Fees and Charges	1,828	1,250	1,250	-
54105	CC & Paper Filing Fees	2,332	-	-	-
54201	Plan Check Fees	104,641	95,000	95,000	-
54202	Subdivision Review Fees	916	1,000	1,000	-
54203	Design Review Fees	15,754	14,295	14,295	-
54204	Animal Control Fees	590	500	500	-
54206	Fire Impact Fee Administration Fees	832	750	750	-
54301	Police Reports	713	600	600	-
54302	Police Extra Duty	18,564	25,000	25,000	-
54303	Fingerprinting Fees	5,547	4,500	4,500	-
54304	VIN Inspection Fees	18,030	18,000	18,000	-
54305	False Alarm Fees/Misc Police Dept Fees	240	500	500	-
54306	National Night Out	1,430	2,000	2,000	-
54399	DUI Reimbursement	19,063	24,250	24,250	-
	<b>Subtotal: General Govern.</b>	<b>190,494</b>	<b>188,045</b>	<b>188,045</b>	<b>-</b>
<b>Recreation Facility:</b>					
54601	Admission Fees	901,307	888,200	888,200	-
54602	Program Fees	46,582	70,610	88,810	18,200
54603	Rentals	49,426	45,000	45,000	-
54604	Merchandise Sales	8,598	8,500	8,500	-
54606	Rec Center Services	10,603	9,200	9,200	-
54607	Fitness Program Revenues	50,159	52,000	52,000	-
<b>Other Recreation:</b>					
54651	Adult Program Revenues	19,378	25,350	25,350	-
54652	Cabin Equipment Rentals	17,542	13,500	13,500	-
54653	Athletic Field Rentals	8,535	-	-	-
54655	Youth Program Revenues	149,700	145,565	145,565	-
54676	Sponsorships	38,000	38,000	38,000	-
54678	Event Fees	11,937	10,525	10,525	-
54679	Special Event Admission Fees	41,035	10,287	10,287	-
	<b>Subtotal: Recreation</b>	<b>1,352,802</b>	<b>1,316,737</b>	<b>1,334,937</b>	<b>18,200</b>
<b>54000</b>	<b>Total Charges for Services</b>	<b>1,543,296</b>	<b>1,504,782</b>	<b>1,522,982</b>	<b>18,200</b>
<b>Fines and Forfeitures:</b>					
55101	Court Fines - Traffic	\$ 47,006	51,300	51,300	-
55102	Court Fines - Criminal	22,958	21,000	21,000	-
55103	Court Fines - Parking	7,245	6,735	6,735	-
55105	Court Costs	7,280	7,000	7,000	-
55106	Jury Fees	-	100	100	-
55107	Bond Forfeitures	250	100	100	-
55110	Police Training Surcharge	6,275	6,210	6,210	-
<b>55000</b>	<b>Total Fines and Forfeitures</b>	<b>91,014</b>	<b>92,445</b>	<b>92,445</b>	<b>-</b>

# MUNICIPAL SERVICES General Fund

## Revenue Detail

Account Number	Description	Actual 2016	Original or Adopted Budget 2017	Final Amended Budget 2017	Difference Increase (Decrease)
<b>Investment Earnings:</b>					
57101	Interest	73,208	25,000	75,000	50,000
<b>57000</b>	<b>Total Investment Earnings</b>	<b>73,208</b>	<b>25,000</b>	<b>75,000</b>	<b>50,000</b>
<b>Other Revenues:</b>					
58101	Recreational Amenity Fees	250,468	235,000	235,000	-
58109	Bond Issuance Fees	10,696	9,800	9,800	-
58201	Lease of Town-Owned Property	46,662	40,000	40,000	-
58999	Miscellaneous Nonclassified Revenues	99,507	30,100	45,100	15,000
<b>58000</b>	<b>Total Other Revenues</b>	<b>407,333</b>	<b>314,900</b>	<b>329,900</b>	<b>15,000</b>
<b>50000</b>	<b>TOTAL REVENUES</b>	<b>\$ 16,061,450</b>	<b>\$ 15,399,577</b>	<b>\$ 16,159,417</b>	<b>\$ 759,840</b>

# MUNICIPAL SERVICES General Fund

## Department Expenditure Summaries

Dept./Div. Number	Description	Actual 2016	Original or Adopted Budget 2017	Final Amended Budget 2017	Difference Increase (Decrease)
<b>General Government:</b>					
111	Mayor and Town Council	\$ 207,490	\$ 210,472	\$ 221,972	\$ 11,500
112	Boards and Commissions	12,454	15,299	17,799	2,500
113	Town Attorney	133,145	132,000	132,000	-
115	Town Clerk	135,048	103,471	123,691	20,220
121	Municipal Court	106,594	129,000	129,000	-
131	Town Manager	364,898	403,797	405,797	2,000
133	Community Relations	124,692	171,497	187,497	16,000
<b>Subtotal General Government</b>		<b>1,084,321</b>	<b>1,165,536</b>	<b>1,217,756</b>	<b>52,220</b>
<b>Human Resources:</b>					
132	Human Resources	416,018	431,677	436,677	5,000
<b>Finance and IT:</b>					
141	Finance	802,661	844,922	859,922	15,000
143	Information Systems	380,891	406,753	406,753	-
149	Nondepartmental	420,079	481,755	481,755	-
<b>Subtotal Finance and IT</b>		<b>1,603,631</b>	<b>1,733,430</b>	<b>1,748,430</b>	<b>15,000</b>
<b>Total General Government and Finance</b>		<b>3,103,970</b>	<b>3,330,643</b>	<b>3,402,863</b>	<b>72,220</b>
<b>Community Development:</b>					
212	Planning	215,001	263,033	283,033	20,000
213	Building Inspection	141,694	149,265	149,265	-
214	Economic Development	37,147	-	-	-
215	Town Produced Events	291,225	302,421	351,781	49,360
216	Signature Event Seed Funding	307,788	50,000	360,771	310,771
217	Community Grants	208,231	170,560	182,620	12,060
<b>Total Community Development</b>		<b>1,201,086</b>	<b>935,279</b>	<b>1,327,470</b>	<b>392,191</b>
<b>Police Department:</b>					
311	Administration	535,815	683,437	686,574	3,137
312	Patrol	2,332,791	2,415,803	2,438,204	22,401
313	Investigations	254,336	271,440	271,440	-
<b>Total Police Department</b>		<b>3,122,942</b>	<b>3,370,680</b>	<b>3,396,218</b>	<b>25,538</b>
<b>Public Works</b>					
<i>Engineering:</i>					
412	Engineering	267,207	240,776	248,376	7,600
418	Buildings and Facilities	1,085,263	1,152,037	1,266,362	114,325
<i>Roads and Bridges:</i>					
413	Roads and Bridges	1,400,312	2,354,312	2,357,162	2,850
415	Parks and Grounds	1,070,592	695,781	695,781	-
<b>Total Public Works Department</b>		<b>3,823,374</b>	<b>4,442,906</b>	<b>4,567,681</b>	<b>124,775</b>

**MUNICIPAL SERVICES  
General Fund**

**Department Expenditure Summaries**

Dept./Div. Number	Description	Actual 2016	Original or Adopted Budget 2017	Final Amended Budget 2017	Difference Increase (Decrease)
<b>Recreation Department:</b>					
514	Administration	241,114	227,282	227,282	-
515	Adult Programs	50,914	56,087	56,087	-
516	Aquatics	441,428	558,841	574,478	15,637
518	Fitness	136,161	150,785	150,785	-
519	Guest Services	295,102	295,366	297,882	2,516
521	Youth Programs	128,558	145,761	145,761	-
<b>Total Recreation</b>		<b>1,293,277</b>	<b>1,434,122</b>	<b>1,452,275</b>	<b>18,153</b>
<b>TOTAL OPERATING EXPENDITURES</b>		<b>\$ 12,544,649</b>	<b>\$ 13,513,630</b>	<b>\$ 14,146,507</b>	<b>\$ 632,877</b>





## TOWN COUNCIL REPORT

**To:** Honorable Mayor Jennie Fancher and Avon Town Council

**From:** Scott Wright, Asst. Town Manager

**Date:** May 9, 2017

**Topic:** Resolution No. 17-08, Approving the Expenditure of Community Enhancement Funds

---

### Action Before Council

A resolution is being presented to Town Council to formally approve the expenditure of Community Enhancement funds for the Destination Jump, Splash, Learn playground project as required by the Town's franchise agreement with Holy Cross Energy.

### Proposed Motion

"I move to approve Resolution 2017-08, a Resolution Approving the Expenditure of Community Enhancement Funds from Holy Cross Energy as Provided for in Article 11, Town of Avon Ordinance No. 2001-01, Series of 2001".

### Summary:

Pursuant to the Town's franchise agreement with Holy Cross Energy, the Town receives one percent (1%) of the gross revenues collected from the sale of electricity from within the Town's borders. The funds are eligible to be expended for limited purposes, as follows:

- Beautification projects
- Energy conservation projects
- Equipment and technology upgrades for schools
- Scholarship funds
- Acquisition of open space and/or park land and development thereon
- Sponsorship of special community events
- Ingrounding of overhead electric and other utility lines

The Town has previously met with representatives of Holy Cross to discuss the various projects of the Town that would qualify for use of the Community Enhancement funds. This resolution seeks authorization from Holy Cross Energy to apply these funds to the Destination Jump, Splash, Learn playground project that is currently budgeted in the Capital Projects Fund and was recently awarded a \$350,000 GOCO grant from Great Outdoors Colorado.

The 2017 budget indicates a transfer-in to the Capital Projects Fund from the Community Enhancement Fund in the amount of \$158,000 for this purpose.

**Staff Recommendation**

Staff recommends approval of Resolution No. 17-08

**Attachments:**

Exhibit A – Holy Cross Energy Community Enhancement Fund Proposed Project

**TOWN OF AVON  
RESOLUTION NO. 17-08  
SERIES OF 2017**

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF  
AVON, COLORADO, APPROVING THE EXPENDITURE OF  
COMMUNITY ENHANCEMENT FUNDS FROM HOLY CROSS  
ENERGY AS PROVIDED FOR IN ARTICLE 11, TOWN OF  
AVON ORDINANCE NO. 2001-01, SERIES OF 2001**

**WHEREAS**, the Town Council of the Town of Avon, Colorado, has approved Ordinance No. 2001-01, Series of 2001 which granted a franchise to Holy Cross Energy; and

**WHEREAS**, Article 11 of Ordinance No. 2001-01 provides that Holy Cross Energy will voluntarily make monetary resources available to the Town for programs designed to make a difference in people's lives and the communities in which they reside; and

**WHEREAS**, Section 11.1 of Ordinance No. 2001-01 limits the use for which such funds shall be spent shall to: (1) Beautification projects; (2) Energy conservation projects; (3) Equipment and technology upgrades for schools; (4) Scholarship funds; (5) Acquisition of open space and/or park land and development thereof; (6) Sponsorship of special community events; and, (7) Undergrounding of overhead electric and other utility lines. Funds made available under this Article may be spent for other purposes only with the express written consent of the Company; and

**WHEREAS**, Section 11.4 of Ordinance No. 2001-01, provides that the Town Council is required to approve the expenditure by resolution or ordinance duly enacted by the Town Council, and such resolution or ordinance shall clearly describe the nature and purpose of the project for which the expenditure is made and that prior to any expenditure, the Town shall notify the Company of its intended use of the funds. Unless the Company objects, in writing, prior to such expenditure, the Company shall have waived its right to object in the future if the funds are expended for the use identified in the notice.

**NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF AVON, COLORADO:**

**Section 1.** The Avon Town Council approves utilizing the Holy Cross Enhancement Funds as shown in Exhibit A attached hereto. The Town Council believes that the expenditure of these funds meets the intent and purpose of Article 11 of Ordinance No. 2001-01 and the projects as described in Article 11.1 hereof.

**Section 2.** Town staff will forward this resolution to Holy Cross Energy to comply with Section 11.4 of Ordinance No. 2001-01, Series of 2001.

**ADOPTED this 9<sup>th</sup> day of May, 2017.**

TOWN OF AVON, COLORADO

---

Jennie Fancher, Mayor

ATTEST:

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Debbie Hoppe, Town Clerk

**EXHIBIT A**  
**HOLY CROSS ENERGY COMMUNITY ENHANCEMENT FUND**  
**PROPOSED PROJECT**

Proposed Project:

**Destination Jump, Splash, Learn**

Nottingham Park is surrounded by thousands of year-round residents and the Town will be improving its heavily used 20-year-old playground. Named Destination Jump, Splash, Learn, the new playground will be incorporated into one of the park's mature wooded enclaves, with a small stream, installing both traditional and nature-themed play and learning equipment. The project will also relocate portions of the bike path to create an enhanced bike loop. The project is funded with a \$350,000 GOCO grant plus matching funds from the Holy Cross Energy through its Community Enhancement program and Town of Avon monies.

The improvements for this grant-funded project focuses on the areas that the community input process identified as the highest need for improvement.

New creek play areas with creative play and water manipulation features are proposed, including playful water crossings, a water pump, and a water powered wheel and dam, to allow children to have meaningful learning opportunities creating motion with water. The creek play areas will become riparian learning areas, giving children the opportunity to learn about plants indigenous to Colorado's waterways.

The Nature Play Obstacle Course will be a new area of the park, providing a play space with decorative boulders in two sizes, play area surfaces, a natural play "tunnel", nature play obstacle course, nature play log steppers in two sizes. This area was added to the entrance of the park based on community feedback.

A new, larger playground will be constructed and located for safe access with the new bike pathway placement. The playground features were chosen based on the community input process and include ADA compliant play equipment and safety surfacing. The new play equipment will include swings, attached and free standing climbing features, slides, and interactive equipment for children with all physical abilities.

In addition to the construction of a new playground, the project will address the bike path and lighting, landscape and irrigation, an educational riparian loop, creek play areas, additional seating rocks, tables, picnic benches, two new shelters, and re-roofing an existing shelter.



## TOWN COUNCIL REPORT

To: Honorable Mayor Jennie Fancher and Avon Town Council  
From: Preston Neill, Executive Assistant to the Town Manager  
Date: May 9, 2017  
Agenda Topic: Eagle County Schools Work Session

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### **SUMMARY:**

Representatives from Eagle County Schools, including Jason Glass, Superintendent, Sandy Mutchler, COO, Jeff Chamberlin, Bond Project Manager, and Roy Getchell, Principal of Avon Elementary School, will attend Tuesday's work session to deliver a presentation about the 2016-2019 Bond Capital Construction Program and discuss the following items:

**1. 2016-2019 Bond Capital Construction Program Presentation**

**2. Cash in Lieu**

The Town of Avon has collected \$25,000 from school cash-in-lieu dedication for the Base Camp project. The Town Code states:

*(4)Use of Funds. Any cash-in-lieu payments received shall be placed into a separate account to be used exclusively for school facility capital improvements ("School Facility Capital Improvements Funds"). The expenditure of funds from the School Facility Capital Improvements Funds shall be determined by the Council with recommendations from the schools serving the Avon community, but in any event, such funds may only be used for capital improvement of educational facilities, including acquisition of school site lands, which serve the Avon community students.*

Eagle County Schools is recommending that the funds be used to support instructional technology. They would like to purchase five (6) 70" interactive displays for classrooms. These cost approximately \$4,000 each. This would be an enhancement to the technology already planned for Avon Elementary School, which includes two (2) Computers on Wheels (\$9,000) and the infrastructure (\$95,000).

### **ATTACHMENT:**

2016-2019 Bond Capital Construction Program Presentation



# Eagle County Schools

2016-19 Bond Capital Construction Program

Town of Avon Update  
Community Meetings and GMP Presentations

May 9, 2017



# Agenda

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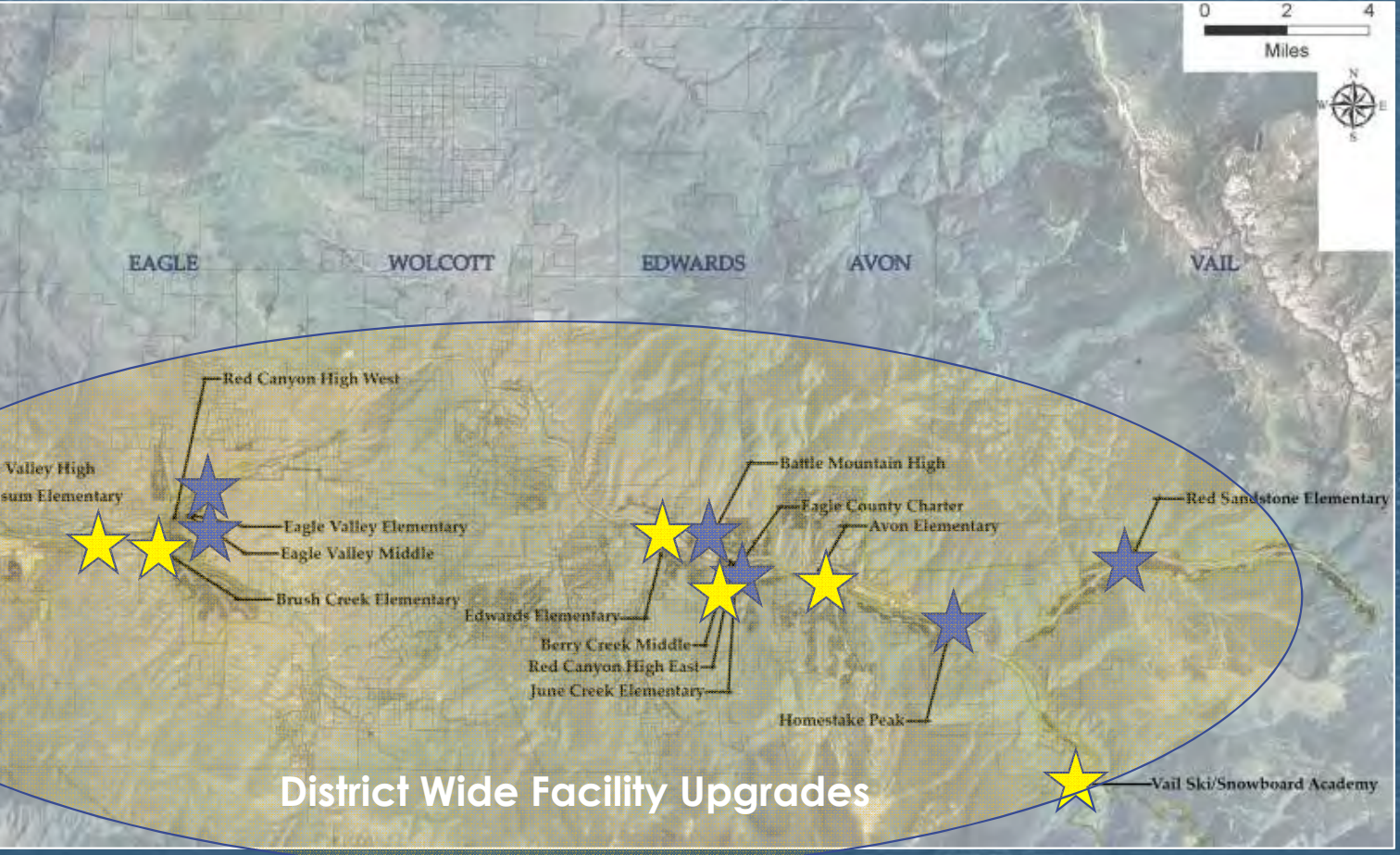


- 2017 Bond Scope Overview
- Project Snapshots
- Other Major Project Initiatives
- Discussion / Questions





# Eagle County School Facility Map





EAGLE COUNTY SCHOOLS

# Facilities Master Plan

- Master Plan process was initiated March 2015 and involved dozens of community and stakeholder planning meetings
- Master Plan Goal – *“to ensure that the District’s schools and related facilities provide quality environments necessary to further its mission of educating the youth of Eagle County”*
- Factors driving the need for Master Planning:  
*capital renewal, energy conservation, security, technology, educational programming, and enrollment capacity*

## EAGLE COUNTY SCHOOL DISTRICT 2016 FACILITY MASTER PLAN



EAGLE COUNTY SCHOOLS



**EAGLE COUNTY SCHOOLS**

## CONDITIONS OF SCHOOLS

EACH SCHOOL WAS EVALUATED BASED ON COST OF FACILITY NEEDS  
COMPARED TO THE COST OF REPLACING BUILDING

### Good (0-20% of Replacement Cost)

Brush Creek Elementary  
Battle Mountain High  
Gypsum Creek Middle  
Homestake Peak PK-8  
June Creek Elementary  
Red Hill Elementary

### Fair (20-30% of Replacement Cost)

Avon Elementary  
Berry Creek Middle  
Edwards Elementary  
Eagle Valley High  
Gypsum Elementary  
Red Canyon High - East

### Poor (Over 30% of Replacement Cost)

Eagle Valley Elementary  
Eagle Valley Middle  
Red Sandstone Elementary  
Vail Ski and Snowboard Academy

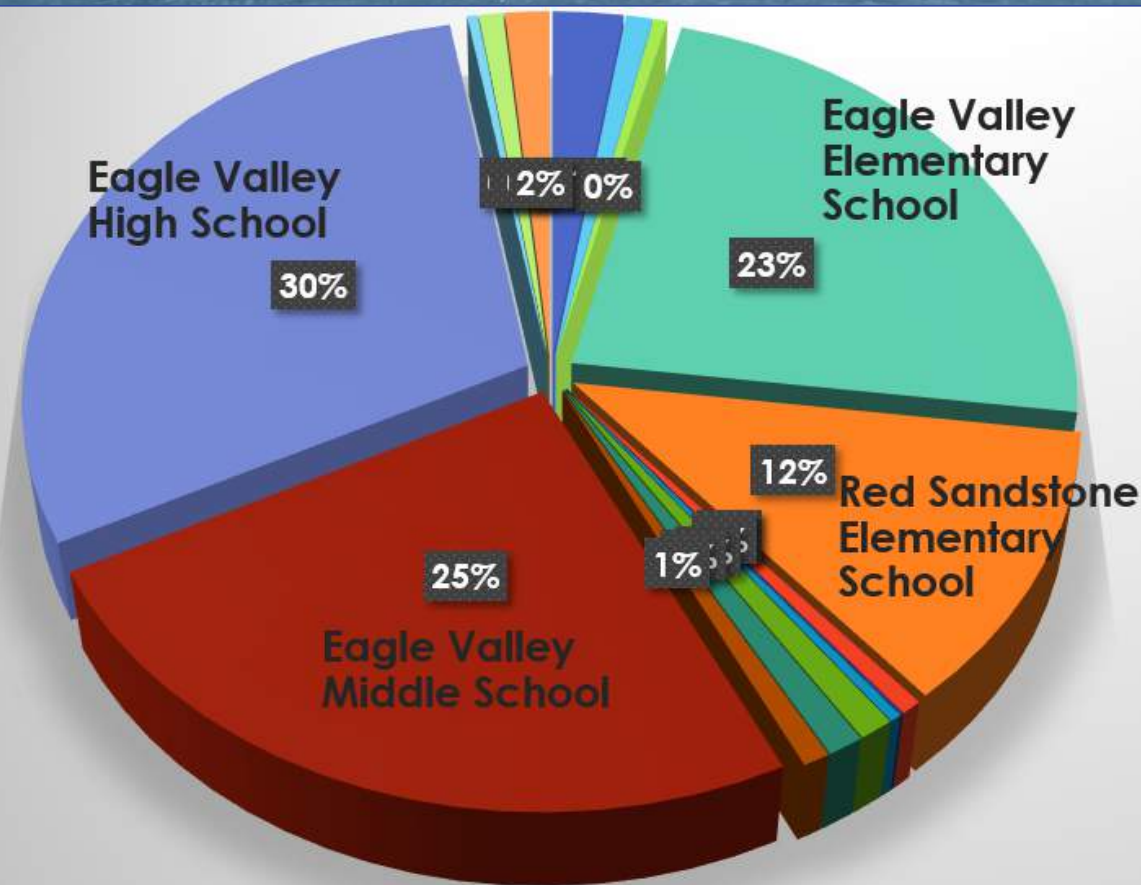
In addition to the Condition Assessment, each facility was studied based upon its current capacity and ability to support educational programming objectives





**EAGLE COUNTY SCHOOLS**

# 3B – 2016 Capital Construction Bond



- Red Hill ES
- Gypsum ES
- Brush Creek ES
- Eagle Valley ES
- Red Sandstone ES
- Avon ES
- June Creek ES
- Edwards ES
- Homestake Peak PK8
- Gypsum Creek MS
- Berry Creek MS
- Eagle Valley MS
- Eagle Valley HS
- Battle Mountain HS
- Red Canyon Alt School - East
- Red Canyon Alt School - West
- Vail Ski & Snowboard Academy

**Total Bond Budget  
\$143,924,501**

# Avon Elementary School






## Bond Package School IMPROVEMENTS

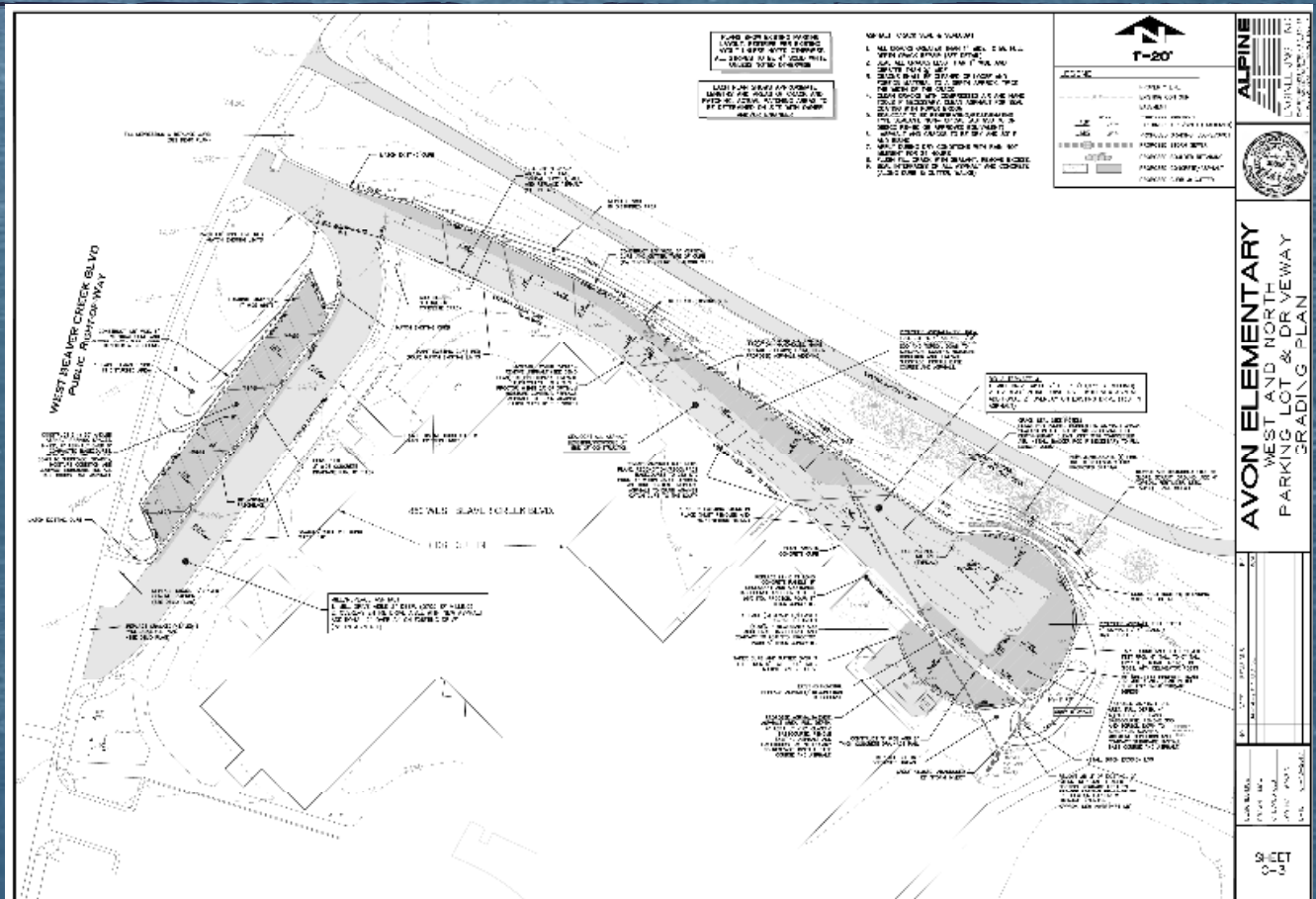
- Tech & Security Upgrades
- HVAC Upgrades
- Interior Paint
- Gym Floor Repair
- Asphalt Repair

**Thank You!**  
for supporting your school district



**Yes 3A & 3B**  
Eagle County Schools

■ QUALITY TEACHERS  
 ■ FACILITY IMPROVEMENTS  
 ■ UPDATED TECHNOLOGY  
 YESforECS.org  
 Strong Schools Matter







# Avon Elementary School



New Gymnasium  
Flooring and Lighting

# Berry Creek Middle School



## Bond Package School IMPROVEMENTS

- Tech & Security Upgrades
- Interior Paint
- Asphalt Repair
- Sidewalk Replacement
- Playground Upgrade
- Window Repair
- Carpet Replacement
- HVAC Upgrades
- Kitchen Upgrades
- Roof Replacement
- Wood Shop, Consumer Studies Renovation

*Thank You!*  
For Supporting High Quality Schools

**Yes 3A & 3B**  
Eagle County Schools

• QUALITY TEACHERS  
• FACILITY IMPROVEMENTS  
• UPDATED TECHNOLOGY

**YESforECS.org**  
Strong Schools. Making a Difference.





# Red Hill Elementary School



**Thank You!**  
for financing your school's future

**Yes 3A+3B**  
Eagle County Schools  
7 QUALITY TEACHERS  
5 FACILITY IMPROVEMENTS  
1 UPDATED TECHNOLOGY  
YESforECS.org  
Eagle County Schools Board

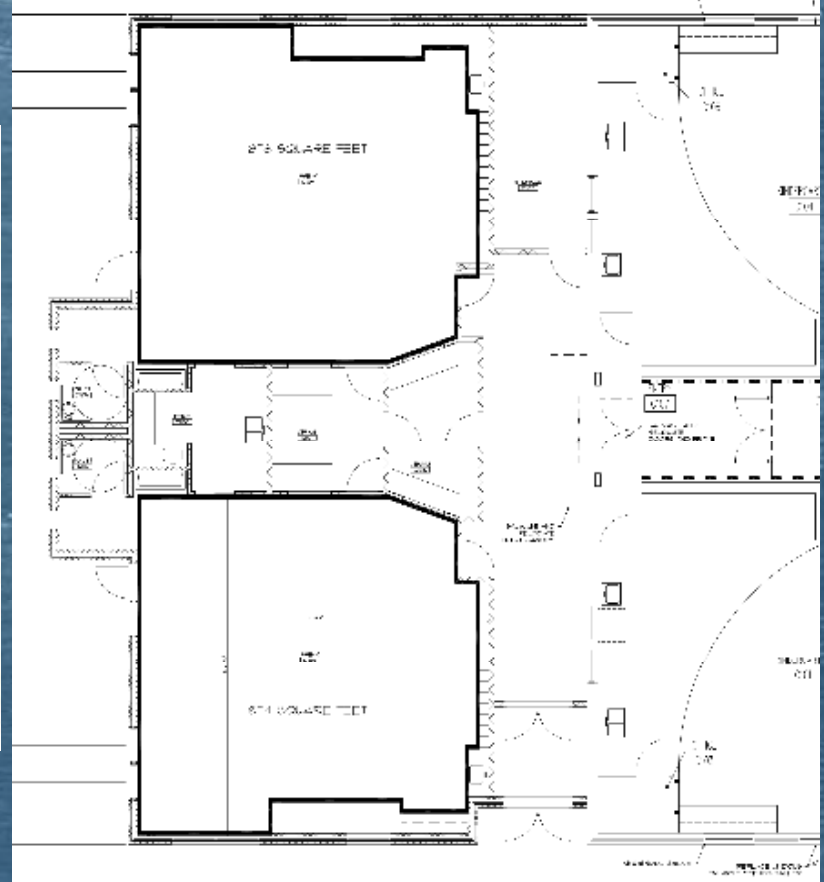
**RED HILL**  
EAGLE COUNTY

## Bond Package School IMPROVEMENTS

- Building Addition
- Secure Vestibule
- Mechanical Upgrades
- Paint
- Roofing
- Carpet

**engineering, inc.**

**RASELDEN** **GREENLEIGH** **DLR Group** **JB**



# Homestake Peak PK8, Red Canyon East, Battle Mountain HS



**Bond Package School IMPROVEMENTS**

- Tech & Security Upgrades
- Asphalt Repair
- Cafeteria Upgrade
- Classroom Projectors
- Scoreboards
- Kitchen Upgrades
- Roof Repair / Replacement

Thank You!  
Yes 3A+3B  
QUALITY TEACHERS  
MODERN INFRASTRUCTURE  
FOR OUR STUDENTS  
EAGLE COUNTY SCHOOLS  
Thank You!

**Bond Package School IMPROVEMENTS**

- Tech & Security Upgrades
- Asphalt Repair
- Cafeteria Upgrade
- Classroom Projectors
- Scoreboards
- Kitchen Upgrades
- Roof Repair / Replacement

Thank You!  
Yes 3A+3B  
QUALITY TEACHERS  
MODERN INFRASTRUCTURE  
FOR OUR STUDENTS  
EAGLE COUNTY SCHOOLS  
Thank You!

**Bond Package School IMPROVEMENTS**

- Building Addition
- Increased Parking
- Asphalt Repair
- Tech & Security Upgrades
- Exterior Paint
- Classroom Projectors

Thank You!  
Yes 3A+3B  
QUALITY TEACHERS  
MODERN INFRASTRUCTURE  
FOR OUR STUDENTS  
EAGLE COUNTY SCHOOLS  
Thank You!

# Eagle Valley High School

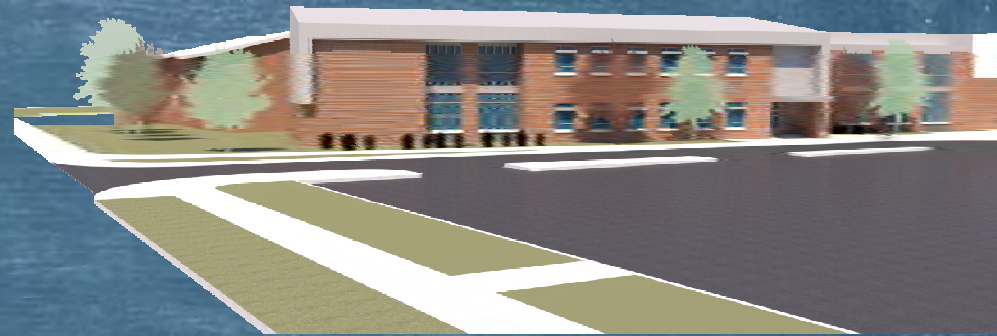


Eagle Valley High School  
Site Plan



South Academic Wing

# Eagle Valley High School



South Academic Wing  
First Floor Plan



South Academic Wing  
Second Floor Plan

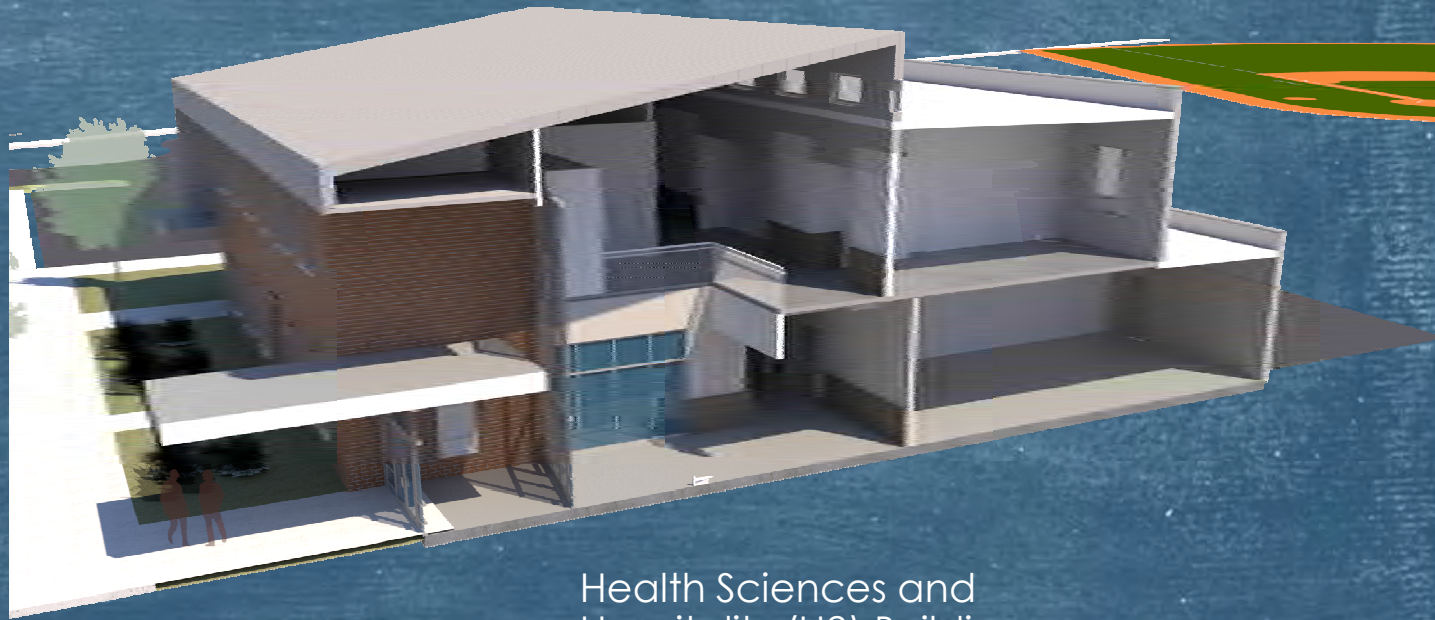
# Eagle Valley High School



# Eagle Valley High School



H2 Second Floor Plan

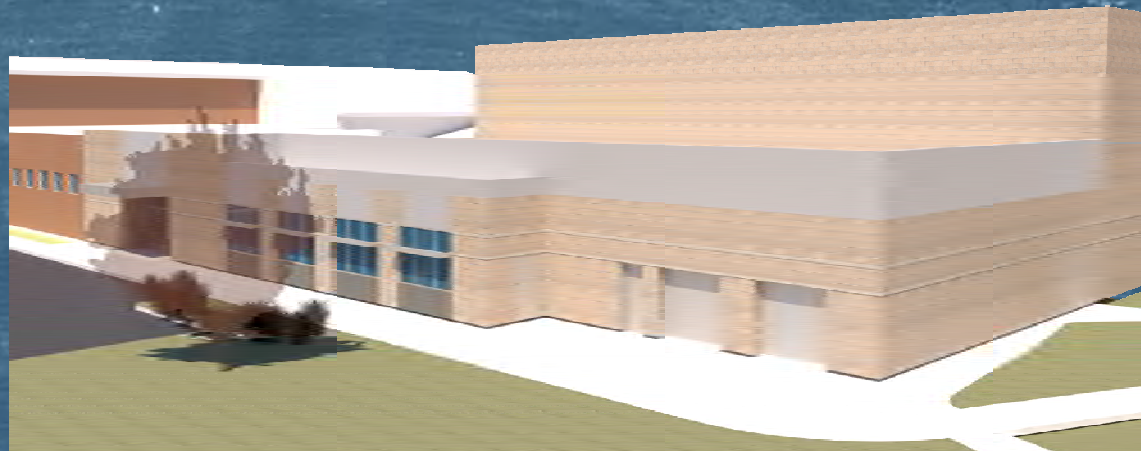
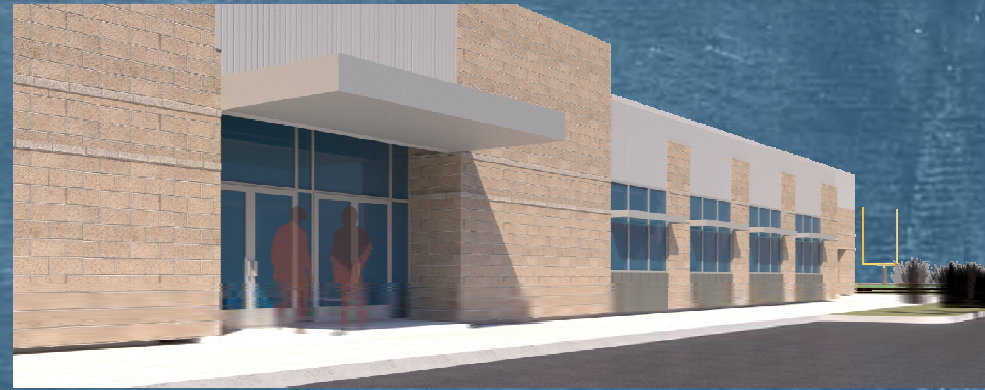


Health Sciences and Hospitality (H2) Building

# Eagle Valley High School



Physical Therapy and Locker Room Addition





EAGLE VALLEY DEVILS



EAGLE COUNTY SCHOOLS







# 3 r d S t r e e t C a m p u s

04.11.2017

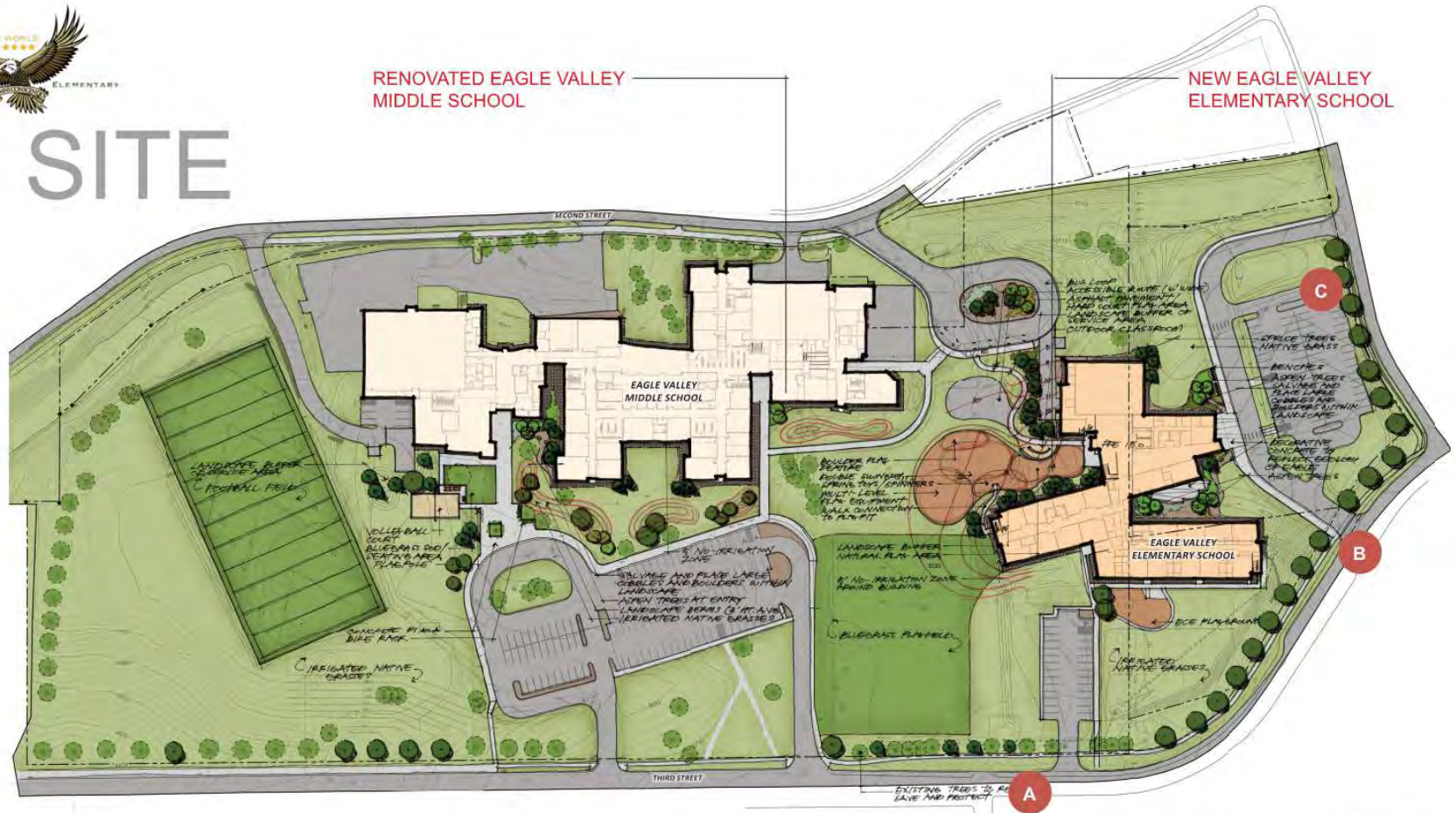




# SITE

RENOVATED EAGLE VALLEY MIDDLE SCHOOL

NEW EAGLE VALLEY ELEMENTARY SCHOOL



## 3rd Street Campus

04.11.2017



Eagle Valley Elementary School | **RLH** engineering, inc. | Facility Planning, Engineering, & Environmental Services

**DLR Group** | Architecture Engineering Planning Interiors





# PLAN

UPPER LEVEL



3 r d S t r e e t C a m p u s

04.11.2017





# PLAN

LOWER LEVEL



3 r d S t r e e t C a m p u s



04.11.2017





VIEW FROM PARKING TO THE WEST

C

# 3 r d S t r e e t C a m p u s

04.11.2017





SW AERIAL VIEW

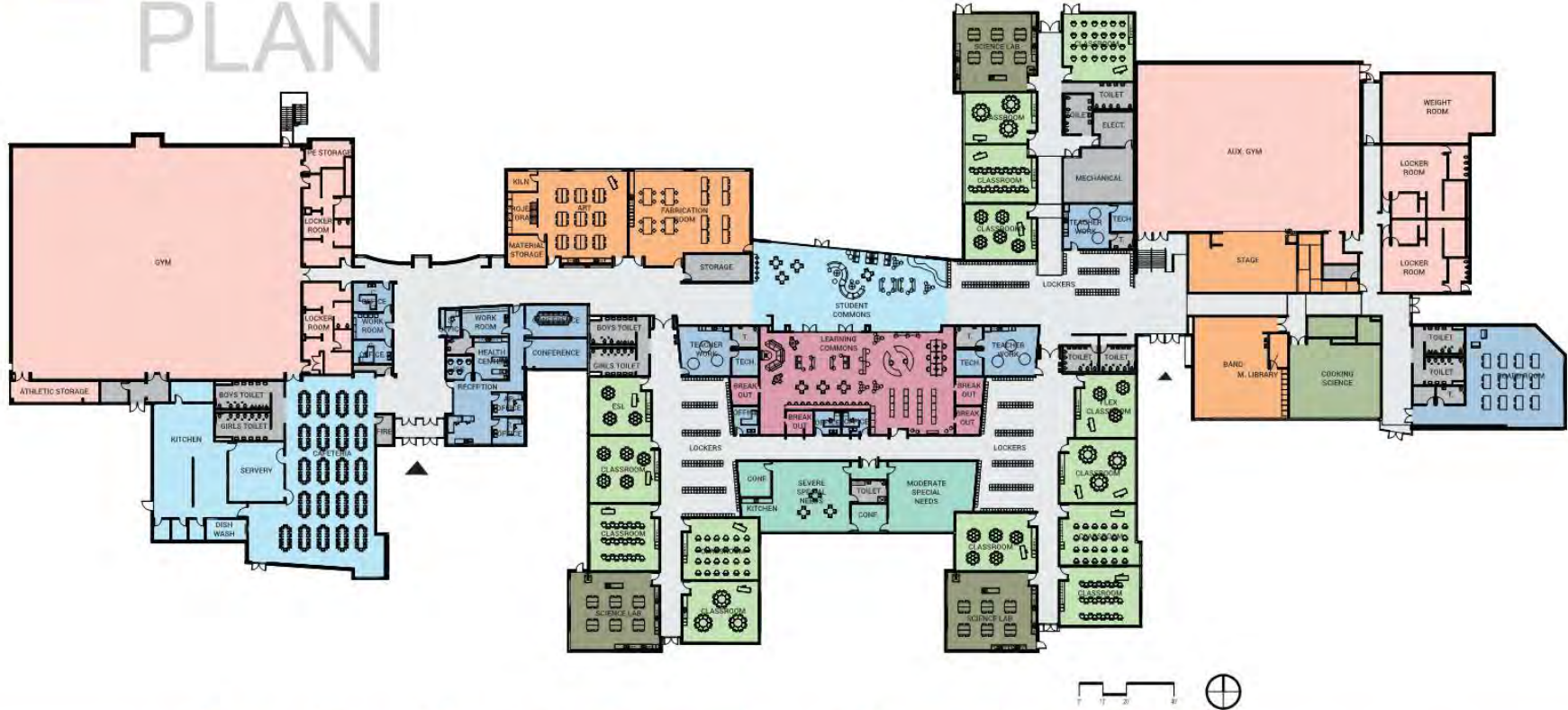
# 3 r d S t r e e t C a m p u s

04.11.2017





# PLAN



## 3 r d S t r e e t C a m p u s

04.11.2017





# 3 r d S t r e e t C a m p u s

04.11.2017







# 3 r d S t r e e t C a m p u s

04.11.2017



# Red Sandstone Elementary School



# Red Sandstone Elementary School



# Red Sandstone Elementary School



# Red Sandstone Elementary School



## District Initiatives





## Questions & Discussion





## TOWN COUNCIL REPORT

To: Honorable Mayor Jennie Fancher and Avon Town Council  
From: Preston Neill, Executive Assistant to the Town Manager  
Date: May 9, 2017  
Agenda Topic: Single-Use Shopping Bag and Polystyrene Foam Food Service Ware Reduction

---

### **ACTION BEFORE COUNCIL:**

The purpose of this report is to present options and recommended strategies to reduce the use of single-use shopping bags and polystyrene foam food service ware in Avon. Staff is seeking direction from the Town Council on how to proceed with the single-use shopping bag and polystyrene foam food service ware elimination and/or reduction initiatives.

### **SUMMARY:**

#### Climate Action Plan for the Eagle County Community

In the *Town of Avon 2017-2018 Strategic Plan Update*, adopted on February 14, 2017, the Town Council made it a “Tier 1 Priority” to “Consider legislation to end the use of plastic bags and non-compostable take-out containers by retailers and restaurants in the Town of Avon.” Subsequently, the Town Council adopted the *Climate Action Plan for the Eagle County Community (CAP)* on December 13, 2017, and followed that up with approval of an Implementation Schedule for the CAP on March 28, 2017. The Implementation Schedule details a “Reduce use of single use shopping bags county-wide” program and recommends a one (1) year timeframe for implementation.

#### Single-Use Shopping Bags

The use of single-use shopping bags has severe environmental impacts on a local and global scale, including greenhouse gas emissions, litter, harm to wildlife, atmospheric acidification, water consumption and solid waste generation. A single-use shopping bag means any bag made of plastic, paper, or other material that is provided by a store to a customer at the point of sale for the purpose of transporting goods and is not a multiple use bag that is made of cloth, fiber or other machine washable fabrics that is at least 2.25 mil thick and has a minimum life of over 75 uses and can carry over 18 pounds. Numerous communities across the world and the nation, in order to reduce waste, reduce carbon emissions, protect wildlife and ensure that the natural environment is improved, have enacted legislation to reduce the use of single-use shopping bags. The table in Attachment 1 describes elimination and reduction strategies that have been adopted by various communities in Colorado. Beyond just municipalities in Colorado, the states listed below have enacted state legislation to reduce the use of plastic bags:

- California
- Delaware
- Illinois
- Maine
- New York
- North Carolina
- Rhode Island
- District of Columbia

To provide Council with an international perspective, below is a list of countries that have enacted some form of plastic bag ban or restriction:



- Australia
- Bangladesh
- Brazil
- China
- Denmark
- England
- France
- Germany
- Republic of Ireland
- Italy
- Mexico
- Rwanda
- Scotland

Polystyrene Foam Food Service Ware

Polystyrene is a type of plastic that is made of fossil fuels and synthetic chemicals and cannot be recycled. Polystyrene foam, also known as “Styrofoam,” is generally used to make items such as cups, bowls, plates and take-out food containers. Polystyrene foam is a common pollutant and a threat to natural ecosystems that fragments into smaller, non-biodegradable pieces that are difficult to clean up and can harm marine life and other wildlife. Cities in the states listed below have enacted ordinances banning polystyrene in some capacity:

- California
- Maine
- Massachusetts
- New Jersey
- New York
- Oregon
- Texas
- Washington
- District of Columbia

**STAFF RECOMMENDATIONS:**

Single-Use Disposable Bag Ordinance

Staff recommends that a single-use disposable bag ordinance in Avon contain the following elements:

1. Ban on plastic bags
2. \$0.10 fee on paper bags
3. Phased approach, similar to the Town of Vail
  - ⇒ Phase 1: Would apply to grocery stores only
  - ⇒ Phase 2: Would apply to all retail stores in Avon
4. Fee collected is designated to a “waste reduction” line item for expenditures that are intended to mitigate the effects of disposable bags. A portion of the fee is retained by grocery stores for administration.
5. A reasonable timeline for implementation
6. Penalties for non-compliance
7. Exemptions for produce bags, newspaper bags, laundry-dry cleaning bags, etc.

Polystyrene Foam Food Service Ware Ordinance

Staff recommends that a polystyrene foam food service ware ordinance in Avon contain the following elements:

1. Prohibition on food vendors from providing prepared food to customers in disposable food service ware that uses polystyrene foam.
2. Requirement for all food vendors, Town facilities, and Town contractors and vendors doing business with the Town, who use any disposable food service ware to use biodegradable or compostable disposable food service ware.
3. A reasonable timeline for implementation
4. Penalties for non-compliance

**ATTACHMENT:**

Attachment 1 – Single-Use Bag Waste Reduction Program Comparison

ATTACHMENT 1  
Single-Use Bag Waste Reduction Program Comparison

Community	Program	All Retail or Grocery Only	Fee Structure
Aspen	Ban on plastic bags   \$0.20 fee on paper bags	Grocery	Stores retain 50% of fee up to a maximum of \$1,000 per month for 1st year and \$100 per month for all months thereafter. The remaining portion is remitted to the City and placed in the Waste Reduction and Recycling Account.
Boulder	\$0.10 fee on paper and plastic bags	All businesses	Stores retain 40% of the money collected. The remaining 60% is remitted to the City to address bag-related environmental issues
Breckenridge	\$0.10 fee on paper and plastic bags	All businesses	Stores retain 50% of fee up to a maximum of \$1,000 per month for 1st year and \$100 per month for all months thereafter. The remaining portion is remitted to the City and is used only for the expenditures that are intended to mitigate the effects of disposable bags.
Carbondale	Ban on plastic bags   \$0.20 fee on paper bags	All businesses	Stores retain 25% of fee up to a maximum of \$1,000 per month for 1st year and \$100 per month for all months thereafter. The remaining portion is remitted to the City and is deposited in the Disposable Bag Fee Fund.
Crested Butte	Ban on plastic bags   Ban on "non-permitted paper bags" which are bags that do not meet the standards of "permitted paper bags"   "Permitted paper bags" are manufactured from 40% recycled content and are 100% recyclable	All businesses	No fee
Durango	\$0.10 fee on paper and plastic bags	Grocery with voluntary opt in option	Stores retain 50% of fees collected. The remaining amount is remitted to the City and is used only for expenditures that are intended to mitigate the effects of Disposable Checkout
Telluride	Ban on plastic bags   \$0.10 fee on "permitted paper bags"   "Permitted paper bags" are manufactured from a minimum of 40% recycled content, do not contain any old growth fiber, and are 100% recyclable	All businesses	Stores retain \$.05 of each \$0.10 fee collected. The remaining amount is remitted to the Town and deposited in the Waste Reduction and Reusable Carryout Bag Line Item.
Vail	Ban on plastic bags   \$0.10 fee on paper bags	Phased approach: Phase 1 - applies to grocery stores in year 1   Phase 2 - Begins in second year and will apply to all retail stores in Town (Phase 2 has not been approved/implemented yet)	For the first year following the effective date of the fee, each grocer retains 20% of the fee. Thereafter the entirety of all collected disposable bag fees is remitted to the Town. Fees remitted to the Town are deposited in a designated waste reduction and reusable line item.



## TOWN COUNCIL REPORT

To: Honorable Mayor Jennie Fancher and Avon Town Council  
From: Virginia C. Egger, Town Manager  
Meeting Date: May 9, 2017  
Agenda Topic: RESOLUTION 17-09 IN SUPPORT OF CAREERWISE FOR EAGLE COUNTY

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### **ACTION BEFORE COUNCIL**

Erik Williams, Director of Community Development for the Vail Valley Partnership, has requested support from the Town of Avon for the *CareerWise* apprenticeship program in Eagle County. The County's application is currently pending with the State of Colorado.

### **PROPOSED MOTION**

I move to approve Resolution 17-09 In Support of CareerWise for Eagle County.

### **SUMMARY**

Mr. Williams has provided the following email to Town Council making the request for support and program elements.

### **ATTACHMENTS**

RESOLUTION 17-09 IN SUPPORT OF CAREERWISE FOR EAGLE COUNTY  
Email from Mr. Erik Williams

**TOWN OF AVON, COLORADO  
RESOLUTION 17-09**

**A RESOLUTION  
IN SUPPORT OF CAREERWISE FOR EAGLE COUNTY**

**A RESOLUTION INDICATING APPROVAL OF THE VAIL VALLEY PARTNERSHIPS EFFORTS IN  
CONJUNCTION WITH EAGLE COUNTY SCHOOLS, COLORADO MOUNTAIN COLLEGE,  
YOUTHPOWER365 AND OTHER ENTITIES IN APPLYING TO BE THE NEXT COMMUNITY TO BE  
SELECTED FOR CAREERWISE IMPLEMENTATION**

**WHEREAS**, the Avon Town Council has reviewed the information provided regarding CareerWise;  
and

**WHEREAS**, the Town Council has found the model of CareerWise to be reflective of the needs and  
goals of the county, supported by local education as well as the business community recognizing  
that the same pathway through high school and beyond will not work for every student; and

**WHEREAS**, there is no financial commitment required from this or any other town/local government  
entity. With appropriately structured apprenticeships, those that focus on business as well as  
student needs, the CareerWise model has been proven to provide a positive return on investment for  
most businesses as well as encourage a local “pipeline” of jobs for the community; and

**WHEREAS**, no guarantee is made that Eagle County will be the next community selected, this is  
simply in support of said application.

**NOW, THEREFORE, BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF AVON,  
COLORADO:**

The Town of Avon, Colorado, gives full an unwavering support to the efforts being put forth to  
secure Eagle County as the next CareerWise community.

**ADOPTED this 9th day of May, 2017.**

**AVON TOWN COUNCIL**

By: \_\_\_\_\_  
Jennie Fancher, Mayor

Attest: \_\_\_\_\_  
Debbie Hoppe, Town Clerk

**From:** Erik Williams [mailto:Erik@visitvailvalley.com]  
**Sent:** Wednesday, May 03, 2017 9:32 AM  
**To:** Avon Council Web  
**Subject:** proposed resolution from the VVP

Avon Town Council,

Greetings from the Vail Valley Partnership. My name is Erik Williams and I am the Community Development Director at the Vail Valley Partnership. I'm excited to tell you that our county is being considered as the next site for an initiative called CareerWise.

CareerWise is a non-profit organization focused on developing a robust apprenticeship program in Colorado that addresses the needs of businesses and students. By serving as an intermediary working with businesses, educators, and students, we are creating a program that provides all involved with numerous benefits. Students completing the apprenticeship will gain real-world skills and credentials that provide them with options to enter the workplace in a high-paying job or continue their education. In this program, businesses play a large role in building their own skilled and loyal workforce.

This program has met with success in the Denver Metro area and they are currently looking for a rural community to partner with moving forward. We are applying, along with several other counties in CO, to be that next community. The Vail Valley Partnership is spearheading this application with the help of Eagle County Schools, Colorado Mountain College, Youth Power365, Vail Resorts, Vail Valley Medical Center and other notable businesses.

We feel one of the ways to make our application "rise to the top" would be to have a letter of support from each of our local town entities. We are not asking for funding, the businesses will bear that cost knowing that their eventual ROI more than makes up for any initial training costs incurred.

If you would be willing to write a letter in support of this we feel that it could go a long way. Please consider adding this to your agenda for the next meeting or sharing through email if that is appropriate. Our application group is meeting again on May 9<sup>th</sup>. If you are able to tell us that you plan to do this, or have the letter by then that would be above and beyond. If you need more time or information that is fine as well as we plan to send the final application with attached letters of support by the end of May.

The link below contains more information. Please contact me with any questions that you might have, including if you would like myself or one of our group to address your council. We feel very strongly this is an important next step in our community and are honored to be a part of this.

<http://www.careerwisecolorado.org/>

I'm attaching a sample Resolution of Support for you to consider as well as some additional information. While we understand you may all format these your own way we hoped this would guide you in that process. Thank you.

The Vail Valley Partnership and all our partners in CareerWise.



**Erik Williams**  
Director of Community Development



**Why Eagle County wants this program:**

1. Recognizes that college may not be the best solution for every student, but an apprenticeship can be. All students can benefit from learning workplace skills as they gain a practical education. An apprenticeship does not close doors - it opens them. When a student successfully completes a CareerWise apprenticeship, they'll have a variety of options, including continuing to a 4-year school, entering the workforce, or seeking specialized training.
2. Recognizes that this initiative would not only benefit student but local businesses as well. Apprenticeships can provide your business with a productive employee at a training wage, building loyalty and providing a potential full-time hire that is trained to company standards.

**Support from CareerWise**

**RECRUITING AND HR SUPPORT**

- Maintain apprenticeship marketplace & provide businesses with a one-stop shop for apprentice recruiting.
- Work with K-12 districts to ensure a wide range of career-ready students preparing for, applying to, and entering apprenticeships.
- Provide consulting support on HR policies & tools including onboarding, payroll, risk management, and more.

**PATHWAY DEVELOPMENT**

- Facilitate businesses' efforts to build internal career progressions that support student learning and the objectives of the business.
- Tie the business pathway development to broader competency and training objectives.

**ESTABLISH TRAINING CENTERS**

- Facilitate development of pre-workplace skills among student apprentices.
- Support development of training centers to provide pathway-specific training, which enhances apprentice productivity and supports ongoing learning.
- Consult on logistical questions regarding transportation, scheduling, program structure, etc.

**TRAINING PLAN DEVELOPMENT**

- Provide guidance, training, and tools to supervisors, mentors, HR directors, and CEOs.
- Work with industry associations or affiliated business partners to define competencies, assessment, and training center learning plans for each occupational pathway offered.
- Identify competencies to be taught in the workplace. Provide mentors and supervisors with training suggestions and progress monitoring tools.
- Align training with relevant industry certifications and coordinate 3rd party assessments to ensure apprentices receive nationally-recognized credentials.

**INTERFACE WITH EDUCATIONAL INSTITUTIONS**

- Work with K-12 districts to ensure that curriculum in grades 9-10 prepares students for apprenticeships, including helping students develop cross-sector professional competencies, providing students with adequate career exploration opportunities.
- Broker agreements with higher education institutions so students can earn college credit during and after apprenticeships, enabling graduates to start college upon successful completion.

*PO Box 1130, Vail, CO 81658*

*VailValleyPartnership.com  
VisitVailValley.com  
VailValleyMeansBusiness.com  
VailonSale.com*

TO: Honorable Mayor Fancher and Town Council members  
FROM: Eric J. Heil, Town Attorney  
RE: Ord. No. 17-07 - EagleBend Affordable Housing Project Refinancing  
DATE: May 4, 2017

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**COUNCIL ACTION:** Ordinance No. 17-07 is presented to the Avon Town Council as an emergency ordinance at the request of EagleBend Affordable Housing Corporation (“EBAHC”). EBAHC has indicated that it is prepared to close on its refinancing by mid-May and commence improvements to the Property, if all closing documents and agreements are completed. Adoption through the regular ordinance process requires two readings and would not be effective until 30 days after second reading, which would delay the refinance closing to late June at the earliest.

Ordinance 17-01 approved the conveyance of the EBHAC housing property (“Property”) to the Colorado Housing and Finance Authority (“CHFA”). Since the Council’s approval of Ordinance No. 17-01, CHFA has indicated that it will not accept title temporarily as contemplated in the transaction as originally proposed and that it will not provide conduit financing to enable the refinancing to qualify for tax exempt financing.

EBAHC has applied to Public Finance Authority (“PFA”) to assist with the refinancing. PFA is a governmental subdivision of the State of Wisconsin and has provided public financing to projects in 43 states, including Colorado as recently as January, 2017 (PFA provided financing for a charter school in Greeley). PFA has agreed to accept title and provide conduit public financing. Another amendment to the transaction is for PFA to hold the Property for at least 90 days before transferring back to EBAHC in order to comply with the original 63-20 Corp rules that restrict agreements to transfer a property back to a “user” within 90 days of the governmental sponsor taking title.

Ordinance No. 17-07 has been revised to authorize conveyance of the Property by the Town of Avon to the PFA and to amend the Project Agreement to include PFA as a party.

**PROPOSED MOTION:** “I move to [approve, approve with conditions, deny] first and final reading of Ordinance No. 17-07 AN EMERGENCY ORDINANCE ACCEPTING THE DONATION OF THE EAGLEBEND AFFORDABLE HOUSING PROPERTY, AUTHORIZING DISPOSAL OF SUCH PROPERTY, AND APPROVING A NEW PROJECT AGREEMENT BETWEEN THE TOWN OF AVON, THE PUBLIC FINANCE AUTHORITY AND EAGLEBEND AFFORDABLE HOUSING CORPORATION.”

**BACKGROUND:**

**EBAHC – Existing Debt.** EBAHC financed and constructed 294 apartment units as a “63-20 Corporation”. 63-20 Corporations are qualified to issue tax exempt debt under guidance of IRS Revenue Ruling for projects with a “public purpose” such as housing, hospitals, highways, and essential public infrastructure. 63-20 Corporations are required to have a governmental sponsor and are required to convey title to the property to the governmental sponsor at any time the debt is paid in full. 63-20 Corporations are also required to permit the governmental sponsor to acquire title to the project at any time that the governmental sponsor pays the existing debt. EBAHC entered into a “Project Agreement” with

the Town of Avon in 1990 which implemented these requirements of 63-20 Corporations. The Project Agreement requires the Town of Avon to provide consent to any refinancing of the existing debt.

63-20 Corporations are not permitted to extend the original maturity date of its initial debt. The original maturity date is July 1, 2021, at which time, a balloon payment of approximately \$7.3 million would be required. The proposed refinancing would extend the debt payment period to 2047 (30 years) amortized over 35 years and would result in EBAHC to continue owning the Property. The limitation that prohibits extending the original financing of a 63-20 Corporation is the reason for the many challenges and complications in the proposed refinancing.

#### **EBAHC – Refinancing Proposal.**

- EBAHC indicated a desire to refinance its existing debt and issue approximately \$11 million in new debt to accelerate major replacement and improvements to the Property in early 2016 and provided a specific proposal in June 2016 and request for the Town to consent to a refinancing in the amount of \$24,500,000.
- Council provided direction to study potential alternatives the proposed refinancing, which studies and working group meetings occurred during the fall of 2016.
- At the January 10, 2017 Council meeting, Council voted to proceed to work with EBAHC to close on the proposed refinancing, including a donation by the Town of the Property to CHFA, which would hold title to the Property and providing conduit financing.
- EBAHC amended its refinancing proposal, with a request to pay-off the existing outstanding debt on the EBAHC Property in the approximate amount of \$12,655,000 and issue new debt of \$16,355,000 for capital improvements on the Property, for a total issuance of \$29,000,000, and increase in debt of \$5.5M.
- Council adopted Ordinance No. 17-01 on February 14, 2017, with amendments to authorize the Town Manager, Town Attorney, and Council Member Burch to review and negotiate the final documents and provided the following direction:
  1. New debt shall not exceed \$29 million;
  2. New debt shall not incur an interest rate exceeding 4.5%; and,
  3. The timeframe for pre-payment penalty shall be reasonable.
- After adoption of Ordinance No. 17-01, CHFA determined that it would not take title to the Property and would not provide conduit financing. It was also discovered that a 1987 private letter ruling which allowed for simultaneous and sequential transfer of the property from EBHAC to Town, then Town to a state entity, then back to EBHAC, had been withdrawn by a subsequent private letter ruling in 1988. The result is that the transaction must comply with the requirement in the Project Agreement that, “. . . the Town shall not agree or otherwise be obligated to convey a fee interest in such property to any person (or a related person) who was a user thereof before the defeasance, within 90 days after the Town defeases such obligations.”



- EBAHC has identified PFA as a state entity that is willing to accept title to the Property for at least 90 days and provide conduit financing which qualifies for tax exempt financing.
- On April 24, 2017, the Town Council met in Executive Session, to receive legal advice on the requested changes, and selected Councilors Phillips and Burch, with the Town Attorney to meet with EBAHC about the proposal. Council also requested that staff develop one or more scenarios for the Town of Avon to directly finance the Property debt and capital of \$29M.

#### MAY 9, 2017 REFINANCING OR FINANCING OPTIONS:

##### EBAHC Refinancing

- The proposed EBAHC refinancing would issue \$29M through the PFA. In order to achieve this tax exempt financing, EBAHC would transfer the Property to the Town of Avon, Avon would transfer the Property to PFA, and then PFA would transfer the Property to EBAHC at least 90 days after the conveyance to the Town of Avon.

Note: Transfer of fee title to the Town of Avon is required to comply with the terms of the Project Agreement (discussed below) and thereby maintain the tax exempt status of the original bonds.

- EBAHC has received a rate lock from FirstBank, which is attached to this memorandum.

Please note:

1. The 30-year loan term/35 year amortization includes a fixed rate of 3.84% for the first 18 years of the loan, then the interest can adjust to two (2) points over the federal treasury rate (which would be approximately 4.5% at this time). EBAHC stated that banks are generally not willing to offer a longer fixed rate term for private placement of the loan.
  2. Council provided direction when adopting Ordinance No. 17-01 that the interest rate not exceed 4.5%. The current rate lock cannot guarantee that the rate will not be higher than 4.5% for the last 12 years of the loan.
- A draft Financing Agreement has been presented to the Town for the transactions. The *Financing Agreement* is among the PFA, EBAHC and FirstBank, and is similar to the existing Indenture Agreement. My review shows the terms in the *Agreement* state the Town's rights are substantively identical in the *Financing Agreement*, and, references those rights as stated in the *Project Agreement* discussed below.

Notes:

1. The Financing Agreement requires that PFA must provide a Deed of Trust for the Property to secure the payments of EBAHC.
2. EBAHC may prepay the PFA loan, with a prepayment price of 102% of the principal amount, if the prepayment occurs before 2027.
3. There is no requirement for PFA to transfer the Property to EBAHC.

- Project Agreement: EBAHC would agree to a new Project Agreement with the same terms except as noted below. Under the new financing, a project agreement to satisfy the 63-20 Corporation requirements is not technically required; however, EBAHC has agreed that it will support the continuation of the Town's rights as part of the refinancing. A new *Project Agreement* is attached with Ordinance No. 17-07 (Attachment 1).

There are three substantive rights for the benefit of the Town in the existing Project Agreement, which are included in the new Project Agreement and are listed as follows:

1. The Town has the right to receive unencumbered fee title to the Property when the debt is paid-off.
2. The Town has the right to pay-off existing debt at any time and then receive unencumbered fee title to the Property.
3. Any amendment, modification or extension of debt on the Property is subject to the Town's review and approval.

The new Project Agreement is virtually the same as the 2006 Project Agreement with these exceptions:

1. The term "Financing Agreement" is used rather than "Indenture Agreement".
2. EBAHC has proposed a new Section 12 (no assignment or amendments without consent) and Section 13 (execution in counterpart). Since approval of Ordinance No. 17-01, the Project Agreement has been revised to state that assignment or amendments are subject to consent of the other party, which consent shall not be unreasonably withheld or delayed.

### Financing through the Town of Avon

Due to challenges experienced by EBAHC in seeking financing through CHFA, at the direction of Town Council, Town staff researched the alternative financing through the Town. Attached is a memorandum from Dee Wisor, which outlines three potential methods for the Town to acquire the Property and provide the financing for the Property. Several financing term scenarios are also provided.

The implications of each financing alternative are summarized below.

In all instances, it is assumed that the existing property management agreement with Polar Star would continue, and therefore Town would not assume day to day property management or administration duties. If the Town pursues revenues bonds or any financing alternatives other than the terms offered by FirstBank, then additional time to secure such financing is expected.

1. **Housing Enterprise Fund Revenue Bonds**: There would be no deed of trust on the property. Bonds would be issued based on a pledge of the revenues from EagleBend. Revenues could only be used for purposes of a Housing Enterprise Fund. Authorization would require adoption of resolution to establish Enterprise Fund and adoption of ordinance to authorize bond issuance. No

voter approval is required for revenues bonds issued by an Enterprise Fund under TABOR. The ordinance authorizing revenue bonds is subject to referendum unless adopted as an emergency ordinance. Title would be acquired by the Town and any future conveyance or sale would be subject to voter approval in accordance with the Home Rule Charter. The use of an Enterprise Fund and revenue bonds would not affect the Town's credit rating for other future debt issuances. Earliest possible closing would be the middle of July.

2. **Lease Purchase Agreement/COPs:** There would be no deed of trust on the property. Bonds would be issued based on a pledge of the use of the EagleBend property through lease agreements. Some financial institutions may require holding title during the loan repayment period. Authorization would require adoption of ordinance to authorize bond issuance. Title could be taken by a Town controlled non-profit. No voter approval is required for the issuance of Lease Purchase Agreements/COPs. Title would be acquired by the Town and therefore voter approval would be required to convey or sell the Property in the future without voter approval. The use of COPs, even though a Town controlled non-profit, would affect the Town's credit rating for future debt issuance. Earliest possible closing would be the middle of July.
3. **Housing Authority Revenue Bonds:** A Housing Authority formed by statute is able to execute a deed of trust. Formation requires a petition signed by 25 residents, a hearing and then a resolution by Council to make findings and a resolution to appoint a Housing Authority Commission (which may be Council or may be independent). The Authority may issue revenue bonds and/or secure debt with a deed of trust. Authorization of debt may occur through resolution of a Housing Authority. Title would be not acquired by the Town and Authority would retain the ability to convey or sell the Property in the future without voter approval. The Town's credit rating would not be affect by debt issue of a Housing Authority. The Housing Authority is subject to certain standards for tenant eligibility per statute. Earliest possible closing would be the end of May

#### LEGAL ISSUES:

Emergency Ordinance: The Avon Home Rule Charter, Section 6.6 authorizes adoption of an emergency ordinance. Emergency Ordinances only require one reading and take effect immediately on final passage. Emergency Ordinances require the concurring vote of 5 Council members. Avon Council has not adopted any emergency ordinances in the last 8 years. In this circumstance, the approval is substantially similar to Ordinance No. 17-01. EBAHC has indicated that it is prepared to close by mid-May and commence improvements to the Property. Adoption through the regular ordinance process requires two readings and would not be effective until 30 days after second reading, which would be late June at the earliest.

PFA Holding of Title: There is no legal obligation for PFA to transfer the Property back to EBAHC. It appears that owning real property is not the principle business of PFA. The Project Agreement has been revised so that the Town of Avon has the same rights during the period that PFA holds title to the Property.

PFA Approval: PFA has indicated that it intends to provide financing for the refinancing and assist with this transaction, including holding title.

Quit Claim Deed forms: As acknowledged in the Ordinance, the Town is receiving the Property as a "donation" because it is not paying off the existing \$11+ million outstanding debt balance. Under the Town's Home Rule Charter, the Town may receive and then dispose of donations of real property in accordance with the terms of the donation under Section 18.4 without falling under the requirement of voter approval to dispose of municipally owned property in "use for public purpose" under Section 18.3.

**OPTIONS:** The Town Council has the following options:

1. Approve the refinancing as proposed by EBAHC with financing through Public Finance Authority by emergency ordinance to allow closing as soon as mid-May.
2. Approve the refinancing as proposed by EBAHC with financing through Public Finance Authority by two readings of an ordinance which would result in closing no sooner than late June. *NOTE:* Council can simply approve Ordinance 17-07 as a first reading and set a public hearing for the next Council meeting. The Ordinance would then be amended to delete the emergency provisions. The earliest closing date would be the end of June.
3. Pursue financing through the Town rather than Public Finance Authority and retain ownership of the Property. Financing through a revenue bond which would require the establishment of an enterprise fund by resolution and the approval of bonds by ordinance. Earliest closing would be end of May or middle of July depending on alternative.
4. Pursue low income housing tax credit financing through the Town and Colorado Housing and Finance Authority and retain ownership of the property. Timeframe and application requirements may be considerably more demanding and could result in closing taking six months to a year.
5. Take no action and/or provide direction to review other financing options not described herein.

*Thank you, Eric*

**ATTACHMENTS:**

- Attachment 1 – Ordinance No. 17-07 w/ the Project Agreement
- Attachment 2 – Draft Financing Agreement among Public Finance Authority, EagleBend Affordable Housing Corporation and FirstBank
- Attachment 3 – FirstBank Rate Lock Term Sheet
- Attachment 4 – Memorandum from Dee Wisor
- Attachment 5 – Town of Avon Financing Scenarios



**ATTACHMENT 1**

**TOWN OF AVON, COLORADO  
ORDINANCE NO. 17-07**

**AN EMERGENCY ORDINANCE  
ACCEPTING THE DONATION OF THE EAGLEBEND AFFORDABLE  
HOUSING PROPERTY, AUTHORIZING DISPOSAL OF SUCH PROPERTY,  
AND APPROVING A NEW PROJECT AGREEMENT BETWEEN THE TOWN  
OF AVON, THE PUBLIC FINANCE AUTHORITY AND EAGLEBEND  
AFFORDABLE HOUSING CORPORATION**

**WHEREAS**, EagleBend Affordable Housing Corporation (“**EBAHC**”) owns an affordable rental housing project located on property described as follows: Parcel 1: Lot 2 and Tract A, Replat Number 1, Final Plat of Eaglebend Subdivision, Filing No. 4, According to the Plat Recorded July 17, 1992 in Book 584 at Page 995, County of Eagle, State of Colorado; and, Parcel 2: Lot 1, Riverside Subdivision, Town of Avon, According to the Final Plat Recorded September 1, 1989 on Book 512 at Page 802, County of Eagle, State of Colorado, (“**Property**”); and

**WHEREAS**, EBAHC desires to refinance existing debt on the Property with an approximately current outstanding balance of approximately \$11,515,000 in order to accelerate capital improvements to the Property, to take advantage of low interest rates, and to provide for more favorable amortization of the debt; and,

**WHEREAS**, EBAHC proposes refinancing such debt and borrowing additional moneys in order to make new improvements to the Property, by and through the Public Finance Authority, a political subdivision of the State of Wisconsin (“**PFA**”), which would require conveyance of the Property to the Town of Avon by donation and then conveyance to PFA, ; and,

**WHEREAS**, EBAHC entered into the Eaglebend Affordable Housing Project Second Amended and Restated Project Agreement, dated August 1, 2006, (“**Project Agreement**”) with the Town of Avon, under which EBAHC must obtain consent of the Town of Avon for any amendment or modification of the Indenture (as referenced in the Project Agreement), which will be necessary for the refinancing; and,

**WHEREAS**, EBAHC proposes to convey the Property by donation to the Town of Avon without the Town paying the outstanding debt balance, and in connection with such donation EBAHC requests that the Town reconvey the Property to PFA, which will initially lease the Property to EBAHC subject to such new and modified requirements as set forth in the new documents with respect to the refinancing; and,

**WHEREAS**, Section 2.1 of the Avon Home Rule Charter provides that the Town Council may accept conveyances of real property to the Town and may dispose of real property and

Section 18.4 of the Avon Home Rule Charter provides that the Town Council may receive gifts of property in fee simple and may dispose of such property in accordance with the terms of the gift; and

**WHEREAS**, the Avon Town Council finds that facilitating the refinancing of the Property will allow for a more favorable amortization schedule with respect to the financing of the Property, will provide necessary new funds to accelerate capital improvements to the Property, and will extend the life of the Property which provides a substantial number of affordable housing rental units for the Avon community, and will thereby promote the health, safety and general welfare of the Avon community; and,

**WHEREAS**, the Avon Town Council adopted Ordinance No. 17-01 which was substantially similar to this ordinance except that it authorized conveyance of the Property from the Town to the Colorado Housing and Financing Authority, which has since indicated that it is not willing to accept title to the Property; and,

**WHEREAS**, Avon Home Rule Charter, Section 6.6 permits the adoption of ordinances on one reading with the concurring vote of five (5) Council members after posting notice of a public hearing and conducting a public hearing; and,

**WHEREAS**, the Avon Town Council finds that the adoption of this Ordinance is necessary to the immediate preservation of the public health safety and welfare of the Avon community by permitting EBAHC to proceed with refinancing and commence construction of valuable capital improvements to the Property which will directly benefit the current and future residents of the Property.

**NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF AVON, COLORADO** the following:

**Section 1.**     **Recitals Incorporated.** The above and foregoing recitals are incorporated herein by reference and adopted as findings and determinations of the Town Council.

**Section 2.**     **Acceptance of Donation Property.** The Town Council hereby accepts the donation of the Property by and through a Quit Claim Deed and which acceptance of title to the Property shall be subject to the terms and conditions of the refinancing and the new Project Agreement, as described below in Section 4, the form of such Quit Claim Deed shall be subject to review and approval of the Mayor, Town Attorney, Town Manager and Council member Megan Burch as the Town of Avon appointee to the EBAHC Board.

**Section 3.**     **Authorization to Reconvey Property.** The Town Council hereby authorizes the Mayor, Town Clerk, Town Manager and Town Attorney to execute all documents and take such action to reconvey the Property to PFA by Quit Claim Deed in accordance with the terms and conditions of the refinancing and the new Project Agreement, as described in Section 4, the form of such Quit Claim Deed shall be subject to the review and approval of the Mayor, Town

Attorney, Town Manager and Council member Megan Burch as the Town of Avon appointee to the EBAHC Board.

**Section 4. Approval of 2017 Project Agreement.** The Town Council hereby approves the new Project Agreement with EBAHC and PFA, attached hereto as Exhibit A, which final form and completion, including but not limited to review of the Financing Agreement, shall be subject to review and approval of the Mayor, Town Attorney, Town Manager and Council member Megan Burch as the Town of Avon appointee to the EBAHC Board.

**Section 5. Severability.** If any provision of this Ordinance, or the application of such provision to any person or circumstance, is for any reason held to be invalid, such invalidity shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provision or application, and to this end the provisions of this Ordinance are declared to be severable. The Town Council hereby declares that it would have passed this Ordinance and each provision thereof, even though any one of the provisions might be declared unconstitutional or invalid. As used in this Section, the term “provision” means and includes any part, division, subdivision, section, subsection, sentence, clause or phrase; the term “application” means and includes an application of an ordinance or any part thereof, whether considered or construed alone or together with another ordinance or ordinances, or part thereof, of the Town.

**Section 6. Effective Date.** This Ordinance shall take effect immediately upon adoption in accordance with Section 6.6 of the Avon Home Rule Charter.

**Section 7. Safety Clause.** The Town Council hereby finds, determines and declares that this Ordinance is promulgated under the general police power of the Town of Avon, that it is promulgated for the health, safety and welfare of the public, and that this Ordinance is necessary for the preservation of health and safety and for the protection of public convenience and welfare. The Town Council further determines that the Ordinance bears a rational relation to the proper legislative object sought to be obtained.

**Section 8. Publication.** The Town Clerk is ordered to publish this Ordinance in accordance with Chapter 1.16 of the Avon Municipal Code.

**INTRODUCED AND ADOPTED ON FIRST AND FINAL READING** on May 9, 2017.

BY:

ATTEST:

\_\_\_\_\_  
Jennie Fancher, Mayor

\_\_\_\_\_  
Debbie Hoppe, Town Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Eric J. Heil, Town Attorney

## EAGLEBEND AFFORDABLE HOUSING PROJECT

### PROJECT AGREEMENT

THIS PROJECT AGREEMENT (the “**Agreement**”) is made as of \_\_\_\_\_, 2017, by and between EAGLEBEND AFFORDABLE HOUSING CORPORATION, a Colorado nonprofit corporation (the “**Corporation**”), PUBLIC FINANCE AUTHORITY, a unit of government and a body corporate and politic of the State of Wisconsin (the “**Authority**”) (the Authority and the Corporation are collectively referred to as “**Owner**”) and the TOWN OF AVON, COLORADO, a Colorado home rule municipality (the “**Town**”).

#### RECITALS:

A. The Corporation has been organized under the Colorado Nonprofit Corporations Act to acquire property in order to provide affordable housing facilities, for the benefit and on behalf of the Town and its inhabitants.

B. The Corporation shall incur a loan in the principal amount of \$29,000,000 (“**Loan**”) pursuant to a Financing Agreement (“**Financing Agreement**”) by and among the Authority, the Corporation and FirstBank (the “**Lender**”) dated \_\_\_\_\_, 2017 for the purposes of (ii) refunding and redeeming in full the outstanding EagleBend Affordable Housing Corporation Variable and Fixed Rate, Senior and Subordinate, Multifamily Housing Project Revenue Refunding Bonds, Series 2006 (the “**Refunded Bonds**”), and (ii) providing additional moneys to make certain improvements to the Project (defined below). The Refunded Bonds were issued for the purpose of refunding prior bonds which were issued for the purpose of acquiring and constructing real and personal property operated by the Corporation and known as the “EagleBend Affordable Housing Project” (the “**Project**”), located on the property described in Exhibit A hereto, to provide dwelling accommodations at rental rates within the means of individuals or families of low or moderate income, as determined by the Board of Directors of the Corporation from time to time.

C. In connection with the Refunded Bonds, the Town and the Corporation entered into a Project Agreement dated August 1, 2006 (“**Prior Project Agreement**”). This Agreement amends and restates the Prior Project Agreement.

D. The Prior Project Agreement was recorded in the office of the Eagle County Clerk and Recorder on September 26, 2006 with Reception No. 200626171.

E. In connection with the Loan, the Authority will receive title to the Project and lease it to the Corporation pursuant to the Lease.

**All capitalized terms used herein, unless otherwise defined, shall have the meanings ascribed thereto in the Financing Agreement.**



## **TERMS**

For good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Town, the Authority and the Corporation, on behalf of themselves and their respective successors and assigns, agree as follows:

**Section 1. Project Operations.** The Owner hereby covenants and agrees to operate the Project at standards required to provide decent, safe, and sanitary housing facilities at reasonable rental rates, in a sound and economical manner, as provided in the Financing Agreement. Nothing herein or in any resolutions of the Town shall be interpreted to require the Town to undertake responsibility for operation of the Project. The Owner shall indemnify and hold harmless the Town, its officers, agents and employees and members of its Town Council with respect to any liability or damages arising under actions or claims against the Town as a result of the operation of the Project by the Owner.

**Section 2. Town Benefit.** The Owner covenants and agrees that all activities of the Owner shall be undertaken for the benefit of the Town. Upon termination of this Agreement, the Town shall be entitled to acquire title to the Project without cost, as provided in the Financing Agreement.

**Section 3. Right to Acquire.** As further provided in the Financing Agreement, the Town is hereby granted the right to obtain, at any time, fee title and exclusive possession of property (including the Project) financed by obligations of the Owner (including the Loan) free from liens and encumbrances created by the Owner related to the Loan (but subject to other Permitted Encumbrances, as defined in the Financing Agreement), and any additions to such property, by (i) placing into escrow an amount that will be sufficient to defease such Loan and other obligations, (ii) paying reasonable costs incident to the defeasance, and (iii) complying with all other requirements of the Financing Agreement. The Town, at any time before it defeases such obligations, shall not agree or otherwise be obligated to convey any interest in such property to any person (including the United States of America or its agencies or instrumentalities) for any period extending beyond or beginning after the Town defeases such obligations. In addition, the Town shall not agree or otherwise be obligated to convey a fee interest in such property to any person (or a related person) who was a "user" thereof before the defeasance, within 90 days after the Town defeases such obligations.

**Section 4. Unencumbered Title.** If the Town exercises its option under Section 3, the Owner shall immediately cancel all encumbrances on such property, including all leases and management agreements (subject to certain Permitted Encumbrances as aforesaid). Any lease, management contract, or similar encumbrance on such property will be considered immediately cancelled if the lessee, management company, or other user vacates such property within a reasonable time, not to exceed 90 days, after the date the Town exercises its rights under Section 3.

**Section 5. Default Rights.** Upon the occurrence of an “Event of Default” as defined in Sections 1.2 and 7.1 of the Financing Agreement, the Owner shall cause the Lender, within five days of such occurrence, to provide notice to the Town, and the Town shall have the option to cure such Event of Default within 90 days after receipt of such notice. As provided in Section 8.16(d) of the Financing Agreement, amounts advanced by the Town as a result of the exercise of this option to cure monetary defaults hereunder and reasonable, direct expenses of the Town advanced to cure nonmonetary defaults hereunder shall be deemed to be indebtedness of the Owner to the Town and which indebtedness shall bear interest at the annual rate of eight percent (8%).

In addition to the foregoing and consistent with Section 8.16(e) of the Financing Agreement, if pursuant to Section 7.2(b) of the Financing Agreement, the Lender declares the principal of the Loan then outstanding to be due and payable and any foreclosure proceeding or other action is commenced under the Financing Agreement or the Deed of Trust, which could lead to the sale or other disposition of the property pledged thereunder, the Town is here-by granted an exclusive option to purchase all such property (including the Project), for the amount of the outstanding Loan and other indebtedness of the Owner relating to the Project and accrued interest to the date of default. The Town shall have not less than 90 days from the date it is notified by the Lender of such action in which to both exercise the option and purchase the property. Nothing herein shall be construed to create any obligation of the Town to cure any Event of Default.

**Section 6. Funds for Defeasance or Purchase.** In the event the Town exercises its options under Section 3 or 5 hereof, the Town shall receive a credit towards its defeasance or purchase costs in the amount of any fund or account balances of the Owner held by the Lender for the sole purpose of paying amounts due and owing under the Financing Agreement with the exception of (i) an amount representing operation and maintenance expenses, required by the Owner’s current operating budget through the date of defeasance or purchase, and (ii) any amount needed to pay additional interest on the Loan or expenses in connection with such defeasance.]

**Section 7. Title.** Unencumbered fee title (subject to certain Permitted Encumbrances as aforesaid) to the Project and any additions thereto and exclusive possession and use thereof will vest in the Town, or Town’s assignee as permitted in Section 12 hereof, without demand or further action on its part when all obligations issued under the Financing Agreement (including the Loan) are discharged. For purposes of this Section 7, such obligations will be discharged when (i) cash is available at the place of payment on the date that the obligations are due (whether at maturity or upon call for prepayment), (ii) interest ceases to accrue on the obligations, or (iii) as otherwise provided for in the Financing Agreement. All leases (except for leases of individual rental units), management contracts and similar encumbrances on the Project shall terminate upon discharge of said obligations. Encumbrances that do not significantly interfere with the enjoyment of such property, such as the Permitted Encumbrances, are not considered encumbrances for purposes of this Section.

**Section 8. Financing Agreement Rights; Approval of Town.** The Corporation and the Authority hereby covenant and agree that the provisions of the Financing Agreement granting any rights to the Town shall not be amended, modified or removed without the consent of the Town. By execution hereof, the Town hereby consents to the provisions of the Financing Agreement relating to the rights of the Town and confirms its approval of the incurrence of the Loan.

**Section 9. Term.** This Agreement shall terminate upon the vesting of title to the Project in the Town as herein provided.

**Section 10. Burden on Property.** This Agreement is a burden upon and runs with the property described in **Exhibit A** hereto and is binding upon the Owner and upon all persons or entities with any right, title or interest to such property or any part thereof. This Agreement may be released therefrom in the same manner as the release of property under the Deed of Trust executed in connection with the Loan.

**Section 11. Construction.** In the event of any conflict between the terms and provisions of this Agreement and the terms and provisions of the Financing Agreement, the terms and provisions of the Financing Agreement shall govern.

**Section 12. No Assignment, Amendments, Changes and Modifications without Consent.** No assignment, amendment, change or modification of this Agreement is permitted without the express written consent of owner of the Project property, the Corporation and the Town, which consent shall not be unreasonably delayed or withheld.

**Section 13. Execution in Counterparts.** This Agreement may be executed in several counterparts, each of which shall be an original but all of which shall constitute but one and the same agreement.

*[EXECUTION PAGES FOLLOW]*

IN WITNESS WHEREOF, the undersigned have hereunto set their hand as of the day and year first mentioned above.

**TOWN OF AVON, COLORADO**

BY: \_\_\_\_\_  
Jennie Fancher, Mayor

ATTEST: \_\_\_\_\_  
Debbie Hoppe, Town Clerk

APPROVED TO FORM:

[SEAL]

BY: \_\_\_\_\_  
Eric J. Heil, Town Attorney

STATE OF COLORADO            )  
  ) ss.  
COUNTY OF EAGLE            )

The foregoing instrument was acknowledged before me on \_\_\_\_\_, 2017 by Jennie Fancher, as Mayor, and Debbie Hoppe, as Town Clerk, on behalf of the TOWN OF AVON, COLORADO.

WITNESS my hand and official seal

My Commission expires: \_\_\_\_\_

[SEAL]

\_\_\_\_\_  
Notary Public

**PUBLIC FINANCE AUTHORITY**

BY: \_\_\_\_\_

ATTEST: \_\_\_\_\_

[SEAL]

STATE OF WISCONSIN            )  
  ) ss.  
COUNTY OF \_\_\_\_\_        )

The foregoing instrument was acknowledged before me on \_\_\_\_\_, 2017 by \_\_\_\_\_, as \_\_\_\_\_, and \_\_\_\_\_, as \_\_\_\_\_, on behalf of the Public Finance Authority.

WITNESS my hand and official seal

My Commission expires: \_\_\_\_\_

[SEAL]

\_\_\_\_\_  
Notary Public

**EAGLE BEND AFFORDABLE HOUSING CORPORATION**

BY: \_\_\_\_\_  
Gerald E. Flynn, President

ATTEST: \_\_\_\_\_  
, Secretary

[SEAL]

STATE OF COLORADO            )  
  ) ss.  
COUNTY OF EAGLE            )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2017 by Gerald E. Flynn, as President, and \_\_\_\_\_, as Secretary, on behalf of EAGLEBEND AFFORDABLE HOUSING CORPORATION, a Colorado nonprofit corporation.

WITNESS my hand and official seal

My Commission expires: \_\_\_\_\_

[SEAL]

\_\_\_\_\_  
Notary Public

**EXHIBIT A**

**Description of EagleBend Project Site**

The following real property and all buildings and improvements, and fixtures or appurtenances, now or hereafter erected thereon:

Parcel 1

LOT 2 AND TRACT A, REPLAT NUMBER 1, FINAL PLAT OF EAGLEBEND SUBDIVISION, FILING NO. 4, ACCORDING TO THE PLAT RECORDED JULY 17, 1992 IN BOOK 584 AT PAGE 995, COUNTY OF EAGLE, STATE OF COLORADO.

Parcel 2

LOT 1, RIVERSIDE SUBDIVISION, TOWN OF AVON, ACCORDING TO THE FINAL PLAT RECORDED SEPTEMBER 1, 1989 ON BOOK 512 AT PAGE 802, COUNTY OF EAGLE, STATE OF COLORADO.

DEN 99268318v4

**DRAFT**

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**FINANCING AGREEMENT**  
**AMONG**  
**PUBLIC FINANCE AUTHORITY**  
**AND**  
**EAGLEBEND AFFORDABLE HOUSING CORPORATION**  
**AND**  
**FIRSTBANK**

---

**Dated**

\_\_\_\_\_, 2017

**[\$29,000,000]**  
**Public Finance Authority**  
**Financing Agreement Revenue Loan Obligation**  
**(EagleBend Affordable Housing Project)**  
**Series 2017**



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**THIS FINANCING AGREEMENT** is dated \_\_\_\_\_, 2017, and is by and among **PUBLIC FINANCE AUTHORITY**, a unit of government and a body politic and corporate of the State of Wisconsin, **EAGLEBEND AFFORDABLE HOUSING CORPORATION**, a Colorado nonprofit corporation, and **FIRSTBANK**, a Colorado state banking corporation.

## PREFACE

All capitalized terms used herein will have the meanings ascribed to them in Article 1 of this Financing Agreement.

## RECITALS

A. The Authority is authorized by the Act to enter into this Financing Agreement in order to effectuate the Project.

B. The Borrower is authorized by law applicable as of the date hereof and its Articles of Incorporation to operate, maintain and develop property to be used for decent, safe and sanitary housing at affordable rental rates to individuals or families of low or moderate incomes, and proposes to finance and refinance certain of its costs with respect to the Project.

C. FirstBank, the Lender hereunder, is in the business of making tax-exempt loans.

D. By virtue of the authority of the Act and pursuant to the Loan Authorizing Resolution, the Authority will fund the Project by entering into this Financing Agreement and making the Borrower's Loan to the Borrower upon the terms and conditions set forth herein.

E. The Lender will loan to the Authority and the Authority will borrow from the Lender moneys to effect the Borrower's Loan hereunder upon the terms and conditions set forth in this Financing Agreement.

F. The Authority will loan to the Borrower and the Borrower will borrow from the Authority moneys to effect the Project upon the terms and conditions set forth in this Financing Agreement.

G. **THE AUTHORITY'S LOAN OBLIGATION SHALL BE A SPECIAL, LIMITED OBLIGATION OF THE AUTHORITY, PAYABLE SOLELY FROM PAYMENTS MADE BY THE BORROWER PURSUANT TO THIS FINANCING AGREEMENT AND SECURITY PLEDGED BY THE BORROWER HEREUNDER. THE AUTHORITY'S LOAN OBLIGATION SHALL NOT CONSTITUTE A DEBT OR INDEBTEDNESS OF THE AUTHORITY. THE AUTHORITY'S LOAN OBLIGATION DOES NOT CONSTITUTE A DEBT OR LIABILITY OF OR CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE STATE OF WISCONSIN, ITS LEGISLATURE, OR ANY COUNTIES, MUNICIPALITIES, POLITICAL SUBDIVISIONS OR AGENCIES THEREOF.**

H. The Bonds which are being refunded with a portion of the Borrower's Loan were issued for the purpose of refunding prior bonds which were issued for the purpose of financing

the costs of the acquisition and construction of the Financed Facility. An interest rate exchange agreement was entered into by the Borrower in connection with the Bonds.

I. Under a Second Amended and Restated Project Agreement dated as of August 1, 2006, by and between the Borrower and the Town, which was entered into in connection with the Bonds, upon payment in full of the outstanding Bonds, unencumbered fee title to the Financed Facility and the Land shall be transferred to the Town.

J. In order to facilitate the making of the Loans, the Town immediately upon obtaining fee title to the Financed Facility and Land desires to gift and transfer fee title to such Financed Facility and Land to the Authority, and the Authority desires initially to lease the Financed Facility and Land to the Borrower, and the Borrower desires to lease the Financed Facility and the Land from the Authority and to incur the Borrower's Loan in order to finance the refunding of the Bonds, and the making of improvements to the Financed Facility.

K. The Loans are being incurred solely on behalf of the Town, and pursuant to the Project Agreement, the Borrower has provided that upon payment in full of the Loans encumbered fee title to the Financed Facility will vest solely in the Town.

THEREFORE, in consideration of the mutual covenants contained herein and other valuable consideration, the parties agree as follows:

## ARTICLE 1

### DEFINITIONS

**Section 1.1 General.** All definitions herein shall be applicable to the singular and plural form of the term defined.

**Section 1.2 Definitions.** Except where the context indicates otherwise, the following terms shall have the meanings set forth below:

“Act” means Sections 66.0301, 66.0303 and 66.0304 of the Wisconsin Statutes, as amended.

“Additional Indebtedness” means any of the following incurred by the Borrower after the date of this Financing Agreement (i) all obligations of the Borrower for borrowed money, (ii) all installment sales, conditional sales and capital lease obligations incurred or assumed by the Borrower, (iii) all guaranties, letter of credit obligations, surety bonds and similar instruments, and (iv) all net obligations of the Borrower under any interest rate swap or similar instrument. Additional Indebtedness shall not include any obligation incurred by the Borrower in the ordinary operation of its facilities, any obligation to contribute to self-insurance, pension or other risk management programs, indemnification obligations, or any fees or expenses payable in connection with the incurrence of Additional Indebtedness.

“Administration Expenses” means the reasonable and necessary expenses incurred or charged by the Authority and the Lender, respectively, in performing their respective duties or exercising their respective rights under, or otherwise administering, this Financing Agreement, the Deed of Trust and the other Borrower Documents.

“Authority” means the Public Finance Authority, and its successors and assigns.

“Authority Documents” means this Financing Agreement, the Lease and any other documents entered into by the Authority in connection herewith.

“Authority Indemnified Persons” means, collectively (i) the Sponsors, (ii) the Members and (iii) each and all of the Authority’s, the Sponsors’ and the Members’ respective past, present and future directors, board members, governing members, trustees, commissioners, elected or appointed officials, officers, employees, authorized signatories, attorneys, agents and advisers (including counsel and financial advisers) and each of their respective heirs, successors and assigns.

“Authority’s Loan” means the loan in the principal amount of \$[29,000,000] to the Authority made by the Lender under this Financing Agreement (the Authority’s obligation to make payments being more fully described as the Authority’s Financing Agreement Revenue Loan Obligation).

“Authorized Authority Representative” means any officer, director or other person designated by resolution of the Authority (whether such resolution is adopted in connection with the Authority’s Loan or otherwise) as an ‘Authorized Signatory’ empowered to, among other

things, execute and deliver on behalf of the Authority this Financing Agreement and the other documents to be executed by the Authority in connection herewith.

“Authorized Borrower Representative” means the President and Chief Executive Officer of the Borrower or any other person from time to time designated to act on behalf of the Borrower by written certificate furnished to the Authority and the Lender, containing the specimen signature of such person and signed by an officer of the Borrower; the certificate may designate an alternate or alternates.

“Authorized Lender Representative” means any senior vice president of the Lender, or any other person from time to time designated to act on behalf of the Lender by written certificate furnished to the Authority and the Borrower, containing the specimen signature of such person and signed by an officer of the Lender; the certificate may designate an alternate or alternates.

“Bonds” means the EagleBend Affordable Housing Corporation Variable and Fixed Rate, Senior and Subordinate Multifamily Housing Project Revenue Refunding Bonds, Series 2006 in the outstanding principal amount of \$11,515,000.

“Borrower” means EagleBend Affordable Housing Corporation, a Colorado nonprofit corporation in good standing and duly authorized to conduct business in the State.

“Borrower Documents” means this Financing Agreement, the Project Note, the Tax Agreement, the Lease, the Leasehold Deed of Trust, the Project Agreement and all other documents entered into by the Borrower in connection with this Financing Agreement.

“Borrower’s Loan” means the Loan in the principal amount of \$[29,000,000] made under this Financing Agreement by the Authority to the Borrower to fund the Project and evidenced by the Project Note.

“Business Day” means a day of the year other than (a) a Saturday or Sunday, (b) a day on which the Lender is required or authorized to remain closed or (c) a day on which the Federal Reserve System is closed.

“Closing Date” means \_\_\_\_\_, 2017, the date of execution and delivery of this Financing Agreement.

“Code” means the Internal Revenue Code of 1986, as amended.

“Collateral” means the Mortgaged Property, and certain furniture, fixtures, and equipment in which the Borrower has granted to the Lender a security interest pursuant to the Deed of Trust, and all right, title and interest in the Project Agreement.

“Deed of Trust” means that certain Deed of Trust with Security Agreement, of even date herewith, given by the Authority, as grantor, to the Public Trustee of Eagle County, Colorado, for the benefit of the Lender, providing for a lien and security interest on the Collateral, and securing the Borrower’s payment and performance obligations hereunder and under the other Borrower Documents.

“Environmental Laws” means any law, rule, or regulation pertaining to (a) any emission, discharge, release, runoff, disposal, or presence in the environment of any Environmental Substance, (b) any cleanup, containment, manufacturing, treatment, handling, transportation, storage, or sale of, or other activity pertaining to, any Hazardous Material, or (c) any other peril to public or occupational health or safety or to the environment that may be posed by any Hazardous Material.

“Event(s) of Default” means those events specified in Section 7.1 hereof.

“Financed Facility” means the 294 unit affordable housing facility in Avon, Colorado and the Land (as defined in the Deed of Trust) on which such housing facility is located and described in Exhibit A hereto and an exhibit to the Deed of Trust.

“Financing Agreement” means this Financing Agreement, as it may be amended, dated the Closing Date by and among the Authority, the Borrower and the Lender.

“Hazardous Material” means any toxic substance, hazardous material, containment, waste, pollutant, or other similar product or substance that may pose a threat to public or occupational health or safety or to the environment.

“Investment Letter” means a letter substantially in form attached hereto as Exhibit B signed by the Lender in connection with the making of the Authority’s Loan.

“Joint Exercise Agreement” means the Joint Exercise of Powers Agreement Relating to the Public Finance Authority, dated June 30, 2010 as amended by an Amended and Restated Joint Exercise of Powers Agreement Relating to the Public Finance Authority, dated September 28, 2010 by and among Adams County, Wisconsin, Bayfield County, Wisconsin, Marathon County, Wisconsin, Waupaca County, Wisconsin and the City of Lancaster, Wisconsin, as such agreement may be amended from time to time.

“Lease” means the \_\_\_\_\_ Lease dated as of \_\_\_\_\_, 2017 by and between the Borrower and the Authority.

“Leasehold Deed of Trust” means \_\_\_\_\_.

“Lender” means FirstBank, a Colorado state banking corporation, and its permitted successors and assigns.

“Loan Authorizing Resolution” means the resolution of the Board of Directors of the Authority authorizing the Authority to enter into the Authority’s Loan from the Lender and the Borrower’s Loan to the Borrower and approving this Financing Agreement and related matters.

“Loan Payment(s)” means the amounts required to be paid by the Borrower pursuant to Section 4.1 hereof.

“Loans” means, together, the Authority’s Loan and the Borrower’s Loan all pursuant to this Financing Agreement.

“Member” means the parties to the Joint Exercise Agreement and any political subdivision that has been designated in the past, or from time to time in the future is designated, as a member of the Authority pursuant to the Joint Exercise Agreement.

“Mortgaged Property” means the real property and improvements thereon of the Authority and the Borrower subject to the Deed of Trust, all as further described on Exhibit A.

“Net Proceeds” means, when used with respect to any insurance payment or condemnation award, the gross proceeds thereof attributable to the Collateral or any portion thereof less those expenses (including attorneys’ fees) incurred in the collection of such gross proceeds.

“Origination Fee” means \$\_\_\_\_\_.

“Project” means the refunding of all the outstanding Bonds (including the payment of Swap termination fee and costs in connection therewith), and the financing of improvements to the Financed Facility.

“Project Agreement” means the Project Agreement dated as of \_\_\_\_\_, 2017 by and among the Borrower, the Authority and the Town.

“Project Note” means the promissory note of the Borrower, dated the Closing Date, in the form attached as Exhibit C to this Financing Agreement and in the principal amount of \$[29,000,000], evidencing the obligation of the Borrower to make Loan Payments related to the Borrower’s Loan and endorsed and assigned by the Authority to the Lender.

“Revenues” means (a) the Loan Payments under the Borrower’s Loan, and (b) all of the moneys received or to be received by the Authority or the Lender in respect of the repayment of the Project Note.

“Special Counsel” means the counsel who renders the opinion as to tax-exempt status of interest on the Authority Loan or such other nationally recognized municipal bond counsel as is mutually acceptable to the Authority, the Borrower and the Lender.

“Sponsor” means the National League of Cities, the National Association of Counties, the Wisconsin Counties Association, the League of Wisconsin Municipalities, and any other person that holds itself out, or is identified by the Authority, as an organization sponsoring the Authority.

“State” means the State of Wisconsin.

“Swap” means the ISDA Master Agreement dated August 30, 2006 by and between EagleBend Affordable Housing Corporation and U.S. Bank National Association, together with the Schedule attached thereto.

“Tax Agreement” means the Tax Compliance Agreement of the Authority and the Borrower delivered in connection with the initial execution and delivery of this Financing Agreement, as modified from time to time pursuant to its terms.



“Town” means the Town of Avon, Colorado.

“Unassigned Rights” means the Authority’s rights to indemnification and its rights to reimbursement of attorneys’ fees and expenses and certain rights to perform discretionary acts hereunder.

“Unmatured Default” has the meaning set forth in Section 6.7(g).

(End of Article 1)

## ARTICLE 2

### REPRESENTATIONS

**Section 2.1 Representations by the Authority.** The Authority represents that:

(a) the Authority is a unit of government and a body corporate and politic of the State, duly organized and existing under the laws of the State, is authorized pursuant to the Act to enter into the transactions contemplated by this Financing Agreement and the Authority Documents and to carry out its obligations hereunder and thereunder, and has duly authorized the execution and delivery of this Financing Agreement and the Authority Documents; and

(b) the execution and delivery by the Authority of this Financing Agreement and compliance with the provisions on the Authority's part contained therein will neither (i) conflict with or constitute a material breach of or default under any law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Authority is a party or is otherwise subject, nor (ii) result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the properties or assets of the Authority under the terms of any such law, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument, except as provided by this Loan Agreement or the Authority Documents.

**Section 2.2 Representations by the Borrower.** The Borrower represents and agrees that:

(a) The Borrower is a nonprofit corporation duly organized and in good standing under the laws of the State of Colorado for the benefit of the Town; has the power and authority to purchase the Financed Facility and Land from the Authority and to enter into and to perform and observe the covenants and agreements on its part contained in this Financing Agreement and all other Borrower Documents, all for the benefit of the Town; and by proper action has duly authorized the execution and delivery of this Financing Agreement and all other Borrower Documents.

(b) None of the execution and delivery of this Financing Agreement or any of the other Borrower Documents, the consummation of the transactions contemplated hereby and thereby, or the fulfillment of or compliance with the terms and conditions of this Financing Agreement or any other Borrower Documents violate any law or conflicts with or result in a breach of any of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Borrower is now a party or by which it is bound or constitutes a default under any of the foregoing or results in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of the Collateral under the terms of any instrument or agreement, other than this Financing Agreement and the other Borrower Documents.

(c) The aggregate and total cost of the Project is hereby determined to be not less than \$[29,000,000], and the financing of such cost by the Authority with the proceeds of the Authority Loan will assist the Borrower in providing affordable housing within the Town for individuals and families of low and moderate income.

(d) The Borrower is duly authorized and licensed to lease and operate the Financed Facility.

(e) The Loan Payments with respect to the Borrower's Loan due under this Financing Agreement are in amounts sufficient to pay the principal of and Prepayment Premium, if any, and interest on the Authority Loan; and this Financing Agreement requires the Borrower to pay all costs of maintenance, repair, taxes, payments in lieu of taxes, assessments, insurance premiums and all other expenses relating to the Collateral, so that the Authority will not incur any expenses on account of the Collateral, other than those that are covered by the payments by the Borrower provided for herein.

(f) Except as described in writing delivered to the Authority and the Lender, neither the Borrower nor any other person, to its knowledge, has ever caused or permitted any Hazardous Material to be placed, held, located or disposed of on, under or at the Mortgaged Property or any part thereof in material violation of applicable Environmental Laws. The Borrower hereby warrants and represents that it has complied and, in the future, will comply in all material respects with all applicable Environmental Laws. The Mortgaged Property to the Borrower's knowledge has not previously contained and does not contain any underground storage tanks other than in compliance with all applicable Environmental Laws and have never been used by the Borrower or, to the best knowledge of the Borrower, by any other person, as a temporary or permanent storage or disposal site for any Hazardous Material except in compliance with all applicable Environmental Laws, The Borrower hereby represents and warrants to the Authority and the Lender that all Hazardous Material generated or utilized by the Borrower at the Mortgaged Property will be handled, stored, transported and disposed of in accordance with applicable Environmental Laws.

(g) There are no actions, suits or proceedings or investigations pending or, to the best of the knowledge of the officer executing this Financing Agreement, threatened against the Borrower or the property of the Borrower, or involving the enforceability of this Financing Agreement or any other Borrower Documents, at law or in equity, or before or by any governmental authority, except actions which, if adversely determined, would not materially impair the ability of the Borrower to perform its obligations under this Financing Agreement or any other Borrower Documents, and to cause to be paid any amounts which may become payable under this Financing Agreement. The Borrower is not in default in any material respect under any mortgage, deed of trust, lease, loan or credit agreement, partnership agreement, or other instrument to which the Borrower is a party or by which it is bound.

(h) No changes shall be made to the Financed Facility, including any additions or improvements thereto, which will affect the use of such facility in or for the

purposes of the Borrower or which will cause the Borrower to violate its representations contained herein.

(i) The Collateral will be utilized and maintained in such manner as to conform with all applicable zoning, planning, building, environmental, and other regulations of all governmental authorities having jurisdiction over the Collateral.

(j) Concurrent with the delivery hereof, the Borrower will execute and deliver the Leasehold Deed of Trust and the other Borrower Documents.

(k) The Borrower has provided to the Lender a statement of financial position (or balance sheet), statement of activities (or income statement), and statement of cash flows, each as of December 31, 2015, audited and reported upon by independent certified public accountants. Those financial statements and reports from later periods, (i) were prepared in accordance with generally accepted accounting principles consistently applied throughout the period covered thereby, except as otherwise expressly noted therein, and (ii) are complete, accurate, and a fair presentation of the financial condition of the Borrower as of the date(s) thereof and the results of its operations for the period(s) covered thereby (subject in the case of interim statements and reports to normal year-end audit adjustments). The Borrower is not obligated or liable for any indebtedness or other material financial obligation that is not reflected in the financial statements and reports provided to the Lender. Since December 31, 2015, no event has, or events have, occurred that individually or in the aggregate could have or have had a material adverse effect on the Borrower's ability to repay the Borrower's Loan or otherwise pay and perform its obligations hereunder and under the other Borrower Documents. After giving effect to the indebtedness and other liabilities and obligations of the Borrower arising under this Financing Agreement and the other Borrower Documents, the Borrower (1) is solvent (i.e., the aggregate fair value of its assets exceeds the sum of its liabilities), (2) has adequate working capital given the business and operations in which it is engaged or for which it has immediate plans to engage, and (3) is and will be able to pay its indebtedness and all other financial obligations as they mature. The Borrower (y) is not, and has never been, the subject of any federal or state bankruptcy proceeding, or any similar proceeding or action, and (z) is not currently considering or planning to commence any such proceeding.

(l) This Financing Agreement and all other Borrower Documents to which the Borrower is a party constitute the legal, valid and binding obligations of the Borrower enforceable against the Borrower in accordance with their respective terms, except as limited by bankruptcy, insolvency or similar laws of general application relating to the enforcement of creditors' rights, and except to the extent specific remedies may generally be limited to equitable principles.

(m) All information heretofore or contemporaneously herewith furnished by the Borrower to the Lender or the Authority for the purposes of or in connection with this Financing Agreement or any transaction contemplated hereby is, and all information hereafter furnished by or on behalf of the Borrower to the Lender or the Authority will be, true and accurate in every material respect on the date as of which such information is

dated or certified, and none of such information is or will be incomplete by omitting to state any material fact necessary to make such information not misleading. Projections contained in any such materials have been made by the Borrower in good faith and based on the best information available to the Borrower. The Borrower agrees to promptly update any information previously provided to the Lender in the event that such information is no longer true or correct or otherwise becomes incomplete or misleading based on the then-current facts and circumstances.

(End of Article 2)

## ARTICLE 3

### MAKING THE LOANS AND APPLICATION OF THE PROCEEDS THEREOF

**Section 3.1 Agreement to Make the Loans; Application of Proceeds.** The Authority agrees to fund the Project by making the Borrower's Loan to the Borrower from the proceeds of the Authority's Loan. To provide funds to make the Borrower's Loan, the Lender agrees to make the Authority's Loan to the Authority. The Borrower will effect the Project by causing the proceeds of the Borrower's Loan to be used for paying Project costs and by paying the costs related to the making of the Loans.

The Lender shall make (i) an initial advance to the Borrower in the amount of \$[12,400,000] to pay for the refunding and defeasance of the Bonds, including payment of the Swap termination fee and costs of issuance with respect to the Loans, and (ii) subsequent advances in the total amount of \$[16,600,000] to pay for improvements to the Financed Facility upon written request of the Borrower, provided, however, that such advances shall be [made in accordance with the \_\_\_\_\_ Agreement] [made as follows: \_\_\_\_\_].

**Section 3.2 Conditions to Closing.** The Lender's obligations under this Financing Agreement shall be subject to the condition that there shall have been delivered to the Authority and the Lender the following, all in form and substance satisfactory to the Authority and the Lender:

- (a) the Loan Authorizing Resolution, certified by the \_\_\_\_\_ of the Authority that it is a true, correct and complete copy of the resolution duly adopted or authorized by the Board of Directors of the Authority and that it has not been amended, modified or rescinded and is in full force and effect as of the Closing Date;
- (b) this Financing Agreement duly executed by the Authority, the Lender and the Borrower;
- (c) the duly executed Project Note, with the duly executed Endorsement and Assignment from the Authority to the Lender attached thereto;
- (d) the Leasehold Deed of Trust and other Borrower Documents, duly executed by the Borrower;
- (e) certified copies of the Borrower's organizational documents and certified resolutions of the board of directors of the Borrower authorizing the execution and delivery of this Financing Agreement and the other Borrower Documents;
- (f) the Tax Agreement, in form and substance acceptable to the Lender and the Authority, executed by an Authorized Authority Representative and an Authorized Borrower Representative;
- (g) an IRS Form 8038, in form satisfactory to the Lender;

- (h) certificates satisfactorily evidencing continuing compliance with the insurance requirements of the Deed of Trust;
- (i) such other certificates of the Authority or the Borrower as may reasonably be required by the Lender to evidence compliance with the terms of this Financing Agreement; the Authority shall not be required to execute any certificates as to any matter in respect of which it has no liability under the terms of this Financing Agreement;
- (j) a written opinion of counsel to the Borrower in form and substance satisfactory to the Lender;
- (k) a written opinion of Special Counsel addressed to the Lender and the Authority , in form and substance satisfactory to the Lender and the Authority ;
- (l) a written opinion of the legal counsel to the Authority in form and substance satisfactory to the Lender and Special Counsel;
- (m) an Investment Letter duly executed by the Lender;
- (n) an appraisal of the Mortgaged Property, in form and substance acceptable to the Lender, sufficient to support a loan-to-value ratio of no less than 60%;
- (o) such title commitments, surveys, environmental reports, flood zone certifications and the like relating to the Mortgaged Property as reasonably requested by the Lender;
- (p) a quit claim deed executed by the Borrower transferring unencumbered fee title to the Land and Financed Facility to the Town;
- (q) a quit claim deed executed by the Town transferring unencumbered fee title to the Land and the Financed Facility to the Authority;
- (r) the Deed of Trust duly executed by the Authority;
- (s) the Lease duly executed by the Borrower and the Authority; and
- (t) such other instruments, certificates, and items as may be reasonably requested by the Authority or the Lender.

The Borrower's payment of the Origination Fee is an additional condition precedent to the Lender's obligation to make the Authority's Loan. Any conditions herein specified may be waived by the Lender and the Authority.

**Section 3.3 Authorization of the Loans; Interest Rates.** The Lender hereby agrees to (a) enter into this Financing Agreement and the Authority's Loan hereunder and (b) make the Borrower's Loan hereunder, in the total aggregate principal amount of \$[29,000,000] in respect of both the Authority's Loan and the Borrower's Loan. The Borrower shall execute the Project

Note evidencing the Borrower's Loan and its obligations to make the Loan Payments due hereunder.

The Project Note shall be dated its date of execution and delivery (the Closing Date), be payable to the order of the Authority and be assigned by the Authority to the Lender without recourse.

Subject to application of the Default Rate pursuant hereto, the outstanding principal amount of the Authority's Loan and the Borrower's Loan shall bear interest from the Closing Date to \_\_\_\_\_, 2035 at a per annum interest rate equal to 3.84%, and thereafter at an interest rate equal to \_\_\_\_\_.

All payments of principal and interest on the Authority's Loan and the Project Note shall be made in lawful money of the United States of America in accordance with the amortization schedule set forth in the Project Note.

THE AUTHORITY'S LOAN SHALL BE A SPECIAL, LIMITED OBLIGATION OF THE AUTHORITY, PAYABLE SOLELY FROM PAYMENTS MADE BY THE BORROWER PURSUANT TO THIS FINANCING AGREEMENT AND SECURITY PLEDGED BY THE BORROWER HEREUNDER. THE AUTHORITY'S LOAN SHALL NOT CONSTITUTE A DEBT OR INDEBTEDNESS OF THE AUTHORITY. THE AUTHORITY'S LOAN DOES NOT CONSTITUTE A DEBT OR LIABILITY OF OR CHARGE AGAINST THE GENERAL CREDIT OR TAXING POWER OF THE STATE OF WISCONSIN, ITS LEGISLATURE, OR ANY COUNTIES, MUNICIPALITIES, POLITICAL SUBDIVISIONS OR AGENCIES THEREOF.

**Section 3.4 Prepayment of Loans at Option of the Borrower.** The unpaid principal of any of the Loans may be prepaid in whole or in part (and, if in part, in amounts of not less than \$5,000 per prepayment) at the written direction of the Borrower at any time, on prior written notice as provided in Section 3.5 hereof, unless such notice is waived by the Lender (i) at a prepayment price equal to 102% of the principal amount being prepaid, plus accrued interest thereon if such prepayment occurs on and before \_\_\_\_\_, 2027, and (ii) if such prepayment occurs after \_\_\_\_\_, 2027, at a prepayment price equal to 100% of the principal amount being prepaid, plus accrued interest thereon, without a prepayment penalty.

In the event of a prepayment in full under this Section, the prepayment price shall also include an amount sufficient (i) to pay all reasonable Administration Expenses accrued and to accrue through final payment of the Authority's Loan and the Project Note and (ii) to pay all other liabilities of the Borrower to the Lender and the Authority accrued and to accrue hereunder and under each other Borrower Document through final payment of the Authority's Loan and the Project Note.

Upon payment of the prepayment price in full, this Financing Agreement shall terminate, except for the obligations of the Borrower under Section 6.4 and 7.7 and as further set forth in Section 8.1 hereof.

Any partial prepayment of the Loans will be applied to reduce principal installment payments in the inverse order of their respective due dates.



**Section 3.5 Notice of Prepayment.** The Borrower, on behalf of the Authority , shall give the Lender at least ten (10) days', but not more than thirty (30) days' notice, unless such notice is waived by the Lender, of its intention to cause the Authority to prepay the Authority Loan pursuant to Section 3.4, which notice shall specify the date of prepayment, the prepayment price, and that all Administration Expenses due on the date of such notice have been paid and all other obligations of the Borrower to the Authority under this Financing Agreement on such date have been fulfilled.

**Section 3.6 Ownership and Use of the Collateral.** The Authority agrees that it shall have title to and ownership of the Collateral and that it shall lease the Collateral to the Borrower pursuant to the Lease. Except as otherwise permitted by this Financing Agreement or law and subject to the Deed of Trust, the Borrower and the Lender covenant they will not take any action, or cause any action to be taken, to interfere with the Authority's ownership of the Collateral. Except as otherwise provided in the Leasehold Deed of Trust and the Lease, the Authority and the Lender covenant and agree that they will not take any action or to prevent the Borrower from having possession, custody, use and enjoyment of the Collateral pursuant to the Lease.

**Section 3.7 Tax Covenant.** The Borrower covenants for the benefit of the Authority and the Lender that it will not take any action or omit to take any action with respect to the Authority's Loan, the Project Note, the Borrower's Loan, the proceeds thereof or any funds or property of the Borrower if such action or omission (i) would cause the interest on the Authority's Loan to lose its excludability from gross income for federal income tax purposes under Section 103 of the Code, or (ii) would cause interest on the Authority's Loan to lose its excludability from alternative minimum taxable income as defined in Section 55(b)(2) of the Code except to the extent such interest is required to be included in the adjusted current earnings adjustment applicable to corporations under Section 56 of the Code in calculating corporate alternative minimum taxable income.

The Borrower further covenants, represents and warrants that the procedures set forth in the Tax Agreement implementing the above covenant shall be complied with to the extent necessary to maintain the excludability from gross income of interest on the Authority's Loan for federal income tax purposes or to avoid the application of any penalties under the Code (except to the extent noted in the previous paragraph).

To the extent necessary to maintain the excludability from gross income of interest on the Authority's Loan for federal income tax purposes (except to the extent noted above), the foregoing covenants shall remain in full force and effect notwithstanding final payment or prepayment of the Authority's Loan or defeasance of the Authority's Loan and Project Note or any other provision of this Financing Agreement.

(End of Article 3)

## ARTICLE 4

### PROVISIONS FOR PAYMENT

**Section 4.1 Loan Payments.** The Borrower shall repay the Borrower's Loan by paying when due the principal and interest and other sums due on the Authority's Loan and the Project Note at the times and in the manner required thereby and by Section 3.3 and 3.4 hereof. The obligations of the Borrower to repay the Borrower's Loan shall be additionally evidenced by the Project Note from the Borrower to the Authority, whose interest in which shall be assigned by the Authority to the Lender, without recourse, as additional security for the payment thereof. All payments of principal, interest, and other sums to be made on the Project Note shall be made directly to the Lender for the account of the Authority and shall constitute corresponding payments on the Authority's Loan. Any installment payment of principal or interest (excluding any payment at maturity, by acceleration or otherwise), that is late by more than \_\_\_\_\_ (\_\_\_) days, will be subject to a late fee equal to \_\_\_% of the regularly scheduled installment.

**Section 4.2 Administration Expenses.** Until repayment of the Authority's Loan and the Project Note in full and payment of all other amounts due to the Lender and the Authority hereunder, the Borrower shall pay the Administration Expenses which have accrued and become payable, upon submission by the Authority and the Lender, respectively, of a statement therefor (provided that, notwithstanding any provision in this Financing Agreement to the contrary, Lender's legal fees related to the preparation and execution of this Financing Agreement shall not exceed \$\_\_\_\_\_). The payment of Administration Expenses shall be made directly to the Authority or the Lender, respectively.

**Section 4.3 Cessation of Accrual of Interest.** In the event of a prepayment of the Authority's Loan and the Project Note, interest on the portion of the Authority's Loan and the Project Note which is prepaid shall cease to accrue upon the payment of such amount to the Lender.

**Section 4.4 Unconditional Obligations; Security.** Upon the making of the Borrower's Loan, the obligations of the Borrower to repay the Borrower's Loan and the Project Note and to pay Administration Expenses shall be absolute and unconditional, shall be binding and enforceable in all circumstances whatsoever, and shall not be subject to setoff or counterclaim. The Borrower shall be obligated to make the payments whether or not the Collateral is rendered unusable to any extent from any cause whatsoever. Without limiting the generality of the foregoing, the obligations shall not be affected by: the exercise of any remedy by the Authority or the Lender under Section 7.2 hereof; failure of consideration or title, frustration of commercial purpose, condemnation, destruction or damage to the Collateral or other property of the Borrower; any change in the tax or other laws of the United States of America or the State of Colorado or any political subdivision of either; or inability or failure of the Authority or the Lender to perform any obligation hereunder. Except as otherwise provided herein, the Borrower's other obligations under this Financing Agreement shall be similarly absolute, unconditional, binding and enforceable in all circumstances whatsoever, but this Section shall not affect the right of the Borrower to commence legal proceedings against the Lender under Section 7.6 hereof.

(End of Article 4)

## ARTICLE 5

### MAINTENANCE, TAXES, INSURANCE, USE OF NET PROCEEDS, ETC.

**Section 5.1 Maintenance.** The Borrower agrees that during the term of this Financing Agreement it will maintain, at its own expense, the Collateral and keep it in good repair and operating condition as required under the Lease and the Leasehold Deed of Trust.

**Section 5.2 Taxes and Other Governmental Charges.** The Borrower will, in accordance with requirements of the Lease and the Leasehold Deed of Trust, pay all taxes, assessments or governmental charges of any kind levied with respect to the Collateral.

**Section 5.3 Insurance.** The Borrower agrees to insure the Collateral in accordance with the requirements of the Lease and the Leasehold Deed of Trust.

**Section 5.4 Use of Net Proceeds.** The Borrower shall use or apply the Net Proceeds from any insurance payment or condemnation award received with respect to the Collateral in accordance with the requirements of the Lease and the Leasehold Deed of Trust.

**Section 5.5 No Sale or Liens.** Neither the Authority nor the Borrower shall sell, convey, assign, or otherwise transfer, and it shall not directly or indirectly create, incur, assume or suffer to exist any mortgage, deed of trust, pledge, lien, charge or other encumbrance upon, the Collateral except as permitted by the Lease and the Leasehold Deed of Trust, as the case may be.

(End of Article 5)

## ARTICLE 6

### SPECIAL COVENANTS

**Section 6.1 No Warranty of Condition or Suitability of the Mortgaged Property by the Authority and the Lender.** Neither the Authority nor the Lender makes any warranty, either express or implied, as to the suitability or utilization of the Mortgaged Property as a \_\_\_\_\_ within the meaning of the Act or for the purposes of the Borrower or its successors or as to the condition of the Mortgaged Property.

**Section 6.2 Borrower's Assets.** The Borrower agrees that during the term of this Financing Agreement it will not sell or otherwise transfer to another entity all or substantially all of its assets provided that the Borrower may, without violating the agreement contained in this Section, sell or otherwise transfer to another entity all or substantially all of its assets if (a) (i) the transferee entity assumes in writing all of the obligations of the Borrower herein, and (ii) the Authority and the Lender consent in writing to such sale or other transfer, and (iii) the Borrower delivers a written opinion of Special Counsel that such sale or other transfer will not adversely affect the tax-exempt status of the interest on the Authority's Loan or (b) as part of the sale, the outstanding principal of and accrued interest on the Loans are paid in full and the Loans and the Project Note are discharged.

**Section 6.3 Further Assurances.** The Authority, the Borrower and the Lender agree that each will, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required to carry out this Financing Agreement.

**Section 6.4 Release and Indemnification.**

(a) The Lender and its participants, affiliates and designees, and their respective directors, officers, employees, attorneys and agents (in each case, in such person's capacity as such, and together with the Lender, each a "Lender Indemnitee"), will not incur any liability for any acts or omissions (and the Borrower waives any and all related claims and actions against each Lender Indemnitee), and each Lender Indemnitee will be indemnified, reimbursed and held harmless by the Borrower on demand, and (at the request of the Lender) defended at the expense of the Borrower with counsel selected by the Lender, from and against any and all claims, liabilities, losses and expenses (including, without limitation, the reasonable disbursements, expenses and fees of their respective attorneys) that may be imposed upon, incurred by, or asserted against any Lender Indemnitee, in each case arising out of or related to this Financing Agreement, and other Borrower Document, any of the Collateral (including without limitation any activity, injury or damage occurring on the Mortgaged Property and any escape, seepage, leakage, spillage, discharge, emission or release of any hazardous material from the Collateral, any liens against the Collateral permitted under or imposed by any Environmental Laws, or any violation or actual or asserted liability or obligations of the Borrower under any Environmental Law, regardless of whether or not caused by, or within the control of, the Borrower), any of the Loans or the application of any proceeds thereof, except to the extent occasioned by a Lender Indemnitee's own acts or omissions

breaching a duty owed to the Borrower and amounting to intentional misrepresentation or any willful and wanton misconduct. The preceding general exculpation and indemnification does not qualify, condition, diminish, restrict, limit or otherwise affect any other release, waiver, consent, acknowledgment, agreement or other term or provision of this Financing Agreement or any other Borrower Document.

(b) The Borrower agrees to protect and defend the Authority, current, former and future members, directors, servants, officers, employees and other agents, now or hereafter, of the Authority and the Authority Indemnified Persons (collectively, the “Indemnified Parties” and individually, the “Indemnified Party”) and further agrees to release from, pay and hold the Indemnified Parties harmless from and against any and all liabilities, losses, damages, costs, expenses (including reasonable attorneys’ fees and court costs, including those for post-judgment and appellate proceedings), judgments, claims, demands, suits, actions or other proceedings of whatsoever kind or nature (including, without limitation, those in any manner directly or indirectly arising or resulting from, out of, or in connection with, any injury to, or death of, any person or any damage to property but excluding those arising or resulting from any intentional misrepresentation or any willful and wanton misconduct of the Indemnified Party) in any manner directly or indirectly (in any case, whether or not by the Borrower or its successors and assigns, or directly or indirectly through the agents, contractors, employees, licensees, affiliates or otherwise of the Borrower or its successors and assigns) by any person or entity whatsoever except the Authority, arising or purportedly arising from:

(i) this Financing Agreement, the Project Note, the Tax Agreement, the Loans, the Deed of Trust, and the Leasehold Deed of Trust or the transactions contemplated thereby, the Project and the ownership or the operation of the Mortgaged Property and facilities, the breach or violation of or any material inaccuracy or material omission in any agreement, covenant, representation or warranty of the Borrower set forth herein or in any document delivered pursuant hereto; or

(ii) the presence of any hazardous material or underground storage tanks on or under the Mortgaged Property or any escape, seepage, leakage, spillage, discharge, emission or release of any hazardous material from its property, any liens against its property permitted under or imposed by any environmental laws, or any violation or actual or asserted liability or obligations of the Borrower under any environmental law, regardless of whether or not caused by, or within the control of, the Borrower, or any action or failure to act by an Indemnified Party with respect to any of the foregoing.

Any Indemnified Party shall give prompt written notice to the Borrower of matters with respect to which indemnification pursuant to this Section is applicable. Any Indemnified Party has the right to retain, at the Borrower’s expense, separate counsel in any lawsuit if the Indemnified Party reasonably concludes that a potential conflict of interest exists between the Authority and any named party.

The foregoing release, protection, defense, hold harmless and indemnification provisions shall not apply to any claim, proceeding or action instituted by the Borrower against the Authority relating to any warranty, representation, covenant or obligation of the Authority under this Financing Agreement or the Project Note if it is ultimately determined by a court or government agency (from which an appeal is not available or with respect to which the time for appeal has expired) that the Authority breached or violated any such warranty, representation, covenant or obligation.

Notwithstanding any provisions to the contrary in this Financing Agreement, all covenants, stipulations, promises, agreements and obligations of the Authority contained in this Financing Agreement shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Authority and not of any current, former or future member, director, officer, employee or other agent of the Authority in his or her individual capacity, and no recourse shall be had for the payment of the principal of, premium, if any, or interest on the Loans or for any claim based thereon or hereunder against any current, former or future member, director, officer, employee, or other agent of the Authority or any natural person executing this Financing Agreement.

The release and indemnification arising under this Section shall continue in full force and effect notwithstanding the full payment of all obligations under this Financing Agreement or the termination of this Financing Agreement for any reason.

**Section 6.5 Authority of Representatives.** Whenever under the provisions of this Financing Agreement the approval of the Borrower, the Authority or the Lender is required, or the Borrower, the Authority or the Lender is required to take some action at the request of either one or both of the other parties, such approval or such request shall be made by the Authorized Authority Representative, the Authorized Borrower Representative or Authorized Lender Representative, as the case may be, or the situation might require, unless otherwise specified in this Financing Agreement, and the other parties shall be authorized to act on any such approval or request. No party or parties shall have any complaint against the others as a result of any such appropriate action taken.

**Section 6.6 Right of Access.** The Borrower and the Authority agree, subject to reasonable security and safety regulations and to reasonable requirements as to notice and non-interference with operations being conducted thereon, that the Lender and its duly authorized agents shall have the right at all reasonable times to enter upon the Mortgaged Property for examination and inspection. The provisions of this Section 6.6 will not limit any access rights of the Lender under the Leasehold Deed of Trust and the Deed of Trust.

**Section 6.7 Covenants of Borrower to Authority and Lender.** The Borrower expressly covenants to the Authority and the Lender, and agrees as follows:

(a) *Compliance with Applicable Laws.* To lease, maintain and operate the Mortgaged Property in compliance with all applicable laws, including but not limited to all applicable environmental laws;

(b) *Annual Audit.* That it will have its books and records audited annually by an independent certified public accountant reasonably acceptable to the Lender as soon as practicable after the close of each fiscal year of the Borrower, and shall furnish the Lender within 120 days after the end of each fiscal year of the Borrower with a copy of the audit report (to include a statement of financial position (or balance sheet), statement of activities (or income statement), and statement of cash flows, in each case prepared in accordance with generally accepted accounting principles consistently applied throughout the period covered thereby, except as otherwise expressly noted therein) certified by such accountant and the accountant's certificate of no-default, which shall also be signed by the chief executive officer of the Borrower, stating that no event which constitutes an Event of Default under this Financing Agreement has occurred and is continuing as of the end of such fiscal year (or specifying the nature of such event), provided that the accountants' certificate may be based on the work performed in connection with the audit. Upon receipt by the Borrower of a management letter from its accountants, the Borrower will notify the Lender that such management letter has been received and is available for inspection by the Lender at the offices of the Borrower;

(c) *Other Financial Information.* That it will maintain proper books of records and accounts with full, true and correct entries of all of its dealings in accordance with generally accepted accounting principles, and that it will furnish to the Lender within 30 days after the end of each fiscal quarter, a statement of income and balance sheet. Such financial statements will be internally prepared by the Borrower and certified by the chief executive officer of the Borrower as being true, correct, and a fair presentation of the financial condition of the Borrower as of the date thereof and the results of its operations for the period covered thereby (subject to normal year-end audit adjustments);

(d) *Tax Covenants.* That it will (i) take whatever actions may be necessary to preserve, and refrain from taking any action that would result in the loss of, the tax-exempt status of the Authority's Loan, (ii) retain a rebate analyst to perform rebate calculations at least every five (5) years, and (iii) notify the Lender of the rebate analyst selected;

(e) *Records Retention.* That it will retain records relating to the use of proceeds of the Loans and the use of the tax-exempt Financed Facility for a period of four (4) years after the later of (i) payment in full of the Loans or (ii) payment in full of any refunding bonds or loans subsequently issued to refund the Loans; and

(f) *Maintenance of Existence.* That it will maintain its legal existence and domicile in the United States and shall be qualified to conduct business in the State of Colorado; provided, however, that the Borrower may consolidate with or merge into another entity or permit one or more entities to consolidate with or merge into it, provided that (i) any surviving, resulting or transferee entity shall be qualified to conduct business in the State and shall assume in writing or by operation of law all of the obligations of the Borrower under this Financing Agreement, (ii) the Lender consents to such merger or consolidation and (iii) the Borrower shall provide a written opinion of Special Counsel addressed to the Lender and the Authority that any transaction described



in this paragraph will not adversely affect the tax-exempt status of the Authority's Loan and an opinion of counsel to the Borrower addressed to the Lender and the Authority that the merger complies with all applicable law.

(g) *Notice of Default.* Immediately after the occurrence of any event that constitutes an Event of Default hereunder or which event would, with the giving of notice or passage of time or both, constitute an Event of Default (an "Unmatured Default"), the Borrower shall notify the Lender and the Authority in writing of such occurrence, which notice shall include a detailed statement by an Authorized Borrower Representative of the steps being taken by the Borrower to cure the effect of such Event of Default.

**Section 6.8 Incurrence of Indebtedness.** The Borrower covenants and agrees not to incur any Additional Indebtedness in excess of \$\_\_\_\_\_ annually, and \$ \_\_\_\_\_ in the aggregate, without the prior consent of the Lender, which consent shall not be unreasonably withheld, provided, however, that the Borrower may incur indebtedness owing to the Lender in any amount(s).

**Section 6.9 Operating Accounts.** For so long as the Authority's Loan, or any portion thereof, remains outstanding, the Borrower shall maintain all operating and depository accounts with the Lender.

(End of Article 6)

## ARTICLE 7

### EVENTS OF DEFAULT AND REMEDIES

**Section 7.1 Events of Default.** The following shall be “Events of Default” under this Financing Agreement and the term “Event of Default” or “default” shall mean, whenever used in this Financing Agreement, any one or more of the following:

(a) Failure to make any Loan Payment within fifteen (15) days after Borrower’s receipt of written notice of nonpayment from Lender or the Authority notifying Borrower that Lender did not receive a Loan Payment within fifteen (15) days after the due date of such Loan Payment.

(b) (i) Violation of Section 5.5 or (ii) the occurrence of Additional Indebtedness in violation of Section 6.8 that the Borrower does not repay in full and discharge within thirty (30) days after written notice given to the Borrower by the Lender, specifying such failure and requesting that such failure be remedied.

(c) Failure by the Borrower to pay Administration Expenses or to observe and perform in any material respect any other covenant, condition or agreement on its part to be observed or performed hereunder or under any other Borrower Document, other than those under subsections (a) and (b) of this Section, for a period of thirty (30) days after written notice given to the Borrower by the Authority or the Lender, specifying such failure and requesting that such failure be remedied, unless the Lender shall agree in writing to an extension of such period prior to its expiration; provided, however, that if the Borrower has timely commenced and is continuously proceeding with due diligence to cure the default, such period shall be extended to such reasonable period not to exceed ninety (90) days as is required to permit the Borrower’s curing such default.

(d) The entry of a decree or order for relief in respect of the Borrower in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator (or other similar official) of the Borrower or for any substantial part of the property of the Borrower or ordering the dissolution or liquidation of the affairs of the Borrower and the continuance of any such decree or order unstayed and in effect for a period of sixty (60) consecutive days.

(e) The commencement by the Borrower of a voluntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the consent by the Borrower to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian, sequestrator (or other similar official) of the Borrower or for any substantial part of the property of the Borrower, or the making by the Borrower of any assignment for the benefit of creditors, or the failure of the Borrower generally to pay its debts as such debts become due, or the taking of action by the Borrower in furtherance of any of the foregoing.

(f) Any representation or warranty made by the Borrower herein or in any other Borrower Document was untrue in any material respect when made, and, upon the knowledge thereof by an Authorized Authority Representative or an Authorized Lender Representative, the Authority or the Lender, as the case may be, provides notice to the Borrower and, if such representation and warranty is capable of being corrected, and Borrower fails to correct such representation or warranty to the reasonable satisfaction of the Authorized Authority Representative or an Authorized Lender Representative, as the case may be, within thirty (30) days after Borrower's receipt of such notice.

The provisions of subsection (c) of this Section are subject to the following limitations: if by reason of "force majeure" the Borrower is unable to carry out any performance obligation herein contained that is subject to subsection (c), other than the obligations on the part of the Borrower contained in Article 5 (other than Section 5.1) and in Sections 3.7 and 6.4 hereof, the Borrower shall not be deemed in default during the continuance of such inability and the Borrower shall have a reasonable time after cessation of the "force majeure" in which to carry out such agreements. The term "force majeure" as used herein shall mean the following: acts of God including, without limitation, winds, fires, epidemics, landslides, floods, lightning, earthquakes, hurricanes, tornadoes, storms, washouts, droughts; strikes, lockouts or other industrial disturbances; insurrections; terrorist attacks; riots; arrests; restraint of government and people; civil disturbances; explosions; breakage or accident to machinery, transmission pipes or canals; partial or entire failure of utilities; or any other cause or event not reasonably within the control of the Borrower. The Borrower agrees, however, to remedy to the best of its ability, with all reasonable dispatch, the cause or causes preventing it from carrying out its agreements; provided, that the settlement of strikes, lockouts and other industrial disturbances shall be entirely within the discretion of the Borrower, and the Borrower shall not be required to settle strikes, lockouts or other industrial disturbances by acceding to demands of the opposing party or parties when such course is in the judgment of the Borrower unfavorable.

**Section 7.2 Remedies on Default.** Whenever any Event of Default shall have happened and is continuing, the Authority and the Lender shall have the following rights and remedies:

(a) The Lender may by written notice to the Borrower and the Authority, declare an amount equal to the principal amount of the Authority's Loan and the Borrower's Loan hereunder, as evidenced by the Project Note, then unpaid, together with an amount equal to the interest accrued thereon, to be immediately due and payable and such amount shall become immediately due and payable on the date specified; provided, however, an Event of Default described in Section 7.1(d) and (e) will result in an automatic acceleration of the Borrower's Loan.

(b) The Lender or the Authority may enforce the provisions of this Financing Agreement and the Deed of Trust by appropriate legal proceedings for specific performance or for the enforcement of any other appropriate legal or equitable remedy, and/or for damages caused by any breach by the Borrower of the provisions of this Financing Agreement or the Deed of Trust, including court costs, reasonable fees of counsel, and other costs and expenses incurred in enforcing the obligations of the Borrower hereunder.

(c) The Lender may charge a default rate of interest on the Authority's Loan and the Project Note equal to the applicable interest rate plus \_\_\_\_%.

(d) The Lender may set off and apply, directly or through any of its affiliates, custodians, or participants, any and all deposits and other assets and properties at any time held in the possession, custody or control of the Lender or any of its affiliates, custodians or participants, and any indebtedness or other amount or obligation at any time owing by the Lender or any of its affiliates or participants, to or for the credit, account or benefit of the Borrower, against any and all of the obligations now or hereafter existing under this Financing Agreement or any of the other Borrower Documents.

**Section 7.3 Remedies Cumulative.** The rights and remedies of the Lender and of the Authority provided herein shall be cumulative and shall not exclude any other available rights and remedies. No failure of the Lender or the Authority to insist upon strict performance of any obligation hereunder or to exercise any remedy for any violation thereof shall be taken as a future waiver of the right to insist upon strict performance of the same or any other obligation or to exercise any remedy.

**Section 7.4 Waiver and Cure of Default.** The Borrower shall, as to a particular Event of Default, not be deemed to be in default under this Financing Agreement after the underlying event, occurrence, or failure, as the case may be, giving rise to the Event of Default has been cured and corrected in full, to the reasonable satisfaction of the Lender, and the Borrower is then otherwise in full compliance with the terms, conditions and other provisions of this Financing Agreement and the other Borrower Documents; provided, however, that any Event of Default under Section 7.1(a), in addition to being cured and corrected by the Borrower, must be waived in writing by the Lender. Notwithstanding the preceding sentence, if the Lender accepts payment in full of the past due amount after the occurrence of an Event of Default under Section 7.1(a), the Lender shall be deemed to have waived the default without the necessity of the Lender waiving such default in writing. Except as provided in the preceding sentence, the acceptance by the Lender of (a) any partial or late payment will not constitute a satisfaction or waiver of the full amount then due or the resulting Event of Default or (b) any payment during the continuance of an Event of Default will not constitute a waiver thereof; and the Lender may accept or reject any such payment without affecting any of its rights, powers, privileges, remedies and other interests under this Financing Agreement or the other Borrower Documents, or applicable law. Any Event of Default may be waived in writing (no course of action will be deemed a waiver of any Event of Default) at any time by the Authority and the Lender; provided, however, that the Lender may itself, without the Authority's consent, waive any Event of Default described in Section 7.1(b). If any agreement contained in this Financing Agreement should be breached by a party and thereafter waived by the other parties, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any future, further or other breach hereunder.

**Section 7.5 Application of Moneys.** All moneys realized through exercising the remedies provided in Section 7.2 hereof shall be first paid to the Lender and used to pay any Administration Expenses, including those incurred in the exercise of remedies, and the principal of interest and other sums on the Authority's Loan and the Project Note then due, with any remaining balance being paid to the Borrower. If the available moneys are insufficient to make

such payments in full, they shall be applied by the Lender first to the payment of installments of interest and other sums then due on the Authority's Loan and the Project Note, second to the unpaid principal of the Authority's Loan and the Project Note which shall then be due, and third to the Administration Expenses, including those incurred in the exercise of remedies.

**Section 7.6 Failure of the Lender to Perform Obligations; Restrictions on Transfer of Authority's Loan.** If the Lender shall fail to observe or perform any covenant, condition, agreement, or provision contained in this Financing Agreement, the Borrower or the Authority may take whatever legal proceedings may be required to compel full performance by the Lender of its obligations hereunder and be entitled to reimbursement by the Lender of all costs and reasonable attorney's fees incurred.

The Lender shall not transfer or sell its interest in the Authority's Loan unless (a) such sale or transfer is permitted under applicable federal and state securities laws, (b) the Lender sells or transfers its entire interest in the Authority's Loan, and (c) the purchaser or transferee of the Authority's Loan shall have delivered to the Authority an executed Investment Letter in substantially the form set forth on Exhibit B hereto.

**Section 7.7 Agreement to Pay Attorneys' Fees and Expenses.** If the Borrower should default under any of the provisions of this Financing Agreement and the Authority or the Lender should employ attorneys or incur other expenses for the collection of amounts payable hereunder or the enforcement of performance or observance of any obligation or agreement on the part of the Borrower herein contained, including the exercise of remedies under the Deed of Trust, and other collateral pledged by the Borrower hereunder, the Borrower agrees that it will on demand therefor pay to the Authority or the Lender, as the case may be, the reasonable fee of such attorneys and such other reasonable expenses incurred by the Authority or the Lender. The foregoing agreement shall remain in full force and effect notwithstanding the full payment of all obligations under this Financing Agreement or the termination of this Financing Agreement for any reason.

**Section 7.8 Rights of Town Upon Default.** Notwithstanding the foregoing, upon the occurrence of an Event of Default, the Lender shall within five days of such occurrence, provide notice to the Town, and the Town shall have the option to cure such Event of Default within 90 days after receipt of notice; provided that the Authority's Loan, the Borrower's Loan and the Project Note may still be declared due and payable as provided in this Financing Agreement prior to the expiration of such 90-day period, but such declaration shall be immediately annulled in the event Town cures the Event of Default within the 90-day period. Amounts advanced by the Town as a result of the exercise of this option to cure monetary defaults hereunder and reasonable, direct expenses of the Town advanced to cure non-monetary defaults hereunder shall be deemed to be indebtedness of the Borrower to the Town, subordinate to the Authority's Loan, Borrower's Loan and the Project Note. Such indebtedness shall not be secured by the Deed of Trust and, so long as any amount of the Authority's Loan, the Borrower's Loan or the Project Note remain outstanding the Town shall not initiate any legal action for unpaid amounts on such indebtedness without written consent of the Lender. Nothing herein shall be construed to create any obligation of the Town to cure any Event of Default.

(End of Article 7)

**ARTICLE 8**

**MISCELLANEOUS**

**Section 8.1 Term of This Financing Agreement.** This Financing Agreement shall remain in full force and effect until the Authority’s Loan and the Project Note have been paid in full and all the other rights and obligations of the parties hereunder have been satisfied. All representations, covenants, and certifications by the Borrower as to all matters affecting the tax-exempt status of the Authority’s Loan shall survive the termination of this Financing Agreement for any reason. In addition all obligations of the Borrower under Sections 6.4 and 7.7 shall survive termination of this Financing Agreement for any reason and any foreclosure (or sale in lieu thereof) under the Deed of Trust.

**Section 8.2 Notices.** All notices, certificates, requests or other communications hereunder shall be sufficiently given and shall be deemed given when mailed by registered or certified mail, return receipt requested, or delivered and receipt thereof acknowledged as follows:

if to the Authority:   Public Finance Authority  
                                  22 E. Mifflin Street, Suite 900  
                                  Madison, WI 53703  
                                  Attention: \_\_\_\_\_  
                                  or via email at: \_\_\_\_\_

with a copy to:        von Briesen & Roper, s.c  
                                  411 E. Wisconsin Avenue  
                                  Milwaukee, WI 53202  
                                  Attention: Andy Guzikowski  
                                  or via email at: [aguzikow@vonbriesen.com](mailto:aguzikow@vonbriesen.com)

if to the Borrower:   EagleBend Affordable Housing Corporation  
                                  28 Second Street, Suite 215  
                                  Edwards, CO 81632  
                                  Attention: Gerry Flynn  
                                  or via email at: [psp.co@polarstarproperties.com](mailto:psp.co@polarstarproperties.com)  
                                  or [gflynn@polarstarproperties.com](mailto:gflynn@polarstarproperties.com)

with a copy to:        Greenberg Traurig, LLP  
                                  1200 17<sup>th</sup> Street, Suite 2400  
                                  Denver, CO 80202  
                                  Attention: Michael R. McGinnis  
                                  or via email at: [mcginnism@gtlaw.com](mailto:mcginnism@gtlaw.com)

if to the Lender:      FirstBank  
                                  \_\_\_\_\_  
                                  \_\_\_\_\_  
                                  Attention: \_\_\_\_\_  
                                  or via email at: \_\_\_\_\_

with a copy to: Lewis Roca Rothgerber Christie LLP  
1200 17<sup>th</sup> Street, Suite 3000  
Denver, CO 80202  
Attention: Lindsay McKae  
or via email at: [lmckae@lrrlaw.com](mailto:lmckae@lrrlaw.com)

A duplicate copy of each notice, certificate, request or other communication given hereunder to the Authority, the Borrower or the Lender shall also be given to the others. The Authority, the Borrower and the Lender may, by notice given hereunder, designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent. Notwithstanding the foregoing, invoices, periodic statements and reports, compliance certificates, and other informal correspondence may be forwarded by electronic mail and other means as the Authority or the Lender may permit from time to time.

**Section 8.3 Assignment by the Borrower** This Financing Agreement may be assigned by the Borrower only in full and only with the prior written consent of the Lender and the Authority and the fulfillment of each of the following conditions:

(a) No assignment shall relieve the Borrower from primary liability for any of its obligations hereunder and in the event of any such assignment the Borrower shall continue to remain primarily liable for payment of the Project Note and other payments required to be made hereunder and for performance and observance of the other covenants and agreements on its part herein provided.

(b) The Lender and the Authority receive an opinion of Special Counsel in form and substance satisfactory to the Lender and the Authority that under the existing law the assignment would not adversely affect the excludability from gross income for federal income tax purposes of interest payable on the Authority's Loan.

(c) The assignee shall assume in writing the obligations of the Borrower hereunder.

(d) The Borrower shall, within thirty (30) days after the delivery thereof, furnish or cause to be furnished to the Authority and the Lender a true and complete copy of each such assumption of obligations and assignment.

**Section 8.4 Assignment and Pledge by Authority** . The Authority hereby assigns without recourse its interests in the Project Note and pledges any Loan Payments or other moneys receivable pursuant to the Project Note or otherwise under this Financing Agreement to the Lender as security for payment of the principal and interest on the Project Note, except the Unassigned Rights. The Borrower consents to such assignment and pledge. The security interest so assigned and pledged shall immediately be subject to the lien of such pledge and the obligation to perform the contractual provisions hereby made shall have priority over any or all other obligations and liabilities of the Authority with regard to the security interest so assigned and pledged, to the extent provided herein, and the lien of such assignment and pledge shall be

valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Authority irrespective of whether such parties have notice thereof.

**Section 8.5 Binding Effect.** This Financing Agreement shall inure to the benefit of and shall be binding upon the Authority, the Borrower and the Lender and their respective permitted successors and assigns.

**Section 8.6 Severability.** If any section or provision of this Financing Agreement, or any covenant, stipulation, obligation, agreement, act or action, or part thereof made, assumed, entered into or taken thereunder or any application thereof, is for any reason held to be illegal or invalid, such illegality or invalidity shall not affect the remainder thereof or any other section or provision thereof or any other covenant, stipulation, obligation, agreement, act or action or part thereof, made, assumed, entered into or taken thereunder, which shall be construed and enforced as if such illegal or invalid portion were not contained therein, nor shall such illegality or invalidity of any application thereof affect any legal and valid application thereof, and each such section, provision, covenant, stipulation, obligation, agreement, act or action, or part thereof shall be deemed to be effective, operative, made, entered into or taken in the manner and to the full extent permitted by law.

**Section 8.7 No Amendments, Changes and Modifications without Unanimous Consent.** No amendment, change or modification of this Financing Agreement is permitted without the express written consent of the Authority, the Lender, and the Borrower.

**Section 8.8 Execution in Counterparts.** This Financing Agreement may be executed in several counterparts, each of which shall be an original but all of which shall constitute but one and the same agreement.

**Section 8.9 Governing Law.** This Financing Agreement shall be governed by the laws of the State of Wisconsin.

**Section 8.10 Captions.** The captions or headings in this Financing Agreement are for convenience only and no way define, limit or describe the scope or intent of any provisions or sections of this Financing Agreement.

**Section 8.11 No Pecuniary Liability of the Authority; Authority's Performance.** The Authority shall not be obligated to pay the principal of, premium, if any, or interest on the Loans or any costs incidental thereto, except from the amount payable by the Borrower. Neither the faith and credit nor the taxing power of any Member, the State of Wisconsin or any political subdivision or agency thereof or any political subdivision approving the incurrence of the Loans, nor the faith and credit of the Authority or any Sponsor or Authority Indemnified Person, is pledged to the payment of the principal of, premium, if any, or interest on the Loans or any costs incidental thereto. The Authority has no taxing power. The Authority shall not be liable for any costs, expenses, losses, damages, claims or actions, of any conceivable kind on any conceivable theory, under or by reason of or in connection with this Financing Agreement, except only to the extent amounts are received for the payment thereof from the Borrower under this Financing Agreement, and except as may result solely from the Authority's own willful misconduct.



None of the provisions of this Financing Agreement shall require the Authority to expend or risk its own funds or otherwise to incur financial liability in the performance of any of its duties or in the exercise of any of its rights or powers hereunder, unless the Authority shall first have been adequately indemnified to its satisfaction against the cost, expense, and liability which may be incurred thereby. The Authority shall not be under any obligation hereunder to perform any administrative service with respect to the Loans or the Project (including, without limitation, record keeping and legal services), it being understood that such services shall be performed or provided by the Borrower. The Authority covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions expressly contained in this Financing Agreement; provided, however, that the Authority shall not be obligated to take any action or execute any instrument pursuant to any provision hereof unless and until it shall have (i) been requested to do so in writing by the Borrower or the Lender; (ii) received from the party requesting such action or execution assurance satisfactory to the Authority that the Authority's reasonable expenses incurred or to be incurred in connection with taking such action or executing such instrument have been or will be paid or reimbursed to the Authority; and (iii) if applicable, received in a timely manner the instrument or document to be executed, in form and substance satisfactory to the Authority. In complying with any provision herein requiring the Authority to "cause" another Person to take or omit any action, the Authority shall be entitled to rely conclusively (and without independent investigation or verification) on the faithful performance by the Borrower, as the case may be, of its obligations hereunder. In acting, or in refraining from acting under this Financing Agreement, the Authority may conclusively rely on the advice of its counsel. The Authority shall not be required to take any action hereunder or under this Financing Agreement that it reasonably believes to be unlawful.

**Section 8.12 No Violations of Law.** Any other term or provision in this Financing Agreement to the contrary notwithstanding (a) in no event shall this Financing Agreement be construed as (i) depriving the Authority of any right or privilege, or (ii) requiring the Authority or any director, officer, agent, employee, representative, or advisor of the Authority to take or omit to take, or to permit or suffer the taking of, any action by itself or by anyone else, which deprivation or requirement would violate, or result in the Authority's being in violation of the Act or any other applicable state or federal law; and (b) at no time and in no event will the Borrower permit, suffer or allow any of the proceeds of the Loans to be transferred to any person in violation of, or to be used in any manner which is prohibited by, the Act or any other state or federal law.

**Section 8.13 Payments due on Holidays.** If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Financing Agreement, shall be a legal holiday or a day on which state or national banking institutions in the city in which the principal office of the Lender is located are authorized by law to remain closed, such payment may be made or act performed or right exercised on the next succeeding day not a legal holiday or a day on which such banking institutions are not authorized by law to remain closed with the same force and effect as if done on the nominal date provided in this Financing Agreement.

**Section 8.14 Records of the Lender.** Calculation of the interest rates and all receipts of payments on the Project Note and the Loans may be recorded by the Lender on its books and

records, and such books and records will be conclusive as to the calculation, existence, and amounts thereof absent manifest error.

**Section 8.15 No Fiduciary Relationship, Etc.** The Borrower acknowledges and agrees that its relationship with the Lender under this Financing Agreement is that of debtor and creditor, respectively, and that no term or provision of this Financing Agreement or any other Borrower Document is intended to create, nor will any such term or provision be deemed or construed to have created, any joint venture, partnership, trust, agency or other fiduciary relationship among the Lender or the Borrower, or, with respect to such parties, any of their respective affiliate. The Borrower has independently reviewed and evaluated this Financing Agreement and the other Borrower Documents, the transactions contemplated hereunder and thereunder, and the potential effects of such transactions on the assets and properties (including the Collateral), business, operations and conditions (financial or otherwise) of the Borrower and its respective affiliates.

### **Section 8.16 Town's Rights**

(a) The Borrower covenants and agrees that all activities of the Borrower shall be undertaken for the benefit of the Town. Upon termination of this Financing Agreement, the Town shall be entitled to acquire title to the Financed Facility without cost.

(b) In furtherance of the Project Agreement, the Town is hereby granted the right to obtain, at any time, fee title and exclusive possession of property (including the Financed Facility) financed by obligations of the Borrower (including the Borrower's Loan) free from liens and encumbrances created by the Borrower related to the Borrower's Loan (but subject to other permitted encumbrances), and any additions to such property by (i) placing into escrow an amount that will be sufficient to defease such Borrower's Loan and other obligations, and (ii) paying reasonable costs incident to the defeasance. The Town, at any time before it defeases such obligations, shall not agree or otherwise be obligated to convey any interest in such property to any person (including the United States of America or its agencies or instrumentalities) for any period extending beyond or beginning after the Town defeases such obligations. In addition, the Town shall not agree or otherwise be obligated to convey a fee interest in such property to any person (or a related person) who was a user thereof before the defeasance, within 90 days after the Town defeases such obligations.

(c) If the Town exercises its option under subsection (b) hereof, the Borrower and the Authority shall immediately cancel all encumbrances on such property, including all leases and management agreements (subject to permitted encumbrances as aforesaid). Any lease, management contract, or similar encumbrance on such property will be considered immediately cancelled if the lessee, management company, or other user vacates such property within a reasonable period of time, not to exceed 90 days, after the date the Town exercises its rights under subsection (b) above.

(d) Upon the occurrence of an Event of Default hereunder, the Borrower shall cause the Lender to provide notice immediately to the Town, and the Town shall have the option to cure such Event of Default within 90 days after receipt of such notice. Amounts advanced by the Town as a result of the exercise of this option to cure such monetary defaults hereunder and

reasonable, direct expenses of the Town advanced to cure nonmonetary defaults shall be deemed to be indebtedness of the Borrower to the Town and which indebtedness shall bear interest at the annual rate of eight percent (8%).

(e) In addition to the foregoing, if the Lender commences any foreclosure proceeding or other action is commenced under the Deed of Trust and leasehold Deed of Trust which could lead to the sale or other disposition of the property pledged thereunder, the Town is hereby granted an exclusive option to purchase all such property (including the Financed Facility) for the amount of the outstanding indebtedness of the Borrower relating to the Financed Facility and accrued interest to the date of default. The Trustee shall provide notice to the Town of the commencement of any such action within 10 days of the occurrence thereof. The Town shall have no less than 90 days from the date it is notified by the Lender of such action in which to both exercise the option and purchase the property. The Lender shall be required to take any action necessary, including submission of requests for continuance of foreclosure to the Public Trustee of Eagle County, Colorado, in order to ensure that the foreclosure sale does not occur prior to the expiration of the 90 day period referred to herein. Other than the foregoing requirement, the provisions of this Section 8.14 are not intended and shall not be interpreted so as to limit the Lender's rights to pursue their remedies hereunder and under the Deed of Trust.

(f) In the event the Town exercises its options under subsection (b) or (e) hereof, the Town shall receive a credit towards its defeasance or purchase costs in the amount of any fund or account balances required to be held under this Financing Agreement with the exception of (i) an amount representing operation and maintenance expenses required by the Borrower's current operating budget through the date of defeasance or purchase, and (ii) any amount needed to pay additional interest on the Borrower's Loan or expenses in connection with such defeasance under this Section 8.16.

(g) Unencumbered fee title (subject to certain Permitted Encumbrances as aforesaid) to the Financed Facility and any additions thereto and exclusive possession and use thereof will vest in the Town without demand or further action on its part when all obligations issued under this Financing Agreement are discharged. For purposes of this subsection (g), such obligations will be discharged when (i) cash is available at the place of payment on the date that the obligations are due (whether at maturity or upon call for redemption) and (ii) interest ceases to accrue on the obligations. All leases, management contracts and similar encumbrances on the Financed Facility shall terminate upon discharge of said obligations. Encumbrances that do not significantly interfere with the enjoyment of such property, such as most easements granted to utility companies, are not considered encumbrances for purposes of this Section.

(End of Article 8)

IN WITNESS WHEREOF, the Authority, the Lender and the Borrower have caused this Financing Agreement to be executed in their respective corporate names and have caused their respective corporate seals, if any, to be hereunto affixed and attested by their duly authorized officers, as of the date first written above.

**PUBLIC FINANCE AUTHORITY**

By: \_\_\_\_\_

ATTEST:

\_\_\_\_\_

IN WITNESS WHEREOF, the Authority, the Lender and the Borrower have caused this Financing Agreement to be executed in their respective corporate names and have caused their respective corporate seals, if any, to be hereunto affixed and attested by their duly authorized officers, as of the date first written above.

**FIRSTBANK**

By: \_\_\_\_\_  
Authorized Officer

IN WITNESS WHEREOF, the Authority, the Lender and the Borrower have caused this Financing Agreement to be executed in their respective corporate names and have caused their respective corporate seals, if any, to be hereunto affixed and attested by their duly authorized officers, as of the date first written above.

**EAGLEBEND AFFORDABLE HOUSING  
CORPORATION**

Borrower

By: \_\_\_\_\_  
President

**EXHIBIT A**  
**MORTGAGED PROPERTY**  
**IMPROVEMENTS**

[A specific description to be provided]

## EXHIBIT B

### FORM OF INVESTMENT LETTER

Public Finance Authority  
22 E. Mifflin Street, Suite 900  
Madison, WI 53703

Greenberg Traurig, LLP  
1200 Seventeenth Street, Suite 2400  
Denver, CO 80202

\$ \_\_\_\_\_  
Public Finance Authority  
Financing Agreement Revenue Loan Obligation  
(EagleBend Affordable Housing Project)  
Series 2017

Ladies and Gentlemen:

Reference is made to the Financing Agreement dated \_\_\_\_\_, 2017 (the “Financing Agreement”), by and among the Public Finance Authority (the “Authority”), EagleBend Affordable Housing Corporation (the “Borrower”) and FirstBank (the “Lender”). Capitalized terms defined in the Financing Agreement but not defined herein shall have the same meanings given to them in the Financing Agreement unless the context shall clearly otherwise require.

In connection with the Lender’s making of a loan to the Authority under the Financing Agreement on the date hereof (the “Authority’s Loan”), the undersigned does hereby certify as follows:

(1) The undersigned is an “accredited investor” within the meaning of Rule 501 of Regulation D promulgated under the Securities Act of 1933, as amended (the “Securities Act”). The undersigned is making the Authority’s Loan for its own account and does not presently intend to sell or otherwise convey the Authority’s Loan or any interest therein, in whole or in part.

(2) The undersigned acknowledges that the Financing Agreement has not been and will not be registered under the Securities Act and that any future offer, resale, pledge or other transfer of the Financing Agreement or the Authority’s Loan represented by the Financing Agreement will be subject to the transfer restrictions set forth in the Financing Agreement.

(3) The undersigned acknowledges that (a) the Financing Agreement and the Authority’s Loan thereunder constitute a special, limited obligation of the Authority, payable solely from payments made by the Borrower pursuant to the Financing Agreement and security pledged by the Borrower thereunder, (b) the Authority’s Loan shall not constitute a debt or indebtedness or multiple fiscal-year direct or indirect financial obligation whatsoever of the



Authority within the meaning of any constitutional or statutory limitation or restriction, and (c) the Authority's Loan does not constitute a debt or liability of or charge against the general credit or taxing power of the State of Wisconsin, its legislature or any counties, municipalities, political subdivisions or agencies thereof. The undersigned acknowledges that neither the Authority nor any of its board members, officers or employees take any responsibility for, and the undersigned is not relying upon any of such parties, with respect to information provided to the undersigned relating to the Borrower.

(4) The undersigned has had the opportunity to ask questions of, and request and review additional information from, the Borrower regarding all matters that the undersigned considered to be relevant to the undersigned's decision to make the Authority's Loan.

(5) The Lender has done all things necessary to make the Authority's Loan and can bear the economic risk associated with the making of the Authority's Loan and has such knowledge and experience in business and financial matters so as to be capable of evaluating the merits and risks of making the Authority's Loan.

This letter and the statements contained herein are made for your benefit.

**FIRSTBANK**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Dated: \_\_\_\_\_, 2017

**EXHIBIT C**

**FORM OF NOTE FROM THE BORROWER TO THE AUTHORITY  
WITH ASSIGNMENTS FROM THE AUTHORITY TO THE LENDER**

**PROMISSORY NOTE**

THIS PROJECT PROMISSORY NOTE HAS NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED

<u>Principal Amount</u>	<u>Date of Note</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
[\$29,000,000]	_____, 2017	_____, 2047	(See below)

EagleBend Affordable Housing Corporation (the “Borrower”), a Colorado nonprofit corporation, for value received, promises to pay to the Public Finance Authority (the “Authority”) the principal sum not to exceed:

[TWENTY-NINE] MILLION DOLLARS (\$[29,000,000])

at the times and in the amounts set forth in the Financing Agreement and Appendix A attached hereto, and to pay interest, on a \_\_\_\_\_ basis, on the outstanding principal amount, at a rate of interest equal to 3.84% per annum from the date of this Project Note through \_\_\_\_\_, 2035, and thereafter at an interest rate per annum equal to \_\_\_\_\_, in the amounts set forth in the Financing Agreement and in Appendix A attached hereto, and all other amounts due under the Financing Agreement.

This Project Note has been executed and delivered by the Borrower pursuant to a certain Financing Agreement dated \_\_\_\_\_, 2017 (the “Financing Agreement”), by and among the Authority, the Borrower and FirstBank, its successors and assigns (the “Lender”). Terms used but not defined herein shall have the meanings ascribed to such terms in the Financing Agreement.

Under the Financing Agreement, the Authority has loaned to the Borrower (the “Borrower’s Loan”) the proceeds received by the Authority from the loan made by the Lender as described and set forth in the Financing Agreement (the “Authority’s Loan”), to be applied to assist the Borrower in the financing of the Project. The Borrower has agreed to repay the Borrower’s Loan by making Loan Payments at the times and in the amounts set forth in this Project Note. The Borrower’s Loan has been entered into by the Borrower concurrently with the execution and delivery of this Project Note, pursuant to the Financing Agreement.

All Loan Payments shall be payable in lawful money of the United States of America, in immediately available funds, and shall be made to the Lender at \_\_\_\_\_, Colorado, \_\_\_\_\_, or through such other means as the Lender may reasonably require, for the account of the Authority and used as provided in the Financing Agreement. The Borrower will completely pay and discharge the prior loans that are the subject of the Project and pay the costs related to the Loans.

The obligation of the Borrower to make the payments required hereunder shall be absolute and unconditional and the Borrower shall make such payments without abatement, diminution or deduction regardless of any cause or circumstances whatsoever including, without limitation, any defense, set-off recoupment or counterclaim which the Borrower may have or assert against the Authority, the Lender or any other person.

This Project Note is subject to optional prepayment, in whole or in part, upon the terms and conditions set forth in Article 3 of the Financing Agreement. Any optional prepayment is also subject to satisfaction of any applicable notice, deposit or other requirements set forth in the Financing Agreement.

Whenever an Event of Default under the Financing Agreement shall have occurred, (a) the Lender may charge a default rate of interest as provided in the Financing Agreement and (b) the unpaid principal amount of and any premium and accrued interest on this Project Note may be declared or may become due and payable as provided in the Financing Agreement; provided that any annulment of a declaration of acceleration with respect to the Authority's Loan under the Financing Agreement shall also constitute an annulment of any corresponding declaration with respect to this Project Note.

The Borrower hereby waives presentment for payment, demand, protest, notice of protest, notice of dishonor and all defenses on the grounds of extension of time of payment for the payment hereof which may be given (other than in writing) by the Lender.

The Borrower hereby certifies that all conditions, acts and things required to exist, happen and be performed precedent to and in the issuance of this Project Note, exist, have happened and have been performed, and that the issuance of this Project Note has been duly authorized by the Borrower.

IN WITNESS WHEREOF, the Borrower has executed this Project Note as of the date first above written.

**EAGLEBEND AFFORDABLE HOUSING  
CORPORATION**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**ENDORSEMENT AND ASSIGNMENT**

FOR VALUE RECEIVED, the Public Finance Authority (the "Authority"), hereby endorses and sells, assigns and transfers, without recourse, unto FirstBank, Denver, Colorado, as Lender under the Financing Agreement dated \_\_\_\_\_, 2017, by and among the Authority, the Lender and the Borrower, the within Project Note and all rights thereunder.

IN WITNESS WHEREOF, the undersigned has set his hand as of the \_\_\_\_ day of \_\_\_\_\_, 2017.

**PUBLIC FINANCE AUTHORITY**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: Chairman of the Board of Directors

**APPENDIX A**  
**AMORTIZATION SCHEDULE**



**FIRSTBANK COMMERCIAL MORTGAGE LOAN  
INTEREST RATE LOCK AGREEMENT**

<b>Applicant(s):</b>	<u>EagleBend Affordable Housing Corp</u>
<b>Property Address:</b>	<u>10 Stonebridge Dr., Avon, CO 81620</u>
<b>Loan Amount:</b>	<u>\$29,500,000</u>
<b>Estimated LTV:</b>	<u>54.00%</u>

**LOCK AGREEMENT TERMS:**

Your interest rate can be locked during normal business hours on any business day prior to your scheduled closing. A loan rate lock fee of \$50,000 is required when you exercise this option. This interest rate commitment will be held for 90 days from the date of this lock agreement. The \$50,000 rate lock fee will be credited to you at closing. If your loan does not close within the 90-day period, this lock agreement will expire and your loan application will be subject to current market interest rates. In addition, your rate lock fee may be forfeited and should you choose to lock a new interest rate. If your application is not approved, your \$50,000 rate lock fee will be refunded.

You may extend your lock period for an additional 30 days for a .125% lock extension fee. The lock extension fee is in addition to your \$50,000 rate lock fee and is NON-REFUNDABLE. The lock extension fee is a fee paid directly to FirstBank for extending the 90-day lock period and is not applied to your closing costs.

Please lock the interest rate for my FirstBank loan at 3.84 % for the INITIAL INTEREST RATE PERIOD (see below), with a \$50,000 origination fee, and a N/A % lock extension fee (if applicable). In addition, I agree to a rate lock fee of 1% (one-percent) of the loan amount to hold this interest rate and understand that this amount may be NON-REFUNDABLE (see terms outlined above). I understand that any lock extension fee paid by me to extend the lock period beyond 90 days is NON-REFUNDABLE. The interest rate will be locked from the date of this agreement for the number of calendar days indicated below.

Please Check One:

- 90-Day Interest Rate Lock Period (1% Rate Lock Fee)
- Additional 30-Day Interest Rate Lock Period (1% Rate Lock Fee + .125% Lock Extension Fee)

LOAN TERM: 30 years

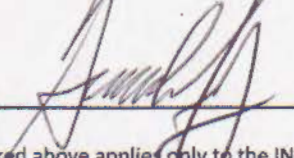
AMORTIZATION PERIOD: 35 years

INITIAL INTEREST RATE PERIOD: 18 years

FUTURE RATE ADJUSTMENT INDEX: TBD -year Treasury Index

FUTURE RATE ADJUSTMENT MARGIN: TBD %

MINIMUM RATE FOR TERM OF LOAN: 3.84 %

Date: 3/15/17 Applicant:  PRESIDENT

Note on adjustable rate loans: the interest rate quoted and locked above applies only to the INITIAL INTEREST RATE PERIOD.

**NOTE ON ALL LOAN TYPES:** additional and/or updated financial information may be required from you. Significant changes in your financial condition disclosed in the updated documents could cause retraction of the loan approval.

Should you not lock your interest rate until the loan is approved and scheduled for closing, the initial interest rate will be determined five business days prior to closing.

The applicant is responsible for reimbursing the bank for any and all costs incurred by the bank as a result of the credit application (including but not limited to appraisal fees, attorney's fees, etc.)

**ATTACHMENT 4  
MEMORANDUM**

**To:** Virginia Egger  
**From:** Dee Wisor  
**Date:** May 3, 2017  
**Subject:** EagleBend Affordable Housing Project

You have asked me to summarize options for the Town to finance the acquisition of the EagleBend Affordable Housing Project (the “Project”). There are three options for the Town to do so which do not require having an election which could not be held until November 7, 2017 due to limitations in the Taxpayers Bill of Rights (“TABOR”) in Article X, Section 20 of the Colorado Constitution:

1. Town Housing Enterprise Revenue Bonds.
2. An annually appropriated lease purchase agreement financing with the issuance of Certificates of Participation (“COPs”).
3. Housing Authority Revenue Bonds.

I will describe these options in more detail below.

Housing Enterprise Revenue Bonds

Pursuant to 14.4 of the Town Charter, the Town may issue revenue bonds payable from the net revenues of the Project without an election. TABOR also provides that enterprise revenue bonds may be issued without an election. A TABOR enterprise is a government owned business authorized to issue revenue bonds, which does not receive more than 10% of its annual revenues in the form of grants from the State of Colorado or Colorado local governments (including the Town). While not legally required, it is a best practice for the Town Council to adopt a resolution establishing a Town Housing Enterprise Fund. The Town Council authorizes the issuance of the bonds by adopting an ordinance. A Colorado Supreme Court case holds that the Town may not additionally secure the enterprise revenue bonds with a deed of trust or mortgage without voter approval.

Lease Purchase Agreement and COPs

Pursuant to Section 14.9 of the Town Charter, the Town Council may finance the Project by entering into a lease purchase agreement (the “Lease”). The Lease would provide that the obligation to make rental payments is subject to the Town Council annually appropriating sufficient funds. The structure of the financing would likely involve a trust department of a



commercial bank issuing COPs (payable from the rental payments under the Lease) to investors in order to acquire the Project and then entering into the Lease with the Town. If the Town makes all rental payments over the term of the Lease, title to the Project will automatically transfer to the Town.

### Housing Authority Revenue Bonds

Title 29, Article 4, Part 2 of the Colorado Revised Statutes permits municipalities to create a housing authority (the “Authority”). The process to create an Authority is set forth in C.R.S. §29-4-204 and is as follows:

1. Twenty-five residents of the Town file a petition with the Town Clerk setting forth that there is a need for an Authority to function in the Town.
2. Upon the filing of such a petition, the Town Clerk gives notice of the time, place, and purposes of a public hearing at which the Council will determine the need for such an Authority in the Town. The notice is given by publishing a notice, at least ten days preceding the day on which the hearing is to be held, in a newspaper having a general circulation in the Town, or, if there is no such newspaper, by posting such a notice in at least three public places within the Town at least ten days preceding the day on which the hearing is to be held.
3. After such a hearing, the Council must determine:
  - a. Whether unsanitary or unsafe inhabited dwelling accommodations exist in the Town; or
  - b. Whether there is a lack of safe or sanitary dwelling accommodations in the Town available for all the inhabitants thereof.
4. If the Council makes the necessary findings, then the Council must adopt a resolution so finding.

The Authority is governed by Commissioners. There are two governance choices. One is for the Town Council to act as the Commissioners. The second is for the Mayor to appoint up to nine Commissioners. The number of Commissioners must be specified by the Council in the resolution creating the Authority. No more than one Town official may be a Commissioner.

The Authority may, without an election, and pursuant to a resolution issue revenue bonds payable from the net revenues of the Project in order to finance the Project. The Authority may additionally secure the bonds with a mortgage or deed of trust.

In general, any project the Authority undertakes must substantially benefit persons of low income, but if it does the Authority may also rent to other persons without regard to income. The Authority shall not accept any family as a tenant in dwelling accommodations that are provided

for persons of low income if the family has a net annual income in excess of five times the annual rental of the dwelling accommodations to be furnished, after allowing all exemptions available to families occupying dwellings in low rent housing authorized under the act of Congress of the United States known as the "United States Housing Act of 1937", as amended.

If the Town does not wish to create its own Authority, a similar option would be for the existing Eagle County Housing Authority to issue revenue bonds to finance the Project.

DPW:jw

# ATTACHMENT 5

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Series 2017 (20 years @ 4.25%)  
Tax-exempt Non-rated Revenue Issue

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SOURCES AND USES OF FUNDS

Town of Avon (EagleBend Housing)  
Series 2017 (20 years @ 4.25%)  
Tax-exempt Non-rated Revenue Issue

Dated Date 09/01/2017  
Delivery Date 09/01/2017

Sources:

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Bond Proceeds:	
Par Amount	27,025,000.00
Other Sources of Funds:	
2006A&C DSRF	370,450.00
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	27,395,450.00

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Uses:

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Project Fund Deposits:	
Project Fund	13,000,000.00
Other Fund Deposits:	
Debt Service Reserve Fund	2,035,162.50
Cost of Issuance:	
Other Cost of Issuance	405,375.00
Other Delivery Date Expenses:	
Swap Termination Payment	1,500,000.00
Other Uses of Funds:	
Repayment of 2006A&C Bonds	10,453,340.00
Additional Proceeds	<u>1,572.50</u>
	10,454,912.50
	<hr/>
	27,395,450.00

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BOND DEBT SERVICE

Town of Avon (EagleBend Housing)  
 Series 2017 (20 years @ 4.25%)  
 Tax-exempt Non-rated Revenue Issue

Period Ending	Principal	Coupon	Interest	Debt Service
12/01/2017			287,140.63	287,140.63
12/01/2018	885,000	4.250%	1,148,562.50	2,033,562.50
12/01/2019	920,000	4.250%	1,110,950.00	2,030,950.00
12/01/2020	960,000	4.250%	1,071,850.00	2,031,850.00
12/01/2021	1,000,000	4.250%	1,031,050.00	2,031,050.00
12/01/2022	1,045,000	4.250%	988,550.00	2,033,550.00
12/01/2023	1,090,000	4.250%	944,137.50	2,034,137.50
12/01/2024	1,135,000	4.250%	897,812.50	2,032,812.50
12/01/2025	1,185,000	4.250%	849,575.00	2,034,575.00
12/01/2026	1,235,000	4.250%	799,212.50	2,034,212.50
12/01/2027	1,285,000	4.250%	746,725.00	2,031,725.00
12/01/2028	1,340,000	4.250%	692,112.50	2,032,112.50
12/01/2029	1,400,000	4.250%	635,162.50	2,035,162.50
12/01/2030	1,455,000	4.250%	575,662.50	2,030,662.50
12/01/2031	1,520,000	4.250%	513,825.00	2,033,825.00
12/01/2032	1,585,000	4.250%	449,225.00	2,034,225.00
12/01/2033	1,650,000	4.250%	381,862.50	2,031,862.50
12/01/2034	1,720,000	4.250%	311,737.50	2,031,737.50
12/01/2035	1,795,000	4.250%	238,637.50	2,033,637.50
12/01/2036	1,870,000	4.250%	162,350.00	2,032,350.00
12/01/2037	1,950,000	4.250%	82,875.00	2,032,875.00
	27,025,000		13,919,015.63	40,944,015.63

BOND PRICING

Town of Avon (EagleBend Housing)  
 Series 2017 (20 years @ 4.25%)  
 Tax-exempt Non-rated Revenue Issue

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Term Bond:					
	12/01/2018	885,000	4.250%	4.250%	100.000
	12/01/2019	920,000	4.250%	4.250%	100.000
	12/01/2020	960,000	4.250%	4.250%	100.000
	12/01/2021	1,000,000	4.250%	4.250%	100.000
	12/01/2022	1,045,000	4.250%	4.250%	100.000
	12/01/2023	1,090,000	4.250%	4.250%	100.000
	12/01/2024	1,135,000	4.250%	4.250%	100.000
	12/01/2025	1,185,000	4.250%	4.250%	100.000
	12/01/2026	1,235,000	4.250%	4.250%	100.000
	12/01/2027	1,285,000	4.250%	4.250%	100.000
	12/01/2028	1,340,000	4.250%	4.250%	100.000
	12/01/2029	1,400,000	4.250%	4.250%	100.000
	12/01/2030	1,455,000	4.250%	4.250%	100.000
	12/01/2031	1,520,000	4.250%	4.250%	100.000
	12/01/2032	1,585,000	4.250%	4.250%	100.000
	12/01/2033	1,650,000	4.250%	4.250%	100.000
	12/01/2034	1,720,000	4.250%	4.250%	100.000
	12/01/2035	1,795,000	4.250%	4.250%	100.000
	12/01/2036	1,870,000	4.250%	4.250%	100.000
	12/01/2037	1,950,000	4.250%	4.250%	100.000
		27,025,000			

Dated Date	09/01/2017	
Delivery Date	09/01/2017	
First Coupon	12/01/2017	
Par Amount	27,025,000.00	
Original Issue Discount		
Production	27,025,000.00	100.000000%
Underwriter's Discount		
Purchase Price	27,025,000.00	100.000000%
Accrued Interest		
Net Proceeds	27,025,000.00	

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SOURCES AND USES OF FUNDS

Town of Avon (EagleBend Housing)  
Series 2017 (20 years @ 4.4%)  
Tax-exempt Non-rated Revenue Issue

Dated Date 09/01/2017  
Delivery Date 09/01/2017

Sources:

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Bond Proceeds:	
Par Amount	27,055,000.00
Other Sources of Funds:	
2006A&C DSRF	370,450.00
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	27,425,450.00

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Uses:

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Project Fund Deposits:	
Project Fund	13,000,000.00
Other Fund Deposits:	
Debt Service Reserve Fund	2,064,480.00
Cost of Issuance:	
Other Cost of Issuance	405,825.00
Other Delivery Date Expenses:	
Swap Termination Payment	1,500,000.00
Other Uses of Funds:	
Repayment of 2006A&C Bonds	10,453,340.00
Additional Proceeds	<hr/> 1,805.00
	10,455,145.00
	<hr/>
	27,425,450.00

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BOND DEBT SERVICE

Town of Avon (EagleBend Housing)  
 Series 2017 (20 years @ 4.4%)  
 Tax-exempt Non-rated Revenue Issue

Period Ending	Principal	Coupon	Interest	Debt Service
12/01/2017			297,605	297,605
12/01/2018	870,000	4.400%	1,190,420	2,060,420
12/01/2019	910,000	4.400%	1,152,140	2,062,140
12/01/2020	950,000	4.400%	1,112,100	2,062,100
12/01/2021	990,000	4.400%	1,070,300	2,060,300
12/01/2022	1,035,000	4.400%	1,026,740	2,061,740
12/01/2023	1,080,000	4.400%	981,200	2,061,200
12/01/2024	1,130,000	4.400%	933,680	2,063,680
12/01/2025	1,180,000	4.400%	883,960	2,063,960
12/01/2026	1,230,000	4.400%	832,040	2,062,040
12/01/2027	1,285,000	4.400%	777,920	2,062,920
12/01/2028	1,340,000	4.400%	721,380	2,061,380
12/01/2029	1,400,000	4.400%	662,420	2,062,420
12/01/2030	1,460,000	4.400%	600,820	2,060,820
12/01/2031	1,525,000	4.400%	536,580	2,061,580
12/01/2032	1,595,000	4.400%	469,480	2,064,480
12/01/2033	1,665,000	4.400%	399,300	2,064,300
12/01/2034	1,735,000	4.400%	326,040	2,061,040
12/01/2035	1,810,000	4.400%	249,700	2,059,700
12/01/2036	1,890,000	4.400%	170,060	2,060,060
12/01/2037	1,975,000	4.400%	86,900	2,061,900
	27,055,000		14,480,785	41,535,785



BOND PRICING

Town of Avon (EagleBend Housing)  
 Series 2017 (20 years @ 4.4%)  
 Tax-exempt Non-rated Revenue Issue

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Term Bond:					
	12/01/2018	870,000	4.400%	4.400%	100.000
	12/01/2019	910,000	4.400%	4.400%	100.000
	12/01/2020	950,000	4.400%	4.400%	100.000
	12/01/2021	990,000	4.400%	4.400%	100.000
	12/01/2022	1,035,000	4.400%	4.400%	100.000
	12/01/2023	1,080,000	4.400%	4.400%	100.000
	12/01/2024	1,130,000	4.400%	4.400%	100.000
	12/01/2025	1,180,000	4.400%	4.400%	100.000
	12/01/2026	1,230,000	4.400%	4.400%	100.000
	12/01/2027	1,285,000	4.400%	4.400%	100.000
	12/01/2028	1,340,000	4.400%	4.400%	100.000
	12/01/2029	1,400,000	4.400%	4.400%	100.000
	12/01/2030	1,460,000	4.400%	4.400%	100.000
	12/01/2031	1,525,000	4.400%	4.400%	100.000
	12/01/2032	1,595,000	4.400%	4.400%	100.000
	12/01/2033	1,665,000	4.400%	4.400%	100.000
	12/01/2034	1,735,000	4.400%	4.400%	100.000
	12/01/2035	1,810,000	4.400%	4.400%	100.000
	12/01/2036	1,890,000	4.400%	4.400%	100.000
	12/01/2037	1,975,000	4.400%	4.400%	100.000
		27,055,000			

Dated Date	09/01/2017	
Delivery Date	09/01/2017	
First Coupon	12/01/2017	
Par Amount	27,055,000.00	
Original Issue Discount		
Production	27,055,000.00	100.000000%
Underwriter's Discount		
Purchase Price	27,055,000.00	100.000000%
Accrued Interest		
Net Proceeds	27,055,000.00	

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Series 2017 (25 years @ 5.00%)  
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SOURCES AND USES OF FUNDS

Town of Avon (EagleBend Housing)  
Series 2017 (25 years @ 5.00%)  
Tax-exempt Non-rated Revenue Issue

Dated Date 09/01/2017  
Delivery Date 09/01/2017

Sources:

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Bond Proceeds:	
Par Amount	26,900,000.00
Other Sources of Funds:	
2006A&C DSRF	370,450.00
	<hr/>
	27,270,450.00

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Uses:

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Project Fund Deposits:	
Project Fund	13,000,000.00
Other Fund Deposits:	
Debt Service Reserve Fund	1,911,000.00
Cost of Issuance:	
Other Cost of Issuance	403,500.00
Other Delivery Date Expenses:	
Swap Termination Payment	1,500,000.00
Other Uses of Funds:	
Repayment of 2006A&C Bonds	10,453,340.00
Additional Proceeds	<u>2,610.00</u>
	10,455,950.00
	<hr/>
	27,270,450.00

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BOND DEBT SERVICE

Town of Avon (EagleBend Housing)  
 Series 2017 (25 years @ 5.00%)  
 Tax-exempt Non-rated Revenue Issue

Period Ending	Principal	Coupon	Interest	Debt Service
12/01/2017			336,250	336,250
12/01/2018	565,000	5.000%	1,345,000	1,910,000
12/01/2019	590,000	5.000%	1,316,750	1,906,750
12/01/2020	620,000	5.000%	1,287,250	1,907,250
12/01/2021	650,000	5.000%	1,256,250	1,906,250
12/01/2022	685,000	5.000%	1,223,750	1,908,750
12/01/2023	720,000	5.000%	1,189,500	1,909,500
12/01/2024	755,000	5.000%	1,153,500	1,908,500
12/01/2025	795,000	5.000%	1,115,750	1,910,750
12/01/2026	835,000	5.000%	1,076,000	1,911,000
12/01/2027	875,000	5.000%	1,034,250	1,909,250
12/01/2028	920,000	5.000%	990,500	1,910,500
12/01/2029	965,000	5.000%	944,500	1,909,500
12/01/2030	1,010,000	5.000%	896,250	1,906,250
12/01/2031	1,065,000	5.000%	845,750	1,910,750
12/01/2032	1,115,000	5.000%	792,500	1,907,500
12/01/2033	1,170,000	5.000%	736,750	1,906,750
12/01/2034	1,230,000	5.000%	678,250	1,908,250
12/01/2035	1,290,000	5.000%	616,750	1,906,750
12/01/2036	1,355,000	5.000%	552,250	1,907,250
12/01/2037	1,425,000	5.000%	484,500	1,909,500
12/01/2038	1,495,000	5.000%	413,250	1,908,250
12/01/2039	1,570,000	5.000%	338,500	1,908,500
12/01/2040	1,650,000	5.000%	260,000	1,910,000
12/01/2041	1,730,000	5.000%	177,500	1,907,500
12/01/2042	1,820,000	5.000%	91,000	1,911,000
	26,900,000		21,152,500	48,052,500

BOND PRICING

Town of Avon (EagleBend Housing)  
 Series 2017 (25 years @ 5.00%)  
 Tax-exempt Non-rated Revenue Issue

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Term Bond:					
	12/01/2018	565,000	5.000%	5.000%	100.000
	12/01/2019	590,000	5.000%	5.000%	100.000
	12/01/2020	620,000	5.000%	5.000%	100.000
	12/01/2021	650,000	5.000%	5.000%	100.000
	12/01/2022	685,000	5.000%	5.000%	100.000
	12/01/2023	720,000	5.000%	5.000%	100.000
	12/01/2024	755,000	5.000%	5.000%	100.000
	12/01/2025	795,000	5.000%	5.000%	100.000
	12/01/2026	835,000	5.000%	5.000%	100.000
	12/01/2027	875,000	5.000%	5.000%	100.000
	12/01/2028	920,000	5.000%	5.000%	100.000
	12/01/2029	965,000	5.000%	5.000%	100.000
	12/01/2030	1,010,000	5.000%	5.000%	100.000
	12/01/2031	1,065,000	5.000%	5.000%	100.000
	12/01/2032	1,115,000	5.000%	5.000%	100.000
	12/01/2033	1,170,000	5.000%	5.000%	100.000
	12/01/2034	1,230,000	5.000%	5.000%	100.000
	12/01/2035	1,290,000	5.000%	5.000%	100.000
	12/01/2036	1,355,000	5.000%	5.000%	100.000
	12/01/2037	1,425,000	5.000%	5.000%	100.000
	12/01/2038	1,495,000	5.000%	5.000%	100.000
	12/01/2039	1,570,000	5.000%	5.000%	100.000
	12/01/2040	1,650,000	5.000%	5.000%	100.000
	12/01/2041	1,730,000	5.000%	5.000%	100.000
	12/01/2042	1,820,000	5.000%	5.000%	100.000
		26,900,000			

Dated Date	09/01/2017	
Delivery Date	09/01/2017	
First Coupon	12/01/2017	
Par Amount	26,900,000.00	
Original Issue Discount		
Production	26,900,000.00	100.000000%
Underwriter's Discount		
Purchase Price	26,900,000.00	100.000000%
Accrued Interest		
Net Proceeds	26,900,000.00	

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SOURCES AND USES OF FUNDS

Town of Avon (EagleBend Housing)  
Series 2017 (25 years @ 5.15%)  
Tax-exempt Non-rated Revenue Issue

Dated Date 09/01/2017  
Delivery Date 09/01/2017

Sources:

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Bond Proceeds:	
Par Amount	26,930,000.00
Other Sources of Funds:	
2006A&C DSRF	370,450.00
	<hr/>
	27,300,450.00

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Uses:

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Project Fund Deposits:	
Project Fund	13,000,000.00
Other Fund Deposits:	
Debt Service Reserve Fund	1,941,947.50
Cost of Issuance:	
Other Cost of Issuance	403,950.00
Other Delivery Date Expenses:	
Swap Termination Payment	1,500,000.00
Other Uses of Funds:	
Repayment of 2006A&C Bonds	10,453,340.00
Additional Proceeds	<u>1,212.50</u>
	10,454,552.50
	<hr/>
	27,300,450.00

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BOND DEBT SERVICE

Town of Avon (EagleBend Housing)  
 Series 2017 (25 years @ 5.15%)  
 Tax-exempt Non-rated Revenue Issue

Period Ending	Principal	Coupon	Interest	Debt Service
12/01/2017			346,723.75	346,723.75
12/01/2018	555,000	5.150%	1,386,895.00	1,941,895.00
12/01/2019	580,000	5.150%	1,358,312.50	1,938,312.50
12/01/2020	610,000	5.150%	1,328,442.50	1,938,442.50
12/01/2021	640,000	5.150%	1,297,027.50	1,937,027.50
12/01/2022	675,000	5.150%	1,264,067.50	1,939,067.50
12/01/2023	710,000	5.150%	1,229,305.00	1,939,305.00
12/01/2024	745,000	5.150%	1,192,740.00	1,937,740.00
12/01/2025	785,000	5.150%	1,154,372.50	1,939,372.50
12/01/2026	825,000	5.150%	1,113,945.00	1,938,945.00
12/01/2027	870,000	5.150%	1,071,457.50	1,941,457.50
12/01/2028	915,000	5.150%	1,026,652.50	1,941,652.50
12/01/2029	960,000	5.150%	979,530.00	1,939,530.00
12/01/2030	1,010,000	5.150%	930,090.00	1,940,090.00
12/01/2031	1,060,000	5.150%	878,075.00	1,938,075.00
12/01/2032	1,115,000	5.150%	823,485.00	1,938,485.00
12/01/2033	1,175,000	5.150%	766,062.50	1,941,062.50
12/01/2034	1,235,000	5.150%	705,550.00	1,940,550.00
12/01/2035	1,300,000	5.150%	641,947.50	1,941,947.50
12/01/2036	1,365,000	5.150%	574,997.50	1,939,997.50
12/01/2037	1,435,000	5.150%	504,700.00	1,939,700.00
12/01/2038	1,510,000	5.150%	430,797.50	1,940,797.50
12/01/2039	1,585,000	5.150%	353,032.50	1,938,032.50
12/01/2040	1,670,000	5.150%	271,405.00	1,941,405.00
12/01/2041	1,755,000	5.150%	185,400.00	1,940,400.00
12/01/2042	1,845,000	5.150%	95,017.50	1,940,017.50
	26,930,000		21,910,031.25	48,840,031.25

BOND PRICING

Town of Avon (EagleBend Housing)  
 Series 2017 (25 years @ 5.15%)  
 Tax-exempt Non-rated Revenue Issue

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Term Bond:					
	12/01/2018	555,000	5.150%	5.150%	100.000
	12/01/2019	580,000	5.150%	5.150%	100.000
	12/01/2020	610,000	5.150%	5.150%	100.000
	12/01/2021	640,000	5.150%	5.150%	100.000
	12/01/2022	675,000	5.150%	5.150%	100.000
	12/01/2023	710,000	5.150%	5.150%	100.000
	12/01/2024	745,000	5.150%	5.150%	100.000
	12/01/2025	785,000	5.150%	5.150%	100.000
	12/01/2026	825,000	5.150%	5.150%	100.000
	12/01/2027	870,000	5.150%	5.150%	100.000
	12/01/2028	915,000	5.150%	5.150%	100.000
	12/01/2029	960,000	5.150%	5.150%	100.000
	12/01/2030	1,010,000	5.150%	5.150%	100.000
	12/01/2031	1,060,000	5.150%	5.150%	100.000
	12/01/2032	1,115,000	5.150%	5.150%	100.000
	12/01/2033	1,175,000	5.150%	5.150%	100.000
	12/01/2034	1,235,000	5.150%	5.150%	100.000
	12/01/2035	1,300,000	5.150%	5.150%	100.000
	12/01/2036	1,365,000	5.150%	5.150%	100.000
	12/01/2037	1,435,000	5.150%	5.150%	100.000
	12/01/2038	1,510,000	5.150%	5.150%	100.000
	12/01/2039	1,585,000	5.150%	5.150%	100.000
	12/01/2040	1,670,000	5.150%	5.150%	100.000
	12/01/2041	1,755,000	5.150%	5.150%	100.000
	12/01/2042	1,845,000	5.150%	5.150%	100.000
		26,930,000			

Dated Date	09/01/2017	
Delivery Date	09/01/2017	
First Coupon	12/01/2017	
Par Amount	26,930,000.00	
Original Issue Discount		
Production	26,930,000.00	100.000000%
Underwriter's Discount		
Purchase Price	26,930,000.00	100.000000%
Accrued Interest		
Net Proceeds	26,930,000.00	





## TOWN COUNCIL REPORT

To: Honorable Mayor Jennie Fancher and Avon Town Council  
From: Eva Wilson, Transportation Director  
Meeting Date: May 9, 2017  
Agenda Topic: REVIEW AND ACTION TO FUND ONE OR MORE 2017 SUMMER MULTIMODAL  
TRANSPORTATION PLAN PROGRAMS

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### **ACTION BEFORE COUNCIL**

Staff is seeking direction and funding from Council for one or more Avon Multimodal Transportation Programs this summer.

### **PROPOSED MOTION**

I move to approve funding for the following Multimodal Transportation Programs this summer, including:

- Increased Bus Service Hours
    - Red/Blue Line Service Hours - \$91,000
    - Night Rider Continuing Service Hours \$69,000
  - Bus Infrastructure Improvements
    - Shelter Name Signs \$ 3,000
    - Community Boards \$ 2,500
  - Bike Share \$ 25,000
  - Car Pool \$ 2,500
- TOTAL: \$192,000

If Council chooses to not fund one or more of the recommended programs, the program should not be included in the motion. If Council chooses to not fund any of the recommended programs, no motion is needed.

### **SUMMARY**

**STRATEGIC PLAN** - Town Council, through its adopted 2017-2018 Strategic Plan has directed Town staff to pursue certain Tier 1 Priorities in support of a Multimodal Transportation And Parking Program, including:

- Invest in multi-modal improvements prioritizing walkability and bicycle use on streets, with transit, parking and wayfinding
  - Complete walkability plan for the remainder of the Avon core as an initial phase of the development of a comprehensive parking and multi-modal transportation plan.
  - Fully support Avon transit as a key element of a walkable community, including funding of a Town late night transit loop; testing taxi, dial-a-ride or transportation network company (e.g., Uber) services for low-ride routes, including Wildridge and

West Beaver Creek Boulevard west of Lake Street, and a Topsy Taxi program; stay attentive to the potential role of autonomous cars

- Determine funding for a Town of Avon internal late night bus
- Participate in ECO initiatives such as late night bus service to serve workers, a Topsy Taxi program, and transit consolidation
- Work with local merchants on a bike sharing program and begin to work progressively with the Union Pacific Railroad to allow railbikes within the Avon Town limits

**CLIMATE ACTION PLAN** - In addition, Council's adopted Climate Action Plan for the Eagle County Community (CAP) - Implementation Plan calls for numerous Transportation and Mobility programs to reduce CO<sub>2</sub>, most of which parallel the Council's Strategic Plan. Attachment 1 is an excerpt from the CAP Implementation Plan.

**FREE SPACES TO EXPLORE** – At the beginning of the winter season, Town staff developed Free Spaces to Explore, as Avon's multimodal transportation and parking tagline. The tagline is used to be the signature look on our buses (soon), ads, press releases and marketing efforts.

#### **IMPLEMENTATION PROGRAM RECOMMENDATIONS**

Reinstatement of bus service hours plus three new program recommendations, to implement the Strategic Plan and CAP directives, are presented to Town Council in this action item this summer. Attachment 2 details the programs, and in summary are:

Reinstatement of the Red and Blue Line Summer Ridership Service Hours from 8:30 am – 3:30 pm  
Summer transit ridership has consistently increased in the past years. The reinstatement of service hours will provide for the continuation of the Red and Blue line all day, from 6:30am to 6pm, to enhance level of service and meet ridership demand. Attachment 3 provides recent ridership data.

#### Expand Bus Service to Run from 6:30 pm – 10:00 pm

This winter's Night Rider pilot program, which expanded free bus service to 10:00 pm, resulted in consistent and significant ridership. Staff is proposing the continuation of the popular Night Rider service to 10:00 pm. An efficient and reliable public transit program will encourage ridership and reduce personal vehicle usage. Contracting with Peak 1, to run the service from 6:00 pm – 10:00 pm is the most cost effective program, as it does not require the Town to fund additional administration time. If approved the Red and Blue lines will cease operations at 6:00 pm.

#### Initiate Car Share/Pool Programs

These programs have proven to reduce vehicle usage and ultimately reduce GHG emissions. Leading by example, Avon's employee car share/pool program will provide a pilot program, through lessons learned, which will help in expanding the service throughout the Town.

#### Initiate Community Bike Share Program

The objective of the "soft start" can benefit the environment, low-income residents and hotel guests. A soft start of 10 smart bikes at two strategic locations, Eagle Bend and Westin, will provide important feedback and data to support a more robust bike share program in the future.

### Bus Infrastructure Improvements

Placing community information boards and bus shelter signage are felt to be key elements of a successful multimodal plan.

### **ATTACHMENTS**

Attachment 1 – Climate Action Plan Implementation Program – Transportation & Mobility

Attachment 2 – Free Spaces to Explore Multimodal Transportation and Parking Update PowerPoint

Attachment 3 – April 2017 Transit Ridership Analyses

**ATTACHMENT 1  
CLIMATE ACTION PLAN IMPLEMENTATION PROGRAM - TRANSPORTATION & MOBILITY**

<b>TRANSPORTATION &amp; MOBILITY</b>	<b>STRATEGIC PLAN/ CURRENTLY BEING IMPLEMENTED</b>	<b>IMPLEMENTATION SCHEDULE</b>	<b>NOTES</b>
Change car culture; company incentives for collective transport and telecommuting/encourage remote working	✓	Year 1	PARTNER WITH ECO TRANSIT; MULTI-MODAL PLANNING IN PROCESS
Bicycle education programs (ex: learn to ride safely, bike repair classes, bike donation/earn a bike programs); bicycle sharing program; E-bikes sharing program; work with local merchants	✓	Year 1	BIKE SHARE EVALUATION IN PROCESS –PLANNED IMPLEMENTATION SUMMER 2017; MAY REQUIRE FUNDING – EBIKES ON HARD SURFACES TO BE DETERMINED; INCLUDE ACTIONS AT MAY BIKE FEST
Shared work spaces (co-working spaces shared by businesses and others) so people don't have to commute cross county)	✓	Year 1	NEW TOWN HALL DESIGN
Local in-proximity to workplace affordable housing to reduce commuting miles; reduce county sprawl infrastructure extensions	✓	Year 1	EXPAND HOURS UNTIL 10PM
Determine funding for a Town of Avon internal late night bus	✓	Year 1	EXPAND HOURS UNTIL 10PM
Electric vehicle infrastructure and incentives; electric buses, more electric charging stations	✓	Year 1 - 2	CHARGING STATIONS AT NEW TOWN HALL; APPLYING FOR GRANT FOR CHARGING STATIONS; FUND IN FUTURE BUDGETS
Car share/Ride share/carpool service	✓	Year 1 - 2	RESEARCH FOR IMPLEMENTATION OVER THE NEXT 2 YEARS
Complete connectivity for biking/walking between towns and better designated bikeways to improve safety; provide bike parking racks and wayfinding	✓	Year 1 - 2	2017 MULTI- MODAL PLAN + IMPROVEMENTS IN PROCESS
Bid and construct approved E/WBC Boulevard walkability plan in one or two phases depending on cost	✓	Year 1 - 2	
Complete walkability plan for the remainder of the Avon core as an initial phase of the development of a comprehensive parking and multi-modal transportation plan. Include the East Benchmark Boulevard/Beaver Creek Place road section to the intersection with Beaver Creek Boulevard, as part of the Avon core.	✓	Year 1 - 2	

TRANSPORTATION & MOBILITY	STRATEGIC PLAN/ CURENTLY BEING IMPLEMENTED	IMPLEMENTATION SCHEDULE	NOTES
Fully support Avon transit as a key element of a walkable community, including funding of a Town late night transit loop; testing taxi, dial-a-ride or transportation network company (e.g., Uber) services for low-ride routes, including Wildridge and West Beaver Creek Boulevard west of Lake Street, and a Tippy Taxi program; stay attentive to the	✓	ON-GOING	
Participate in ECO initiatives such as late night bus service to serve workers, a Tippy Taxi program, and transit consolidation	✓	ON-GOING	
Public transport service with existing rail line; including railbikes	✓	ON-GOING	COUNTY IS LEADING EFFORT

A horizontal banner with a dark blue background. On the left side, there are stylized evergreen trees in shades of green and yellow. The text "AVON OFFERS FREE SPACES TO EXPLORE PARKING, TRANSIT, BIKING & WALKABILITY" is written in large, bold, white and yellow capital letters. Below this, "WINTER 2017" is written in smaller, white capital letters. The bottom of the banner shows a dark, silhouetted landscape with rolling hills.

**AVON OFFERS FREE SPACES TO EXPLORE  
PARKING, TRANSIT, BIKING & WALKABILITY**  
WINTER 2017

Multimodal Transportation &  
Parking Update  
&  
Program Implementation  
Recommendations

May 9, 2017

# GOALS

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## GOALS OF THE MULTIMODAL TRANSPORTATION & PARKING PLAN

- Reduce vehicle emissions from GHG
- Reduce parking demand
- Encourage alternate modes of transportation
- Increase safety for pedestrians
- Test and/or initiate new modes of transportation

# Update Overview

- 2017 Winter Parking & Transit Operations
  - Parking
  - Winter Transit Routes & Ridership
- Multimodal Program Research
- Proposed Summer Multimodal Transportation and Parking Programs
  - Parking
  - Walkability
  - Bus Schedules
  - Bike Share
  - Car Share
- Resources Needed



# 2017 Winter Parking

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- Beaver Creek implemented paid parking
- Avon continued to provide free all day parking, with some streets limited to 3 hours
- No congestion or parking shortages observed
- Lake Street and Town Hall lots often 90% full
- Library parking consistently enforced



# 2017 Winter Transit Routes & Ridership

23 Nov – 16 April 2017

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- Avon East – Red Line
  - Daily/6:44am – 6pm
- Avon West – Blue Line
  - Daily/6:30am – 6pm
- Skier Shuttle
  - Daily/8am – 5:45pm
- Restaurant Shuttle –
  - Mid Dec to Mid April – Daily/6pm-10pm
- Pilot Programs
  - Wildridge on-request Service: 2 Feb – 2 April 2017
  - Night Rider Shuttle Service: 2 Feb – 16 April 2017
    - 6pm – 10pm



# 2017 Winter Blue/Red/Skier/Restaurant Routes

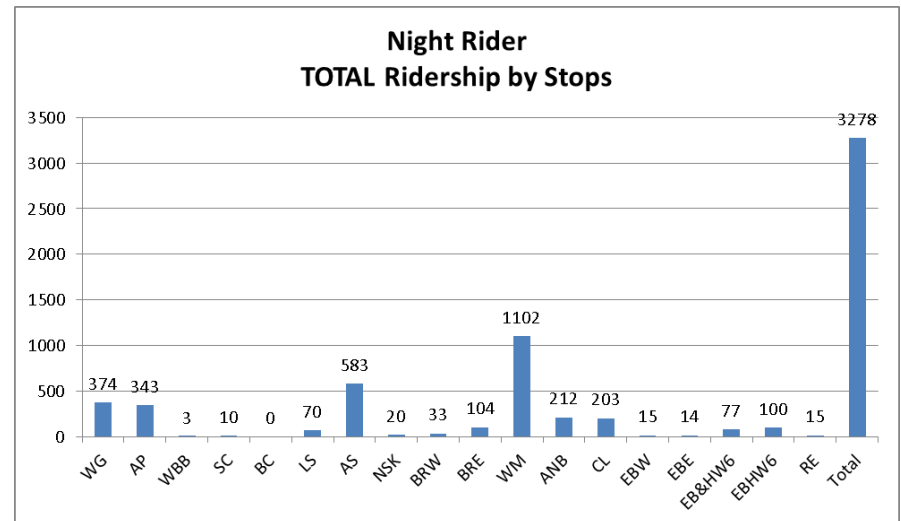
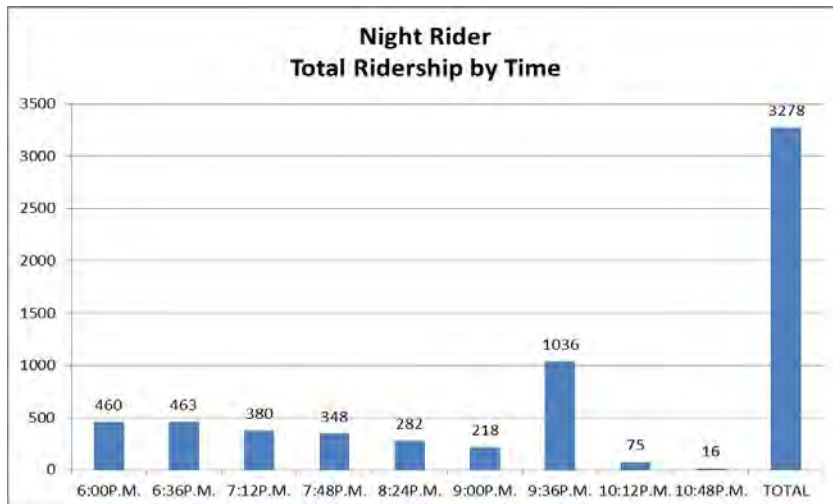
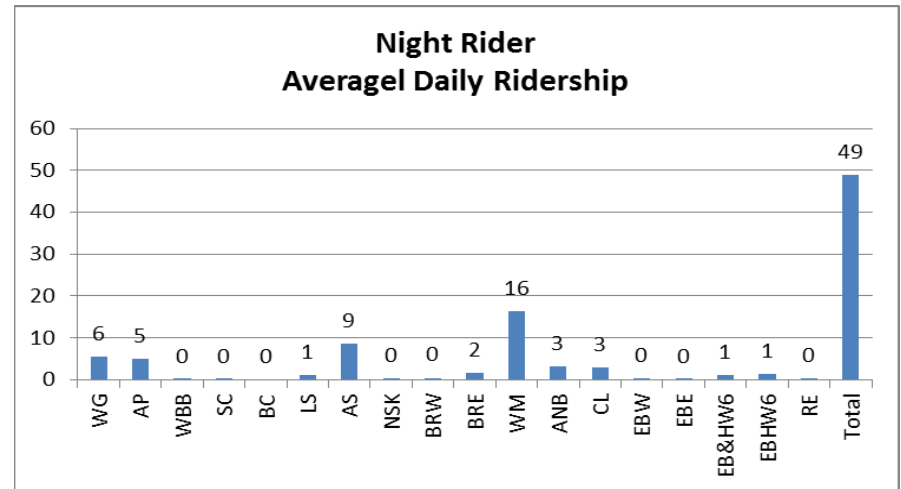
- 2016-2017 Ridership

	Avon West - Blue Line	Avon East -Red Line	Skier Shuttle	Restaurant Shuttle	Total Winter Ridership
2014-2015	33,840	27,214	N/A	N/A	61,054
2015-2016	59,272	40,506	172,213	17,147	289,138
2016-2017	121,027	80,244	173,365	17,154	391,790 (36% incr)



# 2017 Winter Wildridge & Night Rider Pilot Programs 2 Feb – 16 Apr

- \$50K approved budget
- Wildridge Service
  - Fixed Route 22 days: 32 riders
  - On-Request 11 days: 19 riders
- Night Rider Service
  - 67 days– Avg. 49 Riders/day

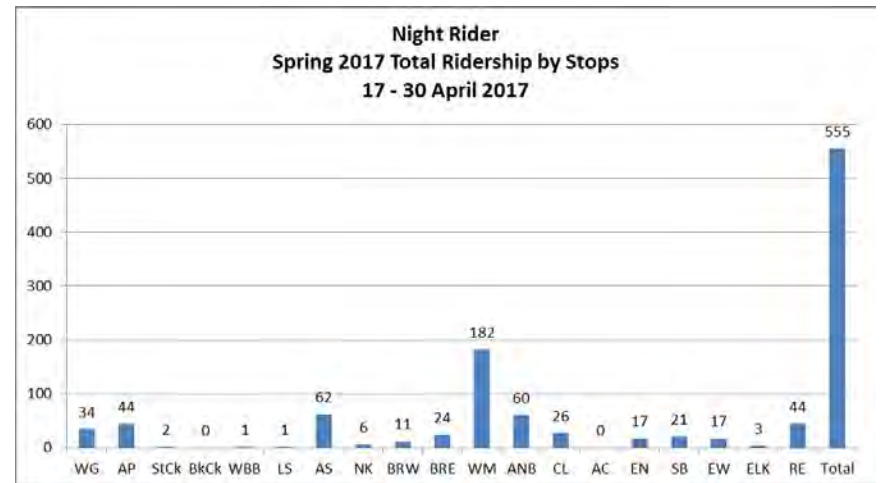
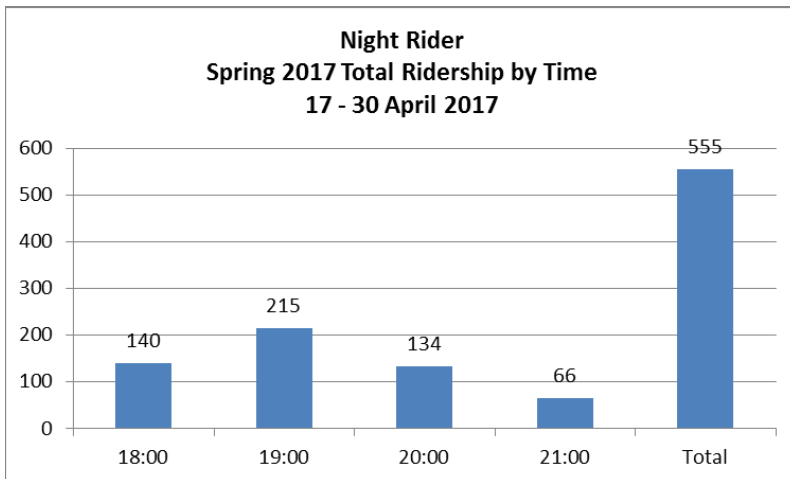




# 2017 Shoulder Season Night Rider Pilot Program

17 April - 20 May 2017

- Night Rider Service
  - 17 April – 3 May Ridership
  - Shoulder Season
    - Locals
    - Stay with 30 minute loop
- Wildridge Service Discontinued





# Multimodal Transportation Programs Research

- Explored:
  - City of Aspen, Colorado
  - City of Ketchum, Idaho (Mountain Rides Authority)
  - City of Boulder, Colorado



# Multimodal Transportation Programs

## City of Aspen - Research

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- Multimodal Transportation Funding Sources
  - City's share of the Pitkin County 1% transit tax
  - Lodging Tax
  - Sales & Use tax

- Multimodal Transportation Programs
  - In Town Bus Shuttles - RFTA (6:20am – 2am) - \$6.3M
  - Downtowner - \$286K
    - 4 Electric vehicles with heaters/ski racks – Two on route/Two Charging
    - Fun-Free-Fresh Air Service Around Aspen
    - Free door-to-door service within service area
    - Service from 8 a.m. – 11 p.m. during ski season







# Multimodal Transportation Programs

## City of Aspen - Research

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- Multimodal Transportation Programs
  - Dial-a-Ride for \$1 (6:30am-1:45am)
  - Carpool Program – “Commuter Connect” - \$50K software
    - Find carpool partners for work, school, and one-time event trips
    - Connect cycling and walking partners
    - Locate bus routes and trails
    - Track your costs and carbon savings
    - Incentive prizes
  - Car To Go – For those who wants to:
    - Reduce or eliminate the costs of car ownership
    - Want to avoid the expense and inconvenience of managing a corporate fleet



# Multimodal Transportation Program

## City of Aspen - Research

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- Multimodal Transportation Programs
  - Employer Services – Transportation Options Program (TOP)
    - Free Program/Grant opportunities
    - Emergency Ride Home service
    - Meetings and networking/Custom events and materials
  - Green Promotions:
    - PLEDGE TO DRIVE LESS THIS WINTER & WIN!

# Multimodal Transportation Programs

## Bike Share Programs - Research

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- WeCycle – Aspen to EL Jebel
  - Last Mile connections – short trips
  - Daily to Season Passes: Free - \$50
  - Eagle County Mayor/Managers Meeting to explore on May 12<sup>th</sup>
- Ketchum Idaho – Mountain Ride Authority
  - Short trips
  - Daily to Season Passes: \$5 - \$65



# 2017 Summer Parking Proposed

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- Continue managed parking plan
  - As set this past winter
  - Monitor parking throughout the summer
  - Explore opportunities at Tract A for short term parking



# 2017 Summer Walkability Program Proposed

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- Complete installation of all wayfinding signs
- Consistently market Avon as walkable
- Complete LSC Multimodal Study, which includes the Walkability Plan
- Implement Study steps, once adopted



# 2017 Summer Bus Schedules Budgeted

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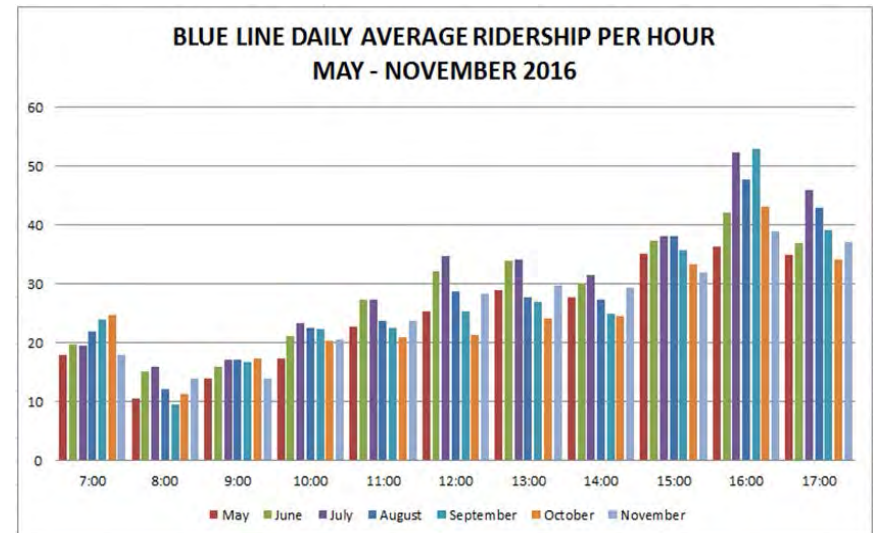
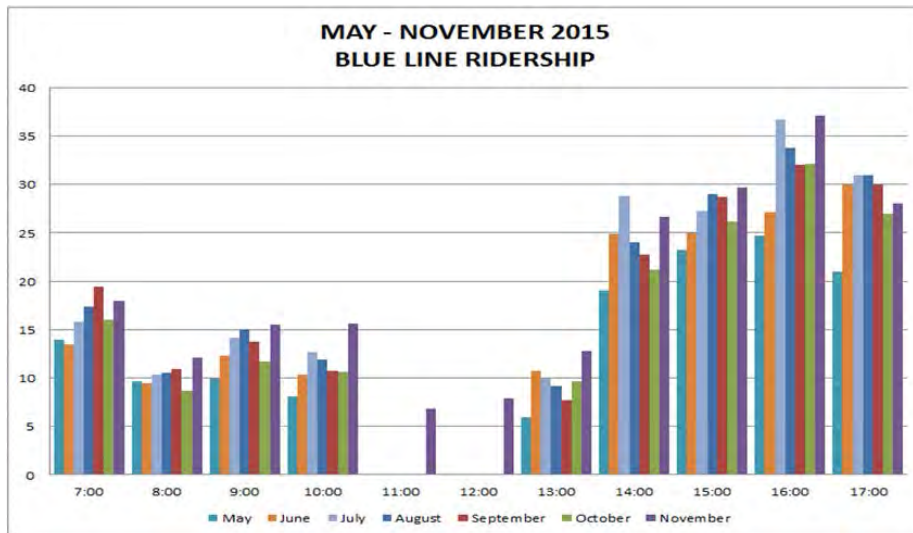
- Summer Ridership continues to increase
  - Doubled from 2015 to 2016
- 2017 Budgeted Summer Service – \$389,000
  - Avon East (Red Line) and Avon West (Blue Line)
    - Operates during morning and evening peaks – 5 hrs.
      - Between 6:30am – 8:30am
      - Between 3:30pm – 6:30pm
  - Avon Loop - Black Line – 7 hrs. 8:30am – 3:30pm



# Summer Bus Ridership Trends 2015 – 2016 Blue Line

- Avon West – Blue Line Ridership Trends
  - 100% increase in Ridership

Summer Ridership Summary - Blue Line									
	April	May	Jun	Jul	Aug	Sep	Oct	Nov	Total
2015 Total	1635	4188	4886	5606	5451	5280	4897	1893	33836
2015 Daily Avg	149	135	163	180.8	176	176	158	158	162
2016 Total	5473	8143	9339	10470	9363	9050	8295	6135	66268
2016 Daily Avg	274	263	311	337.7	302	302	268	279	292

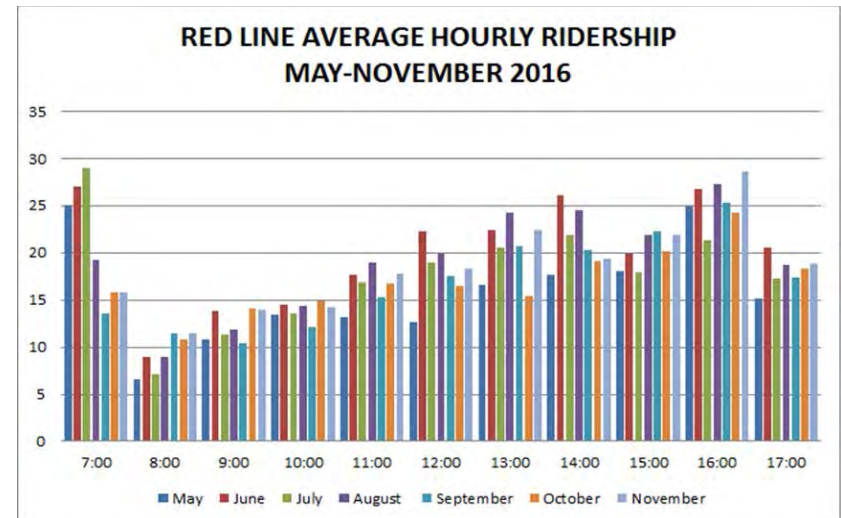
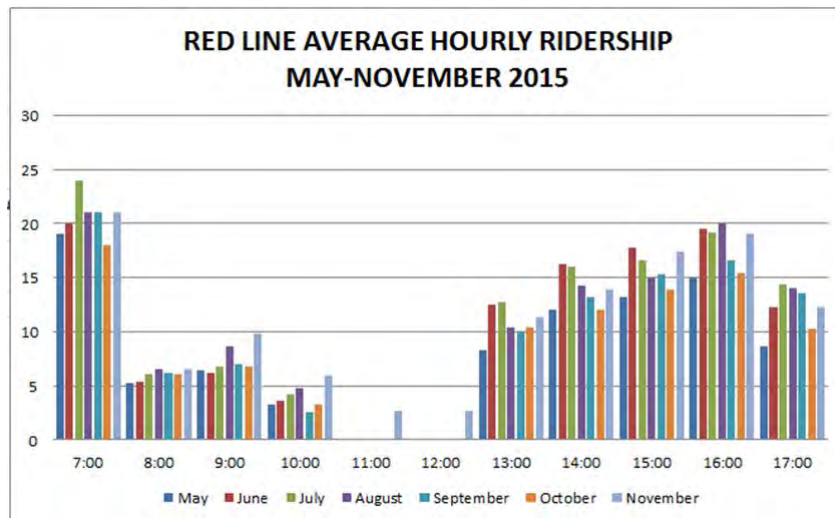


# Summer Ridership Trends

## 2015 – 2016 Red Line

- Avon East – Red Line Ridership Trends
  - 120% increase in ridership

Summer Ridership Summary - Red Line									
	April	May	Jun	Jul	Aug	Sep	Oct	Nov	Total
2015 Total	0	2818	3409	3723	3552	3252	2962	1164	20880
2015 Daily Avg	0	91	114	120	115	108	95.5	97	93
2016 Total	3532	5395	6683	6807	6807	6042	6007	4786	46059
2016 Daily Avg	177	174	223	220	220	201	194	218	203







# 2017 Summer Bus Schedules Proposed

- Transit Schedule – Additional Service Hours
  - Provide Blue and Red Line: 6:30am – 6pm
  - Provide Night Rider Service – Peak 1: 6pm-10pm

## Proposed Summer Schedule

	Service Hours	Day Shuttle	Night Rider	Total
Budgeted Summer	4,774	\$389,000	\$0	\$389,000
Additional Summer Costs	2,000	\$91,000	\$68,000	\$159,000
Total Program	6,620	\$478,000	\$70,000	\$548,000
Total Additional funds Needed		\$89,000	\$70,000	\$159,000

\* Cost to run van service is estimated \$10K more than in-house service - offset by vehicle use and administrative time



# 2017 Bike Share & Car Share Programs Proposed

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- Avon Bike Share Proposal
  - Soft Start - \$25K
  - 10 Smart Bikes (\$15K - \$1.5K/each)
    - 2 Stations – Bike Racks/Signage
    - 5 at Eagle Bend/5 at Westin
  - Bike Racks/Signage/Marketing
- Initiate Town of Avon Employee Car Share Program
  - Support Climate Action Plan
    - Remove vehicles/emissions – 4.7 metric tons/passenger car/yr.
  - Employee driver
  - Employer Vehicle(s) – Minimum three riders
  - Pools organized by residential locations, such as Eagle & Gypsum
  - Town provides fuel – 2 Vehicles - \$9/day - \$2,500/yr.

- Free Spaces to Explore
  - All modes of transportation and free parking
  - Visitor “what to do” marketing: For example, visit the Rec Center and Library, finish the afternoon on the Lake
  - Install three bus wraps on summer vehicles; complete logos on all buses
  - Install bus shelter signs
  - Install community information boards at bus shelters

- Expanded Bike Share
- “Commuter Connect”
  - Avon Car Pool
- “Car-to-Go”
  - Avon Car Share
- Implement Year 1 & 2 CAP directives

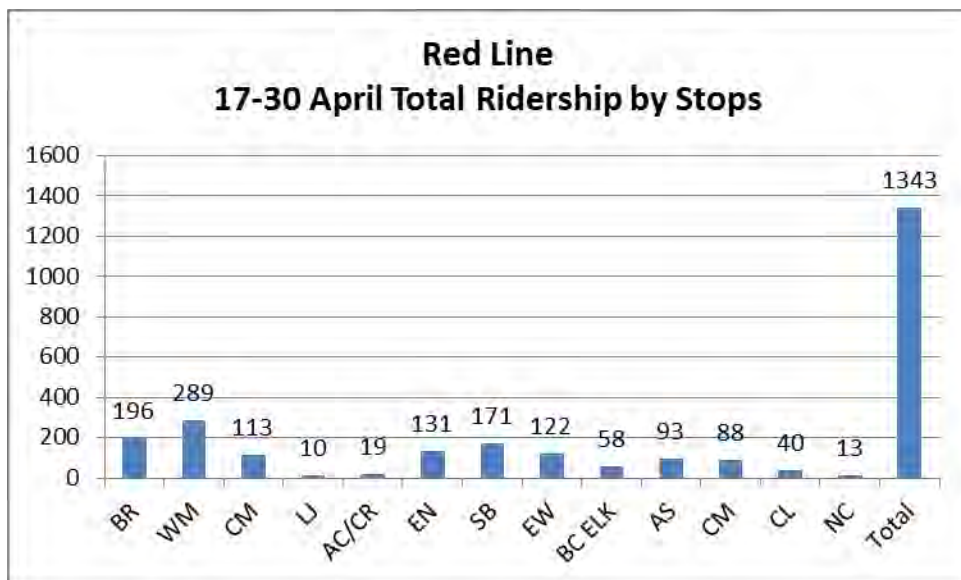
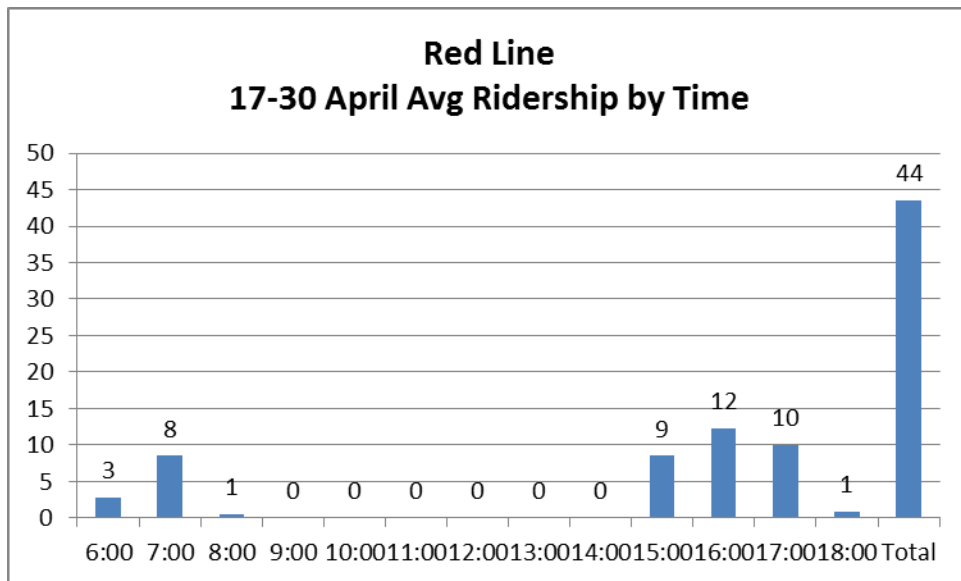
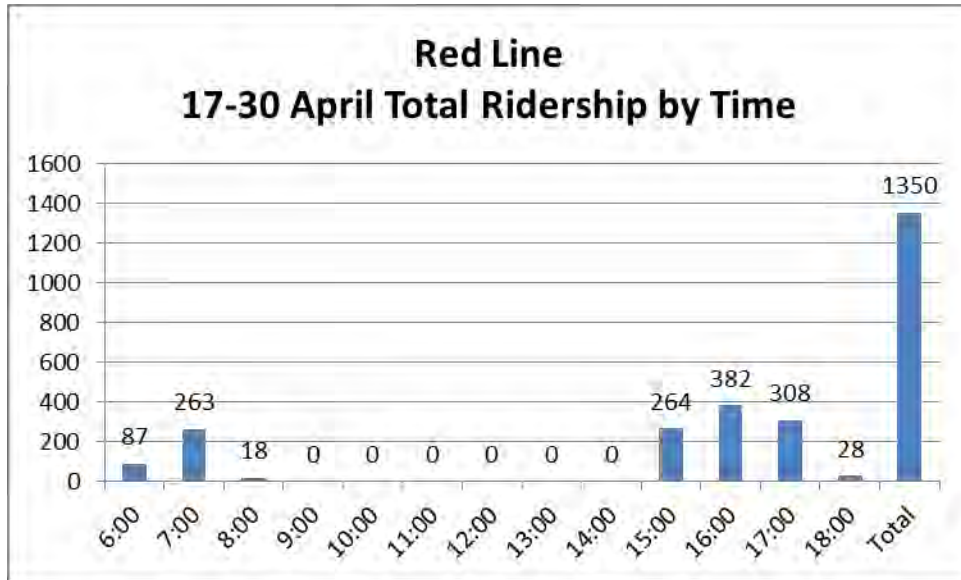


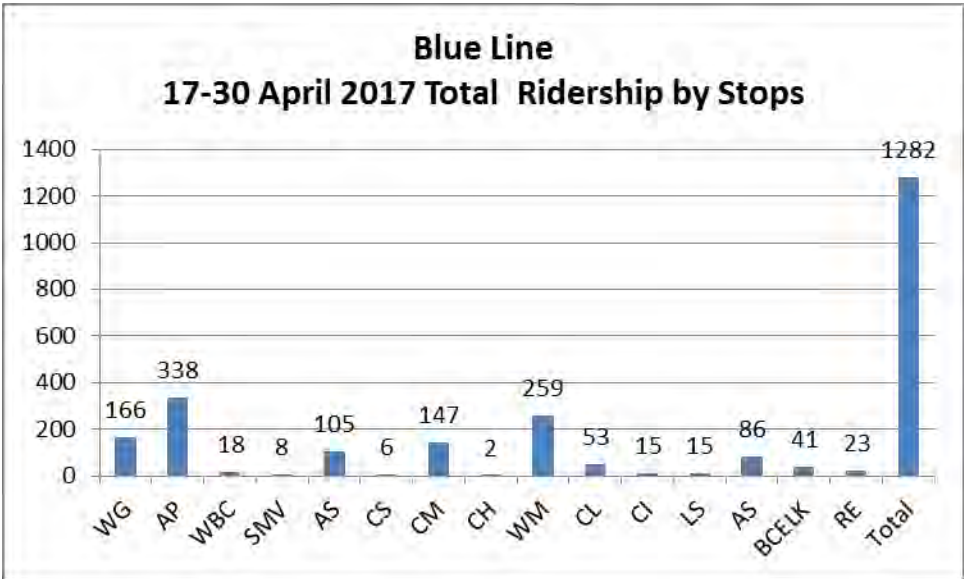
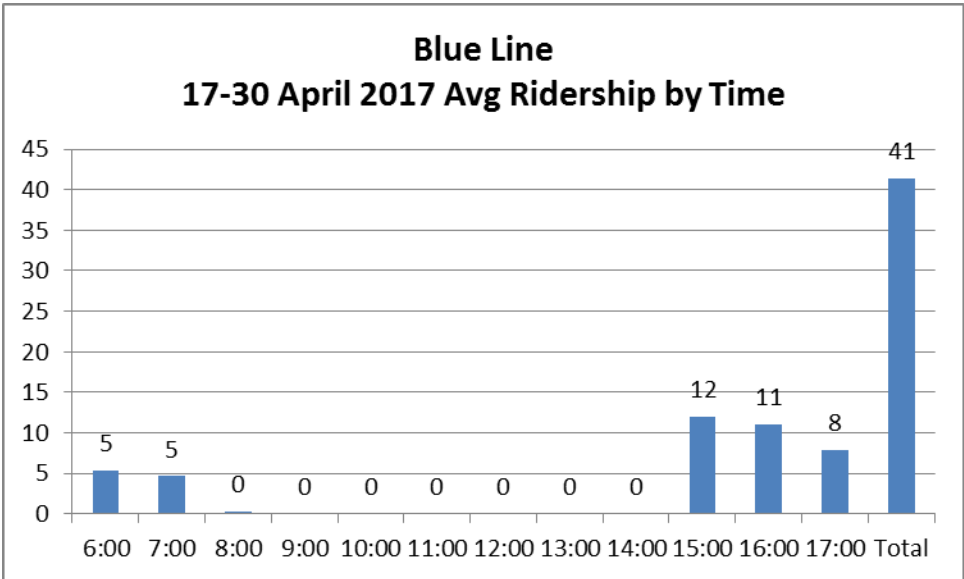
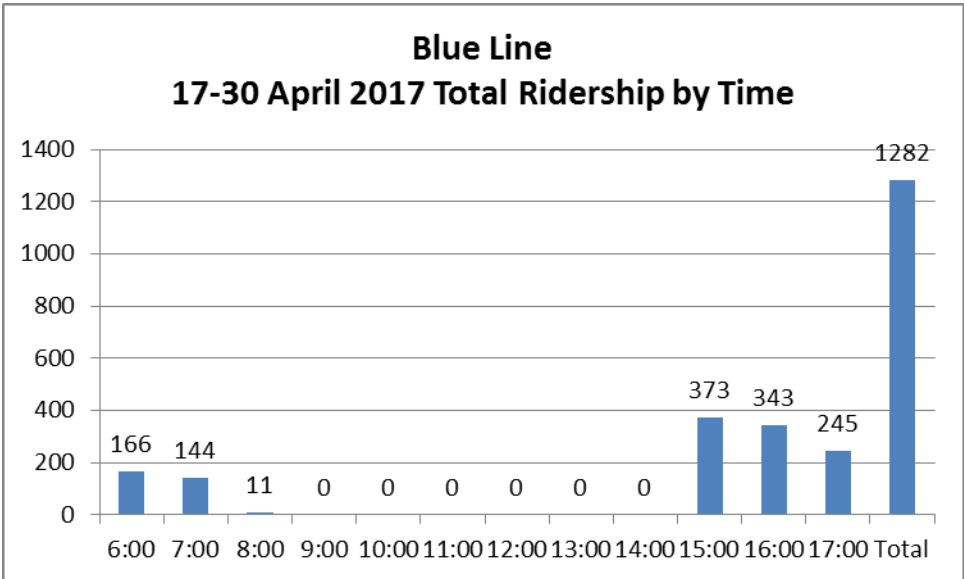
# Avon Multimodal Transportation Resources Needed

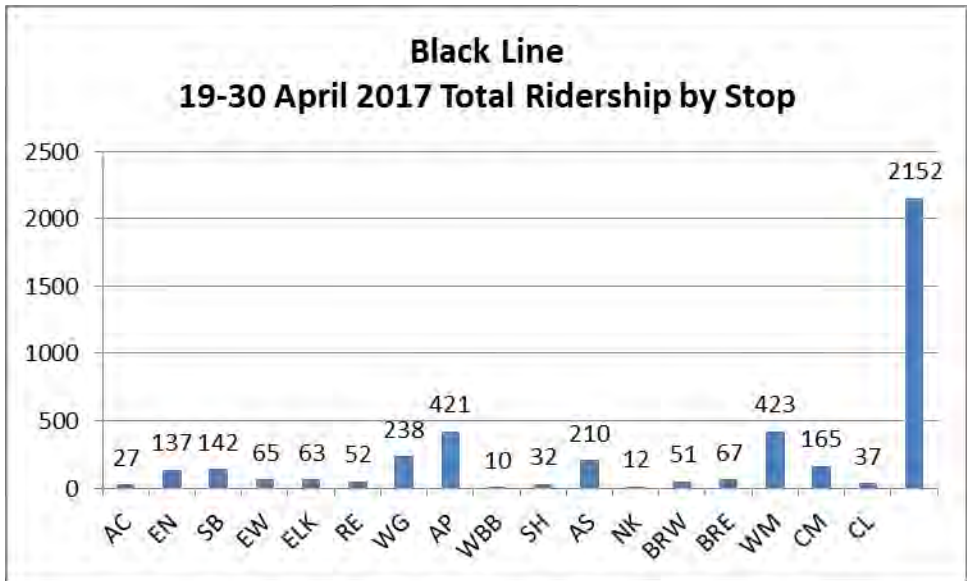
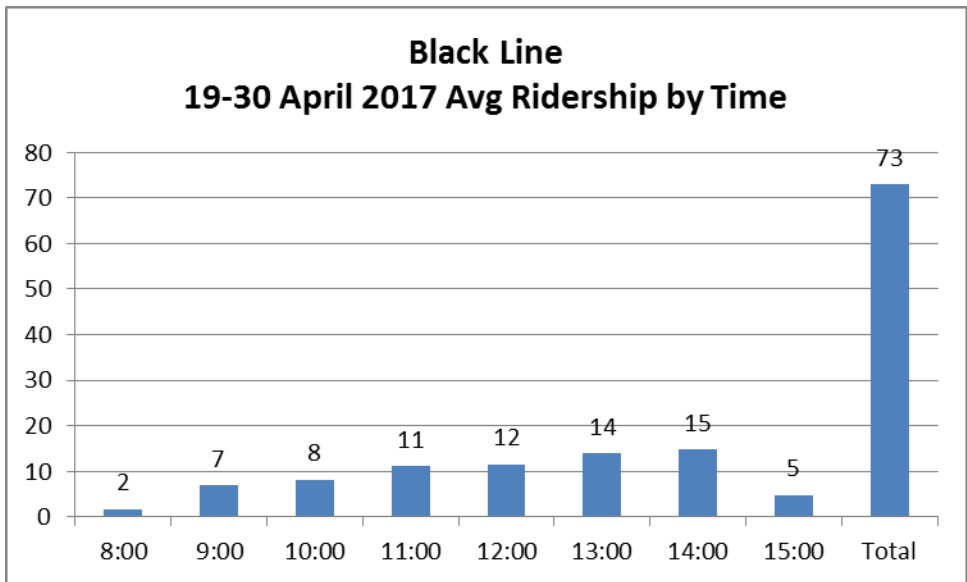
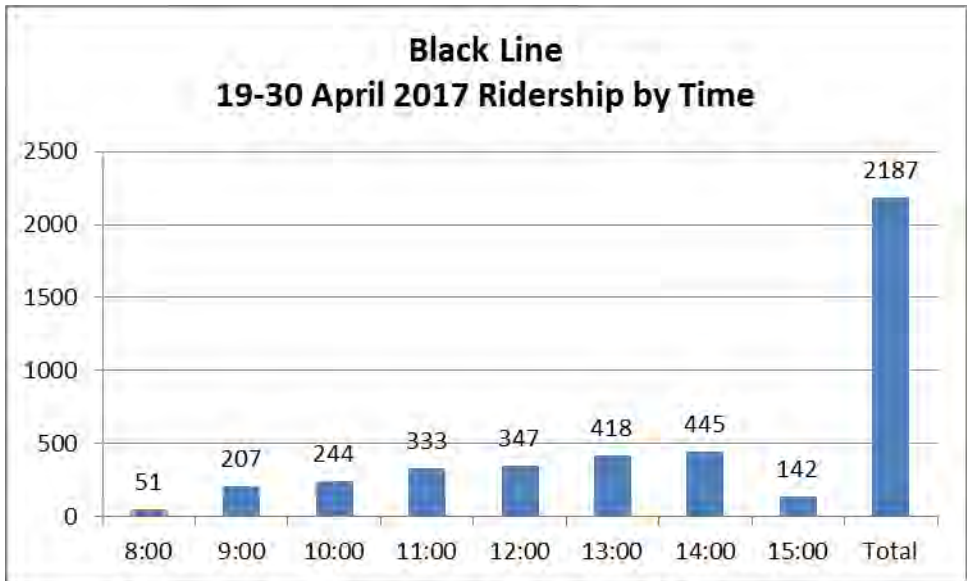
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- Increased Bus Service Hours
    - Red/Blue Line Service Hours - \$91,000
    - Night Rider Continuing Service Hours - \$68,000
  - Bus Infrastructure Improvements
    - Shelter Name Signs \$ 3,000
    - Community Boards \$ 2,500
  - Walkability – budgeted
  - Bike Share - \$ 25,000
  - Car Pool - \$ 2,500
- TOTAL: \$192,000**

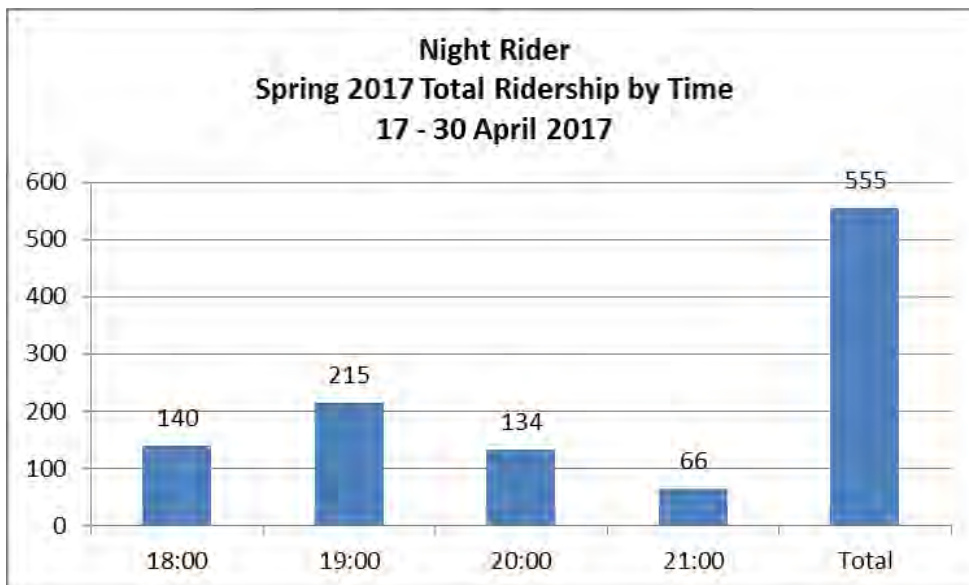
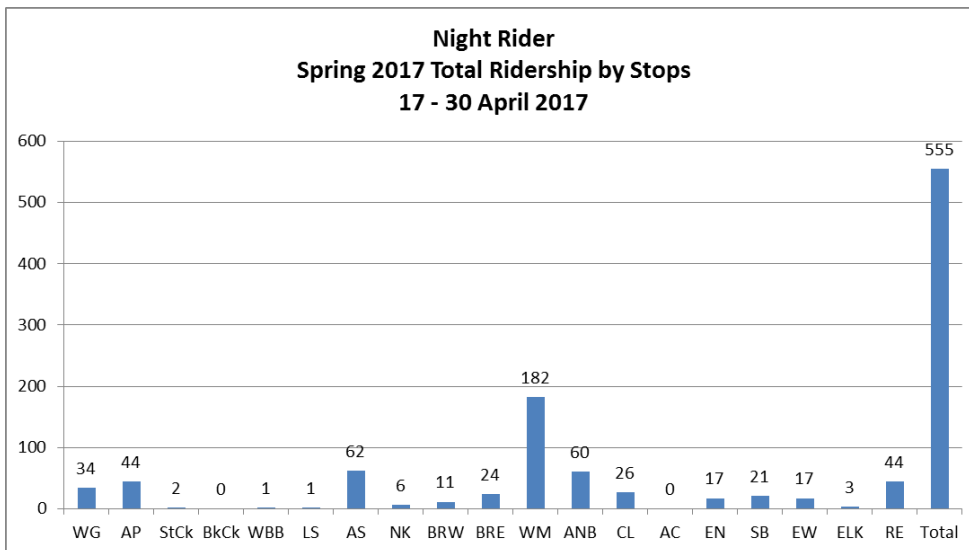
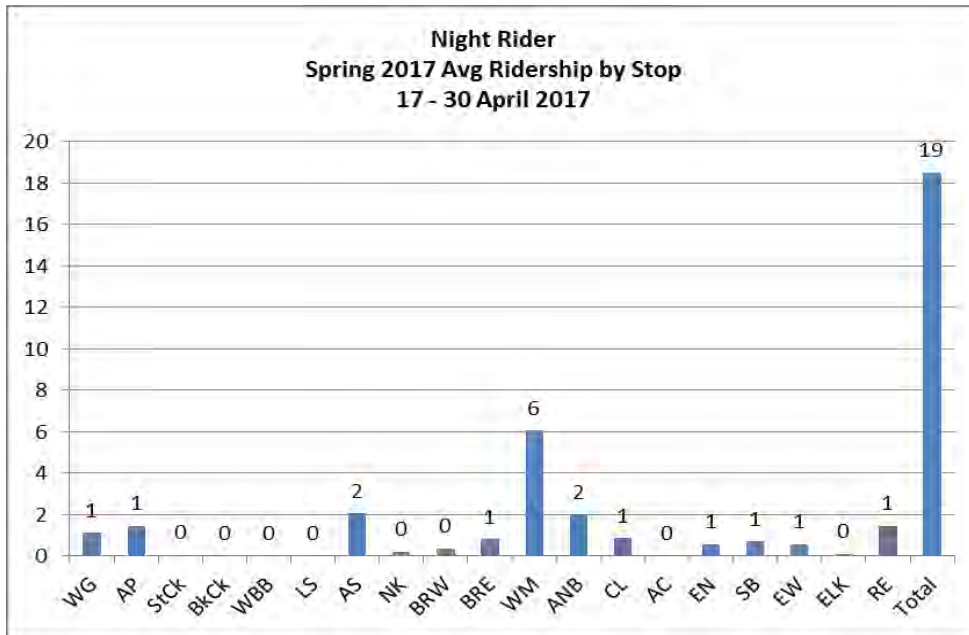
# Avon Transit Spring Ridership 17-30 April 201













## TOWN COUNCIL REPORT

To: Honorable Mayor Jennie Fancher and Avon Town Council  
From: Virginia C. Egger, Town Manager  
Meeting Date: May 9, 2017  
Agenda Topic: REVIEW AND ACTION ON THE TOWN OF AVON AD HOC SPECIAL EVENTS COMMITTEE RECOMMENDATION FOR SUPPORT AND FUNDING, IF NEEDED, OF UP TO TWO MAJOR MUSIC CONCERTS AT THE AVON PAVILION IN AUGUST AND/OR SEPTEMBER OF 2017

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### **ACTION BEFORE COUNCIL**

To review the Ad Hoc Special Event Committee's recommendation to support one or two major music concerts at the Avon Pavilion in August and/or September of 2017.

### **PROPOSED MOTION**

I move to approve, in support of the Ad Hoc Special Events Committee's recommendation, made on May 3, 2017, that the Town Council:

1. Authorize the Avon Town Manager to enter into Term Sheets with the independent contractors Madison Entertainment and Entertainment Production Services, as presented in Attachment 1 and Attachment 2, respectively, making certain modifications, as may be needed for a successful concert production; and
2. Authorize the Town Manager to consult with Madison Entertainment to negotiate a two-three year agreement with a ticket agency; and
3. Reserve \$70,000.00 from the General Fund Special Event Reserve Budget to underwrite one or two major music events at the Avon Pavilion, and appropriate use of the funds, as may be determined by the Town Manager, should any portion or all of the funds be required; and
4. Grant use of the Avon Pavilion and Harry A. Nottingham Park premises, as may be needed, for the production of one or two, two-day concerts, on two of the following dates; and
  - August 11 – 13
  - September 1 – 3 (Labor Day)
  - September 15 – 17
  - September 22 -24
5. Authorize any three (3) members of the Ad Hoc Special Events Committee to meet with the Town Manager, her designees, and the independent contractor, who wishes to make an offer to any band or bands, to approve the band(s), prior to an offer being tendered.

### **SUMMARY**

The Avon Pavilion was designed and built as an outdoor facility capable of hosting top tier entertainment. In discussions with various producers, Town staff has learned that the Avon stage is not known as a premier outdoor venue, due in part, to its newness. As such, when producers are working with talent buyers to book venues, and, in particular, when routing bands, Avon is not on

their horizon, as a venue available for booking. AEG, in booking Lyle Lovett and His Large Band, brings to Avon a well-known and loved set of musicians, which can help launch the Avon venue.

The Pavilion remains available for additional bookings this year. Staff has been working with two different companies, Madison Entertainment and Event Production Services, over the past couple of months, to attract their interest in producing or helping to produce major concerts in Avon yet this summer and early fall. The companies would be retained as independent contractors, such as the Town did for the 2015 Après Avon and Flavors of Colorado events.

The Town of Avon, in its history, has produced ticketed events, which attracted 2,000 – 3,000 paid admissions. Each July 3<sup>rd</sup> the Town produces the 19,000 person Salute to the USA. Town staff feels confident we will be able to successfully produce the events, if the right bands are selected at the right ticket prices.

Both parties have now completed budgets for one and two day concerts at the Pavilion and developed Term Sheets for booking talent, consulting with the Town and/or producing key elements of the concerts. Each believes artists are still available for 2017 dates. The negotiated Term Sheet for each independent contractor is attached. Key elements of the Term Sheets include:

- The Pavilion/Park venue can hold 4,500 paid admissions, with VIP seating. The revenue projections only use sales of 3,200 persons.
- Under the revenue and expense assumptions, the events break even or make a profit. **The Town of Avon, however, will be responsible for all costs not covered by revenues. The Town will retain all ticket, liquor, vendor and sponsorship revenues.**
- The budget for the artists and artists' expenses are capped for one and two-day events. This is most important expense decision for the events. The lists of artists provided by the parties indicate the level of talent available at these expense caps.

#### **Ad Hoc Special Events Committee Action**

The Ad Hoc Special Events Committee reviewed the Term Sheets, interviewed contractor representatives by phone on May 3<sup>rd</sup>, and discussed whether to recommend to Town Council that up to \$70,000.00 of the remaining balance of the Special Event Reserve Budget be made available, if needed, to support one or more concert dates. The Committee also discussed benefits and risks of the ventures and what were appropriate dates.

#### **Phone Interviews:**

The Committee, after introductions and listening to qualifications, asked a series of questions and heard:

- While it is late in the summer booking season, the dates available are attractive and Avon should be able to book top level talent.
- Labor Day weekend should not be any more difficult than the other proposed weekends to book.
- Both companies are hoping for longer term relationships with Avon, building on any 2017 success, in future years.
- While both companies are new to Colorado, they were convinced that they understand the market and that Colorado is a great music draw. Each represented that they have relationships and/or resources in Colorado for an event in Avon.
- Data on bands and ticket sales is extensive and available from a variety of dependable sources.

- Madison Entertainment would like to work with the Town immediately to negotiate a contract with a ticketing company for the venue. A two to three year deal can be expected to yield upwards of a six figure revenue advance and signing bonus.

### **Committee Recommendations**

The Committee understands the risk of an independent contractor approach in bringing top tier talent to Avon yet this year. After considering doing nothing or limiting the goal to just one weekend, the members felt Avon needs to bring major acts to the stage and that success can be built from the investment. Committee members discussed among themselves the merits and drawbacks of a concert on Labor Day weekend, since the lodging occupancy can be expected to be high, but concluded it should be made available to any top tier band.

There was a sense that getting the right band will sell the needed tickets to cover expenses.

The Committee, by motion and vote, unanimously passed the following recommendations:

1. Both companies should be pursued as independent contractors – this will provide Avon the best chance of booking artists and also allow the Town the opportunity to work with the contractors, if successful, in 2018.
2. The remaining unappropriated \$70,000.00 in the Special Events Project Reserve be reserved and used, if needed, to underwrite one or both weekends.
3. Only two weekends, with two-day concerts, out of the four available weekends, should be booked.
4. Three members of the Committee will approve the band(s) prior to an offer being made. The three persons will be identified based upon the first to respond to an email sent by the Town Manager, when a band decision is needed.

### **The Process**

If Council decides to move forward, the process would be as follows:

1. Town Manager finalizes respective Term Sheets.
2. The Ad Hoc Special Events Committee, within five days of Council action, would provide a list of bands desired to play at the Pavilion. The lists will be provided to the contractors to help determine the mix of preferences. Council may also provide band recommendations.
3. The independent contractor would notify the Town Manager of a band or bands for consideration, including relevant data and recommended ticket pricing.
4. The Committee members (3) would meet within 24 – 48 hours to review the information and decide whether an offer should be made. The Town Manager will update the budget to ensure conservative assumptions can deliver a break even scenario or positive net income.
5. If an offer is made, it cannot be retracted. It can be negotiated if the band's agent would like different terms, but once accepted, Avon will be responsible for the offer.

Staff looks forward to answering questions during Tuesday's meeting. Committee members have been invited to the session.

Attachment 1 – Term Sheet – Madison Entertainment

Attachment 2 – Term Sheet – Event Production Services

**ATTACHMENT 1  
MADISON ENTERTAINMENT**

**DRAFT TERM SHEET  
April 26, 2017**

Parties to the Agreement: Town of Avon  
 Madison Entertainment – Independent Contractor  
 Representative: Mr. Roger LeBlanc

- Talent Procurement
- Production Consulting
- Ticket Vendor Contract Consulting

Type of Event: Music Concert(s) - Ticketed  
 Location: Avon Pavilion and Harry A. Nottingham Park Upper Field

Available Dates: No more than two nights may be booked on not more than two of the following dates: Preference Friday/Saturday shows:

- August 11 – 13
- September 1 - 3
- September 15 - 17
- September 22 -24

Maximum Attendance: 4,500 paid admissions, subject to \$3.00 Admission Fee  
 Budget Assumption: 3,200 paid admissions

Performance Ending Time: Not later than 10:00 p.m., subject to Sound Permit approval, as required

Local Ticket Discount: Seven (7) day early local purchase at 85% of ticket price  
 Local is a resident of Avon, Colorado

**Artists:**

1. Special Events Committee must provide recommended artists within five (5) days of Town Council approval;
2. Artist(s) approved, in consultation with Madison and Town Manager, on a case-by-case basis, prior to offer;
3. Artist Offer may not exceed:
  - \$320,000 – two day show; or
  - \$160,000 for a one-day show

<b>ESTIMATED REVENUES, EXPENSES &amp; NET INCOME OF ONE &amp; TWO-DAY CONCERTS</b>					
				ONE DAY SHOW	TWO DAY SHOW
<b>REVENUES</b>					
3,200 Ticket sold, with VIP areas, General Admission Vendors & Sponsors				\$269,500	\$541,000
<b>EXPENSES</b>					
Production Expenses & Contingency				\$269,500	\$513,820
<b>NET INCOME</b>				\$0	\$27,180
Producer Fee - 10% of Expenses & Hotel/Meals on site (included in totals)				\$23,610	\$43,820

Madison Entertainment Concert Funding Agreement Terms and Conditions:

Town of Avon shall be responsible for all Concert Expenses

- 50% of Madison Booking and Consultation Expenses shall be paid 30 days prior to performance date; 40% paid five (5) business days before the performance date; and 10% net 30 days, subject to all receipts having been provided and verified.
- Town will not be responsible for expenses higher than approved at the time of agreement execution, unless approved in writing. If expenses are less, Town shall pay the actual expenses not the approved amount.

Net Income: Revenues over Expenses

- Avon shall retain 80% of net income
- Madison Entertainment shall retain 20% of net income

The information in this draft Term Sheet is not binding and not intended to be a contract. It is for the Ad Hoc Special Events Committee to make a recommendation to the Avon Town Council. All terms are subject to review and discussion.

Appendix 1 – Madison Entertainment Reference Materials & Artists' Lists

**ATTACHMENT 2  
ENTERTAINMENT PRODUCTION SERVICES (EPS)**

**DRAFT TERM SHEET  
April 26, 2017**

- Parties to the Agreement: Town of Avon  
 EPS, Austin, Texas – Independent Producer  
 Representative: Mr. Jeff Miller
- Talent Procurement
  - Stage Production Management
  - Production Consulting
- Type of Event: Music Concert(s) - Ticketed  
 Location: Avon Pavilion and Harry A. Nottingham Park Upper Field
- Available Dates: No more than two nights may be booked on not more than two of the following dates: Preference Friday/Saturday shows:
- August 11 – 13
  - September 1 - 3
  - September 15 – 17
  - September 22 - 24
- Maximum Attendance: 4,500 paid admissions, subject to \$3.00 Admission Fee, plus any associated ticketing fees from third party vendor  
 Budget Assumption: 3,200 paid admissions
- Performance Ending Time: Not later than 10:00 p.m., subject to Sound Permit approval, as required
- Local Ticket Discount: Seven (7) day early local purchase at 85% of ticket price  
 Local is a resident of Avon, Colorado
- Artists:
- Committee must provide recommended artists within five (5) days of Town Council approval;
  - Artist(s) approved, in consultation with EPS and Town Manager, on a case-by-case basis prior to offer;
  - Artist Offer may not exceed:
    - \$350,000 – two-day show; or
    - \$175,000 - one-day show

**ESTIMATED REVENUES, EXPENSES & NET INCOME OF ONE & TWO-DAY CONCERTS**

	ONE DAY SHOW	TWO DAY SHOW
<b>REVENUES</b>		
Vendors & Sponsors	\$269,500	\$541,000
<b>EXPENSES</b>		
Production Expenses & Contingency	\$269,500	\$497,317
<b>NET INCOME</b>	\$0	\$43,683
Producer Fee - 10% of Expenses & Hotel/Meals on site (included in totals)	\$20,881	\$38,772

EPS Agreement Terms and Conditions:

Town of Avon shall be responsible for all Concert Expenses

- 50% of EPS Expenses shall be paid 30 days prior to performance date; 40% paid five (5) business days before the performance date; and, 10% net 30 days, subject to all receipts having been provided and verified.
- Town will not be responsible for expenses higher than approved at the time of agreement execution, unless approved in writing. If expenses are less, Town shall pay the actual expenses not the approved amount.

Net Income: Revenues over Expenses

- Avon shall retain 80% of net income
- EPS shall retain 20% of net income  
EPS standard rate is 15% of approved budget. Discounted 5% to 10%.

The information in this draft term sheet is not binding and not intended to be a contract. It is for the Ad Hoc Special Events Committee to make a recommendation to the Avon Town Council. All terms are subject to review and discussion.

Appendix 2 – EPS Reference Materials & Artists' Lists



# APPENDIX 1

## Roger LeBlanc



Roger LeBlanc relocated to California in 1988 where he became the exclusive talent buyer for many prominent Southern California venues. He started his career with historic concert venue "The Coach House" and after nearly 30 years, Roger consistently puts together an amazing calendar of shows and top entertainment that is second to no other venue in the nation!

Along with the Coach House, Roger's talent buying success has led to exclusive buying positions with The Sunset Strip Music Festival, successful music cruise ShipRocked and other SoCal live music venues including the Canyon

Club and Hermosa Beach's live music room Saint Rocke.

Today, after moving to Nashville, TN in 2009, LeBlanc continues to book his California venues and festivals but has also added the legendary 2,000 capacity War Memorial Auditorium to his roster. LeBlanc's latest undertaking is KAABOO the music, arts and culinary experience in Del Mar, CA which is now in its 3<sup>rd</sup> year after successful events in 2015 and 2016.

As an expert in producing live concert events that cross multiple generations and genres; LeBlanc, through his company Madison Entertainment works in various capacities with well known venues, festivals and events throughout the nation. Currently Roger and his team are responsible for over \$20M in talent booking annually and this is growing every year making them one of the largest independent music buyers on the United States.

It is his established reputation and long standing personal relationships in the music industry that put Roger LeBlanc in position to get the first call from agents at every level with new tour announcements, and available dates.

LeBlanc was nominated as IEBA's Club Buyer of the Year in 2012, 2015 & 2016 and won in 2016. He was nominated as Club Buyer of the Year for the 2013, 2014, 2015 and 2016 Pollstar Awards. He won the Pollstar award in 2015.

ARTISTS:  
MADISON  
ENTERTAINMENT -  
Talent Tiers

DAWES  
Echosmith  
Michael McDonald  
Wallflowers

O.A.R.  
Brandi Carlile  
Capital Cities  
Gavin McGraw  
Kesha  
Barenaked Ladies

Ryan Adams  
Haim  
Jason Isbell  
3rd Eye Blind  
Flo Rida  
Rebulation  
Huey Lewis  
Cheap Trick

Avett Brothers  
Goo Goo Dolls  
Group Love  
Stugil Simpson  
Alanis Morissette



**Avon Performance Pavilion**  
**Addendum to Proposal**

**CLIENT/EVENT: AVON COLORADO**  
**DATES: SUMMER/FALL SEASON 2017-2018**  
**LOCATION: AVON COLORADO**  
**Submit to: Virginia Egger & Danita Dempsey**

**Submitted by:**

Jeff Miller – Owner / Executive Director  
EVENT PRODUCTION SERVICES LLC  
jeff@epstx.net - o: 512-828-7551 c: 512-689-6265

Update Proposal Addendum Sent on: Fri Feb 24, 2017



Turn key  
Event Management



Carrollton Festival at the Switchyard



Austin's New Year Celebration



KGSR's Blues on the Green



Austin's New Year Celebration



Green Apple Festival

## AVON SHOW CONCEPTS SUMMER 2017-2018

### BLUEGRASS (Roots) MUSIC FESTIVAL (1-2 days).

#### POSSIBLE ACTS:

- **Greensky Bluegrass**
- **Yonder Mtn String band**
- Leftover Salmon
- Punch Brothers
- Sarah Jaroz
- Traveling McCouries
- Railroad Earth
- The Infamous Stringdusters
- Alison Krause
- Bela Fleck
- Keller & The Keels
- Keller Williams' Grateful Grass
- Peter Rowan
- Sam Bush
- (There are hundreds of bands that could work as support for this bill)

### BLUES (Theme) FESTIVAL Concept (1-2 days).

- POSSIBLE ACTS:
- **Tesdechi Trucks Band**
- **Steve Miller Band**
- Leon Bridges
- **John Butler**
- **Gov't Mule**
- Bruce Hornsby
- Son Volt
- Drive by Truckers
- **Big Head Todd**
- Buddy Guy
- Robert Cray
- Chris Robinson Band
- Marcus King Band
- Soulive

### Country/Texas Rock FESTIVAL Concept (1-2 days).

- POSSIBLE ACTS:
- **Willie Nelson**
- **Lyle Lovett**
- **Pat Green**
- **Sturgill Simpson**
- Robert Earl Keane
- Ryan Bingham
- Steve Earle
- Statesboro Review
- Mickey and the motorcars
- Reckless Kelly



Turn key  
Event Management



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Austin's New Year Celebration



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Austin's New Year Celebration



Green Apple Festival

### Reggae Fest

- POSSIBLE ACTS:
- **Ziggy Marley**
- **Jimmy Cliff**
- **Toots and Maytals**
- **311**
- **Damian Marley**
- **Black Uhuru**
- **Slightly Stoopid**
- **Matisyahu**
- **Lettuce**
- **The Roots**
- **Steel Pulse**
- **Iration**
- **Tribal Seeds**
- **The Expendables**
- **Pepper**

### JAMBAND Fest

- **Widespread Panic**
- **String Cheese Incident**
- **Phil Lesh and Friends**
- **DISCO BISQUITS**
- **Joe Russo's almost dead**
- **Chris Robinson Band**
- **Gov't Mule**
- (As we all know, there are hundreds of bands that could work as support for this bill)

### 1 OFF SHOW/OR BACK TO BACK SHOWS (1-2 days).

Notes: 1 Headliner plus support or no support. POSSIBLE SINGLE ACTS: (Some of these may be over budget but these acts are as close to a sure thing for a sellout as it comes). But it would be a matter of coming up with additional funding.

- **Steve Miller Band**
- **Phil Lesh and Friends**
- **Santana**
- **Tesdechi Trucks Band**
- **My Morning Jacket**
- **Widespread Panic**
- **Ben Harper**
- **Wilco**
- **Zac brown Band**
- **Counting Crowes**
- **Sturgill Simpson**
- **Willie Nelson**
- **Neil Young**

### Details:

**Budget: 250k-500k range**

**BUDGET PER SHOW: 200-250k+** (includes talent and staffing, sound/lights, other needs, fencing, security, hospitality, etc.)

**EPS FEES: 10-15% of budget**

**-Additional bonus incentives for events that turn a profit. EPS and Avon to partner on shows.**



Turn key  
Event Management



Carrollton Festival at the Switchyard



Austin's New Year Celebration



KGSR's Blues on the Green



Austin's New Year Celebration



Green Apple Festival

### Potential revenue

- Ticket sales (premium ticket sales for premium tix or packages).
- Event/Venue sponsor sales
- VIP packages
- Travel packages
- Beer/Food sales
- Vendor booth spaces

### Potential budget items

- EPS fees
- Staffing at the event
- Goods/services like sound/lights/techs/video/fencing/barricade/tents/etc.
- Hospitality and lodging for bands/crew/staff.
- Website/Social media/Etc.
- Marketing

### Items the city can provide in kind or through partnerships:

- Venue rental fees waived
- Hotels for bands and crew/staff from hotel partner (Sponsorship)
- Any gear the city owns that we can use for the event for free like fencing, barricade, any/all resources that we can think of.
- Police/EMT during the event.
- Parking/Shuttles?

### Next Steps for Avon/EPS

- Narrow down wish list and decide on what type of event and when/dates.
- Contracting with EPS / initial deposit paid. Work begins on project.
- Decide on final concept/bands and begin outreach to agencies/acts.
- Review choices with Avon and make official offers to acts at that time.
- Create event budget and P & L.
- Once band/type of shoes is chosen and accepts offer, aggressive marketing plan is built.
- Event is announced/Tickets on sale.
- Event production planning and execution begins.



**“RFP RESPONSE”**



**Avon Performance Pavilion**

**CLIENT/EVENT: AVON COLORADO**  
**DATES: SUMNMER SEASON 2017-2018**  
**LOCATION: AVON, COLORADO CAPACITY: 12,000**  
**Submit to: Virginia Egger and Danita Dempsey**

**Submitted by:**

Jeff Miller – Owner / Executive Director  
EVENT PRODUCTION SERVICES LLC  
jeff@epstx.net - o: 512-828-7551 c: 512-689-6265

Proposal Sent on: **January 25, 2017**



Turn key  
Event Management



Carrollton Festival at the Switchyard



Austin's New Year Celebration



KGSR's Blues on the Green



Austin's New Year Celebration



Green Apple Festival

• **A: BUSINESS ORGANIZATION**

EVENT PRODUCTION SERVICES LLC

2313-B THORNTON ROAD, AUSTIN TEXAS 78704

OFFICE: 512-828-7551 FAX: 888-334-0642

[WWW.EPSTX.NET](http://WWW.EPSTX.NET) EMAIL: [JEFF@EPSTX.NET](mailto:JEFF@EPSTX.NET)

EPS IS LOCALLY OWNED AND OPERATED IN AUSTIN, TEXAS 78704

• **B: AUTHORIZED NEGOTIATOR**

JEFF MILLER - OWNER/FOUNDER/EXECUTIVE DIRECTOR

O: 512-828-7551 C: 512-689-6265 EMAIL: [JEFF@EPSTX.NET](mailto:JEFF@EPSTX.NET)

• **C: PRIOR EXPERIENCE**

**Introduction:**

Event Production Services LLC (EPS) is an event production management company founded in 2005, based in Austin, Texas. EPS has booked and produced hundreds of events in Austin and across Texas over the past 11 years. EPS has a spotless record producing large outdoor events in city parks, street festivals and special events in various municipalities. In addition, Jeff Miller, owner of EPS, has over 20 years' experience working with various festivals, for major corporations, nonprofits, and municipalities to produce both paid and civic oriented / free events benefiting the community. EPS has a long history of working with the various departments at both small and large municipalities to permit and approve all related operations to ensure a safe and fun event for the citizens of the cities and towns we work in. With an eye for fine detail, a driven work ethic, and unparalleled experience, EPS will make a great production partner for the town of Avon Colorado. EPS believes that the working relationship will only grow stronger over time and through shared experiences. Our aim is for a long-term, mutually beneficial relationship.





Turn key  
Event Management



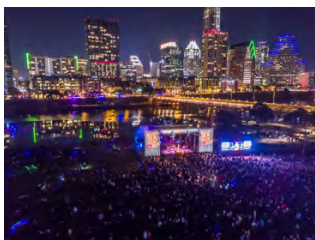
Carrollton Festival at the Switchyard



Austin's New Year Celebration



KGSR's Blues on the Green



Austin's New Year Celebration



Green Apple Festival

2: EXPERIENCE: EPS Produced Events: Case Studies

Carrollton Festival at the Switchyard <http://www.carrolltonfestival.com/>

Description:

Jeff Miller: Producer/Production Director, 2010-Present - EPS has provided our turn key production planning services, talent buying and overall management and staffing at the event since its inception in 2010. EPS worked with the City to design this signature event from scratch. Event features 20+ acts on 2 stages, 100+ art and food vendors, dozens of kid's activities, and draws upwards of 30,000 people during the day, and around 12,000 people attend the nighttime concerts. We work with all the major agencies on behalf of the city to procure national headliners and regional talent for the event. In addition, EPS manages and coordinates all safety aspects including hiring and managing the various police, security and medical teams. EPS hires and manages over 30 staff members, managers, and various vendors at the event. Budgeting and settlement with vendors/talent/staff are all handled in house. Event Budget: Approx. \$500,000.00

CLIENT: City of Carrollton Texas

Contact: Kelli Lewis - City of Carrollton, Texas - Marketing Director / Festival Director  
214-621-2212 Kelli.Lewis@cityofcarrollton.com

KGSR's Blues on the Green <http://www.kgsr.com/promotions/blues-on-the-green>

Description:

Jeff Miller: Producer/Production Director, 2012-Present - EPS has been providing a full turn key production planning services, and overall management and staffing at the event for the past 5 years. Since EPS began working with the event in 2012, we have made improvements in stage/sound and lighting and overall planning, management and presentation. EPS hires and manages over 50 staff members, managers, and various vendors at the event. Budgeting and settlement with vendors, talent and staff are all handled in house. Event draws approx. 25k+ visitors for each show 4 times every summer in Austin's crown jewel, the big lawn at Zilker Park where ACL Fest and Trail of Lights are held. Event Budget: Approx. \$500,000.00 for the season (4 shows).

CLIENT: EMMIS RADIO

Contact: Rachel Lepera - Events Director – Emmis Broadcasting / KGSR Radio Austin / KGSR's Blues on the Green - 561-350-0133 RLepera@emmisatx.com

Austin's New Year <http://austinsnewyear.com>

Description:

Jeff Miller: Executive Producer/Production Director, 2015-Present - In late 2015, EPS won the bid to produce the City of Austin's annual New Year's Eve event. In previous years, had been run in house by the city with dwindling attendance and interest. The city was looking to rebrand the event and do a total and complete overhaul. With only 3 months to produce the event, EPS took the reins and booked and produced a successful event above and beyond all reasonable expectations. Attendance was well over 30,000. After the various successes of the inaugural year working together, the City hired Jeff Miller directly as a consultant to produce the event for the next 4 years.

EPS provides a total turnkey solution for the city. Including production and operations planning, talent buying, sponsorship sales and management, & Marketing/PR as well as overall management and staffing at the event. EPS hires and manages over 30 staff members, managers, and various vendors at the event, in addition to managing 22+ acts on 4 stages and dozens of food, art and activities vendors. EPS also manages budgeting and settlement with vendors, talent and staff are all handled in house. The 2016 event drew approx. 60-70k visitors. Budget: Approx. \$150,000.00

CLIENT: City of Austin Texas

Contact: Sylnovia Holt-Rabb – Assistant Director of Economic Development: 512-743-6153  
Contact: William Manno – Corporate Special Events Manager: 512-491-2426



Turn key  
Event Management



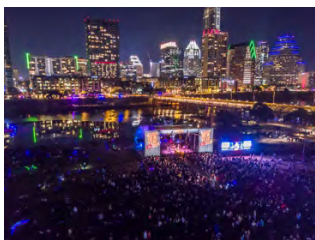
Carrollton Festival at the Switchyard



Austin's New Year Celebration



KGSR's Blues on the Green



Austin's New Year Celebration



Green Apple Festival

**Pachanga Latino Music Festival**

<http://pachangafest.com/>

**Description:**

Jeff Miller: Producer/Production Director, 2008-2016 - EPS provided full turnkey production planning services, and overall management and staffing at the event since 2008. EPS hired and managed over 30 staff members, managers, and various vendors at the event, in addition to managing 30+ acts on 3 stages. Budgeting and settlement with vendors, talent and staff were handled in house. Event drew approx. 5000-7500 visitors annually.

Budget: Approx. \$300,000.00

**CLIENT: Pachanga Partners / El Guapo**

Rich Garza - Executive Producer – Pachanga Latino Music Festival - 512-565-8087

**OTHER EVENT EXPERIENCE / REFERENCES\***

**ACL LIVE at The Moody Theatre**

EPS is the exclusive producer of all 2<sup>nd</sup> Street Events (adjacent to the venue) on behalf of ACL Live

2014-Present

<http://acl-live.com/>

\*CLIENT: **Michaelyne Escobar Long** Director of Private Events - ACL Live at The Moody Theater - 512-404-1318

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**Austin Trail of Lights**

Event Director/Producer

2014-2015

<http://austintrailoflights.org/>

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**Austin City Limits Music Festival**

Food/Art Vendor Manager

2002-2008

<http://www.aclfestival.com/>

---

**Soundcheck Texas**

Production Director

2014-Present

<http://www.2ndstreetdistrict.com/soundcheck2015>

**The Backyard Live Oak Amphitheatre**

Venue building and Operations Planning Consultant.

2016-Present

<http://backyardaustin.com/>

**EPS CLIENT LIST & CLIENT COMMENTS**

<http://epstx.net/#!/clients>

**JEFF MILLER WORK EXPERIENCE**

To review the experience of EPS owner Jeff Miller – Please visit:

[www.linkedin.com/in/jeffmiller/en](http://www.linkedin.com/in/jeffmiller/en)



Turn key  
Event Management



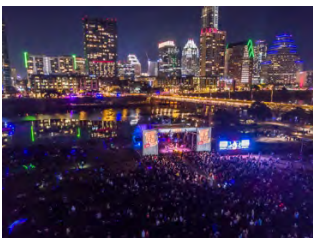
Carrollton Festival at the Switchyard



Austin's New Year Celebration



AGSR's Blues on the Green



Austin's New Year Celebration



Green Apple Festival

## D: PERSONNEL

Key EPS management personnel: *Current EPS Staff*

- Production/Operations Director: Jeff Miller
- Production Manager: Andy Ellis
- Main Stage Manager: Patrick Brassell
- Operations Manager: Jon Blue
- Vendor/Sponsor Activation Mgr: Joetta Velasquez / Charles Kithcart
- VIP manager: Darlene Starr / Becky Lynn Street
- Production Office manager: Emily Miller
- Labor/PA's/ETC: EPS pool of qualified event staff.
- All other staff hired on a case-by-case basic depending on the needs of the event and approved budgets.

Time dedicated by independent contractors (IC) depends on final scope. EPS owner Jeff Miller will work with the client to determine all event needs and 90% of the planning will done in house, then delegated staff or IC responsibilities on a "as needed" basis to area managers. Typically, most event staff are day of setup and show only. Managers are hired to handle the advance of vendors and talent and typically start 30-60-90 days or more out.

Experience of EPS staff: Each staff member has a minimum of 5-8 years' experience working EPS gigs. Many of my key staff have worked 90% of EPS events over the past 10 years. All key members named above have successfully executed multiple events, as part of EPS and other production teams.

In addition, many of EPS key vendors service the greater Colorado area. We have a satellite office in Denver now being set up to service our Mountain time clients. We have strong local ties and many contacts for sourcing reliable staff and third party vendors.



Turn key  
Event Management



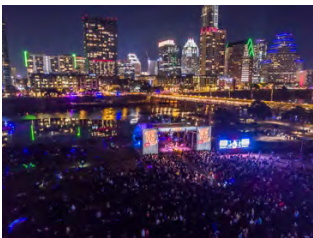
Carrollton Festival at the Switchyard



Austin's New Year Celebration



KGSR's Blues on the Green



Austin's New Year Celebration



Green Apple Festival

**E. CONCEPT AND SOLUTION** (Will be based on event type and scope. To be determined)

**PLAN AND PRODUCE**

- Working closely with The City of Avon, ("client") and EPS key staff and vendors, identify key points and to-do/action lists moving forward.
- Develop a site plan and work off production/deliverables timeline. Develop back up/rain plan in case of inclement weather.
- Work with agencies to assess artist availability and market value, talent buying, artist technical and hospitality management at event.
- Identify all event production and staffing needs. Source gear.
- Contact vendors for bids.
- Determine budget needs and provide estimate.
- Work with client to approve all goods/services/staffing expense and manage invoicing and settlement.
- Work with client to identify creative and artistic installations, displays, or activations.
- Schedule/coordinate meeting with artists/staff/volunteers.

**F: WORK PLAN** (Will be based on event type and scope. To be determined)



Turn key  
Event Management



Carrollton Festival at the Switchyard



Austin's New Year Celebration



Keep Austin Weird Fest



KGSR's Blues on the Green



Green Apple Festival

## G. PROJECT MANAGEMENT STRUCTURE

### 1. CHAIN OF COMMAND.

CLIENT>

JEFF MILLER> (REPORTS TO CLIENT ON ALL BUSINESS AND GAINS APPROVALS)

- THIRD PARTY VENDORS
- TECHNICAL ADVANCE WITH TALENT
- EPS STAFF

### 2. SINGLE POINT OF CONTACT FOR BILLING/FOLLOW UP AND PROBLEM RESOLUTION

Jeff Miller, owner and event director of EPS, will act as point of contact on all business as stated above. Jeff has a great deal of experience working directly with vendors, staff and clients on all the above, as well as overall team management.

### 3. DEPTH OF STAFFING RESOURCES

EPS has amazing depth for staff and resources. After 20 years working Austin events, including 5 years at CSE/ACL FEST and 15 years producing events all over Texas and nationwide, we have a large database of qualified individuals. We have great managers we use for most of our events, and a well-stocked pool of independent contractors and event staffing / labor. If someone on our team fell out for one reason or another, we would quickly pull in another qualified person. We also have deep roots and relationships in Colorado and around Vail/Avon.

### 4. GENERAL NOTES ABOUT HOW EPS CONDUCTS BUSINESS.

EPS is a goal driven, detailed oriented production company. We have long-standing processes and documents we use, staffing, budget's and timeline templates. We embrace current technology like GoogleDocs, to create documents any team member can access and work on/review, thus cutting back on email and meeting time. We are a high-efficiency, low-maintenance production partner that delivers high results. We strive for a no drama, fun, and creative work environment. We provide clear, fair but firm leadership and oversight, of our staff and vendors. All of who understand the level of results we strive to accomplish, on the behalf of our clients. We are pros and always strive to conduct business as such.



Turn key  
Event Management



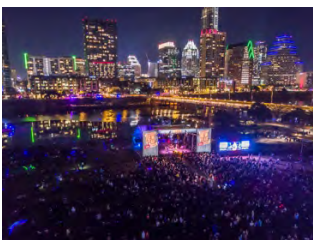
Carrollton Festival at the Switchyard



Austin's New Year Celebration



KGSR's Blues on the Green



Austin's New Year Celebration



Green Apple Festival

#### H. COST PROPOSAL (Will be based on event type and scope. To be determined)

##### ESTIMATED GENERAL BUDGET:

- **\$TBD**

##### CLIENT PAYS:

- PROJECT FEE: Typically, 10%-15% of overall operations and talent budget. Final number to be determined based on final scope. (More information is needed based on scope/number of days on Site-We will work through this with you to both parties' satisfaction). (Typical event fee is 15-20% of overall budget. Our rate is an introductory rate for year 1 until full scale and scope of event is known).
- Project fee included core EPS staff to plan and advance your event until event managers are hired/chosen. Does not include labor, or on-site event staffing. Or staffing from third party vendors. Staffing as general budget line item as part of the event expenses.
- 50% deposit due upon contracting. All fees and known expenses paid in advance of show. All event staff and vendors paid on site unless otherwise noted.
- Office space provided for EPS management and production/ops office.
- Hotels for crew paid for or comped by hotel partner.
- All meals and travel expenses provided.
- (All these terms will be addressed in EPS event contract).

##### NEXT STEPS for Avon, Co.:

- *Once response to RFP is accepted, and reviewed, there will need to be a discussion on exactly what kind of event Avon would like to pursue. We will work with you to talk through initial discussions on scope. Then final fees determined. Then standard EPS event services contract can be issued within a few days. We aim for a painless transition and contracting process so we can all get to work.*

*\*It is very important to note that this is only an estimated budget based on the few things we do know, and many we do not. Like potential for sponsorships, in kind trades, city resources, etc. As well as final orders and event needs. Your event budget may differ from the estimated budget above.*

*Ultimately, EPS desires to put on the kind of event the client would like to put on. And at the comfort level for our client. We will be honest and upfront about all costs of goods/services and will offer total transparency on all invoicing. We will work closely with the client on all planning and anything related to costs. Nothing will be ordered or approved without the cities written approval. So please note that if the numbers above seem too high or too low, we will work with you to get it to where it needs to be for everyone's comfort level and the safety and well-being of all parties. And to produce the kind of event that we can all be proud of at the end of the day.*



*Turn key  
Event Management*



*Carrollton Festival at the Switchyard*



*Austin's New Year Celebration*



*KGSR's Blues on the Green*



*Austin's New Year Celebration*



*Green Apple Festival*

Additional Comments Section:

- N/A now. See below for event options.



*Turn key  
Event Management*



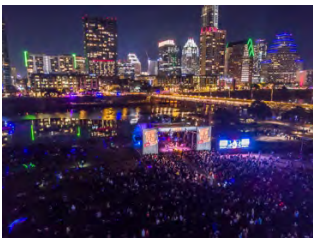
*Carrollton Festival at the Switchyard*



*Austin's New Year Celebration*



*KGSR's Blues on the Green*



*Austin's New Year Celebration*



*Green Apple Festival*

**Options to Produce event/events in Avon Colorado to boost exposure for the Towns Amphitheatre.**

**1: Multi day Music and Art Festival / Food Festival. Town-wide and at venue: "Avon Days"**

Budget: 150-250k and up

Put the town and world class amphitheater on the map with a large/awesome music/art/food event that centers around night time concerts at the pavilion. But also features the town at large and local art, food, and vendors.

**2: Single or multi day festival at Venue**

Budget: 150-250k and up

**3: Concert Series**

Budget: 125-250k+ per show to book headliner and support

**4: Single day concert**

Budget: 50-125k+ to book headliner and support

For example, Widespread panic in Sept 2017 or 2018 would probably work well with their radius clause because it's 3 months past the Red Rocks shows. Also, Neil Young, Counting Crowes, String Cheese Incident, several other bands would work well in that space.

**5: Event Sales**

Other options: EPS to go pitch to promoters on behalf of city. EPS to receive 30% of any venue fees or revenue for any event sold or contracted through EPS.

EPS would act as sale and venue management representative for Avon and actively sell events and manage the sales client at the events.

This service we can provide as an add on to any of the above event production options.

**Funding options models:**

- Avon pays 100% of expenses and EPS produces event/concert/fest.
- EPS and Avon Partner on producing event. With initial funding by the City. And raise sponsorship Dollars to underwrite concert season / Music.
- Avon seed funds concert, and ticket sales cover band costs. Additional revenue from vendors, sponsors, beer sales, etc. to help offset investment.

\*EPS cannot have financial responsibility for any losses.





Turn key  
Event Management



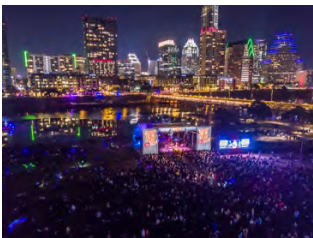
Carrollton Festival at the Switchyard



Austin's New Year Celebration



KGSR's Blues on the Green



Austin's New Year Celebration



Green Apple Festival

Avon handles:

- Marketing / PR / All promotions. EPS can advise on all.
- Sponsorships and fulfillment. \*\*

\*\*EPS has team in place that could handle this service for a fee or % of sponsorships sold.

Note: It's challenging to write a proposal without knowing the exact direction the city is willing to take. So please review, narrow down our options, and let us know. From there we can give a much more detailed proposal, timeline, costs, etc.

April 21, 2017

Dear Avon City Officials:

I am writing you in reference to Jeff Miller and Event Production Services (EPS). I was thrilled to hear that EPS is being considered for a special project in Avon and felt compelled to write on their behalf.

I have known Jeff for many years and am consistently impressed with the caliber of events he and his team produce. Their attention to detail and level of professionalism is apparent, as is the importance of providing an outstanding experience for guests and artists alike.

Jeff personally takes pride in his work and his team; he has built a great reputation in the event industry. I've heard nothing but rave reviews of his work with others, and he's always exceeded my expectations.

Thank you in advance for your consideration of this great team. You will not be disappointed with Event Production Services.

Best,

Shawna Sprowls

Program Manager  
Boulder International Film Festival  
2338 Broadway St.  
Boulder, CO 80304  
Cell: 303-819-6468  
Office: 303-449-2289  
shawna@biff1.com



Dec. 10, 2013

To whom it may concern:

Event Production Services (EPS) began its relationship with the City of Carrollton in 2009 to help plan and execute a City sponsored, large scale music festival in the downtown historic district beginning Fall 2010. Since being awarded the bid for the inaugural event, EPS has provided the City of Carrollton with expert turn-key event production and talent buying services. As of 2013 they have produced 4 annual festivals on our behalf and booked well over 50 musical acts, drawing 10,000-15,000 attendance per event.

Despite being faced with complicated logistical limitations, politics, severe weather, and the continued growth of the festival, they have expertly planned and executed the event above and beyond our expectations. All while remaining flexible, friendly, and accommodating no matter what is in front of them. In addition, they provide us with the high level of customer service we require. The City considers EPS a production partner, not just a vendor or service provider. We enjoy working with Jeff and his entire team at EPS and look forward to the next event.

I highly recommend Event Production Services to any potential clients, in particular, cities who may be considering hiring them to produce a City sponsored event, or while considering a permit for an outdoor music festival.

Any questions, please feel free to contact me.

Sincerely,

A handwritten signature in black ink that reads "Sheri Chadwick". The signature is fluid and cursive, with a small mark above the "i" in "Chadwick".

Sheri Chadwick

Marketing Director / Executive Director – Festival at the Switchyard

City of Carrollton, TX

972-466-3594

[sheri.chadwick@cityofcarrollton.com](mailto:sheri.chadwick@cityofcarrollton.com)

**MARKETING SERVICES**

1945 E. Jackson Road, Carrollton, TX 75006 | 972.466.3593 | Fax: 972.466.3175  
P.O. Box 110535, Carrollton, TX 75011-0535 | [cityofcarrollton.com](http://cityofcarrollton.com)



# City of Austin

City Hall, 301 West 2<sup>nd</sup> Street, Suite 2030, P.O. Box 1088, Austin, TX 78767, [www.austintexas.gov](http://www.austintexas.gov)

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To whom it may concern;

Over the last 10 years I have witnessed Jeff Miller and Event Production Services (EPS) produce countless successful and expertly run events with a high emphasis on event safety. Between long running events like the Austin City Limits Music Festival, Pachanga Music Festival, Wine and Food Fest, Blues on the Green, and many more, the team at EPS has honed their skills into a well run and efficient event production management company for special events and festivals. Now, when major clients like Doritos BOLDSTAGE @ SXSW call the music office and tell us they are working with EPS to manage their production, it give us a great deal of comfort and reassurance knowing that EPS is involved. And that the event will be properly permitted, managed with a high level of professional integrity, and great lengths taken to ensure the safety of the general public, bands and staff alike.

Because of the high risks involved, there is a great deal of trust involved when the City of Austin approves a permit for a large scale event. And because of their detailed knowledge of the processes, and relationships with various city departments and staff members, vendors and clients, EPS is able to navigate the permitting process in an expert and timely manner. And without fail, provide all of the required documents and dozens of other requirements to secure the event permit on behalf of their clients. And at the events, an EPS production is always executed with precision and attention to the finest details.

From a personal standpoint, we enjoy working with the EPS team. They are fun to work with because they obviously love their work and are very good at what they do. They consistently perform at the high levels expected by the City. They always have a great attitude and their work ethic is through the roof.

I would highly recommend EPS to any potential client or city, municipality or county considering allowing EPS to produce or permit an event.

Feel free to contact me with any other questions.

Don Pitts  
Manager / Music & Entertainment Division  
Economic Development Department / City of Austin  
512-974-7821



**OFFICE OF SPECIAL EVENTS**  
200 South Lamar, Austin, Texas 78704  
(512)974-6797 (512) 974-6729 Fax  
[reservations@ci.austin.tx.us](mailto:reservations@ci.austin.tx.us)  
<http://www.ci.austin.tx.us/parks/reserve.htm>

December 19, 2013

To Whom it May Concern:

As Event Manager for the City of Austin Parks Department, I have worked very closely with Jeff Miller and his team at Event Production Services (EPS), who have produced many different festivals and events held in parks in the City of Austin.

Last year EPS took over the long running music series KGSR's Blues on the Green. This annual event series is held every other Wednesday, May through August. The event takes place in Austin's Zilker Park Great Lawn, also home to Austin City Limits Music Festival. Outside of ACL Festival, KGSR's Blues on the Green is the only other large scale music event allowed to take place on the great lawn. Our previous experience with Jeff and his company gave us a great comfort level, when Blues on the Green transitioned from its long-time producer (C3) to EPS.

Jeff and his team at EPS manage his client's events with passion and attention to detail. He is organized, timely, and complete with all required documents to obtain the special event permits for every event they produce. EPS is engaged with the City, and their clients to create mutual beneficial events.

If you have questions, our office may be reached at 974-2427.

Sincerely,

Jason A. Maurer  
Special Events Manager  
Austin Parks and Recreation Department

April 20, 2017

Town of Avon  
Avon, CO

RE: Event Production Services

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To Whom It May Concern:

This is Mark Brut and I am the owner of Rocky Mountain Artists which is a national booking and management company in the music industry based out of Denver and primarily focused on the Colorado market.

It is my understanding that Event Production Services (EPS) is being considered for a special project in Avon regarding some large-scale concert events in the town park.

In my experience, EPS has been nothing but professional and thorough in their handling of events from start to finish. They have the resources and experience to handle the individual needs of each event, and are always willing to go the extra mile or think “outside the box” to handle any unique situations that may arise. It is a credit to the work of Jeff Miller and his staff that they are constantly being approached unsolicited for new projects and events not only in Texas but outside of the state as well.

I say without hesitation that EPS would be an excellent choice to manage your prospective events and that EPS would be a welcome addition to the already competitive Colorado market as a key player in event production and management.

Feel free to contact me with any additional questions you may have.

Best regards:

Mark Brut  
Owner/Artist Consultant  
Rocky Mountain Artists LLC  
[mark@rockymountainartists.com](mailto:mark@rockymountainartists.com)  
720-883-6890



## TOWN COUNCIL REPORT

To: Honorable Mayor Jennie Fancher and Avon Town Council  
From: Preston Neill, Executive Assistant to the Town Manager  
Date: May 9, 2017  
Agenda Topic: Resolution 17-07 Establishing Locations and Number of Food Trucks

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### **ACTION BEFORE COUNCIL:**

Council is asked to take action on Resolution 17-07, Establishing the Locations and Number of Food Trucks.

### **RECOMMENDED MOTION:**

“I move to approve Resolution 17-07, Establishing the Locations and Number of Food Trucks.”

### **BACKGROUND:**

On May 10, 2016, Council approved an ordinance allowing food trucks to operate on Town right-of-ways, and subsequently approved a resolution establishing locations and number of food trucks allowed to operate within the Town. Council set out a special condition for the Town Manager to develop a guideline to have cessation of food truck services starting October 1, 2016. Council wished for any issued food truck permits to be monitored as a test case. The approval of the resolution allowed one (1) food truck, at any given time, to operate on any one location near Harry A. Nottingham Park (Park) and authorized the Town Manager to identify and test locations near the Park, including but not limited to the following sites:

- Location #1: The parking lot on north side of Park.
- Location #2: The two northerly parking spaces in the parking lot located on the east side of the Municipal Building.
- Location #3: The northwest corner of the parking lot located on the north side of the Recreation Center.

At a work session on April 25, 2017, Council provided direction to staff to reach out to Avon businesses to make them aware that they may give permission to operators of food trucks to operate on their private properties. Council also provided direction to staff to bring legislation before Council that would once again allow food trucks to operate on public property.

### **ATTACHMENT:**

Resolution 17-07



**TOWN OF AVON, COLORADO  
RESOLUTION 17-07**

**ESTABLISHING THE LOCATIONS AND MAXIMUM NUMBER OF FOOD TRUCKS**

**WHEREAS**, the Avon Town Council has determined that allowing food trucks in locations near Harry A. Nottingham Park is a viable strategy to bring activity and vibrancy and will provide for expanded small business opportunity; and

**WHEREAS**, the Avon Town Council adopted Ordinance 16-07, Allowing Food Trucks to Operate on Right-of-Ways; and

**WHEREAS**, Section 5.04.080 (b) of the Avon Municipal Code requires that the Avon Town Council establish the location and maximum number of vendor permits by resolution; and

**NOW, THEREFORE BE IT RESOLVED** that the Avon Town Council approves that one (1) food truck is allowed to operate on any one location near Harry A. Nottingham Park. The Town Manager is authorized to identify and test locations near the park, including but not limited to the following sites which are also mapped on Exhibit A:

- Location #1: The parking lot on north side of Harry A. Nottingham Park.
- Location #2: The two northerly parking spaces in the parking lot located on the east side of the Municipal Building.
- Location #3: The northwest corner of the parking lot located on the north side of the Recreation Center.

**ADOPTED May 9, 2017**

**AVON TOWN COUNCIL**

**By:** \_\_\_\_\_  
**Jennie Fancher, Mayor**

**Attest:** \_\_\_\_\_  
**Debbie Hoppe, Town Clerk**



**EXHIBIT A**

**POTENTIAL FOOD TRUCK LOCATIONS  
NEAR HARRY A. NOTTINGHAM PARK**





## **TOWN COUNCIL REPORT**

Staff will provide a report on this recommended License Agreement on Monday, May 8<sup>th</sup>.

**AN AGREEMENT BY AND BETWEEN THE TOWN OF AVON AND MILLSMORE, LLC FOR  
THE GRANT OF A REVOCABLE ENCROACHMENT LICENSE TO INSTALL, CONSTRUCT,  
AND MAINTAIN LANDSCAPE AND PARKING IMPROVEMENTS ON TOWN-OWNED  
RIGHT-OF-WAY and PROPERTY.**

**1.0** PARTIES. The parties to this agreement (“**Agreement**”) are the TOWN OF AVON, COLORADO, a Colorado home rule municipality (the “**Town**”) and MILLSMORE, LLC (the “**Licensee**”). This Agreement is effective upon execution by the Licensee and following execution by the Town Manager on the date indicated below.

**2.0** RECITALS AND PURPOSE.

**2.1.** The Town is the owner of certain property located in the Town of Avon, Eagle County, Colorado, commonly known as the Lot 4, Buck Creek PUD and Subdivision (“**Town Property**”).

The Town is the owner of the right-of-way on Swift Gulch Road, defined in this agreement as the unimproved area between the road and the adjacent properties, beginning west of Lot 4 and ending as a continuation of the easternmost property line of Lot 67 (“**Right-of-Way**”).

**2.2.** Town and Licensee entered into a Revocable Encroachment License in 2012 for the Town Property and the Licensee built a parking lot on the Town Property for the purpose of temporary parking and landscape improvements.

**2.3.** The Licensee has expressed a desire to remove landscaping area on Lot 67, and is required to mitigate the loss by improving the landscaping on Lot 4 and the Right-of-Way.

**2.4.** Licensee agreed to construct a sidewalk (“**Public Improvement**”) along Nottingham Road connecting the existing sidewalk to Swift Gulch road, which the Town acknowledges is a valuable public benefit that promotes pedestrian opportunities and enhances traffic safety which promotes goals of the Town’s Comprehensive Plan. Town further finds that the Public Improvement and landscaping enhancements to the Town Property provide benefits and value which equal or exceed the value of the Town Property that the Town is providing for use by Licensee for parking and dumpster use.

**2.5.** Licensee agrees to install landscaping improvements in the Town Property and the right-of-way as depicted in **Exhibit A: Landscaping Plan**, which the Town acknowledges is an adequate offset to the landscaping area lost in constructing additions to the building on Lot 67.

**2.6.** The Town is willing to update the revocable license to the Licensee under the terms and conditions as hereinafter specified in this Agreement provided that nothing in this Agreement shall waive or modify any obligation to seek building permits, variances, or other approval necessary to meet any obligation imposed by law. The Licensee remains obligated to apply for and obtain all necessary permits and approvals, pay all required fees, and comply with all applicable local

laws, including but not limited to any applicable provisions in the Avon Municipal Code.

### 3.0 TERMS AND CONDITIONS.

- 3.1. The Town hereby amends and restates in its entirety the grant to the Licensee of a revocable license for the encroachment and occupation described as follows: a paved parking lot with approximately six parking spaces (to be occupied with parked vehicles), landscape plantings (trees, shrubs, and ground cover), retaining walls, potential light fixtures (if any), and a dumpster enclosure (“**Private Improvements**”); and the updated landscape plantings on Lot 4 and the right-of-way as such Private Improvements are depicted in **Exhibit A: Landscape Improvements**; provided, however, that nothing in this Agreement is intended to waive, alter, modify, or permit any violation of any local law applicable within the Town of Avon. To the extent that the location or other specifications of this License or any exhibit conflicts with local laws, the local law shall govern. Except for the encroachment and occupation of the Public and Private Improvements identified in this ¶3.1, no other encroachment, structure, improvement, vehicle, fence, wall, landscaping, or any other real or personal property shall be erected, installed, constructed, parked, stored, kept, or maintained in any way or fashion on the Town Property, including but not limited to storage sheds, carports, playground equipment, motor vehicles, snowmobiles or other recreational equipment.
- 3.2. The encroachment and occupation of Private Improvements as specified in ¶3.1 above shall continue from the date of this Agreement to the time that this Agreement is terminated. Due to the significant investment by the Licensee, the Town intends that the period of this amended license will run for a minimum of five years from the date this License Agreement is executed. Notwithstanding the foregoing, the Town may terminate this Agreement at any time if the Town Council, following a duly noticed public hearing, makes a legislative determination that removal of the Private Improvements is necessary to protect the public health, safety, or welfare of the Avon community. At such time as the Town Council makes a determination that removal of the Private Improvements is necessary, the Town Council shall also make a legislative determination regarding the reasonable period of time within which the Private Improvements must be removed. Except in the case of a public safety emergency or where a shorter period of time is justified due to the nature of the Private Improvements, the Licensee shall customarily not be required to remove the Private Improvements within less than thirty (30) days of notice to the Licensee. The Town may also terminate this Agreement at any time in the case of a declaration by the Town Council for the Town of Avon that a public safety emergency exists by giving written notice to the Licensee five (5) days in advance of the effective date of termination.
- 3.3. The Licensee expressly agrees to, and shall, indemnify and hold harmless the Town and any of its officers, agents, or employees from any and all claims, damages, liability, or court awards, including costs and attorney’s fees that are or may be awarded as a result of any loss, injury or damage sustained or claimed to have been sustained by anyone, including but not limited to, any person, firm, partnership, or corporation, in connection with or arising out of any omission or

act of commission by the Licensee or any of its employees, agents, partners, or lessees, in encroaching upon the Town Property. In particular and without limiting the scope of the foregoing agreement to indemnify and hold harmless, the Licensee shall indemnify the Town for all claims, damages, liability, or court awards, including costs and attorney's fees that are or may be awarded as a result of any loss, injury or damage sustained or claimed to have been sustained by anyone, including but not limited to, any person, firm, partnership, or corporation, in connection with or arising out of any claim in whole or in part that all or any portion of the Private Improvements and encroachment permitted by this Agreement constitutes a dangerous and/or unsafe condition within a public right-of-way.

- 3.4.** The Licensee agrees that it will never institute any action or suit at law or in equity against the Town or any of its officers or employees, nor institute, prosecute, or in any way aid in the institution or prosecution of any claim, demand, or compensation for or on account of any damages, loss, or injury either to person or property, or both, known or unknown, past, present or future, arising as a result of or from the revocable license granted to the Licensee by this Agreement. This provision includes but is not limited to claims relating to road maintenance, snow removal or other public works activities performed by or on behalf of the Town.
- 3.5.** The Licensee agrees to construct, maintain, and repair the Private Improvements placed or located on the Town Property by the Licensee or its lessees, agents, employees, or other persons under the control or direction of the Licensee pursuant to this Agreement at the cost and expense of the Licensee and at no cost or expense to the Town. The Licensee agrees to remove or cover graffiti or other damage caused to the improvement(s) within a reasonable time following notice or knowledge of such damage or within forty-eight (48) hours of delivery to the Licensee of a written demand by the Town, whichever is earlier. The Licensee shall not erect, cause to be erected or permit the erection of any sign, advertising object, or illustration upon any improvement, structure, fence, or wall placed or located by the Town Property pursuant to this Agreement and shall promptly remove any such sign or advertising.
- 3.6.** The Licensee agrees to maintain the landscaping in a healthy condition at all times and shall be responsible for ensuring the proper pruning or replacement as necessary to present a healthy landscape condition. Upon termination the Licensee may be required to relocate trees and shrubs planted on Lot 4, Buck Creek PUD and in the Swift Gulch Right-of-Way in order to comply with the previously approved landscape plan for Lot 67, Block 1, BMBC.
- 3.7.** The Licensee agrees upon termination of the license agreement to relocate the dumpster enclosure from Lot 4, Buck Creek PUD onto Lot 67, Block 1, BMBC in order to comply with the previously approved site development plan.
- 3.8.** The Licensee agrees that the Town is not liable, and will not assume any liability, responsibility, or costs for any damage, maintenance, or repair of any Private Improvements erected or maintained by the Licensee under this Agreement.

- 3.9.** The Licensee agrees to repair and reconstruct any damage to the Town Property upon termination of this Agreement or removal of the Private Improvements described in paragraph 3.1 and any other improvements erected by the Licensee on the Town Property and the Licensee shall return the Town Property to its original condition at the cost and expense of the Licensee and at no cost or expense to the Town. In the event that Licensee does not remove the Private Improvements and repair and restore Town Property to the condition prior to this Agreement within the time period determined in ¶ 3.2 above, then Licensee shall be deemed to have abandoned the Private Improvements and any rights thereto and the Town may proceed to remove the Private Improvements. The Town may seek recovery of all costs incurred for the removal of Private Improvements from Town Property, repair of damages to Town Property, and restoration of Town Property, including legal costs and attorney fees.
- 3.10.** The Licensee agrees to procure and maintain, at its own cost, a policy or policies of insurance protecting against injury, damage or loss occurring on the licensed premises in the minimum amount of \$600,000.00 per occurrence. Such policy or policies shall name the Town as an “additional insured”. However, the Licensee’s failure to take such steps to insure the premises shall not waive, affect, or impair any obligation of the Licensee to indemnify or hold the Town harmless in accordance with this Agreement.
- 3.11.** The Licensee shall be deemed to have intentionally and irrevocably abandoned and relinquished rights and interest in the Private Improvements in the event that the Licensee conveys all the Licensee’s interest in the property or properties obtaining access or receiving benefit from the improvements and encroachments described in this Agreement. The Town shall be entitled to rely upon the public records of ownership maintained by the office of either the Eagle County Clerk and Recorder or the Eagle County Assessor in rendering a determination that the Licensee has abandoned and relinquished the Licensee’s rights and interests as provided by this paragraph. In such event, the Town may remove and demolish such improvements without notice to the Licensee.
- 4.0** ASSIGNMENT. This Agreement shall not be assigned by the Licensee without the prior written consent of the Town which may withhold its consent for any reason; provided that the Town encourages the Licensee to inform any purchaser of the Licensee’s property or interests of the existence of this Agreement and the Town will promptly consider any request by the Licensee for assignment of this Agreement to such subsequent purchaser.
- 5.0** NOTICES. Any notice required or permitted by this Agreement shall be in writing and shall be deemed to have been sufficiently given for all purposes if personally served or if sent by certified mail or registered mail, postage and fees prepaid, addressed to the party to whom such notice is to be given at the address set forth on the signature page below, or at such other address as has been previously furnished in writing, to the other party or parties. Such notice shall be deemed to have been given when deposited in the United States Mail.
- 6.0** INTEGRATION AND AMENDMENT. This Agreement represents the entire agreement between the parties and there are no oral or collateral agreements or understandings. This Agreement may be amended only by an instrument in writing signed by the parties.

If any other provision of this Agreement is held invalid or unenforceable, no other provision shall be affected by such holding, and all of the remaining provisions of this Agreement shall continue in full force and effect. Invalidation of the Agreement in its entirety shall revoke any authorization, whether explicit or implied to the continuing use and occupancy of the Town Property for the Private Improvements.

- 7.0** GOVERNING LAW AND VENUE. This Agreement shall be governed by the laws of the State of Colorado and venue for any action arising under this agreement shall be in the appropriate court for Eagle County, Colorado.
- 8.0** WAIVER OF BREACH. A waiver by any party to this Agreement of the breach of any term or provision of this Agreement shall not operate or be construed as a waiver of any subsequent breach by either party.
- 9.0** BINDING EFFECT. This Agreement shall inure to the benefit of, and be binding upon, the parties, their respective legal representatives, successors, heirs, and assigns; provided, however, that nothing in this paragraph shall be construed to permit the assignment of this Agreement except as otherwise expressly authorized herein.
- 10.0** UNDERLYING INTENT AND SCOPE. It is the intent of this Agreement that the Town shall incur no cost or expense attributable to or arising from the construction, maintenance, or operation of the Private Improvements and encroachment permitted by this Agreement and that, in all instances, the risk of loss, liability, obligation, damages, and claims associated with the encroachment shall be borne by the Licensee. This Agreement does not confer upon the Licensee any other right, permit, license, approval, or consent other than that expressly provided for herein and this Agreement shall not be construed to waive, modify, amend, or alter the application of any other federal, state, or local laws, including laws governing zoning, land use, property maintenance, or nuisance.
- 11.0** AUTHORITY TO BIND PARTY. The undersigned persons represent that they are expressly authorized to execute this Agreement on behalf of the Parties and to bind their respective Parties and that the Parties may rely upon such representation of authority.
- 12.0** LEGAL FEES AND COSTS. In the event the Town seeks legal action to enforce this Agreement or to recover reimbursement costs for removal of private improvements from, repair of any damages, and/or restoration of Town property subject to this Agreement, Town shall be entitled to recover any and all legal costs and attorney's fees incurred.

[SIGNATURE PAGE FOLLOWS]

DATED MAY 9, 2017.

**TOWN OF AVON:**

By: \_\_\_\_\_  
Jennie Fancher, Mayor

ATTEST:

Approved as to Form:

\_\_\_\_\_  
Debbie Hoppe, Town Clerk

\_\_\_\_\_  
Eric J. Heil, Esq., Town Attorney

**LICENSEE:**

By: \_\_\_\_\_  
James Pavelich

Address: 20 Nottingham Road  
Avon, CO 81620

STATE OF COLORADO        )  
  ) ss.  
COUNTY OF EAGLE         )

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of  
\_\_\_\_\_, 2017, personally by \_\_\_\_\_.

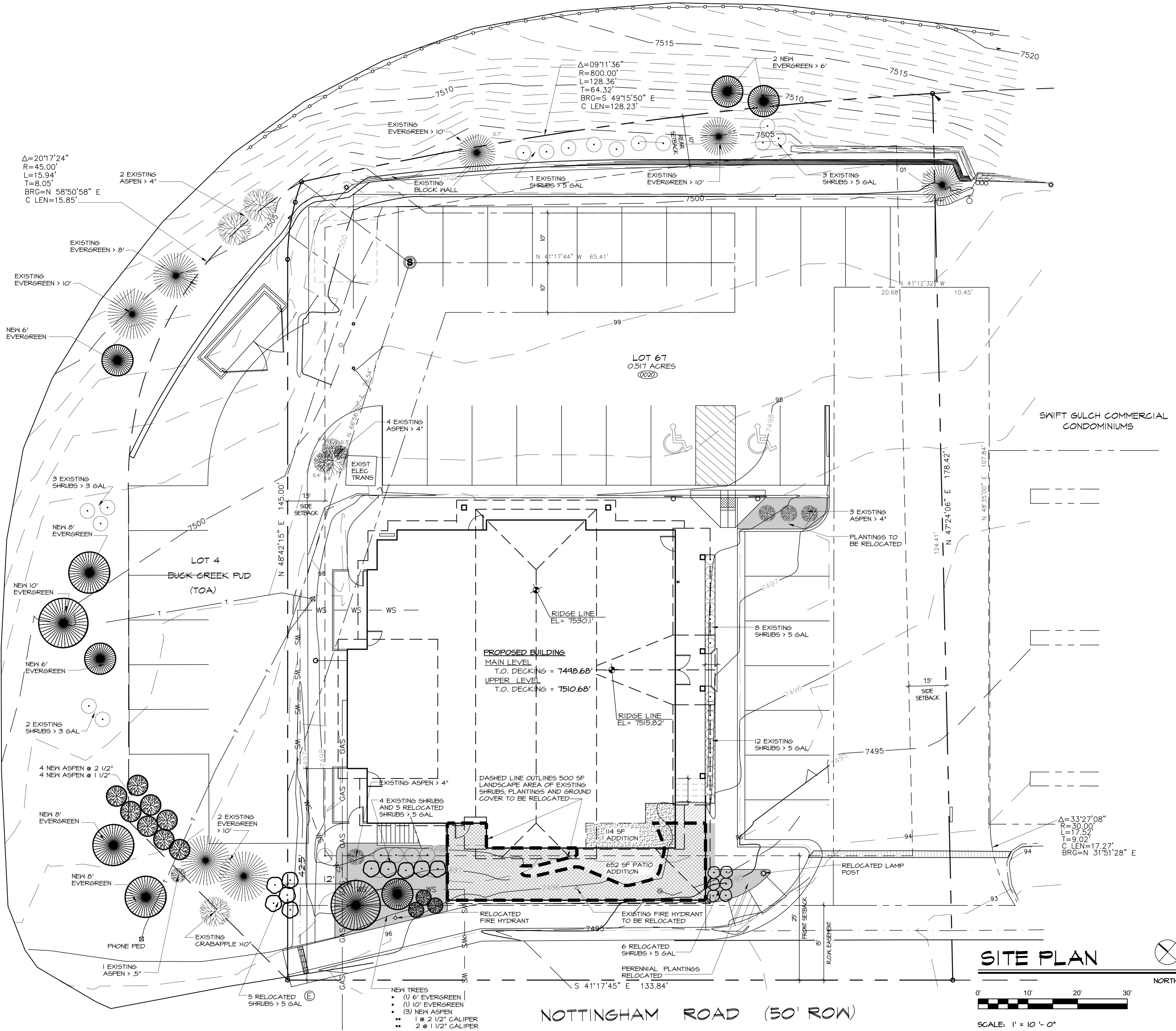
\_\_\_\_\_  
Notary Public

(SEAL)       Commission expires: \_\_\_\_\_



SWIFT GULCH ROAD (R.O.W. VARIES)

SWIFT GULCH ROAD  
(R.O.W. VARIES)



Landscape Materials	Landscape Units Awarded	
	Newly Installed	Existing Retained
Evergreen tree, > 10 ft. high	3	5
Evergreen tree, > 8-10 ft. high	2	1
Evergreen tree, > 6-8 ft. high	7	
Deciduous tree, > 8" caliper		1
Deciduous tree, > 2.5 - 4" caliper		11
Deciduous tree, > 1.5 - 2.5" caliper	11	
Shrubs, 5-gallon		50
Shrubs, 3-gallon		5

HOPKINS ARCHITECTURE, LLC  
 970-376-6469  
 P.O. BOX 3333  
 Vail, Colorado 81658

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**NORTHSIDE CAFE REMODEL**  
 LOT 67, BLOCK 1,  
 BENCHMARK AT BEAVER CREEK  
 20 NOTTINGHAM ROAD  
 AVON, COLORADO

Job Number 1701  
 Date 4/18/2017  
 TOA Variance Application

PROPOSED SITE  
**A 1**



**TOWN OF AVON, COLORADO**  
**AVON REGULAR MEETING MINUTES FOR TUESDAY, APRIL 25, 2017**  
AVON TOWN HALL, ONE LAKE STREET

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**1. A CALL TO ORDER & ROLL CALL**

Mayor Fancher called the meeting to order at 5:08 p.m. A roll call was taken and Council members present were Sarah Smith Hymes, Jake Wolf, Matt Gennett, Amy Phillips and Megan Burch. Scott Prince was absent. Also present were Town Manager Virginia Egger, Town Attorney Eric Heil, Police Chief Greg Daly, Recreation Director John Curutchet, Executive Assistant to the Town Manager Preston Neill and Town Clerk Debbie Hoppe.

**2. APPROVAL OF AGENDA**

Councilor Wolf asked for Council to reconsider the approval of Resolution 17-05 Amending and Re-Adopting the Simplified Rules of Order for Avon Town Council Meetings from the April 11<sup>th</sup> meeting. Mayor Fancher suggested adding it to the agenda after item 5.1.

Councilor Wolf also requested that “booting” be added as an agenda item. Mayor Fancher recommended adding it to the agenda after item 6.1.

Councilor Gennett moved to approve the amended agenda. Councilor Wolf seconded the motion and it passed unanimously by Council present. Councilor Prince was absent.

**3. MEETING PROCEDURES FOR THE MEETING OF APRIL 25, 2017**

**3.1. ACTION ITEMS**

- PRESENTATION OF ITEM
- PUBLIC COMMENT – THREE (3) MINUTE LIMIT ALLOWED TO EACH PERSON WISHING TO SPEAK, UNLESS MAJORITY OF COUNCIL AGREES TO A LONGER TIME
- COUNCIL DISCUSSION
- MOTION
- COUNCIL DISCUSSION
- VOTE

**3.2. WORK SESSION AND PRESENTATIONS**

- PRESENTATION OF ITEM
- COUNCIL DISCUSSION
- PUBLIC COMMENT – THREE (3) MINUTE LIMIT ALLOWED TO EACH PERSON WISHING TO SPEAK, UNLESS MAJORITY OF COUNCIL AGREES TO A LONGER TIME
- COUNCIL DIRECTION

**4. PUBLIC COMMENT – COMMENTS ARE WELCOME ON ITEMS NOT LISTED ON THE FOLLOWING AGENDA**

Start time: 08:32

Krista Driscoll, the new editor for the Vail Daily, introduced herself.



**TOWN OF AVON, COLORADO**  
**AVON REGULAR MEETING MINUTES FOR TUESDAY, APRIL 25, 2017**  
AVON TOWN HALL, ONE LAKE STREET

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**5. ACTION ITEMS**

Start time: 10:30

**5.1. INTERVIEWS AND APPOINTMENT OF UP TO FOUR PLANNING AND ZONING COMMISSION MEMBERS**  
(MAYOR JENNIE FANCHER)

Matt Pielsticker introduced the item. Council interviewed six applicants for four vacancies. Jared Barnes (six votes), Lindsay Hardy (five votes), Steve Nusbaum (five votes) and William Glaner (five votes) were appointed for two year terms on the Planning and Zoning Commission (PZC).

Start time: 67:54

**RECONSIDERATION OF RESOLUTION 17-05 AMENDING AND RE-ADOPTING THE SIMPLIFIED RULES OF ORDER FOR AVON TOWN COUNCIL MEETINGS**

Mayor Fancher made a motion to reconsider Resolution No. 17-05 Amending and Re-Adopting the Simplified Rules of Order for Avon Town Council Meetings. Councilor Phillips seconded the motion and it passed unanimously by Council present. Councilor Prince was absent.

Councilor Wolf moved to approve Resolution 17-05 Amending and Re-Adopting the Simplified Rules of Order for Avon Town Council Meetings. Council Phillips seconded the motion and it passed unanimously by Council present. Councilor Prince was absent.

**5.2. DIRECTION TO TOWN OF AVON REPRESENTATIVE ON THE LANDOWNER'S COMMITTEE WITH REGARD TO VOTING AS A MEMBER OF THE LANDOWNER'S COMMITTEE TO TERMINATE THE BENCHMARK COVENANTS**  
(TOWN ATTORNEY ERIC HEIL)

Start time: 69:33

Mayor Fancher opened the discussion for public comment. Troy Fuller asked how the ballots were dispersed. Preston Neill, Executive Assistant to the Town Manager, responded the ballots were mailed out by Grand Farnum Printing out of Glenwood Springs. Traer Creek also mailed out ballots in November.

Councilor Burch moved to vote for termination of the Protective Covenants for Benchmark at Beaver Creek Subdivision. Councilor Phillips seconded the motion and it passed with a vote of 5 to 1. Councilor Wolf voted no. Councilor Prince was absent.

Councilor Burch moved to direct Mayor Jennie Fancher, the Town's representative on the Landowner's Committee, to vote in favor of terminating the Benchmark Covenants. Mayor Pro Tem Smith Hymes seconded the motion and it passed with a vote of 5 to 1. Councilor Wolf voted no. Councilor Prince was absent.

**5.3. AUTHORIZATION FOR THE TOWN MANAGER TO FILE THE I AM PRO SNOW 100% COMMITTED ENROLLMENT FORM ON BEHALF OF THE TOWN OF AVON (MAYOR PRO TEM SARAH SMITH HYMES)**

Start time: 98:59



**TOWN OF AVON, COLORADO**  
**AVON REGULAR MEETING MINUTES FOR TUESDAY, APRIL 25, 2017**  
AVON TOWN HALL, ONE LAKE STREET

---

Kim Stevens, the Regional Field Organizer for I AM PRO SNOW, presented the item.

Councilor Burch asked if there are any fees associated with the campaign. Kim Stevens responded there are no fees associated.

Mayor Fancher opened the discussion for public comment. There were no comments.

Mayor Pro Tem Smith Hymes moved to authorize the Town Manager to file the I AM PRO SNOW 100% COMMITTED Enrollment Form on behalf of the Town of Avon. Councilor Gennett seconded the motion and it passed unanimously by Council present. Councilor Prince was absent.

**5.4. APPROVAL OF THE APRIL 11, 2017 MEETING MINUTES (TOWN CLERK DEBBIE HOPPE)**

Start time: 110:18

Councilor Burch moved to approve the April 11, 2017 meeting minutes. Councilor Gennett seconded the motion and it passed unanimously by Council present. Councilor Prince was absent.

**6. WORK SESSION**

Start time: 110:49

**6.1. DIRECTION ON SUMMER FOOD TRUCKS AND MOBILE VENDING CART PROGRAM**

(EXECUTIVE ASSISTANT TO THE TOWN MANAGER PRESTON NEILL)

Direction was provided to staff to conduct outreach to businesses at the upcoming Business Outreach Meetings. The aim is to let them know that businesses may give permission to operators of food trucks and mobile vendor carts to operate on their private properties. Council also provided direction to staff to bring back legislation allowing food trucks to operate on public property, since the last time Council passed similar legislation it was for a pilot program and the cutoff date was October 1, 2016.

Start time: 133:29

BOOTING

Council provided direction to staff to add "booting" as a work session item on a future Council meeting agenda.

**7. WRITTEN REPORTS**

**7.1. MONTHLY FINANCIALS REPORT**

**8. MAYOR & COUNCIL COMMENTS & MEETING UPDATES**

Start time: 188:45

Councilor Phillips reported on the April 13<sup>th</sup> Joint Housing Meeting, hosted by the Vail Valley Partnership at Avon Town Hall.



**TOWN OF AVON, COLORADO**  
**AVON REGULAR MEETING MINUTES FOR TUESDAY, APRIL 25, 2017**  
AVON TOWN HALL, ONE LAKE STREET

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**9. ADJOURNMENT**

There being no further business to come before the Council, Mayor Fancher moved to adjourn the regular meeting. The time was 8:22 p.m.

*These minutes are only a summary of the proceedings of the meeting. They are not intended to be comprehensive or to include each statement, person speaking or to portray with complete accuracy. The most accurate records of the meeting are the audio of the meeting, which is housed in the Town Clerk's office, and the video of the meeting, which is available at [www.highfivemedia.org](http://www.highfivemedia.org).*

**RESPECTFULLY SUBMITTED:**

\_\_\_\_\_  
Debbie Hoppe, Town Clerk

**APPROVED:**

Jennie Fancher  
Sarah Smith Hymes  
Jake Wolf  
Megan Burch  
Matt Gennett  
Scott Prince  
Amy Phillips

\_\_\_\_\_  
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## TOWN COUNCIL REPORT

To: Honorable Mayor Jennie Fancher and Avon Town Council  
 From: Matt Pielsticker, AICP, Planning Director  
 Meeting Date: May 9, 2017  
 Agenda Topic: Update on Avon Recreational Trails Advisory Group for New Trail Development

### **ACTION BEFORE COUNCIL**

Affirm direction to continue with the Avon Recreational Trails Advisory Group (ARTAG) recommendations for new trail development identified in the 2016 Recreational Trails Master Plan (Trails Plan).

### **SUMMARY**

The 2017-18 Strategic Plan includes several strategies to bolster Avon’s diversity with economic, educational, and cultural opportunities. Specifically, the following Tier 1 Priority, regarding trail development is as follows:

- *Implement the adopted Avon Recreational Trails Plan as prioritized and adopted by the Avon Town Council, as soon as possible; pursue construction grants*

The 2016 Recreational Trails Master Plan, adopted October 25, 2017, includes several soft surface hiking and biking trails. ARTAG held a meeting on March 22, 2017 to discuss implementation strategies and to solidify next steps. The 2016 Recreational Trails Master Plan includes the following trail improvements:

### **APPROVED TRAILS**

Trail Zone	Trail #	Use Emphasis	Trail Surface	Trail Width	Mileage	Elevation Change (ft)	Construction Cost Estimate	Annual Maintenance	Construction Cost Factors	
									Bridges/Road Xing	Steep Slopes
West Avon Preserve	P8	MULTI-USE, BIKE EMPHASIS: Intermediate connector trail	Dirt	36"	0.4	260	\$12,000	\$600		
Buffalo Ridge Loop	M2	HIKING ONLY: Dog walking and pedestrian loop	Dirt	36"	1.5	150	\$10,000	\$500		
	M3	HIKING ONLY: Dog walking and pedestrian loop	Dirt	36"	1.5	230	\$36,000	\$1,800		
East Avon Preserve	M4	MULTI-USE: Beginner & intermediate instructional loop	Dirt	36"	0.8	340	\$24,000	\$1,200		
	M5	MULTI-USE: Beginner-friendly instructional loop	Dirt	36"	0.4	190	\$18,000	\$900		
	M6	MULTI-USE: Beginner-friendly instructional loop	Dirt	36"	0.4	100	\$12,000	\$600		
<b>TOTALS</b>	<b>6 NEW TRAILS IN 3 AREAS</b>				<b>4.8</b>	<b>4900</b>	<b>\$112,000</b>	<b>\$5,600</b>		

## **ARTAG RECOMMENDATIONS**

The following next steps, as recommended by ARTAG, are being taken to implement the adopted Trails Plan:

### 2017 Buffalo Ridge – M1 & M2: Commence Trail Construction Planning

1. MAY - Contract with surveying company to identify property boundaries. RFP has been distributed to four (4) firms with proposals due May 10.
2. MAY/JUNE - Survey property boundaries.
3. JUNE - Contract with trail company to design and flag/GPS routes.
4. JUNE - Penstemon review in field, and trail route adjustments if necessary.
5. SUMMER - Develop Operations and Maintenance Plan.
6. SUMMER - Public Outreach and Review.
7. FALL - RFP for construction to determine actual costs.
8. FALL - Present findings to Avon Town Council for consideration of construction by private company or volunteers, with or without grants.

### 2017/2018 West Avon Preserve- P8: Commence Trail Construction Planning

1. JUNE - Explore routing and constructability with professional trail building firm, and discuss alternatives if warranted.
2. JUNE - If feasible, GPS and map route.
3. Review route information with:
  - JUNE - Colorado Parks and Wildlife (CPW) for comments on alignment and wildlife closure, and trail route adjustments if necessary.
  - LATE JUNE - Penstemon survey in field and trail route adjustments if necessary.
  - JULY - Eagle Valley Land Trust Staff Review
  - JULY - Wildlife Biologist review in field, and trail route adjustments if necessary.
5. LATE SUMMER - Meet with Eagle Valley Land Trust Board for consideration of Management Plan amendments.
6. FALL - If Management Plan amendment is processed, present findings to Avon Town Council for construction by private company or volunteers, with or without grants. FALL
7. 2018 - Construction.

### 2017/2018 Village Parcel – M3, M4, M5: Commence Annexation Process

1. 2017 – Annexation of property.
2. 2018 – Further planning, mapping, and potential construction.

## **BUDGET**

The Capital Improvement Budget for 2017 carried over unspent funds from 2016 totaling \$100,000. That money is earmarked for these projects and any associated planning studies required to further evaluate trail improvements.

**TRAIL MAP**

