



**AGENDA
HAYDEN TOWN COUNCIL MEETING
THURSDAY, AUGUST 6, 2015
7:30 P.M.**

HAYDEN TOWN HALL – 178 WEST JEFFERSON AVENUE

WORK SESSION 7:00 P.M. – 7:30 P.M.

1. STAFF REPORTS

REGULAR MEETING – 7:30 P.M.

1a. CALL TO ORDER

1b. OPENING PRAYER

1c. PLEDGE OF ALLEGIANCE

1d. ROLL CALL

2. CONSIDERATION OF MINUTES

A. Regular Meeting July 16, 2015

3. CONSIDERATION OF BILLS

A. Consideration of payment bill vouchers dated August 3, 2015

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4. PUBLIC COMMENTS

5. PROCLAMATIONS/PRESENTATIONS

6. CONSENT ITEMS

A. Appointment of Municipal Judge and Assistant Municipal Judge

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B. Resolution 2015-16 Routt County/Town of Hayden IGA Coordinated Election
November 3, 2015

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C. Resolution 2015-18 Waiver for Mammoth Network/HSD RE-1

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D. Resolution 2015-19 Lease Agreement with West Routt Fire District

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E. Resolution 2015-21 Purchase of Walker Ditch Water Rights

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7. OLD BUSINESS

A. Public Hearing: Ordinance 666 An Ordinance of the Town Council of the Town of Hayden, Colorado, Permitting, regulating and licensing the cultivation of retail and medical marijuana under limited circumstances and making conforming amendments to subsection 8.08.080.A., to Sections 8.35.010, 8.35.040, 16.03.040.I.3 and 16.03.040.J.3, and to Titles 5 and 16 of the Hayden Municipal Code

B. Decision: 2nd Reading Ordinance 666 An Ordinance of the Town Council of the Town of Hayden, Colorado, Permitting, regulating and licensing the cultivation of retail and medical marijuana under limited circumstances and making conforming amendments to subsection 8.08.080.A., to Sections 8.35.010, 8.35.040, 16.03.040.I.3 and 16.03.040.J.3, and to Titles 5 and 16 of the Hayden Municipal Code

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NOTICE: Agenda is subject to change. If you require special assistance in order to attend any of the Town's public meetings or events, please notify the Town of Hayden at (970) 276-3741 at least 48 hours in advance of the scheduled event so the necessary arrangements can be made.

C. Public Hearing: Ordinance 669 An Ordinance amending Chapter 10.04
“Model Traffic Code” for the regulation of traffic by the Town of Hayden, Colorado
and providing penalties for the violation thereof; and, setting a public hearing time

D. Decision: 2nd Reading of Ordinance 669 An Ordinance amending Chapter 10.04
“Model Traffic Code” for the regulation of traffic by the Town of Hayden, Colorado
and providing penalties for the violation thereof; and, setting a public hearing time Page 89

8. NEW BUSINESS

A. Decision: 1st Reading Ordinance 668 Referred Ballot Question at the November 3, 2015
General Election regarding whether the Town may impose an excise tax on the wholesale
of marijuana and amending Hayden Municipal Code and setting a public hearing time Page 95

B. Decision: Resolution 2105-20 Referred Ballot Question at the November 3, 2015 General Election
regarding whether the Town may impose an excise tax on the wholesale of marijuana Page 103

C. Decision: Acceptance of 2014 Annual Audit Report and 2014 Single Audit Report Page 106

D. Decision: Appoint a Hayden Town Council Member to bid at the Junior Livestock Auction

9. PULLED CONSENT ITEMS

10. STAFF AND COUNCILMEMBER REPORTS (CONTINUED, IF NECESSARY)

11. EXECUTIVE SESSION

For discussion of a personnel matter under C.R.S. Section 24-6-402(4)(f) and not involving: any specific employees who have requested discussion of the matter in open session; any member of this body or any elected official; the appointment of any person to fill an office of this body or of an elected official; or personnel policies that do not require the discussion of matters personal to particular employees.

12. ADJOURNMENT

Vendor	Vendor Name	Invoice No	Description	Inv Date	Net Inv Amt	Amount Paid	Date PD
1000	A-1 LIQUOR	552130	Hayden Daze	07/20/2015	1,519.06		
Total 1000					1,519.06	.00	
7480	Accutest Mtn. States, Inc	D6-63915	Water Testing	07/01/2015	88.00		
Total 7480					88.00	.00	
12188	Always Mountain Time LLC	-1150545023	Stokes Gulch	05/31/2015	100.00		
		-1150545024	Stokes Gulch	05/31/2015	100.00		
Total 12188					200.00	.00	
2440	Atmos Energy	JUL2015	Town Hall Gas_R252006 (.80)	07/14/2015	25.14		
			Town Hall Gas_R252006 (.20)		6.28		
			PD Gas_08K684037		40.67		
			Shop Gas_G0014687		43.76		
			Parks Gas_T820876_15192591		61.59		
			Water Plant Gas_T768776		66.56		
			Golden Meadows Gas_W816504		27.71		
			Crandell Pump House Gas_R331736		30.50		
			Sewer Plant Gas_R910225		45.77		
			Airport Lift Station Gas_6408226		27.44		
			Dry Creek Lift Station Gas_08K458739		19.83		
Total 2440					395.25	.00	
1200	Bear River Valley Co-Op	79287	Big Mower tire service	07/21/2015	25.00		
Total 1200					25.00	.00	
12178	Bingham, Dallas and Tamara	07092015	Utility Deposit Refund	07/09/2015	40.19		
Total 12178					40.19	.00	
6330	Black Mountain Glass Company	38984	PD Vehicle Repair	07/17/2015	45.00		
Total 6330					45.00	.00	
4510	Blue Earth Labs. LLC	15-0167	Water Plant R&M	07/20/2015	2,436.59		
Total 4510					2,436.59	.00	
1310	Boy-Ko Supply Co	52610	Parks Supplies	07/24/2015	92.24		
Total 1310					92.24	.00	
7510	Caterpillar Financial	16492781	Loader Lease	07/17/2015	2,350.07		
Total 7510					2,350.07	.00	
5440	Central Electric LLC	11615	PD Electrical Service	04/16/2015	563.00		
Total 5440					563.00	.00	
3770	CenturyLink	0029JUL15	Water Phones_0029	07/01/2015	118.48		
		1344721803	PD Phones 77563308	07/03/2015	30.25		
		2535JUL15	PD Phones_2535	07/04/2015	309.58		

Vendor	Vendor Name	Invoice No	Description	Inv Date	Net Inv Amt	Amount Paid	Date PD
Total 3770					458.31	.00	
9230	Chaosink	7942	Parks & Rec Staff Uniforms	07/17/2015	285.20		
		7943	Hayden Daze Disc Golf	07/17/2015	382.50		
Total 9230					667.70	.00	
1645	Charter Communications	1237JUL15	PD Charter Internet_1237	07/07/2015	84.95		
Total 1645					84.95	.00	
12074	CliftonLarsonAllen LLP	1084480	Accounting services	07/16/2015	5,325.85		
Total 12074					5,325.85	.00	
10690	CO Dept of Public Health & Env	900024923	Drinking Water Annual Fee	07/15/2015	465.00		
Total 10690					465.00	.00	
12179	CO Division of Water Resources	E 14CW3039	Dry Creek Well Permit Application	07/02/2015	100.00		
Total 12179					100.00	.00	
11897	Colding, Brian & Sarah	07162015	Utility Deposit Refund	07/16/2015	21.80		
Total 11897					21.80	.00	
9410	Colorado Building Supply Inc.	B78527	Parks Hardware	06/16/2015	1.40		
		B78530	Parks Kitchen	06/16/2015	3.29		
		B78536	Parks Tools	06/16/2015	10.49		
			Parks Refund		134.85		
		B78558	Town Hall Irrigation	06/17/2015	96.96		
		B78561	Parks R&M	06/17/2015	12.79		
		B78594	3rd St Irrig Box Vandalism	06/18/2015	8.63		
		B78600	Streets Paint Supplies	06/18/2015	8.46		
		B78628	Town Hall Building Repairs	06/19/2015	11.51		
		B78639	Town Hall Building Repairs	06/19/2015	26.17		
		B78642	Parks Hardware	06/19/2015	7.92		
		B78645	Parks Trimmer Line	06/22/2015	15.58		
		B78684	Streets Paint Supplies	06/23/2015	12.62		
		B78686	Parks R&M	06/23/2015	2.37		
		B78689	Parks Credit	06/23/2015	2.37		
		B78691	WTP Parts	06/23/2015	1.40		
		B78692	Streets Paint Supplies	06/23/2015	5.98		
		B78697	Streets R&M	06/23/2015	.79		
		B78700	Parks Weed Control Parts	06/23/2015	.79		
		B78722	Streets Paint Supplies	06/24/2015	3.28		
		B78732	Streets Paint Supplies	06/24/2015	2.49		
		B78734	Streets Paint Supplies	06/24/2015	20.98		
		B78748	Streets Paint Supplies	06/25/2015	6.49		
		B78750	Dist. R&M	06/25/2015	2.76		
		B78751	Dist. R&M	06/25/2015	2.58		
		B78794	Fields Triple Crown	06/26/2015	167.84		
		B78795	Town Hall Building Repairs	06/26/2015	10.56		
		B78832	E. Elem. Ballfield	06/29/2015	26.60		
		B78836	Streets Sandpaper	06/30/2015	5.78		
		B78861	Streets Paint Supplies	06/30/2015	7.49		
		B78862	Streets Paint Supplies	06/30/2015	1.58		

Vendor	Vendor Name	Invoice No	Description	Inv Date	Net Inv Amt	Amount Paid	Date PD
		B78871	Parks Swivel Hasp	06/30/2015	7.49		
			Streets Paint Supplies		21.62		
		B78874	Streets Paint Supplies	07/01/2015	2.37		
		B78879	Water Distribution Fogger	07/01/2015	11.49		
		B78901	Parks Hardware	07/01/2015	37.91		
		B78903	Streets PVC	07/01/2015	3.98		
		B78916	Dry Creek Break	07/02/2015	37.14		
		B78933	Parks PVC Coupler	07/02/2015	3.49		
		B78973	Parks - Paint Supplies	07/07/2015	10.84		
		B78980	Parks Fluorescent Tubes	07/07/2015	51.48		
		B78996	Streets Paint Supplies	07/07/2015	6.49		
		B79000	Parks - Lightbulbs	07/08/2015	2.79		
		C18265	Parks Weed Control Parts	07/10/2015	5.28		
		C18297	Streets Paint Supplies	07/13/2015	19.98		
		C18319	Streets Paint Supplies	07/13/2015	105.97		
		C18327	Streets Paint Supplies	07/14/2015	10.84		
Total 9410					687.52	.00	
1850	Connell Resources Inc -Steambt	1	Street Repairs	05/22/2015	10,490.00		
Total 1850					10,490.00	.00	
12180	Cooper, Kevin	07222015	Utility Deposit Refund	07/22/2015	17.15		
Total 12180					17.15	.00	
12100	Duckels Construction, Inc	PAY AP #5	Seneca Hills Construction PA #5	07/20/2015	148,576.77		
Total 12100					148,576.77	.00	
4890	FedEx	5-096-98160	Water Sample Shipping	07/16/2015	29.59		
		5-104-45768	Water Sample Shipping	07/23/2015	29.33		
Total 4890					58.92	.00	
12181	Frontier Structures, Inc	542	Street Patch	07/17/2015	1,942.00		
Total 12181					1,942.00	.00	
12127	Garfield & Hecht, PC	129285	Legal Services	06/30/2015	136.00		
Total 12127					136.00	.00	
12182	Gould, Robert	07092015	Utility Deposit Refund	07/09/2015	57.93		
Total 12182					57.93	.00	
12183	Graf, Jody	07092015	Utility Deposit Refund	07/09/2015	75.00		
Total 12183					75.00	.00	
12109	Haskins Cleaning	JUN2015	Town Hall Cleaning June	07/20/2015	200.00		
Total 12109					200.00	.00	
1360	Hinton Burdick CPAs & Advisors	132993	Final Billing 2014 Audit	05/31/2015	11,150.00		

Vendor	Vendor Name	Invoice No	Description	Inv Date	Net Inv Amt	Amount Paid	Date PD
					11,150.00	.00	
2640	Holloran LLC, Michael J	07202015	Legal Services Ballot Questions	07/20/2015	72.92		
			Legal Services Code Enforcement		72.92		
			Legal Services Bid Docs		58.33		
			Legal Services Bid Docs		1,531.25		
Total 2640					1,735.42	.00	
9740	Identity Graphics LLC	7168	Baseball Sign	07/13/2015	138.00		
			PWWrestling		144.00		
			Hayden Daze Cornhole		120.00		
		7187	Hayden Daze Cornhole	07/16/2015	120.00		
Total 9740					522.00	.00	
4535	InSite Media, Inc	1808	Hayden Daze	07/21/2015	430.00		
			Social Media Monthly		365.00		
Total 4535					795.00	.00	
4035	J & S Contractors Supply Co.	0054502-IN	Streets Yellow POZ LOC Post	07/07/2015	1,768.80		
Total 4035					1,768.80	.00	
12184	Jefferson Properties, LLC	07222015	Utility Deposit Refund	07/22/2015	14.01		
Total 12184					14.01	.00	
11077	Johnson, Lorraine	06162015	CML Conference	06/16/2015	183.70		
Total 11077					183.70	.00	
12096	JVA, Inc	56075	Water Treatment Plant Improvements	06/22/2015	1,116.00		
		56076	Reclaimed Water Permitting	06/22/2015	1,232.00		
		56077	Seneca Hill Tank/Water Sys Improv	06/22/2015	5,095.00		
Total 12096					7,443.00	.00	
4465	LL Johnson	1085144-00	Field Chalk Valve	06/30/2015	816.80		
		5167123-00	Field Maintenance	06/24/2015	408.69		
Total 4465					1,225.49	.00	
9060	Mid-American Research Chemical	0555436-IN	Distribution Repair - Paint	06/26/2015	222.96		
Total 9060					222.96	.00	
2960	MJK Sales & Feed Inc	13277	WTP - R&M Bentonite/Pond Seal	07/13/2015	5.95		
		13449	Fields Line Marker	07/23/2015	86.34		
		184436	Streets Paint Supplies	07/09/2015	81.94		
		184685	Streets Garage Tint	07/13/2015	79.99		
Total 2960					254.22	.00	
10620	Mountain Air Spray Co	8577	Mosquito Labor	07/22/2015	2,756.00		
			Mosquito Chemical		2,204.80		

Vendor	Vendor Name	Invoice No	Description	Inv Date	Net Inv Amt	Amount Paid	Date PD
Total 10620					4,960.80	.00	
10080	Neve's Uniforms Inc	LN-313898	PD - Light Holders	05/12/2015	41.89		
		LN-314129	PD - Uniform Pants	05/14/2015	91.95		
		LN-314130	PD - Uniform Shirts	05/14/2015	80.89		
		LN-316602	PD - Uniform Pants	06/29/2015	64.94		
Total 10080					279.67	.00	
5010	Newman Traffic Signs	TI-0287767	Signs	07/14/2015	455.63		
Total 5010					455.63	.00	
1780	Peak Performances Imaging Sol	45275	Laserfiche Training	07/06/2015	225.00		
Total 1780					225.00	.00	
3110	Pearson Communications	P1005	Distribution Radio Repair	07/06/2015	50.00		
Total 3110					50.00	.00	
1350	Pinnacol Assurance	17675934	Legislative Work Comp	07/20/2015	29.16		
			Court Work Comp		14.58		
			Executive Work Comp		14.58		
			Administration Work Comp		116.64		
			Police Work Comp		1,166.40		
			Streets Work Comp		903.96		
			Rec Work Comp		87.48		
			Parks Work Comp		145.80		
			Water Work Comp		233.28		
			Water Adm Work Comp		29.16		
			Sewer Work Comp		145.80		
			Sewer Adm Work Comp		29.16		
Total 1350					2,916.00	.00	
8170	Public Agency Training Council	195527	Sex Crimes Seminar	07/13/2015	295.00		
Total 8170					295.00	.00	
6180	Resource Engineering Inc	15156	Water Rights Analysis	06/30/2015	71.50		
Total 6180					71.50	.00	
12068	RG & Associates, LLC	1011007	General Planning	07/06/2015	2,737.25		
		1011008	Dev passthrough	07/03/2015	821.25		
Total 12068					3,558.50	.00	
5820	Richards, Bryan	5477608	Clothing Allowance	07/21/2015	136.81		
			Clothing Allowance		136.81		
Total 5820					273.62	.00	
10610	SAFEbuilt, Inc	0020451-IN	Building Permits	06/30/2015	60.00		

Vendor	Vendor Name	Invoice No	Description	Inv Date	Net Inv Amt	Amount Paid	Date PD
Total 10610					60.00	.00	
7090	Samuelson's - Craig	32730	Streets - Paint Supplies	07/08/2015	164.85		
		32863	Elem. Baseball Hydrant	07/09/2015	59.88		
		33475	Streets - Paint Supplies	07/15/2015	201.18		
Total 7090					425.91	.00	
12185	Sigma Services	07282015	Utility Deposit Refund	07/28/2015	29.03		
Total 12185					29.03	.00	
1655	STANDARD INSURANCE COMPANY IN	AUG2015	ADMIN LTD	07/17/2015	56.14		
			PD LTD		132.88		
			STREETS LTD		45.82		
			PARKS LTD		19.48		
			WATER LTD		50.41		
			WTR ADM LTD		20.05		
			SWR LTD		44.68		
			SWR ADM LTD		20.05		
Total 1655					389.51	.00	
10930	Standard Plumbing Supply Co.	ERTW08	E Elem Farm Hydrant	07/09/2015	113.79		
Total 10930					113.79	.00	
10530	Staples Advantage	3271647334	Rec Supplies	07/09/2015	23.67		
			Admin Office Supplies		31.99		
			PD Supplies		115.32		
Total 10530					170.98	.00	
12186	Stripe A Lot	798	Street Paint Striping	07/05/2015	2,931.00		
Total 12186					2,931.00	.00	
12187	Strong, Susan & Garrity, Adam	07222015	Utility Deposit Refund	07/22/2015	33.18		
Total 12187					33.18	.00	
3640	Thatcher Company	1365118	Soda Ash	06/26/2015	1,105.60		
Total 3640					1,105.60	.00	
12121	Ultramax	153623	Ammunition	07/14/2015	852.00		
Total 12121					852.00	.00	
7600	Univar USA Inc	DV888070	Sodium Fluoride	07/10/2015	988.00		
Total 7600					988.00	.00	
3810	Upper Yampa Water Conservancy	1001	Yamcolo Water Storage 1/2 pymt	07/15/2015	11,472.00		
		990	Stagecoach Water Storage	07/15/2015	7,000.00		

Vendor	Vendor Name	Invoice No	Description	Inv Date	Net Inv Amt	Amount Paid	Date PD
Total 3810					18,472.00	.00	
7070	USA BlueBook	684975	WTP - Lab Equipment	06/30/2015	152.86		
		690606	Water Testing	07/08/2015	48.11		
		691385	Water Testing	07/08/2015	468.07		
Total 7070					669.04	.00	
3880	Wagner Equipment Co	'04C0283452	Collection Hose Assembly	07/11/2015	36.86		
		'04C0283589	Streets - Switch Parts	07/17/2015	16.09		
Total 3880					52.95	.00	
6170	Walmart Community	19000007651	PD Office Supplies	07/09/2015	139.36		
			Town Council		44.16		
			Town Hall Office Supplies		8.70		
Total 6170					192.22	.00	
10400	Wells, Sandra	07202015	Meal Reimbursement	07/20/2015	21.98		
Total 10400					21.98	.00	
12189	Woods, Jordan	07312015	Utility Deposit Refund	07/31/2015	47.41		
Total 12189					47.41	.00	
12190	Woodward, Butch	07092015	Utility Deposit Refund	07/09/2015	52.83		
Total 12190					52.83	.00	
6085	Xerox Corporation	080411668	ADMIN COPIER/PRINTER	07/11/2015	273.96		
		080411669	ADMIN COPIER/PRINTER	07/11/2015	235.63		
Total 6085					509.59	.00	
4010	Yampa Valley Electric	JUL2015	PD Electric 660020401	07/21/2015	526.02		
			Parks Electric		663.74		
			Water Plant Electric 660007802		2,150.51		
			Golden Meadows Electric 780008803		882.00		
			Key Pump Electric 730009402		31.38		
			Washington Street Electric 700008001		43.18		
			Airport Lift Station Electric 660013202		188.46		
			Seneca Hill Tank Electric 660021401		45.64		
			Community Tree Electric 760016002		32.54		
			Shop Electric 760016201		213.49		
			Sewer Plant Electric 760007702		4,979.94		
			Rec Electric 740003406 (.20)		94.18		
			Town Hall Electric 740003406 (.80)		376.71		
			Dry Creek Lift Station Electric 720021002		168.93		
			Parks Electric 720015501		52.58		
			Crandall Pump House Electric 720009902		838.53		
			Hospital Hill Electric 720008901		30.57		
Total 4010					11,318.40	.00	

Total Paid:	-
Total Unpaid:	<u>253,955.04</u>
Grand Total:	<u><u>253,955.04</u></u>



Town Council Agenda Item

MEETING DATE: August 6, 2015

AGENDA ITEM TITLE: Consideration of a motion appointing a Municipal Judge and an assistant Municipal Judge.

AGENDA SECTION: Consent Agenda

PRESENTED BY: David Torgler

CAN THIS ITEM BE RESCHEDULED: Not preferred

BACKGROUND REVIEW:

The Hayden Town Charter provides for the appointment of a Municipal Judge and an assistant Municipal Judge.

Section 7-3. Municipal Judge.

The Town Council shall appoint a Municipal Judge for a two-year (2-year) term. The Municipal Judge may be removed during his or her term of office only for cause. A judge may be removed by a majority vote of the entire membership of the Town Council for cause if:

- (a) The judge is found guilty of a felony or any other crime involving moral turpitude; or*
- (b) The judge has willfully or persistently failed to perform his or her duties; or*
- (c) The judge has a disability which interferes with the performance of his or her duties, which disability is or is likely to become of permanent character.*

The Town Council may appoint additional assistant or acting municipal judges as deemed appropriate from time to time. Municipal Judges shall be licensed to practice law in Colorado. Municipal Judges shall be compensated on a basis established by the Town Council provided that compensation shall not be based directly on the number of cases handled or heard by the Judge or the outcome of the same.

Colette Erickson was appointed as Hayden's Municipal Judge on August 4, 2011 for a two-year term and reappointed in 2014 for a second term. Mark Fischer has previously served as Hayden's assistant or acting municipal judge, though he has not been called to duty since Judge Erickson was appointed.

Checking with Judge Erickson, she is enjoying serving as Hayden's municipal judge and hopes that the Town Council would like for her to continue in this role. Judge Erickson supports the appointment of Mark Fischer as an assistant municipal judge.

Mark Fischer would like to be appointed as an assistant municipal judge so that he can perform weddings this summer, and to fill in for Judge Erickson if necessary.

RECOMMENDATION:

To make a motion re-appointing Colette Erickson as the Town's Municipal Judge for a two year term effective beginning August 6, 2015.

To make a motion appointing Mark Fischer as an assistant Municipal Judge for the Town of Hayden for a term effective immediately through August 6, 2017.

MANAGER'S RECOMMENDATION/COMMENTS:

I concur with the above recommendations.



Town of Hayden

Town Council Agenda Item

MEETING DATE: August 6, 2015

AGENDA ITEM TITLE: Resolution 2015-16 / 2015 Coordinated Special Election IGA

AGENDA SECTION: Consent Item

PRESENTED BY: David Torgler

CAN THIS ITEM BE RESCHEDULED: No

BACKGROUND REVIEW: In order to participate in the November 3, 2015 coordinated election, we must reactivate an Intergovernmental Agreement (IGA) with Routt County which was originally executed on August 28, 2007. The IGA is attached for your review and needs to be reactivated via resolution and must be approved by the Routt County Commissioners by August 25, 2015.

RECOMMENDATION: Move to approve Consent Items

MANAGER RECOMMENDATION/COMMENTS: *I concur with the recommendation. This is required to participate in the coordinated election.*

RESOLUTION 2015-16

**A RESOLUTION REACTIVATING THE INTERGOVERNMENTAL AGREEMENT
BETWEEN THE TOWN OF HAYDEN AND ROUTT COUNTY FOR THE PURPOSE
OF PARTICIPATING IN THE COORDINATED ELECTION TO BE HELD ON
NOVEMBER 3, 2015**

RECITALS

1. The Town Council of the Town of Hayden has determined it to be in the best interest of the Town to place openings for candidates for office on the ballot of the election to be held on November 3, 2015 and to participate in the “coordinated election” as defined in the Uniform Election Code of 1992, as amended; and
2. Participation in this coordinated election requires that an Intergovernmental Agreement between the Town of Hayden, Routt County, Colorado and the Routt County Clerk and Recorder originally executed on August 28, 2007 which sets forth the specific terms and conditions regarding the conduct and finance of a coordinated election, a copy of which is attached hereto as Exhibit A and is further defined in Attachment 1, Production of “Amendment 1 Notice” be reactivated; and
3. The Town Council of the Town of Hayden deems that it is in the best interest of the community to reactivate the Intergovernmental Agreement between the Town of Hayden, Routt County, Colorado and the Routt County Clerk and Recorder.

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Hayden, Colorado, that:

1. The terms and conditions of the Intergovernmental Agreement between the Town of Hayden, Routt County, Colorado and the Routt County Clerk and Recorder are approved.
2. The Mayor and Councilmembers acknowledge and authorize the terms of said Intergovernmental Agreement on behalf of the Town of Hayden all in order to participate in the November 3, 2015 coordinated election.

PASSED, APPROVED AND RESOLVED THIS 6TH DAY OF AUGUST, 2015.

James M. Haskins, Mayor

ATTEST:

Sharon Johnson, Town Clerk

INTERGOVERNMENTAL AGREEMENT

6 This Intergovernmental Agreement (Agreement) is made and entered into this day of August, 2015 by and between Routt County, Colorado ("County") and Routt County Clerk and Recorder ("County Clerk") and the Town of Hayden ("District"), collectively referred to herein as the "Parties," for the administration of their respective duties concerning the conduct of the coordinated election to be held on November 3, 2015 ("Election").

RECITALS

A. Pursuant to Colorado Constitution Article XIV, Section 18(2)(a), and Section 29-1-203, C.R.S., as amended, the County Clerk and the District may cooperate or contract with each other to provide any function, service or facility lawfully authorized to each, and any such contract may provide for the sharing of cost, the imposition of taxes, and incurring of debt; and

B. The County Clerk and the District are authorized to conduct elections as provided by law; and

C. The District has determined that it is in the best interests of the District to conduct its election to be held on November 3, 2015 (Election) as a "coordinated election" as such term is defined in the Uniform Election Code of 1992, as amended ("Code") and the Code contemplates the entry into and performance of an intergovernmental agreement to cooperate in the conduct and financing of the Election; and

D. The County Clerk and the District have determined that it is in the best interests of the County, the District, and respective inhabitants to cooperate and contract concerning the Election upon the terms and conditions contained herein.

TERMS AND CONDITIONS

NOW, THEREFORE, for and in consideration of the premises and the promises herein contained, the sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

ARTICLE I PURPOSE AND GENERAL CONDITIONS

1.01 **Goal.** The purpose of this Agreement is to set forth the tasks to be completed by the County Clerk and the District to conduct and finance the Election.

1.02 Designated Election Official, Other Election Personnel. Except as otherwise provided in this Section 1.02, the County Clerk shall act as the Designated Election Official ("Official") for the conduct of the Election for the District for all matters in the Code which require action by the Official.

The District designates Sharon Johnson as its Election Officer ("Officer") who shall act as the primary liaison between the District and the County Clerk. To the extent the Code requires that a "designated election official" with the District conduct a task, the Officer will act as such. Nothing herein shall be deemed or construed to relieve the County Clerk or the Board of Directors from their official responsibilities for the conduct of the Election.

1.03 Jurisdictional Limitation. The District encompasses territory within Routt County. This Agreement shall be construed to apply only to that portion of the District within Routt County.

1.04 Term, Renewal, and Activation.

A. Although this Agreement is specifically written to deal with the November 3, 2015 election, it is intended to be effective through December 31, 2015, and automatically renewed for successive one year periods thereafter, unless terminated in writing by notice given by the Party seeking termination to the other Party on or before November 15 prior to the December 31st deadline on which the Agreement shall be terminated. The dates cited for the Election shall change to the proper November date as needed for the year in which the future coordinated election may occur. The intent of this automatic renewal provision is to put in place the intergovernmental agreement contemplated by the Code by the time required by the Code without extensive annual renegotiations.

(1) As soon as possible but no later than the date specified for such action in the Election Calendar published by the County Clerk for the applicable election date, the Official will submit a written mail ballot plan to the Secretary of State which will include the requirements outlined in the Secretary of State's Rules and Regulations. The written plan will become a part of the Agreement as an attachment since the Election will be held as a mail ballot election (Attachment 2).

B. Although the Agreement automatically renews, actual use of the Agreement for any election by the District shall be conditioned upon:

(1) A determination, by Resolution of the governing body of the District, that an election is required and that such election should be held as a coordinated election.

(2) Notice of (1) being delivered to the County Clerk no later than the date specified for such action in the Election Calendar published by the County Clerk for the applicable election date.

(3) Acceptance of the notice indicated in (2) by the County Clerk and determination by the County Clerk that the County Clerk shall undertake its duties under the Agreement, with notice of such determination to be delivered to the District within five (5) days of the County Clerk's receipt of the notice indicated in (2).

Following the completion of (1), (2), and (3) above, the election procedures in the Agreement shall be activated.

ARTICLE II DUTIES OF THE COUNTY CLERK

2.01 County Clerk Duties. The Coordinated Election shall be conducted under the provision of C.R.S. Title 1. The County Clerk shall be responsible for the conduct of the Coordinated Election, adhering to all applicable provisions of the Code which are necessary or appropriate.

A. Production of a mailed Notice of the Ballot issues and or questions ("Amendment 1 Notice") required by the Colorado Constitution, Article X, Sec. 20 in accordance with Attachment 1.

B. Arrange for the printing, and have printed, all official ballots.

C. The Official shall determine the cost allocation for each participating entity in the Election. The District shall reimburse its proportional share of the actual cost either to the County Clerk or to the vendor directly in accordance with the directions of the County Clerk.

D. Appoint, provide written material to, as required by law, train and pay a sufficient number of qualified election judges ("Election Judges") to adequately serve the number of electors anticipated to vote at the Election.

E. Conduct such formal training sessions for the Election Judges as are deemed reasonably necessary by the County Clerk and/or required by the Secretary of State.

F. Bill the District a reasonable fee for the cost of Election Judges, including training sessions, provided such cost shall be prorated by multiplying the number of judges for a given polling place by the reasonable fee and dividing the result by the number of jurisdictions utilizing each polling place.

G. Charge the District for all staff time solely related to the District for the preparation and conduct of the Election at each staff member's current pre-tax hourly

rate. Charge the District its proportional share of the actual cost of staff time not solely related to the District for the preparation and conduct of the election.

H. Conduct and oversee the process of counting the ballots and reporting the results. The process to include appointment of a Duplication and Verification Board.

I. The Canvass of Votes ("Canvass") will be conducted by the County Clerk. The County Clerk shall generally oversee the conduct of the Board of Canvassers.

(1) The County Clerk shall appoint the Canvassers.

(2) Such Canvass shall be completed by the date specified for such action in the Election Calendar published by the County Clerk for the applicable election date and official results of the Canvass will be provided to each political subdivision (District) participating in the Coordinated Election.

(3) Each District will be responsible for issuing its own Certificates of Election for candidates and issues.

J. Store all voted ballots for a minimum of 6 months and all other election materials for a minimum of 25 months in such a manner that they may be accessed by the District, if necessary, to resolve any challenge or other legal questions that might arise regarding the Election.

K. Keep a careful and accurate and contemporaneous accounting of time, supplies and salaries chargeable to the District.

L. Adhere to all applicable provision of the Code which are necessary or appropriate to the performance of the above duties.

M. The Official shall publish the Notice of Election required at least no later than the date specified for such action in the Election Calendar published by the County Clerk for the applicable election date.

N. In the event the Election is canceled, the County Clerk shall post notice of the Cancellation of Election on the County's designated Notice Boards.

O. Requests for absentee and replacement ballots shall be transmitted and processed by the County Clerk at 522 Lincoln Ave., PO Box 773599, Steamboat Springs, CO 80477.

ARTICLE III DUTIES OF THE DISTRICT

3.01 District Duties. In consideration of the foregoing, the District agrees to perform the following tasks and activities:

A. Provide to the County Clerk all required Amendment 1 Notices concerning the District's ballot issues and questions in the manner according to Code and the attached Amendment 1 Notice Agreement.

B. In accordance with Colorado Law, the ballot contents must be certified to the County by the District, in its exact and final form, no later than the date specified for such action in the Election Calendar published by the County Clerk for the applicable election date. Such ballot contents must be delivered to the County Clerk's office at 522 Lincoln Ave., Steamboat Springs, CO. The District shall proof the layout and text of the official ballots no later than 50 days prior to the date of the election and before the authorization for the printing of ballots or the District shall proof and provide written notice acknowledging the layout and text of the sample and official ballots within one business day of receipt of the ballot proofs from the County Clerk, whichever occurs first.

C. Accept the established Election Voter Service and Polling Center(s) as the official service centers(s) for the Election.

D. The District and/or Officer shall prepare and publish any legal notices of election which are required to be given to the electorate of the District according to statutes and ordinances governing their elections other than 2.01 (R) or as otherwise required by law. A copy of all legal notices published by the District shall be submitted to the Official.

E. Pick up Election materials from the County Clerk when requested following the Election.

F. Store all Election materials, not stored by the County Clerk, for that time required by the Code.

G. Pay the District's proportional share of actual costs of services, supplies, and mileage to the County Clerk upon receipt of the itemized statement or pay directly vendors or contractors as directed by the County Clerk.

H. The petition process for the District shall be entirely the responsibility of the District, and shall be done in compliance with applicable Colorado statutes, ordinances or charter provisions. This process includes, but is not limited to: approving the candidate or initiative petitions to be circulated within the District; receiving the petitions, and verifying the signatures of the petitions within the District.

I. The process of receiving and filing of written comments will be the solely the responsibility of the District.

J. Certificates of Election of candidates and issues will be issued by the District or Officer upon receipt of the official results from the County Clerk. Any additional Certificates of Election which are required by law to be forwarded to another division of government shall be the responsibility of the District.

K. Anytime prior to certification of the ballot, the District shall determine the order of names on nonpartisan ballot by a lot drawing, following notification of candidates of time and place of lot drawing.

3.02 Cancellation of Election by the District. In the event the District, at some time after activation of this Agreement pursuant to section 1.04B. hereof, resolves not to hold the Election, then notice of such resolution shall be provided to the County Clerk immediately. The District shall promptly pay the County Clerk the full actual costs of the activities of the County Clerk relating to the election incurred both before and after the County Clerk's receipt of such notice. The District shall publish notice, according to Code, of such cancellation in at least two newspapers of general circulation in Routt County. The Officer shall post notice of the cancellation at all buildings of the District. The District shall not cancel the election after the 25th day before the Election.

ARTICLE IV PROPORTIONAL SHARE OF ACTUAL COSTS

4.01 The Official shall determine the cost allocation for each political subdivision (District) participating in the Coordinated Election. The District shall reimburse the County for such election costs allocated to the District. Such reimbursement shall be made to the County within thirty days from the receipt of billing. (Example - each District will pay for the ballots based on their number of eligible voters including the consideration for the number of lines printed on the ballot.)

ARTICLE V MISCELLANEOUS

5.01 **Notices.** Any and all notices to be given by this Agreement are deemed to have been received and to be effective: (1) three (3) days after the same shall have been mailed by certified mail, return receipt requested; (2) immediately upon hand deliver; or (3) immediately upon receipt of confirmation that a fax was received; to the address of the Parties as set forth below or to such Party or addresses as may hereafter be designated in writing.

To County Clerk: Kim Bonner
Routt County Clerk & Recorder
Box 773599 / 522 Lincoln Ave.
Steamboat Springs, CO 80477
kbonner@co.routt.co.us
Fax: 970-870-1329

To District: Town of Hayden
Attention: Sharon Johnson
PO Box 190
Hayden, CO 81639

5.02 Integration. The Parties acknowledge this Agreement constitutes the sole agreement between them relating to the subject matter hereof and that no Party is relying upon any oral representation made by another Party or employee, agent or officer of the Party.

5.03 Amendments. This Agreement can be amended only in writing and by signatures of both Parties.

5.04 Actual Costs Defined. "Actual Cost" includes, but is not limited to, the costs of labor (including fringe benefits), printing and materials itemized, identified, and consumed for the conduct of the Election.

5.05 Damages for Negligence or Error. In the event a court of competent jurisdiction finds the Election for the District was void or otherwise fatally defective due to a cause arising from the negligence or other error of the County Clerk, then the County Clerk shall, as liquidated damages and not as a penalty, refund or pay all amounts paid to the County Clerk, vendors or contractors designated by the County Clerk and other itemized costs for the Election paid by the District.

Likewise, as liquidated damages and not as a penalty, if the cause arises from the negligence or other error of the District, the District shall pay the County Clerk its reasonable court costs, attorney's fees and lost County Clerk staff time arising from litigation relating to the Election.

The District agrees to indemnify, defend and hold harmless the County Clerk from any and all loss, costs, demands or actions arising out of or related to any actions, errors or emissions of the District in completing its responsibilities relating to the Coordinated Election.

5.06 Attorney Fees. In the event either of the Parties brings suit to enforce or interpret any portion of this agreement, the party prevailing in such action shall be entitled to recover all costs incurred in such action, including without limitation reasonable attorney's fees.

5.07 Conflict of Agreement with Law, Impairment. In the event any provision in this Agreement conflicts with the Code, other statute, or valid prior Resolution duly adopted by the Board of County Commissioners, this Agreement shall be modified to

conform to such law or resolution. No subsequent resolution of the Board of County Commissioners not of the District shall impair the rights of the County Clerk or the District hereunder without the consent of the other party to this Agreement.

5.08 **Time of Essence.** Time is of the essence of this Agreement. The statutory time requirements of the Code shall apply to completion of the tasks required by this Agreement. A calendar with specific dates will be attached to conform with the Code and Agreement (Attachment 3).

5.06 **Good Faith.** The Parties shall implement this Agreement in good faith, including acting in good faith in all matters that require joint or coordinated action.

IN WITNESS WHEREOF, the Parties hereto have signed this Agreement to be effective as of the date first written above.

ATTEST:

Town of Hayden
By:

Sharon Johnson
Town Clerk

~~President Board of Directors~~
Mayor

ATTEST:

Routt County:
By:

Kim Bonner
Routt County Clerk & Recorder

Chairman,
Board of Routt County Commissioners

ATTEST:

Routt County Clerk and Recorder:

Kim Bonner

ATTACHMENT 1

Production of "Amendment 1 Notice" (TABOR)

WHEREAS, by the previous Intergovernmental Agreement entered into for the November 5, 2013 election by and between the County Clerk and Recorder of Routt County ("County Clerk") and the Town of Hayden ("District"), collectively, the "parties," the Parties agreed to cooperate and contract for the purpose of conducting a coordinated election; and

WHEREAS, Colorado Constitution Article 10, Section 20 requires the production of a mailed notice of the ballot issues to be determined for the District that are subject to the requirements of said constitutional section ("Amendment 1 Notice"); and

WHEREAS, the Amendment 1 Notices of several jurisdictions are to be sent as a package where jurisdictions overlap ("Amendment 1 Notice Package"); and

WHEREAS, the need to produce the Amendment 1 Notice Package requires there be county-wide coordination of the production and mailing of the Amendment 1 Notice Package to effectuate the purposes of said constitutional section; and

WHEREAS, the Parties desire to set forth their respective responsibilities in the production and mailing of the Amendment 1 Notice Package for the coordinated election on November 3, 2015.

NOW THEREFORE, the Parties agree as follows:

1. The County Clerk shall perform the following services and activities for the District's election:

A. Determine the "least cost" method for mailing the Amendment 1 Notice Package, and determine the portion of such cost to be applied to the District.

B. Combine the text of the Amendment 1 Notice produced by the District with those of other districts to produce the Amendment 1 Notice Package.

C. Address the package to "All Registered Voters" at each address of one or more active registered electors of the District. Nothing herein shall preclude the County Clerk from sending the Amendment 1 Notice of the District to persons other than electors of the District if such sending arises from the County Clerk's efforts to mail the Amendment 1 Notice Package at "least cost."

D. Determine the order that the Amendment 1 Notice submittal of the District and of other jurisdictions shall be placed in the Amendment 1 Notice Package; provided, however, that the materials supplied by the District shall be kept together as a group and in the order supplied by the District in compliance with 2 (D).

E. Mail the Amendment 1 Notice Package, address as required by law no later than the date specified for such action in the Election Calendar published by the County Clerk for the applicable election date.

F. Provide an office address and telephone number for incorporation into the Amendment 1 Notice. Said information will be agreed upon in writing 42 days prior to the election. The designated office will be open during the County Clerk's regular business hours, 8:00 a.m. to 4:30 p.m. Monday through Friday. The County Clerk or the County Clerk's Deputy shall respond to all correspondence and calls the County Clerk's office receives within its expertise relating to election procedures, but shall refer calls concerning the substance of the ballot issues and ballot questions and the operations of the District to its Officer pursuant to 1.02 of Intergovernmental Agreement.

G. Write, print, and incorporate any notice to be included in the Amendment 1 Notice Package that may inform the elector of the polling place or that may provide other information as may be required by law.

H. Provide the District an itemized statement of the costs of performing the tasks performed by the County Clerk.

2. The District shall perform the following services and activities for the District's election:

A. Adopt a resolution/ordinance designating the County Clerk as the Election Official for the District's election for the purposes of completing the tasks to be performed by the County Clerk on behalf of the District. File a copy with the County Clerk.

B. Designate an "Election Officer" to act as liaison between the District and County Clerk.

C. Determine the ballot issues to be voted upon at the election.

D. Include, within its Amendment 1 Notice, ballot titles in the order of preference: "NOTICE OF ELECTION TO INCREASE TAXES / TO INCREASE DEBT / ON A CITIZEN PETITION / ON A REFERRED MEASURE."

1. Prepare the text of the Amendment 1 Notice. Such Amendment 1 Notice shall include any District voter approved additions, and;

a) The Election Date, hours, ballot title, text, and local election office address and telephone number.

b) For proposed district tax or bonded debt increases, the estimated or actual total of district fiscal year spending for the current year and each of the past four years, and the overall percentage and dollar change.

c) For the first full fiscal year of each proposed district tax increase, district estimates of the maximum dollar amount of each increase and of district fiscal year spending without the increase.

d) For proposed district bonded debt, its principal amount and maximum annual and total district repayment cost, and the principal balance of total current district bonded debt and its maximum annual and remaining total district repayment cost.

e) Two summaries, up to 500 words each, one for and one against the proposal, of written comments filed with the Official 30 days before the election. No summary shall mention names of person or private groups, nor any endorsements of or resolution against the proposal. Petition representatives following these rules shall write this summary for their petition. The officer shall write this summary for their petition. The officer shall maintain and accurately summarize all other relevant written comments.

E. Inform the County Clerk of any voter-approved additions to the Amendment 1 Notice for the District and incorporate such addition in the Amendment 1 Notice supplied to the County Clerk.

F. All pros and cons regarding the District elections will be filed with the officer for public inspection. Copies of any written comments concerning a District ballot issue will be provided to the County Clerk within 72 hours or receipt of such comment and in their entirety on the 30th day prior to the election, whichever is earlier.

G. Summarize written comments concerning ballot issues following receipt of such comments received from the public as necessary for use in the Amendment 1 Notice.

H. Prepare the layout of the Amendment 1 Notice for the District according to law.

I. Determine the ballot title and text.

J. Respond to inquires as follows: The County Clerk shall refer correspondence and calls concerning the substance of the ballot issues or the operations to the District's Election Officer. The Officer shall reply to the originator of such substance and operation questions within a reasonable time after being notified of the same by the County Clerk.

1. The Officer shall be reasonably available to the County Clerk to advise and give oversight as may help in the conduct of the election.

K. Provide the District's completed Amendment 1 Notice to the County Clerk in camera ready form utilizing 6 point 'elite' or similar lettering, and a one inch margin on both sides of the paper. Regardless of the total number of pages, the submission to the County Clerk shall be on one side of each page. Whenever possible submission shall be made by Internet e-mail in text format to the County Clerk (kbonner@co.routt.co.us). Alternatively, submission should be made on a data CD in the same format. This submission, which shall be in the form that shall be printed by the County Clerk without special written dispensation from the County Clerk (such dispensation may be withheld for any or no reason), and shall be provided to the County Clerk on or before the 45th day preceding the election.

L. Perform such acts as may be required by law, including circulation, approval, review, and all other activities, relating to any petition that may concern the District. The Election Officer shall interact with any district petition representative, including but not limited to, working to ensure that the Officer receives the summary of written comments for their petition with time required by law.

M. The District's Officer shall publish the full text and title of ballot issues as provided by C.R.S. 1-40-124 (2).

N. Pay the costs shown in the itemized statement provided to the District by the County Clerk either directly to the County Clerk or to such vendors or subcontractors as the County Clerk may designate.

O. District shall be responsible for all out-of-county mailing required.

IN WITNESS WHEREOF, the Parties hereto have executed this addendum to the effective the _____ day of _____, 2015.

Authorized Signature

ATTEST: _____

Town of Hayden

Kim Bonner
Routt County Clerk and Recorder

ATTEST: _____

Routt County Board of Commissioners

ATTEST: _____

IGA Attachment 2
Coordinated Mail Ballot Plan
Colorado Secretary of State

Instructions

The County Clerk must submit this proposed plan for conducting the 2015 coordinated mail ballot election no later than 90 days before the election.

Please complete each section by checking the pertinent boxes and entering your county's specific information in the spaces provided. Once you have completed the plan, you may email it to the Secretary of State at: ballot.access@sos.state.co.us.

If you have questions, contact Dan Volkosh at 303-894-2200, ext. 6337, or dan.volkosh@sos.state.co.us.

IGA Attachment 2/Coordinated Election Calendar November 3, 2015

July 24, 2015	Deadline for political subdivisions to provide written notice of participation in November Election (100 days before the General Election). C.R.S. 1-7-116(5), 1-1-106(5)
August 5, 2015	*Last day to submit a mail ballot plan to the SOS. C.R.S. 1-7.5-105(1), Rule 7.1.1 *Last Day to designate Voter Service and Polling Centers and Drop Off Locations for 2015 Coordinated Election. Rule 7.9
August 25, 2015	Deadline for political subdivision to sign Intergovernmental Agreement with County Clerk (No later than 70 days before the General Election). C.R.S. 1-7-116(2)
September 4, 2015	Deadline for political subdivision to certify the ballot order and content with the County Clerk (No later than 60 days before the General Election). C.R.S. 1-5-203(3)(a)
September _____, 2015	Public Logic and Accuracy Test. (Date to be determined)
September 18, 2015	Last day to file pro/con comments pertaining to local ballot issues with the political subdivision in order to be included in the issue mailing. ART X, § 20 (3)(b)(v), C.R.S. 1-7-901(4)
September 19 & 20, 2015	Deadline to send mail-in ballots to overseas military voters (45 th day before the election). C.R.S. 1-8.3-110(1)
September 22, 2015	Last day for political subdivision to deliver ballot issue (pro/con comments) notices to the County Clerk & Recorder (No later than 42 days before the General Election). C.R.S. 1-7-904
October 2, 2015	Last day to mail notice of election ballot issues (At least 30 days before a ballot issue election). ART X, § 20 (3)(b), C.R.S. 1-1-106(5)
October 12, 2015	First day mail-in ballots may be sent to voters (22 days before the General Election). C.R.S. 1-7.5-107 (3)(a)(i)
October 23, 2015	Equipment Inventory lists due to the SOS. C.R.S. 1-1-106.5 Rule 11.2.3
Oct 26 – Nov 3, 2015	Voter Service and Polling Centers Open for General Election (15 days before the election). C.R.S. 1-5-102.9(2)
October 26, 2015	*Last day to register to Vote through the mail, a voter registration agency, local driver's license facility or online to receive a ballot for the Coordinated Election C.R.S. 1-2-201(3)(b)(III) *First day Voter Service & Polling Center Open
October 27, 2015	Last day to file an absentee ballot application to receive the ballot by <u>mail</u> (7 th day preceding the election). C.R.S. 1-7.5-116(3)
November 3, 2015	COORDINATED ELECTION DAY All ballots must be in the hands of the County Clerk by 7:00 p.m. Election Day.
November 20, 2015	Deadline to complete canvass for the General Election.

1. County Contact Information:

Please select your county:

County Clerk:

County contact person:

Normal business hours:

Phone Number (no dashes):

Email:

Physical Address:

2. Select the Election Date:

3. Adherence to statutes and rules

The County will conduct the election according to all relevant provisions of Title 1, C.R.S. and the Secretary of State's Election Rules.

4. Eligible electors

<u>15,110</u>	# of Electors	Active Status
<u>3,249</u>	# of Electors	Inactive Status
<u>18,359</u>	# of Electors	Total Active and Inactive

(Please use your current numbers as of today.)

- Between 22 and 18 days before the election, the County will mail ballots to each active registered elector. [Section 1-7.5-107(3), C.R.S.]
- No later than 45 days before the election, the County will transmit a mail ballot packet to each active registered UOCAVA elector. The County will transmit the packet in the method requested by the elector. The County will also provide access to the online ballot delivery system by this date. [Section 1-8.3-110, C.R.S.]

5. Voter service and polling centers [Section 1-7.5-107(4.5)(a)(I), C.R.S.]

For the purpose of calculating VSPCs, the number of active electors equals the number of active electors in the County on the date of the 2012 general election combined with the number of "inactive-failed to vote" electors on the same date.

The number of active electors for your county is:

How to determine the requisite number of VSPCs for your county:

County Size	VSPCs
At least 25,000 active electors	Must have 1 VSPC for every motor vehicle office in the county. The county must have at least one.
Fewer than 25,000 active electors	Must have at least 1 VSPC, but may add more.

Total number of VSPCs your county will have open:

Please provide the location and address of each VSPC. If possible, please provide the date that each VSPC will open for operation. Check the far-right box if the VSPC will only be open on Election Day:

	Name:	Location Address:	Dates of Operation:	Location Hours:	Election Day Only
E X A M P L E	Town Hall:	123 Main Street Room 234 Anywhere, CO, 80290	October 26 to November 3, excluding Sundays	8:00 A.M. to 5:00 P.M., Monday through Friday; 8:00 A.M. to 12:00 P.M. Saturday; 7:00 A.M. to 7:00 P.M. on Election Day	<input type="checkbox"/>
	Routt County Courthouse	522 Lincoln Avenue County Clerk & Recorder's Office Steamboat Springs, CO 80487	October 12 to November 3, excluding Sundays	8:00 A.M. to 4:30p.m. Monday through Friday; 10:00 A.M. to 3:00 P.M. Saturday; 7:00A.M. to 7:00 P.M. on Election Day	<input type="checkbox"/>

- The County chose each VSPC location according to sections 1-5-102.9(1)(c)(I) and 1-7.5-107(4.5)(d), C.R.S.
- All statutorily required VSPCs comply with the accessibility requirements in Election Rule 7 and the County will submit an annual accessibility assessment, if applicable.
- Each statutorily required VSPC will be open, at a minimum, during reasonable business hours for the 8 days before the election (excluding Sunday). "Reasonable business hours" means at least eight hours per day Monday through Friday and at least four hours on Saturday. [Section 1-7.5-107(4.5)(c), C.R.S.; Election Rule 7.9.1]
- Each statutorily required VSPC will be open from 7:00 a.m. until 7:00 p.m. on election day. [Section 1-7-101, C.R.S. and Rule 7.9.1(b)]
- Each VSPC will provide: [Section 1-5-102.9(3), C.R.S. and Election Rule 7.9]
 - The ability to register to vote;
 - The ability to cast a ballot (In-person voting); **Please note:** Counties must offer the ability to cast an in-person ballot by both paper and a direct recording electronic voting machine.
 - The ability for an elector to update his or her address;
 - The ability for an elector to change his or her name;
 - Voting booths;
 - Secure computer access to the statewide voter registration database;
 - Facilities and equipment that are compliant with the federal "Americans with Disabilities Act of 1990;"
 - Direct record electronic voting machines or other voting systems accessible to electors with disabilities;
 - Original and replacement ballots for distribution;
 - Mail ballots for eligible electors who request them;
 - The ability to accept mail ballots that are deposited by electors; and
 - The ability of a person to cast a provisional ballot.
- At each polling location, the County will post all information required under section 1-5-504.5, C.R.S.

6. Stand-alone drop-off locations [Sections 1-5-102.9 and 1-7.5-107, C.R.S.]

Drop-off locations are where electors may deposit their completed mail ballots. Each stand-alone drop-off location must be located separately from the county's VSPCs, unless the stand-alone drop-off location is a 24-hour secure drop box. Drop-off locations must be located throughout the county to provide the greatest convenience to voters. [Section 1-5-102.9(4), C.R.S.]

How to determine the requisite number of drop-off locations:

All counties	Must provide one stand-alone drop-off location for every 30,000 active electors.
--------------	--

Based on the number of active electors reflected in Part 5 of this plan, the County will have the following number of stand-alone drop-off locations:

5

Please provide the location and address of each stand-alone drop-off location. If possible, please provide the date that each drop-off location will open for operation. If the location will be open 24 hours, please check the box on the right:

	Name:	Location Address:	Dates of Operation:	Location Hours:	Check box if open 24 hours
E X A M P L E	Town Hall	123 Main Street Room 234 Anywhere, CO, 80290	October 30 through November 3	8:00 A.M. to 5:00 P.M., Monday through Friday; 8:00 A.M. to 12:00 P.M. on Saturday; 7:00 A.M. to 7:00 P.M. on Election Day	<input type="checkbox"/>
	Routt County Courthouse	522 Lincoln Ave (alley between courthouse & annex) Steamboat Springs, CO 80487	October 12 through November 3, 2015	24 hours a day	<input checked="" type="checkbox"/>
	Clark Store	54175 RCR 129 Clark, CO	October 12 through November 3, 2015	8:00AM to 4:00PM, Monday through Friday	<input type="checkbox"/>
	Hayden Town Hall	178 W Jefferson Ave Hayden, CO	October 12 through November 3, 2015	8:00AM to 4:00PM Monday through Thursday 8:00AM to 12:00PM Fridays	<input type="checkbox"/>
	Oak Creek Town Hall	129 Nancy Crawford Blvd Oak Creek, CO	October 12 through November 3, 2015	8:00AM to 4:00PM Monday through Friday	<input type="checkbox"/>
	Yampa Town Hall	56 Lincoln St. Yampa, CO	October 12 through November 3, 2015	8:00AM to 4:00PM Monday through Friday	<input type="checkbox"/>

Each statutorily required stand-alone drop-off location will be open, at minimum, during reasonable business hours the four days immediately before election day. "Reasonable business hours" means at least eight hours on Monday and at least four hours on Saturday. [Section 1-7.5-107(4.3), C.R.S. and Election Rule 7.5.1(d)]

Each statutorily required stand-alone drop-off location will be open from 7:00 a.m. until 7:00 p.m. on election day. [Election Rule 7.5.1(d)]

7. Ballot delivery and processing

- The County will notify its local postal representative of the election and supply a mailpiece design analyst with the design of the mail ballot packet to ensure that it meets postal standards.
- Ballots will contain the warning specified in section 1-7.5-107(3)(b), C.R.S.
- To protect the voter's privacy, the County will include a secrecy sleeve in the mail ballot packet. The sleeve will be the same sleeve transmitted under Part 9 of this plan. [Section 1-7.5-104.5, C.R.S.]

- To ensure that undeliverable mail ballot packets are returned to the County, the County will mark mail ballot packet envelopes with: "DO NOT FORWARD. RETURN SERVICE REQUESTED," "RETURN POSTAGE GUARANTEED," or any other similar language that is in accordance with United States Postal Service regulations. [Section 1-7.5-107(3)(a), C.R.S.]
- The County will follow the procedures in section 1-7.5-107(3.5), C.R.S., regarding voters who have been marked "I.D. required."
- The County will follow the procedures in Election Rule 7.5 for receiving, stamping, and logging ballots each day as they come in.
- The County will issue replacement ballots according to section 1-7.5-107(3)(d), C.R.S.
- The County will follow the procedures in section 1-7.5-107.3, C.R.S. and Election Rule 7.8 during signature verification.

Please provide the address of your central count location:

522 Lincoln Ave, Steamboat Springs, CO 80487

8. Ballot and voting equipment security

- The County will file the security plan required under section 1-5-616(5), C.R.S. and Election Rule 20. The County will follow the procedures in Rule 20 to ensure security of all voting equipment.
- The County will not leave ballots unattended during processing. After processing, the County will store ballots in a safe, secure area under the supervision of the County Clerk, or the County Clerk's designee. [Election Rule 20.9.4]

9. Secrecy Sleeve and Voter Instructions [Section 1-7.5-106(1), C.R.S. and Election Rule 7.1]

CHOOSE ONE:

- The County will use the Secretary of State-approved secrecy sleeve and instructions. The County will include a copy of the secrecy sleeve and instructions--containing all County-specific information--in the email transmission of this plan. If the County does not use the "Combined" sleeve, the County will submit both an "ID Required" and a "No ID Required" sleeve.

-OR-

- The County will use its own secrecy sleeve and voter instructions. The County will submit a copy of the sleeve and instructions in the email transmission of this plan.

Please indicate all deviations from the Secretary of State's secrecy sleeve and instructions:

10. Ballot Stubs

- Please check this box only if the County will use ballot stubs under section 1-5-407(1)(b), C.R.S.

11. Outside Company Information

If you engage an outside company to create your ballot or program the election database for your voting system, please provide the following information from the company:

Company name: N/A

Company address: N/A

Contact person's name: N/A

Contact person's telephone number: N/A

Contact person's email address: N/A

If you engage an outside company to print, insert, and/or mail your ballots, please provide the following information for the company:

Company name:

Company address:

Contact person's name:

Contact person's telephone number:

Contact person's email address:

Address where the company will print and insert ballots, if applicable:

Address of USPS facility where the company will deliver ballots, if applicable:

12. Miscellaneous

If the County has additional information it would like us to consider, please provide the information below.

Please complete the timetable on the next page.

Written Timetable

Please complete the timetable by supplying the pertinent dates or date ranges

	Dates populated from election date entered on page 2	Your Date
Date ballots will be transmitted to UOCAVA electors (No later than 45 days before the election) [Section 1-8.3-110, C.R.S.]	No later than 09/19/15	Sep 18, 2015
Date County will mail ballots (no sooner than 22 days before the election and no later than 18 days before the election) [Section 1-7.5-107(3), C.R.S.]	Between 10/12/15 and 10/16/15	10/13/2015
Date County will publish notice of election (no later than 20 days before the election) [Section 1-7.5-107(2.5), C.R.S.]	No later than 10/14/15	Oct 11, 2015
Date county will begin counting ballots (no sooner than 15 days before the election) [Section 1-7.5-107.5, C.R.S.]	No sooner than 10/19/15	Oct 19, 2015
Election Date	Tuesday, November 3, 2015	Nov 3, 2015
Deadline for County to mail signature discrepancy and I.D. deficiency cure letters to affected electors (no later than 2 days after election day) [Sections 1-7.5-107(3.5)(d) and 1-7.5-107.3(2)(a), C.R.S.]	11/05/15	Nov 5, 2015
Deadline for electors with signature discrepancies or I.D. deficiencies to submit necessary cure documentation to the County (within 8 days after the election) [Sections 1-7.5-107(3.5)(d) and 1-7.5-107.3(2)(a), C.R.S.]	11/11/15	Nov 12, 2015
Deadline for County to receive ballots from UOCAVA electors (close of business on the 8th day after the election) [Section 1-8.3-113(2), C.R.S.]	11/11/15	Nov 12, 2015
Deadline for County to verify and count all provisional ballots (within 14 days after the election) [Section 1-8.5-105(5), C.R.S.]	11/17/15	Nov 17, 2015
Deadline for the canvass board to complete its duties (no later than the 17th day after the election) [Section 1-10-102(1), C.R.S.]	11/20/15	Nov 20, 2015



Town Council Agenda Item

MEETING DATE: August 6, 2015

AGENDA ITEM TITLE: Resolution 2015-18 approving a limited waiver of right to require a franchise agreement for the extension of broadband services to Hayden School District facilities using Town of Hayden property.

AGENDA SECTION: Consent Agenda

PRESENTED BY: David Torgler

CAN THIS ITEM BE RESCHEDULED: No

BACKGROUND REVIEW:

Section 9-4. Public Utility Franchises of the Town of Hayden Home Rule Charter (a) states no public utility, including telecommunications, may use or occupy Town property without obtaining a utility franchise or permit authorized by an ordinance adopted by the Town Council.

The Town's franchise agreement, adopted by Ordinance 663, with Yampa Valley Electric Association allows for other utilities and telecommunication franchises to use YVEA's infrastructure to extend services to properties in the Town limits, provided those companies have franchise agreements with the Town to pay for their private use of the public's property; or, that the Town has granted a franchise waiver to the company. Mammoth Networks and the Hayden School District desire to extend a broadband connection from the Eagle Network node located at the rear of Town Hall to the Hayden School District facilities at 495 W. Jefferson Avenue using YVEA's infrastructure, e.g. poles and underground conduit. Mammoth Networks has requested a franchise waiver for this limited use.

The franchise agreement is limited in scope to serve the Hayden School District and has been approved by the Town Attorney, Mammoth Networks and YVEA.

RECOMMENDATION:

Approve Resolution 2015-18.

MANAGER'S RECOMMENDATION/COMMENTS:

Inasmuch as this franchise waiver is limited and benefits the school district a franchise waiver seems like a housekeeping matter which is why Resolution 2015-18 is on the consent agenda. Mammoth Networks is trying to have the broadband connection extended to the school district before the start of the school year and approval of the franchise waiver will help them to meet this goal.

RESOLUTION 2015-18

A RESOLUTION APPROVING A LIMITED WAIVER OF RIGHT TO REQUIRE FRANCHISE AGREEMENT FOR THE EXTENSION OF BROADBAND SERVICES TO HAYDEN SCHOOL DISTRICT FACILITIES USING TOWN OF HAYDEN PROPERTY

RECITALS

1. The Town of Hayden owns property including rights-of-way within the Town limits.
2. Pursuant to Town of Hayden Ordinance 667 Yampa Valley Electric Association, Inc. (YVEA) and the Town have entered into a Franchise Agreement (Agreement) allowing for the placement of YVEA utility infrastructure on Town property including within rights-of-way.
3. YVEA may allow other entities who have been granted franchises from the Town of Hayden, other than for electric service, to utilize the poles and overhead structures of YVEA within the Town upon reasonable terms and conditions to be agreed upon by the Town, the Cooperative and such other entities.
4. Visionary Communications, Inc., dba Mammoth Networks has entered into an agreement with YVEA to use YVEA facilities for the placement of lines, attachments and apparatus for the sole purpose of providing the Hayden School District at 495 W. Jefferson Avenue, with broadband connectivity (the Project).
5. Mammoth Networks does not have a franchise agreement with the Town of Hayden for the Project, nevertheless YVEA and the Town Council desire that Mammoth Networks complete the Project without the necessity of first obtaining a franchise from the Town of Hayden.
6. The Hayden Home Rule Charter, Article 8, Section 8-2 Contracts, stipulates that except as otherwise prescribed by the Town Council, the Town Council shall approve all contracts for the Town.
7. The Town Council of the Town of Hayden agrees with YVEA that it is in the best interest of the community to waiver from the Agreement and approve the Limited Waiver of Right to Require Franchise Agreement attached hereto as Attachment A to Mammoth Networks.

NOW, THEREFORE BE IT RESOLVED BY THE HAYDEN TOWN COUNCIL AS FOLLOWS:

Section 1. That the Town Council hereby approves the Limited Waiver of Right to Require Franchise Agreement attached hereto as Attachment A.

Section 2. That the Town Council approves the Limited Waiver of Right to Require Franchise Agreement attached hereto as Attachment A only for the purpose or purposes as

stated in Attachment A and for no other purpose or purposes without the prior written consent of the Town Council.

Section 3. The Town Council hereby authorizes the signature of the Mayor on the approved Limited Waiver of Right to Require Franchise Agreement.

Section 4. This Resolution shall be in full force and effect upon its passage and adoption.

INTRODUCED, PASSED, APPROVED, AND RESOLVED THIS 6th DAY OF AUGUST 2015.

James M. Haskins, Mayor

ATTEST:

Sharon Johnson, Town Clerk

LIMITED WAIVER OF RIGHT TO REQUIRE FRANCHISE AGREEMENT

THIS LIMITED WAIVER OF RIGHT TO REQUIRE FRANCHISE AGREEMENT is made and entered into by the undersigned municipality (“municipality”), at the request of YAMPA VALLEY ELECTRIC ASSOCIATION, INC., a Colorado co-operative corporation (“YVEA”) and the undersigned Licensee.

WHEREAS, the Municipality and YVEA acknowledge that the Municipality has the right and option, at its sole election, to require that any entity desiring to place certain lines, attachments and apparatus on certain poles or in certain conduits of YVEA located within the streets, alleys, roads, and public rights-of-way and public property within the Municipality, for the limited purpose of the transmission of communications or signals, must first obtain from the Municipality a franchise agreement with the Municipality in accordance with its laws or procedures or contracts or charter; and

WHEREAS, the following-named entity (the “Licensee”) has applied to YVEA to enter into a Joint Use License Agreement with YVEA (the “License”) to permit the Licensee to place certain lines, attachments and apparatus on certain poles or in certain conduits owned by YVEA and located within the streets, alleys, roads, and public rights-of-way and public property within the Municipality, for the limited purpose of the transmission of communications or signals, as described in the following generally-described project (the “Project”) and project area (“Project Area”):

Name/Address of Proposed Licensee

Visionary Communications, Inc.
/dba Mammoth Networks
2799 Douglas Hwy, Suite 201
Gillette, WY 82717

Identification of Project and Project Area

Approximately 1800’ of Fiber Optic Line to be run from the Hayden Town Hall facility to the Hayden School District at 495 W. Jefferson Ave. for the sole purpose of providing the Hayden School District with broadband connectivity.

WHEREAS, the Licensee does not have a franchise agreement with the Municipality for the Project or the Project Area; and

WHEREAS, nevertheless YVEA and the Municipality desire the Licensee to complete the Project within the Project Area without necessity of first obtaining a franchise from the Municipality.

NOW, THEREFORE, the Municipality hereby irrevocably and permanently waives and releases the necessity or requirement for the Licensee to obtain from and enter into with the Municipality a franchise for completion of the Project within the Project Area as described herein this Agreement, and agrees that YVEA may enter into a Joint Use License Agreement with the Licensee for such Project within the Project Area on terms acceptable to YVEA in its discretion. This waiver and release shall NOT apply to any other Project in any other Project Area, for which Licensee may be required to obtain a franchise from the Municipality. This waiver and release shall not affect any existing franchise agreement between the Municipality and YVEA.

IN WITNESS WHEREOF, the undersigned Municipality has executed this Limited Waiver on the date set forth below.

MUNICIPALITY:

Town of Hayden

Date: _____, 20____ By: _____
(Signature)

(Mayor)

REQUESTS FOR LIMITED WAIVER:

YAMPA VALLEY ELECTRIC ASSOCIATION, INC., and the undersigned Licensee do hereby request that the Municipality approve the above Limited Waiver for only the Project within the Project Area, acknowledging that this waiver will not apply to any other Project of Licensee within any other Project Area and will not affect any franchise of YVEA itself. YVEA agrees to send to Municipality the Joint Use License Agreement with the Licensee for such Project within the Project Area.

Yampa Valley Electric Association, Inc.,

Date: _____, 20____ By: _____
(Signature)

(Position or Title)

LICENSEE:

Visionary Communications, Inc.

Date: _____, 20____

By:

(Signature)

(Position or Title with Licensee)



Town Council Agenda Item

MEETING DATE: August 6, 2015

AGENDA ITEM TITLE: Resolution 2015-19 of the Town Council for Hayden, Colorado approving a lease with the West Routt Fire Protection District for use of Town land for the operation of Fire District Training Facilities.

AGENDA SECTION: Consent Agenda

PRESENTED BY: David Torgler and Dal Leck, Fire Chief

CAN THIS ITEM BE RESCHEDULED: If needed

BACKGROUND REVIEW:

On May 12, 1998 the Town of Hayden ("Town") and the West Routt Fire Protection District ("WRFPD") did enter into a ten year renewable lease agreement for the use of Town owned land for the operation of Fire District training facilities. The WRFPD has utilized the land in accordance with the lease agreement. The WRFPD's attorney has advised that the lease agreement should be updated and renewed with the Town. Chief Leck and the Town Manager have reviewed the current lease agreement and updated it in the form presented.

RECOMMENDATION:

Approve Resolution 2015-19.

MANAGER'S RECOMMENDATION/COMMENTS:

I concur with the above recommendation.

In 1998 the Town and Fire District entered into a lease agreement that provides land to the local fire department to host fire training facilities. The leased land is a former landfill of the Town and is immediately adjacent to the Hayden Speedway, Stokes Gulch MotoX track, County Road and Bridge facilities and ranch lands. The proposed lease is similar to the current lease only updated. Per the current and proposed lease agreement any change in use shall be first approved by the Hayden Town Council.

RESOLUTION 2015-19

A RESOLUTION OF THE TOWN COUNCIL FOR HAYDEN, COLORADO APPROVING A LEASE WITH THE WEST ROUNTT FIRE PROTECTION DISTRICT FOR USE OF TOWN LAND FOR THE OPERATION OF FIRE DISTRICT TRAINING FACILITIES

RECITALS

1. On May 12, 1998 the Town of Hayden ("Town") and the West Rountt Fire Protection District ("WRFPD") did enter into a ten year renewable lease agreement for the use of Town owned land for the operation of Fire District training facilities.
2. The WRFPD has utilized the land in accordance with the lease agreement.
3. The WRFPD seeks to update and renew the lease agreement with the Town in the form attached hereto as Attachment 1.
4. The Hayden Town Council believes that it is beneficial for the Town to update and renew the lease agreement with the WRFPD.
5. The Hayden Home Rule Charter, Article 8, Section 8-2 Contracts, stipulates that except as otherwise prescribed by the Town Council, the Town Council shall approve all contracts for the Town.

NOW, THEREFORE BE IT RESOLVED BY THE HAYDEN TOWN COUNCIL AS FOLLOWS:

Section 1. That the Town Council hereby approves a Lease Agreement with the West Rountt Fire Protection District, which is more particularly described in Attachment 1, attached hereto and incorporated herein by this reference (the "Lease").

Section 2. The Town Council hereby authorizes the signature of the Mayor on the Lease.

Section 3. This Resolution shall be in full force and effect upon its passage and adoption.

PASSED, APPROVED, AND RESOLVED THIS ____ DAY OF AUGUST 2015.

James M. Haskins, Mayor

ATTEST:

Sharon Johnson, Town Clerk

TOWN OF HAYDEN, COLORADO
and
WEST ROUTT FIRE PROTECTION DISTRICT

LEASE AGREEMENT

THIS LEASE made and entered, to be effective the 1st day of June, 2015 by and between the **TOWN OF HAYDEN, COLORADO** ("Landlord"), and **WEST ROUTT FIRE PROTECTION DISTRICT** ("Protection District" or "Tenant").

WITNESSETH THAT:

Landlord does hereby lease to Tenant and Tenant does hire and take from Landlord, 8.12 acres of unimproved land platted and legally described in Exhibit "A" attached hereto and made a part hereof ("Leased Premises").

TO HAVE AND TO HOLD the Leased Premises with all appurtenances thereto for a term of TEN (10) years commencing on the 1st day of June, 2015 and ending on May 31, 2025, (the "Original Term") subject to renewal as reflected below and subject to the following terms, covenants and conditions:

I. **RENT.**

- A. **Rent.** Tenant shall pay to the Landlord at the Hayden Town Hall, 178 West Jefferson Avenue, Hayden, Colorado, or at such place or places that Landlord shall designate from time to time in writing, rent for the Leased Premises in an amount equal to TEN DOLLARS AND NO CENTS (\$10.00), payable in the amount of ONE DOLLAR (\$1.00) per year on the 1st day of June in each year during the term of this Lease.
- B. **Taxes.** There will be no taxes payable by either party under this Lease. If any taxes are required to be paid to any governmental authority as a result of Tenant's use of or sales from the Leased Premises, such taxes shall be paid by Tenant.
- C. **Utilities.** Landlord shall not furnish any utilities for the Leased Premises. Tenant shall furnish its own utilities and shall pay therefor.

II. **USE OF LEASED PREMISES.**

- A. **Use of Leased Premises.** Tenant shall use the leased Premises for the operation of fire department training facility and for no other purpose. Tenant's use of the

Leased Premises shall be subject to such rules and regulations as may be adopted by Landlord for Tenant's use and occupation of the Leased Premises. Tenant has constructed a fire training facility on the Premises. At the termination of this Lease, Tenant shall, at the option of Landlord, remove all improvements to the Leased Premises, including the training facility, and restore the Leased Premises to its condition, as it existed at the commencement of the 1998 Lease (the original lease), ordinary wear and tear excepted.

B. Change of Use of Leased Premises. Any change in or expansion of the use of the Leased Premises from that use permitted in Paragraph 2(A) above shall be first approved by the Hayden Town Council.

III. REPAIRS.

A. Tenant Repairs. Tenant shall keep the Leased Premises in good order, condition and repair, and in a clean, sanitary and safe condition and, in accordance with all applicable laws, ordinances and regulation of any governmental authority having jurisdiction, and shall permit no waste, damage or injury to the Leased Premises.

IV. LANDLORD'S INDEMNITY.

A. Indemnity. Tenant shall indemnify and save Landlord harmless against any and all claims, demands, costs and expenses, including reasonable attorney fees for the defense thereof, for injury to person, loss of life or damage to property occurring during the term of this Lease and arising from the conduct or management of the business conducted by Tenant on the Leased Premises, or the occupancy or use thereof, or of Tenant's contractors, agents, servants, employees, sublessees, invitees, concessionaires, or licensees, and occurring in or about the Leased Premises. In case of any action or proceeding brought against Landlord by reason of any such claim, upon notice from Landlord, Tenant shall defend such action or proceeding by counsel reasonably satisfactory to Landlord.

B. Liens. Any property kept, stored or maintained on the Leased Premises shall be so kept, stored or maintained at the sole risk of Tenant. Tenant shall pay and discharge any mechanic's, materialman's or other lien against the Leased Premises claimed in respect of any labor, services, materials, supplies or equipment furnished or alleged to have been furnished to or upon the request of Tenant; provided that Tenant may contest such lien claim, upon furnishing to Landlord such indemnification for the final payment and discharge thereof, together with the cost and expense of defending the same, as Landlord may

reasonably require. Should any such lien or notice of lien be filed or recorded against the Leased Premises, or served by process upon Tenant, Tenant shall give written notice thereof to Landlord as soon as it has knowledge thereof.

- C. **Compliance of Laws.** Tenant shall comply with all federal, state and local laws applicable at the Leased Premises with respect to licensing of the activities on the Leased Premises, workers compensation, unemployment insurance, safety and health.

V. **TENANT'S LIABILITY INSURANCE.**

- A. **Liability Insurance.** Tenant shall procure and maintain a policy or policies of insurance at its own cost and expense insuring Landlord and Tenant from all claims, demands or actions arising from any damage or loss to person or property occurring on the Leased Premises with such limits and coverages as the Landlord may determine. At the time of execution Tenant shall procure such insurance with limits not less than One Million Dollars (\$1,000,000.00) property damage in any one accident and One Million Dollars (\$1,000,000.00) for personal injury in any one accident. The policy or policies, or duly executed certificate or certificates for the same, together with satisfactory evidence of the payment of the premiums thereon, shall be deposited with Landlord at the commencement of the term of this Lease and at each renewal period of said policy or policies.

VI. **ASSIGNMENT AND SUBLETTING.**

- A. **Restrictions.** Tenant shall not assign or in any manner transfer this Lease or any interest therein, nor hypothecate this Lease or Tenant's interest in and to the Leased Premises, nor permit occupancy by anyone with, through or under it. Any assignment or transfer without Landlord's consent shall be null and void and confer no rights on third persons, and shall constitute a default hereunder. Consent by Landlord to one or more assignments of this Lease or to one or more sublettings of the Leased Premises shall not operate as a waiver of Landlord's rights under this Section to any subsequent assignments or subletting, nor release Tenant or any guarantor of Tenant of any of its obligations under this Lease or be construed or taken as a waiver of any of Landlord's rights or remedies hereunder.

VII. **ACCESS TO PREMISES.**

- A. **Inspection.** Landlord or Landlord's authorized representatives shall have the right to enter upon the Leased Premises at all reasonable hours for the purpose of

inspecting the same, or for the purpose of exhibiting the same to prospective tenants, purchasers or others. Landlord shall not be liable to Tenant in any manner for such action, nor shall the exercise of such right be deemed an eviction or disturbance of Tenant's use or possession.

VIII. DEFAULTS.

A. Events of Default. The following shall constitute defaults of the Tenant hereunder:

1. The failure to pay any installment or rent or other charge or money obligation herein required to be paid by Tenant within ten (10) days after the same is due.
2. The failure by Tenant to perform any affirmative obligation of the Tenant hereunder for a period of ten (10) days after notice of such failure from Landlord, except when such obligation cannot reasonably be performed within such period, Tenant shall not be in default if it shall commence such performance within such period and shall thereafter prosecute the same with diligence and continuity.
3. Failure of Tenant to complete the repairs and maintenance required by Paragraph III.
4. The making by Tenant of an assignment for the benefit of its creditors.
5. The doing or permitting to be done by Tenant of any act which creates a mechanic's lien or claim therefor against the Leased Premises and the same is not released or otherwise provided by indemnification satisfactory to Landlord within thirty (30) days thereafter.
6. Insolvency, dissolution or liquidation of the Tenant.

In case of and such default, Landlord shall have the rights and remedies hereinafter set forth in this Article VIII, in addition to all remedies at law, inequity or by statute, and all such remedies shall be cumulative; said remedies and all other existing hereunder or at law, in equity or by statute, may be exercised without prior demand or notice except as required herein, and none of the following, whether or not exercised by Landlord shall exclude exercise of any other remedy whether herein set forth or existing at law, in equity or by statute.

B. Termination. In case of any such default, Landlord shall have the right to terminate this Lease by giving Tenant notice in writing and upon the giving of such notice, this Lease and the term hereof, as well as all the rights, title and

interest of Tenant hereunder shall wholly cease and expire in the same manner and with the same force and effect (except as to Tenant's liability) as of the date fixed by such notice were the expiration of the term herein originally granted. The right granted to Landlord in this or any other section to terminate this Lease shall apply during the extension of the term, and the exercise of any such right by Landlord shall terminate any extension of the term and any right on the part of Tenant to any further extensions.

- C. **Right of Landlord to Cure Defaults of Tenant.** In the event of any breach hereunder by Tenant, Landlord may immediately, or at any time thereafter, without notice, cure any such breach for the account and at the expense of Tenant. If Landlord, at any time, by reason of such breach is compelled to pay any sum of money or do any act which will require the payment of any sum of money, or is compelled to incur any expense including reasonable attorney's fees, in instituting or prosecuting any action or proceeding to enforce Landlord's rights hereunder, the sum or sums so paid by Landlord, with interest at the rate of one and one-half percent (1.5%) per month from the date of payment thereof, shall be deemed to be additional rent hereunder and shall be due from Tenant to Landlord on the first day of the month following the payment of such respective sums or expenses.

IX. **SURRENDER OF POSSESSION.**

- A. **Surrender.** At the expiration of the tenancy created hereunder, whether by lapse of time or otherwise, Tenant shall surrender the Leased Premises in good condition and repair, reasonable wear and tear or loss by fire or other unavoidable casualty excepted.

X. **GENERAL.**

- A. **Landlord Consent.** Whenever, under this Lease, provision is made for tenant securing the consent or approval by Landlord, such consent or approval shall be in writing and shall not be unreasonably withheld, save that Landlord's right to withhold consent or approval to the assignment of this Lease or subletting of the Leased Premises shall remain unqualified.
- B. **No Partnership.** Nothing herein contained shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between the parties hereto.
- C. **Gender.** Whenever herein the singular number is used, the same shall include the plural, and words in any gender shall include the other genders.

- D. **Waiver.** No delay or omission of the right to exercise any power by either party hereunder shall impair any such right or power, or shall be construed as a waiver of any default or as acquiescence therein. One or more waivers of any covenant, term or condition of this Lease by either party shall not be construed by the other party as a waiver of a subsequent breach of the same covenant, term or condition. The consent or approval of either party to or of any act by the other party of a nature requiring consent or approval shall not be deemed to waive or render unnecessary consent to or approval of any subsequent similar act.
- E. **Titles.** The headings of the several Articles and Sections contained herein are for convenience only and do not define, limit or construe the contents of such Articles and Sections.
- F. **Representations.** All negotiations, considerations, representations and understandings between the parties are incorporated herein, and may be modified or altered only by agreement in writing between the two parties. Landlord has made no representations or promises whatsoever with respect to the Leased Premises, except those contained herein, and no other person, firm or corporation has, at any time, had any authority from Landlord to make any representations or promises on behalf of Landlord, and Tenant expressly agrees that if any such representations or promises have been made by others, Tenant waives all right to rely thereon.
- G. **Force Majeure.** Whenever a period of time is herein provided for either Landlord or Tenant to do or perform any act or thing, such party shall not be liable or responsible for, and there shall not be excluded from the computation of such period of time, any delays due to strikes, riots, acts of God, shortages of labor or materials, national emergency, acts of a public enemy, governmental restrictions, laws or regulations, or any other cause or causes, whether similar or dissimilar to those enumerated, wholly beyond its control. The provisions of this Section shall not operate to excuse Tenant from the prompt payment of rent or any other payments required by the terms of this Lease.
- H. **Compliance with Laws.** Tenant and Landlord shall comply with and require each of their employees, agents and contractors to comply with all federal, state and local laws, ordinances, regulations and directions relating to the employment, conditions of employment and hours of labor in connection with the use of the Leased Premises and any construction, alteration, installation or repair work done on or about the Leased Premises.

XI. **NOTICES.**

- A. **Address.** Whenever, under this Lease, a provision is made for notice of any kind, such notice shall be given in writing and signed by or on behalf of the

party giving or making same and it shall be deemed sufficient notice and service thereof if such notice is addressed to Tenant and sent by registered or certified mail, postage prepaid, to the last post office address of Tenant furnished to Landlord for such purpose, or to the Leased Premises, and if to Landlord, sent by registered or certified mail, postage prepaid, to Landlord at the address furnished for such purpose, or to the place then fixed for the payment of rent. If Landlord or Tenant is more than one person, notice need be sent to but one Tenant or Landlord, as the case may be. For purposes of initial notices, addresses are as follows:

TO TENANT: Fire Chief
WEST ROUTT FIRE PROTECTION DISTRICT, INC.
P.O. Box 1324
Hayden, Colorado 81639-1324

TO LANDLORD: Town Manager
TOWN OF HAYDEN
P.O. Box 190
178 W. Jefferson Avenue
Hayden, Colorado 81639-0190

WITH A COPY TO: Michael J. Holloran, Esq.
P.O. Box 773600
141 9th Street
Steamboat Springs, Colorado 80477-3600

XII. SPECIAL PROVISIONS.

- A. **Use by Landlord.** This Lease is expressly subject to all easements, restrictions, reservations and rights-of way of record.
- B. **Fence Construction.** Tenant shall maintain a legal fence, as defined by Colorado statute, around the perimeter of the Leased Premises and an eight foot high chain link security fence across the portion of the Leased Premises bordering RCR 53, with such additional specifications for both fences as may be determined by Landlord. Tenant shall maintain a gate for use by Landlord on the Leased Premises. Tenant shall maintain such fence during the term of the Lease. Tenant, at its option, may install additional fencing and gates within the Leased Premises and also parallel to the Haul Road provided no fencing encroaches on the Haul Road or any drainage facilities or any other adjoining property to the Leased Premises. All fencing and gates shall be removed by Tenant at the termination of the Lease if required by Landlord.

C. **Absolute Net Lease.** This Lease shall be an absolute net lease to Landlord, i.e., Landlord shall incur no costs or expenses whatsoever under this Lease. All expenses incurred or necessary for the Leased Premises during the term of this Lease shall be incurred and paid by Tenant.

D. **Renewal of Lease.** Unless otherwise terminated, this Lease shall automatically renew for four separate, ten-year terms, at the expiration of each ten year term, totaling fifty (50) years. Any renewal shall only be effective if Tenant is, at the time of renewal, in possession of the Leased Premises under the Original Term or a renewal term. Either party may terminate this Lease at the end of any ten year term by providing notice to the other party in writing, at least six (6) months prior to the end of any ten year term.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease on the ____ day of August 2015.

LANDLORD:
TOWN OF HAYDEN, COLORADO
A Home Rule Municipality

James M. Haskins, Mayor

ATTEST:

Sharon Johnson, Town Clerk

TENANT:
WEST ROUTT FIRE PROTECTION DISTRICT

Ross Fralick, President

ATTEST:

David Funk, Secretary



Town Council Agenda Item

MEETING DATE: August 6, 2015

AGENDA ITEM TITLE: Resolution 2015-21 Ratifying the Purchase of Interest in Walker Ditch Association and Water Rights from the Cozzens Family

AGENDA SECTION: Consent Agenda

PRESENTED BY: David Torgler

CAN THIS ITEM BE RESCHEDULED: No

BACKGROUND REVIEW:

The heirs of Pete and Emma Cozzens own water rights in the Walker Irrigating Ditch that are senior to the 1922 Colorado River compact and are willing to sell them to the Town of Hayden. Water Resources Engineering, a firm used by the Town to review the Town's water rights, plan for droughts, and prepare a Plan for Augmentation presently before the District Water Court for approval, estimated the value of this water right for the Town Council. The heirs of Pete and Emma Cozzens have agreed to sell their proportional interest in the water right to the Town of Hayden and have executed Quitclaim Deeds for their rights to the Town. The price for this water right is within the amount estimated by Water Resource Engineering.

RECOMMENDATION:

Approve Resolution 2015-21.

MANAGER'S RECOMMENDATION/COMMENTS:

This purchase is within the parameters previously acceptable to the Town Council and I concur with the above recommendation.

RESOLUTION NO. 2015-21

A RESOLUTION RATIFYING THE PURCHASE OF INTEREST IN WALKER DITCH ASSOCIATION AND WATER RIGHTS FROM THE COZZENS FAMILY

RECITALS

1. The Town of Hayden, Colorado (the "Town"), is a Colorado home rule municipality, duly organized and existing under the laws and the Constitution of the State of Colorado and the Town of Hayden Home Rule Charter ("Charter").
2. Per the Town of Hayden's Home Rule Charter, Section 9-7 Town Utilities (a) the Town shall have and exercise all the authority and powers provided by the Colorado Constitution, state statutes, and other applicable laws in any matter pertaining to Town-owned utilities, including water and water rights and acquisitions thereof.
3. Per the Town of Hayden's Home Rule Charter, Section 10-4 Water Rights (a) the Town shall have the right and power to buy, appropriate, adjudicate, sell, condemn, exchange, lease, own, control and otherwise deal in water rights including the right to compel the dedication and conveyance of all water rights associated with real property as a condition precedent to obtaining or maintaining water or other municipal services from the Town.
4. On December 7, 1953 W.P. Cozzens purchased 1/10th of 1 cubic foot of water per second of time out of the Walker Irrigating Ditch and a proportionate share in the ditch and water rights therein, recorded at Reception No. 175240, Book 258, Page 424 of the Routt County Recorder's Office.
5. A Personal Representative's Deed executed June 4, 1980 by Emma Cozzens as Personal Representative of the Estate of William P. Cozzens, a/k/a William Porter Cozzens, a/k/a W.P. Cozzens, a/k/a Pete Cozzens, Deceased, recorded at Reception No. 297301, Book 505, Page 2 of the Routt County Recorder's Office granted fractional interests in 1/10th of 1 cubic foot of water per second of time out of the Walker Irrigating Ditch and a proportionate share in the ditch and water rights therein to Emma M. Cozzens one-half fractional interest and one-sixteenth fractional interest to Laura Mae Arnett, Tommy James Cozzens, Ruth Marie Kiggins, Betty June Ball, Carol Joyce Baker, Mary Lois Arnett, Roy Allen Cozzens and Ruby Lee Ross.
6. The Quit Claim Deed made September 26, 1982 between Emma M. Cozzens and Laura Mae Arnett, Tommy James Cozzens, Ruth Marie Kiggins, Betty June Ball, Carol Joyce Baker, Mary Lois Arnett, Roy Allen Cozzens and Ruby Lee Ross, recorded at Reception No. 320864, Book 571, Page 367 of the Routt County Recorder's Office, quit claimed 1/10th of 1 cubic foot of water per second of time out of the Walker Irrigating Ditch and a proportionate share in the ditch and water rights therein.
7. Tommy James Cozzens deeded to Richard P. Cozzens, Sherry E. Fithen and William P. Cozzens one-third of one-eighth interest of 1/10th of 1 cubic foot of water per second of time

out of the Walker Irrigating Ditch and a proportionate share in the ditch and water rights therein.

8. Paul Flood, subdivision developer of 12.5 acres of land previously owned by the Cozzens family and where the 1/10th of 1 cubic foot of water per second time out of the Walker Irrigating Ditch was historically applied responded to the Hayden Planning Commission on September 19, 2002 that he did not intend to purchase these water rights in the Walker Ditch.
9. Water ownership records maintained by the Colorado Division of Water Resources (DWR), which may not reflect actual ownership, state that the Town of Hayden owns 1 CFS, 2.33% of 1st 5 Rights, from "Baker". The DWR records do not show any transactions conveying these water rights.
10. A Water Rights Portfolio, completed by Water Resource engineers for the Town of Hayden in November 2013 do not show the Town has acquired the water rights owned by the heirs of Pete Cozzens.
11. A review of the water rights owned by the heirs of Pete Cozzens by Water Resource engineers, requested by the Town, estimates the consumptive use credit is between 16.8 AF to 21.6 AF which the Town can apply to the Water Court to move to the Town's water treatment plant intake.
12. The water rights owned by the Cozzens heirs in the Walker Ditch were appropriated by the Walker Irrigating Ditch between 1882 and 1902.
13. The Town's Plan for Augmentation, completed in 2014 by Water Resource engineers, recommend that the Town should keep options open to continue the acquisition of senior agricultural water rights associated with the future developable lands located within or near its water service area. Agricultural water rights senior to the 1922 Colorado River compact call are especially desirable.

NOW, THEREFORE BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF HAYDEN, COLORADO THAT:

Section 1. The Town Council believes that it is in the best interest of the Town of Hayden to acquire water rights in the Walker Irrigating Ditch owned by the heirs of Pete Cozzens ("Heirs").

Section 2. The Town Council hereby agrees to purchase all of the Heirs interest in 1/10 of 1 cubic foot of water per second of time out of the Walker Irrigating Ditch and a proportionate share in the ditch and water rights therein from the following Heirs and Grantors: William P. Cozzens, Laura May Arnett, Mary Lois Arnett, Roy Allen Cozzens, Richard P. Cozzens, Ruby Lee Ross, Carol Joyce Baker, Betty June Cozzens, Sherry E. Fithen and Ruth Marie Kiggins for the price of \$10,000.

Section 3. The Town Council hereby accepts Quitclaim Deeds, for all of the Heirs interest in 1/10 of 1 cubic foot of water per second of time out of the Walker Irrigating Ditch and a proportionate share in the ditch and water rights therein from the following Heirs and Grantors: William P.

Cozzens, Laura May Arnett, Mary Lois Arnett, Roy Allen Cozzens, Richard P. Cozzens, Ruby Lee Ross, Carol Joyce Baker, Betty June Cozzens, Sherry E. Fithen and Ruth Marie Kiggins.

Section 4. This Resolution shall be in full force and effect upon its passage and adoption.

PASSED, APPROVED AND ADOPTED THIS ____ DAY OF AUGUST, 2015.

James M. Haskins, Mayor

ATTEST

Sharon Johnson, Town Clerk

**QUIT CLAIM DEED
(WATER RIGHTS)**

THIS DEED is made this 20 day of JULY 2015, between LAURA MAE ARNETT, Grantor, Box 1, Ashmont, Alberta, Canada, T0A 0C0 for the consideration of ONE THOUSAND TWO HUNDRED AND FIFTY DOLLARS (\$1,250.00) AND OTHER GOOD AND VALUABLE CONSIDERATION in hand paid, hereby sells and quitclaims to the Town of Hayden, a Colorado home rule town, Grantee, whose street address is P.O. Box 190, 178 West Jefferson Ave, Hayden, CO 81639, County of ROUTT, State of COLORADO, the following real property in the County of ROUTT, and State of Colorado, to wit:

All of Grantor's interest in 1/10 of 1 cubic foot of water per second of time out of the Walker Irrigating Ditch and a proportionate share of the ditch and the water rights therein,
TOGETHER with all of its appurtenances.

The singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders, signed as of the day and year first above written.


LAURA MAE ARNETT

CANADA)
PROVINCE of ALBERTA)ss.

The foregoing Quit Claim Deed was acknowledged before me this 20 day of JULY, 2015 by LAURA MAE ARNETT.

Witness my hand and official seal.
My commission expires N/A


Notary Public **RICHARD R. HOLEYTON
BARRISTER & SOLICITOR**

When recorded return to: Town Clerk
Town of Hayden
P.O. Box 190
Hayden, Colorado 81639-0190

**QUIT CLAIM DEED
(WATER RIGHTS)**

THIS DEED is made this 21 day of July, 2015, between MARY LOIS ARNETT, Grantor, Box 32, Ashmont, Alberta, Canada, T0A 0C0 for the consideration of ONE THOUSAND TWO HUNDRED AND FIFTY DOLLARS (\$1,250.00) AND OTHER GOOD AND VALUABLE CONSIDERATION in hand paid, hereby sells and quitclaims to the Town of Hayden, a Colorado home rule town, Grantee, whose street address is P.O. Box 190, 178 West Jefferson Ave, Hayden, CO 81639, County of ROUTT, State of COLORADO, the following real property in the County of ROUTT, and State of Colorado, to wit:

All of Grantor's interest in 1/10 of 1 cubic foot of water per second of time out of the Walker Irrigating Ditch and a proportionate share of the ditch and the water rights therein,

TOGETHER with all of its appurtenances.

The singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders, signed as of the day and year first above written.



MARY LOIS ARNETT

CANADA)
)ss.
PROVINCE of Alberta)

The foregoing Quit Claim Deed was acknowledged before me this 21 day of July, 2015 by MARY LOIS ARNETT.

Witness my hand and official seal.
My commission expires N/A



Notary Public

TREVOR R. LEE
BARRISTER & SOLICITOR & NOTARY PUBLIC
IN AND FOR THE PROVINCE OF ALBERTA

When recorded return to: Town Clerk
Town of Hayden
P.O. Box 190
Hayden, Colorado 81639-0190

**QUIT CLAIM DEED
(WATER RIGHTS)**

THIS DEED is made this 15 day of July 2015, between ROY ALLEN COZZENS, Grantor, Box 139, Ashmont, Alberta, Canada, T0A 0C0 for the consideration of ONE THOUSAND TWO HUNDRED AND FIFTY DOLLARS (\$1,250.00) AND OTHER GOOD AND VALUABLE CONSIDERATION in hand paid, hereby sells and quitclaims to the Town of Hayden, a Colorado home rule town, Grantee, whose street address is P.O. Box 190, 178 West Jefferson Ave, Hayden, CO 81639, County of ROUTT, State of COLORADO, the following real property in the County of ROUTT, and State of Colorado, to wit:

All of Grantor's interest in 1/10 of 1 cubic foot of water per second of time out of the Walker Irrigating Ditch and a proportionate share of the ditch and the water rights therein.,

TOGETHER with all of its appurtenances.

The singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders, signed as of the day and year first above written.

Roy Allen Cozzens
ROY ALLEN COZZENS

CANADA)
PROVINCE of ALBERTA)ss.

The foregoing Quit Claim Deed was acknowledged before me this 15 day of July, 2015 by ROY ALLEN COZZENS.

Witness my hand and official seal.
My commission expires N/A

Richard R. Holeyton
Notary Public
RICHARD R. HOLEYTON
BARRISTER & SOLICITOR

When recorded return to: Town Clerk
Town of Hayden
P.O. Box 190
Hayden, Colorado 81639-0190

**QUIT CLAIM DEED
(WATER RIGHTS)**

THIS DEED is made this 15th day of July 2015, between RICHARD P. COZZENS, Grantor, 1045 Mancos Way, Fruita, CO 81521 for the consideration of FOUR HUNDRED SEVENTEEN DOLLARS (\$417.00) AND OTHER GOOD AND VALUABLE CONSIDERATION in hand paid, hereby sells and quitclaims to the Town of Hayden, a Colorado home rule town, Grantee, whose street address is P.O. Box 190, 178 West Jefferson Ave, Hayden, CO 81639, County of ROUTT, State of COLORADO, the following real property in the County of ROUTT, and State of Colorado, to wit:

All of Grantor's interest in 1/10 of 1 cubic foot of water per second of time out of the Walker Irrigating Ditch and a proportionate share of the ditch and the water rights therein,

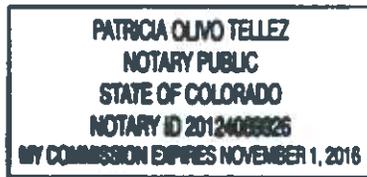
TOGETHER with all of its appurtenances.

The singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders, signed as of the day and year first above written.

Richard P. Cozzens
RICHARD P. COZZENS

STATE OF COLORADO)
)ss.
COUNTY of Mesa)

The foregoing Quit Claim Deed was acknowledged before me this 15 day of July, 2015 by RICHARD P. COZZENS.



Witness my hand and official seal.
My commission expires NOV 01, 2016

Patricia Olivo Tellez
Notary Public

When recorded return to: Town Clerk
Town of Hayden
P.O. Box 190
Hayden, Colorado 81639-0190

**QUIT CLAIM DEED
(WATER RIGHTS)**

THIS DEED is made this 5th day of July, 2015, between RUBY LEE ROSS, Grantor, 1081 School Street, Craig, CO 81625 for the consideration of ONE THOUSAND TWO HUNDRED AND FIFTY DOLLARS (\$1250.00) AND OTHER GOOD AND VALUABLE CONSIDERATION in hand paid, hereby sells and quitclaims to the Town of Hayden, a Colorado home rule town, Grantee, whose street address is P.O. Box 190, 178 West Jefferson Ave, Hayden, CO 81639, County of ROUTT, State of COLORADO, the following real property in the County of ROUTT, and State of Colorado, to wit:

All of Grantor's interest in 1/10 of 1 cubic foot of water per second of time out of the Walker Irrigating Ditch and a proportionate share of the ditch and the water rights therein.,

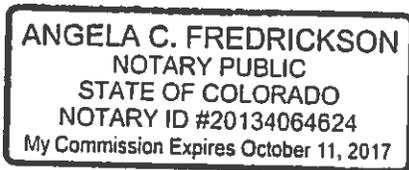
TOGETHER with all of its appurtenances.

The singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders, signed as of the day and year first above written.

Ruby Lee Ross
RUBY LEE ROSS

STATE OF COLORADO)
COUNTY of Moffet)ss.

The foregoing Quit Claim Deed was acknowledged before me this 15th day of July, 2015 by RUBY LEE ROSS.



Witness my hand and official seal.

My commission expires

Oct 11, 2017 Angela C. Fredrickson
Notary Public

When recorded return to:

Town Clerk
Town of Hayden
P.O. Box 190
Hayden, Colorado 81639-0190

**QUIT CLAIM DEED
(WATER RIGHTS)**

THIS DEED is made this _____ day of _____, 2015, between CAROL JOYCE BAKER, Grantor, P.O. Box 723, Hayden, CO 81639 for the consideration of ONE THOUSAND TWO HUNDRED AND FIFTY DOLLARS (\$1,250.00) AND OTHER GOOD AND VALUABLE CONSIDERATION in hand paid, hereby sells and quitclaims to the Town of Hayden, a Colorado home rule town, Grantee, whose street address is P.O. Box 190, 178 West Jefferson Ave, Hayden, CO 81639, County of ROUTT, State of COLORADO, the following real property in the County of ROUTT, and State of Colorado, to wit:

All of Grantor's interest in 1/10 of 1 cubic foot of water per second of time out of the Walker Irrigating Ditch and a proportionate share of the ditch and the water rights therein,

TOGETHER with all of its appurtenances.

The singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders, signed as of the day and year first above written.

Carol Joyce Baker
CAROL JOYCE BAKER

STATE OF COLORADO)
)ss.
COUNTY of _____)

The foregoing Quit Claim Deed was acknowledged before me this 8th day of July, 2015 by CAROL JOYCE BAKER.

RUBY WERTENBERGER
NOTARY PUBLIC
STATE OF COLORADO
NOTARY ID #20124003191
My Commission Expires June 13, 2016

Witness my hand and official seal.
My commission expires
6/13/2016

Ruby Wertenberger
Notary Public

When recorded return to: Town Clerk
 Town of Hayden
 P.O. Box 190
 Hayden, Colorado 81639-0190

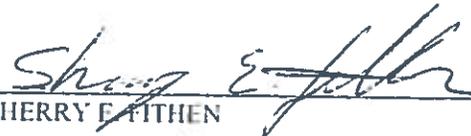
**QUIT CLAIM DEED
(WATER RIGHTS)**

THIS DEED is made this 7 day of July 2015, between SHERRY E. FITHEN, Grantor, C/O Betty Cozzens, P.O. Box 163, Ashmont, Alberta, Canada, T0A 0C0 for the consideration of FOUR HUNDRED SEVENTEEN DOLLARS (\$417.00) AND OTHER GOOD AND VALUABLE CONSIDERATION in hand paid, hereby sells and quitclaims to the Town of Hayden, a Colorado home rule town, Grantee, whose street address is P.O. Box 190, 178 West Jefferson Ave, Hayden, CO 81639, County of ROUTT, State of COLORADO, the following real property in the County of ROUTT, and State of Colorado, to wit:

All of Grantor's interest in 1/10 of 1 cubic foot of water per second of time out of the Walker Irrigating Ditch and a proportionate share of the ditch and the water rights therein,

TOGETHER with all of its appurtenances.

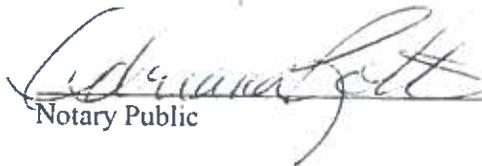
The singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders, signed as of the day and year first above written.


SHERRY E. FITHEN

State: Colorado
~~CANADA~~)
County: McIntosh)ss.
~~PROVINCE or~~)

The foregoing Quit Claim Deed was acknowledged before me this 7 day of July, 2015 by SHERRY E. FITHEN.

Witness my hand and official seal.
My commission expires


Notary Public

When recorded return to: Town Clerk
Town of Hayden
P.O. Box 190
Hayden, Colorado 81639-0190

ADRIANA ROBBINS
Notary Public
State of Colorado
Notary ID 20094036938
My Commission Expires Nov 20, 2017

QUIT CLAIM DEED
(WATER RIGHTS)

THIS DEED is made this 9th day of July 2015, between RUTH MARIE KIGGINS, Grantor, 541 Conner Drive, Craig, CO 81625 for the consideration of ONE THOUSAND TWO HUNDRED AND FIFTY DOLLARS (\$1,250.00) AND OTHER GOOD AND VALUABLE CONSIDERATION in hand paid, hereby sells and quitclaims to the Town of Hayden, a Colorado home rule town, Grantee, whose street address is P.O. Box 190, 178 West Jefferson Ave, Hayden, CO 81639, County of ROUTT, State of COLORADO, the following real property in the County of ROUTT, and State of Colorado, to wit:

All of Grantor's interest in 1/10 of 1 cubic foot of water per second of time out of the Walker Irrigating Ditch and a proportionate share of the ditch and the water rights therein.,

TOGETHER with all of its appurtenances.

The singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders, signed as of the day and year first above written.

Ruth Marie Kiggins
RUTH MARIE KIGGINS

STATE OF COLORADO)
)ss.
COUNTY of Moffat)

The foregoing Quit Claim Deed was acknowledged before me this 9th day of July, 2015 by RUTH MARIE KIGGINS.

Witness my hand and official seal.
My commission expires

Adriana Robbins
Notary Public

When recorded return to: Town Clerk
Town of Hayden
P.O. Box 190
Hayden, Colorado 81639-0190

ADRIANA ROBBINS
Notary Public
State of Colorado
Notary ID 20094036938
My Commission Expires Nov 20, 2017



Town Council Agenda Item

MEETING DATE: August 6, 2015

AGENDA ITEM TITLE: Public Hearing and 2nd Reading of Ordinance 666 An Ordinance of the Town Council of the Town of Hayden, Colorado, permitting, regulating and licensing the cultivation of retail and medical marijuana under limited circumstances and making conforming amendments to subsection 8.08.080.A., to Sections 8.35.010, 8.35.040, 16.03.040.I.3 and 16.03.040.J.3, and to Titles 5 and 16 of the Hayden Municipal Code.

AGENDA SECTION: Old Business

PRESENTED BY: David Torgler

CAN THIS ITEM BE RESCHEDULED: No

BACKGROUND REVIEW:

The Town Council approved 1st Reading of Ordinance 666 at their July 16, 2015 meeting and scheduled a public hearing of the ordinance for August 6th.

At the March 19, 2015 Town Council meeting a local resident interested in having his property in the Valley View industrial park be used to commercially grow marijuana asked the Councilmembers to consider amending the Town Codes and allow for this use. Marijuana cultivation is not currently allowed in the Town of Hayden. At the Council meeting there was no discussion about selling marijuana, creating edibles or testing; just grow operations. Councilmembers expressed interest in pursuing the possibility of grow operations and asked the Planning Commission to review this land use. In response the Planning Commission reviewed the following issues and developed a draft ordinance:

1. Should marijuana be grown as an agricultural enterprise with the Town limits?
2. How will the cultivation of marijuana affect the image of the Town?
3. Will there be an economic benefit to the Town's tax base if the cultivation of marijuana is allowed?
4. Should the Town regulate cooperative marijuana grow operations and limit the number of plants grown at any facility for private and/or medicinal use?
5. Have other municipalities experienced an increase in local criminal activity when cultivation operations are allowed?
6. What nuisances are created by marijuana cultivation operations such as odor, noise and traffic?

7. How do municipalities license marijuana cultivation operations?
8. Within which zoning district(s) should marijuana cultivation be allowed to be commercially grown?
9. Should the land use be automatically allowed or only through a conditional use permit process (including public hearings)?
10. Should marijuana cultivation operations be separated by distance from certain other uses such as schools, churches, daycare facilities, residential zoning districts, senior housing or other sensitive populations?
11. Should marijuana cultivation facilities be separated by distance from other similar facilities?
12. Should there be limits on the size of a building devoted to marijuana cultivation?
13. Should there be limits on the number of marijuana cultivation operations within the Town?
14. How will the marijuana cultivation waste stream be regulated to avoid dumpster diving?
15. How can the visibility of marijuana cultivation operations be limited, including signage?
16. Can the regulations require marijuana cultivation operators to secure their property?
17. Will water usage exceed the Town's ability to provide water and sewer facilities?
18. What are nearby municipalities doing regarding marijuana businesses?

RECOMMENDATION:

The Planning Commission recommends NOT allowing for the cultivation of marijuana in the Town of Hayden and recommends approval of Town Code(s) regulating the cultivation of marijuana to limit private cultivation operations at any property to twelve (12) marijuana plants.

MANAGER'S RECOMMENDATION/COMMENTS:

With the assistance of several local officials, the experiences and insights offered by Colorado municipalities that currently allow for the cultivation of marijuana, and a law firm experienced in municipal law (including the drafting of marijuana related municipal codes) the attached ordinance has been prepared. Ordinance 666 addresses the land use, nuisance and licensing concerns raised by the Planning Commission members and the public during the recent discussions. Approval of Ordinance 666 will allow for property owners to apply for conditional use permits, for businesses to apply for a marijuana cultivation licensing and for staff to effectively enforce local marijuana cultivation operation regulations. Applications for conditional use permits do require review and recommendations from the Planning Commission and action by the Town Council as well as public hearings on the application. Licenses for marijuana cultivation cannot be issued to a business owner without a conditional use permit. Ordinance 666 does not approve an excise tax on the wholesale of harvested marijuana plants which will require voter approval. A ballot amendment proposing an excise tax is prepared for consideration at the August 6th Town Council meeting.

Per Hayden's Home Rule Charter, Section 3-3. Procedure for Ordinances, the ordinance shall be read a second time in a public hearing by title and number. The ordinance may be amended at 2nd Reading provided that any amendments address the same general subject matter addressed at 1st Reading. After 2nd Reading the ordinance shall be approved or rejected by a vote of the Council.

ORDINANCE NO. 666

AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF HAYDEN, COLORADO, PERMITTING, REGULATING AND LICENSING THE CULTIVATION OF RETAIL AND MEDICAL MARIJUANA UNDER LIMITED CIRCUMSTANCES AND MAKING CONFORMING AMENDMENTS TO SUBSECTION 8.08.080.A., TO SECTIONS 8.35.010, 8.35.040, 16.03.040.1.3 AND 16.03.040.J.3, AND TO TITLES 5 AND 16 OF THE HAYDEN MUNICIPAL CODE

RECITALS

1. In the November 2000 general election, the voters of the State of Colorado adopted Amendment 20 to the Colorado Constitution ("Article XVIII Section 14") which, among other things, authorizes the sale of medical marijuana for use in the treatment of debilitating medical conditions.
2. In response, and for those reasons stated in Ordinance No. 632, the Town Council ("Council") of the Town of Hayden, Colorado ("Town") prohibited the location, operation or other establishment of Medical Marijuana Centers, Optional Premises Cultivation Operations, and Medical Marijuana-Infused Products Manufacturers in Town.
3. At the November 2012 general election, the voters of the State of Colorado adopted Amendment 64 to the Colorado Constitution ("Article XVIII, Section 16") which authorizes the use, possession, growth, transport and transfer of marijuana in limited amounts and under limited circumstances, and further authorizes the conduct of business to cultivate, produce, test and sell marijuana and marijuana products.
4. In response, and for those reasons stated in Ordinance No. 659, the Council prohibited the location, operation or other establishment of Marijuana Establishments, as that term is defined by Article XVIII, Section 16, within Town.
5. Among the stated reasons for the above-referenced prohibitions were: Amendment 64 did not provide information on how the conduct of business to cultivate and sell marijuana would meet the new State of Colorado laws, or how the Federal government would react to the State of Colorado's voter supported constitutional amendment to cultivate and sell marijuana, or how the Town would pay for the licensing, permitting and regulation of marijuana cultivation business(s), or what nuisances would arise from the cultivation of marijuana and how these nuisances would be addressed to minimize the nuisance impact on neighboring properties, or how the Town might afford to defend itself if local policies and regulations for the cultivation, sale and taxation of the marijuana business(s) were challenged; and the Council now finds and determines that other Colorado municipalities have adopted codes to provide for proper ways to regulate and permit marijuana businesses, that the Federal government is currently allowing Colorado marijuana cultivation businesses to continue, that the Town Council can set licensing, permitting and regulatory fees at an amount likely to fully cover the Town-incurred expenses, that nuisances arising from marijuana cultivation operations are capable of being mitigated and regulated with proper enforcement, and that by adopting regulations and permit requirements similar to those successfully adopted and implemented by other Colorado

communities, the Town can mitigate the previously identified concerns and taxpayers can benefit by the economic opportunities, property development, a broadening of the local job diversity, increased local tax revenue and local job growth.

6. Based on its observations of the secondary effects of marijuana cultivation activities in other jurisdictions, the Council finds that such activity can pose a significant risk to the public health, safety and welfare if and when the use of pesticides, fertilizers, butane and other combustible materials is unregulated and when individuals without experience or training in cultivation or extraction methods begin to experiment with such activity.
7. The Council further finds that, while cultivation and extraction activities present a risk if unregulated, those risks may be mitigated through regulations that limit such activities to certain zone districts, limit the permissible size and scope of home-based cultivation and require commercial cultivation operations to obtain a Town license and to meet certain health, safety and welfare standards.
8. The Council now therefore desires to adopt regulations to permit and license, under certain limited circumstances, the cultivation of both medical and retail marijuana within the Town.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF HAYDEN, COLORADO, THAT:

Section 1. **Findings and Intent.** The above and foregoing recitals are incorporated herein by reference and adopted as findings and determinations of the Town Council of the Town of Hayden, Colorado.

Section 2. Title 5 of the Hayden Municipal Code (“Code”), concerning Business Taxes, Licenses and Regulations, is hereby amended by the addition of a new Chapter 5.22, to read in its entirety as follows:

Chapter 5.22

MARIJUANA CULTIVATION FACILITIES

Sections:

5.22.010.	Purpose, Intent and Other Laws
5.22.020.	Definitions
5.22.030.	Application
5.22.040.	Licensing Authority created
5.22.050.	Composition of the Authority
5.22.060.	Functions of the Authority
5.22.070.	License required; term of license; renewal application
5.22.080.	Application requirements; payment of application fee
5.22.090.	Denial of application
5.22.100.	Persons prohibited as licensees
5.22.110.	Requirements related to the premises
5.22.120.	Prohibited acts.

- 5.22.130. Required books and records
- 5.22.140. Inspection of licensed premise
- 5.22.150. Nonrenewal, suspension or revocation of license
- 5.22.160. Violations and penalties
- 5.22.170. No Town liability; indemnification; no defense

5.22.010 Purpose, Intent and Other Laws

- A. The purpose of this Chapter is to authorize, under limited circumstances and in limited locations, the cultivation of retail marijuana pursuant to the Colorado Retail Marijuana Code and the cultivation of medical marijuana pursuant to the Colorado Medical Marijuana Code, which authorize the licensing and regulation of marijuana cultivation and affords the Town the option to determine whether or not to allow such cultivation within its jurisdiction and to adopt licensing requirements that are supplemental to or more restrictive than the requirements set forth in state law. The intent of this Chapter is to establish a nondiscriminatory mechanism by which the Town can control, through appropriate regulation, the location and operation of marijuana cultivation within the Town. Nothing in this Chapter is intended to promote or condone the sale, distribution, possession or use of marijuana in violation of any applicable law. Compliance with the requirements of this Article shall not provide a defense to criminal prosecution under any applicable law.
- B. If the State adopts any stricter regulation governing the cultivation of marijuana than that set forth in this Chapter, the stricter regulation shall control such activity in the City. A licensee may be required to demonstrate, upon demand by the local licensing authority or by law enforcement officers, that the source and quantity of any marijuana found upon the licensed premises are in full compliance with applicable state regulation. If the State prohibits the cultivation of marijuana, any license issued under this Chapter shall be deemed immediately revoked by operation of law, with no ground for appeal or other redress by the licensee. The issuance of any license pursuant to this Chapter shall not be deemed to create an exception, defense or immunity to any person in regard to any potential criminal liability the person may have for the cultivation, possession, sale, distribution or use of marijuana.

5.22.020. Definitions

The following words and phrases, when used in this Chapter, shall have the meanings ascribed to them in this Section:

Applicant means any person or entity who has submitted an application for a license or renewal of a license issued pursuant to this Chapter. If the applicant is an entity and not a natural person, applicant shall include all persons who are members and managers of such entity.

Colorado Medical Marijuana Code means Title 12, Article 43.3 of the Colorado Revised Statutes, as amended from time to time, and any rules or regulations promulgated thereunder.

Colorado Retail Marijuana Code means Title 12, Article 43.4 of the Colorado Revised Statutes, as amended from time to time, and any rules or regulations promulgated thereunder.

Consumer means a person who purchases marijuana for his or her own use and not for resale to others.

Cultivation or cultivate means the process by which a person grows a marijuana plant.

Facility means the defined area in which a cultivation operation may be conducted, whether the entirety of a building or structure or a unit, suite, leaseable space or other defined portion thereof, as clearly-delineated on the site plan or other development approval associated with the conditional use permit issued for the facility and on the detailed diagram of the proposed licensed premises required to be filed with the Town pursuant to Section 5.22.080.B.(7) hereof as part of an application for a License under this Chapter.

Fee schedule means the Town of Hayden Fee Schedule, as adopted and amended by the Town Council from time to time.

Good cause (for the purpose of refusing or denying a license or license renewal under this Chapter) means: (1) the licensee has violated, does not meet or has failed to comply with any of the terms, conditions or provisions of this Chapter, of the Colorado Retail Marijuana Code, of the Colorado Medical Marijuana Code, of any rule or regulation promulgated pursuant to such Codes or pursuant to this Chapter, or of the Hayden Municipal Code; (2) the licensee has failed to comply with any special terms or conditions that were placed on its license, whether state or local, at the time the license was issued, or that were placed on its license, whether state or local, in prior disciplinary proceedings or to which the licensee agreed in the context of potential disciplinary proceedings; or (3) the licensee's facility has been found to have been operated in a manner that adversely affects the public health, welfare or safety of the immediate neighborhood in which the facility is located. Evidence to support such a finding can include: (i) a continuing pattern of offenses against the public peace; (ii) a continuing pattern of drug-related criminal conduct within the premises of the facility or in the immediate area surrounding the facility; or (iii) a continuing pattern of criminal conduct directly related to or arising from the operation of the facility.

Industrial hemp means the plant of the genus *Cannabis* and any part of such plant, whether growing or not, with a Delta-9 tetrahydrocannabinol concentration that does not exceed three-tenths percent (0.03%) on a dry-weight basis.

License means a document issued by the Town officially authorizing an applicant to operate a marijuana cultivation facility pursuant to this Chapter, or, if required by the context, means a document issued by the state licensing authority pursuant to the Colorado Retail Marijuana Code.

Licensed premises means the premises specified in an application for a license under this Chapter which is owned or in possession of the licensee and within which the licensee is authorized to cultivate marijuana in accordance with state and local law.

Licensee means the person or entity to whom a license has been issued pursuant to this Chapter.

Marijuana means all parts of the plant of the genus *Cannabis*, whether growing or not, the seeds thereof, the resin extracted from any part of the plant and every compound, manufacture, salt, derivative, mixture or preparation of the plant, its seeds or its resin, including marijuana concentrate, but provided, however, that such concentrate must have been extracted with water-based methods. Water-Based marijuana concentrate is the only type of marijuana concentrate that a Marijuana cultivation facility is authorized to produce under a License issued pursuant to this Chapter. Marijuana does not include industrial hemp, nor does it include fiber produced from the stalks, oil or cake made from the seeds of the plant, sterilized seed of the plant which is incapable of germination or the weight of any other ingredient combined with marijuana to prepare topical or oral administrations, food, drink or other product.

Marijuana cultivation facility means an entity licensed to cultivate more than twelve (12) marijuana plants at any one time, prepare and package the marijuana and either provide medical marijuana to one or more patients or sell marijuana to marijuana stores, to marijuana product manufacturing facilities, to other marijuana cultivation facilities, to medical marijuana centers or to medical marijuana-infused products manufacturers, but not to consumers.

Marijuana product manufacturing facility shall have the same meaning as set forth in the Colorado Retail Marijuana Code.

Marijuana store shall have the same meaning as set forth in the Colorado Retail Marijuana Code.

Medical marijuana center shall have the same meaning as set forth in the Colorado Medical Marijuana Code.

Medical marijuana-infused products manufacturer shall have the same meaning as set forth in the Colorado Medical Marijuana Code.

State means the State of Colorado.

State licensing authority shall have the same meaning as set forth in the Colorado Retail Marijuana Code, in the context of retail marijuana, and in the Colorado Medical Marijuana Code, in the context of medical marijuana.

Water-based marijuana concentrate means a specific subset of marijuana that was produced by extracting cannabinoids from marijuana through the use of only water, ice or dry ice.

B. In addition to the definitions contained in Subsection (a) above, other terms used in this Chapter shall have the meaning ascribed to them in Article XVIII, Section 14, of the Colorado Constitution or in the Colorado Medical Marijuana Code or in the Colorado Retail Marijuana Code, and such definitions are hereby incorporated into this Chapter by reference.

5.22.040. Licensing Authority created.

There shall be and is hereby created a Marijuana Licensing Authority, hereafter referred to in this Chapter as the "Authority."

5.22.050. Composition of the Authority.

The Authority shall be the Town Clerk.

5.22.060. Functions of the Authority.

A. The Authority shall have the duty and authority pursuant to this Chapter and the Colorado Medical Marijuana Code and Colorado Retail Marijuana Code to grant or deny licenses, as well as all powers of a local licensing authority as set forth in said Colorado Codes.

B. The Authority shall have the power to: (i) promulgate rules and regulations concerning the procedures for hearings before the Authority; (ii) require any applicant or licensee to furnish any relevant information required by the Authority; and (iii) administer oaths and issue subpoenas to require the presence of persons and the production papers, books and records at any hearing that the Authority is authorized to conduct. Any such subpoena shall be served in the same manner as a subpoena issued by a district court of the State.

5.22.070. License required; term of license; renewal application.

A. It shall be unlawful for any person to establish or operate a marijuana cultivation facility in the Town without first having obtained from the Town and from the State, if the State requires licensure of such a facility, a license for each facility to be operated. Such licenses shall be kept current at all times and shall be conspicuously displayed at all times in the premises to which they apply. The failure to maintain a current license shall constitute a violation of this Section.

B. It shall be unlawful for any person, group of persons or entity to cultivate more than twelve (12) marijuana plants on any premises without first having obtained the license required by this Chapter, regardless of whether such plants are grown individually or cooperatively, for wholesale, personal use or for provision to another, as a commercial enterprise, as a caregiving enterprise or for purely personal use, and regardless of any other factor(s) concerning such cultivation.

C. Any license issued by the Authority under this Chapter shall expire one year after the date of its issuance.

D. An application for renewal of an existing license shall be made on forms provided by the Town and the State. At the time of the renewal application, each applicant shall pay a nonrefundable fee to the Town, as set forth in in the Fee Schedule, to defray the costs incurred by the Town for background investigations, review of the application and inspection of the proposed premises, as well as any other costs associated with the processing of the application.

5.22.080. Application requirements; payment of application fee.

A. Prior to making an application for a license, the person potentially seeking the license shall first attend at least one pre-application meeting with the Town Manager, Town Clerk and any other Town official or employee whose presence is requested by the Town Manager or Clerk. The purpose of the pre-application meeting is to advise the potential applicant as to the process for applications under this Chapter, to answer preliminary questions from the potential applicant and to provide an opportunity to identify issues that might preclude the issuance of a license pursuant to this Chapter. Prior to such pre-application meeting, the potential applicant shall pay a pre-application fee to the Town, as set forth in Fee Schedule, to defray the costs incurred by the Town in conducting the meeting. A person seeking a license shall submit an application to the Town on forms provided by the State and Town. At the time of application, each applicant shall pay an application fee to the Town, as set forth in Fee Schedule to defray the costs incurred by the Town for background investigations, review of the application and inspection of the proposed premises, as well as any other costs associated with the processing of the application. In addition, the applicant shall present for recording one (1) of the following forms of identification:

- (1) An identification card issued in accordance with Section 42-2-302, C.R.S.;
- (2) A valid state driver's license;
- (3) A valid driver's license containing a picture issued by another state;
- (4) A United States military identification card;
- (5) A valid passport; or

(6) An alien registration card.

B. The applicant shall also provide the following information on a form approved by, and acceptable to, the Town, which information shall be required for the applicant and all persons having a financial interest in the facility that is the subject of the application or, if the applicant is an entity, having a financial interest in the entity:

(1) Name, address, date of birth and other identifying information as may be required;

(2) An acknowledgement and consent that the Town may conduct a background investigation, including a criminal history check, and that the Town will be entitled to full and complete disclosure of all financial records of the facility, including but not limited to records of deposits, withdrawals, balances and loans;

(3) If the applicant is a business entity, information regarding the entity, including without limitation the name and address of the entity, its legal status and proof of registration with, or a certificate of good standing from, the Colorado Secretary of State, as applicable;

(4) A copy of the deed reflecting the applicant's ownership of, or a lease reflecting the right of the applicant to possess, the proposed licensed premises;

(5) If the applicant is not the owner of the proposed licensed premises, a notarized statement from the owner of such property authorizing the use of the property for a marijuana cultivation facility;

(6) Evidence of the issuance of a valid Town excise tax license, if required;

(7) A clearly legible "to scale" diagram of the proposed licensed premises, no smaller than 8.5" x 11" and no larger than 11" x 17", showing, without limitation, the building layout, all entryways and exits to and from the proposed licensed premises, all areas in which marijuana will be cultivated and stored, and all proposed areas of water-based extraction activities;

(8) A comprehensive operation plan for the cultivation facility that contains, at a minimum, the following:

a. A description of the security provisions and systems meeting the requirements of Section 5.22.110.E. of this Chapter; and

b. An exterior lighting plan; and

c. A description of the cultivation activities, including without limitation, the area in which plants will be grown, a description of the ventilation and odor filtration system for the premises, if required by Section

5.22.110.D. of this Chapter, and a description of the automatic fire suppression system, if required by applicable building and fire codes; and

(9) An area map drawn to scale indicating land uses of other properties within a 500-foot radius of the property upon which the applicant is seeking a license. The map shall depict the proximity to the property to any school, park or commercial child care center.

(10) Any additional information that the Authority reasonably determines to be necessary in connection with the investigation, review and determination of the application.

C. A license issued pursuant to this Chapter does not eliminate the need for the licensee to obtain other required permits or licenses related to the operation of the facility, including, without limitation, any development approvals or building permits required by this Code.

D. Upon receipt of a complete application, the Authority shall circulate the application to all affected service areas and departments of the Town to determine whether the application is in full compliance with all applicable laws, rules and regulations. No license shall be approved until after the Authority has caused the proposed premises to be inspected to determine compliance of the premises with any applicable requirements of this Chapter and Code, and with the plans and descriptions submitted as part of the application. Within thirty (30) days after the completion of the Authority's investigation of the application, the Authority shall issue a written decision approving or denying the application for licensure, which decision shall state the reasons for the decision and be sent via certified mail to the applicant at the address shown in the application. In addition, the Authority shall promptly notify the State Medical Marijuana Licensing Authority of any approval of an application for local licensure.

E. After approval of an application, the Authority shall not issue a license or license certificate until the building in which the business is to be conducted is ready for occupancy with such furniture, fixtures and equipment in place as are necessary to comply with the applicable provisions of this Chapter. After approval of an application, the Authority shall not issue a license or license certificate until the applicant provides written evidence that the applicant has paid all license application fees due to the State in connection with the State Licensing Authority's review of the application, where applicable. Each license certificate issued by the Town pursuant to this Chapter shall specify the date of issuance, the period of licensure, the name of the licensee and the premises or optional premises licensed.

5.22.090. Denial of application.

The Authority shall deny any application that does not meet the requirements of this Chapter and may deny an application that does not meet the requirements of the Colorado

Medical Marijuana Code. The Authority shall also deny any application that contains any false, misleading or incomplete information. Denial of an application for a license shall be subject to review by a court of competent jurisdiction.

5.22.100. Persons prohibited as licensees.

No license shall be issued to, held by or renewed by any of the following:

- A. Any applicant who has made a false, misleading or fraudulent statement, or who has omitted pertinent information, on the application for a license;
- B. Any applicant who has failed to pay all required state and local application and/or license fees, as applicable.
- C. Any licensee who is delinquent in or who has failed to file tax returns and other required financial information, to remit taxes to the Town or the State, or who has otherwise failed to conduct the facility in compliance with all applicable ordinances, rules, regulations and laws.

5.22.110. Requirements related to the premises.

- A. All cultivation, water-based extraction and related activities shall be conducted indoors.
- B. All product storage shall be indoors. Marijuana shall not be visible from a public sidewalk or right of way.
- C. No marijuana shall be consumed on the licensed premises.
- D. The cultivation of marijuana that results in any single marijuana plant of a height greater than twelve (12) inches is only permitted when the premises are equipped with a system that removes the odors of the marijuana being cultivated so that the odor is not detectable from the exterior of the business or from within any adjoining premises. Approval of the odor removal system by the Building Inspector is required prior to any cultivation process beginning. The Building Inspector's determination of the adequacy of any proposed odor-removing system shall be based on his reasonable determination of the ability of the proposed system to remove odors as required by this Subsection, which determination shall be based upon the manufacturer's or an engineer's design specifications for the system as they relate to the premises in question.
- E. Adequate security must be provided on the premises. At a minimum, the security shall include:
 - (1) Security surveillance cameras installed and properly maintained to monitor each entrance along the interior and exterior of the premises to discourage crime and to facilitate the reporting of criminal acts, as well as nuisance activities;

security video shall be preserved in the manner and for the period of time set forth in the Colorado Medical Marijuana Enforcement Division Rules, as amended from time to time;

(2) Robbery and burglary alarm systems that are professionally monitored and maintained in good working condition;

(3) Exterior lighting that illuminates the exterior walls of the business during evening hours and is compliant with the Town Code;

(4) A secure safe that is utilized for the purposes of storing cash and marijuana that is not then being actively cultivated; and

(5) Locking systems for exterior doors that are designed and installed in such fashion as to deter unlawful entry and provide safe emergency egress.

5.22.120. Prohibited acts.

A. It shall be unlawful for any licensee to permit the consumption of alcohol beverages, as defined in the Colorado Liquor Code, on the licensed premises.

B. It shall be unlawful for any licensee to sell, dispense, give or otherwise distribute marijuana except as permitted by law.

C. After issuance of a license, it shall be unlawful for a licensee to make a physical change, alteration or modification of the licensed premises that materially or substantially alters the licensed premises or the usage of the licensed premises from the plans and specifications submitted at the time of obtaining the original license without obtaining the prior written approval of the Authority and the State Licensing Authority, when applicable. For purposes of this Subsection, physical changes, alterations or modification of the licensed premises, or in the usage of the premises requiring prior written approval, shall include but not be limited to the following:

(1) Any increase or decrease in the size or physical capacity of the licensed premises;

(2) The sealing off, creation of or relocation of a common entryway, doorway, passage or other such means of ingress and/or egress, when such common entryway, doorway or passage alters or changes the cultivation, wholesale or distribution of marijuana within the licensed premises;

(3) Any enlargement of a cultivation area; and

(4) Any change in the interior of the premises that would affect the basic character of the premises or physical structure that existed in the plan on file as part of the latest prior application.

5.22.130. Required books and records.

A. In addition to any requirements under the Colorado Medical Marijuana Code or Colorado Retail Marijuana Code, and any rules or regulations promulgated thereunder requiring licensees to maintain books and records, every facility shall maintain an accurate and complete record of all marijuana cultivated, all marijuana processed into usable form, and all marijuana sold, given away, dispensed or otherwise distributed or removed from the licensed premises. Such records shall include:

(1) The total quantity of marijuana cultivated and the total usable quantity of marijuana produced from time to time, including the date(s) of cultivation and the date(s) on which cultivated marijuana was reduced to usable form; and

(2) The date and time at which any marijuana was removed from the licensed premises, including the amount of marijuana removed, the person who removed it, the location to which the marijuana was delivered and the date and time of such delivery.

B. All events and/or transactions that are to be recorded pursuant to this Section shall be kept in a numerical register in the order in which they occur.

C. All records required to be kept under this Section must be kept in the English language in a legible manner and must be preserved and made available for inspection by the Town for a period of three (3) years after the date of the occurrence and/or transaction. The licensee may redact any information the licensee is required by law to maintain as confidential prior to providing records to the Town for inspection and shall provide to the Town, upon request, a citation to the law that requires such non-disclosure or a copy of any court order or other legal authority to withhold such information.

5.22.140. Inspection of licensed premises.

During all business hours and other times of apparent activity, all licensed premises shall be subject to inspection by the Chief of Police, the Fire Chief, the Building Official or the authorized representative of any of them, for the purpose of investigating and determining compliance with the provisions of this Chapter and any other applicable state or local law or regulation. Such inspection may include, but need not be limited to, the inspection of books, records and inventory. Where any part of the premises consists of a locked area, such area shall be made available for inspection, without delay, upon request.

5.22.150. Nonrenewal, suspension or revocation of license.

A. The Authority may suspend, revoke or refuse to renew a license for any of the following reasons:

(1) The applicant or licensee, or his or her agent, manager or employee, have violated, do not meet or have failed to comply with any of the terms, requirements, conditions or provisions of this Chapter or with any applicable state or local law or regulation;

(2) The applicant or licensee, or his or her agent, manager or employee, have failed to conduct the licensed operations in conformance with the application pursuant to which the license was issued, or have failed to comply with any special terms or conditions of its license pursuant to the order of the State or Local Licensing Authority, including those terms and conditions that were established at the time of issuance of the license and those imposed as a result of any disciplinary proceedings held subsequent to the date of issuance of the license; or

(3) The facility has been operated in a manner that adversely affects the public health, safety or welfare.

B. The Authority shall not suspend or revoke a license until after notice and an opportunity for hearing has been provided to the licensee.

C. The Authority shall not hold a hearing on a license renewal application unless a complaint has been filed concerning the licensee or there are allegations against the licensee that, if established, would be grounds for suspension, revocation or nonrenewal under Subsection A. of this Section.

D. Evidence to support a finding under Paragraph A.(3) of this Section may include, without limitation, a continuing pattern of disorderly conduct or drug-related criminal conduct within the premises of the facility or in the area immediately surrounding the facility, or a continuing pattern of criminal conduct directly related to or arising from the operation of the facility.

5.22.160. Violations and penalties.

In addition to the possible denial, suspension, revocation or nonrenewal of a license under the provisions of this Chapter, any person, including but not limited to any licensee, manager, agent or employee of a cultivation facility who violates any provision of this Chapter shall be guilty of a misdemeanor punishable in accordance with Section 1.08 General Penalty of this Code.

5.22.170. No Town liability; indemnification; no defense.

A. By accepting a license issued pursuant to this Chapter, the licensee waives any claim concerning, and releases the Town, its officers, elected officials, employees, attorneys and agents from, any liability for injuries or damages of any kind that result from any arrest or prosecution of facility owners, operators, employees, customers or patients of the licensee for a violation of state or federal laws, rules or regulations.

B. By accepting a license issued pursuant to this Chapter, all licensees, jointly and severally if more than one (1), agree to indemnify, defend and hold harmless the Town, its officers, elected officials, employees, attorneys, agents, insurers and self-insurance pool against all liability, claims and demands on account of any injury, loss or damage, including without limitation claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage, or any other loss of any kind whatsoever arising out of or in any manner connected with the operation of the facility that is the subject of the license.

C. The issuance of a license pursuant to this Chapter shall not be deemed to create an exception, defense or immunity for any person in regard to any potential criminal liability the person may have under state or federal law for the cultivation, possession, sale, distribution or use of marijuana.

Section 3. Subsection 8.08.080.A. of the Code, concerning Specific Nuisances Declared, is hereby amended by the addition of a new paragraph 15, to read in its entirety as follows:

15. Regularly occurring or persistent unusual and/or offensive odors, smells, fragrances, or other olfactory stimulus detectable by any person with a normal sense of smell upon or within any nearby property or unit.

Section 4. Subsection 8.35.010.A. of the Code, concerning Findings and Legislative Intent in regards to the prohibition of marijuana establishments, is hereby amended to read in its entirety as follows:

E. The Town Council therefore finds and determines that as a matter of the Town's local land use and zoning authority, and consistent with authorization provided by Article XVIII, Section 16 of the Constitution, that no suitable location exists within the corporate limits of the Town for the manufacture and sale of marijuana by the operation of or through marijuana establishments, marijuana product manufacturing facilities, marijuana testing facilities or retail marijuana stores.

Section 5. Section 8.35.040 of the Code, concerning the prohibition of Marijuana Establishments, Marijuana Cultivation Facilities, Marijuana Product Manufacturing Facilities, Marijuana Testing Facilities and Retail Marijuana Stores, is hereby amended to read in its entirety as follows:

It is unlawful for any person or entity to operate, cause to be operated or permit to be issued to operate a marijuana establishment, marijuana product manufacturing facility, marijuana testing facility or retail marijuana store which license could otherwise be obtained with the Town and all such uses and operations are hereby prohibited in any location within the Town or within any area annexed to the Town.

Section 6. Title 16 of the Hayden Municipal Code, concerning Land Use, is hereby amended by the addition of a new Article 14, to read in its entirety as follows:

ARTICLE 14 - MARIJUANA REGULATIONS

DIVISION 1 RESIDENTIAL CULTIVATION RESTRICTIONS

Section 14.010. Legislative powers.

The Town Council hereby finds and declares that it has the power to enact this Article and the regulations herein pursuant to Article XVIII, Section 16(5)(f) of the Colorado Constitution; C.R.S. § 12-43.4-104(3); C.R.S. § 12-43.3-106; Article 20 of Title 29, C.R.S.; Part 3 of Article 23 of Title 31, C.R.S.; Section 31-15-103, C.R.S.; and Section 31-15-401, C.R.S.; and Section 31-15-501; Article XX, Section 6 of the Colorado Constitution, and the Town's Home Rule Charter.

Section 14.020.

Unlawful Acts.

It shall be unlawful for any person to cultivate marijuana in a residential zone district or in a residential structure being used for residential purposes in any zone district except as permitted and regulated by this Article.

Section 14.030 Definitions.

The definitions set forth in Chapter 5.22 of this Code shall apply to this Article.

Section 14.040. Residential Cultivation regulations.

- A. The cultivation, production and possession of marijuana in a residential structure is permitted, subject to the following requirements:
- (1) The cultivation, production and or possession of medical marijuana plants must be in full compliance with all applicable provisions of Article XVIII, Section 14 of the Colorado Constitution, the Medical Marijuana Program, C.R.S. § 25-1.5-106, including its regulations set forth in 5 CCR 1006-2; and the Colorado Medical Marijuana Code, if applicable, and all its implementing rules and regulations; and
 - (2) The only cultivation activity that may occur as a home occupation is the cultivation by a primary caregiver of medical marijuana for his or her patient(s), subject to all other applicable requirements and restrictions, including but not limited to those restrictions set forth in this Section as well as all home occupation requirements set forth in the Town's zoning regulations.
 - (3) The cultivation, production and possession of marijuana for personal use by persons twenty-one years of age or older must comply with the applicable provisions of Article XVIII of Section 16 of the Colorado Constitution and the requirements set forth in this Article.
 - (4) Marijuana must be cultivated, produced, processed and possessed within a person's primary residence, as defined in Subsection B. below; and

- (5) The cultivation, production, processing and possession of marijuana plants must not be conducted in an open and public manner meaning it must not be perceptible from the exterior of the primary residence, and such activity shall not cause or create any of the following:
 - a. Regularly occurring or persistent unusual odors, smells, fragrances, or other olfactory stimulus detectable by any person with a normal sense of smell upon or within any adjacent unit or property;
 - b. Light pollution, glare, or brightness that unreasonably disturbs others in the use or enjoyment of their property, or constitutes a nuisance; or
 - c. Excessive noise.
- (6) The residential structure must include ventilation and odor control in the area in which cultivation occurs that is adequate to effectively eliminate odor from the cultivation travelling to and being detected by a person with a normal sense of smell at the exterior of the premises, in the surrounding neighborhood and/or in adjacent units.
- (7) Marijuana plants shall not be cultivated, produced, processed or possessed in the common areas of a multi-family or attached residential development; and
- (8) The cultivation, production, processing and possession of marijuana plants shall be limited to the following maximum permissible number of plants and area restrictions:
 - a. For a single-family dwelling unit (Group R-3 as defined by the most current international building code adopted by the Town), within a single enclosed locked, defined, contiguous area containing no more than twelve (12) plants within such person's primary residence;
 - b. For a multi-family dwelling unit (Group R-2 as defined by the most current international building code, adopted by the Town), within a single enclosed locked, defined, contiguous area containing no more than twelve (12) plants within such person's primary residence.
- (9) Marijuana plants shall not be cultivated, produced, processed or possessed in any accessory structure; and
- (10) The cultivation, production, processing and possession of marijuana plants shall meet the requirements of all adopted Town building and life/safety codes; and
- (11) The use of any compressed flammable gas as a solvent in the extraction of tetrahydrocannabinols or other cannabinoids is prohibited; and
- (12) The total load for a single branch circuit shall not exceed the ampacity for the entire cultivation area within a dwelling.

- (13) Marijuana waste shall be rendered unusable prior to leaving the residence by grinding and incorporating the material with non-consumable solid wastes such as food waste, soil or other compostable materials through a garbage disposal or any other reasonably available residential method or through any other method that renders such waste material unrecognizable and unusable.
- B. For purposes of this section, “primary residence” means the place that a person, by custom and practice, makes his or her principal domicile and address, and to which the person intends to return following any temporary absence, such as a vacation. Residence is evidenced by actual daily physical presence, use, and occupancy of the primary residence, and the use of the residential address for domestic purposes, such as, but not limited to, sleep, preparation of and partaking of meals, regular mail delivery, vehicle and voter registration, or credit, water and utility billing. A person shall have only one primary residence. A primary residence shall not include accessory buildings.
- C. For purposes of this section, “enclosed locked” area means a location within the primary residence accessible only to the person growing the marijuana through one or more doors secured by a locking mechanism designed to limit access such as with a key or combination lock, and with walls and roofing that must be constructed of solid materials. Such premises must remain secure at all times and any windows must be locked to prevent access by children, visitors or a casual passersby.

Sections 14.050 – 14.060. Reserved.

DIVISION 2 NON-RESIDENTIAL CULTIVATION RESTRICTIONS.

Section 14.070. Legislative intent.

- A. Town Council hereby finds and declares that the proliferation of large-scale, non-licensed, and unregulated marijuana cultivation operations poses a significant threat to the health, safety, and security of all citizens of the town. The Town Council finds that such operations can result in increased violations of criminal laws along with violations of building, electrical, and fire codes in these large cultivation operations. It is, therefore, the intent of the Town Council to place reasonable and necessary restrictions upon such cultivations.

Section 14.080. Non-Residential Cultivation Restrictions.

- A. It shall be unlawful for any person, alone or in concert with other persons, to possess or cultivate more than twelve (12) marijuana plants on any premises or within any structure in any zone district in the Town without an approved Conditional Use Permit and without the license required for such a cultivation facility under Chapter 5.22 of this Code .
- B. It shall be unlawful for any person who owns, manages, operates or otherwise controls the use of any premises to allow more than twelve (12) marijuana plants to be possessed or cultivated on the premises without approval of a Conditional Use Permit and without the license required for such a cultivation facility under Chapter 5.22 of this Code.

- C. It shall be unlawful for any person, alone or in concert with other persons, to cultivate marijuana outside of a completely enclosed locked structure.
1. Nothing in this section shall be construed to allow the cultivation of marijuana in any number, manner, or location that is in conflict with the cultivation restrictions imposed in this Article within single family and multi-family residential dwelling units.
 2. For purposes of this section:
 - a. “Completely enclosed locked structure” means a structure as defined by the zoning code accessible only to the persons cultivating the marijuana through one or more doors secured by a locking mechanism designed to limit access such as with a key or combination lock, and with walls and roofing that must be constructed of solid materials. Such structure must remain secure at all times and any windows must be locked to prevent access children, visitors or a casual passerby.
 - b. “Cultivate” means the planting, growing, harvesting, storing, drying, trimming, or processing of marijuana plants.
- D. The marijuana plants must be cultivated, produced, processed and possessed within the building approved as part of any Conditional Use Permit process; and
- E. The cultivation, production, processing and possession of marijuana plants must not be conducted in an open and public manner meaning it must not be perceptible from the exterior of the building on the subject site, and such activity shall not cause or create any of the following:
1. Regularly occurring or persistent unusual odors, smells, fragrances, or other olfactory stimulus detectable by any person with a normal sense of smell upon or within any adjacent unit or property;
 2. Light pollution, glare, or brightness that unreasonably disturbs others in the use or enjoyment of their property, or constitutes a nuisance; or
 3. Excessive noise.
- F. All marijuana cultivation facilities must employ and maintain ventilation and odor control that is adequate for the size of the facility to effectively eliminate odor from the facility escaping the facility so as to be detected by a person with a normal sense of smell at the exterior of the premises, in the surrounding neighborhood or in adjacent units.
- G. Marijuana plants shall not be cultivated, produced, processed or possessed in any accessory structure.
- H. The cultivation, production, processing or possession of marijuana plants shall meet the requirements of all adopted Town building and life/safety codes.

- I. The use of any compressed flammable gas as a solvent in the extraction of tetrahydrocannabinols or other cannabinoids is prohibited.
- J. The total load for a single branch circuit shall not exceed the ampacity for the entire cultivation area within the building.
- K. Marijuana waste shall be rendered unusable prior to leaving the facility by grinding and incorporating the material with non-consumable solid wastes such as food waste, soil or other compostable materials.
- L. Cultivation facilities shall not be located within 500 feet of any public or parochial school or the principal campus of any college, university, or seminary; any public park; or any commercial child care center. Distances described in this paragraph shall be calculated by measuring the distance from the nearest property line of the school, park or commercial child care center to the building in which the medical marijuana center is located.
- M. Retail marijuana cultivation uses shall not operate in a manner that adversely affects the public health, safety, and welfare of the immediate neighborhood in which the retail marijuana cultivation use is located.

Section 14.090. Control of Emissions.

In accordance with Town of Hayden Code Title 8. Health and Safety Section 8.08 Nuisances, sufficient measures and means of preventing smoke, odors, debris, dust, fluids, and other substances from exiting a cultivation facility must be provided at all times. In the event that any odors, debris, dust fluids or other substances exit a cultivation facility, the owner of the subject premises and the licensee shall be jointly and severally liable for such conditions and shall be responsible for immediate, full clean-up and correction of such condition. The licensee shall properly dispose of all such materials, items and other substances in a safe, sanitary and secure manner and in accordance with all applicable federal, state, and local laws and regulations.

All cultivation facilities must employ and maintain ventilation and odor control that is adequate for the size of the facility to effectively eliminate the pungent odor from the operation so that the odor does not migrate in and around the marijuana cultivation site and is not detected by a person with a normal sense of smell at the exterior of the premises, in the surrounding neighborhood and/or in adjacent units.

Section 7. Section 16.03.040.I.3 of the Hayden Municipal Code shall be amended to include the addition of a new conditional use, cc. Marijuana Cultivation.

Section 8. Section 16.03.040.J.3 of the Hayden Municipal Code shall be amended to include the addition of a new conditional use, z. Marijuana Cultivation.

Section 9. Affirmation and Restatement of Prohibition of all Marijuana-Related Businesses, Enterprises and Activities Not Expressly Permitted by this Ordinance. Pursuant to the authority granted by Article XVIII, Section 16(5)(f) of the Colorado Constitution; C.R.S. § 12-43.4-104(3);

C.R.S. § 12-43.3-106; Article 20 of Title 29, C.R.S.; Part 3 of Article 23 of Title 31, C.R.S.; Section 31-15-103, C.R.S.; Section 31-15-401, C.R.S.; and Section 31-15-501; the Council hereby affirms and restates the prohibition of all marijuana-related businesses, enterprises and activities adopted by Ordinances No. 632 and 659 excepting only those businesses, enterprises and activities that are expressly permitted by this Ordinance.

Section 10. If any article, section, paragraph, sentence, clause or phrase of this ordinance is held to be unconstitutional or invalid for any reason, such decision shall not affect the validity or constitutionality of the remaining portions of this ordinance. The Town Council hereby declares that it would have passed this ordinance and each part or parts hereof irrespective of the fact that any one part or parts be declared unconstitutional or invalid.

Section 11. All other ordinances or portions thereof inconsistent or conflicting with this ordinance or any portion hereof is hereby repealed to the extent of such inconsistency or conflict.

Section 12. The repeal or modification of any provision of the Municipal Code of the Town of Hayden by this ordinance shall not release, extinguish, alter, modify or change in whole or in part any penalty, forfeiture or liability, either civil or criminal, which shall have been incurred under such provision. Each provision shall be treated and held as still remaining in force for the purpose of sustaining any and all proper actions, suits, proceedings and prosecutions for enforcement of the penalty, forfeiture or liability, as well as for the purpose of sustaining any judgment, decree or order which can or may be rendered, entered or made in such actions, suits, proceedings or prosecutions.

Section 13. This ordinance is deemed necessary for the preservation of the public property, health, welfare, peace and safety.

Section 14. Violations of this ordinance shall be punishable in accordance with the provisions of the Hayden Municipal Code.

Section 15. EFFECTIVE DATE.

This Ordinance, immediately on final passing and adoption, shall be published by the Town Clerk in accordance with Section 3-3h of the Home Rule Charter and recorded in the Town Book of Ordinances kept for that purpose, authenticated by the signatures of the Mayor and Town Clerk. This Ordinance shall be in force and take effect fifteen (15) days after second publication in accordance with Section 3-3h of the Hayden Home Rule Charter.

Section 16. PUBLIC HEARING.

A public hearing on this Ordinance will be held on the 6th day of August 2015, at or about 7:30 p.m. at the Hayden Town Hall, 178 West Jefferson Ave, Hayden, Colorado.

INTRODUCED, READ, AND ORDERED PUBLISHED PURSUANT TO SECTION 3-3 (d) OF THE HAYDEN HOME RULE CHARTER, BY THE TOWN COUNCIL OF THE TOWN OF HAYDEN, COLORADO, UPON A MOTION DULY MADE, SECONDED AND PASSED AT ITS REGULAR MEETING HELD AT THE TOWN OF HAYDEN, ON THE 16th DAY OF JULY 2015.

James M. Haskins, Mayor

ATTEST

Sharon Johnson, Town Clerk

FINALLY ADOPTED, PASSED, APPROVED, AND ORDERED PUBLISHED PURSUANT TO SECTION 3-3 (h) OF THE HAYDEN HOME RULE CHARTER, BY THE TOWN COUNCIL OF THE TOWN OF HAYDEN, COLORADO, UPON A MOTION DULY MADE, SECONDED AND PASSED AT ITS REGULAR MEETING HELD AT THE TOWN OF HAYDEN, ON THE ____ DAY OF _____ 2015.

James M. Haskins, Mayor

ATTEST

Sharon Johnson, Town Clerk



Town Council Agenda Item

MEETING DATE: August 6, 2015

AGENDA ITEM TITLE: Public Hearing and Second Reading of Ordinance 669 An Ordinance amending Chapter 10.04 "Model Traffic Code" for the regulation of traffic by the Town of Hayden, Colorado and providing penalties for the violation thereof; and, setting a public hearing time.

AGENDA SECTION: Old Business

PRESENTED BY: Chief Tuliszewski

CAN THIS ITEM BE RESCHEDULED: Yes, but not recommended.

BACKGROUND REVIEW:

In 2012 the Town of Hayden updated the Model Traffic Code with various schedules delineating speeds, traffic control devices and school zones. In reviewing these schedules it is the desire of staff to update various portions of the Model Traffic Code specifically Schedule II.

The area around the Hayden Elementary School has a posted speed limit of 15 mph with no signage that designates this as a school zone area. In conducting a visual traffic study on 3rd Street and Poplar Street it was determined that the average speed on 3rd Street was 21 mph and on Poplar Street by the school and Fire House was 26 mph. (Traffic study was informal, conducted on three different afternoons, with speeds verified by radar in a marked patrol unit.) Currently there are only standard 15 mph speed control signs posted.

RECOMMENDATION:

Staff is recommending that standard recognizable 20 mph speed school zone signs be adopted and used within the area of the school zones and that the amended Schedule II be adopted reflecting these changes in speeds and school speed zone designation.

MANAGER'S RECOMMENDATION/COMMENTS:

I agree with Chief Tuliszewski's recommendation. If the Town Council approves 2nd Reading a public notice of adoption should be scheduled for August 16th Steamboat Pilot Today. If these changes are approved by the Town Council it will allow for these school zone signs to be installed by Public Works prior to the start of the new school year.

ORDINANCE NO. 669

AN ORDINANCE AMENDING CHAPTER 10.04 "MODEL TRAFFIC CODE" FOR THE REGULATION OF TRAFFIC BY THE TOWN OF HAYDEN, COLORADO AND PROVIDING PENALTIES FOR VIOLATION THEREOF.

RECITALS

1. The Town of Hayden has previously adopted and amended traffic codes for the regulation of traffic within the Town limits.
2. The Town Council believes that the Town Codes currently regulating speed limits need to be updated.
3. The Town Council states that Town Code revisions herein and this adopting Ordinance are in the best interest of the citizens of Hayden, Colorado.
4. Article 3, Section 3-1 of the Hayden Home Rule Charter requires that action must be taken by ordinance when repealing a prior ordinance and when establishing any rule or regulation for the violation of which a penalty is imposed.
5. These changes have been reviewed and discussed during public meetings and hearings.

NOW THEREFORE BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF HAYDEN, COLORADO:

SECTION 1. REPEAL

The Appendix to Chapter 10.04, Schedule II-Sec. 1102, Decrease and Increase Speed Limits is repealed in its entirety; except that this repeal shall not affect or prevent the prosecution or punishment of any person for any act done or committed in violation of any ordinance hereby repealed prior to the taking effect of this ordinance.

SECTION 2. ADOPTION

The Appendix to Chapter 10.04, Schedule II-Sec. 1102, Decrease and Increase Speed Limits is adopted as stated herein below.

Schedule II-Sec. 1102 Decrease and Increase Speeds

In accordance with the provisions of Section 1102 of the Model Traffic Code, and when official signs are erected giving notice thereof, drivers of vehicles shall not exceed the posted speed limit as designated by such signs: Drivers are still responsible to drive with due care and safety in regards to road conditions.

<u>NAME OF STREET OR INTERSECTION</u>	<u>PORTION AFFECTED (TERMINAL LIMITS)</u>	<u>SPEED LIMITS (MILES PER HOUR)</u>
Jefferson Ave	East Town limit to approximately 1/10 mile East of R/R Crossing Hayden Gulch Terminal	55 mph Westbound
Jefferson Ave	Approximately 1/10 mile East of R/R Crossing. Hayden Gulch Terminal To approximately 20 ft. West of Shelton Ln	45 mph Westbound
Jefferson Ave	Approximately 20 ft West of Shelton Ln To approximately 4 ft West of Spruce St	35 mph Westbound
Jefferson Ave	Approximately 4 ft West of Spruce Street To approximately 1/10 mile West of 8 th St Except when school beacon is flashing	30 mph Westbound
Jefferson Ave	Approximately 185 ft West of Poplar St to 24 ft West of 3 rd St	25 mph Westbound when school beacon flashing
Jefferson Ave	Approximately 1/10 mile West of 8 th St To 4/10 mile East of Mile Marker 106	55 mph Westbound
Jefferson Ave	Approximately 4/10 mile East of Mile Marker 106 to West Town limits	65 mph Westbound
Jefferson Ave	From West Town limits to approximately 4/10 mile East of Mile Marker 106	65 mph Eastbound
Jefferson Ave	Approximately 4/10 mile East of Mile Marker 106 to approximately 1-2 tenths Mile West of mile marker 107	55 mph Eastbound
Jefferson Ave	Approximately 1-2 tenths mile West of Mile Marker 107 to approximately 220 ft East of 8 th Street	45 mph Eastbound
Jefferson Ave	Approximately 220 ft East of 8 th Street To approximately 110 ft East of Oak Street Except when school beacon flashing	30 mph Eastbound
Jefferson Ave	Approximately 20 ft West of 4 th Street to Approximately 320 ft West of Poplar St	25 mph Eastbound when school beacon flashing
Jefferson Ave	Approximately 110 ft East of Oak Street To approximately 250 ft East of Shelton Ln	35 mph Eastbound
Jefferson Ave	Approximately 190 ft East of Shelton Ln To approx. 250 ft East of Hawthorne St	45 mph Eastbound
Jefferson Ave	Approx. 250 ft East of Hawthorne St To East Town limits	65 mph Eastbound
Washington Ave	Approximately 105 ft East of Pine St To Walnut Street	15 mph Westbound

Washington Ave	Approximately 90 ft East of Walnut St to 25 mph sign approximately 105 ft East of Pine Street	15 mph Eastbound
Hawthorne Street	Approximately 360 ft South of Jefferson Ave to south Town limits	35 mph Southbound
Hawthorne Street	Approximately 100 ft North of Hayden Parkway to Jefferson Ave.	35 mph Northbound
Walnut Street	Approximately 25 ft South of Washington Street to Spruce Street	15 mph Southbound
Walnut Street	Approximately 100 ft West of Spruce St On Jackson Ave to Washington St	15 mph Northbound
Poplar Street (RCR #53)	Approximately 230 ft South of South Entrance of Harvest Dr to South Town limits	40 mph Southbound
Poplar Street (RCR #53)	South Town limits to approximately 320 ft South of South entrance of Harvest Dr	40 mph Northbound
Poplar Street (RCR #53)	Approximately 320 ft South of South Entrance of Harvest Dr to approximately 175 ft South of West entrance of Harvest Dr.	30 mph Northbound
Poplar Street (RCR #53)	Approximately 175 ft South of West Entrance of Harvest Dr to the end of Poplar Street	25 mph Northbound
Poplar Street	Approximately 1/4 mile north of Shady Lane (Just north of bridge/curve in road)	20mph Northbound School Zone Designation
Poplar Street	Approximately 1/4 mile south of 1 st	20mph Northbound School Zone Designation
3 rd Street	Approximately 60 ft South of Jefferson Ave to Breeze Basin Blvd	20 mph Southbound School Zone designation
3 rd Street	Approximately 220 feet North of Breeze Basin Blvd. to Jefferson Ave	20 mph Northbound School Zone Designation
Lake View Road	Approximately 75 ft South of the South Entrance of Little Bend Circle to 75 ft North of the North entrance of Little Bend Circle	15 mph Northbound
Lake View Road	From the intersection with Starlight Ln To 75 ft South of Little Bend Road	15 mph Eastbound and Southbound
All Streets	Meadow Village Trailer Park	15 mph

Breeze Basin Blvd.	Approximately 75 ft West of Poplar Ave To approximately 2/10 mile West of Poplar Ave	20 mph Westbound School Zone Designation
Breeze Basin Blvd	Approximately 2/10 mile West of Poplar Ave to Poplar Ave	20 mph Eastbound School Zone Designation
RCR #51a	Approximately 1/10 mile South of North Town limits to RCR #51	35 mph Southbound and Eastbound
RCR #51	From East end of RCR # 51a to approx 1/10 mile South North of Town limits	35 mph Northbound
RCR #51	Approximately 1/10 mile South of North Town Limits to Town limits	45 mph Northbound
RCR #51	North Town Limits to approximately 300 Feet South of North Town Limits	45 mph Southbound
RCR #51	Approximately 300 ft South of North Town Limits to RCR #51a	35 mph Southbound
RCR #51a	Approximately 300 ft West of RCR #51 To Hwy #40	35 mph Westbound and Northbound
All Streets	Yampa Valley Regional Airport	15 mph

RCR = Routt County Road

SECTION 3. VALIDITY

If any parts of this ordinance are for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this ordinance. The Town Council hereby declares that it would have passed this ordinance and each part or parts thereof, irrespective of the fact that any one part or parts be declared invalid.

SECTION 4. SEVERABILITY

If any section, subsection, sentence, clause or phrase of this Ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this Ordinance.

SECTION 5. EFFECTIVE DATE

This Ordinance, immediately on final passing and adoption, shall be published in accordance with Section 3-3h of the Home Rule Charter and recorded in the Town Book of Ordinances kept for that purpose, authenticated by the signatures of the Mayor and Town Clerk. This Ordinance shall be in full force and effect immediately upon its publication in accordance with Section 3-3h of the Hayden Home Rule Charter.

SECTION 6. PUBLIC HEARING

A public hearing on this Ordinance will be held on the 6th day of August 2015, at or about 7:30 p.m. at the Hayden Town Hall, 178 West Jefferson Ave, Hayden, Colorado.

INTRODUCED, READ, AND ORDERED PUBLISHED PURSUANT TO SECTION 3-3 (d) OF THE HAYDEN HOME RULE CHARTER, BY THE TOWN COUNCIL OF THE TOWN OF HAYDEN, COLORADO, UPON A MOTION DULY MADE, SECONDED AND PASSED AT ITS REGULAR MEETING HELD AT THE TOWN OF HAYDEN, ON THE 16TH DAY OF JULY 2015.

James M. Haskins, Mayor

ATTEST

Sharon Johnson, Town Clerk

FINALLY ADOPTED, PASSED, APPROVED, AND ORDERED PUBLISHED PURSUANT TO SECTION 3-3 (h) OF THE HAYDEN HOME RULE CHARTER, BY THE TOWN COUNCIL OF THE TOWN OF HAYDEN, COLORADO, UPON A MOTION DULY MADE, SECONDED AND PASSED AT ITS REGULAR MEETING HELD AT THE TOWN OF HAYDEN, ON THE ___ DAY OF AUGUST 2015.

James M. Haskins, Mayor

ATTEST

Sharon Johnson, Town Clerk



Town Council Agenda Item

MEETING DATE: August 6, 2015

AGENDA ITEM TITLE: Ordinance 668 1st Reading and setting a Public Hearing time for submitting to the registered electors voting in the coordinated special election to be held November 3, 2015, a ballot issue concerning the imposition of an excise tax of five percent (5%) on the wholesale of marijuana and, contingent upon elector approval, amending the Hayden Municipal Code to provide for the same.

AGENDA SECTION: New Business

PRESENTED BY: David Torgler

CAN THIS ITEM BE RESCHEDULED: No

BACKGROUND REVIEW:

If the Town Council approves the cultivation of marijuana as an allowed land use the previous direction of the Councilmembers is that the voters should consider the adoption of a local five percent (5%) excise tax on the wholesale of the marijuana. Ordinance 668 adopts this excise tax, subject to voter approval, with an effective date of January 1, 2016, and directs the presentation of this tax to the voters at the November 3, 2015 coordinated election. The ballot language provides an estimate of the tax revenue to be produced in the first year as required by state law, and for the collection of whatever amount is generated by the excise tax thereafter. If approved by the voters this Ordinance also amends the Hayden Municipal Code implementing the five percent excise tax effective January 1, 2016.

RECOMMENDATION:

If the Town Council has approved the cultivation of marijuana as an allowed land use then the Council should approve Ordinance 668, set a public hearing time, and direct the presentation of this tax proposal to the voters.

MANAGER'S RECOMMENDATION/COMMENTS:

I concur with the above recommendation.

ORDINANCE NO. 668

AN ORDINANCE OF THE TOWN OF HAYDEN, COLORADO SUBMITTING TO THE REGISTERED ELECTORS VOTING IN THE COORDINATED SPECIAL ELECTION TO BE HELD NOVEMBER 3, 2015, A BALLOT ISSUE CONCERNING THE IMPOSITION OF AN EXCISE TAX OF FIVE PERCENT (5%) ON THE WHOLESALE OF MARIJUANA AND, CONTINGENT UPON ELECTOR APPROVAL, AMENDING THE HAYDEN MUNICIPAL CODE TO PROVIDE FOR THE SAME.

RECITALS

1. The Town of Hayden, Colorado ("Town") is a municipal corporation duly organized and existing under the laws of the State of Colorado.
2. The members of the Town Council ("Council") have been duly elected and qualified.
3. Pursuant to Article XX, Section 6 of the Colorado Constitution, the Town has adopted the 2009 Town of Hayden Home Rule Charter and has the full right of self-government in both local and municipal matters, including the authority to impose local excise taxes, with voter approval.
4. Article X, Section 20, of the Colorado Constitution ("TABOR") authorizes the Town to submit ballot issues proposing new taxes to its eligible electors at an election to be held on the first Tuesday of November of odd-numbered years, which next occurs on November 3, 2015.
5. The Council hereby determines that both the Town's interest and the public interest and necessity require that the Town impose an excise tax at the rate of five percent (5.0%) on the average market rate of unprocessed marijuana that is sold or transferred from a marijuana cultivation facility.
6. The Council has determined and hereby determines and declares that the interest of the Town and the public interest and necessity require that the Town be allowed to collect, retain and spend all revenues generated from such excise tax, if such tax is approved, regardless of the provisions and restrictions set forth in Article X, Section 20 of the Colorado Constitution.
7. It is appropriate for voters to approve collection, retention and expenditure of the full amount collected from the tax proposed by the ballot issue described below.

NOW, THEREFORE, BE IT ORDAINED by the Town Council of the Town of Hayden, Colorado:

Section 1. Excise Tax Imposed. Subject to voter approval as provided in Section 4 of this Ordinance, there is hereby imposed an excise tax of five percent (5.0%) on the average market rate of unprocessed marijuana that is sold or transferred from a marijuana cultivation facility. For purposes of this Ordinance, the term "marijuana" has the same meaning set forth under Section 5.22.020 of the Hayden Municipal Code ("Code") and expressly includes both medical marijuana and retail marijuana, as those terms are defined and addressed by state law, including but not limited to the Colorado Medical Marijuana Code, Article 43.3, Title 12, C.R.S., and the Colorado Retail Marijuana Code, Article 43.4, Title 12, C.R.S. For purposes of this

Ordinance, the term “marijuana cultivation facility” shall have the same meaning as set forth under Section 5.22.020 of the Code.

Section 2. Use of Revenues. The revenues derived from the excise tax shall be used for uses determined reasonable and necessary by the Town Council.

Section 3. Duration. The excise tax shall commence for collection purposes beginning January 1, 2016 and continue until repealed by ordinance.

Section 4. Election. Before the tax provided in this Ordinance shall become effective, it shall be submitted to and receive the approval of a majority of the eligible electors of the Town voting thereon at the coordinated election to be held on Tuesday, November 3, 2015.

(a) Conduct of Election. The election shall be held and conducted in accordance with Section 29-2-102, C.R.S., and in accordance with Article X, Section 20 of the Colorado Constitution. The Town Council hereby approves and authorizes the Town Manager and Town Clerk to execute and enter into such agreements or amendments to agreements, on behalf of the Town, with Routt County, Colorado, regarding the conduct of the election. The Town Council hereby designates the Town Clerk as the Designated Election Official for the conduct of the election on behalf of the Town, with the authority and direction to proceed with any action necessary or appropriate to effectuate the provisions of this Ordinance and all constitutional and statutory provisions governing the conduct of this election.

(b) Ballot Title. The ballot title for the excise tax shall be in substantially the following form:

SHALL THE TOWN OF HAYDEN'S TAXES BE INCREASED BY ONE HUNDRED FORTY THREE THOUSAND FIVE HUNDRED DOLLARS AND NO CENTS (\$143,500) IN FISCAL YEAR 2016 (FIRST FULL FISCAL YEAR DOLLAR INCREASE) AND BY WHATEVER ADDITIONAL AMOUNTS ARE RAISED ANNUALLY THEREAFTER THROUGH THE IMPOSITION OF AN EXCISE TAX IN THE AMOUNT OF FIVE PERCENT (5.0%) ON THE SALE OR TRANSFER OF MARIJUANA (BOTH MEDICAL AND RETAIL) BY A MARIJUANA CULTIVATION FACILITY AT THE AVERAGE MARKET RATE AT THE POINT OF SALE OR TRANSFER FROM THE CULTIVATION FACILITY, COMMENCING ON JANUARY 1, 2016;

AND IN CONNECTION THEREWITH,

SHALL THE FULL PROCEEDS OF SUCH TAX AT SUCH RATE AND ANY EARNINGS THEREON BE COLLECTED, RETAINED, AND SPENT, AS A VOTER-APPROVED REVENUE CHANGE WITHOUT LIMITATION OR CONDITION, AND WITHOUT LIMITING THE COLLECTION, RETENTION, OR SPENDING OF ANY OTHER REVENUES OR FUNDS BY THE TOWN OF HAYDEN UNDER ARTICLE X SECTION 20 OF THE COLORADO CONSTITUTION OR ANY OTHER LAW?

YES _____

NO _____

Section 5. Codification. In the event a majority of Town electors voting on the ballot issue referred by Section 4 of this Ordinance vote in favor of the issue, as determined and certified by the election results, the Hayden Municipal Code shall be amended as of January 1, 2016, to implement the approved tax through the adoption of the provisions of **Exhibit A**, attached hereto and incorporated herein by this reference. It is the express intent of the Council that, in the event a majority of Town electors voting on the ballot issue established and referred by this Ordinance vote against the issue, the Code amendment set forth in **Exhibit A** shall not take effect and shall be null and void.

Section 6. Authorization. The officers of the Town are authorized and directed to take all action necessary and appropriate to effectuate the provisions of this Ordinance.

Section 7. Severability. If any portion of this Ordinance, the ballot title or Exhibit A is found to be void or ineffective, it shall be deemed severed from this Ordinance and the remaining provisions shall remain valid and in full force and effect.

Section 8. Effective Date. This Ordinance shall become effective and be in force immediately upon final passage at second reading, and the tax provided for herein shall be effective January 1, 2016, contingent upon approval by the eligible electors at the November 3, 2015 election.

Section 9. Public hearing. A public hearing on this Ordinance shall be held on the ___ day of August, 2015, at 7:30 p.m. at the Hayden Town Hall, 178 West Jefferson Ave, Hayden, Colorado.

INTRODUCED, READ, AND ORDERED PUBLISHED PURSUANT TO SECTION 3-3 (d) OF THE HAYDEN HOME RULE CHARTER, BY THE TOWN COUNCIL OF THE TOWN OF HAYDEN, COLORADO, UPON A MOTION DULY MADE, SECONDED AND PASSED AT ITS REGULAR MEETING HELD AT THE TOWN OF HAYDEN, ON THE ___ DAY OF JULY, 2015.

James M. Haskins, Mayor

ATTEST

Sharon Johnson, Town Clerk

FINALLY ADOPTED, PASSED, APPROVED, AND ORDERED PUBLISHED PURSUANT TO SECTION 3-3 (h) OF THE HAYDEN HOME RULE CHARTER, BY THE TOWN COUNCIL OF THE TOWN OF HAYDEN, COLORADO, UPON A MOTION DULY MADE, SECONDED AND PASSED AT ITS REGULAR MEETING HELD AT THE TOWN OF HAYDEN, ON THE ___ DAY OF AUGUST, 2015.

ATTEST

Sharon Johnson, Town Clerk

James M. Haskins, Mayor

EXHIBIT A

TITLE 3 - REVENUE AND FINANCE

CHAPTER 3.16

EXCISE TAX

Sec. 3.16.010 Title and Intent.

This Chapter shall be known and referred to as the Town of Hayden Excise Tax. The legislative intent of the Town Council is that an excise tax be imposed on the first sale or transfer of marijuana by a marijuana cultivation facility, as that term is defined by Section 5.22.020 of this Code, within the Town. The purpose of this tax is to increase the revenue base for the Town for uses determined reasonable and necessary by the Town Council. Revenues from the tax shall be deposited in the general fund and shall be available to pay for the general expenses of government.

Sec. 3.16.020 Definitions.

The following words, terms and phrases, when used in this Chapter, shall have the meanings ascribed to them in this section, except where the context clearly indicates a different meaning.

(A) "Average market rate" means the amount determined by the State of Colorado pursuant to § 39-28.8-101(1) C.R.S. or such alternate amount as may be determined by the Town Manager as the average price of unprocessed retail marijuana that is sold or transferred from retail marijuana cultivation facilities to other retail marijuana establishments, and the average price of unprocessed medical marijuana that is sold or transferred from medical marijuana cultivation facilities to other medical marijuana establishments and individuals.

(B) "Person" means a corporation, firm, other body corporate, partnership, association or individual, including an agent, subsidiary corporation, executor, administrator, trustee or receiver or other representative acting in a representative capacity.

(C) "Vendor" means a marijuana cultivation facility, as that term is defined by Section 5.22.020 of this Code.

Sec. 3.16.030 Imposition and Rate of Tax

On and after January 1, 2016, there is levied and shall be paid and collected an excise tax of five percent on the average market rate of unprocessed marijuana that is sold by or transferred from a Vendor.

Sec. 3.16.040 Vendor Liability for Collecting the Tax

(A) Each Vendor shall pay the tax imposed in Section 3.16.030 on every sale or transfer of marijuana from the Vendor.

(B) The burden of proving that any transaction is not subject to the tax imposed by this Chapter is upon the person upon whom the duty to collect the tax is imposed.

(C) All sums of money paid as the excise tax imposed by this Chapter are public monies that are the property of the Town. The person required to collect and remit the excise tax shall hold such monies in trust for the sole use and benefit of the Town until paying them to the Town.

Sec. 3.16.050 Sales Tax License Required

No Vendor within the Town shall engage in business beginning January 1, 2016, without first obtaining a Town sales tax license.

Sec. 3.16.060 Collection and Reporting

Every Vendor with a duty to collect the excise tax shall collect the tax on behalf of the Town and shall act as a trustee therefore. The tax shall be collected from purchasers and remitted to the Town Clerk on or before the twentieth day of the month succeeding the month in which the tax has been paid and collected. Every vendor shall make a monthly report which shall be submitted at the same time the collected tax is remitted. A return must be filed even if no sales or transfers were made or if no tax is due for the period. Returns with a "zero" tax must be filed to avoid non-filer notices and penalty assessments. Such reports shall be upon such forms as may be provided by the Town Clerk.

Sec. 3.16.070 Duty of Vendors to Keep Records

Vendors shall maintain adequate records at the Vendor's place of business within the Town and such records shall be open to inspection by the Town Clerk during reasonable business hours. All such records shall be maintained by Vendors for a period of not less than three (3) years.

Sec. 3.16.080 Failure to Pay or Make Return; Remedial Action by Town

(A) If any Vendor makes a return as required by this Chapter without paying the excise tax due, or neglects or refuses to make a return and pay the excise tax, such vendor shall be liable to the Town for the tax and a penalty in addition to such tax in the amount of ten percent (10%) of the tax due. The penalty imposed in this section shall become immediately due and payable and the Town shall give the delinquent Vendor written notice of the estimated tax and penalty, which notice shall be served personally upon the Vendor or mailed to the Vendor by certified mail at the address reflected on the Vendor's sales tax license application.

(B) If any Vendor fails to produce records suitable in the reasonable judgment of the Town Clerk to determine the amount of excise tax due, the Town Clerk shall make an estimate of the amount of the excise tax due, based upon an examination of the Vendor's books and records, or upon any other information within the possession of the Town Clerk. Promptly thereafter, the Town Clerk shall furnish the delinquent Vendor with written notice of such estimated tax and penalty, which notice shall be served personally upon the Vendor or mailed to the Vendor by

certified mail at the address of the taxable premises as reflected on the sales tax license application for such premises.

(C) If payments are not made by the Vendor within fifteen (15) days after the furnishing of written notice, the Town Clerk shall cause action to be taken for collection of all excise tax due including, without limitation, any and all penalties assessed thereon, interest on the unpaid tax at a rate of five percent (5%) per month, the cost of collection and reasonable attorneys' fees incurred in connection therewith. The Vendor's sales tax license may also be revoked.

Sec. 3.16.090 Administration

Administrative duties under this article shall be the responsibility of the Town Clerk.

Sec. 3.16.100 Town Employee Conflicts of Interest Prohibited

No deputy, agent, clerk, or other officer or employee of the Town engaged in any activity governed by this Chapter shall engage in the business or profession of tax accounting or accept employment with or without compensation from any person holding a sales tax license from the Town for the purpose, directly or indirectly, of preparing tax returns or reports required by the Town, the State of Colorado, its political subdivisions, any other state or the United States, or accept any employment for the purpose of advising, preparing materials or data or auditing books or records to be used in an effort to defeat or cancel any tax or part thereof that has been assessed by the Town, the State of Colorado, its political subdivisions, any other state, its political subdivisions or the United States.

Sec. 3.16.110 Use of Revenues

All revenues derived from the excise tax, less costs of collection and administration, shall be accounted for separately from other Town revenues. Excise tax revenues may be appropriated and expended upon authorization by the Town Council for uses determined reasonable and necessary by the Town Council.

Sec. 13.16.120 Right to Amend Article

The Town Council shall have the right to amend or repeal the provisions of this Chapter, including all provisions regarding collection, administration, use and enforcement of the excise tax, except that the amount of the tax and events subject to the tax as approved by the voters on November 3, 2015 shall not be increased, expanded or broadened without additional voter approval.



Town Council Agenda Item

MEETING DATE: August 6, 2015

AGENDA ITEM TITLE: Resolution 2015-20 calling a Special Town Election on November 3, 2015, to be conducted as a coordinated election, for the purpose of voting upon the marijuana excise tax referred to Town voters by Ordinance No. 668, designating the Town Clerk as the designated election official, and approving an Intergovernmental Agreement concerning participation in the coordinated election.

AGENDA SECTION: New Business

PRESENTED BY: David Torgler

CAN THIS ITEM BE RESCHEDULED: No

BACKGROUND REVIEW:

If the Town Council has approved Ordinance 668 submitting to the voters a ballot issue concerning the imposition of an excise tax of five percent (5%) on the wholesale of marijuana then the Town Charter, Section 5-3 requires a special Town election to be called by Resolution adopted at least sixty (60) days prior to the November 3, 2015 special election.

RECOMMENDATION:

If the Town Council has approved Ordinance 668 then approval of Resolution 2015-20 is required by the Town Charter calling for a special Town election.

MANAGER'S RECOMMENDATION/COMMENTS:

I concur with the above recommendation.

RESOLUTION NO. 2015-20

A RESOLUTION CALLING A SPECIAL TOWN ELECTION ON NOVEMBER 3, 2015, TO BE CONDUCTED AS A COORDINATED ELECTION, FOR THE PURPOSE OF VOTING UPON THE MARIJUANA EXCISE TAX REFERRED TO TOWN VOTERS BY ORDINANCE NO. 668 AND DESIGNATING THE TOWN CLERK AS THE DESIGNATED ELECTION OFFICIAL

RECITALS

1. The Town of Hayden, Colorado (the "Town"), is a Colorado home rule municipality, duly organized and existing under the laws and the Constitution of the State of Colorado and the Town of Hayden Home Rule Charter ("Charter").
2. Under the authority granted by Article XVIII, Section 16(5)(f) of the Colorado Constitution; C.R.S. § 12-43.4-104(3); C.R.S. § 12-43.3-106; Article 20 of Title 29, C.R.S.; Part 3 of Article 23 of Title 31, C.R.S.; Section 31-15-103, C.R.S.; Section 31-15-401, C.R.S.; and Section 31-15-501, the Hayden Town Council (the "Council"), by the passage of Ordinance No. 666, recently adopted regulations governing the permissible cultivation of marijuana within Town limits.
3. Pursuant to its authority under Section 6, Article XX of the Colorado Constitution and C.R.S. § 31-15-501(1)(c), the Town possesses the authority to impose taxes upon all lawful business enterprises and activities occurring within the Town.
4. For those reasons set forth in Ordinance No. 668 and through the adoption of said ordinance, the Town Council has referred to the Town electors the question of the imposition of an excise tax on the wholesale transfer of marijuana in Town, under certain circumstances, such question to be decided by the voters at a special election to be conducted on November 3, 2015.
5. The new proposed excise tax is a matter requiring voter approval pursuant to Section 20, Article XX of the Colorado Constitution (TABOR) and November 3, 2015 is an election date upon which TABOR questions may be decided.
6. Charter Section 5-3 requires a special Town election to be called by Resolution adopted at least sixty (60) days prior to the special election.
7. The Council finds that it is necessary and desirable to adopt a Resolution calling a special Town election on November 3, 2015, to permit the Town voters to decide the marijuana excise tax question referred by Ordinance No. 668 and to address other logistic issues and details required by such a special election.

NOW, THEREFORE BE IT RESOLVED BY THE TOWN COUNCIL OF THE TOWN OF HAYDEN, COLORADO THAT:

Section 1. Calling of Special Election. Pursuant to Hayden Home Rule Charter Section 5-3 and C.R.S. § 31-10-108, there is hereby called a special Town election, to be conducted on November 3, 2015, as a coordinated election in accordance with the provisions of Title 1, C.R.S., for the purpose of a vote on the ballot issue concerning a marijuana excise tax referred to Town electors by Ordinance No. 668.

Section 2. Designation of Town Clerk. The Town Clerk is hereby authorized to act as the designated election official (DEO) for the Town for all purposes concerning the November 3, 2015 coordinated special election, as permitted or required by state statute or the state Constitution and as agreed upon by the Town and Routt County in accordance with the relevant intergovernmental agreement.

PASSED, APPROVED AND ADOPTED THIS ____ DAY OF AUGUST, 2015.

James M. Haskins, Mayor

ATTEST

Sharon Johnson, Town Clerk



Town Council Agenda Item

MEETING DATE: August 6, 2015

AGENDA ITEM TITLE: Accept the 2014 Annual Audit Report and 2014 Single Audit Report

AGENDA SECTION: New Business

PRESENTED BY: David Torgler

CAN THIS ITEM BE RESCHEDULED: No

BACKGROUND REVIEW:

Each year, per Colorado statutes, the Town has an audit conducted to identify that the Town is following GASB requirements which are sound accounting practices by governmental bodies. Additionally in accordance with the Federal Single Audit Act of 1984 all non-Federal entities that expend \$500,000 or more of Federal awards in a year the Town auditors conducted a Single Audit Act Report. In 2014 the Town Council hired the accounting firm of Hinton Burdick, PLLC to replace Chris Catterson, the Town's auditor for the 12 prior years. Representing Hinton Burdick, PLLC was Mike Spilker, a certified public accountant with over 25-years auditing experience. The completed 2014 Audit Report and the 2014 Single Audit Act Report are attached and have been submitted to the State per statutory requirement.

RECOMMENDATION:

Motion to accept the Annual Financial Report for the Year Ended December 31, 2014 and the Single Audit Act Report for the Year Ended December 31, 2014.

MANAGER'S RECOMMENDATION/COMMENTS:

I concur with the recommendation.

The auditor did make some recommendations and findings during the audit and most of these recommendations are being addressed by the hiring of CliftonLarsonAllen, CPA's, by dividing the responsibilities for accounts payable, accounts receivable. Hinton Burdick noted in their review that many of their recommendations from the 2013 Audit have either been addressed completely or that improvements in the financial systems were made. Town staff and CLA will continue working together to address each of Hinton Burdick's recommendations.



MEMBERS:

CHAD B. ATKINSON, CPA
KRIS J. BRAUNBERGER, CPA
DEAN R. BURDICK, CPA
ROBERT S. COX, CPA
TODD B. FELTNER, CPA
K. MARK FROST, CPA

STEVEN D. PALMER, CPA
MORRIS J. PEACOCK, CPA
PHILLIP S. PEINE, CPA
MICHAEL K. SPILKER, CPA
KEVIN L. STEPHENS, CPA
MARK E. TICHENOR, CPA

July 8, 2015

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

We have audited the financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Town of Hayden, Colorado for the year ended December 31, 2014. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards (and, if applicable, *Government Auditing Standards* and OMB Circular A-133), as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our engagement letter to you dated February 4, 2015. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practice

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Town of Hayden, Colorado are described in Note 1 to the financial statements. No new accounting policies were adopted that had any significant effect on the financial statements and the application of existing policies was not changed during 2014. We noted no transactions entered into by the Town during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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 estimate affecting the financial statements was:

Management's estimate of the useful lives of capital assets is based on reasonable expectations of the remaining lives of the organizations capital assets.

Management estimated that inventory was not material to the financial statements and thus, no inventory has been recorded in the financial statements. This estimate was based on observation of inventory and a tour of physical facilities.

The Town does not currently record any allowance for doubtful accounts and deems all receivables as collectable.

Management's estimate of the TABOR reserve requirement is based on various calculations and information provided by the County and published indexes.

While the procedures used by management to estimate these items appear reasonable, there may be differences between the Town's estimates and actual results, and these differences may be material.

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

Disclosures in the financial statements should be neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

Due to changes in staffing associated with the Town's independent CPA and complications related to recording activity associated with the Seneca Hill project activity, we encountered some delays in completing the audit for 2014. Otherwise, we did not encounter any difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. Some of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole. A list of audit adjustments has been provided to management.

Disagreements with Management

For purposes of this letter, a disagreement with management is 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 Representation

We have requested certain representations from management that are included in the management representation letter dated July 8, 2015.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Town's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

Professional standards require that we communicate, in writing, deficiencies in internal control over financial reporting that are considered significant deficiencies or material weaknesses that are identified during the audit of the financial statements. The findings and recommendations letter dated July 8, 2015, includes the findings that we are required to communicate to you in writing.

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Town's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to Management's Discussion and Analysis and budgetary comparison information, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the non-major fund combining schedules, budget and actual reports, loan covenants and requirements and the Local Highway Finance Report which accompany the financial statements but are not RSI. With respect this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with

accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the use of the Members of the Board and management of the Town of Hayden, Colorado and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

HintonBurdick, PLLC

A handwritten signature in black ink, appearing to read "Michael K. Spilker", with a long horizontal flourish extending to the right.

Michael K. Spilker, CPA



**Findings and Recommendations
For the Year Ended December 31, 2014**

The Honorable Mayor and
Town Council
Hayden, Colorado

Professional standards require that we communicate, in writing, deficiencies in internal control over financial reporting that are considered significant deficiencies or material weaknesses that are identified during the audit of the financial statements. We wish to commend the Town for their administrative achievements and oversight of the Town's accounting and budget system. During our audit of the funds of the Town of Hayden for the year ended December 31, 2014 we noted a few areas that may need corrective action in order for the Town to be in compliance with laws and regulations and we found a few circumstances that, if improved, would strengthen the Town's accounting system and control over its assets. These items are discussed below for your consideration.

INTERNAL CONTROL OVER FINANCIAL REPORTING:

Material Weaknesses:

None noted.

Significant Deficiencies:

2013-01. Adjustments and Reconciliations – Reworded, Reissued

Finding

Statement on Auditing Standards number 115 requires us to consider and report significant audit adjustments as a material weakness or significant deficiency. During our audit we made recommendations for various journal entries that were necessary to record year-end accruals, capital asset activity, various reclassifications and other miscellaneous adjustments. This finding has been reduced from a material weakness to a significant deficiency since management discussed some of the entries with us at the start of the audit and was expecting us to make some of the adjustments and we proposed fewer adjustments in 2014 than the previous year and we noted that management had made improvements with reconciliations of various general ledger accounts throughout the year.

Recommendation

We recommend that management continue established procedures to reconcile various control accounts each month such as accounts payable. We also recommend that management continue efforts to reduce the number of audit adjustments each year.

Management has reviewed the audit journal entries and has discussed them with us in order to ensure they understand and are in agreement with the entries and that they understand the purpose and underlying accounting principles associated with each entry. We have provided an audited trial balance which should be reconciled to the Town's general ledger trial balance after posting the audit adjustments.

2013-02. Segregation of Duties – Reworded, Reissued

Finding

The Town has made significant improvements with controls and segregation of duties since the 2013 audit. However, the cash receipts and disbursements cycles lack a complete segregation of duties. The same individual, who receives cash from customers, prepares the deposits for the bank and records receipts in the accounting system. Also, there does not appear to be any oversight or review process to document the authorization of accounts receivable write offs. The same individual who enters invoices and prepares checks can sign checks; however, as of July 1, 2014, the Town's independent CPA began entering invoices to the accounting system for payment. Other controls such as two signature requirements, bank reconciliation preparation by the Town's independent CPA and budget to actual report reviews by the Council mitigate these weaknesses such that they are not deemed to be a material weakness. We choose to mention proper segregation in order to remind management of its importance until such time as the Town can fully segregate custody of assets and recording functions. For example, those who have access to cash should be segregated from recording cash receipts. Proper segregation of duties and documentation of approval of write offs provide important safeguards and controls to ensure the proper accounting, deposit and disposition of the Town's funds.

Recommendation

The Town Council and management should consider ways that segregation of duties can be improved within the accounting and administrative functions as the Town continues to grow and additional staff are considered necessary. We anticipate that continued involvement from the Town's independent CPA will further mitigate any segregation issues. We also recommend that management establish procedures for documenting approval and review for utility accounts receivable write offs.

2013-03. Capital Asset Management

Finding

Apparently the Town did not perform a capital asset inventory at the close of the calendar year. A capital asset inventory along with tagging of selected capital assets will provide more control over safeguarding the Town's capital assets and will ensure that the capital asset records are accurate. We also noted that the Town did not maintain capital asset records or depreciation schedules throughout the year.

Recommendations

We recommend that the Town perform a physical capital asset inventory at least every two to three years and that, when practical, assets be tagged with an inventory tag and number. We also recommend that the Town maintain capital asset or depreciation schedules and that additions and deletions are tracked on an annual basis.

COMPLIANCE AND OTHER MATTERS:

Compliance:

2013-04. Budgetary Compliance

Finding

Appropriations are made by fund or spending agency (e.g., department) within a fund at the discretion of the governing body. (Section 29-1-108(2), C.R.S.) The Town's Budgets are set at the fund level and not the department level. No spending agency may expend or contract to expend any money in excess of the amount appropriated in the resolution/ordinance. The 2014 Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget-and-Actual report for the Heritage Center and Hayden Public Library funds reports that the Town over expended the budget for these two funds for 2014; however, these two funds are blended component units of the Town.

State law requires a Lease Purchase Schedule to be attached and submitted with the budget. We noted that the Town had not attached the required schedule with the 2014 budget submitted to the State.

Recommendation

We recommend that management consider all expenditures, including the blended component units when preparing the budget in order to prepare a meaningful and accurate budget for all activities reported by the Town. We also recommend that the Town attach the required lease purchase schedule with budgets submitted to the State.

Other Matters:

None noted.

Please respond to the above Findings and Recommendations in letter form.

This report is intended solely for the information and use of the Town Council, management, and various federal and state agencies and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

It has been a pleasure to be of service to the Town this past year. We would like to express special thanks to all those who assisted us so efficiently in this year's audit. We invite you to ask questions of us throughout the year as you feel necessary. We look forward to a continued professional relationship.

Sincerely,



HintonBurdick, PLLC
St. George, Utah
July 8, 2015

TOWN OF HAYDEN, COLORADO
SINGLE AUDIT ACT REPORT
YEAR ENDED DECEMBER 31, 2014

TOWN OF HAYDEN, COLORADO

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**Independent Auditors' 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***

The Honorable Mayor and
Town Council
Hayden, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Hayden, Colorado (the Town), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated July 8, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify certain deficiencies in internal control which are described in the accompanying schedule of findings and recommendations that we consider to be significant deficiencies in internal control.

2013-01	Adjustments and Reconciliations
2013-02	Segregation of Duties
2013-03	Capital Asset Management

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



HintonBurdick, PLLC
St. George, Utah
July 8, 2015

TOWN OF HAYDEN, COLORADO
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2014

<u>Grantor Agency</u>	<u>Federal CFDA Number</u>	<u>Grantor's Number</u>	<u>Expenditures</u>
U.S. Department of the Interior:			
Passed through Colorado Department of Local Affairs:			
Distribution of Receipts to State and Local Governments	15.227	F14MLG7420	\$ 501,283
Distribution of Receipts to State and Local Governments	15.227	F14MLG7439	<u>14,249</u>
Total U.S. Department of the Interior			<u>515,532</u>
Environmental Protection Agency:			
Passed through Colorado Water Resources & Power Development Authority:			
Capitalization Grants for Drinking Water State Revolving Funds	66.468	D14F330	<u>189,883</u>
Total Environmental Protection Agency			<u>189,883</u>
Total expenditures of federal awards			<u>\$ 705,415</u>

TOWN OF HAYDEN, COLORADO
Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2014

Reporting Entity:

The accompanying schedule of expenditures of federal awards presents the activity or expenditure of all federal awards programs of the Town of Hayden, Colorado for the year ended December 31, 2014. The Town's reporting entity is defined in Note 1 of the basic financial statements. All expenditure of federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule.

Basis of Accounting:

This accompanying schedule of expenditures of federal awards has been prepared on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

Relationship to Basic Financial Statements:

Expenditures of federal awards have all been reported and capitalized in the Water-Sewer-Refuse Enterprise fund.

Subrecipients:

There are no subrecipients.

**Independent Auditors' Report on Compliance for
Each Major Program and on Internal Control over
Compliance Required by OMB Circular A-133**

The Honorable Mayor and
Town Council
Hayden, Colorado

Report on Compliance for Each Major Program

We have audited Town of Hayden, Colorado's (the Town) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Town's major federal programs for the year ended December 31, 2014. 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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the Town of Hayden, Colorado, 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, 2014.

Report on Internal Control Over Compliance

Management of the Town of Hayden, Colorado (the Town), is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

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

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

Report on Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements and have issued our report thereon dated July 8, 2015, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic 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 schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

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 OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

HintonBurdick, PLLC

HintonBurdick, PLLC
St. George, Utah
July 23, 2015

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TOWN OF HAYDEN, COLORADO
Schedule of Findings and Questioned Costs
For the Year Ended December 31, 2014

Section I - Summary of Auditors' Results

Financial Statements

Type of auditor's report issued: Unmodified
 Internal control over financial reporting:

- Material weakness (es) identified? ___ yes X no
- Significant deficiency (ies) identified that are not considered to be material weaknesses? X yes ___ none reported

Noncompliance material to financial statements noted? ___ yes X no

Federal Awards

Internal Control over major programs:

- Material weakness (es) identified? ___ yes X no
- Significant deficiency (ies) identified that are not considered to be material weaknesses? ___ yes X none reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? ___ yes X no

Identification of major programs.

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
15.227	Distribution of Receipts to State and Local Governments

Dollar threshold used to distinguish between type A and type B programs: \$ 300,000

Auditee qualified as low-risk auditee? ___ yes X no

TOWN OF HAYDEN, COLORADO
Schedule of Findings and Questioned Costs, Continued
For the Year Ended December 31, 2014

Section II - Financial Statement Findings

Professional standards require that we communicate, in writing, deficiencies in internal control over financial reporting that are considered significant deficiencies or material weaknesses that are identified during the audit of the financial statements. In planning and performing our audit of the financial statements of the Town of Hayden, Colorado (the Town) for the year ended December 31, 2014, we noted some of the prior year findings have been corrected in the Town's system of controls over compliance and accounting procedures. However, we noted the following circumstances that, if improved, would strengthen the Town's accounting system and control over its assets and compliance.

Material Weaknesses:

None noted.

Significant Deficiencies:

2013-01. Adjustments and Reconciliations – Reworded, Reissued

Finding

Statement on Auditing Standards number 115 requires us to consider and report significant audit adjustments as a material weakness or significant deficiency. During our audit we made recommendations for various journal entries that were necessary to record year-end accruals, capital asset activity, various reclassifications and other miscellaneous adjustments. This finding has been reduced from a material weakness to a significant deficiency since management discussed some of the entries with us at the start of the audit and was expecting us to make some of the adjustments and we proposed fewer adjustments in 2014 than the previous year and we noted that management had made improvements with reconciliations of various general ledger accounts throughout the year.

Recommendation

We recommend that management continue established procedures to reconcile various control accounts each month such as accounts payable. We also recommend that management continue efforts to reduce the number of audit adjustments each year.

Management has reviewed the audit journal entries and has discussed them with us in order to ensure they understand and are in agreement with the entries and that they understand the purpose and underlying accounting principles associated with each entry. We have provided an audited trial balance which should be reconciled to the Town's general ledger trial balance after posting the audit adjustments.

TOWN OF HAYDEN, COLORADO
Schedule of Findings and Questioned Costs, Continued
For the Year Ended December 31, 2014

Section II - Financial Statement Findings, Continued

2013-02. Segregation of Duties – Reworded, Reissued

Finding

The Town has made significant improvements with controls and segregation of duties since the 2013 audit. However, the cash receipts and disbursements cycles lack a complete segregation of duties. The same individual, who receives cash from customers, prepares the deposits for the bank and records receipts in the accounting system. Also, there does not appear to be any oversight or review process to document the authorization of accounts receivable write offs. The same individual who enters invoices and prepares checks can sign checks; however, as of July 1, 2014, the Town's independent CPA began entering invoices to the accounting system for payment. Other controls such as two signature requirements, bank reconciliation preparation by the Town's independent CPA and budget to actual report reviews by the Council mitigate these weaknesses such that they are not deemed to be a material weakness. We choose to mention proper segregation in order to remind management of its importance until such time as the Town can fully segregate custody of assets and recording functions. For example, those who have access to cash should be segregated from recording cash receipts. Proper segregation of duties and documentation of approval of write offs provide important safeguards and controls to ensure the proper accounting, deposit and disposition of the Town's funds.

Recommendation

The Town Council and management should consider ways that segregation of duties can be improved within the accounting and administrative functions as the Town continues to grow and additional staff are considered necessary. We anticipate that continued involvement from the Town's independent CPA will further mitigate any segregation issues. We also recommend that management establish procedures for documenting approval and review for utility accounts receivable write offs.

2013-03. Capital Asset Management

Finding

Apparently the Town did not perform a capital asset inventory at the close of the calendar year. A capital asset inventory along with tagging of selected capital assets will provide more control over safeguarding the Town's capital assets and will ensure that the capital asset records are accurate. We also noted that the Town did not maintain capital asset records or depreciation schedules throughout the year.

Recommendations

We recommend that the Town perform a physical capital asset inventory at least every two to three years and that, when practical, assets be tagged with an inventory tag and number. We also recommend that the Town maintain capital asset or depreciation schedules and that additions and deletions are tracked on an annual basis.

TOWN OF HAYDEN, COLORADO
Schedule of Findings and Questioned Costs, Continued
For the Year Ended December 31, 2014

Section III - Federal Award Findings and Questioned Costs

No significant matters were noted.

Section IV – Summary of Prior Year Findings and Questioned Costs

No significant matters were noted.



FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2014
WITH REPORT OF
CERTIFIED PUBLIC ACCOUNTANTS

TOWN OF HAYDEN, COLORADO

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TOWN OF HAYDEN, COLORADO

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Independent Auditors' Report

The Honorable Mayor and Town Council
Town of Hayden, 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 the Town of Hayden, Colorado, as of and for the year ended December 31, 2014, 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 opinions 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 involves 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 the 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 entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. 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 presentation of the financial statements.

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, each major fund, and the aggregate remaining fund information of the Town of Hayden, Colorado, as of December 31, 2014, 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.

Other-Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the General Fund budgetary comparison information 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town of Hayden, Colorado's basic financial statements. The combining nonmajor fund financial statements, the nonmajor fund and enterprise fund budgetary comparison schedules and the loan requirement disclosures are presented for additional analysis and are not a required part of the basic financial statements. The Local Highway Finance Report is presented for additional analysis as required by the State of Colorado and is not a required part of the basic financial statements.

The combining nonmajor fund financial statements, the nonmajor fund and enterprise fund budgetary comparison schedules, the loan requirement disclosures and the Local Highway Finance Report 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 combining nonmajor fund financial statements, the nonmajor fund and enterprise fund budgetary comparison schedules, the loan requirement disclosures and the Local Highway Finance Report are fairly stated in all material respects in relation to the financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 8, 2015, on our consideration of the Town of Hayden, Colorado's internal control over financial reporting and on our tests of its compliance with certain 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 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 of Hayden, Colorado's internal control over financial reporting and compliance.



HintonBurdick, PLLC
St. George, Utah
July 8, 2015

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TOWN OF HAYDEN, COLORADO
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Year Ended December 31, 2014

As management of the Town of Hayden (Town), we offer readers of the Town's financial statements this narrative overview and analysis of the financial activities of the Town for the year ended December 31, 2014. Please read it in conjunction with the accompanying basic financial statements.

FINANCIAL HIGHLIGHTS

- Governmental net position decreased from \$13.26 million to \$13.01 million during 2014.
- Business-type net position increased by \$548 thousand to \$7.26 million during 2014.
- The combined net investment in capital assets is \$18.47 million.
- The unrestricted net position for both governmental and business-type activities that may be used to meet the Town's future capital and operating expenses is \$1.63 million.
- Total revenues in the General fund increased from \$2 million to \$2.04 million.
 - Property tax revenues decreased significantly from 2013 to 2014 decreasing from \$514,789 in 2013 to \$472,962 in 2014.
 - Local sales tax collections of \$841,161 increased by 0.62% or \$5,175 from the previous fiscal year.
 - Car rental tax collections of \$112,205 decreased by 2.71% or \$3,040 from the previous fiscal year.
- The general fund unassigned fund balance at the end of 2014 was \$846,603 which is 43.3% of total General fund expenditures.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The three components of the financial statements are: (1) Government-wide financial statements which include the Statement of Net Position and the Statement of Activities. These statements provide information about the activities of the Town as a whole. (2) Fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Town's operations in more detail than the government-wide statements by providing information about the Town's most significant funds. (3) Notes to the financial statements.

Reporting the Town as a Whole

The Statement of Net Position and the Statement of Activities (Government-wide)

A frequently asked question regarding the Town's financial health is whether the year's activities contributed positively to the overall financial well-being. The Statement of Net Position and the Statement of Activities report information about the Town as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Town's net position and changes in net position. Net position, the difference between assets and liabilities, is one way to measure the Town's financial health, or financial position. Over time, increases or decreases in net assets are an indicator of whether the financial health is improving or deteriorating. However, it is important to consider other non-financial factors such as changes in the condition of the Town's roads to accurately assess the overall health of the Town.

The Statement of Net Position and the Statement of Activities, present information about the following:

- **Government activities** – All of the Town's basic services are considered to be governmental activities, including general government, public safety, public works/streets, parks and recreation, economic development and interest on long-term debt. Sales taxes, property taxes, franchise taxes, vehicle rental taxes, intergovernmental revenues and charges for services finance most of these activities.
- **Proprietary activities/Business type activities** – The Town charges a fee to water, sewer and trash customers to cover most of the cost of the services provided.

Reporting the Town's Most Significant Funds

Fund Financial Statements

The fund financial statements provide detailed information about the most significant funds—not the Town as a whole. Some funds are required to be established by State law and by bond covenants. However, management establishes many other funds which aid in the management of money for particular purposes or meet legal responsibilities associated with the usage of certain taxes, grants, and other money. The Town's two major kinds of funds, governmental and proprietary, use different accounting approaches as explained below.

- **Governmental funds** – Most of the Town's basic services are reported in governmental funds. Governmental funds focus on how resources flow in and out with the balances remaining at year-end that are available for spending. These funds are reported using an accounting method called the modified accrual accounting method, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the Town's general government operations and the basic services it provides. Government fund information shows whether there are more or fewer financial resources that can be spent in the near future to finance the Town's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation included with the Basic Financial Statements and in footnote 2.
- **Proprietary funds** – When the Town charges customers for the services it provides, i.e. water, sanitary sewer and trash, these services are generally reported in proprietary (aka. enterprise) funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the Town's financial position. The Town's combined assets exceed liabilities by \$20.28 million as of December 31, 2014 as shown in the following condensed statement of net position. Of this amount, \$1.63 million is unrestricted and available to meet the Town's ongoing financial obligations.

By far the largest portion of net position is the investment in capital assets (net of related debt) of \$17.22 million (84.9% of total net position). This amount reflects the investment in all capital assets (e.g. infrastructure, land, buildings, and equipment) less any related debt used to acquire those assets that are still outstanding. These capital assets are used to provide services to citizens; consequently, these assets are not available for future spending. Although the investment in capital assets is reported net of debt, it should be noted that the resources needed to repay this debt must be provided from other sources since capital assets themselves cannot be used to liquidate these liabilities.

The Town has chosen to account for its water, sewer and refuse operations in a single enterprise fund which is shown as Business Activities.

The following table summarizes the Town's governmental and business-type net assets as of December 31, 2014 and 2013:

TOWN OF HAYDEN, COLORADO Statement of Net Position

	Governmental activities		Business-type activities		Combined Total	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Current and other assets	\$ 2,047,236	\$ 1,999,867	\$ 1,988,819	\$ 1,279,453	\$ 4,036,055	\$ 3,279,320
Capital assets	12,789,652	13,207,421	7,613,816	6,885,603	20,403,468	20,093,024
Total assets	14,836,888	15,207,288	9,602,635	8,165,056	24,439,523	23,372,344
Long-term liabilities outstanding	1,142,685	1,204,737	2,106,111	1,305,652	3,248,796	2,510,389
Other liabilities	209,005	221,376	233,401	144,809	442,406	366,185
Total liabilities	1,351,690	1,426,113	2,339,512	1,450,461	3,691,202	2,876,574
Deferred inflows of resources	468,239	518,980	-	-	468,239	518,980
Net position:						
Net investment in capital assets	11,699,664	12,043,745	6,774,652	6,177,635	18,474,316	18,221,380
Restricted	177,936	178,251	-	-	177,936	178,251
Unrestricted	1,139,359	1,040,199	488,471	536,960	1,627,830	1,577,159
Total net position	\$ 13,016,959	\$ 13,262,195	\$ 7,263,123	\$ 6,714,595	\$ 20,280,082	\$ 19,976,790

An additional portion of net position, \$177,936, represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$1,627,830 (8.03% of total net position), may be used to meet the government's ongoing obligations to citizens and creditors.

Governmental Activities

The cost of all Governmental activities this year was \$2,334,848. As shown in the Changes in Net Position statement below. \$72,608 of this cost was paid for by those who directly benefited from the programs. \$136,782 was subsidized by grants received from other governmental organizations for both capital and operating activities. Overall governmental program revenues, including intergovernmental aid and fees for services were \$209,390. General taxes and investment earnings totaled \$1,861,032.

The Town's programs include: General Government, Public Safety, Public Works/Streets, Parks & Recreation, and Economic Development. Each program's revenues and expenses are presented below.

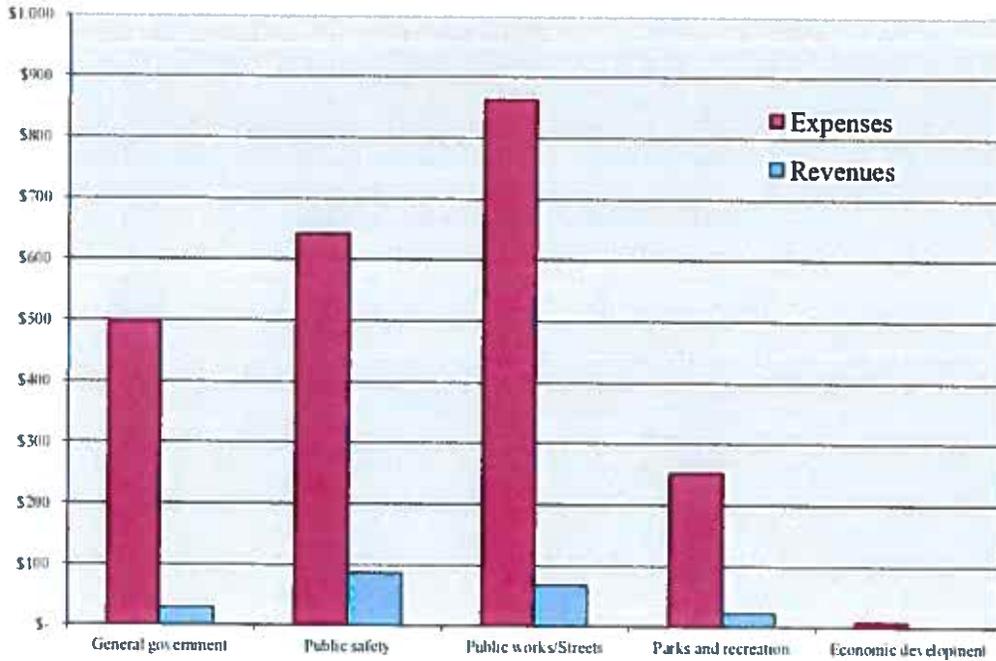
TOWN OF HAYDEN, COLORADO Changes in Net Position

	Governmental activities		Business-type activities		Combined Total	
	12/31/2014	12/31/2013	12/31/2014	12/31/2013	12/31/2014	12/31/2013
Revenues:						
Program revenues:						
Charges for services	\$ 72,608	\$ 95,227	\$ 1,115,184	\$ 1,131,448	\$ 1,187,792	\$ 1,226,675
Operating grants and contributions	136,782	129,356	-	-	136,782	129,356
Capital grants and contributions	-	-	529,932	97,070	529,932	97,070
General revenues:						
Taxes	1,816,087	1,791,052	-	-	1,816,087	1,791,052
Investment earnings	5,780	2,646	-	-	5,780	2,646
Other revenue	39,165	71,172	-	-	39,165	71,172
Total revenues	2,070,422	2,089,453	1,645,116	1,228,518	3,715,538	3,317,971
Expenses:						
General government	496,095	414,219	-	-	496,095	414,219
Public safety	642,613	575,705	-	-	642,613	575,705
Public works/Streets	863,797	782,052	-	-	863,797	782,052
Parks and recreation	253,724	197,212	-	-	253,724	197,212
Economic development	9,050	13,012	-	-	-	-
Interest on long-term debt	69,569	73,200	-	-	69,569	73,200
Water	-	-	703,768	758,553	703,768	758,553
Sewer	-	-	319,055	355,687	-	-
Refuse	-	-	131,993	127,251	131,993	127,251
Total expenses	2,334,848	2,055,400	1,154,816	1,241,491	3,161,559	2,928,192
Increase (Decrease) in net assets						
before transfers	(264,426)	34,053	490,300	(12,973)	225,874	21,080
Transfers	(47,600)	(13,473)	47,600	13,473	-	-
Net position, beginning	13,262,195	13,306,983	6,714,595	6,714,095	19,976,790	20,021,078
Prior period adjustment	66,790	(65,368)	10,628	-	77,418	(65,368)
Net position, ending	\$ 13,016,959	\$ 13,262,195	\$ 7,263,123	\$ 6,714,595	\$ 20,280,082	\$ 19,976,790

Total resources available during the year to finance governmental operations were \$15.3 million consisting of Net position at January 1, 2014 of \$13.32 million (as adjusted), program revenues of \$209,390 and General Revenues of \$1,861,032. Total Governmental Activity expenses, including depreciation of \$441,232, were \$2,334,848; thus Governmental Net Position was decreased by \$312,026 to \$13.01 million.

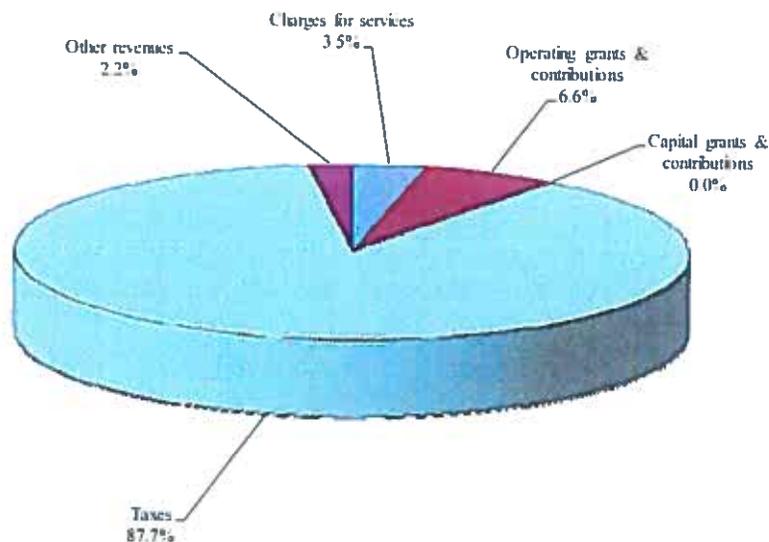
The following graph compares program expenses to program revenues (charges for services and grants):

Expenses and Program Revenues - Governmental Activities
(in Thousands)



Revenues reported above include charges for services and grant revenues directly related to the respective programs. As noted in the chart below, these revenues make up 3.5% and 6.6% of the Town's total governmental revenues for the current year. Shortfalls are made up by taxes and other revenues.

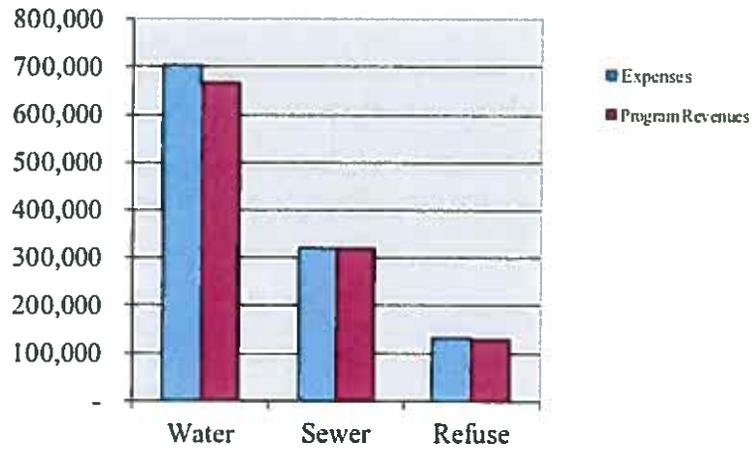
Revenue By Source - Governmental Activities



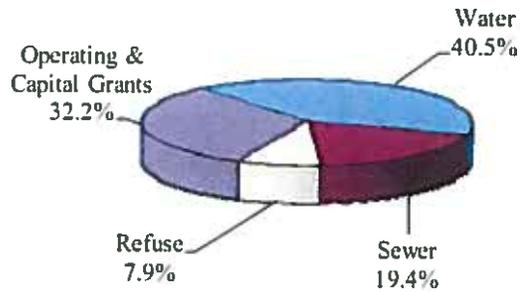
Business Type Activities

Net position of the Business Type activities at December 31, 2014, as reflected in the Statement of Net Position was \$7.26 million. The cost of providing all Proprietary (Business Type) activities this year was \$1,154,816. As shown in the statement of Changes in Net Position, the amounts paid by users of the system were \$1,115,185 and there was \$529,932 subsidized by capital grants and contributions. There were no investment earnings and other revenues. The Net Position increased by \$548,528.

Expenses and Program Revenues - Business-type Activities



Revenue By Source - Business-type Activities



Financial Analysis of the Government's Funds

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

Governmental funds: The focus of the Town's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Town's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the Town's governmental funds reported combined ending fund balances of \$1,379,326 an increase of \$110,068 in comparison with the prior year. Unassigned fund balance of \$839,371 (\$846,603 less Heritage Center deficit of \$7,232), which is available for spending at the government's discretion is approximately 61% of the total fund balance. The remainder of fund balance is restricted to indicate that it is not available for new spending because it has already been set aside to pay for parks and recreation services and capital investment \$93,875, and emergency reserves (TABOR) \$84,061, and committed to provide for library services \$244,016 and development fees \$118,003.

The Town has one major governmental fund, the General Fund, which is the primary operating fund for the Town. At December 31, 2014, unassigned fund balance in the General fund was \$846,603. As a measure of the General fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Total unassigned fund balance represents 60.8% and total fund balance represents 71% of total General fund expenditures. The fund balance of the Town's General fund increased by \$111,938 for the year ended December 31, 2014. General fund revenues increased by \$34,225 compared to the prior year. The increase was mainly due to an increase in severance tax of \$74,877 net of a significant decrease in property taxes.

Proprietary funds: The Town's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Net position and changes in net position for the year-ended December 31, 2014 and 2013 for the Town's enterprise fund (Water-Sewer-Refuse) are as follows:

	2014	2013
Unrestricted net position	\$ 488,471	\$ 536,960
Total net position	7,263,123	6,714,595
Change in net position	537,900	500

The main reasons for the increase in net income/loss were due to the fact that capital contributions and transfers in were \$563,132 in 2014 and \$88,943 in 2013.

Budgetary Highlights

General fund revenues of \$2,047,399 were more than budgeted revenues of \$2,026,671 by \$20,728. The most significant factors contributing to this difference is related building permits of \$17,650, severance tax of \$66,901 and miscellaneous revenue of \$17,864 net of a shortfall in grant revenue of \$98,691. Actual expenditures were \$152,957 less than budgeted expenditures mainly due to the Streets department sidewalk-CDOT project and professional services costs which will not be incurred until 2015.

The General fund unassigned balance at December 31, 2014 equals 45.5% of the annual operating expenses. Subtracting the budgeted expenditures for the sidewalk-CDOT project the adjusted unassigned balance at year end equals 33% of the general fund's annual operating expenses.

The proprietary fund unrestricted balance at December 31, 2014 equals 43.8% of the annual operating expenses.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The capital assets of the Town are those assets that are used in performance of Town functions including infrastructure assets. Capital Assets include equipment, buildings, land, system improvements, park facilities and roads. At the end of 2014, net capital assets of the government activities totaled \$12.78 million and the net capital assets of the business-type activities totaled \$7.58 million. The most significant governmental capital addition was the crack sealer machine of \$8,000. The most significant business-type capital addition was the water distribution and tank line construction in progress of \$994,658. Depreciation on capital assets for both government activities and business-type activities is recognized in the Government-Wide financial statements. (See note 6 to the financial statements.)

Debt

At year-end, the Town had \$1,089,987 in governmental type debt, and \$2,086,935 in proprietary debt. During 2014, the Town's total debt increased by \$730,464 as a result of a new drinking water loan and regularly scheduled debt service payments. Debt per capita based on an estimated population of 1,801 is \$1,764.

NEXT YEAR'S BUDGET AND ECONOMIC FACTORS

In considering the Town budget for fiscal year 2015, the Town Council and management were cautious as to the growth of revenues and expenditures due to an uncertain economy. Town officials primary goals in 2015 included employee retention, building cash reserves, finding ways to fund identified water system capital improvements, conducting an engineering analysis to repair certain local streets and keeping costs affordable for local taxpayers. Fiscal challenges to these goals included a significant loss of sales tax revenue, projected because of Routt County's notice the airport would be closed for eight weeks while runway maintenance and repair work was underway; and, a significant drop in property valuation would trigger TABOR's property tax reduction to the Town's 2015 tax revenue. These impacts to the Town's greatest general fund revenue sources required Town officials to consider alternative funding sources, e.g. grants and loans, to fund part of the capital expenses for street and water capital projects. The desire to retain valuable employees being a high priority for Town officials and recognition that Town wages were generally less than those in comparable jobs placed a budgetary priority to increase employee wages and to maintain employee benefits in 2015. Overall in 2015 the Town's operating expenditures were budgeted to maintain the 2014 level of service without increasing taxes or fees.

CONTACTING THE TOWN'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Town's finances and to show the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Town Manager or Town Clerk, P.O. Box 190, Hayden, Colorado 81639 or call (970) 276-3741.

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BASIC FINANCIAL STATEMENTS

TOWN OF HAYDEN, COLORADO
Statement of Net Position
December 31, 2014

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets			
Cash and cash equivalents	\$ 1,419,720	\$ 143,926	\$ 1,563,646
Receivables (net of allowance)	627,516	309,475	936,991
Temporarily restricted assets:			
Cash and cash equivalents	-	1,535,318	1,535,318
Capital assets (net of accumulated depreciation):			
Land	2,100,992	340,274	2,441,266
Construction in progress	10,873	1,215,016	1,225,889
Buildings	2,436,483	-	2,436,483
Improvements	-	-	-
System improvements	-	5,995,130	5,995,130
Furniture, equipment & vehicles	481,072	63,396	544,468
Infrastructure/Roads	7,760,232	-	7,760,232
Total assets	<u>14,836,888</u>	<u>9,602,635</u>	<u>24,439,523</u>
Liabilities			
Accounts payable and other current liabilities	182,663	226,130	408,793
Interest payable	9,334	7,271	16,605
Unearned revenue	17,008	-	17,008
Noncurrent liabilities:			
Due within one year	129,242	139,001	268,243
Due in more than one year	1,013,443	1,967,110	2,980,553
Total liabilities	<u>1,351,690</u>	<u>2,339,512</u>	<u>3,691,202</u>
Deferred Inflows of Resources			
Deferred revenue - property taxes	468,239	-	468,239
Net Position			
Net investment in capital assets	11,699,664	6,774,652	18,474,316
Restricted for:			
Emergencies	84,061	-	84,061
Parks and recreation	93,875	-	93,875
Unrestricted	1,139,359	488,471	1,627,830
Total Net Position	<u>\$ 13,016,959</u>	<u>\$ 7,263,123</u>	<u>\$ 20,280,082</u>

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

TOWN OF HAYDEN, COLORADO
Statement of Activities
For the Year Ended December 31, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
		Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:							
General government	\$ 496,095	\$ 29,110	\$ -	\$ -	\$ (466,985)	\$ -	\$ (466,985)
Public safety	642,613	23,414	64,134	-	(555,065)	-	(555,065)
Public works Streets	863,797	-	68,648	-	(795,149)	-	(795,149)
Parks and recreation	253,724	20,084	4,000	-	(229,640)	-	(229,640)
Economic development	9,050	-	-	-	(9,050)	-	(9,050)
Interest on long-term debt	69,569	-	-	-	(69,569)	-	(69,569)
Total governmental activities	2,334,848	72,608	136,782	-	(2,125,458)	-	(2,125,458)
Business-type activities:							
Water	703,768	665,741	-	525,132	-	487,105	487,105
Sewer	319,055	319,068	-	4,800	-	4,813	4,813
Refuse	131,993	130,375	-	-	-	(1,618)	(1,618)
Total business-type activities	1,154,816	1,115,184	-	529,932	-	490,300	490,300
Total Primary Government	3,489,664	1,187,792	136,782	529,932	(2,125,458)	490,300	(1,635,158)
		General Revenues:					
		Taxes:					
					472,962	-	472,962
					841,161	-	841,161
					444,764	-	444,764
					57,200	-	57,200
					5,780	-	5,780
					39,165	-	39,165
					(47,600)	47,600	-
					1,813,432	47,600	1,861,032
					(312,026)	537,900	225,874
					13,262,195	6,714,595	19,976,790
					66,790	10,628	77,418
					\$ 13,016,959	\$ 7,263,123	\$ 20,280,082

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

TOWN OF HAYDEN, COLORADO
Balance Sheet
Governmental Funds
December 31, 2014

	General Fund	Other Governmental Funds	Total Governmental Funds
Assets			
Cash and cash equivalents	\$ 963,826	\$ 455,894	\$ 1,419,720
Receivables, net:			
Property taxes receivable	491,627	-	491,627
Accounts receivable	23,763	-	23,763
Intergovernmental	112,126	-	112,126
Due from other funds	6,943	-	6,943
Total assets	<u>\$ 1,598,285</u>	<u>\$ 455,894</u>	<u>\$ 2,054,179</u>
Liabilities			
Accounts payable	\$ 52,075	\$ 289	\$ 52,364
Accrued wages	70,590	-	70,590
Accrued liabilities	59,709	-	59,709
Due to other funds	-	6,943	6,943
Unearned revenue	17,008	-	17,008
Total liabilities	<u>199,382</u>	<u>7,232</u>	<u>206,614</u>
Deferred Inflows of Resources			
Unavailable revenue - property taxes	468,239	-	468,239
Total deferred inflows of resources	<u>468,239</u>	<u>-</u>	<u>468,239</u>
Fund Balances			
Restricted for:			
Parks and recreation	-	93,875	93,875
Emergencies	84,061	-	84,061
Committed to:			
General government (library)	-	244,016	244,016
Economic development	-	118,003	118,003
Unassigned	846,603	(7,232)	839,371
Total fund balances	<u>930,664</u>	<u>448,662</u>	<u>1,379,326</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,598,285</u>	<u>\$ 455,894</u>	<u>\$ 2,054,179</u>

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

TOWN OF HAYDEN, COLORADO
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2014

Total fund balances - governmental funds		\$ 1,379,326
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and therefore, are not reported in the funds.		
Governmental capital assets	18,173,762	
Accumulated depreciation	<u>(5,384,111)</u>	12,789,651
Long-term liabilities, are not due and payable in the current period and therefore are not reported in the funds.		
Capital leases	(1,089,987)	
Interest payable	(9,334)	
Compensated absences	<u>(52,697)</u>	(1,152,018)
Total net position - governmental activities		<u><u>\$ 13,016,959</u></u>

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

TOWN OF HAYDEN, COLORADO
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Governmental Funds
For the Year Ended December 31, 2014

REVENUES	<u>General Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Taxes	\$ 1,505,994	\$ -	\$ 1,505,994
Licenses and permits	26,716	-	26,716
Intergovernmental	425,670	17,204	442,874
Fines and forfeitures	23,414	-	23,414
Interest revenue	5,029	634	5,663
Other revenues	60,576	5,185	65,761
Total Revenues	<u>2,047,399</u>	<u>23,023</u>	<u>2,070,422</u>
EXPENDITURES			
Current:			
General government	456,810	6,039	462,849
Public safety	579,027	-	579,027
Public works/streets	562,628	-	562,628
Parks and recreation	203,466	-	203,466
Economic development	9,050	-	9,050
Capital outlay	-	18,854	18,854
Debt Service:			
Principal	73,688	-	73,688
Interest and fiscal charges	69,982	-	69,982
Total Expenditures	<u>1,954,651</u>	<u>24,893</u>	<u>1,979,544</u>
Excess of Revenues Over (Under) Expenditures	92,748	(1,870)	90,878
Other Financing Sources (Uses):			
Transfers out	(47,600)	-	(47,600)
Total Other Financing Sources (Uses)	<u>(47,600)</u>	<u>-</u>	<u>(47,600)</u>
Net change in fund balances	45,148	(1,870)	43,278
Fund balances, beginning of year	818,726	450,532	1,269,258
Prior period adjustment	66,790	-	66,790
Fund balances, end of year	<u>\$ 930,664</u>	<u>\$ 448,662</u>	<u>\$ 1,379,326</u>

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

TOWN OF HAYDEN, COLORADO
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, 2014

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

Net change in fund balances - total governmental funds	\$	43,278
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the difference between depreciation expense and capital outlays in the current period.</p>		
Capital outlay		23,463
Depreciation expense		<u>(441,232)</u>
		(417,769)
Repayment of long term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		73,688
Accrued Interest for Long-term debt is not reported as an expenditure for the current period while it is recorded in the statement of activities.		413
Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		<u>(11,636)</u>
Change in net position of governmental activities	<u>\$</u>	<u>(312,026)</u>

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

TOWN OF HAYDEN, COLORADO
Statement of Net Position
Proprietary Funds
December 31, 2014

	Water-Sewer- Refuse
Assets	
Current Assets:	
Cash	\$ 143,926
Receivables (net of allowance)	86,302
Due from other governments	223,173
Prepays	100
Total current assets	453,501
Noncurrent assets:	
Restricted cash and investments	1,535,318
Land	340,274
Construction in progress	1,215,016
Utility systems and improvements	14,258,366
Machinery, equipment and vehicles	352,878
Accumulated depreciation	(8,552,718)
Total noncurrent assets	9,149,134
Total Assets	\$ 9,602,635
Liabilities	
Current Liabilities:	
Accounts payable	\$ 122,761
Accrued liabilities	26,286
Customer deposits	77,083
Interest payable	7,271
Loans payable - current	119,825
Compensated absences - current	19,176
Total current liabilities	372,402
Noncurrent liabilities:	
Long-term debt (net of current portion):	
Loans payable	1,967,110
Total noncurrent liabilities	1,967,110
Total liabilities	2,339,512
Net Position	
Net investment in capital assets	6,774,652
Unrestricted	488,471
Total net position	\$ 7,263,123

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

TOWN OF HAYDEN, COLORADO
Statement Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2014

	Water-Sewer- Refuse
Operating Revenues	
Charges for services:	
Water	\$ 654,683
Sewer	310,461
Refuse	130,375
Other revenues	19,665
Total operating revenues	1,115,184
Operating Expenses	
Water	400,256
Sewer	249,606
Refuse	131,993
Depreciation	333,501
Total operating expenses	1,115,356
Operating income (loss)	(172)
Non-Operating Revenues (Expenses)	
Interest expense and fiscal charges	(39,460)
Connection and tap fees	14,400
Total non-operating revenue (expense)	(25,060)
Income (loss) before contributions and transfers	(25,232)
Contributions and Transfers:	
Capital contributions and grants	515,532
Transfers in	47,600
Change in net position	537,900
Net position, beginning of year	6,714,595
Prior period adjustment	10,628
Net position, end of year	\$ 7,263,123

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

TOWN OF HAYDEN, COLORADO
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2014

	<u>Water-Sewer- Refuse</u>
Cash Flows From Operating Activities:	
Cash received from customers, service fees	\$ 1,109,110
Cash received from customers, other	19,665
Cash paid to suppliers	(523,537)
Cash paid to employees	(173,520)
Net cash flows from operating activities	<u>431,718</u>
Cash Flows From Noncapital Financing Activities:	
Transfers from/(to) other funds	<u>47,600</u>
Net cash flows from noncapital financing activities	<u>47,600</u>
Cash Flows From Capital and Related Financing Activities:	
Purchase of capital assets	(1,061,713)
Principal paid on long-term debt	(110,847)
Interest paid	(39,460)
Debt proceeds	915,000
Capital grants	355,277
Connection and tap fees	<u>14,400</u>
Net cash flows from capital and related financing activities	<u>72,657</u>
Cash Flows From Investing Activities:	
Interest on investments	<u>-</u>
Net change in cash and cash equivalents	551,975
Cash and cash equivalents, beginning of year (as adjusted)	<u>1,127,270</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 1,679,245</u></u>
Reconciliation of operating income to net cash provided by operating activities:	
Net operating income/(loss)	\$ (172)
Adjustments to reconcile net income/(loss) to net cash provided by operating activities:	
Depreciation/amortization	333,501
Changes in operating assets and liabilities:	
(Increase)/decrease in receivables	13,591
(Increase)/decrease in prepaids	(100)
Increase/(decrease) in payables	55,932
Increase/(decrease) in accrued liabilities & deposits	<u>28,966</u>
Net cash flows from operating activities	<u><u>\$ 431,718</u></u>

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

TOWN OF HAYDEN, COLORADO
Notes to the Financial Statements
December 31, 2014

Note 1. Summary of Significant Accounting Policies

Description of 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 of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, when applicable, the *primary government* is reported separately from certain legally separate *component units* for which the primary government is financially accountable.

Reporting Entity

The Town of Hayden, Colorado (the Town) was incorporated in March 1906 in Routt County. On July 21, 2009, the citizens voted to become a Home Rule Municipality in accordance with Article XX of the Colorado Constitution and the Municipal Home Rule Act of 1971. The Town is governed by a Town Council consisting of six council members and one mayor elected at-large.

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

The following is a brief review of the component units included in defining the Town's reporting entity. There are no discretely presented component units and two blended component units.

Blended component units included within the reporting entity and reported as special revenue funds with the governmental fund financial statements:

The **Hayden Heritage Center** provides museum services to all citizens of the Town and is governed by a board of directors that are appointed by the Town Council.

The **Hayden Public Library** accounts for donations and other revenues committed for library services and is governed by a board of directors that are appointed by the Town Council.

Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

TOWN OF HAYDEN, COLORADO
Notes to the Financial Statements
December 31, 2014

Note 1. Summary of Significant Accounting Policies, Continued

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the government's funds. Separate statements for each fund category—governmental and proprietary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental fund:

The **General Fund** is the Town's primary operating fund. It accounts for all financial resources of the general government, except for those required to be accounted for in another fund.

The Town reports the following major enterprise fund:

The **Water-Sewer-Refuse Fund** accounts for the activities related to the Town's water wells, treatment facilities and distribution operations, sewer collection and treatment operations and refuse collection services.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

TOWN OF HAYDEN, COLORADO
Notes to the Financial Statements
December 31, 2014

Note 1. Summary of Significant Accounting Policies, Continued

Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under 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. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, sales taxes, franchise taxes, other taxes, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of yearend). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of yearend). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds are reported using the *economic resources measurement focus* and the *accrual basis of accounting*.

TOWN OF HAYDEN, COLORADO
Notes to the Financial Statements
December 31, 2014

Note 1. Summary of Significant Accounting Policies, Continued

Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

Cash and cash equivalents

The Town pools cash resources of its various funds in order to facilitate the management of cash. The Town's cash and cash equivalents are considered to be cash-on-hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition for purposes of this note and the statement of cash flows.

Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to" or "due from other funds. All trade accounts receivable in the enterprise funds are normally shown net of an allowance for uncollectible accounts. However, due to the nature of the accounts receivable in both the enterprise funds and governmental funds, management does not consider an allowance for uncollectible accounts receivable necessary or material. Therefore, no allowance for uncollectible accounts receivable is presented.

Inventories

The costs of governmental fund-type inventories are recorded as expenditures when purchased rather than when consumed. Inventories for business type activities consist of various parts and supplies and are valued at cost using the first-in/first-out (FIFO) method. However, the total cost of inventory on hand is deemed immaterial and has not been recorded in the financial statements.

Capital Assets

Capital assets, which include; property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activity columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an individual cost of more than \$2,500 and an estimated useful life of one year or more. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant and equipment are depreciated using the straight-line method over the following estimated useful lives:

Building and improvements	15 to 40 years
Utility systems and improvements	10 to 40 years
Furniture, equipment and vehicles	3 to 10 years
Infrastructure - Streets and sidewalks	10 to 50 years

TOWN OF HAYDEN, COLORADO
Notes to the Financial Statements
December 31, 2014

Note 1. Summary of Significant Accounting Policies, Continued

Deferred outflows/inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The Town has no items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *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 one item, which arises under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue – property taxes*, is reported in both the governmental funds balance sheet and the statement of net position. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Net position flow assumption

Sometimes the Town will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

Fund balance flow assumptions

Sometimes the Town will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Town's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

Fund balance policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

TOWN OF HAYDEN, COLORADO
Notes to the Financial Statements
December 31, 2014

Note 1. Summary of Significant Accounting Policies, Continued

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Town Council is the highest level of decision-making authority for the Town that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the Town for specific purposes but do not meet the criteria to be classified as committed. The Town Manager is authorized to assign amounts to a specific purpose in accordance with the Town's budget policy. The Town Council may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Revenues and expenditures/expenses

Program revenues

Amounts reported as program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

Property Taxes

Property tax revenues are recognized as revenues in the year collected or if collected within 60 days thereafter unless they are prepaid. Property taxes levied in the current year and not collected within 60 days of year-end are not deemed available to pay current liabilities and therefore the receivable is recorded as unavailable revenue in the governmental funds. Property taxes for the current year are levied by the County and attach as a lien on property the following January 1. They are payable in full by April 30 or in two equal installments due February 28 and June 15. The County also levies various personal property taxes during the year.

Compensated Absences

It is the Town's policy to permit employees to accumulate earned but unused vacation time, compensatory time, and sick leave. Accumulated vacation is maximized at 240 hours, accumulated compensatory time is maximized at 80 hours, and accumulated sick leave is maximized at 480 hours. After five years of service and upon termination, sick leave may be converted at a rate of 8 hours for every 24 hours accumulated with a maximum of 80 hours.

TOWN OF HAYDEN, COLORADO
Notes to the Financial Statements
December 31, 2014

Note 1. Summary of Significant Accounting Policies, Continued

For governmental funds, amounts of vested or accumulated vacation and sick leave that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the government-wide statement of net position and as expenses in the government-wide statement of activities. No expenditures are reported for these amounts in the fund financial statements. Vested or accumulated vacation and sick leave in the proprietary fund are recorded as an expense and a liability of that fund as the benefits accrue to the employees and are thus recorded in both the government-wide financial statements and the individual fund financial statements.

Proprietary funds operating and nonoperating revenues and expenses

Proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the water-sewer-refuse fund are charges to customers for sales and services. Operating expenses for enterprise 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.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Note 2. Reconciliation of Government-Wide and Fund Financial Statements

The governmental fund balance sheet includes a reconciliation between total governmental fund balances and the net position of governmental activities as reported in the government-wide statement of net position. These differences primarily result from the long-term economic focus of the statement of net position versus the current financial resources focus of the governmental fund balance sheets. The details of these differences are reported in the reconciliation on page 18.

The governmental fund statement of revenues, expenditures, and changes in fund balance includes a reconciliation between net changes in fund balances-total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. These differences are the result of converting from the current resources measurement focus and modified accrual basis for governmental fund statements to the economic resources measurement focus and full accrual basis used for government-wide statements. The details of these differences are reported in the reconciliation on page 20.

TOWN OF HAYDEN, COLORADO
Notes to the Financial Statements
December 31, 2014

Note 3. Stewardship, Compliance, and Accountability

Stewardship, compliance, and accountability are key concepts in defining the responsibilities of the Town. The use of budgets and monitoring of equity status facilitate the Town's compliance with legal requirements.

Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with US GAAP for all governmental funds. The enterprise fund adopts a budget on a non-US GAAP basis wherein depreciation is not budgeted; capital expenditures and principal payments on capital debt are budgeted and recorded as expenditures.

The Town confirms to the following procedures, in compliance with CRS, Title 29, Article 1, in establishing the budgetary data reflected in the financial statements:

- Prior to October 15, the Finance Director submits to the Town Council a proposed operating budget for the fiscal year commencing the following January 1. The budget includes proposed expenditures and the means of financing them.
- The budget provides a complete financial plan of all Town funds and activities for the ensuing fiscal year indicating anticipated revenues, proposed operating and capital expenditures, a provision for contingencies, and anticipated net surplus or deficit for the ensuing fiscal year.
- A public hearing on the proposed budget is held by the Council to obtain taxpayer comments.
- Prior to December 31, the budget is adopted by formal resolution.
- Expenditures may not legally exceed appropriations at the fund level. Revisions that alter the total budgeted expenditures must be approved by the Town Council. At any time during the fiscal year the Finance Director may transfer part of all of any unencumbered appropriation balance within a department.
- Budgetary appropriations lapse at the end of each year.

Budget amounts included in the financial statements report both the original and final amended budget. The Town did not adopt any supplemental appropriations during the year and there were no revisions made to the original budget during the year.

Expenditures over Appropriations

Per C.R.S. 29-1-108(2), appropriations are made by fund or spending agency (e.g. department) within a fund at the discretion of the Town Council. The Council by Resolution has made appropriations at the fund level and thus, expenditures may not legally exceed budgeted appropriations at the fund level. The individual Schedules of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual reports as listed in the table of contents are reported on pages 47 to 50 and 54 to 59. There were two non-major funds which incurred an excess of expenditures/expenses over appropriations for the year ended December 31, 2014.

TOWN OF HAYDEN, COLORADO
Notes to the Financial Statements
December 31, 2014

Note 3. Stewardship, Compliance, and Accountability, Continued

Tax, Spending and Debt Limitations

Colorado voters passed an amendment to the State Constitution, Article X, Section 20, which has several limitations, including revenue raising, spending abilities, and other specific requirements of state and local governments, excluding "enterprises." The TABOR Amendment requires, with certain exceptions, advance voter approval for any new tax, tax rate increase, mil levy above that for the prior year, extension of any expiring tax, or tax policy change directly causing a net tax revenue gain to any local government.

Future 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. Except for refinancing bonded debt at a lower interest rate or adding new employees to existing pension plans, TABOR requires advance voter approval for the creation of any multiple-fiscal year debt or other financial obligation unless adequate present cash reserves are pledged irrevocably and held for payments in all future fiscal years.

The Amendment requires that an emergency reserve be maintained at three percent of fiscal year spending (excluding bonded debt service). A portion of the General Fund's fund balance is classified as restricted for emergencies as required by the Amendment. The Town is not allowed to use the emergency reserves to compensate for economic conditions, revenue shortfalls, or salary or benefit increases. The Town has reserved \$84,061 of the December 31, 2014 fund balance in the General fund for this purpose.

The Town's voters passed a ballot question on November 7, 1995, authorizing the Town to collect and retain the full proceeds of the Town's fees, taxes, reduction in debt service, state and federal grants and intergovernmental revenues, generated in 1995 and subsequent years. The ballot question allowed the Town to expend such proceeds for debt service, municipal operations, capital projects such as recreation and street paving and any other municipal purpose, notwithstanding state restrictions on fiscal year revenues and spending, including without limitation the restriction of TABOR.

The Town's management believes it is in compliance with the financial provisions of TABOR. However, TABOR is complex and subject to judicial interpretation.

Debt Covenants

See supplementary information on page 60 for compliance with debt covenants.

Deficit Fund Balance

The Heritage Center special revenue fund reported a deficit fund balance of \$7,232 at December 31, 2014. It is the intention of management to eliminate this deficit in future years with anticipated revenues and/or a supplement from the General fund.

TOWN OF HAYDEN, COLORADO
Notes to the Financial Statements
December 31, 2014

Note 4. Deposits and Investments

A summary of cash and investments as shown on the statement of net position follows:

Cash on hand	\$ 200
Cash in bank	1,805,376
Colorado Trust	8,480
CWRPDA Project loan accounts	1,247,771
Certificates of deposit	<u>37,137</u>
Total cash and investments	<u>\$ 3,098,964</u>
Cash and cash equivalents	\$ 1,563,646
Restricted cash	<u>1,535,318</u>
	<u>\$ 3,098,964</u>

Deposits

Custodial Credit Risk

For deposits this is the risk that in the event of a bank failure, the government's deposit may not be returned to it. The Town does not have a formal policy for custodial credit risk; however, the Colorado Public Deposit Protection Act (PDPA) requires that all units of local government deposit cash in eligible public depositories; eligibility is determined by state regulators. Amounts on deposit in excess of federal insurance levels must be collateralized. The eligible collateral is determined by the PDPA. The PDPA allows the institution to create a single collateral pool for all public funds. The pool is to be maintained by another institution or held in trust for all the uninsured public deposits as a group. The market value of the collateral must be equal to or exceed 102% of the aggregate uninsured deposits. Collateral in the pool is considered to be equal to depository insurance pursuant to definitions listed in GASB Statement No. 40. At December 31, 2014 cash on hand was \$200 and the carrying amount of the Town's deposits was \$1,805,376. As of December 31, 2014 the bank balance of the Town's deposits was \$1,961,530 of which \$275,000 was insured by federal depository insurance and \$1,686,530 was uninsured but collateralized by the PDPA as noted above.

Investments

Colorado statutes specify investment instruments meeting defined rating and risk criteria in which local government entities may invest. Authorized investments include obligations of the United States and certain U.S. government agency securities; certain international agency securities; general obligation and revenue bonds of U.S. local government entities; bankers' acceptances of certain banks; commercial paper; local government investment pools; written repurchase agreements collateralized by certain authorized securities; certain money market funds; and, guaranteed investment contracts. The Town's investment policy follows Colorado statutes. At December 31, 2014 the Town's investments included certificates of deposit and funds held in the Colorado Government Liquid Asset Trust (COLOTRUST).

TOWN OF HAYDEN, COLORADO
Notes to the Financial Statements
December 31, 2014

Note 4. Deposits and Investments, Continued

The COLOTRUST is an investment vehicle established for local government entities in Colorado to pool surplus funds. COLOTRUST operates similarly to a money market fund and each share is equal in value to \$1.00. Investments of COLOTRUST consist of U.S. Treasury bills, notes and note strips and repurchase agreements collateralized by U.S. Treasury securities.

A designated custodial bank provides safekeeping and depository services to COLOTRUST in connection with direct investment and withdrawal functions of COLOTRUST. Substantially all securities owned by COLOTRUST are held by the Federal Reserve Bank in the account maintained for the custodial bank.

The custodian's internal records identify the investments owned by COLOTRUST. These pools are not required to and are not registered with the SEC.

As of December 31, 2014 the Town had \$8,480 invested in the COLOTRUST with a fair market value of \$8,480 and maturities of less than one year. The COLOTRUST's funds are rated AAAM by Standard and Poor's, Fitch's and Moody's rating services.

Interest rate risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town's policy for managing its exposure to fair value loss arising from increasing interest rates is to comply with the provisions of the Colorado Public Deposit Protection Act (PDPA) which requires that the Town's investment portfolio maturities do not exceed five years from the time of purchase.

Credit risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The Town's policy for reducing its exposure to credit risk is to comply with the provisions of the Colorado Public Deposit Protection Act (PDPA) which limits investment in commercial paper and corporate bonds to the top ratings issued by at least two nationally recognized statistical rating organizations such as Standard & Poor's and Moody's Investor Services.

TOWN OF HAYDEN, COLORADO
Notes to the Financial Statements
December 31, 2014

Note 5. Restricted Assets

A summary of temporarily restricted assets of the Town at December 31, 2014 is as follows:

Loan reserves	\$ 210,464
CWRPDA Project accounts	1,247,771
Customer deposits	<u>77,083</u>
	<u>\$ 1,535,318</u>

Loan reserves:

The Town has set aside funds for the Operation and Maintenance Reserve Fund as required by the Colorado Water Resources and Power Development Authority Loan Agreement. The reserve at year-end is equal to three months of operation and maintenance expenses, excluding depreciation, of the system as set forth in the Town's annual budget.

CWRPDA Project accounts:

The Colorado Water Resources and Power Development Authority (CWRPDA) created a Project loan account in its Water Pollution Control Revolving Fund in 2012 and a similar account in 2014 for the water treatment plan project loan. CWRPDA loan proceeds were deposited into these accounts to be used to pay the costs of the outflow project and the water treatment plan project. The balance reflected above is the unexpended funds restricted for use on the projects at December 31, 2014.

Customer deposits:

The Town collects deposits from utility customers. These deposits are temporarily restricted or unavailable for current expenditure. The amount reflected above is the amount of deposits on hand at December 31, 2014.

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TOWN OF HAYDEN, COLORADO
Notes to the Financial Statements
December 31, 2014

Note 6. Capital Assets

The following table summarizes the changes to capital assets for governmental activities during the year.

Governmental Activities:	Balance 12/31/2013	Additions	Deletions	Balance 12/31/2014
Capital assets, not being depreciated:				
Land	\$ 2,100,992	\$ -	\$ -	\$ 2,100,992
Construction in progress	-	10,873	-	10,873
Total capital assets, not being depreciated	<u>2,100,992</u>	<u>10,873</u>	<u>-</u>	<u>2,111,865</u>
Capital assets, being depreciated:				
Buildings	3,167,163		-	3,167,163
Furniture, equipment & vehicles	1,646,645	12,590		1,659,235
Infrastructure	11,235,499	-	-	11,235,499
Total capital assets, being depreciated	<u>16,049,307</u>	<u>12,590</u>	<u>-</u>	<u>16,061,897</u>
Less accumulated depreciation for:				
Buildings	(651,500)	(79,181)	-	(730,681)
Furniture, equipment & vehicles	(1,074,654)	(103,509)		(1,178,163)
Infrastructure	(3,216,725)	(258,542)	-	(3,475,267)
Total accumulated depreciation	<u>(4,942,879)</u>	<u>(441,232)</u>	<u>-</u>	<u>(5,384,111)</u>
Total capital assets, being depreciated, net	<u>11,106,428</u>	<u>(428,642)</u>	<u>-</u>	<u>10,677,786</u>
Governmental activities capital assets, net	<u>\$ 13,207,420</u>	<u>\$ (417,769)</u>	<u>\$ -</u>	<u>\$ 12,789,651</u>

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

Governmental Activities:	
General government	\$ 30,267
Public safety	59,859
Public works/streets	305,548
Parks & recreation	45,558
Total depreciation expense - governmental activities	<u>\$ 441,232</u>

TOWN OF HAYDEN, COLORADO
Notes to the Financial Statements
December 31, 2014

Note 6. Capital Assets, Continued

The following table summarizes the changes to capital assets for business-type activities during the year.

Business Type Activities:	<u>Balance 12/31/2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12/31/2014</u>
Capital assets not being depreciated:				
Land and water rights	\$ 340,274	\$ -	\$ -	\$ 340,274
Construction in progress	<u>177,321</u>	<u>1,037,695</u>	<u>-</u>	<u>1,215,016</u>
Total capital assets, not being depreciated	<u>517,595</u>	<u>1,037,695</u>	<u>-</u>	<u>1,555,290</u>
Capital assets being depreciated:				
Utility system and improvements	14,253,136	5,230	-	14,258,366
Equipment & vehicles	<u>334,090</u>	<u>18,788</u>	<u>-</u>	<u>352,878</u>
Total capital assets, being depreciated	<u>14,587,226</u>	<u>24,018</u>	<u>-</u>	<u>14,611,244</u>
Less accumulated depreciation for:				
Utility system and improvements	(7,952,758)	(310,478)	-	(8,263,236)
Equipment & vehicles	<u>(266,459)</u>	<u>(23,023)</u>	<u>-</u>	<u>(289,482)</u>
Total accumulated depreciation	<u>(8,219,217)</u>	<u>(333,501)</u>	<u>-</u>	<u>(8,552,718)</u>
Total capital assets, being depreciated, net	<u>6,368,009</u>	<u>(309,483)</u>	<u>-</u>	<u>6,058,526</u>
Business-type activities capital assets, net	<u>\$ 6,885,604</u>	<u>\$ 728,212</u>	<u>\$ -</u>	<u>\$ 7,613,816</u>

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

Business-Type Activities:	
Water	\$ 264,052
Sewer	69,449
Total depreciation expense - business-type activities	<u>\$ 333,501</u>

TOWN OF HAYDEN, COLORADO
Notes to the Financial Statements
December 31, 2014

Note 7. Long-Term Debt

The following is a summary of changes in long-term obligations for the year ended December 31, 2014:

	Balance 12/31/2013	Additions	Retirements	Balance 12/31/2014	Current Portion
Governmental Activities:					
Lease Purchase-Alpine Bank	\$ 1,107,000	\$ -	\$ (47,000)	\$ 1,060,000	\$ 49,000
Lease Purchase-Caterpillar	56,676	-	(26,689)	29,987	27,545
Compensated absences	41,061	11,636	-	52,697	52,697
Total Governmental activity					
Long-term liabilities	<u>\$ 1,204,737</u>	<u>\$ 11,636</u>	<u>\$ (73,689)</u>	<u>\$ 1,142,684</u>	<u>\$ 129,242</u>
Business-Type Activities:					
CWRPDA (2012)	\$ 603,300	\$ -	\$ (22,792)	\$ 580,508	\$ 25,392
CWRPDA (2002)	500,464	-	(47,213)	453,251	49,120
State of Colorado (2002)	114,070	-	(10,345)	103,725	10,862
State of Colorado (2005)	14,492	-	(14,492)	-	-
State of Colorado (2007)	50,456	-	(16,005)	34,451	16,805
Drinking water loan	-	915,000	-	915,000	17,646
Compensated absences	22,870	-	(3,694)	19,176	19,176
Total Business-type activity					
Long-term liabilities	<u>\$ 1,305,652</u>	<u>\$ 915,000</u>	<u>\$ (114,541)</u>	<u>\$ 2,106,111</u>	<u>\$ 139,001</u>

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TOWN OF HAYDEN, COLORADO
Notes to the Financial Statements
December 31, 2014

Note 7. Long-Term Debt, Continued

The following is a listing of Loans and Notes Payable outstanding as of December 31, 2014:

Loans and Notes Payable:

Business-Type Activities:

Loan payable to Colorado Water Resources and Power Development Authority, secured by net system revenue, bearing interest at 2.0%, due in semi-annual principal installments of \$18,438, maturing November 1, 2033. This loan was approved in November 2012 with a maximum principal balance of \$603,300 for wastewater improvements.	\$ 580,508
Loan payable to Colorado Water Resources and Power Development Authority, secured by net system revenue, bearing interest at 4.0%, due in semi-annual principal installments of \$33,382, maturing November 1, 2022. This loan was approved in April 2002 with a maximum principal balance of \$1,000,000 for water treatment plant improvements.	453,251
Loan payable to the State of Colorado Department of Local Affairs, bearing interest at 5.0%, due in annual installments of \$16,049, maturing September 1, 2022. This loan was approved in August 2002 with a maximum principal balance of \$200,000 for water treatment plant improvements.	103,725
Loan payable to the State of Colorado Department of Local Affairs, bearing interest at 5.0%, due in annual installments of \$18,528, maturing September 1, 2016. This loan was approved in March 2007 with a maximum principal balance of \$148,000 for water line replacements.	<u>34,451</u>
Total Loans and Notes Payable	<u><u>\$ 1,171,935</u></u>

TOWN OF HAYDEN, COLORADO
Notes to the Financial Statements
December 31, 2014

Note 7. Long-Term Debt, Continued

Note payable debt service maturities are as follows:

Years ending June 30:	Business-Type Activities	
	Principal	Interest
2015	\$ 102,179	\$ 36,037
2016	106,058	32,157
2017	91,567	28,122
2018	94,845	24,843
2019	98,251	21,437
2020	101,788	17,899
2021	105,465	14,223
2022	109,288	10,401
2023	29,774	7,102
2024	30,372	6,503
2025	30,983	5,893
2026	31,606	5,270
2027	32,241	4,635
2028	32,889	3,987
2029	33,550	3,326
2030	34,224	2,651
2031	34,912	1,963
2032	35,614	1,262
2033	36,330	546
	\$ 1,171,935	\$ 228,256

Obligations under Capital Leases

The Town entered into a \$1,300,000 lease-purchase agreement with Alpine Bank dated September 1, 2008. The lease requires semi-annual installments of varying amounts on May 10 and November 10 including interest at 6.25% through maturity on November 19, 2028 subject to annual appropriation by the Town. Proceeds of the lease were used for construction of a new police station. The lease is secured by an interest in the land on which the police station was constructed.

The Town also entered into a \$129,561 lease-purchase agreement with Caterpillar Financial Services Corporation dated February 4, 2011. The lease requires 59 monthly payments of \$2,350, including interest at 3.50%, and one payment of \$1 upon maturity in January 2016. The lease was used to purchase a new wheel loader. The lease is secured by an interest in the equipment.

The lease payments are reported as debt service in the General fund.

TOWN OF HAYDEN, COLORADO
Notes to the Financial Statements
December 31, 2014

Note 7. Long-Term Debt, Continued

The future minimum lease obligations and the present value of the minimum lease payments as of December 31, 2014 are as follows:

<u>December 31,</u>	<u>Governmental Activities</u>
2015	\$ 142,701
2016	117,826
2017	114,031
2018	114,531
2019-2023	573,374
2024-2028	<u>459,375</u>
Total remaining lease payments	\$ 1,521,838
Less: Amount representing interest	<u>431,851</u>
Present value of net remaining minimum lease payments	<u>\$ 1,089,987</u>

A summary of assets acquired through capital leases follows:

	<u>Governmental Activities</u>
Vehicles and equipment	\$ 129,561
Accumulated depreciation	(51,824)
Buildings	1,300,000
Accumulated depreciation	<u>(162,500)</u>
Net total	<u>\$ 1,215,237</u>

TOWN OF HAYDEN, COLORADO
Notes to the Financial Statements
December 31, 2014

Note 8. Interfund Receivables, Payables and Transfers

Interfund receivable and payable balances as shown in the fund financial statements consisted of the following:

	Due from Other Funds	Due to Other Funds
General fund	\$ 6,943	\$ -
Other governmental - Heritage Center fund	-	6,943
	\$ 6,943	\$ 6,943

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. All of the above interfund amounts are the result of short-term deficit pooled cash balances. There are no specified terms for repayment of the balances at year-end.

Interfund transfers for the year ended December 31, 2014 are shown in the following table:

	Transfers In	
Transfers Out:	Water-Sewer- Refuse	Total
General Fund	\$ 47,600	\$ 47,600
	\$ 47,600	\$ 47,600

Transfers were used to move unrestricted general fund revenues to the Water-Sewer-Refuse fund based upon the Town's adopted budgetary policies and via Town Council resolutions.

TOWN OF HAYDEN, COLORADO
Notes to the Financial Statements
December 31, 2014

Note 9. Retirement and Pension Plans

Town employees may voluntarily contribute to a deferred compensation plan. The defined contribution plan is administered by ICMA Retirement Corporation and was created in accordance with Internal Revenue Code Section 457B. The plan, available to all full-time permanent employees of the Town at their option, permits participants to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency. Plan assets are held in trust for the exclusive benefit of participating employees and are not accessible by the Town or its creditors.

The Town's contribution for each employee and investment earnings allocated to the employee's account are fully vested. The Town contributes up to 7% of eligible employee's wages. The Town's contributions to the plan were \$30,484 during the year ended December 31, 2014.

Note 10. Risk Management

Public Entity Risk Pool

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees and natural disasters. Claims have not exceeded coverage in any of the last three fiscal years.

The Town is insured by Workers Compensation for potential worker related accidents.

The Town is a member of the Colorado Intergovernmental Risk Sharing Agency (CIRSA), a separate and independent governmental and legal entity formed by an intergovernmental agreement by member municipalities pursuant to the provision of 24-10-1155, Colorado Revised Statutes (1982 Replacement Volume) and the Colorado Constitution, Article XIV, Section 18(2).

The purposes of CIRSA are to provide members defined liability and property coverage's and to assist members to prevent and reduce losses and injuries to municipal property and to persons or property which might result in claims being made against members of CIRSA, their employees or officers.

The general objectives of the Agency are to provide member municipalities defined liability and property coverage through joint self-insurance and to assists members in loss prevention measures. Any member may withdraw from the Agency by giving written notice to the Board of Directors of the prospective effective date of its withdrawal.

CIRSA is financed by annual contributions and interest earnings on the contributions. The contributions are used, in part, to establish loss funds from which member claims and associated costs are paid. Excess reinsurance coverage is also purchased. Certain surplus funds are used to the benefit of members and may include reductions in future contributions. Although none have occurred to date, additional member contributions may be required if necessary. The Town's contribution to CIRSA for insurance coverage is reported as an expenditure in the General fund. The Town is unaware of any excess losses which may have been incurred by CIRSA and there have been no settled claims which exceed insurance coverage in

TOWN OF HAYDEN, COLORADO
Notes to the Financial Statements
December 31, 2014

Note 10. Risk Management , Continued

any of the last three years. The Town's share of surplus contributions held by CIRSA at December 31, 2012 was \$65,295. The Town's share of the surplus as of December 31, 2014 was not available.

CIRSA is a separate legal entity and the Town does not approve budgets nor does it have the ability to significantly affect the operations of CIRSA. The Board of Directors of the Agency is composed of seven directors elected by the members at the annual meeting to be scheduled in December each year.

Health Reimbursement Arrangement Plan

In order to control increasing health care costs, effective January 1, 2011, the Town established a Health Reimbursement Arrangement (HRA) Plan that reimburses employees for group medical health insurance plan deductible and actual eligible medical expenses incurred (as defined under Internal Revenue Code Section 213(d)). The plan year is from March 1 through February 28. At the end of a plan year, any unused claim liability in an HRA Plan account is returned to the Town.

Note 11. Contingencies and Commitments

Litigation

The Town is involved with various matters of litigation from year to year. It is the opinion of Town officials that any potential cases will either be handled by the Town's insurance coverage or that they will not have a material effect on the Town's financial condition.

Grants

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time, although the Town does not anticipate any such amounts.

Yamcolo Reservoir Storage Agreement

The Town entered into an extension and amendment agreement with the Upper Yampa Water Conservancy District (UYWCD) effective July 15, 2011 for 300 acre feet of storage water in the Yamcolo Reservoir for thirty years terminating July 15, 2041. The purchase price for the storage water was \$68.38 per acre foot in 2011 and is subject to an annual CPI increase thereafter.

Stagecoach Reservoir Water Allotment Contract

The Town entered into a water allotment contract with UYWCD in 1986 for 200 acre feet of storage water in the Stagecoach Reservoir for thirty years terminating 2018. The purchase price for the storage water was \$35.00 per acre foot due annually on July 15th.

TOWN OF HAYDEN, COLORADO
Notes to the Financial Statements
December 31, 2014

Note 12. Prior Period Adjustments

The Town failed to report a February 2014 sales tax revenue receipt as revenue in 2013. A prior period adjustment was recorded to correct the prior year amount due from other governments and move the revenue back to 2013 in order to report revenues on the modified accrual basis in accordance with GAAP. This resulted in an \$80,827 increase in fund balance for the General fund.

During the current year, the Town identified that it had incorrectly reported cash allocations for the General fund and the Water-Sewer-Refuse fund in previous years. A prior period adjustment was recorded to properly allocate cash within the funds which resulted in a \$14,037 decrease in the General fund balance and a \$10,628 increase in the Water-Sewer-Refuse fund balance.

TOWN OF HAYDEN, COLORADO

REQUIRED SUPPLEMENTARY INFORMATION

BUDGETARY COMPARISON SCHEDULES

FOR THE FOLLOWING MAJOR FUND:

General Fund – Detail Budget and Actual

The **General Fund** is used to account for resources traditionally associated with government which are not required legally or by sound financial management to be accounted for in another fund.

TOWN OF HAYDEN, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
General Fund - Budget and Actual
For the Year Ended December 31, 2014

REVENUES:	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Taxes:				
Sales tax	\$ 841,685	\$ 841,685	\$ 841,161	\$ (524)
Property tax	472,296	472,296	472,962	666
Car rental tax	118,535	118,535	112,205	(6,330)
Other taxes	14,200	14,200	22,466	8,266
Franchise tax	54,135	54,135	57,200	3,065
Total Taxes	<u>1,500,851</u>	<u>1,500,851</u>	<u>1,505,994</u>	<u>5,143</u>
Licenses, Permits and Fees:				
Licenses, permits and fees	6,300	6,300	6,066	(234)
Building permits	3,000	3,000	20,650	17,650
Total Licenses, Permits and Fees	<u>9,300</u>	<u>9,300</u>	<u>26,716</u>	<u>17,416</u>
Intergovernmental:				
Highway users tax	62,450	62,450	68,648	6,198
Severance tax	151,875	151,875	218,776	66,901
Other	93,820	93,820	74,112	(19,708)
Grant revenues	162,825	162,825	64,134	(98,691)
Total Intergovernmental	<u>470,970</u>	<u>470,970</u>	<u>425,670</u>	<u>(45,300)</u>
Fines and Forfeitures:				
Fines and forfeitures	12,000	12,000	23,414	11,414
Total Fines and Forfeitures	<u>12,000</u>	<u>12,000</u>	<u>23,414</u>	<u>11,414</u>
Interest:				
Interest revenue	1,490	1,490	5,029	3,539
Total Interest	<u>1,490</u>	<u>1,490</u>	<u>5,029</u>	<u>3,539</u>
Other Revenues:				
Charges for Services	7,050	7,050	6,394	(656)
Recreation programs and events	20,000	20,000	31,308	11,308
Miscellaneous revenue	5,010	5,010	22,874	17,864
Total Other Revenues	<u>32,060</u>	<u>32,060</u>	<u>60,576</u>	<u>28,516</u>
TOTAL REVENUES	<u>\$ 2,026,671</u>	<u>\$ 2,026,671</u>	<u>\$ 2,047,399</u>	<u>\$ 20,728</u>

(continued)

TOWN OF HAYDEN, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
General Fund - Budget and Actual (Continued)
For the Year Ended December 31, 2014

EXPENDITURES	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
General Government:				
Administrative:				
Wages and benefits	\$ 213,856	\$ 213,856	\$ 214,255	\$ (399)
Insurance	8,035	8,035	9,444	(1,409)
Contributions	13,050	13,050	14,292	(1,242)
Professional services	16,000	16,000	72,039	(56,039)
General operating and supplies	11,700	11,700	17,756	(6,056)
Other	12,550	12,550	17,546	(4,996)
Total administration	<u>275,191</u>	<u>275,191</u>	<u>345,332</u>	<u>(70,141)</u>
Legislative:				
Wages and benefits	8,340	8,340	8,324	16
Treasurer fees	16,000	16,000	14,616	1,384
Professional services	11,000	11,000	10,500	500
Other	6,355	6,355	3,463	2,892
Total legislation	<u>41,695</u>	<u>41,695</u>	<u>36,903</u>	<u>4,792</u>
Building department:				
Utilities	3,634	3,634	6,453	(2,819)
Insurance	6,010	6,010	5,377	633
Maintenance and repairs	5,100	5,100	2,312	2,788
Other	2,400	2,400	2,435	(35)
Total building department	<u>17,144</u>	<u>17,144</u>	<u>16,577</u>	<u>567</u>
Data processing department	30,855	30,855	27,220	3,635
Judicial department	9,150	9,150	10,229	(1,079)
Planning department	4,500	4,500	18,486	(13,986)
Executive department	2,235	2,235	2,063	172
Total General Government	<u>380,770</u>	<u>380,770</u>	<u>456,810</u>	<u>(76,040)</u>
Public Safety:				
Wages and benefits	495,791	495,791	467,936	27,855
Insurance	10,270	10,270	11,462	(1,192)
General operating and supplies	25,250	25,250	26,123	(873)
Vehicles	13,000	13,000	32,512	(19,512)
Utilities	12,945	12,945	15,191	(2,246)
Other	15,500	15,500	25,803	(10,303)
Total Public Safety	<u>\$ 572,756</u>	<u>\$ 572,756</u>	<u>\$ 579,027</u>	<u>\$ (6,271)</u>

(continued)

TOWN OF HAYDEN, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
General Fund - Budget and Actual (Continued)
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Public Works:				
Streets department:				
Wages and benefits	\$ 258,040	\$ 258,040	\$ 212,027	\$ 46,013
Utilities	31,500	31,500	34,400	(2,900)
Snow removal	25,000	25,000	21,453	3,547
Street cleaning and maintenance	215,000	215,000	238,396	(23,396)
General operating and supplies	13,450	13,450	14,518	(1,068)
Vehicles	16,000	16,000	15,724	276
Insurance	4,465	4,465	4,533	(68)
Other	238,980	238,980	9,188	229,792
Total streets department	<u>802,435</u>	<u>802,435</u>	<u>550,239</u>	<u>252,196</u>
Mosquito control:				
General operating and supplies	5,460	5,460	5,911	(451)
Chemicals	5,460	5,460	5,619	(159)
Other	850	850	859	(9)
Total mosquito control	<u>11,770</u>	<u>11,770</u>	<u>12,389</u>	<u>(619)</u>
Total Public Works	<u>814,205</u>	<u>814,205</u>	<u>562,628</u>	<u>251,577</u>
Parks and Recreation:				
Recreation:				
Wages and benefits	22,342	22,342	22,695	(353)
Programs	12,000	12,000	20,896	(8,896)
Special Events	10,500	10,500	12,076	(1,576)
Other	42,950	42,950	5,106	37,844
Total recreation	<u>87,792</u>	<u>87,792</u>	<u>60,773</u>	<u>27,019</u>
Parks:				
Wages and benefits	49,020	49,020	87,408	(38,388)
Utilities	12,000	12,000	15,988	(3,988)
General operating and supplies	3,000	3,000	5,342	(2,342)
Insurance	4,465	4,465	4,481	(16)
Repairs and maintenance	18,500	18,500	19,129	(629)
Other	8,000	8,000	10,345	(2,345)
Total Parks	<u>94,985</u>	<u>94,985</u>	<u>142,693</u>	<u>(47,708)</u>
Total Parks & Recreation	<u>\$ 182,777</u>	<u>\$ 182,777</u>	<u>\$ 203,466</u>	<u>\$ (20,689)</u>

(continued)

TOWN OF HAYDEN, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
General Fund - Budget and Actual (Continued)
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Economic Development:				
Projects	\$ 13,500	\$ 13,500	\$ 8,300	\$ 5,200
Other	2,600	2,600	750	1,850
Total Economic Development	<u>16,100</u>	<u>16,100</u>	<u>9,050</u>	<u>7,050</u>
Debt Service:				
Principal	141,000	141,000	73,688	67,312
Interest	-	-	69,982	(69,982)
Total Debt Service	<u>141,000</u>	<u>141,000</u>	<u>143,670</u>	<u>(2,670)</u>
TOTAL EXPENDITURES	<u>2,107,608</u>	<u>2,107,608</u>	<u>1,954,651</u>	<u>152,957</u>
Excess of Revenues Over (Under) Expenditures	(80,937)	(80,937)	92,748	173,685
Other Financing Sources (Uses):				
Transfer out	(47,600)	(47,600)	(47,600)	-
Total Other Financing Sources (Uses)	<u>(47,600)</u>	<u>(47,600)</u>	<u>(47,600)</u>	<u>-</u>
Net change in fund balance	(128,537)	(128,537)	45,148	173,685
Fund balance, beginning of year	818,726	818,726	818,726	-
Prior period adjustment	-	-	66,790	66,790
Fund balance, end of year	<u>\$ 690,189</u>	<u>\$ 690,189</u>	<u>\$ 930,664</u>	<u>\$ 240,475</u>

TOWN OF HAYDEN, COLORADO

SUPPLEMENTARY INFORMATION

**COMBINING STATEMENTS
AND
BUDGETARY COMPARISON SCHEDULES**

FOR THE FOLLOWING FUNDS:

Nonmajor Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditures for a particular purpose.

- The **Conservation Trust Fund** is used to account for State of Colorado lottery funds to be used for parks and recreation services and capital improvement.
- The **Heritage Center Fund** accounts for revenues committed for community development.
- The **Development Fees Fund** accounts for development fees committed for subdivision improvements.
- The **Hayden Public Library Fund** accounts for donations and other revenues committed for the library.

Major 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 is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The budgets for the enterprise funds have been prepared and presented on a modified accrual basis which is an accounting basis other than GAAP for enterprise funds.

- The **Water-Sewer-Refuse Fund** is used to account for the Town's water wells, treatment facilities and distribution system, Town's sewer collection and treatment services, and refuse collection services.

TOWN OF HAYDEN, COLORADO
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2014

	<u>Conservation Trust Fund</u>	<u>Heritage Center Fund</u>	<u>Development Fees Fund</u>	<u>Hayden Public Library</u>	<u>Total</u>
ASSETS					
Cash and cash equivalents	\$ 93,875	\$ -	\$ 118,003	\$ 244,016	\$ 455,894
Total Assets	<u>\$ 93,875</u>	<u>\$ -</u>	<u>\$ 118,003</u>	<u>\$ 244,016</u>	<u>\$ 455,894</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ -	\$ 289	\$ -	\$ -	\$ 289
Due to other funds	-	6,943	-	-	6,943
Total Liabilities	<u>-</u>	<u>7,232</u>	<u>-</u>	<u>-</u>	<u>7,232</u>
Fund Balance:					
Restricted for:					
Parks and recreation	93,875	-	-	-	93,875
Committed to:					
General government (library)	-	-	-	244,016	244,016
Economic development	-	-	118,003	-	118,003
Unassigned	-	(7,232)	-	-	(7,232)
Total fund balances (deficit)	<u>93,875</u>	<u>(7,232)</u>	<u>118,003</u>	<u>244,016</u>	<u>448,662</u>
Total Liabilities and Fund Balances	<u>\$ 93,875</u>	<u>\$ -</u>	<u>\$ 118,003</u>	<u>\$ 244,016</u>	<u>\$ 455,894</u>

TOWN OF HAYDEN, COLORADO
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2014

REVENUES:	<u>Conservation Trust Fund</u>	<u>Heritage Center Fund</u>	<u>Development Fees Fund</u>	<u>Hayden Public Library</u>	<u>Total</u>
Intergovernmental	\$ 17,204	\$ -	\$ -	\$ -	\$ 17,204
Interest revenue	-	-	-	634	634
Other revenues	117	-	-	5,068	5,185
Total Revenues	<u>17,321</u>	<u>-</u>	<u>-</u>	<u>5,702</u>	<u>23,023</u>
EXPENDITURES:					
General government	-	2,167	-	3,872	6,039
Capital outlay	18,854	-	-	-	18,854
Total Expenditures	<u>18,854</u>	<u>2,167</u>	<u>-</u>	<u>3,872</u>	<u>24,893</u>
Excess of Revenues Over (Under) Expenditures	<u>(1,533)</u>	<u>(2,167)</u>	<u>-</u>	<u>1,830</u>	<u>(1,870)</u>
Fund balances (deficit), beginning of year	<u>95,408</u>	<u>(5,065)</u>	<u>118,003</u>	<u>242,186</u>	<u>450,532</u>
Fund balances (deficit), end of year	<u>\$ 93,875</u>	<u>\$ (7,232)</u>	<u>\$ 118,003</u>	<u>\$ 244,016</u>	<u>\$ 448,662</u>

TOWN OF HAYDEN, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Conservation Trust Special Revenue Fund
Budget and Actual
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental revenue:				
State lottery	\$ 17,145	\$ 17,145	\$ 17,204	\$ 59
Grant revenue	25,000	25,000	-	(25,000)
Interest income	220	220	117	(103)
	<u>42,365</u>	<u>42,365</u>	<u>17,321</u>	<u>(25,044)</u>
Total revenue				
EXPENDITURES:				
Parks and recreation:				
Capital outlay	<u>30,000</u>	<u>30,000</u>	<u>18,854</u>	<u>11,146</u>
Total Expenditures	<u>30,000</u>	<u>30,000</u>	<u>18,854</u>	<u>11,146</u>
Excess of Revenues Over (Under) Expenditures	<u>12,365</u>	<u>12,365</u>	<u>(1,533)</u>	<u>(13,898)</u>
Fund balance, beginning of year	<u>95,408</u>	<u>95,408</u>	<u>95,408</u>	<u>-</u>
Fund balance, end of year	<u>\$ 107,773</u>	<u>\$ 107,773</u>	<u>\$ 93,875</u>	<u>\$ (13,898)</u>

TOWN OF HAYDEN, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Heritage Center Special Revenue Fund
Budget and Actual
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES:				
Intergovernmental revenue	\$ -	\$ -	\$ -	\$ -
Total revenues	-	-	-	-
EXPENDITURES:				
Wages and benefits	-	-	2,167	(2,167)
Total Expenditures	-	-	2,167	(2,167)
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	-	-	(2,167)	(2,167)
Fund balance, beginning of year	(5,065)	(5,065)	(5,065)	-
Fund balance (deficit), end of year	<u>\$ (5,065)</u>	<u>\$ (5,065)</u>	<u>\$ (7,232)</u>	<u>\$ (2,167)</u>

TOWN OF HAYDEN, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Development Fees Special Revenue Fund
Budget and Actual
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Development fees	\$ -	\$ -	\$ -	\$ -
Total revenue	-	-	-	-
EXPENDITURES:				
General government	-	-	-	-
Total Expenditures	-	-	-	-
Excess of Revenues Over (Under) Expenditures	-	-	-	-
Fund balance, beginning of year	118,003	118,003	118,003	-
Fund balance, end of year	<u>\$ 118,003</u>	<u>\$ 118,003</u>	<u>\$ 118,003</u>	<u>\$ -</u>

TOWN OF HAYDEN, COLORADO
Schedule of Revenues, Expenditures and Changes in Fund Balance
Hayden Public Library Special Revenue Fund
Budget and Actual
For the Year Ended December 31, 2014

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Interest income	\$ -	\$ -	\$ 634	\$ 634
Other revenues	-	-	5,068	5,068
Total Revenue	<u>-</u>	<u>-</u>	<u>5,702</u>	<u>5,702</u>
EXPENDITURES:				
Services, supplies, and other	-	-	3,872	(3,872)
Total Expenditures	<u>-</u>	<u>-</u>	<u>3,872</u>	<u>(3,872)</u>
Excess of Revenue and Other Sources Over (Under) Expenditures and Other Uses	<u>-</u>	<u>-</u>	<u>1,830</u>	<u>1,830</u>
Fund balance, beginning of year	<u>242,186</u>	<u>242,186</u>	<u>242,186</u>	<u>-</u>
Fund balance, end of year	<u>\$ 242,186</u>	<u>\$ 242,186</u>	<u>\$ 244,016</u>	<u>\$ 1,830</u>

TOWN OF HAYDEN, COLORADO
Schedule of Revenues, Expenses and Changes in Net Assets
Water-Sewer-Refuse Fund
Budget and Actual with Reconciliation to US GAAP Basis
For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Charges for services:				
Water	\$ 697,020	\$ 697,020	\$ 654,682	\$ (42,338)
Sewer	313,815	313,815	310,461	(3,354)
Refuse	127,250	127,250	130,375	3,125
Other revenues	23,694	23,694	19,665	(4,029)
Total Revenues	<u>1,161,779</u>	<u>1,161,779</u>	<u>1,115,183</u>	<u>(46,596)</u>
Expenses				
Water:				
Operating water	213,966	213,966	181,247	32,719
Water treatment plant	93,460	93,460	96,688	(3,228)
Golden meadows	24,850	24,850	20,403	4,447
Hospital hill	35,885	35,885	11,248	24,637
Meters	25,830	25,830	17,167	8,663
Water rights	59,020	59,020	26,421	32,599
Water distribution	26,000	26,000	15,763	10,237
Administration water	1,029,786	1,029,786	31,319	998,467
Sewer:				
Operating sewer	161,811	161,811	128,761	33,050
Sewer treatment plant	81,570	81,570	69,604	11,966
Washington street	2,750	2,750	1,792	958
Sewer collection system	106,000	106,000	9,292	96,708
Lift stations	15,420	15,420	9,205	6,215
Administration sewer	35,509	35,509	30,952	4,557
Refuse Collection	127,250	127,250	131,993	(4,743)
Total Expenses	<u>2,039,107</u>	<u>2,039,107</u>	<u>781,855</u>	<u>1,257,252</u>
Operating Income excluding depreciation	<u>(877,328)</u>	<u>(877,328)</u>	<u>333,328</u>	<u>1,210,656</u>
Non-operating Revenues (Expenses)				
Interest income	229	229	-	(229)
Connection and tap fees	7,200	7,200	14,400	7,200
Total Non-Operating Revenue (Expense)	<u>7,429</u>	<u>7,429</u>	<u>14,400</u>	<u>6,971</u>
Income before contributions, transfers and capital and related financing activities	<u>\$ (869,899)</u>	<u>\$ (869,899)</u>	<u>\$ 347,728</u>	<u>\$ 1,217,627</u>

(continued)

TOWN OF HAYDEN, COLORADO
Schedule of Revenues, Expenses and Changes in Net Assets
Water-Sewer-Refuse Fund (Continued)
Budget and Actual with Reconciliation to US GAAP Basis
For the Year Ended December 31, 2014

**Contributions, Transfers and Capital
and Related Financing Activities:**

Capital outlay	\$ (1,045,300)	\$ (1,045,300)	\$ (1,061,713)	\$ (16,413)
Debt service	(201,160)	(201,160)	(150,306)	50,854
Capital contributions and grants	1,763,300	1,763,300	515,532	(1,247,768)
Transfers in	<u>47,600</u>	<u>47,600</u>	<u>47,600</u>	<u>-</u>
Total Contributions, transfers and capital and related financing activities	<u>564,440</u>	<u>564,440</u>	<u>(648,887)</u>	<u>(1,213,327)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures	(305,459)	(305,459)	(301,159)	4,300
Reconciliation to net income:				
Depreciation			(333,501)	
Capital outlay			1,061,713	
Debt principal payments			<u>110,847</u>	
US GAAP basis net income (loss)			537,900	
Net position, beginning of year			6,714,595	
Prior period adjustment			<u>10,628</u>	
Net position, end of year			<u><u>\$ 7,263,123</u></u>	

TOWN OF HAYDEN, COLORADO
SUPPLEMENTARY INFORMATION
COLORADO WATER RESOURCES AND
POWER DEVELOPMENT AUTHORITY
LOAN COVENANTS AND REQUIREMENTS

The Colorado Water Resources and Power Development Authority Loan Agreement sets forth certain covenants and restrictions. As of December 31, 2014, the Town appears to be in compliance with all covenants and restrictions as set forth in Exhibit A and Exhibit F, Additional Covenants and Requirements. See footnote 7 for details on the loan. The following are additional disclosures required by the loan agreement.

- **Rate Covenant:** The Town shall establish and collect such rates, fees, and charges for the use or the sale of the products and services of the System as, together with other moneys available therefore, are expected to produce Gross revenue for each calendar year that will be at least sufficient for such calendar year to pay the sum of estimated operation and maintenance expenses, 110% of the debt service coming due on the bond during the calendar year and other debt service requirements. Gross revenue as defined in Para (3) of Exhibit A to the Loan Agreement is all income and revenues directly or indirectly derived by the government agency for the operation and use of the system, including investment income, but excluding, property taxes and grants received for capital improvements.

Summary of 2014 Gross Revenue Requirement

Total Gross Revenue requirement	\$ 992,163
Total water fund revenues, excluding capital grants	\$ 999,211
Excess (deficiency) of gross revenues	\$ 7,048
2014 Actual coverage ratio of CWRPDA debt service	117%

- **Operations and Maintenance Reserve Fund Covenant:** The Town has set aside sufficient funds to meet the Reserve Fund covenant. See footnote 5 for more details regarding the reserve fund amount.

TOWN OF HAYDEN, COLORADO

SUPPLEMENTARY INFORMATION

LOCAL HIGHWAY FINANCE REPORT

Section 43-2-132 of the Colorado Revised Statutes requires municipalities receiving Highway User Tax Funds to include a schedule of highway receipts and expenditures with the audit report. The said report is presented on the following two pages.

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LOCAL HIGHWAY FINANCE REPORT	City or County: Town of Hayden
	YEAR ENDING : December 2014
Prepared By: Carrie Bartow Phone: 303-779-5710	

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
A. Receipts from local sources:		A. Local highway disbursements:	
1. Local highway-user taxes		1. Capital outlay (from page 2)	0
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	480,298
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	34,326
2. General fund appropriations	528,731	b. Snow and ice removal	42,656
3. Other local imposts (from page 2)	29,554	c. Other	0
4. Miscellaneous local receipts (from page 2)	30,902	d. Total (a. through c.)	76,982
5. Transfers from toll facilities		4. General administration & miscellaneous	42,583
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	66,250
a. Bonds - Original Issues		6. Total (1 through 5)	666,113
b. Bonds - Refunding Issues		B. Debt service on local obligations:	
c. Notes		1. Bonds:	
d. Total (a. + b. + c.)	0	a. Interest	
7. Total (1 through 6)	589,187	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	76,926	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	666,113	b. Redemption	
		c. Total (a. + b.)	0
		3. Total (1.c + 2.c)	0
		C. Payments to State for highways	
		D. Payments to toll facilities	
		E. Total disbursements (A.6 + B.3 + C + D)	666,113

IV. LOCAL HIGHWAY DEBT STATUS

(Show all entries at par)

	Opening Debt	Amount Issued	Redemptions	Closing Debt
A. Bonds (Total)				0
1. Bonds (Refunding Portion)				
B. Notes (Total)				0

V. LOCAL ROAD AND STREET FUND BALANCE

	A. Beginning Balance	B. Total Receipts	C. Total Disbursements	D. Ending Balance	E. Reconciliation
		666,113	666,113		(0)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:
Colorado
YEAR ENDING (mm/yy):
December 2014

II. RECEIPTS FOR ROAD AND STREET PURPOSES - DETAIL

ITEM	AMOUNT	ITEM	AMOUNT
A.3. Other local imposts:		A.4. Miscellaneous local receipts:	
a. Property Taxes and Assessments		a. Interest on investments	
b. Other local imposts:		b. Traffic Fines & Penalties	23,064
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	29,554	g. Other Misc. Receipts	
6. Total (1. through 5.)	29,554	h. Other - Road and Bridge	7,838
c. Total (a. + b.)	29,554	i. Total (a. through h.)	30,902
	(Carry forward to page 1)		(Carry forward to page 1)

ITEM	AMOUNT	ITEM	AMOUNT
C. Receipts from State Government		D. Receipts from Federal Government	
1. Highway-user taxes	68,648	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	8,278	d. Federal Transit Admin	
d. Other (Specify) -		e. U.S. Corps of Engineers	
e. Other (Specify)-		f. Other Federal	
f. Total (a. through e.)	8,278	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	76,926	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)
A.1. Capital outlay:			
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	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)

Notes and Comments:



**Independent Auditors' 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***

The Honorable Mayor and Town Council
Town of Hayden, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Hayden, Colorado, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements, and have issued our report thereon dated July 8, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Town of Hayden, Colorado'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 of Hayden, Colorado's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town of Hayden, Colorado's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. 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. We did identify certain deficiencies in internal control which are described in the findings and recommendations letter dated July 8, 2015 that we consider to be significant deficiencies:

- 2013-01 Adjustments and Reconciliations
- 2013-02 Segregation of Duties
- 2013-03 Capital Asset Management

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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



HintonBurdick, PLLC
St. George, Utah
July 8, 2015

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