

2026 Proposed Budget Narrative

Prepared by CLFPD Treasurer Tom DeMint

To: Crystal Lakes Fire Protection District Board of Directors

Attached is the spreadsheet representing the Treasurer's proposed budget for 2026. This memo includes explanations of the budget being proposed.

This budget reflects little change in the *Operations and Maintenance* expenditures as compared to 2025. At this time, the Board does not anticipate any major strategic directional changes that would require additional or refocused funds in the O&M budget. Very little, in the O&M budget could be considered discretionary. Some adjustments have been made to accommodate past experience. The Board's philosophy remains to maintain a healthy but conservative O&M budget. This approach ensures that the capital reserve funds can continue to be bolstered for future capital and infrastructure investments. This budget represents that philosophy.

Revenues

At the end of 2024 the Board was able to settle the debt for the construction of the CLVFD fire station. Additionally, during the 2024 general election voters approved the issue to change the base mill rate for the CLFPD to 8 mills. This reduced the overall mill levy on the district by one mill. However, four mills were previously being assessed to pay the debt on the fire station. When the debt was paid, \$111,208.41 remained in the CLFPD account that had been collected for the bond debt. The Board had committed to taxpayers that this would be refunded in the 2026 tax cycle. Therefore, revenues for 2026 will reflect the refund of \$111,208.41 that was collected by the previous 9 mill rate.

The refund to taxpayers will be accomplished by reducing the mill levy rate for 2026, with the exact rate to be determined by the District's accountant. Then in 2027 the mill rate will return to the full eight mills as approved by voters.

The \$111,208.41 has been held in an account at FNBO unavailable for expenditure. In the 2026 budget these funds will be utilized in the general fund. This will maintain balance in the budgeted revenue for 2026.

At the time of this proposed budget, the Treasurer does not have an estimate of the property tax or the specific ownership tax for the 2026 budget. Our accounting firm (Pinnacle) will advise when this is available during this budget process/cycle. The budget has been prepared by using the revenues received in 2025.

Adjustments have been made to the *Interest and Other Income* line as more funds have been added to the Colo Trust account that will earn additional income. Additionally, the *Donations* line has been significantly reduced to reflect a more realistic historical reflection of revenue from donations. At this time, I am proposing the elimination of the *Fund Raising* line as this is confusing juxtaposed to the *Donations* line. Finally, the *Revenues* will reflect the transfer of the \$111,208.41 from the previous bond account.

Expenditures

The attached spreadsheet remains fairly consistent with last year's budget, with a few adjustments to some of the lines.

The separate lines for *Department Personnel* is proposed at the same level as 2025. Although the Fire Chief has been extremely successful in recruiting new firefighters, the budget remains appropriate to accommodate this growth.

As with *Revenue*, *Expenditures* is being adjusted slightly by the elimination of a *Fund Raising* line in the budget. Although only \$250 is allocated to this line in the 2025 budget, the District does experience any fund raising expenses.

Election Costs are not budgeted in 2026 as there are no planned elections.

Board Expenses are increased to accommodate the expense of attending the annual Special Districts Association of Colorado (SDACO) annual conference as well as the regional workshops held by SDACO.

Worker's compensation is reduced at the time of the proposal as the Department did not experience any claims to this point in the year. This will be adjusted for the final budget.

Contracted services – Accounting and Additional Services currently provided by Pinnacle have been adjusted to reflect the final agreement that was reached contractually during the first quarter of 2025.

Promotional Expenses in the *Community Outreach* line is reduced by \$1000, to this point in the year the District has not experienced any costs in this line. It is maintained with \$500 to hold the place in the event expenses are incurred in 2026 in the Department's efforts to stay in contact with the community.

Building Maintenance and Repairs remains unchanged by our ongoing experience with the exception of the *Generator* as the expense of its maintenance has increased slightly.

Office supplies have been adjusted slightly to account for experience as well as the possibility of technology replacement.

The budget reflects a slight increase for *Constant Contact* as the expense of reaching out has increased slightly.

We are showing an increase of \$500 to an annual rate of \$6000 for EMS management provided to the Department by Red Feather Lakes.

The *Training* budget is decreased slightly to reflect past experience. Funds still appear substantial to meet the training goals of the department.

The *Utilities* budget is adjusted downward as well to reflect our actual experience.

Capital Expenditures

In 2025, the Department purchased a UTV equipped with a skid mounted pump and tank as well as snow tracks for winter use. A budget allocation of \$15,000 for a drone and \$100,000 allocation for a command vehicle have not been expended at this time. The Fire Chief is completing the purchase of a command vehicle in the 2025 capital budget, which will account for the \$100,000. According to the Chief, it is unlikely that the drone will be purchased in 2025. This proposed budget does not include any expenditures for major capital. However, as the budget process continues and the Board has a chance to discuss the budget with the Fire Chief and capital reserves are better defined there is opportunity to use portions of those reserves for capital purchases in 2026. Please see the "Capital Reserves" paragraph below.

Other Considerations

Other considerations need to include funding for the cancer/heart/behavioral trust offered through the state. Many of these costs can be reimbursed, however, the District needs to provide the funding up front. Additionally, consideration should be given for helicopter transport for our members regardless of job-related need or not.

Capital Reserves

At the time of this proposal the budget reflects a capital reserve contribution of \$97,186 for the year 2026. This will be in addition to the capital reserve account balance currently \$487,868. I would recommend that the underspend from the 2025 budget be designated as *Capital Reserve* it was last year into the *Capital Reserve* fund as well. These amounts will become more available as we near the final budget approval in December.

Operational Reserves

Currently the balance of *Operational Reserves* totals \$40,385. \$33,585 of this is held in Colo Trust with the balance in a slightly more liquid position in FNBO. In last year's budget discussion the Board expressed a desire to make contributions year-over-year to a goal of \$50,000 balance in these reserves. There is not a proposal in this 2026 *Proposed Budget* to add any funds in this budget cycle to the *Operational Reserve* in order to maintain a focus on the *Capital Reserve* focus.

Respectfully Submitted,

Tom DeMint, CLFPD Treasurer