

Town of Rico Memorandum

Date: November 26, 2025

TO: Town of Rico Board of Trustees
FROM: Chauncey McCarthy, Rico Town Manager
SUBJECT: December Board of Trustees Special Meeting

Consideration of first read of Ordinance 2025-08 an ordinance of the Town of Rico, Colorado, amending ordinance no 2001-7, and 2005-5 to implement the amendments to the mill levy for the street reconstruction and maintenance fund, the allocation of sales tax revenue for street reconstruction and maintenance from the general operating fund, and the reallocation of existing mills levied for the sewer fund to the street reconstruction and maintenance fund as authorized by the Rico electorate at the November 4, 2025 election. (Pg. 3-8)

The Board of Trustees is asked to consider the second reading of Ordinance No. 2025-08. This ordinance formalizes the voter-approved amendments to the Town's property tax and sales tax structure authorized by the Rico electorate at the November 4, 2025 regular election. Specifically, the ordinance implements the revised mill levy for the Street Reconstruction and Maintenance Fund, establishes the transfer of a portion of sales tax revenues from the General Operating Fund to the Street Reconstruction and Maintenance Fund, and reallocates the mills previously levied for the Sewer Fund to the Street Reconstruction and Maintenance Fund. These amendments ensure compliance with the authorization granted by voters and align the Town's financial structure to support long-term maintenance of local streets and rights-of-way.

During the election review, it was identified that the ballot contained a scrivener's error. The written-out text stated the total mills levied to be transfers from the Sewer Fund as "three and ninety-three thousandths," while the numerical version in the ballot ordinance listed the amount as 3.939 mills. After consulting with legal counsel, staff was advised that the error does not affect the validity of the voter-approved measure. However, it is advised that the lower value of 3.393 mills is used in the implementation ordinance.

Both the revised ordinance and a redline version are included in the Board packet.

Recommended motion: I move to approve on second reading Ordinance No. 2025-08, an ordinance of the Town of Rico, Colorado, amending Ordinance Nos. 2001-7 and 2005-5 to implement the amendments to the mill levy and the reallocation of revenues for the Street Reconstruction and Maintenance Fund as authorized by the Rico electorate at the November 4, 2025 election.

Consideration of first reading of Ordinance 2025-06 an ordinance of the Town of Rico, Colorado adopting the year 2026 town budget; appropriating sums of money; and setting and certifying town mill levies (Pg. 9-34)

Included in the meeting packet are the 2026 Town of Rico Budget, summary, corresponding Ordinance No. 2025-06, and the Certificate of Valuation issued by the Dolores County Assessor. The proposed budget establishes the Town's financial plan

for the 2026 fiscal year, appropriating funds for all municipal operations and capital projects and setting the mill levies necessary to fund those expenditures.

The Board of Trustees held a public hearing on October 16, 2025 to review the proposed 2026 budget. On November 19, 2025, the Board approved the budget with a single amendment to add a new expense for Manse improvements, reflecting a project originally budgeted in 2025 but not completed during that fiscal year. Since the November meeting, the Town has received an updated assessed valuation from Dolores County and incorporated those figures into the budget. The budget has also been revised to reflect the results of the November 2025 election, which required adjustments to certain revenue and expenditure assumptions. As part of this update, the Town corrected an error identified in the ballot language to ensure consistency with voter intent and the implementing ordinance.

Recommended motion: I move to approve the second reading of Ordinance 2025-06 an ordinance of the Town of Rico, Colorado adopting the year 2026 town budget; appropriating sums of money; and setting and certifying town mill levies

**TOWN OF RICO
ORDINANCE NO. 2025-08**

AN ORDINANCE OF THE TOWN OF RICO, COLORADO, AMENDING ORDINANCE NO. 2001-7, AND 2005-5 TO IMPLEMENT THE AMENDMENTS TO THE MILL LEVY FOR THE STREET RECONSTRUCTION AND MAINTENANCE FUND, THE ALLOCATION OF SALES TAX REVENUE FOR STREET RECONSTRUCTION AND MAINTENANCE FROM THE GENERAL OPERATING FUND, AND THE REALLOCATION OF EXISTING MILLS LEVIED FOR THE SEWER FUND TO THE STREET RECONSTRUCTION AND MAINTENANCE FUND AS AUTHORIZED BY THE RICO ELECTORATE AT THE NOVEMBER 4, 2025 ELECTION.

WHEREAS, the Town of Rico, Colorado (the “Town”) is a Colorado home rule municipality organized pursuant to Article XX of the Colorado Constitution and with the authority of the Rico Home Rule Charter (the “Charter”); and

WHEREAS, on August 2, 2000, the Town’s Board of Trustees (the “Board”) adopted Ordinance No. 2000-2 authorizing a mill levy not to exceed 3.939 mills for waste water treatment system construction and operations.

WHEREAS, on December 12, 2001, the Board adopted Ordinance No. 2001-7 to implement a voter approved sales tax increase and allocation of the sales tax revenues to the general fund, parks open space and trails fund and the street fund.

WHEREAS, on July 27, 2005, the Board adopted Ordinance No. 2005-5 pledging a mill levy of 3.939 mills to the Rico Sewer Enterprise, a water activity enterprise as defined in C.R.S. § 37-45.1-102; and

WHEREAS, at the November 4, 2025 general election, the Rico electorate approved ballot questions submitted pursuant to Ordinance No. 2025-04 as follows:

1. increasing the sales tax revenue allocated for street reconstruction and maintenance (the “Street Fund”) from 10% of the general operating fund to 20% of the general operating fund
2. increasing the mill levy for the Street Fund from 1.785 mills to not more than 7.785 mills; and
3. reallocation of 3.393 of the existing mills levied for the Rico Sewer Fund to the Street Fund; and

WHEREAS, the Board finds that it is necessary to amend and replace Ordinance No. 2001-7, and Ordinance No. 2005-5 to implement that voter approved changes.

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF RICO THAT:

Section 1. The recitals above are hereby adopted as findings and incorporated herein.

Section 2. The Town hereby amends Ordinance No. 2001-7 as set forth in the attached ***Exhibit A*** which is incorporated by this reference.

Section 3. The Town hereby amends Ordinance No. 2005-5 as set forth in the attached ***Exhibit B*** which is incorporated by this reference.

Section 4. This Ordinance shall take effect immediately on final adoption.

THIS ORDINANCE WAS, FOLLOWING PUBLIC NOTICE, INTRODUCED, READ, AND APPROVED ON FIRST READING, AND ORDERED PUBLISHED BY TITLE ONLY ON 19TH DAY OF NOVEMBER, 2025.

TOWN OF RICO, COLORADO

Patrick Fallon, Mayor

ATTEST:

Anna Wolf, Town Clerk

THIS ORDINANCE WAS, FOLLOWING PUBLIC NOTICE, INTRODUCED, READ ON SECOND READING, PASSED AND ORDERED PUBLISHED BY TITLE ONLY TO BE EFFECTIVE IMMEDIATELY ON 3RD DAY OF DECEMBER, 2025.

TOWN OF RICO, COLORADO

Patrick Fallon, Mayor

ATTEST:

Anna Wolf, Town Clerk

Effective Date: December 3, 2025

Exhibit A Amendment to Ordinance No. 2001-7

Article II Sales Tax, Paragraph I. Revenues Derived — Disposition, is here by amended to read as follows:

“Revenues derived from the sales tax imposed by this ordinance shall be allocated as follows: 80 % to the General Fund, 10 % to the Parks, Open Space and Trails Fund, and ~~10 % to the Street Fund,~~ 20 % to the Street Reconstruction and Maintenance Fund.”

Exhibit B Amendment to Ordinance No. 2005-5

Section 5. Property Tax.

“A portion of the property tax of ~~3.939 mills approved in November of 2000 is hereby pledged to the Rico Sewer Enterprise.~~ of 3.939 mills levied for the Rico Sewer Enterprise in the amount of 3.393 mills are hereby reallocated and pledged to the Street Reconstruction and Maintenance Fund, as approved by the voters at the November 4, 2025 election. Any tax increase for sewerage facilities purposes may only be proposed as a property tax increase of the Town of Rico and shall require prior voter approval in the Town of Rico in accordance with Section 20 of Article X of the Colorado Constitution.”

**TOWN OF RICO
ORDINANCE NO. 2025-08**

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1. increasing the sales tax revenue allocated for street reconstruction and maintenance (the “Street Fund”) from 10% of the general operating fund to 20% of the general operating fund
2. increasing the mill levy for the Street Fund from 1.785 mills to not more than 7.785 mills; and
3. reallocation of ~~3.939~~ 3.93 of the existing mills levied for the Rico Sewer Fund to the Street Fund; and

WHEREAS, the Board finds that it is necessary to amend and replace Ordinance No. 2001-7, and Ordinance No. 2005-5 to implement that voter approved changes.

NOW THEREFORE, BE IT ORDAINED BY THE BOARD OF TRUSTEES OF THE TOWN OF RICO THAT:

Section 1. The recitals above are hereby adopted as findings and incorporated herein.

Section 2. The Town hereby amends Ordinance No. 2001-7 as set forth in the attached ***Exhibit A*** which is incorporated by this reference.

Section 3. The Town hereby amends Ordinance No. 2005-5 as set forth in the attached ***Exhibit B*** which is incorporated by this reference.

Section 4. This Ordinance shall take effect immediately on final adoption.

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TOWN OF RICO, COLORADO

Patrick Fallon, Mayor

ATTEST:

Anna Wolf, Town Clerk

THIS ORDINANCE WAS, FOLLOWING PUBLIC NOTICE, INTRODUCED, READ ON SECOND READING, PASSED AND ORDERED PUBLISHED BY TITLE ONLY TO BE EFFECTIVE IMMEDIATELY ON 3RD DAY OF DECEMBER, 2025.

TOWN OF RICO, COLORADO

Patrick Fallon, Mayor

ATTEST:

Anna Wolf, Town Clerk

Effective Date: December 3, 2025

Exhibit A Amendment to Ordinance No. 2001-7

Article II Sales Tax, Paragraph I. Revenues Derived — Disposition, is here by amended to read as follows:

“Revenues derived from the sales tax imposed by this ordinance shall be allocated as follows: 80 % to the General Fund, 10 % to the Parks, Open Space and Trails Fund, and ~~10 % to the Street Fund,~~ 20 % to the Street Reconstruction and Maintenance Fund.”

Exhibit B Amendment to Ordinance No. 2005-5

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Town of Rico
2026 Fiscal Year Budget

**TOWN OF RICO
ORDINANCE NO. 2025-06**

**AN ORDINANCE OF THE TOWN OF RICO, COLORADO ADOPTING THE YEAR
2026 TOWN BUDGET; APPROPRIATING SUMS OF MONEY; AND SETTING AND
CERTIFYING TOWN MILL LEVIES**

WHEREAS, the Board of Trustees designated Chauncey, Rico Town Manager to prepare and submit a proposed budget to the Governing Body; and

WHEREAS, a public hearing was conducted on the 15th day of October in accordance with the law;

WHEREAS, the Rico Town Board finds that the adoption of the budget is essential to the provision of basic and necessary services and finds that this ordinance is necessary for the preservation of the health, safety and general welfare of the Rico community; and,

WHEREAS, the Town of Rico has reviewed and considered the 2026 Budget in accordance with the Local Government Budget Law on the 19th day of November and the 3rd day of December 2025; and,

WHEREAS, the proposed budget has made provisions therein for revenues in an amount equal to or greater than the total proposed described below; and,

WHEREAS, the November 18, 2025 valuation for the Town of Rico as certified by the County Assessor is \$9,801,193 and,

**NOW THEREFORE, THE BOARD OF TRUSTEES OF THE TOWN OF RICO
ORDAINS:**

SECTION 1. BUDGETED REVENUES AND EXPENDITURES

The following sums are hereby appropriated for the revenue of each fund, for the purposes stated. The budgeted revenues and expenditures for each fund are as follows:

General Fund Revenues:

Reserve Balance	847,453.00
Non Property Tax Revenues	627,810.00
Property Tax revenues	125,000.00
Grant/Other Revenues	32,500.00

Total General Fund: 1,631,763.00

General Fund Expenditures: 781,241.00

VCUP Fund Revenues:

Reserve Balance	75,000.00
Non Property Tax Revenue	102,800.00

Total VCUP Fund:	<u>177,800.00</u>
VCUP Expenditures:	<u>177,800.00</u>

Street Fund Revenues:

Reserve Balance	246,054.00
Non Property Tax Revenue	107,850.00
Property Tax Revenue	109,250.00
Grant/Other	0.00

Total Street Fund:	<u>463,404.00</u>
Street Fund Expenditures:	<u>144,716.00</u>

**Parks Trails and Open Space
Revenue:**

Reserve Balance	102,118.00
Non Property Tax Revenues	31,500.00

Total Parks, Trails and Open Space Fund:	<u>133,618.00</u>
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Parks, Trails and Open Space Expenditures:	<u>39,650.00</u>
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Water Enterprise Fund Revenues:

Reserve Balance	389,597.00
Non Property Tax Revenues	167,680.00
Grants/Other Revenues	337,200.00

Total Water Enterprise Fund:	<u>894,477.00</u>
Water Fund Expenditures:	<u>737,125.00</u>

Sewer Fund Revenues

Reserve Balance	205,920.00
Non Property Tax Revenue	350.00
Grants/Other Revenues	1,600,000.00
Property Tax Revenue	5,300.00

Total Sewer Fund:	<u>1,811,570.00</u>
Sewer Fund Expenditures:	<u>1,615,964.00</u>

SECTION 2. ADOPTION OF BUDGET

The Budget as submitted, amended, and hereinabove summarized by fund hereby is approved and adopted as the Budget of the Town of Rico for the year 2026. The Budget shall be signed by the Mayor and made part of the public records of the Town.

SECTION 3. CERTIFICATION OF MILL LEVIES

That for the purpose of meeting all general operating expenses of the Town of Rico during the 2026 budget year there is hereby levied a tax of 13.020 mills upon each dollar of the total valuation for the assessment of all taxable property within the Town for the year 2025.

That for the purpose of meeting all Street Fund expenses of the Town of Rico during the 2025 budget year there is hereby levied a tax of 11.178 mills upon each dollar of the total valuation for assessment of all taxable property within the Town for year 2025.

That for the purpose of meeting all Sewer Fund expenses of the Town of Rico during the 2026 budget year, there is hereby levied a tax of .546 mills upon each dollar of the total valuation for assessment of all taxable property within the Town for year 2025.

SECTION 3. This Ordinance shall take effect immediately upon final adoption.

This budget document was presented on the 15th day of October 2025. This Ordinance was introduced, read, approved, and adopted on the 19th day of November 2025 and considered for a second reading on the 3rd day of December 2025.

THIS ORDINANCE WAS, FOLLOWING PUBLIC NOTICE, INTRODUCED, READ, AND APPROVED ON FIRST READING, AND ORDERED PUBLISHED BY TITLE ONLY THIS 19TH DAY OF NOVEMBER 2025.

TOWN OF RICO, COLORADO

Patrick Fallon, Mayor

ATTEST:

Anna Wolf, Town Clerk

THIS ORDINANCE WAS, FOLLOWING PUBLIC NOTICE, INTRODUCED, READ ON SECOND READING, PASSED AND ORDERED PUBLISHED BY TITLE ONLY TO BE EFFECTIVE IMMEDIATELY THIS 3RD DAY OF DECEMBER 2025.

TOWN OF RICO, COLORADO

Patrick Fallon, Mayor

Anna Wolf, Town Clerk
Effective Date: January 1, 2026

Town of Rico Budget Summary

Date: November 26, 2025

TO: Town of Rico Board of Trustees

FROM: Chauncey McCarthy, Town Manager

SUBJECT: Town of Rico Budget Summary

Consideration of the 2026 Budget

The State of Colorado requires that the proposed 2026 budget be submitted to the governing body no later than October 15. December 15 is the statutory deadline by which the Town of Rico must adopt the budget and certify the mill levy to Dolores County. The 2026 budget will be adopted by Ordinance No. 2025-06, an ordinance adopting the year 2026 budget; appropriating sums of money; and setting and certifying Town mill levies.

The 2026 proposed budget reflects the Town's continued commitment to financial stability, infrastructure planning, and responsible management of operating costs. This year's budget focuses primarily on water and sewer infrastructure planning and upgrades along with the transition of Public Works staffing while maintaining consistent levels of service and compliance.

Included in the budget details are notes describing the method in which assumptions were made regarding revenues and expenses. The following is a summary of each fund.

General Fund Revenues

Sales tax revenues performed strongly in 2025, with collections projected to close out at approximately \$360,000, exceeding the original budget by about \$120,000. Staff attributes this increase primarily to continued local spending related to the St. Louis Tunnel project and other construction activities. This level of spending is expected to decrease in 2026 as project activity slows. Accordingly, sales tax revenue for 2026 is budgeted more conservatively at \$276,000 to account for reduced construction-related purchases and overall market uncertainty.

Property tax revenues are based on the Town's 2026 assessed valuation of \$9,618,327, generating an estimated \$125,000 in 2026. While no new building permits were issued in 2025, several property owners are in discussion with Town staff regarding potential new residential construction in 2026. Revenues for building and septic permits are budgeted assuming two new homes will be constructed in the coming year.

Investment income is projected at \$30,000, consistent with 2025 levels, and reflects current Federal Reserve interest rate expectations.

Other revenues include licenses, lodging and specific ownership tax, and fines. These revenues are harder to forecast. Fines and forfeits have grown over the last year and our marshal department has focused on increasing tickets to offset labor and fuel cost.

General Fund Expenses - Employees

Personnel costs remain the Town's largest operating expense. A 3% cost-of-living adjustment (COLA) has been budgeted for the Town Manager and Town Clerk positions only. There are no merit-based pay increases included for 2026. The 2026 budget also reflects a staffing change with the addition of a Public Works Manager, who will overlap with the current maintenance employee for a one-year transition period. This structure allows for continuity in operations and the transfer of institutional knowledge.

The current maintenance position will remain at their 2025 pay rate and is expected to work reduced hours during the transition year. The following is a summary of the staffing expenses that are reflected in this budget:

Town Manager: Full time, \$103,640.00 per year with benefits that include insurance for one person and PERA retirement benefits at a 15.8% match with a total cost including payroll taxes of \$135,582 This expense is distributed as follows: General Fund 35%, VCUP Fund 25%, Water Fund 10%, Sanitation fund 10%, and Street Fund at 20%.

Maintenance 1: Full time, \$55,125 per year with benefits that include insurance for one person and PERA retirement benefits at a 15.8% match with a total cost including payroll taxes of \$78,698 This expense is distributed between the Water Fund 50% and the Street Fund 50%.

Town Clerk/Administrative Assistant: Full time (32 HR/WK), \$58,118 per year with benefits that include insurance for one person, 80% coverage for dependents, and PERA retirement benefits at a 15.8% match with a total cost including payroll taxes of \$99,943 This position is funded by the General Fund 60% and the Water Fund 40%.

POST Groomer: Part Time, no benefits, \$25.00 per hour. The amount spent on this activity is dependent entirely on the weather. There is \$8,000 budgeted for this position.

POST Maintenance – Ice Rick and Park: Part Time, no benefits, \$25.00 per hour. This position is also variable. There is \$8,000 budgeted for this position.

Public Works Manager: Full Time, \$65,000 per year with benefits that include insurance for one person and PERA retirement benefits at a 15.8% match with a total cost including payroll taxes of \$93,794. This expense is distributed between the Water Fund 50% and the Street Fund 50%. There are pay incentives tied to water certifications which could increase salary between \$3,000 – 6,000 over 2026.

Water Technician: Part-time, no benefits, \$50.00 per hour. This position serves as Rico's Responsible Operator for the water system, a requirement of the Colorado Department of Public Health and Environment (CDPHE). It is funded entirely by the Water Fund.

Town Marshal: Part Time, no benefits, \$35.00 per hour. This position is funded through the General Fund. In 2025 the Marshal wage was offset by fines on traffic violations.

General Fund Expenses - Subcontractors

Currently the Town employs several contractors

Municipal Court Judge: The Town has a long-standing arrangement with John Kelly for this duty. This arrangement will remain unchanged in the upcoming year.

Town Attorney: The Rico Home Charter requires that Rico have a Town Attorney. Karp, Neu, Hanlon is the appointed Town Attorney. Attorney cost are budgeted at \$45,000 to help in the review and approval of the Rico Land Use Code Global Revision. Tom Bloomfield is used by the Town for matters involving the VCUP. Per the VCUP funding agreement in 2026 there is 35,000 budgeted for the implementation of the program. This account is a pass-thru account and should create no actual expense for the town.

Town Planner: This position is offset by development application. Currently the Town Manager handles smaller land use permit applications (variances, special use permits). Larger development applications that are reviewed by the planner are treated as a pass thru.

Auditor: The Town of Rico signed a letter of engagement with Atlas CPA for the 2024 – 2026 Audits. The cost of the 2026 audit will be \$13,500 and will be split between the General Fund and Water Fund

Building Inspector: Building fees offset plan review and building inspections. This expense, \$2,500, is budgeted based on prior-year averages and current development discussions.

General Fund Expenses – Other

The other general fund expenses are dedicated to administrative related expenses including insurance, utilities and supplies as well as other things that are included in the budget details attached to this summary. These expense estimates are based on last year's cost. July 4th expenses have increased to \$10,000 per the board direction to host a Colorado 150/America 250 celebration. Additionally, there has been \$10,000 for work to be done to the Rico Community Church and \$43,325 for renovation of the Manse. Town insurance saw a slight increase for 2026. Two additional projects are being carried over from 2025:

- Codification of all Town ordinances work to be completed by MuniCode over the course of 2 years. (\$7,000 budgeted per year)
- Courthouse sidewalk and stair resurfacing due to cracks and damage that makes the building not ADA compliant (\$10,000 budgeted)

VCUP Fund

The VCUP Fund continues to operate under the terms of the 2022 Settlement, Implementation, and Funding Agreement with Atlantic Richfield. The annual payments to the Town cover VCUP-related activities, including contractor support, dust suppression, incremental cost reimbursement and the 25% salary supplement for the Town Manager.

This account is projected to close the year with a zero-dollar balance since the intent of the program is to have AR only directly fund the incurred cost. "By January 31 of each year, the Town shall provide AR with an annual accounting documenting all amounts withdrawn by the Town from the VCUP General Funding Account and the amount of any funds remaining in the VCUP General Funding Account at the end of the calendar year. Any such funds remaining in the VCUP General Funding Account at the end of a calendar year shall reduce on a dollar-for-dollar basis the total amount of the next annual payment owed by AR."

Water Fund Revenues

Revenues from this year were based on proposed minimum yearly rates for commercial and residential accounts. The budgeted revenue is very conservative, and town should expect to exceed this number. Water Tap and System Improvement Fees are based upon the construction of two new homes at current tap and impact fees. The town has been awarded a design and engineering grant for \$300,000 which will cover design, engineers, and environmental assessment cost for the Silver Creek intake and treatment plant

Water Fund Expenses

The expense budget is derived from the previous year's expenditures. Revenue generated from the sale of water taps is required to be used for capital improvement projects. Current capital projects being considered is the Dolore River waterline crossing along with design and engineering of the Silver Creek intake and treatment plant.

Street Fund Revenues

Street Fund revenues come from sales and use taxes, property taxes, franchise tax (SMPA), highway user's tax (State), lodging tax, excise tax, and the County Road and Bridge Reapportionment. Property tax is the only revenue line item that can be predicted based upon the previous year assessment. All other revenues are harder to forecast and are greatly affected by economic forces.

The 2026 Street Fund budget reflects a stabilized and improved financial position compared to prior years. With the successful passage of the ballot measures in November, the Street Fund now benefits from a more reliable and sustainable revenue base. Beginning in 2026, the Street Fund receives 11.178 mills, generating approximately \$109,500 in annual property tax revenue. In addition, the voter-approved increase in the Street Fund's share of sales tax transfers from 10% to 20% which is projected to contribute approximately \$55,200.

Mineral Leasing and Severance Tax have been inconsistent and historically shrinking. After speaking with state employees regarding Severance and Mineral Leasing revenues, they stated that these sources are currently expected to generate similar amounts to 2024; however, this remains uncertain. Highway User Tax are forecasted by CML.

Street Fund Expenses

Cost estimates for the Street Fund were based on last year's expenses. For 2026, projected revenues of approximately \$219,850 exceed projected operating expenditures of approximately \$144,716, resulting in an anticipated surplus of roughly \$75,000.

No capital projects are planned for the Street Fund in 2026. Staff recommends using this year to continue to monitor actual revenue performance and to build additional reserves. This approach will position the Town to begin addressing known equipment replacement needs in 2027, specifically the planned purchase of a new loader for snow removal operations. Reserving funds in 2026 will reduce the need for debt financing and help maintain long-term operational stability.

Sanitation Fund Revenues

The Sanitation Fund does not have a dedicated operating revenue stream. For 2026, the Fund is projected to receive approximately \$1.6 million in grant funding to support the design of a wastewater treatment plant and town-wide collection system. Minor revenues continue to be received through interest earnings, but these do not materially fund system construction or operation.

Sanitation Fund Expenses

The 2026 budget includes \$5,000 for miscellaneous engineering and legal services to support sewer project development and coordination. An additional

\$1.6 million is budgeted for professional engineering and design of the wastewater collection and treatment system. This expense is fully grant-funded, and no draw from Sanitation Fund reserves is anticipated for project design work.

Parks, Open Space and Trails Fund Revenues

The POST Fund remains supported by sales/use tax, lodging tax, and excise tax. Routine maintenance expenses remain consistent with prior years.

Parks, Open Space and Trails Fund Expenses

Day-to-day operating expenses for the Parks, Open Space, and Trails Fund are based on prior year actuals, as no significant changes to routine maintenance or programming are anticipated in 2026. The 2026 budget also includes \$10,000 for the completion of the pump track at Depot Park. This allocation is intended to finalize remaining work elements and ensure the feature is fully usable and integrated into the broader park site plan.

Conservation Trust Fund

The CTF balance remains stable and continues to accumulate through state lottery revenue. Funds may be used for eligible park improvements or as grant match for future projects.

Conclusion

The 2026 Budget for the Town of Rico reflects a proactive approach to financial planning, balancing revenues and expenses while addressing infrastructure, staffing, and regulatory priorities. It positions the Town for stability and progress, providing a sound fiscal structure to sustain essential services, advance critical capital projects, and adapt to evolving community needs.

- **Revenue Projections:** The budget conservatively estimates revenues across various streams, particularly sales and property taxes, which are influenced by construction trends and economic factors.
- **Expense Management:** The 2026 budget reflects prudent expense control, with most line items held near prior-year levels. A 3% cost-of-living adjustment (COLA) was applied only to the Town Manager and Town Clerk, maintaining conservative personnel growth. The addition of a Public Works Manager and the transitional reduction in hours for the existing maintenance position represent strategic staffing investments that support continuity and succession planning without substantially increasing overall costs. Town insurance, utilities, and supplies increased slightly, while one-time and deferred projects, were retained to ensure compliance and modernization.
- **Infrastructure and Compliance Projects:** Key infrastructure initiatives are carried forward, including the Dolores River waterline crossing and continued engineering for the townwide sewer design, funded through external grants totaling approximately \$1.6 million. The results from the performance energy contracting study have not yet been finalized, and

project costs and potential savings associated with that work have not been included in this budget. Park and community investments also continue, with \$10,000 budgeted to complete the pump track and additional appropriations to support community events and church improvements.

- **Long-term Planning and Challenges:** Looking ahead, the Town's primary challenges relate to the continued planning and phased implementation of critical infrastructure projects, strategic equipment replacement, and sustaining organizational capacity. Completion of the Silver Creek intake design and the Dolores River waterline crossing remain essential to ensuring long-term water system resiliency. Similarly, the wastewater treatment and collection system design will set the foundation for future construction grants and eventual rate setting once operational needs are fully understood. On the streets and public works side, no capital purchases are planned in 2026 in order to build reserves toward the anticipated 2027 replacement of the Town's loader, reducing the need for debt financing. The transition to a Public Works Manager model supports operational continuity, but maintaining staffing stability and institutional knowledge will require ongoing attention. Continued conservative budgeting, disciplined reserve growth, careful monitoring of economically sensitive revenues, and timely pursuit of state and federal grant opportunities will remain critical to sustaining service levels and advancing long-term municipal priorities.

CERTIFICATION OF VALUATION BY DOLORES COUNTY ASSESSOR

New Tax Entity? ☐ YES ☐ NODate 11/18/2025NAME OF TAX ENTITY: TOWN OF RICO
USE FOR STATUTORY PROPERTY TAX REVENUE LIMIT CALCULATION ("5.5%" LIMIT) ONLY

IN ACCORDANCE WITH 39-5-121(2)(a) and 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR _____:

- | | |
|---|------------------------|
| 1. PREVIOUS YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION: | 1. \$ <u>8,084,963</u> |
| 2. CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION: ‡ | 2. \$ <u>9,801,193</u> |
| 3. LESS TOTAL TIF AREA INCREMENTS, IF ANY: | 3. \$ _____ |
| 4. CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION: | 4. \$ <u>9,801,193</u> |
| 5. NEW CONSTRUCTION: * | 5. \$ <u>276,785</u> |
| 6. INCREASED PRODUCTION OF PRODUCING MINE: ≈ | 6. \$ _____ |
| 7. ANNEXATIONS/INCLUSIONS: | 7. \$ _____ |
| 8. PREVIOUSLY EXEMPT FEDERAL PROPERTY: ≈ | 8. \$ _____ |
| 9. NEW PRIMARY OIL OR GAS PRODUCTION FROM ANY PRODUCING OIL AND GAS LEASEHOLD OR LAND (29-1-301(1)(b), C.R.S.): ☐ | 9. \$ _____ |
| 10. TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(a), C.R.S.). Includes all revenue collected on valuation not previously certified: | 10. \$ _____ |
| 11. TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.): | 11. \$ <u>6.56</u> |

‡ This value reflects personal property exemptions IF enacted by the jurisdiction as authorized by Art. X, Sec. 20(8)(b), Colo. Constitution

* New Construction is defined as: Taxable real property structures and the personal property connected with the structure.

≈ Jurisdiction must submit to the Division of Local Government respective Certifications of Impact in order for the values to be treated as growth in the limit calculation; use Forms DLG 52 & 52A.

☐ Jurisdiction must apply to the Division of Local Government before the value can be treated as growth in the limit calculation; use Form DLG 52B.

USE FOR TABOR "LOCAL GROWTH" CALCULATION ONLY

IN ACCORDANCE WITH ART.X, SEC.20, COLO. CONSTUTION AND 39-5-121(2)(b), C.R.S., THE ASSESSOR CERTIFIES THE TOTAL ACTUAL VALUATION FOR THE TAXABLE YEAR _____:

- | | |
|--|-------------------------|
| 1. CURRENT YEAR'S TOTAL ACTUAL VALUE OF ALL REAL PROPERTY: ¶ | 1. \$ <u>94,431,230</u> |
|--|-------------------------|

ADDITIONS TO TAXABLE REAL PROPERTY

- | | |
|--|------------------------|
| 2. CONSTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: * | 2. \$ <u>4,428,555</u> |
| 3. ANNEXATIONS/INCLUSIONS: | 3. \$ _____ |
| 4. INCREASED MINING PRODUCTION: § | 4. \$ _____ |
| 5. PREVIOUSLY EXEMPT PROPERTY: | 5. \$ _____ |
| 6. OIL OR GAS PRODUCTION FROM A NEW WELL: | 6. \$ _____ |
| 7. TAXABLE REAL PROPERTY OMITTED FROM THE PREVIOUS YEAR'S TAX WARRANT: (If land and/or a structure is picked up as omitted property for multiple years, only the most current year's actual value can be reported as omitted property.): | 7. \$ _____ |

DELETIONS FROM TAXABLE REAL PROPERTY

- | | |
|---|--------------|
| 8. DESTRUCTION OF TAXABLE REAL PROPERTY IMPROVEMENTS: | 8. \$ _____ |
| 9. DISCONNECTIONS/EXCLUSIONS: | 9. \$ _____ |
| 10. PREVIOUSLY TAXABLE PROPERTY: | 10. \$ _____ |

¶ This includes the actual value of all taxable real property plus the actual value of religious, private school, and charitable real property.

* Construction is defined as newly constructed taxable real property structures.

§ Includes production from new mines and increases in production of existing producing mines.

IN ACCORDANCE WITH 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES TO SCHOOL DISTRICTS:
TOTAL ACTUAL VALUE OF ALL TAXABLE PROPERTY \$ _____

IN ACCORDANCE WITH 39-5-128(1.5), C.R.S., THE ASSESSOR PROVIDES:

HB21-1312 ASSESSED VALUE OF EXEMPT BUSINESS PERSONAL PROPERTY (ESTIMATED): **	\$ <u>268.54</u>
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** The tax revenue lost due to this exempted value will be reimbursed to the tax entity by the County Treasurer in accordance with 39-3-119.5(3), C.R.S.

NOTE: ALL LEVIES MUST BE CERTIFIED to the COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.

USE FOR STATUTORY PROPERTY TAX LIMIT CALCULATION ("5.25%" LIMIT)

IN ACCORDANCE WITH §§ 39-5-121(2)(a) and 39-5-128(1), C.R.S., AND NO LATER THAN AUGUST 25, THE ASSESSOR CERTIFIES THE TOTAL VALUATION FOR ASSESSMENT FOR THE TAXABLE YEAR _____:

1.	CURRENT YEAR'S GROSS TOTAL TAXABLE ASSESSED VALUATION:	1.	\$ 9,801,193
2.	LESS TOTAL TIF AREA INCREMENTS, IF ANY:	2.	\$
3.	CURRENT YEAR'S NET TOTAL TAXABLE ASSESSED VALUATION:	3.	\$ 9,801,193
4.	NEW CONSTRUCTION:	4.	\$ 276,785
5.	ANNEXATIONS/INCLUSIONS:	5.	\$
6.	PREVIOUSLY EXEMPT PROPERTY:	6.	\$
7.	TAXES RECEIVED LAST YEAR ON OMITTED PROPERTY AS OF AUG. 1 (29-1-301(1)(A), C.R.S.). Includes all revenue collected on valuation not previously certified:	7.	\$
8.	INCREASED VALUATION FOR ASSESSMENT ATTRIBUTABLE TO A CHANGE IN LAW FOR A PROPERTY TAX CLASSIFICATION* (29-1-306(3)(a), C.R.S.) and (39-10-114(1)(a)(I)(B), C.R.S.):	8.	\$
9.	TAXES ABATED AND REFUNDED AS OF AUG. 1 (29-1-301(1)(a), C.R.S.) AND (39-10-114(1)(a)(I)(B), C.R.S.):	9.	\$ 6.56
10.	TOTAL VALUATION FOR ASSESSMENT FROM PRODUCING MINES OR LANDS OR LEASEHOLDS PRODUCING OIL OR GAS	10.	\$
11.	REVENUE INCREASE FROM EXPIRED TIF:	11.	\$

* Change in law for property tax classification does not include changes in classification due to property use changes.

Note:

The property tax limit will apply to all property taxing entities with the exception of school districts and any county, city and county, city, or town that has adopted a home rule charter (29-1-306(1)(b), C.R.S.). The revenue limit applies to any property taxing entities that have authority to exceed current 5.5% and the TABOR limit.

The Division of Local Government ("the Division") has developed technical assistance resources to assist taxing entities with the calculation of the property tax limit available online [here \(https://dlg.colorado.gov/budget-information-and-resources\)](https://dlg.colorado.gov/budget-information-and-resources). Please understand that the Division has no statutory or administrative role in calculating or enforcing the property tax limit, and each taxing entity's revenue limits and voter approval history may be unique. The technical assistance resources provided by the Division with regard to the property tax limit are not definitive and not legal advice. Taxing entities may choose to calculate the property tax limit with a methodology that is different from the methodology presented in the Division's technical assistance resources. The Division always recommends that taxing entities consult with an attorney in order to understand and apply the various statutory and constitutional revenue limits that may apply to that taxing entity.

NOTE: ALL LEVIES MUST BE CERTIFIED to the COUNTY COMMISSIONERS NO LATER THAN DECEMBER 15.

General Fund Revenues	2024 Audit	2025 Budget	2025 Original vs Projected	2025 Projected Year End Budget	2026 Budget	Notes
Operating Revenues						
Property Tax*	120,673.00	105,250.00	-6,450.00	98,800.00	127,000.00	1
Delinquent Taxes & Interest	2,388.00	1,000.00	150.00	1,150.00	1,000.00	
Lodging Tax	10,801.00	8,000.00	0.00	8,000.00	8,000.00	
Sales & Use Tax	442,587.00	320,000.00	0.00	320,000.00	276,000.00	\$23,000 assumed monthly revenue
Specific Ownership Tax	5,294.00	4,000.00	-255.00	3,745.00	4,000.00	
Cigarette Tax	-	150.00	60.00	210.00	150.00	
Total Operating Revenues	581,743.00	438,400.00	-6,495.00	431,905.00	416,150.00	
Intergovernmental Revenue						
Building Permits - All licenses and permits are grouped together in audit	18,486.00	10,000.00	-9,050.00	950.00	10,000.00	Based on 2 new homes
Septic Permit	-	800.00	-400.00	400.00	800.00	Based on 2 new homes
Development Applications	-	2,000.00	-2,000.00	0.00	2,000.00	
Licenses	-	2,500.00	-1,050.00	1,450.00	1,500.00	
Dog Licenses (licenses & permits together on audit)	-	120.00	-60.00	60.00	120.00	Based on 2024
Total Intergovernmental Revenues & Fees	18,486.00	15,420.00	-12,560.00	2,860.00	14,420.00	
Miscellaneous Revenues						
Interest	64,621.00	30,000.00	0.00	30,000.00	30,000.00	
Fines & Forfeits	26,153.00	20,000.00	2,500.00	22,500.00	20,000.00	
SMPA dividend - in miscellaneous in audit	-	400.00	240.00	640.00	500.00	
Miscellaneous Revenues (lumped together in audit)	161,867.00	0.00	6,640.00	6,640.00	0.00	
Total Miscellaneous	252,641.00	50,400.00	9,380.00	59,780.00	50,500.00	
Total Revenues before Payroll Transfers	852,870.00	504,220.00	-9,675.00	494,545.00	481,070.00	
Transfers						
Payroll Transfer	145,786.00	208,160.00	-53,015.00	155,145.00	235,740.00	
Attorney pass through	-	83,000.00	0.00	83,000.00	35,000.00	
Total Payroll Transfers to / From Other Funds	145,786.00	291,160.00	-53,015.00	238,145.00	270,740.00	
Total Operating Revenues and Transfers	998,656.00	795,380.00	-62,690.00	732,690.00	751,810.00	
Special Projects Revenues	1,802.00	917,028.00	-2,228.00	914,800.00	32,500.00	
Total Revenues	1,380,484.00	1,712,408.00	-64,918.00	1,647,490.00	784,310.00	
Total Expenses	2,282,970.00	1,683,220.00	-77,745.00	1,605,475.00	824,566.00	
Fund Balance Ending	805,438.00	834,626.00		847,453.00	807,197.00	

Notes:

1. A levy of 13.020 mills upon each dollar of the total valuation for assessment of taxable property in the Town of Rico.

	2025 Aug AV	Property Taxes, 2025	Mill Levy
Assessed Valuation (AV)	9,801,193.00	127,611.53	13.020

General Fund Employee & Contract Labor Expenses	2024 Audit	2025 Budget	2025 Original vs Projected	2025 Projected Year End Budget	2026 Budget	Notes
Operating Expenses						
Salaries & Wages						
Town Administrator / Manager	86,000.00	100,620.00	0.00	100,620.00	103,640.00	
Public Works Manager	44,844.00	55,125.00	-4,593.00	50,532.00	65,000.00	
Town Clerk / Admin Assistant		56,425.00	0.00	56,425.00	58,118.00	
Park & Recreation groomer - combined with all POST programs in audit	-	8,000.00	-6,000.00	2,000.00	8,000.00	
Park & Recreation ice rink & park - combined with all POST programs in audit	-	8,000.00	-7,000.00	1,000.00	8,000.00	
Maintenance 1	19,843.00	35,000.00	-29,708.00	5,292.00	55,125.00	
Water Technician	2,875.00	4,000.00	-1,000.00	3,000.00	4,000.00	
Town Marshall	18,311.00	20,000.00	-2,500.00	17,500.00	20,000.00	
Subtotal - Salaries & Wages	171,873.00	287,170.00	-50,801.00	236,369.00	321,883.00	
Employee Taxes and Benefits						
Payroll Taxes	17,016.00	23,000.00	-3,000.00	20,000.00	4,800.00	
Employer PERA (employee benefits combined on audit)	81,090.00	32,000.00	-1,000.00	31,000.00	52,000.00	
Employee Insurance	-	50,000.00	5,000.00	55,000.00	74,000.00	
Employee Consideration	-	4,000.00	0.00	4,000.00	5,000.00	
Subtotal - Employee Taxes & Benefits	98,106.00	109,000.00	1,000.00	110,000.00	135,800.00	
Subtotal - Employee Costs	269,979.00	396,170.00	-49,801.00	346,369.00	457,683.00	
Other Labor						
Municipal Court Judge (Part Time)	4,500.00	4,500.00	0.00	4,500.00	4,500.00	
Town Attorney (plus prosecutor)	28,637.00	45,000.00	0.00	45,000.00	45,000.00	LUC Review
VCUP Attorney (pass through)	-	60,000.00	-15,750.00	44,250.00	35,000.00	1
Town Planner	-	5,000.00	0.00	5,000.00	5,000.00	
Auditor	6,600.00	6,500.00	0.00	6,500.00	6,750.00	Split between general and water
Building Inspector	-	2,500.00	-2,500.00	0.00	2,500.00	
Subtotal - Other Labor	39,737.00	123,500.00	-18,250.00	105,250.00	98,750.00	
Total Employee & Other Labor	309,716.00	519,670.00	-68,051.00	451,619.00	556,433.00	
Other Administrative Expenses	33,330.00	156,550.00	-8,252.00	148,298.00	166,100.00	
Special Projects Expenses	1,534,970.00	1,007,000.00	-1,442.00	1,005,558.00	102,033.00	
Total General Fund Expenses	868,852.00	1,683,220.00	-77,745.00	1,605,475.00	824,566.00	

General Fund Other Administrative Expenses	2024 Audit	2025 Budget	2025 Original vs Projected	2025 Projected Year End Budget	2026 Budget	Notes
Administrative Costs						
Insurance (CIRSA)	10,094.00	9,400.00	-175.00	9,225.00	12,500.00	Based on renewal price
IT/Website - Domain						
Maintenance - under miscellaneous in audit	-	750.00	-100.00	650.00	650.00	
Advertisements/Agenda - in supplies in audit	-	1,000.00	-1,000.00	0.00	1,000.00	
Supplies/Software	10,565.00	14,000.00	0.00	14,000.00	14,000.00	
Dues & Fees - in miscellaneous in audit	-	2,500.00	1,500.00	4,000.00	3,000.00	
Travel/Conference/ Training Expenses - in miscellaneous in audit	-	7,500.00	1,500.00	9,000.00	9,000.00	CML conference for board members.
Miscellaneous		6,000.00	550.00	6,550.00	0.00	
Subtotal - Administrative Costs	20,659.00	41,150.00	2,275.00	43,425.00	40,150.00	
Utilities						
Electric	-	1,800.00	300.00	2,100.00	3,500.00	
Propane	-	6,000.00	0.00	6,000.00	6,000.00	
Telephone & Internet	-	3,100.00	-50.00	3,050.00	3,000.00	
Utilities-Other (all included in audit)	12,671.00	1,000.00	-200.00	800.00	800.00	
Subtotal - Utilities	12,671.00	11,900.00	50.00	11,950.00	13,300.00	
Town Vehicle Costs						
Fuel (not separated on audit)	-	1,000.00	200.00	1,200.00	1,000.00	
Repair & Maintenance	-	2,500	250.00	2,750.00	4,000.00	tires for 2 trucks
Subtotal - Vehicle Costs	0.00	3,500.00	450.00	3,950.00	5,000.00	
Other						
Facilities Maintenance - all lumped into special projects on Audit	-	10,000.00	-10,000.00	0.00	10,000.00	Sidewalk and stair resurface
Elections	-	2,000.00	-800.00	1,200.00	1,250.00	
July 4th Expenses	-	2,000.00	-127.00	1,873.00	10,000.00	
Treasurer Fees	-	2,500.00	-500.00	2,000.00	2,000.00	
Lodging Tax Transfer	-	1,600.00	400.00	2,000.00	1,600.00	Transfers from General Fund to POST and Street Funds 20%
Sales & Use Tax Transfer	-	81,900.00	0.00	81,900.00	82,800.00	Transfers from General Fund to POST and Street Funds 30%
Subtotal - Other	0.00	100,000.00	-11,027.00	88,973.00	107,650.00	
Total Other Administrative Expenses	33,330.00	156,550.00	-8,252.00	148,298.00	166,100.00	

General Fund Capital Improvement Revenues	2024 Audit	2025 Budget	2025 Original vs Amended	2025 Projected Year End Budget	2026 Budget	Notes
Excise Tax	1,802.00	2,500.00	-2,228.00	272.00	2,500.00	1
Total Capital Improvement Revenues	1,802.00	2,500.00	-2,228.00	272.00	2,500.00	
Special Projects / Grants Revenues						
DOLA - Town Shop Grant	-	569,528.00	0.00	569,528.00	0.00	
RHS Donation		325,000.00		325,000.00	0.00	
Lease Purchase Transfer		20,000.00	0.00	20,000.00	30,000.00	
Total Special Projects / Grants Revenues	0.00	914,528.00	0.00	914,528.00	30,000.00	
Total Capital & Special Projects Revenues	1,802.00	917,028.00	-2,228.00	914,800.00	32,500.00	
Capital Improvements Expenses						
Rico Community Church	-	476,000.00	0.00	476,000.00	10,000.00	
Manse Improvements		-	-	-	43,325.00	
Facility Improvements	1,534,970.00	0.00	0.00	0.00	0.00	
Town Shop Construction	-	488,000.00	0.00	488,000.00	0.00	
Lease Purchase Payment	-	42,000.00	1,292.00	40,708.00	40,708.00	
Total Capital Improvements Expenses	1,534,970.00	1,006,000.00	1,292.00	1,004,708.00	94,033.00	
Special Projects Expenses						
Codification	-	7,000.00	7,000.00	0.00	7,000.00	
Community Meetings	-	1,000.00	-150.00	850.00	1,000.00	
Total Special Projects/ Capital Improvement Expenses	1,534,970.00	1,007,000.00	-1,442.00	1,005,558.00	102,033.00	

Notes:

1. The Town has a \$2.00 per square foot excise tax on all new construction. The General Fund receives 25% of the excise tax. All revenues received from the excise tax can only be used for capital improvements and purchases.

VCUP Fund	2024	2025	2025	2025	2026	Notes
	Audit	Budget	Original vs Projected	Projected Year End Budget	Budget	
Operating Revenues						
Initial Payment	-	60,000.00	0.00	60,000.00	0.00	1
Annual Payment	-	131,443.00	0.00	131,443.00	102,800.00	2
Miscellaneous	-	0.00	0.00	0.00	0.00	
Total VCUP Fund Operating Revenues		191,443.00	0.00	191,443.00	102,800.00	
Incremental Cost Funding Account						
Incremental Cost	-	75,000.00	-	75,000.00	0.00	3
Total VCUP Revenues		0.00	266,443.00	0.00	266,443.00	102,800.00
Operating Expenses						
Dust Control	-	138,355.00	0.00	138,355.00	41,890.00	2
Salary stipend payroll transfer	-	25,155.00	0.00	25,155.00	25,910.00	2
Outreach and Education Programs	-	0.00	0.00	0.00	0.00	2
Insurance	-	0.00	0.00	0.00	0.00	2
Soil Remediation Contractor	-	0.00	0.00	0.00	35,000.00	2
Road Resampling	-	0.00	0.00	0.00	0.00	1
Hydrant Water Meter	-	1,807.00	0.00	1,807.00	0.00	1
Permitting Software Development	-	25,973.00	0.00	25,973.00	0.00	1
Miscellaneous		0.00	153.00	153.00	0.00	
Total VCUP Fund Operating Expenses		0.00	191,290.00	153.00	191,443.00	102,800.00
Incremental Cost Funding Account						
Incremental Cost	-	75,000.00		0.00	75,000.00	3
Total VCUP Fund Expenses		-	266,290.00		191,443.00	177,800.00
Total VCUP Fund Balance Ending			153.00		75,000.00	0.00

1. VCUP Funding agreement section 9.1 Initial payment for one-time VCUP-related expenses

2 VCUP Funding agreement section 9.2 Annual Payments for Recurring VCUP-Related expenses

3 VCUP Funding agreement 8.1 Establishment and annual funding of the VCUP Incremental Costs funding account

Water Fund Revenues	2024	2025	2025	2025	2026	Notes
	Audit	Budget	Original vs Projected	Projected Year End Budget	Budget	
Operating Revenues						
Water Revenue	210,832.00	153,180.00	5,820.00	159,000.00	161,000.00	1
Interest	2,338.00	9,000.00	0.00	9,000.00	5,000.00	
Electric Reimbursement	-	1,450.00	230.00	1,680.00	1,680.00	
Total Water Fund Operating Revenues	213,170.00	163,630.00	6,050.00	169,680.00	167,680.00	
Capital Improvement Revenues						
Water Tap	-	25,000.00	-25,000.00	-	25,000.00	2
Water System Improvement Fee		12,220.00	-	-	12,200.00	2
SRF Grant Silver Creek		-	-	-	300,000.00	
Total Water Fund Capital Improvement Revenues	0.00	37,220.00	-37,220.00	0.00	337,200.00	
Total Water Fund Revenues	213,170.00	200,850.00	-31,170.00	169,680.00	504,880.00	
Total Water Fund Expenses	142,588.00	208,251.00		181,435.00	737,125.00	
Water Fund Balance Ending	401,352.00	393,951.00		389,597.00	157,352.00	

Notes:

1. Based on number of accounts multiplied by the proposed monthly minimum rate
2. Based on two building permits

Water Fund Expenses	2024	2025	2025	2025	2026	Notes
	Audit	Budget	Original vs Amended	Projected Year End Budget	Budget	
Operating Expenses						
Payroll Transfer	80,080.00	86,501.00	-16,951.00	69,550.00	100,175.00	
Auditor	-	6,500.00	0.00	6,500.00	6,750.00	Split between general and water
Attorney	-	2,000.00	0.00	2,000.00	2,000.00	
Subtotal - Employee and Other Labor Costs	80,080.00	95,001.00	-16,951.00	78,050.00	108,925.00	
Other Costs						
Insurance	6,500.00	6,500.00	0.00	6,500.00	6,500.00	Based on renewal price
Repairs & Maintenance	15,972.00	7,500.00	-4,000.00	3,500.00	6,000.00	
Supplies	7,186.00	9,000.00	0.00	9,000.00	5,000.00	
Water Samples	5,980.00	3,000.00	0.00	3,000.00	3,000.00	
Electric	3,795.00	6,000.00	500.00	6,500.00	6,500.00	
Propane	3,414.00	3,000.00	-600.00	2,400.00	2,400.00	
Telecommunication	-	2,750.00	-215.00	2,535.00	2,250.00	
Dolores Water Conservation District	3,000.00	3,000.00	0.00	3,000.00	3,000.00	
Software	-	2,500.00	-	3,200.00	4,200.00	
Miscellaneous		500.00	-500.00	0.00	500.00	
Water Fund Operating Expenses	-	43,750.00	-4,815.00	39,635.00	39,350.00	
Total Water Fund Operating Expenses	-	138,751.00	-21,066.00	117,685.00	148,275.00	
Capital Improvement Expenses						
Water line replacement	-	25,000.00	0.00	25,000.00	273,350.00	Based on bid price plus 10%
Water Tap & Installation	-	5,500.00	-1,500.00	4,000.00	5,500.00	
Lease Purchase Transfer	-	10,000.00	0.00	10,000.00	10,000.00	
GIS Development	-	9,000.00	-4,250.00	4,750.00	0.00	
Silver Creek Engineering	-	-	-	-	300,000.00	
Water Engineering Service	-	20,000.00	0.00	20,000.00	0.00	
Total Water Capital Improvement Expenses	-	69,500.00	-5,750.00	63,750.00	588,850.00	
Total Water Fund Expenses	142,588.00	208,251.00	-26,816.00	181,435.00	737,125.00	

Street Fund Revenues	2024 Audit	2025 Budget	2025 Original vs Projected	2025 Projected Year End Budget	2026 Budget	Notes
Operating Revenues						
Property Tax	13,526.00	14,400.00	-990.00	13,410.00	109,500.00	1
Sales & Use Tax	35,506.00	40,000.00	0.00	40,000.00	55,200.00	2
Specific Ownership Tax	726.00	500.00	80.00	580.00	4,000.00	
Delinquent Tax & Interest	-	100.00	-70.00	30.00	500.00	
Franchise Tax	6,377.00	6,500.00	-467.00	6,033.00	6,500.00	
Highway Users Tax	12,357.00	28,000.00	0.00	28,000.00	8,350.00	Based on CDOT estimates
County R&B Reapportionment	14,965.00	13,000.00	1,765.00	14,765.00	14,500.00	
Lodging Tax	-	800.00	445.00	1,245.00	800.00	3
Interest	495.00	550.00	-85.00	465.00	500.00	
Miscellaneous	-	0.00	0.00	0.00	0.00	
Mineral Leasing	-	5,000.00	5,700.00	10,700.00	10,000.00	
Severance Tax	-	1,000.00	-863.00	137.00	5,000.00	
Other taxes (audit)	39,355.00	-	-	-	-	
Total Street Fund Operating Revenues	123,307.00	109,850.00	5,515.00	115,365.00	214,850.00	
Capital Improvement Revenues						
Excise Tax	-	2,500.00	-2,228.00	272.00	2,500.00	4
Total Street Fund Capital Improvement Revenues	0.00	2,500.00	-2,228.00	272.00	2,500.00	
Total Street Fund Revenues	125,109.00	112,350.00	3,287.00	115,637.00	217,350.00	
Total Street Fund Expenses	76,559.00	119,950.00		79,191.00	144,716.00	
Street Fund Balance Ending	209,608.00	202,008.00		246,054.00	318,688.00	

Notes:

1. A levy of 1.785 mills upon each dollar of the total valuation for assessment of taxable property in the Town of Rico.

	Property Taxes,		
	2025 Nov AV	2025	Mill Levy
Assessed Valuation (AV)	9,801,193.00	109,557.74	11.178

2. Street Fund receives 20% of the total revenue collected from the Sales Tax. The Sales Tax rate for the Town of Rico is 5%.
3. The Street Fund receives 10% of proceeds from the lodging tax, which is a 7% tax on all lodging. Ordinance No. 2022-05.
4. The Town has a \$2.00 per square foot excise tax on all new construction. The Street Fund receives 25% of the excise tax. All revenues received from the excise tax can only be used for capital improvements and purchases.

Street Fund Expenses	2024 Audit	2025 Budget	2025 Original vs Amended	2025 Projected Year End Budget	2026 Budget	Notes
Operating Expenses						
Payroll Transfer	57,600.00	60,375.00	-20,335.00	40,040.00	83,291.00	
Subtotal - Employee and Other Labor Costs	57,600.00	60,375.00 -	20,335.00	40,040.00	83,291.00	
Contract Snow Removal	0.00	5,000.00	-5,000.00	0.00	5,000.00	1
Equipment Rental	-	5,000.00	-5,000.00	0.00	5,000.00	1
Fuel	8,247.00	15,000.00	-7,000.00	8,000.00	8,000.00	
Equipment Repairs & Maintenance	7,134.00	7,500.00	-3,500.00	4,000.00	5,000.00	
Insurance	4,700.00	5,500.00	740.00	6,240.00	6,500.00	
Supplies	3,648.00	2,500.00	1,200.00	3,700.00	2,500.00	
Electric	1,976.00	2,000.00	-1,300.00	700.00	1,000.00	
Street Lights	1,068.00	1,300.00	-124.00	1,176.00	1,175.00	
Utilities - other	4,646.00	3,000.00	65.00	3,065.00	3,000.00	
Treasurer Fees	270.00	275.00	-5.00	270.00	1,750.00	
Total Street Fund Operating Expenses	31,689.00	47,075.00 -	19,924.00	27,151.00	38,925.00	
Capital Improvement Expenses						
Gravel Project - Various Streets	-	2,500.00	-500.00	2,000.00	2,500.00	
Lease Purchase Transfer		10,000.00	0.00	10,000.00	20,000.00	
Total Street Fund Capital Improvement Expenses	0.00	12,500.00	-500.00	12,000.00	22,500.00	
Total Street Fund Expenses	76,559.00	119,950.00	-40,759.00	79,191.00	144,716.00	

Notes:

1. These funds are appropriated as a contingency but are not forecasted to be expended during 2026 fiscal year

Sewer Fund	2024 Audit	2025 Budget	2025 Original vs Projected	2025 Projected Year End Budget	2026 Budget	Notes
Operating Revenues						
Property Tax	29,849.00	31,845.00	-845.00	31,000.00	5,300.00	1
Specific Ownership Tax	1,602.00	1,000.00	200.00	1,200.00	0.00	
Miscellaneous	-	0.00	0.00	0.00	0.00	
Interest	582.00	700.00	-285.00	415.00	350.00	
Delinquent Tax and Interest	-	50.00	10.00	60.00	0.00	
Special Project and Grant Revenues						
CDS/EPA Grant	-	100,000	0.00	100,000	1,600,000.00	
Total Sewer Fund Revenues	32,033.00	133,595.00	-920.00	132,675.00	1,605,650.00	
Sewer Fund Expenses						
Payroll Transfer	-	20,124.00	0.00	20,124.00	10,364.00	
Treasurer Fees	-	600.00	0.00	600.00	25.00	
Misc. Engineering/ legal	-	18,000.00	0.00	18,000.00	5,000.00	2
Special Project and Grant Expenses						
Sewer Engineering	-	100,000	0.00	100,000	1,600,000.00	
Total Sewer Fund Expenses	24,523.00	138,724.00	0.00	138,724.00	1,615,389.00	
Sewer Fund Balance Ending	211,969.00	206,840.00		205,920.00	196,181.00	

Notes:

1. A levy of 3.939 mills upon each dollar of the total valuation for assessment of taxable property in the Town of Rico.

	2025 Nov AV	Property Taxes, 2023	Mill Levy
Assessed Valuation (AV)	9,801,193.00	5,351.45	0.546

Conservation Trust Fund (CTF) Fund	2024 Audit	2025 Budget	2025 Original vs Projected	2025 Projected Year End Budget	2026 Budget	Notes
Operating Revenues						
Lottery Proceeds	3,882.00	2,500.00	1,100.00	3,600.00	3,600.00	
Intrest	138.00	50.00	-	50.00	50.00	
Total CTF Revenues	4,020.00	2,500.00	1,150.00	3,650.00	3,650.00	
Conservation Trust Expenses						
FMP Capital Park Improvement						
Grant Match	-	53,023.00	0.00	53,023.00	0.00	
Total CTF Expenses	0.00	53,023.00	0.00	53,023.00	0.00	
Total CTF Expenses	0.00	53,023.00		53,023.00	0.00	
CTF Fund Balance Ending	52,993.00	2,470.00		3,620.00	7,270.00	

Parks, Open Space and Recreation (POST Fund)	2024 Audit	2025 Budget	2025 Original vs Projected	2025 Projected Year End Budget	2026 Budget	Notes
Operating Revenues						
Sales & Use Tax	35,506.00	40,000.00	0.00	40,000.00	27,600.00	1
Lodging Tax	1,069.00	800.00	445.00	1,245.00	1,200.00	2
Interest	411.00	250.00	0.00	250.00	200.00	
Miscellaneous Income	-	0.00	0.00	0.00	0.00	
Total POST Fund Operating Revenues	73,858.00	41,050.00	445.00	41,495.00	29,000.00	
Special Project Revenues						
Excise Tax	1,802.00	2,500.00	-2,228.00	272.00	2,500.00	3
Rico Center Grant		40,000.00	0.00	40,000.00	0.00	
Rico Skatepark 503c Donation		175,000.00	0.00	175,000.00	0.00	
GOCO/Park Improvements Grant	519,540.00	175,450.00	0.00	175,450.00	0.00	
Total POST Fund Revenues	593,398.00	431,500.00	445.00	431,945.00	31,500.00	
Operating Expenses						
Grooming Payroll Transfer	-	8,000.00	-7,000.00	1,000.00	8,000.00	
Ice Rink & Park Maintenance Payroll Transfer	-	8,000.00	-6,000.00	2,000.00	8,000.00	
Repairs & Maintenance of Equipment	-	2,000.00	-2,000.00	0.00	2,000.00	
Supplies	-	11,500.00	0.00	11,500.00	3,000.00	
Insurance	-	3,600.00	0.00	3,600.00	3,650.00	
Miscellaneous	-	500.00	-500.00	0.00	500.00	
Total POST Fund Operating Expenses	-	33,600.00	-15,500.00	18,100.00	25,150.00	
Special Project Expenses						
Flowers	-	1,500.00	-500.00	1,000.00	1,500.00	
Carnival/Festival/Event	-	1,500.00	0.00	1,500.00	2,000.00	
Grooming supplies	-	1,000.00	-1,000.00	0.00	1,000.00	
Park Improvements	-	520,000.00	0.00	520,000.00	10,000.00	
POST Fund Special Project Expenses	-	524,000.00	-1,500.00	522,500.00	14,500.00	
Total POST Expenses	492,302.00	557,600.00		540,600.00	39,650.00	
POST Fund Balance Ending	210,773.00	84,673.00		102,118.00	93,968.00	

Notes:

1. The POST Fund receives 10% of the total revenue collected from the Sales Tax. The Sales Tax rate for the Town of Rico is 5%.
2. The POST Fund receives 10% of proceeds from the lodging tax, which is a 7% tax on all lodging. Ordinance No. 2022-05.
3. The Town has a \$2.00 per square foot excise tax on all new construction. The POST Fund receives 25% of the excise tax. All revenues received from the excise tax can only be used for capital improvements and purchases.

Employee Allocation Details															
Summary of Total Wages and Allocation Percentages 2026															
Employees	General Fund	Water Fund	Sewer Fund	Street Fund	Parks Fund	VCUP Fund	Total Allocation	2026 Compensation	Payroll Taxes 1.45%	PERA 15.8%	Medical	Dental	Vision	Total Health Care	Total Cost
Town Manager	50%	20%	10%	20%	0%	25%	125%	103,640.00	1,502.78	16,375.12	\$13,500.00	504.00	60.00		135,581.90
Public Works Manager	0%	50%	0%	50%	0%	0%	100%	68,000.00	986.00	10,744.00	\$13,500.00	504.00	60.00		93,794.00
Town Clerk/Admin Assistant	60%	40%	0%	0%	0%	0%	100%	58,118.00	842.71	9,182.64	\$30,160.00	1,484.00	156.00		99,943.36
Part Time POST Groomer	0%	0%	0%	0%	100%	0%	100%	8,000.00	116.00	1,264.00					9,380.00
Part Time POST ice rink & park	0%	0%	0%	0%	100%	0%	100%	8,000.00	116.00	1,264.00					9,380.00
Maintenance 1	0%	50%	0%	50%	0%	0%	100%	55,125.00	799.31	8,709.75	\$13,500.00	504.00	60.00		78,698.06
Water Technician	0%	100%	0%	0%	0%	0%	100%	4,000.00	58.00	632.00					4,690.00
Town Marshall	100%	0%	0%	0%	0%	0%	100%	20,000.00	290.00	3,160.00					23,450.00
								324,883.00	4,710.80	51,331.51	70,660.00	2,996.00	336.00	73,992.00	454,917.32
Transfers															
Employees	General Fund	Water Fund	Sewer Fund	Street Fund	Parks Fund	VCUP	2026 Compensation								
Town Manager	36,274	10,364	10,364	20,728	-	25,910	103,640.00								
Maintenance 1		35,000	-	35,000	-		70,000.00								
Town Clerk/Admin Assistant	34,871	23,247	-	-	-		58,118.00								
Part Time POST Groomer	-	-	-	-	8,000		8,000.00								
Part Time POST ice rink & park	-	-	-	-	8,000		8,000.00								
Maintenance 1	-	27,563	-	27,563	-		55,125.00								
Water Technician	-	4,000	-	-	-		4,000.00								
Town Marshall	20,000	-	-	-	-		20,000.00								
Total Allocations	91,144.80	100,173.70	10,364.00	83,290.50	16,000.00	25,910.00	326,883.00								
Contract Labor															
Contract Labor	General Fund	Water Fund	Sewer Fund	Street Fund	Parks Fund	Total Allocation									
Municipal Court Judge	4,500	-	-	-	-	4,500.00									
Town Attorney	45,000	2,000	-	-	-	47,000.00									
VCUP Attorney	100,000	-	-	-	-	100,000.00									
Town Planner	4,000	-	-	-	-	4,000.00									
Auditor	6,750	6,750	-	-	-	13,500.00									
Building Inspector	2,500	-	-	-	-	2,500.00									
Total Allocations	162,750.00	8,750.00	-	-	-	171,500.00									