

2023 BUDGET



Town of Johnstown
The Community That Cares

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LEGISLATIVE BODY



Mayor Gary Lebsack

Mayor Pro Tem Troy Mellon

Councilmember Damien Berg

Councilmember Vanessa Dominguez

Councilmember Jesse Molinar

Councilmember Dianne Morris

Councilmember Chad Young

EXECUTIVE STAFF

Matthew LeCerf

Town Manager

Mitzi McCoy

Deputy Town Manager

Jamie Barker

Communications Manager

Sarah Crosthwaite

Economic Development Manager

Ellen Hillbig

Utilities Director

Devon McCarty

Finance Director

Kim Meyer

Planning Director

Brian Phillips

Police Chief

Hannah Hill

Town Clerk

Laura Stephens

Human Resources Director

Troy White

Public Works Director



Town of Johnstown

January 1, 2023

The Citizens of the Town of Johnstown
The Honorable Mayor Gary Lebsack and
Johnstown Town Councilmembers

Dear Citizens, Mayor Lebsack and Councilmembers of the Town of Johnstown:

It is my pleasure to present to you the January 1, 2023 – December 31, 2023, fiscal year (FY) budget approved and adopted by the Johnstown Town Council. The fiscal year budget is one of the most important processes and decisions the Town Council undertakes each year. The budget is balanced and compliant with Colorado Revised Statutes, placing emphasis on, C.R.S. 29-1-103(2) which states that, “No budget adopted pursuant to this section shall provide for expenditures in excess of available revenues and beginning fund balances.” The budget also follows the modified accrual method, outlines the direction, and presents the goals and outcomes that are to be achieved during the 2023 fiscal year. This document is a result of the clear direction provided by Council and the hard work and diligence of both the Council and the Town Staff. The budget represents and achieves operational and maintenance objectives, capital improvements, and anticipates the future needs of the organization for the benefit of the Citizens and the Community we proudly serve.

In general, the Town is in a sound financial position across all funds. At the same time, the Town has significant capital projects on the horizon that are not negotiable, must be completed, and have the potential to impact our financial condition in the short term. We will work to control the project costs as best as possible, but some of these projects such as the wastewater treatment plants are regulatory in nature and aspects of the work may not be flexible to other alternatives. Throughout this transmittal letter, specific projects are highlighted and both Council and Staff are aware of these obligations, the scopes, and commitment it will take to complete this meaningful work. We are pleased to talk in greater detail about their benefits for the community.

The estimated population of Johnstown as we begin 2023 is estimated at 20,250. This represents an estimated 8% increase in 2022 which is higher than most years experienced in the Town of Johnstown. Historical trends and future estimates for population increases are 4% - 6% annually. To meet this population demand in FY 2023, staffing levels were approved at 87 Full-time Equivalent (FTEs). The majority of staffing increase for 2023 is attributed to additional police officers. This helps to ensure we are responsive at the appropriate levels as the population of Johnstown and visitors entering the community increases.

Budget Development and Purpose

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The Town of Johnstown Budget is developed through cooperation and collaboration between the Citizens, Town Council, and Town Staff. All three are instrumental in the process and its success. The primary objectives of developing the budget are to progress in a direction that achieves the mission, vision, and values (guiding principles) of the organization and to provide and deliver the core services expected by the Citizens. Engagement and conversations with the Community help us to understand if we are meeting the mission and delivering the core services at the levels expected. To this extent, whenever possible, we want to implement Citizen ideas and desires for the betterment of the Community. It is under this premise that we develop the budget and make allocations with an assertive effort to achieve the mission and exceed Citizens' expectations.

In 2021, Council introduced and adopted a new Mission, Vision, and Values for the organization. In 2022, the values were amended slightly so they serve as guiding principles for how the organization operates in the interest of achieving the mission and vision of the organization for the Community. These are the foundational elements by which the Town operates for the benefit of the Community, its Citizens, and the Businesses. The new Mission, Vision, and Values for the organization are as follows:

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

Vision: *Johnstown will be known for connecting community with opportunity.*

Values:

- Communication
- Innovation
- Integrity
- Service Excellence
- Teamwork

The 2023 budget includes goals and objectives that are broadly described in each of the funds and departmental overviews. These goals and objectives should always strategically link directly back to the mission, vision, and values of the organization and make the Community better. We also evaluate the goals and objectives to ensure they are focused to achieve one of four (4) primary objectives for the community and/or the organization:

1. Improve the core services for the Citizen's and Community benefit.
2. Expand the core services for the Citizen's and Community benefit.
3. Strategically plan for future objectives of the organization for the Citizen's and Community benefit.
4. Improve the quality of life for the Citizen's and Community benefit.

Finally, the goals and objectives also provide the Town Council, Department Heads, and Staff with a

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measuring tool of how we are performing as an organization and what short and long-range goals we should be concerning ourselves with for the betterment of the community and the organization.

Currently, Town Staff in cooperation with Town Council, has been working on a Strategic Plan for the organization. The strategic plan will complement the mission vision and values of the organization and will act as a comprehensive and systematic management tool designed to assess the current environment, anticipate, and respond appropriately to changes in the environment, envision the future, increase effectiveness, develop commitment to the organization's mission and achieve consensus on strategies, outcomes, results, and objectives for achieving that mission. Prior to its formal adoption, the Town will host listening sessions and open house formats with the Community to ensure that the plan meets the expectations and desires of the Community and clearly identifies what we should focus on to continue making Johnstown great.

Described below is an overview of some of the more notable funds with a narrative that includes the anticipated revenues, approved expenditures, and highlights projects to be addressed within the respective funds.

General Fund

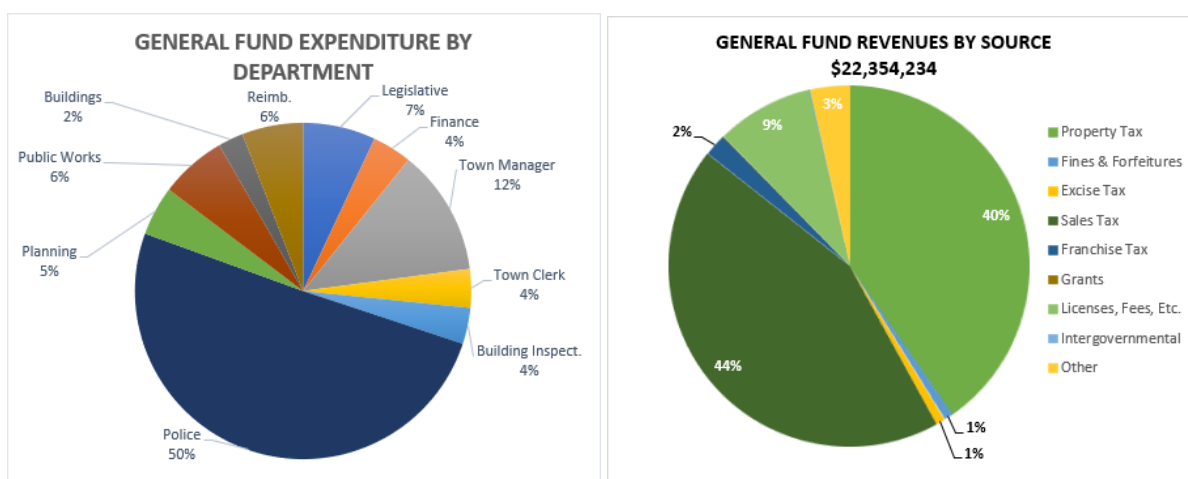
The general fund is the primary fund from which most departments operate. Departments managed within the general fund includes, but are not limited to: administration, finance, legislative, planning, police, and public works. The general fund budget is balanced and does not require the use of the unreserved fund balance to match expenditures appropriated and approved in 2023. In 2022¹, inflation rose 6.9%. We believe this trend may have an impact on the economy and overall revenues in the form of sales and use taxes and potentially construction in the Community. Due to the impacts of inflation, we anticipate that revenues will trend lower than 2022, when comparing the 2022 estimated revenues vs. the 2023 projected revenues. The projected general fund revenue decrease in the FY 2023 budget adoption is estimated to be -24.1% or approximately \$7.1 million. The revenue categories we anticipate experiencing a decrease, include a reduction of \$1.9 million that was provided by the federal government in the form of a grant for the COVID response, \$600,000 in property taxes, \$1.85 million in sales and use taxes, \$1.0 million in impact fees, and \$1.3 million in building permit fee revenues.

The total revenue for the general fund is generated from many different sources. It is critical to be as diversified as possible so if one of the revenue items decline significantly, the overall impact does not extend into the Town's critical and most basic of operations. As a total, ad valorem and sales and use taxes collected by the Town represents approximately 84.0% (\$18.78 million) of the Town's general fund revenue. This represents a decrease of -11.75% of the total revenue segments compared to the Estimated FY 2022 budget. While the total percentage of these two revenue sources are high compared to other revenue sources, we believe the proportionate share of each of these revenue

¹ Source: U.S. Bureau of Labor & Statistics, Consumer Price Index (CPI) for Denver-Lakewood-Aurora November 2021-2022.

sources provide for a stable and sustainable financial position. Of note, the 84% represented by these two revenue sources are almost evenly split, with property taxes representing 48% and sales and use taxes representing 52%. Finally, since shopping patterns have returned to a new normal since the pandemic, we have observed an annual decline of sales tax revenue from an all-time high in 2021. Consequently, with a currently fragile economy and a change in shopping patterns, we are again projecting a decrease in sales tax revenues. The decline compared to FY 2022 is 6.25% or as previously mentioned, \$600,000.

Collectively, all the revenue sources are critical to maintaining the high level of core services and operations, provided and for the Community. The chart below shows the general fund revenue by source and the expenditures by department.



We anticipate at the end of 2023 to have a healthy reserve fund balance, that in future years will be utilized for the Community's benefit. Staff anticipates those programs and projects will be identified in the Council's upcoming retreat in March 2023.

- Revenues:
 - Total Projected Revenues – \$22,354,234
- Expenditures:
 - Total Expenditures – \$11,902,840
 - Additional Transfers
 - Sewer Fund Loan – \$50M
 - Library Mill Levy – \$1,243,246
 - Recreation Center Fund – \$77,262
 - Tax Reimbursement – \$625,000
 - Total Expenditures (including transfers not subject to repayment) – \$13,848,348
- Staffing:
 - Police Officers – 4 FTE

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➤ Capital and Other Notable Projects:

- New Municipal Court Software
- Purchase of New School Safety Equipment for Police
- Purchase of New GIS Aerial Photography
- Complete Downtown Improvement and Branding Plan
- Continued Broadband Exploration and Development
- Design for Expansion of the Police Department Headquarters
- Complete Update to Town Land Use Code
- 8 Police Vehicles

Water Fund

The Water Fund is one of three enterprise funds established by the Town. The difference between an enterprise fund and other funds is how it operates and generates revenues. To be defined as an enterprise based on the Taxpayer's Bill of Rights (TABOR), the fund must be a government-owned business authorized to issue its own revenue bonds and receives under 10% of its annual revenues from state and local grants combined. Additionally, an enterprise derives its revenue to operate, maintain, and perform capital projects from the service it provides, in this case, the sale of water service to the customer, and the Plant Improvement Fees (tap fees). This fund does not receive any revenue from property or sales tax.

In 2022, we both started and continued major capital projects that will continue in 2023. The most visual of projects currently under construction is the new water tower on the south side of Town measuring 1.5 million gallons and 37,000 linear feet of 16" water pipe that will connect the water tower to our current distribution system. The results of this project will be better water pressure, great fire suppression capacity, more effective distribution of the water throughout the system, and greater overall capacity in the distribution system. This project should be completed in Q1 of 2023 pending weather conditions for painting of the water tower's interior bowl.

The Water Treatment Plant (WTP) currently has a treatment capacity of 6 million gallons per day (MGD). During the Summer of 2022, the Town, based on its current population and demand, was forced to implement irrigation watering restrictions to curtail water consumption during the peak season demand. To better illustrate this, during the Winter, daily flows from the WTP are at about 1.8 MGD. During the summer, daily flows peaked at 5.9 MGD (with water restrictions in place). To accommodate both the current demand for water and the additional growth anticipated, the Town is working to complete design engineering for a new WTP that will increase the capacity of the facility from 6 MGD to 12 MGD. Construction is anticipated to begin during Q4 of 2023. Preliminary cost estimates for this plant are estimated at \$70 - \$75 million.

A new water trunkline from Lone Tree Reservoir to the WTP is also currently in the design engineering phase. Design should be completed in 2023. Lone Tree Reservoir serves as our primary water source in partnership with the Consolidated Home Supply Ditch and Reservoir Company. The

new trunkline will provide redundancy to the raw water transmission system and allow for additional water capacity to be delivered to the new WTP. This project will be bid for construction in 2024 and is estimated at \$35 million. Successful completion of both the WTP and water trunkline projects will help secure the Town's water supply for the next 10 – 20 years based on growth projection estimates.

The capital projects included in the fiscal year 2023 budget include the items shown below. While there is an obvious variance between revenues and expenditures in 2023, the majority of the variance is due to the issuance of a revenue bond being issued to construct the necessary capital improvements to the water system that will continue into 2024 and possibly 2025.

- Revenues:
 - Total Revenues \$ 77,707,050
 - Includes proposed revenue bond of \$56 million
- Expenditures:
 - Total Expenditures \$42,587,930
- Capital and Other Notable Projects:
 - Completion of Water Tower and Trunk Line Construction
 - Generator at Johnstown Lake
 - Water Treatment Plant Expansion (Design & Start Construction)
 - Raw Water Trunkline (Design Only)
 - Charlotte Street Waterline Replacement
 - Highway 60 Waterline Project to Central WWTP

When discussing the upcoming capital requirements, it is imperative to also discuss the revenues and fund sustainability. In 2023, water rates increased 3% across all water structures for both usage and connection fee for new water services. Compared to our neighboring water providers, the Town is grossly under the average for water rates on a single-family home. For 5,000 gallons of usage in the month, which is a typical household during the winter, the Town will charge \$29.20. The average for our neighboring water providers for the same amount is \$41.16². During the summer, when usage can increase to almost 22,000 gallons per month, the Town charges \$103.98 and the average of our neighboring water providers is \$128.22³. The 3% increase in 2023 is not meeting the inflation rate and will undoubtedly not be enough to meet current and future demands. Additional increases will likely be necessary to ensure the sustainability of this fund.. Being able to deliver high quality water and meeting both current and future demands are of paramount importance as capital projects and basic operations and maintenance of the water system continue to increase.

² Average of: Berthoud, Brighton, CWCWD, Dacono, Erie, Evans, Frederick, Firestone, Ft. Collins, FCLWD, Greeley, Lafayette, Longmont, Loveland, LHWD, LTWD, Milliken, Ft. Lupton/Platteville, Windsor

³ Average of: Berthoud, Brighton, CWCWD, Dacono, Erie, Evans, Frederick, Firestone, Ft. Collins, FCLWD, Greeley, Lafayette, Longmont, Loveland, LHWD, LTWD, Milliken, Ft. Lupton/Platteville, Windsor

Sewer Fund

The Sewer Fund is another distinct enterprise fund in the Town and is responsible for the collection and treatment of the Town's wastewater. The Town operates two wastewater treatment plants and two lift stations in the system. The sewer fund also has many significant challenges in the future.

These challenges are based on wastewater treatment violations that had been occurring since 2012. Due to these violations, in 2021, the Town entered into a consent order with the Colorado Department of Public Health and Environment. As part of the consent order, the Town is required to make improvements and upgrades to the Town's two wastewater treatment plants. These improvements will enable the Town to regularly meet the permit treatment and discharge requirements. In compliance with the consent order, we are working to expand the treatment capacity of the Low Point Wastewater Treatment Plant (WWTP) and replace the Central WWTP. The capital projects for each of these facilities will ensure the Town is responsible in meeting permitted discharge requirements and future growth expected in the community. As part of the WWTP improvements, the Town anticipates completion of Low Point WWTP by either the end of the 2023 calendar year or very early in 2024. Construction for the Central WWTP will commence in Q2 of 2023 and is anticipated to last for approximately 28 – 30 months.

State demographers expect that in 20 years, Northern Colorado's population will double. To accommodate new growth, the Town embarked on an aggressive project to install interceptors that are normally constructed by developers based on their planned expansions. To recover these costs, the Town also implemented a new Regional Impact Fee in the Central Plant Sewer Service Area. The fee which has been in effect for 2 years now, is an additional \$9,500 in addition to the current sewer tap fee. This additional fee will be used to recover the costs of the interceptor improvements with the intent to not burden the existing customers with this financial obligation. As part of the interceptor project, Phases I and II of the Central Interceptor have been constructed. The North Interceptor Project was awarded in 2022 and we anticipate this project being completed in early 2024. The North Interceptor has a current approved project cost of roughly \$29.5 million.

To afford and implement these critical improvements that serve the current and future residents, the Town acted on three primary initiatives. First, at the end of 2020, Staff recommended an increase to sewer monthly fees which had not changed since 2015. Secondly, in 2021 the Town issued revenue bonds to address other critical infrastructure needs associated with the sanitary sewer collection systems. Finally in 2023, the Wastewater Fund will accept what is initially anticipated to be a loan from the General Fund in the amount of \$50 million. This may ultimately be a grant, but in either condition of the transfer, it will be subordinate to the revenue bonds issued by the Town. Collectively, these elements of structuring our finances will ensure proper maintenance of equipment, capital repair of equipment and treatment systems, and retainage of our employee talent. The Town Council and Town Staff are committed to addressing the issues and realities of our sanitary sewer system. These projects, with defined outcomes, have been progressing from planning, design, and into construction since 2019. A short overview of these and other projects are listed

below for FY 2023.

- Revenues:
 - Total Revenues \$55,918,960
 - Includes \$50 million transfer from General Fund
- Expenditures:
 - Total Expenditures \$84,660,710
- Capital and Other Notable Projects:
 - North Interceptor Line (Construction)
 - Low Point WWTP Expansion Construction
 - Central WWTP Expansion (Design & Construction)
 - Charlotte Street Sewer Replacement

Storm Water Fund

The Storm Water Fund is the third and final enterprise fund in the Town and is responsible for the maintenance, expansion, and capital improvements of the storm water system. The storm water fund is an enterprise fund and receives its funding exclusively from monthly fees on storm water maintenance and impact fees from new development to manage newly introduced impervious surfaces. Expenditures planned in 2023 will be focused on operations and maintenance of the existing storm water system throughout the Town.

The Town is currently in the process of applying for grant funding for a new storm water master plan. If we are successful and receive a grant award, the Town will need to allocate funds to complete the plan. A storm water master plan will provide us with a better understanding of what our storm water capital needs are as the Town continues to grow and develop. In addition to providing the Town with a growth plan, the master plan may also require us to evaluate and review the drainage and impact fees within this fund. Rates for maintenance of the existing storm water system and the system development impact fees have been at their current rates since they were first established in 2004. The cost for material and labor associated with this utility have increased in the past 18 years and adjustments may be necessary to continue managing the system effectively.

- Revenues:
 - Total Revenues \$471,000
- Expenditures:
 - Total Expenditures \$643,425 (includes \$250K transfer for Charlotte Street Project)
- Capital and Other Notable Projects:
 - Charlotte Street Stormwater Improvements
 - Municipal Storm Sewer Separation System Permit (MS4)

Street and Alley Fund

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The Street and Alley Fund is responsible for the maintenance, expansion, and capital improvements of the transportation network. In April 2020, the community approved a one-half percent (½%) sales and use tax increase for the purpose of street maintenance, trail development, roadway capital project, and street equipment to better maintain our roadway infrastructure. As a result of the support, the pavement maintenance program in 2023 has increased compared to 2022 budget approval by 10% to \$1.1 million. We anticipate financial allocations to the street maintenance program to increase in future years as revenues from this one-half percent (½%) sales and use tax increase.

In addition to the street maintenance program, a number of other various projects have been included in the 2023 Budget, with one of the most critical being the reconstruction of Charlotte Street improvements. This project is being supported not only with Street and Alley Fund dollars, but also with an awarded grant from the Department of Local Affairs in the amount of \$750,000. In addition to the roadway reconstruction, the improvements on this corridor will also include water and sewer line replacement as well as storm water improvements.

In late 2022, the Town completed an updated Highway 60 Corridor Analysis with the focus to improve traffic flow. Aspects of the analysis included determining future intersection locations, signalization, and travel lanes. While the Highway 60 report has been submitted to CDOT for review, it is already being used as a planning and project identification tool as development occurs along this corridor. One action item from the Highway 60 report was to install a new traffic signal at the intersection of Carlson Blvd. and Highway 60. The Town has secured a federal grant to help with the cost on this project, with the total cost estimated at about \$550,000. The signal should be installed sometime in Q2 of 2023, subject to approval processes required with the federal funds. This will help vehicles exiting from neighboring subdivisions and Elwell Elementary School. This year, we will also design a new intersection at Colorado Boulevard and Highway 60. Given the traffic coming from all directions, a full motion intersection will be designed. The Town will pursue grant funding for the project with hopes to perform construction in 2024.

The final project adjacent to the Highway 60 corridor will be the expansion of Colorado Boulevard north of the intersection. With the prospect of adjacent development and their obligations to widen a portion of the roadway, the Town is working collaboratively to widen the adjacent lane rather doing the work in disjointed sections. This collaboration saves tax dollars and reduces future inconveniences.

Other smaller, but meaningful projects include a partnership with CDOT for grant funding to improve the railroad crossings on Highway 60 near downtown and an evaluation of methods and conceptual adjustments to improve traffic flow in the roundabout on Thompson Parkway in the Johnstown Plaza at 2534. Below is a detailed overview of the Street & Alley Fund programming:

- Revenues:
 - Total Revenues \$9,040,605
 - Includes \$1,175,000 in Grant Funding for Projects

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- Includes \$1,450,000 Transfers-In for Charlotte Street
- Expenditures:
 - Total Expenditures \$11,546,790
- Staffing:
 - Street Maintenance Crew – 0.66 FTE
- Capital and Other Notable Projects:
 - Property Acquisition for High Plains Boulevard
 - Charlotte Street Construction
 - Pavement Maintenance Program (includes striping)
 - Carlson Boulevard and Highway 60 Traffic Signal
 - Colorado Boulevard and Highway 60 Intersection (Design Only)
 - Widening of Colorado Boulevard North of Highway 60
 - Various Railroad Crossing Improvements Along Highway 60
 - Water Truck Vehicle Purchase

Park & Open Space Fund

The Park & Open Space Fund exists for the purposes of operations, maintenance, and development of the Town's park, open space, and trail system. The amenities developed in the Park & Open Space Fund are one of the most important elements that contribute to the overall quality of life and sense of place in the community. The funding to maintain the parks predominantly is provided through franchise fees charged to our enterprise funds or transfers from the general fund. Other revenue sources include a one-eighth percent (1/8%) open space and trails sales tax charged by Larimer County; a portion which is provided to the Town through an Intergovernmental Agreement (IGA) and impact fees assessed upon new residential development in the community. Both of these funding sources must be used for capital related expenditures.

The Town currently has a Park & Trail Master Plan. Our intention is to continue implementing the recommendations included in this plan, and based on successes realized, evaluate the need to update the plan in a future fiscal year. Many of the projects planned for this fiscal year are outlined in the master plan or are based on feedback received by the community. We appreciate and encourage this feedback so we can build projects and create outcomes that meet the community's active lifestyle and provide the recreation options you want!

Recreation planning and construction projects are a key focus of 2023. The Town recently accepted a donation of approximately 60 acres of vacant land and expects to take ownership of the Letford Elementary School site (about 6 acres) in 2023. Given the opportunity to better program these spaces to meet community needs and desires, we will be issuing a Request for Proposal (RFP) for Park Planning consulting services, that will include community participation. We will begin the planning phase in Q2 of 2023 and hope to begin construction around Q4 of 2023 for one of the spaces mentioned above. In addition to the Park Planning RFP, the Town will also be issuing an RFP for a financial feasibility study for an outdoor pool. This action is based on feedback from the Community.

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Embarking on an outdoor pool facility has a high degree of financial risk to it. Understanding what those risks are will be critical to making the best decision for the community.

We have allocated funds in 2023 for purchase of acreage in the Larimer County portion of Johnstown for a regional park. The funding for this purchase is through the collaborative agreement with Larimer County and sharing of sales tax they assess in Larimer County for Open Space. These open spaces are great opportunities to begin focusing on regional park development and your feedback will be an essential step in this process.

Finally, in January, we plan to begin construction on the Thompson River Trail Project. This walking path is located along County Road 46.5 just east of Parish Avenue. The trail will travel west to CR19 and is a section of the trails that will connect Johnstown and Milliken. We expect this phase of the project to be completed by May 2023. Additional trail connectivity projects will be a major focus in each fiscal year moving forward and is based on feedback from the Community. Below is a detailed overview of the Park & Open Space Fund programming:

- Revenues:
 - Total Revenues \$855,530
- Expenditures:
 - Total Expenditures \$3,929,940
- Staffing:
 - Parks Maintenance: 0.33 FTE's
- Capital and Other Notable Projects:
 - Little Thompson River Trail Project
 - Open Space/Park Land Acquisition in Larimer County
 - Outdoor Pool Financial Feasibility Study
 - Park Planning for Letford and/or Donated Land
 - Tree Voucher Program

Capital Projects Fund

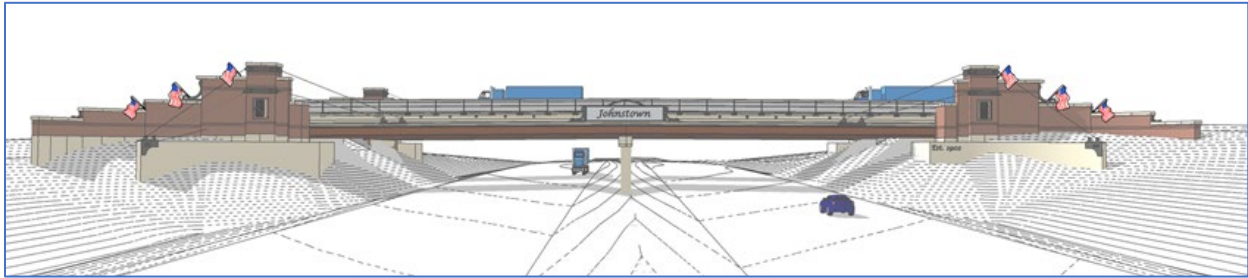
The Capital Projects Fund derives its revenues from one percent (1%) of the use tax collected on building materials and construction materials utilized within the Town. In the past, the fund and its revenue has been utilized for construction of the Library, a Senior/Community Center, and most recently the Recreation Center construction. The fund has a healthy fund balance and will continue to contribute to improving the Town with new amenities and capital projects in the future.

Last year the Town appropriated funds to begin the aesthetic improvements at the new I-25 and Highway 60 Divergent Diamond Interchange. This project is being coordinated by the Colorado Department of Transportation (CDOT) as part of their I-25 Corridor Improvements. The aesthetic improvements of the project are about 60% complete and completion of the aesthetic construction is anticipated in 2023.

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Also included in the 2023 Capital Project Fund are funds for the construction of physical enhancements and signage to complement the Downtown Branding project which is nearing completion. This project will further establish Johnstown's Downtown as a unique destination for activity, events, shopping, and entertainment in Northern Colorado.

- Revenues:
 - Total Revenues \$252,200
- Expenditures:
 - Total Expenditures \$2,511,500
- Capital and Other Notable Projects:
 - Aesthetic Improvements at I-25 and Highway 60 Interchange
 - Downtown Physical/Capital Wayfinding and Placemaking Signage

Future Plans and Conclusion

As we move forward as an organization, it is critical to recognize and be responsive to the expectations and desires of the Citizens of Johnstown. Recognizing the mission, vision, and values as well as the goals and objectives established by the Mayor and Town Council, we have established a clear framework to meet the demands and expectations for both the community, its citizens, and the organization. By creation of the Town's Strategic Plan, which will be completed later this year, and utilizing the budget document as a plan, we will continue to build upon our existing presence as a desired destination, to retain and recruit businesses, value family, and create a quality of life in our community unmatched in Northern Colorado.

Special thanks should go to all department heads and their supervisors who were critical in evaluating revenues and budgeting expenses accordingly. As they exhibited during the budget season, they recognize that we need to be accountable with the funds provided by the taxpayers and they have established operations, proposed improvements, and defined objectives that work within these limitations.

During this budget season, we experienced changes in the Finance Department. This change included the promotion of Mitzi McCoy to the Deputy Town Manager and Devon McCarty to the position of

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Finance Director. Their work, dedication, preparation, and commitment to making the transition smooth and the outcomes culminating in the adoption of the FY 2023 budget should be both recognized and commended. Their tireless work on this critical document does not go unnoticed by me, and I know the Mayor and Town Council for Johnstown.

I look forward to working with the Community, the Council and Staff to identify future direction, policy, and community betterment objectives desired by the Council throughout the fiscal year and I am confident this budget reflects your desired outcomes for the Citizens.

Best regards,


Matthew S. LeCerf
Town Manager

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JOHNSTOWN AT A GLANCE



Johnstown Town Hall



Johnstown YMCA

ESTABLISHED

March 21, 1907

GOVERNMENT

Johnstown is a Home Rule Town operating under a Council-Manager form of government

COUNTY

Weld and Larimer Counties

SCHOOL DISTRICTS

Weld County School District RE-5J and Thompson School District R2-J

LOCATION

Along Interstate 25 approximately 50 miles north of Denver, Colorado; 25 miles south of Fort Collins, Colorado; bordering Loveland, Windsor, Milliken, Berthoud and Greeley, Colorado

AREA

15.53 square miles

CLIMATE

Arid Steppe (cold) climate with a summer lasting approximately four months with an average daily high temperature above 79 degrees Fahrenheit. The winter season lasts for approximately three months with an average daily high temperature below 50 degrees Fahrenheit.

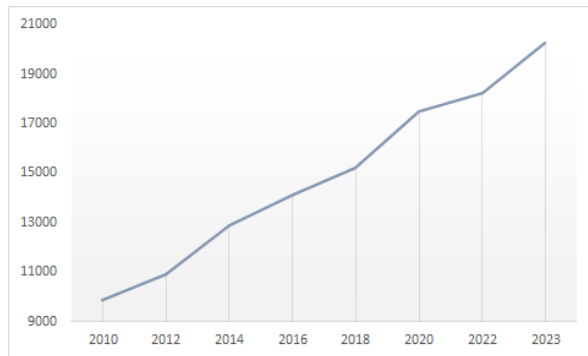
BOND RATING

Standard & Poor's A+

JOHNSTOWN AT A GLANCE

POPULATION

The Town of Johnstown's population in 2022 is 19,529, making it one of the fastest growing communities in Colorado. The population has increased significantly since the 2010 census, which had a recorded population of 9,887.



MEDIAN AGE: 35

- Males 33.4
- Female 38.1

POPULATION BY RACE:

- White 83.3%
- Asian 5.1%
- Two or More Races 6.9%
- Some Other Race 3.5%
- Black or African American .7%
- American Indian .5%

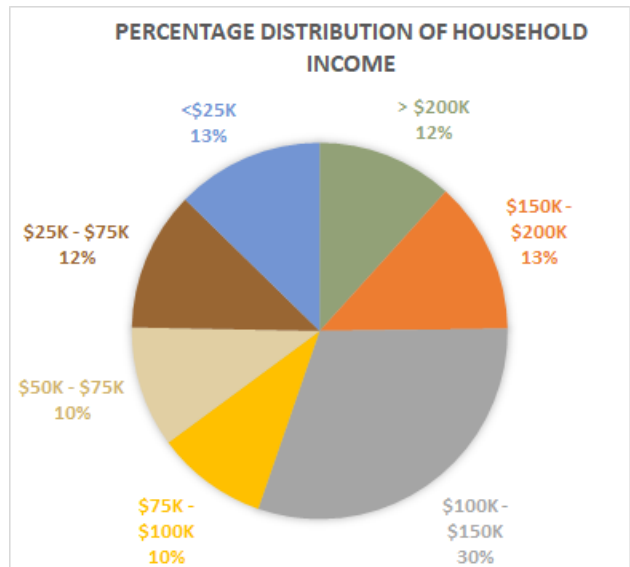
EDUCATIONAL ATTAINMENT

2021	% of High School Graduate or Higher	% of Bachelors Degree or Higher
Johnstown	96.6%	37.8%

Source(s): US Census 2021 AC 5-Year Survey

MEDIAN HOUSEHOLD INCOME

The Town of Johnstown's median household income in 2022 is \$115,491.



Source(s): US Census 2021 AC 5-Year Survey

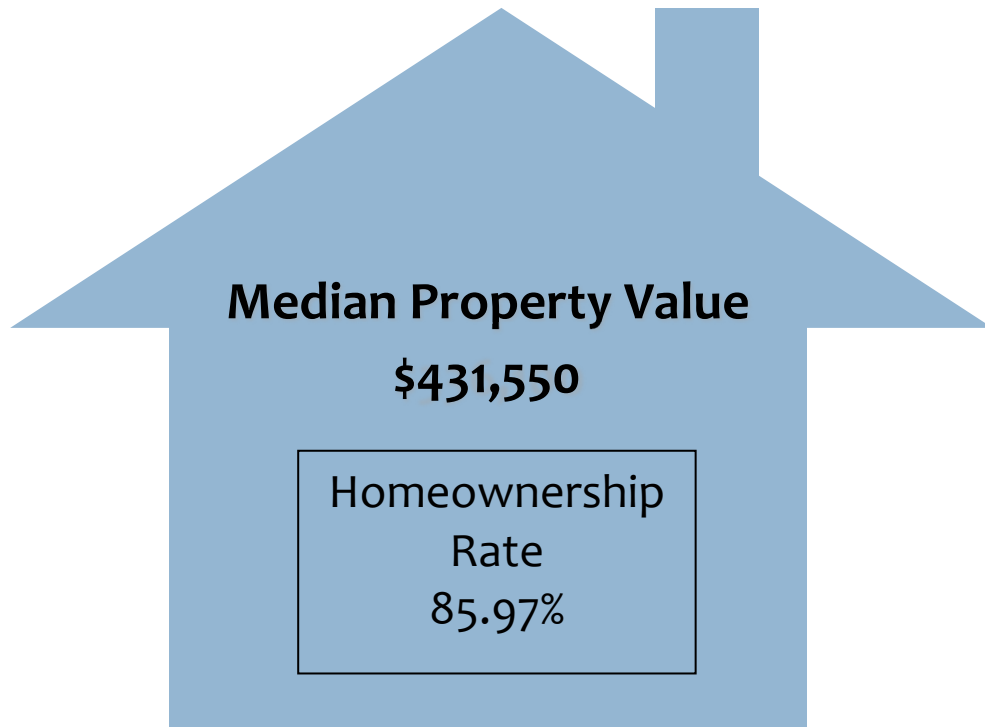
EMPLOYMENT BY AGE

Johnstown's labor force participation is 76.9%. The employment rate is 72% and the unemployment rate is 5.3%

Age	Labor Force Participation
16-19	68.7
20-24	81.1
25-29	95.6
30-34	92.9
35-44	93.2
45-54	82.4
55-59	94.2
60-64	55.6
65-74	24.8
75+	.5

Source(s): US Census 2021 AC 5-Year Survey

JOHNSTOWN AT A GLANCE



<u>Type of Residential Property</u>	<u>Approx. Number of Units</u>
Single Family Homes/Townhomes	5,815
Condominium/Apartments	1,113

JOHNSTOWN AT A GLANCE



ECONOMY

As one of the fastest growing communities in Northern Colorado, Johnstown is defining itself as a premier market for development and growth. With over 400 companies and a rapidly growing residential population, it's easy to see why everyone is calling Johnstown home. Johnstown is strategically situated along major corridors such as I-25, Hwy-60, and Hwy-34 which provide key accessibility for major retailers and companies to locate in our community. In addition, our robust workforce, pro-business climate, innovative incentive programs, and competitive land costs define us as the center of trade and services in the region. Whether you explore our thriving Historic Downtown, newly built Johnstown Community YMCA, or enjoy spending the day in Johnstown Plaza... the energy you will feel is that of opportunity, growth, and success. Johnstown is located at the intersection of Interstate 25 and Hwy 34, in one of the fastest growing parts of Colorado. We are located within 55 miles of 5 large cities, one international airport, and three local airports. Our location, adjacent to major transportation routes makes Johnstown a prime location as you are in immediate reach of it all.

MAJOR EMPLOYERS IN THE AREA

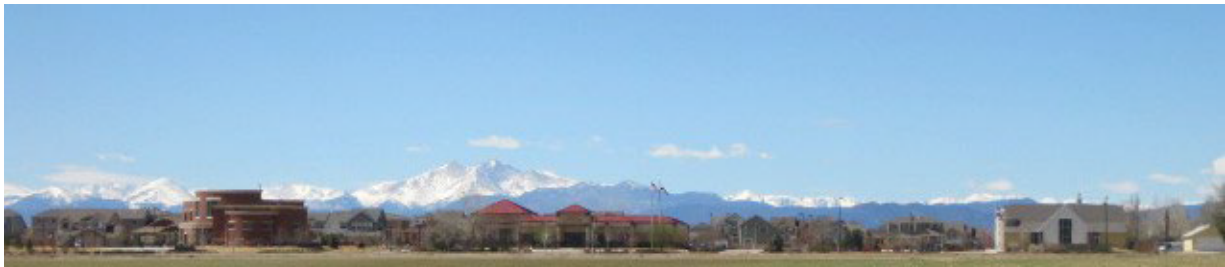
Employer	Product/service	No. of employees
Scheels All Sports	Retail	550
Weld County School Dist. R5J	Education	371
Northern Co. Long Term Acute Care	Healthcare	300
FedEx Ground Packaging System Inc.	Transportation	250
Canyon Bakehouse	Manufacturing	200
Swire Coca Cola	Manufacturing	198
High Country Beverage	Manufacturing	165
TRC Construction	Construction	103
US Engineering	Service	100
Hays Market	Retail	95

JOHNSTOWN AT A GLANCE

EMPLOYMENT BY INDUSTRY

Occupation	% of Workforce
Professional and Business Services	20.4%
Government	16.7%
Trade, Transportation and Utilities	16.5%
Education and Health Services	10.4%
Arts, Entertainment, Recreation and Tourism	9.6%
Construction	8.6%
Manufacturing	8.2%
Other services	5.8%
Agriculture and Mining	3.9%

Source: State of Colorado Demographers Office



TOWN OF JOHNSTOWN MAJOR TAXPAYERS

Taxpayer	Type of Business	2022 Taxable Assessed Value
Extraction Oil and Gas, LLC	Mining	25,535,598
Kerr McGee Gathering, LLC	Mining	8,469,260
PDC Energy, Inc.	Mining	8,400,850
Flowers Bakeries, Inc.	Manufacturing	6,173,491
Scheels All Sports, Inc.	Retail Services	5,445,672
Johnstown Heights Behavioral Health LLC	Health Services	5,365,000
Canyon Bakehouse, LLC	Manufacturing	4,785,000
Rise 2534, LLC	Apartment Complex	4,413,200
Payton Property Management, LLC	Real Estate Services	4,380,450
Continental 289 Fund, LLC	Real Estate Services	4,139,224

Source: Larimer and Weld County Assessor's Office

JOHNSTOWN AT A GLANCE

PARKS, RECREATION, COMMUNITY AMMENITIES



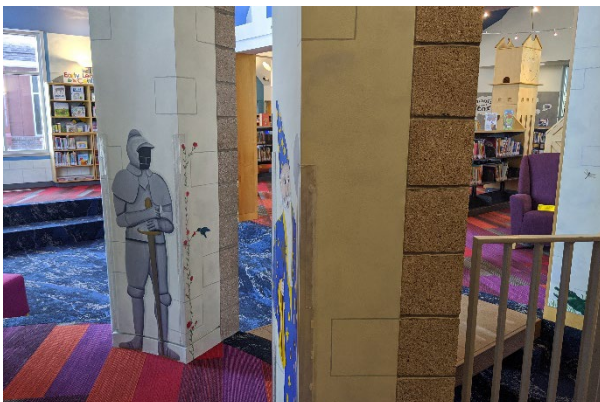
Johnstown Community YMCA

The recreation center is an amazing asset for the Town. It contains a fitness center, basketball gym, indoor running track, lap pool, leisure pool with slides and diving boards, splash pad, sauna and steam rooms, multipurpose fields, preschool, community event space with kitchen, and pickleball courts.



Johnstown Community Center

The Community Center/Senior Center is located in the heart of downtown Historic Johnstown on Charlotte St. The Center has a multipurpose room with attached kitchen and serving counter available for the public to rent for events. There is also a smaller TV room, game room, and partial dining room with kitchenette.



Glenn A. Jones M.D. Memorial Library

A small-town library with big-city amenities, the Glenn A Jones Memorial Library provides residents with access to a large number of printed materials, e-books, databases, and community programs. Newly renovated in 2020, the library features a children's castle nook with space to read and play, a number of computers for research and gaming, as well as cozy spots to relax with a book.

JOHNSTOWN AT A GLANCE



Johnstown Historic Parish House & Museum
Built in 1914 by the founders of Johnstown, the Parish House and Museum sits at 701 Charlotte St. This significant piece of Town history is open to the public and is maintained by the Johnstown Historical Society. The Parish House features a fully restored historic home experience along with exhibits that highlight the history of the community, and other interesting items such as the Johnstown Meteorite.



Parks and Outdoor Recreation

Facility Name	Amenities
Clearview Park	Playground, Picnic Shelter, Benches
Eddie Aragon Park	Playground, Picnic Shelter, Basketball Court, Skate Park, Hockey Rink, Soccer Field
Hays Park	Playground, Tot Lot Equipment, Basketball Court, Volleyball Court, Picnic Shelters
Lake Park	Playgrounds (2), Picnic Shelters (5), Walking Path, Fishing
Parish Park	Playground, Picnic Shelters (2), Volleyball Court
Pioneer Ridge Park	Playground, Picnic Shelters (2)
Rolling Hill Ranch Park	Playground, Picnic Shelters (2), Restrooms
Sunrise Park	Playground, Picnic Shelters (3), Walking Path



JOHNSTOWN AT A GLANCE



PUBLIC SAFETY

Johnstown Police	Total	Johnstown Fire*	Total
Police Stations	1	Fire Districts	2
Police Substations	1	Fire Stations	5*
Sworn Police	25	Fire Personnel	65
Police Vehicles	28	Fire Trucks	5
		Ambulances	5

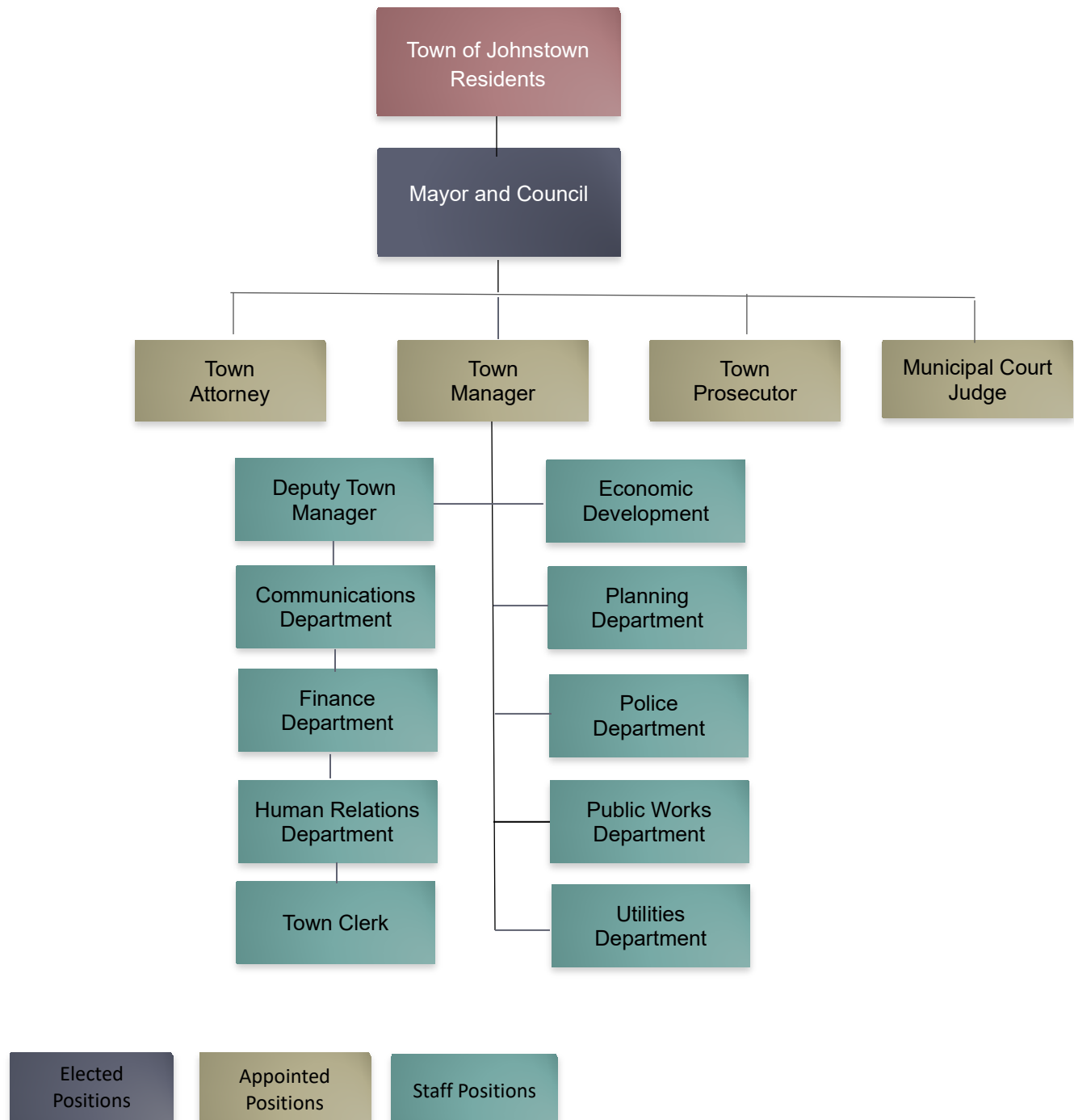
*Fire services in the Town are provided by independent Fire Districts. There are a total of 5 stations that serve Johnstown but not all are located within the Town limits.

THINGS TO GET EXCITED ABOUT

Capital Project	Type of Project
I-25 Interchange Improvements	Bridge and overpass improvements
Low Point Wastewater Treatment Plant Expansion	Expansion and upgrades to existing plant
Central Wastewater Treatment Plant	Design and construction of a new plant
Water Treatment Plant Expansion	Design and construction of a new plant
Charlotte Street Reconstruction	Replacement of failing infrastructure
Downtown Wayfinding and Branding	Branding and signage for downtown corridor
Aquatics Center Feasibility Study	Evaluate costs for an outdoor pool
Police Department Expansion Design	Design for expansion of evidence space
Little Thompson Trail Construction	New trail in the vicinity CR46.5 and CR19
Open Space/Park Acquisition in Larimer County	Purchase land in Larimer County
South Water Tower and Distribution Line	Complete water tower and connecting water line
Sewer Interceptor Expansion	Design and construction of sewer interceptor
Pickleball Courts	Recreational courts

INTRODUCTION

ORGANIZATIONAL CHART



Location – Town Map



INTRODUCTION

BOARDS AND COMMISSIONS

Commissions at the Town of Johnstown serve in an advisory capacity to the Town Council. Commissions have been established for the primary topics critical to the operation of Johnstown town government. Current Boards and Commissions for the Town of Johnstown include the following:

Cemetery Committee

Building Board of Appeals

Planning and Zoning Commission

Housing Authority

Tree Board

CITIZEN PARTICIPATION

Commissioners are appointed by the Town Council based on their personal and professional backgrounds relevant to the policy topic. The commission structure provides an excellent opportunity to provide community input in policy-making for the Town of Johnstown.

The Town of Johnstown greatly appreciates the efforts of citizen volunteers in studying special community issues, obtaining public comment on key projects, and offering recommendations to the Town Council on any number of matters.

STAFF REPRESENTATION

Most of the commissions are staffed by at least one designated member of the Town's professional staff. That staff member acts as a liaison and is responsible for providing information to the commission and overseeing and maintaining membership on the respective commission.

INTRODUCTION

SCOPE OF SERVICES

The Town of Johnstown provides the following major services:

- Public Safety
- Parks, Trails and Open Space
- Street Construction and Maintenance
- Municipal Court
- Town Facilities
- Administration and Finance
- Economic Development
- Community Development and Engineering
- Communication and Engagement
- Support Services
- Water Utility
- Sewer Utility
- Drainage Utility

EMPLOYEES AND BENEFITS

The Town currently had approximately 79 regular, full-time positions (exempt and non-exempt) for 2022. In addition, a varying number are employed on a seasonal/part-time basis. The Town of Johnstown neither recognizes nor bargains with any employee union.

The Town operates under a Performance-Based Pay System. A benchmark survey is conducted every two years using a variety of resources to establish a salary schedule. Employees are evaluated annually and are eligible at that time to receive salary adjustments based on their performance and as provided and approved in the budget. Actual salaries and benefits are calculated into the budget system assuming each authorized position is filled for the entire budget period.

Other benefits provided to Town employees include vacation leave, sick leave and paid holidays. Health care benefits include medical, dental, vision, and life insurance. The Town does offer pretax options on health care premiums which allow employees to realize tax savings.

The Town has established retirement plans for employees. Regular, full-time employees are eligible to participate in the plan. Employees are encouraged to make contributions up to the maximum allowed by law of the base wage under the plan. Employees of the Town that serve as sworn police officers are required to participate in a police pension plan.

INTRODUCTION

BUDGET PROCESS

The budget has been structured and prepared using the guidelines of the Governmental Finance Officers Association (GFOA). Two sources, Governmental Accounting, Auditing and Financial Reporting (GAAFR) and the Governmental Accounting Standards Board (GASB) guide the financial reporting and annual budget process. The Town of Johnstown prepares its budget on a calendar-year basis although a bi-annual budget is allowed in the home rule charter. The budget must be balanced or show a revenue surplus. “Balanced Budget” is defined as a “balance between total estimated expenditures and total anticipated revenues, including surpluses.” This means that the appropriated expenditures cannot exceed the sum of the revenues and beginning fund balance. The Town of Johnstown’s definition of a “Balanced Budget” complies with the statutory requirements for the State of Colorado located in C.R.S. 29-1-103 (2).

BUDGET TERM

The budget term begins the first day of January and ends on the last day of December.

BASIS OF BUDGETING

The budget parallels the methods of accounting used for the Town’s funds. Modified accrual basis is used for all governmental fund operations. Proprietary and fiduciary funds use full accrual basis. Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available and expenditures are recorded when a liability is incurred except for debt service and compensated absences. The Town considers the revenue and expenditures if collected or incurred within 60 days of the end of the fiscal period. Under the full accrual basis of accounting, revenues are recorded when earned and expenditures are recorded when a liability is incurred without consideration of the timing of related cash flows. The basis of accounting used in the budget is the same as the basis of accounting used in the financial statements.

BUDGET RECOMMENDATION

The proposed budget provides a complete financial plan for each fund of the Town and includes appropriate financial statements for each type of fund showing comparative figures for the last completed fiscal year, comparative figures for the current year, and recommendations for the upcoming year.

INTRODUCTION

BUDGET DEVELOPMENT PROCESS

Month	Residents	Mayor & Town Council	Town Administration
January	<u>Civic Engagement</u> Residents are encouraged to attend community events, including Town Council meetings to discuss how the Town should invest resources and focus to achieve outcomes.	<u>Budget Guidance</u> Town Council holds goal setting sessions to identify priorities and level of service expectations for the upcoming budget year.	
February			
March			
April			
May			
June			<u>Capital Improvement Plan</u> CIP Plan is updated
July			<u>Town Manager identifies Budget Priorities</u> Town Manager defines priorities based on Council direction
August			<u>Proposed Budget Development</u> Departments prepare proposals and make recommendations based on priority and service level. The Town Manager develops a balanced Proposed Budget within the Town Board guidance
September		<u>Proposed Budget</u> is presented for consideration no later than October 15th.	<u>Budget Response & Refinement</u> Town staff respond to inquiries from Town Council and make modifications as suggested
October		<u>Budget Work Sessions</u> Town staff meets with the Town Council to provide background information on the Proposed Budget. The Town Council requests additional information on specific budget issues from staff.	
November	<u>Budget Public Hearing(s)</u> Residents comment on the proposed budget and offer suggestions to the Town.		
December		<u>Final Budget Adoption</u> The Town Council makes final decisions and adopts the Town of Johnstown Budget for the upcoming fiscal year. Must be completed no later than December 15th.	

Note: This table does not include monthly Civic Engagement processes such as the Home Owner Association meetings.

INTRODUCTION

BUDGET PREPARATION

The budget process starts early each year at the Town Council goal setting sessions. During the goal setting sessions, the Town Council establishes goals and objectives for the upcoming year and provides direction to the Town Manager for future budgets.

In June, the Finance Department prepares core data, including salary information, health insurance information, workers' compensation information, general insurance and other allocated costs. This data is presented with current period data and revenue projections for both the current year as well as the upcoming year. The worksheets containing this data are then distributed to departments along with the Capital Improvement Plan worksheets, Capital Request Forms, Employee Education Request forms, and budget instructions.

Departments review Council goals and objectives and then meet internally to develop their budget requests. Each department must have their budget requests along with all other budget related forms submitted by the first week in July to the Finance department and the Town Manager. The Finance department compiles the documents and prepares them for the individual budget meetings between the Town Manager and the departments. The meetings usually take place early in the month of August. Upon conclusion of the meetings, decisions are made about what will be included in the Proposed Budget. The Proposed Budget document is submitted to the Town Council no later than the first Council meeting in October with work sessions as requested and determined necessary by the Council following the submittal.

PUBLIC HEARINGS

The Town Manager's proposed budget is a matter of public record and is open to the public for inspection. At a minimum one public hearing is held on the proposed budget. Appropriate notice of the time and place of the hearing is placed in a newspaper of general circulation.

ADOPTION OF BUDGET AND APPROPRIATION OF FUNDS

In accordance with state statutes, on or before the fifteenth (15th) day of December, the Town Council shall adopt a balanced budget by ordinance for the ensuing year. The Council appropriates sums of money, as it deems necessary, to defray all expenditures.

BUDGET AMENDMENTS

The Adopted Budget can be amended during the year by presenting the Town Council with a Resolution for approval. Generally, budget amendments are used for one-time items such as project related grants, or other one-time expenses that could not have been reasonably predicted during the budget process.

INTRODUCTION

SUPPLEMENTAL APPROPRIATION

The Town Council can make supplemental appropriations from actual and anticipated revenues and prior year reserves as long as the total amount budgeted does not exceed the actual or anticipated revenue total or the available reserve balance. No appropriation can be made which exceeds the revenues, reserves, or other funds anticipated or available except for emergencies due to accident or an unforeseen event arising after the adoption of the annual appropriation.

ENCUMBRANCE CARRYOVER

If a fund has unpaid purchase orders at the end of a fiscal year and a commitment for the expenditure of funds, those related appropriations are encumbered and carried over to the ensuing fiscal year as a reservation of fund balance. All other appropriations lapse at year-end.

BUDGET DECREASES

The budget can also be decreased below approved levels during the fiscal year. Changes in service demands, economic conditions, projected growth limits, and Council goals and direction may cause such budget reductions. Should the need arise, each service area is responsible for developing a plan to reduce expenses. If the Town Manager directs budget reductions, the Council will be informed immediately and the appropriations will be set aside through administrative action. While this administrative action does not lower the appropriations within a fund, expenditures are prevented. If the circumstances leading to the reduction in budget changes, the appropriation may be made available for expenditure.

LEVEL OF CONTROL AND BUDGET TRANSFERS

Control of expenditures is exercised at the fund level. Department Heads are responsible for all expenditures made against appropriations within their departments and may allocate resources within the fund. The Town may transfer appropriated monies between spending agencies within a fund or from one fund to another provided:

- The transfer is made from a fund in which the amount appropriated exceeds the amount needed to accomplish the purpose specified by the appropriation.
- The purpose for which the funds were initially appropriated no longer exists.
- A transfer may also include a subsidy of funding from one Fund to support program needs of another Fund.

FINANCIAL POLICIES

FINANCIAL POLICIES

REVENUE POLICIES

The Town of Johnstown strives to achieve and maintain a balanced and diverse revenue structure. Because Johnstown is a community that is continuing to grow and change, annual revenues can vary widely and fluctuate a great deal and cannot always be used year to year as a sound revenue base. Major revenue sources in the General Fund are sales/use tax, property tax, severance taxes, franchise charges, fines and forfeitures, and user fees and charges.

With regard to user fees, the amount of a fee shall not exceed the overall cost of providing the facility, infrastructure, or service for which the fee is imposed. In calculating the cost of fees, direct or indirect costs may be included. The Town reviews all fees for licenses, permits, fines, and other miscellaneous charges as part of the annual budgetary process.

EXPENDITURE POLICIES

The General Fund is comprised of eight departments or divisions, consisting of Legislative, Town Manager, Town Clerk, Finance, Building Inspections, Planning, Police, Public Works and Buildings. Each department can be further broken down into a variety of divisions and/or programs.

Expenditures are classified as the following:

- Personnel Services
- Contract Services
- Commodity
- Other Charges
- Capital Outlay
- Debt Service

Personnel Services includes salaries for full-time and part-time employees, overtime pay, insurance, retirement, and other personnel related costs.

Contract Services includes services that are typically provided by an outside vendor such as SWAT team services, legal services, and audit services.

Commodity encompasses administrative costs such as office supplies, uniforms, small tools, ammunition, salt, sand and gravel, fuel and computers, to name a few.

Other Charges includes items such as insurance, memberships and subscriptions, costs associated with the K-9, and National Night Out, among others.

Capital Outlay consists of fixed assets over \$5,000 and a useful life of greater than one year. This expenditure area consists of major projects, land, buildings, and other infrastructure.

FINANCIAL POLICIES

TAXPAYERS' BILL OF RIGHTS (TABOR)

Colorado voters approved an amendment to the Colorado Constitution that placed limits on revenue and expenditures of the State and all local governments in 1992. Even though the limit is placed on both revenue and expenditures, the constitutional amendment ultimately applies to a limit on revenue collections. Growth in revenue is limited to the increase in the Denver-Boulder-Greeley Consumer Price Index plus Local Growth (new construction and annexation minus demolition). This percentage is added to the preceding year's revenue base, giving the dollar limit allowed for revenue collection in the ensuing year. Any revenue collected over the limit must be refunded in the subsequent year. Towns have the option of placing a ballot question before the voters asking for approval on retaining revenue over the limit. Federal grants and/or gifts to the Town are not included in the revenue limit. Town "Enterprise Funds" (Electric, Storm Water and Water) are exempt from the imposed limits.

On November 7, 2000, voters within the Town approved the collection, retention and expenditure of the full revenue generated by the Town commencing on January 1, 1999 and subsequent years. Therefore, the Town is not subject to the revenue limitations of the Tabor amendment.

RESERVES POLICY

A top priority of the Town Council is to maintain the fiscal health of the Town. Revenue projections are conservative and authorized expenditures are closely monitored. In stable economic times, the combination of these two strategies leads to revenue collections higher than actual expenditures. The accumulation of these reserves protects the Town from uncontrollable increases in expenditures or unforeseen reductions in revenue, or a combination of the two. It also allows for the prudent financing of capital construction and replacement projects.

Undesignated Reserves

Article X, Section 20 of the Colorado Constitution requires a three percent (3%) reserve for emergencies. The use of this reserve is restricted to the purpose for which it was established and can be used solely for declared emergencies.

Designated Reserves

The Town Council has determined that additional reserves be established to provide for unforeseen reductions in revenues in the current year if budgeted revenues are less than actual revenues, and expenditures including encumbrances, are greater than actual. The reserve minimum is equal to 150 days of approved General Fund operating expenditures.

FINANCIAL POLICIES

CAPITAL PROJECT FUNDS

The Town has significant financial investment in streets, public facilities, parks, natural areas, and other capital improvements. The Town Council voiced a commitment to, and investment in, the Town's capital projects. Costs for the capital projects are estimated based on present value and funding sources are identified for each project. Operating and maintenance costs are identified at the time projects are approved. A variety of funding sources have been identified for capital improvements, including Conservation Trust Funds, Capital Projects Fund, bonds and a variety of grant funds.

DEBT POLICIES

The Town of Johnstown recognizes that the primary purpose of capital facilities is to support provision of services to residents. Using debt financing to meet the capital needs of the Town must be evaluated according to two tests: efficiency and equity. The test of efficiency equates to the highest rate of return for a given investment of resources. The test of equity requires a determination of who should pay for the cost of capital improvements. In meeting the demand for additional capital facilities, the Town strives to balance the load between debt financing and "pay as you go" methods. The Town realizes failure to meet the demands of growth may inhibit its continued economic viability, but also realizes that too much debt may have detrimental effects. Through the rigorous testing of the need for additional debt financed facilities and the means by which the debt will be repaid, the Town strikes an appropriate balance between service demands and the amount of debt.

Occasionally, the Town may use lease purchase financing for the provision of new and replacement equipment, and vehicles to ensure the timely replacement of these items. This strategy also decreases the impact of the cost to the user department by spreading the costs over several years. This method can also be used to acquire real property. The type of lease that the Town uses is termed a conditional sales lease or capital lease, in effect a purchase rather than a rental. For purposes of securing credit ratings and monitoring annual debt service as a percentage of operating expenditures, lease purchase financing is considered a long-term liability of the Town, although subject to annual appropriation, and therefore will be issued under the same conditions as long-term debt.

CASH MANAGEMENT AND INVESTMENT POLICIES

Colorado Law governs general provisions for the Town's investment strategies. The investment policy for the Town shall apply to the investment of all general and special funds of the Town of Johnstown over which it exercises financial control. The Town's objectives for cash management and investments are:

FINANCIAL POLICIES

- Observe investment management objectives of safety, liquidity, and yield.
- Preservation of capital through the protection of investment principal.
- Maintenance of sufficient liquidity to meet the Town's cash needs.
- Diversification of the types and maturities of investments purchased to avoid incurring unreasonable credit or market risk regarding a specific security, maturity periods, or institution.
- Maximization of the rate of return for prevailing market conditions for eligible securities.
- Conformance with all federal, state and other legal requirements.

The Town Council assigns responsibilities for the collection of Town funds and cash management functions to the Town Manager. The Finance Director is responsible for the investment of all funds. The standard of prudence to be used for managing the Town's assets is the "prudent man" standard of CRS 15-1-304 (CRS 24-75-601.1 (2)) rule which states, "Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment considering the probable safety of their capital as well as the probable income to be derived".

The Finance Director and designees are authorized to invest funds of the Town in accordance with the Town policies and Colorado Law in any of the following investments:

- U.S. Treasury Obligations: Treasury Bills, Treasury Notes, Treasury Bonds and Treasury Strips with maturities not exceeding five years from the date of purchase.
- Federal Instrumentality Securities: Debentures, discount notes, callable securities, step-up securities, and stripped principal or coupons with maturities not exceeding five years from the date of trade settlement. If a Federal Instrumentality Security carries a rating lower than the highest category by any NRSRO, the security is eligible for purchase subject to the following limitations: the final maturity (from the date of trade settlement) may not exceed the statutory limit stated in C.R.S. 24-75-601 and the security must be rated at least AA- or the equivalent by at least two Nationally Recognized Statistical Rating Organization (NRSRO), and not less by any. Subordinated debt shall not be purchased. For securities authorized in this paragraph, the Town shall limit the combined total of investments to no more than 90 percent of the total portfolio and 30 percent per issuer.
- Commercial Paper issued by domestic corporations with maturities not exceeding 270 days from the date of purchase, which at the time of purchase is rated at least A-1, or the equivalent by at least two NRSROs, and rated not less by all NRSROs that rate the commercial paper. If

FINANCIAL POLICIES

the commercial paper issuer has senior debt outstanding, it must be rated at least AA, or the equivalent at the time of purchase by at least two NRSROs, and rated not less by all NRSROs that rate the issuer. The aggregate investment in commercial paper, banker's acceptances, and corporate debt shall not exceed 50% of the Town's investment portfolio, and no more than 5% of the Town's investment portfolio may be invested in the obligations of any one issuer.

- Corporate Debt with a maturity not exceeding three years from the date of trade settlement, issued by any corporation or bank organized and operating within the United States. The debt must be rated at least AA- or the equivalent by at least two NRSROs, and rated not less by any NRSRO that rates it. The aggregate investment in corporate debt, commercial paper, and banker's acceptances shall not exceed 50% of the Town's investment portfolio, and no more than 5% of the Town's investment portfolio may be invested in the obligations of any one issuer.
- Local Government Investment Pools Pursuant to CRS 24-75-702 that 1) are "no-load" (no commission or fee shall be charged on purchases or sales of shares); 2) have a constant net asset value of \$1.00 per share; 3) limit assets of the pool to those authorized by state statute; 4) have a maximum stated maturity and weighted average maturity in accordance with Rule 2a-7 of the Investment Company Act of 1940; and 5) have a rating of AAA or the equivalent by one or more NRSROs.
- Repurchase Agreements with a termination date of 180 days or less collateralized by U.S. Treasury obligations or Federal Instrumentality securities listed in a. and b. above with a final maturity not exceeding ten years. The purchased securities shall have a minimum market value including accrued interest of 102% of the dollar value of the transaction. Collateral shall be held by the Town's third-party custodian bank, and the market value of the collateral securities shall be marked-to-the market daily. Repurchase Agreements shall be entered into only with broker/dealers recognized as Primary Dealers by the Federal Reserve Bank of New York, or with firms that have a Primary Dealer within their holding company structure. Approved Repurchase Agreement counterparties if rated, shall have a short-term credit rating of at least A-1 or the equivalent and a long-term credit rating of at least A or the equivalent by each NRSRO that rates them.
- Non-Negotiable Certificates of Deposit with a maturity not exceeding one year in any FDIC insured state or national bank located in Colorado that is an eligible public depository as defined in CRS 11-10.5-103. Certificates of deposit that exceed FDIC insurance limits shall be collateralized as required by the Public Deposit Protection Act. In addition, at the time of

FINANCIAL POLICIES

purchase, issuing banks shall meet the credit criteria set forth in the section of this investment policy, “Selection of Banks”.

- Eligible Banker’s Acceptances with maturities not exceeding 180 days, issued by FDIC insured state or national banks. Banker’s Acceptances shall be rated at least A-1, or the equivalent at the time of purchase by at least two NRSROs and rated not less by all NRSROs that rate the instrument. If the issuing bank has senior debt outstanding, it must be rate at least AA or the equivalent at the time of purchase by at least two NRSROs and rated not less by all NRSROs that rate the bank. The aggregate investment in banker’s acceptances, commercial paper, and corporate debt shall not exceed 50% of the Town’s investment portfolio, and no more than 5% of the Town’s investment portfolio may be invested in the obligations of any one issuer.
- Money Market Mutual Funds registered under the Investment Company Act of 1940 that: 1) are “no-load” (no commission or fee shall be charged on purchases or sales of shares); 2) have a constant net asset value of \$1.00 per share; 3) limit assets of the fund to those authorized by state statute; 4) have a maximum stated maturity and weighted average maturity in accordance with Rule 2a-7 of the Investment Company Act of 1940; and 5) have a rating of AAA or the equivalent by one or more NRSROs.

RISK MANAGEMENT

The goal of the Town is to protect the assets of the Town and provide a safe work environment for the Town’s employees. This goal is accomplished by planning for the negative consequences of any decision, process, or action by using risk control, risk retention, and risk transfer strategies. More specifically, the main features of this program are as follows:

- Delivering loss control programs such as defensive driving education, confined space entry education, safe lifting education, blood borne pathogens education, and a variety of other safety education measures to prevent or at least lessen the severity of workplace injuries, which saves money. Loss control also includes random audits of Town facilities to detect safety hazards in order to make services safe for the public.
- Reviewing Town contracts for the proper insurance requirements and to ensure the Town is properly designated on the contractor insurance policy.
- Monitoring changes in the law at the federal and state level to determine if any changes affect the way the Town delivers services, which in turn create a liability for the Town.
- Developing the financial resources to pay for expected and unexpected losses.
- Monitoring the exposure in all Town programs and services that may involve the Town in future liabilities.

BUDGET OVERVIEW

BUDGET OVERVIEW

FUND ACCOUNTING

Fund accounting is used both for budgeting and accounting purposes. Each fund is established for a specific purpose and is considered a separate accounting entity. The Council must approve or appropriate any expenditure from the various funds, including expenditures from reserves. The authorization is generally done prior to the beginning of each fiscal year, but can be done by the Town Council anytime during the year if funds are available. In government, “appropriate” or “appropriation” is used instead of “authorize” or “authorization”. All of the Town of Johnstown funds require appropriations before money can be expended.

It is important to note that beginning in 2020 the budget reflects a fund restructure in an effort to increase transparency and simplify functions. Consequently, for the 2023 budget cycle, comparisons with years prior to 2020 do not provide users with an accurate representation of fund changes, so they are not included. In future budgets, more lengthy comparisons, and analysis will be provided.

TOWN FUND TYPES

GOVERNMENTAL

- General Fund
- Special Revenue Funds

PROPRIETARY

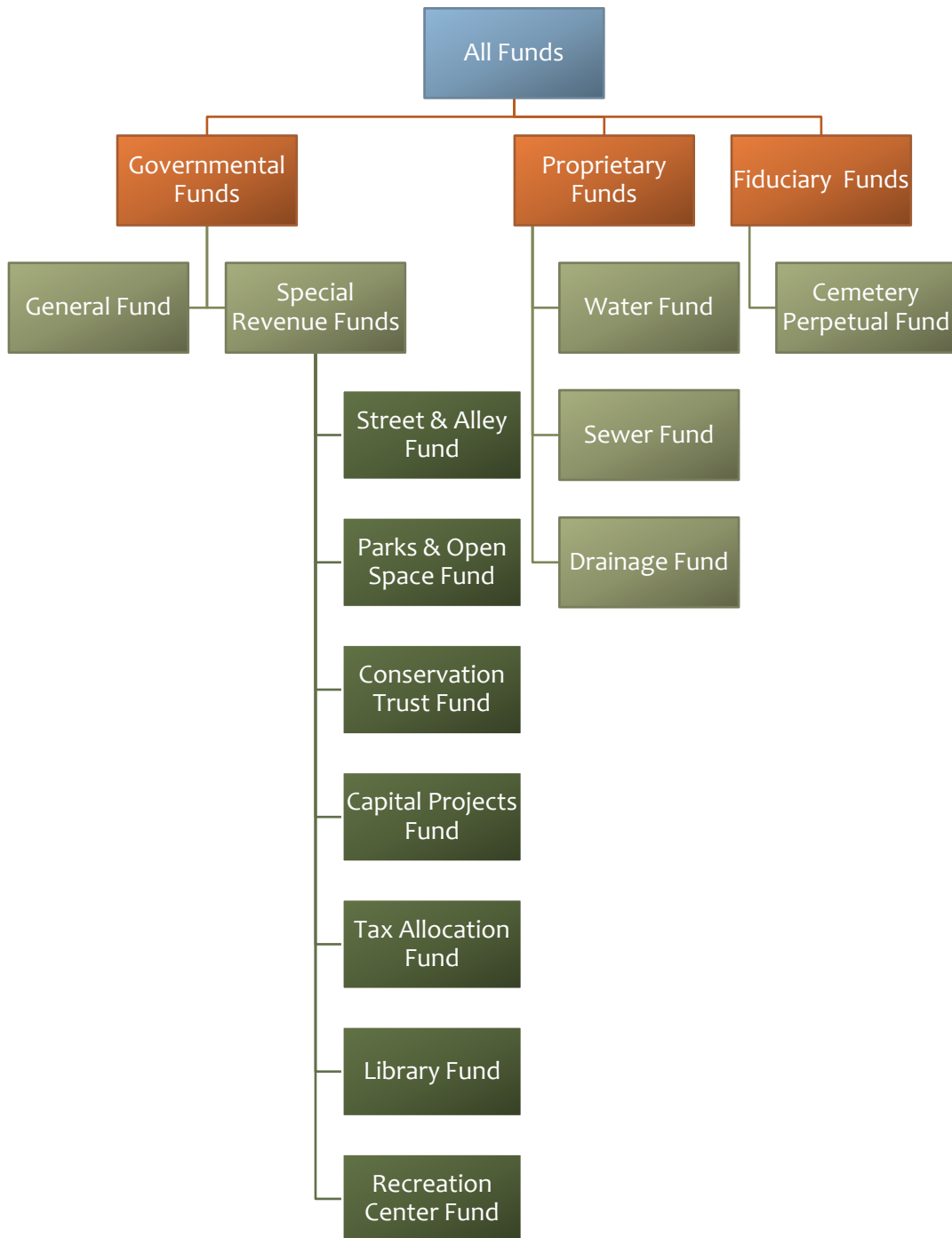
- Enterprise Funds
- Internal Service Funds

FIDUCIARY

- Trust and Agency Funds

BUDGET OVERVIEW

FUND STRUCTURE



BUDGET OVERVIEW

DEPARTMENT INVOLVEMENT BY FUND

The chart below lists each of the funds that the Town maintains and indicates which departments are financially active within each fund.

	Legislative	Town Mgr	Town Clerk	Finance	Planning	Public Works & Buildings	Police	Utilities
<u>Governmental Funds</u>								
General Fund	✓	✓	✓	✓	✓	✓	✓	
<u>Special Revenue Funds</u>								
Conservation Trust Fund								
Park and Open Space Fund		✓				✓		
Street and Alley Fund		✓		✓		✓		
Capital Projects Fund						✓		
Tax Allocation Fund								
Library Fund								
Recreation Center Fund								
<u>Proprietary Funds</u>								
Water Fund		✓		✓				✓
Sewer Fund		✓		✓				✓
Drainage Fund		✓		✓		✓		✓
<u>Fiduciary Fund</u>								
Cemetery Perpetual Fund								

BUDGET OVERVIEW

GOVERNMENTAL FUNDS

GENERAL FUND

The General Fund accounts for all transactions of the Town of Johnstown not accounted for in other funds and is the Town's primary operating fund. This fund represents an accounting for the Town's ordinary operations financed from taxes and other general revenues and is the Town's most significant fund in relation to overall expenditures. Special Revenue Funds are established for the purpose of accounting for monies received by the Town of Johnstown that are restricted in nature and can only be utilized for specific purposes. Financing is primarily provided by ad valorem property taxes, sales taxes and other taxes.

SPECIAL REVENUE FUNDS

Special Revenue Funds are established for the purpose of accounting for monies received by the Town of Johnstown that are restricted in nature and can only be utilized for specific purposes.

STREETS AND ALLEY FUND

This fund was established to account for resources used for the acquisition, construction, and maintenance of assets and capital facilities that are associated with alleys and roads in the Town of Johnstown. The revenues in this fund are primarily derived from motor vehicle related taxes, impact fees and grants.

CONSERVATION TRUST FUND

This fund was established as required by Section 31-25-220, Colorado Revised Statutes, 1973 to account for monies received from the State of Colorado for Conservation Trust Fund (lottery) purposes. Funding can be used for the acquisition, development, and maintenance of new conservation sites or for capital improvements or maintenance for recreational purposes on any public site. New conservation sites are defined in statute as being interests in land and water, acquired after establishment of a conservation trust fund, for park or recreation purposes, for all types of open space, including but not limited to flood plains, green belts, agricultural lands or scenic areas, or for any scientific, historic, scenic, recreation, aesthetic or similar purpose.

PARK AND OPEN SPACE FUND

This fund was established to account for resources used in the purchase of lands for additional parks and for the improvement and maintenance of existing parks and open

BUDGET OVERVIEW

space in the Town. Revenues for this fund are primarily impact fees, grants and transfers from other funds.

TAX ALLOCATION FUND

The Tax Allocation Fund has been established to account for sales and use taxes that have been received from specific development areas where, written agreements exist between the Town and developer/s, and the Town has agreed to reimburse the developer/s for certain public improvements.

CAPITAL PROJECTS FUND

Created in 1989, the Capital Projects Fund was created to account for resources used for the acquisition, construction, and maintenance of assets and major capital facilities other than those financed by proprietary funds and trust funds. Revenue for this fund comes primarily from 1% of the use tax collected on building materials and construction materials utilized within the Town.

LIBRARY FUND

The Library Fund, provides a dedicated source of funds for construction, operation, maintenance, materials, equipment, programming, and outreach for the Library. The revenues for this fund are primarily from transfers from the Town of Johnstown General Fund and the High Plains Library District, user fines and fees, grants and contributions.

RECREATION CENTER FUND

In 2019, construction on the Johnstown Community Recreation Center started. The Town of Johnstown has partnered with the YMCA to operate the facility once construction is complete. This fund allows the Town to easily account for the transactions that are related to the operations and maintenance of this major asset. Revenue for this fund consists of transfers from the General Fund.

BUDGET OVERVIEW

PROPRIETARY FUNDS

ENTERPRISE FUNDS

Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the Town Council has decided that periodic determination of net income is appropriate for accountability purposes. The Town has three qualified Enterprise Funds including Water, Sanitary Sewer, and Drainage. These funds provide different combinations of utility services to 6,190 customers.

FIDUCIARY FUNDS

CEMETERY PERPETUAL CARE FUND

The Cemetery Perpetual Care Fund was formed by Council to keep the principal funds safe and invested while allowing the investment income to be used to offset the maintenance costs of the cemetery. Fifteen percent of the monies and proceeds derived from the sale of lots and grave spaces, are what constitute the revenues in this fund.

COMPONENT UNITS

NONE

The Town of Johnstown does not currently have any authorities that are reported as component units.

NOTES AND ASSUMPTIONS

The following notes and assumptions were used to build the various detail budgets for revenues and expenditures and are applicable for all funds except in cases where specifically noted. The overall driving factors were established through joint efforts with the Town Manager, the Finance Department, and Town Council. Fund Balance is the excess or deficiency of the assets of a fund over its liabilities at any point in time. This is shown in the following schedules as Revenues minus Expenditures and plus Other Financing Sources (Uses) plus Beginning Fund Balance to derive the Ending Fund Balance.

BUDGET OVERVIEW

TOTAL COMBINED TOWN BUDGET

The 2023 Adopted Budget is balanced as defined in the introduction section of this document, with a “balance between total estimated expenditures and total anticipated revenues, including surpluses.” This means that the appropriated expenditures cannot exceed the sum of the revenues and beginning fund balance.

The budget shown below is a consolidated budget that contains all of the fund budgets for the organization.

2023 BUDGET - ALL FUNDS	General Fund	Special Revenue Funds	Capital Project Funds	Enterprise Funds	Trust and Agency Funds	Total All Funds	% of Total Rev. & Exp.
BEGINNING BALANCE:	83,537,563	29,592,808	7,653,223	45,380,633	167,056	166,331,283	
REVENUES:							
CHARGES FOR SERVICES	7,330	962,400	-	8,251,500	12,560	9,233,790	7.82%
FINES AND FORFEITURES	175,500	-	-	-	-	175,500	0.15%
PROPERTY TAXES	9,030,534	-	-	-	-	9,030,534	7.65%
SALES TAXES	9,750,000	3,187,500	302,200	-	-	13,239,700	11.22%
LICENSES AND PERMITS	1,511,500	2,220,890	-	21,030,610	-	24,763,000	20.98%
MISCELLANEOUS	1,684,370	98,250	-	56,264,900	60	58,047,580	49.18%
OTHER TAXES	185,000	1,033,905	-	-	-	1,218,905	1.03%
GRANTS	10,000	2,319,836	-	-	-	2,329,836	1.97%
TOTAL REVENUES	22,354,234	9,822,781	302,200	85,547,010	12,620	118,038,845	100.00%
OTHER SOURCES/USES:							
TRANSFERS IN	-	3,495,508	-	50,000,000	-	53,495,508	
TRANSFERS OUT	51,945,508	-	50,000	1,500,000	-	53,495,508	
TOTAL OTHER SOURCES/USES	(51,945,508)	3,495,508	(50,000)	48,500,000	-	0	
EXPENDITURES:							
PERSONNEL SERVICES	6,769,790	1,878,540	-	2,084,010	-	10,732,340	6.68%
CONTRACT SERVICES	2,507,295	4,461,200	11,500	2,639,740	-	9,619,735	5.99%
COMMODITY	634,935	650,790	-	2,240,335	-	3,526,060	2.19%
OTHER CHARGES	803,320	729,200	-	2,715,700	-	4,248,220	2.64%
CAPITAL OUTLAY	437,500	8,053,000	2,500,000	115,398,280	-	126,388,780	78.63%
IMPACT OUTLAY	750,000	2,700,000	-	-	-	3,450,000	2.15%
DEBT SERVICE	-	-	-	2,764,000	-	2,764,000	1.72%
TOTAL EXPENDITURES	11,902,840	18,472,730	2,511,500	127,842,065	-	160,729,135	100.00%
ENDING BALANCE:	42,043,450	24,438,367	5,393,923	51,585,578	179,676	123,640,994	

BUDGET OVERVIEW

ANALYSIS OF SIGNIFICANT CHANGES IN ANTICIPATED FUND BALANCE

The following analysis focuses on available fund balances of Town funds anticipated to increase or decrease by 10% or more.

	Anticipated FY 2023 Beginning Balance	Anticipated FY 2023 Ending Balance	Increase (Decrease)	Percent Change
General Fund				
Fund Balance Available for Appropriation	83,537,563	42,043,450	(41,494,113)	-49.7%

Discussion:

The anticipated General Fund ending fund balance decrease is primarily due to a loan to the Sewer Fund (\$50,000,000). Operational costs have increased in 2023, but that increased outflow of funds has been counterbalanced with increased revenues from sales taxes and other permits and fees. Despite the decrease in fund balance, this fund is financially healthy and has maintained more than the 150 days minimum reserves set by the Town Council.

	Anticipated FY 2023 Beginning Balance	Anticipated FY 2023 Ending Balance	Increase (Decrease)	Percent Change
Conservation Trust Fund				
Fund Balance Available for Appropriation	36,201	118,251	82,050	226.7%

Discussion:

This fund's revenues are lottery funds from the State. The fund is restricted in both revenues and qualified expenditures. This fund typically only has projects budgeted every other year in an effort to afford more substantial projects. No projects were budgeted in 2023.

	Anticipated FY 2023 Beginning Balance	Anticipated FY 2023 Ending Balance	Increase (Decrease)	Percent Change
Parks and Open Space Fund				
Fund Balance Available for Appropriation	5,224,587	2,150,177	(3,074,410)	-58.8%

Discussion:

The fund balance decrease in this fund is associated with large capital outlays in 2023. Budgeted outlays include: \$850,000 budgeted for the Little Thompson Trail project, \$250,000 Master Plan, \$300,000 for pickleball courts, \$80,000 for dog park, \$1,000,000 for Larimer County Land/Trail project, \$45,000 vehicle, \$80,000 for equipment including a riding mower, pesticide tank, and water tank.

	Anticipated FY 2023 Beginning Balance	Anticipated FY 2023 Ending Balance	Increase (Decrease)	Percent Change
Capital Projects Fund				
Fund Balance Available for Appropriation	7,653,223	5,393,923	(2,259,300)	-29.5%

Discussion:

The decrease in fund balance in this fund is due to a budgeted \$2,200,000 expenditure for improvements to I-25 and, \$300,000 for the Downtown branding and signage. This fund is utilized for construction and financing of capital projects. When there are no active projects, this fund's fund balance will steadily increase as the primary funding source is 1% of use taxes collected on building permits.

BUDGET OVERVIEW

	Anticipated FY 2023 Beginning Balance	Anticipated FY 2023 Ending Balance	Increase (Decrease)	Percent Change
Water Fund				
Fund Balance Available for Appropriation	11,127,993	46,247,113	35,119,120	315.6%

Discussion:

In 2023, this fund anticipates and budgeted for substantial bond revenues (\$56,000,000). Capital expenditures for this fund include a \$80,000,000 for the construction for new water treatment plant, \$850,000 carryover for south water tank and distribution line, \$1,750,000 design and land acquisition for the raw water project, \$600,000 Charlotte St, \$300,000 generator, \$350,000 tank CI injection system, \$550,000 24" raw water trunk line, \$1,000,000 SH60 waterline, \$1,000,000 CWWTP waterline and \$261,280 pilot

	Anticipated FY 2023 Beginning Balance	Anticipated FY 2023 Ending Balance	Increase (Decrease)	Percent Change
Sewer Fund				
Fund Balance Available for Appropriation	30,629,542	1,887,792	(28,741,750)	-93.8%

Discussion:

The large beginning fund balance is primarily attributed to the issuance of approximately \$56 million of bonds in 2021. Major outlays included in the 2023 budget include: \$12,300,000 for the Low Point WWTP, \$600,000 Charlotte St project, \$45,000,000 Central construction, \$15,000 hydraulic pump, \$400,000 Hwy 60 construction, \$20,000,000 North Interceptor, and \$500,000 Central ph2 Grainary connection.

	Anticipated FY 2023 Beginning Balance	Anticipated FY 2023 Ending Balance	Increase (Decrease)	Percent Change
Recreation Center Fund				
Fund Balance Available for Appropriation	422,738	0	(422,738)	-100.0%

Discussion:

Expenditures in this fund are operations related. Transfers in, were budgeted in 2023 to utilize the remaining fund balance.

	Anticipated FY 2023 Beginning Balance	Anticipated FY 2023 Ending Balance	Increase (Decrease)	Percent Change
Street and Alley Fund				
Fund Balance Available for Appropriation	15,712,155	13,205,970	(2,506,185)	-16.0%

Discussion:

Fund balance decreased only slightly despite a long list of capital projects due to strong sales tax revenue performance. Capital project costs include: \$4.6 million improvements to Charlotte St, \$1,500,000 Colorado half street, \$550,000 traffic signal, \$175,000 RR upgrade, \$150,000 Iron Horse, \$250,000 Thompson Parkway design, \$140,000 Colorado and SH60 design, \$80,000 crack seal equipment, \$40,000 variable message boards, \$15,000 key system, \$10,000 arrow boards for trucks, \$15,000 traffic control devices, and \$10,000 pedestrian crossings.

	Anticipated FY 2023 Beginning Balance	Anticipated FY 2023 Ending Balance	Increase (Decrease)	Percent Change
Library Fund				
Fund Balance Available for Appropriation	8,155,642	8,922,484	766,842	9.4%

Discussion:

The increase in fund balance in this fund can be attributed to a decrease in capital spending in the 2023 budget.

BUDGET OVERVIEW

SUMMARY OF CAPITAL EXPENDITURES

The following summary includes capital expenditures of Town funds that exceed \$250,000.

General Fund

Project Description	Capital Expenditure Amount	Recurring?
Police Station design	\$450,000	No

Discussion:

The police department is out of space in the current building. The design of for expansion will also address the need for additional room for evidence storage.

Street & Alley Fund

Project Description	Capital Expenditure Amount	Recurring?
Colorado Boulevard	\$1,500,000	No

Discussion:

This project expands Colorado Boulevard north of Highway 60. The Town is working with adjacent development to widen a portion of the roadway as other sections of the road are completed to minimize impact for drivers and taxpayers. The long-term financial impact will be maintenance related.

Charlotte Street improvements	\$4,600,000	No
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Discussion:

This project continues the construction phase of a project that will ultimately consist of a complete reconstruction of all infrastructure in this area as it is beginning to fail. The long-term financial impact is reduced maintenance costs.

Thompson Parkway redesign	\$250,000	No
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Discussion:

This project will evaluate the design and traffic flow of the Thompson Parkway.

Traffic signal	\$550,000	No
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Discussion:

A new traffic signal will be installed at the intersection of Highway 60 and Carlson Boulevard. The Town has secured a federal grant to help with the cost of this project.

BUDGET OVERVIEW

Parks and Open Space Fund

Project Description	Capital Expenditure Amount	Recurring?
Trail projects	\$850,000	No
<u>Discussion:</u> This project consists of new trails around CR46.5 and CR19 that will join the communities of Johnstown and Milliken. Since it is a new asset, maintenance costs associated with the trails will increase.		
Larimer County open space/park land acquisition	\$1,000,000	No
<u>Discussion:</u> This project includes funds to purchase acreage in Larimer County for a regional park. The financial impact to the Town on a long-term basis will be maintenance related.		
Parks master plan	\$250,000	No
<u>Discussion:</u> A Parks Master Plan provides a practical, comprehensive plan of action for meeting the immediate, short-term and long-range needs and interests for parks, open space and facilities in the Town.		
Park planning	\$600,000	No
<u>Discussion:</u> This project includes funds to plan and begin construction on the land of the former Letford Elementary School site for recreational use. The financial impact to the Town on a long-term basis will be maintenance related.		

Capital Projects Fund

Project Description	Capital Expenditure Amount	Recurring?
I-25 Interchange construction	\$2,200,000	No
<u>Discussion:</u> This project consists of aesthetic improvements to the I-25 and Hwy 60 intersection. This project when completed will provide a key gateway to the Town and serve as a significant economic node for the region. The financial impact to the Town on a long-term basis will be maintenance related.		
Downtown Branding	\$300,000	No
<u>Discussion:</u> This project is to fund signs for the Downtown Branding and Wayfinding plan. The financial impact to the Town on a long-term basis will be maintenance related.		

Water Fund

Project Description	Capital Expenditure Amount	Recurring?
Raw water line	\$1,750,000	No
<u>Discussion:</u> This is a capital expense to design the raw water project and acquire the land. The line will deliver water from Lone Tree reservoir to Johnstown Reservoir.		

BUDGET OVERVIEW

Generator at Town Reservoir	\$300,000	No
<u>Discussion:</u> New generators at Town Lake will allow the Town to continue to produce water during power interruptions, thus improving reliability of the system.		
Raw water truck line	\$550,000	No
<u>Discussion:</u> This expense covers the maintenance of the 24" raw water trunk line for Johnstown Reservoir.		
Water plant expansion	\$33,000,000	No
<u>Discussion:</u> This project is complete the design phase of the water plant expansion project and begin construction, which, when completed, will allow the Town to better meet peak flow requirements. The financial impact to the Town on a long-term basis will be maintenance related.		
South tank construction & distribution line	\$850,000	No
<u>Discussion:</u> This project will provide additional water storage that will help mitigate the stress on the system during peak demand periods and will improve water pressures in some areas of Town. As this is a new structure, operational and maintenance costs are expected to increase when this asset is functional.		
CI injection system	\$350,000	No
<u>Discussion:</u> This project will provide the equipment to inject chlorine proportionally to the water flow to meet safe drinking water standards in the 34 tank.		
Charlotte St. improvements	\$600,000	No
<u>Discussion:</u> This project is the construction phase of a project that will ultimately consist of a complete reconstruction of all infrastructure in this area as it is beginning to fail. The long term financial impact is reduced maintenance costs.		
Central waterline	\$1,000,000	No
<u>Discussion:</u> This project will provide a waterline to the Central waste water treatment plant.		
Highway 60 waterline	\$1,000,000	No
<u>Discussion:</u> This project is the construction phase of replacing a section of the water line along Highway 60. The long-term financial impact is reduced maintenance costs.		

BUDGET OVERVIEW

<u>Sewer Fund</u>		
Project Description	Capital	Recurring?
Low Point WWTP construction	\$12,300,000	No
<u>Discussion:</u> This project is the construction and expansion of the Low Point Wastewater Treatment Plant. This project will increase capacity substantially to provide for today and for the future.		
North Interceptor - Ph. 1	\$20,000,000	No
<u>Discussion:</u> This project consists of the installation of a lift station and+ sewer interceptor. This infrastructure expansion will allow for continued growth and development in the area.		
Central Interceptor - Ph. 2	\$500,000	No
<u>Discussion:</u> This project consists of the final design and installation of a sewer interceptor. This infrastructure expansion will allow for continued growth and development in the area.		
Highway 60 sewer line	\$600,000	No
<u>Discussion:</u> This project is the design and construction of replacing a section of the sewer line along Highway 60. The long-term financial impact is reduced maintenance costs.		
Charlotte St. improvements	\$600,000	No
<u>Discussion:</u> This project is the construction phase of a project that will ultimately consist of a complete reconstruction of all infrastructure in this area as it is beginning to fail. The long term financial impact is reduced maintenance costs.		
Central Wastewater Treatment Plant design	\$45,000,000	No
<u>Discussion:</u> The current sewer plant and infrastructure is nearing capacity. This project consists of the construction for a new upgraded plant that can accommodate future growth and environmental requirements.		
<u>Drainage Fund</u>		
Project Description	Capital Expenditure Amount	Recurring?
Charlotte St. improvements	\$250,000	No
<u>Discussion:</u> This project is the construction phase of a project that will ultimately consist of a complete reconstruction of all infrastructure in this area as it is beginning to fail. The long term financial impact is reduced maintenance costs.		

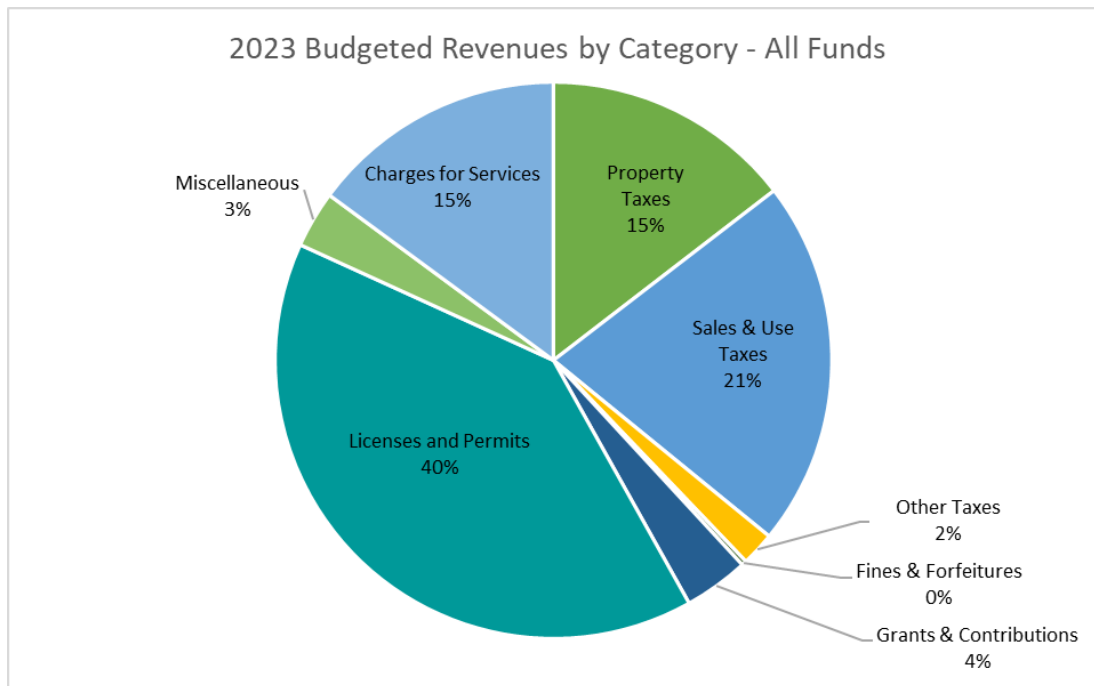
BUDGET OVERVIEW - REVENUES

REVENUE OVERVIEW

The Town strives to maintain a strong, diverse revenue base recognizing that a dependence upon any individual revenue source would make revenue yields more vulnerable to economic cycles. All revenues are conservatively projected and are monitored and updated as necessary. The Town utilized the Colorado Legislative Council as the primary source for forecasted Denver-Boulder-Greeley Consumer Price Index (CPI). Additionally, the Town considers reports published by economists in the Colorado State Office of Planning and Budgeting. The methodology used for each revenue type is further explained under each revenue type. The following table identifies the CPI for each year from 2018 to 2022 that were used in forecasting:

Year	2018	2019	2020	2021	2022
Consumer Price Index (CPI)	2.731%	1.924%	2.2%	3.25%	8.05%

The following chart consolidates and summarizes the Town's revenue by source:

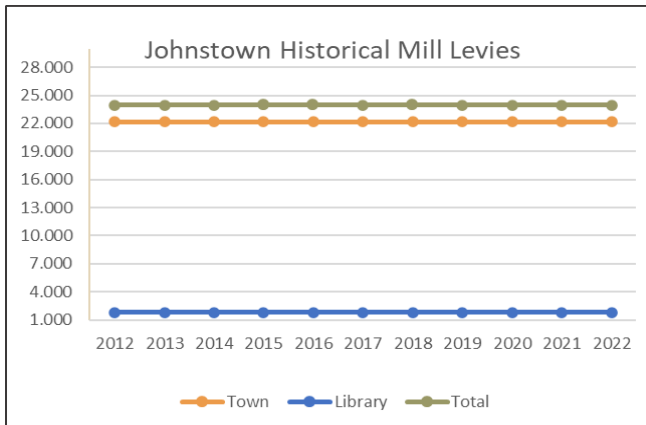


The following are descriptions of the Town's revenue resources, associated forecasting assumptions, and revenue trends.

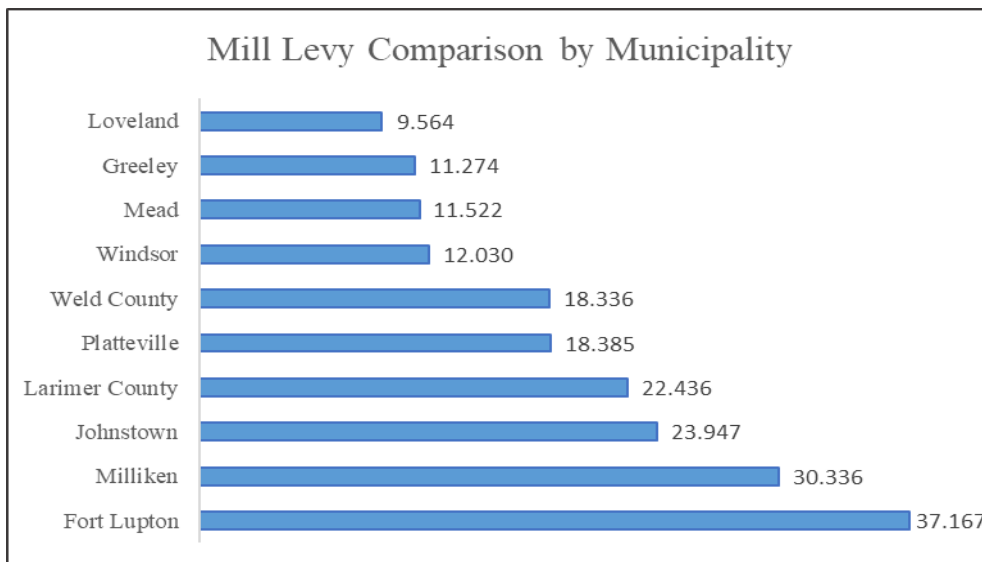
BUDGET OVERVIEW - REVENUES

PROPERTY TAX

Property taxes are levied on December 31, and attach as an enforceable lien on property as of January 1. Installation payments are due at the end of February and June 15th. Single payments are due on or before April 30th. Taxes are delinquent, if not paid, as of June 15th. If the taxes are not paid within subsequent periods, the property may be sold at a public auction. Weld and Larimer Counties bill and collect all of the property taxes and remits collections to the Town on a monthly basis after deducting a one percent (1% Weld County and 2% Larimer County) collection fee.



The mill levy rate for Johnstown in 2023 will remain at 23.947 mills. One mill represents \$1 for every \$1,000 in assessed property value. Property tax is calculated by multiplying the mill levy by the assessed valuation of a property. Property Tax revenue is forecast each year based on assessed valuations as determined by the County Assessors and applying the Town's current mill levy rate.



BUDGET OVERVIEW - REVENUES

Property Tax Revenues by Category - Larimer and Weld Counties				
Category	2021 Budget Taxes Levied	2022 Budget Taxes Levied	2023 Budget Taxes Levied	% Change 2022 to 2023
Vacant Land	198,639	240,130	287,348	19.66%
Residential	3,581,014	3,880,316	3,894,597	0.37%
Commercial	2,618,128	2,830,823	2,925,029	3.33%
Industrial	455,362	589,017	607,809	3.19%
Agricultural	29,011	27,636	30,702	11.09%
Oil & Gas	1,231,543	502,650	1,050,873	109.07%
State Assessed	141,906	186,016	241,368	29.76%
State Backfill	0	0	8,715	0.00%
Total Revenue	8,255,603	8,256,589	9,046,440	9.57%

The changes in property tax revenues can vary substantially by category. One of the most volatile categories is Oil & Gas because the valuation depends on well production, which is calculated annually. Oil & Gas had substantial decreases in valuation in 2021 followed by increases in 2022. As property taxes are collected in arrears, the increased 2022 valuations impact the 2023 budget. In contrast to the substantial increase in Oil and Gas, most other categories experienced at least a modest increase in valuation as 2023 was a reassessment year. The budget projections for property tax revenues are based on the Certification of Valuation which is provided annually by Weld and Larimer Counties. The Town does not make any adjustments to the calculations that they provide.

SALES TAX

The Town of Johnstown collects a three and one-half percent (3.5%) tax on sales of tangible personal property and specific services. Sales taxes are collected by the retailer and are reported to the State of Colorado on either a monthly, quarterly, or annual basis. The State then collects Johnstown's portion of the sales taxes and remits it to the Town monthly. Three percent (3.0%) of the Town's sales tax goes into the General Fund and one-half percent (.5%) goes into the Street and Alley Fund.

Sales taxes are forecasted using historical trends for the past five years combined with knowledge of new businesses that are locating in the Town. Since sales tax revenue is often one of the first indicators when there is a downward shift in the economy, sales tax revenues are conservatively projected and actual sales tax revenues are monitored closely so that the Town can respond quickly in an effort to eliminate any serious shortfall.

BUDGET OVERVIEW - REVENUES

USE TAX

A use tax is levied as a complement to the Town sales tax at three and one-half percent (3.5%) and is imposed upon taxable purchases where a sales tax was not legally imposed. The Use Tax consists of two (2) types, the Building Material Use Tax and the Motor Vehicle Use Tax. Depending upon the type of transaction, the use tax may be paid upon issuance of a building permit, and upon purchase/registration of a motor vehicle. All use tax totals 3.5 cents on every dollar and is collected by the Town or is collected and distributed by Weld and Larimer County. Use taxes are projected using trend analysis based on actual revenues received during the past seven years as well as knowledge of new housing developments and approximate timelines for that development. The Town based the 2023 budgeted figures on 170 new single-family homes and 250 multi-family homes expected to be built in the community during the year.

EXCISE TAX

Excise taxes are taxes on the sale, or production for sale, of specific goods or a tax on a good produced for sale, or sold, within a country or licenses for specific activities. In Johnstown, there are two such taxes, tobacco and severance.

[Tobacco Products Tax](#) - State of Colorado taxes tobacco products at the rate of 50% of the manufacturer's list price for non-modified risk products, 50% for tobacco products that are modified risk, and there is a minimum tax for moist snuff of \$1.48 per 1.2 ounce can. State tax stamps are issued to the distributors as evidence of payment. Each year an amount of State funds from the tax on tobacco products is distributed to counties and municipalities that do not impose any fee, license, or tax on cigarettes. The amount received is based on the proportion of State sales tax collected in each municipality. Tobacco tax revenue projections are calculated using trend analysis based on actual revenues over the past seven years.

[Severance Tax](#) - Colorado severance tax is imposed upon nonrenewable natural resources that are removed from the earth. The tax is calculated on the gross income from oil and gas and carbon dioxide production. 70% of the tax money collected is used by the State to fund grant programs. The remaining 30% is divided and distributed to counties and local governments. The division is based on the residence of certain mineral and energy industry workers. Severance tax is difficult to project as the fluctuations from year to year can be substantial. Revenue projections for severance tax are forecasted using a combination of trend analysis as well as information that we receive from the oil and gas industry and other sources.

BUDGET OVERVIEW - REVENUES

FRANCHISE CHARGES

The Town maintains two specific franchise charges, Cable Television Franchise Charge and Gas/Electric Franchise Charges.

[Cable Franchise](#) - This fee is compensation for the benefits and privileges granted under the Franchise Agreement. The fees are in consideration of permission to use Town streets and rights-of-way for the provision of cable services. The franchise fee is three percent (3%) of the gross revenues. Revenue projection is completed using trend analysis.

[Gas/Electric Franchise Charge](#) - The Town currently has a franchise agreement with gas and electric service companies for the right to furnish, sell, and distribute electric and natural gas to residents and businesses within the community. The agreement provides them with access to public property to provide these services. In consideration for this franchise, the companies pay the Town a sum equal to three percent. Revenue projection is completed using trend analysis.

FINES AND FORFEITURES

The Municipal Court assesses fees to parties found guilty of any municipal offense through the court system. This category also includes revenues from police activities such as fingerprinting. These revenues are projected using trend analysis and actual data from the past seven years.

LICENSES AND PERMITS

Licenses and permits are established by ordinance to allow the Town to collect various licenses or permit fees. These licenses and permit fees allow the purchaser to perform or provide specific services or goods within the Town. There are several types of licenses and permits required within the Town. The following identifies the most significant license or permit fees.

[Building Permit Fees](#) – Building Permit Fees are based on the dollar valuation of the construction work to be performed. The valuation is determined using the cost per square foot published in the Building Safety Journal. Permit fees are established by ordinance and are budgeted based on local economic trends. Building Permit Fees are forecasted using current year's activity.

INTERGOVERNMENTAL REVENUES

Intergovernmental Revenues are transfers from any fund into another fund.

BUDGET OVERVIEW - REVENUES

CHARGES FOR SERVICES

User based fees are established to help defray the cost of operations such as park rentals, trash collection, and charges for utilities.

UTILITY CHARGES

Utility charges are user-based fees that are charged for the participation with the Town's utility services. Those services include water, sewer and storm water. These revenues are projected using trend analysis and knowledge of upcoming rate changes.

Water Charges – The water rates include both a base rate and a usage per thousand-gallon rate for water consumption. The residential base rate is used for system improvements and maintenance of existing infrastructure. The 2023 budget includes an increase in the base rate and an increase in the usage rate. The increase to the base rate for residential, single- family homes is 3%. The increase to the usage rate is also 3%.

Sewer Charges – The sewer rate for residential customers is billed at a flat rate. Commercial customers rates are calculated annually based on average usage from the months of December, January and February. The 2023 budget includes an increase of 5% in the sewer base rates for all customer classes.

Drainage Charges – Development decreases the ground surface that can absorb water, so the Town must accommodate this change by improving and increasing the drainage infrastructure to decrease the potential of flooding. The residential drainage rate is a flat rate that was calculated based on the average quantity of impermeable surface for each dwelling. Commercial properties are billed based on the impermeable surface directly related to their property. No rate increases were included in the 2023 budget.

IMPACT FEES

Impact Fees are charged as a part of the building permit process and allow the Town to take into consideration the affect a new development will have on parks and open space, drainage and streets among others. Impact fees are forecast using the current year's activities. Impact fees in all funds were calculated based on an anticipated 170 new single-family homes and 250 multi-family homes in the community in 2023.

BUDGET OVERVIEW - REVENUES

OTHER REVENUES

The other revenue category includes revenue from investments, rents, insurance proceeds, reimbursement of expenses and other miscellaneous revenue sources. Trend analysis is used for forecasting these revenues.

GRANTS

Revenue from grant programs will be recorded here. The Town makes an effort to secure grant funding whenever possible. Grants that the Town has received in the past include law enforcement grants such as leaf and dui grants. Grant funds are budgeted based on knowledge of upcoming grant applications that have been submitted or awarded to the Town.

ROAD AND BRIDGE

Weld and Larimer Counties impose a separate countywide mill levy for construction and maintenance of roads and bridges. Funds are shared with local governments and are distributed based on the percent of assessed valuation to total countywide assessed valuation. Revenues are forecast using trend analysis.

HIGHWAY USER'S TAX

The Highway User's Tax Funds (HUTF) is a state collected, locally shared revenue. HUTF revenues are based on a variety of formulas that include revenues based on motor fuel taxes, driver's license, and motor vehicle registration fees. The HUTF is distributed monthly among the state, counties, and municipalities based on a formula that takes into account the number of vehicles registered and the miles of streets in each municipality relative to the same data in other municipalities. These funds may be spent on new construction, safety, reconstruction, improvement, repair and maintenance, and capacity improvements. These sources may not be used for administrative purposes. Highway User's Tax is forecast based on information provided by the state.

MOTOR VEHICLE REGISTRATION FEES

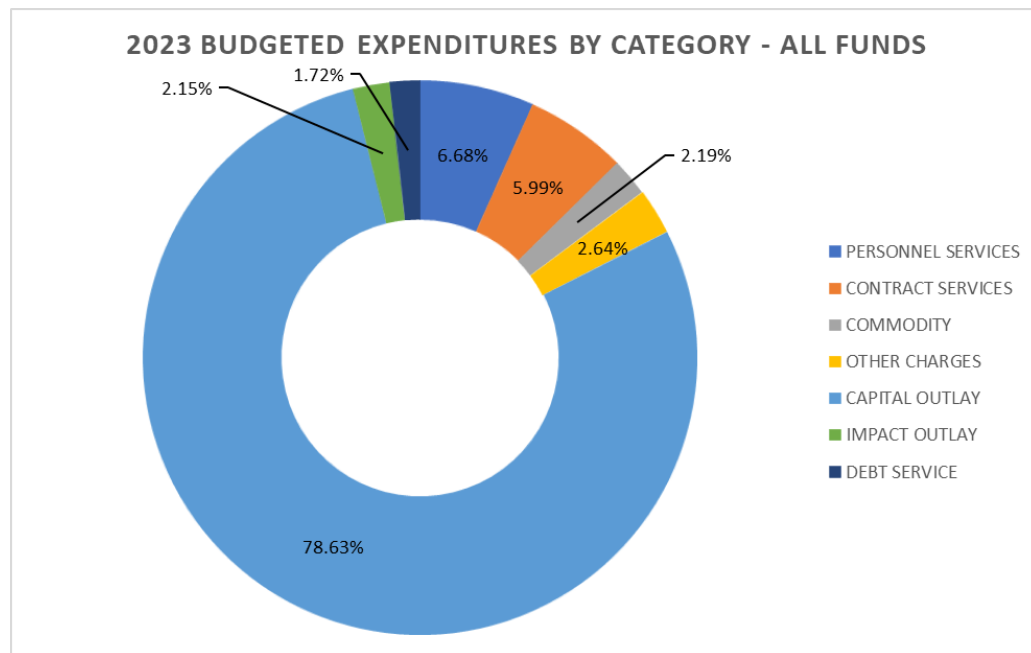
Motor Vehicle Registration Fees are state imposed on the registration of a vehicle. Fees are primarily based on the weight of the vehicle (as published by the manufacturer) and the age of the vehicle. In addition to the base fees, there are numerous add-on fees that are imposed. The revenue received by a county, or town is "actual" fees collected for the month based on the number and type of vehicles registered. Trend analysis is used to project future revenues.

BUDGET OVERVIEW - EXPENDITURES

EXPENDITURES/EXPENSE OVERVIEW

The Town of Johnstown categorizes the expenses in each fund by function. The categories of expenses include: Personnel Services, Contract Services, Commodity, Other Charges, Capital Outlay and Debt Service. Each category is detailed below.

The following chart consolidates and summarizes the Town's expenditures by category:



Note: The 2023 Budgeted Expenditures by Category chart does not include transfers.

PERSONNEL SERVICES

This category includes all costs associated with Town personnel including salaries/wages, payroll taxes, unemployment taxes, health insurance, workers compensation insurance, and retirement contributions. Costs for this category are calculated by allocating each employee's time and associated costs to the appropriate fund/funds. As a service-based entity, this is one of the largest expenses for the Town as a whole.

CONTRACT SERVICES

The contract services category includes all expenses that the Town incurs with businesses or individuals on a regular basis. Examples of such expenses include consulting services, engineering services, legal services, architectural services, infrastructure maintenance, concrete replacement, economic development, crack sealing, street striping, billing services, utility bill printing,

BUDGET OVERVIEW - EXPENDITURES

advertising, auditing, postage, copy machine maintenance, software maintenance, investment banking, etc.

COMMODITY

This category includes all items purchased in the normal course of business and includes items such as computers and software, fuel, general supplies, office supplies, small tools, small equipment, safety supplies, lab supplies, uniforms, meter supplies, vehicle supplies, ice slicer, mosquito control supplies, etc.

OTHER CHARGES

This category includes items that are one-time or miscellaneous expenses including, branding, commission grants, general liability insurance, professional memberships, election expenses, community outreach, depreciation, plant investment fees, tax rebates, etc.

CAPITAL OUTLAY

Items expensed in this category must meet the requirements of a capital purchase. To qualify the item must have a purchase price that is \$5,000 or greater and must have a life expectancy of more than one year. Examples of costs in this category include large equipment such as forklifts, commercial mowers, street sweepers, plow trucks, new parks, new buildings, building remodels, infrastructure expansions, new waterlines, playground equipment, new streets, new trails, bridges, street widening, etc.

DEBT SERVICE

Debt service items are costs associated with approved debt issuances for the Town. The debt can be the result of a bond issuance, lease purchase, or other contractual obligation. The Town currently allows the individual funds account for their individual debt and does not roll it all together in a debt service fund.

BUDGET OVERVIEW - DEBT

DEBT SERVICE AND FINANCIAL OBLIGATIONS

All of the Town of Johnstown's debt service and financial obligations will be appropriated each budget year.

LEGAL DEBT LIMIT

The Town of Johnstown is a Home Rule Municipality and as such, Section 13.6 of the Home Rule Charter states "Except as provided in this Charter, there shall be no limitation on the total amounts or other terms of securities the Town may issue or on the incurring of other debts or payment obligations by the Town." Comparatively, statutory municipalities are bound by the Colorado Revised Statutes which provide that general obligation indebtedness for all purposes shall not at any time exceed three percent (3%) of the actual value, as determined by the County Assessor, of the taxable property in the Town.

As of December 31, 2022, the Town has no general obligation debt outstanding.

LONG RANGE PLAN

LONG RANGE PLAN

The Town of Johnstown has completed a ten-year financial forecast in order to provide a long-term view of the General Fund's operating budget. The Town uses this multi-year financial forecasting as a planning and communication tool. The revenue and expenditure assumptions are updated annually to reflect current decisions made by the Town Council as well indicate current economic trends while anticipating future outcomes based on continuous monitoring of the economic climate in the area. The financial forecast model combines projections of future revenues and expenditures based on historical analysis and economic factors with planned improvements, expected changes, expirations of grants, and future changes in service delivery.

FORECAST ASSUMPTIONS

- **Revenues**
 - Property Tax Revenues have been projected using a conservative growth pattern for the next ten years.
- **Expenditures**
 - The inflation factor used in the model for expenditures is 4.0% for all years.
 - Capital expenditures have been projected based on our current equipment schedules. Annual expenditure changes as the result of capital purchases, such as increases in insurance premiums after adding new vehicles to the fleet, have been factored in on an annual basis.
 - Staffing costs and staffing level increases have been projected based on the current level of growth in the community. One full-time police officer position has been added in each of the following years: 2024, 2026, and 2029. Additionally, one full-time planner was added in 2024 and 2028, a full-time accountant was added in 2025, a full-time engineer was added in 2024 and a full-time deputy clerk was added in 2026.

ANALYSIS

The projections as presented, depicts stable revenues in the foreseeable future and expenditures increasing consistently each year. In 2023, existing fund balance will be utilized to balance the budget as a consequence of unusually large interfund transfers. These large transfers have been projected in 2023, 2024, and 2025 as there is a great deal of infrastructure work that needs to occur in other funds and internal loans may be the most cost-effective way of approaching these needs. In the 2023 budget, the Council's objective of maintaining a minimum of 150 days of operating costs in reserves is being met. This long-term projection helps to show the potential resources that may be available and identify areas where additional resources are likely needed if the local residential growth trends remain the same as they have been in the recent past.

LONG RANGE PLAN

General Fund	2023 Adopted	2024 Projected	2025 Projected	2026 Projected
Beginning Fund Balance*	83,537,563	42,043,450	16,731,602	25,052,980
<u>Revenues:</u>				
Taxes & Fees	19,417,534	19,797,595	20,157,171	20,754,501
Licenses & Permits	1,957,100	2,001,801	2,042,166	2,083,466
Fines & Forfeitures	175,500	225,398	227,372	223,969
Earnings on Investment	15,000	12,000	12,240	12,485
Miscellaneous Revenue	779,100	820,798	864,159	921,344
Grants & Contributions	10,000	34,815	30,262	19,968
<i>Transfers In</i>	0	0	0	0
Total Operating Revenues	22,354,234	22,892,406	23,333,370	24,015,732
<u>Operating Expenditures:</u>				
Town Manager	1,387,430	1,551,927	1,614,004	1,678,564
Town Clerk	441,910	459,586	477,970	589,089
Legislative	806,440	838,698	872,246	907,135
Finance	450,870	468,905	582,661	605,967
Planning	566,310	688,962	716,521	745,182
Building Inspections	413,820	430,373	447,588	465,491
Police	4,949,110	5,247,074	5,456,957	5,775,236
Public Works & Buildings	999,450	1,039,428	1,081,005	1,124,245
Reimbursement	700,000	728,000	757,120	787,405
<i>Transfers Out</i>	51,945,508	32,418,000	2,514,720	12,615,309
Total Operating Expenditures	62,660,848	43,870,954	14,520,792	25,293,623
Net Operating Revenues (Loss)	(40,306,613)	(20,978,547)	8,812,578	(1,277,892)
<u>Capital Expenditures:</u>				
Administration	55,000	0	10,000	32,000
Finance	0	0	0	0
Courts Division	25,000	0	0	0
Legislative	0	0	0	0
Engineering	0	0	60,000	0
Planning	0	0	0	0
Police	1,057,500	4,258,300	271,200	284,700
Public Works & Buildings	50,000	75,000	150,000	75,000
Total Capital Expenditures	1,187,500	4,333,300	491,200	391,700
Net Change in Fund Balance	(41,494,113)	(25,311,847)	8,321,378	(1,669,592)
Ending Fund Balance	42,043,450	16,731,602	25,052,980	23,383,389

LONG RANGE PLAN

General Fund	2027 Projected	2028 Projected	2029 Projected	2030 Projected	2031 Projected	2032 Projected
Beginning Fund Balance*	23,383,389	31,718,751	39,942,121	47,929,435	55,562,636	63,290,014
<u>Revenues:</u>						
Taxes & Fees	21,254,320	21,768,152	22,290,593	22,820,288	23,358,061	23,902,584
Licenses & Permits	2,125,802	2,168,277	2,212,499	2,256,850	2,302,464	2,348,077
Fines & Forfeitures	227,905	229,016	231,993	240,629	244,224	252,141
Earnings on Investment	12,734	12,989	13,249	13,514	13,784	14,060
Miscellaneous Revenue	1,005,644	1,061,119	1,120,920	1,181,798	1,244,914	1,311,070
Grants & Contributions	73,327	64,099	48,467	24,715	65,847	44,571
<i>Transfers In</i>	0	0	0	0	0	0
Total Operating Revenues	24,699,731	25,303,653	25,917,720	26,537,793	27,229,295	27,872,504
<u>Operating Expenditures:</u>						
Town Manager	1,745,707	1,815,535	1,888,157	1,963,683	2,042,230	2,123,920
Town Clerk	612,652	637,158	662,645	689,150	716,716	745,385
Legislative	943,421	981,158	1,020,404	1,061,220	1,103,669	1,147,816
Finance	630,206	655,414	681,631	708,896	737,252	766,742
Planning	774,989	909,989	946,388	984,244	1,023,613	1,064,558
Building Inspections	484,111	503,475	523,614	544,559	566,341	588,995
Police	6,006,245	6,346,495	6,708,355	6,976,689	7,255,756	7,545,987
Public Works & Buildings	1,169,215	1,215,984	1,264,623	1,315,208	1,367,816	1,422,529
Reimbursement	818,901	851,657	885,723	921,152	957,998	996,318
<i>Transfers Out</i>	2,719,921	2,828,718	2,941,867	3,059,541	3,181,923	3,309,200
Total Operating Expenditures	15,905,368	16,745,583	17,523,406	18,224,343	18,953,316	19,711,449
Net Operating Revenues (Loss)	8,794,363	8,558,070	8,394,314	8,313,451	8,275,978	8,161,055
<u>Capital Expenditures:</u>						
Administration	0	0	10,000	0	0	0
Finance	0	0	0	0	0	0
Courts Division	0	0	0	0	0	0
Legislative	0	150,000	0	0	0	0
Engineering	0	0	0	60,000	0	0
Planning	0	0	0	0	0	0
Police	309,000	104,700	317,000	446,250	468,600	468,600
Public Works & Buildings	150,000	80,000	80,000	174,000	80,000	80,000
Total Capital Expenditures	459,000	334,700	407,000	680,250	548,600	548,600
Net Change in Fund Balance	8,335,363	8,223,370	7,987,314	7,633,201	7,727,378	7,612,455
Ending Fund Balance	31,718,751	39,942,121	47,929,435	55,562,636	63,290,014	70,902,469

FUND SUMMARIES

GENERAL FUND

FUND SUMMARIES

General Fund

The General Fund accounts for all financial resources except those required by Federal, State or local regulation to be accounted for in another fund. The revenues and expenditures in this fund are accounted for using a modified accrual basis. Services that are included in the General Fund include, town administration, police protection, legal services, planning, engineering, human resources, and facility maintenance.

The 2023 Budget includes revenues of \$22,354,234, transfers out of \$51,945,508 and \$11,902,840 in expenditures. The most notable increase in revenues is the sales tax revenues as a result of increased local shopping habits related to the COVID 19 pandemic that began in 2020 and has continued into 2023. While an increase has been projected in sales tax revenues, the projected revenues are still conservative. The transfers to other funds include a \$50,000,000 loan to the Sewer Fund for infrastructure expansion, \$1,243,246 for the Library support, \$77,262 to the Recreation Center for support, and \$625,000 to meet contractual obligations in the Tax Allocation Fund.



FUND SUMMARIES

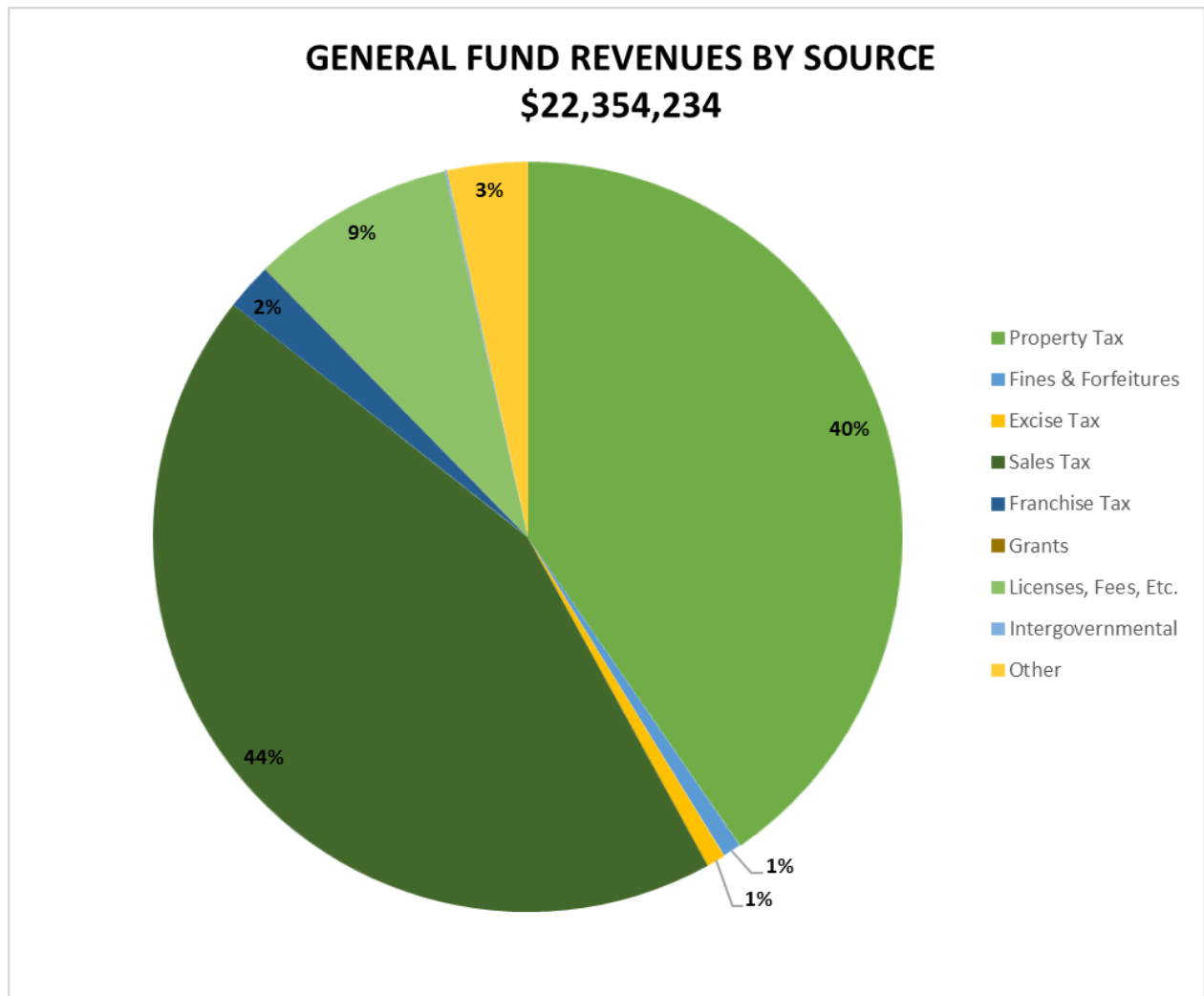
GENERAL FUND BUDGET

General Fund	2021 Actuals	2022 Actuals Jan - Aug	2022 Year-End Estimates	2023 Adopted Budget
Beginning Fund Balance	53,447,470	68,989,740	68,989,740	84,537,563
<u>Revenues:</u>				
Taxes & Fees	22,001,586	16,614,281	21,909,241	19,417,534
Licenses & Permits	1,076,864	1,711,638	2,358,098	1,059,500
Fines & Forfeitures	271,401	162,222	202,500	175,500
Earnings on Investment	109,057	139,779	70,000	15,000
Miscellaneous Revenue	956,227	1,747,224	2,215,900	906,870
Grants & Contributions	1,008,461	2,457,632	2,660,697	747,500
<i>Transfers In</i>	-	-	-	-
Total Operating Revenues	25,602,167	22,928,137	29,483,286	22,354,234
<u>Expenditures:</u>				
Council	1,823,221	765,759	2,734,800	831,440
Town Manager	703,836	508,859	1,357,220	1,442,430
Town Clerk	379,404	313,910	495,750	441,910
Finance	170,055	284,157	417,310	450,870
Planning	365,068	285,476	629,020	566,310
Bldg Inspections	247,409	163,746	269,100	413,820
Police	3,377,327	2,855,233	4,583,390	6,006,610
Public Works & Buildings	463,996	499,170	1,051,823	1,049,450
Reimbursements	643,775	442,347	500,000	700,000
<i>Transfers Out</i>	1,885,807	863,109	2,897,050	51,945,508
Total Expenditures	10,059,898	6,981,766	14,935,463	63,848,348
Excess (Deficiency) of Revenues and Other Sources over Expenditures	15,542,270	15,946,372	14,547,823	(41,494,113)
Ending Fund Balance	68,989,740	84,936,111	83,537,563	42,403,450

FUND SUMMARIES

GENERAL FUND REVENUES

General Fund revenues are primarily made up of property taxes, excise taxes, licenses, fees, fines, grants, franchise taxes, donations, interest and other intergovernmental funds. Property taxes and sales taxes make-up nearly 84 percent of the total revenues projected for 2023. The chart below shows each major revenue source/category included in the total General Fund Revenues.



FUND SUMMARIES

GENERAL FUND EXPENDITURES

Expenditures in the General Fund are separated by department and/or division and then by category. The departments/divisions that exist in the General Fund are the Legislative, Town Manager, Town Clerk, Finance, Building Inspection, Police, Planning, Public Works and Buildings. The expense categories that are used include Personnel Services, Contract Services, Commodity, Other Charges, Capital Outlay and Debt Service. Capital outlay for the 2023 Budget includes an expense of \$25,000 for Council chamber upgrades, \$55,000 to complete the Downtown Wayfair and Branding project, \$7,500 for a new copier, \$300,000 to replace existing police vehicles, aerial photography equipment for public works, and \$25,000 for a new roof on the church. Impact outlay includes \$300,000 for vehicles for new officers and \$450,000 for the design for an expansion at the Police Department.

GENERAL FUND EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Impact Outlay	Debt Service	Total
Council	49,790	270,000	6,500	480,150	806,440	25,000	-	-	831,440
Town Manager	865,110	300,295	75,705	146,320	1,387,430	55,000	-	-	1,442,430
Town Clerk	300,100	99,960	37,350	4,500	441,910	-	-	-	441,910
Finance	213,160	215,950	15,260	6,500	450,870	-	-	-	450,870
Planning	508,480	24,200	25,580	8,050	566,310	-	-	-	566,310
Bldg Inspections	103,350	303,700	5,970	800	413,820	-	-	-	413,820
Police	4,087,900	343,140	405,970	112,100	4,949,110	307,500	750,000	-	6,006,610
Public Works	641,900	17,050	55,600	21,800	736,350	25,000	-	-	761,350
Buildings	-	233,000	7,000	23,100	263,100	25,000	-	-	288,100
Reimbursements	-	700,000	-	-	700,000	-	-	-	700,000
Totals	\$6,769,790	\$2,507,295	\$634,935	\$803,320	\$10,715,340	\$437,500	\$750,000	\$0	\$11,902,840

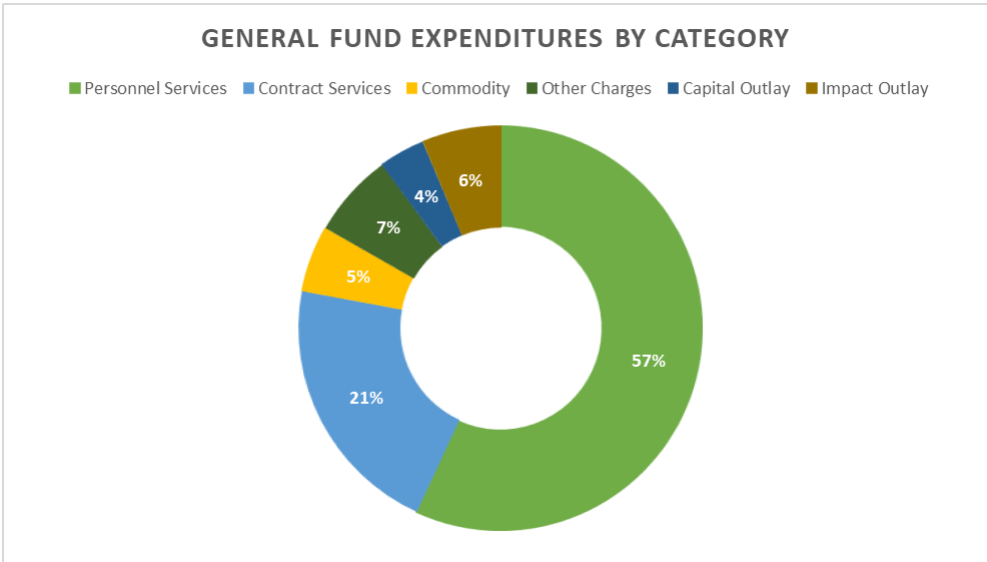
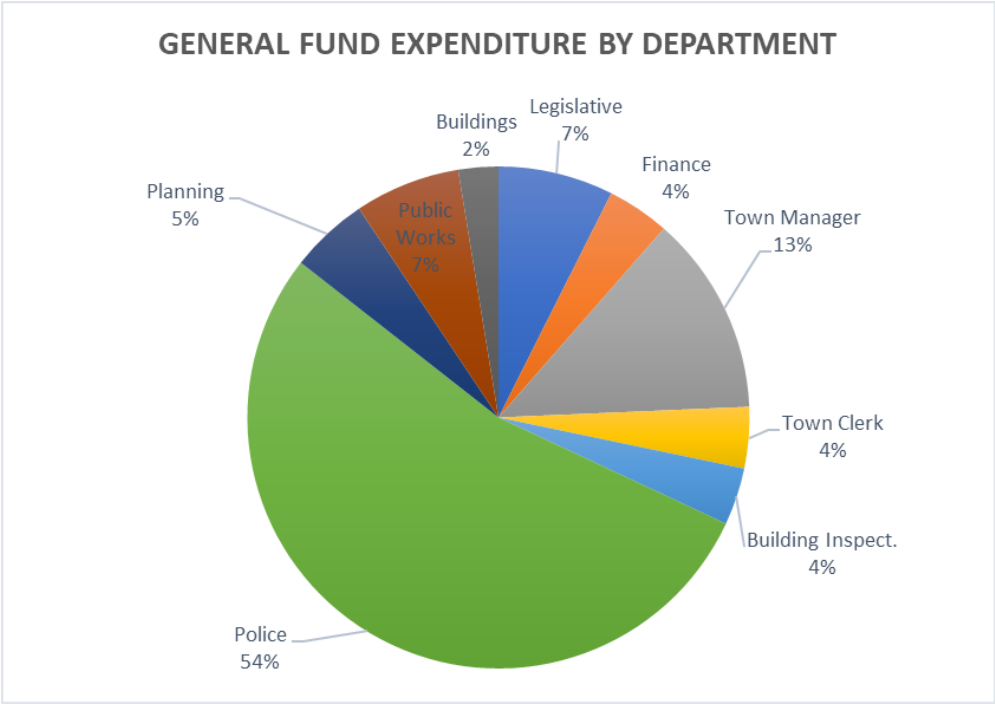
Total Cash Available \$ 53,946,290

Ending Fund Balance \$ 42,043,450

% of Total Budget	56.88%	21.06%	5.33%	6.75%	90.02%	3.68%	6.30%	0.00%	100.00%
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FUND SUMMARIES

The services that are provided by the General Fund are very labor intensive, especially with regard to police services and the expenditure reflect this with personnel costs making up 54% of the costs. The charts below detail the expenditures for the General Fund by department and by category.



GENERAL FUND
DEPARTMENT
SUMMARIES

FUND SUMMARIES

ADMINISTRATION

The Administration Department consists of the Office of Town Manager, Office of Economic Development, Office of Communications, and the Office of Human Resources. Below is an overview of the specific tasks and responsibilities within the Department.

TOWN MANAGER



Overview and Description

The Town Manager is appointed by the Mayor and Town Council and serves at the pleasure of the Town Council. The Town Manager's Office is responsible for managing and coordinating the day-to-day operations of the Town and for the enforcement of all policies, laws, and ordinances. The Town Manager Department implements the Town Council's goals and objectives, and is responsible for the coordination of all municipal programs and services, as well as economic development and communications. In addition, the Town Manager makes recommendations to the Mayor and Council as appropriate during Council meetings concerning current and future needs of the Town, without the right to vote.

The 2023 Adopted Budget includes funding for a shared Emergency Planner. In addition to that position, funding was provided to complete the Downtown branding activities and signage.

FUND SUMMARIES

TOWN MANAGER GOALS & ACCOMPLISHMENTS

<u>2022 Accomplishments</u>	<u>2023 Goals</u>
Implementation of new impact fee schedule	Re-establish direction for broadband development in the community
Negotiated land acquisition for Water Treatment Plant Expansion	Complete an Aquatics Center Feasibility Study
Acquired land for new regional park in the community	Begin Master Plan of donated land for regional park
Facilitate and negotiate multiple agreements for Ledge Rock Commercial development	Completion of Town Strategic Plan
Negotiate and acquired land purchased by Town adjacent to I-25 and Highway 60 for economic development purposes	Recommend Water and Sewer Rates to ensure compliance and sustainability of the fund and to meet capital project obligations and needs
Commence I-25 Highway 60 overpass aesthetic improvements	Commence Hillsborough water court change case
	Develop MOU for shared Emergency Management Coordinator
	Completion of SEP projects in compliance with compliance order with Colorado Department of Public Health and Environment

COMMUNICATIONS



FUND SUMMARIES

Overview and Description

The Office of Communications, exists within the Administration Department and is responsible for managing internal and external communications, including the Town website, social media platforms, monthly newsletter, media relations duties such as press releases, articles, press kits, and management and oversight of Town branding and marketing. Communications works closely with all Town departments to identify key messaging and information relevant to residents and communicates the priorities, activities and news of the Town with a goal of providing accurate, understandable, and timely information. Communications strives to encourage citizen understanding and involvement through public education and communication of the Town Council's goals and initiatives. Office skills that support all Town Departments (where relevant) are: website development, graphic design, written communications, graphic data representation, video messaging, and communications campaigns.

COMMUNICATIONS GOALS & ACCOMPLISHMENTS

<u>2022 Accomplishments</u>	<u>2023 Goals</u>
Worked closely with Public Works to coordinate and execute a number of outreach plans for upcoming work in neighborhoods	Create a "Gov 101" class for residents to learn about how government works
Created an expectation of the Town's presence at events for residents to be able to connect with	Complete brand conversion with Council and create Brand Direction Guideline for 2024
Created and implemented our Johnstown Honors and Veteran Recognition Program	Share more videos of the Town
Active role in Town events for residents such as the Arbor Day Tree Giveaway and Touch a Truck.	Improve online information accessibility
Development of internal newsletter and staff recognition and appreciation activities	

FUND SUMMARIES

ECONOMIC DEVELOPMENT



Overview and Description

The Office of Economic Development exists to attract new businesses, retain and expand existing businesses, diversify the local economy, and enhance the quality of life for residents. In addition, Economic Development aims to position the Town of Johnstown as a preferred location for development and growth within Northern Colorado. The Economic Development Office works with various internal and external departments and agencies to provide quality service to its business community and streamline access to resources and programs.

ECONOMIC DEVELOPMENT GOALS & ACCOMPLISHMENTS

<u>2022 Accomplishments</u>	<u>2023 Goals</u>
Created the Johnstown Economic Development Profile	Complete the CDOT Revitalize Main Street Grant program
Implemented monthly Biz Walk Program	Downtown Branding & Wayfinding project
Updated the Johnstown Incentive Policy	Host a job fair for Johnstown Businesses
Implemented Business of the Month Program	
Implemented CRM program	

FUND SUMMARIES

HUMAN RESOURCES



Overview and Description

The Office of Human Resources ensures that the Town's greatest asset, people, are attracted, selected, trained, and cared for in an organizational culture that promotes the mission, vision, and values of the Town. This allows people to provide excellent customer service to residents. Human Resources does this by managing the payroll function, compensation planning and implementation, benefits selection, enrollment, and management, talent attraction, recruitment, performance management, employment termination, policy development and implementation, succession planning, and process improvement. HR also manages the safety and risk management function for our bodily injury and property liability including insurance audits.

HUMAN RESOURCES GOALS & ACCOMPLISHMENTS

2022 Accomplishments	2023 Goals
Worked to hire and onboard 36 employees	Implement performance management process
Implemented HR information system	Complete compensation study
Digitized employee records	Continue to develop and refine onboarding process
Near perfect safety audit	Implement safety programs
	Hire and onboard employees to support Town growth

FUND SUMMARIES

ADMINISTRATION STAFFING – 5.95 FTE'S

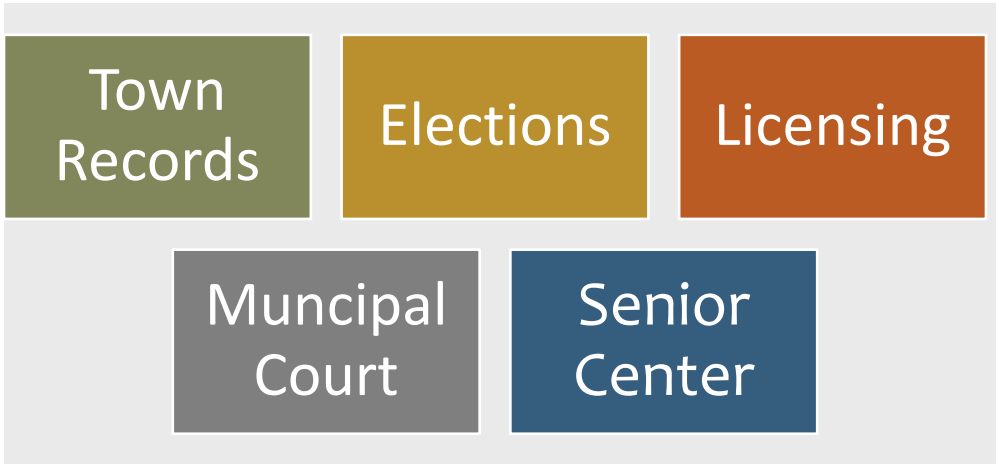
Title	Allocation
Town Manager	.35
Assistant Town Manager	1.0
Executive Secretary	.60
Community Relations Manager	1.0
Economic Development Specialist	1.0
Human Resources Director	1.0
Communications Manager	1.0

ADMINISTRATION BUDGET

Town Manager	2023 Budget
Personnel Services	865,110
Contract Services	300,295
Commodity	75,705
Other Charges	146,320
Total Operating	1,387,430
Capital Outlay	55,000
Total Expenditures	1,442,430

FUND SUMMARIES

TOWN CLERK



Overview and Description

The Town Clerk is responsible for recording Council proceedings, keeping all ordinances, motions and resolutions set forth by the Council. It is the mission of the Town Clerk’s Office to provide excellent customer service. The Clerk’s Office is responsible for completing all open records requests in a timely manner. The Town Clerk is also responsible for preparing Council agenda and packets; legal publishing and recording of documents and cemetery administration. The Town Clerk administers all municipal regular and coordinated elections as well as handles all business and liquor licensing for the Town. The Town Clerk also supervises the Municipal Court Clerk, Building Permit Tech, and Senior Coordinator.

Transitioning court tracking software to align with the Police Department is the most notable item that was included in the 2023 Adopted Budget.

TOWN CLERK STAFFING – 3.0 FTE’S

Title	Allocation
Town Clerk	1.00
Municipal Court Clerk	1.00
Senior Coordinator	1.00

FUND SUMMARIES

TOWN CLERK BUDGET

Town Clerk	2023 Budget
Personnel Services	300,100
Contract Services	99,960
Commodity	37,350
Other Charges	4,500
Total Operating	441,910
Capital Outlay	-
Total Expenditures	441,910

TOWN CLERK GOALS & ACCOMPLISHMENTS

<u>2022 Accomplishments</u>	<u>2023 Goals</u>
2022 Election	Training on cemetery software
Maintain permanent documents in Laserfiche	Improve business license functionality by providing online options
Converted cemetery software	Increase networking with other municipalities
Completed AV upgrades in Council Chambers	Convert to citation software

FUND SUMMARIES

LEGISLATIVE



Overview and Description

The Legislative body in the Johnstown is the Town Council who is elected by the citizens of Johnstown and serves at the pleasure and with honor as the elected body representing the Citizen's and the Town's best interests. The Council is comprised of a Mayor and six (6) Trustees who are elected from the Town at large. Terms are four (4) years for each position and are staggered to ensure continuity and transfer of knowledge from previous Councils to standing Councils. The Town Council is responsible for setting the direction of the Town and adoption of the laws and policies of the Town.

Notable items in the 2023 Adopted Budget include a contribution for BBQ Day, Council chamber upgrades, and funds for the downtown façade program.

LEGISLATIVE STAFFING – 0 FTE'S

Title	Allocation
Mayor	0
Mayor Pro Tem	0
Councilmember	0
Councilmember	0
Councilmember	0
Councilmember	0
Councilmember	0

FUND SUMMARIES

LEGISLATIVE BUDGET

Legislative	2023 Budget
Personnel Services	49,790
Contract Services	270,000
Commodity	6,500
Other Charges	480,150
Total Operating	806,440
Capital Outlay	25,000
Total Expenditures	831,440

LEGISLATIVE GOALS & ACCOMPLISHMENTS

2022 Accomplishments	2023 Goals
Passage of Home Rule Charter Amendment	Identify Hi-Level Water Policy for Organization
Orient new Councilmembers from 2022 regular election	Adopt FY 2024 Balanced Budget
Conduct 2022 Council Retreat	Conduct 2023 Council Retreat
Adopt FY 2023 Balanced Budget	Approve Boundary IGA with Milliken
Update of Organization Values	Approve IGA with Little Thompson Water District
	Approve Operating Agreement with Home Supply Ditch Company

FUND SUMMARIES

FINANCE



Overview and Description

The Finance Department provides financial support services throughout the Town including accounting, financial management and reporting, fiscal planning, treasury services, cash receipting and customer service, utility billing, purchasing, accounts payable, accounts receivable, debt management, development and monitoring of the annual operating budget, establishing and monitoring internal controls, preparing the Financial Reports, facilitating external audits and independent reviews and grant management.

FINANCE STAFFING – 2.40 FTE'S

Title	Allocation
Finance Director	.50
Accounting Technician	1.00
Utility Billing Technician	.00
Customer Service Technician	.90

FUND SUMMARIES

FINANCE BUDGET

Finance Budget	2023 Budget
Personnel Services	213,160
Contract Services	215,950
Commodity	15,260
Other Charges	6,500
Total Operating	450,870
Capital Outlay	-
Total Expenditures	450,870

FINANCE GOALS & ACCOMPLISHMENTS

2022 Accomplishments	2023 Goals
Restructured by adding the customer service technicians to the finance department	Assist with issuance of Water Bonds to fund needed capital projects
Evaluated a new budgeting software	Improve internal standard operating processes and procedures
Utility accounts audited	Customer service focused training
	Rate study reviews for enterprise funds

FUND SUMMARIES

BUILDING INSPECTIONS



Overview and Description

The Building Inspection department ensures that construction in the Town is in compliance with the Town adopted building codes and manages tasks that include; conducting plan reviews, issuing building permits, conducting building inspections both during and after construction, issuing Certificates of Occupancy, and building code enforcement.

The Adopted 2023 Budget provides for contractual building inspection services and one-full time existing administrative employee.

BUILDING INSPECTION STAFFING – 1.0 FTE

Title	Allocation
Planning Director (Supervisor)	0
Building Permit Technician	1.0

FUND SUMMARIES

BUILDING INSPECTION BUDGET

Building Inspections	2023 Budget
Personnel Services	103,350
Contract Services	303,700
Commodity	5,970
Other Charges	800
Total Operating	413,820
Capital Outlay	-
Total Expenditures	413,820

BUILDING INSPECTION GOALS & ACCOMPLISHMENTS

<u>2022 Accomplishments</u>	<u>2023 Goals</u>
Worked closely with planning to continue to develop new building permit software	Continue digitizing building permit files
Promoted building safety and education	Continue to monitor building codes for needed updates
Monitored building codes for needed updates	Continue to coordinate with planning for development review

FUND SUMMARIES

PLANNING



Overview and Description

Planning & Development provides professional guidance to the Johnstown Town Council, staff, businesses, citizens, and interested parties on all matters related to land use and development. The department refers to Town plans and policies to facilitate high-quality development that provides needed services and housing, and contributes to systematic and sustainable growth. The department staffs the Council and Planning and Zoning Commission, providing professional review and analysis, and administrative support for all land use cases. Planning staff performs daily on-call services to respond to and research a wide variety of land use and community planning questions and requests for permit and project information. Comprehensive information on development projects (plats, plans, reports, agreements, fees) is managed through the department. Planning and Development works closely with other Town departments, neighboring jurisdictions, and external agencies to further the long-term vision and mission of the Town.

FUND SUMMARIES

PLANNING STAFFING – 4.40 FTE'S

Title	Allocation
Planning Director	.9
Planner III	1.0
Planner II	1.0
Planner I	1.0
Administrative Assistant	.5

PLANNING BUDGET

Planning Budget	2023 Budget
Personnel Services	508,480
Contract Services	24,200
Commodity	25,580
Other Charges	8,050
Total Operating	566,310
Capital Outlay	7,750
Total Expenditures	574,060

PLANNING GOALS & ACCOMPLISHMENTS

2022 Accomplishments	2023 Goals
Land Use Code revision	Implementation of Land Use Code
Increased departmental coordination	Process improvements for better service and efficiency
Development review management	Increase staff training

FUND SUMMARIES

POLICE



Overview and Description

The Johnstown Police Department (JPD) is responsible for general public safety, prevention of crime, responding to and investigating crime, apprehension of those who commit crime, public order, traffic safety, criminal justice records, and safety education. The department is service oriented and serves the community by building partnerships to address crime and crime-related problems, which is commonly referred to as a community-oriented policing philosophy. JPD has two divisions, the Police Operations Division which oversees patrol services, oversight of investigations, and delivery of special operations support. The second component of JPD is the Police Administration Division. The administrative division provides executive leadership and management, maintains professional integrity through financial management of department resources, policy review and implementation services, planning, research and technical support to the department as a whole.

Important features of the 2023 Budget for the Police Department include the addition of 4 full-time police officers, 4 new police officer vehicles, 4 vehicle replacements, and an expansion design for the existing Police Department building. The Police budget also includes funding for the substation up at the intersection of I-25 and Hwy 34, and community events such as National Night Out and BBQ days.

FUND SUMMARIES

POLICE STAFFING – 34.0 FTE'S

Title	Allocation
Police Chief	1.0
Commander	1.0
Lieutenant	1.0
Detective	2.0
Sergeant (5)	5.0
Officers (19)	19.0
Code Enforcement Officer	2.0
Secretary/Administrative Staff/Records	3.0

POLICE BUDGET

Police Budget	2023 Budget
Personnel Services	4,087,900
Contract Services	343,140
Commodity	405,970
Other Charges	112,100
Total Operating	4,949,110
Capital Outlay	307,500
Impact Outlay	750,000
Total Expenditures	6,006,610

POLICE GOALS & ACCOMPLISHMENTS

<u>2022 Accomplishments</u>	<u>2023 Goals</u>
Cadet program started to increase hiring pool and recruitment	Hire officers to keep up with growth of the town
Automatic state reporting of traffic accidents through Carfax reporting	Increase effectiveness of the investigations unit by adding a detective sergeant
Implement Citizen Contact app for senate bill 217	Start a master police officer program
Hire and training second code enforcement officer	Place an officer on an area specialty team, SWAT.
Radios purchased to be in compliance for state mandated upgrade	Digitize all historical records by utilizing evidence management software

FUND SUMMARIES

PUBLIC WORKS



Overview and Description

The Public Works Department is committed to providing the highest level of service while maintaining a safe and reliable infrastructure for all members of the community. We strive to always seek innovative ways to improve, maintain and enhance public facilities in a cost-effective manner. The department supports the Town's vision, and considers itself a developing partner in the growth and prosperity of the community.

Important features of the 2023 Budget for the Public Works Department include the addition of the asset management software.

PUBLIC WORKS STAFFING – 5.2 FTE

Title	Allocation
Public Works Director	1.0
Deputy Public Works Director	.70
Engineer	1.0
GIS Technician	1.0
Inspector	1.0
Admin. Assistant	.5

FUND SUMMARIES

PUBLIC WORKS BUDGET

Public Works Budget	2023 Budget
Personnel Services	641,900
Contract Services	17,050
Commodity	55,600
Other Charges	21,800
Total Operating	736,350
Capital Outlay	25,000
Total Expenditures	761,350

PUBLIC WORKS GOALS & ACCOMPLISHMENTS

2022 Accomplishments	2023 Goals
Installed new Asphalt on 3.5 miles of CR17 south of SH 60	Design of interim improvements to SH 60 and the Colorado Blvd intersection
Completed the installation of new sewer and storm drainage in parts of Old Town	Installation of a new traffic signal at SH 60 and Carlson Blvd
Installed a new bridge over 2 nd street adding pedestrian friendly crossings for the school	Design of Colorado Blvd adjacent to Corbet Glen
Completed the SH 60 Feasibility Study	Implementation of new street and stormwater design standards for private development
Created a new organizational structure with an emphasis on Town Parks	Irrigation improvements to Pioneer Park to enhance and strengthen the parks turf areas

FUND SUMMARIES

BUILDINGS



Overview and Description

The Building Department is designed to manage the administrative, maintenance and utility costs for all of the Town facilities. This includes services such as HVAC maintenance and repairs, irrigation maintenance and repairs, custodial services, facility utilities, elevator maintenance and repair, fire system inspections, grounds maintenance, furniture for community center, flags, parking lot maintenance and sealing, and other miscellaneous building needs.

BUILDINGS BUDGET

Buildings	2023 Budget
Personnel Services	-
Contract Services	233,000
Commodity	7,000
Other Charges	23,100
Total Operating	263,100
Capital Outlay	25,000
Debt Service	-
Total Expenditures	288,100

FUND SUMMARIES

BUILDINGS GOALS & ACCOMPLISHMENTS

<u>2022 Accomplishments</u>	<u>2023 Goals</u>
Sealed Police Department and Senior Center Parking lots	Install new roof on Jay Avenue property
Repaired roof on Police Department	Upgrade access control for Town Hall and Public Works building
Replaced carpet in Police Department	Improve public building safety measures
Improved functioning of HVAC at Town Hall	

REIMBURSEMENTS

Cost Recovery

Overview and Description

The Reimbursement Department exists for the sole purpose of accounting for services that have been delivered by the Town that are reimbursed by new development.

Reimbursements	2023 Budget
Contract Services	700,000
Total Operating	700,000
Total Expenditures	700,000

SPECIAL REVENUE FUNDS

STREET AND ALLEY FUND

FUND SUMMARIES

Street and Alley Fund

The Street and Alley Fund is responsible for the maintenance and preservation of over 94 centerline miles of paved roadways, Manual on Uniform Traffic Control Devices (MUTCD) compliance of regulatory and street signs, snow plowing, street sweeping, pest control, and gravel road maintenance. The Street and Alley Fund is a fairly new fund in that it was formed in 2020. Formerly, street functions were layered across multiple funds.

The Street and Alley Fund receives the majority of its funding from the collection of taxes and fees by Weld and Larimer Counties and the State of Colorado including the Highway User Tax Funds. Taxes and fees that are collected by the Counties and the State are forwarded to the Town on a monthly basis. On July 1, 2020, the fund also started recording revenue from a voter approved 0.5% sales tax dedicated to funding street and sidewalk maintenance and repairs and for transportation related capital improvement projects. Also included in the Street and Alley Fund are revenues and expenditures associated with residential trash collection services and road impact fees. Impact fees are collected at the time builders apply for a building permit for a new residence or business. These fees are used for the widening of arterial streets, improving intersections, installing traffic signal controls, or other improvement to Johnstown's transportation system driven by the increased demand of customers and areas served by Johnstown.

The Town is excited that, in 2020, residents voted in favor of a 0.5% increase in sales taxes to be dedicated to transportation needs. In 2023, this increase will provide funding for a \$1 million pavement maintenance program, a new traffic signal, and improvements to Charlotte St.



FUND SUMMARIES

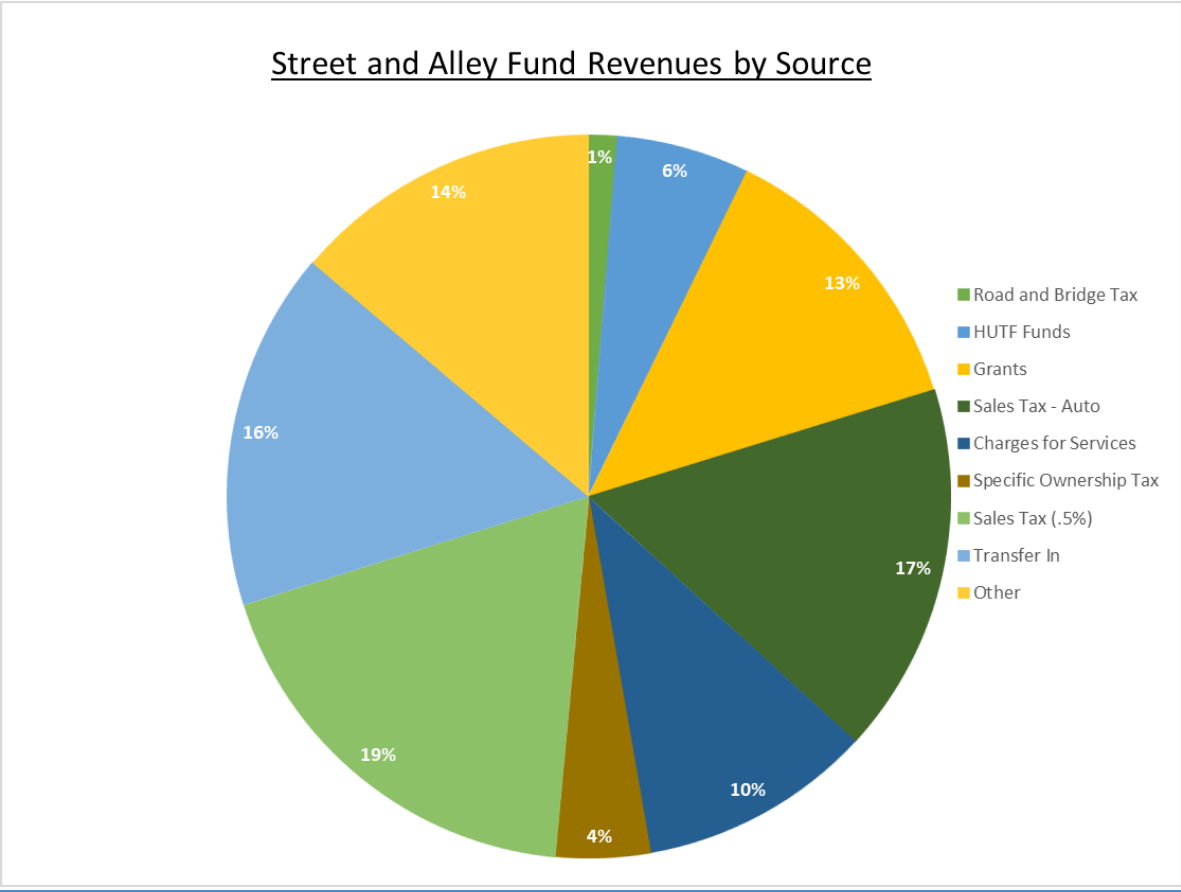
STREET AND ALLEY FUND BUDGET

	2021 Actuals	2022 Actuals Jan - Aug	2022 Year-End Estimates	2023 Adopted Budget
Street & Alley Fund				
Beginning Fund Balance	9,867,538	15,131,805	15,131,805	15,712,155
<u>Revenues:</u>				
Taxes & Fees	6,905,720	5,275,797	7,852,668	6,405,405
Charges for Services	804,638	631,472	1,095	-
Earnings on Investment	4,791	36,944	-	-
Miscellaneous Revenue	75,104	67,902	703,787	1,185,200
Total Operating Revenues	7,790,253	6,012,115	8,557,550	9,040,605
<u>Expenditures:</u>				
Operations	2,152,972	1,312,501	3,224,200	3,698,790
Capital	373,014	1,416,692	4,753,000	7,848,000
Debt Service	-	-	-	-
Transfers Out	-	-	-	-
Total Expenditures	2,525,986	2,729,193	7,977,200	11,546,790
Excess (Deficiency) of Revenues Over Expenditures	5,264,266	3,282,922	580,350	(2,506,185)
Ending Fund Balance	15,131,805	18,414,727	15,712,155	13,205,970

FUND SUMMARIES

STREET AND ALLEY FUND REVENUES

Street and Alley Fund revenues are projected at \$9,040,605 in 2023 and are primarily made up of motor vehicle related taxes, sales and use taxes, impact fees, and grants. The 0.5% sales tax passed by voters in 2020, is expected to generate revenues of \$1,687,500 in 2023. The chart below shows each major revenue source/category included in the total Street and Alley Fund Revenues.



FUND SUMMARIES

STREET AND ALLEY FUND EXPENDITURES

The Street and Alley Fund contains operating expenses of \$3,698,790, no debt expense, and capital outlay of \$7,848,000 with all of that being non-recurring. Public works is the only department that currently operates in the Street and Alley Fund. The 2023 Budget includes the addition of 1, full-time employee that will be shared between the Street Fund (75%) and the Drainage fund (25%).

STREET AND ALLEY FUND EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Impact Outlay	Debt Service	Total
Streets Fund	690,790	2,775,100	207,000	25,900	3,698,790	7,848,000	-	-	11,546,790
Totals	\$ 690,790	\$ 2,775,100	\$ 207,000	\$ 25,900	\$ 3,698,790	\$ 7,848,000	\$ -	\$ -	\$ 11,546,790

Total Cash Available \$ 24,752,760

Ending Fund Balance \$ 13,205,969

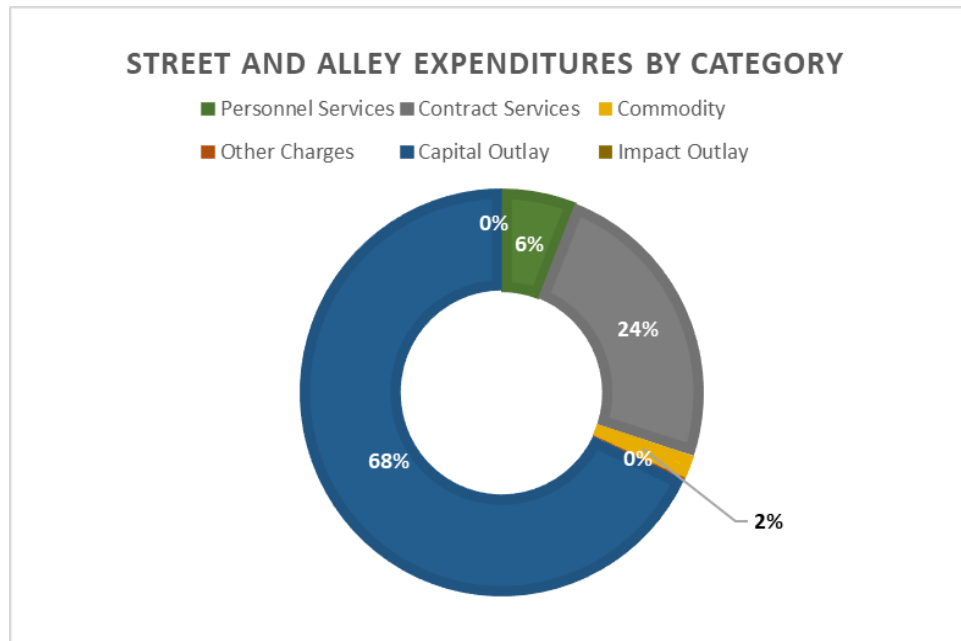
% of Total Budget	5.98%	24.03%	1.79%	0.22%	32.03%	67.97%	0.00%	0.00%	100.00%
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PROJECTS FUNDED IN 2023 BUDGET

- Improvements to Charlotte St.
- Pavement maintenance program
- Traffic signal at SH60 and Carlson
- Various traffic control devices
- Purchase of a tractor
- Purchase of a new vehicle
- Purchase of water truck

FUND SUMMARIES

The chart below details the expenditures for the Street and Alley Fund by category. In 2023 the biggest expenditures are in the categories of Contract Services which includes the costs for road maintenance programs including crack and slurry sealing, gravel, and winter road upkeep, and Capital Projects.



STREET AND ALLEY FUND – FTE's 5.55

Department	No. of Full Time Employees
Administration	.60
Operations	4.95
Total	5.55

FUND SUMMARIES

STREET AND ALLEY FUND GOALS AND ACCOMPLISHMENTS

<u>2022 Accomplishments</u>	<u>2023 Goals</u>
Design of intersection improvements to SH 60 and Carlson Blvd	Installation of a traffic signal at SH60 and Carlson Blvd
Resurfaced 3.5 miles of new pavement on CR 17 south of SH 60	Design of half street improvements on Colorado Blvd adjacent to Corbett Glen
New pavement installed throughout parts of Old Town	Design of interim improvements to SH60 and Colorado Blvd intersection
Created a sign maintenance program	Update the street design standards for private development
Installed over \$3 million in pavement maintenance improvements throughout Town	\$1.1 million in pavement improvement projects



CONSERVATION TRUST FUND

FUND SUMMARIES

Conservation Trust Fund

The Conservation Trust Fund was established so that the Town is eligible to receive funds from State lottery proceeds. These revenues are distributed quarterly, on a per capita basis by the Department of Local Affairs. These funds are restricted in their use and can only be used for the acquisition, development, improvement and maintenance of new conservation sites, or for recreational purposes on a publicly owned site such as a park. The Conservation Trust Fund is not newly created, but it was restructured beginning with the 2020 Budget. Prior to 2020 these funds were used for general park maintenance. Beginning in 2020, the funds have been used primarily for capital expenditures like new playground equipment, ADA compliant playground surfaces, replacement equipment, new park development, additional trees, landscaping improvements, etc. It is common to have projects budgeted in this fund only every other year, so that the funds accumulate and bigger projects can be completed.



FUND SUMMARIES

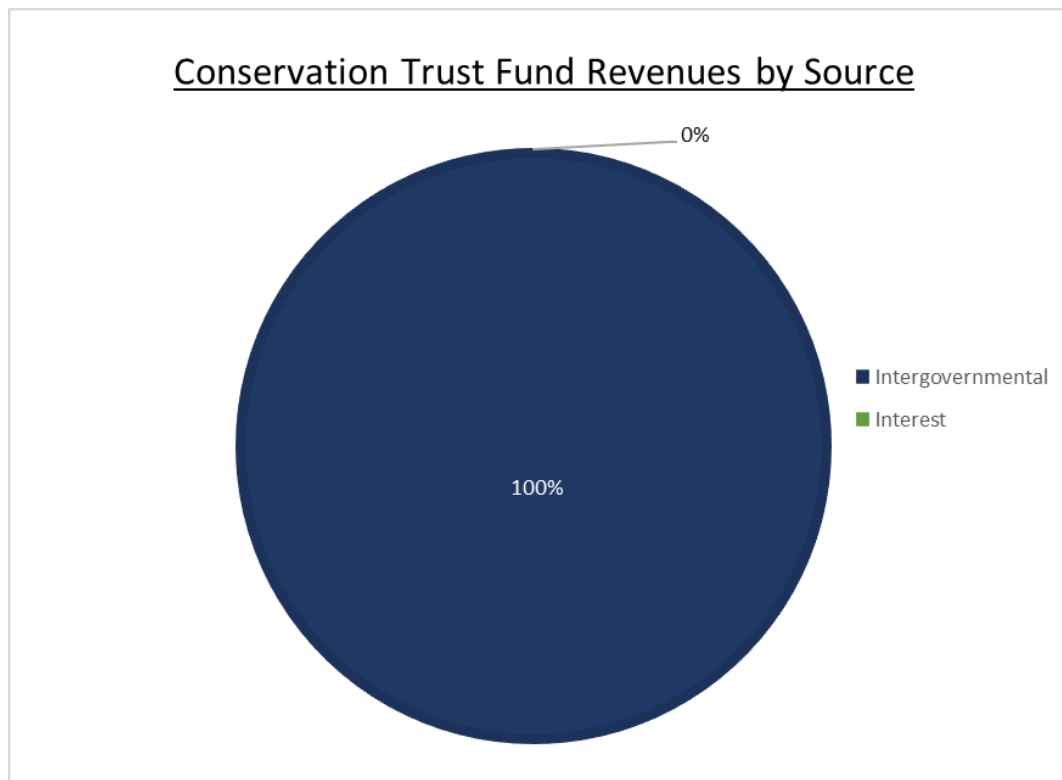
CONSERVATION TRUST FUND BUDGET

	2021 Actuals	2022 Actuals Jan - Aug	2022 Year-End Estimates	2023 Adopted Budget
Conservation Trust Fund				
Beginning Fund Balance	8,159	100,051	100,051	36,201
<u>Revenues:</u>				
Intergovernmental	91,832	55,839	81,100	82,000
Earnings on Investment	60	140	50	50
Total Operating Revenues	91,892	55,979	81,150	82,050
<u>Expenditures:</u>				
Other	-	-	-	-
Capital Outlay		79,593	145,000	-
Total Expenditures	-	79,593	145,000	-
Excess (Deficiency) of Revenues and Other Sources over Expenditures	91,892	(23,614)	(63,850)	82,050
Ending Fund Balance	100,051	76,437	36,201	118,251

FUND SUMMARIES

CONSERVATION TRUST FUND REVENUES

Conservation Trust Fund revenues come from State lottery proceeds and the interest that is earned on those funds as is illustrated below.



FUND SUMMARIES

CONSERVATION TRUST FUND EXPENDITURES

The Conservation Trust Fund does not have any normal operating costs as this fund is primarily used for capital improvements. There were no expenses budgeted for this fund in 2021, with the intention of allowing fund balance to build in order to complete bigger projects in the years ahead. In 2022, the Town has budgeted to complete a Pour in Place in Rolling Hills Park.

CONSERVATION TRUST FUND EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Conservation Trust	0	0	0	0	0	---	---	0
Totals	\$0	\$0	\$0	\$0	0	\$0	\$0	\$0

Total Cash Available \$ 118,251

Ending Fund Balance \$ 118,251

PROJECTS FUNDED IN 2023 BUDGET

- No projects are planned in 2023

CONSERVATION TRUST FUND ACCOMPLISHMENTS AND GOALS

2022 Accomplishments	2023 Goals
Install Pour in Place in Rolling Hills Ranch Park	Save funds for a project in 2024

PARKS AND OPEN SPACE FUND

FUND SUMMARIES

Parks and Open Space Fund

The Parks and Open Space Fund was created for the purchase, development, and maintenance of parks, the cemetery and open space throughout the Town. Currently the Town maintains over 45 acres of parks, 3.7 miles of trails, and 31 acres of Open Space. The facilities/parks that the Town maintains are shown in the chart below.

Facility Name	Location	Amenities
Clearview Park	257 Hawthorne	Playground, Picnic Shelter, Benches
Eddie Aragon Park	Castle Pines Ave.	Playground, Picnic Shelter, Benches, Basketball Court, Skate Park, Hockey Rink, Soccer Field
Hays Park	Country Acres Subdivision	Playground, Tot Lot equipment, Basketball Court, Volleyball Court, Picnic Shelters (2)
Lake Park	Rocksbury Lane	Playgrounds (2), Picnic Shelters (5), Walking Path, Fishing
Parish Park	Charlotte & Raymond	Playground, Picnic Shelters (2), Volleyball Court
Pioneer Ridge Park	Stroh Farm Subdivision	Playground, Picnic Shelters (2)
Rolling Hills Ranch Park	Rolling Hills Ranch Subdivision	Playground, Picnic Shelters (2), Picnic Tables, Restrooms
Sunrise Park	N. 6 th Street	Playground, Picnic Shelters (3), Walking Path



FUND SUMMARIES

PARKS AND OPEN SPACE FUND BUDGET

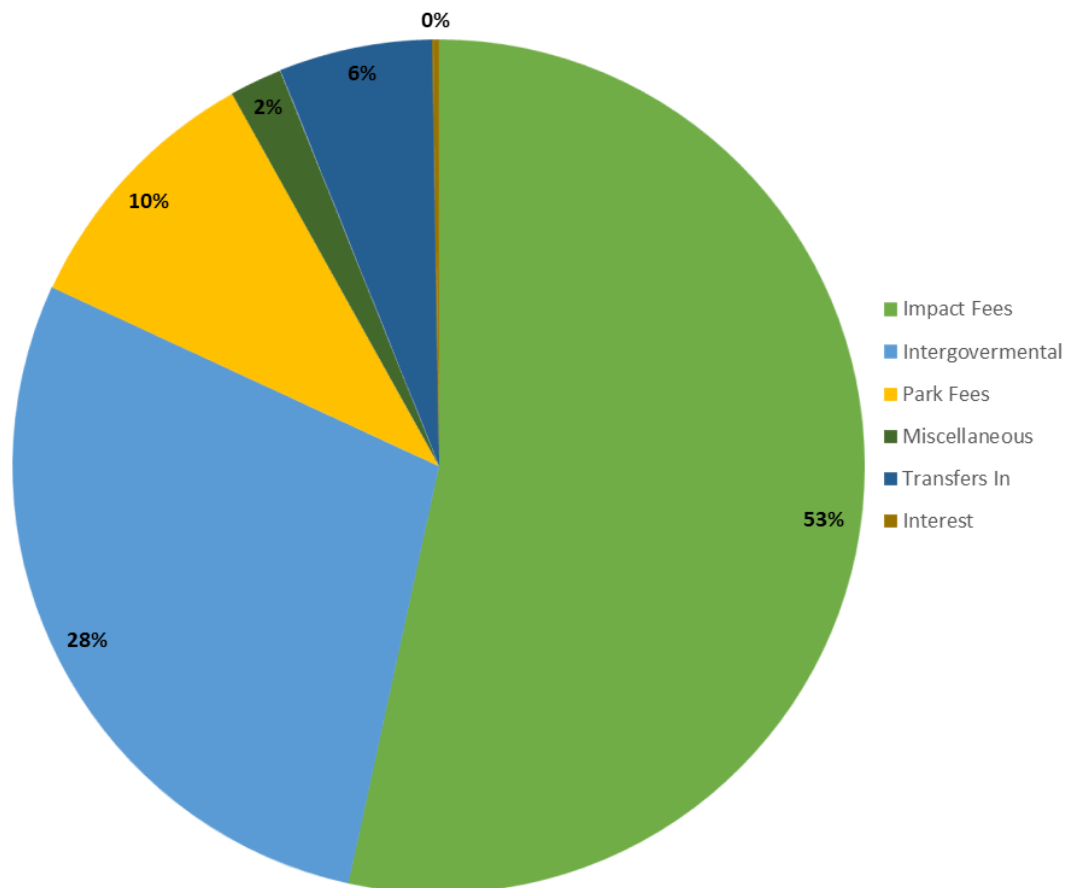
	2021 Actuals	2022 Actuals Jan - Aug	2022 Year-End Estimates	2023 Adopted Budget
Parks & Open Space Fund				
Beginning Fund Balance	7,286,213	7,277,919	7,277,919	5,224,587
<u>Revenues:</u>				
Licenses and Permits	445,925	759,628	871,600	542,880
Intergovernmental	377,472	250,010	243,650	243,650
Earnings on Investment	3,386	15,049	10,000	2,000
Miscellaneous Revenue	55,200	60,121	30,581	17,000
<i>Transfers In</i>	60,000	-	1,162,000	50,000
Total Operating Revenues	941,983	1,084,808	2,317,831	855,530
<u>Expenditures:</u>				
Operations & Maintenance	438,513	358,030	880,450	1,024,940
Capital Lease	-	-	-	-
Capital Outlay	511,764	1,473,325	3,490,713	2,905,000
<i>Transfers Out</i>	-	-	-	-
Total Expenditures	950,277	1,831,355	4,371,163	3,929,940
Excess (Deficiency) of Revenues and Other Sources over Expenditures	(8,294)	(746,547)	(2,053,332)	(3,074,410)
Ending Fund Balance	7,277,919	6,531,372	5,224,587	2,150,177

FUND SUMMARIES

PARKS AND OPEN SPACE FUND REVENUES

Revenues for this fund are primarily impact fees, building permit park fees, grants and transfers from other funds.

Parks and Open Space Fund Revenues by Source



FUND SUMMARIES

PARKS AND OPEN SPACE EXPENDITURES

The Parks and Open Space Fund shows operating expenses of \$1,024,940, capital outlay of \$205,000, and impact outlay of \$2,700,000. The services provided by this fund are labor intensive as illustrated below. The non-recurring capital and impact outlay of \$2,905,000 will primarily fund new trail construction, a Parks Master Plan, a pickleball court, and a trail project to purchase land in Larimer County.

PARKS AND OPEN SPACE FUND EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Impact Outlay	Debt Service	Total
Parks Fund	510,750	409,100	88,790	16,300	1,024,940	205,000	2,700,000	-	3,929,940
Totals	\$ 510,750	\$ 409,100	\$ 88,790	\$ 16,300	\$ 1,024,940	\$ 205,000	\$ 2,700,000	\$ -	\$ 3,929,940

Total Cash Available \$ 6,080,117

Ending Fund Balance \$ 2,150,177

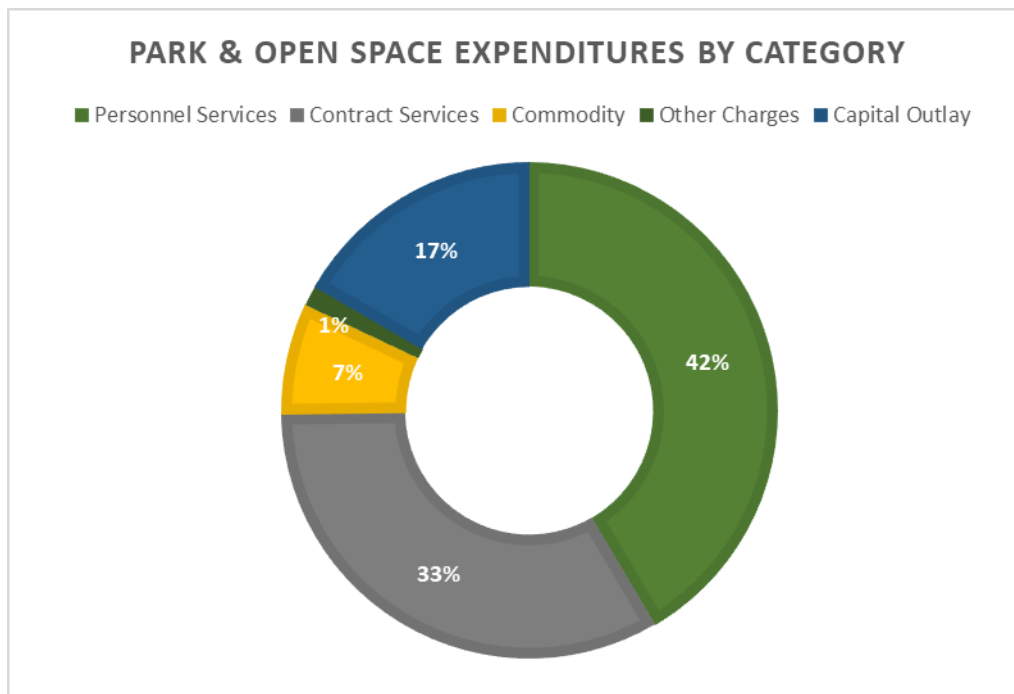
% of Total Budget	13.00%	10.41%	2.26%	0.41%	26.08%	5.22%	68.70%	0.00%	100.00%
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PROJECTS FUNDED IN 2023 BUDGET

- Trails – design and construction
- Parks Master Plan
- Dog park
- Pickleball court
- Larimer County land/trail
- New and replacement trees
- Purchase of a new parks vehicle

FUND SUMMARIES

The chart below details the expenditures for the Parks and Open Space Fund category. Clearly in 2023 the biggest expenditure will be capital outlay which includes costs for several projects including trails, pickleball courts, and a dog park.



PARK AND OPEN SPACE FUND FTE's – 5.60

Department	No. of Full Time Employees
Administration	.35
Operations	5.25
Total	5.60

FUND SUMMARIES

PARKS AND OPEN SPACE ACCOMPLISHMENTS AND GOALS

<u>2022 Accomplishments</u>	<u>2023 Goals</u>
New turf management program at Parish Park and Aragon Park	Development and maintenance of the new Letford Park site
Installed new playground equipment in Rolling Hills Park	Installation of a new trail along the Little Thompson River along CR 46.5
Design of a new trail along Little Thompson River	Installation of a new irrigation system at Pioneer Park
New turf management program for the Johnstown Cemetery	Installation of new playground equipment at Aragon Park and Parish Park
Arbor Day tree giveaway program	GIS of all park features for logging and tracking maintenance



TAX
ALLOCATION
FUND

FUND SUMMARIES

Tax Allocation Fund

The Tax Allocation Fund was created by the Town Council in 2019 to be utilized beginning in 2020. The fund was created with the intent of tracking the revenues and rebates of sales taxes associated with specific development areas, where, pursuant to the terms of written agreements between the Town and developer(s), the Town has agreed to reimburse the developer(s) for the cost of public improvements.

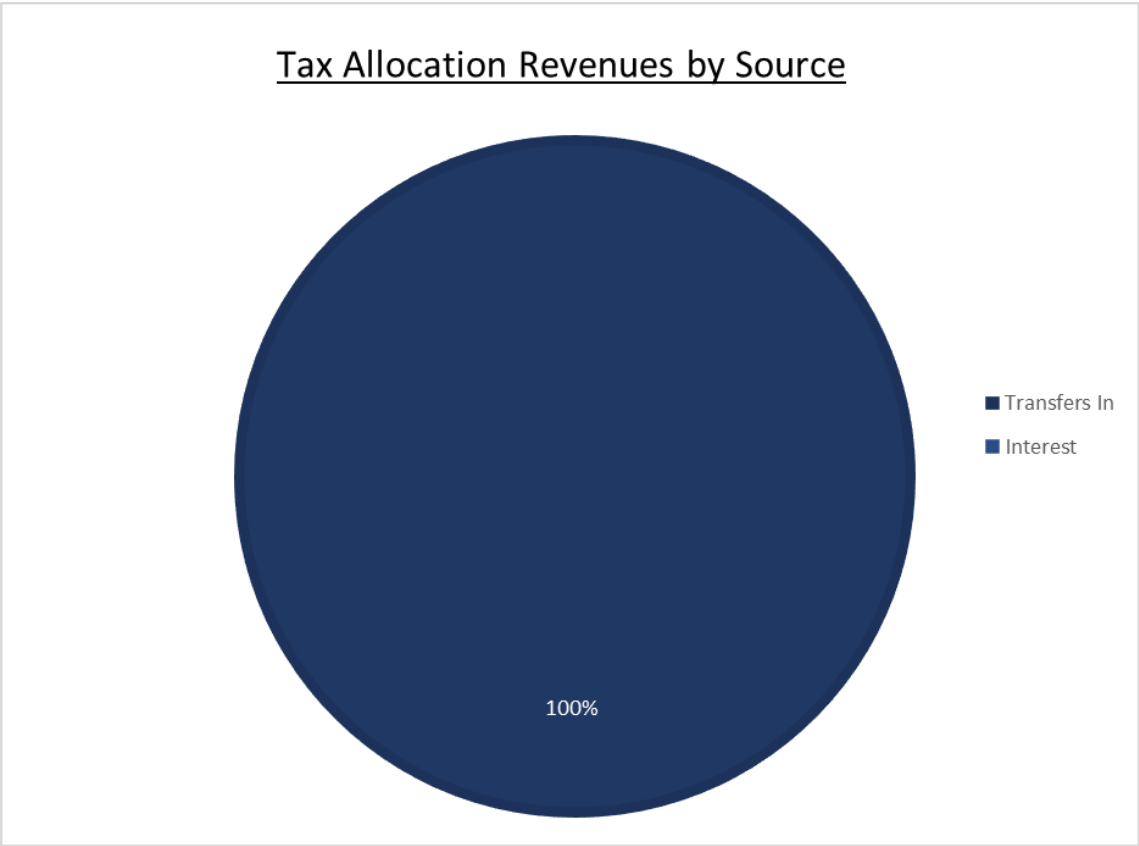
TAX ALLOCATION FUND BUDGET

	2021 Actuals	2022 Actuals Jan - Aug	2022 Year-End Estimates	2023 Adopted Budget
Tax Allocation Fund				
Beginning Fund Balance	95,951	41,435	41,435	41,485
<u>Revenues:</u>				
Tax Sharing	-	-	895,000	675,000
Earnings on Investment	-	-	50	-
Transfers In	557,943	104,580		
Total Operating Revenues	557,943	104,580	895,050	675,000
<u>Expenditures:</u>				
Operations & Maintenance	612,458	104,580	895,000	675,000
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Expenditures	612,458	104,580	895,000	675,000
Excess (Deficiency) of Revenues and Other Sources over Expenditures	(54,516)	-	50	-
Ending Fund Balance	41,435	41,435	41,485	41,485

FUND SUMMARIES

TAX ALLOCATION FUND REVENUES

Revenues for this fund come from transfers from sales taxes from specific areas of development. The sales tax is originally received by the General Fund and then transferred into this fund for reimbursements.



FUND SUMMARIES

TAX ALLOCATION FUND EXPENDITURES

Expenditures in the Tax Allocation Fund include operating costs of \$675,000, capital outlay of \$0 and debt expenditures of \$0.

TAX ALLOCATION EXPENSE SUMMARY

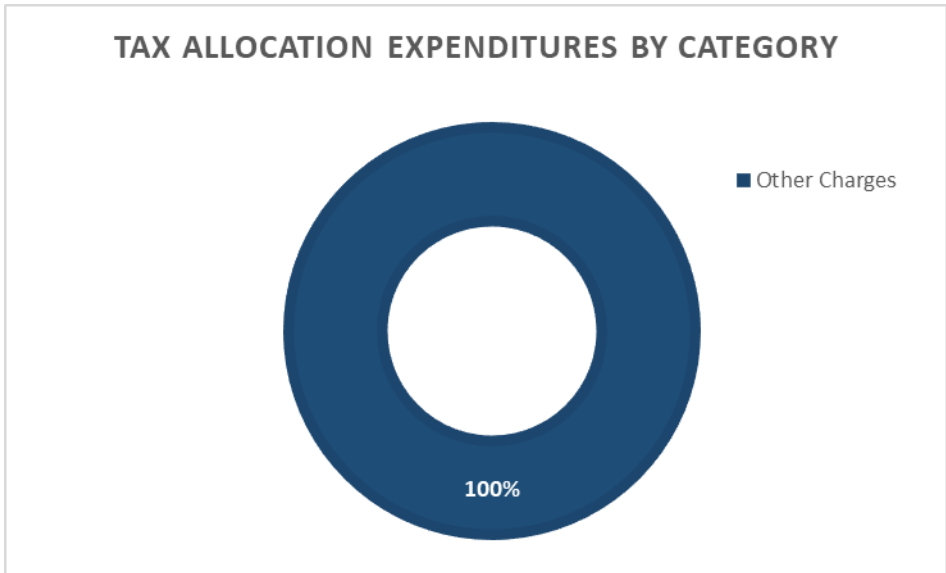
	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Tax Allocation	-	-	-	675,000	675,000	-	-	675,000
Totals	\$ -	\$ -	\$ -	\$ 675,000	\$ 675,000	\$ -	\$ -	\$ 675,000

Total Cash Available \$ 716,485

Ending Fund Balance \$ 41,485

% of Total Budget 0.00% 0.00% 0.00% 100.00% 100.00% 0.00% 0.00% 100.00%

The chart below details the expenditures for the Tax Allocation Fund by category.

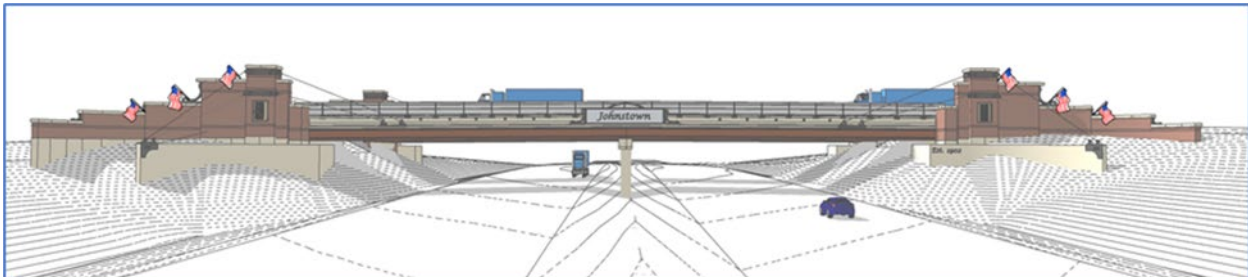


CAPITAL PROJECTS FUND

FUND SUMMARIES

Capital Projects Fund

The Capital Projects Fund was created to account for resources used for the acquisition, construction, and maintenance of assets and major capital facilities other than those financed by proprietary funds and trust funds. This fund was established to maintain a separate accounting of specific capital projects. Projects that may be included in this fund include streets, walkways, bridges, public buildings, public infrastructure and planning and engineering studies necessary to implement the above-mentioned capital facilities.



FUND SUMMARIES

CAPITAL PROJECTS FUND BUDGET

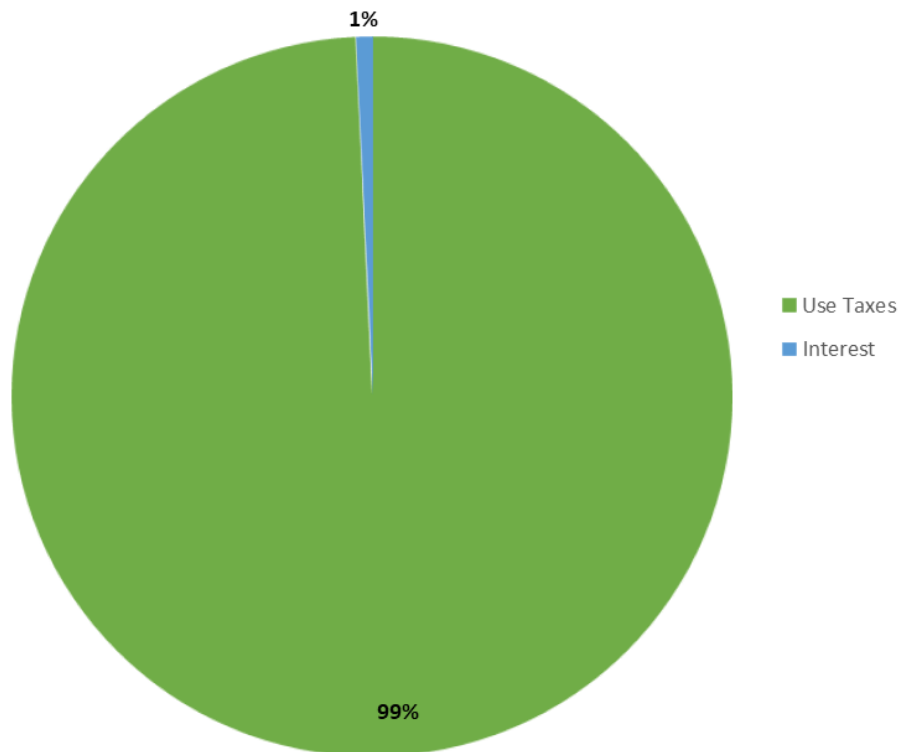
	2021 Actuals	2022 Actuals Jan - Aug	2022 Year-End Estimates	2023 Adopted Budget
Capital Projects Fund				
Beginning Fund Balance	13,928,958	14,524,243	14,524,243	7,653,223
<u>Revenues:</u>				
Taxes and Fees	664,763	811,570	907,250	302,200
Grants & Contributions	-	-	-	-
Miscellaneous Revenue	8,652	-	-	-
<i>Transfers In</i>	-	-	-	-
Total Operating Revenues	673,415	811,570	907,250	302,200
<u>Expenditures:</u>				
Other	8,562	5,398	8,270	11,500
Capital Outlay	69,568	863,709	7,500,000	2,500,000
<i>Transfers Out</i>	-	-	270,000	50,000
Total Expenditures	78,129	869,107	7,778,270	2,561,500
Excess (Deficiency) of Revenues and Other Sources over Expenditures	595,286	(57,537)	(6,871,020)	(2,259,300)
Ending Fund Balance	14,524,243	14,466,706	7,653,223	5,393,923

FUND SUMMARIES

CAPITAL PROJECTS FUND REVENUES

Revenues for this fund come from use taxes collected on building and construction materials utilized in the Town, and interest that is earned on those funds. The use tax rate that is committed to the Capital Projects Fund is one percent (1%).

Capital Projects Revenue by Source



FUND SUMMARIES

CAPITAL PROJECTS FUND EXPENDITURES

The expenditures in this fund are related to capital outlay and debt service only. Capital expense for 2023 is related to the overpass improvements on I-25 and Downtown branding.

CAPITAL PROJECTS FUND EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Capital Projects	-	11,500	-	-	11,500	2,500,000	-	2,511,500
Totals	\$ -	\$ 11,500	\$ -	\$ -	\$ 11,500	\$ 2,500,000	\$ -	\$ 2,511,500

Total Cash Available \$ 7,905,423

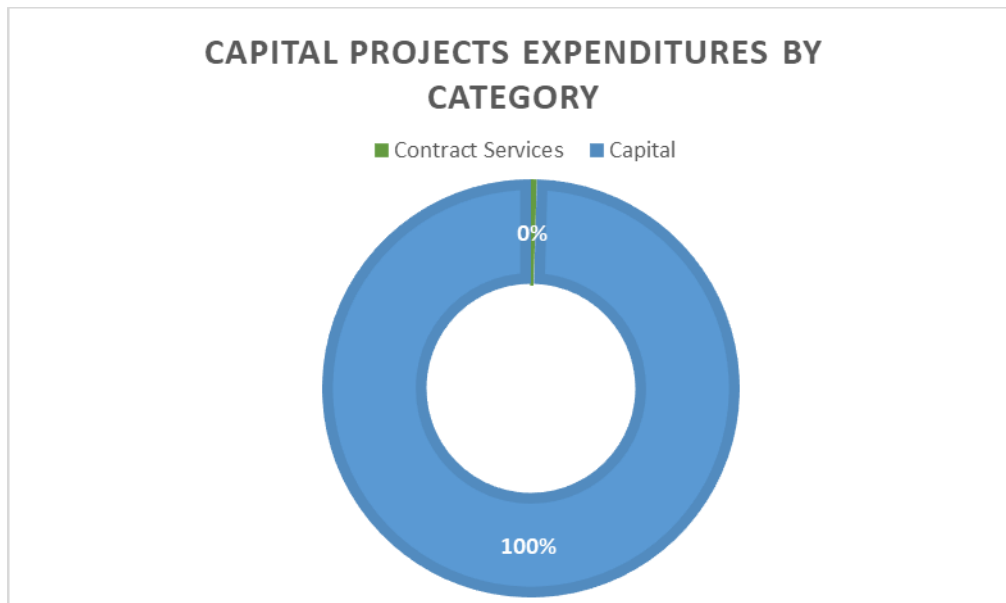
Ending Fund Balance \$ 5,393,923

ITEMS FUNDED IN 2023 BUDGET

- I-25 overpass improvements
- Signage for the Downtown branding
- Investment oversight of funds

FUND SUMMARIES

The chart below details the expenditures for the Capital Projects Fund by category.



CAPITAL PROJECTS FUND FULL TIME EMPLOYEES

The Capital Projects Fund does not have any labor costs allocated.

LIBRARY FUND

FUND SUMMARIES

Library Fund

The Library Fund was created to account for the operation of the Glenn A. Jones M.D. Memorial Library. The library delivers quality services reflecting the informational, educational and recreational needs of the community. There is a vast collection of materials, services and programs for all ages and stages of life. The library operates 6 days a week and is closed on Sundays.

The library does have its own Board of Directors who meet every third Tuesday of the month at 7:00 pm. The Board of Directors operates independently of the Town Council and is responsible for compiling, reviewing and adopting the annual operating budget for the facility.



FUND SUMMARIES

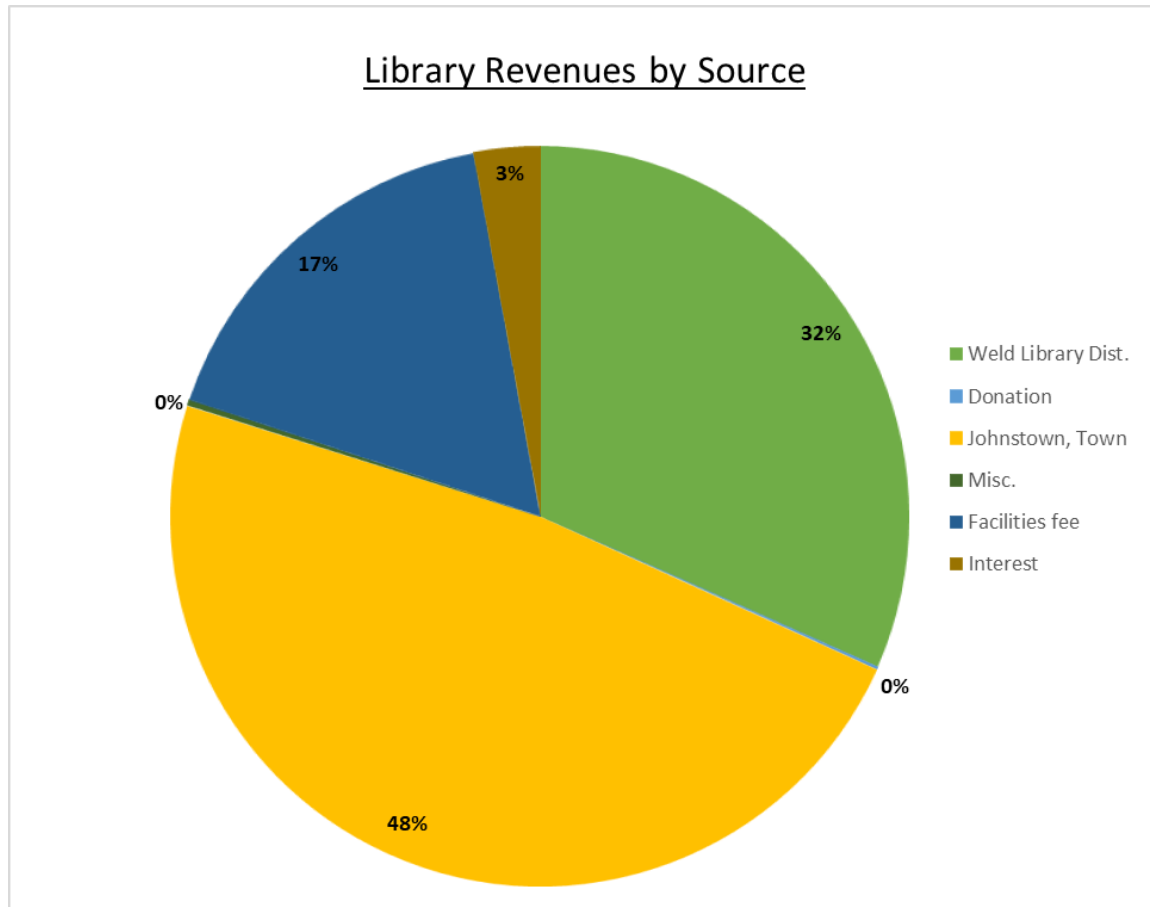
LIBRARY FUND BUDGET

Library Fund	2021 Actuals	2022 Actuals Jan - Aug	2022 Year-End Estimates	2023 Adopted Budget
Beginning Fund Balance	5,315,977	6,665,723	6,665,723	8,155,642
<u>Revenues:</u>				
Taxes and Fees	1,783,330	1,261,687	1,628,959	2,062,432
Grants and Contributions	700	-	1,500	3,500
Capital Investment Fees	237,636	591,937	614,897	439,410
Earnings on Investment	2,389	16,278	51,564	75,000
Miscellaneous Revenue	2,559	404	2,500	7,500
<i>Transfers In</i>	-	-	-	-
Total Operating Revenues	2,026,614	1,870,306	2,299,420	2,587,842
<u>Expenditures:</u>				
Operations & Maintenance	621,630	361,344	809,500	1,821,000
Capital Outlay	55,238	28,983	-	-
<i>Transfers Out</i>	-	-	-	-
Total Expenditures	676,868	390,326	809,500	1,821,000
Excess (Deficiency) of Revenues and Other Sources over Expenditures	1,349,746	1,479,979	1,489,920	766,842
Ending Fund Balance	6,665,723	8,145,702	8,155,642	8,922,484

FUND SUMMARIES

LIBRARY FUND REVENUE

Revenues for this fund come from facilities fees, donations, interest, property taxes from Weld Library District, property taxes from the Town of Johnstown and other miscellaneous sources.



FUND SUMMARIES

LIBRARY FUND EXPENDITURES

The expenditures in this fund are all related to the operation and maintenance of Glenn A. Jones M.D. Memorial Library.

LIBRARY FUND EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Library Fund	677,000	777,000	355,000	12,000	1,821,000	-	-	1,821,000
Totals	\$ 677,000	\$ 777,000	\$ 355,000	\$ 12,000	\$ 1,821,000	\$ -	\$ -	\$ 1,821,000

Total Cash Available \$10,743,484

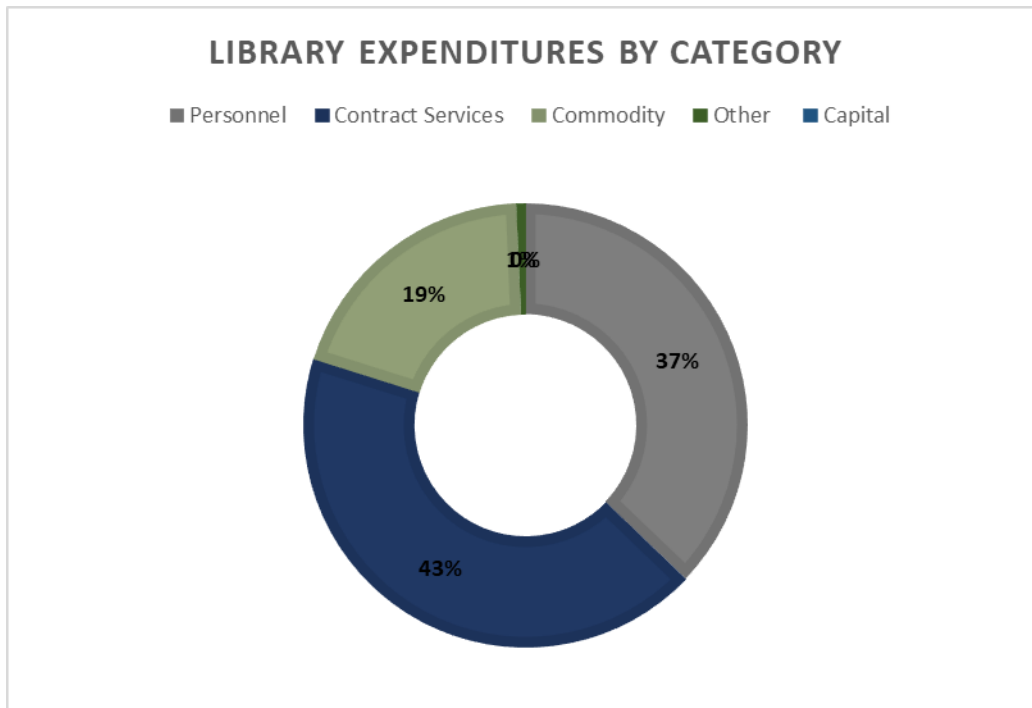
Ending Fund Balance \$ 8,922,484

PROJECTS FUNDED IN 2023 BUDGET

- General operations and maintenance

FUND SUMMARIES

The chart below details the expenditures for the Library Fund by category.



LIBRARY FUND FULL TIME EMPLOYEES

The Library personnel are not Town Employees so the Town does not include their personnel count.

RECREATION CENTER FUND

FUND SUMMARIES

Recreation Center Fund

The Recreation Center Fund was created in 2019 to account for the construction and operational costs associated with the Johnstown Community YMCA. Construction of the new facility was completed in the spring of 2020. The facility is a 69,000 square foot fitness and community center. The facility is owned by the Town of Johnstown and operated by the YMCA of Northern Colorado.

As this is a new facility, there are limited historical costs that can be utilized for comparisons. The 2023 Budget includes costs for a \$500,000 operating subsidy. The operating subsidy is a recurring expense.



FUND SUMMARIES

RECREATION CENTER FUND BUDGET

	2021 Actuals	2022 Actuals Jan - Aug	2022 Year-End Estimates	2023 Adopted Budget
Recreation Center Fund				
Beginning Fund Balance	1,422,738	922,738	922,738	422,738
<u>Revenues:</u>				
Grants & Contributions	-	-	-	-
Miscellaneous Revenue	-	-	-	-
<i>Transfers In</i>	-	-	-	77,262
Total Operating Revenues	-	-	-	77,262
<u>Expenditures:</u>				
Operations & Maintenance	500,000	500,000	500,000	500,000
Capital Outlay	-	-	-	-
<i>Transfers Out</i>	-	-	-	-
Total Expenditures	500,000	500,000	500,000	500,000
Excess (Deficiency) of Revenues and Other Sources over Expenditures	(500,000)	(500,000)	(500,000)	(422,738)
Ending Fund Balance	922,738	422,738	422,738	-

FUND SUMMARIES

RECREATION CENTER FUND REVENUE

Revenues for this fund come exclusively from transfers from the Town of Johnstown General Fund. In 2023 there is a budgeted transfer into this fund of \$77,262 to utilize the remaining fund balance.

Recreation Center		
Source	Amount	% of Total
Transfer In	77,262	100%
	77,262	100%

RECREATION CENTER FUND EXPENDITURES

This fund has expenditures that are related to the recreation center. The \$500,000 in expenditures is classified as recurring operational expense.

RECREATION CENTER FUND SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Rec Center Fund	-	500,000	-	-	500,000	-	-	500,000
Totals	\$ -	\$ 500,000	\$ -	\$ -	\$ 500,000	\$ -	\$ -	\$ 500,000

Total Cash Available \$ 500,000

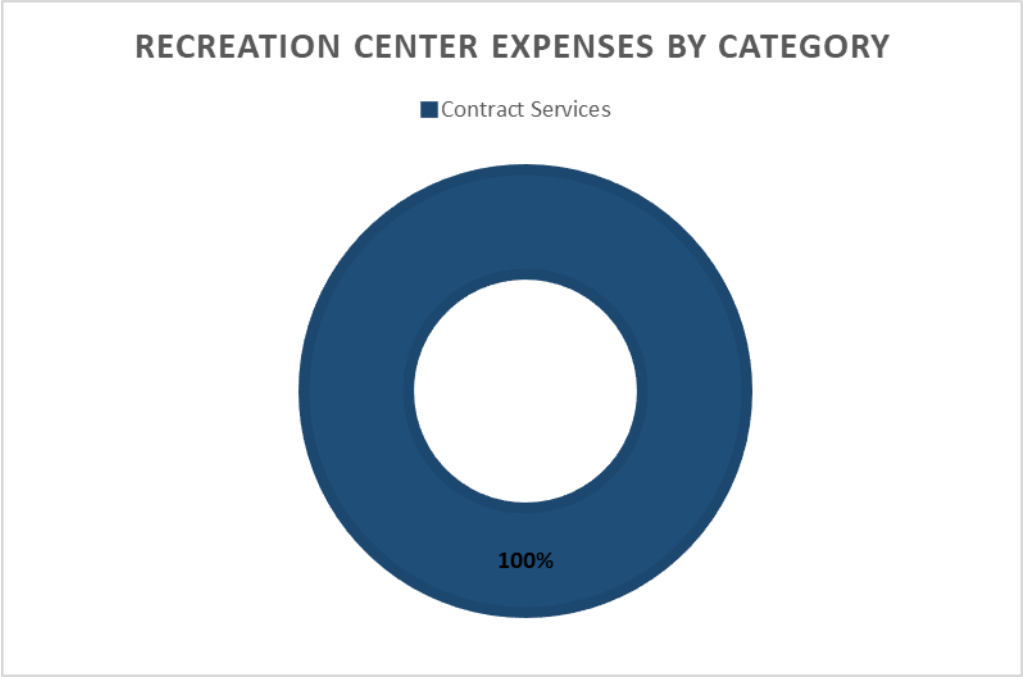
Ending Fund Balance \$ -

PROJECTS FUNDED IN 2022 BUDGET

- General operational subsidy

FUND SUMMARIES

The chart below details the expenditures for the Recreation Center Fund by category.



RECREATION CENTER FUND FULL TIME EMPLOYEES

The Recreation Center personnel are not Town Employees so the Town does not include their personnel count.

FIDUCIARY FUNDS

CEMETERY PERPETUAL FUND

FUND SUMMARIES

Cemetery Perpetual Fund

The Cemetery Perpetual Fund was established to conform with Chapter 11, Article VI, Section 107 of the Town's Municipal Code. The Municipal Code specifies that 15% of the funds received from the sale of lots and grave spaces shall be held in the Cemetery Perpetual Fund. The funds held in the Cemetery Perpetual Fund cannot be utilized unless the Town Council deems it necessary. Interest that is earned on the principal funds may be used for cemetery maintenance.

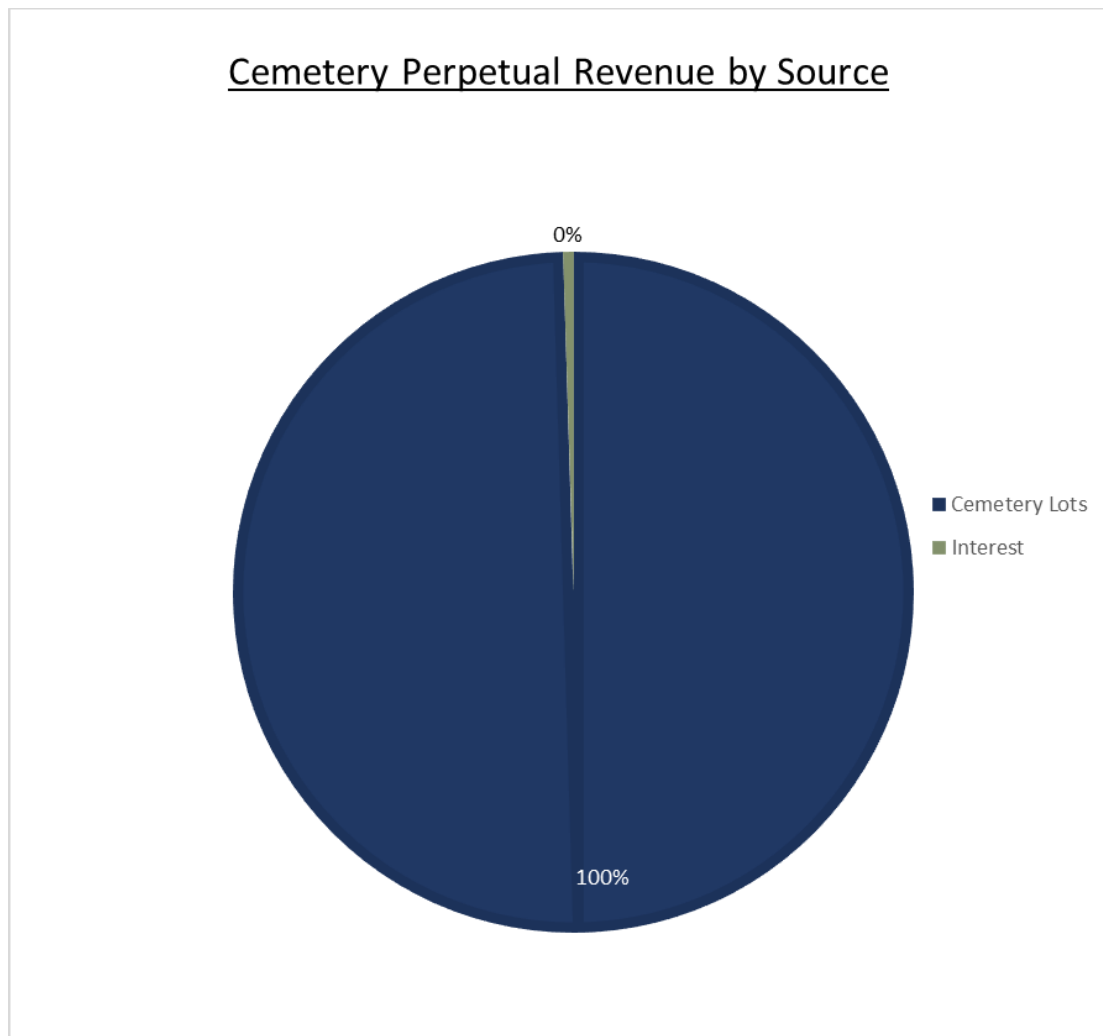


FUND SUMMARIES

CEMETERY PERPETUAL FUND BUDGET

	2021 Actuals	2022 Actuals Jan - Aug	2022 Year-End Estimates	2023 Adopted Budget
Cemetery Perpetual Fund				
Beginning Fund Balance	144,553	153,815	153,815	167,055
<u>Revenues:</u>				
Intergovernmental	9,207	10,031	13,170	12,560
Earnings on Investment	55	616	70	60
Miscellaneous Revenue	-	-	-	-
Total Operating Revenues	9,262	10,647	13,240	12,620
<u>Expenditures:</u>				
Operations & Maintenance	-	-	-	-
Capital Outlay	-	-	-	-
Transfers Out	-	-	-	-
Total Expenditures	-	-	-	-
Excess (Deficiency) of Revenues and Other Sources over Expenditures	9,262	10,647	13,240	12,620
Ending Fund Balance	153,815	164,462	167,055	179,675

FUND SUMMARIES



CEMETERY PERPETUAL FUND EXPENDITURES

There are no expenditures budgeted for 2023.

PROPRIETARY FUNDS

WATER FUND

FUND SUMMARIES

Water Fund

The Town of Johnstown Water Fund is an enterprise fund responsible for the production, operations, maintenance, and capital related items of all of the Town water distribution system. This includes the water treatment, repair and installation of lines into the system, reading of all meters for billing purposes, and monitoring the testing and compliance of the distribution system. The fund includes water tap fees collected at the time builders apply for a building permit for a new residence or business. These fees are used for the extension of waterlines or other improvements to Johnstown's water system driven by the increased demand by customers and areas serviced in Johnstown. One role of this fund, in recent years, has been to plan the development of a raw water irrigation system. This will allow existing and future residents to use lower cost untreated water for outdoor irrigation and preserve high quality potable water for indoor needs.



FUND SUMMARIES

WATER FUND BUDGET

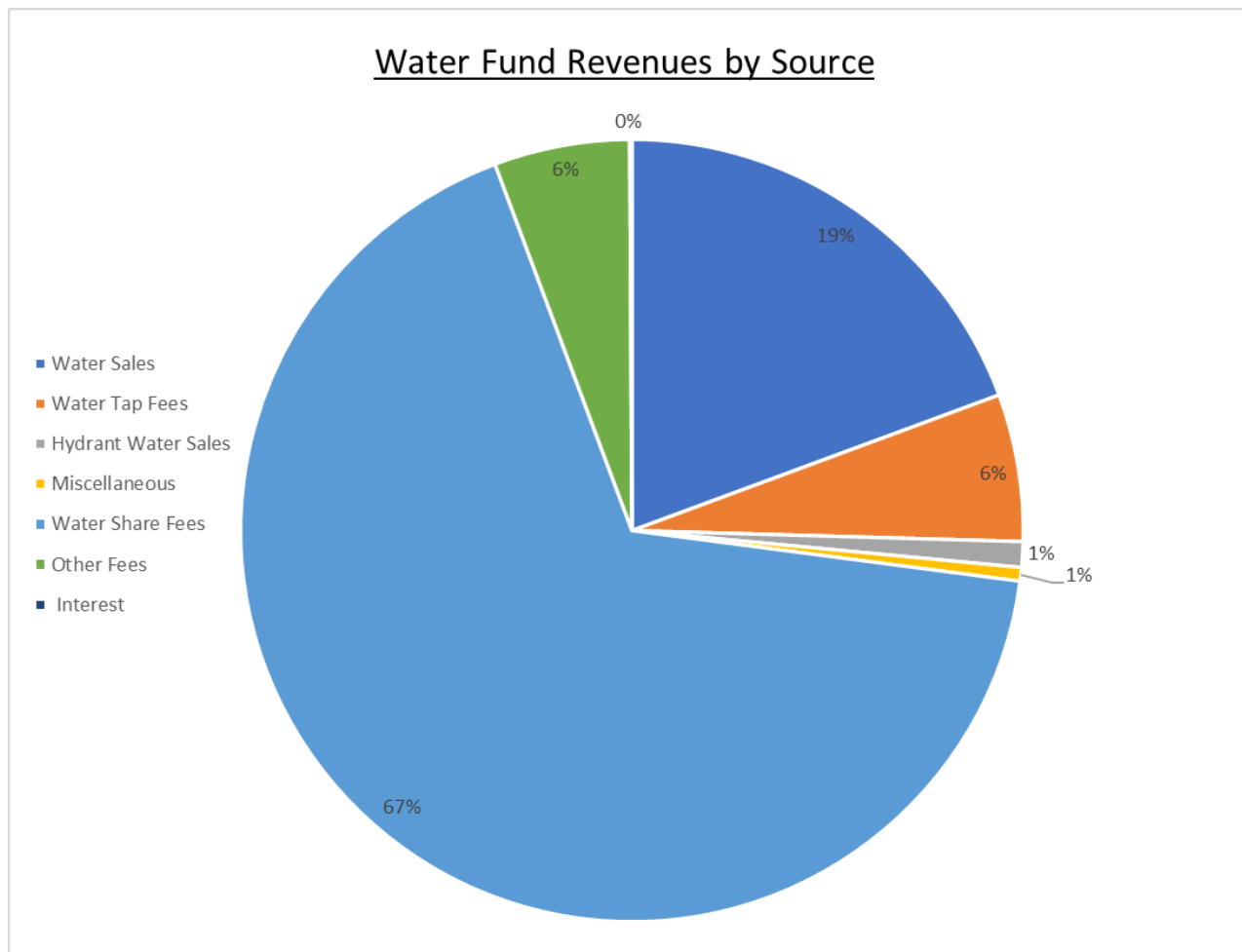
Water Fund	2021 Actuals	2022 Actuals Jan - Aug	2022 Year-End Estimates	2023 Adopted Budget
Beginning Cash Balance	21,003,127	22,391,126	22,391,126	11,127,993
<u>Revenues:</u>				
Charges for Services	4,775,337	3,575,900	4,616,000	4,555,000
Miscellaneous Revenue	10,650	21,940	26,000	15,000
Total Operating Revenues	4,785,987	3,597,840	4,642,000	4,570,000
<u>Expenses:</u>				
Operations and Maintenance	2,690,160	2,084,888	3,818,000	4,600,650
Capital	22,175,131	10,302,717	17,079,000	37,017,280
Depreciation	434,789	362,324	425,000	970,000
Debt	-	-	-	-
Transfers Out	-	-	-	-
Total Operating Expenses	25,300,079	12,749,929	21,322,000	42,587,930
Operating Income (Loss)	(20,514,093)	(9,152,089)	(16,680,000)	(38,017,930)
<u>Non-Operating Revenues (Expenses)</u>				
Tap Fees	1,601,574	1,890,945	2,150,000	1,357,605
Capital Investment Fees	1,371,918	1,987,255	2,210,000	1,147,945
Misc. Revenues	18,913,473	996,897	963,867	70,611,500
Interest Expense	15,127	82,802	93,000	20,000
Total Non-Operating Revenues (Expenses)	21,902,092	4,957,899	5,416,867	73,137,050
Excess (Deficiency) of Revenues and Other Sources over Expenses	1,388,000	(4,194,190)	(11,263,133)	35,119,120
*Ending Cash Balance	22,391,126	18,196,936	11,127,993	46,247,113

* The budget is prepared with the cash balance.

FUND SUMMARIES

WATER FUND REVENUES

Water Fund revenues are primarily made up of water sales to customers, development fees, tap fees, and hydrant water sales. The chart below shows the proportion of each major revenue source to the total Water Fund Revenues. The chart does not include the proposed \$56,000,000 bonds to help fund the large capital projects.



*Debt proceeds have not been included.

FUND SUMMARIES

WATER FUND EXPENDITURES

The expenditures in this fund include operational costs of \$5,570,650 and capital outlay of \$37,017,280. The increase in operational costs in the 2023 Budget is largely associated with the operation of the GAC system that was installed mid-year 2021. All capital is nonrecurring with all costs being associated with water infrastructure and water shares.

WATER FUND EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
WF Operations	632,000	1,183,750	1,599,100	1,228,650	4,643,500	34,511,280	-	39,154,780
WF C&D	473,300	157,000	295,000	1,850	927,150	2,506,000		3,433,150
Totals	\$ 1,105,300	\$ 1,340,750	\$ 1,894,100	\$ 1,230,500	\$ 5,570,650	\$37,017,280	\$ -	\$ 42,587,930

Total Cash Available \$ 88,835,043

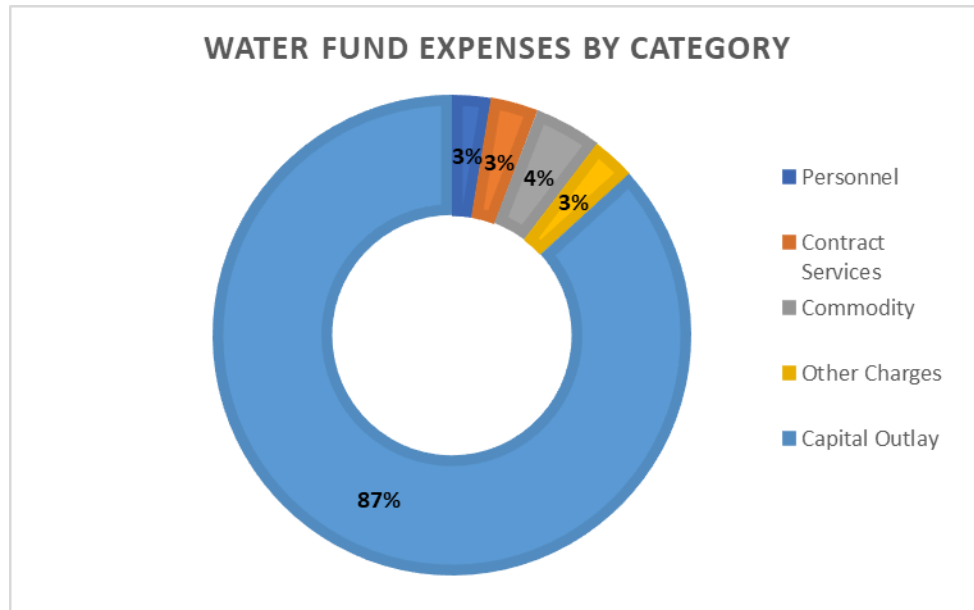
Ending Fund Balance \$ 46,247,113

PROJECTS FUNDED IN 2023 BUDGET

- South water tank completion
- South distribution line
- Maintenance of raw water trunk line for Johnstown Reservoir
- Install generator at Johnstown Reservoir
- Water plant expansion design
- CI injection system
- Charlotte St. improvements
- Raw water design
- Raw water easements
- Lonetree to lake line design
- Highway 60 water line
- Central water line

FUND SUMMARIES

The chart below details the expenditures for the Water Fund by category. Clearly in 2023 the biggest expenditure will be for Capital Outlay which includes costs for the south water tower project south distribution line, and the water treatment plant expansion.



WATER FUND FULL TIME EMPLOYEES

Department	No. of Full Time Employees
Administration	1
Operations	9.25
Total	10.25

FUND SUMMARIES

WATER FUND ACCOMPLISHMENTS AND GOALS

<u>2022 Accomplishments</u>	<u>2023 Goals</u>
Began the design on the water treatment plant expansion	Complete design of water treatment plant and begin construction
Construction of south water tank	Perform a system wide water audit
Incorporate water collection system analysis in development review and master planning	Complete design of raw water line from Lonetree to the water treatment plant
Selection of asset management software	Complete water system improvements at Charlotte St.
Added a C&D superintendent	Utilize asset management software for mapping and tracking



DRAINAGE FUND

FUND SUMMARIES

Drainage Fund

The Drainage Fund was established as a result of the creation of the Storm Water Utility in 2004 for the purpose of protecting people and property from harm and damage resulting from uncontrolled and unplanned storm water runoff, allowing the movement of emergency vehicles during flood events, and minimizing inconveniences to businesses and citizens from storm events. This is accomplished by funding the construction, operation and maintenance of the storm water system along with the administration of the Storm Water Utility. This fund is an enterprise fund which means it is primarily supported by monthly fees charged to customers.

The Drainage Fund is also responsible for the design and construction of capital improvements and the costs of capital equipment for the utility. Planned capital improvements are needed to serve new development and growth in the Town.



FUND SUMMARIES

DRAINAGE FUND BUDGET

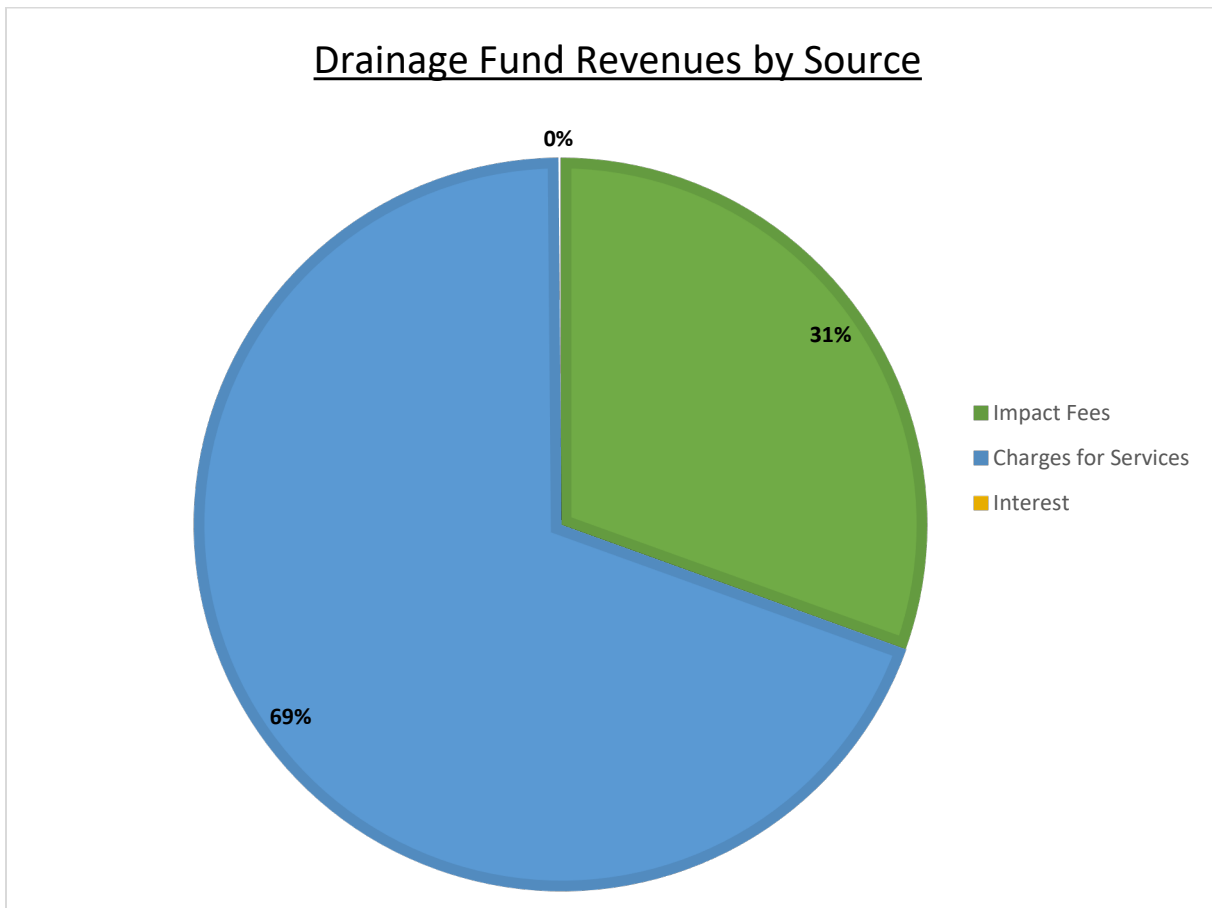
	2021 Actuals	2022 Actuals Jan - Aug	2022 Year-End Estimates	2023 Adopted Budget
Storm Water Fund				
Beginning Cash Balance	3,459,518	3,515,563	3,515,563	3,623,098
<u>Revenues:</u>				
Charges for Services	478,106	330,137	492,000	500,000
Miscellaneous Revenue	-	-	-	-
Total Operating Revenues	478,106	330,137	492,000	500,000
<u>Expenses:</u>				
Operations and Maintenance	440,746	197,479	494,065	643,425
Capital Improvements	407,752	196,523	482,000	-
Transfer Out	-	-	-	250,000
Total Operating Expenses	848,498	394,002	976,065	893,425
Operating Income (Loss)	(370,391)	(63,865)	(484,065)	(393,425)
<u>Non-Operating Revenues (Expenses)</u>				
Capital Investment Fees	420,490	571,865	590,000	220,000
Misc. Revenues	4,904	-	-	-
Interest Expense	1,042	10,844	1,600	1,000
Total Non-Operating Revenues (Expenses)	426,437	582,709	591,600	221,000
Excess (Deficiency) of Revenues and Other Sources over Expenses	56,045	518,844	107,535	(172,425)
*Ending Cash Balance	3,515,563	4,034,407	3,623,098	3,450,673

* The budget is prepared with the cash balance.

FUND SUMMARIES

DRAINAGE FUND REVENUES

Drainage Fund revenues are primarily made up of customer receipts, and impact fees. The chart below shows the proportion of each major revenue source to the total Drainage Fund Revenues.



FUND SUMMARIES

DRAINAGE FUND EXPENDITURES

Storm water expenditures for the 2023 Budget are operating nature. There is a transfer out of this fund of \$250,000 that will go to the Charlotte Street project.

DRAINAGE FUND EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
Drainage Fund	261,460	134,090	20,875	227,000	643,425	-	-	643,425
Totals	\$ 261,460	\$ 134,090	\$ 20,875	\$ 227,000	\$ 643,425	\$ -	\$ -	\$ 643,425

Total Cash Available \$ 4,094,098

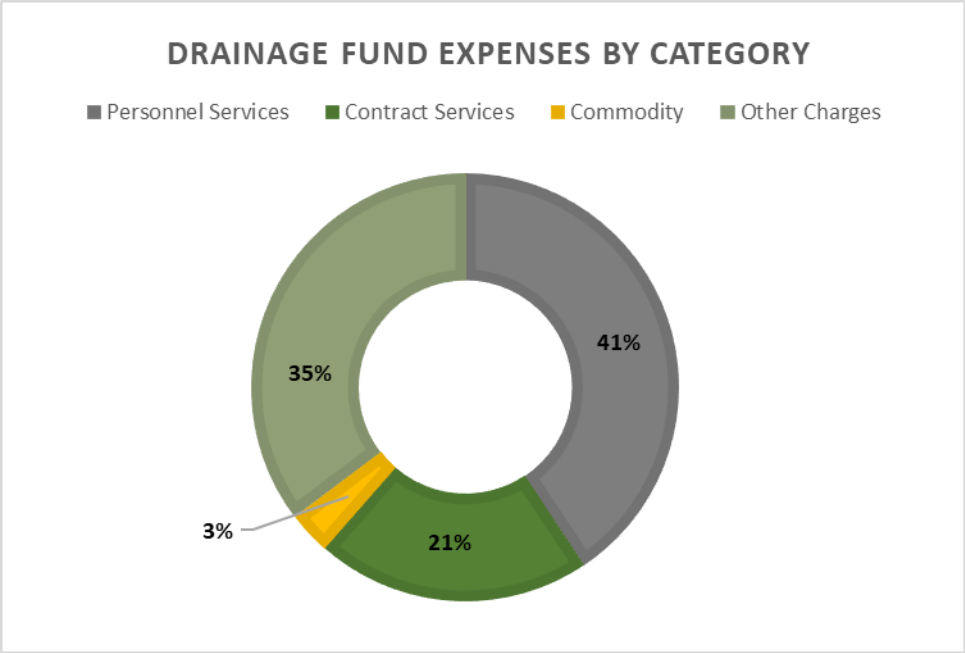
Ending Fund Balance \$ 3,450,673

PROJECTS FUNDED IN 2023 BUDGET

- Charlotte St. drainage project

FUND SUMMARIES

The chart below details the expenditures for the Drainage Fund by category. This fund is fairly labor intensive and the 2023 expenditures reflect that.



DRAINAGE FUND FULL TIME EMPLOYEES

Department	No. of Full Time Employees
Administration	.80
Operations	1.10
Total	1.90

FUND SUMMARIES

DRAINAGE FUND ACCOMPLISHMENTS AND GOALS

2022 Accomplishments	2023 Goals
Installation of a new storm drain system in the Old Town area	Construction of Charlotte St. improvements
Design of new storm drain system for Charlotte St. area	GIS of existing storm drain system, bridges and culverts for logging and tracking preventative maintenance
Storm drain maintenance in key areas of Town	Development and implementation of new stormwater design guidelines for private development



SEWER FUND

FUND SUMMARIES

Sewer Fund

The Town of Johnstown operates its own sewer fund that includes all revenues and costs associated with the Town's sanitary sewer system. The Town currently operates two wastewater treatment plants and maintains all sewer infrastructure. The sanitary sewer system currently serves all residents and businesses located in Johnstown.

The Town has a number of ongoing operational and capital projects as well as ongoing long-term plans. A number of planned capital projects in this fund are regulatory driven and are included in the Town's Capital Improvement Plan. Funding for operations of the sewer fund is provided through rate payers who contribute monthly to the Sewer Fund. The Town currently has approximately 5,742 active sewer accounts, which include residential, multi-family, and non-residential users.



FUND SUMMARIES

SEWER FUND BUDGET

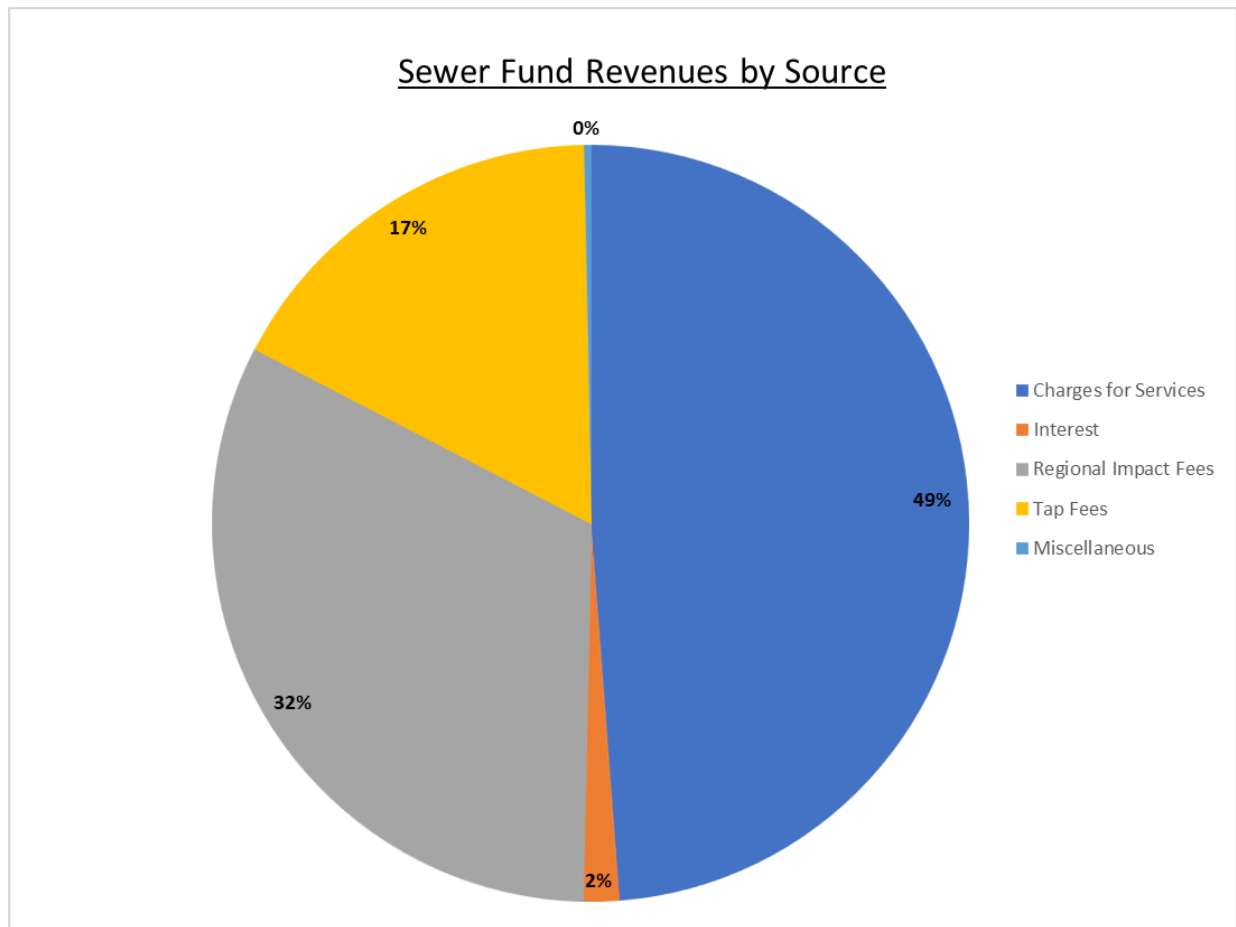
Sewer Fund	2021 Actuals	2022 Actuals Jan - Aug	2022 Year-End Estimates	2023 Adopted Budget
Beginning Cash Balance	9,416,795	62,270,933	62,270,933	30,629,542
<u>Revenues:</u>				
Charges for Services	2,683,290	1,978,032	2,931,742	3,181,500
Miscellaneous Revenue				
Total Operating Revenues	2,683,290	1,978,032	2,931,742	3,181,500
<u>Expenses:</u>				
Operations and Maintenance	1,818,716	1,068,645	1,840,576	2,315,710
Capital Improvements	4,820,910	10,782,329	34,449,000	78,381,000
Depreciation	229,512	191,264	290,000	1,200,000
Debt	1,198,678	976,575	1,953,150	2,764,000
Transfer Out	-	-	-	600,000
Total Operating Expenses	8,067,816	13,018,813	38,532,726	85,260,710
Operating Income (Loss)	(5,384,527)	(11,040,781)	(35,600,984)	(82,079,210)
<u>Non-Operating Revenues (Expenses)</u>				
Capital Investment Fees	2,180,750	4,086,323	5,150,000	3,218,560
Misc. Revenues	48,196	290,545	(1,610,407)	50,018,900
Interest Expense	9,718	311,256	420,000	100,000
Bond Issuance	56,000,000			
Total Non-Operating Revenues (Expenses)	58,238,664	4,688,124	3,959,593	53,337,460
Excess (Deficiency) of Revenues and Other Sources over Expenses	52,854,138	(6,352,657)	(31,641,391)	(28,741,750)
*Ending Cash Balance	62,270,933	55,918,276	30,629,542	1,887,792

* The budget is prepared with the cash balance.

FUND SUMMARIES

SEWER FUND REVENUES

Sewer Fund revenues are generally made up of customer receipts, tap fees, and grants. In 2023, the largest source of revenue is from customer receipts.



*Transfers have not been included.

FUND SUMMARIES

SEWER FUND EXPENDITURES

Expenditures in the Sewer Fund include operating costs of \$3,515,710, capital outlay of \$78,381,000 and debt outlay of \$2,764,000. The capital is classified as nonrecurring and will fund system upgrades and new infrastructure.

SEWER FUND EXPENSE SUMMARY

	Personnel Services	Contract Services	Commodity	Other Charges	Total Operating Costs	Capital Outlay	Debt Service	Total
SF Operations	530,450	950,900	271,860	1,256,350	3,009,560	57,315,000	2,764,000	63,088,560
SF C&D	186,800	264,000	53,500	1,850	506,150	21,066,000	-	21,572,150
Totals	\$ 717,250	\$ 1,214,900	\$ 325,360	\$ 1,258,200	\$ 3,515,710	\$ 78,381,000	\$ 2,764,000	\$ 84,660,710

Total Cash Available \$ 86,548,502

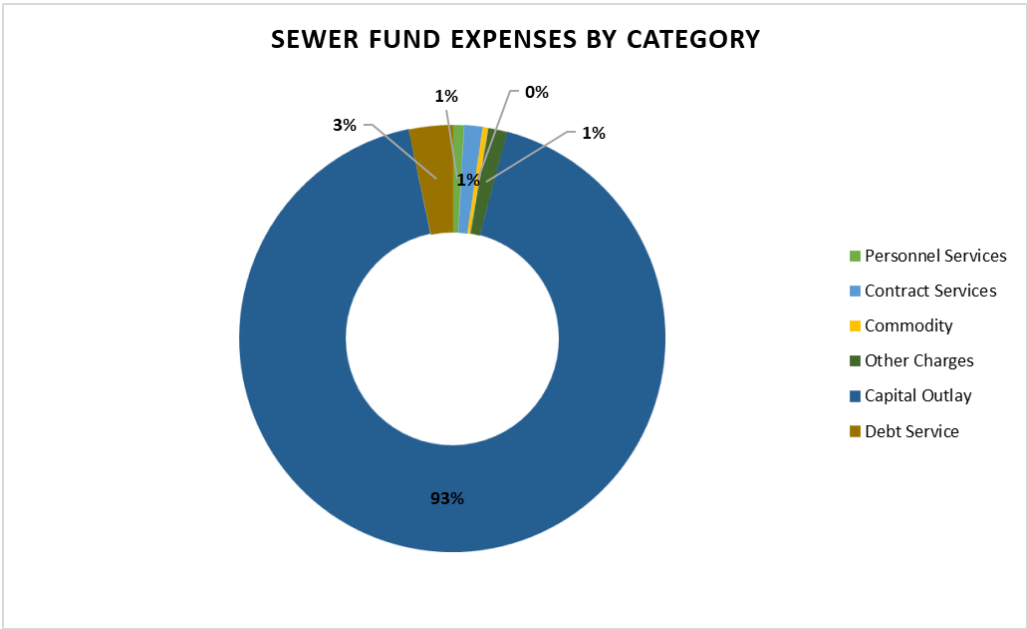
Ending Fund Balance \$ 1,887,792

PROJECTS FUNDED IN 2023 BUDGET

- Central Ph.1 - 3 design and construction
- Low Point WWTP Construction
- Hwy 60 sewer line
- Charlotte St. improvements

FUND SUMMARIES

The chart below details the expenditures for the Sewer Fund by category. Clearly in 2023 the biggest expenditure will be capital, which includes the cost of new infrastructure.



SEWER FUND FULL TIME EMPLOYEES

Department	No. of Full Time Employees
Administration	1.00
Operations	5.75
Total	6.75

FUND SUMMARIES

SEWER FUND ACCOMPLISHMENTS AND GOALS

<u>2022 Accomplishments</u>	<u>2023 Goals</u>
Central Phase 1 Interceptor Project with lift station completed	Complete construction of Low Point Wastewater Treatment Plant
Construction on Central Interceptor Phase 2	Complete Charlotte St. improvements
Low Point WWTP construction	Design and construction on Central WWTP
	Complete construction of Central Interceptor Phase 2

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APPENDIX

Glossary

ACCRUAL BASIS OF ACCOUNTING: The method of accounting under which revenues are recorded when they are earned and expenditures are recorded when goods and services are received.

APPROPRIATION: A legal authorization made by the Town Council to make expenditures for a specific purpose.

ASSESSED VALUATION: The estimated value placed on real and personal property by the appraiser for the County as the basis for levying property taxes. It is currently 7.96% of the market value.

ASSETS: Property owned that is regarded as having value

AUDIT: An official systemic inspection of an organizations accounts and of resource utilization.

BALANCED BUDGET: A balance between total estimated expenditures and total anticipated revenues, including surpluses.

BOND: A debt instrument that is generally used to borrow money for major capital projects, such as the construction of a building.

BUDGET: A financial plan of estimated expenditures for a given period of time and the estimated revenues that will fund them.

CAPITAL OUTLAY: Expenditures for the acquisition of capital assets. Capital items must cost more than \$5,000 and have an expected life of greater than 1 year.

COMMODITY: Items that are purchased in the normal course of business such as office supplies, tools, small equipment, vehicle supplies, etc.

CONTRACT SERVICES: Services that are handled through a contract-type arrangement. This includes legal fees, engineering design services, architectural services, infrastructure maintenance services, etc.

CPI: Consumer price index.

DEBT: A financial obligation resulting from borrowed money.

DEBT SERVICE: Payment of interest and principal due on long-term debt.

DEPARTMENT: Major unit of organization in the Town.

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DEPRECIATION: The decrease in value of physical assets due to wear and tear, deterioration, action of physical elements, or obsolescence.

DESIGNATED RESERVES: The portion of a fund's balance that is restricted for a specific purpose and is not available for appropriation.

DIVISION: Sub-unit of a department.

DOLA: Department of Local Affairs.

ENTERPRISE FUNDS: Funds that are self-supporting with the major revenue coming from user's fees.

ETS: Enterprise Technology Service

EXPENDITURES: Payment for goods or services, including operational expenses that require the current or future use of net current assets, debt and capital outlays.

FISCAL YEAR: The 12-month period to which the budget applies.

FUND: An independent fiscal and accounting entity with a self-balancing set of accounts recording cash and/or other resources together with all related liabilities, obligations, reserves, and equities which are segregated for the purpose of carrying on specific activities or attaining certain objections.

FUND BALANCE: On-hand available cash balances which are realized in prior fiscal years less current liabilities and are available for designation as a funding source for future budget years.

GENERAL FUND: Accounts for resources not accounted for in another fund.

GOVERNMENTAL ACCOUNTING STANDARDS BOARD (GASB): The authoritative accounting and financial reporting standard setting body for government entities.

GOVERNMENTAL FINANCE OFFICERS ASSOCIATIONS (GFOA): A professional association of approximately 17,500 state, provincial, and local government finance officers in the United States and Canada.

GOVERNMENTAL FUND: Used to account for the sources, uses, and balances of a government's general government financial resources and the related governmental fund liabilities.

GRANT: Money given by an organization, often a government, to be used for a specific purpose.

IT: Information technology.

APPENDIX

LEAF: Law Enforcement Assistance Fund

LEASE PURCHASE: A financial arrangement that permits the Town to pay for the use of buildings and equipment over a period of time with a lease that ultimately allows a purchase at the end of lease.

LEVY: To impose taxes, special assessments, or service charges for the support of city activities.

MEDIAN: A figure that lies at the midpoint of a frequency distribution. There are equal numbers above and below it.

MILL: A property tax rate which is based on the valuation of property. A tax rate of one mill produces one dollar of taxes on each \$1,000 of assessed valuation.

MODIFIED ACCRUAL ACCOUNTING: A basis of accounting in which expenditures are accrued and revenues are accounted for on a cash basis. This accounting technique is a combination of cash and accrual since expenditures are immediately incurred as a liability while revenues are not recorded until they are actually received or are "measurable" and available.

NISP: Northern Integrated Supply Project – A proposed water storage and distribution project.

OPERATING BUDGET: The portion of the budget that pertains to daily operations providing basic governmental services. It includes items such as salaries, utilities and supplies.

OTHER CHARGES: One-time or miscellaneous expenses including things such as branding, commission grants, youth programming, general liability insurance, depreciation, etc.

PERSONNEL SERVICES: Salaries, wages, benefits and other employee related costs.

PROJECTION: Estimation of future revenues and/or expenditures.

PROPERTY TAX: Property taxes are levied on both real and personal property according to the property's assessed valuation and the tax rate applied.

PROPRIETARY FUNDS: Used to account for a government's continuing business-type organizations and activities.

REVENUE: Monies that the Town receives as income such as tax payments, fines, grants, and interest income.

SPECIAL REVENUE FUNDS: A fund that is used to account for resources which are restricted for a specific purpose.

APPENDIX

TRANSFERS: Amounts transferred from one fund to another.

UNDESIGNATED RESERVES: The portion of a fund's balance that is not restricted for a specific purpose and is available for appropriation.

APPENDIX

TRANSFER SUMMARY

	Transfers In	From	Transfers Out	To
GENERAL FUND				
General Fund			77,262	Recreation Center Fund
General Fund			50,000,000	Sewer Fund
General Fund			1,243,246	Library Fund
General Fund			625,000	Tax Allocation Fund
SPECIAL REVENUE FUNDS				
Recreation Center Fund	77,262	General Fund		
Sewer Fund	50,000,000	General Fund		
Library Fund	1,243,246	General Fund		
Tax Allocation Fund	625,000	General Fund		
Tax Allocation Fund	50,000	Capital Projects Fund		
Street & Alley	600,000	Water Fund		
Street & Alley	600,000	Sewer Fund		
Street & Alley	250,000	Drainage Fund		
Capital Projects Fund			50,000	Tax Allocation Fund
PROPRIETARY FUNDS				
Water Fund			600,000	Parks & Open Space
Sewer Fund			600,000	Parks & Open Space
Drainage Fund			250,000	Parks & Open Space

FUND TRANSFERS

Fund transfers are used in multiple funds that the Town uses on an annual basis. The transfers out of the General Fund are primarily used to offset contractual financial obligations. The transfer from the General Fund to the Sewer Fund is a loan that will be paid back in the future. The Parks and Open Space Fund is supported by revenues related to parks in addition to the transfers from the proprietary funds that serve as franchise fees. The transfer into the Tax Allocation Fund from the Capital Projects Fund represents a portion of use tax that is received into the Capital Projects Fund that is part of a contractual financial obligation to developers.

APPENDIX

STAFFING SUMMARY

Fund/Department	2023 Budget
Governmental Funds	
<u>General Fund:</u>	
Town Manager	5.95
Town Clerk	3.00
Finance	2.40
Planning	4.40
Police	34.00
Public Works	5.20
Building Inspection	1.00
Buildings	0.00
General Fund Total	55.95
Street & Alley Fund	5.55
Parks & Open Space Fund	5.60
Conservation Trust Fund	0.00
Tax Allocation Fund	0.00
Capital Projects Fund	0.00
Recreation Center Fund	0.00
Library Fund	0.00
Proprietary Funds	
Water Fund	10.25
Drainage Fund	1.90
Sewer Fund	6.75
Fiduciary Funds	
Cemetery Perpetual Fund	0.00
Total FTE's:	86.00

CHANGES TO FTE's IN 2023

There were 5 full-time positions approved in the 2023 Budget. The positions added, Town wide include: PW Assistant Street & Maintenance Supervisor (1) and PD Officers (4).