

November 15, 2018

Objection to 2019 Town of Marble budgets

1. Narrative
2. Alternate budget of Revenue/Expenses
3. Water Fee Fund reconciliation
4. Supporting town documents

November 15, 2018

Trustees for the Town of Marble

Town of Marble CO

I object to the Town of Marble 2019 proposed budgets posted on line for the following:

1. The budget presupposes the supplemental budget is lawful, I hold the opinion it is not.
2. The Mill Site Park is deed restricted and commercial use will be contested.
3. The town is required by Colorado law to have a court and enforcement for its ordinances. It does not.
4. The Water Fee Fund must be reconciled.

Before I start. Review the numbers on page 4-5, you are counting the 20K for Water Fee Service twice. It is already included in the Revenue and Expense budget numbers on pages 6-7 which is why I make my point in #2. It should not be in the General Fund. The General Fund numbers are improperly inflated in the proposed ordinances and budget.

1. Conservation Trust fund is not disclosed separately on the budget sheet, or monthly on the balance sheet. It is a restricted fund for the lottery revenue that the town receives monthly/quarterly, and should be listed separately. The income should be reported separately and not co-mingled with the general fund. The manner it is reported now skews the overall budget numbers. It has approximately 19K balance and a yearly revenue amount of 1,500 to be used exclusively for park improvement. DOLA approved.
2. Water Fund is a Proprietary Fund. It is funded by a 130.00 fee paid by land owners for fire protection. Approximate revenue is 22,600.00 per year. The Marble Water Co. receives 20K from this account to service the loan to the USDA for the water tank. Page 12 of the posted budget, the Water Fee Fund is a wild misrepresentation of numbers. Both the revenue and the balances are incorrect. Attached. The Water Fund as a proprietary fund should not be co-mingled with the general fund as it skews the numbers. The 20K transfer in and transfer out are a misrepresentation of true revenue and expenses. This is not income to the town but rather to a separate entity created in 2002 and as such should be shown separately as was originally agreed.

3. The 2016 audited year-end balance of the Water Fee account was 36,183. At year end 2017 the fund had 34,400 per the audited statement page B8. Enclosed. The Town balance sheet account 0873 at the start of 2018 showed 12,974 and was labeled water fees. A glaring 21,426 discrepancy. 12,875 is the same amount listed in the 2019 budget package now on page 12. Enclosed. The audited statements show cash and cash equivalents. Cash and cash equivalents are defined as deposits that can be withdrawn at any time without notice or penalty and investments with original maturities of three months or less. (not receivables)

The Fund typically gains about 2,600+ per year/ 15 yrs. During 2017 some of the payments were not made/recorded, but in 2018 excess payments over the needed 20K were made totaling 4,224. Totaling the revenue received in 2018 (24,224) reported in the packets, subtracting the 20K for the check written to the Marble Water Co, the estimate year end would be **38,624** vs the reported 17,098 the balance sheet showed on the Nov 1 packet. Oddly, the account lost an additional 4,253 in 5 days, between November 1, 2018 and November 6, 2018 with the new budget post number. Page 12. Posting incorrectly in a budget, that requires a vote and will be going to the state, is a serious mistake. **Account 0873 was short 22 now 26K.** This analysis was cash basis only on reported revenue. This discrepancy, manner of accounting must be explained in writing with proof.

4. The 50K in revenue from the proposed parking is unproven, and the entire parking program will be contested due to the deed restriction which prohibits commercialization of the Mill Site Park. A formal plan outlining the area, a public hearing, agreement, and a release of the deed restriction by the SBA must be recorded before this can even be considered credible. This is not income at this point and removal from the budget and listed as a footnote of unlikely revenue might prove to be a more truthful option.
5. The 16K in expenses for the parking should be taken out as there is not a clear path to commercial the park. This is uncertain expense for the above revenue

and removal from the budget and listed as a footnote might also prove to be a more responsible option.

6. The expenses for the campground including the amount paid to the Hub should be questioned. There are potential savings there.
7. Refusal to leave the court amount of 9K in place, (3K short.) This is a Colorado Revised Statute requirement for municipalities organized pursuant to Colorado Law Article 31. This will need to be addressed. First year **expense 12K** included in the alternate budget.
8. Failure to leave the 8k in for enforcement (12K short for the first year) will need to be addressed. 700/900 visitors on a daily basis for 12-14 weeks without any enforcement is indeed negligent to the residents. **Expense 20K** included in alternate budget
9. Failure to discuss any additional items for revenue increases.
 - a. Requirement of SGB to pay for the town right of ways, both for the lease (town spent legal fees on to draft, should be reimbursed) and the right of ways that are taken for parking the restaurant does not provide per town code. **Revenue 10K** past years have not been paid. Land 3K and the parking 7K minimum. SGB must compensate the Town rather than take.
 - b. There is a tax that is charged within the town limits for the VRBO lodging that is taken by the Marble Crystal River Chamber and not allocated for the town. The mayor, 1 board member, and an additional member of the MCRC is on the Town of Marble Board and creates a conflict of interest. Their first obligation is to the town. This is a tax charged in Marble and should remain in the town, and not flow into these businesses for their use. **Revenue +10K**
10. Failure to discuss revenue for tickets and fines resulting from traffic and parking issues. Mayor simply stating he is Not going to have someone write tickets is erroneous. Not his decision to make but rather needs a vote from

the trustees. If the trustees do not want to generate revenue, they should not be spending. It's a lack of enforcement for whose benefit?

11. Allowing the Marble Fest Party, civic engagement, other non-necessary frivolous expenses, is absurd. **Taken out of alternate budget**

12. Allowing the clerk to modify his wages (increase of 266% when no additional revenue was being received) change description to Town Administrator, and paying a sum of 24% of true revenue to expenses is unsustainable. This amount is contrary to any other small town with equal size and budget, in short overpaying. Overpay cost 22K. Based on budget presented and the over spending of approximately 30K in 2018 it raises many questions as to the legitimacy of the supplemental budget. In addition, it raises the question of "new board members" voting for approval of something they were not involved at the inception of. Caution!

13. Arbitrarily discussing and adding fees for Mark Chain to facilitate a committee, for an activity that appears to be a conflict of interest/benefit for the Mayor, council member with a Lodge and the Board member with the Jeep Tour business. A non-conflicted trustee should be on the Lead King Loop committee, along with representatives from County Rd. 3, Valley. The town should not be paying for a facilitator that appears to harbor a bias.

14. Failure to allocate money for the museum, or any other historical sites.

15. Failure to properly allocate money for any Mill Site Park improvements.

16. Failing to use accepted accounting principles, and adhering to fiduciary responsibility. There is no independent third-party reader on the accounts.

The town has revenue of approximately 170K and as a reasonableness that should be the starting point and not a wish list to benefit individual parties. The audience has sat through 2 budget meetings that quite frankly appeared useless. Will stated last year in public it would be by committee first with public participation. Ron was present. It is clear why that did not happen this year. There are multiple conflicts of self-interest.

If the town trustees want to spend excess monies for their fantasies and favorites and not adhere to the law, then they need to figure out additional revenue to raise the income and or get off the board. Its all explained in the alternate budget. The budget can be balanced at about 190K if individual agendas are removed and the appropriate avenues are taken that are fair and equitable for everyone. There are additional avenues to increase the revenue without exploiting the park. Use them.

The Town does not supply Trash, Water, Sewer, Fire, Schools, Museum, Parks, Court or Enforcement. It does supply snowplowing, and some street repair.

It pays out the majority of its revenue in wages, and this year presented a particular self-promoting issue.

The town cannot survive the path that it is now on. The trustee that stated " their side" will not be sustainable. After all, what is a budget other than a path for the future. Lawlessness is not an option. Chaos is a choice. Choose wisely.

A different proposed balanced budget is included.

On a regular basis, as a young boy I would slide out of my desk, turn toward the flag and pledge allegiance to the United States, and a concept of "Justice for all".

By its very nature, the proposed 2019 budget for the Town of Marble Colorado diminishes rights and freedoms for myself and others, and in its place, financially benefits the Town Administrator, Mayor and certain Trustees. It does not comport to "Justice for all".

Sincerely,

Steve Lucht

Income		November 15,2018	
Amended using same budget layout categories, pg 6			
		A Posted	Amended
Taxes		Town	New
	no change	23,000	23,000
Licenses and permits			
	no change	4,000	4,000
Intergovernmental			
	no change	54,000	54,000
Other			
	remove parking	50,000	
	remove water fees	20,000	
	lower camp ground	5,000	
	non specified	3,000	
		<u>167,800</u>	<u>89,000</u>
		78,000	170,000

town amounts are skewed with the category of Other

it is possible to balance the budget with the court

it is possible to balance the budget with enforcement

Add	10	reasonable charges for the SGB to pay
	3	increase in business licenses
	5	increase in campground revenue
	10	Lodging tax charged in Marble
	<u>28</u>	

there are plenty of additional revenue streams
for expenses that are removed. This shows a balanced
budget with enforcement and a court system is possible
adhering to Colorado Revised Statutes.

based on 170,000 income and expenditures of 187,000
shortfall is approximately 17K

To offset the shortfall revenue must also be increased.

There is 18K to 28K readily available

If SGB pays a reasonable amt for the past few years....even more

Revenue increases.

1. SGB pay 3K per year for the street Right of way
there is a overdue balance unpaid 3
2. SGB pay a minimum of 7K per year for the additional
parking on town right of ways 7
3. The town request to the County Commissioners for the
VRBO tax that is charged in town instead of having Marble
Crystal River Chamber apply and take all of it 10
4. Increase the business licenses to 250.00 yearly
plus graduated amount per employee 3
5. Designated increase in sales tax of 1.5% for road expenses
6. Fines for parking and traffic violations
7. Land Use Ordinance fines/restitutions
8. General sales tax increase to cover costs

Expenses

November 15,2018

Amended using same budget layout categories,
pg 7**Wages**

		A Posted Town	Amended New
increase enforcement	20,000		
decrease clerk	20,000		
net change	0	61,000	61,000

General Government

decrease all

parking program	16,000	remove from budget	
campground	5,000		
unclassified	3,000		
Marble Fest	3,000		
Civic engagement	1,500		
office expenses	1,500		
Marble Water Fees	20,000	remove general fund	
Weed	1,000		
recycle	<u>2,000</u>		
	53,000	84,000	31,000

Roads

adjust amounts

Street Maintenance	3,000		
snow plowing	0	39,000	36,000

Professional Services

adjust up amount for court	10,500		
decrease the attorney	5,000	38,500	44,000

other Purchased services

decrease the Earth day	3,000	<u>18,000</u>	<u>15,000</u>
		240,500	187,000

based on 170,000 income and expenditures of 187,000
shortfall is approximatly 17K

To offset the shortfall revenue must also be increased.

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What is a budget other than a path for the future

2018 will have a shortfall due to excessive wages and party

Water Fee Fund

11.15.18

2015 audited year end	33,272		
2016 audited year end	36,183		
2017 audited year end	34,400	1,783	2600 4383
2018 audit beginning year	34,400		
2018 beginning year balance sheet			
account # 0873 in packet	12,974		does not match the audit above
understated	21,426		is the stated balance sheet correct or the audits
collections during 2018	24,224		from the packets match balance sheet 11.1.18
less the Marble Water Co	20,000		Payment approximately June 1, 2018
additional to fund for year	4,224		
add to 2018 audit beginning	34,400		est. year end 2018/ still short 2600 (receivables?)
add to balance sheet	12,974		stated balance Nov 1, 2018 packet (100 Off)
			they both can't be correct.
This is the stated balance Nov 1, 2018	17,098		
	-4,253		where did this go in 5 days?
this is the stated balance Nov 6, 2018	12,845		why is there a new stated balance?
where did this number come from??			

there are many unanswered questions on this account.

continued on 2nd page

page 2 November 15, 2018

The balance on the account should be close to 41,400 (receivables of small amount) to understand what happened in 2017. the collections posted were 1783 less than the 20,000 the Water Co receives so the account fell that amount It also shows the avg. overage amount 2600 that also was not posted, totaling 4,383. Had the normal amount been posted it would have registered approximately 38,800. Then in 2018 the account would have grown again by 2600 to 41,200 These last numbers are approximate but the parcels in town have not changed and neither has the amount to the Water Co. This is simple cash collections, 1 payment and balance. and a footnote for receivables if necessary.

It appears numbers are being posted rather than accounting figures

Town of Marble, Colorado
Statement of Cash Flows
Proprietary Fund - Water Fund
For the Year Ended December 31, 2017

Cash Flows From Operating Activities:		
Cash received from customers and others	18,217	
Net Cash Provided by Operating Activities	<u>18,217</u>	
Cash Flows From Capital and Related Financing Activities:		
Principal paid	(8,112)	
Interest paid	(11,888)	
Cash (Used) by Capital Financing Activities:	<u>(20,000)</u>	
Net Change in Cash and Cash Equivalents	(1,783)	
Cash and Cash Equivalents - Beginning of Year	<u>36,183</u>	✓
Cash and Cash Equivalents - End of Year	<u><u>34,400</u></u>	✓
 Reconciliation of Operating Income to		
Net Cash Provided by Operating Activities:		
Operating income	18,217	
Net Cash Provided by Operating Activities	<u><u>18,217</u></u>	

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

Town of Marble, Colorado
Statement of Cash Flows
Proprietary Fund - Water Fund
For the Year Ended December 31, 2016

Cash Flows From Operating Activities:		
Cash received from customers and others	22,911	✓
Net Cash Provided by Operating Activities	<u>22,911</u>	
Cash Flows From Capital and Related Financing Activities:		
Principal paid	(7,737)	
Interest paid	(12,263)	
Cash (Used) by Capital Financing Activities:	<u>(20,000)</u>	✓
Net Change in Cash and Cash Equivalents	2,911	✓
Cash and Cash Equivalents - Beginning of Year	33,272	
Cash and Cash Equivalents - End of Year	<u><u>36,183</u></u>	✓
Reconciliation of Operating Income to		
Net Cash Provided by Operating Activities:		
Operating income	22,781	
Net Cash Provided by Operating Activities	<u><u>22,911</u></u>	

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

**TOWN OF MARBLE
WATER FEE FUND
2019 BUDGET**

	2017 Audit	2018 Estimate	2019 Budget
Beginning Balance		12,845	12,845
Revenues			
Fee for Service	18,217	20,000	20,000
Interest	0	0	0
Total Revenue	18,217	20,000	20,000
Expenditures			
Service Charge	0	0	0
Water Clerk	0	0	0
FICA Withholding	0	0	0
Office	0	0	0
Fire Protection/Water Tank	20,000	20,000	20,000
Total Expenditures	20,000	20,000	20,000
Ending Balance		12,845	12,845

*Notes /
Packet
Shawell
17,098*

4:21 PM

02/25/18

Accrual Basis

Town of Marble
Balance Sheet
As of March 1, 2018

	<u>Mar 1, 18</u>
ASSETS	
Current Assets	
Checking/Savings	
*General Fund -0240	63,336.28
Campground Account	38,351.57
Money Market -1084	129,583.81
Severance/Mineral Proceeds	143,725.86
Water Fees -0873	12,974.74
	<hr/>
Total Checking/Savings	387,972.26
	<hr/>
Total Current Assets	387,972.26
	<hr/>
TOTAL ASSETS	387,972.26
	<hr/> <hr/>
LIABILITIES & EQUITY	0.00

10:35 AM
10/25/18
Accrual Basis

Town of Marble
Balance Sheet
As of November 1, 2018

	<u>Nov 1, 18</u>
ASSETS	
Current Assets	
Checking/Savings	
*General Fund -0240	34,972.43
Campground Account -6981	81,580.22
Money Market -1084	99,383.51
Severance/Mineral Proceeds-6157	148,703.83
Water Fees -0873	17,098.56
Total Checking/Savings	<u>381,738.55</u>
Total Current Assets	<u>381,738.55</u>
TOTAL ASSETS	<u><u>381,738.55</u></u>
LIABILITIES & EQUITY	0.00

8

3. In accordance with such budget, the estimated revenues for each fund for the 2019 fiscal year are as follows:

Fund	Revenue
General Fund	\$248,971
Park Fund	\$1,500
Water Fee for Service	\$20,000
Total	\$270,471

4. The following appropriations are made for the 2019 fiscal year:

Fund	Amount Appropriated
General Fund	\$240,473
Park Fund	\$6,500
Water Fee for Service	\$20,000
Total	\$266,973

5. The Clerk shall file with the Colorado Division of Local Government, before January 31, 2019, a certified copy of the budget, including the budget message, and a copy of Form DLG 70.

INTRODUCED, READ, ADOPTED AND ORDERED PUBLISHED BY TITLE this 6th day of December, 2018, by a vote of ___ in favor and ___ opposed.

TOWN OF MARBLE:

Ryan Vinciguerra, Mayor

ATTEST:

Ron Leach, Clerk

TOWN OF MARBLE
GENERAL FUND
11/4/2018

	2017 Audit	2018 Estimate	2019 Budget
Beginning Balance	239,547	336,079	308,115
Revenues			
Taxes			
General Property Tax	24,889	20,950	21,171
Specific Ownership Tax	0	1,500	1,500
Special Use & Sales Tax	0	0	0
Additional License Tax	0	700	500
Property Tax Interest	0	100	100
Total Taxes	24,889	23,250	23,271
Licenses & Permits			
Business Licenses	950	1,000	1,000
Building Permits	2,324	1,000	1,500
Driveway Access Permits	50	0	300
Septic Permits	1,947	0	1,000
Other Licenses & Permits	650	0	0
Total Licenses & Permits	5,921	2,000	3,800
Intergovernmental			
General Sales Tax	37,278	34,759	35,000
Highway User Taxes (HUTF)	10,986	12,834	13,000
Colorado Trust Fund	0	0	0
Severance Tax	56,999	2,470	2,500
Mineral Lease Distribution	86,709	2,412	2,500
Other permit and license fees	0	1,100	1,000
Cigarette Tax	0	150	100
Total Intergovernmental	191,972	53,725	54,100
Other			
Parking Program Revenue		0	50,000
Campground/Store Revenues	34,596	55,000	60,000
Interest Revenue	50	150	500
CSQ Lease Agreement	24,329	27,208	29,000
CSQ Maintenance Payments	3,600	3,300	3,300
Holy Cross Electric Rebates	617	600	500
Donations	0	3,000	500
Non-Specified	691	2,453	3,000
Tree Maintenance Program	0	1,141	1,000
Transfer In & Out	0	20,000	20,000
Total Other	63,883	112,852	167,800
Total Revenue	286,665	191,827	248,971

TOWN OF MARBLE
GENERAL FUND
2019

	2017 Audit	2018 Estimate	2019 Budget
Expenditures			
Wages & Benefits			
Total Wages	27,060	44,959	55,272
FICA/Medicare	2,126	3,417	5,701
Total Wages & Benefits	29,186	48,375	60,973
General Government			
Parking Program Expenses	0	0	16,100
Campground/Store Expenses	50,945	32,000	25,000
Treasurer Fees	0	500	500
Abated Tax	0	0	0
Elections	0	2,111	0
Unclassified	3,354	3,000	3,000
Marble Fest Donation	0	6,000	3,000
Church Rent	600	600	600
Tree Maintenance Program	0	1,368	2,000
Civic Engagement Fund	0	1,500	1,500
Office Expenses	3,585	5,200	5,000
Legal Publications	66	500	1,000
Dues & Subscriptions	1,056	0	300
Workshop/Travel	0	375	1,000
Marble Water Co. 2017 Tap Fee	5,000	5,000	0
Marble Water Co. 2017 Payment	0	20,000	20,000
Marble Water Co. Monitoring Wells	8,000	0	0
Weed Mitigation Program	0	0	3,000
Recycle Program	0	0	2,000
Total General Government	72,606	78,154	84,000
Roads			
Street Maintenance	22,215	15,563	15,000
Snow & Ice Removal	25,430	20,000	24,000
Total Roads	47,645	35,563	39,000
Purchased Professional Services			
Legal - General	17,933	28,000	25,000
Audit	7,428	6,850	7,000
Municipal Court	0	0	1,500
Engineering Services	1,275	2,000	5,000
Total Purchased Professional Services	26,636	36,850	38,500
Other Purchased Services			
Liability & Workers Comp. Insurance	3,760	4,070	4,500
Utilities	1,226	3,088	3,500
Park improvements	6,764	6,000	1,000
Grant Writing	0	2,284	3,000
Earth Day Expenses	2,310	5,406	6,000
Total Other Purchased Services	14,060	20,849	18,000
Total Expenditures	190,133	219,791	240,473
Ending Balance	336,079	308,115	316,613

30K
LOSS
2018