



December 6, 2021

To Mayor Bass and the Town of Palmer Lake Board of Trustees:

The 2022 Town of Palmer Lake Final Budget is presented for approval on December 09, 2021. A final Budget must be approved and sent to El Paso County by December 15, 2021 and delivered to the State by January 31, 2022.

In accordance with State Statutes, this budget is a balanced budget, where expenditures do not exceed revenues plus beginning available fund balance. The Town uses the modified accrual basis of accounting for the Governmental Funds and full accrual basis of accounting in the Enterprise Fund. The services provided by each department are described at the start of each fund in the attached Budget document. As the Town's population continues to grow and citizen expectations remain high regarding the scope and quality of Town services, the needs of the community outweigh the available resources of the Town.

There are several large capital projects that will extend into 2022. The Town Hall building continues to undergo repair, which are primarily covered by Town insurance. There are additional improvements to consider including an upgrade of the historical structure's electrical, plumbing, main entrance and restrooms to be made ADA compliant. There are also required improvements to be considered in the Town's public facility utilized for the Vaile Museum and leased by the Pikes Peak Library, for library services to be offered to the Town. Currently, the Town Hall roof renovation should be complete in January 2022. The electrical, plumbing, entrance and restrooms are still in planning stages to address in the first quarter of 2022. The ADA compliant ramp is projected to be complete by mid December 2021. The building requires additional repairs and improvements in 2022. The Town officially acquired the 28-acre Elephant Rock property from the former Living Word Church at the end of 2021. An assessment may be necessary to determine what is needed for the Town to utilize the property as well as general maintenance. Until direction is complete and additional information realized, the amount of funds is unknown for future development of the 28-acre project.

The Roads and Parks Maintenance personnel are officially combined as Department of Public Works, under the direction of the current Roads Supervisor. Public Works will add a full-time maintenance staff position for town property/facility and parks assistance. The Administration office will add a part-time position to assist the Town Clerk and the administrative staff, specifically to build fillable forms and standardize applications and add content to the Town website. The proposed budget supports hiring these positions. Additionally, with the resignation of one part-time Police Officer, the budget will fund two of the part-time Officers becoming full-time personnel with benefits in the Police Department.

## **REVENUES**

Projected 2022 General Fund revenues and a projected carry over in the General Fund balance allows the budgeting expenditures to be funded. Economic growth may be impacted in 2022 by the variants of the Corona Virus COVID-19 in a variety of ways. The Town's sales tax revenues have increased year over year, anticipated increase in property tax, online sales and sales tax collections. It is anticipated that tax revenues overall will increase slightly in the new year.

## **EXPENDITURES**

Expenditures are kept in check whenever possible across all Departments. The Town will balance this budget with an average 3% cost of living increase for employees. The Town provides a retirement program to eligible employees, and the Town will increase the contribution match up to the 3.75% per participating employee. The cost of General Fund salaries and benefits represents approximately 63% of budgeted expenditures (less capital projects).

## **CAPITAL EXPENDITURES & CAPITAL IMPROVEMENTS**

In the 2022 budget, contingency funds have been budgeted to cover one-time purchases. Funds are included in the budget for capital building improvements for the Town Hall, Library/Museum and the Administrative office building. Additionally, funds are identified to complete the consultant work for the Town Master (Comprehensive) Plan. These funds may also assist with capital improvements for the 28-acre property as needed or directed. It is anticipated to re-evaluate available funds by June/July to re-assess these needs.

## **RESERVE FUNDS**

The Town is not subject to the TABOR amendment. Reserve funds were moved to balance the 2022 budget. In addition, the Town is at ease holding a six-month cash reserve for operating and capital expenditures.

## **WATER ENTERPRISE FUND**

Water Enterprise Fund revenues, together with a projected carryover, allows the budgeted expenditures to be funded.

Water sales and late fees are budgeted with an increase in 2022, due to a base rate increase and projections from 2021 revenues, along with improved revenue collection. Other revenues, tap fees, and water meter fees are budgeted to remain at current levels. The Water Department filled the vacant water technician position in the last quarter of 2021 and also anticipates a search for another full-time hire in the near future as the Water Supervisor considers retirement.

Expenditures were held in check to balance the budget. The cost of salaries and benefits represents approximately 30% of the budgeted expenditures (less capital projects).

The Water Department has identified the need to drill an additional Arapahoe well in the near future for additional supply. Capital improvement funds have been budgeted to begin saving funds for this project.

At the end of fourth quarter 2021, the Town will apply water enterprise funds to the 2018 lease-purchase of vehicles, to pay down the principle portion of the vehicle assigned to the Water Department. This will decrease the principle amount due and shorten the duration impacting department operating budgets.

### **SPECIAL REVENUE FUNDS**

The Conservation Trust Fund has a dedicated funding source, and the allocation of revenue is controlled by the funding source. The funds are earmarked for specific use for Parks to supplement funding needs. There are several ongoing grants including possible GOCO grant funds, which provide funds to upgrade and improve the public space around Palmer Lake.

### **CONCLUSION**

This budget allocates funding for necessary municipal services for the Town to continue to be a community of choice for the residents and visitors alike. Given the continuing challenges of COVID-19 and the impact on future revenue projections, this budget represents the best balance between the Town's fiscal responsibility and service needs of the community. The Town's increasing needs and economic uncertainty in the coming year have made the budget process more challenging but provides an opportunity to identify priorities for resources to better position the Town in the future.

I would like to express sincere thanks to the department supervisors, the administrative staff, and the Deputy Town Clerk for their committed work efforts and contribution to the preparation of this document for the 2022 budget year.

Sincerely,



Dawn A. Collins, CMC  
Town Administrator/Clerk

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# AFFIDAVIT OF PUBLICATION

STATE OF COLORADO  
COUNTY OF El Paso

I, Lorre Cosgrove, being first duly sworn, deposes and says that she is the Legal Sales Representative of The Tri Lakes Tribune, LLC, a corporation, the publishers of a daily/weekly public newspapers, which is printed and published daily/weekly in whole in the County of El Paso, and the State of Colorado, and which is called Tri Lakes Tribune; that a notice of which the annexed is an exact copy, cut from said newspaper, was published in the regular and entire editions of said newspaper 1 time(s) to wit 10/27/2021

That said newspaper has been published continuously and uninterruptedly in said County of El Paso for a period of at least six consecutive months next prior to the first issue thereof containing this notice; that said newspaper has a general circulation and that it has been admitted to the United States mails as second-class matter under the provisions of the Act of March 3, 1879 and any amendment thereof, and is a newspaper duly qualified for the printing of legal notices and advertisement within the meaning of the laws of the State of Colorado.



Lorre Cosgrove  
Sales Center Agent

Subscribed and sworn to me this 10/27/2021, at said City of Colorado Springs, El Paso County, Colorado.  
My commission expires March 30, 2022.



Sandra King  
Notary Public  
The Gazette

SANDRA KING  
NOTARY PUBLIC  
STATE OF COLORADO  
NOTARY ID 20184014369  
MY COMMISSION EXPIRES MARCH 30, 2022

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**NOTICE OF PROPOSED BUDGET FOR 2022**  
Notice is hereby given that the proposed budget for the ensuing year of 2022 has been submitted to the Town of Palmer Lake Board of Trustees and for public viewing. Such proposed budget will be considered, and a Public Hearing will be held at the Board of Trustees meeting at the Palmer Lake Elementary School Library, Upper Glenway, Palmer Lake, Colorado, on Thursday, November 18, 2021 at 5 PM. The meeting is in person though comments may be made at [info@palmer-lake.org](http://info@palmer-lake.org) or a minimum of 36 hours prior to the meeting. Notice is further given that an attachment to the 2022 Town Budget may be considered at this same meeting if necessary. Copies of the proposed 2022 budget will be available for inspection at the Town Office, 42 Valley Crescent, Palmer Lake, Colorado, during regular business hours, and can be found online beginning early November at [www.townofpalmerlake.com](http://www.townofpalmerlake.com). Any interested officer of the Town of Palmer Lake may inspect the proposed budget and file or register any objection at any time prior to the final adoption of the budget.  
At/ Dawn A. Collins, Town of Palmer Lake  
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