



2025 Town of Grand Lake Budget

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TOWN OF GRAND LAKE 2025 BUDGET MESSAGE

The proposed 2025 budget for the Town of Grand Lake, Colorado was initially presented to the Town Board of Trustees on September 23, 2024 and workshopped on October 28rd. A formal Public Hearing on the budget was held on November 11, 2024, at the Town Board Regular Meeting. The Town Board scheduled the budget for final approval at its meeting on November 25, 2024.

The 2025 budget totals are as follows:

The 2024 Budget per Fund	Estimated Reserves 1/1/2025	Revenue	Expenditures	Ending Balance
General Fund (Total)	\$3,061,604	\$3,856,317	\$4,415,966	\$2,475,974
Water Enterprise Fund	\$2,170,851	\$834,400	\$906,065	\$2,099,186
Marina Enterprise Fund	\$868,602	\$478,784	\$476,464	\$870,922
Pay-as-You-Throw Enterprise Fund	\$157,983	\$79,368	\$102,719	\$135,132
Capital Improvement Fund	\$773,141	\$600,000	\$809,975	\$563,166
Total:	\$6,259,040	\$5,248,869	\$6,711,189	\$6,144,380

Our budget for 2025 has been primarily constructed by building upon the 2024 budget, year-to-date estimates, and known expenses. We anticipate that sales tax revenues will remain relatively stable for 2025. As we do not have certainty about the opening date of the marijuana store, we've conservatively estimated this tax revenue. Property tax calculations are based on the preliminary assessed property values from Grand County. Management is responsible for the preparation and fair representation of the Town's financial condition in accordance with accounting principles generally accepted in the U.S.

GENERAL FUND

Services provided by the Town under the General Fund include: Administration; Public Safety (through a contract with the Grand County Sheriff's Department); Public Works (Streets and Parks); Municipal Court; Elections; Culture and Recreation, the Grand Lake Center; Planning and Zoning, and Code Administration.

The General Fund utilizes the modified accrual basis of accounting, a method under which revenues are recognized in the period they become available and measurable; and expenditures are recognized in the period the associated liability is incurred. We expect to begin 2025 with a beginning balance in the General Fund of approximately \$ 3.061M.

Notable Budget Items

Revenue

- Property Tax revenues for 2025 were calculated based on full statutory limitations.
- Sales Tax revenues for 2025 are budgeted using actual 2024 through September 2024 and September – December 2023 sales tax receipts. These amounts are expected to be flat with 2024 after the increases the last couple of years.

- Other revenues include sales of assets, Grand Lake Center updated fees, and line items for marijuana fees and taxes.

Operation Expenditures

- **Gross Wages:** Wages are expected to increase in 2025. This increase includes a 7.5% cost of living increase for current staff as well as a 2.5% merit increase pool. It also includes funds for Water and Public Works to be fully staffed. Health insurance and Workman's Comp have increased as well.
- **Greenways Committee:** Increased for anticipated price increases for 2025.
- **Board of Trustees:** includes estimated expenses for recognition benches and community dinner.
- **Marketing:** \$175k marketing and Visitor Center operations to the Grand Lake Area Chamber.
- **Public Works/Parks:** Capital purchases include new lawn equipment for Parks as well as an Argo amphibious vehicle to promote winter activities on the lake safely
- **Capital Outlay:** We've allocated resources for essential projects, including the replacement of Town Hall ramps, paving, drainage improvements, Grant for Grand Lake Area Historical Society (GLAHS) and a park marque sign.
- **Paving:** \$150K Paving
- **Drainage:** Funding has been applied for to repair the west side Stormwater system.
- **Grand Lake Center:** Will continue with the Summer Kids Camp Program at \$30K.

Debt Service

- In 2021, the Town purchased property and water rights at 195 GCR 48 in Grand Lake CO for \$1,200,000, and Thomasson Park for \$217,678.28 with the proceeds from a COP. In 2025, the town will pay \$90,000 in principal and \$39,485 in interest on the COPs.

WATER ENTERPRISE FUND

Water service is provided within the Town limits and to certain outlying areas by the Town through the Water Enterprise Fund. The Water Enterprise Fund also uses the modified accrual basis of accounting. The Water Enterprise Fund is a proprietary fund, which generally reports services for which the Town charges customers a fee. We expect to begin 2025 with a beginning fund balance just over \$2M.

Notable Budget Items

Revenue

- A water rate study was conducted in 2008. Based upon the recommendations in that study, starting in 2009 service fees were set to increase 6% annually for ten years (initially through 2018) to sustain operations and provide for future capital projects. The Board of Trustees passed a Resolution opting out of the April 2015 increase; however, the scheduled increase did occur in 2016. No increase was applied in 2017, but the 6% increase was applied in 2018. The water rates have not changed since 2018. During the November 11, 2024, the Board of Trustees voted to increase residential rates from \$143 to \$160 per quarter. All other rate services will be proportionately adjusted for 2025.

Operation Expenses

- Expenses across the Water Fund increased from increased supplies and operational costs. We expect the fund to end with \$2.1M in reserve.

Debt Service

- We have borrowed \$1.6 million to install the new 300,000-gallon buried concrete water storage tank through a State Revolving Fund loan (SRF). Our principal and interest payments will be approximately \$71,384 and \$23,404 respectively for a total annual payment of \$94,788 in 2025.

MARINA ENTERPRISE FUND

The Marina Enterprise, doing business as the Headwaters Marina, is owned by the Town and was established in 2007. Services include pontoon and pedal boat rentals, and historic lake tours. The Marina Enterprise Fund utilizes the modified accrual basis of accounting.

Notable Budget Items

Revenue

- The Marina revenues for 2024 increased by 3%, with expenses being reduced by 18% mostly due to reduced days of operations because of staffing shortages. Expenses for 2025 show an increase due to the purchase of one boat for the fleet.

Operation Expenses

- **Fireworks:** Fireworks expenses are now appropriated from the general fund for 2025 and beyond.

PAY-AS-YOU-THROW ENTERPRISE FUND

The Pay-As-You-Throw Enterprise Fund, the third proprietary fund of the Town, has been successful beyond initial expectations since its inception in 2010 in addressing the problem of trash service in Town, particularly for part-time residents, second homeowners, and visitors. The use of the program continues to grow each year.

The Pay-As-You-Throw Enterprise Fund bags are purchased wholesale by the PAYT Fund and sold in bulk to a number of retail outlets. Retail outlets can sell the bags, collect taxes, and retain small profit margins. We also sell bags individually to residents and visitors, predominantly at Town Hall and Grand Lake Center.

Notable Budget Items

- **Capital:** PAYT has budgeted \$20K for required recycling and an additional \$25K for staff time managing the site.

Capital Improvement Fund

On November 8, 2016, the citizens of Grand Lake passed a ballot question to increase sales and use tax from 4% to 5%, effective January 1, 2017, and to incur debt for the purpose of financing improvements to streets, boardwalks, sidewalks, multi-use pathways, streetscapes, signage and drainage. These bonds were sold in May 2017 and generated an additional premium of \$385,090. Debt service began in December 2017. These funds are

used first to pay debt service on the bonds in, then to fund the Surplus Fund requirement of \$280,500 and finally to operate and maintain the infrastructure installed.

Notable Budget Items

Capital: The town will continue to improve the roads and has budgeted \$530K for improvements and expenses as allowed by the fund. Boardwalk repairs, notably, will continue as the 2024 pilot program proved successful.

Debt Service: In 2024 the town will pay \$279,700 in principal and interest for the 2017 bond debt.

SUMMARY

The Board of Trustees of the Town of Grand Lake are committed to continuing to serve the citizens with quality service while maintaining a fiscally responsible budget.

Management will closely monitor revenues and limit expenditures to keep within overall budget parameters. Monthly reviews of departmental budgets will be held with the Town Manager, the Town Treasurer and department directors. Budget expenditure variances of 15% or greater will be reviewed at these monthly meetings and discussed in an effort to keep budgets in line throughout the year. Subsequently, departmental budgets have predominantly come in under budget the past few years.

The Town Board and Town staff will continue to provide the services citizens expect while simultaneously being good stewards of public funds.

Respectfully submitted,

Steve Kudron
Town Manager