



Town of Blue River Memorandum

TO: Mayor Decicco & Members of the Board of Trustees

FROM: Town Manager Michelle Eddy

DATE: September 12, 2024

SUBJECT: **2025 Budget Discussion**

Below is a draft breakdown of a proposed 2025 budget for the Town of Blue River. The Town is in a good financial position and in looking forward to the 2025 fiscal year, it is expected revenues will remain flat compared to actuals 2024 but higher than the 2024 budgeted amount. The Town continues to see steady increases revenues in taxes and fees. So far for 2024, the Town continues to observe increases in sales with lodging taxes maintaining slight increases. Revenues for building projects saw an increase as the Town approaches build-out. The increases have enabled the Town to maintain a stable financial position as well as invest in capital and road projects. The 2025 Budget reflects stable revenues and budget priorities focused on capital and road improvements.

Property tax revenue and considerations:

While the Town of Blue River property valuations continue to increase, the Town is limited in the amount that may be collected each year by the State's 5.5 Tax Limit. In 2024, the Town did a temporary mill levy reduction to stay within that limit. It is anticipated this will be the case again for 2025. It is anticipated the mill levy will be around the 8.4 mills level, a 3.89 reduction from the voter approved mills. This equates to an approximate \$350,000 reduction in tax revenue for the Town. In addition, the Colorado State Legislature has approved a bill that may further impact the amount of tax revenue the Town is able to collect. More information on that impact should be available by October. The Town of Blue River should consider a future ballot question, to allow the Town to waive the limits and retain the excess revenues for capital improvement projects in the future.

The General Fund Budget reflects moderate increases in expenses primarily focused on roads, capital expenses, and employee hiring and benefits. The budget reflects estimated expenses related to the proposed CDOT chain-up station in relation to potential studies and cost incurred for the 1041 review process.

Michelle Eddy, MMC/CPM
Town Manager/Clerk

General Fund Revenues

General fund revenues are expected to be fairly flat compared to 2024 actuals but are being budgeted 10% higher than 2024 budget.

2024 Budget	\$2,672,947.74
2024 Actuals YTD 8/31/24:	\$2,520,835.39
2025 Budget	\$2,989,332.68

General Fund Expenses

2024 Budget	\$2,275,182.00
2024 Actuals YTD 8/31/24:	\$1,437,635.73
2025 Budget	\$2,439,416.04

General Fund Notes:

- It is proposed to allow for a 4% Cost Of Living Increase across the board for all staff wages. This is inline with other municipalities throughout Summit County and Colorado.
 - It is also proposed to conduct a wage/benefit analysis through the Employers Council to see how current wages and benefits measure up to other municipalities similar to Blue River. The last study was conducted in 2021 to set the current wage ranges.
- It is proposed to change the health/vision/dental benefits for all staff to cover 100% of this cost.
 - Current coverage Town pays 80% and employee pays 20%.
 - Reasons for change:
 - By the Town picking up the additional 20%, it puts money back into the pockets of the staff. This effectively increases their take home pay without raising wages beyond the 4% cost of living increase.
 - It provides an effective recruitment tool to offset the lower wages offered by the Town compared to other Summit County communities.
 - Cost increase: 18%. Health care costs are seeing a 13% increase for 2025.
 - Other small municipalities (population 1,000 or less) benefits:

Municipality	Coverage	Percent
Leadville	Health, Dental, Vision	100% family
Hugo	Health	100% family
Bennett	Health	100% employee; 80/20 spouse/family
	Also offers \$2200 cafeteria plan for vision, dental, gym membership	
Elizabeth	Health, Dental, Vision	100% employee; 80% family; 100% vision & dental
Kremmling	Health, Dental	80% family
	Vision	100% family
	Also offers MASA 100% for one ambulance/flight for life ride/year	
Crested Butte	Health Dental Vision	100% family
Flagler	Health, Dental, Vision	100% family
Mt. Crested Butte	Health, Dental, Vision	100% family
Fairplay	Health, Dental, Vision	100% family
Alma	Health, Dental, Vision	100% Employee; 50% family
Limon	Health, Dental, Vision	100% family
Minturn	Health, Dental, Vision	100% family
Paonia	Health, Dental, Vision	100%; 60% dependents

Creede	Health	100% employee; 25% spouse
Silverton	Health, Dental, Vision	100% employee only
Hayden	Health, Dental Vision	100% family
	Health Savings Account as well	
Kersey	Health	Provides a flat \$1100
Meeker	Health, Dental, Vision	100% family
Rico	Health, Dental, Vision	100% employee; 80% dependents

- Police Vehicles
 - Our Police Vehicle fleet is aging, and repairs are starting to mount. It is proposed to lease three new police vehicles at approximately \$17,000/year/each. Cost to purchase a fully outfitted PD vehicle is around \$70,000/vehicle and takes over a year. The lease option is the most economical option and proposed by the Police Chief.
 - For the current fleet, one vehicle will be dedicated to the Code Ambassador. The other two will be stripped of any usable technology and parts and sold for credit at LAWS. The Town truck will remain for use for Town Hall plowing and use as needed.
 - Current Mileage
 - 2015-76,000
 - 2017-90,000
 - 2020-57,000
- Roads
 - It is budgeted to once again increase the road maintenance budget by 20%. This will include road base being added to: Bonanza; Calle de Plata; Coronet; Crown; Gold Nugget; Holly; Pennsylvania Creek; Sherwood; and Starlit. This will result in 90% of all Town roads having new base material.
 - In addition, applications of BaseBind and mag is recommended for Spruce Creek and Coronet. A road cross culvert on Spruce Creek Road will need to be replaced as it is failing. There is an additional culvert at the bottom of Spruce Creek Road that will need to be replaced as it has collapsed and failed.
- Community Fund/Initiatives
 - It is once again recommended to fund the Resident Grant Program for fire mitigation, bear resistant trash cans and natural night sky at \$40,000.
 - The Town of Blue River is seeing an increase in requests from non-profits and Summit County programs. Below are what are recommended for funding and what is up for discussion:
 - Recommended:
 - Early Childcare Tuition Assistance. This is a countywide program with all municipalities contributing to help with childcare. In 2024, this was funded at \$25,000 but is expected to be significantly less for 2025 due to population/enrollment from Blue River.
 - Tree Top: \$5,000 to support the program which works with youth in assault cases.
 - Discussion
 - The Summit County Sheriff's Office is asking for assistance to fund their SMART program. They are losing their grant and are looking to the Towns to pick up the costs.

Other Expenses

While most of the remainder of the budget remains flat compared to 2024, the Board of Trustees are asked to identify any additional items they wish to be included or removed from the proposed budget.

Capital Expenditures

- The Capital budget includes \$650,000 for Spruce Creek Road improvements. This will be rebid in January. The Trustees will have the option to accept any bids received or table the project.
- Funds are also set aside for any potential land purchases.

Broadband

- Work is underway to obtain a grant for fiber to run through Town. \$100,000 is allocated annually out of the General Fund towards this effort.

American Rescue Plan

- These funds are restricted for use for broadband. If a project is awarded grant dollars, these funds will be utilized for matching funds.

Conservation Trust

- These funds are restricted for use for open space, parks and trails. Funds will be utilized for trail improvements and easements as they are obtained.