



Keystone Town Council Agenda

The Keystone Town Council will have a Regular Meeting on November 11, 2025, at 7:00 p.m. at 1628 Sts. John Rd, Keystone, CO 80435.

The Town of Keystone conducts hybrid meetings. This meeting will be held in person at Keystone Town Hall and will also be broadcast live over Teams. [Join the live broadcast available by computer here.](#) If you will need special assistance in order to attend any of the Town's public meetings, please notify the Town Clerk's Office at (970) 450-3500x1 via phone, or clerk@keystoneco.gov via e-mail, at least 72 hours in advance of the meeting.

- I. CALL TO ORDER, ROLL CALL**
- II. PLEDGE OF ALLEGIANCE**
- III. APPROVAL OF AGENDA**
- IV. COMMUNICATIONS TO COUNCIL**
- V. CONSENT**
 - A. FIRST READING OF ORDINANCES**
 - B. MEETING MINUTES**
 - 1. October 28, 2025 – Town Council Meeting Minutes**
 - C. EXCUSED ABSENCES**
 - D. OTHER**
 - 1. Accounts Payable List - November**
- VI. DISCUSSION**
 - A. BUDGET HEARINGS**
 - 1. [Public Hearing] 2025 Supplemental Budget Request**
 - 2. [Public Hearing] 2026 Budget**
 - B. CONSIDERATION OF ORDINANCES**

1. **[First Reading] Ordinance 2025-O-19, An Ordinance of Town Council of the Town of Keystone, Colorado, Regarding Write-in Candidates and the Cancellation of Elections**
2. **[First Reading] Ordinance 2025-O-20, An Ordinance of Town Council of the Town of Keystone, Colorado, Approving a Lease and Purchase Agreement for That Certain Real Property Known as 1628 Sts John Road, Keystone, Colorado**
3. **[Second Reading] [Public Hearing] Ordinance 2025-O-16, An Ordinance of Town Council of the Town of Keystone, Colorado, Amending Ordinance No. 2024-O-05, Town of Keystone Land Use Code, Adopting Regulations Related to Natural Medicine Uses and Repealing the Temporary Moratorium Regarding the Same**
4. **[Second Reading] [Public Hearing] An Ordinance of Town Council of the Town of Keystone, Colorado, Amending Ordinance No. 2025-O-06, Adopted March 11, 2025, to Modify Section 3 Regarding the Definition of Wildlife-proof Refuse Containers**

C. RESOLUTIONS

1. **Resolution 2025-36, A Resolution of Town Council of the Town of Keystone, Colorado, Cancelling the Meeting on November 25, 2025**

D. OTHER

VII. PLANNING MATTERS

VIII. REPORT OF TOWN MANAGER AND STAFF

IX. REPORT OF MAYOR AND COUNCIL

X. OTHER MATTERS (Town Manager/Mayor/Councilmember may bring up items on other matters that are not on the agenda)

XI. SCHEDULED MEETINGS

XII. EXECUTIVE SESSION

XIII. ADJOURNMENT



Keystone Town Council Minutes

A Regular Meeting of the Keystone Town Council was held on October 28, 2025, at 7:00 p.m. at 1628 Sts. John Rd, Keystone, CO 80435. Full and timely notice of the meeting had been posted, and a quorum of the body was present.

I. CALL TO ORDER, ROLL CALL

Mayor Riley called the meeting to order at 7:09 p.m. The roll was called, and it was found there were present and participating at that time the following members: Councilmember Jay Ron Allen, Councilmember Jon Hagenow, Councilmember Steve Martin, Councilmember Aaron Parmet, Councilmember Dan Sullivan, and Mayor Ken Riley.

II. PLEDGE OF ALLEGIANCE

Mayor Riley led the Council in reciting the Pledge of Allegiance.

III. APPROVAL OF AGENDA

Mayor Riley presented the agenda.

Councilmember Sullivan moved to approve the agenda as presented with the removal of Resolution 2025-36, regarding the purchase of a skid steer. Councilmember Hagenow seconded.

By voice vote, the motion passed unanimously, and the agenda was

approved as presented.

IV. COMMUNICATIONS TO COUNCIL

Mayor Riley opened the floor for public comment. The following members of the public spoke:

Kristi D'Agate resident of West Hills in Keystone provided public comment regarding the impact of the elimination of the Vail Resorts bus stops in workforce housing neighborhoods.

Without objection, the public comment period was extended an additional two minutes to allow the D'Agate to complete her remarks.

Seeing no further members of the public wishing to speak, Mayor Riley closed the floor for public comment.

V. CONSENT

A. FIRST READING OF ORDINANCES

- 1. Ordinance 2025-O-18, An Ordinance of Town Council of the Town of Keystone, Colorado, Amending Ordinance No. 2025-O-06, Adopted March 11, 2025, to Modify Section 3 Regarding the Definition of Wildlife-proof Refuse Containers**

B. MEETING MINUTES

- 1. October 14, 2025 – Meeting Minutes**

C. EXCUSED ABSENCES

D. OTHER

- 1. Accounts Payable List**

Mayor Riley presented the consent agenda.

Councilmember Sullivan moved to approve the consent agenda with the exception of the Accounts Payable list, which will be moved to other business. Councilmember Hagenow seconded.

By voice vote, the motion passed unanimously, and the consent agenda was approved with the exception of the Accounts Payable list.

VI. DISCUSSION

A. SECOND READING / CONSIDERATION OF ORDINANCES

1. Ordinance 2025-O-17, An Ordinance of Town Council of the Town of Keystone, Colorado, Adopting a Code of Ethics and Establishing Penalties and Fines for Violations Thereof

Mayor Riley recognized Town Clerk Madeleine Sielu to read the title of Ordinance 2025-O-17, Adopting a Code of Ethics and Establishing Penalties and Fines for Violations Thereof.

Mayor Riley opened the public hearing.

Mayor Riley recognized Town Manager John Crone and Town Attorney Jennifer Madsen to introduce the ordinance and provide a staff presentation.

Mayor Riley opened the floor for public comment on Ordinance 2025-O-17.

Seeing no members of the public wishing to speak, Mayor Riley

closed the floor for public comment.

Mayor Riley closed the public hearing.

Councilmember Sullivan moved to approve Ordinance 2025-O-17. Councilmember Kerr seconded.

By roll call, the result was:

Ayes: Councilmember Allen, Councilmember Hagenow, Councilmember Kerr, Councilmember Martin, Councilmember Parmet, Councilmember Sullivan, Mayor Riley (7)

Nays: (0)

The motion passed, and Ordinance 2025-O-17 was approved.

B. RESOLUTIONS

~~1. Resolution 2025-36, A Resolution of Town Council of the Town of Keystone, Colorado, Authorizing Purchase of a Skid-Steer~~

Resolution 2025-36 was removed from the agenda.

VII. PLANNING MATTERS

VIII. REPORT OF TOWN MANAGER AND STAFF

Town Manager Crone reported that the Police Department has provided initial budget request information and this information will be shared with Town Council for discussion at the next meeting. The department has initiated research into the use of Flock Cameras. There were legal questions related to the implementation of the speed limit ordinance, so this item will not be

brought forward until the next meeting. The Town Clerk, Madeleine Sielu, was awarded the Colorado Municipal Clerk of the Year award by the Colorado Municipal Clerks Association. The Public Works Department is finalizing contracts for plowing. Excel Energy is moving forward with the Mountain Energy Project and Town Manager Crone has a seat on the preferred alternatives board for the project. There is additional conversation pending with the Summit Stage and Vail Resorts related to transit stops. The Town has initiated conversations with Keystone Resort about the Keystone PUD. The Keystone Center's Board of Directors have approved the Letter of Interest submitted by the Town for the purchase of the building. In order to approve the final purchase agreement for the building, Town Council will need to pass an ordinance. This means there will be discussion of this at two upcoming meetings and a public hearing for the second reading of the ordinance. There will be a meeting on November 11, which is Veterans Day. A resolution regarding cancellation of the November 25 and December 23 meetings will be on the agenda for consideration on November 11.

IX. REPORT OF MAYOR AND COUNCIL

Councilmember Martin attended a tour of updated facilities at the Summit County Resource Allocation Park (SCRAP) regarding the recycling of wooden pallets into mulch and encouraged Town Council and staff to increase communication with SCRAP.

Councilmember Sullivan indicated that the upcoming "Brews with Council" event would be an evening event hosted at 6:00 p.m. on November 7 at Steep Brewing & Coffee.

Councilmember Hagenow provided a recap on his attendance of the Colorado Municipal League (CML) Policy Committee Meeting. Items discussed included the Colorado Association of Ski Towns legislative

priorities related to Short-Term Rental lodging taxes, transfer taxes, and transfer fees. These items were preliminarily approved by the Policy Committee and will be considered by the CML board for approval.

Mayor Riley reported that there are two upcoming Homeowners Association (HOA) meetings that the Town has been invited to speak at. Ironwood on November 5th and Tennis Townhomes on November 15th. Councilmembers should reach out to Mayor Riley if they plan to attend.

X. OTHER MATTERS

A. Accounts Payable List

Mayor Riley recognized Town Manager Crone and Town Financial Director Heikela Fawkes to present the Accounts Payable list for approval.

Councilmember Hagenow moved to approve the Accounts Payable List. Councilmember Sullivan seconded.

By voice vote, the motion passed unanimously, and the Accounts Payable list was approved.

B. Other – Other Matters

Councilmember Kerr reported that the Summit County Board of County Commissioners (BOCC) held a special meeting to discuss the impact of the potential lack of disbursement of Supplemental Nutrition Assistance Program (SNAP). This will impact approximately 600 households in Summit County. If the Women Infant and Children (WIC) program disbursements are also impacted this will result in an impact on an

additional 600 individuals in Summit County. The County is discussing ways to continue to fund these programs through County funding. Additionally, there have been efforts by local non-profits to coordinate efforts to support individuals who may be impacted in the immediate term before the County can implement a solution. Councilmember Kerr noted that this is an evolving conversation that the Town Council should be aware of.

Councilmember Hagenow discussed the idea of hosting a micro-event that celebrates the beginning of ski season with an emphasis on local community members. He noted that the event “Wake Up Breck” may be a good model and asked that the Marketing Committee consider what similar event may be feasible for the Keystone community.

Councilmember Kerr noted that as part of the Destination Blueprint grant there are two surveys being solicited related to resident sentiment about tourism in the community, as well as for the business community and the Tourism Stakeholder Survey.

Councilmember Hagenow requested that discussion of a potential moratorium of Short-Term Rentals in certain communities be discussed at an upcoming meeting. After further Council discussion, Town Council narrowed the scope of the discussion to focus on Loveland Pass Village and tentatively scheduled this discussion for a work session on January 13, 2026.

XI. SCHEDULED MEETINGS

XII. EXECUTIVE SESSION

Councilmember Martin moved to enter into an Executive session pursuant to C.R.S. section 24-6-402(4)(f)(I) for a discussion of a personnel matter involving evaluation of the Town Manager. The Town Manager has consented to the executive session. Councilmember Sullivan seconded.

By voice vote, the motion passed unanimously, and the Town Council recessed to enter into an Executive Session at 8:44 p.m.

The Executive Session concluded at 9:45 p.m.

XIII. ADJOURNMENT

Seeing no further business to conduct, without objection, Mayor Riley adjourned the meeting at 9:45 p.m.

TOWN OF KEYSTONE, COLORADO

STAFF REPORT

TO: Mayor & Town Councilmembers
THROUGH: John Crone, Town Manager
FROM: Heikela Fawkes, Finance Director
DATE: July 8, 2025 – Regular Meeting
SUBJECT: [Public Hearing] 2025 Supplemental Budget

Executive Summary:

The first supplemental budget, approved earlier this year, applied only to the Housing Fund. This second supplemental ensures the Town's 2025 appropriations accurately reflect operational activity, transfers, and financial priorities established throughout the year for the General Fund and Lodging Tax Fund.

The adjustments maintain balanced appropriations across all funds and ensure continued compliance with Colorado Revised Statutes §29-1-109, which requires all expenditures to be legally appropriated by fund.

Background:

The proposed 2025 Supplemental Budget has been presented and discussed at several Council workshops held on September 9, September 23, October 14, and October 28, 2025. No changes have been made since the October 28 Council Meeting. Revisions are proposed for the General Fund and Lodging Tax Fund to more accurately reflect the actual activity and timing of expenditures. The Housing Fund and Conservation Trust Fund remains within original appropriations and do not require amendment.

Financial Considerations:

The following table illustrates the General Fund appropriations by category for 2025, comparing the originally adopted budget to the proposed supplemental adjustments.

General Fund Appropriations		
Category	2025 Approved	2025 Supplemental (Est.)
Current Operating Expenses	\$ 2,941,577	\$ 2,715,038
Capital Outlay	\$ 775,451	\$ 532,700
Transfer Out	\$ -	\$ 762,500
Total General Fund	\$ 3,717,028	\$ 4,010,238

The decrease in operating expenditures is primarily the result of moving all public safety costs from the General Fund to the Lodging Tax Fund. Consolidating these costs under the Lodging Tax Fund provides a clearer and more accurate picture of the total cost of providing police services. This change also aligns with best practices for transparency and fund purpose by housing all related expenditures within a single fund rather than splitting them between two.

The revised capital budget of \$532,700 reflects updated project estimates compared to the earlier projection of \$775,451. Additionally, the new transfer out of \$762,500 from the General Fund to the Lodging Tax Fund represents the Town's contribution toward the full cost of public safety and police services for 2025.

It is also important to note that although revenues are not part of the appropriation, they are estimated to increase by \$207,092 (4.4%) from the originally approved 2025 budget. The General Fund beginning balance has been updated to reflect actual 2024 year-end results of \$1,942,890, compared to the originally projected \$1,102,678, resulting in an estimated 2025 ending fund balance of \$3,044,612, up from the originally approved \$2,127,967.

Lodging Tax Fund:

The following table illustrates the Lodging Tax Fund appropriations by category for 2025, comparing the originally adopted budget to the proposed supplemental adjustments.

Lodging Tax Fund Appropriations		
Category	2025 Approved	2025 Supplemental (Est.)
Current Operating Expenses	\$ 465,000	\$ 1,227,500
Capital Outlay	\$ 730,000	\$ 921,000
Transfer Out		
Total Lodging Tax Fund	\$ 1,195,000	\$ 2,148,500

Overall, Lodging Tax Fund appropriations increased by approximately \$762,500 for operating and \$191,000 for capital compared to the adopted 2025 budget.

The following major increase adjustments are included in this supplemental draft:

Police Services

This expenditure was originally appropriated in both the General Fund and Lodging Tax Fund; however, for best practices and transparency on the total cost of this service, the expenditure has been consolidated within the Lodging Tax Fund, with the General Fund now providing the contribution through an interfund transfer. The total cost of services is approximately \$1,212,500.

Road Construction / Maintenance

This line item has been updated to \$921,000, which includes the cost to complete a section of the Highway 6 sidewalk and the Ranch Road rebuild project.

The 2025 supplemental also reflects savings realized in police capital equipment, trail construction, and engineering/design services as certain expenditures were deferred or came in below original estimates.

Alternatives:

No formal action is required at this time. Council may provide direction or request revisions prior to the December 9, 2025, adoption.

Previous Council Actions:

- September 9 and 23, 2025: Council held budget workshops to review and provide direction for the 2026 Budget. Items that have changed since September 9th have been highlighted in yellow.
- October 14, 2025: Council was provided with a detailed report outlining each line-item for informational purposes, with no formal discussion or action occurring at that meeting. Items that have been updated since October 14th have been highlighted in green.
- October 28, 2025: No updates were made.

Next Steps:

Staff will incorporate Council feedback and any public input into the final 2025 Supplemental Budget and Appropriation resolution for consideration and adoption on December 9, 2025.

Attachment:

- (Draft) 2025 Supplemental Budget

Budget Summary by Fund

	<u>2024</u>	<u>2024</u>	<u>Approved</u>	<u>Approved</u>	<u>2025</u>
	<u>Budget</u>	<u>Actuals</u>	<u>2025</u>	<u>Amended</u>	<u>Proposed</u>
			<u>Budget</u>	<u>2025</u>	<u>Supplemental</u>
			<u>Budget</u>	<u>Budget</u>	<u>Budget</u>
General Fund Revenues and Expenditures Summary					
General Fund Beginning Balance	\$ -	\$ -	\$ 1,102,678	\$ 1,102,678	\$ 1,942,890
Revenues	\$ 3,599,507	\$ 3,451,344	\$ 4,742,317	\$ 4,742,317	\$ 4,949,409
Expenditures	\$ (1,536,454)	\$ (1,265,305)	\$ (3,264,328)	\$ (3,264,328)	\$ (2,715,038)
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer from Housing Fund	\$ -	\$ -	\$ -	\$ -	\$ -
Transfer to Lodging Tax Fund	\$ -	\$ -	\$ -	\$ -	\$ (762,500)
Net Operating Budget	\$ 2,063,053	\$ 2,186,039	\$ 1,477,989	\$ 1,477,989	\$ 1,471,872
Capital Revenue	\$ -	\$ -	\$ -	\$ -	\$ 122,550
Capital Outlay	\$ (878,900)	\$ (24,528,867)	\$ (452,700)	\$ (452,700)	\$ (532,700)
Net Capital Budget	\$ (878,900)	\$ (24,528,867)	\$ (452,700)	\$ (452,700)	\$ (410,150)
Revenues Over (Under)	\$ 1,184,153	\$ (22,342,828)	\$ 1,025,289	\$ 1,025,289	\$ 1,061,722
Contrib Capital for Roads		\$ 24,285,718			
General Fund Ending Balance	\$ 1,184,153	\$ 1,942,890	\$ 2,127,967	\$ 2,127,967	\$ 3,004,612
TABOR Restricted Funds		\$ 103,540	\$ 111,811	\$ 111,511	\$ 152,159
Unrestricted Funds		\$ 1,839,350	\$ 2,016,156	\$ 2,016,456	\$ 1,601,029
35% restricted for reserves					\$ 1,251,424
General Fund Total	\$ -	\$ 1,942,890	\$ 2,127,967	\$ 2,127,967	\$ 3,004,612

Budget Summary by Fund

	2024	2024	Approved	Approved	2025
	<u>Budget</u>	<u>Actuals</u>	<u>2025</u>	<u>2025</u>	<u>Year-end estimates</u>
			<u>Budget</u>	<u>Budget</u>	<u>2025 proposed</u>
					<u>supplemental budget</u>
Lodging Tax Revenues and Expenditures Summary					
Lodging Tax Fund Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues	\$ -	\$ -	\$ 1,632,000	\$ 1,632,000	\$ 1,612,000
Transfer from General Fund					\$ 762,500
Expenditures	\$ -	\$ -	\$ (465,000)	\$ (465,000)	\$ (1,227,500)
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Outlay	\$ -	\$ -	\$ (730,000)	\$ (730,000)	\$ (921,000)
Net Lodging Tax	\$ -	\$ -	\$ 437,000	\$ 437,000	\$ 226,000
Revenues Over (Under)	\$ -	\$ -	\$ 437,000	\$ 437,000	\$ 226,000
Lodging Tax Fund Ending Balance	\$ -	\$ -	\$ 437,000	\$ 437,000	\$ 226,000
Housing Fund Revenues and Expenditures Summary					
Housing Fund Beginning Balance	\$ -	\$ -	\$ 895,592	\$ 895,592	\$ 725,722
Revenues	\$ 788,210	\$ 868,192	\$ 1,365,900	\$ 1,365,900	\$ 1,000,776
Expenditures	\$ (52,064)	\$ (142,470)	\$ (208,929)	\$ (308,929)	\$ (182,811)
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Outlay	\$ -	\$ -	\$ (600,000)	\$ (600,000)	\$ (600,000)
Transfer to General Fund					
Net Housing Fund	\$ 736,146	\$ 725,722	\$ 556,971	\$ 456,971	\$ 217,965
Revenues Over (Under)	\$ 736,146	\$ 725,722	\$ 556,971	\$ 456,971	\$ 217,965
Housing Fund Ending Balance	\$ 736,146	\$ 725,722	\$ 1,452,563	\$ 1,352,563	\$ 943,687
CTF Fund Revenues and Expenditures Summary					
CTF Fund Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues	\$ 12,920	\$ -	\$ 12,920	\$ 12,920	\$ -
Transfer from General Fund					
Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
Net CTF Fund	\$ 12,920	\$ -	\$ 12,920	\$ 12,920	\$ -
Revenues Over (Under)	\$ 12,920	\$ -	\$ 12,920	\$ 12,920	\$ -
CTF Ending Balance	\$ 12,920	\$ -	\$ 12,920	\$ 12,920	\$ -

Draft

	A	B	C	D	E	F	H	K
						Approved Amended 2025 Budget	2025 Proposed Supplemental Budget	
			2024 Budget	2024 Actuals	Approved 2025 Budget	Approved Amended 2025 Budget	2025 Proposed Supplemental Budget	Notes
6								
7								
8								
9								
10								
11								
12		Sales Tax	2,614,224	2,682,678	3,440,698	3,440,698	3,440,698	
13		Other Tax Revenue						
14		* Highway Users Tax Fund	48,627	0	66,612	66,612	8,653	based on CML's estimates and are aligning with current distributions.
15		Cigarette Tax	5,092	8,815	7,115	7,115	7,115	
16		* Nicotine Tax	59,628	0	83,315	83,315	243,257	Revenues are based on Nicotine IGA recently signed & County budget.
17		* Road and Bridges Tax	91,684	80,122	103,774	103,774	89,737	Amount has been adjusted to the county's amount they will disburse to us.
18		Specific Ownership Tax	25,348	0	34,723	34,723	0	Since we don't levy property taxes we don't qualify for SO tax
19		Auto Ownership Tax	9,970	130	13,657	13,657	30,000	25 has 24 revenues from the County that were disbursed to use after year end closing
20		Total Other Tax Revenue	240,348	89,067	309,196	309,196	378,762	
21		Fees						
22		Building Permits	203,203	62,085	40,641	40,641	50,000	10% revenue from SC on building permit review and grading and excavating permits. \$18K in 2025 is restricted for open space from SC building fee transferred to us.
23		**Comm Dev Reimbursable Costs		0	20,000	20,000	0	received once a development occurs expense. See other **
24		Franchise Fees		0	1,500	1,500	115,000	Comcast has been remitting payment to the County and we should see 2024 & 25 payments by the end of the year.
25								
26			203,203	62,085	62,141	62,141	165,000	
27		Licenses						
28		Business Licenses		0	34,000	34,000	3,750	expecting 75
29		Short Term Rentals	541,732	514,240	547,150	547,150	547,150	based on 1900 @\$285
30		Liquor Licenses		4,349	1,750	1,750	5,250	based on 33 @ \$175
31		Tobacco Licenses		800			800	based on 4 @ \$200
32			541,732	519,389	582,900	582,900	556,950	
33		Fines						
34		Fines & Penalties		0	40,000	40,000		New IGA. Fines were just recently passed so revenues are estimated at zero to be conservative
35		Code Enforcement Fines		0	5,000	5,000		eliminating this line item as it will tie in with fines and penalties
36		*** Court Reimbursable Costs		0	19,382	19,382		will receive once cost occurs. See other *** under expenditures
37								
38			0	0	64,382	64,382	0	
39		Other Income						
40		Grants		80,513	215,000	215,000	340,000	Town Manager Grant, comp plan grant and SIPA grant
41		Interest on Investments		17,527	68,000	68,000	68,000	
42		Admin Miscellaneous Income		85	0	0	122,550	Developer sidewalk contribution
43		Transfer from Housing Fund						
44								
45			0	98,125	283,000	283,000	530,550	
46								
47		Total Revenue	3,599,507	3,451,344	4,742,317	4,742,317	5,071,959	

Draft

	A	B	C	D	E	F	H	K
6						Approved	2025	
7					Approved	Amended	Proposed	
8					2025	2025	Supplemental	
9			<u>2024</u>	<u>2024</u>	<u>2025</u>	<u>2025</u>	<u>Budget</u>	<u>Notes</u>
			<u>Budget</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>		
48								
49								
50								
51								
52		Mayor and Town Council						
53		Council/Mayor Wages	44,000	41,122	48,000	48,000	48,000	
54		Medicare Tax Town Council	638	596	696	696	696	.45% of wages
55		Colorado Unemployment Tax Town Council	832	498	96	96	96	.20% of wages
56		Retirement Contribution Match Town Council	4,840	2,944	3,840	3,840	3,840	8% match
57		Workman's Comp Town Council	945	984	950	950	136	based on Cirsa quote
58		Cell Phone Allow Town Council	5,775	5,344	6,300	6,300	6,300	\$75 month for each council member
59								
60			57,030	51,488	59,882	59,882	59,068	
61								
62		Community Support Program		0	100,000	100,000	100,000	
63		Travel and Training Town Council		0	5,000	5,000	1,000	
64		Misc Expense Town Council	1,251	5,697	1,401	1,401	12,000	includes Town Council dinners, CAST, Manager & Mayors and CML events
65		Total Mayor and Town Council	58,281	57,185	166,283	166,283	172,068	
66								
67								
68								
69								
70								

Draft

	A	B	C	D	E	F	H	K
6						Approved		
7					Approved	Amended	2025	
8					2025	2025	Proposed	
9			2024	2024	2025	2025	Supplemental	
			Budget	Actuals	Budget	Budget	Budget	Notes
71	General Government Administration							
72	General Government Administrative Wages	465,830	395,111	772,717	772,717	748,440	Includes Town Manager, Clerk, Deputy Clerk, Finance Director, Community Development Director and Planner with merit raise pool.	
73	Medicare Tax Administration	6,755	5,729	11,204	11,204	10,852	.45% of wages	
74	Colorado Unemployment Tax Administration	8,804	4,783	1,545	1,545	1,497	.2% of wages	
75	Payroll Taxes additional in budget			21,215	21,215	0		
76	Keystone Housing Administration	24,500	19,000	36,000	36,000	36,000	\$500 month per employee	
77	Wellness Reimbursement Administration	10,132	8,020	15,000	15,000	15,000	\$2,500 per year for each employee	
78	Health Insurance Administration	76,205	60,327	100,300	100,300	152,976	Medical, Dental, Vision, Life and Disability Insurance	
79	Health Ins Employee Contributions Administration		(11,181)			(30,595)	Employees contribute 20% of premium	
							Town contributes 8% in lieu of social security employee must contribute 3%.401a. Town matches up to 3% toward 401 when employees contribute to	
80	Retirement Contribution Match Administration	51,241	36,966	82,838	82,838	74,844	457	
81	Cell Phone Administration	3,600	2,784	5,400	5,400	5,400	\$75 per month per employee	
82	Workman's Comp Administration	9,764	10,620	10,725	10,725	1,700	per Cirsra quote	
83		656,831	532,159	1,056,945	1,056,945	1,016,114		
84	Flexible Spending Account (FSA & HSA)	5,774	1,473	12,000	12,000	1,200	FSA and HSA administration cost	
85	Telephone	2,830	2,410	3,168	3,168	2,500	Ooma phone system and app	
							Lease currently is \$4900 month but this also includes funds for purchase if needed	
86	Office Lease	50,700	50,900	196,158	196,158	196,158		
87	Office Building Utilities							
88	Office Building Maintenance	3,700	1,350	3,504	3,504	0	not currently used	
89	Office Supplies	11,054	9,788	9,000	9,000	9,000	includes printing	
90	Postage	2,607	11	4,919	4,919	500		
91	Prof Services/Membership Fees	10,429	16,605	17,000	17,000	20,000	Employers Council, CAST, Employers Council, I70 Co., CGFOA, CML, NWCOC	
92	Dues and Subscriptions	7,936	1,782	7,000	7,000	5,000	DocuSign, Bill, Smartsheet, Mailchimp, Survey Monkey	
93	Training	6,802	6,052	14,011	14,011	14,011	all departments staff training	
94	Travel/Meals/Lodging	9,409	7,402	16,930	16,930	14,011	includes local travel and training travel	
95	Uniforms/Clothing	1,700	4,105	5,000	5,000	5,000	For Keystone branded uniform/clothing for staff/council	
96	Insurance	5,000	3,104	7,500	7,500	8,500		
97	Bank and Misc Fees	0	100	0	0	80	for wire fees to transfer money from COLOTRUST to First Bank	
98	IT/Technology	72,966	42,157	87,900	87,900	87,900	Verticomm, SIPA, Caselle, Paylocity, Adobe and doc access	
99	Website	6,802	542	0	0	5,000		
100	Equipment Repairs/Leases	5,526		7,589	7,589	0	not currently needed	
101	Community Engagement	8,502	22,054	20,000	20,000	20,000		
102	Elections	12,000	7,750	0	0	0		
103	Town Attorney Contract	90,688	144,825	150,000	150,000	150,000		
104	Smoking Cessation (fr Nicotine Tax)	59,628	0	27,000	27,000	243,257	updated to reflect actual expenditures per IGA and county budget	
105	Accounting Contract (M&W)	63,494	52,763	10,000	10,000	60,000	needed until Caselle is implemented	
106	Annual Audit Contract	0	0	19,266	19,266	17,500		
							2025 includes enhancements. Blue Vector and Deckard program compliance costs	
107	Short Term Rental Contract Support	116,761	86,250	120,264	120,264	210,264		
108	Miscellaneous Administrative Expense	0	10	19,009	19,009	6,000		
109	Contingency					10,000	line item added per charter	
110	Total General Government Administration	1,211,137	993,592	757,219	757,219	1,085,881		
111	Community Development							
112								
113								
114	Building Permit/Inspections	162,562	483	0	0	0	The County keeps 90% of the building application fee, and in return they handle all building permits and inspections for us per IGA	
115	GIS	9,069	0	9,341	9,341	5,000	Planning program for GIS	
116	**Professional Services (Contracted)	11,336	0	20,000	20,000	0	Not currently a need	
117	Planning Supplies/Printing	5,668	710	5,838	5,838	5,838		
118								
119	Local Travel	2,834	0	5,838	5,838	500		
120	Communications	2,721	365			500		
121	Miscellaneous Comm Dev Expense	0	0	2,500	2,500	2,500		
122								
123	Total Community Develop	194,190	1,558	43,517	43,517	14,338		
124								

Draft

	A	B	C	D	E	F	H	K
6						Approved	2025	
7					Approved	Amended	Proposed	
8					2025	2025	Supplemental	
9			<u>2024</u>	<u>2024</u>	<u>2025</u>	<u>2025</u>	<u>Budget</u>	<u>Notes</u>
			<u>Budget</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>		
125		Public Works						
126		Public Works Wages	45,344	29,307	93,409	93,409	93,409	
127		Medicare Tax Public Works	657	425	1,354	1,354	1,354	.45% of wages
128		Colorado Unemployment Tax Public Works	857	355	187	187	187	.2% of wages
129		Keystone Housing Public Works	3,000	1,750	6,000	6,000	6,000	\$500 month per employee
130		Wellness Reimbursement Public Works	2,026	625	2,500	2,500	2,500	\$2,500 per year for each employee
131		Health Insurance Public Works	3,629	3,300	20,060	20,060	32,097	Medical, Dental, Vision, Life and Disability Insurance
132		Health Ins Employee Contributions Public Works		(660)			(6,419)	Employees contribute 20% of premium Town contributes 8% in lieu of social security employee must contribute 3% 401a. Town matches up to 3% toward 401 when employees contribute to
133		Retirement Contribution Match Public Works	4,988	3,008	9,995	9,995	10,275	457
134		Cell Phone Public Works	450	225	900	900	900	\$75 per month per employee
135		Workman's Comp Public Works	672	684	700	700	250	per Cirs a quote
136			61,624	39,018	135,105	135,105	140,552	
137		Communications PW	2,721				0	
138		Engineer Consultant	5,668		11,000	11,000	11,000	
139		Planning and Printing Supplies	2,834		2,500	2,500	0	
140		Snow Removal Services		22,511	168,767	168,767	120,000	reduced based on actuals and estimated for Nov/Dec
141		Road Maintenance		9,202	77,866	77,866	82,866	
142		Noxious Weed Control		0	17,514	17,514	0	did not use. County sprayed.
143		Trail Maintenance		0	50,000	50,000	0	
144		Signage		224	15,500	15,500	3,000	
145		Engineering Services		4,267	30,000	30,000	30,000	
146		Miscellaneous Public Works Expense		130	19,000	19,000	3,000	To cover possible unknow expenditures
147		Other maintenance					10,000	tree mitigation at Town Hall.
148		Total Public Works Expenses	72,846	75,352	527,252	527,252	400,418	
149								
150		Public Safety						
151		Communications		18,141	33,394	33,394	23,600	911 Support cost
152		Law Enforcement Contract Support		115,288	556,414	556,414	0	This expenditure will be funded through a transfer from the General Fund to the Lodging Tax Fund and paid from Lodging tax fund
153		Animal Control		4,189	3,923	3,923	2,618	Dillon IGA does not breakout animal control so no longer utilized
154								
155		Total Public Safety Expenses	0	137,618	593,731	593,731	26,218	
156								
157		Municipal Court						
158		Judge			7,589	7,589	0	IGA states expenditures will be 3 years in the rears. Budget in 2028
159		Prosecutor			11,209	11,209	0	
160		Miscellaneous Exp Municipal Cout			584	584	0	
161								
162		***Total Court Expenses	0	0	19,382	19,382	0	
163								
164		Economic Development and Marketing		0	100,000	100,000	0	will not utilize this year
165								
166		Total Economic Development Expenditure	0	0	100,000	100,000	0	
167								
168		Transfer to Lodging Tax Fund					762,500	GF contribution for Law Enforcement contract and \$122,500 contribution for hwy 6 sidewalk in 2025
169		Total Operating Expenditures	1,536,454	1,265,305	3,264,328	3,264,328	3,477,538	
170								

Draft

	A	B	C	D	E	F	H	K
6						Approved	2025	
7					Approved	Amended	Proposed	
8					2025	2025	Supplemental	
9			<u>2024</u>	<u>2024</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Notes</u>
			<u>Budget</u>	<u>Actuals</u>				
171		Capital and Non-Routine Projects						
172		Repayment for Incorporation Costs	180,000	148,013				
173		Summit County fee for Cash advance	5,000	5,000				
174		Office Set Up-Furniture, Supplies and Equipment	41,500	0	45,500	45,500	45,500	
175		Facility Modifications	50,000	0				
176		Staff Hiring Expense	5,000	544	1,200	1,200	1,200	
177		Start Up Consultant Support (Clerk/Community Dev/Pu	32,500	0				
178		IT-Infrastructure/Software/Computers/Printers/Set up	109,900	16,288	89,000	89,000	89,000	
179		Website	15,000	0	30,000	30,000	20,000	
180		Town Signage Capital	30,000	0	4,000	4,000	4,000	
181		Interim Town Manager (\$150/hr, 10 weeks)	60,000	67,890	0	0	0	
182		Engineering Assessment Town Maintained Roads	40,000	24,285,718	8,000	8,000	8,000	
183		Flood Plain Plan	20,000	0	15,000	15,000	0	
184		Trails and Open Space Master Plan	30,000	0	30,000	30,000	30,000	2025 connectivity plan
185		Comprehensive Use Plan		5,414	100,000	100,000	200,000	
186		Strategic Plan			60,000	60,000	60,000	Estimated cost for strategic plan
187		Way Finding Plan					0	
188		2 Police Vehicles and equipment	260,000		0	0	0	
189		Vehicle and equipment			70,000	70,000	75,000	\$75K in 2025 for Skidster & plow purchase
190								
191		Total Capital and Non-Routine Expenditures	878,900	24,528,867	452,700	452,700	532,700	
192								
196								
197		Total General Fund Expenditures	2,415,354	25,794,172	3,717,028	3,717,028	4,010,238	
198								
199		Total Revenue (from above)	3,599,507	3,451,344	4,742,317	4,742,317	5,071,959	
200								
201		Operating Surplus (Deficit)	1,184,153	(22,342,828)	1,025,289	1,025,289	1,061,722	
202		Other Sources (Uses)						
203		Contrib Capital for Roads		24,285,718	0	0	0	
204		Summit County Adv - Sales Tax		1,400,000	0	0	0	
205		Summit County Adv - Repayment		(1,400,000)	0	0	0	
206								
207		Total Other Sources (Uses)	0	24,285,718	0	0	0	
208								
209		Beginning Fund Balance	0	0	1,102,678	1,102,678	1,942,890	
210								
211		Ending Fund Balance - General	1,184,153	1,942,890	2,127,967	2,127,967	3,004,612	Estimated ending fund balance based on all the above
212								
213		TABOR Restricted Funds		103,540	111,811	111,511	152,159	Legal requirement
214		Unrestricted Funds		1,839,350	2,016,156	2,016,456	1,601,029	Estimated available fund balance in excess of required reserves
215		Proposed Balloon Payment for Building						
216		35% restricted for reserves					1,251,424	35% is held in reserves, which also covers the TABOR restriction shown above
217		Fund Total - General		1,942,890	2,127,967	2,127,967	3,004,612	
218								

Draft

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6						Approved	2025	
7					Approved	Amended	Proposed	
8			2024	2024	2025	2025	Supplemental	
9			<u>Budget</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Notes</u>
219	Housing Fund				Approved			
220					Approved	Amended		
221			2024	2024	2025	2025	2025	
222			<u>Budget</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Estimates</u>	<u>Notes</u>
223								
224								
225	Revenue and Other Financing Sources							
227			135,572	148,754	226,361	226,361	170,000	reduced to align with actuals
228			652,638	716,094	1,089,689	1,089,689	805,000	reduced to align with actuals
229							676	Interest made on Down Payment Assistance Loan
230				3,344	49,850	49,850	25,100	Earned interest from bank
231	Total Revenues		788,210	868,192	1,365,900	1,365,900	1,000,776	
232								
233	Expenditures							
234			52,064	52,470	58,929	58,929	86,000	Fees the SCHA charges
235				90,000				
236					600,000	600,000	600,000	
237					150,000	150,000	0	not used this year
238						100,000	100,000	
239							(3,189)	Repayment of principal on down payment assistance loan
240								
241					0	0	0	
242								
243	Total Expenditures		52,064	142,470	808,929	908,929	782,811	
244								
245	Surplus after other sources (uses)		736,146	725,722	556,971	456,971	217,965	
246								
247	Fund bal - Beginning Housing Fund		0	0	895,592	895,592	725,722	
248	Fund bal - Ending Housing Fund		736,146	725,722	1,452,563	1,352,563	943,687	
249	Conservation Trust Fund				Approved			
250					Approved	Amended		
251			2024	2024	2025	2025	2025	
252			<u>Budget</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Estimates</u>	<u>Notes</u>
253								
254								
255	Revenue and Other Financing Sources							
256			12,920	0	12,920	12,920	0	CTF distributions are based on certified population from the prior year. Certified in the 2025, with distributions beginning in 2026.
257							0	
258	Total Revenues		12,920	0	12,920	12,920	0	0%
259								
260	Expenditures							
261					0	0	0	
262					0	0	0	
263								
264	Total Expenditures				0	0	0	
265								
266	Surplus after other sources / uses		12,920	0	12,920	12,920	0	
267								
268	Fund bal - Begin Cons Trust Fnd		0	0	0	0	0	
269	Fund bal - Ending Cons Trust Fnd		12,920	0	12,920	12,920	0	

Draft

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6						Approved	2025	
7					Approved	Amended	Proposed	
8			2024	2024	2025	2025	Supplemental	
9			<u>Budget</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Budget</u>	<u>Notes</u>
270								
271		Lodging Tax						
272		Revenue and Other Financing Sources						
273		Lodging Tax			1,600,000	1,600,000	1,600,000	
274		Interest Income			32,000	32,000	12,000	Estimated interest income earned from bank
								Includes an interfund transfer from the General Fund to the Lodging Tax Fund to cover the Town's contribution for the Law Enforcement contract and \$122,500 development contribution toward the Highway 6 sidewalk project in 2025
275		Transfer from General Fund					762,500	
276								
277		Total Revenues	0	0	1,632,000	1,632,000	2,374,500	
278								
279		Expenditures						
280		Police Services			200,000	200,000	1,212,500	Cost of police service from IGA
281		Police Capital Equipment			250,000	250,000	0	We currently do not have any capital expenses for Police
282		Misc. Public Safety Expenses			15,000	15,000	15,000	
283		Road Construction / Maint (including sidewalks and medians)			400,000	400,000	921,000	2026 Estimated continuation of capital sidewalk and West Keystone overlay. 2025 was for capital sidewalk and Ranch Road rebuild
284		Trail Construction / Maint			80,000	80,000	0	
285		Engineering / Design Services			250,000	250,000		
286		Building Maint.						
287								
288		Total Lodging Tax Expenditures	0	0	1,195,000	1,195,000	2,148,500	
289								
290		Surplus after other sources / uses	0	0	437,000	437,000	226,000	
291								
292		FUND BALANCE - Beginning Lodge Tax	0	0	0	0	0	
293		FUND BALANCE - Ending Lodge Tax	0	0	437,000	437,000	226,000	
294								
295								
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TOWN OF KEYSTONE, COLORADO

STAFF REPORT

TO: Mayor & Town Councilmembers
THROUGH: John Crone, Town Manager
FROM: Heikela Fawkes, Finance Director
DATE: July 8, 2025 – Regular Meeting
SUBJECT: [Public Hearing] 2026 Proposed Budget

Executive Summary:

The purpose of this public hearing is to present the Town of Keystone's Proposed Budget for Fiscal Year 2026. This meeting provides an opportunity for the public to comment and for the Town Council to review the proposed revenues, expenditures, and projected fund balances before final adoption scheduled for December 9, 2025.

The 2026 Proposed Budget reflects the Council's direction from prior workshops, maintains the Town's strong financial position, and aligns with Government Finance Officers Association's (GFOA) best practices.

Background:

The proposed 2026 Budget has been presented and discussed at several Council workshops held on September 9, September 23, October 14, and October 28, 2025. No

changes have been made since the October 28 Council meeting.

Budget Summary by Fund

Fund	Revenues	Expenditures	Ending Fund Balance (Est.)
General Fund	\$4,674,430	\$4,506,300	\$3,172,742
Lodging Tax Fund	\$2,408,000	\$2,369,976	\$264,024
Housing Fund	\$995,878	\$398,725	\$1,540,840
Conservation Trust Fund	\$10,300	\$0	\$10,300

Financial Considerations:

The 2026 Proposed Budget reflects the Town's continued investment in core services and organizational capacity. The General Fund includes the addition of one new staff position, the first payment for the Town Hall lease-purchase, continued funding for snow plowing and road maintenance, 911 dispatch support, and public safety contribution to the Lodging Tax Fund.

Capital appropriations within the General Fund provide for additional office setup, security, and Wi-Fi improvements for the new building, installation of historical signs on the community pathway and a Town Hall sign, Master Plan, Strategic Plan, and Wayfinding Study. The budget also includes the purchase of a truck to support operations.

The Lodging Tax Fund continues to support public safety services through the Dillon–Keystone Police Department IGA, including police vehicle contributions, as well as planned capital projects that include the continuation of the Highway 6 sidewalk and West Keystone road overlay, and Community Trail maintenance.

Housing fund reflects conceptual site plans for future housing development, housing programming, and a transfer to the General Fund to reimburse staff time spent on housing-related projects

The Conservation Trust Fund has no planned expenditures for this year, allowing the Town to accumulate reserves for future park, recreation, and open space improvements.

Alternatives:

No formal action is required at this time. Council may provide direction or request revisions prior to the December 9, 2025, adoption.

Previous Council Actions:

- September 9 and 23, 2025: Council held budget workshops to review and provide direction for the 2026 Budget. Items that have changed since September 9th have been highlighted in yellow.
- October 14, 2025: Council was provided with a detailed report outlining each line-item for informational purposes, with no formal discussion or action occurring at that meeting. Items that have been updated since October 14th have been highlighted in green.
- October 28, 2025: No updates were made.

Next Steps:

Staff will incorporate Council feedback and any public input into the final 2026 Budget and Appropriation Ordinance for consideration and adoption on December 9, 2025.

Attachment:

- (Draft) 2026 Proposed Budget

			Approved	Approved	2025	
			2025	2025	Year-end estimates	
	2024	2024	2025	2025	2025 proposed	2026
	<u>Budget</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>supplemental budget</u>	<u>Proposed</u>
General Fund Revenues and Expenditures Summary						
General Fund Beginning Balance	\$ -	\$ -	\$ 1,102,678	\$ 1,102,678	\$ 1,942,890	\$ 3,004,612
Revenues	\$ 3,599,507	\$ 3,451,344	\$ 4,742,317	\$ 4,742,317	\$ 4,949,409	\$ 4,674,430
Expenditures	\$ (1,536,454)	\$ (1,265,305)	\$ (3,264,328)	\$ (3,264,328)	\$ (2,715,038)	\$ (2,931,300)
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (520,000)
Transfer to Lodging Tax Fund	\$ -	\$ -	\$ -	\$ -	\$ (762,500)	\$ (800,000)
Net Operating Budget	\$ 2,063,053	\$ 2,186,039	\$ 1,477,989	\$ 1,477,989	\$ 1,471,872	\$ 423,130
Capital Revenue	\$ -	\$ -	\$ -	\$ -	\$ 122,550	\$ -
Capital Outlay	\$ (878,900)	\$ (24,528,867)	\$ (452,700)	\$ (452,700)	\$ (532,700)	\$ (255,000)
Net Capital Budget	\$ (878,900)	\$ (24,528,867)	\$ (452,700)	\$ (452,700)	\$ (410,150)	\$ (255,000)
Revenues Over (Under)	\$ 1,184,153	\$ (22,342,828)	\$ 1,025,289	\$ 1,025,289	\$ 1,061,722	\$ 168,130
Contrib Capital for Roads		\$ 24,285,718				
General Fund Ending Balance	\$ 1,184,153	\$ 1,942,890	\$ 2,127,967	\$ 2,127,967	\$ 3,004,612	\$ 3,172,742
TABOR Restricted Funds		\$ 103,540	\$ 111,811	\$ 111,511	\$ 152,159	\$ 140,233
Unrestricted Funds		\$ 1,839,350	\$ 2,016,156	\$ 2,016,456	\$ 1,601,029	\$ 1,115,537
Proposed Balloon Payment for Building						\$ 480,000
35% restricted for reserves					\$ 1,251,424	\$ 1,436,972
General Fund Total	\$ -	\$ 1,942,890	\$ 2,127,967	\$ 2,127,967	\$ 3,004,612	\$ 3,172,742

			Approved	Approved	2025	
			2025	Amended	Year-end estimates	
	2024	2024	2025	2025	2025 proposed	2026
	<u>Budget</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>supplemental budget</u>	<u>Proposed</u>
Lodging Tax Revenues and Expenditures Summary						
Lodging Tax Fund Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 226,000
Revenues	\$ -	\$ -	\$ 1,632,000	\$ 1,632,000	\$ 1,612,000	\$ 1,608,000
Transfer from General Fund					\$ 762,500	\$ 800,000
Expenditures	\$ -	\$ -	\$ (215,000)	\$ (215,000)	\$ (1,227,500)	\$ (1,305,976)
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Outlay	\$ -	\$ -	\$ (980,000)	\$ (980,000)	\$ (921,000)	\$ (850,000)
Net Lodging Tax	\$ -	\$ -	\$ 437,000	\$ 437,000	\$ 226,000	\$ 252,024
Revenues Over (Under)	\$ -	\$ -	\$ 437,000	\$ 437,000	\$ 226,000	\$ 252,024
Lodging Tax Fund Ending Balance	\$ -	\$ -	\$ 437,000	\$ 437,000	\$ 226,000	\$ 478,024
Housing Fund Revenues and Expenditures Summary						
Housing Fund Beginning Balance	\$ -	\$ -	\$ 895,592	\$ 895,592	\$ 725,722	\$ 943,687
Revenues	\$ 788,210	\$ 868,192	\$ 1,365,900	\$ 1,365,900	\$ 1,000,776	\$ 995,878
Expenditures	\$ (52,064)	\$ (142,470)	\$ (208,929)	\$ (308,929)	\$ (182,811)	\$ (333,725)
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Outlay	\$ -	\$ -	\$ (600,000)	\$ (600,000)	\$ (600,000)	\$ -
Transfer to General Fund						\$ (65,000)
Net Housing Fund	\$ 736,146	\$ 725,722	\$ 556,971	\$ 456,971	\$ 217,965	\$ 597,153
Revenues Over (Under)	\$ 736,146	\$ 725,722	\$ 556,971	\$ 456,971	\$ 217,965	\$ 597,153
Housing Fund Ending Balance	\$ 736,146	\$ 725,722	\$ 1,452,563	\$ 1,352,563	\$ 943,687	\$ 1,540,840
CTF Fund Revenues and Expenditures Summary						
CTF Fund Beginning Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues	\$ 12,920	\$ -	\$ 12,920	\$ 12,920	\$ -	\$ 10,300
Transfer from General Fund						
Expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Net CTF Fund	\$ 12,920	\$ -	\$ 12,920	\$ 12,920	\$ -	\$ 10,300
Revenues Over (Under)	\$ 12,920	\$ -	\$ 12,920	\$ 12,920	\$ -	\$ 10,300
CTF Ending Balance	\$ 12,920	\$ -	\$ -	\$ -	\$ -	\$ 10,300

Draft

	A	B	C	D	E	F	H	I	L
6						Approved	2025		
7					Approved	Amended	Year-end estimates		
8					2025	2025	and 2025 proposed	2026	
9			2024	2024	2025	2025	supplemental budget	Proposed	Notes
10			Budget	Actuals	Budget	Budget			
11									
12		Sales Tax	2,614,224	2,682,678	3,440,698	3,440,698	3,440,698	3,440,698	Estimating sales tax to be flat
13		Other Tax Revenue							
14		* Highway Users Tax Fund	48,627	0	66,612	66,612	8,653	17,647	Based off estimates from CML
15		Cigarette Tax	5,092	8,815	7,115	7,115	7,115	4,980	estimate is based on 30% decrease due to no flavored nicotine
16		* Nicotine Tax	59,628	0	83,315	83,315	243,257	170,280	Revenues are based on Nicotine IGA & budget.
17		* Road and Bridges Tax	91,684	80,122	103,774	103,774	89,737	90,000	Road and Bridge funds are distributed from the county based on assessed property value. We receive 50% of the county's Road & Bridge tax, proportional to our share of the county's total assessed valuation.
18		Specific Ownership Tax	25,348	0	34,723	34,723	0	0	Since we don't levy property taxes we don't qualify for SO tax
19		Auto Ownership Tax	9,970	130	13,657	13,657	30,000	14,000	25 has 24 revenues from the County that were disbursed to use after year end closing
20		Total Other Tax Revenue	240,348	89,067	309,196	309,196	378,762	296,907	
21		Fees							
22		Building Permits	203,203	62,085	40,641	40,641	50,000	40,000	10% revenue from SC on building permit review and grading and excavating permits. \$18K in 2025 is restricted for open space from SC building fee transferred to us.
23		**Comm Dev Reimbursable Costs		0	20,000	20,000	0	0	received once a development occurs expense. See other **
24		Franchise Fees		0	1,500	1,500	115,000	60,000	Comcast has been remitting payment to the County and we should see 2024 & 25 payments by the end of the year.
26			203,203	62,085	62,141	62,141	165,000	100,000	
27		Licenses							
28		Business Licenses		0	34,000	34,000	3,750	3,750	expecting 75
29		Short Term Rentals	541,732	514,240	547,150	547,150	547,150	541,500	based on 1900 @\$285
30		Liquor Licenses		4,349	1,750	1,750	5,250	5,775	based on 33 @ \$175
31		Tobacco Licenses		800			800	800	based on 4 @ \$200
32			541,732	519,389	582,900	582,900	556,950	551,825	
33		Fines							
34		Fines & Penalties		0	40,000	40,000	0	40,000	New IGA estimated
35		Code Enforcement Fines		0	5,000	5,000	0	0	eliminating this line item as it will tie in with fines and penalties
36		*** Court Reimbursable Costs		0	19,382	19,382	0	0	will receive once cost occurs. See other *** under expenditures
38			0	0	64,382	64,382	0	40,000	
39		Other Income							
40		Grants		80,513	215,000	215,000	340,000	130,000	Town Manager Grant & CPW bear proof grant. If we get awarded any other grants we will do a supplemental budget as necessary
41		Interest on Investments		17,527	68,000	68,000	68,000	50,000	
42		Admin Miscellaneous Income		85	0	0	122,550	0	25 has contribution for sidewalk
43		Transfer from Housing Fund						65,000	Includes an interfund transfer from the Housing Fund to the General Fund to reimburse staff time and administrative support dedicated to housing programs. Wages only.
45			0	98,125	283,000	283,000	530,550	245,000	
47		Total Revenue	3,599,507	3,451,344	4,742,317	4,742,317	5,071,959	4,674,430	

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7					Approved	Amended	Year-end estimates		
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9			2024	2024	2025	2025	supplemental budget	Proposed	Notes
			Budget	Actuals	Budget	Budget			
48									
49									
50									
51									
52		Mayor and Town Council							
53		Council/Mayor Wages	44,000	41,122	48,000	48,000	48,000	48,000	Per Town Charter
54		Medicare Tax Town Council	638	596	696	696	696	696	.45% of wages
55		Colorado Unemployment Tax Town Council	832	498	96	96	96	96	.20% of wages
56		Retirement Contribution Match Town Council	4,840	2,944	3,840	3,840	3,840	3,840	8% match
57		Workman's Comp Town Council	945	984	950	950	136	150	based on Cirsa quote
58		Cell Phone Allow Town Council	5,775	5,344	6,300	6,300	6,300	6,300	\$75 month for each council member
59									
60			57,030	51,488	59,882	59,882	59,068	59,082	
61									
62		Community Support Grant Program		0	100,000	100,000	100,000	115,000	\$40,000 for grants for bear-proof containers and \$35, 000 community grant will be funded from this allocation. Additional amount is for Council to discuss.
63		Travel and Training Town Council		0	5,000	5,000	1,000	5,000	
64		Misc Expense Town Council	1,251	5,697	1,401	1,401	12,000	15,000	includes Town Council dinners, CAST, Manager & Mayors and CML events
65		Total Mayor and Town Council	58,281	57,185	166,283	166,283	172,068	194,082	
66									
67									
68									
69									
70									

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9			<u>Budget</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>supplemental budget</u>	<u>Proposed</u>	<u>Notes</u>
71		General Government Administration							
72		General Government Administrative Wages	465,830	395,111	772,717	772,717	748,440	930,000	Includes Town Manager, Asst Town Manager, Clerk, Deputy Clerk, Finance Director, Community Development Director and Planner with a 6% COLA and Merrit increase pool
73		Medicare Tax Administration	6,755	5,729	11,204	11,204	10,852	13,485	.45% of wages
74		Colorado Unemployment Tax Administration	8,804	4,783	1,545	1,545	1,497	1,860	.2% of wages
75		Payroll Taxes additional in budget			21,215	21,215	0	0	
76		Keystone Housing Administration	24,500	19,000	36,000	36,000	36,000	42,000	\$500 month per employee
77		Wellness Reimbursement Administration	10,132	8,020	15,000	15,000	15,000	17,500	\$2,500 per year for each employee
78		Health Insurance Administration	76,205	60,327	100,300	100,300	152,976	207,122	Medical, Dental, Vision, Life and Disability Insurance
79		Health Ins Employee Contributions Administration		(11,181)			(30,595)	(41,424)	Employees contribute 20% of premium
									Town contributes 8% in lieu of social security employee must contribute 3%.401a. Town matches up to 3% toward 401 when employees contribute to
80		Retirement Contribution Match Administration	51,241	36,966	82,838	82,838	74,844	102,300	457
81		Cell Phone Administration	3,600	2,784	5,400	5,400	5,400	6,300	\$75 per month per employee
82		Workman's Comp Administration	9,764	10,620	10,725	10,725	1,700	2,000	per Cirsra quote
83			656,831	532,159	1,056,945	1,056,945	1,016,114	1,281,143	
84		Flexible Spending Account (FSA & HSA)	5,774	1,473	12,000	12,000	1,200	1,600	FSA and HSA administration cost
85		Telephone	2,830	2,410	3,168	3,168	2,500	2,700	Ooma phone system and app
86		Office Lease	50,700	50,900	196,158	196,158	196,158	60,000	updated to reflect office lease
87		Office Building Utilities						0	updated per lease purchase agreement
88		Office Building Maintenance	3,700	1,350	3,504	3,504	0	0	updated per lease purchase agreement
89		Office Supplies	11,054	9,788	9,000	9,000	9,000	7,000	includes printing
90		Postage	2,607	11	4,919	4,919	500	6,200	includes election mailings
91		Prof Services/Membership Fees	10,429	16,605	17,000	17,000	20,000	15,000	Employers Council, CAST, Employers Council, I70 Co., CGFOA, CML, NWCOG
92		Dues and Subscriptions	7,936	1,782	7,000	7,000	5,000	6,000	DocuSign, Bill, Smartsheet, Mailchimp, Survey Monkey
93		Training	6,802	6,052	14,011	14,011	14,011	16,000	all departments staff training
94		Travel/Meals/Lodging	9,409	7,402	16,930	16,930	14,011	16,000	includes local travel and training travel
95		Uniforms/Clothing	1,700	4,105	5,000	5,000	5,000	5,000	For Keystone branded uniform/clothing for staff/council
96		Insurance	5,000	3,104	7,500	7,500	8,500	25,000	includes building, vehicle, electronic data processing, general liability, Public officials E&O insurance
97		Bank and Misc Fees	0	100	0	0	80	80	for wire fees to transfer money from COLOTRUST to First Bank
98		IT/Technology	72,966	42,157	87,900	87,900	87,900	96,000	Verticomm, SIPA, Caselle, Paylocity, Adobe and doc access
99		Website	6,802	542	0	0	5,000	10,000	Gov Bult \$4K ongoing maint of website and \$6K for ADA acseability compliance
100		Equipment Repairs/Leases	5,526		7,589	7,589	0	10,000	estimated for possible equipment rentals and equipment repairs if needed for
101		Community Engagement	8,502	22,054	20,000	20,000	20,000	10,000	anticipated purchae of Gator and Truck
102		Elections	12,000	7,750	0	0	0	9,000	Council to discuss budget amount further
103		Town Attorney Contract	90,688	144,825	150,000	150,000	150,000	150,000	Estimated elections cost
104		Smoking Cessation (fr Nicotine Tax)	59,628	0	27,000	27,000	243,257	170,280	Estimated based on historic expense
105		Accounting Contract (M&W)	63,494	52,763	10,000	10,000	60,000	0	IGA will change for 2026 so this line item may change once IGA is executed
106		Annual Audit Contract	0	0	19,266	19,266	17,500	19,000	finances will be moved in house
107		Short Term Rental Contract Support	116,761	86,250	120,264	120,264	210,264	100,000	increased to account for lodging tax fund
108		Miscellaneous Administrative Expense	0	10	19,009	19,009	6,000	6,000	2025 includes enhancements. Blue Vector and Deckard program compliance costs
109		Contingency					10,000	10,000	estimated to account for unknow expenditures
110		Total General Government Administration	1,211,137	993,592	757,219	757,219	1,085,881	750,860	line item added per charter
111									
112		Community Development							
113									
114		Building Permit/Inspections	162,562	483	0	0	0	0	The County keeps 90% of the building application fee, and in return they handle all building permits and inspections for us per IGA
115		GIS	9,069	0	9,341	9,341	5,000	5,000	Planning program for GIS
116		**Professional Services (Contracted)	11,336	0	20,000	20,000	0	0	Not currently a need
117		Planning Supplies/Printing	5,668	710	5,838	5,838	5,838	1,000	Estimated for supplies and printing
118									
119		Local Travel	2,834	0	5,838	5,838	500	1,000	Estimated for local travel to look at properties/projects
120		Communications	2,721	365			500	1,000	Estimated for notices and other communications
121		Miscellaneous Comm Dev Expense	0	0	2,500	2,500	2,500	2,500	Estimated for any unknow expenditures
122									
123		Total Community Develop	194,190	1,558	43,517	43,517	14,338	10,500	
124									

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125		Public Works							
126		Public Works Wages	45,344	29,307	93,409	93,409	93,409	98,079	with a 6% COLA and Merrit increase pool
127		Medicare Tax Public Works	657	425	1,354	1,354	1,354	1,422	.45% of wages
128		Colorado Unemployment Tax Public Works	857	355	187	187	187	196	.2% of wages
129		Keystone Housing Public Works	3,000	1,750	6,000	6,000	6,000	6,000	\$500 month per employee
130		Wellness Reimbursement Public Works	2,026	625	2,500	2,500	2,500	2,500	\$2,500 per year for each employee
131		Health Insurance Public Works	3,629	3,300	20,060	20,060	32,097	36,911	Medical, Dental, Vision, Life and Disability Insurance
132		Health Ins Employee Contributions Public Works		(660)			(6,419)	(7,382)	Employees contribute 20% of premium
									Town contributes 8% in lieu of social security employee must contribute
133		Retirement Contribution Match Public Works	4,988	3,008	9,995	9,995	10,275	10,789	3%.401a. Town matches up to 3% toward 401 when employees contribute to
134		Cell Phone Public Works	450	225	900	900	900	900	457
135		Workman's Comp Public Works	672	684	700	700	250	300	\$75 per month per employee
136			61,624	39,018	135,105	135,105	140,552	149,715	per Cirs a quote
137		Communications PW	2,721				0	500	
138		Engineer Consultant	5,668		11,000	11,000	11,000	10,000	Estimated for as-needed assistance to provide expertise in plan review, project design, regulatory compliance, and/or construction oversight
139		Planning and Printing Supplies	2,834		2,500	2,500	0	500	Estimated for as-needed assistance to provide expertise in plan review, project design, regulatory compliance, and/or construction oversight
140		Snow Removal Services		22,511	168,767	168,767	120,000	168,000	Estimated for contracted snow removal service during winter months
									Estimated for contracted services including snow removal, tree removal, median upkeep, and general road maintenance such as pothole repair and drainage work.
141		Road Maintenance		9,202	77,866	77,866	82,866	125,000	
142		Noxious Weed Control		0	17,514	17,514	0	10,000	estimated cost for weed control spraying
143		Trail Maintenance		0	50,000	50,000	0	50,000	Estimated repaving Regional Trail when needed
144		Signage		224	15,500	15,500	3,000	5,000	Increased to \$5,000 to account for additional signs if needed
145		Engineering Services		4,267	30,000	30,000	30,000	0	also in lodging tax capital
146		Miscellaneous Public Works Expense		130	19,000	19,000	3,000	5,000	To cover possible unknown expenditures
147		Other maintenance					10,000	5,000	2025 included tree mitigation at Town Hall. 2026 to cover other maintenance not
148		Total Public Works Expenses	72,846	75,352	527,252	527,252	400,418	528,715	
149									
150		Public Safety							
151		Communications		18,141	33,394	33,394	23,600	66,000	911 Support cost per Sargent
152		Law Enforcement Contract Support		115,288	556,414	556,414	0	0	This expenditure will be funded through a transfer from the General Fund to the Lodging Tax Fund and paid from Lodging tax fund
153		Animal Control		4,189	3,923	3,923	2,618	0	Dillon IGA does not breakout animal control
154									
155		Total Public Safety Expenses	0	137,618	593,731	593,731	26,218	66,000	
156									
157		Municipal Court							
158		Judge			7,589	7,589	0	0	IGA states expenditures will be 3 years in the rears. Budget in 2028
159		Prosecutor			11,209	11,209	0	0	
160		Miscellaneous Exp Municipal Cout			584	584	0	0	
161									
162		***Total Court Expenses	0	0	19,382	19,382	0	0	
163									
164		Economic Development and Marketing		0	100,000	100,000	0	100,000	Estimated cost for marketing and economic development
165									
166		Total Economic Development Expenditure	0	0	100,000	100,000	0	100,000	
167									
168		Transfer to Lodging Tax Fund					762,500	800,000	GF contribution for Law Enforcement contract and \$122,500 contribution for hwy 6 sidewalk in 2025
169		Total Operating Expenditures	1,536,454	1,265,305	3,264,328	3,264,328	3,477,538	3,731,300	
170									

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171		Capital and Non-Routine Projects							
172		Repayment for Incorporation Costs	180,000	148,013					
173		Summit County fee for Cash advance	5,000	5,000					
174		Office Set Up-Furniture, Supplies and Equipment	41,500	0	45,500	45,500	45,500	20,000	Estimated for possible office furniture and equipment needs
175		Facility Modifications	50,000	0				40,000	Estimated for possible facility modifications such as security, wi-fi enhancements
176		Staff Hiring Expense	5,000	544	1,200	1,200	1,200	0	
177		Start Up Consultant Support (Clerk/Community Dev/Pu	32,500	0				0	
178		IT-Infrastructure/Software/Computers/Printers/Set up	109,900	16,288	89,000	89,000	89,000	0	
179		Website	15,000	0	30,000	30,000	20,000	0	
180		Town Signage Capital	30,000	0	4,000	4,000	4,000	15,000	historical signs for pathways and Town Hall Sign
181		Interim Town Manager (\$150/hr, 10 weeks)	60,000	67,890	0	0	0	0	
182		Engineering Assessment Town Maintained Roads	40,000	24,285,718	8,000	8,000	8,000	0	
183		Flood Plain Plan	20,000	0	15,000	15,000	0	0	
184		Trails and Open Space Master Plan	30,000	0	30,000	30,000	30,000	30,000	2025 connectivity plan and 2026 will be master plan
185		Comprehensive Use Plan		5,414	100,000	100,000	200,000	15,000	Estimated increase to complete comp plan to councils direction
186		Strategic Plan			60,000	60,000	60,000	40,000	Estimated cost for strategic plan
									Estimated cost for way finding study by staff, CU Boulder students and possible consultant
187		Way Finding Plan						25,000	
188		2 Police Vehicles and equipment	260,000		0	0	0	0	
189		Vehicle and equipment			70,000	70,000	75,000	70,000	purchase
190									
191		Total Capital and Non-Routine Expenditures	878,900	24,528,867	452,700	452,700	532,700	255,000	
192									
193		Debt Service							
194		Debt Service, Principal – Building Lease Purchase	0					520,000	annual building lease purchase principal
195			0						
196		Total Debt Service	0	0	0	0	0	520,000	
197									
201									
202		Total General Fund Expenditures	2,415,354	25,794,172	3,717,028	3,717,028	4,010,238	4,506,300	
203									
204		Total Revenue (from above)	3,599,507	3,451,344	4,742,317	4,742,317	5,071,959	4,674,430	
205									
206		Operating Surplus (Deficit)	1,184,153	(22,342,828)	1,025,289	1,025,289	1,061,722	168,130	
207		Other Sources (Uses)							
208		Contrib Capital for Roads		24,285,718	0	0	0		
209		Summit County Adv - Sales Tax		1,400,000	0	0	0		
210		Summit County Adv - Repayment		(1,400,000)	0	0	0		
211									
212		Total Other Sources (Uses)	0	24,285,718	0	0	0		
213									
214		Beginning Fund Balance	0	0	1,102,678	1,102,678	1,942,890	3,004,612	Estimated fund balance for Jan 1, 2026
215									
216		Ending Fund Balance - General	1,184,153	1,942,890	2,127,967	2,127,967	3,004,612	3,172,742	Estimated ending fund balance based on all the above
217									
218		TABOR Restricted Funds		103,540	111,811	111,511	152,159	140,233	Legal requirement
219		Unrestricted Funds		1,839,350	2,016,156	2,016,456	1,601,029	1,115,537	Estimated available fund balance in excess of required reserves
220		Proposed Balloon Payment for Building						480,000	Earmarked for proposed building balloon payment
221		35% restricted for reserves					1,251,424	1,436,972	35% is held in reserves, which also covers the TABOR restriction shown above
222		Fund Total - General		1,942,890	2,127,967	2,127,967	3,004,612	3,172,742	
223									

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224		Housing Fund			Approved	Amended			
225					Approved	Amended			
226			<u>2024</u>	<u>2024</u>	<u>2025</u>	<u>2025</u>	<u>2025</u>	<u>2026</u>	
227			<u>Budget</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Estimates</u>	<u>Proposed</u>	<u>Notes</u>
228									
229									
230		Revenue and Other Financing Sources							
232		Revenue 5A (17.2%) 2 mos Est.	135,572	148,754	226,361	226,361	170,000	170,000	projecting revenues to be flat with 2025 estimates
233		Revenue 6B (82.8%) 2 mos Est	652,638	716,094	1,089,689	1,089,689	805,000	805,000	projecting revenues to be flat with 2025 estimates
234		DPA Loan Interest					676	878	Interest made on Down Payment Assistance Loan
235		Interest Income on Taxes		3,344	49,850	49,850	25,100	20,000	Earned interest from bank
236		Total Revenues	788,210	868,192	1,365,900	1,365,900	1,000,776	995,878	
237									
238		Expenditures							
239		Housing Authority Fees	52,064	52,470	58,929	58,929	86,000	88,000	Fees the SCHAs charges
240		Building Contribution		90,000					
241		Land Purchase			600,000	600,000	600,000		
242		Professional Services			150,000	150,000	0	150,000	Estimated conceptual site plans
243		Down Payment Assistance				100,000	100,000	0	
244		DPA Loan Principal Payment (contra)					(3,189)	(4,275)	Repayment of principal on down payment assistance loan
245		Additional Programming						100,000	Estimated additional housing programming TBD by Council and includes refreshing SCHAs programming
246		Transfer to General Fund			0	0	0	65,000	Includes an interfund transfer from the Housing Fund to the General Fund to reimburse staff time and administrative support dedicated to housing programs.
247									
248		Total Expenditures	52,064	142,470	808,929	908,929	782,811	398,725	
249									
250		Surplus after other sources (uses)	736,146	725,722	556,971	456,971	217,965	597,153	
251									
252		Fund bal - Beginning Housing Fund	0	0	895,592	895,592	725,722	943,687	
253		Fund bal - Ending Housing Fund	736,146	725,722	1,452,563	1,352,563	943,687	1,540,840	
254		Conservation Trust Fund				Approved			
255					Approved	Amended			
256			<u>2024</u>	<u>2024</u>	<u>2025</u>	<u>2025</u>	<u>2025</u>	<u>2026</u>	
257			<u>Budget</u>	<u>Actuals</u>	<u>Budget</u>	<u>Budget</u>	<u>Estimates</u>	<u>Proposed</u>	<u>Notes</u>
258									
259									
260		Revenue and Other Financing Sources							
261		Conservation Trust Revenue	12,920	0	12,920	12,920	0	10,000	CTF distributions are based on certified population from the prior year. Certified in the 2025, with distributions beginning in 2026.
262		Interest Income					0	300	estimated revenues earned on interest from bank
263		Total Revenues	12,920	0	12,920	12,920	0	10,300	0%
264									
265		Expenditures							
266		Conservation Trust Expenses			0	0	0	0	
267		Transfer to General Fund			0	0	0	0	
268									
269		Total Expenditures			0	0	0	0	
270									
271		Surplus after other sources / uses	12,920	0	12,920	12,920	0	10,300	
272									
273		Fund bal - Begin Cons Trust Fnd	0	0	0	0	0	0	
274		Fund bal - Ending Cons Trust Fnd	12,920	0	12,920	12,920	0	10,300	

Draft

	A	B	C	D	E	F	H	I	L
6						Approved	2025		
7					Approved	Amended	Year-end estimates		
8					2025	2025	and 2025 proposed	2026	
9			2024	2024	2025	2025	supplemental budget	Proposed	Notes
			Budget	Actuals	Budget	Budget			
275									
276		Lodging Tax							
277		Revenue and Other Financing Sources							
278		Lodging Tax			1,600,000	1,600,000	1,600,000	1,600,000	Estimating revenues to be flat with 2025 budget
279		Interest Income			32,000	32,000	12,000	8,000	Estimated interest income earned from bank
280		Transfer from General Fund					762,500	800,000	Includes an interfund transfer from the General Fund to the Lodging Tax Fund to cover the Town's contribution for the Law Enforcement contract.
281									
282		Total Revenues	0	0	1,632,000	1,632,000	2,374,500	2,408,000	
283									
284		Expenditures							
285		Police Services			200,000	200,000	1,212,500	1,412,976	Cost of police service from IGA
286		Police Capital Equipment Contrubution			250,000	250,000	0	107,000	Vehicle purchase contrubution per IGA
287		Misc. Public Safety Expenses			15,000	15,000	15,000	0	
288		Road Construction / Maint (including sidewalks and medians)			400,000	400,000	921,000	700,000	2026 Estimated continuation of capital sidewalk and West Keystone overlay.
289		Trail Construction / Maint			80,000	80,000	0	80,000	2025 was for capital sidewalk and Ranch Road rebuild
290		Engineering / Design Services			250,000	250,000		70,000	Estimated for as-needed assistance to provide expertise in plan review, project design, regulatory compliance, and/or construction oversight
291		Building Maint.						0	
292									
293		Total Lodging Tax Expenditures	0	0	1,195,000	1,195,000	2,148,500	2,369,976	
294									
295		Surplus after other sources / uses	0	0	437,000	437,000	226,000	38,024	
296									
297		FUND BALANCE - Beginning Lodge Tax	0	0	0	0	0	226,000	
298		FUND BALANCE - Ending Lodge Tax	0	0	437,000	437,000	226,000	264,024	
299									
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TOWN OF KEYSTONE, COLORADO

STAFF REPORT

TO: Mayor & Town Councilmembers
THROUGH: John Crone, Town Manager
Jennifer Madsen, Town Attorney
FROM: Madeleine Sielu, Town Clerk
DATE: November 11, 2025 – Regular Meeting
SUBJECT: [First Reading] Ordinance 2025-O-19, Regarding Write-In
Candidates and the Cancellation of Elections

Executive Summary:

C.R.S. 31-10-507 indicates that an “Election may be canceled – when. In any ordinance adopted by the body of the municipality requiring an affidavit of intent for write-in candidates as provided in section 31-10-305, the governing body may also provide that, if the only matter before the voters is the election of persons to office and if, at the close of business on the sixty fourth day before the election, there are not more candidates than offices to be filled at such election, including candidates filing affidavits of intent, the clerk, if instructed by resolution of the governing body either before or after such date, shall cancel the election and by resolution declare the candidates elected.”

Passage of Ordinance 2025-O-19 would fulfill the obligations described above, providing the Town Council with the authority to cancel a Town Election under certain conditions.

Background:

As a preliminary matter, Article IV, Section 4.1 of the Keystone Town Charter indicates that Special Elections and Regular Town Elections shall be governed by the Colorado Municipal Election Code of 1965. Under the Municipal Election Code, if the Town conducts its election as a mail ballot election, no write-in vote for any office shall be

cancelled unless an affidavit of intent has been filed with the clerk no later than sixty-four days before the day of the election. The Municipal Election Code also provides that the governing body may provide that an affidavit of intent must be filed for a person to be a write in candidate. Requiring an affidavit of intent serves several important purposes. It ensures that only those individuals who genuinely wish to seek office and are qualified to serve are recognized as candidates, thereby preventing frivolous or surprise write-ins. The affidavit requirement also serves a secondary purpose of determining the list of eligible candidates and a date by which that list is final. This allows the Town Council to decide whether to cancel an election if the number of candidates equals the number of open positions. In this way, the affidavit requirement promotes both administrative efficiency and fairness by giving all qualified persons a clear and timely opportunity to declare their intent to run for office.

In 2026, the Town of Keystone is scheduled to hold its first Regular Municipal Election. Below is a general timeline that outlines critical dates for the election process in 2026.

- January 6, 2026 – 91 days prior to election – Nominating petitions available for pick-up **(Title 31)**
- January 26, 2026 – 71 days prior to election – Nominating petitions due **(Title 31)**
- February 2, 2026 – 64 days prior to election – last day for corrections to nominating petitions **(Title 31)**
- February 6, 2026 – First FCPA report due from candidates **(Charter)**
- February 20, 2026 – 45 days prior (46 days since 45 is on Saturday) – UOCAVA ballots must go out **(Title 31)**
- March 8, 2026 – Second FCPA report due from candidates **(Charter)**
- March 23, 2026 – Third FCPA report due from candidates **(Charter)**
- April 7, 2026 – Municipal Election **(Charter)**

If the same number of candidates run for office as the number of offices available, it is possible for the Town Council to consider cancelling the election. In order to do so, according to C.R.S. 31-10-507 outlined in the background of this report, Town Council

must adopt an ordinance relating to the procedure for write-in candidates and outlining the procedure for cancellation of election. This cancellation can only occur starting 64 days before the scheduled election, which, for the election on April 7, 2026, is Monday, February 2, 2026.

Candidates that appear on the ballot are required to submit their nominating petitions 71 days prior to the Municipal Election (January 26, 2026). The Town Clerk would then verify the signatures on the nominating petitions and candidates are able to correct their nominating petitions no later than 64 days prior the scheduled election (February 2, 2026). Proposed Ordinance 2025-O-19 indicates that write-in candidates must file an affidavit of intent with the Town Clerk no later than 64 days prior to the scheduled election. This means that 64 days prior to the election (February 2, 2026) the Town Clerk would be aware of all potential candidates for Town Elective Offices. At this time, if there are not more declared candidates than offices to be filled at such election, including write-in candidates, the Town Council would have the authority to instruct the Town Clerk via passage of a resolution.

One other matter that should be considered related to the cancellation of elections is maintaining staggered terms. Article II, Section 2.3(d) of the Town Charter requires staggered terms on the Town Council, providing that when more than three council seats are filled at the same election, the three candidates receiving the highest number of votes shall serve four-year terms and the remaining candidates shall serve two-year terms. However, when an election is cancelled under C.R.S. § 31-10-507 because the number of candidates does not exceed the number of open positions, no votes are cast and, therefore, no vote totals exist to determine term lengths.

To maintain the Charter's intent for staggered terms in this circumstance, the proposed ordinance establishes a fair and transparent process in which the Town Clerk conducts a public drawing of lots to assign four-year and two-year terms among the declared elected candidates. Determination of how to select terms in the ordinance provides a clear legal process that is transparent, consistent, and clean. Town Council should note

that this would result in a random determination of term-lengths rather than being selected by a vote count.

Alternatives:

If the Town Council would like to move forward with the ability to cancel a municipal election, but would like to have an alternate process for maintaining staggered terms, potential options for amending the proposed ordinance are as follows:

- The ordinance could prohibit the cancellation of the election if four or more seats are open. This would avoid ambiguity about staggered terms and ensures voter participation in assigning terms. This may lead to unnecessary election costs when races are uncontested.

Potential amendment language: I move to amend Ordinance 2025-O-xx, striking section II.A.i. Terms of Office, and adding language to the end of section II.A. that provides: “If four or more councilmember seats are to be filled at an election, the election shall not be cancelled.”

- The ordinance could remain silent on the assignment of terms. This would leave the determination of how to select terms for the Town Council to decide by resolution at the time of cancellation. This provides maximum flexibility and allows the Town Council to consider the unique circumstances that may apply to each cycle. This may, however, lead to inconsistency from one election to the next or lead to perceptions of unfairness without clear criteria.

Potential amendment language: I move to amend Ordinance 2025-O-xx striking section II.A.i. Terms of Office.

- The ordinance could provide the newly seated council with the authority to formally assign term lengths by a majority vote in a public meeting following the declaration of elected candidates. This would allow for practical decision-making based on seniority or consensus of the Council. It may be viewed as less neutral than random selection and depends on Council discretion.

Potential Amendment Language: I move to amend Ordinance 2025-O-xx, striking the language section II.A.i. Terms of Office and replacing it with: “If, at any election, more than three (3) councilmember positions are to be filled, the

determination of staggered terms shall occur after the candidates have been declared elected by resolution of the Town Council. The Town Council shall, by resolution, assign the respective term lengths in order to maintain staggered terms on the Town Council.”

Town Council may also determine that it is not interested in having the ability to cancel elections at this time and recommend denial of the proposed ordinance.

Financial Considerations:

There are financial costs associated with having an election. Having the ability to cancel an election would result in potential cost savings in printing costs, the hiring of election judges, and staff time.

Previous Council Actions:

Town Council received a staff report on the potential ordinance at the Council Work Session on October 28, 2025. Town Council directed staff to provide an ordinance for consideration and discussion at an upcoming Town Council Meeting.

Next Steps:

If the Ordinance is approved on first reading, it would be scheduled for second reading and public hearing on December 9, 2025.

Following adoption of the ordinance, an election could only be cancelled via passage of a resolution by Town Council.

Suggested Motions:

I move to APPROVE Ordinance 2025-O-19, Regarding Write-In Candidates and the Cancellation of Elections, on first reading scheduling it for second reading and public hearing on December 9, 2025.

I move to DENY Ordinance 2025-O-19, Regarding Write-In Candidates and the Cancellation of Elections.

Attachments:

- Ordinance 2025-O-19, Regarding Write-In Candidates and the Cancellation of Elections

**TOWN OF KEYSTONE
ORDINANCE NO. 2025-O-19**

**AN ORDINANCE OF TOWN COUNCIL OF THE TOWN OF KEYSTONE,
COLORADO, REGARDING WRITE-IN CANDIDATES AND THE
CANCELLATION OF ELECTIONS**

WHEREAS, the Town of Keystone (“Town” or “Keystone”) is a home rule municipal corporation created pursuant to Article XX of the Colorado Constitution; and

WHEREAS, Article IV, Section 4.1 of the Keystone Town Charter indicates that Special Elections and Regular Town Elections shall be governed by the Colorado Municipal Election Code of 1965, C.R.S. 31-10-101, et seq., as may be amended or relocated, the Town Home Rule Charter, and Town Council Ordinances and Resolutions; and

WHEREAS, C.R.S. 31-10-507 indicates that an election may be canceled when an ordinance is adopted by the municipality requiring an affidavit of intent for write-in candidates and providing procedures for cancellation; and

WHEREAS, Article II, Section 2.3(d) of the Keystone Town Charter provides that, in order to maintain staggered terms on the Town Council, when more than three (3) councilmember positions are to be filled at an election, the persons receiving the three highest numbers of votes shall be elected to four-year terms and all others shall be elected to two-year terms; and

WHEREAS, when an election is cancelled pursuant to this ordinance because the number of candidates does not exceed the number of offices to be filled, no vote totals are available to determine which candidates would otherwise receive four-year or two-year terms as required by Article II, Section 2.3(d) of the Town Charter; therefore, a public drawing of lots conducted by the Town Clerk is necessary to assign the respective terms of office in a fair, transparent, and Charter-compliant manner; and

WHEREAS, the Town Council has considered the potential benefits and drawbacks of cancelling an election and determined that it is in the best interest of the community to allow for the possibility of cancelling an election.

**THE TOWN COUNCIL OF THE TOWN OF KEYSTONE, COLORADO,
ORDAINS:**

Section 1. The foregoing recitals are hereby affirmed and incorporated herein by this reference as findings of the Town Council.

Section 2. The Town Council adopts the following regulations relating to Nomination of Candidates for Town Elective Offices.

Nomination of Candidates for Town Elective Offices

I. WRITE-IN CANDIDATES:

No write-in vote for any Town Elective Office shall be counted in any Town Election unless an affidavit of intent has been filed with the Town Clerk by the person who seeks be the write-in candidate no later than 64 days before the election. Such affidavit shall state that such person wishes to hold the elective office and is qualified to assume its duties if elected.

II. CANCELING OF AN ELECTION:

A. No Contested Positions:

If the only matter before the voters at a Town Election is the election of persons to office, and if, at the close of business on the sixty-fourth (64th) day before the election, there are not more candidates than offices to be filled at that election, including write-in candidates who have timely and properly filed affidavit of intents, then the Town Council may, by resolution, instruct the Town Clerk to cancel the election. Notice of the cancellation shall be posted as soon as practicable in the same manner as the publication of election results.

i. Terms of Office:

If, at such an election, more than three (3) councilmember positions are to be filled, the terms of office shall be assigned by a public drawing of lots conducted by the Town Clerk in order to maintain staggered terms on the Town Council. The Town Clerk shall notify the candidates of the time and place of the lot drawing, which shall be open to the public.

Section 3. Severability. Should any one or more sections or provisions of this Ordinance be judicially determined invalid or unenforceable, such judgment shall not affect, impair, or invalidate the remaining provisions of this Ordinance, the intention being that the various sections and provisions are severable.

Section 4. Codification. This ordinance may be codified and numbered for purposes of codification without the need for further approval by the Town Council.

Section 5. Effective Date. Section 2 of this ordinance shall take effect 30 days after publication.

INTRODUCED, READ AND PASSED AS AN ORDINANCE, ON FIRST READING, AT A
REGULAR MEETING OF THE TOWN COUNCIL OF THE TOWN OF KEYSTONE,
COLORADO, THIS

_____ DAY OF _____, 2025.

READ, PASSED AND ADOPTED AS AN ORDINANCE ON BY A ROLL CALL VOTE OF
_____ IN FAVOR AND _____ OPPOSED ON SECOND READING, AT A REGULAR
MEETING OF THE TOWN COUNCIL OF THE TOWN OF KEYSTONE, COLORADO,
THIS

_____ DAY OF _____, 2025.

Kenneth D. Riley, Mayor

ATTEST:

Town Clerk

APPROVED AS TO FORM:

Town Attorney

TOWN OF KEYSTONE, COLORADO

STAFF REPORT

TO: Mayor & Town Councilmembers
FROM: John Crone, Town Manager
Jennifer Madsen, Town Attorney
DATE: November 11, 2025 – Regular Meeting
SUBJECT: [FIRST READING] Ordinance 2025-O-20, Approving a
Lease and Purchase Agreement for 1628 Sts. John Road,
Keystone, Colorado

Executive Summary:

The purpose of this item is to present Ordinance 2025-O-20 on first reading for Town Approving a Lease and Purchase Agreement for That Certain Real Property Known as 1628 Sts John Road, Keystone, Colorado between the Town of Keystone (“Town”) and The Keystone Center (“Owner”) for the property located at 1628 Sts. John Road, to serve as the permanent Town Hall.

Background:

The Town of Keystone is currently leasing the same facility under an existing Office Lease that began February 1, 2024. This property has successfully housed the administrative offices and Council chambers during the Town’s initial organization and startup phase. As part of the Town’s long-term planning for stable and efficient municipal operations, staff has negotiated a new Lease and Purchase Agreement with the Owner. The agreement will allow the Town to continue leasing the property beginning February 1, 2026, and provides a defined structure and pathway for the future acquisition of the property by the Town.

Acquiring this site will establish a permanent Town Hall and create a civic anchor for community identity, transparency, and accessibility to public services. The property’s

configuration also provides opportunities for future municipal expansion consistent with Keystone's adopted community vision and long-range infrastructure goals.

Summary of Key Terms

Term	Detail
Parties	Town of Keystone ("Tenant") and The Keystone Center ("Owner")
Property	1628 Sts. John Road, Tenderfoot Subdivision Filing No. 2, Summit County, Colorado
Lease Term	February 1, 2026 – December 31, 2031 (unless earlier terminated or purchased)
Base Rent	\$4,900 per month, payable in advance on the first business day of each month
Security Deposit	Existing \$4,900 deposit maintained; Town replenishes if used
Additional Rent	Town is responsible for utilities, insurance, maintenance, cleaning, and any applicable taxes or assessments
Purchase Price	The purchase price for the building and land is \$4,100,000. This amount is paid over six years.
Maintenance	Town responsible for non-routine repairs and capital improvements; improvements remain with Owner unless purchased
Appropriation Clause	All payment obligations are year-to-year and subject to annual appropriation; no multi-year debt is created
Purchase Provision	Agreement includes the framework and terms under which the Town may purchase the property, subject to available funds and Council action

Legal and Fiscal Considerations

Pursuant to Section 14.3 of the Town Charter, the purchase of real property must be approved by ordinance. The proposed ordinance satisfies this requirement and confirms that the Town's financial obligations under the Lease and Purchase Agreement are limited

to annual appropriations, ensuring compliance with Article X, Section 20 of the Colorado Constitution (TABOR) and C.R.S. § 31-15-801.

The Town's obligation to pay rent and any purchase installments constitutes a current fiscal year expense only, creating no multiple-fiscal-year debt.

Funding for the initial lease period and related costs will be incorporated into the 2026 budget. Any future purchase payments would be subject to separate appropriation and Council approval.

Community Impact

Establishing permanent ownership of the Town Hall property will provide long-term benefits for the community and for the effective operation of local government. The acquisition will:

- Create a stable and visible civic headquarters that serves as the center of Town operations and public meetings;
- Improve accessibility for residents, businesses, and visitors seeking Town services;
- Support efficient municipal operations by providing adequate space and facilities for staff and community functions; and
- Ensure long-term fiscal and operational stability by securing a permanent facility rather than continuing short-term leases

Alternatives:

Town Council may propose alternative directions for the lease and building purchase.

Financial Considerations:

There are no financial considerations applicable to this ordinance.

Next Steps:

If adopted on first reading, the ordinance will be scheduled for second reading and public hearing at the next regular Council meeting.

Suggested Motions:

APPROVE: I move to approve Ordinance 2025-O-20, Approving a Lease and Purchase Agreement for 1628 Sts. John Road, Keystone, Colorado, on first reading.

DENIAL: I move to deny Ordinance 2025-O-20, Approving a Lease and Purchase Agreement for 1628 Sts. John Road, Keystone, Colorado.

Attachment:

- Ordinance 2025-O-20, Approving a Lease and Purchase Agreement for 1628 Sts. John Road, Keystone, Colorado

**TOWN OF KEYSTONE
ORDINANCE NO. 2025-O-20**

**AN ORDINANCE OF TOWN COUNCIL OF THE TOWN OF KEYSTONE,
COLORADO, APPROVING A LEASE AND PURCHASE AGREEMENT FOR
THAT CERTAIN REAL PROPERTY KNOWN AS 1628 STS JOHN ROAD,
KEYSTONE, COLORADO**

WHEREAS, the Town of Keystone (“Town” or “Keystone”) is a newly incorporated home rule municipal corporation, created pursuant to Title 31 of the Colorado Revised Statutes and Article XX of the Colorado Constitution, and now exercises all powers of local self-government granted thereby; and

WHEREAS, as part of its new incorporation, the Town seeks to establish a permanent civic presence and governmental center that will serve as the seat of local government and support the efficient delivery of municipal services to its residents, businesses, and visitors; and

WHEREAS, the Town is authorized by Section 31-15-101(1)(d), Colorado Revised Statutes (“C.R.S.”), to lease, hold and acquire real or personal property, together with any facilities thereon, and is authorized by Section 31-15-801, C.R.S., to enter into leasehold agreements, which agreements may include a right to purchase and acquire title to the leased property; and

WHEREAS, The Keystone Center (“Owner”) is the owner of property described as Tenderfoot Subdivision Filing No. 2, Summit County, Colorado, except for Sts. John Road; and

WHEREAS, the Town and the Owner are parties to an existing Office Lease, effective February 1, 2024, for the lease of the same real property proposed to be leased and purchased under this agreement; and

WHEREAS, the Town is authorized by Section 14.3 of its Home Rule Charter to purchase, sell or exchange any fee interest in real property by ordinance; and

WHEREAS, the acquisition of the property will provide the Town with a permanent building suitable for use as the Town Hall and will establish a civic anchor that supports community identity and accessibility to Town services; and

WHEREAS, ownership of this property will also provide the Town with additional land for future development opportunities consistent with Keystone’s community vision, strategic objectives, and long-term land use and infrastructure planning goals; and

WHEREAS, the obligation of the Town to pay base rent and additional rent and purchase price shall be from year to year only; shall constitute currently budgeted expenditures of the Town; shall not constitute a mandatory charge or requirement in any

ensuing budget year; and shall not constitute a general obligation or a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever of the Town within the meaning of any constitutional or statutory limitation or requirement concerning the creation of indebtedness, nor a mandatory payment obligation of the Town in any ensuing fiscal year beyond any fiscal year during which this Lease shall be in effect; and

WHEREAS, the Town Council has carefully reviewed and considered the terms of the proposed lease and purchase of the property and has determined that proceeding with such acquisition is in the best interest of the community to establish a permanent Town Hall facility and to provide a foundation for future municipal and community development opportunities.

**THE TOWN COUNCIL OF THE TOWN OF KEYSTONE, COLORADO,
ORDAINS:**

Section 1. The foregoing recitals are hereby affirmed and incorporated herein by this reference as findings of the Town Council.

Section 2. The form of the Lease and Purchase Agreement attached hereto between the Town and The Keystone Center is hereby approved. The Mayor is authorized to execute the Lease and Purchase Agreement, together with any and all other documents necessary or desirable to effectuate the intent and performance of the Town thereunder. The Mayor, in consultation with the Town Manager and the Town Attorney, is further authorized to make such non-substantive revisions or corrections to the Lease and Purchase Agreement and related documents as may be necessary to carry out the purposes of this Ordinance.

Section 3. Severability. If any section, paragraph, sentence, clause, or phrase of this ordinance is held to be unconstitutional or invalid for any reason, such decision shall not affect the validity or constitutionality of the remaining portions of this ordinance. The City Council hereby declares that it would have adopted this ordinance and each part or parts hereof irrespective of the fact that any one part or parts be declared unconstitutional or invalid.

Section 4. Safety Clause. The Town Council hereby finds, determines, and declares that this ordinance is promulgated under the general police power of the Town, that it is promulgated for the health, safety, and/or welfare of the public, that this ordinance is necessary for the preservation of health and safety or for the protection of public convenience and welfare, and that this ordinance bears a rational relation to the proper legislative object sought to be attained.

Section 5. Repeal. All other ordinances or portions thereof inconsistent or conflicting with this Ordinance or any portion hereof are hereby repealed to the extent of such inconsistency or conflict.

Section 6. Effective Date. Section 2 of this ordinance shall take effect 30 days after publication.

INTRODUCED, READ AND PASSED AS AN ORDINANCE, ON FIRST READING, AT A REGULAR MEETING OF THE TOWN COUNCIL OF THE TOWN OF KEYSTONE, COLORADO, THIS

_____ DAY OF _____, 2025.

READ, PASSED AND ADOPTED AS AN ORDINANCE ON BY A ROLL CALL VOTE OF _____ IN FAVOR AND _____ OPPOSED ON SECOND READING, AT A REGULAR MEETING OF THE TOWN COUNCIL OF THE TOWN OF KEYSTONE, COLORADO, THIS

_____ DAY OF _____, 2025.

Kenneth D. Riley, Mayor

ATTEST:

Town Clerk

APPROVED AS TO FORM:

Town Attorney

LEASE AND PURCHASE AGREEMENT
KEYSTONE TOWN HALL

THIS LEASE AND PURCHASE AGREEMENT, dated as of _____, 2026 ("**Lease**"), is between The Keystone Center, a Colorado non-profit corporation d/b/a Keystone Policy Center ("**Owner**"), as lessor, and the Town of Keystone, Colorado (the "**Town**"), a Colorado home rule municipality, as lessee.

WHEREAS, the Town is a duly and regularly created, organized and existing home rule municipality of the State, existing as such under and by virtue of the constitution and statutes of the State of Colorado: and

WHEREAS, the Town is authorized by Section 31-15-101(1)(d), Colorado Revised Statutes ("**C.R.S.**"), to lease, hold and acquire real or personal property, together with any facilities thereon, and is authorized by Section 31-15-801, C.R.S., to enter into leasehold agreements, which agreements may include a right to purchase and acquire title to the Leased Property; and

WHEREAS, Owner and the Town are parties to an existing Office Lease with an effective lease term of February 1, 2024 for the lease of the same real property as the property to be leased under this Lease ("**Original Office Lease**"); and

WHEREAS, the Town is authorized by Section 14.3 of its Home Rule Charter to purchase, sell or exchange any fee interest in real property by ordinance; and

WHEREAS, the purchase of the property will allow the Town to own a building suitable for use as the Town Hall and provide additional land for potential future development consistent with the Town's vision, goals, and long-term planning objectives; and

WHEREAS, the obligation of the Town to pay Base Rent and Additional Rent (both as hereinafter defined) hereunder shall be from year to year only; shall constitute currently budgeted expenditures of the Town; shall not constitute a mandatory charge or requirement in any ensuing budget year; and shall not constitute a general obligation or a multiple-fiscal year direct or indirect debt or other financial obligation whatsoever of the Town within the meaning of any constitutional or statutory limitation or requirement concerning the creation of indebtedness, nor a mandatory payment obligation of the Town in any ensuing fiscal year beyond any fiscal year during which this Lease shall be in effect; and

WHEREAS, the execution, performance and delivery of this Lease and Purchase Agreement have been authorized, approved and directed by the Town Council by an ordinance finally passed and adopted by the Town Council.

NOW, THEREFORE, for and in consideration of the mutual promises and covenants herein contained, the parties hereto agree as follows:

ARTICLE I. DEFINITIONS

Terms not otherwise defined within the text of this Lease shall have the following assigned definitions:

"Additional Rent" means the payments payable by the Town during the Lease Term pursuant to Section 6.02 of this Lease, which include cost of all (a) actual expenses and fees of Owner related to the performance of the provisions of this Lease related to the Leased Property, or otherwise incurred at the request of the Town (b) insurance premiums, utility charges, tax, routine maintenance and upkeep such as cleaning and trash in respect of the Leased Property, and (c) all other charges and costs as specifically set forth herein which the Town assumes or agrees to pay hereunder. Additional Rent does not include Base Rent.

"Base Rent" means the payments payable by the Town during the Lease Term pursuant to Section 6.02 of this Lease and as set forth in Exhibit B, as it may be amended hereunder from time to time, which constitutes the payments payable by the Town for and in consideration of the right to use the Leased Property during the Lease Term.

"Business Day" means any day other than a Saturday, a Sunday or a day on which banks in Denver, Colorado are authorized by law to remain closed.

"Closing" means the completion of the transactions contemplated in Article XII, including without limitation, the payment by the Town of any remaining balance of the Purchase Price and the conveyance of the Purchase Real Property by deed and the Purchase Personal Property by bill of sale or similar, if so requested by the Town.

"Common Facilities" shall mean all of the Purchase Real Property except (a) the Leased Property, (b) any other premises in any structure or building leased or held for lease to other tenants, and (c) any areas reserved by Owner, to include the parking area designated for the parking of motor vehicles on a first come first serve basis, any walks and driveways, and any other interior and exterior areas designated by Owner from time to time for common use of the Town and other users of space in the Purchase Real Property.

"Event of Default" means one or more events of default as defined in Section 14.01 of this Lease.

"Event of Nonappropriation" means a termination of this Lease by the Town, determined by the Town's failure, for any reason, to duly enact by the last day of each Fiscal Year an appropriation resolution for the ensuing Fiscal Year which includes (a) by specific line item reference amounts authorized and directed to be used to pay the Base Rent due that year, (b) sufficient amounts to pay such Additional Rent as are estimated to become due, as provided in Section 6.03 of this Lease, and (c) by specific line item reference amounts authorized and directed to be used to pay the Purchase Price Downpayment or Purchase Price due that year. The term also means notice under Section 4.01 of this Lease of the Town's intention to terminate and an event described in Section 6.03 of this Lease relating to the failure by the Town to appropriate amounts due as Additional Rent in excess of the amounts estimated to become due.

"Fiscal Year" means the fiscal or budget year of the Town ending on December 31st of each year.

"Lease Remedy" or "Lease Remedies" means any or all remedial steps provided in Section 14.02 of this Lease whenever an Event of Default hereunder has happened and is continuing.

"Lease Term" means the time during which the Town is the lessee of the Leased Property under this Lease and commences on February 1, 2026 and terminates on December 31, 2031 or sooner if the Town sooner exercises the Purchase as provided in Section 12.01, 12.02(a) and (b) of this Lease, with certain provisions of this Lease surviving termination of the Lease, as provided in Section 4.02 of this Lease.

"Leased Property" means the space to be leased and occupied by the Town and its employees and the public, in space as permitted by the Town, as such space is described in Exhibit A based on office numbers and common area designations designated by Owner. The address of the Leased Area is the address set forth in Exhibit A, along with the non-exclusive right to use, in common with others, the Common Facilities.

"Net Proceeds" when used with respect to any performance or payment bond proceeds, or proceeds of insurance, including self-insurance, required by this Lease, or proceeds from any condemnation award, or any proceeds resulting from default or breaches of warranty under any contract relating to the Leased Property or proceeds from any Lease Remedy, means the amount remaining after deducting from such proceeds (a) all expenses (including, without limitation, attorneys' fees and costs) incurred in the collection of such proceeds or award; and (b) all other fees, expenses and payments due to Owner.

"Permitted Encumbrances" means: (a) liens for taxes and assessments not then delinquent, taxes unpaid by the Town, or liens which may remain unpaid pending contest pursuant to the provisions of Article VII of this Lease; (b) this

Lease; (c) utility, access and other easements and rights of way of record as of the date of this Lease; (d) encumbrance(s) related to the actions of the Town, and (e) matters of record as of the date of this Lease.

"Purchase Price" means the aggregate amount payable and to be paid, by the Town, for the purpose of acquiring in fee simple the Purchase Real Property and the Purchase Personal Property pursuant to Article XII of this Lease, which amount shall be the amount identified in Exhibit C hereto as the Purchase Price.

"Purchase Price Downpayment" means the *monthly* due and payable installment payments of the Purchase Price as set forth in the column labeled "Monthly Purchase Price Downpayment Amount" credited against the Purchase Price in the amounts actually paid as of the date of exercise of the purchase.

"Purchase Real Property" means the property described as Purchase Real Property in Exhibit A attached hereto, and which includes the Leased Property.

"Purchase Personal Property" means the personal property described as Purchase Personal Property in Exhibit A attached hereto.

"Reserved Area" means the roof, the demising floors, walls and ceilings, and the exterior walls of the Purchase Real Property, to include any buildings thereon, and all telecommunications and utilities chases, ducts or other passageways located within the Purchase Real Property.

ARTICLE II. REPRESENTATIONS, COVENANTS AND WARRANTIES

Section 2.01. Representations, Covenants and Warranties of the Town.

The Town represents, covenants and warrants as follows:

a. The Town is a home rule municipality and political subdivision of the State, duly organized and existing under the constitution and laws of the State. The Town is authorized to enter into the transactions contemplated by this Lease and to carry out its obligations under this Lease. The Town has duly authorized and approved the execution and delivery of this Lease.

b. Neither the execution and delivery of this Lease, nor the fulfillment of or compliance with the terms and conditions of this Lease, nor the consummation of the transactions contemplated hereby, conflicts with or results in a breach of the terms, conditions or provisions of any restriction or any agreement or instrument to which the Town is now a party or by which the Town or its property is bound, or violates any statute, regulation, rule, order of any court having jurisdiction, judgment or administrative order applicable to the Town,

or constitutes a default under any of the foregoing, or results in the creation or imposition of any lien or encumbrance whatsoever upon any of the property or assets of the Town.

c. There is no litigation or proceeding pending or threatened against the Town or any other person affecting the right of the Town to execute this Lease or the ability of the Town to make the payments required hereunder or to otherwise comply with the obligations contained herein.

Section 2.02. Representations, Covenants and Warranties of Owner.

Owner represents, covenants and warrants as follows:

a. Owner has all requisite power to convey legal interests in the Leased Property and to execute, deliver, enter into and perform all the transactions contemplated by this Lease and to carry out its obligations under this Lease, and has duly executed and delivered this Lease and all other documents related to this Lease.

b. Except as specifically provided in this Lease, Owner will not pledge or assign its right, title and interest in and to any of its rights under this Lease or assign, pledge, mortgage, encumber or grant a security interest in its right, title and interest in to and under this Lease or the Leased Property or Purchase Real Property.

c. Neither the execution and delivery of this Lease nor the fulfillment of or compliance with the terms and conditions hereof nor the consummation of the transactions contemplated hereby conflicts with or results in a breach of the terms, conditions and provisions of any restriction or any agreement or instrument to which Owner is now a party or by which Owner is bound, or constitutes a default under any of the foregoing.

d. Except as specifically provided in this Lease, Owner will not assign its duties and obligations under this Lease to any other person, firm or owner, so as to impair or violate the representations, covenants and warranties contained in this Section 2.02.

e. There is no litigation or proceeding pending or threatened against Owner or any other person affecting the right of Owner to execute this Lease and to perform its obligations hereunder.

f. Owner acknowledges that the obligations of the Town under this Lease are not and shall not constitute or give rise to a general obligation or multiple-fiscal year direct or indirect debt or other financial obligation whatsoever of the Town within the meaning of any constitutional, charter or statutory provision or limitation nor a mandatory charge or requirement against the Town

in any ensuing Fiscal Year beyond any Fiscal Year during which this Lease shall be in effect. Owner further acknowledges that the Town may elect not to continue this Lease during the Lease Term by failure to budget and appropriate funds sufficient to meet its next Fiscal Year's Base Rent and Additional Rent, and that the acts of budgeting and appropriating funds are legislative acts and, as such, are solely within the discretion of the Town Council.

g. To the best knowledge of Owner, after due inquiry, other than as disclosed in the Phase I Environmental Site Assessment obtain by Owner dated [20xx] (i) no dangerous, toxic or hazardous pollutants, contaminants, chemicals, waste, materials or substances, as defined in or governed by the provisions of any federal, state or local law, statute, code, ordinance, regulation, requirement or rule relating thereto (collectively, "Environmental Regulations"), and also including urea-formaldehyde, polychlorinated biphenyls, asbestos, asbestos containing materials, nuclear fuel or waste, radioactive materials, explosives, carcinogens and petroleum products, or any other waste, material, substance, pollutant or contaminant which would subject the owner of the Leased Property to any damages, penalties or liabilities under any applicable Environmental Regulation (collectively, "Hazardous Substances") are now or have been stored, located, generated, produced, processed, treated, transported, incorporated, discharged, emitted, released, deposited or disposed of in, upon, under, over or from the Leased Property in violation of any Environmental Regulation; (ii) no threat exists of a discharge, release or emission of a Hazardous Substance upon or from the Leased Property into the environment; (iii) the Leased Property has not been used as or for a mine, landfill, a dump or other disposal facility, industrial or manufacturing facility, or a gasoline service station; (iv) no underground storage tank is located at the Leased Property or has previously been located therein but has been removed therefrom; (v) no violation of any Environmental Regulation now exists relating to the Leased Property, no notice of any such violation or any alleged violation thereof has been issued or given by any governmental entity or agency, and there is not now any investigation or report involving the Leased Property by any governmental entity or agency which in any way relates to Hazardous Substances; (vi) no person, party or private or governmental agency or entity has given any notice of or asserted any claim, cause of action, penalty, cost or demand for payment or compensation, whether or not involving any injury or threatened injury to human health, the environment or natural resources, resulting or allegedly resulting from any activity or event described in (i) above; (vii) there are not now any actions, suits, proceedings or damage settlements relating in any way to Hazardous Substances, in, upon, under, over or from the Leased Property; (viii) the Leased Property is not listed in the United States Environmental Protection Agency's National Priorities List of Hazardous Waste Sites or any other list of Hazardous Substance sites maintained by any federal, state or local governmental agency; and (ix) the Leased Property is not subject to any lien or claim for lien or threat of a lien in favor of any governmental entity or agency as a result of any release or threatened release of any Hazardous Substance.

ARTICLE III. LEASE OF LEASED PROPERTY

Owner demises and leases the Leased Property to the Town, and the Town leases the Leased Property from Owner, in accordance with the provisions of this Lease, for the Lease Term.

ARTICLE IV DURATION AND TERMINATION LEASE TERM

This Lease shall be in effect for the Lease Term. The Lease Term shall terminate upon the earliest of any of the following events:

- a. The last day of any Fiscal Year during which there has occurred an Event of Nonappropriation pursuant to Section 6.03 and Article VI of this Lease; or
- b. The Town's purchase and the conveyance of all of the Purchase Real Property to the Town upon payment of the Purchase Price as provided in Section 12.01, 12.02(a) and (b) of this Lease; or an Event of Default and termination of this Lease under Article XIV of this Lease.
- c. December 31, 2031.

The conclusion of the Lease Term shall terminate all unaccrued obligations of the Town under this Lease, and shall terminate the Town's rights of possession under this Lease at the end of the last day of the Fiscal Year for which this Lease shall be in effect (except for any conveyance pursuant to Article XII of this Lease). Except for an event described in subparagraph (b) above, upon termination of this Lease, the Town agrees to peaceful delivery of the Leased Property to Owner or its assigns and to assign to Owner any leases related to Leased Premises.

ARTICLE V. QUIET ENJOYMENT OF LEASED PROPERTY

Owner hereby covenants that the Town shall during the Lease Term peaceably and quietly have, hold and enjoy the Leased Property without suit, trouble or hindrance from Owner, except as expressly required or permitted by this Lease. Owner shall, at the request of the Town and at the cost of the Town, join and cooperate fully in any legal action in which the Town asserts its right to such possession and enjoyment, or which involves the imposition of any taxes or other governmental charges on or in connection with the Leased Property. In addition, the Town may at its own expense join in any legal action affecting its possession and enjoyment of the Leased Property and shall be joined in any action affecting its liabilities hereunder.

ARTICLE VI. REGULAR PAYMENTS BY THE TOWN

Section 6.01. Payments to Be Paid from Currently Budgeted Expenditures of the Town. The Town and Owner acknowledge and agree that the Base Rent and Additional Rent hereunder during the Lease Term shall be paid from then currently budgeted expenditures of the Town, using any legally available funds of the Town. The Town's obligations to pay Base Rent, Additional Rent or any other payments provided for under this Lease during the Lease Term shall not constitute a mandatory charge, requirement or liability in any ensuing Fiscal Year beyond the then current Fiscal Year. No provision of this Lease shall be construed or interpreted as a delegation of governmental powers or as creating indebtedness or a multiple- fiscal year direct or indirect debt or other financial obligation whatsoever of the Town within the meaning of any constitutional or statutory debt limitation, including without limitation, Article XI, Sections 1, 2 and 6, and Article X, Section 20, of the Colorado Constitution. This Lease shall not directly or indirectly obligate the Town to make any payments of Base Rent or Additional Rent beyond the funds legally available to the Town for its then current Fiscal Year. The Town shall be under no obligation whatsoever to purchase the Leased Property. No provision of this Lease shall be construed to pledge or to create a lien on any class or source of Town moneys.

Section 6.02. Security Deposit, Monthly Base Rent, Additional Rent, and Purchase Price Downpayment Payments.

- a. Security Deposit. The Town has, under the Original Lease, deposited with Owner a security deposit in the amount of \$4,900.00, which security deposit shall be transferred in full and accounted for by Owner as a security deposit under this Lease ("Security Deposit") The Security Deposit shall be retained by Owner and may be applied by Owner, to the extent necessary, to pay and cover any loss, cost, damage or expense, including attorneys' fees sustained by Owner by reason of the failure of the Town to comply with any provision, covenant or agreement of the Town contained in this Lease. To the extent not necessary to cover such loss, cost, damage or expense, the Security Deposit shall be returned to the Town after the expiration of the Lease Term in accordance with applicable law. The Town shall, from time to time, within five (5) days of Owner's demand, deposit with Owner such amounts as may be necessary to replenish the Security Deposit to its original amount.

The Security Deposit is not an advance payment of Base Rent or Additional Rent or a measure of Tenant's liability for damages. Owner shall be obligated to pay interest to the Town on account of the Security Deposit only as and if required by law to do so.

- b. Base Rent. During the Lease Term the Town shall monthly pay all Total Monthly Base Rent as set forth in Exhibit B, as it may be amended from time to time hereunder, in advance, without notice, directly to Owner at the address set forth in Section 15.02, no later than the first Business Day of the month for which the Base Rent is being applied. If applicable, Total Monthly Base Rent payment for any fractional calendar month at the commencement or end of the Lease Term shall be prorated based on a thirty (30) day month.
- c. Additional Rent. The Town shall pay Additional Rent during the Lease Term as herein provided. Prior to the commencement of each Fiscal Year, the Owner shall prepare and deliver to the Town a good-faith estimate of the Additional Rent for the ensuing Fiscal Year, which shall include the Town's proportionate share equal to thirty-two percent (32%) of the total costs and expenses designated as Additional Rent under this Lease. The Town's proportionate share shall be determined based on the ratio that the square footage of the Premises occupied by the Town bears to the total rentable square footage of the Property.

The Town shall pay the estimated Additional Rent in equal monthly installments together with the monthly payments of Base Rent. All such estimated Additional Rent shall be paid by the Town on a timely basis directly to the person or entity to whom such amounts are owed or as otherwise directed by the Owner.

Within a reasonable period before the close of each Fiscal Year, the Owner shall determine the actual Additional Rent for such Fiscal Year and provide the Town with a written reconciliation statement. If the Town's total payments of estimated Additional Rent for that Fiscal Year exceed its actual share, the excess shall be credited against the next payments due; if such payments are less than the actual Additional Rent due, the Town shall pay the deficiency within thirty (30) days after receipt of the reconciliation statement.

- d. Purchase Price Downpayments. As soon as practicable upon the effective date of the ordinance of the Town Council approving this Lease, the Town shall make a one-time initial Purchase Price Downpayment in the amount of \$500,000 as set forth in Exhibit C. Thereafter during the Lease Term, the Town shall also pay in advance monthly directly to Owner, at the same time and manner as making Base Rent payment, the then applicable monthly Purchase Price Downpayment related to the Purchase Real Property (without proration for any Base Rent) as set forth in Exhibit C for the purpose of terminating this Lease and purchasing the Purchase Real Property shown on Exhibit A, as further provided in Article XII of this Lease.

Aggregate Purchase Price Downpayment amounts shall be credited against the Purchase Price at the time of exercise of the Purchase .

Section 6.03. Event of Nonappropriation. In the event the Town Council shall not specifically budget and appropriate, on or before the last day of each Fiscal Year, moneys to pay all Base Rent, the reasonably estimated Additional Rent, and/or Purchase Price Downpayment or Purchase Price coming due for the next ensuing Fiscal Year, an Event of Nonappropriation shall be deemed to have occurred.

ARTICLE VII. LIMITATIONS ON ENCUMBRANCES ON LEASED PROPERTY

Except as may be permitted by this Lease, the Town shall not permit any mechanic's or other lien to remain against the Leased Property; provided that, if the Town shall first notify Owner of the intention of the Town to do so, the Town may in good faith contest any mechanic's or other lien filed or established against the Leased Property, and in such event may permit the items so contested to remain undischarged and unsatisfied during the period of such contest and any appeal therefrom unless Owner shall notify the Town that by nonpayment of any such items Owner's title to or interest in the Leased Property will be materially endangered, or the Leased Property or any part thereof will be subject to loss or forfeiture, in which event the Town shall promptly pay and cause to be satisfied and discharged all such unpaid items (provided, however, that such payment shall not constitute a waiver of the right to continue to contest such items). Owner will cooperate fully with the Town in any such contest, upon the request and at the expense of the Town. The Town acknowledges that Owner has obtained a line of credit secured by a lien on the Property, and the existence of such lien is hereby expressly permitted; provided, however, that Owner shall cause such lien to be released and discharged at or prior to Closing in connection with the Town's purchase of the Property. Except as may be expressly permitted by this Lease, neither Owner nor the Town shall, directly or indirectly, create, incur, assume, or suffer to exist any mortgage, deed of trust, pledge, lien, charge, encumbrance, or claim on or with respect to the Leased Property, except for Permitted Encumbrances. Each of the Town and the Owner shall promptly, at its own expense, take such action as may be necessary to duly discharge any such mortgage, deed of trust, pledge, lien, charge, encumbrance, or claim not excepted above that it has created, incurred, or permitted to exist.

ARTICLE VIII. TERMINATION OF EXISTING OFFICE LEASE

The Original Office Lease between Owner and the Town is hereby terminated and replaced with this Lease.

ARTICLE IX. MAINTENANCE AND CAPITAL REPAIRS; TAXES; INSURANCE AND OTHER CHARGES

Section 9.01. Routine Maintenance of the Leased Property by Owner.

At all times during the Lease Term, Owner, at its sole cost, will maintain, preserve and keep all portions of the Leased Property and surrounding grounds and common areas used by the Town, or cause the Leased Property and surrounding grounds and common areas used by the Town to be, maintained, preserved and kept, in good repair, working order and condition. Landlord reserves the right to use the Reserved Area to meet these obligations.

Section 9.02. Non-routine Maintenance, Capital Repairs and Improvements of the Leased Property by the Town. The Town agrees that at all times during the Lease Term the Town, at its sole cost, will from time to time make or cause to be made all necessary and proper non-routine repairs to the Leased Property, except as otherwise provided in this Section and Section 10.02 of this Lease. Owner shall not have any responsibility for any non-routine repairs or for the making of any additions, modifications or replacements to the Leased Property.

Section 9.03. Maintenance of the Purchase Real Property. At all times during the Lease Term, Owner, at its sole cost, will maintain, preserve and keep all portions of the Purchase Real Property, not to include the Leased Property, or cause such Purchase Real Property be, maintained, preserved and kept, in good repair, working order and substantially similar condition as the condition on the Lease term commencement. The Town shall have no obligations for any maintenance repairs, improvements, or any other costs related to the Purchase Real Property that does not include the Leased Property.

Section 9.04. Modifications.

- a. Leased Property. With advance written notice to Owner, the Town shall have the privilege of making substitutions, additions and modifications to the Leased Property, including the demolition and removal of any existing improvements thereon, at its own cost and expense. At the termination of the Lease, except if the termination is due to the Town's purchase, Owner shall be the owner of all such improvements, and the Town shall execute such documents to transfer such ownership as may be reasonably requested by and prepared by Owner. The installation of any telecommunications, data, utility or other wires, cables or other equipment or facilities in the Reserved Area by the Town or for use by the Town shall be subject to prior notice to Owner.
- b. Purchase Real Property. Only with advance written approval by the Town, which approval shall not be unreasonably withheld, Owner may make any substantial substitutions, additions and modifications to the Purchase Real Property that does not include the Leased Property, including the demolition and removal of any existing improvements

thereon, at its own cost and expense. If the Town exercises the Purchase , the Town shall be the owner of all such improvements upon Closing.

Section 9.05. Taxes, Other Governmental Charges and Utility Charges. The Town is a tax-exempt Colorado governmental entity and political subdivision of the State. Nonetheless, in the event that the Leased Property or any portion thereof shall, for any reason, be deemed subject to taxation, assessments or charges lawfully made by any governmental body, the Town shall pay the amount of all such taxes, assessments and governmental charges when due, as Additional Rent. With respect to special assessments or other governmental charges which may be lawfully paid in installments over a period of years, the Town shall be obligated to provide for Additional Rent only for such installments as are required to be paid during the upcoming Fiscal Year. Except for Permitted Encumbrances, the Town shall not allow any liens for taxes, assessments or governmental charges to exist with respect to the Leased Property or any portion thereof (including, without limitation, any taxes levied upon the Leased Property or any portion thereof which, if not paid, will become a charge on the rentals and receipts from the Leased Property or any portion thereof, or any interest therein, including the interest of Owner). The Town shall also pay as Additional Rent, as the same respectively become due, all utility and other charges incurred in the maintenance and upkeep of the Leased Property.

Section 9.06. Provisions Regarding Liability, Property and Worker's Compensation Insurance. Owner shall, at its sole cost and expense, carry and maintain casualty and property insurance covering the entire building and all improvements comprising the Property, in amounts and against risks customarily insured under "all-risk" or "special form" property insurance for similar commercial properties. The Town shall have no obligation to insure the structure, building systems, or other portions of the Property outside the Premises. The Town shall, at its own expense, carry and maintain (i) insurance covering its personal property, trade fixtures, equipment, and any leasehold improvements or alterations made by the Town within the interior of the Premises, in such amounts as the Town deems appropriate, and (ii) commercial general liability insurance and public officials' errors and omissions coverage with respect to the Town's occupancy and use of the Premises, in amounts not less than the limits of liability per occurrence established under the Colorado Governmental Immunity Act, as amended from time to time. The Town may satisfy these requirements through participation in a pooled self-insurance program or under blanket policies that cover multiple properties or risks. All liability insurance policies required to be carried by the Town shall name Owner as an Additional Insured. Upon written request of Owner, the Town shall provide documentation of such coverage. Owner shall list the Town as an Additional Insured and/or Loss Payee, as applicable, on its property insurance policy.

Section 9.07. Storage of Personal Property by the Town. The Town may, at its sole cost and expense, place, install, or store personal property, including but not limited to sheds, storage containers, or other equipment or materials used in connection with its operations, on the Leased Property. All such personal property shall remain the sole property of the Town and shall not be deemed fixtures or part of the real property. The Town shall ensure that any such property is placed in a manner that complies with applicable laws and regulations and does not materially interfere with the Owner's maintenance, access, or use of the Property. Upon the expiration or earlier termination of this Lease, the Town shall, at its sole cost and expense, remove all such personal property from the Leased Property and shall repair any damage to the Property caused by such removal, restoring the affected area to substantially the same condition as existed prior to such placement, reasonable wear and tear excepted. Any personal property not removed by the Town within thirty (30) days following termination shall be deemed abandoned and may be removed or disposed of by the Owner without liability to the Town.

ARTICLE X DAMAGE, DESTRUCTION AND CONDEMNATION; USE OF NET PROCEEDS

Section 10.01. Leased Property.

- a. Damage, Destruction and Condemnation. If, during the Lease Term (a) the Leased Property or any portion thereof shall be destroyed (in whole or in part), or damaged by fire or other casualty; or (b) title to, or the temporary or permanent use of the Leased Property or any portion thereof, or the estate of the Town or Owner in the Leased Property or any portion thereof, shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority; then the Town shall be obligated to continue to pay the amounts specified in Section 6.02(b)(c) and (d) of this Lease (subject to Section 6.01 and 6.03 hereof).
- b. Obligation to Repair and Replace the Leased Property. The Town and, to the extent such Net Proceeds are within their control, Owner, shall cause the Net Proceeds of any insurance policies, performance bonds or condemnation awards to be applied to the prompt repair, restoration, modification, improvement or replacement of the Leased Property by the Town.
- c. Insufficiency of Net Proceeds. If the Net Proceeds (plus any amounts withheld from such Net Proceeds by reason of any deductible clause) shall be insufficient to pay in full the cost of any repair, restoration, modification, improvement or replacement of the Leased Property required under Section 10.01(b) of this Lease, the Town may elect to:

(a) complete the work and pay as Additional Rentals, to the extent amounts for Additional Rentals which have been specifically appropriated by the Town are available for payment of such cost, any cost in excess of the amount of the Net Proceeds, and the Town agrees that, if by reason of any such insufficiency of the Net Proceeds, the Town shall make any payments pursuant to the provisions of this Section 10.01(c), the Town shall not be entitled to any reimbursement therefor from Owner, nor shall the Town be entitled to any diminution of the Base Rentals and Additional Rentals payable under Section 6.02 of this Lease; or (b) apply the Net Proceeds to the payment of the Purchase Price in accordance with Article XII of this Lease; or (c) if the Town does not timely budget and appropriate sufficient funds to proceed under either (a) or (b) above, an Event of Nonappropriation will be deemed to have occurred and, subject to the Town's right to cure, Owner may pursue remedies available to it following an Event of Nonappropriation. The above referenced election shall be made by the Town within 60 days of the occurrence of an event specified in Section 10.01(a) of this Lease.

- d. Cooperation of Owner. At the expense of the Town, Owner shall cooperate fully with the Town in filing any proof of loss with respect to any insurance policy or performance bond covering the events described in Section 10.01(a) of this Lease and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Leased Property or any portion thereof and in the enforcement of all warranties relating to the Leased. In no event shall Owner voluntarily settle, or consent to the settlement of any proceeding arising out of any insurance claim, performance or payment bond claim, prospective or pending condemnation proceeding, or any portion thereof without the written consent of the Town which shall not be unreasonably conditioned or refused.

Section 10.02. Purchase Real Property.

- a. Damage, Destruction and Condemnation. If, during the Lease Term (a) the Purchase Real Property or any portion thereof not including the Leased Property shall be destroyed (in whole or in part), or damaged by fire or other casualty; or (b) title to, or the temporary or permanent use of the Purchase Real Property or any portion thereof, or the estate of Owner in the Purchase Real Property or any portion thereof not including the Leased Property, shall be taken under the exercise of the power of eminent domain by any governmental body or by any person, firm or corporation acting under governmental authority; then Owner shall be obligated to cause the Net Proceeds of any insurance policies, performance bonds or condemnation awards to be applied to the

prompt repair, restoration, modification, improvement or replacement of the Purchase Real Property by Owner.

- b. Insufficiency of Net Proceeds. If the Net Proceeds (plus any amounts withheld from such Net Proceeds by reason of any deductible clause) shall be insufficient to pay in full the cost of any repair, restoration, modification, improvement or replacement required under Section 10.02(a) of this Lease, Owner may elect to: (a) incur the additional costs beyond Net Proceeds and complete the work; or (b) reduce the total Purchase Price. The above referenced election shall be made by Owner within 60 days of the occurrence of an event specified in Section 10.02(a) of this Lease.
- c. Cooperation of the Town. At the expense of Owner, the Town shall cooperate fully with Owner in filing any proof of loss with respect to any insurance policy or performance bond covering the events described in Section 10.02(a) of this Lease and in the prosecution or defense of any prospective or pending condemnation proceeding with respect to the Purchase Real Property or any portion thereof other than the Leased Property, and in the enforcement of all warranties relating to the Leased. In no event shall Owner voluntarily settle, or consent to the settlement of any proceeding arising out of any insurance claim, performance or payment bond claim, prospective or pending condemnation proceeding, or any portion thereof without the written consent of the Town which shall not be unreasonably conditioned or refused.

ARTICLE XI. DISCLAIMER OF WARRANTIES; OTHER COVENANTS

Section 11.01. Disclaimer of Warranties on Leased Property. The Leased Property is being leased in as-is condition. Owner does not make any warranty or representation, either express or implied, as to the value, design, condition, merchantability or fitness for a particular purpose or fitness for use of the Leased Property, the Purchase Real Property or Purchase Personal Property or any other representation or warranty with respect to the Leased Property, the Purchase Real Property or Purchase Personal Property. The Town hereby acknowledges and declares that the Town is solely responsible for the use, construction, improvement, equipping, maintenance and operation of the Leased Property, and that Owner does not have any responsibility therefor. For the purpose of enabling the Town to discharge such responsibility, Owner constitutes and appoints the Town as its attorney in fact for the purpose of constructing, improving, equipping, maintaining and operating the Leased Property in accordance with this Lease, and asserting and enforcing, at the sole cost and expense of the Town, all constructor's or manufacturer's warranties and guaranties, express or implied with respect to the Leased Property, as well as any claims or rights Owner may have in respect of the Leased Property against

any manufacturer, supplier, contractor or other person. In no event shall Owner be liable for any direct or indirect, incidental, special or consequential damage in connection with or arising out of this Lease or the existence, furnishing, functioning or use by the Town of any item, product or service provided for herein.

Section 11.02. No Waste or Nuisance.

- a. Leased Property. The Town covenants and agrees that (a) nothing shall be done or kept on the Leased Property which impairs the value of the Leased Property or constitutes waste; (b) nothing shall be done or kept on the Leased Property which impairs the structural soundness of any structure or building or results in an overload of electrical lines serving any structure or building; (c) no noxious or offensive activity shall be carried on upon the Leased Property nor shall anything be done or kept on the Leased Property which is a public or private nuisance or which causes disturbance or annoyance to others in any structure or building or on adjacent or nearby property; and (d) no refuse, scrap, debris, garbage, trash, bulk materials or waste shall be kept, stored or allowed to accumulate on the Leased Property except as may be securely enclosed within the Leased Property.
- b. Purchase Real Property. Owner covenants and agrees that (a) nothing shall be done or kept on any portion of the Purchase Real Property that is not also the Leased Property which impairs the value of the such property or constitutes waste; (b) nothing shall be done or kept on the Purchase Real Property that is not also the Leased Property which impairs the structural soundness of any structure or building or results in an overload of electrical lines serving any structure or building; (c) no noxious or offensive activity shall be carried on upon the Purchase Real Property that is not also the Leased Property nor shall anything be done or kept on the such property which is a public or private nuisance or which causes disturbance or annoyance to others in any structure or building or on adjacent or nearby property; and (d) no refuse, scrap, debris, garbage, trash, bulk materials or waste shall be kept, stored or allowed to accumulate on the Purchase Real Property that is not also the Leased Property except as may be securely enclosed within such property.

Section 11.03. Further Assurances and Corrective Instruments.

- a. Owner and the Town agree that they will from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements hereto and such further instruments as may reasonably be required for correcting any inadequate or incorrect

description of the Leased Property hereby leased or intended so to be, or for otherwise carrying out the intention hereof.

- b. Commencing immediately after the start of the Lease Term, Owner agrees to cooperate and work with the Town to obtain an effective release of (or appropriate modification of) the use restrictions on the Purchase Real Property as set forth in the Warranty Deed recorded August 22, 1996, at 52195 in the records of the Summit County, Colorado.

Section 11.04. Compliance with Requirements. During the Lease Term, the Town and Owner shall observe and comply promptly with all current and future orders of all courts having jurisdiction over the Leased Property or any portion thereof, provided that the Town or Owner may contest or appeal such orders so long as they are in compliance with such orders during the contest or appeal period, and all current and future requirements of all insurance companies that have written policies covering the Leased Property or any portion thereof.

Section 11.05. Access to Leased Property. The Town agrees that Owner, and any authorized representative of Owner, shall have the right at all reasonable times to examine and inspect the Leased Property. The Town further agrees that the Owner, and any such representative, shall have such rights of access to the Leased Property as may be reasonably necessary to cause the proper maintenance of the Leased Property in the event of failure by the Town to perform its obligations under this Lease.

Section 11.06. Common Area Rules. Town shall: (i) keep any Common Facilities it uses neat and clean, (ii) pick up trash that originated from the Town after each use, and (iii) control the activities of Town's employees, agents, visitors, contractors, and invitees in the Common Facilities so that they do not create a nuisance.

Section 11.07. Bilateral Environmental Covenant.

- a. Leased Property. The Town shall not store, locate, generate, produce, process, treat, transport, incorporate, discharge, emit, release, deposit or dispose of any Hazardous Substance in, upon, under, over or from the Leased Property in violation of any Environmental Regulation, shall not permit any Hazardous Substance to be stored, located, generated, produced, processed, treated, transported, incorporated, discharged, emitted, released, deposited, disposed of or to escape therein, thereupon, thereunder, thereover or therefrom in violation of any Environmental Regulation, shall cause all Hazardous Substances to be properly removed therefrom and properly disposed of in accordance with all applicable Environmental Regulations, shall not install or permit to be installed any underground storage tank therein or thereunder in violation of any

Environmental Regulation and shall comply with all other Environmental Regulations which are applicable to the Leased Property subject to the limitations of Section 6,01 hereof, in the event any Hazardous Substance is found upon, under, over or from the Leased Property in violation of any Environmental Regulation or if any lien or claim for lien in favor of any governmental entity or agency as a result of any release of any Hazardous Substance is threatened, the Town, at its sole cost and expense, shall, within ten days of such finding, deliver written notice thereof to Owner and shall promptly remove such Hazardous Substances and prevent the imposition of any liens against the Leased Property for the cleanup of any Hazardous Materials. Such removal shall be conducted and completed in compliance with all applicable federal, state and local laws, regulations, rules, ordinances and policies in accordance with the orders and directives of all federal, state and local governmental authorities.

- b. Purchase Real Property. Owner shall not store, locate, generate, produce, process, treat, transport, incorporate, discharge, emit, release, deposit or dispose of any Hazardous Substance in, upon, under, over or from the Purchase Real Property in violation of any Environmental Regulation, shall not permit any Hazardous Substance to be stored, located, generated, produced, processed, treated, transported, incorporated, discharged, emitted, released, deposited, disposed of or to escape therein, thereupon, thereunder, thereover or therefrom in violation of any Environmental Regulation, shall cause all Hazardous Substances to be properly removed therefrom and properly disposed of in accordance with all applicable Environmental Regulations, shall not install or permit to be installed any underground storage tank therein or thereunder in violation of any Environmental Regulation and shall comply with all other Environmental Regulations which are applicable to the Purchase Real Property. In the event any Hazardous Substance is found upon, under, over or from the Purchase Real Property in violation of any Environmental Regulation or if any lien or claim for lien in favor of any governmental entity or agency as a result of any release of any Hazardous Substance is threatened, Owner, at its sole cost and expense, shall, within ten days of such finding, deliver written notice thereof to the Town and shall promptly remove such Hazardous Substances and prevent the imposition of any liens against the Purchase Real Property for the cleanup of any Hazardous Materials. Such removal shall be conducted and completed in compliance with all applicable federal, state and local laws, regulations, rules, ordinances and policies in accordance with the orders and directives of all federal, state and local governmental authorities.

ARTICLE XII. PURCHASE AND CONVEYANCE OF THE PURCHASE REAL PROPERTY

Section 12.01. Purchase. The Town shall purchase the Purchase Real Property and Purchase Personal Property and terminate this Lease, but only if the Town is not then in default under this Lease.

- a. Subject to the timing for required notice as set forth herein, the Town may exercise the purchase on any date during the Lease Term by performing as set forth in this Article XII.
- b. The Town shall give Owner notice of its intention to purchase not less than one hundred and twenty (120) days in advance of the anticipated date of Closing.

(1) The notice must be in writing and delivered to Owner by Certified Mail with proof of delivery.

- c. If the Town fails to purchase by providing the required notice at least ninety days prior to December 31, 2031, then the right to purchase the Purchase Real Property and Purchase Personal Property shall terminate and this Lease shall terminate as of December 31, 2031.

Section 12.02. Termination of Other Lease(s) of Purchase Real Property. Unless the Town instructs Owner otherwise, either due to agreement to assume any landlord obligations in existing leases or for any other reason, Owner shall terminate any and all third party leases for any part of the Purchase Real Property as of Closing and ensure that the Town can take full possession of the Purchase Real Property as of such Closing date.

Section 12.03. Condition of Purchase Real Property and Purchase Personal Property to Materially Remain the Same as of Lease Term Commencement. The Purchase Real Property and Purchase Personal Property are being sold in "AS IS" condition with no Owner representations or warranties. As such, as of the Lease Term commencement, the Town has had opportunity to inspect the Purchase Real Property, the title commitment and the Phase 1 Environmental Assessment for the Purchase Real Property and is reasonably satisfied with all conditions of the Purchase Real Property as currently exist.

- a. Owner agrees that it shall take no action to cause or allow any material cloud on or deficiency to the title to the Purchase Real Property be placed between the period of Lease Term commencement and the Closing.

Section 12.04. Conveyance of the Purchase Real Property and Purchase Personal Property. Upon exercise of the Purchase as contemplated hereunder, at Closing, Owner shall transfer and convey the Purchase Real Property and Purchase Personal Property to the Town in the manner provided for in Section 12.06 of this Lease; provided, however, that the Town shall have

paid any outstanding balance of the Purchase Price (determined as the Purchase Price minus the aggregate sum of all Purchase Price Downpayments made to date of Closing).

Section 12.05. Manner of Conveyance of Purchase Real Property.

- a. At the Closing, Owner shall execute and deliver to the Town a Special Warranty Deed transferring and conveying good and marketable title to the Purchase Real Property, subject only to the following: (a) Permitted Encumbrances, other than this Lease; and (b) any lien or encumbrance created by action of the Town.
- b. All revenues, taxes, rents, and other expenses related to the Purchase Real Property will be prorated at Closing between the Town and Seller as of 11:59 P.M. on the Closing date.
- c. Each party shall bear its own legal expenses in connection with this Lease and in connection with the Closing.
- d. Owner shall pay costs for an owner's title insurance policy for the Town to be delivered at Closing although the Town shall pay for deletion of the standard exceptions if it chooses to obtain such coverage and for all endorsements it requests from the title company.
- e. The parties shall equally share all closing costs and transfer fees related to the transfer of the Purchase Real Property except that the Town shall pay the cost of recording fees to record the instruments transferring title.

Section 12.06. Manner of Conveyance of Purchase Personal Property. The Purchase Personal Property shall be sold in its as-is condition as of the Closing. At Closing, Owner shall execute such bill(s) of sale or other documents of conveyance as may be reasonably requested by the Town to evidence transfer of ownership of the Purchase Personal Property.

ARTICLE XIII ASSIGNMENT AND SUBLEASING

Section 13.01. Assignment and Subleasing by Town. This Lease may not be assigned or the Leased Property sublet by the Town for any reason.

Section 13.02. Assignment by Owner. This Lease may not be assigned by Owner for any reason other than to a successor by operation of law.

ARTICLE XIV. EVENTS OF DEFAULT AND REMEDIES

Section 14.01. Events of Default Defined. For purposes of this Lease, the following terms shall have the meanings set forth below.

- a. Town Default. "Town Default" means the occurrence of any one or more of the following events, each of which constitutes an Event of Default by the Town under this Lease:
 - i. Failure by the Town to pay any Base Rent or Additional Rent during the Lease Term within five (5) days after the same becomes due.
 - ii. Failure by the Town to vacate or tender possession of the Leased Property by the tenth Business Day of the Fiscal Year in respect of which an Event of Nonappropriation has occurred.
 - iii. Failure by the Town to observe or perform any other covenant, condition, or agreement on its part to be observed or performed under this Lease, which failure continues for a period of fifteen (15) days after written notice is given by the non-defaulting party specifying such failure and requesting that it be remedied; provided, however, that if the failure stated in the notice cannot reasonably be corrected within such fifteen (15) day period, Owner shall consent to a reasonable extension of time if corrective action is instituted by the Town within such fifteen (15) day period and is diligently pursued until the default is corrected. Such consent by Owner shall not be unreasonably withheld.
 - iv. The Town (A) files a petition or application seeking reorganization, arrangement, or other debtor relief under federal bankruptcy law or under the laws of the State of Colorado, or (B) becomes the subject of such a petition or application which is not contested by the Town, or is not dismissed or discharged within thirty (30) days.
 - v. The occurrence of an Event of Nonappropriation.

Any of the foregoing shall constitute a Town Default.

- b. Owner Default. "Owner Default" means the occurrence of any one or more of the following events, each of which constitutes an Event of Default by Owner under this Lease:

- i. Failure by Owner to observe or perform any covenant, condition, or agreement on its part to be observed or performed under this Lease—including, without limitation, (A) the obligation to provide quiet enjoyment of the Leased Property as required by Article V, (B) the obligation to maintain insurance and perform maintenance as required by Article IX, and (C) the obligation to convey the Purchase Real Property and Purchase Personal Property in accordance with Article XII upon the Town's valid exercise of the Purchase—which failure continues for a period of fifteen (15) days after written notice is given by the non-defaulting party specifying such failure and requesting that it be remedied; provided, however, that if the failure stated in the notice cannot reasonably be corrected within such fifteen (15) day period, the Town shall consent to a reasonable extension of time if corrective action is instituted by Owner within such fifteen (15) day period and is diligently pursued until the default is corrected. Such consent by the Town shall not be unreasonably withheld.
 - ii. Failure or refusal by Owner, after the Town has properly exercised its Purchase in accordance with Article XII, to convey good and marketable title to the Purchase Real Property and the Purchase Personal Property as required under this Lease, free and clear of all encumbrances other than Permitted Encumbrances and liens created by the Town.
 - iii. Owner (A) files a petition or application seeking reorganization, arrangement, or other debtor relief under federal bankruptcy law or under the laws of the State of Colorado, or (B) becomes the subject of such a petition or application which is not contested by Owner, or is not dismissed or discharged within thirty (30) days.
 - iv. Any of the foregoing shall constitute an Owner Default.
- c. Event of Default. The term "Event of Default," as used elsewhere in this Lease (including Article XIV), means either a Town Default or an Owner Default, as applicable.

Section 14.02. Remedies on Default. Whenever any Event of Default referred to in Section 14.01 of this Lease shall have happened and be continuing, one or more of the following remedial steps may be taken:

- a. The non-defaulting party may terminate the Lease, and the Town will vacate and surrender possession of the Leased Property within ten Business Days of the delivery or receipt of such notice.

- b. In the event of a Town Default, Owner may proceed to foreclose through the courts on or otherwise sell, trade-in, repossess or liquidate the Town's interest in the Leased Property, or any part thereof in any lawful manner; provided, however, that Owner may not recover from the Town any deficiency which may exist following the liquidation of the Town's interest in the Leased Property in excess of Base Rent and Additional Rent for the then current Fiscal Year and in excess of amounts payable under subparagraph (c) of this Section 14.02.
- c. Owner may recover from the Town: (i) the portion of Base Rent and Additional Rent which would otherwise have been payable hereunder, during any period in which the Town continues to occupy, use or possess the Leased Property; and (ii) Base Rent and Additional Rent which would otherwise have been payable by the Town hereunder during the remainder, after the Town vacates and surrenders possession of the Leased Property, of the Fiscal Year in which such Event of Default occurs.
- d. The non-defaulting party may take whatever action at law or in equity may appear necessary or desirable to enforce its rights in and to the Leased Property under this Lease.
- e. Town Remedies Upon Owner Default—Return of Purchase Payments. Upon any Owner Default, the Town shall be entitled to the prompt return of all amounts paid toward the Purchase Price, including without limitation the Purchase Price Downpayment and any Monthly Purchase Price Downpayment Amounts, together with any interest accrued thereon, if any, without prejudice to any other rights and remedies available at law or in equity.
- f. Any termination of the Lease resulting from a Town Default or Event of Nonappropriation shall also terminate the Town's right to purchase the Purchase Real Property and Purchase Personal Property and the Town shall forfeit any Purchase Price Downpayment paid or owed to date of such termination of the Lease. If the Lease is terminated due to an Owner Default or other breach by the Owner, the Town shall be entitled to the prompt return of all amounts paid toward the Purchase Price, including without limitation the Purchase Downpayment and any Monthly Purchase Price Down Payment Amounts, together with any interest accrued thereon, if any, as provided in Section 14.02(e).

Section 14.03. Limitations on Remedies. A judgment requiring a payment of money may be entered against the Town by reason of an Event of Default, only as to the Town's liabilities described in paragraph (c) of Section

14.02 of this Lease. A judgment requiring a payment of money may be entered against the Town by reason of an Event of Nonappropriation only to the extent that the Town fails to vacate and surrender possession of the Leased Property as required by Section 14.01 of this Lease, and only as to the liabilities described in paragraph (c)(i) of Section 14.02 of this Lease. The remedy described in paragraph (c)(ii) of Section 14.02 of this Lease is not available for an Event of Default consisting of failure by the Town to vacate and surrender possession of the Leased Property within ten Business Days following notice of an Event of Nonappropriation.

Section 14.04. No Remedy Exclusive. Subject to Section 14.03 of this Lease, no remedy herein conferred upon or reserved to Owner is intended to be exclusive, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle Owner to exercise any remedy reserved in this Article XIV, it shall not be necessary to give any notice, other than such notice as may be required in this Article XIV.

Section 14.05. Waivers. Either Party may waive any Event of Default under this Lease and its consequences. In the event that any agreement contained herein should be breached by either party and thereafter waived by the other party, such waiver shall apply only to the particular breach so waived.

Section 14.06. Agreement to Pay Attorneys' Fees and Expenses. To the extent permitted by law and subject to the provisions of Section 6.03 hereof, in the event that either party hereto shall default under any of the provisions hereof and the non-defaulting party shall employ attorneys or incur other expenses for the collection of Base Rent or Additional Rent, or the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party herein contained, the defaulting party agrees that it shall on demand therefor pay to the non-defaulting party the fees of such attorneys and such other expenses so incurred by the non-defaulting party, to the extent that such attorneys' fees and expenses are determined to be reasonable by a court of competent jurisdiction.

ARTICLE XV. MISCELLANEOUS

Section 15.01. Sovereign Powers of Town. Nothing in this Lease shall be construed as diminishing, delegating, or otherwise restricting any of the sovereign powers of the Town. Nothing in this Lease shall be construed to require the Town to occupy and operate the Leased Property other than as lessee, or to require the Town to exercise its right to purchase the Purchase Real Property or Purchase Personal Property.

Section 15.02. Notices. All notices, certificates or other communications hereunder shall be sufficiently given and shall be deemed given when delivered or mailed by certified or registered mail, postage prepaid, addressed as follows:

If to the Town:

Town of Keystone
Attn: Town Manager
1628 Sts John Rd
Keystone, CO 80435

With a copy to:
Jennifer Madsen
Widner Juran, LLP
13133 East Arapahoe Road, Suite 100
Centennial CO 80112

If to Owner:

Keystone Policy Center
1628 Sts John Rd
Keystone, CO 80435

With a copy to:

The Town or Owner may, by written notice, designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 15.03. Binding Effect. This Lease shall inure to the benefit of and shall be binding upon Owner and the Town and their respective successors and assigns, subject however, to the limitations contained in Article XIII of this Lease.

Section 15.04. Amendments, Changes and Modifications. Except as otherwise provided in this Lease, the Lease may not be effectively amended, changed, modified or altered without the written agreement of the parties hereto.

Section 15.05. Lease. This Lease shall be deemed and construed to be a "triple net lease," and the Town shall, subject to Article V hereof, pay absolutely net during the Lease Term, the Base Rent, Additional Rent and all other payments required hereunder, free of any deductions, and without abatement, deduction or setoff (other than credits against Base Rent expressly provided for in this Lease).

Section 15.06. Payments Due on Holidays. If the date for making any payment or the last day for performance of any act or the exercising of any right, as provided in this Lease shall be a day other than a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided for in this Lease.

Section 15.07. Severability. In the event that any provision of this Lease, other than the requirement of the Town to pay Base Rent in accordance with Section 6.02, and the requirement of Owner to provide quiet enjoyment of the Leased Property and to convey the Purchase Real Property and Purchase Personal Property to the Town under the conditions set forth in Article XII of this Lease, and the requirement that the obligation of the Town to pay Base Rent, Additional Rent and other amounts under this Lease are subject to the limitations of Section 6.03 hereof, shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 15.08. Execution in Counterparts. This Lease may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 15.09. Applicable Law. This Lease shall be governed by and in accordance with the laws of the State of Colorado, without regard to conflict of laws principles.

Section 15.10. Captions. The captions or headings herein are for convenience only and in no way define, limit or describe the scope or intent of any provisions or sections of this Lease.

Section 15.11. No Brokers. The parties represent each to the other that they have had no conversation or negotiations with any broker concerning the leasing of the Leased Property or sale of the Purchase Real Property. Each of Town and Owner agrees to protect, indemnify, save and keep harmless the other, against and from all liabilities, claims, losses, costs, damages and expenses, including attorneys' fees, arising out of, resulting from or in connection with their breach of the foregoing warranty and representation.

Section 15.12. Waiver of Jury Trial. The parties hereto shall and they hereby do waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way related to this Lease, the relationship of Owner and the Town, the Town's use or occupancy of the Leased Property, and/or any claim of injury, loss or damage.

Section 15.13. TABOR. The Parties understand and agree that the Town is subject to Article X, Section 20 of the Colorado Constitution ("TABOR"). The parties do not intend to violate the terms of TABOR by the execution of this Lease. It is understood and agreed that this Lease does not create a multi-fiscal year direct or indirect debt or obligation within the meaning of TABOR.

Section 15.14. No Governmental Immunity Waiver. Nothing in this Agreement is intended to waive any protection afforded to the Town by the Colorado Governmental Immunity Act, C.R.S. Section 24-10-101 et seq., or any other applicable law providing immunity to the Tenant, its officials, and employees.

Section 15.15. Counterparts/Electronic Signatures. This Lease may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute the binding and enforceable agreement of the parties hereto. This Lease may be executed and delivered by a party by facsimile or email transmission, which transmission copy shall be considered an original and shall be binding and enforceable against such party. Owner and the Town acknowledge and agree that electronic signatures used for the execution of this Lease and/or amendments hereto (if any) shall be valid, binding and enforceable against such party.

SIGNATURE PAGE FOLLOWS

WITNESS the due execution hereof as of the day and the year first mentioned above.

TOWN OF KEYSTONE, COLORADO

Ken Riley, Mayor

ATTEST:

Town Clerk

OWNER:

The Keystone Center, a Colorado nonprofit corporation

By: _____
Name: Christine Scanlon
Title: President and CEO

State of Colorado)
) ss.
County of ____)

The foregoing instrument was acknowledged before me this __ day of ____, 2025, by Christine Scanlon.

Notary Public

My commission expires:

EXHIBIT A
DESCRIPTONS OF PROPERTIES LEASED/SUBJECT TO PURCHASE

Leased Property: All of which is located within the structure addressed as 1628 Sts. John Rd, Keystone, Colorado 80435

(a) Approximate Total Floor Area:

Two Small Offices - approximately 100 square feet per office
Four Medium Offices - approximately 130 square feet per office
One Large Office - approximately 180 square feet
Two Corner Offices – approximately XXX square feet
Community room - approximately 1748 square feet
Downey Library - approximately 380 square feet
Common Space - approximately 340 square feet

(b) Address: Offices 101, 102, 103, 104, 105, 106, 107, 109, and 111 of the building in addition to the Downey Memorial Library and the east end common space and use of surrounding property and parking.

Owner and the Town may agree in writing to modify or expand the Leased Property, and to a corresponding change to the Base Rent based on the rates set in the Exhibit B, Base Rent Schedule. On behalf of the Town the Town Manager may approve such agreement in writing as long as the change Base Rent (and Additional Rent) remains within appropriated and budgeted amounts for the current year.

Purchase Real Property:

That certain real property, and all improvements and fixtures situated thereon, known as

Tenderfoot Subdivision Filing No. 2, Summit County, Colorado, except for Sts. John Road

which generally consists of one (1) permanent building structure and +/- 5.75 acres of land

Purchase Personal Property All the following equipment, furniture, amenities, and other personal property located on the Purchase Real Property owned by Owner, except the following personal property specifically excluded,

Need list of inclusions/exclusions

**EXHIBT B
BASE RENT SCHEDULE**

Office Number	Size	Monthly Rent
107	Small	\$350
109	Small	\$350
111	Large	\$600
Community Rm		\$600
103	Medium	\$400
104	Medium	\$400
105	Medium	\$400
106	Medium	\$400
101	Corner	\$400
102	Corner	\$400
Downey Library		\$350
Common Space		<u>\$350</u>
TOTAL MONTHLY BASE RENT		\$4900

In the event Owner and the Town agree to modify, decrease or expand the Leased Property, Base Rent shall be correspondingly modified based on the rates set above.

EXHIBIT C PURCHASE PRICE

The total purchase price for the Property shall be Four Million One Hundred Thousand Dollars (\$4,100,000) (the “**Purchase Price**”), which shall be paid over the Term as set forth in the table below, with all payments being nonrefundable and monthly payments made in accordance with Section XXXX of the Lease.

Lease Term Year	Monthly Purchase Option Price Downpayment Amount	Annualized Payment (aggregate of monthly payments)	Running Balance on Purchase Price at Conclusion of Lease Term Year Period
Within 30 days of effective date of ordinance approving Lease		\$500,000 one-time	\$3,600,000
Year 1	\$47,272.73 Monthly	\$520,000 (aggregate of monthly payments)	\$3,080,000
Year 2	\$43,333.33 Monthly	\$520,000 (aggregate of monthly payments)	\$2,560,000
Year 3	\$43,333.33 Monthly	\$520,000 (aggregate of monthly payments)	\$2,040,000
Year 4	\$43,333.33 Monthly	\$520,000 (aggregate of monthly payments)	\$1,520,000
Year 5	\$43,333.33 Monthly	\$520,000 (aggregate of monthly payments)	\$1,000,000
Year 6	\$43,333.33 Monthly	\$520,000 (aggregate of monthly payments)	\$480,000
Balloon at Closing		\$480,000 one-time	\$0

TOWN OF KEYSTONE, COLORADO

STAFF REPORT

TO: Mayor & Town Councilmembers
THROUGH: John Crone, Town Manager
Lindsay Hirsh, Community Development Director
FROM: Jennifer Madsen, Town Attorney
DATE: November 11, 2025
SUBJECT: [SECOND READING] Ordinance 2025-O-16, Regulations
on Natural Medicine Uses

Executive Summary:

The proposed Ordinance 2025-O-16 revises the Town's Land Use Code to establish specific regulations governing the location and operation of Natural Medicine Businesses, including cultivation facilities, healing centers, product manufacturers, and testing facilities.

As required under Section 1454 of the Land Use Code, the Town must determine that the proposed revisions:

1. Meet the purpose and intent of the Code;
2. Give due consideration to the goals and policies set forth in both the Master Plan and the Snake River Master Plan; and
3. Remain consistent with applicable State Statutes.

Pursuant to Section 1453 of the Code, the Planning & Zoning Commission is tasked with reviewing the proposed amendment and forwarding a recommendation to Town Council. The Commission may recommend approval, denial, or approval with revisions.

The draft ordinance provides a comprehensive regulatory framework to ensure Natural Medicine Businesses are regulated in a manner that protects the Town's public health,

safety, and welfare objectives, while aligning with state law and adopted community planning policies.

It is important to note that Town Council approved Ordinance 2024-O-15 to implement a moratorium on the operation of natural medicine businesses, uses, and services until February 1, 2026. Thus, regulations should be adopted before that date.

Planning and Zoning Commission recommended approval at its September 2025 meeting.

Background:

In 2022, Colorado voters approved the [Natural Medicine Health Act](#) (the “NMHA”) through a statewide ballot measure ([Proposition 122](#)). The NMHA decriminalized the personal use, possession and growth of certain natural medicines, such as psilocybin and psilocin, for individuals over the age of 21. The NMHA also established a regulating framework for the use of these substances in therapeutic settings, including the creation of licensed healing centers where natural medicines can be administered under the supervision of trained facilitators. State decriminalization and legalization of natural medicine is a recent development. In November 2020, Oregon voters passed ballot measure 109 and Oregon became the first state to create a state-legal, regulated market for psychedelic psilocybin products. Colorado became the second state when voters approved decriminalization and regulation in November 2022.

The first phase of Colorado’s legalization and licensing regime focuses on psilocybin, a naturally occurring psychedelic compound found in more than 200 species of mushrooms that grow naturally around the world. Other substances related to mushrooms and in the state definition of natural medicine will be the focus of future roll out of licensing and state regulations in coming years.

Licensing requirements: The NMHA, as amended in 2023 by SB-23-290, creates occupational licensing requirements for facilitators that are to be administered by the Colorado Department of Regulatory Agencies (DORA) (such as requirements for training

and experience) and business licensing requirements for healing centers, products manufacturers, cultivation faculties, and testing facilities that are to be administered by the Colorado Department of Revenue (DOR Natural Medicine Division).

It is important to note state law requires natural medicine facilities must be located at least 1,000 feet from any school, unless the local law allows allow a shorter distance.

What follows is an overview of the state regulations on operating requirements for the natural medicine businesses:

Facility Security and Access

- All business operations must occur within licensed, secure, enclosed facilities.
- Access to restricted areas (where cultivation, testing, manufacturing, or storage occurs) is limited to licensed personnel.
- Security plans must include video surveillance, secure storage of natural medicine, and restricted public access.

General Sanitary Standards and Hygiene

Natural Medicine Businesses must:

- Exclude ill individuals (those with open wounds, infections, or microbial contamination) from operations involving direct contact with products.
- Require all employees working with natural medicine to maintain personal cleanliness and handwashing before and during duties.
- Maintain clean, sanitary floors, walls, ceilings, and provide adequate lighting in processing and storage areas.

Facility and Contamination Controls

Facilities must:

- Be protected against pests, odors, and microbial growth.
- Store materials and products to prevent growth of undesirable microorganisms.

- Handle toxic cleaning chemicals in accordance with local, state, and federal safety laws, with all Safety Data Sheets (SDS) maintained on-site.

Handwashing, Toilets, and Water Supply

Facilities must have:

- At least one toilet and hand-washing station, with hot water, soap, and drying supplies.
- Sanitized restroom facilities on a regular schedule.
- Potable drinking water for employees and participants.

Fire, Building & Local Health Inspections

Natural Medicine Businesses are subject to:

- Fire safety, building, and zoning inspections by local authorities.
- These inspections may impose additional requirements (e.g., installation of fire suppression systems or verification of compliance with time/place/manner regulations).

Operations and Environmental Standards

- Outdoor cultivation or clinical sessions are prohibited unless specifically approved (e.g., secured outdoor administration areas).
- Businesses must include Environmental, Social, and Governance (ESG) plans, with specific goals such as:
 - Sustainable practices (e.g., renewable energy, recyclable materials)
 - Social impact goals (e.g., inclusive hiring, community benefit sharing)
 - Public transparency (e.g., publishing ESG plans online)

Licensing, Zoning, and Local Control

- Licensees must comply with local zoning and land use laws.
- Local governments may regulate the time, place, and manner of business operations but may not ban them outright.

- Premises cannot be shared with other regulated substances (e.g., marijuana), with limited exceptions.

Staffing and Background Checks

- Natural Medicine Handler Licenses are required for anyone handling or accessing regulated medicine.
- All personnel must pass criminal background checks and be 21 years or older.
- Certain felony convictions and past regulatory violations may disqualify applicants.

Taxes, Fees, and Recordkeeping

- All taxes must be current; failure to file or pay taxes can result in denial or revocation of licenses.
- All changes in ownership, location, or business status require prior approval and proper filing.
- Licensees must keep detailed records of financial interests, visitor logs, operations, and security data.

Inspections and Enforcement

- The State Licensing Authority may conduct random inspections and require compliance documentation at any time.
- Noncompliance can result in warnings, license suspension or revocation, and administrative sanctions.

Complaints and Community Impact

- Businesses must report adverse health events and may be required to respond to public health orders.
- Law enforcement retains full authority to investigate unlawful conduct despite state licensure.

Local government role: As discussed on October 22, 2024, the NMHA provides that local governments may not prohibit the provision of “natural medicine services” within

their jurisdiction when conducted by a state-licensed facilitator as defined by state law. A local jurisdiction may also not prohibit the establishment or operation of state-licensed natural medicine businesses (such as healing centers) within the jurisdiction.

However, local governments retain authority to enact reasonable regulations regarding the time, place, and manner of the operation of such businesses. These regulations must not constitute a de facto ban or undermine access to services permitted under state law.

The State of Colorado, through the Department of Revenue's Natural Medicine Division, anticipates beginning to accept applications for natural medicine businesses in the first quarter of 2025.

Here are examples of time, place, and manner regulations for operation of natural medicine businesses.

Time: Local governments may restrict the operational hours of the business. Other municipalities have adopted 12-hour operation regulation: 7:00 a.m. to 7:00 p.m. or 8:00 a.m. to 8:00 p.m., Monday through Sunday.

Place: This regards the location of the natural medicine use. There are two categories of uses: natural medicine healing centers and natural medicine business (for cultivation, manufacturing, and testing). Other municipalities have zoned natural medicine businesses in an industrial zone with some communities allowing placement in commercial zones. Other municipalities have zoned natural medicine healing centers in commercial, business, and/or industrial. Municipalities can adopt the states 1,000 foot distance from any school or a shorter distance. Some municipalities have adopted a 1,000 foot distance regulation from residential dwellings or a certain distance between natural medicine facilities.

Manner: Municipalities have implemented regulations that complement or impose stricter requirements related to the operation of the businesses. A majority of municipalities have imposed security provisions for doorways, windows, and other openings: to prevent

seeing in from outside. Several municipalities require clear illumination to provide visibility of entrances, parking, and exterior walkways. Other municipal regulations require businesses to be located in a permanent building; not in a trailer, tent or motor vehicle. Some municipalities prohibit the natural medicine to be placed within the facility's exterior refuse containers. Other municipalities require that natural medicine businesses use an air filtration and ventilation system designed to reduce odors emitted from the facility.

As with all land use regulations, any requirement must have a rational relation to legitimate public interest, such as public health, safety, welfare, or local concern.

Proposed regulations on Natural Medicine uses:

As a preliminary matter, the Town's Land Use Code, Section 1454, requires a finding that (1) the proposed revision meets the purpose and intent of the Code; (2) the proposed revision gives consideration to the goals and policies in the Master Plan and the Snake River Master Plan; and (3) the proposed revision is consistent with any applicable State Statutes.

Per Section 1453 of the Land Use Code, the review process for any code amendments is that Planning & Zoning Commission reviews the amendment and makes a recommendation for Town Council. Thus, your role is to recommend or not recommend the draft ordinance. You may also suggest revisions.

Proposed Ordinance 2025-O-16 provides reasonable time, place, and manner regulations and establish a local regulatory framework for natural medicine businesses and personal use cultivation in the Town, consistent with the Town's zoning authority and Colorado state law.

1. **Proposed New Use Definitions:** The recommendation is to add the following use definitions to the Land Use Code:

Natural Medicine has the same meaning as in Section 44-50-103(13), C.R.S. [Currently, defined as psilocybin and psilocin. As of June 1, 2026, it may include dimethyltryptamine, ibogaine, or mescaline.]

Natural Medicine Business means any of the following entities licensed under the Natural Medicine State Licensing Authority and includes a Natural Medicine Healing Center, a Natural Medicine Cultivation Facility, a Natural Medicine Products Manufacturer, a Natural Medicine Testing Facility, or another licensed entity created by the Natural Medicine State Licensing Authority.

Natural Medicine Cultivation Facility means a facility that is licensed by the Natural Medicine State Licensing Authority where regulated Natural Medicine is grown, harvested, and prepared in order to be transferred and distributed to either a Healing Center, Facilitator, a Natural Medicine Products Manufacturer, or to another Natural Medicine Cultivation Facility.

Natural Medicine Healing Center means a facility licensed by the Natural Medicine State Licensing Authority that permits a facilitator, as defined by the Natural Medicine Code, to provide and supervise natural medicine services for a participant, as defined by the Natural Medicine Code.

Natural Medicine Products Manufacturer means a facility that is licensed to manufacture regulated natural medicine products for transfer to a Healing Center, Facilitator, or to another Natural Medicine Products Manufacturer pursuant to the terms and conditions of the Natural Medicine State Licensing Authority.

Natural Medicine Testing Facility means a facility that is licensed by the Natural Medicine State Licensing Authority to perform testing and research on Natural Medicine and Natural Medicine Product.

2. **Zoning and Permitted Use Areas¹:** The proposed regulations allow natural medicine businesses and uses in the Highway Business, B-1 zone district. The parcels in the B-1 zone district are located along Highway 6. The [zoning map](#) (see

¹ The Town of Keystone does not have commercial or industrial zone districts.

attachment) shows the location of these B-1. The regulation would require that natural medicine uses are 1,000 from schools (identical to the state requirement).

The proposal is to allow these uses as uses by right within the designated zone district. This approach is based on the fact that natural medicine businesses are subject to extensive state regulation. There must be a minimum 50 foot separation from properties used for residences and a minimum 1,000 foot separation from licensed childcare or residential childcare facilities, preschools, elementary, middle, junior, or senior high schools.

3. Operational Restrictions:

- All business operations must occur within a fully enclosed, permitted principal building.
- All such uses shall not cause odors, smoke, heat, glare or light that is detectable to a person of normal senses beyond the property line of the property upon which the use is being conducted, or in an adjacent unit or public area.
- Natural Medicine Businesses are not permitted as home occupations.
- Allowed to operate 8:00 a.m. to 7:00 p.m., Monday through Sunday.
- Businesses must provide adequate on-site security that meets or exceeds Colorado's minimum standards for Natural Medicine Businesses.
- Outdoor operations, including cultivation or clinical sessions, are prohibited.
- Personal cultivation must occur in enclosed, locked spaces and not be visible or detectable from outside the property.

4. State Compliance: All natural medicine businesses must be licensed by the State of Colorado and comply with state regulatory standards.

For consistency with the Town's Land Use Code, Figures 3-2 and 3-3 have been amended. The ordinance only includes parts of those figures. Here is the complete [Figure 3-2](#) and [Figure 3-3](#).

For your consideration, here are examples of other municipalities' regulations related:

Silverthorne: natural medicine business allowable in Commercial 2 zone, and conditional in Commercial 1.

Breckenridge: prohibits natural medicine businesses in the downtown area (along Main St) unless collocated with existing health care facility (subject to the basic 1000 ft distance to child/school centers).

Frisco: in zone districts that allow for medical office use; and at any private residential location at which such service is allowed by state regulations.

Colorado Springs: a mile from school, child center or residential dwelling

Fountain: intended to follow C. Springs example, but found that any geographical measure they might use in that small town would be unreasonably discriminatory — so they compromised with a 1,000 foot min. pedestrian distance to any school, childcare center, or residential dwelling.

Alternatives:

Town Council may propose alternative directions for the natural medicine regulations.

Financial Considerations:

There are no financial considerations applicable to this ordinance.

Previous Council Actions:

Council previously implemented a moratorium on natural medicine uses to allow time to consider regulation. The moratorium expires on February 1, 2026. Town Council briefly discussed natural medicine uses at its August 26, 2025, meeting. Town Council approved this ordinance on first reading on October 14.

Next Steps:

If Council approves this Ordinance on second reading, the ordinance will take effect thirty days after publication.

Suggested Motions:

APPROVE: I move to approve Ordinance 2025-O-16, Adopting regulations related to Natural Medicine.

DENIAL: I move to deny Ordinance 2025-O-16, Adopting regulations related to Natural Medicine.

Attachment:

- Ordinance 2025-O-16, Adopting regulations related to Natural Medicine
- B-1 Zoning Summary

**TOWN OF KEYSTONE
ORDINANCE NO. 2025-O-16**

**AN ORDINANCE OF TOWN COUNCIL OF THE TOWN OF KEYSTONE,
COLORADO, AMENDING ORDINANCE NO. 2024-O-05, TOWN OF
KEYSTONE LAND USE CODE, ADOPTING REGULATIONS RELATED
TO NATURAL MEDICINE USES AND REPEALING THE TEMPORARY
MORATORIUM REGARDING THE SAME**

WHEREAS, the Town of Keystone ("Town") is a home rule municipal corporation created pursuant to Article XX of the Colorado Constitution; and

WHEREAS, on April 23, 2024, through Ordinance No. 2024-O-05, the Town adopted by reference the *Summit County Land Use and Development Code*, subject to such amendments and revisions deemed necessary to properly and appropriately apply the adopted code to property within the Town of Keystone and has labeled it the Town of Keystone Land Use Code; and

WHEREAS, in 2022, Colorado voters approved the Natural Medicine Health Act (the "NMHA") through a statewide ballot measure Proposition 122, which decriminalized the personal use, possession, and cultivation of certain natural medicines, such as psilocybin and psilocin, for individuals over 21 years of age; and

WHEREAS, the NMHA also established a framework for using these substances in therapeutic settings, including the creation of licensed Healing Centers where natural medicines may be administered under the supervision of trained facilitators; and

WHEREAS, in May 2023, the Governor signed Senate Bill 23-290, entitled "Natural Medicine Regulation and Legalization," into law, which sets the regulatory framework for natural medicine in Colorado; and

WHEREAS, Senate Bill 23-290 authorizes the Town to regulate the time, place, and manner of the operation of state-licensed natural medicine business and uses; and

WHEREAS, the Town imposed a temporary suspension on natural medicine use and operations by Ordinance No. 2024-O-15, which expires February 1, 2026; and

WHEREAS, during the temporary suspension, Town staff investigated, reviewed, analyzed, and suggested natural medicine regulations; and

WHEREAS, based on the recommendations of staff, the Town desires to create regulations pertaining to natural medicine in the Town as set forth in this Ordinance; and

WHEREAS, the Planning and Zoning Commission considered and recommended approval of this Ordinance; and

WHEREAS, the Town Council has determined that the adoption of this Ordinance is legislative in nature and will further the public health, safety, and welfare of the residents of the Town.

**THE TOWN COUNCIL OF THE TOWN OF KEYSTONE, COLORADO,
ORDAINS:**

Section 1. The foregoing recitals are hereby affirmed and incorporated herein by this reference as findings of the Town Council.

Section 2. Chapter 3 of the Town of Keystone Land Use Code, Ordinance 2024-O-05 adopting by Reference the *Summit County Land Use and Development Code*, as such code existed on May 1, 2024, is amended to include a new Section 3822 and to read as follows:

CHAPTER 3. ZONING REGULATIONS

A new section 3822 regarding Natural Medicine is added to read as follows:

3822: Natural Medicine

- A. **Purpose, Intent, and Definitions:** It is the purpose and intent of these regulations to govern the uses and activities associated with natural medicine and ensure that such uses and activities all operate in a safe manner that does not endanger the public welfare.
1. As used herein, the following terms are defined as follows:
 - a. *Natural Medicine* has the same meaning as in Section 44-50-103(13), C.R.S.
 - b. *Natural Medicine Business* means any of the following entities licensed under the Natural Medicine State Licensing Authority and includes a Natural Medicine Healing Center, a Natural Medicine Cultivation Facility, a Natural Medicine Products Manufacturer, a Natural Medicine Testing Facility, or another licensed entity created by the Natural Medicine State Licensing Authority.
 - c. *Natural Medicine Cultivation Facility* means a facility that is licensed by the Natural Medicine State Licensing Authority where regulated Natural Medicine is grown, harvested, and prepared in order to be transferred and distributed to either a Healing Center, Facilitator, a Natural Medicine Products Manufacturer, or to another Natural Medicine Cultivation Facility.
 - d. *Natural Medicine Healing Center* means a facility licensed by the Natural Medicine State Licensing Authority that permits a facilitator, as defined by the Natural Medicine Code, to provide and supervise

natural medicine services for a participant, as defined by the Natural Medicine Code.

- e. *Natural Medicine Products Manufacturer* means a facility that is licensed to manufacture regulated natural medicine products for transfer to a Healing Center, Facilitator, or to another Natural Medicine Products Manufacturer pursuant to the terms and conditions of the Natural Medicine State Licensing Authority.
- f. *Natural Medicine Testing Facility* means a facility that is licensed by the Natural Medicine State Licensing Authority to perform testing and research on Natural Medicine and Natural Medicine Product.

B. Adoption of State Statutory Provisions and State Administrative

Regulations: Except where the provisions set forth under Section 3822 et seq. are inconsistent with or differ from the Colorado Natural Medicine Code, C.R.S. Title 44, Article 50, and the state administrative regulations promulgated thereunder (including, without limitation, the Colorado Regulated Natural Medicine Rules, 1 CCR 213-1, and the Natural Medicine Licensure Rules and Regulations, 4 CCR 755-1), as each may be amended from time to time, all such statutes and regulations are adopted by reference and apply to all applications received and licenses issued by the local licensing authority. In the event of a conflict between this Section and the Colorado Natural Medicine Code or the applicable state administrative regulations, the provisions of this Section control to the fullest extent permitted by law.

3822.01: General Provisions

A. Zoning districts where Natural Medicine Businesses are permitted:

Natural Medicine Cultivation Facility, Natural Medicine Healing Center, Natural Medicine Products Manufacturer, and Natural Medicine Testing Facility are only permitted in the B1 Zoning District in accordance with all applicable provisions set forth in Section 3822 et al., state law, and all other applicable codes and regulations.

B. Natural Medicine Businesses Proximity to Other Land Uses: Distances shall be computed by direct measurement from the nearest property line of the land use listed below to the nearest portion of the building of the Natural Medicine Business. Distances shall be verified by the applicant via a method deemed acceptable by the Town. At a minimum, no Natural Medicine Business shall be located within the following distances from the specified land uses listed below:

1. fifty (50) feet of any property (a) used primarily for residential purposes, (b) located within a residential zoning district, or (c) containing a residential use within a Planned Unit Development (PUD); provided, however, that this restriction shall not apply where the residential use is located exclusively on an upper floor of a mixed-use building and is separated

- from the Natural Medicine Business by a nonresidential use; or
2. 1,000 feet of a licensed childcare facility or residential childcare facility, preschool, elementary, middle, junior, or senior high school;
- C. **Home occupations:** A Natural Medicine Business shall not be permitted as a home occupation.
- D. **Hours of operation:** A Natural Medicine Business may open no earlier than 8:00 a.m. and shall close no later than 7:00 p.m. on the same day, Monday through Sunday.
- E. **Security systems:** A Natural Medicine Business shall provide adequate security on the premises which meets the minimum security standards set forth in Colorado law and codes and regulations related to Natural Medicine Businesses.
- F. **Operations:** A Natural Medicine Business must occur within a fully enclosed, permitted principal building. All such uses shall not cause odors, smoke, heat, glare or light that is detectable to a person of normal senses beyond the property line of the property upon which the use is being conducted, or in an adjacent unit or public area. Outdoor operations, including cultivation or clinical sessions, are prohibited.
- G. **Personal cultivation:** Personal cultivation is permitted in compliance with state law. Personal cultivation must occur in enclosed, locked spaces and not be visible or detectable from outside the property.

Section 3. Figure 3-2, Land Use Matrix is amended to include a new *Natural Medicine Business* use listed under COMMERCIAL in alphabetical order to read as follows:

FIGURE 3-2 LAND USE MATRIX

FIGURE 3-2 LAND USE MATRIX(17)												
P - Permitted C - Conditional T - Temporary			A - Accessory NA - Not Allowed									
	A1	B1	NR2 ₁	OS	PUD ₂	RE	R1	R2	R3	R4	R-25	NOTES
COMMERCIAL												
Natural Medicine Business	NA	P	NA	NA	NA	NA	NA	NA	NA	NA	NA	Permitted in accordance with Section 3822.

Section 4. Figure 3-3, Land Use Matrix is amended to include a new *Natural Medicine Business* use inserted in alphabetical order to read as follows:

FIGURE 3-3 LAND USE BY DISTRICT

FIGURE 3-3 LAND USE BY DISTRICT					
LAND USE	PERMITTED	CONDITIONAL	ACCESSORY	TEMPORARY	NOTES
Natural Medicine Business	X				See Section 3822

Section 5. Severability. Should any one or more sections or provisions of this Ordinance be judicially determined invalid or unenforceable, such judgment shall not affect, impair, or invalidate the remaining provisions of this Ordinance, the intention being that the various sections and provisions are severable.

Section 6. Minor Revision or Correction Authorized. The Town Manager, in consultation with the Town Attorney, is authorized to make minor revisions or corrections to the codified version of the provisions of this Ordinance provided that such revisions or corrections are grammatical, typographical, numerical, or non-substantive and do not alter or change the meaning and intent of this Ordinance.

Section 7. Repeal of Temporary Moratorium on Natural Medicine Uses. Ordinance No. 2024-O-15, which imposed a temporary moratorium on the establishment and operation of natural medicine uses within the Town of Keystone, is hereby repealed in its entirety. The repeal of Ordinance No. 2024-O-15 shall become effective concurrently with the effective date of this Ordinance. Upon repeal, no further restrictions shall be imposed under Ordinance No. No. 2024-O-15, and any applications or activities previously suspended under the moratorium may proceed subject to compliance with applicable state and local laws.

Section 8. Codification. This ordinance may be codified and numbered for purposes of codification without the need for further approval by the Town Council.

Section 9. Effective Date. After adoption by the Town Council, this ordinance shall take effect on _____.

INTRODUCED, READ AND PASSED AS AN ORDINANCE, ON FIRST READING, AND SCHEDULED FOR PUBLIC HEARING ON _____, AT A REGULAR MEETING OF THE TOWN COUNCIL OF THE TOWN OF KEYSTONE, COLORADO, THIS ____ DAY OF _____, 2025.

Kenneth D. Riley, Mayor

ATTEST:

Town Clerk

APPROVED AS TO FORM:

Town Attorney

READ, PASSED AND ADOPTED WITH A ROLL CALL VOTE OF ____ IN FAVOR AND ____ OPPOSED ON SECOND READING, AT A REGULAR MEETING OF THE TOWN COUNCIL OF THE TOWN OF KEYSTONE, COLORADO, THIS _____ DAY OF _____, 2025.

.

Kenneth D. Riley, Mayor

ATTEST:

Town Clerk

APPROVED AS TO FORM:

Town Attorney

Oro Grande Lodge Condos

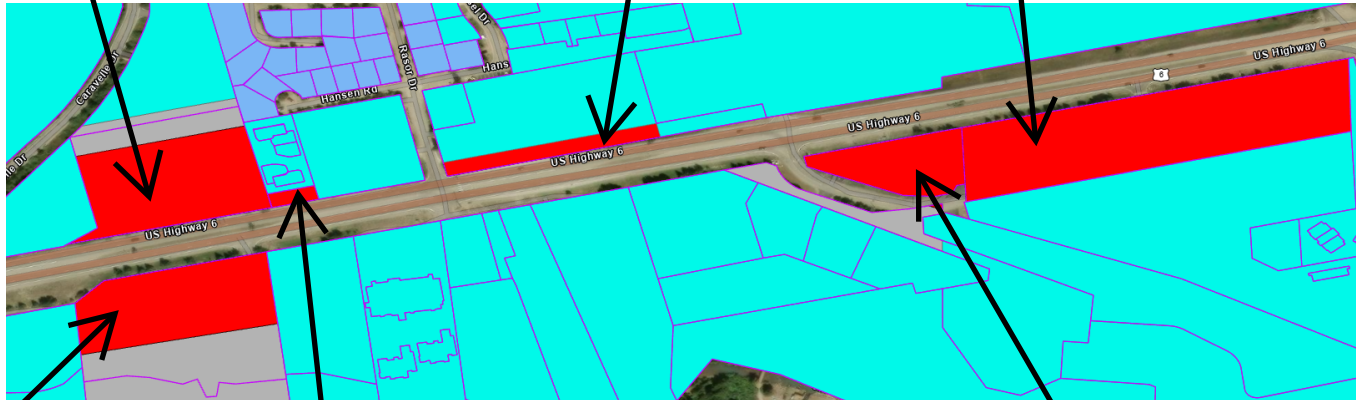
- 50 multi-family units
- wetlands to NW
- Oro Grande No. 1 Canal abuts HW 6

Oro Grande No. 1 Canal

- platted in 1989 - water conveyance
- water rights transferred to owner
- nothing built there

Gateway Condos/Commercial

- 16 multi-family units (lodge - Summit Cove)
- 1 deed restricted unit (Gateway employee)
- Commercial:
 - Steep
 - Breeze Ski Rentals
 - Max Snowboard Rentals
 - Grocery & Liquor
 - Snowbird Cafe
 - Cornerstone Real Estate
 - Haywood Cafe



Tenderfoot Lodge

- 70 lodge units
- 30377 sf ground floor area
- 4 stories

Land Owned by Oro Grande Lodge

- 20' utility easement
- part of Oro Grande No. 1 Canal

Snake River Saloon & Steakhouse

Christy Sports

TOWN OF KEYSTONE, COLORADO

STAFF REPORT

TO: Mayor & Town Councilmembers
THROUGH:
FROM: John Crone, Town Manager
DATE: November 11, 2025
SUBJECT: Public Hearing and Second Reading of Ordinance 2025-O-18, Amending the Bear-Proof Refuse Container Ordinance

Executive Summary:

This is the second reading and public hearing of the amended bear-proof ordinance that was discussed in the October 14 meeting and approved on first reading at the October 28 meeting.

Background:

On March 11, 2025, Town Council passed ordinance 2025-O-06, an ordinance requiring most residents to have bear-proof refuse containers. This ordinance went into effect in August 2025 for individuals and August 2026 for dumpster enclosures.

The Town has been notified that it is being awarded a CPW grant to help fund the purchases of new refuse containers required under the ordinance. After discussions with CPW, staff recommended several changes to the Council. Council felt it was appropriate to make the following change to Section 3 of the ordinance – Definitions:

WILDLIFE-PROOF REFUSE CONTAINER: A container used for the storage of refuse that has been certified to be wildlife-proof by the Colorado division of wildlife, the U.S. Park Service, **Interagency Grizzly Bear Committee**, or the U.S. Forest Service. ~~A container not so certified, is considered a wildlife-proof refuse container if it is fully enclosed, of sturdy construction, and includes a latching mechanism suitable to prevent wildlife from opening the container. Latching mechanisms shall allow a gap between the container lid of no more than one-half inch ($\frac{1}{2}$ "). Latching mechanisms shall keep the lid closed in the event the container is turned on its side or upside down.~~ Wildlife-proof refuse containers may include drain holes no larger than one inch (1") in any dimension.

Staff brought Ordinance 2025-O-18 to the Town Council for a first reading on October 28, 2025. The ordinance passed first reading.

Previous Council Actions:

March 11, 2025 – original ordinance approved

October 14, 2025 – workshop on proposed amendments to original ordinance

October 28, 2025 – ordinance 2025-O-18 passed on first reading

Financial Impacts:

The proposed ordinance will have a negligible financial impact.

Proposed Motions:

If the Council is interested in adopting the ordinance, it may do so by approving the following motion: *I move to approve Ordinance 2025-O-18, Amending the Bear-Proof Refuse Container Ordinance*

If the Council does not want to adopt the ordinance, it may do so by approving the following motion *I move to deny Ordinance 2025-O-18*, Amending the Bear-Proof Refuse Container Ordinance e

**TOWN OF KEYSTONE
ORDINANCE NO. 2025-O-18**

**AN ORDINANCE OF THE TOWN COUNCIL OF THE TOWN OF KEYSTONE,
COLORADO, AMENDING ORDINANCE NO. 2024-O-12, ADOPTED NOVEMBER 12,
2024, TO MODIFY SECTION 3 REGARDING THE DEFINITION OF WILDLIFE-
PROOF REFUSE CONATAINERS**

WHEREAS, the Town of Keystone, Colorado ("Town") is a home rule municipality, duly organized and existing under the laws of the state of Colorado; and

WHEREAS, the Town of Keystone Town Charter article 2.9 grants the Keystone Town Council the right to exercise all legislative powers and functions of municipal government; and

WHEREAS, the Town of Keystone Town Council previously adopted Ordinance 2025-O-06 on March 11, 2025; and

WHEREAS, the Town of Keystone Town Council finds it necessary and in the public interest to amend such ordinance to clarify the definition of a wildlife-proof refuse container..

NOW THEREFORE, BE IT ORDAINED by the Town Council of the Town of Keystone, Colorado, as follows:

Section 1. The Town Council adopts the items in attached Exhibit A, with the amended definition of wildlife-proof refuse containers in section 3, as the Town's ordinance regarding dumpster enclosures, wildlife-proof refuse containers, and the feeding of wildlife operating within the town limits of the Town of Keystone.

Section 2. Should any one or more sections or provisions of this Ordinance or of the Code provisions enacted hereby be judicially determined invalid or unenforceable, such judgment shall not affect, impair or invalidate the remaining provisions of this Ordinance or of such Code provision, the intention being that the various sections and provisions are severable.

Section 3. Any and all Ordinances or Codes or parts thereof in conflict or inconsistent herewith are, to the extent of such conflict or inconsistency, hereby repealed; provided, however, that the repeal of any such Ordinance or Code or part thereof shall not revive any other section or part of any Ordinance or Code provision heretofore repealed or superseded.

Section 4. Codification. This ordinance may be codified and numbered for purposes of codification without the need for further approval by the Town Council.

Section 5. Effective Date. After adoption by the Town Council, this ordinance shall take effect on December 11, 2025.

INTRODUCED, READ AND PASSED AS AN ORDINANCE, ON FIRST READING, AND SCHEDULED FOR PUBLIC HEARING ON NOVEMBER 11, 2025, AT A REGULAR MEETING OF THE TOWN COUNCIL OF THE TOWN OF KEYSTONE, COLORADO, THIS

28th DAY OF OCTOBER, 2025.

Kenneth D. Riley, Mayor

ATTEST:

Town Clerk

APPROVED AS TO FORM:

Town Attorney

READ, PASSED AND ADOPTED WITH A ROLL CALL VOTE OF ____ IN FAVOR AND ____ OPPOSED ON SECOND READING, AT A REGULAR MEETING OF THE TOWN COUNCIL OF THE TOWN OF KEYSTONE, COLORADO, THIS _____ DAY OF _____, 2025.

Kenneth D. Riley, Mayor

ATTEST:

Town Clerk

APPROVED AS TO FORM:

Town Attorney

Exhibit A
Town of Keystone Wildlife-Proof Refuse Container Ordinance

Section 1. – Title.

This ordinance shall be known as the *WILDLIFE-PROOF REFUSE CONTAINER ORDINANCE*.

Section 2. - Purpose.

The purpose of this Ordinance is to require wildlife-proof enclosures and/or wildlife-proof containers for all refuse that might be considered a wildlife attractant in order to protect the property, health, welfare, peace or safety of its citizens, inhabitants and visitors.

Section 3. - Definitions.

For the purpose of this chapter, the following definitions shall apply:

ATTRACTANT: Any substance which could reasonably be expected to attract wildlife or does attract wildlife, including, but not limited to, food products, pet food, feed, compost, grain or salt.

DUMPSTER: A single refuse container that is greater than 1 cubic yard in volume. This excludes wildlife-proof containers that hold multiple containers smaller than one cubic yard.

DUMPSTER ENCLOSURE: A fully enclosed structure consisting of four (4) sides, a roof, and a secure door or cover, which shall have a latching device of sufficient strength and design to prevent access by wildlife. Dumpster enclosures are subject to all planning and zoning requirements and building codes.

REFUSE: Any waste that could reasonably attract wildlife which includes, but shall not be limited to, kitchen, organic waste, food, food packaging, toothpaste, deodorant, cosmetics, spices, seasonings and grease.

REFUSE CONTAINER: Any trash can, dumpster, or similar device used for the collection and storage of solid waste.

RESIDENT: Any person, firm, corporation or organization within the town of Keystone or on town-controlled land.

SPECIAL EVENT: An outdoor gathering such as a concert, conference or festival, whether occurring on public land or private.

WILDLIFE: Any undomesticated animal, including, but not limited to, elk, deer, sheep, lynx, skunks, magpies, crows, bears, raccoons, coyotes, beavers, porcupines, mountain lions, bobcats and foxes.

WILDLIFE-PROOF REFUSE CONTAINER: A container used for the storage of refuse that has been certified to be wildlife-proof by the Colorado division of wildlife, the U.S. Park Service, **Interagency Grizzly Bear Committee**, or the U.S. Forest Service. Wildlife-proof refuse containers may include drain holes no larger than one inch (1") in any dimension.

Section 4. – Residential Refuse Disposal

A. All residential containers that receive refuse that may be considered an attractant must be secured inside the home or garage. Residents unable to keep their refuse container inside the home or garage shall store their refuse in a wildlife-proof refuse container or enclosure approved by the town of Keystone.

B. Residents with curbside pick-up shall place refuse containers at the curb, alley, or public right of way at or after six o'clock (6:00) A.M. on the morning of scheduled pick up. After pick-up, all containers must be removed from the curb, alley or public right of way by eight o'clock (8:00) P.M. on the same day.

C. Other household waste that cannot reasonably be considered "refuse" or an "attractant" as defined in this chapter, including, but not limited to: nonedible yard maintenance waste, household items, and cardboard, shall not require the use of wildlife-proof containers when not commingled with refuse or any other attractant.

D. Multi-family housing developments and other types of clustered residential housing, utilizing centralized refuse containers, must use a wildlife-proof dumpster enclosure for all refuse. The enclosure shall be kept closed in a secure manner except when refuse is being deposited.

E. Multi-family housing developments and other types of clustered residential housing, utilizing centralized refuse containers that cannot construct a dumpster enclosure may petition the Town Manager to allow the use of a wildlife-proof refuse container as an alternative.

F. Multi-family housing developments and other types of clustered residential housing may use wildlife-proof refuse containers that are smaller than one cubic yard in volume for day-to-day public use in addition to the required enclosure.

Section 5. – Commercial Refuse Disposal:

A. All refuse containers receiving refuse from commercial establishments and restaurants shall be secured in a dumpster enclosure.

B. If a commercial establishment cannot construct a dumpster enclosure, it may petition the Town Manager to allow the use of a wildlife-proof refuse container as an alternative.

C. Container lids and dumpster enclosure doors shall be kept closed and latched at all times except when loading or removing refuse or when the enclosure is being actively monitored. The area around the container or enclosure must be kept free from refuse at all times.

D. Commercial establishments may use wildlife-proof refuse containers that are smaller than one cubic yard in volume for day-to-day public use in addition to the required enclosure.

Section 6. – Special Event Refuse Disposal:

Outdoor special event sites shall be kept free from the accumulation of refuse. Refuse must be collected from the grounds at the close of each day's activities and shall be deposited into appropriate wildlife-proof containers or dumpster enclosures, as provided in this chapter, or shall be removed to an appropriate disposal site.

Section 7. – Construction Site refuse Disposal:

All construction sites must have a designated refuse container which receives "refuse" or attractants as defined by this chapter. This container shall be a wildlife-proof refuse container.

Section 8. – Maintenance and Operation of all Refuse Containers and Enclosures:

A. All refuse containers defined in this chapter shall be kept closed and secured when refuse is not being deposited. Any container which is overfilled so as to prevent a container's designed latching is not a wildlife resistant or wildlife-proof refuse container within the meaning of this chapter.

B. If a container or enclosure is damaged, allowing access by wildlife, repairs must be made within forty-eight (48) hours after written notification by town of Keystone personnel.

C. All enclosures defined in this ordinance shall keep all doors closed and latched at all times when the enclosure is not being actively accessed.

Section 9. - Compactors:

Trash compactors are compliant with this chapter when no refuse is exposed. Compactor doors must be kept closed at all times, except when loading or removing refuse and the area around the compactor must be kept clean of refuse and debris.

Section 10. – Feeding of Wildlife:

Intentional Or Unintentional: No person shall intentionally or unintentionally feed or provide food in any manner for wildlife on public or private property within the town of Keystone. A person will be considered to be in violation of this chapter if they leave or store any garbage, refuse or attractant in a manner which would create or does create a lure or enticement for wildlife.

Section 11. - Exceptions:

A. The following entities or actions are exempt from the requirements of this chapter:

1. Any individual, company or corporation that is duly licensed by the state of Colorado or is entitled under law to possess wildlife of any kind.
2. Any action that is officially sanctioned by the state of Colorado, federal agencies, or the town of Keystone that would require feeding, baiting, or luring of wildlife (i.e., capturing and tagging wildlife for relocation or scientific projects and study).
3. Bird feeders are allowed provided that, between April 1 and December 1 of each year, all bird feeders must be suspended on a cable or other device at a height above the ground or structure so as to be inaccessible to bears.

Section 12. - Enforcement:

A. Compliance with this chapter notwithstanding, the town of Keystone may issue a "notice of violation" and order any resident to purchase and use a wildlife-proof refuse container for all storage of refuse that is attractive to or edible by wildlife if the town receives a documented, substantiated report that any animal, whether wild or domestic, has entered into or removed refuse from a refuse container located on the property or placed at the property curbside for pick up. Such order shall:

1. State that a wildlife-proof container shall be obtained for the property within seven (7) days.
2. Shall be served either personally or by means of posting on the premises upon which the nuisance exists. If notice is served by posting, a copy of the notice shall also be mailed by certified mail, return receipt requested, to the owner of record of the property given to any town of Keystone or Summit County government office. If the identity of the resident is not known, the entity responsible for payment of the garbage removal services for the subject location will be held responsible for complying with this chapter and for any penalties assessed pursuant to the same.

Section 13. – Violations and Penalties; Penalty Assessment:

A. Second Notice Of Violation: Offenders who continue to violate this chapter or continue to fail in achieving timely compliance as set forth in any previous notice of violation may be issued a second notice of violation, which shall be in the form of an

administrative citation or summons. Such summons shall be subject to a graduated fine schedule as set forth below.

B. Penalties: Any person who or entity that is issued a citation or summons shall be punished as follows:

1. A fine to be set by resolution of the Town Council for a first offense.
2. A fine to be set by resolution of the Town Council for a second offense.
3. A third violation shall constitute a misdemeanor and will require a mandatory appearance in municipal court.

Section 14. – Violator’s Responsibility:

In addition to the penalties outlined in this Chapter, violators may be required to perform all necessary actions to remove or abate attractants of wildlife. This may include, but shall not be limited to: immediate clean-up of any refuse disturbed by wildlife, the removal of bird feeders or pet food, cleaning or appropriate storage of barbecue grills, additional storage requirements for refuse containers and/or the required use of Wildlife-proof Containers and/or Dumpster Enclosures.

Section 15. – Compliance Required and Time Period:

Any container required by this Chapter shall be brought into conformity with the provision of this Chapter by August 15, 2025.

Any enclosure required by this Chapter shall be brought into conformity with the provision of this Chapter by August 15, 2026. Upon application to the Town Manager, showing hardship by an owner of an enclosure or container required hereunder, the Town Manager may grant an extension, for a reasonable period of time, with which to comply with the provision of this Chapter. If a party cannot provide an enclosure by the date required, it must provide a wildlife-proof container within the timeframe herein.

TOWN OF KEYSTONE, COLORADO

STAFF REPORT

TO: Mayor & Town Councilmembers
THROUGH:
FROM: John Crone, Town Manager
DATE: November 11, 2025
SUBJECT: Resolution 2025-36: Cancelling the November 25, 2025,
Town Council Meeting

Executive Summary:

This resolution cancels the November 25, 2025, Town Council Meeting.

Background:

The November 25, 2025, Town Council meeting falls during Thanksgiving Holiday week. Staff has determined that there is no pressing business that needs to be addressed at this meeting and recommends that the Council cancel the meeting. The next scheduled meeting of the Town Council is December 9, 2025.

Financial Impact:

This resolution will have a negligible financial impact on the Town.

Proposed Motion:

If the Council wishes to adopt the proposed resolution and cancel the Nov. 25, 2025, Town Council meeting, it may do so by adopting the following motion:

I move to adopt Resolution 2025-36. Cancelling the November 25, 2025, Town Council meeting.

TOWN OF KEYSTONE
Summit County, Colorado

RESOLUTION 2025-36

**A RESOLUTION OF TOWN COUNCIL OF THE TOWN OF KEYSTONE, COLORADO
CANCELLING THE NOVEMBER 25, 2025, TOWN COUNCIL MEETING**

WHEREAS, the Town of Keystone ("Town") is a home rule municipal corporation created pursuant to Article XX of the Colorado Constitution; and

WHEREAS, the Town of Keystone passed Resolution 2024-11 on February 8, 2024, setting the regular meeting dates for the Town Council as the second and fourth Tuesday of each month; and

WHEREAS, Section 3.1 of the Keystone Home Rule Charter provides that Town Council shall meet regularly at least once each month at a day and hour and place to be fixed by the procedures and rules of order adopted by resolution; and

WHEREAS, Section 2.1(b) of the Keystone Town Council Bylaws provides The Town Council reserves the authority to modify or adjust any previously approved meeting schedule or to change meeting days or times as may be needed for convenience or to accommodate holidays, anticipated lack of quorum, and other events or circumstances; and

WHEREAS, the November 25, 2025, scheduled meeting of the Keystone Town Council falls during Thanksgiving week; and

WHEREAS, the Town Council of the Town of Keystone has determined that there is no business pending the requires the Town to hold the November 25, 2025, scheduled Town Council meeting.

NOW, THEREFORE, BE IT RESOLVED by the Town Council of the Town of Keystone, Colorado as follows:

Section 1. The Town Council hereby cancels the scheduled November 25, 2025, Town Council meeting.

Section 2. The next scheduled meeting of the Town Council will be held on December 9, 2025.

Section 4. Effective Date. This Resolution shall be effective immediately upon adoption.

ADOPTED by a vote of ____ in favor and __ against, this 11th day of
November 2025.

By: _____
Kenneth D. Riley, Mayor

ATTEST:

Approved as to Form:

By: _____
Town Clerk

By: _____
Town Attorney