

**TOWN OF KEYSTONE
ORDINANCE NO. 2025-O-15**

**AN ORDINANCE OF THE TOWN COUNCIL OF THE
TOWN OF KEYSTONE, COLORADO, ESTABLISHING THE
STRUCTURE OF FINANCIAL FUNDS PURSUANT TO THE
HOME RULE CHARTER, INCLUDING CREATION OF SPECIAL FUNDS FOR
LODGING TAX, CONSERVATION TRUST, AND
WORKFORCE HOUSING PURPOSES**

WHEREAS, the Town of Keystone, Colorado, is a Home Rule Municipality organized under Article XX of the Colorado Constitution and its Home Rule Charter ("Charter"); and

WHEREAS, Sections 10.9, 10.10, and 10.11 of the Charter provide for the establishment of a General Fund, a contingency line item within that fund, and the creation of Special Funds by ordinance for special purposes as determined by the Town Council; and

WHEREAS, the Town Council recognizes that establishing a clear fund structure is essential to maintaining fiscal discipline, transparency, and accountability in the Town's financial operations; and

WHEREAS, the establishment of defined funds, including the General Fund, contingency line item, and Special Funds, will allow the Town to engage in responsible budgeting practices that allocate revenues and expenditures in accordance with Council priorities; and

WHEREAS, this ordinance will assist the Town in preparing and adopting an annual budget that complies with the Colorado Local Government Budget Law of 1975, C.R.S. § 29-1-101, et seq., which requires that all expenditures be authorized by appropriation and all revenues be properly accounted for in designated funds, and Section 10.7 of the Charter; and

WHEREAS, regarding a Lodging Tax Fund, the registered electors approved a lodging tax on short-term rentals, in approving the ballot question, Town Council recognized that lodging tax revenues should be reinvested into the community through expenditures such as capital infrastructure and public safety to support both residents and visitors; and

WHEREAS, regarding a Conservation Trust Fund, the Town of Keystone is the recipient of state Conservation Trust Fund (CTF) revenues derived from lottery proceeds, which must be used in accordance with state law and regulations to acquire, develop, and maintain parks, trails, and recreational facilities, and may not be expended for general operating purposes or recreational programs; and

Ordinance No. 2025-O-15

Page 2 of 6

WHEREAS, the Town is the recipient of sales tax revenues approved by Summit County voters for workforce housing, these revenues are segregated to address the shortage of affordable workforce housing in the community and to dedicate revenues toward the workforce housing expenditures; and

WHEREAS, the Town Council desires to establish the defined funds, including the General Fund and Special Funds, as set forth in this ordinance.

NOW, THEREFORE, BE IT ORDAINED BY THE TOWN COUNCIL OF THE TOWN OF KEYSTONE, COLORADO:

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

Section 2. Town Council adopts the following regulations related to the establishment of defined funds including the General Fund and Special Funds.

GENERAL AND SPECIAL FUNDS

Section 1. General Fund Established.

- (a) Pursuant to Section 10.9 of the Charter, there is hereby established a fund to be known as the General Fund. All revenues not specifically allocated by Charter or ordinance to any other fund shall be placed in the General Fund.
- (b) All general governmental functions of the Town shall be financed by expenditures from the General Fund.
- (c) Pursuant to Section 10.10 of the Home Rule Charter, the General Fund shall contain a line item designated for contingencies. Such contingency line item shall be available to provide for unforeseen or emergency expenditures as authorized by the Town Council.

Section 2. Lodging Tax Fund Established.

On November 5, 2024, a majority of the qualified electors of the Town of Keystone voting in the municipal election approved the imposition of a lodging tax on short-term rentals. Pursuant to Section 10.11 of the Home Rule Charter, there is hereby created a Lodging Tax Fund. Monies in the Lodging Tax Fund shall be expended only for the purposes approved by the voters.

- (a) All revenues derived from the Town's lodging tax shall be deposited in the Lodging Tax Fund.
- (b) Expenditures from this fund shall be limited to:

- (1) Capital infrastructure and capital projects;
- (2) Highway 6 safety improvements;
- (3) Maintenance and improvements to streets, trails, and related public facilities; and
- (4) Public safety.

Section 3. Conservation Trust Fund Established.

Pursuant to and consistent with C.R.S. §§ 29-21-101, et seq., and the implementing regulations, the State of Colorado Conservation Trust Fund distributes monies to the Town for a conservation trust fund. Pursuant to Section 10.11 of the Home Rule Charter, there is hereby created a Conservation Trust Fund. Monies in the Conservation Trust Fund shall be expended only for the purposes approved by Colorado law.

- (a) All monies received by the Town from the State of Colorado Conservation Trust Fund shall be deposited into the Conservation Trust Fund.
- (b) Allowable expenditures shall include:
 - (1) Acquisition, development, and maintenance of new conservation sites. New conservation site means interests in land and water, acquired after establishment of a conservation trust fund pursuant to this section, for park or recreation purposes, for all types of open space, including but not limited to floodplains, greenbelts, agricultural lands, or scenic areas, or for any scientific, historic, scenic, recreational, aesthetic, or similar purpose;
 - (2) Capital improvements or maintenance for recreational purposes on any public site. Capital improvements means the acquisition or improvement of fixed assets;
 - (3) Operation of a system of television relay and translator facilities, and the use, acquisition, equipping, and maintenance of land, buildings, and recreational facilities therefor.
- (c) Expenditures shall not include, without limitation, the following:
 - (1) General operating expenditures, including salaries, except those directly related to maintenance;

- (2) Activities such as athletic teams, fireworks, recreational programs, or public associations or clubs.

Section 4. Housing Fund Established.

In 2016, the qualified electors of Summit County approved Summit Combined Housing Authority Referred Measure 5A, authorizing a sales tax dedicated to the improvement of affordable housing in Summit County (“workforce housing tax”). In 2021, the voters extended this workforce housing tax until 2047. Pursuant to Section 10.11 of the Home Rule Charter, there is hereby created a Workforce Housing Fund. Monies in the Workforce Housing Fund shall be expended only for affordable housing purposes approved by the voters or as permitted by law.

- (a) The Workforce Housing Fund is hereby established to provide for affordable housing purposes, including the construction and maintenance of workforce rental and owner-occupied housing units.
- (b) All revenues derived from the workforce housing tax shall be deposited in the Workforce Housing Fund.
- (c) Expenditures from this fund may include, but are not limited to:
 - (1) Affordable housing purposes, including the construction of workforce rental and owner-occupied housing units;
 - (2) Planning, financing, acquisition, construction, reconstruction or repair, maintenance, management, and operation of housing projects or programs, including affordable housing for families of low or moderate income and workforce housing; and
 - (3) Any other lawful purposes related to workforce or affordable housing as authorized by voters and state law.

Section 5. Future Special Funds.

The Town Council may, by ordinance, establish additional special funds as deemed necessary to serve the best interests of the Town, including enterprise funds or capital project funds.

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.

Ordinance No. 2025-O-15

Page 5 of 6

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. This ordinance shall take effect and be enforced thirty (30) days after final publication.

INTRODUCED, READ AND PASSED AS AN ORDINANCE, ON FIRST READING, AND SCHEDULED FOR PUBLIC HEARING ON SEPTEMBER 23, 2025, AT A REGULAR MEETING OF THE TOWN COUNCIL OF THE TOWN OF KEYSTONE, COLORADO, THIS 9TH DAY OF SEPTEMBER 2025.

Signed by:

Kenneth D. Riley

FFCC105F18734F9...

Kenneth D. Riley, Mayor

ATTEST:

DocuSigned by:

Madeline Siew

04E4BE3F50A1424...
TOWN Clerk

APPROVED AS TO FORM:

Signed by:

Jennifer Madsen

89751994A1B74EC...
TOWN Attorney

Ordinance No. 2025-O-15

Page 6 of 6

READ, PASSED AND ADOPTED WITH A ROLL CALL VOTE OF 6 IN FAVOR AND 0
OPPOSED ON SECOND READING, AT A REGULAR MEETING OF THE TOWN
COUNCIL OF THE TOWN OF KEYSTONE, COLORADO, THIS 23RD DAY OF
SEPTEMBER 2025.

Signed by:

Kenneth D. Riley

FFCC105F18734F9...

Kenneth D. Riley, Mayor

ATTEST:

DocuSigned by:

Madeline Sielv

04E4BE3F50A1424...

Town Clerk

APPROVED AS TO FORM:

Signed by:

Jennifer Madsen

89751994A1B74EC...

TOWN ATTORNEY