

**AGENDA  
OURAY CITY COUNCIL**

**Monday, October 19, 2026 - 6:00 PM**

**Ouray Community Center  
320 6th Ave  
Ouray, CO 81427**

**VIRTUAL OPTION - <https://zoom.us/j/9349389230>**

Meeting ID: 934 938 9230 Passcode: 491878 Or dial: 408 638 0968 or 669 900 6833

**Ouray City Council Regular Meeting**

- Changes to this agenda can be found on the bulletin board at City Hall
- Electronic copies of the Council Packet are available on the City website at [www.cityofouray.com](http://www.cityofouray.com). A hard copy of the Packet is also available at the Administrative Office for interested citizens.
- Notice is hereby given that a majority or quorum of the Planning Commission, Ouray Economic Development Committee, Beautification Committee, Tourism Advisory Committee, Main Streets Committee, and/or Parks and Recreation Committee may be present at the above noticed City Council meeting to discuss any or all of the matters on the agenda below for Council consideration

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. CITY OF OURAY 150TH ANNIVERSARY (Kevin Bommer - CML)
5. CITIZENS' COMMUNICATION
6. CEREMONIAL/INFORMATIONAL
  - a. Home Trust of Ouray County - Eva Henson, Housing Services Director (10 minutes)
7. ACTION ITEMS
  - a. Resolution No. 23 (Series 2026) Approval of Intergovernmental Agreement - City of Ouray and Ouray County Sheriff
    - Staff Overview
    - Citizen Comments
    - Council Discussion
    - Motion
  - b. Resolution No. 24 (Series 2026) Water Service Termination Agreement
  - c. Ordinance 7, Series 2026 - Adopting the 2027 Water & Sewer Rates (FIRST READING)
  - d. Ordinance 8, Series 2026 - Light Industrial (FIRST READING)
  - e. Perimeter Trail Easement Request Letter
  - f. Responsible Entity Agreement
8. DISCUSSION ITEMS
  - a. Rural Homes - Waterview Phase II
    - Rural Homes Comments
    - Citizens Comments
    - Council Discussion
    - Direction
  - b. Future Agenda Items
9. DEPARTMENT REPORTS
  - a. City Administrator Metteer
  - b. Finance and Administration Director Rhoades

- c. Community Development
- 10. CITY COUNCIL COMMUNICATION  
Mayor Underwood, Mayor Pro Tem Schiffer, Councilor Lindsey, Councilor Hart, and Councilor Doherty
- 11. ADJOURNMENT



**To:** Town of Ridgway; City of Ouray; and Ouray County

**From:** Eva Henson, Housing Services Director

**Date:** October 19, 2026

**RE:** Affordable Housing Services Administrator Quarterly Report – Q3 2026

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## Housing Services Quarterly Report Q3 (July - September 2026)

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This quarterly report is provided as part of the established reporting cadence for the regional Housing Services Administrator between Home Trust of Ouray County (HTOC), the Town of Ridgway, the City of Ouray, and Ouray County. Quarterly reports are provided in January, April, July, and October to summarize Housing Services activities and accomplishments from the preceding quarter and identify priorities and planned activities for the upcoming quarter.

This Q3 2026 report covers activities from July through September and provides a look ahead to Q4 2026. It summarizes work across regional Housing Services administration, deed-restriction administration and compliance, intergovernmental coordination, stakeholder collaboration, program and policy development, and financial and grant management.

The quarterly reporting process provides a consistent opportunity to communicate progress, identify upcoming priorities, and maintain coordination among HTOC and the three participating jurisdictions as regional housing programs and initiatives continue to develop.

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### SUMMARY

#### **Housing Services Program Administration**

During Q3 (July–September), Housing Services focused on ongoing program administration, strengthening operational systems, and advancing regional housing priorities. Key activities included deed-restriction administration, rental housing operations, program compliance, and coordination with participating jurisdictions.

- **Milestone: One Year of Regional Housing Services Administration:** October 14, 2026, marked one year since Home Trust of Ouray County began serving as the regional Housing Services Administrator under executed agreements with the Town of Ridgway,



City of Ouray, and Ouray County. The date also marked the one-year anniversary of Eva Henson's hiring and start as Housing Services Director.

- **Milestone: Returned Existing Rental Unit to Service:** Completed rehabilitation of Unit 3 at the HTOC 5-plex at 835 2nd Street through a community partnership involving the Home Depot Foundation, Team Depot volunteers, and Diaz Construction and Consulting LLC. The improvements returned the one-bedroom unit to the affordable rental inventory, and new tenants moved in on August 6. The 5-plex is fully leased and has transitioned to ongoing operations.
- **Affordable Housing Program Compliance** – Supported ongoing compliance with affordable housing program requirements, including coordinating the September 22 site visit and property inspection conducted by the Colorado Housing and Finance Authority (CHFA), HTOC's lender, for the six-unit property at 734 4th Street, as required under the property's loan requirements.

### **Deed Restriction Management**

Q3 activities focused on ongoing administration, compliance, resale, and long-term stewardship of the regional deed-restricted housing inventory.

- **Milestone: Riverfront Village Deed-Restricted Unit Sale: Unit 201 at 158 Alpine Loop** in Ridgway, ≤190% AMI, closed on September 8, 2026, for \$395,000. Home Trust collected its first 1% administrative fee under the deed restriction covenant, totaling \$3,950. The transaction provided an opportunity to implement the administrative fee provision as part of the ongoing deed-restricted management and administration program.
  - **Unit 202, 205 Jasper Place**, ≤140% AMI: Two-bedroom, two-bath unit remains available for sale at \$400,000.
  - **Unit 101, 158 Alpine Loop**, ≤170% AMI: One-bedroom, one-bath unit leased in June 2026.
  - **Unit 203, 205 Jasper Place** ≤140% AMI: Two-bedroom, two-bath unit leased in August 2026.
- **Wetterhorn Community – 683 Frederickson Street**, ≤120% AMI: On September 25, 2026, Home Trust processed a Notice of Intent to Sell and initiated the Right of First Refusal (ROFR) process with eligible beneficiaries, including Rural Homes, LLC and the Town of Ridgway. Rural Homes, LLC declined to purchase the unit. The ROFR matter is scheduled for consideration by the Town of Ridgway Workforce and Housing Committee on October 14<sup>th</sup>. **Max Resale Price:** \$429,659 2 Bedrooms/3 Baths.
- **Resident Support and Program Administration** – Continued administration of deed-restricted properties and provided ongoing resident support, including assistance with program requirements, application processes, and other housing-related questions.

### **Intergovernmental Liaison**

Intergovernmental coordination during Q3 focused on the upcoming 2027–2029 Proposition 123 opt-in and unit commitment processes, advancing Housing Action Plan initiatives, 2027 budgetary planning, and ongoing regional housing coordination.

- **Milestone: Advanced the 2027–2029 Proposition 123 Opt-In Commitment Cycle:** Collaborated with staff from the Town of Ridgway, City of Ouray, and Ouray County to compile 2023–2025 residential building permit data and evaluate preliminary housing production commitments under the updated state methodology established through HB26-1313.
  - **City of Ouray** – Approved its Proposition 123 participation resolution on September 21, 2026, committing to increase the number of affordable housing units by seven (7) units during the 2027–2029 funding cycle. The Department of Local Affairs (DOLA) approved the City’s participation on September 24<sup>th</sup>.
  - **Town of Ridgway** – Scheduled to consider its Proposition 123 participation resolution on October 14, 2026, with a preliminary commitment to increase the number of affordable housing units by 13 units during the 2027–2029 funding cycle.
  - **Ouray County** – Scheduled to consider its Proposition 123 participation resolution on October 13, 2026, with an estimated commitment to increase the number of affordable housing units by 18 unit.
  - **Unit Commitment Methodology:** The proposed unit commitments are based on the methodology established under HB26-1313 and remain subject to review and final determination by DOLA. Due to the applicable rounding increment, the final commitment may vary by one (1) unit above or below the proposed commitment.
- **Milestone: Secured Regional Housing Services Capacity Funding:** The Town of Ridgway, City of Ouray, and Ouray County secured \$145,000 in supplemental DOLA Local Planning Capacity (LPC) incentive funding for early adoption of fast-tracking compliance and agreed to support continuation of regional Housing Services Administrator scope and regional housing services coordination. As the grantee and fiscal agent, Ouray County approved execution of Contract Amendment #1 on September 22, 2026, advancing the grant amendment and extension of the regional Housing Services Administrator program.

- **DOLA Asset Management Coordination** – Proactively coordinated with DOLA’s Asset Management team during its review of the comprehensive deed-restriction master inventory to clarify applicable state regulatory and asset management requirements for the Waterview and Wetterhorn properties, including the state’s affordability requirements for each property.

### **Stakeholder Collaboration**

Q3 stakeholder engagement included regional coordination to explore housing education and resource opportunities for residents.

- **Regional Housing Partnerships** – Continued engagement with regional partners, including the Telluride Foundation and Housing Resources of the Western Slope, to explore and plan potential housing education and resource opportunities for residents. Topics under consideration include financial literacy, homebuyer education, down payment assistance programs, and information regarding deed-restricted housing requirements.

### **Program Development & Policy**

Program development and policy work during Q3 focused on local housing policy implementation, Housing Action Plan initiatives, and alignment with state housing requirements.

- **Milestone: Ridgway Community Housing Regulations:** Supported the Town of Ridgway’s adoption of Ordinance No. 04-2026 establishing Community Housing Regulations and amending related definitions. The ordinance establishes the Town’s inclusionary housing regulations and advances implementation of local affordable housing policy.
- **Milestone: Town of Ridgway’s Draft Housing Action Plan:** Supported the Town of Ridgway and Points Consulting in the development of the Town’s draft Housing Action Plan. Points Consulting also assisted the Town and Ouray County with the Housing Needs Assessment completed in December 2025. The draft Housing Action Plan was published for a 30-day public review period beginning September 14, 2026. This work builds on the completed Housing Needs Assessment and supports the town’s progress toward meeting the Proposition 123 requirement to complete a Housing Needs Assessment by December 31, 2026, and a Housing Action Plan by January 1, 2028.
  - **Ouray County:** Ouray County has applied for DOLA Housing Planning Grant funding to support development of a future Housing Action Plan. If funding is awarded, the County anticipates beginning this work in the new year and plans to build on the Town of Ridgway’s completed Housing Action Plan and the work of Points Consulting to inform its planning process.



- **City of Ouray:** The City is exempt from the SB24-174 Housing Needs Assessment and Housing Action Plan requirements based on the statutory population threshold for jurisdictions with populations under 1,000.

### **Financial Management & Reporting**

Financial management during Q3 focused on maintaining grant compliance, securing resources for regional housing capacity, and supporting future program sustainability.

- **Milestone: DOLA LPC #25-070 Grant Amendment:** Advanced Amendment #1 to LPC Grant #25-070, providing an additional \$145,000 in DOLA LPC incentive funding to support continuation of regional Housing Services Administrator capacity, with no local match requirement

DOLA LPC funding structure is:

| <b>Funding</b>       | <b>DOLA Grant Funds</b> | <b>20% Local Match</b> | <b>Total</b>     |
|----------------------|-------------------------|------------------------|------------------|
| Original Grant       | \$192,000               | \$48,000               | \$240,000        |
| Amendment #1         | \$145,000               | \$0                    | \$145,000        |
| <b>Total Project</b> | <b>\$337,000</b>        | <b>\$48,000</b>        | <b>\$385,000</b> |

- **2027 Budgetary Planning:** Proactively initiated discussions in August with executive leadership from all three jurisdictions regarding the regional Housing Services Administrator cost analysis, LPC grant funding runway, emerging program capacity needs, local match requirements, and contract renewal. These discussions are informing the renewal of the Housing Services Administrator contract, which expires December 31, 2026, and supporting 2027 budget planning. Ouray County serves as the LPC grant recipient and fiscal agent.
- **DOLA LPC #25-070 Grant Management:** Managed ongoing administration of the LPC grant, including monthly activity summaries, HTOC staff time tracking and invoicing, quarterly narrative reporting, and County reimbursement requests. Supported coordination of billing to the Town of Ridgway and City of Ouray for their respective one-third shares of the required local match.
- **DOLA Housing Planning Grant – Cycle 5** – Identified the funding opportunity and supported development of Ouray County’s \$24,000 grant application, including the required \$8,000 local match. The County submitted the application in August to support

development of a Housing Action Plan addressing local housing needs and advancing implementation of SB24-174 requirements.

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### **NEXT STEPS Q4 2026 (October - December)**

During Q4 2026, Housing Services will focus on completing the 2027–2029 Proposition 123 opt-in process, advancing regional agreements and 2027 planning, continuing deed-restriction administration, and strengthening compliance and program management systems across the three jurisdictions.

#### **Planned activities include:**

- Present Q3 Housing Services Administrator quarterly reports to the Town of Ridgway, City of Ouray, and Ouray County in October, including a look ahead to Q4.
- Support completion of the 2027–2029 Proposition 123 opt-in process, including final review of unit commitments and jurisdictional DOLA submissions prior to the November 1 deadline.
- Support renewal of the regional Proposition 123 Intergovernmental Agreement, which expires December 31, 2026.
- Continue administration of the Wetterhorn deed-restricted unit resale process, including the Right of First Refusal process and Workforce and Housing Committee consideration.
- Develop the draft Strategic Plan and 2027 Annual Work Plan and coordinate with the three jurisdictions on the proposed 2027 HTOC contract renewal, including costs and deliverables.
- Kintone Phase III Implementation – Advance integration of the comprehensive deed-restriction inventory into Kintone to centralize program data and prepare for Phase IV development of an online compliance and monitoring pilot process for Waterview.
- Support Ouray County with preparation and submission of the DOLA LPC quarterly narrative report and reimbursement request due October 30, 2026.
- Secure legal and technical capacity for deed restriction administration and conduct stakeholder engagement to inform and guide standardization efforts before proceeding.
- Maintain Fair Housing Specialist certification and complete required continuing education for renewal.

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### **CLOSING**

The activities and accomplishments outlined in this report reflect continued progress in the administration and implementation of regional Housing Services. Looking ahead, Q4 priorities will include completing the 2027–2029 Proposition 123 opt-in process, supporting renewal of the regional Proposition 123 Intergovernmental Agreement, advancing the Housing Services Administrator contract renewal in conjunction with 2027 planning and budget coordination, continuing deed-restriction administration, and strengthening systems and processes for ongoing program administration.

City of Ouray  
Ouray County  
Town of Ridgway



Home Trust of Ouray  
County

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# Housing Services Administrator

*Quarterly Report*

October 2026

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Q3 2026

(July–September)

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**Report**

## MILESTONE

# One year of regional Housing Services administration

## Housing Services Program

### Regional Administration and Operations

- October 2026 **marks one year** of regional Housing Services administration by Home Trust of Ouray County and the hiring of a Housing Services Director
- Continued focus on program administration, compliance, rental housing operations, and regional coordination
- **Awarded a \$3,000 Home Depot Foundation grant** for flooring project materials and volunteer labor to support carpet removal and vinyl flooring installation
- **Returned Unit 3 at 835 2nd Street** to the affordable rental inventory following rehabilitation
- 835 2nd Street 5-plex is now fully leased and in ongoing operations
- Colorado Housing and Finance Authority (CHFA) completed a property inspection of the 6-plex at 734 4th Street to meet loan compliance requirements



## MILESTONE

Riverfront Village: 1 sold, 2 leased, 1 remaining for sale

# Deed Restriction Administration

Continued administration, compliance monitoring, resident support, and long-term stewardship of deed-restricted housing

## Riverfront Village Condos

### 4 deed-restricted units

- Unit 201, 158 Alpine Loop — 1 bedroom/1 bath; **SOLD** for \$395,000
- First 1% covenant administrative fee collected: \$3,950
- Unit 202, 205 Jasper Place — 2 bedrooms/2 baths; **FOR SALE** for \$400,000; ≤140% AMI
- Unit 101, 158 Alpine Loop — 1 bedroom/1 bath; **LEASED**
- Unit 203, 205 Jasper Place — 2 bedrooms/2 baths; **LEASED**

## Wetterhorn

### 683 Frederickson Street

- 2 bedrooms/3 baths; **maximum resale price** \$429,659; ≤120% AMI.
- **Notice of intent to sell** received September 25; resale process supported and first right of refusal initiated with eligible beneficiaries
- Rural Homes, LLC declined to purchase; **Right of First Refusal** matter scheduled for Town of Ridgway Workforce & Housing Committee consideration on October 14

MILESTONE

# Proposition 123 Commitment Cycle 2027–2029 | HB26–1313: New Methodology and Building Permit Data

## Intergovernmental Liaison

Local Governments: Town of Ridgway, City of Ouray, and Ouray County

### Proposition 123 2027–2029 Commitment Cycle

- Advanced upcoming Proposition 123 commitment cycle by coordinating compilation and review of 2023–2025 residential building permit data and supporting preliminary affordable housing unit commitment calculations under updated HB26–1313 methodology requirements.
  - **City of Ouray** approved participation September 21, 2026: 7 units
  - **Ouray County** consideration October 13, 2026: 18 units
  - **Town of Ridgway** consideration October 14, 2026: 13 units
  - Subject to DOLA review and final determination; applicable rounding increment may change the final commitment by  $\pm 1$  unit.
- Deadline: November 1**

### DOLA Local Planning Capacity Grant & Asset Management

Ouray County authorized execution of **Amendment #1** for an additional \$145,000 in Local Planning Capacity grant funds, expanded Regional Housing Services Administrator scope, and an extension through October 2028.

Engaged DOLA on **asset management** requirements for Waterview and Wetterhorn.

## MILESTONE

# Provide ongoing support to navigate housing resources and education

## Stakeholder Collaboration & Resident Support

### Partner Engagement

- **Continued engagement** with regional housing partners, including the Telluride Foundation and Housing Resources of the Western Slope, to explore housing education and resource opportunities.
- **Topics:** financial literacy; homebuyer education; deed-restricted housing requirements; down payment assistance programs.

### Resident Support

Provided **ongoing direct support** with deed restrictions, applications, program requirements, and housing questions.

- Utility assistance & rebates
- Emergency assistance: Low-income Energy Assistance Program (LEAP)
- Bill payment assistance: leveled billing to stabilize monthly gas and electric bills
- Weatherization: Housing Resources of the Western Slope
- Equipment rebates: San Miguel Power Association and EcoAction Partners

## MILESTONE

# Translating housing needs into local policy, planning, and implementation

## Program Development & Policy

### Program Development

- Supported adoption of the **Town of Ridgway Community Housing Regulations**, Ordinance No. 04-2026 (Inclusionary Zoning).

### SB24-174 Housing Action Plan

- Supported the Town of Ridgway's draft Housing Action Plan with Points Consulting under SB24-174 Housing Needs Assessments and Housing Action Plans.
- Draft released for a 30-day public comment period beginning September 14; builds on the Town of Ridgway and Ouray County Housing Needs Assessment.

### Policy Development

- Supported **Ouray County's** DOLA HPLN grant application: \$24,000 grant; \$8,000 local match; \$32,000 total project for Housing Action Plan initiative.

**Housing Action Plan:** in progress; **state deadline January 1, 2028.**

### Housing Needs Assessment

- Town of Ridgway and Ouray County Housing Needs Assessment completed December 2025; **state deadline December 31, 2026.**

- City of Ouray is **exempt from SB24-174** requirements because its population is below 1,000.

# Financial Overview

## DOLA Local Planning Capacity Grant

Grant Period: October 2025 – extended October 2028

### DOLA Local Planning Capacity Funding

| Funding                 | DOLA Grant | Local Match | Total     |
|-------------------------|------------|-------------|-----------|
| Original Project Budget | \$192,000  | \$48,000    | \$240,000 |
| Amendment #1            | \$145,000  | \$0         | \$145,000 |
| Total Project           | \$337,000  | \$48,000    | \$385,000 |
|                         |            |             |           |

#### Home Trust Expenditures to Date

|                |             |
|----------------|-------------|
| Grant Funds:   | \$77,436.48 |
| Local Match:   | \$19,359.12 |
| Total to Date: | \$96,795.60 |

#### Remaining Original Project Budget

|                  |              |
|------------------|--------------|
| Grant Funds:     | \$114,563.52 |
| Local Match:     | \$28,640.88  |
| Total Remaining: | \$143,204.40 |

#### 2026: Home Trust Contract

|                |                  |
|----------------|------------------|
| Annual Amount: | \$100,156.98     |
| Billing:       | Flat Monthly Fee |

#### Amendment #1

|                                                                                                                          |           |
|--------------------------------------------------------------------------------------------------------------------------|-----------|
| LPC Incentive Funds                                                                                                      | \$145,000 |
| Original project budget: Grant funds must be spent before LPC incentive funds. These funds do not require a local match. |           |

## MILESTONE

# Secured additional DOLA Local Planning Capacity Grant Funds and grant term extended through October 2028

## Financial Management & Reporting

### Grant Administration

- Continued administration of **DOLA LPC Grant #25-070**
- Advanced **Amendment #1** for supplemental \$145,000 in LPC incentive funding
- Maintained ongoing grant compliance and reporting requirements in collaboration with Ouray County – fiscal agent and grantee

### Budget Planning

- Original grant term: October 2027; now **extended by one year** through October 2028
- Supported **2027 budgetary planning** and Housing Services Administrator contract renewal discussions
- Coordinated billing from Ouray County to the Town of Ridgway and City of Ouray for their respective one-third shares of required local match

## MILESTONE

# Looking ahead: Strengthen systems, capacity, and regional coordination into 2027

## Q4 Look Ahead

### Priorities and Activities Planned

#### Regional Coordination

- Complete the 2027-2029 Proposition 123 opt-in processes for Town and County
- Support renewal of the regional Proposition 123 Intergovernmental Agreement
- Advance Housing Services Administrator 2027 contract renewal

#### Program Administration

- Continue Wetterhorn resale and ROFR process
- Continue deed-restriction administration and compliance
- Secure legal and technical capacity for deed restriction administration and conduct stakeholder engagement to inform and guide standardization efforts before proceeding

#### Systems & Capacity

- Advance Kintone Phase III
- Integrate comprehensive deed-restriction inventory
- Phase IV: Develop and test an online deed-restriction compliance attestation and monitoring process for the Waterview community.
- Develop Strategic Plan and Annual 2027 Work Plan

#### Grant & Professional Requirements

- Complete DOLA LPC quarterly reporting and reimbursement
- Maintain Fair Housing Specialist certification and complete continuing education

## Questions

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Eva Henson

Housing Services Director

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CITY OF  
**OURAY**  
COLORADO

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To: Mayor & City Council  
From: Michelle Metteer, City Administrator  
Date: October 19, 2026  
Agenda Item: Intergovernmental Agreement (IGA) for Full Law Enforcement Services

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### **REQUEST:**

Consider the Resolution and IGA for Full Law Enforcement Services.

### **INTRODUCTION:**

The City of Ouray Police Department law enforcement coverage has appreciated the local support of the Ouray County Sheriff's Office multiple times over the last many years. Due to staff turnover, the difficulties of hiring in a rural/remote geographic area, high cost of living, emergency response time protocols and other unforeseen circumstances, the Sheriff's Office has stepped in, via a temporary contract, to ensure the continuity of community policing services within the City limits. The most recent incident occurred in December 2025. The contract is currently effective through December 31, 2026. With the ever-increasing costs of maintaining an in-house police department, combined with the results of the 2024 Police Department Management Audit - which identified the need for a new Police Department facility, the current economic realities support considering contracting for all City law enforcement services through the Ouray County Sheriff's Office.

### **ANALYSIS:**

The Ouray Police Department currently lacks the ability to provide complete coverage of law enforcement services to the City of Ouray. In fact, the Police Department has not had the capacity to provide full time coverage for the City since at least December 2025. Should the Council wish to rebuild the department, effectively maintaining in-house services, the 2027 City budget would need to be modified to address at least an additional \$260k in operational cuts to the general fund, along with the commitment to provide a new Police Department facility. The current estimated facility cost from Keo Studioworks, which was conducted as part of the City's Facility Needs Assessment, came in at roughly \$1.6M, although it is possible a facility could be provided for a lesser amount. Regardless of the exact cost to obtain a fully operational Police Department facility, the combined cost of a new facility and expenses to rebuild the Police Department with in-house services would effectively deplete the City's general fund reserves.

The IGA presented allows for complete law enforcement service coverage by the Ouray County Sheriff's Office while staying within the current 2027 budget. Furthermore, it

does not require the capital investment for a new facility. These economic realities lend to the consideration of the Sheriff's contract option. Lastly, there is nothing in the IGA prohibiting a future Council from reestablishing a City Police Department in the future. However, due to the capital facility construction requirement, reestablishing a City Police Department would likely be years down the road.

Because the contract with the Ouray County Sheriff's Office is for complete law enforcement services, the City would not need to maintain any law enforcement positions. To that end, the recommended action is to dissolve the Police Department with a reduction in force layoff for the remaining employee(s).

**BUDGET / STAFF IMPACT:**

See attached cost breakout.

**ORGANIZATIONAL ALIGNMENT:**

The City Charter allows for the Council's consideration of contract in lieu of organizational positions or departments.

**RECOMMENDED ACTION OR PROPOSED MOTION:**

Motion to approve the Intergovernmental Agreement for Full Law Enforcement Services Between the County of Ouray, Colorado and the City of Ouray, Colorado

**ATTACHMENT(S):**

- Intergovernmental Agreement for Full Law Enforcement Services Between the County of Ouray, Colorado and the City of Ouray, Colorado - Clean Version
- Intergovernmental Agreement for Full Law Enforcement Services Between the County of Ouray, Colorado and the City of Ouray, Colorado - Redlined Version
- Cost Breakout



**INTERGOVERNMENTAL AGREEMENT FOR FULL LAW ENFORCEMENT  
SERVICES**

**BETWEEN**

**THE COUNTY OF OURAY, COLORADO**

**AND**

**THE CITY OF OURAY, COLORADO**

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**RECITALS**

THIS INTERGOVERNMENTAL AGREEMENT FOR FULL LAW ENFORCEMENT SERVICES ("Agreement") is entered into by and between the COUNTY OF OURAY, COLORADO, a political subdivision of the State of Colorado ("County"), acting through the Ouray County Sheriff's Office and Board of County Commissioners and the CITY OF OURAY, COLORADO, a Colorado municipal corporation ("City"), acting through its City Council:

WHEREAS, the County is a political subdivision of the State of Colorado authorized to enter into intergovernmental agreements pursuant to Sections 29-1-201 through 29-1-206, Colorado Revised Statutes; and

WHEREAS, the City is a Colorado municipal corporation authorized to enter into intergovernmental agreements pursuant to Colorado law; and

WHEREAS, the Sheriff of Ouray County is a locally elected, independent constitutional officer of the State of Colorado possessing powers and duties established by the Colorado Constitution and Colorado Revised Statutes; and

WHEREAS, C.R.S. § 30-11-410 authorizes the governing body of a municipality and the board of county commissioners to contract for the purpose of providing law enforcement, including enforcement of municipal ordinances, by the sheriff within the boundaries of the municipality; and

WHEREAS, due to ongoing operational difficulties maintaining the City police department, the City and County entered into an *Intergovernmental Agreement Regarding the Provision of Law Enforcement Services – City of Ouray* on December 18, 2025, as amended in April 2026 by *Amendment No. 1* to that Intergovernmental Agreement, which was intended to be a temporary arrangement; and

WHEREAS, continued operational and financial difficulties have impacted the City's ability to maintain a police department, and at a duly noticed public meeting held on June 1, 2026, City

Council directed City staff to work with the Sheriff to propose a contract for the provision of full law enforcement services; and

WHEREAS, the City has determined that contracting with the County for law enforcement services is in the best interests of the health, safety, and welfare of the residents, businesses, visitors, and taxpayers of the City; and

WHEREAS, the City desires to contract with the County for the provision of full law enforcement services during the term of this Agreement; and

WHEREAS, the parties acknowledge that this Agreement is intended to establish a long-term operational evaluation period during which the Ouray County Sheriff's Office shall serve as the primary law enforcement agency within the City; and

WHEREAS, the parties further acknowledge that nothing in this Agreement shall prohibit the City from re-establishing or creating a municipal police department, and

WHEREAS, the County is willing to provide such services under the terms and conditions set forth herein; and

WHEREAS, the parties desire to establish clear responsibilities regarding law enforcement services, records management, evidence management, compensation, liability, and operational authority; and

WHEREAS, the governing bodies of the County and City, and the Sheriff find that entering into this Agreement serves a valid public purpose and promotes public health, safety, and welfare;

NOW, THEREFORE, now therefore, the parties agree as follows:

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## **ARTICLE 1**

### **DEFINITIONS**

#### **1.1 Agreement**

"Agreement" means this Intergovernmental Agreement for Full Law Enforcement Services, including all exhibits, attachments, amendments, and incorporated documents.

#### **1.2 City**

"City" means the City of Ouray, Colorado.

#### **1.3 County**

"County" means the County of Ouray, Colorado.

#### **1.4 Sheriff**

"Sheriff" means the duly elected Sheriff of Ouray County or the Sheriff's authorized designee.

#### **1.5 Sheriff's Office**

"Sheriff's Office" means the Ouray County Sheriff's Office and all employees, deputies, investigators, supervisors, reserve personnel, volunteers, and authorized agents thereof.

#### **1.6 Law Enforcement Services**

"Law Enforcement Services" means all services customarily provided by a Colorado law enforcement agency, including patrol, investigations, traffic enforcement, emergency response, ordinance enforcement, proactive operations (to include all community policing), special event operations, and related school and public safety functions.

#### **1.7 Emergency Event**

"Emergency Event" means any incident requiring extraordinary public safety response, including wildfire, flood, mass casualty incident, civil disturbance, evacuation, mass shooting, declared emergency, terrorism incident, or other natural or manmade disaster.

#### **1.8 Special Event**

"Special Event" means any organized event requiring law enforcement planning, staffing, traffic control, crowd management, or public safety operations.

#### **1.9 Records**

"Records" means reports, recordings, electronic files, body-worn camera recordings, CAD records, evidence logs, photographs, documents, and other information generated or maintained by the Sheriff's Office.

#### **1.10 Evidence**

"Evidence" means property, documents, recordings, photographs, physical items, digital evidence, or other materials collected or maintained as part of a law enforcement investigation or enforcement action.

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## **ARTICLE 2**

### **PURPOSE**

## **2.1 Purpose**

The purpose of this Agreement is to establish the terms and conditions under which the County shall provide full law enforcement services within the City through the Ouray County Sheriff's Office.

## **2.2 Intent**

The parties intend that the Sheriff's Office serve as the designated local law enforcement agency within the City during the term of this Agreement. The Sheriff's Office shall provide staffing levels at an approximate 20-hour-per-day schedule for law enforcement services for the City, subject to mutual aid, emergency response, staffing, and other operational requirements under Articles 3, 4, 13, and 18, and other applicable provisions, of this Agreement.

## **2.3 Public Safety Objective**

The parties acknowledge that the primary objective of this Agreement is the protection of public safety and the preservation of effective law enforcement services for the City's residents and visitors.

## **2.4 No Permanent Obligation**

The parties expressly acknowledge that this Agreement establishes a limited-term arrangement and shall not create any obligation requiring the County to provide municipal law enforcement or other services beyond the stated term and purpose of the Agreement.

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## **ARTICLE 3**

### **SCOPE OF LAW ENFORCEMENT SERVICES**

#### **3.1 General Services**

The Sheriff's Office shall provide full law enforcement services within the City consistent with Colorado law, Sheriff's Office policy and procedure, operational priorities, and available resources.

#### **3.2 Patrol Services**

Services may include:

- Respond to calls for service
- Proactive functions
- Directed patrol
- Foot patrol

- Community policing
- Traffic enforcement
- Business checks
- Vacation checks
- Public safety outreach

### **3.3 Criminal Investigations**

The Sheriff's Office shall investigate criminal offenses occurring within the City in accordance with the Sheriff's Office policy and procedure, and Colorado law.

### **3.4 Traffic Enforcement**

The Sheriff's Office will conduct traffic enforcement and investigate traffic crashes occurring within the City.

### **3.5 Emergency Response**

The Sheriff's Office shall provide emergency response services consistent with Sheriff's Office policy and procedure. Response to any Emergency Event shall be in accordance with County Resolution 2024-043, Establishing a Multi-Jurisdictional Emergency Operations Plan (previously approved by both County and City), as amended, and other applicable laws, regulations, and policies. Nothing in this Agreement shall be interpreted to supersede the Multi-Jurisdictional Emergency Operations Plan, as amended, or to obligate the County to prioritize or provide special funding or resources for Emergency Events for the City unless as otherwise determined by the Sheriff, or as agreed upon between the County Sheriff, County Manager, and City Administrator or their designees. During Emergency Events, or other major incidents or critical events, the Sheriff may deploy personnel and resources as necessary to protect public safety throughout Ouray County.

### **3.6 Special Events**

The Sheriff's Office shall coordinate law enforcement operations for Special Events occurring within the City as provided elsewhere in this Agreement, subject to funding and available resources.

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## **ARTICLE 4**

### **STAFFING AND COVERAGE**

#### **4.1 Sheriff's Authority**

The Sheriff shall retain sole authority and sole discretion regarding staffing, deployment, supervision, training, scheduling, and assignment of Sheriff's Office personnel.

## 4.2 Coverage Levels

Coverage shall be determined by the Sheriff based upon:

- Call volume
- Seasonal demands
- Community needs
- Staffing levels
- Public safety priorities
- Available resources

## 4.3 Supervisory Support

The Sheriff's Office shall maintain supervisory oversight and sole discretion for services provided under this Agreement.

## 4.4 Mutual Aid

Nothing in this Agreement shall limit the Sheriff's authority to request or provide mutual aid assistance pursuant to law or mutual aid agreements.

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## ARTICLE 5

### MUNICIPAL ORDINANCE ENFORCEMENT

#### 5.1 Enforcement Authority

The Sheriff's Office may enforce municipal ordinances authorized by law and identified by the City, and may enforce other criminal offenses and civil infractions within the City, including statutory violations, at the sole discretion of the Sheriff's Office. The City shall make a copy of active municipal ordinances and associated penalties available to the Sheriff's Office, for enforcement purposes. The Sheriff's Office shall issue citations into City Municipal Court for violations of municipal ordinances as appropriate and as determined within the discretion of the Sheriff's Office, pursuant to applicable provisions of the Ouray Municipal Code, a Codification of the General Ordinances of the City of Ouray, Colorado, as amended, including but not limited to violations of Chapter 5 (Municipal Court), Chapter 10 (Police Code Regulations), Chapter 14 (Traffic Regulations), and other violations of other municipal ordinances deemed appropriate for enforcement by the Sheriff's Office within its discretion.-

#### 5.2 Enforcement Discretion

Deputies and the Sheriff's Office chain of command (including all supervisors and elected and appointed officials) shall retain full discretion regarding:

- Citations

- Arrests
- Charging decisions, including but not limited to selection of applicable state, federal, or municipal court(s) per Section 7.1 of this Agreement.
- Investigations
- Enforcement priorities

consistent with Colorado law and the Sheriff's Office policy.

### **5.3 Excluded Services**

Unless otherwise agreed in writing, the Sheriff's Office shall not be responsible for:

- Building code enforcement
- Zoning enforcement
- Planning enforcement
- Property maintenance enforcement
- Civil code enforcement activities
- Abatement of nuisances under Chapter 10 of the Ouray Municipal Code.

### **5.4 Prosecutorial and Municipal Judge Coordination**

The City shall designate appropriate municipal prosecutorial and municipal judge resources necessary for the enforcement and adjudication of municipal ordinances under C.R.S. 31-4-208, the City Home Rule Charter, and other law.

## **ARTICLE 6**

### **TRANSITION OF LAW ENFORCEMENT SERVICES**

#### **6.1 Purpose**

The parties acknowledge that the City has elected to contract with the County for the provision of full law enforcement services during the term of this Agreement. Due to operational and financial difficulties associated with providing law enforcement services at levels required to meet the needs of the community, the City has determined that provision of full law enforcement services by the Sheriff's Office is in the best interests of the citizens of the City.

The purpose of this Article is to establish a framework for the orderly transition of law enforcement responsibilities while ensuring uninterrupted public safety services. The parties agree and acknowledge the County has already been providing law enforcement services to the City on a temporary, contractual basis. Therefore, this Agreement shall repeal and replace the previous *Intergovernmental Agreement Regarding the Provision of Law Enforcement Services – City of Ouray*, between the parties, as amended April 28, 2026.

## **6.2 Assumption of Services**

Beginning on the Effective Date of this Agreement, the Sheriff's Office shall serve as the primary law enforcement agency within the City and shall assume responsibility for law enforcement services identified in this Agreement.

## **6.4 Existing Municipal Police Operations**

Nothing contained herein shall require the City to permanently dissolve or prohibit the future re-establishment of a municipal police department.

## **6.5 Employment Matters**

Nothing in this Agreement shall require the County to employ any current or former City employee. The City shall indemnify and hold the County harmless for any claims from current City employees involved with the provision of law enforcement services, which claims the City knows about or reasonably should have known about as of the effective date of this Agreement, to the extent allowed by applicable law.

Any employment decisions involving any potential hiring of former City personnel shall remain solely within the discretion of the Sheriff and County, and nothing in this Agreement shall obligate or imply the Sheriff and County are required or have any liability to hire any former City personnel.

## **6.6 Equipment and Property**

Any transfer, lease, loan, purchase, or use of City-owned law enforcement equipment shall be governed by a separate written agreement approved by both parties. The County Sheriff, County Manager, and City Administrator (or their designees) are authorized to execute agreements regarding the appropriate transfer, lease, loan, purchase, or use of City-owned law enforcement equipment, which equipment shall be identified in an equipment inventory list exchanged initially and annually between the City Administrator, County Manager, and County Sheriff, as may be revised.

## **6.7 Public Communications**

The parties shall coordinate public communications regarding the implementation of this Agreement and any future transition activities.

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## **ARTICLE 7**

### **COURT SERVICES**

#### **7.1 Court Appearances**

Deputies and employees of the Sheriff's Office shall appear before municipal, county, state, or federal courts as required by law regarding matters arising from services provided under this Agreement.

## **7.2 Reports and Documentation**

The Sheriff's Office shall prepare reports, affidavits, citations, warrants, and related documents necessary for prosecution and adjudication of matters arising within the City.

## **7.3 Municipal Court Administration**

The City shall remain responsible for:

- Municipal Court administration
- Court scheduling
- Court clerks
- Municipal prosecution
- Collection of fines and fees, provided that Model Traffic Code fines, fees, and surcharges, whether collected under County Ordinance or Chapter 14 (Traffic Regulations) of the Ouray Municipal Code, shall be remitted to the County Sheriff's Office.
- Court record retention

## **7.4 Charging Authority**

Nothing in this Agreement shall limit the discretion of deputies to pursue municipal, county, or state charges as authorized by law.

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# **ARTICLE 8**

## **RECORDS, EVIDENCE, AND DISCOVERY**

### **8.1 Ownership of Records**

All law enforcement records created by the Sheriff's Office pursuant to this Agreement shall remain the property and responsibility of the Sheriff's Office and Ouray County.

### **8.2 Records Management**

The Sheriff's Office shall maintain records in accordance with:

- Colorado Criminal Justice Records Act (CCJRA)
- Colorado Open Records Act (CORA)
- Colorado and Local Records Retention Requirements

- Applicable Sheriff's Office policies and procedures

### **8.3 Body-Worn Camera Recordings**

Body-worn camera recordings shall be maintained and released in accordance with Colorado law and the Sheriff's Office policy.

### **8.4 Evidence Management**

The Sheriff's Office shall maintain responsibility for:

- Evidence collection
- Evidence storage
- Chain of custody
- Evidence processing
- Evidence disposition

### **8.5 Discovery Requests**

The Sheriff's Office shall cooperate with prosecuting attorneys regarding criminal and municipal discovery obligations, to the extent required by applicable law and court rules.

### **8.6 Public Records Requests**

Requests involving Sheriff's Office records shall be reviewed and processed by the Sheriff's Office in accordance with applicable law, policies, and regulations.

### **8.7 Data Systems**

All Sheriff's Office databases, electronic and other files, CAD systems, RMS systems, evidence systems, and related law enforcement technology (hereinafter "Data Systems") shall remain under the exclusive control of the Sheriff's Office, including any necessary transfer, custody, control, and retention of any Ouray Police Department Data Systems required to effectuate the provisions of this Agreement. The Sheriff's Office has the right, but not the obligation, to access and/or review any closed, archived, or other Ouray Police Department Data Systems maintained by the City, in order to effectuate the provisions of this Agreement. Nothing in this Agreement shall require the Sheriff's Office to permanently assume custody, control, and/or retention of any Ouray Police Department Data Systems. The Sheriff's Office retains discretion to ensure an orderly logistical transfer and transition of necessary Data Systems.

### **8.8 Policies and Procedures**

The Ouray County Sheriff's Office Policy Manual is regularly updated, and an electronic copy of the Policy Manual is available for inspection upon request.

## ARTICLE 9

### PERSONNEL AND EQUIPMENT

#### 9.1 Personnel

The Sheriff's Office shall provide personnel necessary to perform services under this Agreement, implementing 34 full-time deputies, a full-time sergeant, 2 full-time corporals a full-time investigator, and additional associated personnel which are initially identified by the Sheriff in Exhibit A, as may be revised, to fulfill the appropriate staffing levels, subject to staffing availability and operational requirements. The parties have identified a total of six new full-time County Sheriff's Office employees necessary to fulfill service levels under this Agreement. The corporal and investigator positions may be filled externally, or internally through a promotion (which shall justify the hiring of an additional deputy to fill that vacancy and hit the identified metric of six new full-time employees.) In the event of any reasonably unforeseen, material shortfall in service and staffing levels, the parties agree to meet and confer on any appropriate response, through the County Sheriff, City Administrator, and County Manager, or their designees, and may agree to amend Exhibit A to adjust compensation from the City to the County to reflect such change in service levels. The parties shall maintain agency contact lists for internal contact information necessary to fulfill this Agreement. The parties, through the Sheriff, City Administrator, and County Manager, shall re-evaluate needs for full-time and part-time employees on an annual basis during the budget process, including anticipated needs for an additional full-time deputy position beginning in calendar year 2028.

#### 9.3 County Equipment

The County shall provide and maintain equipment necessary to perform law enforcement services, including:

- Patrol vehicles
- Radios
- Mobile data terminals
- Body-worn cameras
- Firearms
- Less-lethal equipment
- Uniforms
- Technology systems

#### 9.4 Facilities

The parties may enter into separate agreements concerning facility use, office space, storage areas, or related operational needs, to effectuate the provisions of this Agreement, which may be approved by the County Sheriff, County Manager, and City Administrator or their designee.

#### 9.5 Maintenance

The County shall remain responsible for the maintenance and replacement of County-owned equipment.

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## **ARTICLE 10**

### **LIABILITY, IMMUNITY, AND INSURANCE**

#### **10.1 Governmental Immunity**

Nothing contained in this Agreement shall be construed as a waiver of any protections, immunities, limitations, or defenses available under the Colorado Governmental Immunity Act, C.R.S. §24-10-101 et seq.

#### **10.2 Responsibility for Acts and Omissions**

Each party shall be responsible for its own acts and omissions and those of its officers, employees, agents, and representatives.

#### **10.3 No Employment Relationship**

Employees of the Sheriff's Office shall remain employees of Ouray County and shall not be considered employees of the City for any purpose.

#### **10.4 Insurance**

The County Sheriff, County Manager, and City Administrator, and their legal counsel, or their designees, shall cooperate to identify required insurance and costs associated thereto, for each annual year. Each party shall maintain coverage or self-insurance as authorized by Colorado law, including:

- General Liability
- Automobile Liability
- Public Officials Liability
- Law Enforcement Liability
- Workers' Compensation

#### **10.5 Cooperation in Claims**

The parties shall cooperate in the investigation, defense, and resolution of third-party claims arising from activities conducted under this Agreement. Each party remains individually responsible for any claim which is known to a party, or reasonably should have been known to a party, prior to the effective date of this Agreement. Claims between the parties to this Agreement (i.e. not third-party claims) shall be reviewed and resolved in accordance with Section 16 herein.

#### **10.6 Peace Officer Liability**

Claims involving peace officers shall be handled in accordance with applicable Colorado law, including C.R.S. § 13-21-131, C.R.S. § 24-10-101 et seq., and any successor statutes.

### **10.7 Survival**

The provisions of this Article shall survive expiration or termination of this Agreement to the extent necessary to resolve claims arising during the term of the Agreement.

## **ARTICLE 11**

### **COMPENSATION AND FUNDING**

#### **11.1 Compensation**

In consideration for the services provided pursuant to this Agreement, the City shall compensate the County in accordance with Exhibit A attached hereto and incorporated herein by reference. The County shall use the funds from the City solely for the Sheriff's Office and affiliated County agencies to cover law enforcement services for the City as provided in this Agreement, including associated administrative, overhead, operational, and other costs as identified in this Agreement and Exhibit A, as may be revised. The County shall use compensation provided pursuant to this Agreement for the purposes identified above.

#### **11.2 Annual Budget Process**

Compensation shall be determined annually through the County and City budget process and shall be reflected in Exhibit A, as may be amended.

The parties acknowledge that compensation may be adjusted annually based upon operational costs and budgetary considerations. The parties acknowledge that certain overhead costs may be difficult to identify and quantify, and flat fee payment may be necessary depending on the circumstances, as subject to negotiations and approval between the parties.

#### **11.3 Cost Components**

Compensation may include costs associated with:

- Personnel salaries and wages
- Employee benefits
- Retirement contributions
- Workers' compensation
- Patrol vehicles
- Fuel and maintenance
- Dispatch services
- Records management
- Evidence management
- Technology systems

- Training
- Administrative, human resources, and IT support
- Civil and advisory legal support, including civil litigation defense
- Insurance premiums and deductibles
- Supervisory support
- Office space
- Other overhead costs
- General Law Enforcement Equipment, ie: BPV, flashlights, etc.

#### 11.4 Quarterly Payments

Unless otherwise agreed in writing, payments shall be made quarterly in accordance with specific quarterly dates agreed upon between the County Sheriff, County Manager, and City Administrator, or their designees. If this Agreement is fully executed and effective prior to January 1, 2027, a 2026 pro rata payment (meaning the 2027 total operational budget specified in Exhibit A divided by the remaining days in 2026) shall be due to the County, within 15 days of the effective date of this Agreement determined by the date of the last signature affixed hereto.

#### 11.5 Extraordinary Costs

The City will reasonably reimburse the County for extraordinary expenses, no less than quarterly unless otherwise agreed upon under Section 11.5, to the extent allowed by applicable law, and as negotiated between the City and County in good faith, for those extraordinary expenses associated with:

- Emergency Events
- Major investigations
- Special Event staffing
- Insurance Deductibles, including but not limited to law enforcement liability deductibles which are currently \$60,000 under the County insurance pool
- Civil lawsuits and claims arising or associated with the provision of law enforcement services under this Agreement, including but not limited to claims under Section 10.6 above, and any judgment(s), insurance deductibles as specified above, and third-party or outside attorney's fees and costs, provided that the County Attorney shall retain discretion for potential in-house defense of civil lawsuits and related claims in consultation with the Sheriff's Office and other County officials
- Costs of Housing Inmates, including cost(s) for medical care, dental care, civil lawsuit(s) from inmates, and other incidental costs from inmates
- Costs of Vehicle Replacement
- Other extraordinary expenses, on a case-by-case basis, as determined by the Sheriff, City Administrator, and County Manager, or their designee(s).

#### 11.6 Non-Appropriation

The obligations of the parties under this Agreement remain subject to annual appropriation of funds in accordance with Colorado law and Article X, Section 20 of the Colorado Constitution.

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## **ARTICLE 12**

### **REPORTING AND PERFORMANCE REVIEW**

#### **12.1 Monthly Reports**

The Sheriff's Office shall provide monthly activity reports summarizing law enforcement activities occurring within the City, which may require appropriate redactions, aggregation of data, or withholding for confidential information as necessary (e.g. juvenile records, confidential informants, ongoing investigations, etc.).

Reports may include:

- Calls for service
- Arrests
- Citations
- Traffic crashes
- Criminal investigations
- Community policing activities
- Special event operations
- Significant incidents

#### **12.2 Quarterly Meetings**

Representatives of the Ouray County Sheriff's Office and City shall meet quarterly to discuss:

- Service delivery
- Operational concerns
- Public safety trends
- Budget considerations
- Community issues

#### **12.3 Annual Review**

The parties shall conduct an annual review of this Agreement and the services provided pursuant thereto, as specified herein.

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## **ARTICLE 13**

### **SPECIAL EVENTS AND EXTRAORDINARY OPERATIONS**

#### **13.1 Coordination**

The City shall provide reasonable advance notice of special events requiring law enforcement support, ideally 60 days advance notice if possible, including regular notice of City special permit application review.

### **13.2 Covered Events**

Special events may include:

- Fourth of July celebrations
- Ouray Jeep events
- Ouray Ice Festival
- Music festivals
- Community celebrations
- Public demonstrations
- Sporting events
- Parades

### **13.3 Operational Plans**

The Sheriff's Office may prepare operational plans for events requiring enhanced law enforcement services.

### **13.4 Cost Recovery**

Extraordinary staffing or operational costs may be reimbursed pursuant to Section 11.5, above.

### **13.5 Emergency Authority**

Nothing contained herein shall limit the Sheriff's authority to deploy personnel and resources in response to emergencies occurring within or outside the City. Nothing herein shall be interpreted to require the Sheriff to prioritize City requests above other requests, calls, public safety needs, and operational needs within the entire County, along with inter-jurisdictional requests and calls. The Sheriff or designee shall have sole discretion regarding prioritization of available law enforcement services.

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## **ARTICLE 14**

### **TERM AND RENEWAL**

#### **14.1 Term**

This Agreement shall become effective on the date of the last signature herein ("Effective Date") and shall remain in effect through December 31, 2027, unless terminated earlier, renewed, or modified, pursuant to this Agreement.

## **14.2 Fixed-Term Agreement**

The parties acknowledge that this Agreement is intended as a fixed-term, annual, recurring law enforcement services agreement, subject to renewals, modifications, or terminations as allowed herein.

## **14.3 Initial Evaluation Period**

No later than September 1, 2027, the County Sheriff, County Manager, and City Administrator, shall meet to evaluate the following items, and prepare appropriate reporting to the governing bodies, for purposes of potential renewal, budgeting in accordance with Section 20.2 of this Agreement, and initial evaluation, on:

- Service effectiveness
- Staffing needs
- Community satisfaction
- Financial impacts
- Future service options

## **14.4 Renewal**

Any extension or renewal of this Agreement shall require written approval by the County Sheriff, City Council, and Board of County Commissioners, for the initial annual renewal for calendar year 2028. Subject to the appropriation of funds or other termination or modification as provided herein, this Agreement shall automatically renew for 2029 and further years, including minor modifications and reasonable funding increases of up to 5% annual increases as negotiated in good faith, which may be approved in writing by the City Administrator, County Manager, and County Sheriff, or their designees. Any substantial modifications to this Agreement during an annual extension or otherwise shall require written approval of the City and County governing bodies, in addition to the Sheriff.

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## **ARTICLE 15**

### **TERMINATION**

#### **15.1 Termination Without Cause**

Either party, meaning the County Sheriff, Board of County Commissioners, or City Council, may terminate this Agreement upon three hundred (300) days' written notice.

#### **15.2 Termination for Breach**

If either party materially breaches this Agreement, the non-breaching party shall provide written notice describing the alleged breach.

The breaching party shall have thirty (30) days to cure the breach unless otherwise agreed.

### **15.3 Mutual Termination**

This Agreement may be terminated at any time upon mutual written agreement of the parties.

### **15.4 Financial Obligations**

Termination shall not relieve either party of financial obligations accrued before termination.

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## **ARTICLE 16**

### **DISPUTE RESOLUTION**

#### **16.1 Good Faith Cooperation**

The parties shall attempt to resolve disputes through cooperation and good faith negotiation, which shall initially be addressed at the lowest practicable staff level.

#### **16.2 Administrative Review**

Disputes, if not resolved at the lowest practicable staff level, shall first be referred to:

- City Administrator (or designee), acting on behalf of the City Council.
- Undersheriff (or designee), acting on behalf of the County Sheriff.
- County Manager (or designee), acting on behalf of the Board of County Commissioners

for informal resolution.

#### **16.3 Executive Review**

If unresolved, disputes shall be elevated to:

- City Council
- Board of County Commissioners
- Sheriff

for further discussion. The parties may also utilize legal counsel, meaning the City Attorney and County Attorney, or designees, for all informal and formal dispute resolution procedures, at any step during the dispute resolution process.

#### **16.4 Mediation**

Prior to litigation between the parties to this Agreement, the parties agree to participate in non-binding mediation unless emergency judicial relief is necessary, with an equal share of third-party mediation costs and fees between City and County, and both parties responsible for their own attorney's fees and costs.

## **16.5 Venue**

Any legal action arising from this Agreement shall be filed in a court of competent jurisdiction within the State of Colorado, in the Seventh Judicial District, with both City and County responsible for their own attorney's fees and costs.

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## **ARTICLE 17**

### **GENERAL PROVISIONS**

#### **17.1 Entire Agreement**

This Agreement constitutes the entire agreement between the parties concerning the subject matter addressed herein.

#### **17.2 Severability**

If any provision is determined invalid or unenforceable, the remaining provisions shall remain in full force and effect.

#### **17.3 Assignment**

Neither party may assign its rights or obligations under this Agreement without prior written consent of the other party.

#### **17.4 No Third-Party Beneficiaries**

Nothing contained herein shall create rights in any third party.

#### **17.5 Authority**

Each party represents that it possesses the authority necessary to enter into and perform this Agreement.

#### **17.6 Governing Law**

This Agreement shall be governed by the laws of the State of Colorado.

#### **17.7 Notices**

All notices required by this Agreement shall be in writing and delivered to the designated representatives identified by the parties, via email, hand delivery, or first-class mail.

### **17.8 Counterparts**

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original.

### **17.9 Electronic Signatures**

Electronic signatures shall be deemed valid and enforceable to the fullest extent permitted by law.

## **ARTICLE 18**

### **SHERIFF'S AUTHORITY, OPERATIONAL INDEPENDENCE, AND LAW ENFORCEMENT DISCRETION**

#### **18.1 Constitutional Authority**

The parties acknowledge that the Sheriff is an independent, elected constitutional officer of the State of Colorado possessing powers, duties, and responsibilities established by the Colorado Constitution, Colorado Revised Statutes, and applicable law.

Nothing contained within this Agreement shall be construed to limit, waive, transfer, impair, or otherwise restrict the lawful authority of the Sheriff.

#### **18.2 Operational Independence**

The Sheriff shall retain exclusive authority and discretion regarding:

- \* Personnel assignments
- \* Staffing levels
- \* Scheduling
- \* Training
- \* Supervision
- \* Investigations
- \* Patrol deployment
- \* Emergency response
- \* Resource allocation
- \* Enforcement priorities
- \* Community Policing
- \* Policy development

### **18.3 Personnel Authority**

All personnel assigned to perform services pursuant to this Agreement shall remain employees of Ouray County. Nothing in this Agreement shall be construed as any waiver or modification of County employee “at-will” status under applicable law and policy, including but not limited to Sheriff’s Deputies under C.R.S. § 30-10-506 and other law.

The Sheriff shall retain sole authority regarding:

- \* Hiring
- \* Promotion
- \* Discipline
- \* Evaluation
- \* Assignment
- \* Transfer
- \* Termination

of Sheriff’s Office personnel.

### **18.4 Enforcement Discretion**

Deputies shall retain full law enforcement discretion as authorized by Colorado law.

Neither the City Council and its members, Mayor, City Administrator, nor any City employee shall direct, require, prohibit, or interfere with any deputy's decision regarding:

- \* Arrests
- \* Citations
- \* Criminal charges
- \* Investigations
- \* Search warrants
- \* Traffic enforcement
- \* Emergency response
- \* Enforcement actions

### **18.5 Criminal Investigations**

The Sheriff shall retain exclusive authority over criminal investigations conducted by the Sheriff’s Office.

The City shall not direct the initiation, continuation, suspension, or closure of any criminal investigation.

### **18.7 No Agency Relationship**

Nothing in this Agreement shall create a principal-agent relationship between the City and the Sheriff's Office.

### **18.8 Preservation of Authority**

If any provision of this Agreement is determined to conflict with the lawful authority of the Sheriff, such provision shall be interpreted to preserve the Sheriff's authority to the maximum extent permitted by law.

## **ARTICLE 19**

### **TRANSITION REVIEW, SUCCESSION, AND EXIT STRATEGY**

#### **19.1 Purpose**

The parties acknowledge that this Agreement intends to establish a multi-year (subject to annual renewals, appropriations, and termination herein) law enforcement services arrangement and evaluation period.

#### **19.2 Transition Review**

The parties shall conduct an initial and budgetary review as specified in Section 14.3 and 20.2 herein. In addition, no later than March 1, 2028, following a full year of data collection and opportunity to review, the parties shall conduct a comprehensive review of:

- \* Service effectiveness
- \* Staffing levels
- \* Community satisfaction
- \* Financial performance
- \* Operational outcomes
- \* Future service needs

#### **19.3 Future Service Options**

Following initial review and subsequent comprehensive transition review, the parties may consider:

- \* Renewal of the Agreement
- \* Modification of services
- \* Transition to a different service model
- \* Re-establishment of a municipal police department
- \* Other public safety arrangements

#### **19.4 Notice of Intent**

If either party intends not to renew the Agreement, written notice shall be provided at least three hundred (300) days before expiration, unless as otherwise agreed upon between the parties. If no notice of termination is provided, and no notice of intent of non-renewal is provided, this Agreement shall renew on an annual basis.

#### **19.5 Continuity of Services**

The parties shall cooperate in good faith to avoid interruption of public safety services during any transition period.

#### **19.6 Ongoing Investigations**

Investigations initiated during the term of this Agreement shall remain under the authority of the Sheriff's Office unless otherwise required by law.

#### **19.7 Evidence Custody**

Evidence collected by the Sheriff's Office shall remain under the custody and control of the Sheriff's Office.

#### **19.8 Records Retention**

Records created pursuant to this Agreement shall remain subject to applicable retention schedules and Colorado law.

#### **19.9 Equipment Ownership**

Ownership of equipment shall remain with the party owning such equipment unless otherwise transferred by separate written agreement.

#### **19.10 Personnel**

Nothing in this Agreement shall require either party to hire, retain, or employ any employee of the other party.

### **19.11 Transition Plan & Wind Down Provisions**

The parties authorize the County to act to the extent necessary to make an effective disposition of the property, equipment, personnel, and assets, and records existing pursuant to this Agreement before, during, and after any notice of non-renewal or termination. For purposes of wind-down, each party agrees that at the request of another party, it will, at any time hereafter, make such further assurances and execute or cause to be executed such further instruments as may be reasonably requested by another party in order that any wind-down may be fully performed in accordance with its intent and provisions. Upon notice of non-renewal or termination, the parties shall develop a written transition plan addressing:

- \* Service continuity
- \* Records and data access and transfers
- \* Evidence responsibilities
- \* Public communications
- \* Special Event coverage
- \* Interagency coordination
- \* Equipment transfers
- \* Potential personnel transfers

The parties agree and acknowledge the Sheriff's Office will hire 6 new full-time personnel, anticipated in 2026 and 2027 under Section 9.1 of this Agreement, to provide the service and staffing levels contemplated under this Agreement. In the event this Agreement is terminated without cause, under Section 15.1 of this Agreement, or not renewed under Section 19.4 of the Agreement, the non-terminating party (meaning either the City or County) shall be responsible for ensuring that any such newly-hired personnel shall receive no more than three (3) months of employment severance compensation, either within the 300-day notice period inclusive of benefits and other fringe compensation, or upon expiration of the 300-day notice period excluding benefits and other fringe compensation, subject to the appropriation and availability of funds. This provision shall not apply, meaning no financial obligations for severance under this provision shall accrue, for any non-renewal or termination due to a non-appropriation event, meaning governmental funds are not appropriated for the continuation of this Agreement under Sections 11.6, 14.4, 19.1, and 20.6 of this Agreement. This provision shall not apply in the event that any such newly-hired personnel are selected for transfer or re-hiring by any successor agency upon termination or non-renewal of this Agreement.

### **19.12 Survival**

Records, evidence, liability, and financial obligations shall survive expiration or termination as necessary to satisfy legal requirements.

## **ARTICLE 20**

### **FUNDING, BUDGET ADJUSTMENTS, AND ANNUAL COST REVIEW**

#### **20.1 Purpose**

The parties acknowledge that the cost of providing professional law enforcement services may fluctuate during the term of this Agreement.

#### **20.2 Annual Budget Review**

No later than September 1 of each year, unless as otherwise agreed upon during the City and County's annual budget processes, representatives of the County and City shall review:

- \* Personnel costs
- \* Benefits costs
- \* Insurance costs
- \* Fleet costs
- \* Fuel costs
- \* Dispatch costs
- \* Technology costs
- \* Training costs
- \* Administrative and overhead costs
- \* Equipment costs

#### **20.3 Compensation Adjustments**

Compensation may be adjusted based upon:

- \* Actual operational costs
- \* Approved wage adjustments
- \* Benefit increases
- \* Consumer Price Index (CPI)
- \* Material changes in service levels

#### **20.4 Extraordinary Costs**

If extraordinary costs exceed the anticipated budget, the parties shall meet and negotiate in good faith regarding reimbursement or adjustment.

## **20.5 Budget Documentation**

The County shall provide reasonable documentation in support of proposed adjustments upon request.

## **20.6 TABOR Compliance**

The obligations of the parties remain subject to annual appropriation, under C.R.S. § 29-1-110 and other law, and Article X, Section 20 of the Colorado Constitution.

## **20.7 Failure to Appropriate**

If either party fails to appropriate sufficient funds, the parties shall cooperate in good faith to determine whether services may continue at modified levels.

## **20.8 Audit Rights**

Each party shall maintain records sufficient to document expenditures associated with this Agreement and shall make such records available as required by law.

# **ARTICLE 21**

## **EXHIBITS, ATTACHMENTS, AND INCORPORATED DOCUMENTS**

### **21.1 Incorporation**

The following exhibits are incorporated into and made part of this Agreement:

Exhibit A

Annual Compensation Schedule

### **21.2 Conflict Between Documents**

In the event of a conflict between this Agreement and an Exhibit, the provisions of the Agreement shall control unless expressly stated otherwise.

### **21.3 Modification of Exhibits**

Exhibits may be modified by mutual written agreement without requiring amendment of the entire Agreement, as agreed upon by the County Sheriff, County Manager, and City Administrator, or their designees, when such modification does not materially alter the core obligations of either party.

## **SIGNATURE PAGE**

IN WITNESS WHEREOF, the parties hereto have executed this Intergovernmental Agreement for Full Law Enforcement Services as of the dates indicated below.

---

### **COUNTY OF OURAY, COLORADO**

#### **BOARD OF COUNTY COMMISSIONERS**

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

Chair

ATTEST:

---

County Clerk and Recorder

Date: \_\_\_\_\_

---

### **OURAY COUNTY SHERIFF'S OFFICE**

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

Sheriff Justin Perry

Date: \_\_\_\_\_

---

**CITY OF OURAY, COLORADO**

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

Mayor

Date: \_\_\_\_\_

ATTEST:

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City Clerk

Date: \_\_\_\_\_

---

**APPROVED AS TO FORM**

County Attorney

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

Date: \_\_\_\_\_

---

City Attorney

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

Date: \_\_\_\_\_

**~~CITY OF OURAY RESOLUTION~~**

**~~RESOLUTION NO. \_\_\_\_\_~~**

**~~A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OURAY, COLORADO  
AUTHORIZING THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT FOR~~**

~~FULL LAW ENFORCEMENT SERVICES BETWEEN THE CITY OF OURAY AND THE COUNTY OF OURAY.~~

~~WHEREAS~~.The City Council finds that maintaining professional law enforcement services is essential to the public health, safety, and welfare of the residents and visitors of the City of Ouray; and

~~WHEREAS~~, the City is authorized to enter into intergovernmental agreements pursuant to C.R.S. §29-1-201 et seq.; and

~~WHEREAS~~, the City has determined that contracting with the County of Ouray for law enforcement services is in the best interests of the City; and

~~WHEREAS~~, the parties have negotiated an Intergovernmental Agreement for Full Law Enforcement Services under which the Ouray County Sheriff's Office shall provide law enforcement services within the City for a fixed term ending \_\_\_\_\_;

~~NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF OURAY, COLORADO:~~

~~Section 1. The Intergovernmental Agreement for Full Law Enforcement Services between the City of Ouray and the County of Ouray is hereby approved.~~

~~Section 2. The City Mayor and Administrator is authorized and directed to execute the Agreement and any related documents necessary to implement its provisions.~~

~~Section 3. City staff, the City Attorney, and the City Administrator are authorized to take such actions as are reasonably necessary to carry out the intent of this Resolution.~~

~~PASSED, APPROVED, AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 20.~~

~~CITY OF OURAY, COLORADO~~

~~By: \_\_\_\_\_~~

~~Mayor~~

~~ATTEST:~~

~~\_\_\_\_\_  
City Clerk~~

~~COUNTY OF OURAY RESOLUTION~~

~~RESOLUTION NO. \_\_\_\_\_~~

~~A RESOLUTION OF THE BOARD OF COUNTY COMMISSIONERS OF OURAY COUNTY, COLORADO AUTHORIZING THE EXECUTION OF AN INTERGOVERNMENTAL AGREEMENT FOR FULL LAW ENFORCEMENT SERVICES BETWEEN THE COUNTY OF OURAY AND THE CITY OF OURAY.~~

~~WHEREAS~~.The Board of County Commissioners finds that intergovernmental cooperation promotes efficiency, fiscal responsibility, and effective public safety services; and

~~WHEREAS~~, the County is authorized to enter into intergovernmental agreements pursuant to C.R.S. §29-1-201 et seq.; and

~~WHEREAS~~, the City of Ouray has requested that the County provide full law enforcement services through the Ouray County Sheriff's Office for a fixed term ending \_\_\_\_\_; and

~~WHEREAS~~, the Board has reviewed the proposed Intergovernmental Agreement and finds that entering into such Agreement serves a valid public purpose and promotes the health, safety, and welfare of the citizens of Ouray County;

~~NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF OURAY COUNTY, COLORADO:~~

~~Section 1. The Intergovernmental Agreement for Full Law Enforcement Services between the County of Ouray and the City of Ouray is hereby approved.~~

~~Section 2. The Chair of the Board , County Sheriff, and County Manager are authorized to execute the Agreement and any related documents necessary to implement its provisions.~~

~~Section 3. County staff, the County Manager, the County Attorney, and the Sheriff are authorized to take such actions as are reasonably necessary to carry out the intent of this Resolution.~~

~~PASSED, APPROVED, AND ADOPTED this \_\_\_\_\_ day of \_\_\_\_\_, 20.~~

~~BOARD OF COUNTY COMMISSIONERS~~

~~By: \_\_\_\_\_~~

~~Chair~~

~~ATTEST:~~

\_\_\_\_\_

~~County Clerk and Recorder~~

**INTERGOVERNMENTAL AGREEMENT FOR FULL LAW ENFORCEMENT  
SERVICES**

**BETWEEN**

**THE COUNTY OF OURAY, COLORADO**

**AND**

**THE CITY OF OURAY, COLORADO**

---

**RECITALS**

THIS INTERGOVERNMENTAL AGREEMENT FOR FULL LAW ENFORCEMENT SERVICES ("Agreement") is entered into by and between the COUNTY OF OURAY, COLORADO, a political subdivision of the State of Colorado ("County"), acting through the Ouray County Sheriff's Office and Board of County Commissioners and the CITY OF OURAY, COLORADO, a Colorado municipal corporation ("City"), acting through its City Council:

WHEREAS, the County is a political subdivision of the State of Colorado authorized to enter into intergovernmental agreements pursuant to Sections 29-1-201 through 29-1-206, Colorado Revised Statutes; and

WHEREAS, the City is a Colorado municipal corporation authorized to enter into intergovernmental agreements pursuant to Colorado law; and

WHEREAS, the Sheriff of Ouray County is a locally elected, independent constitutional officer of the State of Colorado possessing powers and duties established by the Colorado Constitution and Colorado Revised Statutes; and

WHEREAS, C.R.S. § 30-11-410 authorizes the governing body of a municipality and the board of county commissioners to contract for the purpose of providing law enforcement, including enforcement of municipal ordinances, by the sheriff within the boundaries of the municipality; and

WHEREAS, due to ongoing operational difficulties maintaining the City police department, the City and County entered into an *Intergovernmental Agreement Regarding the Provision of Law Enforcement Services – City of Ouray* on December 18, 2025, as amended in April 2026 by *Amendment No. 1* to that Intergovernmental Agreement, which was intended to be a temporary arrangement; and

WHEREAS, continued operational and financial difficulties have impacted the City's ability to maintain a police department, and at a duly noticed public meeting held on June 1, 2026, City

Council directed City staff to work with the Sheriff to propose a contract for the provision of full law enforcement services; and

WHEREAS, the City has determined that contracting with the County for law enforcement services is in the best interests of the health, safety, and welfare of the residents, businesses, visitors, and taxpayers of the City; and

WHEREAS, the City desires to contract with the County for the provision of full law enforcement services during the term of this Agreement; and

WHEREAS, the parties acknowledge that this Agreement is intended to establish a long-term operational evaluation period during which the Ouray County Sheriff's Office shall serve as the primary law enforcement agency within the City; and

WHEREAS, the parties further acknowledge that nothing in this Agreement shall prohibit the City from re-establishing or creating a municipal police department, and

WHEREAS, the County is willing to provide such services under the terms and conditions set forth herein; and

WHEREAS, the parties desire to establish clear responsibilities regarding law enforcement services, records management, evidence management, compensation, liability, and operational authority; and

WHEREAS, the governing bodies of the County and City, and the Sheriff find that entering into this Agreement serves a valid public purpose and promotes public health, safety, and welfare;

NOW, THEREFORE, now therefore, the parties agree as follows:

---

## **ARTICLE 1**

### **DEFINITIONS**

#### **1.1 Agreement**

"Agreement" means this Intergovernmental Agreement for Full Law Enforcement Services, including all exhibits, attachments, amendments, and incorporated documents.

#### **1.2 City**

"City" means the City of Ouray, Colorado.

#### **1.3 County**

"County" means the County of Ouray, Colorado.

#### **1.4 Sheriff**

"Sheriff" means the duly elected Sheriff of Ouray County or the Sheriff's authorized designee.

#### **1.5 Sheriff's Office**

"Sheriff's Office" means the Ouray County Sheriff's Office and all employees, deputies, investigators, supervisors, reserve personnel, volunteers, and authorized agents thereof.

#### **1.6 Law Enforcement Services**

"Law Enforcement Services" means all services customarily provided by a Colorado law enforcement agency, including patrol, investigations, traffic enforcement, emergency response, ordinance enforcement, proactive operations (to include all community policing), special event operations, and related school and public safety functions.

#### **1.7 Emergency Event**

"Emergency Event" means any incident requiring extraordinary public safety response, including wildfire, flood, mass casualty incident, civil disturbance, evacuation, mass shooting, declared emergency, terrorism incident, or other natural or manmade disaster.

#### **1.8 Special Event**

"Special Event" means any organized event requiring law enforcement planning, staffing, traffic control, crowd management, or public safety operations.

#### **1.9 Records**

"Records" means reports, recordings, electronic files, body-worn camera recordings, CAD records, evidence logs, photographs, documents, and other information generated or maintained by the Sheriff's Office.

#### **1.10 Evidence**

"Evidence" means property, documents, recordings, photographs, physical items, digital evidence, or other materials collected or maintained as part of a law enforcement investigation or enforcement action.

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## **ARTICLE 2**

### **PURPOSE**

## **2.1 Purpose**

The purpose of this Agreement is to establish the terms and conditions under which the County shall provide full law enforcement services within the City through the Ouray County Sheriff's Office.

## **2.2 Intent**

The parties intend that the Sheriff's Office serve as the designated local law enforcement agency within the City during the term of this Agreement. The Sheriff's Office shall provide staffing levels at an approximate 20-hour-per-day schedule for law enforcement services for the City, subject to mutual aid, emergency response, staffing, and other operational requirements under Articles 3, 4, 13, and 18, and other applicable provisions, of this Agreement.

## **2.3 Public Safety Objective**

The parties acknowledge that the primary objective of this Agreement is the protection of public safety and the preservation of effective law enforcement services for the City's residents and visitors.

## **2.4 No Permanent Obligation**

The parties expressly acknowledge that this Agreement establishes a limited-term arrangement and shall not create any obligation requiring the County to provide municipal law enforcement or other services beyond the stated term and purpose of the Agreement.

---

## **ARTICLE 3**

### **SCOPE OF LAW ENFORCEMENT SERVICES**

#### **3.1 General Services**

The Sheriff's Office shall provide full law enforcement services within the City consistent with Colorado law, Sheriff's Office policy and procedure, operational priorities, and available resources.

#### **3.2 Patrol Services**

Services may include:

- Respond to calls for service
- Proactive functions
- Directed patrol
- Foot patrol

- Community policing
- Traffic enforcement
- Business checks
- Vacation checks
- Public safety outreach

### **3.3 Criminal Investigations**

The Sheriff's Office shall investigate criminal offenses occurring within the City in accordance with the Sheriff's Office policy and procedure, and Colorado law.

### **3.4 Traffic Enforcement**

The Sheriff's Office will conduct traffic enforcement and investigate traffic crashes occurring within the City.

### **3.5 Emergency Response**

The Sheriff's Office shall provide emergency response services consistent with Sheriff's Office policy and procedure. Response to any Emergency Event shall be in accordance with County Resolution 2024-043, Establishing a Multi-Jurisdictional Emergency Operations Plan (previously approved by both County and City), as amended, and other applicable laws, regulations, and policies. Nothing in this Agreement shall be interpreted to supersede the Multi-Jurisdictional Emergency Operations Plan, as amended, or to obligate the County to prioritize or provide special funding or resources for Emergency Events for the City unless as otherwise determined by the Sheriff, or as agreed upon between the County Sheriff, County Manager, and City Administrator or their designees. During Emergency Events, or other major incidents or critical events, the Sheriff may deploy personnel and resources as necessary to protect public safety throughout Ouray County.

### **3.6 Special Events**

The Sheriff's Office shall coordinate law enforcement operations for Special Events occurring within the City as provided elsewhere in this Agreement, subject to funding and available resources.

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## **ARTICLE 4**

### **STAFFING AND COVERAGE**

#### **4.1 Sheriff's Authority**

The Sheriff shall retain sole authority and sole discretion regarding staffing, deployment, supervision, training, scheduling, and assignment of Sheriff's Office personnel.

## **4.2 Coverage Levels**

Coverage shall be determined by the Sheriff based upon:

- Call volume
- Seasonal demands
- Community needs
- Staffing levels
- Public safety priorities
- Available resources

## **4.3 Supervisory Support**

The Sheriff's Office shall maintain supervisory oversight and sole discretion for services provided under this Agreement.

## **4.4 Mutual Aid**

Nothing in this Agreement shall limit the Sheriff's authority to request or provide mutual aid assistance pursuant to law or mutual aid agreements.

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# **ARTICLE 5**

## **MUNICIPAL ORDINANCE ENFORCEMENT**

### **5.1 Enforcement Authority**

The Sheriff's Office may enforce municipal ordinances authorized by law and identified by the City, and may enforce other criminal offenses and civil infractions within the City, including statutory violations, at the sole discretion of the Sheriff's Office. The City shall make a copy of active municipal ordinances and associated penalties available to the Sheriff's Office, for enforcement purposes. The Sheriff's Office shall issue citations into City Municipal Court for violations of municipal ordinances as appropriate and as determined within the discretion of the Sheriff's Office, pursuant to applicable provisions of the Ouray Municipal Code, a Codification of the General Ordinances of the City of Ouray, Colorado, as amended, including but not limited to violations of Chapter 5 (Municipal Court), Chapter 10 (Police Regulations), Chapter 14 (Traffic Regulations), and other violations of other municipal ordinances deemed appropriate for enforcement by the Sheriff's Office within its discretion.

### **5.2 Enforcement Discretion**

Deputies and the Sheriff's Office chain of command (including all supervisors and elected and appointed officials) shall retain full discretion regarding:

- Citations

- Arrests
- Charging decisions, including but not limited to selection of applicable state, federal, or municipal court(s) per Section 7.1 of this Agreement.
- Investigations
- Enforcement priorities

consistent with Colorado law and the Sheriff's Office policy.

### **5.3 Excluded Services**

Unless otherwise agreed in writing, the Sheriff's Office shall not be responsible for:

- Building code enforcement
- Zoning enforcement
- Planning enforcement
- Property maintenance enforcement
- Civil code enforcement activities
- Abatement of nuisances under Chapter 10 of the Ouray Municipal Code.

### **5.4 Prosecutorial and Municipal Judge Coordination**

The City shall designate appropriate municipal prosecutorial and municipal judge resources necessary for the enforcement and adjudication of municipal ordinances under C.R.S. 31-4-208, the City Home Rule Charter, and other law.

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## **ARTICLE 6**

### **TRANSITION OF LAW ENFORCEMENT SERVICES**

#### **6.1 Purpose**

The parties acknowledge that the City has elected to contract with the County for the provision of full law enforcement services during the term of this Agreement. Due to operational and financial difficulties associated with providing law enforcement services at levels required to meet the needs of the community, the City has determined that provision of full law enforcement services by the Sheriff's Office is in the best interests of the citizens of the City.

The purpose of this Article is to establish a framework for the orderly transition of law enforcement responsibilities while ensuring uninterrupted public safety services. The parties agree and acknowledge the County has already been providing law enforcement services to the City on a temporary, contractual basis. Therefore, this Agreement shall repeal and replace the previous *Intergovernmental Agreement Regarding the Provision of Law Enforcement Services – City of Ouray*, between the parties, as amended April 28, 2026.

## **6.2 Assumption of Services**

Beginning on the Effective Date of this Agreement, the Sheriff's Office shall serve as the primary law enforcement agency within the City and shall assume responsibility for law enforcement services identified in this Agreement.

## **6.4 Existing Municipal Police Operations**

Nothing contained herein shall require the City to permanently dissolve or prohibit the future re-establishment of a municipal police department.

## **6.5 Employment Matters**

Nothing in this Agreement shall require the County to employ any current or former City employee. The City shall indemnify and hold the County harmless for any claims from current City employees involved with the provision of law enforcement services, which claims the City knows about or reasonably should have known about as of the effective date of this Agreement, to the extent allowed by applicable law.

Any employment decisions involving any potential hiring of former City personnel shall remain solely within the discretion of the Sheriff and County, and nothing in this Agreement shall obligate or imply the Sheriff and County are required or have any liability to hire any former City personnel.

## **6.6 Equipment and Property**

Any transfer, lease, loan, purchase, or use of City-owned law enforcement equipment shall be governed by a separate written agreement approved by both parties. The County Sheriff, County Manager, and City Administrator (or their designees) are authorized to execute agreements regarding the appropriate transfer, lease, loan, purchase, or use of City-owned law enforcement equipment, which equipment shall be identified in an equipment inventory list exchanged initially and annually between the City Administrator, County Manager, and County Sheriff, as may be revised.

## **6.7 Public Communications**

The parties shall coordinate public communications regarding the implementation of this Agreement and any future transition activities.

---

# **ARTICLE 7**

## **COURT SERVICES**

### **7.1 Court Appearances**

Deputies and employees of the Sheriff's Office shall appear before municipal, county, state, or federal courts as required by law regarding matters arising from services provided under this Agreement.

## **7.2 Reports and Documentation**

The Sheriff's Office shall prepare reports, affidavits, citations, warrants, and related documents necessary for prosecution and adjudication of matters arising within the City.

## **7.3 Municipal Court Administration**

The City shall remain responsible for:

- Municipal Court administration
- Court scheduling
- Court clerks
- Municipal prosecution
- Collection of fines and fees, provided that Model Traffic Code fines, fees, and surcharges, whether collected under County Ordinance or Chapter 14 (Traffic Regulations) of the Ouray Municipal Code, shall be remitted to the County Sheriff's Office.
- Court record retention

## **7.4 Charging Authority**

Nothing in this Agreement shall limit the discretion of deputies to pursue municipal, county, or state charges as authorized by law.

---

# **ARTICLE 8**

## **RECORDS, EVIDENCE, AND DISCOVERY**

### **8.1 Ownership of Records**

All law enforcement records created by the Sheriff's Office pursuant to this Agreement shall remain the property and responsibility of the Sheriff's Office and Ouray County.

### **8.2 Records Management**

The Sheriff's Office shall maintain records in accordance with:

- Colorado Criminal Justice Records Act (CCJRA)
- Colorado Open Records Act (CORA)
- Colorado and Local Records Retention Requirements

- Applicable Sheriff's Office policies and procedures

### **8.3 Body-Worn Camera Recordings**

Body-worn camera recordings shall be maintained and released in accordance with Colorado law and the Sheriff's Office policy.

### **8.4 Evidence Management**

The Sheriff's Office shall maintain responsibility for:

- Evidence collection
- Evidence storage
- Chain of custody
- Evidence processing
- Evidence disposition

### **8.5 Discovery Requests**

The Sheriff's Office shall cooperate with prosecuting attorneys regarding criminal and municipal discovery obligations, to the extent required by applicable law and court rules.

### **8.6 Public Records Requests**

Requests involving Sheriff's Office records shall be reviewed and processed by the Sheriff's Office in accordance with applicable law, policies, and regulations.

### **8.7 Data Systems**

All Sheriff's Office databases, electronic and other files, CAD systems, RMS systems, evidence systems, and related law enforcement technology (hereinafter "Data Systems") shall remain under the exclusive control of the Sheriff's Office, including any necessary transfer, custody, control, and retention of any Ouray Police Department Data Systems required to effectuate the provisions of this Agreement. The Sheriff's Office has the right, but not the obligation, to access and/or review any closed, archived, or other Ouray Police Department Data Systems maintained by the City, in order to effectuate the provisions of this Agreement. Nothing in this Agreement shall require the Sheriff's Office to permanently assume custody, control, and/or retention of any Ouray Police Department Data Systems. The Sheriff's Office retains discretion to ensure an orderly logistical transfer and transition of necessary Data Systems.

### **8.8 Policies and Procedures**

The Ouray County Sheriff's Office Policy Manual is regularly updated, and an electronic copy of the Policy Manual is available for inspection upon request.

## **ARTICLE 9**

### **PERSONNEL AND EQUIPMENT**

#### **9.1 Personnel**

The Sheriff's Office shall provide personnel necessary to perform services under this Agreement, implementing 3 full-time deputies, 2 full-time corporals a full-time investigator, and additional associated personnel which are initially identified by the Sheriff in Exhibit A, as may be revised, to fulfill the appropriate staffing levels, subject to staffing availability and operational requirements. The parties have identified a total of six new full-time County Sheriff's Office employees necessary to fulfill service levels under this Agreement. The corporal and investigator positions may be filled externally, or internally through a promotion (which shall justify the hiring of an additional deputy to fill that vacancy and hit the identified metric of six new full-time employees.) In the event of any reasonably unforeseen, material shortfall in service and staffing levels, the parties agree to meet and confer on any appropriate response, through the County Sheriff, City Administrator, and County Manager, or their designees, and may agree to amend Exhibit A to adjust compensation from the City to the County to reflect such change in service levels. The parties shall maintain agency contact lists for internal contact information necessary to fulfill this Agreement. The parties, through the Sheriff, City Administrator, and County Manager, shall re-evaluate needs for full-time and part-time employees on an annual basis during the budget process, including anticipated needs for an additional full-time deputy position beginning in calendar year 2028.

#### **9.3 County Equipment**

The County shall provide and maintain equipment necessary to perform law enforcement services, including:

- Patrol vehicles
- Radios
- Mobile data terminals
- Body-worn cameras
- Firearms
- Less-lethal equipment
- Uniforms
- Technology systems

#### **9.4 Facilities**

The parties may enter into separate agreements concerning facility use, office space, storage areas, or related operational needs, to effectuate the provisions of this Agreement, which may be approved by the County Sheriff, County Manager, and City Administrator or their designee.

#### **9.5 Maintenance**

The County shall remain responsible for the maintenance and replacement of County-owned equipment.

---

## **ARTICLE 10**

### **LIABILITY, IMMUNITY, AND INSURANCE**

#### **10.1 Governmental Immunity**

Nothing contained in this Agreement shall be construed as a waiver of any protections, immunities, limitations, or defenses available under the Colorado Governmental Immunity Act, C.R.S. §24-10-101 et seq.

#### **10.2 Responsibility for Acts and Omissions**

Each party shall be responsible for its own acts and omissions and those of its officers, employees, agents, and representatives.

#### **10.3 No Employment Relationship**

Employees of the Sheriff's Office shall remain employees of Ouray County and shall not be considered employees of the City for any purpose.

#### **10.4 Insurance**

The County Sheriff, County Manager, and City Administrator, and their legal counsel, or their designees, shall cooperate to identify required insurance and costs associated thereto, for each annual year. Each party shall maintain coverage or self-insurance as authorized by Colorado law, including:

- General Liability
- Automobile Liability
- Public Officials Liability
- Law Enforcement Liability
- Workers' Compensation

#### **10.5 Cooperation in Claims**

The parties shall cooperate in the investigation, defense, and resolution of third-party claims arising from activities conducted under this Agreement. Each party remains individually responsible for any claim which is known to a party, or reasonably should have been known to a party, prior to the effective date of this Agreement. Claims between the parties to this Agreement (i.e. not third-party claims) shall be reviewed and resolved in accordance with Section 16 herein.

#### **10.6 Peace Officer Liability**

Claims involving peace officers shall be handled in accordance with applicable Colorado law, including C.R.S. § 13-21-131, C.R.S. § 24-10-101 et seq., and any successor statutes.

### **10.7 Survival**

The provisions of this Article shall survive expiration or termination of this Agreement to the extent necessary to resolve claims arising during the term of the Agreement.

---

## **ARTICLE 11**

### **COMPENSATION AND FUNDING**

#### **11.1 Compensation**

In consideration for the services provided pursuant to this Agreement, the City shall compensate the County in accordance with Exhibit A attached hereto and incorporated herein by reference. The County shall use the funds from the City solely for the Sheriff's Office and affiliated County agencies to cover law enforcement services for the City as provided in this Agreement, including associated administrative, overhead, operational, and other costs as identified in this Agreement and Exhibit A, as may be revised. The County shall use compensation provided pursuant to this Agreement for the purposes identified above.

#### **11.2 Annual Budget Process**

Compensation shall be determined annually through the County and City budget process and shall be reflected in Exhibit A, as may be amended.

The parties acknowledge that compensation may be adjusted annually based upon operational costs and budgetary considerations. The parties acknowledge that certain overhead costs may be difficult to identify and quantify, and flat fee payment may be necessary depending on the circumstances, as subject to negotiations and approval between the parties.

#### **11.3 Cost Components**

Compensation may include costs associated with:

- Personnel salaries and wages
- Employee benefits
- Retirement contributions
- Workers' compensation
- Patrol vehicles
- Fuel and maintenance
- Dispatch services
- Records management

- Evidence management
- Technology systems
- Training
- Administrative, human resources, and IT support
- Civil and advisory legal support, including civil litigation defense
- Insurance premiums and deductibles
- Supervisory support
- Office space
- Other overhead costs
- General Law Enforcement Equipment, ie: BPV, flashlights, etc.

#### **11.4 Quarterly Payments**

Unless otherwise agreed in writing, payments shall be made quarterly in accordance with specific quarterly dates agreed upon between the County Sheriff, County Manager, and City Administrator, or their designees. If this Agreement is fully executed and effective prior to January 1, 2027, a 2026 pro rata payment (meaning the 2027 total operational budget specified in Exhibit A divided by the remaining days in 2026) shall be due to the County, within 15 days of the effective date of this Agreement determined by the date of the last signature affixed hereto.

#### **11.5 Extraordinary Costs**

The City will reasonably reimburse the County for extraordinary expenses, no less than quarterly unless otherwise agreed upon under Section 11.5, to the extent allowed by applicable law, and as negotiated between the City and County in good faith, for those extraordinary expenses associated with:

- Emergency Events
- Major investigations
- Special Event staffing
- Insurance Deductibles, including but not limited to law enforcement liability deductibles which are currently \$60,000 under the County insurance pool
- Civil lawsuits and claims arising or associated with the provision of law enforcement services under this Agreement, including but not limited to claims under Section 10.6 above, and any judgment(s), insurance deductibles as specified above, and third-party or outside attorney's fees and costs, provided that the County Attorney shall retain discretion for potential in-house defense of civil lawsuits and related claims in consultation with the Sheriff's Office and other County officials
- Costs of Housing Inmates, including cost(s) for medical care, dental care, civil lawsuit(s) from inmates, and other incidental costs from inmates
- Costs of Vehicle Replacement
- Other extraordinary expenses, on a case-by-case basis, as determined by the Sheriff, City Administrator, and County Manager, or their designee(s).

#### **11.6 Non-Appropriation**

The obligations of the parties under this Agreement remain subject to annual appropriation of funds in accordance with Colorado law and Article X, Section 20 of the Colorado Constitution.

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## **ARTICLE 12**

### **REPORTING AND PERFORMANCE REVIEW**

#### **12.1 Monthly Reports**

The Sheriff's Office shall provide monthly activity reports summarizing law enforcement activities occurring within the City, which may require appropriate redactions, aggregation of data, or withholding for confidential information as necessary (e.g. juvenile records, confidential informants, ongoing investigations, etc.).

Reports may include:

- Calls for service
- Arrests
- Citations
- Traffic crashes
- Criminal investigations
- Community policing activities
- Special event operations
- Significant incidents

#### **12.2 Quarterly Meetings**

Representatives of the Ouray County Sheriff's Office and City shall meet quarterly to discuss:

- Service delivery
- Operational concerns
- Public safety trends
- Budget considerations
- Community issues

#### **12.3 Annual Review**

The parties shall conduct an annual review of this Agreement and the services provided pursuant thereto, as specified herein.

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## **ARTICLE 13**

## **SPECIAL EVENTS AND EXTRAORDINARY OPERATIONS**

### **13.1 Coordination**

The City shall provide reasonable advance notice of special events requiring law enforcement support, ideally 60 days advance notice if possible, including regular notice of City special permit application review.

### **13.2 Covered Events**

Special events may include:

- Fourth of July celebrations
- Ouray Jeep events
- Ouray Ice Festival
- Music festivals
- Community celebrations
- Public demonstrations
- Sporting events
- Parades

### **13.3 Operational Plans**

The Sheriff's Office may prepare operational plans for events requiring enhanced law enforcement services.

### **13.4 Cost Recovery**

Extraordinary staffing or operational costs may be reimbursed pursuant to Section 11.5, above.

### **13.5 Emergency Authority**

Nothing contained herein shall limit the Sheriff's authority to deploy personnel and resources in response to emergencies occurring within or outside the City. Nothing herein shall be interpreted to require the Sheriff to prioritize City requests above other requests, calls, public safety needs, and operational needs within the entire County, along with inter-jurisdictional requests and calls. The Sheriff or designee shall have sole discretion regarding prioritization of available law enforcement services.

---

## **ARTICLE 14**

### **TERM AND RENEWAL**

#### **14.1 Term**

This Agreement shall become effective on the date of the last signature herein (“Effective Date”) and shall remain in effect through December 31, 2027, unless terminated earlier, renewed, or modified, pursuant to this Agreement.

#### **14.2 Fixed-Term Agreement**

The parties acknowledge that this Agreement is intended as a fixed-term, annual, recurring law enforcement services agreement, subject to renewals, modifications, or terminations as allowed herein.

#### **14.3 Initial Evaluation Period**

No later than September 1, 2027, the County Sheriff, County Manager, and City Administrator, shall meet to evaluate the following items, and prepare appropriate reporting to the governing bodies, for purposes of potential renewal, budgeting in accordance with Section 20.2 of this Agreement, and initial evaluation, on:

- Service effectiveness
- Staffing needs
- Community satisfaction
- Financial impacts
- Future service options

#### **14.4 Renewal**

Any extension or renewal of this Agreement shall require written approval by the County Sheriff, City Council, and Board of County Commissioners, for the initial annual renewal for calendar year 2028. Subject to the appropriation of funds or other termination or modification as provided herein, this Agreement shall automatically renew for 2029 and further years, including minor modifications and reasonable funding increases of up to 5% annual increases as negotiated in good faith, which may be approved in writing by the City Administrator, County Manager, and County Sheriff, or their designees. Any substantial modifications to this Agreement during an annual extension or otherwise shall require written approval of the City and County governing bodies, in addition to the Sheriff.

---

### **ARTICLE 15**

#### **TERMINATION**

##### **15.1 Termination Without Cause**

Either party, meaning the County Sheriff, Board of County Commissioners, or City Council, may terminate this Agreement upon three hundred (300) days' written notice.

## **15.2 Termination for Breach**

If either party materially breaches this Agreement, the non-breaching party shall provide written notice describing the alleged breach.

The breaching party shall have thirty (30) days to cure the breach unless otherwise agreed.

## **15.3 Mutual Termination**

This Agreement may be terminated at any time upon mutual written agreement of the parties.

## **15.4 Financial Obligations**

Termination shall not relieve either party of financial obligations accrued before termination.

---

# **ARTICLE 16**

## **DISPUTE RESOLUTION**

### **16.1 Good Faith Cooperation**

The parties shall attempt to resolve disputes through cooperation and good faith negotiation, which shall initially be addressed at the lowest practicable staff level.

### **16.2 Administrative Review**

Disputes, if not resolved at the lowest practicable staff level, shall first be referred to:

- City Administrator (or designee), acting on behalf of the City Council.
- Undersheriff (or designee), acting on behalf of the County Sheriff.
- County Manager (or designee), acting on behalf of the Board of County Commissioners

for informal resolution.

### **16.3 Executive Review**

If unresolved, disputes shall be elevated to:

- City Council
- Board of County Commissioners
- Sheriff

for further discussion. The parties may also utilize legal counsel, meaning the City Attorney and County Attorney, or designees, for all informal and formal dispute resolution procedures, at any step during the dispute resolution process.

#### **16.4 Mediation**

Prior to litigation between the parties to this Agreement, the parties agree to participate in non-binding mediation unless emergency judicial relief is necessary, with an equal share of third-party mediation costs and fees between City and County, and both parties responsible for their own attorney's fees and costs.

#### **16.5 Venue**

Any legal action arising from this Agreement shall be filed in a court of competent jurisdiction within the State of Colorado, in the Seventh Judicial District, with both City and County responsible for their own attorney's fees and costs.

---

### **ARTICLE 17**

#### **GENERAL PROVISIONS**

##### **17.1 Entire Agreement**

This Agreement constitutes the entire agreement between the parties concerning the subject matter addressed herein.

##### **17.2 Severability**

If any provision is determined invalid or unenforceable, the remaining provisions shall remain in full force and effect.

##### **17.3 Assignment**

Neither party may assign its rights or obligations under this Agreement without prior written consent of the other party.

##### **17.4 No Third-Party Beneficiaries**

Nothing contained herein shall create rights in any third party.

##### **17.5 Authority**

Each party represents that it possesses the authority necessary to enter into and perform this Agreement.

## **17.6 Governing Law**

This Agreement shall be governed by the laws of the State of Colorado.

## **17.7 Notices**

All notices required by this Agreement shall be in writing and delivered to the designated representatives identified by the parties, via email, hand delivery, or first-class mail.

## **17.8 Counterparts**

This Agreement may be executed in multiple counterparts, each of which shall be deemed an original.

## **17.9 Electronic Signatures**

Electronic signatures shall be deemed valid and enforceable to the fullest extent permitted by law.

---

## **ARTICLE 18**

### **SHERIFF'S AUTHORITY, OPERATIONAL INDEPENDENCE, AND LAW ENFORCEMENT DISCRETION**

#### **18.1 Constitutional Authority**

The parties acknowledge that the Sheriff is an independent, elected constitutional officer of the State of Colorado possessing powers, duties, and responsibilities established by the Colorado Constitution, Colorado Revised Statutes, and applicable law.

Nothing contained within this Agreement shall be construed to limit, waive, transfer, impair, or otherwise restrict the lawful authority of the Sheriff.

#### **18.2 Operational Independence**

The Sheriff shall retain exclusive authority and discretion regarding:

- \* Personnel assignments
- \* Staffing levels
- \* Scheduling
- \* Training
- \* Supervision

- \* Investigations
- \* Patrol deployment
- \* Emergency response
- \* Resource allocation
- \* Enforcement priorities
- \* Community Policing
- \* Policy development

### **18.3 Personnel Authority**

All personnel assigned to perform services pursuant to this Agreement shall remain employees of Ouray County. Nothing in this Agreement shall be construed as any waiver or modification of County employee “at-will” status under applicable law and policy, including but not limited to Sheriff’s Deputies under C.R.S. § 30-10-506 and other law.

The Sheriff shall retain sole authority regarding:

- \* Hiring
- \* Promotion
- \* Discipline
- \* Evaluation
- \* Assignment
- \* Transfer
- \* Termination

of Sheriff’s Office personnel.

### **18.4 Enforcement Discretion**

Deputies shall retain full law enforcement discretion as authorized by Colorado law.

Neither the City Council and its members, Mayor, City Administrator, nor any City employee shall direct, require, prohibit, or interfere with any deputy's decision regarding:

- \* Arrests
- \* Citations
- \* Criminal charges
- \* Investigations
- \* Search warrants
- \* Traffic enforcement
- \* Emergency response

\* Enforcement actions

### **18.5 Criminal Investigations**

The Sheriff shall retain exclusive authority over criminal investigations conducted by the Sheriff's Office.

The City shall not direct the initiation, continuation, suspension, or closure of any criminal investigation.

### **18.7 No Agency Relationship**

Nothing in this Agreement shall create a principal-agent relationship between the City and the Sheriff's Office.

### **18.8 Preservation of Authority**

If any provision of this Agreement is determined to conflict with the lawful authority of the Sheriff, such provision shall be interpreted to preserve the Sheriff's authority to the maximum extent permitted by law.

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## **ARTICLE 19**

### **TRANSITION REVIEW, SUCCESSION, AND EXIT STRATEGY**

#### **19.1 Purpose**

The parties acknowledge that this Agreement intends to establish a multi-year (subject to annual renewals, appropriations, and termination herein) law enforcement services arrangement and evaluation period.

#### **19.2 Transition Review**

The parties shall conduct an initial and budgetary review as specified in Section 14.3 and 20.2 herein. In addition, no later than March 1, 2028, following a full year of data collection and opportunity to review, the parties shall conduct a comprehensive review of:

\* Service effectiveness

- \* Staffing levels
- \* Community satisfaction
- \* Financial performance
- \* Operational outcomes
- \* Future service needs

### **19.3 Future Service Options**

Following initial review and subsequent comprehensive transition review, the parties may consider:

- \* Renewal of the Agreement
- \* Modification of services
- \* Transition to a different service model
- \* Re-establishment of a municipal police department
- \* Other public safety arrangements

### **19.4 Notice of Intent**

If either party intends not to renew the Agreement, written notice shall be provided at least three hundred (300) days before expiration, unless as otherwise agreed upon between the parties. If no notice of termination is provided, and no notice of intent of non-renewal is provided, this Agreement shall renew on an annual basis.

### **19.5 Continuity of Services**

The parties shall cooperate in good faith to avoid interruption of public safety services during any transition period.

### **19.6 Ongoing Investigations**

Investigations initiated during the term of this Agreement shall remain under the authority of the Sheriff's Office unless otherwise required by law.

### **19.7 Evidence Custody**

Evidence collected by the Sheriff's Office shall remain under the custody and control of the Sheriff's Office.

### **19.8 Records Retention**

Records created pursuant to this Agreement shall remain subject to applicable retention schedules and Colorado law.

### **19.9 Equipment Ownership**

Ownership of equipment shall remain with the party owning such equipment unless otherwise transferred by separate written agreement.

### **19.10 Personnel**

Nothing in this Agreement shall require either party to hire, retain, or employ any employee of the other party.

### **19.11 Transition Plan & Wind Down Provisions**

The parties authorize the County to act to the extent necessary to make an effective disposition of the property, equipment, personnel, and assets, and records existing pursuant to this Agreement before, during, and after any notice of non-renewal or termination. For purposes of wind-down, each party agrees that at the request of another party, it will, at any time hereafter, make such further assurances and execute or cause to be executed such further instruments as may be reasonably requested by another party in order that any wind-down may be fully performed in accordance with its intent and provisions. Upon notice of non-renewal or termination, the parties shall develop a written transition plan addressing:

- \* Service continuity
- \* Records and data access and transfers
- \* Evidence responsibilities
- \* Public communications
- \* Special Event coverage
- \* Interagency coordination
- \* Equipment transfers
- \* Potential personnel transfers

The parties agree and acknowledge the Sheriff's Office will hire 6 new full-time personnel, anticipated in 2026 and 2027 under Section 9.1 of this Agreement, to provide the service and staffing levels contemplated under this Agreement. In the event this Agreement is terminated without cause, under Section 15.1 of this Agreement, or not renewed under Section 19.4 of the Agreement, the non-terminating party (meaning either the City or County) shall be responsible for ensuring that any such newly-hired personnel shall receive no more than three (3) months of employment severance compensation, either within the 300-day notice period inclusive of benefits and other fringe compensation, or upon expiration of the 300-day notice period excluding benefits and other fringe compensation, subject to the appropriation and availability of funds. This provision shall not apply, meaning no financial obligations for severance under this

provision shall accrue, for any non-renewal or termination due to a non-appropriation event, meaning governmental funds are not appropriated for the continuation of this Agreement under Sections 11.6, 14.4, 19.1, and 20.6 of this Agreement. This provision shall not apply in the event that any such newly-hired personnel are selected for transfer or re-hiring by any successor agency upon termination or non-renewal of this Agreement.

### **19.12 Survival**

Records, evidence, liability, and financial obligations shall survive expiration or termination as necessary to satisfy legal requirements.

---

## **ARTICLE 20**

### **FUNDING, BUDGET ADJUSTMENTS, AND ANNUAL COST REVIEW**

#### **20.1 Purpose**

The parties acknowledge that the cost of providing professional law enforcement services may fluctuate during the term of this Agreement.

#### **20.2 Annual Budget Review**

No later than September 1 of each year, unless as otherwise agreed upon during the City and County's annual budget processes, representatives of the County and City shall review:

- \* Personnel costs
- \* Benefits costs
- \* Insurance costs
- \* Fleet costs
- \* Fuel costs
- \* Dispatch costs
- \* Technology costs
- \* Training costs
- \* Administrative and overhead costs
- \* Equipment costs

#### **20.3 Compensation Adjustments**

Compensation may be adjusted based upon:

- \* Actual operational costs
- \* Approved wage adjustments
- \* Benefit increases
- \* Consumer Price Index (CPI)
- \* Material changes in service levels

#### **20.4 Extraordinary Costs**

If extraordinary costs exceed the anticipated budget, the parties shall meet and negotiate in good faith regarding reimbursement or adjustment.

#### **20.5 Budget Documentation**

The County shall provide reasonable documentation in support of proposed adjustments upon request.

#### **20.6 TABOR Compliance**

The obligations of the parties remain subject to annual appropriation, under C.R.S. § 29-1-110 and other law, and Article X, Section 20 of the Colorado Constitution.

#### **20.7 Failure to Appropriate**

If either party fails to appropriate sufficient funds, the parties shall cooperate in good faith to determine whether services may continue at modified levels.

#### **20.8 Audit Rights**

Each party shall maintain records sufficient to document expenditures associated with this Agreement and shall make such records available as required by law.

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### **ARTICLE 21**

#### **EXHIBITS, ATTACHMENTS, AND INCORPORATED DOCUMENTS**

##### **21.1 Incorporation**

The following exhibits are incorporated into and made part of this Agreement:

Exhibit A

Annual Compensation Schedule

### **21.2 Conflict Between Documents**

In the event of a conflict between this Agreement and an Exhibit, the provisions of the Agreement shall control unless expressly stated otherwise.

### **21.3 Modification of Exhibits**

Exhibits may be modified by mutual written agreement without requiring amendment of the entire Agreement, as agreed upon by the County Sheriff, County Manager, and City Administrator, or their designees, when such modification does not materially alter the core obligations of either party.

### **SIGNATURE PAGE**

IN WITNESS WHEREOF, the parties hereto have executed this Intergovernmental Agreement for Full Law Enforcement Services as of the dates indicated below.

---

**COUNTY OF OURAY, COLORADO**

BOARD OF COUNTY COMMISSIONERS

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

Date: \_\_\_\_\_

Chair

ATTEST:

County Clerk and Recorder

Date: \_\_\_\_\_

---

**OURAY COUNTY SHERIFF'S OFFICE**

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

Sheriff Justin Perry

Date: \_\_\_\_\_

---

**CITY OF OURAY, COLORADO**

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

Mayor

Date: \_\_\_\_\_

ATTEST:

---

City Clerk

Date: \_\_\_\_\_

---

**APPROVED AS TO FORM**

County Attorney

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

Date: \_\_\_\_\_

---

City Attorney

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

Date: \_\_\_\_\_

## EXHIBIT A

### Ouray County Sheriff's Office Law Enforcement for the City of Ouray

| Personnel and Operating                                     |                       |
|-------------------------------------------------------------|-----------------------|
| Category                                                    | Estimate              |
| Salaries and overtime                                       | \$542,774             |
| Benefits (FICA, retirement, health)                         | \$151,944             |
| Training and travel                                         | \$13,500              |
| Dispatch                                                    | \$81,130              |
| Other services and supplies                                 | \$13,853              |
| Equipment and operating                                     | \$124,763             |
| Vehicle leases - 2 units, annual (City donates 4)           | \$40,457              |
| <b>Total</b>                                                | <b>\$968,421</b>      |
| Insurance and Central Services                              |                       |
| Workers' Comp                                               | \$21,710.95           |
| Property and Liability Insurance                            | \$18,000.00           |
| Unemployment Insurance                                      | \$1,266.99            |
| Central Services                                            | \$141,406.34          |
| <b>Total</b>                                                | <b>\$182,384</b>      |
| Share of Compensation for Sheriff and Undersheriff          |                       |
| Sheriff                                                     | \$42,492.71           |
| Undersheriff                                                | \$35,944.25           |
| <b>Total</b>                                                | <b>\$78,436.96</b>    |
| <b>TOTAL, including one-time start-up</b>                   | <b>\$1,229,242.07</b> |
| One-time start-up costs (included in total above)           | \$59,992.86           |
| <b>Recurring annual cost (total less one-time start-up)</b> | <b>\$1,169,249.21</b> |

10-7-2026

## O U R A Y   C O U N T Y

## CITY OF OURAY LAW ENFORCEMENT COST ESTIMATES

|                                                                | ESTIMATE          | NOTES                                                                                                                                                                         |
|----------------------------------------------------------------|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>PERSONNEL/EMPL BENEFITS</b>                                 |                   |                                                                                                                                                                               |
|                                                                |                   | 2027 uses current payroll rates.                                                                                                                                              |
| SALARIES                                                       | 517,059.40        |                                                                                                                                                                               |
| SALARIES - OVERTIME                                            | 25,714.29         |                                                                                                                                                                               |
| FICA                                                           | 41,522.17         | Includes FICA on overtime and on the office administrator                                                                                                                     |
| RETIREMENT                                                     | 25,042.43         | Includes retirement on overtime<br>2027 rate                                                                                                                                  |
| HEALTH INSURANCE                                               | 85,379.34         |                                                                                                                                                                               |
| TRAVEL                                                         | 2,142.86          | Per sworn officer (see assumptions below).                                                                                                                                    |
| TRAINING                                                       | 11,357.14         | Per sworn officer.                                                                                                                                                            |
| <b>TOTAL PERSONNEL/EMPL BENEFITS</b>                           | <b>708,217.63</b> |                                                                                                                                                                               |
| <b>CONTRACTUAL/PROF. SERV.</b>                                 |                   |                                                                                                                                                                               |
| COPY MACHINE/FAX LEASE                                         | 1,250.00          | Fixed - does not change with staffing.                                                                                                                                        |
| PROFESSIONAL SERVICES                                          | 10,000.00         | Fixed - does not change with staffing.                                                                                                                                        |
| DISPATCH SERVICES                                              | 81,130.00         | Fixed - does not change with staffing.                                                                                                                                        |
| <b>TOTAL CONTRACTUAL/PROF. SERV.</b>                           | <b>92,380.00</b>  |                                                                                                                                                                               |
| <b>SUPPLIES</b>                                                |                   |                                                                                                                                                                               |
| OFFICE SUPPLIES                                                | 888.89            | Per position.                                                                                                                                                                 |
| OPERATING SUPPLIES                                             | 1,714.29          | Per sworn officer.                                                                                                                                                            |
| <b>TOTAL SUPPLIES</b>                                          | <b>2,603.17</b>   |                                                                                                                                                                               |
| <b>OPERATING COSTS</b>                                         |                   |                                                                                                                                                                               |
| OFFICE EQUIPMENT                                               | 2,000.00          | Fixed - does not change with staffing.<br>One-time, 2027 only. County's 1/3 of gear the City does not donate (portable radios, body armor, firearms, etc). Per sworn officer. |
| EQUIPMENT - ONE-TIME START-UP (officer gear, County 1/3 share) | 17,142.86         | One-time only: background investigations per sworn and civilian hire, plus fixed recruiting. Excludes psych, medical and drug screens.                                        |
| HIRING - ONE-TIME START-UP (recruiting and background checks)  | 8,800.00          |                                                                                                                                                                               |
| VICTIM SERVICES EXPENSES                                       | 2,368.00          | Fixed - does not change with staffing.                                                                                                                                        |
| OPERATING SERVICES & PROGRAMS                                  | 2,500.00          | Fixed - does not change with staffing.                                                                                                                                        |
| DUES/SUBSCRIPTIONS                                             | 7,000.00          | Fixed - does not change with staffing.                                                                                                                                        |
| POSTAGE                                                        | 150.00            | Fixed - does not change with staffing.                                                                                                                                        |
| INVESTIGATION                                                  | 7,000.00          | Fixed - does not change with staffing.                                                                                                                                        |

|                                                                            |                     |                                                                                                                                                                                                                                                                                           |
|----------------------------------------------------------------------------|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| EQUIPMENT REPAIRS/MAINT                                                    | 3,000.00            | Fixed - does not change with staffing.<br>Recurring. \$6,300 per sworn officer for fuel, vehicle repairs and tires, uniforms, ammunition and gear replacement. Initial gear is in the one-time line above.                                                                                |
| UNIFORMS, EQUIP., VEH. MAINT., FUEL - RECURRING                            | 37,800.00           | One-time, 2027 only. From the IT Pricing copy tab: MDCs = sworn officers + 1 backup; routers = sworn officers; 2 station laptops, monitors and docks fixed.                                                                                                                               |
| IT EQUIPMENT - ONE-TIME START-UP (MDCs, laptops, routers, monitors, docks) | 34,050.00           | Recurring. From the IT Pricing copy tab: software per sworn officer at \$492. Cell phones not included (about \$6,552 for 7). IT support is in Central Services.                                                                                                                          |
| IT SOFTWARE - RECURRING                                                    | 2,952.00            | City donates 4 vehicles; the County leases the rest (one vehicle per sworn officer).                                                                                                                                                                                                      |
| VEHICLE LEASES - 2 UNITS                                                   | 40,457.16           |                                                                                                                                                                                                                                                                                           |
| <b>TOTAL OPERATING COSTS</b>                                               | <b>165,220.02</b>   |                                                                                                                                                                                                                                                                                           |
| WORKERS' COMP                                                              | \$21,711            | Rate x salaries + overtime (4%).                                                                                                                                                                                                                                                          |
| PROPERTY AND LIABILITY INSURANCE                                           | \$18,000            | \$3k per officer. Based on County cost allocation plan insurance share.                                                                                                                                                                                                                   |
| UNEMPLOYMENT INSURANCE                                                     | \$1,267             | Rate x salaries + overtime.                                                                                                                                                                                                                                                               |
| CENTRAL SERVICES                                                           | \$141,406.34        | Central services rate (assumptions below) x direct operating cost, based on the County's cost allocation plan. Covers County administration, HR, finance, legal and IT support. Excludes vehicle leases, dispatch, insurance, one-time start-up items and the Sheriff/Undersheriff share. |
| <b>SUBTOTAL</b>                                                            | <b>1,150,805.11</b> |                                                                                                                                                                                                                                                                                           |

**Share of Compensation for Sheriff and Undersheriff (25%)**

|                                          |                        |                                                                                                                               |
|------------------------------------------|------------------------|-------------------------------------------------------------------------------------------------------------------------------|
|                                          |                        | Total compensation x City share (assumptions below).                                                                          |
| SHERIFF - 25% OF TOTAL COMPENSATION      | \$ 42,492.71           | Total compensation x City share.                                                                                              |
| UNDERSHERIFF - 25% OF TOTAL COMPENSATION | \$ 35,944.25           |                                                                                                                               |
| <b>SUBTOTAL</b>                          | <b>\$ 78,436.96</b>    |                                                                                                                               |
| <b>TOTAL WITH ONE-TIME START-UP</b>      | <b>\$ 1,229,242.07</b> |                                                                                                                               |
| ONE-TIME START-UP COSTS                  | \$ 59,992.86           | Included in the total above: officer gear (County 1/3) + hiring (recruiting and background checks) + IT equipment. 2027 only. |

|                              |                        |                                                                                                           |
|------------------------------|------------------------|-----------------------------------------------------------------------------------------------------------|
| <b>RECURRING ANNUAL COST</b> | <b>\$ 1,169,249.21</b> | Total less one-time start-up. Ongoing annual cost (before compensation and equipment cost/price changes). |
|------------------------------|------------------------|-----------------------------------------------------------------------------------------------------------|

#### VEHICLE ASSUMPTIONS

|                                                  |              |
|--------------------------------------------------|--------------|
| Vehicles needed (one per sworn officer)          | 6            |
| Vehicles donated by the City                     | 4            |
| Vehicles leased (needed less donated)            | 2            |
| Annual lease per patrol vehicle                  | \$ 20,228.58 |
| Vehicle lease cost (annual, in the budget above) | \$ 40,457.16 |

#### Assumptions on Existing Equipment and Vehicles Provided by the City

- The City donates 4 vehicles, equipped (lights and siren, cage, etc), and 2/3 of officer gear (portable radios, body armor, body cameras, etc).
- The County leases the remaining vehicles (one per sworn officer) at about \$20k a year each.
- Lines marked "per sworn officer" or "per position" change automatically with staffing on the Compensation copy tab; rates are in Scaling Assumptions below.

#### SCALING ASSUMPTIONS (change here; costs above follow staffing)

|                                                              |             |                                          |
|--------------------------------------------------------------|-------------|------------------------------------------|
| Sworn officers (from Compensation)                           | 6           | Count of paid positions marked Sworn = Y |
| Civilian positions (from Compensation)                       | 2           | Count of paid positions marked Sworn = N |
| Total positions                                              | 8           |                                          |
| Travel per sworn officer                                     | \$ 357.14   | \$2,500 for 7                            |
| Training per sworn officer                                   | \$ 1,892.86 | \$13,250 for 7                           |
| Office supplies per position                                 | \$ 111.11   | \$1,000 for 9 positions                  |
| Operating supplies per sworn officer                         | \$ 285.71   | \$2,000 for 7                            |
| Officer gear, County 1/3 share, per sworn officer (one-time) | \$ 2,857.14 | \$20,000 for 7                           |
| Background check per sworn hire                              | \$ 1,000.00 |                                          |
| Background check per civilian hire                           | \$ 150.00   |                                          |

|                                                     |    |            |                                                              |
|-----------------------------------------------------|----|------------|--------------------------------------------------------------|
| Recruiting and advertising (fixed)                  | \$ | 2,500.00   |                                                              |
| Workers' comp rate (% of salaries + overtime)       |    | 4.00%      | Calibrated to \$32,000 at full staffing (about 5%)           |
| Unemployment rate (% of salaries + overtime)        |    | 0.23%      | Calibrated to \$1,500 at full staffing                       |
| Property and liability per sworn officer            | \$ | 3,000.00   | \$32,000 for 7; exposure is driven by officers and vehicles  |
| Central services rate                               |    | 18.00%     | Applied to the direct cost base in the Central Services line |
| City share of Sheriff and Undersheriff compensation |    | 25.00%     | Change to test a different share                             |
| Sheriff total compensation                          | \$ | 169,970.85 |                                                              |
| Undersheriff total compensation                     | \$ | 143,777.00 |                                                              |

## 2027 Compensation by Position

| Grade | Position                    | Hours | Hourly  | Compensation         | FICA                | Retirement          | Health Insurance    | Total Cost           | Benefits (Y/N) | Sworn (Y/N) |
|-------|-----------------------------|-------|---------|----------------------|---------------------|---------------------|---------------------|----------------------|----------------|-------------|
|       | Corporal                    | 2,080 | \$39.50 | \$ 82,160.00         | \$ 6,285.24         | \$ 4,108.00         | \$ 14,229.89        | \$ 106,783.13        | Y              | Y           |
|       | Corporal                    | 2,080 | \$39.50 | \$ 82,160.00         | \$ 6,285.24         | \$ 4,108.00         | \$ 14,229.89        | \$ 106,783.13        | Y              | Y           |
|       | Investigator                | 2,080 | \$38.85 | \$ 80,808.00         | \$ 6,181.81         | \$ 4,040.40         | \$ 14,229.89        | \$ 105,260.10        | Y              | Y           |
|       | Deputy Sheriff              | 2,080 | \$36.86 | \$ 76,668.80         | \$ 5,865.16         | \$ 3,833.44         | \$ 14,229.89        | \$ 100,597.29        | Y              | Y           |
|       | Deputy Sheriff              | 2,080 | \$36.86 | \$ 76,668.80         | \$ 5,865.16         | \$ 3,833.44         | \$ 14,229.89        | \$ 100,597.29        | Y              | Y           |
|       | Deputy Sheriff              | 2,080 | \$36.86 | \$ 76,668.80         | \$ 5,865.16         | \$ 3,833.44         | \$ 14,229.89        | \$ 100,597.29        | Y              | Y           |
|       | Evidence (part-time)        | 55    | \$35.00 | \$ 1,925.00          | \$ 147.26           | \$ -                | \$ -                | \$ 2,072.26          | N              | N           |
|       | Office Administrator        |       |         | \$ 40,000.00         | \$ 3,060.00         | \$ -                | \$ -                | \$ 43,060.00         | N              | N           |
|       | Additional — Overtime Hours |       |         | \$ 25,714.29         | \$ 1,967.14         | \$ 1,285.71         | \$ -                | \$ 28,967.14         |                |             |
|       | <b>Total</b>                |       |         | <b>\$ 542,773.69</b> | <b>\$ 41,522.17</b> | <b>\$ 25,042.43</b> | <b>\$ 85,379.34</b> | <b>\$ 694,717.63</b> |                |             |

### Rates used

|                                                                      |              |                                                                            |
|----------------------------------------------------------------------|--------------|----------------------------------------------------------------------------|
| Employer FICA                                                        | 7.65%        |                                                                            |
| Employer retirement                                                  | 5.00%        | Not applied to the part-time evidence position or the office administrator |
| Health insurance per benefited position — 2026                       | \$ 14,089.00 |                                                                            |
| Health insurance growth to 2027                                      | 1.0%         |                                                                            |
| Health insurance per benefited position — 2027                       | \$ 14,229.89 |                                                                            |
| Per-officer allocation (recurring): fuel, vehicle repairs and tires, | \$ 6,300.00  | per officer                                                                |
| Overtime per sworn officer                                           | \$ 4,285.71  |                                                                            |

|                                     |   |
|-------------------------------------|---|
| Sworn officers (positions with pay, | 6 |
| Civilian positions (positions with  | 2 |
| Total positions                     | 8 |

10-7-2026

## O U R A Y   C O U N T Y

## CITY OF OURAY LAW ENFORCEMENT COST ESTIMATES

|                                                                | ESTIMATE          | NOTES                                                                                                                                                                                 |
|----------------------------------------------------------------|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>PERSONNEL/EMPL BENEFITS</b>                                 |                   |                                                                                                                                                                                       |
|                                                                |                   | <i>2027 uses current payroll rates.</i>                                                                                                                                               |
| SALARIES                                                       | 517,059.40        |                                                                                                                                                                                       |
| SALARIES - OVERTIME                                            | 25,714.29         |                                                                                                                                                                                       |
| FICA                                                           | 41,522.17         | <i>Includes FICA on overtime and on the office administrator</i>                                                                                                                      |
| RETIREMENT                                                     | 25,042.43         | <i>Includes retirement on overtime<br/>2027 rate</i>                                                                                                                                  |
| HEALTH INSURANCE                                               | 85,379.34         |                                                                                                                                                                                       |
| TRAVEL                                                         | 2,142.86          | <i>Per sworn officer (see assumptions below).</i>                                                                                                                                     |
| TRAINING                                                       | 11,357.14         | <i>Per sworn officer.</i>                                                                                                                                                             |
| <b>TOTAL PERSONNEL/EMPL BENEFITS</b>                           | <b>708,217.63</b> |                                                                                                                                                                                       |
| <b>CONTRACTUAL/PROF. SERV.</b>                                 |                   |                                                                                                                                                                                       |
| COPY MACHINE/FAX LEASE                                         | 1,250.00          | <i>Fixed - does not change with staffing.</i>                                                                                                                                         |
| PROFESSIONAL SERVICES                                          | 10,000.00         | <i>Fixed - does not change with staffing.</i>                                                                                                                                         |
| DISPATCH SERVICES                                              | 81,130.00         | <i>Fixed - does not change with staffing.</i>                                                                                                                                         |
| <b>TOTAL CONTRACTUAL/PROF. SERV.</b>                           | <b>92,380.00</b>  |                                                                                                                                                                                       |
| <b>SUPPLIES</b>                                                |                   |                                                                                                                                                                                       |
| OFFICE SUPPLIES                                                | 888.89            | <i>Per position.</i>                                                                                                                                                                  |
| OPERATING SUPPLIES                                             | 1,714.29          | <i>Per sworn officer.</i>                                                                                                                                                             |
| <b>TOTAL SUPPLIES</b>                                          | <b>2,603.17</b>   |                                                                                                                                                                                       |
| <b>OPERATING COSTS</b>                                         |                   |                                                                                                                                                                                       |
| OFFICE EQUIPMENT                                               | 2,000.00          | <i>Fixed - does not change with staffing.<br/>One-time, 2027 only. County's 1/3 of gear the City does not donate (portable radios, body armor, firearms, etc). Per sworn officer.</i> |
| EQUIPMENT - ONE-TIME START-UP (officer gear, County 1/3 share) | 17,142.86         | <i>One-time only: background investigations per sworn and civilian hire, plus fixed recruiting. Excludes psych, medical and drug screens.</i>                                         |
| HIRING - ONE-TIME START-UP (recruiting and background checks)  | 8,800.00          |                                                                                                                                                                                       |
| VICTIM SERVICES EXPENSES                                       | 2,368.00          | <i>Fixed - does not change with staffing.</i>                                                                                                                                         |
| OPERATING SERVICES & PROGRAMS                                  | 2,500.00          | <i>Fixed - does not change with staffing.</i>                                                                                                                                         |
| DUES/SUBSCRIPTIONS                                             | 7,000.00          | <i>Fixed - does not change with staffing.</i>                                                                                                                                         |
| POSTAGE                                                        | 150.00            | <i>Fixed - does not change with staffing.</i>                                                                                                                                         |
| INVESTIGATION                                                  | 7,000.00          | <i>Fixed - does not change with staffing.</i>                                                                                                                                         |

|                                                                            |                     |                                                                                                                                                                                                                                                                                           |
|----------------------------------------------------------------------------|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| EQUIPMENT REPAIRS/MAINT                                                    | 3,000.00            | Fixed - does not change with staffing.<br>Recurring. \$6,300 per sworn officer for fuel, vehicle repairs and tires, uniforms, ammunition and gear replacement. Initial gear is in the one-time line above.                                                                                |
| UNIFORMS, EQUIP., VEH. MAINT., FUEL - RECURRING                            | 37,800.00           | One-time, 2027 only. From the IT Pricing copy tab: MDCs = sworn officers + 1 backup; routers = sworn officers; 2 station laptops, monitors and docks fixed.                                                                                                                               |
| IT EQUIPMENT - ONE-TIME START-UP (MDCs, laptops, routers, monitors, docks) | 34,050.00           | Recurring. From the IT Pricing copy tab: software per sworn officer at \$492. Cell phones not included (about \$6,552 for 7). IT support is in Central Services.                                                                                                                          |
| IT SOFTWARE - RECURRING                                                    | 2,952.00            | City donates 4 vehicles; the County leases the rest (one vehicle per sworn officer).                                                                                                                                                                                                      |
| VEHICLE LEASES - 2 UNITS                                                   | 40,457.16           |                                                                                                                                                                                                                                                                                           |
| <b>TOTAL OPERATING COSTS</b>                                               | <b>165,220.02</b>   |                                                                                                                                                                                                                                                                                           |
| WORKERS' COMP                                                              | \$21,711            | Rate x salaries + overtime (4%).                                                                                                                                                                                                                                                          |
| PROPERTY AND LIABILITY INSURANCE                                           | \$18,000            | \$3k per officer. Based on County cost allocation plan insurance share.                                                                                                                                                                                                                   |
| UNEMPLOYMENT INSURANCE                                                     | \$1,267             | Rate x salaries + overtime.                                                                                                                                                                                                                                                               |
| CENTRAL SERVICES                                                           | \$141,406.34        | Central services rate (assumptions below) x direct operating cost, based on the County's cost allocation plan. Covers County administration, HR, finance, legal and IT support. Excludes vehicle leases, dispatch, insurance, one-time start-up items and the Sheriff/Undersheriff share. |
| <b>SUBTOTAL</b>                                                            | <b>1,150,805.11</b> |                                                                                                                                                                                                                                                                                           |

**Share of Compensation for Sheriff and Undersheriff (25%)**

|                                          |                     |                                                      |
|------------------------------------------|---------------------|------------------------------------------------------|
|                                          |                     | Total compensation x City share (assumptions below). |
| SHERIFF - 25% OF TOTAL COMPENSATION      | \$ 42,492.71        | Total compensation x City share.                     |
| UNDERSHERIFF - 25% OF TOTAL COMPENSATION | \$ 35,944.25        |                                                      |
| <b>SUBTOTAL</b>                          | <b>\$ 78,436.96</b> |                                                      |

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|                                     |                        |
|-------------------------------------|------------------------|
| <b>TOTAL WITH ONE-TIME START-UP</b> | <b>\$ 1,229,242.07</b> |
|-------------------------------------|------------------------|

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|                         |              |                                                                                                                               |
|-------------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------|
| ONE-TIME START-UP COSTS | \$ 59,992.86 | Included in the total above: officer gear (County 1/3) + hiring (recruiting and background checks) + IT equipment. 2027 only. |
|-------------------------|--------------|-------------------------------------------------------------------------------------------------------------------------------|

|                              |                        |                                                                                                           |
|------------------------------|------------------------|-----------------------------------------------------------------------------------------------------------|
| <b>RECURRING ANNUAL COST</b> | <b>\$ 1,169,249.21</b> | Total less one-time start-up. Ongoing annual cost (before compensation and equipment cost/price changes). |
|------------------------------|------------------------|-----------------------------------------------------------------------------------------------------------|

#### VEHICLE ASSUMPTIONS

|                                                  |              |
|--------------------------------------------------|--------------|
| Vehicles needed (one per sworn officer)          | 6            |
| Vehicles donated by the City                     | 4            |
| Vehicles leased (needed less donated)            | 2            |
| Annual lease per patrol vehicle                  | \$ 20,228.58 |
| Vehicle lease cost (annual, in the budget above) | \$ 40,457.16 |

#### Assumptions on Existing Equipment and Vehicles Provided by the City

- The City donates 4 vehicles, equipped (lights and siren, cage, etc), and 2/3 of officer gear (portable radios, body armor, body cameras, etc).

- The County leases the remaining vehicles (one per sworn officer) at about \$20k a year each.

- Lines marked "per sworn officer" or "per position" change automatically with staffing on the Compensation copy tab; rates are in Scaling Assumptions below.

#### SCALING ASSUMPTIONS (change here; costs above follow staffing)

|                                                              |             |                                          |
|--------------------------------------------------------------|-------------|------------------------------------------|
| Sworn officers (from Compensation)                           | 6           | Count of paid positions marked Sworn = Y |
| Civilian positions (from Compensation)                       | 2           | Count of paid positions marked Sworn = N |
| Total positions                                              | 8           |                                          |
| Travel per sworn officer                                     | \$ 357.14   | \$2,500 for 7                            |
| Training per sworn officer                                   | \$ 1,892.86 | \$13,250 for 7                           |
| Office supplies per position                                 | \$ 111.11   | \$1,000 for 9 positions                  |
| Operating supplies per sworn officer                         | \$ 285.71   | \$2,000 for 7                            |
| Officer gear, County 1/3 share, per sworn officer (one-time) | \$ 2,857.14 | \$20,000 for 7                           |
| Background check per sworn hire                              | \$ 1,000.00 |                                          |
| Background check per civilian hire                           | \$ 150.00   |                                          |

|                                                     |    |            |                                                              |
|-----------------------------------------------------|----|------------|--------------------------------------------------------------|
| Recruiting and advertising (fixed)                  | \$ | 2,500.00   |                                                              |
| Workers' comp rate (% of salaries + overtime)       |    | 4.00%      | Calibrated to \$32,000 at full staffing (about 5%)           |
| Unemployment rate (% of salaries + overtime)        |    | 0.23%      | Calibrated to \$1,500 at full staffing                       |
| Property and liability per sworn officer            | \$ | 3,000.00   | \$32,000 for 7; exposure is driven by officers and vehicles  |
| Central services rate                               |    | 18.00%     | Applied to the direct cost base in the Central Services line |
| City share of Sheriff and Undersheriff compensation |    | 25.00%     | Change to test a different share                             |
| Sheriff total compensation                          | \$ | 169,970.85 |                                                              |
| Undersheriff total compensation                     | \$ | 143,777.00 |                                                              |

## **RESOLUTION NO. 23 (Series 2026)**

### **A RESOLUTION OF THE CITY OF OURAY, COLORADO, RATIFYING AN INTERGOVERNMENTAL AGREEMENT FOR FULL LAW ENFORCEMENT SERVICES BETWEEN THE COUNTY OF OURAY, COLORADO AND THE CITY OF OURAY, COLORADO.**

**WHEREAS**, the City of Ouray (the “City”) is a Colorado home-rule municipality, duly organized and existing under the City’s Home Rule Charter adopted pursuant to Article XX of the Constitution of the State of Colorado; and

**WHEREAS**, pursuant to Article XIV, Section 18(2)(a) of the Constitution of the State of Colorado and C.R.S. § 29-1-201, *et seq.*, local governments may “cooperate or contract with one another to provide any function, service, or facility lawfully authorized to each of the cooperating or contracting units, including the sharing of costs, the imposition of taxes, or the incurring of debt, only if such cooperation or contracts are authorized by each party thereto with the approval of its legislative body or other authority having the power to so approve”; and

**WHEREAS**, C.R.S. § 30-11-410 authorizes the governing body of a municipality and the board of county commissioners to contract for the purpose of providing law enforcement, including enforcement of municipal ordinances, by the sheriff within the boundaries of the municipality; and

**WHEREAS**, Section 5.1(C)(8) of the City’s Home Rule Charter authorizes the City Administrator to make recommendations to the Council, which has final decision-making authority, concerning the establishment, consolidation or abolition of City departments; and

**WHEREAS**, due to ongoing operational difficulties maintaining the City police department, the City and County entered into an *Intergovernmental Agreement Regarding the Provision of Law Enforcement Services – City of Ouray* on December 18, 2025, as amended in April 2026 by *Amendment No. 1* to that Intergovernmental Agreement, which was intended to be a temporary arrangement; and

**WHEREAS**, continued operational and financial difficulties have impacted the City’s ability to maintain a police department, and at a duly noticed public meeting held on June 1, 2026, City Council directed City staff to work with the Ouray County Sheriff (the “Sheriff”) to propose a contract for the provision of full law enforcement services; and

**WHEREAS**, the City has determined that contracting with Ouray County for law enforcement services is in the best interests of and necessary to preserve the health, safety, and welfare of the residents, businesses, visitors, and taxpayers of the City; and

**WHEREAS**, the City will benefit from contracting to use the Sheriff’s trained staff, specialist law enforcement personnel, management personnel, organization, specialized equipment and benefit from the economies of scale that can be obtained by having one law enforcement agency provide services to both the City and Ouray County; and

**WHEREAS**, Ouray County and the City desire to contract for the Sheriff to provide full law enforcement services, as set forth in the Intergovernmental Agreement attached hereto as **Exhibit A** (the “IGA” or “Agreement”); and

**WHEREAS**, by entering into a contract with the County for the provision of full law enforcement services, the City’s Police Department is dissolved during the term of the Agreement; and

**WHEREAS**, the terms of the IGA set forth, among others, the scope of services, staffing levels, municipal ordinance enforcement, steps necessary for the transition of law enforcement services, funding and costs, and annual evaluation of the agreement; and

**WHEREAS**, nothing in the Agreement prohibits the City from re-establishing or creating a municipal police department when the IGA is no longer in effect; and

**WHEREAS**, the City Council finds it is in the best interests of the City to enter into the IGA for the Sheriff to provide law enforcement services for the City; and

**WHEREAS**, the City Council wishes to approve and ratify all actions taken by the City Administrator and staff in negotiating and executing the IGA; and

**WHEREAS**, the City Council finds this action is immediately necessary to preserve the life, health, safety, and welfare of the City and its residents.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF OURAY, COLORADO**, that:

1. Recitals. The foregoing recitals are incorporated herein as findings of the City Council.
2. Agreement. The City Council hereby ratifies and approves the IGA, in substantially the same form as **Exhibit A**, subject to additional modifications, as determined to be satisfactory to the City Attorney, and ratifies and authorizes the City Administrator or Mayor to execute the same. All actions heretofore taken by the City Administrator, and the other officers, employees, and agents of the City in connection with the subject matter of this Resolution are hereby ratified, approved, and confirmed in all respects. Further, the City Council authorizes and directs the City Administrator to take such steps as are necessary to implement this Resolution and the IGA, including implementing a reduction in force of the City’s Police Department personnel.
3. Severability. If any provision of this Resolution is found to be unconstitutional or unlawful, such finding shall only invalidate that part or portion found to violate the law. All other provisions shall be deemed severable and shall continue in full force and effect.

**ADOPTED** this 19<sup>th</sup> day of October, 2026 by the Ouray City Council.

CITY OF OURAY, COLORADO

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Michael Underwood, Mayor

ATTEST:

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Kara Rhoades, City Clerk

**MEMORANDUM**

DATE: September 24, 2026  
TO: Ouray City Council  
FROM: Karp Neu Hanlon, P.C.  
RE: Water Termination Agreement

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On March 31, 2026, the Colorado Department of Public Health and Environment's Water Quality Control Division conducted a survey of the City's water service pursuant to the Colorado Primary Drinking Water Regulations, 5 CCR 1002-11 (Regulation 11). The survey found that the property at 837 County Road 361, Ouray, CO (the "Property") is receiving untreated drinking water from the City's water service line. The Property is not within City limits, and the City does not have capacity to provide treated water to the Property.

The state survey provided a deadline of August 27, 2026 to resolve the issue, which requires shutting off the Property's water service from the City water line. The August deadline was extended to October 27, 2026 to allow the Property owners and City to execute a plan ensuring the Property receives treated drinking water. During this time, the Property owners have installed a well, and the City discontinued water service on September 28, 2026.

Because the Property has received City water service for many years, beginning long before the current Property owners took ownership, the City wishes to provide the owners a one-time payment in an amount equivalent to the City's water investment fee of \$7,500.00 for discontinuing water service. The agreement attached as **Exhibit A** authorizes the City's payment in exchange for release of the City's obligation to provide water service to the Property. The agreement allows for future water service to the Property should this become an option for both parties.

Staff recommends approving the attached agreement and authorizing the City's payment of \$7,500 to the Property owners.

**RESOLUTION NO. 24 (Series 2026)**

**A RESOLUTION OF THE CITY OF OURAY, COLORADO, RATIFYING  
A WATER SERVICE TERMINATION AGREEMENT FOR 837 COUNTY  
ROAD 361.**

**WHEREAS**, the City of Ouray (the “City”) is a Colorado home-rule municipality, duly organized and existing under the City’s Home Rule Charter adopted pursuant to Article XX of the Constitution of the State of Colorado; and

**WHEREAS**, the City has for many years provided water service from a City water main to the property located at 837 County Road 361, Ouray, Colorado 81427 (the “Property”); and

**WHEREAS**, the State of Colorado conducted a sanitary survey in the spring of 2026 that identified the water service line to the Property is not compliant with State regulations and is delivering untreated water to the Property; and

**WHEREAS**, at the direction of the State, the City must disconnect water service to the Property by October 27, 2026; and

**WHEREAS**, the City is not legally required to provide water service to properties outside of City limits;

**WHEREAS**, to comply with State regulations the City will have disconnected the Property from City water service by October 27, 2026; and

**WHEREAS**, the City wishes to provide the Property owners a one-time payment in an amount equivalent to the City’s water investment fee of \$7,500.00, as stated in Section 9-4 of the Ouray Municipal Code, pursuant to the Water Service Termination Agreement attached hereto as **Exhibit A** (the “Agreement”) for disconnecting the Property from water service; and

**WHEREAS**, in exchange for the payment, the City and Property owners wish to release each other from any further obligations related to City water service to the Property; and

**WHEREAS**, the City Council wishes to approve and ratify all actions taken by the City Administrator and staff in negotiating the Agreement; and

**WHEREAS**, the City Council finds that approving the Agreement is in the best interest of the life, health, safety, and welfare of the City and its residents.

**NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF  
THE CITY OF OURAY, COLORADO**, that:

1. Recitals. The foregoing recitals are incorporated herein as findings of the City Council.

2. Agreement. The City Council hereby ratifies and approves the Agreement, in substantially the same form as **Exhibit A**, as determined to be satisfactory to the City Attorney, and ratifies and authorizes the City Administrator or Mayor to execute the same. The City Council authorizes the City's payment in an amount not to exceed \$7,500.00 to the Property owners for disconnecting City water service. All actions heretofore taken by the City Administrator, and the other officers, employees, and agents of the City in connection with the subject matter of this Resolution are hereby ratified, approved, and confirmed in all respects. Further, the City Council authorizes and directs the City Administrator to take such steps as are necessary to implement this Resolution and the Agreement.
3. Severability. If any provision of this Resolution is found to be unconstitutional or unlawful, such finding shall only invalidate that part or portion found to violate the law. All other provisions shall be deemed severable and shall continue in full force and effect.

**ADOPTED** this 19<sup>th</sup> day of October, 2026 by the Ouray City Council.

CITY OF OURAY, COLORADO

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Michael Underwood, Mayor

ATTEST:

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Kara Rhoades, City Clerk

## **WATER SERVICE TERMINATION AGREEMENT – 837 COUNTY ROAD 361**

This WATER SERVICE TERMINATION AGREEMENT (the “Agreement”) is made and entered into as of the date of the last signature hereto (the “Effective Date”), by and between the CITY OF OURAY, COLORADO, a Colorado home-rule municipality (“Ouray” or the “City”) and MICHAEL FEESER and NANCY FEESER (the “Owners”), collectively referred to as the “Parties”.

WHEREAS, the Owners own certain property located at 837 County Road 361, Ouray, Colorado 81427, known as Ouray County Parcel Number 451736400011 (the “Property”);

WHEREAS, the Property is in unincorporated Ouray County and is not within the City’s boundaries;

WHEREAS, the Property receives water service from a City water main;

WHEREAS, the State of Colorado conducted a sanitary survey that identified the water service line to the Property is not compliant with State regulations;

WHEREAS, at the direction of the State, the City must disconnect water service to the Property by October 27, 2026 (the “Resolution Date”);

WHEREAS, the City does not have an obligation to provide water service to properties outside of City limits;

WHEREAS, to comply with State regulations, the City plans to disconnect the Property from City water service by the Resolution Date;

WHEREAS, in connection with the disconnection of the Property, the City wishes to provide the Owners a one-time payment in an amount equivalent to the City’s water investment fee (the “Payment”);

WHEREAS, in exchange for the Payment, the Parties wish to release each other from any further obligations related to City water service to the Property (past and present);

WHEREAS, the Parties wish to enter into this Agreement to define the scope and nature of the mutual release to be provided.

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

1. Recitals. The foregoing recitals are incorporated herein by this reference.
2. Disconnection. The City shall disconnect the Property from the City’s water service no later than the Resolution Date. Owners agree not to contest, oppose, or appeal the City’s decision to disconnect water service to the Property.

3. Water Service Disconnection Payment. The City shall pay the Owners within seven (7) business days of disconnection \$7,500.00. The City shall waive the \$20.00 shutoff charge under Section 9-16.C of the Ouray Municipal Code. The City shall not charge any other fees related to water service disconnection to the Owners. If in the future the Owners apply for water service connection with the City, the Owners may be subject to the City's water and sewer investment fees and other related costs associated with establishing City water service to the Property.

4. Waiver and Release.

a. The Owners hereby release, acquit, forever discharge, and covenant not to sue the City, and all of its officers, agents, directors, members, managers, employees, subcontractors or independent contractors (the "City Released Parties") for, of, and from any and all causes of action, claims, demands, liens, or costs which the Owners have, had, or may have against the City Released Parties in connection with City water service to the Property and the termination of water service to the Property.

b. The City hereby releases, acquits, forever discharges, and covenants not to sue the Owners, and all of their respective employees, agents, independent contractors, parents, subsidiaries, predecessors, successors, assigns, affiliates, or insurers (the "Feeser Released Parties") for, of, and from any and all causes of action, claims, demands, liens, or costs which the City has, had, or may have against the Feeser Released Parties in connection with City water service to the Property and the termination of water service to the Property.

5. Good Faith. This Mutual Release Agreement is entered into in good faith. The Parties have had an opportunity to consult with their own legal counsel and fully understand the legal significance of the release contained herein.

6. Entire Agreement. This Agreement, along with any addendums and attachments hereto, constitutes the entire agreement between the parties. The parties shall not be bound by any other agreements, either written or oral, except as set forth in this Agreement.

7. Governing Law and Venue. This Agreement shall be governed by the laws of the State of Colorado, and venue shall be in the County of Ouray, State of Colorado.

8. Governmental Immunity Act. No term or condition of this Agreement shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections, or other provisions of the Colorado Governmental Immunity Act, C.R.S. §§ 24-10-101 *et seq.*

9. Binding Effect; Assignment of Rights; Survival; Recording. This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective heirs, personal representatives, successors, and assigns. The Owners may not assign this Agreement without the prior written authorization of the City, in its sole discretion. Any assignment made without prior written authorization shall be a material breach of this Agreement. All the terms and conditions of

this Agreement concerning release, indemnification, remedies, and enforcement shall survive termination of this Agreement. This Agreement shall not be recorded.

10. Severability. In the event a court of competent jurisdiction holds any provision of this Agreement invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision of this Agreement.

11. Attorneys' Fees. Should this Agreement become the subject of litigation between the parties, the prevailing party shall be entitled to recovery of all actual costs in connection therewith, including but not limited to attorneys' fees and expert witness fees. All rights concerning remedies and/or attorneys' fees shall survive any termination of this Agreement.

*~ Signature Pages Follow ~*

IN WITNESS WHEREOF, the parties have entered this Agreement as of the Effective Date.

CITY OF OURAY, COLORADO

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

\_\_\_\_\_  
Kara Rhoades, City Clerk

MICHAEL FEESER

\_\_\_\_\_

STATE OF COLORADO            )  
                                                  ) ss.  
COUNTY OF \_\_\_\_\_ )

The foregoing Agreement was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2026 by \_\_\_\_\_.

Witness my hand and official seal.

\_\_\_\_\_  
Notary Public

NANCY FEESER

\_\_\_\_\_

STATE OF COLORADO            )  
                                                  ) ss.  
COUNTY OF \_\_\_\_\_ )

The foregoing Agreement was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2026 by \_\_\_\_\_.

Witness my hand and official seal.

Notary Public

\_\_\_\_\_

320 6th Avenue  
PO Box 468  
Ouray, Colorado 81427



CITY OF  
**OURAY**  
COLORADO

970.325.7211  
Fax 970.325.7212  
[info@cityofouray.com](mailto:info@cityofouray.com)

To: Mayor & City Council  
From: Kara Rhoades, Finance and Administration Director  
Date: October 19, 2026  
Agenda Item: Ordinance No. 7 (Series No. 2026) – Adopting 2027 Utility Rates

---

**REQUEST:**

Consider Ordinance No. 7, Series 2026, adopting the 2027 Water, Sewer, Surcharge, Refuse, and Recycling Rates and Fees.

**INTRODUCTION:**

Per the Charter, utility rates are to be established by ordinance. Ordinance No. 7 established the complete rate schedule for calendar year 2027.

**ANALYSIS:**

Annual staff review ensures enterprise funds maintain operational and capital stability. The 2027 schedule includes:

- Base Rate Increases: Water Base Rate increases to \$53.58 per month / EQR; Sewer Base Rate increases to \$68.55 per month / EQR.
- Surcharges Maintained: Water Upgrade (\$17.30) and Wastewater Treatment (\$54.59) surcharges remain unchanged.
- Fees Unchanged: All service charges (\$1.75 Water/Sewer, \$2.25 Refuse/Recycle), refuse/recycling base rates (\$32.68/\$6.89), and investment/tap fees (\$8,250) remain at current levels.

New rates effective January 1, 2027.

**BUDGET / STAFF IMPACT:**

Budget: Adjustments secure required revenue for 2027 operational costs and capital reserves.

**ORGANIZATIONAL ALIGNMENT:**

Ensures fiscally responsible utility management.

**RECOMMENDED ACTION OR PROPOSED MOTION:**

Option 1 (Recommended):

"Move to approve Ordinance No. 7 (Series No. 2026) on first reading, and set the second reading and public hearing."

Option 2 (Approval with Amendments):

"Move to approve Ordinance No. 7 (Series No. 2026) on first reading with the following amendments and set the second reading and public hearing."

Option 3 (Denial):

"I move to deny Ordinance No. 7 (Series No. 2026) on first reading."

**ATTACHMENT(S):**

- Ordinance No. 7 (Series No. 2026) – Adopting 2027 Utility Rates and Fees



## **ORDINANCE NO. 7 (Series No. 2026)**

### **AN ORDINANCE OF THE CITY OF OURAY, COLORADO, ADOPTING THE 2027 WATER, SEWER, SURCHARGE, REFUSE, AND RECYCLING RATES FOR 2027**

**WHEREAS**, Article VIII, Section 8.3.B of the Home Rule Charter of the City of Ouray ("City") requires that the City Council set rates for services provided by City utilities by ordinance; and

**WHEREAS**, Chapters 9 and 12 of the Municipal Code of the City of Ouray provide that water, sewer, surcharge, refuse, and recycling rates and fees shall be in amounts set forth in the City's fee schedule, as adopted annually by City Council; and

**WHEREAS**, the City finds it necessary to increase the water base rate and sewer base rate for calendar year 2027; and

**WHEREAS**, the City finds it can maintain the 2026 rates for the water system upgrade surcharge and wastewater treatment surcharge due to the revenues from the Excise Tax on short-term rentals; and

**WHEREAS**, the water, sewer, and refuse/recycling service fees will remain unchanged from the prior year.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF OURAY, COLORADO**, as follows:

#### **SECTION 1: Utility Rates and Fees**

The City Council hereby adopts and establishes the following utility rates and fees effective for calendar year 2027:

1. Water Utility Rates & Fees:
  - Water Base Rate: \$53.58 per month per EQR
  - Water System Upgrade Surcharge: \$17.30 per month per EQR
  - Water Service Charge: \$1.75 per month per EQR
  - Water Investment Fee: \$8,250.00 per tap
  - Fire System Tap Investment Fee: \$500.00 per tap
2. Sewer Utility Rates & Fees:
  - Sewer Base Rate: \$68.55 per month per EQR
  - Wastewater Treatment Surcharge: \$54.59 per month per EQR
  - Wastewater Service Charge: \$1.75 per month per EQR
  - Sewer Investment Fee: \$8,250.00 per tap

3. Refuse and Recycling Rates:

- Refuse Base Rate: \$32.68 per month per EQR
- Recycling Base Rate: \$6.89 per month per EQR
- Refuse/Recycle Service Charge: \$2.25 per month per EQR

**SECTION 2: Application and Superiority**

The rates set forth in Section 1 shall apply to all utility services billed on or after January 1, 2027, and shall supersede all previously approved utility rates and fees.

**SECTION 3: Effective Date**

The provisions of this Ordinance shall become effective thirty (30) days after final publication of the Ordinance in accordance with the Charter.

**SECTION 4: Severability**

If any clause, sentence, paragraph, or part of this ordinance or the application thereof to any person or circumstances shall for any reason be adjudged by a court of competent jurisdiction invalid, such judgment shall not affect application to other persons or circumstances.

INTRODUCED, READ, APPROVED AS INTRODUCED AND ORDERED  
PUBLISHED on first reading by \_\_\_\_\_ vote of the Ouray City Council, this \_\_\_\_ day of  
\_\_\_\_\_, 2026.

CITY OF OURAY, COLORADO

By

\_\_\_\_\_  
Michael Underwood, Mayor

ATTEST:

\_\_\_\_\_  
Kara Rhoades, City Clerk

INTRODUCED, READ, AND ADOPTED on second reading by \_\_\_\_\_  
vote of the Ouray City Council, this \_\_\_\_ day of \_\_\_\_\_, 2026.

CITY OF OURAY, COLORADO

By

\_\_\_\_\_  
Michael Underwood, Mayor

ATTEST:

\_\_\_\_\_  
Kara Rhoades, City Clerk

CERTIFICATE OF ATTESTATION

I, Kara Rhoades, Ouray City Clerk, hereby certify that Ordinance No. 7 (Series No. 2026), was introduced, read, passed on first reading on \_\_\_\_\_, 2026. The Ordinance was published, by title and summary, in the *Ouray County Plaindealer* on \_\_\_\_\_, 2026, and thereafter introduced, read, and adopted by the Ouray City Council on \_\_\_\_\_, 2026, and thereafter published in the *Ouray County Plaindealer* as required by law.

\_\_\_\_\_  
Kara Rhoades, City Clerk

**MEMORANDUM**

DATE: October 14, 2026  
TO: Ouray City Council  
FROM: Karp Neu Hanlon, P.C.  
RE: Water and Sewer Use Rates – Light Industrial

---

Earlier this year, City Council directed staff to review the City’s water and sewer use rates and draft a definition for “Light Industrial Operations” as a new category under the rate structure in the City Code.

An equivalency factor (“EQR”), which is equivalent to the water and sewer use of one single-family home, determines the City’s water and sewer rates and is scaled depending on the type of facility. Staff is bringing back the Ordinance for Council to consider amending the City Code to add a definition for Light Industrial Operations. The Ordinance also seeks to amend the Code to reference the City’s fee schedule for calculation of water and sewer rates rather than including specific rates within the Code itself.

The proposed Ordinance includes a definition of Light Industrial Operations to mean lower-intensity industrial uses that are conducted in a manner that limits the impact on surrounding areas. Under the rate structure table, Light Industrial Operations would be charged 1.00 EQR, as they generally are in facilities that use little water compared to other uses. The rate table contemplates increased EQR ratings based on additional water fixtures or appliances in a facility.

Additionally, the Ordinance includes several amendments establishing the City’s water and sewer investment fees in Section 9-4 of the Code and the City’s water and sewer use rates in Section 9-10.C of the Code in reference to the City’s fee schedule, which is adopted by the City Council each year, rather than identifying a specific fee within the Code. The purpose of this is to allow flexibility for the City to adjust the rates as needed, subject to City Council approval. The amendments would also eliminate reference to a specific “service fee” for each property in the rate structure table, as these fees would also be determined by the annually adopted fee schedule.

Council options:

1. Approve the Ordinance on first reading and set the second reading and public hearing.
2. Approve the Ordinance on first reading with amendments and set the second reading and public hearing.
3. Deny the Ordinance on first reading.

Staff recommends approving the Ordinance on first reading and setting the second reading and public hearing for November 2, 2026.

## **ORDINANCE NO. 8 (Series No. 2026)**

### **AN ORDINANCE OF THE CITY OF OURAY, COLORADO, AMENDING SECTION 9-10 – WATER AND SEWER USE RATES OF THE OURAY MUNICIPAL CODE BY ADDING A RATE CATEGORY FOR LIGHT INDUSTRIAL OPERATIONS**

**WHEREAS**, the City of Ouray (the “City”) is a home-rule municipality, duly organized and existing under the City’s Home Rule Charter (the “Charter”) adopted pursuant to Article XX of the Constitution of the State of Colorado; and

**WHEREAS**, the City of Ouray acting by and through its City Council has the power to amend the Ouray Municipal Code (the “Municipal Code” or “OMC”) pursuant to state statutes, Section 2.7.C. of the Charter, and Section 1-3 of the Municipal Code, and all such amendments shall become a part of the Municipal Code; and

**WHEREAS**, the City establishes water and sewer rates as measured by an Equivalency Factor (“EQR”) based on the volume of water that a single-family dwelling consumes on average; and

**WHEREAS**, the City wishes to establish a rate category for light industrial operations that consume smaller volumes of water (up to one EQR); and

**WHEREAS**, the City Council wishes to amend Section 9-10 of the Municipal Code to establish a water and sewer use rate category for Light Industrial Operations; and

**WHEREAS**, the City Council finds and determines that the proposed amendments to the Municipal Code outlined herein are reasonably necessary to promote the legitimate public purposes of the public healthy, safety, and welfare.

**NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF OURAY, COLORADO**, as follows:

#### **SECTION 1: Recitals**

The City Council hereby incorporates by reference and conclusively makes the above recitals as findings of fact.

#### **SECTION 2: Amendment**

Section 9-10 of the Municipal Code of the City of Ouray, Colorado is hereby amended with **bold underlined** additions and ~~striketrough~~ deletions, as set forth in **Exhibit A**.

#### **SECTION 3: Effective Date**

The provisions of this Ordinance shall become effective thirty (30) days after final

publication of the Ordinance in accordance with the Charter.

**SECTION 4: Savings Clause**

The repeal and amendment of various provisions of the Ouray Municipal Code by this ordinance shall not affect any offense or act committed, any penalty incurred, any contract, right, or duty established or accruing before the effective date of this ordinance.

**SECTION 5: Severability**

If any clause, sentence, paragraph, or part of this ordinance or the application thereof to any person or circumstances shall for any reason be adjudged by a court of competent jurisdiction invalid, such judgment shall not affect application to other persons or circumstances.

INTRODUCED, READ, APPROVED AS INTRODUCED AND ORDERED  
PUBLISHED on first reading by \_\_\_\_\_ vote of the Ouray City Council, this \_\_ day of  
\_\_\_\_\_, 2026.

CITY OF OURAY, COLORADO

By \_\_\_\_\_  
Michael Underwood, Mayor

ATTEST:

\_\_\_\_\_  
Kara Rhoades, City Clerk

INTRODUCED, READ, AND ADOPTED on second reading by \_\_\_\_\_ vote  
of the Ouray City Council, this \_\_ day of \_\_\_\_\_, 2026.

CITY OF OURAY, COLORADO

By \_\_\_\_\_  
Michael Underwood, Mayor

ATTEST:

\_\_\_\_\_  
Kara Rhoades, City Clerk

CERTIFICATE OF ATTESTATION

I, Kara Rhoades, Ouray City Clerk, hereby certify that Ordinance No. \_\_ (Series  
No. 2026), was introduced, read, passed on first reading on \_\_\_\_\_, 2026.  
The Ordinance was published, by title and summary, in the *Ouray County Plaindealer* on  
\_\_\_\_\_, 2026, and thereafter introduced, read, and adopted by the Ouray  
City Council on \_\_\_\_\_, 2026, and thereafter published in the *Ouray County  
Plaindealer* as required by law.

\_\_\_\_\_  
Kara Rhoades, City Clerk

## EXHIBIT A

### 9-4 Water and Sewer System Investment and Tap Fees

\* \* \* \*

#### B. *Water Investment Fees*

1. A water system investment fee, in an amount set forth in the City's fee schedule, as adopted annually by City Council of \$7,500 for up to a three quarter inch (3/4") nominal diameter tap shall be imposed and collected prior to connection to the water system, or as otherwise required, pursuant to this Chapter, except for taps solely serving a fire system, which shall pay an investment fee of \$500.
2. Connections larger than one inch shall not be allowed unless the City determines that adequate capacity exists. The investment fee for such taps shall be equal to the fee specified for a three quarter inch (3/4") tap above multiplied by the square of the diameter of the larger tap.
3. Monies collected as water system investment fees will be reserved for water system expansion and capital equipment replacement.

#### C. *Sewer Investment Fees*

1. A sewer system investment fee, in an amount set forth in the City's fee schedule, as adopted annually by City Council of \$7,500 for up to a four-inch nominal diameter tap shall be imposed and collected prior to connection to the sewer system, or as otherwise required pursuant to this Chapter.
2. Connections larger than a four-inch tap shall not be allowed unless the City determines that adequate capacity exists. The investment fee for such taps shall be equal to the fee specified for a four-inch tap above, multiplied by the square of the diameter of the larger tap divided by 4.
3. Monies collected as sewer investment fees will be reserved for sewer system expansion and capital equipment replacement.

\* \* \* \*

### 9-10 Water and Sewer Use Rates

- A. Water and sewer use rates will be calculated on the basis of a single family dwelling. An equivalency factor (EQR) will be applied to the base rate to scale fees to normal usage for the particular structure or business.
- B. *Rate Structure*

| TYPE OF FACILTY                                 | <del>PER<br/>UNIT/SPACE<br/>EQR</del>                                                             | <del>SERVICE FEE</del>              | ADDITIONAL<br>EQR                                                                                                                                    |
|-------------------------------------------------|---------------------------------------------------------------------------------------------------|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| Single-Family Dwelling                          | 1.00                                                                                              | <del>\$36.00 per<br/>property</del> |                                                                                                                                                      |
| Multiple-Family<br>Dwellings/Duplex/Condominium | 1.00 per unit                                                                                     | <del>\$36.00 per unit</del>         | .25 per public<br>washing machine                                                                                                                    |
| Mobile Home Park                                | 1.00 per space                                                                                    | <del>\$36.00 per<br/>property</del> |                                                                                                                                                      |
| Recreation Vehicle (RV) Park                    | 1.00 per<br>Manager's Unit;<br>.22 per space<br>with sewer<br>hookup; .11 per<br>all other spaces | <del>\$36.00 per<br/>property</del> | .25 per washing<br>machine/1.00 per<br>dump station                                                                                                  |
| Lodging Business                                | 1.00 per<br>Manager's<br>Unit/.16 per<br>bed/.02 per<br>kitchen facility                          | <del>\$36.00 per<br/>property</del> | .05 per 1,000<br>gallons for<br>swimming pools,<br>hot tubs, etc./.25<br>per public<br>washing<br>machine/.03 per<br>bed linens<br>laundered on site |
| Hospitals<br>Nursing Homes                      | .20 per bed                                                                                       | <del>\$36.00 per<br/>property</del> |                                                                                                                                                      |
| Churches                                        | 1.00 per<br>parsonage/.01<br>per seat                                                             | <del>\$36.00 per<br/>property</del> | .70 per social<br>area or kitchen<br>facility                                                                                                        |
| Private Clubs                                   | .01 per seat                                                                                      | <del>\$36.00 per<br/>property</del> | .70 per social<br>area or kitchen<br>facility/1.00 per<br>bar                                                                                        |
| Schools                                         | .06 per student                                                                                   | <del>\$36.00 per<br/>property</del> |                                                                                                                                                      |
| Offices, Retail, Medical Center                 | .30 per 1,500 sq.<br>ft.                                                                          | <del>\$36.00 per<br/>property</del> |                                                                                                                                                      |

| TYPE OF FACILITY                      | <del>PER-UNIT/SPACE</del><br><u>EQR</u>                                     | <del>SERVICE FEE</del>          | ADDITIONAL EQR |
|---------------------------------------|-----------------------------------------------------------------------------|---------------------------------|----------------|
| Industrial, Manufacturing             | .50 per 1,000 sq. ft.                                                       | <del>\$36.00 per property</del> |                |
| Theaters/Arenas                       | .50 per 1,000 sq. ft.                                                       | <del>\$36.00 per property</del> |                |
| Grocery Store Market                  | .30 per 1,000 sq. ft.                                                       | <del>\$36.00 per property</del> |                |
| Service Station and Convenience Store | 1.00                                                                        | <del>\$36.00 per property</del> |                |
| Car Wash                              | 1.20 per wash bay                                                           | <del>\$36.00 per property</del> |                |
| Laundry (*Public)                     | .25 per machine                                                             | <del>\$36.00 per property</del> |                |
| Taverns/Bar/Tasting Room              | 1.00 per 1st 20 seats/.60 per additional 10 seats                           | <del>\$36.00 per property</del> |                |
| Restaurants/Food Service              | 2.00 per 1st 20 seats/.60 per additional 10 seats (both indoor and outdoor) | <del>\$36.00 per property</del> |                |
| Deli, Ice Cream Parlor                | 1.00 per 1st 20 seats/.30 per additional 10 seats                           | <del>\$36.00 per property</del> |                |
| Beauty/Barber Shop                    | 1.00 per facility                                                           | <del>\$36.00 per property</del> |                |
| Not-For-Profit Museums                | 1.00 per facility                                                           | <del>\$36.00 per property</del> |                |
| Daycare                               | .02 per child capacity                                                      | <del>\$36.00 per property</del> |                |
| Emergency Response Facility           | 1.00 per facility                                                           | <del>\$36.00 per</del>          |                |

| TYPE OF FACILITY                    | <del>PER<br/>UNIT/SPACE<br/>EQR</del> | <del>SERVICE FEE</del>              | ADDITIONAL<br>EQR                                                       |
|-------------------------------------|---------------------------------------|-------------------------------------|-------------------------------------------------------------------------|
|                                     |                                       | <del>property</del>                 |                                                                         |
| <u>Light Industrial Operation**</u> | 1.00 per facility                     | <del>\$36.00 per<br/>property</del> | <u>.10 for each<br/>fixture or<br/>appliance with<br/>water service</u> |

\* Public laundry facilities or public washing machines means those that are open to the public and used by people not affiliated with a particular property.

**\*\* Light Industrial Operation means lower-intensity industrial uses, such as assembly, manufacturing, packaging, cabinetry, carpentry, machinery, and welding activities with limited impacts on adjacent neighborhoods. Operations must be conducted in such a manner that all resultant cinders, dust, fumes, gases, odors, smoke and vapor are effectively confined to the premises or disposed of so as to avoid significant air pollution; and conducted to minimize noise and light impacts on the surrounding area, noticeable or observable by a person at a distance of three hundred (300) feet or more from the premises. An industrial use that does not meet this definition shall fall under the category for Industrial/Manufacturing facilities.**

#### *C. Water and Sewer Rates*

**The following water and sewer rates shall be in amounts as set forth in the City's fee schedule, as adopted annually by City Council.**

1. Water Base Rate is ~~\$44.80 per month per EQR.~~
2. Sewer Base Rate is ~~\$59.38 per month per EQR.~~
3. Monthly Service Fees for Water and Sewer are ~~\$1.75 each per property.~~
4. Water System Upgrade Surcharge is ~~\$17.30 per month per EQR.~~
5. Wastewater Treatment Surcharge is ~~\$54.59 per month per EQR.~~

#### *D. Special Charges*

1. If any user is discharging toxic or other pollutants in concentrations higher than that of a residential user which causes increased treatment or system costs, a surcharge may be imposed based upon the excess concentrations.
2. All water user rates for users outside of the City limits shall be classified according

to the above contained and set forth classifications, but the rates therefor shall be twice the rates applicable to users inside the City limits.

3. In all special cases where the water and sewer user does not come within any of the above set forth classifications and does not use a water meter due to unusual circumstances, or to unusual or intermittent requirements of the use of water and sewer, City Council may establish a special rate therefor, but no such special water and sewer rate contract shall be entered into for a period longer than one (1) year at a time and the rate or rates for such special usage of sewer and sewer under any special contract shall be based as nearly as may be practical upon general water and sewer rate structure herein provided.
4. In cases where there is a transfer of City utility account customers due to the conveyance of property served by the City's water and sewer system, there shall be a ~~\$25.00~~ Utility Account Transfer Charge **in an amount set forth in the City's fee schedule, as adopted annually by City Council**, billed to the new property owner as a new customer of the utility account. This charge shall be incurred and billed at the time of such transfer, with payment due within thirty (30) days of billing.

#### E. *Additional Provisions*

All customers shall be required to properly complete and submit to the City, information, declarations, and surveys upon the City's request, as appropriate to facilitate the administration of this Chapter and the EQR system.

\* \* \* \*

### 9-16 **Shut Off and Resumption of Water and Sewer Service**

#### A. *Involuntary Shut Off*

\* \* \* \*

- vii. If the City shuts off water service pursuant to this Section, service will not be restored until all overdue charges, penalties, other applicable charges which have been billed with respect to the property and a deposit in an amount equal to the greater of ~~\$75.00~~ **an amount set forth in the City's fee schedule, as adopted annually by City Council** or the customer's highest previous monthly bill, have been paid to the City. All requests to turn on water service pursuant to this Section must be made on forms acceptable to the City. Turning on water service will only occur with the property owners or their authorized representative present.

\* \* \* \*

\* \* \* \*

#### C. *Charges for Shut Off and Turn On*

- i. A charge of \$20.00 fee in an amount set forth in the City's fee schedule, as adopted annually by City Council for each turn on or shut off of water service will be assessed to the property. This charge must be paid prior to any action by the City.

320 6th Avenue  
PO Box 468  
Ouray, Colorado 81427



CITY OF  
**OURAY**  
COLORADO

970.325.7211  
Fax 970.325.7212  
[info@cityofouray.com](mailto:info@cityofouray.com)

October 19, 2026

Dear Mr. Chesley,

The Council of the City of Ouray is requesting your assistance in a project to improve public access to an area that features outstanding scenic and recreational opportunities but is currently underutilized. The area of interest is a section of forest that borders your property and includes the historic Box Cañon sign, which was placed on that site and first illuminated in 1909. Visitors to Box Cañon Park and hikers on the relatively new Perimeter Trail would relish the experience of visiting that site with its remarkable overlook. The panoramic scenery is such that it encourages the placement of a long-envisioned kiosk with interpretive signage identifying Ouray's historic buildings and incomparable geologic backdrop.

This project is particularly consistent with the City of Ouray's long-term planning goals. The City's 2021 Community Plan identifies the importance of preserving and enhancing the natural character of Box Cañon Park and other natural parks, expanding and connecting Ouray's trail system, creating new trail opportunities, and showcasing the community's exceptional recreational and natural assets. The Plan envisions an interconnected network of parks and trails that provides residents and visitors with opportunities to experience Ouray's unique landscape while respecting and preserving the natural character that makes our community special. This small connection would help advance those goals by improving the connection between the Perimeter Trail, Box Cañon Park, and an exceptional historic and scenic feature that is currently difficult to access.

The project is also consistent with the City's Parks and Trails planning priorities, which recognize the importance of maintaining and enhancing the Perimeter Trail and preserving the natural character of Box Cañon. The City's parks and trails system has been developed through a combination of public investment and cooperation with private property owners. In this case, a relatively small easement would allow the City to complete an important trail connection and make better use of an existing community asset without requiring acquisition of the surrounding property.

As you know, in the past, the nature of the very steep terrain and the location of the boundaries of your Box Cannon claim resulted in a mistake in the location of a newly constructed metal staircase and a regretful encroachment on your property. At your request, that staircase was removed and trail construction was shifted to other sections of the Perimeter Trail. The Box Cañon section is now the last uncompleted section of the Trail, as originally conceived, and is now a focus for the City and the Ouray Trail Group. As options for a reconstructed staircase are being analyzed, it is clear that the original design and location were superior to the alternatives. Given that, we are hopeful that you will work with us in restoring it.

We recognize that this request involves your private property, and we want to emphasize that the City would approach this as a partnership. The proposed easement is intentionally limited to approximately 100 feet and would provide a defined and carefully documented area for public access while preserving your ownership of the surrounding property. Establishing a formal easement would also provide clarity regarding the location and permitted use of the trail, rather than leaving access dependent upon informal or uncertain arrangements.

There are benefits to you as the property owner as well. The City would assume responsibility for the trail improvements and ongoing public-use area associated with the easement, and the easement documents would clearly establish the City's responsibilities and the limits of public access. Most importantly, as part of the arrangement, the easement would protect you from liability for public visitors using the trail under the Colorado Recreational Use Statute. The Ouray Trails Group would also cover all expenses associated with establishing the easement, including the survey, necessary appraisals, and legal documentation. This approach would allow the City to address a longstanding public-access opportunity while providing you with clear protections and certainty as the property owner.

The assistance we are hoping for is a short, approximately 100-foot trail easement across a very steep section of the Box Cannon lode that is currently inaccessible. The easement would protect you from liabilities for public visitors, and the City would cover all expenses necessary to establish the easement. The approximate location of the easement is indicated in the attached aerial photo.

We also hope that this opportunity can be viewed as a way for you to participate in preserving and enhancing a special part of Ouray's history and landscape. The historic Box Cañon sign, the dramatic overlook, and the surrounding natural setting are important pieces of Ouray's story. Your cooperation would allow future generations to experience this unique location while helping the City fulfill objectives that have been identified through extensive community planning.

With the granting of an easement, we would be pleased to recognize your cooperation in the form of a plaque on the envisioned kiosk or through an alternative method of recognition of your choosing. We would be grateful for the opportunity to work with you to structure the easement in a manner that addresses your interests and concerns while allowing the City to achieve this important community goal.

Thank you for taking the time to consider this request.

Sincerely,

Michael Underwood  
Mayor  
City of Ouray, Colorado

AGREEMENT BETWEEN THE CITY OF OURAY AND CPF GRANTEE FOR THE CITY  
TO ACT AS THE RESPONSIBLE ENTITY PURSUANT TO 24 CFR PART 58

THIS AGREEMENT (“Agreement”) is made and entered into as of the date of the last signature hereto (“Effective Date”), by and between the CITY OF OURAY, COLORADO, a Colorado home-rule municipality (the “City”), and RURAL HOMES, LLC, a Colorado limited liability company (“CPF Grantee”).

WHEREAS, the CPF Grantee is a recipient of a grant for the Economic Development Initiative for the purpose of Community Project Funding/Congressionally Directed Spending for the Waterview Homes, Phase II project (“the Project”); and

WHEREAS, such projects and activities receiving federal financial assistance are subject to the provisions of the National Environmental Policy Act of 1969 (“NEPA”) and implementing regulations of the Council on Environmental Quality, including but not limited to the regulations at 40 CFR Parts 1500-1508, and implementing regulations of the U.S. Department of Housing and Urban Development (“HUD”), including but not limited to HUD’s regulations at 24 CFR Part 58; and

WHEREAS, pursuant to 24 CFR § 58.2(a)(7)(ii)(C), where the recipient of federal financial assistance is a non-profit, a unit of local government where the project is located is authorized to assume environmental review obligations as the decision-making entity under the federal regulations (the “Responsible Entity”); and

WHEREAS, the City certifies that it is authorized to: (1) assume the responsibility of HUD as the Federal decision-making entity under NEPA and each provision of law designated in the NEPA-related laws in 24 CFR § 58.5, and to accept jurisdiction of the Federal courts for enforcement of the environmental review responsibilities applicable to the Project; and (2) assume HUD’s responsibility for environmental review, decision making and action, including executing the certification portion of HUD’s Request for Release of Funds and Certification for the Project as set forth in 24 CFR Part 58; and

WHEREAS, for the purposes of expediting project development, the CPF Grantee has requested the City, and the City has agreed, to act as the Responsible Entity with respect to the Project.

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

1. Recitals. The foregoing recitals are incorporated by reference herein.
2. Responsible Entity. The City shall serve as the Responsible Entity pursuant to 24 CFR § 58.2(7)(ii)(C) on behalf of the CPF Grantee for the Project. The City shall comply with all relevant standards under 24 CFR Part 58 to meet its requirements as the Responsible Entity.
3. CPF Grantee Duties. The CPF Grantee shall, at its sole expense, retain all necessary consultants to complete any work or studies required for the City to serve as the Responsible

Entity, including but not limited to any environmental study for HUD NEPA compliance. The CPF Grantee shall, at the CPF Grantee's expense, provide the City with all available project and environmental information that the City may reasonably request in connection with the City's activities pursuant to this Agreement, including, without limitation, all existing relevant information and any reports of investigation or study which, in the City's opinion, should be undertaken or may be reasonably required to conduct an appropriate environmental review consistent with laws and regulations. The CPF Grantee shall provide the City with documentation that adequately describes the full scope of the subject project and a project budget that includes federal and non-federal funding sources. The CPF Grantee shall communicate to all stakeholders of the Project that an environmental review is being completed subject to approval of HUD. The CPF Grantee shall promptly reimburse the City for its actual reasonable expenses incurred for performing its functions under this Agreement, including, but not limited to:

- a. The costs of publishing notices;
- b. Necessary travel expenses;
- c. The fees and expenses of experts, consultants, attorneys, and outside services retained by the City;
- d. The City's staff time devoted to performance of the City's function under this Agreement; and
- e. The actual costs incurred associated with any surveys or investigations.

The CPF Grantee shall be fully responsible for all costs associated with environmental remediation following, or required as part of, the completion of the environmental review for the Project as provided in this Agreement.

4. Term. The term of this Agreement shall be from the Effective Date until the City's responsibilities as the Responsible Entity are completed for the Project, unless sooner terminated pursuant to this Agreement.

5. Monitoring and Evaluation. The CPF Grantee may monitor and evaluate the progress and performance of the City to ensure that the terms of this Agreement are being satisfactorily met in accordance with the applicable monitoring and evaluating criteria and standards, including the grant conditions specified in 24 CFR Part 58. The City shall cooperate with the CPF Grantee relating to such monitoring and evaluation. The CPF Grantee shall advise the City of any proposed change in the Project scope or any change in environmental conditions.

6. Indemnification. The CPF Grantee hereby covenants and agrees to indemnify, save, hold harmless, and defend the City, its officers, employees, and agents from any and all liability, loss, costs, charges, obligations, expenses, attorney's fees, litigation, judgments, damages, claims, clean up costs, and demands of any kind whatsoever arising from the environmental review conducted for the Project pursuant to this Agreement and the specifications of 24 CFR Part 58.

7. Termination. The City may terminate this Agreement without cause if it determines

that such termination is in the City's best interest. The City shall effect such termination by giving written notice of termination to the CPF Grantee, specifying the effective date of termination, at least thirty (30) calendar days prior to the effective date of termination.

8. Agreement Subject to Appropriation. To the extent this Agreement constitutes a multiple fiscal year debt or financial obligation of the City, it shall be subject to annual appropriation pursuant to the City of Ouray Municipal Code and Article X, Section 20 of the Colorado Constitution. The City shall have no obligation to continue this Agreement in any fiscal year in which no such appropriation is made.

9. Responsibilities. The CPF Grantee shall be responsible for all damages to persons or property caused by the CPF Grantee, its agents, consultants, or employees, to the extent caused by its negligent acts, errors and omissions hereunder, and shall indemnify and hold harmless the City from any claims or actions brought against CPF Grantee by reason thereof. CPF Grantee shall comply with all applicable laws, rules, and ordinances, as well as any grant fund requirements that may apply to the performance of this Agreement.

10. Entire Agreement. This Agreement, along with any addendums and attachments hereto, constitutes the entire agreement between the parties. The provisions of this Agreement may be amended at any time by the mutual consent of both parties. The parties shall not be bound by any other agreements, either written or oral, except as set forth in this Agreement.

11. Governing Law and Venue. This Agreement shall be governed by the laws of the State of Colorado, and venue shall be in the County of Ouray, State of Colorado.

12. Governmental Immunity Act. No term or condition of this Agreement shall be construed or interpreted as a waiver, express or implied, of any of the immunities, rights, benefits, protections, or other provisions of the Colorado Governmental Immunity Act, C.R.S. §§ 24-10-101 *et seq.*

13. CORA. The parties understand and recognize the application of the Colorado Open Records Act (C.R.S. § 24-72-200 *et seq.*) ("CORA") to the Agreement. Any disclosure of Confidential Information pursuant to CORA shall not constitute a violation of the Agreement.

14. Survival Clause. The "Indemnification" provision set forth in this Agreement shall survive the completion of the Services and the satisfaction, expiration, or termination of this Agreement.

15. Severability. In the event a court of competent jurisdiction holds any provision of this Agreement invalid or unenforceable, such holding shall not invalidate or render unenforceable any other provision of this Agreement.

16. Headings. Paragraph headings used in this Agreement are for convenience of reference and shall in no way control or affect the meaning or interpretation of any provision of this Agreement.

17. Notices. Written notices required under this Agreement and all other correspondence between the parties shall be directed to the following and shall be deemed received when hand-delivered or three (3) days after being sent by certified mail, return receipt requested:

|                    |                                                                                                                                                                                                               |
|--------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| If to the City:    | City Administrator<br>320 6th Avenue<br>PO Box 468<br>Ouray, CO 81427                                                                                                                                         |
| With a copy to:    | Harper E. Powell<br>Karp Neu Hanlon, P.C.<br>201 14 <sup>th</sup> Street, Suite 200<br>P.O. Drawer 2030<br>Glenwood Springs, CO 81602<br><a href="mailto:hep@mountainlawfirm.com">hep@mountainlawfirm.com</a> |
| If to CPF Grantee: | Rural Homes, LLC<br>PO Box 4222<br>Telluride, CO 81435                                                                                                                                                        |

18. Authority. Each person signing this Agreement, and any addendums or attachments hereto, represents and warrants that said person is fully authorized to enter into and execute this Agreement and to bind the party it represents to the terms and conditions hereof.

19. Attorneys' Fees. Should this Agreement become the subject of litigation between the City and CPF Grantee, the prevailing party shall be entitled to recovery of all actual costs in connection therewith, including but not limited to reasonable attorneys' fees and expert witness fees. All rights concerning remedies and/or attorneys' fees shall survive any termination of this Agreement.

*~ Signature Pages Follow ~*

IN WITNESS WHEREOF, the parties have entered this Agreement as of the Effective Date.

CITY OF OURAY, COLORADO

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_

ATTEST:

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

RURAL HOMES, LLC:

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_

## **Final Draft Report**

# **Ouray Housing Needs Analysis and Strategy**

*The Economics of Land Use*



**Prepared for:**

City of Ouray, Colorado

**Prepared by:**

Economic & Planning Systems, Inc.

January 12, 2024

EPS #223142

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# 1. Introduction

The City of Ouray is located in a region with significant housing challenges. The housing pressure has been present for decades and in the recent past, generally during the COVID-19 pandemic, home costs escalated significantly, making the recognized housing needs that much more acute. Recently, the City has benefited from two housing projects that are in the development pipeline. In addition, there have been steps taken to create a housing fund based on short-term rental fees and taxes, creating resources for housing solutions. In addition, there has been discussion of looking at vacant land as a resource for affordable housing. All of these steps have increased the focus of the City on its housing opportunities, with questions about how to channel the City's resources.

The purpose of this report is to help the City direct its resources as it strives to create the best possible set of solutions with a limited amount of land and funding. Key points that are addressed include:

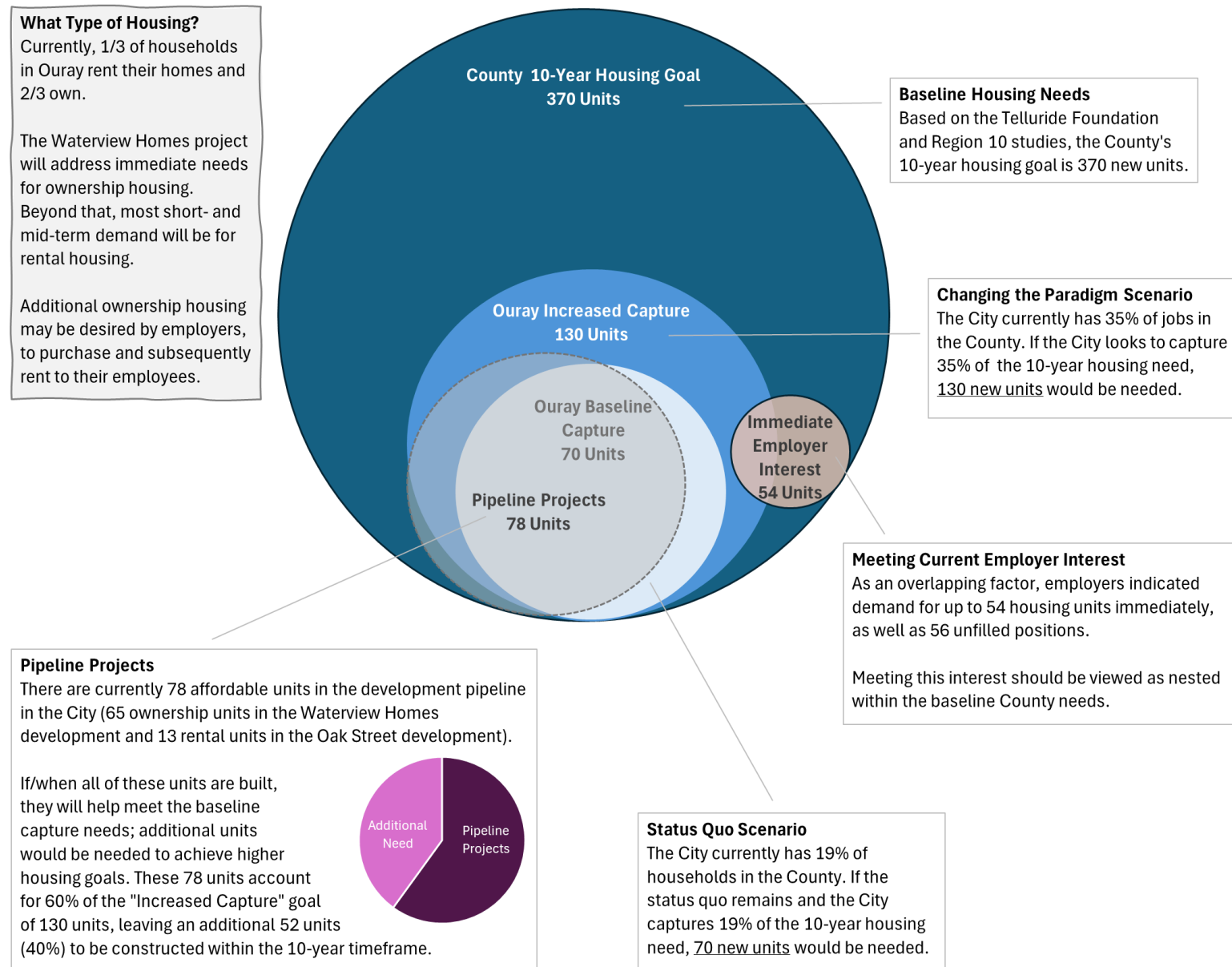
- A data-driven basis that quantifies the nature of the current need.
- A breakdown of a regional housing target for the county, with a delineation of Ouray's proportional share.
- A basis for a future public private partnership (P3) between the City and local employers, based on a detailed delineation of interest and need.
- A specific Action Plan at the end of the report provides clarity on what steps should be taken to advance the City's commitment to affordable housing.

This report is presented in four chapters following this Introduction:

- Data Summary
- Employer Survey
- Housing Goals and Strategy Analysis
- Action Plan

An overview of County housing targets, and the proportional share for the City of Ouray is provided on the following page in **Figure 1**. Based on previous reports done for the region by the State of Colorado and the Telluride Foundation, the recognized target for the county is 370 units over 10 years, generally framing action during planning horizon from 2021 through 2031. Ouray's portion of the 370 unit goal is 130 units based on the proportion of jobs located within the city. This target will be partially filled by the 78 affordable units currently in the development pipeline (65 ownership and 13 rental). This accounts for approximately 60 percent of the target, leaving another 40 percent to be built during the planning horizon. The balance of this study is framed to assist the City as it determines how to best fulfill the portion of the remaining target.

**Figure 1. Housing Goals Summary**



## 2. Data Summary

This chapter documents housing market conditions and overall housing need in Ouray. This assessment is intended to provide City-level data to inform the assessment of housing needs and opportunities. Data are provided for economic and demographic indicators, including population, households, housing characteristics, and employment, as well as market conditions and housing affordability.

Key findings from this analysis include:

- **Slow population growth:** The city population has decreased an average of 1 percent (9 residents) annually since 2010, despite overall growth in the county.
- **An aging population:** Since 2010 there has been an increase in residents aged 60 to 80, and a decrease in those under 20 and ages 30 to 50. This population shift has housing implications both currently and into the future.
- **Housing characteristics in the city are typical of resort communities:** The City's housing inventory has increased despite its population decreasing. This, alongside a vacancy rate of 44 percent reflecting the strong presence of second homeownership, is characteristic of a mountain resort community throughout the Rocky Mountain West.
- **There is a strong reliance on an external labor force:** According to 2021 estimates, approximately 90 percent of people who work in Ouray live outside the city. Nearly 24 percent of workers are estimated to live between 10 and 24 miles away, while 30 percent live 35 to 50 miles away.
- **The City's economy has seen a reduction in seasonality, with a shift to year-round visitation:** The City has seen an increase in winter visitation and shorter shoulder seasons, which has changed employment needs. While employment and visitation used to be focused in the summer months, needs are now year-round and the City needs housing inventory to accommodate the employees to support that visitation.
- **Significant increase in home costs, and limited rental inventory:** Home prices have increased significantly since 2019, making homeownership increasingly unattainable for local residents and employees. Additionally, there is limited rental inventory and what does exist is often advertised informally, making it difficult for those not already connected to the community to access. New development is significantly constrained by geography (the canyon limiting developable space, and geological hazards such as rockfall on parcels that do exist), further exacerbating these housing challenges.

## Economic and Demographic Indicators

Population, housing, and employment trends provide context to the changes Ouray has experienced since 2010. These trends are used to understand and contextualize current housing need, and inform estimates of housing needs in the future.

### Population Growth

**The City of Ouray has experienced different growth trends than the county and other regional communities. The City has seen a population decline since 2010, while the overall population in Ouray County has grown.**

The City had a population of 903 in 2021, a decrease of 100 people since 2010. Over this time period Ridgway grew by 357 residents, accounting for over half of Ouray County's growth.

As shown in **Table 1**, Ouray County overall has been growing faster than other communities in the region. The county's population grew at 1.2 percent annually between 2010 and 2021, compared to 0.9 percent annual growth in San Miguel County and 0.4 percent annual growth in Montrose County. Over this period, Ouray was the only community to lose population.

**Table 1. Population Growth, 2010-2021**

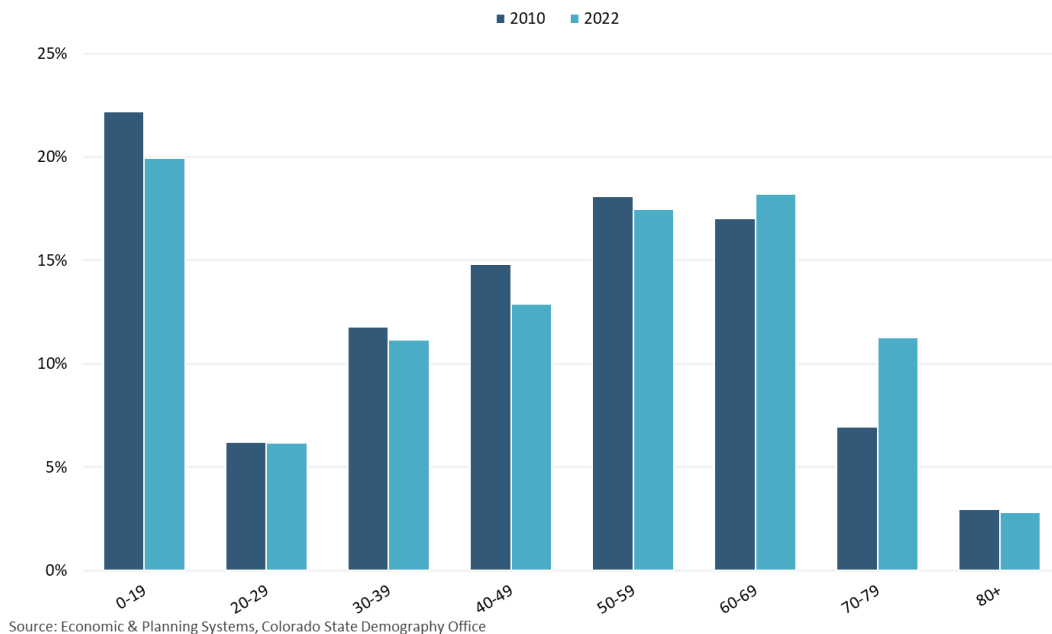
| Total Population         | 2010          | 2015          | 2021          | 2010-2021    |            |             |
|--------------------------|---------------|---------------|---------------|--------------|------------|-------------|
|                          |               |               |               | Total        | Ann. #     | Ann. %      |
| <b>Ouray County</b>      | <b>4,446</b>  | <b>4,550</b>  | <b>5,046</b>  | <b>600</b>   | <b>55</b>  | <b>1.2%</b> |
| Ouray                    | 1,003         | 928           | 903           | -100         | -9         | -1.0%       |
| Ridgway                  | 925           | 1,002         | 1,282         | 357          | 32         | 3.0%        |
| <b>San Miguel County</b> | <b>7,356</b>  | <b>7,825</b>  | <b>8,076</b>  | <b>720</b>   | <b>65</b>  | <b>0.9%</b> |
| Telluride                | 2,319         | 2,559         | 2,608         | 289          | 26         | 1.1%        |
| <b>Montrose County</b>   | <b>41,188</b> | <b>41,457</b> | <b>43,178</b> | <b>1,990</b> | <b>181</b> | <b>0.4%</b> |
| Montrose                 | 19,179        | 20,090        | 20,664        | 1,485        | 135        | 0.7%        |
| Olathe                   | 1,838         | 1,817         | 2,006         | 168          | 15         | 0.8%        |

Source: Economic & Planning Systems, DOLA State Demography Office

**The population of Ouray has aged since 2010, with growth primarily in the 60- to 80-year-old demographic.**

As shown in **Figure 2**, between 2010 and 2022 there was a decrease in the population of all age groups under 60. Aging populations are a national trend, with significant housing implications including need for downsizing and independent and assisted living facilities. The decrease in the population of core workforce and families also has housing implications, both for housing that currently exists (that there may be decreased demand for) and what may need to be built (if this population needs to be attracted).

**Figure 2. Population by Age 2010-2022, City of Ouray**



### **Household Growth**

**Households in the City of Ouray have also decreased since 2010, at a slightly lower rate than population.**

Ouray lost 30 households between 2010 and 2021, an annual loss of 0.6 percent (compared to 1.0 percent annual population decline). Most other communities in the region saw increases in households as Ouray saw a decline (with the exception of Olathe) In some communities households grew at a faster pace than population, indicating a shift towards smaller households.

**Table 2. Household Growth, 2010-2021**

| Total Households         | 2010         | 2015         | 2021         | 2010-2021  |           |             |
|--------------------------|--------------|--------------|--------------|------------|-----------|-------------|
|                          |              |              |              | Total      | Ann. #    | Ann. %      |
| <b>Ouray County</b>      | <b>670</b>   | <b>698</b>   | <b>788</b>   | <b>119</b> | <b>11</b> | <b>1.5%</b> |
| Ouray                    | 458          | 432          | 428          | -30        | -3        | -0.6%       |
| Ridgway                  | 404          | 447          | 585          | 181        | 16        | 3.4%        |
| <b>San Miguel County</b> | <b>502</b>   | <b>564</b>   | <b>582</b>   | <b>81</b>  | <b>7</b>  | <b>1.4%</b> |
| Telluride                | 1,115        | 1,190        | 1,207        | 93         | 8         | 0.7%        |
| <b>Montrose County</b>   | <b>2,939</b> | <b>3,343</b> | <b>3,540</b> | <b>601</b> | <b>55</b> | <b>1.7%</b> |
| Montrose                 | 7,903        | 8,445        | 9,017        | 1,114      | 101       | 1.2%        |
| Olathe                   | 562          | 577          | 553          | -9         | -1        | -0.1%       |

Source: Economic &amp; Planning Systems, DOLA State Demography Office

**Average household size in Ouray has decreased since 2010, a trend seen in almost all peer communities.**

The average household size in the city in 2021 was 2.11 persons per household, down from 2.19 in 2010. Apart from Telluride, which saw an increase from 2.08 in 2010 to 2.16 in 2021, all other communities saw average household size decrease over this time, as shown in **Table 3**. Household sizes often influence housing demand, as the size of a household is a factor in desired unit sizes.

**Table 3. Average Household Size, 2010-2021**

| Average Household Size   | 2010        | 2015        | 2021        |
|--------------------------|-------------|-------------|-------------|
| <b>Ouray County</b>      | <b>2.21</b> | <b>2.17</b> | <b>2.13</b> |
| Ouray                    | 2.19        | 2.15        | 2.11        |
| Ridgway                  | 2.29        | 2.24        | 2.19        |
| <b>San Miguel County</b> | <b>2.44</b> | <b>2.27</b> | <b>2.31</b> |
| Telluride                | 2.08        | 2.15        | 2.16        |
| <b>Montrose County</b>   | <b>2.77</b> | <b>2.44</b> | <b>2.40</b> |
| Montrose                 | 2.37        | 2.32        | 2.26        |
| Olathe                   | 3.15        | 3.02        | 3.01        |

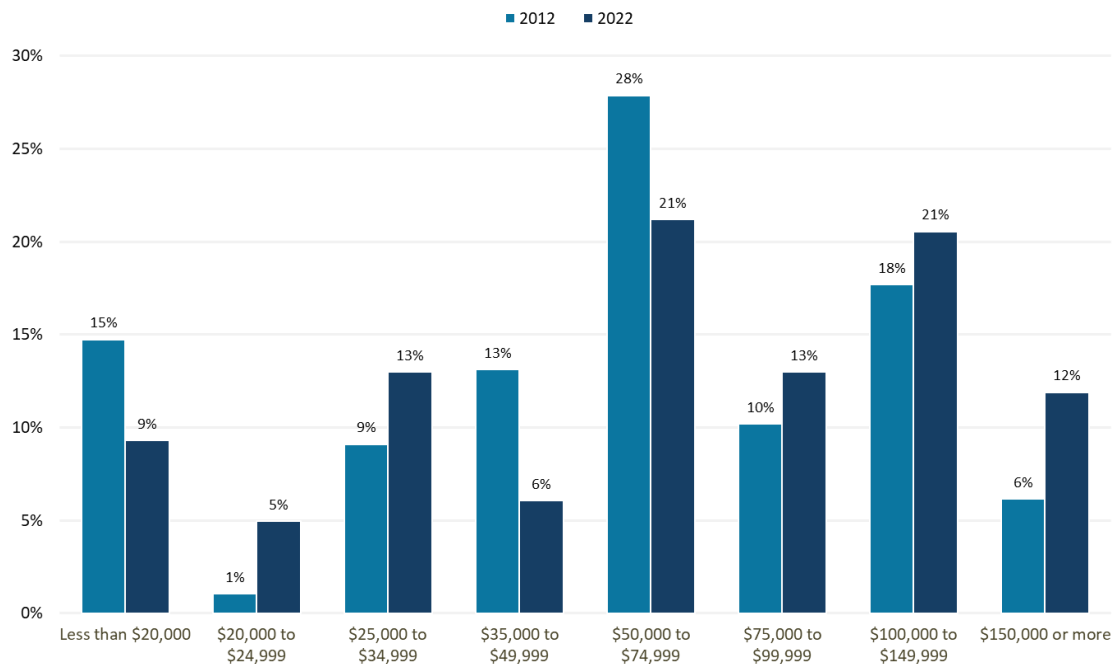
Source: Economic &amp; Planning Systems, DOLA State Demography Office

### Household Income

**The median household income in the City of Ouray has not significantly increased over the past decade, despite shifts in household income distribution.**

The median household income in Ouray in 2022 was \$68,750, a small increase from 2012 when the median income was \$63,867. As shown in **Figure 3**, income distribution has changed over this time despite little change in the median. Among households earning less than \$35,000 per year there has been an upward trend over the past decade, with fewer households earning less than \$20,000 and more earning between \$20,000 and \$35,000. There are fewer households in the middle of the income distribution; in 2012, 41 percent of households earned between \$35,000 and \$75,000, while in 2022 27 percent of households fell into this category. There has also been growth at the high end of the income spectrum, with 46 percent of households earning over \$75,000 compared to 34 percent in 2012.

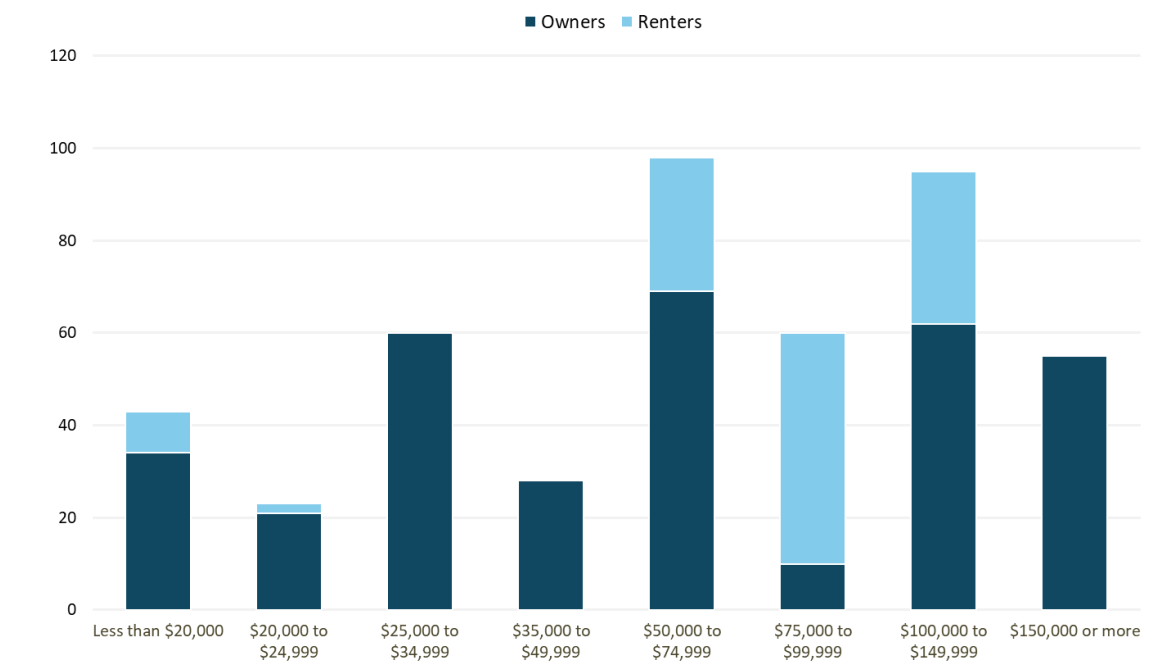
**Figure 3. Households by Income, 2012-2022**



Source: US Census; Economic & Planning Systems

Income distribution varies by tenure, as shown in **Figure 4**. Nearly all households earning less than \$50,000 per year own their homes. This indicates that many of these homeowners have likely lived in the city for a long time and have low housing costs (either because they purchased their home for less than costs today, and/or they have paid off the home and no longer have mortgage costs). Nearly all renters in the city earn between \$50,000 and \$150,000.

**Figure 4. Household Income by Tenure, City of Ouray 2022**



Source: US Census; Economic & Planning Systems

**Among residents in the county, the share of income from government transfers has increased since 2010, while the share of income from wages and salaries has decreased. The share of household income from investments has remained stable.**

Personal income typically comes from three main sources: wages and salary (employment income); dividends, interest, and rent (investment income); and government transfers (income from benefits programs). As shown in **Table 4**, between 2010 and 2021 the share of personal income in Ouray County (this data is not available at the local level) from wage and salary employment decreased from 51 percent to 48 percent, while at the same time the share of income from transfer receipts increased from 15 percent to 18 percent.

This analysis of income by source helps characterize population changes. In general, an increase in the share of income from transfer receipts aligns with an aging population (decrease in wages and increase in receipt of social security). The flat share of income from investments (at 34 percent of personal income) indicates and there are not many people with external, non-employment incomes moving into the community full time (although these residents may be in the area for part of the year, and not captured in this dataset).

**Table 4. Ouray County Income by Source, 2010-2021**

| Income Source                     | 2010        | 2015        | 2021        |
|-----------------------------------|-------------|-------------|-------------|
| <b>Percent of Personal Income</b> |             |             |             |
| Wage & Salary                     | 51%         | 50%         | 48%         |
| Investment Income                 | 34%         | 36%         | 34%         |
| Transfer Receipts                 | <u>15%</u>  | <u>14%</u>  | <u>18%</u>  |
| <b>Total</b>                      | <b>100%</b> | <b>100%</b> | <b>100%</b> |

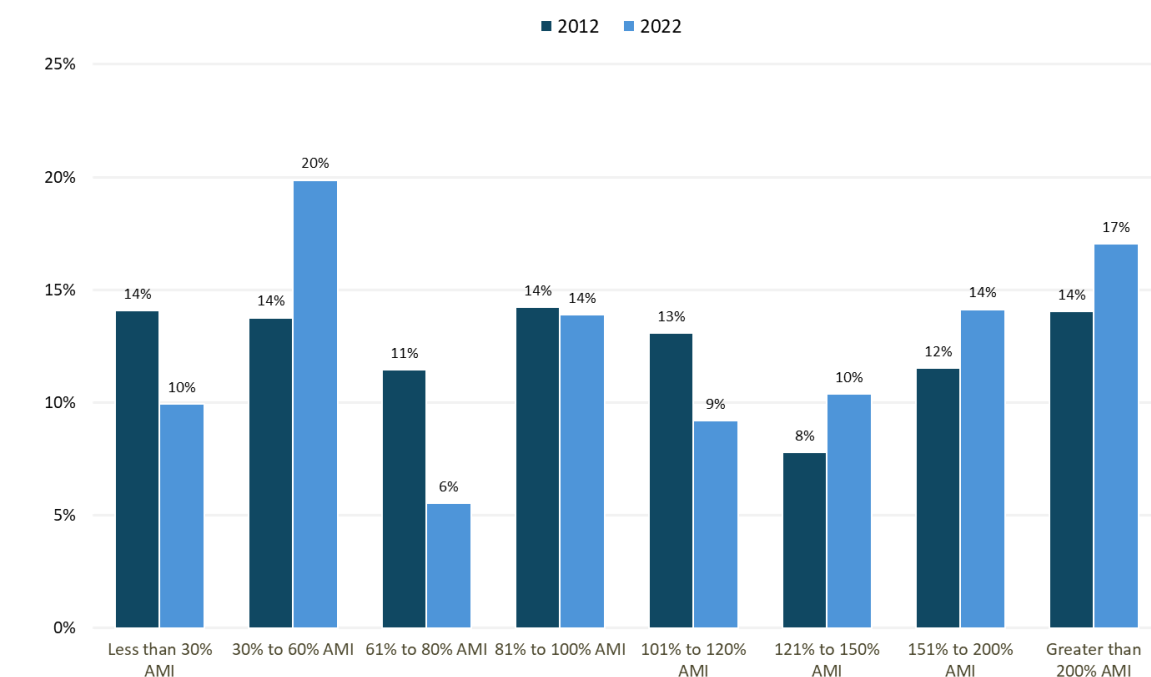
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Source: BEA; Economic & Planning Systems

**There have been shifts in the lower and upper ends of income distribution by Area Median Income (AMI) over the past decade, with stability in the 80-100% AMI category.**

In addition to income, it is helpful to consider households by Area Median Income (AMI) distribution, as this is the most common metric for measuring housing affordability (and often setting rents/prices and qualifying households for affordable housing programs). As shown in **Figure 5**, the percentage of households in the 80 to 100% AMI category has held steady between 2012 and 2022 while the distribution among other categories has changed. There has been an increase in the percent of households earning between 30 and 60% AMI, along with increases in households earning over 120 percent of AMI, while the share of households earning less than 30% AMI, 60 to 80 percent, and 100 to 120 percent have decreased.

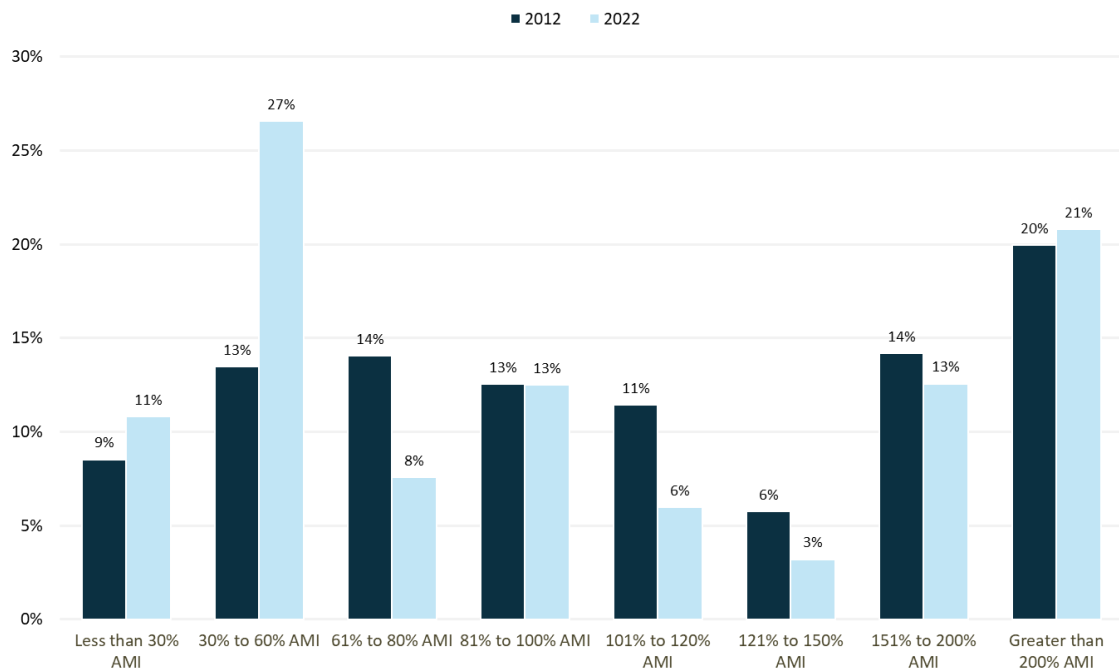
**Figure 5. Households by AMI, City of Ouray 2012-2022**



Source: US Census; Economic & Planning Systems

This distribution varies by tenure. As shown in **Figure 6**, between 2012 and 2022 there was a large increase in the share of owner households earning between 30 and 60% AMI, and decreases in the share earning 60-80% AMI and 100 to 120%.

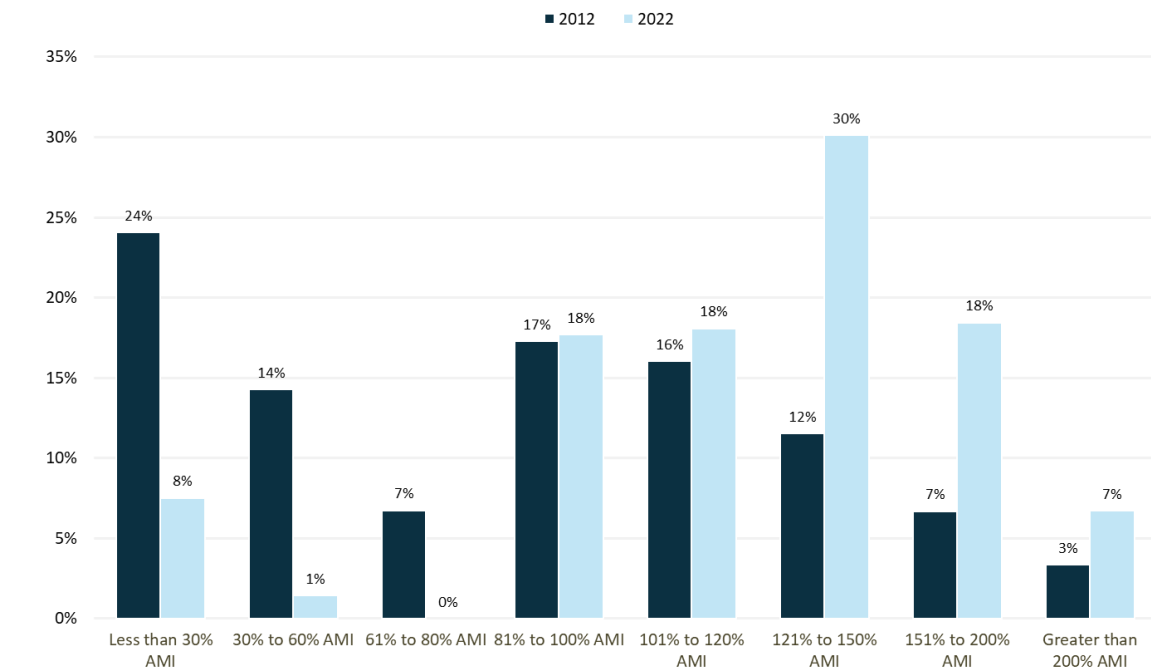
**Figure 6. Owner Households by AMI, 2012-2022**



Source: US Census; Economic & Planning Systems

There were different trends among renter households, as shown in **Figure 7**. Between 2012 and 2022 there was a significant shift of renters to higher income categories. In 2012, 45 percent of renters earned less than 80% AMI; by 2022 only 9 percent of renters fell into this category. While the share of renters earning between 80 and 120% AMI has remained relatively stable, in 2022 55 percent of renters earned over 120% AMI, compared to only 22 percent in 2012. The data reflect an increasing pressure on the housing inventory, and in this case, specifically the rental housing inventory. Notwithstanding the historic supply of 'naturally occurring' affordable housing (i.e., smaller, older rental units), the trend data shows a distribution of incomes that are substantially higher. Thus, the inventory is supporting higher income households and suggest that the lower income households have left the community as they have sought out less expensive options.

**Figure 7. Renter Households by AMI, City of Ouray 2012-2022**



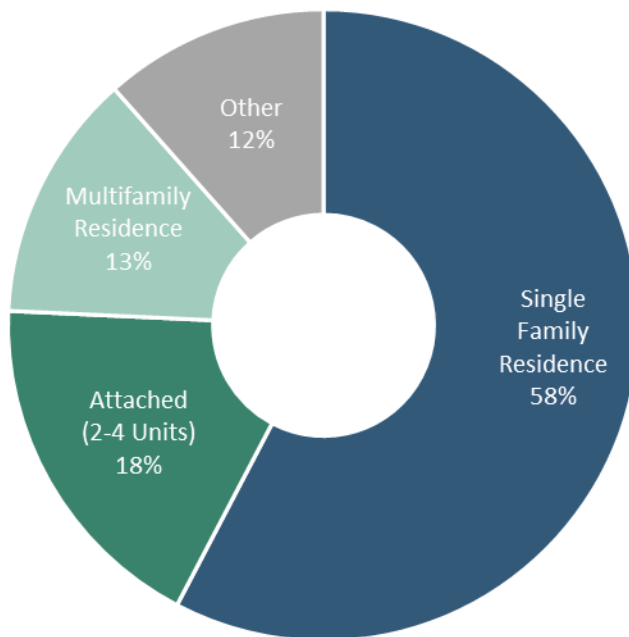
Source: US Census; Economic & Planning Systems

***Housing Occupancy and Tenure***

**Housing in the city is primarily single family detached homes, with some attached (2-4 unit) and multifamily inventory as well.**

As shown in **Figure 8**, single family detached homes comprise 58 percent of the housing inventory in Ouray. Attached homes (2-4 units) comprise 18 percent of the inventory, while multifamily units account for 13 percent. Other units, primarily mobile homes, are 12 percent of housing in inventory in the city.

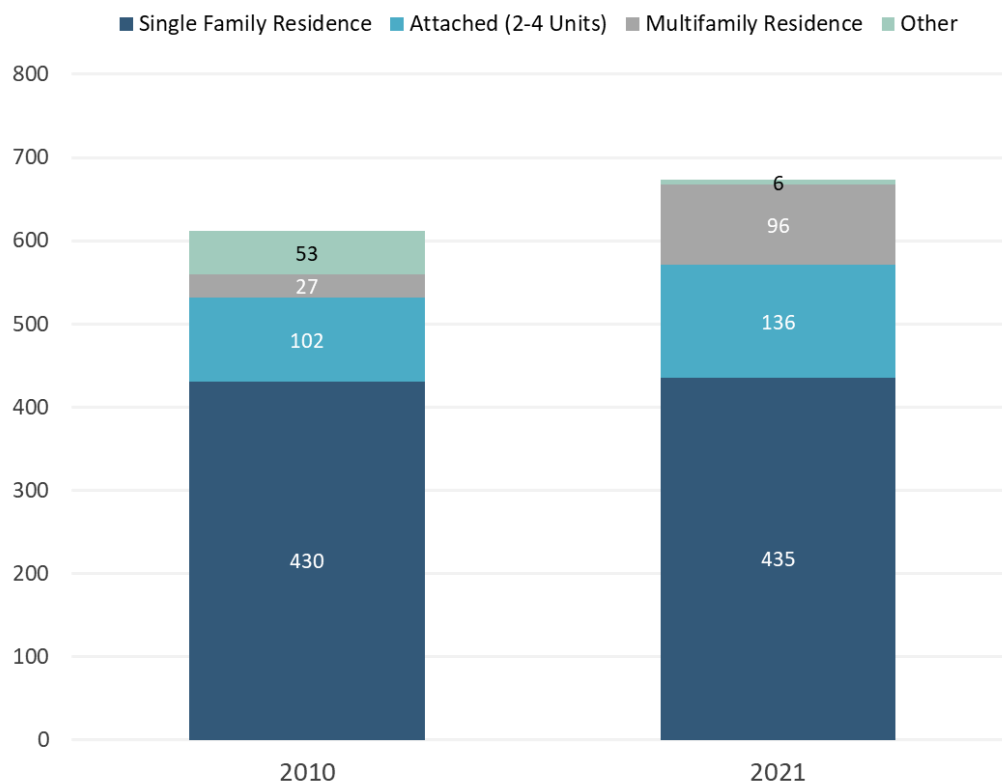
**Figure 8. City of Ouray Housing Units by Type, 2021**



**Housing inventory in the city has increased since 2010, despite a decline in both population and households.**

Between 2010 and 2021 the City’s housing inventory grew by a total of 61 housing units (net increase, accounting for both construction and demolition). As shown in **Figure 9**, growth was primarily in attached (2-4 units) and multifamily homes. Only five new single-family residences were added over this time, while the inventory of other homes (primarily mobile homes) declined from 53 to six units. While the housing inventory grew, population and households within the city declined, indicating that most housing development taking place within the city is not being occupied by year-round residents.

**Figure 9. Housing Inventory by Type, City of Ouray 2010-2021**

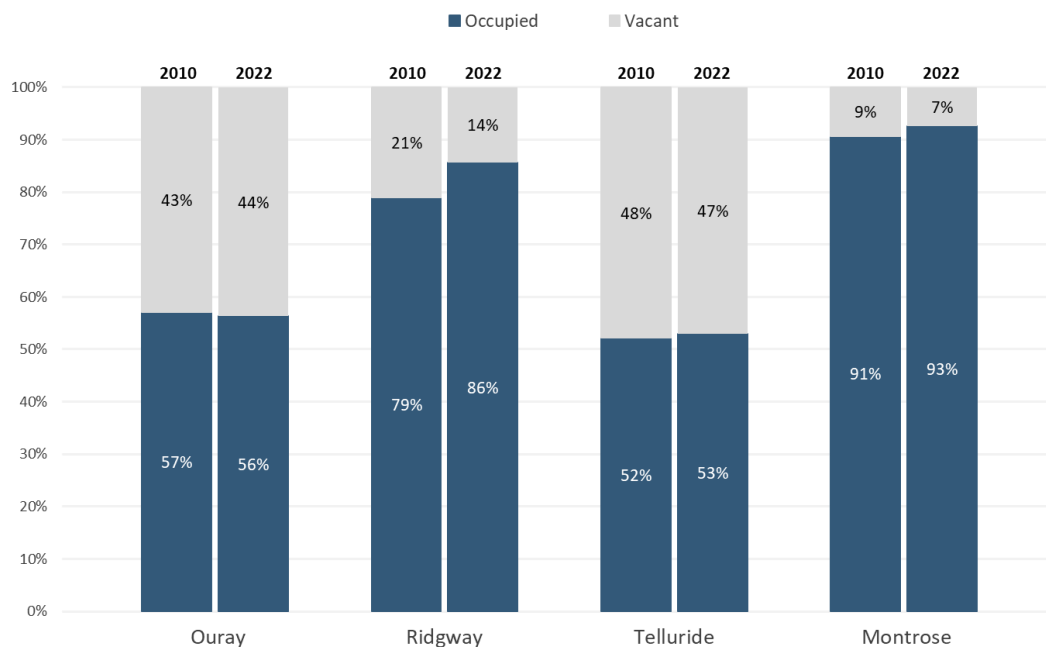


Source: Economic & Planning Systems, Colorado State Demography Office

**Ouray has a higher vacancy rate than Ridgway and Montrose; the City's vacancy is similar to Telluride, and characteristic of a second home community.**

As shown in **Figure 10**, Telluride has the highest vacancy rate of peer communities at 47 percent. Vacancy in Ouray was estimated at 44 percent in 2022, closer to the rate in Telluride than that of Ridgway (14 percent) and Montrose (7 percent). A consistently high vacancy rate can help explain the growth in housing without population growth, as new housing units are utilized as second homes and so growth in these units does not relate to growth or decline in the year-round population.

**Figure 10. Housing Occupancy and Vacancy, 2010-2022**

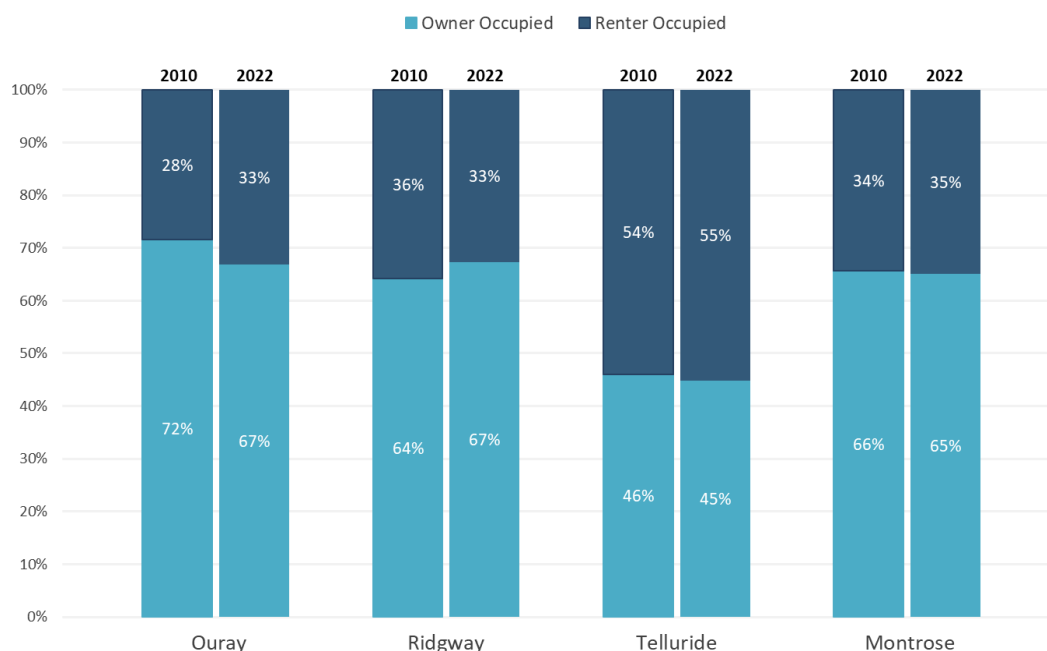


Source: Economic & Planning Systems, Colorado State Demography Office

### One-third of households in Ouray rent their homes, similar to Ridgway and Montrose.

The split between owners and renters in Ouray is similar to other Ouray County communities, as shown in **Figure 11**. In Ouray, 33 percent of residents rent their homes, an increase from 28 percent in 2010. This is the same renter percentage as Ridgway – although since 2010 Ridgway has experienced a decrease in the proportion of renters, likely due to new for-sale housing developments being built. In Montrose, 35 percent of residents rent their homes, a similar share as 2010. Telluride, a resort town, has a much higher proportion of renters at 55 percent.

**Figure 11. Housing Tenure, 2010-2022**



Source: Economic & Planning Systems, Colorado State Demography Office

### Employment

Employment is a key driver of housing needs in Ouray. As the city has shifted from a primarily summer-season economy to a year-round destination, employment needs – and thus housing needs – have also changed. Approximately 35 percent of jobs within the county are located in the city, a share that has remained relatively consistent over time.

The nature of local employment is analyzed below using three data sets:

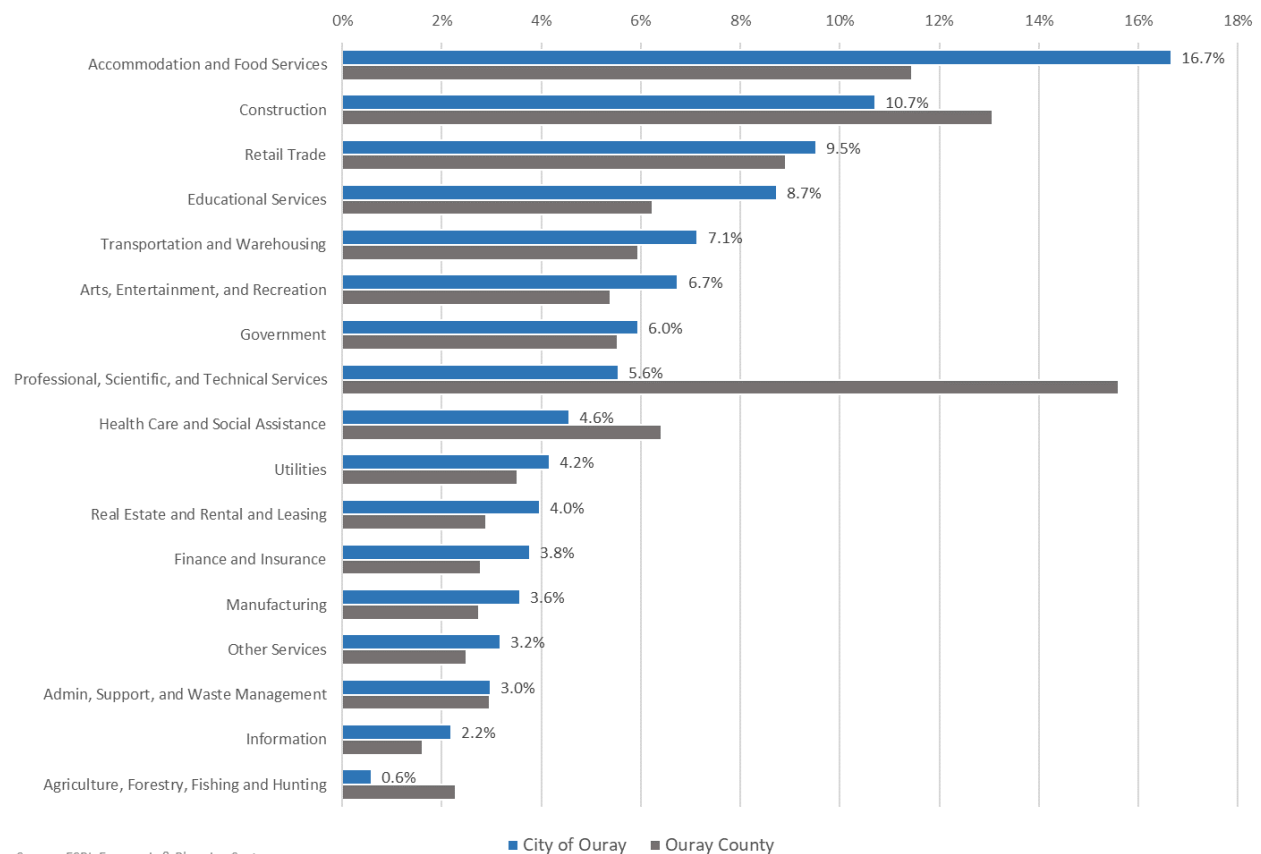
- Jobs held by Ouray residents
- Employment Based Within Ouray
- Proprietors

## Jobs held by Ouray Residents

Ouray residents work in a variety of sectors. The top employment sectors are Accommodation and Food Services (17 percent of residents work in this industry), Construction (11 percent of residents), Retail (nearly 10 percent of residents), and Education (9 percent). As shown in the Commuting section below, most residents work outside of the city, so this is a different distribution than the employment located within the city.

This is also a different distribution than the county overall, as shown in **Figure 12**. The primary employment sector for county residents (including residents of Ouray) is Professional, Scientific and Technical services, which accounts for 16 percent of resident employment (but only 6 percent of city residents work in this industry).

**Figure 12. Jobs Held by Residents, City of Ouray and Ouray County, 2023**



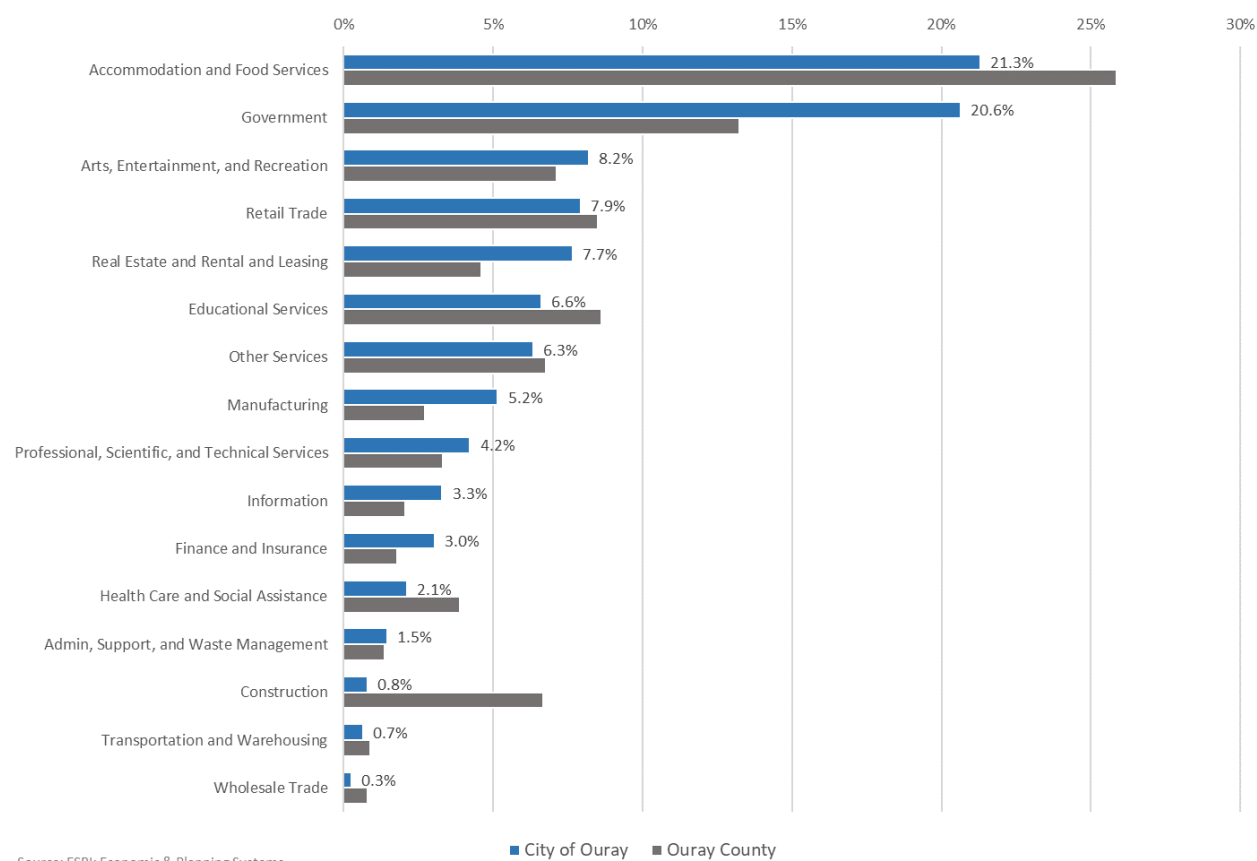
Source: ESRI; Economic & Planning Systems

## Employment Based within Ouray

Most jobs in the city are reflective of the tourism economy, with employment in Accommodation & Food Services, Arts Entertainment & Recreation, Retail, and Real Estate. Government is also a major employer, accounting for 21 percent of local jobs.

In comparison to the types of jobs residents work in, nearly half the jobs in the city are in Accommodation and Food Services and Government, as shown in **Figure 13**. Jobs in the city are oriented towards and second homeowner economy, with other major employment industries including Arts, Entertainment & Recreation, Retail, and Real Estate.

**Figure 13. Jobs Located in the City of Ouray and Ouray County, 2023**



## Proprietors

Ouray County has a large proportion of proprietors, or people who work for themselves. The share of proprietorship has decreased slightly since 2010, while the share of wage and salary employment has increased. In addition to traditional employment, where an employee works for a wage or salary, there is also employment through proprietorship (owning a business). As shown in **Table 5**, in 2021 employment in Ouray County was nearly 47 percent proprietors and 53 percent wage and salary employees (this data is not available below the county level). This split is generally typical of mountain communities, with higher proprietorship rates than larger cities or front range communities.

Proprietorship has grown at a slower rate than wage and salary employment since 2010, increasing by 2.3 percent annually (compared to 3.3 percent annual growth for wage and salary). The share of proprietors in the county has also declined since 2010, from 49 percent of total employment to 47 percent, while the share of wage and salary employment has increased (from 51 percent to 53 percent).

As it relates to housing needs, proprietors often run solo businesses and do not have the same housing needs for employees as larger businesses. At the same time, recognizing that nearly half of employment is proprietorship, there needs to be housing available for those business owners to come and open a business and maintain it as their housing needs change.

**Table 5. Ouray County Proprietors, 2010-2021**

| Employment Type | 2010          | 2015          | 2021          |
|-----------------|---------------|---------------|---------------|
| Proprietors     | 49.3%         | 47.8%         | 46.8%         |
| Wage & Salary   | <u>50.7%</u>  | <u>52.2%</u>  | <u>53.2%</u>  |
| <b>Total</b>    | <b>100.0%</b> | <b>100.0%</b> | <b>100.0%</b> |

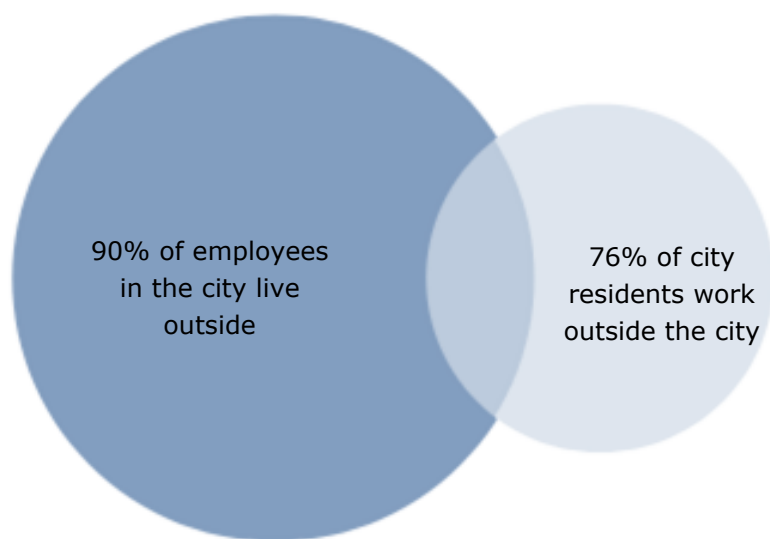
Source: BEA; Economic & Planning Systems

### ***Commuting***

The City of Ouray relies heavily on an external labor force. As shown in **Figure 14**, according to 2021 estimates from the U.S. Census (Longitudinal Employer-Household Dynamics program), nearly 90 percent of employees in the city live outside of the city, while over three-quarters of city residents work outside of the city. Nearly 24 percent of employees commute between 10 and 24 miles, while almost 30 percent commute 25 to 50 miles.

The most common location for employees to commute from is Montrose, where 17 percent of employees live. Another 13 percent live in Ridgway, 10 percent are Ouray residents, and the remainder live across other locations.

**Figure 14. City of Ouray Commuting, 2021**



## Market Conditions and Housing Needs

This section outlines recent and planned development and evaluates market conditions of for-sale and rental housing. An affordability analysis is also outlined to evaluate the housing needs of Ouray residents and workers.

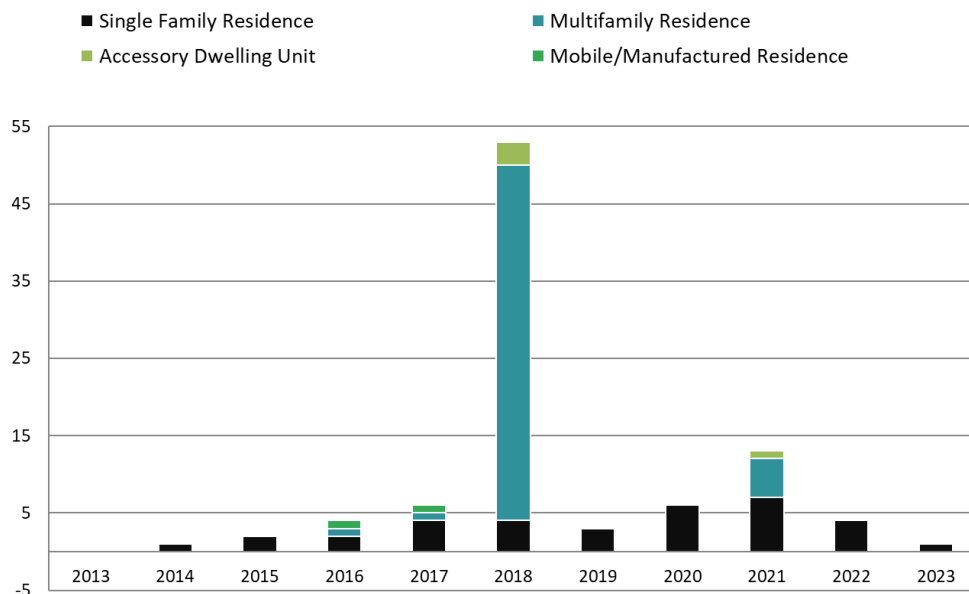
### Residential Development

**There were 93 housing units built in Ouray between 2013 and March 2023. Most of these new units were multifamily housing (including townhomes).**

Of the 93 units, 53 (or 57 percent) were multifamily residences. Single family homes accounted for 37 percent of units, while accessory dwelling units (ADUs) were 4 percent and mobile/manufactured homes were 2 percent (with permits only in 2016 and 2017).

As shown in **Figure 15**, most new development occurred in 2018, when 53 units were permitted (including 46 multifamily residences). Outside of 2018, there were an average of 5 units permitted annually.

**Figure 15. Building Permits (Units) by Type, 2013 – March 2023**



Source: City of Ouray; Economic & Planning Systems

**As of spring 2023, there were 19 projects totaling 102 housing units in the planning/development pipeline.**

These include single family detached homes, townhomes, and two affordable projects: 65 units of affordable ownership in the Waterview PUD being developed by Rural Homes LLC, and 13 affordable rental units being developed by Home Trust of Ouray County.

In addition to these projects currently in the pipeline, the City intends to develop housing on the City-owned Cascade Falls site. This is further discussed in **Chapter 5**.

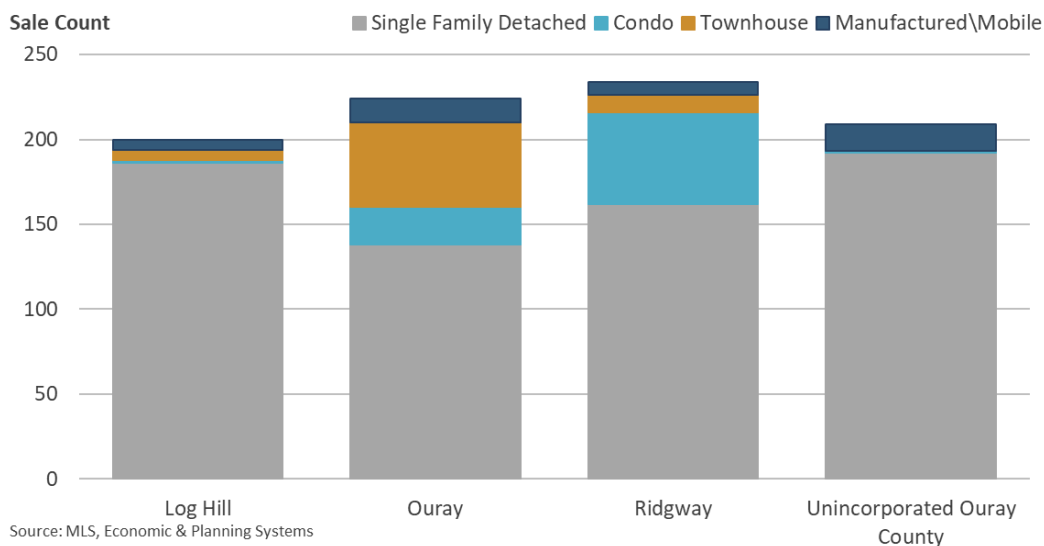
### Home Sales

The cost of purchasing a home is a key indicator of the housing market. To evaluate trends in homeownership in Ouray, local and regional home sales were evaluated over a 10 year period, looking at units by location and type to analyze broad market trends and changes in affordability for local residents. Four locations were considered: the City of Ouray, Ridgway, Log Hill, and unincorporated Ouray County.

**Sales volume from 2013 through August 2023 was similar across the four areas, but the types of homes sold in Ouray and Ridgway differ from those sold in Log Hill and the unincorporated county.**

As shown in **Figure 16**, all of these areas had between 200 and 250 home sales over the period of 2013 to August 2023. In all communities, sales were primarily single family detached homes, however these comprised a larger portion of sales in Log Hill (93% of sales) and the unincorporated county (91%) than in Ridgway (69%) and Ouray (61%). Ouray had more townhome sales than other communities, with 50 townhomes sold over this time (accounting for 22 percent of all sales in the city), while Ridgway had more condo sales, with 54 units accounting for 23 percent of sales in the town.

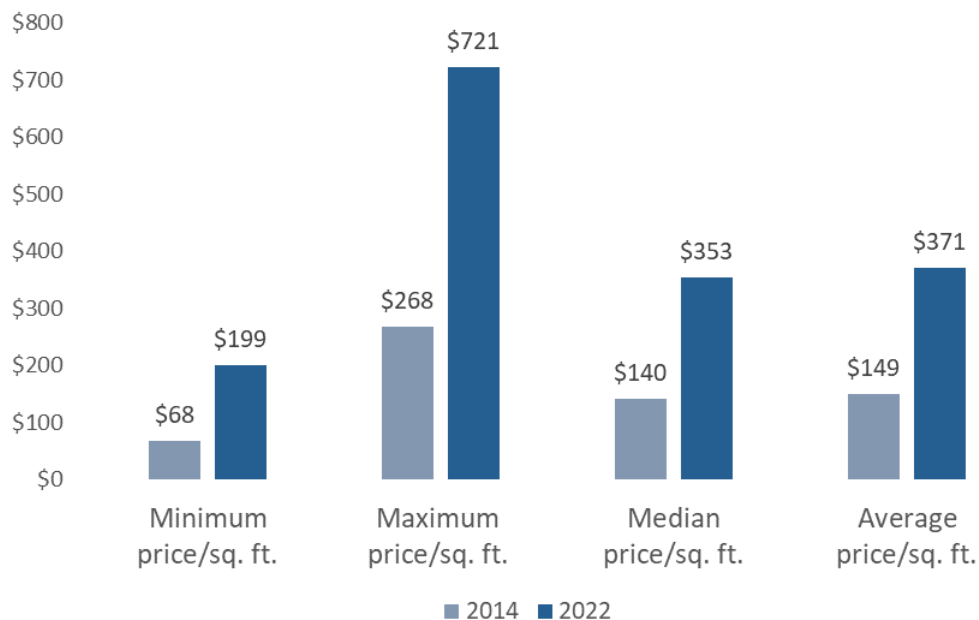
**Figure 16. Home Sales by Type, 2013-2023**



**Price per square foot in the City of Ouray has more than doubled since 2014.**

Data for condo, single family detached, and townhome sales is summarized in **Figure 17** and illustrates a large increase between 2014 and 2022. As shown, the median and average price per square foot increased by a factor of about 2.5 over this time period, while the minimum price per square foot nearly tripled. The median and average prices were similar in both 2014 and 2022, indicating that while overall prices have increased significantly, the distribution of prices has not changed (there are not more very expensive homes selling now than there were in 2014, and there is a relatively even distribution of homes across the price spectrum).

**Figure 17. Sale Price Per Square Foot, City of Ouray, 2014-2022**



**Within the region, costs are highest in Ridgway, but all communities have experienced similar growth trends in home prices.**

Ridgway has the highest per square foot costs, at \$446, while Ouray has the lowest, at \$366. Over the last decade, all areas have seen increases in price per square foot of between \$214 and \$284, or 10 to 13 percent annually, as shown in **Table 6**.

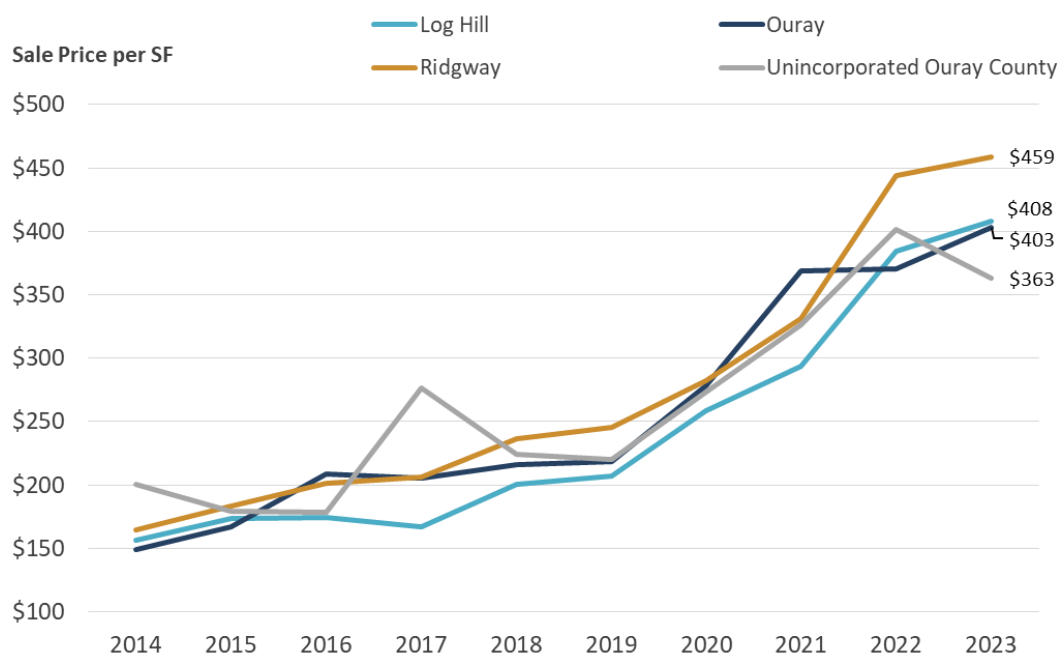
**Table 6. Price Per Square Foot Increase, 2014-2022**

| Average Price Per Sq. Ft.<br>(all home types) | 2014  | 2015  | 2016  | 2017  | 2018  | 2019  | 2020  | 2021  | 2022  | 2014-2022       |        |        |
|-----------------------------------------------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-----------------|--------|--------|
|                                               |       |       |       |       |       |       |       |       |       | Total<br>Change | Ann. # | Ann. % |
| Ouray County                                  | \$159 | \$172 | \$185 | \$202 | \$217 | \$218 | \$266 | \$324 | \$405 | \$246           | \$31   | 12%    |
| Ouray                                         | \$143 | \$160 | \$186 | \$205 | \$197 | \$218 | \$258 | \$369 | \$366 | \$223           | \$28   | 12%    |
| Ridgway                                       | \$163 | \$179 | \$199 | \$204 | \$236 | \$241 | \$282 | \$321 | \$446 | \$284           | \$35   | 13%    |
| Log Hill                                      | \$143 | \$173 | \$171 | \$166 | \$211 | \$207 | \$259 | \$294 | \$384 | \$241           | \$30   | 13%    |
| Unincorporated County                         | \$185 | \$174 | \$176 | \$256 | \$222 | \$217 | \$265 | \$318 | \$399 | \$214           | \$27   | 10%    |

Source: MLS; Economic &amp; Planning Systems

**Prices in all communities have increased at a faster pace since 2019.**

As shown in **Figure 18**, the growth rate in sale price per square foot has increased since 2019. Prior to 2019, average price per square foot had only exceeded \$250 once (in the unincorporated county in 2017), and had not broken \$300. As of August 2023, the average price per square foot ranged from \$363 in the unincorporated county to \$459 in Ridgway, and has been above \$300 in most communities since 2021.

**Figure 18. Average Sale Price per Square Foot, 2013 – August 2023**

Source: MLS, Economic &amp; Planning Systems

This escalation since 2019 is further shown in **Table 7**. Between 2014 and 2019, average sales price per square foot grew by 3 percent annually in the unincorporated county, and between 8 and 9 percent annually in other areas (7 percent overall in the county). From 2019 through 2022 growth rates increased dramatically. Ouray had the lowest average annual growth, at 19 percent per year. All other areas saw per-square-foot sales prices increase by 23 percent per year.

**Table 7. Price Per Square Foot, 2014-2019 and 2019-2022**

| Average Price Per Sq. Ft.<br>(all home types) | 2014  | 2019  | 2022  | 2014-2019       |        |        | 2019-2022       |        |        |
|-----------------------------------------------|-------|-------|-------|-----------------|--------|--------|-----------------|--------|--------|
|                                               |       |       |       | Total<br>Change | Ann. # | Ann. % | Total<br>Change | Ann. # | Ann. % |
| Ouray County                                  | \$159 | \$218 | \$405 | \$60            | \$12   | 7%     | \$186           | \$62   | 23%    |
| Ouray                                         | \$143 | \$218 | \$366 | \$75            | \$15   | 9%     | \$148           | \$49   | 19%    |
| Ridgway                                       | \$163 | \$241 | \$446 | \$79            | \$16   | 8%     | \$205           | \$68   | 23%    |
| Log Hill                                      | \$143 | \$207 | \$384 | \$64            | \$13   | 8%     | \$177           | \$59   | 23%    |
| Unincorporated County                         | \$185 | \$217 | \$399 | \$31            | \$6    | 3%     | \$182           | \$61   | 23%    |

Source: MLS; Economic & Planning Systems

**Escalating home prices have put ownership increasingly out of reach for local residents. The affordability gap (the difference between what a household can afford and what homes cost) for a household earning the median income increased by over \$400,000 between 2014 and 2022.**

Data on home sales and affordability for single family detached homes, condos, and townhomes is shown in **Table 8**. As shown, between 2014 and 2022 the affordability gap between what a 2-person household earning the median income could afford and the median-priced home grew from \$37,100 to \$517,700. Between 2015 and 2019 the gap averaged \$117,100; from 2020 to 2022 that increased to \$332,700.

Data for January to August 2023 is not included in the table, as there were only five sales over that period. However, those sales show a reduced affordability gap from 2022, with a median sale price of \$485,000 and an affordability gap of \$223,900.

**Table 8. Affordability Gap, For-Sale Housing 2014-2022**

| For-Sale Housing Affordability Gap<br>Ouray, Colorado | 2014             | 2015              | 2016              | 2017              | 2018             | 2019              | 2020              | 2021              | 2022              | 2014-2022          |                   |            |
|-------------------------------------------------------|------------------|-------------------|-------------------|-------------------|------------------|-------------------|-------------------|-------------------|-------------------|--------------------|-------------------|------------|
|                                                       |                  |                   |                   |                   |                  |                   |                   |                   |                   | Total              | Ann. #            | Ann. %     |
| Median Household Income (2-person)                    | \$57,300         | \$60,200          | \$59,300          | \$58,700          | \$63,500         | \$62,900          | \$61,100          | \$63,400          | \$70,900          | \$13,600           | \$1,700           | 3%         |
| Affordable Unit Price                                 | \$199,900        | \$204,900         | \$202,300         | \$197,600         | \$223,100        | \$218,600         | \$205,200         | \$204,300         | \$219,800         | \$19,900           | \$2,488           | 1%         |
| Median Sale Price (all types)                         | \$237,000        | \$335,000         | \$316,000         | \$335,000         | \$315,000        | \$331,000         | \$379,950         | \$510,000         | \$737,500         | \$500,500          | \$62,563          | 15%        |
| # of sales                                            | 19               | 21                | 19                | 25                | 21               | 27                | 28                | 24                | 16                |                    |                   |            |
| <b>Affordability Gap</b>                              | <b>-\$37,100</b> | <b>-\$130,100</b> | <b>-\$113,700</b> | <b>-\$137,400</b> | <b>-\$91,900</b> | <b>-\$112,400</b> | <b>-\$174,750</b> | <b>-\$305,700</b> | <b>-\$517,700</b> | <b>(\$480,600)</b> | <b>(\$60,075)</b> | <b>39%</b> |

Source: Economic & Planning Systems, MLS, Census Bureau

**The income needed to afford the median-priced home in Ouray has increased over time, with significant increases during COVID-19.**

Another way of looking at affordability is examining how much a household needs to earn to afford a home. As shown in **Table 9**, in 2014 a 2-person household needed to earn 111 percent of the median income to afford the median-priced home in Ouray. That increased over time (with some fluctuation), and by 2022 a household would need to earn 247% AMI to afford the median priced home. As shown and described previously, prices through August 2023 have come down slightly; the median priced home through this time period required a household to earn 160% AMI.

**Table 9. Income Needed to Afford Median-Priced Homes, 2013-2023**

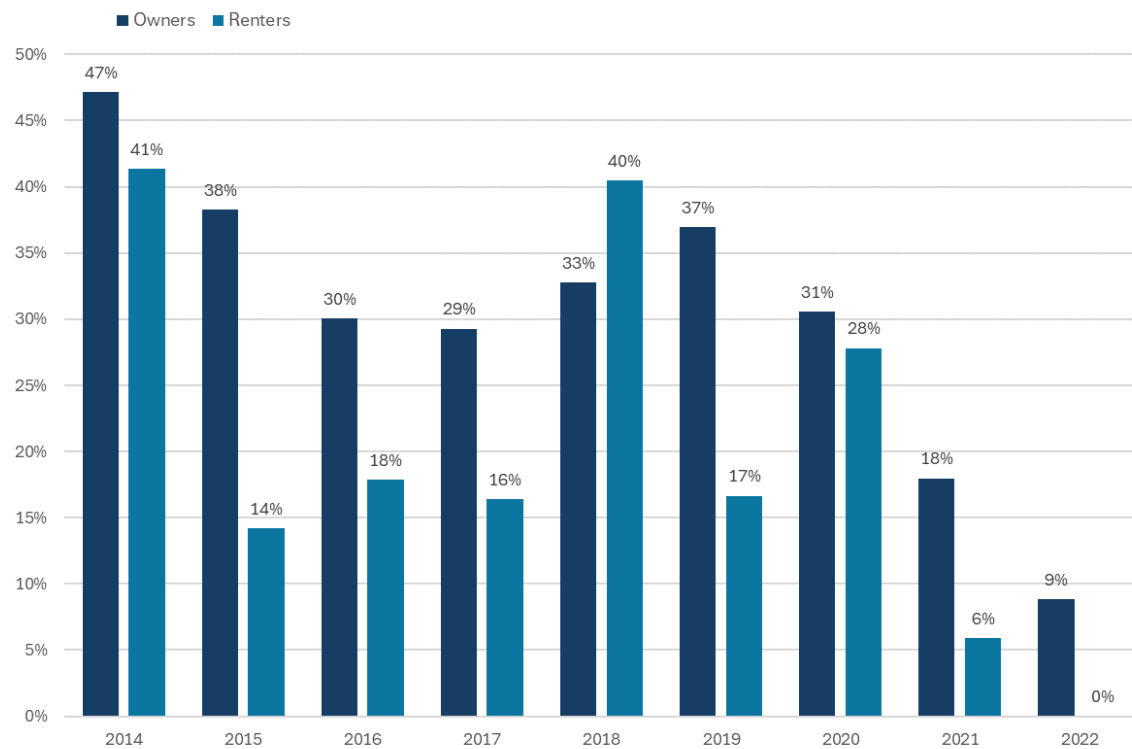
| Median For-Sale Housing<br>Income Needed | 2014      | 2015      | 2016      | 2017      | 2018      | 2019      | 2020      | 2021      | 2022      | 2023      |
|------------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| Median Sale Price                        | \$237,000 | \$335,000 | \$316,000 | \$335,000 | \$315,000 | \$331,000 | \$379,950 | \$510,000 | \$737,500 | \$485,000 |
| Number of Sales                          | 19        | 21        | 19        | 25        | 21        | 27        | 28        | 24        | 16        | 5         |
| Income Needed                            | \$63,532  | \$85,391  | \$81,153  | \$85,391  | \$80,930  | \$84,499  | \$95,418  | \$124,427 | \$175,173 | \$118,850 |
| % AMI (2-person household)               | 111%      | 142%      | 137%      | 145%      | 127%      | 134%      | 156%      | 196%      | 247%      | 160%      |

Source: MLS; CHFA; Economic & Planning Systems

**The number of homes affordable to local households has declined since 2014, particularly for local renters.**

The availability of homes to local households has diminished over time, as shown in **Figure 19**. In 2014, 47 percent of owners and 41 percent of renters could afford a median-priced home in the city. By 2022, only 9 percent of owners could afford this, while the median-priced home was not affordable to any renter households in the city. When local homes are affordable to local homeowners, it enables them to move within the city – whether to increase their space (and free up a smaller home for another household), or to downsize and ensure they can stay in the community longer. When local renters are able to afford homes, it allows them to move into homeownership and stay in their community, putting down roots and building wealth. As these options diminish, it is more likely that existing residents will either take on more than they can afford to stay in the community, or move to find housing that is more affordable.

**Figure 19. Households Able to Afford the Median-Priced Home by Tenure, City of Ouray 2014-2022**



### ***Rental Market Trends***

Rental data is difficult to collect, and so multiple methods were used throughout this study to track the rental market.

#### **Online rental listings do not accurately capture the local rental market.**

As a first step, rental listing were tracked on public websites and local Facebook groups across a period of four months. These listings are summarized in **Table 10**. Ouray had fewer listings posted than neighboring communities, and the average listed rent per square foot for the city was the second highest among the four communities tracked (second to Telluride). While overall rental rates were similar between Ouray and Ridgway, units in Ouray were typically smaller (in both square footage and number of bedrooms), and several listings advertised private rooms in homes rather than entire units.

**Table 10. Online Rental Tracking**

| Location  | Listings Tracked | Average Rent | Average Rent per Sq. Ft. |
|-----------|------------------|--------------|--------------------------|
| Ouray     | 11               | \$2,084      | \$2.49                   |
| Ridgway   | 21               | \$2,058      | \$2.01                   |
| Montrose  | 62               | \$1,687      | \$1.22                   |
| Telluride | 24               | \$4,265      | \$3.96                   |

Source: Economic & Planning Systems, Zillow, Craigslist, Facebook

The online tracking did not capture the scale of the local market, as the market is mostly informal. To account for this, a survey was distributed to local property owners and landlords to understand the scope of inventory and cost of rental units available in the city. The survey asked about number of units, bedroom counts, type of housing (e.g. market rate, subsidized, employee housing), rental rates, and method(s) of advertising.

The survey captured 85 rentals, reported by 16 respondents. As shown in **Table 11**, units are primarily considered market rate (unit types were self-defined and self-reported). Average rents ranged from \$900 per unit for affordable units to nearly \$1,400 for market rate units.

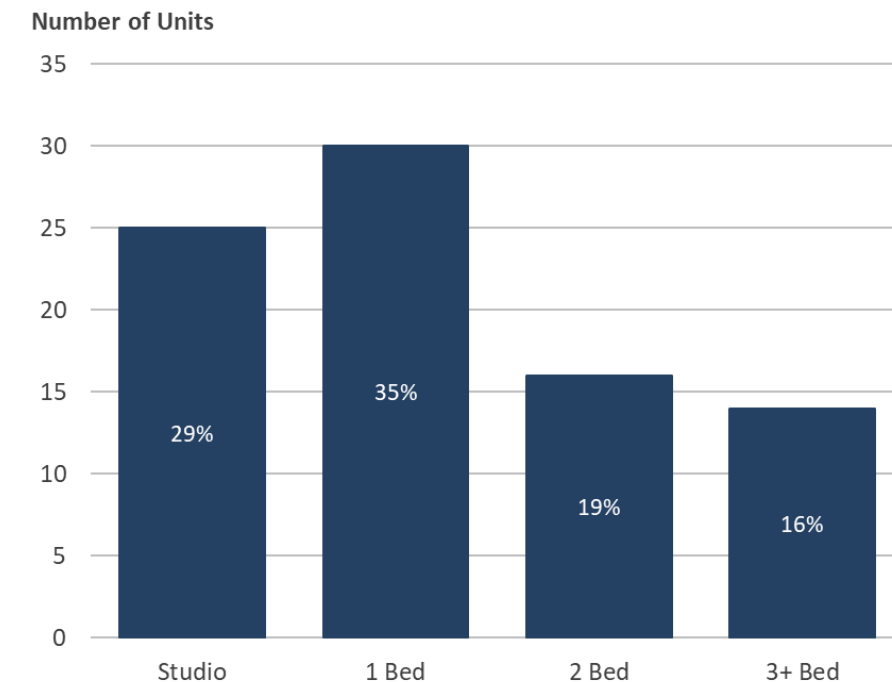
**Table 11. Rental Survey – Units by Type and Average Rent**

| Rental Unit Type    | Count of Units | % of Total | Average Rental Rate |
|---------------------|----------------|------------|---------------------|
| Affordable Housing  | 4              | 5%         | \$900               |
| Employee Housing    | 6              | 7%         | \$1,050             |
| Market Rate Housing | 75             | 88%        | \$1,394             |

Source: Ouray Rental Survey, Economic & Planning Systems

Units reported through the survey were primarily 1-bedroom and studio units, which together accounted for 64 percent of units (29 percent studios, 35 percent 1-bedroom). As shown in **Figure 20**, 19 percent of units were 2-bedrooms, and 16 percent had 3 bedrooms or more.

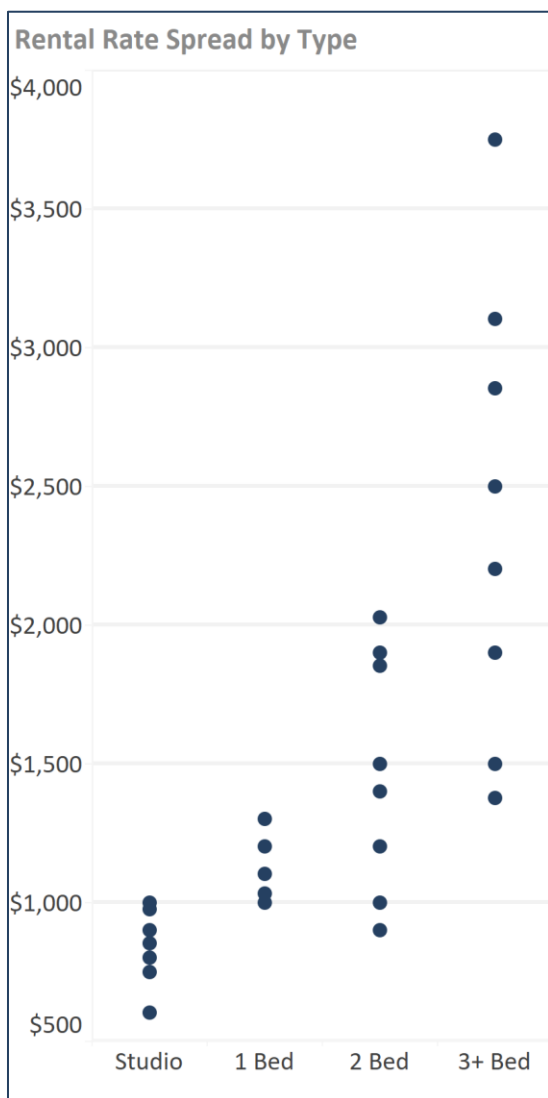
**Figure 20. Rental Units by Bedrooms, City of Ouray 2023**



Source: Ouray Rental Survey, Economic & Planning Systems

Average rents for these units ranged from \$868 for a studio to \$2,616 for a 3+ bedroom. As shown in **Figure 21**, rental rates are generally clustered for studio (\$500 - \$1,000) and 1-bedroom units (\$1,000 - \$1,300), and start to see a wider range for 2-bedroom and larger units.

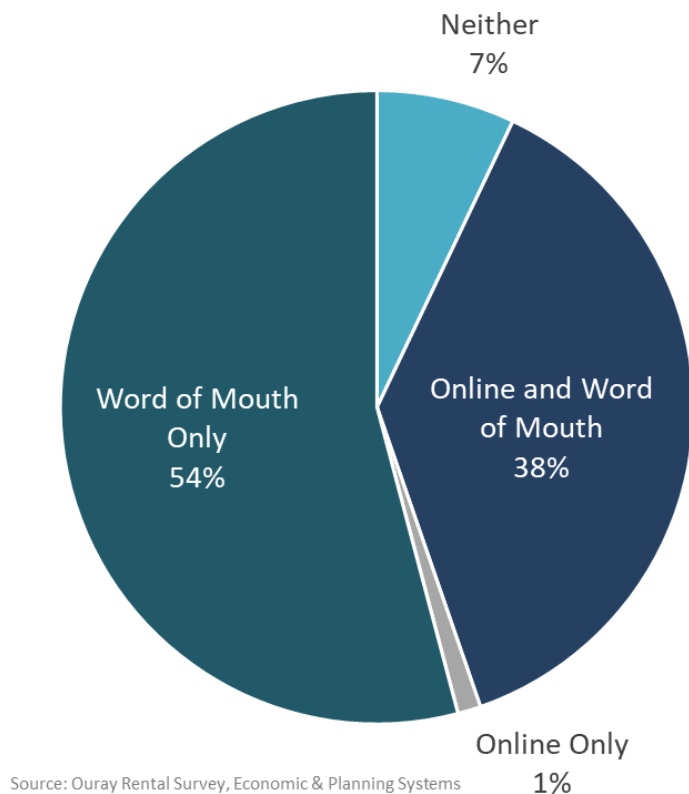
**Figure 21. Rental Rates by Unit Type, City of Ouray 2023**



**Most units are advertised through word-of-mouth marketing, making it difficult for those not already connected in the community to find this housing.**

Survey respondents were asked how they advertise their rental units. Over 90 percent of respondents use word-of-mouth marketing, either on its own or in combination with online marketing. As shown in **Figure 22**, 54 percent of respondents use word-of-mouth only, while 38 percent use that in combination with online, 1 percent do online marketing only, and 7 percent do not advertise (these units were reserved for employees of the business owners). This creates an additional challenge for renters looking for housing in the city, as there is not a clear place to find rental listings.

**Figure 22. Rental Unit Advertising**



**Survey data indicates that rental units are not unaffordable, particularly for smaller units/smaller households.**

As shown in **Table 12**, the average rents reported for studio, 1-bedroom, and 2-bedroom units are affordable to households making less than 80% AMI. Affordability only exceeds 100% AMI for 3+ bedroom units; this indicates that rental affordability challenges may be more prevalent for families or larger households. As shown through the survey, costs of units are not necessarily out of reach for local residents, but the informal market and lack of advertising means these units are hard to find, particularly for those not currently living in the area.

**Table 12. Rental Survey – Average Rents and Affordability**

| Unit Type  | Average Rent | Income Needed to Afford | Percent AMI        |
|------------|--------------|-------------------------|--------------------|
| Studio     | \$868        | \$34,720                | 53% (1 person hh)  |
| 1 Bedroom  | \$1,165      | \$46,600                | 71% (1 person hh)  |
| 2 Bedroom  | \$1,325      | \$53,000                | 71% (2 person hh)  |
| 3+ Bedroom | \$2,616      | \$104,640               | 125% (3 person hh) |

Source: City of Ouray; Economic & Planning Systems

***Short Term Rentals***

Many communities across Colorado are experiencing impacts of short term rentals (STRs) on their housing inventory. The City currently has 110 active STR licenses, with a cap of 120 available licenses, limiting STRs to a maximum of 16 percent of housing units. STRs are not permitted in the R-1 Zone District (except for legal nonconforming uses) or in accessory dwelling units (ADUs), which minimizes the impact on local housing availability. There are currently only 4 licensed STRs within the R-1 District.

In addition to licensing and geographic restrictions, the City imposes a voter-approved 15 percent excise tax on short term rentals, generating revenue for local affordable housing programs. The tax has generated between \$500,000 and \$600,000 annually, with 50 percent of revenue dedicated to affordable/attainable housing.

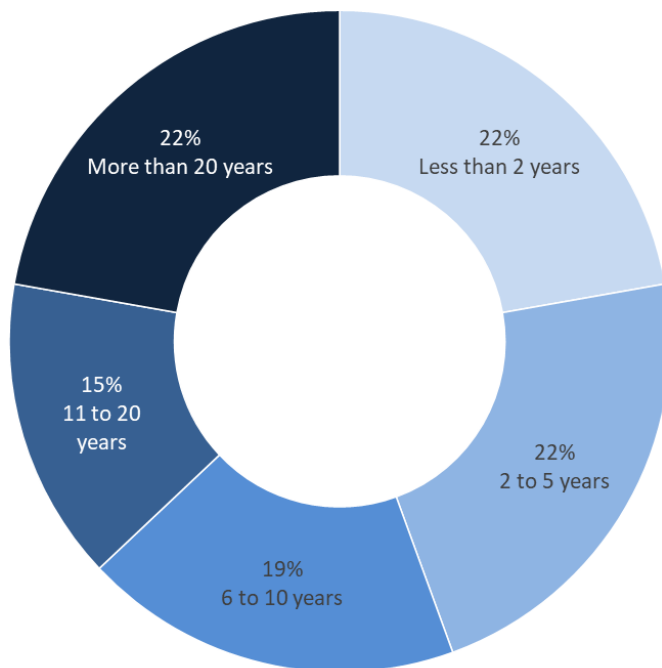
### 3. Employer Survey

In addition to the data analysis outlined in the previous chapter, a survey was distributed to local employers to determine specific challenges they face related to housing and the resources they are willing to contribute to solutions. There were 23 respondents to the survey, representing 33 business (8 respondents operate multiple businesses) and 242 jobs (12 percent of overall county employment).

Among respondents there was a diversity of business age, as shown in **Figure 23**, with nearly even distribution among age categories. There was also a diversity of business size, with an average of 13.4 employees (full time and part time) among respondents. Business sizes ranged from 1 or 2 employees to over 50.

**Figure 23. Employer Survey – Time in Business**

How Long Has Your Business Been Operating?



## Employer Challenges

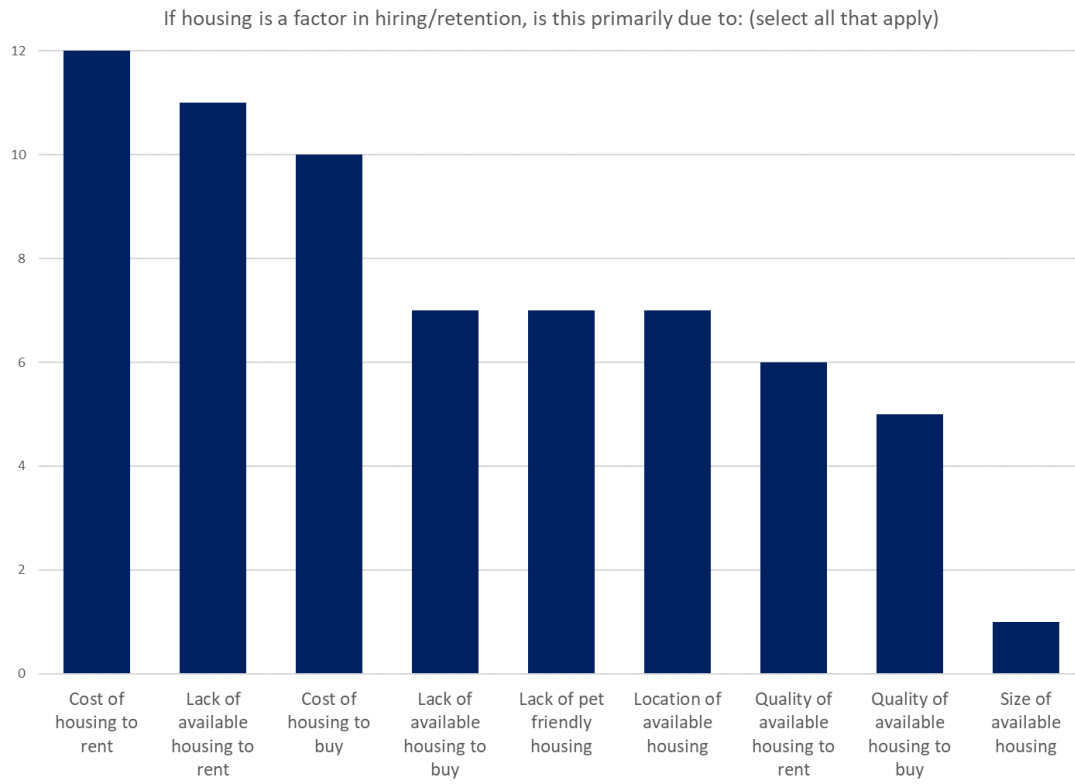
Employer challenges were determined through questions about unfilled positions, employees holding multiple jobs, seasonal employment, and business/economic changes.

- **Unfilled Positions:** Employers reported a total of 56 unfilled positions – 13 full time and 43 part time. If all these jobs were filled, it would represent a 23 percent increase in employment.
- **Multiple Jobholders:** Over half of respondents (57 percent) reported that they are aware of their employees working multiple jobs. When asked to estimate the percentage of employees working multiple jobs, responses ranged from 5 percent to 100 percent of employees at a business.
- **Seasonal Employment:** Fifty-five percent of respondents indicated that they hire seasonal employees. Seasonal employment is more prevalent in summer than winter.
- **Business/Economic Changes:** Employers reported that they have needed to increase their workforce because of additional customers and/or more business, but have faced challenges in increasing their staffing due to labor shortages and hiring challenges.

## Housing Challenges

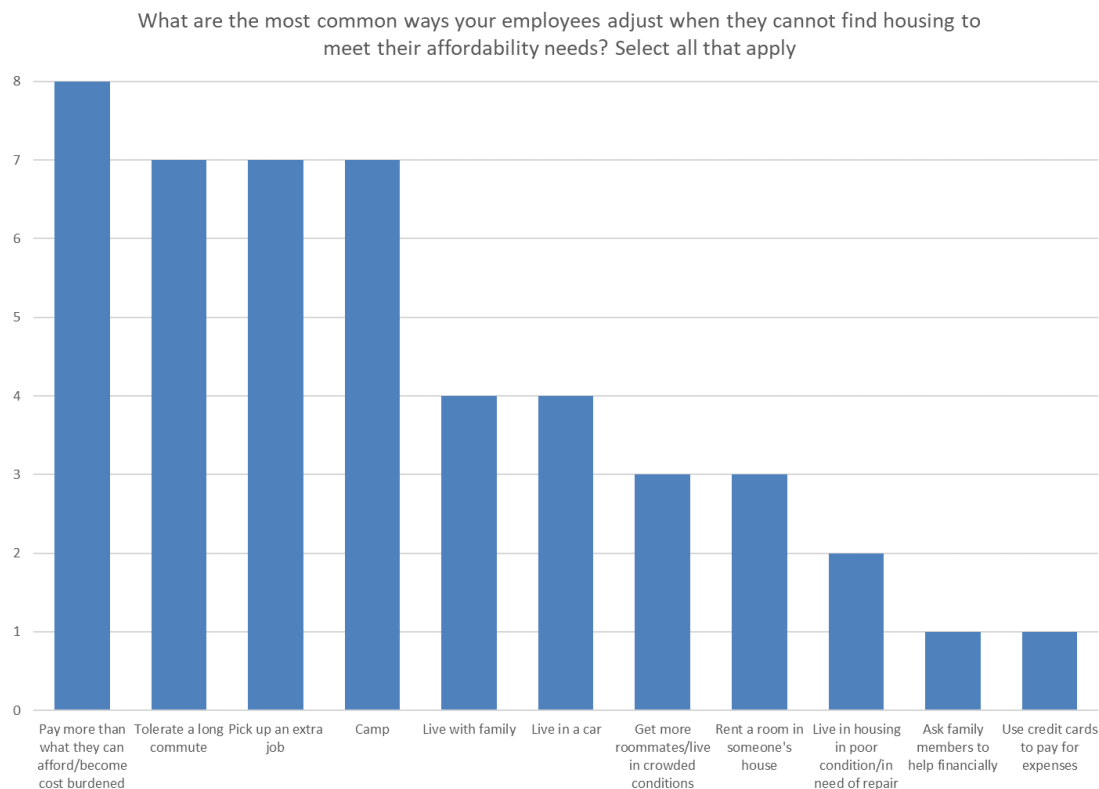
Employers were asked how housing factors into hiring and retention challenges. As shown in **Figure 24**, the most common responses were the cost of rental housing, the lack of available rental housing, and the cost of ownership housing.

**Figure 24. Employer Survey – How Housing Impacts Hiring and Retention**



Employers were asked how employees adjust to these challenges, when they cannot find housing to meet their affordability needs. As shown in **Figure 25**, the most common responses were to spend more than they can afford, tolerate a long commute, pick up an additional job, and camp.

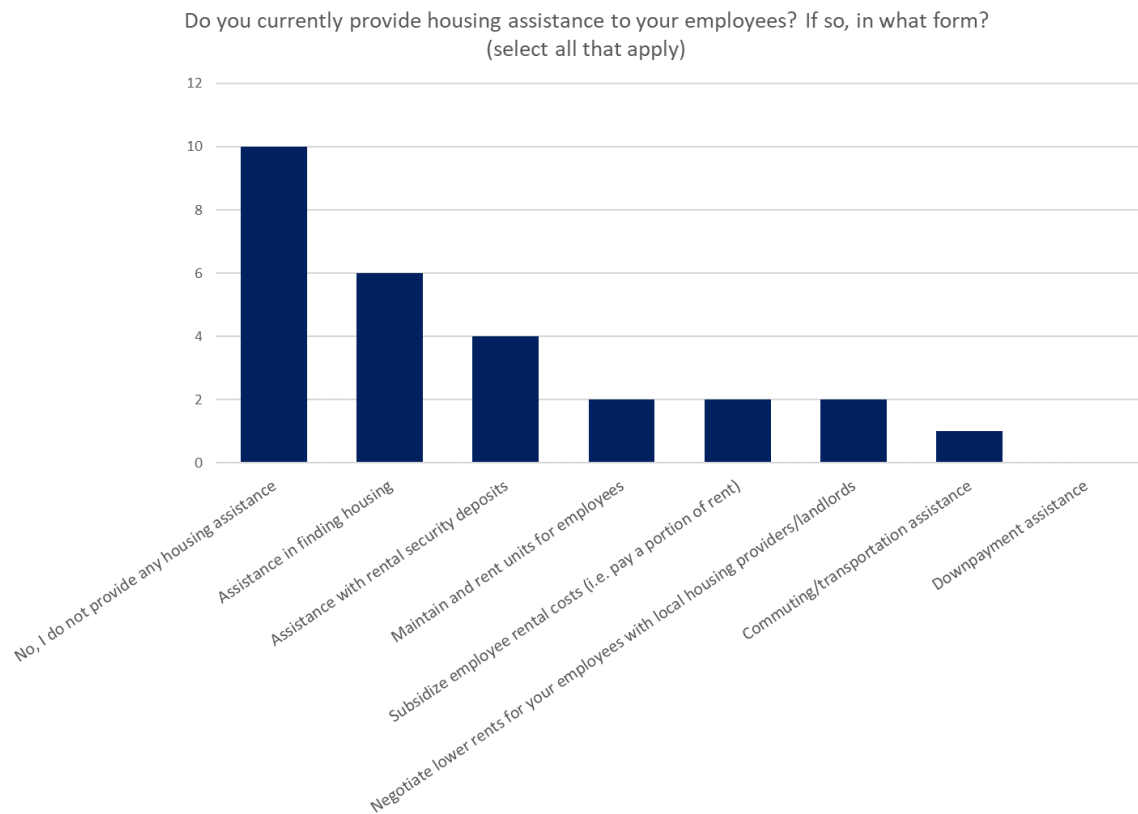
**Figure 25. Employer Survey – How Employees Adjust to Housing Challenges**



### Current Employer Strategies

Ten employers (43 percent of respondents) do not currently provide housing assistance for their employees. As shown in **Figure 26**, of employers who are providing assistance, the most common methods are assistance in finding housing (6 employers) and assistance with rental security deposits (4 employers). Additional types of assistance include maintaining and renting units for employees, subsidizing employee rental costs, negotiating lower rents with local housing providers/landlords, and providing commuting/transportation assistance.

**Figure 26. Employer Survey – Current Assistance Provided**



### Employer Interest in Housing Solutions

A key goal of the employer survey was to gauge interest from employers in participating in housing solutions. Employers were asked to rate their interest in participating if the City or another entity considered constructing a housing project and making units available to employers to purchase or master lease. Nearly 40 percent of respondents rated their interest a 5/10 or higher, with 5 employers indicating a 10/10 interest, 1 indicating an 8/10 interest, and 3 indicating 5/10 interest. There was relatively equal interest in master leasing and purchasing units.

Employers were asked how many employees they would be interested in housing in a development. As shown in **Table 13**, there was significant interest in both year-round and summer seasonal housing, with moderate interest in winter seasonal housing. If all of these employers participated in a housing project, there would be demand for 29 year-round, 25 summer seasonal, and 7 winter seasonal employees.

**Table 13. Employer Survey – Employees to House**

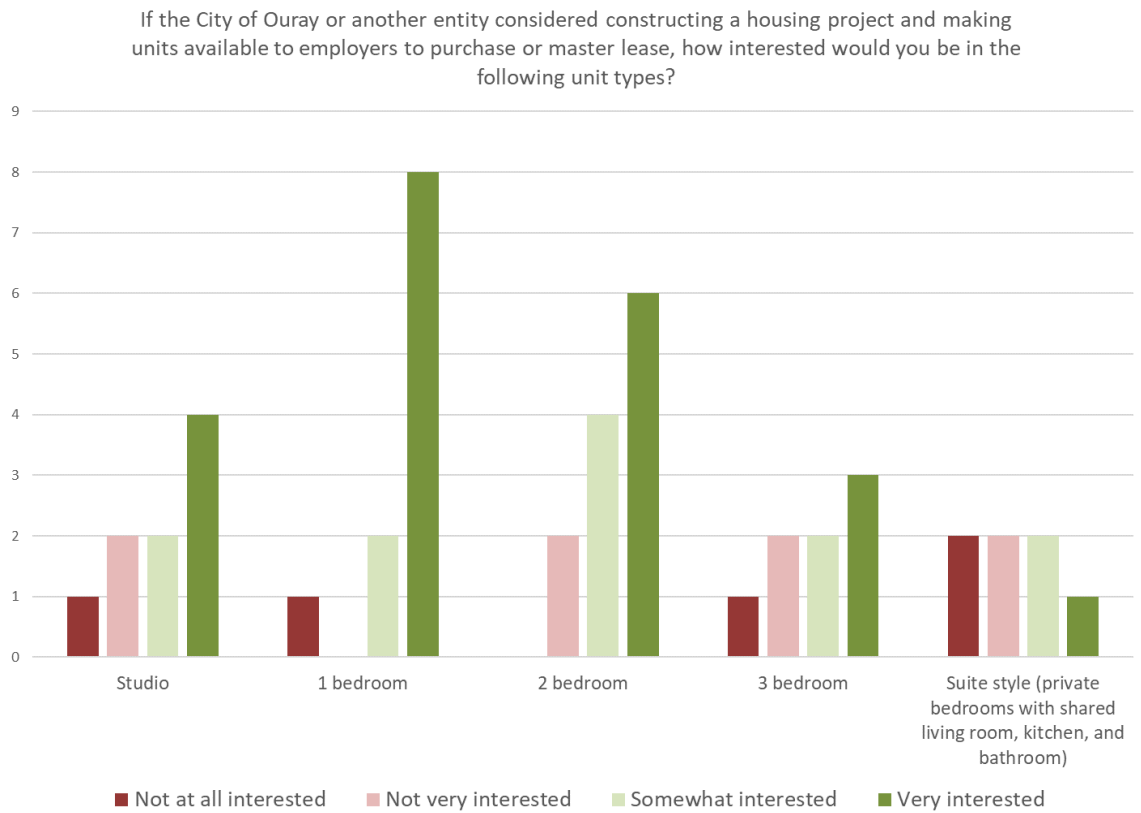
| Interest in Housing | Year Round | Summer Seasonal | Winter Seasonal | Total     |
|---------------------|------------|-----------------|-----------------|-----------|
| 10/10 Interest      | 22         | 20              | 6               | 48        |
| 8/10 Interest       | 3          | 1               | 1               | 5         |
| 5/10 Interest       | 4          | 4               |                 | 8         |
| <b>Total</b>        | <b>29</b>  | <b>25</b>       | <b>7</b>        | <b>61</b> |

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Source: Economic & Planning Systems

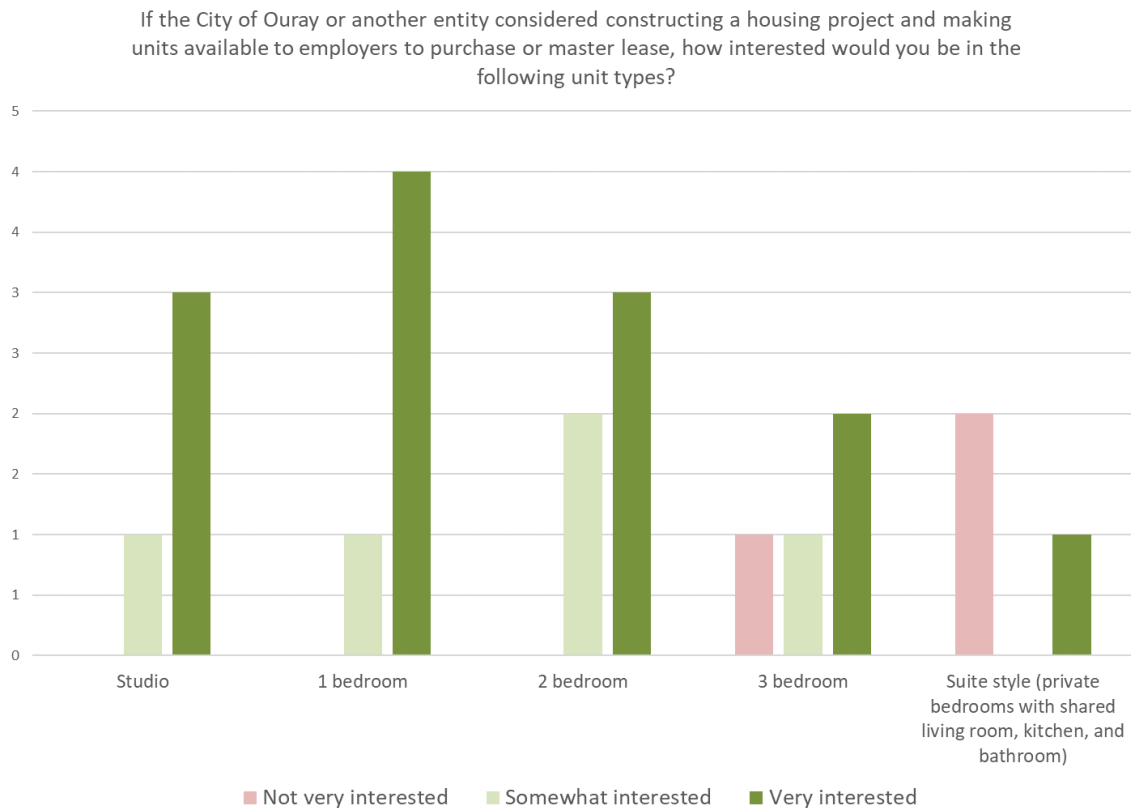
In addition to the number of employees that can potentially be housed, employers were asked about the type of housing that was of most interest. Among employers who expressed any interest in housing, there was most significant interest in 1- and 2-bedroom units, as shown in **Figure 27**.

**Figure 27. Employer Survey – Housing Interest by Unit Type**



When considering only those employers who rated their interest a 10/10, interest is highest in studio, 1-, and 2-bedroom units, as shown in **Figure 28**.

**Figure 28. Employer Survey – Interest in Housing by Type (10/10 interest in a housing project)**



Employer needs comprise a significant portion of local housing demand. Understanding these needs helps to frame up goals and strategies for the City, discussed in the next chapter.

## 4. Housing Goals and Strategy Analysis

This chapter outlines housing goals for the City of Ouray, and a strategy framework that can be used to achieve those goals. The next chapter provides a more detailed action plan to implement strategies.

### Strategy Framework

The strategy framework is outlined in **Figure 29** below, and includes five elements:

- **Housing goals and strategies** outline development and preservation targets for the City, for both rental and ownership housing at various income levels.
- **Land resources** identifies areas in the city where there is land available for housing and ways to maintain that resource for future development.
- **Financial resources** looks at existing City resources that can be used for housing, potential new funding sources to consider to support housing objectives, and uses for housing funds.
- **Partnerships** considers opportunities to partner with local organizations doing housing work to enhance resources and help achieve outcomes faster.
- **Prioritization** evaluates key priorities for the City. This is further outlined in the action plan, which considers how to phase strategies over the short- and mid/long-term.

**Figure 29. Housing Strategy Framework**



## Housing Goals

Housing goals for Ouray address both short term and long term needs, based on existing gaps, needs met by projects underway, and future trends (e.g., aging population).

### Housing Needs

Housing needs are based on the 2021 Telluride Foundation/Rural Homes Project Housing Market Study and the 2022 Region 10 Workforce Housing Study. Additional consideration is given to the needs documented by local employers through the employer housing survey.

The Telluride Foundation/Rural Homes and Region 10 studies both provided housing needs at the county level. The Telluride Foundation study focused on ownership housing needs in communities throughout the county, estimating that there are over 100 units needed throughout the county at 60-80% AMI targets. The demand for rental housing was discussed qualitatively in that assessment, and not quantified. The Region 10 study focused on workforce housing needs, providing conservative estimates of both “catch-up” and “keep-up” components of demand. This study estimated a need for 270 units of workforce housing in the county through 2032. Combined, these reports indicate a need for 370 units countywide over the next 10 years.

### Development Capacity

In addition to housing needs, it is important to consider the housing capacity of the city. The City’s 2018 Wastewater Treatment Master Plan provided buildout capacity for the City to inform the capacity of the treatment facility. This can be considered the upper limit of housing capacity in the city. As noted in the Wastewater Treatment Plan, the expected buildout capacity of the city was based on the 2018 Community Development Master Plan that evaluated land use, zoning, and water supply limitations to determine buildout projections for the city. Based on this analysis, there were 800 unbuilt units in the city, consisting primarily of condos, apartments, and townhomes (549 unbuilt units), as well as single family homes (136 unbuilt units) and accessory dwelling units (115 unbuilt). Based on this analysis, physical capacity will not be a constraint for the City to meet housing targets.

### Regional Affordable Housing Pipeline

Regional organizations are currently in the process of developing over 100 units of affordable housing throughout the region, as shown in **Table 14**. Nearly 80 of these units are planned to be in Ouray, not including the Cascade Falls project (discussed separately in this report). These units are accounted for in the housing targets outlined below.

**Table 14. Regional Affordable Housing Pipeline**

| Name             | Units      | Location | Tenure    |
|------------------|------------|----------|-----------|
| Waterview Homes  | 65         | Ouray    | Ownership |
| Oak Street       | 13         | Ouray    | Rental    |
| Cascade Falls    | Unknown    | Ouray    | Unknown   |
| 660 Sherman      | 14         | Ridgway  | Rental    |
| Habitat Triplex  | 3          | Ridgway  | Ownership |
| Wetterhorn Homes | 14         | Ridgway  | Ownership |
| <b>Total</b>     | <b>109</b> |          |           |
| Ouray            | 78 units   |          |           |
| Ridgway          | 31 units   |          |           |

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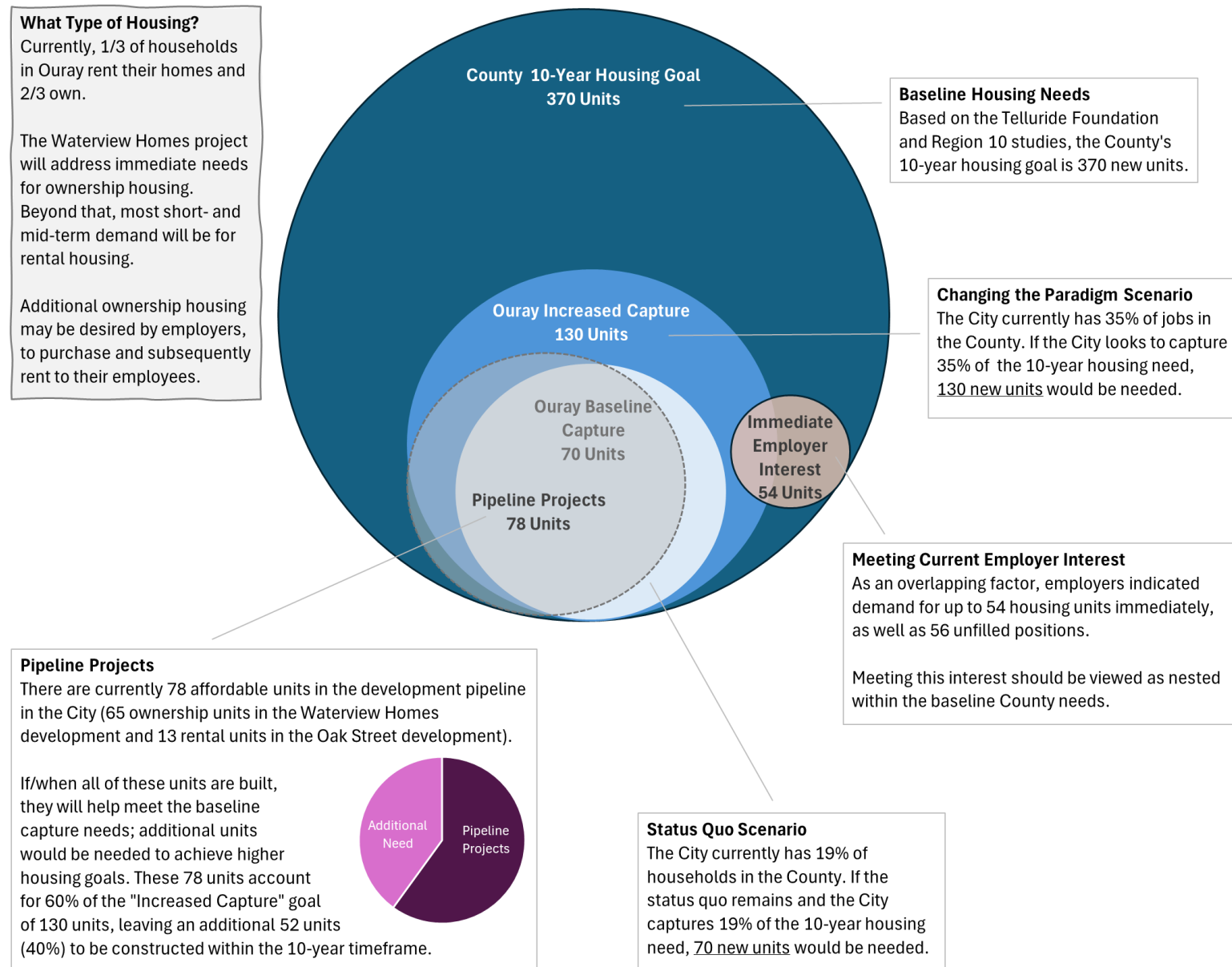
Source: City of Ouray; Economic & Planning Systems

After accounting for pipeline units, housing targets for the City are focused on rental housing, as well as for-sale housing targeted to employers looking to participate in housing solutions.

### Housing Targets

Housing targets will depend on how much county growth is captured in the city. As noted above, the goal outlined by the Telluride Foundation and Region 10 reports is 370 units over 10 years, generally framing action during planning horizon from 2021 through 2031. As shown in **Figure 30**, Ouray's portion of the 370 unit goal for the county is 130 units based on the proportion of jobs located within the city. This target will be partially filled by the 78 affordable units currently in the development pipeline (65 ownership and 13 rental). This accounts for approximately 60 percent of the target, leaving another 40 percent to be built during the planning horizon.

**Figure 30. Housing Goals Summary**



### ***Tenure***

Over the past 10 years, the city has seen a significant change in the composition of the renter community. While the rental stock has traditionally offered 'naturally affordable units' (i.e., those units that are rented at generally affordable rates due to being smaller and older), the past decade saw a shift in the composition of renters. Today, the renter community represents higher household incomes. The pressure on lower income households has likely displaced them. Of the 462 households in the community, approximately 33 percent are renters (roughly 153). There was a 36 percent contraction in this group earning less than 80% of AMI (roughly 55 households). It is recommended that the City focus on replacing these units, and commit to increasing affordable rental inventory by approximately 55 units over the 10-year planning horizon.

### ***Housing Typologies and Tenure***

The City needs both affordable ownership and rental housing. The 65 ownership homes in the Waterview Homes project will address a majority of needs for ownership housing. The 13 units of rental housing slated for the infill project account for a portion of the 55 total rental units needed. To reach the target of 130, the remaining 10 units could be realized in small increments based on the recommendations to modify the City's entitlement processes (see Action Plan below). The specific tenure of this small balance should be determined based on the nature of the project and negotiations with the developer at time of approval.

### ***Affordable Price Targets***

The definition of affordability of provided below in **Table 15**. The data quantifies the ceiling for rents and purchase prices, based on income and the number of people within the household.

**Table 15. Affordability by AMI and Household Size**

| Description | 1 Person Household |              |                | 2 Person Household |              |                | 3 Person Household |              |                |
|-------------|--------------------|--------------|----------------|--------------------|--------------|----------------|--------------------|--------------|----------------|
|             | Income             | Monthly Rent | Purchase Price | Income             | Monthly Rent | Purchase Price | Income             | Monthly Rent | Purchase Price |
| 60% AMI     | \$39,120           | \$978        | \$127,600      | \$44,700           | \$1,118      | \$152,500      | \$50,280           | \$1,257      | \$177,600      |
| 80% AMI     | \$52,160           | \$1,304      | \$186,000      | \$59,600           | \$1,490      | \$219,400      | \$67,040           | \$1,676      | \$252,700      |
| 100% AMI    | \$65,200           | \$1,630      | \$244,500      | \$74,500           | \$1,863      | \$286,200      | \$83,800           | \$2,095      | \$327,900      |
| 120% AMI    | \$78,240           | \$1,956      | \$302,900      | \$89,400           | \$2,235      | \$352,900      | \$100,560          | \$2,514      | \$402,900      |
| 150% AMI    | \$97,800           | \$2,445      | \$390,600      | \$111,750          | \$2,794      | \$453,200      | \$125,700          | \$3,143      | \$515,700      |

Source: Economic & Planning Systems

### ***Proposition 123 Housing Funds***

Ouray is classified as a Rural Resort community for Prop 123 funding, meaning that the funding can be used to serve households with higher incomes. The City's baseline is 98 units; this needs to be increased by 3 percent each year for three years, for a total of a 9 percent increase. This means the City needs to add 10 new units; this goal can be achieved within the Cascade Falls development.

## Land Resources

Land is often the most expensive component of housing developments, and land availability is a particular challenge in mountain communities. The City of Ouray is in a good position, as there is still undeveloped land within the city (and in the surrounding area, if annexation is desired) and the City owns land that can be utilized for housing development.

### Undeveloped Land

As shown in Row D of **Table 16**, a 2022 City analysis showed capacity for over 900 additional dwelling units in the city (based on undeveloped land at currently allowed densities). This analysis is caveated by the fact that the parcels analyzed include those subject to considerable geologic hazards that would reduce the site capacity for housing. Together with the buildout capacity analysis from the Wastewater Treatment Master Plan, analyses indicate that there is capacity for an additional 800-900 housing units in the city.

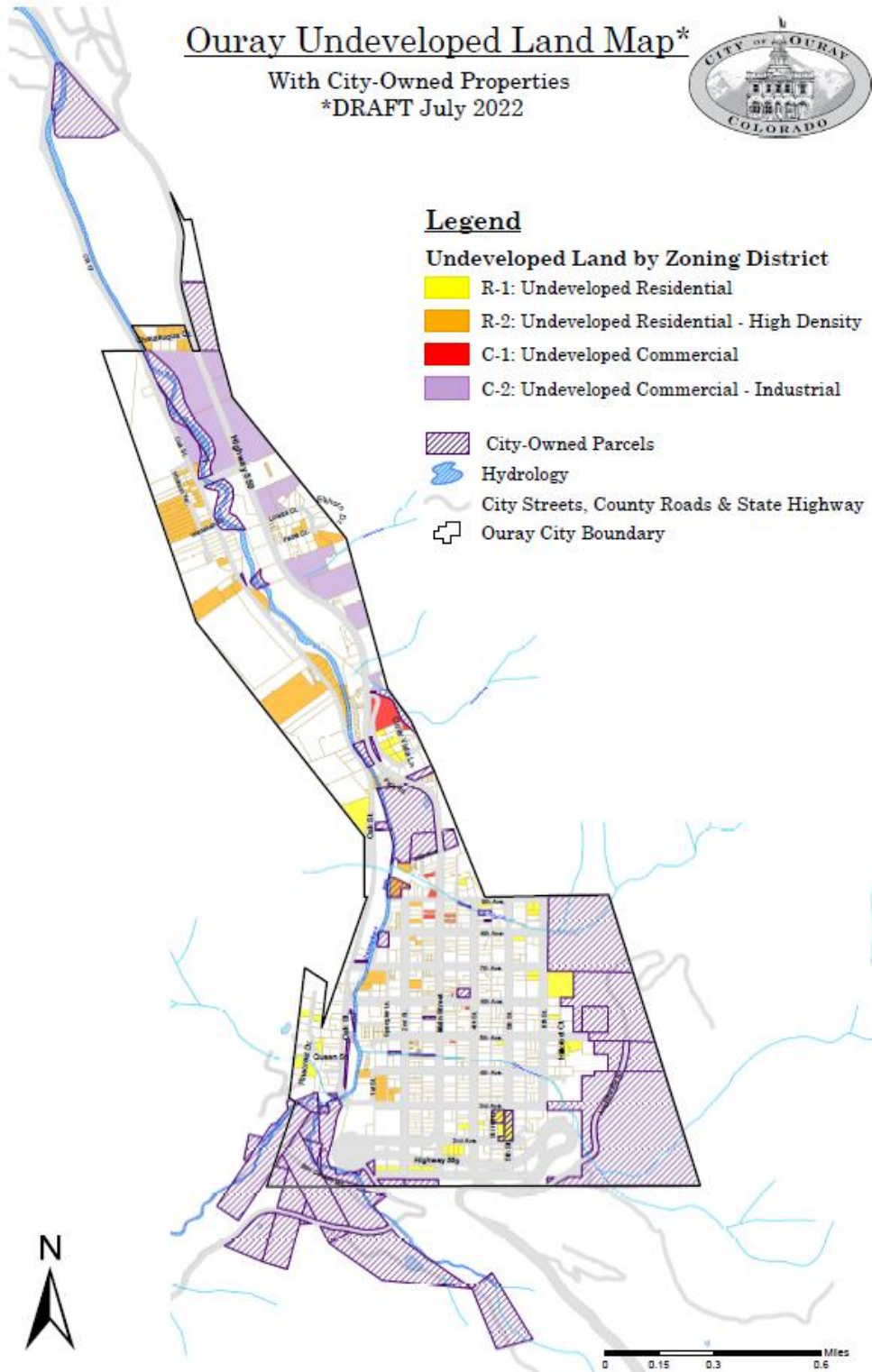
**Table 16. Undeveloped Land by Zoning District (City Staff Analysis, June 2022)**

| Item | Variable                                                 | ZONING DISTRICT |           |                    |           |           |
|------|----------------------------------------------------------|-----------------|-----------|--------------------|-----------|-----------|
|      |                                                          | C-1             | C-2       | R-1                | R-2       | All Zones |
| A    | Total Lot Area Calculated<br>(Sq. Ft.)                   | 137,006         | 1,466,141 | 675,690            | 1,100,766 | 3,379,603 |
| B    | Total Lot Area Calculated<br>(Acres)                     | 3.15            | 33.66     | 15.51              | 25.27     | 77.59     |
| C    | Total Lots Possible<br>(conforming to Zone)              | 36              | 206       | 93                 | 149       | 463       |
| D    | Total Dwelling Units Possible<br>(conforming to Density) | N/A             | 413       | 193                | 310       | 916       |
| E    | Percent Share of Total Dwelling<br>Units Possible        | N/A             | 45%       | 21%                | 34%       | 100%      |
| F    | Total Lodging Units Possible<br>(conforming to Density)  | N/A             | 1239      | Use Not<br>Allowed | 930       | 2,170     |
| G    | Percent Share of Total Lodging<br>Units Possible         | N/A             | 57%       | Use Not<br>Allowed | 43%       | 100%      |

### City-Owned Land

In addition to the overall amount of developable land in Ouray, the City owns land that can be used for housing. This ownership provides one avenue of incentive or contribution the City can make to housing projects. As shown in **Figure 31**, based on location and site characteristics (e.g., topography, rockfall hazards) not all of this land is suitable development, and not all of it is suitable for housing. In addition to land the City currently owns, the City may choose to purchase additional land as it becomes available and dedicate it to housing uses (this is discussed further in **Chapter 5**).

Figure 31. Ouray Undeveloped Land Map (City Staff Analysis), July 2022 (Draft)



## Land Use and Zoning

Beyond the land itself, land use and zoning regulations can help or hinder the feasibility of affordable housing development. These regulations may also help to incentivize private landowners to make housing affordable without specific programs. The City recently updated its land use code to support a broader diversity of housing typologies; additional changes may be made in consultation with landowners and developers to determine if there are additional opportunities for or barriers to affordable housing (for example, minimum density in certain areas or density bonuses in exchange for affordable housing).

## Financial Resources

In addition to land, financial resources are key to getting new housing developed and supporting housing programs. Funding may be internal (from City sources/budgets) or external (from state, federal, or other sources). There are two key financial considerations – sources of funds (where the money comes from), and uses of funds (how the money is used).

### Sources of Funds

The City's main source of funding for housing is STR excise tax revenue. Half of this revenue is dedicated to affordable housing; this is currently approximately \$250,000 per year (and limited by TABOR to \$312,550). In addition to this tax revenue, recent federal and state funding allocations have made a significant amount of money available through grant programs for affordable housing in Colorado.

This funding is generally sufficient for current needs and immediate priorities. As additional housing opportunities arise, new funding sources may be considered in the future.

### Uses of Funds

Just as important as having funding is having a plan for that funding. Uses of funds will depend on the level of revenue, whether it is used in a pay-as-you-go fashion or used as bond repayment revenue, and the opportunities available for the funding. In general, funds can be used for projects (development) or programs.

**Project** uses may include property acquisition, development subsidy to a developer, or direct funding for projects where the City is the developer. Financial support for projects may be particularly impactful, as construction costs are higher in Ouray than other areas of the state, and the City competes with higher market areas (Telluride, Mountain Village) for limited construction capacity.

**Program** uses may include buy-downs (subsidizing purchase prices in exchange for deed restrictions), rental assistance, or contribution to downpayment assistance programs. This may also include financial support for employer-driven strategies within the city.

## Partnerships

Partnerships between the public, private, and nonprofit sectors can work to advance housing outcomes faster than any one entity or sector can accomplish on its own. This can create opportunities for the City to leverage its resources and diversify the options available (through strategies the City would not be able to do independently).

City resources can be contributed to partnerships in a number of ways, primarily through land or funding:

**Land** can be donated (if the City owns it) or purchased and transferred to private or nonprofit developers for workforce/affordable housing projects. Given that land is a significant portion of development costs, the contribution from the City can help a project achieve affordability goals by reducing overall project costs.

**Funding** can be used in many ways. For developments planned by nonprofit or private developers, the City can contribute gap closure funding to make an affordable housing project feasible. For existing housing, or for new for-sale development, the City can provide funding for buy-downs (in exchange for deed restrictions) and/or incentives to deed restrict the property. The City can also contribute to downpayment assistance programs (new or add to existing), other programs, or financially assist employers with housing strategies.

## 5. Action Plan

This chapter presents specific recommendations for the City to pursue, using a multifaceted approach. It includes Goals, Actions, and Implementation Considerations to guide the City as it moves forward.

### Strategy: Form Partnerships to Construct Projects

**Goal:** Support existing projects underway that increase the inventory of affordable housing.

Recognizing the importance of partnerships, the City should look to support the current efforts to build new ownership and rental product.

- Action: Evaluate proposals to ensure each meets City development standards and support with in-kind services and/or direct financial support.
- Action: Evaluate absorption rates and recommend phasing as appropriate.

**Goal:** Define Development Program and Begin Cascade Falls Project

The Cascade Falls site is a major development opportunity for the City. Based on the preliminary engineering report, it appears there is likely 1.5 acres of land outside environmental hazards that can be developed for housing on the site. Based on a reasonable assumption for multifamily density of 25 dwelling units per acre, there may be capacity for between 25 and 38 units on this site.

- Action: Based on needs expressed by employers, focus project on rental units, with approximately 80 percent concentrated in 2-bedroom units, and the balance in 1-bedroom/studio units.
- Action: Retain land planners, civil engineers, and architects to define a project of this magnitude that can be constructed in two phases to mitigate risk.
- Action: Frame up the project ownership and financing, based on opportunities listed below.
- Action: Define deed restrictions commensurate with degree of subsidy provided.
- Action: Map out strategy to secure Proposition 123 funding and ensure gap closure dollars can be integrated with other financing terms.

### Goal: Create a Land Bank

Land banks are government entities or nonprofit organizations that aim to convert vacant, abandoned, or tax delinquent properties into productive use. Housing development is often a primary goal of land banks. A land bank can be used for land the City already owns, and the City can also purchase land and place it in the land bank. When the time is right for development, land can be sold or otherwise provided to a developer to develop rental and/or for sale affordable housing. Any revenue from the sale of a land bank asset can be used to purchase more land bank properties. Land banks may be funded through dedicated affordable housing funds, the General Fund, or other funding sources.

- Action: Evaluate which City-owned parcels to put in land bank.
- Action: Develop policy for Council to consider future acquisitions.
- Action: Develop land disposition strategy and policy for parcels that do not represent a reasonable solution to affordable housing needs.

## Strategy: Engage the Business Community to form Housing Solutions

### Goal: Provide Opportunities for Employer Partnerships for Housing

As noted in **Chapter 3**, multiple local employers are very interested in partnering on housing projects that can benefit their employees. Offer the opportunity to buy-in to the Timber Falls project, in which the employers are able to benefit from the value of the land in exchange for the investment of private capital.

- Action: Building on recent survey results, open conversations with the employer community to identify those interested in participating in the new build.
- Action: Assess feasibility by establishing a working set of assumptions for sources and uses of funds. Estimate cost of construction from design team inputs and compare to revenues based on state funds, land value, and equity sources from employers.
- Action: Based on discussions with interested employers, define investment thresholds, initial valuation, long-term investment returns, and annual cash flow commitments to ensure viability.
- Action: Specify deed restriction to be placed on units.

**Goal: Create a Centralized Local's Resource Page**

A key finding of this study is that affordable housing may be present (particularly rental housing), but there is no centralized listing location and no way for those who aren't "in the know" to find out about these units. A centralized webpage where property owners can list available units can aid both those currently living in Ouray looking for housing, as well as those looking to move to the city who are in search of reliable housing advertisement.

- Action: Set up webpage for housing listings
- Action: Connect with local property owners to list available units
- Action: Explore option of allowing for local job postings on the site as well

## **Strategy: Leverage Ouray's Market Position to Expand Housing Inventory**

**Goal: Modify Land Development Code to accommodate interest from prospective developers and investors, ensuring that affordable housing needs are incorporated into redevelopment plans**

- Action: Evaluate development code to ensure appropriate development types and densities are allowed (and potentially incentivized) to encourage development of affordable/workforce housing.
- Action: Seek ways to incent large scale redevelopment in specific areas, and identify housing commitments to be required of developers.
- Action: Recognize the building market pressure in Ouray and prepare for a greater number of small scale redevelopment (including scrapes of single family homes). Establish demolition permitting process and identify replacement provisions.
- Action: Ensure land development code includes housing requirements for all types of redevelopment, providing a fee-in-lieu option in the form of a linkage program for both commercial and residential projects.

**Goal: Evaluate opportunities to annex property and/or expand city boundaries to incorporate land suitable for affordable/workforce housing.**

- Action: Expand boundaries to bring in new lands that can be serviced by City utilities and represent unique solutions for land supply.

Goal: Recognize the importance of the steps taken thus far to establish dedicated funding sources for affordable housing, and seek to expand as appropriate.

- Action: The City's STR tax revenue provides a steady stream of funding for housing. As noted in the Financial Resources section, a plan for use of funding is important; outlining priorities for these funds (e.g., Cascade Falls, support of other projects, program support) will help in determining if/when additional funding sources are needed.
- Action: As noted above, the STR tax revenue is one funding source for housing in the city; depending on what strategies are pursued, there may be a need for additional funding sources. As a last step in this prioritization, the City should consider and evaluate additional funding sources to support housing projects and programs moving forward.

# Ouray Housing Needs Analysis and Strategy: Addendum

*July 2024*

This addendum to the Ouray Housing Needs Analysis and Strategy (January 2024) provides clarifying information for the City of Ouray's Proposition 123 Rural Resort Petition, requesting an AMI increase to 120 percent.

One overall contextual point is that data – particularly data on rental housing – is difficult to come by in small communities. The Housing Needs Analysis was based on the best data available. This data was used to craft housing goals and priorities to help the City allocate resources and sequence projects accordingly. As a rural community with a tourism-based economy, housing needs are ever-present and occur at all economic levels. Additional resources will be critical to meet these needs.

This addendum provides three key clarifications:

## ***Clarification #1***

*Page 43 of the report noted that "after accounting for pipeline units, housing targets for the City are focused on rental housing, as well as for-sale housing targeted to employers looking to participate in housing solutions." Page 45 then states that "it is recommended that the City focus on the needs of these households below 100 percent AMI, and commit to increasing the affordable rental inventory over the 10-year planning horizon."*

**The statement on page 45 refers to priorities outside of the projects already in the development pipeline; both Waterview Homes (65 ownership units) and the Home Trust of Ouray County's proposed Riverwalk Affordable Rentals development (13 rental units) are already in the development pipeline.**

**The statement in the report relates to targets after accounting for the pipeline, recognizing that these pipeline units are responding to current needs in the community. Additionally, the statement in the report is intended to help prioritize City resources and not preclude the need for housing at higher affordability levels.**

**Clarification #2**

*On page 47, Table 17 "Rental Needs by AMI" shows rental needs primarily in the 30-60 percent and 80-100 percent AMI ranges, with no need shown above 100 percent AMI.*

**While a direct interpretation of the table would indicate no rental units are needed above 100 percent AMI, this table is intended to identify priorities for the community based on the supply and demand factors used in the housing needs analysis. It is important to recognize that this prioritization does not negate the breadth of need in Ouray at all income levels below 120 percent of AMI for both ownership and rental.**

**The intent of the table is to summarize goals based on the analysis of needs and was not intended to be prescriptive and preclude development of units affordable to households earning more than 100 percent AMI.**

**Clarification #3**

*Page 33 of the report, while noting that affordability for rental units with 3 or more bedrooms exceeds 100 percent AMI, states that "this indicates that rental affordability challenges may be more prevalent for families or larger households."*

**This statement supports a need for rental units for families earning up to 120 percent AMI, particularly in providing housing options for working families.**

## **Future Agenda Items / Work Session Topics**

- Discussion: Mineral Farms – TENTATIVELY November 2, 2026
- Action: Adopt 2027 Budget, Appropriation, Mill Levy, Fee Schedule Resolutions – November 16, 2026
- Discussion: Parking Plan – November 16, 2026
- Work Session: Deed Restriction Template – December 7, 2026
- Discussion (Ordinance): Bed & Breakfast / Lodging – TBD
- Work Session: Ice Park Operations [Pump and Funding] – TBD
- Work Session: Ouray Hot Spring Fitness Center – TBD
- Work Session: 2027 / 2028 Vision for the City of Ouray – TBD
- Discussion: City Council Meeting Times – TBD

### **2027 Items / Topics**

- Discussion: Wayfinding Way Forward – TBD
- Discussion: Tobacco Retail Licensing – TBD

The schedule of future agenda items and work session topics is provided for informational purposes only.  
Dates, times, and topics are subject to change.

10/16/2026



P.O. Box 468  
320 6th Avenue  
Ouray, CO 81427  
(970) 325-7211

**Date:** October 19, 2026  
**To:** Ouray City Council  
**From:** Michelle Metteer, City Administrator  
**Re:** City Council Administration Report

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### **Fireworks Survey**

City staff was recently asked to conduct a community survey for the purposes of gauging the level of interest in maintaining the annual 4th of July fireworks celebration. Kailey Rhoten created the included survey and noticed the survey via Instagram, Facebook, the City website, City Hall front window (in paper format), ad in the Plaindealer, and in the monthly newsletter.

### **Residential EQR Declarations**

As an update, the City is now in the process of sending out the audit notification letters. We discussed at a previous meeting the process the City will follow and the ability for property owners to request an inspection in the event the declaration is questioned. The updated EQR declarations will go into effect starting January 1, 2027.

### **FEMA Public Assistance Meeting**

We held our weekly FEMA Public Assistance meeting where we discussed reimbursement for equipment used by the Ouray Volunteer Fire Department along with possible reimbursement for 3rd party volunteer firefighters and time spent by staff in the Emergency Operations Center.

### **OurWay**

At the 2027 budget work session, the Council requested updated ridership numbers for the OurWay transit service. After multiple requests I have still not received the data.

### **333 6th Ave Sale**

I have drafted an RFP for a Real Estate Agent which is in line with following the City's procurement policy. My next step is to have the RFP quickly reviewed by legal before posting. I will be requesting the involvement of at least one, but up to two City Council members to be on the RFP selection committee.

### **Ice Park Management Agreement**

As part of the Ice Park Management Agreement, OIPI is to provide a pre-season report which is included as part of this update. The Council is encouraged to reach out to Tres Barbatelli directly at

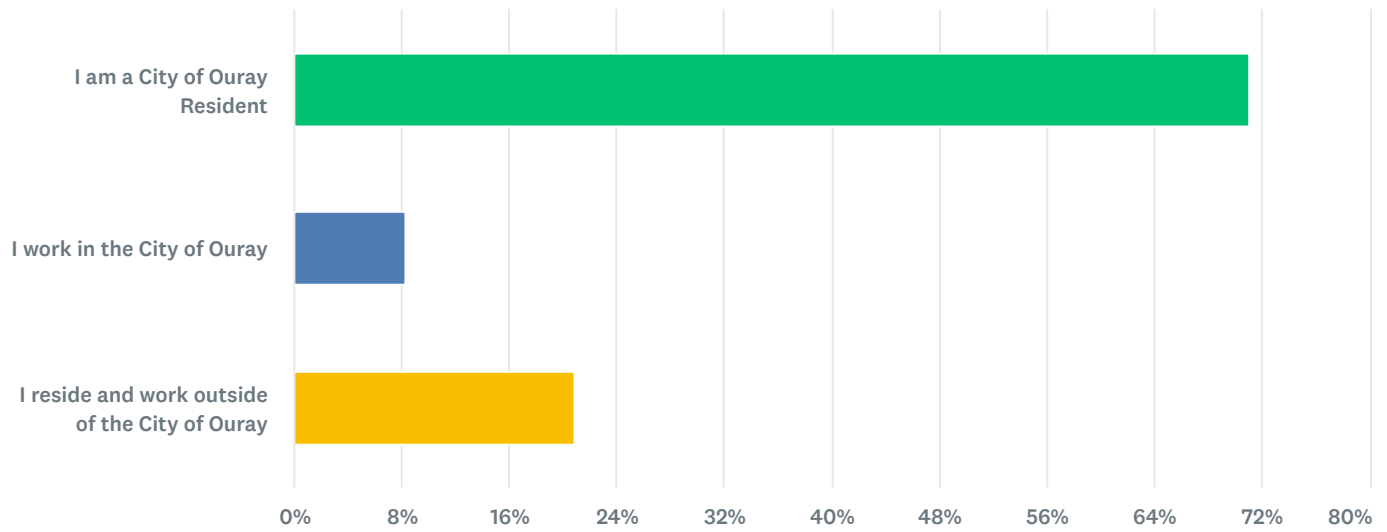
### **City Organization**

I continue to look for ways to increase efficiency within the City organization. If we can find ways to increase efficiency while saving on labor costs then the opportunity to streamline our processes and positions is considered. Included is a copy of the 2027 Org Chart that will be presented as part of the budget process. The 2027 Org Chart includes a decrease of one position in the general fund and an increase of one position in the Parks Enterprise Fund (Hot Springs). The current 2027 Org Chart includes the City of Ouray Police Department. If the

Council approves the City/County proposed IGA for Law Enforcement Services, the Police Department will be effectively dissolved. This does not have to be a permanent change as the City Council at any time can choose to reimplement the Department at their discretion.

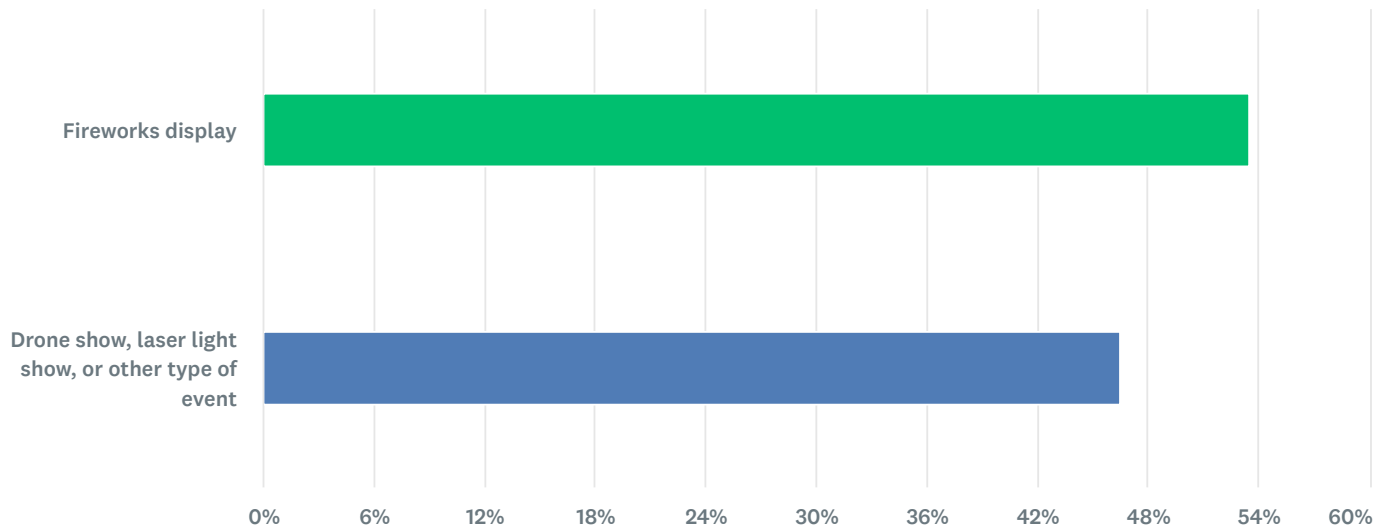
**Q1** 231 responses

## What best describes you?



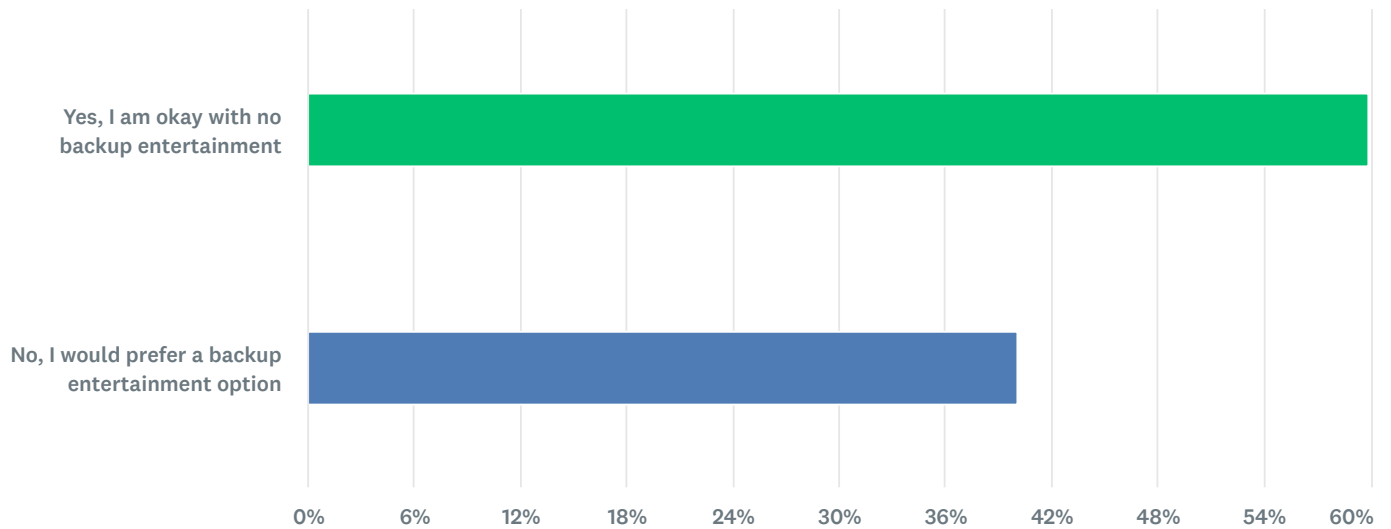
**Q2** 213 responses

### Which option do you prefer for the 4th of July celebration in Ouray?



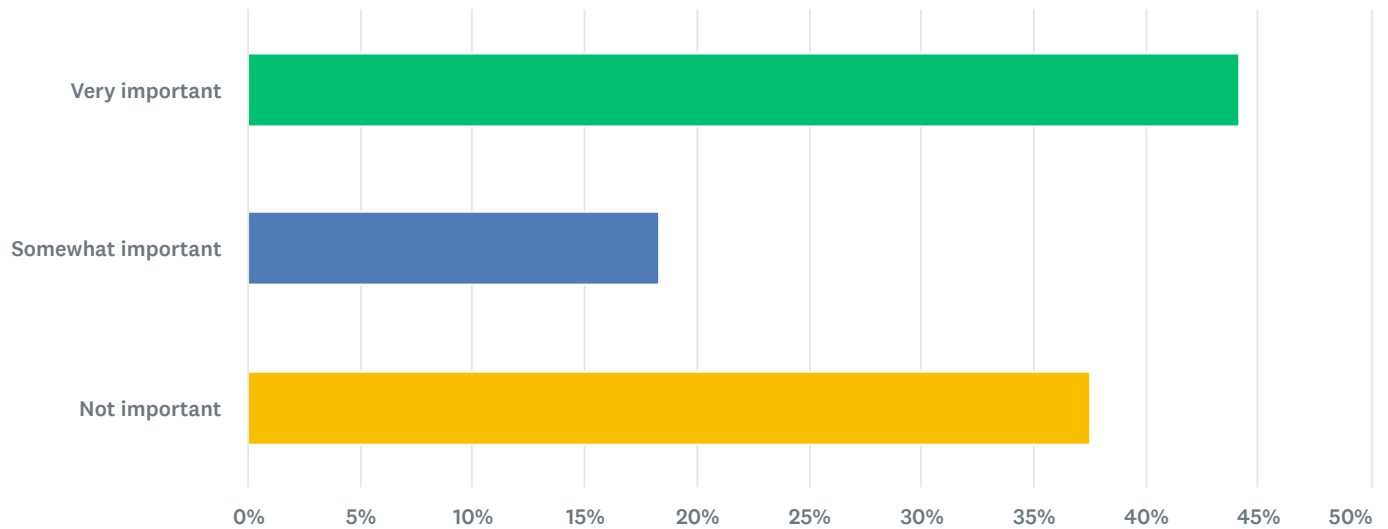
**Q3** 212 responses

**If fireworks are chosen, are you okay with having no backup entertainment like a drone or laser light show in case of fire restrictions?**



**Q4** 213 responses

**In your opinion, how important is it to maintain the tradition of fireworks on the 4th of July?**



## Q5 Please provide any additional comments or suggestions regarding the 4th of July celebrations in Ouray.

Answered: 129    Skipped: 102

| #  | RESPONSES                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  | DATE                |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------|
| 1  | It is just something special. Up here in the mountains, the booming fireworks. It's amazing to see kids faces when those spectacular fireworks go off in that beautiful blue ski                                                                                                                                                                                                                                                                                                           | 10/15/2026 1:06 PM  |
| 2  | I live in Elk Meadows, part of the Ouray school district and Ouray county. I think for the time being we need to alternate means of celebration (drones, etc.) unless there is an extremely wet year                                                                                                                                                                                                                                                                                       | 10/14/2026 8:56 PM  |
| 3  | I feel and have felt strongly for some time that fireworks should be illegal. The fire danger is too great, they are polluting, and disrupt wildlife. Thank you so much for considering stopping fireworks.                                                                                                                                                                                                                                                                                | 10/14/2026 6:23 PM  |
| 4  | Can't imagine 4th changing after all these years. Carl and I grew up here and this is just part of Ouray. Tough call. Mary Cockle                                                                                                                                                                                                                                                                                                                                                          | 10/14/2026 3:27 PM  |
| 5  | Climate has changed. Fireworks hurts our environment and are now a very dangerous fire hazard. All fireworks should be banned.                                                                                                                                                                                                                                                                                                                                                             | 10/13/2026 1:50 PM  |
| 6  | I live in Ridgway and the Gold Mountain Fire got within 3 miles of my home. It was distressing that Ouray was even considering a 4th of July fireworks display after it was clear how bad the drought was in 2026. Things change, including climate conditions. Given the condition of the surrounding forests and ongoing drought conditions, it is irresponsible for a mountain town like Ouray to have fireworks displays in the future.                                                | 10/12/2026 3:42 PM  |
| 7  | I understand a lot of the concerns surrounding fireworks. I am honestly conflicted because I VERY much enjoy the fireworks and the resounding booms and thunder they create. I'm not worried about fire (I think that is managed just fine) but I do feel sympathy for the wildlife, pets, folks, with trauma and anything else effected by them. But I just don't feel like the drone or laser shows are really a substitute and I frankly just don't care about them one way or another! | 10/12/2026 12:25 PM |
| 8  | With the uncertainty every year due to increased fire restrictions, I believe the town of Ouray needs to respond to change conditions. Many towns now do a different type of entertainment. I live in the county and would much prefer to support an alternative.                                                                                                                                                                                                                          | 10/12/2026 5:54 AM  |
| 9  | Traditions are important! PS we need police too                                                                                                                                                                                                                                                                                                                                                                                                                                            | 10/11/2026 3:59 PM  |
| 10 | I've probably been in your A for the last 35 years out of 45, and it's a shame if we can't do real fireworks. Drone is not a good backup. needs to be fireworks like the old traditions, the fire department does a great job on making sure it's safe. let's not ruin Ouray traditions                                                                                                                                                                                                    | 10/11/2026 8:16 AM  |
| 11 | I don't know if it's feasible, but I would suggest a smaller fireworks show (say 10 - 15 minutes) that makes it similar to a good thunderstorm in noise for the people who worry about that aspect. There could be a light or drone show for 10-15 minutes first. Serves both sides - less disruption by fireworks, but still get that "only in Ouray experience" tradition and a built in back up for years with high fire danger                                                         | 10/9/2026 8:14 PM   |
| 12 | The Fourth of July celebratory fireworks show is a high point for locals and visitors to joyfully share in the blessings of our heritage and hope in our future together.                                                                                                                                                                                                                                                                                                                  | 10/9/2026 8:03 PM   |
| 13 | The 4th of July fireworks show has been a long-standing tradition in our family. We have family and friends come stay with us in Ridgway just for the events. While I agreed with canceling it during the fires, my family and all our friends look forward to its return next year. Drones and laser are just not the same. The businesses are sure to take a hit if fireworks are replaced with anything else.                                                                           | 10/9/2026 3:47 PM   |
| 14 | Fireworks can resume when fire danger reduced                                                                                                                                                                                                                                                                                                                                                                                                                                              | 10/9/2026 3:35 PM   |

Ouray 4th of July Celebration Preferences Survey

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|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|
| 15 | The part that brings tears to my eyes each summer is the booming echos that bounce off the canyon walls. It's magical..                                                                                                                                                                                                                                                                                                                                                                                                   | 10/8/2026 6:24 PM  |
| 16 | I am opposed to fireworks unless they are silent. They disrupt wildlife and cause dogs and pets to cower and run away. Veterans with trauma are re-traumatized. We can do better by our people and living beings.                                                                                                                                                                                                                                                                                                         | 10/8/2026 11:34 AM |
| 17 | I do not support replacing the 4th of July fireworks with drone, laser, or other show. Keep the tradition alive!                                                                                                                                                                                                                                                                                                                                                                                                          | 10/8/2026 9:38 AM  |
| 18 | Keep the tradition alive! Yes to fireworks! Also, don't change policy/tradition based solely on a survey as these can be easily manipulated.                                                                                                                                                                                                                                                                                                                                                                              | 10/8/2026 8:12 AM  |
| 19 | The sound of real fireworks is the best sound in the valley.                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 10/8/2026 8:01 AM  |
| 20 | Fireworks being moved to Labor Day and/or New Years when fire risk is low                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 10/7/2026 2:08 PM  |
| 21 | The Gold Mountain fire started 100 yards from my house. We live in one of the driest landscapes in the West and it's only getting drier with global warming. I understand wanting them from a business perspective but it's only dry and getting drier. Let's think safety over celebration                                                                                                                                                                                                                               | 10/7/2026 10:32 AM |
| 22 | It's time to move past fireworks. They start spot fires every year. They're unsafe and unnecessarily loud and detrimental to wildlife and domesticated animals. It's time to move on.                                                                                                                                                                                                                                                                                                                                     | 10/6/2026 8:26 PM  |
| 23 | I pick between very and somewhat important. Don't like the commercialization of drone shows. Seems like every year has to be bigger and better than the last. Seems a bit unsustainable. If possible, I'd prefer a concert and a few fireworks. But, we can't always get what we want.                                                                                                                                                                                                                                    | 10/6/2026 8:21 PM  |
| 24 | Music in the park! No lights, fireworks, drones, or laser needed. Save the money.                                                                                                                                                                                                                                                                                                                                                                                                                                         | 10/6/2026 8:20 PM  |
| 25 | Fireworks are made of fire. Ouray is made of trees and houses, mountains and streams. Trees and houses burn. Then the mountains slide, and the streams flood. Rebuilding the town is more expensive than attracting new tourists. It's also more expensive than the insurance we can't buy.                                                                                                                                                                                                                               | 10/6/2026 6:59 PM  |
| 26 | What's best for the Ouray environment is best for the people. Keep Ouray safe from potential fire, trash, and pollution. We don't need no fireworks.                                                                                                                                                                                                                                                                                                                                                                      | 10/6/2026 6:52 PM  |
| 27 | It's a no-brainer: Safety first, ecological considerations close second & entertainment last.                                                                                                                                                                                                                                                                                                                                                                                                                             | 10/6/2026 6:29 PM  |
| 28 | Fireworks are no longer feasible in Ouray County at all, due to fire danger. If they cause a fire, the City will be sued. We DO NOT WANT ANY FIREWORKS AT ALL, whether City sponsored shows or people just using them in town or even out in the county. FIREWORKS SHOULD BE COMPLETELY BANNED WITHIN OURAY COUNTY!                                                                                                                                                                                                       | 10/6/2026 4:47 PM  |
| 29 | Please keep our forests from catching on fire.                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 10/6/2026 4:07 PM  |
| 30 | I think many years prudence would dictate no fireworks, so we should plan in a way that allows us to have a good quality celebration. Additionally, we know fireworks (and loud noises) have a large impact on wildlife, so avoiding that impact on the environment is important as well.                                                                                                                                                                                                                                 | 10/6/2026 2:09 PM  |
| 31 | Fireworks on the 4th of July is Ouray; when it's too risky, we don't.                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 10/6/2026 12:22 PM |
| 32 | Much prefer drone show                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | 10/6/2026 10:39 AM |
| 33 | I strongly urge the city to cancel the fireworks and come up with another plan                                                                                                                                                                                                                                                                                                                                                                                                                                            | 10/6/2026 10:28 AM |
| 34 | Fireworks are a part of who we are as Americans and are an important part of our celebrations. We just need to be responsible, smart and safe                                                                                                                                                                                                                                                                                                                                                                             | 10/6/2026 9:40 AM  |
| 35 | Why would we prioritize an arbitrary firework show over the safety of our community? Tradition is a stupid reason.                                                                                                                                                                                                                                                                                                                                                                                                        | 10/6/2026 7:58 AM  |
| 36 | Fireworks are becoming less reasonable in the American West as the climate grows warmer and drier. We need to consider alternatives, because burning down the town is a real possibility. We cannot afford to allow the desire to meet public expectation influence an otherwise objective decision about fire restrictions. I applaud official for making the obvious call not to do a fireworks show this summer. In less extreme but still dangerous conditions, would we be able to make the same responsible choice? | 10/6/2026 7:17 AM  |

## Ouray 4th of July Celebration Preferences Survey

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| 37 | It is extremely important to continue the fireworks for the 4th of July the drone show doesn't compare the noise and beauty of the fireworks.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 10/6/2026 5:45 AM  |
| 38 | Fireworks are bad for the environment, people and animals. Ouray should not be participating in them ever.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 10/5/2026 9:15 PM  |
| 39 | Due to the drought that seems to be consistent over 4th of July it would be irresponsible and dangerous to have fireworks for the city.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | 10/5/2026 7:37 PM  |
| 40 | It is irresponsible to be shooting off fireworks in that time of year because of the drought.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 10/5/2026 7:37 PM  |
| 41 | Concert or other fair would be great                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | 10/5/2026 7:36 PM  |
| 42 | It's so fun! Drone shows will lose their luster as they become common. They're a novelty now but that will wear off quick. Plus they are not connected to these fundamental traditions. Backup would be fine but I'd rather miss a few years of entertainment here and there than abandon the tradition altogether.                                                                                                                                                                                                                                                                                                                                                                                                                               | 10/5/2026 5:36 PM  |
| 43 | Too much fireworks                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 10/5/2026 3:02 PM  |
| 44 | We can get rid of the firework show. The harm it does to animals is horrible. Extreme Fear and Panic- Loud, unpredictable explosions cause severe anxiety, panic, and high heart rates in wildlife and pets. Dogs often shake or hide, while horses and livestock may bolt through fences.Nest and Offspring Abandonment: Sudden noise forces parent animals to abandon nests and young during breeding season, leaving offspring vulnerable to starvation, dehydration, or predators.Disorientation and Collisions: Startled birds flee in the dark, crashing into buildings, trees, or power lines, and can become so disoriented they fly far out to sea. This all along with the risk of wild fire. It is time we evolve away from fireworks. | 10/5/2026 1:03 PM  |
| 45 | 4th of July fireworks and fireworks in general seem like a celebration method that has run its course.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 10/5/2026 11:05 AM |
| 46 | While I think fireworks are a great tradition, I would support an alternate entertainment idea. How about a really fun line up of music in the park- festival style? Just an idea.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | 10/5/2026 9:20 AM  |
| 47 | I have watched embers from fireworks start the hillside below on fore numerous times, even one of the trailers erupting in flame. The fire department has not shown themselves capable of managing fireworks responsibly. Fireworks are no longer acceptable, the risk to town and damage to wildlife cannot be ignored any longer. It's time to end this outdated tradition.                                                                                                                                                                                                                                                                                                                                                                     | 10/5/2026 8:37 AM  |
| 48 | It is of utmost importance to keep people and their properties safe. These factors should be considered before any 4th of July celebration. We have had a prolonged drought and continue to fall short of needed precipitation and need to avoid any risk of fire. Not having a Police force to help supervise the hundreds of tourists to our community only heightens the fire risk as many shoot off private fireworks. Please take this seriously!                                                                                                                                                                                                                                                                                            | 10/5/2026 6:21 AM  |
| 49 | Music in the park and other all day events! The City could do so much better, engage with local residents and businesses to create innovative events that differentiate Ouray from other City's                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | 10/4/2026 10:16 PM |
| 50 | The Ouray area experienced a major wildfire in 2026. This should wake us all up to the dangers associated with climate change. Ouray should cease fireworks to protect those of us who live here. Stop pandering to tourists all the time.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | 10/4/2026 8:41 PM  |
| 51 | It would be nice to have a small drone show backup for dry conditions, but not essential, IMO                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | 10/4/2026 7:34 PM  |
| 52 | Probably not prudent with trending drought conditions.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | 10/4/2026 6:41 PM  |
| 53 | I am a long time local as well as over 100 years of family in the city and I as well as my family look forward to the 4th of July fireworks. Also, I have herd from many people that the fireworks scared their dogs but it is NO different than when we have a thunderstorm in the area as it is exactly the same thing. We live in a very unique area and our traditions are important and should NOT be subject to cancelation do to a few that does not out weight the many. Respectfully Regards                                                                                                                                                                                                                                             | 10/4/2026 4:55 PM  |
| 54 | It is vital to maintain many of the unique small town traditions of a Ouray 4th of July celebration. If you want a big box neutral celebration you can find in any other town in America then go to those towns and leave our fun alone.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 10/4/2026 4:54 PM  |
| 55 | Leave the 4th alone. This is ridiculous.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | 10/4/2026 2:10 PM  |

Ouray 4th of July Celebration Preferences Survey

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| 56 | Let the fire officials make the decision each year.                                                                                                                                                                                                                                                                                                                   | 10/4/2026 8:29 AM  |
| 57 | Water scarcity and wildfire risk need to inform this decision. Having reliable celebration activities allows the City to market appropriately without the risk of funds wasted on things that may not happen. There are numerous ways to honor tradition without the risk to people and the environment. We should be forward-thinking in our approach to this issue. | 10/4/2026 7:20 AM  |
| 58 | Keep it how it is and also get a drone show                                                                                                                                                                                                                                                                                                                           | 10/4/2026 6:58 AM  |
| 59 | Drone shows are much better                                                                                                                                                                                                                                                                                                                                           | 10/3/2026 8:39 PM  |
| 60 | Stop with the fireworks! What a wasted!!                                                                                                                                                                                                                                                                                                                              | 10/3/2026 7:59 PM  |
| 61 | hate how they burn trees too, in the [ast.                                                                                                                                                                                                                                                                                                                            | 10/3/2026 4:42 PM  |
| 62 | Let's please celebrate our independence and have a prideful celebration that includes fireworks.                                                                                                                                                                                                                                                                      | 10/3/2026 3:53 PM  |
| 63 | Parade and Water fights are mandatory!                                                                                                                                                                                                                                                                                                                                | 10/3/2026 3:41 PM  |
| 64 | Stick with traditions                                                                                                                                                                                                                                                                                                                                                 | 10/3/2026 3:30 PM  |
| 65 | A new mindset is needed given the increasing fire danger due to drought and heavy growth!                                                                                                                                                                                                                                                                             | 10/3/2026 2:26 PM  |
| 66 | To many libtards                                                                                                                                                                                                                                                                                                                                                      | 10/3/2026 10:26 AM |
| 67 | Fireworks help bring in tourist which local businesses very much need!                                                                                                                                                                                                                                                                                                | 10/3/2026 8:56 AM  |
| 68 | The fire danger in the summer is overwhelming. Adding fireworks to the celebrations is reckless, ignorant behavior that gives a middle finger to the reality of the situation. Ouray is not immune to danger. I don't want to loose my home because of an old tradition.                                                                                              | 10/3/2026 8:36 AM  |
| 69 | It's not worth the chance of a fire or any other complications that can happen when you have other options these days now with drones and lasers which are very cool..                                                                                                                                                                                                | 10/3/2026 8:30 AM  |
| 70 | KEEP THE FIREWORKS !!!!                                                                                                                                                                                                                                                                                                                                               | 10/3/2026 6:49 AM  |
| 71 | I get fire restrictions may prevent fireworks, but there should be enough data to be able to predict whether they can take place to have a backup in place if they can't.                                                                                                                                                                                             | 10/3/2026 3:42 AM  |
| 72 | It seems like there is always a fear of fire at that time of year and it is the same thing year after year so I would not care if we don't spend a bunch of money on fireworks.                                                                                                                                                                                       | 10/3/2026 12:39 AM |
| 73 | fireworks seem outdated. the drone show on new years was great, and not having the noise, trash, & threat of fire are an added bonus.                                                                                                                                                                                                                                 | 10/2/2026 11:11 PM |
| 74 | Council was elected to make tough decisions on behalf of the citizens. Punting it to the popular opinion via survey is a cop-out. It's time to move past fireworks.                                                                                                                                                                                                   | 10/2/2026 11:08 PM |
| 75 | After this summer I am way more aware of the fire dangers and the difficulties the limited police force would face if the city had to be evacuated with thousands of extra people in here                                                                                                                                                                             | 10/2/2026 9:15 PM  |
| 76 | The Fireworks need to stop for safety. The town and all of it's tourists will survive without fireworks                                                                                                                                                                                                                                                               | 10/2/2026 8:28 PM  |
| 77 | Fireworks are antiquated and not necessary given seemingly perennial fire restrictions which could not be controlled if a fire breaks out in the wrong place during the show                                                                                                                                                                                          | 10/2/2026 5:56 PM  |
| 78 | I think with how dry we have become we should move away from fireworks and put the our money into a drone show. It's silly to even think about fireworks in the summer considering the fire we just had.                                                                                                                                                              | 10/2/2026 2:45 PM  |
| 79 | IETS NOT BECOME BIG. IET'S STAY TRADITIONAL LIKE WE WANT TO STAY.                                                                                                                                                                                                                                                                                                     | 10/2/2026 2:07 PM  |
| 80 | There is no reason to condone any sort of entertainment that could cause fire- even with all of the precautions that are taken. It's time to recognize that wildfire is a real threat!                                                                                                                                                                                | 10/2/2026 1:51 PM  |
| 81 | Fireworks are a part of the 4th of July                                                                                                                                                                                                                                                                                                                               | 10/2/2026 1:50 PM  |
| 82 | None                                                                                                                                                                                                                                                                                                                                                                  | 10/2/2026 1:41 PM  |
| 83 | Drone show would be just as cool!                                                                                                                                                                                                                                                                                                                                     | 10/2/2026 1:09 PM  |

Ouray 4th of July Celebration Preferences Survey

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| 84  | Fireworks are a thing of the past. Now that we know that FIRE DANGER IS REAL and that fireworks also greatly impact our fills with PTSD and our pets and wildlife, fireworks should be replaced with another form of entertainment. Let's stop entertaining the rest of the world and make life safer and better for those of us who live here. | 10/2/2026 12:52 PM |
| 85  | I think we need to think about the safety of Ouray and its residents over tourism.                                                                                                                                                                                                                                                              | 10/2/2026 12:44 PM |
| 86  | The fireworks are a staple tradition and draw a lot of business to ouray the would be lost with only a laser light or drone show.                                                                                                                                                                                                               | 10/2/2026 12:37 PM |
| 87  | This is an important set of events. We do the Fourth of July better than anywhere else in the region. Important for our brand                                                                                                                                                                                                                   | 10/2/2026 12:20 PM |
| 88  | The drones suck                                                                                                                                                                                                                                                                                                                                 | 10/2/2026 12:14 PM |
| 89  | With all the added traffic, pedestrian safety is an issue. So added police presence is needed.                                                                                                                                                                                                                                                  | 10/2/2026 11:49 AM |
| 90  | Why expose the community to Fire risks?                                                                                                                                                                                                                                                                                                         | 10/2/2026 11:49 AM |
| 91  | I am not a full-time resident but have a home with long rental.                                                                                                                                                                                                                                                                                 | 10/2/2026 11:49 AM |
| 92  | The safety of our town takes priority over tradition. The drone show featuring Colorado was fantastic.                                                                                                                                                                                                                                          | 10/2/2026 11:47 AM |
| 93  | For me the parade and other daytime events are most important 4th of July events.                                                                                                                                                                                                                                                               | 10/2/2026 11:45 AM |
| 94  | Fireworks is a long tradition for anyone around the country                                                                                                                                                                                                                                                                                     | 10/2/2026 11:32 AM |
| 95  | I'm torn between loving fireworks but liking the safety of drone shows. I'd love to continue fireworks on NYE and maybe pursue a drone show for the 4th of July.                                                                                                                                                                                | 10/2/2026 11:30 AM |
| 96  | Debris all over houses below the launch site. Fireworks not needed.                                                                                                                                                                                                                                                                             | 10/2/2026 11:21 AM |
| 97  | I think it's dangerous to do fireworks at all and we should move away from them. Not only for the obvious fire risks but the liter the fireworks cause as well                                                                                                                                                                                  | 10/2/2026 11:16 AM |
| 98  | We cannot afford a fire the people that saty all day to watch the fireworks usually do not spend alot of money I would love a drown show and bands in park WE DO NOT need fireworks to dangerouas bands in                                                                                                                                      | 10/2/2026 11:06 AM |
| 99  | Since our fire I would like extreme caution with fireworks. I totally love them on New Years Eve! I am a 53 year resident and former business owner.                                                                                                                                                                                            | 10/2/2026 11:03 AM |
| 100 | concert in the park with food vendors                                                                                                                                                                                                                                                                                                           | 10/2/2026 10:39 AM |
| 101 | The burden on the volunteer firefighters for the fireworks is too high. If it is deemed important to continue the tradition of fireworks, the city should pay for professionals to put them on instead of asking the fire department to do this.                                                                                                | 10/2/2026 10:38 AM |
| 102 | I am perfectly willing to shrug it off and "wait until next year" whenever I've been in your way and the fireworks have been canceled. It's always been for a good reason I can respect.                                                                                                                                                        | 10/2/2026 10:19 AM |
| 103 | It's time to be respectful of the nature of our beautiful home and stop fireworks. Not worth the risk and the stress to local wildlife and members of our community with sensitivities like PTSD.                                                                                                                                               | 10/2/2026 10:14 AM |
| 104 | The 4th of July week in Ouray is the most stressful week for residents. The area is supersaturated with tourists. Excessive traffic, noise, and overcrowded facilities, campgrounds and trails are unpleasant. I wouldn't encourage more tourist attractions that week.                                                                         | 10/2/2026 10:11 AM |
| 105 | That's why people come to ouray, they don't come just for the city they come for the entertainment                                                                                                                                                                                                                                              | 10/2/2026 10:06 AM |
| 106 | fire danger awareness should be increased. Parade and water fights important.                                                                                                                                                                                                                                                                   | 10/2/2026 10:04 AM |
| 107 | I may not live in the City of Ouray, but I'm close enough to see and hear them. Fireworks are offensive to many, humans and animals, do not send a responsible or appropriate message. Some "traditions" should cease to exist                                                                                                                  | 10/2/2026 10:04 AM |
| 108 | I really love fireworks, but sadly it seems irresponsible to use them now with the increased wildfire risk due to climate change.                                                                                                                                                                                                               | 10/2/2026 9:51 AM  |

Ouray 4th of July Celebration Preferences Survey

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| 109 | If we have a dry summer, then obviously the fireworks should be canceled. We don't need another wildfire. But if it's safe, then fireworks are preferred.                                                                                                                                                                                                                                   | 10/2/2026 9:50 AM |
| 110 | In this age of drought and wildfires, it is time to move on from fireworks.                                                                                                                                                                                                                                                                                                                 | 10/2/2026 9:49 AM |
| 111 | It's time to end the fireworks - we don't need to blow things up anymore for an exciting show                                                                                                                                                                                                                                                                                               | 10/2/2026 9:41 AM |
| 112 | Back up music and light show in park                                                                                                                                                                                                                                                                                                                                                        | 10/2/2026 9:37 AM |
| 113 | Have a local vendor fair. It would increase sales tax revenue and give people something to do during the day in between scheduled activities.                                                                                                                                                                                                                                               | 10/2/2026 9:36 AM |
| 114 | I think it's time to let go of the fireworks. They are too dangerous and the loud noise is also highly disruptive to wildlife, pets and the quiet mountain atmosphere in general.                                                                                                                                                                                                           | 10/2/2026 9:35 AM |
| 115 | The 150th drone show demonstrated a great alternative. It's an important economic driver to continue a full day of festivities...just without fireworks.                                                                                                                                                                                                                                    | 10/2/2026 9:29 AM |
| 116 | For 250 years our Nation, and for 150 years our State and the City of Ouray have celebrated 4th of July with fireworks. Don't tell me you want to preserve Ouray's History and then offer up this sort of BS!                                                                                                                                                                               | 10/2/2026 9:26 AM |
| 117 | Replacement for fireworks is not necessary. The parade is the best event of the day.                                                                                                                                                                                                                                                                                                        | 10/2/2026 9:25 AM |
| 118 | It's ok to have new traditions. Fireworks had their time and place, but it is time to move on                                                                                                                                                                                                                                                                                               | 10/2/2026 9:23 AM |
| 119 | State Farm just dropped my home due to wildfire risk. This is our new normal, I'm afraid. I think fireworks are irresponsible out west. Plan now for alternative so we can continue to be an amazing tourist location for the 4th!!!!                                                                                                                                                       | 10/2/2026 9:22 AM |
| 120 | Fireworks, when we have such a great danger of fire? CRAZY.                                                                                                                                                                                                                                                                                                                                 | 10/2/2026 9:22 AM |
| 121 | If fireworks are chosen how will a backup option reflect the budget?                                                                                                                                                                                                                                                                                                                        | 10/2/2026 9:20 AM |
| 122 | I'm not filling this out for 3rd time.                                                                                                                                                                                                                                                                                                                                                      | 10/2/2026 9:19 AM |
| 123 | Water shortage, NO Water Fights!! 86,000 gallons wasted. Stop IT. Fire works during drought, Stop IT                                                                                                                                                                                                                                                                                        | 10/2/2026 9:18 AM |
| 124 | No more fireworks. We continue with something that is ultimately for hard on all the native animals in the area as well as domestic pets. The risk of fire is certainly another reason. PLEASE STOP THIS - drone or other celebrations - no more fireworks                                                                                                                                  | 10/2/2026 9:17 AM |
| 125 | A drone show would be a much better choice for our community and our safety for the foreseeable future.                                                                                                                                                                                                                                                                                     | 10/2/2026 9:17 AM |
| 126 | They are both unique and beautiful                                                                                                                                                                                                                                                                                                                                                          | 10/2/2026 9:15 AM |
| 127 | While I understand and appreciate traditions, it is time to move away from fireworks and create new traditions. The risk is not worth it, not to mention the trauma it causes wildlife and pets. Plus, when the City has fireworks it makes tourists feel entitled to also do their own, which is even more dangerous. The 150th drone show showcased that we have compelling alternatives. | 10/2/2026 9:11 AM |
| 128 | There should be a decision made at least 1 month before July 4. And if there are fire restrictions, it would probably be a good idea to not have fireworks.                                                                                                                                                                                                                                 | 10/2/2026 9:09 AM |
| 129 | If weather conditions impact our ability to light it up on the 4th let's really blow shit up on the 31st of December. Meaning, reprioritize the funding to New Years.                                                                                                                                                                                                                       | 10/2/2026 9:04 AM |



# OURAY ICE PARK

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## **Pre-Season Update for the 2026 / 2027 Season**

**To the City Council and Staff of the City of Ouray, Colorado**

Dear City Council Members and City Staff,

As we prepare for the upcoming 2026 / 2027 winter season, Ouray Ice Park, Incorporated (OIPI) is pleased to submit our formal Pre-Season Report. Over the summer and autumn months, our team has been working diligently on organizational right-sizing, infrastructure progress, community partnership renewal, and event programming. We remain deeply grateful for your continued partnership and shared dedication to maintaining the Ouray Ice Park as a world-class destination and a vital economic and cultural anchor for the City of Ouray.

Below is a detailed operational, administrative, and strategic summary as we approach opening day.

# Executive Summary & Operations Overview

We are currently targeting an opening date around the Christmas holiday season, condition dependent. A firm opening date will be announced in late November/early December as environmental conditions develop.

To ensure operational efficiency and financial sustainability, OIPI has restructured its staffing model for the 2026 / 2027 season:

- **Staffing Restructuring:** OIPI operations staff has been right-sized by 30%. Two field operations positions from last season were intentionally not backfilled, and management and administrative roles have been aligned for optimal efficiency.
- **Staggered Pre-Season Schedule:** Ice Farmers commence pre-season preparation work in early November. Ice Rangers will begin pre-season operations in early December.
- **Management & Administrative Appointments:**
  - Sarah Haubert has been hired as Operations Manager.
  - Christina Lujan has been promoted to Events Manager.
  - Nicole Wojtkiewicz returns as Communications Coordinator.
  - Robyn Dahl has been hired as Operations Administrator.
  - Ken Nierenhausen has been retained as Business System Administrator (1099 contractor) to complete system projects initiated last season.
- **Field Operations Team:** Our field operations core maintains strong experience, featuring three returning Ice Farmers and three returning Ice Rangers.
- **Communications Overhaul**
  - OIPI Communications Coordinator is exploring other opportunities to engage in the OIPI community outside social media and is implementing the following systems:
    - Collaborating with VisitOuray more closely and utilizing the shared Ouray-Ridgway Events calendar.
    - Social media content will be focused more on educational and stewardship content to better educate the public how to engage with the ice park. Additionally, OIPI will utilize community Facebook groups to reach users who don't engage on Instagram.

- Monthly newsletters that will be routinely sent out during our operating season to the following stakeholders: community business partners, OIPI Members and the general public.
- **Liability Insurance & Risk Management:** The City of Ouray and OIPI are jointly evaluating liability insurance options and coverage parameters. A liability coverage plan will be fully in place prior to Opening Day.

## Community Partnerships & Volunteer Stewardship

Engaging local businesses and volunteers remains central to our long-term sustainability and stewardship model.

- **Love Your Gorge Volunteer Event:**
  - Scheduled for Saturday, October 17, 2026, from 9:00 AM to 2:00 PM, in partnership with the Uncompahgre Watershed Partnership.
  - Volunteers will complete essential gorge maintenance and cleanup tasks. Lunch and a volunteer raffle will be provided upon completion.
  - Volunteer registration form: [Love Your Gorge Volunteer Form](#)
- **Community Business Partnerships:**
  - Executive Director outreach is ongoing across local businesses to renew partnership agreements, gather feedback, and ensure mutual commercial benefit. Visits will wrap up by the end of October.
  - Formalized a specialized community business partnership agreement tailored specifically to the operational needs of local guiding services.
- **Ice Park Advisory Team (IPAT)**
  - The IPAT continues to be a course of feedback and continued discussions from the community. The IPAT meets quarterly, meeting dates and minutes are posted on the OIPI website.

## Events, Programming & Education

Our event lineup for the 2026 / 2027 season blends world-class competition, community accessibility, and public education:

- **Ouray Ice Festival:**

- Public registration will launch shortly. Competition formats are being finalized, including a pre-qualifying round in the Lead Only area, an Elite Mixed competition on the Tower, and a dedicated Youth competition.
- All In clinics will continue as dedicated affinity spaces for marginalized communities, complemented by tailored evening programming.
- **Membership Drive & Special Events:**
  - Special engagement events will run across high-traffic weekends (Opening Weekend, MLK Day Weekend, and Presidents' Day Weekend), featuring athlete film premieres and presentations by renowned climbers.
  - Featuring a special half-day climbing clinic and geology tour led by geologist Dan Babin.
- **Stewardship & Education Series:**
  - Ranger AMA (Ask Me Anything): Informal coffee shop sessions hosted two to three times during the season, offering conditions reports, route beta, directions, and membership details.
  - Science on Tap: Free community presentations at local establishments:
    - December: Science of Ice Farming
    - January: Ice Climbing in the Climate Change Era
    - February: Geology of the San Juans (Hosted by Dan Babin)

## Fundraising & Grants

- **Operations & Capital Grants:**
  - Outdoor Equity Grant Program: Application submitted on September 22, 2026, supporting outdoor access for historically disenfranchised youth and families.
  - Ouray Chamber Nonprofit Grant: Application scheduled for submission by November 8, 2026.
  - Festival Sponsorships: Events Manager Christina Lujan is actively concluding summer industry partner meetings and finalizing sponsorship contracts.

# Infrastructure & "Our Water Our Future" Project

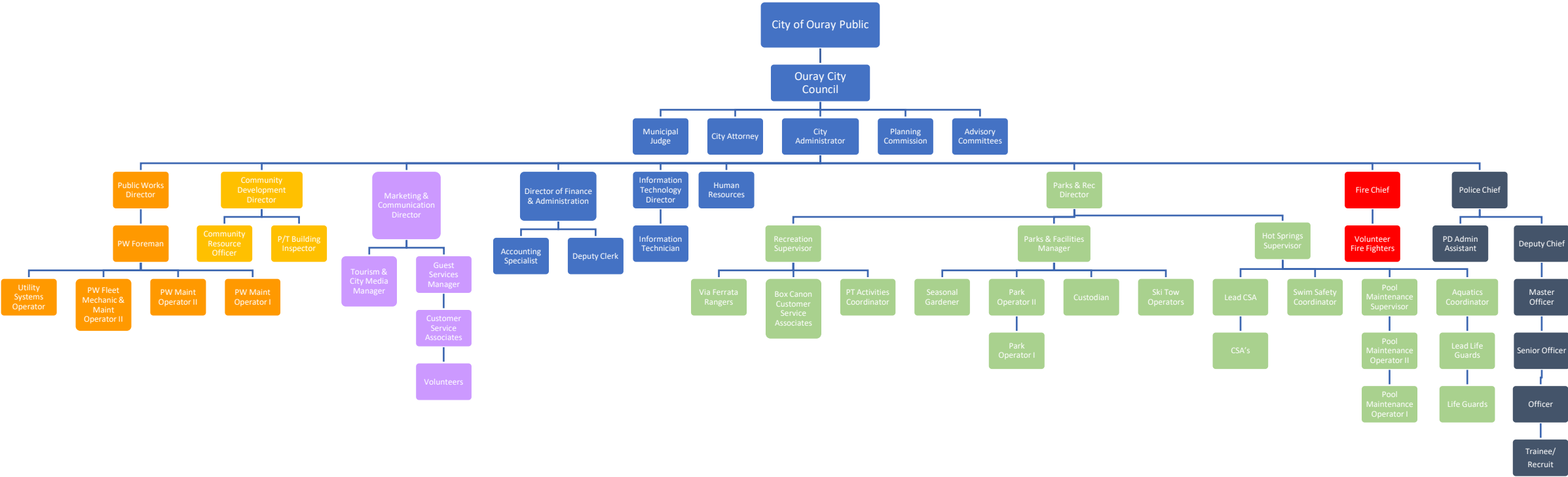
The "Our Water Our Future" capital project represents a transformational enhancement to the Ice Park's water infrastructure and reliability:

- **Grant & Funding Milestones:**
  - Grant agreement process with the Colorado Water Conservation Board (CWCB) is being finalized.
  - Letter of Intent (LOI) accepted by the Western Colorado Community Foundation; full application submission targeted for late October.
  - Project financial timeline and roadmap are nearing finalization, after which donor and public updates will be communicated.
- **Engineering Oversight:**
  - OIPI will retain a qualified engineering Project Manager to oversee final construction phases and ensure continuous project oversight.
- **City Public Works Collaboration:**
  - OIPI and City of Ouray Public Works are collaborating closely through construction completion, to be followed by system pressure testing and troubleshooting.
  - Both entities will draft a joint Standard Operating Procedure (SOP) to establish clear jurisdictional and operational boundaries.
  - OIPI will operate the augmented system as a proof-of-concept for a minimum of one season before formally conveying facility ownership to the City of Ouray.

Respectfully submitted,

Tres Barbatelli  
Executive Director, Ouray Ice Park, Inc.  
PO Box 1058 Ouray, CO 81427  
[www.ourayicepark.com](http://www.ourayicepark.com)

# 2027 Organizational Chart



320 6th Avenue  
PO Box 468  
Ouray, Colorado 81427



CITY OF  
**OURAY**  
COLORADO

970.325.7211  
Fax 970.325.7212  
[info@cityofouray.com](mailto:info@cityofouray.com)

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Date: October 19, 2026  
To: Ouray City Council  
From: Kara Rhoades, Finance and Administration Director / City Clerk - Treasurer  
Re: City Council Update

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## Administration & Personnel

- Staff continue to manage core operations while adjusting to recent organizational changes and building capacity across internal systems.
- Administration will not fill any open positions (including the previously advertised Administrative Assistant position) and funds for these roles have not been allocated in the 2027 budget.
- To ensure operational clarity given these reduced staffing levels (from five positions down to three), job descriptions for all administrative staff will be reviewed and revamped. This will establish clear lines of responsibility and define specific task ownership among team members.
- IT Director Rich Willis will begin employment on October 19. Moving forward, Director Willis will present IT updates to Council.
- Finance and Administration Director Rhoades would like to discuss with Council at a later date a proposal to close the administrative offices to the public on Fridays. With decreased staffing, reserving Fridays would allow remaining team members dedicated, uninterrupted time to conduct trainings, attend meetings, handle complex tasks, and manage personal scheduling.

## Finance

- The Finance Director and Accounting Specialist attended the Caselle Conference in Salt Lake City last week, acquiring valuable insights to enhance the City's accounting software utilization.
- Staff are exploring ways to streamline the Accounts Payable process, with a focus on incorporating electronic workflows to improve efficiency and approval tracking.
- Next steps for the 2027 Budget will be the Public Hearing scheduled for November 2.

## Projects

- **Caselle Software Enhancements:** Administrative staff continue implementing key software additions, including support for Utility Management and the tracking and reporting of STR activities including LOT and Excise Tax payments. Additionally, staff are evaluating a potential migration of the current payment portal to an all-in-one Caselle customer portal to streamline all payments to the City through a single platform.
- **Extended Producer Responsibility (EPR) Program:** Staff continue collaborating with Bruin Waste Management and the Circular Action Alliance on the EPR program. The draft contract is scheduled for legal review this month, with further details to follow as work progresses.
- **Document Cleanup & Records Management:** The admin office is actively engaged in a document cleanup effort and process improvement project with the marketing department. As part of these efforts, staff are preparing a proposed resolution for Council consideration in the near future regarding the formal adoption of digital signatures, digital document retention practices, and a citywide push to significantly reduce paper use to modernize operations and increase efficiency.



CITY OF OURAY FUND BALANCE SUMMARY

|                     | GOVERNMENT FUNDS |               |           |              |                | ENTERPRISE FUNDS |           |              |         |           | TOTAL<br>NET POSITION | FIRE<br>PENSION |
|---------------------|------------------|---------------|-----------|--------------|----------------|------------------|-----------|--------------|---------|-----------|-----------------------|-----------------|
|                     | GENERAL          | CONSERV.TRUST | TOURISM   | CAP. IMPROV. | BEAUTIFICATION | WATER            | SEWER     | UTILITIES-CI | REFUSE  | PARKS     |                       |                 |
| 2025 AUDITED        |                  |               |           |              |                |                  |           |              |         |           |                       |                 |
| BEGINNING FUND BAL  | 4,484,233        | 34,364        | 1,091,493 | 1,634,403    | 146,340        | 193,028          | 1,036,878 | (2,342,503)  | 64,312  | 1,429,921 | 7,772,469             | 1,030,041       |
| ADD: REVENUES       | 4,470,240        | 11,979        | 844,861   | 769,634      | 112,163        | 865,159          | 1,000,806 | 5,997,177    | 352,328 | 4,224,632 | 18,648,979            | 190,149         |
| LESS: EXPENDITURES  | 5,764,897        | -             | 552,621   | 647,671      | 95,589         | 722,188          | 902,991   | 1,854,706    | 336,387 | 3,959,670 | 14,836,720            | 64,693          |
| ENDING FUND BALANCE | 3,189,576        | 46,343        | 1,383,733 | 1,756,366    | 162,914        | 335,999          | 1,134,693 | 1,799,968    | 80,253  | 1,694,883 | 11,584,728            | 1,155,496       |
| 2026 @ 8/31         |                  |               |           |              |                |                  |           |              |         |           |                       |                 |
| BEGINNING FUND BAL  | 3,189,576        | 46,343        | 1,383,733 | 1,756,366    | 162,914        | 335,999          | 1,134,693 | 1,799,968    | 80,253  | 1,694,883 | 11,584,728            | 1,155,496       |
| ADD: REVENUES       | 3,328,962        | 6,366         | 531,299   | 453,057      | 66,277         | 609,898          | 679,870   | 943,345      | 233,920 | 2,933,774 | 9,786,766             | 81,035          |
| LESS: EXPENDITURES  | 2,555,743        | -             | 460,666   | 50,797       | 18,562         | 458,254          | 512,332   | 1,073,021    | 204,965 | 1,939,889 | 7,274,229             | 46,768          |
| ENDING FUND BALANCE | 3,962,795        | 52,709        | 1,454,366 | 2,158,626    | 210,628        | 487,643          | 1,302,230 | 1,670,292    | 109,208 | 2,688,768 | 14,097,265            | 1,189,763       |

|                                  |                                       |        |           |           |           |                                       |           |           |         |             |             |  |
|----------------------------------|---------------------------------------|--------|-----------|-----------|-----------|---------------------------------------|-----------|-----------|---------|-------------|-------------|--|
| TABOR (3% of 2025 Gov Funds Exp) | (211,823)                             |        |           |           |           |                                       |           |           |         |             | (211,823)   |  |
| Additional Reserves per Council  | (1,545,410)                           |        | (294,015) |           |           | (362,148)                             | (397,853) |           |         | (1,817,423) | (4,416,849) |  |
| Restricted Fund Balance:         |                                       |        |           |           |           |                                       |           |           |         |             |             |  |
| Council Reserves **              | -                                     | -      | (200,000) | (85,000)  | -         | -                                     | -         | -         | -       | -           | (285,000)   |  |
| Affordable Housing Fund          | (264,907)                             |        |           |           |           |                                       |           |           |         |             | (264,907)   |  |
| Cumulative Flume Tax             | (788,127)                             |        |           |           |           |                                       |           |           |         |             | (788,127)   |  |
|                                  | 1,152,527                             | 52,709 | 960,351   | 2,073,626 | 210,628   | 125,495                               | 904,377   | 1,670,292 | 109,208 | 871,345     | 8,130,557   |  |
|                                  | Total Fund Balance - Government Funds |        |           |           | 4,449,841 | Total Fund Balance - Enterprise Funds |           |           |         | 3,680,716   | -           |  |

\*\* Resolution 18 - 2021

CIF - \$245,000 (10,000 - Gazebo (10,000+ spent), 65,000 - Pickleball/Basketball Court, 20,000 - Skate Park, 150,000 - Fellin Park Restrooms (150,000+ spent))  
TF - \$250,000 - Fellin Park Stage (\$50,000 spent)

Fund Balances = Caselle

LEGEND

Revenue > Expense

Expense > Revenue (unexpected)

Expense > Revenue (expected)

CITY OF OURAY  
FUND SUMMARY  
FOR THE 8 MONTHS ENDING AUGUST 31, 2026

GENERAL FUND

|                        | PERIOD ACTUAL | YTD ACTUAL   | BUDGET       | VARIANCE     | PCNT |
|------------------------|---------------|--------------|--------------|--------------|------|
| <u>REVENUE</u>         |               |              |              |              |      |
| TAXES                  | 462,641.64    | 2,246,061.69 | 3,553,573.00 | 1,307,511.31 | 63.2 |
| GRANTS/CONTRIBUTIONS   | .00           | 409,364.99   | 756,000.00   | 346,635.01   | 54.2 |
| PERMITS & FEES         | 33,398.34     | 150,900.21   | 163,350.00   | 12,449.79    | 92.4 |
| OTHER REVENUES         | 23,030.34     | 363,089.05   | 481,511.18   | 118,422.13   | 75.4 |
| COMMUNITY CENTER       | .00           | 6,300.00     | 7,000.00     | 700.00       | 90.0 |
| OTHER PARKS REVENUES   | 1,643.28      | 11,561.60    | 78,350.00    | 66,788.40    | 14.8 |
| PROPERTY TAXES -FLUMES | 12,014.10     | 141,684.55   | 154,671.00   | 12,986.45    | 91.6 |
|                        | 532,727.70    | 3,328,962.09 | 5,194,455.18 | 1,865,493.09 | 64.1 |

EXPENDITURES

GENERAL GOVERNMENT EXPENSES:

|                           |            |              |              |              |       |
|---------------------------|------------|--------------|--------------|--------------|-------|
| SALARIES AND WAGES        | 7,319.42   | 284,694.72   | 542,910.08   | 258,215.36   | 52.4  |
| TAXES & BENEFITS          | 9,850.32   | 99,759.97    | 187,541.90   | 87,781.93    | 53.2  |
| OVERHEAD                  | 3,480.30   | 71,218.60    | 90,326.00    | 19,107.40    | 78.9  |
| OPERATING MAINTENANCE     | 163,738.58 | 547,394.99   | 775,785.00   | 228,390.01   | 70.6  |
| CAPITAL EXPENDITURES      | 2,486.21   | 45,960.70    | 27,050.00    | ( 18,910.70) | 169.9 |
| EMERGENCY SERVICES CENTER | 513.68     | 123,859.74   | 124,950.00   | 1,090.26     | 99.1  |
|                           | 187,388.51 | 1,172,888.72 | 1,748,562.98 | 575,674.26   | 67.1  |

POLICE DEPT. EXPENSES:

|                       |              |            |              |               |       |
|-----------------------|--------------|------------|--------------|---------------|-------|
| SALARIES AND WAGES    | ( 11,096.28) | 131,260.96 | 748,295.52   | 617,034.56    | 17.5  |
| TAXES & BENEFITS      | 3,998.91     | 74,123.99  | 285,353.43   | 211,229.44    | 26.0  |
| OVERHEAD              | 455.87       | 101,856.19 | 150,299.00   | 48,442.81     | 67.8  |
| OPERATING MAINTENANCE | 40,813.29    | 325,845.29 | 184,082.00   | ( 141,763.29) | 177.0 |
| CAPITAL EXPENDITURES  | .00          | .00        | 7,400.00     | 7,400.00      | .0    |
|                       | 34,171.79    | 633,086.43 | 1,375,429.95 | 742,343.52    | 46.0  |

CITY OF OURAY  
FUND SUMMARY  
FOR THE 8 MONTHS ENDING AUGUST 31, 2026

GENERAL FUND

|                                | PERIOD ACTUAL | YTD ACTUAL | BUDGET       | VARIANCE     | PCNT |
|--------------------------------|---------------|------------|--------------|--------------|------|
| FIRE DEPT. EXPENSES:           |               |            |              |              |      |
| SALARIES AND WAGES             | 322.84        | 24,817.27  | 40,000.00    | 15,182.73    | 62.0 |
| TAXES & BENEFITS               | 185.35        | 6,435.51   | 7,727.00     | 1,291.49     | 83.3 |
| OVERHEAD                       | 306.40        | 22,814.06  | 31,166.00    | 8,351.94     | 73.2 |
| OPERATING MAINTENANCE          | 6,206.34      | 44,900.35  | 125,300.00   | 80,399.65    | 35.8 |
| CAPITAL EXPENDITURES           | .00           | .00        | 19,100.00    | 19,100.00    | .0   |
|                                | 7,020.93      | 98,967.19  | 223,293.00   | 124,325.81   | 44.3 |
| PUBLIC WORKS DEPT. EXPENSES:   |               |            |              |              |      |
| SALARIES AND WAGES             | ( 9,013.07)   | 96,298.28  | 191,917.17   | 95,618.89    | 50.2 |
| TAXES & BENEFITS               | 3,345.88      | 38,138.71  | 75,516.00    | 37,377.29    | 50.5 |
| OVERHEAD                       | 2,025.24      | 38,138.69  | 38,971.00    | 832.31       | 97.9 |
| OPERATING MAINTENANCE          | 12,669.35     | 125,382.80 | 259,194.00   | 133,811.20   | 48.4 |
| CAPITAL EXPENDITURES           | 2,377.51      | 10,692.76  | 717,500.00   | 706,807.24   | 1.5  |
| CAPITAL IMPRV - FLUMES/STREETS | .00           | .00        | 170,000.00   | 170,000.00   | .0   |
|                                | 11,404.91     | 308,651.24 | 1,453,098.17 | 1,144,446.93 | 21.2 |
| COMMUNITY CENTER EXPENSES:     |               |            |              |              |      |
| SALARIES AND WAGES             | 625.93        | 30,335.19  | 68,673.79    | 38,338.60    | 44.2 |
| TAXES & BENEFITS               | 2,105.16      | 18,399.63  | 34,595.08    | 16,195.45    | 53.2 |
| OVERHEAD                       | 559.31        | 13,056.52  | 24,592.00    | 11,535.48    | 53.1 |
| OPERATING MAINTENANCE          | 3,615.42      | 10,442.74  | 18,540.00    | 8,097.26     | 56.3 |
| CAPITAL EXPENDITURES           | .00           | .00        | 8,000.00     | 8,000.00     | .0   |
|                                | 6,905.82      | 72,234.08  | 154,400.87   | 82,166.79    | 46.8 |
| OTHER PARKS EXPENSES:          |               |            |              |              |      |
| SALARIES AND WAGES             | 1,844.15      | 81,658.95  | 193,814.94   | 112,155.99   | 42.1 |
| TAXES & BENEFITS               | 3,037.36      | 28,255.96  | 55,062.01    | 26,806.05    | 51.3 |
| OVERHEAD                       | 2,518.54      | 19,157.62  | 29,608.00    | 10,450.38    | 64.7 |
| OPERATING MAINTENANCE          | 12,471.79     | 104,153.60 | 178,900.00   | 74,746.40    | 58.2 |
| CAPITAL EXPENDITURES           | .00           | 1,402.12   | 32,000.00    | 30,597.88    | 4.4  |
|                                | 19,871.84     | 234,628.25 | 489,384.95   | 254,756.70   | 47.9 |

CITY OF OURAY  
FUND SUMMARY  
FOR THE 8 MONTHS ENDING AUGUST 31, 2026

GENERAL FUND

|                                | PERIOD ACTUAL | YTD ACTUAL   | BUDGET        | VARIANCE        | PCNT  |
|--------------------------------|---------------|--------------|---------------|-----------------|-------|
| SKI TOW EXPENSES:              |               |              |               |                 |       |
| SALARIES AND WAGES             | ( 5.64)       | 5,920.28     | 19,906.83     | 13,986.55       | 29.7  |
| TAXES & BENEFITS               | 235.60        | 2,296.53     | 5,733.72      | 3,437.19        | 40.1  |
| OVERHEAD                       | 57.26         | 1,293.48     | 3,322.00      | 2,028.52        | 38.9  |
| OPERATING MAINTENANCE          | .00           | 507.61       | 9,100.00      | 8,592.39        | 5.6   |
|                                | 287.22        | 10,017.90    | 38,062.55     | 28,044.65       | 26.3  |
| ICE RINK/ROTARY PARK EXPENSES: |               |              |               |                 |       |
| SALARIES AND WAGES             | ( 237.10)     | 8,199.58     | 17,269.58     | 9,070.00        | 47.5  |
| TAXES & BENEFITS               | 450.51        | 4,458.16     | 7,634.18      | 3,176.02        | 58.4  |
| OVERHEAD                       | 71.01         | 4,358.33     | 9,467.00      | 5,108.67        | 46.0  |
| OPERATING MAINTENANCE          | 1,162.58      | 8,252.98     | 18,400.00     | 10,147.02       | 44.9  |
|                                | 1,447.00      | 25,269.05    | 52,770.76     | 27,501.71       | 47.9  |
|                                | 268,498.02    | 2,555,742.86 | 5,535,003.23  | 2,979,260.37    | 46.2  |
|                                | 264,229.68    | 773,219.23   | ( 340,548.05) | ( 1,113,767.28) | 227.1 |

CITY OF OURAY  
FUND SUMMARY  
FOR THE 8 MONTHS ENDING AUGUST 31, 2026

WATER FUND

|                       | PERIOD ACTUAL      | YTD ACTUAL        | BUDGET            | VARIANCE            | PCNT         |
|-----------------------|--------------------|-------------------|-------------------|---------------------|--------------|
| <u>REVENUE</u>        |                    |                   |                   |                     |              |
| CUSTOMER REVENUE      | 75,862.57          | 606,797.58        | 948,399.00        | 341,601.42          | 64.0         |
| OTHER REVENUES        | .00                | 3,099.96          | 19,650.00         | 16,550.04           | 15.8         |
|                       | <u>75,862.57</u>   | <u>609,897.54</u> | <u>968,049.00</u> | <u>358,151.46</u>   | <u>63.0</u>  |
| <u>EXPENDITURES</u>   |                    |                   |                   |                     |              |
| WATER EXPENSES:       |                    |                   |                   |                     |              |
| SALARIES AND WAGES    | ( 25,446.06)       | 188,047.16        | 388,735.42        | 200,688.26          | 48.4         |
| TAXES & BENEFITS      | 7,814.58           | 82,704.37         | 136,525.00        | 53,820.63           | 60.6         |
| OVERHEAD              | 2,301.99           | 49,085.44         | 69,681.00         | 20,595.56           | 70.4         |
| OPERATING MAINTENANCE | 14,198.18          | 133,634.10        | 269,395.00        | 135,760.90          | 49.6         |
| CAPITAL EXPENDITURES  | .00                | 4,782.73          | 13,000.00         | 8,217.27            | 36.8         |
|                       | <u>( 1,131.31)</u> | <u>458,253.80</u> | <u>877,336.42</u> | <u>419,082.62</u>   | <u>52.2</u>  |
|                       | <u>( 1,131.31)</u> | <u>458,253.80</u> | <u>877,336.42</u> | <u>419,082.62</u>   | <u>52.2</u>  |
|                       | <u>76,993.88</u>   | <u>151,643.74</u> | <u>90,712.58</u>  | <u>( 60,931.16)</u> | <u>167.2</u> |

CITY OF OURAY  
FUND SUMMARY  
FOR THE 8 MONTHS ENDING AUGUST 31, 2026

SEWER FUND

|                         | PERIOD ACTUAL       | YTD ACTUAL        | BUDGET              | VARIANCE             | PCNT         |
|-------------------------|---------------------|-------------------|---------------------|----------------------|--------------|
| <u>REVENUE</u>          |                     |                   |                     |                      |              |
| CUSTOMER REVENUE        | 83,964.69           | 670,401.53        | 1,034,230.00        | 363,828.47           | 64.8         |
| OTHER REVENUES          | .00                 | 9,468.10          | 37,150.00           | 27,681.90            | 25.5         |
|                         | <u>83,964.69</u>    | <u>679,869.63</u> | <u>1,071,380.00</u> | <u>391,510.37</u>    | <u>63.5</u>  |
| <br><u>EXPENDITURES</u> |                     |                   |                     |                      |              |
| SEWER EXPENSES:         |                     |                   |                     |                      |              |
| SALARIES AND WAGES      | ( 37,045.24)        | 199,237.05        | 426,356.11          | 227,119.06           | 46.7         |
| TAXES & BENEFITS        | 8,402.37            | 87,932.60         | 142,755.99          | 54,823.39            | 61.6         |
| OVERHEAD                | 8,338.74            | 96,731.65         | 158,225.00          | 61,493.35            | 61.1         |
| OPERATING MAINTENANCE   | 7,653.68            | 128,431.12        | 282,800.00          | 154,368.88           | 45.4         |
| CAPITAL EXPENDITURES    | .00                 | .00               | 11,000.00           | 11,000.00            | .0           |
|                         | <u>( 12,650.45)</u> | <u>512,332.42</u> | <u>1,021,137.10</u> | <u>508,804.68</u>    | <u>50.2</u>  |
|                         | <u>( 12,650.45)</u> | <u>512,332.42</u> | <u>1,021,137.10</u> | <u>508,804.68</u>    | <u>50.2</u>  |
|                         | <u>96,615.14</u>    | <u>167,537.21</u> | <u>50,242.90</u>    | <u>( 117,294.31)</u> | <u>333.5</u> |

CITY OF OURAY  
FUND SUMMARY  
FOR THE 8 MONTHS ENDING AUGUST 31, 2026

REFUSE/RECYCLE FUND

|                       | PERIOD ACTUAL    | YTD ACTUAL        | BUDGET              | VARIANCE            | PCNT         |
|-----------------------|------------------|-------------------|---------------------|---------------------|--------------|
| <u>REVENUE</u>        |                  |                   |                     |                     |              |
| REFUSE REVENUE        | 24,500.05        | 195,997.78        | 295,754.00          | 99,756.22           | 66.3         |
| RECYCLE REVENUE       | 4,784.24         | 37,922.17         | 58,730.00           | 20,807.83           | 64.6         |
|                       | <u>29,284.29</u> | <u>233,919.95</u> | <u>354,484.00</u>   | <u>120,564.05</u>   | <u>66.0</u>  |
| <u>EXPENDITURES</u>   |                  |                   |                     |                     |              |
| REFUSE EXPENSES:      |                  |                   |                     |                     |              |
| OPERATING MAINTENANCE | .00              | 170,890.80        | 302,128.00          | 131,237.20          | 56.6         |
|                       | .00              | 170,890.80        | 302,128.00          | 131,237.20          | 56.6         |
| RECYCLE EXPENSES:     |                  |                   |                     |                     |              |
| OPERATING MAINTENANCE | .00              | 34,074.03         | 65,228.00           | 31,153.97           | 52.2         |
|                       | .00              | 34,074.03         | 65,228.00           | 31,153.97           | 52.2         |
|                       | .00              | 204,964.83        | 367,356.00          | 162,391.17          | 55.8         |
|                       | <u>29,284.29</u> | <u>28,955.12</u>  | <u>( 12,872.00)</u> | <u>( 41,827.12)</u> | <u>225.0</u> |

CITY OF OURAY  
FUND SUMMARY  
FOR THE 8 MONTHS ENDING AUGUST 31, 2026

UTILITY - CI FUND

|                            | PERIOD ACTUAL      | YTD ACTUAL           | BUDGET              | VARIANCE            | PCNT           |
|----------------------------|--------------------|----------------------|---------------------|---------------------|----------------|
| <u>REVENUE</u>             |                    |                      |                     |                     |                |
| WATER REVENUES             | 61,562.25          | 290,115.58           | 501,745.00          | 211,629.42          | 57.8           |
| SEWER REVENUES             | 106,743.91         | 653,229.17           | 1,071,432.00        | 418,202.83          | 61.0           |
|                            | <u>168,306.16</u>  | <u>943,344.75</u>    | <u>1,573,177.00</u> | <u>629,832.25</u>   | <u>60.0</u>    |
| <u>EXPENDITURES</u>        |                    |                      |                     |                     |                |
| UTILITY-CI WATER EXPENSES: |                    |                      |                     |                     |                |
| CAPITAL EXPENDITURES       | ( 7,790.00)        | 5,250.00             | .00                 | ( 5,250.00)         | .0             |
| DEBT SERVICE               | .00                | 91,294.74            | 350,014.00          | 258,719.26          | 26.1           |
|                            | <u>( 7,790.00)</u> | <u>96,544.74</u>     | <u>350,014.00</u>   | <u>253,469.26</u>   | <u>27.6</u>    |
| UTILITY-CI SEWER EXPENSES: |                    |                      |                     |                     |                |
| CAPITAL EXPENDITURES       | 8,458.00           | 21,902.02            | .00                 | ( 21,902.02)        | .0             |
| DEBT SERVICE               | .00                | 954,574.46           | 954,574.00          | ( .46)              | 100.0          |
|                            | <u>8,458.00</u>    | <u>976,476.48</u>    | <u>954,574.00</u>   | <u>( 21,902.48)</u> | <u>102.3</u>   |
|                            | <u>668.00</u>      | <u>1,073,021.22</u>  | <u>1,304,588.00</u> | <u>231,566.78</u>   | <u>82.3</u>    |
|                            | <u>167,638.16</u>  | <u>( 129,676.47)</u> | <u>268,589.00</u>   | <u>398,265.47</u>   | <u>( 48.3)</u> |

CITY OF OURAY  
FUND SUMMARY  
FOR THE 8 MONTHS ENDING AUGUST 31, 2026

CAPITAL IMPROVEMENTS FUND

|                               | PERIOD ACTUAL | YTD ACTUAL | BUDGET          | VARIANCE        | PCNT |
|-------------------------------|---------------|------------|-----------------|-----------------|------|
| <u>REVENUE</u>                |               |            |                 |                 |      |
| CAPITAL IMPROVEMENT REVENUES  | 105,910.63    | 453,056.59 | 807,130.00      | 354,073.41      | 56.1 |
|                               | 105,910.63    | 453,056.59 | 807,130.00      | 354,073.41      | 56.1 |
| <u>EXPENDITURES</u>           |               |            |                 |                 |      |
| CAPITAL IMPROVEMENT EXPENSES: |               |            |                 |                 |      |
| CAPITAL EXPENDITURES          | .00           | 50,797.08  | 2,159,500.00    | 2,108,702.92    | 2.4  |
|                               | .00           | 50,797.08  | 2,159,500.00    | 2,108,702.92    | 2.4  |
|                               | .00           | 50,797.08  | 2,159,500.00    | 2,108,702.92    | 2.4  |
|                               | 105,910.63    | 402,259.51 | ( 1,352,370.00) | ( 1,754,629.51) | 29.7 |

CITY OF OURAY  
FUND SUMMARY  
FOR THE 8 MONTHS ENDING AUGUST 31, 2026

PARKS FUND

|                      | PERIOD ACTUAL | YTD ACTUAL   | BUDGET       | VARIANCE     | PCNT |
|----------------------|---------------|--------------|--------------|--------------|------|
| <u>REVENUE</u>       |               |              |              |              |      |
| POOL REVENUES        | 385,091.36    | 2,381,547.61 | 3,626,398.00 | 1,244,850.39 | 65.7 |
| BOX CANON REVENUES   | 123,382.23    | 517,915.94   | 741,500.00   | 223,584.06   | 69.9 |
| GYM REVENUES         | 2,850.00      | 27,230.00    | 46,000.00    | 18,770.00    | 59.2 |
| ICE PARK REVENUES    | .00           | .00          | 16,000.00    | 16,000.00    | .0   |
| VIA FERRATA REVENUES | .00           | 7,080.00     | 43,500.00    | 36,420.00    | 16.3 |
|                      | 511,323.59    | 2,933,773.55 | 4,473,398.00 | 1,539,624.45 | 65.6 |

EXPENDITURES

POOL EXPENSES:

|                       |            |              |              |              |        |
|-----------------------|------------|--------------|--------------|--------------|--------|
| SALARIES AND WAGES    | 42,039.25  | 699,979.93   | 1,224,606.61 | 524,626.68   | 57.2   |
| TAXES & BENEFITS      | 22,257.18  | 194,190.82   | 375,311.00   | 181,120.18   | 51.7   |
| OVERHEAD              | 32,629.71  | 272,735.96   | 402,859.00   | 130,123.04   | 67.7   |
| OPERATING MAINTENANCE | 39,677.86  | 242,535.77   | 391,815.00   | 149,279.23   | 61.9   |
| CAPITAL EXPENDITURES  | 5,708.62   | ( 13,728.09) | 903,322.00   | 917,050.09   | ( 1.5) |
| DEBT SERVICE          | .00        | 104,910.79   | 513,822.00   | 408,911.21   | 20.4   |
|                       | 142,312.62 | 1,500,625.18 | 3,811,735.61 | 2,311,110.43 | 39.4   |

BOX CANON EXPENSES:

|                       |           |            |            |              |       |
|-----------------------|-----------|------------|------------|--------------|-------|
| SALARIES AND WAGES    | 8,165.31  | 63,372.41  | 128,528.21 | 65,155.80    | 49.3  |
| TAXES & BENEFITS      | 2,561.53  | 20,956.61  | 38,872.76  | 17,916.15    | 53.9  |
| OVERHEAD              | 6,200.31  | 44,844.31  | 49,432.00  | 4,587.69     | 90.7  |
| OPERATING MAINTENANCE | 2,126.36  | 26,336.38  | 28,600.00  | 2,263.62     | 92.1  |
| CAPITAL EXPENDITURES  | .00       | 30,200.00  | 20,000.00  | ( 10,200.00) | 151.0 |
|                       | 19,053.51 | 185,709.71 | 265,432.97 | 79,723.26    | 70.0  |

CITY OF OURAY  
FUND SUMMARY  
FOR THE 8 MONTHS ENDING AUGUST 31, 2026

PARKS FUND

|                          | PERIOD ACTUAL | YTD ACTUAL   | BUDGET       | VARIANCE        | PCNT   |
|--------------------------|---------------|--------------|--------------|-----------------|--------|
| GYM EXPENSES:            |               |              |              |                 |        |
| SALARIES AND WAGES       | 353.28        | 7,339.72     | 17,050.18    | 9,710.46        | 43.1   |
| TAXES & BENEFITS         | 787.19        | 5,275.11     | 6,117.95     | 842.84          | 86.2   |
| OVERHEAD                 | 135.41        | 1,914.60     | 2,760.00     | 845.40          | 69.4   |
| OPERATING MAINTENANCE    | 1,034.00      | 3,668.35     | 15,600.00    | 11,931.65       | 23.5   |
| CAPITAL EXPENDITURES     | .00           | 2,002.04     | .00          | ( 2,002.04)     | .0     |
|                          | 2,309.88      | 20,199.82    | 41,528.13    | 21,328.31       | 48.6   |
| ADMINISTRATION EXPENSES: |               |              |              |                 |        |
| SALARIES AND WAGES       | ( 8,691.80)   | 118,438.08   | 239,121.64   | 120,683.56      | 49.5   |
| TAXES & BENEFITS         | 3,874.09      | 45,886.89    | 78,256.70    | 32,369.81       | 58.6   |
| OPERATING MAINTENANCE    | 477.72        | 11,590.58    | 30,000.00    | 18,409.42       | 38.6   |
|                          | ( 4,339.99)   | 175,915.55   | 347,378.34   | 171,462.79      | 50.6   |
| ICE PARK EXPENSES:       |               |              |              |                 |        |
| OVERHEAD                 | .00           | .00          | 72.00        | 72.00           | .0     |
| OPERATING MAINTENANCE    | 2,730.57      | 17,579.88    | 15,928.00    | ( 1,651.88)     | 110.4  |
|                          | 2,730.57      | 17,579.88    | 16,000.00    | ( 1,579.88)     | 109.9  |
| VIA FERRATA EXPENSES:    |               |              |              |                 |        |
| SALARIES AND WAGES       | 5,580.28      | 24,514.21    | 49,179.20    | 24,664.99       | 49.9   |
| TAXES & BENEFITS         | 699.53        | 4,135.77     | 8,437.94     | 4,302.17        | 49.0   |
| OPERATING MAINTENANCE    | 57.46         | 11,208.89    | 6,500.00     | ( 4,708.89)     | 172.4  |
|                          | 6,337.27      | 39,858.87    | 64,117.14    | 24,258.27       | 62.2   |
|                          | 168,403.86    | 1,939,889.01 | 4,546,192.19 | 2,606,303.18    | 42.7   |
|                          | 342,919.73    | 993,884.54   | ( 72,794.19) | ( 1,066,678.73) | 1365.3 |

CITY OF OURAY  
FUND SUMMARY  
FOR THE 8 MONTHS ENDING AUGUST 31, 2026

TOURISM FUND

|                       | PERIOD ACTUAL     | YTD ACTUAL        | BUDGET               | VARIANCE             | PCNT        |
|-----------------------|-------------------|-------------------|----------------------|----------------------|-------------|
| <u>REVENUE</u>        |                   |                   |                      |                      |             |
| REVENUE               | 137,056.88        | 509,127.93        | 799,903.00           | 290,775.07           | 63.7        |
| GRANTS/CONTRIBUTIONS  | .00               | 22,170.62         | .00                  | ( 22,170.62)         | .0          |
|                       | <u>137,056.88</u> | <u>531,298.55</u> | <u>799,903.00</u>    | <u>268,604.45</u>    | <u>66.4</u> |
| <u>EXPENDITURES</u>   |                   |                   |                      |                      |             |
| TOURISM EXPENSES:     |                   |                   |                      |                      |             |
| SALARIES AND WAGES    | 6,191.96          | 140,696.66        | 231,666.41           | 90,969.75            | 60.7        |
| TAXES & BENEFITS      | 3,645.48          | 37,601.41         | 59,345.65            | 21,744.24            | 63.4        |
| OVERHEAD              | 1,522.94          | 23,927.89         | 27,379.00            | 3,451.11             | 87.4        |
| OPERATING MAINTENANCE | 41,965.39         | 257,939.69        | 601,951.00           | 344,011.31           | 42.9        |
| CAPITAL EXPENDITURES  | .00               | 500.00            | 5,000.00             | 4,500.00             | 10.0        |
|                       | <u>53,325.77</u>  | <u>460,665.65</u> | <u>925,342.06</u>    | <u>464,676.41</u>    | <u>49.8</u> |
|                       | <u>53,325.77</u>  | <u>460,665.65</u> | <u>925,342.06</u>    | <u>464,676.41</u>    | <u>49.8</u> |
|                       | <u>83,731.11</u>  | <u>70,632.90</u>  | <u>( 125,439.06)</u> | <u>( 196,071.96)</u> | <u>56.3</u> |

CITY OF OURAY  
FUND SUMMARY  
FOR THE 8 MONTHS ENDING AUGUST 31, 2026

BEAUTIFICATION FUND

|                          | PERIOD ACTUAL    | YTD ACTUAL       | BUDGET              | VARIANCE            | PCNT         |
|--------------------------|------------------|------------------|---------------------|---------------------|--------------|
| <u>REVENUE</u>           |                  |                  |                     |                     |              |
| TAXES & INTEREST         | 18,103.31        | 65,928.68        | 105,058.00          | 39,129.32           | 62.8         |
| GRANTS/DONATIONS/OTHER   | 70.00            | 347.89           | .00                 | ( 347.89)           | .0           |
|                          | <u>18,173.31</u> | <u>66,276.57</u> | <u>105,058.00</u>   | <u>38,781.43</u>    | <u>63.1</u>  |
| <br><u>EXPENDITURES</u>  |                  |                  |                     |                     |              |
| BEAUTIFICATION EXPENSES: |                  |                  |                     |                     |              |
| OPERATING MAINTENANCE    | 835.14           | 18,561.99        | 105,446.30          | 86,884.31           | 17.6         |
| CAPITAL EXPENDITURES     | .00              | .00              | 15,000.00           | 15,000.00           | .0           |
|                          | <u>835.14</u>    | <u>18,561.99</u> | <u>120,446.30</u>   | <u>101,884.31</u>   | <u>15.4</u>  |
|                          | <u>835.14</u>    | <u>18,561.99</u> | <u>120,446.30</u>   | <u>101,884.31</u>   | <u>15.4</u>  |
|                          | <u>17,338.17</u> | <u>47,714.58</u> | <u>( 15,388.30)</u> | <u>( 63,102.88)</u> | <u>310.1</u> |

CITY OF OURAY  
FUND SUMMARY  
FOR THE 8 MONTHS ENDING AUGUST 31, 2026

CONSERVATION TRUST FUND

|                          | PERIOD ACTUAL | YTD ACTUAL | BUDGET    | VARIANCE | PCNT |
|--------------------------|---------------|------------|-----------|----------|------|
| <u>REVENUE</u>           |               |            |           |          |      |
| STATE REVENUE & INTEREST | .00           | 6,366.36   | 12,600.00 | 6,233.64 | 50.5 |
|                          | .00           | 6,366.36   | 12,600.00 | 6,233.64 | 50.5 |
| <u>EXPENDITURES</u>      |               |            |           |          |      |
|                          | .00           | .00        | .00       | .00      | .0   |
|                          | .00           | 6,366.36   | 12,600.00 | 6,233.64 | 50.5 |

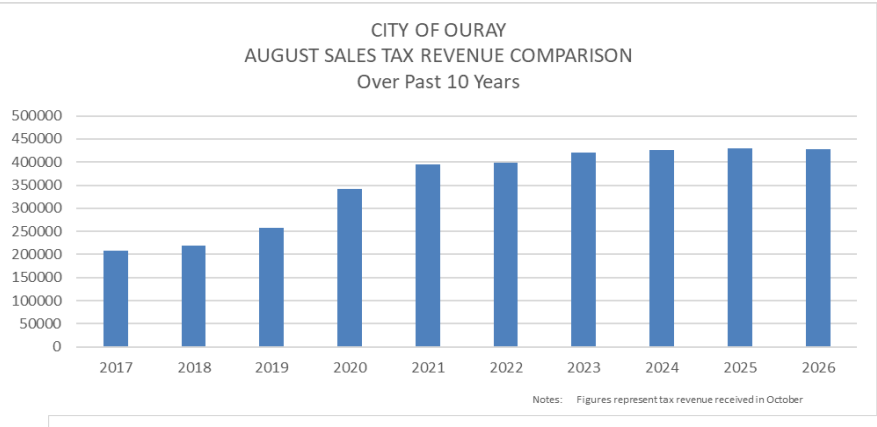
CITY OF OURAY  
FUND SUMMARY  
FOR THE 8 MONTHS ENDING AUGUST 31, 2026

FIREMEN'S PENSION FUND

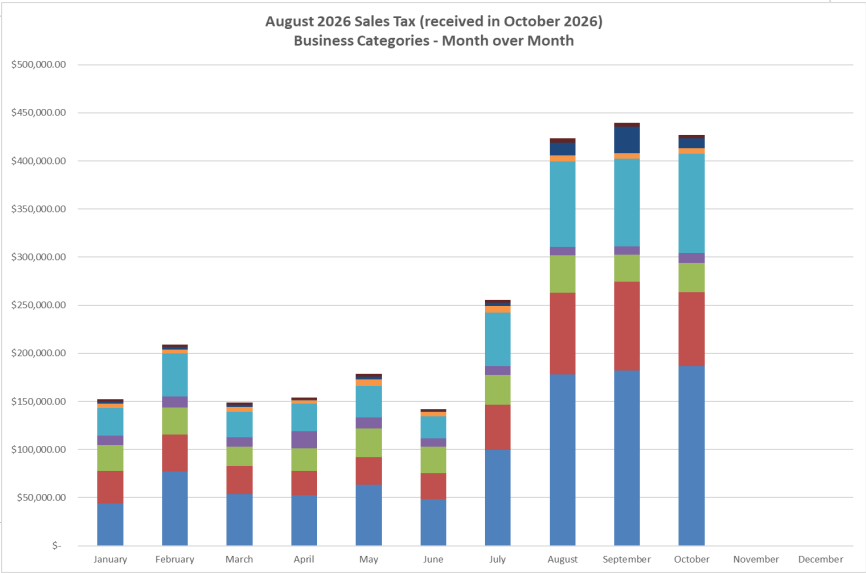
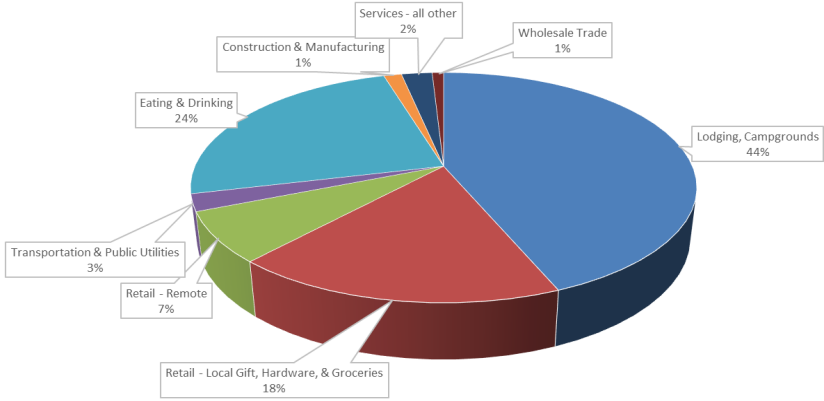
|                             | PERIOD ACTUAL | YTD ACTUAL | BUDGET     | VARIANCE  | PCNT |
|-----------------------------|---------------|------------|------------|-----------|------|
| <u>REVENUE</u>              |               |            |            |           |      |
| CONTRIBUTIONS & EARNINGS    | .00           | 81,034.82  | 122,000.00 | 40,965.18 | 66.4 |
|                             | .00           | 81,034.82  | 122,000.00 | 40,965.18 | 66.4 |
| <u>EXPENDITURES</u>         |               |            |            |           |      |
| FIREMEN'S PENSION EXPENSES: |               |            |            |           |      |
| OVERHEAD                    | .00           | 46,768.05  | 56,400.00  | 9,631.95  | 82.9 |
|                             | .00           | 46,768.05  | 56,400.00  | 9,631.95  | 82.9 |
|                             | .00           | 46,768.05  | 56,400.00  | 9,631.95  | 82.9 |
|                             | .00           | 34,266.77  | 65,600.00  | 31,333.23 | 52.2 |

**Sales Tax Dashboard**

|                      |                 | Percentage Change |
|----------------------|-----------------|-------------------|
| October 2025 Revenue | \$ 430,074.40   |                   |
| October 2026 Revenue | \$ 427,154.95   | -0.68%            |
| 2025 Revenue         | \$ 2,462,067.67 |                   |
| 2026 Revenue         | \$ 2,530,690.25 | 2.79%             |



City of Ouray  
August 2026 Sales Tax Revenues by Business Category  
(received in October 2026)



|                                | October 2026 | Year-to-Date | Budget Forecast |
|--------------------------------|--------------|--------------|-----------------|
| General Fund (75%)             | 320,366.21   | 1,898,017.69 | 2,342,191.00    |
| Capital Improvement Fund (25%) | 106,788.74   | 632,672.56   | 780,730.00      |

81.04%

### Ouray Lodging Occ. Tax Collection Summary

| ROOMS              | 2022    | 2023    | 2024    | 2025    | 2026   | 26 vs 25 |
|--------------------|---------|---------|---------|---------|--------|----------|
| January            | 7,718   | 7,799   | 7,339   | 7,199   | 4,951  | -31.23%  |
| February           | 7,776   | 5,906   | 6,696   | 6,280   | 5,357  | -14.70%  |
| March              | 6,782   | 7,341   | 6,304   | 5,575   | 5,468  | -1.92%   |
| April              | 4,172   | 3,836   | 4,255   | 4,159   | 3,852  | -7.38%   |
| May                | 10,002  | 9,580   | 8,772   | 9,838   | 9,742  | -0.98%   |
| June               | 16,180  | 17,520  | 16,633  | 16,344  | 15,230 | -6.82%   |
| July               | 16,791  | 20,105  | 20,061  | 20,176  | 17,028 | -15.60%  |
| August             | 17,825  | 19,086  | 19,073  | 18,805  | 16,392 | -12.83%  |
| September          | 18,930  | 18,960  | 18,474  | 15,410  |        |          |
| October            | 12,080  | 12,945  | 14,295  | 11,180  |        |          |
| November           | 3,196   | 3,856   | 3,902   | 3,648   |        |          |
| December           | 3,998   | 5,174   | 5,458   | 4,033   |        |          |
|                    |         |         |         |         |        |          |
| <b>Total Rooms</b> | 125,450 | 132,108 | 131,262 | 122,647 | 78,020 | -11.72%  |

| DOLLARS              | 2022          | 2023          | 2024          | 2025          | 2026          | 26 vs 25 |
|----------------------|---------------|---------------|---------------|---------------|---------------|----------|
| January              | \$ 29,038.01  | \$ 37,429.39  | \$ 35,591.95  | \$ 39,148.42  | \$ 30,257.17  | -22.71%  |
| February             | \$ 36,283.87  | \$ 30,376.67  | \$ 33,782.48  | \$ 34,290.79  | \$ 28,054.61  | -18.19%  |
| March                | \$ 30,334.49  | \$ 30,553.93  | \$ 29,592.29  | \$ 29,590.27  | \$ 28,594.92  | -3.36%   |
| April                | \$ 18,466.04  | \$ 17,063.40  | \$ 18,170.76  | \$ 19,436.94  | \$ 21,680.62  | 11.54%   |
| May                  | \$ 43,130.72  | \$ 40,051.26  | \$ 48,072.09  | \$ 57,895.95  | \$ 59,661.79  | 3.05%    |
| June                 | \$ 98,839.14  | \$ 110,643.24 | \$ 113,601.55 | \$ 116,968.10 | \$ 122,681.42 | 4.88%    |
| July                 | \$ 133,896.81 | \$ 149,839.07 | \$ 164,777.76 | \$ 177,200.21 | \$ 147,818.64 | -16.58%  |
| August               | \$ 122,777.99 | \$ 131,560.65 | \$ 143,738.30 | \$ 145,148.21 | \$ 134,656.22 | -7.23%   |
| September            | \$ 119,098.58 | \$ 129,568.22 | \$ 134,598.28 | \$ 125,783.55 |               |          |
| October              | \$ 74,824.25  | \$ 78,991.57  | \$ 87,841.82  | \$ 72,554.29  |               |          |
| November             | \$ 14,565.84  | \$ 16,442.22  | \$ 19,570.50  | \$ 18,596.98  |               |          |
| December             | \$ 23,554.00  | \$ 28,903.63  | \$ 31,293.53  | \$ 28,019.57  |               |          |
|                      |               |               |               |               |               |          |
| <b>Total Dollars</b> | \$ 744,809.74 | \$ 801,423.25 | \$ 860,631.32 | \$ 864,633.28 | \$ 573,405.39 | -7.47%   |

Data represents rooms and dollars for month in which lodging activity occurred.  
 LOT report and payment are due by 20th of following month.  
 "ROOMS" data includes exempt rooms.

Excise Tax on Short Term Rentals

| Activity Month | 2022          | 2023          | 2024          | 2025          | 2026          | % Change | YTD % Change |
|----------------|---------------|---------------|---------------|---------------|---------------|----------|--------------|
| January        | \$ -          | \$ 27,186.20  | \$ 29,841.34  | \$ 28,977.04  | \$ 28,959.06  | -0.06%   | -0.06%       |
| February       | \$ 19,919.38  | \$ 61,695.82  | \$ 35,691.59  | \$ 6,980.18   | \$ 6,336.39   | -9.22%   | -1.84%       |
| March          | \$ 35,808.47  | \$ 25,677.43  | \$ 30,620.10  | \$ 43,770.87  | \$ 47,312.07  | 8.09%    | 3.61%        |
| April          | \$ 26,323.87  | \$ 23,714.71  | \$ 20,014.04  | \$ 22,340.44  | \$ 22,157.20  | -0.82%   | 2.64%        |
| May            | \$ 9,554.95   | \$ 7,379.27   | \$ 7,883.15   | \$ 19,845.73  | \$ 10,828.74  | -45.44%  | -5.18%       |
| June           | \$ 23,137.56  | \$ 20,874.80  | \$ 26,717.31  | \$ 34,012.04  | \$ 35,343.82  | 3.92%    | -3.20%       |
| July           | \$ 65,942.47  | \$ 83,161.66  | \$ 86,662.10  | \$ 96,299.32  | \$ 115,899.23 | 20.35%   | 5.79%        |
| August         | \$ 100,852.46 | \$ 125,384.52 | \$ 143,432.39 | \$ 162,600.63 | \$ 153,501.10 | -5.60%   | 1.33%        |
| September      | \$ 88,024.59  | \$ 102,368.23 | \$ 119,132.20 | \$ 131,059.58 |               |          |              |
| October        | \$ 85,402.70  | \$ 87,887.63  | \$ 80,821.11  | \$ 110,821.76 |               |          |              |
| November       | \$ 36,225.63  | \$ 50,847.41  | \$ 50,006.27  | \$ 64,306.80  |               |          |              |
| December       | \$ 10,941.87  | \$ 49,864.60  | \$ (85.01)    | \$ 3,353.07   |               |          |              |
| Grand Total    | \$ 502,133.95 | \$ 666,042.28 | \$ 630,736.59 | \$ 724,367.46 | \$ 420,337.61 |          |              |

| Revenue by Fund               | 2022            | 2023           | 2024            | 2025            | 2026          | Cumulative      |
|-------------------------------|-----------------|----------------|-----------------|-----------------|---------------|-----------------|
| Affordable/Attainable Housing | \$ 251,066.97   | \$ 332,671.58  | \$ 307,265.95   | \$ 368,872.98   | \$ 210,168.81 | \$ 1,470,046.29 |
| Water Capital Improvements    | \$ 125,533.49   | \$ 166,685.35  | \$ 161,735.32   | \$ 177,747.23   | \$ 105,084.43 | \$ 736,785.82   |
| Sewer Capital Improvements    | \$ 125,533.49   | \$ 166,685.35  | \$ 161,735.32   | \$ 177,747.25   | \$ 105,084.43 | \$ 736,785.84   |
| Cumulative Total Raised       |                 |                |                 |                 |               | \$ 2,943,617.95 |
| Total Raised                  | \$ 251,066.97   | \$ 332,671.58  | \$ 307,265.95   | \$ 368,872.98   | \$ 210,168.81 | \$ 1,470,046.29 |
| Total Spent                   | \$ (110,000.00) | \$ (67,849.69) | \$ (144,845.32) | \$ (683,968.60) | \$ 108,254.85 | \$ (898,408.76) |
| Total Remaining               | \$ 141,066.97   | \$ 264,821.89  | \$ 162,420.63   | \$ (315,095.62) | \$ 318,423.66 | \$ 571,637.53   |

|                       |           |            |
|-----------------------|-----------|------------|
| Telluride Foundation  |           | 50,000.00  |
| Utility Offset        |           | 30,000.00  |
| Housing Administrator | 5,340.18  | 2,659.82   |
| Home Trust            | 21,900.00 |            |
| Waterview Maintenance | 510.30    | 9,539.70   |
|                       | \$        | 479,438.01 |

| Check Date | Payee                             | Amount          | Description                       |
|------------|-----------------------------------|-----------------|-----------------------------------|
| 4/20/2022  | Home Trust of Ouray County        | \$ 10,000.00    | 2022 Operating funds              |
| 1/4/2023   | Home Trust of Ouray County        | \$ 100,000.00   | 734 4th St                        |
| 2/1/2023   | Home Trust of Ouray County        | \$ 20,000.00    | 2023 Operating funds              |
| 4/26/2023  | Economic & Planning Systems Inc   | \$ 3,847.50     | Housing needs analysis            |
| 5/24/2023  | Economic & Planning Systems Inc   | \$ 3,505.00     | Housing needs analysis            |
| 6/7/2023   | Buckhorn Engineering              | \$ 3,426.25     | Cascade Park Geohazard Assessment |
| 7/5/2023   | Economic & Planning Systems Inc   | \$ 1,557.50     | Housing needs analysis            |
| 8/2/2023   | Economic & Planning Systems Inc   | \$ 7,692.50     | Housing needs analysis            |
| 9/6/2023   | Buckhorn Engineering              | \$ 6,293.75     | Cascade Park Geohazard Assessment |
| 9/27/2023  | Economic & Planning Systems Inc   | \$ 4,237.50     | Housing needs analysis            |
| 11/1/2023  | Economic & Planning Systems Inc   | \$ 1,930.00     | Housing needs analysis            |
| 11/29/2023 | Economic & Planning Systems Inc   | \$ 9,257.19     | Housing needs analysis            |
| 1/23/2024  | Economic & Planning Systems Inc   | \$ 6,102.50     | Housing needs analysis            |
| 1/23/2024  | Home Trust of Ouray County        | \$ 30,000.00    | 2024 Operating funds              |
| 4/17/2024  | Ouray County Clerk & Recorder     | \$ 382.16       | Recording fee                     |
| 8/28/2024  | Economic & Planning Systems Inc   | \$ 2,500.00     | Housing needs analysis            |
| 9/18/2024  | Home Trust of Ouray County        | \$ 100,000.00   | River Walk Rentals                |
| 12/31/2024 | City of Ouray (GF to Water/Sewer) | \$ 11,963.16    | Landlord EQR Credit reimbursement |
| 6/10/2025  | Home Trust of Ouray County        | \$ 42,655.00    | 2025 Operating Funds              |
| 9/30/2025  | Land Title Guarantee Company      | \$ 100,000.00   | Hank's Place                      |
| 10/6/2025  | Double A Home & Lawn              | \$ 2,380.00     | Waterview Maint                   |
| 10/14/2025 | Karp Neu Hanlon                   | \$ 899.00       | Ditch Litigation                  |
| 10/14/2025 | Rural Homes                       | \$ 1,000.00     | Management Conversion             |
| 10/29/2025 | Keenan's Plumbing and Heating     | \$ 509.97       | Irrigation work                   |
| 10/29/2025 | Rural Homes                       | \$ 1,000.00     | Management Conversion             |
| 10/22/2025 | San Juan Gardens                  | \$ 1,850.00     | Waterview Landscaping             |
| 11/26/2025 | Double A Home & Lawn              | \$ 300.00       | Waterview Maint                   |
| 11/30/2025 | Rural Homes                       | \$ 1,000.00     | Management Conversion             |
| 12/31/2025 | Rural Homes                       | \$ 1,000.00     | Management Conversion             |
| 12/31/2025 | Karp Neu Hanlon                   | \$ 427.50       | Ditch Litigation                  |
| 12/31/2025 | City of Ouray (GF to Water/Sewer) | \$ 315,000.00   | Waterview Tap Water/Sewer Fees    |
| 12/31/2025 | City of Ouray (GF to Water/Sewer) | \$ 13,390.13    | Landlord EQR Credit reimbursement |
| 2/18/2026  | Karp Neu Hanlon                   | \$ 100.00       | Ditch Litigation                  |
| 2/18/2026  | Karp Neu Hanlon                   | \$ 6,137.50     | Ditch Litigation                  |
| 3/2/2026   | Karp Neu Hanlon                   | \$ 1,718.00     | Ditch Litigation                  |
| 3/2/2026   | Karp Neu Hanlon                   | \$ 13,430.92    | Ditch Litigation                  |
| 4/1/2026   | Karp Neu Hanlon                   | \$ 354.50       | Ditch Litigation                  |
| 4/1/2026   | Karp Neu Hanlon                   | \$ 38,312.00    | Ditch Litigation                  |
| 4/13/2026  | Summit Capital                    | \$ 22,500.00    | Ditch Settlement                  |
| 4/22/2025  | UMB                               | \$ 33.25        | Postage for Settlement Check      |
| 5/1/2026   | Karp Neu Hanlon                   | \$ 14,245.00    | Ditch Litigation                  |
| 5/12/2026  | CIRSA                             | \$ 1,000.00     | Insurance Deductible              |
| 6/19/2026  | Unrivald Plumbing & Heating       | \$ 1,109.00     | Waterview Irrigation Repair       |
| 6/25/2026  | Home Trust of Ouray County        | \$ 21,900.00    | 2026 Operating Funds              |
| 7/31/2026  | Karp Neu Hanlon                   | \$ 885.00       | Ditch Litigation                  |
| 7/31/2026  | Karp Neu Hanlon                   | \$ 419.50       | Ditch Litigation                  |
| 8/26/2026  | Ouray County                      | \$ 5,340.18     | Housing Services Administrator    |
| 9/18/2026  | Keenan's Plumbing and Heating     | \$ 510.30       | Waterview Maintenance             |
| 9/30/2026  | EIAF - DOLA Reimbursement         | \$ (236,250.00) | Waterview Tap Water/Sewer Fees    |
|            |                                   | \$ 898,408.76   |                                   |

City of Ouray Hot Springs Pool and Fitness Center - Visitor and Revenue Trends

(Source: Point of Sale Software)

| VISITORS   | 2017    | 2018    | 2019    | 2020   | 2021    | 2022    | 2023    | 2024    | 2025    | 2026    | % change from 2025 |
|------------|---------|---------|---------|--------|---------|---------|---------|---------|---------|---------|--------------------|
| January    | 36      | 9,392   | 8,553   | 8,149  | 4,961   | 5,258   | 6,871   | 7,152   | 7,958   | 8,583   | 7.85%              |
| February   | 13      | 7,342   | 5,970   | 7,836  | 4,824   | 6,660   | 5,599   | 5,592   | 7,369   | 6,591   | -10.56%            |
| March      | 58      | 10,468  | 9,118   | 3,638  | 7,697   | 8,621   | 7,148   | 8,426   | 10,250  | 10,750  | 4.88%              |
| April      | 16      | 7,048   | 5,481   | -      | 7,104   | 5,249   | 4,693   | 6,578   | 6,626   | 7,398   | 11.65%             |
| May        | 2,984   | 13,346  | 11,397  | -      | 11,580  | 9,549   | 10,602  | 11,201  | 12,418  | 10,612  | -14.54%            |
| June       | 18,175  | 24,764  | 24,525  | 1,540  | 25,977  | 20,156  | 23,206  | 22,419  | 23,465  | 20,569  | -12.34%            |
| July       | 37,483  | 35,943  | 36,986  | 6,416  | 30,994  | 26,286  | 32,117  | 32,654  | 29,525  | 20,977  | -28.95%            |
| August     | 25,486  | 23,936  | 23,274  | 12,622 | 22,179  | 19,101  | 21,170  | 20,874  | 22,395  | 17,383  | -22.38%            |
| September  | 16,065  | 16,397  | 14,833  | 11,946 | 13,612  | 14,652  | 15,634  | 15,208  | 13,944  |         |                    |
| October    | 9,834   | 8,771   | 9,596   | 10,699 | 9,368   | 10,135  | 11,035  | 12,238  | 10,436  |         |                    |
| November   | 7,077   | 7,043   | 6,920   | 4,644  | 6,782   | 5,354   | 6,326   | 6,851   | 7,444   |         |                    |
| December   | 10,753  | 9,046   | 8,174   | 4,439  | 6,317   | 6,510   | 8,152   | 8,816   | 9,420   |         |                    |
| TOTAL YEAR | 127,980 | 173,496 | 164,827 | 71,929 | 151,395 | 137,531 | 152,553 | 158,009 | 161,250 | 102,863 |                    |

| REVENUE    | 2017           | 2018           | 2019           | 2020          | 2021           | 2022           | 2023           | 2024           | 2025           | 2026           | % change from 2025 |
|------------|----------------|----------------|----------------|---------------|----------------|----------------|----------------|----------------|----------------|----------------|--------------------|
| January    | \$ 2,189.00    | \$ 89,885.46   | \$ 95,701.53   | \$ 99,306.81  | \$ 66,989.85   | \$ 63,150.43   | \$ 96,783.56   | \$ 121,260.10  | \$ 140,810.60  | \$ 170,998.52  | 21.44%             |
| February   | \$ 724.00      | \$ 70,970.13   | \$ 65,918.59   | \$ 97,215.12  | \$ 61,086.55   | \$ 85,924.20   | \$ 112,926.04  | \$ 105,565.18  | \$ 153,097.35  | \$ 130,324.84  | -14.87%            |
| March      | \$ 1,012.00    | \$ 102,232.15  | \$ 108,526.39  | \$ 47,810.30  | \$ 106,419.45  | \$ 126,759.01  | \$ 120,467.93  | \$ 145,888.18  | \$ 190,605.89  | \$ 226,066.62  | 18.60%             |
| April      | \$ 2,234.00    | \$ 72,957.12   | \$ 62,025.47   | \$ -          | \$ 98,819.49   | \$ 152,003.71  | \$ 133,097.92  | \$ 119,178.58  | \$ 132,369.64  | \$ 171,448.12  | 29.52%             |
| May        | \$ 123,474.60  | \$ 155,881.40  | \$ 138,237.34  | \$ -          | \$ 162,720.12  | \$ 143,279.82  | \$ 208,335.74  | \$ 275,871.30  | \$ 253,207.30  | \$ 303,477.76  | 19.85%             |
| June       | \$ 166,974.02  | \$ 317,542.31  | \$ 311,093.17  | \$ 19,273.04  | \$ 352,538.72  | \$ 321,377.13  | \$ 469,321.85  | \$ 469,363.01  | \$ 534,623.93  | \$ 508,395.18  | -4.91%             |
| July       | \$ 479,802.39  | \$ 455,519.84  | \$ 474,330.32  | \$ 74,169.01  | \$ 428,489.09  | \$ 452,460.99  | \$ 646,348.28  | \$ 660,284.72  | \$ 672,522.79  | \$ 487,778.95  | -27.47%            |
| August     | \$ 326,151.96  | \$ 308,882.04  | \$ 295,953.46  | \$ 165,977.58 | \$ 312,872.14  | \$ 316,183.52  | \$ 419,353.80  | \$ 423,754.26  | \$ 506,952.42  | \$ 387,645.35  | -23.53%            |
| September  | \$ 184,807.92  | \$ 200,777.07  | \$ 188,131.33  | \$ 158,666.78 | \$ 186,412.51  | \$ 238,796.90  | \$ 283,459.93  | \$ 278,649.03  | \$ 299,291.45  | \$ -           |                    |
| October    | \$ 82,537.92   | \$ 99,235.68   | \$ 120,843.43  | \$ 145,302.53 | \$ 131,806.01  | \$ 170,555.12  | \$ 211,284.83  | \$ 223,633.93  | \$ 226,736.40  | \$ -           |                    |
| November   | \$ 62,435.74   | \$ 84,885.49   | \$ 83,976.37   | \$ 58,403.16  | \$ 88,639.21   | \$ 84,930.60   | \$ 107,867.28  | \$ 119,193.83  | \$ 153,734.11  | \$ -           |                    |
| December   | \$ 112,212.40  | \$ 111,645.98  | \$ 105,050.32  | \$ 60,304.81  | \$ 79,891.78   | \$ 94,844.99   | \$ 156,882.10  | \$ 163,777.30  | \$ 227,237.30  | \$ -           |                    |
| TOTAL YEAR | \$1,544,555.95 | \$2,070,414.67 | \$2,049,787.72 | \$ 926,429.14 | \$2,076,684.92 | \$2,250,266.42 | \$2,966,129.26 | \$3,106,419.42 | \$3,491,189.18 | \$2,386,135.34 |                    |

CITY OF OURAY BOX CAÑON FALLS VISITOR CENTER - VISITOR AND REVENUE TRENDS

VISITORS

|                | 2022   |  | 2023   |  | 2024    |  | 2025    |  | 2026   |  | Incr./Decr.<br>Visitors | 26 vs. 25<br>% |
|----------------|--------|--|--------|--|---------|--|---------|--|--------|--|-------------------------|----------------|
| MAY            | 7619   |  | 6044   |  | 8269    |  | 9408    |  | 10668  |  | 1,260                   | 13.39%         |
| JUNE           | 17165  |  | 18154  |  | 21202   |  | 21475   |  | 21084  |  | (391)                   | -1.82%         |
| JULY           | 20702  |  | 25595  |  | 27765   |  | 28270   |  | 18313  |  | (9,957)                 | -35.22%        |
| AUGUST         | 14428  |  | 16211  |  | 17802   |  | 19038   |  | 15808  |  | (3,230)                 | -16.97%        |
| SEPTEMBER      | 13207  |  | 14331  |  | 14698   |  | 14033   |  |        |  |                         |                |
| OCTOBER        | 9416   |  | 9727   |  | 11019   |  | 11180   |  |        |  |                         |                |
| TOTAL VISITORS | 82,827 |  | 90,062 |  | 100,755 |  | 103,404 |  | 65,873 |  | (12,318)                |                |

REVENUES

|           | 2022          |              | 2023          |              | 2024          |              | 2025          |              | 2026          |              | Incr./Decr.<br>\$ | 26 vs. 25<br>% |
|-----------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|-------------------|----------------|
|           | Adm.          | Conc.        | Adm.          | Conc.        | Adm.          | Conc.        | Adm.          | Conc.        | Adm.          | Conc.        |                   |                |
| MAY       | \$ 33,477.00  | \$ 4,754.40  | \$ 37,736.00  | \$ 3,803.27  | \$ 51,247.50  | \$ 5,375.13  | \$ 58,268.50  | \$ 9,271.25  | \$ 75,240.00  | \$ 9,584.13  | \$ 17,284.38      | 25.59%         |
| JUNE      | \$ 72,989.00  | \$ 8,865.86  | \$ 111,214.00 | \$ 13,288.56 | \$ 130,034.00 | \$ 12,849.07 | \$ 130,777.50 | \$ 18,230.59 | \$ 147,784.00 | \$ 17,245.40 | \$ 16,021.31      | 10.75%         |
| JULY      | \$ 87,714.00  | \$ 10,907.87 | \$ 157,280.91 | \$ 16,153.30 | \$ 169,685.00 | \$ 10,291.93 | \$ 171,495.00 | \$ 23,085.75 | \$ 128,886.00 | \$ 14,607.53 | \$ (51,087.22)    | -26.26%        |
| AUGUST    | \$ 61,701.00  | \$ 8,385.38  | \$ 100,420.32 | \$ 11,353.36 | \$ 110,588.50 | \$ 7,754.67  | \$ 116,294.00 | \$ 16,209.17 | \$ 110,946.00 | \$ 12,609.92 | \$ (8,947.25)     | -6.75%         |
| SEPTEMBER | \$ 56,163.00  | \$ 7,721.29  | \$ 89,131.98  | \$ 9,911.90  | \$ 91,123.00  | \$ 9,619.60  | \$ 84,729.00  | \$ 11,596.82 |               |              |                   |                |
| OCTOBER   | \$ 41,064.00  | \$ 5,773.08  | \$ 60,297.50  | \$ 5,516.12  | \$ 67,778.00  | \$ 8,870.30  | \$ 67,230.50  | \$ 9,013.41  |               |              |                   |                |
| TOTAL \$  | \$ 354,402.00 | \$ 46,439.77 | \$ 556,080.71 | \$ 60,026.51 | \$ 620,456.00 | \$ 54,760.70 | \$ 628,794.50 | \$ 87,406.99 | \$ 462,856.00 | \$ 54,046.98 | \$ (26,728.78)    |                |

opened May 12, 2023  
Admission rate  
increased by  
\$2.00 in 2023

CITY OF OURAY VISITOR CENTER - REVENUE TRENDS

REVENUES

|           | 2023         |             |             | 2024         |             |             | 2025         |             |             | 2026         |            |             | Incr./Decr.   | 26 vs. 25       |
|-----------|--------------|-------------|-------------|--------------|-------------|-------------|--------------|-------------|-------------|--------------|------------|-------------|---------------|-----------------|
|           | Concessions  | Non-Profit  | OHV         | Concessions  | Non-Profit  | OHV         | Concessions  | Non-Profit  | OHV         | Concessions  | Non-Profit | OHV         |               |                 |
| January   | \$ 228.95    | \$ 53.00    | \$ -        | \$ 284.11    | \$ 25.00    | \$ -        | \$ 149.25    | \$ 95.00    | \$ -        | \$ 119.50    | \$ 110.00  | \$ -        | \$ (14.75)    | -6%             |
| February  | \$ 150.89    | \$ 85.95    | \$ -        | \$ 438.62    | \$ 36.00    | \$ -        | \$ 519.70    | \$ 140.00   | \$ -        | \$ 124.00    | \$ -       | \$ -        | \$ (535.70)   | -81%            |
| March     | \$ 395.38    | \$ 4.00     | \$ -        | \$ 773.27    | \$ 111.00   | \$ -        | \$ 764.72    | \$ 95.00    | \$ -        | \$ 1,351.42  | \$ 35.00   | \$ 26.25    | \$ 552.95     | 64%             |
| April     | \$ 403.25    | \$ 2.00     | \$ 50.50    | \$ 713.73    | \$ 25.00    | \$ -        | \$ -         | \$ -        | \$ -        | \$ 1,556.30  | \$ 190.00  | \$ 236.25   | \$ 1,982.55   | Closed APR 2025 |
| May       | \$ 1,098.28  | \$ 611.60   | \$ 126.25   | \$ 2,281.10  | \$ 88.00    | \$ 126.25   | \$ 1,362.42  | \$ 150.00   | \$ 75.75    | \$ 3,637.11  | \$ 385.00  | \$ 183.75   | \$ 2,617.69   | 165%            |
| June      | \$ 1,627.77  | \$ 690.75   | \$ 202.00   | \$ 3,035.75  | \$ 498.00   | \$ 325.25   | \$ 3,100.22  | \$ 120.00   | \$ 505.00   | \$ 4,556.11  | \$1,025.00 | \$ 1,076.25 | \$ 2,932.14   | 79%             |
| July      | \$ 2,517.75  | \$ 664.60   | \$ 782.75   | \$ 3,369.09  | \$ 277.00   | \$ 252.50   | \$ 5,390.44  | \$ 175.00   | \$ 1,338.25 | \$ 3,495.93  | \$ 560.00  | \$ 1,128.75 | \$ (1,719.01) | -25%            |
| August    | \$ 2,669.69  | \$ 648.85   | \$ 378.75   | \$ 2,360.70  | \$ 387.00   | \$ 378.75   | \$ 4,788.44  | \$ 320.00   | \$ 1,161.50 | \$ 3,562.23  | \$ 136.20  | \$ 787.50   | \$ (1,784.01) | -28%            |
| September | \$ 2,834.91  | \$ 698.00   | \$ 75.75    | \$ 3,482.57  | \$ 360.00   | \$ 277.75   | \$ 5,710.05  | \$ 340.00   | \$ 1,085.75 |              |            |             |               |                 |
| October   | \$ 1,096.11  | \$ 253.00   | \$ 227.25   | \$ 1,636.08  | \$ 225.00   | \$ 50.50    | \$ 2,867.51  | \$ 230.00   | \$ 75.75    |              |            |             |               |                 |
| November  | \$ 354.94    | \$ 40.00    | \$ -        | \$ 160.37    | \$ 60.00    |             | \$ 601.55    | \$ 65.00    | \$ 50.50    |              |            |             |               |                 |
| December  | \$ 233.25    | \$ -        | \$ -        | \$ 477.79    | \$ -        |             | \$ 176.97    | \$ 20.07    | \$ -        |              |            |             |               |                 |
| TOTAL \$  | \$ 13,611.17 | \$ 3,751.75 | \$ 1,843.25 | \$ 19,013.18 | \$ 2,092.00 | \$ 1,411.00 | \$ 25,431.27 | \$ 1,750.07 | \$ 4,292.50 | \$ 18,402.60 | \$2,441.20 | \$ 3,438.75 | \$ 4,031.86   |                 |
|           | \$ 19,206.17 |             |             | \$ 22,516.18 |             |             | \$ 31,473.84 |             |             | \$ 24,282.55 |            |             |               |                 |

percent of sales earning profit

71%

84%

81%

76%



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## Community Development Department Update

### October 19, 2026

### Regular Council Meeting

Mayor and City Council Members:

The Community Development Department finds itself in a good place after a successful transition at the Director position and the onboarding of the new Community Resource Officer position.

- The Director continues to work with City Administrator Metteer, City Attorney Sawyer, Assistant Attorney Powell, and Community Resource Officer Gillman to address ongoing and outstanding land use applications, zoning inquiries, and policy issues affecting the City of Ouray Municipal Code.
- Proposed amendments to the Ouray Municipal Code, along with policy evaluation projects that the Community Development Department has been working on in collaboration with the City Administrator, City Attorney, Planning Commission, and staff include:

- Natural Medicine Restrictions:

The Department, working with Harper Powell, introduced new code language to the Planning Commission at their regular meeting in October for discussion and direction. The proposed regulatory language will restrict and regulate the time, place, and manner of Natural Medicines in the City. In 2022, Colorado voters approved Proposition 122: “Access to Natural Psychedelic Substances” (the “Natural Medicine Health Act” or the “Act”), which legalizes the supervised use of psychedelic mushrooms at licensed facilities by individuals 21 years and older. The Act authorizes the State to promulgate rules and regulations for the operation of licensed natural medicine businesses. Importantly, local governments may not prohibit licensed natural medicine facilities but may regulate the time, place, and manner of operation of such facilities. The Department will present an ordinance to the Planning Commission at their regular meeting in November for formal recommendation on proposed Natural Medicine restrictions and regulations.

- Section 7-4 Definitions, OMC:

The Department, working with City staff, are developing new definitions to add clarity to existing Ouray Municipal Code language related to Short Term Rental (STR) policies and Commercial Lodging. Specifically, staff will present a draft ordinance to the Planning Commission at their regular meeting in November for an amendment to Section 7-4 – *Definitions*, OMC, to define “Bed and Breakfast” as well as “Principal Use.” Both definitions are intended to clarify the intent of STR regulations and licensing procedures, while making interpretation and enforcement of the City’s regulations more effective.

- 2027 Fee Schedule:

The Department has worked with the City Administrator to evaluate the Community Development Department Fee Schedule for consideration during the FY 2027 Budget hearing process. Minor revisions to the City’s policies related to base fees vs. additional hourly charges for more complex or larger land use application types will be proposed to ensure the City is providing fair base fees for basic Community Development Department services, while addressing the less frequent instances when larger projects demand more staff resources and outside consultant charges.

Additionally, the Department is recommending the addition of new application types and fees for the newly adopted Wildfire Resiliency Code administration and enforcement, along with Annexations and Disconnections (currently not listed in the fee schedule).

- Current (active) land use applications and pre-application level proposals the Department is processing or discussing with applicants include:
  - Ouray Vista Parcel C - Sketch Plan for Subdivision Application: Proposed subdivision of Parcel C into eight (8) single family lots (application determined to be “complete” and staff is commencing review of the application internally, with referral to outside agencies)
  - Wiesbaden: Conversion of existing manager’s unit to lodging units with additional onsite parking (no formal application to date; pre-application meeting held and letter of interpretation related to zoning and parking requirements has been issued to the property owner). This project will likely require a Site Development Permit and building permit.
  - Riverview Affordable Rental PUD: Site Development Review Permit and Building Permit Issuance: The Department has issued a Site Development Review Permit with conditions, and the Building Division has issued a building permit for the project. The Applicant, builder, project architect and project engineer continue to meet with City staff and consultants to address outstanding conditions from Preliminary PUD approval as well as technical aspects of civil engineering plans identified by Buckhorn Engineering on behalf of the City. The project is slated to begin light site work (installation of site fencing and erosion control measures) in November, with full project starting in December 2026.
  - Gold Mountain RV Park Conditional Use Permit: The City received an application for a Conditional Use Permit in July 2026 for a new RV Park at 2217 Main Street. As a result of the transition from the previous Director and other Department staff since the initial application date, a pre-application style meeting was held with the Applicants in early October to review the application and intent of the RV Park, layout, and the requirements of the Ouray Municipal Code. The Applicant is working to update certain application materials and staff anticipate starting full review of the application through the last part of October.
- The Community Development Department continues to focus on the timely and transparent administration of daily functions of the office, including:
  - Providing timely responses to general planning inquiries such as zoning, businesses, and housing and providing meeting availability to property owners, developers, and business owners.
  - Scheduling remote and on-site building inspections with building inspection consultants.
  - Hosting pre-application meetings with applicants and conducting development permit reviews of multiple land use applications.

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Please let me or Joe Gillman know if you have any questions or desire follow-up on any of the above Department activities.

With Gratitude,

CC: Michelle Metteer

A handwritten signature in blue ink, appearing to read 'SDH', is positioned below the 'With Gratitude,' text.

Scot D. Hunn  
Consulting Community Development Director

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K Schiffer council report for October 19, 2026

On October 7, I attended the Strategic Placemaking Plan Workshop from 9am-12pm, held at the Wright Opera house. We discussed promoting Ouray as a destination in different ways including during the shoulder season and outside of the traditional recreation markets with about 20 community business and non-profit leaders.

Also on October 7, I attended the quarterly meeting of the IPAT (Ice Park Advisory Team). The new executive director Tres Barbatelli outlined the work he is doing to get the park ready for the upcoming season. Community Outreach and increasing funding contributions were also discussed. The next IPAT meeting will be held on Jan 6, 2027 in the San Juan Room of the community center.

On October 13, I attended the Ouray Planning Commission's monthly meeting. Restrictions on businesses involved with the use of psilocybin as a therapy were discussed with an ordinance to be approved at the November meeting. The next Planning Commission meeting will be held on Nov 10, 2026 at 4 pm in the San Juan room of the community center.

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Peggy Lindsey Scott's council report for October 19, 2026

Beautification committee met on October 7th. The entire committee was present except for Francie Tisdell. This meeting focused on the Christmas decorations: their placement and duration. The committee also discussed the yard of the month program and participation. It was a successful season of beautiful yards.

The committee will meet again next month on November 4th at 8 am in the San Juan room at City Hall.

I'd like to express my gratitude to the 150th Committee. John Wood was the liaison and spearheaded this committee. It started three years ago with many ideas and a few citizens who had a vision. Together they pulled off several successful events. John did a great job but we also need to recognize the rest of the committee: Kat Papenbrock, Lou Hart, Cindy Lacy, Paige Sackmann, Ashely Fellin and Bruce Ward. You all did a great job and fun was had by all.





#### Jenny's Council Report for 10/5/26-10/19/26

10/6 Backcountry committee meeting. We discussed the need to contribute to fundraising to fund the Alpine Ranger program.

10/9 Met with Jake Niece and Barthold Lichtenbelt about Waterview Phase 2. Mr Major wants updated housing data. Ridgway has a new report, and the county is in the process of finalizing a housing study. Infrastructure must come first for phase 2, which will cost between 1.5 and 2 million. Jake and I asked Barthold, who is a member of Rural Homes, to convey that we would like to see progress toward phase 2.

10/12 Main Street Committee. Review of the summer homework on each block on main street. We are meeting with DOLA on Oct 29 to revise our strategic plan. Prior to the meeting, I met with businesses on Main Street to deliver information about Yiftee gift cards as well as business opportunities available through the Main Street Committee.

10/12 Met with Eva Henson, the housing services director, regarding the need for a standard deed restriction template. She is working on laying the groundwork for this project. She would like to have a work session with the Council in early December.

