



Town of Johnstown

TOWN COUNCIL REGULAR MEETING

450 S. Parish, Johnstown, CO
Monday, July 18, 2022 at 7:00 PM

MISSION STATEMENT: Enhancing the quality of life of our residents, businesses, and visitors through community focused leadership.

AGENDA

CALL TO ORDER

Pledge of Allegiance

ROLL CALL

AGENDA APPROVAL

SPECIAL PRESENTATIONS

- [1.](#) Outdoor swimming pool and amenities - Autumn Maus
- [2.](#) 2021 Financial Audit Presentation

PUBLIC COMMENT

Members of the audience are invited to speak at the Council meeting. Public Comment is reserved for citizen comments on items not contained on the printed agenda. Citizen comments are limited to three (3) minutes per speaker. When several people wish to speak on the same position on a given item, they are requested to select a spokesperson to state that position.

CONSENT AGENDA

The Consent Agenda is a group of routine matters to be acted on with a single motion and vote. Council or staff may request an item be removed from the Consent Agenda and placed on the Regular Agenda for discussion.

- [3.](#) July 6, 2022 Minutes
- [4.](#) June 2022 Financial Statements
- [5.](#) List of Bills - July 2022
- [6.](#) Second reading of Ordinance 2022-233 amending Article V of Chapter 11 of the Johnstown Municipal Code concerning use of the Pioneer Ridge Park Disc Golf Course.
- [7.](#) Water & Sewer Service Agreement - Adolfson & Peterson Bldg

TOWN MANAGER REPORT

- [8.](#) Town Manager's Report

TOWN ATTORNEY REPORT

PUBLIC HEARING

- [9.](#) Public Hearing – Resolution 2022-29 Declining Participation in the Colorado Paid Family Medical Leave Insurance Program

NEW BUSINESS

COUNCIL REPORTS AND COMMENTS

MAYOR'S COMMENTS

EXECUTIVE SESSION

10. An Executive Session to obtain legal advice pursuant to C.R.S. § 24-6-402(4)(b) Concerning Railroad Issues.

INFORMATIONAL ITEMS

- [11.](#) Informational Items

ADJOURN

AMERICANS WITH DISABILITIES ACT NOTICE

In accordance with the Americans with Disabilities Act, persons who need accommodation in order to attend or participate in this meeting should contact Town Hall at (970) 587-4664 within 48 hours prior to the meeting in order to request such assistance.

The Community That Cares

www.TownofJohnstown.com

P: 970.587.4664 | 450 S. Parish Ave, Johnstown CO | F: 970.587.0141

Letford Family Aquatic Park

Letford Family Aquatic Park

Item #1.

- ▶ 1. Outdoor activities to be enjoyed by all age groups in the community
- ▶ 2. Amenity to a part of town that has not had recent public improvement
- ▶ 3. Adaptive re-use of property with no land cost to the Town
- ▶ 4. Need from the school district
- ▶ 5. Maintain Letford Elementary “legacy” by benefitting local youth
- ▶ 6. Synergies with potential management by YMCA

Oasis Aquatic Park

Item #1.

- ▶ Location: Brighton, CO
- ▶ Population: 38,550 people
- ▶ Building Cost: \$5.3 Million
- ▶ Pool features:
 - ▶ Major slides, large pool area, lazy river, young kids area including splash park
- ▶ Budgeted operating costs for 2020: \$432,267



Budget info can be found [HERE](#) on page 119
Building cost source: [HERE](#)

City Park Pool

- ▶ Location: Fort Collins, CO
- ▶ Population: 166,069 people
- ▶ Pool features:
 - ▶ Slides, big swim area, small kids area with slides and splash park
- ▶ Budgeted Operating costs 2021: \$152,293



Budget info can be found [HERE](#) on page 82.

Chimney Park Pool

- ▶ Location: Windsor, CO
- ▶ Population: 23,679 people
- ▶ Pool features:
 - ▶ Diving board, large pool area, small kids area and a slide
- ▶ Budgeted Operating Costs: ??



Budget Info can be found [HERE](#) on page

RainDance River Resort

- ▶ Location: Windsor, CO
- ▶ Population: 23,679 people
- ▶ Operating costs: \$447,550
- ▶ Pool Features:
 - ▶ Wave pool, lazy river, slide, kids area



Budget Info can be found [HERE](#) page 2

Amenities...

- ▶ Maintain and improve vegetation (trees, grass field etc.)
- ▶ Playground, basketball court, pickleball court
- ▶ Picnic pavilions
- ▶ Additional parking
- ▶ Pool for all ages including: Splashpad, tots pool, diving board, lap lanes and slides





TOWN OF JOHNSTOWN, COLORADO

BASIC FINANCIAL STATEMENTS

December 31, 2021

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FINANCIAL SECTION



JOHN CUTLER & ASSOCIATES

Honorable Mayor and Members of the Town Council
Town of Johnstown
Johnstown, Colorado

INDEPENDENT AUDITORS' REPORT

Report on the Financial Statements

Opinions

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 of Johnstown (the "Town") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the Town's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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 Johnstown as of December 31, 2021, 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.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Town of Johnstown, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements

In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures of the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Town's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Town's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required budgetary and pension information on pages 34-38 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) 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.

Supplementary and Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The combining and individual fund financial schedules and State Compliance information as listed in the table of contents, are presented for purposes of additional analysis and are 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.

The combining and individual fund financial schedules and State Compliance have been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic 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 and individual fund financial statements and schedules and State Compliance are fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

John Luther & Associates, LLC

July 8, 2022

Management's Discussion and Analysis

This section of the annual financial report offers readers of the Town of Johnstown a discussion and analysis of the Town's financial performance during the year ended December 31, 2021. We encourage readers to consider the information presented here in conjunction with additional information furnished in the Town's financial statements, which immediately follow this section.

Financial Highlights

- Assets and deferred outflow of resources for The Town exceeded liabilities and deferred inflow of resources by \$265 million, an increase of \$56.68 million, or 27 percent.
- As of December 31, 2021, net position for governmental activities was \$162.2 million, up \$22.2 million or 15.89 percent from December 31, 2020. Business type activities reported a net position of \$103.4 million, up \$34.4 million or 49.9 percent in the same time frame.
- General revenues account for \$28,762,045 or 42.06 percent of all revenues. The Town had \$39,611,866 in program specific revenues in the form of charges for services, operating grants and contributions, and capital contributions.
- The Town had \$13,675,280 in expenses related to governmental activities, of which \$7,130,184 were offset by program specific charges for services and operating grants, contributions. Taxes of \$27,388,022 and other general revenues of \$1,401,150 as shown on the statement of activities, offset the costs.
- The Town had water, sewer, and drainage charges for service income totaling \$8,326,070. Grants and capital contributions revenues for these funds totaled \$24,155,632. The cost of providing water, sewer, and drainage services totaled \$7,809,017.
- The Town's unassigned fund balance for the General Fund is \$68,686,911, the committed fund balance is \$250,000, and the restricted fund balance is \$1,017,000. The committed fund balance is intended to fund the operation of the Recreation Center. The unassigned portion of the Town's fund balance is available to meet the Town's reserve requirements and future spending at the Town's discretion.
- Outlays for capital assets were primarily related to infrastructure and equipment, but also included water rights and buildings. See the Capital Assets Section of the Financial Statements for detail.
- The Town's governmental funds only outstanding debt are accrued compensated absences totaling \$136,363 at December 31, 2021.
- The Town's business-type funds includes outstanding debt of accrued compensated absences totaling \$46,226 at December 31, 2021. It also includes the debt of the bonds issued for a total of \$56,617,227 at December 31, 2021.



Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the Town's basic financial statements. The basic statements are comprised of three components: 1) government-wide financial statements, 2) specific fund financial statements, and 3) notes to the financial statements.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Town's finances in a manner similar to a private-sector business.

There are two government-wide financial statements:

Statement of net position – This statement presents information on all the Town's assets, liabilities, deferred inflows and deferred outflows, with the difference between them being reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the Town is improving or deteriorating.

Statement of activities – This statement presents information showing how the Town of Johnstown's net position changed during 2021. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses reported in this statement for some items will result in cash flows in future periods (e.g., uncollected taxes and earned but unused personal time).

The government-wide financial statements reflect three distinct activities:

Governmental Activities – These activities are primarily supported by taxes and intergovernmental revenues. The Governmental Activities of the Town of Johnstown include general government, public safety (police), public works, community development, cemetery, and recreation.

Business-type Activities - These activities are supported by user fees and service charges which are intended to recover all of their costs. The Business-type Activities of the Town of Johnstown include Water, Waste Water, and Drainage. Governmental activities and business-type activities combined comprise the primary government.

Component Units – The Town currently does not have any organizations that are legally separate and are reported separately from the primary government.

Governmental activities and business-type activities combine to comprise the primary government. The government wide financial statements begin on page 1 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State law and bond covenants; however, the Town Board establishes other funds to help control and manage money for particular purposes. All of the Town's funds can be divided into three categories: Governmental Funds, Proprietary Funds and Fiduciary Funds.

Governmental Funds – *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *short-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government’s short-term financing requirements. The accounting method used is *modified accrual* accounting.

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

Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and other major funds. The minor funds are combined in the *Other Governmental Funds* into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Governmental fund financial statements begin on page 3 of this report.

Proprietary Funds – The Town of Johnstown maintains one type of proprietary fund. *Enterprise Funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Town uses an enterprise fund to account for its Water, Waste Water, and Drainage Funds. These funds are considered major funds of the Town of Johnstown.

Proprietary fund statements begin on page 6 of this report.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Town and fund financial statements. The notes can be found on pages 9 to 33 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain other supplementary information. This includes the required supplemental data required for non-major fund information and budgetary comparison schedules. The budgetary comparisons are included on pages 34 to 46 of this report.

Financial Analysis of the Town as a Whole

As noted previously, net position may serve over time as a useful indicator of the Town’s financial position. For the year ending December 31, 2021, the Town’s combined assets exceeded liabilities and deferred inflows of resources by \$265,645,236.

TOWN OF JOHNSTOWN, COLORADO
CONDENSED STATEMENT OF NET POSITION
2021/2020

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>
Assets						
Current Assets	102,685,271	127,952,219	34,860,350	88,899,415	137,545,621	216,851,634
Capital Assets - Net	48,256,815	48,211,763	35,188,726	79,536,856	83,445,541	127,748,619
Total Assets	<u>150,942,086</u>	<u>176,163,982</u>	<u>70,049,076</u>	<u>168,436,271</u>	<u>220,991,162</u>	<u>344,600,253</u>
Deferred Outflow of Resources						
Related to Pensions	367,323	375,224	-	-	367,323	375,224
Liabilities						
Current Liabilities	2,856,876	5,659,976	1,029,491	7,005,960	3,886,367	12,665,936
Long-Term Liabilities	119,915	136,363	43,252	56,698,413	163,167	56,834,776
Total Liabilities	<u>2,976,791</u>	<u>5,796,339</u>	<u>1,072,743</u>	<u>63,704,373</u>	<u>4,049,534</u>	<u>69,500,712</u>
Deferred Inflows of Resources						
Related to Pensions	97,747	262,934	-	-	97,747	262,934
Deferred Property Tax Revenue	8,255,602	8,256,588	-	1,910,007	8,255,602	10,166,595
Net Position						
Net Investment in Capital Assets	48,256,815	48,211,763	35,188,726	80,136,856	83,445,541	128,348,619
Restricted	875,000	10,174,000	-	-	875,000	10,174,000
Unrestricted	90,847,454	112,994,582	33,787,607	23,285,035	124,635,061	136,279,617
Total Net Position at December 31	<u>139,979,269</u>	<u>162,223,345</u>	<u>68,976,333</u>	<u>102,821,891</u>	<u>208,955,602</u>	<u>265,045,236</u>
Total Increase in Net Position						56,089,634
Percent Increase in Net Position						26.84%

A portion of the Town of Johnstown's net position (48.3%) reflects its investment in capital assets (e.g., land, buildings, etc.), less any related debt still outstanding (current and long-term), that was used to acquire those assets. The Town uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Town's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The restricted portion of net position (.3%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position (\$136,279,617) is unrestricted and may be used to meet the Town's ongoing obligations to citizens and creditors.

The Town reports positive balances in all three categories of net position, for the government as a whole, as well as for its separate Governmental and Business-type Activities.

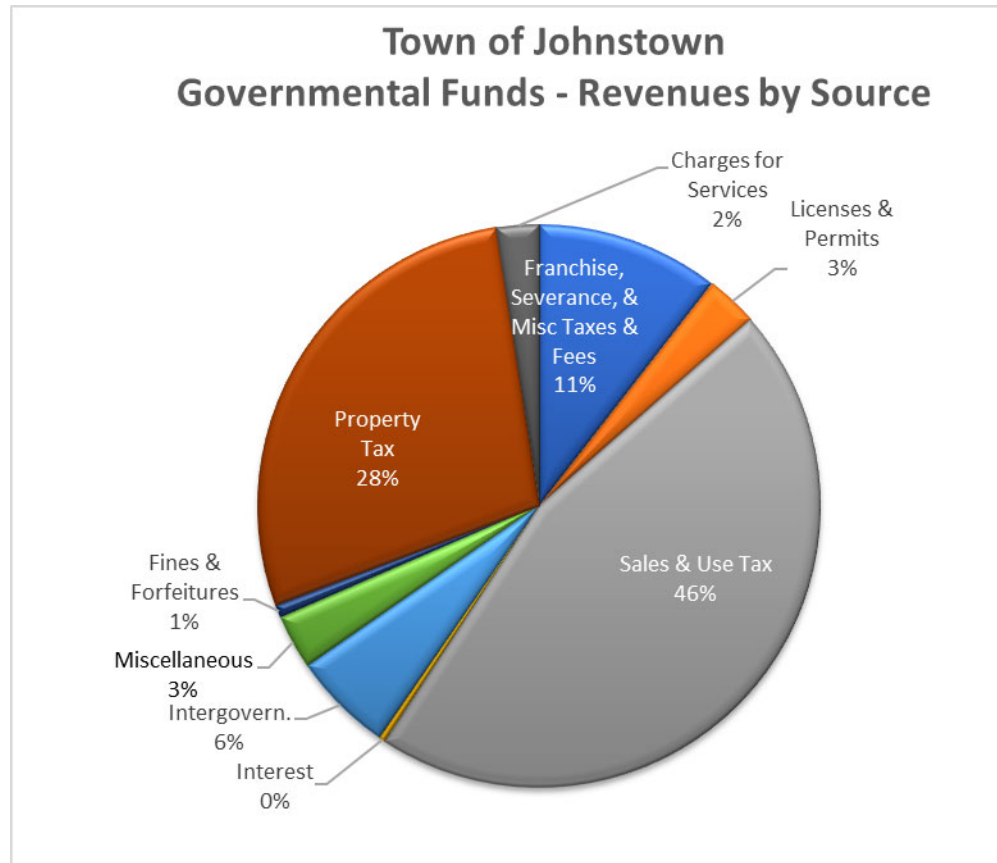
TOWN OF JOHNSTOWN, COLORADO
CONDENSED STATEMENT OF ACTIVITIES
2021/2020

Revenues	Governmental Activities		Business-Type Activities		Total	
	2020	2021	2020	2021	2020	2021
Program Revenues						
Charges for Services	5,852,528	5,054,897	6,406,289	8,326,070	12,258,817	13,380,967
Operating Grants and Contributions	1,374,493	551,516	-	-	1,374,493	551,516
Capital Grants and Contributions	2,424,233	1,523,771	4,962,982	24,155,632	7,387,215	25,679,403
General Revenues						
Property Taxes	8,896,180	10,161,097	-	-	8,896,180	10,161,097
Sales and Use Taxes	11,452,899	16,425,815	-	-	11,452,899	16,425,815
Franchise Taxes	499,702	521,849	-	-	499,702	521,849
Other Taxes	506,468	422,483	-	-	506,468	422,483
Interest	736,323	132,921	-	-	736,323	132,921
Other Revenues	1,162,949	1,125,007	-	-	1,162,949	1,125,007
Loss on Disposal of Assets	-	-	-	-	0	0
Total Revenues	32,905,775	35,919,356	11,369,271	32,481,702	44,275,046	68,401,058
Expenses						
General Government	3,959,268	2,880,399	-	-	3,959,268	2,880,399
Public Safety	3,361,350	3,348,147	-	-	3,361,350	3,348,147
Public Works	9,053,329	5,811,240	-	-	9,053,329	5,811,240
Health and Welfare	-	-	-	-	0	0
Culture and Recreation	2,331,483	1,635,494	-	-	2,331,483	1,635,494
Interest on Long-Term Debt	-	-	-	-	0	0
Water	-	-	2,848,798	4,156,365	2,848,798	4,156,365
Sewer	-	-	1,570,001	2,033,228	1,570,001	2,033,228
Drainage	-	-	341,537	420,746	341,537	420,746
Interest on Long-Term Debt	-	-	-	1,198,678	-	1,198,678
Total Expenses	18,705,430	13,675,280	4,760,336	7,809,017	23,465,766	21,484,297
Excess (deficiency) before transfers						
Transfers	220,000	-	(220,000)	(60,000)	0	\$ (60,000)
Prior Period Adjustment	-	-	-	9,800,000	0	9,800,000
Change in Net Position	14,420,345	22,244,076	6,388,935	24,612,685	20,809,280	46,856,761
NET POSITION, Beginning	125,558,924	139,979,269	62,252,349	68,641,284	187,811,273	208,620,553
NET POSITION, Ending	139,979,269	162,223,345	68,641,284	103,053,969	208,620,553	265,277,314

Financial Analysis of the Town's Funds

Governmental Activities. The focus of the Town of Johnstown'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 2020, the governmental funds for the Town were restructured to better reflect the functions and purposes of the fund and to allow users to better assess the accountability of the Town moving forward.

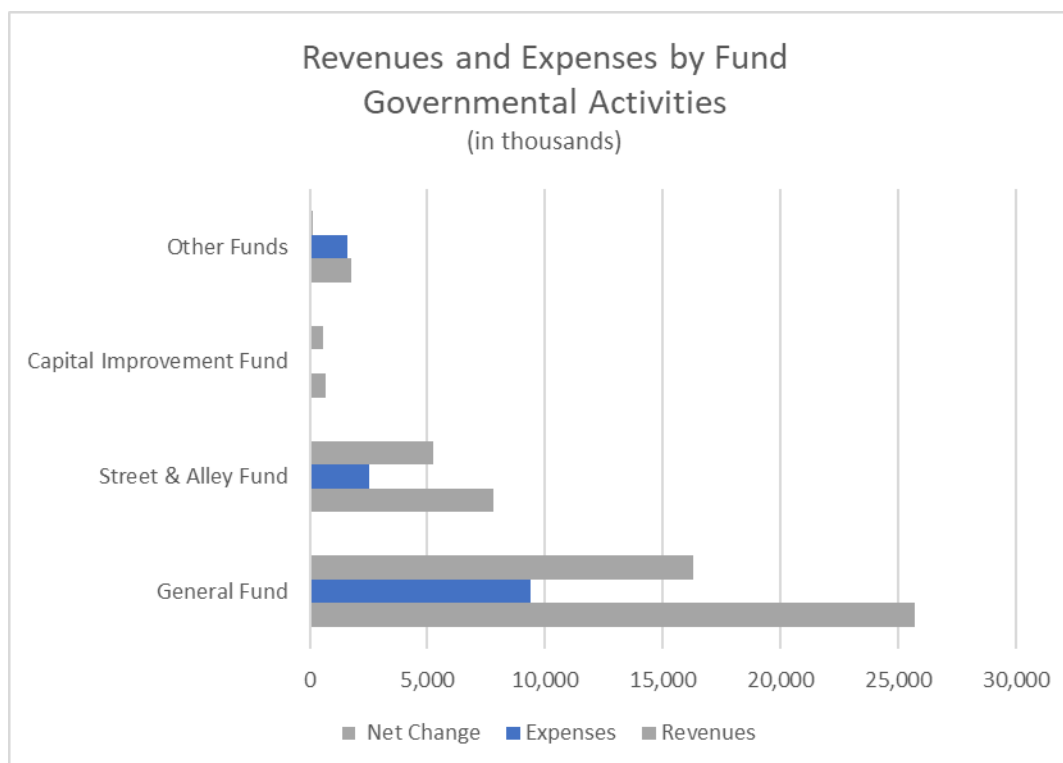
As of the end of the current fiscal year, the Town's governmental funds reported a combined ending fund balance of \$113,807,468, an increase of \$22,289,912. Overall revenue increased \$3.0 million or 9.1 percent. Areas of substantial revenue increase included taxes and fees \$4,892,264. The General Fund revenue increases, are primarily the result of an economy that continued to grow, despite the continuing COVID 19 pandemic, and the resulting sales tax collections.



Expenditures for the governmental funds for the current year decreased \$7,785,517 or 45.3%. Expenses for the General Fund decreased as capital outlay decreased \$8,208,807 as the construction of the new Recreation Center was completed in 2020. In 2021, the Street and Alley Fund recognized capital expenditures of \$373,014 for a Charlotte St. rehabilitation project. There were no notable increases in expenditures recognized in the General Fund or for the Governmental Funds in 2021.

The statement of net position reports a combined net position for governmental activities of \$162,223,345 an increase of \$22,244,076. The increase is primarily attributed to an increase in capital assets, cash, and receivables.

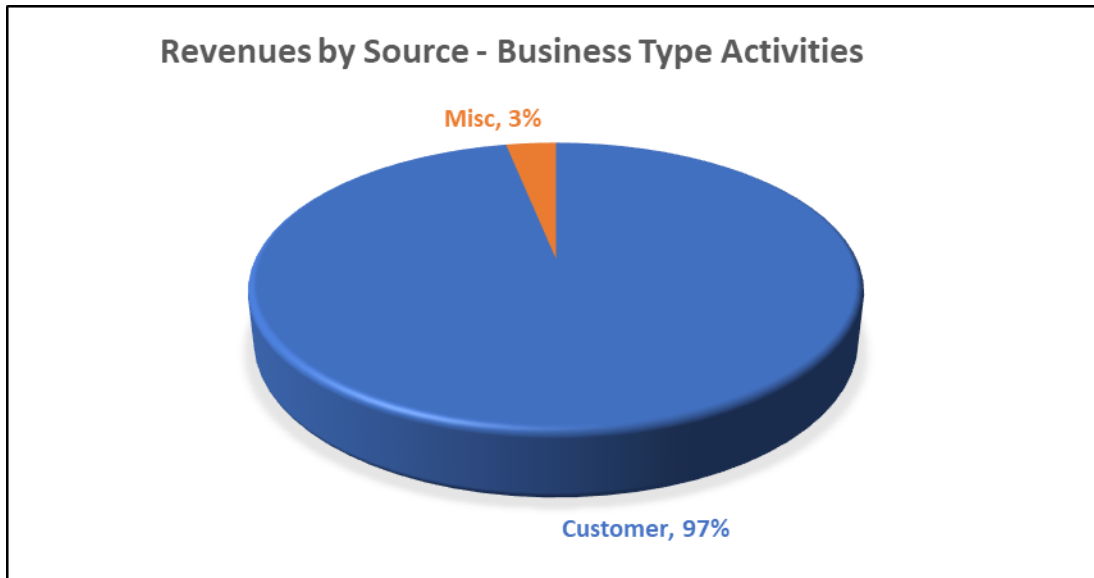
The graph below provides the program revenue and expenses (excluding transfers) for each governmental activity as well as providing net change.



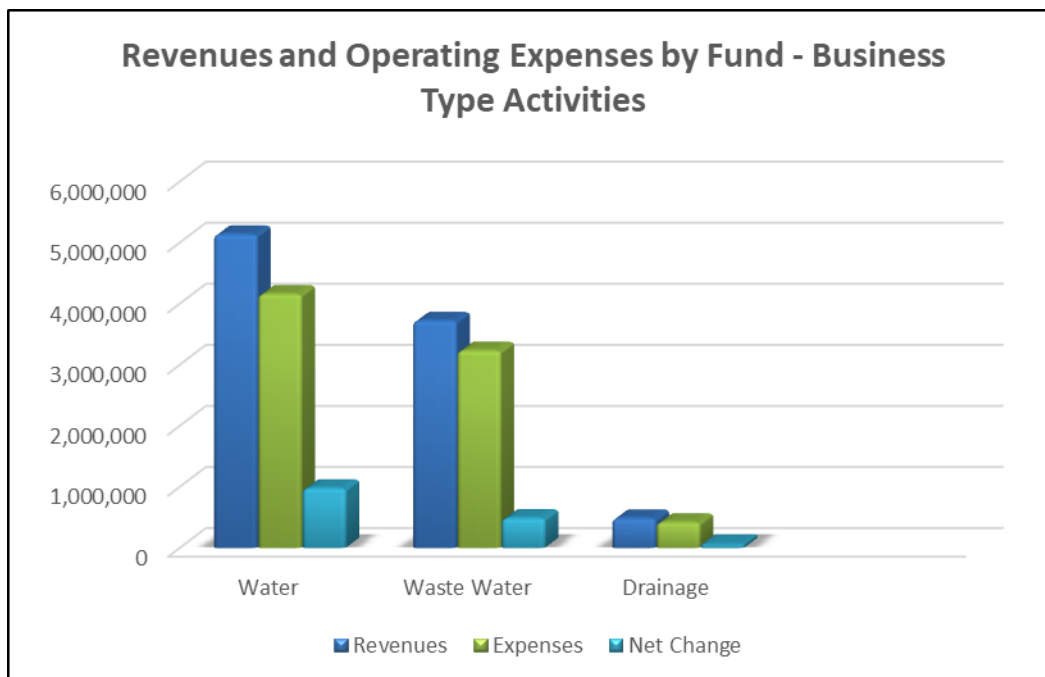
Business-type Activities. Net position of business-type activities increased by \$34.4 million primarily due to an increase in cash and capital assets in all business type funds. The Water Fund increased \$32,311,714, the Waste Water Fund increased \$1,670,048 and the Drainage Fund increased \$463,796. This net position is dedicated solely to finance the continuing operations of the water, waste water, and drainage operations.

Revenues for the Town's business-type activities, were \$8,326,070, a 29.9 percent increase compared to the previous year. The increase in revenues is largely attributed to an increase in volume of water sales. Charges for services for business-type activities increased \$2,045,066, and miscellaneous operating revenues decreased 125,285. The decrease in miscellaneous revenues is directly attributed to the COVID 19 pandemic. Total operating revenues increased \$1,919,781. Operating expenses increased \$1,850,003 across all funds. Water operation costs increased \$1,307,567 in 2021 primarily due to increases in materials costs and the costs associated with the GAC system. Waste water operations increased \$463,227 due to general cost increases for materials and repairs. Drainage Fund operating expenses increased \$79,209.

As you can see from the following graph, the primary source of revenue for business-type activities is customer charges.



The following graph provides program revenue and expenses (excluding transfers and capital contributions) for each of the Business-Type activities operated by the Town.



General Fund Budgetary Highlights

The General Fund is the chief operating fund of the Town. It accounts for all of the general services provided by the Town. In 2021, total fund balance increased \$14,987,753. The unassigned fund balance of the General Fund at the end of 2021, totaled \$68,686,911 while the total fund balance totaled \$69,953,911. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to General Fund expenditures. For 2021, unassigned fund balance represents approximately 7.30 times the total General Fund Expenditures, while total fund balance represents 7.44 times that same amount. While the General Fund has a healthy fund balance, the Town has a number of very large capital projects that are currently in the design and/or construction phase, which will decrease the fund balance significantly in 2022 and 2023. Preliminary estimates of the design and construction projects will move the unassigned fund balance from 7.30 times to 1 times the total General Fund Expenditures by 2025.

The Town budgeted for General Fund expenditures of \$21,125,510 for the year ended December 31, 2021 and actual expenditures were \$17,183,700. Expenditures were \$3,941,810 million less than budgeted as a result of capital projects that were not completed by the end of the year. Revenues, excluding transfers, for 2021 were budgeted at \$14,149,580 and actual revenues were \$21,195,540. Revenues from sales taxes, use taxes, permitting for new construction, and grants were much stronger than anticipated.

Capital Assets and Debt Administration

Capital Assets

By the end of 2021, the Town had invested \$128,348,622 net of accumulated depreciation, in a broad range of capital assets, including land, buildings, site improvements, infrastructure, vehicles and other equipment. This amount represents a net increase of \$44,903,082 or 53.8 percent increase from last year. Additional information on the Town's capital assets can be found in Note 4 of the financial statements. Total accumulated depreciation expense was \$8,839,956 in the governmental activities and \$10,590,805 in the business-type activities. There have been no significant changes in the condition level of the capital assets of the Town.

Long-Term Debt

The Town's governmental funds have accrued compensated absences totaling \$136,363 at December 31, 2021.

The Town's business-type funds have long term debt totaling \$56,698,413 consisting of Bonds, Series 2021, with premium totaling \$56,547,628, a lease payable of \$104,558, and accrued compensated absences of \$46,226 at December 31, 2021.

Additional information on the Town's long-term debt can be found in Note 5 on page 22 of this report.



Fiduciary Fund Activities

Cemetery Perpetual Fund

The fund received \$9,207 in lot sales and investment revenues and recognized no expenditures. The fund balance at December 31, 2021, is \$153,816.

Economic Factors and Next Year's Budgets and Rates

The annual budget ensures the efficient and effective uses of Town funds, as well as highlights the priority objectives. Direction for the upcoming year is established by the Council when the budget is adopted, funds are appropriated and resources are allocated.

The following factors were taken into account when adopting the budget for 2022:

- The Town has forecast most revenues as relatively steady from 2021 through 2022. Revenues from property taxes are expected to increase only slightly as 2022 is not a reassessment year. Revenues from sales taxes are projected to increase as a result of consistent residential and commercial growth. Building permit revenues are expected to increase as there are several new areas of Town in the planning stages of development.
- The Town has conservatively forecast new growth and the mill levy for property tax revenues has been set at 22.147.
- Expenditures in the General Fund are expected to be \$10,786,661. Capital projects planned for 2022 include a Downtown Improvement Plan, upgrades in AV equipment, new police vehicles, expansion design for the Police Department, a copier, and a generator.
- The Town's business-type activities are expected to have revenues that increase in 2022. A thorough review of the Town's business-type activity funds led to several changes that went into effect as of January 1, 2021 to ensure going concern. Customer classes were updated and restructured, the rate tiers were updated and restructured, and a water and waste water rate schedule with annual increases was adopted by Council.

Contacting the Town's Financial Management

This financial report is designed to provide the Town's citizens, taxpayers, investors, and creditors with a general overview of the Town's finances and to demonstrate the Town's accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

Town of Johnstown Finance Department
450 S. Parish
Johnstown, Colorado 80534
(970) 587-4664



BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
As of December 31, 2021

	GOVERNMENTAL	BUSINESS	TOTALS	
	ACTIVITIES	TYPE	2021	2020
		ACTIVITIES		
ASSETS				
Cash and Investments	\$ 114,904,050	\$ 88,016,818	\$ 202,920,868	\$ 124,321,682
Restricted Cash and Investments	705,054	-	705,054	376,599
Receivables				
Property Taxes	8,256,588	-	8,256,588	8,255,602
Sales and Other	3,835,127	-	3,835,127	3,693,285
Accounts	-	872,167	872,167	843,216
Prepaid Items	23,213	10,430	33,643	-
Net Pension Asset	228,187	-	228,187	55,237
Capital Assets, Not Depreciated	2,988,262	64,695,498	67,683,760	23,081,990
Capital Assets, Depreciated				
Net of Accumulated Depreciation	45,223,501	15,441,358	60,664,859	60,363,551
TOTAL ASSETS	176,163,982	169,036,271	345,200,253	220,991,162
DEFERRED OUTFLOWS OF RESOURCES				
Related to Pensions	375,224	-	375,224	367,323
LIABILITIES				
Accounts Payable	1,379,502	6,739,125	8,118,627	1,869,787
Retainage Payable	-	-	-	-
Accrued Salaries and Benefits	100,790	27,797	128,587	217,682
Lease Payable	-	-	-	-
Accrued Interest	-	162,763	162,763	-
Developer Escrow	4,179,684	-	4,179,684	1,686,436
Noncurrent Liabilities				
Deposits	-	76,275	76,275	112,462
Accrued Compensated Absences	136,363	46,226	182,589	163,167
Due within One Year	-	34,960	34,960	-
Due in More Than One Year	-	56,617,227	56,617,227	-
Net Pension Liability	-	-	-	-
TOTAL LIABILITIES	5,796,339	63,704,373	69,500,712	4,049,534
DEFERRED INFLOWS OF RESOURCES				
Related to Pensions	262,934	-	262,934	97,747
Deferred Revenues	-	1,910,007	1,910,007	-
Deferred Property Tax Revenue	8,256,588	-	8,256,588	8,255,602
TOTAL DEFERRED INFLOWS OF RESOURCES	8,519,522	1,910,007	10,429,529	8,353,349
NET POSITION				
Net Investment in Capital Assets	48,211,763	80,136,856	128,348,619	83,445,541
Restricted for Emergencies	1,017,000	-	1,017,000	875,000
Unrestricted	112,994,582	23,285,035	136,279,617	124,635,061
TOTAL NET POSITION	\$ 162,223,345	\$ 103,421,891	\$ 265,645,236	\$ 208,955,602

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

STATEMENT OF ACTIVITIES
Year Ended December 31, 2021

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUES		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS
PRIMARY GOVERNMENT				
Governmental Activities				
General Government	\$ 2,880,399	\$ 1,698,912	\$ 10,440	\$ 314,035
Public Safety	3,348,147	516,381	-	-
Public Works	5,811,240	2,188,812	-	803,869
Health and Welfare	-	-	-	-
Culture and Recreation	1,635,494	650,792	541,076	405,867
Total Governmental Activities	13,675,280	5,054,897	551,516	1,523,771
Business-Type Activities				
Water	4,156,365	5,118,560	-	21,554,392
Wastewater	2,033,228	2,725,847	-	2,180,750
Drainage	420,746	481,663	-	420,490
Interest on Long Term Debt	1,198,678	-	-	-
Total Business-Type Activities	7,809,017	8,326,070	-	24,155,632
Total Primary Government	\$ 21,484,297	\$ 13,380,967	\$ 551,516	\$ 25,679,403

GENERAL REVENUES

Sales Taxes

Property Taxes

Franchise Taxes

Other Taxes

Interest

Other

TRANSFERS

TOTAL GENERAL REVENUES
AND TRANSFERS

CHANGE IN NET POSITION

Prior Period Adjustment

NET POSITION, Beginning

NET POSITION, Ending

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

NET (EXPENSE) REVENUE AND
CHANGE IN NET POSITION

GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
		2021	2020
\$ (857,012)	\$ -	\$ (857,012)	\$ (1,462,112)
(2,831,766)	-	(2,831,766)	(2,855,640)
(2,818,559)	-	(2,818,559)	(4,568,196)
-	-	-	-
(37,759)	-	(37,759)	(168,228)
(6,545,096)	-	(6,545,096)	(9,054,176)
-	22,516,587	22,516,587	4,868,526
-	2,873,369	2,873,369	1,300,192
-	481,407	481,407	440,217
-	(1,198,678)	(1,198,678)	-
-	24,672,685	25,871,363	6,608,935
(6,545,096)	24,672,685	19,326,267	(2,445,241)
16,425,814	-	16,425,814	11,452,899
10,161,097	-	10,161,097	8,896,180
521,849	-	521,849	499,702
279,262	-	279,262	506,468
132,921	32,873	165,794	1,071,372
1,268,229	-	1,268,229	1,162,949
-	(60,000)	(60,000)	-
28,789,172	(27,127)	28,762,045	23,589,570
22,244,076	24,645,558	48,088,312	21,144,329
-	9,800,000	9,800,000	-
139,979,269	68,976,333	208,955,602	187,811,273
\$ 162,223,345	\$ 103,421,891	\$ 266,843,914	\$ 208,955,602

BALANCE SHEET
GOVERNMENTAL FUNDS
As of December 31, 2021

	GENERAL FUND	STREET AND ALLEY FUND	CAPITAL IMPROVEMENT FUND	OTHER GOVERNMENTAL FUNDS
ASSETS				
Cash and Investments	\$ 70,786,762	\$ 14,507,496	\$ 15,267,275	\$ 14,342,517
Restricted Cash and Investments	696,895	-	-	8,159
Taxes Receivable	8,256,588	-	-	-
Accounts Receivable	2,540,226	1,064,206	36	230,659
Prepaid Items	18,532	3,155	-	1,526
TOTAL ASSETS	<u>\$ 82,299,003</u>	<u>\$ 15,574,857</u>	<u>\$ 15,267,311</u>	<u>\$ 14,582,861</u>
LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY				
LIABILITIES				
Accounts Payable	\$ 528,429	\$ 428,293	\$ 47,860	\$ 374,920
Accrued Liabilities	75,599	14,759	-	10,432
Developer Escrows and Deposits	3,484,476	-	695,208	-
TOTAL LIABILITIES	<u>4,088,504</u>	<u>443,052</u>	<u>743,068</u>	<u>385,352</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Property Tax Revenue	<u>8,256,588</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND EQUITY				
Fund Balance				
Restricted for Emergencies	1,017,000	-	-	-
Restricted for Culture and Recreation	-	-	-	6,665,722
Restricted for Parks & Recreation	-	-	-	7,377,971
Restricted for Capital Improvements	-	15,131,805	14,524,243	-
Restricted for Cemetery Maintenance	-	-	-	153,816
Committed for Recreation Center	250,000	-	-	-
Unassigned	<u>68,686,911</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL FUND EQUITY	<u>69,953,911</u>	<u>15,131,805</u>	<u>14,524,243</u>	<u>14,197,509</u>
TOTAL LIABILITIES, DEFERRED INFLOWS, AND FUND EQUITY	<u>\$ 82,299,003</u>	<u>\$ 15,574,857</u>	<u>\$ 15,267,311</u>	<u>\$ 14,582,861</u>

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

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

Long-term liabilities and related assets are not due and payable in the current period and are not reported in the fund. These include Accrued Compensated Absences (\$136,363), Net Pension Asset \$228,187, Deferred Outflows Related to Pensions \$375,224, and Deferred Inflows Related to Pensions of (\$262,934).

Net position of governmental activities

TOTAL GOVERNMENTAL FUNDS	
2021	2020
\$ 114,904,050	\$ 90,603,048
705,054	376,599
8,256,588	8,255,602
3,835,127	3,394,785
23,213	-
<u>\$ 127,724,032</u>	<u>\$ 102,630,034</u>
\$ 1,379,502	\$ 986,413
100,790	184,027
4,179,684	1,686,436
<u>5,659,976</u>	<u>2,856,876</u>
<u>8,256,588</u>	<u>8,255,602</u>
1,017,000	875,000
6,665,722	5,315,976
7,377,971	7,294,373
29,656,048	23,796,495
153,816	144,554
250,000	1,422,738
<u>68,686,911</u>	<u>52,668,420</u>
<u>113,807,468</u>	<u>91,517,556</u>
48,211,763	48,256,815
<u>204,114</u>	<u>204,898</u>
<u>\$ 162,223,345</u>	<u>\$ 139,979,269</u>

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
Year Ended December 31, 2021

	GENERAL FUND	STREET AND ALLEY FUND	CAPITAL IMPROVEMENT FUND	OTHER GOVERNMENTAL FUNDS
REVENUES				
Taxes and Fees	\$ 22,851,898	\$ 6,168,519	\$ 660,232	\$ 681,706
Licenses and Permits	1,076,864	-	-	-
Intergovernmental	251,847	803,869	-	1,019,571
Charges for Services	16,855	804,638	-	54,028
Fines and Forfeitures	271,401	-	-	-
Interest Income	109,057	4,791	13,183	5,890
Miscellaneous	1,101,077	8,437	-	15,493
TOTAL REVENUES	<u>25,678,999</u>	<u>7,790,254</u>	<u>673,415</u>	<u>1,776,688</u>
EXPENDITURES				
General Government	3,138,495	-	-	-
Public Safety	3,275,647	-	-	-
Public Works	1,681,466	2,152,972	8,562	-
Culture and Recreation	500,000	-	-	1,115,381
Capital Outlay	802,575	373,014	69,568	511,764
TOTAL EXPENDITURES	<u>9,398,183</u>	<u>2,525,986</u>	<u>78,130</u>	<u>1,627,145</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>16,280,816</u>	<u>5,264,268</u>	<u>595,285</u>	<u>149,543</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	557,943	-	-	1,293,063
Transfers Out	<u>(1,851,006)</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(1,293,063)</u>	<u>-</u>	<u>-</u>	<u>1,293,063</u>
NET CHANGE IN FUND BALANCES	14,987,753	5,264,268	595,285	1,442,606
FUND BALANCES, Beginning	<u>54,966,158</u>	<u>9,867,537</u>	<u>13,928,958</u>	<u>12,754,903</u>
FUND BALANCES, Ending	<u>\$ 69,953,911</u>	<u>\$ 15,131,805</u>	<u>\$ 14,524,243</u>	<u>\$ 14,197,509</u>

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

TOTAL GOVERNMENTAL FUNDS	
2021	2020
\$ 30,362,355	\$ 25,470,091
1,076,864	806,904
2,075,287	3,798,726
875,521	781,905
271,401	148,877
132,921	736,323
1,125,007	1,162,949
<u>35,919,356</u>	<u>32,905,775</u>
3,138,495	3,277,859
3,275,647	3,193,597
3,843,000	3,269,982
1,615,381	2,239,274
1,756,921	17,953,819
<u>13,629,444</u>	<u>29,934,531</u>
<u>22,289,912</u>	<u>2,971,244</u>
1,851,006	4,729,384
<u>(1,851,006)</u>	<u>(4,509,384)</u>
<u>-</u>	<u>220,000</u>
22,289,912	3,191,244
<u>91,517,556</u>	<u>88,326,312</u>
<u>\$ 113,807,468</u>	<u>\$ 91,517,556</u>

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
Year Ended December 31, 2021

Amounts Reported for Governmental Activities in the Statement of Activities
are Different Because:

Net Changes in Fund Balances - Total Governmental Funds	\$ 22,289,912
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation (\$1,480,971) exceeded capital outlay \$1,435,919, in the current year.	(45,052)
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 position. This includes the change in accrued compensated absences.	(16,448)
Deferred Charges related to pensions are not recognized in the governmental funds. However, for the government-wide funds that amount is capitalized and amortized.	15,664
Change in Net Position of Governmental Activities	<u>\$ 22,244,076</u>

STATEMENT OF NET POSITION
 PROPRIETARY FUND TYPE
 As of December 31, 2021

	WATER FUND	WASTE WATER FUND	DRAINAGE FUND	TOTALS	
				2021	2020
ASSETS					
Current Assets					
Cash and Investments	\$ 22,368,002	\$ 62,162,259	\$ 3,486,557	\$ 88,016,818	\$ 33,718,634
Accounts Receivable, net	528,742	298,774	44,651	872,167	843,216
Grants Receivable	-	-	-	-	298,500
Prepaid Expenses	4,550	3,437	2,443	10,430	-
Due from Other Funds	-	-	-	-	-
Total Current Assets	22,901,294	62,464,470	3,533,651	88,899,415	34,860,350
Noncurrent Assets					
Capital Assets, net of Accumulated Depreciation	61,043,180	17,988,937	1,104,739	80,136,856	35,188,726
TOTAL ASSETS	83,944,474	80,453,407	4,638,390	169,036,271	70,049,076
LIABILITIES					
Current Liabilities					
Accounts Payable	2,850,904	3,745,723	142,498	6,739,125	883,374
Accrued Expenses	10,889	13,554	3,354	27,797	33,655
Accrued Interest	-	162,763	-	162,763	-
Deferred Revenues	-	1,910,007	-	1,910,007	-
Total Current Liabilities	2,861,793	5,832,047	145,852	8,839,692	917,029
Noncurrent Liabilities					
Deposits	61,370	14,905	-	76,275	112,462
Accrued Compensated Absences	22,397	15,746	8,083	46,226	43,252
Due within One Year	17,480	17,480	-	34,960	-
Due in More Than One Year	34,800	56,582,427	-	56,617,227	-
Total Noncurrent Liabilities	136,047	56,630,558	8,083	56,774,688	155,714
TOTAL LIABILITIES	2,997,840	62,462,605	153,935	65,614,380	1,072,743
NET POSITION					
Net Investment in Capital Assets	61,043,180	17,988,937	1,104,739	80,136,856	35,188,726
Unrestricted	19,903,454	1,865	3,379,716	23,285,035	33,787,607
TOTAL NET POSITION	\$ 80,946,634	\$ 17,990,802	\$ 4,484,455	\$ 103,421,891	\$ 68,976,333

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

STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN NET POSITION
PROPRIETARY FUND TYPE
Year Ended December 31, 2021

	WATER FUND	WASTE WATER FUND	DRAINAGE FUND	TOTALS	
				2021	2020
OPERATING REVENUES					
Charges for Services	\$ 4,900,750	\$ 2,683,290	\$ 478,106	\$ 8,062,146	\$ 6,017,080
Miscellaneous	217,810	42,557	3,557	263,924	389,209
TOTAL OPERATING REVENUES	5,118,560	2,725,847	481,663	8,326,070	6,406,289
OPERATING EXPENSES					
Administration	202,862	191,451	122,455	516,768	488,603
Operations	3,518,714	1,612,265	291,655	5,422,634	3,677,519
Depreciation	434,789	229,512	6,636	670,937	594,214
TOTAL OPERATING EXPENSES	4,156,365	2,033,228	420,746	6,610,339	4,760,336
OPERATING INCOME	962,195	692,619	60,917	1,715,731	1,645,953
NON-OPERATING REVENUES (EXPENSES)					
Interest Income	15,127	15,357	2,389	32,873	335,049
Grant Income	-	978,500	-	978,500	298,500
Debt Service	-	(1,198,678)	-	(1,198,678)	-
TOTAL NON-OPERATING REVENUES (EXPENSES)	15,127	(204,821)	2,389	(187,305)	633,549
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	977,322	487,798	63,306	1,528,426	2,279,502
Capital Contributions	21,554,392	1,202,250	420,490	23,177,132	4,664,482
Transfers In	-	-	-	-	-
Transfers Out	(20,000)	(20,000)	(20,000)	(60,000)	(220,000)
NET INCOME	22,511,714	1,670,048	463,796	24,645,558	6,723,984
NET POSITION, Beginning as Previously Reported	48,634,920	16,320,754	4,020,659	68,976,333	62,252,349
Prior Period Adjustment	9,800,000	-	-	9,800,000	-
NET POSITION, Beginning, as restated	58,434,920	16,320,754	4,020,659	78,776,333	62,252,349
NET POSITION, Ending	\$ 80,946,634	\$ 17,990,802	\$ 4,484,455	\$ 103,421,891	\$ 68,976,333

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

STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE
 Year Ended December 31, 2021
 Increase (Decrease) in Cash and Cash Equivalents

	WATER FUND	WASTE WATER FUND	DRAINAGE FUND	TOTALS	
				2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 5,424,510	\$ 4,577,863	\$ 503,256	\$ 10,505,629	\$ 5,997,286
Cash Paid to Suppliers	(1,502,443)	1,687,299	(281,821)	(96,965)	(4,477,569)
Net Cash Provided by Operating Activities	<u>3,922,067</u>	<u>6,265,162</u>	<u>221,435</u>	<u>10,408,664</u>	<u>1,519,717</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of Property and Equipment	(24,091,335)	(11,159,466)	(568,268)	(35,819,069)	(3,471,452)
Capital Contributions	21,554,392	1,202,250	420,490	23,177,132	3,151,982
Proceeds from Capital Grants	-	978,500	-	978,500	-
Proceeds from Debt	52,279	56,599,907	-	56,652,186	-
Interest Payments		(1,035,915)	-	(1,035,915)	-
Deposits from Customers	(44,530)	8,343	-	(36,187)	22,091
Payments from Other Funds	(20,000)	(20,000)	(20,000)	(60,000)	(198,867)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(2,549,194)</u>	<u>46,573,619</u>	<u>(167,778)</u>	<u>43,856,647</u>	<u>(496,246)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received	15,127	15,357	2,389	32,873	335,049
Net Cash Provided by Investing Activities	<u>15,127</u>	<u>15,357</u>	<u>2,389</u>	<u>32,873</u>	<u>335,049</u>
Net Increase in Cash and Cash Equivalents	1,388,000	52,854,138	56,046	54,298,184	1,358,520
CASH AND INVESTMENTS, Beginning	<u>20,980,002</u>	<u>9,308,121</u>	<u>3,430,511</u>	<u>33,718,634</u>	<u>32,360,114</u>
CASH AND INVESTMENTS, Ending	<u>\$ 22,368,002</u>	<u>\$ 62,162,259</u>	<u>\$ 3,486,557</u>	<u>\$ 88,016,818</u>	<u>\$ 33,718,634</u>
OPERATING ACTIVITIES					
Operating Income	\$ 962,195	\$ 692,619	\$ 60,917	\$ 1,715,731	\$ 1,645,953
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities					
Depreciation and Amortization	434,789	229,511	6,636	670,936	594,214
Changes in Assets and Liabilities					
Accounts Receivable	7,450	(57,991)	21,593	(28,948)	(409,003)
Grants Receivable	298,500	-	-	298,500	-
Prepaid Expenses	(4,549)	(3,437)	(2,443)	(10,429)	-
Accounts Payable	2,222,263	3,494,107	139,381	5,855,751	(351,886)
Accrued Expenses	(3,258)	754	(3,354)	(5,858)	23,927
Deferred Revenues	-	1,910,007	-	1,910,007	-
Accrued Compensated Absences	4,677	(408)	(1,295)	2,974	16,512
Total Adjustments	<u>2,959,872</u>	<u>5,572,543</u>	<u>160,518</u>	<u>8,692,933</u>	<u>(126,236)</u>
Net Cash Provided by Operating Activities	<u>\$ 3,922,067</u>	<u>\$ 6,265,162</u>	<u>\$ 221,435</u>	<u>\$ 10,408,664</u>	<u>\$ 1,519,717</u>

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

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Johnstown, Colorado, is a Colorado Home Rule Town and was organized on March 21, 1907. The Town is administered by an elected Mayor and Town Council.

The Town provides the following services to the residents and businesses: public safety, highways and streets, sanitation, water, culture and recreation, public improvements, planning and zoning, judicial, and general administrative services.

The accounting policies of the Town of Johnstown, Colorado (the “Town”) conform to generally accepted accounting principles as applicable to governments. Following is a summary of the more significant policies.

Reporting Entity

In accordance with governmental accounting standards, the Town of Johnstown has considered the possibility of inclusion of additional entities in its basic financial statements.

The definition of the reporting entity is based primarily on financial accountability. The Town is financially accountable for organizations that make up its legal entity. It is also financially accountable for legally separate organizations if Town officials appoint a voting majority of the organization’s governing body and either it is able to impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the Town. The Town may also be financially accountable for governmental organizations that are fiscally dependent upon it.

Based on the application of these criteria, the Town does not include additional organizations in its reporting entity.

Government-Wide and Fund 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 Town. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of the given function or segments are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment.

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (Continued)

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 that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when the 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.

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 collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Town considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Property taxes, specific ownership taxes, grants, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the Town.

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, are recorded only when payment is due.

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

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. 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.

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

In the fund financial statements, the Town reports the following major governmental funds:

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

The *Street and Alley Fund* is a special revenue fund that was established to account for all taxes and impact fee revenues specifically earmarked for street maintenance and improvements.

The *Use Tax Capital Improvement Fund* is a special revenue fund that was created to account for various maintenance and capital projects throughout the Town.

The Town reports the following major proprietary funds:

The *Water Fund* accounts for user charges and expenses for operating, financing, and maintaining the Town's water system.

The *Wastewater Fund* accounts for user charges and expenses for operating, financing, and maintaining the Town's sanitary sewer system.

The *Drainage Fund* accounts for user charges and expenses for operating, financing, and maintaining the Town's drainage system.

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Investments

Cash equivalents include investments with original maturities of three months or less.

Investments are recorded at fair value.

Capital Assets

Capital assets, which include property and equipment, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the Town as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition 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.

Property and equipment of the Town is depreciated using the straight-line method over the following estimated useful lives:

Buildings and Improvements	10 - 50 years
Machinery and Equipment	3 - 30 years
Infrastructure	10 - 50 years

Compensated Absences

Employees of the Town are allowed to accumulate unused paid time off up to a max of 80 hours. Upon termination of employment from the Town, an employee will be compensated for all accrued paid time off at their current pay rate.

These compensated absences are recognized as current salary costs when earned in the proprietary fund types and when due in the governmental fund types. A liability has been recorded in the government-wide financial statements for the accrued compensated absences.

NOTES TO FINANCIAL STATEMENTS
December 31, 2021**NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)**Long-Term Obligations**

In the government-wide financial statements, and proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums, discounts, and bond issuance costs are deferred and amortized over the life of the bonds using the straight-line method.

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

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position and balance sheets will sometimes report a separate section for deferred outflows or resources. This separate financial statement element, deferred outflow of resources, represents a consumption of net position and fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources expense/expenditure until then.

In addition to liabilities, the statement of financial position and balance sheets will sometimes report a separate section for deferred inflows or resources. This separate financial statement element, deferred inflow of resources, represents an acquisition of net position and fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Net Position

In the government-wide financial statements, net position is restricted when constraints placed on the net position are externally imposed.

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Classification

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the Town is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- Nonspendable – This classification includes amounts that cannot be spent because they are either not in a spendable form (such as inventories and prepaid amounts) or are legally or contractually required to be maintained intact. As of December 31, 2021, the Town did not report any nonspendable its prepaid items as nonspendable resources.
- Restricted – This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors (such as through a debt covenant), grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation. The Town has classified Emergency Reserves as being restricted because their use is restricted by State Statute for declared emergencies. The Town has also classified the fund balances for Street and Alley, Capital Improvement, the Cemetery, and the Parks and Open Space Funds as restricted because their revenues are restricted by the municipal code or taxpayer initiative; the Library Fund is classified as restricted as the revenues are restricted through taxpayer initiatives and other governments, and the Conservation Trust Fund is classified as restricted because its revenues are restricted by State Statute.
- Committed – This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the Town Council. These amounts cannot be used for any other purpose unless the Town Council removes or changes the specified use by taking the same type of action (ordinance or resolution) that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements. The Town reports unspent balances appropriated by the Town Council for contingencies, equipment replacement, and the construction of a Town recreation center.
- Assigned – This classification includes amounts the government intends to use for specific purposes that do not meet the criteria to be classified as restricted or committed.

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance Classification (Continued)

- Unassigned – This classification includes the residual fund balance for the General Fund. The Unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of Assigned fund balance amounts.

The Town would typically use Restricted fund balances first, followed by Committed resources, and then Assigned resources, as appropriate opportunities arise, but reserves the right to selectively spend Unassigned.

Property Taxes

Property taxes are levied on November 1 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on February 28 and June 15. The County Treasurer's office collects property taxes and remits to the Town on a monthly basis.

Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred revenue are recorded at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue and the receivable is reduced.

Comparative Data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, complete comparative data in accordance with generally accepted accounting principles has not been presented since its inclusion would make the financial statements unduly complex and difficult to read. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 2: STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

Budgets and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

- In October, the Town staff submits to the Town Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- Public hearings are conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- The Town Administration is authorized to transfer budgeted amounts between departments within any fund. However, any revisions that alter the total expenditures of any fund must be approved by the Town Council.
- Budgets are legally adopted for all funds of the Town. Budgets for the General, Special Revenue, and Private Purpose Trust Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). The Budgetary comparison presented for the enterprise funds are presented on a non-GAAP budgetary basis. Capital outlay and debt payments are budgeted as expenditures.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the Town Council. All appropriations lapse at year end. Colorado governments may not exceed budgeted appropriations at the fund level.

NOTE 3: DEPOSITS AND INVESTMENTS

A summary of deposits and investments as of December 31, 2021, follows:

Petty Cash	\$ 2,224
Cash Deposits	39,480,153
Investments	<u>164,143,545</u>
Total	<u>\$203,625,922</u>

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

The above amounts are classified in the statement of net position as follows:

Governmental Activities - Unrestricted	\$ 114,904,051
Governmental Activities – Restricted	705,054
Business-type Activities- Unrestricted	<u>88,016,817</u>
Total	<u>\$203,625,922</u>

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. 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 regulations. At December 31, 2021, State regulatory commissioners have indicated that all financial institutions holding deposits for the Town are eligible public depositories. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. PDPA allows the financial institution to create a single collateral pool for all public funds held. 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 at least equal to 102% of the uninsured deposits.

The Town has implemented a policy regarding custodial credit risk for deposits.

At December 31, 2021, the Town had deposits with financial institutions with a carrying amount of \$39,480,153. The bank balances with the financial institutions were \$40,421,846. Of these balances, \$323,532 was covered by federal depository insurance and \$40,098,314 was covered by collateral held by authorized escrow agents in the financial institutions name (PDPA).

Investments

As of December 31, 2021, the Town had the following investments and maturities:

<u>Type of Investment</u>	<u>Fair Value</u>	<u>Maturities (in Years)</u>	
		<u>0 – 1 Years</u>	<u>1 – 5 Years</u>
U.S. Government Securities	\$ 24,588,934	\$ 17,029,881	\$ 7,559,054
U.S. Government Agencies	16,629,221	10,603,600	6,025,620
Money Market Funds	32,491	32,491	-
Local Government Investment Pools	<u>122,892,898</u>	<u>122,892,898</u>	<u>-</u>
Total	<u>\$ 164,143,544</u>	<u>\$ 150,558,870</u>	<u>\$ 13,584,674</u>

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Interest Rate Risk

The Town has a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk

Colorado statutes specify in which instruments the units of local government may invest which includes:

- Obligations of the United States and certain U.S. government agency securities
- General obligation and revenue bonds of U.S. local government entities
- Local government investment pools
- Written repurchase agreements collateralized by certain authorized securities
- Certain money market funds
- Guaranteed investment contracts

The above investments are authorized for all funds and fund types used by Colorado municipalities. The Town's securities at December 31, 2021, are rated AA+ by Standard and Poor's and Aaa by Moody's Investors Services for its U.S. Government Agencies and Securities. The Town's Corporate Bonds ratings range from A1 by Moody's Investors.

Investment Pools

The Town had invested \$72,736,649 in the Colorado Surplus Asset Fund Trust (CSAFE), an investment vehicle established for local government entities in Colorado pursuant to Title 24, Article 75, Part 7 of the Colorado Revised Statutes, to pool surplus funds for investment purposes. The State Securities Commissioner administers and enforces the requirements of creating and operating the Pools. CSAFE reports its underlying investments at amortized cost and is considered a qualifying external investment pool under GASB Statement 79. CSAFE operates similar to money market funds where each share is equal in value to \$1.00. The fair value of the position in the pools is the same as the value of the pooled shares.

CSAFE is rated AAAM by Standard and Poor's. The designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities are owned by the pools and held by the Federal Reserve Bank in the account maintained for the custodial bank. The custodian's internal records identify the investments owned by the pools. Investments of the pools comply with state statutes, consisting of U.S. Treasury bills, notes and note strips, repurchase agreements, U.S. Instrumentalities, Commercial Paper, Bank Deposits and Money Market Funds. CSAFE does not have any limitations or restrictions on participant withdrawals.

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Investment Pools (Continued)

The Town had invested \$50,156,249 in the Colorado Government Liquid Asset Trust (ColoTrust) which has a credit rating of AAAm by Standard and Poor's. ColoTrust is an investment vehicle established for local government entities in Colorado to pool surplus funds and is regulated by the State Securities Commissioner. It operates similarly to a money market fund and each share is equal in value to \$1.00. Investments consist of U.S. Treasury and U.S. Agency securities, and repurchase agreements collateralized by U.S. Treasury and U.S. Agency securities. A designated custodial bank provides safekeeping and depository services in connection with the direct investment and withdrawal functions. Substantially all securities owned 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 the entities.

ColoTrust is not a 2a7-like external investment pool. The unit of account is each share held, and the value of the position would be the fair value of the pool's share price multiplied by the number of shares held. The government-investor does not "look through" the pool to report a pro rata share of the pool's investments, receivables, and payables.

The Town invested \$32,491 in a Money Market Mutual Fund. The Fund invests only in government securities as defined under the Investment Company Act of 1940 (the "1940 Act"), as amended. The Fund intends to be a government money market fund as defined under Rule 2a-7 under the 1940 Act. The fair value of investments in the fund is based on the published net asset values per share of those funds and is maintained at a stable net asset value of \$1.00 per share. The fund values its securities using amortized cost.

Fair Value

The Town categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant observable inputs.

At December 31, 2021, the Town held investments in U.S. Government Securities and U.S. Government Agencies in the amount of \$24,588,934 and \$16,629,221, respectively, with maturity dates of less than one and five years. Given the low risk of this type of investment, the Town has not established a policy limiting the amount of investments in this type of security and deems it unnecessary at this time. These investments are valued with Level 1 inputs.

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 3: DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Restricted Cash and Investments

Cash and Investment in the amount of \$696,895 are restricted in the General Fund for developer and escrow deposits and funds in the amount of \$8,159 are restricted in the Conservation Trust Fund for parks and recreation.

NOTE 4: CAPITAL ASSETS

Capital assets activity for the year ended December 31, 2021 is summarized below:

	Balances 12/31/2020	Additions	Deletions	Balances 12/31/2021
Governmental Activities				
Capital Assets, not depreciated				
Land	\$ 1,099,633	\$ -	\$ -	\$ 1,099,633
Water Shares	687,500	275,000	-	962,500
Construction in Progress	102,400	854,366	30,637	926,129
Total Capital Assets, not depreciated	1,889,533	1,129,366	30,637	2,988,262
Capital Assets, depreciated				
Buildings	40,361,073	35,460	-	40,396,533
Improvements	3,314,892	85,875	-	3,400,767
Infrastructure	3,966,658	-	-	3,966,658
Equipment	6,083,644	215,855	-	6,299,499
Total Capital Assets, depreciated	53,726,267	337,190	-	54,063,457
Less Accumulated Depreciation				
Buildings	2,994,262	805,638	-	3,799,900
Improvements	951,304	73,626	-	1,024,930
Infrastructure	145,912	85,181	-	231,093
Equipment	3,267,507	516,526	-	3,784,033
Total Accumulated Depreciation	7,358,985	1,480,971	-	8,839,956
Total Capital Assets, depreciated, Net	46,367,282	(1,143,781)	-	45,223,501
Governmental Activities, Capital Assets, Net	<u>\$ 48,256,815</u>	<u>\$ (14,415)</u>	<u>\$ (30,637)</u>	<u>\$ 48,211,763</u>

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 4: CAPITAL ASSETS (Continued)

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

Governmental Activities

General Government	\$ 904,477
Public Safety	189,844
Public Works	311,299
Culture and Recreation	<u>75,351</u>
Total	<u>\$ 1,480,971</u>

	Balances 12/31/2020	Additions	Deletions	Balances 12/31/2021
Business-Type Activities				
Capital Assets, not depreciated				
Land	\$ 72,405	\$ 31,901	\$ -	\$ 104,306
Water Rights	18,538,749	28,929,000	-	47,467,749
Lease Assets	-	104,558	-	104,558
Construction in Progress	<u>2,581,303</u>	<u>14,474,652</u>	<u>37,071</u>	<u>17,018,884</u>
Total Capital Assets, not depreciated	<u>21,192,457</u>	<u>43,540,111</u>	<u>37,071</u>	<u>64,695,497</u>
Capital Assets, depreciated				
Utility Systems	22,678,571	1,994,569	-	24,673,140
Equipment	<u>1,237,566</u>	<u>121,461</u>	<u>-</u>	<u>1,359,027</u>
Total Capital Assets, depreciated	<u>23,916,137</u>	<u>2,116,030</u>	<u>-</u>	<u>26,032,167</u>
Less: Accumulated Depreciation				
Utility Systems	9,636,093	589,944	-	10,226,037
Equipment	<u>283,776</u>	<u>80,992</u>	<u>-</u>	<u>364,768</u>
Total Accumulated Depreciation	<u>9,919,869</u>	<u>670,936</u>	<u>-</u>	<u>10,590,805</u>
Total Capital Assets, depreciated, Net	<u>13,996,268</u>	<u>1,445,094</u>	<u>-</u>	<u>15,441,362</u>
Business-Type Activities, Capital Assets, Net	<u>\$ 35,188,725</u>	<u>\$ 44,985,205</u>	<u>\$ (37,071)</u>	<u>\$ 80,136,859</u>

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

Business-type Activities

Water Fund	\$ 434,789
Wastewater Fund	229,512
Drainage Fund	<u>6,637</u>
Total	<u>\$ 670,938</u>

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 4: CAPITAL ASSETS (Continued)

The Town has determined that it has received various capital contributions in the form of water rights through various agreements with developers over the years. The Town is unable to determine the quantity and fair value at the time the ownership was transferred to the Town, and therefore has not capitalized these water rights. The Town will be continuing its process of determining the acquisition value of additional water rights and shares owned during the year ended December 31, 2021.

NOTE 5: LONG-TERM DEBT

Governmental Activities

Following is a summary of long-term debt transactions for the governmental activities for the year ended December 31, 2021.

	Balance 12/31/2020	Additions	Payments	Balance 12/31/2021	Due In One Year
Accrued Compensated Absences	\$ 119,915	\$ 16,448	\$ -	\$ 136,363	\$ -

Accrued Compensated Absences are being paid from resources generated by the General Fund.

Business-Type Activities

Following is a summary of long-term debt transactions for the business-type activities for the year ended December 31, 2021.

	Balance 12/31/2020	Additions	Payments	Balance 12/31/2021	Due In One Year
Bonds, Series 2021	\$ -	\$46,585,000	\$ -	\$46,585,000	\$ -
Premium	-	9,962,628	-	9,962,628	-
Lease Payable	139,839	-	34,959	104,558	34,959
Accrued Compensated Absences	43,252	2,974	-	46,226	-
	<u>\$ 183,091</u>	<u>\$ 56,550,602</u>	<u>\$ 34,959</u>	<u>\$ 56,698,413</u>	<u>\$ 34,959</u>

Accrued Compensated Absences are being paid from resources generated by the Water, Wastewater, and Drainage Funds.

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 5: LONG-TERM DEBT (Continued)

Business-Type Activities (Continued)

2021 Wastewater Revenue Bonds

In August 2021, the Town issued Wastewater Revenue Bonds Series 2021 to finance capital improvements, bond issuance costs and purchase of water rights. Principal payments are due annually on December 1 through December 1, 2051. Interest payments are due semi-annually on June 1 and December 1 through December 1, 2051. Interest accrues at rates ranging from 4.0% to 5.0%. The Bonds maturing on and before December 1, 2046, are not subject to redemption prior to their respective maturity dates. The Bonds maturing on and after December 1, 2047 are subject to redemption prior to maturity, at the option of the Town, in whole or in part, and if in part in such order of maturities as the Town shall determine and by lot within a maturity, on December 1, 2046 and on any date thereafter, at a redemption price equal to the principal amount thereof (with no redemption premium), plus accrued interest to the redemption date. There is no provision for the acceleration of maturity of the principal of the Bonds in the event of default in the payment of principal or interest on the Bonds.

Browns Hill Engineering & Controls Lease

In January 2020, the Town entered into software and equipment lease with Browns Hill Engineering & Controls, LLC to finance the acquisition of equipment needed for the water treatment plant the associated software. Installments are due monthly on the 20th of each month through December 2024.

Future Debt Service Requirements

Annual debt service requirements for the general obligation bonds as of December 31, 2021 are as follows:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ -	\$ 1,953,150	\$ 1,953,150
2023	810,000	1,953,150	2,763,150
2024	855,000	1,912,650	2,767,650
2025	900,000	1,869,900	2,769,900
2026	940,000	1,824,900	2,764,900
2027 – 2031	5,470,000	8,369,250	13,839,250
2032 – 2036	6,840,000	6,995,800	13,835,800
2037 – 2041	8,325,000	5,514,400	13,839,400
2042 – 2046	10,125,000	3,710,600	13,835,600
2047 – 2051	<u>12,320,000</u>	<u>1,517,000</u>	<u>13,837,000</u>
Total Debt Service Requirements - Bonds	<u>\$46,585,000</u>	<u>\$35,620,800</u>	<u>\$ 82,205,800</u>

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 5: LONG-TERM DEBT (Continued)**Business-Type Activities** (Continued)

Following is a schedule of the future minimum lease payments required under the outstanding capital lease obligations at December 31, 2021.

<u>Year Ended December 31,</u>	
2021	<u>\$ 104,588</u>

NOTE 6: INTERFUND AMOUNTS

Interfund transfers for the year ended December 31, 2021, were comprised of the following:

<u>Transfers To Other Funds</u>	<u>Transfers From Other Funds</u>	<u>Amount</u>
General Fund	Parks and Open Space Fund	\$ 60,000
General Fund	Library Fund	1,233,063
General Fund	Tax Allocation Fund	<u>557,943</u>
Total		<u>\$ 1,851,006</u>

NOTE 7: TAX ABATEMENTS**WRFG Annexation Agreement**

The Town entered into the WRFG Annexation Agreement, for the 2534 Development (the commercial properties along State Highway 34) under the Municipal Annexation Act, Part 1 of Article 12 of Title 31 of the Colorado Revised Statutes ("C.R.S"). In exchange for the real property annexed by the Town and for the purpose of paying for certain improvements needed to service the property, the Town has agreed to reimburse 1% of sales and use taxes to the owners of the 2534 Development. This agreement was entered into on December 14, 2000, with an expiration of 25 years from the date of the annexation. For the year ended December 31, 2021, the Town reimbursed sales taxes to the owners of the 2534 Development property in the amount of \$621,356.

NOTES TO FINANCIAL STATEMENTS
December 31, 2021**NOTE 8: DEFINED BENEFIT PENSION PLAN****Statewide Defined Benefit Pension Plan****Summary of Significant Accounting Policies**

Pensions. The Town contributes to the Statewide Defined Benefit Pension Plan ("SWDB Plan"), a cost-sharing multiple-employer defined benefit pension plan, which is administered by the FPPA. The net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position of the SWDB Plan have been determined using the economic resources measurement focus and the accrual basis of accounting.

The Plan assets are included in the Fire & Police Members' Benefit Investment Fund and the Fire & Police Members' Self-Directed Investment Fund (for Deferred Retirement Option Plan (DROP) assets and Separate Retirement Account assets from eligible retired members).

Plan description. The SWDB Plan provides retirement benefits for members and beneficiaries according to plan provisions as enacted and governed by FPPA's Pension Fund Board of Trustees. Colorado Revised Statutes ("CRS"), as amended, establishes basic benefit provisions under the SWDB Plan. FPPA issues an annual, publicly-available financial report that includes the assets of the SWDB Plan. That report may be obtained on FPPA's website at <http://www.fppaco.org>.

Benefits provided. A member is eligible for a normal retirement pension once the member has completed twenty-five years of credited service and has attained the age of 55. Effective January 1, 2021, a member may also qualify for a normal retirement pension if the member's combined years of service and age equals at least 80, with a minimum age of 50 (Rule of 80).

The annual normal retirement benefit is 2 percent of the average of the member's highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter. The benefit earned prior to January 1, 2007 for members of affiliated Social Security employers will be reduced by the amount of Social Security income payable to the member annually.

Effective January 1, 2007, members covered under Statewide Defined Benefit Social Security Component will receive half the benefit when compared to the Statewide Defined Benefit Plan. Benefit adjustments paid to retired members are evaluated annually and may be re-determined every October 1. The amount of any increase is based on the Board's discretion and can range from 0 to the higher of 3 percent or the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

General Information about the Pension Plan

A member is eligible for an early retirement after completion of 30 years of service or attainment of age 50 with at least five years of credited service. The early retirement benefit equals the normal retirement benefit reduced on an actuarially equivalent basis. Upon termination, an employee may elect to have member contributions, along with 5 percent as interest, returned as a lump sum distribution. Alternatively, a member with at least five years of accredited service may leave contributions with the Plan and remain eligible for a retirement pension at age 55 equal to 2 percent of the member's average highest three years' pensionable earnings for each year of credited service up to ten years, plus 2.5 percent for each year of service thereafter.

Contributions. The SWDB Plan sets contribution rates at a level that enables all benefits to be fully funded at the retirement date of all members. Contribution rates for the SWDB Plan are set by state statute. Employer contribution rates can only be amended by state statute. Member contribution rates can be amended by state statute or election of the membership. Effective January 1, 2021, contribution rates for employers and members may be increased equally by the FPPA Board of Directors upon approval through an election by both the employers and members.

In 2014, the members elected to increase the member contribution rate to the SWDB plan beginning in 2015. Member contribution rates will increase 0.5 percent annually through 2022 to a total of 12 percent of pensionable earnings. Employer contributions are 8.00 and 8.50 percent in 2020 and 2021, respectively. Employer contributions will increase 0.5 percent annually beginning in 2021 through 2030 to a total of 13.00 percent of pensionable earnings. In 2020, members of the SWDB plan and their employers are contributing at the rate of 11.00 percent and 8.00 percent, respectively, of pensionable earnings for a total contribution rate of 19.00 percent.

Contributions from members and employers of departments reentering the system are established by resolution and approved by the FPPA Board of Directors. The reentry group has a combined contribution rate of 23.00 percent and 23.50 percent of pensionable earnings in 2020 and 2021, respectively. It is a local decision as to whether the member or employer pays the additional 4.00 percent contribution. The member and employer contribution rates will increase through 2030 as described above for the non-reentering departments. Effective January 1, 2021, reentry departments may submit a resolution to the FPPA Board of Directors to reduce the additional 4.00 percent contribution, to reflect the actual cost of reentry by department, to the plan for reentry contributions. Each reentry department is responsible to remit contributions to the plan in accordance with their most recent FPPA Board of Directors approved resolution.

NOTES TO FINANCIAL STATEMENTS
December 31, 2021**NOTE 8: DEFINED BENEFIT PENSION PLANS** (Continued)**Statewide Defined Benefit Pension Plan** (Continued)**General Information about the Pension Plan**

The contribution rate for members and employers of affiliated social security employers is 5.50 percent and 4.00 percent, respectively, of pensionable earnings for a total contribution rate of 9.50 percent in 2020 and 9.75 percent in 2021. Per the 2014 member election, members of the affiliate social security group had their required contribution rate increase 0.25 percent annually beginning in 2015 through 2022 to a total of 6.00 percent of pensionable earnings. Employer contributions are 4.00 percent in 2020 and 2021. Employer contributions will increase 0.25 percent annually beginning in 2021 through 2030 to a total of 6.50 percent of pensionable earnings.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2021, the Town reported an asset in the amount of \$228,187 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of January 1, 2021. Standard update procedures were used to roll forward the total pension liability to December 31, 2021.

The Town's proportion of the net pension asset was based on the Town's contributions to the SWDB Plan for the calendar year 2020 relative to the total contributions of participating employers to the SWDB Plan.

At December 31, 2020 the Town's proportion was 0.10511%, which was an increase of 0.00744% from its proportion measured as of December 31, 2019.

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)**Statewide Defined Benefit Pension Plan** (Continued)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

For the year ended December 31, 2021 the Town recognized a pension expense of \$63,173. At December 31, 2021, the Town reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$193,525	\$908
Net difference between projected and actual earnings on pension plan investments	N/A	\$234,381
Changes in proportion and differences between contributions recognized and proportionate share of contributions	\$5,811	\$27,645
Change in assumptions and other inputs	\$97,051	N/A
Contributions subsequent to the measurement date	\$78,837	N/A
Total	\$375,224	\$262,934

\$78,837 reported as deferred outflows of resources related to pensions, resulting from contributions subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the year December 31, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31	
2021	(\$28,125)
2022	\$2,275
2023	(\$37,157)
2024	\$2,609
2025	\$39,426
Thereafter	\$54,425

Actuarial assumptions. The actuarial valuations for the SWDB Plan were used to determine the total pension liability and actuarially determined contributions for the fiscal year ending December 31, 2020.

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)**Statewide Defined Benefit Pension Plan** (Continued)**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions** (Continued)

The valuations used the following actuarial assumptions and other inputs:

Total Pension Liability:

Actuarial Valuation Date	January 1, 2021
Actuarial Method	Entry Age Normal
Amortization Method	N/A
Amortization Period	N/A
Long-term investment Rate of Return*	7.00 percent
Projected salary increases*	4.25 – 11.25 percent
Cost of Living Adjustments (COLA)	0.00 percent
*Includes Inflation at 2.5%	

Actuarially Determined Contributions:

Actuarial Valuation Date	January 1, 2020
Actuarial Method	Entry Age Normal
Amortization Method	Level % of Payroll, Open
Amortization Period	30 Years
Long-term investment Rate of Return*	7.0 percent
Projected salary increases*	4.25-11.25 percent
Cost of Living Adjustments (COLA)	0.00 percent
*Includes Inflation at 2.5%	

For determining the total pension liability and actuarially determined contributions, the post-retirement mortality tables for non-disabled retirees uses the 2006 central rates from the RP-2014 Annuitant Mortality Tables projected to 2018 using the MP-2017 projection scales, and the projected prospectively using the ultimate rates of the scale for all years. The preretirement off-duty mortality tables are adjusted to 50% of the RP-2014 mortality tables for active employees. The on-duty mortality rate is 0.00015.

At least every five years the Fire & Police Pension Association's Board of Directors, in accordance with best practices, reviews its economic and demographic actuarial assumptions. At its July 2018 meeting, the Board of Directors reviewed and approved recommended changes to the actuarial assumptions. The recommendations were made by the FPPA's actuaries, Gabriel, Roeder, Smith & Co., based upon their analysis of past experience and expectations of the future. The assumption changes were effective for actuarial valuations beginning January 1, 2020. The actuarial assumptions impact actuarial factors for benefit purposes such as purchases of service credit and other benefits where actuarial factors are used.

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and
Deferred Inflows of Resources Related to Pensions** (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation (assumed at 2.5 percent). Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation as of December 31, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	39.00%	8.23%
Equity Long/Short	8.00%	6.87%
Private Markets	26.00%	10.63%
Fixed Income - Rates	10.00%	4.01%
Fixed Income – Credit	5.00%	5.25%
Absolute Return	10.00%	5.60%
Cash	2.00%	2.32%
Total	100.00%	

The discount rate used to measure the total pension liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that contributions from participating employers will be made based on the actuarially determined rates based on the Board's funding policy, which establishes the contractually required rates under Colorado statutes. Based on those assumptions, the SWDB plan fiduciary net position was projected to be available to make all the projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Discount rate. Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on pension plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits) and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the plan's projected fiduciary net position is not sufficient to pay benefits).

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 8: DEFINED BENEFIT PENSION PLANS (Continued)

Statewide Defined Benefit Pension Plan (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and
Deferred Inflows of Resources Related to Pensions** (Continued)

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00 percent; the municipal bond rate is 2.00 percent (based on the weekly rate closest to but not later than the measurement date of the “state & local bonds” rate from Federal Reserve statistical release (H.15)); and the resulting Single Discount Rate is 7.00 percent.

Sensitivity of the Town’s proportionate share of the net pension liability to changes in the discount rate. Regarding the sensitivity of the net pension liability/(asset) to changes in the Single Discount Rate, the following presents the plan’s net pension liability/(asset), calculated using a Single Discount Rate of 7.00 percent, as well as what the plan’s net pension liability/(asset) would be if it were calculated using a Single Discount Rate that is one percent lower or one percent higher:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Proportionate share of the net pension liability (asset)	\$229,634	(\$228,187)	(\$607,320)

Pension plan fiduciary net position. Detailed information about the SWDB Plan’s fiduciary net position is available in FPPA’s comprehensive annual financial report which can be obtained at <http://www.fppaco.org>.

NOTE 9: OTHER RETIREMENT COMMITMENTS

Deferred Compensation Plan

All full-time employees are eligible to participate in a voluntary 457 Deferred Comp Plan. The Plan is administered by Pension Management. The Town matches up to 4.2% for regular full-time employees and 9.2% for Department Heads. All full-time employees are eligible to participate in the plan upon hire and are immediately vested. The Town contributed \$116,969, and \$136,319, and \$201,817 to the plan for the years ended December 31, 2019, 2020, and 2021 respectively, equal to the required contribution.

NOTES TO FINANCIAL STATEMENTS
December 31, 2021**NOTE 10: RISK MANAGEMENT**

The Town is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; injuries to employees; and natural disasters. The Town carries commercial insurance to cover these risks. The Town has not had any claims that exceeded insurable amounts for the last three years.

NOTE 11: COMMITMENTS AND CONTINGENCIES**Facility Management Agreement**

In April 2018, the Town entered into a Facility Management Agreement with the YMCA of Boulder Valley. Per the agreement, the YMCA has agreed to manage and operate the Recreation Facility owed by the Town. The YMCA will use Facility Revenues to cover normal and routine operating costs of the Facility and the Town has agreed to provide an operating subsidy in an amount not to exceed \$500,000 annually, to cover any shortfall from operations. This agreement is effective through December 31, 2031, and unless one party gives written notice to the other, the Agreement shall automatically renew for additional ten-year terms. During the year ended December 31, 2021, the Town paid an operating subsidy in to the YMCA the amount of \$500,000, equal to the amount required per the terms of this agreement.

Water Agreement

The Town has entered into a Water Agreement with W.R. Investment LLC (“WRI”), whereby the Town has agreed to a partial infrastructure cost reimbursement to settle a conflict created by a water decree issued to WRI in 2017 related to water usage implemented in prior agreements between the Town and WRI. Per the terms of the cost reimbursement agreement, the Town has agreed to pay WRI \$4,600 per building permit issued up to 305 permits. For the years ended December 31, 2020 and 2021, the Town has reimbursed WRI \$487,600 and \$450,800, respectively. As of December 31, 2021, the Town has recorded a liability in the Water Fund in the amount of \$41,400 for the remaining 9 permits yet to be issued under this agreement.

Tabor Amendment

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 government. On November 5, 2000, voters within the Town approved the collection, retention and expenditure the full amount of the town taxes, grants and all other revenue collected from all sources including property taxes, received in 2012 and each subsequent year, without regard to any revenue or expenditure limitations including those contained in Article X, Section 20 of the Colorado constitution or any other law.

NOTES TO FINANCIAL STATEMENTS
December 31, 2021

NOTE 11: COMMITMENTS AND CONTINGENCIES (Continued)

The Town has established an emergency reserve, representing 3% of qualifying expenditures, as required by the Amendment. At December 31, 2021, the emergency reserve of \$1,017,000 was recorded in the General Fund.

NOTE 12: PRIOR PERIOD ADJUSTMENT

The beginning fund equity of the Water Fund was increased by \$9,800,000 to restate the beginning fund balances for the purchase of water shares were finalized in 2020.

REQUIRED SUPPLEMENTARY INFORMATION

TOWN OF JOHNSTOWN, COLORADO

Item #2.

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2021

	2021			VARIANCE Positive (Negative)
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	
REVENUES				
Taxes and Fees	\$ 14,917,027	\$ 19,278,755	\$ 22,851,898	\$ 3,573,143
Licenses and Permits	892,150	892,150	1,076,864	184,714
Intergovernmental	150,500	150,500	251,847	101,347
Charges for Services	-	-	16,855	16,855
Fines and Forfeitures	122,000	122,000	271,401	149,401
Interest Income	112,000	112,000	109,057	(2,943)
Miscellaneous	18,200	18,200	1,101,077	1,082,877
TOTAL REVENUES	16,211,877	20,573,605	25,678,999	5,105,394
EXPENDITURES				
General Government	2,548,485	3,178,945	3,138,495	40,450
Public Safety	5,440,393	5,440,393	3,275,647	2,164,746
Public Works	526,675	526,675	1,681,466	(1,154,791)
Culture and Recreation	-	500,001	500,000	1
Capital Outlay	-	-	802,575	(802,575)
TOTAL EXPENDITURES	8,515,553	9,646,014	9,398,183	247,831
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	7,696,324	10,927,591	16,280,816	5,353,225
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	557,943	557,943
Transfers Out	(7,242,457)	(7,242,457)	(1,851,006)	5,391,451
TOTAL OTHER FINANCING SOURCES (USES)	(7,242,457)	(7,242,457)	(1,293,063)	5,949,394
NET CHANGE IN FUND BALANCE	453,867	3,685,134	14,987,753	11,302,619
FUND BALANCES, Beginning, as Restated	42,569,509	42,569,509	54,966,158	12,396,649
FUND BALANCE, Ending	\$ 43,023,376	\$ 46,254,643	\$ 69,953,911	\$ 23,699,268

See the accompanying independent auditors' report.

STREET AND ALLEY FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2021

	2021		
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Taxes and Fees	\$ 3,399,950	\$ 6,168,519	\$ 2,768,569
Intergovernmental	-	803,869	803,869
Charges for Services	715,477	804,638	89,161
Interest Income	28,000	4,791	(23,209)
Miscellaneous	1,066,666	8,437	(1,058,229)
TOTAL REVENUES	5,210,093	7,790,254	2,580,161
EXPENDITURES			
Public Works	2,699,400	2,152,972	546,428
Capital Outlay	1,369,000	373,014	995,986
TOTAL EXPENDITURES	4,068,400	2,525,986	1,542,414
NET CHANGE IN FUND BALANCES	1,141,693	5,264,268	4,122,575
FUND BALANCES, Beginning, as Restated	8,138,339	9,867,537	1,729,198
FUND BALANCES, Ending	\$ 9,280,032	\$ 15,131,805	\$ 5,851,773

See the accompanying independent auditors' report.

CAPITAL IMPROVEMENT FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2021

	2021		
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Taxes	\$ 111,940	\$ 660,232	\$ 548,292
Interest Income	-	13,183	13,183
Miscellaneous	36,000	-	(36,000)
TOTAL REVENUES	147,940	673,415	525,475
EXPENDITURES			
Public Works	-	8,562	(8,562)
Capital Outlay	4,410,200	69,568	4,340,632
TOTAL EXPENDITURES	4,410,200	78,130	4,332,070
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(4,262,260)	595,285	4,857,545
OTHER FINANCING USES			
Transfers Out	(85,100)	-	85,100
NET CHANGE IN FUND BALANCES	(4,347,360)	595,285	4,942,645
FUND BALANCES, Beginning, as Restated	12,956,724	13,928,958	972,234
FUND BALANCES, Ending	\$ 8,609,364	\$ 14,524,243	\$ 5,914,879

TOWN OF JOHNSTOWN, COLORADO

SCHEDULE OF THE TOWN'S PROPORTIONATE SHARE
STATEWIDE DEFINED BENEFIT PLAN

Years Ended December 31,

	2013	2014	2015	2016	2017	2018	2019	2020
Town's proportionate share of the Net Pension Liability (Asset)	0.098%	0.095%	0.092%	0.098%	0.092%	0.095%	0.098%	0.105%
Town's proportionate share of the Net Pension Liability (Asset)	\$ (87,606)	\$ (107,336)	\$ (1,619)	\$ 35,231	\$ (132,637)	\$ 120,358	\$ (55,237)	\$ (228,187)
Town's covered payroll	\$ 853,314	\$ 868,643	\$ 911,068	\$ 997,981	\$ 1,040,266	\$ 1,277,103	\$ 1,439,700	\$ 1,756,485
Town's proportionate share of the Net Pension Liability (Asset) as a percentage of its covered payroll	-10.3%	-12.4%	-0.2%	3.5%	-12.8%	9.4%	-3.8%	-13.0%
Plan fiduciary net position as a percentage of the total pension liability	106.8%	105.8%	100.1%	98.2%	106.3%	95.2%	101.9%	106.7%

Notes:

This schedule is reported as of December 31, as that is the plan year end.

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

SCHEDULE OF THE TOWN'S CONTRIBUTIONS
STATEWIDE DEFINED BENEFIT PLAN

Years Ended December 31,

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Statutorily required contributions	34,043	\$ 34,216	\$ 36,443	\$ 39,919	\$ 41,450	\$ 51,016	\$ 57,587	\$ 70,259	\$ 78,837
Contributions in relation to the Statutorily required contributions	<u>34,043</u>	<u>34,216</u>	<u>36,443</u>	<u>39,919</u>	<u>41,450</u>	<u>51,016</u>	<u>57,587</u>	<u>70,259</u>	<u>78,837</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Town's covered payroll	\$ 853,314	\$ 868,643	\$ 911,068	\$ 997,981	\$ 1,040,266	\$ 1,277,103	\$ 1,439,700	\$ 1,756,485	\$ 1,970,925
Contributions as a percentage of covered payroll	3.99%	3.94%	4.00%	4.00%	3.98%	3.99%	4.00%	4.00%	4.00%

Notes:

This schedule will report ten years of data when it is available.

See the accompanying independent auditors' report.

COMBINING AND INDIVIDUAL FUND SCHEDULES

TOWN OF JOHNSTOWN, COLORADO

Item #2.

NONMAJOR GOVERNMENTAL FUNDS
 COMBINING BALANCE SHEET
 December 31, 2021

	SPECIAL REVENUE			
	LIBRARY FUND	CEMETERY FUND	PARKS AND OPEN SPACE FUND	TOTAL
ASSETS				
Cash and Investments	\$ 6,552,973	\$ 153,816	\$ 7,635,728	\$ 14,342,517
Restricted Cash and Investments	-	-	8,159	8,159
Accounts Receivable	190,207	-	40,452	230,659
Prpaid Expenses	-	-	1,526	1,526
TOTAL ASSETS	<u>\$ 6,743,180</u>	<u>\$ 153,816</u>	<u>\$ 7,685,865</u>	<u>\$ 14,582,861</u>
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ 70,126	\$ -	\$ 304,794	\$ 374,920
Accrued Liabilities	7,332	-	3,100	10,432
TOTAL LIABILITIES	<u>77,458</u>	<u>-</u>	<u>307,894</u>	<u>385,352</u>
FUND EQUITY				
Fund Balance				
Restricted for Culture and Recreation	6,665,722	-	-	6,665,722
Restricted for Parks & Recreation	-	-	7,377,971	7,377,971
Restricted for Cemetery Maintenance	-	153,816	-	153,816
TOTAL FUND EQUITY	<u>6,665,722</u>	<u>153,816</u>	<u>7,377,971</u>	<u>14,197,509</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,743,180</u>	<u>\$ 153,816</u>	<u>\$ 7,685,865</u>	<u>\$ 14,582,861</u>

See the accompanying independent auditors' report.

NONMAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
Year Ended December 31, 2021

	SPECIAL REVENUE			TOTAL
	LIBRARY FUND	CEMETERY FUND	PARKS AND OPEN SPACE FUND	
REVENUES				
Taxes and Fees	\$ 237,636	\$ -	\$ 444,070	\$ 681,706
Charges for Services	-	-	54,028	54,028
Licenses and Permits	-	-	-	-
Intergovernmental	550,267	-	469,304	1,019,571
Interest Income	2,389	55	3,446	5,890
Miscellaneous	3,259	9,207	3,027	15,493
TOTAL REVENUES	793,551	9,262	973,875	1,776,688
EXPENDITURES				
Culture and Recreation	676,868	-	438,513	1,115,381
Capital Outlay	-	-	511,764	511,764
TOTAL EXPENDITURES	676,868	-	950,277	1,627,145
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	116,683	9,262	23,598	149,543
OTHER FINANCING SOURCES (USES)				
Transfers In	1,233,063	-	60,000	1,293,063
TOTAL OTHER FINANCING SOURCES (USES)	1,233,063	-	60,000	1,293,063
NET CHANGE IN FUND BALANCE	1,349,746	9,262	83,598	1,442,606
FUND BALANCE, Beginning, as Restated	5,315,976	144,554	7,294,373	12,754,903
FUND BALANCE, Ending	\$ 6,665,722	\$ 153,816	\$ 7,377,971	\$ 14,197,509

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

Item #2.

LIBRARY FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2021

	2021		
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Library Facilities Fee	\$ 215,000	\$ 237,636	\$ 22,636
Intergovernmental	1,840,752	550,267	(1,290,485)
Interest Income	60,000	2,389	(57,611)
Miscellaneous	11,000	3,259	(7,741)
TOTAL REVENUES	2,126,752	793,551	(1,333,201)
EXPENDITURES			
Culture and Recreation	1,094,500	676,868	417,632
TOTAL EXPENDITURES	1,094,500	676,868	417,632
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	1,032,252	116,683	(915,569)
OTHER FINANCING SOURCES (USES)			
Transfers In	-	1,233,063	1,233,063
TOTAL OTHER FINANCING SOURCES	-	1,233,063	1,233,063
NET CHANGE IN FUND BALANCE	1,032,252	1,349,746	317,494
FUND BALANCE, Beginning, as Restated	4,825,181	5,315,976	490,795
FUND BALANCE, Ending	\$ 5,857,433	\$ 6,665,722	\$ 808,289

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

Item #2.

CEMETERY FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2021

	2021		
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Sale of Lots	\$ 900	\$ 9,207	\$ 8,307
Interest Income	400	55	(345)
TOTAL REVENUES	1,300	9,262	7,962
EXPENDITURES			
Operations and Maintenance	-	-	-
TOTAL EXPENDITURES	-	-	-
NET CHANGE IN FUND BALANCE	1,300	9,262	7,962
FUND BALANCES, Beginning	142,214	144,554	2,340
FUND BALANCES, Ending	\$ 143,514	\$ 153,816	\$ 10,302

See the accompanying independent auditors' report.

PARKS AND OPEN SPACE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2021

	2021		
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)
REVENUES			
Taxes and Fees	\$ 401,910	\$ 444,070	\$ 42,160
Charges for Services	-	54,028	54,028
Intergovernmental	77,100	469,304	392,204
Interest Income	22,100	3,446	(18,654)
Miscellaneous	207,000	3,027	(203,973)
TOTAL REVENUES	708,110	973,875	265,765
EXPENDITURES			
Culture and Recreation	614,410	438,513	175,897
Capital Outlay	1,240,000	511,764	728,236
TOTAL EXPENDITURES	1,854,410	950,277	904,133
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(1,146,300)	23,598	1,169,898
OTHER FINANCING SOURCES (USES)			
Transfers In	220,000	60,000	(160,000)
TOTAL OTHER FINANCING SOURCES	220,000	60,000	(160,000)
NET CHANGE IN FUND BALANCE	(926,300)	83,598	1,009,898
FUND BALANCE, Beginning, as Restated	6,517,625	7,294,373	776,748
FUND BALANCE, Ending	\$ 5,591,325	\$ 7,377,971	\$ 1,786,646

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

Item #2.

WATER FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2021

	2021			VARIANCE Positive (Negative)	2020 ACTUAL
	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL		
REVENUES					
Charges for Services	\$ 3,868,050	\$ 3,868,050	\$ 4,900,750	\$ 1,032,700	\$ 3,427,297
Contributions	831,294	19,410,294	21,554,392	2,144,098	3,619,183
Intergovernmental	-	1,910,007	-	(1,910,007)	298,500
Interest Income	-	-	15,127	15,127	214,990
Miscellaneous	5,546,500	5,546,500	217,810	(5,328,690)	372,344
Transfers In	-	-	-	-	-
TOTAL REVENUES	<u>10,245,844</u>	<u>30,734,851</u>	<u>26,688,079</u>	<u>(4,046,772)</u>	<u>7,932,314</u>
EXPENDITURES					
Administration	-	-	202,862	(202,862)	194,215
Operations	2,665,273	2,665,273	3,518,714	(853,441)	2,298,152
Capital Outlay	19,235,000	37,814,000	33,891,336	3,922,664	1,549,994
Depreciation Expense	410,000	410,000	434,789	(24,789)	356,431
Transfers Out	-	-	20,000	(20,000)	100,000
TOTAL EXPENDITURES	<u>22,310,273</u>	<u>40,889,273</u>	<u>38,067,701</u>	<u>2,821,572</u>	<u>4,498,792</u>
NET INCOME, Budget Basis	<u>\$ (12,064,429)</u>	<u>\$ (10,154,422)</u>	(11,379,622)	<u>\$ (1,225,200)</u>	3,433,522
GAAP BASIS ADJUSTMENTS					
Capital Outlay			<u>33,891,336</u>		<u>1,549,994</u>
NET INCOME, GAAP Basis			22,511,714		4,983,516
NET POSITION, Beginning, as Previously Reported			48,634,920		43,651,404
Prior Period Adjustment			<u>9,800,000</u>		<u>-</u>
NET POSITION, Beginning, as restated			<u>58,434,920</u>		<u>43,651,404</u>
NET POSITION, Ending			<u>\$ 80,946,634</u>		<u>\$ 48,634,920</u>

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

Item #2.

WASTEWATER FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2021

	2021			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2020 ACTUAL
REVENUES				
Charges for Services	\$ 2,123,500	\$ 2,683,290	\$ 559,790	\$ 2,130,323
Contributions	-	1,202,250	1,202,250	723,350
Intergovernmental	1,192,000	978,500	(213,500)	-
Interest Income	-	15,357	15,357	90,373
Miscellaneous	54,459,200	42,557	(54,416,643)	16,520
Transfers In	-	-	-	-
 TOTAL REVENUES	 57,774,700	 4,921,954	 (52,852,746)	 2,960,566
EXPENDITURES				
Administration	-	191,451	(191,451)	180,118
Operations	2,121,353	1,612,265	509,088	1,157,853
Capital Outlay	25,386,600	11,159,466	14,227,134	1,642,922
Depreciation Expense	235,000	229,512	5,488	232,030
Debt Service	1,998,069	1,198,678	799,391	-
Transfers Out	-	20,000	(20,000)	100,000
 TOTAL EXPENDITURES	 29,741,022	 14,411,372	 15,329,650	 3,312,923
 NET INCOME, Budget Basis	 \$ 28,033,678	 (9,489,418)	 \$ (37,523,096)	 (352,357)
GAAP BASIS ADJUSTMENTS				
Capital Outlay		11,159,466		1,642,922
 TOTAL GAAP BASIS ADJUSTMENTS		 11,159,466		 1,642,922
 NET INCOME, GAAP Basis		 1,670,048		 1,290,565
NET POSITION, Beginning		16,320,754		15,030,189
NET POSITION, Ending		\$ 17,990,802		\$ 16,320,754

See the accompanying independent auditors' report.

TOWN OF JOHNSTOWN, COLORADO

Item #2.

DRAINAGE ENTERPRISE FUND
BUDGETARY COMPARISON SCHEDULE
Year Ended December 31, 2021

	2021			
	ORIGINAL AND FINAL BUDGET	ACTUAL	VARIANCE Positive (Negative)	2020 ACTUAL
REVENUES				
Drainage Fees	\$ 457,200	\$ 478,106	\$ 20,906	\$ 459,460
Contributions	75,000	420,490	345,490	321,949
Interest Income	-	2,389	2,389	29,686
Miscellaneous	5,400	3,557	(1,843)	345
TOTAL REVENUES	537,600	904,542	366,942	811,440
EXPENDITURES				
Administration	113,545	122,455	(8,910)	114,270
Operations	340,635	291,655	48,980	221,514
Capital Outlay	2,168,750	568,268	1,600,482	278,536
Depreciation Expense	-	6,636	(6,636)	5,753
Transfers Out	-	20,000	(20,000)	20,000
TOTAL EXPENDITURES	2,622,930	1,009,014	1,613,916	640,073
NET INCOME, Budget Basis	<u>\$ (2,085,330)</u>	(104,472)	<u>\$ 1,980,858</u>	171,367
GAAP BASIS ADJUSTMENTS				
Capital Outlay		568,268		278,536
NET INCOME, GAAP Basis		463,796		449,903
NET POSITION, Beginning		4,020,659		3,570,756
NET POSITION, Ending		<u>\$ 4,484,455</u>		<u>\$ 4,020,659</u>

See the accompanying independent auditors' report.

STATE COMPLIANCE

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

OMB No. 2125-0032

LOCAL HIGHWAY FINANCE REPORT

City or County:

Johnstown

YEAR ENDING :

December 2021

This Information From The Records Of (example - City of _ or County of

Prepared By:

Mitzi McCoy

Phone:

970.587.4664

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)	329,170
a. Motor Fuel (from Item I.A.5.)		2. Maintenance:	1,377,196
b. Motor Vehicle (from Item I.B.5.)		3. Road and street services:	
c. Total (a.+b.)		a. Traffic control operations	
2. General fund appropriations		b. Snow and ice removal	28,693
3. Other local imposts (from page 2)	6,085,412	c. Other	
4. Miscellaneous local receipts (from page 2)	0	d. Total (a. through c.)	28,693
5. Transfers from toll facilities		4. General administration & miscellaneous	10,020
6. Proceeds of sale of bonds and notes:		5. Highway law enforcement and safety	
a. Bonds - Original Issues		6. Total (1 through 5)	1,745,079
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)	6,085,412	b. Redemption	
B. Private Contributions		c. Total (a. + b.)	0
C. Receipts from State government (from page 2)	643,567	2. Notes:	
D. Receipts from Federal Government (from page 2)	0	a. Interest	
E. Total receipts (A.7 + B + C + D)	6,728,979	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)	1,745,079

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
	1,803,809	6,728,979	1,745,079	6,787,709	(1)

Notes and Comments:

LOCAL HIGHWAY FINANCE REPORT

STATE:

Colorado

YEAR ENDING (mm/yy):

December 2021

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	
1. Sales Taxes	1,698,681	c. Parking Garage Fees	
2. Infrastructure & Impact Fees	1,292,540	d. Parking Meter Fees	
3. Liens		e. Sale of Surplus Property	
4. Licenses		f. Charges for Services	
5. Specific Ownership &/or Other	3,094,191	g. Other Misc. Receipts	
6. Total (1. through 5.)	6,085,412	h. Other	
c. Total (a. + b.)	6,085,412	i. Total (a. through h.)	0
(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	517,831	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	64,602	d. Federal Transit Admin	
d. Other (Specify) - DOLA Grant		e. U.S. Corps of Engineers	
e. Other (SB21-260)	61,134	f. Other Federal	
f. Total (a. through e.)	125,736	g. Total (a. through f.)	0
4. Total (1. + 2. + 3.f)	643,567	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		329,170	329,170
(5). Total Construction (1) + (2) + (3) + (4)	0	329,170	329,170
d. Total Capital Outlay (Lines 1.a. + 1.b. + 1.c.5)	0	329,170	329,170
			(Carry forward to page 1)

Notes and Comments:



Town of Johnstown

TOWN COUNCIL REGULAR MEETING
450 S. Parish, Johnstown, CO
Monday, July 6, 2022 at 7:00 PM

MINUTES

CALL TO ORDER

Mayor Lebsack called the meeting to order at 7:00 p.m. and led the Pledge of Allegiance.

ROLL CALL

Present

Councilmember Damien Berg

Councilmember Dominguez

Councilmember Mellon

Councilmember Dianne Morris

Councilmember Chad Young

Absent

Councilmember Jesse Molinar Jr.

AGENDA APPROVAL

Motion made by Councilmember Berg, seconded by Councilmember Mellon to approve the agenda with the removal of the Request for Outdoor Swimming Pool and Amenities und Special Presentations. Motion carried with a unanimous vote.

SPECIAL PRESENTATIONS

Los Rudos Tacos y Hot Dogs was honored as July Business of the month.

PUBLIC COMMENT

Jeremy Scott, 103 King Avenue, Treasurer of the Weld RE5-J School Board, complimented the Town on the development at I-25, particularly the commercial development in Ledge Rock. He stated commercial property taxes, shift the burden of taxes from residential.

Pam Hamilton, YMCA Director, introduced herself to the Council.

CONSENT AGENDA

Motion made by Councilmember Mellon, seconded by Councilmember Morris to approve the consent agenda. Motion carried with a unanimous vote.

- June 20, 2022 minutes
- Second Reading Ordinance No. 2022-232, Approving a Change of Zone for the Property Known as Ledge Rock Center to Planned Unit Development – Mixed Use (PUD-MU)
- Consideration of a Second Amendment to the Johnstown Farms Filing 3 Subdivision Development and Improvement Agreement
- Resolution 2022-28 Budget Amendment

July 6, 2022
Page 2

PUBLIC HEARING

1. Ordinance Number 2022-233: An Ordinance Amending Article V of Chapter 11 of the Johnstown Municipal Code Concerning Use of the Pioneer Ridge Park Disc Golf Course. Mayor Lebsack opened the Public Hearing at 7:22 p.m. and heard from staff. This ordinance outlines the rules and regulations for the disc golf course and the ability of the police department to enforce the operations of the disc golf course for the benefit of the school district. Mr. Jeremy Scott spoke in favor of the ordinance, Mr. Jim Hatfield shared a concern with Section 11-88 of the proposed ordinance and the way it is written, it makes it appear as the school can't use the course during school hours. Having no further comments, the public hearing closed at 7:28 p.m. Motion made by Councilmember Mellon, seconded by Councilmember Young to approve Ordinance No. 2022-233: An Ordinance Amending Article V of Chapter 11 of the Johnstown Municipal Code concerning use of the Pioneer Ridge Park Disc Golf Course with the modification to Section 11-88 of the proposed ordinance to say "except for persons authorized to participate". Motion carried with a unanimous vote.

NEW BUSINESS

1. Intergovernmental Agreement with Larimer County – The Ridge Development is developing on both sides of CR3E and the improvements required for the roadway fall in both the Town's jurisdiction and Larimer County. The goal of the IGA is to have one standard for the developer to construct CR 3E. Motion made by Councilmember Dominguez, seconded by Councilmember Berg to approve the Intergovernmental Agreement with Larimer County for operations and maintenance of County Road 3E. Motion carried with a unanimous vote.

2. Contract with Connell Resources Inc for Pavement Maintenance Program – Motion made by Councilmember Berg, seconded by Councilmember Mellon to award the contract with Connell Resources Inc. in an amount not to exceed \$3,537,645 and approve the Town Manager to sign the contracts and if necessary, change order to include the JHA parking lot. Motion carried with a unanimous vote.

3. Equipment Procurement for the new Central Wastewater Plant – This is a request to issue Notice of Award to Hydro International for the Grit Removal Equipment in the Central Wastewater Treatment Plant. Motion made by Councilmember Mellon, seconded by Councilmember Dominguez to issue Notice of Awards and authorize the Town Manager to execute a contract with Hydro International Wastewater, Inc. for a total amount not to exceed \$58,500.00. Motion carried with a unanimous vote.

4. Owners Representative Agreement between the Town of Johnstown and Blue Water Engineering, Ltd. for Professional Services related to the Johnstown Water Treatment Plant (WTP) Expansion – Blue Water will act as the Town's Owner's Representative, as part of the engineering design review. Motion made by Councilmember Young, seconded by Councilmember Morris to approve the agreement between owner and engineer for professional services between the Town of Johnstown and Blue Water Engineering, Ltd.

ADJOURN

The meeting adjourned at 8:12 p.m.

Mayor

Town Clerk

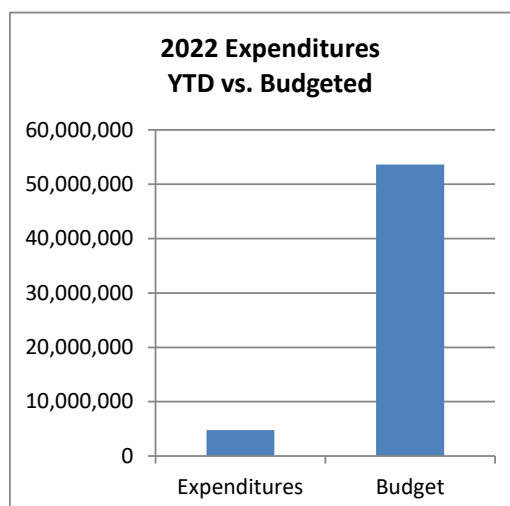
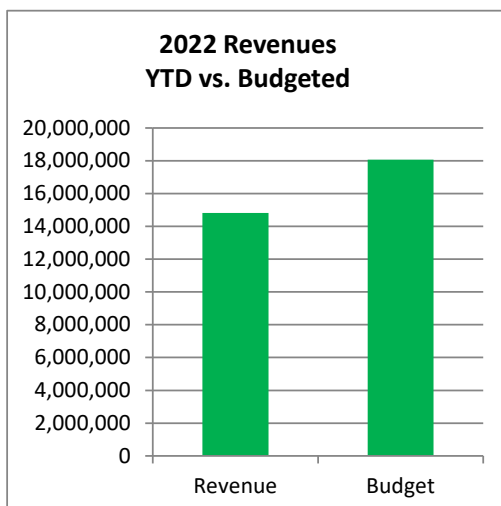
Town of Johnstown, Colorado
Statement of Revenues, Expenditures, and Changes in
Fund Balances - General Fund
Period Ending June 30, 2022
Unaudited

Item #4.

General Fund	2022 Actuals June	2022 Adopted Budget	% Complete
Beginning Fund Balance*	68,782,344	68,782,344	
<u>Revenues:</u>			
Taxes & Fees	11,187,528	16,413,716	68.2%
Licenses & Permits	2,711,943	1,156,650	234.5%
Fines & Forfeitures	112,160	160,500	69.9%
Intergovernmental	47,528	25,000	190.1%
Earnings on Investment	62,896	52,500	119.8%
Miscellaneous Revenue	699,303	253,000	276.4%
<i>Transfers In</i>	-	-	
Total Operating Revenues	14,821,359	18,061,366	82.1%
<u>Expenditures:</u>			
Legislative	709,333	932,500	76.1%
Town Manager	332,710	1,644,593	20.2%
Town Clerk	198,936	509,750	39.0%
Finance	208,244	417,510	49.9%
Planning	224,253	759,878	29.5%
Reimbursements	282,171	300,000	94.1%
Building Inspections	115,258	271,400	42.5%
Police	1,921,753	4,878,580	39.4%
Public Works	196,812	761,200	25.9%
Buildings	101,943	293,250	34.8%
<i>Transfers Out</i>	464,317	42,837,000	1.1%
Total Expenditures	4,755,731	53,605,661	8.9%
Excess (Deficiency) of Revenues and Other Sources over Expenditures	10,065,628	(35,544,295)	
Prior Period Adjustment			
Ending Fund Balance*	78,847,972	33,238,049	

* - Unaudited

50% of the fiscal year has elapsed



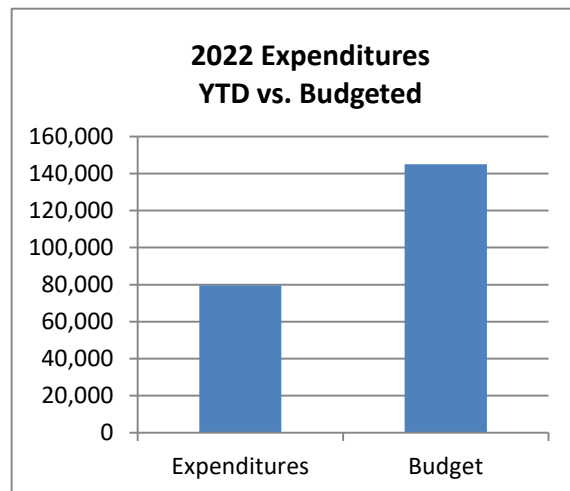
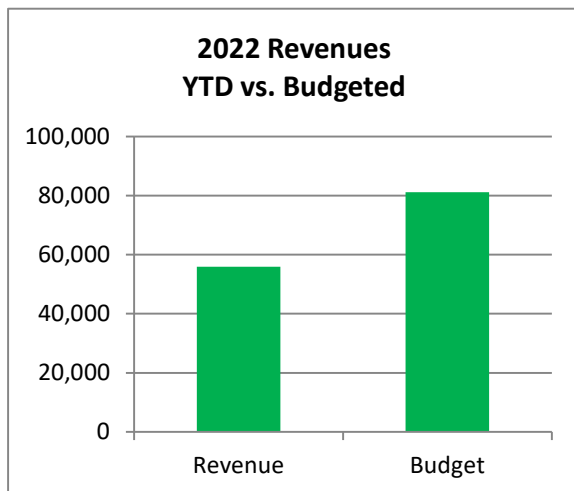
Town of Johnstown, Colorado
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Conservation Trust Fund
Period Ending June 30, 2022
Unaudited

Item #4.

Conservation Trust Fund	2022 Actuals June	2022 Adopted Budget	% Complete
Beginning Fund Balance*	100,051	100,051	
Revenues:			
Intergovernmental	55,839	81,100	68.9%
Earnings on Investment	50	50	99.9%
Total Operating Revenues	55,889	81,150	68.9%
Expenditures:			
Operations	-	-	
Capital Outlay	79,593	145,000	54.9%
Total Expenditures	79,593	145,000	54.9%
Excess (Deficiency) of Revenues and Other Sources over Expenditures	(23,703)	(63,850)	
Ending Fund Balance*	76,348	36,201	

* - Unaudited

50% of the fiscal year has elapsed



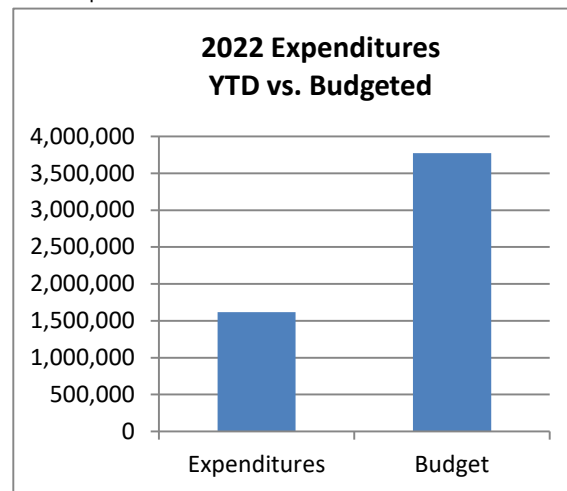
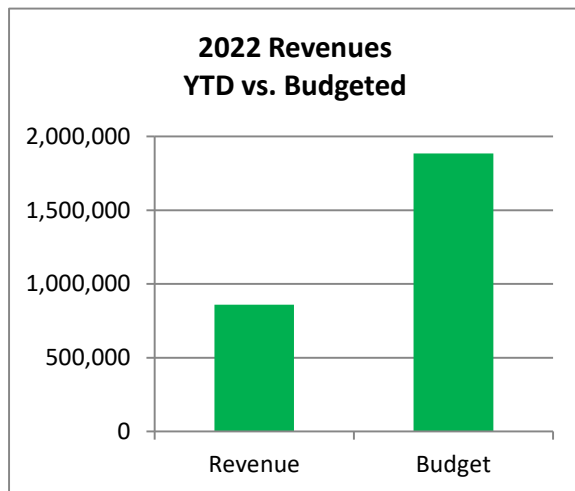
Town of Johnstown, Colorado
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Parks and Open Space Fund
Period Ending June 30, 2022
Unaudited

Item #4.

	2022 Actuals June	2022 Adopted Budget	% Complete
Parks and Open Space Fund			
Beginning Fund Balance*	7,672,201	7,672,201	
<u>Revenues:</u>			
Taxes & Fees	804,757	498,150	161.5%
Miscellaneous Revenue	47,382	222,000	21.3%
Transfers In	0	1,162,000	0.0%
Total Operating Revenues	858,165	1,884,650	45.5%
<u>Expenditures:</u>			
Operations	216,169	1,037,550	20.8%
Capital Outlay	1,400,611	2,737,000	51.2%
Transfers Out	-	-	
Total Expenditures	1,616,780	3,774,550	42.8%
Excess (Deficiency) of Revenues and Other Sources over Expenditures	(758,614)	(1,889,900)	
Ending Fund Balance*	6,913,587	5,782,301	

* - Unaudited

50% of the fiscal year has elapsed



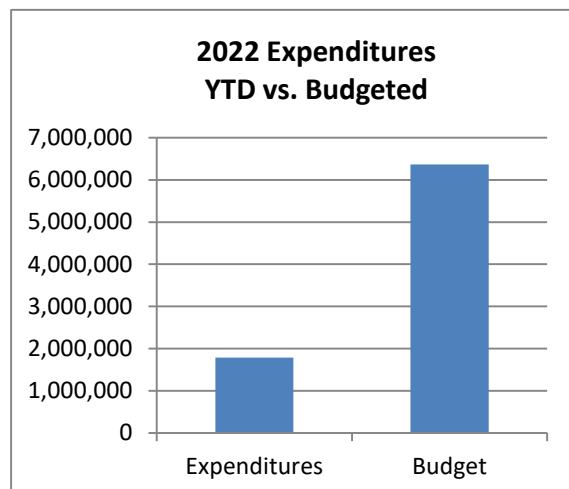
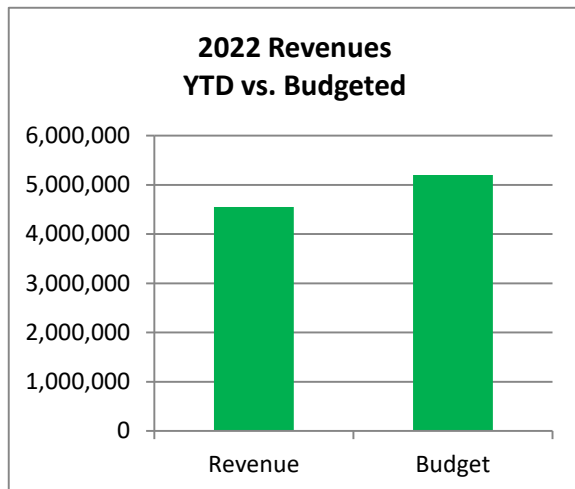
Town of Johnstown, Colorado
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Street and Alley Fund
Period Ending June 30, 2022
Unaudited

Item #4.

Street and Alley Fund	2022 Actuals June	2022 Adopted Budget	% Complete
Beginning Fund Balance*	14,843,709	14,843,709	
<u>Revenues:</u>			
Taxes & Fees	2,246,517	3,191,400	70.4%
Intergovernmental	72,504	707,667	10.2%
Charges for Services	471,928	881,000	53.6%
Capital Investment Fees	1,674,193	420,550	398.1%
Earnings on Investment	14,074	2,000	703.7%
Miscellaneous Revenues	67,881	-	0.0%
Total Operating Revenues	<u>4,547,097</u>	<u>5,202,617</u>	87.4%
<u>Expenditures:</u>			
Operations & Maintenance	811,829	3,599,400	22.6%
Capital	<u>976,753</u>	<u>2,769,000</u>	35.3%
Total Expenditures	<u>1,788,582</u>	<u>6,368,400</u>	28.1%
Excess (Deficiency) of Revenues and Other Sources over Expenditures	<u>2,758,515</u>	<u>(1,165,783)</u>	
Ending Fund Balance*	<u>17,602,224</u>	<u>13,677,926</u>	

* - Unaudited

50% of the fiscal year has elapsed



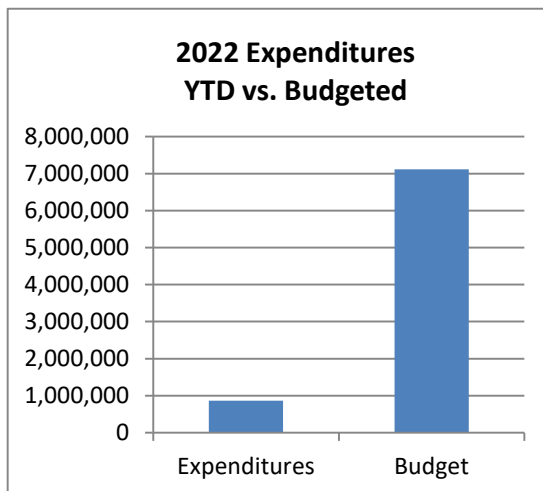
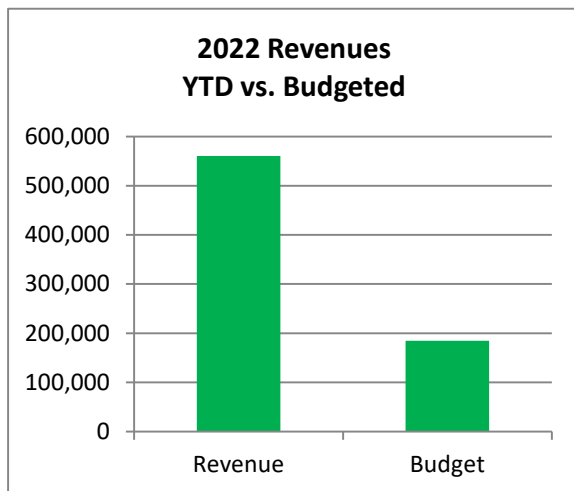
Town of Johnstown, Colorado
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Capital Projects Fund
Period Ending June 30, 2022
Unaudited

Item #4.

	2022 Actuals June	2022 Adopted Budget	% Complete
Capital Projects Fund			
Beginning Fund Balance*	14,413,606	14,413,606	
<u>Revenues:</u>			
Taxes and Fees	536,766	240,000	223.7%
Miscellaneous Revenue	-	-	
Interest	23,475	4,500	521.7%
Transfers In	-	(60,000)	0.0%
Total Operating Revenues	560,242	184,500	303.7%
<u>Expenditures:</u>			
Capital Outlay	864,179	7,111,500	0.0%
Transfers Out	-	-	0.0%
Total Expenditures	864,179	7,111,500	12.2%
Excess (Deficiency) of Revenues and Other Sources over Expenditures	(303,937)	(6,927,000)	
Ending Fund Balance*	14,109,669	7,486,606	

* - Unaudited

50% of the fiscal year has elapsed



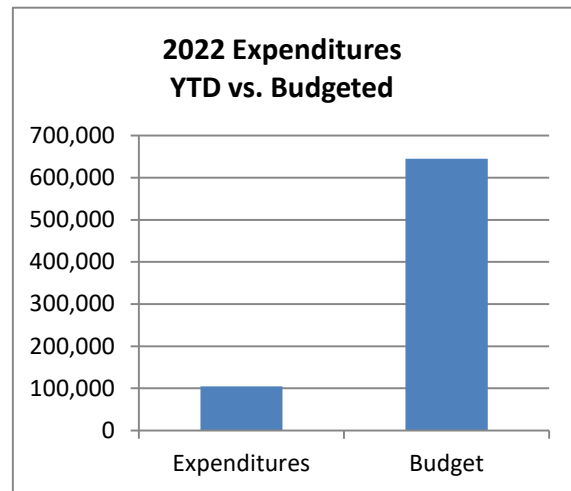
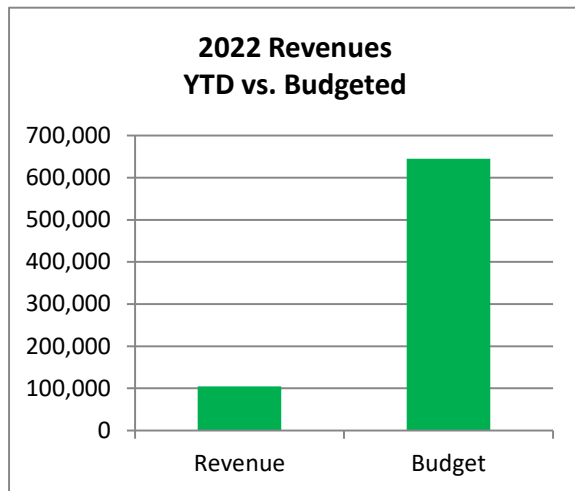
Town of Johnstown, Colorado
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Tax Allocation Fund
Period Ending June 30, 2022
Unaudited

Item #4.

Tax Allocation Fund	2022 Actuals June	2022 Adopted Budget	% Complete
Beginning Fund Balance*	95,951	95,951	
<u>Revenues:</u>			
Taxes & Fees	104,580	645,000	16.2%
Earnings on Investment	-	50	0.0%
Total Operating Revenues	104,580	645,050	16.2%
<u>Expenditures:</u>			
Miscellaneous	104,580	645,050	16.2%
Total Expenditures	104,580	645,050	16.2%
Excess (Deficiency) of Revenues and Other Sources over Expenditures	-	-	
Ending Fund Balance*	95,951	95,951	

* - Unaudited

50% of the fiscal year has elapsed



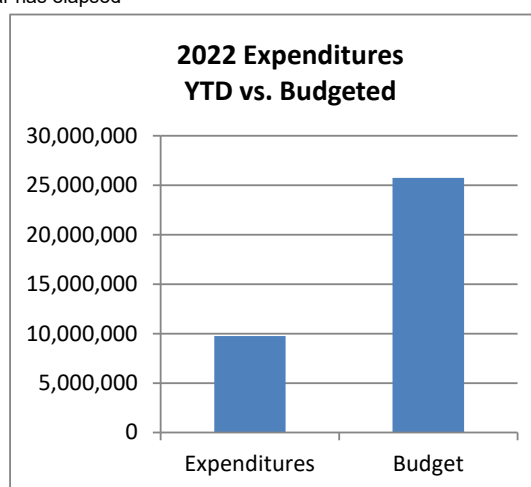
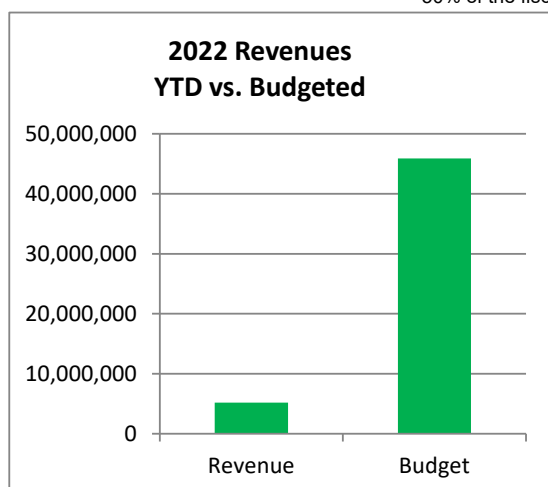
Town of Johnstown, Colorado
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Water Fund
Period Ending June 30, 2022
Unaudited

Item #4.

Water Fund	2022 Actuals June	2022 Adopted Budget	% Complete
Beginning Cash Balance*	21,559,607	21,559,607	
<u>Revenues:</u>			
Charges for Services	2,144,731	3,838,700	55.9%
Total Operating Revenues	2,144,731	3,838,700	55.9%
<u>Expenses:</u>			
Administration	94,250	428,650	22.0%
Operations	1,302,368	3,968,650	32.8%
Capital Outlay	8,144,508	20,910,280	38.9%
Depreciation	217,395	425,000	51.2%
Transfers Out	-	-	
Total Operating Expenses	9,758,520	25,732,580	37.9%
Operating Income (Loss)	(7,613,789)	(21,893,880)	
<u>Non-Operating Revenues (Expenses)</u>			
Tap Fees	1,272,544	1,006,050	126.5%
Capital Investment Fees	1,464,410	850,650	172.2%
Misc. Revenues	274,845	40,179,550	0.7%
Interest Expense	37,828	6,900	548.2%
Total Non-Operating Revenues (Expenses)	3,049,626	42,043,150	7.3%
Excess (Deficiency) of Revenues and Other Sources over Expenses	(4,564,163)	20,149,270	
Ending Cash Balance*	16,995,445	41,708,877	

* - Unaudited

50% of the fiscal year has elapsed



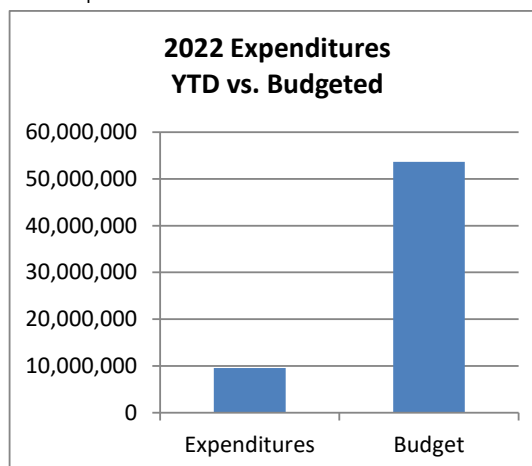
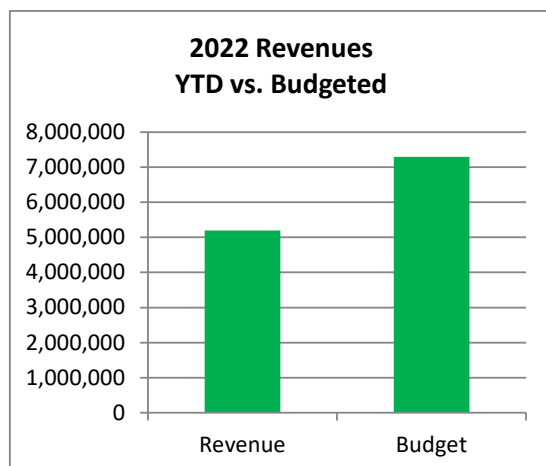
Town of Johnstown, Colorado
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Sewer Fund
Period Ending June 30, 2022
Unaudited

Item #4.

Sewer Fund	2022 Actuals June	2022 Adopted Budget	%
			Complete
Beginning Cash Balance*	5,341,829	5,341,829	
<u>Revenues:</u>			
Charges for Services	1,465,872	2,984,000	49.1%
Total Operating Revenues	1,465,872	2,984,000	49.1%
<u>Expenses:</u>			
Administration	90,539	244,050	37.1%
Operations	625,494	1,991,800	31.4%
Capital Outlay	7,780,166	49,189,000	15.8%
Depreciation	114,759	245,000	46.8%
Debt Service	976,575	1,953,150	50.0%
Total Operating Expenses	9,587,533	53,623,000	17.9%
Operating Income (Loss)	(8,121,661)	(50,639,000)	
<u>Non-Operating Revenues (Expenses)</u>			
Capital Improvement Fees	3,331,798	2,396,740	139.0%
Misc. Revenues	281,600	1,915,000	14.7%
Interest Expense	117,206	1,200	9767.1%
Debt Proceeds	-	-	
Total Non-Operating Revenues (Expenses)	3,730,604	4,312,940	86.5%
Excess (Deficiency) of Revenues and Other Sources over Expenses	(4,391,058)	(46,326,060)	
Ending Cash Balance*	950,771	(40,984,231)	

* - Unaudited

50% of the fiscal year has elapsed



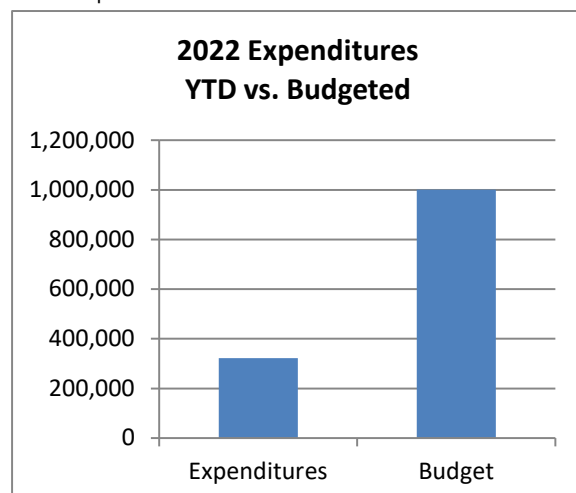
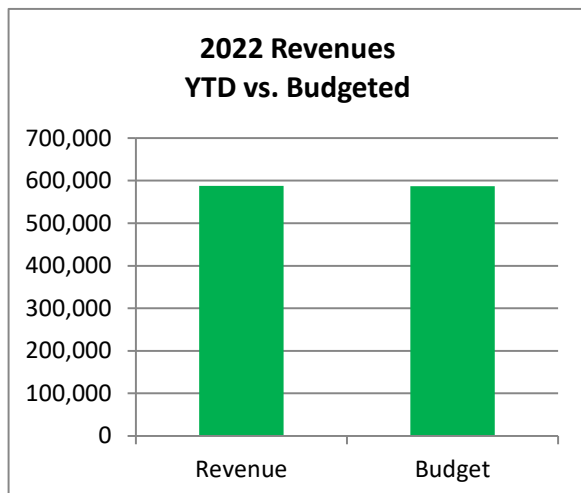
Town of Johnstown, Colorado
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Drainage Fund
Period Ending June 30, 2022
Unaudited

Item #4.

Drainage Fund	2022 Actuals June	2022 Adopted Budget	% Complete
Beginning Cash Balance*	3,732,384	3,732,384	
<u>Revenues:</u>			
Charges for Services	337,565	475,900	70.9%
Total Operating Revenues	337,565	475,900	70.9%
<u>Expenses:</u>			
Administration	61,251	156,765	39.1%
Operations	63,831	364,100	17.5%
Capital Improvements	196,523	480,000	40.9%
Transfer Out	-	-	
Total Operating Expenses	321,605	1,000,865	32.1%
Operating Income (Loss)	15,960	(524,965)	
<u>Non-Operating Revenues (Expenses)</u>			
Capital Revenues	245,743	110,000	223.4%
Misc. Revenues	-	-	
Interest Expense	4,243	1,000	424.3%
Total Non-Operating Revenues (Expenses)	249,986	111,000	225.2%
Excess (Deficiency) of Revenues and Other Sources over Expenses	265,946	(413,965)	
Ending Cash Balance*	3,998,330	3,318,419	

* - Unaudited

50% of the fiscal year has elapsed



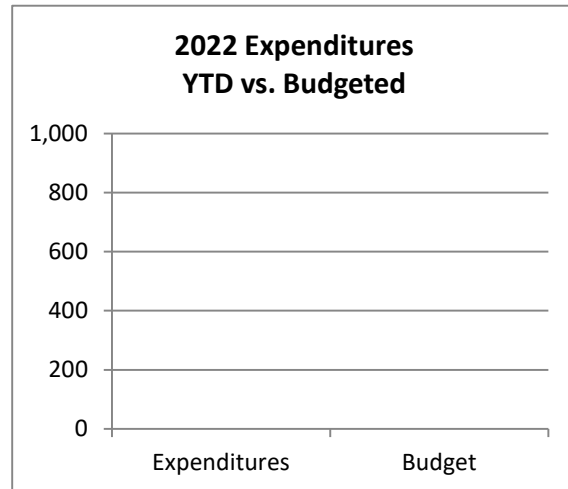
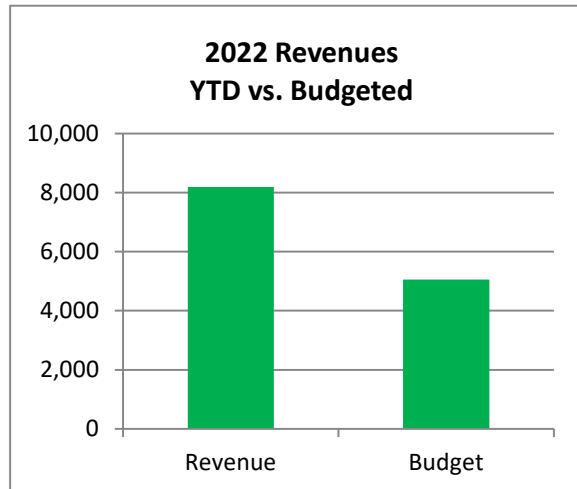
Town of Johnstown, Colorado
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Cemetery Perpetual Fund
Period Ending June 30, 2022
Unaudited

Item #4.

	2022 Actuals June	2022 Adopted Budget	% Complete
Cemetery Perpetual Fund			
Beginning Fund Balance*	153,817	153,817	
<u>Revenues:</u>			
Miscellaneous Revenue	7,959	5,000	159.2%
Earnings on Investment	234	60	389.9%
Total Operating Revenues	8,193	5,060	161.9%
<u>Expenditures:</u>			
Operations & Maintenance	-	-	
Capital Outlay	-	-	
Transfers Out	-	-	
Total Expenditures	-	-	
Excess (Deficiency) of Revenues and Other Sources over Expenditures	8,193	5,060	
Ending Fund Balance*	162,010	158,877	

* - Unaudited

50% of the fiscal year has elapsed



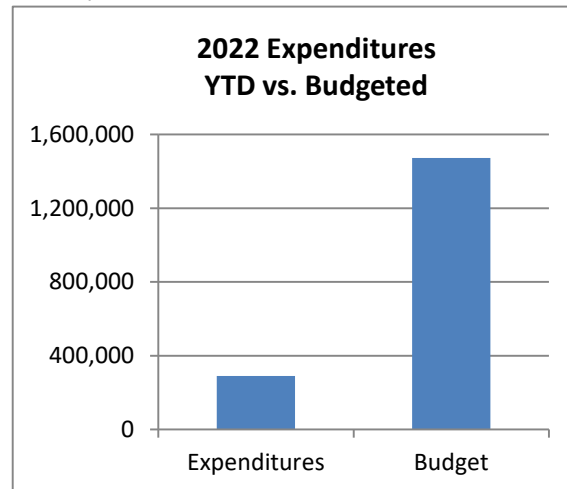
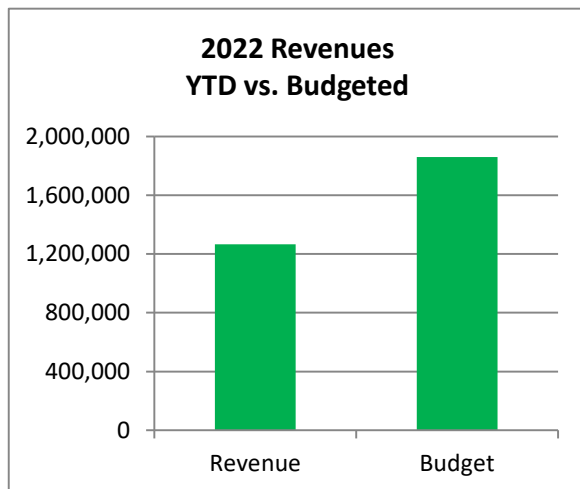
Town of Johnstown, Colorado
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Library Fund
Period Ending June 30, 2022
Unaudited

Item #4.

Library Fund	2022 Actuals June	2022 Adopted Budget	% Complete
Beginning Fund Balance*	6,613,408	6,613,408	
<u>Revenues:</u>			
Intergovernmental	106,091	488,959	21.7%
Miscellaneous Revenue	110	11,000	1.0%
Capital Investment Fees	514,245	215,000	239.2%
Interest	5,060	5,000	101.2%
<i>Transfers In</i>	639,597	1,140,000	56.1%
Total Operating Revenues	1,265,104	1,859,959	68.0%
<u>Expenditures:</u>			
Operations	289,865	1,472,000	19.7%
Capital Outlay	-	-	0.0%
Total Expenditures	289,865	1,472,000	19.7%
Excess (Deficiency) of Revenues and Other Sources over Expenditures	975,239	387,959	
Ending Fund Balance*	7,588,647	7,001,367	

* - Unaudited

50% of the fiscal year has elapsed



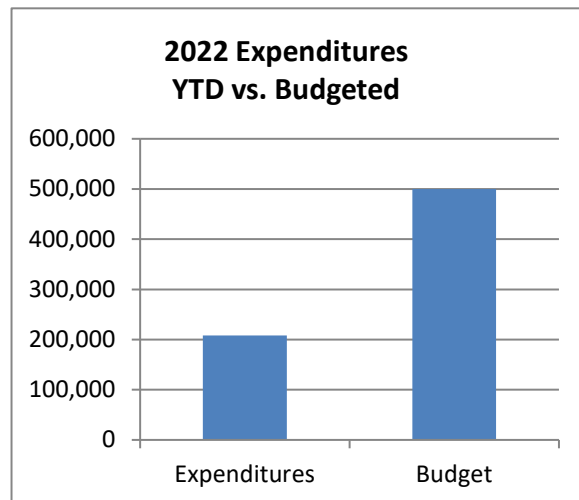
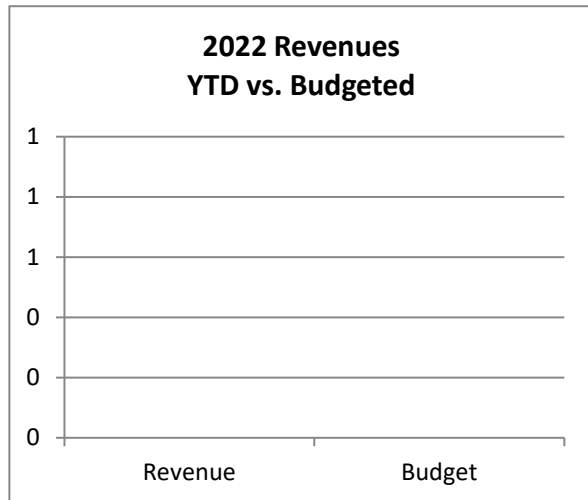
Town of Johnstown, Colorado
Statement of Revenues, Expenditures, and Changes in
Fund Balances - Recreation Center Fund
Period Ending June 30, 2022
Unaudited

Item #4.

Recreation Center Fund	2022 Actuals June	2022 Adopted Budget	% Complete
Beginning Fund Balance*	922,738	922,738	
<u>Revenues:</u>			
Transfers In	-	-	
Earnings on Investment	-	-	
Total Operating Revenues	-	-	
<u>Expenditures:</u>			
Operations & Maintenance	208,333	500,000	0.0%
Capital Outlay	-	-	
Total Expenditures	208,333	500,000	41.7%
Excess (Deficiency) of Revenues and Other Sources over Expenditures	(208,333)	(500,000)	
Ending Fund Balance*	714,405	422,738	

* - Unaudited

50% of the fiscal year has elapsed



Town of Johnstown
List of Bills - June 11, 2022-July 7, 2022

<u>Vendor</u>	<u>Description</u>	<u>Dept.</u>	<u>Amount</u>
4990 Ronald Reagan LLC	Police substation lease	PD	1,519.75
A Concrete Inc	Park concrete	PW	33,702.50
Adamson Police Products	Uniforms	PD	1,091.93
Adiona Transportation Solutions	Equipment maintenance	PW	2,954.00
Advanced Roofing Technologies	Building maintenance	PW	975.00
All Copy Products, Inc	Copier supplies	ADM/PD	193.15
Apex Shredding Inc.	Community shred event	PD	2,000.00
Aqua Engineering	Central and Low Point - design	PW	117,930.87
Arapahoe Rental	Supplies	PW	73.95
Axon Enterprises, Inc.	Training supplies	PD	1,019.04
Bell Gould Linder & Scott, P.C.	Legal services	ADM	957.00
Bludot Technologies Inc.	CRM software	ADM	195.00
Bluebeam, Inc.	Software	PW	439.83
Bobcat of the Rockies	Supplies	PW	129.92
Browns Hill Engineering & Controls	Scada	PW	3,053.28
Bunyan Lateral Ditch Company	Engineering services	PW	2,713.28
Burns & McDonnell Engineering Co Inc.	WTP expansion	PW	310,646.77
Canyon Systems, Inc.	Supplies	PW	422.94
Caselle, Inc	Software license/support	ALL	350.00
CB&I Group Storage Tanks Solutions LLC	South Tank construction	PW	695,571.17
CDR Propane Services, LLC	Propane	PW	520.00
CDW Government	Computer equipment	PD	13,621.12
Cedar Supply	Supplies	PW	21.94
Central Weld County Water District	Interconnects	PW	910.72
CenturyLink	Telephone	PW	249.41
CFish, LLC	Easement	ADM	2,000.00
Cintas	Mat supplies/service	ALL	981.18
CivicPlus	Code updates	ADM	961.54
CMC Tire	Vehicle supplies	PW	687.00
CMS Mechanical Services	Building maintenance	PW	5,313.93
Colo. Dept. of Labor & Employment	Inspections	PW	40.00
Colorado Analytical Labs	Lab testing	PW	2,423.00
Colorado Greenbelt Management	Grounds maintenance	PW	1,375.00
Connell Resources, Inc.	Bridge repair & Central P2 const	PW	1,083,725.25
Consolidated Hillsborough Ditch Co	Water legal	PW	816.00
Consolidated Home Supply Ditch &	Water legal	PW	428.40
Coren Printing, Inc	Supplies	ADM/PD	375.00
D&S Hydroseeding	Supplies	PW	1,125.00
DBC Irrigation Supply	Supplies	PW	1,029.25
Denali Water Solutions LLC	Sludge removal	PW	1,929.60
DES Pipeline Maintenance, LLC	Maintenance	PW	4,425.00
DetectaChem, Inc.	Supplies	PD	157.50
DPC Industries Inc	Chemicals	PW	49,589.15
DXP Enterprises Inc	Supplies	PW	61.20

Town of Johnstown
List of Bills - June 11, 2022-July 7, 2022

<u>Vendor</u>	<u>Description</u>	<u>Dept.</u>	<u>Amount</u>
Elevated Cloud Services	Software license/support	ADM	544.00
Employee Reimbursement	Travel/training/supplies	PD/ADM	347.74
Ergomed	Employment screening	ADM	1,200.00
Eutek Systems, Inc	Low Point construction	PW	23,750.00
Felsburg Holt & Ullevig Inc	Billback - Engineering services	ADM	7,080.79
Ferguson Waterworks	Supplies	PW	1,205.73
Fiore & Sons Inc.	Hydrant meter deposit refund	ADM	1,500.00
Firestone Complete Auto Care	Vehicle maintenance	PD	2,391.65
First National Bank	Custodial services	ALL	1,025.05
Flowers For 3 Greenhouse	Cemetery & downtown flowers	PW	7,376.91
Frontier Business Products	Copier & supplies	ADM/PD	8,423.16
Glenn A. Jones Library	Library support	ADM	94,816.12
Grainger, Inc.	Supplies	PW	357.10
Ground Engineering Consultants, Inc.	Sewer plant materials testing	PW	4,560.00
Hays Market Inc	Supplies	PW	35.92
Helton & Williamsen, P.C.	Engineering services	ADM	2,181.25
Helton & Williamsen, P.C.	Billback - Engineering services	ADM	12,774.15
Hill & Robbins, PC	Legal services	ADM	729.00
Hill & Robbins, PC	Billback - Legal services	ADM	869.50
IMEG Corp	Engineering services	PW	107,246.06
IMEG Corp	Billback -Engineering services	ADM	30,462.50
Industrial Service Solutions	CDPHE compliance	PW	10,731.50
Infosend, Inc.	Utility bill printing/newsletter	ADM	9,108.33
Insight North America, LLC	Investment services	ADM	3,014.31
J&D Creations	Uniforms	PW/PD	1,885.71
J&S Contractors Supply Co.	Sign supplies	PW	2,605.00
J&T Consulting, Inc.	Johnstown Reservoir dam repair	PW	10,050.25
Johnstown Downtown Dev. Assn.	JDDA reimbursement	ADM	7,317.10
J-U-B Engineers, Inc.	Engineering services south tank	PW	112,415.12
J-U-B Engineers, Inc.	Billback - Engineering services	ADM	16,416.40
Kelly Supply Co	Pipes/supplies	PW	2,522.80
Kenyon P. Jordan, Ph.D.	Prehire evaluation	PD	275.00
Language Line Services Inc.	Translation service	PD	94.74
Larimer County Sales Tax Administrator	Use Tax - Reimbursement	ADM	36,719.11
Larimer County Sheriff's Office	Training	PD	169.36
Law Office of Avi Rocklin LLC	Legal services	ADM	8,389.50
Law Office of Avi Rocklin LLC	Billback - Legal services	ADM	13,186.50
Lennar Colorado LLC	Refund overpayment	ADM	1,152.92
LN2 Food Truck Events	Appreciation dinner	ADM	732.00
Loveland Barricade LLC	Supplies	PW	978.00
Lowe's	Supplies	PW	253.06
Mac Equipment, Inc	Supplies	PW	435.17
Mares Auto Inc.	Vehicle maintenance	PW	80.00
McGeady Becher P.C.	Billback - Legal services	ADM	10,545.00

Town of Johnstown
List of Bills - June 11, 2022-July 7, 2022

<u>Vendor</u>	<u>Description</u>	<u>Dept.</u>	<u>Amount</u>
Milliken Johnstown Electric	Equipment maintenance	PW	1,487.74
MODSTREET CO.	CDOT Grant - Parklets	ADM	30,613.98
Moltz Construction Inc.	Low Point construction	PW	426,113.25
Mountain States Pipe & Supply	Water meters	PW	16,476.91
Multistudio, Inc	Land use code	ADM	12,485.00
Nalco Company LLC	Chemicals	PW	12,796.24
Napa Auto Parts, Inc	Vehicle supplies	PW/PD	448.55
Park Refund	Refund of deposit	ADM	20.00
NIRBHAO Inc	Refund landscape surety	ADM	29,235.00
NOCO Drug Testing LLC	Lab supplies	PD	225.00
Northern Engineering	Billback - Engineering	ADM	1,537.50
Office Depot Business Credit	Supplies	ALL	2,063.89
Photon Brothers, Inc.	Solar program	ADM	100,000.00
Pitney Bowes Bank Inc Purchase Power	Postage meter	ADM/PD	248.55
Poudre Valley REA	Transformer upgrade	PW	22,095.79
Poudre Valley REA	Utilities	ALL	12,232.01
ProCode Inc.	Inspection services	ADM	15,750.00
ProForce Law Enforcement	Supplies	PD	1,732.36
Ramey Environmental Compliance Inc.	OCR services	PW	32,436.30
Redi Services, LLC	Port o lets	PW	800.00
Rhinehart Oil Co., Inc.	Fuel	PW/PD	13,951.31
Rowley's Auto Collision Experts Inc	Vehicle maintenance	PW	2,840.77
Sam's Club MC/SYNCB	Supplies	PD	315.95
SeaCrest Group	Lab testing	PW	8,740.00
Security Central, Inc	Alarm monitoring	PW	229.95
SMH West, LLC	South Tank construction	PW	363,242.18
Sunbelt Rentals	Emergency pump	PW	3,240.16
Tait & Associates, Inc.	Old Town design	PW	18,900.00
TDS	Telephone	PD/PW	686.20
The Greeley Tribune	Subscription	ADM	161.20
The Home Depot/GECE	Supplies	PW	155.37
The Tree Farm	Supplies	PW	338.64
The Tree Guys LLC	Tree removal	PW	5,200.00
Tier One Networking, LLC	Supplies	ADM	129.00
TimberLAN	IT services	ADM/PW	1,890.00
T-Mobile	Telephone	PD	32.91
Town & Country Fence Co.	Building maintenance	PW	450.00
Town of Mead	Broadband expenses	ADM	351.12
Traffic Signal Controls Inc	Supplies	PW	185.00
TruGreen Chemlawn	Chemicals	PW	381.02
UC Health Medical Group	Medical services	PD	176.34
United Power, Inc	Utilities	ALL	776.90
USA Bluebook	Supplies	PW	3,851.67
Vector Disease Control	Mosquito spraying	PW	3,524.70

Town of Johnstown
List of Bills - June 11, 2022-July 7, 2022

<u>Vendor</u>	<u>Description</u>	<u>Dept.</u>	<u>Amount</u>
Verizon Wireless	Cell phones	PD/PW	4,092.16
Warehouse Supply Inc	Supplies	PW	75.66
Weld County Clerk & Recorder	Recording deposit/fees	ADM	613.00
Weld County Dept of Public Health	Lab services	PW	650.50
Weld County Sheriff	Jail Fee	PD	93.83
Whispir	Newsletter and courtesy calls	ADM	330.30
Windstream	Telephone/internet	ALL	1,063.39
Utility Refund	Utility Refunds	ADM	5,034.68
Winters, Hughes & Laue, LLC	Prosecuting attorney services	ADM	3,622.50
Xcel Energy	Utilities	ALL	30,858.90
Xcite Audiovisuals LLC	Camera and video system	ADM	41,805.13
YMCA of Northern Colorado	Operating subsidy	ADM	41,666.67
			<hr/> 4,185,114.26



Town of Johnstown

TOWN COUNCIL CONSENT AGENDA COMMUNICATIONS

AGENDA DATE: July 18, 2022

SUBJECT: Ordinance 2022-233 An Ordinance Amending Article V Of Chapter 11 Of The Johnstown Municipal Code Concerning Use Of The Pioneer Ridge Park Disc Golf Course

ACTION PROPOSED: Consider Second Reading of Ordinance 2022-233

ATTACHMENTS: 1. Ordinance 2022-233

PRESENTED BY: Matt LeCerf, Town Manager

AGENDA ITEM DESCRIPTION:

Council held a public hearing on July 6, 2022 and approved Ordinance No. 2022-233 subject to amendment. The ordinance has been amended to provide: “Notwithstanding the daily park hours set forth in this Article, it shall be unlawful for any person to use the Pioneer Ridge Park Disc Golf Course between the hours of 8:00 a.m. and 4:00 p.m. *on days when the Weld County School District RE-5J is in session, except for persons authorized to participate in such use by the Weld County School District RE-5J.*”

LEGAL ADVICE: The Ordinance was drafted by the Town Attorney.

FINANCIAL ADVICE: Not Applicable.

RECOMMENDED ACTION: Approve Ordinance 2022-233 An Ordinance Amending Article V of Chapter 11 of The Johnstown Municipal Code Concerning Use of The Pioneer Ridge Park Disc Golf Course on Second Reading.

Reviewed and Approved for Presentation,

Town Manager

The Community That Cares

johnstown.colorado.gov

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TOWN OF JOHNSTOWN, COLORADO

ORDINANCE NO. 2022-233

**AN ORDINANCE AMENDING ARTICLE V OF CHAPTER 11 OF
THE JOHNSTOWN MUNICIPAL CODE CONCERNING USE OF
THE PIONEER RIDGE PARK DISC GOLF COURSE**

WHEREAS, the Town of Johnstown, Colorado is a municipal corporation duly organized and existing under its Home Rule Charter adopted pursuant to Article XX of the Constitution of the State of Colorado; and

WHEREAS, the Town Council is vested with authority to administer the affairs of the Town; and

WHEREAS, on April 18, 2022, the Town Council approved the Intergovernmental Agreement between the Town of Johnstown and Weld County School District RE-5J for Joint Use of Pioneer Ridge Disc Golf Course (“IGA”); and

WHEREAS, the IGA provides that the Weld County School District RE-5J shall be entitled to exclusive use of the Pioneer Ridge Park Disc Golf Course (“Disc Course”) between the hours of 8:00 a.m. and 4:00 p.m. when school is in session; and

WHEREAS, to provide the Town with the ability to enforce the provisions of the IGA, Town staff recommends that the Town Council adopt a regulation related to use of the Disc Course; and

WHEREAS, Article V of Chapter 11 of the Johnstown Municipal Code (“Code”) concerns public parks; and

WHEREAS, the Town staff recommends that Article V of Chapter 11 be amended to include a regulation concerning use of the Disc Course; and

WHEREAS, based on the recommendation of Town staff, Town Council desires to add Section 11-88 to Article V of Chapter 11 of the Code; and

WHEREAS, the Town Council hereby finds, determines and declares that this Ordinance is promulgated under the general police power of the Town, that it is promulgated for the preservation of the public health, welfare, peace, safety and property and that this Ordinance is in the best interests of the citizens of the Town.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF JOHNSTOWN, COLORADO, AS FOLLOWS:

Section 1. Article V of Chapter 11 of the Johnstown Municipal Code shall be amended to: (i) include Section 11-88 - Pioneer Ridge Park Disc Golf Course and (ii) renumber Section 11-88 to Section 11-89, which sections shall read as follows:

Sec. 11-88 - Pioneer Ridge Park Disc Golf Course.

Notwithstanding the daily park hours set forth in this Article, it shall be unlawful for any person to use the Pioneer Ridge Park Disc Golf Course between the hours of 8:00 a.m. and 4:00 p.m. on days when the Weld County School District RE-5J is in session, except for persons authorized to participate in such use by the Weld County School District RE-5J.

Sec. 11-89. – Violation.

Any person violating any provision of this Article shall be deemed guilty of such violation and, upon conviction thereof, shall be penalized as provided in Article IV of Chapter 1 of the Code.

Section 2. Severability. If any part or provision of this Ordinance, or its application to any person or circumstance, is adjudged to be invalid or unenforceable, the invalidity or unenforceability of such part, provision, or application shall not affect any of the remaining parts, provisions or applications of this Ordinance that can be given effect without the invalid provision, part or application, and to this end the provisions and parts of this Ordinance are declared to be severable.

Section 3. Publication; Effective Date. This Ordinance, after its passage on final reading, shall be numbered, recorded, published and posted as required by the Home Rule Charter of the Town of Johnstown, Colorado (“Charter”) and the adoption, posting and publication shall be authenticated by the signature of the Mayor and the Town Clerk and by the Certificate of Publication. This Ordinance shall become effective upon final passage as provided by the Charter. Copies of the entire Ordinance are available at the office of the Town Clerk.

INTRODUCED AND APPROVED on first reading by the Town Council of the Town of Johnstown, Colorado, this ____ day of _____, 2022.

TOWN OF JOHNSTOWN, COLORADO

ATTEST:

By: _____
Diana Seele, Town Clerk

By: _____
Gary Lebsack, Mayor

PASSED AS AMENDED UPON FINAL APPROVAL AND ADOPTED on second reading by the Town Council of the Town of Johnstown, Colorado, this ____ day of _____, 2022.

TOWN OF JOHNSTOWN, COLORADO

ATTEST:

By: _____
Diana Seele, Town Clerk

By: _____
Gary Lebsack, Mayor



Town of Johnstown

TOWN COUNCIL CONSENT AGENDA COMMUNICATIONS

AGENDA DATE: July 18, 2022

SUBJECT: Water & Sewer Service Agreement – Adolfson & Peterson Construction Building, Secant, LLC

ATTACHMENTS: 1. Water and Sewer Service Agreement with Exhibits

PRESENTED BY: Kim Meyer, Planning & Development Director

AGENDA ITEM DESCRIPTION:

The Developer, Secant, LLC., has received administrative approval of a Site Development Plan for the Adolfson & Peterson Construction Building, consisting of 6,485 sq. ft. of office space and 20,207 sq. ft. of industrial/flex-use space in the 2534 area.

The annual in-building water demand is estimated at 2.52 acre-feet, with annual permanent irrigation demand at 1.03 acre-feet. These numbers were provided by the Developer and reviewed and accepted by the Town’s contract water engineering firm.

Potable water was allocated from the 2534 Master Association Water Bank; with non-potable irrigation water being supplied by the Metro District-run “non-pot” system in the area. Evidence of the agreement and allocation of this water is attached thereto and incorporated as Exhibit B. Water court transfer fees have been paid previously on water held in this “bank.”

Development Component	Demand (AF/YR)	Consumption (AF/YR)
In-Building	2.52	0.13
Permanent Landscape Irrigation (Non-Potable)	1.03	0.88
Total	3.55	1.01

LEGAL ADVICE:

The Town Attorney drafted the Agreement.

The Community That Cares

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P: 970.587.4664 | 450 S. Parish Ave, Johnstown CO | F: 970.587.0141

FINANCIAL ADVICE:

NA

RECOMMENDED ACTION:

Approve the Water & Sewer Service Agreement for Adolfson & Peterson Construction Building, with Secant, LLC.

Reviewed and Approved for Presentation,



Town Manager

WATER AND SEWER SERVICE AGREEMENT

THIS WATER AND SEWER SERVICE AGREEMENT is made and entered into this 17th day of June, 2022, by and between **SECANT, LLC**, a Colorado limited liability company, d/b/a Adolfson & Peterson Construction (“Developer”), and **THE TOWN OF JOHNSTOWN**, a Colorado municipal corporation, (“Town”), collectively sometimes referred to as the “Parties”.

WITNESSETH:

WHEREAS, the Developer owns an interest in land in the NE¼ of Section 14, T05N, R68W, 6th PM, known as Lot 21, Block 10, 2534 Filing No. 6 comprising 2.51 acres, more-or less, and more specifically described in the attached Exhibit A (“Subject Property”); and

WHEREAS, the Subject Property has been annexed to the Town and was the subject of an Annexation Agreement dated November 3, 2006; and

WHEREAS, the Subject Property is being developed as approximately 6,485 square-feet of office space and approximately 20,207 square-feet of industrial/flex-use space with 0.10 acre of spray-irrigated landscape, 0.31 acre of drip irrigated landscape, and 0.17 acre of temporarily irrigated native grasses, known as the Secant Flex Building (“Project”); and

WHEREAS, the Developer and the Town desire to set forth their agreement concerning water rights dedication, preliminary projections of water and sewer demand and a current commitment by the Town for water and sewer service for the Project.

NOW, THEREFORE, in consideration of the mutual promises hereinafter contained and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereto agree as follows:

1. Water and Sewer Demand Studies. In compliance with the Town Water Rights Dedication Ordinance (“Ordinance”), Developer has submitted to the Town a preliminary water and sewer demand analysis for the Project. Said analysis was received by the Town, is on file with the Town and, as modified by the Town’s Water Engineer by memorandum dated May 20, 2022, is hereby accepted by the Town. The analysis provides that the projected water and sewer demand for the Project is as follows:

Development Component	Demand (AF/YR)	Consumption (AF/YR)
In-Building	2.52	0.13
Permanent Landscape Irrigation (non-potable)	1.03	0.88
Total	3.55	1.01

2. Water Rights Dedication.

a. **Potable Supply.** As a result of prior dedications of raw water credit, there is currently a surplus dedication credit with the Town sufficient to supply the potable water demands of the Project from the 2534 Master Association Water Bank. The Gerrard Family Partnership, LLLP and Thompson Ranch Development Company have agreed that this credit shall be applied to meet the potable water demands of the Project. Evidence of the agreement is attached hereto and incorporated herein by reference as Exhibit B.

b. **Non-Potable Supply.** As a result of prior dedications of raw water credit, there is currently a surplus dedication credit with the Town sufficient to supply the non-potable water demands of the Project from the 2534 Master Association Water Bank. The Gerrard Family Partnership, LLLP and Thompson Ranch Development Company have agreed that this credit shall be applied to meet the non-potable water demands of the Project. Evidence of the agreement is attached hereto and incorporated herein by reference as Exhibit B.

c. **Temporary Non-Potable Supply.** The landscape plans submitted as part of the Project identify 0.17 acre of seeded grasses that will be temporarily irrigated with up to 0.17 acre-feet of non-potable water per year until growth can be sustained without irrigation ("Temporary Irrigation Area"). Pursuant to the Temporary Irrigation Agreement executed between the Developer and the 2534 Master Association, a Colorado nonprofit corporation, as evidenced by Exhibit C, the Developer shall be entitled to temporarily irrigate the Temporary Irrigation Area. Unless the Temporary Irrigation Agreement provides otherwise, Developer agrees to cease irrigating the Temporary Irrigation Area within two years of the date of this Agreement or once the vegetation is successfully established, whichever is earlier, and to disconnect the irrigation system at such time.

3. **Commitment to serve.** Subject to Developer's performance of all the covenants contained herein and payment of all required fees, the Town commits to provide to the Project up to 2.52 acre-feet per year of potable water supply together with the corresponding sewer service, up to 1.03 acre-feet per year of non-potable water supply for landscape irrigation and, on a temporary basis as provided in paragraph 2.c., above, up to 0.17 acre-feet of non-potable water supply for the Temporary Irrigation Area.

4. **Future review of water usage and dedication requirements.** In accordance with the Ordinance, the Town reserves the right to review actual water usage within the Project at a point in time after water usage has been established, to confirm the adequacy of the water demand projections made by the Developer and to require additional water rights dedication and/or cash-in-lieu payments based on actual water usage.

5. **Payment of Water Court Transfer fees.** The Water Court transfer fee for both the potable water supply and non-potable water supply was previously paid to the Town as part of the 2534 Master Association Water Bank. However, in accordance with the Ordinance, additional fees may be required in connection with future development of any portion of the Subject Property.

6. **Notices.** All notices, demands, or other documents required or desired to be given, made or sent to either Party under this Agreement shall be made in writing, shall be deemed effective upon receipt, and shall be personally delivered, mailed postage prepaid, certified mail,

return receipt requested, or sent by electronic mail on the condition that the recipient acknowledges receipt thereof, as follows:

TO DEVELOPER:
 Secant Holdings, LLC
 280 Detroit Street
 Denver, CO 80206
 Attn: Doug Johnson
 Email: djohnson@a-p.com

TO THE TOWN:

 Town of Johnstown
 c/o Town Clerk
 450 S. Parish Ave.
 Johnstown, CO 80534
dseele@townofjohnstown.com

WITH A COPY TO
 THE TOWN ATTORNEYS:

Avi Rocklin, Esq.
 Johnstown Town Attorney
 1437 N. Denver Avenue, #330
 Loveland, CO 80538
avi@rocklinlaw.com

Peter J. Ampe
 Hill & Robbins, P.C.
 1660 Lincoln St., Suite 2720
 Denver, CO 80264
peterampe@hillandrobbins.com

The addresses for notices may be changed by written notice given to the other Party in the manner provided above.

7. Default. In the event of default by either Party hereunder, the non-defaulting Party shall notify the defaulting Party in writing of such default(s), specifying the nature and extent thereof. If such default is not cured within thirty (30) days and the non-defaulting Party desires to seek recourse, the Parties shall participate in mediation, the costs of which shall be shared equally by both Parties. If mediation is not successful after a ninety-day period, either Party may then commence a legal action, and shall be entitled to such remedies as are provided by law, including the Town's ordinances.

8. Successors and assigns. The benefits and burdens of this Agreement shall respectively inure to and be binding upon the successors and assigns of the Parties hereto. This Agreement shall not be assigned without the prior written consent of the other party, which shall not be unreasonably withheld.

9. Amendment or modification. No amendment or modification of this Agreement shall be of any force or effect unless in writing and executed by the Parties hereto with the same formality as this Agreement.

10. Attorney's fees and costs. If any judicial proceedings may hereafter be brought to enforce any of the provisions hereof, including an action for specific performance and/or damages, the Town, if the prevailing party, shall be entitled to recover the costs of such proceedings, including reasonable attorney's fees and reasonable expert witness fees.

11. Waiver. The waiver of any breach of any of the provisions of this Agreement by either Party shall not constitute a continuing waiver of any subsequent breach by said Party, concerning either the same or any other provision of this Agreement.

12. Headings for convenience only. Paragraph headings and titles contained herein are intended for convenience and reference only and are not intended to define, limit, or describe the scope or intent of any provision of this Agreement.

13. Non severability. Each paragraph of this Agreement is intertwined with the others and is not severable unless by mutual consent of the Parties hereto.

14. Choice of laws. This Agreement and the rights and obligations of the Parties hereto shall be governed by the laws of the State of Colorado. Venue for any claim, proceeding or action shall be in Larimer or Weld County, State of Colorado.

15. Entire agreement and Authorization. This Agreement constitutes the entire agreement between the Parties related to the subject matter hereof and any prior agreements pertaining thereto whether oral or written have been merged or integrated into this Agreement. Each of the undersigned represents to the others that he/she is authorized by his/her respective entity to execute this Agreement on behalf of that entity.

16. No Presumption. Each Party acknowledges that it has carefully read and reviewed the terms of this Agreement. Each Party acknowledges that the entry into and execution of this Agreement is of its own free and voluntary act and deed, without compulsion. Each Party acknowledges that it has obtained, or has had the opportunity to obtain, the advice of legal counsel of its own choosing in connection with the negotiation and execution of this Agreement and with respect to all matters set forth herein. The Parties agree that this Agreement reflects the joint drafting efforts of all Parties and in the event of any dispute, disagreement or controversy arising from this agreement, the Parties shall be considered joint authors and no provision shall be interpreted against any Party because of authorship.

18. Recordation. This Agreement shall be recorded by the Town at Developer's expense in the office of the Clerk and Recorder of Larimer County, Colorado. This Agreement shall run with the Subject Property, shall be binding upon the Parties hereto and the permitted successors and assigns of the Developer and shall constitute notice of this Agreement to all persons or entities not parties hereto.

*IN WITNESS WHEREOF, the Parties have executed this Agreement the day and year first above written.

Signatures follow

EXHIBIT A
LEGAL DESCRIPTION



July 19, 2021

Kristin Cote | Planner I
Town of Johnstown
p: 970.578.9605 | f: (970) 587-0141
450 S Parish Ave. PO Box 609 Johnstown, CO 80534

RE: Adolfson Peterson Construction – 2534 SDP Submittal

Hello,

Below you will find a legal description of this property.

LOT 21, BLOCK 10 2534 FILING NO 6
LOCATED IN PART OF THE SOUTHEAST QUARTER OF SECTION 14 TOWNSHIP 5
NORTH, RANGE 68 WEST OF THE 6TH PRINCIPAL MERIDIAN
TOWN OF JOHNSTOWN, COUNTY OF LARIMER, STATE OF COLORADO

Cordially,

A handwritten signature in black ink, reading 'Jason R. Oldham'. The signature is fluid and cursive, with the first name 'Jason' being the most prominent.

Jason R Oldham
Senior Project Manager
970.420.9555
jason@ndscolorado.com

EXHIBIT B

RAW WATER CREDIT ALLOCATION ACKNOWLEDGMENT


EXHIBIT B**RAW WATER CREDIT ALLOCATION ACKNOWLEDGMENT**

This is to acknowledge and agree that the Town of Johnstown may allocate raw water credit from The Gerrard Family Partnership, LLLP and Thompson Ranch Development Company raw water credit account held by the Town of Johnstown, known as the "2534 Water Bank," to provide water service to Secant Holdings, LLC, a Colorado limited liability company, ("Owner"), for 4660 Concord Ave. (Lot 21, Block 10, 2534 6th Filing), ("Development"), and to any successor occupant of the premises pursuant to a Water and Sewer Service Agreement ("WSSA") to be executed between Owner and the Town ("Permanent Water Service"); and to provide temporary non-potable water service to the Owner for the Development and any successor occupant of the premises for the temporary irrigation of native grasses pursuant to a separate agreement by and between the Owner and the 2534 Master Association, a Colorado nonprofit corporation ("Temporary Non-Potable Service"). The amount of such allocated raw water credit is calculated to be 2.52 acre-feet per year for potable in building use and 1.03 acre-feet per year for non-potable irrigation use, subject to adjustment pursuant to the terms of the WSSA and the Johnstown Municipal Code.

The premises referenced herein are described on Exhibit A to the WSSA.

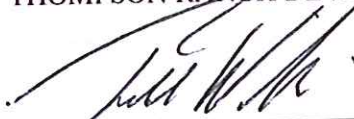
The undersigned certify that they are authorized to execute this Raw Water Allocation Acknowledgment on behalf of The Gerrard Family Partnership, LLLP and Thompson Ranch Development Company.

THE GERRARD FAMILY PARTNERSHIP, LLLP


 Nathan Gerrard, Managing Partner
 The Gerrard Family Limited Partnership, LLLP

Dated: 6/23/2022

THOMPSON RANCH DEVELOPMENT COMPANY


 Todd Williams, Vice President
 Thompson Ranch Development Company

Dated: 6/20/2022



Town of Johnstown

MEMORANDUM

TO: Honorable Mayor and Town Council Members

FROM: Matt LeCerf, Town Manager

DATE: July 18, 2022

CC: Town Staff
Local Media

SUBJECT: Town Manager's Report

Upcoming Town Council Meetings & Work Sessions – If there are topics that the Council would like staff to schedule for discussion, please let me know. The following topics are recommended for Council discussion (all meetings will be held in the Town Council Chambers unless otherwise indicated):

- 08/01/2022 – Regular Council Meeting
- 08/15/2022 – Regular Council Meeting

Administration, Finance, Planning, & Human Resources

- *American Recovery Plan* – The Town has received the second tranche of ARPA funds from the Department of Local Affairs.
- *Financial Statements* – The 2021 audit and June 2022 financials were completed at the same time. Updated fund balances will be reflected in the July 2022 financial statements.
- *Court Summonses* – The Johnstown Municipal Court processed 116 summonses in the Month of June.
- *Hiring* – We have recently onboarded our new Accounting Technician, Town Clerk, Mechanic, and Project Manager. We are looking forward to onboarding a new Water & Sewer System Operator soon. We are still searching for a Planner III.
- *FAMLI* – A meeting was held with Town employees to inform them about the upcoming state leave program and gather their feedback regarding the Town's options moving forward. All of the employees who attended stated they want the Town to opt out of the program. We also held an electronic survey to gather feedback from employees. 90% of those that responded have no preference or want the Town to opt out of the program.

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- *CIRSA Audit* – We passed our annual CIRSA property survey and safety audit with a score of 97 and very minimal findings.
- *Larimer/Weld County Manager Meeting* – Johnstown hosted the Larimer/Weld County Manager Meeting in July. This is a quarterly meeting of area City/Town/County Management teams to network and learn about a specific topic. The topic this session was about NOCO REDI which the report was provided to Council about a month ago.
- *Denver Post Interview* – The Mayor and Town Staff met with the Denver Post about economic development in the Town of Johnstown and how the proactive nature of the organization is causing a positive momentum in the community.

Police Department

Training

- *NASRO Conference* – Officer Kelley attended the NASRO Conference, a national conference for School Resource Officers.
- *Less Lethal Training* – All Officers participated in Less Lethal training and recertification. This includes the disciplines of OC Spray, Taser and Less Lethal Shotgun.
- *Terrorism Liaison Officer* – Sergeant Perry attended Terrorism Liaison Officer (TLO) for coordination between other agencies in our area.

Community Policing, Outreach & Miscellaneous Items

- *Operation Chill* – During the 4th of July, extra patrol officers distributed 7-11 Operation Chill tickets to kids who were shooting off Colorado legal fireworks.

Public Works and Utilities

Streets

- *Multimodal Transportation and Mitigation Options Fund (MMOF) Program* – The Town Public Works Director presented the SH 60 and Carlson Blvd project to the NFRMPO Planning Council as part of the grant process. Staff is seeking \$250,000 from the MMOF program.
- *Charlotte Street* – The Public Works Director met with residents along Charlotte Street to go over project specifics related to their property.
- *Inspections* – Staff conducted over 30 water and sewer inspection for new development over the past two weeks.
- *Parks* – Staff placed over 80 yards of woodchips in playgrounds. Crews delivered 38 trash totes over the last two weeks, and prepared for two funerals.

Water Plant & System

- *Water Plant* – Replacement of the carbon for the GAC system will begin the week of July 11. The replacement of the carbon is anticipated to take approximately 6 weeks as each vessel will be completed individually.

Project Updates

- *Raw Water Transmission* – The Town received three bids for the Request for Proposal (RFP) for the design, land acquisition, bidding and construction phase engineering and observation services for an approximately 11 mile 24”- 48” diameter Raw Water Transmission Main to expand the Town’s current raw water supply to the Water Treatment Plant. Town staff will be reviewing the bids over the coming weeks and hopes to make a recommendation to Council in August.

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- *South Water Tank* – Contractor is continuing to work on welding the physical steel tank together on the ground to be lifted into place. Town Staff is coordinating the design of the tank logo with the Contractor which was presented to Council.
- *South Water Tank Distribution Pipeline* – Project pipe crews are focused on completing the sections of waterline between WCR40 and WCR42 on the west side of WCR17. Bore crews have wrapped up all the irrigation bores for the season and continue to work on the Great Western Railroad bores required for the project.
- *Water Treatment Plant Expansion* – A pilot test for the design of ozone treatment systems and filters are currently underway. The pilot tests will be in place until mid-August. The Design Engineer has submitted 30% plans and met with operations to review. The Town and the Design Engineer are working through next steps to obtain a Construction Contractor and Owners Representative to assist in the design review. The Town is anticipating 60% design drawings in September.
- *Central Interceptor Phase 1* – The old Johnstown Farms lift station building and equipment has been removed. Staff was able to repurpose the building and several pieces of equipment from the old lift station. The Town issued Substantial Completion on the project in June. The Johnstown Farm Filing 3 connection to the new lift station was completed the first week of July and the development can now utilize the new lift station.
- *Central Interceptor Phase 2* – Contractor is dewatering the sewer alignment along WCR 46. The bore crew is expected to be back in late-July to complete the bore under WCR 13. Work along WCR 46 has begun and the contractor is staging alongside WCR 46.
- *North Interceptor* – The 100% design plans have been issued to the Contractor. The contractor is currently reviewing the plans and providing project submittals to the Town and the design engineer for review to be able to procure equipment.
- *Low Point Sewer Expansion* – Earthwork construction is continuing and crew is wrapping up foundation work on new structure construction for MBR/SBR and EQ basins adjacent to headworks building. The contractor is also working on installing process piping. The design engineer submitted the self-certification to the state for approval in early July.
- *Central Plant Design* – The Design Engineer submitted the Site Location Application for the project to the State (CDPHE) as well as the Utility Plan update for the project to the North Front Range Water Quality Planning Association (NFRWQPA) for review and approval. Staff met with NFRWQPA and the Design Engineer is working on addressing the comments which were minor. Staff is working on early procurement of the equipment that Council has approved to ensure that the project stays on schedule.
- *Charlotte Street Project* – Charlotte Street is currently out to bid and will close at the end of July. It is anticipated the project will be presented to Council in August following DOLA's grant award contract.
- *Old Town Drainage Project* – The contractor is completing all the concrete work on Greeley so the focus can be on Estes moving forward. Crews are scheduling the second lift of pavement for Greeley ahead of Estes Paving so Greeley can be fully opened with the exception of punch list items on adjacent private property.
- *SH 60 and Carlson Intersection Improvements* – Town staff met with CDOT to go over the project and to determine what requirements CDOT has for the project. Traffic analysis for the entire corridor is on-going.



Town of Johnstown

TOWN COUNCIL AGENDA COMMUNICATIONS

AGENDA DATE: July 18, 2022

SUBJECT: Public Hearing – Resolution 2022-29 Declining Participation in the Colorado Paid Family Medical Leave Insurance Program

ACTION PROPOSED: Consider Resolution 2022-29

ATTACHMENTS:

1. Resolution 2022-29
2. Local Government Fact Sheet
3. 8-13.3-502 C.R.S., Paid Family & Medical Leave Insurance Act
4. 7 CCR 1007-2, Regulations...Local Government Participation

PRESENTED BY: Matt LeCerf, Town Manager

AGENDA ITEM DESCRIPTION:

The State of Colorado is in the process of adopting rules for the Paid Family Medical Leave Insurance (FAMLI) program that was approved by voters in 2020. Unless the Town votes to opt out of the program, the Town will be automatically enrolled in the program starting on January 1, 2023. The program will be administered by the Colorado Division of Family and Medical Leave Insurance. It provides job-protected leave and partial income replacement for employees who experience certain personal circumstances starting in 2024. The program is mandatory for private businesses. Local governments have the option to opt out of the program by a vote of the governing body with a public hearing.

On July 6, Town Staff was invited to receive a presentation on the FAMLI Act. Approximately 20 employees attended the presentation to learn about the program. Following the presentation, a survey was issued out to the employees asking about their opinions related to opting in or out of the program. The results of the survey are as described below:

41 participants (52% of employees)
63% want the Town to opt out (26)
27% have no opinion (11)
10% want the Town to opt in (4)

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Program Details

The following types of circumstances allow for leave under FAMLI:

- Their own serious health condition
- Serious health condition of a family member
- Care for a new child within the first year of birth or placement
- Arrangements for military deployments
- Domestic violence or sexual assault victims' safety and impact

Currently, the premiums for the program are set at 0.45% of gross wages for the employer and 0.45% of gross wages for the employee for a total premium of 0.9%. The statute gives the division the ability to set the premium rate to sustain the program. Based on the current State Statute, the current aggregate total for the premium could increase to 1.2% without a vote or additional legislation. The estimated annual cost to the Town is \$22,000. The total cost, including employee contributions, is estimated at \$44,000 annually.

Premiums are due starting in 2023 but the program does not provide any benefits to employees until 2024.

If the Town opts out of the program, nothing prevents individual employees from choosing to opt in to the program voluntarily. If an employee opts in, they pay only the employee rate and the State program covers the difference. The Town would not be liable for any premiums and the employee would receive the same benefits.

The Town needs to opt out every eight years to avoid automatic enrollment. The Town may opt in at any time. Opting in requires a minimum three-year participation period.

Current Benefits

Town employees currently enjoy short term disability leave that covers their own serious medical condition. The cost to the Town for this program is about \$17,000 annually. Employees do not pay any portion of these premiums.

After 12 months of employment, Town employees are also covered under unpaid, job-protected leave by the federal Family Medical Leave Act (FMLA) for all the reasons covered by FAMLI. Employees also have access to paid sick leave and parental leave in addition to accrued leave balances.

LEGAL ADVICE:

The resolution was drafted by the Town Attorney in consultation with Staff.

FINANCIAL ADVICE:

Declining participation in the program allows the Town to not assume financial responsibility for the Colorado Paid Family Medical Leave Insurance Program.

RECOMMENDED ACTION: Approve Resolution 2022-29.

SUGGESTED MOTIONS:

For Approval: I move to approve Resolution No. 2022-29, a Resolution Declining Participation in the Colorado Paid Family Medical Leave Insurance Program.

For Denial: I move to deny Resolution No. 2022-29, a Resolution Declining Participation in the Colorado Paid Family Medical Leave Insurance Program.

Reviewed and Approved for Presentation,



Town Manager

TOWN OF JOHNSTOWN, COLORADO
RESOLUTION NO. 2022-29

**RESOLUTION DECLINING TO PARTICIPATE IN THE COLORADO
PAID FAMILY MEDICAL LEAVE INSURANCE PROGRAM**

WHEREAS, the Town of Johnstown, Colorado (“Town”) is a Colorado home rule municipality, duly organized and existing under the laws of the State of Colorado and the Town’s Home Rule Charter; and

WHEREAS, the Town Council is the governing body of the Town and is vested with authority to administer the affairs of the Town; and

WHEREAS, in November 2020, Colorado voters approved Proposition 118, authorizing the creation of the state-run Paid Family Medical Leave Insurance (“FAMLI”) program; and

WHEREAS, FAMLI is codified at Sections 8-13.3-501-524, C.R.S., and is administered through the Colorado Department of Labor and Employment, Division of Family and Medical Leave Insurance; and

WHEREAS, pursuant to Section 8-13.3-522, C.R.S., and administrative rules promulgated thereto, a local government may decline to participate in the FAMLI program by a vote of its governing body subsequent to a public hearing; and

WHEREAS, on July 18, 2022, after due notice to Town employees and the public, the Town Council conducted a public hearing regarding the FAMLI program; and

WHEREAS, after considering Town’s staff’s recommendation and the evidence presented at the public hearing, the Town Council desires to decline to participate in the FAMLI program and, rather, continue to make local decisions regarding Town employee benefits and protections.

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

Section 1. Declination of Participation in the FAMLI Program. Pursuant to Section 8-13.3-522, C.R.S., the Town Council hereby declines to participate in the Colorado Paid Family Medical Leave Insurance program.

Section 2. Notice. Notice of this declaration shall be provided to the Colorado Department of Labor and Employment, Division of Family and Medical Leave Insurance and to Town employees.

Section 3. Effective Date. This Resolution shall be effective upon adoption.

PASSED, SIGNED, APPROVED, AND ADOPTED THIS ____ day of _____, 2022.

ATTEST:

TOWN OF JOHNSTOWN, COLORADO

By: _____
Diana Seele, Town Clerk

By: _____
Gary Lebsack, Mayor

Preparing for FAMLI

Local Governments

Unlike businesses, Colorado local governments have options regarding their participation in the paid Family and Medical Leave Insurance (FAMLI) program. Here are the steps local governments should take to prepare for FAMLI:

1 Determine your local government's participation in FAMLI

Local governments have three options regarding participation in the FAMLI program:

- **Participate in FAMLI.** This option means the local government agency agrees to pay the employer share of the premium (0.45% of wages if the local government has 10 or more employees, and 0% of wages if the local government has fewer than 10 employees) and remit employees' share of the premium (0.45% of wages) along with wage data to the FAMLI Division once a quarter.
- **Decline participation in FAMLI.** In order to decline participation in the FAMLI program, the local government's governing body must vote to do so. The local government must then notify the FAMLI Division of their vote to decline participation. The decision to decline is good for eight years from the date of the vote to decline participation. The local government must hold another vote if it wishes to continue opting-out beyond eight years.
- **Decline employer participation in FAMLI.** This option allows a local government agency to decline participation as described above, while allowing the agency to assist employees who want to individually participate in the FAMLI program by facilitating voluntary payroll deductions, with remittance of the employee share of the premium (0.45% of wages) and wage data once a quarter to the FAMLI Division.

When can we vote to opt out of FAMLI?

Anytime during 2022, but local governments are not required to give FAMLI notice of their decision to opt out until January 1, 2023.

2 Register with the FAMLI system (Fall 2022)

Every local government employer must register with FAMLI's online system, including those which choose not to participate in FAMLI. Registering with the system and uploading your documents will enable FAMLI to keep track of local government employers' current intentions for participation, the obligation to revisit a declination vote after eight years, and enable local government employers to provide an affordable benefit if they choose to remit premiums and wage data for employees who self-elect coverage.

FAMLI's online employer service system is expected to be available for registration during the Fall of 2022, during which time we will have support staff available to help employers navigate the process.

3 Notify FAMLI of your local government's decision

Local governments which vote to decline participation in the FAMLI program must notify the FAMLI Division of their decision by January 1, 2023.

What does our local government need to send to FAMLI?

After registration, a local government that votes to opt-out of the FAMLI program must notify the FAMLI Division on letterhead and must indicate the date the vote was taken and the result of the vote. If the local government has voted to opt out, but intends to assist its employees who choose to individually participate in the FAMLI program, this information must be included in the notification as well. This notification must be received **by January 1, 2023**.

What happens if we do not take a vote, or send a letter?

Local governments which do not notify the FAMLI Division of a vote to opt-out by January 1, 2023 will be identified as participants in the FAMLI program. The FAMLI Division will expect both wage data and premium payments due on April 1, 2023. You must notify the Division ahead of January 1, 2023 to avoid paying premiums.

What are the timelines in the rules?

The rules have several timelines to be aware of and follow depending on the option selected by the governing body. Below is a list of the timelines. Please see 7 CCR 1107-2 for more information.

- Local governments must notify employees of their decision on FAMLI participation within **30 days after** the deciding vote. This gives local governments time to communicate their decision to their employees.
- If the local government chooses to decline to fully participate in the FAMLI program, the decision must be revisited every **eight years** at a minimum.
- 180 days notice** must be given to employees before any change regarding access to FAMLI benefits is effective. This gives workers time to make arrangements and self-select coverage if they wish to do so. Benefits do not start until 2024.
- Local governments which choose to fully participate in FAMLI after previously voting to decline participation, as well as individuals who self-elect coverage, must remain in the program and agree to pay premiums for a **minimum of three years**. If a local government wishes to withdraw from the program at the end of the three-year period, the Division requires a **minimum of 90 days notice**, so we can change systems to avoid overpayments and miscommunication.



COLORADO

Family and Medical Leave Insurance Program (FAMLI)

Department of Labor and Employment





Colorado Paid Family and Medical Leave Insurance Act.

§ 8-13.3-501 et seq., C.R.S.

8-13.3-501. Short title. This part 5 shall be known and may be cited as the "Paid Family and Medical Leave Insurance Act".

8-13.3-502. Purposes and findings.

The people of the state of Colorado hereby find and declare that:

- (1) Workers in Colorado experience a variety of personal and family caregiving obligations, but it can be difficult or impossible to adequately respond to those needs without access to paid leave.
- (2) Access to paid family and medical leave insurance helps employers in Colorado by reducing turnover, recruiting workers, and promoting a healthy business climate, while also ensuring that smaller employers can compete with larger employers by providing paid leave benefits to their workers through an affordable insurance program.
- (3) Paid family and medical leave insurance will also provide a necessary safety net for all Colorado workers when they have personal or family caregiving needs, including low-income workers living paycheck to paycheck who are disproportionately more likely to lack access to paid leave and least able to afford unpaid leave.
- (4) Due to the need to provide paid time off to Colorado workers to address family and medical needs, such as the arrival of a new child, military family needs, and a personal or a family member's serious health condition, including the effects of domestic violence and sexual assault, it is necessary to create a statewide paid family and medical leave insurance enterprise and to authorize the enterprise to:
 - (a) Collect insurance premiums from employers and employees at rates reasonably calculated to defray the costs of providing the program's leave benefits to workers; and
 - (b) Receive and expend revenues generated by the premiums and other moneys, issue revenue bonds and other obligations, expend revenues generated by the premiums to pay family and medical leave insurance benefits and associated administrative and program costs, and exercise other powers necessary and appropriate to carry out its purposes.
- (5) The fiscal approach of this part 5 has been informed by the experience of other state family and medical leave insurance programs, modeling based on the Colorado workforce, and input from a variety of stakeholders in Colorado.
- (6) The creation of a statewide paid family and medical leave insurance enterprise is in the public interest and will promote the health, safety, and welfare of all Coloradans, while also encouraging an entrepreneurial atmosphere and economic growth.

8-13.3-503. Definitions.

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As used in this part 5, unless the context otherwise requires:

(1) "Application year" means the 12-month period beginning on the first day of the calendar week in which an individual files an application for family and medical leave insurance benefits.

(2) "Average weekly wage" means one-thirteenth of the wages paid during the quarter of the covered individual's base period, as defined in section 8-70-103(2), or alternative base period, as defined in section 8-70-103(1.5), in which the total wages were highest. For purposes of calculating average weekly wage, wages include, but are not limited to, salary, wages, tips, commissions, and other compensation as determined by the director by rule.

(3) "Covered individual" means any person who:

(a)

(I) Earned at least \$2,500 in wages subject to premiums under this part 5 during the person's base period, as defined in section 8-70-103(2), or alternative base period, as defined in section 8-70-103(1.5); or

(II) Elects coverage and meets the requirements of section 8-13.3-514;

(b) Meets the administrative requirements outlined in this part 5 and in regulations; and

(c) Submits an application with a claim for benefits pursuant to section 8-13.3-516(6)(d).

(4) "Director" means the director of the division.

(5) "Division" means the division of family and medical leave insurance created in section 8-13.3-508.

(6) "Domestic violence" means any conduct that constitutes "domestic violence" as set forth in section 18-6-800.3(1) or section 14-10-124(1.3)(a) or "domestic abuse" as set forth in section 13-14-101(2).

(7) "Employee" means any individual, including a migratory laborer, performing labor or services for the benefit of another, irrespective of whether the common-law relationship of master and servant exists. For the purposes of this part 5, an individual primarily free from control and direction in the performance of the labor or services, both under the individual's contract for the performance of the labor or services and in fact, and who is customarily engaged in an independent trade, occupation, profession, or business related to the labor or services performed is not an "employee." "Employee" does not include an "employee" as defined by 45 U.S.C. section 351(d) who is subject to the federal "Railroad Unemployment Insurance Act," 45 U.S.C. section 351 et seq.

(8)

(a) "Employer" means any person engaged in commerce or an industry or activity affecting commerce that:

(I) Employs at least one person for each working day during each of twenty or more calendar workweeks in the current or immediately preceding calendar year; or

(II) Paid wages of one thousand five hundred dollars or more during any calendar quarter in the preceding calendar year.

(b) "Employer" includes:

(I) A person who acts, directly or indirectly, in the interest of an employer with regard to any of employees of the employer;

(II) A successor in interest of an employer that acquires all of the organization, trade, or business or substantially all of the assets of one or more employers; and

(III) The state or a political subdivision of the state.

(c) "Employer" does not include the federal government.

(9) "Family and medical leave insurance benefits" or "benefits" means the benefits provided under the terms of this part 5.

(10) "Family and medical leave insurance program" or "program" means the program created in section 8-13.3-516.

(11) "Family member" means:

(a) Regardless of age, a biological, adopted or foster child, stepchild or legal ward, a child of a domestic partner, a child to whom the covered individual stands in loco parentis, or a person to whom the covered individual stood in loco parentis when the person was a minor;

(b) A biological, adoptive or foster parent, stepparent or legal guardian of a covered individual or covered individual's spouse or domestic partner or a person who stood in loco parentis when the covered individual or covered individual's spouse or domestic partner was a minor child;

(c) A person to whom the covered individual is legally married under the laws of any state, or a domestic partner of a covered individual as defined in section 24-50-603(6.5);

(d) A grandparent, grandchild or sibling (whether a biological, foster, adoptive or step relationship) of the covered individual or covered individual's spouse or domestic partner; or

(e) As shown by the covered individual, any other individual with whom the covered individual has a significant personal bond that is or is like a family relationship, regardless of biological or legal relationship.

(12) "Fund" means the family and medical leave insurance fund created in section 8-13.3-518.

(13) "Health care provider" means any person licensed, certified, or registered under federal or Colorado law to provide medical or emergency services, including, but not limited to, physicians, doctors, nurses, emergency room personnel, and midwives.

(14) "Local government" has the same meaning as set forth in section 29-1-304.5(3)(b).

(15) "Paid family and medical leave" means leave taken from employment in connection with family and medical leave insurance benefits under this part 5.

(16) "Qualifying exigency leave" means leave based on a need arising out of a covered individual's family member's active duty service or notice of an impending call or order to active duty in the armed forces, including, but not limited to, providing for the care or other needs of the military member's child or other family member, making financial or legal arrangements for the military member, attending counseling, attending military events or ceremonies, spending time with the military member during a rest and recuperation leave or following return from

(17) "Retaliatory personnel action" means denial of any right guaranteed under this part 5, including, but not limited to, any threat, discharge, suspension, demotion, reduction of hours, or any other adverse action against an employee for the exercise of any right guaranteed in this part 5. "Retaliatory personnel action" also includes interference with or punishment for in any manner participating in or assisting an investigation, proceeding, or hearing under this part 5.

(18) "Safe leave" means any leave because the covered individual or the covered individual's family member is the victim of domestic violence, the victim of stalking, or the victim of sexual assault or abuse. Safe leave under this part 5 applies if the covered individual is using the leave from work to protect the covered individual or the covered individual's family member by:

(a) Seeking a civil protection order to prevent domestic violence pursuant to sections 13-14-104.5, 13-14-106, or 13-14-108;

(b) Obtaining medical care or mental health counseling or both for himself or herself or for his or her children to address physical or psychological injuries resulting from the act of domestic violence, stalking, or sexual assault or abuse;

(c) Making his or her home secure from the perpetrator of the act of domestic violence, stalking, or sexual assault or abuse, or seeking new housing to escape said perpetrator; or

(d) Seeking legal assistance to address issues arising from the act of domestic violence, stalking, or sexual assault or abuse, or attending and preparing for court-related proceedings arising from said act or crime.

(19) "Serious health condition" is an illness, injury, impairment, pregnancy, recovery from childbirth, or physical or mental condition that involves inpatient care in a hospital, hospice or residential medical care facility, or continuing treatment by a health care provider.

(20) "Sexual assault or abuse" means any offense as described in section 16-11.7-102(3), or sexual assault, as described in section 18-3-402, committed by any person against another person regardless of the relationship between the actor and the victim.

(21) "Stalking" means any act as described in section 18-3-602.

(22) "State average weekly wage" means the state average weekly wage determined in accordance with section 8-47-106.

8-13.3-504. Eligibility.

Beginning January 1, 2024, an individual has the right to take paid family and medical leave, and to receive family and medical leave insurance benefits while taking paid family and medical leave, if the individual:

(1) Meets the definition of "covered individual" under section 8-13.3-503(3); and

(2) Meets one of the following requirements:

(a) Because of birth, adoption or placement through foster care, is caring for a new child during the first year after the birth, adoption or placement of that child;

- (b) Is caring for a family member with a serious health condition;
- (c) Has a serious health condition;
- (d) Because of any qualifying exigency leave;
- (e) Has a need for safe leave.

8-13.3-505. Duration.

- (1) The maximum number of weeks for which a covered individual may take paid family and medical leave and for which family and medical leave insurance benefits are payable for any purpose, or purposes in aggregate, under section 8-13.3-504(2) in an application year is 12 weeks; except that benefits are payable up to an additional four weeks to a covered individual with a serious health condition related to pregnancy complications or childbirth complications.
- (2) The first payment of benefits shall be made to an individual within two weeks after the claim is filed, and subsequent payments shall be made every two weeks thereafter.
- (3) A covered individual may take intermittent leave in increments of either one hour or shorter periods if consistent with the increments the employer typically uses to measure employee leave, except that benefits are not payable until the covered individual accumulates at least eight hours of family and medical leave insurance benefits.
- (4) The covered individual shall make a reasonable effort to schedule paid family and medical leave under this part 5 so as not to unduly disrupt the operations of the employer.
- (5) In any case in which the necessity for leave under this part 5 is foreseeable, an employee shall provide notice to the individual's employer with not less than 30 days' notice before the date the leave is to begin of the individual's intention to take leave under this part 5. If the necessity for leave is not foreseeable or providing 30 days' notice is not possible, the individual shall provide the notice as soon as practicable.
- (6) Nothing in this section entitles a covered individual to more leave than required under this section.

8-13.3-506. Amount of benefits.

- (1) The amount of family and medical leave insurance benefits shall be determined as follows:
 - (a) The weekly benefit shall be determined as follows:
 - (I) The portion of the covered individual's average weekly wage that is equal to or less than 50 percent of the state average weekly wage shall be replaced at a rate of 90 percent; and
 - (II) The portion of the covered individual's average weekly wage that is more than 50 percent of the state average weekly wage shall be replaced at a rate of 50 percent.
 - (b) The maximum weekly benefit is 90 percent of the state average weekly wage, except that for paid family and medical leave beginning before January 1, 2025, the maximum weekly benefit is 1,100 dollars.

(2) The division shall calculate a covered individual's weekly benefit amount based on the covered individual's average weekly wage earned from the job or jobs from which the covered individual is taking paid family and medical leave, up to the maximum total benefit established in section 8-13.3-506(1)(b). If a covered individual taking paid family and medical leave from a job continues working at an additional job or jobs during this time, the division shall not consider the covered individual's average weekly wage earned from the additional job or jobs when calculating the covered individual's weekly benefit amount. A covered individual with multiple jobs may elect whether to take leave from one job or multiple jobs.

8-13.3-507. Premiums.

(1) Payroll premiums shall be authorized in order to finance the payment of family and medical leave insurance benefits under this part 5, and administration of the family and medical leave insurance program.

(2) Beginning on January 1, 2023, for each employee, an employer shall remit to the fund established under section 8-13.3-518 premiums in the form and manner determined by the division.

(3)

(a) From January 1, 2023, through December 31, 2024, the premium amount is nine-tenths of one percent of wages per employee.

(b) For the 2025 calendar year, and each calendar year thereafter, the director shall set the premium based on a percent of employee wages and at the rate necessary to obtain a total amount of premium contributions equal to one hundred thirty-five percent of the benefits paid during the immediately preceding calendar year plus an amount equal to one hundred percent of the cost of administration of the payment of those benefits during the immediately preceding calendar year, less the amount of net assets remaining in the fund as of December 31 of the immediately preceding calendar year. The premium shall not exceed one and two tenths of a percent of wages per employee. The division shall provide public notice in advance of January first of any changes to the premium.

(4)

(a) A self-employed individual who elects coverage under section 8-13.3-514 shall pay only 50 percent of the premium required for an employee by section 8-13.3-507(3) on that individual's income from self-employment.

(b) An employee of a local government who elects coverage under section 8-13.3-514 shall pay only 50 percent of the premium required for an employee by section 8-13.3-507(3) on that employee's income from that local government employment.

(c) An employee of a local government or a self-employed person who elects coverage under section 8-13.3-514 shall remit the premium amount required by this subsection directly to the division, in the form and manner required by the director by rule.

(5) An employer with 10 or more employees may deduct up to 50 percent of the premium required for an employee by section 8-13.3-507(3) from that employee's wages and shall remit 100 percent of the premium required by section 8-13.3-507(3) to the fund. An employer with fewer than 10 employees may deduct up to 50 percent of the premium required for an employee by section 8-13.3-507(3) from that employee's wages and shall remit 50 percent of the premium required by section 8-13.3-507(3) to the fund.

(6) Premiums shall not be required for employees' wages above the contribution and benefit base limit established annually by the federal social security administration for purposes of the Federal Old-Age, Survivor and Disability Insurance program limits pursuant to 42 U.S.C. section 430.

(7) The premiums collected under this part 5 are used exclusively for the payment of Family and medical leave insurance benefits and the administration of the program. Premiums established under this section are fees and not taxes.

(8) An employer with an approved private plan under section 8-13.3-521 shall not be required to remit premiums under this section to the fund.

(9) Notwithstanding section 8-13.3-507(2), if a local government has declined participation in the program in accordance with section 8-13.3-522:

(a) The local government is not required to pay the premiums imposed in this section or collect premiums from employees who have elected coverage pursuant to section 8-13.3-514; and

(b) An employee of the local government is not required to pay the premiums imposed in this section unless the employee has elected coverage pursuant to section 8-13.3- 514.

8-13.3-508. Division of family and medical leave insurance.

(1) There is hereby created in the department of labor and employment the division of family and medical leave insurance, the head of which is the director of the division.

(2)

(a) The division constitutes an enterprise for purposes of section 20 of article X of the Colorado constitution, as long as the division retains authority to issue revenue bonds and the division receives less than ten percent of its total annual revenues in grants, as defined in section 24-77-102(7), from all Colorado state and local governments combined. For as long as it constitutes an enterprise pursuant to this section, the division is not subject to section 20 of article X of the Colorado constitution.

(b) The enterprise established pursuant to this section has all the powers and duties authorized by this part 5 pertaining to family and medical leave insurance benefits. The fund constitutes part of the enterprise established pursuant to this section.

(c) Nothing in this section limits or restricts the authority of the division to expend its revenues consistent with this part 5.

(d) The division is hereby authorized to issue revenue bonds for the expenses of the division, which bonds may be secured by any revenues of the division. Revenue from the bonds issued pursuant to this subsection shall be deposited into the fund.

8-13.3-509. Leave and employment protection.

(1) Any covered individual who has been employed with the covered individual's current employer for at least 180 days prior to the commencement of the covered individual's paid family and medical leave who exercises the covered individual's right to family and medical leave insurance benefits shall be entitled, upon return from that

leave, to be restored by the employer to the position held by the covered individual when the leave commenced, or to be restored to an equivalent position with equivalent employment benefits, pay and other terms and conditions of employment. Nothing in this section entitles any restored employee to:

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(a) The accrual of any seniority or employment benefits during any period of leave; or

(b) Any right, benefit, or position of employment other than any right, benefit, or position to which the employee would have been entitled had the employee not taken the leave. Nothing in this section relieves an employer of any obligation under a collective bargaining agreement.

(2) During any paid family and medical leave taken pursuant to this part 5, the employer shall maintain any health care benefits the covered individual had prior to taking such leave for the duration of the leave as if the covered individual had continued in employment continuously from the date the individual commenced the leave until the date the family and medical leave insurance benefits terminate. The covered individual shall continue to pay the covered individual's share of the cost of health benefits as required prior to the commencement of the leave.

(3) It is unlawful for an employer or any other person to interfere with, restrain, or deny the exercise of, or the attempt to exercise, any right protected under this part 5.

(4) An employer, employment agency, employee organization or other person shall not take retaliatory personnel action or otherwise discriminate against a person because the individual exercised rights protected under this part 5. Such rights include, but are not limited to, the right to: request, file for, apply for or use benefits provided for under this part 5; take paid family and medical leave from work under this part 5; communicate to the employer or any other person or entity an intent to file a claim, a complaint with the division or courts, or an appeal; testify or assist in any investigation, hearing or proceeding under this part 5, at any time, including during the period in which the person receives family and medical leave insurance benefits under this part 5; inform any person about any employer's alleged violation of this part 5; and inform any person of his or her rights under this part 5.

(5) It is unlawful for an employer to count paid family and medical leave taken under this part 5 as an absence that may lead to or result in discipline, discharge, demotion, suspension or any other adverse action.

(6)

(a) An aggrieved individual under this section may bring a civil action in a court of competent jurisdiction.

(b) An employer who violates this section is subject to the damages and equitable relief available under 29 U.S.C. section 2617(a)(1).

(c) Except as provided in section 8-13.3-509(6)(d), a claim brought in accordance with this section must be filed within two years after the date of the last event constituting the alleged violation for which the action is brought.

(d) In the case of such action brought for a willful violation of this section, such action may be brought within 3 years of the date of the last event constituting the alleged violation for which such action is brought.

(7) The director, by rule, shall establish a fine structure for employers who violate this section, with a maximum fine of \$500 per violation. The director shall transfer any fines collected pursuant to this section to the state treasurer for deposit in the fund. The director, by rule, shall establish a process for the determination, Assessment, and appeal of fines under this subsection.

(8) This section does not apply to an employee of a local government that has elected coverage pursuant to section 8-13.3-514.

8-13.3-510. Coordination of benefits.

(1)

(a) Leave taken with wage replacement under this part 5 that also qualifies as leave under the "Family and Medical Leave Act," as amended, Pub. L. 103-3, codified at 29 U.S.C. sec. 2601 et. seq., or part 2 of article 13.3 of title 8 runs concurrently with leave taken under the "Family and Medical Leave Act" or part 2 of article 13.3 of title 8, as applicable.

(b) An employer may require that payment made or paid family and medical leave taken under this part 5 be made or taken concurrently or otherwise coordinated with payment made or leave allowed under the terms of a disability policy, including a disability policy contained within an employment contract, or a separate bank of time off solely for the purpose of paid family and medical leave under this part 5, as applicable. The employer shall give its employees written notice of this requirement.

(c) Notwithstanding section 8-13.3-510(1)(b), under no circumstances shall an employee be required to use or exhaust any accrued vacation leave, sick leave, or other paid time off prior to or while receiving family and medical leave insurance benefits under this part 5. However, an employee and an employer may mutually agree that the employee may use any accrued vacation leave, sick leave, or other paid time off while receiving family and medical leave insurance benefits under this part 5, unless the aggregate amount a covered individual would receive would exceed the covered individual's average weekly wage. Nothing in this subsection requires an employee to receive or use, or an employer to provide, additional paid time off as described in this subsection.

(2)

(a) This part 5 does not diminish:

(I) The rights, privileges, or remedies of an employee under a collective bargaining agreement, employer policy, or employment contract;

(II) An employer's obligation to comply with a collective bargaining agreement, employer policy, or employment contract, as applicable, that provides greater leave than provided under this part 5; or

(III) Any law that provides greater leave than provided under this part 5.

(b) After the effective date of this part 5, an employer policy adopted or retained shall not diminish an employee's right to benefits under this part 5. Any agreement by an employee to waive the employee's rights under this part 5 is void as against public policy.

(3) The director shall determine by rule the interaction of benefits or coordination of leave when a covered individual is concurrently eligible for paid family and medical leave and benefits under this part 5 with:

(a) Leave pursuant to section 24-34-402.7; or

(b) Workers' compensation benefits under article 42 of title 8.

8-13.3-511. Notice.

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The division shall develop a program notice that details the program requirements, benefits, claims process, payroll deduction requirements, the right to job protection and benefits continuation under section 8-13.3-509, protection against retaliatory personnel actions or other discrimination, and other pertinent program information. Each employer shall post the program notice in a prominent location in the workplace and notify its employees of the program, in writing, upon hiring and upon learning of an employee experiencing an event that triggers eligibility pursuant to section 8-13.3-504. The division shall provide the information required by this section in a manner that is culturally competent and linguistically appropriate.

8-13.3-512. Appeals.

(1) The director shall establish a system for administrative review and determination of claims, and appeal of such determinations, including denial of family and medical leave insurance benefits. In establishing such system, the director may utilize any and all procedures and appeals mechanisms established under sections 8-4-111.5(5), 8-74-102, and 8-74-103.

(2) Judicial review of any decision with respect to family and medical leave insurance benefits under this section is permitted in a court of competent jurisdiction after a covered individual aggrieved thereby has exhausted all administrative remedies established by the director. If a covered individual files a civil action in a court of competent jurisdiction to enforce a judgment made under this section, any filing fee under article 32 of title 13 shall be waived.

8-13.3-513. Erroneous payments and disqualification for benefits.

(1) A covered individual is disqualified from family and medical leave insurance benefits for one year if the individual is determined by the director to have willfully made a false statement or misrepresentation regarding a material fact, or willfully failed to report a material fact, to obtain benefits under this part 5.

(2) If family and medical leave insurance benefits are paid erroneously or as a result of willful misrepresentation, or if a claim for family and medical leave insurance benefits is rejected after benefits are paid, the division may seek repayment of benefits from the recipient. The director shall exercise his or her discretion to waive, in whole or in part, the amount of any such payments where the recovery would be against equity and good conscience.

8-13.3-514. Elective coverage.

(1) An employee of a local government that has declined participation in the program pursuant to section 8-13.3-522 or a self-employed person, including an independent contractor, sole proprietor, partner or joint venturer, may elect coverage under this part 5 for an initial period of not less than three years. The self-employed person or employee of a local government must file a notice of election in writing with the director, as required by the division. The election becomes effective on the date of filing the notice. As a condition of election, the self-employed person or employee of a local government must agree to supply any information concerning income that the division deems necessary.

(2) A self-employed person or an employee of a local government who has elected coverage may withdraw from coverage within 30 days after the end of the three-year period of coverage, or at such other times as the director

8-13.3-515. Reimbursement of advance payments.

(1) Except as provided in section 8-13.3-515(2), if an employer has made advance payments to an employee that are equal to or greater than the amount required under this part 5, during any period of paid family and medical leave for which such employee is entitled to the benefits provided by this part 5, the employer is entitled to be reimbursed by the fund out of any benefits due or to become due for the existing paid family and medical leave, if the claim for reimbursement is filed with the fund prior to the fund's payment of the benefits to the employee.

(2) If an employer that provides family and medical leave insurance benefits through a private plan approved pursuant to section 8-13.3-521 makes advance payments to an employee that are equal to or greater than the amount required under this part 5, during any period of paid family and medical leave for which such employee is entitled to the benefits provided by this part 5, the entity that issued the private plan shall reimburse the employer out of any benefits due or to become due for the existing paid family and medical leave, if the claim for reimbursement is filed with the entity that issued the private plan prior to the private plan's payment of the benefits under the private plan to the employee.

(3) The director, by rule, shall establish a process for reimbursements under this section.

8-13.3-516. Family and medical leave insurance program.

(1) By January 1, 2023, the division shall establish and administer a family and medical leave insurance program and begin collecting premiums as specified in this part 5. By January 1, 2024, the division shall start receiving claims from and paying family and medical leave insurance benefits to covered individuals.

(2) The division shall establish reasonable procedures and forms for filing claims for benefits under this part 5 and shall specify what supporting documentation is necessary to support a claim for benefits, including any documentation required from a health care provider for proof of a serious health condition and any documentation required by the division with regards to a claim for safe leave.

(3) The division shall notify the employer within five business days of a claim being filed pursuant to this part 5.

(4) The division shall use information sharing and integration technology to facilitate the disclosure of relevant information or records so long as an individual consents to the disclosure as required under state law.

(5) Information contained in the files and records pertaining to an individual under this part 5 are confidential and not open to public inspection, other than to public employees in the performance of their official duties. However, the individual or an authorized representative of an individual may review the records or receive specific information from the records upon the presentation of the individual's signed authorization.

(6) The director shall adopt rules as necessary or as specified in this part 5 to implement and administer this part 5. The director shall adopt rules including, but not limited to:

(a) Confidentiality of information related to claims filed or appeals taken;

(b) Guidance on the factors used to determine whether an individual is a covered individual's family member;

(c) The form and manner of filing claims for benefits and providing related documentation pursuant to section 8-13.3-516(2); and

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(d) The form and manner of submitting an application with a claim for benefits to the division or to the entity that issued a private plan approved pursuant to section 8-13.3-521.

(7) Initial rules and regulations necessary for implementation of this part 5 shall be adopted by the director and promulgated by January 1, 2022.

8-13.3-517. Income Tax.

(1) If the internal revenue service determines that family and medical leave insurance benefits under this part 5 are subject to federal income tax, the division or a private plan approved under section 8-13.3-521 shall inform an individual filing a new claim for family and medical leave insurance benefits, at the time of filing such claim, that:

(a) The internal revenue service has determined that benefits are subject to federal income tax; and

(b) Requirements exist pertaining to estimated tax payments.

(2) Benefits received pursuant to this part 5 are not subject to state income tax.

(3) The director, in consultation with the department of revenue, shall issue rules regarding tax treatment and related procedures regarding family and medical leave insurance benefits, as well as the sharing of necessary information between the division and the department of revenue.

8-13.3-518. Family and medical leave insurance fund - establishment and investment.

(1) There is hereby created in the state treasury the family and medical leave insurance fund. The fund consists of premiums paid pursuant to section 8-13.3-507 and revenues from revenue bonds issued in accordance with section 8-13.3-508(2)(d). Money in the fund may be used only to pay revenue bonds; to reimburse employers who pay family and medical leave insurance benefits directly to employees in accordance with section 8-13.3-515(1); and to pay benefits under, and to administer, the program pursuant to this part 5, including technology costs to administer the program and outreach services developed under section 8-13.3-520. Interest earned on the investment of money in the fund remains in the fund. Any money remaining in the fund at the end of a fiscal year remains in the fund and does not revert to the general fund or any other fund. State money in the fund is continuously appropriated to the division for the purpose of this section. The general assembly shall not appropriate money from the fund for the general expenses of the state.

(2) The division may seek, accept, and expend gifts, grants, and donations, including program-related investments and community reinvestment funds, to finance the costs of establishing and implementing the program.

8-13.3-519. Reports.

Notwithstanding section 24-1-136(11)(a)(I), beginning January 1, 2025, the division shall submit a report to the legislature by April 1 of each year that includes, but is not limited to, projected and actual program participation by

section 8-13.3-504(2) purpose, gender of beneficiary, average weekly wage of beneficiary, other demographics of beneficiary as determined by the division, premium rates, fund balances, outreach efforts, and, for leaves taken under section 8-13.3-504(2)(b), family members for whom leave was taken to provide care.

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8-13.3-520. Public education.

By July 1, 2022, and for as long as the program continues, the division shall develop and implement outreach services to educate the public about the family and medical leave insurance program and availability of paid family and medical leave and benefits under this part 5 for covered individuals. The division shall provide the information required by this section in a manner that is culturally competent and linguistically appropriate. The division may, on its own or through a contract with an outside vendor, use a portion of the money in the fund to develop, implement, and administer outreach services.

8-13.3-521. Substitution of private plans.

(1) Employers may apply to the division for approval to meet their obligations under this part 5 through a private plan. In order to be approved, a private plan must confer all of the same rights, protections and benefits provided to employees under this part 5, including, but not limited to:

- (a) Allowing family and medical leave insurance benefits to be taken for all purposes specified in section 8-13.3-504 (2);
- (b) Providing family and medical leave insurance benefits to a covered individual for any of the purposes, including multiple purposes in the aggregate, as set forth in section 8-13.3-504(2), for the maximum number of weeks required in section 8-13.3-505(1) in a benefit year;
- (c) Allowing family and medical leave insurance benefits under section 8-13.3-504(2)(b) to be taken to care for any family member;
- (d) Allowing family and medical leave insurance benefits under section 8-13.3-504(2)(c) to be taken by a covered individual with any serious health condition;
- (e) Allowing family and medical leave insurance benefits under section 8-13.3-504(2)(e) to be taken for any safe leave purposes;
- (f) Providing a wage replacement rate for all family and medical leave insurance benefits of at least the amount required by section 8-13.3-506(1)(a);
- (g) Providing a maximum weekly benefit for all family and medical leave insurance benefits of at least the amount specified in section 8-13.3-506(1)(b);
- (h) Allowing a covered individual to take intermittent leave as authorized by section 8-13.3-505(3);
- (i) Imposing no additional conditions or restrictions on family and medical leave insurance benefits, or paid family and medical leave taken in connection therewith, beyond those explicitly authorized by this part 5 or regulations issued pursuant to this part 5;

(j) Allowing any employee covered under the private plan who is eligible for family and medical leave insurance benefits under this part 5 to receive benefits and take paid family and medical leave under the private plan; and

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(k) Providing that the cost to employees covered by a private plan shall not be greater than the cost charged to employees under the state plan under section 8-13.3-507.

(2) In order to be approved as meeting an employer's obligations under this part 5, a private plan must also comply with the following provisions:

(a) If the private plan is in the form of self-insurance, the employer must furnish a bond to the state, with some surety company authorized to transact business in the state, in the form, amount, and manner required by the division;

(b) The plan must provide for all eligible employees throughout their period of employment; and

(c) If the plan is in the form of a third party that provides for insurance, the forms of the policy must be issued by an insurer approved by the state.

(3) The division shall withdraw approval for a private plan granted under section 8-13.3-521(1) when terms or conditions of the plan have been violated. Causes for plan termination shall include, but not be limited to, the following:

(a) Failure to pay benefits;

(b) Failure to pay benefits timely and in a manner consistent with this part 5;

(c) Failure to maintain an adequate surety bond under section 8-13.3-521(2)(a);

(d) Misuse of private plan money;

(e) Failure to submit reports or comply with other compliance requirements as required by the director by rule; or

(f) Failure to comply with this part 5 or the regulations promulgated pursuant to this part 5.

(4) An employee covered by a private plan approved under this section shall retain all applicable rights under section 8-13.3-509.

(5) A contested determination or denial of family and medical leave insurance benefits by a private plan is subject to appeal before the division and any court of competent jurisdiction as provided by section 8-13.3-512.

(6) The director, by rule, shall establish a fine structure for employers and entities offering private plans that violate this section, with a maximum fine of \$500 per violation. The director shall transfer any fines collected pursuant to this subsection to the state treasurer for deposit into the fund. The director, by rule, shall establish a process for the determination, assessment, and appeal of fines under this subsection.

(7) The director shall annually determine the total amount expended by the division for costs arising out of the administration of private plans. Each entity offering a private plan pursuant to this section shall reimburse the division for the costs arising out of the private plans in the amount, form, and manner determined by the director by rule. The director shall transfer payments received pursuant to this section to the state treasury for deposit in the fund.

8-13.3-522. Local government employers' ability to decline participation in program - rules.

- (1) A local government may decline participation in the family and medical leave insurance program in the form and manner determined by the director by rule.
- (2) An employee of a local government that has declined participation in the program in accordance with this section may elect coverage as specified in section 8-13.3-514.
- (3) The director shall promulgate reasonable rules for the implementation of this section. At a minimum, the rules must include:
- (a) The process by which a local government may decline participation in the program;
 - (b) The process by which a local government that has previously declined participation in the program may subsequently elect coverage in the program; and
 - (c) The notice that a local government is required to provide its employees regarding whether the local government is participating in the program, the ability of the employees of a local government that has declined participation to elect coverage pursuant to section 8-13.3-514, and any other necessary requirements.
-

8-13.3-523. Severability.

If any provision of this part 5 or its application to any person or circumstance is held invalid, the remainder of part 5 or the application of the provision to other persons or circumstances is not affected.

8-13.3-524. Effective date.

This part 5 takes effect upon official declaration of the governor and is self-executing.

Division of Family And Medical Leave Insurance (FAMLI)

633 17th Street

Denver, CO 80202-2107 | (303)188 -8228 | www.famli.colorado.gov

STATEMENT OF BASIS, PURPOSE, SPECIFIC STATUTORY AUTHORITY, AND FINDINGS Local Government Rules, 7 CCR 1107-2 (2021), as adopted on XXX, 2022.

(1) BASIS. The purpose of these rules concerning the Paid Family and Medical Leave Insurance (FAMLI) Rules (or “Rules”) is to implement and enforce the Paid Family and Medical Leave Insurance Act, in particular C.R.S § 8-13.3-522 and related sections pertaining to Premium Liability and Premium Collection.

(2) SPECIFIC STATUTORY AUTHORITY. The Director is authorized to adopt rules and regulations to enforce, execute, implement, apply, and interpret C.R.S. Title 8, Article 13.3, by C.R.S. §§ 8-13.3 -507, -508, -509,-514, -522; and §§ 24-4-103 and -105. These rules are intended to be consistent with the requirements of Colorado’s Administrative Procedures Act, C.R.S. §§ 24-4-101, et seq..

(3) FINDINGS, JUSTIFICATIONS, AND REASONS FOR ADOPTION. Pursuant to C.R.S. § 24-4-103(4)(b), the Director finds: **(A)** demonstrated need exists for the rules (detailed in Part 5, which this finding incorporates); **(B)** proper statutory authority exists for the rules (detailed in Part 2, which this finding incorporates); **(C)** to the extent practicable, the rules are clearly stated so that their meaning will be understood by any party required to comply; **(D)** the rules do not conflict with other provisions of law; and **(E)** any duplicating or overlapping has been minimized and is explained by the Division.

(4) SPECIFIC FINDINGS FOR ADOPTION

(A) Broad Purpose of Rules

The FAMLI Act, a new “Part 5” of C.R.S. Title 8, Article 13.3 (§ § 8-13.3-501 to -524), establishes a new Division within the Colorado Department of Labor and Employment (CDLE), the Director of which is responsible for promulgating rules and coordinating the FAMLI program (§ 8-13.3-508 (1)). The Division is an enterprise (§ 8-13.3-508(2)(a)). The Division shall establish and administer a family and medical leave insurance program, begin collecting premiums as specified by Part 5 (C.R.S. § § 8-13.3-507 & 514), in order to finance Family and Medical leave Insurance benefits and program

administration costs, premiums will be collected through payroll deductions beginning January 1, 2023.

The Division initiated rulemaking in the Fall of 2021. It is the intent of the Division to promulgate rules for local governments prior to the date premium collection begins to allow time for local governments to hold relevant discussions and votes during calendar year 2022.

This set of Rules (7 CCR1107-2) is notably limited to the provisions related to local government employers and employees and are needed imminently to implement the Division's mandatory authority by the statutory effective date. The promulgation of these Rules does not preclude any later implementation and/or rulemaking as to the Division's authority under the Administrative Procedure Act, C.R.S. § 24-4-103.

These rules apply only to local government employers and do not address the coordination of benefits or give direction to local government employers regarding the interplay between the FAMLI programs and other insurance plans.

Local government employers are not required to provide a paid family and medical leave plan by Colorado law. Local government employers choosing to offer a private plan, or their own self-insured plan are not required by Proposition 118, to submit the details of the plan they provide to employees for pre-approval by the Colorado Division of Insurance for an analysis as to if the plan they offer is of equivalent quality.

Another unique distinction limited to local government employers under the ballot is the exclusion of employment protection. Local governments are not required by Proposition 118, to guarantee or offer job protection to employees who elect coverage with the state FAMLI program under C.R.S § 8-13.3-509. The Division will be promulgating more detailed rules concerning leave and employment protections at a future date, and has not included more information directly related to employment protection in this set of Rules.

It is also noteworthy to mention that many local government employees, including those employed by school districts may have access to job protected leave under the federal Family and Medical Leave Act¹. The interplay of the FAMLI program and other federal and state laws will be addressed in future rulemaking.

¹ [The Family and Medical Leave Act/employee guide](#)

(B) Rules 2.1 through 2.4 : Statutory Framework and Definitions

Rule 2.1 through 2.4 details the relationship of these Rules to relevant statutes, and the Division's intent for these Rules to remain in effect to the maximum extent possible if a portion is held invalid². Throughout these rules the Division has capitalized the words "Rule" and "Rules" when referring to the specific rules found in this section impacting local government's interaction with the FAMLI program.

(C) Rules Related to Local Government Employer Participation

The mechanism of employer participation in Proposition 118, was intended for all Colorado employers, other than sole proprietors, to provide paid leave benefits for all eligible workers. Due to prior existing statutory provisions concerning local governments and special districts as employers operating within Colorado, a specific provision allowing local government employers to decline participation was included in statute at C.R.S § 8-13.3-522. This same section gives authority to the FAMLI Director to "promulgate reasonable rules for the implementation of this section." The ballot prescribes three rules as a minimum threshold for compliance.

At this time, the Division has chosen not to create rules other than the three key provisions outlined in the ballot which include:

"The process by which a local government may decline participation in the program

The process by which a local government that has previously declined participation may subsequently elect coverage in the program and;

The notice by which a local government is required to provide its employees regarding whether the local government is participating in the program, the ability of the employees of a local government that has declined participation to elect coverage pursuant to C.R.S § 8-13.3-514, and any other necessary requirements."

² *E.g., High Gear & Toke Shop v. Beacom*, 689 P.2d 624, 633 n.10 (Colo.1984)(§ 2-4-204, C.R.S., "can be used not only to sever separate sections, subsections, or sentences, but may also be used to sever words and phrases" even in statutes lacking severability provisions) (citing *Shroyer v. Sokol*, 191 Colo. 32, 34, 550 P.2d 309, 311 (1976)).

All employers wishing to decline FAMLl participation either through participation in an eligible and pre-approved private plan or by their classification as a local government employer must notify the Division in writing, with proper documentation of timely communication with employees.

Local government employers are responsible for notifying the Division of their intent to decline to participate in the FAMLl program. Section 2.5 of these Rules addresses the way a local government employer may decline coverage and the mechanism by which a local government employer can opt back into the program.

Local governments may choose to opt into the FAMLl program at the beginning of their budget cycle and it is at the discretion of the governing body as to when the cycle starts.

Section 2.5 (3) of 7 CCR 1107-2, also clarifies a local government employer who decides to participate in the FAMLl program, chooses to participate in the full FAMLl program, which will include leave and employment protection for covered employees as this is an essential element of the state program.

(D) Rules Related to Process and Notification of FAMLl Program Declination

Most workers across Colorado will become eligible for FAMLl benefits across 2023 and be able to access benefits beginning in 2024. This section of rules outlines the need for local government employers to notify employees of their participation in the FAMLl program and any changes in availability of benefits in a timely manner.

(E) Overpayments

Local government employees who elect FAMLl coverage whose local government employer is not participating in the program, enter the program with the same rights and benefits as a self-employed individual. Self-covered individuals are only responsible to pay the half premium rate granted to sole proprietors.

FAMLl premiums and benefits are tied directly to wages from employment and additional payments made to the program above the premium amount will not provide additional benefits during the claims process.

Employees who work for multiple employers, including those who have secondary employment income through self employment are eligible, but not required, to have all of their wages computed toward their FAMLl benefit.

Rule 2.7 of 7 CCR 1107-2, only applies to local government employees who have previously self-elected to pay FAMLl premiums and there is a change in the participation and collection of premiums by their local government employer.

Date 5/17/22

Trustees Attending:

☒ C. Strickland

☒ D. Sauer

☒ C. Young

☒ J. Hall

☐ S. Ballard

☒ Kristi

April minutes approved, no additions or corrections

Financial Report: Begin Balance \$92,988.90

PC Begin Balance \$1207.84

PC End balance \$1007.84

Inflow \$218,512.81

Outflow \$237,238.78

Transfers \$0

End balance \$74,262.93

CO Trust end balance \$5,836,814.38

Director Report:

Artist in residence Ruth Nelson who shares her family memories.

HPLD received a grant and shared \$5000 in grant money to all member libraries. We bought 12 STEM kits, Wonderbooks, and Robots for the teen area. STEM kits and Wonderbooks were checked out right away. We will receive another \$5000, assigned as Covid Recovery.

New passes were added, including Wings Over the Rockies/Exploration of Flight Museums, Dinosaur Ridge, and Loveland Museum. Wings Over the Rockies and Exploration of Flight Museums are in Lowry and Centennial, 4 people per day to each museum, \$500 for the year. Dinosaur Ridge is four people per day at \$500/year. Loveland Museum is two adults and unlimited children at \$75/year.

Summer Reading Program sign up begins May 23. Activities are divided into Kids, Tweens, Teens, and Adults. Lots of fun and prizes.

Construction update: Cabinets will be installed in the MakerSpace Friday the 20th. One more circuit will be added and a window will be installed. A new color for floor color and epoxy application will be selected (Maui). In the east entrance, concrete has been cut and removed to relocate power and data. Brick was removed and a steel column was recommended. Fransen Pittman will install the new door on Monday, May 23rd. Cammie from Environmental Landscape brought a Conceptual Design drawing. Ideas include trees, shrubs, Xeriscape, xylophone, chimes, rocks for seating, and amphitheater.

April statistics:

Johnstown door count: 6671

Johnstown circulation: 7421

Milliken door count: 423

Milliken circulation: 431

Meeting adjourned at 8:30 pm. Next meeting June 21, 2022

JONES MEMORIAL LIBRARY CASH FLOW REPORT - MAY 2022			Y-T-D	2022 BUDGET		Notes
BEGINNING CHECKING BALANCE		\$ 74,262.93	\$ -	\$ 20,000.00	To Date	
INFLOWS	Donations/Grants	\$ -	\$ -	\$ 3,500.00		
	Interest	\$ 9.54	\$ 7,909.31	\$ 5,000.00		
	Misc Income	\$ 24.95	\$ 110.37	\$ 7,500.00		
	<i>Investments</i>	\$ -	\$ 100,000.00	\$ -		
	Town of Johnstown	\$ 94,816.12	\$ 639,597.27	\$ 1,140,000.00		
	High Plains Library District	\$ 254,427.94	\$ 106,091.33	\$ 488,959.00		
	Transfer from Reserve Account	\$ -	\$ -	\$ -		
INFLOWS TOTAL		\$ 349,278.55	\$ 853,708.28	\$ -		
TOTAL AVAILABLE FUNDS		\$ 423,541.48		\$ 1,664,959.00		
OUTFLOWS	Advertising	\$ 1,508.00	\$ 6,409.00	\$ 22,000.00		
	Audio/DVD -10	\$ 349.90	\$ 2,863.82	\$ 15,000.00	93	
	Books - 123	\$ 1,804.82	\$ 8,525.90	\$ 50,000.00	756	
	Collection Fees/Bad Debts	\$ -	\$ -	\$ 2,000.00		
	Computer Expenses	\$ 124.99	\$ 131.74	\$ 5,000.00		
	Equipment & Furniture	\$ -	\$ -	\$ 60,000.00		
	Gifts Given	\$ -	\$ 320.55	\$ 2,500.00		
	Insurance, Bldg. Contents	\$ -	\$ -	\$ 5,000.00		
	<i>Investments</i>	\$ -	\$ 650,000.00	\$ 192,959.00		
	Legal Fees/Consulting Fees	\$ -	\$ -	\$ 10,000.00		
	Maintenance	\$ 2,579.74	\$ 15,041.24	\$ 60,000.00		
	Memberships/Licenses	\$ -	\$ -	\$ 2,500.00		
	Milliken Location	\$ 140.70	\$ 130.70	\$ 20,000.00		
	Outreach	\$ -	\$ -	\$ 10,000.00		
	Professional Enrichment	\$ 781.89	\$ -	\$ 5,000.00		
	Programming	\$ 2,549.57	\$ 24,172.96	\$ 100,000.00		YTD Maker Sp. \$17,050.90
	Salaries/Compensation	\$ -	\$ 90,728.11	\$ 500,000.00		
	Health Ins./retirement	\$ -	\$ -	\$ 18,000.00		
	Staff Bonuses/Perks	\$ -	\$ 1,750.10	\$ 12,000.00		
	Workers' Comp	\$ -	\$ 86.49	\$ 3,000.00		
	Subscriptions, Periodicals	\$ -	\$ 200.66	\$ 5,000.00		
	Supplies, Janitorial	\$ -	\$ 196.66	\$ 3,000.00		
	Supplies/Expenses, Library	\$ 523.32	\$ 1,395.66	\$ 12,000.00		
	Telephone	\$ 157.90	\$ 1,466.63	\$ 10,000.00		
	Utilities	\$ 2,285.42	\$ 11,092.69	\$ 40,000.00		
	Capital Improvement	\$ 50,000.00	\$ 30,682.90	\$ 500,000.00		
OUTFLOWS TOTAL		\$ 62,806.25	\$ 845,195.81	\$ 1,664,959.00		
ENDING CHECKING BALANCE		\$ 360,735.23				

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						Notes
BEGINNING PETTY CASH BALANCE		\$ 1,007.84				
	Programming	\$ 100.00				
ENDING PETTY CASH BALANCE		\$ 907.84				
	<i>COLORADO TRUST INVESTMENT</i>		Y-T-D			
BEGINNING BALANCE		\$ 5,836,814.38				
	Dividend - 0.7911%	\$ 3,858.05	\$ 7,881.90			
	<i>Contribution</i>	\$ 66.00				
	<i>Withdrawal</i>	\$ 100,000.00				
ENDING BALANCE		\$ 5,740,738.43				

Item #11.