



If you would like to address City Council, please place your name on the sign-up sheet located at the back of the council room. You will be recognized to speak during the "audience participation" portion of the agenda.

## AGENDA

Regular Meeting

May 5, 2015 - 7:30 p.m.

City Council meeting packets are prepared several days prior to the meetings. This information is reviewed and studied by the Councilmembers, eliminating lengthy discussions to gain basic understanding. Timely action and short discussion on agenda items does not reflect lack of thought or analysis. An informational packet is available for public inspection on our website at [www.cityofevans.org](http://www.cityofevans.org) and posted immediately on the bulletin board adjacent to the Council Chambers.

1. CALL TO ORDER

2. PLEDGE

3. ROLL CALL

Mayor:	John Morris
Mayor Pro-Tem:	Jay Schaffer
Council:	Laura Brown
	Mark Clark
	Sherri Finn
	Lance Homann
	Brian Rudy

4. PROCLAMATIONS

A. Building Safety Month – May 2015

5. RECOGNITIONS

A. May Yard of the Month

B. Recognizing Commander Jason Phipps, Evans Police Department

6. AUDIENCE PARTICIPATION

*The City Council welcomes you here and thanks you for your time and concerns. If you wish to address the City Council concerning issues not on the agenda, this is the time for you to do so. When you are recognized, please step to the podium, state your name and address then address City Council. Your comments will be limited to two (2) minutes. The City Council may not respond to your comments this evening, rather they may take your comments and suggestions under advisement and your questions may be directed to the appropriate staff person for follow-up. Thank you!*

7. APPROVAL OF AGENDA

8. CONSENT AGENDA

- A. Approval of Minutes of the Regular Meeting of April 21, 2015
- B. Ordinance No. 621-15 1<sup>st</sup> Quarter Budget Revision (2<sup>nd</sup> Reading)
- C. Acceptance of the 2014 Audited Financial Statements

9. NEW BUSINESS

- A. Ordinance No. 622-15 Changes to City Code Banning E-cigarettes (1<sup>st</sup> Reading)
- B. Resolution No. 14-2015 Approving Asset Disposals
- C. The Award of Bid for the 37<sup>th</sup> Street Storm Sewer Project – Phase II

10. REPORTS

- A. City Manager
- B. City Attorney

11. AUDIENCE PARTICIPATION (general comments)

*Please refer to the Audience Participation section listed at the beginning of the agenda for procedures on addressing City Council.*

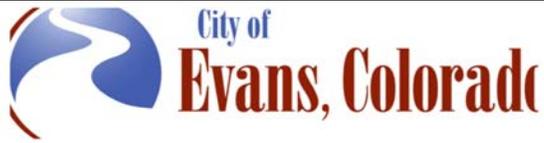
12. EXECUTIVE SESSION

- A. For the purpose of determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and/or instructing negotiators, under C.R.S. Section 24-6-402(4)(e)

13. ADJOURNMENT

**CITY OF EVANS – MISSION STATEMENT**

**“To deliver sustainable, citizen-driven services for the health, safety, and welfare of the community.”**



# Proclamation

## Building Safety Month — May, 2015

WHEREAS, our City's continuing efforts to address the critical issues of safety, energy efficiency, and resilience in the built environment that affect our citizens, both in everyday life and in times of natural disaster, give us confidence that our structures are safe and sound, and;

WHEREAS, our confidence is achieved through the devotion of vigilant guardians—building safety and fire prevention officials, architects, engineers, builders, tradespeople, laborers and others in the construction industry—who work year-round to ensure the safe construction of buildings, and;

WHEREAS, these guardians—dedicated members of the International Code Council—use a governmental consensus process that brings together local, state and federal officials with expertise in the built environment to create and implement the highest-quality codes to protect Americans in the buildings where we live, learn, work, worship, play, and;

WHEREAS, the International Codes, the most widely adopted building safety, energy and fire prevention codes in the nation, are used by most U.S. cities, counties and states; these modern building codes also include safeguards to protect the public from natural disasters such as hurricanes, snowstorms, tornadoes, wildland fires and earthquakes, and;

WHEREAS, Building Safety Month is sponsored by the International Code Council, to remind the public about the critical role of our communities' largely unknown guardians of public safety—our local code officials—who assure us of safe, efficient and livable buildings, and;

WHEREAS, "Building Safety Month: Code Officials Keep You Safe" the theme for Building Safety Month 2015, encourages all Americans to raise awareness of the importance of building safety; green and resilient building; pool, spa and hot tub safety; backyard safety; and new technologies in the construction industry. Building Safety Month 2015 encourages appropriate steps everyone can take to ensure that the places where we live, learn, work, worship and play are safe and sustainable, and recognizes that countless lives have been saved due to the implementation of safety codes by local and state agencies, and,

WHEREAS, each year, in observance of Building Safety Month, Americans are asked to consider projects to improve building safety and sustainability at home and in the community, and to acknowledge the essential service provided to all of us by local and state building departments and federal agencies in protecting lives and property.

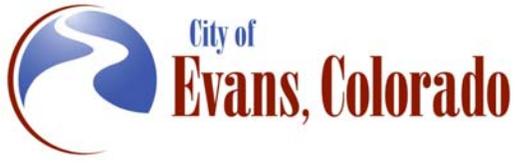
NOW, THEREFORE, I, John Morris, Mayor of the City of Evans do hereby proclaim the month of May as Building Safety Month. Accordingly, I encourage our citizens to join with their communities in participation in Building Safety Month activities.

ATTEST:

CITY OF EVANS, COLORADO:

By \_\_\_\_\_  
City Clerk

By: \_\_\_\_\_  
Mayor



Community Development

Kyle Fehr | 970.475.1115 | kfehr@ci.evans.co.us

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April 23, 2015

Dennis and Jane Walkowiak  
2107 36<sup>th</sup> St Ct  
Evans, CO 80620

Re: City of Evans Yard of the Month

Congratulations!

On behalf of the City of Evans, we are pleased to announce that your yard has been selected as the May, Evans Yard of the Month!

The Evans Yard of the Month program recognizes outstanding and beautiful homes throughout the city. One lucky and deserving winner is selected by Neighborhood Services staff each month and presented with an award.

For being May's Yard of the Month winner, we would like to present you with a \$25 gift certificate to Happy Life Gardens located at 2000 37<sup>th</sup> Street in Evans. Your prize will be awarded at the Evans City Council meeting on May 5, 2015 at 7:30pm in the council chambers, located at 1100 37<sup>th</sup> Street.

Once again, congratulations and thank you for taking pride in your home and in Evans!

Sincerely,

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## COUNCIL COMMUNICATION

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**DATE:** May 5, 2015  
**AGENDA ITEM:** 8.A  
**SUBJECT:** Approval of the April 21<sup>st</sup> City Council Meeting Minutes  
**PRESENTED BY:** City Clerk

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**AGENDA ITEM DESCRIPTION:**

Approval of minutes.

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**FINANCIAL SUMMARY:**

N/A

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**RECOMMENDATION:**

N/A

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**SUGGESTED MOTIONS:**

*"I move to approve the minutes as presented."*

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**MINUTES**  
**EVANS CITY COUNCIL**  
April 21, 2015

**CALL TO ORDER**

Mayor Morris called the meeting to order at 7:30 p.m.

**PLEDGE**

**ROLL CALL**

Present: Mayor Morris, Mayor Pro-Tem Schaffer, Council Members Brown, Clark, Finn, Homann, and Rudy

**AUDIENCE PARTICIPATION**

Laura Speer, 4020 Empire Street, asked a series of questions to Council concerning the state of the City.

Mayor Morris thanked Ms. Speer for her comments.

Mr. Steve Teets, Greeley resident, talked to the Council about access to the Greeley-Evans Transportation (GET) and asked the Council about their plans for GET to have future stops in the Hill-N-Park area.

Mayor Morris discussed the efforts by the Evans City Council to review this issue with the City of Greeley and with the Northern Front Range Metropolitan Organization. Mayor Morris explained that there may be some upcoming meetings in the Hill-N-Park area to discuss the issue further.

Mr. Teets thanks the Council for their efforts and discussed concerns about traffic on 37<sup>th</sup> Street to and from Prairie Heights Middle School and the need for public transportation in this area as well.

Mayor Morris agreed and explained that this issue was being discussed with the School District.

**APPROVAL OF AGENDA**

Mayor Pro-Tem Schaffer made the motion, seconded by Council Member Rudy, to adopt the Agenda. The motion passed with all voting in favor thereof.

**CONSENT AGENDA**

- A. Approval of Minutes of the Regular Meeting of April 7, 2015**
- B. Ordinance No. 620-15 Code Changes Regarding Fireworks (2<sup>nd</sup> Reading)**
- C. Resolution No. 11-2015 Rescheduling June 16th, 2015 and August 4th, 2015 City Council Meetings**
- D. Approval of Memorandum of Understanding: Collection of Sales and/or Use Tax by Weld County Clerk and Recorder**

Mayor Pro-Tem Schaffer made the motion, seconded by Council Member Clark, to adopt the Consent Agenda. The motion passed with all voting in favor thereof.

### **NEW BUSINESS**

- A. Public Hearing - Ordinance No. 621-15 1<sup>st</sup> Quarter Budget Revision (1<sup>st</sup> Reading)**

Mayor Morris opened the public hearing and asked to hear from staff.

Jacque Troudt, City Finance Manager, discussed the procedure to revise the annual budget on a quarterly basis. Ms. Troudt discussed the following items that were included in the 1<sup>st</sup> Quarter budget revision.

According to Ms. Troudt, the General Fund includes the following proposed revision items:

- Item 1.1 is a total of carry forward items related to savings in the 2014 budget totaling expenditures of \$364,406. All of these items related to specific project(s) which were appropriated in the 2014 budget, but were not finished in that fiscal year. Since appropriations lapse, the budget for these items needs to be appropriated (carried forward) in 2015. The following items are included: tree cleanup costs, sales tax auditing and mailing costs, Police Department investigation fees, Historic Evans master plan, South Platte River corridor master plan, impact fee study and flood recovery video costs. Also included in this amount are repairs to an existing pump station, replacement of two recreation vans, facility painting and carpet replacement and the remaining costs for the Riverside Library and Cultural Center. The offsetting revenue is the DOLA grant received to assist with the costs of construction for the Riverside Cultural Center, and grant revenue for the impact fee and master plan studies from DOLA and the Colorado Water Conservation Board, totaling \$286,162.

- Item 1.22 represents costs to complete the landscaping project on Prairie View Drive, estimated at \$650,000.
- Item 1.13 relates to a decrease in the property tax revenues we anticipate receiving in 2015. This is due to a tax abatement filed by Noble Energy, which will reduce the amount we will receive by \$15,800.
- Item 1.14 is an upgrade to the current HVAC system in the City complex building of \$120,000.
- Item 1.12 represents an increase of \$23,325 for departmental supplies and services, which were not included in the original 2015 budget, and are reflective of the level of expense incurred in 2014. The departments impacted are the Customer Service Unit, facilities and parks.
- Item 1.15 reflects IT infrastructure costs of \$113,000 to reconfigure, repair and replace components of our IT Infrastructure.
- Item 1.11 related to ongoing flood recovery and administration will decrease revenue by \$73,000 as supplies and services were not awarded in the CDPHE grant as originally anticipated. The expenditures are also being decreased by \$34,000 due to anticipated personnel savings.
- Item 1.16 will increase revenue of \$38,800 and increase expenditures by \$47,800 for a Watershed Coordinator Grant award from DOLA CDBG-DR program.
- Item 1.17 represents a \$10,000 transfer to the Evans Fire Protection District to assist with purchasing a dry hydrant for training purposes. This will allow them to have another avenue to provide training, and decrease use of City potable water for training.
- Item 1.18 is the One-Time funding list, outlined in the table below:

Overhaul of Municipal Code	\$72,000
Extended Hours for Property and Evidence Technician	\$6,600
Facility repairs: Roof Repair - North End, interior facility lights, concrete and foundation repairs	\$58,000
Screening on 37th Street between 17th and 23rd	\$5,000
City Entrance Points - Riverside, Cemetery, Complex, HWY	\$12,000
Entry Way Signage	\$150,000
Basketball Court Resurface - City Park/Village Park	\$45,000

Communications Intern	\$9,000
Cemetery Management Software	\$5,000
Budgeting and financial reporting software	\$50,000
Electronic Personnel File Record Management System and Laserfische upgrade	\$48,000
Ammunition	\$12,000
Cleanup of Problem Properties/Trees	\$30,000
Taser Program	\$55,000
Business Ombudsman (Temp, Part Time/Intern)	\$20,000
Web Site Redesign	\$8,000
Develop plan for Skate Park	\$5,000
Pool Audit	\$7,500
Non-Potable Irrigation System - Pioneer Park	\$350,000
Traffic lasers	\$4,500

- Item 1.19 represents \$11,000 budgeted for a non-potable system overflow pipe in Grapevine Hollow.

Ms. Troutd discussed budget changes to other City funds, including:

- The Cemetery perpetual care fund includes a carry forward for the construction of a maintenance shed for \$75,000.
- The Street Impact fund includes a carry forward for completion of construction on St. Vrain and 37<sup>th</sup> Avenue for \$172,000 and \$707,000 for Widening of 35<sup>th</sup> Avenue. The anticipated grant revenue associated with these projects is \$462,599, see 1.3.
- The Park Impact fund includes an expenditure related to the installation of non-potable systems in City owned parks of \$200,000. This will reduce the amount of potable water used by the City and assist with reducing the usage of this water.
- The CIP – Streets fund includes revenue of \$2,327,463 and expenditures of \$3,050,226 related to street repairs from the flood and several carry forward projects as outlined on the long range plan. The projects include the widening of 65<sup>th</sup> Avenue, Highway 85 improvements, construction on Highway 85 at both 31<sup>st</sup> and 37<sup>th</sup> Streets, street lighting, bridge repairs, and construction for the bike path at 17<sup>th</sup> Avenue and 49<sup>th</sup> Street.

- The CIP – Parks fund revision items are shown at 1.10. This includes budgeting an additional \$374,000 of expenditures and associated revenue for design of the renovated Riverside Park. The delay in the design and construction of the park also necessitates a decrease in revenue of \$3,816,000 and a decrease in expenditures of \$4,810,332. The reconstruction of the berm will increase expenditures of \$150,000 and grant revenue to be received of \$131,250, and we will increase both revenue and expenditures for the Riverside fence rental fee of \$35,000.

Ms. Troutd also discussed the following revisions to the Water fund and Storm Drainage Fund:

- 1.5 increasing expense by \$23,000 to hire temporary staff to assist with utility billing account clean up and account processing for the water radio meter replacement project.
- 1.6 carrying forward the revenue and expense of \$748,000 to complete the water radio meter replacement program.
- 1.9 shows the anticipated grant revenue and expense of \$99,655 and \$196,720 respectively for the Water Master Plan Update.
- Expenses of \$56,000 are anticipated for a utility billing software replacement, seen at item 1.20. The expenses for this software upgrade will be split among the water, wastewater and sewer funds, based upon respective revenue.
- Items 1.7 and 1.23 relate to wastewater project expenses and flood repairs of \$15,000 and \$809,000, respectively. Of these expenses, \$809,000 is anticipated to be covered by grant revenue from FEMA and CDPHE. These two items are in addition to the utility billing software replacement at item 1.20, which will cost the wastewater fund approximately \$18,400.
- The Storm Drainage fund will also have an increase in expenses for new utility billing software update at 1.20, which will cost the Storm fund approximately \$5,600. Additionally, item 1.8 shows the 2014 fund carryover projects of storm drain construction on 37<sup>th</sup> Street from Trinidad to Boulder, and Boulder to Highway 85, and construction on the 23<sup>rd</sup> Avenue Outfall, totaling \$952,000 of expense. 1.24 also anticipates flood repair expenses of \$9,000 and associated FEMA revenue of \$7,875.

Lastly, Ms. Troudt requested the approval of one over-hire for the Evans Police Department in 2015 due to several current vacancies in the Department, the necessity to maintain adequate minimum staffing levels, and the lengthy process to recruit officers. She stated that there was no budgetary impact of this over-hire since the cost will be covered through vacancy savings.

Mayor Morris thanked Ms. Troudt for her presentation and for her presentation at the Work Session.

Mayor Morris asked for a motion on the Resolution.

Council Member Homann abstained from voting on the Resolution due to the budget item concerning the Evans Fire Protection District.

Mayor Pro-Tem Schaffer made the motion, seconded by Council Member Rudy, to adopt Ordinance No. 621-15 concerning the 1<sup>st</sup> Quarter Budget Revision (1<sup>st</sup> Reading) with the amendment for one over-hire to the Evans Police Department.

The motion passed, with Council Member Homann abstaining.

**B. Public Hearing – Resolution No. 12-2015 Variance Request ARB MidStream**

Mayor Morris opened the public hearing and asked to hear from staff.

Scott Krob, City Attorney, discussed the quasi-judicial role of the City Council during a variance request. Mr. Krob talked about communication that reached the Council Members concerning the nature of the project and asked the Council Members if this communication has influenced their decision in advance of the hearing.

The City Council did not feel that this communication influenced them in advance of the hearing.

Mr. Krob discussed the communication and asked if anyone in the audience objected to this communication. There was no objection from the audience.

Mr. Krob explained that the communication will be entered into the record (Attachment A).

Sean Wheeler, City Planner, discussed the variance requested by Resolution No. 12-2015 for a project from ARB MidStream. He explained that the applicant is seeking

a Variance of the existing 40-foot maximum height limit allowed in the I-2 Industrial Zone District. According to Mr. Wheeler, this project was proposing a Crude Oil Trans-loading Terminal which would include:

- the construction of crude oil storage tanks that would reach approximately 83-feet in height;
- VCU (Vapor Combustion Unit) towers used to burn off gases that would be approximately 50-feet in height; and
- Frac Sand Storage Silos that would reach approximately 179-feet in height.

Mr. Wheeler provided information about the location of this project and talked about Section 19.58.030 of the Evans Municipal Code, concerning criteria for Variances.

Mr. Krob discussed Resolution No. 12-2015 which lists the four criteria for a variance that must be found true to consider a request for a variance. Mr. Krob listed the four criteria and explained that the ARB Rail Terminal variance request must appropriately and sufficiently meet all of the review criteria found in Section 19.58.030 of the Evans Municipal Code to be granted a variance.

Mr. Morris asked to hear from the applicant.

Adam Bedard, CEO, ARB MidStream, LLC, 720 S. Colorado Blvd, Denver, CO 80246, explained that he was a Colorado native and that ARB MidStream was a Colorado Company.

Chad McEver, VicePresident, HighCrush, explained that his company has several Frac Sand Storage facilities in the mid-west and talked about their desire to place a facility in Evans. Mr. McEver introduced Will Baker, General Counsel, ARB MidStream, and Larry Stockton, Vice-President of Engineering and Operations, ARB Midstream.

Mr. Bedard explained that ARB was leasing the property to High Crush, for the need to create the train-rail connection to the rail lines along the Highway 85 Corridor to transport Frac Sands. He explained that this project would produce approximately \$12 million in direct and in-direct benefit to the local economy, create approximately 50 full time jobs, and would not impact the health, safety or welfare of the community.

Mr. Bedard explained that denial of the variance would not allow the project to continue. He talked about the current regulations on the project from the railways, the State, and the local restrictions for height and setback limits.

Mr. Stockton, discussed the project in more detail and the four facilities of the project that would need the variance request. First he discussed the loading rack building that would shelter rail cars during the loading process.

Mayor Morris asked about height of this building.

Mr. Stockton stated the highest would be 53' and discussed the benefits of these buildings to the project.

Second, Mr. Stockton discussed the vapor-combustion units, with heights of approximately 50' and discussed the benefits of these buildings to the project.

Third, he discussed the crude oil storage tanks that would have a height of 83' and need to remain away from the rail lines. Mr. Stockton talked about ways to screen the height of the storage tanks from neighboring properties.

Mayor Morris clarified why the height reached 83'.

Mr. Stockton explained that the height was from a geodetic dome on top of each storage tank.

Council Member Finn asked how large each storage tank is.

Mr. Stockton explained that each tank has a 120' diameter.

Mayor Morris asked about the photo presented and if that was a real photo or a future depiction.

Mr. Stockton explained that a real photo was taken with storage tanks placed in the photo.

Lastly, Mr. Stockton discussed the silos for the project that would reach 130'.

Mr. Bedard showed a photo of another ARB Midstream Frac Sand Storage facility showing the height of the silos and the building covering the conveyor system. He discussed the option of using "flat storage" which is used by some Frac Sand facilities and explained why "flat storage" would not work at the proposed location.

Mayor Morris asked about the number of silos proposed.

Mr. Bedard clarified that there would be 4 silos at the facility.

Council Member Finn asked about the noise level and if this would be a 24/7 operation.

Mr. Bedard discussed the noise from the project and that it would be a 24/7 operation.

Mayor Morris asked about the property for the project and the neighboring properties.

Mr. McEver and Mr. Bedard summarized the neighboring property showing the nearest property owner.

Mr. McEver summarized the benefits of the project and asked for a chance for the project to move through the approval of the variance.

Mayor Morris asked about the construction timeline.

Mr. McEver explained that construction would take approximately seven months and discussed the construction phases of property grading, civil engineering work, and then the mechanical assembly of the structures.

Mayor Morris asked about the truck impact.

Mr. McEver explained that the project would result in 1-2 trucks/hour but possibly less traffic if a transport pipeline project is developed to Platteville.

Mr. McEver talked about the over-all benefits of the facility to reduce truck traffic in Weld County.

Fred Starr, City Public Works Director, discussed the steps for the approval process of the project, including: the variance request, followed by annexation, then adoption of a site-plan, and then final adoption of the project.

Council Member Clark asked about roads and traffic impact.

Mr. McEver discussed the distribution chain of the facility and the need to upkeep the roads to the site. He talked about County Road 33 and 46<sup>th</sup> Street and spoke about the willingness for ARB MidStream to improve and maintain roads, intersections, and access points for the facility.

Council Member Clark asked about noise from the operations and train noise.

Mr. McEver discussed the train operations on the site, which he stated would not be that active due to the circuit track loop and silos for better storage.

Mayor Morris asked for testimony supporting this variance request.

Wayne Howard, testified in support of the project and talked about the ethanol plant that was supposed to be built on this site. Mr. Howard discussed the important relationship with energy companies, like ARB MidStream, and talked about the \$3 million already invested in the property. Mr. Howard quoted the City Mission Statement:

*“To deliver sustainable, citizen-driven services for the health, safety, and welfare of the community.”*

Mr. Howard stated that he felt this project applied to the City’s Mission Statement and would be an economic boost to Evans and Weld County.

Dean Ackerman, from La Salle, testified in support of the project. He explained that he was contacted by ARB who reached out to neighboring property owners before the project started. He explained that there were other grain elevators near this area that may be over the zoning height limit.

Mr. Ackerman talked about the EnviroTech operation that was built north of the property in question and discussed his frustration with the EnviroTech project. He stated that he felt that the ARB MisStream project has been communicated and would be executed better than the EnviroTech project. He talked about road problems with EnviroTech on 46<sup>th</sup> Street and would like to see a reduced speed limit.

Mr. Starr stated that he would have City staff check on the issues raised about the EnviroTech property.

Mayor Morris asked Mr. Ackerman to work with Mr. Starr regarding his concerns with EnviroTech.

Mr. Ackerman voiced his support for the ARB MisStream project and asked that the height variance be approved.

Mayor Morris asked for testimony against the variance request.

Laurie Cook, 22740 WCR 33, La Salle, neighboring property owner, talked about the rural lifestyle on her property, discussed the negative impacts of the neighboring property being zoned industrial by the City, spoke about the negative impacts that could result from projects like the ethanol plant and now the ARB MidStream frac sand storage facility. She stated that she testified against this request at the April 8<sup>th</sup> Zoning Board of Appeals hearing. She also explained that she will sit down with ARB MidStream to discuss this project but wondered why the facility would be so close to her property and also had concerns about the silo heights and size of storage tanks on the property.

She voiced her concerns regarding the traffic and road conditions on the road and agreed that the road is already being abused by EnviroTech and needs improvements.

Tim Cook, 22740 WCR 33, La Salle, discussed the lifestyle he and his wife Laurie they currently enjoy on the property, talked about his concerns with rail crossings near La Salle, and spoke about the issues with train traffic crossing Highway 85. Mr. Cook also talked about the safety concerns of this facility and whether this project would be covered by the Evans Fire Protection District or the La Salle Fire District. Lastly, he talked about the poor road conditions on the road and discussed the need for better road maintenance from projects like EnviroTech and ARB MidStream.

Mayor Morris thanked Mr. Cook for his comments.  
There was no other testimony against the variance request.

Mr. McEver provided a rebuttal where he spoke about the benefits of the project to the City of Evans. He discussed the I-2 industrial zoning of the area and why this project applies to this type of zoning, except for the height restrictions. He explained that information from staff states that there are alternatives to the height restrictions, but he stated that “there are no alternatives” to height of the facilities needed on the property. Lastly, Mr. McEver discussed the four criteria of the variance and why the ARB MidStream project satisfies these four criteria.

Mayor Pro-Tem Schaffer asked for Mr. Starr to explain the process for approving this project.

Mr. Starr discussed the processes for implementing this project:

- height variance;
- annexation;
- site plan; and
- final platting and approval.

Mayor Pro-Tem Schaffer clarified that this is not the final decision for this project.

Mr. Starr explained that several decisions would be facing Council before this project begins construction.

Mayor Morris asked if this request could be a Use by Special Review (USR) if the variance is denied.

Mr. Starr explained why the project would not qualify as a USR.

Council Member Homann asked if he could question any members of the ZBA about their motion to approve the variance.

Mayor Morris explained that he should direct his questions to staff.

Council Member Homann asked about the motion from the ZBA.

Mr. Wheeler clarified the discussion and motion from the ZBA to approve the variance request on a vote of 2 to 1. Mr. Wheeler explained that the ZBA acts as an advisory board in their decision for a zoning variance.

Mayor Morris clarified if Council needed a super-majority of 5 or more to over-turn the motion from the ZBA.

Mr. Krob did not think that Council needed a super-majority.

Mayor Morris closed the public hearing at 9:06 p.m.

Mayor Pro-Tem Schaffer discussed his support for the project.

The other City Council Members discussed their support for the project. Council Members Homann and Finn talked about whether there was a hardship present for the applicant—and both agreed that there was.

Mayor Morris also spoke in support of the project and discussed the four criteria required for the variance request and why this request satisfied the criteria. He asked the applicant to work with the City, County, and the Highway 85 Coalition concerning road improvements and maintenance, if the project moves forward.

Mayor Morris asked for a motion on the Resolution.

Council Member Clark made the motion, seconded by Council Member Rudy, to adopt Resolution No. 12-2015 to approve the variance request.  
The motion passed with all voting in favor thereof.

### **C. Resolution No. 13-2015 City Irrigation Ditch Water Fees**

Mr. Starr explained that Resolution No. 13-2015 would increase the rates for the

rates of the Evans ditch and discussed why this increase was necessary, since the increase reflected an inflationary increase.

Mayor Morris clarified the increase was 1.943 percent.

Mr. Starr stated that yes, the increase was 1.943 percent.

Council Member Clark made the motion, seconded by Council Member Rudy, to adopt Resolution No. 13-2015. The motion passed with all voting in favor thereof.

**D. Approval of Grant Award for Stormwater Management Plan from the Colorado Department of Local Affairs CDBG-DR Program**

Chad Reischl, City Planner, discussed the Council's prior approval to request a grant for the City's Stormwater Management Plan from the Colorado Department of Local Affairs CDBG-DR Program. Mr. Reischl explained that Council approval was needed to receive the \$265,000 award from the CDBG-DR program.

Council Member Brown, made the motion, seconded by Council Member Clark, to receive the grant award from the CDBG-DR program for the City's Stormwater Management Plan. The motion passed with all voting in favor thereof.

**E. Approval of Grant Award for South Platte River Sediment Transport Modeling and Project Feasibility Study from the Colorado Department of Local Affairs CDBG-DR Program**

Mr. Reischl, discussed the Council's prior approval to request a grant for the South Platte River Sediment Transport Modeling and Project Feasibility Study from the Colorado Department of Local Affairs CDBG-DR Program. Mr. Reischl explained that Council approval was needed to receive the award from the CDBG-DR program.

Council Member Clark made the motion, seconded by Council Member Homann, to receive the grant award from the CDBG-DR program for the South Platte River Sediment Transport Modeling and Project Feasibility Study. The motion passed with all voting in favor thereof.

**REPORTS**

Aden Hogan, City Manager, discussed the upcoming City events planned for Arbor Day, and provided an update about the promotion of Kalen Meyers to be the City's

GIS coordinator. Lastly, he talked about the City receiving an award from the Federal Emergency Management Agency (FEMA) for emergency generators for the City Community Complex Building, the City Operations Facility, and both fire stations of the Evans Fire Protection District.

Mr. Krob explained that he would hold his comments for the executive session.

#### **AUDIENCE PARTICIPATION**

Marty Schanwolf, Director of the Evans Fire Protection District, reminded the City Council Members about their upcoming joint meeting with the Evans Fire Protection District on Monday, April 27, 2015.

#### **EXECUTIVE SESSION**

- A. For the purpose of determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and/or instructing negotiators, under C.R.S. Section 24-6-402(4)(e)**

Mayor Pro-Tem Schaffer made the motion, seconded by Council Member Homann, to adjourn into executive session for the purpose of determining positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and/or instructing negotiators, under C.R.S. Section 24-6-402(4)(e).

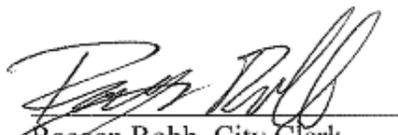
The motion passed with all voting in favor thereof.

City Council adjourned into executive session at 9:21 p.m.

Scott Krob, City Attorney, entered into the record that the reason for the executive session was satisfied according to the referenced state law and covered under attorney client privilege.

#### **ADJOURNMENT**

The meeting adjourned at 10:28 p.m.

  
Raegan Robb, City Clerk

**From:** [Fred Starr](#)  
**To:** [Raegan Robb](#)  
**Subject:** Ex Parte Contact E-mail ABR  
**Date:** Friday, May 01, 2015 9:56:55 AM

---

Raegan,

Below is the e-mail from Adam Bedard that was forwarded to City Council.

---

**From:** John Morris  
**Sent:** Wednesday, April 15, 2015 7:54 AM  
**To:** Lance Homann; \_CityCouncil; \_DepartmentHeads  
**Cc:** Scott Krob  
**Subject:** RE: NiCon Rail Hub Facility - City of Evans

Scotty should be addressing this, I passed it on to him the other day. Fred as well has communicated with the applicant. No one on CC should contact him as this would constitute exparte communication.

Kindest regards,

John L. Morris / Mayor  
City of Evans  
Evans, CO 80620  
[jmorris@evanscolorado.gov](mailto:jmorris@evanscolorado.gov)  
(970) 475-2209

----- Original message -----

**From:** Lance Homann  
**Date:** 04/15/2015 7:48 AM (GMT-07:00)  
**To:** \_CityCouncil <[CityCouncil@evanscolorado.gov](mailto:CityCouncil@evanscolorado.gov)>, \_DepartmentHeads <[DepartmentHeads@evanscolorado.gov](mailto:DepartmentHeads@evanscolorado.gov)>  
**Subject:** FW: NiCon Rail Hub Facility - City of Evans

Mayor, Council, and Staff,

I got this e-mail yesterday. I would like to know if anyone has heard of this in the works and what your recommendations would be as far as meeting with them, talks, etc. City staff may already be working on this.

Lance

---

**From:** Adam Bedard [<mailto:adam.bedard@arbmidstream.com>]  
**Sent:** Tuesday, April 14, 2015 3:37 PM  
**To:** Lance Homann  
**Cc:** Larry Stockton; Will Barker ([wbarker@hicrush.com](mailto:wbarker@hicrush.com)); Chad McEver

**Subject:** NiCon Rail Hub Facility - City of Evans

Councilmember Homann,

ARB Midstream LLC is proposing to build an energy rail hub called the Niobrara Connector or "NiCon". The rail hub will be built on approximately 225 acres along the southern most parcel in the City of Evans. Partnering with Hi-Crush Partners (a publically listed drilling-sand supply company) we plan to ship sand from Wisconsin into the hub, and ship Weld county crude oil out of the hub. The sand is used by the oil and gas industry to stimulate their wells to achieve economic recovery of the oil and gas resource. The crude oil that comes from the wells, which is produced almost entirely from within Weld County, would then be stored at our site prior to being loading on rail cars. Once the rail cars are loaded with oil, then the oil can be shipped throughout the U.S. to the most economically beneficial end markets. Our rail hub enables local Colorado crude to reach markets it doesn't currently get to.

The NiCon rail hub will have a significant positive impact to the City of Evans, both in terms of economics and jobs. Our plan includes upwards of \$70,000,000 in long-term capital improvements to the land located in Evans. This land has been fallow for over a decade since the proposed ethanol facility fell through. Once we are fully operational, our facility will also create over 50 new, well paying, full-time jobs with generous benefit packages for local residents, not to mention the jobs created during construction.

In addition to the economic and job benefits our project brings, we will also create a safe facility that ensures the welfare of both its workers and the City of Evans' community. To that end, we have spent nearly \$3,000,000 on site environmental/safety studies and engineering design to ensure environmental compliance, health, and safety, as well as operational optimization of the facility. ARB Midstream has hired consultants, at no small cost, to perform traffic studies, air impact studies, wetlands impact studies, wildlife studies, hydrology studies, and more so that we design, build, and operate the best and safest possible facility.

The site in Evans is not an easy site to develop. There are numerous existing oil and gas wells on the property, along with several storage tanks to hold the produced oil and gas on the site. In addition there are many existing pipelines running along the perimeter of the property. Our site is also bordered by agriculture on the east and west sides, an existing industrial facility to the north, and neighbors to the south. Each of these characteristics requires a setback from any industrial facility. Additionally, our facility must safely convey the 100-year storm event requiring the development of significant retention ponds and holding structures, all of which we have to accommodate in our design.

We see ourselves as a partner with the City of Evans. We want to be a good neighbor and great steward of the community. I feel that open and honest communication goes a long way to creating good lasting relationships. To that end, would you be available any time in the near future to meet so we can spend time provide more insight into our project, and the many benefits that it will bring to the City of Evans? I look forward to hearing back from you.

Regards,

**Adam Bedard**

*Chief Executive Officer*

**ARB Midstream, LLC**

720 S Colorado Blvd, Penthouse North

Denver, CO 80246

*Mobile: 303-956-3351*

*Office: 720-600-7500 Ext. 102*

[www.ARBMidstream.com](http://www.ARBMidstream.com)



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## COUNCIL COMMUNICATION

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**DATE:** May 5, 2015

**AGENDA ITEM:** **8.B**

**SUBJECT:** 2015 Budget 1st Revision - Ordinance No. 621-15 – Amending Ordinance No. 607-14 and Appropriating Sum of Revenues and Fund Balances for the Amended 2015 City of Evans Budget (2<sup>nd</sup> Reading)

**PRESENTED BY:** Jacque Troudt, CPA, Finance Manager

---

**AGENDA ITEM DESCRIPTION:**

The City Council approves specific items during the year which require an amendment to the adopted budget as required by the City of Evans Charter (Section 7.3 & 8.6). In this case, the revenues, expenditures (or expenses in enterprise funds) and transfers have been previously approved by the City Council. Staff action is usually taken on these items immediately following Council direction. Budget revisions are scheduled at quarterly intervals throughout the year in order to facilitate a flexible and accurate City budget.

Ordinance No. 621-15 is the first revision to the 2015 Operating and Capital Budget. The original 2015 Budget was approved by Ordinance No. 607-14 on October 21<sup>st</sup> 2014.

---

**FINANCIAL SUMMARY:**

The Budget Ordinance heading summarizes the changes to revenues, expenditures, and transfers by fund. Some of the items have been previously approved by the City Council, those items requiring additional explanation will be described below. Attachment “A” identifies the details of each council action and Attachment “B” identifies the net impact on the revised budget. The following descriptions are listed in the same order as the funds on Attachment “A” and include the items which were not approved as a preliminary budget revision during the quarter.

The General Fund includes the following proposed revision items:

Item 1.1 is a total of carry forward items related to savings in the 2014 budget totaling expenditures of \$364,406. All of these items related to a specific project(s) which were appropriated in the 2014 budget, but were not finished in that fiscal year. Since appropriations lapse, the budget for these items needs to be appropriated (carried forward) in 2015. The following items are included: tree cleanup costs, sales tax auditing and mailing costs, Police Department investigation fees,

Historic Evans master plan, South Platte River corridor master plan, impact fee study and flood recovery video costs. Also included in this amount are repairs to an existing pump station, replacement of two recreation vans, facility painting and carpet replacement and the remaining costs for the Riverside Library and Cultural Center. The offsetting revenue is the DOLA grant received to assist with the costs of construction for the Riverside Cultural Center, and grant revenue for the impact fee and master plan studies from DOLA and the Colorado Water Conservation Board, totaling \$286,162.

Item 1.22 represents costs to complete the landscaping project on Prairie View Drive, estimated at \$650,000.

Item 1.13 relates to a decrease in the property tax revenues we anticipate receiving in 2015. This is due to a tax abatement filed by Noble Energy, which will reduce the amount we will receive by \$15,800.

Item 1.14 is an upgrade to the current HVAC system in the City complex building of \$120,000.

Item 1.12 represents an increase of \$23,325 for departmental supplies and services, which were not included in the original 2015 budget, and are reflective of the level of expense incurred in 2014. The departments impacted are the Customer Service Unit, facilities and parks.

Item 1.15 reflects IT infrastructure costs of \$113,000 to reconfigure, repair and replace components of our IT Infrastructure.

Item 1.11 related to ongoing flood recovery and administration will decrease revenue by \$73,000 as supplies and services were not awarded in the CDPHE grant as originally anticipated. The expenditures are also being decreased by \$34,000 due to anticipated personnel savings.

Item 1.16 will increase revenue of \$38,800 and increase expenditures by \$47,800 for a Watershed Coordinator Grant award from DOLA CDBG-DR program.

Item 1.17 represents a \$10,000 transfer to the Evans Fire Protection District to assist with purchasing a dry hydrant for training purposes. This will allow them to have another avenue to provide training, and decrease use of City potable water for training.

One-time funding items shown in 1.18 total \$952,600. The chart below outlines the items included in this list.

Overhaul of Municipal Code	\$72,000
Extended Hours for Property and Evidence Technician	\$6,600
Facility repairs: Roof Repair - North End, interior facility lights, concrete and foundation repairs	\$58,000

Screening on 37th Street between 17th and 23rd	\$5,000
City Entrance Points - Riverside, Cemetery, Complex, HWY	\$12,000
Entry Way Signage	\$150,000
Basketball Court Resurface - City Park/Village Park	\$45,000
Communications Intern	\$9,000
Cemetery Management Software	\$5,000
Budgeting and financial reporting software	\$50,000
Electronic Personnel File Record Management System and Laserfische upgrade	\$48,000
Ammunition	\$12,000
Cleanup of Problem Properties/Trees	\$30,000
Taser Program	\$55,000
Business Ombudsman (Temp, Part Time/Intern)	\$20,000
Web Site Redesign	\$8,000
Develop plan for Skate Park	\$5,000
Pool Audit	\$7,500
Non-Potable Irrigation System - Pioneer Park	\$350,000
Traffic lasers	\$4,500

Item 1.19 represents \$11,000 budgeted for a non-potable system overflow pipe in Grapevine Hollow.

The Cemetery perpetual care fund includes a carry forward for the construction of a maintenance shed for \$75,000.

The Street Impact fund includes a carry forward for completion of construction on St. Vrain and 37<sup>th</sup> Avenue for \$172,000 and \$707,000 for Widening of 35<sup>th</sup> Avenue. The anticipated grant revenue associated with these projects is \$462,599, see 1.3.

The Park Impact fund includes an expenditure related to the installation of non-potable systems in City owned parks of \$200,000. This will reduce the amount of potable water used by the City and assist with reducing the usage of this water.

The CIP – Streets fund includes revenue of \$2,327,463 and expenditures of \$3,050,226 related to street repairs from the flood and several carry forward projects as outlined on the long range plan. The projects include the widening of 65<sup>th</sup> Avenue, Highway 85 improvements, construction on Highway 85 at both 31<sup>st</sup> and 37<sup>th</sup> Streets, street lighting, bridge repairs, and construction for the bike path at 17<sup>th</sup> Avenue and 49<sup>th</sup> Street.

The CIP – Parks fund revision items are shown at 1.10. This includes budgeting an additional \$374,000 of expenditures and associated revenue for design of the renovated Riverside Park. The delay in the design and construction of the park also necessitates a decrease in revenue of \$3,816,000 and a decrease in expenditures of \$4,810,332. The reconstruction of the berm will increase expenditures of \$150,000 and grant revenue to be received of \$131,250, and we will

increase both revenue and expenditures for the Riverside fence rental fee of \$35,000.

Revision items for the Water fund include:

1.5 increasing expense by \$23,000 to hire temporary staff to assist with utility billing account clean up and account processing for the water radio meter replacement project.

1.6 carrying forward the revenue and expense of \$748,000 to complete the water radio meter replacement program.

1.9 shows the anticipated grant revenue and expense of \$99,655 and \$196,720 respectively for the Water Master Plan Update.

Expenses of \$56,000 are anticipated for a utility billing software replacement, seen at item 1.20. The expenses for this software upgrade will be split among the water, wastewater and sewer funds, based upon respective revenue.

Items 1.7 and 1.23 relate to wastewater project expenses and flood repairs of \$15,000 and \$809,000, respectively. Of these expenses, \$809,000 is anticipated to be covered by grant revenue from FEMA and CDPHE. These two items are in addition to the utility billing software replacement at item 1.20, which will cost the wastewater fund approximately \$18,400.

The Storm Drainage fund will also have an increase in expenses for new utility billing software update at 1.20, which will cost the Storm fund approximately \$5,600. Additionally, item 1.8 shows the 2014 fund carryover projects of storm drain construction on 37<sup>th</sup> Street from Trinidad to Boulder, and Boulder to Highway 85, and construction on the 23<sup>rd</sup> Avenue Outfall, totaling \$952,000 of expense. 1.24 also anticipates flood repair expenses of \$9,000 and associated FEMA revenue of \$7,875.

Finally, due to several vacancies in the Police Department, the necessity to maintain adequate minimum staffing levels, and the lengthy process to recruit officers, we are requesting approval of one (1) over hire for 2015. There is no budgetary impact of this over hire because the cost will be covered through vacancy savings.

The Finance Committee reviewed the proposed budget revision at their last meeting and did not recommend any changes.

Attachment “A” identifies the detailed changes for the proposed revisions to the 2015 Budget. The details are also summarized in the heading of the appropriation ordinance.

Attachment “B” includes the Beginning Balance by Fund based on preliminary audited balances. Final audited balances will be presented by our external auditors by the end of April. The preliminary audited 2014 ending balance of all funds of \$19,217,507 is higher than the 2014 adopted budget projection (including the impact of the final budget revision of 2014) of \$11,121,467. The

majority of the difference is in the General Fund (+\$5,642,587), CIP- Streets fund (+\$1,378,524), Wastewater fund (+\$435,541) and the Storm fund (+\$996,852). The General Fund variance was due to higher than projected revenues and budget savings. The CIP- Streets fund, Wastewater fund and Storm fund budgeted for capital projects in 2014 which were not completed and are being carried forward to 2015.

Details of all financial items are available for Council or Citizens upon request from the Finance Department by contacting Jacque Troudt at 970-475-1127 or [jtroudt@evanscolorado.gov](mailto:jtroudt@evanscolorado.gov).

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**RECOMMENDATION:**

Staff recommends approval of the ordinance.

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**SUGGESTED MOTIONS:**

*I move to approve Ordinance No. 621-15 on second reading and authorize one (1) over hire for the Police Department.*

*I move to deny approval of Ordinance No. 621-15 on second reading and deny one (1) over hire for the Police Department.*

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## COUNCIL COMMUNICATION

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**DATE:** May 5, 2015

**AGENDA ITEM:** 8.C

**SUBJECT:** Acceptance of the 2014 Audited Financial Statements

**PRESENTED BY:** Jacque Troudt, CPA, Finance Manager

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**AGENDA ITEM DESCRIPTION:**

Section 8.10 of the City of Evans Home Rule Charter requires an independent audit and annual report to City Council within 120 days of the year end.

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**FINANCIAL SUMMARY:**

N/A

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**RECOMMENDATION:**

Staff recommends approval of the audited financial statements.

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**SUGGESTED MOTIONS:**

- \* *I move to accept the 2014 audited financial statements.*
  - \* *I move to deny acceptance of the 2014 audited financial statements.*
-



City of  
**Evans, Colorado**

Financial Statements  
and Supplementary Information  
For the Year Ended December 31, 2014

DRAFT

# City of Evans

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# City of Evans

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## Independent Auditor's Report

Honorable Mayor and Members of the City Council  
City of Evans, Colorado

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Evans, Colorado (the "City"), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Evans as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Other Matters*

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 13 and the budgetary comparison information on pages 48 and 49 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with evidence sufficient to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements, budgetary comparison schedules, Local Highway Finance Report, and schedule of expenditures of federal awards, as required by the Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and introductory section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements, budgetary comparison schedules, Local Highway Finance Report, and schedule of expenditures of federal awards, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

### *Other Reporting Required by Government Auditing Standards*

In accordance with *Governmental Auditing Standards*, we have also issued our report dated **May 5, 2015** on our consideration of the City of Evans' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Evans' internal control over financial reporting and compliance.

Greeley, Colorado  
**May 5, 2015**

## ***MANAGEMENT'S DISCUSSION AND ANALYSIS***

To serve the citizens of the City of Evans (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2014. Please read the information presented here in conjunction with the City's financial statements beginning on page 14.

### ***FINANCIAL HIGHLIGHTS***

- The assets of the City exceeded its liabilities at the close of 2014 by \$111.4 million (net position). Of this amount, \$17.5 million (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors. Of the remaining balance, \$91.2 million is investments in capital assets and 2.7 million is restricted for other purposes.
- The City's total net position increased by \$6.0 million. The governmental activities drove this change with an increase of \$5.9 million due to an increase in revenue.
- Sales and use tax collections increased by \$1.6 million, a 20 percent increase over the prior year. Economic condition improvements contributed to this increase.
- At the end of 2014, the City's governmental funds reported combined ending fund balances of \$15.7 million, an increase of \$1.3 million in comparison to the ending balances of 2013. Of this total amount, \$7.8 million, or 49 percent, is available for spending at the City's discretion (unassigned fund balance).
- At the end of 2014, the unassigned fund balance for the general fund was \$7.8 million, which was 50 percent of total general fund 2014 expenditures. In addition, the City Charter requires the Emergency Contingency Fund to maintain a balance of 25 percent of the preceding fiscal year's (2013) audited General Fund expenditures, not to exceed \$1,000,000. The resulting 2014 fund balance related to the Emergency Contingency Fund (shown as combined with the General Fund) amounts to \$1 million in reserve for emergencies. Fund balances at 2014 year end for the General Fund, including the Emergency Contingency Fund, amount to \$9.2 million.

### ***OVERVIEW OF THE FINANCIAL STATEMENTS***

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The basic financial statements comprise three components: 1) the government-wide financial statements, 2) fund financial statements and 3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

## **Government-wide Financial Statements – Reporting the City of Evans as a Whole**

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The **statement of net position** presents information on all of the City of Evans' assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between these categories reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The **statement of activities** presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government administration, City Council support and elections, public safety, maintenance and new construction of highways and streets, planning and zoning, maintenance of City facilities, buildings and land improvements, debt service, community development, engineering, and culture, parks and recreation activities. The business-type activities of the City include the City's water, wastewater, and storm drainage utility enterprise functions.

The government-wide financial statements include solely the operations of the City itself. The activity for the Evans Redevelopment Agency ("ERA") is reported as a blended component unit of the City. Separate financial statements are not issued for the ERA. The government-wide financial statements can be found on Pages 14-16 of this report.

## **Fund Financial Statements – Reporting the City of Evans' Most Significant Funds**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives, or as required by legal enabling legislation. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

**Governmental funds** - Governmental funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on upcoming inflows and outflows of resources, as well as on

balances of resources available at the end of the fiscal year. Such information may be useful in evaluating a government's upcoming financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between the different statements.

The City maintains ten individual governmental funds, including the blended component unit of the Evans Redevelopment Agency. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, street construction fund and Evans Redevelopment Agency, which are major funds. Data from the remaining seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements included in other supplementary information.

The City adopts an annual budget for all of its funds. To demonstrate compliance, a budgetary comparison is provided for each of the funds.

The basic governmental fund financial statements are found on Pages 17-22 of this report.

**Proprietary funds** - The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, wastewater and storm drainage utility functions.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information on the City's water, wastewater and storm drainage funds.

The basic proprietary fund financial statements can be found on Pages 23-25 of this report.

**Fiduciary funds** - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of these funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on Pages 26-27 of this report.

## *Notes to the financial statements*

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are found on Pages 28-47 of this report.

### *Other information*

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City. Required and other supplementary information can be found on Pages 48-75 of this report.

## ***GOVERNMENT-WIDE FINANCIAL ANALYSIS – City of Evans as a Whole***

As noted earlier, net position may serve as a useful indicator of a government's financial position. In the case of the City, assets exceeded liabilities by \$111.4 million at the close of 2014.

By far the largest portion (82 percent) of the City's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment and infrastructure) less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

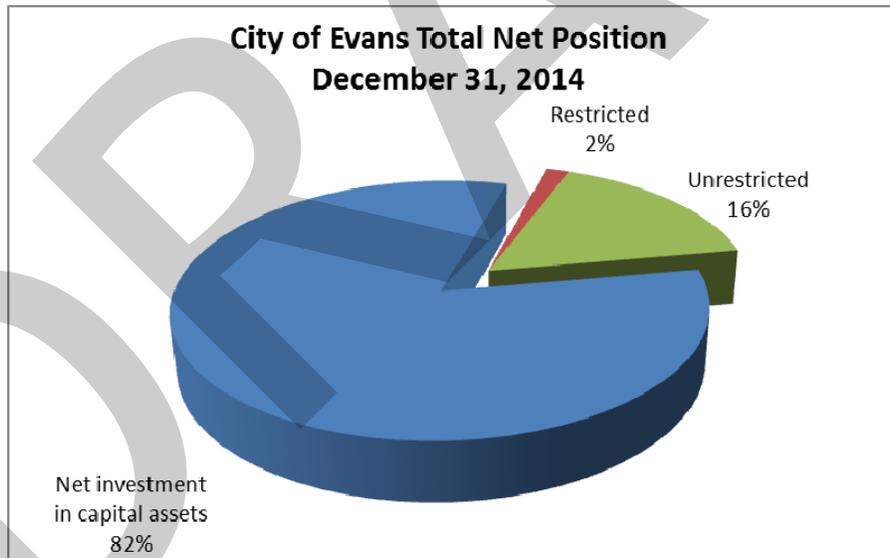
An additional portion of the City's net position (2 percent) represents resources that are subjected to external and internal restrictions on how they may be used. The remaining balance of unrestricted net position (\$17.5 million) may be used to meet the City's ongoing obligations to citizens and creditors. Table 1 provides a summary of the City's net position for 2014 as compared to 2013.

**Table 1**

**City of Evans**

**Net Position (\$000's)**

	Governmental Activities		Business-type Activities		Total	
	2014	2013	2014	2013	2014	2013
<b>Assets:</b>						
Current and other assets	\$ 17,601	\$ 16,700	\$ 5,217	\$ 4,852	\$ 22,818	\$ 21,552
Capital assets	28,715	24,317	66,686	67,071	95,401	91,388
Total assets	<u>46,316</u>	<u>41,017</u>	<u>71,903</u>	<u>71,923</u>	<u>118,219</u>	<u>112,940</u>
<b>Liabilities:</b>						
Current liabilities	1,450	1,869	471	468	1,921	2,337
Long-term liabilities	2,636	2,830	1,897	2,082	4,533	4,912
Total liabilities	<u>4,086</u>	<u>4,699</u>	<u>2,368</u>	<u>2,560</u>	<u>6,454</u>	<u>7,249</u>
<b>Deferred inflows of resources</b>						
Unearned revenue – property taxes	379	392	-	-	379	392
<b>Net Position:</b>						
Net investment in capital assets	26,370	21,742	64,873	66,578	91,243	88,320
Restricted	1,513	3,341	1,144	269	2,657	3,610
Unrestricted	13,968	10,843	3,518	2,526	17,486	13,369
Total net position	<u>\$ 41,851</u>	<u>\$ 35,926</u>	<u>\$69,535</u>	<u>\$69,373</u>	<u>\$111,386</u>	<u>\$105,299</u>



At the end of the current fiscal year and previous fiscal year, the City is able to report positive balances in all three categories of net position, for the City as a whole, as well as for its separate governmental and business-type activities.

Table 2 shows the changes in net position for the fiscal year 2014 compared to the fiscal year 2013.

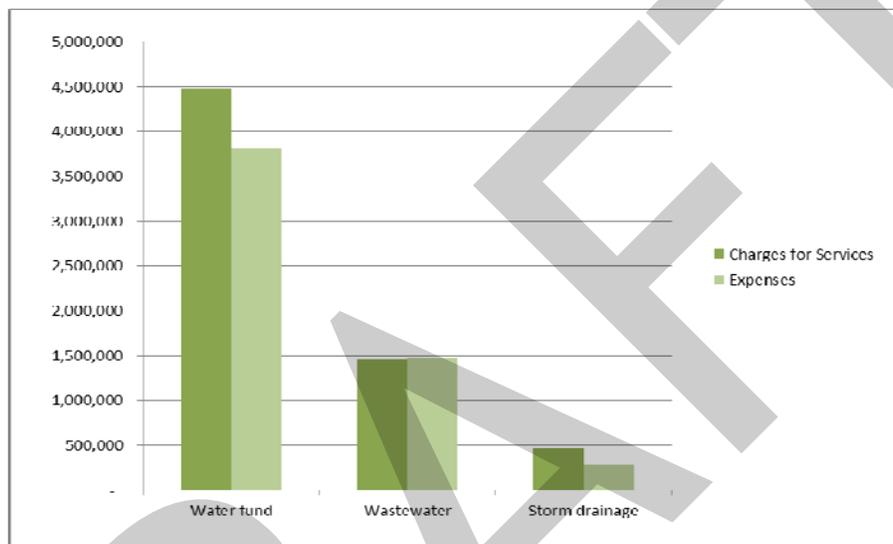
<b>Table 2</b>						
<b>City of Evans</b>						
<b>Condensed Statement of Activities (\$000's)</b>						
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	2014	2013	2014	2013	2014	2013
<b>Revenues:</b>						
<i>Program revenues:</i>						
Charges for services	\$ 2,841	\$ 4,200	\$ 6,407	\$ 5,994	\$ 9,248	\$ 10,194
Operating grants and contributions	335	186	16	331	351	517
Capital grants and contributions	856	149	422	1,091	1,278	1,240
<i>General revenues:</i>						
Sales and use taxes	9,843	8,212	-	-	9,843	8,212
Property taxes	387	419	-	-	387	419
Specific Ownership	33	20	-	-	33	20
Franchise taxes	676	597	-	-	676	597
Other taxes	559	88	-	-	559	88
Intergovernmental	2,290	3,296	-	-	2,290	3,296
Unrestricted Investment	62	29	16	(8)	78	21
Earnings						
Other general revenue	248	201	15	-	263	201
Gain on extinguishment of debt	-	-	-	-	-	-
Gain (Loss) on disposition of capital assets	(8)	(178)	-	-	(8)	(178)
<b>Total revenues</b>	<b>18,122</b>	<b>17,219</b>	<b>6,876</b>	<b>7,408</b>	<b>24,998</b>	<b>24,627</b>
<b>Expenses:</b>						
General government	3,519	3,258	-	-	3,519	3,258
Public safety	4,029	4,114	-	-	4,029	4,114
Public works	2,706	2,797	-	-	2,706	2,797
Culture, parks and recreation	1,272	895	-	-	1,272	895
Community development	978	2,021	-	-	978	2,021
Flood Damage - Evans 2013 Flood	775	1,271	-	-	775	1,271
Water enterprise	-	-	3,815	3,785	3,815	3,785
Wastewater enterprise	-	-	1,474	1,687	1,474	1,687
Storm Drainage enterprises	-	-	284	280	284	280
Interest on Long Term Debt	59	91	-	-	59	91
<b>Total expenses</b>	<b>13,338</b>	<b>14,447</b>	<b>5,573</b>	<b>5,752</b>	<b>18,911</b>	<b>20,199</b>
Excess before transfers	4,784	2,772	1,303	1,656	6,089	4,428
Transfers in (out)	1,141	1,279	(1,141)	(1,260)	-	19
<b>Special Item</b>						
Transfer operations to EFPD	-	(1,513)	-	-	-	(1,513)
Increase (decrease) in net position	5,925	2,538	162	396	6,087	2,934
Net position – Beginning	35,926	33,388	69,373	68,977	105,299	102,365
Net position – Ending	<b>\$ 41,851</b>	<b>\$ 35,926</b>	<b>\$ 69,535</b>	<b>\$ 69,373</b>	<b>\$ 111,386</b>	<b>\$ 105,299</b>

**Governmental Activities** - Governmental activities increased the City's net position by \$5.9 million, thereby accounting for substantially all of the total growth in the net position of the City as the enterprise funds recognized only a slight increase in net position. Contributing to this growth was both the City's increase in revenues and decrease in expenditures.

**Business-type Activities** - Business-type activities increased the City's net position by \$162 thousand.

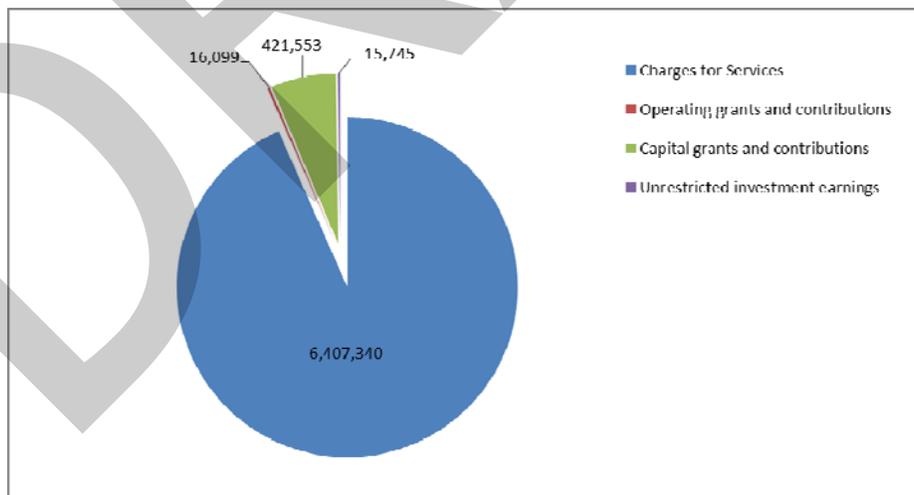
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### Business-type Activities - Charges for Services and Expenses




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### Business-type Activities - Revenues by Source



## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds** - The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of December 31, 2014, the City's governmental funds reported ending fund balances of \$15.7 million, an increase of \$1.3 million from the prior year. Approximately 49 percent of this total amount (\$7.8 million) constitutes unassigned fund balance, which is available for spending at the City's discretion. The remainder of fund balance (\$7.9 million), is reserved to indicate that it is not available for new spending because it has been restricted or committed to: 1) provide a reserve fund for the benefit of the holders of certain City debt instruments 2) provide an emergency reserve as required by the City Charter and the State Constitution (amendment to Article X, Section 20) and 3) fund balance which was accumulated due to revenues which were assigned to a specific function (for example, impact fee revenues).

The General Fund is the chief operating fund of the City. As of December 31, 2014, the unassigned fund balance of the general fund was \$7.8 million. As a measure of the General Fund's liquidity, it may be useful to compare total unassigned fund balance to total fund expenditures. Total unassigned fund balance represents 50 percent of total General Fund expenditures. The decrease in the fund balance of the General Fund was \$564 thousand during 2014. Contributing factors to the decrease were capital asset purchases by the Evans Redevelopment Agency.

In 2014, taxes are the General Fund's largest source of revenue at 72 percent, or \$11.5 million.

The Emergency Contingency Fund ended the 2014 fiscal year with a total fund balance of \$1.0 million, all of which is reserved for emergencies and not available for spending, except at the City Council's discretion in accordance with City Charter direction. For financial reporting purposes, this fund is reported within the General Fund.

**Proprietary funds** - The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Net position of the Water, Wastewater and Storm Drainage funds as of December 31, 2014, amounted to \$50.6 million, \$9.7 million, and \$9.1 million, respectively. The total growth (decline) in net position for the three funds during 2014 was \$324 thousand, \$(270) thousand, and \$109 thousand, respectively. Other factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.

## GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the 2014 original budget and the final revised expenditure budget was \$8.8 million. The major appropriations approved during the year were:

- \$1.3 million transfer to the Evans Redevelopment Agency,
- \$3.1 million for one-time supplies, services, equipment and capital purchases from excess 2013 ending fund balance, and
- \$1.6 million for flood recovery expenses resulting from the Evans 2013 flood.

During the year, actual revenues were \$15.9 million, which exceeded final budgetary estimates by \$3.4 million. The additional revenues are primarily due to sales tax, state severance tax and federal mineral lease tax.

Actual expenditures and other financing uses totaled \$17.7 million which was \$2.2 million under actual expenditures and other financing sources. The fund balance as of December 31, 2014 was \$9.3 million. Of this amount, 1) \$198 thousand is nonspendable and related to 2015 expenditures prepaid in 2014, 2) \$1 million is restricted for emergencies, 3) \$269 thousand is committed for functions related to designated revenue, and 4) \$7.8 million is unassigned and available for appropriations as the City Council sees fit.

## CAPITAL ASSET AND DEBT ADMINISTRATION

**Capital Assets** - The City's investment in capital assets for its governmental and business-type activities as of December 31, 2014, amounted to \$95.4 million (net of accumulated depreciation). This investment includes the investment in Greeley water; land; buildings and system; improvements; machinery and equipment; park facilities; sidewalks; roads; highways and bridges; and water, wastewater and storm drainage installations and systems. The City's investment in capital assets was essentially unchanged (a slight increase for governmental activities and a slight decrease for business-type activities).

Major capital asset additions during the year included the following:

- Evans Redevelopment Agency land purchases (\$2,331,935)
- Construction of the Riverside Library & Cultural Center (\$2,498,023)

**City of Evans Capital Assets  
(net of depreciation)**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land and water shares	\$ 7,152	\$ 4,697	\$ 25,829	\$ 25,829	\$ 32,981	\$ 30,526
Landscaping	1,215	1,215	-	-	1,215	1,215
Construction in progress	4,045	1,812	3,390	2,537	7,435	4,349
Intangible assets	87	57	9	11	96	68
Land improvements	1,425	1,460	-	-	1,425	1,460
Building & improvements	5,514	5,720	377	331	5,891	6,051
System improvements	-	-	28,670	29,964	28,670	29,964
Machinery & equipment	189	223	241	219	430	442
Transportation equipment	425	344	-	-	425	344
Infrastructure	8,663	8,789	368	378	9,031	9,167
<b>Total</b>	<b>\$ 28,715</b>	<b>\$ 24,317</b>	<b>\$ 58,884</b>	<b>\$ 59,269</b>	<b>\$ 87,599</b>	<b>\$ 83,586</b>

Additional information on the City's capital assets can be found in the notes to the financial statements on Pages 38-40 of this report.

**Debt** - As of December 31, 2014, the City had total capital lease obligations outstanding of \$2.3 million. In addition, the City has \$1.8 million in Colorado Water Resources and Power Development Authority ("CWRPDA") notes payable.

**City of Evans Outstanding Debt**

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Water loans	-	-	1,409	1,500	1,409	1,500
Wastewater loans	-	-	404	493	404	493
Capital Leases	2,345	2,575	-	-	2,345	2,575
Compensated Absences	291	255	84	89	375	344
<b>Total</b>	<b>\$ 2,636</b>	<b>\$ 2,830</b>	<b>\$ 1,897</b>	<b>\$ 2,082</b>	<b>\$ 4,533</b>	<b>\$ 4,912</b>

The City's general obligation indebtedness may not, by Charter, exceed in aggregate dollars, 15% of the City's prior year's total assessed property valuation. A requirement exists to have an affirmative vote of the citizens to authorize general obligation debt issuance. Business-type funds do not have any limitations on the amount of debt that may be issued nor do they require an elector vote provided that the debt is supported by revenues of the utility enterprise. Issuance of business-type fund debt must be approved by an affirmative vote of the Council by ordinance. Advanced refunding of all debt must be approved by ordinance by the Council.

Additional information on the City's long-term debt can be found in the notes to the financial statements on Pages 40-41 of this report.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- The 2015 revenue picture (from both a sales tax and development fee perspective) was improved from 2014. This was due to recessionary recovery resulting in positive economic conditions and an increase in development.
- Population has remained relatively unchanged over the past several years with a 2013 estimate of 20,153.
- The City's sales tax collections increased by 23 percent in 2014, in large part due to an increase in revenue from the industrial sector and motor vehicle use taxes of the City. The industrial category of taxes is considered volatile and the majority of revenues received is treated as "one-time" revenues and are not added to the long-term revenue projections. With the industrial category conservatively projected, sales tax revenues are still projected to increase 22 percent for 2015.
- Building use tax decreased by 58 percent from 2013 to 2014, although this revenue source ended the year 51 percent ahead of 2014 revised budget projections. This is anticipated to increase by 24 percent over the 2014 budget.
- Property tax decreased by 6 percent in 2014 and is projected to decrease by 7 percent for 2015. The decrease is due in part to tax abatements filed with Weld County, which will decrease the City's distributions.

All of these factors were considered in preparing the City's budget for the 2015 fiscal year.

### Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Evans Finance Department, 1100 37<sup>th</sup> Street, Evans, Colorado 80620, (970) 475-1101.

## Basic Financial Statements

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**City of Evans**  
**Statement of Net Position**

December 31, 2014

	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Cash, cash equivalents, and investments	\$ 13,603,275	\$ 2,377,574	\$ 15,980,849
Receivables	2,800,168	762,171	3,562,339
Prepaid items	197,651	12,039	209,690
Restricted assets:			
Cash, cash equivalents, and investments	1,000,000	1,144,068	2,144,068
Loan proceeds receivable	-	921,358	921,358
Investment in Greeley water	-	7,802,013	7,802,013
Capital assets, not being depreciated	12,411,786	29,219,047	41,630,833
Capital assets, being depreciated, net	16,303,230	29,664,668	45,967,898
<b>Total assets</b>	<b>46,316,110</b>	<b>71,902,938</b>	<b>118,219,048</b>
<b>Liabilities</b>			
Accounts payable	1,071,379	374,786	1,446,165
Accrued payroll	46,231	13,488	59,719
Deposits and escrows	43,381	74,959	118,340
Unearned revenue	18,850	-	18,850
Other liabilities	270,514	7,183	277,697
Noncurrent liabilities:			
Accrued compensated absences	290,738	84,266	375,004
Due within one year	235,000	246,667	481,667
Due in more than one year	2,110,000	1,566,481	3,676,481
<b>Total liabilities</b>	<b>4,086,093</b>	<b>2,367,830</b>	<b>6,453,923</b>
<b>Deferred inflows of resources</b>			
Unearned revenue - property taxes	378,633	-	378,633
<b>Deferred inflows of resources</b>	<b>378,633</b>	<b>-</b>	<b>378,633</b>
<b>Net Position</b>			
Net investment in capital assets	26,370,016	64,872,580	91,242,596
Restricted for:			
Emergencies	1,000,000	-	1,000,000
Debt service	-	1,144,068	1,144,068
Parks and recreation	513,606	-	513,606
Unrestricted	13,967,762	3,518,460	17,486,222
<b>Total net position</b>	<b>\$ 41,851,384</b>	<b>\$ 69,535,108</b>	<b>\$111,386,492</b>

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

**City of Evans**  
**Statement of Activities**

Year Ended December 31, 2014

Functions/programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Governmental activities:</b>				
General government	\$ 3,519,379	\$ 1,697,641	\$ 47,136	\$ 755,302
Public safety	4,029,100	491,903	-	-
Public works	2,706,258	129,366	-	63,687
Culture, parks and recreation	1,271,615	521,857	-	36,795
Community development	978,300	-	-	-
Flood recovery	774,987	-	287,482	-
Interest on long term-debt	59,040	-	-	-
<b>Total governmental activities</b>	<b>13,338,679</b>	<b>2,840,767</b>	<b>334,618</b>	<b>855,784</b>
<b>Business-type activities:</b>				
Water	3,814,703	4,483,974	1,578	263,759
Wastewater	1,473,646	1,456,664	-	125,363
Storm drainage	284,344	466,702	14,521	32,431
<b>Total business-type activities</b>	<b>5,572,693</b>	<b>6,407,340</b>	<b>16,099</b>	<b>421,553</b>
<b>Total primary government</b>	<b>\$18,911,372</b>	<b>\$ 9,248,107</b>	<b>\$ 350,717</b>	<b>\$ 1,277,337</b>
<b>General revenues</b>				
Taxes:				
Property taxes				
Specific ownership taxes				
Sales and use taxes				
Franchise taxes				
Other taxes				
Intergovernmental				
Earnings on investments				
Other revenues				
Loss on disposal of capital assets				
<b>Subtotal general revenues</b>				
Transfers in (out)				
<b>Total general revenues and transfers</b>				
<b>Changes in net position</b>				
<b>Net position at beginning of year</b>				
<b>Net position at end of year</b>				

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (1,019,300)	\$ -	\$ (1,019,300)
(3,537,197)	-	(3,537,197)
(2,513,205)	-	(2,513,205)
(712,963)	-	(712,963)
(978,300)	-	(978,300)
(487,505)	-	(487,505)
(59,040)	-	(59,040)
(9,307,510)	-	(9,307,510)
-	934,608	934,608
-	108,381	108,381
-	229,310	229,310
-	1,272,299	1,272,299
(9,307,510)	1,272,299	(8,035,211)
387,755	-	387,755
32,775	-	32,775
9,843,543	-	9,843,543
675,995	-	675,995
559,245	-	559,245
2,290,740	-	2,290,740
62,427	15,745	78,172
247,939	14,673	262,612
(7,943)	-	(7,943)
14,092,476	30,418	14,122,894
1,140,612	(1,140,612)	-
15,233,088	(1,110,194)	14,122,894
5,925,578	162,105	6,087,683
35,925,806	69,373,003	105,298,809
\$41,851,384	\$69,535,108	\$111,386,492

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

City of Evans  
Balance Sheet  
Governmental Funds  
December 31, 2014

	General	Street Construction	Evans Redevelopment Agency
<b>Assets</b>			
Equity in pooled cash, cash equivalents and investments	\$ 6,901,605	\$ 1,541,725	\$ 138,908
Restricted cash, cash equivalents and investments	1,000,000	-	-
Receivables	2,503,737	194,262	4,225
Prepaid items	197,651	-	-
<b>Total assets</b>	<b>\$ 10,602,993</b>	<b>\$ 1,735,987</b>	<b>\$ 143,133</b>
<b>Liabilities, deferred inflows of resources and fund balances</b>			
<b>Liabilities</b>			
Accounts payable	\$ 804,494	\$ 85,454	\$ 39,213
Unearned revenue	18,450	-	-
Accrued payroll	46,231	-	-
Deposits and escrows	43,381	-	-
Other liabilities	44,156	115,844	-
<b>Total liabilities</b>	<b>956,712</b>	<b>201,298</b>	<b>39,213</b>
<b>Deferred inflows of resources</b>			
Unearned revenue - property taxes	378,633	-	-
<b>Total deferred inflows of resources</b>	<b>378,633</b>	<b>-</b>	<b>-</b>
<b>Fund balances</b>			
Nonspendable	197,651	-	-
Restricted	1,000,000	-	-
Committed	268,815	-	-
Assigned	-	1,534,689	103,920
Unassigned	7,801,182	-	-
<b>Total fund balances</b>	<b>9,267,648</b>	<b>1,534,689</b>	<b>103,920</b>
<b>Total liabilities, deferred inflows of resources and fund balances</b>	<b>\$ 10,602,993</b>	<b>\$ 1,735,987</b>	<b>\$ 143,133</b>

Other Governmental Funds	Total Governmental Funds
\$ 5,021,037	\$ 13,603,275
-	1,000,000
97,944	2,800,168
-	197,651
<u>\$ 5,118,981</u>	<u>\$ 17,601,094</u>

\$ 142,218	\$ 1,071,379
400	18,850
-	46,231
-	43,381
106,000	266,000
<u>248,618</u>	<u>1,445,841</u>

-	378,633
<u>-</u>	<u>378,633</u>

-	197,651
513,606	1,513,606
40,795	309,610
4,315,962	5,954,571
-	7,801,182
<u>4,870,363</u>	<u>15,776,620</u>

<u>\$ 5,118,981</u>	<u>\$ 17,601,094</u>
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*The accompanying notes are an integral part of these financial statements.*

**City of Evans**  
**Reconciliation of the Governmental Funds**  
**Balance Sheet with the Government-wide Statement of Net Position**  
**December 31, 2014**

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Amounts reported for governmental activities in the statement of net position are different because:

Total fund balance - governmental funds \$ 15,776,620

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the fund financial statements.

Capital assets	\$ 39,524,183	
Less: accumulated depreciation	<u>(10,809,167)</u>	28,715,016

Long-term liabilities are not due and payable from current financial resources and, therefore, are not reported as liabilities on the fund financial statements. Long-term liabilities and related accounts at December 31, 2014 consist of:

Capital lease obligation	\$ (2,345,000)	
Compensated absences	(290,738)	
Accrued interest payable	(4,514)	(2,640,252)

<b>Total net position - governmental activities</b>		<b>\$ 41,851,384</b>
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*The accompanying notes are an integral part of these financial statements.*

**City of Evans**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**Year Ended December 31, 2014**

	General	Street Construction	Evans Redevelopment Agency
<b>Revenues</b>			
Taxes	\$ 11,499,313	\$ -	\$ -
Licenses and permits	1,037,886	-	-
Intergovernmental	1,422,776	680,666	-
Grants and contributions			
Grants - flood	172,275	81,432	-
Other	802,438	63,687	-
Charges for services	399,019	-	-
Fines and forfeitures	446,731	-	-
Earnings on investments	43,642	3,422	-
Assessments	-	-	-
Miscellaneous	152,109	-	92,690
<b>Total revenues</b>	<b>15,976,189</b>	<b>829,207</b>	<b>92,690</b>
<b>Expenditures</b>			
General government	3,049,160	-	-
Public safety	3,914,185	-	-
Public works	1,354,940	194,551	-
Culture, parks and recreation	1,256,374	-	-
Community development	648,299	-	293,481
Flood recovery	608,415	-	-
Debt service			
Principal	230,000	-	-
Interest	59,483	-	-
Capital outlay	2,831,994	397,409	2,331,935
<b>Total expenditures</b>	<b>13,952,850</b>	<b>591,960</b>	<b>2,625,416</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>2,023,339</b>	<b>237,247</b>	<b>(2,532,726)</b>
<b>Other financing sources (uses)</b>			
Transfers in	1,173,367	757,100	1,684,114
Transfers out	(3,760,688)	-	-
<b>Total other financing sources (uses)</b>	<b>(2,587,321)</b>	<b>757,100</b>	<b>1,684,114</b>
<b>Net changes in fund balances</b>	<b>(563,982)</b>	<b>994,347</b>	<b>(848,612)</b>
<b>Fund balance at beginning of year</b>	<b>9,831,630</b>	<b>540,342</b>	<b>952,532</b>
<b>Fund balance at end of year</b>	<b>\$ 9,267,648</b>	<b>\$ 1,534,689</b>	<b>\$ 103,920</b>

Other Governmental Funds	Total Governmental Funds
\$ -	\$ 11,499,313
800	1,038,686
187,298	2,290,740
33,775	287,482
36,795	902,920
654,700	1,053,719
-	446,731
15,363	62,427
301,631	301,631
3,140	247,939
<u>1,233,502</u>	<u>18,131,588</u>
-	3,049,160
-	3,914,185
604,409	2,153,900
-	1,256,374
-	941,780
164,893	773,308
-	230,000
-	59,483
-	5,561,338
<u>769,302</u>	<u>17,939,528</u>
464,200	192,060
1,319,474	4,934,055
(32,755)	(3,793,443)
<u>1,286,719</u>	<u>1,140,612</u>
1,750,919	1,332,672
3,119,444	14,443,948
<u>\$ 4,870,363</u>	<u>\$ 15,776,620</u>

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

**City of Evans**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and**  
**Changes in Fund Balances with the Government-wide Statement of Activities**  
**Year Ended December 31, 2014**

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Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balance - total governmental funds \$ 1,332,672

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities:

Capital outlay	\$ 5,561,338	
Depreciation expense	<u>(1,155,141)</u>	4,406,197

Proceeds from sale of capital assets are shown as an other financing source, but are reduced by the book value of the asset to calculate the loss on sale of capital assets on the statement of activities. This is the net book value of the capital assets sold. (7,943)

The repayment of the principal of long-term debt consumes current financial resources of governmental funds. 230,000

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Change in accrued compensated absences	(35,791)	
Change in accrued interest payable	443	(35,348)

<b>Change in net position of governmental activities</b>		<b>\$ 5,925,578</b>
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*The accompanying notes are an integral part of these financial statements.*

**City of Evans**  
**Statement of Net Position**  
**Proprietary Funds**  
**December 31, 2014**

	Water	Wastewater	Storm Drainage	Total
<b>Assets</b>				
<b>Current assets</b>				
Equity in pooled cash, cash equivalents, and investments	\$ 405,860	\$ 679,182	\$ 1,292,532	\$ 2,377,574
Receivables	445,335	270,089	46,747	762,171
Prepaid items	12,039	-	-	12,039
<b>Total current assets</b>	<b>863,234</b>	<b>949,271</b>	<b>1,339,279</b>	<b>3,151,784</b>
<b>Noncurrent assets</b>				
Restricted cash, cash equivalents, and investments	864,323	279,745	-	1,144,068
Loan proceeds receivable	921,358	-	-	921,358
Investment in Greeley water	7,802,013	-	-	7,802,013
Capital assets, not being depreciated	28,403,103	356,134	459,810	29,219,047
Capital assets, being depreciated, net	13,519,412	8,790,479	7,354,777	29,664,668
<b>Total noncurrent assets</b>	<b>51,510,209</b>	<b>9,426,358</b>	<b>7,814,587</b>	<b>68,751,154</b>
<b>Total assets</b>	<b>52,373,443</b>	<b>10,375,629</b>	<b>9,153,866</b>	<b>71,902,938</b>
<b>Liabilities</b>				
<b>Current liabilities</b>				
Accounts payable	256,160	117,787	839	374,786
Accrued expenses	4,620	16,051	-	20,671
Deposits and escrows	33,603	36,205	5,151	74,959
Current portion of note payable	156,579	90,088	-	246,667
<b>Total current liabilities</b>	<b>450,962</b>	<b>260,131</b>	<b>5,990</b>	<b>717,083</b>
<b>Noncurrent liabilities</b>				
Accrued compensated absences	41,367	37,059	5,840	84,266
Note payable	1,252,632	313,849	-	1,566,481
<b>Total noncurrent liabilities</b>	<b>1,293,999</b>	<b>350,908</b>	<b>5,840</b>	<b>1,650,747</b>
<b>Total liabilities</b>	<b>1,744,961</b>	<b>611,039</b>	<b>11,830</b>	<b>2,367,830</b>
<b>Net position</b>				
Net investment in capital assets	48,315,317	8,742,676	7,814,587	64,872,580
Restricted	864,323	279,745	-	1,144,068
Unrestricted	1,448,842	742,169	1,327,449	3,518,460
<b>Total net position</b>	<b>\$ 50,628,482</b>	<b>\$ 9,764,590</b>	<b>\$ 9,142,036</b>	<b>\$ 69,535,108</b>

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

**City of Evans**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**Year Ended December 31, 2014**

	Water	Wastewater	Storm Drainage	Total
<b>Operating revenues</b>				
Water/sewer/storm drainage sales	\$ 4,296,934	\$ 1,456,664	\$ 466,702	\$ 6,220,300
Non-potable water sales	145,763	-	-	145,763
Water meters	22,532	-	-	22,532
Other sales	18,745	-	-	18,745
<b>Total operating revenues</b>	<b>4,483,974</b>	<b>1,456,664</b>	<b>466,702</b>	<b>6,407,340</b>
<b>Operating expenses</b>				
Water supply and administrative	3,052,218	-	-	3,052,218
Wastewater and administrative	-	702,800	-	702,800
Storm drainage and administrative	-	-	18,815	18,815
Depreciation expense	709,422	483,926	263,676	1,457,024
Flood recovery	53,063	268,399	1,853	323,315
<b>Total operating expenses</b>	<b>3,814,703</b>	<b>1,455,125</b>	<b>284,344</b>	<b>5,554,172</b>
<b>Operating income (loss)</b>	<b>669,271</b>	<b>1,539</b>	<b>182,358</b>	<b>853,168</b>
<b>Nonoperating revenues (expenses)</b>				
Grants and contributions - flood	1,578	-	14,521	16,099
Earnings on investments	5,451	4,507	5,787	15,745
Other nonoperating revenue	-	14,673	-	14,673
Interest expense	-	(18,521)	-	(18,521)
<b>Total nonoperating revenues (expenses)</b>	<b>7,029</b>	<b>659</b>	<b>20,308</b>	<b>27,996</b>
<b>Income before transfers and contributions</b>	<b>676,300</b>	<b>2,198</b>	<b>202,666</b>	<b>881,164</b>
Transfers out	(616,285)	(398,040)	(126,287)	(1,140,612)
Plant investment fees and cash in lieu of fees	263,759	125,363	32,431	421,553
<b>Change in net position</b>	<b>323,774</b>	<b>(270,479)</b>	<b>108,810</b>	<b>162,105</b>
<b>Net position at beginning of year</b>	<b>50,304,708</b>	<b>10,035,069</b>	<b>9,033,226</b>	<b>69,373,003</b>
<b>Net position at end of year</b>	<b>\$ 50,628,482</b>	<b>\$ 9,764,590</b>	<b>\$ 9,142,036</b>	<b>\$ 69,535,108</b>

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

**City of Evans**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**Year Ended December 31, 2014**

	Water	Wastewater	Storm Drainage	Total
<b>Cash flows from operating activities</b>				
Cash received from customers	\$ 4,443,748	\$ 1,390,606	\$ 467,826	\$ 6,302,180
Cash payments to suppliers	(2,953,789)	(603,072)	(54,287)	(3,611,148)
Cash payments to employees	(174,105)	(298,323)	-	(472,428)
<b>Net cash flows from operating activities</b>	<b>1,315,854</b>	<b>489,211</b>	<b>413,539</b>	<b>2,218,604</b>
<b>Cash flows from non-capital financing activities</b>				
Transfers to other funds	(616,285)	(398,040)	(126,287)	(1,140,612)
Other nonoperating revenue	-	14,673	-	14,673
Grants and contributions	1,578	146,697	14,521	162,796
<b>Net cash flows from non-capital financing activities</b>	<b>(614,707)</b>	<b>(236,670)</b>	<b>(111,766)</b>	<b>(963,143)</b>
<b>Cash flows from capital and related financing activities</b>				
Plant investment fees and cash in lieu of fees	263,759	125,363	32,431	421,553
Principal paid on debt	(90,789)	(88,992)	-	(179,781)
Interest paid on debt	-	(33,997)	-	(33,997)
Change in restricted cash	(864,323)	(10,810)	-	(875,133)
Receipts of loan proceeds receivable	578,642	-	-	578,642
Acquisition of capital assets	(877,022)	(189,473)	(5,051)	(1,071,546)
<b>Net cash flows from capital and related financing activities</b>	<b>(989,733)</b>	<b>(197,909)</b>	<b>27,380</b>	<b>(1,160,262)</b>
<b>Cash flows from investing activities</b>				
Proceeds from sale of investments	190,224	195,060	30,693	415,977
Purchases of investments	(107,922)	(180,601)	(343,697)	(632,220)
Earnings on investments	4,059	3,947	4,722	12,728
<b>Net cash flows from investing activities</b>	<b>86,361</b>	<b>18,406</b>	<b>(308,282)</b>	<b>(203,515)</b>
<b>Net change in cash and cash equivalents</b>	<b>(202,225)</b>	<b>73,038</b>	<b>20,871</b>	<b>(108,316)</b>
Cash and cash equivalents at beginning of year	370,186	208,035	514,032	1,092,253
<b>Cash and cash equivalents at end of year</b>	<b>\$ 167,961</b>	<b>\$ 281,073</b>	<b>\$ 534,903</b>	<b>\$ 983,937</b>
Cash and cash equivalents at end of year	\$ 167,961	\$ 281,073	\$ 534,903	\$ 983,937
Investments	237,899	398,109	757,629	1,393,637
<b>Cash, cash equivalents, and investments at end of year</b>	<b>\$ 405,860</b>	<b>\$ 679,182</b>	<b>\$ 1,292,532</b>	<b>\$ 2,377,574</b>
<b>Reconciliation of operating income to net cash flows from operating activities:</b>				
Operating income	\$ 669,271	\$ 1,539	\$ 182,358	\$ 853,168
Adjustments to reconcile operating income to net cash flows from operating activities:				
Depreciation expense	709,422	483,926	263,676	1,457,024
Changes in operating assets and liabilities				
Receivables	(40,226)	(66,058)	1,125	(105,159)
Accounts payable and accrued expenses	(22,613)	69,804	(33,620)	13,571
<b>Net cash flows from operating activities</b>	<b>\$ 1,315,854</b>	<b>\$ 489,211</b>	<b>\$ 413,539</b>	<b>\$ 2,218,604</b>

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

City of Evans  
Statement of Fiduciary Net Position  
Cemetery Endowment Fund  
December 31, 2014

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Assets	
Restricted cash and investments	\$ 49,467
Total assets	\$ 49,467
Net position	
Restricted	\$ 49,467
Total net position	\$ 49,467

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

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City of Evans  
Statement of Changes in Fiduciary Net Position  
Cemetery Endowment Fund  
Year Ended December 31, 2014

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Additions	
Earnings on investments	\$ 3,948
<hr/>	
Total additions	3,948
<hr/>	
Net change in net position	3,948
<hr/>	
Net position at beginning of year	45,519
<hr/>	
Net position at end of year	\$ 49,467
<hr/>	

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

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**City of Evans**  
**Notes to Financial Statements**  
**December 31, 2014**

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## 1. Summary of Significant Accounting Policies

### *Reporting Entity*

The City of Evans, Colorado (the “City”) was founded on November 22, 1869, as a statutory city. On April 30, 1973, the City adopted a home rule charter which provided for adoption of a Council-Manager Government. The City’s major operations include general government; public safety; public works; culture, parks and recreation; and community development. The accompanying financial statements conform to accounting principles generally accepted in the United States of America (“GAAP”) as applied to government units. The Governmental Accounting Standards Board (“GASB”) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant policies.

As defined by GAAP established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit’s governing board, and either, a) the ability to impose its will by the primary government, or b) there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government; or
- 2) Fiscal dependency on the primary government and there is a potential for the organization to provide specific benefits to, or impose specific financial burdens on the primary government regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government or (3) a jointly appointed board.

Based on the application of these criteria, the following component unit is included in the City’s reporting entity.

### *Blended Component Unit*

The Evans Urban Renewal Authority, known as the Evans Redevelopment Agency (“ERA”) was created by the City of Evans in 2009 to assist in the redevelopment of blighted and run-down neighborhoods and districts that were attracting little or no private investment and stimulate the transformation into attractive, thriving areas. The City Council serves as the Urban Renewal Authority and is governed by Colorado State Statutes. The activity for the ERA is reported as a blended component unit of the City, a major fund shown as the Evans Redevelopment Agency. Separate financial statements are not issued for the ERA.

### *Government-wide and Fund Financial Statements*

The government-wide financial statements report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or activity. Program revenues include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function

**City of Evans**  
**Notes to Financial Statements**  
**December 31, 2014**

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or activity. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

*Measurement Focus, Basis of Accounting, and Financial Statement Presentation*

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recognized when earned and expenses are recognized when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the enterprise funds and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues, rather than as program revenues. Likewise, general revenues include all taxes.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments and pollution remediation costs, are recorded only when payment is due.

Property taxes, when levied for; intergovernmental revenues, when eligibility requirements are met; charges for services; and interest associated with the current fiscal period, are all considered to be susceptible to accrual (measurable) and so have been recognized as revenues of the current fiscal period, if available. All others, primarily licenses, fees and permits, are measurable and available only when cash is received.

The City reports the following major governmental funds:

*General Fund* - The General Fund is the general operating fund of the City. It is used to account for all financial resources, except those required to be accounted for in another fund. In addition, the Emergency Contingency Reserve Fund, used for funds accumulated for emergency contingencies established by the City Charter, is also reported in this fund.

*Street Construction Fund* - The Street Construction Fund is a capital projects fund. It is used to manage the City's major assets, such as roadways, alleys, and public rights-of-way, through the on-going maintenance and repair of existing assets and the construction of new assets.

**City of Evans**  
**Notes to Financial Statements**  
**December 31, 2014**

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*Evans Redevelopment Agency* - The Evans Redevelopment Agency is a blended component unit, and reported as a special revenue fund. It reports the activities of the Evans Urban Renewal Authority.

Proprietary Funds - Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for services. Operating expenses for enterprise and internal service funds include the cost of operations and maintenance and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

*Enterprise Funds* - Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises, where the primary intent is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The City's major enterprise funds include the Water, Wastewater, and Storm Drainage Funds.

Fiduciary Funds - Trust and agency funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The City's trust fund is the Cemetery Endowment Fund.

### *Budgets*

The City follows these procedures in establishing the budgetary data reflected in the supplementary information.

- By October 15, the City Manager submits to the City Council, a proposed operating budget for the fiscal year beginning the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- A public hearing is conducted to obtain taxpayer comments.
- Prior to December 31, the budget is legally enacted through passage of a resolution.
- Any budget revisions that alter the total expenditures of any fund must be approved by the City Council through passage of an ordinance.
- The City legally adopts budgets for all of the funds. Budgets for the General, Special Revenue, Debt Service, Capital Projects and Fiduciary Funds are adopted on a basis consistent with GAAP. Budgetary comparisons presented for the Enterprise Funds are presented on a non-GAAP budgetary basis.
- Budgeted amounts in the financial statements are as originally adopted or as amended by the City Council. All appropriations lapse at year end.

**City of Evans**  
**Notes to Financial Statements**  
**December 31, 2014**

The following table summarizes the individual fund budgeted expenditures, as originally adopted, and as revised:

	Original Budget	Total Revisions	Revised Budget
<b>Governmental funds:</b>			
General	\$ 11,098,396	\$ 8,886,654	\$ 19,985,050
Special revenue funds:			
Parks Impact	-	200,000	200,000
Conservation Trust	-	30,000	30,000
Refuse Collection	627,200	23,000	650,200
Street Impact	520,000	359,000	879,000
Fire Impact	-	-	-
Cemetery Perpetual Care	-	75,000	75,000
Evans Redevelopment Agency	408,710	2,340,000	2,748,710
Debt service fund:			
G.O. Debt Service	-	-	-
Capital projects fund:			
Street Construction	1,708,000	1,095,318	2,803,318
Parks Construction	-	270,000	270,000
<b>Business-type funds:</b>			
Water	4,458,055	1,493,192	5,951,247
Wastewater	1,542,778	1,698,741	3,241,519
Storm Drainage	395,392	740,500	1,135,892
<b>Fiduciary fund:</b>			
Cemetery Endowment	6,000	-	6,000
<b>Total funds</b>	<b>\$ 20,764,531</b>	<b>\$ 17,211,405</b>	<b>\$ 37,975,936</b>

***Cash and Investments***

Cash balances of the City's funds are pooled and invested in investments maturing within five years, in order to provide improved cash management. Individual fund integrity is maintained through City records. Each fund's interest in the pooled bank account is presented on the financial statements as "equity in pooled cash, cash equivalents, and investments." Overdrawn balances in the pooled cash accounts, if any, are treated by the City as interfund liabilities, payable to the fund deemed to have made the loan.

During 2014, the City had investments in commercial paper, corporate bonds, U.S. treasury obligations, U.S. instrumentality obligations, and local government investment pools.

Investments are reported at fair value which is based on quoted market prices.

For purpose of presentation in the financial statements, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the City are considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

An analysis of the City's cash and investment accounts at December 31, 2014, is provided in Note 2.

**City of Evans**  
**Notes to Financial Statements**  
**December 31, 2014**

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*Restricted Cash*

The Emergency Contingency restricted cash, totaling \$1,000,000, as reported within the General Fund, is due to a reserve for unanticipated expenditures. The City, by Home Rule Charter, maintains a fund balance equal to 25% of the prior year's General Fund expenditures. The designation is to provide a fiscal cushion to absorb fluctuations in City operations due to economic downturns or emergencies. This designation encompasses the "emergency" reserve as defined in the TABOR amendment of the Colorado State Constitution. In the November 2012 election, the citizens of Evans approved a ballot initiative to provide for a ceiling of \$1 million in the Emergency Contingency Fund, allowing any amount exceeding this amount to be transferred to the General Fund. This ceiling was effective starting January 1, 2013.

The amount restricted in the Wastewater Fund, totaling \$279,745, is in compliance with the operation and maintenance reserve requirement of the loans from the Colorado Water Resource and Power Development Authority.

The amount restricted in the Water Fund, totaling \$864,323, is in compliance with the operation and maintenance reserve requirement of the loan from the Colorado Water Resource and Power Development Authority.

*Prepaid Items*

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. Because these assets do not represent current financial resources, these amounts are shown as nonspendable fund balance in governmental funds.

*Bond Premiums, Discounts and Issuance Costs*

In the governmental fund statements, bond premiums, discounts, and issuance costs are recognized as current period revenues and/or expenditures. Bond premiums and discounts in the government-wide and proprietary fund statements are deferred and amortized over the life of the bonds using the straight-line method, which approximates the effective-interest method. Issuance costs are expensed as incurred, while bond premiums and discounts are netted against the related debt.

*Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (i.e., streets and roads, bridges, traffic signals, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value on the date received.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

Assets are depreciated using the straight-line method. Depreciation expense is included in program expense in the government-wide statement of activities.

**City of Evans**  
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Estimated useful lives for asset types are as follows:

Intangible assets	10 years
Land improvements	5 - 50 years
Infrastructure	10 - 30 years
Buildings and improvements	5 - 50 years
Machinery and equipment	5 - 20 years
Transportation equipment	6 - 15 years
System Improvements	5 - 40 years

*Compensated Absences*

Employees of the City are allowed to accumulate unused vacation, sick and compensatory time depending on length of employment. Upon termination of employment from the City, an employee will be compensated for all accrued vacation and compensatory time at their current rate of pay; there is no payment for sick leave upon termination.

Accumulated unpaid vacation and compensatory time is accrued when earned. In the governmental fund statements, accumulated compensated absences not expected to be paid with current available resources are reported as governmental activities liabilities, but not reported in the funds. These balances are generally liquidated by the General Fund. Compensated absences relating to the Enterprise Funds are recorded as a liability of those funds.

*Long-Term Obligations*

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund statement of net position. Bonds payable are reported net of the applicable bond premium or discount.

*Property Taxes*

Property taxes are levied prior to December 31 and attach as an enforceable lien on property on January 1. Taxes are payable in full on April 30 or in two installments on the last day of February and June 15. The County Treasurer's office collects property taxes and remits to the City on a monthly basis. Since property tax revenues are collected in arrears during the succeeding year, a receivable and corresponding deferred revenue is recorded at December 31. As the tax is collected in the succeeding year, the deferred revenue is recognized as revenue and the receivable is reduced.

*Fund Balance and Net Position*

In the government-wide and proprietary fund financial statements, net position is classified in the following categories:

*Net Investment in Capital Assets* - This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce this category.

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Restricted Net Position - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position - This category represents the net position of the City, which is not restricted for any project or other purpose. A deficit will require future funding.

In the fund financial statements, fund balances of governmental funds are categorized as follows:

Nonspendable - amounts that cannot be spent either because they are not in spendable form or because they are legally or contractually required to be maintained intact.

Restricted - amounts that can be spent only for specific purposes because of constitutional provisions, charter requirements or enabling legislation or because of constraints that are externally imposed by creditors, grantors, or the laws or regulations of other governments.

Committed - amounts that can be used only for specific purposes determined by a formal action of the City Council (the "Council"). The Council is the highest level of decision making authority for the City. Commitments may be established, modified, or rescinded only through resolutions approved by the Council.

Assigned - amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Under the Council's adopted policy, the Council has granted the City Manager, or the City Manager's designee, the authority to assign the designated fund balance for each governmental fund based on the intended use of resources by the City Council in the most recently adopted Budget and Long Range Financial Plans.

Unassigned - all other spendable amounts.

When an expenditure is incurred for purposes for which both restricted and unrestricted resources are available, it is the City's policy to use restricted resources first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City has provided otherwise in its commitment or assignment actions.

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As of December 31, 2014, fund balances are composed of the following:

	General Fund	Street Construction Fund	Evans Redevelopment Agency	Nonmajor Governmental Funds	Total Governmental Funds
<b>Nonspendable:</b>					
Prepaid items	\$ 197,651	\$ -	\$ -	\$ -	\$ 197,651
<b>Restricted:</b>					
Emergency reserve	1,000,000	-	-	-	1,000,000
Parks and recreation	-	-	-	513,606	513,606
<b>Committed:</b>					
Surcharge fees	268,815	-	-	-	268,815
Street construction	-	-	-	40,795	40,795
<b>Assigned:</b>					
Special revenue funds	-	-	103,920	4,315,962	4,419,882
Street construction	-	1,534,689	-	-	1,534,689
<b>Unassigned:</b>					
	7,801,182	-	-	-	7,801,182
<b>Total</b>	<b>\$ 9,267,648</b>	<b>\$ 1,534,689</b>	<b>\$ 103,920</b>	<b>\$ 4,870,363</b>	<b>\$ 15,776,620</b>

*Accounting Estimates*

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**2. Cash and Investments**

A summary of deposits and investments as of December 31, 2014, follows:

Petty cash	\$ 1,967
Cash with county treasurer	7,576
Cash deposits	4,139,169
Investments	14,025,672
<b>Total</b>	<b>\$ 18,174,384</b>

**City of Evans**  
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The above amounts are classified in the statements of net position and fiduciary net position as follows:

<b>Restricted cash and investments:</b>	
Governmental activities	\$ 1,000,000
Business-type activities	1,144,068
Fiduciary funds	49,467
<b>Unrestricted cash and investments:</b>	
Governmental activities	13,603,275
Business-type activities	2,377,574
<b>Total cash and investments</b>	<b>\$ 18,174,384</b>

*Cash Deposits*

*Custodial Credit Risk*

This is the risk that, in the event of failure of a depository financial institution, a government will not be able to recover its deposits. The City's deposit policy is in accordance with CRS 11-10.5-101, the Colorado Public Deposit Protection Act ("PDPA"), which governs the investment of public funds. PDPA requires that all units of local governments deposit cash in eligible public depositories. Eligibility is determined by state regulations. Amounts on deposit in excess of federal insurance levels must be collateralized by eligible collateral as determined by the PDPA. The financial institution is allowed to create a single collateral pool for all public funds held. The pool is maintained by another institution, or held in trust for all of the uninsured public deposits as a group. The market value of the collateral must be at least equal to 102% of the uninsured deposits. The institution's internal records identify collateral by depositor and as such, these deposits are considered uninsured but collateralized. The State Regulatory Commissions for banks and financial services are required by statute to monitor the naming of eligible depositories and reporting of the uninsured deposits and assets maintained in the collateral pools. At December 31, 2014, the City had deposits with financial institutions with a carrying amount of \$4,139,169. The bank balances with the financial institutions were \$4,588,795, of which \$641,135 was covered by federal depository insurance. The remaining balance of \$3,947,660 was collateralized with securities held by the financial institutions' agents but not in the City's name.

*Investments*

*Credit Risk*

The City's investment policy defines allowable investments instruments including:

- U.S. Treasury obligations
- U.S. instrumentality obligations
- Certificates of deposit
- Corporate bonds rated at lower than AA- by at least two nationally recognized rating agencies
- Repurchase agreements
- Investment grade obligations of state, county and local governments and public authorities Money market mutual funds regulated by the Securities and Exchange Commission whose portfolios consist of only dollar denominated securities
- Local government investment pools

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The City manages its credit risk by limiting its investments to the types of securities listed above, by pre-qualifying the financial institutions, brokers/dealers, intermediaries, and advisors, and by diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

At December 31, 2014, the City had the following investments:

Investments	S&P Rating	Moody Rating	Fair Value	Weighted Average Maturity Date (in days)	Concentration of Credit Risk
US Treasury	AAA	Aaa	\$ 2,530,658	347	18.04%
US Instrumentality	AAA	Aaa	4,624,129	1,005	32.97%
Certificates of deposit	NR	NR	200,000	11	1.43%
Commercial Paper	A-1	NR	499,855	14	3.56%
Corporate Bonds	AA-/AA+	AA1/AA3	2,017,415	472	14.38%
CSAFE	AAAm	Aaa	2,136	N/A	0.02%
ColoTrust	AAAm	Aaa	4,151,479	N/A	29.60%
<b>Total investments</b>			<b>\$ 14,025,672</b>		

As of December 31, 2014, the City has invested funds in ColoTrust and CSAFE, investment pools that operate under the Colorado Revised Statutes (24-75-701) which are overseen by the Colorado Securities Commissioner. These investment pools invest in securities that are specified by Colorado Revised Statutes (24-75-601). Authorized securities include U.S. Treasuries, U.S. Agencies, commercial paper (rated A1 or better) and bank deposits (collateralized through PDPA). The pools operate similar to a money market fund with a share value equal to \$1.00 and a maximum weighted average maturity of 60 days.

***Interest Rate Risk***

Colorado state statutes require that no investment may have a maturity in excess of five years from the date of purchase, unless an available active market exists. The City has a formal investment policy, consistent with statutory requirements, that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. The City's investment portfolio does not contain investments that exceed that limitation of five years.

***Custodial Credit Risk - Investments***

For an investment, custodial credit risk is the risk that, in the event of the failure of the counter party, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City Council approves a list of financial institutions and depositories authorized to provide investment services. Security broker/dealers must have a minimum capital requirement of \$10,000,000 and at least five years of operation.

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**3. Receivables**

Receivables at December 31, 2014, consist of the following:

Receivables	General	Special Revenue	Capital Projects	Enterprise	Total
Taxes	\$ 378,633	\$ -	\$ -	\$ -	\$ 378,633
Accounts	113,031	65,374	154,183	493,529	826,117
Intergovernmental	1,225,354	-	76,874	109,778	1,412,006
Other	786,719	-	-	158,864	945,583
<b>Total</b>	<b>\$ 2,503,737</b>	<b>\$ 65,374</b>	<b>\$ 231,057</b>	<b>\$ 762,171</b>	<b>\$ 3,562,339</b>

**4. Capital Assets**

A summary of changes in governmental activity capital assets is as follows:

	Beginning Balance	Increases	(Decreases) Transfers	Ending Balance
<b>Capital assets, not being depreciated:</b>				
Land	\$ 4,697,688	\$ 2,454,162	\$ -	\$ 7,151,850
Landscaping	1,214,869	-	-	1,214,869
Construction in progress	1,811,848	2,531,679	(298,460)	4,045,067
<b>Total capital assets, not being depreciated</b>	<b>7,724,405</b>	<b>4,985,841</b>	<b>(298,460)</b>	<b>12,411,786</b>
<b>Capital assets, being depreciated:</b>				
Intangible assets	88,247	49,000	-	137,247
Land improvements	3,009,121	122,365	-	3,131,486
Infrastructure	11,844,764	363,754	-	12,208,518
Buildings and improvements	8,246,310	-	-	8,246,310
Machinery and equipment	1,683,868	128,473	-	1,812,341
Transportation equipment	1,397,626	210,365	(31,496)	1,576,495
<b>Total capital assets, being depreciated</b>	<b>26,269,936</b>	<b>873,957</b>	<b>(31,496)</b>	<b>27,112,397</b>
<b>Less accumulated depreciation for:</b>				
Intangible assets	(31,741)	(18,479)	-	(50,220)
Land improvements	(1,548,682)	(158,224)	-	(1,706,906)
Infrastructure	(3,056,103)	(489,561)	-	(3,545,664)
Buildings and improvements	(2,526,350)	(205,645)	-	(2,731,995)
Machinery and equipment	(1,461,224)	(162,177)	-	(1,623,401)
Transportation equipment	(1,053,479)	(121,055)	23,553	(1,150,981)
<b>Total accumulated depreciation</b>	<b>(9,677,579)</b>	<b>(1,155,141)</b>	<b>23,553</b>	<b>(10,809,167)</b>
<b>Total capital assets, being depreciated, net</b>	<b>16,592,357</b>	<b>(281,184)</b>	<b>(7,943)</b>	<b>16,303,230</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 24,316,762</b>	<b>\$ 4,704,657</b>	<b>\$ (306,403)</b>	<b>\$ 28,715,016</b>

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Depreciation for governmental activity capital assets has been allocated to the various activities as follows:

General government	\$ 462,056
Public safety	98,187
Public works	548,693
Culture, parks and recreation	11,551
Community development	34,654
<b>Total depreciation expense - governmental activities</b>	<b>\$ 1,155,141</b>

A summary of changes in business-type activity capital assets is as follows:

	Beginning Balance	Increases	(Decreases)	Ending Balance
<b>Capital assets, not being depreciated:</b>				
Investment in Greeley water	\$ 7,802,013	\$ -	\$ -	\$ 7,802,013
Water rights	25,755,155	-	-	25,755,155
Land	74,002	-	-	74,002
Construction in progress	2,537,350	867,979	(15,439)	3,389,890
<b>Total capital assets, not being depreciated</b>	<b>36,168,520</b>	<b>867,979</b>	<b>(15,439)</b>	<b>37,021,060</b>
<b>Capital assets, being depreciated:</b>				
System improvements	45,226,265	65,366	-	45,291,631
Machinery and equipment	1,347,499	68,200	-	1,415,699
Buildings and improvements	784,950	85,440	-	870,390
Intangible assets	21,207	-	-	21,207
Infrastructure	443,949	-	-	443,949
<b>Total capital assets, being depreciated</b>	<b>47,823,870</b>	<b>219,006</b>	<b>-</b>	<b>48,042,876</b>
<b>Less accumulated depreciation for:</b>				
System improvements	(15,262,241)	(1,359,584)	-	(16,621,825)
Machinery and equipment	(1,128,436)	(46,605)	-	(1,175,041)
Buildings and improvements	(454,314)	(38,516)	-	(492,830)
Intangible assets	(10,082)	(2,119)	-	(12,201)
Infrastructure	(66,111)	(10,200)	-	(76,311)
<b>Total accumulated depreciation</b>	<b>(16,921,184)</b>	<b>(1,457,024)</b>	<b>-</b>	<b>(18,378,208)</b>
<b>Total capital assets, being depreciated, net</b>	<b>30,902,686</b>	<b>(1,238,018)</b>	<b>-</b>	<b>29,664,668</b>
<b>Business-type activities capital assets, net</b>	<b>\$67,071,206</b>	<b>\$ (370,039)</b>	<b>\$ (15,439)</b>	<b>\$66,685,728</b>

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Depreciation for business-type activity capital assets has been allocated to the various operations as follows:

Water enterprise	\$ 709,422
Wastewater enterprise	483,926
Drainage enterprise	263,676
<b>Total depreciation expense - business - type activities</b>	<b>\$ 1,457,024</b>

**5. Long-Term Debt**

*Governmental Activities Debt*

Following is a summary of governmental activity debt transactions for the year ended December 31, 2014:

	Beginning Balance	Additions	Reductions	Ending Balance	Due in One Year
<b>Governmental activities:</b>					
Capital lease obligation	\$ 2,575,000	\$ -	\$ (230,000)	\$ 2,345,000	\$ 235,000
Compensated absences	254,947	125,804	(90,013)	290,738	-
<b>Total long-term debt</b>	<b>\$ 2,829,947</b>	<b>\$ 125,804</b>	<b>\$ (320,013)</b>	<b>\$ 2,635,738</b>	<b>\$ 235,000</b>

During 2013, the City entered into a capital lease obligation dated August 26, 2013, maturing on December 1, 2023, with semiannual interest and annual principal payments through December 1, 2023. The interest rate is 2.31%. Proceeds from the capital lease will be used to provide funds for the acquisition, construction, and equipping of the Riverside Library and Cultural Center, a joint project of the City and the High Plains Library District.

The following table represents the future debt service requirements on the governmental activity debt.

Year Ending December 31	Principal	Interest	Total
2015	\$ 235,000	\$ 54,170	\$ 289,170
2016	245,000	48,742	293,742
2017	250,000	43,082	293,082
2018	255,000	37,306	292,306
2019	260,000	31,416	291,416
2020 - 2023	1,100,000	64,334	1,164,334
<b>Total</b>	<b>\$ 2,345,000</b>	<b>\$ 279,050</b>	<b>\$ 2,624,050</b>

**City of Evans**  
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***Business-Type Activities Debt***

Following is a summary of business-type activity debt transactions for the year ended December 31, 2014:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due in One Year
Wastewater - Colorado Water Resources and Power Development Authority ("CWRPDA") note payable (4/98)	\$ 346,273	\$ -	\$ (64,927)	\$ 281,346	\$ 64,926
Wastewater - CWRPDA note payable (11/98)	146,656	-	(24,065)	122,591	25,162
Water - CWRPDA note payable (2013)	1,500,000	-	(90,789)	1,409,211	156,579
Compensated absences	89,150	48,329	(53,213)	84,266	-
<b>Total long term debt</b>	<b>\$2,082,079</b>	<b>\$ 48,329</b>	<b>\$ (232,994)</b>	<b>\$ 1,897,414</b>	<b>\$246,667</b>

During 1998, the City issued two notes payable with the CWRPDA. The City has pledged future wastewater revenues, net of specified operating expenses, to repay approximately \$1.5 million in wastewater system revenue bonds issued in 1998. Proceeds from the bonds provided financing for the construction and maintenance of the headworks facility at the wastewater treatment facility. The bonds bear interest between 4.00% and 4.50%. The bonds are payable solely from wastewater net revenues and are payable through 2019. Annual principal and interest payments on the bonds are expected to require less than 25 percent of specified net budgeted revenues. The total principal remaining to be paid on the bonds is \$403,937. Principal and interest paid for the current year and specified net budget revenues were \$108,626 and \$119,489, respectively.

During 2013, the City entered into a loan agreement with the CWRPDA for a principal amount of \$1,500,000. The loan does not accrue interest and is payable in semi-annual principal payments beginning on May 1, 2014 with a maturity date of November 1, 2023. Imputed interest for this loan was deemed to not be material and thus is not recorded. The loan is secured by the net revenues of the ownership and operation of the water treatment system, as defined with the agreement. As of December 31, 2014, the City had drawn down \$578,642 from this loan. The remaining amount available of \$921,358 to be received is reflected as loan proceeds receivable in the accompanying statement of net position.

The following is a summary of the future debt service requirements for the City's business-type activity notes payable:

Year Ending December 31	Principal	Interest	Total
2015	\$ 246,667	\$ 16,960	\$ 263,627
2016	253,221	14,119	267,340
2017	253,453	9,744	263,197
2018	262,047	5,067	267,114
2019	171,444	334	171,778
2020 - 2023	626,316	-	626,316
<b>Total</b>	<b>\$ 1,813,148</b>	<b>\$ 46,224</b>	<b>\$ 1,859,372</b>

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**6. Interfund Transfers**

The following table summarizes interfund transfers for the year ended December 31, 2014:

	General Fund	Water Fund	Wastewater Fund	Storm Drainage	Nonmajor Governmental Funds	Total
<b>Transfers In:</b>						
General Fund	\$ -	\$ 616,285	\$ 398,040	\$ 126,287	\$ 32,755	\$ 1,173,367
Street Construction Fund	757,100	-	-	-	-	757,100
Evans Redevelopment Agency	1,684,114	-	-	-	-	1,684,114
Nonmajor Governmental Funds	1,319,474	-	-	-	-	1,319,474
<b>Total</b>	<b>\$ 3,760,688</b>	<b>\$ 616,285</b>	<b>\$ 398,040</b>	<b>\$ 126,287</b>	<b>\$ 32,755</b>	<b>\$ 4,934,055</b>

Transfers are used to reimburse the General Fund for indirect costs associated with administrative and operational support related to providing water, wastewater, storm drainage, and refuse services to citizens.

**7. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees, or acts of God. The City maintains commercial insurance to address these risks of loss. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

The City has a self-funded dental insurance arrangement. The insurance coverage is substantially the same as in prior fiscal years. The City is self-insured for its dental benefits through its General Fund for employees which range from \$0 to \$543 per employee per year depending on the level of coverage selected. The maximum claim liability for 2014 was \$146,000. Expenditures are charged to the General Fund as this is the fund in which the employees' payroll expenditure is charged at the maximum amount per level of coverage.

Claims processing and payments for the dental claims are made through a third-party administrator. The City uses the information provided by the third-party administrator to aid in the determination of self-insurance liabilities. Amounts due in the future year on claims as of December 31, 2014 are recognized as a current liability in the statement of net position.

	Claims Premium Liability at Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Claims and Premium Liability at End of Year
Fiscal Year 2014	\$ 9,757	\$ 27,406	\$ 28,244	\$ 8,919

**8. Retirement Commitments**

*General Employees Defined Contributions Plan*

Effective January 1, 1985, the City and its employees elected to adopt a defined contribution pension plan called the City of Evans Saving Plan (the "Plan"). In a defined contribution plan, benefits depend solely on amounts contributed to the plan plus investment earnings. All regular, full-time employees who have been employed at least one year are eligible to participate in the Plan.

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The City's contribution to the Plan is as follows:

Employee Contribution	Employer Contribution
0%	3%
1%	4%
2%	5%
3%	6%
4% or More	7%

Employee contributions vest immediately. Employees will be vested in employer contributions according to the following schedule:

1 year on plan	30% vested
2 years on plan	60% vested
3 years on plan	100% vested

The City's total payroll for the year ended December 31, 2014 was \$6,123,518. The City's contributions to the plan for the years ending December 31, 2014, 2013, and 2012 were \$267,824, \$251,279, and \$289,862, respectively.

*State of Colorado Fire and Police Pension Association - Defined Benefit Plan*

The City contributes to the Statewide Defined Benefit Plan ("SWDB"), a cost sharing multiple-employer defined benefit pension plan administered by the Colorado Fire and Police Pension Association ("FPPA"). The SWDB plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for plan members hired prior to January 1, 1997 through the Statewide Death and Disability Plan, which is also administered by the Colorado Fire and Police Pension Association.

In May of 2005, police officers were allowed to opt into this defined benefit (see discussion contained in Statewide Hybrid Plan.)

Colorado Statutes assign the authority to establish benefit provisions to the state legislature. FPPA issues a publicly available annual financial report that includes financial statements and required supplementary information for the SWDB and the Statewide Death and Disability Plan. That report may be obtained by calling FPPA at 303-770-3772 in the Denver Metro area and 1-800-332-FPPA (3772) from outside the metro area.

The contribution requirements of plan members and the City are established by State statute. The contribution rate is 8% of covered salary for all plan members and 8% for the City, with the exception of police department plan members prior to May, 2005 when plan changes took effect. These police member contributions are at 12% with the City's contribution at 8%. The City contributions to the SWDB for the years ending December 31, 2014, 2013, and 2012 were \$9,133, \$9,123, and \$70,175, respectively, equal to the required contribution.

**City of Evans**  
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*State of Colorado Fire and Police Pension Association - Defined Contribution Plan*

The City contributes to the Statewide Defined Contribution Plan (“SWDC”), a cost sharing multiple-employer defined contribution pension plan administered by the FPPA. The SWDC plan provides retirement benefits for members and beneficiaries. Death and disability coverage is provided for plan members through the SWDC plan, which is also administered by the FPPA. The paid police chief and paid police officers of the City are members of the SWDB and the Statewide Death and Disability Plan. In a defined contribution plan, benefits depend solely on amounts contributed to the plan, plus investment earnings.

The contribution requirements of plan members and the City are established by State statute. The contribution rate is 8% of covered salary for all plan members and 8% for the City. The City contributions to the SWDC plan for the years ending December 31, 2014, 2013, and 2012 were \$29,045, \$28,382, and \$30,836, respectively, equal to the required contribution.

*State of Colorado Fire and Police Pension Association - Statewide Hybrid Plan*

Effective May 1, 2005, the City joined the Statewide Hybrid Plan (“SWH”) offered by the FPPA on behalf of its full time sworn police officers. The SWH plan was established under the authority granted by CRS. 31-31-1102. The plan is a combination of a defined benefit plan and a defined contribution plan. It is a qualified retirement plan under Section 401(a) of the Internal Revenue Code of 1986 and is a cost-sharing multiple employer plan. Under a hybrid plan, the benefit at retirement comes from both sources.

The SWH offers a combination of a defined benefit component and money purchase component with a base contribution rate of 8% from the City and 8% from the member. Members of the plan on the effective date of entry could elect to participate in both components of the plan or the money purchase component only. The City also elected to offer pre-existing police members the option to participate in the SWDB plan at a member contribution rate of 12%. The members also have the ability to make voluntary contributions towards the money purchase portion of the plan and to purchase additional years of service. The Plan has a five year pro-rated vesting schedule. For the years ended December 31, 2014, 2013, and 2012, the City made the required contributions of \$126,043, \$120,748, and \$113,879, respectively.

The Money Purchase portion of the SWH plan is a defined contribution plan, whereby an account is established in the member’s name that is self directed and final benefits are determined by the total amount of employee and employer contributions and related earnings and losses on those investments. The defined benefit portion of the SWH will provide a defined benefit upon retirement. Each member was provided a “Retirement Plan Comparison” of the benefits under the SWDB plan, the SWH Plan combined benefit, and the SWH plan money purchase component only benefit, in order to elect the type of coverage that was most beneficial under their circumstances.

The FPPA board on an annual basis determines the allocation of mandatory contributions between the money purchase component and the defined benefit component of the SWH plan. As of the effective date of the plan, the mandatory contribution of 16% was allocated, 14% to the defined benefit portion of the plan and 2% was allocated to the money purchase portion. Also in the SWDB plan, the FPPA board has the ability to adjust the retirement age up to age 60, in order to maintain the actuarial soundness of the plan. Under the SWDB plan, normal retirement is defined as age 55 and 25 years of service, with a retirement benefit of 1.5% per year of service. The benefit is calculated on the average of the members’ highest three years’ base salary. There are also provisions for deferred retirement, early retirement and vested retirement at any age after completion of five years of service.

**City of Evans**  
**Notes to Financial Statements**  
**December 31, 2014**

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*Deferred Compensation Plan*

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is administered by the International City Managers Association Retirement Corporation. The plan is available to the City Manager and Directors. The plan allows its participants to defer a portion of their current salary to all future years. Participation in the plan is optional. The deferred compensation is not available to the participants until termination, retirement, death, or an unforeseeable emergency occurs. The plan assets are held in trust for the benefit of the employee and therefore not reflected on the financial statements of the City. The City contributes 3% of the City Manager's gross income and also matches the City Manager's contributions up to a maximum of 4% into the plan. The City's contributions to the plan for the years ending December 31, 2014, 2013 and 2012 were \$3,867, \$3,728, and \$3,583, respectively.

**9. Rate Maintenance**

The 1998 Colorado Water Resources and Power Development Authority loan agreements (Wastewater Fund and Water Funds) require that net revenues, as defined, shall represent a sum equal to 110% of the amount necessary to pay, when due, the principal and interest on the loan. The following table shows these calculations and that the City is in compliance with these requirements.

<b>Wastewater Fund</b>	
2014 Gross revenues	\$ 1,601,207
2014 Operation and maintenance expense	702,800
<hr/>	
Net revenues as defined in 1998	
CWRPDA loan agreement	898,407
110% of 1998 loan debt service	(119,489)
<hr/>	
Amount 2014 net revenue exceeded the 1998 loan requirements	\$ 778,918
<hr/>	
<b>Water Fund</b>	
2014 Gross revenues	\$ 4,753,184
2014 Operation and maintenance expense	3,052,218
<hr/>	
Net revenues as defined in 2013	
CWRPDA loan agreement	1,700,966
110% of 2013 loan debt service	(99,868)
<hr/>	
Amount 2014 net revenue exceeded the 2013 loan requirements	\$ 1,601,098
<hr/>	

**City of Evans**  
**Notes to Financial Statements**  
**December 31, 2014**

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## 10. Commitments and Contingencies

### *TABOR Reserves*

In November 1992, Colorado voters passed the TABOR Amendment (the “Amendment”) to the State Constitution which limits state and local government tax powers and imposes spending limitations. Fiscal year 1993 provides the basis for limits in future years to which may be applied allowable increases for inflation and local growth. Revenue received in excess of the limitations may be required to be refunded unless the City’s electorates vote to retain the revenue.

On April 5, 1994, the voting citizens of the City of Evans authorized the City (retroactive to January 1, 1993) to collect, retain, and expend all revenues, notwithstanding any state restrictions of fiscal year spending. This effectively removed all revenue and spending limits imposed by the Amendment. The City did not increase or incur any new tax or bonded debt in 2014.

The City’s Home Rule Charter provision requires an Emergency Contingency Reserve Fund, reported in the General Fund in 2014, that shall maintain a balance equal to 5% of the budgeted General Fund revenues, until such fund is equal in amount to 25% of the prior year’s General Fund expenditures. In 2014, 5% of budgeted revenues were \$2,462,254 less than 25% of the prior year’s General Fund expenditures. In the November 2012 election, the citizens of Evans approved a ballot initiative to provide for a ceiling of \$1 million in the Emergency Contingency Fund, allowing any amount exceeding this amount to be transferred to the General Fund. This ceiling was effective starting January 1, 2013.

### *Litigation*

At times, the City may be subject to various claims and legal proceedings covering a wide range of matters that arise in the ordinary course of business. Management believes that any liability that may ultimately result from the resolution of these matters will not have a material adverse effect on the financial condition or results of operations of the City.

### *Grants*

The City participated in numerous State and Federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent the City has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at December 31, 2014, may be impaired. In the opinion of the City, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

## 11. Related Party Transactions

The City has entered into an intergovernmental agreement (“IGA”) with the Evans Fire Protection District (the “District”) to provide financial support to the District until the District received sufficient revenue to support its operations. In order to provide for the funding of District operations as required in the IGA, the City paid the District \$448,918 in 2014. Finally, the District paid \$102,107 to the City for administrative services provided, including human resources, risk management, payroll, finance, and insurance.

**City of Evans**  
**Notes to Financial Statements**  
**December 31, 2014**

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## 12. Riverside Library and Cultural Center

The City has entered into an IGA with the High Plains Public Library District (“HPLD”) for the acquisition of property and construction of shared facilities for public, municipal and/or commercial purposes. This project is known as the Riverside Library and Cultural Center. In accordance with this IGA, the City will provide real property on which the project is to be constructed and the City and HPLD will share the construction costs based on the number of square feet of the project to be owned by each party. An ownership agreement was also entered into relating to the Center; under the agreement the City will own 40% of the Center and the HPLD will own the remaining 60%. The balance remaining to finish the Center as of December 31, 2014 was approximately \$309,000, of which the City is responsible for 40%, or approximately \$123,600.

## 13. Subsequent Events

The City has evaluated subsequent events through **May 5, 2015** the date which the financial statements were available to be issued. There were no material subsequent events that required recognition or additional disclosure.

Required Supplementary Information

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**City of Evans**  
**Schedule of Revenues, Expenditures and Changes in Fund**  
**Balances (Budget and Actual) - General Fund**  
**Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u> Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Taxes	\$ 7,113,338	\$ 7,971,555	\$11,499,313	\$ 3,527,758
Licenses and permits	764,600	764,600	1,037,886	273,286
Intergovernmental	1,186,400	1,186,400	1,422,776	236,376
Grants and contributions				
Grants - flood	-	665,136	172,275	(492,861)
Other	-	1,066,860	802,438	(264,422)
Charges for services	306,570	306,570	399,019	92,449
Fines and forfeitures	405,000	405,000	446,731	41,731
Earnings on investments	49,138	49,138	43,642	(5,496)
Miscellaneous	80,000	130,568	152,109	21,541
<b>Total revenues</b>	<b>9,905,046</b>	<b>12,545,827</b>	<b>15,976,189</b>	<b>3,430,362</b>
<b>Expenditures</b>				
General government	2,767,958	3,267,129	3,049,160	217,969
Public safety	3,975,636	4,041,501	3,914,185	127,316
Public works	1,533,091	1,471,683	1,354,940	116,743
Culture, parks and recreation	1,146,748	1,185,249	1,256,374	(71,125)
Community development	531,020	994,520	648,299	346,221
Flood recovery	-	1,557,922	608,415	949,507
Debt service	289,483	289,483	289,483	-
Capital outlay	349,960	3,421,489	2,831,994	589,495
<b>Total expenditures</b>	<b>10,593,896</b>	<b>16,228,976</b>	<b>13,952,850</b>	<b>2,276,126</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(688,850)</b>	<b>(3,683,149)</b>	<b>2,023,339</b>	<b>5,706,488</b>
<b>Other financing sources (uses)</b>				
Transfers out	(504,500)	(3,756,074)	(3,760,688)	(4,614)
Transfers in	1,235,444	1,235,444	1,173,367	(62,077)
<b>Total other financing sources (uses)</b>	<b>730,944</b>	<b>(2,520,630)</b>	<b>(2,587,321)</b>	<b>(66,691)</b>
<b>Net change in fund balance</b>	<b>\$ 42,094</b>	<b>\$ (6,203,779)</b>	<b>(563,982)</b>	<b>\$ 5,639,797</b>
Fund balance at beginning of year			9,831,630	
Fund balance at end of year			<u>\$ 9,267,648</u>	

*See accompanying Independent Auditor's Report.*

**City of Evans**  
**Schedule of Revenues, Expenditures and Changes in Fund**  
**Balances (Budget and Actual) - Evans Redevelopment Agency**  
**Year Ended December 31, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Miscellaneous revenue	\$ -	\$ 27,500	\$ 92,690	\$ 65,190
<b>Total revenues</b>	<b>-</b>	<b>27,500</b>	<b>92,690</b>	<b>65,190</b>
<b>Expenditures</b>				
Community development	408,710	408,710	293,481	115,229
Capital outlay	-	2,340,000	2,331,935	8,065
<b>Total expenditures</b>	<b>408,710</b>	<b>2,748,710</b>	<b>2,625,416</b>	<b>123,294</b>
<b>Other financing sources</b>				
Transfers in	408,710	1,768,710	1,684,114	(84,596)
<b>Total other financing sources</b>	<b>408,710</b>	<b>1,768,710</b>	<b>1,684,114</b>	<b>(84,596)</b>
<b>Net change in fund balance</b>	<b>\$ -</b>	<b>\$ (952,500)</b>	<b>(848,612)</b>	<b>\$ 103,888</b>
Fund balance at beginning of year			952,532	
Fund balance at end of year			<b>\$ 103,920</b>	

*See accompanying Independent Auditor's Report.*

Other Supplementary Information  
Combining and Individual Nonmajor Fund Statements and  
Schedules

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**City of Evans**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2014**

	Parks Impact	Conservation Trust	Fire Impact	Refuse Collection
<b>Assets</b>				
Equity in pooled cash, cash equivalents, and investments	\$ 1,473,200	\$ 513,606	\$ 271,678	\$ 400,103
Receivables	-	-	-	61,149
<b>Total assets</b>	<b>\$ 1,473,200</b>	<b>\$ 513,606</b>	<b>\$ 271,678</b>	<b>\$ 461,252</b>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 91,281
Other liabilities	106,000	-	-	-
Unearned revenue	-	-	-	400
<b>Total liabilities</b>	<b>106,000</b>	<b>-</b>	<b>-</b>	<b>91,681</b>
<b>Fund Balances</b>				
Restricted	-	513,606	-	-
Committed	-	-	-	-
Assigned	1,367,200	-	271,678	369,571
<b>Total fund balances</b>	<b>1,367,200</b>	<b>513,606</b>	<b>271,678</b>	<b>369,571</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,473,200</b>	<b>\$ 513,606</b>	<b>\$ 271,678</b>	<b>\$ 461,252</b>

Street Impact	Parks Construction	Cemetery Perpetual Care	G.O. Debt Service	Total
\$ 1,112,067	\$ 1,162,148	\$ 88,235	\$ -	\$ 5,021,037
-	36,795	-	-	97,944
\$ 1,112,067	\$ 1,198,943	\$ 88,235	\$ -	\$ 5,118,981
\$ -	\$ 50,937	\$ -	\$ -	\$ 142,218
-	-	-	-	106,000
-	-	-	-	400
-	50,937	-	-	248,618
-	-	-	-	513,606
40,795	-	-	-	40,795
1,071,272	1,148,006	88,235	-	4,315,962
1,112,067	1,148,006	88,235	-	4,870,363
\$ 1,112,067	\$ 1,198,943	\$ 88,235	\$ -	\$ 5,118,981

*See accompanying Independent Auditor's Report.*

**City of Evans**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**Year Ended December 31, 2014**

	Parks Impact	Conservation Trust	Fire Impact	Refuse Collection
<b>Revenues</b>				
Intergovernmental	\$ -	\$ 187,298	\$ -	\$ -
Licenses and permits	-	-	-	800
Grants and contributions				
Grants - flood	-	-	-	18,297
Other	-	-	-	-
Charges for services	-	-	-	654,700
Earnings on investments	6,067	1,651	1,122	1,436
Assessments	151,140	-	34,199	-
Miscellaneous	-	3,140	-	-
<b>Total revenues</b>	<b>157,207</b>	<b>192,089</b>	<b>35,321</b>	<b>675,233</b>
<b>Expenditures</b>				
Public works	-	-	-	604,409
Community development	-	-	-	-
Flood recovery	-	-	-	10,626
Capital outlay	-	-	-	-
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>615,035</b>
<b>Excess of revenues over expenditures</b>	<b>157,207</b>	<b>192,089</b>	<b>35,321</b>	<b>60,198</b>
<b>Other financing sources (uses)</b>				
Transfers in	-	-	-	-
Transfers out	-	-	-	(32,755)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(32,755)</b>
<b>Net changes in fund balances</b>	<b>157,207</b>	<b>192,089</b>	<b>35,321</b>	<b>27,443</b>
<b>Fund balance at beginning of year</b>	<b>1,209,993</b>	<b>321,517</b>	<b>236,357</b>	<b>342,128</b>
<b>Fund balance at end of year</b>	<b>\$ 1,367,200</b>	<b>\$ 513,606</b>	<b>\$ 271,678</b>	<b>\$ 369,571</b>

Street Impact	Parks Construction	Cemetery Perpetual Care	G.O. Debt Service	Total
\$ -	\$ -	\$ -	\$ -	\$ 187,298
-	-	-	-	800
-	15,478	-	-	33,775
-	36,795	-	-	36,795
-	-	-	-	654,700
4,705	-	382	-	15,363
114,072	-	2,220	-	301,631
-	-	-	-	3,140
118,777	52,273	2,602	-	1,233,502
-	-	-	-	604,409
-	-	-	-	-
-	154,267	-	-	164,893
-	-	-	-	-
-	154,267	-	-	769,302
118,777	(101,994)	2,602	-	464,200
-	1,250,000	-	69,474	1,319,474
-	-	-	-	(32,755)
-	1,250,000	-	69,474	1,286,719
118,777	1,148,006	2,602	69,474	1,750,919
993,290	-	85,633	(69,474)	3,119,444
\$ 1,112,067	\$ 1,148,006	\$ 88,235	\$ -	\$ 4,870,363

*See accompanying Independent Auditor's Report.*

Budgetary Comparison Schedules  
Special Revenue Funds

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City of Evans  
Parks Impact Fund  
Budgetary Comparison Schedule  
Year Ended December 31, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Assessments				
Impact fees	\$ -	\$ -	\$ 151,140	\$ 151,140
Earnings on investments	1,775	1,775	6,067	4,292
<b>Total revenues</b>	<b>1,775</b>	<b>1,775</b>	<b>157,207</b>	<b>155,432</b>
<b>Expenditures</b>				
Capital outlay	-	200,000	-	200,000
<b>Total expenditures</b>	<b>-</b>	<b>200,000</b>	<b>-</b>	<b>200,000</b>
<b>Net change in fund balance</b>	<b>\$ 1,775</b>	<b>\$ (198,225)</b>	<b>157,207</b>	<b>\$ 355,432</b>
Fund balance at beginning of year			1,209,993	
Fund balance at end of year			<u>\$ 1,367,200</u>	

*See accompanying Independent Auditor's Report.*

City of Evans  
 Conservation Trust Fund  
 Budgetary Comparison Schedule  
 Year Ended December 31, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental				
State shared revenue	\$ 186,000	\$ 186,000	\$ 187,298	\$ 1,298
Earnings on investments	411	411	1,651	1,240
Miscellaneous revenue	-	-	3,140	3,140
<b>Total revenues</b>	<b>186,411</b>	<b>186,411</b>	<b>192,089</b>	<b>5,678</b>
<b>Expenditures</b>				
Capital outlay	-	30,000	-	30,000
<b>Total expenditures</b>	<b>-</b>	<b>30,000</b>	<b>-</b>	<b>30,000</b>
<b>Net change in fund balance</b>	<b>\$ 186,411</b>	<b>\$ 156,411</b>	<b>192,089</b>	<b>\$ 35,678</b>
Fund balance at beginning of year			321,517	
Fund balance at end of year			<u>\$ 513,606</u>	

*See accompanying Independent Auditor's Report.*

City of Evans  
 Fire Impact Fund  
 Budgetary Comparison Schedule  
 Year Ended December 31, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Revenues				
Assessments				
Impact fees	\$ -	\$ -	\$ 34,199	\$ 34,199
Earnings on investments	619	619	1,122	503
Total revenues	619	619	35,321	34,702
Net change in fund balance	\$ 619	\$ 619	35,321	\$ 34,702
Fund balance at beginning of year			236,357	
Fund balance at end of year			\$ 271,678	

*See accompanying Independent Auditor's Report.*

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City of Evans  
 Refuse Collection Fund  
 Budgetary Comparison Schedule  
 Year Ended December 31, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Licenses and permits				
Trash haulers' license	\$ 800	\$ 800	\$ 800	\$ -
Charges for services				
Refuse collection charges	651,420	651,420	654,700	3,280
Grants and contributions:				
Grants - flood	-	28,161	18,297	(9,864)
Earnings on investments	2,888	2,888	1,436	(1,452)
<b>Total revenues</b>	<b>655,108</b>	<b>683,269</b>	<b>675,233</b>	<b>(8,036)</b>
<b>Expenditures</b>				
Public works				
Sanitation	594,445	606,819	604,409	2,410
Flood recovery	-	10,626	10,626	-
<b>Total expenditures</b>	<b>594,445</b>	<b>617,445</b>	<b>615,035</b>	<b>2,410</b>
<b>Excess of revenues over expenditures</b>	<b>60,663</b>	<b>65,824</b>	<b>60,198</b>	<b>(5,626)</b>
<b>Other financing uses</b>				
Transfers out	(32,755)	(32,755)	(32,755)	-
<b>Total other financing uses</b>	<b>(32,755)</b>	<b>(32,755)</b>	<b>(32,755)</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ 27,908</b>	<b>\$ 33,069</b>	<b>27,443</b>	<b>\$ (5,626)</b>
Fund balance at beginning of year			342,128	
Fund balance at end of year			<u>\$ 369,571</u>	

*See accompanying Independent Auditor's Report.*

City of Evans  
Street Impact Fund  
Budgetary Comparison Schedule  
Year Ended December 31, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Assessments				
Impact fees	\$ -	\$ -	\$ 114,072	\$ 114,072
Grants and contributions				
Other	-	462,599	-	(462,599)
Earnings on investments	6,392	6,392	4,705	(1,687)
<b>Total revenues</b>	<b>6,392</b>	<b>468,991</b>	<b>118,777</b>	<b>(350,214)</b>
<b>Expenditures</b>				
Capital outlay	520,000	879,000	-	879,000
<b>Total expenditures</b>	<b>520,000</b>	<b>879,000</b>	<b>-</b>	<b>879,000</b>
<b>Net change in fund balance</b>	<b>\$ (513,608)</b>	<b>\$ (410,009)</b>	<b>118,777</b>	<b>\$ 528,786</b>
Fund balance at beginning of year			993,290	
Fund balance at end of year			<u>\$ 1,112,067</u>	

*See accompanying Independent Auditor's Report.*

City of Evans  
Cemetery Perpetual Care Fund  
Budgetary Comparison Schedule  
Year Ended December 31, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Assessments				
Perpetual care fees	\$ 2,700	\$ 2,700	\$ 2,220	\$ (480)
Earnings on investments	-	-	382	382
<b>Total revenues</b>	<b>2,700</b>	<b>2,700</b>	<b>2,602</b>	<b>(98)</b>
<b>Expenditures</b>				
Capital outlay	-	75,000	-	75,000
<b>Total expenditures</b>	<b>-</b>	<b>75,000</b>	<b>-</b>	<b>75,000</b>
<b>Net change in fund balance</b>	<b>\$ 2,700</b>	<b>\$ (72,300)</b>	<b>2,602</b>	<b>\$ 74,902</b>
Fund balance at beginning of year			85,633	
Fund balance at end of year			<u>\$ 88,235</u>	

*See accompanying Independent Auditor's Report.*

Budgetary Comparison Schedule

Debt Service Fund

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**City of Evans**  
**G.O. Debt Service Fund**  
**Budgetary Comparison Schedule**  
**Year Ended December 31, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Other financing sources				
Transfers in	-	69,474	69,474	-
Total other financing sources	-	69,474	69,474	-
Net change in fund balance	\$ -	\$ 69,474	69,474	\$ -
Fund balance at beginning of year			(69,474)	
Fund balance at end of year			\$ -	

*See accompanying Independent Auditor's Report.*

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Budgetary Comparison Schedules  
Capital Projects Funds

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City of Evans  
Street Construction Fund  
Budgetary Comparison Schedule  
Year Ended December 31, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Intergovernmental Grants and contributions	\$ 631,972	\$ 631,972	\$ 680,666	\$ 48,694
Grants - flood	-	131,258	81,432	(49,826)
Other	981,000	1,464,350	63,687	(1,400,663)
Earnings on investments	4,558	4,558	3,422	(1,136)
<b>Total revenues</b>	<b>1,617,530</b>	<b>2,232,138</b>	<b>829,207</b>	<b>(1,402,931)</b>
<b>Expenditures</b>				
Public works	190,000	234,500	194,551	39,949
Flood recovery	-	152,000	-	152,000
Capital outlay	1,518,000	2,416,818	397,409	2,019,409
<b>Total expenditures</b>	<b>1,708,000</b>	<b>2,803,318</b>	<b>591,960</b>	<b>2,211,358</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(90,470)</b>	<b>(571,180)</b>	<b>237,247</b>	<b>808,427</b>
<b>Other financing sources</b>				
Transfers in	185,000	757,100	757,100	-
<b>Total other financing sources</b>	<b>185,000</b>	<b>757,100</b>	<b>757,100</b>	<b>-</b>
<b>Net change in fund balance</b>	<b>\$ 94,530</b>	<b>\$ 185,920</b>	<b>994,347</b>	<b>\$ 808,427</b>
Fund balance at beginning of year			540,342	
Fund balance at end of year			<u>\$ 1,534,689</u>	

*See accompanying Independent Auditor's Report.*

City of Evans  
Parks Construction Fund  
Budgetary Comparison Schedule  
Year Ended December 31, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Grants and contributions				
Grants - flood	\$ -	\$ 171,792	15,478	\$ (156,314)
Other	-	100,000	36,795	(63,205)
<b>Total revenues</b>	-	271,792	52,273	(219,519)
<b>Expenditures</b>				
Flood recovery	-	270,000	154,267	115,733
<b>Total expenditures</b>	-	270,000	154,267	115,733
<b>Excess (deficiency) of revenues over expenditures</b>	-	1,792	(101,994)	(103,786)
<b>Other financing sources</b>				
Transfers in	-	1,250,000	1,250,000	-
<b>Total other financing sources</b>	-	1,250,000	1,250,000	-
<b>Net change in fund balance</b>	\$ -	\$ 1,251,792	1,148,006	\$ (103,786)
Fund balance at beginning of year			-	
Fund balance at end of year			\$ 1,148,006	

*See accompanying Independent Auditor's Report.*

Budgetary Comparison Schedules  
Enterprise Funds

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**City of Evans**  
**Water Fund**  
**Budgetary Comparison Schedule**  
**Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Operating revenues</b>				
Water sales	\$ 4,206,601	\$ 4,206,601	\$ 4,296,934	\$ 90,333
Non-potable water sales	163,764	163,764	145,763	(18,001)
Other sales	8,000	8,000	18,745	10,745
Water meters	5,500	5,500	22,532	17,032
<b>Total operating revenues</b>	<b>4,383,865</b>	<b>4,383,865</b>	<b>4,483,974</b>	<b>100,109</b>
<b>Operating expenses</b>				
Water supply and administrative	3,117,216	3,346,204	3,052,218	293,986
Flood recovery	-	165,700	53,063	112,637
Principal paid	155,447	155,447	90,789	64,658
Capital outlay	512,392	1,610,896	877,022	733,874
<b>Total operating expenses</b>	<b>3,785,055</b>	<b>5,278,247</b>	<b>4,073,092</b>	<b>1,205,155</b>
<b>Operating income (loss)</b>	<b>598,810</b>	<b>(894,382)</b>	<b>410,882</b>	<b>1,305,264</b>
<b>Other revenues (expenses)</b>				
Earnings on investments	12,550	12,550	5,451	(7,099)
Grants and contributions - flood	-	143,325	1,578	(141,747)
Plant investment fees and cash in lieu of fees	705,600	705,600	263,759	(441,841)
Lease purchase proceeds	-	1,500,000	578,642	(921,358)
Transfers to other funds	(655,610)	(655,610)	(616,285)	39,325
Interest expense	(17,390)	(17,390)	-	17,390
<b>Total other revenues (expenses)</b>	<b>45,150</b>	<b>1,688,475</b>	<b>233,145</b>	<b>(1,455,330)</b>
<b>Change in net position - budgetary basis</b>	<b>\$ 643,960</b>	<b>\$ 794,093</b>	<b>644,027</b>	<b>\$ (150,066)</b>
<b>Reconciliation to GAAP basis</b>				
Depreciation			(709,422)	
Capital outlay			877,022	
Principal paid			90,789	
Lease purchase proceeds			(578,642)	
<b>Change in net position - GAAP basis</b>			<b>323,774</b>	
<b>Net position at beginning of year</b>			<b>50,304,708</b>	
<b>Net position at end of year</b>			<b>\$ 50,628,482</b>	

*See accompanying Independent Auditor's Report.*

**City of Evans**  
**Wastewater Fund**  
**Budgetary Comparison Schedule**  
**Year Ended December 31, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Operating revenues</b>				
Sewer sales	\$ 1,152,460	\$ 1,416,768	\$ 1,456,664	\$ 39,896
<b>Total operating revenues</b>	<b>1,152,460</b>	<b>1,416,768</b>	<b>1,456,664</b>	<b>39,896</b>
<b>Operating expenses</b>				
Wastewater and administration	745,565	904,034	702,800	201,234
Flood recovery	-	1,359,272	268,399	1,090,873
Principal paid	89,534	89,534	88,992	542
Capital outlay	280,000	461,000	189,473	271,527
<b>Total operating expenses</b>	<b>1,115,099</b>	<b>2,813,840</b>	<b>1,249,664</b>	<b>1,564,176</b>
<b>Operating income (loss)</b>	<b>37,361</b>	<b>(1,397,072)</b>	<b>207,000</b>	<b>1,604,072</b>
<b>Other revenues (expenses)</b>				
Earnings on investments	2,511	6,111	4,507	(1,604)
Grants and contributions				
Evans 2013 flood	-	949,805	-	(949,805)
Other	-	343,242	-	(343,242)
Plant investment fees and cash in lieu of fees	27,500	136,315	125,363	(10,952)
Other nonoperating revenue	16,819	28,233	14,673	(13,560)
Transfers to other funds	(408,587)	(408,587)	(398,040)	10,547
Interest expense	(19,092)	(19,092)	(18,521)	571
<b>Total other revenue (expense)</b>	<b>(380,849)</b>	<b>1,036,027</b>	<b>(272,018)</b>	<b>(1,308,045)</b>
<b>Change in net position - budgetary basis</b>	<b>\$ (343,488)</b>	<b>\$ (361,045)</b>	<b>(65,018)</b>	<b>\$ 296,027</b>
<b>Reconciliation to GAAP basis</b>				
Depreciation expense			(483,926)	
Principal paid			88,992	
Capital outlay			189,473	
<b>Change in net position - GAAP basis</b>			<b>(270,479)</b>	
<b>Net position at beginning of year</b>			<b>10,035,069</b>	
<b>Net position at end of year</b>			<b>\$ 9,764,590</b>	

*See accompanying Independent Auditor's Report.*

**City of Evans**  
**Storm Drainage Fund**  
**Budgetary Comparison Schedule**  
**Year Ended December 31, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
Operating revenues				
Storm drainage sales	\$ 454,564	\$ 454,564	\$ 466,702	\$ 12,138
<b>Total operating revenues</b>	<b>454,564</b>	<b>454,564</b>	<b>466,702</b>	<b>12,138</b>
Operating expenses				
Storm drainage and administration	26,900	26,900	18,815	8,085
Flood recovery	-	4,300	1,853	2,447
Capital outlay	230,000	966,200	5,051	961,149
<b>Total operating expenses</b>	<b>256,900</b>	<b>997,400</b>	<b>25,719</b>	<b>971,681</b>
<b>Operating income (loss)</b>	<b>197,664</b>	<b>(542,836)</b>	<b>440,983</b>	<b>983,819</b>
Other revenues (expenses)				
Plant investment fees	11,000	11,000	32,431	21,431
Grants and contributions - flood	-	7,070	14,521	7,451
Earnings on investments	1,347	1,347	5,787	4,440
Transfers to other funds	(138,492)	(138,492)	(126,287)	12,205
<b>Total other revenue (expense)</b>	<b>(126,145)</b>	<b>(119,075)</b>	<b>(73,548)</b>	<b>45,527</b>
<b>Change in net position - budgetary basis</b>	<b>\$ 71,519</b>	<b>\$ (661,911)</b>	<b>367,435</b>	<b>\$ 1,029,346</b>
Reconciliation to GAAP basis				
Depreciation			(263,676)	
Capital outlay			5,051	
<b>Change in net position - GAAP basis</b>			<b>108,810</b>	
<b>Net position at beginning of year</b>			<b>9,033,226</b>	
<b>Net position at end of year</b>			<b>\$ 9,142,036</b>	

*See accompanying Independent Auditor's Report.*

Budgetary Comparison Schedule  
Fiduciary Fund

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**City of Evans**  
**Cemetery Endowment Fund**  
**Budgetary Comparison Schedule**  
**Year Ended December 31, 2014**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Revenues</b>				
Earnings on investments	\$ 6,000	\$ 6,000	\$ 3,948	\$ (2,052)
<b>Expenses</b>				
Transfers out	6,000	6,000	-	6,000
Total expenses	6,000	6,000	-	6,000
Net change in net position	\$ -	\$ -	3,948	\$ 3,948
Net position at beginning of year			45,519	
Net position at end of year			\$ 49,467	

*See accompanying Independent Auditor's Report.*

Supplemental Section

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State Compliance Section

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Reports to Governmental Agencies

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Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Honorable Mayor and Members of the City Council  
City of Evans, Colorado

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Evans, Colorado (the "City"), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated **May 5, 2015**.

#### Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

#### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

## Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Greeley, Colorado  
May 5, 2015

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## Independent Auditor's Report on Compliance For Each Major Federal Program and Report on Internal Control Over Compliance Required by OMB Circular A-133

Honorable Mayor and Members of the City Council  
City of Evans, Colorado

### Report on Compliance for Each Major Federal Program

We have audited the City of Evans, Colorado's (the "City") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2014. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### *Management's Responsibility*

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

#### *Opinion on Each Major Federal Program*

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2014.

### Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on a major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's

internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

Greeley, Colorado  
May 5, 2015

City of Evans  
 Schedule of Findings and Questioned Costs  
 December 31, 2014

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Section I - Summary of Auditor's Results

*Financial Statements*

Type of auditor's report issued:

Unmodified

Internal control over financial reporting:

- Material weakness(es) identified?       yes       no
- Significant deficiency(ies) identified?       yes       none reported
- Noncompliance material to financial statements noted?       yes       no

*Federal Awards*

Internal control over major programs:

- Material weakness(es) identified?       yes       no
- Significant deficiency(ies) identified?       yes       none reported

Type of auditor's report issued on compliance for major programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with Section 510(a) of OMB Circular A-133?

yes       no

Identification of major programs:

CFDA/Contract Number

66.468

97.036

Name of Federal Program or Cluster

Capitalization Grants for Drinking Water State Revolving Funds  
 Disaster Grants - Public Assistance (Presidentially Declared Disasters)

Dollar threshold used to distinguish between Type A and Type B programs:

\$300,000

Auditee qualified as low-risk auditee?

yes       no

**City of Evans, Colorado**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2014**

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Entity Identifying Number	2014 Federal Expenditures
<b>Department of Agriculture</b>			
Direct Program:			
Emergency Watershed Protection Program	10.923		\$ 27,607
<b>Total Department of Agriculture</b>			<b>27,607</b>
<b>Department of Housing and Urban Development</b>			
Direct Program:			
Hurricane Sandy Community Development Block Grant Disaster Recovery Grants	14.269		7,935
<b>Total Department of Agriculture</b>			<b>7,935</b>
<b>Department of Transportation</b>			
Passed through Colorado Department of Transportation			
Highway Planning and Construction	20.205	14 HA4 64604	137,653
<b>Total Department of Transportation</b>			<b>137,653</b>
<b>Environmental Protection Agency</b>			
Passed through Colorado Water Resources & Power Development Authority			
Capitalization Grants for Drinking Water State Revolving Funds	66.468	D13F039	482,554
<b>Total Environmental Protection Agency</b>			<b>482,554</b>
<b>Department of Homeland Security</b>			
Passed through Colorado Department of Public Safety:			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	PA-08-CO- 4145-PW	725,684
<b>Total Department of Homeland Security</b>			<b>725,684</b>
<b>Total Expenditures of Federal Awards</b>			<b>\$ 1,381,433</b>

*See accompanying Independent Auditor's Report.*

City of Evans  
Notes to Schedule of Expenditures of Federal Awards  
December 31, 2014

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1. Basis of Presentation

The accompanying schedule of expenditures of federal awards is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in the schedule may differ from amounts presented in the financial statements.

2. Summary of Significant Accounting Policies

The schedule of expenditures of federal awards is prepared on the modified accrual basis of accounting. Expenditures are recognized when they become a demand on current available financial resources.

3. Subrecipients

There were no subrecipients of federal awards during the year ended December 31, 2014.

4. Disaster Grant Expenditures

The schedule of expenditures of federal awards includes \$401,065 of expenditures that were incurred in 2013 that relate to project worksheets that were not approved until 2014.

## CITY COUNCIL COMMUNICATION

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**DATE:** May 5, 2015

**AGENDA ITEM:** 9.A

**SUBJECT:** Ordinance No. 622-15 Amending Chapter 8.18 of the Evans City Code Regarding Control of Smoking to Address All Forms of Electronic Smoking Devices in Addition to Traditional Tobacco Smoking Devices

**PRESENTED BY:** Raegan Robb, City Clerk

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### **PROJECT DESCRIPTION:**

The issue of prohibiting “electronic smoking devices” in the City of Evans was presented to City Council at the February 3, 2015 by Rachel Freeman, Tobacco Control Program Coordinator, Weld County Department of Public Health and Environment, and Megan Blaser, Community Health Education Coordinator, Centennial Area Health Education Center

Electronic smoking devices, also known as “e-cigarettes” have emerged as an alternative to tobacco smoking; these devices typically contain nicotine and are not lit by flame but operated by battery and simulate smoking instruments. These smoking devices have come under intense scrutiny by a number of health organizations which point to studies that demonstrate that these devices still represent a significant health concern with their emissions and many communities have banned their use.

These advocates presented information from other Colorado communities who have regulated smoking to varying degrees, along with articles of support, and other communications. The material presented by the advocates is attached to this report.

The Evans City Council requested more information after this presentation and staff followed-up with City Council at the Work Session on February 17, 2015 where the Council Members asked the advocacy organizations to draft an ordinance for the Council to consider at a regular City Council meeting.

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## **Current City Code Controlling Smoking.**

[Chapter 8.18](#) of the Evans Municipal Code currently provides for the “Controlling of Smoking” and specifically prohibits smoking in the City of Evans, but also provides exceptions to these restrictions to specify where smoking can take place and outlines the types of business operations that do not apply to the current smoking restrictions in the City of Evans.

This section of code was implemented by Ordinance 1075-97 and amended in 2006 and 2008 following the adoption of the Colorado Clean Indoor Air Act under House Bill 06-1175.

Following the passage of House Bill 06-1175, this Chapter of City Code was repealed and re-enacted with the following legislative declaration introducing this Chapter of Code, which provides the intent of the City's current smoking prohibition:

“The City hereby finds and determines that it is in the best interest of the people of this City to protect nonsmokers from involuntary exposure to environmental tobacco smoke in most indoor areas open to the public, public meetings, food service establishments, places of employment, and certain outdoor recreation areas. The City further finds and determines that a balance should be struck between the health concerns of nonconsumers of tobacco products and the need to minimize unwarranted governmental intrusion into, and regulation of, private spheres of conduct and choice with respect to the use or nonuse of tobacco products in certain designated public areas and in private places. Therefore, the City hereby declares that the purpose of this Chapter is to preserve and improve the health, comfort and environment of the people of this City by limiting exposure to tobacco smoke.” (Ord. 427-08; Ord. 374-06; Ord. 1075-97)

## **Proposed Code Changes By Ordinance No. 622-15.**

Ordinance [No. 622-15](#) amends Chapter 8.18 to prohibit the use of an electronic smoking device at any location where smoking is already prohibited under this Chapter, unless such use is subject to the exemptions listed in Section 8.18.040.

Specifically, the Ordinance provides the following definition for an electronic smoking device:

**(3.5) “Electronic smoking device” means any electronically actuated device which in operation causes the user to exhale any smoke, vapor, or other substance resulting in chemically altered human exhalation. "Electronic smoking device" includes any such device, whether manufactured, distributed, marketed, or sold as an electronic cigarette, an electronic cigar, an electronic cigarillo, an electronic pipe, an electronic hookah, a vaporizer, a vape pen, or under any similar product name or descriptor. The term "electronic smoking device" does not include any asthma inhaler**

**or other device that has been specifically approved by the United States Food and Drug Administration.**

The Ordinance creates Section 8.18.045 that prohibits electronic smoking device at all locations where smoking is already prohibited under Section 8.18.030, which includes “any indoor area or specified outdoor recreation areas, including, but not limited to:

- (a) Public meeting places;
- (b) Elevators;
- (c) Government-owned and or operated means of mass transportation, including, but not limited to, buses, vans, and trains;
- (d) Taxicabs and limousines;
- (e) Grocery stores;
- (f) Gymnasiums;
- (g) Jury waiting and deliberation rooms;
- (h) Courtrooms;
- (i) Child day care facilities;
- (j) Health care facilities including hospitals, health care clinics, doctor’s offices, and other health care related facilities;
- (k) (I) Any place of employment that is not exempted.  
  
(II) In the case of employers who own facilities otherwise exempted from this Chapter, such employer shall provide a smoke-free work area for each employee requesting not to have to breathe environmental tobacco smoke. Every employee shall have a right to work in an area free of environmental tobacco smoke.
- (l) Food service establishments;
- (m) Bars;
- (n) Limited gaming facilities and any other facilities in which any gaming or gambling activity is conducted;
- (o) Indoor sports arenas;
- (p) Restrooms, lobbies, hallways, and other common areas in public and private buildings, condominiums, and other multiple-unit residential facilities;
- (q) Restrooms, lobbies, hallways, and other common areas in hotels and motels, and in at least seventy-five percent of the sleeping quarters within a hotel or motel that are rented to guests;

- (r) Bowling alleys;
- (s) Billiard or pool halls;
- (t) Facilities in which games of chance are conducted;
- (u) The common areas of retirement facilities, publicly owned housing facilities, and nursing homes, not including any resident's private residential quarters;
- (v) Public buildings;
- (w) Auditoria;
- (x) Theaters;
- (y) Museums;
- (z) Libraries;
- (aa) To the extent not otherwise provided in Section 25-14-103.5, C.R.S., public and non-public schools;
- (bb) Other educational and vocational institutions;
- (cc) The entryways of all buildings and facilities listed in paragraphs (a) to (bb) of this subsection (1); and
- (dd) Within the entire fenced area of the Riverside Park Ball Fields.”

The Ordinance also includes “electronic smoking devices” into the current code for optional prohibition under Section 8.18.050, to read as follows:

“To allow the owner or manager of any place not specifically listed in Section 8.18.030, including a place otherwise exempted under Section 8.18.040, may post signs prohibiting smoking **and the use of electronic smoking devices.** **Such owner or manager may post signs** ~~or~~ providing smoking and non-smoking areas **as well as areas where use of electronic smoking devices are permitted and areas where the use of electronic smoking devices are not permitted.** Such posting shall have the effect of including such place, or the designated non-smoking portion thereof, in the places where smoking is prohibited or restricted pursuant to this Chapter.”

Lastly, the Ordinance also provides an enforcement mechanism by modifying Section 8.18.060(c) to refer back to the general penalty provisions in Chapter 1.16 for any violations of Municipal Code.

**Current Exceptions To Smoking Restrictions.**

Ordinance No. 622-2015 is not targeting the sale of “electronic smoking devices” but only their use in the areas outlined in Section 8.18.030. Chapter 8.18.040 of the Evans Municipal Code specifies where smoking can take place and outlines the types of business operations, like a tobacco business or cigar bar, where these smoking restrictions in the City of Evans do not apply. Listed below are the exemptions listed under 8.18.040 of City Code:

- A. Private homes, private residences and private automobiles; except that this Chapter shall apply if any such home, residence or vehicle is being used for child care or day care or if any private vehicle is being used for the public transportation of children or as part of health care or day care transportation;
- B. Limousines under private hire;
- C. A hotel or motel room rented to one (1) or more guests if the total percentage of such hotel or motel rooms in such hotel or motel does not exceed twenty-five percent (25%);
- D. Any retail tobacco business;
- E. A cigar-tobacco bar;
- F. An airport smoking concession;
- G. The outdoor area of any business;
- H. A place of employment that is not open to the public and that is under the control of an employer that employs three (3) or fewer employees;
- I. A private, nonresidential building on a farm or ranch, as defined in Section 39-1-102, C.R.S., that has annual gross income of less than five hundred thousand dollars (\$500,000.00).

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**FINANCIAL:**

The Ordinance does not have a direct fiscal impact on the City of Evans.

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**STAFF RECOMMENDATION:**

None.

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**SUGGESTED MOTIONS:**

*“I move to approve Ordinance No. 622-15 on first reading.”*

*“I move to deny approval of Ordinance No. 622-15 on first reading.”*

# Local Colorado communities that provide **ADDITIONAL** protections from secondhand tobacco smoke and vapor

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## Smoking prohibited in the outdoor seating or serving areas of restaurants or bars.

- Arvada
- Avon
- Boulder
- Eagle County
- Edgewater
- Firestone
- Louisville
- Superior
- Timnath

## Smoking prohibited at Parks, Trails, Playgrounds and Outdoor Rec facilities:

- Arvada (*city-owned parks, trails, outdoor recreation areas,*)
- Avon (*outdoor recreation facilities*)
- Boulder (*public park shelters*)
- Brighton (*within 100' of organized sporting events held at public parks/sports complexes*)
- Commerce City (*parks and trails*)
- Durango (*city owned parks, playgrounds, picnic pavilions, rec facilities and ball fields, the Animas River Trail and adjacent greenway*)
- Eagle County (*outdoor recreational facilities*)
- Edgewater (*sporting events, and parks*)
- Golden (*parks and playgrounds*)
- Greeley (*public ball fields*)
- Lakewood (*playgrounds and gathering areas of recreation areas*)
- Las Animas
- Snowmass
- Steamboat Springs (*sporting events, parks, playgrounds*)
- Timnath (*sporting areas, tennis courts, swimming pools, and sports fields during organized events*)
- Wellington
- Wheatridge
- Winter Park (*parks, playfields, and trails*)

## Smoking Prohibited in Outdoor Transit Facilities:

- Boulder (bus shelters)
- Durango (bus stops/waiting areas)
- Fort Collins (Transfort's public transit facilities, benches, and platforms)
- Lakewood (transit stops [light rail and bus])

## Smoking prohibited in tobacco retail stores (includes tobacco shops and hookah lounges):

- Arvada
- Avon
- Dillon
- Edgewater
- Golden
- Greeley
- Louisville
- Snowmass Village
- Timnath

## Smoking prohibited in all bars and restaurants (including cigar bars ):

- Arvada
- Avon
- Boulder County
- Breckenridge
- Dillon
- Eagle County
- Edgewater
- Fort Collins
- Frisco
- Greeley
- Longmont
- Louisville
- Pueblo
- San Luis
- Silverthorne
- Snowmass Village
- Steamboat Springs
- Summit County
- Timnath

### **Smoking Prohibited in 100% of Hotel and Motel Rooms:**

- Fort Collins

### **Smoking Prohibited in Non-Hospitality Workplaces:**

- Arvada
- Avon
- Boulder
- Boulder County
- Eagle County
- Edgewater
- Fort Collins
- Pueblo
- San Luis
- Snowmass
- Telluride
- Timnath

### **Additional/Other Outdoor Smoking Restrictions:**

- Avon (*outdoor lift and service lines*)
- Breckenridge (*outdoor service and lift lines*)
- Boulder (*event tents, Pearl Street Mall and surrounding area*)
- Broomfield (*outdoor service lines*)
- Carbondale (*skate parks*)
- Denver (*pools, zoos, hospital sidewalks and grounds, Coors Field and Sports Authority seating areas*)
- Dillon (*outdoor amphitheater*)
- Eagle County (*outdoor service lines, and ski-lift lines*)
- Fort Collins (*outdoor retail zone*)
- Golden (*outdoor retail zone*)
- Grand junction (*sporting events*)
- Greeley (*pools*)
- Lakewood (*festival grounds or places for City events/outdoor concerts*)
- Northglenn (*seating aisles, rest rooms, and concession areas of sports facilities*)
- Pueblo (*hospital sidewalks and grounds*)
- San Luis (*outdoor arenas, stadiums, amphitheater*)
- Silverthorne (*outdoor service and lift lines*)
- Steamboat Springs (*city-owned stadiums, pools*)

### **Smoking Prohibited on College Campuses:**

- Aurora Community College Campus (some areas not covered)
- Colorado Christian University (100% Tobacco Free: campus, indoors and outdoors, includes E-cigs)
- Colorado Mountain College- Summit Campus (100% Tobacco Free: campus, indoors and outdoors)
- Northeast Junior College (100% Smoke Free: campus, indoors and outdoors)
- Denver School of Nursing (100% Tobacco Free: campus, indoors and outdoors)

- UC Denver Anschutz Medical Campus (100% Tobacco Free: campus, indoors and outdoors)
- Front Range Community College-
  - Westminster Campus (planning for a June 2015 soft rollout)

### **Electronic Cigarette Regulations Included in Public Smoking Definition**

- Boulder [final vote Feb 17] (*This is the ordinance including “electronic smoking devices” in definition of smoking. All smoking perimeters expanded to 25 feet. All patios attached to a bar/restaurant/eating area are smoke-free.*)
- Durango (*The definition of “tobacco” and “smoking” includes vapor from electronic cigarettes*)
- Fort Collins (*definition of smoking to include vapor and “E-cigarettes”*)
- Greeley (*January 20, 2015 amendment includes “electronic smoking devices” in the definition of tobacco product. No exemptions for vape shops.*)
- Edgewater (*The definition of “Environmental tobacco smoke” and “secondhand smoke” includes gases, particles and vapor. The definition of smoking includes “ heating, electrical ignition or vaporization”*)
- Louisville (*Adds a definition for “electronic smoking device” The definition of “smoking” includes electronic smoking device*)
- Lakewood (*defines “electronic smoking device”, adds “gases particles and vapors to Secondhand smoke definition, adds “ignition” and “vaporizing” to definition of smoking*)
- Golden (*effective Jan 2015*)

**Megan Blaser**  
Guest Columnist

November 13, 2014

## **Blaser: To protect public health, e-cigarette smokers should follow same rules as conventional tobacco smokers**



Megan Blaser

The Tobacco-Free Coalition of Weld County first wants to acknowledge that we are proud to have a community so supportive of our small businesses. The Vapor Bar, Vapor Core and similar establishments should not be prohibited from selling their products (except to individuals under the age of 18).

However, we firmly believe the use of e-cigarettes or electronic nicotine delivery systems inside these establishments should be prohibited for the following reasons:

The use of electronic smoking devices indoors undermines Greeley's existing voter-approved smoke-free air law and exposes customers and employees to hazardous chemicals, such as formaldehyde, lead, nickel and chromium. Extensive research proves there is no safe level of exposure to tobacco smoke. The only effective way to protect people is to provide 100 percent smoke-free air.

Designated smoking rooms, expensive ventilation systems and similar partial approaches do not protect people from the dangers of secondhand smoke. Similar to tobacco smoke, recent research has shown that exhaled e-cigarette aerosol contains toxins and cancer causing chemicals that are released into the air. These ultra fine, inhalable liquid particles settle on walls, other surfaces, and within ventilation systems, affecting not only people who visit vapor bars, but people who visit the establishments that share walls and ventilation systems with vapor bars.

Also, many e-juice flavors, while approved for ingestion, have not been studied for chronic effects on the lung or upper airway tissue. Safe when ingested in normal doses does not mean safe when inhaled.

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The simplest and cheapest way to protect people from this toxic aerosol is to ban their use wherever conventional smoking is banned. Smoking bans are also proven to help people attempt to quit smoking and to be more successful when they do quit.

Additionally, vapor bars present many enforcement issues and concerns. The use of e-cigarettes indoors makes it difficult for business owners and officials to enforce existing smoke-free air laws.

Also, many e-cigarettes closely resemble marijuana vaporizers and/or can easily be converted into marijuana vaporizers. When vaporized, marijuana is almost odorless, and this odor can easily be masked by the numerous flavors being emitted into the air from e-cigarettes being used indoors.

We know this is already happening in Weld County as evidenced by an article published in the Greeley Tribune on March 1. The article, titled "Hash oil new wrinkle for bar owners dealing with e-cigarettes in Weld County," highlights the experience of the owner of the Lit'L Bit Bar and Grill in Evans, where a customer was caught using an e-cigarette to smoke hash oil by installing a hash oil cartridge into their device. Creating exemptions for vapor bars would create a very cumbersome enforcement process for local law enforcement and open the door to marijuana vaporizing in public.

Lastly, e-cigarettes may be particularly appealing to youth because of their marketing, high-tech design, and wide array of candy- and fruit-flavored cartridges. E-cigarettes have the potential to attract youth to start using nicotine and tobacco products.

A recent study published in the journal nicotine and tobacco research revealed that youth who perceive e-cigarettes as less harmful than conventional cigarettes are more likely to use e-cigarettes. Allowing e-cigarettes to be used indoors in vapor bars glamorizes smoking to youth and young adults and undermines 10 years of social norms that have been established with Greeley's existing law.

In order to protect public health and prohibit the re-normalizing of tobacco use, Greeley City Council can and should ban the use of electronic nicotine delivery systems wherever conventional tobacco is banned and ensure that vape shops and vape bars are subject to Greeley's smoke-free air law.

Megan Blaser is a Community Health Education coordinator for Centennial Area Health Education Center in Greeley.

**CITY OF EVANS, COLORADO**

**ORDINANCE NO. 622-15**

**AN ORDINANCE AMENDING CHAPTER 8.18 OF THE EVANS CITY CODE REGARDING CONTROL OF SMOKING TO ADDRESS ALL FORMS OF ELECTRONIC SMOKING DEVICES IN ADDITION TO TRADITIONAL TOBACCO SMOKING**

**WHEREAS**, the City Council of the City of Evans, Colorado, pursuant to Colorado statute and the Evans City Charter, is vested with the authority of administering the affairs of the City of Evans, Colorado; and

**WHEREAS**, the City Council finds it is in the best interest of the citizens of the City to protect nonsmokers from the exposure to tobacco and marijuana smoke and other forms of electronic smoking devices; and

**WHEREAS**, the City Council has previously adopted regulations regarding smoking, but with the legalization of marijuana and popularization of electronic cigarettes (e-cigarettes), the Council finds it necessary to amend its existing ordinance regarding control of smoking.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF EVANS, COLORADO AS FOLLOWS:**

1. Chapter 8.18 is amended to read as follows:

**CONTROL OF SMOKING - Chapter 8.18**

8.18.010 Legislative Declaration. The City of Evans hereby finds and determines that it is in the best interest of the people of this City to protect nonsmokers from involuntary exposure to environmental tobacco smoke **and electronic smoking devices** in most indoor areas open to the public, public meetings, food service establishments, places of employment, and certain outdoor recreation areas. The City further finds and determines that a balance should be struck between the health concerns of nonconsumers of tobacco **and nicotine** products and the need to minimize unwarranted governmental intrusion into, and regulation of, private spheres of conduct and choice with respect to the use or nonuse of tobacco **and nicotine** products in certain designated public areas and in private places. Therefore, the City hereby declares that the purpose of this Chapter is to preserve and improve the health, comfort, and environment of the people of this City by limiting exposure to tobacco smoke **and vapor created from the use of electronic smoking devices**. (Ord. 427-08: Ord. 374-06: Ord. 1075-97)

8.18.020 Definitions. As used in this Chapter, unless the context otherwise requires:

(1) “Auditorium” means the part of a public building where an audience gathers to attend a performance, and includes any corridors, hallways, or lobbies adjacent thereto.

(2) “Bar” means any indoor area that is operated and licensed under Article 47 of Title 12, C.R.S., primarily for the sale and service of alcohol beverages for on-premises consumption and where the service of food is secondary to the consumption of such beverages.

(3) “Cigar-tobacco bar” means a bar that, in the calendar year ending December 31, 2005, generated at least five percent or more of its total annual gross income or fifty thousand dollars in annual sales from the on-site sale of tobacco products and the rental of on-site humidors, not including any sales from vending machines. In any calendar year after December 31, 2005, a bar that fails to generate at least five percent of its total annual gross income or fifty thousand dollars in annual sales from the one-site sale of tobacco products and the rental of on-site humidors shall not be defined as a “cigar-tobacco bar” and shall not thereafter be included in the definition regardless of sales figures.

**(3.5) “Electronic smoking device means any electronically actuated device which in operation causes the user to exhale any smoke, vapor, or other substance resulting in chemically altered human exhalation. "Electronic smoking device" includes any such device, whether manufactured, distributed, marketed, or sold as an electronic cigarette, an electronic cigar, an electronic cigarillo, an electronic pipe, an electronic hookah, a vaporizer, a vape pen, or under any similar product name or descriptor. The term "electronic smoking device" does not include any asthma inhaler or other device that has been specifically approved by the United States Food and Drug Administration.**

(4) (a) “Employee” means any person who:

(I) Performs any type of work for benefit of another in consideration of direct or indirect wages or profit; or

(II) Provides uncompensated work or services to a business or nonprofit entity.

(5) “Employee” includes every person described in paragraph (a) of this subsection (5), regardless of whether such person is referred to as an employee, contractor, independent contractor, or volunteer or by any other designation or title.

(6) “Employer means any person, partnership, association, corporation, or nonprofit entity that employs one or more persons. “Employer” includes, without limitation, the legislative, executive, and judicial branches of state government; any county, city and county, city, or town, or instrumentality thereof, or any other political subdivision of the state, special district, authority, commission, or agency; or any other separate corporate instrumentality or unit of state or local government.

(7) “Entryway” means the outside of the front or main doorway leading into a building or facility that is not exempted from this Section 8.18.040. “Entryway” also includes the area of public or

private property within a specified radius outside of the doorway. The specified radius shall be fifteen feet.

(8) “Environmental tobacco smoke,” “ETS,” or “secondhand smoke” means the complex mixture formed from the escaping smoke or a burning tobacco product, also known as “sidestream smoke,” and smoke exhaled by the smoker.

(9) “Food service establishment” means any indoor area or portion thereof in which the principal business is the sale of food for on-premises consumption. The terms includes, without limitation, restaurants, cafeterias, coffee shops, diners, sandwich shops, and short-order cafes.

(10) “Indoor area” means any enclosed area or portion thereof. The opening of windows or doors, or the temporary removal of wall panels, does not convert an indoor area into an outdoor area.

(11) “Place of employment” means any indoor area or portion thereof under the control of an employer in which employees of the employer perform services for, or on behalf of, the employer.

(12) “Public building” means any building owned or operated by:

(a) The state, including the legislative, executive, and judicial branches of state government;

(b) Any county, city and county, city, or town, or instrumentality thereof, or any other political subdivision of the state, a special district, an authority, a commission, or an agency; or

(c) Any other separate corporate instrumentality or unit of states or local government.

(13) “Public meeting” means any meeting open to the public pursuant to Part 4 of Article 6 of Title 24, C.R.S., or any other law.

(14) “Smoke-free working area” means an indoor area in a place of employment where smoking is prohibited under this Chapter.

(15) “Smoking” means the burning of a lighted cigarette, cigar, pipe, or any other matter or substance that contains tobacco.

(16) “Tobacco” means cigarettes, cigars, cheroots, stogies, and periques; granulated, plug cut, crimp cut, ready rubbed, and other smoking tobacco; snuff and snuff flour; cavendish; plug and twist tobacco; fine-cut and other chewing tobacco; shorts, refuse scraps, clippings, cuttings, and sweepings of tobacco; and other kinds and forms of tobacco, prepared in such manner as to be suitable for chewing or for smoking in a cigarette, pipe, or otherwise, or both for chewing and smoking. “Tobacco” also includes cloves and any other plant matter or product that is packaged for smoking.

(17) “Tobacco business” means a sole proprietorship, corporation, partnership, or other enterprise engaged primarily in the sale, manufacture, or promotion of tobacco, tobacco

products, or smoking devices or accessories, either at wholesale or retail, and in which the sale, manufacture, or promotion of other products is merely incidental.

(18) “Work area” means an area in a place of employment where one or more employees are routinely assigned and perform services for or on behalf of their employer. (Ord. 427-08: Ord. 374-06: Ord. 1075-97)

#### 8.18.030 General Smoking Restrictions.

A. Except as provided in Section 8.18.040, and in order to reduce the levels of exposure to environmental tobacco smoke, smoking shall not be permitted and no person shall smoke in any indoor area or specified outdoor recreation areas, including, but not limited to:

(a) Public meeting places;

(b) Elevators;

(c) Government-owned and or operated means of mass transportation, including, but not limited to, buses, vans, and trains;

(d) Taxicabs and limousines;

(e) Grocery stores;

(f) Gymnasiums;

(g) Jury waiting and deliberation rooms;

(h) Courtrooms;

(i) Child day care facilities;

(j) Health care facilities including hospitals, health care clinics, doctor’s offices, and other health care related facilities;

(k) (I) Any place of employment that is not exempted.

(II) In the case of employers who own facilities otherwise exempted from this Chapter, such employer shall provide a smoke-free work area for each employee requesting not to have to breathe environmental tobacco smoke. Every employee shall have a right to work in an area free of environmental tobacco smoke.

(l) Food service establishments;

(m) Bars;

(n) Limited gaming facilities and any other facilities in which any gaming or gambling activity is conducted;

(o) Indoor sports arenas;

(p) Restrooms, lobbies, hallways, and other common areas in public and private buildings, condominiums, and other multiple-unit residential facilities;

(q) Restrooms, lobbies, hallways, and other common areas in hotels and motels, and in at least seventy-five percent of the sleeping quarters within a hotel or motel that are rented to guests;

(r) Bowling alleys;

(s) Billiard or pool halls;

(t) Facilities in which games of chance are conducted;

(u) The common areas of retirement facilities, publicly owned housing facilities, and nursing homes, not including any resident's private residential quarters;

(v) Public buildings;

(w) Auditoria;

(x) Theaters;

(y) Museums;

(z) Libraries;

(aa) To the extent not otherwise provided in Section 25-14-103.5, C.R.S., public and non-public schools;

(bb) Other educational and vocational institutions;

(cc) The entryways of all buildings and facilities listed in paragraphs (a) to (bb) of this subsection (1); and

(dd) Within the entire fenced area of the Riverside Park Ball Fields.

B. A cigar-tobacco bar shall not expand its size or change its location from the size and location in which it existed as of December 31, 2005. A cigar-tobacco bar shall display signage in at least one conspicuous place and at least four inches by six inches in size stating: "Smoking allowed. Children under eighteen years of age must be accompanied by a parent or guardian." (Ord. 374-06)

8.18.040 Exceptions to Smoking Restrictions. This Chapter shall not apply to:

- (1) Private homes, private residences, and private automobiles; except that this Chapter shall apply if any such home, residence, or vehicle is being used for child care or day care or if any private vehicle is being used for the public transportation of children or as part of health care or day care transportation;
- (2) Limousines under private hire;
- (3) A hotel or motel room rented to one or more guests if the total percentage of such hotel or motel rooms in such hotel or motel does not exceed twenty-five percent;
- (4) Any retail tobacco business;
- (5) A cigar-tobacco bar;
- (6) An airport smoking concession;
- (7) The outdoor area of any business;
- (8) A place of employment that is not open to the public and that is under the control of an employer that employs three or fewer employees;
- (9) A private, non-residential building on a farm or ranch, as defined in Section 39-1-102, C.R.S., that has annual gross income of less than five hundred thousand dollars. (Ord. 374-06)

#### **8.18.045 Restrictions on Use of Electronic Smoking Devices**

**The use of an electronic smoking device shall not be permitted and no person shall use an electronic smoking device at any location where smoking is prohibited in Section 8.18.030, subject to the exempted locations provided at Section 8.18.040.**

#### **8.18.050 Optional Prohibitions.**

A. The owner or manager of any place not specifically listed in Section 8.18.030, including a place otherwise exempted under Section 8.18.040, may post signs prohibiting smoking **and the use of electronic smoking devices. Such owner or manager may post signs** ~~or~~ providing smoking and non-smoking areas **as well as areas where use of electronic smoking devices are permitted and areas where the use of electronic smoking devices are not permitted.** Such posting shall have the effect of including such place, or the designated non-smoking portion thereof, in the places where smoking is prohibited or restricted pursuant to this Chapter.

B. If the owner or manager of a place not specifically listed in Section 8.18.030, including a place otherwise exempted under Section 8.18.040, is an employer and receives a request from an employee to create a smoke-free work area as contemplated by Section 8.18.030(1)(k)(I), the owner or manager shall post a sign or signs in the smoke-free work area as provided in subsection (1) of this section. (Ord. 374-06)

8.18.060 Unlawful Acts – Penalty – Disposition of Fines and Surcharges.

A. It is unlawful for a person who owns, manages, operates, or otherwise controls the use of a premises subject to this Chapter to violate any provision of this Chapter.

B. It is unlawful for a person to smoke in an area where smoking is prohibited pursuant to this Chapter.

C. Any person who violates any of the provisions of this Chapter is guilty of a violation of this Chapter and shall be punished as provided in Chapter 1.16 of this Code. (Ord. 374-06: Ord. 1075-97: Ord. 622-15)

2. Severability. If any article, 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 passed this ordinance and each part or parts thereof irrespective of the fact that any one part or parts be declared unconstitutional or invalid.

3. Repeal. Existing ordinances or parts of ordinances covering the same matters embraced in this ordinance are hereby repealed and all ordinances or parts of ordinances inconsistent with the provisions of this ordinance are hereby repealed except that this repeal shall not affect or prevent the prosecution or punishment of any person for any act done or committed in violation of any ordinance hereby repealed prior to the effective date of this ordinance.

**INTRODUCED AND PASSED AT A REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF EVANS ON THIS 5th DAY OF MAY, 2015.**

**ATTEST:**

**CITY OF EVANS, COLORADO**

\_\_\_\_\_  
Raegan Robb, City Clerk

BY: \_\_\_\_\_  
John L. Morris, Mayor

**PASSED AND ADOPTED ON A SECOND READING THIS 19th DAY OF MAY, 2015.**

**ATTEST:**

**CITY OF EVANS, COLORADO**

\_\_\_\_\_  
Raegan Robb, City Clerk

BY: \_\_\_\_\_  
John L. Morris, Mayor

**CITY OF EVANS, COLORADO**

**ORDINANCE NO. 622-15**

**AN ORDINANCE AMENDING CHAPTER 8.18 OF THE EVANS CITY CODE  
REGARDING CONTROL OF SMOKING TO ADDRESS ALL FORMS OF  
ELECTRONIC SMOKING DEVICES IN ADDITION TO TRADITIONAL TOBACCO  
SMOKING DEVICES**

**WHEREAS**, the City Council of the City of Evans, Colorado, pursuant to Colorado statute and the Evans City Charter, is vested with the authority of administering the affairs of the City of Evans, Colorado; and

**WHEREAS**, the City Council finds it is in the best interest of the citizens of the City to protect nonsmokers from the exposure to tobacco and marijuana smoke and other forms of electronic smoking devices; and

**WHEREAS**, the City Council has previously adopted regulations regarding smoking, but with the legalization of marijuana and popularization of electronic cigarettes (e-cigarettes), the Council finds it necessary to amend its existing ordinance regarding control of smoking.

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1. Chapter 8.18 is amended to read as follows:

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**8.18.020 Definitions.** As used in this Chapter, unless the context otherwise requires:

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(2) “Bar” means any indoor area that is operated and licensed under Article 47 of Title 12, C.R.S., primarily for the sale and service of alcohol beverages for on-premises consumption and where the service of food is secondary to the consumption of such beverages.

(3) “Cigar-tobacco bar” means a bar that, in the calendar year ending December 31, 2005, generated at least five percent or more of its total annual gross income or fifty thousand dollars in annual sales from the on-site sale of tobacco products and the rental of on-site humidors, not including any sales from vending machines. In any calendar year after December 31, 2005, a bar that fails to generate at least five percent of its total annual gross income or fifty thousand dollars in annual sales from the one-site sale of tobacco products and the rental of on-site humidors shall not be defined as a “cigar-tobacco bar” and shall not thereafter be included in the definition regardless of sales figures.

(3.5) “Electronic smoking device” means any electronically actuated device which in operation causes the user to exhale any smoke, vapor, or other substance resulting in chemically altered human exhalation. "Electronic smoking device" includes any such device, whether manufactured, distributed, marketed, or sold as an electronic cigarette, an electronic cigar, an electronic cigarillo, an electronic pipe, an electronic hookah, a vaporizer, a vape pen, or under any similar product name or descriptor. The term "electronic smoking device" does not include any asthma inhaler or other device that has been specifically approved by the United States Food and Drug Administration.

(4) (a) “Employee” means any person who:

(I) Performs any type of work for benefit of another in consideration of direct or indirect wages or profit; or

(II) Provides uncompensated work or services to a business or nonprofit entity.

(5) “Employee” includes every person described in paragraph (a) of this subsection (5), regardless of whether such person is referred to as an employee, contractor, independent contractor, or volunteer or by any other designation or title.

(6) “Employer means any person, partnership, association, corporation, or nonprofit entity that employs one or more persons. “Employer” includes, without limitation, the legislative, executive, and judicial branches of state government; any county, city and county, city, or town, or instrumentality thereof, or any other political subdivision of the state, special district, authority, commission, or agency; or any other separate corporate instrumentality or unit of state or local government.

(7) “Entryway” means the outside of the front or main doorway leading into a building or facility that is not exempted from this Section 8.18.040. “Entryway” also includes the area of public or private property within a specified radius outside of the doorway. The specified radius shall be fifteen feet.

(8) “Environmental tobacco smoke,” “ETS,” or “secondhand smoke” means the complex mixture formed from the escaping smoke or a burning tobacco product, also known as “sidestream smoke,” and smoke exhaled by the smoker.

(9) “Food service establishment” means any indoor area or portion thereof in which the principal business is the sale of food for on-premises consumption. The terms includes, without limitation, restaurants, cafeterias, coffee shops, diners, sandwich shops, and short-order cafes.

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(11) “Place of employment” means any indoor area or portion thereof under the control of an employer in which employees of the employer perform services for, or on behalf of, the employer.

(12) “Public building” means any building owned or operated by:

(a) The state, including the legislative, executive, and judicial branches of state government;

(b) Any county, city and county, city, or town, or instrumentality thereof, or any other political subdivision of the state, a special district, an authority, a commission, or an agency; or

(c) Any other separate corporate instrumentality or unit of states or local government.

(13) “Public meeting” means any meeting open to the public pursuant to Part 4 of Article 6 of Title 24, C.R.S., or any other law.

(14) “Smoke-free working area” means an indoor area in a place of employment where smoking is prohibited under this Chapter.

(15) “Smoking” means the burning of a lighted cigarette, cigar, pipe, or any other matter or substance that contains tobacco.

(16) “Tobacco” means cigarettes, cigars, cheroots, stogies, and periques; granulated, plug cut, crimp cut, ready rubbed, and other smoking tobacco; snuff and snuff flour; cavendish; plug and twist tobacco; fine-cut and other chewing tobacco; shorts, refuse scraps, clippings, cuttings, and sweepings of tobacco; and other kinds and forms of tobacco, prepared in such manner as to be suitable for chewing or for smoking in a cigarette, pipe, or otherwise, or both for chewing and smoking. “Tobacco” also includes cloves and any other plant matter or product that is packaged for smoking.

(17) “Tobacco business” means a sole proprietorship, corporation, partnership, or other enterprise engaged primarily in the sale, manufacture, or promotion of tobacco, tobacco products, or smoking devices or accessories, either at wholesale or retail, and in which the sale, manufacture, or promotion of other products is merely incidental.

(18) "Work area" means an area in a place of employment where one or more employees are routinely assigned and perform services for or on behalf of their employer. (Ord. 427-08: Ord. 374-06: Ord. 1075-97)

**8.18.030 General Smoking Restrictions.**

A. Except as provided in Section 8.18.040, and in order to reduce the levels of exposure to environmental tobacco smoke, smoking shall not be permitted and no person shall smoke in any indoor area or specified outdoor recreation areas, including, but not limited to:

(a) Public meeting places;

(b) Elevators;

(c) Government-owned and or operated means of mass transportation, including, but not limited to, buses, vans, and trains;

(d) Taxicabs and limousines;

(e) Grocery stores;

(f) Gymnasiums;

(g) Jury waiting and deliberation rooms;

(h) Courtrooms;

(i) Child day care facilities;

(j) Health care facilities including hospitals, health care clinics, doctor's offices, and other health care related facilities;

(k) (I) Any place of employment that is not exempted.

(II) In the case of employers who own facilities otherwise exempted from this Chapter, such employer shall provide a smoke-free work area for each employee requesting not to have to breathe environmental tobacco smoke. Every employee shall have a right to work in an area free of environmental tobacco smoke.

(l) Food service establishments;

(m) Bars;

(n) Limited gaming facilities and any other facilities in which any gaming or gambling activity is conducted;

- (o) Indoor sports arenas;
- (p) Restrooms, lobbies, hallways, and other common areas in public and private buildings, condominiums, and other multiple-unit residential facilities;
- (q) Restrooms, lobbies, hallways, and other common areas in hotels and motels, and in at least seventy-five percent of the sleeping quarters within a hotel or motel that are rented to guests;
- (r) Bowling alleys;
- (s) Billiard or pool halls;
- (t) Facilities in which games of chance are conducted;
- (u) The common areas of retirement facilities, publicly owned housing facilities, and nursing homes, not including any resident's private residential quarters;
- (v) Public buildings;
- (w) Auditoria;
- (x) Theaters;
- (y) Museums;
- (z) Libraries;
- (aa) To the extent not otherwise provided in Section 25-14-103.5, C.R.S., public and non-public schools;
- (bb) Other educational and vocational institutions;
- (cc) The entryways of all buildings and facilities listed in paragraphs (a) to (bb) of this subsection (1); and
- (dd) Within the entire fenced area of the Riverside Park Ball Fields.

B. A cigar-tobacco bar shall not expand its size or change its location from the size and location in which it existed as of December 31, 2005. A cigar-tobacco bar shall display signage in at least one conspicuous place and at least four inches by six inches in size stating: "Smoking allowed. Children under eighteen years of age must be accompanied by a parent or guardian." (Ord. 374-06)

**8.18.040 Exceptions to Smoking Restrictions.** This Chapter shall not apply to:

- (1) Private homes, private residences, and private automobiles; except that this Chapter shall apply if any such home, residence, or vehicle is being used for child care or day care or if any

private vehicle is being used for the public transportation of children or as part of health care or day care transportation;

(2) Limousines under private hire;

(3) A hotel or motel room rented to one or more guests if the total percentage of such hotel or motel rooms in such hotel or motel does not exceed twenty-five percent;

(4) Any retail tobacco business;

(5) A cigar-tobacco bar;

(6) An airport smoking concession;

(7) The outdoor area of any business;

(8) A place of employment that is not open to the public and that is under the control of an employer that employs three or fewer employees;

(9) A private, non-residential building on a farm or ranch, as defined in Section 39-1-102, C.R.S., that has annual gross income of less than five hundred thousand dollars. (Ord. 374-06)

#### 8.18.045 Restrictions on Use of Electronic Smoking Devices.

The use of an electronic smoking device shall not be permitted and no person shall use an electronic smoking device at any location where smoking is prohibited in Section 8.18.030, subject to the exempted locations provided at Section 8.18.040.

#### **8.18.050 Optional Prohibitions.**

A. The owner or manager of any place not specifically listed in Section 8.18.030, including a place otherwise exempted under Section 8.18.040, may post signs prohibiting smoking and the use of electronic smoking devices. Such owner or manager may post signs providing smoking and non-smoking areas as well as areas where use of electronic smoking devices are permitted and areas where the use of electronic smoking devices are not permitted. Such posting shall have the effect of including such place, or the designated non-smoking portion thereof, in the places where smoking is prohibited or restricted pursuant to this Chapter.

B. If the owner or manager of a place not specifically listed in Section 8.18.030, including a place otherwise exempted under Section 8.18.040, is an employer and receives a request from an employee to create a smoke-free work area as contemplated by Section 8.18.030(1)(k)(I), the owner or manager shall post a sign or signs in the smoke-free work area as provided in subsection (1) of this section. (Ord. 374-06)

**8.18.060 Unlawful Acts – Penalty – Disposition of Fines and Surcharges.**

A. It is unlawful for a person who owns, manages, operates, or otherwise controls the use of a premises subject to this Chapter to violate any provision of this Chapter.

B. It is unlawful for a person to smoke in an area where smoking is prohibited pursuant to this Chapter.

C. Any person who violates any of the provisions of this Chapter is guilty of a violation of this Chapter and shall be punished as provided in Chapter 1.16 of this Code. (Ord. 374-06: Ord. 1075-97: Ord. 622-15)

2. Severability. If any article, 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 passed this ordinance and each part or parts thereof irrespective of the fact that any one part or parts be declared unconstitutional or invalid.

3. Repeal. Existing ordinances or parts of ordinances covering the same matters embraced in this ordinance are hereby repealed and all ordinances or parts of ordinances inconsistent with the provisions of this ordinance are hereby repealed except that this repeal shall not affect or prevent the prosecution or punishment of any person for any act done or committed in violation of any ordinance hereby repealed prior to the effective date of this ordinance.

**INTRODUCED AND PASSED AT A REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF EVANS ON THIS 5<sup>th</sup> DAY OF MAY, 2015.**

**ATTEST:**

**CITY OF EVANS, COLORADO**

\_\_\_\_\_  
Raegan Robb, City Clerk

BY: \_\_\_\_\_  
John L. Morris, Mayor

**PASSED AND ADOPTED ON A SECOND READING THIS 19<sup>th</sup> DAY OF MAY, 2015.**

**ATTEST:**

**CITY OF EVANS, COLORADO**

\_\_\_\_\_  
Raegan Robb, City Clerk

BY: \_\_\_\_\_  
John L. Morris, Mayor

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**CITY COUNCIL COMMUNICATION**

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**DATE:** May 5, 2015

**AGENDA ITEM:** 9.B

**SUBJECT:** Approval of Resolution No. 14-2015 City Asset Disposal

**PRESENTED BY:** Raegan Robb, City Clerk

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**PROJECT DESCRIPTION:**

On April 7, 2015 the Evans City Council adopted Resolution 10-2015 to provide an asset disposal policy for the disposal of surplus/abandoned property from City departments that have accumulated and will continue to accumulate property that is damaged, out modeled, or no longer useful to the City which is considered “surplus property” according adopted policy (attached).

Under the asset disposal policy, property with an original cost of more than \$5,000 may be declared surplus property to be sold if the Evans City Council authorizes the sale of such property through the adoption of a resolution. Staff anticipates this will only be necessary one or two times per year, typically for items such as vehicles.

Exhibit A, attached to Resolution 14-2015, lists the City assets that are being requested to be sold by the City Recreation Department. The replacement of these vehicles is in the 2015 budget as asset management items. Below are the details of the two vehicles:

Make: 2001 Chevy Astro Van:  
Mileage: 60,908 miles  
VIN#: 1GNDM19W81B146601

Make: 2003 Ford Van:  
Mileage: 44,177 miles  
VIN#: 1FBSS31L71HB18258

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**FINANCIAL SUMMARY:**

Revenue collected from the sale of surplus property will be receipted into the same fund in which the property was originally purchased.

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**STAFF RECOMMENDATION:**

Staff recommends approval of this resolution in order for these two vehicles to be sold.

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**SUGGESTED MOTIONS:**

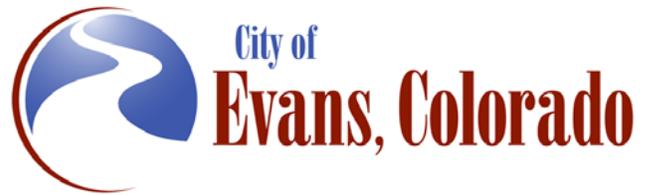
*“I move to adopt Resolution No. 14-2015.”*

*“I move to deny the adoption of Resolution No. 14-2015”*

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**ATTACHMENTS:**

- CITY OF EVANS-SURPLUS / ABANDONED PROPERTY DISPOSAL POLICY
- VAN PHOTOS



## **CITY OF EVANS SURPLUS / ABANDONED PROPERTY DISPOSAL POLICY**

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### **I. General**

Surplus property consists of City-owned items that are damaged, out modeled or no longer useful, including but not limited to equipment, vehicles, fixtures, furniture and supplies. The original cost of the item determines how it must be dispatched.

### **II. Original Cost: \$5,000 or More**

- A. City property must be declared “surplus” by City Council resolution if it had an original cost of \$5,000 or more.
- B. A list of items (including description and/or serial numbers) shall be provided to the City Clerk for inclusion in a Resolution for Disposition of Surplus Property. The resolution will be scheduled for Council approval on the next meeting agenda.
- C. Following Council approval, the Department Director shall dispose of the surplus item(s) by the following means:
  1. Public sale for a reasonable value
  2. Non-public sale for a reasonable value
  3. Public auction for a reasonable value.
- D. If an employee wishes to purchase surplus property, they shall pay fair value, and at no time shall the purchaser establish the price him/herself.
- E. When other means of disposal are exhausted, the surplus property may be donated, discarded, or recycled at the discretion of the Department Director.

### **III. Original Cost: Less than \$5,000**

- A. The Department Director shall dispose of surplus property by the following means:
  1. Public sale for a reasonable value
  2. Non-public sale for a reasonable value
  3. Public auction for a reasonable value.
- B. If an employee wishes to purchase surplus property, they shall pay fair value, and at no time shall the purchaser establish the price him/herself.
- C. When other means of disposal are exhausted, the surplus property may be donated, discarded, or recycled at the discretion of the Department Director.

IV. Unclaimed Property and Real Estate

- A. See the Evans Municipal Code Chapter 2, Sec. 40 for the procedure for disposition of lost or confiscated property, including police evidence in closed cases.
- B. See the Evans Municipal Code Chapter 2, Sec. 42 for the procedure for disposition of Real Property.



The City of  
**Evans**  
COLORADO  
PARKS & RECREATION  
ASTRO

3301

3303

RECREATION



PARKS & RECREATION

The City of  
*Evans*  
COLORADO

3300

TRITON  
V8



CITY OF EVANS, COLORADO

RESOLUTION NO. 14-2015

**Resolution Authorizing Sale of City Property According to the City Asset Disposal Policy**

**WHEREAS**, the City Council of the City of Evans, Colorado, pursuant to Colorado statute and the Evans City Charter, is vested with the authority of administering the affairs of the City of Evans, Colorado; and

**WHEREAS**, the City Council of the City of Evans, Colorado, adopted Resolution 10-2015 to provide a policy for the disposal of surplus or abandoned property from various departments that have accumulated and will continue to accumulate property that is damaged, out modeled, or no longer useful to the City which is considered “surplus property” according to the definition provided by Resolution 10-2015; and

**WHEREAS**, the City Council has determined that it is in the best interest of the health and welfare of the City and its citizens to disposal of surplus property; and

**WHEREAS**, the City Manager has recommended that the property listed on the attached Exhibit A be declared as surplus and authorize the appropriate City official to dispose of the property at auction.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF EVANS, COLORADO AS FOLLOWS:**

1. Be it resolved, by the City Council of the City of Evans, Colorado, that the City Manager or his designee is authorized to sell by auction the surplus property described on Exhibit A.

PASSED AND ADOPTED AT A REGULAR MEETING OF THE CITY COUNCIL OF THE CITY OF EVANS ON THIS 5<sup>TH</sup> DAY OF MAY, 2015.

ATTEST:

CITY OF EVANS, COLORADO

\_\_\_\_\_

Raegan Robb, City Clerk

BY: \_\_\_\_\_

John L. Morris, Mayor



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# COUNCIL COMMUNICATION

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**DATE:** May 5, 2015

**AGENDA ITEM:** 9.C

**SUBJECT:** Award of Bid – 37<sup>th</sup> Street Storm Drain Project – Phase II

**PRESENTED BY:** Fred Starr, Director of Public Works

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## AGENDA ITEM DESCRIPTION:

This project will consist of 1,500 linear feet of new storm drain pipe, the installation and relocation of 12” PVC water main as well as new roadway surface treatment.

As per the City’s purchasing policies this project was advertised in the Greeley Tribune, on the City of Evans website and Rocky Mountain Bid System. Bids were opened on April 24, 2015 with results as follows:

<u>Contractor</u>	<u>Base Bid Amount</u>
Coyote Ridge Construction	\$ 790,921.00
Redpoint	\$ 806,245.00
T. Lowell Construction, Inc.	\$ 825,000.00
Concrete Works of Colorado	\$ 851,280.80
Layne Heavy Civil, Inc.	\$ 855,197.70
Duran Excavating, Inc.	\$ 898,720.40
J2 Contracting, Inc.	\$ 1,032,549.90
Crossfire, LLC	\$ 1,702,043.00

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## FINANCIAL SUMMARY:

The 2015 Storm Drainage Fund included \$802,000 budgeted for this project.

- Storm Drainage Fund 63-81-8055-8603 – \$572,000
- Storm Drainage Fund 63-84-8068-8603 – \$230,000

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## RECOMMENDATION:

Staff recommends that City Council award the 37<sup>th</sup> Street Storm Drain Project – Phase II to Coyote Ridge Construction in the amount of \$ 790,921.00.

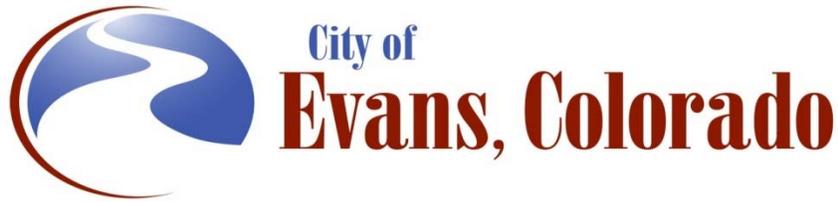
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## SUGGESTED MOTIONS:

*“I move to award the 37<sup>th</sup> Street Storm Drain Project – Phase II to Coyote Ridge Construction, and to authorize the Mayor’s signature on an agreement in the amount of \$790,921.00.”*

*“I move to deny award of the 37<sup>th</sup> Street Storm Drain Project – Phase II.”*

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**City Manager  
Monitoring Report  
May 5, 2015**

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*Below is a compellation of updates and projects that are either new or have changed since the last City Council meeting.*

➤ **Communications**

- On April 23, a public meeting was held to answer questions about the new wastewater treatment facility. Well publicized and planned, a handful of residents attended.
- Councilmember Homann presented an Arbor Day flag and proclamation to the principal of Ann Heiman Elementary School on Arbor Day. All first graders in Evans received a sapling and a presentation from our Parks Department on the importance of trees throughout the week of April 20 – 24.
- May Pro Tem Schaffer spoke at the time capsule placement ceremony at the Riverside Library on April 25.
- Spring clean-up took place over the weekends of April 18-19 and 25-26.

➤ **Economic Development**

Riverside Master Plan

- There will be an open house on May 20<sup>th</sup> from 6-8pm at the Riverside Library and Cultural Center for the Riverside Master Plan.

MSPRA and South Platte River Restoration Master Plan

- The Middle South Platte River Alliance is now online at [www.middlesouthplatte.org](http://www.middlesouthplatte.org).
- We are in the middle of the hiring process for the Alliance's new Watershed Coordinator. We are, however, still awaiting a signed grant contract from DOLA before we can officially hire our top candidate.
- The Draft Master Plan for the South Platte Restoration Master Plan will be on display at an open house on May 20<sup>th</sup> from 6-8pm at the Riverside Library and Cultural Center. There will be a formal community presentation of the Plan on May 27<sup>th</sup> from 1-3pm also at the Riverside Library. We will be posting the Draft on the website for comments and are planning on bringing the plan before City Council on the 16<sup>th</sup> of June.

➤ **Finance**

Budget revision items will be loaded into the accounting system May 6<sup>th</sup>, after the second reading of the budget revisions by Council.

We completed internal purchasing card audits, and will be submitting results of the testing to selected employees. Overall compliance and responsiveness from staff was great.

➤ **Police**

We are in the final stages of our current hiring process. We were unable to hire enough candidates to fill all of our current positions, so we are kicking off another process. This process will take about 4-5 months.

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## COUNCIL COMMUNICATION

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**DATE:** April 21, 2015  
**AGENDA ITEM:** 10.A  
**SUBJECT:** Adjournment to Executive Session

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**AGENDA ITEM DESCRIPTION:**

City Council will adjourn into an Executive Session to receive legal advice concerning positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiators, pursuant to Section 24-6-402(4)(e), C.R.S.

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**FINANCIAL SUMMARY:**

N/A

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**RECOMMENDATION:**

N/A

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**SUGGESTED MOTIONS:**

*“Pursuant to CRS 24-6-402(4)(b), I move to go into Executive Session to receive legal advice concerning positions relative to matters that may be subject to negotiations, developing strategy for negotiations, and instructing negotiator pursuant to Section 24-6-402(4)(e), C.R.S.”*

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# City Council Calendar

## May 2015

MAY 2015

Sun	Mon	Tue	Wed	Thu	Fri	Sat
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

May	Event	Location	Time
5	City Council Work Session & Regular City Council Meeting	Evans City Complex	Begins at 6:00 PM
7	<a href="#">NFRMPO Monthly Meeting</a>	LaSalle Town Hall, 128 N. 2nd Street LaSalle Colorado	6:00 PM - 8:30 PM
14	85 Coalition Meeting	TBA	Begins at 6:30 PM
18	<a href="#">CML Spring Outreach Meeting</a>	Fort Collins Senior Center 1200 Raintree Drive Prairie Sage Room Fort Collins, CO	Noon - 1:30 PM
19	City Council Work Session & Regular City Council Meeting	Evans City Complex	Begins at 6:30 PM
20	<a href="#">JOINT Open House Riverside Neighborhood Master Plan &amp; South Platte River Restoration Master Plan</a>	Riverside Library and Cultural Center	6:00 PM - 8:00 PM
25	Memorial Day	City Offices Closed	All Day